

September 2008 Quarterly Report

Shaw River Resources Ltd

ABN 85 121 511 886

ASX Code: SRR

708 Murray Street
West Perth
Western Australia 6005

PO Box 1259
West Perth WA 6872

Phone +61 8 9226 4455

Fax +61 8 9226 4255

www.shawriver.com.au

Contacts

Mr Vincent Algar
Managing Director

vincenta@shawriver.com.au

Projects

HEDAND
East Pilbara
gold, zinc-silver

MT MINNIE
Ashburton
gold, uranium,
zinc-lead-copper-silver

FARREL WELL
East Pilbara
gold, nickel, zinc-lead-
copper-silver

ABYDOS
Central Pilbara
gold, tin, tantalum, nickel,
copper-zinc

PARDOO/GOLDSWORTHY
East Pilbara
gold, zinc-copper, nickel

PEARANA
Far East Pilbara
copper, gold



Highlights for the September 2008 Quarter

Baramine Project – Manganese and Iron (70% Shaw River)

- Over 100 manganese occurrences identified over 30km² area, 80km northwest of the Woodie Woodie manganese mine.
- Detailed geological mapping at 1:5,000 scale completed over the project.
- Preliminary rock chip sampling returned manganese assays up to **58.51% Mn**.
- Reconnaissance rock chip traverse sampling conducted, results expected in November.

Mt Minnie Project – Manganese, Copper-gold, base metals (100% Shaw River)

- Sampling and mapping over dolomite target area completed, rock chip assays returned up to **41.1% Mn**.
- Anomalism is confined to manganese and iron rich breccia horizon over a 4km strike length.

701 Mile Project – Manganese, Iron (70% Shaw River)

- Historical exploration identified manganese enriched shale horizons over 3km strike.
- Similar formation and style to the Balfour Downs manganese project.
- Mapping and rock chip sampling to be completed in late October 2008, results expected in December 2008.

Abydos Project – Copper, gold, base metals and nickel (100% Shaw River)

- Geological mapping over geochemical anomalies highlighted a sequence of rocks which exhibit classic VMS type geochemical signatures over a 7km strike length, with soil anomalies and ore grade rock chip samples generated throughout this zone.
- Significant rock chip results included up to **1.44% Zn, 49.8g/t Ag, 16.8% Cu and 2.1g/t Au** in an extensive new copper-gold-base metal trend up to 21km in length.

Hedland Project – Gold (100% Shaw River)

- Completed RC and RAB follow up drilling program of gold in soil anomalies in August 2008
- Drilling included 1,059 m of RC (13 holes) and 7,756m (444 holes) of RAB drilling over a 9km strike length.
- Drilling on the Mallina Shear Zone intersected a 300 metre wide zone of highly anomalous gold in 40 adjacent drillholes, 20 of which returned end of hole values >0.1 g/t Au.

Corporate

- Acquisition of a 70% interest in five tenements prospective for manganese and iron ore, including the Baramine manganese project, 80km north of the world class Woodie Woodie manganese mine.
- Acquisition of an 85% interest in 8 tenements adjacent to Shaw River's Mt Minnie project in the Ashburton region. The tenements are considered prospective for manganese, iron and base metals such as Tungsten and Copper and include 25km of southern strike extension of a known manganese target horizon.
- Completion of a capital raising of \$3.1 million pursuant to a placement and a share purchase plan.
- The Company's cash position at 31 October 2008 is \$3.25 million.

Plans for the December Quarter 2008

- Detailed geological assessment of manganese potential at Baramine to be conducted by expert consultant.
- Analysis of sampling results from Baramine and 701 Mile for drill target generation.
- Completion of gravity surveys over Mt Minnie for manganese drill target generation.
- Drill program planning for manganese targets at Baramine, Mt Minnie and 701 Mile.

PROJECTS

BARAMINE (70% Shaw River – Manganese and Iron)

“Baramine is an excellent geological location, with over 100 identified surface indications of manganese including rock chips of up to 58.1% Mn in an underexplored section of a region hosting one of the worlds best manganese deposits at Woodie Woodie”

The Baramine project consists of three tenements located 80km northwest of the Woodie Woodie Manganese mine which has a current mining reserve of 15 million tonnes of Manganese ore grading 41% Mn. The tenements are located 250 km east of the town of Port Hedland.

Geology

The Baramine tenements are located on the northern end of the East Pilbara Manganese Province which is host to range of manganiferous sediments and manganese deposits, such as the Woodie Woodie manganese mine. Manganese at Woodie Woodie is associated with the Carawine Dolomite and Pinjian Chert formations both of which occur on the Baramine tenements. The Baramine Project area covers an identical geological sequence to Woodie Woodie in the core of an open north-south trending syncline.

The Carrawine Dolomite sits, with apparent conformity, on sediments and andesitic volcano-sediments assigned to the Jeerinah Formation. The dolomite and chert form a range of locally rugged hills that protrude about 75 metres above the underlying Jeerinah Formation sediments. The Baramine prospect contains occurrences of manganese hosted principally by the basal portions of the Carrawine Dolomite and/or its silicified equivalent – the Pinjian Chert.

The deposits are of various styles, however generally they share a few common characteristics:

- They often occur in the dolomite / chert near the basal contact with Jeerinah siltstone or where they are faulted against the siltstone
- They often occur in or near the margins of the Pinjian Chert
- They are often associated with fracturing of the chert

Activity

Reconnaissance rock chip sampling over a 13km trend of the Carawine Dolomite contact in July 2008 identified over 10 separate locations with ore grade manganese in outcrop. Samples taken returned assay values up to **58.1% Mn**, with 34% of the samples taken returning over 30% Mn. The average of the samples over 30% Mn had ore grade characteristics with 40.99% Mn, 13.8% Fe, 10.2% SiO₂, and 0.04% P.

Follow-up reconnaissance mapping and sampling was undertaken over the Baramine area later in the quarter that confirmed the significant manganese potential of the region:

- Over 100 locations showing surface manganese enrichment have been identified within the project boundaries
- A number of reconnaissance rock chip traverses over potentially high grade manganese outcrops have been completed, with results expected from the laboratory in November 2008.
- The project area has been geologically mapped at 1:5,000 scale providing a detailed geological framework of the project area and enabling effective base for future sampling of the manganese enrichment.

Plans for the December 2008 Quarter

- A mapping visit to the project will be undertaken by an expert manganese geologist to assess the manganese potential at Baramine in detail on an occurrence by occurrence basis.
- Assays results from reconnaissance rock chip traverses will be processed.
- Planning for a detailed gravity survey to be conducted in 2009 will be finalised.
- Drill planning will be undertaken for a 2009 RC drilling program.

MT MINNIE PROJECT (100% Shaw River – Manganese, Gold, Copper and Base Metals)

“The identification of a complex manganese iron rich breccia horizon over a strike length of 20km, within a sequence of folded dolomites, offers an exciting new manganese target for the company. The acquisition of an additional 25km of strike to the south further upgrades the potential for a significant manganese discovery at Mt Minnie even further.”

Shaw River's Mt Minnie Project is located 200km south-west of Karratha in the Ashburton region of Western Australia. The 1,800km² project is located on ten granted tenements that lie adjacent to the western edge of the Pilbara Craton, a geological location that is very favourable for the formation of large mineral deposits.

Following detailed geological mapping of the south west of the project area in previous last quarter, further mapping and sampling identified an area of potential manganese mineralisation located in favourable dolomite rock sequences. Economic deposits of manganese around the world and in Australia are closely associated with dolomite sequences. In the western Ashburton region, sizeable occurrences of manganese in a very similar setting to Mt Minnie are known in the Cane Well area, 60km to the north east.

Activity during the September 2008 quarter included:

- Detailed geological mapping and further sampling was completed over two large areas prospective for manganese (Mn) oxide mineralisation.
- In the south-east of the tenement block, a syncline of preserved shallow-dipping Edmund Group Proterozoic dolomite and calc-arenite sediments was found with extensive outcrops of manganese oxides. Various styles of manganese and ferro-manganese mineralisation are apparent. The area of potential is 3km wide by 10km long.
- Sampling results returned assays of manganese up to **41.1%** in samples over a 4km corridor. Details of the significant samples returned are shown in Table 1.
- Shaw River concluded an acquisition of an 85% interest in a group of 8 tenements to the south of the dolomite sequence from Contact Uranium Ltd. This extends Shaw's ground position by a further 370 km² at Mt Minnie, adding an additional 25km of the target manganese-iron horizon to its exploration targets.

Plans for the December 2008 Quarter

- Completion of a close spaced gravity survey over the dolomite units. Gravity is recognised as primary tool in the identification of near surface, dense bodies of manganese, and has been highly effective, along with detailed geological mapping, in locating economic bodies of manganese at projects like Woodie Woodie.
- Evaluation of the new Contact Uranium ground to the south of Shaw's existing manganese targets will be undertaken. This will include detailed mapping, aerial photo interpretation and rock chip sampling.

Sample ID	Type	North (m)	East (m)	Mn %	Fe %	SiO ² %
SR23468	Rock Chips	7,533,547	361,950	41.11	9.58	6.62
SR23467	Rock Chips	7,533,603	361,994	36.76	16.04	7.94
SR37211	Rock Chips	7,528,033	379,018	17.02	38.45	3.17
SR37763	Rock Chips	7,531,027	362,352	27.24	29.94	5.22
SR37764	Rock Chips	7,531,293	362,151	41.56	4.86	18.65
SR37779	Rock Chips	7,534,800	362,320	28.4	6.76	19.27
SR37780	Rock Chips	7,534,580	362,200	41.33	1.4	25.12

Table 1 Samples determined by X-Ray Fluorescence Spectrometry. Cutoff used: 15 % Mn. Rock Chips taken as 3kg samples over 5m² area. Conversion ratio from MnO% to Mn% used is 0.774.

701 MILE PROJECT (70% Shaw River – Manganese, Iron)

“The East Pilbara’s manganese rich shale horizons such as those at 701 Mile, Balfour Downs and Ant Hill demonstrate significant potential to host world class Manganese deposits. The 701 Mile Project hosts large areas of shallow dipping manganese rich shales, which show definite signs of enrichment to economic levels.”

The 701 Mile tenements are located 80km south of the Iron Ore town of Newman (see Figure1). The tenements are located in the Proterozoic rock sequences which contain known mineral occurrences of manganese and iron.

Regional geological mapping indicates the potential for manganese deposits similar to those at Balfour Downs and, Jigalong, where outcropping rocks of the Balfour formation have reported economic manganese grades.

Shaw River regards this area as highly prospective for manganese given the similar geology and results to date on surrounding tenements.

Historical exploration in 1976 by Dampier Mining identified surface enrichment of manganese in shales of the Manganese Group over a strike length of 3km. The shales dip on average 5-10 deg to the west and disappear below alluvium to the west and south. Banded Iron formation was associated with the same horizon along strike. No surface sampling was ever undertaken for manganese on the project.

Plans for the December 2008 Quarter

Shaw River’s exploration team will conduct mapping and rock chip sampling over the outcrop areas at 701 Mile in late October 2008. Results of this work are expected in December, which will be interpreted with a view to finalising a drilling program to be conducted in 2009.

ABYDOS PROJECT (100% Shaw River – Gold, Copper, Base Metals and Nickel)

“Shaw River’s team has advanced the Abydos Project considerably in the space of one field season. We have collected over 3,000 soil samples and 590 rock samples in 2008, and when these results were combined with our geological mapping, an excellent VMS and high grade Cu-Au target has been generated”

During the last two quarters Shaw River Resources completed an intensive program of remote sensing interpretation, geological mapping, soil and rock chip sampling along the western margin of the Strelley Granite at the Abydos Project.

Recent compilation of results has highlighted a sequence of volcano-sedimentary rocks over a 7km strike length which exhibit classic VMS geochemical associations (Cu-Pb-Zn-Ag-As-Mo), and indicated significant potential for Sulphur Springs type mineralisation within a sequence of interbedded siltstones, cherts, gabbros, dolerites and basalts.

In addition to this, a zone of high grade structurally controlled Cu – Au mineralisation has been highlighted over a 300m strike length 1.2km to the north of the VMS Prospect and will also be followed up on in the next quarter.

Significant rock chip results include:

- 1.44% Zn, 1.6% Cu, 12g/t Ag and 0.17g/t Au (VMS target)
- 1.2% Zn, 4.47% Cu and 12.9g/t Ag (VMS target)
- 14.8% Cu, 49.8g/t Ag and 0.2g/t Au (Cu-Au target)
- 16.8% Cu, 32.8g/t Ag and 2.1g/t Au (Cu-Au target)
- 1.3g/t Au, 3.32% Cu (Cu – Au target)

The next stage of exploration for this area requires use of a ground based EM (electromagnetic) survey to test for sulphide lenses (conductors) within 300m of the surface at all prospects.

Given Shaw Rivers' current focus on Manganese exploration at its Baramine, 701 Mile and Mt Minnie projects, limited work will be conducted at the project over the coming quarter. The results to date however indicate excellent potential for base metal discovery.

Plans for the December 2008 Quarter

- Completion of the compilation and assessment of the base metal targets at Abydos, including finalisation of geophysical survey areas and drill targets.

HEDLAND PROJECT (100% Shaw River – Gold)

“Geological logging of the bottom-of-hole bedrock samples indicates gold mineralization is associated with strong silicification and quartz veining within granites and greenstone units, and is considered as highly encouraging for further exploration”

During July and August 2008, Shaw River completed 1,059 m of RC (13 holes) and 7,756m (444 holes) of RAB drilling over a 9km strike length of the at its Hedland Project, where it tested a series of gold and base metal soil MMI anomalies on the Tabba Tabba Greenstone belt as well as anomalies close to and on the projected Tabba Tabba and Mallina Shear Zone intersection position at its Hedland Gold Project, 50km East of Port Hedland.

Drill testing of a gold in soil anomaly on the Mallina Shear Zone intersected a 300 metre wide zone of highly anomalous gold in 40 adjacent drillholes, 20 of which returned end of hole values >0.1 g/t Au.

Follow up sampling has identified that the intense gold anomalism occurs in bedrock in the last few metres of the shallow drillholes. Deeper drilling will more fully test these highly anomalous gold zones at depth.

While Shaw River considers the gold potential of Hedland as high, the company is currently focusing its efforts on Manganese exploration at its Baramine, 701 Mile and Mt Minnie projects. As such limited work will be conducted on the gold project over the coming quarter.

CORPORATE

- On 7 August Shaw River announced the signing of a letter of agreement with Pandell Pty Ltd to acquire a 70% interest in the manganese and iron rights to Pandell's Baramine and 701 Mile tenements and tenement applications.
- On 6 October 2008, Shaw River announced the acquisition of an 85% interest in all the mineral rights in eight Ashburton tenements located adjacent to Shaw River's 1800km² Mt Minnie Project from Contact Uranium Limited "Contact". The tenements are considered prospective for manganese, copper, tungsten, gold, uranium and iron ore.
- On 8 September Shaw River announced a capital raising pursuant to a placement to sophisticated investors and existing shareholders as well as a Share Purchase Plan ("SPP"). Shares were offered at an issue price of 6 cents per share. On 15 October, 2008, Shaw River announced the successful completion of the capital raising, having raised \$3,066,000 pursuant to a Placement and SPP. In summary;
 - \$2,754,000 was raised pursuant to a placement and approved by shareholders on the 10th October 2008.
 - \$312,000 was raised pursuant to a SPP sent to shareholders on 15 September 2008.

- Shaw River's major shareholder, Atlas Iron Limited continued to demonstrate its support for Shaw River's exploration effort subscribing to \$1.35 million to maintain its 43.74% interest in the company.
- Hartleys Limited was the Broker to the Offer.
- The cash position at the end of October 2008 is \$3.25 million.

SHAREHOLDER INFORMATION

As at 30 September 2008 Shaw River Resources had 139,463,877 of shares on issue. The top 20 shareholders hold 63.31% of the issued capital of Shaw River Resource Limited.



Vincent Algar

Managing Director

31 October 2008

This information can be downloaded from www.shawriver.com.au

The information in this report to which this statement is attached that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Vincent Algar who is a Member of the Australasian Institute of Mining and Metallurgy. Vincent Algar is a full-time employees of the Company. Vincent Algar has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Vincent Algar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

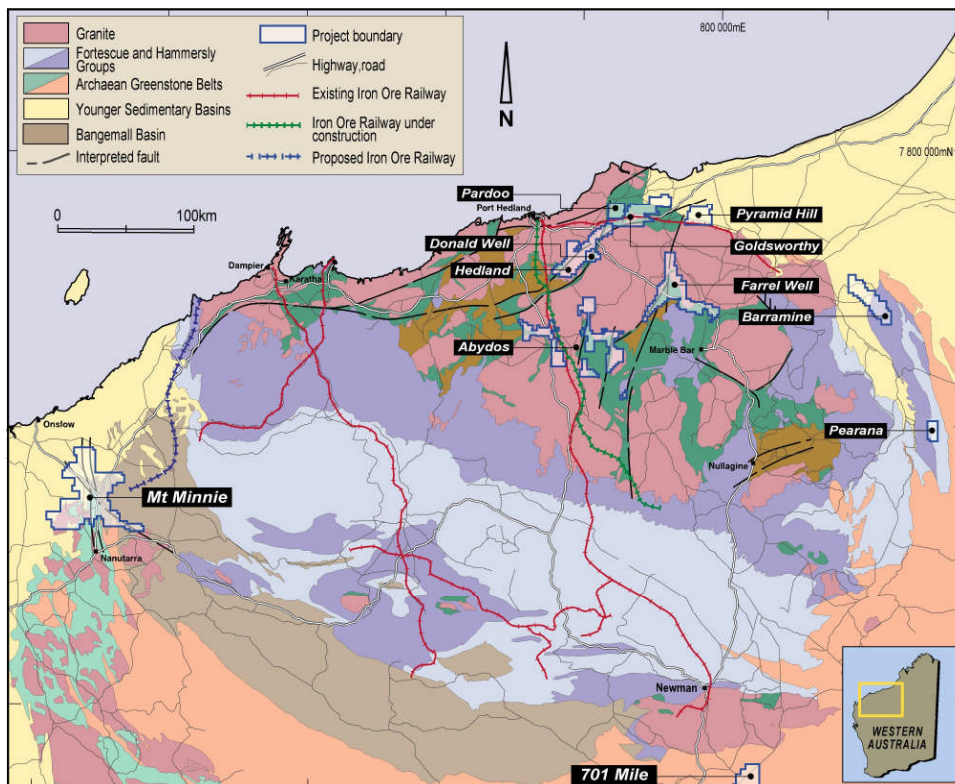


Fig 1 Pilbara Project Locations, Shaw River Resources.