

**SHAW RIVER
RESOURCES LTD**

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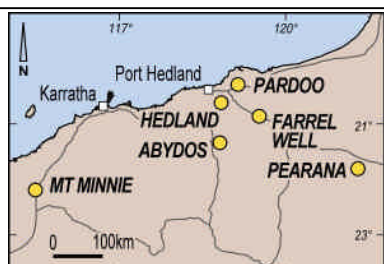
www.shawriver.com.au

CONTACTS

Mr Vincent Algar
Managing Director

Projects (100%)

- Farrel Well – East Pilbara : gold, nickel , zinc-lead-copper-silver
- Mt Minnie – Ashburton : uranium, gold, zinc-lead-copper-silver
- Hedland – East Pilbara : gold, zinc-silver
- Abydos – Central Pilbara : tin, tantalum, nickel
- Pardoo – East Pilbara : gold, zinc-copper, nickel
- Pearana – Far East Pilbara : copper, gold



HIGHLIGHTS FOR THE QUARTER

Hedland Project –Base Metals and Gold

- Successful VTEM program defined six targets and provided excellent structural information.
- 150 hole aircore drilling program defined eight base metal anomalies on trends identified by the VTEM survey.
- Drilling successfully delineated the prospective Tabba Tabba greenstone belt along 14km of strike.

Farrel Well –Base Metals and Gold

- VTEM survey completed over Farrel Well identified ten new targets for immediate follow up.
- Drilling at Coongan identified zinc below outcropping lead-silver mineralisation. Best intersection of 4m at 1.4% zinc from 43m including 1m at 3.7% .
- Rock chip sample from Myrna’s Hill prospect assaying 42.8% copper, 0.55g/t gold and 47.7g/t silver.

Mt Minnie Project –Uranium and Base Metals

- Base metal exploration commenced over structural targets adjacent to known copper, lead and silver mineralisation.
- Permit requirements completed in preparation for November 2007 uranium drilling program.

Corporate

As at 30 September 2007, Shaw River had \$2.5m in cash available.

PLANS FOR THE DECEMBER QUARTER 2007

- **Hedland:** A 4000m RC drilling program over eight base metal and gold targets will be completed.
- **Mt Minnie:** A 3000m aircore drilling program will be completed over uranium palaeochannel targets.
- **Farrel Well:** A 2500m RC drilling program will take place on three of ten VTEM anomalies.

1. HEDLAND PROJECT (SHAW RIVER 100%- Gold and Base Metals)

“The 150 hole aircore drilling campaign in August 2007 successfully identified the covered extension of the Tabba Tabba Greenstone Belt as well as at least 8 base metal drill targets for immediate follow up”

Shaw River’s Hedland Project, 42 km south east of Port Hedland hosts the extension of the crustal scale Tabba Tabba Shear Zone and Mallina Shear which intersect on the tenements. Both structures are host to base metal and gold mineralization to the south west along their lengths.

During the quarter the company completed a VTEM (Versatile Time Domain Electromagnetics) survey and 150 hole aircore drilling program over the entire 14km length of the projected greenstone belt on its tenement. This program proved the presence of the greenstone belt and produced significant geochemical vectors towards mineralisation.

The VTEM data has provided useful structural and conductive trends. The 680 micro-second VTEM image (see Figure 1) supports the multi-element (copper-zinc-arsenic-gold) anomalies identified from the drilling. The targets occur within an altered sequence of felsic and mafic rocks.

The exploration team is encouraged by these results as they may indicate the presence of a polymetallic VHMS (Volcanogenic Hosted Massive Sulphide) system on the tenements.

Plans for the December Quarter 2007

As a result of the drilling and VTEM results, the company identified eight high priority anomalies for immediate RC drilling follow up. Drill rigs have been organized to conduct an initial 4000m program with potential for an additional 2500m program to take place before the end of 2007. Drilling will commence in October 2007.

2. FARREL WELL PROJECT (SHAW RIVER 100% - Gold, Nickel, Base Metals)

“Drilling at Coongan identified a zinc rich zone at depth below outcropping lead-silver mineralisation. SCRC007 intersected 1m at 3.7% zinc in a zone of 4m at 1.4% zinc”

The Farrel Well gold and base metal project is located 100km south east of Port Hedland where the company is targeting gold , base metals and nickel. The company is targeting VHMS (Volcangenic Hosted Massive Sulphide) deposits similar the nearby Sulphur Springs deposit as well as structural hosted base metal targets such as Coongan. Copper-gold (Myrnas’s Hill) anomalies as well as anomalous nickel in ultramafic and mafic rocks (Pear Creek) are being actively explored.

A total of 818 rock chip samples, 1082 soil samples and 391 stream sediment samples have been analysed from Farrel Well for the year up to the end of the September quarter.

Base Metal Prospects

A 348m RC drilling program took place at Coongan during August 2007 (see Figure 2). A first pass three hole program took place due to short term rig availability and was successful in identifying a shear zone containing anomalous zinc beneath outcropping lead-silver mineralisation. The program yielded anomalous intersections in all three holes drilled;

- 4m at 1.4% zinc in SCRC003 from 43m including 1m at 3.7% zinc from 44m.
- 16m at 0.45% zinc, 0.05% lead and 0.8g/t silver in SCRC003 from 35m.
- 1m at 0.6% zinc from 13m and 3m at 0.13% zinc from 43m in SCRC009.
- 2m at 0.2% zinc from 19m in SCRC005.

Surface sampling of outcropping mineralised felsic breccia currently include 32 g/t silver, 13% lead and 0.7% zinc. Bonanza grades of up to 40% lead and 200g/t of silver have been reported from the historical small scale mining operation

At the Myrna's Hill prospect additional rock chip sampling showed high grade assays of 42.8% copper, 0.55g/t gold and 47.7g/t silver. The prospect has previously produced samples of 7% copper and 6.5 g/t gold. The prospect outcrop has a copper rich gossan with native copper, malachite and chrysocolla copper minerals identified.

VTEM

During the quarter, a VTEM survey was conducted over sections of Farrel Well. The survey consisted of a 1100 line kilometre helicopter survey over 43 strike kilometres of prospective felsic and ultramafic rock sequences. The areas were selected based on anomalous geochemistry for base metals such as zinc, lead and copper as well as gold and nickel. The VTEM technology has been highly successful internationally and elsewhere in the Pilbara at locating buried massive sulphide bodies and highlighting important structural trends.

Results from the survey are being processed and anomaly maps are expected in November. Early results are being followed up in the field in October 2007, having highlighted ten initial anomalies.

Plans for the December Quarter 2007

Exploration at Farrel Well in the final quarter 2007 will focus on the ten initial VTEM targets generated from the recent survey.

A 2500m RC drilling program is scheduled for early December 2007 to test a number of the targets. This program will be designed and refined in the lead up to drilling as more information becomes available.

Follow up drilling at other base metal targets such as Coongan, Pear Creek, Chrome Diopside, Myrnas Hill, 28 South, Fordor and Edsel will take in the March 2008 quarter.

3. Mt MINNIE PROJECT (SHAW RIVER 100% - Uranium, Base Metals)

“A 36 hole drill program over an untested section of the Mt Minnie channel in September 2007 will target roll front uranium mineralisation”

Shaw River’s Mount Minnie Project, 200km SW of Karratha in Western Australia (see Figure 3), is host to sandstone channels which have potential for sandstone uranium roll front deposits similar to the nearby (7km south) Manyingee deposit owned by Paladin Resources.

Uranium exploration is currently underway in the region on the extensive palaeochannel system which can be compared to the uranium-rich Beverley region in South Australia. Scimitar Resources and Hampton Hill mining are currently drilling for palaeochannel uranium to the south and west of Shaw Rivers’ tenements. Shaw River’s technical team believe the western half of its tenements are an excellent target area for roll-front uranium deposits.

During the quarter, delays prevented the proposed 36 hole air core drilling program from proceeding. An additional vegetation study was requested on the tenements. These studies were satisfactorily completed and submissions made to DOIR for work approvals.

The Mt Minnie area is also a target for base metal and gold mineralisation. The area contains known copper-lead-silver occurrences around the Turtle and Range mining tenements. During the quarter the company undertook a series of wide spaced soil sampling programs over a 23 km² area adjacent to these occurrences. Analysis of the data is ongoing with results expected in November. Follow up soil sampling followed by shallow drilling will be undertaken on any anomalies.

A total of 97 rock chip samples, 405 soil samples and 196 stream sediment samples have been sent for analysis from Mt Minnie for the year up to the end of the September quarter.

Plans for the December Quarter 2007

A 3000m Drilling program will proceed in early November 2007 and will target the sandstone unit known to host uranium mineralisation elsewhere in the region (see Figure 3). Soil sampling over a number of base metal targets across the 1800 km² project area will be undertaken during the quarter.

4. ABYDOS PROJECT (SHAW RIVER 100% Mineral Rights - Gold, Nickel, Tantalum)

The Abydos project is located 110km by sealed road south of Port Hedland. Gossanous nickel ironstones (assaying up to 6.7% nickel in rock chip samples) and pyrrhotite (Cu Fe sulphide) occurrences have previously been reported on the project area. The close proximity of the project areas to the Wodgina tin-tantalum mine are also encouraging indicators for future exploration success. No activity took place on the tenements during the quarter.

Detailed mapping of the potential nickel occurrences as well as soil sampling over the tantalum prospects will take place during the December Quarter 2007.

5. PARDOO (SHAW RIVER 100% Mineral Rights - Gold, Nickel, Base Metals)

A review of the Pardoo area for base metal, nickel and gold mineralisation was completed during the quarter. The study has generated a number of new target areas in the Boom Gate structural corridor as well as along the unconformity between the older, Ord Range Greenstone Belt and the younger Paradise Plains Formation at the eastern boundary of the tenements. These areas will be followed up with further ground reconnaissance work during the December 2007 and March 2008 Quarters.

6. PEARANA PROJECT (SHAW RIVER 100% - Gold, Copper)

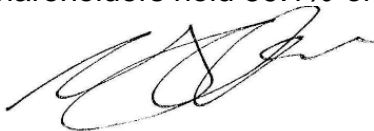
No exploration activity occurred on the Pearana Project during the September 2007 quarter.

7. CORPORATE

As at the 30 September 2007 Shaw River had cash reserves of \$2.5 million.

8. SHAREHOLDER INFORMATION

As at 30 September 2007 Shaw River had 59,496,500 of shares on issue. The top 20 shareholders hold 59.1% of the issued capital of Shaw River.



Vincent Algar

Managing Director

30 October 2007

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.

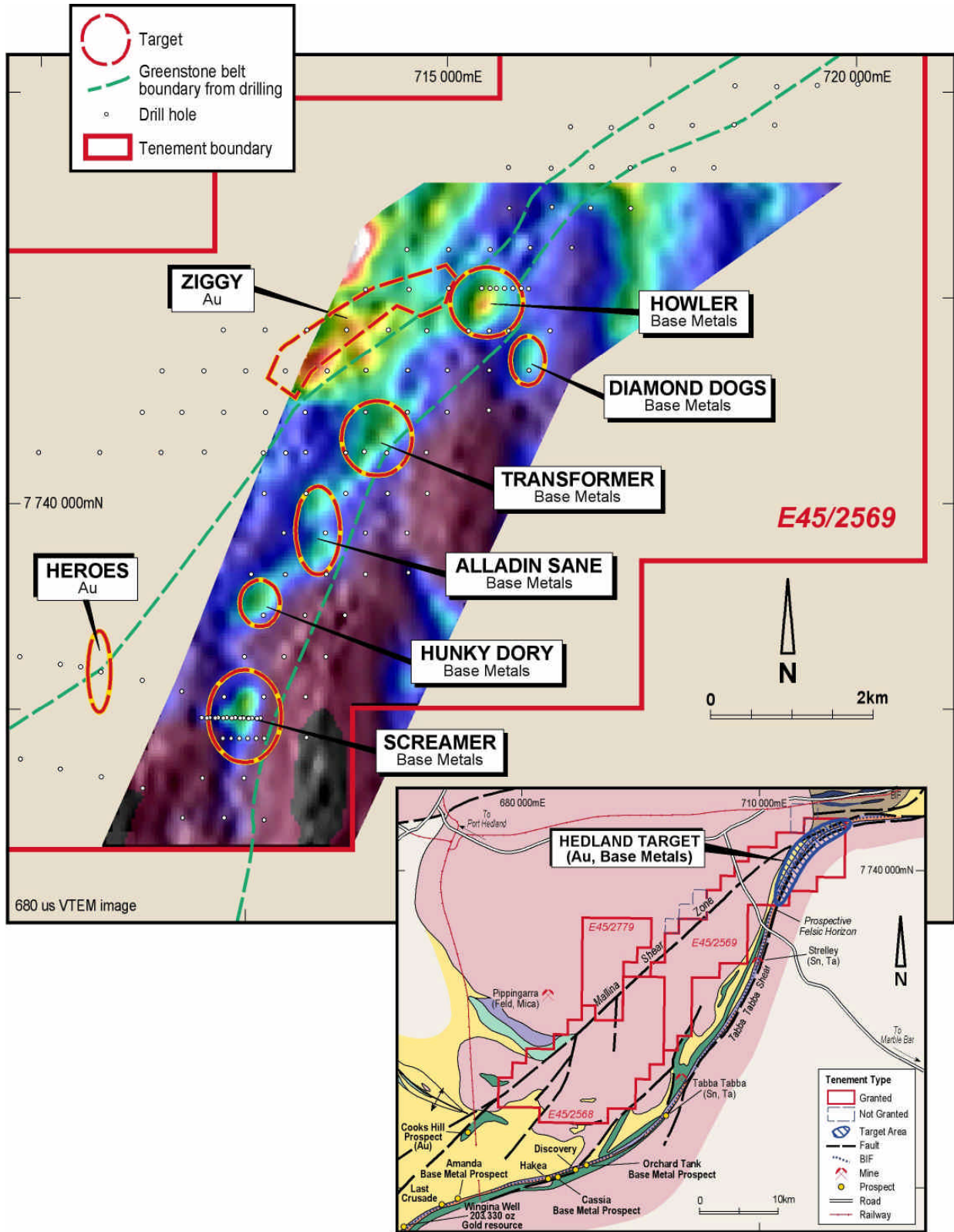


Figure 1: Hedland Drilling and Anomaly Location Plan

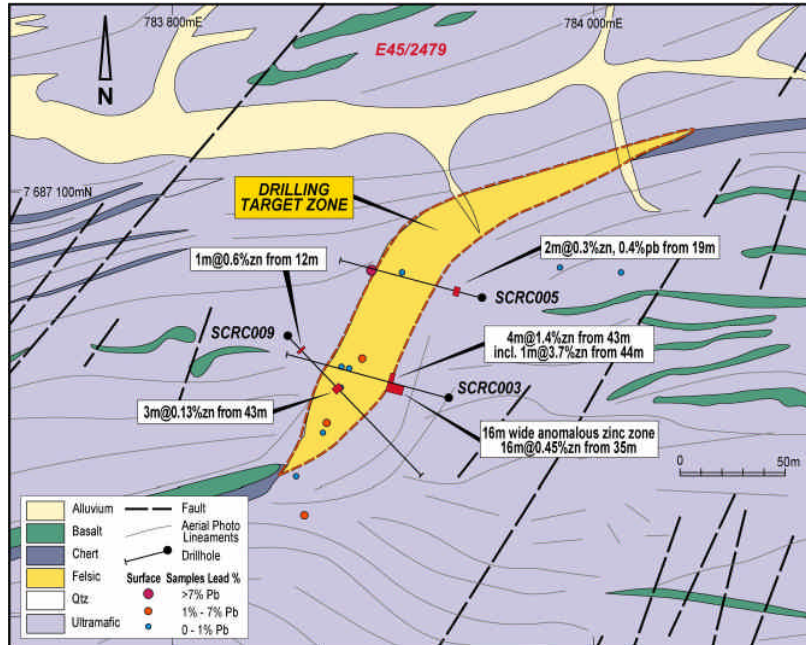


Figure 2. Coongan Drilling Results

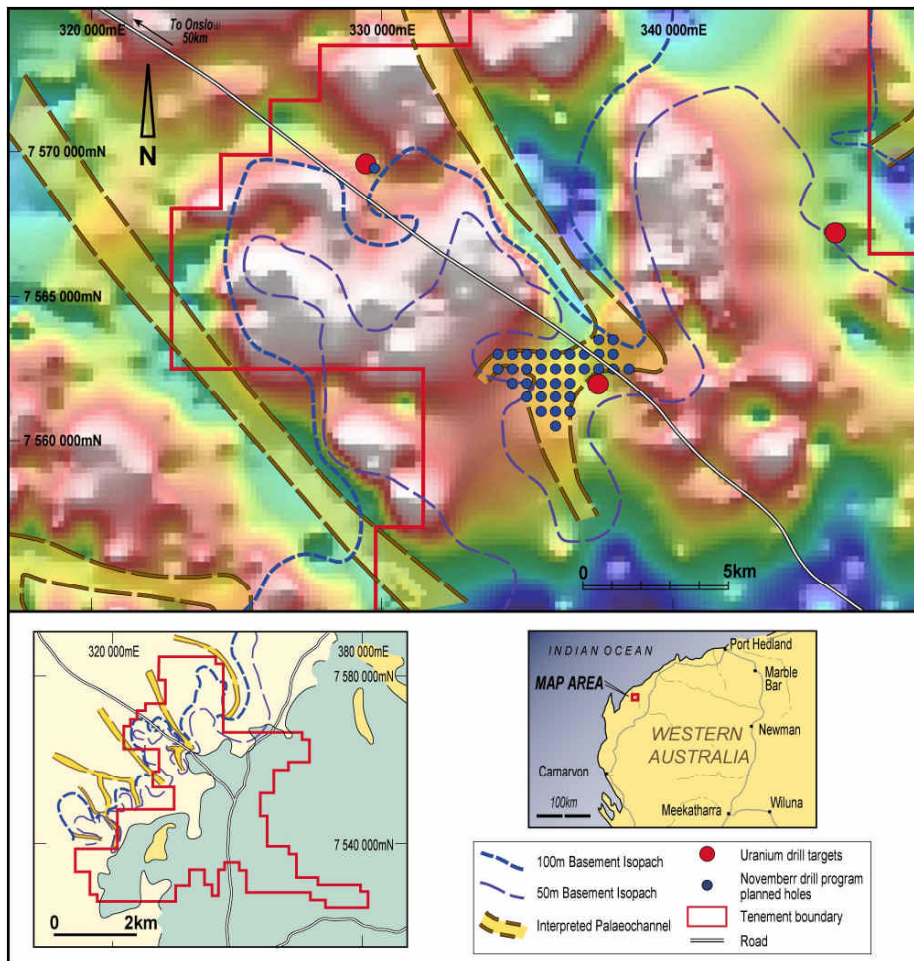


Figure 3. Mt Minnie Drill Target location plan showing gravity and Palaeochannel interpretation.