

June 2009 Quarterly Report

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Highlights for the June 2009 Quarter

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

- Manganese (Mn) intersected in drilling at Baramine confirms new manganese discovery and validates Shaw River's exploration model
- First-ever drill program returned 45 significant manganese intercepts
- Drill intersections over 15%Mn and up to 38%Mn in 16 of 61 first-pass drillholes
- Highly prospective manganese trends identified for follow up drilling over 3km of strike
- Geophysical surveys and detailed structural drill target generation underway
- 2000m RC follow up drilling program planned for the September 2009 Quarter

Mt Minnie Project – Manganese, Copper-Gold, Base Metals (100% Shaw River)

- Mapping at Mt Minnie identifies manganese occurrences over 20km of strike
- Planning underway for drilling on potential manganese targets in final quarter of 2009

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

- Composite 1m rock chip traverses include 17m at 40.3%Mn and 17m at 37.8%Mn
- Project will be investigated in second half of 2009 for short term resource and production potential
- Granting of key tenement expands company holding of shallow dipping manganese bearing shale horizons to 340km²

Corporate

- \$1.9 million capital raising completed in May 2009. Strong shareholder support for manganese strategy. Atlas Iron Limited contributed \$823,000 to maintain its 42.7% stake in Shaw River
- Manganese producer OM Holdings Limited acquired a 9.9% stake in Shaw River via on-market acquisitions
- The Company's cash position at 30 June 2009 is \$3.1 million

Exploration Plans for the September 2009 Quarter

- **Baramine** - IP survey, airborne magnetics, mapping and drilling over follow up targets to be completed during the current quarter
- **Mt Minnie, 701 Mile** - Follow up mapping and drill planning to be conducted ahead of final quarter 2009 drilling

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MANGANESE STRATEGY

Shaw River Resources is a West Australian based mineral exploration company, with over 7,000km² of exploration leases forming nine projects in the Pilbara region of Western Australia (see Figure 1). Shaw River is currently operating three manganese exploration projects in the Pilbara region, with its primary focus on its **Baramine Project**, in the East Pilbara manganese province.

In addition to the Baramine Project, Shaw River currently has two other active manganese exploration projects. These are the near surface shale hosted manganese occurrences at the **701 Mile Project**, 60km South of Newman and the dolomite-hosted manganese occurrences at the **Mt Minnie Project** in the West Pilbara region, where samples assaying over 40% Mn have been identified in greenfields targets generated by the Company.

Shaw River's manganese exploration strategy has strong support from its major shareholders. Shaw River plans to develop its Baramine targets, targeting high grade Direct Shipping Ore (DSO) orebodies (+40%Mn), while simultaneously developing resources of manganese suitable for beneficiation (+20% Mn)

Shaw River plans to expand its strategy by seeking and gaining exposure to suitable manganese projects across Australia and the world. Projects will match the strategic attributes of Baramine, being in world class manganese provinces, close to ports and infrastructure, and having scale potential to deliver economically significant deposits of manganese.

Manganese is a critical component in modern steelmaking, with potential quality deposits in the world's best manganese belts being highly sought after. Australian manganese ores from Bootu Creek, Woodie Woodie and Groote Eyland (BHPB) attract premium prices in the world markets.

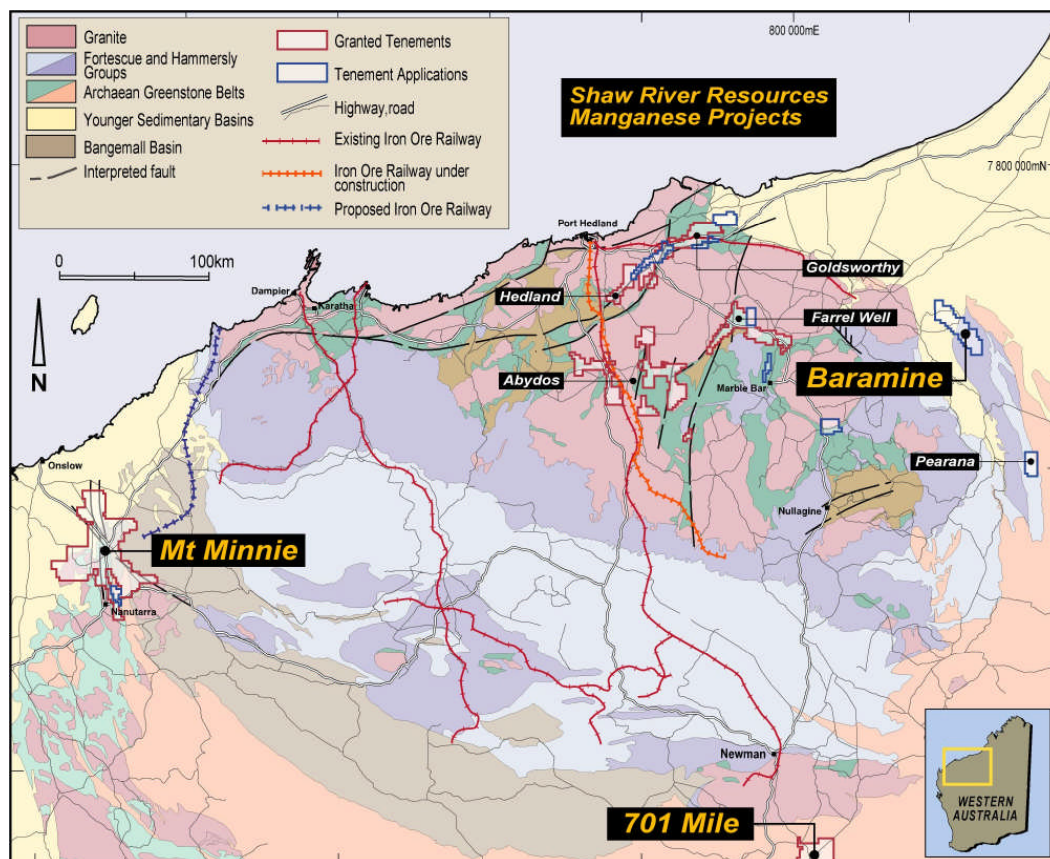


Figure 1. Shaw River Manganese Project Locations

PROJECTS

BARAMINE (70% Shaw River – Manganese and Iron Ore)

“Our initial drilling results at Baramine have validated the exploration model for extensive manganese mineralisation in our very first drill program. With over 45 significant drill intersections, and grades up to 38%Mn, we will rapidly advance our exploration for manganese resources. Baramine is strategically located, just 280km by road from Port Hedland in a world class manganese province and we look forward to continued exploration success in this area”

The Baramine project consists of three tenements located 80km northwest of the Woodie Woodie Manganese Mine and 280 km east of the town of Port Hedland (see Figure 1). The geology has great similarity to the nearby Woodie Woodie deposits, which host high grade (+40% Mn), direct shipping ores. The project has returned widespread high grade manganese rock chip assay results and strong supporting information from detailed geological mapping. Together these point towards the presence of subsurface manganese mineralization which has been confirmed across the project in recent drilling.

Similar to the manganese deposits at Woodie Woodie, manganese is associated with the Carawine Dolomite and Pinjian Chert over a minimum estimated area of 70km² at Baramine.

Activity

During the June 2009 Quarter, the first-ever drill program was conducted over the project area. The 3000m RC drilling program was designed to test a range of targets identified in the rapid evaluation of the project since its acquisition in October 2008. Exploration targeting during the period included a 3000 station detailed gravity survey (50m x 50m station spacing) over five separate areas covering 7km² out of a possible 70km² of target geology as well as detailed geological mapping by an expert manganese consultant.

The drill program returned 45 significant (>2m thick >9.5%Mn) sub-surface manganese drill intersections spread across 14km of exposed target geology. Manganese grades over 15%Mn and up to 38.7% Mn were intersected in 16 of the 61 holes drilled.

Highlights from the drilling results include: (See Figure 2 and Table 1):

- Area 1 1.5km long Manganese trend identified with only 350m of strike extent tested
 - 9m at 16.8% Mn from surface including 3m at 32.6% Mn and 1m at 38.7% Mn from 3m in BRC008
- Area 3 660m long Manganese trend indentified
 - 5m at 24.1% Mn from surface in BRC018
 - 3m at 20.2% Mn from 32m in BRC021
 - 8m at 15.6% Mn from 8m in BRC026
- Area 4 850m long Manganese trend identified
 - 3m at 17.1% Mn from 27m in BRC034
 - 7m at 13.1% including 3m at 17.9% Mn from 31m in BRC035
 - 4m at 19.8% Mn including 2m at 21% Mn from surface in BRC038
 - 16m at 11.7% Mn from 22m in BRC039
 - 4m at 19.3% Mn including 2m at 26% from 30m in BRC043
- Drilling returned significant near-surface intercepts in wide zones of strong manganese dissolution and mineralisation in each of the areas tested, typical of first pass drill results on hydrothermal manganese bodies in the East Pilbara Manganese Province
- The presence of coarse silica, fine-grained iron and very low impurity elements (S, P, Ba, Pb, Al₂O₃) indicate that beneficiation of the material may yield a considerable upgrade of 10%-20% Mn source material to a high quality Mn product through gravity or heavy-media beneficiation.

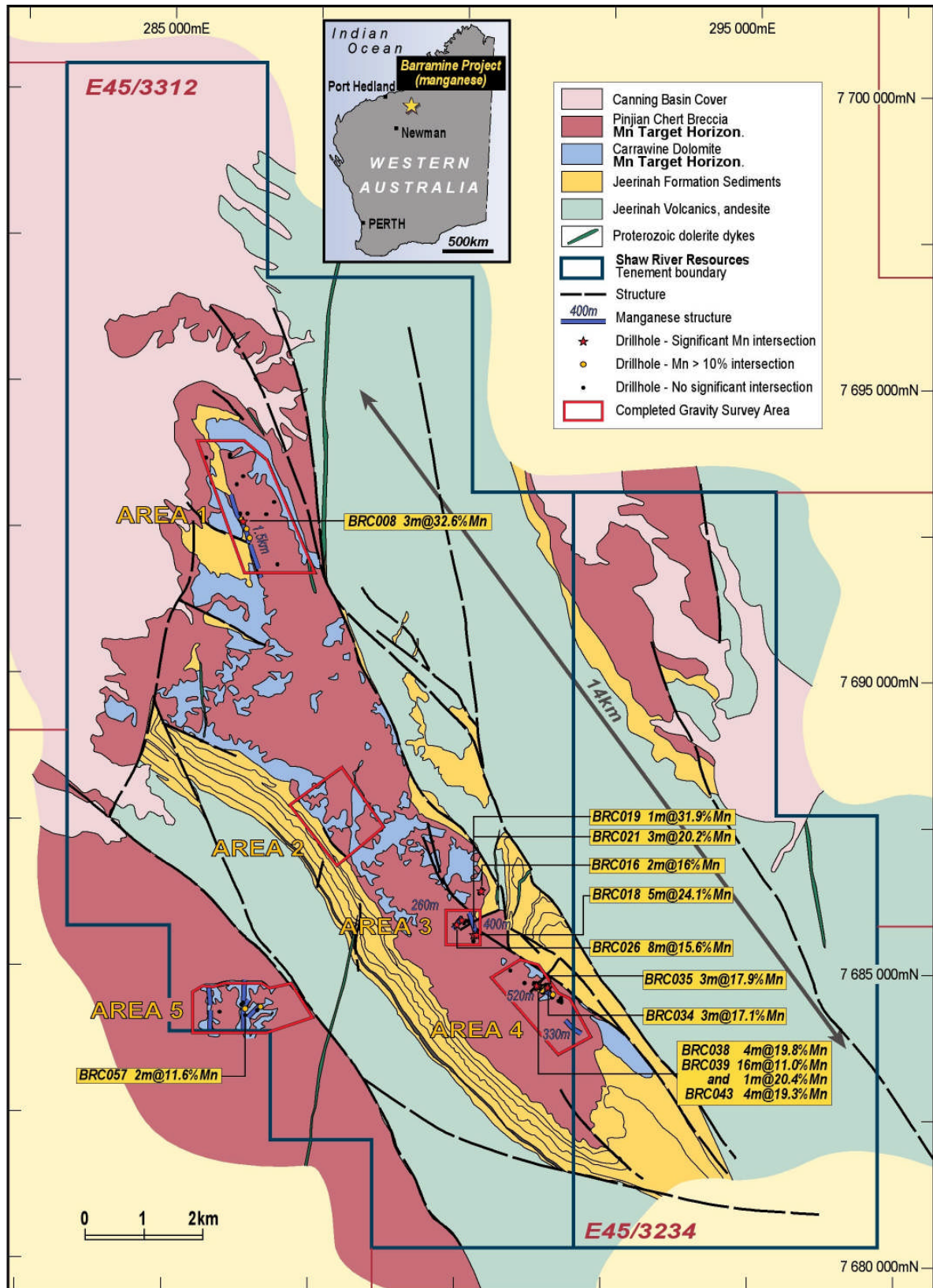


Figure 2 Shaw River Resources, Baramine Project Geology, drilling and targets

Geological mapping and high resolution gravity surveys, both of which have been highly successful in identifying new orebodies at the Woodie Woodie mine, were completed at Baramine during the quarter and used for drill hole targeting. The May 2009 RC drilling tested only 15 of a total of 34 targets (22 gravity and 12 mapping and sampling).

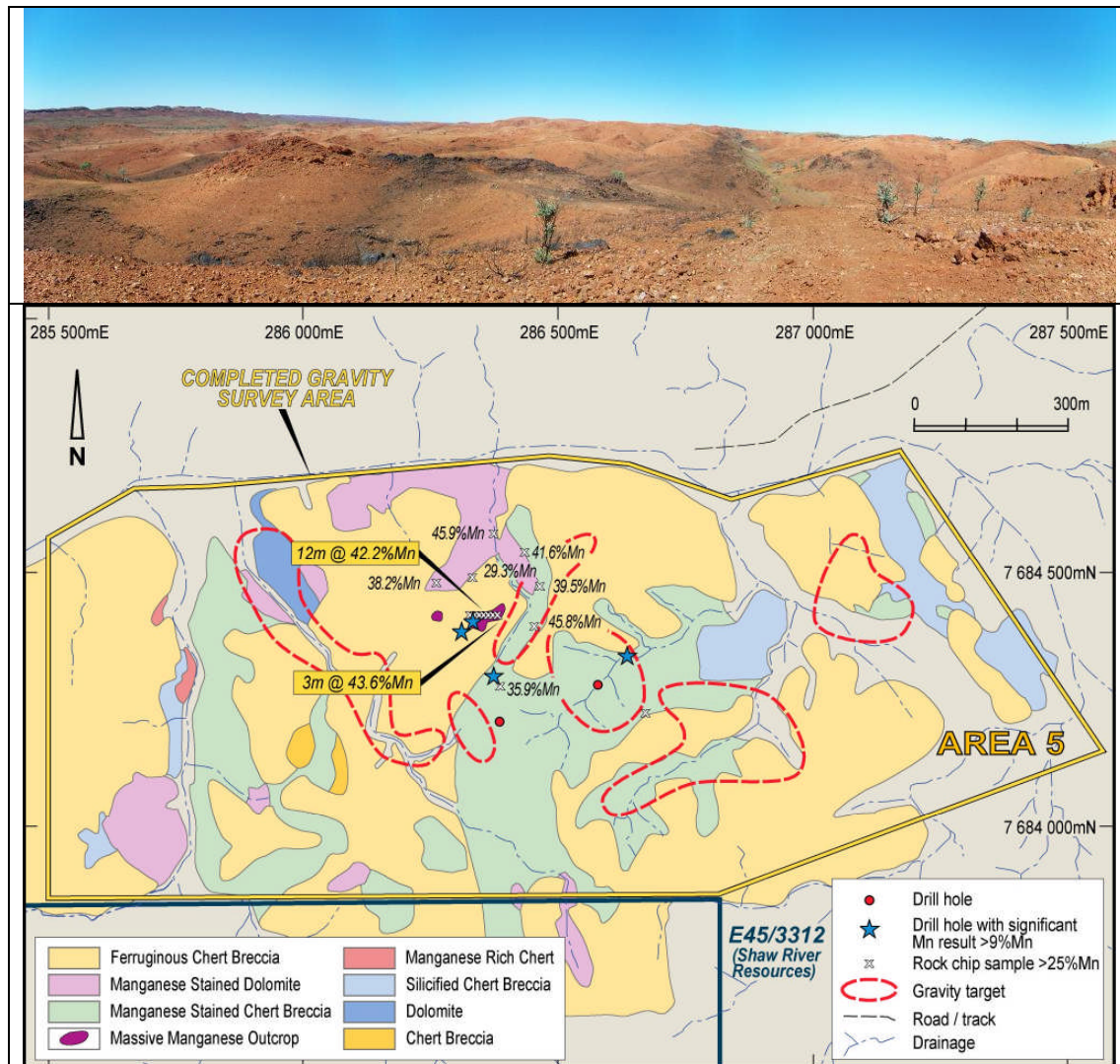


Figure 3. Area 5 Geology and Target Map

Figure 3 shows a detailed geology map, gravity targets, surface assay values and rock chip traverse results (in yellow), as well as the location of significant shallow drill intersections in Area 5 (see Figure 2 for location), one of the prospective surveyed areas. The top image shows a view looking south over the area, with extensive manganese staining (dissolution) clearly visible. Area 5 shows many attributes of intense hydrothermal activity over a large scale, and has been selected for an IP survey to identify buried high grade mineralisation using the dipole-dipole IP method.

Heritage agreements and a successful heritage survey over planned drillholes were completed with the Njama claimant group during the quarter. The granting of key tenements and work program applications were also successfully completed during the quarter.

Plans for the September 2009 Quarter

The current quarter is already proving to be a busy one for Shaw River, as it seeks to refine its targeting methods at Baramine in its search for extensive and high grade manganese resources. Much of the current quarter's exploration effort will be focused at Baramine, with a view to conducting at least a 2,000m follow-up RC drill program before the end of the September Quarter 2009.

Activities will include;

- Completion of a 4 line IP (Induced Polarisation) geophysics survey at Area 5 and at Area 1 (see Fig 2, 3). The IP method has been recommended for the identification of

large buried manganese bodies due to their suitable response at the nearby Woodie Woodie deposits. The survey began in mid-July 2009 with results expected in mid-August 2009. Drilling at the end of the current Quarter will test targets in this highly prospective area.

- Detailed structural mapping of target areas. Manganese mineralisation is associated with cross faulting and Mn/Fe dissolution. A focused mapping exercise is underway to assist in drill target selection, particularly in Areas 1, 3 and 4.
- Detailed airborne magnetic data will be collected over the entire manganese target geology. Some manganese deposits are known to have distinct magnetic signatures in the region and this data will add an essential layer to the exploration database
- An RC drilling program will be conducted towards the end of the September Quarter 2009. Targets will be selected and prioritised based on recent drilling results and new targets currently being generated.
- Drill sections, preliminary resource modeling and infrastructure cost modeling will also be undertaken during the period using current data.

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

“Having expanded our holding of prospective manganese stratigraphy by an additional 370km², we conducted new mapping over the target horizons. Our work indentified the presence of further surface manganese occurrences and represents a further strategic exploration location close to infrastructure. We plan to demonstrate the potential for new manganese discoveries in Proterozoic rocks in the West Pilbara.”

Shaw River’s Mt Minnie Project is located 200km south-west of Karratha in the West Pilbara region of Western Australia (see Figure 1).

Mapping during the June 2009 quarter on newly acquired tenements identified manganese and iron mineralisation located in prospective dolomite rock sequences. Economic deposits of manganese around the world and in Australia are closely associated with dolomite sequences. Sizeable occurrences of manganese in a very similar setting to Mt Minnie are known in the Cane Well area, 60km to the north east and further east in similar age rocks.

Highlights include:

- Activity in 2008 identified manganese in outcrop returning assays up to 41% manganese.
- A gravity survey was conducted over selected areas of the Edmund Group Dolomite units at Mt Minnie. Results from the gravity survey indicated the presence of a 12 anomalous dense bodies within the stratigraphic package of the folded dolomite sequence.
- Mapping on the recently acquired tenements to the south of previous work extended the strike length of target dolomite and sandstone sequences to over 20km.

Plans for the September 2009 Quarter

- Sampling and classification of newly identified manganese surface occurrences will be undertaken
- Ground evaluation of gravity targets will be conducted to identify potential drill sites.
- Planning of an initial drill program to test potential stratabound manganese targets to be undertaken in the final quarter of 2009.

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

“The granting of an additional 300km² adjacent to our previously identified near surface manganese occurrences, with grades up to 48.6%Mn further enhances our potential to outline shallow manganese resources in enriched shallow dipping manganiferous shales”

The 701 Mile tenements are located 80km south of the iron ore town of Newman (see Figure 1). The tenements are located in Proterozoic rock sequences which contain known occurrences of manganese and iron.

The granting of a new tenement in the project expands the area for exploration by 300km². The geology underlying the new tenement is a continuation of the shallow dipping Balfour Formation rocks, where previous work identified manganese enrichment over a 3km² area

Results from earlier mapping and sampling work were extremely encouraging for further work:

- Composite 1m rock chip traverses include 17m @ 40.3%Mn and 17m @ 37.8%Mn (see Figure 5).
- Rock chip sampling, over the manganiferous Balfour Formation returned a maximum individual sample of 48.6%Mn.
- 14% of rocks samples (29) returned >40%Mn and 81% of rocks sampled (165 samples) returned >25%Mn.
- Manganese assay results combined with geological mapping indicate potential for shallow, moderate to high grade manganese resources which may be suitable for upgrading via beneficiation. Low iron contents overall offer further encouragement.

Plans for the September 2009 Quarter

Reconnaissance mapping and sampling over the new tenement is planned for the quarter. Plans to conduct a detailed shallow resource drilling campaign late in 2009 will be put in place.

MINERAL PROJECTS – Abydos, Hedland, Mt Minnie (100% Shaw River – Copper, Zinc, Gold, Lead, Silver)

During the June 2009 Quarter, Shaw River reviewed its information and drill targets over its non-manganese mineral projects throughout the Pilbara.

Promising projects such as Abydos (copper- zinc and gold), Hedland (gold) and Mt Minnie (copper, lead, zinc, silver and gold) have all been significantly advanced during the past 24 months of active exploration by Shaw River. Using a combination of soil and rock chip sampling, mapping, geophysics and drilling, the projects have been advanced to drill ready status with further activity to take place at the appropriate time.

Shaw River will continue to progress its 100% owned Pilbara mineral projects, although for the medium term the focus will continue to be on its highly prospective manganese portfolio.

No field work was undertaken on the Company's base metal and gold projects in the June 2009 Quarter.

CORPORATE

- On 27 May Shaw River completed a placement to sophisticated investors to raise \$1.9 million of 21.39 million shares at an issue price of 9c per share. Major shareholder and iron ore producer Atlas Iron Limited participated in the raising, maintaining its 42.7% stake in Shaw and indicating strong support for Shaw River's manganese focused exploration strategy.
- OM Holdings Ltd has acquired 16.2m ordinary shares, representing 9.9% of the issued capital, in on-market transactions.
- The cash position at the 30 June 2009 is \$3.1 million.

SHAREHOLDER INFORMATION

As at 30 June 2009 Shaw River Resources had 163,990,239 of shares on issue. The top 20 shareholders hold 64.41% of the issued capital of Shaw River Resources Limited.



Vincent Algar
Managing Director
27 July 2009

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 and Mr Glenn Martin who are Members of the Australasian Institute of Mining and Metallurgy. Mr Vincent Algar and Mr Glenn Martin are full-time employees of the company and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Vincent Algar and Mr Glenn Martin consent to the inclusion in the report of the matters based on their information in the form and context in which it appears

Area	Hole ID	Depth	M East	M North	m From	M To	Mn% Intersection	Fe%	SiO2%
Area 1	BRC007	24	286220	7692660	3	12	9m at 8.4%		
				includes	3	5	2m at 11.3%		
Area 1	BRC008	24	286250	7692630	0	9	9m at 16.9%		
				includes	3	6	3m at 32.6%	12.9	15.1
					4	5	1m at 38.7%	7.7	16
Area 1	BRC010	24	286300	7692500	2	15	13m at 9.2%		
Area 1	BRC011	24	286370	7692350	8	11	3m at 9.7%		
Area 3	BRC016	42	290380	7686340	0	2	2m at 16%		
Area 3	BRC018	48	290325	7685600	0	5	5m at 24.1%	17.0	11.8
Area 3	BRC019	54	290280	7685600	20	21	1m at 31.9%	21.5	3.8
Area 3	BRC021	54	290270	7685770	29	35	6m at 15%		
				Includes	32	35	3m at 20.2%	9.7	46.2
Area 3	BRC024	36	290080	7685840	7	11	4m at 9.5%		
Area 3	BRC026	36	289985	7685770	5	20	15m at 12.9%		
				includes	8	16	8m at 15.6%		
					8	9	1m at 21.6%	8.9	47.8
					13	14	1m at 24.7%	22.8	19.4
Area 4	BRC031	36	291450	7684690	8	10	2m at 11.4%		
Area 4	BRC032	42	291410	7684690	22	26	4m at 9.6%		
Area 4	BRC034	48	291500	7684730	25	31	6m at 14.4%		
				Includes	27	30	3m at 17.1%		
Area 4	BRC035	54	291550	7684730	31	38	7m at 13.1%		
				includes	36	37	1m at 23.1%		
					35	38	3m at 17.9%		
Area 4	BRC037	48	291380	7684740	5	8	3m at 13.1%		
					14	26	12m at 11.6%		
				Includes	24	26	2m at 18%		
Area 4	BRC038	54	291380	7684760	0	4	4m at 19.8%	27.2	19.1
					1	3	2m at 21.2%	23.9	21.2
					11	17	6m at 9.5%		
Area 4	BRC039	66	291400	7684760	4	8	4m at 11%		
					22	38	16m at 11.7%		
				Includes	22	24	2m at 16%		
					60	61	1m at 20.4%	25.9	21.8
				Includes	17	21	4m at 13.3%		
Area 4	BRC043	54	291450	7684780	30	34	4m at 19.35%	20.1	25.0
				Includes	32	35	2m at 26%	19.7	16.5
					31	34	3m at 17.3%		
Area 4	BRC044	24	291630	7684610	2	7	5m at 10.76%		
Area 4	BRC050	50	291962	7683970	11	13	2m at 14.4%		
					19	21	2m at 12%		
					23	32	7m at 7.2%		
Area 4	BRC053	48	291965	7684009	4	16	12m at 8%		
Area 5	BRC057	48	286377	7684301	2	4	2m at 11.6%		
Area 5	BRC060	24	286638	7684342	7	10	3m at 8.2%		

Table 1. Significant Intersections, Baramine Manganese Project. All holes vertical orientation. RC drilling samples, riffle split, 2-5kg samples, Analysis by X-Ray Fluorescence. Cutoff grade used for significant intersections of greater than 9.5%Mn and intersections greater than 2m in width.