

# June 2008 Quarterly Report

## Shaw River Resources Ltd

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## Projects

HEDLAND  
*East Pilbara*  
gold, zinc-silver

MT MINNIE  
*Ashburton*  
gold, uranium, manganese,  
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 June 2008 Quarter

### Hedland and Goldsworthy Projects – Gold and base metals (100% Shaw River)

- Completion of 1059m of RC and 7,756m of RAB drilling during the quarter to follow up 2007 gold discoveries. Results delayed due to laboratory congestion, expected late July 2008
- Drilling focused on testing 20 soil sampling targets over an 8km target area. Drill logging confirms strong correlation between anomalous gold and arsenic in soils and mineralisation in drilling. Untested targets remain over 9km of strike.
- Soil sampling programs over the Goldsworthy Project 10km north east of the Hedland Project has generated multiple new zinc and gold drill targets under shallow cover never previously identified or tested

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

- Permits and heritage clearances completed ahead of a 5,800m RAB/Aircore drilling program to commence in July 2008 following up targets identified during Shaw River's 2007 exploration programme
- Twenty four immediate drill targets at three prospects will be tested in July with potential for large copper-gold systems located on prominent geological structures
- Detailed geological mapping identified significant manganese mineralisation in dolomite sequences over a large 30km<sup>2</sup> area on Shaw River's tenements at Mt Minnie
- Detailed sampling over the manganese target areas has commenced with first results expected in July. Follow up sampling and geophysical work to continue throughout the next quarter

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

- Active exploration continued at Abydos during the Quarter focusing on copper-gold mineralisation trends identified in extensive historical exploration review
- High grade rock chips up to 11% Cu, 54g/t Ag, 1.6g/t Au and soil samples up to 0.23% Zn, 0.14% Cu and 1.3g/t Au indicate extensive new copper-gold-base metal trend up to 21km in length.
- Soil and rock chip sampling, as well as detailed geological mapping and alteration analysis is generating prospective targets for gold, copper-gold and zinc-copper suitable for follow up and drill testing in the December Quarter of 2008.

### Corporate

- Shaw River announces Joint Venture Agreement with Pelican Resources to earn up to 70% of prospective east Pilbara tenement at Donald Well, prospective for base metals and gold. Exploration has commenced to finalise first pass drill targets on identified EM anomalies.
- The Company's cash position at 30 June 2008 is \$1.75 million.

## Plans for the September Quarter 2008

- Drill program at Mt Minnie will test twenty four new copper-gold and base metal targets starting in July 2008
- Further sampling of extensive areas of manganese occurrences will be completed at Mt Minnie in July/August 2008 with a view to expand exploration for potential ore bodies.
- Follow up drilling at Hedland expected to follow gold drilling results in August 2008
- Drill program of at least 5,000m will test gold and base metal targets along prospective geological structures generated over Hedland and Goldsworthy projects in August 2008
- Drill target generation and further encouraging results from active exploration programs are expected to accelerate at Abydos over copper, gold and base metal targets
- Sampling and mapping at the Donald Well JV tenement will finalise drilling locations to test known EM conductors as well as generate new drill targets.

## PROJECTS

### HEDLAND PROJECT (100% Shaw River – Gold and Base Metals)

*“After commencing drilling on 17 April 2008 Shaw River finalized an RC program and immediately followed it up with a RAB program to test over 20 soil sampling targets at Hedland. Positive results from innovative soil techniques have allowed us to look with confidence under the shallow cover at Hedland for the first time ever with encouraging results.”*

Shaw River's Hedland Project, 42km south-east of Port Hedland hosts the extension and intersection of the crustal scale Tabba Tabba and Mallina Shear Zones. Both of these large geological structures are host to base metal and gold mineralisation to the south-west along their entire length. (see Figure 1, 4,8)

Shaw River holds 106km along the two shear zones on its Hedland and Goldsworthy tenements. The intersection of the two shear zones has never been drilled, despite the occurrence of gold and base metal mineralisation on structures along strike to the south west at Indee (529,000 oz gold), Wingina Well (200,000 oz gold), and Orchard Tank (zinc-lead-silver-gold). The Hedland Project occupies a unique geological position for potential economic gold and base metal mineralisation.

During the quarter, the Company continued to refine its gold and base metal exploration targets at the Hedland Project area:

- A 1059m RC drilling program, followed immediately by a 7,756m RAB drilling program were completed on 11<sup>th</sup> June over gold soil anomalies generated by a 5000 sample soil geochemistry campaign.
- Anomalies were identified over the entire 14km length of the intersection of the Tabba Tabba and Mallina Shear Zones held by Shaw River on E45/2569.
- Soil anomalies have previously been correlated with subsurface gold and arsenic mineralisation using orientation surveys over the Screamer prospect at Hedland in 2007.
- RC Drilling programs focused on the Transformer prospect (9m at 1.8 g/t including 2m at 5.76 g/t from 77m in SCRC026, ) as well as the anomalies adjacent to the Screamer Prospect (1m at 6.7 g/t from 36m in SCRC012 and 8m at 0.7g/t including 3m at 1.5g/t from 130m in SCRC013)
- RAB drilling focused on testing for the presence of shallow mineralisation below 20 MMI soil anomalies.
- Assay results for both drilling programs have been delayed due to excessive laboratory congestion in Perth. Compilation of final results and release to the market is expected in late July 2008.



Figure 1: RC Drilling at Hedland, Q2 2008

#### Plans for the September 2008 Quarter

- Interpretation of assay results is expected to lead to the generation of follow up targets at Hedland.
- Drilling is planned for August 2008 on follow up targets as well as the completion of drill testing of soil drill targets over the Mallina/Tabba Tabba Shear Zone intersection zone.

#### GOLDSWORTHY PROJECT (100% Shaw River – Gold, Base Metals)

*“Previous exploration at Goldsworthy focused on geophysical target selection. We have taken over 3500 soil samples this year and generated six excellent new drill target areas. The 50km of strike held by Shaw has tremendous potential for gold and zinc-copper deposits in a setting similar to the Indee gold and Whim Creek copper deposits.”*

Shaw River's Goldsworthy Project area is located between 50km and 100km east of Port Hedland and is covered by 7 mineral tenements acquired from Atlas Iron during the previous quarter. The area covers the extension of the prospective Tabba Tabba and Mallina Shear Zones under transported cover and in part overlain by a shallow sequence of younger sedimentary rocks. See Figure 4.

Work conducted over the area previously by Independence Group Ltd identified at least two trends of gold-arsenic anomalism up to 14km long. Shallow aircore drilling also identified felsic volcanic rocks with elevated lead and zinc values, indicating Whim Creek type VHMS potential in the area.

During the Quarter, Shaw River's exploration team collected 3500 MMI samples over an area of 53km<sup>2</sup> of shallow transported cover along the extensions of the Mallina and Tabba Tabba Shear Zones. From results received to date six high priority targets for 1<sup>st</sup> pass drilling have been identified. The targets generated have not had any drilling, or substantial exploration completed on them, but are considered highly prospective for Zn – Cu rich VMS style, and shear hosted Au-Ag mineralization. All anomalies are located close to the contact of the Carlindi Granitoid Complex (CGC) and Warrawoona Group, Whim Creek Group and Pilbara Supergroup greenstone units, and extensions of the Pardoo/Mallina and Tabba Shear Zones. The Warrawoona Group includes the Duffer and Panorama Formations and the Strelley Pool

Cherts, which host Au-Ag-Cu-Zn mineralization elsewhere in the East Pilbara.

#### Plans for the September 2008 Quarter

- A 5,000m Aircore drilling program is planned for September/October 2008 over the six targets which include first order zinc-copper, silver-gold, gold-zinc-lead anomalies under shallow cover in previously untested locations along major geological structures.

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

*“Permits and clearances are now complete to allow drilling to commence on twenty four new targets at Mt Minnie. The location of these copper, gold and base metal targets at the intersection of major geological structures is very encouraging for the discovery of large mineralized systems. An exciting new area of 30 km<sup>2</sup> of manganese potential has been identified on the tenements, and investigation into this potential has already begun”*

Shaw River's Mt Minnie Project is located 200km south-west of Karratha in the Ashburton region of Western Australia. The 1,800km<sup>2</sup> 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. See Figure 5.

Previous exploration by WMC at Mt Minnie identified the potential for large IOCG (Iron Oxide Copper Gold) systems using geophysical and geochemical techniques. Shaw River has reviewed and extended these targets and interpretations in 2007, taking some 1600 soil samples over a number of potential targets .

Work performed during the June 2008 quarter included:

- Completion of heritage and flora surveys over the identified drilling targets ahead of July drilling.
- Interpretation of sampling results has identified fourteen drill targets at Xanthos and five at Calliance with anomalous copper-gold and other base metal geochemistry.
- At the Area 51 prospect area, extensive sampling over a 30km<sup>2</sup> area in late 2007 identified eight co-incident copper-zinc-silver anomalies located along interpreted structures adjacent to the historical copper-silver-lead mineralisation at Turtle and Range.
- Detailed geological mapping completed during the quarter identified 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. A first pass sampling program has been completed with assay results not yet available. The area of potential is 3km wide by 10km long. See Figure 2.
- An area of Duck Creek Dolomite occurs in the far south-east of the tenement, and manganese pods in dolomite have been identified in outcrop.

#### Plans for the September 2008 Quarter

- Drilling to test twenty four identified drill targets at Xanthos (copper-gold), Calliance (copper-gold-lead-zinc) and Area 51 (copper-gold-lead-zinc).
- Analysis of manganese results, follow up and extension of manganese sampling will take place. Drill planning to test the area will be designed during the period



Figure 2 Manganese outcrops at Mt Minnie

#### **DONALD WELL PROJECT (Shaw River Earning up to 70% – Gold, Base Metals, Iron)**

*“Having entered into a Joint Venture at Donald Well, 10km south of it’s Hedland Project along the prospective Tabba Tabba Shear, Shaw River has already commenced exploration with sampling and mapping to locate the ideal location for drillholes over the three excellent EM targets generated by Pelican. We expect great things to come from Donald Well in a short time”*

During the Quarter Shaw River signed a letter of agreement to create a joint venture with Pelican Resources Ltd over the Donald Well Gold and Base Metal Project, located 45 km south-east of Port Hedland. The Donald Well Project covers 8.2km of the Tabba Tabba Shear Zone, approximately 10km to the south-west of Shaw River’s Hedland Project. Donald Well is also located directly along strike of the Turner River gold and base metal occurrences, which are hosted within the Tabba Tabba Shear Zone, which contains gold and zinc-lead-silver-gold occurrences along its length. See Figure 6.

Follow up drilling is being planned over three target areas identified by Pelican using electromagnetics (VTEM) and follow-up ground geophysics. Soil sampling to date by Pelican has covered only 33% of the prospective Tabba Tabba Shear Zone within the JV tenement area, and has identified high order zinc anomalism up to 206ppm zinc coincident with the electromagnetic conductors.

Shaw River intends to actively explore the Joint Venture area during 2008 and beyond, by drilling over the electromagnetic targets as well as any other targets generated during the Shaw River work program.

Shaw River can earn 30 % of the project by spending \$150,000 in the first year at Donald Well, and an additional 40% by spending an additional \$300,000 in the following years. Shaw River will manage the joint venture.

#### **Plans for the September 2008 Quarter**

- Completion of the Joint Venture documentation
- Sampling and mapping of the tenement to determine ideal drilling locations to follow up soil and EM anomalies
- RC Drilling is planned for the December Quarter of 2008.

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

*“Work stepped up at Abydos with over 900 soil samples and 27 rock chips collected during the Quarter. The Price of Love corridor is emerging as a significant target zone in an excellent geological setting. Our work to date has indicated excellent potential for a major discovery.”*

Shaw River now holds mineral rights over eight tenements in the Abydos area, 120km South of Port Hedland. The area is currently being co-explored for iron ore by Shaw River’s major shareholder, Atlas Iron Limited. See Figure 7.

The Abydos area has considerable gold and base metal discovery potential with gold mining previously having taken place at the nearby Lynas Find (140,000 oz gold) and Lallah Rookh gold mines (31,000 oz). The area has numerous recorded base metal occurrences as well as being close to the Sulphur Springs VHMS (Volcanogenic Hosted Massive Sulphide, 10mt @ 3.5% zinc and 1.5% copper) complex of deposits, located just 8km east of the tenement package.

During the quarter, the results of an extensive review of historical exploration became available and were incorporated into exploration plans. Over 200 gold, base metal and nickel anomalies were identified in the Abydos Project area, and over 50,000 assays have been incorporated into the company’s GIS database.

Follow up mapping and sampling commenced at a number of identified targets including;

- The **Hazelby** VHMS prospect
  - up to 7% copper, 70 g/t silver, 245ppm cobalt were identified in historical sampling and drilling
- The **McDonald** prospect
  - four gold-bearing lenses identified over a 600m strike length. Best historical Intersections from 18 drillholes included 2m at 5.81 g/t gold in MP6, 6m at 1.77 g/t including 2m at 4.97 g/t gold in MP17 and 10m at 1.95 g/t gold including 3m at 4.6 g/t gold in hole MPD19
- The **Brass Buckle** prospect
  - historical drilling intersected 8m at 6.4 g/t gold from 24 m in drillhole BBRC05 which included 2m at 23.75 g/t gold
- The **Adamson** prospect
  - best historical intersections of 3m at 4.56 g/t gold from 15m in AD05 and 3m at 12g/t gold from 41m in AD07
- The **Price of Love** prospect
  - 16 historical drillholes identified wide copper-gold mineralisation including 34m at 1.61% Cu and 0.36 g/t gold in SPH 9 from 48m, 18m at 1.59% copper and 0.27g/t gold from surface in SPH10, 6m at 1.16% copper and 0.51 g/t gold from 16m in SPH8, 11m at 1.43% copper and 0.25 g/t gold from 44m including 6m at 2.07 % copper and 0.32 g/t gold in PLP4.

During the Quarter:

- Over 900 soil samples were collected in the first part of an extensive evaluation of the 21km north-south basalt/gabbro corridor that lies west of the Strelly Granite and east of a major crustal scale fault. The corridor contains the Price of Love Prospect where extensive malachite and azurite (copper oxides) is visible on rock surfaces. Copper and gold associations are related to major shear structures and splays with alteration halos containing disseminated sulphides in host lithologies (pillow basalts) adjacent to faults.
- New rock chips sampling at Price of Love returned assays containing up to 11% Cu, 54g/t Ag, 1.6g/t Au and 486ppm Zn. (see Table 1)
- Soil sampling results included peak values to 1.3g/t Au, 0.14% Cu, and 0.23% zinc associated with a large NE trending soil anomaly interpreted to be over 2km in length.
- Alteration analysis using multi-spectral satellite imagery was initiated to identify alteration targets over the entire Abydos area with similar signatures to the Sulphur Springs VHMS deposits.

Prospect	Sample ID	East (m)	North (m)	Copper %	Gold g/t	Silver g/t	Zinc Ppm
Price of Love	SR16912	720,177	7,659,627	11.1	1.05	54.2	486
	SR16911	720,175	7,659,627	8.05	0.22	30.5	328
	SR16965	720,270	7,659,307	3.73	1.23	5.8	375
	SR16913	720,152	7,659,650	3.19	1.59	1.2	385
	SR16982	720,191	7,659,527	3.18	0.22	8.7	385
	SR16946	720,086	7,659,436	1.91	0.12	6.9	350
	SR16916	720,202	7,659,629	0.97	0.05	1.7	117
	SR16909	720,218	7,659,580	0.34	0.03	2.35	82
	SR16966	720,259	7,659,250	0.34	0.23	1.3	102
	SR16906	720,280	7,659,598	0.33	0.15	3.05	73
	SR16960	720,340	7,659,469	0.33	0.06	0.75	49

Table 1 Rock Chip Samples – Price of Love prospect. Cutoff 0.3% copper. Digest Aqua Regia. Analysis by ICP. BD is below detection for Au.

#### Plans for the September 2008 Quarter

- Completion of soil sampling of entire 21km Price of Love copper, gold and base metal corridor. Results to date indicate that numerous drill targets are likely to be generated in this area.
- Follow up sampling will take place at Hazelby with a view to planning further geophysical and drilling programs
- Mapping and sampling of alteration analysis targets will be completed
- Based on results, drill targets will be selected for follow up in the December Quarter of 2008.



Figure 3. Soil Sampling at Abydos Copper Corridor, June 2008

## FARREL WELL PROJECT (100% Shaw River – Gold, Base Metals and Nickel)

Shaw River's Farrel Well Gold and Base Metals Project is located 100km south-east of Port Hedland where the Company is targeting gold, base metals and nickel. The company is targeting VHMS (Volcanogenic Hosted Massive Sulphide) deposits similar to the nearby Sulphur Springs deposit, as well as structural hosted base metal targets, such as the Coongan lead-silver occurrence. Copper-gold (Myrna's Hill) anomalies and anomalous nickel in ultramafic and mafic rocks (Gorge Range) are being actively explored. The area has abundant gold anomalism, which has been the subject of earlier exploration work.

EM (Electromagnetic) surveys over Farrel Well in 2007 identified 10 bedrock conductors.

No significant work took place on the Farrel Well project during the Quarter. Follow up work on the VTEM anomalies is planned for the final quarter of 2008 in line with other exploration priorities

## CORPORATE

- Shaw River signed a letter of agreement with Sunrise Exploration (a wholly owned subsidiary of Pelican Resources Ltd on 27<sup>th</sup> May to form a joint venture over Pelican's Donald Well project tenement E45/2534. The following are the key terms of the joint venture:
  - The issue of 500,000 Shaw River shares and of 1,000,000 20c 2013 options to Pelican to reflect recent exploration expenditure by Pelican.
  - Earn in requirement of \$150,000 in the first year by Shaw River as manager to acquire a 30% stake.
  - On election to proceed beyond year one, the issue of 500,000 Shaw River shares to Pelican.
  - Expenditure of \$300,000 in years two and three by Shaw River as manager to increase its interest in the joint venture to 70%.
- A formal joint venture agreement is near completion and will be signed in July.
- The cash position of the Company at 31 June 2008 is \$1.75 million

## SHAREHOLDER INFORMATION

As at 30 June 2008 Shaw River Resources had 88,184,773 of shares on issue and 12,650,000 unlisted options. The top 20 shareholders hold 56.31% of the issued capital of Shaw River Resource Limited.



Vincent Algar

Managing Director

15 July 2008

This information can be downloaded from [www.shawriver.com.au](http://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 employee 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.*

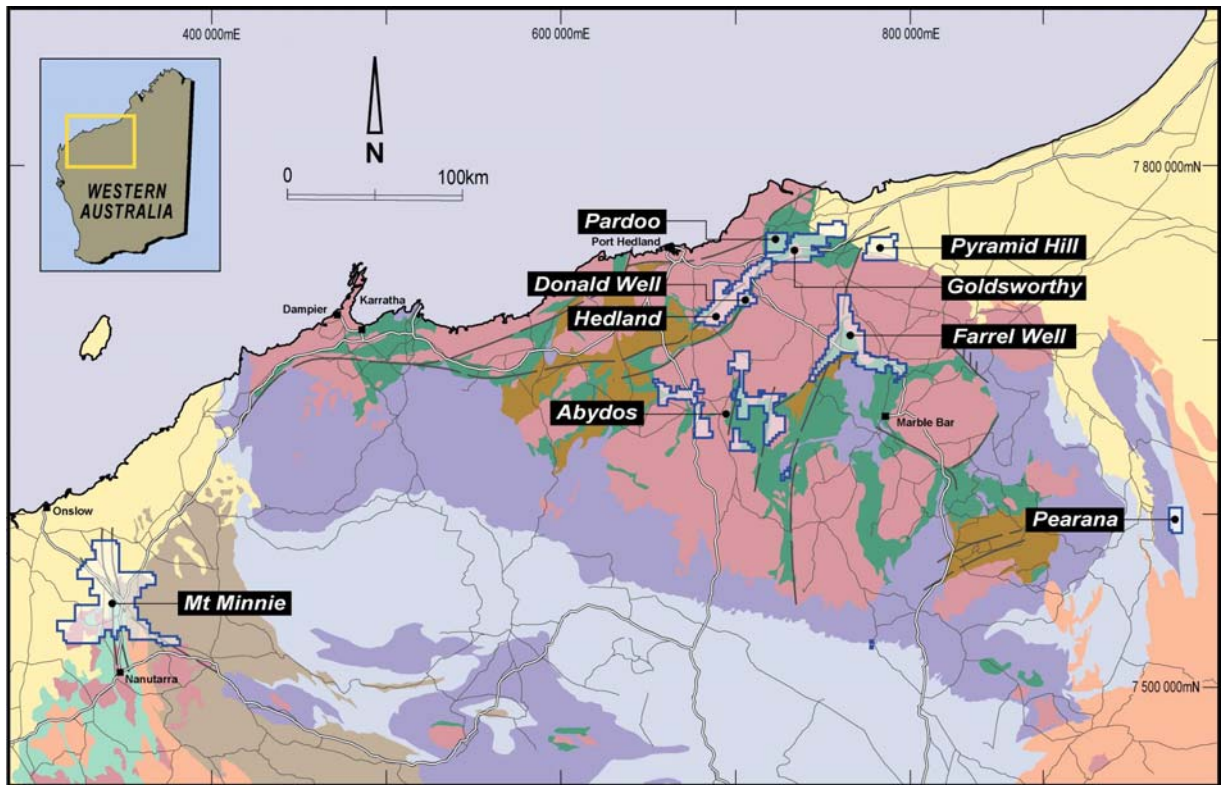


Fig 4 Pilbara Project Locations, Shaw River Resources.

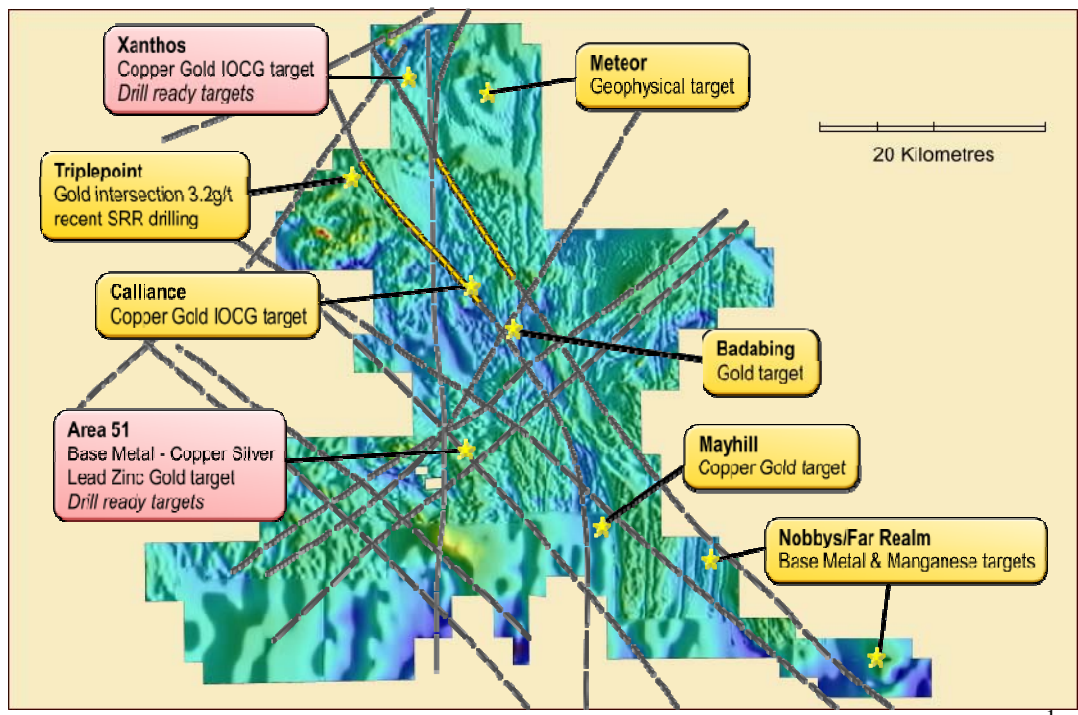


Fig 5 Mt Minnie drilling and manganese prospect Locations

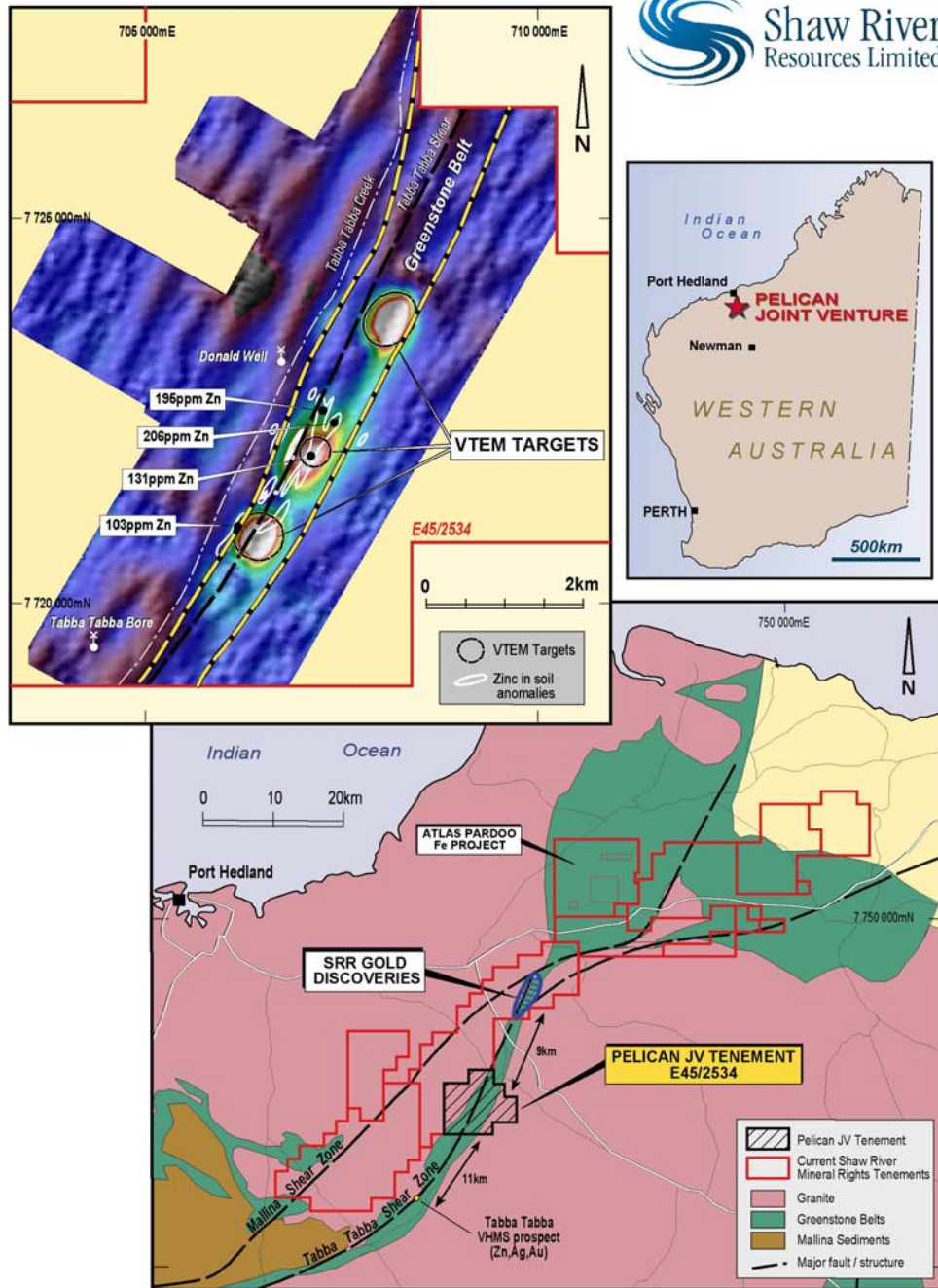


Figure 6. Donald Well – Pelican Resources Joint Venture Project

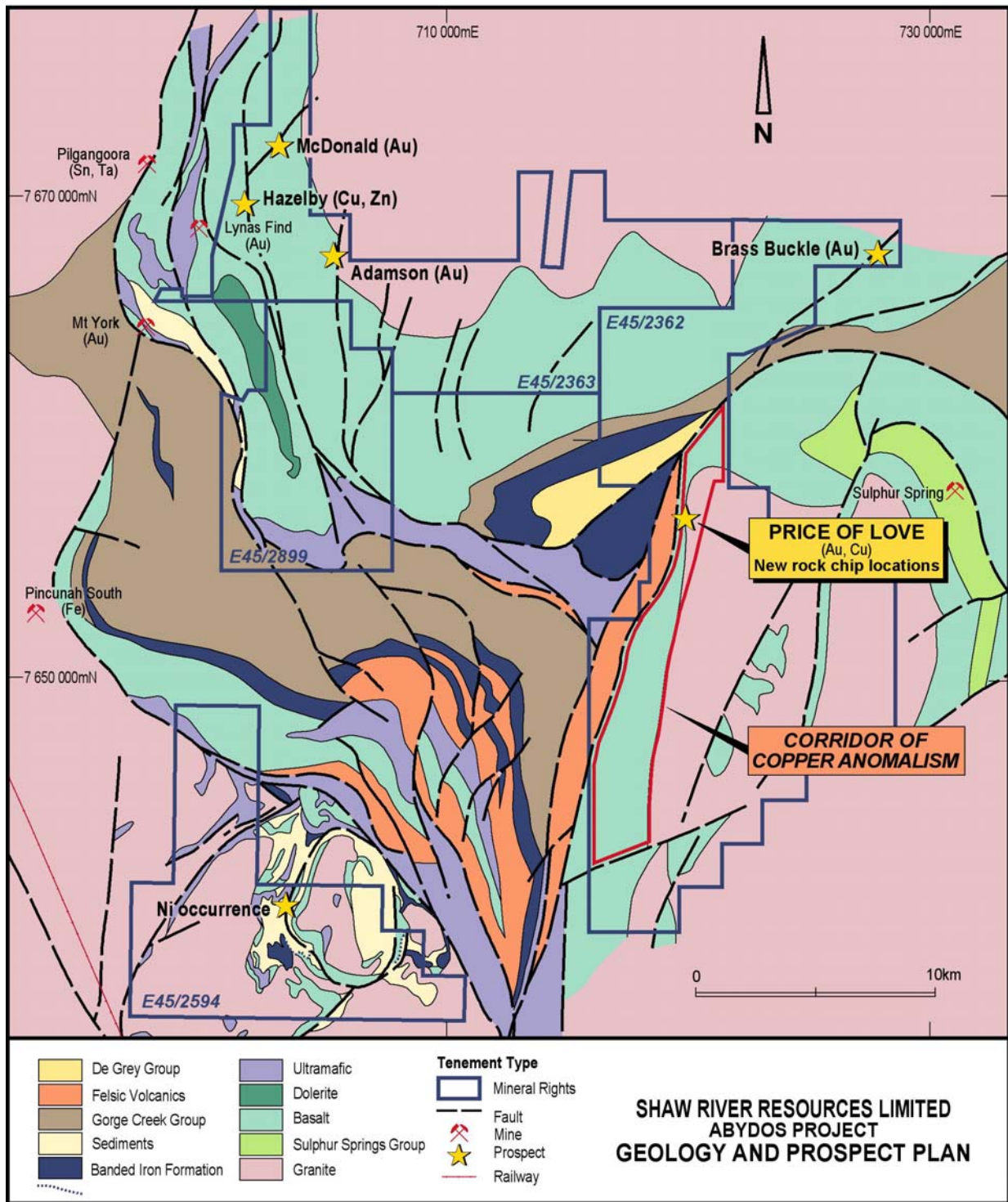


Fig 7 Abydos Prospect locations

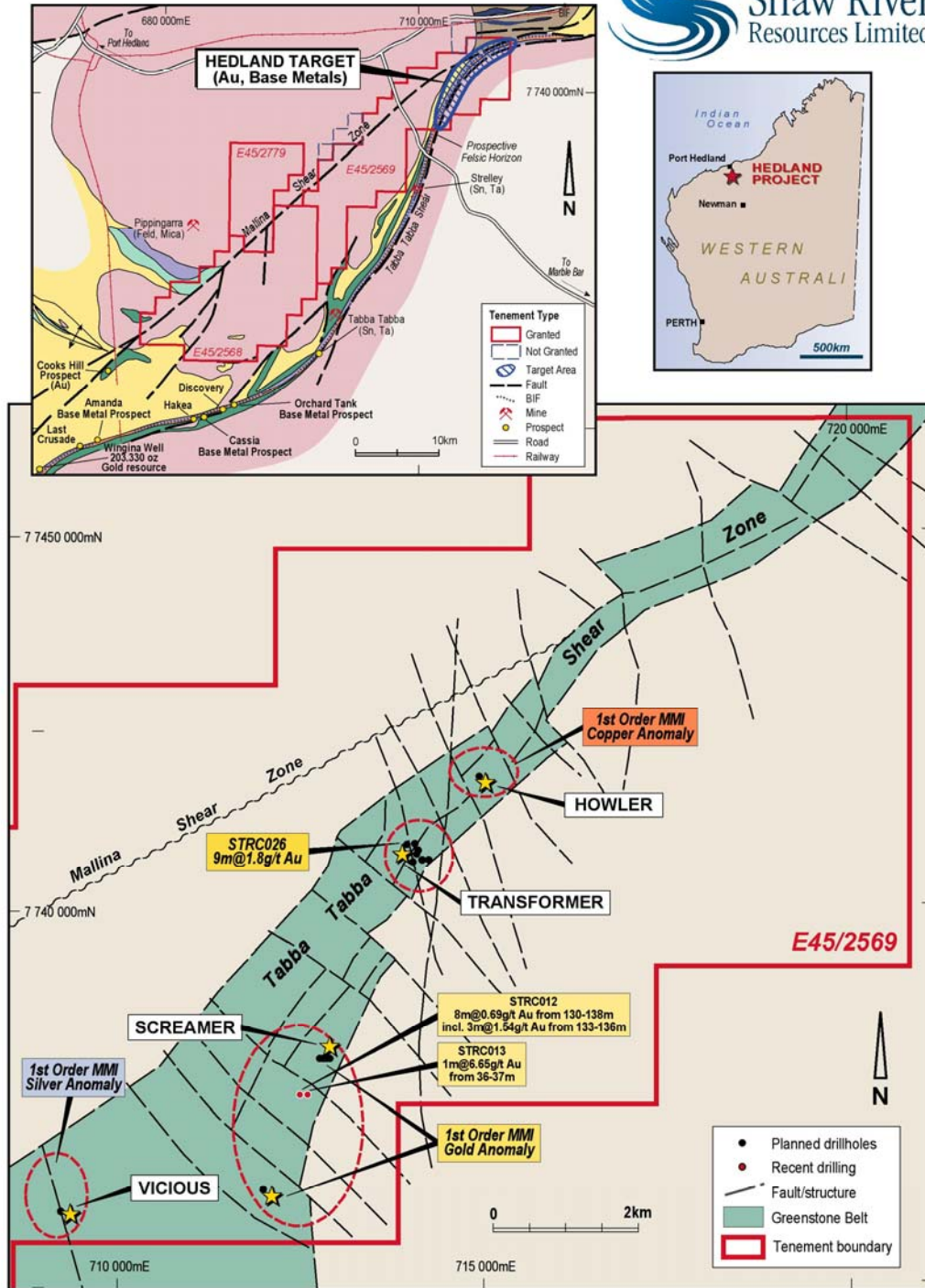


Figure 8 Hedland Project location and gold targets