

Date

11 April 2008

ASX Code

SRR

Share Price

11cps

Market Cap (fully diluted)

\$9.6m (\$9.6m)

Issued Capital (fully diluted)

87.7m shares (87.7m)

Cash (as at 1 March 2008)

\$3.2m

Management

Rick Cullen (Non-Exec. Chairman)
 Vincent Algar (Managing Director)
 David Flanagan (Non-Exec. Director)
 Denis O'Meara (Non-Exec. Director)
 Tony Walsh (Company Secretary)

Substantial Shareholders

Atlas Iron Limited (43.7%)

Resources Analyst

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Shaw River Resources Limited ("Shaw River", "SRR", "Company") has a large underexplored tenement portfolio located in the Pilbara and Ashburton regions of WA prospective for gold, base metals and uranium. The projects, which cover over 6,000km², have favourable geology for hosting a range of mineralisation styles and are located close to known deposits. The Company continues to work closely with Atlas Iron Limited ("Atlas"), its largest shareholder, with Atlas providing technical and logistical support.

Over the coming months the Company will undertake an active exploration program following up promising first pass drilling and soil sampling results on its Hedland, Mt Minnie and Abydos projects. With a market capitalisation of under \$10m, and cash of \$3.2m, the Company has an enterprise value of only ~\$7m, and is highly leveraged to any exploration success. We rate **Shaw River Resources Limited** as a **Speculative Buy**.

Investment Highlights

- **Hedland Project** - The Hedland project covers the Tabba Tabba greenstone belt, and is bound by the Mallina and Tabba Tabba shears. Both of these shears are critical to the formation of local gold and base metal deposits. Approximately 14km of the north-eastern end of the Tabba Tabba Shear Zone is contained within the project and has no historic drilling.

Drilling by Shaw River in 2007 resulted in the discovery of gold mineralisation over 3.5km of strike. Better results received included:

- 9m @ 1.8g/t Au from 77m,
- 1m @ 2.2g/t Au from 101m, and
- 1m @ 6.7g/t Au from 36m.

Following the successful soil sampling and drilling programs, the Company has planned a follow up RC drilling program for April 2008.

- **Mt Minnie Project** - The Mt Minnie project covers over 1,800km² and is situated on a prospective zone of faulting that provided the fluid pathway for a number of gold deposits including the Paulsen's and Mt Olympus gold mines. Shaw River is exploring for IOCG and base metal mineralisation, as well as roll front uranium deposits.

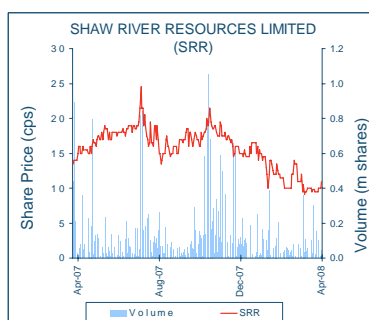
Soil sampling has identified a number of base metal targets as well as confirming the IOCG potential of the project. Drilling identified uranium enrichment as well as intersecting 1m @ 3.2g/t gold. The Company has planned substantial RAB/Aircore drill programs to follow up on these results which are scheduled to commence in May 2008.

- **Abydos and Goldsworthy Projects** - Shaw River has acquired the non-iron ore rights to the Abydos and Goldsworthy projects from Atlas. Rock chips by SRR confirmed that the area has potential for gold and base metal mineralisation with better assays including:

- 3.0g/t Au at the McDonald prospect, and
- 3.6% Cu, 8.4 g/t Ag, and 519ppm Zn from the Hazelby prospect.

The Company has also identified a number of high priority gold and base metals targets which Shaw River plans to drill during CY2008.

Share Price Performance



Source: Iress

Background

Shaw River Resources Limited is a junior explorer, focusing on gold, base metals and uranium in the Pilbara and Ashburton regions of WA. The Company was listed on the ASX in late 2006, as a float of Atlas Iron Limited's ("Atlas") non-iron ore tenements, and receives ongoing technical and logistical support from Atlas. The Company's tenement holding covers approximately 6,000km². The vast majority of the ground is relatively underexplored using modern methods, particularly in areas of transported cover.

The Company is targeting a number of styles of mineralisation on its large ground holding including:

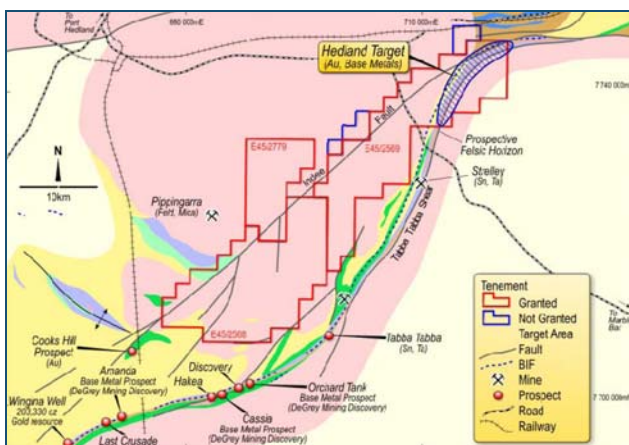
- Archaean lode gold deposits,
- Shear zone hosted gold,
- Ultramafic hosted nickel sulphides,
- Base metal volcanogenic hosted massive sulphide ("VHMS") zinc-lead-silver-gold, as well as
- Sandstone hosted roll front hosted uranium, and
- Iron oxide copper gold ("IOCG").

Shaw River has seven main projects in Hedland, Mt Minnie, Farrel Well, Abydos, Goldsworthy, Pardoo and Pearana. The projects are all near or adjacent to known deposits.

Hedland Project

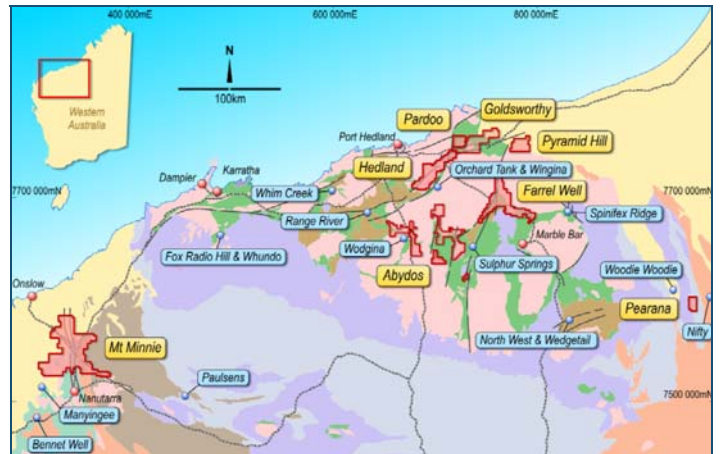
The Hedland project lies ~42km south east of the town of Port Hedland and consists of three granted exploration licences and one exploration license application. The project is ~50km long, up to ~20km wide covering the Tabba Tabba greenstone belt, and is bound by the Mallina and Tabba Tabba shears. Both of these shears are thought to be critical to the formation of local gold and base metal deposits at Turner River, Indee, Wingina Well, Orchard Tank and Supply Well. Other explorers have recently discovered base metal mineralisation immediately along strike of the Tabba Tabba shear zone with the results indicating strong similarities to VHMS style deposits. Approximately 14km of the north-eastern end of the Tabba Tabba Shear Zone is contained within the project and has never been drilled.

Figure 2: Hedland Project



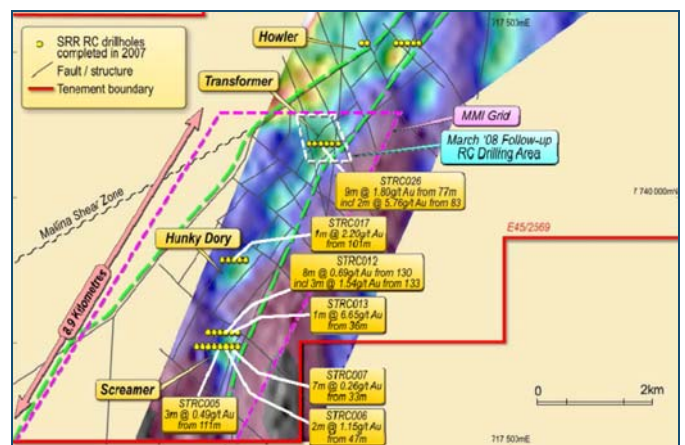
Source: Shaw River Resources Limited

Figure 1: Shaw River Project Locations with Nearby Deposits



Source: Shaw River Resources Limited

Figure 3: Hedland Drill Results



Source: Shaw River Resources Limited

An aircore drilling program was undertaken by Shaw River in August 2007 to determine the extent of the Tabba Tabba belt as well as identify geochemical anomalies under shallow cover. The program identified several targets which were followed up by RC drilling in November 2007. The RC program resulted in gold discoveries over 3.5km of strike. Better results received included:

- 9m @ 1.8g/t Au from 77m (incl. 2m @ 5.8g/t Au) – Transformer Prospect

- 1m @ 2.2g/t Au from 101m – Hunky Dory Prospect
- 1m @ 6.7g/t Au from 36m – Screamer Prospect
- 2m @ 1.2g/t Au from 47m – Screamer Prospect
- 8m @ 0.7g/t Au from 130m (incl. 3m @ 1.5g/t Au) – Screamer Prospect

In early 2008, Shaw River undertook a large Mobile Metal Ion (“MMI”) surface sampling program over the southern 9km of the belt. Previous orientation sampling surveys demonstrated that MMI is able to identify underlying mineralised zones. The program successfully identified a number of anomalies, some of which were coincident with the successful RC drilling.

Following the successful MMI and drilling programs, the Company has planned a follow up RC drilling program due to commence in April 2008.

Mt Minnie

The Mt Minnie project is located 200km south of Karratha in the Ashburton region of WA. The project covers 1,843km² and consists of 10 exploration licences. The project is situated on a prospective zone of faulting along the southern margin of the Pilbara Craton. It is believed that the faulting provided the fluid pathway for the gold deposits along the “Ashburton structural corridor” running from Mt Minnie through the Paulsen’s and Mt Olympus gold mines. Shaw River is targeting this area for IOCG deposits as well as base metal mineralisation. The area is also considered prospective for sandstone hosted roll front uranium deposits with Paladin Energy Ltd’s Manyingee deposit (10.9kt of U₃O₈) located 7km to the south.

In 2007, the Company undertook aircore drilling and soil sampling to test targets identified by WMC Exploration in the 1990’s. The programs identified at least five new base metal targets as well as confirming the IOCG potential of a number of the untested WMC targets.

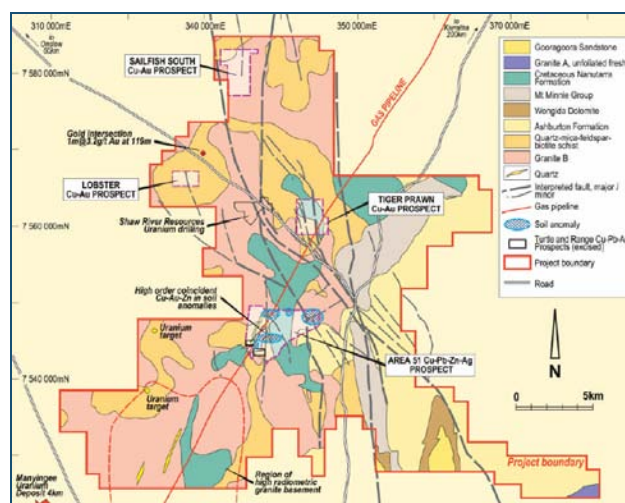
The aircore drilling was designed to test for potential sandstone uranium mineralisation. The results were encouraging, indicating uranium enrichment in sand units of 20ppm - 55ppm compared to background values of 2-5 ppm. Follow up exploration is likely to focus on the rocks that are in close proximity to the uranium enriched granite source rocks south of the recent drilling.

In the same program, a drillhole intersected 1m @ 3.2g/t gold at the Triple Point prospect in rocks below channel sediments. This intersection is within a structural corridor that is adjacent to the Lobster copper-gold prospect. Drilling by WMC in the 1990’s at Lobster yielded 10m @ 0.17% Cu, indicating that the gold intersection is significant in the search for any copper-gold mineralisation.

A recent MMI sampling program at the Xanthos prospect at the northern end of the project has identified fifteen anomalies with IOCG affinities, the largest of which is over 2.3km long. Shaw River believes the targets are associated with interpreted structures as well as being on the margins of large gravity and magnetic anomalies.

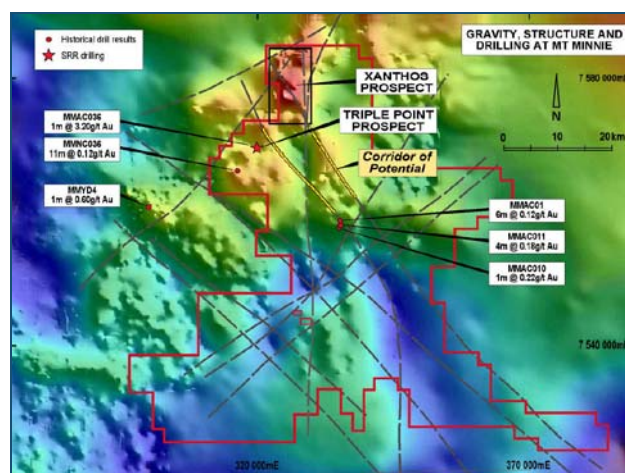
The Company has planned a substantial RAB/Aircore drill program over these anomalies, as well as a number of other gold, copper-gold, base metal and uranium targets. The program is scheduled to commence in May 2008, pending environmental and native title clearances. Shaw River also plans to undertake infill geochemical sampling over IOCG targets at Tiger Prawn, Lobster and Sailfish South to refine drill locations; as well as uranium sampling and an infill gravity survey.

Figure 4: Mt Minnie Project Geology



Source: Shaw River Resources Limited

Figure 5: Mt Minnie Gravity, Structure and Drilling



Source: Shaw River Resources Limited

Abydos and Goldsworthy

In November 2007 Shaw River acquired the gold, base metals, nickel and PGE mineral rights from Atlas on 14 tenements covering ~1,300km². Consideration for the acquisition was 8.2m SRR shares and 2.5m options.

The tenements, of which 9 are granted and 5 are applications, are located in the Abydos and Goldsworthy regions of the East Pilbara are adjacent to known gold and base metal deposits and existing Shaw River projects at Hedland, Pardoo and Abydos. Shaw River believes the tenements are prospective for gold and base metals as well as PGE's. Shaw River has commenced exploration on the tenements focussing on drill target generation.

Abydos

The Abydos tenements are located 110km south of Port Hedland and are currently being explored by Atlas for iron ore in the Pincunah Greenstone Belt. The area has historical gold mining at Lynas Find (+140koz) and the Lallah Rookh Gold Mine (31.9koz mined). The eastern tenements of the group are along strike and contain the same geology as CBH Resources Limited's Sulphur Springs VHMS deposit (resource: 10mt @ 3.5% Zn and 1.5% Cu).

Recent rock chip results by SRR yielded results that have confirmed the potential for gold and base metal mineralisation with better assays including:

- 3.0g/t Au and 0.4g/t Au from rock chips at the McDonald prospect, and
- 3.6% Cu, 8.4 g/t Ag, 519ppm Zn and 0.2g/t Au from the Hazelby prospect.

Following a review of historical exploration the Company has identified a number of high priority targets.

Hazelby

Historical sampling yielded up to 7% Cu, 70 g/t Ag and 245ppm Co. Drilling also intersected 1% Cu and 0.7g/t Au above a 1.3km long EM anomaly, with mineralisation identified to 230m depth in three separate seams.

McDonald

Historical gold workings and RC drilling identified four gold-bearing lenses over a 600m strike. Best intersections included:

- 2m @ 5.8g/t Au,
- 6m @ 1.8g/t Au including 2m @ 5.0g/t Au and
- 10m @ 2.0g/t Au including 3m @ 4.6g/t Au.

Brass Buckle

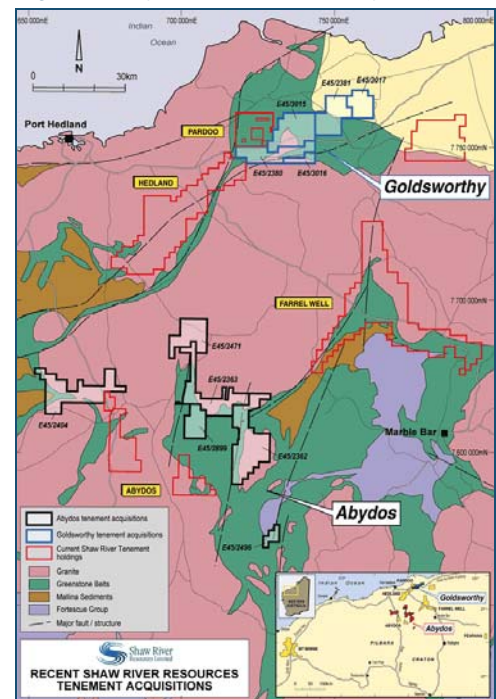
Historical drilling intersected 8m @ 6.4g/t Au from 24m, which included 2m @ 23.8g/t Au. Shaw River has also identified numerous untested soil anomalies that require follow up with peak values of up to 46ppb Au and 920ppm Cu.

Price of Love

Sixteen historical drillholes identified wide copper-gold mineralisation with better intersections of:

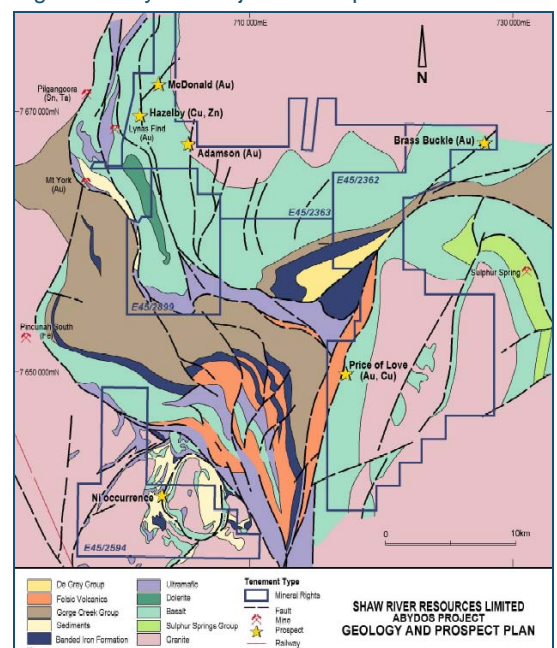
- 34m @ 1.61% Cu and 0.4g/t Au from 48m,
- 18m @ 1.59% Cu and 0.3g/t Au from surface,
- 6m @ 1.16% Cu and 0.5g/t Au from 16m, and
- 11m @ 1.43% Cu and 0.3g/t Au from 44m, including 6m @ 2.07% Cu and 0.3g/t Au.

Figure 6: Abydos and Goldsworthy Projects



Source: Shaw River Resources Limited

Figure 7: Abydos Project – Prospect Locations



Source: Shaw River Resources Limited

Adamson

Drilling of a banded iron formation ("BIF") intersected gold mineralisation over 150m of strike. Better intersections included:

- 3m @ 4.56g/t Au from 15m and
- 3m @ 12g/t Au from 41m.

Goldsworthy

The Goldsworthy tenements are adjacent to Shaw River's Pardoo and Hedland Projects. Historic work includes shallow RAB drilling and geophysics returning gold intersections of:

- 10m @ 0.3g/t Au,
- 8m @ 0.5 g/t Au and
- 6m @ 0.5 g/t Au.

Shaw River believes that the project contains complex geology that has the potential to host a number of styles of gold and base metal hosted mineralisation.

Farrel Well

The Farrel Well project consists of 18 tenements covering ~740km², located ~100km southeast of Port Hedland. Shaw River believes the project is prospective for gold, nickel, copper, zinc and lead.

In 2007, Shaw River collected over 2,000 rock and soil samples as well as completing 1,300m of RC drilling focussing on gold, base metals and nickel. A VTEM survey in late 2007 identified eight discrete bedrock conductors and will be followed by further work and drilling in mid 2008.

Gold Exploration

Historic exploration defined low grade gold mineralization at the Dom's Hill, North East Zone and Lukangus prospects. In early 2007, Shaw River completed a RC drilling program over untested sections of Dom's Hill (Graeme Section) and the NE Zone, generating encouraging results. The results highlighted the continuity of the low tenor gold mineralisation at both prospects. Better results included:

- 3m @ 1.7g/t Au from 62m in SDHRC005
- 1m @ 2.0g/t Au from 57m & 1m @ 2.9g/t Au from 74m in SDHRC004
- 2m @ 1.9g/t Au from 76m in SDHRC 002

Base Metals

Drilling by SRR in 2007 targeted base metal mineralisation at the Coongan and Pear Creek Prospects. At Coongan, zinc mineralisation was encountered 60m below outcropping lead and silver mineralisation. Drill intercepts included:

- 4m @ 1.2% Zn from 43m in SCRC003, including 1m at 3.7% Zn.

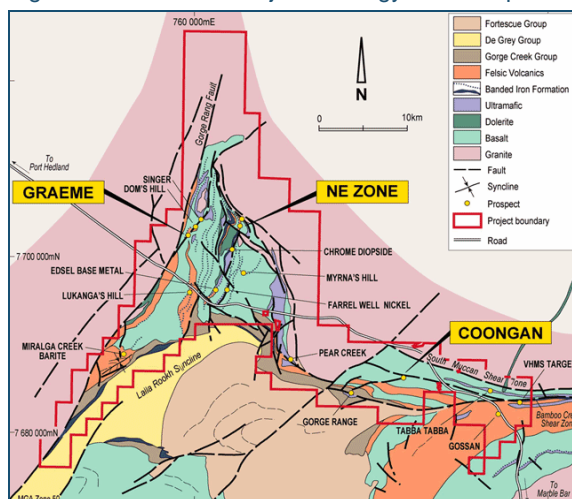
This intercept formed part of a 16m wide zone of shearing and alteration containing 0.45% zinc from 35m. Sampling and drilling has confirmed the potential for VHMS style base metal mineralisation with samples from a number of prospects returning anomalous base metal assays.

Planned follow up work on both the gold and base metals during 2008 includes ground geophysics and drilling, as well as mapping and surface sampling.

Pardoo

The Pardoo Project is located 75km east of the town of Port Hedland. The project contains the iron formations of the Ord Range which are due to be mined by Atlas in mid-late 2008. Shaw River, through its sale agreement with Atlas, holds the non-iron mineral rights to the tenements. The agreement allows Shaw River and Atlas to share exploration information where this applies to minerals and iron respectively. The project is considered to have potential for gold, nickel and base metal mineralisation.

Figure 8: Farrel Well Project Geology and Prospects



Source: Shaw River Resources Limited

Historic work on adjacent tenements <3km away intersected gold mineralisation up to 1m @ 4.28g/t Au. A high level stream sediment anomaly (48ppb Au) was also generated at the Sunbeam prospect towards the southern end of the project.

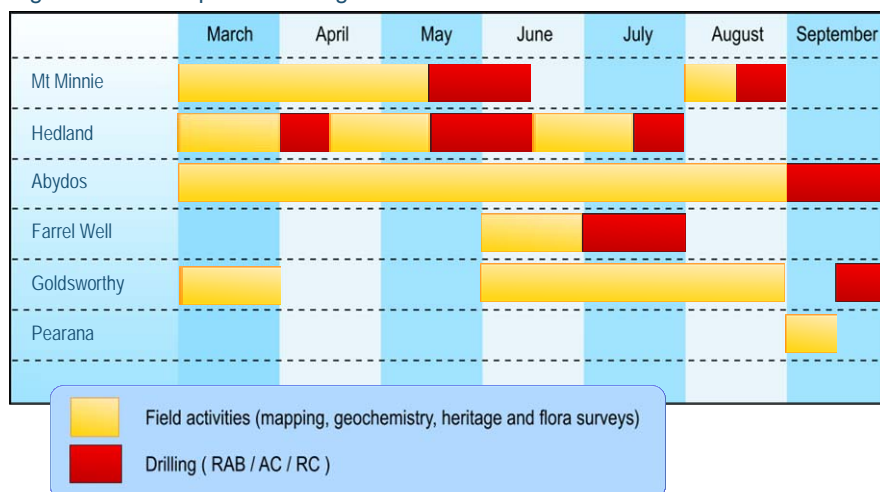
Pearana

The Pearana project is located 250km north east of the town of Newman and consists of one exploration licence application over an area of approximately 140km². The project contains the same rock units that host the Telfer gold – copper deposit as well as the Nifty copper mine. At the central part of the prospect, a small outcrop of gabbroic rocks is exposed over a strike of 100m. Historic work identified copper mineralisation on the outcrop, consisting of a series of narrow copper stained quartz veins. The mineralisation covers an area of 160m x 45m, but due to the lack of outcrop, little further work was done. Samples of the outcrop resulted in assays of up to 1% Cu.

2008 Exploration Program

The company is undertaking a busy exploration program during CY2008 including extensive drilling at its Hedland, Mt Minnie, Farrel Well and Abydos projects. The Company will continue its soil sampling, MMI and geophysics programs, as well as ongoing mapping to enable ongoing drill target generation.

Figure 9: 2008 Exploration Programs



Source: Shaw River Resources Limited

Corporate

In late February 2008, Shaw River completed a fund raising which involved the placement of 20m SRR shares at 15cps. The raising was done in two tranches. Tranche 1 was completed in November 2007, issuing 8.2m shares to sophisticated and professional investors to raise \$1.23m. Tranche 2 was completed in February 2008, issuing 11.8m SRR shares to Atlas, Shaw River Directors, and sophisticated and professional investors, raising \$1.77m. Of the raising, Atlas subscribed for \$1.15m of the second tranche. At the completion of the placement, the Company had ~\$4m in cash and no debt.

Following the raising, the Company had 87.7m shares on issue, 23.1m of which are in escrow until December 2008, and 8.2m that are in escrow until March 2009. Shaw River also has 11.7m options exercisable at various prices and dates.

Conclusions

Shaw River Resources Limited has a large underexplored tenement portfolio in the Pilbara prospective for gold, base metals and uranium. The projects have favourable geology for hosting a range of mineralisation styles and are located close to known deposits. The Company has an active exploration program over the coming months with follow up drilling at Hedland in April and at Minnie in May. At Abydos, the Company is generating drill targets over six recently identified prospects, which are likely to be drilled in late Q3 CY2008. Shaw River is also receiving technical and logistical support from Atlas, its largest shareholder.

With a market capitalisation of under \$10m, and cash of \$3.2m, the Company has an enterprise value of only ~\$7m, and is highly leveraged to any exploration success. We rate **Shaw River Resources Limited** as a **Speculative Buy**.

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Hartleys Recommendation Categories

Strong Buy	Significant share price appreciation anticipated
Buy	Share price appreciation anticipated
Speculative Buy	Share price appreciation anticipated but is considered high risk
Accumulate	Buy in periods of weakness
Hold	Take no action
Reduce	Sell in periods of strength
Sell	Significant price depreciation anticipated

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Hartleys has completed a capital raising in the past 12 months for Shaw River Resources Limited ("Shaw River"), for which it expects to receive fees. Hartleys has provided corporate advice within the past 12 months and continues to provide corporate advice to Shaw River for which it has received and continues to receive fees.

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