

March 2009 Quarterly Report

Shaw River Resources Ltd

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Projects

BARAMINE / 701 MILE
East Pilbara
manganese, iron

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

HEDAND
East Pilbara
gold, zinc-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 March 2009 Quarter

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

- Composite 1m rock chip traverses include 10m @ 50.3% Mn, 3m @ 51.5% Mn and 4m @ 48.2% Mn
- Wide, ore grade composite sampling intervals of up to 24m @ 38.7% Mn
- Independent manganese expert confirms significant potential for sub-surface manganese mineralisation
- Detailed gravity survey undertaken, 31 promising new target areas and existing target areas validated
- Granting of key tenements and drilling permit applications completed
- Drill planning completed over 22 gravity and 12 mapping and sampling targets. 3,000 metre RC drilling to commence in early May 2009

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

- Completion of tenement acquisition from RAM Resources of an 85% interest in 8 tenements adjacent to Shaw River's Mt Minnie project in the West Pilbara
- Tenements include 25km of southern strike extension of a known manganese target horizon associated with Proterozoic dolomite rocks
- Application for WA state government EIS (Exploration Incentive Scheme) prepared for copper-gold and manganese targets on 2,000 km² project area

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

- Composite rock chip traverses results of 17m @ 40.3% Mn and 17m @ 37.8% Mn. 81% of 204 rock chip samples taken returned >25%Mn
- High grade manganese results indicate extensive shallow enrichment of Balfour shale formation in shallow dipping sediments, exposed over 3km² and under shallow cover
- Project will be investigated in second half of 2009 for short term resource and production potential

Corporate

- Board re-structure with cost saving intention completed. Appointment of Atlas Operations Manager, Ken Brinsden as non-executive director and Tony Walsh as a director and chairman. Messrs Rick Cullen, Denis O'Meara and David Flanagan resigned from the board
- The Company's cash position at 31 March 2009 is \$2 million

Shaw River – Exploration Plans for the June Quarter 2009

- 3,000 metre RC drilling program to commence in May 2009 at Shaw River's Baramine Manganese Project
- Mapping of new tenements at Mt Minnie to assess manganese potential
- Drill program planning for additional manganese targets at Baramine, Mt Minnie and 701 Mile

PROJECTS

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

“Baramine is a strategically located manganese project, just 280km by road from Port Hedland in a world class manganese province. Our initial drill program at Baramine is highly anticipated by Shaw River and we look forward to results further validating the significant potential of the Project”

The Baramine project consists of three tenements located 80km northwest of the Woodie Woodie Manganese Mine, located in a world class manganese province in the East Pilbara. The tenements are located 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 high grade manganese rock chip results at Baramine achieved to date, with accompanying low iron and low phosphorous levels averaging <0.1% P, as well a strong supporting information from detailed geological mapping is highly encouraging for the presence of subsurface manganese mineralization.

Geology

The Baramine tenements are located on the northern end of the East Pilbara Manganese Province (See Figure 2) 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 over an estimated area of 70km². The Baramine project area is interpreted to cover an identical geological sequence to Woodie Woodie in the core of an open north-south trending syncline as well as a number of areas under shallow cover.

Activity

During the March 2009 Quarter, the final assay results were received from detailed rock chip sampling of over 100 separate manganese occurrences located over a 14km strike length of prospective geology (2,361 samples). A summary of these results is given below:

- Significant composite 1m rock chip traverses over 25% Manganese. Some of the best results include;
 - 11m at 46.4% Mn
 - 10m at 50.3% Mn
 - 9m at 41.6% Mn
 - 24m at 38.7% Mn
 - 19m at 38.6% Mn
 - 12m at 42.2 % Mn
 - 12m at 39.1% Mn
 - Individual 1m results to 58.6% Mn
- Using a 20% Mn cut-off grade, 742 samples, returned average grades of 33%Mn, 16%Fe and 17%SiO₂. The weighted average of Mn/Fe ratio above 20%Mn is 4.97
- Using a 25% Mn cut-off grade, 558 samples returned average grades of 37%Mn, 14%Fe and 15%SiO₂. The weighted average of Mn/Fe ratio above 25%Mn is 6.08
- Using a 30% Mn cut-off grade, 418 samples returned average grades of 40%Mn, 12%Fe and 13%SiO₂. The weighted average Mn/Fe ratio above 30%Mn is 7.14

During the Quarter Shaw River received the report by independent manganese expert Dr Joe Drake-Brockman of a mapping visit conducted on manganese outcrops and surrounding areas at Shaw River's Baramine project. Dr Drake-Brockman is a consultant geologist with 35 years experience in mineral exploration who has substantial experience in detailed mapping of the manganese mineralization along the eastern rim of the Pilbara.

Dr Drake-Brockman mapped four prospective areas using a specialised mapping technique developed for the styles of alteration and mineralisation typically seen at economic manganese occurrences in the East Pilbara (such as the Woodie Woodie Manganese Project). The geological model used is a hydrothermal model and by mapping structure,

ferruginisation, dissolution and alteration of dolomite as well as presence of manganese outcrop, is able to make the best assessment of the potential for manganese mineralisation.

Dr Drake-Brockman made the following observations in his report supporting the potential presence of manganese mineralising system at Baramine:

- In general and detailed terms, the country rocks at Baramine are identical to those at Woodie Woodie.
- In particular, the zones of argillic alteration observed are very similar to Woodie Woodie, with somewhat more limonite present at Baramine.
- The presence of abundant manganese stained and clay altered dissolution within dolomite.
- The presence of frequently observed patches of manganese mineralisation indicates the system is fertile.
- The presence of alteration on NE splays of NNW geological structures; and
- The bleaching, pinking, re-mobilisation, brecciation and re-crystallisation of dolomite typical of the Woodie Woodie hydrothermal system were noted.
- The positive manganese results (average values in excess of 30% over 5-20 m widths) achieved by rock chip traverse sampling of limited surface exposures confirm the potential for significant subsurface mineralisation.

Geological mapping and high resolution gravity surveys, both of which have been highly successful in identifying new orebodies at the Woodie Woodie mine, were initiated at Baramine during the Quarter. Shaw River has now completed a 3,000 station detailed gravity survey (50m x 50m station spacing) over five separate areas covering 7km² out of a possible 70km² of suitable geology with potential to potential manganese bearing horizons. The survey was undertaken by expert gravity contractors Daishsat and processed by geophysics company, Resource Potentials. Both of these companies have extensive experience with Manganese exploration.

Processed data has been received for the five surveyed areas (see Figure 3) generating 31 new manganese targets, as well as confirming the potential of existing targets generated by detailed mapping and the presence of high grade manganese samples. The planned May 2009 RC drilling programme will test a total of 34 targets (22 gravity and 12 mapping and sampling). Figure 4 shows a detailed gravity image with surface assay values over gravity highs in Area 5, one of the prospective surveyed areas.

Heritage agreements and the first heritage survey over planned drillholes were completed with the Njamal claimant group. The granting of key tenements and work program applications were also successfully completed during the Quarter.

Plans for the June 2009 Quarter

- Compilation and final processing of detailed gravity survey results.
- Completion of a 3,000 metre RC drilling program into 34 discrete target areas.

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

“During the Quarter, Shaw River expanded its land position of prospective manganese stratigraphy by an additional 370km². The new ground represents a further strategic position close to infrastructure for the Company. We will now seek to evaluate the exciting indicators Shaw River has identified which demonstrate the potential for a new manganese discovery 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). The large >2,000km² project is located on eighteen 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.

Mapping and sampling by Shaw River in 2008 identified potential for manganese mineralisation located in prospective dolomite rock sequences. Economic deposits of manganese around the world and in Australia are closely associated

with dolomite sequences. In the West Pilbara 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 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
- During the Quarter Shaw River completed the acquisition of an 85% interest in a group of 8 tenements to the south of the dolomite sequence from RAM Resources Ltd. This extends Shaw's ground position by a further 370km² at Mt Minnie, adding an additional 25km of the target manganese-iron horizon to its exploration targets.

Plans for the June 2009 Quarter

- Detailed mapping of newly acquired tenements to identify prospective rock units and other anomalies. Detailed evaluation and integration of new data will be undertaken.
- Ground evaluation of existing gravity targets and additional close spaced infill gravity survey.
- Generation of manganese drill targets and program plans, based on gravity, geology and high grade surface samples.

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

“Work during the Quarter has confirmed that 701 Mile has potential similar to other manganese deposits in the East Pilbara region such as those at those at Balfour Downs. We have identified widespread near surface grades up to 48.6%Mn, containing relatively low in enriched shallow dipping manganiferous shales, and believe the potential for economic mineralisation exists, which we will follow-up.”

The 701 Mile tenements are located 80km south of the iron ore town of Newman (see Figure 1). 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.

In the December 2008 Quarter, Shaw River's exploration team completed mapping, outcrop sampling and detailed traverse sampling on manganese enriched Balfour formation shales on the 701 Mile Project. 204 rock chip samples including 5 detailed rock chip traverses were completed. Historical drilling and trenching locations were located and investigated. Results from the mapping and sampling 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, including traverse samples (204 samples) over a 3km² area of outcropping units of 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 June 2009 Quarter

No work is planned on 701 Mile during the Quarter. Follow up work will take place in the September Quarter with plans to conduct a detailed shallow resource drilling campaign late in 2009.

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

During the March 2009 Quarter, Shaw River consolidated 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, gold) have all been significantly advanced during the past 18 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.

The WA State Government announced an EIS (Exploration Incentive Scheme) in March 2009 to assist qualifying greenfields exploration projects with dollar-for-dollar drilling expenditure assistance up to \$150,000 per program. Shaw River believes that a number of its exploration projects will meet the criteria set by the program. A few of the criteria are:

- Addresses significant knowledge gaps and/or critical uncertainties in under-explored areas
- Technical Merit of Proposed Program
- Land access and Corporate Issues

Shaw River is preparing applications for the Mt Minnie Copper-Gold Project and the Mt Minnie Manganese Project, both of which have drill ready targets. The scheme will allow Shaw River to cost effectively continue the subsurface valuation of a number of its secondary manganese and key non-manganese assets.

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.

The current mineral project status can be summarised as follows;

Abydos Base Metals

- Mapping and detailed soil geochemistry has highlighted a 7km sequence of rocks displaying classic VHMS (Volcanogenic Hosted Massive Sulphides) signatures.
- Rock chip sampling along a 21km trend has generated significant rock chip results up to 1.44% zinc, 49.8 g/t silver, 16.8% copper and 2.1g/t gold.
- Infill soil sampling results with up to 0.1% zinc, received during the December 2008 Quarter confirm the presence and location of up to 4 excellent, large, discrete Zn-Cu-Ag-Au VHMS targets.
- The immediate area around Abydos contains known VHMS deposits, such as the Sulphur Springs deposit less than 10km to the east of Shaw River's targets. Sulphur Springs is currently being considered for development by CBH resources.
- Follow up prospect mapping and final drill site selection will be advanced when specific funding for the project becomes available.

Hedland Gold

- Shaw River has drilled 13 RC and 444 RAB drillholes into soil sampling generated gold targets at its Hedland Project on the Tabba Tabba and Mallina Shear Zones, 50km east of Port Hedland. Numerous areas of surface and subsurface gold anomalism were identified during the programs.
- In the last drilling completed over the Mallina Shear Zone, a 300m wide corridor of gold anomalism was identified from shallow drilling. This included a group of 20 adjacent drillholes which reported >0.1 g/t gold in bottom of hole samples showing intense alteration.
- The anomalism is interpreted as being related to mineralizing events on the Mallina Shear Zone which is mineralized to economic levels to the south west at Indee.
- Future work planned for the project includes deeper drilling (RC) and infill RAB drilling over the wide Mallina gold alteration zone recently discovered.

Mt Minnie Copper-Gold and Base Metals

- Targets generated from extensive soil sampling and geophysical data interpretation during 2008 has resulted in drill target selection over a number of gold, copper-gold IOCG (Iron Oxide Copper Gold) and polymetallic vein style targets across the 2,000 km² Mt Minnie project area.
- All clearances and permits are in place and Shaw River intends to complete this drilling at an appropriate time.

CORPORATE

- In February 2009, The Board of Shaw River agreed to a re-structure with intention of cost savings. As a results, Atlas Operations Manager, Ken Brinsden was appointed as a non-executive director and Tony Walsh (Company Secretary) was appointed as a non-executive director and chairman. Messrs Rick Cullen, Denis O'Meara and David Flanagan resigned from the board.
- During the Quarter, Shaw River completed the acquisition of an 85% interest in all the mineral rights in eight West Pilbara tenements located adjacent to Shaw River's 1,800km² Mt Minnie Project from RAM Resources Limited "RAM". The tenements are considered prospective for manganese, copper, tungsten, gold, uranium and iron ore. Consideration of 2,000,000 shares and 1,000,000 options was issued to RAM Resources following approval for the transaction at the Shaw River Annual General Meeting in Perth on November 28th 2008.
- As part of cost saving measures the Board of Shaw River took a fee holiday in January 2009. The Managing Director and Exploration Manager took a month of unpaid leave in January and February respectively.
- As part of cost saving in ongoing operations, the company reduced its total staff compliment to 3.5 staff, including the Managing Director. Part time contractors assist with accounts, tenement and database management.
- The cash position at the end of March 2009 is \$2.0 million.

SHAREHOLDER INFORMATION

As at 30 March 2009 Shaw River Resources had 142,600,240 of shares on issue. The top 20 shareholders hold 60.88% of the issued capital of Shaw River Resources Limited.



Vincent Algar

Managing Director

30 April 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 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'. 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

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled and/or assessed by Dr Joseph Drake-Brockman who is a Member of The Australasian Institute of Mining and Metallurgy. Dr Drake-Brockman is employed by Drake-Brockman Geoinfo Pty Ltd. Dr Drake-Brockman 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'. Dr Drake-Brockman consents to the inclusion in the report of the matters based on his assessment of the available information in the form and context in which it appears.

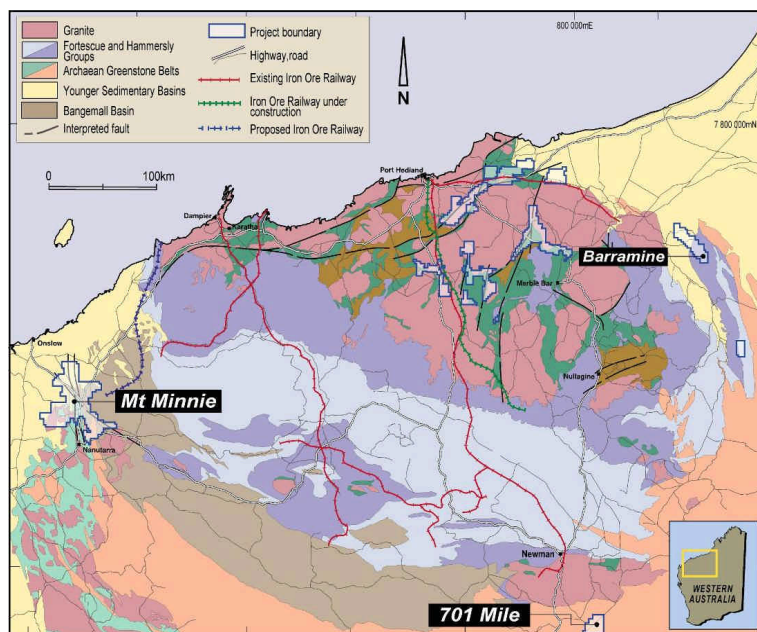


Figure 1. Shaw River Project Locations (Manganese Project Names)

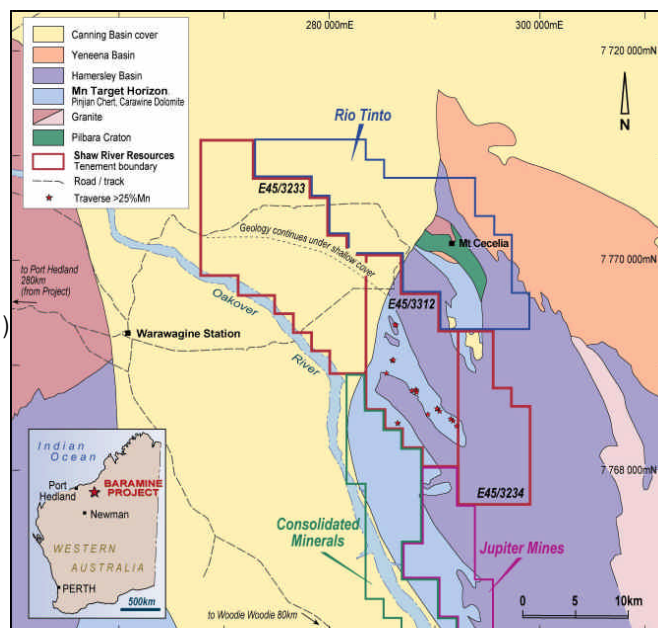


Figure 2. Barramine Project, location, geology and recent sampling locations

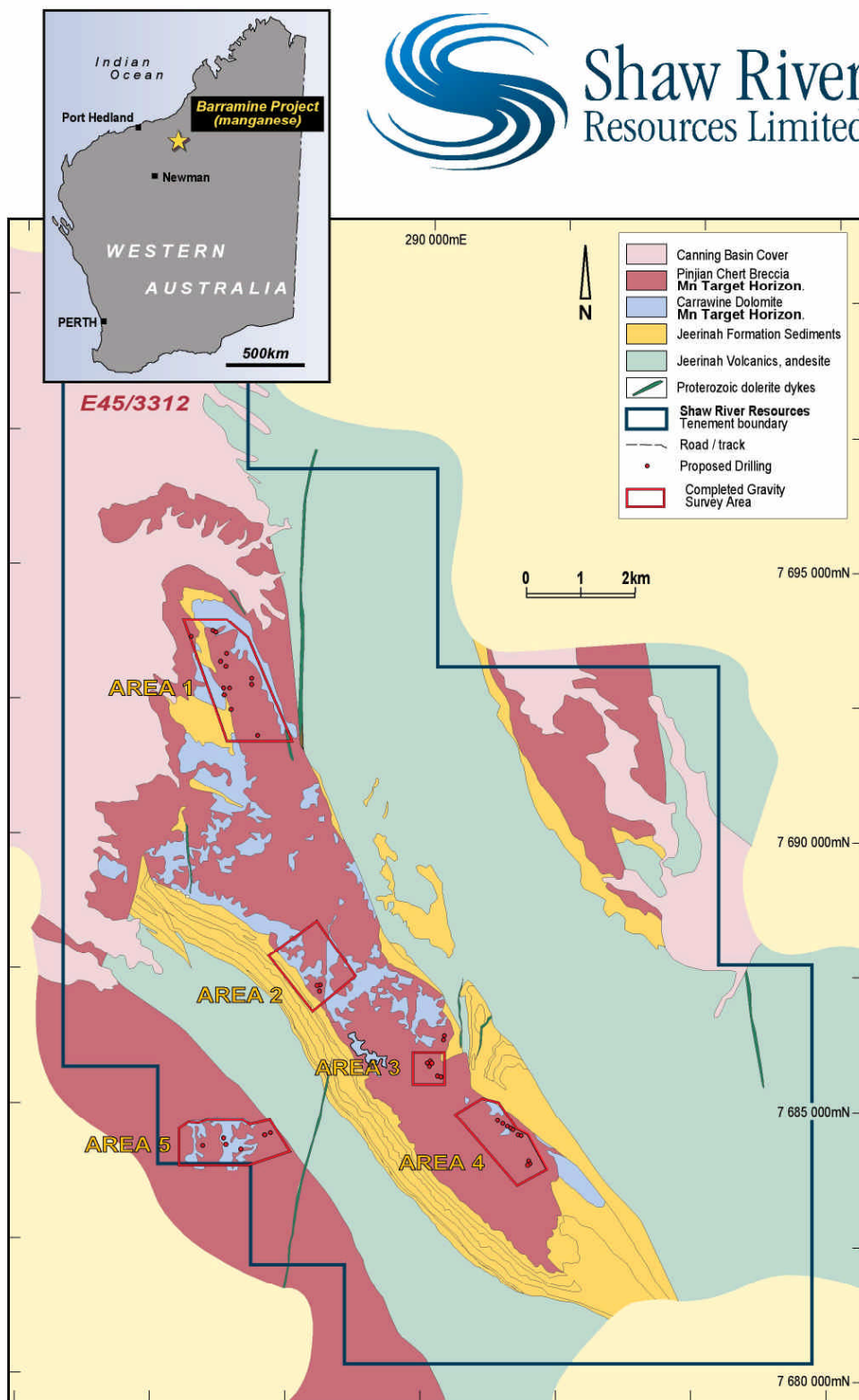


Figure 3. Detailed Geology at Baramine, showing gravity areas and proposed drill sites

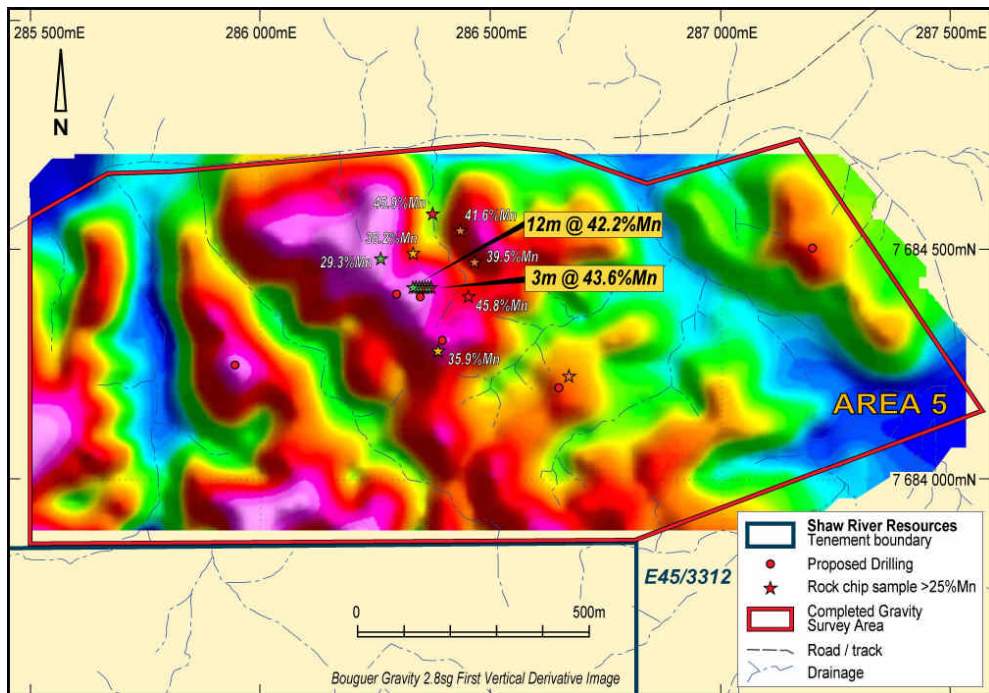


Figure 4. Area 5 first vertical derivative topography corrected 2.8 sg Bouguer gravity map, 50m x 50m station spacing

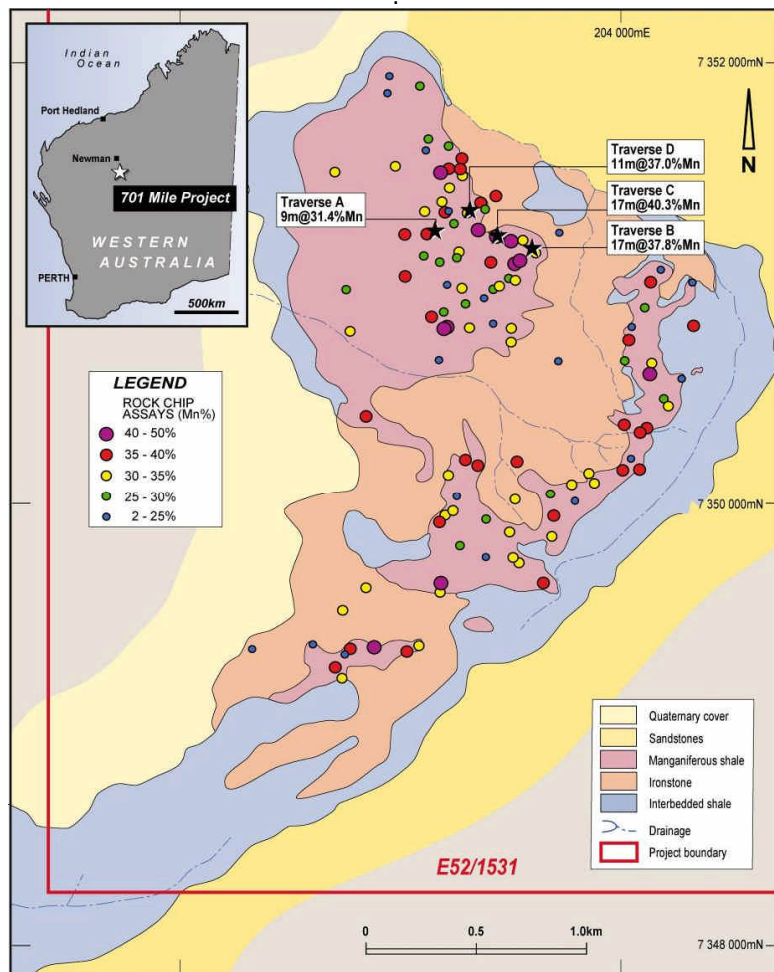


Figure 5. 701 Mile Project Manganese samples and traverse locations