New Manganese Discovery at Baramine

25 OCTOBER 2010

45.8% Manganese Discovered at Baramine - DSO Potential Confirmed

Shaw River Resources (ASX Code: SRR) (Shaw River) has taken another significant step towards its goal of establishing a major manganese resource at its Baramine Project in the Pilbara region of Western Australia, with the latest drilling resulting in another discovery and more high-grade intersections at an existing prospect.

The latest discovery at Area 5 returned a drilling intersection grading up to 45.8 per cent manganese while additional drilling at the Area 3 prospect returned grades of up to 27.7 per cent over 5m, further extending the extensive mineralised zone.

The drilling was part of an extensive exploration campaign at Baramine, which is 70% owned by Shaw River. Baramine is 80km north-west of the world-class Woodie Woodie manganese mine. Shaw River is targeting manganese mineralisation similar to that at Woodie Woodie (see targets, Figure 1).

Highlights of the drilling include:

- New Discovery at Area 5 Prospect (see Fig 3, Table 1)
  - Significant width and grades in BRC 250 containing 14m at 21% Mn from surface, including 3m at 35% Mn from 11m. The interval from 12m to 13m returned the highest grade received to date in the project of 45.8% Mn
  - The zone of intense manganese mineralisation in BRC250 is associated with a major mapped fault which geologists have traced over 2 km
- Area 3 Mineralisation (see Fig 2, Table 1)
  - BRC248, contains two zones of mineralisation of 5m @ 10% Mn from 29m, and 15m @ 17.2% Mn from 57m, including 5m @ 27.6% Mn from 57m
  - BRC246 containing 2m @ 27.1% Mn from 40m, and BRC247 containing 5m @ 15.5% Mn from 46m
  - BRC239 has returned significant results including 10m @ 16.6% Mn from 26m, including 3m @ 27.7% Mn from 28m
  - Geological interpretation indicates the mineralisation in holes BRC246, BRC247 and BRC248 are part of a zone which extends over a combined strike length of greater than 500m and open in three directions

Shaw River Managing Director Vincent Algar said the latest results provided more evidence that Baramine contained the thickness and grade of mineralisation typical of that seen at a number of Woodie Woodie deposits.

"This program has given us yet more confidence to drive exploration aggressively towards establishing a resource estimate and pursuing development at Baramine," Mr Algar said.

Shaw River is currently processing a number of beneficiation samples, with results expected in November. These results will be combined with an initial scoping study during the December and March Quarters to clarify economic parameters for a potential operation at Baramine. Exploration will include follow up geophysics focused in Area 3 in 2010, diamond drilling and a 15,000m RC drilling program commencing after the Pilbara wet season early in 2011.

STRATEGY FOR THE BARAMINE PROJECT

Shaw River is seeking to define large-scale manganese resources at Baramine to pave the way for a long-life mining operation. Activity over the coming months will focus on delivering this outcome, which is expected to provide investors with regular newsflow including:

- Final drilling results including updated Exploration Targets* expected in November 2010;
- Beneficiation test results from RC holes in Area 3, Nells, Area 4 and Area 5 are expected in November 2010 and will assist with orebody modelling and economic product studies;
- Exploration planning will be completed with the aim of converting Shaw River's Baramine Project Exploration Target* on key prospects to Mineral Resources in 2011;
- Results of beneficiation testing will be followed up during the coming months with a 1,000 metre diamond drilling program to determine beneficiation parameters and product characteristics;
- 15,000m of RC drilling is being planned to commence in early 2011;
- Economic studies will commence in the current quarter; and
- Heritage, environmental and mining application processes will commence in early 2011.

*Exploration Targets: Shaw River has determined an initial Exploration Target at Baramine of between 10 million tonnes and 15 million tonnes of manganese ore in-situ grading between 18 % Mn and 25% Mn.

Exploration Target Statement:
It should be noted that the potential quantity and grade of the stated Exploration Target are conceptual in nature, that there is currently been insufficient exploration to define a Mineral Resource, and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

ABOUT SHAW RIVER RESOURCES

Shaw River is a focused manganese explorer, currently operating five Pilbara manganese projects, and holding an 80% stake in a Ghanaian manganese and gold project.

Shaw River offers excellent exposure to this strategic metal, critical to the global steel industry. Manganese offers investors the benefits of a high unit sale price, strong global demand and low capital and time costs for the development of feasible projects.

In the remainder of 2010 and into 2011, Shaw River will aggressively advance its projects at its Butre (Ghana), Skull Springs (Pilbara) and Baramine (Pilbara) projects. Shaw River is maintaining its active manganese project acquisition strategy as it continues to build its manganese project pipeline.

Shaw River's largest shareholder, Atlas Iron (45.4%), is a strong supporter of Shaw River's manganese strategy.

For further details, contact Vincent Algar, Managing Director, on (08) 9226 4455

Hole	North	East	From	To	Metres	Mn%	Fe%
BRC239	7685800	290274	8	13	5	13.3	17.8
and			26	36	10	16.3	32.2
includes			28	31	3	27.7	27.1
BRC241	7685841	290234	63	66	3	13.1	33.4
and			73	76	3	22.9	24.6
BRC246	7685522	290164	40	42	2	27.1	4.1
BRC247	7685514	290199	46	51	5	15.5	6.2
BRC248	7685475	290198	29	34	5	10	20
and			57	72	15	17.2	9.5
includes			57	62	5	27.6	7.4
BRC250	7684271	285761	0	14	14	21	12.3
includes			11	14	3	35	14.8
Includes			12	13	1	45.8	6.5

Table 1 Significant Manganese RC drill Intersections, current program, Baramine.
Vertical and angle holes. RC drilling samples, riffle split, 2-5kg samples, Analysis by X-Ray Fluorescence.
Cutoff grade used for significant intersections: Greater than 10%Mn.

Competent Person Statement

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

Forward Looking and Exploration Target Statements

Some statements in this announcement regarding future events are forward-looking statements. They involve risk and uncertainties that could cause actual results to differ from estimated results. Forward-looking statements include, but are not limited to, statements concerning the Company's exploration programme, outlook, target sizes, resource and mineralised material estimates. They include statements preceded by words such as "potential", "target", "scheduled", "planned", "estimate", "possible", "future", "prospective" and similar expressions. The terms "Direct Shipping Ore (DSO)", "Target" and "Exploration Target", where used in this announcement, should not be misunderstood or misconstrued as an estimate of Mineral Resources and Reserves as defined by the JORC Code (2004), and therefore the terms have not been used in this context. Exploration Targets are conceptual in nature and it is uncertain if further exploration or feasibility study will result in the determination of a Mineral Resource or Reserve.

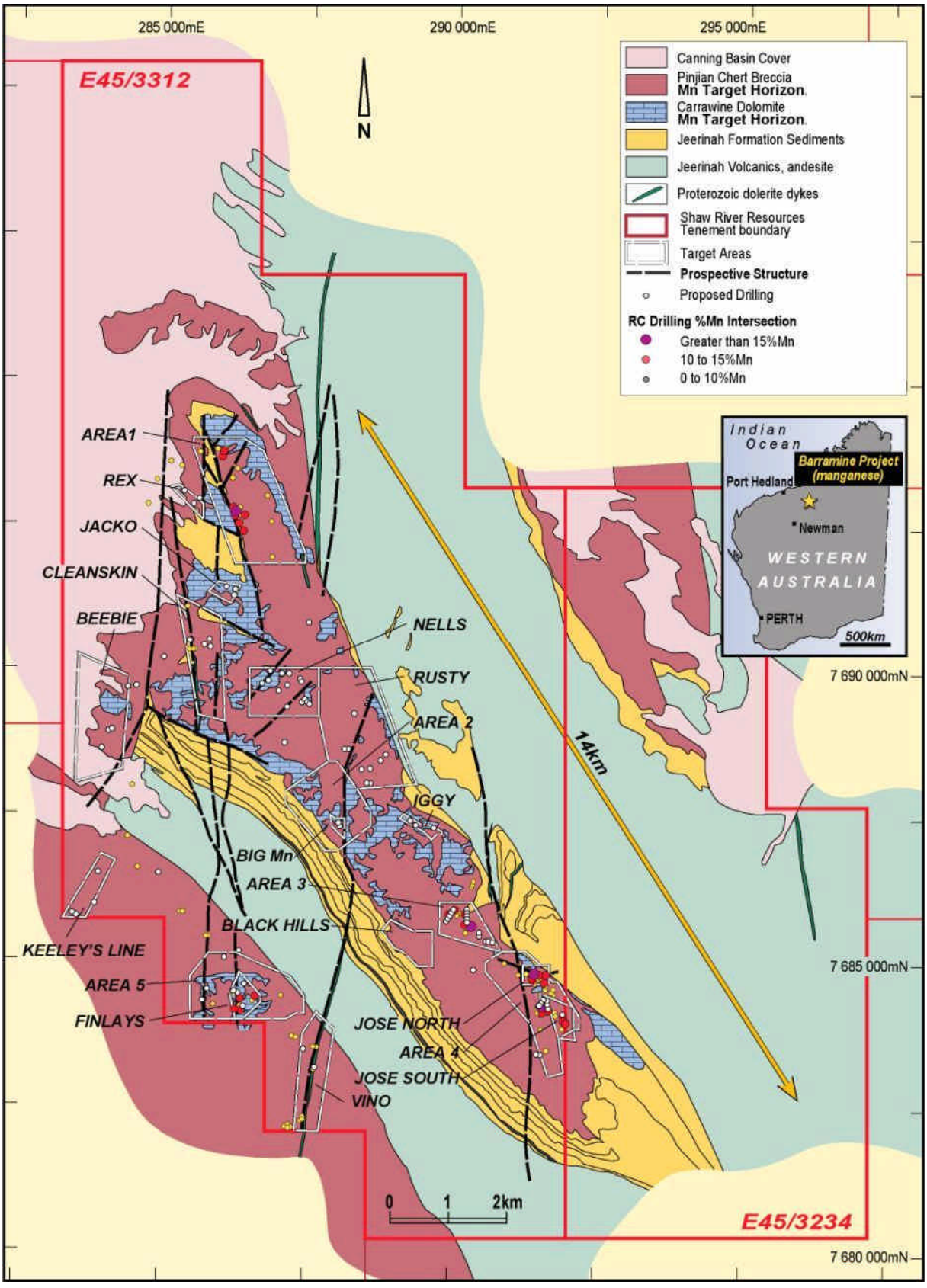


Figure 1. Baramine geology showing previous Shaw River drilling and current program target areas

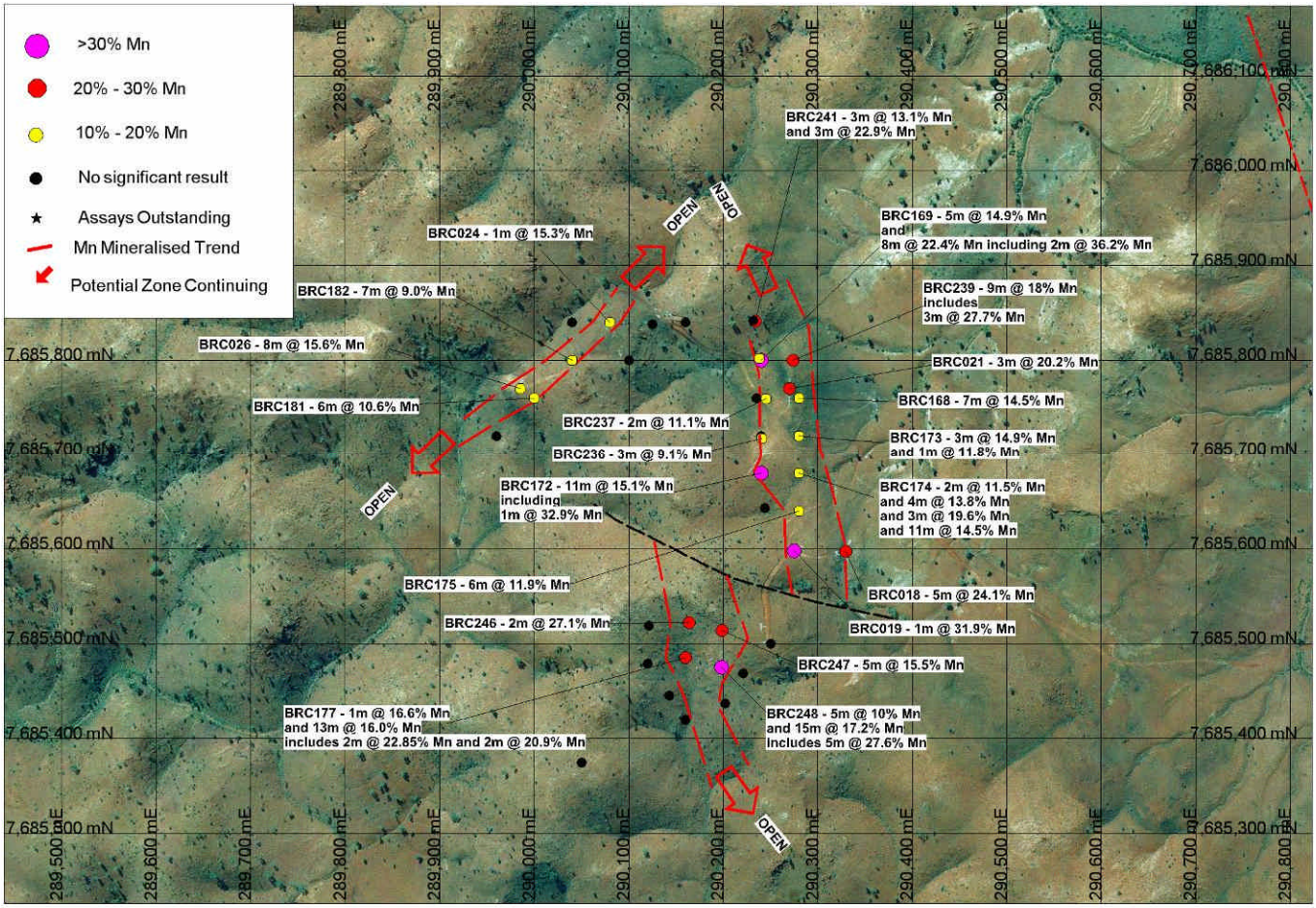
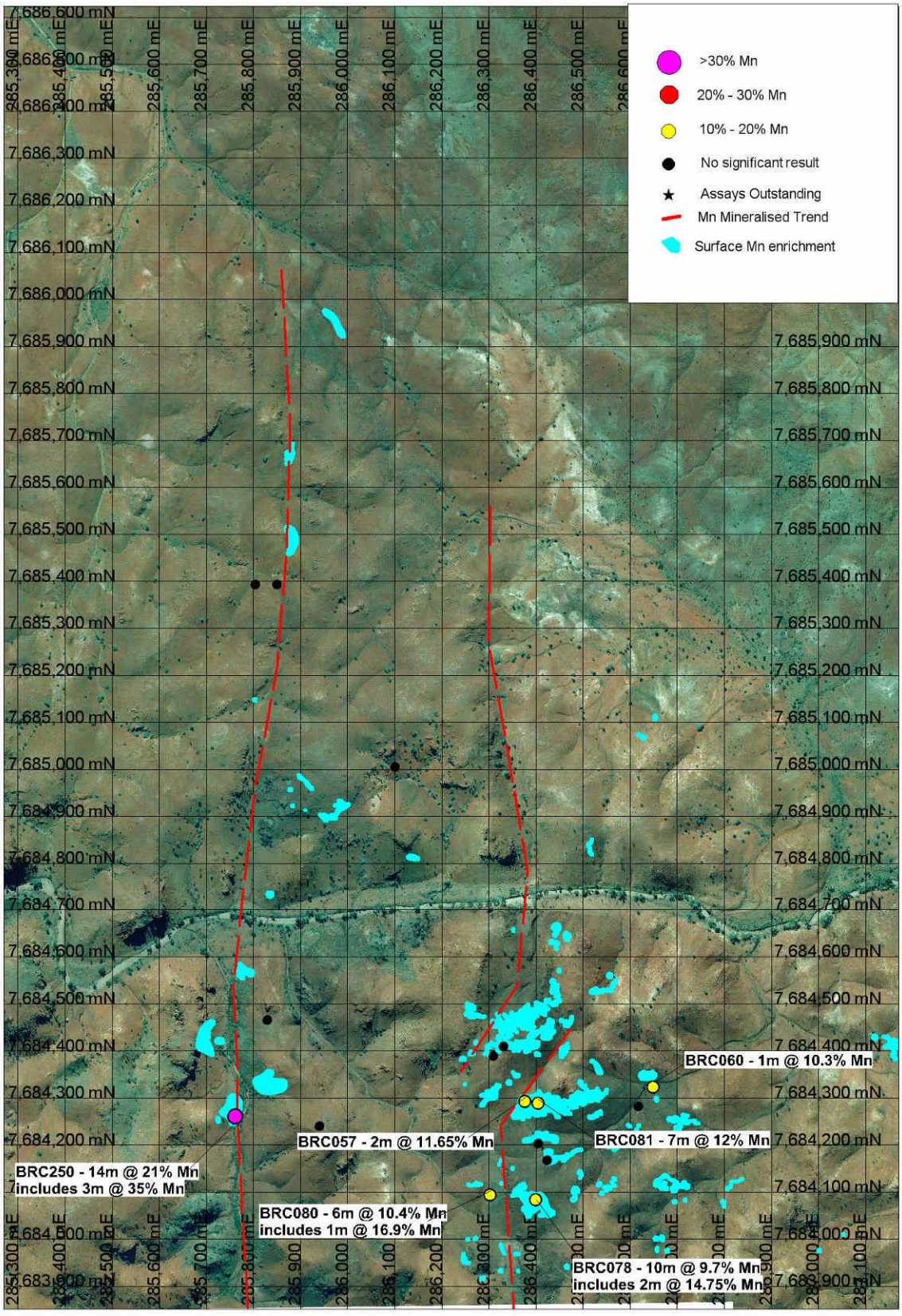


Figure 2. Area 3 Current Drill Results showing resource target areas and potential. Grid squares are 100m x 100m



Fgure 3. Area 5 Current Drill Results, surface mineralisation and target areas
Grid squares are 100m x 100m