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News

Ferret's Stock to Watch: SHAW RIVER RESOURCES LIMITED 09:30, Thursday, 25 October 2007

AN EXPLORER WITH SERIOUS POTENTIAL IN THE PILBARA OF WA

Sydney - Thursday - October 25: (RWE Australian Business News)

OVERVIEW

Shaw River Resources Ltd (ASX:SRR) is a focused base metal and gold and uranium explorer in the Pilbara region of WA.

Management has obviously a great sense of humour, reflected by some of the promising project locations such as Screamer, Heroes, Hunky Dory, Howler, Alladin Sane and Ziggy.

The exploration manager has been a bit of a David Bowie fan as well and in mining tradition is allowed to name deposits or areas of interest.

Managing director Vincent Algar says Atlas Iron's 38 per cent stake in the company emerged from the fact that Shaw River Resources took over mineral rights previously owned by Atlas.

In September of last year Shaw River became the vehicle in which Atlas passed over six promising projects covering a massive tenement area (4,975 sq km) in the Pilbara, which is now re-emerging as a significant base metals and gold province.

In return, an IPO gave Atlas the major stake in Shaw River Resources.

Mr Algar said there has always been a relationship with Atlas in a working sense as they continue to work together with Atlas's technology and save money on exploration.

The company started serious drilling in August and expects to operate drilling programs until the end of the year.

Shaw River Resources is especially interested in the Headland base metals area which is only about 40 kms from Port Hedland where Atlas yesterday reported that the Western Australian government had approved the development of a new \$225 million multi-user public berth at Port Hedland.

Shaw River's strong board has a good mix of Pilbara, exploration and technical experience.

The Shaw River portfolio is considered to be prospective for a range of mineralisation styles as hosted elsewhere in the Pilbara region.

The company has outlined a comprehensive two-year exploration budget of \$3.5 million based on a minimum subscription to the prospectus of \$4 million.

Activities are planned in all the company's tenement areas with a view to advancing the Farrel Well and Mt Minnie projects as Shaw River's primary areas of focus.

Extensive drilling is planned to advance key prospects, maximising the value of the acquired data and mineral tenements through prudent and meticulous data collection.

By the effective application of proven and where applicable innovative exploration techniques the board is optimistic about the likelihood of exploration success.

On Monday, Shaw River reported that it had received all government permissions required to proceed with its first uranium drilling program in November at the Mt Minnie project, 60km east of Onslow.

"We are pleased to be getting on with this exciting program," said Mr Algar.

"Remember that Shaw River is only the third company to conduct a uranium drilling program in this prospective area since the 1970s."

Shaw River is targeting roll-front uranium with a 36-hole aircore drilling program on part of an extensive palaeochannel system identified in the Mt Minnie area during the 1970s.

Exploration in that period resulted in the discovery of the Manyingee, Spinifex and Bennetts Well uranium deposits.

Manyingee reached feasibility study level using in-situ leach

methods before policies toward uranium changed in WA.

Final drilling preparations will be made over the next two weeks with drilling expected to start in the first week of November.

SHARE PRICE MOVEMENTS

Shares of Shaw River Resources yesterday edged up 0.5c to 18.5c. Rolling high for the year is 25c and low 13c. The company has 30 million shares on issue with a market cap of \$5.5 million.

Earlier this month, Hedland Drilling identified eight high-priority base metal and gold targets from a 150-hole aircore drilling program at the Hedland project.

Best intersections from aircore drilling included:

- * 230 ppb gold (0.23 g/t) in STAC067 at Ziggy;
- * 180ppb gold (0.18 g/t) in STAC130 and 639ppm (0.06pc) copper in STAC 127 at Screamer;
- * 104 ppb gold (0.104 g/t) in STAC0149 at Heroes;
- * 2550 ppm (0.25pc) copper in STAC016 at Hunky Dory; and
- * 530ppm (0.05pc) copper in STAC 020 at Alladin Sane.

RC drilling this month will focus on identifying primary base metal mineralisation.

"By using the VTEM and the wide-spaced aircore drilling results, we have opened up a 14km section of this belt that has seen no previous exploration," Mr Algar said.

"The levels of anomalism are significant for such a wide-spaced program, giving us confidence to proceed with RC drilling on these targets."

Screamer, Hunky Dory, Alladin Sane, Transformer and Howler are multielement anomalies (copper-zinc-arsenic-gold) located on the eastern portion of the prospective Tabba Tabba Greenstone Belt.

These anomalies are located within a mixed sequence of mafic to felsic rocks under shallow sediment cover on Shaw River's tenements.

The Ziggy anomaly is a silcrete-hosted gold anomaly over the interpreted extensions of the Mallina Shear Zone near the intersection with the Tabba

The crustal scale Tabba Tabba Shear Zone and Mallina Shear are host to base metal and gold mineralization to the southwest along their lengths.

An integral part of the early search for base metal and gold mineralization at the Hedland project is the use of the VTEM.

The VTEM data shows structural and conductive trends and may be of great assistance in targeting exploration.

The targets display co-incident geochemical and VTEM anomalism within an altered sequence contains felsic and mafic rocks.

The exploration team is encouraged by these results as they may indicate the presence of a polymetallic VHMS (Volcanogenic Hosted Massive Sulphide) system on the tenement.

BACKGROUND

Shaw River Resources Ltd joined the Australian Stock Exchange list on December 22, 2006.

The company is a gold and base metals exploration company focused on the discovery, definition and development of high-value mineral deposits.

If Shaw River is successful in identifying and delineating economic mineralisation, it intends to participate in the subsequent mining of those deposits.

Shaw River holds tenements and mineral rights totalling some 4,975 sq km that have been acquired from Atlas Iron Ltd as part of the IPO.

Its projects are located in the Pilbara and Ashburton regions, two of Western Australia's emerging mineral provinces.

Currently well known for its great endowment of iron ore, the Pilbara is now re-emerging as a significant base metals and gold province.

The Pilbara hosts the Telfer gold mine and a string of commercial operations like Whim Creek (Straits Resources Ltd), Radio Hill and Whundo (Fox Resources Ltd) and the planned Sulphur Springs (CBH Resources Ltd).

Shaw River is looking to capitalise on the prospectivity of previously underexplored geological terrain.

The land package is prospective for nickel, zinc, copper and gold.

Known target prospects exist on its tenements for Archaean lode

gold deposits, shear zone hosted gold and ultramafic hosted nickel sulphides, base metal VHMS Zn-Pb-Ag-Au, as well as sandstone-hosted roll front-hosted uranium and IOCG (iron oxide copper gold).

The understanding of these styles of mineralisation is responsible for a renewed wave of exploration success and mine developments across the Pilbara.

In response to supporting evidence where initial exploration and drilling has taken place, the company will be targeting opportunities that have the potential to yield 1 million oz gold (Au), 5,000 tonnes of uranium oxide (U3O8), 18,000 tonnes nickel (Ni), 78,000 tonnes copper (Cu) or 149,000 tonnes zinc (Zn) metal.

Shaw River have acquired a large amount of physical and digital data generated by Atlas Iron during its tenure over the projects.

This includes a comprehensive drilling and sampling database, integrated with an extensive Geographical Information System (GIS).

This database has been compiled to JORC recommendations and requirements, and represents an investment by Atlas.

It is a realistic and potential source of new information for Shaw River to enable efficient and effective sampling, drilling and target generation.

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