

Shaw River Resources Limited

ASX Code: SRR



Recommendation:

Speculative BUY

Current Capital Structure

Price of Ordinary Shares (cents)	3.5
Shares on Issue (Million)*	139.5
Current Market Capitalisation (undiluted) (A\$ Million)	4.9
Options On Issue (Million)**	15.1
Current Cash est. (A\$ Million)	3.0

*31.28M shares restricted until 22/12/2008.
**Options exercisable at prices from 20 cents expiring at varying dates between 31/12/2010 and 31/8/2013.

Board of Directors

Mr. Richard Cullen	Non-Exec. Chairman
Mr. Vincent Algar	Managing Director
Mr. David Flanagan	Project Director
Mr. Denis O'Meara	Non-Exec. Director

Top 5 Shareholders

Atlas Iron Ltd	43.0%
Mighty River International Ltd	1.9%
RAH STC Pty Ltd	1.8%
Wyanna Pty Ltd	1.7%
Imperial Ltd	1.4%



Outcropping Manganese Mineralisation: Baramine Project



High Grade Manganese Results Reported from Outcropping Manganese Mineralisation Located 80Km from World Class Woodie Woodie Manganese Mine. Drilling Planned Early 2009.

Shaw River Resources Limited ("Shaw River") or ("the Company") has recently announced encouraging high-grade manganese assay results from a recently completed reconnaissance rock chip sampling exercise over its 70% owned Baramine Project in the Pilbara Region of northwest Western Australia.

Baramine is located 80km northwest of the World Class Woodie Woodie manganese mine. The mineralisation is interpreted as being located in the same stratigraphic units as Woodie Woodie.

Results from several sampling traverses taken over the outcropping mineralisation, observed to extend for over 9km, with possible extensions out to 14km include: **5 metres grading 50.7% Mn, 8 metres grading 43% Mn and 3 metres grading 44.8% Mn.** Composite sampling intervals up to **12 metres grading 39.1% Mn** are also reported. We note the steep dipping nature of the mineralisation demonstrates the significant widths reported are close to true widths, adding further encouragement.

Although acknowledging the results are still at the reconnaissance stage we are very encouraged with both the high-grade tenure and widths reported and flag to prospective investors that we believe the company should be watched closely as planned exploratory drilling commences in early 2009. The results are the strongest manganese results we have seen for a long time released by a junior company and we note that the high-grade nature places the Company well in a commodity sector which has very few participants.

Key Company Highlights

- Shaw River has one of the largest land holdings in the Pilbara-Ashburton region of Western Australia with majority or wholly owned interests in nine projects covering an area of over 6,000km².
- The projects are considered highly prospective for the discovery of a number of commodities including manganese, gold, copper, uranium, and lead-zinc-silver deposits. All have been advanced to drill testing status.
- With a market capitalisation now significantly sold down to only \$4.9 million the Company is highly leveraged to any exploration success.
- The Company which owes its origins to Atlas Iron Limited (Atlas) divesting its non-iron interests continues to be strongly supported by Atlas as a Substantial Shareholder holding a 43% interest.
- Following the acquisition of two new projects prospective for manganese and the recent exploration success, the Company has now shifted focus from primarily exploring for gold and base metals to now becoming a dedicated manganese company.
- Shaw River has a strong field experienced board and senior management team with a solid mix of technical, corporate and market expertise.

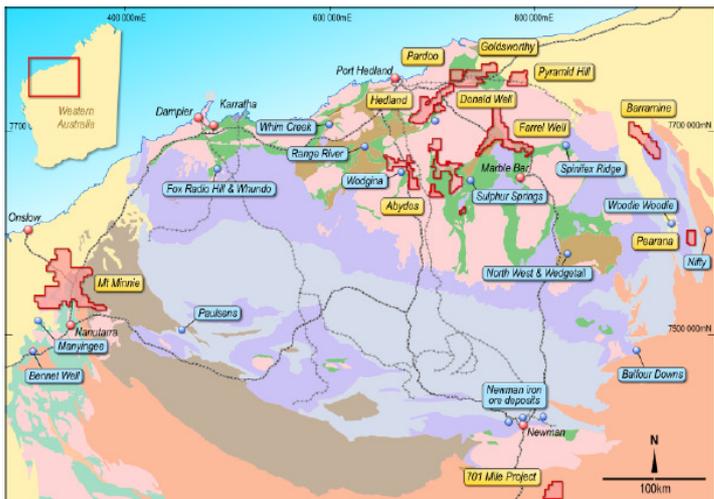
Overview & Background Information

Shaw River is a junior resource company which listed on the ASX in December 2006 after raising \$5 million in its Initial Public Offering. The company owes its origins to Atlas Iron Limited which following significant exploration success on its iron prospects made the decision to divest and spin-out its non-iron interests into the new Shaw River Resources vehicle.

Atlas continues to strongly support the Company in terms of supplying access to additional technical and logistical support in addition to recently participating in the Company's September 2008 capital raising.

Shaw River has spent the majority of its listed life focused on exploring seven greenfields projects prospective for gold, base metal and uranium located in the Pilbara and Ashburton regions of Western Australia. Since listing, the Company has successfully advanced all of the projects and has over time developed a portfolio of advanced drill targets on diverse exploration prospects across multiple commodities, some of which are showing encouraging signs from early reconnaissance drilling.

Early in 2008, the Company took an opportunity to acquire a 70% interest in two new projects Baramine and 701 Mile which had been recognised as being highly prospective for the discovery of high-grade manganese deposits. Following strong early encouragement from reconnaissance exploration success (discussed below) in addition to recognising the manganese market as a strong commodity sector with few participants, the Company made an executive decision to refocus its exploration efforts towards the search for economic Direct Shipping Ore (DSO) deposits of manganese.



Shaw River Resources Tenement Holding

Pilbara Location & Infrastructure Considered Advantageous to any Discovery Made

Shaw River is strongly aware of the potential of the Pilbara region of Western Australia to potentially assist in the development of any economic discovery made on its tenements. The mineral rich Pilbara province with its sound road and rail infrastructure, access to abundant natural gas supplies from the Northwest shelf as well as an established iron ore and manganese mining industry serviced by skilled technical service industries in proximity to Asian Markets are, the right building block requirements for the successful development of a new mining operation.

The Shaw River Project Portfolio is Prospective for Numerous Commodities in Numerous Styles of Mineralisation

The Company now has a large tenement holding which covers over 6,000km². The projects which remain lightly explored are highly prospective for numerous commodities notably manganese, gold copper, lead, zinc, silver, nickel and uranium in several different mineralising environments. These include:

Sedimentary (dolomite and chert) hosted manganese deposits

Shear Zone hosted gold deposits

Achaean Lode gold deposits

Volcanogenic Massive Sulphide (VMS) (copper-zinc-Lead-silver-gold)

Iron Oxide Copper Gold Uranium (IOCGU) deposits

Sandstone Hosted Roll-front Redox Uranium deposits

Ultramafic hosted nickel sulphides

Baramine Project (Shaw River 70%) Prospective for Mn and Fe

The Baramine Project is a recent acquisition acquired in 2008. The project consists of three tenements located 250km east-southeast of Port Hedland and 80km northwest of the Woodie Woodie Manganese mine. The tenements are located in the northern end of what is termed the 'East Pilbara Manganese Province' which consists of Achaean age metamorphosed sediments including manganese rich dolomites and cherts which host numerous manganese occurrences including the Woodie Woodie deposit.

Reconnaissance rock chip sampling undertaken in July 2008 identified numerous outcrops of manganese mineralisation within prospective rocks over a 17km strike length. Geological interpretation suggests the host units also likely continue under cover to the northwest. The survey tested 10 locations with 29 representative rock chip samples taken. The results were encouraging with the highest grade sample returning 58.51% Mn, 10 samples returning Mn values over 30% and 17 over 20% Mn. The average of all of the samples taken using a 30% cut off was reported as 41% Mn, 13.8% Fe, 10.2% SiO₂ and 0.4% P with the impurities notably falling into acceptable manganese ore quality tolerances.

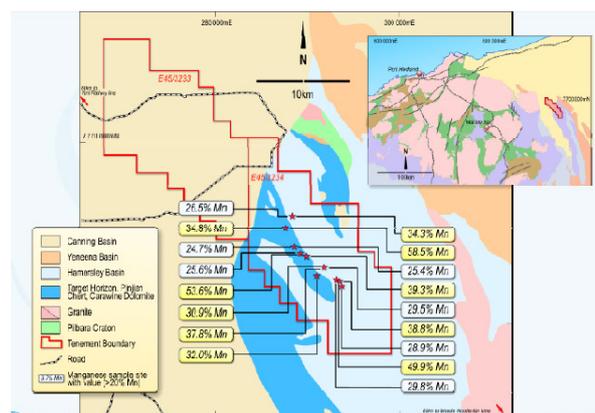
On 19th November 2008 further encouraging results were released which had been collected on a second field visit from traverses undertaken over outcrops along a strike distance of 9km. Selected results included:

5 metres grading 50.7% Mn and 0.8% Fe,
8 metres grading 43% Mn and 3.4% Fe and
3metres grading 44.8% Mn and 9.5% Fe.

The sampling also demonstrated wide high-grade composite intervals including:

12 metres grading 39.1% Mn and 11.3% Fe,
19 metres grading 38.6% Mn and 18.9% Fe,
17 metres grading 35.3% Mn and 12.6% Fe,
28 metres grading 34.2% Mn and 18.1% Fe.

The steep dipping 'bedded' nature of the outcrop mineralisation demonstrates that the reported widths of the mineralisation are close to 'true widths', further adding encouragement.



To date the Company reports over 100 occurrences of surface manganese enrichment are known to exist within the Baramine project boundaries which require surface sampling and drill testing. Reconnaissance mapping and further rock chip sampling is about to get underway. A detailed gravity survey is planned to commence in early 2009 which, combined with the mapping and sampling, should refine and prioritise already defined drill targets. A drilling rig has been secured for a drilling programme to commence early in 2009 and the Company is now working towards getting final drilling approvals in place. We believe Shaw River is a company which should be watched closely in 2009 as it drill tests these exciting high-grade manganese prospects.

Brief Highlights of Other Projects (Shaw River 70%-100%)

Mt Minnie Project (Shaw River 100%) - Prospective for Mn, Au, Cu, U, Pb, Zn, Ag

The 1,800km² project located on the edge of the Pilbara Craton approximately 200km southwest of Karratha is considered highly prospective for large mineral deposits notably IOCGU deposits. Recent reconnaissance work by Shaw River has identified a complex manganese iron rich breccia horizon over a strike length of 20km hosted within a series of dolomites. Rockchip samples up to 41.1% Mn have been reported by the company. A gravity survey is planned for the December 08 quarter which should assist in detecting dense manganese rich bodies along this unit.

701 Mile Project (Shaw River 70%) -Prospective for Mn and Fe

The recently acquired project is located 80km south of the town of Mt Newman. The project consists of Proterozoic age rocks which host large areas of shallow dipping manganese rich shales showing significant signs of manganese enrichment. Mapping undertaken recently suggests the deposits could be of a similar nature to those at nearby Balfour Downs and Ant Hill which have historically had economic grades reported on them. In 1976 Dampier Mining identified and reported surface enrichment of manganese over a 3km strike length before the unit disappeared under cover. To date no surface sampling has ever been undertaken at the project.

Abydos (Shaw River 100%) - Prospective for Au, Cu, Zn,Pb, Ag, Ni

The project is considered highly prospective for 'Sulphur Springs' style VMS deposits. Field work undertaken to date has highlighted a sequence of volcano-sedimentary rocks over a 7km strike which are demonstrating classic VMS style mineralisation and geochemical alteration. In addition a 300 metre long copper-gold structural target has been defined 1.2km to the north of the VMS target area. Rock chip samples reported to date include:

1.44% Zn, 1.16% Cu, 12gpt Ag and 0.17gpt Au (VMS Target)
1.20% Zn, 4.47% Cu and 12.9gpt Ag (VMS Target)
14.80% Cu, 49.80% Ag and 0.2gpt Au (Cu-Au Target)
16.80% Cu, 32.80gpt Ag and 2.1gpt Au (Cu-Au Target)
1.3gpt Au and 3.32% Cu (Cu-Au Target)

We view the VMS target as very exciting and await with anticipation for news on the results of a planned Electromagnetic (EM) survey used to test for sulphide lenses to be completed in the first half of 2009.

Hedland & Goldsworthy Projects (Shaw River 100%) Prospective for Au, Cu, Zn, Pb, Ag

The projects are largely considered prospective for Achaean shear related and lode gold deposits related to the major structures in the area notably the Mallina Shear zone and the Tabba Tabba greenstone belt.

Drill testing 20 soil sampling targets over a 300 metre wide area at the intersection of the Mallina Shear zone with the Tabba Tabba belt has reported elevated gold values with over 20 of 40 drill holes drilled reporting gold values higher than 0.1gpt Au. Gold targets identified over a further 9km remain untested.

Farrel Well Project (Shaw River 100%) Prospective for Au, Cu, Zn, Pb, Ag, Ni

The 742km² project located 100km southeast of Port Hedland is considered highly prospective for a number of different commodities in a number of different mineralising environments including Achaean Lode gold deposits, Shear Zone hosted deposits, VMS deposits and layered mafic-ultramafic intrusion hosted nickel copper deposits. The project was the main exploration focus by Atlas in 2005 which concentrated largely on gold exploration at Doms Hill, North East Zone and Lukangus with particular attention given to the Cleaverville Chert which has recently been shown to host several gold deposits in the region E.g.Turner River and Wingina Well.

Pardoo Project (Shaw River 100%) Prospective for Au, Cu, Zn, Pb, Ag, Ni

Previously held by Atlas and Independence group the project is considered prospective largely for gold and nickel deposits. Work completed by Independence group on ground immediately adjacent to the project returned anomalous gold intercepts including 1 metre grading 4.28gpt Au. The project geology is also considered prospective for nickel deposits similar to the nearby Highway Nickel deposit (114kt Ni and 44kt Cu) located only 35km from the project boundary.

Pearana Project (Shaw River 100%) Prospective for Cu and Au

The Pearana project is located on the eastern edge of the Pilbara craton. The project contains the same lithologies which host the Telfer and Nifty

copper-gold deposits. The project is almost entirely covered with aeolian sands. However in the centre of the project a small deflation window occurs which exposes basement rocks with several unexplored gold bearing quartz veins over 100 metres. In addition a recent discovery reported by Denis O'Meara in 1996, a new copper show located only 20km west of the Nifty Copper Mine where several samples have returned >1% copper.

Director Profiles

Mr. Richard Cullen, Non Executive Chairman

An experienced lawyer and businessman with over 31 years in private law practice advising a number of public and private companies on legal matters.

Mr. Vincent Algar, Managing Director

Vincent is a geologist with over 16 years of experience in mining and exploration roles in Western Australia and South Africa. Vincent worked as a mining geologist for a JCI in South Africa prior to joining Resource Services Group (RSG) in Perth (Now Coffey Mining) in 1996. In 1998 he moved to consulting firm McDonald Speijers to take on a new role as a resource consultant. Prior to joining Shaw River, which he has been with since the company's inception, Vincent held the role of Australian Divisional Manager for mining software company Surpac.

Mr. David Flanagan, Non Executive Director

David is the current Managing Director of Atlas Iron Limited. He is a geologist with a wealth of experience in exploration and mining having held several senior technical and management roles in Western Australian and overseas postings.

Mr. Denis O'Meara, Non Executive Director

Denis is a prospector and founder of De Grey Mining Limited and has had a lifelong involvement in mining, prospecting and exploration. He has been involved with the discovery of several mineral discoveries in his career. Denis has a particularly strong knowledge and ties with the Pilbara region which has already proven invaluable to the Company. In 2004 he was named joint Prospector of the Year with colleague Geoff Blackburn.

Risks Associated with Investment in Shaw River Resources

Potential Investors need to be aware that investment in Shaw River Resources Limited, like all investments in mineral exploration and development companies, is of a speculative nature. Normal share market risk conditions apply including commodity price, currency fluctuations, sentiment, supply and demand and general economic outlook. Normal exploration, development, mining and processing risks also apply as well as operating, native title and environmental risks.

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