

International target adds new twist

Evolving Pilbara manganese company Shaw River Resources Ltd is looking to benefit from the technical expertise of its two major shareholders as it advances its own production agenda.

A decision to focus on a commodity that would complement rather than compete with its largest investor (the Western Australian-based iron ore miner Atlas Iron Ltd, which holds 45%) made manganese the logical commodity of choice.

A more recent stakeholder in the junior (with 12.5%) – and one with expertise in the business – is OM Holdings Ltd, owners of the Bootu Creek manganese operation in the Northern Territory.

Shaw River's entry into manganese two years ago came via the Mt Minnie project and, since then, the company has grown its holdings in the Pilbara by four properties – Baramine, Skull's Springs, 701 and Dingo Creek.

It has also made its first move off shore, with an option on the Butre play in Ghana.

The junior is currently running the ruler over the property and, according

to managing director Vincent Algar, a decision is due shortly.

During October last year Shaw River agreed to undertake a six month evaluation option to acquire Mwana Africa Plc's 80% interest in the Ghanaian project, which is strategically located 30 km on sealed roads from the bulk port of Takoradi.

After the assessment period, the Australian exploration house can exercise the option to acquire Mwana Africa's stake for US\$150,000.

The other 20% share will include 10% held by a local company. Another 10% is owned by Ghana's government.

Butre itself contains known manganese occurrences at Jimra Bepo, which consists of multiple in-situ manganese oxide seams up to 12 metres thick.

The initial objective is to confirm an exploration target of an in-situ direct shipping manganese oxide ore of 1.7-1.9 million tonnes at 35-45% manganese as well as an additional 1.5-1.7 Mt at 15-25% of sedimentary manganese ores which would require beneficiation.



The search for manganese in WA ongoing.

which could be beneficiated into a higher grade (plus 40%) manganese product.

This is where advice from OM Holdings should prove invaluable to the junior.

Located only 80 kilometres from Port Hedland, Baramine would be developed as a trucking operation and has an existing 100 km long unsealed haul road that can be utilised.

"One thing that has been apparent in the Pilbara is the competitive haulage costs," Algar observed.

(Although the allegedly underutilised BHP Billiton Ltd rail line to Shay Gap is close by, access has been denied to third party users by the mining giant and is currently the subject of a court case between Fortescue Metals Group Ltd, Atlas Iron and BHP Billiton).

The recent 54 hole program at Baramine was designed to follow up a range of previously drilled areas as well as test new geophysical and structural targets.

A follow-up 6,000m program is being planned for March/April.

With a strategy mirrored from Atlas Iron (to build a project pipeline), Algar has started looking at other opportunities, particularly in western and south Africa in countries like Burkina Faso, Cote d'Ivoire, Zambia and Namibia.

Funding for the junior should not be an issue in the short term, with \$5.3 million sitting in its kitty by the end of December last year.

As for demand, Algar has been kept busy fielding between two to three enquiries every week from metal traders and smelters in China keen to secure off-take arrangements.

Over the past 12 months not only has Shaw River's market capitalisation increased by 400% to \$50 million, but it has secured the services of Hartleys as its corporate advisor.

"This means we are punching well above our weight," Algar added.

By Tania Winter



Silver Lake is a gold producing and exploration company, with a portfolio of assets containing a resource base of 9.87mt @ 4.7 g/t Au for 1,488,400 oz of gold including the Mount Monger goldfields and its Murchison projects.



ASX Code: SLR
 Issued Securities: 178.6M Shares
 Market Cap: \$205M (@ \$1.15/ps)
 Unlisted Options: 24M
 Cash & Bullion: \$28.4M (31 December 2009)

Delivering Results

H2 2007	Acquired projects (830,000 oz Au JORC resource) Acquired 300,000 tpa processing facility First ore production from Daisy Milano
H1 2008	Commenced drilling Commissioned processing facility First gold pour
H2 2008	Ramped up to 40,000 oz Au per annum rates Positive cash flow
H1 2009	Payback of Daisy Milano & Lakewood Gold Processing Facility Commenced open pit production Discovery of Daisy East & Emma Producing > 60,000 oz Au per annum rates Total resources of 1.5Moz Au

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Domestic progress

Closer to home, Shaw River's recent attention has been focused on the 70%-owned Baramine project, where the company is targeting Woodie Woodie-style direct shipping ore (DSO) deposits. A 4,000m RC drilling program has been finalised and work will now be gearing up on Skull's Springs and 701.

The latter is a shallow, shale-hosted deposit and will be drilled during March, while work at Skull's Springs will follow during April.

Algar said the next drilling program at Baramine, scheduled for mid year, should result in a maiden resource outlined.

The target is to either establish 2-3 Mt of DSO material to sustain a 500,000t per annum operation, or sufficient lower grade tonnages