

## Shaw River Farms-In to another East Pilbara Manganese Project

Shaw River Resources Limited ("Shaw River" or "the Company") (ASX Code: SRR) is pleased to announce that it has agreed to enter a farm-in with Talisman Mining ("Talisman") (ASX:TLM) on four tenements located within 50km of the Woodie Woodie Manganese Mine in prospective geology. The joint venture will allow Shaw River to further expand its manganese exploration ground in the East Pilbara, adding to its flagship Baramine project located less than 50km to the north of the new ground. Rock chip sampling on the Wandanya prospect has identified outcrop occurrences up to 65% manganese.

Managing Director Vincent Algar commented, "With Shaw River's strategy firmly focused on manganese exploration, this adds further to the Shaw manganese project pipeline. The location of the leases is highly prospective for manganese, within 20km of a sealed road to Port Hedland. This ground is a great fit with our groundbreaking exploration activity at our nearby Baramine Manganese Project".

### Key Terms of the agreement

On the 13<sup>th</sup> of October 2009, Shaw River and Talisman signed a letter agreement setting out the terms and conditions of a farm-in on the East Pilbara tenements ("The Tenements"), E46/764, E45/3220, E45/3268 and E45/3269.

The key terms of the farm-in agreement are summarised as follows;

- Shaw to earn up to a 70% interest by the expenditure of \$300,000 over a two year period.
- Upfront payment of 1,000,000 shares and \$50,000 in cash.
- The shares issued to Talisman will be held in voluntary escrow for three months.
- A joint venture will be formed once the expenditure commitment has been achieved and its earned interest has been transferred.
- Both Parties have pre-emptive right to acquire the other's interest.
- Following the formation of a joint venture the dilution provisions set out in schedule 4 of the AMPLA joint venture model (boilerplate agreement, see [www.ampla.org](http://www.ampla.org)) will apply. If either party is diluted to 10% or less, their holding will revert to a 2% net smelter return for all minerals and metals produced from the Tenements.

### Skull Springs Project

The new project will be known as the Skull Springs Project, after the manganese deposit located within 10km of the main prospect. Skull Springs comprises three tenements known as Wandanya, Yilgalong and Gangarrigan. The tenements are located on exposed and covered Carawine Dolomite and Pinjian Chert, which are the target horizons for high grade DSO (+40%) manganese ore in the Woodie Woodie region.

At Wandanya, located 40km southwest of the Woodie Woodie Operations, high grade rock chips up to 65% Mn have been assayed in outcrops of manganese mineralisation trending NE-SW. (see Figure 1 and Figure 2). Talisman has conducted airborne EM over the Wandanya prospect and has identified a number of potential targets, which will now be followed up by Shaw River (see Figure 3). Consolidated Minerals (operators of Woodie Woodie) are currently drilling in the immediate area.

The Yilgalong and Gangarrigan prospects are located to the north of Wandanya. Yilgalong lies less than 20km west of the Woodie Woodie mine. Gangarrigan lies 50km South of Baramine and half way between two prominent historical manganese mining centres, Mt Sydney and Ripon Hills. The sealed Telfer-Port Hedland road cuts through the tenement.

### **Exploration Plans**

Shaw River plans to apply the \$300,000 of exploration expenditure to evaluate the target area at the new Skulls Springs Project as an extension to its Baramine exploration programs which are well underway. Activities over the coming months will include;

- Review of EM targets
- Mapping and systematic rock chip sampling to identify areas of mineralisation and intense dissolution of manganese, both excellent indicators of buried mineralisation
- RC drill testing, to coincide with the first drill program at Baramine in 2010

Shaw River is planning a 4,000m drill program at Baramine in to commence in November 2009, rock chip sampling and mapping at Skull Springs will commence during this program.

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

*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*

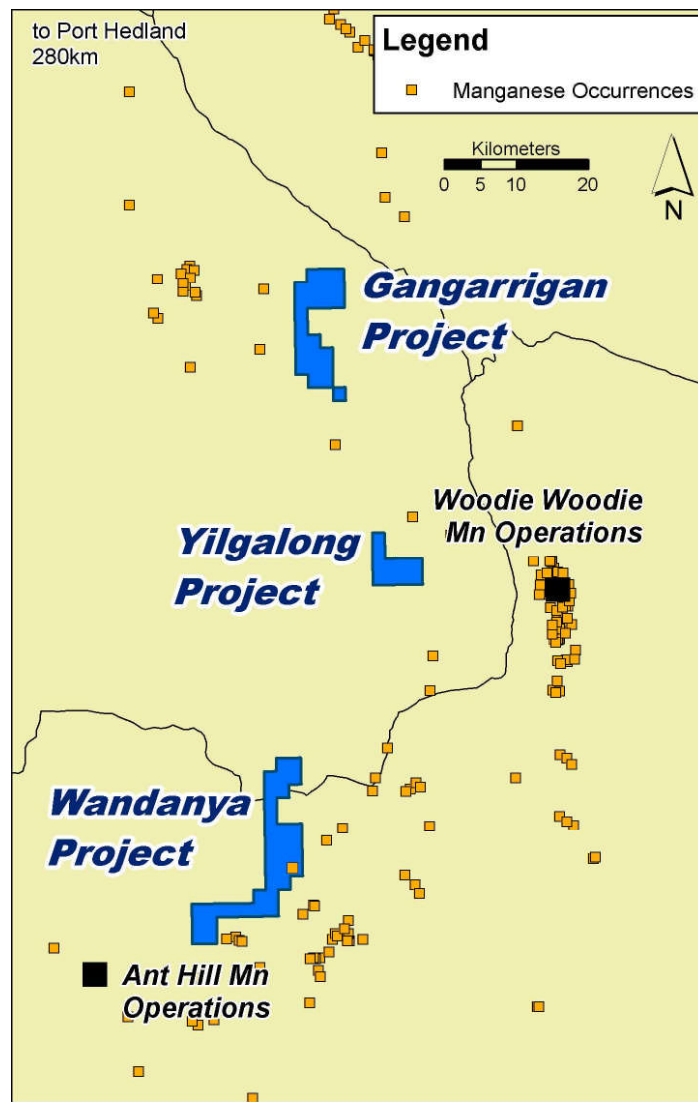


Figure1. New Skull Springs Manganese Project location, East Pilbara.

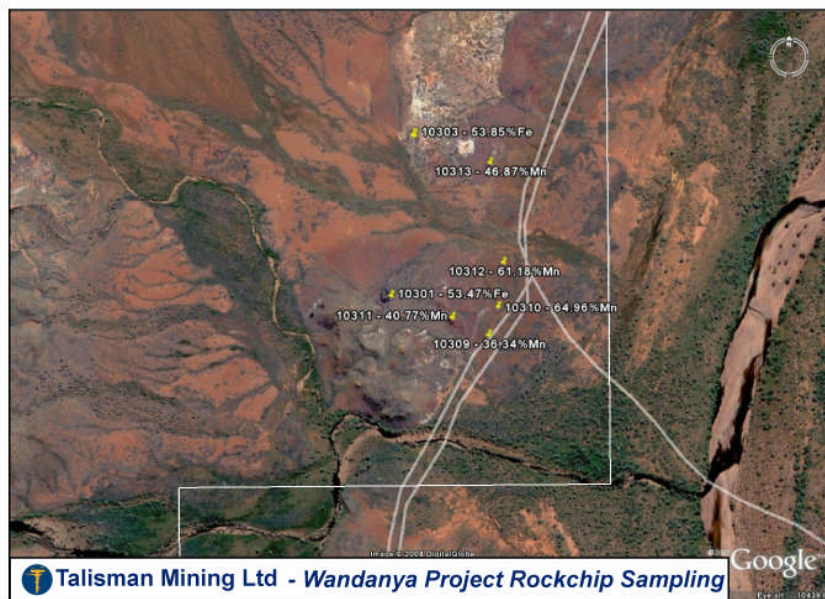


Figure 2. Rock Chip Sampling at Wandanya Prospect

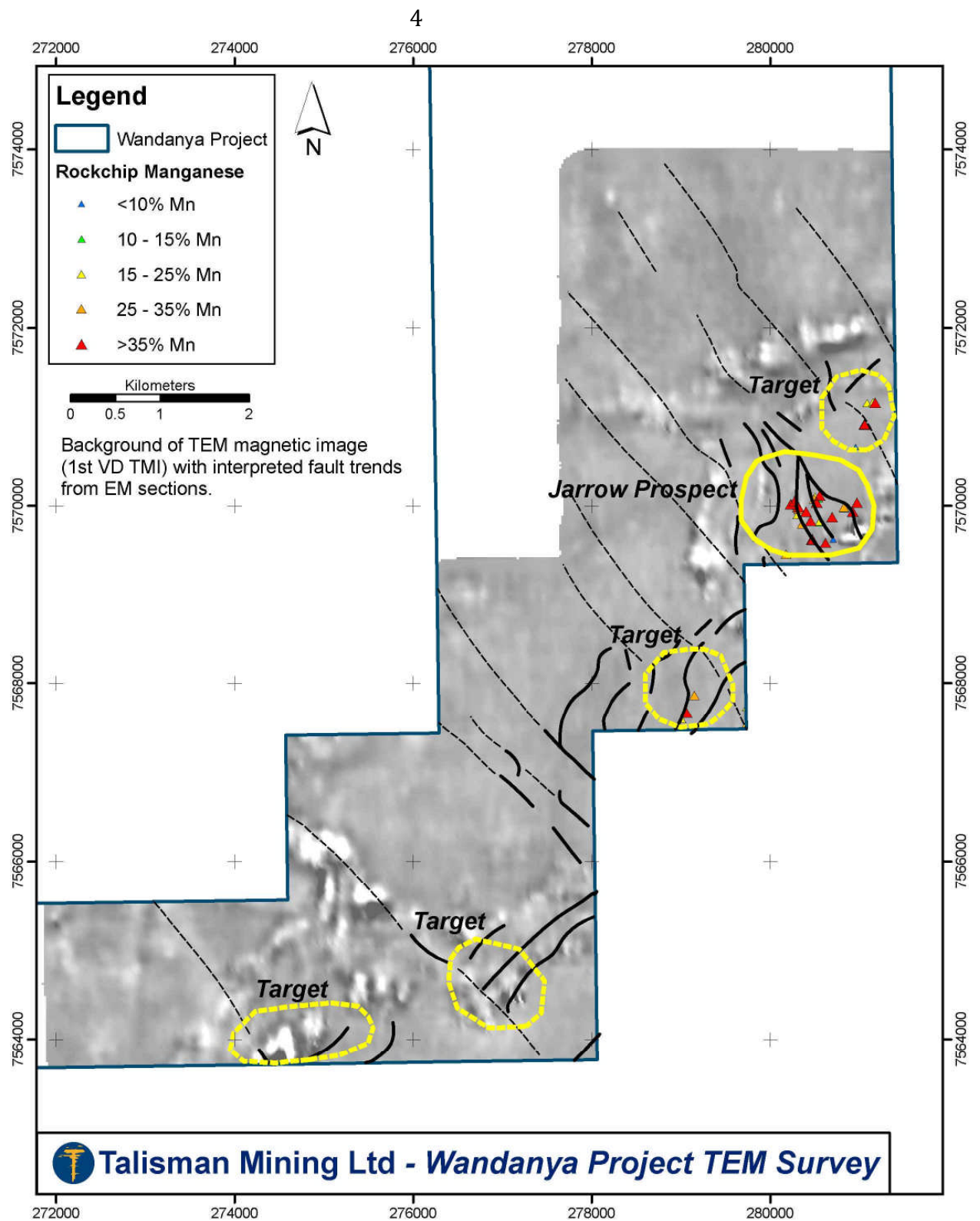


Figure 3. EM Survey image from the Wandanya Prospect