

SHAW RIVER RESOURCES LIMITED

Manganese Explorer, Potential Near Term Producer

Shaw River Resources Limited ("Shaw River", "SRR", "Company") is a junior manganese explorer with projects in the Pilbara region of WA and Ghana. The Company's main focus to date has been its Baramine project in WA. However, the likely acquisition of the Otjozondo project in Namibia, gives the Company good potential to transition from explorer to producer during 2012.

The Company plans to continue exploration of Baramine, as well as the Butre project in Ghana with drilling on both projects scheduled for early in Cy2011. We expect a steady flow of news across all of the Company's projects over the coming months. However, we expect that the short to medium term the focus will be on the development of Otjo, and its ability to generate cash to fund ongoing exploration and expansion. We see the acquisition of Otjozondo as an outstanding opportunity for Shaw River to join the ranks of manganese producers. On a post Otjozondo basis, we have a preliminary price target for the Company of 38cps and rate Shaw River Resources Limited as a Speculative Buy.

Otjozondo Acquisition

Shaw has entered into an agreement to purchase 75.5% of the Otjozondo Manganese Project ("Otjo") in Namibia. Consideration for the acquisition is ~US\$31m, to be funded by a mixture of shares, cash, options and production royalties.

The project covers 1,367km² and is located 150km north-east of the Namibian capital of Windhoek. Otjo has been in production up until recent times with historic production of ~500kt since the 1950's. Recent trial mining has been at up to 10kt per month producing a +38% Mn product from shallow open pits. We understand that the project has its own water bores, and benefits from nearby rail, roads and access to a bulk commodities port. The projects 24.5% joint venture partner, Oreport Namibia, controls the bulk commodities port facilities at Walvis Bay, Namibia's largest port.

Shaw plans to undertake a feasibility study on recommencing production and exporting through Walvis Bay. The Company plans to undertake a detailed drill program with a view to having an initial resource out in early CY2011. The Company believes that the project is relatively underexplored as historic RC & diamond drilling (~33,000m) only covered 24% of the 44km of prospective strike. Whilst seven deposits were identified, most drilling did not go below 85m depth and the mineralisation remains open at depth. Shaw River has an exploration target for the project of 35 – 50Mt grading 23% - 27% Mn.

The Company is targeting the production of a high grade manganese product of 38 – 42% Mn following beneficiation. We understand that the product is a high quality low phosphorous ore, with iron grades of 13 – 15%, and ideal for blending with lower value high phosphorous ores. The Company believes that the recent production will benefit significantly from investment in mine planning, drilling and more sophisticated mining practices enabling the much higher production rates.

SRR.asx
Speculative Buy

Share Price	\$0.21
Price Target	\$0.38

Brief Business Description:

Manganese explorer/developer

Hartleys Brief Investment Conclusion

Excellent project pipeline led by the pending Otjozondo acquisition

Chairman & MD

Tony Walsh (Chairman)

Vincent Algar (MD)

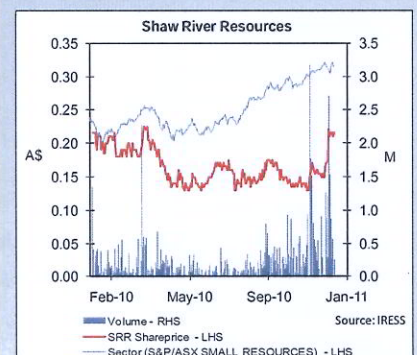
Top Shareholders

Atlas Iron Limited	45.2%
OM Holdings Limited	11.1%

Company Address

33 Ventnor Ave
West Perth, WA, 6005

Pre Aqn. Capital:	252.6m
- diluted	270.7m
Pre Aqn. Market Cap:	\$53.0m
- diluted	\$56.8m
Cash (31 Dec '10, est.)	\$7m
Debt (31 Dec '10, est.)	\$0.0m
EV	\$46.0m



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