



ASX ANNOUNCEMENT

21 March 2011

Maiden 6.8Mt Resource at Namibian Manganese Project

Shaw set to become major manganese producer in 2012 as the Otjozondu Project begins to reveal its immense potential

Highlights

- Maiden Inferred Resource of 6.8 million tonnes grading 23.1% manganese
- Grade can be increased to export standard by simple beneficiation
- Resource calculated on only 5% of the field's known strike length of 144km, highlighting significant near-term upside.
- Feasibility study and infill drilling to start in April 2011
- Production scheduled to start in 2012, targeting a rate of 250,000tpa and growing to 500,000tpa.

Shaw River Resources Limited (ASX:SRR) is pleased to announce a maiden Inferred Resource of 6.8 million tonnes at its 75.5 per cent-owned Otjozondu (Otjo) Manganese Project in Namibia, putting the Company on track to become a significant manganese producer by 2012.

The Inferred Resource has an average grade of 23.1 per cent manganese (Figure 1 and Table 1), which trial mining over the past 18 months has shown can produce an export-standard manganese product using a simple beneficiation process.

The current resource is expected to underpin at least the first five years' production. There is also immense potential for further growth in this resource inventory given that the maiden resource covers only 7km of the identified manganese field, which has a strike length of 144km.

Shaw River currently has an exploration target at Otjo of 35Mt - 50Mt grading 23-27 per cent manganese †.

Shaw River will start a feasibility study in April 2011 based on an initial production target of 250,000tpa of manganese product and include plans to ramp up production to 500,000tpa.

Deposit (using 15% Mn Cutoff)	Mt	Mn%	Fe %	P%	Category
Laburus*	0.89	25.9	14.2	0.09	Inferred
North Bosrand*	1.33	22.9	14.2	0.02	Inferred
Bosrand*	2.75	22.6	13.5	0.03	Inferred
Uitkomst	1.84	22.7	14.0	0.03	Inferred
Total	6.81	23.1	13.9	0.04	Inferred

* Table 1. Otjozondu Manganese Project - Mineral Resource Summary (*Deposit lies entirely within granted Mining Lease)

There is significant potential for a rapid increase in resources with additional drill-defined prospects at Ouparakane (0.9km strike), Ongorussengo (2.3km strike) and East Otjozondou (1.4km strike) not yet included in the resource base. Importantly, most of the drilling at Otjo does not extend below 85m deep, though high-grade manganese mineralisation is known to extend to depths in excess of 250m.

There is also further exploration potential beyond these prospects, with the historical 33,000m of drilling (22,000m of diamond drilling and 11,000m of RC drilling) covering just 15 per cent of the 144km of mapped strike extent at the total Otjozondou Manganese Field.

As a result, Shaw River has an initial exploration target at Otjo of 35Mt - 50Mt grading 23-27 per cent manganese \dagger .

The resource envelopes used in this calculation were modelled by Cube Consulting using drilling data and outcrop mapping data supplied by Shaw River Resources. Wireframe boundaries have been based on a nominal cut-off of 15%Mn. Resource Classification has been conducted by Adriaan du Toit of AEMCO PTY LTD Consultants, who has eight years experience in the Otjozondou Manganese Field.

Tables 2 and 3 show the details of the information used in the estimates as well as the number of holes not yet included in resource envelopes. Figure 1 shows the location of the Inferred Resources as well as the location of prospects not yet modelled, but that will form part of resource infill drilling and resource upgrades.

Shaw River will commence infill drilling in April 2011. This infill drilling is aimed at upgrading the classification of the existing resource and expanding the Inferred Resource to encompass all the currently known high-grade mineralised intersections.

"This initial Inferred Resource estimate is the first step in what will be an expedited timetable aimed at making Shaw River a significant manganese producer by next year," Shaw River Managing Director Vincent Algar said.

"The Company is being supported strongly in this process by its two major shareholders, Atlas Iron and OM Holdings, both of which have extensive experience in the production of bulk commodities."

"We are confident that the combination of the Otjo project and the support of these shareholders, among others, will see Shaw River join the very select ranks of listed manganese producers."

About Otjo

Shaw River acquired a 75.5% interest in Otjo through the purchase of 100% of Otjozondou Holdings Pty Ltd, a Namibian company that holds a 75.5% stake in Otjo.

Otjo is located 150km north-east of the Namibian capital of Windhoek (Figure 2) and lies in a historical manganese field which has produced in aggregate approximately 550,000t of high grade (~48%) manganese since the 1950's. Production at Otjo was recently by way of a shallow drill-and-blast mining method, using a basic crusher and jigging circuit to produce saleable ore. Otjo has been periodically mined since 2008, however, previous mining and processing has been based on very limited mine planning, infrastructure planning and limited laboratory scale metallurgical testwork to refine manganese recovery.

Shaw River's technical due diligence, including multiple site visits, technical reviews and logistics due diligence, has confirmed that the introduction of modern technology, mine planning practices and processing expertise could see production commence in early 2012. This would involve the use of a jigging or dense media separation plant, which would produce manganese lump and fines products. Shaw River is targeting to double production at Otjo within five years. A feasibility study will commence in April 2011, to guide development for an open cut mining operation, targeting production at 250,000tpa of manganese product commencing in 2012, ramping up to 500,000tpa.

Shaw River proposes to use a combination of existing road and rail infrastructure to transport ore 538km to the Walvis Bay port where it will be loaded onto Handymax-sized vessels of up to 25,000 tonnes.

The contributing 24.5% project partner, Oreport (a subsidiary of JSE-listed Grindrod SA), brings with it a number of infrastructure advantages, including control of the bulk commodity port facilities at Walvis Bay, the largest port in Namibia. The Otjo resource has an extremely attractive low phosphorous value of 0.04 per cent, indicating that the final product from simple gravity beneficiation methods will be highly attractive as an alloy blending material.

.About Shaw River Resources

Shaw River is a manganese explorer and developer, currently operating manganese projects in the Pilbara, Ghana, and Namibia. Shaw River's acquisition of a 75.5% interest in the Otjozundu Manganese Project in Namibia, will fast track the achievement of the Company's goal of becoming a global manganese producer. Shaw River offers excellent exposure to this strategic metal, critical to the global steel industry. Manganese offers investors the benefits of a high unit sale price, strong global demand and low capital and time costs for the development of feasible projects. In 2011, Shaw River will continue to aggressively advance its projects at its Otjozundu (Namibia) project, Baramine (Pilbara) projects, Butre (Ghana) and Skull Springs (Pilbara) projects. Shaw River is maintaining its active manganese project acquisition strategy as it continues to build its manganese project pipeline.

Shaw River's largest shareholder, Atlas Iron Limited (45.42%), is a strong supporter of Shaw River's manganese strategy.

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

Competent Person Statement

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 of Shaw River Resources Ltd and Mr Adriaan du Toit of Aemco Pty Ltd who are Members of the Australasian Institute of Mining and Metallurgy. Mr Vincent Algar is a full-time employee of the company and Mr Adriaan du Toit, an independent consultant, who have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons 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 Adriaan du Toit consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

† Forward Looking and Exploration Target Statements

Some statements in this announcement regarding future events are forward-looking statements. They involve risk and uncertainties that could cause actual results to differ from estimated results. Forward-looking statements include, but are not limited to, statements concerning the Company's exploration programme, outlook, target sizes, resource and mineralised material estimates. They include statements preceded by words such as "potential", "target", "scheduled", "planned", "estimate", "possible", "future", "prospective" and similar expressions. The terms "Direct Shipping Ore(DSO)", "Target" and "Exploration Target", where used in this announcement, should not be misunderstood or misconstrued as an estimate of Mineral Resources and Reserves as defined by the JORC Code (2004), and therefore the terms have not been used in this context. Exploration Targets are conceptual in nature and it is uncertain if further exploration or feasibility study will result in the determination of a Mineral Resource or Reserve.

Additional Notes

The Resources have been calculated by drilling data supplied by Otjozundu Mining Ltd from drilling conducted between Feb2008 and October 2009 by BRGM on behalf Otjozundu Mining Pty Ltd, during their option period at Otjozundu.

The data provided has been accepted in digital form and cross checked from a number of sources for consistency and validity. Data verification has included the comparison of source databases and hard copy (scanned) hand logs, assay and geological information (including maps and drill sections). A core library of a large portion of the diamond drillholes exists in excellent condition at the mine. During the course of validation of geological logging, use was made of the core library to verify selected intersections used in the resource estimate.

Drillhole locations were checked in the field at Otjozundu and verified to within 5m accuracy using handheld GPS units. Drillhole collar azimuth and dip information is provided in the database. Downhole survey information was not available. Data co-ordinates were measured consistently in WGS84 UTM Zone 34S Projection

Geological coding in the source database was used to assist in the geological and grade interpretation and design of continuous mineral shapes using a notional 15% Mn cutoff. The 15% Mn cutoff is a natural statistical cutoff based on the 887 Drill hole composites calculated over the entire database of 384 drillholes. Wireframes were constructed by Cube Consulting and validated and approved by AEMCO PTY LTD and Shaw River Resources staff. Geological, grade and outcrop mapping information were all taken into account. Zones were modelled only if intersections were present on at least two adjacent drill sections and in at least three drillholes to best express geological and grade continuity.

Table 2 shows the drilling statistics for the project and Table 3 shows a summary of the data used in the current orebody modeling.

RC and diamond drill holes were used in the estimate. The database contains 5 duplicated drillholes where a strong correlation has been verified between the hole types. In order to create similar sample support for all intersections used in the estimate. 1m composites of the diamond drillholes were created, validated and used.

Sample quality is represented in the database as a recovery field. For a portion of the diamond drilling holes drilled by the Drilcor Company recoveries were reported to be poor to average. Poor recoveries often occur in manganese core drilling due to the abrasive nature of the mineralized manganese material. Laboratory QA/QC was performed on all samples, sent to Setpoint Laboratories (ISO17025 Accredited) in Johannesburg, South Africa.

Bulk density calculations were made using a gravimetric method at the time of logging. This data is all recorded in the drillhole database, but has not yet been independently verified in bulk test work. A total of 3109 density measurements are recorded in the database. These have not yet been independently verified by Shaw River. The density of 3.7gm/cc used in the model has been verified by AEMCO consultants and Shaw River Resources staff based on their experience on the project as being an appropriate density for Otjozondu ore.

Grade modelling was conducted into the wireframes using Surpac software. Grade was modeled using Ordinary Kriging with predominant search directions parallel to the orientation and dip of the modeled surfaces. Macro programs were used to ensure repeatability of the entire estimation process.

Taking into account all the available information as well as the methods used, a classification of the estimate as Inferred is appropriate.

Area	No. Of Holes	RC	DD	No. Metres (RC)	No. Metres (DD)	Total No. Metres
Bosrand	101	48	53	2864.5	4818.28	7682.78
Uitkomst (all areas)	54	11	43	990	4228.04	5218.04
Labusrus	32	1	31	89	2633.78	2722.78
N Bosrand	31	0	31	0	2686.88	2686.88
Ongorussenqo*	15	12	3	1119.25	164.03	1283.28
Ouparakane*	21	0	21	0	1949.28	1949.28
S Bosrand*	8	0	8	0	950.37	950.37
W Bosrand*	2	0	2	0	175.18	175.18
Weltevrede*	8	8	0	820	0	820
Ebenezer*	53	21	32	2142	3000.83	5142.83
E Otjozondu*	59	35	24	3028.5	2225.69	5254.19
TOTAL	384	136	248	11053.25	22832.36	33885.57

Table 2 Otjozondu: Drilling Statistics (* not yet included in resource calculations)

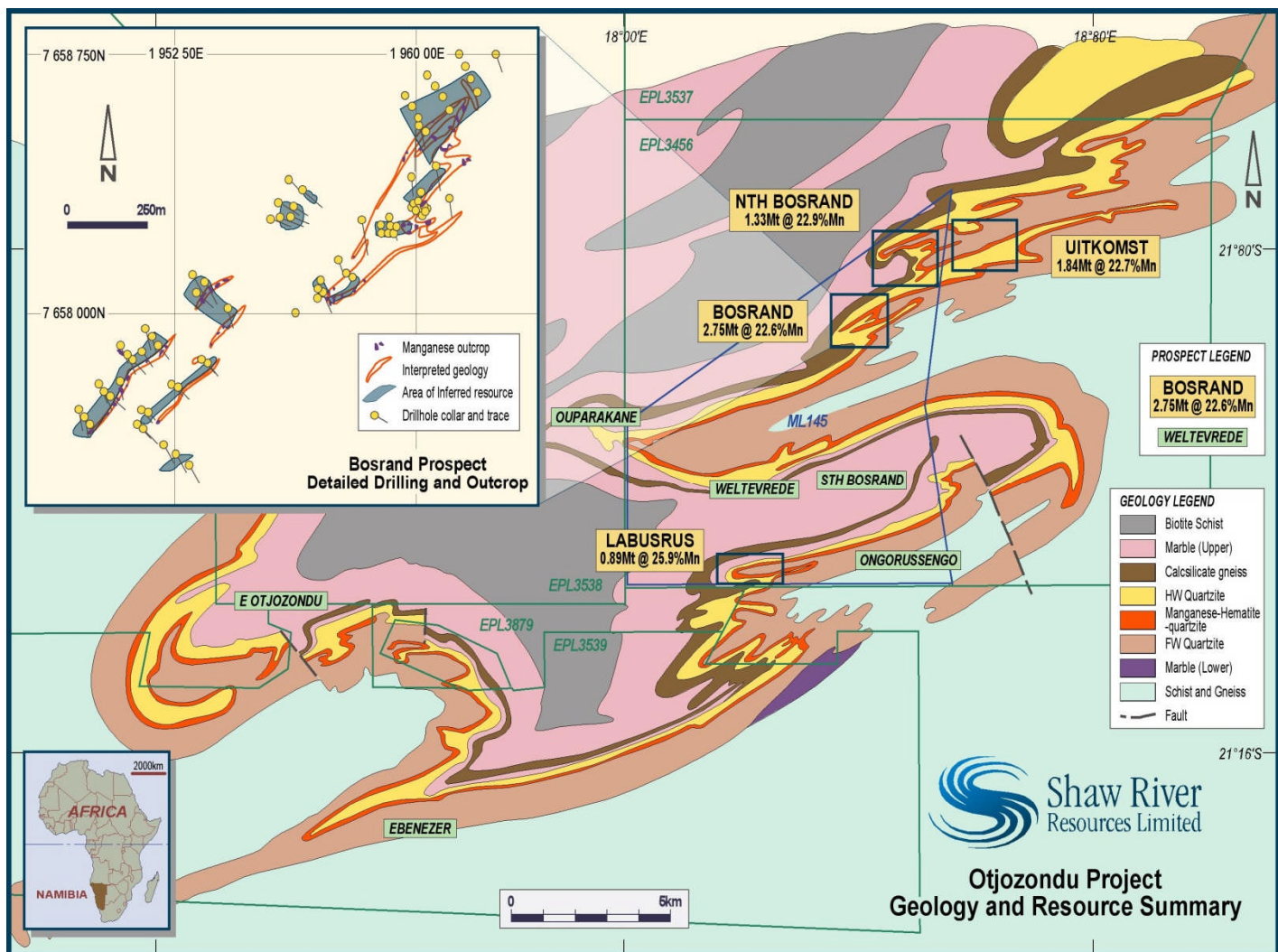


Figure 1
Manganese Resources and Prospects at Otjozondu , Namibia

Area	No. Of Holes modelled	Strike of Modelled Objects	No. Of Holes
Bosrand	68	2,550m	101
Uitkomst (all areas)	33	2,230m	54
Labusrus	18	1,439m	32
N Bosrand	22	1,040m	31
Ongorussengo	Not yet modelled		15
Ouparakane	Not yet modelled		21
S Bosrand	Not yet modelled		8
W Bosrand	Not yet modelled		2
Weltevrede	Not yet modelled		8
Ebenezer	Not yet modelled		53
E Otjozondu	Not yet modelled		59
TOTAL	141	7,259m	384

Table 3 Otjozondu: Drilling information, current Resource



Figure 2: Location Map and Geology, Namibia