

SHAW RIVER MANGANESE

ASX: SRR

SHARE PRICE TRIGGERS: OTJOZONDU MANGANESE DEVELOPMENT NOW THE FOCUS

Shaw River Manganese is a manganese-focused exploration and development company. The company shifted up a gear in the last year with the acquisition of a controlling interest in the Otjozundu manganese project in Namibia. Otjo has an established resource of 6.8 million tonnes at 23.1% manganese with an exploration target of the order of 30-50Mt. SRR aims to commence production in 2012, initially at 250,000t per annum with intended ramp-up to 500,000tpa. SRR has the corporate support of mid-tier iron ore company Atlas Iron and also has manganese producer OM Holdings as a significant shareholder. Ore will be physically beneficiated to produce a 38-40% manganese product for sale. Rail and port (Walvis Bay) infrastructure advantages should assist in securing project development funding. Capital requirements are modest at \$37 million for 250,000t planned output, then a further \$22 million to raise production to 500,000tpa. Expect resource upgrades in 2011.

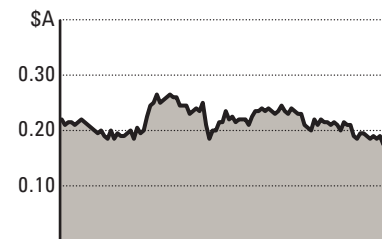
KEY STRENGTHS

- Advanced project at Otjozundu
- Rail and port access for Otjozundu
- Resources upside is significant
- Multiple exploration projects; single commodity focus

KEY RISKS

- Proven skills are exploration; key requirement now project delivery
- Capital cost escalation
- Boutique manganese market not well known to investors
- Low to moderate country risk (Ghana, Namibia)

Key investments	Com	Location	Status	%-owned	Description
Otjozundu	Mn	Namibia	Feasibility	76%	Targeting 250,000t mine production from 2012
Butre	Mn, Au	Ghana	Exploration	80%	Bulk sampling and drilling in progress in 2011
Baramine	Mn, Fe	WA	Exploration	70%	Mn deposits near Woodie Woodie in the Pilbara region
Skull Springs	Mn	WA	Exploration	Earning	Earning 70%; project 40km west of Woodie Woodie mine



6 months ending June 9, 2011

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DIRECTORS

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Share price	18c
12-month high	29c
12-month low	13c
Market capitalisation	\$81M
Key countries	Australia, Ghana
Commodities	Mn