



# ASX Announcement

9 December, 2011

## STRONG DRILLING RESULTS PAVE THE WAY FOR JORC RESOURCE UPGRADE AT OTJO PROJECT

*Further assay results due December 2011 ahead of JORC resource upgrade*

### Highlights

- 1,718m of diamond drilling and 6,205m of RC drilling completed at four existing resource areas and two new prospect areas at the Otjo Project, Namibia. Best results from the first batch of assay results include (see Table 2 for full details);
  - **Labusrus Deposit**
    - 9m @ 25.74% Mn from 2m incl 2m @ 45.05% Mn from 2m in LAB\_RC\_102
    - 9m @ 26.85% Mn from 30m incl 4m @ 31.18% Mn from 32m in LAB\_RC\_084
    - 3m @ 37.8% Mn from 28m in LAB\_RC\_095
    - 3m @ 38.3% Mn from 22m in LAB\_RC\_100
    - 7m @ 23.45% Mn from 13m incl at 3m @ 37.1% Mn from 13m in LAB\_RC\_097
  - **Bosrand Deposit**
    - 3.55m @ 37.2% Mn from 0.35m in BOSDH0002
    - 11.9m @ 27.89% Mn from 33.57m incl 4.62m @ 35.6% Mn from 34.04m in BOSDH0005
    - 7m @ 30.6% Mn from 12m incl 4m @ 35.3% Mn from 13m in BOS\_RC\_020
    - 14m @ 28.78% Mn from 25m incl 3m @ 37.21% Mn from 26m in BOS\_RC\_018
    - 7m @ 32.6% Mn from 35m in BOS\_RC\_008
    - 12m @ 25.14% Mn from 4m incl 5m @ 34.72% Mn from 4m in BOS\_RC\_004
  - **North Bosrand Deposit**
    - 13m @ 25.09% Mn from 25m incl 3m @ 35.08% Mn from 25m in NBR\_RC\_048
    - 10m @ 28.96% Mn from 35m incl 6m @ 30.78% Mn from 38m in NBR\_RC\_048
    - 28m @ 21.05% Mn from 14m in NBR\_RC\_066
    - 12m @ 28.43% Mn from surface in NBR\_RC\_050
- Results are consistent with the extensive outcrop and previous drilling (33,000m) conducted at Otjo and will underpin further upgrades to the resource base
- The final third of the assay results from the Otjo drilling program are anticipated in December 2011. A resource upgrade is underway and is expected to be delivered in January 2011
- Inferred Resources currently stand at **6.8Mt at 23% Mn** with an Exploration Target of **35-50Mt grading 23-27% Mn<sup>1</sup>**. Historical production using gravity beneficiation methods show upgrade of manganese ores to grades of 36%-42% Mn

Shaw River Manganese Limited (ASX: SRR – “Shaw River” or “the Company”) is pleased to report significant results from the first batch of assays received from the recently completed RC and diamond drilling program at its 75.5% owned **Otjozundu Manganese Project** (“Otjo” or “Otjo Project”) in Namibia, paving the way for an expected upgrade in the JORC resource inventory for Otjo to be completed in January 2012 (see Figure 1).

The recently completed major drill program comprised of 6,205m of RC drilling and 1,718m of diamond drilling. The initial round of drilling was focussed at the Bosrand deposit, which currently has an Inferred Resource of 2.1Mt grading 24% Mn, and the Labusrus deposit, which currently has an Inferred Resource of 0.9Mt grading 26.9% Mn (see Figures 2 and 3).

These two areas are expected to make a significant contribution towards growing the manganese resource inventory for Otjo, where the Company is progressing a Feasibility Study to start production of manganese ore for export from Namibia.

The program returned 61 drillholes with significant manganese intervals greater than 15% Mn, with 21 holes reporting intervals greater than 30% Mn. Seven holes in the program intersected greater than 40% Mn. Assay results are awaited for 1,201 samples in the program (approximately 33% of the program).

The new drilling confirms the presence of significant manganese horizons which are complimentary to previously unannounced historical intersections (see intersections on Bosrand, Figure 2 and Labusrus, Figure 3). Drilling along the strike has also extended the size and potential of the prospect areas.

These initial results from Shaw River’s Otjo drilling program will underpin a resource upgrade in January 2012 and the current Feasibility Study on the Otjo Project. The study is focused on production of a gravity-beneficiated manganese lump ore for export via the Port of Walvis Bay. Historical Production from the Otjo Project, as well as current production by a neighbouring operator, point towards upgrading of in-situ material to manganese products between 36% and 42% Mn.

### **Current Inferred Resources**

Shaw River holds exploration and mining licences over 1,700km<sup>2</sup> covering 144km of the strike of the Otjozundu Manganese Field in Namibia. Otjo currently has defined Inferred JORC resources of 6.8Mt at 23.1% Mn (see Table 1 and Competent Persons Statement). The current resources are based on 33,000m of historical drilling (22,000m of diamond drilling and 11,000m of RC drilling). The details of the current Inferred Resource are provided below:

**Table 1 – Otjonzodu Manganese Project: Mineral Resource Summary (\*Deposit lies entirely within granted Mining Lease)**

<b>Deposit (using 15% Mn Cutoff)</b>	<b>Mt</b>	<b>Mn%</b>	<b>Fe %</b>	<b>P%</b>	<b>Category</b>
Labusrus*	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
<b>Total</b>	<b>6.81</b>	<b>23.1</b>	<b>13.9</b>	<b>0.04</b>	<b>Inferred</b>

### **Regional Exploration at Otjo**

During October and November 2011, Shaw River has expanded its geological field capacity in Namibia and commenced regional soil sampling programs over a range of magnetic and EM targets on its leases. Figure 4 shows the licence areas and underlying geophysics as well as the current targets being assessed by soil sampling and mapping.

Orientation work and early results indicate that the manganese horizons can be detected under shallow cover and the extensive work program is likely to generate a large number of follow up targets for further shallow drilling and trenching over the coming months.

Commenting on the new results, Shaw River’s Managing Director, Vincent Algar, said: “Initial work suggests that the current Inferred Resource at Otjo has the potential to enjoy low mining costs, as most of it is outcrops and the potential open pits will be relatively shallow. The drilling has focussed on expanding and further defining the resource inventory while improving our understanding of the potential economics of the project, with drilling focusing from surface to ~50 metres.”

“The drilling has so far been highly successful, intersecting predicted manganese grades in the majority of holes. The increased density of the drill information continues to improve our geological understanding of the area and puts us in an excellent position to revise our resources. An updated resource model is underway and we will now work through to a reserve by developing and optimising a mine plan to develop this project in the shortest possible timeframe.”

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

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## About Shaw River Manganese

Shaw River is a manganese explorer and developer, currently exploring manganese projects in Namibia, Australia (the Pilbara) and Ghana. Shaw River's acquisition of a 75.5% interest in the Otjozundu Manganese Project in Namibia, will fast track the Company's goal of becoming a significant global manganese producer. Shaw River is currently undertaking a feasibility study which assesses the ability of the Otjozundu Project to produce at 250,000 tons per year initially and ramping up to 500,000 tons per year of manganese ore for export from Namibia.

Shaw River offers excellent exposure to this strategic metal, critical to the global steel industry. Manganese is a metal used in the steel industry and has no known substitute in modern steelmaking processes. Manganese ore 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.

Shaw River is currently aggressively advancing its projects at Otjozundu (Namibia), Baramine (Australia – the Pilbara), Butre (Ghana). 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.

### **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 Manganese 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.*

### **<sup>1</sup> Exploration Target Statement:**

*The potential quantity and grade is conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.*

Table 2 Significant Manganese RC and Diamond drill Intersections, current program, Otjo.

Area	Hole	North	East	From (m)	To (m)	Interval	Mn%
Bosrand	BOS_RC_001	7,658,509.5	196,123.1	0	5	5	17.56
Bosrand	BOS_RC_002	7,658,446.8	196,133.0	7	17	10	20.05
			And	27	32	5	20.53
<b>Bosrand</b>	<b>BOS_RC_003</b>	<b>7,658,432.8</b>	<b>196,085.3</b>	<b>20</b>	<b>24</b>	<b>4</b>	<b>32.77</b>
			And	26	35	9	22.42
Bosrand	BOS_RC_004	7,658,471.9	196,066.8	4	16	12	25.14
			<b>Includes</b>	<b>4</b>	<b>9</b>	<b>5</b>	<b>34.72</b>
Bosrand	BOS_RC_005	7,658,542.4	196,088.8	2	8	6	24.64
<b>Bosrand</b>	<b>BOS_RC_006</b>	<b>7,658,536.3</b>	<b>196,060.4</b>	<b>27</b>	<b>30</b>	<b>3</b>	<b>35.06</b>
			And	32	40	8	23.29
Bosrand	BOS_RC_007	7,658,496.5	196,083.5	9	18	9	26.84
<b>Bosrand</b>	<b>BOS_RC_008</b>	<b>7,658,465.1</b>	<b>196,096.5</b>	<b>35</b>	<b>42</b>	<b>7</b>	<b>32.61</b>
			<b>Includes</b>	<b>36</b>	<b>42</b>	<b>6</b>	<b>33.37</b>
Bosrand	BOS_RC_011	7,658,565.1	196,120.6	0	9	9	23.53
			And	17	29	12	25.09
			<b>Includes</b>	<b>17</b>	<b>20</b>	<b>3</b>	<b>31.17</b>
Bosrand	BOS_RC_012	7,658,565.4	196,100.7	42	47	5	24.95
Bosrand	BOS_RC_013	7,658,589.4	196,063.5	51	59	8	20.95
Bosrand	BOS_RC_017	7,658,398.0	196,047.3	28	40	12	26.21
			Includes	31	35	4	31.18
Bosrand	BOS_RC_018	7,658,383.7	196,030.1	25	39	14	28.78
			<b>Includes</b>	<b>26</b>	<b>29</b>	<b>3</b>	<b>37.21</b>
			<b>And</b>	<b>31</b>	<b>35</b>	<b>4</b>	<b>30.24</b>
Bosrand	BOS_RC_019	7,658,329.5	195,999.8	16	30	14	23.69
			And	34	39	5	25.82
<b>Bosrand</b>	<b>BOS_RC_020</b>	<b>7,658,283.4</b>	<b>195,963.4</b>	<b>12</b>	<b>19</b>	<b>7</b>	<b>30.58</b>
			<b>Includes</b>	<b>13</b>	<b>17</b>	<b>4</b>	<b>35.30</b>
Bosrand	BOS_RC_026	7,658,335.6	195,691.7	19	25	6	19.55
Bosrand	BOS_RC_030	7,657,886.1	195,188.8	3	12	9	25.89
Bosrand	BOS_RC_035	7,658,683.1	196,271.5	1	6	5	22.31
Bosrand	BOS_RC_038	7,658,475.1	196,147.9	52	58	6	21.29
Bosrand	BOS_RC_039	7,658,464.3	196,128.6	8	19	11	23.05
Bosrand	BOS_RC_040	7,658,446.6	196,116.3	0	7	7	24.41
		And		9	16	7	23.52
<b>Bosrand</b>	<b>BOS_RC_041</b>	<b>7,658,454.6</b>	<b>196,068.4</b>	<b>2</b>	<b>6</b>	<b>4</b>	<b>33.20</b>
			<b>Includes</b>	<b>2</b>	<b>5</b>	<b>3</b>	<b>36.13</b>
			And	12	18	6	26.84
			<b>Includes</b>	<b>14</b>	<b>18</b>	<b>4</b>	<b>31.78</b>

Area	Hole	North	East	From (m)	To (m)	Interval	Mn%
Bosrand	<b>BOS_RC_043</b>	7,658,316.1	195,974.9	25	33	8	25.92
Bosrand	<b>BOS_RC_046</b>	7,658,093.6	195,400.8	5	10	5	19.56
<b>Bosrand</b>	<b>BOSDH0002</b>	<b>7,658,547.0</b>	<b>196,117.8</b>	<b>0.35</b>	<b>3.9</b>	<b>3.55</b>	<b>37.22</b>
			<b>Includes</b>	<b>0.5</b>	<b>3.9</b>	<b>3.4</b>	<b>37.58</b>
			And	7.95	13.2	5.24	22.60
Bosrand	<b>BOSDH0003</b>	7,658,510.9	196,096.0	8.21	19.1	10.84	22.39
Bosrand	<b>BOSDH0005</b>	7,658,264.5	195,947.0	33.57	45.5	11.9	27.89
			<b>Includes</b>	<b>34.04</b>	<b>38.7</b>	<b>4.62</b>	<b>35.60</b>
Bosrand	<b>BOSDH0006</b>	7,658,455.1	196,167.2	23.29	28.6	5.28	29.75
Bosrand	<b>BOSDH0010</b>	7,658,361.9	195,695.9	8.3	16.1	7.77	20.15
Bosrand	<b>BOSDH0013</b>	7,658,053.9	195,347.7	2.11	7.51	5.4	23.81
Bosrand	<b>BOSDH0016</b>	7,658,623.3	196,124.4	15.5	23.6	8.08	20.09
Bosrand	<b>BOSDH0017</b>	7,658,624.8	196,123.2	20.02	26.3	6.31	27.73
			<b>Includes</b>	<b>23.02</b>	<b>26.3</b>	<b>3.31</b>	<b>32.77</b>
			And	29.48	34.5	5.03	27.84
Bosrand	<b>BOSDH0020</b>	7,658,637.5	196,176.1	13.95	19	5.05	26.42
Bosrand	<b>BOSDH0021</b>	7,658,689.8	196,174.3	49.89	55.2	5.27	22.43
Bosrand	<b>BOSDH0022</b>	7,657,765.8	195,078.2	1.24	6.37	5.13	25.79
Bosrand	<b>BOSRC2010</b>	7,658,628.0	196,060.0	33	42	9	21.50
			And	81	88	7	18.09
Labusrus	<b>LAB_RC_083</b>	7,650,960.9	192,636.8	0	12	12	21.02
			And	14	19	5	19.18
Labusrus	<b>LAB_RC_084</b>	7,650,954.6	192,588.1	30	39	9	26.85
			Includes	32	36	4	31.18
Labusrus	<b>LAB_RC_092</b>	7,650,851.9	192,301.6	1	10	9	19.56
Labusrus	<b>LAB_RC_093</b>	7,650,846.1	192,272.0	5	10	5	24.49
Labusrus	<b>LAB_RC_094</b>	7,650,833.4	192,249.9	10	17	7	23.45
<b>Labusrus</b>	<b>LAB_RC_095</b>	<b>7,650,847.1</b>	<b>192,242.4</b>	<b>28</b>	<b>31</b>	<b>3</b>	<b>37.82</b>
Labusrus	<b>LAB_RC_096</b>	7,650,823.6	192,232.4	10	21	11	22.96
Labusrus	<b>LAB_RC_097</b>	7,650,819.1	192,205.7	13	20	7	26.66
			<b>Includes</b>	<b>13</b>	<b>16</b>	<b>3</b>	<b>37.17</b>
Labusrus	<b>LAB_RC_098</b>	7,650,829.0	192,202.8	21	26	5	28.35
<b>Labusrus</b>	<b>LAB_RC_100</b>	<b>7,650,809.6</b>	<b>192,153.0</b>	<b>21</b>	<b>25</b>	<b>4</b>	<b>33.95</b>
			<b>Includes</b>	<b>22</b>	<b>25</b>	<b>3</b>	<b>38.30</b>
Labusrus	<b>LAB_RC_102</b>	7,650,783.4	192,059.0	2	11	9	25.74
			<b>Includes</b>	<b>9</b>	<b>11</b>	<b>2</b>	<b>45.05</b>
Labusrus	<b>LAB_RC_105</b>	7,650,784.9	192,028.2	7	12	5	25.33
Labusrus	<b>LAB_RC_106</b>	7,650,781.9	191,981.6	12	18	6	19.49

Area	Hole	North	East	From (m)	To (m)	Interval	Mn%
Labusrus	LAB_RC_109	7,650,777.8	191,929.9	7	13	6	25.64
Labusrus	LAB_RC_112	7,650,758.6	191,831.3	9	14	5	23.90
Labusrus	LAB_RC_114	7,650,756.1	191,778.4	9	17	8	24.65
Labusrus	LAB_RC_115	7,650,759.6	191,751.1	16	21	5	17.41
North Bosrand	NBR_RC_047	7,659,562.6	197,247.4	19	29	10	28.45
			<b>Includes</b>	<b>19</b>	<b>23</b>	<b>4</b>	<b>30.39</b>
North Bosrand	NBR_RC_048	7,659,586.4	197,265.6	2	10	8	20.86
			And	35	45	10	28.96
			<b>Includes</b>	<b>38</b>	<b>44</b>	<b>6</b>	<b>30.78</b>
North Bosrand	NBR_RC_049	7,659,591.5	197,291.3	6	11	5	21.15
			And	25	38	13	25.09
			<b>Includes</b>	<b>25</b>	<b>28</b>	<b>3</b>	<b>35.08</b>
North Bosrand	NBR_RC_050	7,659,560.2	197,298.5	0	12	12	28.43
North Bosrand	NBR_RC_051	7,659,589.8	197,320.7	4	12	8	22.64
			And	20	27	7	29.36
North Bosrand	NBR_RC_054	7,659,608.4	197,368.5	14	24	10	24.73
North Bosrand	NBR_RC_066	7,659,631.7	197,539.7	14	42	28	21.05
<b>North Bosrand</b>	<b>NBR_RC_077</b>	<b>7,660,425.7</b>	<b>197,191.5</b>	<b>19</b>	<b>22</b>	<b>3</b>	<b>30.51</b>

*Vertical and angle holes. RC drilling samples; riffle split, 2-5kg samples, Analysis by X-Ray Fluorescence at Australian Certified Laboratory. Diamond drilling samples; NQ core half split. Analysis by X-Ray Fluorescence at Australian Certified Laboratory. Cutoff grade used for significant intersections: greater than 15% Mn.*



Figure 1 - Location Diagram Otjo Project, Namibia

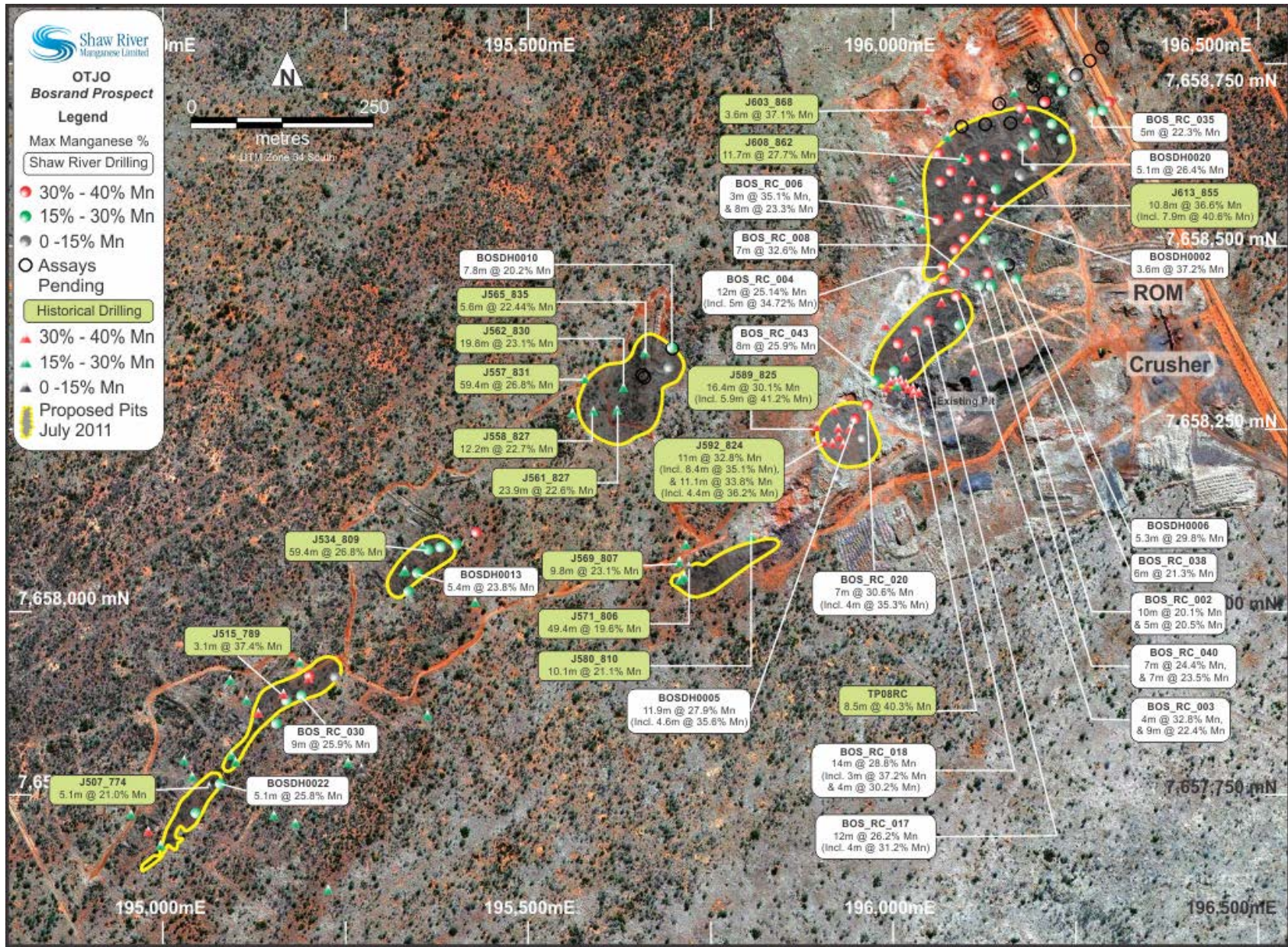


Figure 2 - Bosrand Drilling



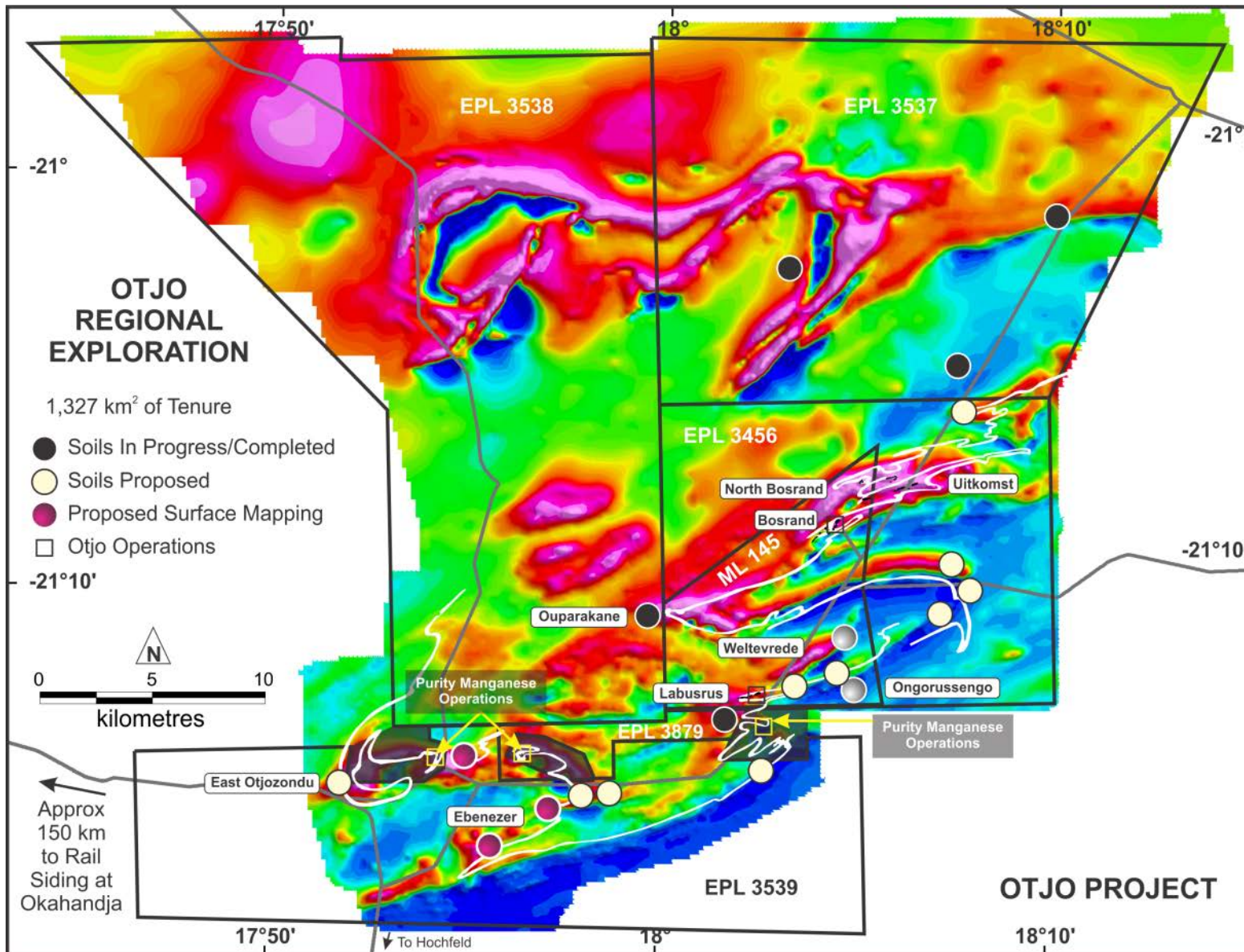


Figure 4 - Regional Exploration Targets