

SHAW RIVER RESOURCES LIMITED

Maiden Resource for Otjozondu

Shaw River Resources Limited ("Shaw River", "SRR", "Company") has released a maiden resource of 6.8mt @ 23.1% manganese for its Otjozondu Project (SRR: 75.5%) in Namibia. The initial resource covers ~5% of the field's 144km strike length, indicating good potential for future expansions. Shaw River has an exploration target for Otjozondu of 35Mt - 50Mt @ 23-27% Mn.

The resource is currently in the inferred category; however, the Company believes that it should underpin the first five years of production, with production planned to commence in 2012. Shaw River is targeting an initial production rate of 250ktpa, expanding to 500ktpa in later years.

Development work commencing soon

This resource will form the basis for the development studies and mine plan. A feasibility study and infill drilling are planned to start in April 2011. The drilling will primarily focus on infill drilling the current resource to improve the confidence to allow the calculation of reserves. In addition, drilling will test strike and depth extensions of the mineralisation, as well as other prospects.

Significant upside

The potential for further resource growth can be seen by completing resource estimates on previously drilled prospects that were not included in this resource, as well as drill testing the 85% of known manganese strike not tested to date. In addition, most of the drilling does not extend past 85m depth, even though high-grade manganese mineralisation is known to extend to +250m depth.

Previous work derisks project

The project is already somewhat derisked due to previous trial mining at Otjozondu. This mining, which occurred over the past 18 months, demonstrated that the project can generate an export quality product using simple beneficiation processing methods. Otjozondu's initial resource further derisks the project by demonstrating good potential for at least a 5 year mine life. Of the 6.8Mt resource, ~5.0Mt are contained within granted mining leases, reducing time required for permitting, thereby enabling a fastracking of the development process.

Our preliminary modelling values Otjozondu at 22cps using Hartleys price assumptions, with a price target of 30cps. We note that at spot prices, Otjozondu is worth 36cps and our price target increases to 45cps.

The significant amount of historic work and data at Otjozondu should enable Shaw River to fastrack its production goals, with the aim of generating an export quality manganese product in 2012. In addition, the Company continues to progress its other projects, with drill results pending for Butre in Ghana, and drilling due to start soon at Baramine in the Pilbara region of WA.

As Shaw River progresses the development studies and drills out the strike extensions for Otjozondu we expect the Company to be steadily rerated in the lead up to production. We continue to rate Shaw River Resources Limited as a Speculative Buy.

21 Mar 2011

Share Price (last)	\$0.22
Price Target	\$0.30

Brief Business Description:

Manganese explorer/developer

Hartleys Brief Investment Conclusion

Excellent project pipeline led by the Otjozondu acquisition

Capital	326.5m
- diluted	387.4m
Market Cap	\$70.2m
- fully diluted	\$83.3m
Cash (est)	\$6.0m
EV	\$64.2m

Main Projects

Otjozondu (Namibia)	Mn
Baramine (WA)	Mn
701 Mile (WA)	Mn
Mt Minnie (WA)	Mn, Cu, Au
Skull Springs (WA)	Mn
Butre (Ghana)	Mn, Au

Board & Management

Tony Walsh (Chairman and Co. Sec.)

Vincent Algar (MD)

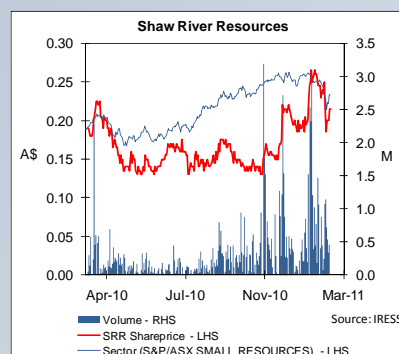
Ken Brinsden (Non-Exec. Dir.)

Major Shareholders:

Atlas Iron Limited	45.4%
OM Holdings Limited	11.1%

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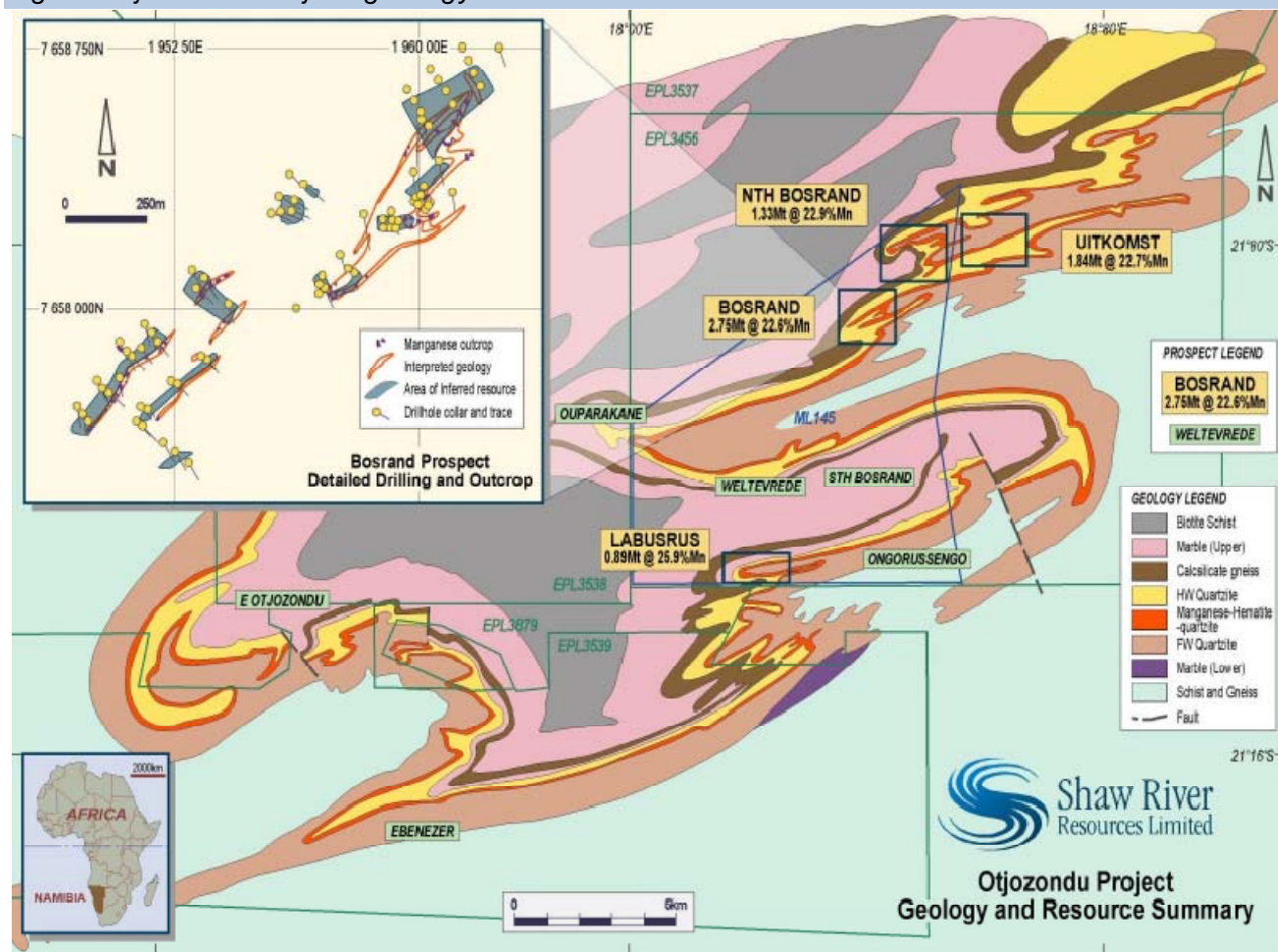
Hartleys has provided corporate advice within the past 12 months and continues to provide corporate advice to Shaw River Resources Limited. See back page for full disclosure.

Fig. 1: Maiden Otjozondou resource details (15% Mn cut-off)

Deposit	Licence Type	Mt	Mn%	Fe %	P%	Category
Laburus	Mining	0.89	25.9	14.2	0.09	Inferred
North Bosrand	Mining	1.33	22.9	14.2	0.02	Inferred
Bosrand	Mining	2.75	22.6	13.5	0.03	Inferred
Uitkomst	Exploration	1.84	22.7	14	0.03	Inferred
Total		6.81	23.1	13.9	0.04	Inferred

Source: Shaw River Resources Limited

Fig. 2: Otjozondou Project geology



Source: Shaw River Resources Limited

HARTLEYS RESEARCH COVERAGE LIST

Hartleys Research Coverage					Hartleys Research Recommendation				
Name	Ticker	Last Price*	M. CAP (\$m)	Status	Hartleys Research Recommendation				
Resources									
Gold									
1. Intrepid Mines Limited	IAU	1.81	775	Explorer	Speculative Buy				
2. Beadell Resources Limited	BDR	0.745	463	Developer	Speculative Buy				
3. Silver Lake Resources Limited	SLR	2.010	359	Producer	Buy				
4. Integra Mining Limited	IGR	0.465	351	Producer	Speculative Buy				
5. Gold One International Limited	GDO	0.335	270	Producer	Buy				
6. Tanami Gold NL	TAM	0.980	254	Producer	Speculative Buy				
7. Catalpa Resources Limited	CAH	1.53	249	Producer	Buy				
8. Focus Minerals Ltd	FML	0.078	223	Producer	Buy				
9. Papillon Resources Limited	PIR	0.760	139	Explorer	Speculative Buy				
10. PM Gold Corporation Limited	PVM	0.650	125	Developer	Speculative Buy				
11. YTC Resources Limited	YTC	0.600	117	Developer	Buy				
12. Cortona Resources Limited	CRC	0.170	33	Developer	Speculative Buy				
13. Ausquest Limited	AQD	0.135	31	Explorer	Speculative Buy				
14. Emmerson Resources Limited	ERM	0.145	30	Explorer	Speculative Buy				
15. Canyon Resources Limited	CAY	0.455	14	Explorer	Speculative Buy				
16. Southern Gold Limited	SAU	0.082	12	Explorer	Speculative Buy				
17. Geopacific Resources NL	GPR	0.300	11	Explorer	Speculative Buy				
Iron Ore									
1. Atlas Iron Limited	AGO	3.380	1,847	Producer	Buy				
2. Centaurus Metals Ltd	CTM	0.100	60	Explorer	Speculative Buy				
Coal									
1. Riversdale Mining Limited	RIV	15.440	2,909	Developer	No Rating				
Base Metals									
1. Western Areas NL	WSA	6.070	1,086	Nickel Producer	No Rating				
2. Jabiru Metals Limited	JML	0.740	409	Zinc-Copper Producer	Buy				
Other metals									
1. Kasbah Resources Limited	KAS	0.275	65	Tin Developer	Buy				
2. Shaw River Resources Limited	SRR	0.210	53	Manganese:	Speculative Buy				
3. Hazelwood Resources Ltd	HAZ	0.200	46	Tungsten Developer	Speculative Buy				
Uranium									
1. Peninsula Energy Ltd	PEN	0.086	179	Developer	Speculative Buy				
2. Impact Minerals Limited	IPT	0.120	0	Explorer	Speculative Buy				
		Sub-Total	10,112						
Oil & Gas									
Conventional Oil & Gas									
1. Woodside Petroleum Ltd	WPL	42.20	32,922	Major	Buy				
2. Nexus Energy Ltd	NXS	0.45	431	Developer / Explorer	Speculative Buy				
3. Carnarvon Petroleum Ltd	CVN	0.35	240	Producer / Explorer	Buy				
4. Tap Oil Ltd	TAP	0.99	239	Producer / Explorer	Buy				
5. FAR Ltd	FAR	0.12	149	Explorer / Producer	Speculative Buy				
6. Cooper Energy Ltd	COE	0.40	116	Producer / Explorer	Buy				
7. Otto Energy Ltd	OEL	0.09	91	Explorer / Producer	Buy				
8. Amadeus Energy Ltd	AMU	0.22	66	Producer / Explorer	Hold				
9. Hawkey Oil and Gas Ltd	HOG	0.41	56	Producer / Explorer	Buy				
10. Sun Resources NL	SUR	0.04	16	Explorer / Producer	Hold				
Non Conventional Oil & Gas									
1. Aurora Oil and Gas Ltd	AUT	2.87	1,158	Producer / Developer	Reduce				
2. Samson Oil & Gas Ltd	SSN	0.175	296	Developer / Producer	Buy				
3. Oilex Ltd	OEX	0.36	90	Explorer / Producer	Speculative Buy				
4. European Gas Ltd	EPG	0.45	90	Producer / Explorer	Speculative Buy				
5. Strike Energy Ltd	STX	0.17	56	Explorer / Producer	Buy				
6. Entek Energy Ltd	ETE	0.15	42	Producer / Explorer	Speculative Buy				
		Sub-Total	36,056						
Industrials									
Resource Services - Capital Intensive									
1. Ausdrill Limited	ASL	3.23	846	Contract Drilling	Buy				
2. Matrix Composites &	MCE	8.89	649	Oil & Gas Services	Buy				
3. Mermaid Marine Ltd	MRM	3.03	646	Oil & Gas Services	Speculative Buy				
4. Fleetwood Corporation	FWD	11.13	641	Accommodation	Hold				
5. NRW Holdings Ltd	NWH	2.50	628	Contract mining	Buy				
6. Clough Limited	CLO	0.84	571	Oil & Gas Construction	No Rating				
7. Macmahon Holdings Limited	MAH	0.54	396	Contract mining	Hold				
8. MACA Ltd	MLD	2.61	392	Contract mining	Buy				
9. Index Ltd	IMD	1.76	340	Drilling Supplies	Buy				
10. Pacific Energy Ltd	PEA	0.41	144	Remote Power	Buy				
11. Swick Mining Services Ltd	SWK	0.34	80	Contract Drilling	Speculative Buy				
12. Neptune Marine Ltd	NMS	0.05	20	Oil & Gas Services	Speculative Buy				
Resource Services - Labour Intensive									
13. Monadelphous Group Limited	MND	21.04	1,810	Construction	Buy				
14. Decmil Group Limited	DCG	3.04	376	Construction	Buy				
15. Lycopodium Limited	LYL	6.35	245	Engineer. & Constr.	Speculative Buy				
16. RCR Tomlinson Ltd	RCR	1.66	218	Engineer. & Constr.	Buy				
17. LogiCams Limited	LCM	1.45	87	Engineer. & Constr.	Buy				
18. VDM Group Limited	VMG	0.22	45	Engineer. & Constr.	Speculative Buy				
Other Industrial Companies									
19. West Australia News Hdgs Ltd	WAN	5.22	1,283	Media	Hold				
20. Austal Limited	ASB	2.94	553	Civil and Military	Speculative Buy				
21. iNet Limited	IIN	2.39	364	Telecommunications	Buy				
22. Cash Converters Internat.	CCV	0.78	312	Unsecured Finance	Buy				
23. Amcom Telecommunications	AMM	0.29	208	Telecommunications	Buy				
24. RedHill Education Ltd	RDH	0.21	6	'For profit' education	Hold				
		Sub-Total	10,858						
		67.	GRAND TOTAL	57,026					

Source: IRESS, Hartleys Research. * 21 Mar 2011

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Hartleys Recommendation Categories

No Rating	No recommendation.
Buy	Share price appreciation anticipated
Speculative Buy	Share price appreciation anticipated but it is higher risk than a "Buy". For the share price to rise it may be contingent on the outcome of an uncertain or distant event.
Hold	Take no action.
Reduce / Take profits	Stock is trading above the share price target and there is a near term negative catalyst that could cause weakness.
Sell	Significant price depreciation anticipated

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Hartleys has completed a capital raising in the past 12 months for Shaw River Resources Limited ("Shaw River"), for which it has earned fees. Hartleys has provided corporate advice within the past 12 months and continues to provide corporate advice to Shaw River for which it has earned fees and continues to earn fees. Hartleys has a beneficial interest in 500,000 Shaw River options.

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