



Shaw River to Raise \$25 Million

15 April 2011

Shaw River to raise \$25m to progress development of manganese assets in Namibia, Pilbara and Ghana

Key Points

- Proceeds to fund infill drilling and Feasibility Study on the Otjozundu manganese project in Namibia in preparation for production start up in 2012
- Funds to be applied to aggressively progress drilling programs on the Baramine manganese project in the Pilbara commencing April 2011
- Funding to support drilling and bulk sampling at Butre manganese project in Ghana.

Shaw River Resources Limited (ASX:SRR) is pleased to advise that it has resolved to raise up to \$25 million through a placement of 125 million shares at an issue price of 20 cents per share to sophisticated and professional investor clients of Hartleys Limited and its major shareholder, Atlas Iron Limited (Atlas).

The funds raised pursuant to the capital raising will be used to fund development of Shaw River's manganese assets in Namibia, Australia and Ghana. This will include the commencement in May 2011 of an extensive infill drilling program and a feasibility study on Shaw River's Otjozundu manganese project in Namibia with a view to bringing Otjozundu into manganese production in 2012. Funds will also be directed at additional drilling and scoping studies for on Shaw River's Baramine and Ghana manganese projects.

Shaw River Managing Director Vincent Algar said the proceeds would enable the Company to accelerate the development of the Otjozundu manganese project in Namibia, enabling Shaw River to commence the generation of strong cashflow from mid-2012 onwards.

"We are delighted by the strong international support received for the Placement which will see the introduction of a number of the world's largest and most well respected institutional investors onto the Shaw River register, and by the confidence demonstrated by our current shareholders," Mr. Algar said. "The strength of interest in the Placement ensures Shaw River remains a well funded manganese development company that continues to execute its strategy of building a global manganese business."

"Feasibility studies are underway at the Otjo Project Namibia and drilling will commence in early May 2011. In Australia drilling will commence at Baramine manganese project in late April 2011."

Shaw River's largest shareholder, Atlas Iron Limited, is participating in the Placement. Hartleys Limited is Broker to the Offer.

The Placement will be completed in two tranches with the first tranche of up to 48.7 million shares to be issued pursuant to the Company's 15% capacity under ASX Listing Rule 7.1, and the second tranche of up to 76.3 million shares to be issued subject to shareholder approval at the Company's General Meeting currently scheduled for Tuesday 17 May 2011.

STRATEGY FOR THE OTJOZONDU PROJECT IN NAMIBIA

Shaw River is seeking to develop its large-scale manganese project in Namibia. Activity over the coming months will focus on delivering this outcome including:

- Infill drilling results in July 2011;
- Beneficiation test results in August 2011;
- Resource upgrade August/September 2011; and
- Feasibility Study results in 4th Quarter 2011.

Shaw River is targeting to commence production at its Otjozundu manganese project in Namibia in mid-2012.

ABOUT SHAW RIVER RESOURCES

Shaw River is a focused manganese developer and explorer, currently developing its Otjozundu manganese project in Namibia, its five Pilbara manganese projects including its flagship Pilbara project - Baramine, and an 80% stake in a Ghanaian manganese project.

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 addition to developing its Otjozundu manganese project in Namibia, in 2011, Shaw River will aggressively advance its manganese projects at its Butre (Ghana), Skull Springs (Pilbara) and Baramine (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 (45.4%), 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.