



14 June 2011

Shaw River Exploration Update

Highlights

- 3,000 meter diamond drilling program underway at Shaw River's 75.5% owned Otjozundu ("Otjo") Manganese Project in Namibia. – Early success, with multiple manganese horizons intersected in all four initial holes since drilling started on 31 May 2011. Assay results are expected in the September 2011 quarter.
- Scoping study has indicated strong economics at Otjo from a proposed initial 250,000tpa operation from 2012 targeting rapid ramp-up to 500,000tpa, producing a high-grade, high-quality product using simple beneficiation methods. Manganese product grade estimated 38-40% Mn.
- Current Pilbara Baramine drilling intersects wide zones of manganese alteration in Jose South Prospect.
- Baramine drilling is ongoing and rig has moved to the prospective Area 3. Surface interpretation at Area 3 has defined potential for extensive manganese mineralisation of the Woodie Woodie Style.
- Shaw River finalising key management appointments to include Chief Financial Officer, Chief Operating Officer and Chief Metallurgist ahead of planned production in Namibia in 2012.



Figure 1. Manganese Intersection in BOSDH002 at Otjo Project, 0-14.9m

Shaw River Resources Limited ("Shaw River") (ASX: SRR) is pleased to advise that a significant diamond drilling programme which commenced on 31 May 2011 at its 75.5% owned Otjozundu Manganese Project in Namibia has had early success intersecting multiple manganese horizons as predicted by drill planning in all four holes drilled to date.. Figure 1 above shows a core tray from BOSDH002 and indicates the 14.9m width of the intersection. Diamond drilling for beneficiation test sampling is continuing, while the company is planning for the arrival of two additional RC drill rigs on site in the coming weeks, as part of the plan to substantially grow the existing resource inventory and be in production of manganese in 2012.

Pilbara Exploration

Drilling is also currently underway Shaw River's Pilbara manganese flagship, Baramine. An RC rig has completed 3,000m of RC drilling in the Jose South Area (see Figure 4), where previous drilling intercepts include 18m at 21.4% Mn including 4m at 33.6% Mn from 86m and 15m at 17.2% Mn including 5m @ 27.6% Mn from 57m had previously been identified in a E-W trending 300 metre zone of intense manganese alteration. Drilling reports to date have identified visible intense manganese alteration over significant widths, with some holes seeing mineralisation at greater depths than previously seen in this area. Sample results are anticipated in coming weeks.

Drilling is now continuing at the prospective Area 3 (see Figure 5) site where previous drilling has intersected 18m at 21.4% Mn including 4m @ 33.6% Mn from 86m and 15m at 17.2% Mn including 5m @ 27.6% Mn from 57m in 2 distinct trends over a 500m N-S trend. Surface interpretation at Area 3 has defined potential for extensive manganese mineralisation of the Woodie Woodie Style.

Results from the drilling work in Namibia and the Pilbara are expected to start flowing in July along with updated interpretations of resource potential.

Management Additions

Shaw River's Board of Directors has recently approved the appointment of key staff to bolster the current experienced team and ensure the delivery of the Otjozundu Project to production, and otherwise advance the company's growth strategy in Manganese. The candidates for Chief Operating Officer, Chief Financial Officer and Chief Metallurgist are all actively engaged with Shaw River already, and will begin full time roles on 1 July 2011.

The new management appointments will add significant operational and African experience to the Shaw River team. Full details about the new team will be released in a July announcement.

Legal Update

Shaw River has become aware of reports in the South African and Namibian media relating to claims that have been made by a third party against the owners of several of the vendors from which Shaw River purchased Otjozundu Holdings (Pty) Ltd in 2010. The vendors have advised the Company that the claims against them are baseless and will be vigorously defended. Whilst no action has been commenced against the Company and as such the Company is not directly involved, the Company will continue to monitor this matter.

About Otjo

Otjo is located 150km north-east of the Namibian capital of Windhoek (Figure 3) 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, utilising a basic crushing and jigging circuit to produce saleable ore.

JORC Inferred Resources at Otjo currently stand at 6.8Mt at 23% Mn and the Project Exploration Target of 35Mt to 50Mt grading 23%Mn to 27%Mn*.

Shaw River's is planning the introduction of modern technology, mine planning practices and processing expertise to allow production to re-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. A feasibility study is currently underway to guide development for an open cut mining operation, targeting production at 250,000tpa of manganese product commencing in 2012, before 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.

Favourable geology, shallow open-pittable mineralisation and the availability of existing infrastructure are expected to underpin low operating costs and attractive margins, using conservative long term manganese pricing. Ore will be delivered by road and rail to Walvis Bay Port, for export to predominantly Asian markets.

About Shaw River Resources

Shaw River is a manganese explorer and developer, currently exploring 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 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 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 (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.

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.

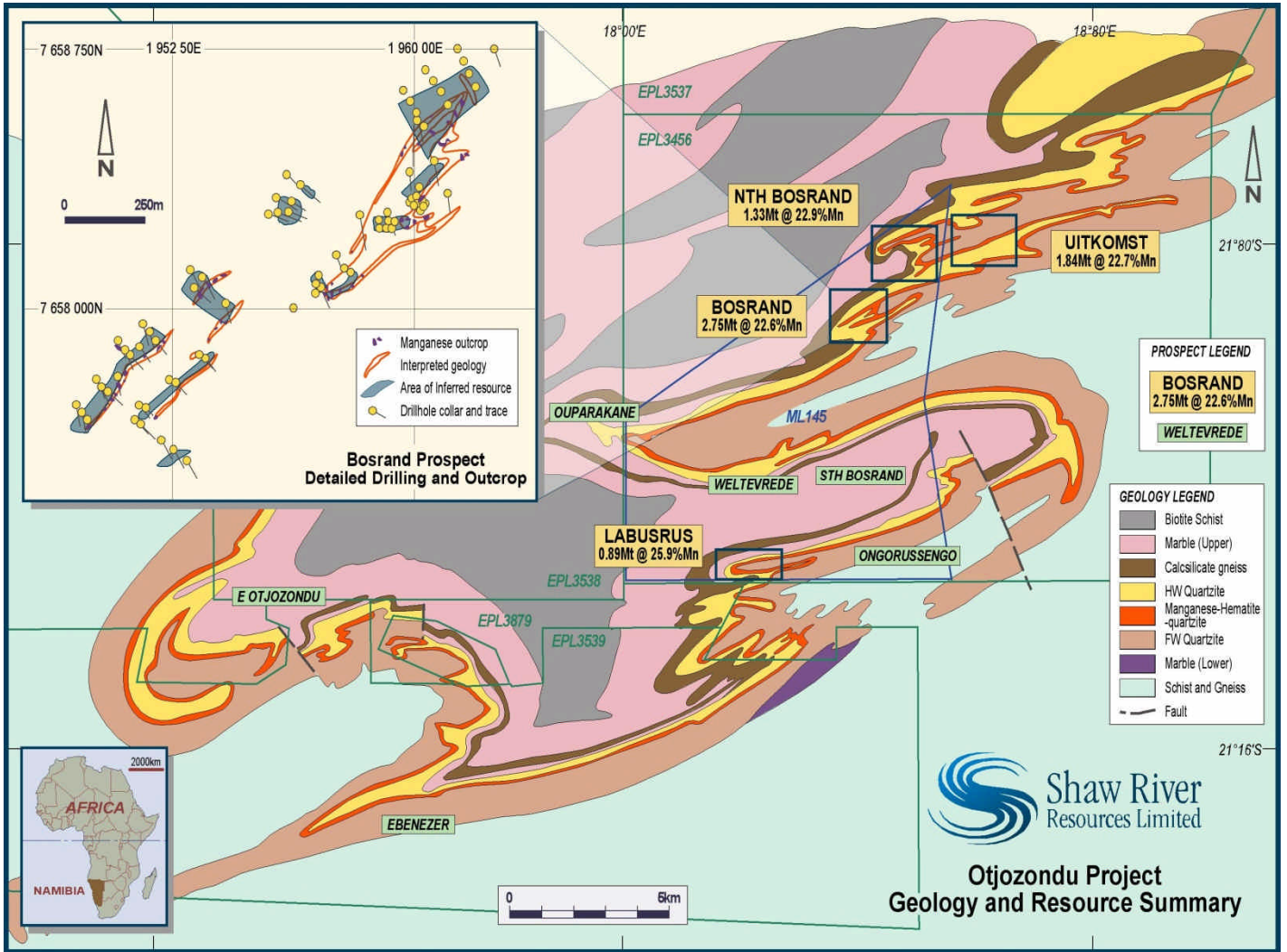


Figure 2
Manganese Resources and Prospects at Otjozondu , Namibia



Figure 3: Location Map and Geology, Namibia

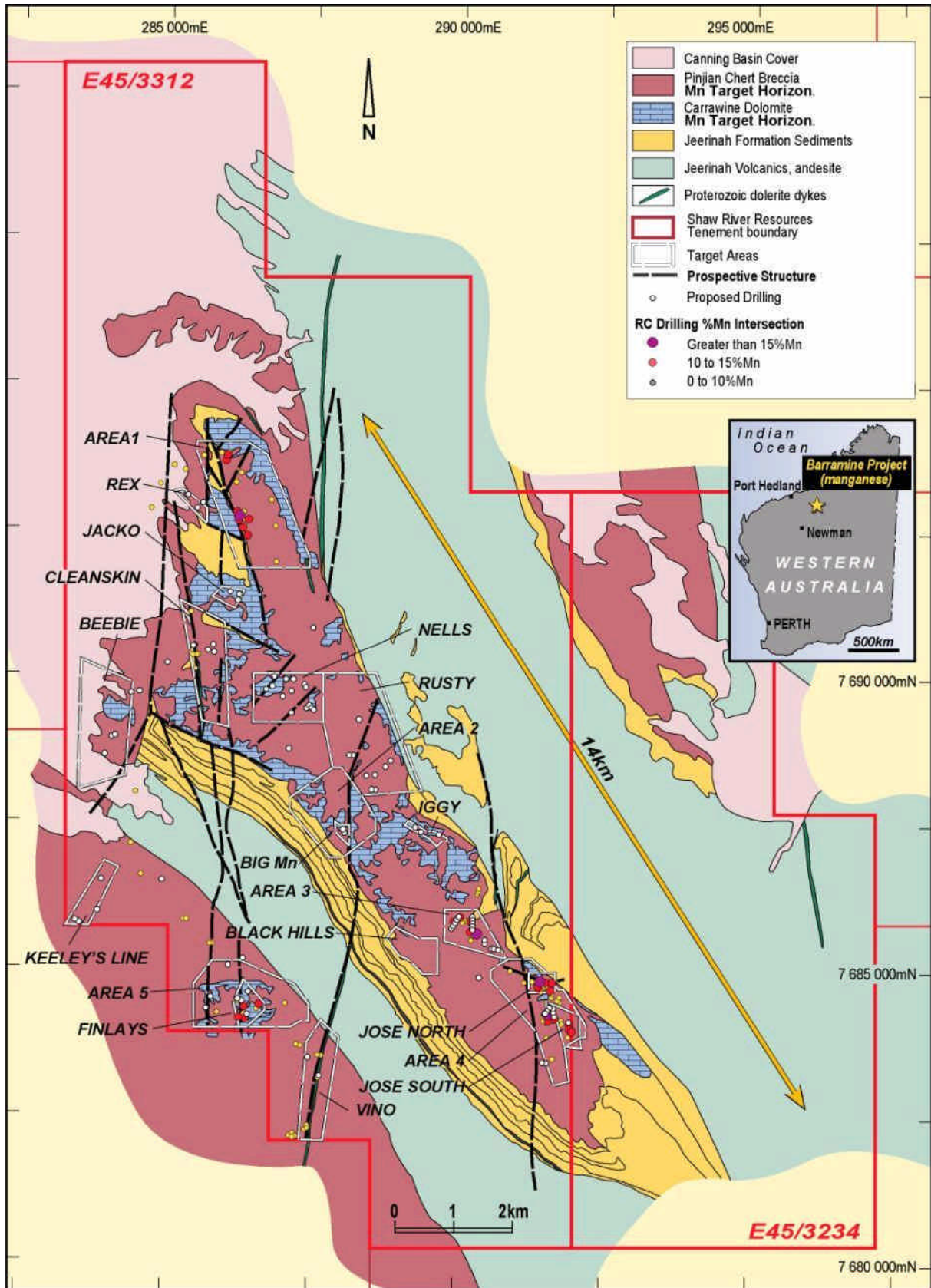


Figure 4: Baramine geology showing previous Shaw River drilling and current program target areas

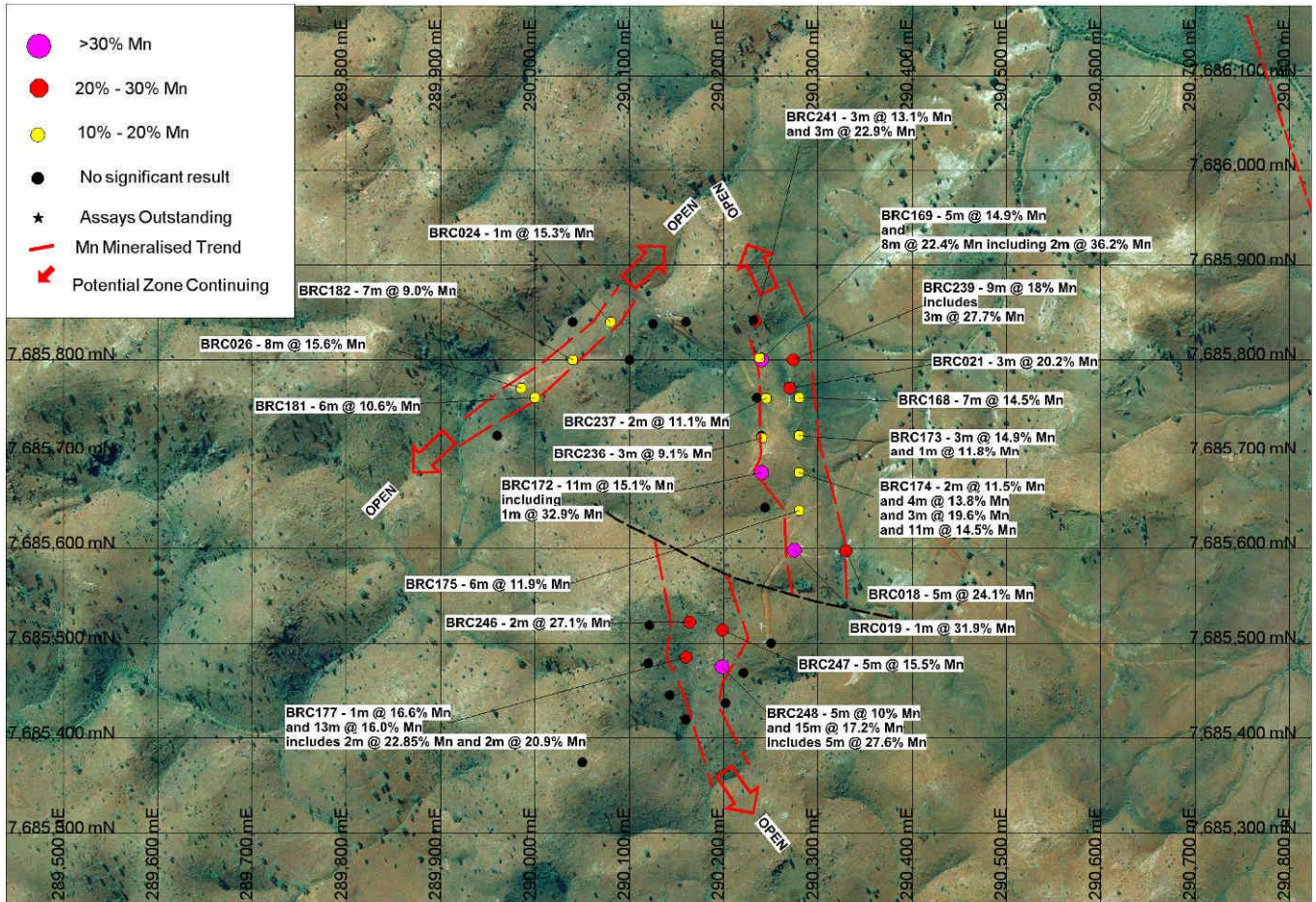


Figure 5: Area 3 Previous Drill Results showing resource target areas and potential. Grid squares are 100m x 100m.