

SUMMARY OF QUARTERLY ACTIVITIES

HIGHLIGHTS

- OTJOZONDU
 - OTJO DRILLING UNDERWAY, FIRST RC, DIAMOND, MET TEST SAMPLES DISPATCHED
 - FEASIBILITY STUDY PROGRESS ON TRACK FOR DECEMBER 2011 COMPLETION
 - PROCESSING CONTRACT AWARDED TO PERTH MSP ENGINEERING
 - MAIDEN JORC RESOURCE OF 6.8MT at 23.1% MN
- GHANA
 - STRONG DRILLING RESULTS HIGHLIGHT MANGANESE POTENTIAL
 - MANGANESE GRADES UP TO 35%MN INTERSECTED, STRIKE EXTENDED TO 600M
- PILBARA
 - 6,000M RC DRILLING COMPLETED, RESULTS FROM AREA 3 AND 4 PROSPECTS EXPECTED
- CORPORATE
 - \$25M CAPITAL RAISING COMPLETED
 - MANAGEMENT ADDITIONS STRENGTHEN TEAM LEADING TO PRODUCTION IN 2012

Shaw River Manganese Limited (the “Company”) is a manganese exploration and development company focused on starting manganese production in 2012 from its 75.5% owned Otjozonde Project in Namibia.

Shaw River holds a 75.5% stake in the developing Otjozonde (Otjo) Manganese Project in Namibia as well as Manganese Exploration Projects in Ghana and the East Pilbara Manganese Province of Western Australia. The Otjo Manganese Project has added an advanced manganese project to Shaw River’s project pipeline. During the June Quarter, Shaw River has continued to aggressively advance the Company’s projects at Baramine (Pilbara) and Butre (Ghana), while making major steps at Otjo through further resource definition drilling and feasibility study progress towards production.

The Company is currently advancing its exploration activity for manganese in three countries, in line with its “single commodity-global focus” vision. Recent strongly encouraging results from Ghana as well as active drilling underway in the Pilbara and in Namibia provide additional strong support for the activities of the Company.

Shaw River’s largest shareholder, Atlas Iron Limited (45.2%), is a strong supporter of Shaw River’s manganese strategy. The Company is well funded to the completion of its feasibility study with \$14.3Million in cash available at the end of June 2011 following the repayment a loan of \$7.5 million.

OTJOZONDU MANGANESE PROJECT, NAMIBIA- SHAW RIVER (75.5%)

Overview

Otjo is located 150km north-east of the Namibian capital of Windhoek (see Figure 1), and lies in a historical manganese field which has produced, in aggregate, approximately 500,000t of high grade manganese since the 1950's. Manganese Ore is currently being mined and exported from the neighbouring Purity Manganese Operations which is located on portions of the same manganese field.

Otjo provides Shaw River with the opportunity to realise its plan to become a global manganese producer. Shaw River will leverage its expertise to transform Otjo into a world-class manganese project. Otjo has significant potential to expand through additional exploration, resource development and investment in processing and mine planning. Shaw River intends to make Otjo a major, low-cost manganese producer that will generate significant future cashflows.

Shaw River believes the Otjo project will become a lucrative world-class operation within two years, with a substantial resource inventory which is significantly leveraged to the manganese price.

Highlights for the June Quarter

- 115m of core drilled in manganese mineralisation from first 550m of diamond drilling
- First diamond and RC samples despatched to laboratory for analysis in July, initial results expected August.
- RC and diamond drilling underway focused on resource quality upgrade and resource extension.
- Beneficiation test samples (PQ core) despatched to Perth lab in July, initial results expected September.
- MSP Engineering (Perth) awarded processing contract.

Resource Development Update

In April 2010, Shaw River released a maiden inferred resource of 6.8Mt at 23.1%Mn at Otjozondou. This resource has been calculated on just 5% of the known strike potential of the manganese field under Shaw River's control. Shaw River has an Exploration Target † of 30Mt-50Mt grading 23-27% Mn at Otjozondou.

In May 2011, Shaw River announced the commencement of diamond drilling at Otjozondou. Since commencement of drilling 549m have been completed, 115.5m of which has intersected manganese horizons. Two of the holes drilled were large diameter PQ diamond holes (see image) and have been transported to NAGROM laboratories in Perth for beneficiation test work.

Diamond drilling is currently ongoing at the site with drilling focused on infill on current Inferred Resource areas (see Figure 2).

In July 2011, RC drilling commenced at Otjo. The RC drilling program will continue until the end of 2011 and its focus is the extension of the current Inferred Resource envelopes at multiple target sites.

First results from the first diamond drilling are expected in August 2011 with first RC results due in September 2011. Due to a four week delay in the initial start of drilling in May, the anticipated date of a resource upgrade from new diamond and RC drilling has been delayed until October 2011.

A priority has been given to the beneficiation test samples due to the critical nature of the processing aspect of the feasibility study.



Manganese Intersection from Recent Core Drilling at Otjozundu

The current drilling program has three objectives:

- **Infill drilling within predicted pits.** This is primarily aimed at increasing the confidence of the orebody continuity, position and grade within a series of preliminary pit designs, for the first five years of mining. Samples from this program will also be used for metallurgical test work to confirm process design criteria.
- **Geotechnical assessment of predicted pits.** This is specifically aimed at testing the geotechnical conditions of the predicted pit wall positions to allow suitable risk analysis and geotechnical design of the pits.
- **Resource Expansion.** This is primarily aimed at confirming new or additional potential pits along known strike and outcrop areas, not previously effectively drilled or modeled.

Logistics Update

Shaw River currently plans to truck manganese ore from the Mine at Otjozundu through to a rail siding at the town of Okahandja (146km) where it will be loaded onto rail cars for delivery through to Walvis Bay by rail to the Port of Walvis Bay for export(See Figure 1).

Following discussions with Namibia Roads, Port and Rail operators, the Company is becoming very comfortable with infrastructure access and upgrade potential. A series of Letters-of-Intent will be distributed to operators in early August followed by detailed plans and MOU's for the planned 2012 production rates. Following the finalisation of the feasibility study, budgets and capital plans for infrastructure upgrades will be put forward to the infrastructure operators to bring the production from Otjo up to 500,000tpa as soon as possible.

Namibia's roads and rail are all public access infrastructure. As a greater than 250,000tpa manganese ore producer, Shaw River will become one of the larger users of this network. This opportunity is considered a major opportunity for revenue and job creation by the network operators.

Near Term News Flow from Otjozondou

With the rapidly advancing studies and activities centered around the Otjo Operation, Shaw River expects a steady newsflow of information to be forthcoming to keep investors updated. These include;

- Infill diamond drilling assay and geology results – August 2011
- Initial beneficiation test results – September 2011
- Cost modeling and capex update – September 2011
- First RC assay Results – September 2011
- Resource update – October 2011
- Feasibility study Results - Dec 2011
- Resource update – December 2011
- Trial shipments to potential customers February 2012

BUTRE MANGANESE/GOLD PROJECT, GHANA

Shaw River's Butre Manganese Project located in the mining friendly Republic of Ghana in West Africa (see Figure 3). Ghana and West Africa have long been one of the key suppliers of high quality manganese oxide ore for the steel market.

The Butre Project is strategically located 30 km on sealed roads from the bulk port of Takoradi, and 200km west of the Capital, Accra. Takoradi currently ships around one million tonnes per annum of manganese ore from the nearby Nsuta Manganese Mine, which has been operating since 1923 and has produced some 25 million tonnes of high grade oxide manganese ore.

Highlights for the June Quarter

- Drilling results from a 1,000m Air Core program in February 2011 returned assays of up to 35% Mn with low iron and other impurities
- Known strike length of manganese mineralised zone confirmed over 600m
- New understanding of the mineralisation revealed strong potential to increase Butre both over strike and at depth
- Eight drill holes in latest 25-hole program returned significant intersections with grades exceeding 15% Mn.
- Best Intersections include(See Table 1);
 - 27m at 20.48% Mn, 4m at 22.85% Mn
 - 4m at 22.5% Mn, including 2m at 27.3% Mn
 - 9m at 21.1% Mn, including 3m at 27.4% Mn and 6m at 25.3% Mn
 - 17m at 19.6% Mn, including 3m at 25.1% Mn and 3m at 25.37% Mn
 - 2m at 25.3% Mn and 17m at 16.9% Mn, including 5m at 20.1% Mn, 3m at 21.9% Mn and 1m at 35.1% Mn

PROJECT UPDATE

In Early July 2011, Shaw River announced strong new drilling results from Butre, revealing the potential to increase the deposit significantly both along strike and at depth. Shaw's Butre project lies just 50km south of the existing Nsuta Manganese mine, currently exporting carbonate manganese ore through the port of Takoradi 30km to the East (See Figure 3).

The latest infill drilling at 50m intervals focused on intersecting the steeply north-west dipping manganese-rich zones identified in the first program and has confirmed the mineralisation over a 600m strike length and to a depth below surface of 40m. Further encouragement comes from four of the holes ending in mineralisation over 15% Mn (See Figure 4).

Given the projects location in close proximity to a Port and attractive distance to European markets, a low cost operation could produce an attractive margin from even a medium grade, low iron, oxide manganese

ore product. The growing market for carbonate ores as seen by the increasing sale of nearby Nsuta carbonate ore to China is seen as a major potential upside of the Butre Project.

Shaw River will be in a position to assess the resource potential and product specifications and project economics following the completion of the planned December quarter RC drill program.

Plans for the September 2011 Quarter

- 2,000 to 4,000m RC drilling program planned for December Quarter 2011 to identify depth and strike extensions and carbonate ore potential
- Bulk sampling for further beneficiation processing to take place in September Quarter to support previous testwork, indicating dense media product grades of 34-37% Mn.
- A further evaluation of the gold potential will be undertaken at Butre during the September Quarter.

BARAMINE PROJECT, WA - SHAW RIVER 70%, (80 km northwest of the Woodie Woodie Manganese Mine and 280 km east of the town of Port Hedland)

The Baramine Manganese Project consists of three tenements located 80 km northwest of the Woodie Woodie Manganese Mine and 280 km east of the town of Port Hedland. The geology has great similarity to the nearby Woodie Woodie deposits, which host high grade (+40% Mn) direct shipping ores (DSO).

Manganese at Baramine is associated with the Carawine Dolomite and Pinjian Chert over a minimum estimated area of 70 km². Shaw River is targeting manganese mineralisation similar to that at the world-class Woodie Woodie deposits (see targets, Figure 5).

Drilling continues at Baramine

RC Drilling has been underway at Baramine since late April 2011. An RC rig has completed 6,100 of RC drilling in the Area 3 and Area 4 Prospects (see Figure 5) and is ongoing. Drilling logs at Area 3 and Area 4 have identified wide zones of visible manganese alteration. Assay results for the complete program are expected to be available August 2011.

Previous drilling intercepts at Area 4 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.

Drilling has also taken place at the prospective Area 3 prospect 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.

The rig will continue drilling until August 2011 and will test targets in Area 4 North and Area 1 before completion of this program. A soil sampling program is currently being conducted to identify the hosting structure that links Area 3 and Area 4, an area which shows evidence of significant manganese mineralisation and associated alteration in drilling and on surface.

Overall, drilled mineralisation trends have been extended to 4km, accounting for just 11% of the 35km of mineralised target trends tested thus far at Baramine.

Plans for the September 2011 Quarter

In the September 2011 Quarter Shaw River expects to complete the current round of drilling at Baramine. Newsflow from the Project is expected as follows;

- Expected release of assays from the completed program.
- Interpretation and updated exploration targets
- Diamond drilling for further beneficiation testing to be commissioned
- Soil sampling results on the continuation of the Area 3-4 trend to be included in drill planning-heritage survey applications

Additional Drilling at Baramine will take place during the December Quarter of 2011.

SKULL SPRINGS PROJECT (Talisman Mining)

Following a review of priorities it was decided to exit the Joint Venture earn in with Talisman Mining on the Skull Springs Project to focus on the ongoing exploration at Baramine.

MANAGEMENT APPOINTMENTS

During the Quarter, Shaw River finalised the appointment of three highly experienced executives, to lead the company into production at its Otjondou Manganese Project in Namibia. The appointments of a Chief Operating Officer (COO), Chief Financial Officer (CFO) and Chief Metallurgist are another key step in Shaw's strategy to bring Otjondou into production in 2012. They will also play vital roles in Shaw's plan to develop its substantial pipeline of other manganese projects.

Rob Morrow- Chief Operating Officer

B Eng (Mining), MAusIMM, GAICD

Rob is a tertiary qualified mining engineer with over 25 years experience in the development of remote area mining infrastructure and operations. Rob's role prior to joining the Shaw River team was as Project Director of the Karara magnetite project in Western Australia. Prior to this, as an executive in leading Australian contract mining groups HWE and NRW, Rob also oversaw the development and operation of numerous iron ore and base metal (open pit and underground) mines with experience in Australia, Indonesia and Guinea. Rob brings a practical approach to project start up and development, and strong domestic and International industry experience.

Chris Parkinson – Chief Financial Officer

BComm, CA, GAICD

Chris Parkinson is a Chartered Accountant with over 15 years experience. Prior to joining Shaw River Manganese, Chris led the Perth corporate finance team of Grant Thornton, a global accounting and advisory organisation. He has worked with publicly listed companies in Australia and the United Kingdom and has extensive experience advising on capital raisings, mergers and acquisitions. Chris is a Graduate Member of the Australian Institute of Company Directors and a member of the Institute of Chartered Accountants in Australia.

Noel O'Brien – Chief Metallurgist

BE (Met) , MBA , FAusIMM , MAICD

Noel O'Brien has a broad technical and operational knowledge of processing, logistics and project delivery in the international minerals industry based on 36 years experience in Australia and Africa.

He has specific expertise in the beneficiation and downstream processing of ores for the production of chrome and manganese ferroalloys, base metals, diamonds, uranium and precious metals.

He has previously held executive management positions with WestNet Infrastructure Group, GHD, SNC-Lavalin and Pyromet and held senior operational positions with Anglo American/De Beers and Peko Mines NL.

CORPORATE

- During the Quarter Shaw River completed a fund raising 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. 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.
- The Placement was 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 following the receipt of shareholder approval at a General Meeting held on Tuesday 17 May 2011.
- Shaw River continues to assess new manganese project acquisition opportunities both domestically and internationally as it advances its manganese strategy of "one commodity- global focus"
- Shaw River has taken legal advice in relation to its position on the unfiled claims referred to in Namibian media speculation published in June 2011. Shaw River and its lawyers do not believe there is any merit in these threats nor is there any realistic prospect of there being any effect on the agreement by which Shaw River acquired its shareholding in Otjozondu Holdings.
- Repayment of the \$7.5 million loan to Atlas Loan Limited.
- The Company's cash position as at 30 June 2011 was \$14.3 million.

SHAREHOLDER INFORMATION

As at 30 June 2010 Shaw River had 451,657,803 of shares on issue. The top 20 shareholders hold 75.49% of the issued capital of Shaw River Manganese Limited.



Vincent Algar
Managing Director
30 June 2011

This information can be downloaded from www.shawriver.com.au

Exploration Target Statement:

Exploration Target is conceptual in nature and there has currently been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.

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 1 Location Diagram Otjozundu Manganese Project, Namibia, Walvis Bay Port

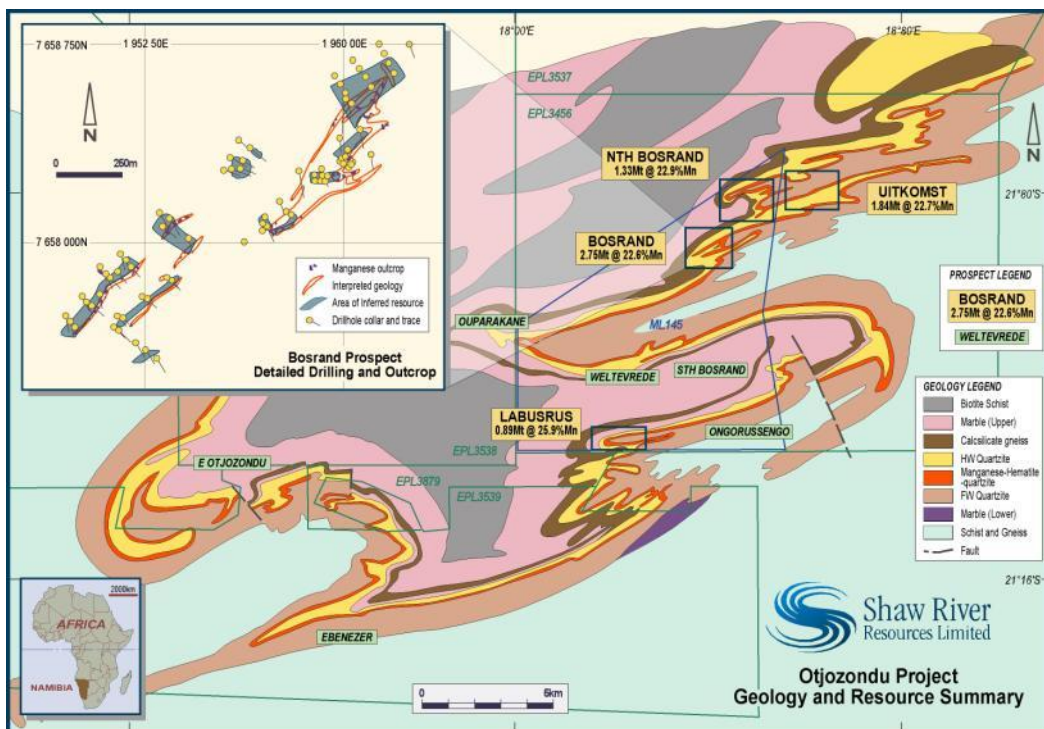


Figure 2. Otjozundu Manganese Project, Geology and Prospects

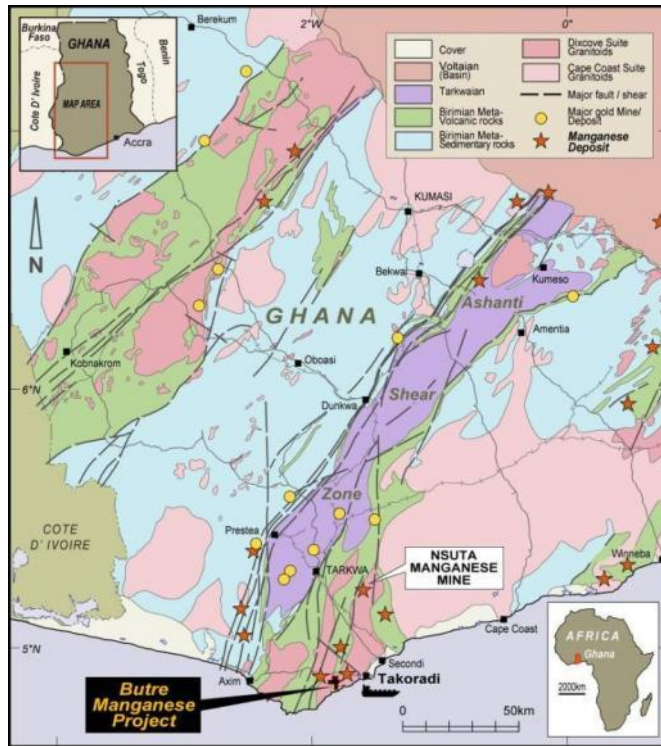


Figure 3. Ghana Geology and Butre Project Location

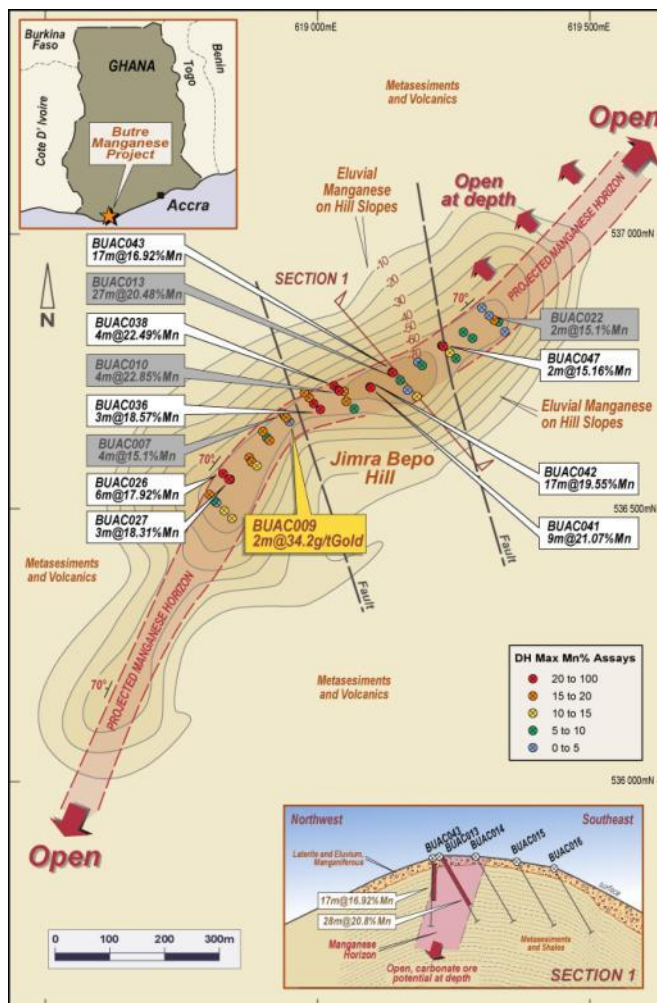


Figure 4: Detailed Drilling – Jimra Bepo Hill, Butre Manganese Project, grey shaded intersections denote 2010 drilling (see Table 1)

Hole_Id	Easting	Northing	Elev	Depth	Dip	Nat Azi	Type		mFrom	mTo	Mn % Intercept	Fe %
BUAC010*	619041.39	536715.206	110	40	-60	132.33	AC		36	40	4m @ 22.85 %	5.91
BUAC013*	619139.83	536748.098	118.2	40	-60	132.33	AC		3	30	27m @ 20.48 %	6.14
BUAC022*	619325.26	536844.631	104.9	16	-60	132.33	AC		14	16	2m @ 15.16 %	3.70
BUAC026	618830.21	536563.572	106.1	25	-60	132.33	AC		14	20	6m @ 17.92 %	5.91
								inc	14	19	5m @ 17.97 %	6.07
BUAC027	618841.11	536552.877	109.8	47	-60	132.33	AC		0	3	3m @ 18.31 %	9.31
BUAC036	619007.14	536680.776	103.2	47	-60	132.33	AC		1	4	3m @ 18.57 %	7.23
BUAC038	619032.09	536724.099	108.5	25			AC		6	10	4m @ 22.49 %	5.15
								inc	7	9	2m @ 27.30 %	4.54
BUAC041	619098.93	536721.094	116.8	45	-60	132.33	AC		0	9	9m @ 21.07 %	4.72
								inc	5	8	3m @ 27.42 %	4.24
								inc	3	9	6m @ 25.34 %	4.38
BUAC042	619098.18	536721.846	116.8	50	-90	0	AC		0	17	17m @ 19.55 %	13.4
									3	6	3m @ 25.05 %	5.26
									8	11	3m @ 25.37 %	19.3
BUAC043	619138.5	536748.997	118	45	-90	0	AC		5	22	17m @ 16.92 %	5.44
									20	21	1m @ 35.14 %	4.44
									20	22	2m @ 25.27 %	4.61
BUAC047	619232.14	536796.328	107.6	29	-90	0	AC		24	26	2m @ 23.82 %	4.4

Table 1 BUTRE 2011 Air Core Drill Intercepts, National Grid WGS84 Zone 30N
Min Cut off grade: 15 Mn% Maximum Internal Dilution: 2m. *Denotes drillholes from 2010 Drill Program

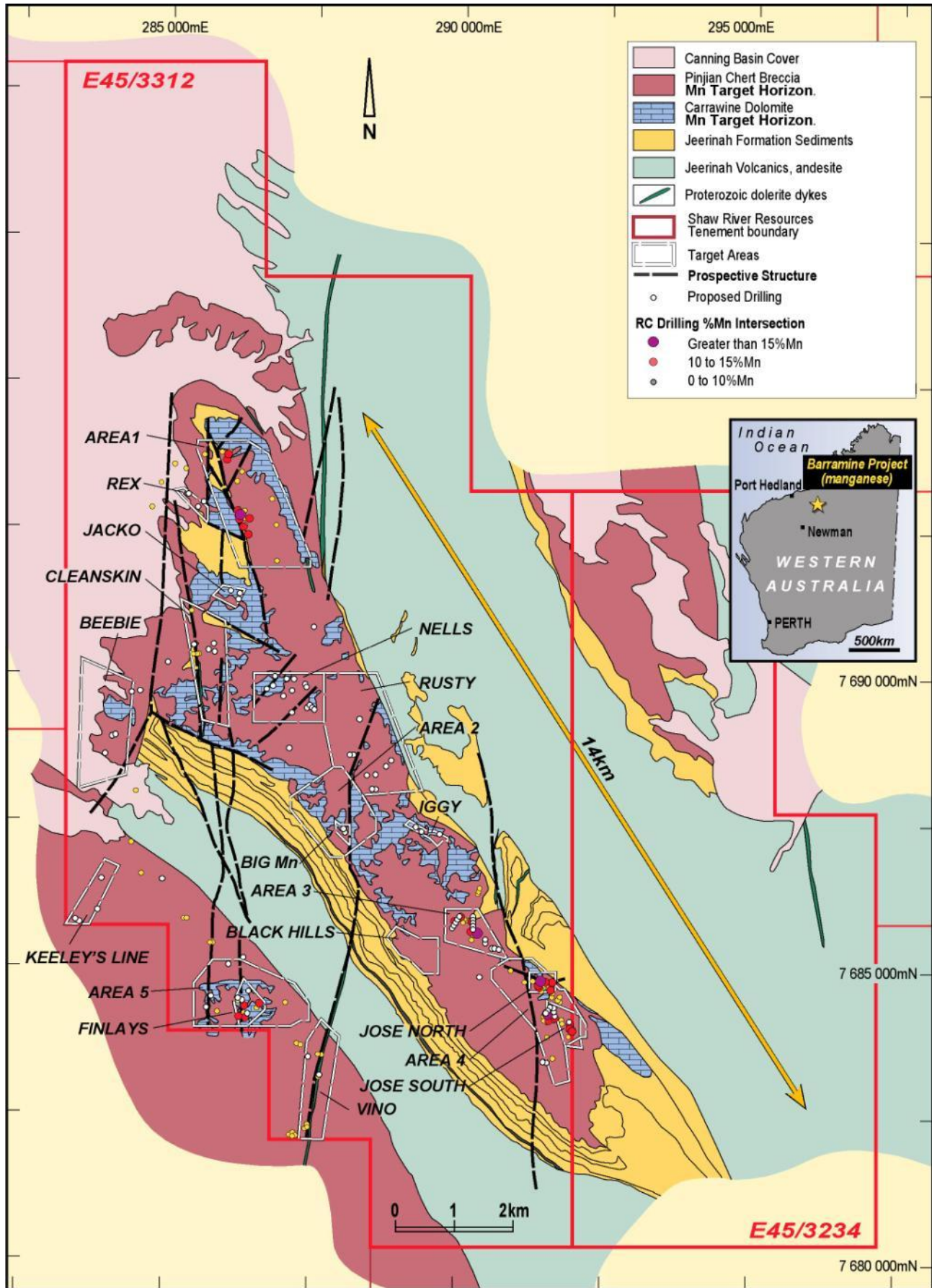


Figure 5 Baramine Manganese Project Exploration Targets