



Shaw River
Manganese Limited



29 April 2014

About

Board of Directors

Mr Michael Walters
Chairman

Mr Peter Benjamin
Managing Director

Jeremy Sinclair
Non-Executive Director

ASX: SRR

Capital Structure

Shares on issue: 903,315,606
Unlisted options: 96,800,000

Major Shareholders

Atlas Iron: 53.45%
OM Holdings: 4.01%

Contact

Ground Floor, 1205 Hay Street
West Perth WA 6005

PO Box 1259
West Perth WA 6872

Telephone: +61 (08) 9226 4455

Facsimile: +61 (08) 9226 4255

Email: info@shawriver.com.au

For more information about
Shaw River or to join the
electronic mailing list visit:

www.shawriver.com.au

MARCH 2014, QUARTERLY REPORT

- Continued focus on the Otjozondou Manganese Project ("Otjo Project") in Namibia.
- Shaw River is progressing with the "Start-Up Production Plan" ("SPP") targeting a low capital, staged, development option for the project.
- The first stage of the SPP, is to identify "at surface manganese lode" for the basis of a start-up inventory for mining and subsequent processing, to underpin the SPP.
- Shaw River has successfully outlined an "at surface" manganese bulk sample of approximately 157,000 tonnes from 5 of 8 areas tested with some zones >36% Manganese.
- Shaw River has signed binding documentation to become the 100% owner of the Otjo Project following the purchase of the remaining 12.8% of Otjozondou Mining (Pty) Ltd from Oreport.
- Shaw River is in discussions with several parties seeking to finance the SPP.



DETAILS

Shaw River Manganese Limited (“Shaw River” or “the Company”) (ASX:SRR) is pleased to provide the following update on its activities during the March quarter, 2014.

OTJO PROJECT – NAMIBIA : OPERATING STRATEGY

During 2013 Shaw River has continued to build confidence in the key parameters of its Otjo Project with a focus on those deposits with better grades and metallurgical response.

Typically, the next step would be further investigation of project parameters such as manganese grade, geological continuity and metallurgical yield within a Pre-Feasibility Study (“PFS”). However, considering the time and cost taken to complete a PFS, and for the reasons below, Shaw River will obtain this information by targeting a start-up “at surface” bulk sample inventory. This initial area forms a subset of a broader, staged plan to subsequently mine and process the ore for manganese production and sales.

This approach is considered appropriate because:

- The manganese mineralisation occurs at surface or under shallow (<3 metres) Kalahari sands.
- The areas chosen, contain Mineral Resources delineated during the 12,060 metre resource drilling program completed in December, 2012 and this is supported by sampling which indicate that material of suitable manganese grade (>25% Mn) “occurs at surface”.
- There is existing infrastructure and owned equipment; Terex crusher, screens, conveyors, a fines JIG, including an electricity allocation, water, workforce, and mining lease with all approvals in place.
- Future mining would be via shallow open pit and the manganese processed using existing, well established technology, such as, a JIG plant.
- Two companies are operating nearby and producing manganese product using similar operational practices, one for 10+ years and which is producing >120-140Kt pa of manganese product from the same geological Otjo manganese field, albeit from small, unconnected mine leases representing about 10% of the area of the Otjo Project.
- There are existing transport solutions to sales channels that are available to Shaw River.



Otjozundu Manganese Project

Shaw River commenced a blast hole surface drilling and trench sampling program at the Labusrus and Ongorussengo areas targeting the basis of a start-up, at surface inventory. These areas form a subset of a broader, staged plan to subsequently scale the production up to full capacity, once key physical parameters are confirmed.

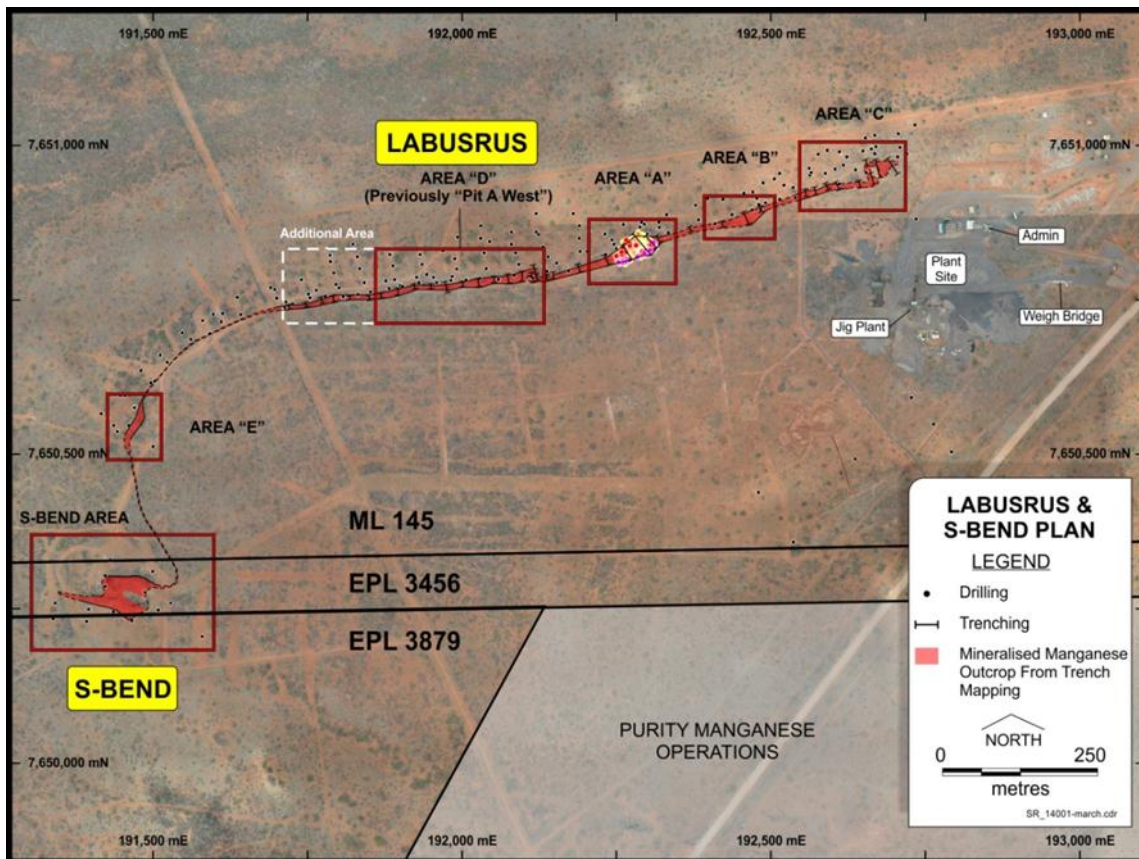


Figure 1: Plan of S-Bend, Labusrus Areas, Otjozundu, Namibia

Results for Areas A, B, C & D – Surface Trenching and Blast-Hole Drilling Sampling Program

The areas chosen preferentially for this drilling and sampling program were those on the granted mining lease (ML 145), had a mineral resource reported in accordance with JORC 2004, (refer to SRR:ASX release December 11th, 2012) contained areas of higher manganese grades, were close to the planned process plant site and had visual “at surface” manganese mineralisation. This area corresponded with the Labusrus area then westwards to S-Bend deposits (Refer to SRR: ASX releases, March 11th and April 4th 2014).



A total of 68 trenches were dug with an excavator, usually every 25 metres along strike, trenches were cleaned, mapped geologically and sampled over one metre intervals. A line of blast holes was drilled along each trench, at one metre intervals horizontally, to test the depth to around 5 metres vertically and sampled in one metre intervals and each sample was geologically logged and assayed using a NITON hand held analyser.

Higher grade zones considered for a bulk sample are outlined in Areas A, B, C, D and an area of additional mineralisation to the west of D, referred to as Area D “Additional” for a total of 157,000 tonnes which represents 80 percent more bulk tonnes than initially expected. Areas E, S-Bend and Onguressengo have been sampled with assays still to come.

Encouragingly, the manganese lode has now been exposed along more than 1,200 metres of strike. Detailed geological mapping put the overall thickness of the manganese lode varying between 4.5 and up to 40 metres, estimated horizontal width (“EHW”) and averaging more than 9 metres EHW at surface. It is anticipated that zones of manganese mineralisation, suitable for the delineation of bulk sample(s) will form the basis of “at surface mineralised material or inventory” for the scaled SPP.

In preparation for implementing the SPP, the Terex J1175 jaw crusher and Terex Finlay 604 Supertrack screen units were moved from Bosrand to the Labusrus site and are undergoing minor maintenance prior to commissioning. The weighbridge has been re-calibrated, pumps for the second water bore have been ordered and all on site electrical generators are now operational.



Figure 2: Terex J1175 Crusher and Terex Finlay 604 Supertrack Screen at Labusrus Plant Site



OTJO PROJECT – OWNERSHIP

Shaw River has entered into a binding term sheet to acquire the remaining 12.8% of Otjozondu Mining (Pty) Limited (“OM”) from its joint venture partner, Oreport Holdings Pty Ltd (“Oreport”). Oreport is a wholly owned subsidiary of Grindrod Trading Holdings Pty Ltd (“Grindrod”) (Refer to ASX: SRR release dated March 31st, 2014). Following completion of the acquisition, Shaw River will wholly own OM, the 100% owner of the Otjo Project in Namibia.

OTJO PROJECT – NAMIBIA EXPLORATION

Shaw River continues to build upon its successful exploration program at the Otjo Project using a combination of relatively low-cost soil sampling, rock chip sampling, mapping, trenching and geophysics aimed at identifying new zones of manganese mineralisation for future inventory.

CORPORATE

Divestment of non-core, low priority projects in Australia continues with the withdrawal of Shaw River from the Baramine JV (tenements E45/3234 and E45/3312) with Pandell Pty Ltd.

Michael Walters, a current Director, was appointed Chairman of Shaw River following the resignation of Tony Walsh in February, 2014.

Iron ore producer Atlas Iron Limited holds 53.45% of Shaw River and is a strong supporter of Shaw River’s manganese strategy.

Shaw River advised that on 5 July 2013, that it had entered into an unsecured loan facility agreement with Atlas Iron. As at 31st March 2014, Shaw River had drawn down AUD\$3.5M from this facility.



SHAREHOLDER INFORMATION

At quarter end, Shaw River had 903,315,606 ordinary shares on issue. The top 20 shareholders held 68.4% of the Company's issued capital.

Investors

Peter Benjamin

Managing Director

+61 (0)8 9226 4455

Join the electronic mailing list and find more information about Shaw River at: www.shawriver.com.au

About Shaw River

Shaw River is a manganese-focused development and exploration company headquartered in Perth, Western Australia. The Company is targeting a low-cost, scalable start-up development of its flagship 87.2%* owned Otjonzundu Manganese Project in Namibia. (*going to 100%)

Competent Person Statement:

The information in this announcement that relates to Exploration Results was extracted from Shaw River's ASX announcements dated March 11th and April 4th, 2014 entitled "First Area Successfully Tested In Blast Hole Sampling Program At Otjonzundu Project" and "Three More Areas Successfully Tested In Surface Sampling Program" which are available to view on the Company's website at www.shawriver.com.au. The information in the original ASX announcements that related to Exploration Results is based on information compiled by Mr. Braam Jankowitz of Gemsbok Consulting Services CC. Mr Jankowitz has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Shaw River confirms that it is not aware of any new information or data that materially affects the information included in the original ASX announcements. Shaw River confirms that the form and context in which the Competent Person's findings are presented in this announcement have not been materially modified from the original ASX announcements.

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 program, outlook, target sizes, resource and mineralized 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 (2012), and therefore the terms have not been used in this context. The potential quantity and grade of 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.



Appendix 1 - Shaw River Manganese Limited Tenement Schedule as at 31 March 2014

Project / Location	Tenement	Status	Shaw River Equity %
Otjozonde / Namibia	ML145	Granted	87.24
	EPL3456	Granted	87.24
	EPL3537	Granted	87.24
	EPL3538	Granted	87.24
	EPL3539	Granted	87.24
	EPL3879	Granted	87.24
Hedland / Western Australia	E45/3850	Granted	100
Farrell Well / Western Australia	E45/2996	Granted	10 ⁽¹⁾
	E45/3427	Granted	10 ⁽¹⁾
Northern Territory	EL27606	Application	100
	EL27607	Application	100
	EL27608	Application	100
	EL27609	Application	100
	EL27610	Application	100
	EL27611	Application	100
Butre / Ghana	Prospecting Licence LVB1044/96	Granted	90

Notes:

(1) 100% of Mineral Rights other than Fe