Beneficiation tests show Baramine material upgrades to 43%Mn product

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Beneficiation tests show Baramine material can be upgraded to 43%Mn product

Scoping Study to Commence on Baramine Project Development

Highlights

- DMS (Dense Media Separation) and gravity separation tests show Baramine material can be upgraded from approximately 20% feed to a 43% Mn product, pointing to a highly saleable product
- 76% of the manganese metal was recovered from 35% of the mass in the DMS, pointing to extremely favourable mining and processing economics
- Material tested comes from five prospects at Baramine spanning 4km of continuous mineralisation
- Beneficiation tests provide more strong evidence that Baramine could host an economic manganese project utilising a low-cost DMS process to upgrade the ore
- Scoping study on project development commencing in 2011
- 20,000m of RC drilling and 1,000m of diamond drilling set to start early in 2011 to define a maiden manganese resource estimate at Baramine
- Shaw River has estimated an exploration target of 10 to 15Mt at 18% to 25%Mn at Baramine
- Due Diligence continuing on the advanced Otjo Manganese Project in Namibia, growing the Company's Manganese project pipeline.

Shaw River Resources Limited (ASX Code: SRR) ("Shaw River") is pleased to announce positive beneficiation testwork results from its Baramine Project in Western Australia. The testing demonstrates that Baramine material can be upgraded to 43% manganese through simple Dense Media Separation ("DMS") and gravity separation. DMS separation processing plants are in place at OM Holdings' Bootu Creek Mine and at Consolidated Minerals' Woodie Woodie Operations.

The results of Shaw River's testwork provide more strong evidence that Baramine will host a low-cost manganese project capable of producing a high-grade, high-quality product, which is expected to be in strong demand on world markets.

The beneficiation results were conducted on composite RC drill samples from five different manganese zones at Baramine. The tests, undertaken by Nagrom Laboratories in Perth, were designed to determine the potential for upgrading the combined (blended) feed material from Baramine. The results of the tests were extremely encouraging because they show that DMS and gravity separation can be used to generate economic grades of manganese and deliver an attractive product for sale from the source material available at Baramine. These tests are preliminary and will be optimised in future programmes.

Strong encouragement can also be derived from the attractive yields from the DMS (76% Mn yield and around 35% mass yield) and low contaminants (10% Fe, 0.34% BaO, 0.04%P). Overall for coarse and fine material, a mass yield of 28% was achieved, capturing 60% of the total manganese in the feed material.

These positive results will now form part of the scoping study on Baramine, which will commence early in 2011. Further details of the beneficiation testwork program can be found in Attachment 1.

As Shaw River progresses the Baramine Scoping Study, the Company's exploration team will conduct an extensive drilling campaign comprising 20,000 metres of RC and 1,000 metres of diamond drilling to calculate the maiden resource estimate for Baramine and further extend its exploration targets. Drilling will commence in the first quarter of 2011.

Baramine, which is 70% owned by Shaw River, is located 80km north-west of the Woodie Woodie Manganese Mine in the Pilbara region of WA. Shaw River is targeting manganese mineralisation similar to that at the world-class Woodie Woodie deposits (see Figure 1).

Most manganese projects around the world beneficiate their ore in some way. This ensures maximum value is achieved for the contained manganese units being shipped. Ore grades ranging from 18% upwards are being beneficiated to generate products grading greater than 36% Mn, achieving attractive market prices. Australian Woodie Woodie-style ores, with low phosphorous content, are particularly attractive in world markets, with the 44% Mn ore from Woodie Woodie often used as a benchmark for pricing.

The overall yields achieved from testing at Baramine indicate excellent liberation and separation of manganese from waste material. Yield percentage is important when considering the tonnes of material required to produce a tonne of saleable product, as this greatly affects overall cost of production.

RECENT BARAMINE DRILLING SUCCESS

Shaw River recently completed a successful 10,000 metre RC drilling program at Baramine, which returned intersections of up to 45.8% Mn and identified significant mineralisation at six prospects. Drilling identified five new discoveries and extended two known mineralised trends (see drill results announcements in October 2010 and December 2010).

Drill intersections identified a range of different mineralisation types, some similar in nature to those known at the nearby operating Woodie Woodie Mine. These included high manganese-low iron, high iron and high carbonate styles of mineralisation. Intersections include:

- 14m at 21%Mn including 3m at 35%Mn and 1m at 45.8%Mn
- 4m at 33.6%Mn including 1m at 40.2%Mn
- 5m at 28%Mn
- 9m at 21%Mn
- 8m at 22%Mn

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

Shaw River has determined an initial Exploration Target at Baramine of between 10 million tonnes and 15 million tonnes of manganese grading between 18 % Mn and 25% Mn.

Exploration Target Statement:
The Baramine 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.

ABOUT SHAW RIVER RESOURCES

Shaw River is a manganese focused explorer, currently operating five Pilbara manganese projects and one Ghanaian manganese project.

Shaw River is currently completing due-diligence on the Otjozondu Manganese Project in Namibia. When completed, the Otjozondu Manganese Project will add an additional advanced manganese project to Shaw River's project pipeline. Shaw River intends to bring Otjozondu into production in 2012, as it continues to advance its other projects through resources and feasibility.

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 2011, Shaw River will aggressively advance its projects at its Butre (Ghana), Skull Springs (Pilbara) and Baramine (Pilbara) projects as it advances Otjozondu towards production.

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 who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Vincent Algar is a full-time employee of Shaw River and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Vincent Algar consents to the inclusion in the report of the matters based on the 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 Shaw River'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.

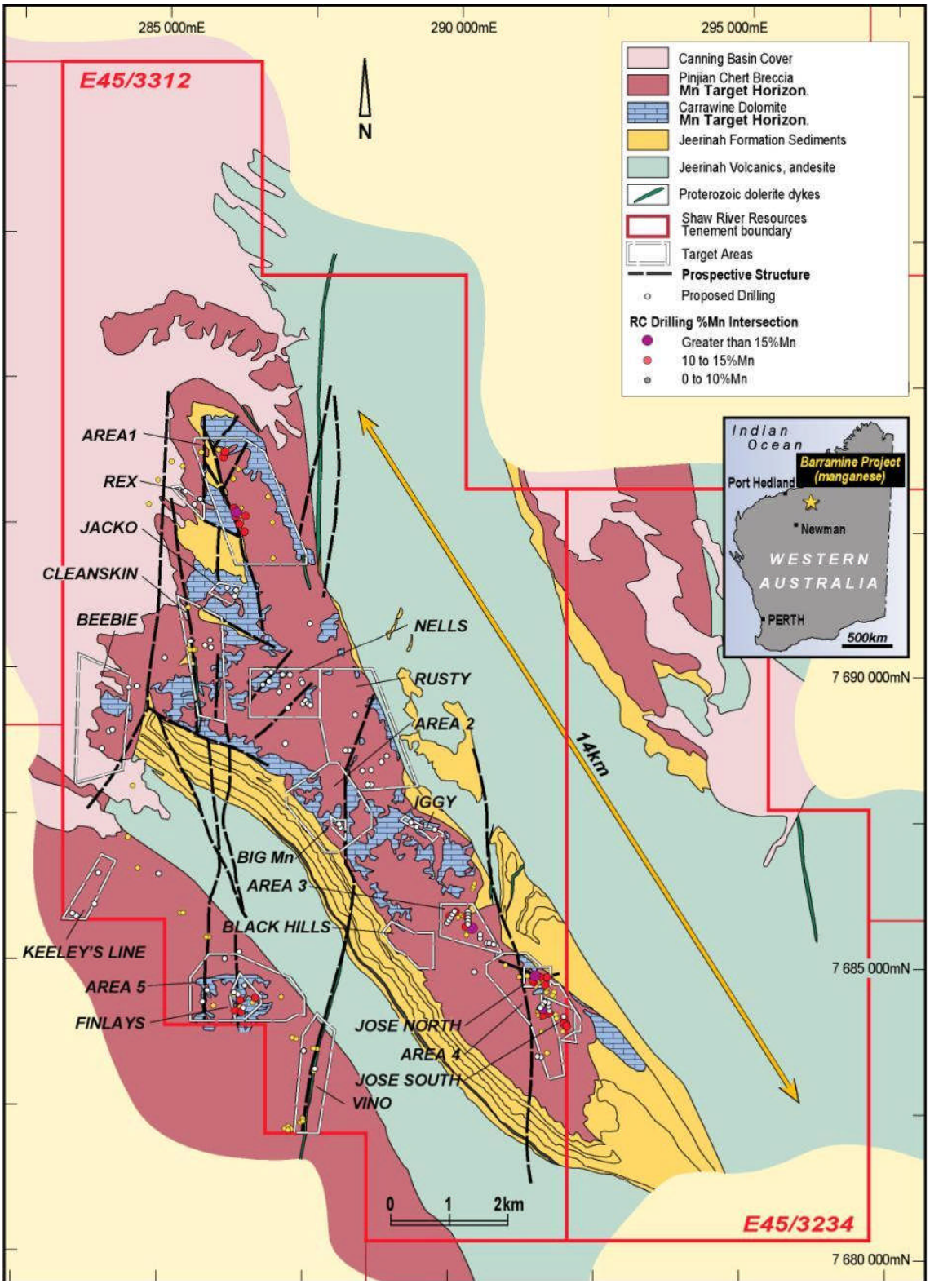

Figure 1. Baramine geology showing previous Shaw River drilling and current target areas

ATTACHMENT 1

BENEFICIATION TESTWORK DETAILS

Table 1-4 and Figure2 below shows the overall results of the combined weighed samples used for coarse (DMS) and fine (gravity separation) testwork.

Table 1 ,2 and 4 as well as Figure 2 refer to DMS and gravity Test1 composites. Table 3 refers to Test2 composites.

Description		Mn %	Fe %	SiO_2 %	BaO%	P%	Ca0%	Al_2O_3%	Mass Yield %	Mn Recovery %
Coarse Concentrate +0.5mm	DMS	42.6	10.2	12.9	0.34	0.04	0.28	0.77	35.1	76.3
Fine Concentrate--0.5mm	Gravity	35.8	12.2	19.6	0.31	0.03	0.44	1.06	18.0	32.6
Overall	Combined	41.0	10.7	14.6	0.33	0.04	0.32	0.84	27.8	60.0

Table 1. Test 1 Baramine overall DMS and gravity concentrate results. Results are weighted averages of XRF Laboratory analyses. Details are shown in Table 2 and 3 of this report.

The tests were conducted on samples from seven drill holes, spread over five prospects, these being representative of the current mineralisation identified so far at Baramine. These tests include:

- Wet sizing at +0.5mm and -0.5mm
- DMS density determination (tests run between 3.0-3.8SG on +0.5mm fraction)
- DMS determinations for composites using SG 3.3 on +0.5mm fraction
- Wilfley Gravity Table concentrates for -0.5mm fraction

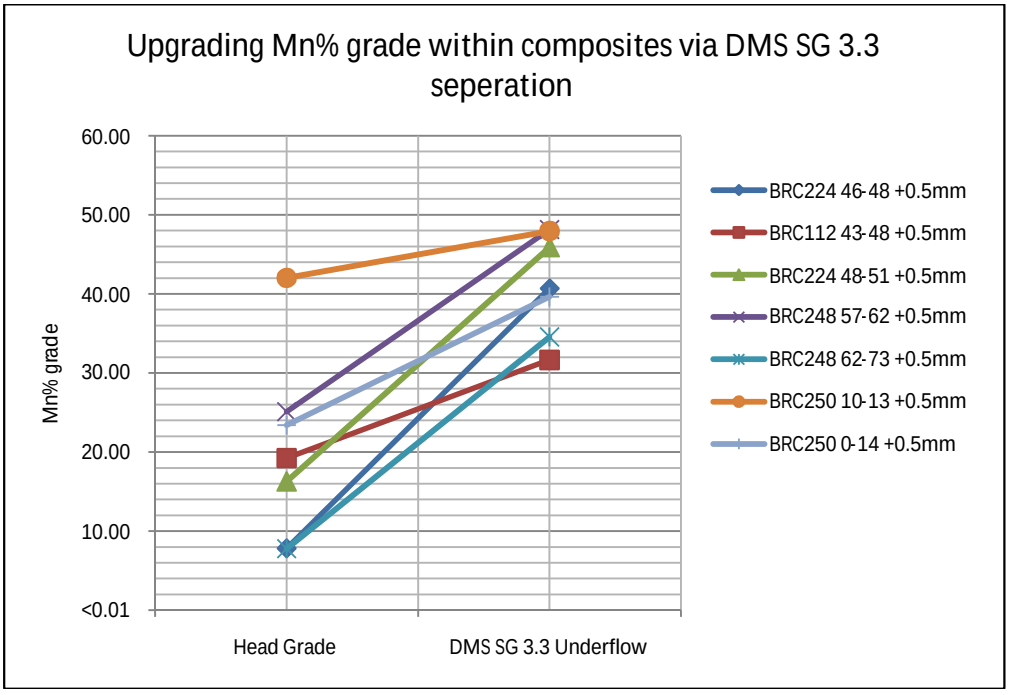

Figure 2: Chart showing upgrade of manganese composite samples by DMS from Test 1 (Table 2 below)

DMS AND GRAVITY TEST RESULTS

Hole Composite	Prospect	From	To	Description	Mn %	Fe %	SiO_2 %	Mass Yield %	Mn Recovery %
BRC112	Area4	43	48	Feed	19.1	13.2	46.1	100.0	100.0
				DMS	31.6	19.5	15.9	41.7	69.0
BRC224	Beebie	46	48	Feed	9.0	1.2	81.1	100.0	100.0
				DMS	40.7	2.7	25.4	9.1	40.9
BRC224	Beebie	48	51	Feed	15.4	1.8	70.5	100.0	100.0
				DMS	45.9	1.7	21.3	24.8	74.0
BRC248	Area3	57	62	Feed	27.0	7.0	40.2	100.0	100.0
				DMS	48.1	4.5	14.5	48.4	60.8
BRC248	Area3	62	73	Feed	8.8	9.2	64.7	100.0	100.0
				DMS	34.6	14.3	20.5	15.5	60.8
BRC250	Area5	10	13	Feed	42.7	11.4	8.4	100.0	100.0
				DMS	48.0	10.4	3.5	81.7	91.6
BRC250	Area5	0	14	Feed	21.4	11.5	42.3	100.0	100.0
				DMS	39.6	14.4	10.1	34.9	64.6
Average				Feed	19.6	7.8	51.9	100.0	100.0
				DMS	42.7	10.2	12.91	35.1	76.3

Table 2 Test 1 :DMS fractions represent underflow of test at 3.3 SG with +0.5mm feed . Assays determined by Laboratory XRF Analysis. Seven composites from four separate prospects were analysed. All samples produced DMS results over 30%.

Hole Composite	Prospect	From	To	Description	Mn %	Fe %	SiO_2 %	Total Mass Yield %	Mn Recovery %
BRC135	Nells	4	8	Feed	32.1	15.8	3.8	100.0	100.0
				DMS	47.2	8.8	2.4	16.1	23.7
BRC172	Area3	2	4	Feed	29.6	20.2	17.0	100.0	100.0
				DMS	36.4	17.8	10.5	66.4	81.5
BRC177	Area3	2	4	Feed	19.6	15.0	39.7	100.0	100.0
				DMS	39.3	16.3	7.3	40.9	81.9
BRC177	Area3	8	9	Feed	17.6	4.4	61.8	100.0	100.0
				DMS	48.8	3.4	12.5	27.4	76.2
Average				Feed	24.7	13.8	30.6	100.0	100.0
				DMS	40.6	13.8	9.1	37.7	61.8

Table 3 Test 2, Additional composites: DMS fractions represent underflow of test at 3.3SG with +0.5mm feed. Assays determined by Laboratory XRF Analysis. Four composites from two separate prospects were analysed. All samples produced DMS results over 30%. Average is weighted by samples masses (not shown)

Hole Composite	Prospect	From	To	Description	Mn %	Fe %	SiO^2 %	Total Mass Yield %	Mn Recovery %
BRC112	A4 South	43	48	Feed	5.3	4.3	67.2	100.0	100.0
				Supercon	28.6	4.5	40.4	1.5	7.9
				Con	10.9	2.5	73.9	8.8	18.2
				Fines Prod	13.4	2.8	69.2	10.3	26.1
BRC224	Beebie	46	48	Feed	15.2	11.4	54.7	100.0	100.0
				Supercon	37.0	18.9	7.9	3.3	8.1
				Con	24.4	20.0	26.9	11.4	18.3
				Fines Prod	27.3	19.7	22.6	14.7	26.5
BRC224	Beebie	48	51	Feed	17.2	3.2	62.2	100.0	100.0
				Supercon	49.5	2.5	14.0	5.1	14.8
				Con	33.3	2.3	40.9	9.0	17.4
				Fines Prod	39.2	2.4	31.1	14.1	32.2
BRC248	Area3	57	62	Feed	25.1	6.6	39.5	100.0	100.0
				Supercon	58.0	2.2	2.1	5.2	12.0
				Con	47.3	5.4	11.4	11.7	21.9
				Fines Prod	50.6	4.4	8.5	16.8	33.9
BRC248	Area3	62	73	Feed	16.8	9.2	51.6	100.0	100.0
				Supercon	43.7	11.6	10.0	5.2	13.5
				Con	15.1	14.7	47.3	11.6	10.4
				Fines Prod	23.9	13.7	35.8	16.8	23.9
BRC250	Area5	10	13	Feed	32.5	14.4	14.1	100.0	100.0
				Supercon	45.9	13.1	2.9	7.3	10.3
				Con	41.1	16.3	4.1	19.8	25.0
				Fines Prod	42.3	15.4	3.8	27.1	35.3
BRC250	Area5	0	14	Feed	19.3	12.1	39.0	100.0	100.0
				Supercon	44.3	12.8	5.0	3.7	8.6
				Con	35.4	16.9	11.7	14.9	27.4
				Fines Prod	37.2	16.0	10.3	18.6	36.0
Average				Feed	20.1	9.7	43.5	100.0	100.0
				Supercon	45.8	10.5	7.2	4.7	10.6
				Con	33.5	13.7	20.5	13.3	22.0
				Fines Prod	36.7	12.9	17.1	18.0	32.6

Table 4 Test 1: All sample material screened below 0.5mm were treated on a Wilfley table (see Table2) for Composites on holes 112,224,248 and 250. The combined superconcentrate and concentrate grade and yield are shown. Assays determined by Laboratory XRF Analysis .Average is weighted by samples masses (not shown)