

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Shaw River Manganese Limited

ABN

85 121 511 886

Quarter ended ("current quarter")

30 June 2014

Consolidated statement of cash flows

		Current quarter	Year to date
		\$A'000	(12 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	31	200
1.2	Payments for (a) exploration & evaluation	(249)	(2,217)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(375)	(2,086)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	5	90
1.5	Interest and other costs of finance paid	-	(226)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	(426)
	- Eramet Settlement	-	(426)
Net Operating Cash Flows		(588)	(4,665)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	(326)	(326)
	(c) other fixed assets	(4)	(7)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	8
1.10	Loans to other entities	-	(39)
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		(330)	(364)
1.13	Total operating and investing cash flows (carried forward)	(918)	(5,029)

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	(918)	(5,029)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	1,444	5,593
1.17	Repayment of borrowings	(643)	(643)
1.18	Dividends paid	-	-
1.19	Other (Return of security held in term deposits)	-	92
	Net financing cash flows	801	5,042
	Net increase (decrease) in cash held	(117)	13
1.20	Cash at beginning of quarter/year to date	410	264
1.21	Exchange rate adjustments to item 1.20	38	54
1.22	Cash at end of quarter	331	331

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'ooo
1.23	Aggregate amount of payments to the parties included in item 1.2	95
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Payments include Managing Director's remuneration and Non-Executive Directors' Fees.	

Non-cash financing and investing activities

2.1	Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows	N/A
2.2	Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest	N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

On 5 July 2013, Shaw River entered into an unsecured loan agreement with Atlas Iron Limited, allowing Shaw River to borrow up to \$4 million from Atlas to fund operating costs. This loan agreement was amended on 2 May 2014 for an additional \$950,000 in order to fund the Oreport acquisition. Interest is at 11% per annum and the loan is repayable at the earlier of 13 April 2015 or when Shaw River has the financial capacity to repay the loan.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	4,950	4,950
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

Shaw River continues to progress negotiations in relation to the future funding and development of the Start-Up Production Plan for its Otjondou Manganese Project. Atlas Iron Limited is a strong supporter of Shaw River's manganese strategy.

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	-
4.3 Production	-
4.4 Administration	300
Total	500

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	331	410
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	331	410

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Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased	ML145 (Namibia) EPL3456 (Namibia) EPL3537 (Namibia) EPL3538 (Namibia) EPL3539 (Namibia) EPL3879 (Namibia)	All interests increased to 100% due to the acquisition of the remaining shareholding in Otjozondu Mining (Pty) Ltd	87.24% 100% 100% 100% 100% 100%

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	903,315,606	903,315,606	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			
7.5	+Convertible debt securities (description)			

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7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	Number 3,000,000 500,000 250,000 45,000,000 500,000 666,000 967,000 667,000 2,250,000 12,666,666 12,666,666 12,666,668 1,666,666 1,666,667 1,666,667		Exercise price 27c 34.5c 21c 20c 32c 10c 12c 13c 2c 2.4c 2.8c 3.2c 1.4c 1.1c 1.3c	Expiry date 31 Jul 14 14 May 15 21 Dec 15 10 Feb 16 31 Mar 16 31 Jan 17 31 Jan 17 31 Jan 17 14 Sep 17 26 Nov 17 26 Nov 17 26 Nov 17 4 Jun 18 4 Jun 18 4 Jun 18
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:


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(Director/Company Secretary)

Date: 31 July 2014

Print name: Bernard Crawford

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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