

5 November 2010

Dear Shareholder

2010 Shareholder Share Purchase Plan

Closing Date – 5pm AWST, Tuesday 23 November 2010

The Board of Directors of Shaw River Resources Limited (**'Shaw River'** or **'the Company'**) is pleased to offer shareholders the opportunity to participate in the Company's Shareholder Share Purchase Plan (**'Plan'**) enabling all shareholders registered on the record date to participate on an equal basis to purchase ordinary shares in Shaw River.

The Plan entitles shareholders in the Company, irrespective of the size of their shareholding, to purchase shares in the Company (**'Shares'**) at an attractive price, free of all brokerage, commission and stamp duty (**'Offer'**) and without the need for the Company to issue a prospectus.

Terms of the Plan

This letter sets out the terms and conditions of the Offer. By agreeing to purchase Shares under the Plan, you will agree to be bound by the terms and conditions set out in this letter. The issue of Shares under the Plan is subject to shareholder approval at a general meeting of shareholders to be held on 30 November 2010.

Purpose of the Offer

The Offer is designed to allow all shareholders of Shaw River to increase their shareholding in the Company. Additionally funds raised from this Offer will be directed towards the Company's active exploration programmes, particularly on the Company's manganese exploration projects in Western Australia's Pilbara region and in Ghana.

Intentions of Directors

Each Director intends to take up his full entitlement of Shares under the Offer.

Participation

Participation in the Plan is open to all persons registered as holders of Shares at close of business, on 27 October 2010 (**'Record Date'**) who have an address (as recorded in the Company's register of members) in Australia or New Zealand (**'Eligible Members'**). This letter will not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer.

Participation in the Plan is entirely at the discretion of Eligible Members. Eligible Members may apply for a parcel of Shares under the Plan worth \$1,300, \$2,600, \$5,200 or \$10,400 (valued at 13 cents per Share), or alternatively you may do nothing, thereby retaining your current shareholding.

The Offer is non-renounceable, meaning that Eligible Members cannot transfer their entitlement to purchase Shares under this Offer to another person.

If you wish to participate in the Plan, you must complete and lodge the attached Application Form before **5pm (AWST) on 23 November 2010**. Please refer to the lodgement instructions below, and the instructions on the Application Form.

Pricing

As an incentive to shareholders, the Shares are being offered at an issue price of \$0.13 (13 cents) each, representing a discount of over 20% to the weighted average market price of the Company's shares over the last 5 trading days to the 27 October 2010.

You should note, however, the market price of shares may rise or fall between the date of this Offer and the date on which Shares are allocated to you. This means that the issue price you pay for the Shares may be greater than or less than the market price of the Shares at the date of allotment of the Shares under the Offer. You should obtain your own financial advice in relation to the Offer prior to lodging your Application Form.

Limit on Participation

In order to comply with ASIC regulations, an Eligible Member may not acquire more than \$15,000 worth of shares under shareholder share purchase plans in any 12 month period, taking into account all applications including joint and other beneficial interests.

The maximum number of 80,000 Shares (\$10,400 worth of shares), for which each Eligible Member may apply under the 2010 Shaw River Share Purchase Plan, will apply even if any eligible Member has received more than one Offer (whether in respect of a joint holding or because the Eligible Shareholder has more than one holding under a separate share account). The Company reserves the right to reject any acceptance where there is non-compliance with this rule or any other term of the Plan.

Shortfalls and Excess Subscriptions

Subject to shareholder approval, Shaw River will have the ability to issue up to 5,769,231 ('**Authorised Quantity**') under the Plan. If the Company receives acceptances for more than the Authorised Quantity, the company will scale back the number of shares to be issued to all shareholders who accepted shares under the Plan by the same proportion.

Allotment of Shares

Applications will be accepted on a first come, first served basis and it is the Board's intention to issue Shares under the Plan, subject to shareholder approval on 30 November 2010, no later than 7 December 2010.

Shares allotted under the Plan will rank equally in all respects with all other fully paid ordinary shares in the Company on the date of their issue. Shaw River will, promptly after allotment of Shares under the Plan, apply for the Shares to be quoted on the official list of ASX.

Costs of Participation

No brokerage, commissions, stamp duty or other transaction cost will be payable by Eligible Members in respect of their application for, and allotment of Shares under the Plan.

Lodgement instructions

BPAY

If you would like to participate in the Offer, please make payment by BPAY from your cheque or savings account to the account number listed on the application form. You **must** quote your personalised BPAY Reference Number provided on the front of the application form. Applicants should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the closing date of the offer. BPAY applications will only be regarded as accepted if payment is received by the registry from your financial institution on or prior to the closing date. It is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time.

You do not need to return the application form if you have made payment via BPAY. Your BPAY reference number will process your payment to your entitlement electronically and you will be deemed to have applied for such Securities for which you have paid.

CHEQUE

Alternatively, please return you completed Application Form, together with your cheque for the purchase price for the number of shares you wish to acquire, to reach our share register:

Security Transfer Registrars Pty Ltd:

PO Box 535

OR

770 Canning Highway

Applecross WA 6953

Applecross WA 6153

on or before the **Closing Date of 5pm (Perth time) on 23 November 2010.**

Once an application has been made it cannot be revoked. All valid applications shall be deemed accepted if received before the closing date.

Declaration and Acknowledgements

By forwarding a cheque and completing the Application form, you:

- Acknowledge that you have read, understood and agree to be bound by the terms and conditions of the Plan;
- Agree to accept any lesser number of Shares than the number of Shares you applied for;
- Confirm the total cost of all Shares purchased by you (including through joint and beneficial holdings) does not exceed \$10,400 ; and
- Agree to be bound by the constitution of Shaw River in respect of the Shares issued to you.

Risk Factors

While your Directors have confidence in the future of the Company and the attractiveness of the Shares offered under this Plan it should be noted that owning shares in a mineral exploration company, like Shaw River, is considered a speculative form of investment and that the future price of the Company's shares

may rise and fall depending upon exploration success and fluctuations in the stock market generally.

Shareholders should also be aware that there is a risk that the market price of Shaw River shares may change between the date of this Offer and the date when new shares are allotted under this Plan. The value of the Shares you receive may rise or fall accordingly.

Finally, shareholders should note that the offer is not made under a prospectus, or any other disclosure document, and does not require the type of disclosure required under the Corporations Act 2001. Shareholders must rely on their own knowledge of the Company and previous disclosures made by the Company on the Australian Securities Exchange. If necessary, consult your professional advisor prior to deciding to accept this Offer and participate in the Shareholder Share Purchase Plan.

Additional Information

The Plan will be administered by the Shaw River Board, which will have an absolute discretion to:

- Determine appropriate procedures for administration of the Plan; and
- Resolve conclusively any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Plan whether generally in relation to any participating Eligible Member, or application for shares, and any such resolution will be binding on all participants and other persons to whom the resolution relates.

The Plan and the terms and conditions of the Plan may be suspended, terminated or amended at any time by the Board.

The Board reserves the right to refuse an application if it considers that the applicant is not an Eligible Member or has not otherwise complied with the terms of the Plan or for any other reason. If an application is refused, application monies received will be refunded without interest.

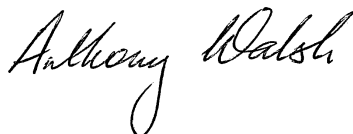
Costs of the Offer

Expenses of the Offer, ASX Listing Fees, share registry expenses, commissions, printing and postage costs have been estimated to be no more than \$50,000.

Any Queries

If you have any queries concerning the Offer, please contact the Registered Office by telephone +61 8 9226 4455 or email info@shawriver.com.au

Yours sincerely



Anthony Walsh

Chairman

SHARE PURCHASE PLAN APPLICATION FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

REGISTERED OFFICE:
33 VENTNOR AVENUE
WEST PERTH WA 6005

SHAW RIVER RESOURCES LIMITED

ABN: 85 121 511 886

SHARE REGISTRY:
Security Transfer Registrars Pty Ltd
All Correspondence to:
PO BOX 535,
APPLECROSS WA 6953 AUSTRALIA
770 Canning Highway,
APPLECROSS WA 6153 AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code:

Holder Number:

Record Date:

NON-RENOUNCEABLE SHARE OFFER CLOSING AT 5.00PM WST ON 23 NOVEMBER 2010

(1) I/We, the above mentioned, wish to apply for the number of Fully Paid Ordinary Shares which will be issued in accordance with the Share Purchase Plan (SPP) and the Constitution of the Company as stated below: *(please mark "X" to indicate one choice only)*

		TOTAL SUBSCRIPTION AMOUNT @ \$0.13 PER SHARE	NUMBER OF SHARES
OFFER A - maximum amount	<input type="checkbox"/>	<input type="text" value="\$10,400.00"/>	<input type="text" value="80,000"/>
OFFER B	<input type="checkbox"/>	<input type="text" value="\$5,200.00"/>	<input type="text" value="40,000"/>
OFFER C	<input type="checkbox"/>	<input type="text" value="\$2,600.00"/>	<input type="text" value="20,000"/>
OFFER D	<input type="checkbox"/>	<input type="text" value="\$1,300.00"/>	<input type="text" value="10,000"/>



- (2) I/We have enclosed/made payment for the amount shown above (following the payment instructions as detailed overleaf).
- (3) I/We hereby authorise you to place my/our name(s) on the register of members in respect of the New Securities allotted to me/us.
- (4) I/We agree to be bound by the Constitution of the Company and the terms of the SPP.
- (5) I/We hereby agree to accept any lesser number of new Shares applied for.
- (6) I/We hereby certify that the amount of Shares subscribed for by me/us pursuant to the SPP (being a maximum of \$10,400 worth of Shares) does not exceed \$15,000 taking into account the Shares the subject of this application and any other Shares applied for by me/us under the SPP or any other similar arrangement within the 12 months prior to this application including other beneficial interests. **Limit on Participation and Custodian Certification- see overleaf for details.**
- (7) My/Our contact details in case of enquiries are:

NAME

TELEPHONE NUMBER
()

EMAIL ADDRESS

BPAY PAYMENT OR THE RETURN OF THIS DOCUMENT WITH THE REQUIRED REMITTANCE WILL CONSTITUTE YOUR ACCEPTANCE OF THE OFFER.

<p>PAYMENT INFORMATION - Please also refer to payment instructions overleaf.</p>		<p>REGISTRY DATE STAMP</p>
	<p>Billers Code: 117226</p> <p>Ref: <input type="text"/></p> <p>BPAY® this payment via internet or phone banking. Your BPAY® reference number is unique to this offer and is not to be used for any other offer.</p>	<p> CHEQUE/MONEY ORDER All cheques (expressed in Australian currency) are to be made payable to SHAW RIVER RESOURCES LIMITED and crossed "Not Negotiable".</p>
		<p>E & O.E.</p>

PAYMENT INSTRUCTIONS



Biller Code: 117226

BPAY this payment via internet or phone banking. Your reference number is quoted on the front of this form.

Multiple acceptances must be paid separately.

Applicants should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the closing date of the offer. BPAY applications will only be regarded as accepted if payment is received by the registry from your financial institution on or prior to the closing date. It is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time.

You do not need to return this form if you have made payment via BPAY.

Your BPAY reference number will process your payment to your entitlement electronically and you will be deemed to have applied for such Securities for which you have paid.



CHEQUE/MONEY ORDER

All cheques should be drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable".

Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured.

Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid.

Do not forward cash as receipts will not be issued.

When completed, this form together with the appropriate payment should be forwarded to the share registry:

Security Transfer Registrars Pty Ltd
PO Box 535, APPLECROSS WA 6953.

Applications must be received by Security Transfer Registrars Pty Ltd no later than 5.00pm WST on the closing date.

CERTIFICATION

By making payment for the application monies, I/we hereby:

1. Acknowledge that I/we have read and understood the Terms of the SPP;
2. Agree to be bound by the Terms of the Constitution of the Company and the SPP;
3. Agree to accept any lesser number of new Securities than the number of Securities applied for; and
4. (If not a Custodian as defined in ASIC Class Order 09/425) Certify that the amount of Securities subscribed for by me/us pursuant to the SPP does not exceed the maximum amount taking into account the Securities the subject of this application and any other Securities applied for by me/us under the SPP or any other similar arrangement within the 12 months prior to this application including joint and other beneficial interests.

LIMITATION ON PARTICIPATION

The maximum subscription limitation of \$10,400 will apply even if an eligible Holder has received more than one form (whether in respect of a joint holding or because the eligible Holder has more than one holding under separate Security accounts).

CUSTODIAN CERTIFICATION

If you are a Custodian (as defined in ASIC Class Order 09/425), you must submit a custodian certificate to SHAW RIVER RESOURCES LIMITED. If you did not receive a custodian certificate, contact Security Transfer Registrars Pty Limited. If you need further information to determine whether you are a Custodian, refer to the terms and conditions of the Plan which accompany this Share Purchase Plan Application Form or contact Security Transfer Registrars Pty Limited.

ENQUIRIES

All enquiries should be directed to the Company's share registry:

Security Transfer Registrars Pty Ltd

PO Box 535, Applecross WA 6953 AUSTRALIA

770 Canning Highway, Applecross WA 6153 AUSTRALIA

Telephone +61 8 9315 2333

Facsimile +61 8 9315 2233

Email registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them at the address on this form.