



Not for Distribution to United States News Wire Services or for Dissemination in the United States.

Dear Optionholder,

Non Renounceable Rights Offer

The Company on February 6, 2014, lodged a Prospectus with ASIC and ASX, seeking to raise approximately \$2,236,796 by a non-renounceable rights offer ("Offer") of up to approximately 49,706,590 shares and 24,853,295 options on the basis of 1 new share for every 4 shares held at an issue price of 4.5 cents per share together with 1 free option for every 2 new shares subscribed for under the Prospectus. The options have an exercise price of 4.5 cents and an expiry date of March 7, 2016.

Optionholders are not entitled to participate in the Offer. Should optionholders with a registered address in Australia or New Zealand wish to participate in the Offer, they should exercise their options in accordance with the terms and conditions of the options in a timely manner and in any event to ensure the exercise and issue of the shares is completed by the Record Date of February 17, 2014.

The funds raised under the Offer will be used to explore and develop the Company's projects in Chile including prospects within the Los Rulos joint venture project, for working capital and to meet Offer expenses. The Offer is fully underwritten by Euroz Securities Limited.

The timetable for the Offer is as follows:

Event	Date
Lodgement of Prospectus with ASIC and ASX	Thursday, February 6, 2014
Application to ASX for quotation of shares and options under the Prospectus	Thursday, February 6, 2014
Notice to Shareholders	Monday, February 10, 2014
Current Shares "Ex" the entitlements issue on the ASX	Tuesday, February 11, 2014
Record Date to identify Shareholders and to determine Entitlements to shares and options under the Prospectus	Monday, February 17, 2014
Despatch of Prospectus and Entitlement and Acceptance Form (Opening Date)	Friday, February 21, 2014
Closing Date	Friday, March 7, 2014
Deferred settlement trading	Tuesday, March 11, 2014
ASX notified of undersubscriptions	Thursday, March 13, 2014
Issue Date and end of deferred settlement trading	Tuesday, March 18, 2014



ASX: **SUH**
 ABN: 17 140 494 784
www.shmining.com.au

AUSTRALIAN OFFICE
 Suite 7, 1200 Hay Street
 West Perth WA 6005
 TEL: +61 8 9481 2122

CHILEAN OFFICE
 Minera Hemisferio Sur SCM
 Office 41, Zurich 255
 Las Condes, Santiago
 TEL: +56 2 474 5071

Subject to the Listing Rules, the above dates may be changed without notice. The Offer will be made to the Company's shareholders with a registered address in Australia or New Zealand on the Record Date ("Eligible Shareholders").

The capital structure of the Company post-completion of the Offer will be as follows:

Description	Shares	Options
Securities on issue at time of Offer	198,826,360	17,166,936*
Securities issued pursuant to Offer	49,706,590	24,853,295
Total securities on issue post-completion	248,532,950	42,020,231

* 12,966,936 options will be issued by the Company subject to shareholder approval to be obtained on or about March 10, 2014.

It is anticipated that the Prospectus offering shares and options for subscription will be mailed to Eligible Shareholders on February 21, 2014. The Prospectus may be viewed on the Australian Securities Exchange's website at www.asx.com.au or alternatively on the Company's website at www.shmining.com.au.

Application will be made to ASX for official quotation of the share and options. In the calculation of any entitlement, fractions will be rounded down to the nearest whole number. No shareholder approval is required for the Offer.

If you have any questions please do not hesitate to contact the Company.

Yours faithfully



Derek Hall

Company Secretary

