SOUTHERN HEMISPHERE mining limited

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Southern Hemisphere Mining Limited
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WA 6872
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Chilean Office:
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Roger de Flor 2907
Los Condes, Santiago

8 November 2010

Australian Securities Exchange
Level 8
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Sir/Madam

NOTICE OF MEETING

Please find attached the Notice of General meeting, as despatched to shareholders of the Company.

Yours sincerely

DHall

Derek Hall
Company Secretary

SOUTHERN HEMISPHERE MINING LIMITED
NOTICE OF ANNUAL AND SPECIAL GENERAL MEETING

Notice is hereby given that an annual and special general meeting of the Shareholders of Southern Hemisphere Mining Limited (the "**Company**") will be held at Suite 1750 – 1185 West Georgia Street, Vancouver, British Columbia V6E 4E6 on:

THURSDAY, NOVEMBER 25, 2010

at the hour of 10:00 o'clock in the forenoon (Vancouver time) for the following purposes:

Terms and abbreviations used in this Notice and the Information Circular accompanied herewith are defined in the Glossary to the Information Circular.

AGENDA

1. to receive the Report of the Directors;

2. to receive the financial statements of the Company for its fiscal year ended June 30, 2010 and the report of the Auditors thereon;

3. to appoint Auditors for the ensuing year and to authorize the Directors to fix their remuneration;

4. to determine the number of directors and to elect directors;

5. to consider and, if thought fit, to approve the Company's stock option plans, which make a total of 10% of the issued and outstanding shares of the Company available for issuance thereunder, as described in the Information Circular accompanying this Notice;

6. to consider and, if thought fit, to pass, with or without amendment, an ordinary resolution ratifying, for the purposes of Listing Rule 7.4 of the Listing Rules of ASX Limited, the issue of 15,452,850 fully paid ordinary shares in the capital of the Company at A$0.42 each on the terms and conditions set out in the Information Circular accompanying this Notice;

7. to consider and, if thought fit, to pass, with or without amendment, an ordinary resolution approving, for the purpose of Listing Rule 7.1 of the Listing Rules of the ASX Limited, the issuance by the Company of up to:

   (a) 17,881,450 fully paid ordinary shares in the capital of the Company at A$0.42 each; and

   (b) 14,285,700 fully paid ordinary shares in the capital of the Company for no additional consideration upon the conversion of Subscription Receipts that were issued at C$0.42 each;

   on the terms and conditions set out in the Information Circular accompanying this Notice; and

8. to consider and, if thought fit, to pass, with or without amendment, an ordinary resolution approving, for the purpose of Listing Rule 10.11 of the Listing Rules of the ASX Limited and for

all other purposes, the issue of up to 1,301,700 fully paid ordinary shares in the capital of the Company to be issued to Centralian Mining Pty Ltd or its nominees in consideration for 25 mineral licences or concessions in Chile (Litu 1 and 2, Conti 1 to 3 and Chan 1 to 20) held by Centralian Mining Pty Ltd on the terms and conditions set out in the Information Circular accompanying this Notice.

9. to transact such other business as may properly come before the Meeting.

Accompanying this Notice are an Information Circular and Form of Proxy.

VOTING AND PROXIES

This notice is accompanied by a Form of Proxy and a Management Information Circular. A shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy holder to attend and vote in his stead. If you are unable to attend the Meeting, or any adjournment thereof in person, please read the Notes accompanying the Form of Proxy enclosed herewith and then complete and return the Proxy within the time set out in the Notes so that as large a representation as possible may be had at the meeting. The enclosed Form of Proxy is solicited by Management but, as set out in the Notes, you may amend it if you so desire by striking out the names listed therein and inserting in the space providing the name of the person you wish to represent you at the Meeting.

Holders of CDIs are invited to attend the meeting. CDI holders must complete, sign and return the enclosed CDI Voting Instruction Form to Computershare Investor Services Pty Ltd, GPO Box 242, Melbourne, Victoria 3001 Australia (the number to fax CDI Voting Instruction Forms within Australia is 1800-783-447 and outside Australia is 61-3-9473-2555 so that each CDI holder may elect to direct CHESS Depositary Nominees Pty Ltd ("**CDN**") to vote the relevant underlying common shares on his or her behalf or instruct CDN to appoint such CDI holder or his or her nominee as proxy to vote the common shares underlying the CDIs in person at the meeting. In either case, the CDI Voting Instruction Form needs to be received at the address shown on the Form by not less than 72 hours, Saturdays, Sundays, and holidays excepted, prior to the time of the holding of the meeting or any adjournment thereof.

By order of the Board

Trevor Tennant
President

Dated: October 29, 2010

SOUTHERN HEMISPHERE MINING LIMITED
P.O. Box 598
West Perth, Western Australia
Australia 6872

INFORMATION CIRCULAR

SOLICITATION OF PROXIES BY MANAGEMENT

This management information circular (the "Information Circular") is furnished in connection with the solicitation of proxies by or on behalf of the management of Southern Hemisphere Mining Limited (the "Company") for use at the annual and special meeting (the "Meeting") of the shareholders of the Company (the "Shareholders") to be held at Suite 1750 – 1185 West Georgia Street, Vancouver, British Columbia V6E 4E6 on Thursday, November 25, 2010 at 10:00a.m. (Vancouver time) and at any adjournments thereof for the purposes set out in the accompanying Notice of Meeting. Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone by directors or officers of the Company. Arrangements will also be made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy solicitation material to the beneficial owners of common shares of the Company ("**Common Shares**" or "**Shares**") pursuant to the requirements of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*. The cost of any such solicitation will be borne by the Company.

Unless otherwise stated, the information contained in this Information Circular is given as at October 29, 2010.

REVOCABILITY OF PROXY

In addition to revocation in any other manner permitted by law, a shareholder of the Company who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. A shareholder of the Company may revoke a proxy by depositing an instrument in writing, executed by him or her or his or her attorney authorized in writing:

1. at the offices of the registrar and transfer agent of the Company, Computershare Investor Services Inc., Suite 300, 510 Burrard Street, Vancouver, B.C., V6C 3B9 (the number to fax proxies is (604) 661-9549), at any time, not less than 48 hours, excluding Saturdays, Sundays and holidays, preceding the Meeting or any adjournment of the Meeting at which the proxy is to be used;

2. at the registered office of the Company, Suite 1750, 1185 West Georgia Street, Vancouver, British Columbia, V6E 4E6, at any time up to and including the last business day preceding the day of the Meeting at which the proxy is to be used; or

3. with the chairman of the Meeting on the day of the Meeting or any adjournment of the Meeting.

In addition, a proxy may be revoked by the shareholder of the Company personally attending the Meeting and voting his or her shares.

VOTING SECURITIES

The Company is authorized to issue an unlimited number of Common Shares, without nominal or par value, of which as at the date hereof 103,019,021 Common Shares are issued and outstanding.

Of the 103,019,021 Common Shares issued and outstanding on October 29, 2010, 50,259,844 Common Shares were held by CHESS Depositary Nominees Pty Ltd. ("CDN"), a wholly-owned subsidiary of the Australian Securities Exchange (the "ASX"), on behalf of holders of CHESS Depositary Instruments ("CDIs"). CDN has issued CDIs that represent beneficial interests in the Common Shares held by CDN. CDIs are traded on the electronic transfer and settlement system operated by the ASX.

All references in this Circular to outstanding Common Shares include the Common Shares held by CDN and all references to holders of Common Shares include CDI holders.

The holders of Common Shares of record at the close of business on the record date, set by the directors of the Company to be October 26, 2010, are entitled to vote such common shares at the Meeting on the basis of one vote for each common share held.

The Articles of the Company provide that a quorum for the transaction of business at the Meeting is two shareholders, or one or more proxyholder representing two members, or one member and a proxyholder representing another member.

VOTING BY PROXY

This section headed "Voting by Proxy" only applies to the registered holders of Common Shares of the Company. Holders of CDIs should refer to the section of this Information Circular headed "CDI Holders May Give Instruction to CDN".

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" or "beneficial" shareholders because the shares they own are not registered in their names, but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. More particularly, a person is not a registered shareholder in respect of shares which are held on behalf of that person (the "Beneficial Holder") but which are registered either: (a) in the name of an intermediary (an "Intermediary") that the Beneficial Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP's, RRIF's, RESP's and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("CDS")) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Company has distributed copies of the Notice of Meeting, this Information Circular and the Proxy (collectively, the "Meeting Materials") to the clearing agencies and Intermediaries for onward distribution to Beneficial Holders.

Intermediaries are required to forward the Meeting Materials to Beneficial Holders unless a Beneficial Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Beneficial Holders. Generally, Beneficial Holders who have not waived the right to receive Meeting Materials will either:

(a) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Beneficial Holder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Beneficial Holder when submitting the proxy. In this case, the Beneficial Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and **deposit it with the Company's transfer agent as provided above; or**

(b) more typically, be given a voting instruction form **which is not signed by the Intermediary,** and which, when properly completed and signed by the Beneficial Holder and **returned to the Intermediary or its service company,** will constitute voting instructions (often called a "proxy authorization form") which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label containing a bar-code and other information. In order for the form of proxy to validly constitute a proxy authorization form, the Beneficial Holder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit Beneficial Holders to direct the voting of the shares which they beneficially own. Should a Beneficial Holder who receives one of the above forms wish to vote at the Meeting in person, the Beneficial Holder should strike out the names of the Management Proxyholders named in the form and insert the Beneficial Holder's name in the blank space provided. **In either case, Beneficial Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.**

CDI HOLDERS MAY GIVE DIRECTIONS TO CDN

The Company will permit CDI holders to attend the Meeting.

Each CDI holder has the right to:

(a) direct CDN how to vote in respect of their CDIs; or

(b) instruct CDN to appoint the CDI holder or a person nominated by the holder as the holder's proxy for the purposes of attending and voting at the Meeting.

If you are a CDI holder and you wish to direct CDN how to vote in respect of your CDIs or appoint yourself or a nominee as your proxy, you should read, complete, date and sign the accompanying CDI Voting Instruction Form and deposit it with Computershare Investor Services Pty. Ltd. GPO Box 242, Melbourne, Victoria 3001 Australia (the number to fax CDI Voting Instruction Forms within Australia is 1800-783-447 and outside Australia is 61-3-9473-2555) not less than 72 hours, Saturdays, Sundays, and holidays excepted, prior to the time of the holding of the meeting or any adjournment thereof.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Other than as set forth herein, management of the Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the

Meeting, other than the election of directors or the appointment of auditors, of any person or company who has been: (a) if the solicitation is made by or on behalf of management of the Company, a director or executive officer of the Company at any time since the beginning of the Company's last financial year; (b) if the solicitation is made other than by or on behalf of management of the Company, any person or company by whom or on whose behalf, directly or indirectly, the solicitation is made; (c) each proposed nominee for election as a director of the Company; or (d) any associate or affiliate of any of the foregoing persons or companies.

PRINCIPAL HOLDERS OF VOTING SECURITIES

To the knowledge of the directors and senior officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, voting securities carrying more than 10% of the outstanding voting rights of the Company other than:

NAME OF SHAREHOLDER	NUMBER OF SHARES	PERCENTAGE OF ISSUED AND OUTSTANDING
Trevor Tennant	15,559,587	15.01%
Yang Xifu	14,500,000	14.08%

The directors have determined that all shareholders of record as of October 26, 2010 will be entitled to receive notice of and to vote at the Meeting. Those shareholders so desiring may be represented by proxy at the Meeting. The instrument of proxy, and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof, must be deposited either at the office of the Registrar and Transfer Agent of the Company, Proxy Dept., Computershare Investor Services Inc., Suite 300, 510 Burrard Street, Vancouver, B.C., V6C 3B9 (the number to fax proxies is (604) 661-9549), or at the Head Office of the Company at P.O. Box 598, West Perth, Western Australia, Australia 6872 not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the holding of the Meeting or any adjournment thereof.

APPLICATION OF CANADIAN CORPORATE AND SECURITIES LAWS

The following description of Canadian laws applicable to the Company and its shareholders is included herein to satisfy requirements of the ASX and it not required from a TSX Venture Exchange or Canadian securities law disclosure standpoint.

Place of Incorporation

The Company is a company incorporated in the Province of British Columbia, Canada under the *Business Corporations Act* (British Columbia)("BCABC"). The registered office of the Company is situated in the City of Vancouver, in the Province of British Columbia, Canada.

Chapters 6, 6A, 6B and 6C of the Australian Corporations Act

The Company is not subject to Chapters 6, 6A, 6B and 6C of the *Australian Corporations Act 2001*.

Summary of Canadian Legal Requirements Respecting the Acquisition of Securities of the Company

Applicable Canadian laws, like their Australian equivalent, are very technical. Accordingly, shareholders should consult their own Canadian legal advisors with respect to Canadian legal requirement matters, rather than relying upon this general summary.

In general, subject to compliance with applicable Canadian securities laws, a holder of shares in the capital of a corporation incorporated under the BCABC is entitled to transfer his, her or its shares to anyone else upon compliance with the provisions of the BCABC and the articles of the corporation. Where a corporation is offering its shares to the public, the articles of the corporation may not include restrictions on the transfer of shares.

Canadian securities laws impose certain limitations on the acquisition of securities. The issuance to the public and trading of securities in Canada is regulated at the provincial/territorial level by securities legislation administered by the relevant provincial or territorial securities commission.

Take-over bids are regulated primarily by provincial and territorial securities legislation and, to a limited extent, the corporate statutes under which the target company is incorporated. Under provincial or territorial securities regulations, an offer to acquire shares of an issuer by a "control person" of that issuer may constitute a take-over bid. Under the *Securities Act* (British Columbia), a "control person" is generally defined as any person, company or combination of persons or companies whose holdings represent a sufficient number of securities of the issuer to materially affect the control of that issuer. A holding of more than 20%, in the absence of evidence to the contrary, is deemed to materially affect control of the issuer. Any offer to acquire voting or equity securities where such securities together with the offeror's securities represent an aggregate of 20% or more of the outstanding securities of that class will constitute a take-over bid.

Unless an exemption from formal take-over bid requirements under applicable securities legislation can be obtained, persons or companies seeking to make a take-over bid must comply with detailed rules governing bids prescribed by applicable provincial or territorial securities laws. For example, under the *Securities Act* (British Columbia), exempt bids include bids made over the facilities of the TSX Venture Exchange and a bid for not more than 5% of the outstanding securities of a class of securities, so long as the aggregate number of securities of that class acquired by the offeror in the previous twelve months is not greater than 5% of the class and the bid is for a price not in excess of the market price for those securities.

Reporting by Substantial Shareholders and Insiders

Under the insider reporting and trading rules of applicable Canadian securities legislation, reporting obligations and trading restrictions are placed on substantial shareholders. An "insider" generally includes any person or company who beneficially owns, directly or indirectly, voting securities or who exercises control or direction over voting securities or a reporting issuer or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities.

Shareholders who become insiders must file an "Insider Profile" in the prescribed form under National Instrument 55-102 – *System for Electronic Disclosure by Insiders* ("SEDI"). A further insider report must be filed within 10 days of any change in the ownership or control or direction over securities of the Company of that insider. Insider reports must be filed electronically on SEDI at www.sedi.ca.

PARTICULARS OF MATTERS TO BE ACTED UPON

TO THE KNOWLEDGE OF THE COMPANY'S DIRECTORS, THE ONLY MATTERS TO BE PLACED BEFORE THE MEETING ARE THOSE REFERRED TO IN THE NOTICE OF MEETING ACCOMPANYING THIS INFORMATION CIRCULAR. HOWEVER, SHOULD ANY OTHER MATTERS PROPERLY COME BEFORE THE MEETING, THE SHARES REPRESENTED BY THE PROXY SOLICITED HEREBY WILL BE VOTED ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSONS VOTING THE SHARES REPRESENTED BY THE PROXY.

Additional detail regarding each of the matters to be acted upon at the Meeting is set forth below.

1. FINANCIAL STATEMENTS

The audited financial statements of the company for the financial year ended June 30, 2010 (the "Financial Statements"), together with the Auditors' Report thereon, will be presented to the shareholders at the Meeting.

2. ELECTION OF DIRECTORS

The board of directors of the Company (the "**Board**" or the "**Board of Directors**") currently consists of six (6) directors, all of whom are elected annually. The term of office for each of the present directors of the Company expires at the Meeting. All of the current directors of the Company will be standing for re-election. It is proposed that the number of directors for the ensuing year be fixed at six (6) subject to such increases as may be permitted by the Articles of the Company. At the Meeting, the Shareholders will be asked to consider and, if thought fit, approve an ordinary resolution fixing the number of directors to be elected at the Meeting at six (6).

It is proposed that the persons named below will be nominated at the Meeting. Each director elected will hold office until the next Annual General Meeting of the Company or until his successor is duly elected or appointed pursuant to the Articles of the Company unless his office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia) or the Company's Articles.

It is the intention of the management designees, if named as proxy, to vote for the election of the said persons to the Board of Directors, unless the Shareholder has specified in its proxy that its Common Shares are to be withheld from voting on the election of directors. Management does not contemplate that any of the nominees will be unable to serve as a director. In the event that prior to the Meeting any vacancies occur in the slate of nominees herein listed, it is intended that discretionary authority shall be exercised by the person named in the proxy as nominee to vote the shares represented by proxy for the election of any other person or persons as directors.

The following information relating to the nominees for election to the Board of Directors is based on information received by the Company from said nominees.

NAME, PRESENT OFFICE HELD AND PROVINCE OR STATE OF RESIDENCY	DIRECTOR SINCE	NUMBER OF SHARES BENEFICIALLY OWNED, DIRECTLY OR INDIRECTLY, OR OVER WHICH CONTROL OR DIRECTION IS EXERCISED AT THE DATE OF THIS INFORMATION CIRCULAR	PRINCIPAL OCCUPATION AND IF NOT AT PRESENT AN ELECTED DIRECTOR, OCCUPATION DURING THE PAST FIVE (5) YEARS
Trevor Tennant President and CEO Western Australia	Dec. 17/07	15,559,587	President, Chief Executive Officer and Director
James Pearson Executive Vice President Western Australia	Dec. 17/07	9,037,451	Executive Vice-President and Director
Eduardo Valenzuela (1) Non-Executive Director Western Australia	Dec. 17/07	4,760,982	Non-Executive Director
Richard Billingsley (1) Director Vancouver, B.C.	Dec. 23/05	50,000	Non-Executive Director
David Anthony Craig (1) Director Western Australia	Nov. 20/09	80,000	Non-Executive Director
Yang Xifu Director Langfang, Hebei, China	Sep. 1/10	14,500,000	Non-Executive Director

(1) Member of the audit committee.

Directorships

Certain of the directors and proposed directors are also directors of other reporting issuers, as follows:

DIRECTOR	OTHER REPORTING ISSUERS
Richard Billingsley	Glass Earth Gold Limited and Luiri Gold Limited
David Anthony Craig	Moly Mines Limited and Entek Energy Ltd

Corporate Cease Trade Orders or Bankruptcies

To the knowledge of the Company, no director or proposed director of the Company is, or within the ten years prior to the date of this Circular has been, a director or executive officer of any company, including the Company, that while that person was acting in that capacity:

(a) was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days; or

(b) was subject to an event that resulted, after the director ceased to be a director or executive officer of the company being the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

(c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Individual Bankruptcies

To the knowledge of the Company, no director or proposed director of the Company has, within the ten years prior to the date of this Circular, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Penalties or Sanctions

No proposed director of the Company has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

3. APPOINTMENT OF AUDITORS

The Board of Directors of the Company recommends the appointment of Deloitte Touche Tohmatsu, Chartered Accountants, of Perth, Western Australia, to serve as auditors of the Company until the next annual general meeting of shareholders and to authorize the directors to fix their remuneration. Collins Barrow LLP was first appointed as the Company's auditor in 2008. Collins Barrow LLP resigned as auditor of the Company effective March 23, 2010. The Audit Committee recommended and the Board of Directors of the Company approved, the appointment of Deloitte Touche Tohmatsu as auditor of the Company effective March 23, 2010. There were no reportable events in relation to the change of auditors.

Pursuant to Section 4.11 of National Instrument 51-102 Continuous Disclosure Obligations, a reporting package consisting of the following is attached as Schedule "A" to this Information Circular:

(i) Notice of Change of Auditors;
(ii) Letter from the Former Auditor; and
(iii) Letter from the Successor Auditor.

In the absence of instructions to the contrary the shares represented by proxy will be voted in favour of a resolution to appoint Deloitte Touche Tohmatsu, Chartered Accountants, as Auditors of the Company for the ensuing year, at a remuneration to be fixed by the Board of Directors, unless the Shareholder has specified in the Shareholder's proxy that the Shareholder's Common Shares are to be withheld from voting on the appointment of auditors.

4. APPROVAL OF INCENTIVE STOCK OPTION PLANS

The Company has adopted two rolling stock option plans (the "Stock Option Plans") which, in aggregate, authorize the issuance of incentive stock options to directors, officers, employees and consultants up to an aggregate of 10% of the issued shares from time to time. The Company found it necessary to split its former rolling stock option plan into two plans to facilitate the co-listing of its securities on the Australian Securities Exchange. The two plans are similar in all material respects except that the first plan authorizes the issuances of incentive stock options to directors, officers and employees and the second plan authorizes the issuance of incentive stock options to consultants.

The policies of the TSX Venture Exchange require the shareholders to approve the Stock Option Plans each year. There are currently 103,019,021 shares issued and outstanding and therefore the current 10% threshold is 10,301,902 shares under the Stock Option Plans. Copies of the Stock Option Plans will be made available for review at the Meeting.

5. CAPITAL RAISING

Terms and abbreviations used in the discussion below are defined in the Glossary attached as Schedule "B" to this Information Circular.

5.1 Background

On October 27, 2010 the Company announced that it would make a placement of up to approximately A$20 million/C$20 million to accredited, professional, sophisticated and institutional investors ("Capital Raising"). The Joint Lead Managers to the Capital Raising are Euroz Securities Limited and Dundee Securities Corporation.

The Capital Raising is to occur in two tranches (Tranche 1 and Tranche 2) as follows:

Tranche 1

An unconditional placement to Australian investors raising gross proceeds of A$6,490,197 comprising 15,452,850 Shares at a price of A$0.42 each.

The Shares comprising the Tranche 1 securities are expected to be issued on or about 3 November 2010 after receiving approval from the TSX Venture Exchange.

Shareholder ratification for the issuance of Tranche 1 securities will be sought at the Meeting.

Tranche 2

A conditional placement to raise gross proceeds of A$13,510,203/C$13,510,203 comprising:

(a) 17,881,450 Shares at a price of A$0.42 each to be issued to Australian resident investors; and

(b) 14,285,700 Subscription Receipts at a price of C$0.42 each to be issued to investors resident in Canada, the United States and international jurisdictions (other than Australia), each Subscription Receipt convertible into one Share following receipt of Shareholder approval in accordance with ASX Listing Rules and issuance of a receipt for a final prospectus by Canadian securities regulators to qualify the conversion of the Subscription Receipts into Shares. Proceeds from the Subscription Receipts are placed in escrow pending the satisfaction of the conversion conditions. The Shares to be issued upon conversion of the Subscription Receipts are the subject of Shareholder approval by this Notice.

The Shares comprising Tranche 2 will only be issued on receiving Shareholder approval in accordance with ASX Listing Rules and approval from the TSX Venture Exchange.

5.2 <u>Resolution to ratify the issue of Tranche 1 Shares</u>

The Company seeks Shareholder approval to ratify the issue of the Shares under Tranche 1 of the Capital Raising.

ASX Listing Rule 7.1 provides, subject to certain exceptions, a listed company must not issue equity securities where the number of equity securities proposed to be issued represents more than 15% of the company's shares then on issue without the approval of shareholders. The Tranche 1 securities were issued within the Company's 15% capacity.

ASX Listing Rule 7.4 provides that an issue of securities made without approval under ASX Listing Rule 7.1 is treated as having been made with approval if the issue of securities did not breach ASX Listing Rule 7.1 (that is, the issue was within the Company's 15% capacity) and shareholders subsequently approve it. The Company now seeks Shareholder approval to ratify the Shares issued under Tranche 1 of the Capital Raising and to refresh the Company's 15% capacity.

The following information is provided to Shareholders in relation to the resolution to ratify the issuance of Tranche 1 Shares:

(a) The number of securities allotted were 15,452,850 Shares.

(b) The Shares were issued at an issue price of A$0.42 each.

(c) The Shares are fully paid ordinary shares in the Company and rank equally with the Company's current issued Shares. Any Shares held on the Company's Australian register will be held in the form of Chess Depositary Interests (CDIs) and trade on ASX in the form of CDIs.

(d) The allottees of the Shares are accredited, professional, sophisticated or institutional investors who were introduced by the Joint Lead Managers to the Capital Raising. None of the allottees are related parties of the Company.

(e) Gross proceeds of A$6,490,197 were raised by the issue of the Shares under Tranche 1 of the Capital Raising. The Company has agreed to pay to the Joint Lead Managers a cash commission of 6% of the Capital Raising and to pay the expenses of the Joint Lead Managers. The Company intends to use the net proceeds of the Tranche 1 Capital Raising for an exploration campaign on the Company's copper and gold concessions in Chile and partly to fund pre-engineering works on the Los Pumas project.

Accordingly, Shareholders will be asked to consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That for the purposes of Listing Rule 7.4 of the Listing Rules of ASX Limited and for all other purposes, approval is given to the issue of 15,452,850 fully paid ordinary shares in the capital of the Company at A$0.42 each."

The Company will disregard any votes cast on this Resolution by a person who participated in the issue the subject of this Resolution and any associates of those persons. However, the Company will not disregard a vote cast on this Resolution if:

(a) it is cast by a person who participated in the issue as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or

(b) it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

5.3 Resolution to approve the issue of Tranche 2 Shares

The Company seeks Shareholder approval to allow the Company to issue Shares under Tranche 2 of the Capital Raising.

ASX Listing Rule 7.1 provides, subject to certain exceptions, a listed company must not issue equity securities where the number of equity securities proposed to be issued represents more than 15% of the company's shares then on issue without the approval of shareholders.

One circumstance where an issue is not taken into account in the calculation of this 15% threshold is where the issue has the prior approval of Shareholders in a general meeting.

Up to 32,167,150 Shares are proposed to be issued by the Company pursuant to Tranche 2 of the Capital Raising which will exceed the 15% threshold referred to in ASX Listing Rule 7.1 and accordingly Shareholder approval is being sought.

The following information is provided to Shareholders in relation to the resolution to ratify the issuance of Tranche 2 Shares:

(a) The maximum number of Shares to be issued by the Company is 32,167,150 including upon conversion of the Subscription Receipts.

(b) The Shares will be issued no later than 3 months after the date of this Meeting (or a later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).

(c) The issue price of the 17,881,450 Shares to be issued to Australian resident investors is A$0.42 and the 14,285,700 Shares to be issued upon conversion of the Subscription Receipts will be issued for no additional consideration (the Subscription Receipts were issued at an issue price of C$0.42 each).

(d) The allottees of the Shares and Subscription Receipts are accredited, professional, sophisticated or institutional investors who were introduced by the Joint Lead Managers to the Capital Raising. None of the proposed allottees to the Capital Raising will be related parties of the Company.

(e) The Shares to be issued will be fully paid ordinary shares in the Company and will rank equally with the Company's current issued Shares. Any Shares held on the Company's Australian register will be held in the form of CDIs and trade on ASX in the form of CDIs.

(f) Gross proceeds A$13,510,203/C$13,510,203 will be raised by the issue of the Shares and Subscription Receipts under Tranche 2 of the Capital Raising. The Company has agreed to pay to the Joint Lead Managers a cash commission of 6% of the Capital Raising and to pay the expenses of the Joint Lead Managers. The Company intends to use the net proceeds of the Tranche 2 Capital Raising for capital and operating expenditure to bring the Los Pumas Project into production.

(g) It is intended that the Shares and the Subscription Receipts will be allotted on one date.

Accordingly, Shareholders will be asked to consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That for the purposes of Listing Rule 7.1 of the Listing Rules of ASX Limited and for all other purposes, approval is given to the issue of:

(a) 17,881,450 fully paid ordinary shares in the capital of the Company at A$0.42 each; and

(b) 14,285,700 fully paid ordinary shares in the capital of the Company for no additional consideration upon the conversion of Subscription Receipts that were issued at C$0.42 each."

The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity as a Shareholder, if this Resolution is passed, and any associate of those persons. However, the Company will not disregard a vote if:
(a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
(b) it is cast by a person chairing the Meeting as a proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

6. IRON SANDS ACQUISITION

6.1 Background

Centralian Mining Pty Ltd ("**Centralian**") is controlled by three Directors of the Company, Trevor Tennant, James Pearson and Eduardo Valenzuela (or entities associated by them). For this reason Centralian is a related party of the Company for the purposes of the ASX Listing Rules.

Centralian was the owner of 25 licences or concessions in Chile (Litu 1 and 2, Conti 1 to 3 and Chan 1 to 20) ("**Centralian Licences**") that are prospective for iron sands. Centralian funded approximately A$220,000 of exploration expenditure on the Centralian Licences prior to their legal transfer.

The Centralian Licences have been legally transferred to a subsidiary of the Company and the Company is responsible for expenditure on the Centralian Licences.

Pursuant to an agreement made in October 2010 between Centralian and the Company, payment to

Centralian of C$680,402 (or A$693,806) is to be made in Shares to confirm that the Company will have beneficial ownership to the Centralian Licences. The beneficial acquisition (and issue of the Shares) is subject to Shareholder approval and TSX Venture Exchange approval.

The Company therefore seeks Shareholder approval to issue 1,301,700 Shares in the Company as consideration for the acquisition of the Centralian Licences. 1,301,700 Shares in the Company represents A$693,806 consideration at the deemed issue price of A$0.533 (53.3 cents) per Share. The deemed issue price is the 5 day volume weighted average price of Shares on 17, 20, 21, 22 and 23 September 2010 being the time of the determination of the issue price of the Shares.

6.2 Resolution

ASX Listing Rule 10.11 requires a company to obtain shareholder approval prior to the issue of securities or an agreement to issue securities to a related party. Centralian Mining Pty Ltd. ("**Centralian**") is a related party of the Company.

If approval is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1 (and the issue of Shares will not be included in the 15% calculation under ASX Listing Rule 7.1).

The following information is provided to Shareholders in relation to the resolution to approve the acquisition of the Centralian Licences:

(a) The Shares will be issued to Centralian or its nominees.

(b) The maximum number of securities the Company will issue is 1,301,700 Shares.

(c) The Shares will be issued no later than 1 month after the date of this Meeting (or a later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).

(d) Centralian is a related party of the Company as it is an entity controlled by three Directors of the Company, Trevor Tennant, James Pearson and Eduardo Valenzuela (or entities associated with them).

(e) The Shares will be issued in consideration of the acquisition of Centralian Licences and have a deemed issue price of A$ 0.533 (53.3 cents) each. The Shares will be fully paid ordinary shares in the Company and will rank equally with the Company's current issued Shares.

(f) There will be no funds raised by the issue of Shares.

Accordingly, Shareholders will be asked to consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That for the purpose of Listing Rule 10.11 of the Listing Rules of the ASX Limited and for all other purposes, approval is given to the issue of up to 1,301,700 fully paid ordinary shares in the capital of the Company to Centralian Mining Pty Ltd or its nominee in consideration for 25 mineral licences or concessions in Chile (Litu 1 and 2, Conti 1 to 3 and Chan 1 to 20) held by Centralian Mining Pty Ltd."

The Company will disregard any votes cast on this Resolution by a person who will receive the securities and any associates or any person who may obtain a benefit if this Resolution is passed other than in their capacity as a Shareholder. However, the Company will not disregard a vote if:

(a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

(b) it is cast by a person chairing that Meeting as a proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

EXECUTIVE COMPENSATION
(For the financial year ended June 30, 2010)

For purposes of this Information Circular, "named executive officer" of the Company means an individual who, at any time during the year, was:

(a) the Company's chief executive officer ("CEO");

(b) the Company's chief financial officer ("CFO");

(c) each of the Company's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year and whose total compensation was, individually, more than $150,000 for that financial year; and

(d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of the most recently completed financial year;

(each a "Named Executive Officer").

Based on the foregoing definition, during the last completed financial year of the Company, there were two Executive Officer(s), namely, its President and Chief Executive Officer, Trevor Tennant, and its Chief Financial Officer, John Sibenaler.

Compensation Discussion and Analysis

In assessing the compensation of its executive officers, the Company does not have in place any formal objectives, criteria or analysis; instead, it relies mainly on Board discussion, with input from and upon the recommendations of, the Compensation Committee.

The Company's executive compensation program has three principal components: base salary, incentive bonus plan and stock options.

Base salaries for all employees of the Company are established for each position through comparative salary surveys of similar type and size companies. Both individual and corporate performances are also taken into account.

Incentive bonuses, in the form of cash payments, are designed to add a variable component of compensation based on corporate and individual performances for executive officers and employees. Total bonuses in the amount of $0.00 were paid to executive officers and employees during the most recently completed financial year.

The Company has no other forms of compensation, although payments may be made from time to time to individuals or companies they control for the provision of consulting services. Such consulting services are paid for by the Company at competitive industry rates for work of a similar nature by reputable arm's length services providers.

Option-Based Awards

Stock options are granted to provide an incentive to the directors, officers, employees and consultants of the Company to achieve the longer-term objectives of the Company; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Company; and to attract and retain persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Company. The Company awards stock options to its executive officers based upon the recommendation of the Compensation Committee, which recommendation is based upon the Committee's review of a proposal from the Chief Executive Officer. Previous grants of incentive stock options are taken into account when considering new grants.

Implementation of a new incentive stock option plan and amendments to the existing stock option plan are the responsibility of the Company's Compensation Committee.

Summary Compensation Table

The following table sets forth the total compensation paid to or earned by the Named Executive Officers for the Company's most recently completed financial year.

Name and Principal Position	Year	Base Salary ($)	Share-based Awards ($)	Option-based Awards[1] ($AUD)	Non-equity Incentive Plan Compensation ($)		Pension Value ($)	All Other Compensation ($)
					Annual Incentive Plans	Long-term Incentive Plans		
Trevor Tennant Managing Director CEO	2010	$AUD 350,000	-	442,325	-	-	-	$AUD 56,337
	2009	$CAD 150,000	-	-	-	-	-	-
John Sibenaler CFO	2010	$AUD 150,000	-	35,000	-	-	-	-
	2009	-	-	-	-	-	-	-
Jason Giles (Former CFO)	2009	$CAD 7,050	-	-	-	-	-	-
James Pearson Executive Director	2010	$AUD 250,000	-	433,367	-	-	-	$AUD 50,720

NAME AND PRINCIPAL POSITION	YEAR	BASE SALARY ($)	SHARE-BASED AWARDS ($)	OPTION-BASED AWARDS[1] ($AUD)	NON-EQUITY INCENTIVE PLAN COMPENSATION ($)		PENSION VALUE ($)	ALL OTHER COMPENSATION ($)
					ANNUAL INCENTIVE PLANS	LONG-TERM INCENTIVE PLANS		
	2009	-	-	-	-	-	-	$CAD 75,000

(1) The fair value of stock options granted during the last financial year was estimated using the Black-Scholes option pricing model. Refer to the 30 June 2010 Financial Statements.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth the options granted to the Named Executive Officers to purchase or acquire securities of the Company outstanding at the end of the most recently completed financial year.

NAME	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS (#)	OPTION EXERCISE PRICE ($)	OPTION EXPIRATION DATE	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT YEAR END ($)
Trevor Tennant	1,013,441 375,000 1,000,000	$CAD 0.40 $CAD 0.20 $AUD 0.30	3 Jan, 2013 8 Dec, 2010 31 Dec, 2012	- - -
John Sibenaler	250,000	$AUD 0.30	31 Dec, 2012	-
James Pearson	1,085,969 50,000 750,000	$CAD 0.40 $CAD 0.20 $AUD 0.30	3 Jan, 2013 8 Dec, 2010 31 Dec, 2012	- - -

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value vested or earned during the year of option-based awards, share-based awards and non-equity incentive plan compensation paid to Named Executive Officers during the most recently completed financial year. The aggregate value of the option based awards vested during the year is based on the difference between the Company share price on the vesting day of any options that vested during the financial year ended June 30, 2010 and the exercise price of the options.

NAME	OPTION-BASED AWARDS – VALUE VESTED DURING THE YEAR ($)	NON-EQUITY INCENTIVE PLAN COMPENSATION – VALUE EARNED DURING THE YEAR ($)
Trevor Tennant	-	-
John Sibenaler	-	-
James Pearson	-	-

Director Compensation

Director Compensation Table

The following table sets forth the value of all compensation provided to directors, not including those directors who are also Named Executive Officers, for the Company's most recently completed financial year.

NAME	BASE FEES ($AUD)	OPTION-BASED AWARDS(1) ($AUD)	ALL OTHER COMPENSATION ($)
Richard Billingsley	30,000	14,000	-
Eduardo Valenzuela	30,000	370,444	29,585
David Anthony Craig	40,000	14,000	-
Glen Laing(2)	30,000	14,000	12,949

(1) The fair value of stock options granted during the last financial year was estimated using the Black-Scholes option pricing model. Refer to the 30 June 2010 Financial Statements.
(2) Mr Laing resigned as a director on April 28, 2010.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth the options granted to the directors of the Company, not including those directors who are also Named Executive Officers, to purchase or acquire securities of the Company outstanding at the end of the most recently completed financial year.

NAME	OPTION-BASED AWARDS -NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS (#)	OPTION EXERCISE PRICE ($)	OPTION EXPIRATION DATE	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS ($)
Richard Billingsley	66,666 100,000	$CAD 0.20 $AUD 0.30	1 Nov, 2011 31 Dec, 2012	13,333
Eduardo Valenzuela	874,849 50,000 750,000	$CAD 0.40 $CAD 0.20 $AUD 0.30	3 Jan, 2013 8 Dec, 2010 31 Dec, 2012	-
David Anthony Craig	100,000	$AUD 0.30	31 Dec, 2012	-
Glenn Laing	66,668 100,000	$CAD 0.20 $AUD 0.30	1 Nov, 2011 31 Dec, 2012	13,333

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value vested or earned during the year of option-based awards and non-equity incentive plan compensation paid to the directors of the Company, not including those directors who are also Named Executive Officers, during the financial year ended June 30, 2010.

NAME	OPTION-BASED AWARDS – VALUE VESTED DURING THE YEAR(1) ($)	NON-EQUITY INCENTIVE PLAN COMPENSATION – VALUE EARNED DURING THE YEAR ($)
Richard Billingsley	-	-
Glenn Laing	-	-

Name	Option-based Awards – Value Vested During the Year[1] ($)	Non-equity Incentive Plan Compensation – Value Earned During the Year ($)
Eduardo Valenzuela	-	-
David Anthony Craig	-	-

(2) The fair value of stock options vested during the last financial year was estimated using the Black-Scholes option pricing model. Refer to the 30 June 2010 Financial Statements.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth certain information pertaining to the Company's equity compensation plan as at the end of the most recently completed financial year:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by securityholders	9,689,913	$0.33	323,655
Equity compensation plans not approved by securityholders	-	-	-
Total	9,689,913	$0.36	323,655

(1) All securities are Common Shares issuable under the Plan pursuant to the exercise of outstanding options.

(2) The Plan permits the issuance of that number of Common Shares equal to ten percent (10%) of the number of Common Shares outstanding from time to time. The number of Common Shares remaining available for future issuances under the Plan is calculated based upon 100,135,687 Common Shares outstanding as at June 30, 2010.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors or senior officers of the Company, no proposed nominee for election as a director of the Company, and no associates or affiliates of any of them, is or has been indebted to the Company or its subsidiaries at any time since the beginning of the Company's last completed financial year.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No Insider of the Company, no proposed nominee for election as a director of the Company and no associate or affiliate of any of the foregoing, has any material interest, direct or indirect, in any transaction since the commencement of the Company's last financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or any of its subsidiaries.

MANAGEMENT CONTRACTS

Management functions of the Company and its subsidiaries are substantially performed by the Company's directors and executive officers. The Company has not entered into any contracts, agreements or arrangements with parties other than its directors and executive officers for the provision of such management functions.

CORPORATE GOVERNANCE

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. National Policy 58-201 – *Corporate Governance Guidelines* provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") prescribes certain disclosure by the Company of its corporate governance practices. As part of the Company's listing application on the Australian Securities Exchange ("ASX"), the Company has adopted the recommendations of the ASX Corporate Governance Council. The Company believes that the recommendations of the ASX Corporate Governance Council are in all material respects similar to the recommended guidelines of Canadian securities regulators. A summary of the Company's corporate governance policies is attached as Schedule "C". Full copies of the Company's corporate governance policies are accessible on the Company's website *www.shmining.com.au.*

AUDIT COMMITTEE

Under National Instrument 52-110 – Audit Committees ("NI 52-110") reporting issuers are required to provide disclosure with respect to its Audit Committee including the text of the Audit Committee's Charter, composition of the Committee, and the fees paid to the external auditor. The Company provides the following disclosure with respect to its Audit Committee:

Audit Committee Charter

A copy of the audit committee's charter is attached as Schedule "D" to this Information Circular.

Composition of Audit Committee

Following the election of directors pursuant to this Information Circular, the following will be members of the Audit Committee:

David Craig	Independent(1)	Financially literate(2)
Richard Billingsley	Independent(1)	Financially literate(2)
Eduardo Valenzuela	Independent(1)	Financially literate(2)

(1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board of Directors, reasonably interfere with the exercise of a member's independent judgment.

(2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Relevant Education and Experience

The relevant education and/or experience of each member of the Audit Committee is as follows: Mr Craig is a lawyer who has held and holds executive and board positions in the fields of law, financial services and the resources industry. Mr Billingsley has extensive experience as a company executive and director. Mr Valenzuela has extensive experience as a company executive and director.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board of Directors to review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chairman of the Audit Committee deems is necessary, and the Chairman will notify the other members of the Audit Committee of such non-audit or additional work and the reasons for such non-audit work for the Committee's consideration, and if thought fit, approval in writing.

External Auditor Service Fees

The fees billed by the Company's external auditors in each of the last two financial years for audit and non-audit related services provided to the Company or its subsidiaries (if any) are as follows:

FINANCIAL YEAR ENDING June 30	AUDIT FEES	AUDIT RELATED FEES	TAX ADVISORY FEES	ALL OTHER FEES
2010	$AUD 18,000	-	$AUD 5,859	-
2009	$CAN 66,208	-	-	-

Exemption

The Company is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Company, as a "venture issuer", is not required to comply with Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at sedar.com. Financial information is provided in the Company's audited annual financial statements and accompanying management's discussion and analysis ("**MD&A**") for the year ended June 30, 2010. Shareholders may obtain copies of the Company's financial statements and related MD&A by contacting the Company at P.O. Box 598, West Perth, Western Australia, Australia 6872 or by telephone at (ph: 61-894812122).

Under National Instrument 51-102 – *Continuous Disclosure Obligations*, any person or company who wishes to receive interim financial statements from the Company may deliver a written request for such material to the Company or the Company's agent, together with a signed statement that the persons or company is the owner of securities of the Company. Shareholders who wish to receive interim financial statements are encouraged to send the enclosed mail card, together with the completed form of proxy, in the addressed envelope provided, to the Company's registrar and transfer agent, Computershare Investor Services Inc., Suite 300, 510 Burrard Street, Vancouver, B.C., V6C 3B9.

GENERAL

Unless otherwise specified, all matters referred to herein for approval by the Shareholders require a simply majority of the Shareholders voting, in person or by proxy, at the Meeting.

Where information contained in this Information Circular, rests specifically within the knowledge of a person other than the Company, the Company has relied upon information furnished by such person.

The contents of this Information Circular have been approved and this mailing has been authorized by the Directors of the Company.

DATED at Perth, Australia as of the 29th day of October, 2010

BY THE ORDER OF THE BOARD OF DIRECTORS OF
SOUTHERN HEMISPHERE MINING LIMITED

_s/ ”*Trevor Tennant*”_________________________

TREVOR TENNANT
President and Chief Executive Officer

SCHEDULE "A"

CHANGE OF AUDITOR REPORTING PACKAGE

PO Box 598
West Perth
WA 6872

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SOUTHERN HEMISPHERE MINING LIMITED
NOTICE OF CHANGE OF AUDITOR
(National Instrument 51-102)

TO: British Columbia Securities Commission
Alberta Securities Commission

Collins Barrow Toronto LLP
Deloitte Touche Tohmatsu

SOUTHERN HEMISPHERE MINING LIMITED (the "**Company**") hereby gives notice pursuant to National Instrument 51-102 – Continuous Disclosure Obligations ("NI 51-102"):

At the request of the Company, Collins Barrow Toronto LLP has resigned as auditor of the Company effective March 23, 2010 (the "**Resignation Date**").

The board of directors of the Company has approved the resignation of Collins Barrow Toronto LLP as auditor of the Company effective the Resignation Date.

There were no reservations in the auditor's reports on the Company's financial statements for the period commencing at the beginning of the Company's two most recently completed financial years and ending on the Resignation Date.

The Audit Committee has recommended and the Board of Directors of the Company has approved the appointment of Deloitte Touche Tohmatsu as auditor of the Company effective March 23, 2010.

In the opinion of the Company, as at the date hereof, there have been no Reportable Events (as such term is defined by NI 51-102) in connection with the audits for the period commencing at the beginning of the Company's two most recently competed financial years and ending on the Resignation Date.

DATED at Perth, Australia this 25th day of March, 2010

Southern Hemisphere Mining Limited

T. Tennant

Trevor Tennant
Managing Director and Chief Executive Officer

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Tel: +61 (0) 8 9365 7000
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1st April 2010

British Columbia Securities Commission
Alberta Securities Commission

Dear Sir / Mesdames

As required by subparagraph (6)(a)(ii) of section 4.11 of National Instrument 51-102, we have reviewed the change of auditor notice of Southern Hemisphere Mining Limited (the "Company") dated 25th March 2010 (the "Notice") and, based on our knowledge of such information at this time, we agree with each statement contained in the Notice except that we have no basis to agree or disagree with the following statement: there are no reportable events (as defined in section 4.11 of National Instrument 51-102 of the Canadian Securities Administrators) between the Company and the Former Auditor.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Ross Jerrard
Partner
Chartered Accountants

Collins Barrow
Chartered Accountants

Collins Barrow Toronto LLP
20 Eglinton Avenue West
Suite 2100, P.O. Box 2014
Toronto, Ontario
M4R 1K8 Canada

T. 416.480.0160
F. 416.480.2646

www.collinsbarrow.com

April 7, 2010

To: Alberta Securities Commission
British Columbia Securities Commission

Dear Sirs/ Mesdames:

Re: Notice of Change of Auditor of Southern Hemisphere Mining Limited (the "Company")

We have read the Notice of Change of Auditor dated March 25, 2010 from the Company (the "Notice"), delivered to us pursuant to national instrument 51-102 – *Continuous Disclosure Obligations*.

We confirm that we agree with the statements contained in paragraphs 1, 2 and 3 of the Notice.

We have no basis to agree or disagree with the statements contained in paragraphs 4 and 5 of the Notice.

Yours truly,

Collins Barrow Toronto LLP

Collins Barrow Toronto LLP
Chartered Accountants

c.c. Southern Hemisphere Mining Limited

SCHEDULE "B"

In this Information Circular the following expressions have the following meanings:

"**ASX**" means ASX Limited (ACN 008 624 691).

"**ASX Listing Rules**" or "**Listing Rules**" means the Listing Rules of the ASX.

"**Board**" means the Board of Directors of the Company.

"**Capital Raising**" means the placement of up to 33,334,300 Shares to raise gross proceeds of A$14,000,406 and 14,285,700 Subscription Receipts to raise gross proceeds of C$5,999,994 as detailed in the Information Circular.

"**CDI**" means CHESS Depositary Interest.

"**Company**" means Southern Hemisphere Mining Limited.

"**Directors**" mean the directors of the Company from time to time.

"**Joint Lead Managers**" means Euroz Securities Limited and Dundee Securities Corporation.

"**Meeting**" means the meeting of Shareholders the subject of the Notice.

"**Notice**" means the notice of meeting which accompanies this Information Circular.

"**Resolution**" means a resolution contained in the Notice.

"**Share**" means a fully paid ordinary share in the capital of the Company.

"**Shareholder**" means a holder of a Share in the Company.

"**Subscription Receipt**" means the Subscription Receipts that have been or will be issued as part of Tranche 2 of the Capital Raising and which will be automatically convertible, without payment of additional consideration, into one fully paid Share of the Company on the satisfaction of certain conditions being the issuance of a receipt for a final prospectus by Canadian securities regulators to qualify the conversion of the Subscription Receipts into Shares and the receipt of Shareholder approval which is the subject of the Notice.

"**Tranche 1**" means the issue of the first tranche of securities under the Capital Raising as detailed in the Information Circular.

"**Tranche 2**" means the issue of the second tranche of securities under the Capital Raising as detailed in the Information Circular.

"**A$**" means Australian dollars.
"**C$**" means Canadian dollars.

SCHEDULE "C"

SOUTHERN HEMISPHERE MINING LIMITED

CORPORATE GOVERNANCE SUMMARY

SOUTHERN HEMISPHERE MINING LIMITED

CORPORATE GOVERNANCE SUMMARY

1.1 Corporate governance

The primary responsibility of the Board is to represent and advance Shareholders' interests and to protect the interests of all stakeholders. To fulfil this role the Board is responsible for the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The responsibilities of the Board include:

- protection and enhancement of Shareholder value;
- formulation, review and approval of the objectives and strategic direction of the Company;
- approving all significant business transactions including acquisitions, divestments and capital expenditure;
- monitoring the financial performance of the Company by reviewing and approving budgets and monitoring results;
- ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
- the identification of significant business risks and ensuring that such risks are adequately managed;
- the review and performance and remuneration of executive directors and key staff;
- the establishment and maintenance of appropriate ethical standards; and
- evaluating and, where appropriate, adopting with or without modification, the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Board recognises the need for the Company to operate with the highest standards of behaviour and accountability.

Subject to the exceptions outlined below the Company will adopt the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations to determine an appropriate system of control and accountability to best fit its business and operations commensurate with these guidelines.

As the Company’s activities develop in size, nature and scope the implementation of additional corporate governance structures will be given further consideration.

The Board sets out below its "if not, why not" report in relation to those matters of corporate governance where the Company's practices will depart from the recommendations.

Recommendation Reference - ASX Guidelines	Notification of Departure	Explanation for Departure
2.1	No majority of independent directors	The Company has 6 Directors of which 2 Directors are executive and 4 Directors are non-executive, however, one of the non-executive Directors is not independent in terms of the ASX Corporate Governance Council's definition of independent director. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the expense of the appointment of a majority of independent non-executive Directors. The Board believes that the individuals on the Board can make, and do make, quality and independent judgements in the best interests of the Company on all relevant issues. Directors having a conflict of interest in relation to a particular item of business must absent themselves from the Board meeting before commencement of discussion on the topic.
2.2 and 2.3	Chairman not independent and roles of Chairman and Chief Executive Officer are exercised by the same person	The Company's Chairman, Mr Trevor Tennant, is considered by the Board not to be independent in terms of the ASX Corporate Governance Council's definition of independent director as he is an executive of the Company and a substantial Shareholder. However, the Board believes the Chairman is able and does bring quality and independent judgment to all relevant issues falling within the scope of the role of a Chairman.

The Company has adopted corporate governance policies common with other public listed companies of similar size and business. Copies of these policies are accessible on the Company's website www.shmining.com.au.

SCHEDULE "D"

SOUTHERN HEMISPHERE MINING LIMITED

AUDIT COMMITTEE CHARTER

SOUTHERN HEMISPHIRE MINING LTD
AUDIT AND RISK COMMITTEE CHARTER

1. PURPOSE

This Charter sets out the specific responsibilities delegated by the Board of Southern Hemisphere Mining Ltd (the "Company") to the Audit and Risk Committee and details the manner in which the Committee will operate. The Audit and Risk Committee is a committee of the Board.

2. ROLE AND AUTHORITY OF THE COMMITTEE

2.1 Role

The role of the Committee is to assist the Board to meet its oversight responsibilities in relation to the Company's financial reports and statements, risk management framework and system of internal control and to monitor the performance and independence of the external auditor.

2.2 Authority

The Committee reports to the Board. The external auditor reports to the Committee and the Board. The Committee has authority to:

(a) Investigate any activity within its Charter and any matters specifically requested by the Board.

(b) Resolve any disagreements between management and the auditor regarding financial reporting.

(c) Delegate authority to subcommittees.

(d) Obtain outside legal or other independent professional advice as necessary to assist the Committee.

3. MEMBERSHIP AND MEETINGS OF THE COMMITTEE

3.1 Membership and term

(a) The Committee shall be comprised of a minimum of 3 directors, all of whom shall be independent.

(b) Appointment to the Committee will be for 1 year or as determined by the Board. Any member of the Committee may be removed or replaced at any time by the Board.

(c) The duties and responsibilities of a member of the Committee shall be in addition to those duties set out for a director of the Board.

3.2 Chairman of the Committee

The role of the Chairman of the Committee is to provide overall leadership to in reviewing the aims, strategy, policy and direction of the Committee so as to further the best interests of the Company, including:

(a) taking all reasonable steps to ensure that the responsibilities and duties of the Committee, as outlined in its Charter, are well understood by the Committee and its members and executed as effectively as possible;

(b) to act as the principal sounding board and counsel to the Company with respect to audit and risk issues

(c) setting the frequency and agenda for Committee meetings, and receiving and considering input from other Committee members, the chairman of the Board and management;

(d) communicating information and findings of the Committee to the Board;

(e) fostering ethical and responsible decision making by the Committee and its individual members; and encouraging free and open discussion at meetings of the Committee;

(f) chair and manage meetings of the Remuneration and Nomination Committee.

3.3 Meetings

(a) The Committee will meet as frequently as is necessary but not less than four times per year. Any Committee member may call a meeting of the Committee.

(b) The Committee may invite any executive management team member, any other Board member or any other individual to attend a meeting of the Committee, as it considers appropriate. The Managing Director, Chief Financial Officer and representatives

(c) The Committee chairman will report to the Board (at the next Board meeting) following each meeting on the activities, findings and recommendations of the Committee.

(d) Minutes of meetings of Committee will be distributed to all Committee members and the chairman of the Board. Committee meeting materials will be made available to any director upon request, provided that no conflict of interest exists.

(e) A quorum at any meeting of the Committee will be a majority of members. Each member will have one vote and the chairman of the Committee will not have a second or casting vote.

(f) All determinations of the Committee will be made by a majority of its members represented at a meeting.

4. RESPONSIBILITIES

The Committee is responsible for:

4.1 Financial Reporting

(a) Reviewing quarterly, half-yearly and yearly financial reports and statements with management and the external auditor.

(b) Reviewing and making recommendations to the Board regarding significant financial, accounting and reporting issues.

(c) Receiving representation letters from the Managing Director and Chief Financial Officer.

4.2 **External Audit**

(a) Considering the appointment of the external auditor each year. Any subsequent recommendation on the appointment of the external auditor is put to the Board. If a change is approved it will be put forward to shareholders for their approval.

(b) Reviewing and approving the terms of engagement and fees of the external auditor at the start of each audit.

(c) Considering and reviewing the scope of work, reports and activities of the external auditor.

(d) Reviewing the findings of the audit with the external auditor.

(e) Reviewing the performance of the external auditors taking into account the opinions of management.

4.3 **Risk Management, Internal Audit and Internal Control**

(a) Review the Company's risk framework for identifying, monitoring and managing significant business risks.

(b) Considering the effectiveness of the Company's internal control system.

(c) Reviewing the Company's insurance policies at least annually having regard to the Company's business and the insurable risks associated with the Company's business.

5. **ACCESS**

The Committee has unrestricted access to all records and staff of the Company and the external auditors.

SOUTHERN HEMISPHERE MINING LTD

ARBN 140 494 784

000001 000 SUH
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:

By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

CDI Voting Instruction Form

For your vote to be effective it must be received by 5:00pm (WST) Monday 22 November 2010

How to Vote on Items of Business

Each CHESS Depositary Interest (CDI) is equivalent to one share of Company Common Stock, so that every 1 (one) CDI that you own at 26 October 2010 entitles you to one vote.

You can vote by completing, signing and returning you CDI Voting Instruction Form. This form gives your voting instructions to CHESS Depositary Nominees Pty Ltd, which will vote the underlying shares on your behalf. You need to return the form no later than the time and date shown above to give CHESS Depositary Nominees Pty Ltd enough time to tabulate all CHESS Depositary Interest votes and to vote on the underlying shares.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.
Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.
Power of Attorney: If you have not already lodged the Power of Attorney with the Australian registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
Companies: Only duly authorised officer/s can sign on behalf of a company. please sign in the boxes provided, which state the office held by the signatory. ie Sole Director, Sole Company Secretary or Director and Company Secretary. Delete titles as applicable.

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔

View your securityholder information, 24 hours a day, 7 days a week:
www.investorcentre.com

☑ **Review your securityholding**
☑ **Update your securityholding**

Your secure access information is:

SRN/HIN: I9999999999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with '**X**') should advise your broker of any changes.

I 9999999999 IND

CDI Voting Instruction Form

Please mark ☒ to indicate your directions

STEP 1 **CHESS Depositary Nominees will vote as directed**

XX

Voting Instructions to CHESS Depositary Nominees Pty Ltd

I/We being a holder of CHESS Depositary Interests of Southern Hemisphere Mining Ltd hereby direct CHESS Depositary Nominees Pty Ltd to vote the shares underlying my/our holding at the Annual and Special General Meeting of Southern Hemisphere Mining Ltd to be held at Suite 1750 - 1195 West Georgia Street, Vancouver, British Columbia V6E 4E6 on Thursday, 25 November 2010 at 10:00am (Vancouver time) and at any adjournment of that Meeting.
By execution of this CDI Voting Form the undersigned hereby authorises CHESS Depositary Nominees Pty Ltd to appoint such proxies or their substitutes to vote in their discretion on such business as may properly come before the meeting.

STEP 2 **Items of Business**

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

ORDINARY BUSINESS

		For	Against	Abstain
Item 1	To set the number of Directors at six (6)	☐	☐	☐
Item 2a	Election of Director - Richard Billingsley	☐	☐	☐
Item 2b	Election of Director - Trevor Tennant	☐	☐	☐
Item 2c	Election of Director - James Pearson	☐	☐	☐
Item 2d	Election of Director - Eduardo Valenzuela	☐	☐	☐
Item 2e	Election of Director - David Anthony Craig	☐	☐	☐
Item 2f	Election of Director - Yang Xifu	☐	☐	☐
Item 3	Appointment of Deloitte Touche Tohmatsu, Chartered Accountants, as Auditors of the Company for the ensuing year and authorising the Directors to fix their remuneration	☐	☐	☐
Item 4	To approve the Company's stock option plans, which make a total of 10% of the issued and outstanding shares of the Company available for issuance thereunder	☐	☐	☐
Item 5	To ratify and approve the issuance of 15,452,850 fully paid ordinary shares in the capital of the Company at CDN $0.42 each in the terms and conditions set out in the Information Circular	☐	☐	☐
Item 6	To approve the issuance by the Company of up to 32,167,150 shares, including shares to be issued upon the conversion of Subscription Receipts	☐	☐	☐
Item 7	To approve the issue of up to 1,301,700 fully paid ordinary shares in the capital of the Company to be issued to Centralian Mining Pty Ltd. or its nominees in consideration for the acquisition by the Company of the Iron Sands mineral properties	☐	☐	☐

SIGN **Signature of Securityholder(s)** *This section must be completed.*

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name ______________________ **Contact Daytime Telephone** ______________________ **Date** ___/___/___

SUH 999999A

Computershare