

ASX RELEASE OCTOBER 29, 2014

Quarterly Activities Report for the Period ended September 30, 2014

Highlights

Coquimbo Region Exploration, Chile

Drilling recommenced after scout program at Los Rulos Copper-Gold JV with Lundin Mining

- **Six diamond drill holes completed** in initial scout drilling program.
- Two drill holes completed at **Polvareda 2 Prospect** with results including:
 - 12m @ 0.61% Cu (peak intercept 1.51% Cu) from 15m
 - 8m @ 0.47% Cu (peak intercept 0.68% Cu) from 107m
- Four drill holes completed at **Armandino Prospect** with results including:
 - 7m @ 0.57% Cu (peak intercept 0.80% Cu) from 113m
 - 5m @ 0.53% Cu (peak intercept 1.25% Cu) from 180m
- Drilling paused in August by agreement with drilling contractor to allow for interpretation of results which is crucial for drill targeting within complex geology.
- **Drilling now re-commenced** at the **Polvareda 2 Prospect** on **October 16, 2014**.
- **Initial assays from current drilling** are expected **early in November 2014**.
- Geological staff also worked with surrounding landowners to identify key complementary properties and in some areas expand the Joint Venture's geological mapping.
- Los Rulos Project footprint increased from 24km² to **45km²**.

About Southern Hemisphere Mining

Southern Hemisphere Mining Limited (ASX Code "SUH") is an emerging copper-gold explorer and developer in **Chile, South America**, the world's leading copper producing country and one of the most prospective regions of the world for major new copper discoveries.

The Company's focus is the **Coquimbo region** of Central Chile on the lower Coastal Cordillera where the Company has two key projects: the **Los Rulos Copper-Gold Project** and the **Llahuin Copper-Gold Project**, both joint ventured with global miner **Lundin Mining Corporation**.

Capital Structure

Ordinary shares (ASX: **SUH**) – 248,532,950
Options ex 4.5c (ASX: **SUHO**) – 37,820,208

Market capitalisation at 6c – \$15 Million

Major Shareholders

Trevor Tennant – 11.4%
Genesis Asset Managers – 10.0%
Lundin Mining Corporation – 8.0%
Ice Cold Investments – 5.5%
James Pearson – 5.2%

Further details on Southern Hemisphere can be found at www.shmining.com.au

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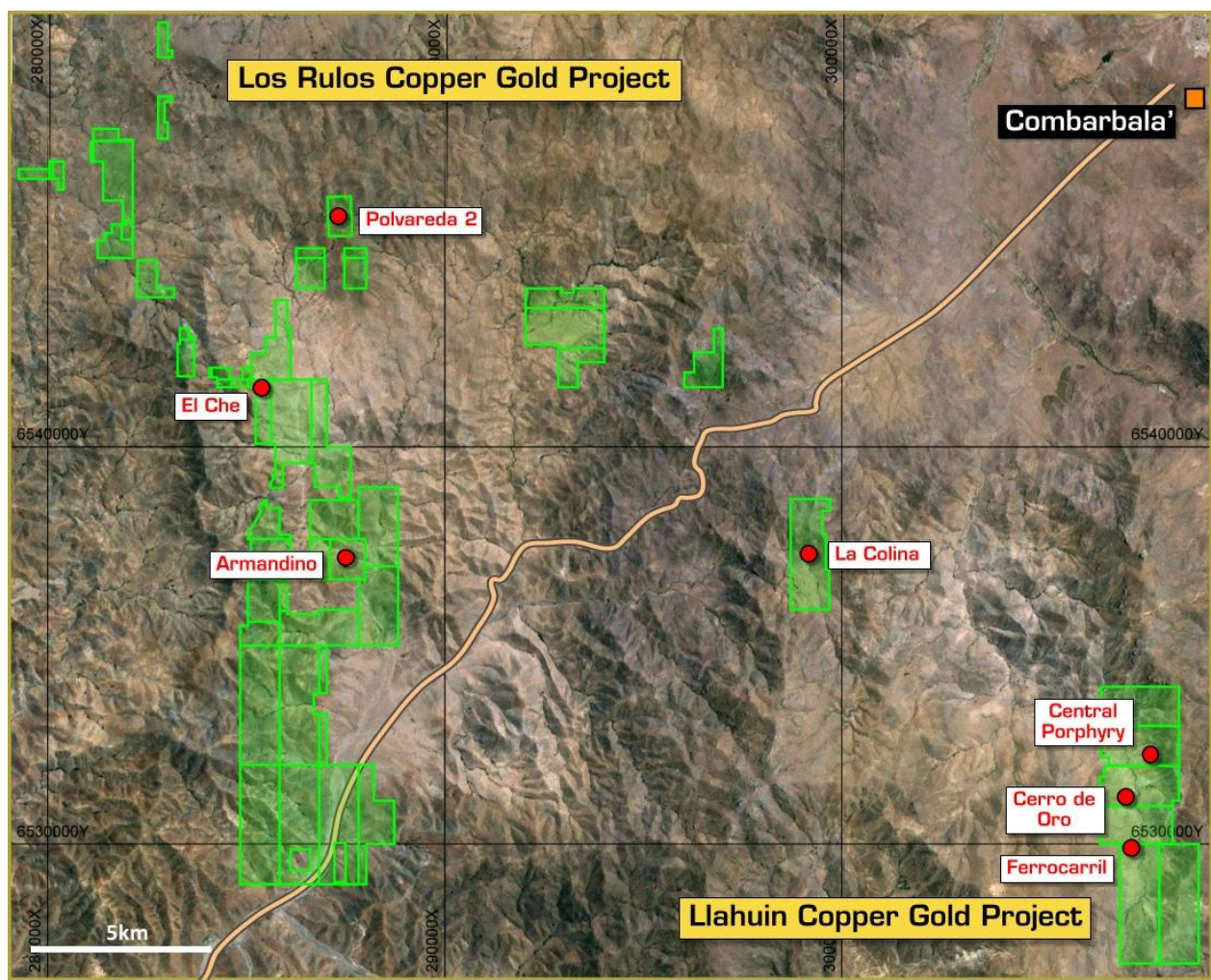
Projects

Coquimbo Region, Chile

The **Los Rulos Project** and the **Llahuin Project** are located in the Coquimbo region of Central Chile. Both Projects are being developed in partnership with Lundin Mining Corporation (TSE: LUN) ("Lundin Mining") within the lower Coastal Cordillera.

Los Rulos and Llahuin are respectively 35km and 55km from the coast and the Pan American Highway at low to moderate elevations (<1,500m). Southern Hemisphere and Lundin Mining have jointly sought to build a significant concession position for exploration in the Coquimbo region and currently have rights or option agreements over ~14km² at Llahuin and ~45km² at Los Rulos.

Figure 1: Concession holding and main prospects within the Coquimbo region, Chile



Los Rulos Copper-Gold Project (~270km north of Santiago)

On November 13 2013, the Company entered into a 50/50 Joint Venture with Lundin Mining ("Los Rulos Joint Venture") which acquired an interest in two prospects (Armandino and Polvareda 2, together the "Prospects") within the Los Rulos area. A 50/50 (Lundin Mining/Southern Hemisphere) joint venture company ("Minera Los Rulos") was incorporated to hold the Prospects. In addition to the Prospects under option, the Los Rulos Joint Venture has also pegged properties in its own right, in particular securing the El Che Prospect.

During the quarter, the Los Rulos Joint Venture completed six scout diamond holes: two at the Polvareda 2 Prospect and four at the Armandino Prospect. This initial program is the first stage of a 4,000m drilling campaign approved by the Los Rulos Joint Venture Technical Committee.

Table 1: Initial Scout Drill Program Hole Locations – Los Rulos Project

Drill-hole ID	Sector	X	Y	Elevation (m)	Azimuth	Angle	Length from surface (m)
DDH P2-001	Polvareda 2	287280	6546153	1210	85	-50	275
DDH P2-002	Polvareda 2	287135	6546300	1127	90	-55	152
DDH AR-001	Armandino	287425	6537295	835	90	-70	175
DDH AR-002	Armandino	287496	6537097	771	90	-60	270
DDH AR-003	Armandino	287386	6537084	796	85	-60	210
DDH AR-004	Armandino	287482	6536920	832	90	-60	248
Total metres							1330



Figure 2: Photo of DDH P2-001 at 110.85m: Garnet skarn with strong epidotic retrograde magnetite / chalcopyrite / pyrite.

The first six drill holes demonstrate the presence of a large IOCG system with concentrations of copper, gold, and anomalous zinc. The system is the product of intense metasomatism which has highly altered the original texture of the rocks.

This complex geological event presents opportunities for high grade mineralisation but also challenges in terms of the presence of numerous folds and faults which make targeting of the mineralised units difficult.

In order to ensure that future drill holes are targeted optimally, drilling was paused by agreement with the drilling contractor at no charge, to allow for detailed interpretation of the results.

Negotiations continued for the acquisition of a property adjacent to Polvareda 2, Polvareda 1. Although terms have been agreed, the final form of agreement is still an outstanding issue with the vendor.

• **Polvareda 2 Prospect**

The Polvareda 2 Prospect is located 26 km west of Combarbala at 1,000m elevation.

Two diamond drill holes were completed at the Polvareda 2 Prospect during the Quarter. For more information on the scout drilling program, refer to the News Release dated September 3, 2014.

Drilling re-commenced at the Polvareda 2 Prospect on October 16, 2014.

The first drill hole will test the interpretation of the two scout drilling results at Polvareda 2 which indicated an epidotic skarn unit dipping to the east. The dip to the east was untested by the scout holes as it was obscured by the highly altered state of the rocks and feeder systems.



Figure 3: Photo of DDH P2-003 (Polvareda 2) at 41.5m: Clear indications of mineralisation in drill hole 1 of the re-commenced program.

This first drill hole laboratory analysis results are expected in early November 2014.

- **Armandino Prospect**

The Armandino Prospect is located 26 km south west of Combarbala at 700m elevation.

Four diamond drill holes were completed at the Armandino Prospect during the Quarter. For more information on the scout drilling program, refer to the News Release dated September 3, 2014.

More holes are planned at this Prospect once the drill rig achieves its targets at Polvareda 2.

- **Other Prospects**

The Los Rulos Project consists of a number of other concession areas including El Che which are the subject of initial exploration activity.

During the latter part of the last Quarter, further preferences were gained over concessions within the Los Rulos area expanding the Los Rulos Joint Venture's footprint from 24km² to 45km².

Llahuin Copper-Gold Project (~250km north of Santiago)

Twenty kilometres to the south-east of the Los Rulos Project lies the Llahuin Project, also the subject of a farm-in arrangement with Lundin Mining.

The Company has previously announced a JORC compliant resource for the Llahuin Project, which was based on 54,520m of drilling. Refer News Release dated July 3, 2013.

The Company submitted an Environmental application to allow for further drilling which was approved during March 2014. The joint venture is now reviewing adjacent higher-grade satellite opportunities which could add higher grade feed to the overall Llahuin resource.

Acquisitions and exploration in this area fall under the original Lundin Llahuin Farm-in Arrangement and, under this arrangement, related exploration expenditure would be sole funded by Lundin Mining.

Other Projects

- ***Chitigua Project***

The Chitigua Copper Project is located on the highly prospective Western Fault, north of Chuquicamata between the El Abra mine and the Quebrada Blanca mine. This metallogenic zone includes the Escondida mine.

The Chitigua concessions cover an area of approximately 172 square kilometres and are located 270km north east of Antofagasta city and 90km north of the city of Calama, an established mining town.

Due to the size of the Project and the associated high exploration costs, the Company sought expressions of interest from major companies for a joint venture and entered into a farm-in option agreement with Anglo American, who have since withdrawn from the agreement having completed a 3,475m drilling campaign. The Company is in negotiations with a Tier 1 mining company for a new farm-out arrangement.

- ***El Arrayan Copper Project and Juan Soldado (Romerai) Copper Project***

The El Arrayan Copper Project is located in Region IV of central-northern Chile, 470km north of Santiago and 37km southeast from the regional capital city of La Serena. The Company drilled the Project in 2011 identifying good copper oxide potential.

The Juan Soldado Project Copper Project is also located in Region IV, 20km north of La Serena. Minimal work has been performed on this Project to date.

The Company has signed a non-binding letter of intent for a farm-in arrangement with a Chilean government backed FENIX venture capital fund which would see 2,500m of drilling completed at El Arrayan and 1,500m completed at Juan Soldado. The fund is currently conducting due diligence on the Projects, results of which are expected late in the calendar year.

- ***Rincon Copper Project***

The Rincon Copper Project is located approximately 240km north of Santiago near to Antofagasta's flagship Los Pelambres mine. Notably, Los Pelambres has production of more than 400,000 tonnes of copper per annum and Ore Reserves of 1,433.2 million tonnes @ 0.61% copper and 0.04 g/t gold.

The Rincon area, identified via spectral imaging was pegged with non-preferential concessions by the Company. Seemingly, as the result of an administrative error (by the then preferential holder) the Company's non-preferential concessions crystallised and now the Company is the preferential holder.

The Company has received a sizable proposal from a Chilean government backed FENIX venture capital fund (for clarity, a different fund to the party with an agreement on El Arrayan and Juan Soldado) with respect to an optioned sale of the Project. The fund is currently conducting due diligence on the Project and a resolution is expected late in the calendar year.

Future Developments

The main focus of the Company will be to work with Lundin Mining to advance the Los Rulos and Llahuin Projects and jointly explore and acquire additional copper-gold prospective areas within the Coquimbo region. The Company will attempt to farm-out or otherwise deal with its other prospective concession holdings and in this regard, multiple deals are expected to be executed in the coming months.

Competent Person / Qualified Person Statement

The information in this report that relates to copper and gold Exploration Results for the Los Rulos, Llahuin, Chitigua, Juan Soldado, Rincon and El Arrayan Projects is based on information compiled by Mr Trevor Tennant, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Tennant has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Tennant is a full time employee and Managing Director of the Company and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. For further information, please refer to the Technical Reports and News Releases on the Company's website at www.shmining.com.au.

Concession (tenement) Holdings

During the Quarter, there were minimal changes to the Company's concession holdings.

Relinquishments are detailed in section 6.2 of the attached Appendix 5B.

As at September 30, 2014, the Company held a total 379 concessions within 15 defined Projects. Arenas de Sur, Belen, Carboneras, Chitigua, El Arrayan, Las Santas, Los Pumas, Mantos Grandes, Meteoritica, Rincon, Romeral, San Jose, and Santa Gracia are 100% held by the Company via its subsidiaries.

The Llahuin Project is subject to a farm-in arrangement under which Lundin Mining can earn up to 75% equity in Minera Llahuin SCM (Company subsidiary which holds the Llahuin Project concessions). To date, Lundin Mining has earned a deemed interest of 25%, meaning that the Company beneficially holds 75% of the Llahuin Project.

The Los Rulos Project is subject to a 50/50 joint venture arrangement with Lundin Mining. The Company beneficially holds 50% of this Project via a 50% holding in JV company Minera Los Rulos. As well as concessions, Minera Los Rulos holds option arrangements to move to 100% ownership of the Armandino Prospect and a share purchase option arrangement to move to 100% equity in the company which holds the Polvareda 2 Prospect.

The concessions held or under option* and their locations are set out below:

Arenas del Sur (Chanco, Chile)	Chitigua (Calama, Chile)	Chitigua (Calama, Chile)
CONTI II 1	CHITIGUA 16, 1 AL 6	LEO B
CONTI II 2	CHITIGUA 18, 1 AL 200	LEO C
CONTI II 3	CHITIGUA 19, 1 AL 40	LEO II 1
Belen (Putre, Chile)	CHITIGUA 2, 1 al 30	LEO II 10
BELEN 1, 1 AL 10	CHITIGUA 25, 1 AL 45	LEO II 11
BELEN 2, 1 AL 20	CHITIGUA 25, 46 AL 90	LEO II 12
BELEN 3, 1 AL 30	CHITIGUA 26, 1 AL 60	LEO II 13
BELEN 4, 1 /20	CHITIGUA 27 1 AL 60	LEO II 14
BELEN 5, 1 /20	CHITIGUA 30, 1 AL 45	LEO II 15
BELEN 6, 1 /20	CHITIGUA 30, 46 AL 90	LEO II 16
BELEN II 7	CHITIGUA 31, 1 AL 60	LEO II 17
BELEN II 8	CHITIGUA 32, 1 AL 60	LEO II 18
BELEN II 9	CHITIGUA 34, 1 AL 30	LEO II 19
BELEN II 10	CHITIGUA 4, 1 AL 75	LEO II 2
BELEN II, 1 AL 10	CHITIGUA 4, 76 AL 135	LEO II 20
BELEN II, 11 AL 20	CHITIGUA 7, 1 AL 50	LEO II 21
Carboneras (Maria Elena, Chile)	CHITIGUA 8, 1 AL 120	LEO II 22
CARBONERA 19	CHITIGUA ESTE 1	LEO II 23
CARBONERA 20	CHITIGUA SUR ESTE 1 AL 5	LEO II 24
CARBONERA 21	DANIELA 1 AL 6	LEO II 25
CARBONERA 22	ESTE 11, 1 AL 10	LEO II 26
CARBONERA 23	ESTE 21, 1 AL 20	LEO II 27
CARBONERA 24	ESTE 22, 1 AL 20	LEO II 28
CARBONERA 25	LEO 1 , 1 al 30	LEO II 29
CARBONERA 26	LEO 19, 1 AL 30	LEO II 3
CARBONERA 27	LEO 28	LEO II 30
CARBONERA 28	LEO 29	LEO II 31
Chitigua (Calama, Chile)	LEO 30	LEO II 32
CHITIGUA 1, 1al 30	LEO A	LEO II 33

Chitigua (Calama, Chile)	El Arrayan (Vicuna, Chile)	Llahuin, Combarbala, Chile
LEO II 34	SAN JAMES 7, 1/ 100	COLINA 11
LEO II 35	SAN JAMES 8, 1/ 20	COLINA 2, 1 al 30
LEO II 36	SAN JAMES 9, 1/ 15	COLINA 7
LEO II 37	SAN JORGE CINCO 1 AL 11	COLINA 8
LEO II 38	SAN JORGE CUATRO 1 AL 60	EL ESPINO 1
LEO II 39	SAN JORGE TRES 1 AL 36	EL ESPINO 1 al 10
LEO II 4	SAN JORGE UNO 1 AL 12	EL ESPINO 11
LEO II 40	SAN JOSE DOS 1 AL 17	EL ESPINO 12
LEO II 41	SAN JOSE II TRES	EL ESPINO 13
LEO II 42	SAN JOSE TRES 1 AL 54	EL ESPINO 14
LEO II 43	SAN JOSE UNO 1 AL 23	EL ESPINO 15
LEO II 44	SAN TREVOR 1, 1/300	EL ESPINO 2
LEO II 45	SAN TREVOR 10, 1/75	EL ESPINO 3
LEO II 46	SAN TREVOR 10, 151/225	EL ESPINO 4
LEO II 47	SAN TREVOR 10, 76/150	EL ESPINO 5
LEO II 48	SAN TREVOR 2, 1/300	EL ESPINO 6
LEO II 49	SAN TREVOR 3, 1/150	EL ESPINO 7
LEO II 5	SAN TREVOR 3, 151/300	EL ESPINO 8
LEO II 50	SAN TREVOR 4, 1/150	EL ESPINO 9
LEO II 51	SAN TREVOR 4, 151/300	PACLAS 2
LEO II 52	SAN TREVOR 5, 1/300	PACLAS 3
LEO II 53	SAN TREVOR 6, 1/250	Los Pumas (Putre, Chile)
LEO II 54	SAN TREVOR 7, 1/60	AWAHOU 1 AL 20
LEO II 55	SAN TREVOR 8, 1/60	EMANUEL 1 AL 20
LEO II 56	SAN TREVOR 9, 1/60	LLUTA I 1 AL 54
LEO II 57	SIMON 1 AL 5	LLUTA II 1 AL 285
LEO II 58	SIMON II 1	MG 1
LEO II 59	SUSAN 1 1/ 60	MG 10
LEO II 6	SUSAN 2 1/ 60	MG 11
LEO II 60	SUSAN 3 1/ 25	MG 12
LEO II 61	SUSAN 4 1/ 40	MG 13
LEO II 62	Las Santas (Salamanca, Chile)	MG 14
LEO II 63	SANTA ANA 26	MG 15
LEO II 64	SANTA ANA 1 AL 60	MG 16
LEO II 65	SANTA ANA II 11	MG 17
LEO II 66	SANTA ANA II 9	MG 18
LEO II 7	SANTA CAMILA 1 AL 27	MG 19
LEO II 8	SANTA CLARITA 1 AL 40	MG 2
LEO II 9	SANTA INÉS 1 AL 40	MG 20
El Arrayan (Vicuna, Chile)	SANTA MACARENA 1 AL 40	MG 21
SAN ALFONSO CUATRO 1 AL 50	SANTA NATALIA 1 AL 40	MG 22
SAN ALFONSO II CUATRO	SANTA SANDRA 1 AL 40	MG 23
SAN ALFONSO TRES 1 AL 36	SANTA XIMENA 1 AL 60	MG 3
SAN JAMES 1, 1/ 100	Llahuin, Combarbala, Chile	MG 4
SAN JAMES 1, 101/ 200	AMAPOLA 1 1 AL 20	MG 5
SAN JAMES 10, 1/ 24	AMAPOLA 2 1 AL 20	MG 6
SAN JAMES 11, 1/6	AMAPOLA 3 1 AL 20	MG 9
SAN JAMES 2, 1/ 60	AMAPOLA 4 1 AL 20	PASCUALA 1 B
SAN JAMES 2, 61/200	AMAPOLA I, 1 AL 300	PASCUALA 2 B
SAN JAMES 3, 1/ 200	AMAPOLA II, 1 AL 300	PASCUALA 3 B
SAN JAMES 4, 1/ 300	AMAPOLA III	PASCUALA 4 B
SAN JAMES 5, 1/ 300	AMAPOLA IV	PASCUALA 5 B
SAN JAMES 6, 1/ 30	COLINA 10	PASCUALA 6 B

Los Pumas (Putre, Chile)	Los Rulos, Canela, Chile	Mantos Grandes, Monte Patria, Chile
PUMA NORTE 2, 1 al 30	RULOS SUR 12	MANTOS GRANDES 1 AL 11
PUMA NORTE B 1	RULOS SUR 2	MANTOS II 16
PUMA NORTE B 2	RULOS SUR 3	MANTOS II 17
PUMA NORTE B 3	RULOS SUR 4	MANTOS II 18
PUMA NORTE B 4	RULOS SUR 5	MANTOS II 2
PUMA NORTE B 5	RULOS SUR 6	MANTOS II 21
PUMA NORTE B 6	RULOS SUR 7	MANTOS II 24
PUTRE 5, 1 AL 10	RULOS SUR 8	
PUTRE 6, 1 AL 20	RULOS SUR 9	Meteorítica (Maria Elena, Chile)
PUTRE I 1 AL 20	Los Rulos, Option Agreements*	IRON 10
PUTRE II 1 AL 20	ARMANDIÑO 1 AL 20	IRON 5, 1 al 60
Los Rulos, Canela, Chile	POLVAREDA SEGUNDA 1 AL 48	IRON 7
COLIHUE 1	Mantos Grandes, Monte Patria, Chile	IRON 8
COLIHUE 10	FUTURO 5, 1 AL 60	IRON 8, 1 AL 20
COLIHUE 11	LA ESCONDIDA 1 AL 20	IRON 9
COLIHUE 12	MANTIS 1	JOYA 1, 1 al 60
COLIHUE 13	MANTIS 10	JOYA 2, 1 al 60
COLIHUE 14	MANTIS 11	Rincon (Salamanca, Chile)
COLIHUE 15	MANTIS 12	RINCÓN 1
COLIHUE 16	MANTIS 13	RINCÓN 10
COLIHUE 17	MANTIS 2	RINCÓN 11
COLIHUE 18	MANTIS 3	RINCÓN 12
COLIHUE 19	MANTIS 4	RINCÓN 13
COLIHUE 2	MANTIS 5	RINCÓN 14
COLIHUE 20	MANTIS 6	RINCÓN 2
COLIHUE 21	MANTIS 7	RINCÓN 3
COLIHUE 22	MANTIS 8	RINCÓN 4
COLIHUE 23	MANTIS 9	RINCÓN 5
COLIHUE 24	MANTIS II 4	RINCÓN 6
COLIHUE 25	MANTOS 1, 1 AL 10	RINCÓN 7
COLIHUE 26	MANTOS 10, 1 AL 136	RINCÓN 8
COLIHUE 3	MANTOS 11, 1 AL 51	RINCÓN 9
COLIHUE 4	MANTOS 12, 1 AL 268	Romeral (La Higuera, Chile)
COLIHUE 5	MANTOS 13, 1 AL 100	SOLDADO 1
COLIHUE 6	MANTOS 14 II	SOLDADO 1, 1 al 20
COLIHUE 7	MANTOS 15 II	SOLDADO 2
COLIHUE 8	MANTOS 16	SOLDADO 3
COLIHUE 9	MANTOS 17	SOLDADO 4
COLINA 9	MANTOS 2, 1 AL 20	San Jose (Coihueco, Chile)
GRANADO 1	MANTOS 21 1/20	BASILIO 1 AL 60
GRANADO 2	MANTOS 21, 21/ 30	EDUARDO 1 AL 60
GRANADO 3	MANTOS 22, 1/ 20	LEYLA 1 AL 60
GRANADO 4	MANTOS 3, 1 AL 20	STEPHEN
LOS RULO 3	MANTOS 4, 1 AL 20	TERESA 1 AL 60
LOS RULOS 1	MANTOS 5, 1 AL 20	Santa Gracia (La Serena, Chile)
LOS RULOS 2	MANTOS 6, 1 AL 30	CUYANA 1 AL 5
PACLAS 1	MANTOS 7, 1 AL 178	LAS PERDICES 10
RULOS SUR 1	MANTOS 8, 1 AL 95	LEONOR 2
RULOS SUR 10	MANTOS 9, 1 AL 30	SAN SEBASTIAN 1 AL 5
RULOS SUR 11	MANTOS CHICOS 1 AL 20	

Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

SOUTHERN HEMISPHERE MINING LIMITED

ABN

17 140 494 784

Quarter ended ("current quarter")

30 September 2014

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation	(355)	(355)
(b) development		
(c) production		
(d) administration	(449)	(449)
(net of administration fees received)		
1.3 Dividends received	26	26
1.4 Interest and other items of a similar nature received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(778)	(778)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments		
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments		
(c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(778)	(778)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(778)	(778)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(778)	(778)
1.20	Cash at beginning of quarter/year to date	2,268	2,268
1.21	Exchange rate adjustments to item 1.20	(7)	(7)
1.22	Cash at end of quarter	1,483	1,483

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

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	163
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Payments made for director's fees, salaries and superannuation.	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Expenditure of ~\$355k was incurred by Lundin Mining for the 50/50 Los Rulos Joint Venture Project.

(This item are not reflected in the amount at 1.2(a) above)

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	300
4.2 Development	-
4.3 Production	-
4.4 Administration (net of administration fees received)	300
Total	600

Reconciliation of cash

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

	Current quarter \$A'000	Previous quarter* \$A'000
5.1 Cash on hand and at bank	1,483	1,768
5.2 Deposits at call	-	500
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,483	2,268
*note previous quarter was reported in USD. These values have been re-stated in AUD.		

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	<u>Lapsed</u> Los Pumas (Putre, Chile)	6 exploration concessions (covered by new concessions)	100%	-
	Carboneras (Maria Elena, Chile)	3 exploration concessions (covered by new concessions)	100%	-
	Mantos Grandes, (Monte Patria, Chile)	3 exploration concessions (covered by new concessions)	100%	-
	Los Rulos (Canela, Chile)	Guayacan option agreement	Earn up to 100%	-
6.2 Interests in mining tenements and petroleum tenements acquired or increased	San Jose (Coihueco, Chile)	1 mining (exploitation) concession	-	100%

Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference ⁺securities (description)	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 ⁺Ordinary securities	248,532,950	248,532,950	-	-
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 ⁺Convertible debt securities (description)	-	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	3,650,000 37,820,208	- 37,820,208	Exercise price 21 cents 4.5 cents	Expiry date 31 December 2014 7 March 2016
7.8 Issued during quarter	-	-	-	-

+ See chapter 19 for defined terms.

7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	Debentures	-	-		
7.12	Unsecured notes	-	-		

Compliance statement

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

Sign here: 
(Company secretary)

Date: 29 October 2014

Print name: Derek Hall

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

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