

ASX Announcement

30 January 2023

**QUARTERLY ACTIVITY REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2022**

Southern Hemisphere Mining Limited (“Southern Hemisphere” or “the Company”) reports the quarterly activity report for the period ended 31 December 2022.

EXPLORATION ACTIVITIES

During the quarter under review, the Company’s team of Geologists continued the extensive task of re-logging and re-interpretation of the geological system at the Llahuin Copper/Gold/Moly Project, following the results of over 20km of historical diamond core.

The geological re-interpretation work shows scale, as a substantial structurally controlled porphyry/breccia system is evident across the whole central deposit, which may continue across the other two deposits Cerro De Oro and Ferrocarril.

This is why, whilst the re-interpretation work is extensive and a significant process, it is extremely important and considered a positive for the Llahuin Project, as it will add to the ability to scale up on open pit and deeper underground targets to materially add to the copper endowment of the project.

A best result of 440m at 0.75% CuEq (inc 208m at 1.2% CuEq from 2m depth) was previously intersected in drillhole DDLLA021 at the Central Porphyry.

Rockchips at Colina2 show many high grade copper oxide targets with a best result of 3.04% Cu (3.88% CuEq) and 9.2g/t Ag in the northwest of the project area.

The Llahuin and Colina2 Projects sit within the newly recognised NW metallogenic domain which also hosts the giant Los Pelambres Copper Mine (Figure 1).

[\(Refer ASX Announcement dated 4 October 2022, Llahuin Copper/Gold/Moly 680kt CuEq deposit – Chile – Geological Re-Interpretation Shows Scale\).](#)

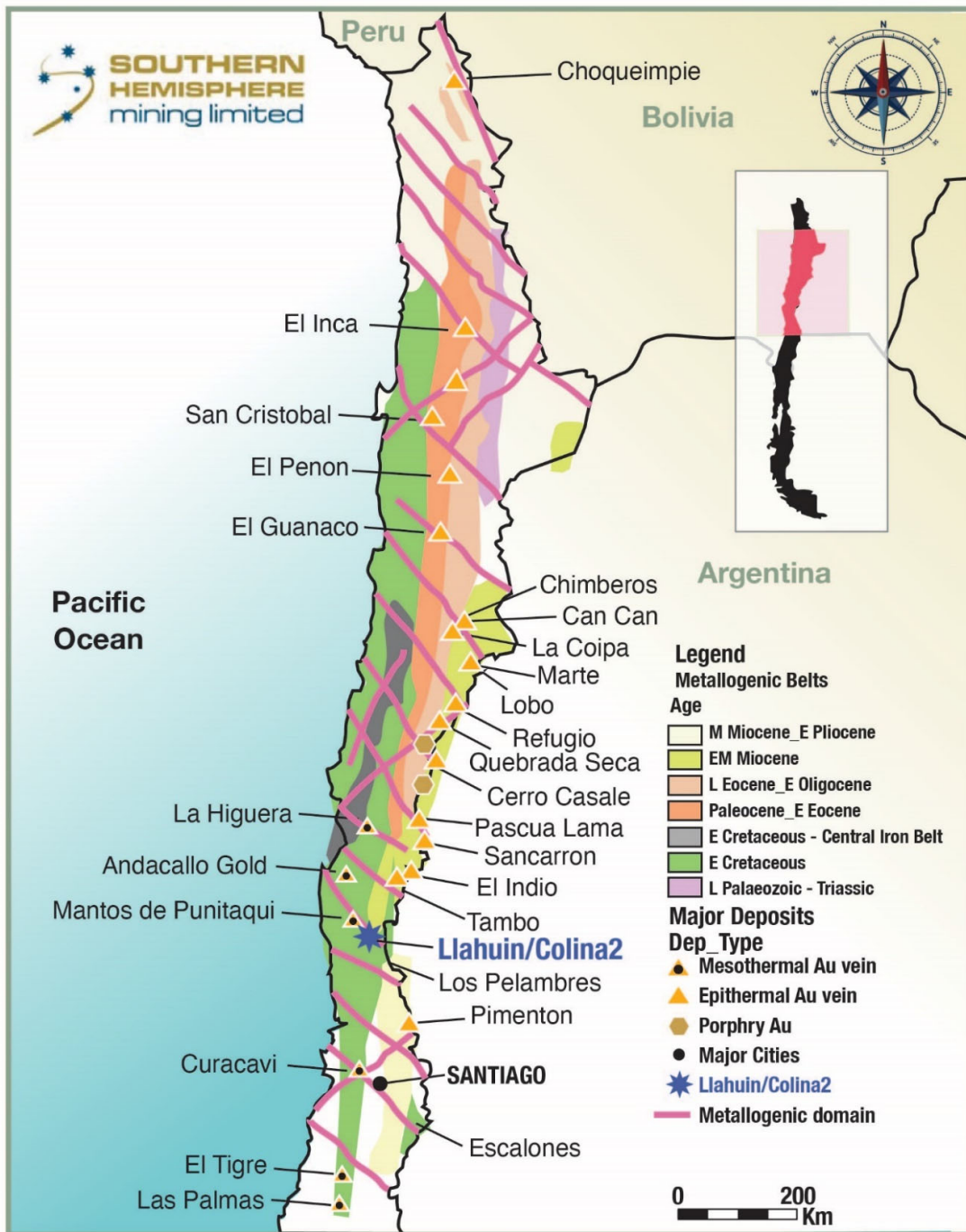


Figure 1. Llahuin/Colina2 Chile Location Map showing Metallogenic Domains.

On 8 November 2022, the Company reported a substantial 1.9km long copper in soil anomaly (+800ppm Cu) identified along the Cerro-Ferro trend, interpreted as one large system, which indicated width of 200m to 300m with a peak value of 1.4% Cu.

[\(Refer ASX Announcement – New 1.9km long target at large Llahuin Copper Project – Chile\).](#)

On 29 November 2022, the Company reported a substantial copper in soil anomaly identified in the Southern part of the Llahuin Project with a peak value of 0.19% Cu.

The anomaly has a similar footprint to the Central Porphyry which has not been previously drilled.

[\(Refer ASX Announcement – New Copper in Soil Anomaly – Llahuin Project\).](#)

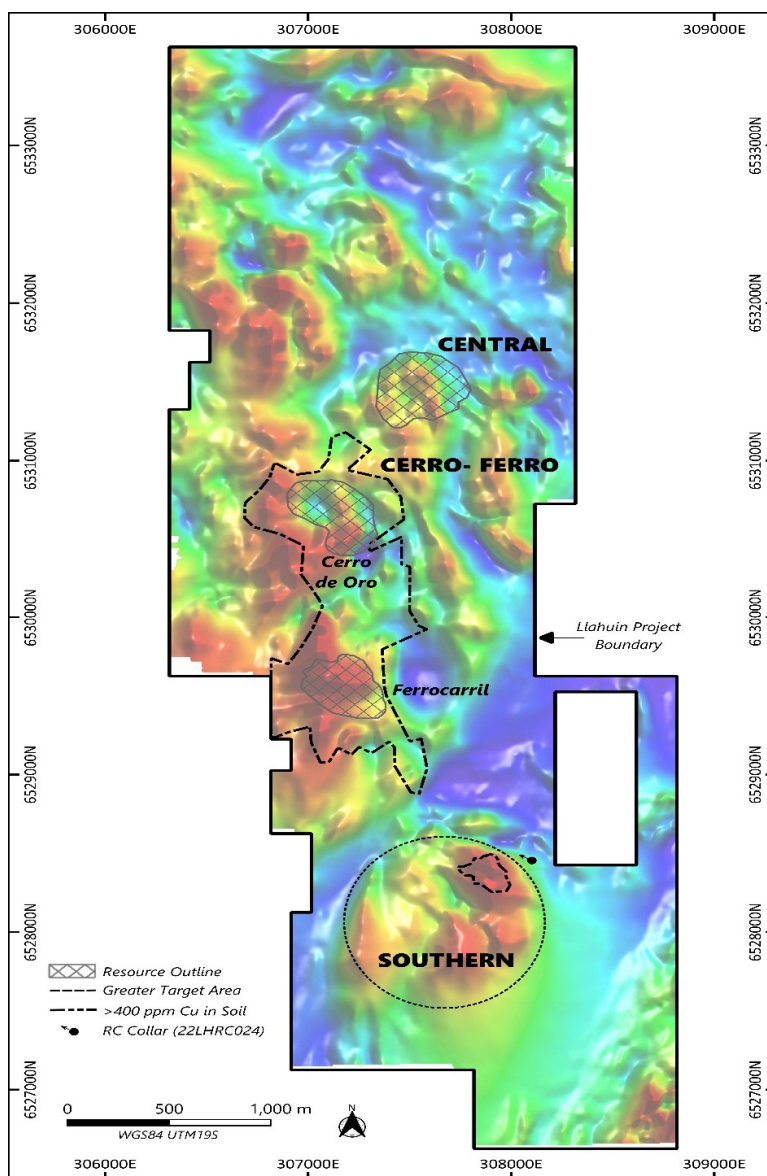


Figure 2. the Central and Southern parts of the Llahuin Project with the Cerro & Ferro deposits.

CORPORATE ACTIVITIES

The Company completed a non-renounceable pro-rata entitlement offer to eligible shareholders raising \$2,026,172 before costs via the issue of 135,078,155 fully paid ordinary shares at an issue price of \$0.015 per share.

Of the \$2,026,172 raised, an amount of \$1,818,821 was received in cash (\$150,000 was received subsequent to the end of the quarter). Creditors amounting to \$207,351 were issued fully paid ordinary shares under the entitlement offer pursuant to Section 8.10 of the Prospectus.

Payments to related parties during the quarter totalled \$8,737 which included superannuation, GST on consulting fees and office lease.

133,567,174 fully paid ordinary shares at an issue price of \$0.015 per share under the entitlement offer, amounting to \$200,351 were issued to related parties for directors fees, repayment of borrowings (including interest), consulting fees and rental of equipment.

On 19 November 2022, the Company welcomed Mrs Natalie Dawson to the Board as a Non-Executive Director. Mrs Dawson has a highly accomplished skillset and experience and has been appointed to lead the Los Pumas Battery Manganese Project.

Approved by the Board of Directors

Keith Bowker

Company Secretary

cosec@shmining.com.au

Telephone: +61 8 6144 0590

CONTACTS:

For further information on this update or the Company generally, please visit our website at www.shmining.com.au or contact the Company.

COMPETENT PERSON / QUALIFIED PERSON STATEMENT:

The information in this report that relates to copper and gold exploration results for the Company's Projects is based on information compiled by Mr Adam Anderson, who is a Member of The Australasian Institute of Mining and Metallurgy and The Australian Institute of Geoscientists. Mr Anderson 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 Anderson is a consultant for 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.

BACKGROUND INFORMATION ON SOUTHERN HEMISPHERE MINING:

Southern Hemisphere Mining Limited is an experienced minerals explorer in Chile, South America.

Chile is 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 projects include the Llahuin Copper-Gold Project, Colina2 Gold Project, and the Los Pumas Manganese Project all of which were discovered by the Company.

Tenement List

Project	Tenement	Interest Acquired during the Qtr	Interest Disposed of during the Qtr	Interest Held at the end of the Qtr
Llahuin	AMAPOLA 1 1 AL 20	-	-	100%
Llahuin	AMAPOLA 2 1 AL 20	-	-	100%
Llahuin	AMAPOLA 3 1 AL 20	-	-	100%
Llahuin	AMAPOLA 4 1 AL 20 - RED 1/18	-	-	100%
Llahuin	AMAPOLA I 1 AL 228	-	-	100%
Llahuin	AMAPOLA II 1 AL 256	-	-	100%
Los Pumas	AWAHOU 1 AL 20	-	-	100%
Los Pumas	EMANUEL 1 AL 20	-	-	100%
Los Pumas	LLUTA I 1 AL 60 RED 1/54	-	-	100%
Los Pumas	LLUTA II 1 AL 300 RED 1/285	-	-	100%
Los Pumas	PUTRE 6, 1 AL 20 RED 1/11	-	-	100%
Los Pumas	PUTRE I 1 AL 20	-	-	100%
Los Pumas	PUTRE II 1 AL 20	-	-	100%
Colina	COLINA 2 1 AL 30	-	-	100%
Colina	COLINA A01	-	-	100%
Colina	COLINA A02	-	-	100%
Colina	COLINA A03	-	-	100%
Colina	COLINA A04	-	-	100%
Colina	COLINA A05	-	-	100%
Colina	COLINA A06	-	-	100%
Colina	COLINA A07	-	-	100%
Colina	COLINA A08	-	-	100%
Colina	COLINA A09	-	-	100%
Colina	COLINA A10	-	-	100%
Colina	COLINA A11	-	-	100%
Colina	COLINA A12	-	-	100%
Colina	COLINA A13	-	-	100%

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

SOUTHERN HEMISPHERE MINING LIMITED

ABN

17 140 494 784

Quarter ended ("current quarter")

31 DECEMBER 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(472)	(1,149)
(b) development	-	-
(c) production	-	-
(d) staff costs	(8)	(38)
(e) administration and corporate costs	(71)	(170)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(551)	(1,357)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	1,669	2,549
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(3)	(26)
3.5 Proceeds from borrowings	143	143
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	1,809	2,666

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	215	161
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(551)	(1,357)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,809	2,666

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	2	5
4.6	Cash and cash equivalents at end of period	1,475	1,475

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,460	200
5.2	Call deposits	15	15
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,475	215

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	8
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments..

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(551)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(551)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,475
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,475
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.68
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 January 2023

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.