

ASX RELEASE

MARCH 16, 2017



Half Year Report

Southern Hemisphere Mining Limited

ACN 140 494 784

December 31, 2016



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

AUSTRALIAN OFFICE
Level 18, Alluvion
58 Mounts Bay Road
Perth WA 6000
TEL: +61 8 94881412

CHILEAN OFFICE
Minera Hemisferio Sur SCM
Napoleón 3565 Oficina 911
Las Condes, Santiago
TEL: +56 2 474 5071

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In this Half Year Report all amounts are stated in Australian dollars unless otherwise indicated.

The Directors submit herewith the financial report of Southern Hemisphere Mining Limited ("Company") and its subsidiaries (the "Group") for the half year ended December 31, 2016.

Directors

The names of the directors of the Company during or since the end of the half-year are:

Mr Douglas Young

Mr Trevor Tennant

Mr Brian Beresford

Principal Activities

During the half year, the Consolidated Entity was involved in mineral exploration in Chile, South America.

Review of Operations

During the half year ended December 31, 2016, the Group incurred a loss of \$225,106 (half year December 31, 2015: loss of \$605,384).

All of the Group's Projects are in Chile and its exploration activities are managed from its Santiago office. During the six month period, the Company focussed on marketing the Llahuin Copper-Gold Project to interested parties. This process is ongoing.

During the period, the Company continued to reduce its administrative costs and review its concession position for potential savings, this included the disposal of the subsidiaries Minera Mantos Grandes and Minera Los Rulos.

Events subsequent to reporting date

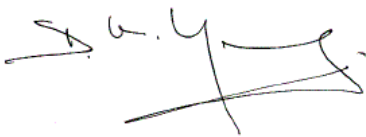
There have been no events subsequent to the reporting date that are expected to have a material impact on the financial position or performance of the Group.

Auditor's independence declaration

The Auditor of the Company, RSM Australia Partners has provided a written declaration of their independence to the Board under the Corporations Act 2001 and this is included within this report.

Signed in accordance with a resolution of the directors made pursuant to s.306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



Douglas Young, Non-Executive Chairman
March 16, 2017

RSM Australia Partners

8 St Georges Terrace Perth WA 6000

GPO Box R1253 Perth WA 6844

T +61 (0) 8 92619100

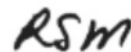
F +61 (0) 8 92619111

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Southern Hemisphere Mining Limited for the half year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS



D J WALL
Partner

Perth, WA
Dated: 16 March 2017



RSM Australia Partners

8 St Georges Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 92619100

F +61 (0) 8 92619111

www.rsm.com.au

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
SOUTHERN HEMISPHERE MINING LIMITED**

We have reviewed the accompanying half-year financial report of Southern Hemisphere Mining Limited, which comprises the statement of financial position as at 31 December 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Southern Hemisphere Mining Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Southern Hemisphere Mining Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Southern Hemisphere Mining Limited is not in accordance with the *Corporations Act 2001* including:

- (a) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (b) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

RSM

RSM AUSTRALIA PARTNERS



D J WALL
Partner

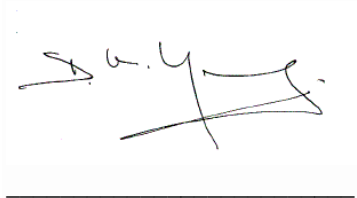
Perth, WA
Dated: 16 March 2017

The Directors of the Company declare that:

- a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards AASB 134: *Interim Financial Reporting* and giving a true and fair view of the financial position as at 31 December 2016 and its performance for the financial half-year ended on that date of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Douglas Young, Non-Executive Chairman
March 16, 2017

Southern Hemisphere Mining Limited
Statement of profit or loss and other comprehensive income
For the Half Year ended December 31, 2016

(Expressed in Australian Dollars)

	Note	Consolidated December 31, 2016 \$	Consolidated December 31, 2015 \$
Continuing operations			
Interest income		2,061	1,655
Other income		79,086	14,218
Gain on disposal of subsidiaries	3	39,849	-
Depreciation		(12,044)	(14,614)
Office and administration		(65,334)	(93,071)
Professional fees		(59,212)	(16,550)
Employee benefits expense		(47,702)	(397,654)
Exploration and evaluation related expenditure		(107,905)	-
Impairment expense (mineral properties)		-	(144,689)
Loss on disposal of fixed assets		(3,739)	-
Foreign exchange gain / (loss)		-	45,321
Other expenses		(50,166)	-
Loss before tax		(225,106)	(605,384)
Income taxes		-	-
Loss for the period		(225,106)	(605,384)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign operations		20,185	(901,771)
Total comprehensive (loss) income for the half year		(204,921)	(1,507,155)
Basic and diluted loss per share (cents)		(0.35)	(0.25)

To be read in conjunction with the notes to the consolidated financial statements.

Southern Hemisphere Mining Limited**Statement of financial position****As at December 31, 2016**

(Expressed in Australian Dollars)

	Note	Consolidated December 31, 2016 \$	Consolidated June 30, 2016 \$
Assets			
Current Assets			
Cash and cash equivalents		459,133	640,757
Other assets		-	3,383
		<u>459,133</u>	<u>644,140</u>
Non-current Assets			
Property, plant and equipment		2,581	19,263
		<u>2,581</u>	<u>19,263</u>
Total Assets		<u>461,714</u>	<u>663,403</u>
Liabilities			
Current Liabilities			
Trade and other payables		142,538	43,776
Employee benefits		1,270	96,800
		<u>143,808</u>	<u>140,576</u>
Total Liabilities		<u>143,808</u>	<u>140,576</u>
Net Assets		<u>317,906</u>	<u>522,827</u>
Equity			
Issued shares	4	49,752,841	49,752,841
Share based payments reserve		3,270,843	3,270,843
Foreign currency translation reserve		775,202	810,098
Accumulated losses		(53,480,980)	(53,310,955)
Total Equity		<u>317,906</u>	<u>522,827</u>

To be read in conjunction with the notes to the financial statements.

Southern Hemisphere Mining Limited
Statement of changes in equity
For the Half Year ended December 31, 2016
(Expressed in Australian Dollars)

Consolidated	Issued shares	Share based payments reserve	Foreign currency translation reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
Balance – June 30, 2015	48,391,579	3,270,843	1,212,572	(36,235,390)	16,639,604
Net loss for the period	-	-	-	(605,384)	(605,384)
Foreign currency translation	-	-	(901,771)	-	(901,771)
Total Comprehensive (loss) income	-	-	(901,771)	(605,384)	(1,507,155)
Transactions with owners in their capacity as owners					
Share issued, net of transaction costs	635,584	-	-	-	635,584
Balance – December 31, 2015	49,027,163	3,270,843	310,801	(36,840,774)	15,768,033
Balance – June 30, 2016	49,752,841	3,270,843	810,098	(53,310,955)	522,827
Net loss for the period	-	-	-	(225,106)	(225,106)
Foreign currency translation	-	-	20,185	-	20,185
Total Comprehensive (loss) income	-	-	20,185	(225,106)	(204,921)
Transactions with owners in their capacity as owners					
Adjustment for foreign exchange upon disposal of subsidiaries	-	-	(55,081)	55,081	-
Balance – December 31, 2016	49,752,841	3,270,843	775,202	(53,480,980)	317,906

To be read in conjunction with the notes to the financial statements.

Southern Hemisphere Mining Limited
Statement of cash flows
For the Half Year ended December 31, 2016

(Expressed in Australian Dollars)

	Consolidated December 31, 2016 \$	Consolidated December 31, 2015 \$
Operating activities		
Payments to suppliers and employees	(197,439)	(468,438)
Interest received	2,061	1,655
Net cash used in operating activities	(195,378)	(466,783)
Investing activities		
Payments for exploration and evaluation assets	(36,905)	(113,412)
Proceeds from disposal of subsidiaries	39,849	-
Proceeds from sale of tenements	7,930	-
Proceeds from property, plant and equipment (net)	2,880	3,908
Net cash provided by / (used) in investing activities	13,754	(109,504)
Financing activities		
Issue of shares	-	515,395
Costs of share issuance	-	(6,269)
Net cash provided by financing activities	-	509,126
Effect of exchange rates on cash and cash equivalents	-	3,173
Decrease in cash and equivalents	(181,624)	(63,988)
Cash and cash equivalents, beginning of period	640,757	92,349
Cash and cash equivalents, end of period	459,133	28,361

To be read in conjunction with the notes to the financial statements.

Southern Hemisphere Mining Limited
Notes to the consolidated financial statements
For the half year ended December 31, 2016

(Expressed in Australian Dollars)

1. GENERAL INFORMATION

Southern Hemisphere Mining Limited ("Southern Hemisphere" or the "Company") is a Company limited by shares incorporated and domiciled in Australia whose ordinary shares are publicly traded on the Australian Securities Exchange ("ASX"). The address of the registered office is Level 18 Alluvion, 58 Mounts Bay Road, Perth, Western Australia. The Group also maintains an office in Santiago, Chile.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The half year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The half year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report and any public announcements made by Southern Hemisphere Mining Limited and its controlled entities during the half year in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the ASX listing Rules.

Basis of preparation

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to the matters discussed below.

New and Revised Accounting Standards

In the half year ended December 31, 2016, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the annual reporting period beginning on or after 1 July 2016. The adoption of these new and revised Standards and Interpretations has not resulted in a significant or material change to the entity's accounting policies.

3. DISPOSAL OF SUBSIDIARY

During the half year, the Group disposed of the controlled entities, Minera Mantos Grandes and Minera Los Rulos. Aggregate details of this transaction are:

	December 31, 2016
	\$
Cash consideration – received	39,849
Carrying value of assets and liabilities held at disposal	-
Net gain on disposal of subsidiaries	<u>39,849</u>

Southern Hemisphere Mining Limited
Notes to the consolidated financial statements
For the half year ended December 31, 2016
(Expressed in Australian Dollars)

4. ISSUED CAPITAL

Fully paid ordinary shares

	Number of shares	\$
Balance, June 30, 2016	65,123,761	49,752,841
Balance, December 31, 2016	65,123,761	49,752,841

There were no ordinary shares issued by the company during the period ended 31 December, 2016.

There were no options over ordinary shares in the company during the period ended 31 December, 2016.

5. SEGMENT INFORMATION

The results and financial position of the Company's single operating segment, exploration activities in Chile, are prepared for the Board on a basis consistent with the AASBs, and thus no additional disclosures in relation to the revenues, profit or loss, assets and liabilities and other material items have been made.

6. SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs in future financial periods.

7. DIVIDENDS

There have been no dividends declared or recommended and no distributions made to shareholders or other persons during the period.

8. CONTINGENT LIABILITIES AND ASSETS

There has been no change in contingent liabilities or contingent assets since the last annual reporting date.