Southern Hemisphere Mining Limited

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Issued Capital:
71,636,137

Corporate Information:
ASX Code: SUH

ASX / Media Announcement **2 June 2017**

New Lithium Pegmatite swarms discovered at Marble Bar – East Pilbara.

HIGHLIGHTS

- **New Lithium bearing pegmatite swarms discovered at Marble Bar.**
- **Lithium bearing pegmatites swarms now identified over a 9 km strike in a 14 km2 area.**
- **In excess of 120 pegmatites now identified.**
- **187 rock and 112 soil samples submitted for assay and results will be reported as they become available.**

David Lenigas, Southern Hemisphere Mining's Chairman, said;

"This latest exploration programme at our new Lithium JV in Marble Bar has discovered an incredible number of new pegmatites in swarms over an extensive area. I look forward the reporting the assay results when they become available."

Southern Hemisphere Mining (ASX:SUH) ("SUH") is pleased to announce that it has identified a number of significant new Lithium bearing, spodumene and lepidolite mineralised pegmatites at its new Marble Bar Lithium Project Joint Venture. These new pegmatites extend the area of known mineralisation to 14 km2 and the total strike length to 9.0 km.

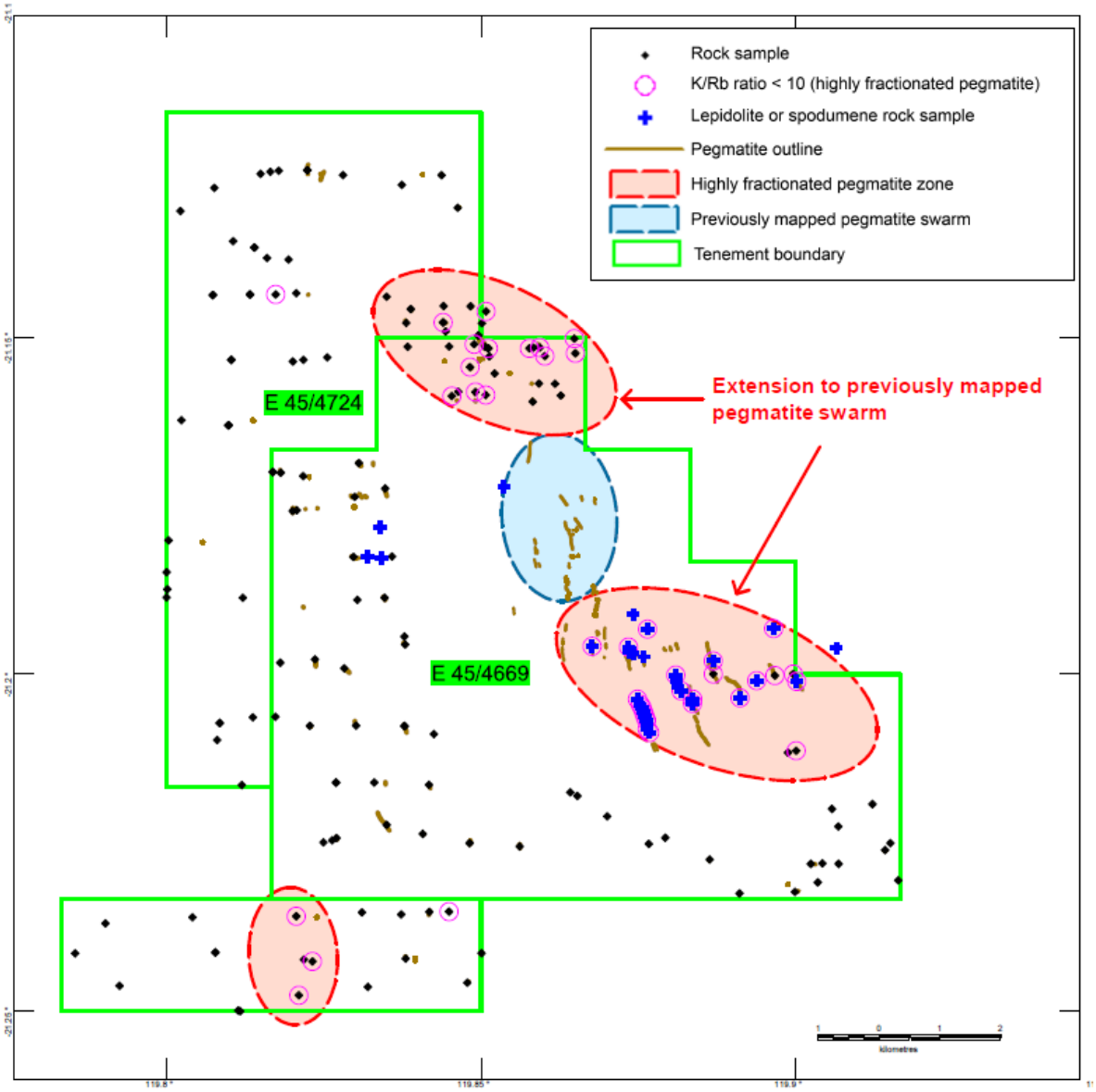
Following a two-week reconnaissance mapping program, covering the Marble Bar Lithium Project's tenements E45/4724 and E45/4669 (Figure 2), a number of samples from pegmatitic outcrops displayed significant lithium bearing signatures, as measured by handheld XRF, as well as visual confirmation of spodumene and lepidolite mineralisation. The previously identified pegmatite swarm was extended to the north and south by 6.3 km (Figure 1). Portable XRF results of the potassium-rubidium ratio (K/Rb) showed the pegmatites to be highly fractionated which is consistent with pegmatites that host lithium bearing minerals.

In addition, the reconnaissance program identified a new area covering 1.5 km in length where the K/Rb ratio indicates highly fractionated pegmatites (Figure 1). Further sampling is warranted across this area.

Sampling of previously mapped pegmatites confirmed lithium mineralisation with abundant spodumene and lepidolite observed. Measurement by portable XRF showed the pegmatites to be highly fractionated with 24 of 31 rock samples collected displaying K/Rb ratios less than 10 as well as highly anomalous values of indicator elements, rubidium and niobium.

A total of 187 rock and 112 soil samples have been dispatched to the laboratory for analysis and results will be reported as they become available.

Figure 1: Area of newly discovered mineralised pegmatites.



Marble Bar Lithium Project:

The Marble Bar Lithium project consists of four granted Exploration Licences (E45/4669, E45/4690, E45/4724 and E45/4746) covering 368km^2 located between 10 and 50kms east of Marble Bar in the East Pilbara region of Western Australia.

Marble Bar is located 200kms south east of Port Hedland and approximately 100kms east of the emerging world class Pilgangoora and Wodgina lithium province.

The Marble Bar project contains the first reported significant spodumene discovery in the East Pilbara outside of the Pilgangoora-Wodgina area and is the first discovery of spodumene-rich pegmatites within a granitic host rock.

On 2 May 2017[1], SUH signed agreements to jointly acquire 100% of both the Marble Bar Lithium Project and Pippingarra Lithium Project in Western Australia ("Projects") through a 50/50 joint venture with Macarthur Minerals Limited (TSXV:MMS) ("MMS") from Great Sandy Pty Ltd ('Great Sandy'), a private Australian company controlled by Denis O'Meara.

Figure 2: Marble Bar Lithium Project tenement geology and location map.

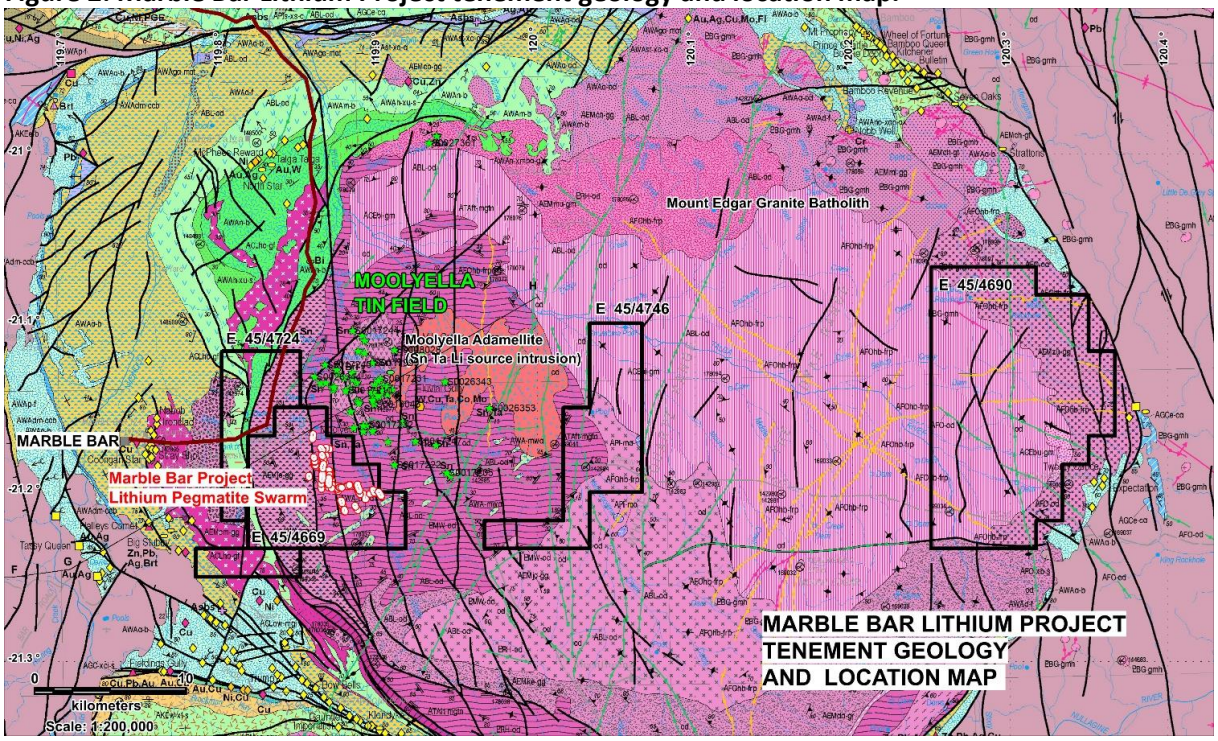


Figure 2: Marble Bar Lithium Project tenement geology and location map.

BACKGROUND INFORMATION ON SOUTHERN HEMISPHERE MINING:

Southern Hemisphere Mining Limited (ASX Code "SUH") is an experienced 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 on the Llahuin Porphyry Copper-Gold Project where the company has drilled up a significant Copper Gold resource and the Los Pumas Manganese Project.

CONTACTS:

For further information on this update or the Company generally, please visit our website at

www.shmining.com.au or contact:

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[1] Southern Hemisphere Mining Limited news release to ASX date 2 May 2017.

COMPETENT PERSON / QUALIFIED PERSON STATEMENT:

The information in this report is based on information compiled by Mr. Brian Richardson, a Competent Person, and who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Richardson is a consulting geologist to Great Sandy Pty Ltd, the owner and potential vendor of E45/4669. Mr Richardson is a financial beneficiary if Great Sandy Pty Ltd sells the tenement to the Macarthur Minerals and Southern Hemisphere Joint Venture.

Mr. Richardson has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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. Richardson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

FORWARD LOOKING STATEMENTS AND IMPORTANT NOTICE:

This report contains forecasts, projections and forward looking information. Although the Company believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions it can give no assurance that these will be achieved. Expectations, estimates and projections and information provided by the Company are not a guarantee of future performance and involve unknown risks and uncertainties, many of which are out of Southern Hemisphere Mining's control. Actual results and developments will almost certainly differ materially from those expressed or implied. Artemis has not audited or investigated the accuracy or completeness of the information, statements and opinions contained in this presentation. To the maximum extent permitted by applicable laws, Artemis makes no

representation and can give no assurance, guarantee or warranty, express or implied, as to, and takes no responsibility and assumes no liability for (1) the authenticity, validity, accuracy, suitability or

completeness of, or any errors in or omission from, any information, statement or opinion contained in this report and (2) without prejudice to the generality of the foregoing, the achievement or accuracy of any forecasts, projections or other forward looking information contained or referred to in this report.

Investors should make and rely upon their own enquiries before deciding to acquire or deal in the Company's securities.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• *Soils: Soil samples have been collected on a close spaced grid pattern (20m by 20m) over an area of known lithium mineralisation. The samples were collected as an orientation survey to determine the nature of any multi-element geochemical signature in the soils. Assays from this work are not yet available.* • *Rocks: Random rock chip samples have been collected as part of a reconnaissance program over part of the project area. The samples were generally collected along the outcropping pegmatite dykes , from the granite country rock and other rock types present on the project. Assays from this work are not yet available* • *The rock and soil sampling is a standard approach during an initial reconnaissance program.* • *Sampling techniques will be described in more detail when all assay results are available.*
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• *Not applicable.*
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• *Not applicable.*
Logging	• *Whether core and chip samples have been geologically and geotechnically*	• *For rock chip and soil sampling, notes relating to each sample were recorded in a*

Criteria	JORC Code explanation	Commentary
	logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	*field note book and later transcribed to digital form. This information is of insufficient detail to support any Mineral Resource Estimation.*
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• *Not applicable at this time.*
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• *Assay data results not available at this time.* • *A hand help XRF was used in the field to determine the abundance of certain indicator elements in rocks and soils. The element lithium cannot be determined by the XRF but certain elements such as Cs and Rb that normally occur with the lithium minerals, can be detected and are used as a guide during reconnaissance programs.The indicator elements are in no way a quantitative measure of lithium content.*
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• *Not applicable until assay results become available.*

Criteria	JORC Code explanation	Commentary
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• *Samples were located during collection by handheld GPS (Garmin GPS76) with a typical accuracy of +/- 5m.* *The grid system used is Australian Geodetic MGA Zone 50 (GDA94).* *The level of topographic control offered by the handheld GPS is considered sufficient for the work undertaken*
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• *There was no predetermined grid spacing to the rock sampling program with sample sites being selected as outcrop was located, in order to give a first pass dataset to evaluate the area.* • *Soil samples were collected on a 20m by 20m spacing over a small area as part of an orientation program.* • *The data spacing and distribution is not sufficient to establish the degree of geological and grade continuity appropriate for Mineral Resource estimation procedures.* • *Samples have not been composited.*
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• *Rock sampling was carried out over small areas of outcrop but could only be taken where rock fragments could be broken from outcrops. The samples are not representative of the pegmatite dyke.*
Sample security	• *The measures taken to ensure sample security.*	• *All samples were collected by the field geologist and stored in a secure location until completion of the program when they were transported to Perth.*
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• *No audits or reviews of the data have been conducted at this stage*

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a*	• E45/4669 and E45/4724 are owned by Great Sandy Pty Ltd and now subject to a Memorandum of Understanding with ASX listed Southern Hemisphere Mining Limited and TSX-V listed Macarthur Minerals Limited. • All rock and soil sampling was conducted on the granted tenements E45/4669 and E45/4724. • The tenements are in good standing and

Criteria	JORC Code explanation	Commentary
	licence to operate in the area.	there are no known impediments.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Lithium exploration commenced on the project in 2016 when Great Sandy discovered lithium mineralised pegmatites on E45/4669. • Blaze International (ASX:BLZ) conducted a 12 hole, 702 metre RC drilling program in November 2016. There is no reported drilling conducted by any other explorers over the area. The results of BLZ's work and subsequent work by Great Sandy are presented in ASX releases by BLZ (2016) and Southern Hemisphere Mining Limited (ASX:SUH).
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The geology of the project consists of Archaean granites and gneisses of the Mt Edgar batholith intruded by nort south striking lithium bearing pegmatite dykes. • The project is adjacent to the Moolyella tin field and the lithium mineralizing event is related to the intrusion of the younger Moolyella Adamellite. • Pre-exisiting structures within the granite probably control the location and distribution of pegmatites.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Not applicable.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure*	• Not applicable.

Criteria	JORC Code explanation	Commentary
	used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Exploration is at an early stage and information contains insufficient data points to allow these relationships to be reported
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Rock sample location plans are attached. Tables detailing sample locations will be presented once all assay results are available.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• No assay results are available for the program.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• The exploration reported herein is still at an early stage and there is no other relevant historical lithium exploration reported over the tenement area.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further more detailed mapping and follow up sampling is required together with other programs described in the report above.