

Directors:

Chairman
David Lenigas

Directors
Trevor Tennant
Keith Coughlan

Company Secretary:
Jessamyn Lyons

Issued Capital:
85,136,137

Corporate Information:
ASX Code: SUH



JV with Canadian Copper Major on Chile Copper/Gold

HIGHLIGHTS

- Deal signed with TSX and NYSE listed Hudbay on Southern Hemisphere's Llahuin Porphyry Copper/Gold Project in Chile.
- SUH to receive up to US\$5.8 million in cash payments over 5 years.
- Hudbay can earn a 70% interest in Llahuin.
- Hudbay to spend a minimum of US\$3.5 million over the first 3 years on exploration.

David Lenigas, SUH's Chairman commented;

"This is an exceptional deal for the Company. To have a major copper producer of Hudbay's global standing farm in to Llahuin is a big achievement for Southern Hemisphere Mining and we look forward to working closely with their corporate and in-country management teams as we strive to advance this very exciting project forward up the development curve."

Southern Hemisphere Mining Limited ("SUH" of "the Company") (ASX:SUH) is pleased to announce that it has signed (through its wholly owned subsidiary, Minera Llahuin SCM ("Llahuin")) an option agreement ("**Option Agreement**") with **Hudbay Minerals Inc. ("Hudbay") (TSX, NYSE: HBM)** through its wholly owned subsidiary, HudBay Chile SpA ("**Hudbay Chile**"), to acquire up to 70% of the Llahuin Project.

Copper/Gold Project in Chile, and material terms of Option Agreement:

The Option Agreement provides a path for Hudbay Chile to earn a 70% interest in the Llahuin Project by making a series of cash payments to SUH (via SUH's 100% owned Llahuin) totalling US\$5.8 million over 5 years (of which US\$50,000 was paid by Hudbay Chile to Llahuin on execution of the Option Agreement), and committing to spend a minimum of US\$3.5 million on exploration work over the first 3 years.

The material terms of the Option Agreement are as follows:

- The option term commenced on the execution date of the Option Agreement (7 February 2017), and shall continue for the period of 6 years.
- So long as the option is continuing, Hudbay Chile shall pay the following amounts to Llahuin on or before the following dates:
 - o US\$250,000 on or before 7 February 2019;
 - o US\$500,000 on or before 7 February 2020;
 - o US\$1,000,000 on or before 7 February 2021;
 - o US\$1,500,000 on or before 7 February 2022; and
 - o US\$2,500,000 on or before 7 February 2023.

Llahuin Porphyry Copper/Gold Project:

The Llahuin Project is a highly prospective copper/gold project that is located close to the city of Illapel, in the Coquimbo Region, only 250kms north of Santiago, the capital city of Chile. The Llahuin Project is situated on the coastal cordillera at a moderate elevation of 1,300m.

The Llahuin Project is an advanced project with 55,700 meters of drilling in 188 RC holes and 59 DDH holes. A mineral resource estimate has previously been announced by the Company (see Table 1).

There is an opportunity to grow the Llahuin Resource and in this regard, the Cerro de Oro and Ferrocarril Zones have the potential to significantly increase the resource which is currently mainly derived from the Central Porphyry Zone.

The Llahuin Project comprising the Amapola exploration licenses covering 1,372 hectares. The Central Porphyry Zone is the main target of a cluster of four potential targets within the Amapola concessions, that have been defined by surface reconnaissance, mapping and drilling.

Table 1

Llahuin Project: Total Measured and Indicated Resources

Resource (at 0.28% Cu Equiv cutoff)	Tonnes Millions	Cu %	Au g/t	Mo %	Cu Equiv*
<i>Measured</i>	112	0.31	0.12	0.008	0.42
<i>Indicated</i>	37	0.23	0.14	0.007	0.37
<i>Measured plus Indicated</i>	149	0.29	0.12	0.008	0.41
<i>Inferred</i>	20	0.20	0.19	0.005	0.36

*Copper Equivalent ("Cu Equiv")

The copper equivalent calculations represent the total metal value for each metal, multiplied by the conversion factor, summed and expressed in equivalent copper percentage. These results are exploration results only and no allowance is made for recovery losses that may occur should mining eventually result. It is the Company's opinion that elements considered have a reasonable potential to be recovered as evidenced in similar multi-commodity natured mines.

Copper equivalent conversion factors and long-term price assumptions used are stated below:

Copper Equivalent Formula= Cu % + Au (g/t) x 0.72662 + Mo % x 4.412

Price Assumptions- Cu (\$3.40/lb), Au (\$1,700/oz), Mo (\$15/lb)

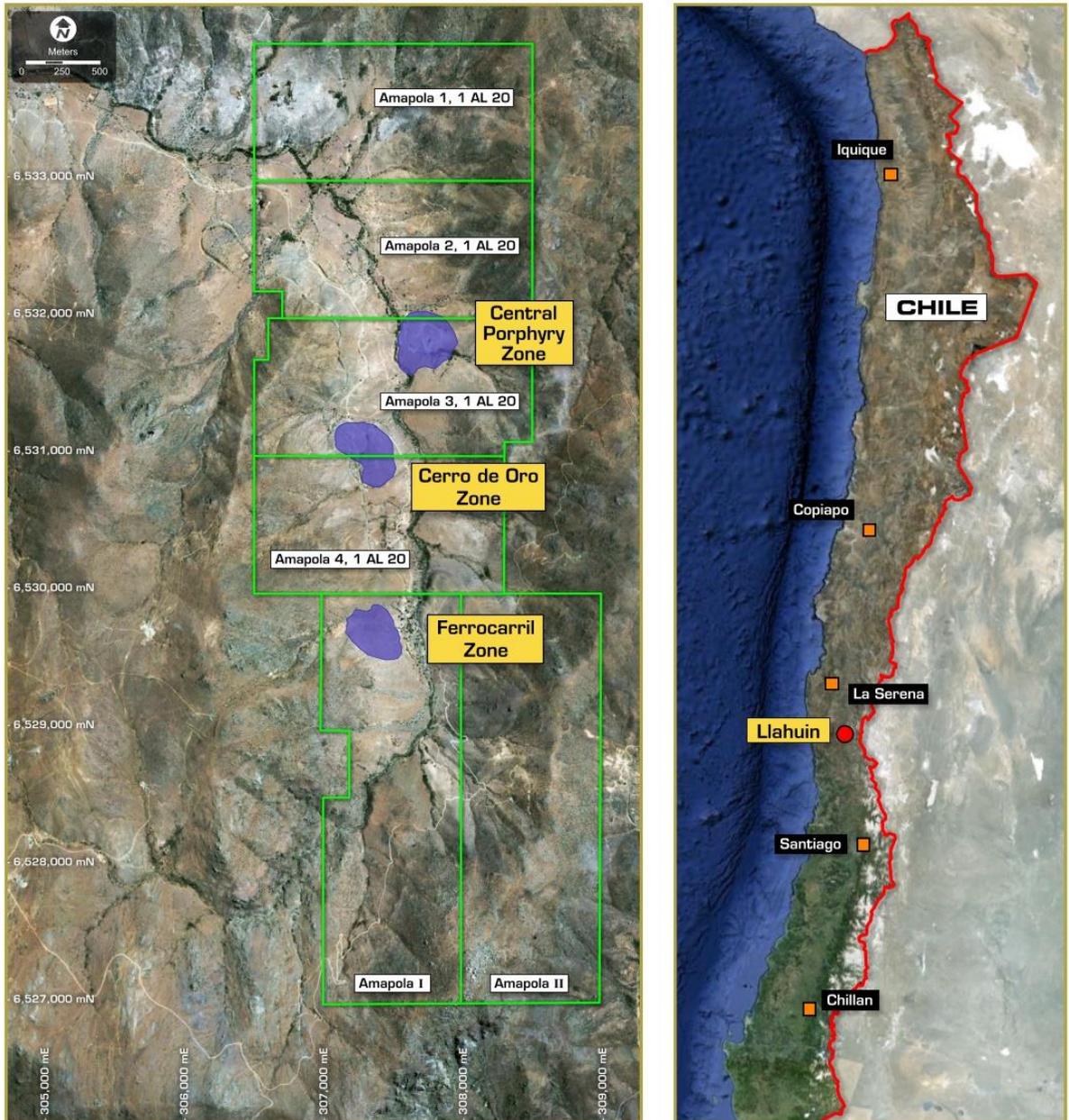
The information relating to estimates of Mineral Resources has been extracted from the following News Release Technical Report:

News release date	News release title	Description
18/8/2013*	Llahuin Copper-Gold Project – Technical Report for JORC Resource Upgrade	Resource estimate for Llahuin deposit with relevant JORC Code (2004) Table 1.

** This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.*

The Company confirms that it is not aware of any new information or data that materially affects the information included in the most recent market announcement for the Llahuin Project, and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not materially modified from the original News release.

Figure 1: Location of the Llahuin Porphyry Copper/Gold Project in Chile.



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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COMPETENT PERSON / QUALIFIED PERSON STATEMENT:

The information in this document that relates to Resource estimation is based on information compiled or reviewed by Mr Trevor Tennant, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Tennant is a Director of the Company and 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 consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

BACKGROUND INFORMATION ON SOUTHERN HEMISPHERE MINING:

Southern Hemisphere Mining Limited (ASX Code "SUH") is an experienced copper-gold explorer and developer in Chile, the world's leading copper producing country and one of the most prospective regions of the world for major new copper discoveries. In Chile, the primary areas of focus are on the Llahuin Porphyry Copper-Gold Project where the Company has drilled up a significant Copper Gold resource, and the Los Pumas Manganese Project. In addition, the Company is exploring for gold in the Pilbara Region of Western Australia.

FORWARD LOOKING STATEMENTS AND IMPORTANT NOTICE:

This report contains forecasts, projections and forward-looking information. Such forecasts, projections and information are not a guarantee of future performance and involve unknown risks and uncertainties, many of which are out of the Company's control. Actual results and developments will almost certainly differ materially from those expressed or implied. The Company has not audited or investigated the accuracy or completeness of the information, statements and opinions contained in this report. To the maximum extent permitted by applicable laws, the Company 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.