

12 February 2020



Dale Allen
Listings Compliance
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

Via email: ListingsCompliancePerth@asx.com.au

Dear Mr Allen,

SOUTHERN HEMISPHERE MINING LIMITED (SUH): APPENDIX 5B QUERY

We refer to the letter dated 11 February 2020 and respond as follows:

1. *Does SUH expect that it will continue to have negative operating cashflows for the time being and, if not, why not?*

The Company's principal activity remains the exploration for mineral resources. As such, the Company expects that it will continue to have negative operating cashflows other than on sale or joint venture of assets involving cash consideration.

2. *Has SUH 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 they will be successful?*

Yes;

- a) SUH is in discussions with several parties in relation to JV or sale of certain assets as reported in the Quarterly Report. Such negotiations are incomplete and confidential.
- b) SUH has recently commenced discussions with several parties to consider options to raise equity funds to advance its projects and its operating costs.
- c) The Company enjoys the ongoing financial support of its major shareholders and brokers.

The Board believes that it is likely that one or more of these alternatives will be successful based on current information and market conditions.

3. *Does SUH expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?*

Yes. There is sufficient cash available to continue meeting business objectives in the short-term and further funding is planned for the medium-term as detailed above.

4. *Please confirm that SUH is complying with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that rule that has not already been released to the market.*

SUH is in compliance with Listing Rule 3.1.

5. *Please confirm that SUH's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of SUH with delegated authority from the board to respond to ASX on disclosure matters.*

SUH's responses to the questions above have been authorised and approved the Board.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'J Lyons', with a large circular flourish at the end.

Jessamyn Lyons
Company Secretary



11 February 2020

Reference: 13819

Ms Jessamyn Lyons
Company Secretary
Southern Hemisphere Mining Limited

By email: jess@everestcorp.com.au

Dear Ms Lyons

Southern Hemisphere Mining Limited ('SUH'): Appendix 5B Query

ASX refers to SUH's Appendix 5B quarterly report for the period ended 31 December 2019 lodged with ASX Market Announcements Platform on 31 January 2020 (the 'Appendix 5B').

ASX notes that SUH has reported:

- negative net operating cash flows for the quarter of \$92,000;
 - cash at the end of the quarter of \$70,000; and
 - the following responses to the questions in section 8.8 of the Appendix 5B as set out below:
 - Q1 – Does the entity expect that it will continue to have the current level of new operating cash flows for the time being and, if not, why not?
 - A1 – 'No'
 - Q2 – 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?
 - A2 – 'No, not required at this time.'
 - Q3 – Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
 - A3 – 'yes, business management'
- (together, the 'Responses')

ASX does not consider the Responses have adequately addressed the questions posed in section 8.8 of the Appendix 5B form. As such, ASX asks SUH to respond separately to each of the following questions and requests for information:

1. Does SUH expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has SUH 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?
3. Does SUH expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

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4. Please confirm that SUH is complying with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that rule that has not already been released to the market.
 5. Please confirm that SUH's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of SUH with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **2:00 PM AWST Friday, 14 February 2020**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in SUH's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, SUH's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1 and Listing Rule 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to SUH's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that SUH's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in SUH's securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

Dale Allen
Principal Adviser, Listings Compliance (Perth)