

ASX RELEASE APRIL 1, 2015

## UPDATE: LLAHUIN COPPER-GOLD PROJECT, CHILE

### ***Lundin Mining withdraw from Llahuin, new partner under negotiation***

**Southern Hemisphere Mining Limited** (ASX: SUH) ("Southern Hemisphere" or the "Company") advises that its farm-in arrangement with Lundin Mining Corporation ("Lundin Mining") on the Llahuin Copper-Gold Project (the "Llahuin Project"), has come to an end as a result of an election made by Lundin Mining.

Under the terms of the farm-in arrangement, having completed committed expenditure of US\$6M, Lundin Mining had the option to spend an additional US\$10M before November 1, 2015 to earn 51% equity in the Llahuin Project or to elect to withdraw at any time. Lundin Mining funded US\$1.3M of this requirement and has elected not to proceed with the balance prior to this milestone date. The Company understands that Lundin Mining is reprioritising its activities in light of their recent major acquisitions and current market conditions.

Although Lundin Mining had exclusive rights to the Llahuin Project until the November 1, 2015 milestone date, Lundin Mining had the right at any time to elect to withdraw from the farm-in arrangement. As a result of Lundin Mining's election not to proceed further with the farm-in arrangement, Southern Hemisphere now has a 100% interest in the Llahuin Project. Accordingly Southern Hemisphere is free to deal with other potential partners and intends to actively seek a new partner for the Llahuin Project. In addition, Southern Hemisphere will actively assess any adjacent higher grade properties that could enhance the Llahuin Project.

Southern Hemisphere Managing Director Trevor Tennant noted that Lundin Mining have been an excellent partner at the Llahuin Project and acknowledged the contribution of Mr Paul McRae, Lundin Mining's nominee who has stepped down from the Southern Hemisphere Board with effect from April 1, 2015. Mr Tennant added:

***"Since signing the farm-in arrangement in November 2012, Lundin Mining have funded more than US\$7M of exploration and related works at the Llahuin Project. We would have preferred for Lundin to continue but given their focus and commitment to the Candelaria Project, it is understandable that they have opted not to meet the near dated obligation of an additional US\$10M of exploration spending to move to only 51% Project equity."***

***Other parties have expressed an interest in funding further exploration at Llahuin and rather than waiting for November 2015 to pass, we have agreed with Lundin to allow us to proceed and complete another deal on the Llahuin Project without any obligation to them arising from the original agreement."***

***Separately, Paul McRae has made a valuable contribution to our Board as Lundin's nominee. Our strategic alliance with Lundin continues via the Los Rulos Joint Venture."***

**--ENDS--**

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