

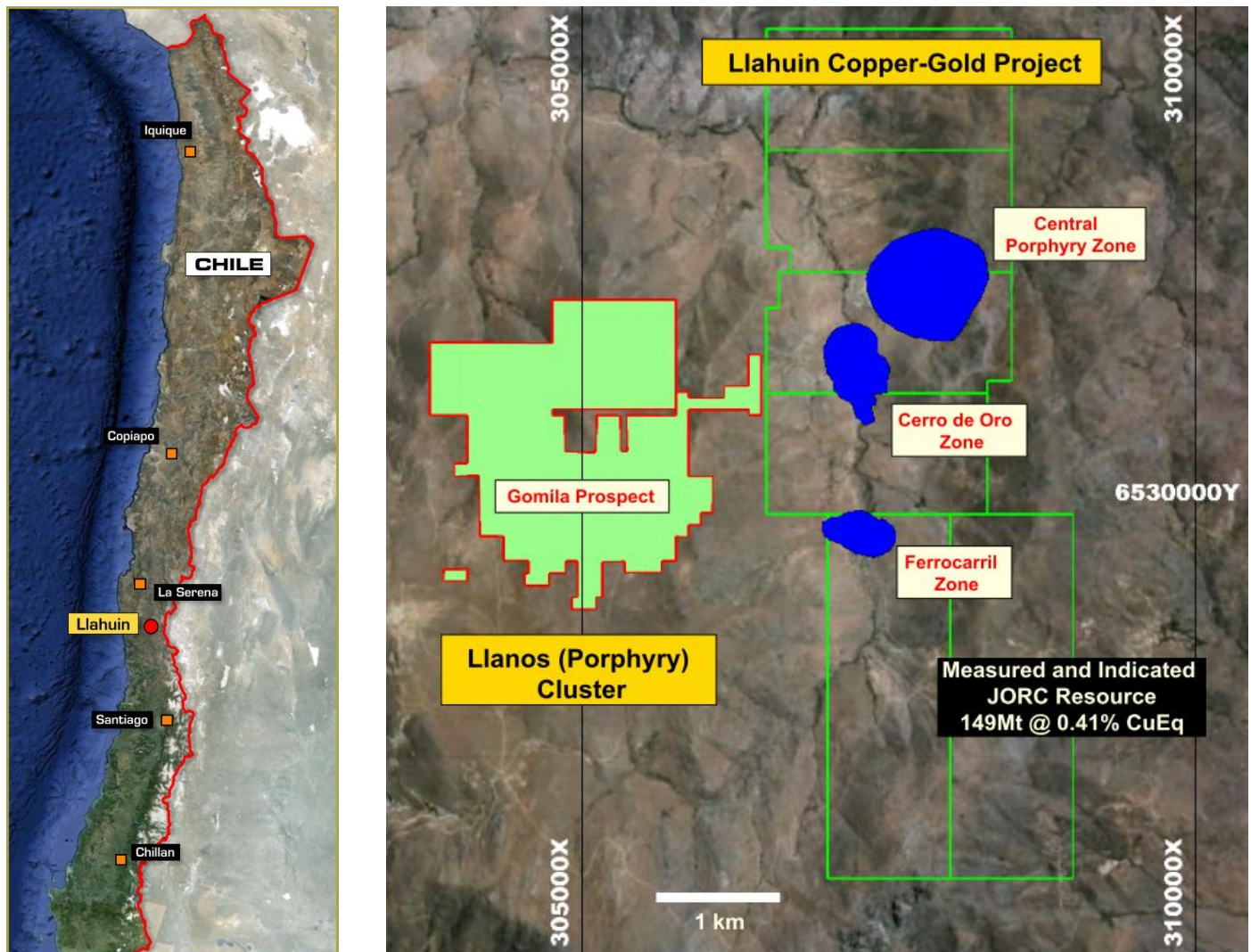
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NEW PROPERTIES SET TO ENHANCE LLAHUIN COPPER-GOLD PROJECT, CHILE

New area acquired, new partner under negotiation

Southern Hemisphere Mining Limited (ASX: SUH) ("Southern Hemisphere" or the "Company") advises that it has secured a property intended to add higher grade feed to the Llahuin Copper-Gold Project: the '**Gomila Prospect**'.

Figure 1: Gomila Prospect in relation to the Llahuin Copper-Gold Project



Gomila is part of the **Llanos Cluster** of concessions which is centred 4km south-west of the Llahuin Central Porphyry Zone in the Coquimbo region of Chile.

Llanos Cluster

The Llanos Cluster has several indications of being a mineralised porphyry system:

1. Large breccia pipe

Porphyry copper deposits are positioned in high-level intrusions that typically include breccia pipes. A well developed hydrothermal breccia pipe, approximately 450m in diameter is the dominant feature of the Llanos Cluster (the surface of which is largely positioned on the Gomila Prospect). The fragments of the breccia were observed to be mainly sub-rounded to sub-angular and strongly altered. In terms of alterations, strong quartz-sericite was observed, along with the presence of an intense dark brown secondary biotite. The area also shows significant limonite content which is typical in breccia pipes related to porphyry copper deposits.

Figure 2: Snapshot of the mosaic breccia pipe



Figure 3: Stockwork quartz filled with hematite and limonite



2. Gossan

The remains of a gossan (often referred to as an 'iron hat') were identified. As large sulphide deposits are chemically weathered over time, the sulphides of copper, silver and other metals oxidise and leach deeper into the deposit. Meanwhile, the iron in these sulphides – pyrite, chalcopyrite and others, remain in place forming hydrates of iron oxide at the surface.

3. Mineralisation

Four small underground mining operations are located within the breccia. These mining operations are mainly targeting veins and veinlets following faults, which cut the breccia. Mapping and sampling of the underground workings indicates that unlike the Llahuin porphyry, a high grade “**Supergene Enrichment**” blanket appears to have been developed at Llanos. Supergene zones occur when metals are deposited by mineralised fluids leaching from the overlying oxidised zones. Supergene zones can be the highest grade portion of an ore body however they are relatively narrow zones of concentration or do not develop at all (as at Llahuin).

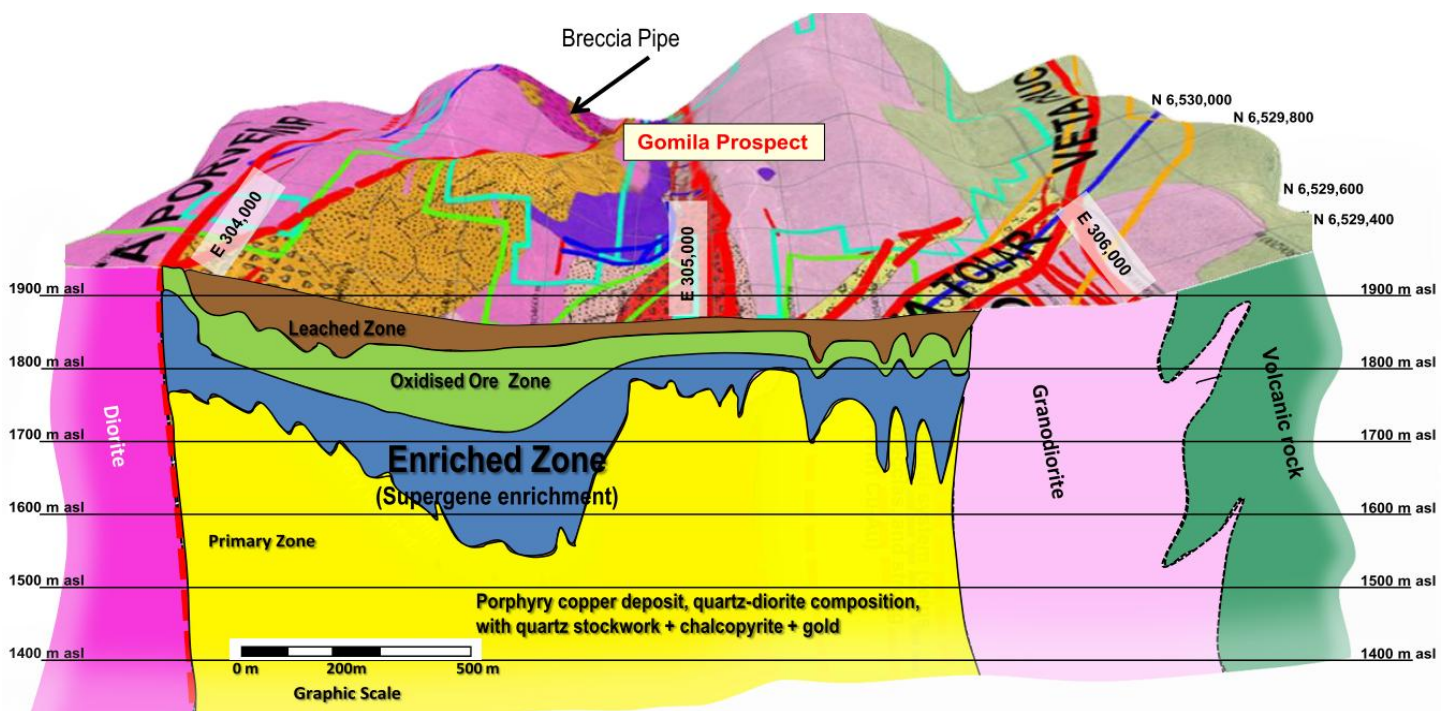
Figure 4: Inside one of the artisanal mining operations. The host rocks display strongly disseminated mineralisation (Cu, Au, Ag, Mo) with great potential for high grade.



The supergene zone at Llanos could deliver the higher grade feed required at Llahuin for a significant copper-gold mine. On top of the supergene zone appears to be the leached and oxidised zones typical of porphyry copper deposits. Underneath these is the primary zone which, if the interpretation is accurate, would add significant tonnage to the resource at Llahuin.

Below is a geological interpretation of this information, overlaid on a cutaway of the Llanos Cluster.

Figure 5: Llanos Cluster - Geological Section interpretation at N 6528200



Gomila

The terms of the Gomila Prospect Option Agreement between the vendor Mr Fernando Gomila and Minera Llahuin (SUH subsidiary company) are as follows:

- US\$39,000 paid on execution of the agreement;
- US\$65,000 after 12 months ; and
- Anniversary payments of US\$667,000 (Year 2), US\$1,000,000 (Year 3), US\$1,147,000 (Year 4) and US\$1,232,000 (Year 5).

Totalling US\$4,150,000 over 60 months to acquire a 100% interest in the Prospect.

Strategy

Now that the Company has secured its position in the Llanos Cluster, the Company intends to pursue a farm-in or other arrangement with interested parties on the combined Llahuin/Llanos project. In this regard, the Company has signed confidentiality agreements with a number of companies and will be looking to maximise the committed expenditure and drilling metres solely funded by any incoming partner.

Separately, there has been a pleasing development on the Company's other projects. EPG Exploration Partners, who are currently farming into the Juan Soldado IOCG Project, have expressed an interest in the Company's Mantos Grandes Copper-Gold Project.

The terms, subject to completion of due diligence, would be similar to those agreed on Juan Soldado, delivering further private equity funded drilling metres in the near term. Further details will be announced in due course.

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