



Dear Shareholder,

### Non-Renounceable Rights Offer

On May 22, 2015, Southern Hemisphere Mining Limited (ASX: SUH) (the "Company") announced a non-underwritten, non-renounceable pro rata rights offer of one (1) new fully paid share (New Share) for every three (3) ordinary shares held at an issue price of \$0.01 (or 1 cent) per New Share subscribed, to raise up to approximately \$828,000 before costs (the "Offer").

Full details of the Offer are set out in the Offer Memorandum and Appendix 3B lodged with ASX on May 22, 2015. A copy of the Offer Memorandum is available to download from both the ASX website (at [www.asx.com.au](http://www.asx.com.au)) and the Company's website (at [www.shmining.com.au](http://www.shmining.com.au)).

The indicative timetable for the Offer is as follows:

Event	Date
<b>Announcement of Offer</b> – announcement of rights issue, Offer Memorandum, ASX Appendix 3B and Cleansing Notice lodged with the ASX	22 May 2015
<b>'Ex' date</b> – the date on which Shares commence trading on an "ex" entitlement basis	26 May 2015
<b>Record Date</b> – the date for determining entitlements of Shareholders to participate in the Offer	28 May 2015
<b>Offer Memorandum sent to Shareholders</b> – dispatch of Offer Memorandum and Entitlement and Acceptance Forms – Offer opens for acceptances	2 June 2015
<b>Closing Date</b> – the last day for receipt of acceptance forms (5.00pm WST)	12 June 2015
<b>Deferred settlement</b> – Shares trade on a deferred settlement basis	15 June 2015
<b>Shortfall notification</b> – ASX notified of under-subscriptions and completion announced	17 June 2015
<b>Allotment and issue</b> – allotment of New Shares under the Entitlement and Acceptance Forms	19 June 2015
<b>Deferred settlement trading ends</b> – holding statements sent to shareholders	22 June 2015
<b>Normal trading commences</b>	22 June 2015

Subject to the Listing Rules, the above dates may be changed without notice. The Offer will be made to the Company's shareholders with a registered address in Australia or New Zealand on the Record Date ("Eligible Shareholders").



ASX: **SUH**  
 ABN: 17 140 494 784  
[www.shmining.com.au](http://www.shmining.com.au)

**AUSTRALIAN OFFICE**  
 Suite 7, 1200 Hay Street  
 West Perth WA 6005  
 TEL: +61 8 9481 2122

**CHILEAN OFFICE**  
 Minera Hemisferio Sur SCM  
 Office 41, Zurich 255  
 Las Condes, Santiago  
 TEL: +56 2 474 5071

As above, Eligible shareholders will receive on or around June 2, 2015 a copy of the Offer Memorandum including a personalised Entitlement and Acceptance Form which will provide detailed instructions on how to participate in the Offer.

Additional key information as required by the ASX Listing Rules is set out below:

<b>Entitlement</b>	Each Eligible Shareholder will be entitled to subscribe for one (1) new fully paid ordinary share (New Share) for every three (3) ordinary shares held by the Eligible Shareholder. Any fractional entitlements will be rounded up to the nearest whole number.
<b>Terms of Issue of Securities</b>	Each New Share will rank equally with and be issued on the same terms as those quoted fully paid ordinary shares already issued by the Company. Application for quotation of the New Shares offered under the Offer was made by the Company on May 22, 2015.
<b>Record Date</b>	The record date to determine entitlements of Eligible Shareholders is 5.00pm WST on May 28, 2015.
<b>Shortfall</b>	Eligible shareholders will be able to apply for additional New Shares in excess of their entitlement at the same issue price of \$0.01 (or 1 cent) per New Share. Allocation of additional New Shares applied for will be subject to there being a Shortfall in subscriptions under the Offer and subject to the Company's discretion.
<b>Non-renounceable</b>	The Offer is non-renounceable. Accordingly rights will not be tradeable on ASX or otherwise transferrable. Shareholders who do not take up their entitlements in full will not receive any value in respect of that part of their entitlement that they do not take up. Shareholders who are not eligible to receive entitlements will not receive any value in respect of entitlements they would have received had they been eligible.
<b>Use of Proceeds</b>	<p>The funds raised will be applied principally to: maintaining tenure of the Company's mining concessions and general working capital expenses which will allow the Company seek farm-in or other arrangements which will add value to the said concessions.</p> <p>In particular, the Company will pursue a farm-in or other arrangement on the Llahuin/Llanos Copper-Gold Project as detailed in the Company's announcements to the ASX on May 11 and May 13, 2015.</p>
<b>Underwriting</b>	The Offer is not underwritten.
<b>Shareholder approval</b>	No shareholder approval will be required for the Offer.
<b>Dividend Policy</b>	The Company does not have a dividend policy and does not intend to declare a dividend in the near future.
<b>Disclosure</b>	The Offer is being made in accordance with section 708AA of the Corporations Act 2001 and without a prospectus.



The capital structure of the Company post-completion of the Offer will be as follows:

Shares	Number
Number of shares on issue at Record Date <sup>1</sup>	248,532,950
Maximum number of New Shares to be on issued under the Offer <sup>2</sup>	82,844,317
<b>Maximum number of New Shares to be on issued under the Offer</b>	<b>331,377,267</b>

**NOTE:**

1. Assumes no further Shares are issued (including by way of exercise of Options) prior to the Record Date. There are 37,820,208 listed Options to subscribe for shares currently on issue. If any of these Options are exercised prior to the Record Date this will also impact the maximum number of New Shares to be issued under the Offer and the maximum number of Shares on issue following the Offer.
2. Assumes the Offer is fully subscribed.

**Overseas Shareholders**

The Offer is only made to Eligible Shareholders (shareholders with a registered address in Australia or New Zealand at the Record Date). Therefore, if you are a shareholder with a registered address other than Australia or New Zealand, no Offer will be made to you. In making this decision, the directors have taken into account the small number of overseas shareholders and the costs and administrative complexity of complying with applicable regulations in jurisdictions outside Australia and New Zealand.

If you have any questions please do not hesitate to contact the Company.

Yours faithfully,



Derek Hall  
Company Secretary

