

ASX RELEASE 30 OCTOBER 2015

# Quarterly Activities Report for the Period ended 30 September 2015

## Highlights

### Llahuin/Llanos marketing and Low Cost Structure

- With its foothold on the Llanos properties secured, the Company embarked on multiple due diligence processes with potential joint venture partners to the Llahuin/Llanos Project.
- The Company's focus is obtaining a joint venture partner for the Llahuin/Llanos Project and the Company will announce any material developments in this regard.
- Work commenced on the Mantos Grandes (El Verde) Project with EPG Exploration Partners. 3 drill holes were funded and completed by EPG. Assays are expected in the coming weeks.
- Cost reductions have been implemented to further reduce both administrative and operational costs.
- Rights issue capital raising completed and subsequent to period end, the Company secured a \$100,000 non-recourse loan from its Managing Director Mr Trevor Tennant. This loan will be repaid in shares to be approved at the Annual General Meeting
- The Company's Annual General Meeting will be held on Friday 27 November 2015, 8:30am at the Company's offices: 33 Ventnor Avenue, West Perth, WA.

### *About Southern Hemisphere Mining*

Southern Hemisphere Mining Limited (ASX Code "SUH") is an experienced copper-gold explorer and developer in **Chile, South America**, the world's leading copper producing country and one of the most prospective regions of the world for major new copper discoveries.

The Company's focus is the **Coquimbo region** of Central Chile on the lower Coastal Cordillera where the Company has two key projects: the **Llahuin Copper-Gold Project** where a **significant resource** has been delineated and the **Los Rulos Copper-Gold Project** joint ventured with global miner **Lundin Mining Corporation**.

### **Capital Structure**

Ordinary shares (ASX: **SUH**) – 290,072,498  
Options ex 4.5c (ASX: **SUHO**) – 37,820,208

Market capitalisation at 0.6c – \$1.8 Million

### **Major Shareholders**

Trevor Tennant – 12.7%  
Genesis Asset Managers – 8.6%  
Lundin Mining Corporation – 6.8%  
Ice Cold Investments – 6.3%  
James Pearson – 5.7%

Further details on Southern Hemisphere can be found at [www.shmining.com.au](http://www.shmining.com.au)

### **For further information please contact:**

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# Projects

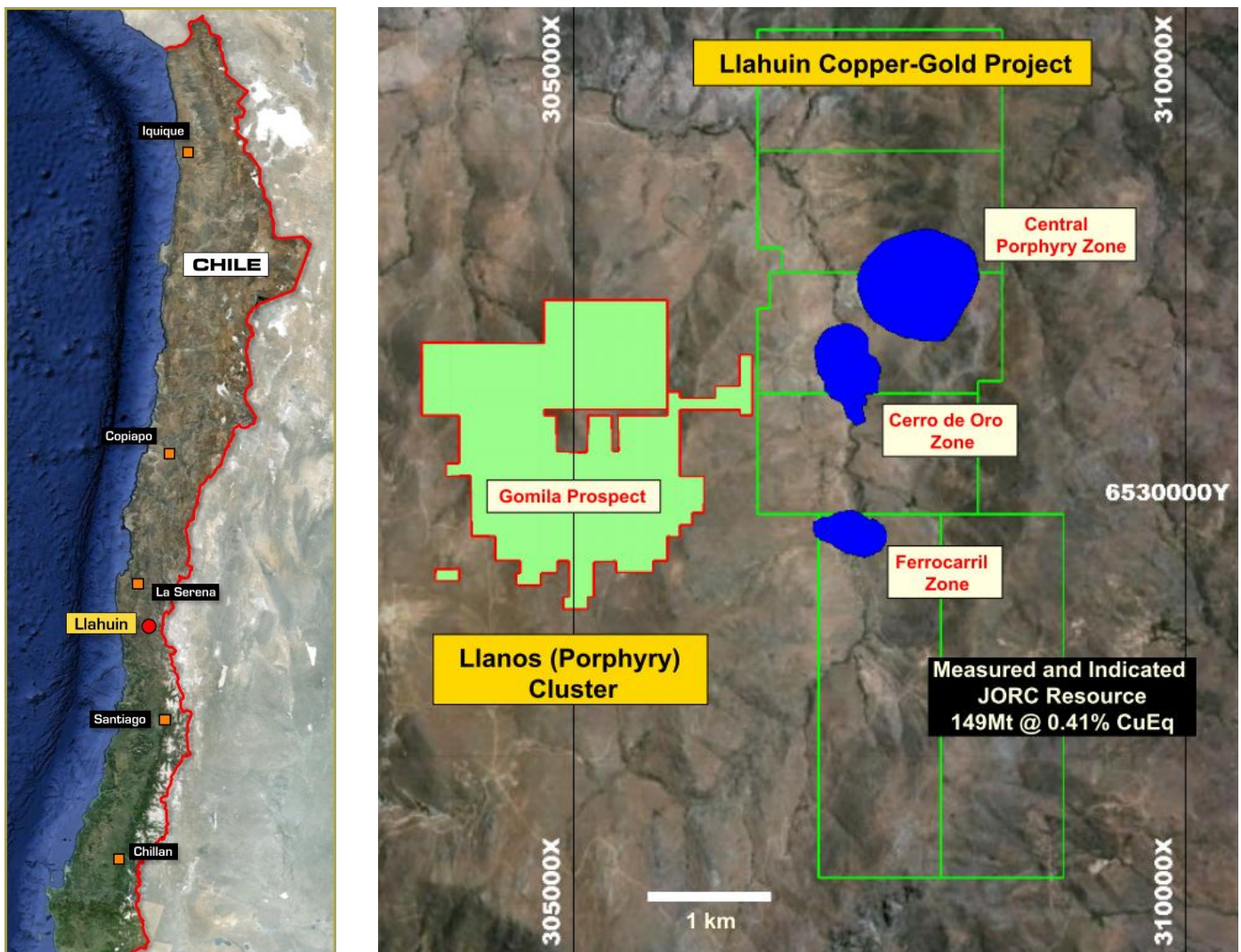
## Llahuin Copper-Gold Project (~250km north of Santiago)

The **Llahuin Project** is located in the Coquimbo region of Central Chile.

The Company previously announced a JORC compliant resource for the Llahuin Project based on 54,520m of drilling. Refer News Release dated 3 July 2013 (and see inset to Figure 1).

On 11 May 2015, the Company announced a significant breakthrough in the development of the Llahuin Project: the securing of the adjacent **Gomila Prospect** (“Gomila”). Gomila is part of the **Llanos Cluster** of concessions centred 4km south-west of the Llahuin Central Porphyry Zone. The position of the Gomila Prospect in relation to the Llahuin Project is shown below:

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



By adding the potential of the Llanos Cluster to the established Llahuin resource, the **newly combined Llahuin/Llanos Project** is an excellent proposition for a large company wanting to develop a long life, low elevation mine in a low sovereign risk mining jurisdiction.



Now that the Company has secured its footprint within the Llanos Cluster, it has begun marketing the **Llahuin/Llanos Project** to potential farm-in partners to fund large scale exploration. As a result, the Llahuin/Llanos Project is currently the subject of multiple confidentiality agreements signed with globally diversified resource companies.

The Company is targeting a new farm-in or other arrangement on the **Llahuin/Llanos Project** for execution during the December 2015 quarter or shortly thereafter. The successful completion of the recent Rights Issue Offer will assist in the Company gaining the most favourable terms possible.

## Other Projects

### Mantos Grandes (El Verde) Copper-Gold Project

On 24 June 2015, the Company announced that the strategic relationship with EPG had been extended with the execution of a further **farm-out option agreement**, this time on the **Mantos Grandes Copper-Gold Project**. The Mantos Grandes Project is located in the Province of Limari, approximately 400km north-east of Santiago, Chile.

The concession area covers ~50km<sup>2</sup> and contains a hypogene, skarn related copper/gold/silver deposit which was previously a small scale mine. Under the new agreement, EPG has the option to sole fund USD\$1.2 million worth of exploration expenditure to earn a 50.1% interest in the Mantos Grandes Project. EPG commenced drilling during the quarter and completed ~1,000m. Results are awaited.

### Los Pumas Manganese Project

In late 2013, the Environmental Impact Statement (EIS) approval granted to the Company for this project was challenged in court. It has now been determined that the EIS approval will be set aside. No value is currently assigned to the Project by the Company.

### Future Developments

The main focus of the Company will be to secure a partner at the combined Llahuin/Llanos Project who will fund large scale exploration works.

Separately, the Company will continue to market its other prospective concession holdings.

#### *Competent Person / Qualified Person Statement*

The information in this report that relates to copper and gold Exploration Results for the Company's Projects is based on information compiled by Mr Trevor Tennant, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Tennant 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 is a full time employee and Managing Director of the Company and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. For further information, please refer to the Technical Reports and News Releases on the Company's website at [www.shmining.com.au](http://www.shmining.com.au).

## Concession (tenement) Holdings

During the Quarter, there were no reductions to the Company's concession holdings.

Relinquishments, if any, are detailed in section 6.2 of the attached Appendix 5B.

As at 30 September 2015, the Company held a total 148 concessions within 11 defined Projects. Belen, Chitigua, El Arrayan, Las Santas, Llahuin, Los Pumas, Mantos Grandes, Rincon, Romeral and Santa Gracia are 100% held by the Company via its subsidiaries.

The Los Rulos Project is subject to a 50/50 joint venture arrangement with Lundin Mining. The Company beneficially holds 50% of this Project via a 50% holding in JV company Minera Los Rulos. As well as concessions, Minera Los Rulos holds share purchase option arrangements to acquire 100% equity in the Polvareda 2 Prospect.

The Minera Llahuin entity holds an option agreement to acquire 100% equity in the Gomila Prospect concessions (shown under Llahuin Option Agreements).

The concessions held or under option\* and their locations are set out below:

<b>Belen (Putre, Chile)</b>	<b>Llahuin (Combarbala, Chile)</b>	<b>Los Pumas (Putre, Chile)</b>
BELEN 9 BELEN1, 1 AL 10 BELEN 2, 1 AL 20 BELEN 3, 1 AL 30 BELEN 4, 1 AL 20 BELEN 5, 1 AL 30 BELEN 6, 1 AL 8 BELEN II, 1 AL 10 BELEN II, 11 AL 20	EL ESPINO 11 EL ESPINO 12 EL ESPINO 13 EL ESPINO 14 EL ESPINO 15 AMAPOLA III AMAPOLA IV EL ESPINO 1 1 AL 300 EL ESPINO 2 1 AL 200 EL ESPINO 3 1 AL 200 EL ESPINO 4 1 AL 200 EL ESPINO 5 1 AL 300 EL ESPINO 6 1 AL 300 EL ESPINO 1 AL 9 AMAPOLA 1, 1 AL 20 AMAPOLA 2, 1 AL 20 AMAPOLA 3, 1 AL 20 AMAPOLA 4, 1 AL 18 COLINA 2, 1 AL 30 AMAPOLA I, 1 AL 300 AMAPOLA II, 1 AL 300	EMANUEL 1 AL 20 LLUTA I 1 AL 54 LLUTA II 1 AL 285 PUTRE 5, 1 AL 10 PUTRE 6, 1 AL 11 PUTRE I 1 AL 20 PUTRE 2 I AL 20 MG 3, 1 AL 30
<b>Chitigua (Calama, Chile)</b>		<b>Los Rulos (Canela, Chile)</b>
LEO III 20 LEO III 21 LEO III 33 LEO III 38 CHITIGUA SUR ESTE 1 AL 5 CHITIGUA 27, 1 AL 60 CHITIGUA 1, 1 AL 30 CHITIGUA 2, 1 AL 30		COLIHUE 10 COLIHUE 11 COLIHUE12 COLIHUE 13 COLIHUE 14 COLIHUE 15 COLIHUE 22 COLIHUE 24 COLIHUE 25 COLIHUE 26 EL COLIHUE 1 1 AL 113 EL COLIHUE 1 41 AL 154 EL COLIHUE 1 155 AL 210 EL COLIHUE 8 1 AL 6
<b>El Arrayan (Vicuna, Chile)</b>		<b>Los Rulos, Option Agreements*</b>
SIMON II 1 SAN JOSE II TRES SAN ALFONSO II CUATRO SAN JORGE TRES 1 AL 36 SAN JORGE CUATRO 1 AL 60 SUSAN 2, 1 AL 49	<b>Llahuin, Option Agreements*</b> LA ENCANTADORA I, 1 AL 36 LA ENCANTADORA II, 1 AL 18 LA ENCANTADORA III, 1 AL 12 LA ENCANTADORA III A, 1 AL 8 LA ENCANTADORA IV, 1 AL 11 LA ENCANTADORA V 1 LA ENCANTADORA VI, 1 AL 8 LA ENCANTADORA DE LLAHUIN AL 19	POLVAREDA SEGUNDA 1 AL 48
<b>Las Santas (Salamanca, Chile)</b>		<b>Mantos Grandes (Monte Patria, Chile)</b>
SANTA GUADALUPE 1 AL 39 SANTA MACARENA 1 AL 40 SANTA CAMILA 1 AL 27 SANTA ANA 17		MANTIS 1 MANTIS 2 MANTIS 3 MANTIS 4 MANTIS 5 MANTIS 6 MANTIS 7
<b>Llahuin (Combarbala, Chile)</b>	<b>Los Pumas (Putre, Chile)</b>	
EL ESPINO 8 EL ESPINO 9	LOS PUMAS 5 AWAHOU 1 AL 20	

Mantos Grandes (Monte Patria, Chile)	Mantos Grandes (Monte Patria, Chile)	Rincon (Salamanca, Chile)
MANTIS 8	MANTOS 7, 1 AL 178	RINCON 1 1 AL 30
MANTIS 9	MANTOS 8, 1 AL 95	RINCON 2 1 AL 30
MANTIS 10	MANTOS 9, 1 AL 30	RINCON 3 1 AL 30
MANTIS 11	MANTOS 10, 1 AL 136	RINCON 5 1 AL 30
MANTIS 12	MANTOS 11, 1 AL 51	RINCON 6 1 AL 30
MANTIS 13	MANTOS 12, 1 AL 268	RINCON 7 1 AL 30
MANTOS II 2	MANTOS 13, 1 AL 99	RINCON 9 1 AL 20
MANTOS II 4	MANTOS 16, 1 AL 10	RINCON 10 1 AL 20
MANTOS II 24	MANTOS 17, 1 AL 10	<b>Romeral (La Higuera, Chile)</b>
MANTOS III 16	MANTOS 21, 1 AL 20	SOLADO II 1
MANTOS III 17	MANTOS 21, 21 AL 30	SOLADO II 2
MANTOS III 18	MANTOS 22, 1 AL 20	SOLADO II 3
MANTOS III 19	FUTURO 5, 1 AL 60	SOLADO II 4
MANTOS III 20	MANTOS GRANDES 1 AL 11	SOLADO 1, 1 AL 20
MANTOS III 21	MANTOS CHICOS 1 AL 20	<b>Santa Gracia (La Serena, Chile)</b>
MANTOS 1, 1 AL 10	LA ESCONDIDA 1 AL 20	LA CUYANA 1 AL 5
MANTOS 2, 1 AL 20	<b>Rincon (Salamanca, Chile)</b>	SAN SEBASTIAN 1 AL 6
MANTOS 3, 1 AL 15	RINCON 4	LAS PERDICES II 10
MANTOS 4, 1 AL 20	RINCON 8	LEONOR II 2
MANTOS 5, 1 AL 20	RINCON 11	
MANTOS 6, 1 AL 30	RINCON 12	

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

SOUTHERN HEMISPHERE MINING LIMITED

ABN

17 140 494 784

Quarter ended ("current quarter")

30 September 2015

### Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(61)	(61)
	(b) development		
	(c) production		
	(d) administration	(332)	(332)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	2	2
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)		
<b>Net Operating Cash Flows</b>		<b>(391)</b>	<b>(391)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments		
	(c) other fixed assets		
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
<b>Net investing cash flows</b>		<b>-</b>	<b>-</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(391)</b>	<b>(391)</b>

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(391)	(391)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	415	415
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	<b>Net financing cash flows</b>	415	415
	<b>Net increase (decrease) in cash held</b>	24	24
1.20	Cash at beginning of quarter/year to date	92	92
1.21	Exchange rate adjustments to item 1.20	1	1
1.22	<b>Cash at end of quarter</b>	117	117

**Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	20
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions Payments made for director's fees, salaries and superannuation.	

**Non-cash financing and investing activities**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows
- N/A
- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest
- Expenditure of ~\$300k was incurred by EPG Exploration Partners per the Mantos Grandes (El Verde) farm-out arrangement.
- (This item is not reflected in the amount at 1.2(a) above)

## Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

## Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	5
4.2 Development	-
4.3 Production	-
4.4 Administration	50
<b>Total</b>	<b>55</b>

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	117	92
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>117</b>	<b>92</b>



## Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	n/a		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	n/a		

## Issued and quoted securities at end of current quarter


Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference + securities</b>	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+ Ordinary securities</b>	290,072,498	290,072,498	-	-
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	41,539,548	41,539,548	1 cent per share	Fully paid
7.5 <b>+ Convertible debt securities (description)</b>	-	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> (description and conversion factor)	37,820,208	37,820,208	Exercise price 4.5 cents	Expiry date 7 March 2016
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 <b>Debentures</b>	-	-		
7.12 <b>Unsecured notes</b>	-	-		

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:   
(Company secretary)

Date: 30 October 2015

Print name: Derek Hall

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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