



Dear Shareholder,

RENOUNCEABLE RIGHTS ISSUE

On April 28, 2016, Southern Hemisphere Mining Limited (ASX: SUH) (the "Company") announced that it will undertake a fully underwritten 2 for 1 renounceable rights issue of shares ("Rights Issue" or the "Offer") to raise approximately A\$0.85 million (before costs). Euroz Securities Limited will act as sole underwriter to the Offer.

The Company will issue approximately 42.6 million shares under the Rights Issue at an issue price of A\$0.02 per share, representing a discount of 66% to the last traded price.

Full details of the Offer are set out in the Offer Memorandum and Appendix 3B lodged with ASX on April 28, 2016. A copy of the Offer Memorandum is available to download from both the ASX website (at www.asx.com.au) and the Company's website (at www.shmining.com.au).

The indicative timetable for the Offer is as follows:

Event	Date
Announcement of Rights Issue, Lodgement of Rights Issue offer document, Appendix 3B and s708AA cleansing notice with ASX	28 April 2016
Notice sent to security holders	2 May 2016
Trading of entitlements commences	3 May 2016
Ex date	3 May 2016
Record date for determining entitlements	4 May 2016
Rights Issue offer document sent to eligible shareholders, Company announces this has been completed and Offer opening date	9 May 2016
Trading of entitlements ends	11 May 2016
New shares quoted on a deferred settlement basis	12 May 2016
Last day to extend the closing date of the Offer	13 May 2016
Closing date of the Offer*	18 May 2016
ASX notified of under subscriptions	23 May 2016
Issue date/new shares entered into shareholders' security holdings	25 May 2016



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Quotation of new shares issued under the Offer

26 May 2016

* Subject to the ASX Listing Rules, the Company reserves the right to extend the closing date at its discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the new shares.

The Offer will be available to all holders of shares in the Company with a registered address in Australia and New Zealand at the record date set out in the Offer timetable. The Company will apply to ASX for official quotation of the shares offered under the Rights Issue.

As above, Eligible shareholders will receive on or around May 9, 2016 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:

Entitlement	Each Eligible Shareholder will be entitled to subscribe for two (2) new fully paid ordinary shares (New Shares) for every one (1) ordinary share held by the Eligible Shareholder. Any fractional entitlements will be rounded up to the nearest whole number.
Terms of Issue of Securities	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 April 28, 2016.
Record Date	The record date to determine entitlements of Eligible Shareholders is 5.00pm WST on May 4, 2016.
Shortfall	Eligible shareholders will be able to apply for additional New Shares in excess of their entitlement at the same issue price of \$0.02 (or 2 cents) 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.
Non-renounceable	The Offer is renounceable. Accordingly rights will be tradeable on ASX.
Use of Proceeds	<p>The funds raised will be applied principally to:</p> <ul style="list-style-type: none"> - maintaining tenure of the Company's mining concessions in Chile which will allow the Company to seek farm-in or other arrangements to add value to the concessions; - the assessment of potential acquisition opportunities with a principal focus on the resources sector; and general working capital expenses, including corporate administration and operating costs.
Underwriting	The Offer is underwritten by Euroz Securities Limited.
Shareholder approval	No shareholder approval will be required for the Offer.
Dividend Policy	The Company does not have a dividend policy and does not intend to declare a dividend in the near future.
Disclosure	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 ¹	21,292,561
Maximum number of New Shares to be on issued under the Offer ²	42,585,122
Maximum number of New Shares to be on issued under the Offer	63,877,683

NOTE:

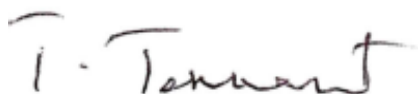
1. Assumes no further Shares are issued prior to the Record Date.
2. Assumes the Offer is fully subscribed.

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



Trevor Tennant
Managing Director

