

ASX RELEASE 29 JULY 2016

Quarterly Activities Report for the Period ended 30 June 2016

Llahuin/Llanos marketing and Low Cost Structure

- The Company continued its 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.
- The Company is also conducting assessments of potential acquisition opportunities with a principal focus on the resources sector.
- Administrative and operational costs are minimal.
- The Company completed its underwritten renounceable Rights Issue raising \$851,702.

Projects

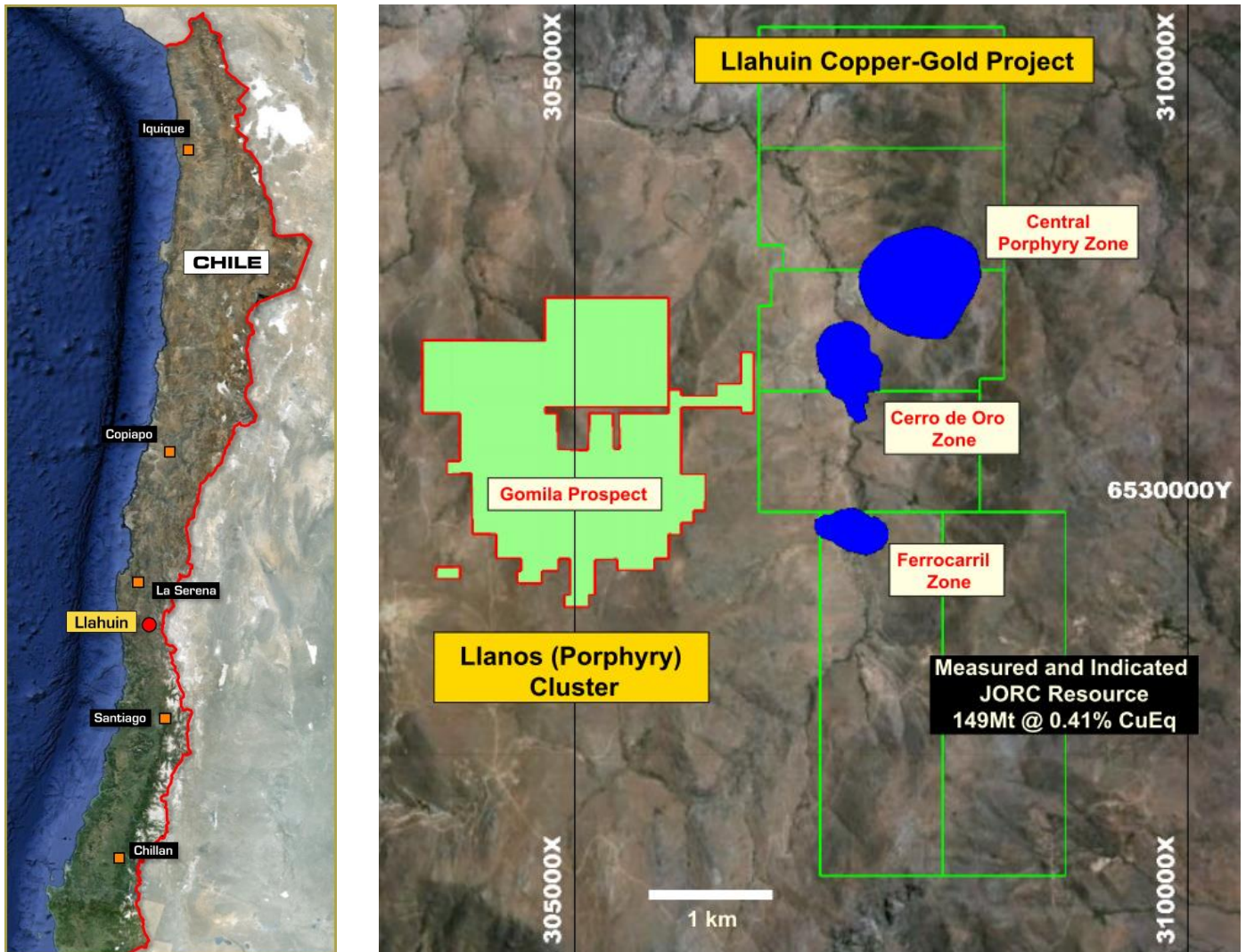
Llahuin Copper-Gold Project (~250km north of Santiago)

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 **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.

The Company is 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 continues to pursue these opportunities.

Other Projects

Rincon Copper-Gold Project

The Rincon Project is a copper opportunity with similarities and along strike from world class mines in the high Andes Mountains. The Company is also marketing this project for sale or joint venture.

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. Minimal costs are being incurred to maintain these concessions.

The Company will also market its other prospective concession holding; the Rincon Project, as well as considering other opportunities in the resources sector.

With successful completion of the Rights Issue, Mr Douglas Young joined the Board as Non-Executive Chairman and Mr Brian Beresford joined the Board as a Non-Executive Director. Mr John Tarrant resigned as Non-Executive Chairman and Mr James Pearson resigned as a Non-Executive Director.

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.

Concession (tenement) Holdings

During the Quarter, the Company completed the annual renewal process of its concession holdings.

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

The Company retained only its concessions within the Llahuin and Rincon Projects.

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

Llahuin (Combarbala, Chile)	Llahuin, Option Agreements*	Rincon (Salamanca, Chile)
EL ESPINO 8	LA ENCANTADORA I, 1 AL 36	RINCON 4
EL ESPINO 9	LA ENCANTADORA II, 1 AL 18	RINCON 8
EL ESPINO 11	LA ENCANTADORA III, 1 AL 12	RINCON 11
EL ESPINO 12	LA ENCANTADORA III A , 1 AL 8	RINCON 12
EL ESPINO 13	LA ENCANTADORA IV, 1 AL 11	RINCON 1 1 AL 30
EL ESPINO 14	LA ENCANTADORA V 1	RINCON 2 1 AL 30
EL ESPINO 15	LA ENCANTADORA VI, 1 AL 8	RINCON 3 1 AL 30
AMAPOLA III	LA ENCANTADORA DE LLAHUIN AL 19	RINCON 5 1 AL 30
AMAPOLA IV		RINCON 6 1 AL 30
EL ESPINO 1 1 AL 300		RINCON 7 1 AL 30
EL ESPINO 2 1 AL 200		RINCON 9 1 AL 20
EL ESPINO 3 1 AL 200		RINCON 10 1 AL 20
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		

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 June 2016

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation	(38)	(179)
(b) development		
(c) production		
(d) administration	(137)	(663)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	-	4
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(175)	(838)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	
(c) other fixed assets		17
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)	-	-
	-	17
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(175)	(821)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(175)	(821)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	852	1,367
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	60	105
1.17	Repayment of borrowings	(105)	(105)
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	807	1,367
Net increase (decrease) in cash held			
		632	546
1.20	Cash at beginning of quarter/year to date	7	92
1.21	Exchange rate adjustments to item 1.20	1	2
1.22	Cash at end of quarter*	640	640

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	-
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

N/A

+ See chapter 19 for defined terms.

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	-
4.2 Development	-
4.3 Production	-
4.4 Administration	30
Total	30

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	640	7
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	640	7

+ See chapter 19 for defined terms.

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 <small>(Although these concessions have not been renewed, the Company may have a defensible claim over these concessions for several months. If circumstances change and/or opportunities arise, the Company may reclaim these concessions.)</small>	Lapsed (all located in Chile)			
	Belen, Putre	Exploration / exploitation concessions	100%	0%
	Chitigua, Calama	Exploration / exploitation concessions	100%	0%
	El Arrayan , Vicuna	Exploration / exploitation concessions	100%	0%
	Las Santas, Salamanca	Exploration / exploitation concessions	100%	0%
	Los Pumas, Putre	Exploration / exploitation concessions	100%	0%
	Los Rulos, Canela	Exploration / exploitation concessions	100%	0%
	Mantos Grandes, Monte Patria	Exploration / exploitation concessions	100%	0%
	Romeral, Salamanca	Exploration / exploitation concessions	100%	0%
	Santa Gracia, La Serena	Exploration / exploitation concessions	100%	0%
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 Preference ⁺securities	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 ⁺Ordinary securities	65,022,761	65,022,761	-	-
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	42,484,122 1,246,078	42,484,122 1,246,078	0.02 0.05	Fully paid Fully paid
7.5 ⁺Convertible debt securities (description)	-	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	-	-	-	-
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures	-	-		
7.12 Unsecured notes	-	-		

+ 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:  Date: 29 July 2016
(Company secretary)

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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