



ASX RELEASE 31 OCTOBER 2016

Quarterly Activities Report for the Period ended 30 September 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. The Company is in advanced negotiations in this regard and will announce any material developments in due course.
- The Company is also conducting assessments of potential acquisition opportunities with a principal focus on the resources sector.
- Administrative and operational costs are minimal.

Projects

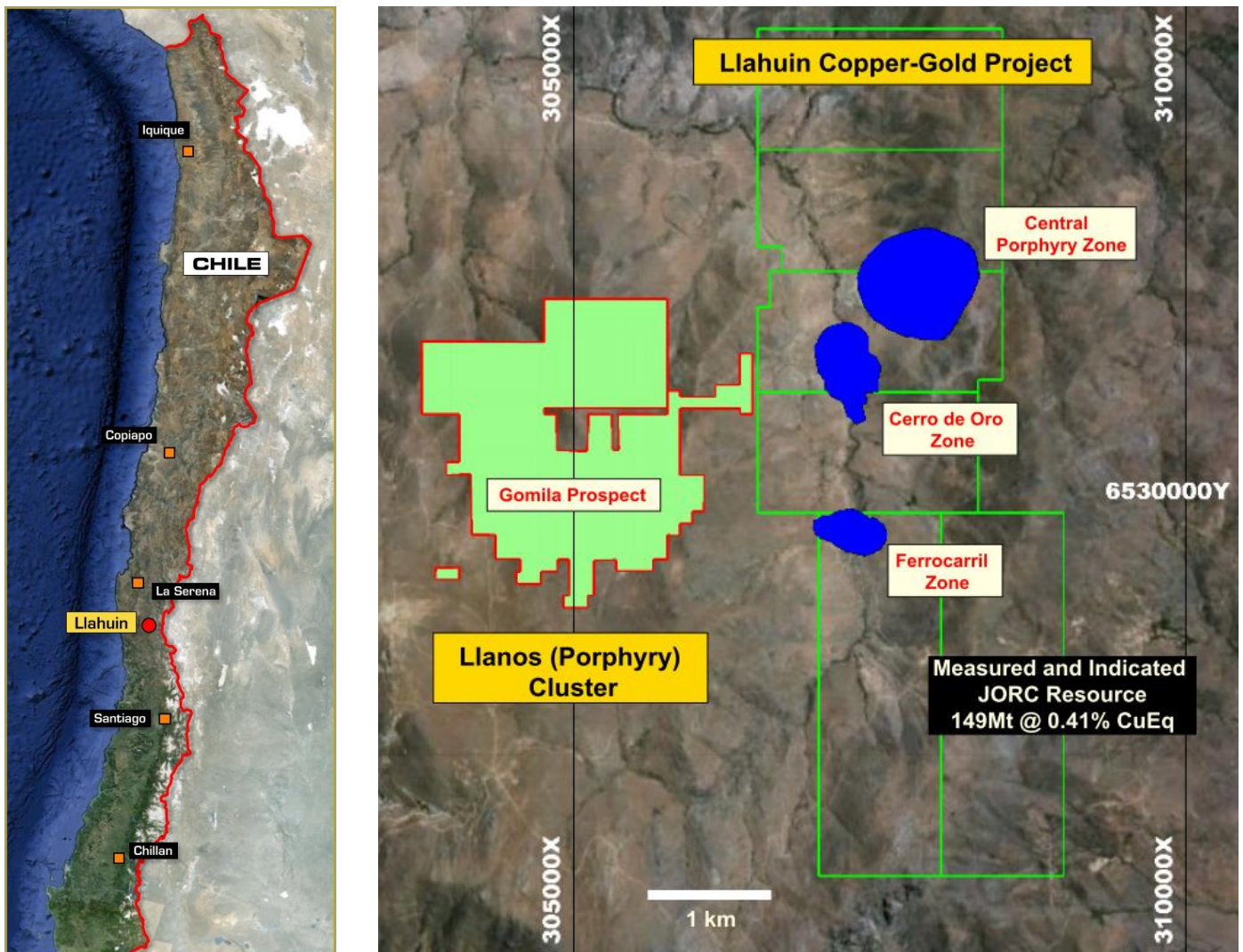
Llahuin Copper-Gold Project (~250km north of Santiago)

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. In this regard, the Company is in advanced negotiations towards finalising a joint venture agreement with a strong partner.

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. The Company is in advanced negotiations in this regard and will make an announcement in due course. Minimal costs are being incurred to maintain these concessions.

The Company will continue to market its other prospective concession holdings; the Rincon Project and the Los Pumas Project; which was retained after the Company's project portfolio was reassessed. The Company is also considering other opportunities in the resources sector.

The Company's Annual General Meeting has been set for 30 November 2016. The Notice of Meeting has been despatched to shareholders.

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

The Company retained only its concessions within the Llahuin, Los Pumas 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 EL ESPINO 9 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	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 Los Pumas (Putre, Chile) LOS PUMAS 5 AWAHOU 1 AL 20 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	RINCON 4 RINCON 8 RINCON 11 RINCON 12 RINCON 1 1 AL 30 RINCON 2 1 AL 30 RINCON 3 1 AL 30 RINCON 5 1 AL 30 RINCON 6 1 AL 30 RINCON 7 1 AL 30 RINCON 9 1 AL 20 RINCON 10 1 AL 20

Appendix 5B

Mining exploration entity and oil and gas 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, 01/05/13, 01/09/16

Name of entity

Southern Hemisphere Mining Limited

ABN

17 140 494 784

Quarter ended ("current quarter")

30 September 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(26)	(26)
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(111)	(111)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(135)	(135)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)	10	10
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	10	10

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares		
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	(2)	(2)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	(2)	(2)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	640	640
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(135)	(135)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	10	10
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2)	(2)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	513	513

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	513	513
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	513	513

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
-
-

nil

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

nil

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available

Add notes as necessary for an understanding of the position

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.


nil

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	
9.2 Development	
9.3 Production	
9.4 Staff costs	
9.5 Administration and corporate costs	40
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	40

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Mantos Grandes, Monte Patria	Exploration / exploitation concessions	100% (Previously flagged as relinquished but was sold during period)	0%
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  Date: 31 October 2016
(Director/Company secretary)
Derek Hall
Print name:

Notes

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.