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SOUTHERN HEMISPHERE ANNOUNCES OPTION OF NEW PROSPECTIVE COPPER PROJECT: LLAHUIN DRILLING PROGRAM COMMENCED WITH RESULTS TO FOLLOW

International mining company **Southern Hemisphere Mining Limited** ("Southern Hemisphere" or the "Company") is pleased to advise that it has signed an option agreement to purchase a **highly prospective copper exploration project** in northern Chile.

The new project, **Llahuin**, comprises a group of Mining Licences located near the city of Ilapel, 250km north of Santiago.

The Llahuin Project comprises two elements: the **Amapola Group** of Exploitation Licences (the "Amapola Group") and the **Llanos Group** of Exploitation Licenses (the "Llanos Group").

Southern Hemisphere has signed an Option to purchase the Amapola Group. The terms of this agreement will result in one of the Company's 100%-owned Chilean subsidiaries becoming the 100% owner of the licenses without any encumbrances.

Under the terms of the option agreement, the Company will acquire the licenses by making staged cash payments of US\$615,000 over the course of 12 months from the date of the agreement and issue shares to the value of US\$1.2m, 18 months from the date of the agreement for total consideration of US\$1.875m.

The Company will also enter into a separate option agreement to purchase the Llanos Group once due diligence on the licence areas is completed.

The Company has completed due diligence on the Amapola Group and commenced an initial Reverse Circulation (RC) drilling program on 1 June 2011. First results are expected shortly.

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