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TSX-V: SH

Australian Office:
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Unit 1103
Roger de Flor 2907
Los Condes, Santiago

29 September 2011

Australian Securities Exchange
Level 8
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Sir/Madam

2011 Annual Information Form

Please refer below for the 2011 Annual Information Form of Southern Hemisphere Mining Limited, as issued in Canada.

This document should be read in conjunction with the 2011 Annual Management Discussion and Analysis and the Consolidated Audited Financial Statements for the year ended 30 June 2011.

Please note that per Canadian requirements, a detailed Statement of Corporate Governance Practises will be included in the Company's Information Circular which accompanies the Notice of Meeting for the upcoming Annual General Meeting.

Yours faithfully

A handwritten signature in blue ink, appearing to read "D Hall", is written over a faint, larger version of the same signature.

Derek Hall
Company Secretary



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2011 ANNUAL INFORMATION FORM

Southern Hemisphere Mining Limited (“**the Company**”)

For The Year Ended June 30, 2011

(Dated as of September 28, 2011)

TABLE OF CONTENTS

	Page
ITEM 1 - CORPORATE STRUCTURE	8
1.1 Name, Address and Incorporation.....	8
1.2 Intercorporate Relationships.....	8
ITEM 2 – GENERAL DEVELOPMENT OF THE BUSINESS.....	9
2.1 Three-Year History	9
2.2 Significant Acquisitions	11
ITEM 3 - DESCRIPTION OF THE BUSINESS.....	11
3.1 General	11
3.2 Risk Factors	13
3.3 Mineral Projects	17
ITEM 4 – MATERIAL MINERAL PROJECTS.....	18
4.1 Summary - Los Pumas Project.....	18
4.2 Scope of Work.....	18
4.3 Location and Site Description	19
4.4 Exploration History.....	19
4.5 Property Tenure	19
4.6 Geology and Mineralization	20
4.7 Exploration Concept	21
4.8 Status of Exploration, Development and Operations.....	22
4.9 Interpretation, Conclusions and Recommendations	24
4.10 Current Status	25
4.20 Summary – El Arrayan.....	26
4.21 Project Description and Location	26
4.22 Accessibility, Climate, Local Resources, Infrastructure and Physiography	26
4.23 History	27
4.24 Geological Setting.....	27
4.25 Exploration	28
4.26 Mineralization.....	28
4.27 Drilling.....	29
4.28 Sampling and Analysis.....	29
4.29 Security of Samples	29
4.30 Mineral Resource Estimate	29
4.31 Exploration and Development.....	30
4.40 Summary – Chitigua	30
4.41 Project Description and Location	30
4.42 Accessibility, Climate, Local Resources, Infrastructure and Physiography	30
4.43 History	31
4.44 Geological Setting.....	31
4.45 Exploration	32
4.46 Mineralization.....	32
4.47 Drilling.....	32
4.48 Sampling and Analysis.....	33
4.49 Security of Samples	33
4.50 Mineral Resource Estimate	33

TABLE OF CONTENTS

(continued)

	Page
4.32 Exploration and Development.....	33
ITEM 5 - DIVIDENDS	33
ITEM 6 - DESCRIPTION OF CAPITAL STRUCTURE.....	34
6.1 General Description of Capital Structure	34
ITEM 7 - MARKET FOR SECURITIES	34
7.1 Trading Price and Volume	34
7.2 Prior Sales	35
ITEM 8 – ESCROWED SECURITIES	35
8.1 Escrowed Shares.....	35
ITEM 9 – DIRECTORS AND OFFICERS	35
9.1 Name, Occupation and Security Holding.....	35
9.2 Cease Trade Orders or Bankruptcies.....	38
9.3 Penalties or Sanctions	38
9.4 Conflicts of Interest	38
ITEM 10 – LEGAL PROCEEDINGS AND REGULATORY ACTIONS	39
ITEM 11 – INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	39
ITEM 12 – TRANSFER AGENT AND REGISTRAR.....	39
ITEM 13 - MATERIAL CONTRACTS.....	39
ITEM 14 - INTERESTS OF EXPERTS	40
14.1 Names of Experts.....	40
14.2 Interests of Experts	40
14.3 Audit Committee	40
ITEM 15 - ADDITIONAL INFORMATION.....	41
15.1 Australian Legal Requirements Respecting the Acquisition of Securities of the Company.....	41
15.2 Summary of Canadian Legal Requirements Respecting the Acquisition of Securities of the Company.....	41
15.3 Reporting by Substantial Shareholders and Insiders	42
15.4 ASX Reporting Requirements.....	42

Effective Date of Information

The information contained in Southern Hemisphere Mining Limited’s Annual Information Form (“**AIF**”) is presented as of June 30, 2011, unless otherwise stated herein.

Forward-Looking Statements

Certain items and documents referred to in this AIF contain forward-looking statements regarding events, financial matters or trends that may affect the Company's future operating results and financial position. In certain cases, forward-looking statements can be identified by the use of the words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “does not expect”, “is expected”, budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, “believes” or variations of such words or phrases or states that certain actions, events or results “may, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risk factors include, but are not limited to, the fact that the Company is in the exploration stage, will need additional financing to develop its properties and will be subject to certain risks since its properties are located in a foreign location, namely in Chile. These risk factors are set forth in more detail below under Item 3.2.

Although the Company has attempted to identify important factors that could affect the Company and may cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statement will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this AIF speak only as of September 28, 2011. The Company does not undertake any obligation to announce publicly any revisions to these forward-looking statements to reflect events or circumstances after September 28, 2011 or to reflect the occurrence of unanticipated events, except as required by law.

Currency

All dollar amount set forth in this AIF are expressed in United States dollars (“USD”) except where otherwise indicated by reference to Canadian dollars (“CAD”), Australian dollars (“AUD”) or Chilean Pesos (“CLP”). As at June 30, 2011, the closing rate for one United States dollar to these currencies is set out below:

Currency	Closing rate USD\$1.00 at June 30, 2011
CAD	0.9764
AUD	0.9436
CLP	469.5000

Glossary of Non-Technical Terms

“ASX”	Australian Securities Exchange.
“Centralian Mining Pty Ltd”	A related party company controlled by two Directors of the Company, Trevor Tennant and James Pearson and former director Eduardo Valenzuela (or associated entities).
“Chitigua”	the Chitigua Project as more particularly described under Item 4 in this AIF.
“Company” or “Southern Hemisphere” or “SUH”	Southern Hemisphere Mining Limited.
“Concession”	a right granted to the Company by the relevant authorities to perform exploration and mining activities.
“El Arrayan”	the El Arrayan Project as more particularly described under Item 4 in this AIF.
“FUT”	Sociedad Servicios e Inversiones Futuro Limitada, a Chilean domiciled limited liability company, which holds interests in Mantos Grandes property. FUT is a subsidiary of SHMPL.
“Los Pumas”	the Los Pumas Manganese Project as more particularly described under Item 4 in this AIF.
“MHS”	Minera Hemisferio Sur SCM, a Chilean domiciled contractual mining company, which holds interests in the Los Pumas Manganese Project, Belen, Meteoritica, Nacimiento and Arenas Del Sur (Iron Sands) properties. MHS is a subsidiary of SHMPL.
“MPAM”	Minera Panamericana SCM, a Chilean domiciled contractual mining company, which holds interests in Angel, Chitigua, and Santa Gracia (including Chacay) properties. MPAM is a subsidiary of PAM.
“MPS”	Minera Pacifico Sur SCM, a Chilean domiciled contractual mining company, which holds interests in El Arrayan, San Jose and Las Santas properties. MPS is a subsidiary of SHMPL
“MSAM”	Minera America del Sur SCM a Chilean domiciled contractual mining company, which holds interests in Cunlagua, Romeral (Juan Soldado), Carboneras, Manganese and Tres Cruces properties. MSAM is a subsidiary of SAM
“PAM”	Pan American Mining Pty Ltd, an Australian domiciled subsidiary of the Company which holds Chilean domiciled entity Minera Panamericana SCM.

“SAM”	South American Mining Pty Ltd, an Australian domiciled subsidiary of the Company which holds Chilean domiciled entity Minera America del sur SCM.
“SEDAR”	System for Electronic Document Analysis and Retrieval (SEDAR) is a mandatory document filing and retrieval system for Canadian public companies.
“SHMPL”	Southern Hemisphere Mining (Aust) Pty Ltd, an Australian domiciled subsidiary of the Company, which took over Youandi Capital Corp. SHMPL holds Chilean domiciled entities Minera Hemisferio Sur SCM, Minera Pacifico Sur SCM and Servicios E Inversiones Futuro Ltda.
“Technical Report”	the NI 43-101 Technical Report and Resource Estimate regarding the Los Pumas Manganese Project dated 21 March 2011 by Coffey Mining Pty Ltd.
“TSXV”	TSX Venture Exchange.
“YCC”	Youandi Capital Corp was a Capital Pool Company on the TSX Venture Exchange which was subject to a reverse takeover by Southern Hemisphere Mining Pty Ltd and became Southern Hemisphere on December 17, 2007.

Glossary of Technical Terms

“breccias”	rock comprising angular fragments enclosed in a matrix, usually the result of persistent fracturing by tectonic or hydraulic means.
“deposit”	a concentration of minerals of interest which may, or may not, be of economic interest.
“diamond drill holes”	holes produced by hollow diamond tipped drill bits which collect core for analysis.
“fault”	a fracture in a rock across which there has been displacement.
“grade”	the amount of valuable mineral in each tonne of rock, expressed as ounces per ton or grams per tonne for precious metal and as a percentage by weight for other metals.
“hydrothermal”	of or pertaining to heated water, to the action of heated water, or to the products of the action of heated water.
“ignimbrite”	a volcanic rock formed by the consolidation of volcanic ash and other material ejected by an explosive volcanic eruption.

“IP survey”	induced polarization survey, which involves the measurement of the behaviour of electrical impulses applied to ground of interest.
“mantle or manto”	flat lying tabular deposits.
“mineralization”	the results of and the process or processes by which a mineral or minerals are introduced into a rock, resulting in an economically valuable or potentially valuable deposit.
“mineral reserve”	the economically mineable part of a measured mineral resource or indicated mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A mineral reserve includes diluting minerals and allowances for losses that may occur when the material is mined.
“mineral resource”	a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the earth’s crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction at some future time. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge.
“outcrop”	an exposure on the surface of the underlying rock.
“porphyry deposits”	deposits containing relatively large conspicuous crystals, especially feldspar, in a fine-grained igneous matrix.
“pyrite”	a sulphide mineral of iron and sulphur.
“Qualified Person”	an individual who is an engineer or geoscientist with at least five years experience in mineral exploration, mine development, production activities and project assessment, or any combination thereof, including experience relevant to the subject matter of the project or report and is a member in good standing of an approved self-regulating organization.
“quartz”	a common rock-forming mineral comprised of silicon and oxygen (SiO ₂).
“reverse circulation” or “RC”	a drilling method in which fragmented sample is brought to the surface inside drill rods, thereby reducing contamination. Commonly used with a percussion hammer bit.
“sample”	a sample of selected rock chips from within an area of interest.
“sandstone”	a medium grained clastic sedimentary rock.

“sedimentary”	formed by the deposition of solid fragmented material that originates from volcanic ejections or weathering of rocks and is transported from a source to a site of disposition.
“sedimentary rock”	a rock that has been formed by the consolidation of loose sediment that has accumulated in layers.
“scarn deposit”	a metamorphic zone developed in the contact area around igneous rock intrusions when carbonate sedimentary rocks are invaded by and replaced with chemical elements that originate from the igneous rock mass nearby.
“sulphide”	a class of minerals commonly combining various elements in varying ratios with a sulphur.
“tonne”	metric unit of weight consisting of 1000 kilograms.
“vein”	a tabular mineral deposit formed in or adjacent to faults or fractures by the deposition of minerals from hydrothermal fluids.
“volcanic”	pertaining to the activity, structures or rock types of a volcano.
“wireframe”	a computer technique to form a surface, or enclose a volume, with an imaginary, continuous array of two dimensional shapes.

ITEM 1 - CORPORATE STRUCTURE

1.1 Name, Address and Incorporation

The Company was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on December 23, 2005 and its common shares were listed on the TSXV on November 2, 2006 trading as YCC.

In December 2007, YCC acquired all the shares in an Australian proprietary limited company; SHMPL. SHMPL was formed December 13, 2005 in Western Australia, Australia.

Prior to the acquisition of the SHMPL shares, YCC was classified as a Capital Pool Company as defined in the TSXV Policy 2.4 and, accordingly, had no assets other than cash and no commercial operations. The acquisition was accounted for as a reverse takeover. YCC subsequently changed its name to Southern Hemisphere Mining Limited on December 17, 2007.

The Registered Office of the Company is located at Suite 1750, 1185 West Georgia Street, Vancouver, British Columbia, Canada V6E 4E6. Operations are managed from the Company's office located at Suite 7, 1200 Hay Street, West Perth, Western Australia, Australia. The Company also maintains an office in Santiago, Chile.

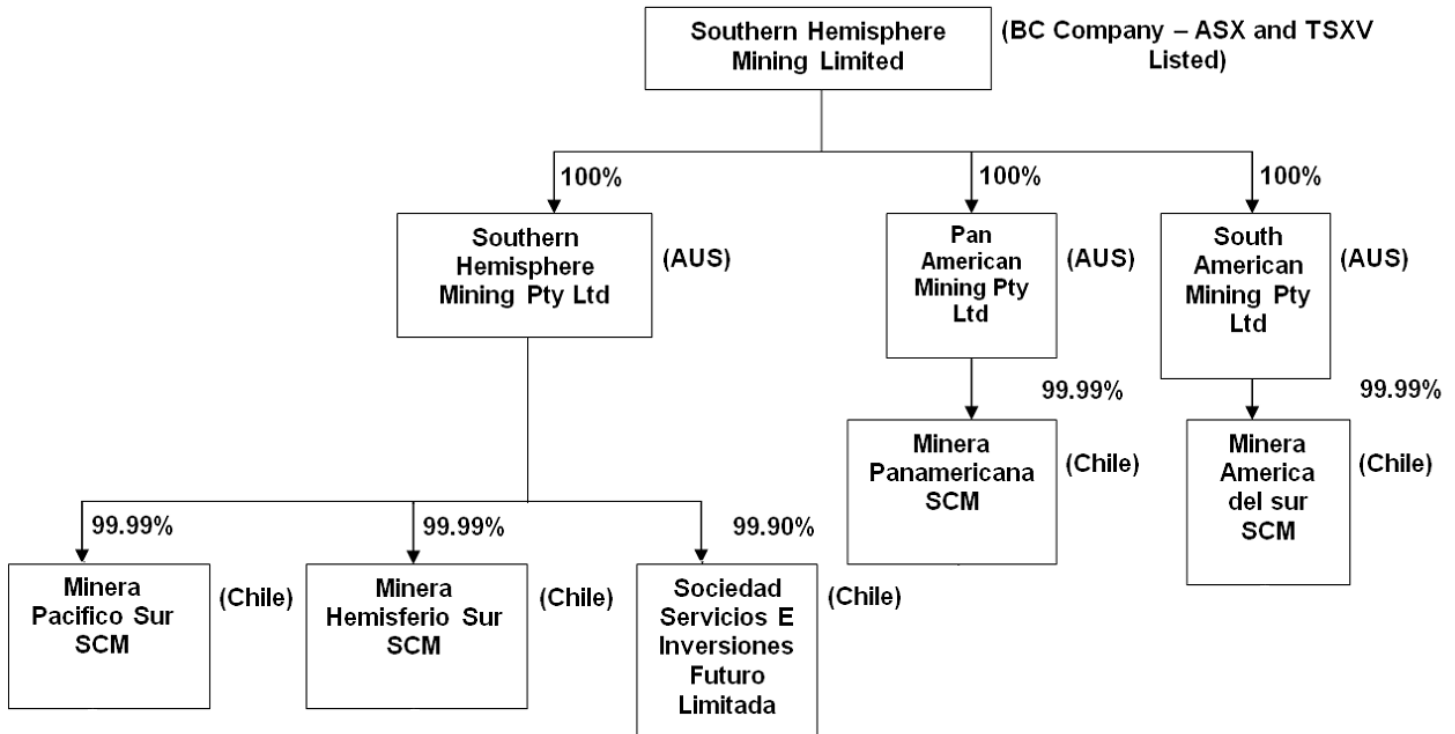
1.2 Intercorporate Relationships

The Company has eight subsidiary companies. Three of these: namely SHMPL, PAM and SAM are wholly owned Australian domiciled subsidiaries. These companies in turn own five Chilean domiciled subsidiaries: MHS, MPS, MPAM, FUT and MSAM. Each Chilean subsidiary is effectively wholly owned by the Company. One share in each of the Chilean subsidiaries is held on trust by the Company's legal counsel or a Company representative in Chile as per local legal requirements.

Diagram 1 below shows the intercorporate relationships among the Company and its subsidiaries as at June 30, 2011.

DIAGRAM 1 – CURRENT STRUCTURE

**CORPORATE STRUCTURE DIAGRAM OF SOUTHERN HEMISPHERE MINING LIMITED
GROUP OF COMPANIES**



ITEM 2 – GENERAL DEVELOPMENT OF THE BUSINESS

2.1 Three-Year History

The Company is a resource, exploration and mine development company focused on properties in Chile with the stated strategy of creating shareholder value through the discovery and exploitation of mineral deposits.

On December 17, 2007, the Company completed its Qualifying Transaction pursuant to TSXV Policy 2.4 and became a Tier 2 listed issuer on the TSXV. The Qualifying Transaction consisted of the reverse takeover of YCC by SHMPL.

On December 30, 2009 the Company was admitted to the official list of the ASX with trading of the Company's securities on the ASX commencing on January 5, 2010.

Acquisition of PAM and SAM

On June 15, 2009, the Company entered into an agreement to purchase all the shares of two Australian companies, PAM and SAM, and the outstanding shareholdings of their respective Chilean subsidiaries. The Chilean subsidiaries together held title to eight exploration projects in Chile. The shareholders of the Company approved the acquisition of PAM and SAM at a special meeting of shareholders held on July 29, 2009. Consideration for the purchase of the PAM and SAM shares and their underlying assets was agreed to be CAD\$2,000,000 payable by the issuance of 10,000,000 of the Company's common shares.

Projects acquired pursuant to the acquisition of PAM and SAM are as follows:

1. Chitigua;
2. Angel;
3. Santa Gracia / Chacay;
4. Carboneras;
5. Meteoritica;
6. Romeral (Juan Soldado);
7. Tres Cruces; and
8. Cunlagua.

Acquisition of Emanuel and Awahou concessions

In January 2010, under an option arrangement, MHS completed the purchase of certain mining concessions known as "Emanuel del 1-20" and "Awahou 1-20", which cover 4 square kilometres near Putre in northern Chile, from Sociedad Minera Kaiora International Limitada for a total consideration of \$1,750,000. These concessions contain the Los Pumas Manganese Project areas. Refer to the news release lodged on SEDAR February 26, 2010 detailing this acquisition.

Creation of Minera Pacifico Sur (MPS)

On October 29, 2010, MHS entered into a deed whereby its assets were divided between itself and MPS, a new Chilean subsidiary of SHMPL. This action was taken as forward planning should third parties be interested in farming into either the Company's bulk commodity or copper/gold assets. The split resulted in MHS retaining Los Pumas, Belen, Nacimiento, Meteoritica and Arenas Del Sur and MPS owning El Arrayan, Las Santas and San Jose.

Acquisition of Arenas del Sur (Chanco) concessions

In April 2011, the Company completed the purchase of Arenas Del Sur (Chanco) concessions from a related party; Centralian Mining Pty Ltd, by the issue of 1,301,700 common shares of the Company. The concessions are situated within the coastal plain of Central Chile and are prospective for iron sands. Refer to the news release lodged on SEDAR November 11, 2010 detailing this acquisition.

Llahuin Option Agreement

Since the financial year end, the Company has entered into an option agreement to purchase the Llahuin Amapola copper/gold properties located near the city of Illapel, 250 kms north of Santiago. Refer to the news releases lodged on SEDAR July 13, 2011 and July 14, 2011 detailing this acquisition.

Financings

2008 Non-Brokered Private Placement

On December 4, 2008, the Company completed a private placement of 7,670,000 units at a price of CAD\$0.20 per unit for gross proceeds of CAD\$1,534,000. There were no commissions or selling costs associated with this transaction. Each unit was comprised of one common share and one half one share purchase warrant. Each whole warrant entitled the holder to purchase an additional common share at an exercise price of CAD\$0.20 per share, exercisable for a period of two years. To June 30, 2011, warrant holders exercised 3,835,000 share purchase warrants at an exercise price of CAD\$0.20 per share to acquire 3,835,000 common shares of the Company.

2009 Non-Brokered Private Placement

On August 6, 2009, the Company issued 15,000,000 units at a price of CAD\$0.20 per unit for gross proceeds of CAD\$3,000,000. Each unit was comprised of one common share and a one half share purchase warrant with an exercise price of CAD\$0.40. The warrants were not exercised and expired on August 28, 2011.

2009 Listing on the Australian Stock Exchange

On December 3, 2009 the Company issued a prospectus offering 32,000,000 shares for sale at AUD\$0.25 cents per share as part of its listing on the ASX to raise AUD\$8,000,000 before transaction costs. The offering was fully subscribed and closed on December 17, 2009. On December 30, 2009 the Company was admitted to the official list of the ASX. Trading of the Company's securities on the ASX commenced on January 5, 2010.

2010 Brokered Private Placement

On October 27, 2010, the Company announced the successful completion of a capital raising which was approved by shareholders. The capital raising, comprising the issue of 47,620,100 new fully paid ordinary shares at a price of AUD\$0.42 per share to raise AUD\$20 million before costs, was made to institutional and sophisticated investors in three tranches.

2.2 Significant Acquisitions

The Company made no significant acquisitions during the financial year ended June 30, 2011, other than the Arenas del Sur concessions acquisition noted above.

ITEM 3 - DESCRIPTION OF THE BUSINESS

3.1 General

The Company is a resource, exploration and mine development company engaged directly and indirectly through subsidiaries, in the acquisition and exploration of mineral properties. The Company is in the exploration stage, as none of its properties are currently in production.

Specialized Skill and Knowledge

Management is composed of a team of individuals who have extensive expertise in the mineral exploration industry and exploration finance and are complemented by a strong Board of Directors. See Item 9 herein.

Competitive Conditions

The Company competes with other mineral exploration and mining companies for mineral properties, for joint venture partners and for the acquisition of investments in other mining companies.

Environmental Protection

The current and future operations of the Company, including development activities on its properties or areas in which it has an interest, are subject to laws and regulations governing exploration, development, tenure, production, taxes, labour standard, occupational health, wastes disposal, greenhouse gas emissions, protection and remediation of the environment, reclamation, mine safety, toxic substances and other matters. Compliance with such laws and regulations increases the costs of and delays planning, designing, drilling and developing the Company's properties.

The Company attempts to diligently apply technically proven and economically feasible measures to advance protection of the environment throughout the exploration and development process. Current costs and associated with compliance are considered to be normal.

Employees and Consultants

As at June 30, 2011, the Company employed three people at its head office in Perth, Western Australia, Australia and the Managing Director, who is based in Chile.

MHS employs 2 geologists and under Consulting Services Agreements retains the full time services of a general manager, a senior geologist, an administrative assistant and an accountant, all based in Chile. FUT employs one assistant also based in Chile.

As operations require, the Company also retains geologists, engineers, geophysicists and other consultants on a per diem basis. The Company has not experienced, and does not expect to experience, significant difficulty in attracting and retaining qualified personnel.

Foreign Operations

The Company's material assets are 100% interests in Los Pumas, El Arrayan and Chitigua projects, all of which are located in Chile.

The Company also has other mining properties located in Chile (see Item 3.3 – "Mineral Properties".)

The Company's management team in Chile maintains ongoing open lines of communication with officials from the Chilean Department of Mines, Environmental Department and related government departments.

3.2 Risk Factors

In addition to the other information presented in this AIF, the following risk factors should be carefully considered in evaluating the Company and its business.

Limited Operating History

The Company has no history of earnings and currently there are no known commercial quantities of mineral reserves on the Company's properties. A resource calculation has been completed for Los Pumas (see Management Discussion and Analysis for the year ended June 30, 2011) and project development is subject to Environmental Impact Statement approval and a successful feasibility study. Accordingly it is not possible to predict when, if at all, the Company will generate revenues or income from its operations.

Exploration and Development is a Speculative Business

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital.

All of the properties to which the Company has a right to acquire an interest are in the exploration or feasibility stages only and are without reserves. Development of the subject mineral properties would follow only if favourable exploration results are obtained. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Unregistered Claims or Interests

Although the Company is satisfied that it has taken reasonable measures to ensure an unencumbered right to exploit the properties for which it has been granted exploration permits, no assurance can be given that such permits are not subject to prior unregistered agreements or interests or that are undetected or other claims or interests which could be material and adverse to the Company.

No Assurance of Production

Mineral exploration is highly speculative in nature, involves many risks and frequently does not lead to the discovery of commercial reserves of minerals. While the rewards can be substantial if commercial reserves of minerals are found, there can be no assurance that the Company's past or future exploration efforts will be successful, that any production there from will be obtained or continued, or that any such production which is attempted will be profitable.

Industry Specific Risks

The exploration, development, and production of minerals are capital-intensive businesses, subject to the normal commercial risks and capital expenditure requirements associated with mining operations, which even a combination of experience, knowledge and careful evaluation may not be able to overcome.

Limited Experience with Development-Stage Mining Operations

The Company has limited experience in placing resource properties into production, and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with other major resource and engineering companies that can provide such expertise. There can be no assurance that the Company will have available to it the necessary expertise when and if the Company places its resource properties into production.

Political Risks

The Company's activities in foreign jurisdictions may be affected by possible political or economic instability and government regulations relating to the mining industry and foreign investors therein. The risks created by this political and economic instability include, but are not limited to military repression, extreme fluctuations in currency exchange rates and high rates of inflation. Changes in exploration or investment policies or shifts in political attitude in such jurisdictions may adversely affect the Company's business. Mineral exploration and mining activities may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, maintenance of property, environmental legislation, land use, land claims of local people, water use and property safety. The effect of these factors on the Company cannot be accurately predicted.

Factors Beyond Company's Control

Location of mineral deposits depends upon a number of factors, not the least of which is the technical skill of the exploration personnel involved. The exploration and development of mineral properties and the marketability of any minerals contained in such properties will also be affected by numerous factors beyond the control of the Company. These factors include government regulation, high levels of volatility in market prices, availability of markets, availability of adequate transportation and refining facilities and the imposition of new or amendments to existing taxes and royalties. The effect of these factors cannot be accurately predicted.

Currency Exchange Rates

The Company maintains bank accounts in AUD and CLP which are subject to fluctuations in currency exchange rates. Changes in the value of the AUD, particularly against the USD and CLP, could materially affect the Company's financial position and results.

Uninsured Risks

The Company's mining activities are subject to the risks normally inherent in mineral exploration, including but not limited to environmental hazards, industrial accident, flooding, periodic or seasonal interruptions due to climate and hazardous weather conditions, and unusual or unexpected formations. Such risks could result in damage to or destruction of mineral properties or production facilities, personal injury, environmental damage, delay in mining and possible legal liability. The Company may become subject to liability for pollution and other hazards against which it cannot insure or against which it may elect not to insure because of high premium costs or other reasons. The payment for such liabilities would reduce the funds available for exploration and mining activities and may have a material impact on the Company's financial position.

Competition

The precious and base metals minerals exploration industry and mining business is an intensely competitive business. The Company competes with numerous other companies and individuals in the search for and the acquisition of attractive precious and base metals exploration properties. Many of these competitors have substantially greater technical and financial resources than the Company. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

Future Financing

The Company has limited financial resources and has no assurance that additional funding will be available to it for further exploration and development of its projects. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties.

Management and Directors

The success of the Company is currently largely dependent on the performance of its officers. The loss of the services of these persons will have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse affect on the Company and its prospects. The Company has not purchased any "key-man" insurance with respect to any of its directors or officers to the date hereof. The loss of any key officer of the Company could have an adverse impact on the Company, its business and its financial position.

Dividends

The Company does not anticipate paying dividends on its common shares in the foreseeable future.

Share Price Volatility

In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration stage companies, has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of the Company's securities.

Dilution

The Company may undertake additional offerings of common shares and of debt securities convertible into common shares in the future. The increase in the number of common shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of common shares. In addition, as a result of such additional common shares, the voting power of the Company's existing shareholders will be diluted.

Mineral resources and any future mineral reserves are estimates and may be re-estimated and reduced

Mineral resources (and any future mineral reserves) are estimates, and no assurance can be given that the estimated resources and/or reserves are accurate or that the indicated level of mineral will be produced. Such estimates are expressions of judgment based on drilling results, past experience with mining properties, knowledge, experience, industry practice and many other factors. Estimates which are valid when made may change substantially when new information becomes available. Mineral resource and reserve estimation is an interpretive process based on available data and interpretations and thus estimations may prove to be inaccurate.

The actual quality and characteristics of mineral deposits cannot be known until mining takes place, and will almost always differ from the assumptions used to develop resources. Further, mineral reserves are valued based on future costs and future prices and consequently, the actual mineral reserves and mineral resources may differ from those estimated, which may result in either a positive or negative effect on operations. Should projects encounter mineralization or formations different from those predicted by past drilling, sampling and similar examinations, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the projects' operations.

Fluctuating Mineral Prices

Factors beyond the control of the Company may affect the marketability of minerals discovered, if any. Mineral prices have fluctuated widely, particularly in recent years. The effect of these factors cannot be predicted.

The Mining Industry is Highly Speculative

The Company is engaged in the exploration for minerals which involves a high degree of geological, technical and economic uncertainty because of the inability to predict future mineral prices, as well as the difficulty of determining the extent of a mineral deposit and the feasibility of extracting it without the expenditure of considerable money.

Potential Conflicts of Interest

Certain members of the Company's Board and officers of the Company also serve as officers or directors of other companies involved in natural resource exploration and development. Consequently, there exists the possibility that those directors and officers may be in a position of conflict.

Assets Located Outside of Canada

Substantially all of the Company's assets are located outside of Canada, and may from time to time be held directly and indirectly through foreign affiliates. It may be difficult or impossible to enforce judgments obtained in Canadian courts predicated upon the civil liability provisions of the securities laws of certain Provinces against the portion of the Company's assets located outside of Canada.

3.3 Mineral Projects

In addition to the bulk commodity projects at Los Pumas - manganese and Arenas del Sur (Chanco) - iron sands, the Company has 13 other properties in Chile. These have, in the main, been acquired on the basis for their potential to host porphyry copper/copper-gold deposits.

The first three of these projects were acquired by the Company pursuant to completion of its Qualifying Transaction in late 2007. These projects, Las Santas, El Arrayan, and San Jose were the subject of a Technical Report dated April 10, 2007 prepared by RSG Global (now Coffey Mining Pty Ltd "Coffey Mining") and lodged on SEDAR October 2, 2007. An updated review of the projects can be found in the Technical Report dated November 23, 2009 and lodged on SEDAR January 8, 2010.

In early 2008 the Company purchased the Mantos Grandes Project from Sundance Resources Limited. The project was an operating mine based on a scarn style mineralization and included a 200 tonne per day processing plant, a 923 hectare rural property and water rights. Refer to the news release lodged on SEDAR February 19, 2008 detailing this acquisition.

In mid 2009 the Company entered into agreements to purchase PAM and SAM, two Australian companies with Chilean subsidiaries. These agreements added another eight exploration projects to the Company's portfolio of properties, namely the Romeral, Meteoritica, Cunlagua, Chitigua, Tres Cruces, Santa Gracia/Chacay, Carboneras and Angel projects. These projects are the subject matter of the November 23, 2009 Technical Report prepared by Coffey Mining and lodged on SEDAR January 8, 2010.

In July 2011, the Company entered into an option agreement to acquire the Llahuin project concessions. Refer to the news release lodged on SEDAR July 13, 2011 detailing this acquisition. The agreement on Llahuin was signed after the end of the financial year to which this AIF relates.

ITEM 4 – MATERIAL MINERAL PROJECTS

As at June 30, 2011, the Company had three Material Mineral Projects; Los Pumas, El Arrayan and Chitigua.

4.1 Summary - Los Pumas Project

Los Pumas is a manganese project located in northern Chile which is the subject of:

1. a Preliminary Assessment . - Amended and Restated Technical Report (NI 43-101), lodged on SEDAR January 28, 2011; and
2. an Updated Resource Estimate -Technical Report (NI 43-101), lodged on SEDAR March 25, 2011

The detailed disclosure contained in the above Technical Reports is incorporated by reference into this AIF. A full copy of the Technical Reports can be found on SEDAR.

The following information regarding Los Pumas has been extracted from the above Technical Reports.

Manganese market and uses

Manganese (Mn) is the fourth most used metal globally after iron, aluminum and copper with approximately 90% of manganese ore used for the production of ferroalloys, which is used in steelmaking and 10% in the production of batteries, chemicals and aluminum cans.

Crude steel produced from iron contains an undesirable amount of oxygen and some sulphur. The introduction of manganese is essential because it fixes the sulphur content, acts as a hardening agent and is also a powerful deoxidizing agent. Used in small amounts manganese makes steel easier to roll, forge and weld and to date no substitute has been found for its use in steelmaking.

4.2 Scope of Work

Coffey Mining Pty Ltd (Coffey Mining) was commissioned by Southern Hemisphere Mining Ltd. (SUH) to provide an updated resource estimation for SUH's Los Pumas Manganese Project, located in Northern Chile.

Their report was prepared in accordance with disclosure and reporting requirements set forth in National Instrument 43-101, Companion Policy 43-101CP, and Form 43-101F1, and complies with Canadian National Instrument 43-101 for the 'Standards of Disclosure for Mineral Projects' of December 2005 (the Instrument), and the resource and reserve classifications adopted by CIM Council in November 2004.

The primary author of the report is Mr Ian Dreyer. Mr. Dreyer, was at the time of writing the report, Principal Geologist for Coffey Mining. He is a professional geologist with 23 years experience in the exploration and evaluation of mineral properties within Australia and elsewhere internationally. Mr. Dreyer is member of the Australasian Institute of Mining (AUSIMM - membership number 305241). Mr. Dreyer has the appropriate relevant qualifications, experience and independence as defined in the Canadian National Instrument 43-101 to act as the Qualified Person. Mr. Dreyer visited the Los Pumas Project on December 15, 2010.

4.3 Location and Site Description

Los Pumas is located in northern Chile, approximately 175km or 3 hours drive east of Arica, the major port city in Region XV of Chile (approximately 1,700km north of the capital city, Santiago). Arica is serviced by domestic flights between Santiago and a number of cities in Chile, and is located within one hours drive from Tacna, the southernmost city of Peru. Access from Arica to Los Pumas is via the International Highway from Arica to La Paz (CH11) to the regional administrative centre of Putre, then via the all weather gravel road (A023) to the project area.

The geographic coordinates of Los Pumas are Latitude -18.04, Longitude -69.63.

4.4 Exploration History

Los Pumas' potential as a manganese property was first identified during World War II when a German company excavated a number of small trenches and underground openings in both the mantle and vein mineralization. The result of this work is not available, nor is there any record of additional exploration up until the work commenced by SUH in September 2008.

4.5 Property Tenure

Los Pumas is located in the High Andes, on the edge of the Gorge Allan Lluta River, with elevations ranging from 3,500m to 5,000m above sea level. The project elevation is at 3,500m.

The temperature ranges between -15° to -5°C at night and 5° to 20°C during the day, with an annual rainfall of between 100 and 440mm.

All the concessions for Los Pumas are held 100% by MHS. The concessions collectively cover an area of approximately 100 square kilometres.

At June 30, 2011 Los Pumas consisted of:

- 33 Exploration concessions;
- 10 "Pedimentos" (exploration applications);
- 6 Exploitation concessions; and
- 2 "Manifestaciones" (mining claims);

Refer to the Concession Schedule appended to this AIF for concession details and definitions of the various concession types.

There are no known current environmental liabilities associated with the Project but the acceptance of the Environmental Impact Statement and the conclusion of water access agreements will be required prior to the commencement of operations.

There are no known royalties applicable to the Project but there is a progressive Special Tax on Mining Activities in Chile. However, Los Pumas should not be subject to this Special Tax as its operational income from production will not meet the payment threshold.

4.6 Geology and Mineralization

Los Pumas is located immediately to the west of the Taapacá volcano in a geographical area called the “altiplano” (high plateau). It is adjacent to the north-south trending Lluta River, where several other minor manganese occurrences have been identified.

The geology of Los Pumas is dominated by volcanic rocks of the Huaylas Formation (Upper Miocene age) and the Lauca Ignimbrite (Upper Pliocene). These have been subsequently overlain by Pleistocene pyroclastics, andesites and dacites and sedimentary units including primarily pumice, ignimbrites and a mixture of acid volcanic rocks (dacites and rhyodacites). Six major volcanic centres are clearly visible from Los Pumas with the closest being approximately 4km to the east.

The major formations are summarized below:

Huaylas Formation

This is Miocene in age, as defined by Salas (1966), comprising sedimentary and subhorizontal volcanics, which fill depressions in the Precordillera and high Andes Mountains. At Los Pumas the footwall to the mineralization is semi-consolidated gravel, sandstone and limonitic volcanic sediments, moderately stratified, in continuous layers that are centimetres to 10's of metres in thickness.

Lauca Formation

The Lauca Formation (Pliocene - Pleistocene) was defined by Munoz (1988) as a continental subhorizontal sedimentary sequence. In Los Pumas, the Lauca Formation is represented by a subunit called the Lauca Ignimbrite, which consists of a pyroclastic flow deposit, composed of mainly rhyolite.

There are two pyroclastic flow units in the Los Pumas area, each about 5m to 10m thick. The lower unit is strongly pink in colour, rich in ash and pumice, while the upper level is less pink in colour.

The Lauca Ignimbrite is important in that this unit hosts the majority of the manganese mineralization at Los Pumas. The manganese has formed mantle style mineralization, having been hydrothermally injected into the flat ignimbrite layer along paths of weakness associated with subvertical faults, preferentially orientated NNW, with subordinate structures oriented N-S and ENE. In the Los Pumas area, the Lauca Ignimbrite is interrupted by a dacitic to andesitic ignimbrite flow derived from the Taapacá Volcanic Complex .

Taapacá Volcanic Complex

The Taapacá Volcano is a large dacitic to andesitic volcano located to the east of Los Pumas. The main products of this volcano are block flow and ash flow rocks, with a dacitic-andesitic composition.

Deposit Types

The primary exploration model associated with Los Pumas is ‘manto’ style mineralization comprising sub-horizontal, strata-bound deposits (or mantos) and their subvertical feeder zones.

The manto model involves the introduction of mineralized hydrothermal solutions via steeply dipping feeder zones usually expressed as faults or breccia zones. These solutions then selectively invade and mineralize relatively porous and permeable horizons within the adjacent stratigraphic profile.

Where a feeder zone successively intersects a series of permeable horizons within the stratigraphy, stacked mineralized mantos may be developed. These stacked mantos are often characterized by a vertical metal zonation.

The feeder structures are characteristically higher grade than the mantos, especially immediately below the manto horizon however the manto deposits themselves are frequently of significantly greater dimensions. The deposit size is usually a function of the size, number and frequency of feeder structures, the volume of mineralizing hydrothermal fluids, and the width and permeability of the manto horizon.

Mineralization

The manganese mineralization at Los Pumas is divided into the north and south targets and is separated by the Taapacá volcanic dacitic-andesitic flow (approximately 1km). The north target is approximately 1.7km by 0.6km in area and approximately 1m to 10m in thickness, while the south target is 1km by 0.2km in area and a similar thickness.

Mineralization outcrops from surface in most cases, extending up to a maximum depth of 30m below surface.

The testwork completed by SUH indicates that Cryptomelane ($\text{KMn}_8\text{O}_{16}$) is the only manganese mineral represented.

The volcanic sediments located in the footwall of the mineralization are more ductile in nature and have not been as pervasively mineralized, although still contain narrow, high grade manganese veinlets and stockwork mineralization. This style of mineralization is also observed in the andesite flow that separates the north and south targets. This narrow, high grade mineralization was the focus of small underground mining activity undertaken by the Germans during World War II.

Metallurgical test work

Metallurgical test work on the Los Pumas mineralization has focused primarily on the production of a marketable grade manganese product from the relatively low grade in-situ resource by gravity techniques. This involved the use of Heavy Liquid Separation (HLS) tests and Dense Media Separation (DMS) tests on samples. The HLS tests were undertaken at a laboratory scale to provide information prior to the DMS tests in a pilot scale plant.

Other test work has been carried out to determine the comminution characteristics of the mineralized material. This included determination of the bond work index, abrasiveness, and strength characteristics.

4.7 Exploration Concept

The work completed by SUH to date has included:

- Regional reconnaissance.
- Project scale mapping of the Los Pumas Project.
- 32 diamond drill holes (DDH) for a total of 652.2m.
- 487 reverse circulation holes (RC) for a total of 14,204m.

- 203 surface channel samples of exposed manto style mineralization for a total of 203m.
- 240 assays of coarse rejects from samples that were not previously assayed in the resource estimates prior to this one, targeting what was perceived from past drilling campaigns to be lower grade mantle style mineralization.

All exploration has been undertaken by SUH personnel with the use of an independent drilling contractor as required.

4.8 Status of Exploration, Development and Operations

Mineral Resource Estimates

Coffey Mining completed the geological modelling for Los Pumas, with the close co-operation of the SUH exploration manager, Mr. Igor Collado.

This iteration of the resource model involved a fundamental decision to change the style of interpretation from the previous high grade and low grade domain style to a strongly geological derived interpretation. The decision was made jointly between Coffey and SUH on the basis that the primary control on the manganese (Mn) mineralization was the manto style geology which was not well described by considering only nominal Mn grade thresholds. This is supported by field inspections, review of winze geology, review of cores and review of RC drilling logging.

Coffey Mining used the Ordinary Kriging (OK) method to estimate Mn (%), MnO (%), SiO₂ (%), Fe₂O₃ (%), Al (%), K (%) and P (%) grades within the defined mineralized zones for the resource model. The model has been designed and classified considering an open pit mining scenario.

No Mineral Reserves have been calculated for any of the Los Pumas deposits.

Database Review

Coffey Mining was provided with an updated digital database, a new topographic surface, and digital copies of the assay certificates for all assaying on the Project.

The major changes from the October 2010 database are:

- The addition of 178 surface channel samples of manto style mineralization.
- The addition of 240 bulk reject sample assays from areas, both within manto zones, and immediately proximal to manto zones.

The collection of the surface grab samples was useful in areas of low drill density and as an additional check on areas that were reviewed in the site inspection. The majority of these samples are relatively high grade in manganese; field inspection supports these results.

The use of 'default' grades for the unsampled/unassayed portions of the drillholes has been problematic in the past. This has been partially addressed in this resource update with the selection of some coarse reject samples from pre-existing drillholes for assaying.

Block Modelling

The block model was generated using the Datamine mining software. A parent block size of 25mE x 25mN x 2mRL was selected with sub-blocking to 6.25mE x 6.25mN cell size to improve volume representation of the interpreted wireframe models. An ‘infinite splitting’ facility was used generate sub-cells in the Z direction to achieve a good volume fit inside the thinner, and very flat manto zones. The average cell size in the Z direction is 1.3m

Resource Classification

The resource estimate has been classified as Measured, Indicated, and Inferred Mineral Resources based on the confidence of the input data, geological interpretation, and grade estimation.

Mineral Resource

The Mineral Resource for the Los Pumas Manganese Project is shown in Table 17.11_1 for the manto domains.

Table 17.11_1 Los Pumas Project – Southern Hemisphere Mining Grade Tonnage Report (In Situ as at February 9th 2011) Resource Model at 4% Mn cutoff; Manto Domains Only							
Resource	Tonnes (Mt)	Mn (%)	SiO₂ (%)	Fe₂O₃ (%)	Al (%)	K (%)	P (%)
Measured	5.27	7.39	57.85	2.78	5.62	2.88	0.05
Indicated	13.06	7.65	55.00	2.96	5.64	2.92	0.05
Measured and Indicated	18.34	7.58	55.82	2.91	5.62	2.91	0.05
Inferred	5.39	8.59	51.44	2.72	5.49	2.69	0.06

The mineral resource has been quoted at a nominal 4.0% manganese cut off grade. This is used on the basis that semi-bulk to bulk open pit mining of this resource is carried out.

Local Resources and Infrastructure

It is important to highlight in this section the infrastructure given that manganese is a bulk commodity and infrastructure becomes very important to a project’s economic returns when considering the transport to market.

The Project is located 175km from Arica and is connected by a very good sealed road, which is the major road between Bolivia and the port facilities in Arica.

Coffey Mining reviewed the Arica port, which at the time of the visit was loading lead concentrate from Bolivia for export. The containment shed was negatively ventilated and well sealed with new equipment as would be expected from the main export port for Bolivia. The port storage facility has a capacity of approximately 25,000t and would require shuttling of material from a designated storage stockpile to the port during the loading of larger vessels.

4.9 Interpretation, Conclusions and Recommendations – Coffey Mining Report

- The change in style of interpretation from a grade based approach in October 2010 to a geological based approach now adds confidence to accuracy of the current the resource estimate.
- The approach taken with interpretation has been a joint one between Coffey Mining and SUH. This promotes greater ownership of the resource by SUH.
- The removal of non-manto style mineralization adds confidence to the resource estimate. To some degree the old low grade domain has been incorporated in the new manto domains; however the robustness of the interpretation and estimate has increased.
- The increase in Indicated Resource is mainly the result of the increased overall thickness of the new interpretation and to a lesser extent the slightly increased search radii. This is offset by increasing the requirements for the minimum number of composites from previous estimates.
- The use of a nominal low grade value (1.38% Mn) for unsampled intervals within manto domains is likely to be conservative.

Recommendations

- Attempt to define feeder zones in three dimensions with additional angled drilling.
- Assay all remaining unassayed samples within the manto domains.
- Increase the frequency of blanks and standards to industry standard in the analytical process, and furthermore, implement an appropriate QAQC program.
- The resource classification should be continued to be refined to ensure issues such as geological uncertainty are taken into account.
- Collect more bulk density data. It is considered that approximately 500 bulk density measurements are required to make an adequate tonnage estimate for this deposit, particularly if tonnage is grade dependent in each major lithology.

4.10 Current Status

The Los Pumas Manganese Project in northern Chile has been the main focus of the Company's exploration and development activities over the last two years. It is located 175 km inland from the port of Arica and is a multiple layered tabular style occurrence with a surface expression over 3.6 km in length. It is the subject of a completed Preliminary Assessment and awaits environmental approvals, water supply agreements and completion of final pit plans, ongoing testwork and a Feasibility Study.

The Company has undertaken several drilling campaigns on this project and as at June 30, 2011 had completed 14,204 metres of RC drilling in 487 holes. In addition to the RC drilling, 652 metres of diamond core drilling has been completed. A program of bulk sampling started in March 2010 with the commencement of the sinking of the first of a series of four winzes. The four winzes have been completed providing approximately 300 tonnes of sample material. Selected samples have been sent to Mintek in Johannesburg for beneficiation test work. Results from the beneficiation test work indicate that the bulk of the Los Pumas mineralization is amenable to concentration using heavy media separation.

During March 2011, Coffey Mining delivered an Updated Resource Estimate which increased the total measured and indicated resources to 18.3 million tonnes at the slightly lower grade of 7.58% Mn consisting of a measured resource of 5.27 million tonnes at a grade of 7.39% Mn, and an indicated resource of 13.06 million tonnes at a grade of 7.65% Mn. Also reported was an inferred resource of 5.39 million tonnes at a grade of 8.59% Mn. The Updated Resource Estimate was lodged on SEDAR March 25, 2011.

An easement agreement with the local community over the use of their land for the Project has been executed and reported in the Company's news release lodged on SEDAR May 10, 2010. Agreement has also been reached with the local community owners of land for the company to purchase water. The water agreement is still however the subject of examination by the judicial system in Chile.

On August 3, 2010, following the advice of the Corporation's environmental consultants, the Company lodged an Environmental Impact Declaration with the Region XV Committee in Arica. However, as reported in the Company's news release lodged on SEDAR January 25, 2011, following recent successful challenges by indigenous communities in the Chilean Supreme Court, of other parties' approved Environmental Impact Declarations, it was decided that it would be prudent for the Company to withdraw its Environmental Impact Declaration and substitute it with an Environmental Impact Statement (EIS). The amended (EIS) was lodged in August 2011 with the Arica Regional Committee. Approval is expected in the 1st Quarter of 2012.

Further heavy media separation metallurgical test work is currently being undertaken by Transmin Metallurgical Consultants in Lima, Peru with results expected by the 4th Quarter of 2011.

Work is continuing on Los Pumas, however, the current manganese market conditions have reduced the priority of the Project in the Company's plans. Accordingly, the Feasibility Study has been delayed but will continue to be progressed in line with the testwork results and EIS approval.

4.20 Summary – El Arrayan

The information in this section is based on the technical report “Independent Geologist’s Report on the Chilean Mineral Properties of Southern Hemisphere Mining Limited”, which is included in the Material Document lodged on SEDAR January 8, 2010 and was prepared by Mr Richard Yeates and Mr Beau Nicholls. Both Messrs Yeates and Nicholls were employed by Coffey Mining at the time of writing of the report and met the definitions of “Qualified Person” and “independent” as defined in NI 43-101.

Portions of the following information are based on assumptions, qualifications and procedures which are not fully described herein. Reference should be made to the full text of the Technical Report, which is available for review under the Company’s profile on SEDAR.

News releases with respect to drilling campaigns conducted since the Technical Report and cited below are also available for review under the Company’s profile on SEDAR.

Refer to the Concession Schedule appended to this AIF for concession details and definitions of the various concession types.

4.21 Project Description and Location

The El Arrayan Project is centred at 30°07’S and 71°00’W in Region IV of central-northern Chile, located immediately southeast of the regional capital of La Serena and 470km north of Santiago. It comprises 39 “Manifestaciones” mining claims and 6 exploitation concessions, covering an approximate aggregate area of 59 square kilometres.

All concessions are held 100% by Chilean registered company, Minera Pacifico Sur (MPS). Concessions are maintained via the payment of patent fees. For year ending June 30, 2011, El Arrayan patent fees amounted to approximately \$40,000.

It is understood that any mining activities within the concession areas require agreement with the surface land owners. Apart from a Special Mining Tax, there are no known royalties or other encumbrances which the El Arrayan Project area is subject to and there are no known environmental liabilities.

4.22 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The El Arrayan Project can be accessed by road via the sealed Pan American Highway northward to the regional capital of La Serena, thence eastward 40km up the Elqui Valley via sealed road to the township of Coquimbo and thence 15km south via formed gravel road to the Project area.

The El Arrayan Project experiences a Mediterranean to semi-arid continental climatic regime, characterised by hot dry summers and cool damp winters. El Arrayan is situated within the Coastal Cordillera of north-central Chile at elevations ranging from 300m to 800m above sea level. The vegetation comprises low shrubs and cacti, interspersed with perennial herbs.

The El Arrayan Project is well located with respect to infrastructure, being only 40km from the regional capital of La Serena and the neighbouring major port city of Coquimbo. Grid power is available within 15km of the property. Considerable quantities of groundwater are understood to be locally available and surface supplies can be accessed from the Elqui River, approximately 15km to the south. All commercial goods, services and laboratories are readily available in nearby La Serena.

4.23 History

The vicinity of El Arrayan has been extensively exploited for gold and copper by artisanal mining over a long period, with considerable evidence of extensive pre-colonial alluvial gold workings along creeks and rivers draining the property and surrounds. The region continued to be a significant producer of primary copper and gold during the Spanish colonial period. Between 1979 and 1983, ancient alluvial workings were extensively reworked by pirquineros and small quartz-haematite-gold veins continue to be exploited within excised portions of the El Arrayan property.

No systematic modern exploration has been undertaken, as the project lies within the low lying Coastal Cordillera, previously considered ‘unfashionable’, rather than the high Andes where the majority of significant porphyry copper deposits have identified. No drilling has been completed and much of the area remains unmapped and unsampled. In 1999, reconnaissance exploration involving limited mapping, trenching and channel sampling was completed over the property by Canadian company Majestic Resources Inc, the company then holding the nearby Andacollo copper deposit.

Limited informal underground pirquinero production is evident associated with the higher grade quartz-haematite-gold veins and oxidised copper lodes systems located in the southern and north-western portions of the property, however no production records are available.

4.24 Geological Setting

The El Arrayan Project lies within the Coastal Cordillera of north-central Chile, comprising early Cretaceous shallow marine sediments overlain by extensive Cretaceous andesitic volcanics and their derivatives. This succession has been intruded by coeval diorite to granodiorite batholiths, along with more prospective late Cretaceous stocks and dykes of dacite to tonalite composition.

The El Arrayan Project is located within a well-developed north-northwest trending structural corridor that extends for some 150km from south of Andacollo to Los Choros Creek in the north, incorporating the Andacollo copper and gold deposits, and the El Arrayan, Gavilanes, Chinchillon and La Higuera prospects.

The Coastal Cordillera was largely ignored by modern exploration, in favour of the Cordillera Principal, where major porphyry copper deposits have been discovered since the mid twentieth century. The Coastal Cordillera has long been associated with large iron deposits, copper lode systems and the older porphyry deposits, however during the last decade an improved understanding of the iron oxide-copper-gold (IOCG) association and its affiliation with porphyry systems has resulted in renewed exploration attention. Unlike many of their younger counterparts within the Cordillera Principal, porphyry systems of the Coastal Cordillera frequently contain appreciable quantities of gold.

The Candelaria porphyry deposit, located some 400km north of El Arrayan, represents a prime example of the copper-iron paragenetic association characterising the Coastal Cordillera. The reserves associated with Candelaria are reported to comprise in the order of 500Mt at 0.95% Cu, 0.22g/t Au and 3.1g/t Ag. A further example is the Andacollo porphyry deposit, owned by Teck Resources Ltd, which is located only 12km south-southwest of the El Arrayan Project in an identical setting. The reserves associated with Andacollo copper deposit are reported to comprise 423Mt at 0.38% Cu and 0.13g/t Au. The Andacollo gold deposit, located a further 12km to the south-southwest again. The deposit comprises low grade sub-horizontal stratabound (or manto) mineralization, over-printed by high grade vein systems. The mine has reportedly been on ‘care and maintenance’ since 2000 when the remaining resource associated with Andacollo gold deposit are reported to comprise some 48Mt at 0.68g/t Au.

The El Arrayan Project is almost exclusively dominated by an extensive succession of andesitic lavas, agglomerates and tuffs representing the mid-Cretaceous Quebrada Formation. These are generally flat lying to gently undulating and are readily recognised by their characteristic red colour. Although no intrusives have been formally mapped within the El Arrayan Project, small stocks of suspected tonalitic composition and dacite dykes were identified during the site visit. These are considered likely to be of late Cretaceous age, marginally younger than the extensive granodiorite batholith located immediately northwest of the project boundary.

The El Arrayan Project tenements cover the full extent of a substantial alteration system measuring some 10km long and 3km wide, which appears to be effectively identical to that defining the nearby Andacollo system to the south-southwest. The alteration is dominated by an argillic assemblage comprising clays, haematite and limonite, along with more localised silica and sericite development. This assemblage appears to over-print an earlier and more pervasive propylitic event, responsible for the characteristic red coloration in the peripheral andesitic host rocks. Within the overall north-trending tectonic corridor, the principal structural elements comprise a series of steeply dipping north-northwest striking brittle faults that host the majority of known copper and gold mineralization.

4.25 Exploration

Dr Bob Agar was retained by SUH to complete an ASTER image study over the main area of alteration at El Arrayan for use in conjunction with the soil survey to identify additional areas for drill testing within the large area of intensely altered surface rocks. A total of 187 soil samples were collected at a reconnaissance scale (400 x 800m) over the main alteration area some 10km in strike and 2km wide and also at a more detailed scale around and on strike of El Águila to the south. The samples were analysed at ALS Chemex laboratories Perth, Western Australia, using an ionic partial extraction. Within the El Arrayan area coincident ASTER alteration and very anomalous soil geochemistry responses for Cu, Mo, Nd and Rb, characteristic of porphyry systems, have been identified. Surface reconnaissance by SUH has shown intense alteration with Fe dominant, potassic alteration along with historical informal mining.

SUH completed a field reconnaissance works in late 2010 and a drilling program in early 2011. Refer to drilling section at Item 4.27 below.

4.26 Mineralization

The primary exploration model associated with the El Arrayan Project is a porphyry copper gold deposit of high iron affinity, essentially identical to that at Andacollo. The extent and intensity of alteration and the presence of high level intrusives of appropriate composition support the potential for a discovery of this style.

Mineralization of two principal styles has been identified, both of which are associated with steeply dipping, north-northwest trending brittle fault systems. In the south central portion of the Project, copper mineralization is associated with brecciation and quartz-haematite veining within a series of parallel fault structures that have been mined to a limited extent by pirquineros. Five principal mineralized faults have been identified over an aggregate width of some 400m and a strike length of approximately 1000m, with individual structures ranging in width from 1m to 3m.

Rare primary mineralization is dominated by chalcopyrite and bornite, with chalcocite and covellite present in transitional environments. More prevalent copper oxide mineralization is dominated by malachite and atacamite. Limited grab and channel sampling has generated grades up to 2% Cu and 9g/t

Au within the structures themselves, with evidence of lower grade disseminated copper in the adjacent alteration haloes.

Associated gold mineralization primarily appears to be confined to quartz veins or their brecciated remnants. A highly altered sub-volcanic rock, identified during the site visit in close proximity to the veinlode system, was found to contain abundant box-works after disseminated sulphides.

The entire zone is characterised by strong argillic alteration, with a phyllic assemblage locally developed adjacent to mineralized structures. A more amorphous zone of weak silicification appears to traverse the central portion of the vein zone, apparently more closely related to the periphery of the altered intrusive than the mineralized structures themselves. In the north-western portion of the project, a similar series of structures host laminated auriferous quartz-haematite veins. Although the majority of these structures are excised from the project tenements, they can be intermittently traced over strike lengths up to 2km where exposed in pirquinero workings. The associated alteration is consistent with that described above for the copper vein/lode systems.

4.27 Drilling

In November 2011, the Company completed underground channel sampling, at El Arrayan, from gallery walls and backs approximately 50 metres below surface. Refer to the news release lodged on SEDAR November 10, 2010 for details and analysis results.

In February 2011, the Company reported the results for the first 6 holes of an RC drilling program which commenced mid December 2010. Refer to the news release lodged on SEDAR February 16, 2011 for details and analysis results.

In April 2011, the Company reported the results for the final 4 holes of the El Arrayan RC drilling program. Refer to the news release lodged on SEDAR April 15, 2011 for details and analysis results.

The best drilling results from the El Arrayan RC drilling program was 26 metres @ 1.54% Cu from 86 metres.

4.28 Sampling and Analysis

Sample preparation and analysis was conducted on drill samples by Andes Analytical Assay Ltda Chile (“Andes”) using Atomic Absorption Spectrometry methods. Andes is an independent full service commercial laboratory accredited under ISO 9001 2008.

Samples were taken for each selected metre of depth using a standard sample splitting system.

4.29 Security of Samples

All samples were split on site under the supervision of a qualified geologist and experienced field technicians. Samples were sent to the laboratory by local courier firms. The bulk of the drill samples are still available on the Project site.

4.30 Mineral Resource Estimate

To date, no resources or reserves have been established for the El Arrayan Project.

4.31 Exploration and Development

Before committing to further work on El Arrayan project, the Company is endeavouring to increase the concession area by obtaining land adjacent to the El Arrayan project.

4.40 Summary – Chitigua

The information in this section is based on the technical report “Independent Geologist’s Report on the Chilean Mineral Properties of Southern Hemisphere Mining Limited”, which is included in Material Document lodged on SEDAR January 8, 2010, and was prepared by Mr Richard Yeates and Mr Beau Nicholls. Both Messrs. Yeates and Nicholls were employed by Coffey Mining Pty Ltd (“Coffey”) at the time of writing of the report and met the definitions of “Qualified Person” and “independent” as defined in NI 43-101.

Portions of the following information are based on assumptions, qualifications and procedures which are not fully described herein. Reference should be made to the full text of the Technical Report, which is available for review under the Company’s profile at sedar.com.

Refer to the Concession Schedule appended to this AIF for concession details and definitions of the various concession types.

4.41 Project Description and Location

The Chitigua Project is centred at 7610500mN and 5195000mE in the northern portion (Region II) of Chile, 270km northeast of the port city of Antofagasta and 90km north of the regional mining centre of Calama. The Project comprises 66 exploration concessions licenses and 21 “Manifestaciones” (mining claims) covering an area of 200 square kilometres.

All concessions are held 100% by MPAM, which is a wholly-owned subsidiary of PAM. Effectively, the entire project area lies within the Alto Loa Amerindian Reservation. It is understood that any mining activities within the concession areas require agreement with the surface land owners. Apart from a Special Mining Tax, there are no known royalties or other encumbrances which the Chitigua project area is subject to and there are no known environmental liabilities.

Concessions are maintained via the payment of patent fees. For year ending June 30, 2011, Chitigua patent fees amounted to approximately \$45,000.

4.42 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Chitigua Project is accessed from the regional mining service centre of Calama by travelling northeast and north for a distance of 67km on sealed Highway 21 to the road junction at Conchi, thence a further 37km north on the formed gravel B141 towards Collahuasi, thence 9km northwest on an unformed gravel road to the centre of the Project area. Individual prospects can be accessed to the north and west via a series of gravel mining access roads and tracks which traverse the property.

The Chitigua Project experiences an arid alpine continental climatic regime, characterised by hot dry summers and cold dry winters. The annual average precipitation is 75mm, while average maximum temperatures range from -2°C in winter to 32°C in summer. The temperature variation is characterised by extreme diurnal ranges.

The Chitigua Project is situated on the Andean altiplano along the eastern margin of the Atacama Desert at an altitude of 3,900m. The central axis of the Project comprises a moderate to steep range of hills that rises some 150m above broad outwash plains that extend to the east and west. The range is dissected by a series of dry creeks and canyons that provide vehicle access.

The vegetation is confined to sparse low shrubs that are largely confined to the outwash plain along the eastern margin of the project area. The land is essentially uninhabited and serves no commercial rural purpose.

The Chitigua Project is reasonably well located with respect to infrastructure, being only 46km by road from the sealed Highway 21, and 113km from the regional mining service centre of Calama. Grid power is understood to be available at the El Abra mine, some 50km to the south. Groundwater is understood to be available within the Loa valley, which lies some 15km east of the project tenements, however the quantity of available water is unknown. All commercial goods, services and laboratories are readily available in Calama.

4.43 History

Little information on the ownership history of the Chitigua Project has been sourced or provided. Codelco held tenements covering the Chitigua area prior to 2004, transferring the adjacent ground to Enami in order to establish an environmental reserve, where only pirquineros could operate. The environmental reserve never eventuated and Enami is understood to have sold the project to private Chilean company, Minera Fuego.

No formal records exist of copper production from within the Project area, however limited copper oxide mineralization is being mined by a syndicate within a small excised tenement to the west of the central part of the tenement block.

4.44 Geological Setting

The West Fault is a major north-trending crustal suture that can be semi-continuously traced through northern Chile for a distance of several hundred kilometres. The West Fault provides the locus for mineralized intrusions that comprise the Upper Eocene to Oligocene northern porphyry copper-molybdenum belt. This belt is one of the most heavily mineralized provinces in the world, incorporating some 29 major porphyry occurrences, including several of the world's largest deposits. From south to north, these include Escondida, Gaby, Chuquicamata, El Abra, Collahuasi and Quebrada Blanca, which lie along or immediately adjacent to the West Fault over a strike length of some 300km.

The Chitigua Project straddles (or more specifically lies immediately east of) the West Fault over a strike length of 18km, located between the Quebrada Blanca and El Abra deposits, situated 70km to the north and 30km to the south respectively. The basement geology of the Chitigua Project comprises a series of late Palaeozoic and Mesozoic granodiorites, ignimbrites and diorites that are variously overlain by associated rhyolitic to andesitic volcanics, conglomerates and sandstones.

This succession has been reactivated along the West Fault (and adjacent structures and splays) during the Tertiary, generating the intrusion of elongate porphyry stocks, dykes and breccias, along with associated andesitic volcanics. The principal porphyry exposures are developed immediately west of the northern and central-southern portions of the Project area.

The principal economic target within the Chitigua Project is porphyry copper-molybdenum mineralization, similar to numerous significant examples developed along the West Fault to the north and south. The style and setting of mineralization within the vicinity of Chitigua is most consistent with that

evident at the Chuquicamata deposit, where mineralization is hosted by a highly altered, elongate (partially attenuated) porphyry body that has directly intruded along the axis of the West Fault itself.

4.45 Exploration

Extensive exploration was undertaken during the 1960s and 1970s along the West Fault to the north of Calama by Anaconda and subsequently Codelco. This work identified major porphyry copper occurrences such as Collahuasi, Quebrada Blanca, El Abra, Toki, Genoveva and MM to the north and south of Chitigua. Codelco and Enami have completed limited exploration with the Chitigua Project, however the details of the work is held by Enami and cannot be accessed.

Codelco are known to have completed three deep vertical stratigraphic diamond holes immediately west of the northern Project tenements in the search for porphyry copper mineralization, however this data is also held by Enami.

Subsequent to the end of the June 30, 2011 reporting period, an IP survey of the Chitigua Project has been undertaken in an effort to better define drill targets.

4.46 Mineralization

The mineralization can be broadly subdivided into two categories; that hosted by porphyry that lie directly along the trace of the West Fault, and sheeted vein or manto style mineralization hosted within intrusives and volcanics peripheral to the West Fault. The porphyry hosted mineralization is by far the most significant from an economic perspective, however all occurrences again lie immediately west of the Company's tenements.

4.47 Drilling

In April 2010 the Company completed a 420m diamond drill hole and commenced an RC drilling program.

By the end of June 2011 two zones at Chitigua, the Breccia zone and the Church zone, had been drill tested. These zones are 6km apart and are adjacent to the Western Fault.

In the Breccia zone five holes were drilled, comprising two diamond drill holes drilled and three RC holes.

In the Church zone three holes were drilled, comprising one diamond drill hole and two RC holes. A surface trench to the north east of the drill holes was also sampled.

Refer to the news release lodged on SEDAR July 8, 2011 for full details on these drilling programs and analysis results.

Highlights of the drilling program included 46m @ 0.4% Cu from 3m and 23m @ 0.41% Cu from 63m.

Since the end of the reporting period, drilling has been hampered by winter weather conditions and mechanical issues with the drilling rigs. However, other drill rigs have been engaged and are expected to begin operations in September 2011.

4.48 Sampling and Analysis

5kg samples were taken from each metre interval from the RC drill holes. The samples are derived from riffle splitting each metre intercept. The samples were sent to Andes Analytical Assay Ltda (Chile) (“AAAL”) in Santiago for sample preparation and analysis.

Assay samples from the diamond core drilling program were taken after splitting core and sending half core samples for each metre interval to AAAL in Santiago.

Duplicate samples were taken on a 1 in 20 basis.

Analysis was undertaken using atomic absorption spectrometry methods. AAAL is an independent full service commercial laboratory accredited under ISO 9001:2008. Standard samples and repeat analyses were used by the laboratory to provide checks on the assay results.

4.49 Security of Samples

All samples were split on site under the supervision of a qualified geologist and experienced field technicians. Samples were sent to the laboratory by local courier firms. The bulk of the RC drill samples are still available on the Project site together with half-cores.

4.50 Mineral Resource Estimate

To date no resources or reserves have been established for the Chitigua Project.

4.32 Exploration and Development

The Company is planning to continue its drilling program at Chitigua aided by the recently received results of its IP survey.

ITEM 5 - DIVIDENDS

All of the common shares of the Company are entitled to an equal share in the dividends declared and paid by the Company. There are no restrictions in the Company's articles or elsewhere which could prevent the Company from paying dividends, however, the Company has not paid any dividends since incorporation and it is not contemplating that any dividends will be paid in the immediate future.

The directors of the Company will determine when, if any, dividends will be declared and paid in the future from funds properly applicable to the payment of dividends based on the Company's financial position at that time.

ITEM 6 - DESCRIPTION OF CAPITAL STRUCTURE

6.1 General Description of Capital Structure

The Company is authorized to issue an unlimited number of common shares without par value. Each common share ranks equally with all common shares with respect to dissolution, liquidation or winding up of the Company and payment of dividends. The holders of common shares are entitled to one vote for each share on all matters to be voted on by the shareholders.

The common shares are not redeemable, have no conversion rights and carry no pre-emptive or other rights to subscribe for additional shares. The outstanding common shares are fully paid and non-assessable. As at June 30, 2011, there were 152,525,821 common shares issued and outstanding.

ITEM 7 - MARKET FOR SECURITIES

7.1 Trading Price and Volume

Since January 2008, the Company's common shares have been listed and posted for trading on the TSXV under the trading symbol "SH". The table below sets out the reported high and low prices for the common shares of the Company on the TSXV for the calendar months indicated along with the volume of common shares traded for the months indicated:

PERIOD	High (\$)	Low (\$)	Volume traded
Jun-11	0.40	0.30	9,500
May-11	0.40	0.40	0
Apr-11	0.50	0.40	5,500
Mar-11	0.50	0.38	116,500
Feb-11	0.58	0.45	45,700
Jan-11	0.60	0.35	372,500
Dec-10	0.50	0.43	179,000
Nov-10	0.56	0.50	326,000
Oct-10	0.50	0.45	144,500
Sep-10	0.47	0.40	483,600
Aug-10	0.40	0.30	187,300
Jul-10	0.40	0.30	154,500

Since January 2010, the Company's common shares have also been listed and posted for trading on the ASX under the trading symbol "SUH". The table below sets out the reported high and low prices in \$AUD for the common shares of the Company on the ASX for the calendar months indicated along with the volume of common shares traded for the months indicated:

PERIOD	High (\$)	Low (\$)	Volume traded
Jun-11	0.36	0.19	2,237,900
May-11	0.40	0.35	1,078,400
Apr-11	0.49	0.40	1,968,600
Mar-11	0.54	0.42	4,837,300
Feb-11	0.58	0.48	6,440,300
Jan-11	0.58	0.45	6,472,500
Dec-10	0.54	0.48	6,533,400
Nov-10	0.62	0.48	7,096,700
Oct-10	0.61	0.46	3,426,800
Sep-10	0.58	0.47	5,175,200
Aug-10	0.48	0.35	3,522,900
Jul-10	0.40	0.26	2,964,600

7.2 Prior Sales

On 29 April 2011, the Company issued 5,050,000 options to directors and employees of the Company for no consideration. The exercise price of these options is AUD\$0.54.

ITEM 8 – ESCROWED SECURITIES

8.1 Escrowed Shares

At June 30, 2011, the Company had nil common shares in escrow on the TSXV. On the ASX, the Company had 1,301,700 CHESS Depository Interests (“CDIs”) in escrow with respect to the Centralian transaction referred to in Item 2.1.

ITEM 9 – DIRECTORS AND OFFICERS

9.1 Name, Occupation and Security Holding

The following table sets forth all current directors and executive officers of the Company as at the date of this AIF, with each position and office held by them in the Company, their terms of office and the period of service as such and the number of shares of the Company and percentage of the issued shares beneficially owned, directly or indirectly, or subject to control or direction by the person.

Name & Municipality of Residence	Office and Date First Elected/Appointed	Principal Occupation during the Last Five Years	Number and Percentage of Voting Shares (Common) Beneficially Owned
David Craig Perth, Western Australia, Australia	Non-executive Chairman June 1, 2011 (previously Non- executive Director November 20, 2009)	Lawyer; Company Director	80,000 shares (0.05%) 700,000 options
Trevor Tennant Santiago, Chile	Managing Director December 17, 2007	Mining Engineer	15,934,587 shares (10.41%) 3,013,441 options
James Pearson Perth, Western Australia, Australia	Executive Director December 17, 2007	Mining Engineer	9,087,451 shares (5.94%) 2,435,969 options
John Tarrant Perth, Western Australia, Australia	Non-executive Director June 1, 2011	Professor of Law	Nil
Richard Billingsley Surrey, British Columbia, Canada	Non-executive Director December 23, 2005	Company Director	50,000 shares (0.03%) 416,666 options
Yang Xifu Langfang, Hebei, China	Non-executive Director September 1, 2010	Company Director; Vice Chairman of the Chinese Ferroalloy Association	14,500,000 shares (9.48%) 250,000 options

The term of each of the current directors and officers of the Company will expire at the Company's next annual general meeting unless his office is earlier vacated in accordance with the articles of the Company or he becomes disqualified to act as a director. The directors and officers of the Company, as a group, own or have voting control or direction over 46,452,038 common shares or approximately 30.4% of the issued and outstanding shares.

Management

The following is background information on each of the directors and management of Southern Hemisphere:

David Craig

Non-executive Chairman

David Craig is a lawyer who has held and holds executive and board positions in the fields of law, financial services and the resources industry. As a partner of a major Perth law firm, he specialised in resources and commercial legal advice, which included work on resources joint ventures, the acquisition and disposal of interests in companies and projects, and capital raisings by companies. This was followed by ten years in the financial services industry as a stockbroker and an executive director in a national stockbroking and investment banking company. Mr Craig then spent five years working with Woodside Petroleum Ltd in an executive position in the field of public and government affairs. He brings to the Board expertise in law, financial markets, stakeholder engagement, relationship management, strategic planning and risk management. In terms of ASX listed companies he is Non-Executive Chairman of Gunson Resources Limited, Non-Executive Deputy Chairman of Moly Mines Limited and a Non-Executive Director of Forge Group Limited and Nomad Building Solutions Limited.

Trevor Tennant
Managing Director

Trevor Tennant is a mining engineer with over 38 years experience in the mining industry. Much of this experience has been gained in the base metals and industrial minerals sectors of the industry. He has been an executive director of Portman Mining Limited, OM Holdings Limited and Territory Iron Limited. All these companies have developed and gone on to operate mines during Mr Tennant's tenure on their boards. Portman developed manganese and iron ore operations, OM Holdings developed a manganese mining operation at Bootu Creek in the Northern Territory and Territory Iron developed the Frances Creek iron ore mine. Mr Tennant's earlier work experience has included positions as underground manager of a tin mine in Indonesia, an engineer involved in the feasibility study for the OK Tedi mine, and manager of an iron ore mine and General Manager of the Groote Eylandt manganese mine.

James Pearson
Executive Director

James Pearson is a mining engineer with nearly 30 years experience in the mining and civil engineering construction industries. He is a past director of OM Holdings Limited and Haddington Resources Limited. Mr Pearson is also the principal of Featly Pty Limited, a private company that provides consulting services to the mining industry. Mr Pearson has had experience in the development and operation of a variety of mining operations. He has held positions as planning engineer, mine manager, and operations manager in coal, gold, nickel, manganese and iron ore operations.

John Tarrant
Non-executive Director

John Tarrant is a Professor of Law at the University of Western Australia. Dr Tarrant has a distinguished academic career including a doctorate of Juridical Science, two Master's degrees, four Bachelor Degrees and six Postgraduate qualifications. Dr. Tarrant has significant experience gained over 20 years from multiple disciplines including accounting, financial services and mining entrepreneurial roles.

Richard Billingsley
Non-executive Director

Richard Billingsley is a company director and mineral explorationist who acquired extensive experience in geochemical sampling and geophysical field work early in his career. During the late 1990's Mr Billingsley specialised in restructuring failed mining companies and built up the largest mineral land management system in the Province of British Columbia.

Yang Xifu
Non-executive Director

Yang Xifu is Managing Director of Langfang Xinda Ferroalloy Co., Ltd. He brings to the board significant marketing and mining connections having been involved in manganese and related industries for 40 years.

9.2 Cease Trade Orders or Bankruptcies

Other than as disclosed below none of the directors or executive officers of the Company, is, as at the date of this AIF or has been, within the 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to a cease trade order or order similar to a cease trade order, or an order that denied the relevant company access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or
- (b) was subject to a cease trade or order similar to a cease trade order, or an order that denied the relevant company access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

None of the directors or executive officers of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is, as at the date of this AIF or has been, within the 10 years before the date of this AIF, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of the AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

9.3 Penalties or Sanctions

No director or officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority, or has entered into a settlement agreement with a Canadian securities regulatory authority or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

9.4 Conflicts of Interest

Some of the directors and officers of the Company are also directors or officers of other reporting and non-reporting issuers or have significant shareholdings in other reporting issuer companies and, to the extent such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such conflict of interest arises at a meeting of the

Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such a participation or such terms.

The Company is not aware of any conflicts of interest between the Company and any of its directors and officers as of the date of this AIF.

ITEM 10 – LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no material legal proceedings or regulatory actions involving the Company or its properties as at the date of this AIF.

ITEM 11 – INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Company has entered into executive service agreements with Mr Tennant and Mr Pearson. Mr Tennant is employed as the managing director of the Company to perform the functions and responsibilities of the role of managing director including as delegated or assigned by the Board. Mr Pearson is employed as an executive of the Company to perform the functions and responsibilities of the role of an executive director including as delegated or assigned by the Board. The agreements commenced from the date of listing of the Company on the ASX on January 5, 2010. The engagement of Mr Tennant as managing director and Mr Pearson as an executive director continues until terminated in accordance with the agreements.

The Company may terminate their employment upon limited events akin to misconduct or incapacity. Additionally, either party may terminate the agreement without cause on six months written notice. Mr Tennant receives an annual salary of AUD\$350,000 inclusive of statutory superannuation. Mr Tennant is not paid a separate director's fee for serving on the Board. Mr Pearson receives an annual salary of AUD\$250,000 inclusive of statutory superannuation. Mr Pearson is not paid a separate director's fee for serving on the Board. The agreements are governed by the laws of Western Australia.

ITEM 12 – TRANSFER AGENT AND REGISTRAR

The Company's registrar and transfer agent for its common shares is Computershare Trust Company of Canada, located at 510 Burrard Street, Vancouver, British Columbia, V6C 3B9 Canada.

ITEM 13 - MATERIAL CONTRACTS

Other than contracts entered into in the ordinary course of business, the following are the only contracts which are material to the Company that have been entered into since the Company's incorporation on December 23, 2005 and that remain in effect as of the date of this AIF:

1. Executive Services Agreements effective January 5, 2010 between the Company and Mr Trevor Tennant and Mr James Pearson. See Item 11-“Interest of Management and Other in Material Transactions”.
2. Agreement dated June 8, 2010, between MHS and Putre Land Owners (surface owners of the Los Pumas Project area) providing MHS with easement rights over the Putre Community Lands, which include MHS's current exploration and exploitation concessions. Subject to annual easement payments MHS is granted the use of the land for all exploration and mining purposes, including the construction of plant, buildings and associated infrastructure for a 20 year period.
3. Agreement dated October 8, 2010, between MHS and Sociedad Comercial Ulrich Krause Gronwald Y Compania Limitada (the owners of the Las Vicunas Hotel situated close to the Los

Pumas Project) providing MHS with first option to purchase the Las Vicunas Hotel for \$1.3 million. The option must be completed within 11 months of signing the agreement and is maintained by payment of \$20,000 per month during the 11 months. The total of these payments will be deducted from the final purchase price. An additional agreement was signed on June 24, 2011 to extend this arrangement until February 2012.

4. Agreement dated November 10, 2010, between SUH and Centralian Mining Pty Ltd, formalizing the transfer of the iron sands concessions to SUH upon the issuance of 1,301,700 SUH shares to Centralian Mining Pty Ltd. These shares were issued on May 2, 2011.

ITEM 14 - INTERESTS OF EXPERTS

14.1 Names of Experts

The following table lists persons and companies who have prepared or certified documents referred to in this AIF and the document which they have prepared or certified:

Name of Individual or Company	Document Prepared or Certified
Coffey Mining Pty Ltd	Technical Report
Deloitte Touche Tohmatsu	Independent auditors' report on the June 30, 2011, 2010 Financial Statements

14.2 Interests of Experts

Coffey Mining Pty Ltd prepared the NI 43-101 Technical Report for the Los Pumas Manganese Project announced on March 25, 2011. The Company paid approximately AUD\$60,000 (inclusive of GST) to Coffey Mining Pty Ltd in respect of this work. Coffey Mining are providing continuing services to the Company such as laboratory sampling.

To the knowledge of the Company, Deloitte Touche Tohmatsu and the principals of Deloitte Touche Tohmatsu as a group beneficially own, directly or indirectly, none of the outstanding common shares of the Company.

14.3 Audit Committee

Composition of the Audit Committee

The following are the members of the Company's audit committee:

Member	Status	Acumen
John Tarrant	Independent ⁽¹⁾	Financially Literate ⁽²⁾
David Craig	Independent ⁽¹⁾	Financially Literate ⁽²⁾
Richard Billingsley	Independent ⁽¹⁾	Financially Literate ⁽²⁾

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board of Directors, reasonably interfere with the exercise of a member's independent judgment.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Company's audit committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of Multilateral Instrument 52-110 ("MI 52-110") (*De Minimis Non-audit Services*), or an exemption from MI 52-110, in whole or in part, granted under Part 8 of Multilateral Instrument 52-110.

ITEM 15 - ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR. Additional information including directors' and officer's remuneration and indebtedness, principal holders of the Company's securities, options to purchase securities and interests of insiders in material transactions, where applicable, is contained in the Company's Information Circular dated November 8, 2010 for its most recent annual meeting of shareholders that involved the election of directors.

Additional financial information is provided in the Company's audited consolidated financial statements, and related management discussion and analysis, for its fiscal year ended June 30, 2011.

15.1 Australian Legal Requirements Respecting the Acquisition of Securities of the Company

The Company is incorporated in British Columbia, Canada and is not subject to Chapters 6, 6A, 6B and 6C of the Corporations Act of Australia dealing with the acquisition of shares. The acquisition of shares in the Company is subject to British Columbia law and applicable Canadian securities laws.

15.2 Summary of Canadian Legal Requirements Respecting the Acquisition of Securities of the Company

Applicable Canadian laws, like their Australian equivalent, are very technical. Accordingly, shareholders should consult their own Canadian legal advisors with respect to Canadian legal requirement matters, rather than relying upon this general summary.

In general, subject to compliance with applicable Canadian securities laws, a holder of shares in the capital of a corporation incorporated under the Business Corporations Act (British Columbia) (the "BCABC"), is entitled to transfer his, her or its shares to anyone else upon compliance with the provisions of the BCABC and the articles of the corporation. Where a corporation is offering its shares to the public, the articles of the corporation may not include restrictions on the transfer of shares.

Canadian securities laws impose certain limitations on the acquisition of securities. The issuance to the public and trading of securities in Canada is regulated at the provincial/territorial level by securities legislation administered by the relevant provincial or territorial securities commission.

Take-over bids are regulated primarily by provincial and territorial securities legislation and, to a limited extent, the corporate statutes under which the target company is incorporated. Under provincial or territorial securities regulations, an offer to acquire shares of an issuer by a "control person" of that issuer may constitute a take-over bid. Under the Securities Act (British Columbia), a "control person" is generally defined as any person, company or combination of persons or companies whose holdings

represent a sufficient number of securities of the issuer to materially affect the control of that issuer. A holding of more than 20%, in the absence of evidence to the contrary, is deemed to materially affect control of the issuer. Any offer to acquire voting or equity securities where such securities together with the offeror's securities represent an aggregate of 20% or more of the outstanding securities of that class will constitute a take-over bid.

Unless an exemption from formal take-over bid requirements under applicable securities legislation can be obtained, persons or companies seeking to make a take-over bid must comply with detailed rules governing bids prescribed by applicable provincial or territorial securities laws. For example, under the Securities Act (British Columbia), exempt bids include bids made over the facilities of the TSXV and a bid for not more than 5% of the outstanding securities of a class of securities, so long as the aggregate number of securities of that class acquired by the offeror in the previous twelve months is not greater than 5% of the class and the bid is for a price not in excess of the market price for those securities.

15.3 Reporting by Substantial Shareholders and Insiders

Under the insider reporting and trading rules of applicable Canadian securities legislation, reporting obligations and trading restrictions are placed on substantial shareholders. An "insider" generally includes any person or company who beneficially owns, directly or indirectly, voting securities or who exercises control or direction over voting securities or a reporting issuer or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities.

Shareholders who become insiders must file an "Insider Profile" in the prescribed form under National Instrument 55-102 – System for Electronic Disclosure by Insiders ("SEDI"). A further insider report must be filed within 10 days of any change in the ownership or control or direction over securities of the Company of that insider. Insider reports must be filed electronically on SEDI at sedi.ca.

15.4 ASX Reporting Requirements

The following additional information is disclosed with respect to compliance with the Company's ASX listing. In accordance with the ASX listing rules, the Company confirms that it has used the cash and assets in a form readily convertible to cash that it had at the time of admission to the ASX in a way consistent with its business objectives.

Statement of Compliance with ASX Corporate Governance Principles and Recommendations

In accordance with ASX listing rule 4.10, set out below is the "if not, why not" report in relation to those matters of corporate governance where the Company's practices depart from the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

During the year, the Company moved closer to full compliance with the Governance Principles with the appointment of Mr David Craig as Independent Chairman as of June 1, 2011, taking over from Mr Trevor Tennant.

Recommendation Reference – ASX Guidelines	Notification of Departure	Explanation of Departure
2.1	No majority of independent directors	<p>The Company has six directors of which two directors are executive and four Directors are non-executive, however, one of the non-executive Directors (Mr Yang Xifu) is not independent in terms of the ASX Corporate Governance Council's definition of independent director, due to having a substantial holding in the Company. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the expense of the appointment of a majority of independent directors.</p> <p>The Board believes that the individuals on the Board can make, and do make, quality and independent judgements in the best interests of the Company on all relevant issues. Directors having a conflict of interest in relation to a particular item of business must absent themselves from the Board meeting before commencement of discussion on the topic.</p>
3.2	A diversity policy has not yet been established	The Board supports workplace diversity but considers that the Company is not of a size or maturity to justify a formal diversity policy. Currently, the Board's priority has been to ensure that its members have the appropriate level of experience and skills to manage the Company at its early stages of operation rather than focussing on gender and other diversity factors.

Copies of the Company's Corporate Governance policies are accessible on the Company's website: www.shmining.com.au.

Company Secretary

The Company Secretary is Mr Derek Hall. Mr Hall is a Chartered Accountant, Fellow of the Financial Services Institute and Associate Member of Chartered Secretaries Australia.

Distribution of Shareholders and their Holdings as at 16 September 2011 (Combined TSXV/ASX)

The Company's common shares trade on the TSXV and also trade on the ASX as CDIs. Each CDI represents one Southern Hemisphere common share. CDI holders are the beneficial owner of common shares and although they are not entitled to attend and vote at the Southern Hemisphere shareholder meetings, CDI holders may direct CHES Depositary Nominees Pty Ltd, as the legal holder of their Southern Hemisphere common shares, to cast proxy votes at the relevant meeting.

Ordinary Shares / CDIs held ^(a)	Total Number of Holders	Number of Shares/CDIs
1 to 1,000 ^(b)	6	1,959
1,001 to 5,000	45	127,319
5,001 to 10,000	93	811,976
10,001 to 100,000	309	14,185,098
100,001 and over	120	137,899,469
Total	573	153,025,821 ^(c)

- a) All shares / CDIs rank equally.
- b) The number of shareholders with a holding less than a marketable parcel (AUD\$500) based on a market price of AUD \$0.33 as at 16 September 2011 was 11.
- c) With reference to Item 8.1: 1,301,700 CDIs are held in escrow.

Unquoted Securities as at 16 September 2011

Class of Equity Security (a)	Total Number of Securities	Number of Security Holders	Holder and Number of Unquoted Securities (b)
31 December 2012 AUD\$0.30 Options (c)	4,050,000	12	n/a
31 December 2012 AUD\$0.25 Options	1,000,000	1	Zero Nominees Pty Ltd
1 November 2011 CAD \$0.20 Options (c)	66,666	1	n/a
3 January 2013 CAD \$0.40 Options (c)	2,481,730	8	n/a
30 June 2013 AUD \$0.54 Options (c)	4,850,000	10	n/a

- a) These unquoted securities do not have voting rights.
- b) Disclosed if an individual or entity holds 20% or more of the equity securities in an unquoted class, unless issued under an employee share scheme as defined by the ASX listing rules.
- c) These securities were issued under an employee share scheme as defined by the ASX listing rules.

Substantial Shareholders

The Company, as part of admission to the ASX undertook to announce to the ASX on becoming aware of a person having a substantial holding in the Company within the meaning of section 671B of the Corporations Act of Australia. Substantial shareholders of the Company (as defined by the Corporations Act of Australia) are set out below as at 16 September 2011.

Name of individual or entity	Number of Ordinary Shares / CDIs held	% of Issued Capital
Mr Trevor Tennant and related entities	15,934,587	10.4
Mr Yang Xifu	14,500,000	9.5
Dundee Corporation and associates	13,595,800	8.9
Mr James Pearson and related entities	9,087,451	5.9
Genesis Investment Management, LLP	7,728,074	5.0

On-market Buy-back

There is no current on-market buy-back of the Company's securities in place.

Quotation

Southern Hemisphere Common Shares are quoted as 'SH' on the TSXV and CDIs are quoted as 'SUH' on the ASX.

Concession Schedule

Name of Concession (1) (2)	Name of Concession (1) (2)	Name of Concession (1) (2)
PUMA NORTE 1	MG 21	CHAN 13
PUMA NORTE 10	MG 22	CHAN 14
PUMA NORTE 2	MG 23	CHAN 15
PUMA NORTE 6	MG 3	CHAN 16
PUMA NORTE 7	MG 4	CHAN 17
PUMA NORTE 8	MG 5	CHAN 18
PUMA NORTE 9	MG 6	CHAN 19
AWAHOU 1 AL 20	MG 7	CHAN 20
EMANUEL 1 AL 20	MG 8	CONTI 1
LLUTA I 1 AL 54	MG 9	CONTI 2
LLUTA II 1 AL 285	TREN 1	CONTI 3
PUTRE 5, 1 AL 10	BELEN 1	LITU 1
PUTRE 6, 1 AL 20	BELEN 2	LITU 1
PUTRE I 1 AL 20	BELEN 3	SAN JAMES 1, 1 AL 52
PUTRE II 1 AL 20	BELEN 4	SAN JAMES 1, 101 AL 179
PARINA 1	BELEN 5	SAN JAMES 2, 1 AL 26
PASCUALA 1	BELEN 6	SAN JAMES 2, 61 AL 187
PASCUALA 2	BELEN 1 1 AL 10	SAN JAMES 3, 1 AL 147
PASCUALA 3	NACIMIENTO 1	SAN JAMES 4, 1 AL 144
PASCUALA 4	NACIMIENTO 2	SAN JAMES 5, 1 AL 156
PASCUALA 5	NACIMIENTO 3	SAN JAMES 6, 1 AL 30
PASCUALA 6	IRON 7	SAN JAMES 7, 1 AL 45
YUCRA 1	IRON 8	SAN JAMES 8, 1 AL 12
MATEO 3	IRON 9	SAN JAMES 9, 1 AL 12
MATEO 4	IRON 10	SAN JAMES 10, 1 AL 11
MATEO 5	IRON 5, 1 al 60	SAN JAMES 11, 1 AL 6
MATEO 6	JOYA 1, 1 al 60	SAN TREVOR 1, 1 AL 256
MG 1	JOYA 2, 1 al 60	SAN TREVOR 2,1 AL 267
MG 10	CHAN 1	SAN TREVOR 3, 1 AL 98
MG 11	CHAN 2	SAN TREVOR 3, 151 AL 237
MG 12	CHAN 3	SAN TREVOR 4, 1 AL 90
MG 13	CHAN 4	SAN TREVOR 4, 151 AL 264
MG 14	CHAN 5	SAN TREVOR 5, 1 AL 300
MG 15	CHAN 6	SAN TREVOR 6, 1 AL 250
MG 16	CHAN 7	SAN TREVOR 7, 1 AL 60
MG 17	CHAN 8	SAN TREVOR 8, 1 AL 58
MG 18	CHAN 9	SAN TREVOR 9 1 AL 60
MG 19	CHAN 10	SAN TREVOR 10, 1 AL 33
MG 2	CHAN 11	SAN TREVOR 10, 76 AL 145

Concession Schedule cont'd

Name of Concession (1) (2)	Name of Concession (1) (2)	Name of Concession (1) (2)
MG 20	CHAN 12	SAN TREVOR 10, 151 AL 189
SAN JOSE UNO 1 AL 23	SANTA NATALIA 1 AL 40	YANET 9
SAN JOSE DOS 1 AL 34	SANTA CAMILA 1 AL 27	YANET 10
SAN JOSE TRES 1 AL 54	SANTA SANDRA 1 AL 40	YANET 11
SAN ALFONSO UNO 1 AL 38	SANTA CLARITA 1 AL 40	YANET 12
SAN ALFONSO DOS 1 AL 25	SANTA PAULINA 1 AL 40	YANET 13
SAN ALFONSO TRES 1 AL 36	SANTA MACARENA 1 AL 40	YANET 14
SAN ALFONSO CUATRO 1 AL 50	SANTA ANA 1 AL 60	YANET 15
SAN JORGE UNO 1 AL 12	SANTA MARÍA 1 AL 60	IGNACIA 1
SAN JORGE DOS 1 AL 49	SANTA ROMINA 1 AL 40	IGNACIA 2
SAN JORGE TRES 1 AL 36	SANTA CECILIA 1 AL 20	IGNACIA 3
SAN JORGE CUATRO 1 AL 60	SANTA NORMA 1 AL 40	IGNACIA 4
SAN JORGE CINCO 1 AL 11	SANTA INES 1 AL 40	HEMISFERIO
SUSAN 1, 1 AL 38	SANTA XIMENA 1 AL 60	SAN ALBERTO
SUSAN 2, 1 AL 49	SANTA MARIELA 1 AL 40	SAN CRISTIÁN
SUSAN 3, 1 AL 15	SANTA EMA 1 AL 27	PATY 1
SUSAN 4, 1 AL 12	SANTA GUADALUPE 1 AL 39	LEYLA 1 AL 60
CAMILA 1 AL 40	SANTA ANA 23	PATRICIA 1 AL 40
SIMON 1 AL 5	SANTA ANA 24	ANDREA 1 AL 60
SANTA ANA 1	SANTA ANA 25	EDUARDO 1 AL 60
SANTA ANA 2	SANTA ANA 26	TERESA 1 AL 60
SANTA ANA 3	SANTA ANA 27	PACITA 1 AL 60
SANTA ANA 4	SANTA ANA 28	DAVID 1 AL 60
SANTA ANA 5	SANTA ANA 29	BASILIO 1 AL 60
SANTA ANA 6	SANTA ANA 30	RODOLFO 1 AL 60
SANTA ANA 7	SANTA ANA 31	SAN GONZALO 1 AL 30
SANTA ANA 8	SANTA ANA 32	SAN ALBERTO 1 AL 30
SANTA ANA 9	SANTA ANA 33	SAN CRISTIÁN 1 AL 20
SANTA ANA 10	SANTA ANA 34	SAN JOSE 1
SANTA ANA 11	SANTA ANA 35	SAN JOSE 10
SANTA ANA 12	SANTA ANA 36	SAN JOSE 11
SANTA ANA 13	SANTA ANA 37	SAN JOSE 12
SANTA ANA 14	SANTA ANA 38	SAN JOSE 13
SANTA ANA 15	YANET 1	SAN JOSE 14
SANTA ANA 16	YANET 2	SAN JOSE 15
SANTA ANA 17	YANET 3	SAN JOSE 16
SANTA ANA 18	YANET 4	SAN JOSE 17
SANTA ANA 19	YANET 5	SAN JOSE 18
SANTA ANA 20	YANET 6	SAN JOSE 19

Concession Schedule cont'd

Name of Concession (1) (2)	Name of Concession (1) (2)	Name of Concession (1) (2)
SANTA ANA 21	YANET 7	SAN JOSE 2
SANTA ANA 22	YANET 8	SAN JOSE 20
SAN JOSE 21	TRES CRUCES 20	CUNLAGUA 12
SAN JOSE 22	CRUZ 1	CUNLAGUA 13
SAN JOSE 23	CRUZ 2	CUNLAGUA 14
SAN JOSE 24	CRUZ 3	CUNLAGUA 15
SAN JOSE 25	CRUZ 4	CUNLAGUA 16
SAN JOSE 26	CRUZ 5	CHITIGUA SUR 1
SAN JOSE 27	CRUZ 6	CHITIGUA SUR 2
SAN JOSE 28	CRUZ 7	CHITIGUA SUR 3
SAN JOSE 3	CRUZ 8	CHITIGUA SUR 4
SAN JOSE 4	CRUZ 9	CHITIGUA SUR 5
SAN JOSE 5	TRES CRUCES 1 II	CHITIGUA SUR 6
SAN JOSE 6	TRES CRUCES 7 II	ESTE 1
SAN JOSE 7	TRES CRUCES 13, 1/20	ESTE 2
SAN JOSE 8	TRES CRUCES 14, 1/30	ESTE 3
SAN JOSE 9	TRES CRUCES 15, 1/30	ESTE 4
MANGANESO 4, 1 al 10	TRES CRUCES 2 1/ 30	ESTE 5
MANGANESO 5, 1 al 60	TRES CRUCES 3 1/ 30	ESTE 6
OXIN 1, 1 al 60	TRES CRUCES 4 1/ 30	ESTE 7
AGUILA 11, 1 AL 10	TRES CRUCES 5 1/ 30	ESTE 8
AGUILA 16, 1 AL 158	TRES CRUCES 6, 1/30	ESTE 9
SERGIO 1 AL 5	TRES CRUCES 8, 1/30	ESTE 10
TRES CRUCES 1	TRES CRUCES 9, 1/30	ESTE 11
TRES CRUCES 2	SOLDADO 1	ESTE 12
TRES CRUCES 3	SOLDADO 2	ESTE 13
TRES CRUCES 4	SOLDADO 3	ESTE 14
TRES CRUCES 5	SOLDADO 4	ESTE 15
TRES CRUCES 6	CARBONERAS 10	ESTE 16
TRES CRUCES 7	CARBONERAS 11	ESTE 17
TRES CRUCES 8	CARBONERAS 12	ESTE 18
TRES CRUCES 9	CARBONERAS 13	ESTE 19
TRES CRUCES 10	CARBONERAS 14	ESTE 20
TRES CRUCES 11	CARBONERAS 15	ESTE 21
TRES CRUCES 12	CARBONERAS 16	ESTE 22
TRES CRUCES 13	CARBONERAS 17	ESTE 23
TRES CRUCES 14	CARBONERAS 18	ESTE 24
TRES CRUCES 15	CUNLAGUA 1, 1 AL 30	ESTE 25
TRES CRUCES 16	CUNLAGUA 2, 1 AL 30	ESTE 26

Concession Schedule cont'd

Name of Concession (1) (2)	Name of Concession (1) (2)	Name of Concession (1) (2)
TRES CRUCES 17	CUNLAGUA 3, 1 AL 20	ESTE 27
TRES CRUCES 18	CUNLAGUA 4, 1 AL 30	ESTE 28
TRES CRUCES 19	CUNLAGUA 5, 1 AL 30	LEO 19
LEO 20	LEO 7	ESPERANZA 13
LEO 21	LEO 8	ESPERANZA 14
LEO 22	LEO 9	ESPERANZA 15
LEO 23	LEO 10	ESPERANZA 16
LEO 24	LEO 11	ESPERANZA 17
LEO 25	LEO 12	ESPERANZA 18
LEO 26	LEO 13	ESPERANZA 19
LEO 27	LEO 14	ESPERANZA 20
LEO 28	LEO 15	ESPERANZA 21
LEO 29	LEO 16	ESPERANZA 22
LEO 30	LEO 17	ESPERANZA 23
LEO 31	LEO 18	ESPERANZA 24
CHITIGUA 4, 1 AL 60	CHACAY 14	ESPERANZA 25
CHITIGUA 4, 76 AL 135	CHACAY 20	ESPERANZA 26
CHITIGUA 7, 1 AL 40	CHACAY 22	ESPERANZA 27
CHITIGUA 8, 1 AL 120	CHACAY 23	ESPERANZA 28
CHITIGUA 13, 1 AL 36	CHACAY 26	ESPERANZA 29
CHITIGUA 14, 1 AL 36	CHACAY 27	ESPERANZA 30
CHITIGUA 16, 1 AL 6	CHACAY 28	ESPERANZA 31
CHITIGUA 18, 1 AL 65	TANIA 1	ESPERANZA 32
CHITIGUA 19, 1 AL 40	TANIA 2	SANDRA 1
CHITIGUA 25, 1 AL 45	LAS PERDICES 1	SANDRA 2
CHITIGUA 25, 46 AL 90	LAS PERDICES 2	LA CUYANA 1 AL 5
CHITIGUA 26, 1 AL 60	LAS PERDICES 3	SAN SEBASTIÁN 1 AL 5
CHITIGUA 27, 1 AL 60	LAS PERDICES 4	LA COIPA 3, 1 AL 30
CHITIGUA 30, 1 AL 45	LAS PERDICES 5	LA COIPA 4, 1 AL 20
CHITIGUA 30, 46 AL 90	LAS PERDICES 6	LA COIPA 6, 1 AL 30
CHITIGUA 31, 1 AL 60	LAS PERDICES 7	SANTA GRACIA 12, 1 AL 300
CHITIGUA 32, 1 AL 60	ESPERANZA 1	CHACAY 6, 1 AL 40
CHITIGUA 33, 1 AL 30	ESPERANZA 2	CHACAY 13, 1 AL 40
CHITIGUA 34, 1 AL 30	ESPERANZA 3	CHACAY 16, 1 AL 60
DANIELA 1 AL 6	ESPERANZA 4	CHACAY 18, 1 AL 10
CHITIGUA SUR ESTE 1 AL 5	ESPERANZA 5	CHACAY 31, 1 AL 60
CHITIGUA II 1	ESPERANZA 6	CHACAY 37, 1 AL 10
LEO 1	ESPERANZA 7	LAURA 1
LEO 2	ESPERANZA 8	LAURA 2
LEO 3	ESPERANZA 9	LEONOR 1

Concession Schedule cont'd

Name of Concession (1) (2)	Name of Concession (1) (2)	Name of Concession (1) (2)
LEO 4	ESPERANZA 10	LEONOR 2
LEO 5	ESPERANZA 11	ANGEL 4
LEO 6	ESPERANZA 12	ANGEL 5
ANGEL 6	MANTOS CHICOS 1 AL 20	MANTOS 9, 1 AL 30
MANTOS 14 II	LA ESCONDIDA 1 AL 20	MANTOS 10, 1 AL 300
MANTOS 15 II	MANTOS 1, 1 AL 10	MANTOS 11, 1 AL 130
MANTOS 16	MANTOS 2, 1 AL 20	MANTOS 12, 1 AL 300
MANTOS 17	MANTOS 3, 1 AL 20	MANTOS 13, 1 AL 100
MANTOS 18	MANTOS 4, 1 AL 20	MANTOS 21, 1 AL 20
MANTOS 19	MANTOS 5, 1 AL 20	MANTOS 21, 21 AL 30
MANTOS 20	MANTOS 6, 1 AL 30	MANTOS 22, 1 AL 20
FUTURO 5, 1 AL 60	MANTOS 7, 1 AL 300	MANTOS 24, 1 AL 5
MANTOS GRANDES 3, 1 AL 11	MANTOS 8, 1 AL 130	

(1) All of the concessions listed above are located in Chile.

(2) All of the concessions listed above are 100% owned by MHS, MPS, MSAM, MPAM and FUT respectively.

Southern Hemisphere holds downstream interests of 99.99% in MHS, MSAM and MPAM and a downstream interest of 99.90% in FUT (refer to Item 1.2)

All of the concessions listed are designated in Chile either as “Pedimento” (a); “Manifestación” (a); an Exploration Mining Concession; or an Exploitation Mining Concession (b).

- a) “Pedimento” and “Manifestación” are the request for exploration and exploitation mining concessions respectively. The validity of a “Pedimento” and of a “Manifestación” is subject to the compliance by their petitioner with all the requirements that for the constitution of an exploration or exploitation concessions, respectively, are contemplated in the mining concession.
- b) The exploitation mining concession has an indefinite effective period and to maintain its validity the concessionaire only has to pay the annual mining patent.