



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

Dear Sir/Madam

Amended Share Trading Policy

In accordance with ASX Listing Rule 12.10 the Company announces its amended Share Trading Policy.

Yours faithfully

A handwritten signature in blue ink that reads "D Hall".

Derek Hall
Company Secretary

About Southern Hemisphere Mining Limited

Southern Hemisphere Mining Limited (ASX Code "SUH") has accumulated a diverse portfolio of assets in **Chile, South America**. The Company's focus is the **Llahuin Copper-Gold Project** and surrounding prospects in the Coquimbo Region where the objective is to build a bulk tonnage **copper-gold operation**. The Company also holds the **Chitigua Copper Porphyry Project**, a 172 km² property located on the prestigious Western Fault which hosts Chile's largest copper porphyry deposits.

Further details on Southern Hemisphere can be found at www.shmining.com.au



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Share Trading Policy - Southern Hemisphere Mining Limited (the “Company”)

1. Introduction

The Company’s securities are traded on the Australian Securities Exchange (“ASX”) with Directors and employees owning securities in the Company.

Directors and employees may have inside information about the Company that is not generally available to the market.

This policy sets out clear restrictions in relation to dealings in the Company’s shares, options, warrants and other securities (“Company Securities”) so that Directors and employees do not trade in Company Securities in a way that breaches insider trading laws or compromises confidence in the Company’s investor practises. Specifically set out in this policy are:-

- when Directors and employees may not deal in Company Securities and further what is required if they wish to deal in Company Securities;
- when Directors and employees may deal in listed securities of another entity (because they may obtain inside information about that entity’s securities while performing their duties for the Company); and
- procedures to reduce the risk of insider trading.

Directors and employees of the Company have a personal responsibility to ensure they comply with the law and this policy.

2. Insider trading

In broad terms, you will be engaging in conduct known as insider trading if:

- a) you possess information which is not generally available to the market and, if it were generally available to the market, would be likely to have a material effect on the price or value of Company Securities (i.e. information that is “price sensitive”)(“inside information”); and
- b) you engage in one or more of the activities described below:

- i) deal in Company Securities or enter into an agreement to deal in Company Securities;
- ii) deal in derivatives or other similar products or hedge in relation to any Company Securities held by you directly or indirectly (collectively defined as “hedge the securities”) or enter into an agreement to do any of these things;
- iii) advise, procure or encourage another person (for example a family member, a friend, a family company or trust) to deal in Company Securities or enter into an agreement to deal in Company Securities ; or
- iv) communicate inside information or cause inside information to be communicated, to a third party where you know, or ought reasonably to know, that the third party would be likely to deal in Company Securities or procure someone else to deal in Company Securities.

3. Dealing in securities

Dealing, or to deal, in Company Securities includes:

- a) applying for, acquiring or disposing of, Company Securities;
- b) entering into an agreement to apply for, acquire or dispose of, Company Securities; and
- c) granting, accepting, acquiring, disposing, exercising or discharging an option or other right or obligation to acquire or dispose of Company Securities.

A decision to join, or subscribe for shares under, any dividend reinvestment plan or employee share scheme is not dealing in Company Securities. Any new issue in which all shareholders are entitled to participate is not dealing in Company Securities. In addition, the following circumstances are also excluded from dealing in Company Securities and therefore this policy:-

- a) transfers of Company Securities already held into a superannuation fund or other saving scheme in which the Director or employee is a beneficiary;
- b) investments in, or trading in units of, a fund or other scheme (other than a scheme only investing in Company Securities) where the assets of the fund or scheme are invested at the discretion of a third party;
- c) acceptances under a takeover offer;
- d) acquiring, or agreeing to acquire, options or performance rights under a Company share option plan or performance rights plan; and
- e) exercising options or performance rights acquired under a Company share option plan or performance rights plan or convert convertible securities (but may not sell all or part of the shares received upon exercise of the options, performance rights or convertible securities other than in accordance with this policy).

4. When Directors and employees may not deal in securities

4.1 - Directors and employees may not deal in Company Securities:

- a) in the period commencing 14 days prior to the announcement of the Company's full year results and ending on the close of business on the day following such announcement;
- b) in the period commencing 14 days prior to the announcement of the Company's half yearly results and ending on the close of business on the day following such announcement;
- c) in the period commencing 7 days prior to the announcement of the Company's each quarterly report and ending on the close of business on the day following each such announcement; and
- d) at any other time if in possession of material information (refer paragraph 5)

(together the "**Closed Periods**")

4.2 - Directors and employees may not deal or procure another person to deal in the listed securities of another entity if he or she has information that he or she knows, or ought reasonably to know, is inside information in relation to those securities.

4.3 - Directors and employees may deal in the listed securities of another entity if he or she does not have information that he or she knows, or ought reasonably to know, is inside information in relation to those securities.

5. Inside Information

5.1 - Directors and employees may not deal or procure another person to deal in Company Securities if he or she has information that he or she knows, or ought reasonably to know, is inside information in relation to Company Securities.

6. Clearance from the Chief Executive Officer

6.1 – Directors and employees may deal in Company Securities if it is not during a Closed Period (which includes having no inside information) provided that they must first inform the Chief Executive Officer ("CEO") and obtain prior written clearance. In the case of the CEO, the CEO must obtain prior written clearance from the Chairman or if the CEO is the Chairman then the Chairman of the Audit Committee. In this policy the CEO or relevant Chairman is referred to as the "Relevant Officer".

6.2 - The Relevant Officer must advise the Company Secretary of:

- a) any information received from Directors and employees in connection with this policy; and
- b) any clearance given under this policy.

6.3 - The Company Secretary must keep a record of any information in respect of paragraph 6.2.

7. Exceptional circumstances

7.1 - The Relevant Officer may give clearance for a Director or employee to sell (but not buy) Company Securities during a Closed Period only in exceptional circumstances where the Director or employee would otherwise not be able to do so under this policy. For example, if a Director or employee has a pressing financial commitment that cannot otherwise be satisfied.

7.2 - The Relevant Officer may not give clearance under the exception in paragraph 7.1 if there is a matter about which there is inside information in relation to Company Securities (whether or not the Director or employee knows about the matter) when the Director or employee requests clearance or proposes to deal in Company Securities.

7.3 - The Relevant Officer will decide if circumstances are exceptional.

8. Dealings by associated persons and investment managers

8.1 - If a Director or employee may not deal in the Company Securities, he or she must attempt to prohibit (by taking the steps outlined in paragraph 8.2) any dealing in the Company Securities by:

- a) any associated person (including family or nominee companies and family trusts); or
- b) any investment manager on their behalf or on behalf of any associated person, having regard to that Director or employee and their duties of confidentiality to the Company.

8.2 - For the purposes of paragraph 8.1 a Director or employee must:

- a) inform any investment manager or associated person of the periods during which the Director or employee may and may not deal in Company Securities; and
- b) request any investment manager or associated person to inform the Director or employee immediately after they have dealt in Company Securities.

8.3 - A Director or employee does not have to comply with paragraphs 8.1 and 8.2 to the extent that to do so would breach their duty of confidentiality to the Company.

9. Communicating inside information

9.1 - If a Director or employee has information that he or she knows, or ought reasonably to know, is inside information in relation to Company Securities or the listed securities of another entity, the Director or employee must not directly or indirectly communicate that information to another person if he or she knows, or ought reasonably to know, that the other person would or would be likely to:

- a) deal in Company Securities or those securities of the other entity; or

- b) procure another person to deal in Company Securities or the securities of the other entity.

9.2 - An employee must not inform colleagues (except the CEO) about inside information or its details.

10. Pre Dealing checklist

10.1 - Before seeking a clearance to deal in Company Securities, a Director or employee must consider carefully whether they possess inside information relating to the Company.

10.2 - The topics listed below are divided into two categories: internal and external. Internal matters affect the operations of the Company. External matters affect the price of the Company Securities without affecting the operations of the Company.

10.3 – A Director or employee should review each topic listed in the context of the Company and consider whether:

- a) he or she is aware of information in that category which affects the Company;
- b) the information is price sensitive; and
- c) the information is generally available.

10.4 - In determining whether information is price sensitive, a Director or employee will need to consider whether the relevant information is material. For internal matters, it is helpful to consider whether the matter has a value of 5% or more of the net assets, profit or cash flow of the Company. Ultimately, the Director or employee must use their experience and consider whether a reasonable person would expect the matter to have a material effect on the price or value of Company Securities. If in any doubt whatsoever, the Director or employee is advised to seek independent expert advice.

10.5 - Internal Matters include:

- a) proposed mergers, acquisitions or strategic alliances;
- b) proposed asset purchases, sales or redevelopments;
- c) any disputes or litigation or other claims or potential claims;
- d) changes in operations or key agreements;
- e) liquidity and cash flow information;
- f) potential changes in asset values or valuations;
- g) changes in borrowings including refinancing;
- h) changes in capital expenditure;
- i) financial forecasts;
- j) tax or environmental enquiries, investigations or disputes; and
- k) changes of key personnel.

10.6 - External Matters include proposed:

- a) acquisitions or disposals of the Company Securities, including a prospective takeover;
- b) subscriptions or redemptions of the Company Securities; and
- c) capital raisings.

11. Speculative dealing

A Director or employee may not deal in Company Securities for considerations of a short term nature.

12. Disclosure of margin loan requirements

If a Director or employee proposes to put in place margin loan arrangements in relation to Company Securities, the Director or employee must immediately advise the Company Secretary of the details of the proposed arrangements. If a demand for payment is made under the margin loan arrangements, the Director or employee must immediately advise the Company Secretary.

13. Breach of policy

A breach of this policy by an employee is serious and may lead to disciplinary action, including dismissal in serious cases. It may also be a breach of the law.

14. Distribution of policy

This policy must be distributed to all Directors and employees.

15. Assistance and additional information

Employees who are unsure about any information they may have in their possession, and whether they can use that information for dealing in securities, should contact the Company Secretary.

16. Approved and adopted

This policy was approved and adopted by the Board of Directors on November 13, 2013.