



*Not for Distribution to United States News Wire Services or for Dissemination in the United States.*

## SOUTHERN HEMISPHERE TO RAISE UP TO A\$3.4M TO UNDERPIN CHILEAN COPPER-GOLD EXPLORATION

*Emerging South American copper company prepares for its next chapter of growth*

### Key Points

- Placement to raise gross proceeds of up to \$1.2m under the Company's 15% placement capacity.
- Fully underwritten 1 for 4 non renounceable entitlement offer to raise up to approximately \$2.2m.
- Placement and Entitlement Issue will also include a 1 for 2 option with an exercise price of \$0.045 per option and an expiry date of 2 years.
- Funds to be used to progress activities on Southern Hemisphere's recently expanded copper-gold portfolio in central Chile, including its two joint ventures with global copper miner Lundin Mining Corporation (TSX: LUN).
- Proceeds will underpin upcoming drilling and acquisition costs as part of the new 50/50 Los Rulos Joint Venture with Lundin Mining. Southern Hemisphere is free-carried at the Llahuin Project (Lundin Mining) and the Mantos Grandes Project (Cobre Montana).

Southern Hemisphere Mining Limited (ASX: **SUH**) ("Southern Hemisphere" or the "Company") is pleased to announce a capital raising up to **\$3.4 million** to advance the next key phase of exploration, evaluation and development of its growing copper-gold portfolio in central Chile, South America.

The Company has successfully raised up to \$1.2 million through a placement of shares to sophisticated and professional Investors ("Placement") at \$0.045 per new share. It also intends to undertake an underwritten non-renounceable 1 for 4 entitlement issue at \$0.045 per new share to raise approximately \$2.2 million ("Rights Issue") amounting to a total capital raising of \$3.4 million (before costs and expenses).

The funds raised will be used primarily to meet the Company's share of upcoming drilling expenses and prospect acquisition costs at the newly established 50/50 Los Rulos Joint Venture with Lundin Mining, as well as for general working capital.

The Los Rulos JV has recently acquired three highly prospective IOCG-style copper-gold prospects in central Chile as part of a growing portfolio which is in the same region as Southern Hemisphere's flagship Llahuin Project, where it has already established a substantial copper-gold resource.



ASX: **SUH**  
ABN: 17 140 494 784  
[www.shmining.com.au](http://www.shmining.com.au)

**AUSTRALIAN OFFICE**  
Suite 7, 1200 Hay Street  
West Perth WA 6005  
TEL: +61 8 9481 2122

**CHILEAN OFFICE**  
Minera Hemisferio Sur SCM  
Office 41, Zurich 255  
Las Condes, Santiago  
TEL: +56 2 474 5071

All three prospects show strong indications of high-grade copper/gold mineralisation and represent walk-up drilling targets, with drilling scheduled to commence in Q1 2014. Geophysical surveys are currently underway in preparation for drilling.

Southern Hemisphere is currently free-carried on ongoing exploration activities at the Mantos Grandes Project and the Llahuin Project.

Commenting on the raising, Southern Hemisphere's Managing Director, Mr Trevor Tennant, said:

***“Given the current market for junior resource companies, we are pleased with the strong support shown in both the Placement and the underwriting of the Rights Issue. I believe this reflects the quality of our projects and the strong pipeline of news flow which we expect this year.***

***These funds will primarily be applied to our new Los Rulos Project joint venture with Lundin Mining, where we expect to commence drilling this Quarter.***

***Together with a current drilling programme at Mantos Grandes and the opportunity to continue to grow and enhance our copper-gold portfolio in Chile, we are looking forward to what could shape up as a transformational year for Southern Hemisphere.”***

### **Placement**

The Placement of up to 25.9 million shares was completed at an issue price of \$0.045 per share, with a free attaching option exercisable at \$0.045 for every two shares subscribed for, with an expiry of March 7, 2016. The issue price represents a 19.6% discount to the closing price of the Company's shares on the ASX on January 28, 2014 of \$0.056. Euroz Securities Limited was Lead Manager for the Placement.

The Placement fits within the Company's 15% placement capacity under ASX Listing Rules 7.1, however the attaching options to the Placement will require shareholder approval. The Company intends to apply to the ASX for the quotation of the options which form part of the Placement following receipt of shareholder approval for their issue.

The Placement was made to persons who qualify to participate in an excluded offer for the purpose of Section 708 of the Corporations Act 2001, including professional and sophisticated investors. Those who participated in the Placement will also be eligible to participate in the Rights Issue. It is expected that the placement shares will be issued on Thursday, February 6, 2014. Shares issued under the Placement will rank equally with all existing fully paid ordinary shares in Southern Hemisphere.

### **Rights Issue**

The Rights Issue will be an offer of 49,706,590 new fully paid ordinary shares in the Company (“New Shares”) on the basis of one (1) New Share for every four (4) shares held by Eligible Shareholders (defined below) on the Record Date (defined below) (“Entitlement”). The Rights Issue price will be the same as that offered under the Placement, being \$0.045 per share, with a free attaching option exercisable at \$0.045 for every two shares subscribed for. New Shares will rank equally with all existing fully paid ordinary shares in Southern Hemisphere. The Company intends to apply to ASX for the quotation of the options which form part of the Rights Issue.

Shareholders in the Company with a registered address in Australia or New Zealand as at 7:00pm (AEST) on Monday, February 17, 2014 (“Record Date”) will be eligible to participate in the Rights Issue (“Eligible Shareholders”).



Full details of the Rights Issue will be set out in the Prospectus which will be lodged by the Company with ASIC and the ASX on February 6, 2014. The Prospectus will also be available on the Company's website ([www.shmining.com.au](http://www.shmining.com.au)) after it is lodged with the ASX.

Existing option holders will need to exercise their options in time to meet the Record Date if they wish to participate in the Rights Issue.

The Entitlements are non-renounceable and Eligible Shareholders cannot renounce, sell, transfer or deal with all or any part of their Entitlements which they do not accept. Eligible Shareholders who do not take up their Entitlements in full will not receive any value in respect of those Entitlements that they do not take up. Shareholders who are not eligible to receive Entitlements will not receive any value in respect of Entitlements they would have received had they been eligible.

### **Underwritten**

The Rights Issue is underwritten by Euroz Securities Limited ("Underwriter"). Under the terms of the underwriting agreement between the Company and the Underwriter ("Underwriting Agreement"), the Underwriter may procure sub-underwriters to sub-underwrite a portion of the New Shares as the Underwriter thinks fit.

Certain members of the Company's Board are participating as sub-underwriters to the Rights Issue collectively in the amount of A\$420,000 in addition to taking up their respective entitlements under the Rights Issue ("Board Sub-underwriting").

Entitlements of Eligible Shareholders not taken up and those of ineligible shareholders will form the shortfall, which Eligible Shareholders who take up their full Entitlement may subscribe for, or which will otherwise be dealt with under the Underwriting Agreement. Further information on the Underwriting Agreement, including Board Sub-underwriting will be set out in the Prospectus.

### **Use of Proceeds of the Rights Issue**

The Company will apply the funds raised under the Rights Issue (as well as the funds raised under the Placement and any option proceeds) to:

- Acquisition and exploration costs for the Armandino, Guayacan and Polvareda 2 Prospects within the Los Rulos Joint Venture Project;
- Explore, develop and maintain other Company projects in Chile;
- Providing working capital to the Company generally.

### **Timetable**

The current proposed timetable for the Entitlement Offer is set out below. These dates are indicative only and the Company in consultation with the Underwriter, reserves the right to vary the dates (subject to the Corporations Act and the ASX Listing Rules).

<b>Event</b>	<b>Date</b>
Announcement of Rights Issue	Monday, February 3, 2014
Lodgement of Prospectus and with ASX and ASIC	Thursday, February 6, 2014



Notice to security holders containing the information required by Appendix 3B	Monday, February 10, 2014
Ex date (date from which securities commence trading without the entitlement to participate in the rights issue)	Tuesday, February 11, 2014
Record date (date for determining Entitlement of Eligible Shareholders to participate in Rights Issue)	Monday, February 17, 2014
Despatch of Prospectus and Rights Issue opening date	Friday, February 21, 2014
Closing date for the Rights Issue	Friday, March 7, 2014
Intended date for General Meeting to approve Placement options	Monday, March 10, 2014
Deferred settlement trading	Tuesday, March 11, 2014
Notification to ASX of under-subscriptions	Thursday, March 13, 2014
Issue date and end of deferred settlement trading	Wednesday, March 19, 2014
Normal trading for New Shares commences	Thursday, March 20, 2014

*\* The above dates are indicative only and may change without notice. The Directors in conjunction with the Underwriter, reserve the right to amend this indicative timetable at any time (subject to the Corporations Act and the Listing Rules), to extend the Closing Date, to accept late Entitlement and Acceptance Forms either generally or in particular cases, to close the Entitlement Offer early or to cancel the Entitlement Offer without prior notice in their absolute discretion. The commencement of quotation of the New Shares is subject to confirmation from the ASX.*

## About Southern Hemisphere Mining Limited

Southern Hemisphere Mining Limited (ASX Code “**SUH**”) is an emerging copper-gold explorer and developer focused on **Chile, South America**, the world’s leading copper producing country and one of the most prospective regions of the world for major new copper discoveries. Southern Hemisphere has accumulated a diverse portfolio of assets in Chile including two projects which are currently joint ventured with leading global mining companies.

The Company’s focus is the **Llahuin Copper/Gold Project**, joint ventured with Lundin Mining, where the objective is to build a bulk tonnage **copper/gold operation**. The Company has signed a further agreement with Lundin Mining; the **Los Rulos Joint Venture**, which covers a prospective area close to Llahuin. Three prospect acquisitions: **Armandiño, Polvareda 2** and **Guayacán** have so far been executed under the new agreement.

