



LOS RULOS JV TAKES 100% OF KEY POLVAREDA 2 CONCESSIONS

Agreement covers significant sector in the Los Rulos Project exploration area

Southern Hemisphere Mining Limited (ASX: **SUH**) is pleased to announce that its Los Rulos Joint Venture with global miner Lundin Mining Corporation (TSX: LUN) has agreed to acquire the 37.5% stake it does not already own in SLM Polvareda, the holding company of the Polvareda 2 concessions.

The deal will allow the Los Rulos JV to acquire 100 per cent of the highly prospective Polvareda 2 Concessions.

The JV's 62.5% equity interest was one of the first acquisitions completed in November 2013 by Southern Hemisphere's new 50/50 joint venture with Lundin Mining.

The Polvareda 2 sector covers 60 hectares and is situated in the north-east corner of the Los Rulos Project area, approximately 26km west of the established mining town of Combarbala, at 1000m elevation. Historical artisanal copper mining is widespread in this area. A recent program of regional mapping, magnetics, IP surveys and channel sampling has outlined a large area of host rock alteration and copper prospects.

Southern Hemisphere Managing Director Trevor Tennant said the acquisition of the remaining equity in Polvareda 2 was an important part of the concession ownership strategy for the Polvareda target area, which is a significant sector of the emerging **Los Rulos Copper/Gold Project** in central Chile. Mr Tennant added:

"Polvareda 2 has extremely favourable geology, extensive surface copper mineralisation plus artisanal copper mining. Our initial works, which included 13 IP survey lines and channel sampling, have been very encouraging and as we continue our review of additional sectors within the Los Rulos area, we look forward to commence drilling within the Los Rulos Project this quarter."

The terms of the Polvareda 2 agreement to purchase 37.5% of the shares in SLM Polvareda from Sebastian Andres Godoy Flores and Minera Amapola de Plan de Hornos total US\$234,000 payable over 30 months comprising:

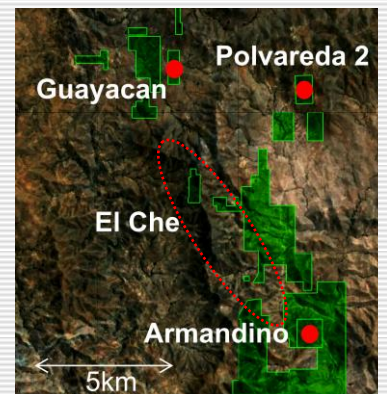
- US\$ 17,000 upon execution of share purchase agreement; and
- The balance of US\$ 217,000 in half yearly instalments

Under the terms of the Los Rulos 50/50 Joint Venture, Southern Hemisphere is only required to pay 50% of these acquisition costs.

(See ASX announcement of November 18, 2013 for details of the acquisition of the initial 62.5% equity interest in SLM Polvareda.)

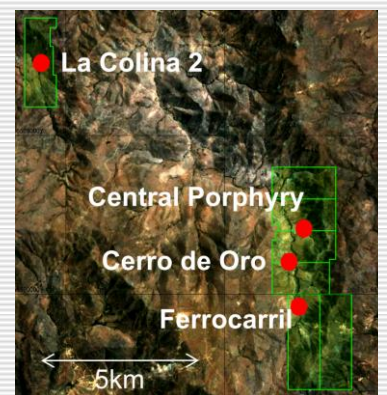
Los Rulos Joint Venture Copper-Gold Project, Chile

- Armandino (Los Rulos JV)
- **Polvareda 2 (Los Rulos JV)**
- Guayacan (Los Rulos JV)
- El Che (Los Rulos JV)



Llahuin Joint Venture Copper-Gold Project Chile

- Central Porphyry (Llahuin JV)
- Cerro de Oro (Llahuin JV)
- Ferrocarril (Llahuin JV)
- La Colina 2 (Llahuin JV)



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Los Rulos Joint Venture

Polvareda 2 is a sector within the Los Rulos Project area, which also includes Armandiño, El Che and Guayacan.

The Polvareda 2 mineralisation occurs in host rocks consisting of a mixture of shale, siltstone, limestone and volcanoclastic rock units that have been extensively replaced by an alteration mineral assemblage of garnet, epidote, magnetite and hematite characteristic of skarn zones associated with large Iron Oxide Copper Gold ("IOCG") deposits. Mapping to date has been assisted by a strong magnetic signature that is interpreted to be associated with mineralisation and prospective geological units providing a good response to IP/Resistivity surveys.

Figure 1: Artisan Mining at Polvareda 2



Coquimbo region of Central Chile

The Los Rulos and Llahuin Joint Venture Projects with Lundin Mining, are both located in the Coquimbo region of Central Chile on the lower Coastal Cordillera, which provides logistical advantages over the higher Andean projects. Los Rulos and Llahuin are respectively 35 km and 56 km from the coast and the Pan American Highway.

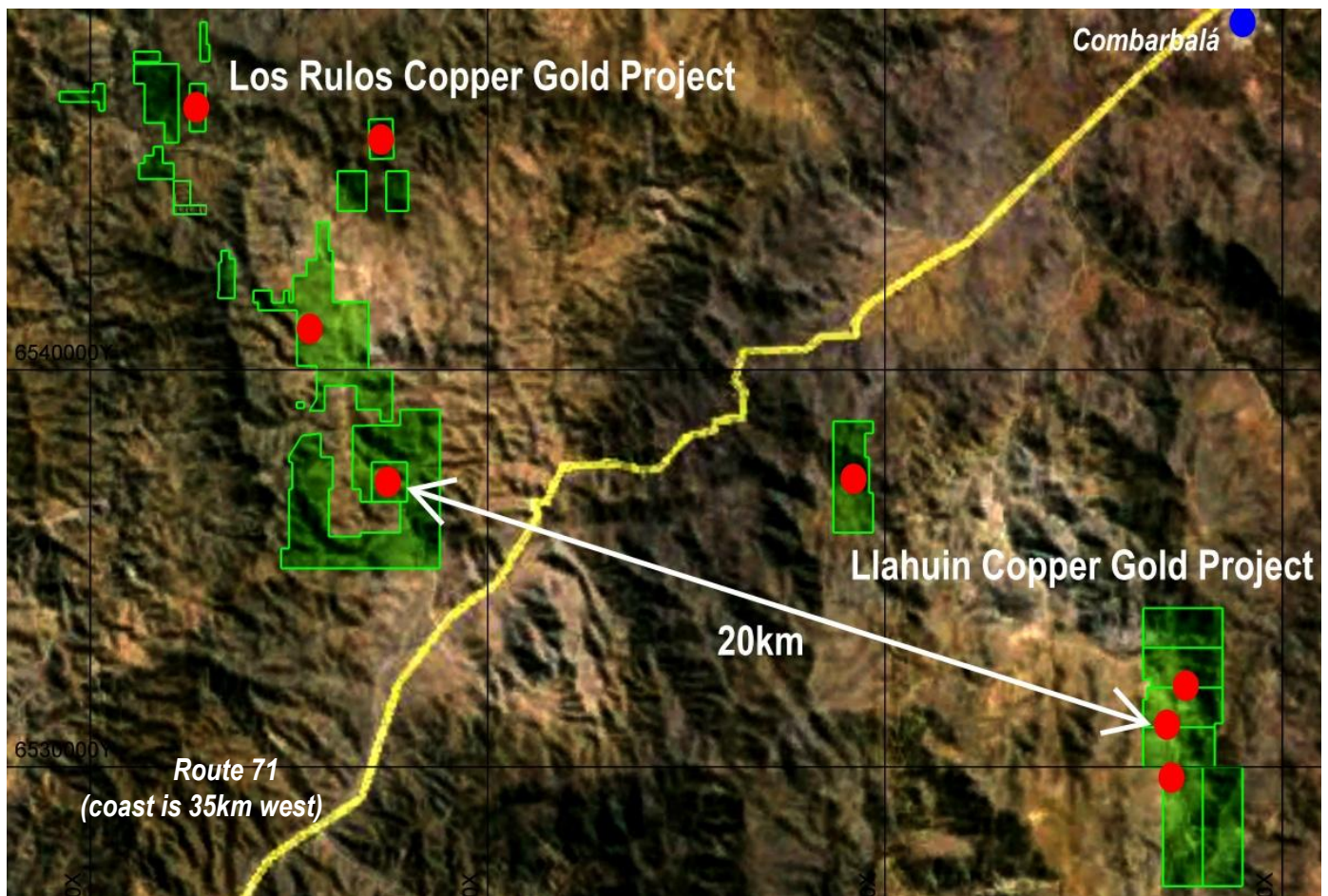
Southern Hemisphere, along with its joint venture partner Lundin Mining, have sought to build a dominant mineral concession position in the Coquimbo region and currently have rights or option agreements over approximately 14 sq km at Llahuin and 22 sq km at Los Rulos.

To date, significant exploration works have been completed on the Los Rulos Joint Venture concessions, including regional mapping, magnetics, IP surveys and detailed channel and rock chip sampling.

Los Rulos is an exciting regional play and these exploration works have defined several areas of widespread alteration and mineralisation capable of hosting bulk mineable mineralisation if continued exploration is successful in discovering and outlining an economic resource.



Figure 2: The Big Picture – Significant concession holding within the Coquimbo region, Chile



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Competent/Qualified Person Statement

The information in this report that relates to copper and gold Exploration Results for the Polvareda 2 Prospect is based on information compiled by Mr Trevor Tennant, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Tennant has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” and a Qualified Person under NI43-101 Standards of Disclosure. Mr Tennant is a full time employee and Managing Director of the Company and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. For further information, please refer to the Technical Reports and News Releases on the Company’s website at www.shmining.com.au.

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