



MAJOR DRILLING PROGRAM RESTARTS AT LLAHUIN COPPER/GOLD PROJECT AS LUNDIN MINING JV PROGRESSES

Southern Hemisphere completes purchase of key Llahuin Project Licences

Highlights:

- ❖ Drilling re-commences at Llahuin Copper/Gold Project with three rigs currently operating as part of accelerated drilling campaign.
- ❖ Chilean joint venture company incorporated to facilitate recently concluded joint venture with Lundin Mining Corporation (TSX: LUN, OMX: LUMI) – *option to spend up to US\$35M to earn up to 75% of the Llahuin Project.*
- ❖ Lundin Mining representative joins Southern Hemisphere Board following its acquisition of a strategic 11.5% stake.
- ❖ Technical Committee formed between Southern Hemisphere and Lundin Mining, with the initial approved JV budget providing for the accelerated drilling campaign.
- ❖ Purchase of Llahuin Amapola Exploitation Licences completed by final payment of US\$1.3M under the July 2011 option agreement.

Southern Hemisphere Mining Limited (ASX: SUH, TSX-V: SH) (“Southern Hemisphere” or the “Company”) is pleased to advise that drilling has resumed at its flagship **Llahuin Copper/Gold Project** in central Chile (“Llahuin Project”) following the Christmas/New Year break as part of an accelerated drilling campaign being implemented under its joint venture with leading Canadian base metals miner Lundin Mining Corporation (TSX: LUN, OMX: LUMI) (“Lundin Mining”).

Three drill rigs, one reverse circulation and two diamond drill rigs, are currently operating at both the Central Porphyry and the nearby Ferrocarril zone at the Llahuin Project, targeting additions to the current Measured and Indicated Resource of 145Mt grading 0.4% copper equivalent (refer to table below).

A Joint Venture Technical Committee between Southern Hemisphere and Lundin Mining has been established, with the initial Joint Venture budget providing for this approved accelerated drilling campaign.

After completing an initial review of the Llahuin Project and the results to date, the Technical Committee has decided to defer completion of the previously announced Llahuin Project Scoping Study to enable additional drilling results to be included in an updated resource estimate. This reflects the Technical Committee’s view of the potential exploration upside at the Llahuin Project.



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The Joint Venture arrangements with Lundin Mining have progressed under the terms of the Option Agreement announced on October 17, 2012, including the incorporation of a Chilean joint venture company, Minera Llahuin SCM and the establishment of the Joint Venture Technical Committee.

Also, Mr Paul McRae has been appointed to the Southern Hemisphere Board as a non-executive Director and representative of Lundin Mining.

Acquisition of Llahuin Project Exploitation Licences

Southern Hemisphere also advises that it has completed the purchase of the Amapola Exploitation Licences covering the Llahuin Project under the original option arrangements announced on July 13, 2011. This purchase completes the 100 per cent ownership of all the Llahuin Project licenses, including the three targeted zones of Central Porphyry, Cerro de Oro and Ferrocarril.

Southern Hemisphere’s Managing Director, Mr Trevor Tennant, said resource drilling was now back in full swing at the Llahuin Project with an accelerated program formally approved by the Joint Venture and the two companies working closely together to progress the Llahuin Project to the next level and to evaluate exciting new growth opportunities in Chile. He said:

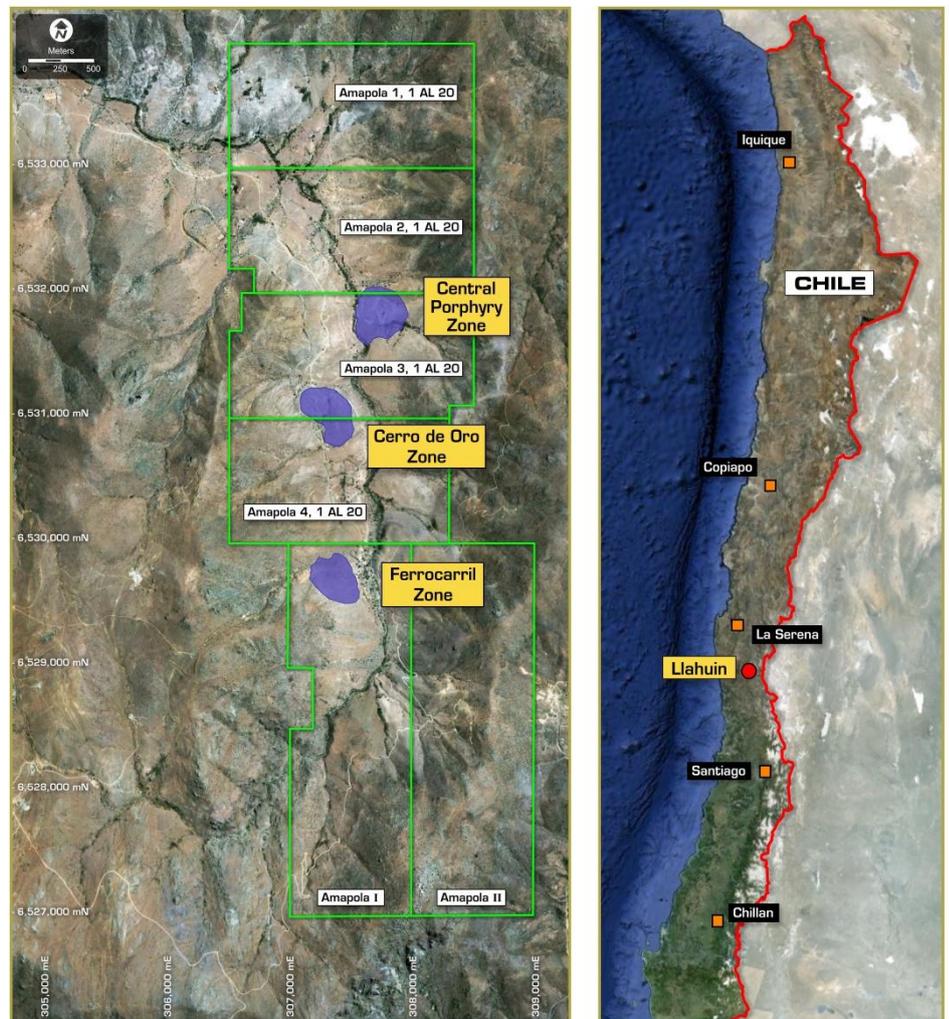
Figure 1 Location Map showing the Llahuin Project Exploitation Licences

“Lundin Mining’s extensive experience in exploration, project evaluation and development will bring a host of benefits to Southern Hemisphere and will help us to unlock the value of the Llahuin Project.”

The Llahuin Project is and will remain our key focus but we are also aware of and currently evaluating other copper/gold opportunities within the Coquimbo Region of central Chile in conjunction with Lundin Mining, which may provide future opportunities for joint operations.”

Llahuin Copper/Gold Project

The Llahuin Project is located within the Coquimbo region of central Chile, approximately 250km north of Santiago and 17km south of the mining town of Combarbala. The Llahuin Project is located at an altitude of 1,300m, situated on the coastal cordillera, and is approximately 56km from the Pacific Ocean.



TOTAL MEASURED AND INDICATED RESOURCES – LLAHUIN COPPER/GOLD PROJECT
As reported September 10, 2012

TOTAL MEASURED RESOURCES					
Cu Equiv % Cutoff*	Tonnes million	Cu %	Au g/t	Mo %	Cu Equiv %
0.28	88.9	0.33	0.09	0.006	0.42
TOTAL INDICATED RESOURCES					
Cu Equiv % Cutoff	Tonnes million	Cu %	Au g/t	Mo %	Cu Equiv %
0.28	56.0	0.25	0.11	0.005	0.35
TOTAL MEASURED AND INDICATED RESOURCES					
Cu Equiv % Cutoff	Tonnes million	Cu %	Au g/t	Mo %	Cu Equiv %
0.28	144.9	0.30	0.10	0.006	0.40

Figure 2 Llahuin Project Central Porphyry showing old workings and Higher Grade Core Area



Lundin Mining Corporation

Lundin Mining is a diversified Canadian base metals miner which holds a **strategic 11.5% stake in Southern Hemisphere**. It has operations in Portugal, Sweden, Spain and Ireland producing copper, zinc, lead and nickel. In addition, Lundin Mining holds a development project pipeline which includes an expansion at its Neves-Corvo mine in Portugal and an equity stake in the world class Tenke Fungurume copper/cobalt mine in the Democratic Republic of Congo, which is currently undergoing a major expansion.

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Competent Person / Qualified Person Statement

Mr Trevor Tennant, Managing Director of Southern Hemisphere Mining Limited, is a Fellow of the Australasian Institute of Mining and Metallurgy, is a 'Competent Person' as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and is a 'Qualified Person' under National Instrument 43-101 - 'Standards of Disclosure for Mineral Projects'.

Mr Tennant has reviewed the design and conduct of the resource drilling campaign, supervised the preparation of the technical information in this release and has the relevant experience and competence of the subject matter.

Mr Tennant consents to the inclusion of exploration results and other such information in this News Release in the form and context in which it appears.

***Copper Equivalent (or "Cu Eq")**

The copper equivalent calculations represent the total metal value for each metal, multiplied by the conversion factor, summed and expressed in equivalent copper percentage. Only gold and copper analysis results have been taken into account in the copper equivalent calculation. These results are exploration results only and no allowance is made for recovery losses that may occur should mining eventually result. It is the Company's opinion that elements considered have a reasonable potential to be recovered as evidenced in similar multi-commodity natured mines.

Copper equivalent conversion factors and long-term price assumptions used are stated below:

Copper Equivalent Formula= $Cu \% + Au (g/t) \times 0.72662$

Price Assumptions- Cu (US\$3.40/lb), Au (US\$1,700/oz)

About Southern Hemisphere Mining Limited

Southern Hemisphere Mining Limited is listed on the Australian Stock Exchange (ASX Code "SUH") and the Toronto Stock Exchange –Venture (TSX-V Code "SH"). Southern Hemisphere has accumulated a diverse portfolio of assets in **Chile, South America**. The Company's focus is the **100% owned Llahuin Copper/Gold Project** where the objective is to build a bulk tonnage **Copper/Gold operation**. The Company also holds the **100% owned Chitigua 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

