



## **SOUTHERN HEMISPHERE SIGNS KEY 30-YEAR EASEMENT AGREEMENT TO UNDERPIN DEVELOPMENT OF LLAHUIN COPPER/GOLD PROJECT**

### ***COMPLETES PURCHASE OF LA COLINA 2 SATELLITE EXPLOITATION LICENCE***

#### **Highlights:**

- 30-year Easement Agreement signed with local Llahuin community covering an area of 2,500 hectares, including the Llahuin Mining Licence areas.
- Land access arrangements with the local community represent a key step towards commencing development of the Llahuin Project.
- Purchase of the La Colina 2 satellite project Exploitation Licence from Minera Fuego completed for total consideration of US\$300,000.

International mining company **Southern Hemisphere Mining Limited** (ASX: SUH, TSX-V: SH) ("Southern Hemisphere") is pleased to announce that it has put in place a further key plank of the development plan for its flagship Llahuin Copper/Gold Project ("Llahuin Project") in central Chile after signing a landmark 30-year easement agreement ("Agreement") with the El Espino Community ("Community"); the local owners of the Llahuin area surface land rights.

Under the terms of the 30-year Agreement, Southern Hemisphere is allowed access for all exploration, exploitation, mining, processing, plant, utilities and infrastructure activities within a 2,500 hectare area, which includes the 1,372 hectares covered by the Llahuin Mining Licences.

This represents a key milestone for the future development of the Llahuin Project, which is being progressed under joint venture option arrangements with the leading North American mining company Lundin Mining Corporation ("Lundin Mining").

A payment of US\$57,000 was made to the Community upon signing the Agreement, with a US\$50,000 annual payment commencing 12 months thereafter; a US\$70,000 annual payment commencing on approval of an Environmental Impact Assessment; and an additional annual payment of US\$70,000 commencing two months after the commencement of feeding material to the processing plant.

This provides a total annual payment during production to the Community of US\$190,000 by Minera Llahuin SCM, the Joint Venture Company recently incorporated by Lundin Mining and Southern Hemisphere for the development of the Llahuin Project.

The Joint Venture Company also has the right to amend the easement area or increase the size up to 3,000 hectares by the payment of an additional US\$60 per annum per hectare of additional area.



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## Acquisition of La Colina 2 Exploitation Licence

Southern Hemisphere is also pleased to advise that it has completed the purchase of the La Colina 2 satellite project Exploitation Licence, covering an area of 259 hectares, located 10km NW of the Llahuin Central Porphyry, by a final option payment of US\$140,000 on January 31, 2013.

The La Colina 2 Project has been acquired under an option agreement with Minera Fuego Limitada ("Minera Fuego") dated January 31, 2012 (see News Release – April 26, 2012). In addition, Southern Hemisphere has granted Minera Fuego a 1.5% net smelter royalty on any production from the La Colina 2 Project, which also forms part of the Llahuin joint venture arrangements with Lundin Mining.

## La Colina 2 – Reconnaissance drilling at past artisanal working area



In April 2012, a reverse circulation reconnaissance drill program was completed and 4 of the holes intersected high grade mineralisation.

**\*\*Highlight intercepts from the four positive drill holes are shown below:**

| Hole ID   | Intersect m | From m | %Cu  | g/t Au | %Cu Equiv* |
|-----------|-------------|--------|------|--------|------------|
| RC-C2-002 | 20          | 34     | 1.18 | 0.24   | 1.35       |
| Includes  | 14          | 34     | 1.65 | 0.18   | 1.78       |
| RC-C2-003 | 70          | 24     | 0.56 | 0.12   | 0.66       |
| Includes  | 14          | 24     | 0.70 | 0.05   | 0.74       |
| Includes  | 16          | 54     | 1.50 | 0.05   | 1.50       |
| RC-C2-004 | 28          | 22     | 0.51 | 0.07   | 0.56       |
| RC-C2-005 | 12          | 48     | 0.52 | 0.09   | 0.58       |



## Drill Hole Locations

Details of La Colina 2 drill hole locations are available on the Company's website at [www.shmining.com.au](http://www.shmining.com.au)

## Geology

Refer to the April 26, 2012 ASX and TSX-V News Release for La Colina 2 geological information.

### \*Copper Equivalent ("Equiv")

The copper equivalent calculations represent the total metal value for each metal, multiplied by the conversion factor, summed and expressed in equivalent copper percentage. 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=  $\text{Cu \%} + \text{Au (g/t)} \times 0.72662$   
Price Assumptions- Cu (US\$3.40/lb), Au (US\$1,700/oz)

### \*\*Highlighted Intercepts

Other holes and intercepts in this News Release that are not highlighted were insignificant or generally had a copper equivalent of less than 0.24%. Anomalous intercepts of less than 6m and 0.40% copper equivalent were also not reported as highlights.

## Sampling and Analysis Procedures

5kg samples were taken from each two metre interval. The samples are derived from riffle splitting each intercept. The samples were sent to Andes Analytical Assay Ltda (Chile) in Santiago for sample preparation and analysis. Duplicate samples were taken on a 1 in 20 basis.

Analysis was undertaken using atomic absorption spectrometry methods. Andes Analytical Assay Ltda (Chile) 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.

**-ENDS-**

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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.*

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#### **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** which is being developed in conjunction with **Lundin Mining Corporation** (TSX: LUN, OMX: LUMI). The Company also holds the **100% owned Chitigua Project**, a 172 km<sup>2</sup> 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](http://www.shmining.com.au)

