



SOUTHERN HEMISPHERE SECURES US\$25M FARM-IN OPTION AGREEMENT WITH ANGLO AMERICAN IN CHILE

Emerging copper/gold miner secures second major strategic joint venture in three months

Highlights:

- ❖ Southern Hemisphere Mining signs landmark farm-in option with Anglo American Norte SA, a Chilean subsidiary of Anglo American plc, one of the world's largest mining companies.
- ❖ Anglo American to spend up to US\$25M to earn up to a 75% interest in three copper/gold exploration projects in northern Chile over 5 years.
- ❖ Properties include the Chitigua Project, located on the Western Fault, where preliminary work has already begun.
- ❖ Agreement provides Southern Hemisphere with a free-carry period of up to 3 years during which time Anglo American may spend up to US\$10M to earn 60% interest.
- ❖ Anglo American committed expenditure of US\$1.5M to include at least 3,000m of drilling, as well as a US\$50,000 payment on signing and an additional US\$150,000 per annum for up to 5 years.
- ❖ No obligation for Southern Hemisphere to spend any funds on exploration or concession maintenance until Anglo American has achieved a 75% equity position.

Southern Hemisphere Mining Limited (ASX: SUH, TSX-V: SH) ("Southern Hemisphere" or the "Company") is pleased to announce that it has added further momentum to its plans to build a substantial diversified copper/gold company in Chile after securing a strategic farm-in deal with Anglo American plc ("Anglo American"), one of the world's leading mining companies, over 3 exploration projects in the country's north.

The farm-in option agreement ("Agreement") allows Anglo American to earn up to 75% equity in the Chitigua, Carboneras and Meteoritica exploration projects ("Projects") by spending up to **US\$25 million** on exploration over a maximum 5-year period.

The deal follows hard on the heels of a farm-in option arrangement, completed November 1, 2012, with Lundin Mining Corporation on the Company's flagship Llahuin Copper/Gold Project, where a major resource extension drilling program is currently underway.



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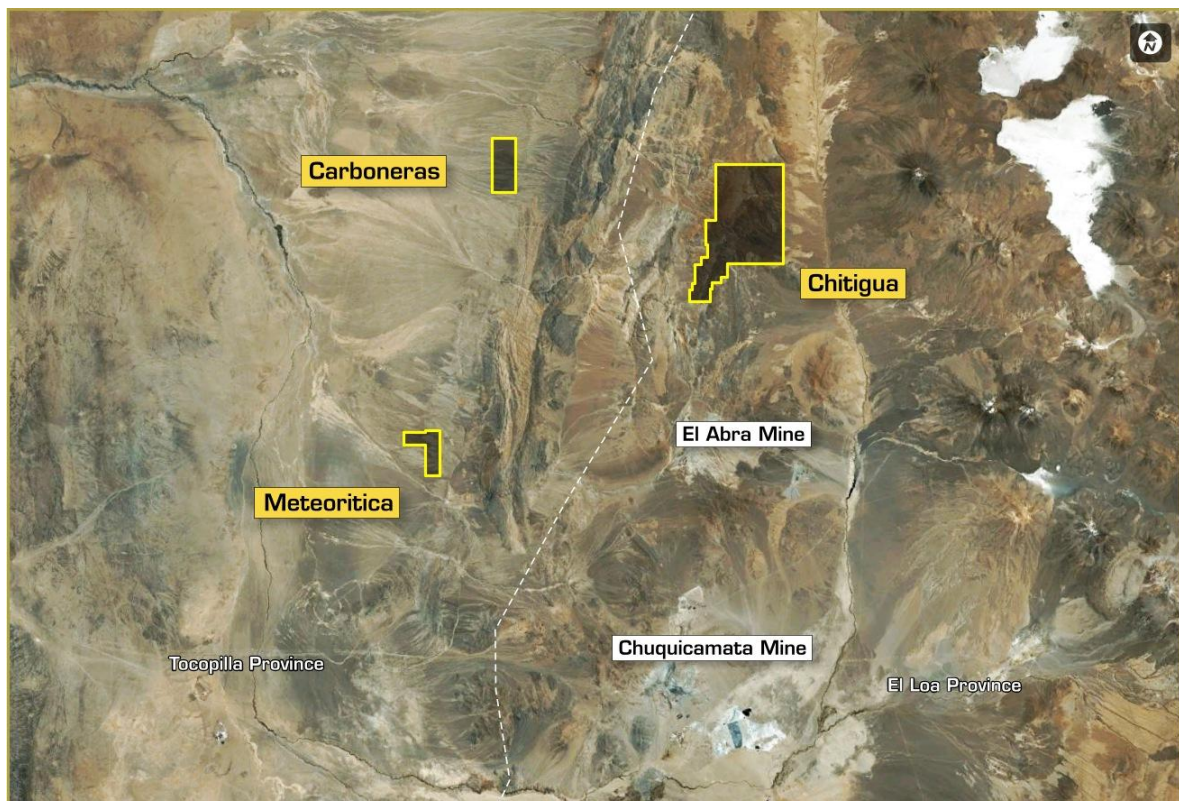
Southern Hemisphere's Managing Director, Mr Trevor Tennant, said he was delighted to have secured a strategic farm-in option agreement with a global company of Anglo American's calibre, bringing financial surety for the Chitigua Project and many other important benefits to the Company including potential upside from exposure to a discovery by Anglo American. He said:

"This is another significant event for Southern Hemisphere, and complements the important strategic joint venture we concluded recently with Lundin Mining Corporation at our Llahuin Project."

"We were approached by two Tier 1 mining companies, which were interested in a farm-in arrangement for the Chitigua Project area and we decided to enter into an option arrangement with Anglo American."

Southern Hemisphere has expended US\$2.3 million on exploration and concession maintenance at Chitigua and completed some limited reconnaissance works at the Carboneras and Meteoritica Projects.

Figure 1 – Location of Chitigua, Carboneras and Meteoritica Projects relative to the Chuquicamata and El Abra mines



Anglo American Agreement Terms

The key terms of the Agreement with Anglo American include a US\$50,000 payment to Southern Hemisphere upon signing the Agreement and payments of US\$150,000 per year for three years, resulting in a total of US\$500,000 to be paid on or before 31 January 2016. If Anglo American continues thereafter with the arrangement to earn a 75% interest in the projects, it is required to pay an additional US\$150,000 per year for two years.

The First Exploration Period requires committed expenditure by Anglo American of US\$1.5 million for in-ground exploration, including a minimum of 3,000m of drilling within 18 months of signing the Agreement.



Should Anglo American continue with the arrangement, it will then be required to spend a further US\$8.5 million on in-ground exploration to earn 60% equity in a locally incorporated company (“Minera Chitigua”) that will hold the Projects. This aggregate spend of **US\$10 million** has to be achieved within 36 months of signing the Agreement.

Anglo American then has the option for a Second Exploration Period to earn a further 15% equity by spending an additional **US\$15 million** on exploration works. This expenditure has to be achieved within a further 24 months. Southern Hemisphere has no obligation to spend any funds on exploration or concession maintenance costs until Anglo American has achieved a 75% equity position in Minera Chitigua.

Chitigua Project

The Chitigua Project is situated on the highly prospective western fault to the north of Chuquicamata between the El Abra and Quebrada Blanca mines.

Anglo American has recently completed an aeromagnetic survey at the Chitigua Project, with detailed geology mapping and geochemical sampling scheduled to commence next week.

Figure 2- Distribution of major copper porphyry deposits along Western Fault



The Chitigua Project is located 270 km NE of the Antofagasta city and port, 90km to the north of Calama city, 60km to the north of Chuquicamata Mine (Codelco), and 20km to the north of El Abra Mine (Freeport), at an elevation of between 3,900m and 4,300m above sea level.

There is evidence in the Chitigua Project area of intense geological alteration along and adjacent to the western fault with copper mineralization in previous small-scale mining excavations. The Chitigua Project lies within the Eocene Upper- Oligocene porphyry copper/molybdenum belt.

The Chitigua Project concessions cover an area of 172 km². The Company has expended US\$2.3 million on exploration on this prospect, including ground-based IP surveys in two selected areas, the completion of 20 RC holes for 4,983m and seven diamond drill holes for 2,332m (see ASX and TSX-V News Release dated July, 8 2011 for highlights of this drill campaign).

Figure 3 – Chitigua Project drill pad at 4,300m above sea level



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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 this 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.

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

