



SOUTHERN HEMISPHERE BOOSTS GROWTH STRATEGY THROUGH NEW 50/50 JV WITH LUNDIN AND TWO ACQUISITIONS

Significantly expands footprint in central Chile through acquisition of two new copper-gold projects

Key Points:

- New 50/50 Joint Venture, the Los Rulos JV, established with global miner Lundin Mining (TSX: LUN).
- Expands on existing Strategic Alliance and JV with Lundin Mining at the Llahuin Copper-Gold Project (Lundin Mining earning 75%).
- Los Rulos JV acquires two new highly prospective copper-gold projects in Central Chile.
- Both new projects show strong indications of high-grade copper mineralisation and represent walk-up drilling targets. Drilling planned to commence 1st quarter 2014.

Southern Hemisphere Mining Limited (ASX: **SUH**) ("Southern Hemisphere" or the "Company") is pleased to announce that it has taken a major step forward in its strategy of building a substantial copper-gold business in South America after executing a new 50/50 Chilean copper/gold joint venture with global miner Lundin Mining Corporation (TSX: LUN) ("Lundin Mining"), which has immediately moved to secure two new high-quality acquisitions.

The new joint venture (referred to as the "**Los Rulos Joint Venture**") builds on and expands the existing Strategic Alliance and current Joint Venture with Lundin Mining at the Llahuin Project, where Lundin Mining is sole funding exploration and has the right to earn up to a 75% interest.

A new Southern Hemisphere/Lundin Mining Joint Venture company ("Minera Los Rulos") has been incorporated in Chile, and Minera Los Rulos has executed two option agreements to purchase the prospective **Armandiño** and **Polvareda 2 Copper-Gold Projects**, located at Los Rulos in the Coquimbo region of central Chile.

Southern Hemisphere's Managing Director, Mr Trevor Tennant, said the deal represented a major step forward for the Company's strategic ambitions to establish a substantial copper-gold business in Chile. Mr Tennant noted:

"This is an important and strategic step in our relationship with Lundin Mining, which follows a highly successful collaboration over the past year at the Llahuin Project. In recent months we have jointly reviewed new areas in the Coquimbo region prospective for copper-gold and after completing, mapping, channel sampling and IP surveys at both projects, selected Armandiño and Polvareda 2 as the first of the acquisitions under this new JV. Both represent stand-out opportunities and walk-up drilling targets."



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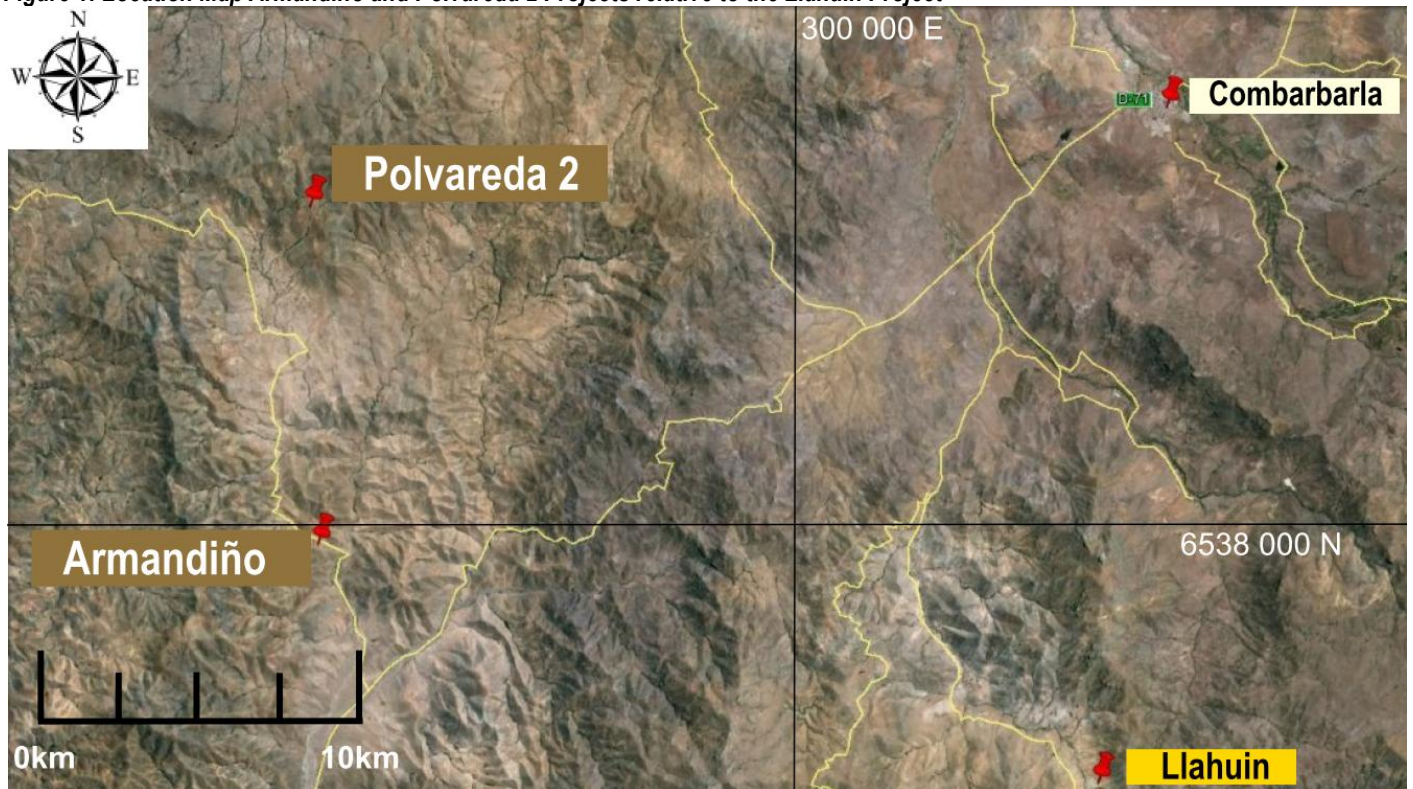
We like this region because of its high prospectivity and its location close to infrastructure and services. It is the place to be in Chile to develop large-scale porphyry copper projects in the 400-600Mt size range and we are delighted to have the opportunity to work with an accomplished global miner such as Lundin Mining to identify, explore and develop new projects in this belt.

Both projects have extremely favourable geology and extensive surface copper mineralisation plus artisanal mining. Our initial work has been very encouraging and they tick every box for us in terms of geology, location and size potential. We are very much looking forward to getting on the ground to start drilling."

Armandiño Project

The Armandiño Project is at 700m elevation and located 26 km south west of the established regional mining town of Combarbarla and approximately 20 km NNW of the Company's existing Llahuin JV Copper-Gold Project.

Figure 1: Location Map Armandiño and Polvareda 2 Projects relative to the Llahuin Project

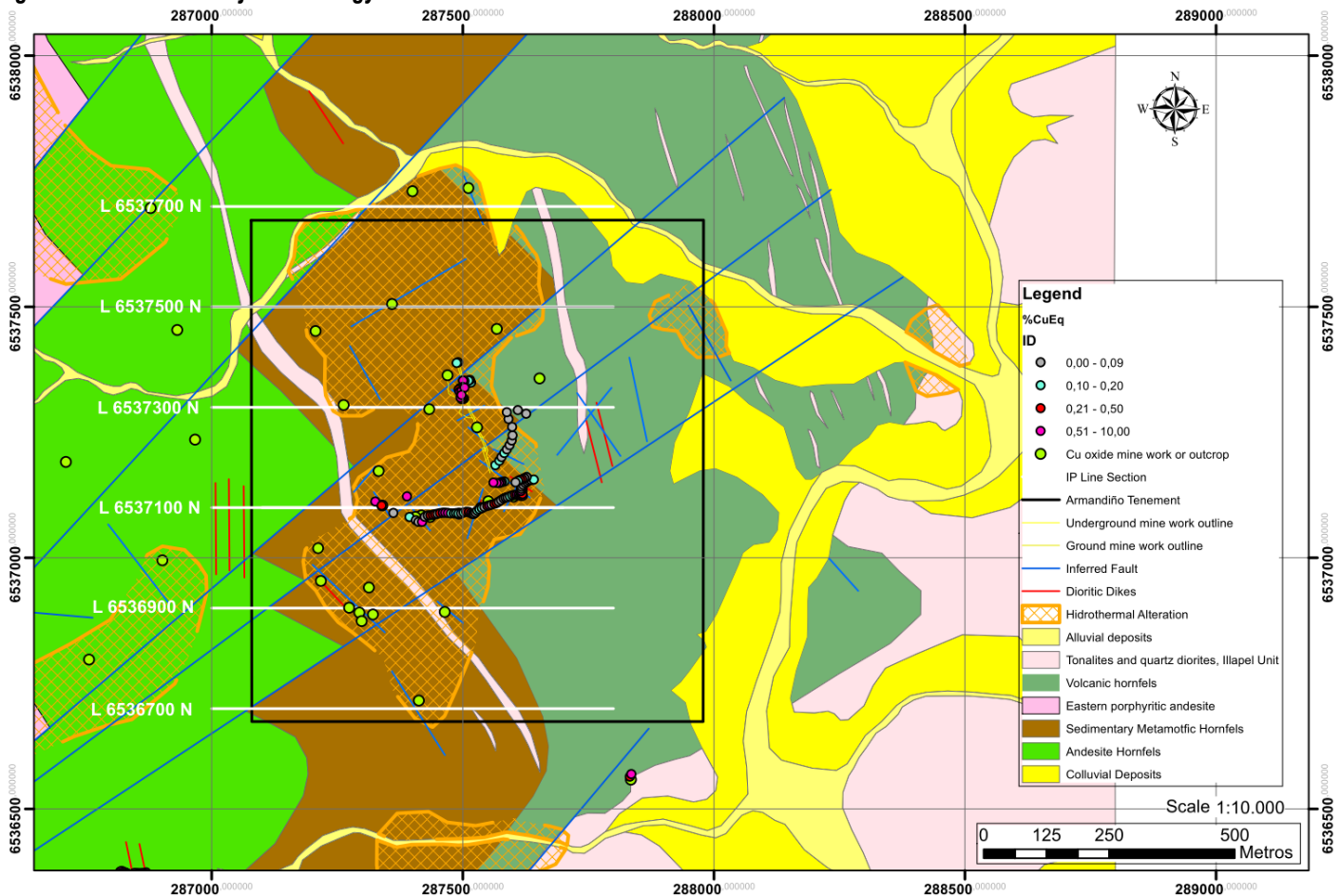


The Armandiño exploitation concessions cover 100 hectares and are central to existing exploration concessions already held by Minera Los Rulos. The geology is extremely favourable with large alteration systems and widespread mineralisation, including high-grade copper-gold skarns that have been exploited by small-scale artisanal mining.

Four IP survey lines have been completed which showed a strong geophysical response that will assist in drill targeting. Initial surface channel sampling from road cuttings by the Company returned encouraging results within an alteration zone of approximately 250m width, including **25m @ 1.97% Cu, 2.12 g/t Au** and **35m @ 0.92% Cu, 1.05 g/t Au**.



Figure 2: Armandiño Projects Geology



The terms of the Armandiño Project Option Agreement between Mr. Mario Tapia and Minera Los Rulos total **US\$300,000** payable over **24 months** comprising:

- **US\$ 40,000** paid on execution of agreement
- **US\$ 100,000** after **12 months** ;and
- **US\$ 160,000** after a further **12 months**

50% of the acquisition cost is payable by Southern Hemisphere under the Los Rulos JV Agreement

Polvareda 2 Project

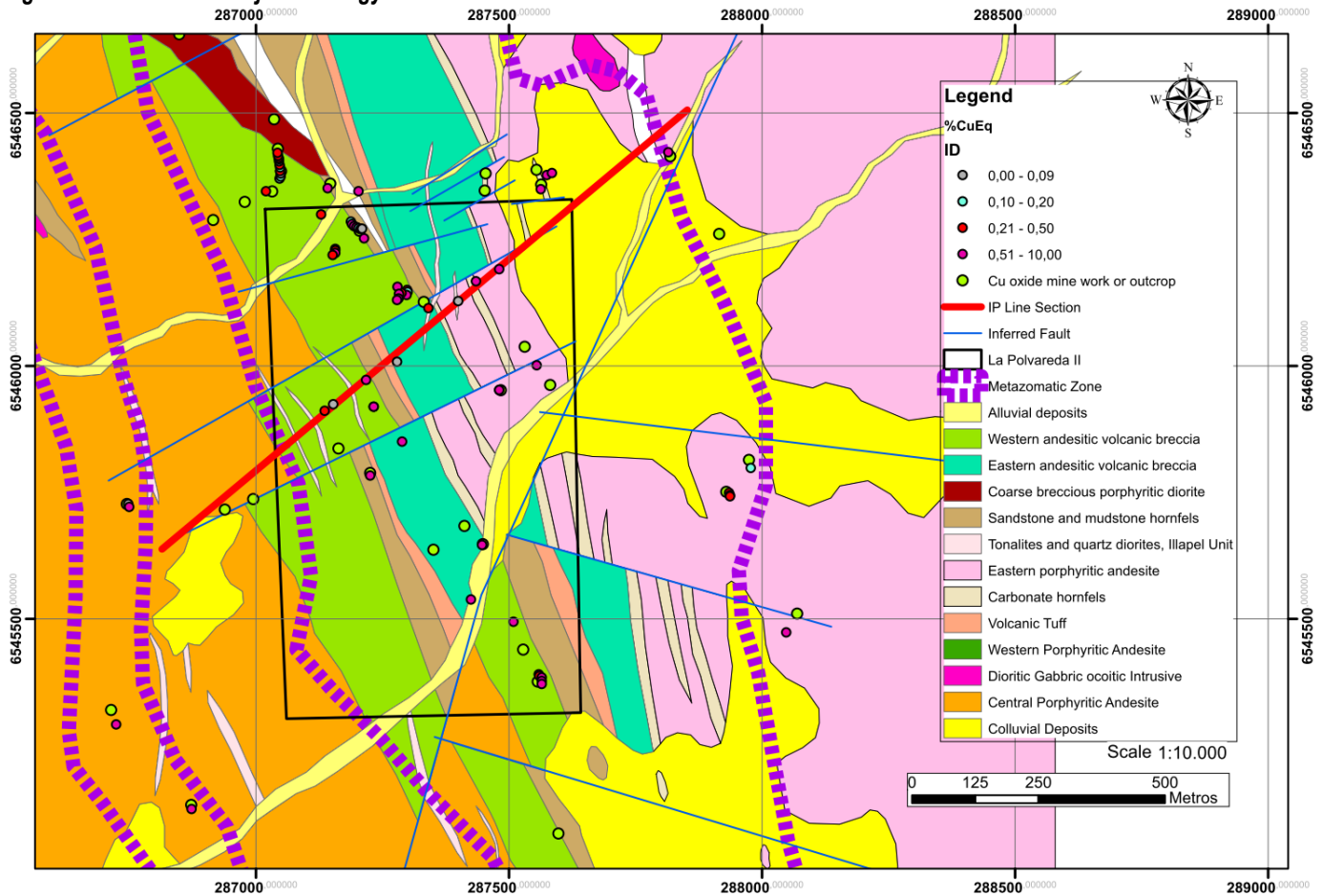
Minera Los Rulos has executed a share purchase agreement to acquire a 62.5% equity interest in the Polvareda-2 Project, which is located 26 km west of Combarbala and 25km NW of the Company's existing Llahuin JV Copper-Gold Project.

The Polvareda 2 exploitation concessions cover 60 hectares at 1,000m elevation and are adjacent and along structure from a high grade copper skarn mine producing 200-300 tonnes of ore per day. Historical artisanal mining is widespread and large alteration systems and high grade copper-gold skarns have been identified.



Initial rock chip sampling by the Company returned encouraging results within a 950m wide metasomatic zone, with assay values ranging from 0.03% Cu to 4.96% Cu. An IP line showed strong geophysical response, which will assist in future drill targeting.

Figure 3: Polvareda-2 Project Geology



The terms of the Polvareda 2 agreement to purchase 62.5% of the shares in SLM Polvareda (the holding company for the concessions) from Ms. Nidia Moyano total **US\$390,000** payable over **42 months** comprising **US\$30,000** upon execution of the share purchase agreement and **US\$360,000** in half yearly instalments, of which 50% is payable by Southern Hemisphere under the Los Rulos JV Agreement

Los Rulos Joint Venture

The Los Rulos Joint Venture covers a 2,220 sq km area of co-operation in the Coquimbo region, which allows Southern Hemisphere and Lundin Mining to jointly explore and acquire prospects in the area. Lundin Mining will initially hold and fund a 50% interest in the incorporated JV company and, after two years, has the right to acquire a further 15% to give a 65% equity stake by paying Southern Hemisphere twice Southern Hemisphere's expenditure to date.



Lundin Mining Corporation

Lundin Mining is a diversified Canadian base metals miner which holds a strategic 11.4% stake in Southern Hemisphere. It has operations in the USA, Portugal, Sweden, Spain and Ireland producing copper, zinc, lead and nickel.

In addition, Lundin Mining holds an equity stake in the world class Tenke Fungurume copper/cobalt mine in the Democratic Republic of Congo and in the Freeport Cobalt Oy business, which includes a cobalt refinery located in Kokkola, Finland.

Competent/Qualified Person Statement

Information of a scientific or technical nature in this report was prepared under the supervision of Trevor Tennant, Managing Director of Southern Hemisphere 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 he is undertaking, to qualify as a “competent person” as defined in the 2004 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 has reviewed and approved the information contained in this News Release. For further information regarding the projects, including a description of Southern Hemisphere’s quality assurance program, quality control measures, the geology, samples collected and testing procedures in respect of Southern Hemisphere’s projects, please refer to the Technical Reports and News Releases on the Company’s website at www.shmining.com.au.

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