



MIDWINTER
RESOURCES NL

ASX Announcement

15 July 2013

Mantos Grandes Copper/Gold Project – Chile Due Diligence Progress

In May 2013 Midwinter Resources NL (MWN) entered into a binding terms sheet with Southern Hemisphere Mining Limited (**Southern Hemisphere**) (ASX: SUH; TSX-V: SH) to farm-in to a 65% interest in the Mantos Grandes Copper/Gold Project located in the Province of Limari, in Chile. The terms of the farm-in are conditional upon, amongst other things, completion of due diligence, and MWN shareholders' approval. This announcement provides a progress update on the due diligence process and the Company is pleased to announce that the process has been progressing well and is due to be completed in the next several weeks.

HIGHLIGHTS

Completed Due Diligence tasks

- **Site inspection**
- **Database review including historic work undertaken by:**
 - **Minera Waffo S.A.**
 - **North Limited**
 - **Sundance Resources Limited, and**
 - **Southern Hemisphere Mining Limited**
- **Concession verification**
- **Evaluation of production history**
- **Interviews with prior operators**
- **Review of Chilean mining legislation**
- **Drafting legal documents, including**
 - **Shareholders' agreement**
 - **Farm-in Agreement**
 - **Management agreement**
 - **Notice of meeting for MWN shareholders**

STATUS

Formal legal reports on the status of the mining/exploration concessions will be forthcoming in the week commencing 15 July. MWN is yet to receive any reports on indigenous ownership issues, if any, and remains of the view that the Project has strong potential for definition of high-grade copper/gold mineralisation with significant silver credits within the immediate area of the previous mining activity and within satellite targets identified from geological indicators.

Due diligence will be completed prior to convening a MWN shareholders' meeting, to approve a change to the scale of the activities of the Company and pave the way for commencement of the farm-in activities. SUH has agreed to an extension of term to ensure the timing complies with the agreement between the parties.

SHAREHOLDERS' MEETING

In August, a shareholders' meeting will be convened in Perth (Western Australia) to enable shareholders to approve the farm-in arrangements contemplated in the terms sheet as announced on 27 May 2013. A notice of meeting will be dispatched to shareholders in due course.

INVESTOR BRIEFINGS

A series of investor briefings will be convened to enable shareholders to familiarize themselves with the project.

Briefings will be provided in:

- Melbourne 17 July
- Sydney 23 July
- Brisbane 24 July
- Perth 29 July
- Kalgoorlie 5 August
- Adelaide 12 August

The times and venues will be posted on the company website.

THE PROJECT

The Mantos Grandes Copper/Gold project is located in the Central Andes at elevations that range from 1500m to 3000m (Figure 1). The project consists of a number of mineralized occurrences which have sustained small-scale production from the 1940s through to about 2001. Skarns host the higher grade copper and gold mineralization and have been the focus of nearly all past production however there is potentially scope for porphyry style mineralization. Underground production had taken place at Mantos Grandes and La Demonia and further mineralization has been identified at a number of locations as shown in Figure 2.

Most of the historic mining activity focussed on high grade veins and ore shoots with some less selective room and pillar mining taking place in later years. The latter provides an indication of the bulk mining potential of some of the mineralised skarns. Existing underground workings at Mantos Grandes include some 2,000m of development through 11 levels linked by a 4m by 3m decline which was used for services and ore haulage. Unfortunately late stage remnant mining activities have resulted in restricting access to the historic workings.

Most of the mineralization occurs within a sedimentary sequence, dominated by carbonates. The carbonates range from massive limestones (and marble where metamorphosed) to thinly bedded micrites with intercalated mudstone and shale bands. This sequence has been intruded by at least two phases of plutonic activity. An early phase of granodioritic intrusions appears to prepare the limestone by metasomatism, forming the garnet rich skarn (Figure 3).

Past operations were aimed at mining high-grade gold/copper ore which was done by visual identification, removing material that had abundant garnet, in a matrix of copper sulphides (chalcopyrite and bornite). Figure 4 shows one of the high-graded stope areas where the garnetiferous skarn has been removed in preference to the lower-grade footwall and hangingwall, both of which show extensive mineralization.

The project has water, grid power, accommodation, office and mess. Past production was supported by a 200 tonne per day milling and floatation circuit (Figure 5).



Figure 1 Location of the Mantos Grandes copper/gold project

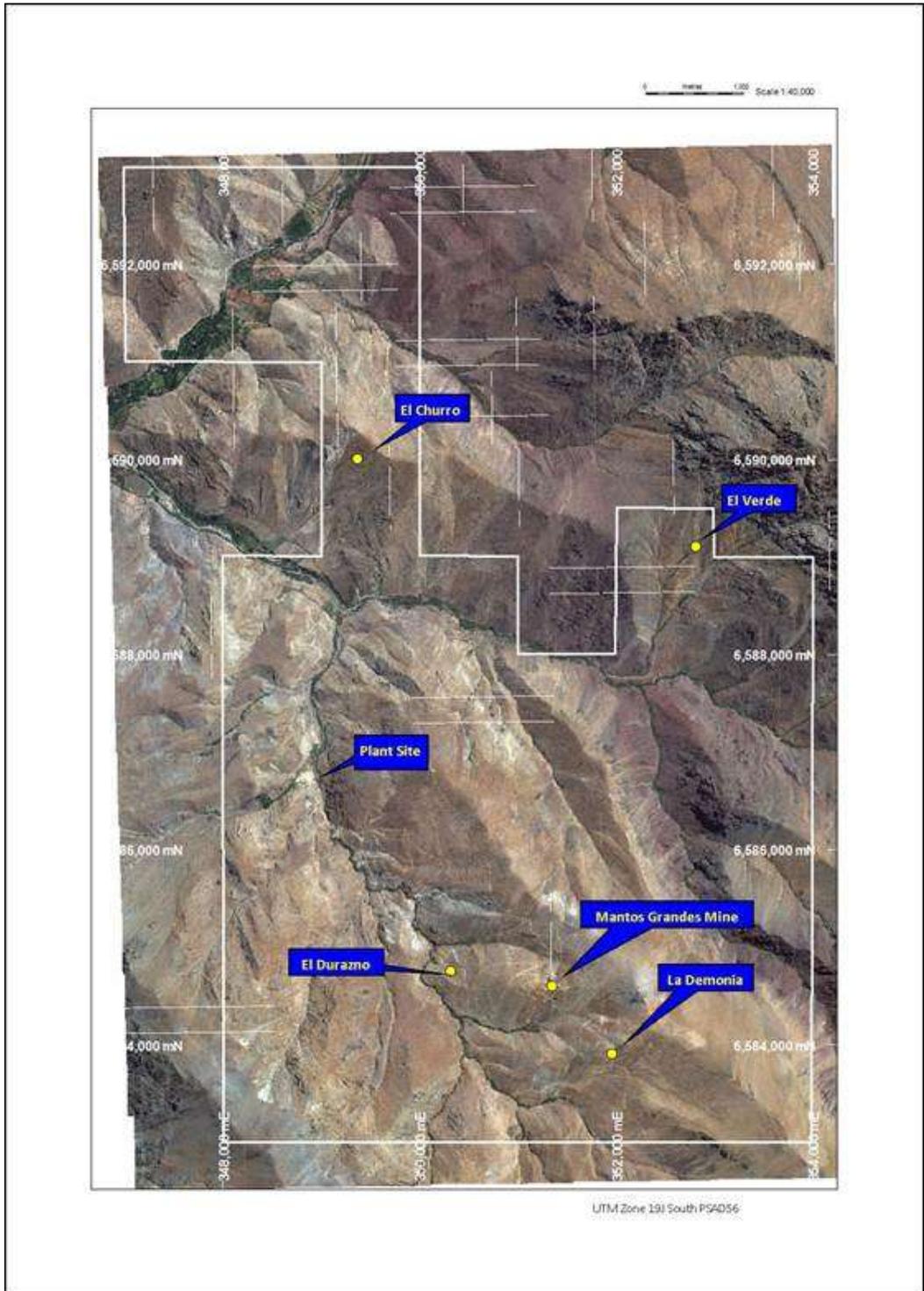


Figure 2 Mantos Grandes project with mine and prospect locations.

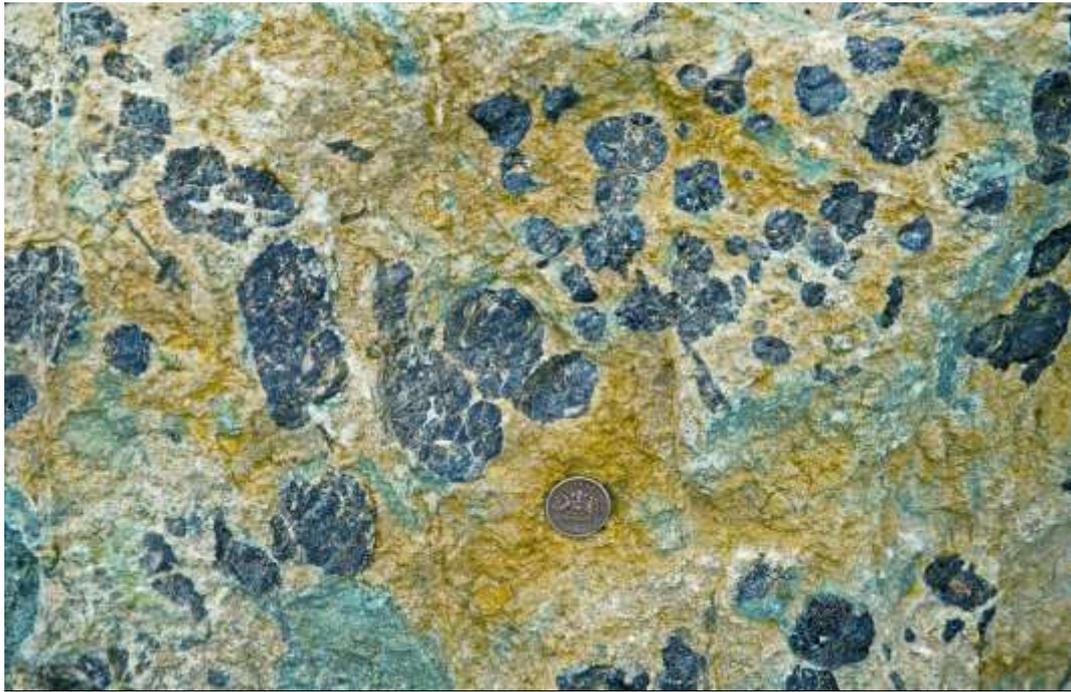


Figure 3 Oxidized skarn (garnets [dark], copper carbonates [green], and potassic alteration [white and yellow])



Figure 4 High-graded skarn mineralization. The garnetiferous skarn is the dark material to the right of the person. Lower-grade mineralization shows clearly as malachite (green) in the footwall and hangingwall.

AVAILABLE DATA

A large amount of geological information is available on the Project and will form the basis for ongoing exploration and development. The database includes:

- surface and underground geological mapping at a variety of scales;
- results from regional geophysical surveys including a helicopter supported aeromagnetic survey and induced polarisation surveys across target areas (2000);
- rock chip geochemical sampling (1996-2000) which includes assays from 738 channel and chip samples;
- drill hole logs and results from a 1,660m step out drilling campaign (2000)

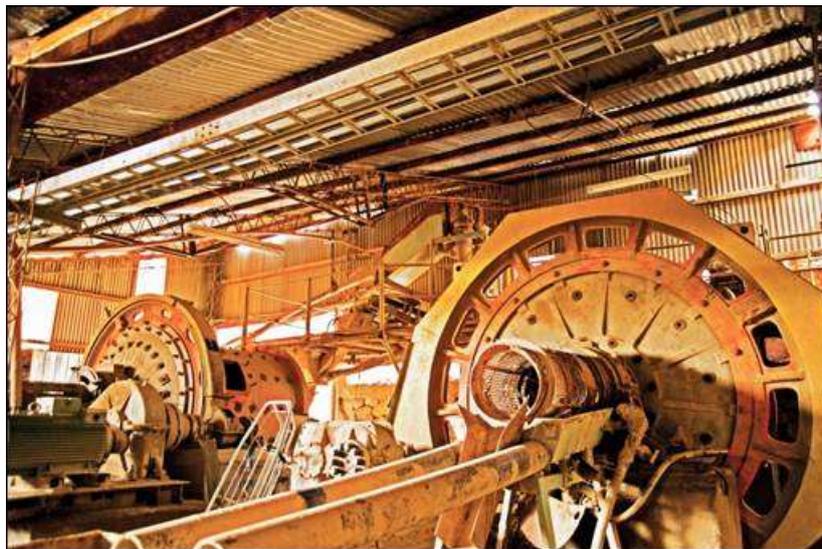


Figure 5 Primary and secondary mills which form part of the 200 tonne per day processing plant

About Midwinter

Midwinter Resources is an Australian based exploration company established to generate significant shareholder wealth by identifying, acquiring, exploring and/or developing substantial mineral projects that possess the potential for significant cashflow and/or exploration upside.

About Southern Hemisphere

Southern Hemisphere is an exploration company focused on the discovery and exploitation for large tonnage base metal opportunities in South America.

Investors wanting more information should contact:

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Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by Lindsay Cahill, who is a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Cahill is a consultant to the mining industry, and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration. He is qualified as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. This report is issued with Mr Cahill's consent as to the form and context in which the exploration results appears.

Much of the commentary and all the results reported herein have been extracted from third party reports.

Particular reference was made to a report on extensive work in the area in the period February-March 2000. The document reported on the results of exploration carried out by a major Australian mining company under a Joint Venture agreement with the owners of the Mantos Grandes Project. The Competent Person has reviewed a final report on the exploration campaign and the results from the evaluation and is of the opinion that the work was undertaken in accordance with industry practice.

A second report was prepared on the project in 2006 by an international geological consultancy to provide valuation advice. This document relied largely on the above mentioned 2000 report for information.

Sample coordinates use the UTM Zone 19, provisional South American Datum 1956

Mr Cahill has undertaken site visits to the Mantos Grandes Project and has had the opportunity to discuss the mineralization, exploration history and past production records with geologists who have had an ongoing association with the project over the past 15 years.