

Directors:

Chairman
David Lenigas

Directors
Trevor Tennant
Keith Coughlan

Company Secretary:
Jessamyn Lyons

Issued Capital:
85,136,137

Corporate Information:
ASX Code: SUH



Quarterly Activities Report to 30 June 2018

HIGHLIGHTS

- **Hudbay JV on SUH's Cu/Au project in Chile progressing well**
 - **Hudbay can earn 70% by paying SUH US\$ 5.8m in staged cash payments over 5 years from February 2018**
 - **Hudbay to carry all exploration costs during the earn-in period**
- **New Gold Targets Identified Near Paraburdoo**

David Lenigas, Southern Hemisphere Mining Limited's ("SUH" or "the Company") Chairman, commented; "The copper price has been tracking nicely upwards from historic weak prices, and the board feels very optimistic that copper prices will remain strong and our deal with Hudbay on our sizeable Chilean copper/gold assets will prove to provide SUH shareholders with very significant upside."

Hudbay JV – Chile

Hudbay Minerals Inc, the Company's Chilean Joint Venture partner, report the completion of geochem sampling at the Llahuin Copper/Gold Project. Hudbay have also completed the relogging of old drill holes and intend to begin drilling on the JV in the last quarter of 2018. The details of the Joint Venture were announced to the market on 8 February 2018.

In addition to the staged cash earn in payments, Hudbay have the obligation to meet exploration covenants of \$500,000 in the first year, \$1,000,000 in the second year and \$2,000,000 in the third year.

New Gold Targets Identified Near Paraburdoo - Pilbara Basin

On 1 May 2018 the Company announced the results from its first pass exploration program at E47/3808 (Paraburdoo project) currently under application and expected to be granted shortly. The project is located 12km north of the town of Paraburdoo and covers an area of 107km². For location refer to Figures 1 and 2.

The geological setting is considered analogous in a basinal context to the Artemis Resources owned Purdy's Reward Project located on the northern boundary of the Fortescue Basin.

E47/3808 covers rocks of the Fortescue Group which are exposed along the northern margin of the Bellary Dome. The area was acquired based on the conceptual possibility of sediment hosted or 'conglomerate' gold paleo-placers being present in the Fortescue

Group sediments. This in part depended on the regional geology being more complex than indicated by existing mapping.

The possibility exists for other styles of structurally controlled mineralisation to be present in the region with the ~1Moz Paulsens gold mine 150km to the west; and axial plane auriferous quartz vein systems near Newman. Both occur in proximity to the faulted Hamersley-Wyloo Basins contact zone.

SUH has been able to identify a total of only 141 samples previously collected by other explorers within the area of E47/3808, 112 of these samples were stream sediments focused on the Pyradie Formation in the western portion of the tenement predominantly exploring for base metals in the period 2008-2009, with the central and eastern areas being virtually unsampled using modern day exploration techniques.

Stream Sediment Sampling

The Paraburdoo gold project is strongly incised by creeks, and significant gold mineralisation can be expected to shed a robust geochemical anomaly. Accordingly, a wide spaced stream sediment program has been completed as a first pass test for gold mineralisation.

A total of 185 stream sediment sites were selected for sampling as shown in Figure 1. At each site, a ~400gram sample was collected of -2mm active sediment, which was pulverised to >90% passing 75 microns, and analyzed using aqua-regia digest on 50gram charge with gold and multi-element determination by ICP MS.

Results are summarised in Table 1.

Table 1: Summary Assay Statistics for Au stream sediment anomalies

Assay	Element	Samples	Min	Maximum	Range	P'tile 75	P'tile 90	P'tile 95	P'tile >98
AuME-ST44	Au ppm	185	<0.0001	0.377	0.377	0.0017	0.0027	0.0032	0.0101

Using the >90thtile as the threshold; 0.00267ppm Au or 2.67 ppb Au; the 19 anomalous samples define numerous areas within the Bunjinah Formation of the Fortescue Group. These anomalous areas include a coherent anomaly in the central west portion defining a ~12km section of the Bunjinah Formation comprising pillowed and massive metabasaltic flows, breccia, metamorphosed sandstone and minor chert (Thorne AM, Tyler IW, Blockley, JG and Bright, DF, 1996, Mount Bruce, WA Sheet SF50-11, 2nd Ed. GSWA, 1: 250,000).

Southern Hemisphere proposes to undertake detailed infill stream sediment sampling and geological mapping to identify the source of this newly identified gold anomalism.

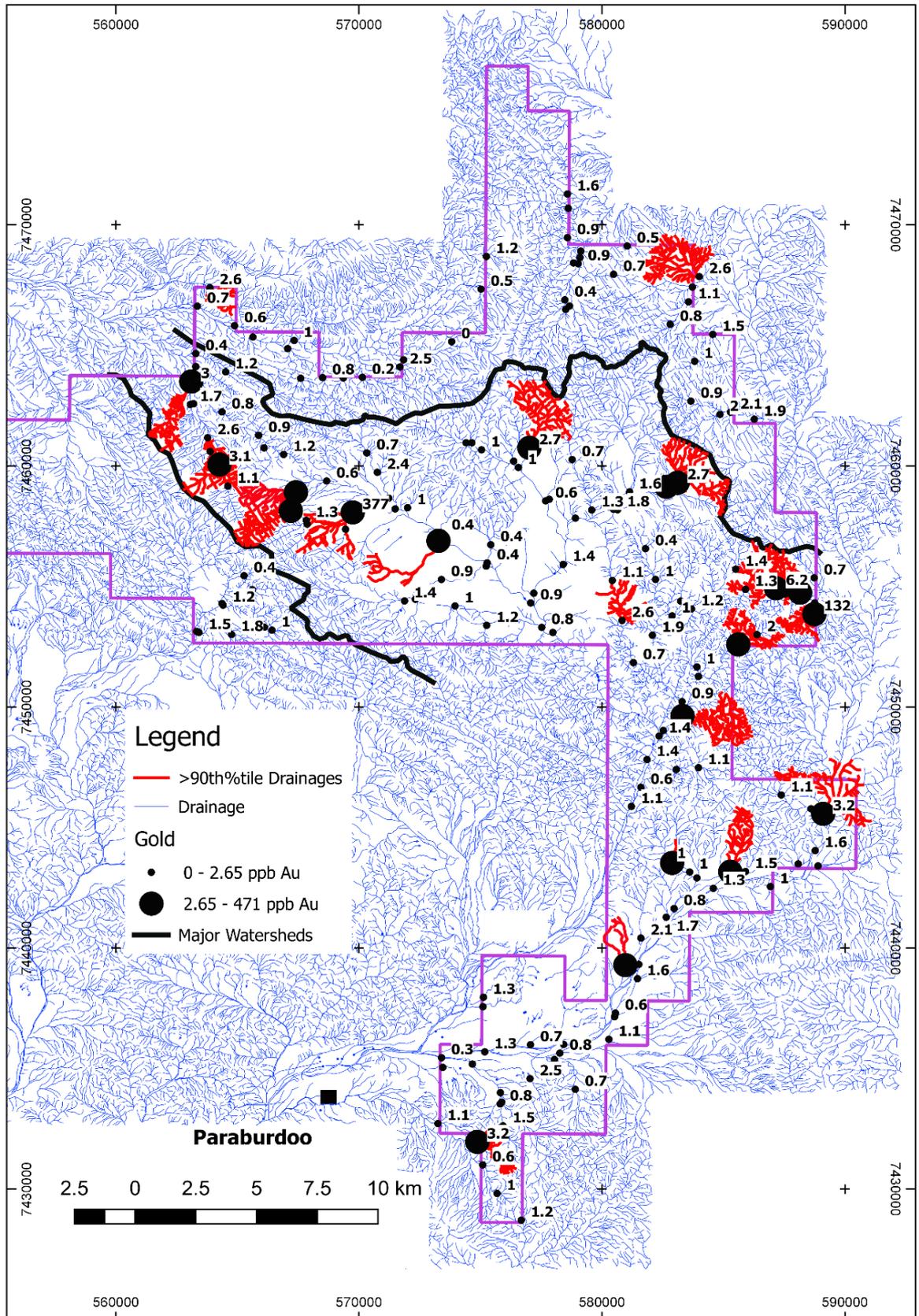
Tenement Tenure

Two Exploration License applications (E47/3807 & E47/3808) were originally made covering what were viewed as prospective for conglomerate gold mineralisation associated with the Fortescue Group on the southern boundary of the Fortescue Basin. General field work on the ground has since discounted the gold prospectivity of E47/3807 and this license application has been withdrawn.

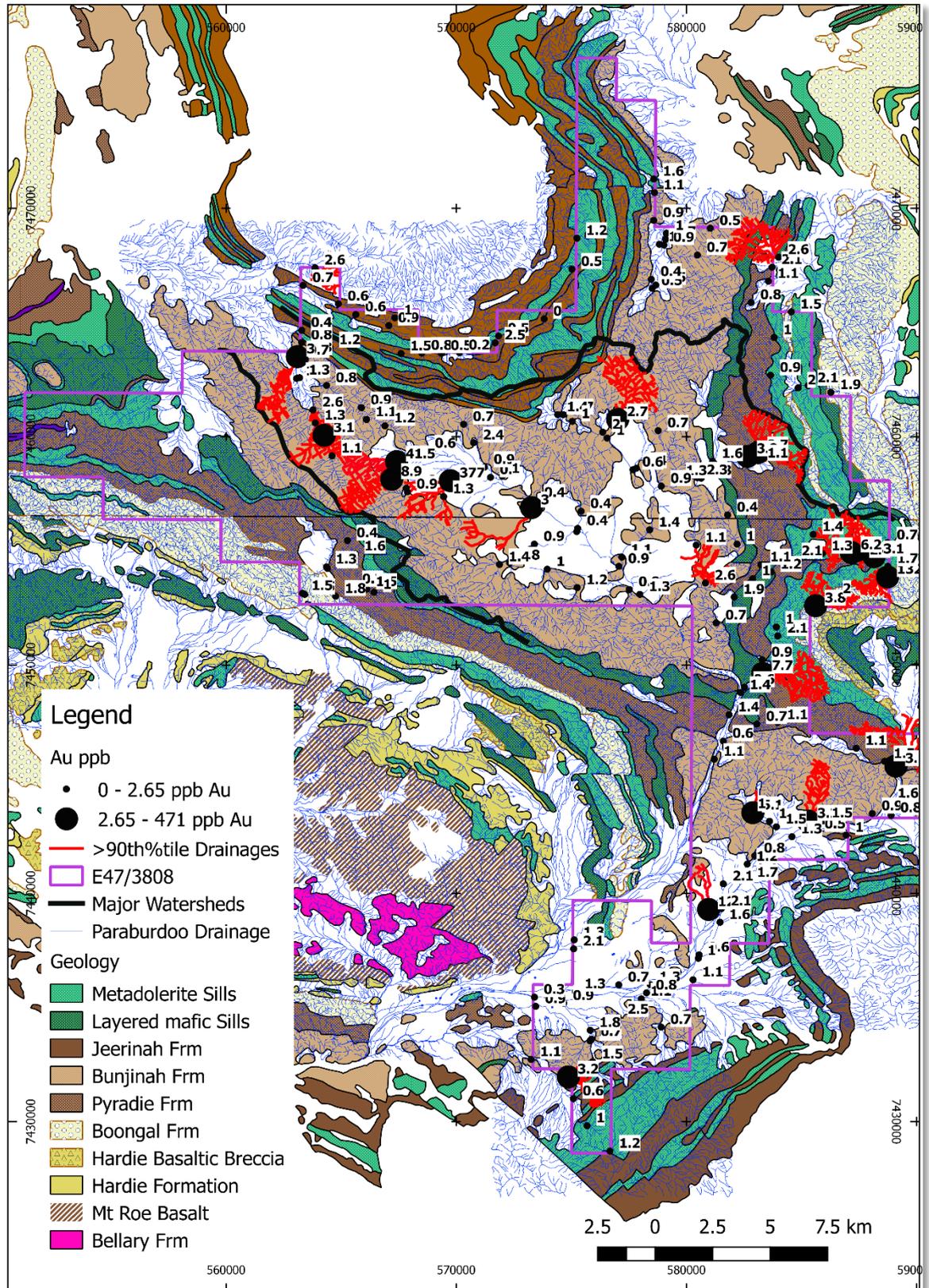
GENERAL

The Company continues to work on identifying new and exciting exploration or production opportunities in Australia and elsewhere, whilst also seeking to realise short-term value for shareholders via existing assets.

Figure 1: Location of Anomalous Stream Sediment Samples in E47/3808.



**Figure 2: Location of Anomalous Stream Sediment Samples in E47/3808
-with Geology-**



BACKGROUND INFORMATION ON SOUTHERN HEMISPHERE MINING:

Southern Hemisphere Mining Limited (ASX Code "SUH") is an experienced copper-gold explorer and developer. The Company has until recently been primarily focused in Chile, the world's leading copper producing country and one of the most prospective regions of the world for major new copper discoveries. In Chile, the primary areas of focus are on the Llahuin Porphyry Copper-Gold Project where the Company has drilled up a significant Copper Gold resource, and the Los Pumas Manganese Project. The Company is now beginning exploration on its new focus in the highly gold prospective areas of the southern Pilbara Basin in Western Australia.

CONTACTS:

For further information on this update or the Company generally, please visit our website at www.shmining.com.au or contact:

Investors / Shareholders

Keith Coughlan (Director)/David Lenigas (Chairman)
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Jessamyn Lyons
Company Secretary
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COMPETENT PERSON / QUALIFIED PERSON STATEMENT:

The information in this report that relates to copper and gold Exploration Results for the Company's Projects is based on information compiled by Mr Trevor Tennant, 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 which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Tennant is a Director of the Company and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. For further information, please refer to the Technical Reports and News Releases on the Company's website at www.shmining.com.au.

FORWARD LOOKING STATEMENTS AND IMPORTANT NOTICE:

This announcement may contain forward looking statements that are subject to risk factors associated with the oil and gas industry. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by many variables which could cause actual results or trends to differ materially.

Investors should make and rely upon their own enquiries before deciding to acquire or deal in the Company's securities.

This announcement may contain forecasts, projections and forward-looking information. Although the Company believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions it can give no assurance that these will be achieved. Expectations, estimates and projections and information provided by the Company are not a guarantee of future performance and involve unknown risks and uncertainties, many of which are out of the Company's control. Actual results and developments may differ materially from those expressed or implied. To the maximum extent permitted by applicable laws, the Company makes no representation and can give no assurance, guarantee or warranty, express or implied, as to, and takes no responsibility and assumes no liability for (1) the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omission from, any information, statement or opinion contained in this announcement and (2) without prejudice to the generality of the foregoing, the achievement or accuracy of any forecasts, projections or other forward looking information contained or referred to in this announcement.

Southern Hemisphere Mining Limited Group Tenement Schedule							
<i>Pilbara, Western Australia Tenements</i>							
Tenement ID	Status	Applic. Date	Granted Date	Area	Area Units	Ownership	Registered Holders
E47/3807	Application	14.9.17	-	45	Blocks	100%	SUH
E47/3808	Application	14.9.17	-	184	Blocks	100%	SUH
E52/3579	Application	29.9.17	-	82	Blocks	100%	SUH
E52/3580	Application	29.9.17	-	167	Blocks	100%	SUH
<i>Los Pumas, Chile</i>							
Tenement ID	Status	Location	Area	Area Units	Ownership	Registered Holders	
AWAHOU 1 AL 20	Granted	General Lagos	200	Hectares	100%	MHS	
EMANUEL 1 AL 20	Granted	General Lagos	200	Hectares	100%	MHS	
LLUTA I 1 AL 60 RED 1/54	Granted	Putre	249	Hectares	100%	MHS	
LLUTA II 1 AL 300 RED 1/285	Granted	Putre	285	Hectares	100%	MHS	
PUTRE 6, 1 AL 20 RED 1/11	Granted	Putre	65	Hectares	100%	MHS	
PUTRE I 1 AL 20	Granted	Putre	86	Hectares	100%	MHS	
PUTRE II 1 AL 20	Granted	Putre	124	Hectares	100%	MHS	
<i>Llahuin Project</i>							
Tenement ID	Status	Location	Area	Area Units	Ownership	Registered Holders	
COLINA 2 1 AL 30	Granted	Llahuin	259	Hectares	100%	Llahuin	
AMAPOLA 1 1 AL 20	Granted	Llahuin	200	Hectares	100%	Llahuin	
AMAPOLA 2 1 AL 20	Granted	Llahuin	196	Hectares	100%	Llahuin	
AMAPOLA 3 1 AL 20	Granted	Llahuin	195	Hectares	100%	Llahuin	
AMAPOLA 4 1 AL 20 RED 1/18	Granted	Llahuin	180	Hectares	100%	Llahuin	
AMAPOLA I 1 AL 228	Granted	Llahuin	228	Hectares	100%	Llahuin	
AMAPOLA II 1 AL 256	Granted	Llahuin	256	Hectares	100%	Llahuin	
<i>Rincon Project</i>							
Tenement ID	Status	Location	Area	Area Units	Ownership	Registered Holders	
RINCON 1 1 AL 30	Granted	Salamanca	300	Hectares	100%	MHS	
RINCON 2 1 AL 30	Granted	Salamanca	300	Hectares	100%	MHS	
RINCON 3 1 AL 30	Granted	Salamanca	300	Hectares	100%	MHS	
RINCON 5 1 AL 30	Granted	Salamanca	300	Hectares	100%	MHS	
RINCON 6 1 AL 30	Granted	Salamanca	300	Hectares	100%	MHS	
RINCON 7 1 AL 30	Granted	Salamanca	300	Hectares	100%	MHS	
RINCON 9 1 AL 20	Granted	Salamanca	300	Hectares	100%	MHS	
RINCON 10 1 AL 20	Granted	Salamanca	300	Hectares	100%	MHS	
RINCON 4 1 AL 300	Granted	Salamanca	300	Hectares	100%	MHS	
RINCON 11 1 AL 300	Granted	Salamanca	300	Hectares	100%	MHS	
RINCON 12 1 AL 300	Granted	Salamanca	300	Hectares	100%	MHS	

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Southern Hemisphere Mining Limited (ASX: SUH)

ABN

17 140 494 784

Quarter ended ("current quarter")

30 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12.months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	65	65
1.2 Payments for		
(a) exploration & evaluation	(22)	(300)
(b) development		
(c) production		
(d) staff costs	(17)	(68)
(e) administration and corporate costs	(74)	(302)
1.3 Dividends received (see note 3)		
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(113)	(604)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12.months) \$A'000
2.2 Proceeds from the disposal of: (a) property, plant and equipment (b) tenements (see item 10) (c) investments (d) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities		

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares		
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	209	702
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(113)	(490)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held	3	-
4.6 Cash and cash equivalents at end of period	99	99

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	99	209
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	99	209

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

17

Amounts paid to directors and their associates as director's remuneration.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	15
9.2 Development	
9.3 Production	
9.4 Staff costs	18
9.5 Administration and corporate costs	20
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	53

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Director/Company secretary)

Date: 31.07.2018

Print name: Jessamyn Lyons

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.