



## Half Year Report

Southern Hemisphere Mining Limited

ACN 140 494 784

31 December 2018

These interim financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, these financial statements are to be read in conjunction with the Annual Report for the year ended 30 June 2018 and any public announcements made by Southern Hemisphere Mining Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act (Cth) 2001.



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## CORPORATE DIRECTORY

### Directors

Mr David Lenigas	Non-Executive Chairman
Mr Trevor Tennant	Non-Executive Director
Mr Keith Coughlan	Non-Executive Director

### Company Secretary

Ms Jessamyn Lyons  
Email: [jlyons@shmining.com.au](mailto:jlyons@shmining.com.au)

### Registered Office in Australia

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### Share Register

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Level 11  
172 St Georges Terrace  
PERTH WA 6000  
Telephone: +61 8 9323 2000  
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Email: [web.queries@computershare.com.au](mailto:web.queries@computershare.com.au)

### Auditor

PKF Perth  
Level 5  
35 Havelock Street

WEST PERTH WA 6005

### Securities Exchange Listing

Australian Securities Exchange Limited  
Level 40, Central Park  
152-158 St Georges Terrace  
PERTH WA 6000

ASX Code: SUH



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In this Half Year Report all amounts are stated in Australian dollars unless otherwise indicated.



## DIRECTORS' REPORT

The Directors submit herewith the financial report of Southern Hemisphere Mining Limited (the **Company**) and its subsidiaries (the **Group**) for the half year ended 31 December 2018.

### Directors

The names of the directors who held office during or since the end of the half year:

Mr David Lenigas	Non-Executive Chairman	Appointed 24 March 2018
Mr Trevor Tennant	Non-Executive Director	Appointed 23 April 2013
Mr Keith Coughlan	Non-Executive Director	Appointed 24 March 2018

### Review of Operations

During the half year ended 31 December 2018, the Group incurred a loss of \$165,114 (half year 31 December 2017: loss of \$1,358,163).

During the period the Company continued to work on identifying new and existing exploration or production opportunities in Australia and elsewhere, whilst also seeking to realise short-term value for shareholders through the Company's existing assets.

*Highlights in the period include:*

### Project Development

#### Llahuin Copper and Gold Project, Chile:

Copper mining major, Hudbay Minerals Inc ("Hudbay"), the Company's Chilean Llahuin Copper/Gold Project earn-in and Joint Venture partner, advised the Company in November that they commenced drilling on the project.

Hudbay has to date completed and analysed 149 samples for full geochemistry. The geochemical footprint of known mineralisation has been confirmed and a new untested southern anomaly has been defined. Hudbay relogged selected holes with encouraging results that led to the decision to complete a ~ 1,500 m drilling programme consisting of three diamond core drill holes. This drilling programme has been recently completed and the Company anticipates receiving the results from Hudbay in the near future.

#### Tom Price – Newman Gold Project, Pilbara Basin, Western Australia:

The Company has announced the exploration license E52/3579 (82 Blocks, 257km<sup>2</sup>) has been granted on the 15th of January 2019. E52/3579 has been granted for an initial term of 5 years, to expire on the 14th of January 2024. A single 5 year extension of term will be available prior to the expiry date, followed by multiple 2 year extensions of term. The granted area of E52/3579 is 82 blocks – as this is more than 10 blocks in size, E52/3579 is subject to the 40% compulsory partial surrender requirement in year 6 of term (15/01/2024 to 14/01/2025).

#### Paraburdoo Gold Project, Pilbara Basin, Western Australia:

The Company did not announce any further development on the Paraburdoo Gold Project during the period.



### Tenement Schedules

Southern Hemisphere Mining Limited Group Tenement Schedule							
Pilbara, Western Australia Tenements							
Tenement ID	Status	Applic. Date	Granted Date	Area	Area Units	Ownership	Registered Holders
E47/3808	Application	14.9.17	-	184	Blocks	100%	SUH
E52/3579	Granted	29.9.17	15.01.19	82	Blocks	100%	SUH
E52/3580	Granted	29.9.17	12.02.19	167	Blocks	100%	SUH
Los Pumas, Chile							
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
Llahuin Project							
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
Rincon Project							
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



**DIRECTORS' REPORT (CONTINUED)****Events subsequent to reporting date**

The Agreements between SUH and Hudbay, as announced to the market on 8 February 2018, provides a path for Hudbay Chile to earn a 70% interest in the Llahuin Project by making a series of cash payments to SUH (via SUH's 100% owned Llahuin) totalling US\$5.8 million over 5 years with the next payment of US\$250,000 due in February 2019, and committing to spend a minimum of US\$3.5 million on exploration work over the first 3 years (including 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).

An amended contract has been signed with Hudbay whereby they have agreed to pay SUH US\$125,000 immediately, with the balance of the US\$250,000 to be paid in six months. The expenditure commitment on Llahuin remains the same.

There have been no other events subsequent to the reporting date that are expected to have material impact on the financial position or performance of the Group.

**Significant Change in State of Affairs**

There were no significant changes in the state of affairs of the Group during the financial period.

**Auditor's independence declaration**

The Auditor of the Company, PKF Perth has provided a written declaration of their independence to the Board under the Corporations Act 2001 and this is included within this report.

Signed in accordance with a resolution of the directors made pursuant to s.306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



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David Lenigas  
Chairman  
15 March 2019



**AUDITOR'S INDEPENDENCE DECLARATION**  
**TO THE DIRECTORS OF SOUTHERN HEMISPHERE MINING LIMITED**

In relation to our review of the financial report of Southern Hemisphere Mining Limited for the half year ended 31 December 2018, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



PKF PERTH



SHANE CROSS  
PARTNER

15 MARCH 2019  
WEST PERTH,  
WESTERN AUSTRALIA

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## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SOUTHERN HEMISPHERE MINING LIMITED

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the accompanying half-year financial report of Southern Hemisphere Mining Limited (the company) and controlled entities (consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes to the consolidated financial statements, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at 31 December 2018, or during the half year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Southern Hemisphere Mining Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2018, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

#### Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 2 in the financial report, which confirmed that the consolidated entity incurred a net loss after tax of \$165,114 during the half year ended 31 December 2018. These conditions, along with other matters as set out in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial report of the consolidated entity does not include any adjustments in relation to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

#### Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the directors' of the company a written Auditor's Independence Declaration.

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## Directors' Responsibility for the Half-Year Financial Report

The directors' of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Regulations 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and its performance for the half year ended on that date, and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Southern Hemisphere Mining Limited and the entities it controlled during the half year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



PKF PERTH



SHANE CROSS  
PARTNER

15 MARCH 2019  
WEST PERTH,  
WESTERN AUSTRALIA

## DIRECTORS' DECLARATION

The Directors of the Company declare that:

- a) The attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- b) The attached financial statements and note give a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the financial half-year ended on that date; and
- c) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s.303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



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David Lenigas  
Chairman  
15 March 2019



	Note	Consolidated 31 December 2018 \$	Consolidated 31 December 2017 \$
<b>Continuing operations</b>			
Interest income		1	1,200
Depreciation		-	(6,283)
Office and administration		(50,643)	(32,505)
Professional fees		(46,023)	(70,072)
Employee benefits expense		(59,806)	(59,534)
Share based payments	4	-	(1,050,000)
Exploration and evaluation related expenditure		(8,643)	(127,486)
Other expenses		-	(13,483)
<b>Loss before tax</b>		<b>(165,114)</b>	<b>(1,358,163)</b>
Income taxes		-	-
<b>Loss for the period</b>		<b>(165,114)</b>	<b>(1,358,163)</b>
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign operations		(1,608)	(10,454)
<b>Total comprehensive (loss) income for the half year</b>		<b>(166,722)</b>	<b>(1,368,617)</b>
Basic and diluted loss per share (cents)		(0.19)	(1.73)

To be read in conjunction with the notes to the consolidated financial statements.



		Consolidated 31 December 2018 \$	Consolidated 30 June 2018 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents		126,969	105,872
Other assets	3	60,740	72,108
<b>Total Current Assets</b>		<b>187,709</b>	<b>177,980</b>
<b>Non-current Assets</b>			
Property, plant and equipment		-	-
<b>Total Non-current Assets</b>		<b>-</b>	<b>-</b>
<b>Total Assets</b>		<b>187,709</b>	<b>177,980</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables		54,585	74,365
<b>Total Current Liabilities</b>		<b>54,585</b>	<b>74,365</b>
<b>Total Liabilities</b>		<b>54,585</b>	<b>74,365</b>
<b>Net Assets</b>		<b>133,124</b>	<b>103,615</b>
<b>Equity</b>			
Issued shares	4	51,617,624	51,421,393
Foreign currency translation reserve		989,125	990,733
Accumulated losses		(52,473,625)	(52,308,511)
<b>Total Equity</b>		<b>133,124</b>	<b>103,615</b>

To be read in conjunction with the notes to the consolidated financial statements.



	Issued shares	Share based payments reserve	Foreign currency translation reserve	Accumulated losses	Total
Consolidated	\$	\$	\$	\$	\$
<b>Balance – 30 June 2017</b>	<b>50,371,393</b>	<b>3,270,843</b>	<b>995,891</b>	<b>(53,997,194)</b>	<b>640,933</b>
Net loss for the period	-	-	-	(1,358,163)	(1,358,163)
Foreign currency translation	-	-	(10,454)	-	(10,454)
<b>Total Comprehensive (loss) income</b>	<b>-</b>	<b>-</b>	<b>(10,454)</b>	<b>(1,358,163)</b>	<b>(1,368,617)</b>
<b>Transactions with owners in their capacity as owners</b>					
Adjustment for foreign exchange upon disposal of subsidiaries	1,050,000	-	-	-	1,050,000
<b>Balance – 31 December 2017</b>	<b>51,421,393</b>	<b>3,270,843</b>	<b>985,437</b>	<b>(55,355,357)</b>	<b>322,316</b>
<b>Balance – 30 June 2018</b>	<b>51,421,393</b>	<b>-</b>	<b>990,733</b>	<b>(52,308,511)</b>	<b>103,615</b>
Net loss for the period	-	-	-	(165,114)	(165,114)
Foreign currency translation	-	-	(1,608)	-	(1,608)
<b>Total Comprehensive (loss) income</b>	<b>-</b>	<b>-</b>	<b>(1,608)</b>	<b>(165,114)</b>	<b>(166,722)</b>
<b>Transactions with owners in their capacity as owners</b>					
Share issued, net of transaction costs	196,231	-	-	-	196,231
<b>Balance – 31 December 2018</b>	<b>51,617,624</b>	<b>-</b>	<b>989,125</b>	<b>(52,473,625)</b>	<b>133,124</b>

To be read in conjunction with the notes to the consolidated financial statements.



	Consolidated 31 December 2018 \$	Consolidated 31 December 2017 \$
<b>Operating activities:</b>		
Payments to suppliers and employees	(164,839)	(206,976)
Interest received	1	1,200
<b>Net cash used in operating activities</b>	<b>(164,838)</b>	<b>(205,776)</b>
<b>Investing activities:</b>		
Payments for exploration and evaluation expenditure	(8,643)	(137,405)
Payments for exploration and evaluation rights applied for but not yet granted	-	(69,463)
<b>Net cash used in investing activities</b>	<b>(8,643)</b>	<b>(206,868)</b>
<b>Financing activities:</b>		
Issuance of shares	200,000	-
Costs of share issuance	(3,769)	-
<b>Net cash provided by financing activities</b>	<b>196,231</b>	<b>-</b>
<b>Net decrease in cash and equivalents</b>	<b>22,750</b>	<b>(412,644)</b>
Cash and cash equivalents, beginning of period	105,872	702,327
Effects of exchange rate changes on cash and cash equivalents	(1,653)	(447)
Cash and cash equivalents, end of period	<b>126,969</b>	<b>289,236</b>

To be read in conjunction with the notes to the consolidated financial statements.



## 1. GENERAL INFORMATION

Southern Hemisphere Mining Limited ("Southern Hemisphere" or the "Company") is a Company limited by shares incorporated and domiciled in Australia whose ordinary shares are publicly traded on the Australian Securities Exchange ("ASX"). The address of the registered office Level 1, Suite 12, 11 Ventnor Avenue, West Perth, Western Australia. The Group also maintains an office in Santiago, Chile.

## 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

### Statement of compliance

The half year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The half year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report and any public announcements made by Southern Hemisphere Mining Limited and its controlled entities during the half year in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the ASX listing Rules.

### Basis of preparation

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to the matters discussed below.

#### *New and Revised Accounting Standards*

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are for the current reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in a significant or material change to the Group's accounting policies except for the following:

- AASB 15 Revenue from Contracts with Customer

The Group has adopted AASB 15 from 1 July 2018. The Group does not have any material revenue contracts at this stage. Hence, the adoption of this standards has no impact on the Group's financial report except for the change of its revenue recognition accounting policy.

Revenue is now recognised when the Group transfer control of goods or services to customers in an amount that reflects the consideration to which the Groups expects to be entitled.

- AASB 9 Financial Instruments

The Group has adopted AASB 9 from 1 July 2018. The Group's financial instruments consist of cash, other debtors and payables. This adoption of this standard does not have a material impact on the Group's financial report except for the changes in its accounting policies.



## 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A financial asset shall be measured at amortised cost, if it is held within the business model with an objective to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the Group makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI').

For financial liabilities, the portion of the change in fair value that relates to the Group's own credit risk to be presented in OCI (unless it would create an accounting mismatch).

The Group will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the Group.

### *Going Concern*

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss of \$165,114 and had net cash outflows from operating and investing activities of \$164,838 and \$8,643 respectively for the half year ended 31 December 2018.

Notwithstanding the above, the Directors believe that there are reasonable grounds that the Group will be able to continue as a going concern, after consideration of the following factors:

- The directors are confident the Group has the ability to raise further funds through capital raisings as and when required to satisfy its operational expenditure commitments.
- The directors are confident that the Joint Venture with Hudbay on the Company's Llahuin Project in Chile is likely to continue, resulting in further cash payments to the Company.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

## 3. OTHER ASSETS

	31 December 2018 \$	30 June 2018 \$
Deposits made for exploration and evaluation rights applied for but not yet granted*	58,022	58,022
Prepayments	2,336	10,413
Other receivables	382	3,673
	<b>60,740</b>	<b>72,108</b>

\*During the reporting period, the Group made deposits for the exploration and evaluation rights of four prospective conglomerate tenements in the Pilbara Basin of Western Australia that have been applied for, but not yet granted as at 31 December 2018.





#### 4. ISSUED CAPITAL

Fully paid ordinary shares	Number of shares	\$
<b>Balance as at 30 June 2018</b>	<b>85,136,137</b>	<b>51,421,393</b>
Shares issued <sup>(a)</sup>	1,666,666	100,000
Shares issued <sup>(b)</sup>	1,666,668	100,000
Cost of shares issued	-	(3,769)
<b>Balance as at 31 December 2018</b>	<b>88,469,471</b>	<b>51,617,624</b>

- a. On 7 November 2018, the Company completed a share placement of 1,666,666 ordinary shares at a price of \$0.06 per share to raise \$100,000.
- b. On 28 November 2018, the Company completed a share placement of 1,666,668 ordinary shares at a price of \$0.06 per share to raise \$100,000.

There were no options over ordinary shares in the Company as at 31 December 2018 (30 June 2018: nil).

#### 5. RELATED PARTIES

There have been no other significant related party transactions since the last annual reporting date.



## 6. SEGMENT INFORMATION

The Group operates predominantly in the mining industry. This comprises exploration and evaluation of copper, gold and lithium projects. Inter-segment transactions are priced at cost to the Group.

The Group has identified its operating segments based on the internal reports that are provided to the Board of Directors on a monthly basis and in determining the allocation of resources. Management has identified the operating segments based on the two principal locations based on geographical areas and therefore different regulatory environments – Australia and Chile.

For the half year ended 31 December 2018	Australia \$	Chile \$	Total \$
Segment revenue and other income	1	-	1
Segment exploration expenditures	(1,298)	(7,345)	(8,643)
Segment other expenses	(120,405)	(36,067)	(156,472)
Segment loss after income tax	(121,702)	(43,412)	(165,114)

As at 31 December 2018			
Segment current assets	185,707	2,002	187,709
Segment total assets	185,707	2,002	187,709
Segment current liabilities	(48,982)	(5,603)	(54,585)
Segment total liabilities	(48,982)	(5,603)	(54,585)
Segment net assets	136,725	(3,601)	133,124

For the half year ended 31 December 2017	Australia \$	Chile \$	Total \$
Segment revenue and other income	1,200	-	1,200
Segment exploration expenditures	(99,258)	(28,228)	(127,486)
Segment other expenses	(1,190,591)	(41,286)	(1,231,877)
Segment loss after income tax	(1,288,649)	(69,514)	(1,358,163)

As at 31 December 2017			
Segment current assets	365,817	10,160	368,197
Segment total assets	365,817	10,160	368,197
Segment current liabilities	(35,105)	(6,355)	(45,881)
Segment total liabilities	(35,105)	(6,355)	(45,881)
Segment net assets	329,712	3,805	322,316



## 7. SUBSEQUENT EVENTS

The Agreements between SUH and Hudbay, as announced to the market on 8 February 2018, provides a path for Hudbay Chile to earn a 70% interest in the Llahuin Project by making a series of cash payments to SUH (via SUH's 100% owned Llahuin) totalling US\$5.8 million over 5 years with the next payment of US\$250,000 due in February 2019, and committing to spend a minimum of US\$3.5 million on exploration work over the first 3 years (including 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).

An amended contract has been signed with Hudbay whereby they have agreed to pay SUH US\$125,000 immediately, with the balance of the US\$250,000 to be paid in six months. The expenditure commitment on Llahuin remains the same.

## 8. DIVIDENDS

There have been no dividends declared or recommended and no distributions made to shareholders or other persons during the period.

## 9. CONTINGENT LIABILITIES AND ASSETS

There has been no significant change in contingent liabilities or contingent assets since the last annual reporting date.

