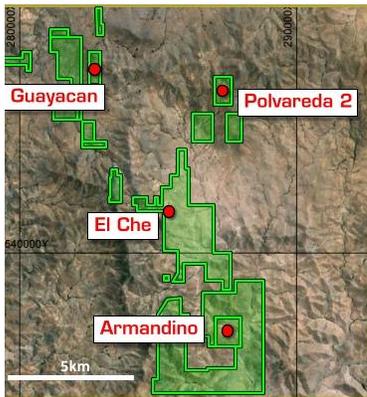


**Los Rulos Joint Venture
Copper-Gold Prospects,
Chile**

- Polvareda 2 (Los Rulos JV)
- Armandino (Los Rulos JV)
- Guayacan (Los Rulos JV)
- El Che (Los Rulos JV)



**DRILLING COMMENCES AT LOS RULOS
COPPER-GOLD JV PROJECT, CHILE**

Drill campaign to target chargeability anomalies

Highlights

- ❖ **Diamond drilling** has commenced at the **Armandino** Prospect.
- ❖ **Three diamond drill holes** planned for **Armandino** followed by **two drill holes** at **Polvareda 2** to test strong IP anomalies along mineralised trends and structures.
- ❖ **Subsequent drill holes** will be located based on results achieved from these initial drill holes.

Further to its announcement of June 16, Southern Hemisphere Mining Limited (ASX: **SUH**) is pleased to advise that diamond drilling is now underway at the **Armandino** prospect, part of its 50/50 **Los Rulos Joint Venture** with Lundin Mining Corporation (TSX: LUN), as part of a significant new phase of exploration within the Los Rulos Project area in central Chile.

**Llahuin Joint Venture
Copper-Gold Prospects,
Chile**

- Central Porphyry (Llahuin JV)
- Cerro de Oro (Llahuin JV)
- Ferrocarril (Llahuin JV)
- La Colina 2 (Llahuin JV)

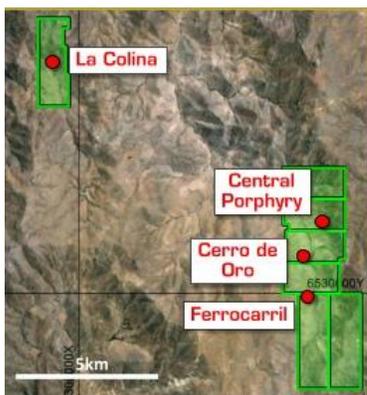


Figure 1: Drilling commences at the Armandino (Los Rulos JV Project), Coquimbo region, Chile



Following completion of three initial drill holes at Armandino, the diamond drill rig will move to the Polvareda 2 Prospect where it will complete two holes.

Drill Plan and Drill Targets

The aim of the initial drill program is to test geological modelling and strong chargeability anomalies identified during extensive Induced Polarisation (IP) surveys coincident with channel sampling results. The location of additional drill holes will be guided by results achieved by these first holes. The initial drill program is as follows:

Table 1: Planned Drill Program – Los Rulos Project

Drill-hole ID	Sector	X	Y	Elevation (m)	Azimuth	Dip Angle	Length (m)
DDH AR-001	Armandino	287,430	6,537,283	838	90	-70	175(actual)
DDH AR-002	Armandino	287,501	6,537,094	782	90	-60	250
DDH AR-003	Armandino	287,403	6,537,493	842	90	-60	250
DDH P2-001	Polvareda 2	287,280	6,546,128	1200	90	-60	250
DDH P2-002	Polvareda 2	287,420	6,546,204	1190	270	-65	250

Armandino Prospect

The first drill hole DDH AR-001 at Armandino tested a large chargeability anomaly which coincides with positive trench sampling results and high-grade mineralisation encountered in underground workings.

The additional two holes at Armandino will also be targeted at these chargeability anomalies.

Figure 2: Geological Section for the location of DDH AR-001, Armandino Prospect

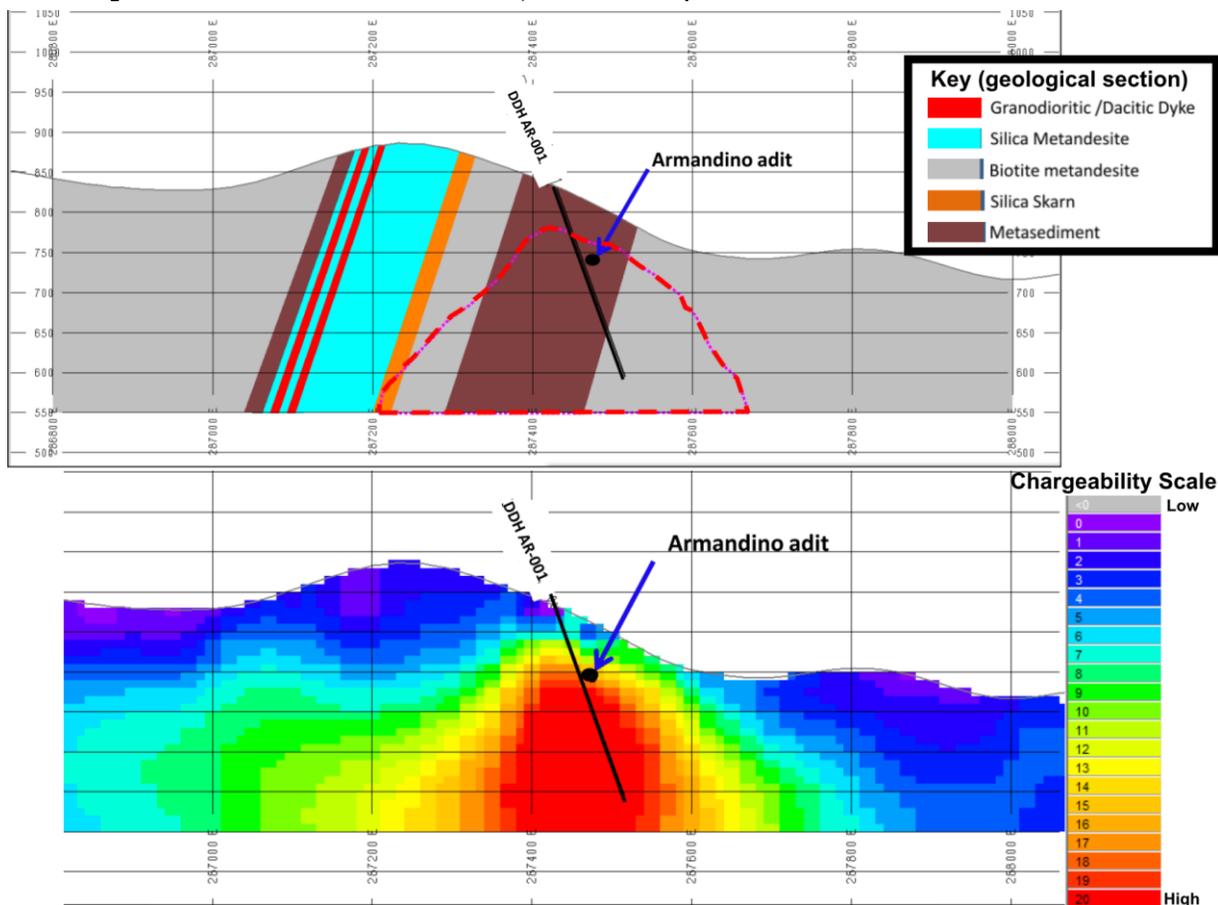
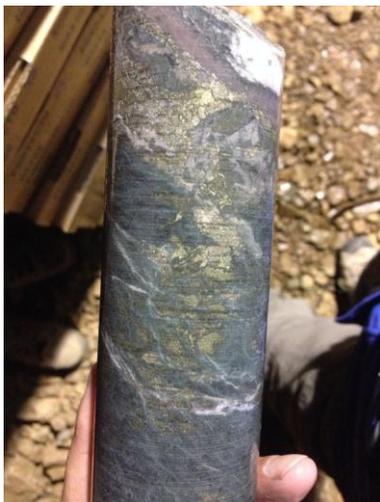


Figure 3: IP survey showing chargeability anomaly at DDH AR-001, Armandino Prospect

Figure 4: Higher grade intercept from DDH AR-001, Armandino Prospect



Southern Hemisphere Managing Director Trevor Tennant said the Company was pleased with set up and mobilisation of the drilling contractor. Mr Tennant added:

“The Company has selected a quality drill company that is well organised and has a clear commitment to safety matters. The diamond drill rig will operate 24 hours per day on two 12 hour shifts.

As a result, we expect minimal delays in the completion of our planned drill program with the first hole completed overnight.

We have encountered visible sulphide mineralisation where anticipated, an example of which is seen in Figure 4. We will report full details as they come to hand.”

Polvareda 2 Prospect

The first holes at Polvareda 2 will also test a strong chargeability anomaly coincident with high-grade channel sample results and favourable geology along a mineralised trend.

Figure 5: Geological Section for the location of DDH P2-001, Polvareda 2 Prospect

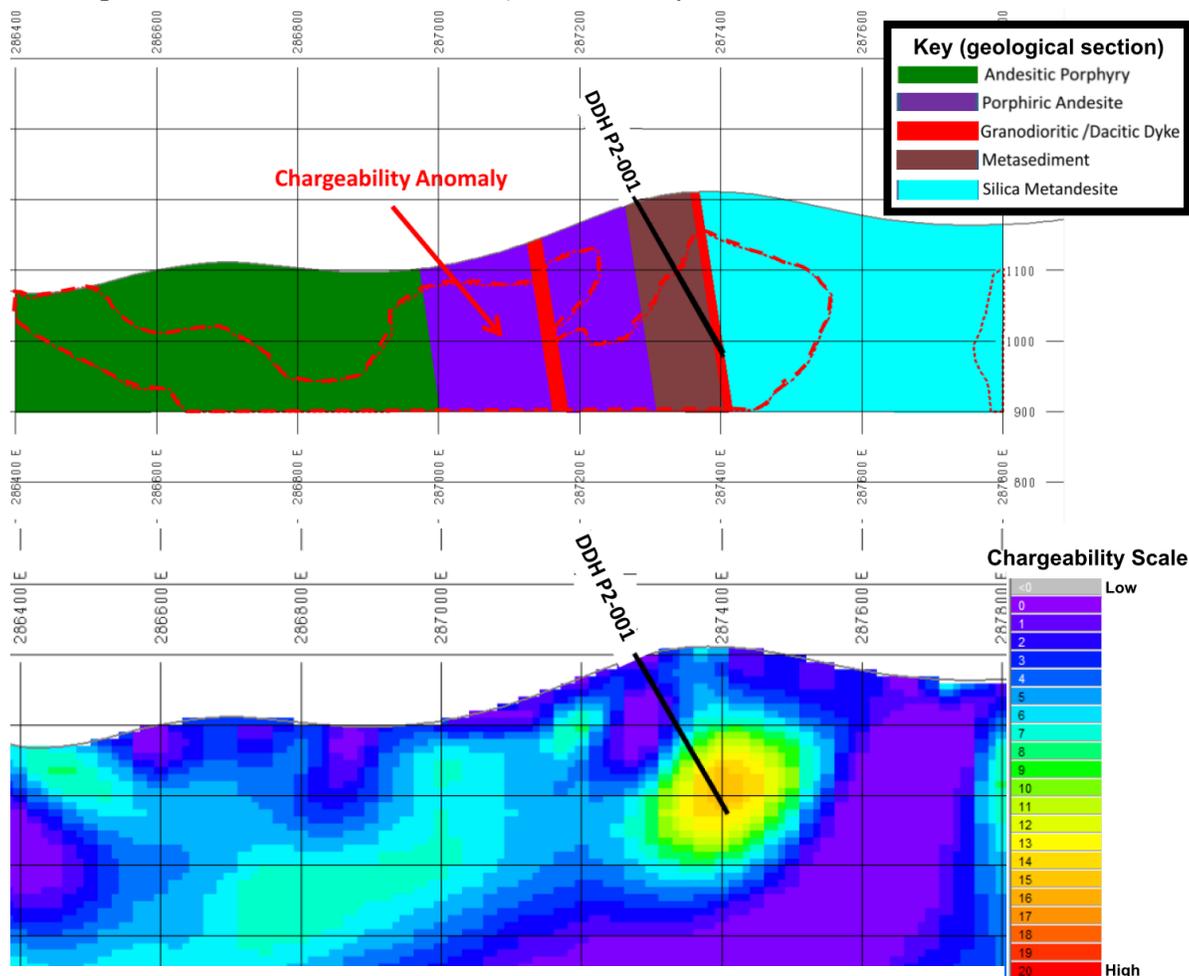


Figure 6: IP survey showing chargeability anomaly at DDH P2-001, Polvareda 2 Prospect

About Southern Hemisphere's Joint Ventures, Coquimbo region of Central Chile

Armandiño and Polvareda 2 are key sectors within the Los Rulos Project area, which also includes the El Che and Guayacan prospects.

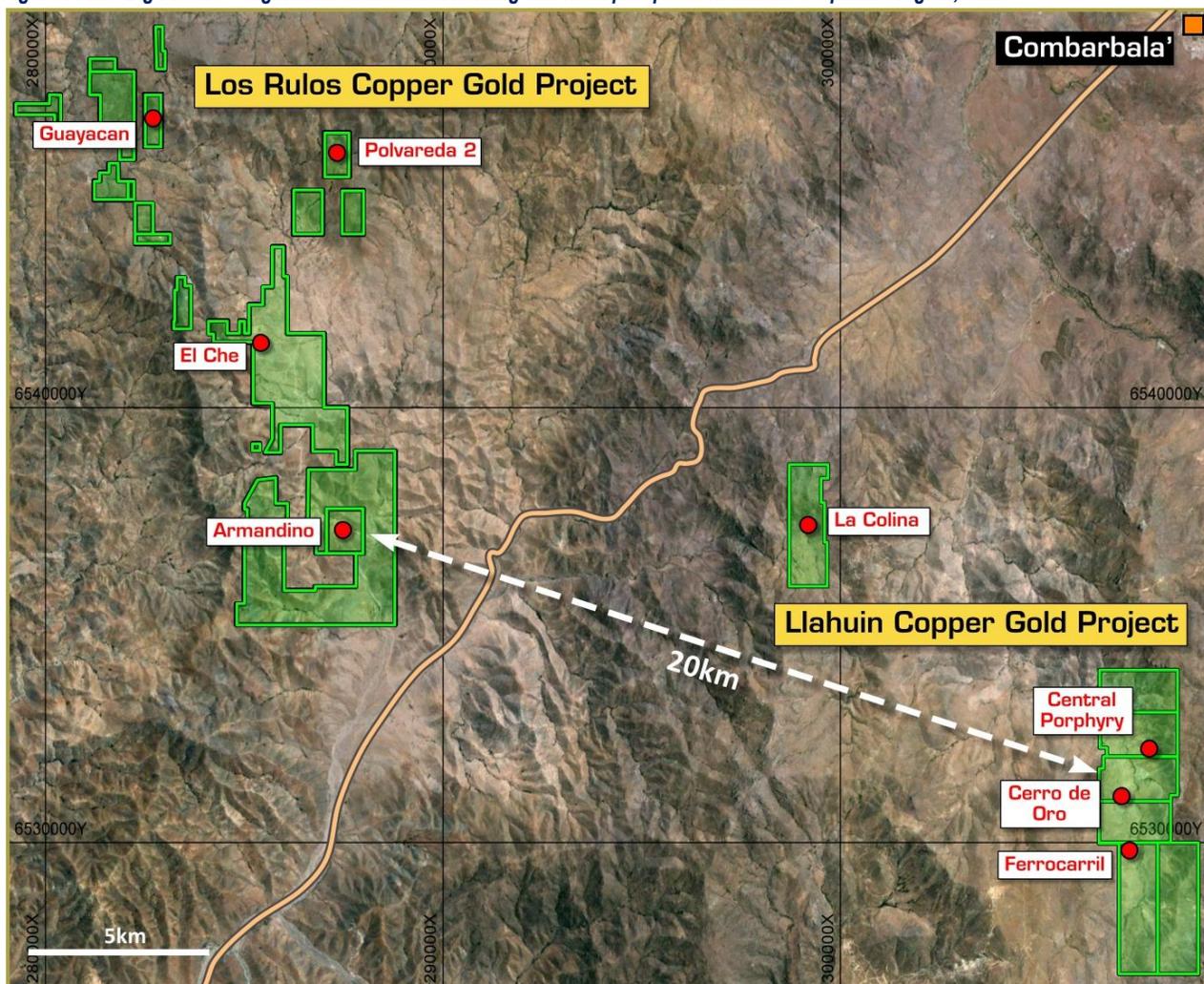
To date, significant exploration activity has been undertaken on the Los Rulos Joint Venture concessions, including regional mapping, magnetics, IP surveys and detailed channel and rock chip sampling.

Los Rulos is an exciting regional play exhibiting historical and current mining activity where exploration has defined several areas of widespread alteration and copper-gold mineralisation capable of hosting bulk mineable mineralisation if continued exploration is successful in discovering and outlining an economic resource.

The Los Rulos and Llahuin Joint Venture Projects with Lundin Mining are both located in the Coquimbo region of Central Chile within the lower Coastal Cordillera, which provides logistical advantages over the higher Andean projects.

Los Rulos and Llahuin are respectively 35km and 55km from the coast and the Pan American Highway at elevations of <1,000m and 1,300m. Southern Hemisphere and Lundin have sought to build a dominant mineral concession position in the Coquimbo region and currently have rights or option agreements over ~14km² at Llahuin and ~24km² at Los Rulos.

Figure 7: The Big Picture – Significant concession holding and main prospects within the Coquimbo region, Chile



Competent Persons' Statement

The information in this report that relates to copper and gold exploration for the Los Rulos JV Project 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" and a Qualified Person under NI43-101 Standards of Disclosure. Mr Tennant is a full time employee and Managing 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.

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