

ASX RELEASE JULY 25, 2014

# Quarterly Activities Report for the Period ended June 30, 2014

*(Amounts stated in United States dollars, unless otherwise indicated)*

## Highlights

### Coquimbo Region Exploration, Chile

#### Drilling underway at Los Rulos Copper-Gold JV with Lundin Mining: first assays imminent

- Significant exploration activity was completed at the **Armandiño, Polvareda 2** and **El Che Prospects**, including detailed geological mapping, trench sampling, Induced Polarisation (IP) and other geophysical surveys and analysis.
- Drill locations and **planning completed for an initial drilling campaign** comprising **~4,000m of diamond core**, with a drill contractor subsequently selected and mobilised to site.
- Drilling commenced at the **Armandiño Prospect** on June 22, 2014.
- Since the end of the quarter, **three planned diamond drill holes** were completed at Armandiño. A further follow-up drill hole is currently underway based on visual interpretations from the initial drilling.
- **Initial assays** are expected **early in the current Quarter**.
- Geological staff also worked with surrounding landowners identifying key complementary properties and where possible expanding the Joint Venture's geological mapping of the region.

#### **About Southern Hemisphere Mining**

Southern Hemisphere Mining Limited (ASX Code "**SUH**") is an emerging copper-gold explorer and developer in **Chile, South America**, the world's leading copper producing country and one of the most prospective regions of the world for major new copper discoveries.

The Company's focus is the **Coquimbo region** of Central Chile on the lower Coastal Cordillera where the Company has two key projects: the **Los Rulos Copper-Gold Project** and the **Llahuin Copper-Gold Project**, both joint ventured with global miner **Lundin Mining Corporation**.

#### **Capital Structure**

Ordinary shares (ASX: **SUH**) – 248,532,950  
Options ex 4.5c (ASX: **SUHO**) – 37,820,208

Market capitalisation at 6c – AUD\$15 Million

#### **Major Shareholders**

Trevor Tennant – 11.4%  
Genesis Asset Managers – 10.0%  
Lundin Mining Corporation – 8.0%  
Ice Cold Investments – 5.5%  
James Pearson – 5.2%

Further details on Southern Hemisphere can be found at [www.shmining.com.au](http://www.shmining.com.au)

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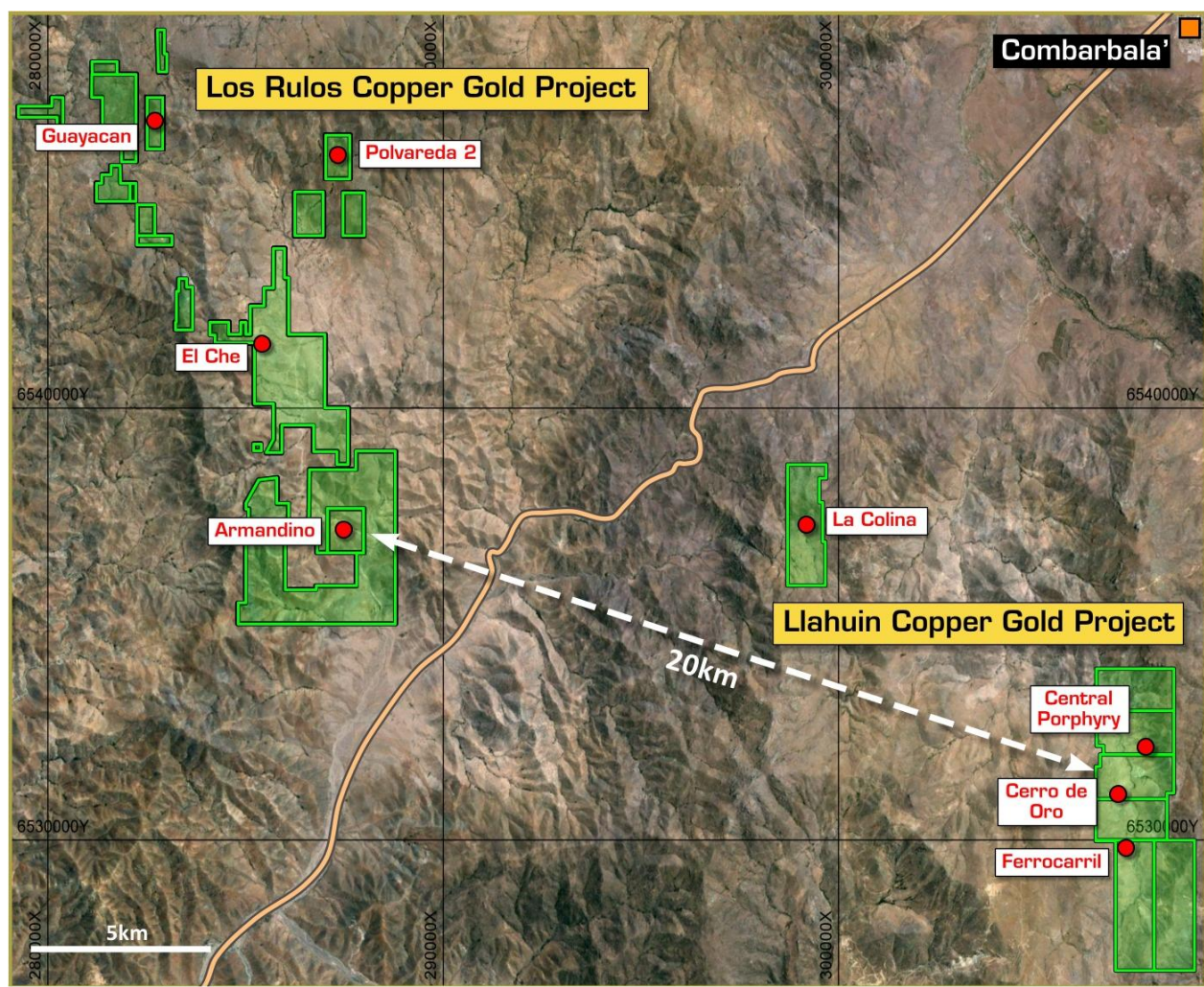
# Projects

## Coquimbo Region, Chile

The **Los Rulos Project** and the **Llahuin Project** are located in the Coquimbo region of Central Chile. Both Projects are being developed in partnership with Lundin Mining Corporation (TSE: LUN) ("Lundin Mining") within the lower Coastal Cordillera.

Los Rulos and Llahuin are respectively 35km and 55km from the coast and the Pan American Highway at low to moderate elevations (<1,500m). Southern Hemisphere and Lundin Mining have jointly sought to build a significant concession position for exploration in the Coquimbo region and currently have rights or option agreements over ~14km<sup>2</sup> at Llahuin and ~24km<sup>2</sup> at Los Rulos.

*Figure 1: Concession holding and main prospects within the Coquimbo region, Chile*



## Los Rulos Copper-Gold Project (~270km north of Santiago)

On November 13 2013, the Company entered into a 50/50 Joint Venture with Lundin Mining ("Los Rulos Joint Venture") which acquired an interest in three prospects (Armandino, Polvareda 2 and Guayacan) within the Los Rulos area. A 50/50 (Lundin Mining/Southern Hemisphere) joint venture company ("Minera Los Rulos") was set up to hold the Prospects. In addition to the Prospects under option, the Los Rulos Joint Venture has also pegged properties in its own right, in particular securing the El Che Prospect.



During the quarter, the Los Rulos Joint Venture technical committee agreed and planned an initial drilling campaign of 4,000m of diamond core drilling. Tenders were then called for a drilling contractor and contract terms were agreed with the successful drilling company.

A diamond drilling rig was commissioned and the first target tested was the Armandiño Prospect, to be followed by the Polvareda 2 Prospect, following completion of IP surveys along the Polvareda mineralised trend. Refer to the News Release dated June 16, 2014.

- ***Armandino Prospect***

The Armandino Prospect is located 26 km south west of Combarbala at 700m elevation.

The drilling phase of the Los Rulos exploration campaign commenced during the Quarter at Armandiño with three holes completed to date and a fourth underway. The initial planned drill holes were targeted at a large chargeability anomaly which coincided with positive trench sampling results and high-grade mineralisation encountered in underground workings. Drilling commenced on June 22, 2014, as outlined in the News Release dated July 2, 2014.

Drill core samples are currently with Andes Analytical Assay Ltda (Chile), an ISO 9001:2008 certified laboratory with initial assay results from the drilling campaign to date expected early this Quarter.

- ***Polvareda 2 Prospect***

The Polvareda 2 Prospect is located 26 km west of Combarbala at 1,000m elevation.

Initially in November 2013, the Los Rulos Joint Venture acquired rights to 62.5% equity within the Polvareda 2 Prospect. During the Quarter, the Los Rulos Joint Venture consolidated the ownership of Polvareda 2 Prospect by securing via option the remaining 37.5% it did not already own. Refer to the News Release dated April 16, 2014.

Upon completion of the initial Armandiño test drill holes, the diamond drill rig will be moved to Polvareda 2 where two drill holes are planned.

- ***Other Prospects***

The Los Rulos Project holds a number of other prospects including Guayacan and El Che which are the subject of initial exploration activity.

### **Llahuin Copper-Gold Project (~250km north of Santiago)**

Twenty kilometres to the south-east of the Los Rulos Project lies the Llahuin Project, also the subject of a farm-in arrangement with Lundin Mining.

The Company has previously announced a JORC compliant resource for the Llahuin Project, which was based on 54,520m of drilling. Refer News Release dated July 3, 2013.

The Company submitted an Environmental application to allow for further drilling which was approved during March 2014. The joint venture is now reviewing adjacent higher-grade satellite opportunities which could add higher grade feed to the overall Llahuin resource.

Acquisitions and exploration in this area fall under the original Lundin Llahuin Farm-in Arrangement and, under this arrangement, related exploration expenditure would be sole funded by Lundin Mining.

## Other Projects

- ***Chitigua Project***

The Chitigua Copper Project is located on the highly prospective Western Fault, north of Chuquicamata between the El Abra mine and the Quebrada Blanca mine. This metallogenic zone includes the Escondida mine.

The Chitigua concessions cover an area of approximately 172 square kilometres and are located 270km north east of Antofagasta city and 90km north of the city of Calama, an established mining town.

Due to the size of the Project and the associated high exploration costs, the Company sought expressions of interest from major companies for a joint venture and entered into a farm-in option agreement with Anglo American, who have since withdrawn from the agreement having completed a 3,475m drilling campaign. The Company is currently reviewing the final Anglo technical report and is in negotiations with potential new joint venture partners.

- ***Mantos Grandes Copper-Gold Project***

The Mantos Grandes Project is situated in the Central Andes, approximately 80km from the town of Ovalle, which is the capital of Limari Province. The concession area covers 52 square kilometres and contains copper-gold skarns.

The Company entered into a farm-in option agreement on the Project with Cobre Montana NL. Under the farm-in option agreement, a sampling program and a 790m drilling campaign were completed with the drilling results released on April 29, 2014.

On June 23, 2014, the Company announced that Cobre Montana NL was required to provide an election to proceed with the Project and, having not received this election, the Company terminated the farm-in option agreement. As a result, the Company retained its 100% interest in the Project having banked \$350,000 in farm-in option payments as well as related exploration costs and management fees.

### **Future Developments**

The main focus of the Company will be to work with Lundin Mining to advance the Los Rulos and Llahuin Projects and jointly explore and acquire additional copper-gold prospective areas within the Coquimbo region.

#### *Competent Person / Qualified Person Statement*

The information in this report that relates to copper and gold Exploration Results for the Los Rulos, Llahuin, Chitigua and Mantos Grandes 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" 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](http://www.shmining.com.au).

## Concession (tenement) Holdings

During the annual concession renewal process concluded in June 2014, the Company opted to relinquish certain concessions. In this regard, the Tres Cruces and Cunlagua Projects were relinquished entirely and holdings in the San Jose, Santa Gracia and Arenas del Sur (iron sands) Projects were reduced. Key concessions within the reduced areas have been retained such that any third party developing these areas will need to transact with the Company. Relinquishments are detailed in section 6.2 of the attached Appendix 5B.

As at June 30, 2014, the Company held a total 391 concessions within 15 defined Projects. Arenas de Sur, Belen, Carboneras, Chitigua, El Arrayan, Las Santas, Los Pumas, Mantos Grandes, Meteoritica, Rincon, Romeral, San Jose, and Santa Gracia are 100% held by the Company via its subsidiaries.

The Llahuin Project is subject to a farm-in arrangement under which Lundin Mining can earn up to 75% equity in Minera Llahuin SCM (Company subsidiary which holds the Llahuin Project concessions). To date, Lundin Mining has earned a deemed interest of 25%, meaning that the Company beneficially holds 75% of the Llahuin Project.

The Los Rulos Project is subject to a 50/50 joint venture arrangement with Lundin Mining. The Company beneficially holds 50% of this Project via a 50% holding in JV company Minera Los Rulos. As well as concessions, Minera Los Rulos holds option arrangements to move to 100% ownership of the Armandino and Guayacan Prospects and a share purchase option arrangement to move to 100% equity in the company which holds the Polvareda 2 Prospect.

The concessions held or under option\* and their locations are set out below:

<b>Arenas del Sur (Chanco, Chile)</b>	<b>Carboneras (Maria Elena, Chile)</b>	<b>Chitigua (Calama, Chile)</b>
LICANTEN I 1	CARBONERA 28	LEO 30
LICANTEN I 2	<b>Chitigua (Calama, Chile)</b>	CHITIGUA ESTE 2
LICANTEN I 3	CHITIGUA 1, 1 AL 30	LEO II 1
<b>Belen (Putre, Chile)</b>	CHITIGUA 2, 1 al 30	LEO II 2
BELEN 1 1 AL 10	CHITIGUA 4, 1 AL 75 RED 1/60	LEO II 3
BELEN II, 1 AL 10	CHITIGUA 4, 76 AL 135	LEO II 4
BELEN II, 11 AL 20	CHITIGUA 7, 1 AL 50 RED 1/40	LEO II 5
BELEN 2, 1 AL 20	CHITIGUA 8, 1 AL 120 RED 1/110	LEO II 6
BELEN 3, 1 AL 30	CHITIGUA 16, 1 AL 200 Red 1/6	LEO II 7
BELEN 4, 1 /20	CHITIGUA 18, 1 AL 200 RED 1/65	LEO II 8
BELEN 5, 1 /30	CHITIGUA 19, 1 AL 40	LEO II 9
BELEN 6, 1 /20 RED 1/8	CHITIGUA 25, 1 AL 45 RED 1/30	LEO II 10
BELEN II 7	CHITIGUA 25, 46 AL 90 RED 46/75	LEO II 11
BELEN II 8	CHITIGUA 26, 1 AL 60	LEO II 12
BELEN II 9	CHITIGUA 27 1 AL 60	LEO II 13
BELEN II 10	CHITIGUA 30, 1 AL 45 RED 1/30	LEO II 14
<b>Carboneras (Maria Elena, Chile)</b>	CHITIGUA 30, 46 AL 90 RED 46/75	LEO II 15
CARBONERA 19 1/20	CHITIGUA 31, 1 AL 60	LEO II 16
CARBONERA 20 1/20	CHITIGUA 32, 1 AL 60	LEO II 17
CARBONERA 21 1/20	CHITIGUA 34, 1 AL 30	LEO II 18
CARBONERA 19	CHITIGUA SUR ESTE 1 AL 5	LEO II 19
CARBONERA 20	DANIELA 1 AL 6	LEO II 20
CARBONERA 21	LEO 1, 1 AL 28	LEO II 21
CARBONERA II 22	LEO 19, 1 AL 30	LEO II 22
CARBONERA II 23	ESTE 11, 1 AL 10	LEO II 23
CARBONERA II 24	ESTE 21, 1 AL 20	LEO II 24
CARBONERA II 25	ESTE 22, 1 AL 20	LEO II 25
CARBONERA II 26	LEO 28	LEO II 26
CARBONERA II 27	LEO 29	LEO II 27

<b>Chitigua (Calama, Chile)</b>	<b>El Arrayan (Vicuna, Chile)</b>	<b>Llhuin, Combarbala, Chile</b>
LEO II 28	SAN JAMES 10, 1/11	EL ESPINO 1
LEO II 29	SAN JAMES 11, 1/6	EL ESPINO 2
LEO II 30	SAN TREVOR 1, 1/256	EL ESPINO 3
LEO II 31	SAN TREVOR 2, 1/267	EL ESPINO 4
LEO II 32	SAN TREVOR 3, 1/98	EL ESPINO 5
LEO II 33	SAN TREVOR 3, 151/237	EL ESPINO 6
LEO II 34	SAN TREVOR 4, 1/90	EL ESPINO 7
LEO II 35	SAN TREVOR 4, 151/264	EL ESPINO 8
LEO II 36	SAN TREVOR 5, 1/300	EL ESPINO 9
LEO II 37	SAN TREVOR 6, 1/250	EL ESPINO 11
LEO II 38	SAN TREVOR 7, 1/60	EL ESPINO 12
LEO II 39	SAN TREVOR 8, 1/58	EL ESPINO 13
LEO II 40	SAN TREVOR 9, 1/60	EL ESPINO 14
LEO II 41	SAN TREVOR 10, 1/33	EL ESPINO 15
LEO II 42	SAN TREVOR 10, 76/145	AMAPOLA III
LEO II 43	SAN TREVOR 10, 151/189	AMAPOLA IV
LEO II 44	SUSAN 1 1/38	<b>Los Pumas (Putre, Chile)</b>
LEO II 45	SUSAN 2 1/49	AWAHOU 1 AL 20
LEO II 46	SUSAN 3 1/15	EMANUEL 1 AL 20
LEO II 47	SUSAN 4 1/12	LLUTA I 1 AL 54
LEO II 48	SIMON 1 AL 5	LLUTA II 1 AL 285
LEO II 49	SAN JORGE UNO 1/12	MG 3, 1 al 30
LEO II 50	SAN JORGE TRES 1/36	PUMA NORTE 2, 1 AL 30
LEO II 51	SAN JORGE CUATRO 1/60	PUTRE 5, 1 AL 10
LEO II 52	SAN JORGE CINCO 1/11	PUTRE 6, 1 AL 20 RED 1/11
LEO II 53	SAN ALFONSO TRES 1/36	PUTRE I 1 AL 20
LEO II 54	SAN ALFONSO CUATRO 1/50	PUTRE II 1 AL 20
LEO II 55	SAN JOSE UNO 1/23	PASCUALA 1 B
LEO II 56	SAN JOSE DOS 1/17	PASCUALA 2 B
LEO II 57	SAN JOSE TRES 1/54	PASCUALA 3 B
LEO II 58	SIMON II 1	PASCUALA 4 B
LEO II 59	SAN JOSE II TRES	PASCUALA 5 B
LEO II 60	SAN ALFONSO II CUATRO	PASCUALA 6 B
LEO II 61	<b>Las Santas (Salamanca, Chile)</b>	PUMA NORTE B 1
LEO II 62	SANTA XIMENA 1 AL 60	PUMA NORTE B 2
LEO II 63	SANTA INES 1 AL 40	PUMA NORTE B 3
LEO II 64	SANTA ANA 1 AL 60	PUMA NORTE B 4
LEO II 65	SANTA MACARENA 1 AL 40	PUMA NORTE B 5
LEO II 66	SANTA CLARITA 1 AL 40	PUMA NORTE B 6
LEO A	SANTA SANDRA 1 AL 40	LOS PUMAS 1
LEO B	SANTA NATALIA 1 AL 40	LOS PUMAS 2
LEO C	SANTA CAMILA 1 AL 27	LOS PUMAS 3
<b>El Arrayan (Vicuna, Chile)</b>	SANTA ANA III 11	LOS PUMAS 4
SAN JAMES 1, 1/52	SANTA ANA III 22	LOS PUMAS 5
SAN JAMES 1, 101/179	SANTA ANA II 26	LOS PUMAS 6
SAN JAMES 2, 1/26	<b>Llhuin, Combarbala, Chile</b>	LOS PUMAS 7
SAN JAMES 2, 61/187	EL ESPINO 1 al 10 Red 1 al 9	LOS PUMAS 8
SAN JAMES 3, 1/ 147	COLINA 2 1 AL 30	LOS PUMAS 9
SAN JAMES 4, 1/144	AMAPOLA 1 1 AL 20	LOS PUMAS 10
SAN JAMES 5, 1/156	AMAPOLA 2 1 AL 20	LOS PUMAS 11
SAN JAMES 6, 1/ 25	AMAPOLA 3 1 AL 20	LOS PUMAS 12
SAN JAMES 7, 1/45	AMAPOLA 4 1 AL 20 RED 1/18	LOS PUMAS 13
SAN JAMES 8, 1/12	AMAPOLA I	LOS PUMAS 14
SAN JAMES 9, 1/12	AMAPOLA II	LOS PUMAS 15

<b>Los Pumas (Putre, Chile)</b>	<b>Los Rulos, Canela, Chile</b>	<b>Mantos Grandes, Monte Patria, Chile</b>
LOS PUMAS 16	RULOS SUR 2	MANTOS II 24
LOS PUMAS 17	RULOS SUR 3	MANTIS 13
LOS PUMAS 18	RULOS SUR 4	MANTOS II 4
LOS PUMAS 19	RULOS SUR 5	MANTOS III 16
LOS PUMAS 20	RULOS SUR 6	MANTOS III 17
PASCUALA 1 C	RULOS SUR 7	MANTOS III 18
PASCUALA 2 C	RULOS SUR 8	MANTOS II 19
PASCUALA 3 C	RULOS SUR 9	MANTOS II 20
PASCUALA 4 C	RULOS SUR 10	MANTOS II 21
PASCUALA 5 C	RULOS SUR 11	<b>Meteorítica (Maria Elena, Chile)</b>
PASCUALA 6 C	RULOS SUR 12	IRON 5, 1 AL 60
<b>Los Rulos, Canela, Chile</b>	<b>Los Rulos, Option Agreements*</b>	IRON 8, 1 AL 20
EL COLIHUE 1	GUAYACAN 1 al 12	JOYA 1, 1 AL 60
EL COLIHUE 2	ARMANDIÑO 1/20	JOYA 2, 1 AL 60
EL COLIHUE 3	POLVAREDA II 1/48	IRON 11
EL COLIHUE 4	<b>Mantos Grandes, Monte Patria, Chile</b>	IRON 12
EL COLIHUE 5	MANTOS 1, 1 AL 10	IRON 13
EL COLIHUE 6	MANTOS 2, 1 AL 20	IRON 14
EL COLIHUE 7	MANTOS 3, 1 AL 15	<b>Rincon (Salamanca, Chile)</b>
EL COLIHUE 8	MANTOS 4, 1 AL 20	RINCON 1
EL COLIHUE 9	MANTOS 5, 1 AL 20	RINCON 2
EL COLIHUE 10	MANTOS 6, 1 AL 30	RINCON 3
EL COLIHUE 11	MANTOS 7, 1 AL 178	RINCON 4
EL COLIHUE 12	MANTOS 8, 1 AL 95	RINCON 5
EL COLIHUE 13	MANTOS 9, 1 AL 30	RINCON 6
EL COLIHUE 14	MANTOS 10, 1 AL 136	RINCON 7
EL COLIHUE 15	MANTOS 11, 1 AL 51	RINCON 8
EL COLIHUE 16	MANTOS 12, 1 AL 268	RINCON 9
EL COLIHUE 17	MANTOS 13, 1 AL 99	RINCON 10
EL COLIHUE 18	MANTOS 16, 1 AL 10	RINCON 11
EL COLIHUE 19	MANTOS 17, 1 AL 10	RINCON 12
EL COLIHUE 20	MANTOS 21 1/20	RINCON 13
EL COLIHUE 21	MANTOS 21, 21/ 30	RINCON 14
EL COLIHUE 22	MANTOS 22, 1/ 20	<b>Romeral (La Higuera, Chile)</b>
EL COLIHUE 23	MANTOS GRANDES 1 AL 11	SOLDADO 1, 1 AL 20
EL COLIHUE 24	MANTOS CHICOS 1 AL 20	SOLDADO II 1
EL COLIHUE 25	LA ESCONDIDA 1 AL 20	SOLDADO II 2
EL COLIHUE 26	FUTURO 5, 1 AL 60	SOLDADO II 3
LOS RULOS 1	MANTOS II 19	SOLDADO II 4
LOS RULOS 2	MANTOS II 20	<b>San Jose (Coihueco, Chile)</b>
LOS RULOS 3	MANTOS II 21	BASILIO 1 AL 60
GRANADO 1	MANTIS 1	EDUARDO 1 AL 60
GRANADO 2	MANTIS 2	LEYLA 1 AL 60
GRANADO 3	MANTIS 3	STEPHEN I
GRANADO 4	MANTIS 4	<b>Santa Gracia (La Serena, Chile)</b>
PACLAS 1	MANTIS 5	CUYANA 1 AL 5
PACLAS 2	MANTIS 6	SAN SEBASTIAN 1 AL 6
PACLAS 3	MANTIS 7	LEONOR II 2
COLINA 7	MANTIS 8	LAS PERDICES II 10
COLINA 8	MANTOS II 2	
COLINA 9	MANTIS 9	
COLINA 10	MANTIS 10	
COLINA 11	MANTIS 11	
RULOS SUR 1	MANTIS 12	



# Appendix 5B

## Mining 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, 01/05/2013

Name of entity

SOUTHERN HEMISPHERE MINING LIMITED

ABN

17 140 494 784

Quarter ended ("current quarter")

30 June 2014

### Consolidated statement of cash flows

		Current quarter \$US'000	Year to date (12 months) \$US'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(378)	(1,228)
	(b) development		
	(c) production		
	(d) administration	(345)	(1,519)
	(net of administration fees received)		
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	12	31
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)		
<b>Net Operating Cash Flows</b>		(711)	(2,716)
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects	(21)	(62)
	(b) equity investments		
	(c) other fixed assets	-	(29)
1.9	Proceeds from sale of: (a) prospects	-	326
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
<b>Net investing cash flows</b>		-	235
1.13	Total operating and investing cash flows (carried forward)	(732)	(2,481)

+ See chapter 19 for defined terms.



1.13	Total operating and investing cash flows (brought forward)	(732)	(2,481)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	-	2,784
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	<b>Net financing cash flows</b>	-	2,784
	<b>Net increase (decrease) in cash held</b>	(732)	303
1.20	Cash at beginning of quarter/year to date	2,808	1,627
1.21	Exchange rate adjustments to item 1.20	50	196
1.22	<b>Cash at end of quarter (1.00 AUD : 0.942 USD)</b>	2,126	2,126

**Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities**

		Current quarter \$US'000
1.23	Aggregate amount of payments to the parties included in item 1.2	190
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Payments made for director's fees, salaries and superannuation.	

**Non-cash financing and investing activities**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Expenditure of ~\$210k was incurred by Lundin Mining for the 50/50 Los Rulos Joint Venture Project.

Expenditure of ~\$5k was incurred by Lundin Mining for the Llahuin Project where Lundin Mining has the option to earn up to 75% equity in the Project by expending up to \$35M.

Expenditure of ~\$70k was incurred by Cobre Montana NL for the Mantos Grandes Project under a farm-in arrangement which ended during the quarter.

(These items are not reflected in the amount at 1.2(a) above)

## Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$US'000	Amount used \$US'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

## Estimated cash outflows for next quarter

	\$US'000
4.1 Exploration and evaluation	300
4.2 Development	-
4.3 Production	-
4.4 Administration (net of administration fees received)	350
<b>Total</b>	<b>650</b>

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$US'000	Previous quarter \$US'000
5.1 Cash on hand and at bank	1,655	1,883
5.2 Deposits at call	471	925
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>2,126</b>	<b>2,808</b>

## Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	<u>Relinquished</u> Tres Cruces (La Higuera, Chile)	14 mining (exploitation concessions) 15 exploration concessions	100%	-
	Cunlagua (Salamanca, Chile)	5 mining (exploitation concessions) 5 exploration concessions	100%	-
	Arenas del Sur (Chanco, Chile)	20 exploration concessions	100%	-
	Las Santas (Salamanca, Chile)	8 mining (exploitation concessions) 12 exploration concessions	100%	-
	San Jose (Coihueco, Chile)	8 mining (exploitation concessions) 22 exploration concessions	100%	-
	Santa Gracia (La Serena, Chile)	6 mining (exploitation concessions) 9 exploration concessions	100%	-
	Llahuin (Combarbala, Chile)	San Antonio (1-12) exploration concessions	75%	-
6.2 Interests in mining tenements and petroleum tenements acquired or increased	El Arrayan (Vicuna, Chile)	3 exploration concessions	-	100%
	Los Rulos (Combarbala, Chile)	12 exploration concessions	-	50%

## Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference <sup>+</sup>securities</b> (description)	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b><sup>+</sup>Ordinary securities</b>	248,532,950	248,532,950	-	-
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 <b><sup>+</sup>Convertible debt securities</b> (description)	-	-	-	-


+ See chapter 19 for defined terms.



7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> (description and conversion factor)	3,650,000 37,820,208	- 37,820,208	Exercise price 21 cents 4.5 cents	Expiry date 31 December 2014 7 March 2016
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	<b>Debentures</b>	-	-		
7.12	<b>Unsecured notes</b>	-	-		

## Compliance statement

- This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- This statement does give a true and fair view of the matters disclosed.

Sign here:   
(Company secretary)

Date: 25 July 2014

Print name: Derek Hall

- 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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 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.
- Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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