

ASX RELEASE JANUARY 30, 2015

# Quarterly Activities Report for the Period ended December 31, 2014

## Highlights

### Coquimbo Region Exploration, Chile

#### Further drilling completed at Los Rulos Copper-Gold JV Project with Lundin Mining

- Ten (10) further diamond drill holes completed for a current total database of 2,500m in **sixteen (16) diamond drill holes**.
- Seven (7) drill holes completed at **Polvareda 2 Prospect** with results including:
  - 13m @ 0.81% Cu (peak intercept 3.76% Cu) and 0.30 g/t Au from 50m including **5m @ 1.64% Cu and 0.60g/t Au**
  - 8m @ 0.42% Cu (peak intercept 0.98% Cu) and 0.03 g/t Au from 35m
  - 12m @ 0.61% Cu (peak intercept 1.51% Cu) and 0.09 g/t Au from 15m\*
  - 8m @ 0.47% Cu (peak intercept 0.68% Cu) and 0.16 g/t Au from 107m\*
- Seven (7) drill holes completed at **Armandino Prospect** with results including:
  - 7m @ 0.57% Cu (peak intercept 0.80% Cu) and 0.07 g/t Au from 113m\*
  - 5m @ 0.53% Cu (peak intercept 1.25% Cu) and 0.03 g/t Au from 180m\*
- Two (2) drill holes completed at **El Che Prospect** with results including:
  - 5m @ 0.58% Cu (peak intercept 0.89% Cu) and 0.08 g/t Au from 32m
  - 3m @ 0.52% Cu (peak intercept 0.60% Cu) and 0.06 g/t Au from 42m
- **Progress at Llahuin Copper-Gold Project** may see acquisitions of sought-after high grade adjacent properties.

\* reported in September 2014 quarterly

#### *About Southern Hemisphere Mining*

Southern Hemisphere Mining Limited (ASX Code "SUH") is an experienced 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 4c – \$10 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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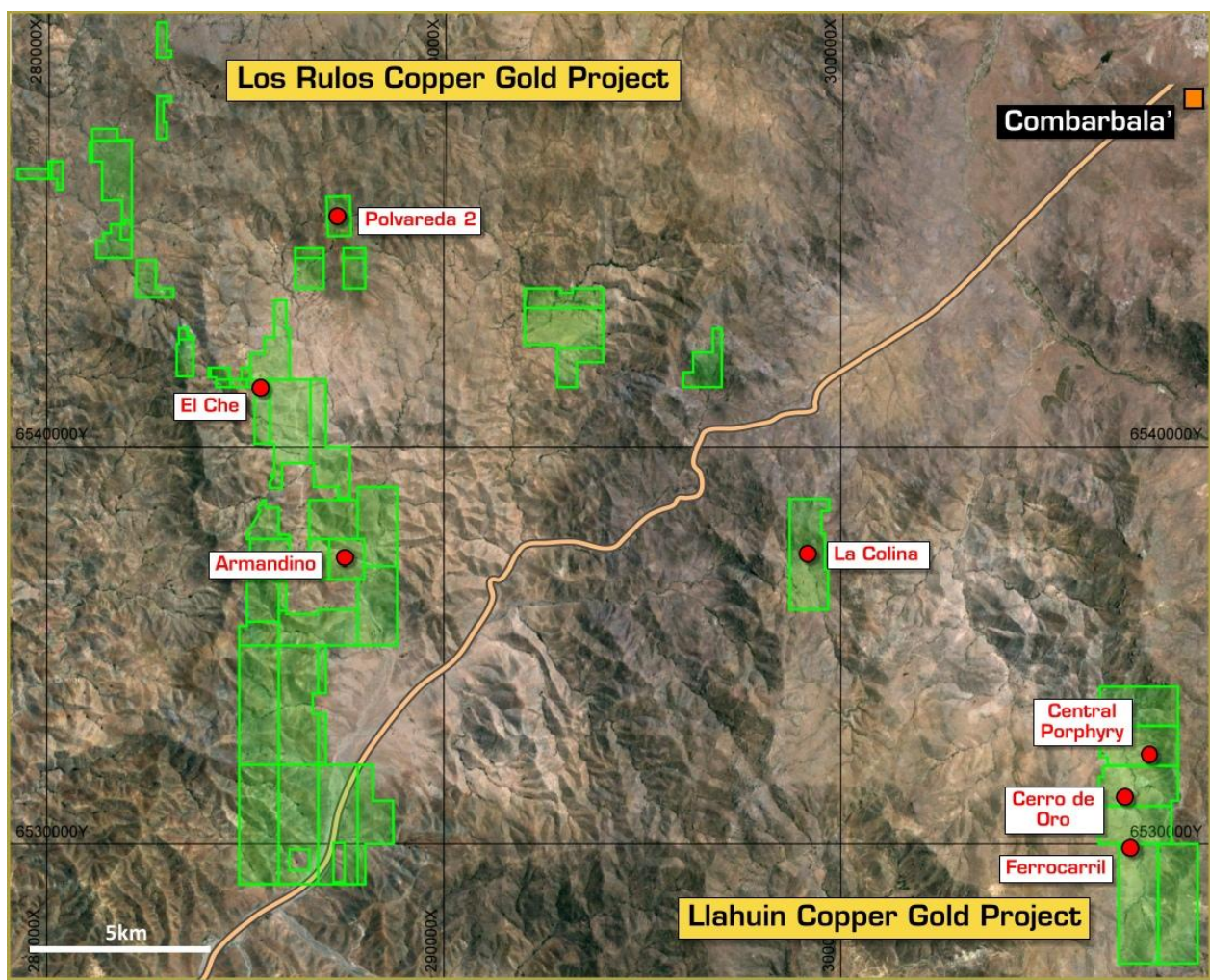
# Projects

## 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 ~45km<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)

During the quarter, the Los Rulos Joint Venture completed **ten further diamond drill holes** to compliment the six drill holes completed in the previous quarter. To date, a total of: seven drill holes have been completed at the Polvareda 2 Prospect; seven at the Armandino Prospect; and two at the El Che Prospect.

The hole locations of the ~2,500m completed over the 16 drill holes is provided below:



**Table 1: Diamond Drill Program Hole Locations – Los Rulos Project**

Drill-hole ID	Sector	X	Y	Elevation (m)	Azimuth	Angle	Length from surface (m)
DDH P2-001*	Polvareda 2	287280	6546153	1210	85	-50	275
DDH P2-002*	Polvareda 2	287135	6546300	1127	90	-55	152
DDH P2-003B	Polvareda 2	287340	6546297	1177	270	-50	164
DDH P2-004	Polvareda 2	287319	6545949	1207	270	-50	144
DDH P2-005	Polvareda 2	287584	6545949	1137	270	-50	271
DDH P2-006	Polvareda 2	287642	6545374	1171	270	-55	138
DDH P2-007	Polvareda 2	287501	6546153	1206	270	-50	61
DDH CHN-001	El Che	285292	6541721	1121	240	-50	107
DDH CHS-002	El Che	285437	6540667	1071	90	-50	46
DDH AR-001*	Armandino	287425	6537295	835	90	-70	175
DDH AR-002*	Armandino	287496	6537097	771	90	-60	270
DDH AR-003*	Armandino	287386	6537084	796	85	-60	210
DDH AR-004*	Armandino	287482	6536920	832	90	-60	248
DDH AR-005	Armandino	287277	6536849	861	90	-60	98
DDH AR-006	Armandino	287647	6537153	753	270	-70	102
DDH AR-007	Armandino	287277	6536898	871	60	-50	51
<b>Total Meters</b>							<b>2512</b>

\*Refer to the Announcement dated September 3, 2014 for full details.

Refer to the Announcement dated December 29, 2014 for full details of the latest drill holes.

The drill holes demonstrate the presence of a large IOCG system with concentrations of copper and gold. The better mineralisation appears to occur in relatively narrow high grade zones (10s of metres 0.2-0.5% Cu) associated with calc-silicate (skarn) alteration within broader low grade zones (potentially 100s of metres <0.1% Cu).

Potential exists for tonnages with bulk mineable potential if extent and grade continuity can be established.

### • **Polvareda 2 Prospect**

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

Five diamond drill holes were completed at the Polvareda 2 Prospect during the Quarter. For more information on these latest drill results, refer to the Announcement dated December 29, 2014.

Polvareda remains the most interesting target based on current knowledge and data. The drilling at Polvareda 2 demonstrates the existence of an interesting rock package – reactive lithologies, breccias and structure – and locally intense calc-silicate alteration and associated with mineralisation.

The mineralisation appears to exhibit structural and lithological controls over a considerable strike length. This may indicate that the mineralising fluid was of regional origin (IOCG-type) rather than a typical contact skarn. A more detailed understanding of the structure on the property may help define the location of higher grade mineralisation.

Indications are that the adjacent Polvareda 1 property could host an intrusive or structural fluid source. To this end, the Company will continue to pursue agreement on this property, however any such agreement must fit within both the Company's and the Los Rulos Joint Venture's investment metrics.

- **Armandino Prospect**

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

Three diamond drill holes were completed at the Armandino Prospect during the Quarter. For more information on these latest drill results, refer to the Announcement dated December 29, 2014.

The geology at Armandino remains very favourable with widespread surface mineralisation, including high-grade copper/gold skarns that would provide useful additional low tonnage but high grade feed for any production hub in the immediate area.

- **El Che Prospect**

The El Che Prospect is located in the centre of the Los Rulos Project area, 24km west of Combarbala at 900m elevation. It lies to the west side of a central plutonic body within a north-northwest trending garnet rich alteration zone, in steeply dipping volcano-sedimentary units.

Two scout diamond drill holes were completed at the El Che Prospect during the Quarter. For more information on these latest drill results, refer to the Announcement dated December 29, 2014.

### **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-out 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. The Company expects to announce developments in this regard, in due course.

Acquisitions and exploration in this area fall under the original Lundin Llahuin Farm-out Arrangement and, under this arrangement, related exploration expenditure would be sole funded by Lundin Mining. Acquisition costs are split 50/50 between Lundin and Southern Hemisphere.

## **Other Projects**

- **Juan Soldado (Romeral) Copper Project**

The Juan Soldado Project Copper Project is located in Region IV of central-northern Chile, 20km north of the regional capital city of La Serena. Minimal work has been performed on this Project to date.

The Company signed a non-binding letter of intent for a farm-out arrangement with a Chilean government backed FENIX venture capital fund which would see a minimum of 1,000m completed at Juan Soldado.

Subsequent to the quarter end, the fund: 'Fondo de Inversión Privado EPG Exploración Minera' (the "**EPG Exploration Fund**"), completed its due diligence and executed a farm-out agreement with the Company.

Under the terms of the agreement, the EPG Exploration Fund has the option, within two years of signing the agreement, to **sole fund USD\$1.2 million of exploration** and associated works at the Juan Soldado Project. Part of this exploration spend **must result in committed minimum works of 1,000m of drilling**.

For more information on this agreement, refer to the Announcement dated January 15, 2015. Drilling is anticipated to commence in February 2015.

- ***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-out option agreement with Anglo American, who have since withdrawn from the agreement having completed a 3,475m drilling campaign. The Company is in negotiations with Tier 1 mining companies for a new farm-out arrangement.

## **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. The Company will attempt to farm-out or otherwise deal with its other prospective concession holdings and in this regard, multiple deals are expected to be executed in the coming months.

### *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 Juan Soldado 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 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 Quarter, there were minimal changes to the Company's concession holdings.

Relinquishments are detailed in section 6.2 of the attached Appendix 5B.

As at December 31, 2014, the Company held a total 352 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-out 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 Prospect 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>Chitigua (Calama, Chile)</b>	<b>Chitigua (Calama, Chile)</b>
CONTI II 1	CHITIGUA 16, 1 AL 6	LEO A
CONTI II 2	CHITIGUA 18, 1 AL 200	LEO B
CONTI II 3	CHITIGUA 19, 1 AL 40	LEO C
<b>Belen (Putre, Chile)</b>	CHITIGUA 2, 1 al 30	LEO II 10
BELEN 1, 1 AL 10	CHITIGUA 25, 1 AL 45	LEO II 12
BELEN 2, 1 AL 20	CHITIGUA 25, 46 AL 90	LEO II 15
BELEN 3, 1 AL 30	CHITIGUA 26, 1 AL 60	LEO II 16
BELEN 4, 1 /20	CHITIGUA 27 1 AL 60	LEO II 17
BELEN 5, 1 /20	CHITIGUA 30, 1 AL 45	LEO II 18
BELEN 6, 1 /20	CHITIGUA 30, 46 AL 90	LEO II 19
BELEN II 10	CHITIGUA 31, 1 AL 60	LEO II 2
BELEN II 7	CHITIGUA 32, 1 AL 60	LEO II 20
BELEN II 8	CHITIGUA 34, 1 AL 30	LEO II 21
BELEN II 9	CHITIGUA 4, 1 AL 75	LEO II 22
BELEN II, 1 AL 10	CHITIGUA 4, 76 AL 135	LEO II 23
BELEN II, 11 AL 20	CHITIGUA 7, 1 AL 50	LEO II 25
<b>Carboneras (Maria Elena, Chile)</b>	CHITIGUA 8, 1 AL 120	LEO II 26
CARBONERA 19	CHITIGUA ESTE 1	LEO II 27
CARBONERA 20	CHITIGUA SUR 5	LEO II 28
CARBONERA 21	CHITIGUA SUR 6	LEO II 29
CARBONERA 22	CHITIGUA SUR ESTE 1 AL 5	LEO II 3
CARBONERA 23	DANIELA 1 AL 6	LEO II 30
CARBONERA 24	ESTE 11	LEO II 31
CARBONERA 25	ESTE 21	LEO II 32
CARBONERA 26	ESTE 22	LEO II 37
CARBONERA 27	ESTE 4, 5, Y 6	LEO II 38
CARBONERA 28	LEO 1	LEO II 4
<b>Chitigua (Calama, Chile)</b>	LEO 1, 2 Y 3	LEO II 45
CHITIGUA 1, 1al 30	LEO 19	LEO II 46

<b>Chitigua (Calama, Chile)</b>	<b>El Arrayan (Vicuna, Chile)</b>	<b>Los Pumas (Putre, Chile)</b>
LEO II 5	SIMON 1 AL 5	AWAHOU 1 AL 20
LEO II 52	SIMON II 1	EMANUEL 1 AL 20
LEO II 53	SUSAN 1 1/ 60	LLUTA I 1 AL 54
LEO II 58	SUSAN 2 1/ 60	LLUTA II 1 AL 285
LEO II 59	SUSAN 3 1/ 25	MG 1
LEO II 60	SUSAN 4 1/ 40	MG 10
LEO II 61	<b>Las Santas (Salamanca, Chile)</b>	MG 11
LEO II 62	SANTA ANA 26	MG 12
LEO II 63	SANTA ANA 1 AL 60	MG 13
LEO II 64	SANTA ANA 10	MG 14
LEO II 65	SANTA ANA 17	MG 15
LEO II 66	SANTA ANA II 11	MG 16
LEO II 8	SANTA ANA II 9	MG 17
LEO II 9	SANTA CAMILA 1 AL 27	MG 18
<b>El Arrayan (Vicuna, Chile)</b>	SANTA CLARITA 1 AL 40	MG 19
SAN ALFONSO CUATRO 1 AL 50	SANTA GUADALUPE 1 AL 39	MG 2
SAN ALFONSO II CUATRO	SANTA INÉS 1 AL 40	MG 20
SAN ALFONSO TRES 1 AL 36	SANTA MACARENA 1 AL 40	MG 21
SAN JAMES 1, 1/ 100	SANTA MARIA 1 AL 60	MG 22
SAN JAMES 1, 101/ 200	SANTA NATALIA 1 AL 40	MG 23
SAN JAMES 10, 1/ 24	SANTA SANDRA 1 AL 40	MG 3
SAN JAMES 11, 1/6	SANTA XIMENA 1 AL 60	MG 4
SAN JAMES 2, 1/ 60	<b>Llahuin, Combarbala, Chile</b>	MG 5
SAN JAMES 2, 61/200	AMAPOLA 1 1 AL 20	MG 6
SAN JAMES 3, 1/ 200	AMAPOLA 2 1 AL 20	MG 9
SAN JAMES 4, 1/ 300	AMAPOLA 3 1 AL 20	PASCUALA 1 B
SAN JAMES 5, 1/ 300	AMAPOLA 4 1 AL 20	PASCUALA 2 B
SAN JAMES 6, 1/ 30	AMAPOLA I, 1 AL 300	PASCUALA 3 B
SAN JAMES 7, 1/ 100	AMAPOLA II, 1 AL 300	PASCUALA 4 B
SAN JAMES 8, 1/ 20	AMAPOLA III	PASCUALA 5 B
SAN JAMES 9, 1/ 15	AMAPOLA IV	PASCUALA 6 B
SAN JORGE CINCO 1 AL 11	COLINA 10	PUMA NORTE 2, 1 AL 30
SAN JORGE CUATRO 1 AL 60	COLINA 11	PUMA NORTE NORTE B 1
SAN JORGE TRES 1 AL 36	COLINA 2 1 AL 30	PUMA NORTE NORTE B 2
SAN JORGE UNO 1 AL 12	COLINA 7	PUMA NORTE NORTE B 3
SAN JOSE DOS 1 AL 17	COLINA 8	PUMA NORTE NORTE B 4
SAN JOSE II TRES	EL ESPINO 1	PUMA NORTE NORTE B 5
SAN JOSE TRES 1 AL 54	EL ESPINO 1 al 10	PUMA NORTE NORTE B 6
SAN JOSE UNO 1 AL 23	EL ESPINO 11	PUTRE 5, 1 AL 10
SAN TREVOR 1, 1/300	EL ESPINO 12	PUTRE 6, 1 AL 20
SAN TREVOR 10, 1/75	EL ESPINO 13	PUTRE I 1 AL 20
SAN TREVOR 10, 151/225	EL ESPINO 14	PUTRE II 1 AL 20
SAN TREVOR 10, 76/150	EL ESPINO 15	<b>Los Rulos, Canela, Chile</b>
SAN TREVOR 2, 1/300	EL ESPINO 2	COLIHUE 1, 1 al 140
SAN TREVOR 3, 1/150	EL ESPINO 3	COLIHUE 1, 141 al 154
SAN TREVOR 3, 151/300	EL ESPINO 4	COLIHUE 1, 155 al 218
SAN TREVOR 4, 1/150	EL ESPINO 5	COLIHUE 10
SAN TREVOR 4, 151/300	EL ESPINO 6	COLIHUE 11
SAN TREVOR 5, 1/300	EL ESPINO 7	COLIHUE 12
SAN TREVOR 6, 1/250	EL ESPINO 8	COLIHUE 13
SAN TREVOR 7, 1/60	EL ESPINO 9	COLIHUE 14
SAN TREVOR 8, 1/60	PACLAS 2	COLIHUE 15
SAN TREVOR 9, 1/60	PACLAS 3	COLIHUE 16



Los Rulos, Canela, Chile	Mantos Grandes, Monte Patria, Chile	Mantos Grandes, Monte Patria, Chile
COLIHUE 17	MANTIS 10	MANTOS II 24
COLIHUE 18	MANTIS 11	<b>Meteoritica (Maria Elena, Chile)</b>
COLIHUE 19	MANTIS 12	IRON 10
COLIHUE 20	MANTIS 13	IRON 5, 1 AL 60
COLIHUE 21	MANTIS 2	IRON 7
COLIHUE 22	MANTIS 3	IRON 8
COLIHUE 23	MANTIS 4	IRON 8, 1 AL 20
COLIHUE 24	MANTIS 5	IRON 9
COLIHUE 25	MANTIS 6	JOYA 1, 1 AL 60
COLIHUE 26	MANTIS 7	JOYA 2, 1 AL 60
COLIHUE 8	MANTIS 8	<b>Rincon (Salamanca, Chile)</b>
COLIHUE 9	MANTIS 9	RINCÓN 1
COLINA 9	MANTIS II 4	RINCÓN 10
GRANADOS 1	MANTOS 1, 1 AL 10	RINCÓN 11
GRANADOS 2	MANTOS 10, 1 AL 136	RINCÓN 12
GRANADOS 3	MANTOS 11, 1 AL 51	RINCÓN 2
GRANADOS 4	MANTOS 12, 1 AL 268	RINCÓN 3
LOS RULOS 1	MANTOS 13, 1 AL 100	RINCÓN 4
LOS RULOS 2	MANTOS 14 II	RINCÓN 5
LOS RULOS 3	MANTOS 15 II	RINCÓN 6
PACLAS 1	MANTOS 16	RINCÓN 7
RULOS SUR 1	MANTOS 17	RINCÓN 8
RULOS SUR 10	MANTOS 2, 1 AL 20	RINCÓN 9
RULOS SUR 11	MANTOS 21 1/20	<b>Romeral (La Higuera, Chile)</b>
RULOS SUR 12	MANTOS 21, 21/ 30	SOLDADO 1
RULOS SUR 2	MANTOS 22, 1/ 20	SOLDADO 1, 1 al 20
RULOS SUR 3	MANTOS 3, 1 AL 20	SOLDADO 2
RULOS SUR 4	MANTOS 4, 1 AL 20	SOLDADO 3
RULOS SUR 5	MANTOS 5, 1 AL 20	SOLDADO 4
RULOS SUR 6	MANTOS 6, 1 AL 30	<b>San Jose (Coihueco, Chile)</b>
RULOS SUR 7	MANTOS 7, 1 AL 178	BASILIO 1 AL 60
RULOS SUR 8	MANTOS 8, 1 AL 95	EDUARDO 1 AL 60
RULOS SUR 9	MANTOS 9, 1 AL 30	LEYLA 1 AL 60
<b>Los Rulos, Option Agreements*</b>	MANTOS CHICOS 1 AL 20	STEPHEN
ARMANDIÑO 1 AL 20	MANTOS GRANDES 1 AL 11	TERESA 1 AL 60
POLVAREDA SEGUNDA 1 AL 48	MANTOS II 16	<b>Santa Gracia (La Serena, Chile)</b>
<b>Mantos Grandes, Monte Patria, Chile</b>	MANTOS II 17	CUYANA 1 AL 5
FUTURO 5, 1 AL 60	MANTOS II 18	LAS PERDICES 10
LA ESCONDIDA 1 AL 20	MANTOS II 2	LEONOR 2
MANTIS 1	MANTOS II 21	SAN SEBASTIAN 1 AL 5



# 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")

31 December 2014

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'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	(213)	(568)
(b) development		
(c) production		
(d) administration	(335)	(784)
(net of administration fees received)		
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	6	32
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>	<b>(542)</b>	<b>(1,320)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	(34)	(34)
(b) equity investments		
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(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>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(576)</b>	<b>(1,354)</b>

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(576)	(1,354)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	-	-
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>	-	-
	<b>Net increase (decrease) in cash held</b>	(576)	(1,354)
1.20	Cash at beginning of quarter/year to date	1,483	2,268
1.21	Exchange rate adjustments to item 1.20	19	12
1.22	<b>Cash at end of quarter</b>	926	926

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

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	140
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 ~\$70k was incurred by Lundin Mining per the Llahuin Project farm-out arrangement.

(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 \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	100
4.2 Development	-
4.3 Production	-
4.4 Administration (net of administration fees received)	200
<b>Total</b>	300

### 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 \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	926	1,483
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	926	1,483

+ See chapter 19 for defined terms.



## 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	Chitigua (Calama, Chile)	25 exploration concessions (covered by other concessions)	100%	-
	Los Rulos (Canela, Chile)	4 exploration concessions	100%	-
	Rincon (Salamanca, Chile)	2 exploration concessions (covered by other concessions)	100%	-
6.2 Interests in mining tenements and petroleum tenements acquired or increased	Las Santas (Salamanca, Chile)	4 exploration concessions	-	100%

## 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)	-	-	-	-
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>	-	-		

+ See chapter 19 for defined terms.

## Compliance statement

- 1 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).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:   
(Company secretary)

Date: 30 January 2015

Print name: Derek Hall

- 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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 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.
- 3 **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.
- 4 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.
- 5 **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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