

ASX Announcement

26 April 2022

QUARTERLY REPORT QUARTER ENDED 31 MARCH 2022

Colina2 Gold Project

- 100% of the assay results received from the 19 hole 2,793m RC program completed in H2 2021.
- Drilling included a result of 34m @ 1.39g/t gold from 24m depth in drill hole 21CLRC003
- 11m @ 1.54 from 12m depth in drill hole 21CLRC013 and 11m @ 1.53g/t gold from 28m in 21CLRC013.
- A field visit was completed during December by the Exploration Manager which was useful in checking the position of the drill holes, overall geology of the project area and what is required for the next drilling program at Colina2.
- Historical soil data shows the gold in soils has a correlation with bismuth and a soil sampling program for the northern part of the original Colina2 licence and targets in the new Colina2 licences are planned for H1 2022.
- Further work is also planned at the old Colo copper-gold mine at Colina2.
- Full details in ASX releases: 13 September 2021, and 17 Jan 2022.
- <https://www.shmining.com.au/2022/01/significant-results-announced-from-drilling-at-colina2-gold-project/>

Llahuin Copper/Gold/Moly Project

- The RC drilling program at Llahuin which began in December 2021 has been completed with 24 holes drilled for 2,787m.
- First results have been received from the ALS Laboratory in Chile for 11 holes, with a best result at the Central Porphyry, so far of 90m @ 0.62% CuEq from surface which is significantly higher than the published resource grade (0.41% CuEq)
- Drillhole 21LHRC009 at the Cerro De Oro deposit intersected 69m @ 0.47% CuEq from surface.
- First RC drillhole into the Southern Porphyry Copper/Gold Target intersected approx. 177m with trace visual chalcoprite.

The drilling program was designed to test:

1. Near surface higher grade zones in and around existing resources at the Central Porphyry and Cerro De Oro deposits, and
2. New targets for large porphyry deposits.

Near Surface Higher Grade

Drillholes at the Central porphyry and Cerro De Oro were infill drilling off existing drill pads targeting near surface material. Drillhole 21LHRC009 intersected a newly recognised near surface zone 0-69m @0.47%CuEq which will require follow up drilling to better define the extents and its relationship to the Cerro deposit.

New Targets

1. Southern Porphyry Copper/Gold Prospect

- Drillhole 22LHRC024 was the maiden drillhole into the Southern Porphyry Copper-Gold prospect, is considered by the Company to be a technical success intersecting 177m of trace visible chalcopyrite in the first hole of the program, with assays pending.
- The hole was designed to test historical rock chip data and newly acquired drone magnetic survey data. Further drilling is planned to test the Southern Porphyry target.

2. The Railway Prospect

- Two drillholes were completed at the Railway copper/gold prospect, and both intersected continuous sections of Copper/Gold mineralisation, from surface to end of hole in holes 21LHRC010 and 11.

Full details in ASX release: 15 February 2022

<https://www.shmining.com.au/2022/02/drilling-results-90m-0-62-cueq-from-surface-at-the-llahuin-copper-gold-moly-project-in-chile/>



Corporate

Director and related party payments for the quarter totaled \$25,597

During the Quarter the Company raised approximately \$1.5 million in a one for five renounceable rights issue. With every two new shares issued, shareholders received one free attaching new option. The call option, listed as SUHO, has a strike price of \$0.10 and a 2 year life, expiring Feb 12 2024.

The board issued 600,000 unquoted options to employees under its Employee Incentive Option Plan (EIOP) to members of the exploration team in Chile.

Approved by the Board of Directors

CONTACTS:

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

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BACKGROUND INFORMATION ON SOUTHERN HEMISPHERE MINING:

Southern Hemisphere Mining Limited is an experienced minerals explorer in Chile, South America. Chile is 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 projects include the Llahuin Porphyry Copper-Gold Project, the recently identified Colina 2 Gold project nearby, and the Los Pumas Manganese Project all of which were discovered by the Company.

Llahuin Copper Project: Total Measured and Indicated Resources - JORC (2004) Compliant.
As announced to the market on 18 August 2013.

Resource (at 0.28% Cu Equiv cut-off)	Tonnes Millions	Cu %	Au g/t	Mo %	Cu Equiv*
<i>Measured</i>	112	0.31	0.12	0.008	0.42
<i>Indicated</i>	37	0.23	0.14	0.007	0.37
<i>Measured plus Indicated</i>	149	0.29	0.12	0.008	0.41
<i>Inferred</i>	20	0.20	0.19	0.005	0.36

Note: *Copper Equivalent (“Cu Equiv”): The copper equivalent calculations represent the total metal value for each metal, multiplied by the conversion factor, summed and expressed in equivalent copper percentage. These results are exploration results only and no allowance is made for recovery losses that may occur should mining eventually result. It is the Company’s opinion that elements considered have a reasonable potential to be recovered as evidenced in similar multi-commodity natured mines. Copper equivalent conversion factors and long-term price assumptions used are stated below:

Copper Equivalent Formula= Cu % + Au (g/t) x
0.72662 + Mo % x 4.412 Price Assumptions- Cu
(\$3.40/lb), Au (\$1,700/oz), Mo (\$15/lb)

Los Pumas Manganese Project: Total Measured and Indicated Resources - JORC (2004)
Compliant. As announced to the market on 25 March 2011.

Resource (at 4% Mn cut-off)	Tonnes Millions	Mn %	SiO ₂ %	Fe ₂ O ₃ %	Al %	K %	P %
<i>Measured</i>	5.27	7.39	57.85	2.78	5.62	2.88	0.05
<i>Indicated</i>	13.06	7.65	55	2.96	5.64	2.92	0.05
<i>Measured plus Indicated</i>	18.34	7.58	55.82	2.91	5.62	2.91	0.05
<i>Inferred</i>	5.39	8.59	51.44	2.72	5.49	2.69	0.06
<i>Total</i>	23.73	7.81					

Metallurgical studies have demonstrated greater than 38% Mn concentrates are achievable by DMS with low impurities and high silica product.

In relation to the above resources, the Company confirms that it is not aware of any new information or data that materially affects the information in the announcements, and all material assumptions and technical parameters in the announcements underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

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 Adam Anderson, who is a Member of The Australasian Institute of Mining and Metallurgy and The Australian Institute of Geoscientists. Mr Anderson 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 Anderson is a consultant for 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.

Tenement List

Project	Tenement	Interest%
Llahuin	COLINA 2 1 AL 30	100%
Llahuin	AMAPOLA 1 1 AL 20	100%
Llahuin	AMAPOLA 2 1 AL 20	100%
Llahuin	AMAPOLA 3 1 AL 20	100%
Llahuin	AMAPOLA 4 1 AL 20 - RED 1/18	100%
Llahuin	AMAPOLA I 1 AL 228	100%
Llahuin	AMAPOLA II 1 AL 256	100%
Los Pumas	AWAHOU 1 AL 20	100%
Los Pumas	EMANUEL 1 AL 20	100%
Los Pumas	LLUTA I 1 AL 60 RED 1/54	100%
Los Pumas	LLUTA II 1 AL 300 RED 1/285	100%
Los Pumas	PUTRE 6, 1 AL 20 RED 1/11	100%
Los Pumas	PUTRE I 1 AL 20	100%
Los Pumas	PUTRE II 1 AL 20	100%
Rincon	RINCON 7 1 AL 30	100%
Colina	COLINA A01	100%
Colina	COLINA A02	100%
Colina	COLINA A03	100%
Colina	COLINA A04	100%
Colina	COLINA A05	100%
Colina	COLINA A06	100%
Colina	COLINA A07	100%
Colina	COLINA A08	100%
Colina	COLINA A09	100%
Colina	COLINA A10	100%
Colina	COLINA A11	100%
Colina	COLINA A12	100%
Colina	COLINA A13	100%

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

SOUTHERN HEMISPHERE MINING LIMITED (ASX: SUH)

ABN

17 140 494 784

Quarter ended ("current quarter")

31 MARCH 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(709)	(1,808)
(b) development	-	-
(c) production	-	-
(d) staff costs	(14)	(39)
(e) administration and corporate costs	(177)	(350)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(900)	(2,197)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(10)	(22)
(d) exploration & evaluation	(1)	(1)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) 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)	-	-
	<i>The company notes that included in the section 2.1 (c) property, plant and equipment year to date figure is an amount of \$12,000 that was presented under section 2.2 (e) other non-current assets, in previous quarters. The amount has been reclassified during the current quarter in order to more appropriately align with the nature of the transaction.</i>		
2.6	Net cash from / (used in) investing activities	(11)	(23)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,467	1,467
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(107)	(107)
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	1,360	1,360

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	204	1,526
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(900)	(2,197)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(11)	(23)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,360	1,360
4.5	Effect of movement in exchange rates on cash held	(6)	(19)
4.6	Cash and cash equivalents at end of period	647	647

5. Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	647	204
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)	647	204

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	26
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

The payments to directors or their associates in 6.1 include 44k for salaries, fees and super and 7k for rental.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(900)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(901)
8.4 Cash and cash equivalents at quarter end (item 4.6)	647
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	647
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.72
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: The Company has reduced its level of discretionary exploration expenditure for cash reserves to cover the next two quarters.	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: As announced on 14 February 2022 on ASX, a renounceable rights issue that sought to raise \$1.5million closed oversubscribed. The Company has been able demonstrate a record of securing funds when required and is confident that it will be able to continue to do so.	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: The Company believes that it is able to continue its current operations and business objectives for the reasons outlined in questions 1 and 2.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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.

Date: 26 April 2022

Authorised by: The Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.