

ASX Announcement

29 July 2022

**QUARTERLY ACTIVITY REPORT
FOR THE PERIOD ENDED 30 JUNE 2022**

Southern Hemisphere Mining Limited (“Southern Hemisphere” or “the Company”) reports the quarterly activity report for the period ended 30 June 2022.

EXPLORATION ACTIVITIES

On 28 April 2022, the Company released drilling results from the Llahuin RC program in Chile with the following highlights:

- Remaining results for the RC drilling program at Llahuin which began in December 2021 have been completed with 24 holes drilled for 2,787m in total.
- The Central Porphyry returned a best result in hole 22LHRC022 of 104m at 0.51% CuEq from 6m to end of hole.
- Best result at Cerro de Oro was in 22LHRC013 which intersected 51m at 0.48% CuEq from 7m depth to end of hole.
- New target at the Southern Porphyry intersected a zone of 11m at 0.25% CuEq from 58m depth to be followed up also testing a previously untested target.

Full details in ASX release [Drilling Results from the Llahuin RC Program in Chile](#).

On 17 May 2022, the Company released an update regarding commencement of a diamond drill program at Llahuin and Colina2 with the following highlights:

- A targeted diamond drill program has commenced at Llahuin for two oriented drill holes.
- 4-6 oriented diamond holes at Colina2 following up initial discovery results of 2021 drilling, including 34m @1.39g/t Au from 24m.
- Large database of all exploration data being validated and compiled.
- The Chilean government’s general assembly’s recent confirmation of the continued stability of the country’s mining laws.

Full details in ASX release [Diamond Drill Program Commences at Llahuin and Colina2](#).

On 9 June 2022, the Company released an update of the Chile copper/gold diamond drill program with the following highlights:

- Two oriented diamond drill holes completed at Llahuin.
- Diamond drilling continues at Colina with the first hole being completed and the second hole at 70m, following up on the initial discovery results of the 2021 drilling.
- New prospective zone for copper and gold identified.
- 180 soil samples at the laboratory, including completion of a new zone.

Full details in ASX release [Chile Copper/Gold Diamond Drill Program Update](#).

On 17 June 2022, the Company released assay results from the historical core sampling program at Llahuin and an update of a diamond drilling program at Colina2 with the following highlights:

- Several unsampled parts of historical diamond core holes at the Central Porphyry (drilled in 2012/13) were recovered at Llahuin and have been relogged and sampled on 1m intervals.
- A total of 1,717m of samples were cut and sent to the ALS Laboratory in Chile for analysis.
- A best result of 31m at 0.57% CuEq from 0m depth was intersected in drillhole DDLLA016A which is in the core of the Central Porphyry.
- The diamond core drilling program continues at Colina2 with 4 holes completed to date.
- The overall dip and strike are better understood with the drill orientation changed to reflect this understanding.

Full details in ASX releases:

[Assay Results – Llahuin Historical Core Sampling Program](#).

[Colina2 Diamond Drill Program Update](#).

CORPORATE ACTIVITIES

Payments to related parties during the quarter totalled \$42,531 which included director fees, wages, superannuation, consulting fees and office lease.

Approved by the Board of Directors

Keith Bowker

Company Secretary

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CONTACTS:

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

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.

Tenement List

Project	Tenement	Interest Acquired during the Qtr	Interest Disposed of during the Qtr	Interest Held at the end of the Qtr
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

ABN

17 140 494 784

Quarter ended ("current quarter")

30 JUNE 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(407)	(2,216)
(b) development	-	-
(c) production	-	-
(d) staff costs	(18)	(57)
(e) administration and corporate costs	(73)	(423)
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	(498)	(2,696)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(22)
(d) exploration & evaluation	-	-
(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 (12 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	-	(22)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	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)
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

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 (12 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	647	1,526
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(498)	(2,696)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(22)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,360
4.5	Effect of movement in exchange rates on cash held	12	(7)
4.6	Cash and cash equivalents at end of period	161	161

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	146	632
5.2	Call deposits	15	15
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)	161	647

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	43
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. 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)	15	15
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.		
NAB term deposit Maturity date – 4 October 2022 Interest rate – 1.2%		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(498)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(498)
8.4 Cash and cash equivalents at quarter end (item 4.6)	161
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	161
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.32
<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: No, the Company has reduced its net operating cash flows in line with current cash reserves.	
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 per the ASX announcement on 19 July 2022, the Company issued 43,999,158 fully paid ordinary shares, via a placement, at an issue price of \$0.02 per share, raising \$880k before costs of \$25k.	

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: Yes, the Company will continue to align operational activity and expenditure with cash reserves available to the Company.

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: 29 July 2022

Authorised by: 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.