



**Southern Hemisphere Mining Limited
and its controlled entities**

ABN 17 140 494 784

**Half-year report
for the half-year ended 31 December 2023**

Corporate Information

Board of Directors

Mr Mark Stowell Chairman
Mr David Frances
Mr Richard Caldwell
Mrs Natalie Dawson

Company Secretary

Mr Keith Bowker

Principal Place of Business & Registered Office

Suite 2, 20 Howard Street
PERTH WA 6000
Tel: +61 8 6144 0590
Email: cosec@shmining.com.au
Website: www.shmining.com.au

Postal Address

PO Box Z5207, St Georges Terrace
PERTH WA 6831

Auditor

Elderton Audit Pty Ltd
Level 32, 152 St Georges Terrace
PERTH WA 6000
Tel: +61 8 6324 2900
Website: www.eldertongroup.com

Share Registry

Automic Group
Level 5, 191 St Georges Terrace
PERTH WA 6000
Tel: 1300 288 664
Email: hello@automic.com.au
Website: www.investor.automic.com.au

Securities Exchange

Australian Securities Exchange
Website: www.asx.com.au
ASX Code: SUH

Frankfurt and Stuttgart Stock Exchanges
Code: NK4

Half-year report for the half-year ended 31 December 2023

Contents

Cautionary statements.....	1
Directors' report.....	2
Auditor's independence declaration.....	5
Independent auditor's review report.....	6
Directors' declaration.....	8
Condensed consolidated statement of profit or loss and other comprehensive income	9
Condensed consolidated statement of financial position.....	10
Condensed consolidated statement of changes in equity.....	11
Condensed consolidated statement of cash flows.....	12
Condensed notes to the consolidated financial statements.....	13

Cautionary statements

Forward-looking statements

The financial reports may contain certain forward-looking statements. Such statements are only predictions, based on certain assumptions and involve known and unknown risks, uncertainties and other factors, many of which are beyond the Company's control. Actual events or results may differ materially from the events or results expected or implied in any forward-looking statement.

The inclusion of such statements should not be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions or that any forward-looking statements will be or are likely to be fulfilled. Southern Hemisphere Mining Limited undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of these financial statements (subject to continuous disclosure requirements under the ASX Listing Rules).

The information in these financial statements does not take into account the objectives, financial situation or particular needs of any person or organisation. Nothing contained in these financial statements constitutes investment, legal, tax or other advice.

Previous Disclosure – 2012 JORC Code

The information in these financial statements that relates to specific exploration results, exploration targets and exploration data for the Company's projects were extracted from previously released ASX announcements.

Copies of such announcements are available to view on the Company's website www.shmining.com.au. The reports were issued in accordance with the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Notes on copper recovery from historical test work

- Recoveries of copper vary between 75% Cu and 91% Cu with the weighted average of the results being 84% Cu, which is a typically acceptable commercial level.
- Recoveries of gold vary between 41% Au and 57% Au which is in line with expectations given the relatively low gold grades within the deposit.
- Flotation concentrates produced during testing contained the resource weighted average copper grade of 28% Cu and 4.9g/t Au. They also contained low levels of deleterious materials in the concentrate. Given that these tests were designed to set parameters and were not optimised, the results indicated good flotation process characteristics.

Copper Equivalent Formula = Cu % + Au (g/t) x 0.72662 + Mo % x 4.412.

Price Assumptions = Cu (\$3.20/lb), Au (\$1,700/oz), Mo (\$12.50/lb)

Directors' report

The directors submit herewith the financial report of Southern Hemisphere Mining Limited ("Southern Hemisphere Mining" or "the Company") and its controlled entities ("the Group") for the half-year ended 31 December 2023. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Directors

The names of the directors of the Company during or since the end of the half-year are:

Mr Mark Stowell

Mr David Frances

Mr Richard Caldwell

Mrs Natalie Dawson

The above named directors held office during and since the end of the half-year.

Review of operations

The loss of the Group for the half-year ended 31 December 2023, after accounting for income tax, amounted to \$2,329,779 (31 December 2022 \$1,347,786).

During the half-year, the Company continued to work on its Copper, Gold, Manganese and Lithium exploration assets in Chile. Under the accounting policy, all exploration is expensed.

Llahuin Copper/Gold Project

The Llahuin Copper/Gold Project is located approximately 350km north of Santiago, Chile and hosts over 680kt CuEq in Central Chile in measured, indicated and inferred resources and increasing with drilling.

Llahuin is a substantial copper/gold project in a prime low altitude location in Chile, amenable to open pit mining. Work during the year is showing major scale potential at usual copper porphyry grades for open pit resources which are being expanded towards a 25-year mine life for feasibility studies to commence.

8km west of Llahuin is the El Espino copper-gold mine development owned by Pucobre, a Chilean listed copper miner and Resource Capital Fund which recently invested US\$90m for a 23.6% stake. The capex is estimated at US\$490m and construction is well underway. This is the first new substantial copper mine in the area for many years, and it's excellent to see this progress next door.

The copper market is steady and moving closer to the inflection point of a possible supply deficit in the next few years, as new mines now take longer to discover, define, permit, and get into production.

The Llahuin Copper/Gold Project has advanced significantly:

1. Assay results from a seventeen-hole drill program completed in January 2024, advanced the concept of the Cerro De Oro and Ferrocarril copper/gold deposits being part of a single mineralised system over a 1.9km strike. Better intercepts included, 156m at 0.51% CuEq from surface in 23LHRD027, including 82m at 0.67% CuEq from 46m, and 48m at 0.45% CuEq from surface in 23LHRC042, extending the mineralisation south.
2. A potentially large, higher grade feeder system at depth is being defined for future deep drilling. With the strike length of Cerro-Ferro of ~1.9km+, and a well-preserved system at surface, (less eroded), therefore the feeder zone could be quite significant.
3. The Southern Porphyry Copper/Gold Prospect is a large mineralised and alteration system with the potential to host a significant porphyry deposit and recent drilling intersected the halo with 164m at 0.16% CuEq (23LHRC038), confirming the existence of a large system, and that we intersected the halo, but there's more work to do to find the prize. This work is underway using some of the more modern and sophisticated techniques to pin down the ideal drill target location.

Los Pumas Manganese Project

The Los Pumas Manganese Project is located approximately 175km east of the port city of Arica, Chile. The Company completed an updated resource estimate during 2023 resulting in a JORC 2012 compliant total manganese resource of 30.26mt at 6.24% Mn, with potential for expansion.

Technical work advanced towards a battery grade product to meet the growing demand for electric vehicles.

Studies are in progress to evaluate the potential for production of High Purity Manganese Sulphate Monohydrate ("HPMSM") at site to supply the North American market, and or electrolytic manganese for use in the steel smelting industry. The Company is marketing this project and discussions are in progress with end-users and off-takers for both products.

Colina2 Project

The Colina2 Project is located 8km to the northwest of Llahuin.

There remains a non JORC compliant copper resource on the project and JV discussions are in progress with a number of parties.

The Lago Lithium Brine Project

A total of 9 almost contiguous licences for approximately 27km² were applied for and granted during the 2023 year. The Lago Lithium Brine Project is located approximately 18km east of the Salar de Atacama where SQM operations. Exploration is planned once the wrap up of the Llahuin drilling program and future drill locations etc is completed.

Subsequent events

Subsequent to the half-year under review, the Company undertook the following activities:

- On 22 February 2024, the Company issued 19,458 fully paid ordinary shares at an issue price of \$0.10 each as a result of the exercise of listed options (ASX: SUHO). The remaining 142,525,805 listed options expired on 16 February 2024.

There have been no other events subsequent to the reporting date that are expected to have a material impact on the financial position or performance of the Group.

Auditor's independence declaration

The auditor's independence declaration is included on page 5 of the half-year report.

Rounding off of amounts

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in this directors' report are rounded off to the nearest dollar, unless otherwise indicated.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the Directors

A handwritten signature in blue ink, appearing to read 'M Stowell', with a stylized flourish at the end.

Mr Mark Stowell

Chairman

12 March 2024

Perth, Western Australia

Auditor's Independence Declaration

To those charged with the governance of Southern Hemisphere Mining Limited

As auditor for the review of Southern Hemisphere Mining Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the review; and
- ii) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Southern Hemisphere Mining Limited and the entities it controlled during the period.

Elderton Audit Pty Ltd.

Elderton Audit Pty Ltd



Sajjad Cheema
Director

12 March 2024
Perth

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Southern Hemisphere Mining Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Southern Hemisphere Mining Limited (the 'Company') and its subsidiaries ("the Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Southern Hemisphere Mining Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

Material Uncertainty related to Going Concern

Without qualifying our conclusion, we draw attention to the Basis of Preparation note 2 of the financial report, which described that the ability of the Group to continue as a going concern is dependent on the debt and equity finance. As a result, there is a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern, and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Director's Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Elderton Audit Pty Ltd.

Elderton Audit Pty Ltd



Sajjad Cheema

Director

12 March 2024

Perth

Directors' declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached condensed consolidated financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors

A handwritten signature in blue ink, appearing to read 'M Stowell', with a stylized flourish at the end.

Mr Mark Stowell

Chairman

12 March 2024

Perth, Western Australia

Condensed consolidated statement of profit or loss and other comprehensive income

for the half-year ended 31 December 2023

		Consolidated	
		Half-year ended	
		31 December 2023	31 December 2022
		\$	\$
Continuing operations			
Interest income		351	61
Administration expenses		(225,259)	(155,852)
Professional fees		(42,769)	(42,439)
Employee benefit expenses		(213,100)	(68,296)
Share-based payments	6	(36,236)	(71,739)
Exploration and evaluation expenditure		(1,812,766)	(1,009,521)
Loss before income tax		(2,329,779)	(1,347,786)
Income tax		-	-
Loss after income tax for the half-year		(2,329,779)	(1,347,786)
Other comprehensive income for the half-year			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency movement		30,115	20,824
Other comprehensive profit for the half-year		30,115	20,824
Total comprehensive loss for the half-year		(2,299,664)	(1,326,962)
Loss for the half-year attributable to:			
Owners of the Company		(2,329,779)	(1,347,786)
Total comprehensive loss for the half-year attributable to:			
Owners of the Company		(2,299,664)	(1,326,962)
Earnings per share			
Basic and diluted loss per share		(0.42)	(0.39)

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Condensed consolidated statement of financial position as at 31 December 2023

		Consolidated	
		31 December 2023	30 June 2023
	Note	\$	\$
ASSETS			
Current assets			
Cash and cash equivalents		1,166,720	598,427
Receivables and other assets		26,666	43,217
Total current assets		1,193,386	641,644
Non-current assets			
Property, plant and equipment		18,847	21,612
Total non-current assets		18,847	21,612
Total assets		1,212,233	663,256
LIABILITIES			
Current liabilities			
Trade and other payables		845,000	250,549
Total current liabilities		845,000	250,549
Total liabilities		845,000	250,549
Net assets		367,233	412,707
Equity			
Share capital	5	60,812,744	58,594,790
Share-based payment reserve	6	379,067	343,068
Other reserves		997,468	967,353
Accumulated losses		(61,822,046)	(59,492,504)
Total equity		367,233	412,707

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

Condensed consolidated statement of changes in equity for the half-year ended 31 December 2023

Consolidated

Balance at 1 July 2022

Loss for the half-year

Foreign currency translation

Other comprehensive profit for the half-year

Total comprehensive loss for the half-year

Issue of share capital

Share-issue costs

Share-based payments

Lapsed employee incentive options

Balance at 31 December 2022

Balance at 1 July 2023

Loss for the half-year

Foreign currency translation

Other comprehensive profit for the half-year

Total comprehensive loss for the half-year

Issue of share capital

Share-issue costs

Share-based payments

Lapsed employee incentive options

Balance at 31 December 2023

	Share capital	Share-based payment reserve	Foreign currency translation reserve	Accumulated losses	Total equity
	\$	\$	\$	\$	\$
Balance at 1 July 2022	55,756,187	235,266	947,554	(57,023,633)	(84,626)
Loss for the half-year	-	-	-	(1,347,786)	(1,347,786)
Foreign currency translation	-	-	20,824	-	20,824
Other comprehensive profit for the half-year	-	-	20,824	-	20,824
Total comprehensive loss for the half-year	-	-	20,824	(1,347,786)	(1,326,962)
Issue of share capital	2,756,155	-	-	-	2,756,155
Share-issue costs	(55,049)	-	-	-	(55,049)
Share-based payments	-	71,739	-	-	71,739
Lapsed employee incentive options	-	(16,592)	-	16,592	-
Balance at 31 December 2022	58,457,293	290,413	968,378	(58,354,827)	1,361,257
Balance at 1 July 2023	58,594,790	343,068	967,353	(59,492,504)	412,707
Loss for the half-year	-	-	-	(2,329,779)	(2,329,779)
Foreign currency translation	-	-	30,115	-	30,115
Other comprehensive profit for the half-year	-	-	30,115	-	30,115
Total comprehensive loss for the half-year	-	-	30,115	(2,329,779)	(2,299,664)
Issue of share capital	2,362,025	-	-	-	2,362,025
Share-issue costs	(144,071)	-	-	-	(144,071)
Share-based payments	-	36,236	-	-	36,236
Lapsed employee incentive options	-	(237)	-	237	-
Balance at 31 December 2023	60,812,744	379,067	997,468	(61,822,046)	367,233

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Condensed consolidated statement of cash flows for the half-year ended 31 December 2023

	Consolidated	
	Half-year ended	
	31 December	31 December
	2023	2022
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(179,217)	(232,999)
Payments for exploration and evaluation expenditure	(1,320,069)	(1,084,342)
Interest received	351	61
Net cash used in operating activities	(1,498,934)	(1,317,280)
Cash flows from financing activities		
Proceeds from issue of shares	2,184,626	2,517,555
Share issue costs	(144,071)	(47,050)
Proceeds of borrowings	-	143,000
Net cash provided by financing activities	2,040,555	2,613,505
Net increase in cash and cash equivalents	541,621	1,296,225
Cash and cash equivalents at the beginning of the half-year	598,427	161,218
Effect of exchange rates on cash and cash equivalents	26,673	31,211
Cash and cash equivalents at the end of the half-year	1,166,720	1,488,654

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

for the half-year ended 31 December 2023

1. General information

Southern Hemisphere Mining Limited ("Southern Hemisphere Mining" or "the Company") and its controlled entities ("the Group") is a Company limited by shares incorporated and domiciled in Australia whose ordinary shares are publicly traded on the Australian Securities Exchange ("ASX") and the Frankfurt Stock Exchange ("FWB"). The address of the principal place of business and registered office is Suite 2, 20 Howard Street, Perth, Western Australia, 6000. The Group also maintains an office in Santiago, Chile.

2. Basis of preparation and significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report and any public announcements made by the Company during the half-year in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

The financial report of the Group for the half-year ended 31 December 2023 was authorised for issue in accordance with a resolution of the directors on 12 March 2024.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the presentation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2023 annual financial report for the financial year ended 30 June 2023. The accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Rounding off of amounts

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in this directors' report are rounded off to the nearest dollar, unless otherwise indicated.

Going concern

The condensed consolidated financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

As disclosed in the financial statements for the half-year ended 31 December 2023, the Group incurred a loss of \$2,329,779 (2022: \$1,347,786) and had net cash outflows from operating activities of \$1,498,934 (2022: \$1,317,280) and cash inflows from financing activities of \$2,040,555 (2022: \$2,613,505). As at 31 December 2023, the Group has net assets of \$367,233 (30 June 2023: \$412,707).

Going concern (continued)

As such, the directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern, after consideration of the following factors:

- The Company's VAT tax consultant in Chile is filing a VAT refund. Accumulated VAT returns are indicatively \$3.5m and subject to review and approval of government taxation authorities with payment of approved amounts currently estimated in the second quarter of 2024.
- The directors are confident based on historical raisings that the Group has the ability to raise further funds through capital raisings as and when required to satisfy its operational expenditure commitments.
- The directors are seeking potential joint venture partners which will expedite exploration activities whilst retaining cash reserves. This will result in the Company decreasing its ownership interest in the projects, however, will increase shareholder value.
- The directors are also seeking new assets and opportunities in thriving sectors which will attract capital to the Company.

Accordingly, the directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial statements.

In the event that the Group is unsuccessful in the matters set out above in relation to obtaining future funds through capital raisings, there is a material uncertainty whether the Group will continue as a going concern, and therefore whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

The directors are not aware of any material uncertainties related to events or conditions that may cast significant doubts upon the Group's ability to continue as a going concern.

New and amended Accounting Standards that are effective for the current period

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2023.

3. Dividends

No dividends were paid or declared for the half-year ended 31 December 2023 and the directors have not recommended the payment of a dividend.

4. Operating segments

Identification of reportable segments

The Group operates predominantly in the mining industry. This comprises exploration and evaluation of copper, gold, molybdenum, silver, manganese and lithium projects. Inter-segment transactions are priced at cost to the Group.

The Group has identified its operating segments based on the internal reports that are provided to the Board of Directors on a monthly basis and in determining the allocation of resources. Management has identified the operating segments based on the two principal locations based on geographical areas and therefore different regulatory environments – Australia and Chile.

Segment assets include the costs to acquire tenements and the capitalised exploration costs of those tenements.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the half-year financial statements of the Group.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

For the half-year ended

31 December 2023

Segment revenue and other income

Segment exploration expenditures

Segment other expenses

Segment loss after income tax

As at 31 December 2023

Segment current assets

Segment non-current assets

Segment total assets

Segment current liabilities

Segment total liabilities

Segment net assets/(deficiency)

	Australia	Chile	Total
	\$	\$	\$
Segment revenue and other income	351	-	351
Segment exploration expenditures	(420,261)	(1,392,505)	(1,812,766)
Segment other expenses	(444,004)	(73,360)	(517,364)
Segment loss after income tax	(863,914)	(1,465,865)	(2,329,779)
Segment current assets	1,077,844	115,542	1,193,386
Segment non-current assets	1,069	17,778	18,847
Segment total assets	1,078,913	133,320	1,212,233
Segment current liabilities	(99,480)	(745,520)	(845,000)
Segment total liabilities	(99,480)	(745,520)	(845,000)
Segment net assets/(deficiency)	979,433	(612,200)	367,233

4. Operating segments (continued)

For the half-year ended 31 December 2022	Australia \$	Chile \$	Total \$
Segment revenue and other income	61	-	61
Segment exploration expenditures	(230,747)	(778,774)	(1,009,521)
Segment other expenses	(272,188)	(66,138)	(338,326)
Segment loss after income tax	(502,874)	(844,912)	(1,347,786)
As at 31 December 2022			
Segment current assets	1,419,901	105,038	1,524,939
Segment non-current assets	1,069	19,363	20,432
Segment total assets	1,420,970	124,401	1,545,371
Segment current liabilities	(120,841)	(63,273)	(184,114)
Segment total liabilities	(120,841)	(63,272)	(184,114)
Segment net assets	1,300,129	61,128	1,361,257

5. Share capital

	31 Dec 2023 No.	30 June 2023 No.	31 Dec 2023 \$	30 June 2023 \$
Fully paid ordinary shares	590,506,300	472,405,040	60,812,744	58,594,790
Fully paid ordinary shares				
Opening balance	472,405,040	293,327,727	58,594,790	55,756,187
<i>Shares issued during the period</i>				
Non-renounceable rights issue ^(a)	118,101,260	-	2,362,025	-
Share Placement ^(b)	-	43,999,158	-	879,983
Non-renounceable rights issue ^(c)	-	125,345,965	-	1,880,189
Repayment of loan facility ^(c)	-	9,732,190	-	145,983
Share-issue costs ^{(a) (b)(c)}	-	-	(144,071)	(67,552)
	590,506,300	472,405,040	60,812,744	58,594,790

(a) On 14 September 2023, the Company closed a non-renounceable rights issue on a 1 for 4 basis to eligible shareholders for a total of 118,101,260 fully paid ordinary shares at an issue price of \$0.02 per share, together with 118,101,260 free attaching quoted options exercisable at \$0.10 on or before 16 February 2024 (ASX: SUHO), to raise \$2,362,025 before costs of \$144,071. This included the issue of 8,869,980 fully paid ordinary shares at an issue price of \$0.02 per share for the payment of director fees, director related consulting fees and equipment hire of \$160,900 and the payment of other outstanding creditors totalling \$16,500.

(b) On 20 July 2022, the Company completed a share placement to sophisticated and professional investors for a total of 43,999,158 fully paid ordinary shares at an issue price of \$0.02 per share to raise \$879,983 before costs of \$27,662. This included 1,562,500 fully paid ordinary shares at an issue price of \$0.02 per share for the payment of outstanding creditors totalling \$31,250.

(c) On 8 December 2022, the Company closed a non-renounceable rights issue on a 1 for 2 basis to eligible shareholders for a total of 135,078,155 fully paid ordinary shares at an issue price of \$0.015 per share to raise \$2,026,172 before costs of \$39,890. Included in the non-renounceable rights issue was an issue of 9,732,190 fully paid ordinary shares at an issue price of \$0.015 per share for the repayment of a loan facility of \$145,983 provided by Merchant Holdings Pty Ltd, including accrued interest of \$2,983. For further details refer to note 8. Also included, was the issue of 3,957,860 fully paid ordinary shares at an issue price of \$0.015 per share for the payment of director fees, director related consulting fees and equipment hire of \$54,368 and the payment of other outstanding creditors totalling \$7,000.

6. Share-based payment reserve

31 December 2023

Options series	Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
4	07/07/2022	30/07/2026	Nil	3,800,000	-	-	-	3,800,000
3	13/01/2022	30/07/2026	Nil	300,000	-	-	-	300,000
2	30/07/2021	30/07/2026	Nil	6,000,000	-	-	-	6,000,000
1	30/07/2021	30/07/2026	Nil	3,650,000	-	-	-	3,650,000
				13,750,000	-	-	-	13,750,000

30 June 2023

Options series	Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
4	07/07/2022	30/07/2026	Nil	-	3,800,000	-	-	3,800,000
3	13/01/2022	30/07/2026	Nil	300,000	-	-	-	300,000
2	30/07/2021	30/07/2026	Nil	6,000,000	-	-	-	6,000,000
1	30/07/2021	30/07/2026	Nil	3,650,000	-	-	-	3,650,000
				9,950,000	3,800,000	-	-	13,750,000

Option series 4

On 7 July 2022, 3,800,000 unlisted options expiring 30 July 2026 were granted to employees under the EIOP. 1,900,000 unlisted options vested on 7 July 2023 with the remaining 1,900,000 vesting on 7 July 2024, subject to continued employment. The current expense vested to date is \$29,216.

Options series 3

On 13 January 2022, 600,000 unlisted options expiring 30 July 2026 were granted to employees under the EIOP. 300,000 unlisted options vested on 30 July 2022 with the remaining 300,000 unlisted options having vested on 30 July 2023. 300,000 unlisted options lapsed as a result of the continued employment conditions. These options have been fully expensed.

Options series 2

6,000,000 unlisted options expiring 30 July 2026 issued to directors were approved at a General Meeting of shareholders held on 30 July 2021. The unlisted options vest on 30 July 2026 and are subject to the performance criteria mentioned below. The current expense vested to date is \$149,883.

Options series 1

On 30 July 2021, 3,800,000 unlisted options expiring 30 July 2026 were granted to employees under the EIOP. 2,900,000 unlisted options vested immediately on 24 June 2021, 600,000 vested on 1 July 2022 and the remaining 300,000 vested on 1 July 2023. 150,000 unlisted options lapsed as a result of the continued employment conditions. These options have been fully expensed.

Southern Hemisphere Mining Limited operates an ownership-based Employee Incentive Option Plan ('EIOP') for executives and senior employees of the Group.

In accordance with the terms and conditions of the EIOP, as approved by shareholders at the 2020 Annual General Meeting, each unlisted option converts to fully paid ordinary shares on a one-for-one basis, subject to the following conditions:

- The Company announcing a 30% increase in the copper equivalent resource for the Company's Llahuin Project from the current 149mt at 0.41% copper equivalent (680,000t CuEq) to 800,000t CuEq; or
- A 20 day VWAP (trading days) of 20 cents or above; or
- A change of control event occurs (the definition of which was detailed in the Company's Notice of General Meeting issued on 25 June 2021).

6. Share-based payment reserve (continued)

The share-based payment reserve is used to recognise the fair value of unlisted options issued to directors, employees, contractors and stockbrokers.

	31 Dec 2023	30 June 2023
	\$	\$
Opening balance	343,068	235,266
Share-based payment expense	36,236	123,724
Lapsed options	(237)	(15,922)
	379,067	343,068

For the options granted, the valuation model inputs used to determine the total fair value of \$556,994 at the various grant dates using the Hoadley Barrier 1 Model are as follows:

Options series	Grant date	Expiry date	Share price at grant date	Exercise Price	Barrier Price	Expected volatility	Risk-free interest rate	Fair value at grant date	Total fair value
4	07/07/2022	30/07/2026	\$0.02	Nil	\$0.20	85.00%	3.15%	\$0.00883	\$33,554
3	13/01/2022	30/07/2026	\$0.0387	Nil	\$0.20	100.00%	1.47%	\$0.0296	\$17,760
2	30/07/2021	30/07/2026	\$0.06	Nil	\$0.20	100.00%	0.56%	\$0.0516	\$309,600
1	30/07/2021	30/07/2026	\$0.06	Nil	\$0.20	100.00%	0.56%	\$0.0516	\$196,080

The total fair value of the unlisted options is expensed over the estimated vesting period. The share-based payments expense of \$36,236 (2022: \$71,739) was recognised in the condensed consolidated statement of profit or loss and other comprehensive income for the half-year.

7. Quoted options

During the half-year, the Company issued 118,101,260 free attaching quoted options exercisable at \$0.10 on or before 16 February 2024 (ASX: SUHO), together with the non-renounceable rights issue completed on 14 September 2023 (refer note 5(a)). The Company had 142,545,263 quoted options on issue.

Subsequent to the period end, the Company issued 19,458 fully paid ordinary shares at an issue price of \$0.10 per share following the exercise of 19,458 quoted options. On 16 February 2024, the remaining 142,525,805 quoted options expired (refer note 11).

8. Related party transactions

Loans to key management personnel

On 26 October 2022, the Company entered into a loan facility agreement with Merchant Holdings Pty Ltd, a company controlled by Mr Mark Stowell. This agreement provided a loan facility for \$200,000 available for draw down for 6 months from the date of the agreement. In the terms of the agreement interest accrued at the rate of 12% per annum on the outstanding principal with a default interest rate of 20% should the loan facility not be repaid within 12 months. The loan was drawn down to \$143,000 and interest of \$2,983 was accrued. Repayment of the loan in full occurred on 15 December 2022 via the issue of 9,732,190 fully paid ordinary shares at an issue price of \$0.015 per share permitted by the non-renounceable rights issue prospectus.

There were no loans made to key management personnel of the Company as at 31 December 2023.

Other than the above, there have been no other significant related party transactions since the last annual reporting date.

9. Contingent liabilities and contingent assets

There has been no significant change in contingent liabilities and/or contingent assets since the last annual report. Please refer to the 30 June 2023 annual financial report.

10. Commitments

There have been no significant change in the Group's exploration commitments since the last annual report. Please refer to the 30 June 2023 annual financial report.

11. Subsequent events

- On 23 February 2024, the Company issued 19,458 fully paid ordinary shares at an issue price of \$0.10 each as a result of the exercise of listed options (ASX: SUHO). The remaining 142,525,805 listed options expired on 16 February 2024.

There have been no other events subsequent to the reporting date that are expected to have a material impact on the financial position or performance of the Group.