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ASX / MEDIA ANNOUNCEMENT

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YANDICOOGINA SOUTH CID - WORLD CLASS DSO QUALITY

- **Metallurgical tests confirm DSO quality within Yandicoogina South CID in the world-class Pilbara iron-ore province.**
- **Production potential includes Lump material with low impurities. Mining studies and next stage of Metallurgical Test Work initiated; and further exploration work ongoing.**
- **Test results provide confidence to advance consideration of commercialisation options.**

Emerging Pilbara iron-ore developer, **Hemisphere Resources Limited (ASX: HEM)** is pleased to report definitive results from initial Sighter test work at the Company's Yandicoogina South Project in the world-class Pilbara iron-ore province, just 6km South of Rio Tinto's Yandicoogina Mine.

Hemisphere's Managing Director, Danny Costick said the test work was carried out by Promet Engineers and verifies the direct shipping ore (DSO) quality of the Yandicoogina South channel iron deposit.

"The results clearly demonstrate we have a product of exceptional quality, with part of it requiring no beneficiation, and we have a real opportunity now to consider the various commercialisation routes available," Mr Costick said.

"It's a great project, in a great location; just a few kilometres south of Rio Tinto's Yandicoogina - Australia's largest iron-ore mine."

"In February we announced a maiden Indicated Resource for the Project. Importantly this includes high grade pavement outcrop."

"Today's (Sighter Test) results validate our confidence that Yandicoogina South has definite potential to deliver a very marketable, high grade ore."

"We are quite serious about fast-tracking the commercialisation of Yandicoogina South. Conceivably, the Project could be brought into production as early as 2013. In just over 12 months since the tenements were granted, we have secured a Native Title agreement over the property, and submitted our mining lease application."



“There has also been encouraging progress in the region towards improving the availability of infrastructure for junior producers in the Pilbara, which presents greater commercialisation alternatives now than ever before. We will be considering all the options available to commercialise Yandicoogina South, to get the best value for our shareholders.”

“Mining studies are now progressing for Yandicoogina South. Exploration and further testwork is ongoing, both at Yandicoogina South and our other projects in the region, to fully evaluate their potential.”

See below a report on the Sighter Test results and Competent Person’s Statement.

ENDS

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Sighter Tests

Test work was carried out on PQ diamond drill core to characterise CID samples. Drill holes used were YSDD002, YSDD004 and YSDD007. The material was split into four nominal groups – R4 being near the surface, R3 being the next zone down with moderate silica and alumina values, R2 which has low silica and alumina values and R1 being the lowest zone.

The key findings are:

- The middle layers comprising R2 and R3 ores provide good quality CID with high LOIs and low impurity levels. From analysis of the diamond core, R3 in particular has less than 4% SiO₂ and 2% Al₂O₃ with an LOI of 6.5% in lump and 7.5% in fines. These two materials would probably be acceptable for direct sales to sinter plant operators following confirmatory sinter testwork;
- The UCS values show that the strength of the material is between weak and the lower end of medium strong;
- The Abrasion index is with the normal range of hematite; and
- The Crushing Work index was approximately 3 for all four composites providing for low cost product sizing.

The next stage of Metallurgical test work will be to conduct heavy liquid separation test on R1 and R4. This will be used to determine how much silica and alumina can be removed from the product prior to marketing.

Laboratory test work was completed at Ammtec to provide:

- Ore Characterisation – moisture and Bulk Density determination;
- Drop Test on R1, R2 and R3 composite samples;
- Scrubbing on R1, R2 and R4 composite samples; and
- Physical testing on R1, R2, R3 and R4 composite samples

**Ore Characterisation**

Composite	Bulk Density
R4	2.96
R3	2.90
R2	2.65
R1	2.43

Drop Tower Test

Composite	Percentage Lump
R4	Not tested
R3	51.8
R2	51.6
R1	51.5

Lump Grade (based on PQ diamond drill core)

Sample Description	Fe Grade [%]	Fe Calcine Grade [%]	SiO ₂ Grade [%]	Al ₂ O ₃ Grade [%]	P Grade [%]	LOI -1000 [%]
R1	53.65	59.18	9.27	3.44	0.068	9.35
R2	58.64	64.06	4.83	2.15	0.085	8.46
R3	60.92	65.20	3.37	1.95	0.073	6.56

The R3 lump composite meets the criteria to be a high grade CID direct shipping ore without beneficiation with low levels of impurity.

From diamond core, the R3 lump assayed 60.92%Fe with a high LOI which will upgrade to a very high grade product after firing (65.20%Fe ex LOI). Silica and alumina content are low – comparable with the best of other CID deposits.

The R2 material also produced a good lump product with slightly higher SiO₂ and Al₂O₃ but still values which are very acceptable. .

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**Scrubbing**

From the metallurgical test work on diamond drill core, it has been shown that at this time, scrubbing will provide minimal beneficiation, however in surrounding mines scrubbing has found to be beneficial on blasted run of mine material. In particular, scrubbing readily removes localised clay pods which are high in silica and alumina.

Crushing Data

Composite	UCS mPa	Abrasion Index (Lump)	Crushing Work Index (kWhr/t)
R4	25.1	-	3.4
R3	24.6	-	3.8
R2	12.2	0.0165	3.2
R1	19.1	0.0235	3.0

From a production perspective, the UCS values range between 'weak' to the lower end of 'medium strong'.

Typical Abrasion Index (Ai) values for hematite is in the range from 0 to 1.2 and so the results are considered good.

The Crushing Work Index (CWi) demonstrates that the result for design purposes at this time based on average plus one standard deviation is in the order of 4.7 kWhr/t.

Based on the crushing data, the cost of drilling, extracting and sizing the product for sale is likely to be very low. This supports mining cost estimates to be evaluated during forthcoming prefeasibility study.



The location of Yandicoogina South is shown below as Figure 1.

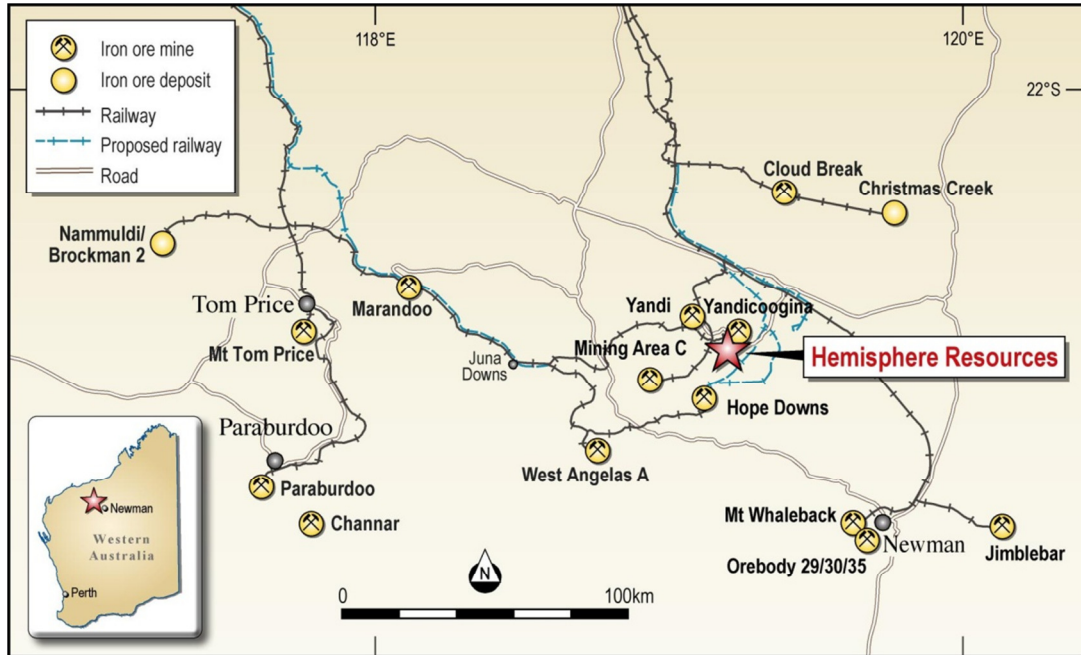


Figure 1: Location of E47/1904 and MLA47/1460.

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Ian Hassall, who is a Member of the Australian Institute of Mining and Metallurgy. Mr Hassall is a full-time contract employee of Hemisphere Resources. Mr Hassall has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity for which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the “Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Hassall consents to the inclusion in the reports of the matters based on his information in the form and context in which it appears.

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