



HEMISPHERE RESOURCES LIMITED

ABN 96 122 074 006

24 Colin Street, West Perth, Western Australia, 6005

PO Box 2803, West Perth WA 6872

Telephone: +61 8 9481 1749

Facsimile: +61 8 9481 1756

Website: www.hemisphereresources.com.au

ASX ANNOUNCEMENT

15 August 2012

YANDICOOGINA SOUTH PROJECT UPDATE

The directors of Hemisphere Resources Limited (ASX: HEM) would like to update shareholders on the recently completed review of the Yandicoogina South iron project in the Pilbara ("the Project").

As detailed in Hemisphere's most recent quarterly report the Company has, over the preceding period, undertaken a comprehensive review process to better assess the commercialisation options available to the Company for the Project.

The review process included detailed field observations and an exploration review of the Project area, and the engagement of independent advisory groups to undertake both a comprehensive financial modelling process and to investigate the potential for other corporate and transactional outcomes with regards to the Project.

The exploration review shows the potential to significantly expand the current ore resource through discovery of additional channel iron mineralisation or hematite ore on the Project tenements is low.

The commercial review also concluded that as a result of both macro-economic and Project specific realities, the Company is unable to justify any further development or commercialisation of the Project at this time.

Managing Director, Jason Greive said: "While the results of this review are not what we would have hoped, we are in the business of exploration and the efficient assessment and elimination of projects allows us to focus our efforts and working capital on the evaluation of other growth opportunities that have greater potential to grow value for our shareholders."

Hemisphere retains strong cash reserves of \$7.7million as at 30 June 2012 and is presently developing its interests in Eastern Africa including the Katamatoma base metals project in North Western Tanzania. In addition, the Company continues to evaluate projects with suitable exploration potential, to add to its existing project portfolio.

ENDS

Enquiries **Mr Jason Greive**
 Managing Director
Contact **Phone: 08 9481 1749**
 Fax: 08 9481 1756
Website www.hemisphereresources.com.au

Media **Annette Ellis**
 Cannings Purple
Contact **Phone: 08 6314 6300**
 Email: aellis@canningspurple.com.au