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IRON POTENTIAL CONFIRMED AT YANDICOOGINA SOUTH

Outcropping Pisolites support potential for Channel Iron Deposits

The Directors of Hemisphere Resources Limited are pleased to report that a follow up field reconnaissance program confirmed the surface outcrops of iron rich pisolites at the Yandicoogina South Iron Project (ELA47/1904). This enhances the potential for Channel Iron Deposits (CID) within the project area.

Two further valleys which are defined by the Hamersley surface have also shown material supporting the potential for covered CID deposits.

The project area is located 6km south of the Yandicoogina Mine and 3km west of the Junction South East Mine which are both operated by Rio Tinto. The field survey was undertaken to investigate areas previously delineated as being prospective for CID. These areas are upstream of the Yandicoogina Deposits and are interpreted as being at the same level but buried under younger surficial cover.

The presence of Hamersley Surface (Canga) as well as M3 Hardcap (complete with fossilised wood fragments) material in the northern area shows that the valley is prospective for a well developed CID profile in the area. The Company will systematically evaluate the iron potential.

The accompanying photos are all taken from within the project area and show outcropping pisolites and valleys with the potential for CID.

Outcropping Pisolites

Outcropping Pisolites showing Canga (Background) and M3 Hardcap material (Foreground).

Managing Director Danny Costick inspecting outcropping Pisolites

Valley with potential for Pisolites

The potential CID areas were identified by a study of Landsat images as previously announced. This has been confirmed by the presence of the Hamersley Surface, Upper M3 Pisolite Hardcap with wood fragments, and probable M1 Basal goethitic material seen in the field.

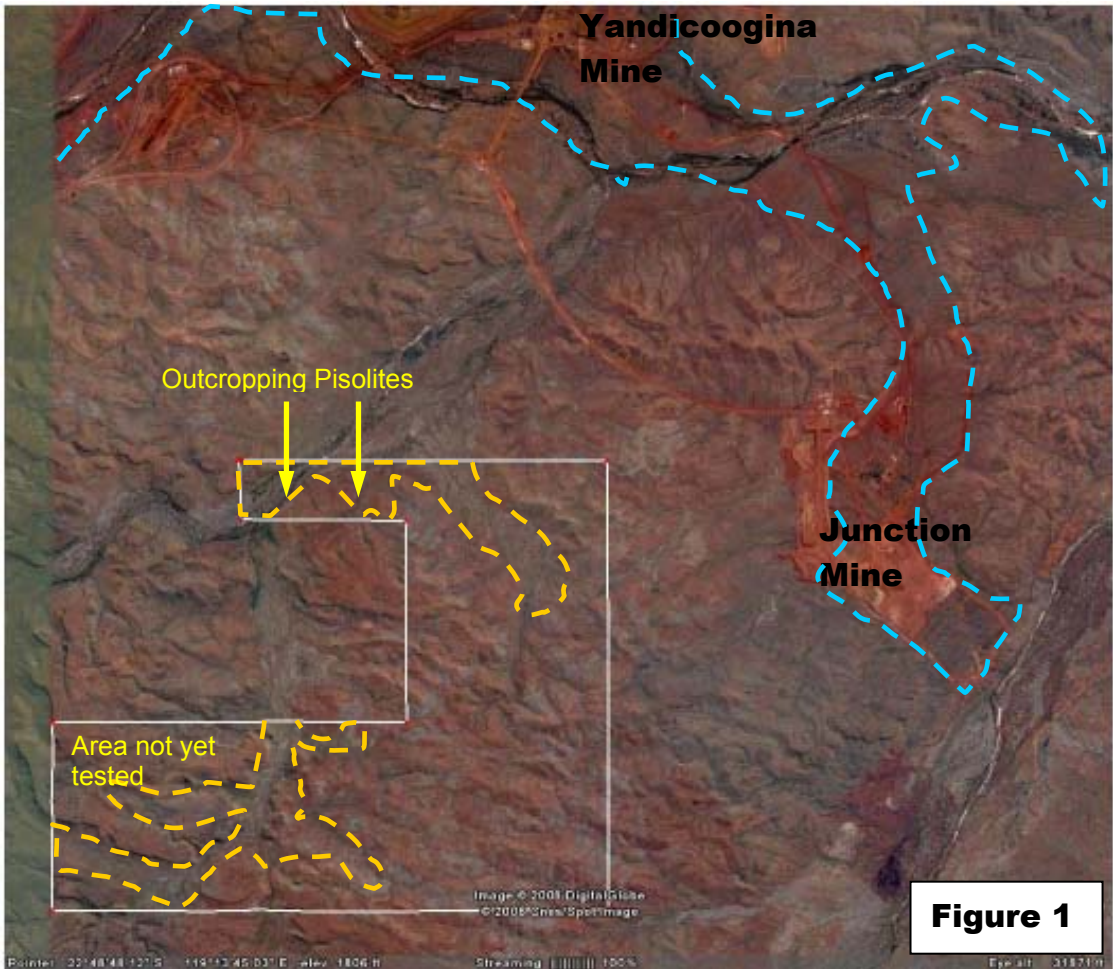

Figure 1: The Hemisphere project at Yandicoogina South (white outline) showing the Rio Tinto Mines with proven CID Outline (Blue) and Hemisphere target areas (in Yellow).

The stylised Figure 2 below shows a typical schematic CID Cross section (after Kneeshaw et al) with the target areas and the relationship to the old valleys.

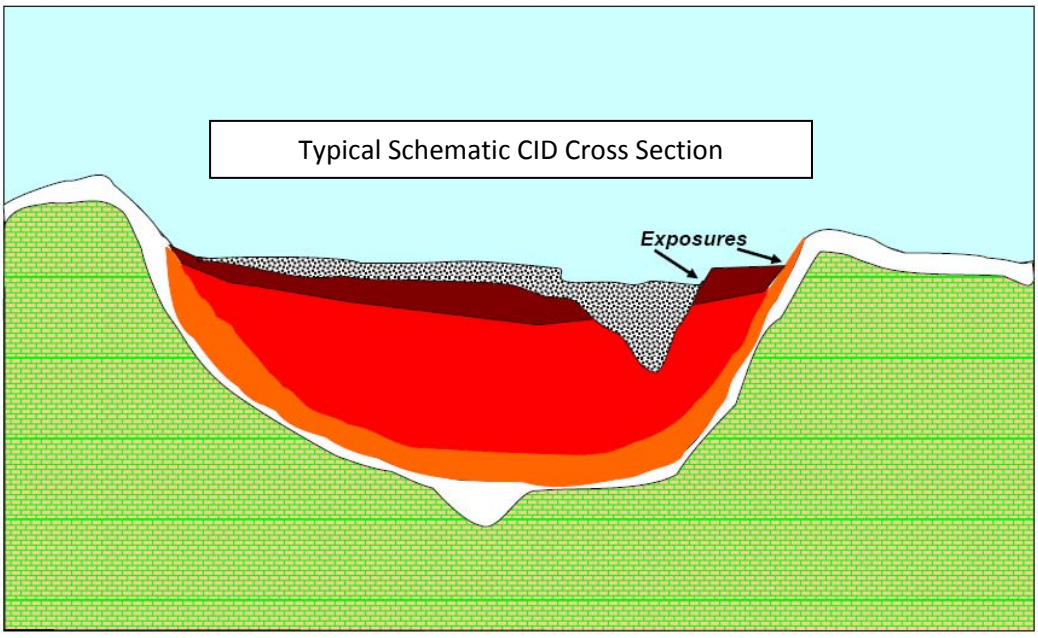

Figure 2. A Schematic cross section showing stratigraphy and erosional effects. Vertical Exaggeration 10:1

Geological Legend

Alluvium

Target

M3 Hardcap CID
M2 High Grade CID
M1 Basal Shaly CID

Hamersley Surface
Weeli Wolli Formation Bedrock

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The information in this release is based on information compiled by Peter Schwann who is a Fellow of the Australasian Institute of Mining and Metallurgy and Chartered Professional (Geology) and has sufficient relevant experience to qualify as a Competent Person as defined in the JORC Code (2004). Peter Schwann consents to the inclusion of this information in the form and context in which it appears.