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## POTENTIAL FOR CHANNEL IRON DEPOSITS

The Directors of Hemisphere Resources Limited are pleased to report that two areas have been delineated as being prospective for Channel Iron Deposits (CID) in ELA47/1904 located 6km south of Rio Tinto's Yandicoogina Operations. Figures 1 and 2 show the target areas in blue. These prospective areas are upstream of the Yandicoogina Deposits and are interpreted as being at the same level and overlain by younger surficial deposits. A typical Yandicoogina CID cross section is shown at the end of this release as Figure 3.

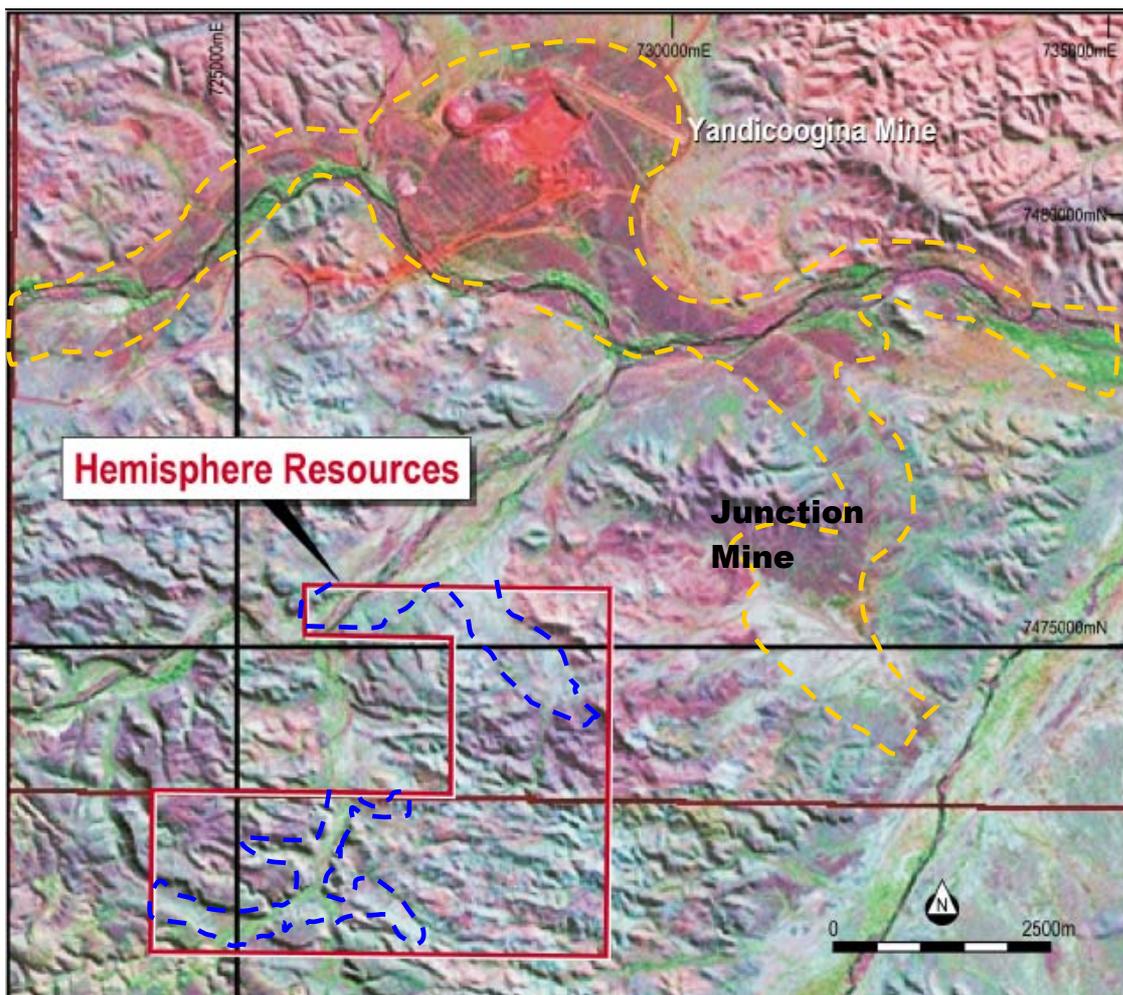


Figure 1: The Hemisphere Property at Yandicoogina showing Rio Mines and CID Outline (Yellow) and drilling target areas (in Blue). Image is processed Landsat Bands 2,4,7 as B, G, R. Image is from 2003.

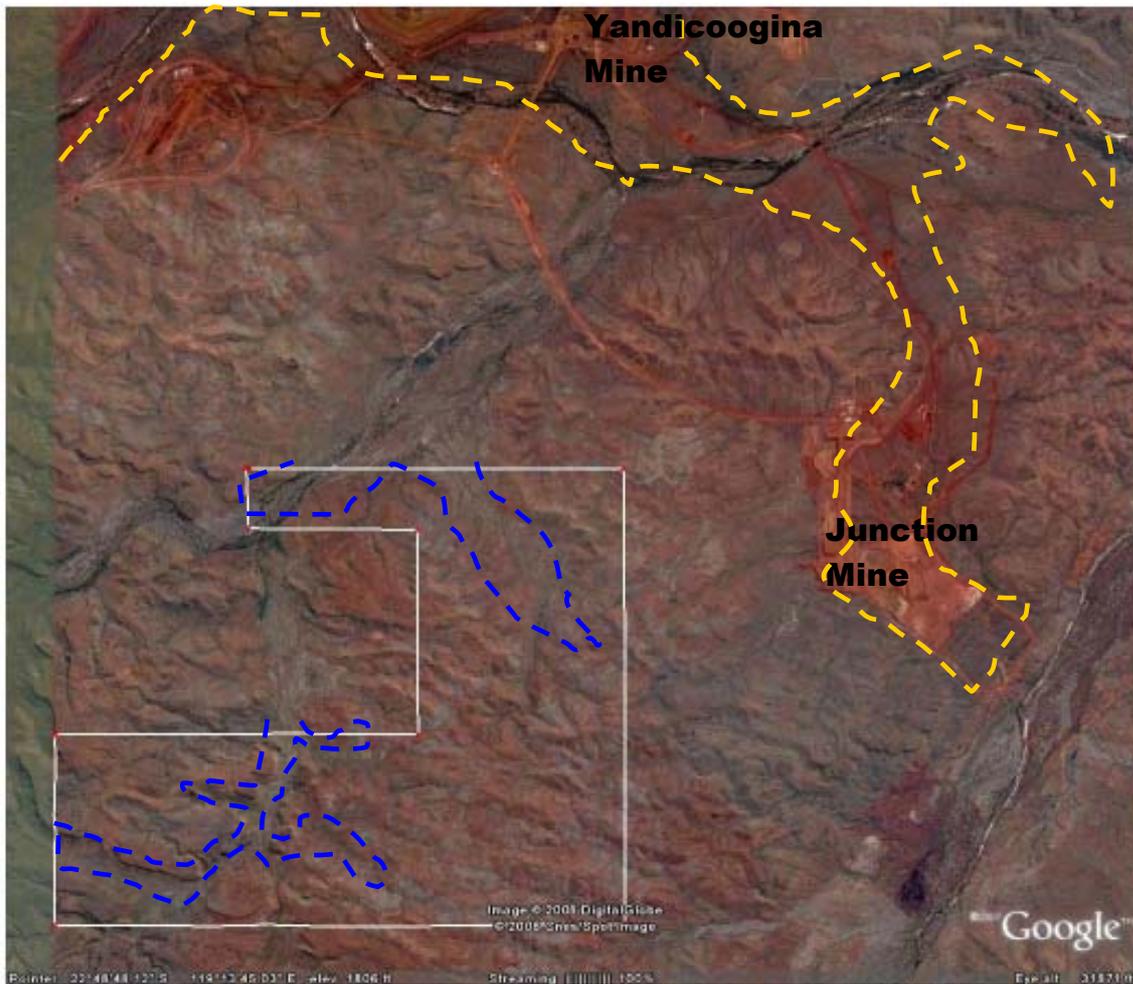


Figure 2: The Hemisphere Property at Yandicoogina showing Rio Mines and CID Outline (Yellow) and drilling target areas (in Blue). Image is standard natural colour Landsat. The image is the current Google Earth image.

Hemisphere will systematically evaluate the potential of the project area to determine iron quality and scale. Extensive analysis has commenced and further information will be forthcoming as progress develops. The prospectivity is considered to be very exciting given its location.

The stylised Figure 3 below shows a typical Yandicoogina CID Cross section (after Kneeshaw et al) with the ore zones and the relationship to the old valleys. Hemisphere will target the potential valleys as detailed in Figures 1 and 2 in blue. Rio Tinto’s known Yandicoogina deposits are also shown in figures 1 and 2 in Yellow. Rio Tinto has announced the expansion of its Yandicoogina operations to 52Mt per annum.

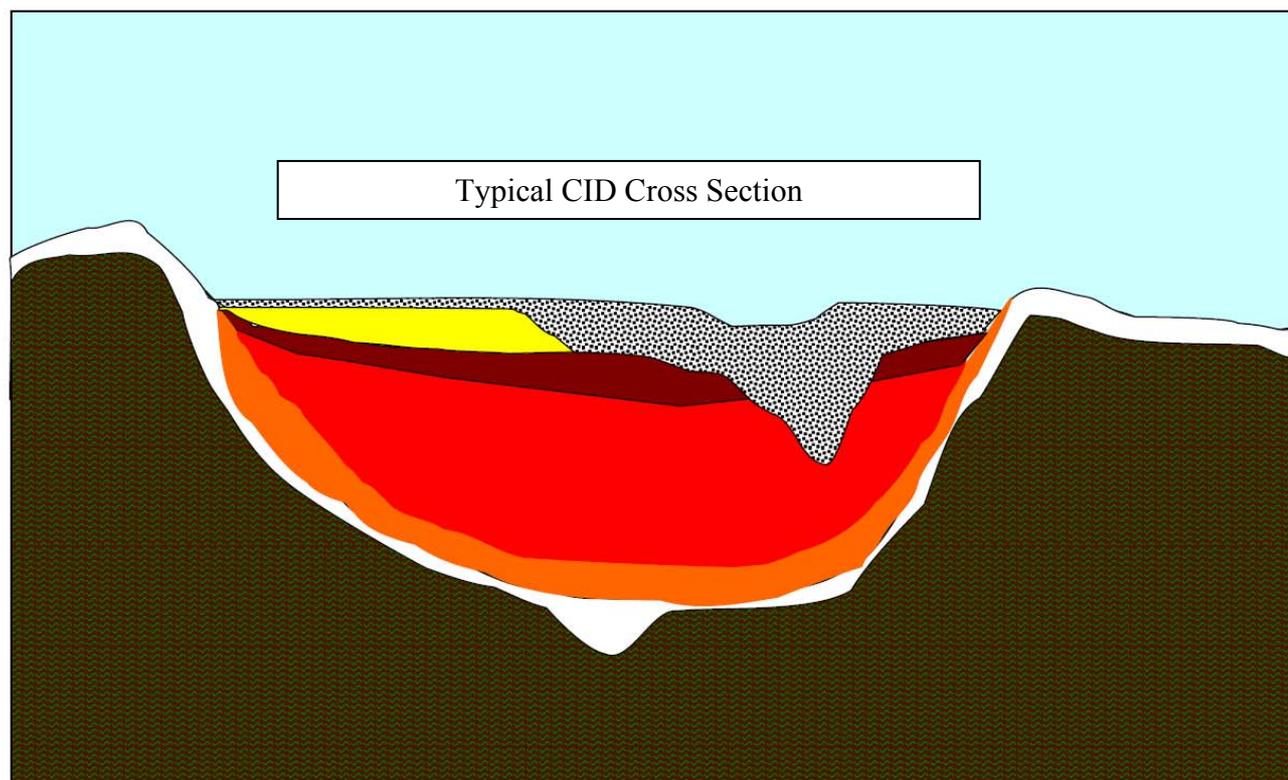
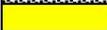


Figure 3. A Simplified cross section showing stratigraphy and erosional effects. Vertical Exaggeration 10:1

**Geological Legend**

	Alluvium		M3 Hardcap CID		Hamersley Surface
	Eastern Clays		M2 High Grade CID		Proterozoic Bedrock
			M1 Basal Shaly CID		

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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.*