



Hemisphere Resources Limited

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QUARTERLY ACTIVITY REPORT TO THE ASX ENDING 31 March 2010

Highlights

- **Further High Grade Rock Chip Results at Yandicoogina South**
- **Initial Drilling Program ready for implementation**
- **MMI conducted at Sandstone Uranium Project**
- **Field visit to Lakeside, Pilbara and Gold Projects**
- **Aruma Resources Limited prospectus was commenced.**

Discussion

For the **Yandicoogina South Iron Project**, located some 6km south of Rio Tinto's Yandicoogina mine, rock chip sampling of channel iron outcrop returned further excellent results with the high grade outcrop extended. Preparation for drilling is being finalised.

For the **Sandstone Uranium Project** field work included Mobile Metal Ion (MMI) sampling of areas selected as being favourable for the presence of Uranium. The selection process included review of available radiometric data, drainage patterns and expert consultant advice. Results returned significant anomalism in both tenor and areal extent in the locality of the radiometric anomaly.

For the **Lakeside Project** a review of all available data highlighted a very strong magnetic feature which was coincident with geology. A field visit to the project confirmed the presence of favourable host rock types including a differentiated gabbroic sill.

A field visit of all gold assets was undertaken by the company and consulting geologists in order to prepare the prospectus for **ARUMA RESOURCES LIMITED**. Subsequent to the end of the reporting period, the prospectus was lodged with ASIC.

Corporately, the vast majority of listed options were exercised. The funds from the exercise of options, in addition to a placement since the end of the reporting period leaves the company well funded to conduct its ongoing exploration programs.

During the coming quarter the Company intends to commence drilling on its Yandicoogina South Iron Project and continued development of its other projects. Other assets will also be assessed for the potential to add value to the Company.

Pilbara Iron Projects Advancing on Schedule

E47/1904 Yandicoogina South

- Rock chip sampling demonstrates high grade CID outcrop
- Drilling to commence in May

Results of CID rockchip sampling were received confirming the high grade outcrop to be over 700m along strike and over widths up to 200m. This further supports the potential for Channel Iron Deposits (CID) within the project area.

Northern Area

Within the northern area rock chip sampling was completed during October and December with high grades returned. The location and results of these samples are presented below in the Google image shown as Table 1 and Figure 1.

SAMPLE No	Easting	Northing	Code	Fe	Al₂O₃	SiO₂	P	LOI-1000T
YS26	726409	7475664	M2 (Float)	59.67	0.98	4.56	0.062	9.27
YS27	726378	7475530	M3	59.73	2.27	5.71	0.038	7.86
YS28	726354	7475512	M2	60.47	1.29	3.78	0.043	9.98
YS32	726317	7475455	M3 A	58.06	3.83	5.81	0.051	7.59
YS33	727166	7475701	M3 A	59.19	3.64	5.08	0.055	7.62
YS34	726430	7475670	M3 (Float)	60.97	2.33	4.09	0.057	6.92
YS35	726358	7475572	M3	60.59	2.64	4.58	0.059	7.02
YS36	726621	7475603	M3	59.27	3.13	4.04	0.067	9.77
YS37	726648	7475613	M2	60.59	1.55	3.25	0.066	10.57
YS38	726676	7475619	M3	60.51	2.37	3.48	0.065	8.14
YS39	726699	7475613	M3	59.08	2.87	5.35	0.068	8.3
YS40	726569	7475603	M3 A	58.33	3.52	4.91	0.058	9.28
YS41	726552	7475589	M3 A	56.99	4.18	5.59	0.058	9.44
YS42	726503	7475568	M3 A	58.12	3.96	5.69	0.063	8.6
YS43	726466	7475545	M3	58.72	2.84	5.48	0.062	8.71
YS44	726366	7475538	M1 (Float)	54.79	5.53	8.25	0.062	9.06
YS45	726305	7475470	M3	57.45	3.62	5.38	0.073	9.59
YS46	726277	7475454	M2	62.73	1.76	2.42	0.057	7.45
YS47	726290	7475469	M2	61.08	1.8	3.26	0.072	8.02
YS48	726329	7475476	M3	58.73	2.69	5.61	0.061	7.54
YS49	726313	7475455	M1	55.24	6.7	6.35	0.064	9.12
YS50	726287	7475449	Scanga	45.4	14.54	11.8	0.046	9.45

Table 1: Rock chip assay results for the Northern Area received during the quarter.

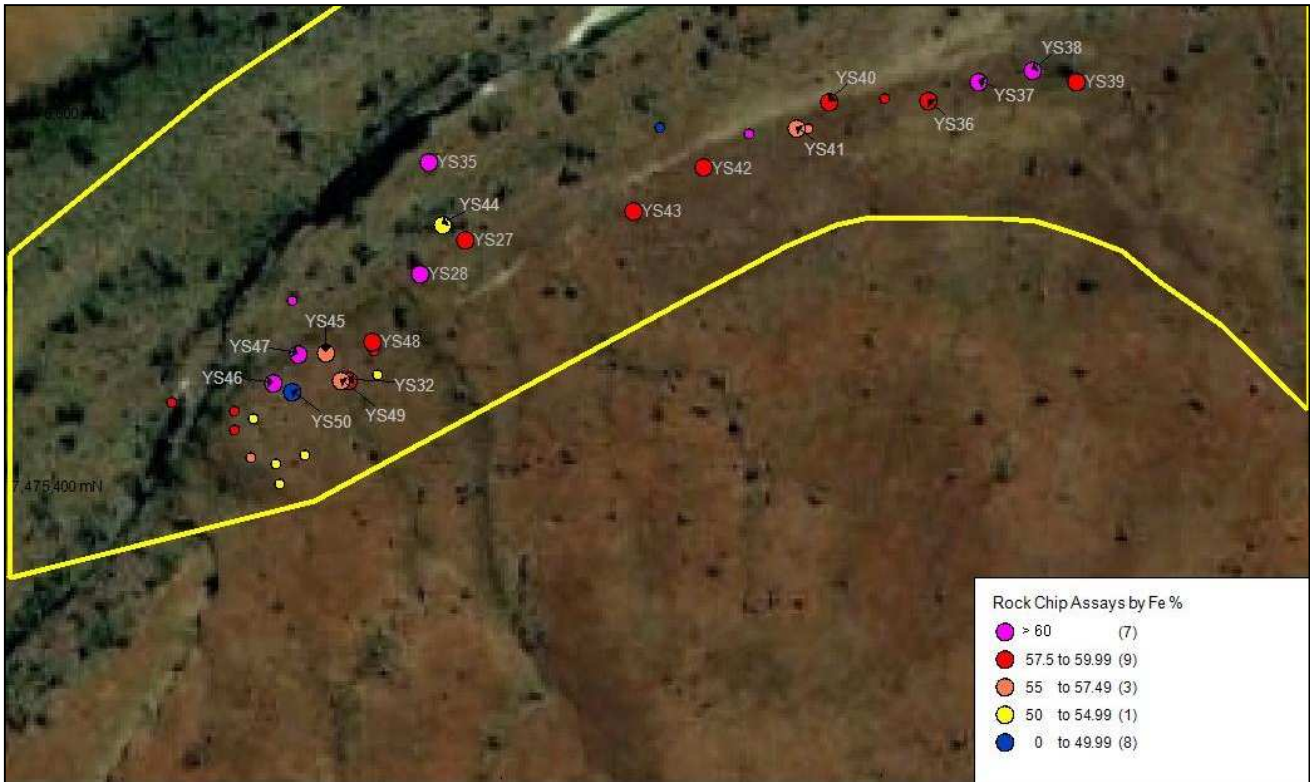


Figure 1: Rock chip sampling programs within northern area of E47/1904. Also Shown is the mapped outcrop-subcrop of CID

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



Figure 2: Pavement Outcrop of high grade CID

In the southern part of the lease, elevated iron levels were demonstrated in the basement rock unit.

Table 2 shows the results of the southern portion rock chip sampling.

Sample No	E	N	Code	Fe	Al ₂ O ₃	SiO ₂	P	LOI-1000T
YS21	725807	7472096	PHj	41.28	0.31	39.52	0.021	0.91
YS22	725726	7472038	PHj	31.53	0.55	52.89	0.030	0.92
YS23	725726	7472038	PHj	36.42	0.27	45.96	0.051	1.14
YS24	725719	7472028	PHj	26.93	0.59	59.37	0.019	1.00
YS25	725652	7472104	PHj	35.85	0.45	46.88	0.106	1.18
YS29	725304	7472154	PHj	22.66	0.35	65.89	0.028	1.44
YS30	725311	7472189	PHj	34.25	0.33	49.86	0.036	0.93

Table 2: Rock chip assay results for the Southern Area received during the quarter.

ELA47/2110 Hancock Range

During the reporting period, negotiations to facilitate the grant of the application progressed.

Gold Projects (Hemisphere 100%)

The high grade intersections previously reported warrant a dedicated management and budget approach to Hemisphere's Gold Projects.

During the quarter, a field visit and full data review was undertaken as part of the process required for preparation of the Aruma Resources Limited prospectus.

Sandstone Uranium Project (Hemisphere 100%)

During the quarter, field activities included Mobile Metal Ion (MMI) sampling to test areas selected as being prospective for uranium. The selection was based on review of all available data including radiometrics, geology, drainage data and expert consultant advice. The location of the sampling areas is shown below as Figure 3.

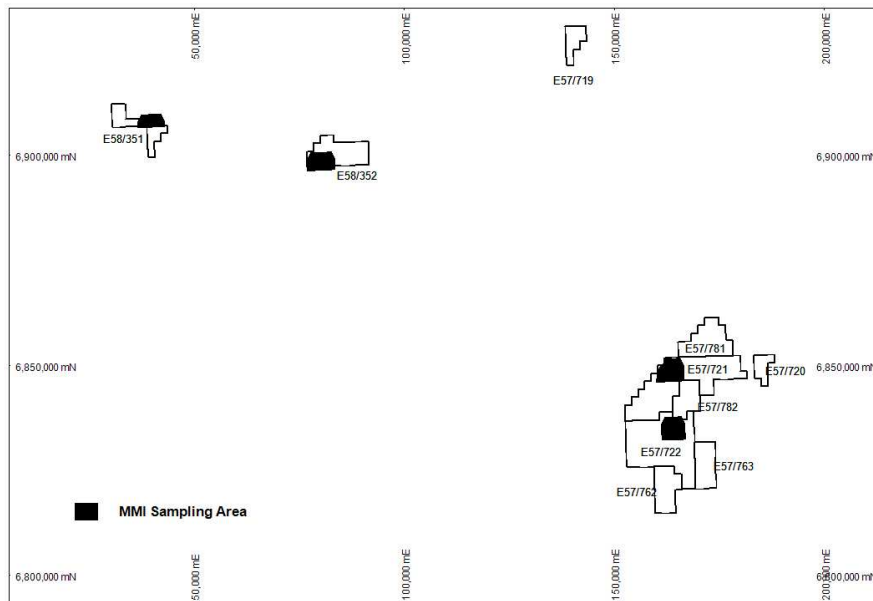


Figure 3: Location of MMI Sampling

The field program included collection of 1,437 MMI samples located to determine the potential for uranium and to facilitate the location of possible drill sites. Results demonstrated a broad zone of elevated uranium within E57/722 having a peak reading of 4,730ppb. The large anomaly covers some 1km x 1.5km using the 800ppb contour. Further work will be conducted to determine the source of the anomaly. Contours have been developed for E57/721 and 722 and plans are shown as Figure 4 and Figure 5.

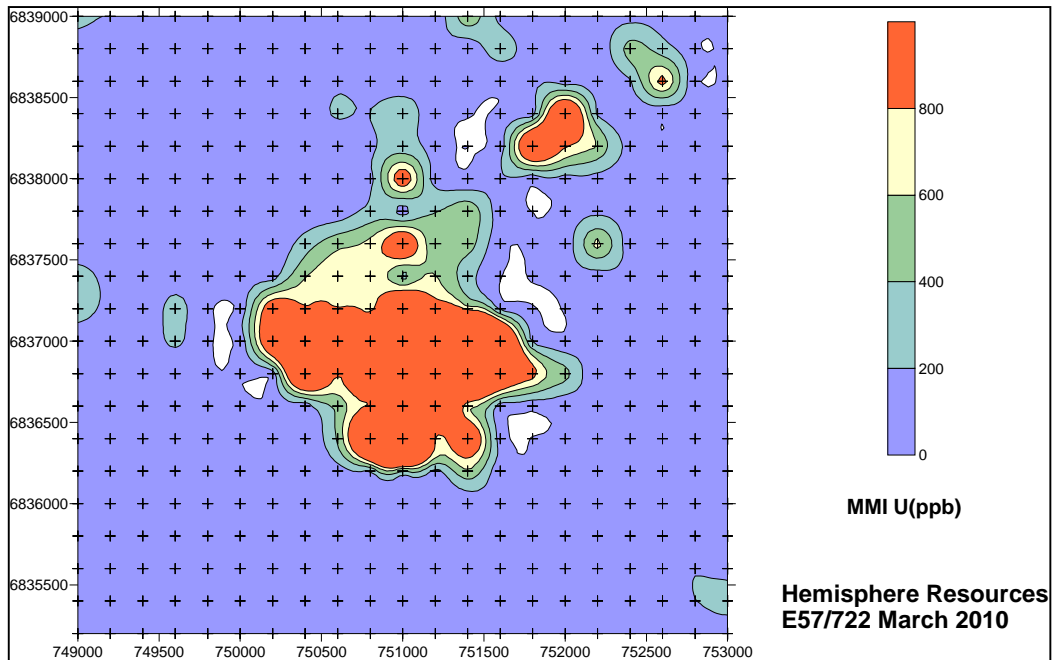


Figure 4: MMI uranium contours E57/722

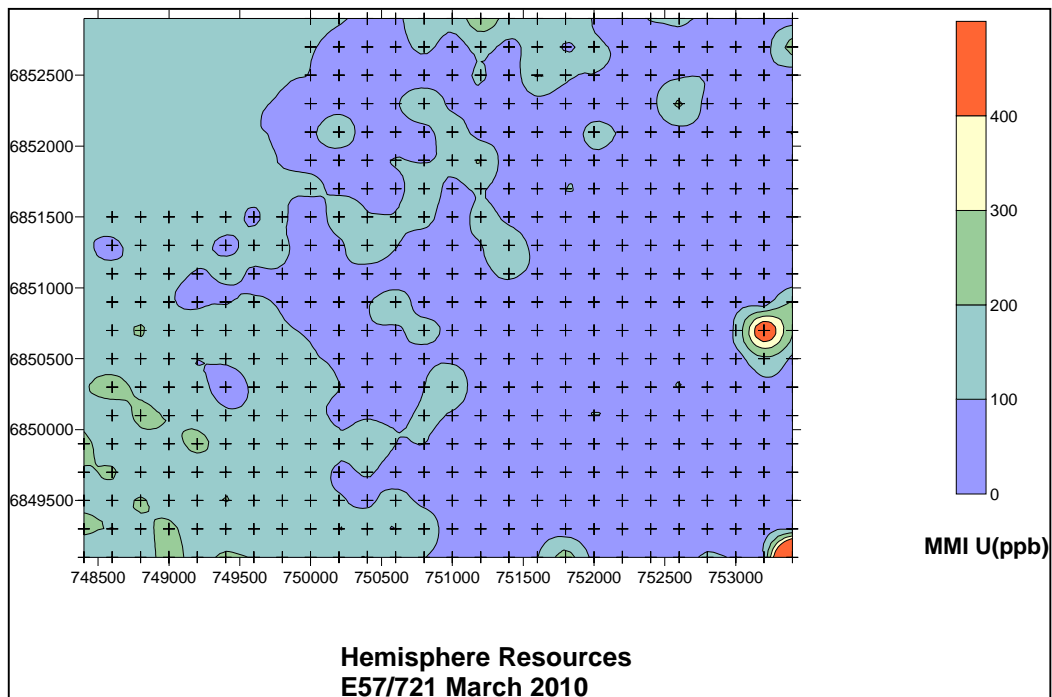


Figure 5: MMI uranium contours E57/721

Lakeside Project (Hemisphere 100%)

The Lakeside project consists of Exploration Licence E21/136. It is located some 60km northwest of Mt Magnet. During the quarter, a review of all available data highlighted a very strong magnetic feature which was coincident with geology. A field visit to the project confirmed the presence of favourable host rock types including a differentiated gabbroic sill. The magnetic signature is shown as Figure 6.

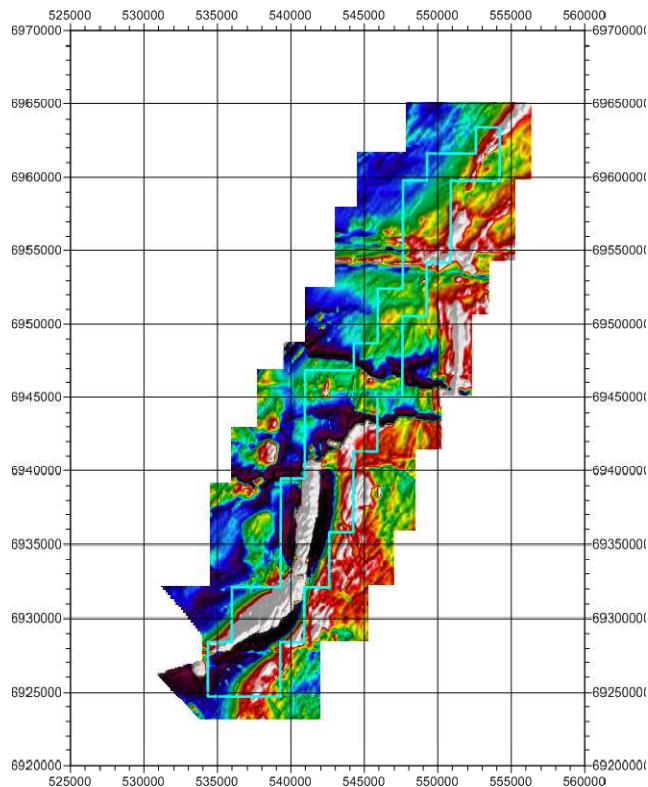


Figure 6: Magnetic signature over Lakeside Project

Mulgarrie Nickel Project (Hemisphere 70%)

During the quarter no field work was undertaken.

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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.