Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity						
HEMISPHERE RESOURCES LIMITED						
ABN Quarter ended ("current quarter")						
96 122 074 006	30 September 2012					

Consolidated statement of cash flows

		Current quarter	Year to date
Cash f	lows related to operating activities	\$A'000	(3 months)
			\$A 'ooo
1.1	Receipts from product sales and related	10	10
	debtors		
1.2	Payments for	(-)	(-)
	(a) exploration and evaluation	(187)	(187)
	(b) development	-	-
	(c) production	- (5)	- (5)
	(d) administration	(376)	(376)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature		
	received	64	64
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7 i	GST received/(paid)	(7)	(7)
1.7 ii	Proceeds from R&D tax concession 2011	206	206
1.7 iii	Payments for R&D tax concession 2011	(32)	(32)
	Net Operating Cash Flows	(322)	(322)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Payment for exploration licences	-	-
1.11			
	Net investing cash flows	_	_
1.13	Total operating and investing cash flows	<u> </u>	-
1.13	(carried forward)	(322)	(322)
	\\\\\\\\\	()/	() /

1.13	Total operating and investing cash flows		
	(brought forward)	(322)	(322)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, exercise of		
	options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other - costs of capital raising	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(322)	(322)
	rect increase (accrease) in cash hera	(322)	(322)
1.20	Cash at beginning of quarter/year to date**	7,740	7,740
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter*	7,418	7,418

^{*} The Company holds 50.44% of Aruma Resources Limited (ASX: AAJ). The cash flows of Aruma Resources Limited have not been consolidated with those of Hemisphere Resources and its wholly owned subsidiaries.

Payments to directors of the entity and associates of the directors Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	139
1.24	Aggregate amount of loans to the parties included in item 1.10	-

Explanation necessary for an understanding of the transactions

Payment of salary to managing director and payment of directors' fees including PAYG tax and superannuation.

Non-cash financing and investing activities

consolidated assets and liabilities but did not involve cash flows	2.1	Details of financing	and investing	transactions	which	have	had	a	material	effect	on
		consolidated assets an	d liabilities but	did not involv	ve cash f	lows					

Not applicable

Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

AT . 11 1.1		
Not applicable		

Financing facilities available *Add notes as necessary for an understanding of the position.*

		Amount available	Amount used
		\$A'000	\$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	200
4.2	Development	-
4.3	Acquisition of interests	-
4.4	Administration	350
	Total	550

Reconciliation of cash

17/	concination of cash		
Reco	nciliation of cash at the end of the quarter (as	Current quarter	Previous quarter
	on in the consolidated statement of cash flows)	\$A'000	\$A'000
	e related items in the accounts is as follows.	Ψ1000	ψ21000
to th	e related items in the accounts is as ionows.		
5.1	Cash on hand and at bank	928	1,238
,			, 3
F 2	3 month term deposits	50	20
5.2	3 month term deposits	50	20
	C		
5.3	6 month term deposits	4,313	4,355
5.4	12 month term deposit	2,127	2,127
	Total: cash at end of quarter (item 1.22)	7,418	7,740
	1 ,	771	7771

Changes in interests in mining tenements

6.1	Interests in mining tenements relinquished,
	reduced or lapsed

6.2	Interests in mining
	tenements acquired or
	increased

Tenement	Nature of	Interest at	Interest at
reference	interest	beginning of	end of
	(note (2))	quarter	quarter
E08/2206	Direct	100%	-
E09/1888	Direct	100%	-

Issued and quoted securities at end of current quarterDescription includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1	Preference			3/	11000 3)
	+securities				
7.2	Changes during				
	quarter				
	(a) Increases through issues				
	(b) Decreases				
	through returns of				
	capital, etc.				
7.3	⁺ Ordinary				
	securities	70,383,575	70,383,575		
7.4	Changes during				
	quarter				
	(a) Increases				
	through issues				
	(b) Shares released from				
	escrow				
	(c) Decreases				
	through returns of				
	capital, buy-backs				
7.5	⁺ Convertible				
	debt securities	-	-		
7.6	Changes during quarter				
	(a) Increases				
	(b) Decreases				
7.7	Options			Exercise price	Expiry date
	(description and				
	conversion factor)	700,000	-	19.5 cents	6 March 2015
		2,500,000	-	18.6 cents	23 July 2015 23 January 2016
		3,250,000 4,000,000	_	19.9 cents 21.1 cents	23 July 2016 23 July 2016
7.8	Issued during	4,000,000		21.1 cents	25 July 2010
	quarter	-	-	-	-
7.9	Exercised during				
•	quarter	-	-		
7.10	Expired/lapsed				
	during quarter	-	-		
7.11	Debentures				
	(totals only) Unsecured notes	_	-		
7.12	(totals only)	_	_		
	(totals offly)			J	

Compliance statement

- This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- This statement does give a true and fair view of the matters disclosed.

Sign here: Phillip MacLeod Date: 31 October 2012

Company Secretary

Print name: Phillip MacLeod

Notes

- The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- Issued and quoted securities The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- The definitions in, and provisions of, AASB 1022: Accounting for Extractive Industries and AASB 1026: Statement of Cash Flows apply to this report.
- Accounting Standards ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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