



ASX ANNOUNCEMENT

23 January 2012

ISSUE OF INCENTIVE SECURITIES TO DIRECTORS AND OTHER KEY EMPLOYEES AND EXECUTIVE REMUNERATION

Hemisphere Resources Limited (ASX: HEM) advises the proposed grant of incentive options to newly appointed Managing Director, Mr Jason Greive, and the proposed grant of incentive and performance options to non-executive directors and key employees in order to attract and retain their services and to provide an incentive linked to the performance of the Company and the achievement of corporate milestones.

The Managing Director, Mr Greive, will be granted the following incentive options subject to shareholder approval:

- 2 million options exercisable at 1.5 times the 30 day VWAP prior to the date of grant, vesting 6 months from the date of grant and expiring 3 years from the vesting date; and
- 2.5 million options exercisable at 1.6 times the 30 day VWAP prior to the date of grant, vesting 12 months from the date of grant and expiring 3 years from the vesting date; and
- 3 million options exercisable at 1.7 times the 30 day VWAP prior to the date of grant, vesting 18 months from the date of grant and expiring 3 years from the vesting date.

Mr Greive's salary on commencement is \$350,000 plus statutory superannuation contributions.

Non-executive Director, Mr Tim Fairhead, will be granted the following incentive and performance options subject to shareholder approval:

- 500,000 options exercisable at 1.5 times the 30 day VWAP prior to the date of grant, vesting 6 months from the date of grant and expiring 3 years from the vesting date; and
- 750,000 options exercisable at 1.6 times the 30 day VWAP prior to the date of grant, vesting 12 months from the date of grant and the achievement of certain Company milestones, expiring 3 years from the vesting date; and
- 1 million options exercisable at 1.7 times the 30 day VWAP prior to the date of grant, vesting 18 months from the date of grant and the achievement of certain Company milestones, expiring 3 years from the vesting date.

It is proposed, subject to shareholder approval, that the three other non-executive Directors will be granted a total of 1.8 million incentive options exercisable at 1.5 times the 10 day VWAP prior to the date of grant and expiring 3 years from the date grant.

A Notice of Meeting and accompanying Explanatory Memorandum in relation to the grant of the above securities will be sent to shareholders shortly.

In addition, key employees and officers of the Company will be granted up to 3 million options under the recently approved Employee Incentive Scheme. The final terms and vesting conditions of these options are to be determined by the Board prior to grant.



ASX ANNOUNCEMENT –Monday, 23 January 2012

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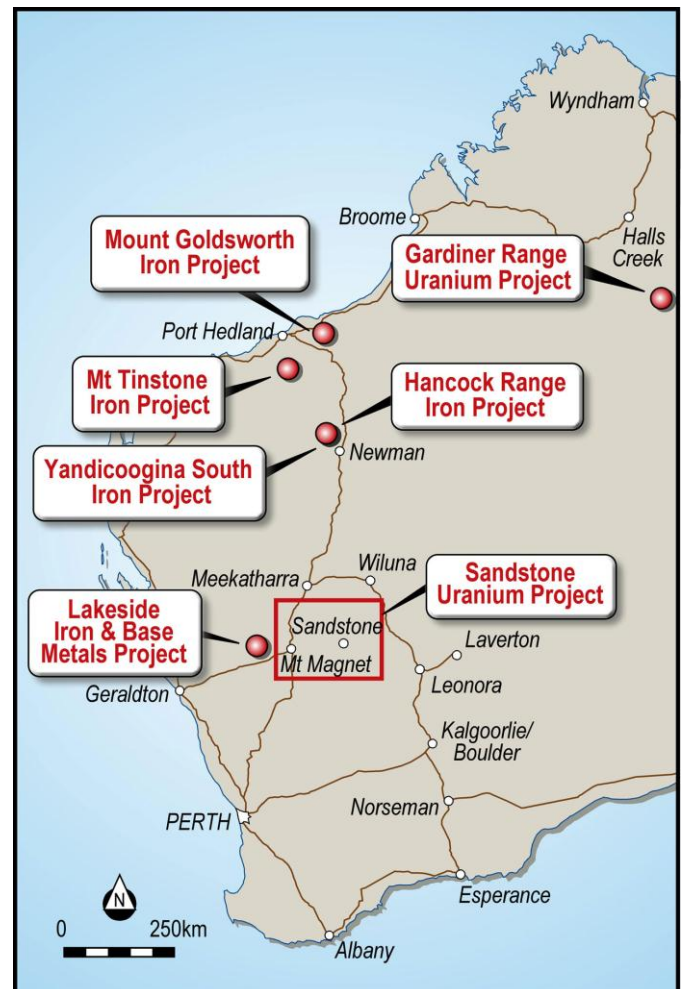
Website www.hemisphereresources.com.au

About Hemisphere Resources

Hemisphere Resources Limited (ASX: HEM) has a growing portfolio of prospective iron projects in the world-class Pilbara iron-ore province in Western Australia.

Hemisphere is currently working towards commercialising its Iron projects, all of which are strategically located to the established infrastructure of a number of major producing iron-ore mines.

Hemisphere's Pilbara Iron projects include Yandicoogina South, Hancock Range Mt Goldsworthy and Mt Tinstone. The Company has defined a maiden Indicated Resource at its advanced Yandicoogina South (DSO) Iron project.



Hemisphere Resources Limited

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