

Artemis Resources Limited

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ASX Code: ARV



Artemis Plans Trial Gold Production from Nickol River in Q2 2017 – Karratha, Western Australia.

HIGHLIGHTS:

- Plans to install a 150 tonne per hour gravity gold plant at Nickol River, located only 12km from Karratha.
- Artemis has identified significant areas at Nickol River at depths of between 2 to 6 metres that would potentially be amenable to bulk scale mining and processing.
- Plant fully funded from current cash reserves.
- Targeting Q2 2017 for commissioning.

David Lenigas, Artemis's Chairman, commented; *"With the gold price at \$1,500 an ounce compared to \$500 an ounce when the last bulk scale mining was undertaken in the 1980's, it's time to start gold recovery again at Nickol River but on a much larger scale. Nickol River has a long history of gold production from small scale hard rock operations and alluvial gold mining in the mid 1980's when successful trial mining proved that good recoverable gold grades exist in the shallow alluvial and weathered surface oxide rocks that are amenable to bulk mining and gravity separation."*

Artemis Resources Limited ("**Artemis**" or "**the Company**") (ASX: **ARV**) is pleased to announce its plans to commence trial gold production in Q2 2017 from its **Nickol River Gold/Platinum Project ("Nickol River")**, located only 15 minutes by road from Karratha in Western Australia (Figure 1), with the installation and commissioning of a modern 150 tonne per hour gravity gold plant.

ABOUT NICKOL RIVER GOLD PROJECT:

Artemis's Nickol River Gold Project is located only 12 km from the regional mining centre of Karratha (15 minutes by road) in the Pilbara area of Western Australia and close to excellent infrastructure straddling the Karratha – Roebourne Highway.

The Company has identified significant areas at Nickol River that are highly weathered and free-dig from surface to depths of between 2 to 6 metres that would potentially be amenable to bulk scale mining and processing using a modern gravity plant for gold and platinum recoveries.

Previous trial mining operations at Nickol River, as reported by Sir Samuel Mines NL listing Prospectus, noted that in 1984 a 10 tonne per hour plant tested 600 tonnes of surface material yielding a recovered grade of 0.33 grams per tonne of gold ("g/t Au") and in 1985 a bigger 40 tonne per hour pilot plant processed 42,500 tonnes of surface material that yielded a recovered grade of 0.15 g/t Au.

There are currently no JORC compliant resources at Nickol River as the previous work outlined in the 1980's in the Sir Samuel Mines NL Prospectus was published prior to the existence of JORC.

A Programme of Works (“POW”) has been submitted to the Western Australian Department of Mines and Petroleum (“DMP”) for an extensive trenching and pitting programme. This will be used for detailed grade control purposes prior to commencement of mining and processing operations and this work will be aimed at providing advanced grade and tonnage scheduling for the processing plant.

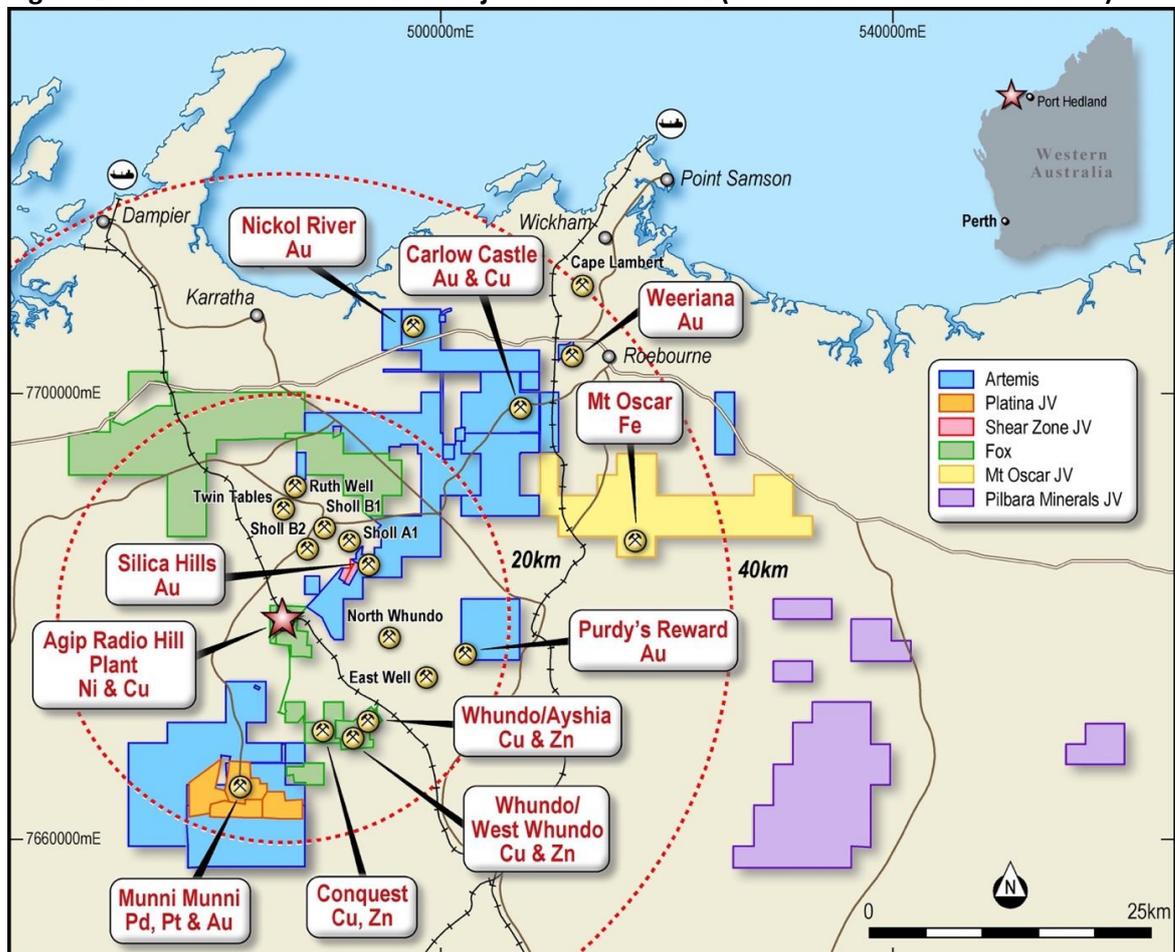
The company has applied to convert its 38.7 hectare Prospecting Licence (P47/1518), which covers the main Samantha, Tozer’s and Boiler Prospects, to a Mining Lease and a heritage survey from the Ngarluma Aboriginal Corporation has been requested. The Company expects both of these to be obtained during Q1 2017.

Artemis has a total of around 1,500 hectares of approved and pending licences in the Nickol River area (Figure 2). The miscellaneous licences are held by other holders, with Artemis retaining mineral rights.

More recent work completed by Artemis in 2012 and released to the ASX in the December 2012 Quarterly Report included auger soil sampling in the western portion of the P47/1518, and limited rock chip sampling. The auger sampling identified broad gold anomalies, with a maximum assay result of 6.9 g/ t Au. The rock chip sampling completed also returned anomalous Au, with results of up to 14.8 g/t Au from the Samantha Lode. The work completed by Artemis confirmed the tenor of gold mineralisation as identified in historic work. The historic work included 58 Reverse Circulation Drill holes, mapping and soil sampling. The POW submitted to DMP for detailed grade control work is designed to convert the historic work to JORC standard.

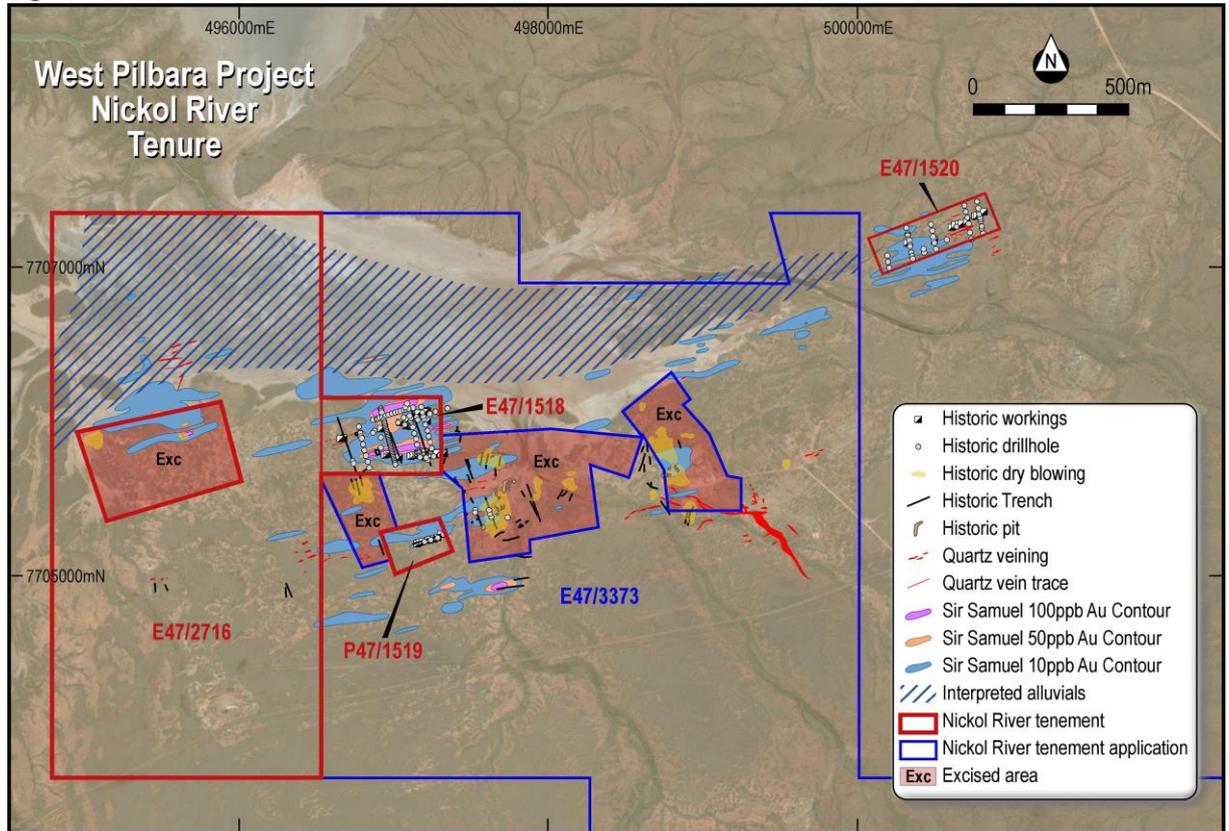
The historic drilling also identified numerous gold bearing lodes within fresh rock which need to be followed up.

Figure 1: Artemis’s Tenements and Projects near Karratha (incl. Fox Resources Tenements)



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Figure 2: Artemis's Nickol River Tenements



BACKGROUND INFORMATION ON ARTEMIS RESOURCES

Artemis Resources Limited is a resources exploration and development company with a focus on its prospective West Pilbara (gold, base metals, platinum and platinum group elements) and Mt Clement-Paulsens (gold) projects in Western Australia. On 16 December 2016, Artemis announced the signing of a binding conditional agreement (“Agreement”) with Fox Resources Limited (“Fox”) for a 3 month exclusive option to buy their fully permitted AGIP 425,000 tpa Radio Hill nickel and copper operations, processing plant and associated mining and exploration tenements with significant existing JORC 2004 and 2012 compliant resources of Nickel, Copper and Zinc situated within a 15 km radius of the Radio Hill plant, for a total consideration of \$3.5 million. The Radio Hill Plant is located 35 km south of Karratha in the Pilbara Region of Western Australia.

CONTACTS

For further information on this update or the Company generally, please visit our website at www.artemisresources.co.au or contact:

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COMPETENT PERSONS STATEMENT

The information in this document that relates to Exploration Results and Exploration Targets is based on information compiled or reviewed by Edward Mead, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Mead is a Director of Artemis Resources Limited and is a consultant to the Company, and is employed by Doraleda Pty Ltd. Mr Mead has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Mead consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

FORWARD LOOKING STATEMENTS AND IMPORTANT NOTICE

This report contains forecasts, projections and forward looking information. Although the Company believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions it can give no assurance that these will be achieved. Expectations, estimates and projections and information provided by the Company are not a guarantee of future performance and involve unknown risks and uncertainties, many of which are out of Artemis' control. Actual results and developments will almost certainly differ materially from those expressed or implied. Artemis has not audited or investigated the accuracy or completeness of the information, statements and opinions contained in this presentation. To the maximum extent permitted by applicable laws, Artemis makes no representation and can give no assurance, guarantee or warranty, express or implied, as to, and takes no responsibility and assumes no liability for (1) the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omission from, any information, statement or opinion contained in this report and (2) without prejudice to the generality of the foregoing, the achievement or accuracy of any forecasts, projections or other forward looking information contained or referred to in this report.

Investors should make and rely upon their own enquiries before deciding to acquire or deal in the Company's securities.

JORC Code, 2012 Edition – Table 1 Nickol River

Section 1: Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> A manual grab sampling technique from bottom of hole was used to obtain a 0.5-1.5kg sample for submission to the laboratory for Fire Assay/ICP analysis. No field duplicates, standard or blank samples were submitted for analysis.

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Criteria	JORC Code explanation	Commentary
Drilling techniques	<ul style="list-style-type: none"> • <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> 	<ul style="list-style-type: none"> • Small power auger mounted on rear of quad motorcycle
Drill sample recovery	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	<ul style="list-style-type: none"> • No details on sample recovery or detailed geological logging is available.
Logging	<ul style="list-style-type: none"> • <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • Samples were not logged by a geologist. • It is not considered that these samples will be used to support appropriate Mineral Resource estimation, mining studies or metallurgical studies. • Logging not completed.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • The random sampling of subsurface soil is considered representative of the mineralisation present in the target lithological units. • No field duplicates were collected for analysis. • A sample size of 0.5-1.5kg was collected and considered appropriate and representative for the grain size and style of mineralisation
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> • Genalysis/Intertek Laboratories (Perth) were used for all analysis work carried out on the Artemis Resources Ltd auger samples. The laboratory techniques below are for all samples submitted to Genalysis/Intertek and are considered appropriate for the style of mineralisation defined at the Nickol River Project: <ul style="list-style-type: none"> ○ AR10/GF (10g Aqua-Regia digest – Graphite Furnace AAS Finish) ○ Au Repeats AR10/SAA (10gm Aqua-Regia digest, solvent extraction AAS finish. ○ Ag, As, Co 4A/MS (4 acid digest, ICP/MS finish)

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> ○ Cr, Cu, Fe, Ni, Pb, Zn 4A/OE (4 acid digest, ICP/OES finish). ● Total digestion technique. ● Internal laboratory controls only.
Verification of sampling and assaying	<ul style="list-style-type: none"> ● <i>The verification of significant intersections by either independent or alternative company personnel.</i> ● <i>The use of twinned holes.</i> ● <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> ● <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> ● Data compilation and verification of historic exploration data is ongoing. ● No adjustments of assay data are considered necessary.
Location of data points	<ul style="list-style-type: none"> ● <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> ● <i>Specification of the grid system used.</i> ● <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> ● A Garmin GPSMap62 hand-held GPS is used to define the location of the auger sample locations. Standard practice is for the GPS to track the location of the user constantly and the location of the auger samples are recorded electronically as 'waypoints' at the time of sampling. Sample locations are considered to be accurate to within 5m. ● Grid system used for Artemis Resources Ltd sampling is MGA 94 (Zone 50)
Data spacing and distribution	<ul style="list-style-type: none"> ● <i>Data spacing for reporting of Exploration Results.</i> ● <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> ● <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> ● Auger sites were on 25m apart with sample lines 50m apart. ● Data from auger samples will not be used in resource and reserve estimations. Sampling is based on specific geological targets to understand geochemical distribution. ● No sample compositing is used in this report.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> ● <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> ● <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> ● Samples traverses were orientated north-south as most lodes and the geological sequence strike east-west. ● As the sampling was targeting specific lithologies, to understand the distribution of geochemistry within different rock types and alteration types, there may be some bias in these samples.
Sample security	<ul style="list-style-type: none"> ● <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> ● The chain of custody is managed by the field operator who places calico sample bags in polyweave sacks. Up to 10 calico sample bags are placed in each sack. Each sack is clearly labelled with: <ul style="list-style-type: none"> ● Artemis Resources Ltd ● Address of laboratory ● Sample range ● Samples are then transported to Perth via road Freight

Criteria	JORC Code explanation	Commentary
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> No audit of auger sampling data has been completed to date. Data is validated when loading into the database.

Section 2: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> P47/1518, P47/1519, P47/1520, E47/2716 are granted tenements – 100% held by KML no2 Pty Ltd, a 100% owned subsidiary of Artemis Resources Ltd. P47/1126 and E47/3373 are application tenements – 100% held by KML no2 Pty Ltd, a 100% owned subsidiary of Artemis Resources Ltd. All tenements are in good standing and no known impediments exist. See map elsewhere in this report for locations.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Historic gold production is known from Nickol River through small-scale mining and dry-blowing activities, estimated production is 13kg of gold between 1900-1911. Trial mining operations at Nickol River in 1984, with a 10 tonne per hour plant tested 600 tonnes of material, yielded a recovered grade of 0.33 grams per tonne of gold (“g/t Au”) and in 1985 a bigger 40 tonne per hour pilot plant processed 42,500 tonnes of material that yielded a recovered grade of 0.15 g/t Au. Samantha Exploration NL completed 21 reverse circulation drillholes following trenching, soil sampling and mapping activities in period 1984-5. In 1989 Vince Roberts & Associates completed a further 22 reverse circulation drillholes. During 1990-94 Sir Samuel Mines NL explored the area completing extensive soil sampling programs and an aeromagnetism survey. In 1994 Moonstone Resources NL completed 95 RAB holes and 36 reverse circulation drillholes within the area.

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> All exploration and analysis techniques conducted by the parties are considered to have been appropriate given the available techniques at the time.
Geology	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> At Nickol River coarse gold mineralisation is thought to be present as the basal remnants of a supergene enriched zone developed during lateritisation, with primary mineralisation originally emplaced along a fault/shear zones. At Nickol River, gold mineralisation has been identified as being associated with ultramafic lithologies. As exploration is at an early stage at Nickol River, further work is required to determine the geological setting and provenance of the gold mineralisation.
Drill hole Information	<ul style="list-style-type: none"> <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i> <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<ul style="list-style-type: none"> Collar easting and Northing co-ordinates were recorded, elevation data from GPS is regarded as unreliable and disregarded. All holes were vertical and the majority of samples were collected in the depths of 0.3-0.5m; a limited number were at 0.6m depth.
Data aggregation methods	<ul style="list-style-type: none"> <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> No upper or lower cut-off grade was applied. No metal equivalents are used for reporting.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>If it is not known and only the down hole lengths</i> 	<ul style="list-style-type: none"> The auger sampling was to indicate the areal dispersion of gold from the primary sources and identify the locations of the primary zones. Detailed review to identify the

Criteria	JORC Code explanation	Commentary
	<i>are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i>	primary zones does not appear to have been completed.
Diagrams	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> • Appropriate maps and sections are available in the body of this announcement.
Balanced reporting	<ul style="list-style-type: none"> • <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> • Reporting of results in this report is considered balanced.
Other substantive exploration data	<ul style="list-style-type: none"> • <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> • No other significant exploration work has been done by Artemis.
Further work	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions, depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • Artemis has plans in place to follow-up this mapping and sampling with further geochemical sampling, trenching, and drilling. POW applications have recently been lodged for this work at Nickol River.