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ASX Code: ARV



## ARTEMIS DECEMBER 2017 QUARTERLY REPORT

### **Highlights: Quarter Ending 31 December 2017**

#### **Purdy's Reward (Gold):**

- Core drilling confirms strong continuity of conglomerates.
- Conglomerate sequence ranges from 4-15m in true thickness in the area that has been drilled.
- Use of large diameter drilling investigated for sample collection.
- Approval received for 20,000 tonne bulk sample.
- Novo completes initial expenditure commitment and Joint Venture goes live.

#### **Mt Oscar Wits (Gold):**

- Anomalous gold mineralisation now confirmed over 14km strike length.
- Gold nuggets recovered from Project Area.
- Conglomerate rock chip samples up to 15.3 g/t Au and stream sediments up to 1.37 g/t Au.
- Six new strongly anomalous gold areas have now been mapped in detail over a 5km strike length associated with conglomerates below the Mt Roe Basalts.
- Geological mapping shows continuity of prospective conglomerate units.

#### **Carlow Castle (Cobalt/Copper/Gold):**

- New significant sulphide zone discovered by drilling at Carlow Castle.
- 8m @ 9.09g/t Au, 0.34% Co and 2.85% Cu, from 76m in ARC048
- Discovery located 400m east of previous limits of drilling.
- Sulphides visible from 65m to 87m down hole.
- Discovery drilled under previously identified copper/cobalt/gold RAB anomaly.
- Indicates geochemistry will be an effective exploration tool at Carlow Castle.
- Drilling is ongoing and will now be expanded to provide information for a JORC compliant Cobalt/Copper/Gold resource at Carlow Castle.

***Radio Hill: (Processing Facility and Nickel/Copper/Cobalt)***

- Refurbishment program of Radio Hill metallurgical complex commences.
- Radio Hill will be refurbished as a cobalt/copper/nickel/zinc sulphide ore processing facility with a new gold recovery circuit.
- Provide multi-commodity processing facility for Artemis' regional deposits.
- Radio Hill is a fully permitted processing facility.
- Stage 1 upgrades planned for 500,000 tonne per annum processing capacity.
- New gold circuit to be installed and integrated into the plant.
- 81 hole (9,000 metre) RC drill programme planned to design open pit to a vertical depth of 70 metres.
- Radio Hill remains principally unmined from a depth of 70 metres to near surface.
- Outcrop position (Test Pit) is only 400 metres from the Radio Hill plant.
- Fully approved Mining Lease with Heritage Agreements and Aboriginal heritage surveys in place.
- Drill rig was onsite for 10 January 2018.
- Plans to drill primary sulphide mineralisation to measured/indicated JORC category.

***Whundo (Copper):***

- Initial sale of stockpiled initial copper completed.
- Work continues on identifying additional oxide copper ore for potential sales.

***Silica Hills (Gold):***

- Since the release on the 29 September 2017, a further estimated 3.6kg (115 ounces) of specimen gold has been recovered from Artemis's Silica Hills Gold Project.
- Gold is located within quartz reefs/pods within a shear zone at Silica Hills, 12km north of Purdy's Reward.
- Exploration continues to pay for itself, and Artemis now has enough geological information to design a drill programme.
- A Programme of Work (POW) for drilling was submitted.
- POW for test trenches and pits to the north of Silica Hills has been approved.

***Munni Munni (Platinum Group/Gold):***

- Significant Fortescue Group sediments identified overlying Munni Munni PGE deposit.
- 20km south-west of Purdy's Reward and along trend.
- Munni Munni has approved Mining and Exploration Licences.
- Heritage agreements, heritage surveys and POWs are already in place.
- 2,218m of previously drilled Fortescue sediments identified in diamond core which has been stored at Munni Munni.
- 12,437m of RC drilling through the Fortescue sediments to be evaluated.
- 70:30 JV between Artemis and Platina Resources Limited (ASX:PGM).

**Nickol River (Gold):**

- Wet gravity gold plant to be relocated to Radio Hill

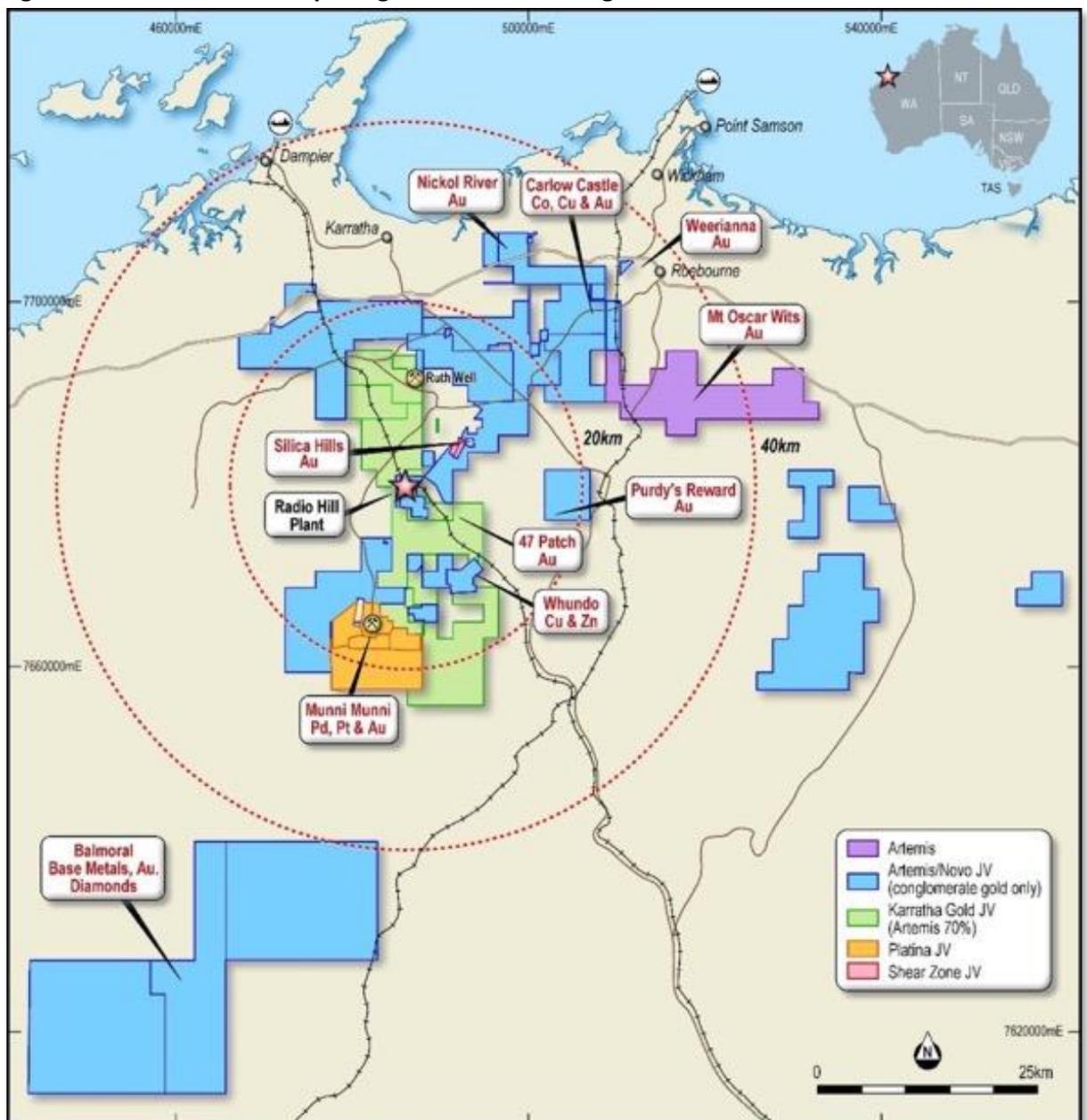
**Mt Clement Paulsens (Gold/Silver):**

- Work continues on studies for the development of heap leach open cut operations at Mt Clement.

**Elysian / Hardrock (Gold):**

- Artemis has acquired a 70% interest in 12 exploration licences and mining tenement applications.

Figure 1: Artemis' tenement package in the Karratha region of Western Australia



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### PURDY'S REWARD:

The initial 12 diamond core holes were drilled in a 400x200m area targeting conglomerate zones. These conglomerate sequences ranged from 4-15m in true thickness. The diamond core provided valuable data on the gold-bearing conglomerate layer – between the >3.0 billion-year-old metamorphic and intrusive rocks and the 2.78-billion-year-old Mt Roe Basalt.

Figure 2: Map showing diamond core drilling at Purdy's Reward.

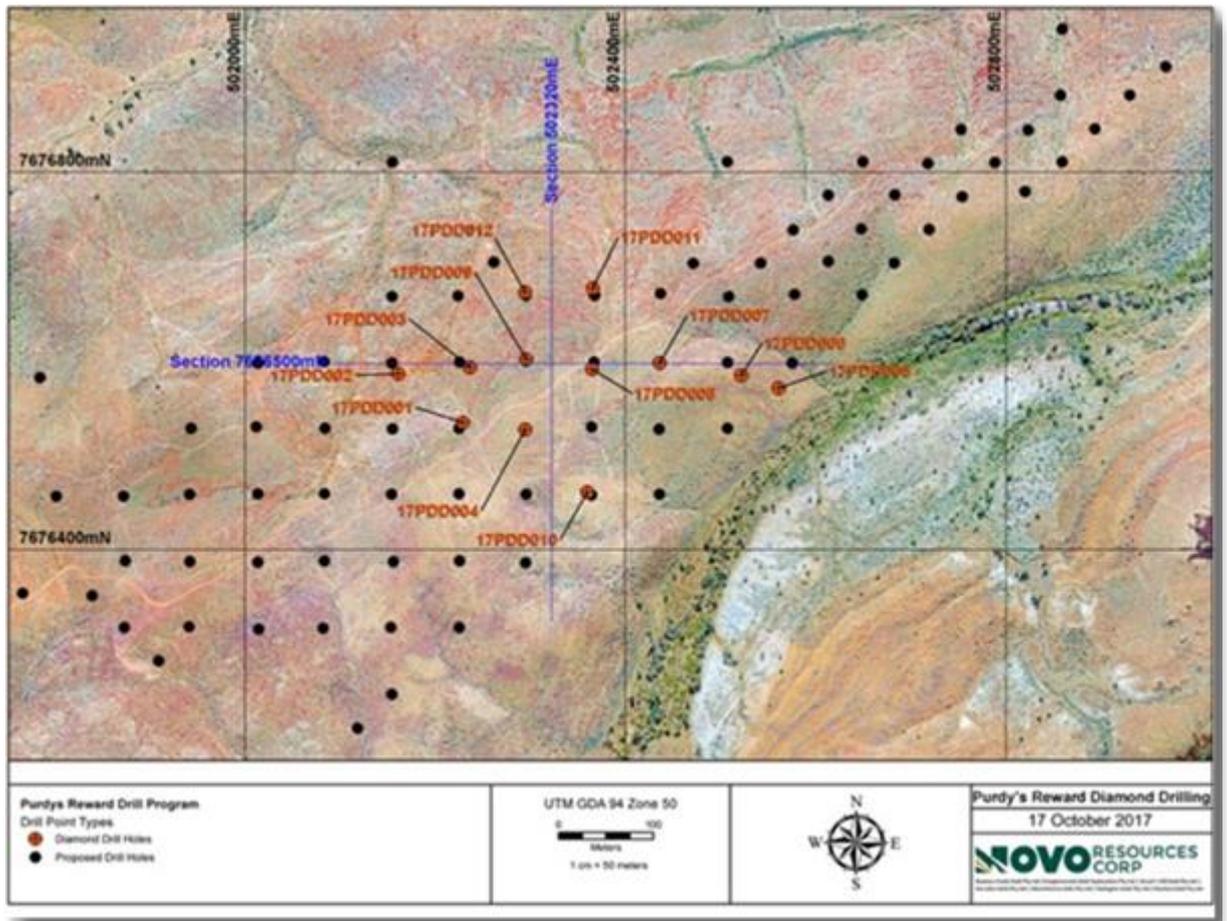


Figure 3: Uncut core from diamond drill hole 17PDD007. The interval begins at 9.55m and ends at 28.91m.

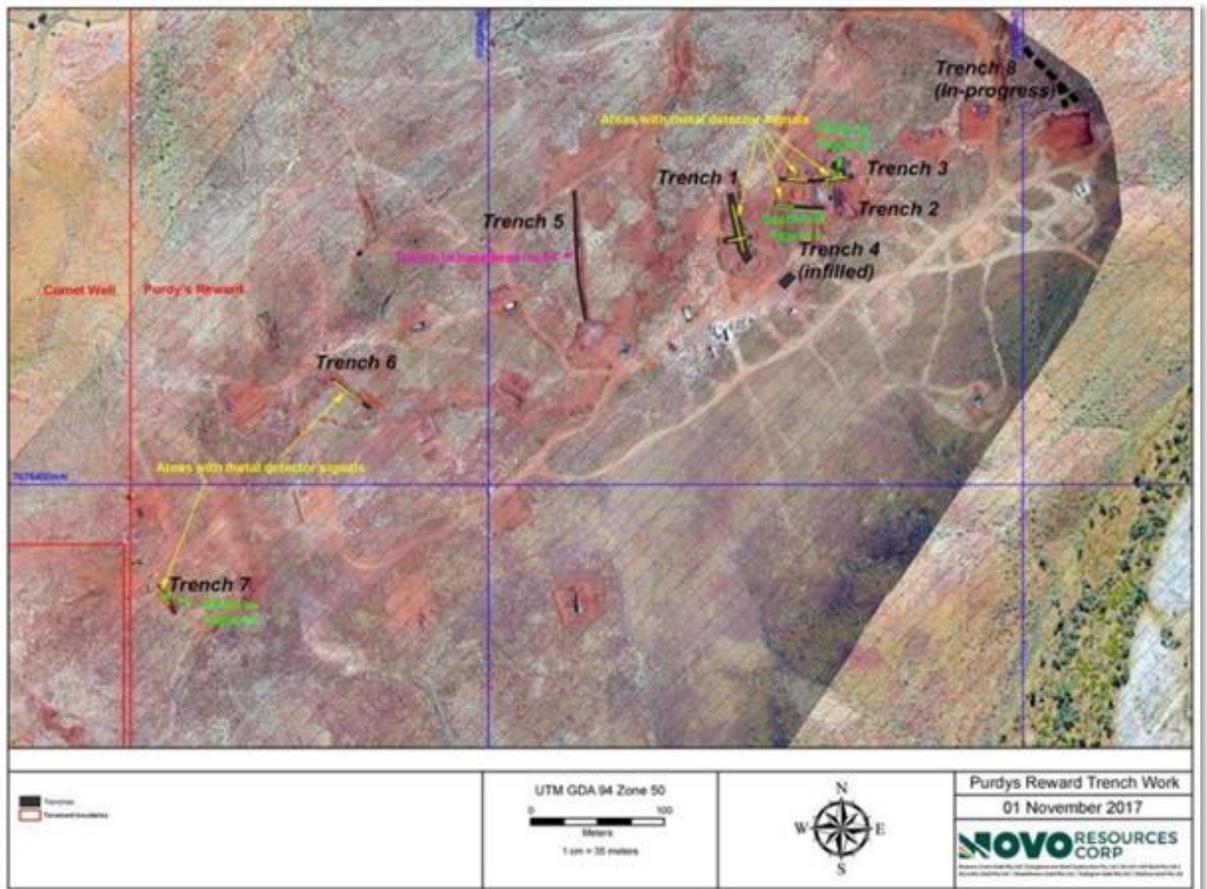


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Figure 4: Aerial of Trench 1 showing metal detector signals in red and basal conglomerate sample locations in white.



Figure 5: Map of trenches at Purdy's Reward.



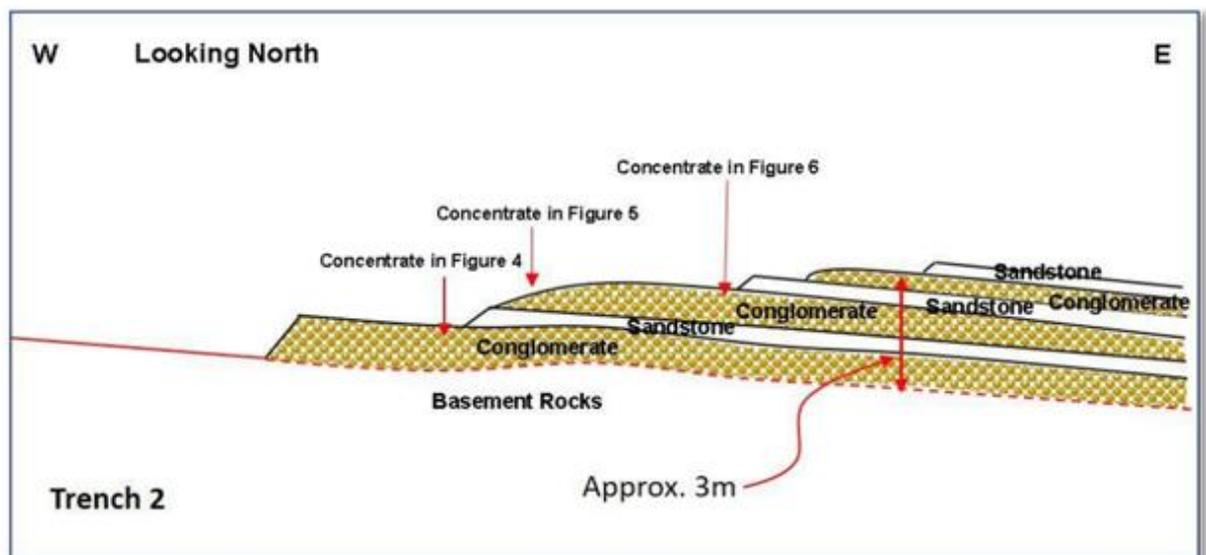
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Fine grain gold – not just ‘watermelon seeds’ – has been found throughout the multiple conglomerate layers. By 3 November 2017, we had seven trenches open for exploration. These trenches were 1-3m deep and all trenches (except Trench 5) encountered conglomerate units. Each trench was mapped and metal detected. Sampling is generally conducted in areas not metal detected (to avoid biased sampling). The gold mineralization at Purdy’s is generally coarse and nugget, but bulk samples have shown significant fine gold, less than 1mm. By 27 November 2017, Novo Resources had completed 60 diamond core drill holes along a corridor 1000m long and 100-400m wide. Geological logging is ongoing, and this was developed into a 3D model of Purdy’s Reward. The large diameter drilling wasn’t working as well as planned – this does not mean gold wasn’t detected - but that the drilling simply didn’t work. Hence, it was fortuitous that Artemis Resources applied for a Programme of Works (PoW) for a 20,000t bulk sample from the Department of Mines, Industry Regulation and Safety (DMIRS) prior to entering the JV with Novo. Then during the quarter, this PoW was approved and now Artemis and Novo can use this bulk sample to determine the gold grade at Purdy’s Reward.

By 22 December 2017, Novo Resources had completed 3,294 meters of scout diamond drilling in 69 holes testing approximately 1,550 m strike along the targeted conglomerate sequence – but the exploration focus has shifted away from drilling to trenching and bulk sampling. Additionally, we have published the initial 3D modeling of lithologies and received bulk sample results of:

- 15.7 g/t Au from a 304 kg sample of basal conglomerate from Trench 1;
- 17.7 g/t Au from a 371 kg sample of basal conglomerate from Trench 2; and
- 1.3 g/t Au from a 356 kg sample of conglomerate 40 cm above the basal contact

**Figure 6: A cross section looking north along the length of Trench 2 showing three stacked conglomerate horizons and interbedded sandstone. The lowest conglomerate unit rests on underlying older basement rocks. Three grab samples from this trench yielded fine gold particles when sieved and panned.**



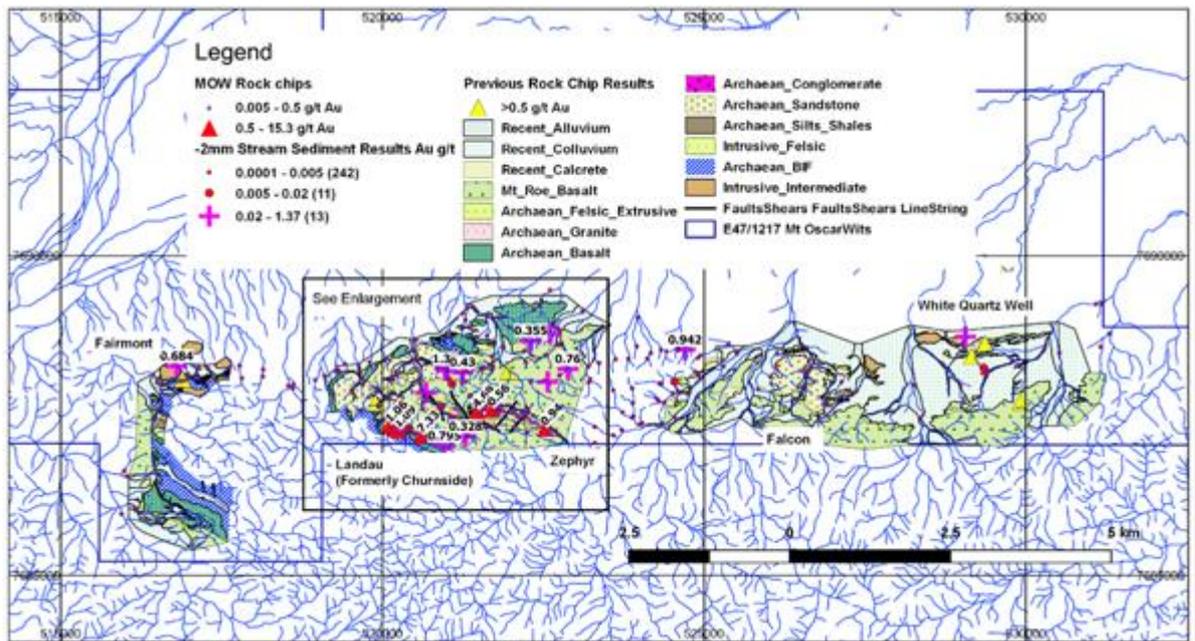
## Mount OscarWits:

A detailed stream sediment sampling program was completed along the east-west 14km strike between Fairmont and White Quartz Well, with 6 new anomalous areas for gold being identified, along conglomerate horizons below the Mt Roe Basalt. Detailed mapping has been completed over a cumulative 5km strike of conglomerates. Results received from rock chip sampling of conglomerate horizons in conjunction with detailed geological mapping of the area has extended the strike length of the Landau prospective zone and has identified an entirely new target area called Zephyr (Figures 7 and 8). Highest rock chip assay result in conglomerates from Landau returned 15.3 g/t Au<sup>1</sup> Work in this area is ongoing.

Geological mapping is still ongoing and the rock chip sampling programme has now been expanded to systematically assess further gold potential of the sedimentary sequences in the area.

Mapping to date has shown that the gold bearing conglomerate units appear to be far more extensive than previously indicated. The north dipping Landau zone, identified by previous rock chip and soil sampling, appeared to be about 200m in strike.

**Figure 7: Mt OscarWits prospective conglomerate sequence stretching 14km across the Fairmont, Landau and White Quartz Hill Prospects. 5km of mapped exposure to date.**



This has been extended to approximately 500 metres, with an anomalous stream sediment sample a further 300 metres a long strike, giving a total strike of 800 metres.

Geological mapping has also identified a parallel north dipping conglomerate zone approximately 1km to the northeast of Landau. This new unit has been named Zephyr and has been mapped over a 1km strike length and contains rock chip results up to 4.69 g/t Au. Work in this new area is ongoing.

### Stream Sediment Sampling Programme:

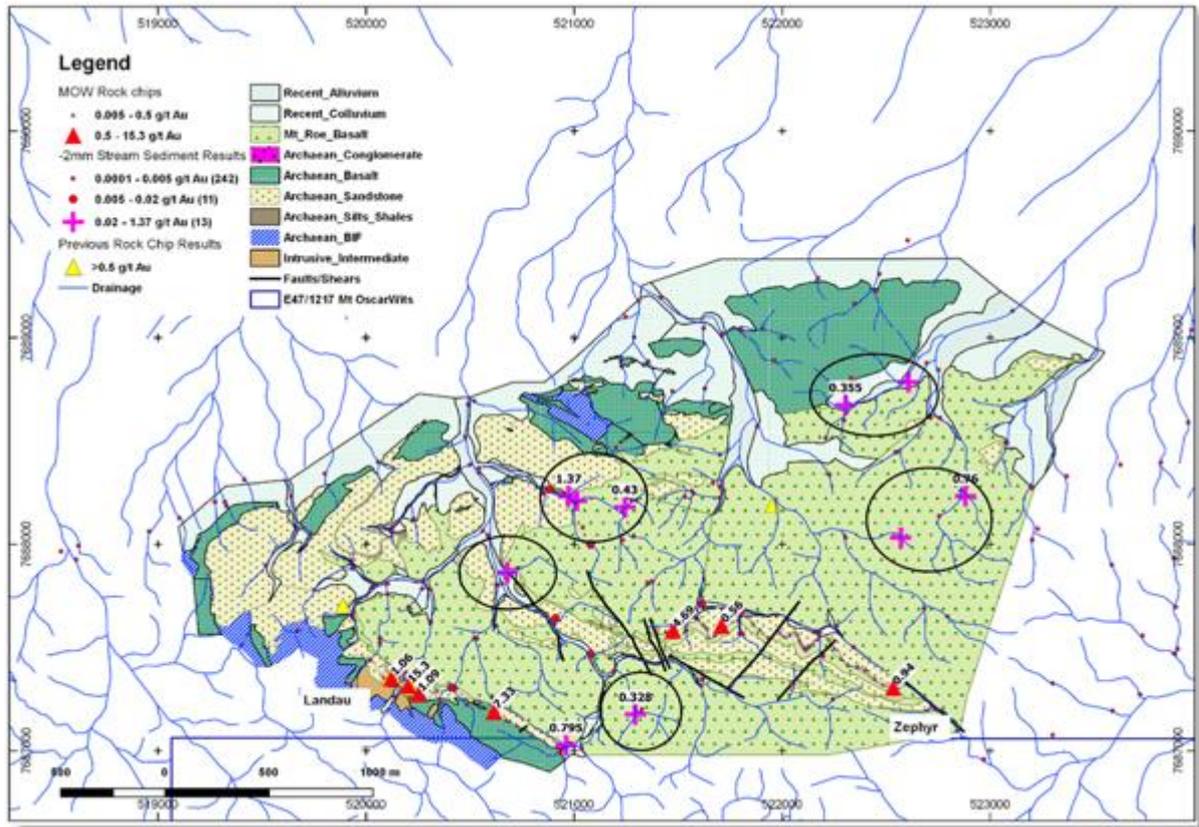
This recent stream sediment sampling at Mt OscarWits has proved to be highly effective, particularly with the strongly incised drainage system. A total of 274 samples<sup>2</sup> were submitted for analysis including QA/QC; each sample was collected from approximately 20cm depth in the creek gravels and

<sup>1</sup> Refer ASX announcement dated 23 October 2017

<sup>2</sup> Refer ASX announcement dated 23 October 2017

sieved onsite to -2mm with approximately 400g submitted for low level gold and multi-element analysis. Samples were pulverized to -75micron and analyzed using a 50g sample charge to an aqua-regia digest with gold determination by ICP MS (Inductively Coupled Plasma Mass Spectrometry). Artemis commissioned ALS in Perth for this sampling.

**Figure 8: Enlargement of the central area of Figure 7, showing rock chip and anomalous stream sediment results.**



**Table 1: Summary of Mt OscarWits Stream Sediments results.**

		Gold Assays g/t Au							
Assay	Samples	Element	min	75th Percentile	90th Percentile	95th Percentile	99th Percentile	Max	Range
"-2mm ST44"	AuME-266	Au g/t	0.0001	0.0025	0.0046	0.0184	0.7723	1.37	1.37

The Mt OscarWits program was based directly on exploration methods used on a stream sediment orientation sampling programme at Purdy's Reward. The maximum gold in the -2mm sample fraction using this ALS Global analytical technique at Purdy's Reward was 0.71 g/t Au (Table 2), the maximum value at Mt OscarWits to date is 1.37g/t Au (Table 1).

**Table 2: Summary of Purdy's Reward Orientation Steam Sediment results.**

		Gold Assays g/t Au							
Assay	Samples	Element	min	75th Percentile	90th Percentile	95th Percentile	99th Percentile	Max	Range
"-2mm AuME-ST44"	5	Au g/t	0.002	0.0089	0.4296	0.5698	0.682	0.71	0.698

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Figure 9: 8.3 grams of watermelon seed gold nuggets found at Mt OscarWits.



Gold nuggets have been recovered by metal detecting<sup>3</sup> at the Fairmont Prospect from the Mt OscarWits conglomerate trend. Mt OscarWits (E47/1217, Figure 1) is an approved Exploration Licence covering 117.8km<sup>2</sup>, and is located about 35km south-east of Karratha and 16km north-east of Purdy's Reward conglomerate hosted gold project.

Artemis has recently completed geological mapping, rock chip and stream sediment sampling at Mt OscarWits which identified extensive sequences of principally quartz and chert clast conglomerates with anomalous gold mineralisation confirmed over a 14km strike length. The discovery of these watermelon seed nuggets adds to the further prospectivity of Mt OscarWits conglomerate gold potential.

<sup>3</sup> Refer ASX announcement dated 14 November 2017

Figure 10: Mt OscarWits prospective conglomerate sequences mapped from the Fairmont Prospect through to the Churnside Prospects

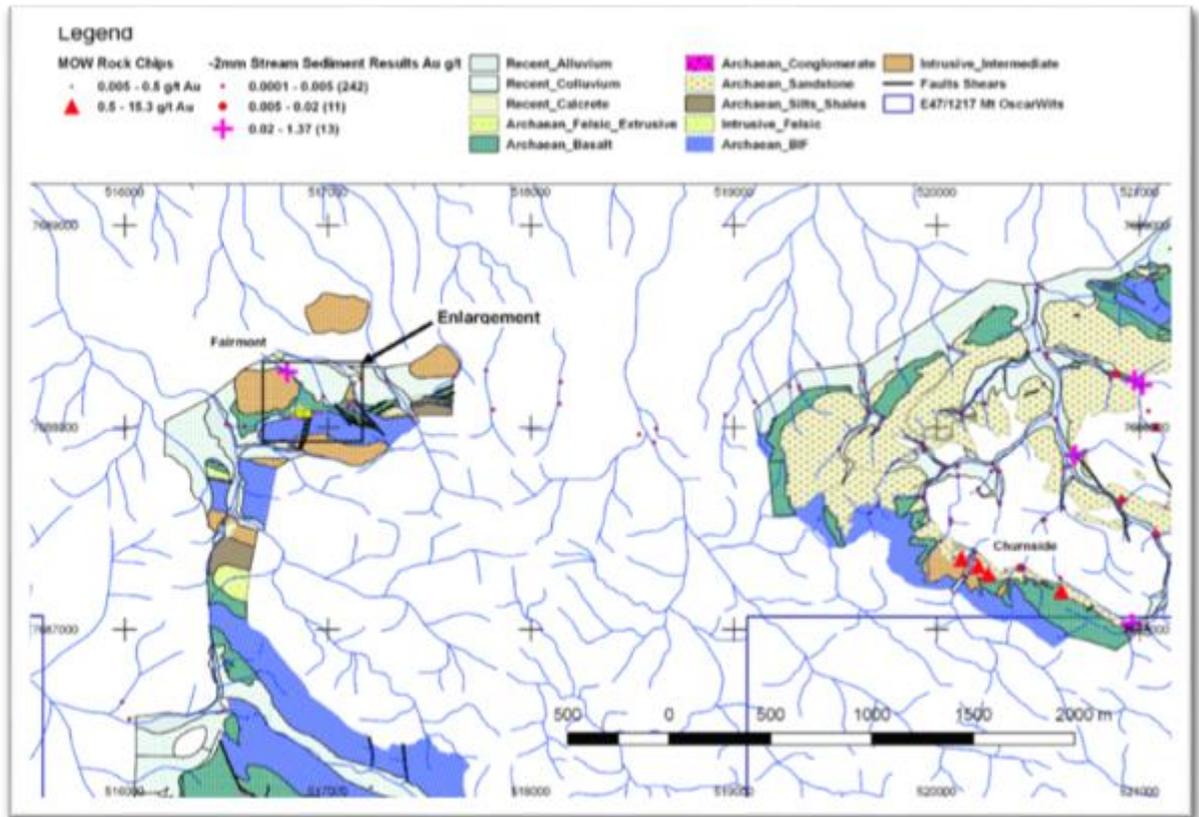
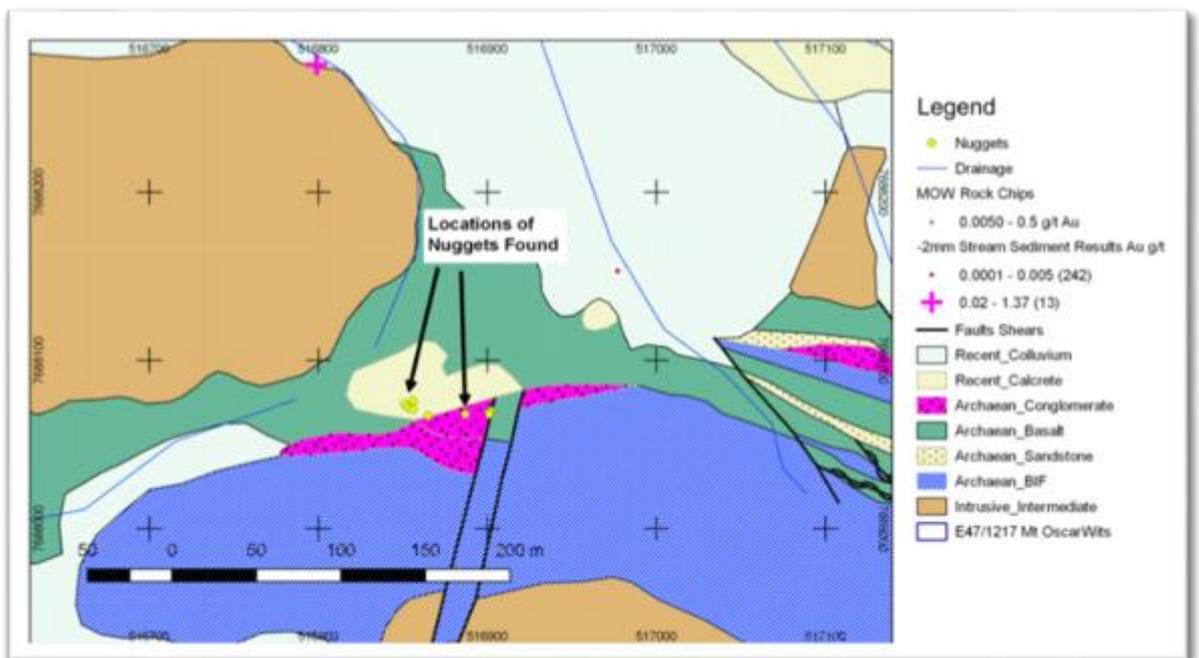


Figure 11: Enlargement of Nugget Discovery area (Refer Figure 10).



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### Carlow Castle:

The drilling at Carlow Castle has intersected significant sulphides 400m east of the previous limit of drilling. The Reverse Circulation (RC) drilling is testing the continuity of the Carlow South and Quod Est mineralised zones to extend them further along strike, and infill drill, to calculate a maiden JORC 2012 compliant resource for cobalt, gold and copper. The drilling is also to test a number of large geochemical and geophysical targets that were identified from an extensive shallow RAB programme<sup>4</sup> earlier this year.

**Figure 12: Significant Sulphides in RC drill chips from Hole ARC048 80m-83m downhole showing analytical results.**



Interval (metres)			
80	81	15.8	g/t Au
		0.63	% Co
		5.06	% Cu
81	82	22.2	g/t Au
		0.92	% Co
		5.41	% Cu
82	83	7.08	g/t Au
		0.51	% Co
		4.83	% Cu
83	84	1.82	g/t Au
		0.17	% Co
		1.89	% Cu

<sup>4</sup> Refer ASX Announcement date 20 June 2017

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A substantial copper, cobalt and gold anomaly identified from the RAB geochemical programme beneath 4.5m of transported clay, has intersected sulphides between 65m-87m downhole with significant visible sulphides being intersected between 80m-83m, as shown below in Figure 12, from ARC048. Results reported from ARC048 were fast tracked through the ALS laboratory.

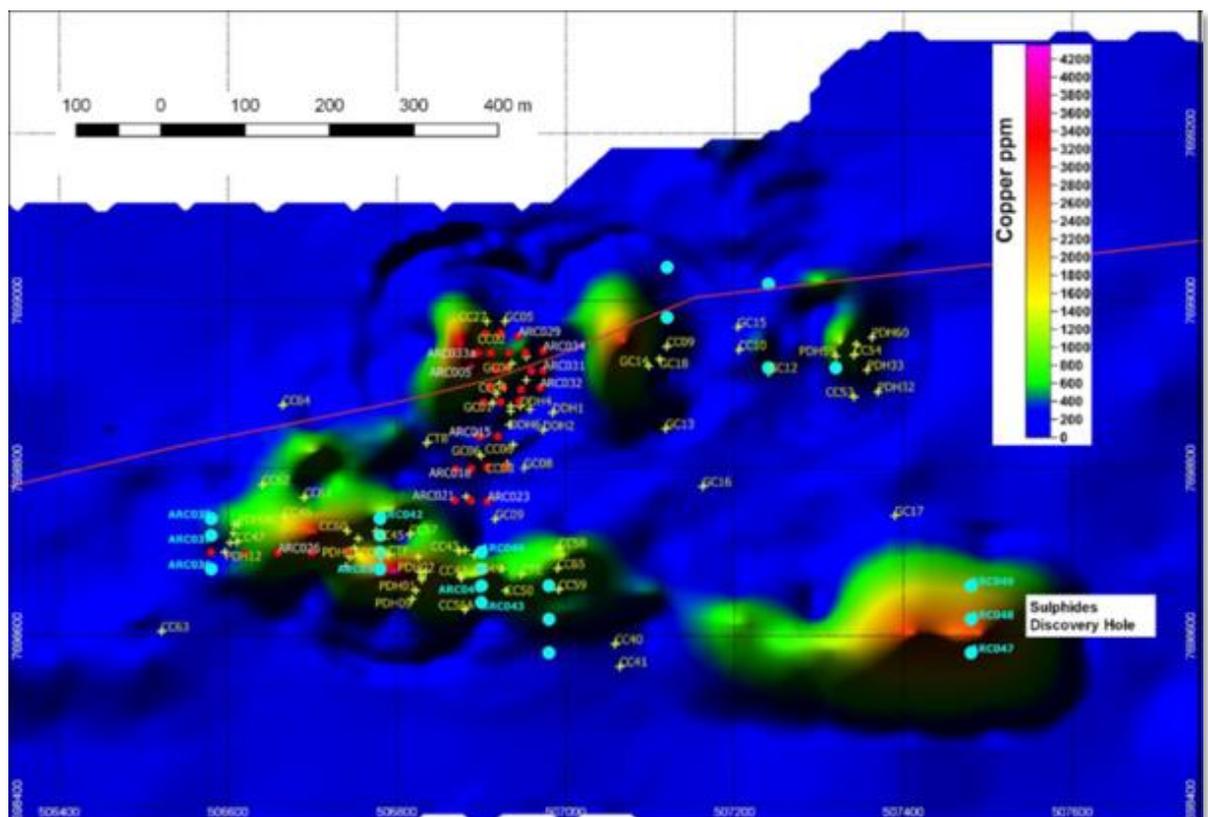
All mineralisation within the area is associated with sulphides, but until the drill samples are analysed the absolute importance of this intersection is uncertain.

The RC drilling is part of a 47 hole 4,600m program currently underway, which is designed to re-evaluate the cobalt potential of the Carlow Castle South trend<sup>5</sup>. Previous exploration focused on copper and gold mineralisation with cobalt being irregularly collected through the historical drilling programs.

Holes have been surveyed downhole using an Ezy Gyro unit, and collar surveys was surveyed when the program was completed.

Artemis was working on releasing the maiden cobalt mineral JORC 2012 compliant resource early in Quarter 1 of 2018.

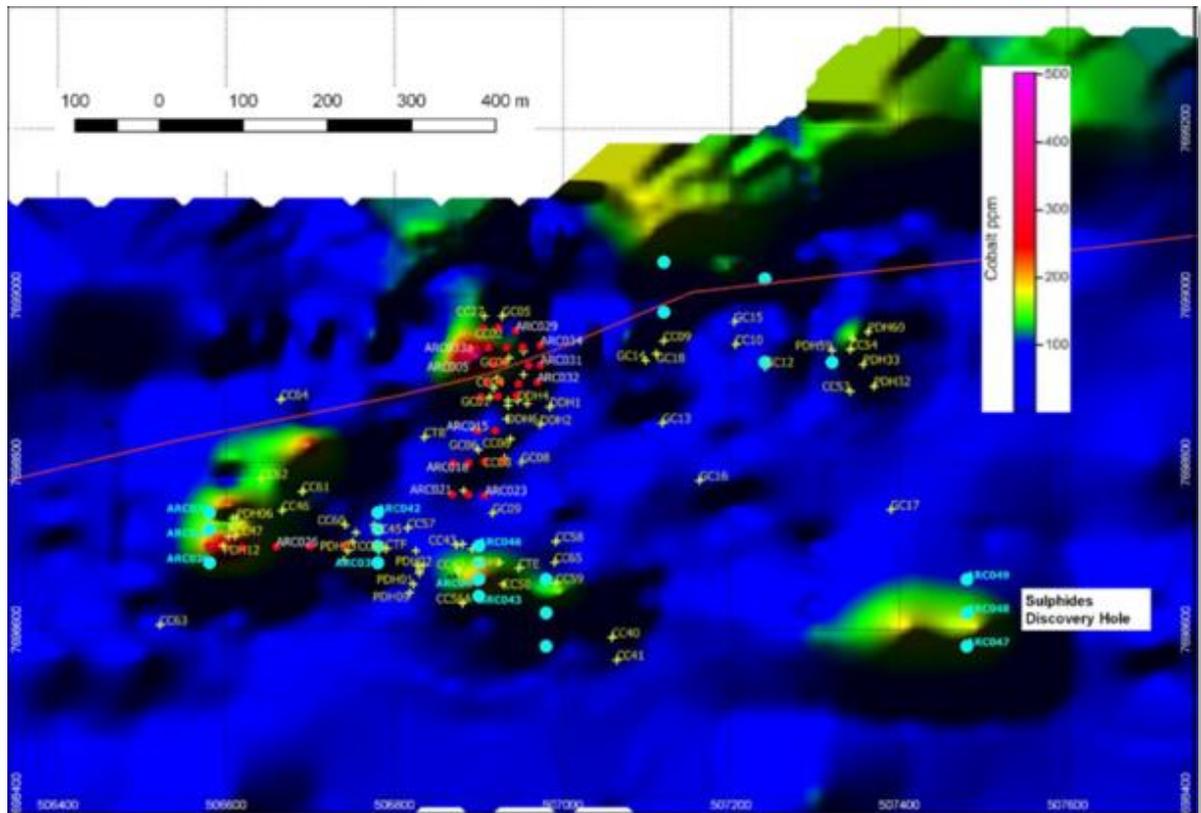
**Figure 13: Carlow Castle - Collar Locations on Copper RAB Geochemistry showing locations of Sulphides hole relative to previous drilling.**



<sup>5</sup> Refer ASX Announcement date 24 October 2017

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Figure 14: Collar Locations on Cobalt RAB Geochemistry showing locations of Sulphides hole relative to previous drilling.



### RADIO HILL:

Artemis has appointed experienced Western Australian based process engineers, Trinol Pty Ltd, as lead project managers to re-establish and re-commission the Radio Hill plant and infrastructure as a modern, world class treatment facility for the processing of base metal and gold ores.

It is intended that the refurbishment works, which are expected to take about nine months to complete, will be principally funded by a special purpose loan facility designed to minimise the impact on Artemis' current cash reserves. The Company has signed agreements with London institutional group, Riverfort Global Capital Ltd for an 18 month US\$4.5million (~\$6 million) funding package to assist with the Radio Hill Processing Plant refurbishment and upgrade programs<sup>6</sup>.

We are working towards having the plant fully operational as a combined base metals and gold processing facility by the end of June 2018.

The scope of the refurbishment is to fully update and upgrade the plant and support infrastructure to a modern and highly efficient processing facility. In addition to upgrading the crushing, grinding and floatation circuits, the plan is to install a new gold high recovery gold circuit capable of processing 500,000 tonnes per annum<sup>7</sup>. Planning for a phase two expansion will also be undertaken to double the plant's capacity in the near future.

<sup>6</sup> Refer ASX announcement dated 11 December 2017

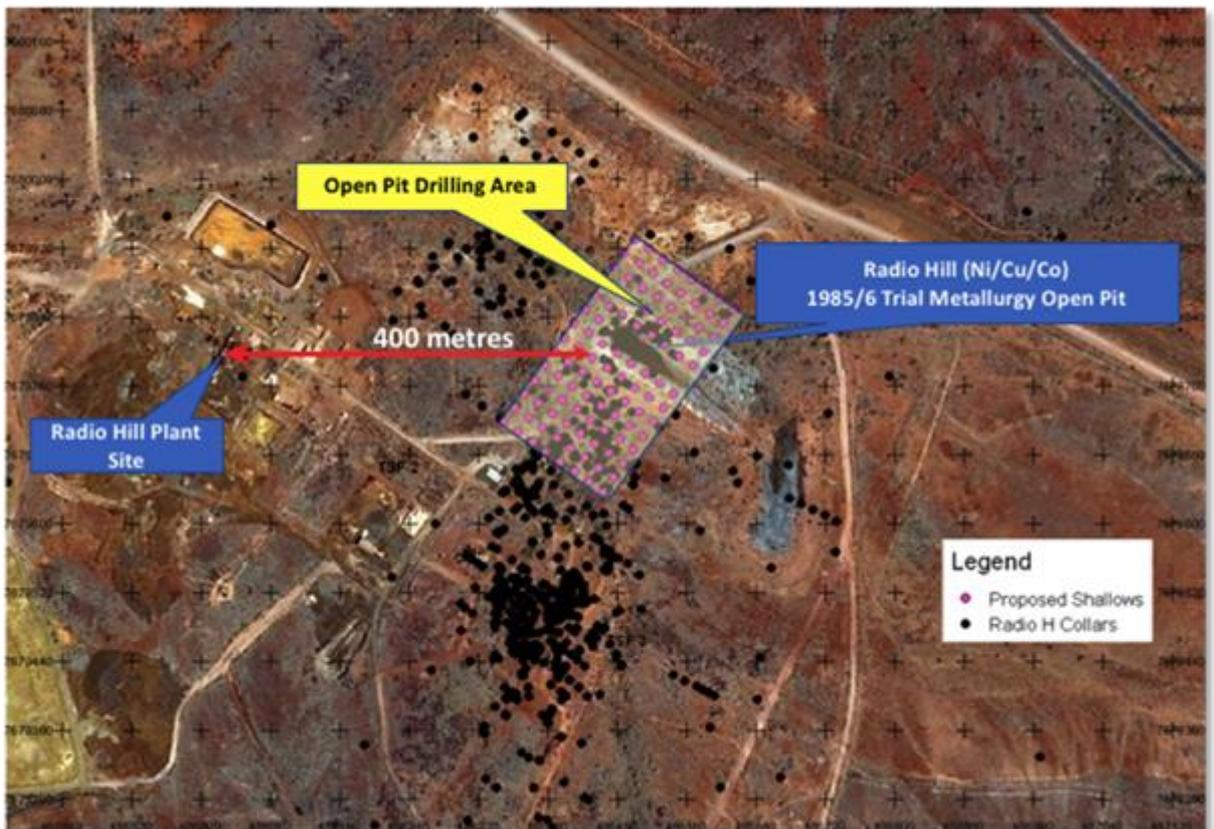
<sup>7</sup> Refer ASX announcement dated 27 November 2017

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Figure 15: Radio Hill Plant at dusk on Saturday 25 November 2017.



Figure 16: Radio Hill Mine Site – Drilling sites for defining near surface Ni/Cu/Co.



The Radio Hill mine (Ni, Cu, Co) and processing plant and infrastructure was purchased by Artemis in April 2017 with the aim of providing Artemis with regional processing capability, that can be used to process a range of ores from the Company's own projects in the West Pilbara region, including:

- Silica Hills, Weerianna- gold;
- Carlow Castle - cobalt, copper and gold (new JORC Resource expected January 2018);
- Munni Munni – PGE, nickel and gold (new JORC Resource expected early 2018);
- Radio Hill - copper, nickel, cobalt; and
- Other conglomerate gold deposits within close proximity to the plant.

The Radio Hill complex offers several key advantages for getting into production earlier and more cost effectively than would otherwise be possible:

- The site is permitted for operations;
- There is a permitted tailings storage facility on site;
- Existing infrastructure for mains power supply has been well maintained;
- Strong water supply from an existing bore field with proved capacity and quality; and
- Radio Hill is only 35km from Karratha so there is no need to establish expensive camps and associated infrastructure for the work force.

The existing Radio Hill plant, which has a nominal capacity of ~500 000 tonnes per annum, has been well maintained since it was put on care and maintenance in 2008. It consists of a two-stage crushing plant, primary grinding mills, two discrete multi-stage flotation circuits, separate concentrate filtration plants and a tailings thickener. A plant laboratory and fully equipped workshops have been maintained on-site.

Trinol and Process 26 had previously done a condition report on the facilities and this has enabled the current scope of works to be established with a high degree of confidence.

#### **Radio Hill Re-Start Plans:**

The Radio Hill plant has approximately 250,000 tonnes of stockpiled material available in the form of oversize, mill rejects, oxidised massive and semi-massive Run of Mine (ROM) material and copper supergene tailings from West Whundo copper supergene processing. This material has the advantage of being pre-mined and sitting on the ROM pad near the feed point to the plant. These stockpiles can simply be contract crushed and processed, resulting in a low operating cost as the material has no mining costs.

The Company is now in the process of sampling all of the available stockpiles on the ROM pad for their nickel, copper and cobalt grades. The results of this sampling programme are expected to be available in early 2018.

Work has also commenced on assessing the potential for open pitting the top of the semi-massive and disseminated nickel/copper/cobalt part of the Radio Hill ore body where it outcrops near to surface to find additional processing plant feed.

The WA Department of Mines, Industry, Regulation and Safety ("DMIRS") has approved a significant drilling programme at the Radio Hill Mine, which is designed to define new primary Nickel, Copper and Cobalt mineralisation amenable to open pit mining<sup>8</sup>.

Apart from the small quantities of ore extracted from the small Trial Pit for metallurgical purposes back in 1985/86 by AGIP, only minimal tonnages have been extracted from the top 70m of the Radio Hill mine, mainly from historical underground operations.

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<sup>8</sup> Refer ASX announcement dated 28 November 2017

Artemis is aiming to have the drilling completed during Quarter 1 of 2018 and pit designs and optimisation studies completed and costed prior to the Radio Hill Plant being operational by mid-2018.

Drilling will test for Nickel, Copper and Cobalt massive, stringer and disseminated mineralisation to a depth of 70m below surface around the original metallurgical Trial Pit at Radio Hill (Figure 16).

The RC drilling program consists of 81 drillholes with an initial plan to drill this area on a 40 metre x 40 metre spacing. The drilling will then move to infill on a 20 metre x 20 metre basis. Hole depth is based on generating an open pit design to a maximum depth of 70 metres below surface. Drilling will also extend below the proposed pit to both properly define the mineralised zones and locate any old underground mine voids to allow for safe mining.

### WHUNDO:

The mine gate sale of the stockpiled oxide copper ore was completed during the quarter.

Work is continuing on the identifying of additional oxide copper ore that may be subject to further mine gate sales.

### SILICA HILLS:

Exploration at Silica Hills has been ongoing over the past nine months and this work has increased our confidence in the project. Current work has exposed a quartz vein system style gold deposit within a silicified intrusive environment. Since the ASX release on the 29 September 2017 a further estimated 3.6kg (115 ounces) of quartz and gold specimen has been recovered via metal detecting from M47/177 (Figures 17 and 18).

**Figure 17: A sample of specimen quartz/gold nuggets recovered Friday 24th November from oxidised rock above primary quartz veins and stock work. 144.6grams (4.6oz) and 238.4 grams (7.7oz).**



The geology of the project is characterised by a poorly exposed quartz vein system within Archean felsic and mafic rocks, along a shear system. It is becoming more evident as work extends to the east, that the coarse nugget gold and quartz veins continue. The work over the past nine months has helped develop a strategy to further advance Silica Hills and Programme of Works have been approved.

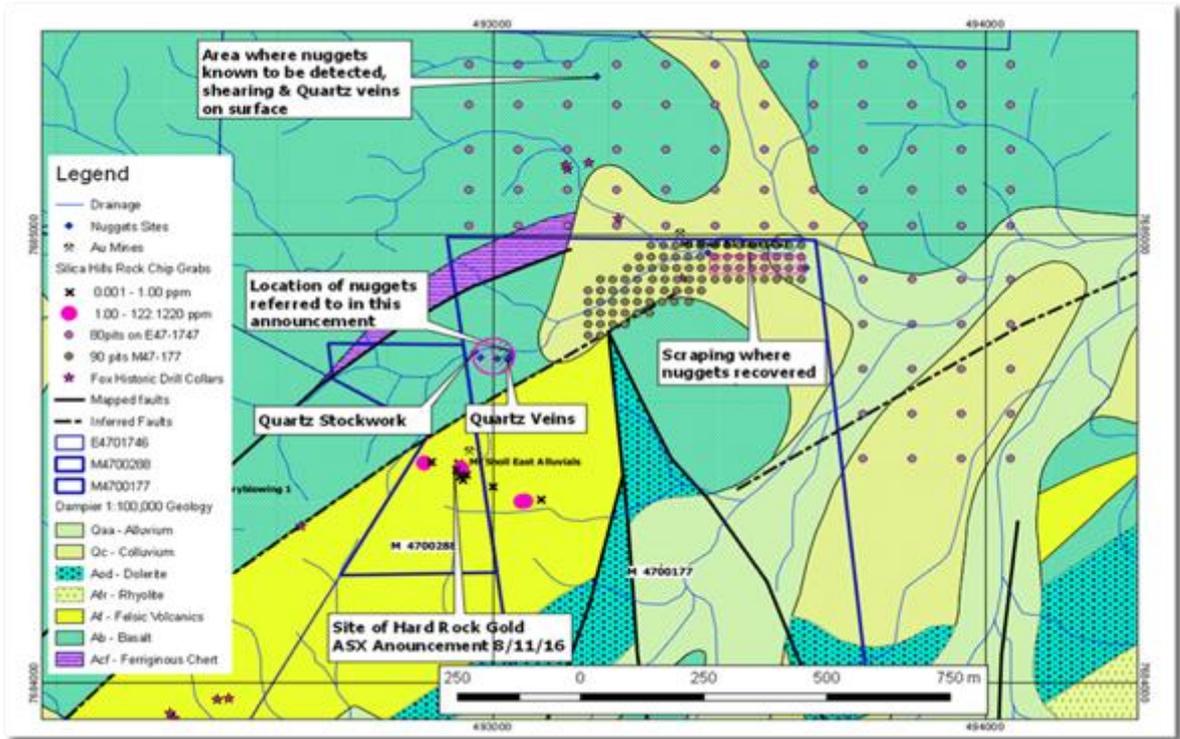
Approved POWs for Silica Hills currently:

1. POW 68872, was approved on November 8, 2017. Test pits (2m x 2m x 2m) over M47/177 (90 test pits, spaced 25m apart) and E47/1746 (80 test pits, spaced 100m apart);
2. POW 62538, is approved for access track refurbishment on M47/288, M47/177 and E47/1746;
3. POW 61308 was approved in December 2016, and allows for 71 RAB/Aircore drill holes on M47/177 (depth of 10m, spacing of 20m, disturbance area of 0.71ha), and for 75 RAB/Aircore drill holes on M47/288 (depth of 10m, spacing of 20m, disturbance area of 0.75ha); and
4. POW 58446 allows for a total of six trenches over M47/177 and M47/288, as approved in April 2016. Splitting the trenches over the two tenements, means we have disturbed tonnage allowances of 1560t (and 0.08ha) on M47/177 and 2040t (and 0.10ha) on M47/288.

**Figure 18: Examples of gold bars poured from Silica Hills nuggets and quartz/gold specimens.**



Figure 19: Map of the Silica Hills area showing distribution of nugget recovery areas and location of known quartz veins and stockwork, and proposed test pits.



The approved POW 68872, for Silica Hills consists of pitting on a 25 metre by 25 metre grid pattern over the north-eastern portion of M47/177 and on to the adjacent E47/1746 at 100m by 100m spacing, Figure 19. The pits are planned to have nominal 2m by 2m by 2m dimensions to reach basement and enable safe channel sampling conditions of the pit walls.

The work is intended to assist with understanding the gold distribution and structural orientation within quartz vein systems, which will assist in the design of a Reverse Circulation (RC) drill programme. A request for a heritage survey has also been submitted to Ngarluma Aboriginal Corporation. The intended target areas for ground disturbing activities are within areas not previously explored or disturbed by previous operators.

### Munni Munni:

The Company has identified significant Fortescue Group sediments over 16km of prospective contact with the Mt Roe Basalts, overlying Artemis's Munni Munni Platinum Group Element ("PGE") deposit. Munni Munni (Figures 15, 16 and 17) is the largest PGE resource in Australia and is located south of Karratha. The possibility of gold bearing sediments above the platinum/palladium deposit has never been considered until now.

Artemis has now determined that significant Fortescue Group sediments sit over major portions of the Munni Munni intrusive complex (MMIC) that hosts the Munni Munni PGE resource. The MMIC is the largest intrusion in the West Pilbara and hosts a JORC 2004 compliant Resource of: 24 Mt @ 2.9g/t

Platinum Group Element (PGE) + gold (1.4Mt Inferred, 9.8Mt indicated and 12.4Mt Measured) (0.83Moz platinum, 1.14Moz palladium, 152Koz gold and 76Koz rhodium)<sup>9</sup>.

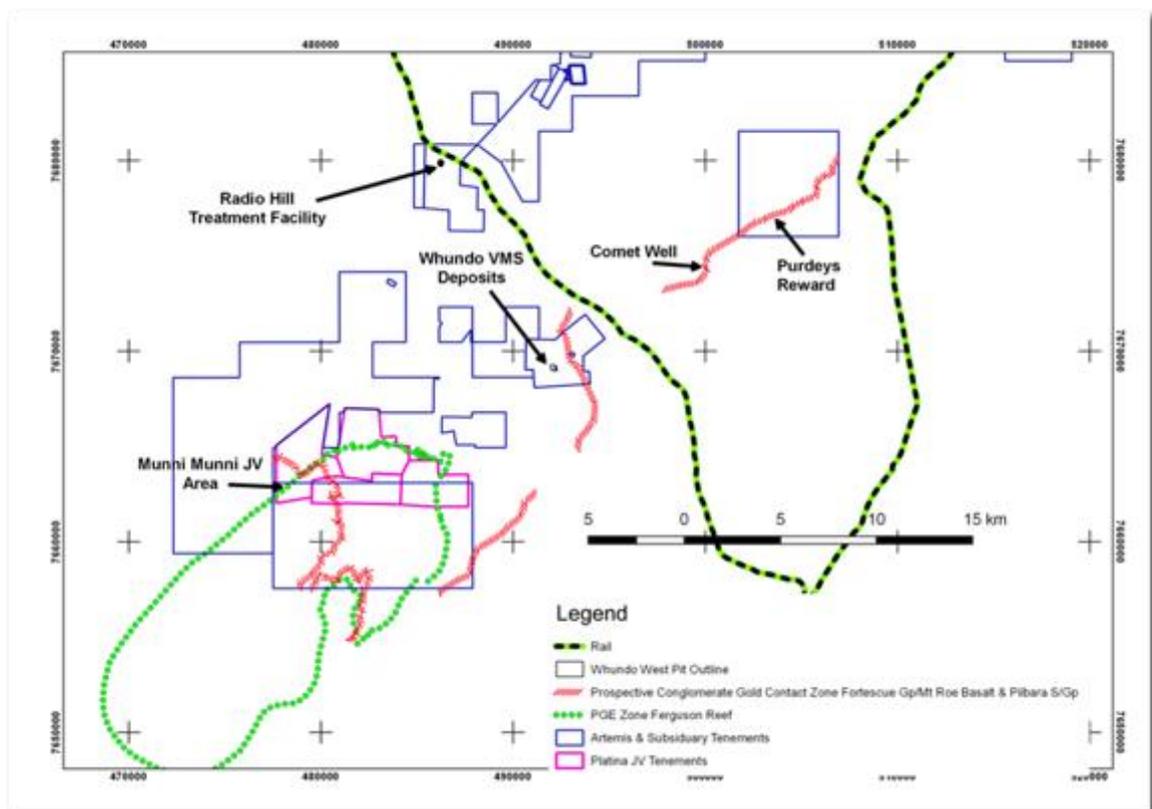
This revelation is significant, as the Fortescue Group sediments are considered to be the host to the gold bearing conglomerates currently being explored at Purdy's Reward, which is located along trend and only 20km to the north-east of Munni Munni.

Artemis has already identified a total of 2,218m of previously drilled Fortescue Group sediments in diamond core stored at Munni Munni, that is currently in the process of being relocated to our nearby Radio Hill operations base.

Accelerated exploration at Munni Munni is entirely possible as the project has the considerable advantage of sitting within 33.5 km<sup>2</sup> of approved Mining Leases and 42.5 km<sup>2</sup> of approved Exploration Licences, all with heritage agreements in place, approved heritage surveys in place and approved Programme of Works.

There has previously been a total of over 85,000m of drilling done (diamond core and RC) at Munni Munni, and we have commenced a complete review of the extensive diamond core and RC drill chips that are available on site at the Munni Munni core yard.

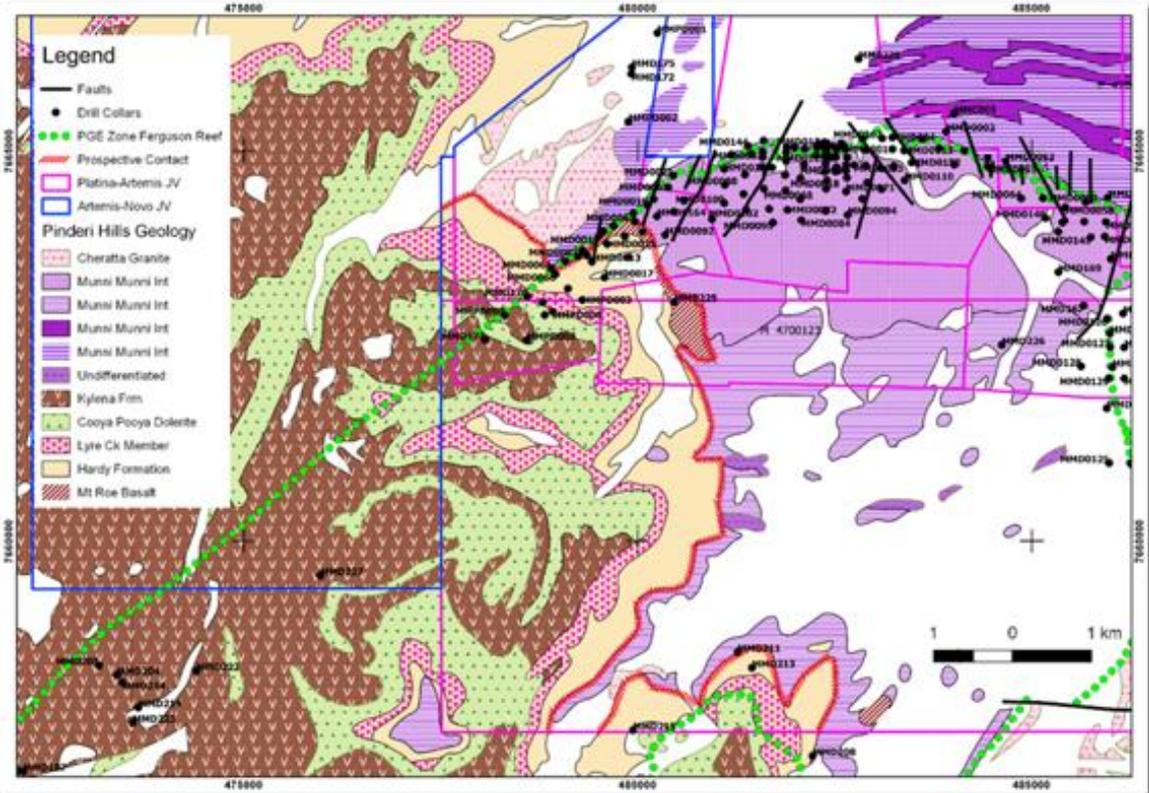
**Figure 20: Showing the close proximity of Purdy's Reward, Munni Munni, Whundo and the Radio Hill Treatment Facility.**



<sup>9</sup> Refer ASX announcement dated 6 November 2017 and ASX announcement dated 5 August 2015 "Artemis to earn majority interest in Australia's largest Platinum project." In accordance with Listing Rule 5.23.2, Artemis confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement referred to above, and that in the case of mineral resources that all material assumptions and technical parameters underpinning the estimates in the announcement referred to continue to apply and have not materially changed.

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Figure 21: Munni Munni area showing prospective contact between the overlying Fortescue Group and the Munni Munni Mafic Intrusive Complex



Artemis has already identified at least seven diamond drillholes which were cored from near surface through the Fortescue sequence to the Munni Munni Intrusive Complex. The material intersected in the holes was previously logged simply as Fortescue Group sediments and very little historic work was done on assessing its gold potential.

A substantial amount of data should also be retrievable from reverse circulation (RC) chip trays. Artemis has identified that approximately 12,437m of RC drilling has been drilled through the Fortescue sequence.

The Company has started to re-map and sample the prospective unconformity contact zone between the Fortescue/Mt Roe Basalt and the underlying Pilbara Supergroup basement.

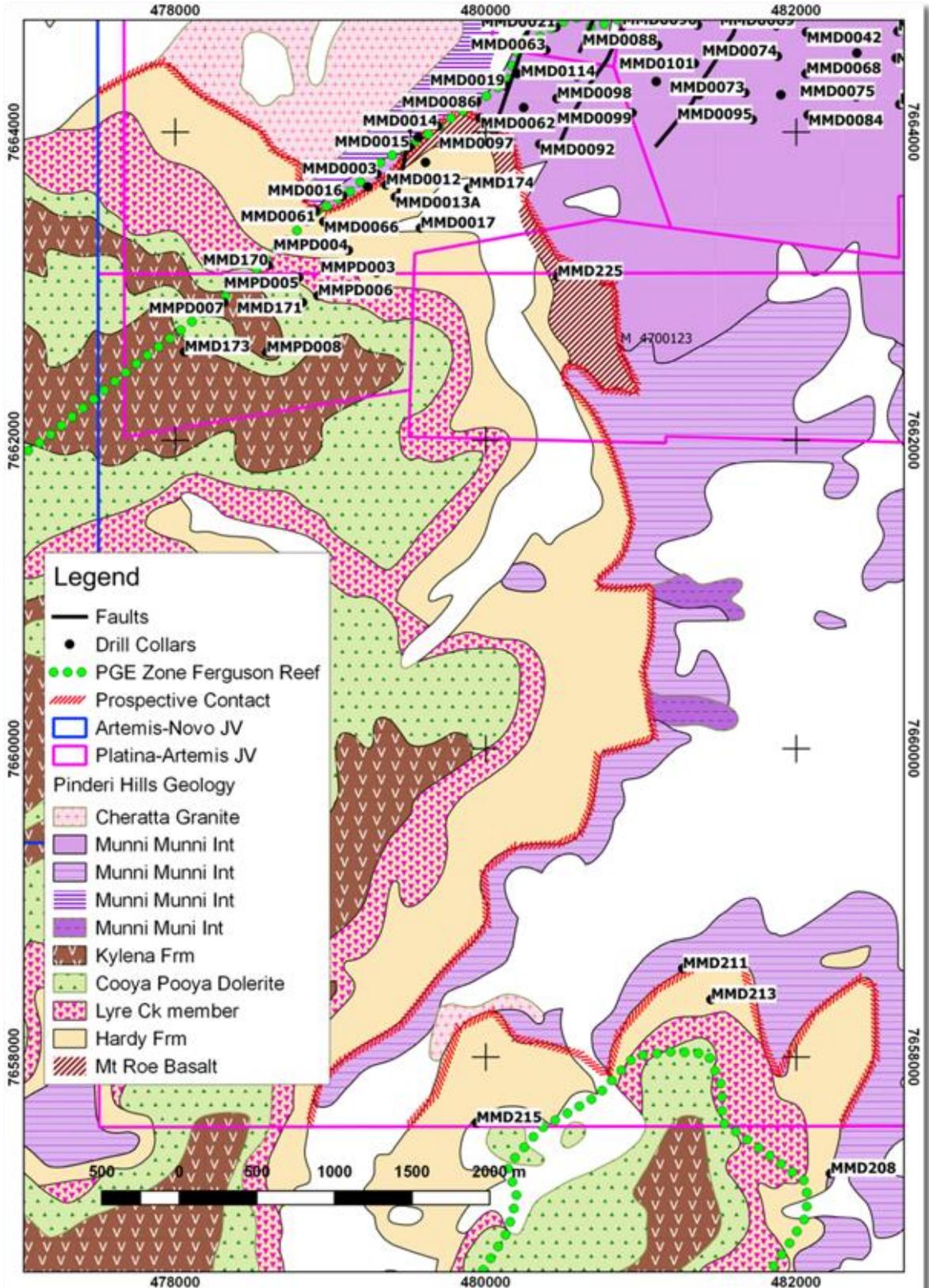
#### Tenure of the Munni Munni Project:

Artemis entered in to a binding agreement with ASX listed Platina Resources Limited ("Platina Resources") (ASX Code: PGM) on 5 August 2015, which provides for Artemis's wholly-owned subsidiary, Karratha Metals Pty Limited, to earn a 70% interest in the Munni Munni Project by spending \$750,000 over a three year period. During this earn in period, Karratha Metals Limited must keep the tenements in good standing. Once \$750,000 has been spent a 70/30 Joint Venture will be formalised with Platina Resources.

A royalty of \$400,000 is payable to Franco-Nevada Corporation on commercial mining production. Franco- Nevada Corporation is a Canadian company headquartered in Toronto with additional offices in the USA, Australia and Barbados - all of which are used to manage Franco-Nevada's leading gold-focused and other commodity royalty and streaming investments. Franco-Nevada shares trade on the Toronto Stock Exchange and New York Stock Exchange. Franco-Nevada, with a market capitalisation over Canadian \$18 Billion, owns and continues to grow a large, diversified portfolio of royalties. Upon

and subject to earning a 70% interest in the Project, Karratha Metals Limited shall assume the obligation to pay the royalty to Franco-Nevada.

**Figure 22: Enlargement of the central area of Figure 21, showing rock chip and anomalous stream sediment results.**



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### Nickol River:

The wet gravity gold plant at Nickol River underwent maintenance during the quarter in preparation for moving this unit to Radio Hill for use as a test plant for gold. The Project Area was inspected and rehabilitation plans are currently being reviewed.

### Mt Clement – Paulsens:

To progress the studies at Mt Clement, Artemis has completed the planning for collection of additional material for metallurgical testwork. This work will be completed in the first half of 2018. Planning has also been completed for the rehabilitation works on the eastern area of the Project Area.

### Elysian / Hard Rock Project:

As announced on 10 November 2017, the Company entered into a binding agreement with Sorrento Resources Pty Ltd (Sorrento), Elysian Resources Pty Ltd (Elysian), Hard Rock Resources Pty Ltd (Hard Rock), Hamersley Gold Pty Ltd (Hamersley), and ACN 622 635 483 Pty Limited (ACN Co), whereby Artemis is to acquire: 100% of the issued capital of Elysian and Hard Rock; and a 70% interest in exploration licence application E47/3487 from Sorrento (Tenement Acquisition). Each of the abovementioned parties are unrelated to Artemis. Elysian and Hard Rock are the holders of the following exploration licences and mining tenement applications:

Tenement	Status	Legal area	Area km <sup>2</sup>	Holder	Artemis interest after Settlement (%)
E47/3340	Application	7 blocks	22.38	Hard Rock	70
E47/3341	Granted	3 blocks	7.16	Hard Rock	70
E47/3361	Application	5 blocks	15.97	Hard Rock	70
E47/3390	Granted	1 block	0.14	Hard Rock	70
E47/3443	Application	35 blocks	111.83	Elysian	70
E47/3534	Application	1 block	3.19	Hard Rock	70
E47/3535	Application	3 blocks	9.58	Hard Rock	70
E47/3536	Application	5 blocks	15.96	Hard Rock	70
E47/3564	Application	26 blocks	82.99	Elysian	70
P47/1832	Application	112 ha	1.12	Hard Rock	70
P47/1833	Application	199 ha	1.99	Hard Rock	70
P47/1881	Application	117.24ha	1.17	Hard Rock	70

The above tenements together with E47/3487 (which itself encompasses an area of 28.78km<sup>2</sup>) make up the total of the portfolio of tenements (Tenements).

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**Elysian and Hard Rock Acquisition Terms:**

Pursuant to the Agreement, Artemis has now acquired 100% of the issued capital of Elysian and Hard Rock<sup>10</sup> via:

- a payment of \$1,000,000; and
- the issue of 25,000,000 fully paid ordinary shares in the capital of Artemis (Shares).

The above payment and Share issue satisfies the settlement provisions of the Agreement. Artemis is to issue a further 8,000,000 Shares on or before 31 January 2018, and intends to complete this Share issue on 31 January 2018.

Pursuant to the Tenement Acquisition and in accordance with the Agreement, the Parties have agreed to establish a joint venture in relation to the Tenements, whereby Artemis will hold a 70% interest in the joint venture via its 100% holdings in both Elysian and Hard Rock, and Hamersley and ACN Co will hold the remaining 30% JV interest between them (Karratha Gold Joint Venture).

The material terms of the Karratha Gold Joint Venture are set out in Artemis's announcement dated 10 November 2017. Further details regarding the Karratha Gold Joint Venture will be released to the market as formal documentation is entered into between the parties.

**CORPORATE:*****Acquisitions:***

In addition to the acquisition of the Elysian and Hard Rock leases detailed above, the Company has exercised its option to earn-in up to an 80% interest in two of Macarthur Minerals Limited ("Macarthur") (TSX-V: MMS) tenements located 42km west-southwest of Marble Bar in the East Pilbara. Artemis Resources is specifically interested in the conglomerate gold potential of these two large tenements covering a total of 265km<sup>2</sup>.

Under the terms of the binding term sheet, Artemis has paid the amount of A\$170,000 to Macarthur to exercise its option to earn up to an 80% interest in Exploration Licence Application E45/4779 and Exploration Licence E45/4732.

***Capital Raising:***

The Company received \$5.4 million on 5 October 2017 which was part of the capital raising of \$12 million at 20 cents per share (60,000,000 shares) announced on 19 September 2017.

A further \$660,000 was raised with the exercise of 4,400,000 options at 15 cents per share.

As outlined above and in the ASX announcement of 11 December 2017 the company received approximately \$6 million in convertible note funding which will be used to refurbish the Radio Hill Plant.

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<sup>10</sup> Refer ASX announcement dated 11 December 2017

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TENEMENT SCHEDULE		
E47/1745	E47/3939 (a)	<b>Munni Munni<sup>6</sup></b>
E47/1746	E47/3940 (a)	M47/123
E47/1797	E47/3941 (a)	M47/124
E47/2716	P47/1127	M47/125
E47/3160	P47/1134	M47/126
E47/3322	P47/1518 / M47/1527(a)	
E47/3340 (a) <sup>7</sup>	P47/1519	<b>Mt Clement</b>
E47/3341 <sup>7</sup>	P47/1520	M08/191 <sup>1</sup>
E47/3361 (a) <sup>7</sup>	P47/1619	M08/192 <sup>1</sup>
E47/3373 (a)	P47/1621	M08/193 <sup>1</sup>
E47/3390 <sup>7</sup>	P47/1622	
E47/3443 (a) <sup>7</sup>	P47/1819 (a)	<b>Fox Radio Hill Pty Ltd</b>
E47/3487 (a) <sup>7</sup>	P47/1832 (a) <sup>7</sup>	L47/93
E47/3534 (a) <sup>7</sup>	P47/1833 (a) <sup>7</sup>	L47/163
E47/3535 (a) <sup>7</sup>	P47/1881 (a) <sup>7</sup>	M47/7
E47/3536 (a) <sup>7</sup>	E47/3942 (a)	M47/9
E47/3545 (a)	L47/781 (a)	M47/161
E47/3546 (a)	L47/782 (a)	M47/337
E47/3547	L47/820 (a)	
E47/3564 (a) <sup>7</sup>	M47/177 <sup>2</sup>	<b>Shear Zone Mining Pty Ltd</b>
E47/3612 (a)	M47/223 <sup>3</sup>	M47/93
E47/3707 (a)	M47/288 <sup>2</sup>	M47/232
E47/3708 (a)	P47/1112	
E47/3709 (a)	P47/1126	<b>East Pilbara<sup>5</sup></b>
E47/3719 (a)		E45/4779
E47/3720 (a)		E45/4732
E47/3721		
E47/3722 (a)		<b>Mt OscarWits</b>
E47/3723 (a)		E47/1217
E47/3929 (a)		
E47/3930 (a)		

(a) Tenement applications.

<sup>1</sup> 80% Artemis - Gold joint venture with Northern Star Resources (20%).

<sup>2</sup> 70% Artemis.

<sup>3</sup> 80% Artemis.

<sup>4</sup> 34% Artemis.

<sup>5</sup> Option to acquire up to 80% by Artemis, remainder is held by Macarthur Minerals Limited.

<sup>6</sup> 0% Artemis. Heads of Agreement to earn 70% and form joint venture with Platina Resources.

<sup>7</sup> 70% Artemis – Karratha Gold Joint Venture

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**CONTACTS:**

For further information on this update or the Company generally, please visit our website at [www.artemisresources.com.au](http://www.artemisresources.com.au) or contact:

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**BACKGROUND INFORMATION ON ARTEMIS RESOURCES:**

Artemis Resources Limited is a resources exploration and development company with a focus on its prospective Karratha (gold, cobalt, base metals, platinum group elements and iron ore) and the Mt Clement Paulsens (gold) project in Western Australia.

Artemis owns the fully permitted ~500,000 tpa Radio Hill nickel and copper operations and processing plant located 35 km south of Karratha. JORC Code 2004 compliant resources of gold, nickel, copper PGE's and zinc, all situated within a 40 km radius of the Radio Hill plant and on 1,838 km<sup>2</sup> form the newly consolidated assets of Artemis Resources. Artemis is currently refurbishing and upgrading the Radio Hill processing plant and is targeting on having it operational in June 2018.

Artemis have signed Definitive Agreements with Novo Resources Corp. ("Novo"), which is listed on Canada's TSX Venture Exchange (TSXV:NVO), and pursuant to the Definitive Agreements, Novo has satisfied its expenditure commitment, and earned 50% of gold (and other minerals necessarily mined with gold) in conglomerate and/or paleoplacer style mineralization in Artemis' tenements within 100 km of the City of Karratha, including at Purdy's Reward ("the Gold Rights"). The Gold Rights do not include (i) gold disclosed in Artemis' existing (at 18 May 2017) JORC Code Compliant Resources and Reserves or (ii) gold which is not within conglomerate and/or paleoplacer style mineralization or (iii) minerals other than gold. Artemis' Mt Oscar tenement is excluded from the Definitive Agreements.

The Definitive Agreements cover 38 tenements/ tenement applications that are 100% owned by Artemis. Pursuant to Novo's successful earn-in, three 50:50 joint ventures have been formed between Novo's subsidiary, Karratha Gold Pty Ltd ("Karratha Gold") and three subsidiaries of Artemis (KML No 2 Pty Ltd, Fox Radio Hill Pty Ltd, and Armada Mining Pty Ltd). The joint ventures are managed as one by Karratha Gold. Artemis and Novo will contribute to further exploration and any mining of the Gold Rights on a 50:50 basis. Further definitive agreements covering approximately 19 Artemis tenements/tenement applications that are already subject to third party interests are expected to be signed once all necessary third-party consents have been obtained.

**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.

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