



Artemis Resources Limited and its controlled entities

Annual financial report for the year ended 30 June 2018



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CHAIRMAN'S LETTER

Dear Artemis shareholders,

The Radio Hill treatment plant has now become a key asset of the Company moving forward, as the past year has seen very significant exploration success on many of our West Pilbara projects. Our tenement package now covers nearly 2,400 km² and Radio Hill will be instrumental in moving Artemis from an exploration company to a production focused company.

The refurbishment and expansion programme of the Radio Hill sulphide processing plant has made considerable progress during the year with the Group finally receiving approvals to install and commission a new tertiary crusher and gold circuit alongside the refurbished crushing and grinding units. The plant now has an approved Stage 1 throughput capacity of 500,000 tpa of gold ore.

Our major challenge this year has been prioritising our many resources covering a diverse spectrum of metals (from cobalt, gold, copper, nickel and zinc), and trying to identify which of our many projects has the most economically robust potential.

Our star exploration performer has undoubtedly been the discovery of Carlow Castle, which in the board's view, is a major new cobalt rich resource for Australia and has the potential of becoming a real company maker for Artemis. The Carlow Castle Project delivered its maiden JORC mineral resource estimate in January 2018, and has produced excellent cobalt, gold and copper exploration drilling results since. We are working on finalising an updated JORC resource over the coming months and we are also making plans to significantly up our exploration efforts here before the calendar year is out. The view by key analysts is that the demand for Cobalt, a key metal in lithium-ion batteries used to power electric vehicles (EV's) is expected to surge in the next few years.

In the 50-50 joint venture for conglomerate and/or paleoplacer style mineralisation with Novo Resources Corp (Novo), early bulk sampling results have shown very promising gold grades from Purdy's Reward and an approved Joint venture exploration budget of \$5.4m, commencing 1 July 2018, should hopefully see further success on this exciting project. Artemis sold its 4 million Novo shares to Kirkland Lake Limited (ASX:KLA) for AUD \$20.3 million in May 2018, providing the Company with the cash to further develop its project portfolio and resulting in a cash balance at year end of approximately \$27 million.

Our strategy of developing our own gold resources is advancing, with exploration work determining that conglomerate gold potential extends from Purdy's Reward, through Novo's Comet Well into the Group's Comet Well West tenements. A further 14 km strike length of conglomerate gold mineralisation has been identified on Artemis's 100% owned Mt OscarWits Project. Further drilling was undertaken at our Weerianna Gold Project (which has a JORC (2012) compliant Inferred Mineral Resource of 1Mt at 2.2 g/t Au for total contained metal of 70,000 ounces of Au) and a new JORC resource is targeted here shortly.

We have also seen excellent drilling results from our Whundo Copper/Zinc Mine and at the Radio Hill Nickel/Copper/Cobalt Mine, and new JORC resources should be reported on these assets shortly. Both projects are in close proximity to the Radio Hill processing plant.

The Board and management team were strengthened during the year with the appointment of H.H Sheikh Maktoum Hasher al Maktoum as a non-executive director and Wayne Bramwell, an experienced mining executive, as CEO.

I would like to thank our shareholders for their ongoing support and the expanding Artemis team for their ongoing commitment. We look forward with confidence to the year ahead.



Yours sincerely
David Lenigas
Executive Chairman
28 September 2018

REVIEW OF OPERATIONS

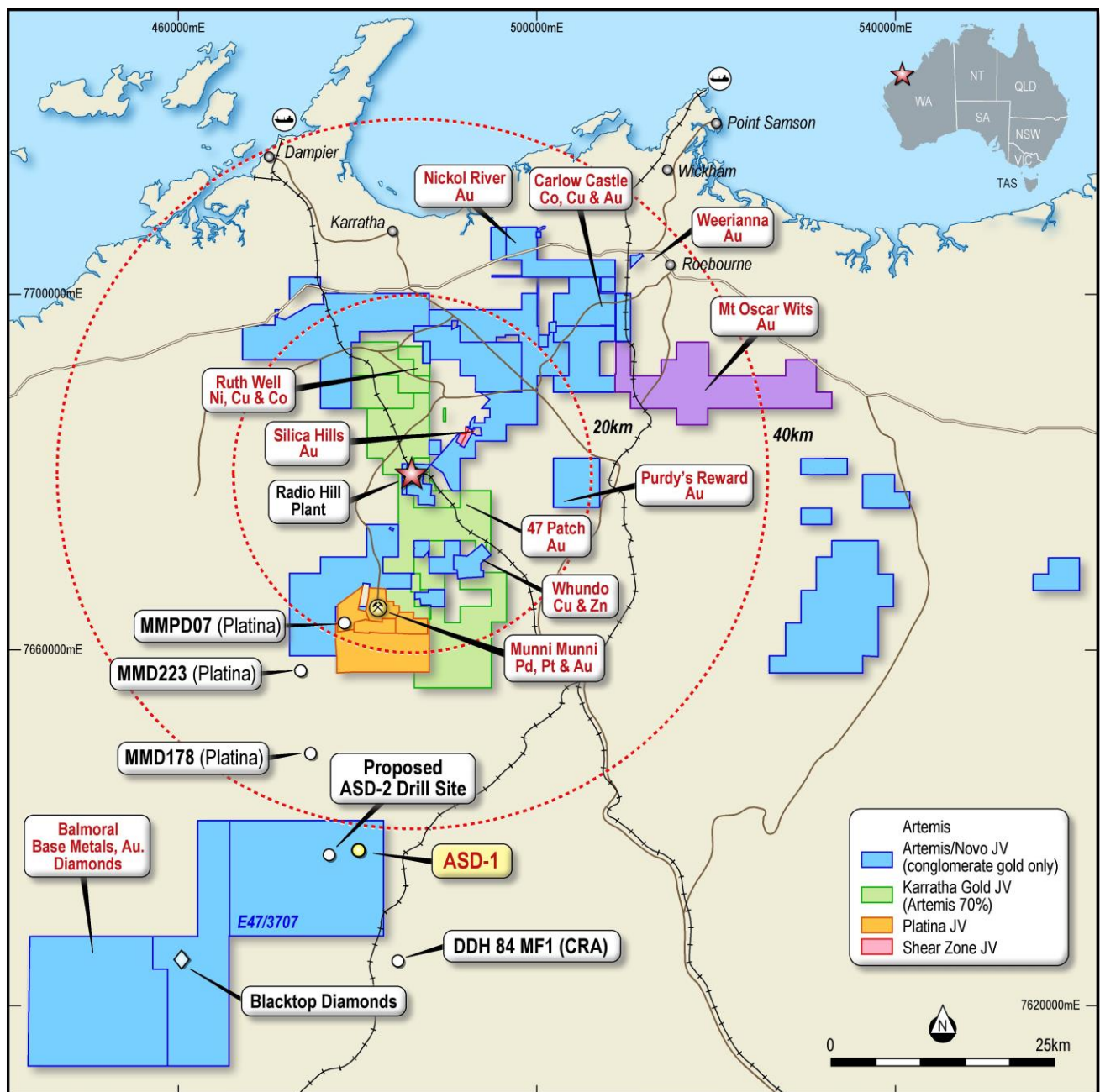
Artemis Resources Limited ("Artemis" or "Company") is pleased to outline the Company's progress for the financial year ending 30 June 2018. There are additional comments included on the Company's activities from year end to the date of this Annual Report.

The Group now has prospective base, battery and precious metals assets in the Pilbara region of Western Australia over an area of ~ 2,400 km² (Figure 1).

Artemis owns 100% of the 500,000 tpa Radio Hill processing plant and infrastructure, located approximately 35 km south of the city of Karratha. The Company is evaluating 2004 and 2012 JORC Code compliant resources of gold, nickel, copper-cobalt, PGE's and zinc, all situated within a 40 km radius of the Radio Hill plant.

The following is a summary of the significant level of activity undertaken over the reporting period.

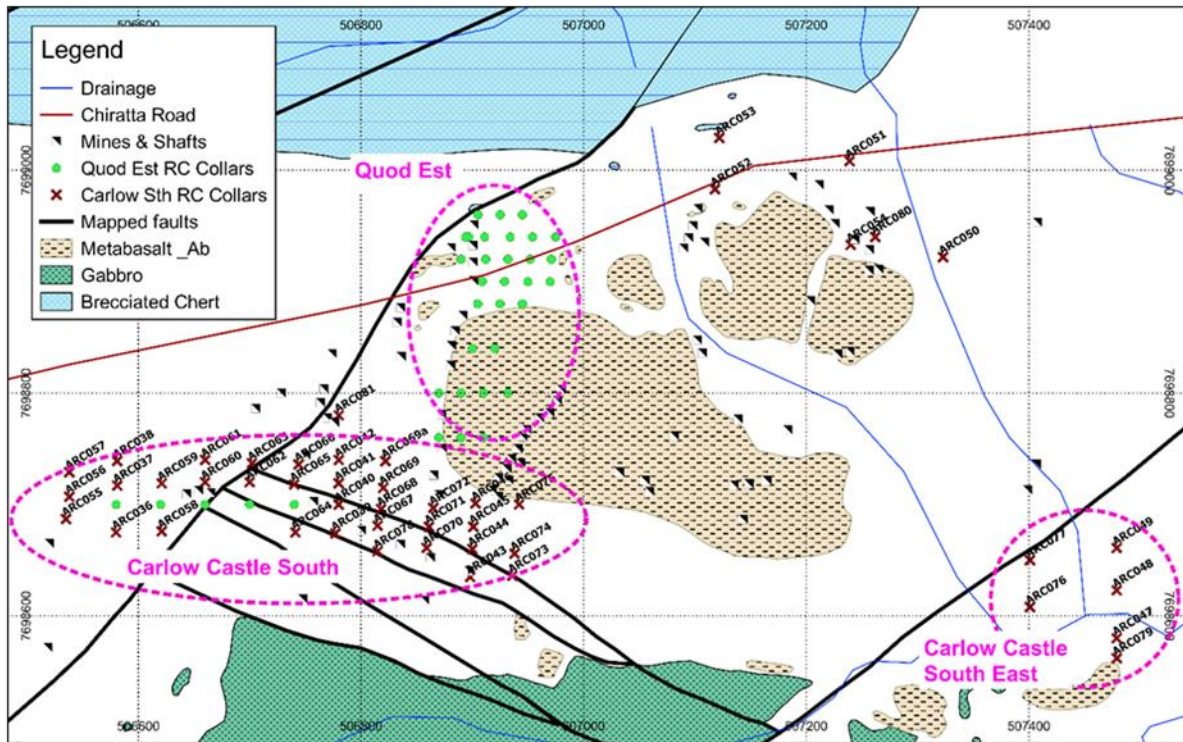
Figure 1: Artemis's Projects in the Karratha Area and Proximity to Radio Hill Process Plant



CARLOW CASTLE

In January 2018 the Company announced the first JORC Code (2012) compliant resource estimates for the 100% owned Carlow Castle Project, which includes (Figure 2) Quod Est, Carlow Castle South and Carlow Castle South-East (Cobalt/Gold/Copper) Prospects, located about 20 km southeast of Karratha in the Western Pilbara Region of Western Australia are outlined below. Carlow Castle is located only 30 km north-east of Artemis' Radio Hill processing plant, via gazetted roads.

Figure 2: Quod Est and Carlow South areas and geology.



A total Indicated and Inferred resource (Table 1) of the Carlow Castle Project, within the lode wireframes of Quod Est, Carlow Castle South and Carlow Castle South-East, which are based on 0.5 metal content lower cut-off of **4,500,000 tonnes at 0.9 g/t Au 0.07% Co, 0.4% Cu & 1.3 g/t Ag**, containing 130,000 ounces of gold, 18,000 tonnes of Cu, 3,150 tonnes Cobalt and 188,000 ounces of Silver, was estimated by Mr Phil Jones from Al Maynard & Associates ("AM&A").

Table 1: Global Resource estimate for Carlow Castle Project, which includes Quod Est¹, Carlow Castle South and Carlow Castle South-East Lode (Phil Jones, 2018; AM&A).

Description	Category	Million Tonnes	Au (g/t)	Co (%)	Cu (%)	Ag (g/t)
Carlow Castle South	Inferred	3.2	0.9	0.06	0.4	1.3
Carlow Castle South-East Lode	Inferred	0.7	1.2	0.06	0.4	1.8
Quod Est	Indicated	0.3	1.2	0.21	0.5	1.4
Quod Est	Inferred	0.2	0.6	0.07	0.3	1.0
TOTAL	Indicated	0.3	1.2	0.21	0.5	1.4
TOTAL	Inferred	4.2	0.9	0.06	0.4	1.3
TOTAL	Indicated +Inferred	4.5	0.9	0.07	0.4	1.3

¹ ASX release dated 19 January 2018 "First of the Cobalt/Copper/Gold JORC Resources at Carlow Castle- amended " Annual Report for 2018

The Company commenced a further drilling programme in July 2018 targeted at infill drilling to significantly increase resource definition in the Carlow Castle South deposit area. This programme generated some very high grade cobalt intercepts with attended high copper and gold assays (**6.5m @ 23.44g/t Au, 2.32% Co and 10.35% Cu from 47m in hole 18CCAD009**)².

The first quarter in 2018/2019 will continue to focus on extension and infill drilling at Carlow Castle to build on the significant exploration results achieved across the base and battery metal portfolio at this project

CONGLOMERATE GOLD

ARTEMIS-NOVO CONGLOMERATE GOLD JOINT VENTURE

The TSX Venture Exchange accepted the Definitive Agreements between Novo Resources Corp. (“Novo”) and Artemis in August 2017 following which Novo issued Artemis with 4,000,000 common shares in Novo.

The Agreement allowed Novo to farm-in to 50% of gold (and other minerals necessarily mined with gold) in conglomerate and/or paleoplacer style mineralization in Artemis’ tenements within 100km of the City of Karratha, including at Purdy’s Reward (“the Gold Rights”). The Gold Rights do not include Artemis existing JORC compliant Resources and Reserves, gold which is not within conglomerate and/or paleoplacer style mineralization, and minerals other than gold. Artemis’ Mt Oscar tenement is also excluded from the Definitive Agreements.

Novo released an update on results from Purdy’s reward on 14 February 2018 with the bulk sampling results, as received from Novo, showing very high grade gold results. Gold results from the basement dolerite unit grading up to 4.1 g/t were encouraging³.

Further work undertaken by Novo resulted in an improved understanding of the extreme nuggety effect at the Purdy’s Reward, which together with increasing the bulk sampling size and a new reliable and consistent processing path now available through SGS Minerals will allow the JV to more accurately define the extent of the gold mineralisation in these conglomerates and the surrounding rocks.

Artemis, paid \$2 million to the end of June 2018 towards the overall JV exploration programme and subsequent to year end the JV partners agreed to a \$5.4 million exploration and work programme budget for the year beginning 1 July 2018.

In the first four months of the new year the JV will focus on bulk sampling, diamond drilling and costeaning activities, primarily at Purdy’s Reward. Large bulk samples will be collected and treated to provide necessary gold grade data for a mineralisation report, an important step toward converting the current exploration license to a mining lease.

In addition, environmental and heritage studies will be undertaken in conjunction with similar work at Novo’s nearby Comet Well joint venture in order to move the collective area towards trial mining.

COMET WELL WEST CONGLOMERATE GOLD

Artemis exploration work has now determined that conglomerate gold extends from Artemis’ Purdy’s Reward Conglomerate Gold Project westwards through Novo’s Comet Well and in to Artemis’ Comet Well West tenements (Figure 3).

Artemis has identified ~67km of conglomerate and Mt Roe Basalt contact immediately west of Novo’s Comet Well.

The Company has recovered 6kg (193 oz) of gold nuggets from 47K Patch and has also identified fine gold with the gold nuggets recovered from this tenement.

² See ASX announcement dated 25 July 2018

³ See ASX Announcement dated 15 February 2018

A Programme of Works (POW) was submitted to commence extensive exploration on Artemis' Comet Well West conglomerate gold targets.

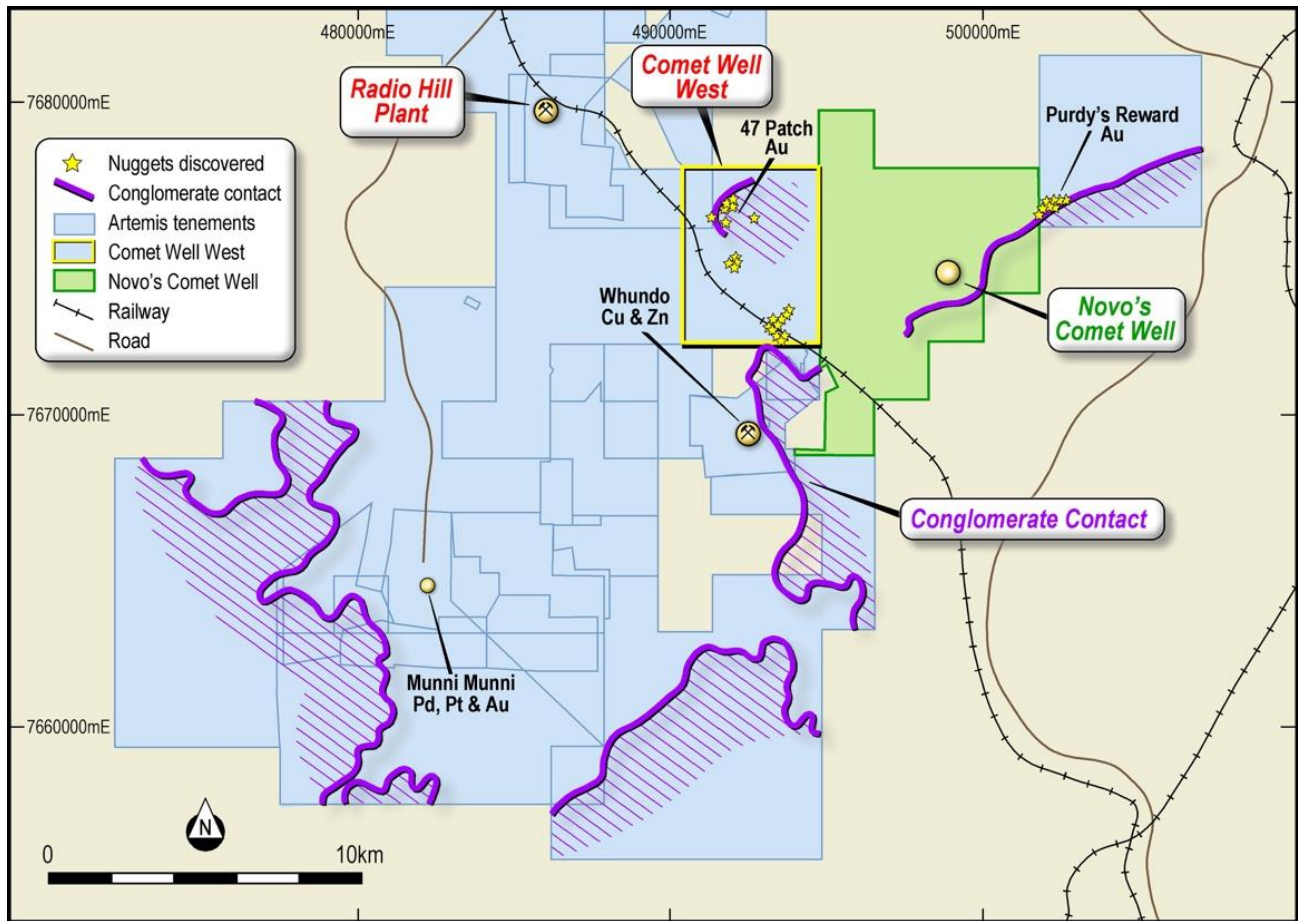


Figure 3: Conglomerate contact at Purdy's Reward through to Comet Well West and down to Munni Munni

MOUNT OSCARWITS

Mt OscarWits (Figure 1) is an approved Exploration Licence covering 117.8km², and is located about 35km south-east of Karratha and 16km north-east of Purdy's Reward conglomerate hosted gold project. Gold nuggets have been recovered by metal detecting at the Fairmont Prospect from the Mt OscarWits conglomerate trend.

During the year Artemis 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.

WEERIANNA – GOLD

The Weerianna Gold Project is located about 35 km north-east of Artemis' Radio Hill Plant site. Pit optimisations undertaken during the year on the Weerianna Gold Project's Mineral Resource were positive. The optimisation was done to potentially prioritise initial plant feed in to Artemis' Radio Hill Processing Plant for the first few months after its re-commissioning.

Weerianna is on a granted Mining Lease and has a current Inferred Mineral Resource classified and reported in compliance with the JORC Code (2012) of 1 Mt at 2.2 g/t Au for total contained metal of 70,000 ounces of Au⁴. The current resource outcrops at surface and remains open at depth and along strike.

21 Reverse Circulation (RC) drill holes for 1,758 metres were drilled at Weerianna in April 2018 to infill drill the deposit and test for extensions of the mineralisation along strike and down dip.

Artemis is working on submitting a Mining Proposal and a Project Management Plan to the WA Department of Mines Regulations, Industry and Safety (DMIRS) to seek approval to mine Weerianna.

SILICA HILLS:

Exploration at Silica Hills (see Figure 1) has been ongoing over the past year and this work has increased our confidence in the project. Exploration work exposed a quartz vein system style gold deposit within a silicified intrusive environment.

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 year has helped develop a strategy to further advance Silica Hills and Programme of Works have been approved and the work is continuing.



Figure 4: Examples of gold bars poured from Silica Hills nuggets and quartz/gold specimens.

⁴ Artemis Resources Limited ASX announcement dated 26 June 2014 – Acquisition of Gold Deposit to Kickstart West Pilbara Gold and Base Metals Exploration Weerianna
Annual Report for 2018

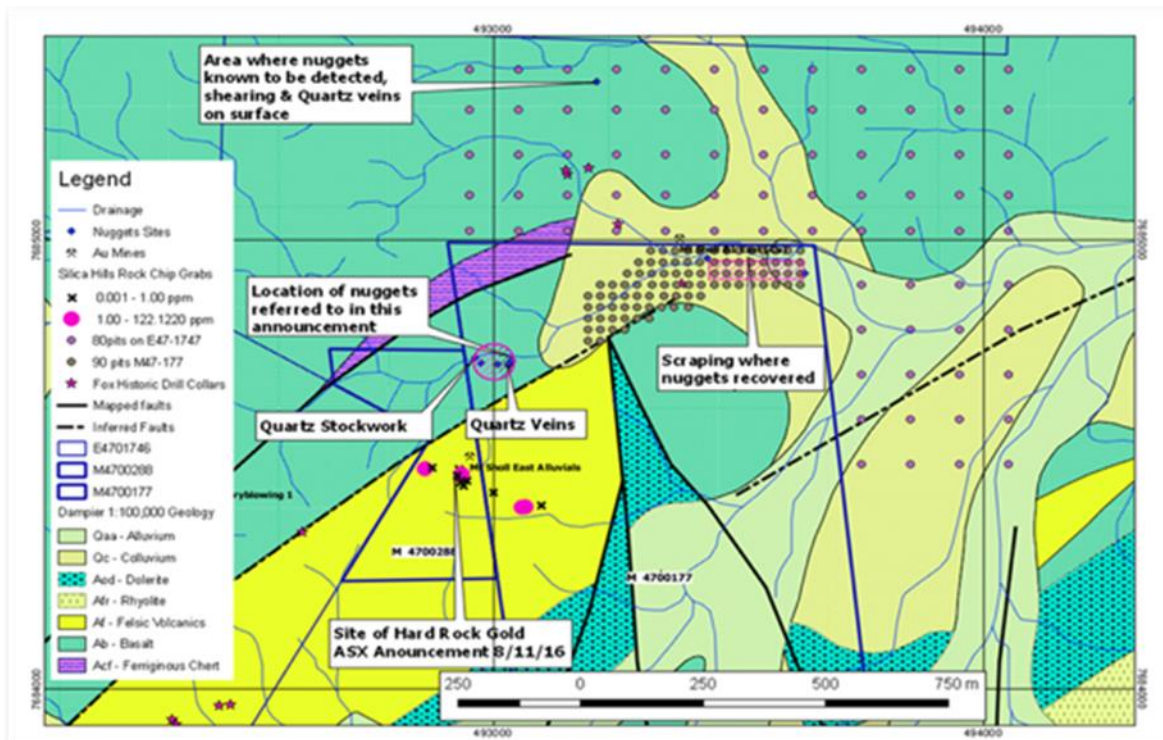


Figure 5: Map of the Silica Hills area showing distribution of nugget recovery areas and location of known quartz veins and stockwork, and proposed test pits.

WHUNDO COPPER PROJECT

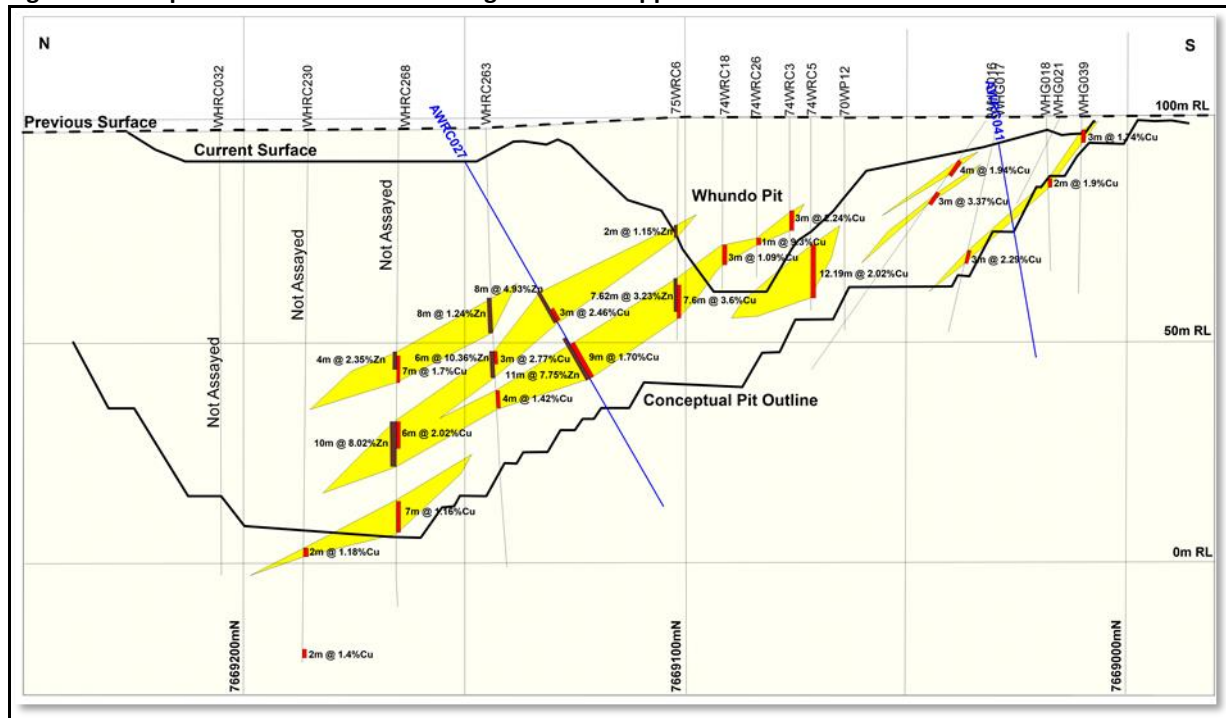
Drilling during the year confirmed the presence of significant widths of high grade copper, cobalt and zinc zones at the Whundo Copper Mine, which is located only 15 km from the Radio Hill Plant. Assay data from these holes is being incorporated into a new JORC compliant resource estimate prior to the Radio Hill Plant being recommissioned.

Significant intercepts included⁵:

- 10m at 0.39% Cobalt from 87m (AWRC025)
 - (including 1m at 1.75% Cobalt from 88m)
- 6m at 6.55% Zinc from 42m (AWRC022)
- 13m at 3.18% Copper and 3.95% Zinc from 48m (AWRC021)
- 8m at 1.38% Copper from 77m (AWRC025)
- 17m at 0.99% Copper from 97 metres in (AWRC025)
- 5m at 4.24% Zinc from 18m (AWRC027)
- 12m at 4.46% Zinc from 34m (AWRC027)
- 12m at 7.17% Zinc from 46m (AWRC027)
- 13m at 1.98% Copper from 50m (AWRC052)

⁵ Artemis Resources Limited ASX announcement dated 11 April 2018 – High grade cobalt, copper and zinc drilled at Whundo.
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Figure 6: Interpreted Cross Section Showing historical Copper & Zinc Intersections and the results of Artemis drilling.



RUTH WELL PROJECT

During the year Artemis conducted its first Reverse Circulation (RC) drilling at Ruth Well Nickel Copper Cobalt Project with grades up to 11.15% Ni intersected.

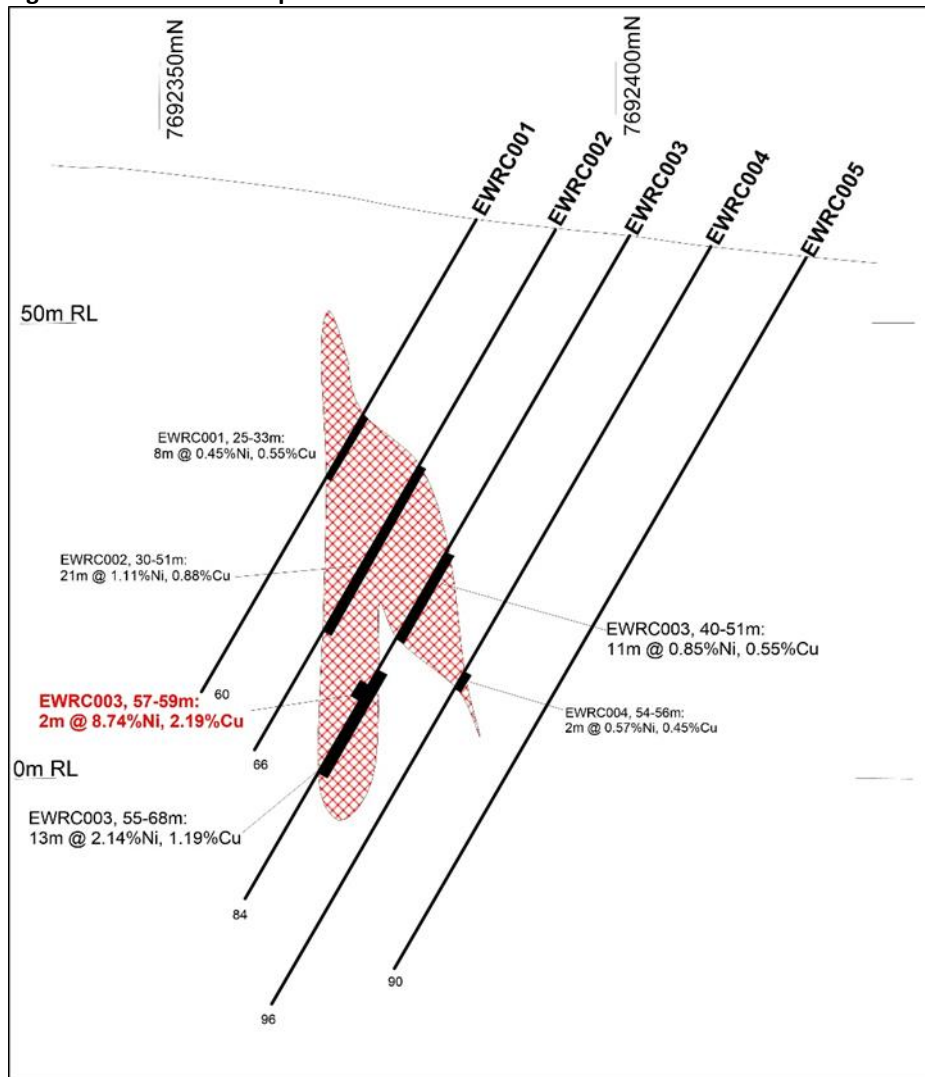
An Initial 38 RC holes totalling 2,838m drilling programme was completed with significant results including⁶:

- 13 metres @ 2.14% Ni, 1.19% Cu, 0.07% Co, 0.6 g/t Au, 0.6g/t Pd from 55m (EWRC003)
 - Incl 2m @ 8.74% Ni, 3.12% Cu, 0.26% Co, 1.58g/t Pd from 57m
 - Incl 1m @ 11.15% Ni from 57 metres
- 21 metres @ 1.11%Ni, 0.88% Cu, 0.05% Co from 30m (EWRC002)
 - Incl 1m @ 2.54% Ni, 0.66% Cu, 0.07% Co, 3.73g/t Au & 2.82g/t Pd from 30 metres
- 11 metres @ 0.85% Ni, 0.55% Cu, 0.05% Co from 40m (EWRC003)
 - Incl 1m @ 1.81% Ni, 0.64% Cu, 0.08% Co from 55 metres

Nickel has now been identified over a potential 3.5km of strike on and east-west trend with further drilling to take place once Programme of Works (POW) are approved by DMIRS. The Ruth Well Project (Figure 1) is located 12km north of the Radio Hill Operations.

⁶ Artemis Resources Limited ASX announcement dated 4 May 2018 – 11.5% nickel drilled at Ruth Well – amended.
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Figure 7: Ruth Well interpretative Cross Section 486020mE



RADIO HILL NICKEL PROJECT

In April 2018 Artemis completed an 80 hole Reverse Circulation (RC) drilling programme at Radio Hill (totalling 7,052 m), designed to delineate the unmined shallow nickel/copper/cobalt mineralisation at of the Radio Hill deposit located 400m from the Radio Hill plant crushing circuit.

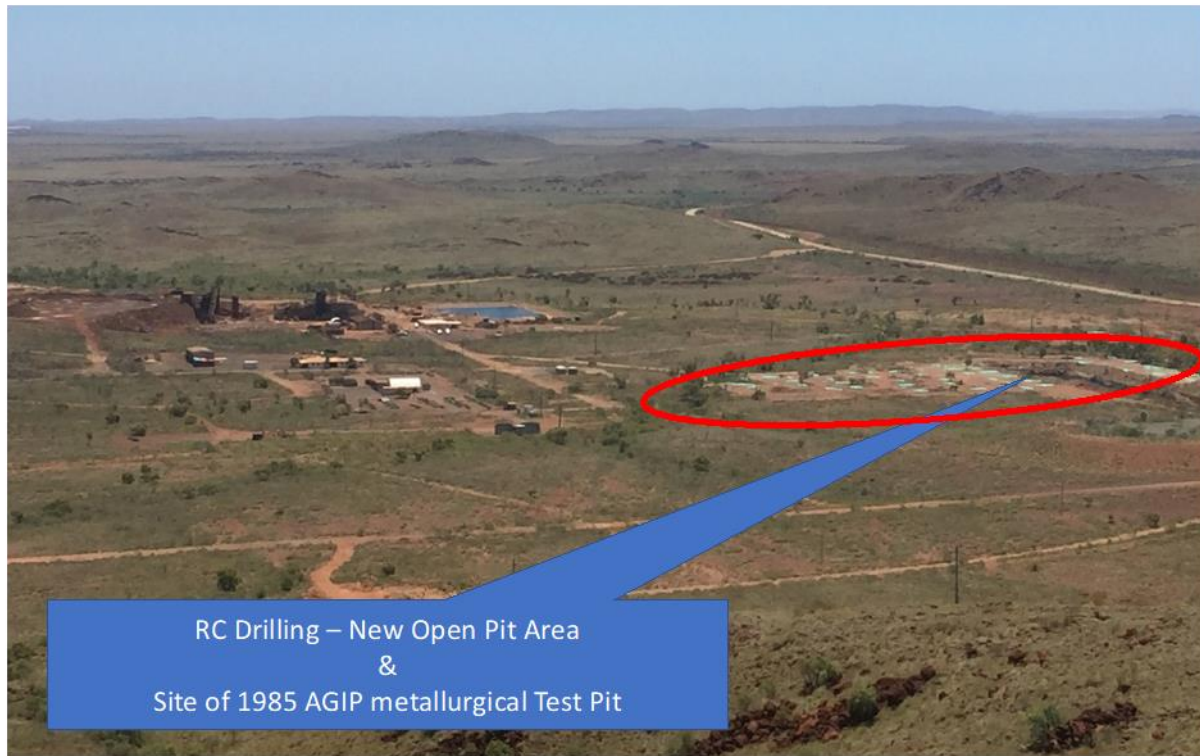
The best intercepts include⁷:

- 15m @ 2.05% Ni, 1.94% Cu, 0.09% Co from 27m (ARH066)
 - Incl. 3m @ 3.37% Ni, 2.05% Cu, 0.14% Co from 27m
 - Incl. 2m @ 2.53% Ni, 1.35% Cu, 0.11% Co from 32m
 - Incl. 5m @ 2.46% Ni, 2.26% Cu, 0.10% Co from 37m
- 7m @ 1.9% Ni, 1.07% Cu, 0.08% Co from 18m (ARH015)
- 8m @ 1.14% Ni, 0.96% Cu, 0.06% Co from 75m (ARH007)
- 3m @ 1.35% Ni, 1.27% Cu, 0.07% Co from 88m (ARH046)
- 3m @ 1.24% Ni, 2.42% Cu, 0.07% Co from 123m (ARH019)
- 2m @ 2.93% Ni, 2.90% Cu, 0.12% Co from 19m (ARH020)
- 25m @ 0.71% Ni, 0.89% Cu, 0.03% Co from 50m (ARH004)
- 19m @ 0.57% Ni, 0.99% Cu, 0.02% Co from 26 m (ARH062).

Following these excellent Ni/Cu/Co grades the focus is now on calculating the new near surface mineral resource estimates and producing optimised open pit shells.

⁷ Artemis Resources Limited ASX announcement dated 30 April 2018 – High grade nickel at Radio Hill.
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Figure 8: Location of the RC drilling programme at Radio Hill mine site.



RADIO HILL PROCESSING PLANT

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:

- Carlow Castle - cobalt, copper and gold
- Whundo – copper, cobalt, zinc
- Radio Hill - copper, nickel, cobalt;
- Munni Munni – PGE, nickel and gold;
- Silica Hills, Weerianna- gold; 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.

During the year Artemis appointed Process 26 Engineers and Constructors (www.process26.com) to refurbish the existing Radio Hill crushing and grinding circuit, and once approved, to upgrade the facility by the addition of additional crushing equipment and the installation of a new gravity gold extraction circuit.

In August 2018 the Company received approvals allowing it to install and commission a new tertiary crusher, gold circuit and our newly refurbished crushing and grinding units.

Under the new amendment to Environmental Licence L7922/1989/5 the Licence holder (Fox Radio Hill Pty Ltd – a wholly owned subsidiary of Artemis) now has an approved Stage 1 throughput capacity of 500,000 tpa. Stage 1 activities include the installation and operation of a modular gravity gold processing unit and associated crushing and milling equipment. The new infrastructure to be installed includes:

- A HP200 cone crusher (tertiary crusher);
- A gravity gold recovery circuit capable of treating up to 500,000 tpa of gold ore;
- A gold room with the capability to refine and produce gold dorè; and
- Product sampling and dewatering facilities.

This Stage 1 infrastructure will be operated with the existing multistage crushing and grinding plant which are approved under Environmental Licence L7922/1989/5.

Under the current approvals the Company can operate a geotube facility as a temporary solution to contain gravity circuit rejects for potential future retreatment. Geotubes are an interim but high cost option available to the Company that will be further assessed depending upon the timing of tailings storage facility (TSF) TSF3 approvals.

Concurrently, Artemis will advance submissions needed for Stage 2 base metal operations at Radio Hill including a new, 4Mt tailings storage facility (TSF4).



Figure 9: Gold circuit equipment on site at Radio Hill awaiting installation



Figure 10: Refurbished crushing circuit and fine ore bin



Figure 11: Radio Hill Plant at dusk.

MUNNI MUNNI

Artemis has now met its \$750,000 expenditure to earn a 70% interest from Platina Resources in the Munni Munni Project (See Figure 1). Munni Munni was originally targeted for platinum group elements. Artemis assessed the potential for mining the PGE resource and identified opportunities to both costean and drill shallow holes, looking to increase the potential of open pitable resources. The results of this work are being evaluated and will form the basis for a possible re-estimation of the resource to JORC 2012.

In reviewing all data to date, including a VTEM survey flown by Platina in 2010, Artemis has identified potential gold opportunities, both structurally hosted and as hydrothermal and/or detrital style. A series of geophysical surveys have been undertaken looking at sedimentary units that sit above and to the side of the Munni Munni Mafic Igneous Complex. These sediments were never focused on in the pursuit of platinum group elements and Reverse Circulation drilling was used as precollars before diamond drilling was completed.

Artemis geologists have reviewed several drill logs and drill holes to better define possible conglomerate or paleoplacer gold. Only in diamond drill core has the ability to review lithology been possible.

A SAM (Sub Audio Magnetics - a proprietary technique of GAP Geophysics) was successfully used by Artemis at several of our projects including Carlow Castle where the technique has clearly defined mineralised structures. A SAM survey has recently been completed over a small part of Munni Munni and final interpreted results will be reported when they become available. The survey is looking for potential structures within sediments that surround the Munni Munni Igneous Complex. A ZTEM survey by Geotech Airborne has also recently been completed. Data is being processed and will then be interpreted. Results will be reported when they become available.

600 KM² of STRATEGIC EXPLORATION GROUND NEAR TELFER

During the year Artemis applied for a 600km² tenement (E45/5276) within the highly prospective Proterozoic Paterson orogen, located approximately 40km east of the Telfer Au – Cu mine in the Pilbara region of Western Australia, in the Paterson Ranges. Early stage exploration drilling reported by Greatland Gold plc (a London listed company) on 25 June and 4 July 2018 from their nearby Haverion Project, included:

- HAD001 - 121m at 2.93g/t gold (Au) and 0.23% copper (Cu) from 497m to 618m.
- HAD003 - 21m at 3.78g/t gold and 0.44% copper from 418m, including 1m at 29.12g/t gold and 0.4% copper from 428.5m.

The geological structures that host the Haverion discovery run due north into Artemis's new Armada Prospect.

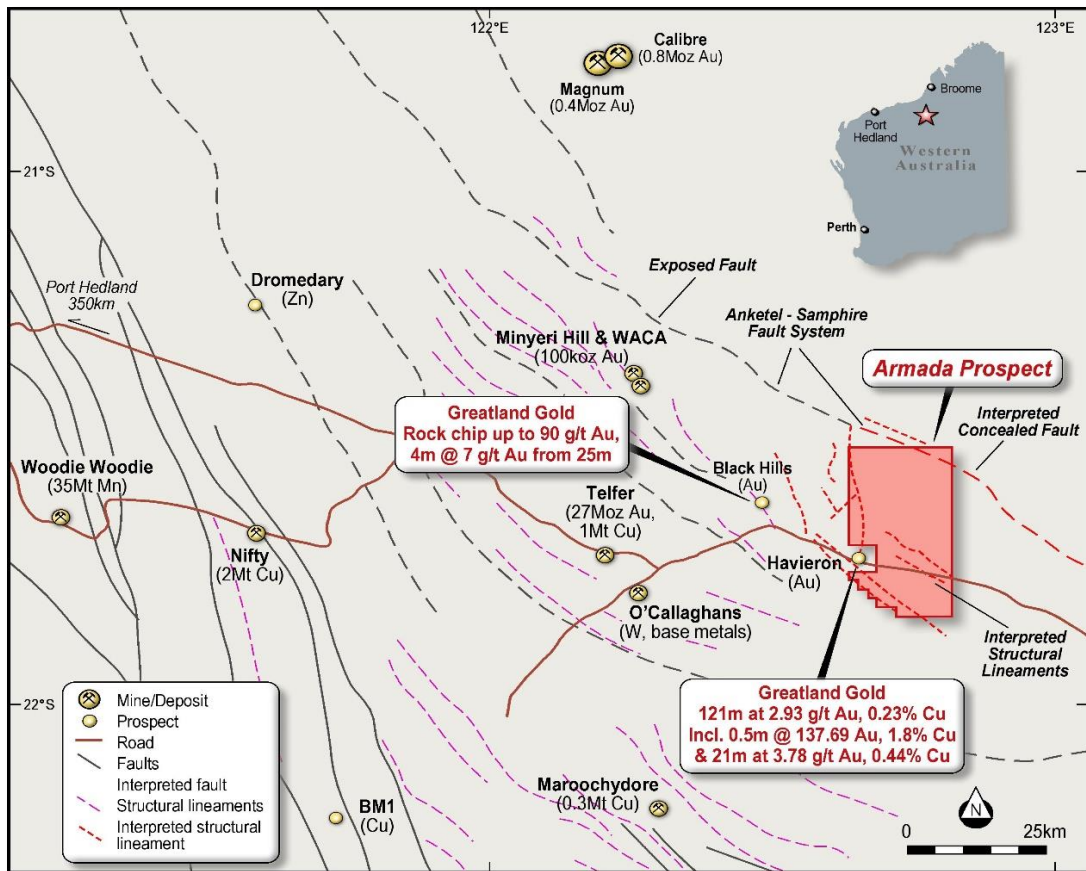


Figure 12: Prospective structural and mineralisation prospectivity for the Armada Prospect.

SUPER DEEP DRILLING – WEST PILBARA

ASD-1 (see Figure 1 and Figure 13) was planned for a vertical depth of +3,300m and designed to test the many rock sequences in the Pilbara Basin from surface and deep into the basement's geology. These deeper rock sequences were interpreted or inferred to exist, based on very sparse data. This surface and shallow data does not explain observed surface mineralisation of diamonds, cobalt, zinc, lead and gold.

What Artemis defined (with the hole being terminated at 1,348.5 metres) is valuable as it shows the basement (hard rock geology) is undulating and at this location dips to the north from ASD-1. The sediments (now rock) have filled in the topography that existed, which would have been hills and valleys. This means there are fertile sites and areas where mafic gold rich conglomerates can form, like between ASD-1 and Munni Munni (Figure 1).

ASD-2 (See Figure 1) was undertaken to further understand the geology and the nature of the contacts between sedimentary rocks and felsic intrusions or basement geology. ASD-2 was terminated at 790.5 metres.

The programme was undertaken with the support of the Exploration Incentive Scheme (EIS) a programme of co funding drilling run by the West Australian government through the Department of Mines Industry Regulation and Safety (DMIRS) and CSIRO who will log and analyse the core. Results will be made available as these come to hand.

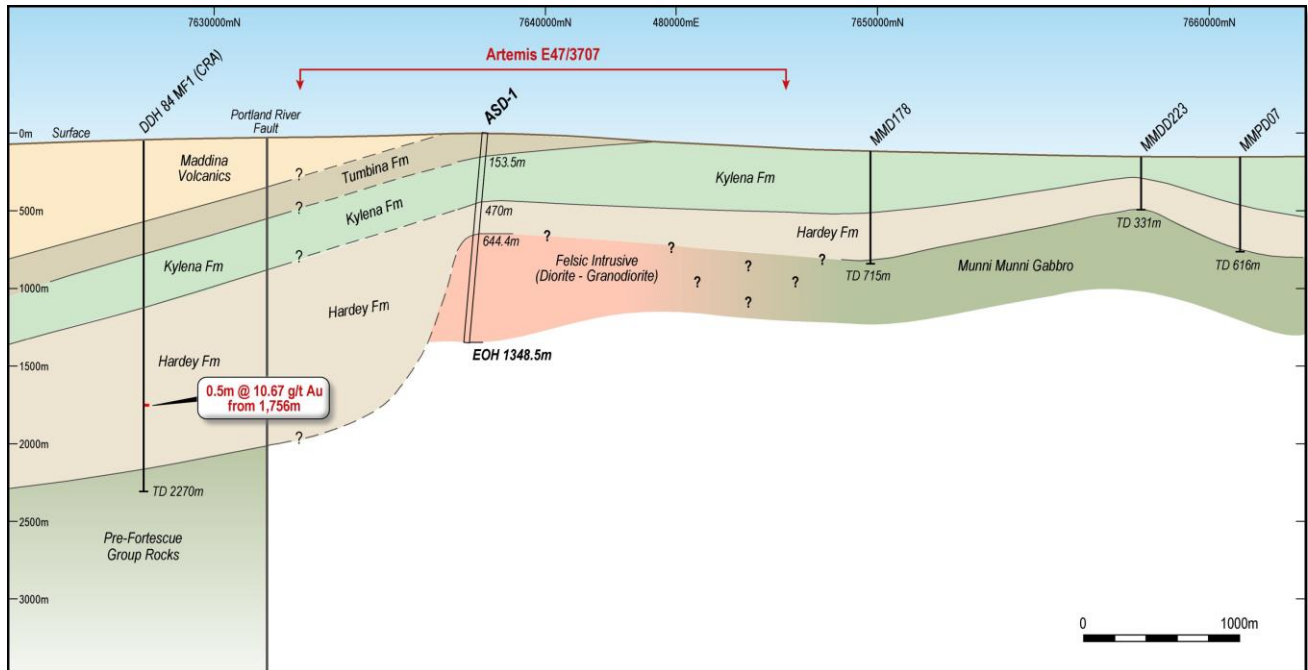


Figure 13: Schematic Interpretative Long-Section. North-South orientation of section with Munni Munni and Purdy's Reward to the north (right side of image)

CORPORATE

Board Appointment

During the year the Company appointed Sheikh Maktoum Hasher Maktoum al Maktoum as a Non-Executive Director of the Company.

A brief outline of H.H. Sheikh Maktoum Hasher al Maktoum's background is included in the Directors Report.

CEO Appointment

Mr Wayne Bramwell was appointed Chief Executive Officer on 19 June 2018.

Mr Bramwell is an experienced metallurgist and mining executive with over 26 years of international and Australian project development expertise across the base metals, precious metals and bulk commodity sectors. He has extensive experience dealing with international financial institutions and brings to the Company his negotiating skills with international off-take partners and trading houses, having previously negotiated two project level strategic joint ventures with Japan's Toyota Tsusho Corporation and Nittetsu Mining Co. Ltd.

Mr Bramwell holds a Bachelor of Science (Mineral Science - Extractive Metallurgy), Graduate Diploma of Business, Master of Science (Mineral Economics) and is a Graduate of the Australian Institute of Company Directors (GAICD).

Acquisitions:

During the year the Company acquired a 100% interest in Elysian Resources Pty Limited and Hardrock Resources Pty Limited for 33 million Artemis shares and \$1.5 million in cash. The acquisition added approximately 300 km² across 13 tenements in the West Pilbara through a joint venture in which it now has a 70% interest.

In addition, 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 265km².

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:

During the year the Company raised \$16.5 million through the issue of 20 million shares at 7.5 cents, 23.7 million shares at 12.66 cents and 105 million shares at 20 cents. Investors included Sprott Capital Partners Canada, Global Investment Strategy UK Ltd and a number of other institutional and professional investors from the USA, Netherlands and Australia.

A further \$3,075,488 was received on the exercise of options.

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.

Sale of Novo Resources Corp. shares

During the quarter Artemis sold its 4 million Novo shares to Canadian mining company, Kirkland Lake Gold Ltd (ASX: KLA, TSE: KL) ("Kirkland Lake Gold"), for net proceeds of A\$20.3 million, being the Australian dollar (AUD) equivalent of Canadian dollars (CAD) \$5.00 per Novo share (using an exchange rate of 1 CAD = 1.04 AUD).

The share sale transaction was arranged on an unsolicited basis. As a condition to completion, Novo released Artemis from the contractual 12 month hold period for these shares, which was originally due to expire in August this year. The transaction was closed at the end of May 2018.



Edward Mead

Director

28 September 2018

**Annual Mineral Resources Statement
As at 30 June 2018**

Gold: Mineral Resources⁸

Project	Area	Resource Category	Cut off Grade (Au g/t)	Tonnes	Au (g/t)	Ag (g/t)	Cu (%)	Co (%)	Contained Au (oz)	Contained Ag (oz)	Contained Cu (t)	Contained Co (t)
Mt Clement ⁱ	Ashburton	Inferred	0.5	1,132,000	1.80	17.00			65,511	618,710		
Weerianna ⁱⁱ	West Pilbara	Inferred	1	1,005,000	2.20				71,085			
Carlow Castle Sth ⁱⁱⁱ	West Pilbara	Inferred	0.05% Co	2,200,000	1.3	1.6	0.5	0.09	89,600	113,042	11,220	1,990
Quod Est ⁱⁱⁱ	West Pilbara	Indicated	0.05% Co	200,000	1.8	1.6	0.70	0.35	11,500	10,031	1,400	700
Total				4,537,000	1.6	5.1	0.3	0.1	237,696	741,784	12,620	2,690

Antimony (M08/191-193): Mineral Resources⁹

Project	Area	Resource Category	Cutoff Grade (Sb %)	Tonnes (t)	Sb (%)	Pb (%)	Ag (g/t)	Au (g/t)	Contained Sb (t)	Contained Pb (t)
Eastern Hills ^{iv}	Ashburton	Indicated	1.0	810,000	2	3.1	26	0.41	15,900	25,200
		Inferred	1.0	500,000	1.3	1.5	16	0.2	6,500	7,500
Total				1,310,000	1.7	2.5	24	0.34	22,400	32,700

NICKEL-COPPER (M47/161): Mineral Resources¹⁰

Project	Mineralisation	Resource Category	Tonnes	Ni %	Cu %	Contained Ni (t)	Contained Cu (t)
Radio Hill ^v	Primary Sulphide	Indicated	1,980,000	0.61	1.04	12,078	20,592
	Primary Sulphide	Inferred	2,040,000	0.42	0.73	8,568	14,892
Total			4,020,000	0.51	0.88	20,646	35,484

COPPER-ZINC (M47/7): Mineral Resources¹¹

Project	Mineralisation	Resource Category	Tonnes	Cu %	Zn %	Contained Cu (t)	Contained Zn (t)
West Whundo ^{vi}	Primary Sulphide	Measured	386,000	1.2	1.9	4,632	7,334
	Primary Sulphide	Indicated	259,000	1.1	1.7	2,849	4,403
	Oxide ¹²	Measured & Inferred	73,600	1.78	0.21	1,310	155
Whundo ^{vii}	Primary Sulphide	Measured	304,000	1.3	0.1	3,952	304
	Primary Sulphide	Indicated	598,000	1.0	0.6	5,980	3,588
	Primary Sulphide	Inferred	140,000	0.8	0.2	1,120	280
Total			1,760,600	1.13	0.90	19,843	15,909

ⁱ As per Artemis Resources Limited ASX Annual Report to Shareholders 2016

ⁱⁱ As per Artemis Resources Limited ASX Annual Report to Shareholders 2016

ⁱⁱⁱ As per Artemis Resources Limited ASX Release to Shareholders January 22nd & 31st 2018

^{iv} As per Fox Resources Limited ASX Annual Report to Shareholders 2014

^v As per Fox Resources Limited ASX Annual Report to Shareholders 2006 Annual Report for 2018

ZINC (M47/7): Mineral Resources¹³

Project	Mineralisation	Resource Category	Tonnes	Zn %	Cu %	Contained Zn (t)	Contained Cu (t)
Whundo ^{viii}	Primary Sulphide	Measured	94,000	0.6	-	564	-
	Primary Sulphide	Indicated	249,000	1.2	-	2988	-
	Primary Sulphide	Inferred	78,000	1.1	-	858	-
Ayshia ^{ix}	Primary Sulphide	Measured	150,000	2.4	0.5	3600	750
	Primary Sulphide	Indicated	344,000	3.3	0.5	11352	1720
	Primary Sulphide	Inferred	273,000	1.3	0.3	3549	819
Total			1,188,000	1.93		22,911	
		Including	767,000		0.43		3,289

MT OSCAR MAGNETITE (E47/1217): Mineral Resource¹⁴

Domain	Resource Category	Tonnage (Mt)	Head Fe (%)	Mass Recovery (%)	Conc Fe (%)	Conc SiO ₂ (%)	Conc Al ₂ O ₃	Conc P (%)	Conc LOI (%)
Mag Anomaly 1 ^x	Indicated	43	33.6	32.8	58.6	14.2	0.80	0.036	-0.34
	Inferred	32	33.3	10.4	60.3	12.7	0.73	0.036	-0.95
Mag Anomaly 2 ^x	Indicated	40	33.9	20.0	62.9	9.9	0.40	0.022	-1.16
	Inferred	11	36.1	33.7	60.3	13.3	0.56	0.037	-1.31
Total		126	33.8	23.1	60.5	12.4	0.63	0.032	-0.84

Note: Totals may not add up due to rounding

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 Annual Mineral Resources Statement above, and that in the case of mineral resources that all material assumptions and technical parameters underpinning the estimates in the Annual Mineral Resources Statement continue to apply and have not materially changed.

Material Changes and Resource Statement Comparison

The Company during this year has continued to review and report its mineral resources at least annually and provide an Annual Mineral Resources Statement. The date of reporting is 30 June each year, to coincide with the Company's end of financial year balance date. If there are any material changes to its mineral resources over the course of the year, the Company is required to promptly report these changes. In completing the annual review for the year ended 30 June 2018, the historical resource factors for Projects were reviewed and found to be relevant and current.

Governance Arrangements and Internal Controls

Artemis has ensured that the mineral resources quoted are subject to good governance arrangements and internal controls. The mineral resources reported have been generated by independent external consultants who are experienced in best practices in modelling and estimation methods. The consultants have also undertaken reviews of the quality and suitability of the underlying information used to generate the resource estimation. In addition, Artemis' management carries out regular reviews of internal processes and external contractors that have been engaged by the Company.

The Carlow Castle, Mt Oscar, Eastern Hills and Weerianna mineral resources were compiled in accordance with the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code) 2012 Edition.

The Mt Clement-Paulsens, Whundo, West Whundo, Ayshia and Radio Hill mineral resources were compiled in accordance with the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code) 2004 Edition.

^{vi} As per Fox Resources Limited ASX Annual Report to Shareholders 2014

^{vii} As per Fox Resources Limited ASX Annual Report to Shareholders 2014
Annual Report for 2018

Competent Person Statements

The information in this statement that relates to Exploration Results and Exploration Targets is based on information compiled or reviewed by Allan Younger, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Younger is a consultant to the Company. Mr Younger has sufficient experience that 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 Younger consents to the inclusion in this statement of the matters based on his information in the form and context in which it appears.

ⁱ 2011 estimate (Apex Geoscience Ltd). Estimated according to JORC Code (2004).

ⁱⁱ 2013 estimate (Geostat Services Pty Ltd) Cut-off grade 0.5 g/t Au. Estimated according to JORC Code (2012).

ⁱⁱⁱ 2018 estimate (Mr Philip A Jones) Cut-off grade 0.5 % Co. Estimated according to JORC Code (2012).

^{iv} 2013 estimate (CoxsRocks Pty Ltd) Cut-off grade 1.0% Sb. Estimated according to JORC Code (2012).

^v 2009 estimate (Snowden) Cut-off grade 0.5% Ni in Ni dominant material, and 0.5% Cu in the Cu dominant hanging wall. Estimated according to JORC Code (2004).

^{vi} 2006 estimate (RSG Global) Cut-off grade 0.5% Cu or 0.5% Zn. The Measured resource has been depleted from the RSG estimate by 20,000t based on company mining records. Estimated according to JORC Code (2004).

^{vii} 2007 estimate (Coffey Mining) Cut-off grade 0.4% Cu or 0.4% Zn. Estimated according to JORC Code (2004).

^{viii} 2006 estimate (RSG Global) Cut-off grade 0.4% Zn. Estimated according to JORC Code (2004).

^{ix} 2009 estimate (Golder Associates) Inferred Mineral Resource at Fe cut-off grade of 20%. Estimated according to JORC Code (2004).

^x 2014 estimate (ROM Resources) estimated according to JORC Code (2012).

TENEMENT SCHEDULE – All tenements are in Western Australia		
E47/1745	E47/3942 (a)	Munni Munni⁶
E47/1746	P47/1112	M47/123
E47/1797	P47/1126	M47/124
E47/2716	P47/1127	M47/125
E47/3160	P47/1134	M47/126
E47/3322	M47/1527	
E47/3340 ⁷	P47/1519 / M47/1568(a)	Mt Clement
E47/3341 ⁷	P47/1619	M08/191 ¹
E47/3361 ⁷	P47/1621	M08/192 ¹
E47/3373 (a)	P47/1622	M08/193 ¹
E47/3390 ⁷	P47/1819	
E47/3443 ⁷	P47/1832 ⁷	Fox Radio Hill Pty Ltd
E47/3487 ⁷	P47/1833 (a) ⁷	L47/93
E47/3534 ⁷	P47/1881 (a) ⁷	L47/163
E47/3535 (a) ⁷	P47/1897 (a)	M47/7
E47/3545 (a)	L47/781 (a)	M47/9
E47/3546	L47/782 (a)	M47/161
E47/3547	L47/820 (a)	M47/337
E47/3564 ⁷	M47/177 ²	
E47/3612	M47/223 ³	Shear Zone Mining Pty Ltd
E47/3707	M47/288 ²	M47/93 ⁴
E47/3708		M47/232 ⁴
E47/3709	East Pilbara	
E47/3719 (a)	E45/4779 ⁵	Mt OscarWits
E47/3720	E45/4732 ⁵	E47/1217
E47/3721	E45/5276	
E47/3722		
E47/3723		

All tenements are 100% owned unless otherwise indicated

(a) Tenement applications.

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

² 70% Artemis.

³ 80% Artemis.

⁴ 34% Artemis.

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

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

⁷ 70% Artemis – Karratha Gold Joint Venture

CORPORATE GOVERNANCE STATEMENT

Artemis, through its Board and executives, recognises the need to establish and maintain corporate governance policies and practices that reflect the requirements of the market regulators and participants, and the expectations of members and others who deal with Artemis. These policies and practices remain under constant review as the corporate governance environment and good practices evolve.

ASX Corporate Governance Principles and Recommendations

The third edition of ASX Corporate Governance Council Principles and Recommendations (the “Principles”) sets out recommended corporate governance practices for entities listed on the ASX.

The Company has issued a Corporate Governance Statement which discloses the Company’s corporate governance practices and the extent to which the Company has followed the recommendations set out in the Principles. The Corporate Governance Statement was approved by the Board on 27 September 2018 and is available on the Company’s website: <https://artemisresources.com.au/company/corporate-governance>

DIRECTORS' REPORT

Your Directors present their report on Artemis Resources Limited (**Artemis** or the **Company**) for the financial year ended 30 June 2018.

DIRECTORS

The names of Directors in office at any time during or since the end of the period are:

Current Directors

MR DAVID LENIGAS
Executive Chairman

Mr Lenigas is an experienced mining engineer with significant global resources and corporate experience, having served as executive chairman, chairman, and non-executive director of many public listed companies in London, Canada, Johannesburg, and Australia.

Mr Lenigas has a Bachelor of Applied Science (Mining Engineering) (Distinction) from Curtin University's Kalgoorlie School of Mines and holds a Western Australian First Class Mine Manager's Certificate of Competency.

Mr Lenigas was appointed a Director on 3 November 2016. Mr Lenigas is the Non-Executive Chairman of Clancy Exploration Limited and the Non-Executive Chairman of Southern Hemisphere Mining Limited.

**H.H. SHEIKH MAKTOUM
HASHER AL MAKTOUM**
Non-Executive Director

H.H. Sheikh Maktoum Hasher al Maktoum is a member of Dubai's ruling family. He is the President of Al Fajer Group and Chairman of Dubai International Holdings, Chairman of Manannan Hydro Limited and is a Non-Executive board member of the Commercial Bank of Dubai.

H.H. Sheikh Maktoum Hasher al Maktoum has a BSc. Business Administration and Finance from Suffolk University in Boston, USA and was awarded CEO of the Year by CEO Middle East in 2009 and was awarded Young Global Leader by the World Economic Forum in 2007.

H.H. Sheikh Maktoum Hasher al Maktoum was appointed a Director on 26 October 2017.

MR EDWARD MEAD
Executive Director

Mr Mead is a geologist with 20 years' experience in gold and base metals exploration, mine development and mine production. Mr Mead has also worked in the oil and gas industry on offshore drilling platforms. Other commodities that he has significant experience with are iron ore, magnetite, coal, manganese, lithium, potash and uranium.

He has a Bachelor of Science (Geology) from Canterbury University in New Zealand and is a member of the Australian Institute of Mining and Metallurgy. He has worked for the Geological Survey of Western Australia, Portman Mining Limited, Western Mining Corporation (BHPB), Sons of Gwalia, Fox Resources Ltd, Comdek Ltd and Baker Hughes Inteq and a number of other companies through his own consultancy.

Mr Mead was appointed a Director on 31 December 2014.

MR ALEX DUNCAN-KEMP
Executive Director

Mr Duncan-Kemp is an experienced mining engineer with over 20 years' experience in gold, iron ore and base metal mine development and mining operations. Mr Duncan-Kemp has also worked on public infrastructure projects in construction of roads and construction earthworks.

Mr Duncan-Kemp has worked in the Pilbara and Kimberley on iron ore, both haematitic and magnetite ores, the Yilgarn Eastern and North-eastern Goldfields on gold, the Eastern Goldfields on nickel, Northwest Queensland on phosphate and the Murchison on

DIRECTORS' REPORT

gold and copper operations. He has also worked at a large civil and mining contractor in both operations and project tendering areas.

Mr Duncan-Kemp has a Bachelor of Applied Science (Mining Engineering) from Curtin University's Kalgoorlie School of Mines and is the holder of a Western Australian First Class Mine Managers' Certificate of Competency and is a Member of the Australian Institute of Mining and Metallurgy.

Mr Duncan-Kemp was appointed a Director on 3 January 2017.

Directors have been in office since the start of the financial period to the date of this report, unless otherwise stated.

Secretary

MR GUY ROBERTSON
B Com (Hons.) CA

Guy Robertson was appointed Company Secretary on 12 November 2009.

Mr Robertson has over 25 years' experience as a Director, CFO and Company Secretary of both public (ASX-listed) and private companies in both Australia and Hong Kong. He has had significant experience in due diligence, acquisitions, IPOs and corporate management. Mr Robertson has a Bachelor of Commerce (Hons) and is a Chartered Accountant. He is a director of Hastings Technology Metals Ltd and Metal Bank Limited and was previously a director of Bellevue Gold Limited.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company during the year.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the financial year was mineral exploration, the re-commissioning of the Fox Radio Hill Plant and direct and indirect investments in the mining industry. There have been no significant changes in the nature of the Company's principal activities during the financial year.

SIGNIFICANT AFTER BALANCE DATE EVENTS

Other than as outlined above there are currently no matters or circumstances that have arisen since the end of the financial period that have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

LIKELY FUTURE DEVELOPMENTS AND EXPECTED RESULTS

The primary objective of Artemis is to explore its current tenements in Australia and the Company continues to look to invest in mineral resources projects which have the potential to become mines.

PERFORMANCE IN RELATION TO ENVIRONMENTAL REGULATION

The consolidated entity will comply with its obligations in relation to environmental regulation on its projects when it undertakes exploration. The Directors are not aware of any breaches of any environmental regulations during the period covered by this Report.

OPERATING RESULTS AND FINANCIAL REVIEW

The profit/(loss) of the consolidated entity after providing for income tax amounted to \$12,073,913 (2017: loss of \$2,178,504). The result is substantially attributable to the receipt and subsequent sale of 4 million Novo shares at CAD 5 each or A\$20,318,979, before costs.

The Group's operating income increased to \$19,145,095 (2017: \$633,492) with \$18,546,823 attributable to the sale of Novo shares above, net of an amount of \$1,559,575 applied as a recovery of exploration costs, and sales of gold and copper ore.

DIRECTORS' REPORT

The Group's expenses increased to \$7,071,182 (2017: \$2,811,996). The increase was attributable to share based payments to directors of \$2,148,171 of which \$1,525,000 was a sign on fee for H.H Sheikh Maktoum Hasher Al Maktoum, with other overhead expenses increasing commensurately with the level of activity.

The carrying value of exploration and development costs increased to \$40,474,892 (2017: \$8,992,705) reflecting a significant increase in exploration on the Company's gold and cobalt prospects and also the acquisition of Elysian Resources Pty Limited and Hard Rock Resources Pty Limited for a consideration of \$10,220,000 (in cash and shares).

Net assets increased to \$58,610,558 (2017: \$5,924,113) reflecting the increase in share capital during the year from placements \$25,500,000 (before costs), from exercise of options \$3,075,489, and from issue of shares on acquisitions \$8,720,000, and the result for the year, including the Novo shares fee and profit on subsequent sale, being \$16,606,896 and \$3,499,502 respectively.

DIVIDENDS PAID OR RECOMMENDED

The Directors do not recommend the payment of a dividend and no dividend has been paid or declared to the date of this Report.

MEETINGS OF DIRECTORS

The number of Directors' meetings (including committees) held during the financial period, the eligibility of each Director to attend and the number of meetings attended by each director are:

Director	Directors' Meetings		Audit Committee Meetings	
	Meetings Attended	Number Eligible to Attend	Meetings Attended	Number Eligible to Attend
David Lenigas	4	4	2	2
Edward Mead	4	4	2	2
Alex Duncan-Kemp	4	4	-	-
H.H. Sheikh Maktoum	1	3	-	-

In addition to the Directors' meetings outlined above there were 6 circular resolutions.

REMUNERATION REPORT (AUDITED)

Remuneration Policy

The Board's policy for determining the nature and amount of remuneration for Board members and officers is as follows:

- The remuneration policy, which sets the terms and conditions (where appropriate) for the executive directors and other senior staff members, was developed by the Chairman and Company Secretary and approved by the Board;
- In determining competitive remuneration rates, the Board may seek independent advice on local and international trends among comparative companies and industries generally. The Board examines terms and conditions for employee incentive schemes, benefit plans and share plans. Independent advice may be obtained to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices. No remuneration consultants were retained by the Group during the year;

- The Company is a mineral exploration company, and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, directors and senior executives, such personnel are paid market rates associated with individuals in similar positions within the same industry. Options and performance incentives may be issued particularly as the Company moves from commercialisation to a producing entity and key performance indicators such as profit and production can be used as measurements for assessing executive performance;

Given the early stage of the Company's Projects it is not meaningful to track executive compensation to financial results and shareholder wealth. It is also not possible to set meaningful specific objective performance criteria for directors at this stage;

- All remuneration paid to directors and officers is valued at the cost to the Company and expensed. Where appropriate, shares given to directors, executives and officers are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes methodology; and
- The Board policy is to remunerate non-executive directors and officers at market rates for comparable companies for time, commitment and responsibilities. The Chairman, in consultation with independent advisors, determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders in a General Meeting, and is currently \$150,000 per annum, as approved by shareholders. Fees for non-executive directors and officers are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the directors and officers are encouraged to hold shares in the Company.

Directors' and Executive Officers' Remuneration

(a) Details of Directors and Key Management Personnel

(i) Current Directors

David Lenigas – Executive Chairman (appointed 3 November 2016)
Edward Mead – Executive Director (appointed 31 December 2014)
Alex Duncan-Kemp – Executive Director (appointed 3 January 2017)
H.H. Sheikh Maktoum Hasher Al Maktoum (appointed 26 October 2017)

(ii) Former Directors

George Frangeskides - Chairman (appointed 17 January 2011, resigned 28 September 2011, reappointed 15 August 2012, resigned 3 April 2017)
Campbell Baird – Non-Executive Director (appointed 17 August 2015, resigned 23 June 2017)

(iii) Company Secretary

Guy Robertson

(iv) Key Management Personnel

Wayne Bramwell – Chief Executive Officer (appointed 19 June 2018)

Edward Mead – General Manager Exploration

Alex Duncan-Kemp – General Manager Operations

Directors' remuneration and other terms of employment are reviewed annually by the Board having regard to performance against goals set at the start of the year, relative comparative information and independent expert advice.

Except as detailed in Notes (a) – (d) to the Remuneration Report, no Director has received or become entitled to receive, during or since the financial period, a benefit because of a contract made by the Company or a related body corporate with a Director, a firm of which a Director is a member or an entity in which a Director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors and shown in Notes (a) – (d) to the Remuneration Report, prepared in accordance with the *Corporations Regulations 2001*, or the fixed salary of a full time employee of the Company.

(b) Remuneration of Directors and Key Management Personnel

The Board of Directors are responsible for determining and reviewing compensation arrangements. The Board will assess the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Remuneration of the Key Management Personnel of the Company and consolidated entity is set out below.

	2018				2017			
	Base Salary and Fees	Share Based Payments	Post Employment Super Contributions	Total	Base Salary and Fees	Share based Payments	Post Employment Super Contributions	Total
D. Lenigas	210,000	242,717	-	452,717	70,000	1,100,000	-	1,170,000
Sheikh Maktoum	80,000	1,525,000	-	1,605,000	-	-	-	-
A. Duncan-Kemp	220,700	74,449	-	295,149	125,550	-	-	125,550
E.Mead	250,727	74,449	-	325,176	112,318	-	-	112,318
W. Bramwell ¹	7,308	6,393	694	14,395	-	-	-	-
C. Baird	-	-	-	-	12,000	-	-	12,000
G. Frangeskides	-	-	-	-	47,414	-	-	47,414
	768,735	1,923,008	694	2,692,437	367,282	1,100,000	-	1,467,282

¹Commenced 19 June 2018

(c) Remuneration link to performance – options and performance rights

Unissued ordinary shares of Artemis Resources Limited under option at the date of this report are as follows:

Date option granted	Expiry date	Issue price of Shares	Number under option
30 November 2017	30 June 2020	44 cents	6,000,000
31 January 2018	31 January 2021	45.38 cents	5,439,858
6 February 2018	6 February 2019	25 cents	11,250,000
19 June 2018	19 June 2021	27.39 cents	10,000,000
19 June 2018	19 June 2021	40 cents	5,000,000

DIRECTORS' REPORT

Included in the options above were options granted as remuneration to Key Management Personnel during the period as follows:

Name	Date of grant	Expiry date	Opening balance at start of year	Granted as remuneration	Closing balance at end of year	Grant date value
D. Lenigas	30 November 2017	30 June 2020	-	3,000,000	3,000,000	\$381,526
E. Mead	30 November 2017	30 June 2020	-	1,500,000	1,500,000	\$190,763
A. Duncan-Kemp	30 November 2017	30 June 2020	-	1,500,000	1,500,000	\$190,763
W. Bramwell	19 June 2018	19 June 2021	-	10,000,000	10,000,000	\$453,681
W. Bramwell	19 June 2018	19 June 2021	-	5,000,000	5,000,000	\$189,152

All options are fully vested and exercisable, with the grant value being expensed over the period to the date of expiry. No options were issued during or outstanding at the end of the previous financial year in respect of Key Management Personnel.

The following performance rights were issued during the year to Key Management Personnel:

Name	Date granted	Number issued	Value per Share	Performance period ended	Closing balance at end of year	Grant date value
D. Lenigas	13 September 2017	9,000,000	8.6 cents	30 June 2019	9,000,000	\$619,200
E. Mead	13 September 2017	2,000,000	8.6 cents	30 June 2019	2,000,000	\$137,600
A. Duncan-Kemp	13 September 2017	2,000,000	8.6 cents	30 June 2019	2,000,000	\$137,600

Shareholders at a General Meeting on 8 September 2017 approved the grant of 15,000,000 performance rights to Directors and employees. The performance rights were valued by 22 Corporate Advisory Pty Limited, at 8.6 cents a share being the share price on grant date discounted for lack of marketability. Vesting occurs at the end of the performance period ended 30 June 2019, if the following performance conditions are met:

Market-based performance conditions:

- 33.3% of the performance rights will vest when share price exceeds 15 cents; and
- 33.3% of the performance rights will vest when share price exceeds 20 cents; and
- 33.3% of the performance rights will vest when share price exceeds 25 cents.

Non-market based performance conditions:

The vesting of the performance rights is also subject to non-market conditions including capital raising, occupational health and safety outcomes and corporate governance hurdles.

An expense of \$469,091 was recognised for the year ended 30 June 2018 in relation to these performance rights.

No performance rights were issued or were outstanding at the end of the previous financial year relating to Key Management Personnel.

(d) Share and option holdings

All equity dealings with Directors have been entered into with terms and conditions no more favourable than those that the entity would have adopted if dealing at arm's length.

(e) Contractual arrangements with executive Key Management Personnel

Component	Chairman	CEO	Executive directors
Fixed remuneration	\$300,000	\$380,000	\$60,000 directors fees plus consulting fees at \$1,000 per day
Contract duration	Ongoing	Ongoing	Ongoing
Notice by the individual/company	3 months	3 months in first year 6 months after first year	One to 3 months
Termination of employment (without cause)	On termination of employment without cause unexercised options are at the discretion of the Board. Vesting of performance rights is at the discretion of the board, who may also shorten the performance period.		
Termination of employment (with cause) or by individual	On termination for cause unexercised options will lapse. On termination by employee unexercised options are at the discretion of the Board. On termination for cause performance rights not vested will lapse.		

(f) Non-executive director arrangements

The non-executive director has a letter of appointment providing for non-executive director fees of \$120,000 per annum. The non-executive director was awarded a sign on fee of 5,000,000 shares on appointment.

Shares held by Directors and Key Management Personnel

Period from 1 July 2017 to 30 June 2018

	Balance at beginning of year	Received as Remuneration	Net change Other	Balance at end of year
D. Lenigas	25,000,000	-	-	25,000,000
H.H Sheikh Maktoum	-	5,000,000	-	5,000,000
A. Duncan-Kemp	-	-	-	-
E. Mead	2,000,000	-	-	2,000,000
W. Bramwell	-	-	-	-
	27,000,000	5,000,000	-	32,000,000

Period from 1 July 2016 to 30 June 2017

	Balance at beginning of year	Received as Remuneration	Net change Other ²	Balance at end of year
D. Lenigas	-	25,000,000	-	25,000,000
A. Duncan-Kemp	-	-	-	-
E. Mead ¹	-	2,000,000	-	2,000,000
C. Baird ¹	-	875,000	(875,000)	-
G. Frangeskides ¹	50,000	1,500,000	(1,550,000)	-
	50,000	29,375,000	(2,425,000)	27,000,000

¹Shares received as remuneration relate to an amount charged in and owing at the end of the previous year.

²Amount removed on resignation of director

OPTIONS

There has been no issue of ordinary shares as a result of the exercise of options by directors and senior management during or since the end of the financial year. Directors' holdings of shares and share options have been disclosed in the Remuneration Report.

INDEMNIFYING OFFICERS

In accordance with the Constitution, except as may be prohibited by the *Corporations Act 2001*, every officer or agent of the Company shall be indemnified out of the property of the Company against any liability incurred by him or her in his or her capacity as officer or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

During the financial year the Company paid insurance premiums of \$11,522 in respect of a contract insuring the directors and officers of the consolidated entity against any liability incurred in the course of their duties to the extent permitted by the *Corporations Act 2001*. The insurance premiums relate to:

- Costs and expenses incurred by the relevant officers in defending legal proceedings, whether civil or criminal and whatever their outcome; and
- Other liabilities that may arise from their position, with the exception of conduct involving wilful breach of duty or improper use of information to gain a personal advantage.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceeding to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2018 has been received and can be found on page 31 of the financial report.

NON-AUDIT SERVICES

The Board, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor, and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with ARES 110: *Code of Ethic for Professional Accountants* set by the Accounting Professional and Ethical Standards Board.

The following fees were paid to Hall Chadwick for non-audit services:

	2018	2017
Taxation services	\$11,192	\$2,000

This Report is made in accordance with a resolution of the Directors.



Edward Mead

Director

28 September 2018

ARTEMIS RESOURCES LIMITED
ABN 80 107 051 749

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ARTEMIS RESOURCES LIMITED**

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

Ph: (612) 9263 2600
Fx: (612) 9263 2800

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000



Drew Townsend
Partner

Date: 28 September 2018

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Accounting Firms

 **PrimeGlobal**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 2018**

		Consolidated 30 June 2018	Consolidated 30 June 2017
		\$	\$
Continuing Operations	Note		
Revenue	2(a)	18,984,232	628,857
Other income	2(b)	160,863	4,635
Cost of sales		(174,484)	(161,858)
Administration expenses		(314,150)	(244,011)
Personnel costs		(189,658)	-
Professional fees and consultancy costs		(193,785)	(183,964)
Occupancy costs		(165,143)	(20,882)
Compliance and regulatory expenses		(298,857)	(124,688)
Payments to directors		(658,587)	(163,699)
Exploration expenditure written off		(202,445)	-
Travel		(574,615)	(145,970)
Share based payments		(2,339,999)	(1,272,000)
Marketing costs		(92,436)	(111,856)
Project write off		-	(100,000)
Provision for stamp duty on acquisition		(520,000)	-
Provision for diminution in value investments		(316,087)	-
Legal Fees		(388,056)	(46,755)
Borrowing costs		(642,880)	(236,313)
PROFIT/(LOSS) BEFORE INCOME TAX FOR THE YEAR		12,073,913	(2,178,504)
Income tax expense	3	-	-
PROFIT/(LOSS) AFTER INCOME TAX FOR THE YEAR		12,073,913	(2,178,504)
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO:			
Members of the parent entity		12,073,913	(2,178,504)
TOTAL PROFIT/(LOSS) FOR THE YEAR		12,073,913	(2,178,504)
OTHER COMPREHENSIVE INCOME/(LOSS)			
Items that will not be reclassified to profit or loss:			
Net change in fair value of available for sale investments			-
Income tax relating to components of other comprehensive income		-	-
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR		12,073,913	(2,178,504)
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO			
Owners of the parent		12,073,913	(2,178,504)
		12,073,913	(2,178,504)
Earnings per share – continuing operations			
Basic profit/(loss) per share (cents)	21	2.22	(0.95)
Diluted profit/(loss) per share (cents)	21	2.02	(0.95)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the attached notes

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2018**

		Consolidated 30 June 2018 \$	Consolidated 30 June 2017 \$
	Note		
CURRENT ASSETS			
Cash and cash equivalents	4	27,048,303	329,196
Trade and other receivables	5	1,846,132	616,612
Other financial assets	6	430,730	103,904
Total current assets		<u>29,325,165</u>	<u>1,049,712</u>
NON-CURRENT ASSETS			
Plant and equipment	7	180,250	8,000
Exploration, evaluation and development expenditure	8	40,474,892	8,992,705
Total non-current assets		<u>40,655,142</u>	<u>9,000,705</u>
TOTAL ASSETS		<u>69,980,307</u>	<u>10,050,417</u>
CURRENT LIABILITIES			
Trade and other payables	9	7,446,797	1,860,339
Employee benefits obligations	10	8,928	-
Borrowings	11	3,914,024	2,325,965
Total current liabilities		<u>11,369,749</u>	<u>4,126,304</u>
TOTAL LIABILITIES		<u>11,369,749</u>	<u>4,126,304</u>
NET ASSETS		<u>58,610,558</u>	<u>5,924,113</u>
EQUITY			
Share Capital	12	79,127,087	39,067,554
Reserves	13	724,999	172,000
Accumulated losses		(21,241,528)	(33,315,441)
Parent interests		<u>58,610,558</u>	<u>5,924,113</u>
TOTAL EQUITY		<u>58,610,558</u>	<u>5,924,113</u>

The consolidated statement of financial position is to be read in conjunction with the attached notes.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018**

	Attributable to equity holders of parent			
	Share Capital	Reserves	Accumulated Losses	Total Equity
	\$	\$	\$	\$
CONSOLIDATED - 2018				
Balance 1 July 2017	39,067,554	172,000	(33,315,441)	5,924,113
Profit for the year	-	-	12,073,913	12,073,913
Total comprehensive income for the year	-	-	12,073,913	12,073,913
Issue of shares	41,053,281	-	-	41,053,281
Cost of share issue	(1,255,748)	-	-	(1,255,748)
Exercise of options	172,000	(172,000)	-	-
Transfer to share based payments	-	814,999	-	814,999
Transfer from share based payments	90,000	(90,000)	-	-
Balance as at 30 June 2018	79,127,087	724,999	(21,241,528)	58,610,558

	Attributable to equity holders of parent			
	Share Capital	Reserves	Accumulated Losses	Total Equity
	\$	\$	\$	\$
CONSOLIDATED - 2017				
Balance 1 July 2016	32,374,443	-	(31,136,937)	1,237,506
Loss for the year	-	-	(2,178,504)	(1,406,504)
Total comprehensive income for the year	-	-	(2,178,504)	(1,406,504)
Issue of shares	6,757,934	-	-	6,757,934
Cost of share issue	(64,823)	-	-	(64,823)
Share based payments	-	172,000	-	172,000
Balance as at 30 June 2017	39,067,554	172,000	(33,315,441)	5,924,113

The consolidated statement of changes in equity is to be read in conjunction with the attached notes.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018**

	Consolidated 30 June 2018	Consolidated 30 June 2017
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from operations	415,535	175,153
Payments to suppliers and employees	(3,171,454)	(938,779)
Interest received	160,863	4,635
Borrowing costs paid	(841,976)	(236,313)
NET CASH USED IN OPERATING ACTIVITIES	24 (3,437,032)	(995,304)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration, evaluation and development	(18,987,830)	(2,574,869)
Payments for project acquisition	(1,500,000)	(1,118,343)
Payments for plant and equipment	(182,656)	(410,000)
Proceeds from sale of investments	19,516,977	162,236
NET CASH USED IN INVESTING ACTIVITIES	(1,153,509)	(3,940,976)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	28,372,983	2,566,185
Cost of issue of shares	(1,255,748)	(64,823)
Loan (repayment)/proceeds	(60,000)	120,000
Proceeds from convertible note	5,945,003	2,625,965
Repayment of convertible note	(1,918,894)	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	31,083,344	5,247,327
Increase in cash held	26,492,803	311,047
Cash at the beginning of the year	329,196	18,149
Effect of exchange rate on cash and cash equivalent	226,304	-
CASH AT THE END OF THE YEAR	4 27,048,303	329,196

The consolidated statement of cash flows is to be read in conjunction with the attached notes to the financial statements

Notes to the Financial Statements for the year ended 30 June 2018

These consolidated financial statements and notes represent those of Artemis Resources Limited and Controlled Entities (the "Consolidated Group" or "Group"). The separate financial statements of the parent entity, Artemis Resources Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

The financial statements were authorised for issue on 28 September 2018 by the Directors of the Company.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, International Financial Reporting Standards as issued by the International Accounting Standards Board and the *Corporations Act 2001*. The Group is a for profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

a. Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Artemis Resources Limited at the end of the reporting period. A controlled entity is any entity over which Artemis Resources Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 14 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the equity section of the consolidated statement of financial position and consolidated statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the consolidated statement of comprehensive income.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

b. Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity made a profit of \$12,073,913, had net cash outflows from operating activities of \$3,437,032 and investing activities of \$1,153,509 for the year ended 30 June 2018, and had a working capital surplus as at 30 June 2018 of \$17,955,416.

Notwithstanding positive results for the year the Group is not yet producing and therefore there is some uncertainty that the Company and consolidated entity will continue as a going concern and realise its assets and discharge its liabilities in the ordinary course of business.

The Directors believe that it is reasonably foreseeable that the company and consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The consolidated entity has cash at bank at balance date of \$27,048,303 and net assets of \$58,610,558 as at 30 June 2018;
- The ability of the consolidated entity to scale back certain parts of their activities that are non-essential so as to conserve cash; and
- The consolidated entity retains the ability, if required, to wholly or in part dispose of interests in mineral exploration and development assets.

Accordingly, the Directors believe that the company and consolidated entity will be able to continue as going concerns and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the company and consolidated entity do not continue as going concerns.

c. New accounting standards for application in future periods

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

The directors anticipate that the adoption of AASB 9 will not have a significant impact on the Group's financial statements.

AASB 15 Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2018).

AASB 15 Replaces AASB 118 Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations:

- o establishes a new revenue recognition model
- o changes the basis for deciding whether revenue is to be recognised over time or at a point in time
- o provides new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return, warranties and licensing)
- o expands and improves disclosures about revenue

The entity is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the entity's preliminary assessment, the likely impact on the first time adoption of the Standard for the year ending 30 June 2019 includes:

- Change in timing of income recognition depending on performance consideration in the Group's contracts; and
- Change in income measurement for possible variable consideration in the Group's contracts.

AASB 16 Leases (applicable to annual reporting periods beginning on or after 1 January 2018).

AASB 16:

- Replaces AASB 117 Leases and some lease-related Interpretations
- requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases
- provides new guidance on the application of the definition of lease and on sale and lease back accounting
- largely retains the existing lessor accounting requirements in AASB 117
- requires new and different disclosures about leases

When this Standard is first adopted for the year ending 30 June 2020, there will be no material impact on the transactions and balances recognised in the financial statements.

d. Income taxes

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income). Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at

reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity. Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

e. Exploration and evaluation costs

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

f. Leases

A distinction is made between finance leases which transfer from the lessor to the lessee substantially all the risks and rewards incident to ownership of the leased asset and operating leases under which the lessor retains substantially all the risks and rewards.

Where an asset is acquired by means of a finance lease, the fair value of the leased property or the present value of minimum lease payments, if lower, is established as an asset at the beginning of the lease term. A corresponding liability is also established and each lease payment is apportioned between the finance charge and the reduction of the outstanding liability.

Operating lease rental expense is recognised as an expense on a straight line basis over the lease term, or on a systematic basis more representative of the time pattern of the user's benefit.

g. Financial Instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

(iii) Held-to-maturity investments

Held-to-maturity investments are included in non-current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in non-current assets where they are expected to be sold within 12 months after the end of the reporting period. All other financial assets are classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

h. Impairment of assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the consolidated statement of comprehensive income. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen.

i. Plant and equipment

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses. Plant and equipment are measured on the cost basis.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to

the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

Depreciation is calculated on a diminishing-value basis over the estimated useful life of the assets as follows:

Plant and equipment – ranging from 2 to 20 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

j. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated statement of financial position.

k. Revenue recognition

Interest revenue is recognised using the effective interest method. It includes the amortisation of any discount or premium.

l. Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred except borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period to get ready for its intended use or sale. In this case the borrowing costs are capitalised as part of the cost of such a qualifying asset.

The amount of borrowing costs relating to funds borrowed generally and used for the acquisition of qualifying assets has been determined by applying a capitalisation rate to the expenditures on those assets. The capitalisation rate comprises the weighted average of borrowing costs incurred during the period.

m. Equity settled compensation

Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

n. Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST. Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

o. Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

p. Significant judgements and key assumptions

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

q. Key judgements

The Group capitalises expenditure relating to exploration and evaluation, and development, where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at reporting date at \$40,474,892.

2. REVENUE AND OTHER INCOME

	Consolidated 2018 \$	Consolidated 2017 \$
a) Revenue		
Other income ¹	16,606,896	165,974
Less applied as recovery of exploration costs	(1,559,575)	-
	15,047,321	-
Add profit on sale of Novo shares net of costs	3,499,502	-
	18,546,823	165,974
 Sales of gold, silver and copper ore	 221,041	 462,883
Profit on sale of other investments	44,162	-
Unrealised foreign exchange gain	172,206	-
	18,984,232	628,857
 b) Other Income		
Interest received	160,863	4,635

¹In 2018 this amount is the non-cash fee received from Novo Resources Corp. for entering into the conglomerate gold joint venture.

3. INCOME TAXES

Reconciliation between income tax expense and prima facie tax on accounting loss:

	Consolidated 2018 \$	Consolidated 2017 \$
Profit/(loss) before tax	12,073,913	(2,178,504)
Tax at 27.5% (2017: 27.5%)	3,320,326	(599,089)
Tax effect of non-deductible expenses	735,462	427,600
Exploration expenditure	(3,045,162)	(1,101,474)
Tax losses and timing differences not brought to account	-	1,272,963
Previously unrecognised tax losses and timing differences now recouped to reduce tax expense	(1,010,626)	-
Income tax expense	-	-

Applicable tax rate

The applicable tax rate is 27.5%, the small business national corporate tax rate in Australia.

Analysis of deferred tax assets

No deferred tax assets have been recognised as yet, other than to offset deferred tax liabilities, as it is currently not probable that future taxable profit will be available to realise the asset. Potential deferred tax assets on carry forward losses amount to \$4,814,858 (2017-\$5,925,343).

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and account balances with banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents included in the consolidated statement of cash flows comprise the following amounts:

	Consolidated 2018 \$	Consolidated 2017 \$
Cash and cash equivalents	27,048,303	329,196

5. TRADE AND OTHER RECEIVABLES

	Consolidated 2018 \$	Consolidated 2017 \$
Current		
Trade receivables	133,838	316,870
GST receivable	1,337,115	294,482
Other	375,179	5,260
	1,846,132	616,612

The value of trade and other receivables considered by the Directors to be past due or impaired is nil (2017: Nil).

6. OTHER FINANCIAL ASSETS

	Consolidated 2018 \$	Consolidated 2017 \$
Current		
Available-for-sale financial assets		
Listed equity securities – at fair value	430,730	103,904

7. PLANT AND EQUIPMENT

	Plant and Equipment	Software	Motor vehicles	Total
Cost				
Opening balance, 1 July 2016	-	-	-	-
Additions	-	-	10,000	10,000
Closing balance, 30 June 2017	-	-	10,000	10,000
Opening balance, 1 July 2017	-	-	10,000	10,000
Additions	94,840	90,883	-	185,723
Closing balance, 30 June 2018	94,840	90,883	10,000	195,723
Depreciation				
Opening balance, 1 July 2016	-	-	-	-
Depreciation	-	-	(2,000)	(2,000)
Closing balance, 30 June 2017	-	-	(2,000)	(2,000)
Opening balance, 1 July 2017	-	-	(2,000)	(2,000)
Depreciation	(3,841)	(7,632)	(2,000)	(13,473)
Closing balance, 30 June 2018	(3,841)	(7,632)	(4,000)	(15,473)
Written Down Value 30 June 2017	-	-	8,000	8,000
Written down value 30 June 2018	90,999	83,251	6,000	180,250

8. EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE

	Total
Opening balance, 1 July 2016	1,631,509
Acquisition of tenements and project interests	3,435,731
Expenditure capitalised in current period	4,087,053
Cost of product sold written off	(161,588)
Closing balance, 30 June 2017	8,992,705
Opening balance, 1 July 2017	8,992,705
Acquisition of tenements and project interests	10,220,000
Expenditure capitalised in current period	21,436,671
Exploration expenditure written off	(202,445)
Cost of product sold written off	(174,214)
Closing balance, 30 June 2018	40,474,892

9. TRADE AND OTHER PAYABLES

	Consolidated 2018 \$	Consolidated 2017 \$
Trade and other accounts payable (unsecured)	7,446,797	1,860,339

10. EMPLOYEE BENEFITS OBLIGATIONS

	Consolidated 2018 \$	Consolidated 2017 \$
Provision for annual leave	\$	\$
Opening balance	-	-
Provision for the year	8,928	-
Closing balance	8,928	-

11. BORROWINGS

	Consolidated 2018 \$	Consolidated 2017 \$
<i>Convertible note</i>		
Opening balance borrowings	2,265,965	-
Convertible note	5,945,303	2,625,965
Less guarantee held by noteholder	-	(360,000)
	8,211,268	2,265,965
Less conversion to equity	(2,232,791)	-
Less cash repayment	(1,918,894)	-
Foreign exchange gain	(145,559)	-
	3,914,024	2,265,965
<i>Other borrowings</i>		
Short term loan	60,000	60,000
Repayment short term loan	(60,000)	-
	-	60,000
Closing balance borrowings	3,914,024	2,325,965
<i>Current liabilities</i>		
Convertible note	3,914,024	2,265,965
Short term loan	-	60,000
Total current liabilities	3,914,024	2,325,965

The convertible note is for an amount of US\$4,500,000 (A\$5,945,303). The convertible note can be converted at the noteholder's election at the lower of 35.75 cents per share or 93% of the 10 day weighted volume average price prior to the date of conversion. The borrower has an option to repay the loan in cash in the event the share price is less than 36.4 cents per share at a premium of 15%. The convertible note is unsecured and expires on 8 June 2019.

Advisors to the noteholder received 5,439,858 options on 31 January 2018. The options are exercisable at 45.38 cents on or before 31 January 2021.

The note outstanding as at 30 June 2017 was repaid in full, with US\$200,000 being repaid in cash on 17 July 2017 and US\$1,800,000 being converted with the issue of 19,959,802 shares (4,000,000 shares were issued as a guarantee on 15 May 2017 and the balance were issued on 31 July, 2 August, 16 August and 11 September 2017).

Borrowings (continued)

An amount of US\$964,284 was repaid against the convertible note outstanding as at 30 June 2018, on 2 July 2018, 1 August 2018 and 4 September 2018.

The short-term loan of \$60,000 was repaid on 15 February 2018.

12. SHARE CAPITAL

	2018 Shares	2017 Shares	2018 \$	2017 \$
633,293,770 (2017: 323,733,940 – pre consolidation) fully paid ordinary shares	633,293,770	323,733,940	79,127,027	39,067,554

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Reconciliation of movements in share capital during the year:

Reconciliation of movement during the period:

	Shares	\$
Opening balance	323,733,940	39,067,554
Shares issued in placement	148,696,682	25,500,000
Shares issued on exercise of options	104,192,990	3,337,429
Shares issued as consideration for acquisition	25,000,000	7,000,000
Shares issued as consideration for acquisition	8,000,000	1,720,000
Shares issued on settlement of convertible note	18,670,158	2,232,792
Shares issued to director as sign on fee	5,000,000	1,525,000
Cost of raising capital	-	(1,255,748)
Closing balance	<u>633,293,770</u>	<u>79,127,027</u>

Capital management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

Management is constantly adjusting the capital structure to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may issue new shares or sell assets to reduce debt.

There have been no changes in the strategy adopted by management to control the capital of the group since the prior year. This strategy is to maintain share capital as dictated by operational requirements and market conditions.

13. RESERVES

	Consolidated 2018 \$	Consolidated 2017 \$
Share based payment reserve	724,999	172,000

Reconciliation of movements during the year:

	2018 Options	2017 Options	2018 \$	2017 \$
Share based payments reserve				
Total options	37,689,858	101,002,903	255,909	172,000

Movement in option reserve during the year	Number	\$
Opening balance	101,002,903	172,000
Exercise of options at 2 cents each	(96,292,990)	-
Exercise of options at 15 cents each	(4,400,000)	(172,000)
Lapse of 2 cent options	(309,913)	-
Issue of options at average price of 12.5 cents	4,000,000	90,000
Exercise of options at average price 12.5 cents	(4,000,000)	(90,000)
Issue of director options - series 1	6,000,000	172,302
Issue of free options attached to share issue - series 2	11,250,000	-
Issue of advisor options – series 3	5,439,858	77,212
Issue of CEO options – series 4	10,000,000	4,512
Issue of CEO options – series 5	5,000,000	1,883
Closing balance	37,689,858	255,909

	2018 Performance rights	2017	2018 \$	2017 \$
Share based payments reserve				
Total performance rights	15,000,000	-	469,090	-

Movement in performance rights during the year	Number	\$
Opening balance	-	-
Issued to directors	13,000,000	406,545
Issued to employees	2,000,000	62,545
Closing balance	15,000,000	469,090

The following options are outstanding as at 30 June 2018

Series 1. 6,000,000 unlisted options granted 30 November 2017 exercisable at 44 cents per share before 30 June 2020

Series 2. 11,250,000 unlisted options granted 6 February 2018 exercisable at 25 cents per share before 6 February 2019

Series 3. 5,439,858 unlisted options granted 31 January 2018 exercisable at 45.38 cents before 31 January 2021

Series 4. 10,000,000 unlisted options granted 19 June 2018 exercisable at 27.39 cents per share before 19 June 2021

Series 5. 5,000,000 unlisted options granted 19 June 2018 exercisable at 40 cents per share before 19 June 2021

**NOTES TO THE FINANCIAL STATEMENTS
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The fair value of the equity-settled unlisted share options granted is estimated as at the date of grant using the Black and Scholes model taking into account the terms and conditions upon which the options were granted.

	Series 1 ²	Series 2 ¹	Series 3	Series 4 ²	Series 5 ²
Expected volatility (%)	142%	N/A	100%	90%	90%
Risk-free interest free (%)	1.8%		2.0%	2.09%	2.09%
Expected life of option (years)	2.58 years		3 years	3 years	3 years
Exercise price (\$)	44 cents		45.38 cents	27.39 cents	40 cents
Grant date share price	31.5 cents		21.5 cents	19 cents	19 cents

¹Free attaching options to capital raise on 6 February 2018 on the basis of one option for every four new shares issued.

²Options were valued by 22 Corporate Advisory Pty Ltd

Valuation of performance rights

Shareholders at a General Meeting on 8 September 2017 approved the grant of 15,000,000 performance rights to Directors and employees. The performance rights were valued by 22 Corporate Advisory Pty Limited, at 8.6 cents a share being the share price on grant date discounted for lack of marketability. Vesting occurs at the end of the performance period ended 30 June 2019, if the following performance conditions are met:

Market-based performance conditions:

- 33.3% of the performance rights will vest when share price exceeds 15 cents; and
- 33.3% of the performance rights will vest when share price exceeds 20 cents; and
- 33.3% of the performance rights will vest when share price exceeds 25 cents.

Non-market based performance conditions:

The vesting of the performance rights is also subject to non-market conditions including capital raising, occupational health and safety outcomes and corporate governance hurdles.

An expense of \$469,091 was recognised for the period ended 30 June 2018 in relation to these performance rights.

14. SUBSIDIARIES

	Country of Incorporation	Ownership % 2018	Ownership % 2017
Parent Entity:			
Artemis Resources Limited	Australia	-	-
Subsidiaries:			
Fox Radio Hill Pty Limited	Australia	100	100
Karratha Metals Limited	Australia	100	100
KML No 2 Pty Limited	Australia	100	100
Armada Mining Pty Limited	Australia	100	100
Shearzone Mining Pty Limited	Australia	100	100
Western Metals Pty Limited	Australia	80	80
Elysian Resources Pty Limited	Australia	100	-
Hardrock Resources Pty Limited	Australia	100	-
SMA Mining Pty Limited	Australia	5	5
Artemis Graphite Pty Ltd	Australia	100	100
Artemis Management Services Pty Ltd	Australia	100	-
Anco Holdings Limited	Hong Kong	-	49

Consolidated

The parent entity within the group is Artemis Resources Limited which is the ultimate parent entity in Australia.

15. BUSINESS COMBINATION

On 8 December 2017 Artemis finalised the acquisition of Elysian Resources Pty Limited and Hardrock Resources Pty Limited for 33 million ordinary shares and a cash payment of \$1,500,000.

Details of the purchase consideration and net assets are as follows:

Purchase consideration:

Tranche 1 – 8 December 2017	\$
33,000,000 shares (25,000,000 at a deemed price of 28 cents per share and 8,000,000 at a deemed price of 21.5 cents per share)	8,720,000
Cash	1,500,000
	<u>10,220,000</u>

The assets and liabilities recognised as a result of the acquisition are as follows:

Capitalised exploration	<u>10,220,000</u>
-------------------------	-------------------

Exploration costs on tenements acquired subsequent to acquisition amounted to \$701,806. In the event that the acquisition was consummated on 1 July 2017, exploration on acquired tenements would have been a further \$102,470. There were no revenues or expenses charged to profit and loss by the acquired company during the year.

The values identified in relation to the acquisition of the above businesses are provisional as at 30 June 2018. For a further understanding of the provisional basis, refer to the business combination accounting policy which states that business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at acquisition date. The measurement period ends on either the earlier of (i) 12 months from the date of acquisition or (ii) when the acquirer receives all the information possible to determine the value.

16. FINANCIAL INSTRUMENTS

The Board of Directors takes responsibility for managing financial risk exposures of the Group. The Board monitors the Group's financial risk management policies and exposures and approves financial transactions. It also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, currency risk, liquidity risk and interest rate risk. The Board meets monthly at which these matters are reviewed.

The Board's overall risk management strategy seeks to assist the Consolidated Group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its review includes the use of hedging derivative instruments, credit risk policies and future cash flow requirements.

The Company's principal financial instruments comprise cash, short term deposits and securities in Australian listed companies. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the company. The Company also has other financial instruments such as trade debtors and creditors which arise directly from its operations. For the period under review, it has been the Company's policy not to trade in financial instruments. The Company holds financial instruments in the form of shares in Australian listed companies with the aim of trading these shares to generate a profit.

The main risks arising from the Company's financial instruments are interest rate risk and credit risk and market risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Interest Rate Risk

The Company's exposure to interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities. The Company does not have short or long term debt, and therefore this risk is minimal.

At balance sheet date, the Company had the following financial assets and liabilities exposed to interest rate risk that are not designated as cash flow hedges:

	Consolidated 2018 \$	Consolidated 2017 \$
Financial Assets		
Cash and cash equivalents	27,048,303	329,196

(b) Credit Risk

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Company's maximum exposure to credit risk.

(c) Foreign exchange risk

The Company had the following United States dollar denominated assets and liabilities at year end.

	Consolidated 2018 US\$	Consolidated 2017 US\$
Cash		
Cash and cash equivalents	1,866,360	-
Borrowing		
Convertible note liability	2,892,855	2,000,000 ¹

¹The convertible note holder held 4,000,000 shares as collateral against this liability in the prior year

Net impact of strengthening/(weakening) of Australian dollar on US \$ assets/liabilities outlined above	Foreign exchange risk		Foreign exchange risk	
	-5%		+5%	
	Profit	Equity	Profit	Equity
	\$	\$	\$	\$
2018	(77,158)	(77,158)	77,158	77,158
2017	(144,450)	(144,450)	144,450	144,450

(d) Equity securities price risk

Equity securities price risk arises from investments in listed equity securities. The Group is exposed to equity price risk arising from its equity investments. Equity investments are held for trading purposes. The Group does not actively trade these investments and no hedging or derivative transactions have been used to manage equity price risk.

(e) Sensitivity analysis

The following tables summarise the sensitivity of the Group's financial assets and liabilities to interest rate risk. Had the relevant variables, as illustrated in the tables, moved, with all other variables held constant, post tax profit and equity would have been affected as shown. The analysis has been performed on the same basis for 2018 and 2017.

In the current year the Company holds a number of investments in ASX listed companies.

Consolidated 30 June 2018		Carrying Amount \$	Interest Rate Risk		Interest Rate Risk	
			-1%		+1%	
			Profit \$	Equity \$	Profit \$	Equity \$
Financial Assets	Footnote					
Cash and cash equivalents	1	27,048,303	(270,483)	(270,483)	270,483	270,483
Trade and other receivables	2	1,846,132	-	-	-	-
Other financial assets	3	430,730	-	-	-	-
Financial Liabilities						
Trade and other payables	4	7,446,797	-	-	-	-
Borrowings	5	3,914,024	-	-	-	-
Total increase / (decrease)			(270,483)	(270,483)	270,483	270,483

Consolidated 30 June 2017		Footnote	Carrying Amount \$	Interest Rate Risk		Interest Rate Risk	
				-1%		+1%	
				Profit \$	Equity \$	Profit \$	Equity \$
Financial Assets							
Cash and cash equivalents	1		329,196	(3,292)	(3,292)	3,292	3,292
Trade and other receivables	2		616,612	-	-	-	-
Other financial assets	3		103,904	-	-	-	-
Financial Liabilities							
Trade and other payables	4		1,860,339	-	-	-	-
Borrowings	5		2,325,955	(600)	(600)	600	600
Total increase / (decrease)				(3,892)	(3,892)	3,892	3,892

1. Cash and cash equivalents are denominated in AUD and US\$ and include deposits at call at floating and short-term fixed interest rates. At 30 June 2018, \$2,892,855 was denominated in US \$ (30 June 2017 - \$Nil).
2. Trade and other receivables are denominated in AUD and are not interest bearing.
3. Other financial assets are equity securities listed on the ASX (2017 – on the London AIM) and are denominated in Australian Dollars (2017-Pounds Sterling).
4. Trade and other payables at balance date are denominated mainly in AUD and are not interest bearing.
5. The convertible note has no interest coupon. Loan of \$60,000 in 2017 bears an interest rate of 10% per annum.

(f) Liquidity risk

The consolidated entity's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans, convertible notes and finance leases. Cash flows from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will roll forward.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

**NOTES TO THE FINANCIAL STATEMENTS
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Consolidated Group	Within 1 year		1 to 5 years		Over 5 years		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Financial liabilities - due for payment:</i>								
Trade and other payables	7,446,797	1,800,339	-	-	-	-	7,446,797	1,800,339
Borrowings	3,914,024	2,325,965	-	-	-	-	3,914,024	2,325,965
Total contractual outflows	11,360,821	4,126,304	-	-	-	-	11,360,821	4,126,304
Cash and cash equivalents	27,048,303	329,196	-	-	-	-	27,048,303	329,196
Trade and other receivables	1,846,132	616,612	-	-	-	-	1,846,132	616,612
Financial assets	430,730	103,904	-	-	-	-	430,730	103,904
Total anticipated inflows	29,325,165	1,049,712	-	-	-	-	29,325,165	1,049,712
Net inflow/(outflow) on financial instruments	17,964,344	(3,076,592)	-	-	-	-	17,964,344	(3,076,592)

Management and the Board monitor the Group's liquidity reserve on the basis of expected cash flow. The information that is prepared by senior management and reviewed by the Board includes:

- (i) Annual cash flow budgets;
- (ii) Monthly rolling cash flow forecasts.

(g) Net fair values

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 1.

17. COMMITMENTS FOR EXPENDITURE

The Consolidated Group currently has commitments for expenditure at 30 June 2018 on its Australian exploration tenements as follows:

	Consolidated Group 2018 \$	Consolidated Group 2017 \$
Not later than 12 months	2,644,580	1,829,114
Between 12 months and 5 years	6,212,995	6,471,414
Greater than 5 years	4,622,701	4,695,294
	13,540,276	12,995,822

The Company evaluates its tenements and exploration programme on an annual basis and may elect not to renew tenement licences if it deems appropriate.

18. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company has no contingent assets or liabilities.

19. RELATED PARTY DISCLOSURES

- (a) Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's Key Management Personnel for the year ended 30 June 2018. Key Management Personnel for the year ended 30 June 2018 comprised the Directors, the Chief Executive Officer, General Manager Exploration and the General Manager Operations.
- (b) The total remuneration paid to Key Management Personnel of the Company and the Group during the year are as follows:

	Consolidated Group	
	2018	2017
	\$	\$
Short term employee benefits	768,735	367,282
Share based payments	1,916,615	1,100,000
Superannuation	694	-
	2,686,044	1,467,282

The Company contracts with third parties for the provision of all administrative and support services and geological consulting support services.

- (c) Remuneration options: granted and vested during the financial period ending 30 June 2018
Details of share based payments during the year comprising 15,000,000 performance rights and 6,000,000 Options to directors and 15,000,000 options to the Chief Executive Officer are contained in Note 23 to the financial statements.
- (d) Share and option holdings
All equity dealings with directors have been entered into with terms and conditions no more favourable than those that the entity would have adopted if dealing at arm's length.
- (e) Related party transactions

	Consolidated Group 2018	Consolidated Group 2017
	\$	\$
Expenses		
ADK Mining Services Pty Ltd	220,700	125,550
Aetos Consulting Limited ²	-	47,414
Doraleda Pty Limited ³	250,727	112,318
	471,427	285,282

¹ Directors fees and consulting fees paid to ADK Mining Services Pty Ltd, a company in which Mr Alex Duncan-Kemp has an interest.

² Consulting fees paid to Aetos Consulting Limited, a company in which Mr Frangeskides has an interest.

³ Directors fees and consulting fees paid to Doraleda Pty Limited, a company in which Mr Mead has an interest.

20. SEGMENT INFORMATION

The consolidated entity operates in Australia in mineral and mining exploration. As at 30 June 2018 the Company is solely focused on exploration in the West Pilbara for gold, cobalt, base metals, platinum and platinum group elements.

	Consolidated 2018 \$	2017 \$
Segment Revenue		
External segment revenue	19,145,095	633,492
Segment expenses from - continuing operating activities	(7,071,182)	(2,666,026)
Profit/(loss) before income tax	12,073,913	(2,178,504)
Income tax benefit	-	-
Profit/(loss) after income tax	12,073,913	(2,178,504)
Assets		
Segment Assets	69,980,307	10,050,417
Total assets	69,980,307	10,050,417
Liabilities		
Segment Liabilities	11,369,749	4,126,304
Total Liabilities	11,369,749	4,126,304

An analysis of segment assets is as follows:

Assets		
<i>Exploration assets</i>		
West Pilbara	28,608,305	7,792,894
Mt Clement-Paulsens	147,442	46,196
Total exploration assets	28,755,747	7,839,090
<i>Development assets</i>		
Fox Radio Hill processing plant	11,719,145	-
<i>Unallocated assets</i>		
Cash, receivables, investments and plant and equipment	29,505,415	2,211,327
TOTAL ASSETS	69,980,307	10,050,417

21. EARNINGS PER SHARE

	Consolidated 2018 Cents	2017 Cents
Reconciliation of earnings per share		
Basic earnings per share	2.22	(0.95)
Diluted earnings per share	2.02	(0.95)
Profit/(Loss) used in the calculation of the basic earnings per share	12,073,913	(2,178,504)
Weighted average number of ordinary shares:		
Used in calculating basic earnings per ordinary share	544,638,771	229,366,200
Dilutive potential ordinary shares	52,688,858	-
Used in calculating diluted earnings per share	597,327,629	229,366,200

22. AUDITOR'S REMUNERATION

	Consolidated 2018 \$	2017 \$
Auditor of parent entity		
Audit fees – Hall Chadwick	36,528	28,500
Other services	11,192	2,000
Total	47,720	30,500

For the year ended 30 June 2018 the auditor appointed is Hall Chadwick.

23. SHARE BASED PAYMENTS

Goods or services received or acquired in a share-based payment transaction are recognised as an increase in equity if the goods or services were received in an equity-settled share-based payment transaction or as a liability if the goods and services were acquired in a cash settled share-based payment transaction.

For equity-settled share-based transactions, goods or services received are measured directly at the fair value of the goods or services received provided this can be estimated reliably. If a reliable estimate cannot be made the value of the goods or services is determined indirectly by reference to the fair value of the equity instrument granted.

Transactions with employees and others providing similar services are measured by reference to the fair value at grant date of the equity instrument granted.

Options issued to Key Management Personnel during the year are outlined in the remuneration report.

The following table illustrates the number (No.) and weighted average exercise prices of and movements in unlisted share options issued during the year in respect of share based payments:

	No. 2018	Weighted average exercise price	No. 2017	Weighted average exercise price
Outstanding at the beginning of the year	4,400,000	15 cents	-	-
Granted during the year	26,439,848	37.24 cents	4,400,000	15 cents
Exercised during the year	(4,400,000)	15 cents	-	-
Expired/cancelled during the year	-	-	-	-
Outstanding at the end of the year	26,439,858	37.24 cents	4,400,000	15 cents
Exercisable at the end of the year	26,439,858	37.24 cents	4,400,000	15 cents

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	Consolidated Group 2018 \$	Consolidated Group 2017 \$
Sign on fee for directors, issued as shares	1,525,000	1,100,000
Performance rights directors	406,546	-
Performance rights employees	62,545	-
Share options directors	172,302	-
Share options employee	6,393	-
Total key management personnel	2,172,786	1,100,000

Other information

The Company issued 5,439,858 options to advisors in the year to 30 June 2018. The options are exercisable at 45.38 cents per share with an expiry date of 31 January 2021. The options were valued at \$555,930 using the Black and Scholes method using the following variables: a) share price at date of issue 21.5 cents, government bond rate to maturity 2% and share price volatility of 100%. The cost is being amortised over the period to expiry with \$77,212 expensed in the year ended 30 June 2018.

24. RECONCILIATION OF NET CASH USED IN OPERATING ACTIVITIES TO LOSS AFTER INCOME TAX

	Consolidated 2018 \$	Consolidated 2017 \$
Profit/(loss) after income tax	12,073,913	(2,178,504)
Depreciation	10,406	2,000
Exploration and project expenditure written off	202,445	182,910
Share based payments	2,339,999	1,272,000
Project written off	-	100,000
Provision for diminution on value of investments	316,087	-
Unrealised foreign exchange gain	(172,206)	-
Non-cash fee received on entering Novo Resources Corp. JV	(15,037,990)	-
Loss/(profit) on sale of investments	(3,552,995)	4,539
<i>Changes in assets and liabilities during the financial period:</i>		
Increase in receivables	(288,406)	(515,017)
Increase in trade and other payables	671,715	136,766
Net cash outflow from operating activities	(3,437,032)	995,304

Non cash financing and investing activities

During the year the Company acquired Hardrock Resources Pty Limited and Elysian Resources Pty Limited for a consideration which included 25,000,000 Artemis Shares at a deemed price of 28 cents per share and 8,000,000 shares at a deemed price of 21.5 cents per share.

25. PARENT ENTITY DISCLOSURES

(a) Financial position

	2018 \$	2017 \$
Total Current Assets	28,471,293	1,051,044
Total Non-current assets	36,635,439	8,818,201
Total Assets	65,106,732	9,869,245
Total Current Liabilities	6,496,174	3,945,132
TOTAL LIABILITIES	6,496,174	3,945,132
NET ASSETS	58,610,558	5,924,113

EQUITY

Share Capital	79,127,087	39,067,554
Reserves	724,999	172,000
Accumulated losses	(21,241,528)	(33,315,441)
TOTAL EQUITY	58,610,558	5,924,113

(b) Reserves

Share based payment reserve	724,999	172,000
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(c) Financial performance

Profit/(Loss) for the year	12,073,913	(2,191,740)
Other comprehensive income	-	-
Total comprehensive income	12,073,913	(2,191,740)

(d) Commitments

Exploration commitments		
Not later than 12 months	81,900	81,900
Between 12 months and 5 years	68,250	150,250
	150,250	232,150

26. SIGNIFICANT AFTER BALANCE DATE EVENTS

Subsequent to year end the Company repaid US\$964,284 of the convertible note.

Other than as outlined above there are no matters or circumstances that have arisen since the end of the financial period that have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

ARTEMIS RESOURCES LIMITED
DIRECTORS' DECLARATION

Directors' Declaration

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 32 to 58, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position as at 30 June 2018 and of the performance for the period ended on that date of the Company and Consolidated Group;
2. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
3. the Directors have been given the declarations required by s295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer.

This declaration is made in accordance with a resolution of the Board of Directors.



Edward Mead
Director
28 September 2018

**ARTEMIS RESOURCES LIMITED
AND CONTROLLED ENTITIES
ABN 80 107 051 749
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
ARTEMIS RESOURCES LIMITED**

Report on the Audit of the Financial Report

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

Ph: (612) 9263 2600
Fx: (612) 9263 2800

Opinion

We have audited the financial report of Artemis Resources Limited and Controlled Entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion:

- a. the accompanying financial report of Artemis Resources Limited and Controlled Entities is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Group had net operating cash outflows of \$3,437,032 during the year ended 30 June 2018. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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**ARTEMIS RESOURCES LIMITED
AND CONTROLLED ENTITIES
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
ARTEMIS RESOURCES LIMITED**

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 30 June 2018. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<p>Accounting treatment of exploration expenditure in accordance with AASB 6 'Exploration for and Evaluation of Mineral Resources'</p>	
<p>Refer to Note 8 "Exploration, Evaluation and Development"</p>	
<p>Artemis Resources Limited's accounting treatment of exploration expenditure is to capitalise such costs in accordance with AASB 6 "Exploration for and Evaluation of Mineral Resources".</p>	<p>Our procedures included amongst others:</p> <ul style="list-style-type: none"> • Selecting material capitalised exploration expenditure to verify such expenditure had met the capitalisation criteria as prescribed in AASB 6.
<p>We considered this to be a key audit matter due to its materiality to the financial report.</p>	<ul style="list-style-type: none"> • Obtaining and reviewing tenement titles to verify existence and ensure the group is still exploiting the areas of interest. • Conducting a review of any impairment indicators to assess the carrying value of capitalised exploration expenditure • Confirming the company is still in the development phase for the relevant areas
<p>Accounting for Share Based Payments in accordance with AASB 2 "Group and Treasury Share Transactions"</p>	
<p>Refer to Note 23 "Share based payments"</p>	
<p>Artemis Resources Limited issued a number of share based payments during the year. These share-based payment transactions are classified by the Group as an equity settled share base payment transaction.</p>	<p>Our procedures included amongst others:</p> <ul style="list-style-type: none"> • Reviewing the share price of the share-based payment and compared this to the fair value of the share price on the relevant date
<p>The accounting for share-based payments was a key audit matter because the expense recognised incorporates a judgmental option value. The group valued the options, using the Black Scholes model, where inputs such as volatility, dividend yield and risk-free rate require judgment. We considered this to be a key audit matter due to its materiality to the financial report.</p>	<ul style="list-style-type: none"> • Compared the terms and conditions for a sample of the options issued during the financial year included in the expense calculations as agreed by the board • Assessed the reasonableness of the fair value calculation through reviewing the calculation using the Black Scholes Model • Obtaining the group expert's options valuation report and assessed the reasonableness of selected inputs used in the valuation of the share options using available supporting data. • Reviewing the share and options register to assess completeness and to ensure correct recognition and measurement in accordance with AASB 2

**ARTEMIS RESOURCES LIMITED
AND CONTROLLED ENTITIES
ABN 80 107 051 749
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
ARTEMIS RESOURCES LIMITED**

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

**ARTEMIS RESOURCES LIMITED
AND CONTROLLED ENTITIES
ABN 80 107 051 749
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
ARTEMIS RESOURCES LIMITED**

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the remuneration report included in pages 9 to 15 of the directors' report for the year ended 30 June 2018. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards

Auditor's Opinion

In our opinion, the remuneration report of Artemis Resources Limited, for the year ended 30 June 2018, complies with s 300A of the *Corporations Act 2001*.



Hall Chadwick
Level 40, 2 Park Street
Sydney, NSW 2000



DREW TOWNSEND

Partner

Dated: 28 September 2018

**ADDITIONAL INFORMATION FOR LISTED COMPANIES
AS AT 15 SEPTEMBER 2018**

The following additional information is required by the Australian Securities Exchange pursuant to Listing Rule 4.10.

a. Distribution of Shareholders

Spread of Holdings	Holders	Securities	% of Issued Capital
NIL holding	0	0	0.00%
1 - 1,000	185	57,423	0.01%
1,001 - 5,000	1,020	3,207,706	0.51%
5,001 - 10,000	784	6,388,201	1.01%
10,001 - 100,000	1,969	74,789,218	11.81%
Over 100,000	481	548,851,222	86.67%
TOTAL ON REGISTER	4,439	633,293,770	100.00%

b. The number of shareholders who hold less than a marketable parcel is 617.

c. Substantial shareholders

The names of the substantial shareholders in the Company, the number of equity securities to which each substantial shareholder and substantial holder's associates have a relevant interest, as disclosed in substantial holding notices given to the Company are:

	No of shares	%
Exchange Minerals FZE	50,643,300	8.00%
Veni Vidi Vici Limited	36,387,584	5.75%

**ADDITIONAL INFORMATION FOR LISTED COMPANIES
AS AT 15 SEPTEMBER 2018**

d. Twenty largest holders ordinary shares

ARTEMIS RESOURCES LTD Top 20 Listing Date - 16/09/2018 Time - 17.23.44				
Rank	Holder Name	Designation	Securities	%
* 1	HSBC CUSTODY NOM AUST LTD		56,526,974	8.93%
* 2	PERSHING AUST NOM PL	INDIAN OCEAN A/C	47,614,711	7.52%
* 3	CITICORP NOM PL		41,594,090	6.57%
4	VENI VIDI VICI LTD		36,387,584	5.75%
5	J P MORGAN NOM AUST LTD		31,209,327	4.93%
6	NATIONAL NOM LTD		25,042,594	3.95%
7	BNP PARIBAS NOM PL	IB AU NOMS RETAILC	20,625,837	3.26%
8	SORRENTO RES PL		16,375,000	2.59%
9	SORRENTO RES PL	ACN 622 635 483 PL	16,375,000	2.59%
* 10	AKTIENGESELLSCHAFT D B		12,500,000	1.97%
* 11	MERRILL LYNCH AUST NOM PL		10,860,928	1.71%
12	FZE CASS		9,885,000	1.56%
13	MAHARAJAPURAM V S		9,500,000	1.50%
14	BNP PARIBAS NOMS PL	DRP	9,416,520	1.49%
15	HUGHES JAY EVAN DALE	INKESE FAM A/C	7,500,000	1.18%
16	INKESE PL		6,000,000	0.95%
17	MAKTOUM SHEIKH M H M J A		5,000,000	0.79%
* 18	D & K CORPS INV PL		5,000,000	0.79%
19	VENKATARAMAN SRIDHAR		4,805,966	0.76%
20	HSBC CUSTODY NOM AUST LTD		4,798,592	0.76%
		TOP 20 TOTAL	377,018,123	59.55%
	* Denotes merged holders.			
	Note: All holders are included in the report.			

**ADDITIONAL INFORMATION FOR LISTED COMPANIES
AS AT 15 SEPTEMBER 2018**

OTHER DETAILS

1. Address and telephone details of entity's registered and administrative office

The address and telephone details of the registered and administrative office in Australia are:
Level 1,
11 Ventnor Avenue
West Perth WA 6005
Telephone: +(612) 6319 0000

2. Address and telephone details of the office at which the register of securities is kept

The address and telephone of the office at which a register of securities is kept:
Security Transfer Registrars Pty Limited
770 Canning Highway
Applecross, Western Australia 6153

3. Stock exchange on which the Company's securities are quoted

The Company's listed equity securities are quoted on the Australian Securities Exchange.

4. Review of Operations

A review of operations is contained in the Review of Operations report.

5. On market buy-back

There is currently no on-market buy-back.

ARTEMIS RESOURCES LIMITED

ABN 80 107 051 749

BOARD OF DIRECTORS

David Lenigas (Executive Chairman)

Sheikh Maktoum Hasher Al Maktoum (Non-executive Director)

Edward Mead (Executive Director)

Alex Duncan-Kemp (Executive Director)

CHIEF EXECUTIVE OFFICER

Wayne Bramwell

COMPANY SECRETARY

Guy Robertson

REGISTERED OFFICE

Level 1,

11 Ventnor Avenue

West Perth WA 6005

Ph: (08) 6319 0000

SHARE REGISTRY

Security Transfer Registrars Pty Limited

770 Canning Highway

APPLECROSS WA 6153

Ph: (08) 9315-2333

Fax: (08) 9315-2233

www.securitytransfer.com.au

AUDITORS

Hall Chadwick

WEBSITE

<https://artemisresources.com.au>