

ARTEMIS DECEMBER 2016 QUARTERLY REPORT

HIGHLIGHTS:

- David Lenigas appointed as Chairman of Artemis.
- Alex Duncan-Kemp appointed as an Executive Director.
- Artemis Signs Deal to Purchase Fully Permitted 425,000 tpa Radio Hill Nickel/Copper Plant with significant Ni, Cu and Zn Resources.
- The Radio Hill plant is the only processing plant in the Karratha region.
- Artemis has significant gold, platinum and zinc projects and resources within 40km of Radio Hill.
- Gold nuggets discovered in mafic rocks at Purdy's Reward Gold Project, Karratha.
- High grade visible gold exposed in multiple quartz reef systems at the Silica Hills Gold Project, Karratha.
- Exploration programme and metallurgical test work commenced on the Mt Clement- Paulsen's Gold Project located only 35km south of Northern Star Resources' Paulsen's Gold Mine.
- Sale of interest in Amitsoq graphite project in Greenland for \$245,000.
- Post Quarter end, Artemis announced plans to commence trial gold production from Nickol River.
- Post Quarter end, Artemis has announced a share consolidation which will go to shareholders at an EGM on 31 January 2017.

David Lenigas, Artemis's Chairman, commented;

"The last quarter of the 2016 Calendar year has been an exciting time for Artemis. With the discovery of significant primary gold at Silica Hills in October, the discovery of gold at Purdy's Reward in November and in December signing a Binding MOU to purchase Fox's Radio Hill plant."

Artemis Resources Limited

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Executive Directors
Ed Mead
Alex Duncan-Kemp

Non-Executive Directors
George Frangeskides
Campbell Baird

Company Secretary:
Guy Robertson

Corporate Information
ASX Code: ARV



“The closing of this Radio Hill deal would be truly transformational for the Company, as the purchase of this fully permitted state-of-the-art Radio Hill operations, including the processing plant with its tailing dams and infrastructure, would not only allow us to assess the re-development potential of the significant nickel, copper and zinc resources that exist within a short distance from the plant as the base metals sector improves, but also provides a potential fast track route to develop Artemis’s 110,000 ounces of gold resources already identified at its nearby Weerianna and Carlow Castle deposits and its Munni Munni Platinum/Palladium/Gold deposit which hosts resources of 830,000 oz of platinum, 1.14 Moz of Palladium and 152,000 oz of gold.”

Artemis Resources Limited (“**Artemis**” or “**the Company**”) (**ASX: ARV**) is pleased to announce details of the December 2016 Quarterly Report.

RADIO HILL ACQUISITION¹

A summary of the transaction terms are as follows:

- Fox Resources Limited and Artemis Resources Limited have signed an exclusive three month option agreement whereby Artemis plans to acquire all of Fox’s Western Australian mining and exploration assets. The three month period will enable Artemis to undertake the necessary due diligence and provide time to arrange funding for the acquisition.
- Artemis will pay a fee of \$100,000 on execution of the binding agreement, \$50,000 in month two, and \$50,000 in month three;
- a final consideration of \$3.3 million for the acquisition by the end of month three or this may be extended a further 40 days on the payment of a further \$50,000 if reasonably required to ; and
- The assets will be purchased clear of any outstanding creditor liabilities. No outstanding creditor liabilities associated with any of these Fox assets are to be assumed by Artemis on the day of closing.

The transaction will be conditional on:

- Artemis being satisfied with its due diligence;
- Artemis completing a debt financing arrangement or capital raising, or a combination of debt and equity of at least \$4 million on acceptable terms;
- all ASX and regulatory approvals; and
- any ministerial approval under the Mining Act for the acquisition and any other third party consents and approval necessary or desirable to consummate the acquisition.

Assets to be acquired from Fox:

The 425,000 tonnes per annum Radio Hill Base Metal Processing Plant (Figures 1, 2 and 3) remains on care and maintenance. The plant can produce Nickel and Copper metal sulphide concentrates and is capable of producing a Copper/Zinc concentrate from the Whundo deposits. This can easily be modified to include a gravity gold circuit for Artemis’s Weerianna, Carlow Castle, Silica Hills and Purdy’s Reward gold Projects (Figure 6). It can also be used as the core of a potential platinum and palladium recovery plant for Artemis’s Munni Munni Platinum Group Element deposit located 15 km south of Radio Hill.

¹ As per ASX announcement dated 16th December 2016



Figure 1: AGIP Radio Hill Nickel/Copper Operations (Fox 100%) – Proposed acquisition of all the fully permitted mining and miscellaneous licences, processing plant, tailings dams, and associated surface infrastructure of the Radio Hill nickel and copper mine.



Figure 2: AGIP Radio Hill Nickel/Copper Operations (Fox 100%) – Radio Hill 425,000 tpa Treatment Plant and floatation circuits.



Figure 3: AGIP Radio Hill Nickel/Copper Operations (Fox 100%) – Radio Hill 425,000 tpa Treatment Plant and floatation circuits.

Radio Hill has an existing nickel/copper sulphide Resource of 4.02 Mt @ 0.51% nickel and 0.88% copper (Tables 1 and 7) (Figure 4) which remains in the existing underground workings and mine development, and down plunge along the basal contact. There are also stockpiles of mined material of around 300,000 tonnes and all the processed tailings that may have reprocessing value with recent developments in technology. This stockpile and tailings material is non JORC, but is the result of historic mineral processing of nickel and copper ores from Radio Hill from commencement of operations back in 1986.

Table 1: RADIO HILL NICKEL-COPPER RESOURCE ESTIMATES

Resource Area	Mineralisation	Classification	Tonnes	Ni %	Cu %	Contained Ni (t)	Contained Cu (t)
Radio Hill	Primary Sulphide	Indicated	1,980,000	0.61	1.04	12,078	20,592
Radio Hill	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

Exploration potential also exists at Radio Hill with diamond drill hole 07RHDD080 (Figure 4) intersecting 45m @ 0.21% Ni and 0.19% Cu from 287 metres, including 1.15 metres @ 2.81% Ni and 0.64% Cu from 323.5m. This intersection is 300 metres from the existing decline and warrants follow up investigation. The nickel intersection is interpreted to be on the eastern side of the Brutus Fault, which may have caused dislocation of the Radio Hill massive sulphides. The formation of another basal contact zone, where massive sulphides can accumulate, is to be investigated.

Immediate drilling and Down Hole Electromagnetics (DHEM) is required.

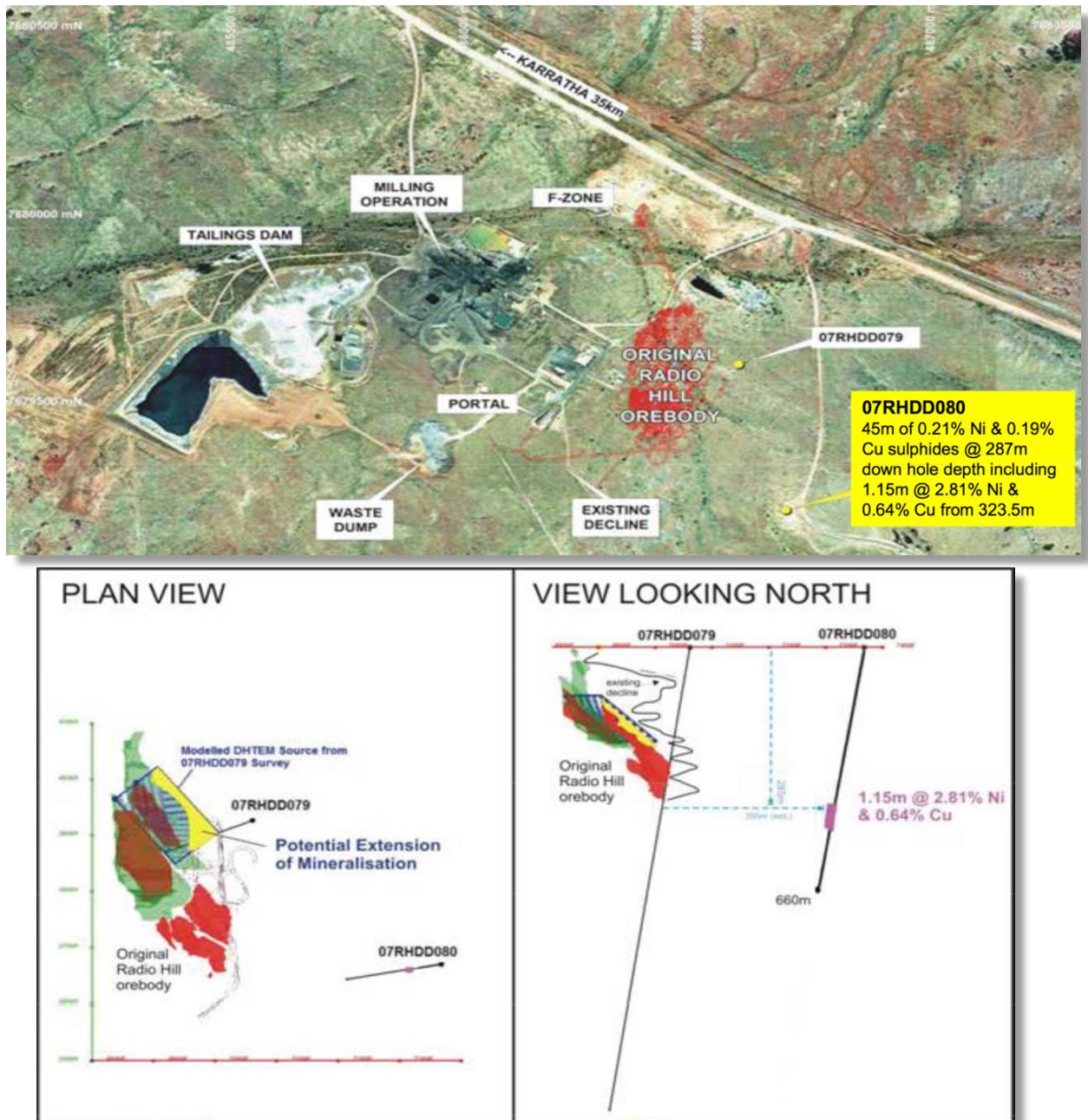


Figure 4: Radio Hill mining operations and schematic plan and cross section with diamond drill hole 07RHDD080 (Red and Brown– mined out A,B,C,D Lodes, Yellow – D lode ore identified and mined, Green – Disseminated sulphide ore)

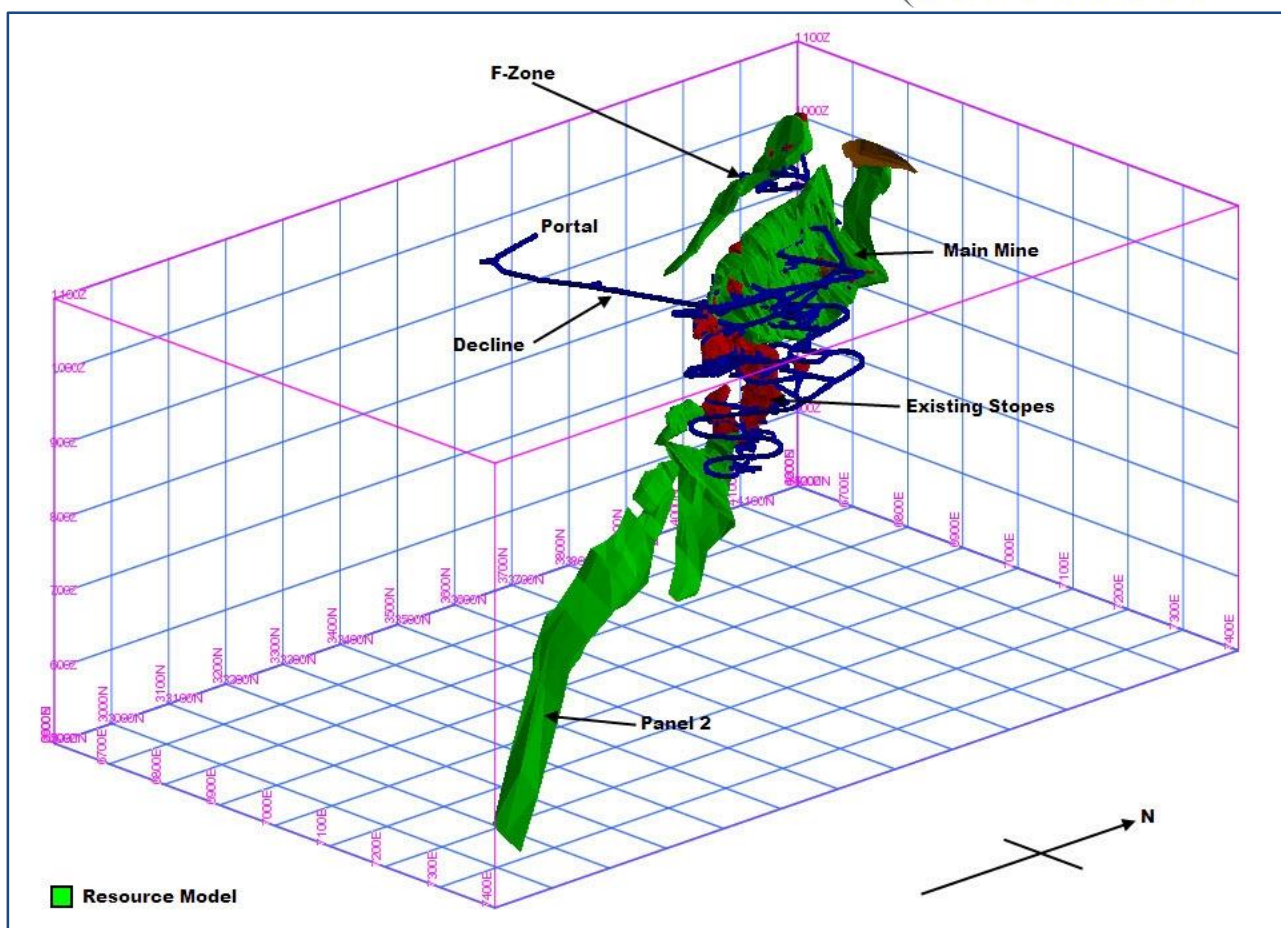


Figure 5: Radio Hill mineralisation and mine infrastructure models, looking northwest. Green indicates unmined mineralisation, red indicates mined areas, blue indicates mine development.

Whundo West Copper/Zinc Deposit (Fox 100%, M47/7):

Table 2: WEST WHUNDO AND WHUNDO COPPER-ZINC RESOURCE ESTIMATES

Resource Area	Mineralisation	Classification	Tonnes	Cu %	Zn %	Contained Cu (t)	Contained Zn (t)
West Whundo	Primary Sulphide	Measured	386,000	1.2	1.9	4,632	7,334
West Whundo	Primary Sulphide	Indicated	259,000	1.1	1.7	2,849	4,403
Whundo	Primary Sulphide	Measured	304,000	1.3	0.1	3,952	304
Whundo	Primary Sulphide	Indicated	598,000	1.0	0.6	5,980	3,588
Whundo	Primary Sulphide	Inferred	140,000	0.8	0.2	1,120	280
Total			1,687,000	1.10	0.94	18,533	15,909

Production from the West Whundo open pit resulted in oxide and supergene copper-zinc ores being mined between April and December 2006. A total of 7,400 tonnes of ore was mined at 5.91% Copper.

Exploration drilling continued in 2007 and identified a resource (Tables 2 and 7) of 1.7Mt @ 1.1% copper and 0.9% zinc. Mineralisation has been drilled to a vertical depth of 150 metres and remains open.

Whundo Ayshia Zinc Deposit (Fox 100%, M47/7):

Drilling has followed the mineralisation to a vertical depth of 250 metres. As with the West Whundo deposit, mineralisation is strongly zoned. Ayshia is zinc rich at surface with strong copper values developing at depth. Below the deepest drill holes Ayshia remains open. A Resource estimate was completed (Table 3) with the deposit being unmined.

Table 3: WHUNDO AND AYSHIA ZINC MINERAL RESOURCE ESTIMATES

Resource Area	Mineralisation	Classification	Tonnes	Zn %	Cu %	Contained Zn (t)	Contained Cu (t)
Whundo	Primary Sulphide	Measured	94,000	0.6	-	564	-
Whundo	Primary Sulphide	Indicated	249,000	1.2	-	2988	-
Whundo	Primary Sulphide	Inferred	78,000	1.1	-	858	-
Ayshia	Primary Sulphide	Measured	150,000	2.4	0.5	3600	750
Ayshia	Primary Sulphide	Indicated	344,000	3.3	0.5	11352	1720
Ayshia	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 JV (FXR 100%, diluting to 40%, Magnetic South earning up to 60%, E47/1217)

Magnetic South Pty Ltd as Joint Venture manager is continuing with its earn-in under the Joint Venture agreement. The Mt Oscar Joint Venture on the ~121 sq km exploration licence E47/1217 is prospective for multiple commodities including iron ore (magnetite) with a resource estimate (Tables 4 and 7) of 126Mt @ 33.8% Fe Head Grade, gold, base metals and nickel. Previously the main focus of the Joint Venture has been evaluating the magnetite potential of the tenement. The exploration work during the 2016 has shifted from delineation of magnetite resources toward gold and base metals exploration. This has resulted in work focusing on the 2013 VTEM survey and validated anomalies identified after processing the VTEM data, along with the known gold prospect at White Quartz Hill.

To date Magnetic South have spent circa \$4.1 million on exploration, with a further circa \$4m expenditure to earn up to 60%. Currently, Magnetic South have earned 12% in the Mt Oscar JV.

Table 4: MT OSCAR MAGNETITE RESOURCE ESTIMATE

Domain	Class	Tonnage (Mt)	Head Fe (%)	Mass Recovery (%)	Conc Fe (%)	Conc SiO ₂ (%)	Conc Al ₂ O ₃	Conc P (%)	Conc LOI (%)
Mag Anomaly 1	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	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

Pilbara Minerals Limited (PLS) JV (FXR 55% earning up to 80%, Pilbara Minerals 45%)

Eight prioritised Versatile Time Domain Electromagnetics (VTEM) anomalies have been discovered. Ground based moving loop EM surveys are required to advance these anomalies, to better define drill targets associated with possible massive sulphides for copper, zinc and nickel.

Fox are the operators of the PLS JV and have recently completed a VTEM survey over areas not previously covered. The results of the survey will be announced when they are received.

The work to date by Fox offers Artemis exploration targets to immediately follow up.

Other New Acquisition Targets as part of the Fox Deal:

Osborne Nickel Anomaly (E47/1807)

Initially identified from VTEM surveying and then followed up with ground EM, the nickel sulphide target is 15km north of the Radio Hill plant. The ground EM surveying defined an excellent anomaly with very high conductance suggesting the possible presence of a massive sulphide body.

Conquest and Sunchaser VTEM Anomalies (Fox 100%, E47/1216)

A VTEM survey in late 2006 outlined several high quality anomalies at shallow depth, and partially concealed by a thin veneer of sand. FLTEM surveys confirmed two anomalies in the Whundo VMS Domain at Conquest and Sunchaser. Geological mapping identified fragmented gossans with anomalous copper and zinc values. The Electromagnetic conductors were drilled in 2007 with 07SCDD002 intersecting 6.1 metres @ 3.08% zinc from 28.4 metres. This intercept requires follow up exploration with a gravity and Induced Polarisation survey.

Mt Regal (Fox owns 100% of mineral rights, E47/1202)

- **Mt Regal - VTEM Anomaly**

Mt Regal hosts a late time VTEM anomaly in ultramafic rocks. This anomaly may be indicative of the presence of massive sulphides and requires a ground EM survey to better define the VTEM results and to generate potential drill targets.

- **Mt Regal - Gold Prospect**

Anecdotal a significant number of gold nuggets have been collected from the surface by prospectors at "Bernie's Patch" which is a well-known West Pilbara prospecting area. Fox has previously undertaken a limited RAB drilling program in this area. Large portions of the tenement area remain untested.

Significant drill intercepts include:

- **15m @ 1.92 g/t Au**, from 1m down hole, 10MRRAB182 including **3m @ 3.88 g/t Au** from 13m down hole depth, finished in mineralisation
- **1m @ 8.39 g/t Au**, from 21m down hole, 10MRRAB140
- **3m @ 4.20 g/t Au**, from 2m down hole, 10MRRAB016

- **Mt Regal - Base Metals Prospectivity**

There are a number of rock chip samples from Mt Regal that report elevated base metals geochemistry. Mt Regal also hosts a number of historic airborne EM anomalies that require follow up testing.

- **Mt Regal - Quarry Rock**

The Mt Regal tenement hosts a large exposure of rock that is suitable for various industrial purposes for engineering projects around Karratha. Applications for the conversion of part of Mt Regal to mining licences are underway. Once the applications are granted, there is an immediate cash benefit to the Company and a potential future royalty cash stream once operations commence within the new mining leases. As part of the agreements Fox Radio Hill retains 100% of mineral rights.

EXISTING ARTEMIS PROJECTS

Silica Hills²

Recent exploration activities have exposed high grade gold mineralisation, with significant free gold, in multiple quartz stock work systems at its Mt Sholl Mining Leases 23 km SSE of Karratha (“Silica Hills Gold Project”).

27 kg of quartz specimens were sent to the Perth Mint and produced 38.3 ounces gold, and 5.3 ounces silver. The Perth Mint reported that gold was 86.83% and silver was 12.67%, making precious metal purity 99.5%.

The gold mineralisation was discovered after bulldozing a number of costeans through the sides and over a major highly silicified hill with dimensions of about 500m x 300m and 20m high from the surrounding plains. The geology of the project is characterised by a quartz stock work system within Archean felsic and mafics rocks. Hills of a similar nature and stretching for over 1.8 km in strike length within the project area have been identified and proven to be shedding gold and are currently being investigated.

Work completed and next steps:

- Rock chip sampling programme targeting the quartz stock work system was completed;
- Rehabilitation of historic alluvial disturbance has been completed;
- Drilling programme has been designed and a POW approved;
- Drilling and Costeaning will be tied in with further work at Purdy’s Reward.

Expansion of tenure at the Silica Hills Gold Project has now been completed with the acquisition of all the shares in Shear Zone Mining Pty Ltd, a private company that holds 34 of 100 shares in Mining Leases M47/93 and M47/232 (“**Mt Sholl East**”). The Mt Sholl East tenements cover 201.1 hectares and are contiguous and along strike to Artemis’s Mining Leases M47/288 and M47/177, containing the recently announced Silica Hills gold discovery. Artemis’s tenement E47/1746 surrounds the Silica Hills Gold Project and the Mt Sholl East tenements and is the focus of exploration, looking at strike extensions of gold mineralisation recently identified.

Artemis paid \$40,000 in Artemis shares to complete the acquisition of Shear Zone Mining Pty Ltd.

Sampling from Silica Hills (Table 5) also shows extreme internal variations due to the presence of coarse gold. Neither of the high grade samples SHQC001 & 002 at Silica Hills occur in proximity to the 38.3ozs submitted to the Mint. This clearly indicates the potential to outline additional high grade material in the area.

Table 5: Silica Hills assay results.

Sample Number	Easting	Northing	Au g/t	Au(2) g/t
Method	MGA94 Z50	MGA94 Z50	FA50	FA50
SHQC001	492859	7684490	29.815	122.122
SHQC002	492874	7684492	0.409	
SHQC004	492929	7684489	0.118	
SHQC007	492934	7684478	1.130	
SHQC011	492945	7684463	0.126	
SHQC012	492932	7684459	0.250	
SHQC013	492938	7684452	0.030	
SHQC016	493057	7684404	22.567	9.076

² As per ASX announcement 8th November 2016

Purdy's Reward Gold Project³

Recent exploration activities have confirmed the presence of primary gold mineralisation, with significant free gold, in mafic rocks 35 km SSE of Karratha ("Purdy's Reward Project").

The primary gold mineralisation was recently discovered by local prospectors in the belief that, because the gold was flat and rounded, it was elluvial in nature. The visible gold actually sits within weathered mafic rock and requires significant handpick, crow bar and sledge hammer work to liberate. Free gold has been now found over a strike length of 800 metres with widths up to 100 metres within the project area.

The geology of the project is characterised by Archean felsic and mafic rocks. The only previous exploration work in the area was back in 1971 by Westfield Minerals NL and this exploration programme focused only on base metals exploration with 6 percussion drillholes on the western tenement boundary. These holes were assayed for nickel with assays returning up to 1,260ppm Ni in drillhole 69-SP-07 associated with a chloritised mafic basalt.

All gold mineralisation observed and found to date in the West Pilbara has been associated with quartz reefs. This new style of gold mineralisation within mafic hosted rocks increases the potential size of mineralised horizons.

Work Completed and Next steps:

- Drilling and Costean programme has been designed and a POW has been approved by DMP;
- A heritage survey with Ngarluma Aboriginal Corporation has been requested;
- Geochemical programme to be designed;
- General field reconnaissance to continue, with mapping of prospective units.

Preliminary investigations by the Company and an independent geologist in the Purdy's area indicate the area shows the basal remnants of a supergene enriched zone developed during lateritisation (Figure 6). The upper portion of the system has been removed by erosion and the supergene material occurring as nuggets is derived from both higher in the profile and the current level.

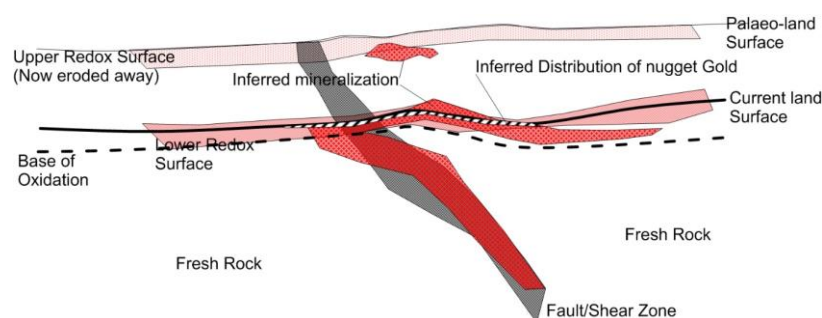


Figure6: Schematic Interpreted Mineralisation System present in Purdy's Area.

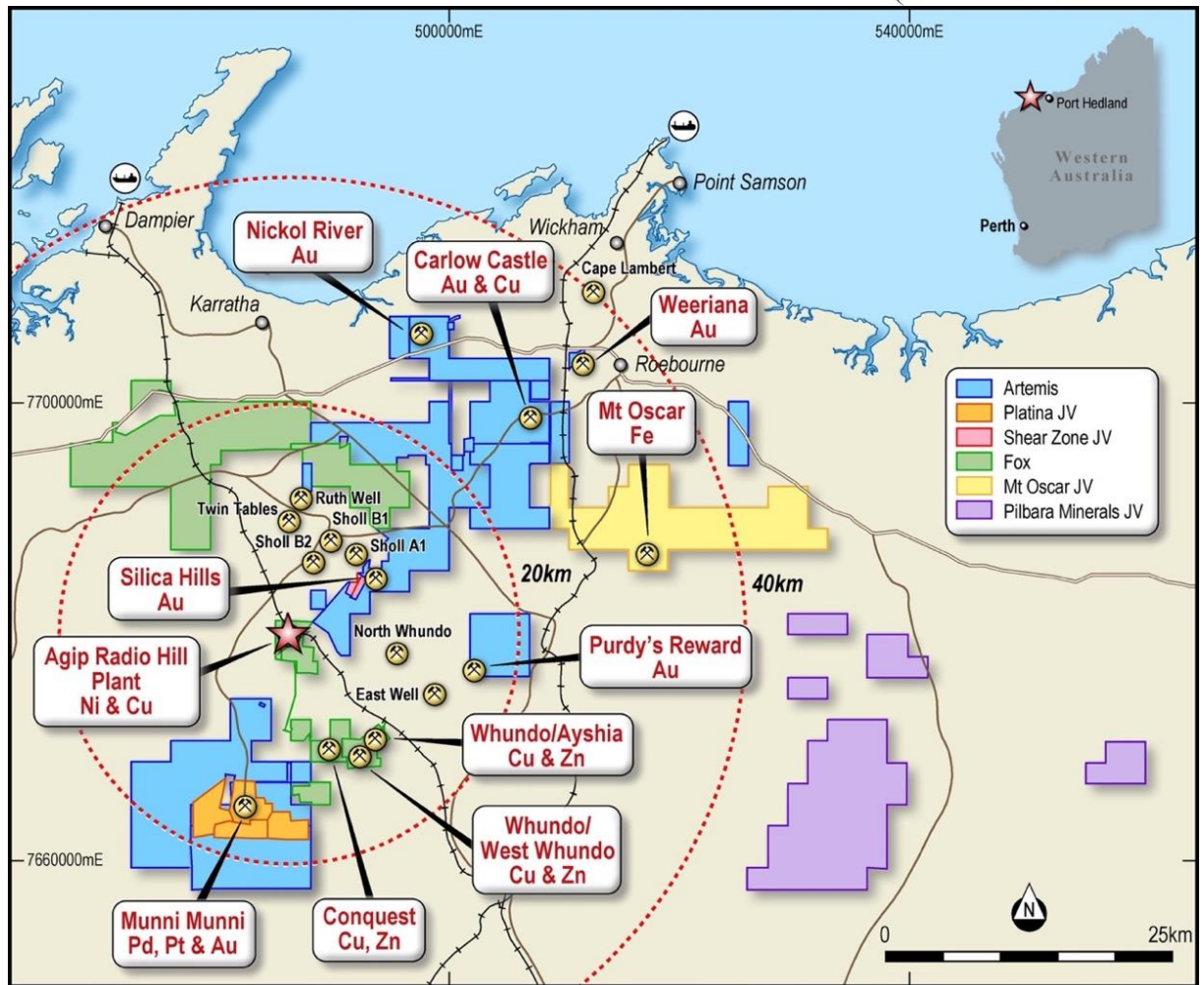
Two samples collected without visible gold were submitted for fire assay analysis at Nagrom Pty Ltd (Table 6). Table 6 clearly indicates the presence of coarse gold in the sample SGMCO01 although not visible at the time of sampling.

Table 6: Purdy's Reward assay results.

Sample Number	Easting	Northing	Au g/t	Au(2) g/t
Method	MGA94 Z50	MGA94 Z50	FA50	FA50
SGMC001	502205	7676600	35.754	268.700
SGMC002	502205	7676600	0.907	

Figure 7: Artemis's Tenements and Projects near Karratha (incl. Fox Resources Tenements)

³ As per ASX announcement 16th November 2016



Mt Clement-Paulsen's Gold Project⁴

Artemis has resolved, after a recent technical review, that it intends to re-commence metallurgical studies and an exploration drilling programme designed to increase the known gold resources at its Mt Clements-Paulsen's Gold Project located only 35 kilometres south of Northern Star Resources' (ASX: NST) operational Paulsens Gold Mine in the Ashburton Basin of Western Australia. The Paulsens Mine produced 80,742 oz of gold for the year ended 30 June 2016.

In 2010/11, Artemis drilled 20 Reverse Circulation ("RC") drill holes, with the most encouraging results returning:

- 7m @ 4.23g/t Au (ARMCRC001, 12-19m)
- 6m @ 8.8g/t Au (ARMCRC001, 106-112m)
- 20m @ 7.3g/t Au (ARMCRC007, 86-106m)
- 24m @ 3.4g/t Au (ARMCRC008, 43-67m)
- 20m @ 1.99g/t Au & 66.82g/t Ag (ARMCRC011, 39-59m)
- 13m @ 2.61g/t Au & 357.15g/t Ag (ARMCRCD005 27-40m)
- 6m @ 3.30g/t Au (ARMCRCD005, 70-76m)
- 70m @ 1.49g/t Au (ARMCRCD006, 0-70m)
- 11m @ 4.76g/t Au, 270.60g/t Ag & 1.17% Cu (ARMCRC013, 97-108m)

The geological model for the Mt Clement-Paulsen's Gold Project has changed substantially since the last assessment was done over 5 years ago, and Artemis plans to commence drilling again as soon as a Programme of Work has been approved by the Department of Mines and Petroleum. Artemis have a highly prospective tenement package only a small proportion of which has been previously explored

⁴ As per ASX announcement 14th November 2016

in such a prolific gold production area, and we are seeking to add to the known resource base within the Mining Leases.

At today's gold price, the Company is optimistic that the surface oxide material may be amenable to heap leach gold and silver extraction and metallurgical extraction test work will now form part of this next phase of work on the Project.

Artemis, as manager, is in joint venture with Northern Star Resources with Artemis holding an 80% interest in the three approved Mining Leases with Northern Star Resources holding 20% which is free carried to Bankable Feasibility Study.

As previously announced by the company in July 2011, Artemis commissioned Apex Geoscience to complete a mineral resource estimate for the Mt Clement Project. This resource estimate utilised all existing data, and was derived from a total of 90 RC and diamond drill holes. This resource estimation resulted in an Inferred Resource of 1.131Mt @ 1.77 g/t Au and 17.0 g/t Ag for a contained 64,400 oz Au and 618,500 oz Ag, compliant with the JORC Code (2004)⁵. This resource estimate was calculated using a cut-off grade of 0.5 g/t Au. Au-Ag mineralisation remains open at depth and along strike, indicating strong potential to substantially increase these resources with further drilling. The work to be undertaken by the Company will also include the upgrading of the resource estimate so that it is JORC (2012) compliant.

In accordance with Listing Rule 5.23.2, Artemis confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement referred to below, and that in the case of mineral resources that all material assumptions and technical parameters underpinning the estimates in the announcement referred to continue to apply and have not materially changed.

The Mt Clement Gold Project comprises three Mining Leases, (M08/191, M08/192, and M08/193). In total this tenement package, as shown in Figure 2, covers a total area of 8.2 km².

Artemis Resources Limited is the registered holder and operator of all of these tenements. Mining Leases M08/191, M08/192 and M08/193 were granted on 10th of May 1999 for a period of 21 years.

Mining Leases M08/191, M08/192, and M08/193 are under a Joint Venture agreement with Northern Star Resources Limited, the operator and manager of the nearby Paulsen's Gold Mine. Under this agreement, Artemis holds an 80% interest, and is the operator of the project, with Northern Star holding a 20% interest, which is free carried to Bankable Feasibility Study.

Corporate

Appointment of Mr David Lenigas as Chairman

Mr David Lenigas was appointed as the new Executive Chairman of the Company on the 3rd November 2016.

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.

In recent years, Mr Lenigas was the Executive Chairman of London listed lithium investment company Rare Earth Minerals Plc, which has been responsible for providing significant funding for the development of the large Sonora Lithium Project in Mexico and the Cinovec Lithium Project in the Czech Republic. He is currently a non-executive director of Canadian listed Australian company Macarthur Minerals, whose major shareholder is Rare Earth Minerals Plc.

Mr Lenigas was also, until recently, the Executive Chairman of London listed UK Oil & Gas Investments Plc, which was responsible for the new Horse Hill oil discovery near London's Gatwick International Airport that flowed on test a UK onshore record of 1,688 barrels of oil per day. He is now the Executive Chairman of London listed Doriemus Plc, which owns an interest in the Horse Hill oil discovery and is working with its JV partners towards moving Horse Hill into production.

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.

Pursuant to the consultancy agreement entered into between the Company and Mr Lenigas (the "Consultant"), the Company shall pay the Consultant fees of \$5,000 per calendar month plus GST (if applicable) for his services. In addition, and subject to shareholder approval at an EGM on 31 January 2017, the Company shall issue to the Consultant as an incentive up to 500 million fully paid ordinary shares of the Company.

Appointment of Mr Alex Duncan-Kemp as Director

On 3 January 2017 the Company appointed a highly experienced senior mining executive, **Mr Alex Duncan-Kemp**, to the board of the Company as an Executive Director.

Mr Duncan-Kemp is an experienced mining engineer within the Australian mining industry, having previously served as Mine Superintendent at Plutonic's Darlot Gold Mine and Mt Edon Gold's Tarmoola Gold Mine, WMC Fertilizer's Phosphate Hill and more recently having senior mining engineering roles specifically in the Pilbara region with Rio Tinto, Sino Iron, Iron Ore Holdings and mid-tier mining contractors.

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

Pursuant to the consultancy agreement entered into today between the Company and Mr Duncan-Kemp (the "Consultant"), the Company shall pay the Consultant fees of \$5,000 per calendar month plus GST (if applicable) for his services.

Capital Raisings

A capital raising of \$675,500 (net of costs) through the issue of 470,333,333 shares at \$0.0015 each was completed on 16th December 2016.

Share Consolidation and Extraordinary General Meeting (EGM) on 31 January 2017

Artemis proposes to implement a 1 for 20 share consolidation subject to shareholder approval at the General Meeting of the Company to be held on 31 January 2017.

Artemis currently has 4,345,441,492 shares on issue. The share consolidation will result in a post consolidation 217,272,075 shares on issue, with this structure being more appropriate for the Company going forward as we focus on transforming from an exploration company to one that is seeking to develop its extensive and growing gold, base metal and platinum resources in the Pilbara.

If the resolution is passed, the number of share rights and options on issue and the exercise price of options on issue will be adjusted in accordance with the ASX Listing Rules.

Amitsoq Graphite Project Asset Sale Terms:

As announced on the 7th November 2016 Artemis resolved to sell its entire remaining interest in the Amitsoq graphite project in Greenland to Alba Mineral Resources plc ("Alba") for £150,000 (A\$245,000), with Completion being subject to Greenlandic Government approvals being obtained.

Table 7: MINERAL RESOURCE ESTIMATES⁷

AS AT 30 JUNE 2014 and reported to the ASX by Fox Resources Limited.

NICKEL-COPPER RESOURCE ESTIMATES

Resource Area	Mineralisation	Classification	Tonnes	Ni %	Cu %	Contained Ni (t)	Contained Cu (t)
Radio Hill ¹	Primary Sulphide	Indicated	1,980,000	0.61	1.04	12,078	20,592
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COPPER-ZINC RESOURCE ESTIMATES

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Whundo ³	Primary Sulphide	Inferred	140,000	0.8	0.2	1,120	280
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ZINC MINERAL RESOURCE ESTIMATES

Resource Area	Mineralisation	Classification	Tonnes	Zn %	Cu %	Contained Zn (t)	Contained Cu (t)
Whundo ⁴	Primary Sulphide	Measured	94,000	0.6	-	564	-
Whundo ⁴	Primary Sulphide	Indicated	249,000	1.2	-	2988	-
Whundo ⁴	Primary Sulphide	Inferred	78,000	1.1	-	858	-
Ayshia ⁵	Primary Sulphide	Measured	150,000	2.4	0.5	3600	750
Ayshia ⁵	Primary Sulphide	Indicated	344,000	3.3	0.5	11352	1720
Ayshia ⁵	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 RESOURCE ESTIMATE

Domain	Class	Tonnage (Mt)	Head Fe (%)	Mass Recovery (%)	Conc Fe (%)	Conc SiO ₂ (%)	Conc Al ₂ O ₃	Conc P (%)	Conc LOI (%)
Mag Anomaly 1 ⁶	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 ⁶	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

All Resources have been estimated to a JORC 2004 standard, unless otherwise stated. Notes relating to cut-off grades appear below:

- 2009 estimate (Snowden) Cutoff grade 0.5% Ni in Ni dominant material, and 0.5% Cu in the Cu dominant hanging wall
- 2006 estimate (RSG Global) Cutoff 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.
- 2007 estimate (Coffey Mining) Cutoff grade 0.4% Cu or 0.4% Zn
- 2006 estimate (RSG Global) Cutoff grade 0.4% Zn
- 2009 estimate (Golder Associates) Inferred Mineral Resource at Fe cut-off grade of 20%
- 2014 estimate (ROM Resources) estimated according to JORC code (2012)

7. As per Fox Resources ASX Annual Report to Shareholders 2014.

In accordance with Listing Rule 5.23.2, Artemis confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement referred to above, and that in the case of mineral resources that all material assumptions and technical parameters underpinning the estimates in the announcement referred to continue to apply and have not materially changed.

CONTACTS

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

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BACKGROUND INFORMATION ON ARTEMIS RESOURCES

Artemis Resources Limited is a resources exploration and development company with a focus on its prospective West Pilbara (gold, base metals, platinum and platinum group elements) (Figure 1) and Mt Clement-Paulsens (gold) projects in Western Australia. On 16 December 2016, Artemis announced the signing of a binding conditional agreement ("Agreement") with Fox Resources Limited ("Fox") for a 3 month exclusive option to buy their fully permitted AGIP 425,000 tpa Radio Hill nickel and copper operations, processing plant and associated mining and exploration tenements with significant existing JORC 2004 and 2012 compliant resources of Nickel, Copper and Zinc situated within a 15 km radius of the Radio Hill plant, for a total consideration of \$3.5 million. The Radio Hill Plant is located 35 km south of Karratha in the Pilbara Region of Western Australia.

COMPETENT PERSONS STATEMENT

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

FORWARD LOOKING STATEMENTS AND IMPORTANT NOTICE

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

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