

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Artemis Resources Limited (Artemis or Company)

ABN

80 107 051 749

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1 +Class of +securities issued or to be issued

1. Ordinary shares
2. Ordinary shares
3. Unlisted options
4. Unlisted options
5. Unlisted options

2 Number of +securities issued or to be issued (if known) or maximum number which may be issued

1. 87,338,535
2. 50,000
3. 16,500,000
4. 18,652,175
5. 20,000,000

+ See chapter 19 for defined terms.

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- | | |
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| <p>3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p> | <p>3. Director unlisted options, exercisable on achievement of hurdles outlined in Notice of General Meeting (NOM) lodged with ASX on 21 June 2019, at price of 8 cents before 15 May 2022.</p> <p>4. Convertible note holder options as outlined in NOM lodged with ASX on 21 June 2019, exercisable at price of 8 cents before 31 July 2022</p> <p>5. Advisor options as outlined in NOM lodged with ASX on 21 June 2019, exercisable at 8 cents before 31 July 2022</p> |
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+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>1 & 2. Yes, rank equally with existing quoted shares</p>
<p>5 Issue price or consideration</p>	<p>1. Issued at a price of \$0.031 per share 2. Issued at a deemed share price of \$0.031 per share 3,4 & 5. No consideration</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>1. Share Purchase Plan (SPP) as outlined in SPP booklet lodged with ASX on 21 June 2019. 2. Issued as part of employee remuneration. 3. See NOM lodged with ASX 21 June 2019 Resolutions 4 & 5 approved by shareholders 4. See NOM lodged with ASX 21 June 2019 Resolution 10 approved by shareholders 5. See NOM lodged with ASX 21 June 2019 Resolutions 14 & 15 approved by shareholders</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>

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6b	The date the security holder resolution under rule 7.1A was passed	30 October 2018
6c	Number of +securities issued without security holder approval under rule 7.1	50,000
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil
6f	Number of +securities issued under an exception in rule 7.2	87,338,535
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Not applicable
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Capacity under rule 7.1 – 112,399,440 securities Capacity under rule 7.1A – 74,932,960 securities See Annexure 1
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	31 July 2019

+ See chapter 19 for defined terms.

	Number	+Class
8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	749,379,600	Ordinary shares

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	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	13,000,000 ¹	Director employee rights expiry 30 September 2019.
	2,000,000 ¹	Employee performance rights expiry 30 September 2019.
	6,000,000	Unlisted options exercisable at 44 cents on or before 30 June 2020.
	5,439,858	Unlisted options exercisable at 45.38 cents on or before 31 January 2021.
	8,571,429	Unlisted options exercisable at 21 cents on or before 30 November 2021
	3,923,913	Convertible notes with a maturity date of 31 January 2020 which are convertible into a maximum of 36,171,466 fully paid ordinary shares on the terms announced on 15 January 2019, as amended by announcement dated 24 May 2019. Includes additional 100,000 convertible notes issued as a restructure fee. See annexure 2.
	16,500,000	Unlisted Director Options exercisable at 8 cents and expiry date 15 May 2022
	18,652,175	Convertible noteholder options exercisable to 8 cents a share and expiry 31 July 2022
	20,000,000	Advisor options exercisable at 8 cents a share and expiry date 31 July 2022

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Notes:

1. Vesting as follows:

The Rights are subject to the following Performance Hurdles which must be satisfied to the satisfaction of the Board:

Share Price	Action A	Action B	Total
Share price >15 cents per share	2,100,000	2,100,000	4,200,000
Share price > 20 cents per share	2,550,000	2,550,000	5,100,000
Share price > 25 cents per share	2,850,000	2,850,000	5,700,000
	7,500,000	7,500,000	15,000,000

Action A – Completion of capital raising during the performance period of \$10 million.

Action B – No adverse corporate governance matters, no adverse OH&S matters.

- | | |
|---|-----------------|
| 10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) | Not applicable. |
|---|-----------------|

Part 2 - Pro rata issue

- | | |
|---|-----------------|
| 11 Is security holder approval required? | Not applicable. |
| 12 Is the issue renounceable or non-renounceable? | Not applicable. |
| 13 Ratio in which the +securities will be offered | Not applicable. |
| 14 +Class of +securities to which the offer relates | Not applicable. |
| 15 +Record date to determine entitlements | Not applicable. |
| 16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | Not applicable. |
| 17 Policy for deciding entitlements in relation to fractions | Not applicable. |

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18 Names of countries in which the entity has security holders who will not be sent new offer documents

Note: Security holders must be told how their entitlements are to be dealt with.

Cross reference: rule 7.7.

Not applicable.

19 Closing date for receipt of acceptances or renunciations

Not applicable.

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20	Names of any underwriters	Not applicable.
21	Amount of any underwriting fee or commission	Not applicable.
22	Names of any brokers to the issue	Not applicable.
23	Fee or commission payable to the broker to the issue	Not applicable.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Not applicable.
25	If the issue is contingent on security holders' approval, the date of the meeting	Not applicable.
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	Not applicable.
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable.
28	Date rights trading will begin (if applicable)	Not applicable.
29	Date rights trading will end (if applicable)	Not applicable.
30	How do security holders sell their entitlements <i>in full</i> through a broker?	Not applicable.
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable.

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- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Issue date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of ⁺securities
(tick one)
- (a) ⁺Securities described in Part 1
- (b) All other ⁺securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought Not applicable.

39 +Class of +securities for which quotation is sought Not applicable.

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

Not applicable.

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

Not applicable.

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)		

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:
(Director/Company secretary)

Date: 31 July 2019

Print name: Guy Robertson

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	633,293,770
Add the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>5,000,000 Shares issued to Director Sheikh Maktoum Hasher (as approved at the Company's 2018 AGM) on 30 November 2018.</p> <p>10,500,000 – shares issued 30 November 2018</p> <p>3,173,233 shares issued 15 February 2019</p> <p>2,140,747 shares issued 13 March 2019</p> <p>4,037,617 shares issued 19 March 2019</p> <p>3,845,698 shares issued 27 March 2019</p> <p>87,338,535 Share Purchase Plan Shares</p>
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	749,329,600

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Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	112,399,440
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	50,000
“C”	50,000
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	112,399,440
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	50,000
Total [“A” x 0.15] – “C”	112,349,440 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	749,329,600
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	74,329,600
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“E”	Nil

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Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	74,932,960
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.10] – “E”	74,932,960 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.

ANNEXURE 2

TERMS OF FUNDING FACILITY

- **Convertible Securities:** Convertible Securities of US\$3,923,913 (**Convertible Securities**), including Convertible Notes of US\$100,000, as restructure fee announced on 24 May 2019 (together the **Convertible Securities**).
- **Face Value and Purchase Price:** US\$1.00 per Convertible Security.
- **Implementation Fee:** 5,000,000 fully paid ordinary shares in the capital of Artemis (**Shares**).
- **Commitment Fee:** 5%
- **Interest:** No interest payable on the Convertible Securities.
- **Maturity Date:** 31 January 2020.
- **Conversion:** Subject to the Maximum Issue (defined below), the Investor may elect to convert the Convertible Securities (other than those for which Artemis has given notice of early redemption) at either:
 - a **Fixed Conversion Price** of A\$0.08; or
 - a **Variable Conversion Price** of the lesser of the Fixed Conversion Price and 94% of the average of the 3 lowest daily VWAP's during the 10 trading days immediately prior to the date that notice of conversion is given by the Investor, subject to the conditions that the election to convert at the Variable Conversion Price cannot be made:
 - Before 1 October 2019 in the event that Artemis has redeemed 2,100,000 convertible notes before 30 September 2019
 - For an amount greater than 350,000 notes per month.
- **Redemption:** Artemis may at any time elect to redeem some or all of the Convertible Securities (other than those for which the Investor has given a conversion notice).

Where Artemis elects to redeem the Convertible Securities, it must pay the Investor 112% of the face value of the redeemed Convertible Securities within 7 days of giving the redemption notice.

- **Maturity:** On the Maturity Date, Artemis must redeem the remaining Convertible Securities by paying the Investor the total face value (US\$1 per Convertible Security) outstanding.
- **Maximum Issue of Shares:** The maximum number of Shares to be issued without shareholder approval for the New Convertible Securities is capped at 36,171,466 (**Maximum Issue**). Where Artemis is requested to issue Shares in excess of the Maximum Issue, the issue of such Shares is subject to shareholder approval.
- **Options:** Artemis will issue the Investor and the arranger of the facility an aggregate of 8,571,429 options with an exercise price of A\$0.21, exercisable on or before 30 November 2021. As part of the restructure fee Artemis will issue the Investor with 18,652,175 options with an exercise price of A\$0.08, exercisable before 31 July 2022.
- **Security:** The funding will be secured over the assets of Fox Radio Hill Pty Ltd whilst the face value of the Convertible Securities exceeds US\$1,500,000.
- **Collateral Shares:** Artemis will issue 5,000,000 Shares to the Riverfort Group.