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David Lenigas

**Executive Directors**  
Ed Mead  
Alex Duncan-Kemp

**Non-Executive Directors**  
George Frangeskides  
Campbell Baird

**Company Secretary:**  
Guy Robertson

**Corporate Information**  
ASX Code: ARV



## Condition Assessment of Radio Hill Metallurgical Plant. Costs Lower Than Anticipated.

### HIGHLIGHTS:

- Radio Hill plant well maintained on care and maintenance since 2008.
- Estimated cost to refurbish the plant to operational readiness to produce copper/nickel/cobalt concentrates is \$4.6m.
- Additional plant to recover gravity gold can be added for \$0.65m
- Timeline to operational readiness less than 6 months.

David Lenigas, Artemis's Executive Chairman, commented;

**"This independent capital cost review to upgrade the Radio Hill plant to full operational status as a Copper/Nickel/Cobalt treatment facility is considerably less than than previous anticipated. By adding a gravity gold circuit, this plant could prove valuable in short-cutting the path to commercialisation of Artemis's Carlow Castle cobalt/copper/gold, Werrianna gold, Purdy's Reward and Silica Hills Projects all of which are situated within a 40km radius of the plant."**

Artemis Resources Limited (ASX:ARV) is pleased to announce the result of an independent technical and engineering review in to the cost and time estimates to re-commission the Radion Hill Copper/Nickel/Cobalt Metallurgical Treatment Plant located only 30 km south of Karratha (Figure 4), a major regional centre in the Western Pilbarra of Western Australia.

The independent report was commissioned as part of the due diligence on the Radio Hill mine, infrastructure and processing facilities which are subject to a purchase agreement from Fox Resources Limited which is estimated to close by the 30 April 2017. The facilities are logistically well placed being only 30 kms from Karratha. The Radio Hill plant was designed as a crushing, milling and flotation plant for the selective recovery of copper/nickel/cobalt concentrates from sulphide ores. When operations ceased in 2008, it had a nominal capacity of 425 000 tpa of fresh ore feed.

A site visit was conducted in April 2017 to assess the current condition of the plant and to estimate the cost of refurbishing the plant to operational readiness. The visit was done by Process26 , a Western Australian company experienced in the construction and maintenance of processing facilities, under the guidance of Noel O'Brien of Trinol Pty Ltd, a metallurgical engineer with vast experience in gold and base metal operations.

The plant was found to be generally in reasonable condition and well maintained since it was shutdown in 2008.

The plant equipment facilities are essentially complete with only minor items requiring replacement.

The structural steel is generally in reasonable condition, despite the aggressive nature of the nickel sulphide concentrates that were produced. Structural steel needing replacement has been identified.

Power supply to the site has been discontinued but this can be restored and most of the the major infrastructure for this is in place. It is anticipated that the plant would need to be rewired and new instrumentation and control equipment purchased and installed.

Water supply from existing nearby borefields is essentially in place and readily restored.

An additional estimate was requested to install equipment for the gravity recovery of gold from nearby resources.

The table below presents a summary of major costs to restore the plant to operational readiness. This could be completed in less than six months from a go decision. The estimate is budgetary and within an accuracy of 30%:

**Table 1: Estimated costs to re-commission the Radio Hill Plant plus the addition of a gravity gold recovery circuit.**

Item	Cost A\$
<b>Stage 1 Works</b>	
Plant clean up and safety works	250,000
HV electrical works	100,000
Supervision, Engineering and Site overheads	100,000
Preliminaries	100,000
<b>Sub Total</b>	<b>550,000</b>
<b>Stage 2 Refurbishment</b>	
Electrical and Instrumentation	1,800,000
Control equipment	100,000
Mechanical items	700,000
Grinding mill refurbishment	350,000
Crusher refurbishment	200,000
Piping	250,000
Preliminaries and General	450,000
Engineering and Overheads	200,000
<b>Sub Total</b>	<b>4,050,000</b>
<b>Total Refurbishment</b>	<b>4,600,000</b>
Installation of gravity concentrator for gold	650,000
<b>Total Upgrade and refurbishment</b>	<b>5,250,000</b>

Figure 1: View of Crushing Plant and Fine Ore bin:



Figure 2: Grinding Mill Section:



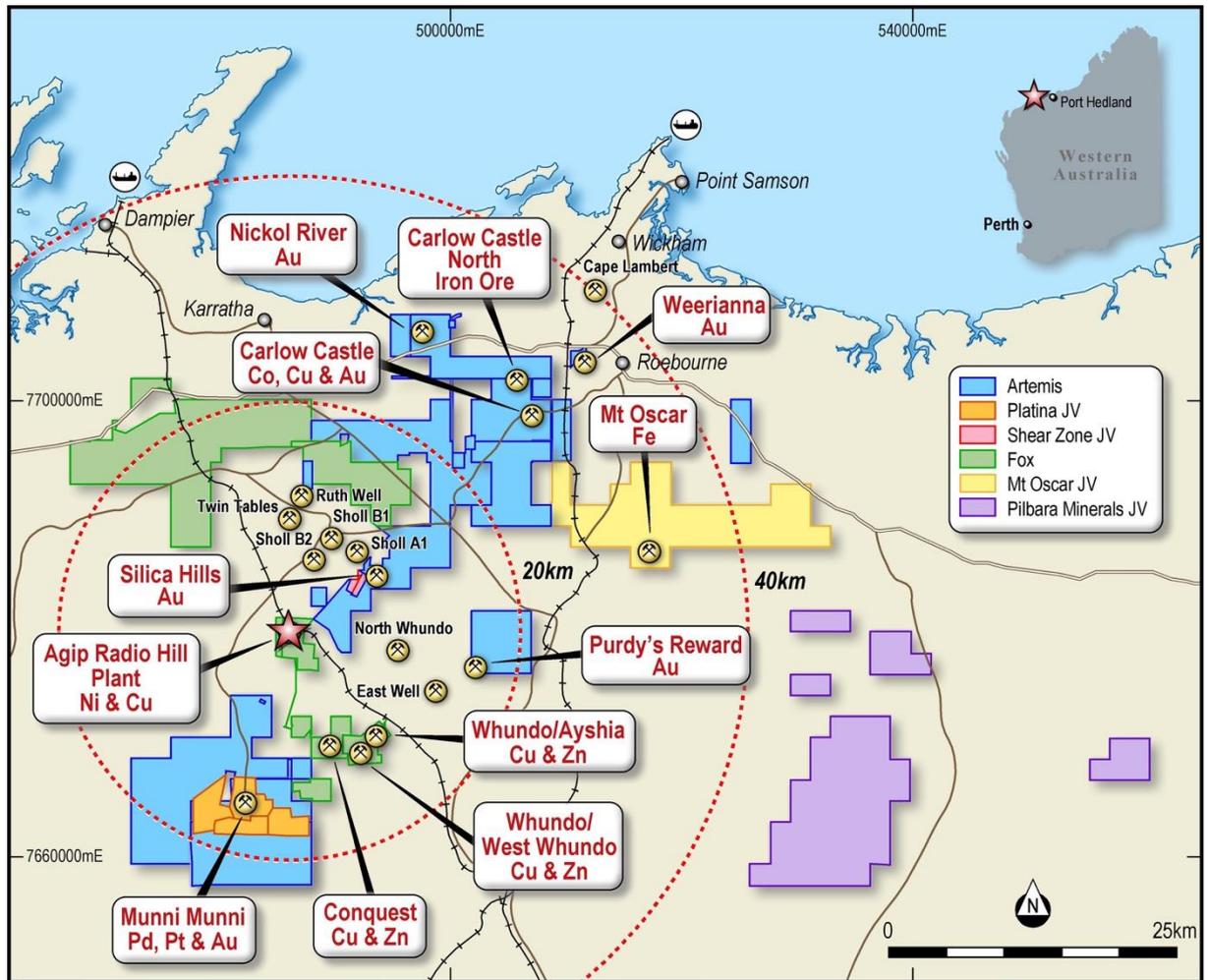
**Figure 3: View of Flotation Plant:**



### **RADIO HILL ACQUISITION**

- Fox Resources Limited and Artemis Resources Limited have signed an amendment to the original exclusive 3-month option agreement, as announced on 16 December 2016, whereby Artemis planned to acquire all of Fox’s Western Australian mining and exploration assets.
- Artemis has paid Fox a further \$100,000 to extend the final close of the transaction to the end of April 2017, to allow for completion of the necessary due diligence and prepare for asset transfers.
- The final cash consideration has been reduced to \$2 million on closing and the issue to Fox of 20 million Artemis shares at 10c per share.
- As with the previous deal, 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 now only be conditional on:
  - Artemis being satisfied with its due diligence;
  - Artemis completing the necessary funding arrangements to pay for the reduced cash consideration of \$2 million;
  - Artemis obtaining shareholder approval for the issue of 20 million shares;
  - 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.

**Figure 4: Artemis Resources Projects (including Fox Resources assets under option).**



**BACKGROUND INFORMATION ON ARTEMIS RESOURCES**

Artemis Resources Limited is a resources exploration and development company with a focus on its prospective West Pilbara (gold, cobalt, iron ore, base metals, platinum and platinum group elements) and Mt Clement-Paulsens (gold) project (Figure 1) in Western Australia. Artemis has a binding conditional agreement (“Agreement”) with Fox Resources Limited (“Fox”) until the end of April 2017 to buy their fully permitted AGIP 425,000tpa 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. The Radio Hill Plant is located 35 km south of Karratha in the Pilbara Region of Western Australia.

**CONTACTS**

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

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## **COMPETENT PERSONS STATEMENT**

The information in this document that relates to Exploration Results and Exploration Targets is based on information compiled or reviewed by Edward Mead, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Mead is a Director of Artemis Resources Limited and is a consultant to the Company, and is employed by 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.