

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

Artemis Resources Limited

### ABN

80 107 051 749

### Quarter ended ("current quarter")

30 June 2019

| Consolidated statement of cash flows                      | Current quarter<br>\$A'000 | Year to date (12<br>months)<br>\$A'000 |
|---|----------------------------|--|
| <b>1. Cash flows from operating activities</b>            |                            |  |
| 1.1 Receipts from customers                               | -                          | 83                                     |
| 1.2 Payments for  |                            |  |
| (a) exploration & evaluation                              | (664)                      | (11,169)                               |
| (b) development   |                            |  |
| (c) production  |                            |  |
| (d) staff costs   |                            |  |
| (e) administration and corporate costs                    | (782)                      | (3,539)                                |
| 1.3 Dividends received (see note 3)                       |                            |  |
| 1.4 Interest received                                     | -                          | 5                                      |
| 1.5 Interest and other costs of finance paid              |                            |  |
| 1.6 Income taxes paid                                     |                            |  |
| 1.7 Research and development refunds                      |                            |  |
| 1.8 Other (provide details if material)                   |                            |  |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(1,446)</b>             | <b>(14,620)</b>                        |

|  |      |          |
|--|------|----------|
| <b>2. Cash flows from investing activities</b> |      |          |
| 2.1 Payments to acquire:                       |      |          |
| (a) property, plant and equipment              | (49) | (13,368) |
| (b) prospects                                  |      |          |
| (c) investments                                |      |          |
| (d) other non-current assets                   |      |          |

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| <b>Consolidated statement of cash flows</b> |   | <b>Current quarter<br/>\$A'000</b> | <b>Year to date (12<br/>months)<br/>\$A'000</b> |
|---|---|------------------------------------|---|
| 2.2   | Proceeds from the disposal of:                        |                                    |   |
|   | (a) property, plant and equipment                     |                                    |   |
|   | (b) tenements (see item 10)                           |                                    |   |
|   | (c) investments                                       | 209                                | 209   |
|   | (d) other non-current assets                          |                                    |   |
| 2.3   | Cash flows from loans to other entities               |                                    |   |
| 2.4   | Dividends received (see note 3)                       |                                    |   |
| 2.5   | Other (provide details if material)                   |                                    |   |
| <b>2.6</b>                                  | <b>Net cash from / (used in) investing activities</b> | <b>160</b>                         | <b>(13,159)</b>                                 |

|             |   |                |              |
|-------------|---|----------------|--------------|
| <b>3.</b>   | <b>Cash flows from financing activities</b>                                 |                |              |
| 3.1         | Proceeds from issues of shares*   |                |              |
| 3.2         | Proceeds from issue of convertible notes                                    |                |              |
| 3.3         | Proceeds from exercise of share options                                     |                | 202          |
| 3.4         | Transaction costs related to issues of shares, convertible notes or options |                |              |
| 3.5         | Proceeds from borrowings  |                | 5,039        |
| 3.6         | Repayment of borrowings   | (1,370)        | (3,912)      |
| 3.7         | Transaction costs related to loans and borrowings                           |                |              |
| 3.9         | Other (cost of equity issue)  |                |              |
| <b>3.10</b> | <b>Net cash from / (used in) financing activities</b>                       | <b>(1,370)</b> | <b>1,329</b> |

|            |  |            |            |
|------------|--|------------|------------|
| <b>4.</b>  | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |            |            |
| 4.1        | Cash and cash equivalents at beginning of period                             | 3,480      | 27,048     |
| 4.2        | Net cash from / (used in) operating activities (item 1.9 above)              | (1,446)    | (14,620)   |
| 4.3        | Net cash from / (used in) investing activities (item 2.6 above)              | 160        | (13,159)   |
| 4.4        | Net cash from / (used in) financing activities (item 3.10 above)             | (1,370)    | 1,329      |
| 4.5        | Effect of movement in exchange rates on cash held                            | (3)        | 223        |
| <b>4.6</b> | <b>Cash and cash equivalents at end of period*</b>                           | <b>821</b> | <b>821</b> |

\*On 23 July 2019 the Company finalised a Share Placement Plan which raised \$ 2.7 million.

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| <b>5. Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | <b>Current quarter<br/>\$A'000</b> | <b>Previous quarter<br/>\$A'000</b> |
|--|------------------------------------|-------------------------------------|
| 5.1 Bank balances  | 821                                | 3,480                               |
| 5.2 Call deposits  | -                                  | -                                   |
| 5.3 Bank overdrafts  |                                    |                                     |
| 5.4 Other (provide details)  |                                    |                                     |
| <b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)*</b>  | <b>821</b>                         | <b>3,480</b>                        |

**6. Payments to directors of the entity and their associates****Current quarter  
\$A'000**

6.1 Aggregate amount of payments to these parties included in item 1.2

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6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Directors fees and their associates

**7. Payments to related entities of the entity and their associates****Current quarter  
\$A'000**

7.1 Aggregate amount of payments to these parties included in item 1.2

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**8. Financing facilities available***Add notes as necessary for an understanding of the position***Total facility amount  
at quarter end  
\$A'000****Amount drawn at  
quarter end  
\$A'000**

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify) Convertible Note

5,510

5,510

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

For terms see Annexure 1

| <b>9. Estimated cash outflows for next quarter</b>     | <b>\$A'000</b> |
|--|----------------|
| 9.1 Exploration and evaluation                         | 800            |
| 9.2 Development  | 30             |
| 9.3 Production   |                |
| 9.4 Staff costs  |                |
| 9.5 Administration and corporate costs                 | 560            |
| 9.6 Other (provide details if material) Debt repayment | 810            |
| <b>9.7 Total estimated cash outflows</b>               | <b>2,200</b>   |

| <b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>                            | <b>Tenement reference and location</b> | <b>Nature of interest</b>      | <b>Interest at beginning of quarter</b> | <b>Interest at end of quarter</b> |
|--|--|--------------------------------|---|-----------------------------------|
| 10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced |  |                                |   |                                   |
| 10.2 Interests in mining tenements and petroleum tenements acquired or increased           | P47/1619 & P47/1621<br>P47/1925        | Amalgamated into E47/1746<br>- | -<br>Application                        | 100%<br>100%                      |

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: .....  
 (Director/Company secretary)

Date: .....31/7/2019.....

Print name: ...Guy Robertson.....

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

## ANNEXURE 1

### 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.