Artemis Resources Limited
and its controlled entities

Annual financial report
for the year ended
30 June 2016

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REVIEW OF OPERATIONS

Artemis Resources Limited ("Artemis") is pleased to outline below the Company's progress for the financial year ending 30 June 2016.

AREAS OF REVIEW

- Farm in to Munni Munni Platinum Project
- West Pilbara drilling
- Farm out of Amitsoq Graphite Project
- Corporate matters

Munni Munni Platinum Project

In August 2015 the Company executed an agreement with Platina Resources Limited to earn a 70% interest in the Munni Munni Platinum Group Elements Project (the "Munni Munni Project").

The Munni Munni Project hosts the largest intrusion in the West Pilbara and hosts a JORC 2004 compliant Resource of **24 Mt @ 2.9 g/t Platinum Group Element (PGE) + gold** (1.4Mt Inferred, 9.8Mt indicated and 12.4Mt Measured) (0.83Moz platinum. 1.14Moz palladium, 152Koz gold and 76Koz rhodium). Munni Munni is the largest as yet un-mined primary PGE Resource in Australia.

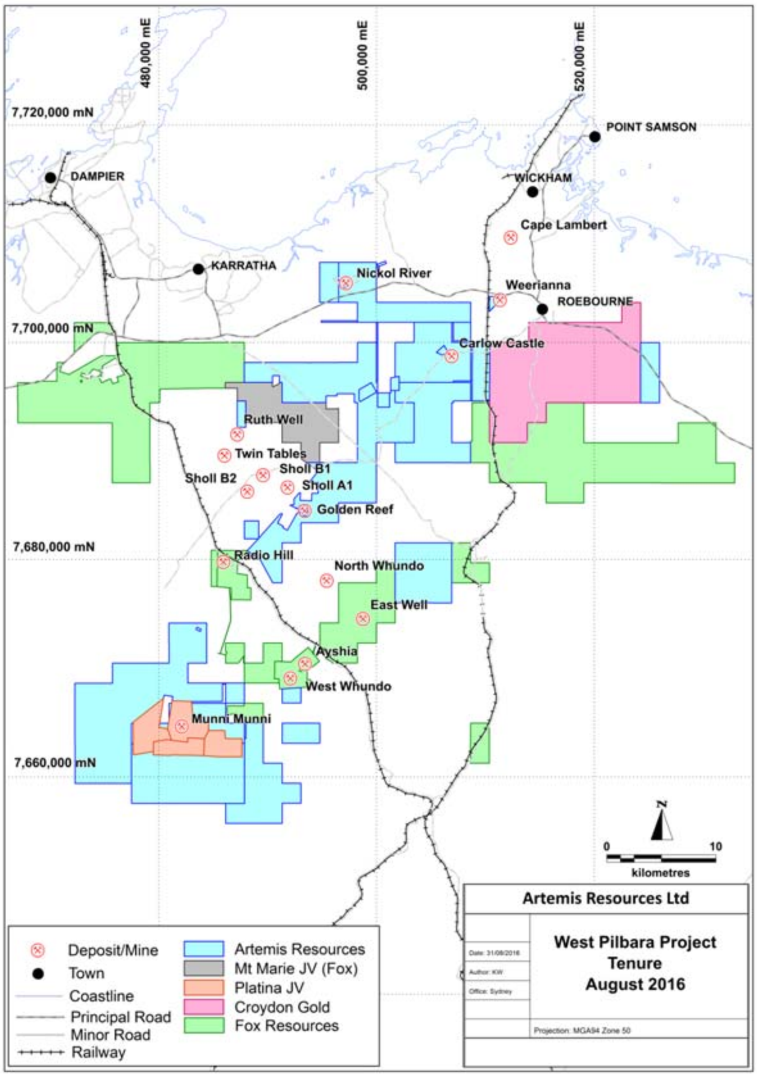

Figure 1. Munni Munni Project location map. Munni Munni mining licences in orange and Artemis tenements in blue

In accordance with the terms of the Agreement with Platina, Artemis will earn a 70% interest by spending $750,000 over a three year period. In addition a Royalty of $400,000 is payable to Franco Nevada Corporation on the project achieving commercial mining production. Artemis issued Platina with 100 million shares for the earn in right.

While Artemis continues to maintain the tenements in good standing, no significant work was undertaken during the year.

West Pilbara Drilling

In late 2015 the Company completed a heritage clearance of Weerianna and the Carlow Castle area comprising the Milburn, Goodluck (Chapman), Little Fortune (Thorpe), Fortune South and the Mt Sholl gold prospects with no restrictions imposed on planned exploration in these areas.

A preliminary drilling programme was undertaken in late 2015 comprising five Reverse Circulation (RC) drill holes at the Little Fortune and Goodluck prospects at the Carlow Castle project in the West Pilbara region of WA.

The drilling at both Little Fortune (Figure 2) and Goodluck (Figure 3) returned sulphide mineralised intercepts of chalcopyrite and pyrrhotite from the electromagnetic anomaly target zone. Associated with the sulphide mineralisation are variable grades of copper, gold and silver, as seen below:

- 9m @ 2.7% Cu, 16.3 g/t Ag, from 67m in LFRC002
- 3m @ 2.16% Cu, 1.22 g/t Au, 16.1 g/t Ag, from 160m in LFRC001
- 1m @ 4.6% Cu, 2.2 g/t Au, 27 g/t Ag, from 33m in LFRC003
- 1m @ 3.4 g/t Au from 32m in LFRC004
- 4m @ 0.42% Cu from 103m in GLRC001

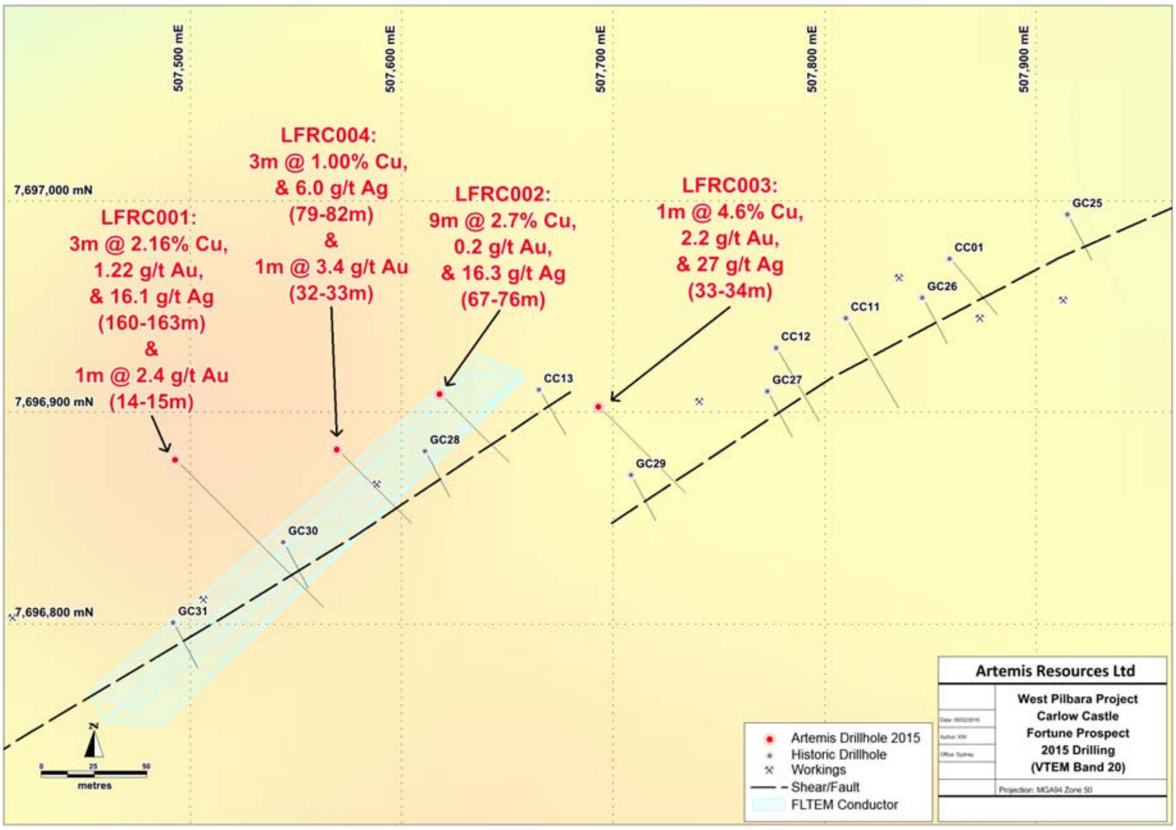

Figure 2. Drill Holes at Little Fortune Prospect

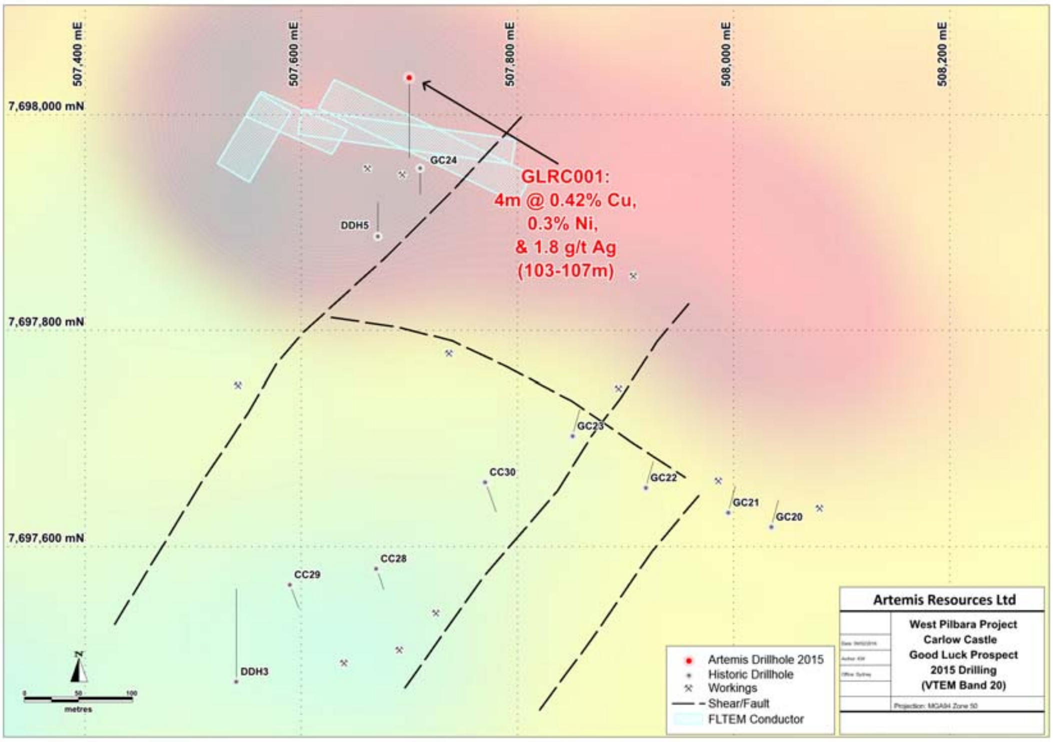

Figure 3. Drill Hole at Good Luck Prospect

Based on the results from phase 1 RC drilling, Artemis will now propose to expand Fixed Loop EM (FLTEM) surveys targeting copper and gold.

Historic mine workings at Little Fortune are 600m in length (strike) and shallow. The Little Fortune assay results provide information which will allow step out holes along strike and down dip to expand on the LFRC002 result.

Downhole EM (DHEM) is the next exploration step to assist Artemis in designing further exploration drilling.

The Carlow Castle Project is 10km south-west of Roebourne and currently hosts a JORC (2012) Inferred Mineral Resource of **418,000 tonnes at 3.0 g/t Au and 0.6% Cu**, for total contained metal of **40,000 ounces of Au and 2,500 tonnes of Cu**[1]. Potential exists to increase this resource with a number of structures identified with shafts and recent prospector activity that have never been drilled. The Little Fortune Prospect 2km to the south could add to this resource.

The Weerianna Gold Project is 4km west of Roebourne and currently hosts a JORC (2012) Inferred Mineral Resource of **1 million tonnes at 2.2 g/t Au for a total of 70,000 ounces** of gold[2]. Excellent potential exists for a substantial increase in tonnage, as the current resource is open at depth, and along strike.

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.

Amitsoq Graphite Project

In late 2015 the Company resolved to farm out its interest in the Amitsoq Graphite project to a company (Alba Mineral Resources Limited) better equipped to further the exploration in Greenland. Alba will earn an interest in the project through achieving certain exploration expenditure hurdles. Artemis is reflecting a profit of $52,608 on the earn in to date. In the event Alba meets the minimum expenditure requirements and earns a 70% interest, Artemis will receive a further £200,000.

In the event Alba earns up to 70% Artemis will retain a 20% interest in the project, which will have undergone substantial further development.

[1] As per ASX announcement dated 30 June 2014 "Completion of Gold Project Acquisition – Update on West Pilbara Resource Status"

[2] As per ASX announcement dated 30 June 2014 "Completion of Gold Project Acquisition – Update on West Pilbara Resource Status"

Corporate Matters

Capital raising - during the year the Company undertook a rights issue raising $812,092 through the issue of 812,092,000 shares at $0.001 each and issued a further 1,505,749,748 shares at $0.001 each to retire borrowings of $940,000 and creditors of $565,750.

Project write downs – during the year the Company sought to sell its interest in the Mt Clement/Eastern Hills project. As the value is currently uncertain the asset has been written down by approximately $2.5 million to no value. The Company has also written off its interest in the Buchanans Creek project in the amount of $525,000 which it has farmed out, as value is also uncertain, and has written off the expenditures associated with less prospective tenements disposed of in the West Pilbara portfolio in the amount of approximately $2.7 million.

Board Restructure – during the year Mr Guy Robertson resigned as a Director but continues as Company Secretary and was replaced by Mr Campbell Baird.

New opportunities – the Company has continued to review new opportunities in the resource and other sectors during the year. A potential investment into a movie venture did not proceed and Artemis in August 2016 paid an exclusivity fee of $100,000 through the issue of 100,000,000 shares to the vendor in accordance with that agreement.

Edward Mead
Director
16 September 2016

Annual Mineral Resources Statement

Gold: Mineral Resources as at 30 June 2016

Project	Area	Resource Category	Cutoff Grade (Au g/t)	Tonnes (t)	Au (g/t)	Ag (g/t)	Cu (%)	Contained Au (oz)	Contained Ag (oz)	Contained Cu (t)
Mt Clement[1]	Ashburton	Inferred	0.5	1,132,000	1.8	17	-	64,000	619,000	-
Weerianna[2]	West Pilbara	Inferred	1.0	1,005,000	2.2	-	-	70,000	-	-
Carlow Castle[3]	West Pilbara	Inferred	1.0	416,000	2.9	-	0.6	40,000	-	2,500
Total				**2,553,000**	**2.1**			**174,000**	**619,000**	**2,500**

Note: all projects reported as 100% of resources. Artemis has acquired a 80% interest in Weerianna
Note: no Reserves nor Measured or Indicated Resources have yet been identified in the gold projects

Antimony: Mineral Resources as at 30 June 2016

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[4]	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**

Note: all projects reported as 100% of resources
Note: no Reserves or Measured Resources have yet been identified in the antimony projects

Material Changes and Resource Statement Comparison

The Company has during this year begun to review and report its mineral resources at least annually and provide an Annual Mineral Resource 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 2016, the historical resource factors for Mt Clement and Carlow Castle 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.
All mineral resources reported here, except Mt Clement (see [1] below) were compiled in accordance with the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code) 2012 Edition.

Competent Person Statements

[1] The information in this document that relates to Mt Clement Mineral Resources is based on information and supporting documentation prepared by Mr Steven Nicholls, who is a Member of the Australian Institute of Geoscientists. Mr Nicholls is a consultant to Artemis Resources Ltd, and is employed by Apex Geoscience Ltd. Mr Nicholls 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 Nicholls consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The information in this document that relates to Mt Clement Exploration Results and Mineral Resources was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

[2] The information in this document that relates to Weerianna Mineral Resources is based on information and supporting documentation prepared by Mrs Fleur Muller, who is a Member of The Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mrs Muller is a consultant to Artemis Resources Ltd, and is employed by Geostat Services Pty Ltd. Mrs Muller has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she 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'. Mrs Muller consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

[3] The information in this document that relates to Exploration Targets, Exploration Results or Mineral Resources at Carlow Castle is based on information and supporting documentation prepared by Mr Philip A Jones, who is a Corporate Member of The Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists and independent consultant to the Company. Mr Jones 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 Jones consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

[4] The information in this document that relates to Eastern Hills Mineral Resources is based on information and supporting documentation prepared by Mr Simon Coxhell, who is a Member of The Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr Coxhell is a consultant to the Company, and is employed by CoxsRocks Pty Ltd. Mr Coxhell 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 Coxhell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Mineral Resource Statement as a whole, above, has been reviewed and approved by Mr Edward Mead, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Mead is a Director and employee of the Company. 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.

The Company's Exploration Target includes potential quantity and grade and is conceptual in nature. There has been insufficient exploration to define these mineral resources and it is uncertain if further exploration will result in the determination of mineral resources.

Tenement Schedule

West Pilbara (Western Australia)	Mt Clement (Western Australia)
E47/1745	M08/191[1]
E47/1746	M08/192[1]
E47/1797	M08/193[1]
E47/3373	
E47/1807[3]	**Yandal (Western Australia)**
E47/2652	E53/1729 (a)
E47/2696	E53/1742 (a)
E47/2716 (a)	E53/1759 (a)
E47/2724	
M47/177[2]	**Other (Western Australia)**
M47/288[2]	E04/2382
M47/223[5]	E04/2383
P47/1518	E80/4932
P47/1519	
P47/1520	**SMA JV – QLD**[4] (Queensland)
P47/1112 (a)	ML 3311
P47/1126 (a)	ML 30123
P47/1127	ML 30208
P47/1134	EPM 13694
P47/1619	EPM 14988
P47/1621	EPM 18490
P47/1622	
E47/3204	
E47/3160 (a)	
E47/3322 (a)	

(a) Tenement applications

[1] *80% Artemis - Gold joint venture with Northern Star Resources (20%)*

[2] *94% Artemis*

[3] *30.15% Interest – Non managed joint venture with Fox Resources Limited*

[4] *Strategic Metals Australia Pty Limited (SMA) 95%, 5% held by Artemis*

[5] *80% Artemis*

Artemis Resources Limited ("**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 9 September 2016 and is available on the Company's website: http://artemisresources.com.au/investor-centre/corporate-governance/

DIRECTORS REPORT

Your directors present their report on the Artemis Resources Limited (**Artemis** or the **Company**) for the financial year ended 30 June 2016.

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

Current Directors

MR GEORGE FRANGESKIDES
Chairman

Mr Frangeskides has a broad range of experience gained from over fifteen years in the legal and corporate advisory sectors in Australia and the United Kingdom.

Mr Frangeskides is an Executive Director at Berwick Capital, a corporate advisory firm which specialises in natural resources and which advises ASX and AIM-listed companies on projects and transactions in the mining and oil and gas sectors. Prior to establishing Berwick Capital, Mr Frangeskides practised as a lawyer focusing on corporate finance, commercial and capital market transactions.

Mr Frangeskides was appointed a Director on 17 January 2011, resigned on 28 September 2011 and was re-appointed on 15 August 2012.

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. Ed 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 BSc in 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, Western Mining Corporation (BHPB), Sons of Gwalia, Fox Resources, 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 Mead is currently a Director of Ram Resources Limited.

MR CAMPBELL BAIRD
Non-Executive Director

Mr Baird, has over 20 years of mining experience. Mr Baird was formerly the CEO of Focus Minerals Pty Ltd, a Western Australian gold producer and prior to this had extensive international experience developing projects in Finland for Vulcan Resources and leading multiple feasibility studies across multiple commodities for SRK Consulting.

Mr Baird has a bachelor of Engineering (Mining) from UNSW and a Masters of International Finance from Curtain University, he is a Member of the AusIMM & AICD and he sits on the Association of Mining and Exploration Council in Australia as Treasurer.

Mr Baird was appointed a Director on 17 August 2015.

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

Former Director

Mr Guy Robertson – appointed 28 September 2011, resigned 17 August 2015

Secretary

MR GUY ROBERTSON
(Company Secretary)
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.

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 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

On the 31 August 2016 the Company issued 100,000,000 shares at $0.001 each to a third party in relation to an exclusivity fee for a transaction that did not proceed.

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 loss of the consolidated entity after providing for income tax amounted to $6,477,486 (2015*:* loss of $3,948,275).

The Group's operating income increased to $203,391 (2015 - $107,539) attributable to the profit on sale of a contingent asset (see note 2) and the farming out of the Amitsoq project.

Expenses increased to $6,680,877 (2015-$4,055,814) primarily attributable to a write off of exploration expenditure in the amount of $5,798,979 relating to the Mt Clement Project, the Buchanans Creek Project and the write off of expenditure allocated to West Pilbara tenements relinquished. While the Company retains its interest in the Mt Clement and Buchanans Creek projects the carrying value is uncertain. The 2015 result includes a write down of $2,168,830 relating to the Yandal project.

The carrying value of exploration costs decreased to $1,631,509 (2015 $6,736,804) reflecting the write downs outlined above.

Net assets declined to $1,237,509 (2015-$5,297,150) reflecting the write down outlined above.

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, eligibility of each director to attend and the number of meetings attended by each director is:

	Directors Meetings		Audit Committee Meetings	
Director	**Meetings Attended**	**Number Eligible to Attend**	**Meetings Attended**	**Number Eligible to Attend**
Edward Mead	8	8	2	2
Campbell Baird	5	7	-	-
George Frangeskides	8	8	2	2
Guy Robertson	1	1	-	-

In addition to the directors meetings outlined above there were 2 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, setting 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 industry generally. It 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;
- 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 as 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

George Frangeskides - Chairman (appointed 17 January 2011, resigned 28 September 2011, reappointed 15 August 2012)
Campbell Baird – Non-Executive Director (appointed 17 August 2015)
Edward Mead – Executive Director (appointed 31 December 2014)

(ii) Former Directors

Guy Robertson – Executive Director (appointed 28 September 2011, resigned 17 August 2015)

(iii) Company Secretary

Guy Robertson

(iv) Key Management Personnel

Edward Mead – General Manager Exploration, with effect from 1 July 2014.

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, or the fixed salary of a full time employee of the Company.

(b) Remuneration of Directors and Key Management Personnel

The non-executive 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.

	2016				2015			
	Base Salary and Fees	**Share Based Payments**	**Post Employment Super Contributions**	**Total**	**Base Salary and Fees**	**Share based Payments**	**Post Employment Super Contributions**	**Total**
G. Frangeskides	**82,270**	-	-	**82,270**	46,379	-	-	46,379
G. Robertson[1]	**67,645**	-	-	**67,645**	102,000	-	-	102,000
E.Mead	**141,000**	-	-	**141,000**	15,000	-	-	15,000
C. Baird	**30,500**	-	-	**30,500**	-	-	-	-
S. Coates	**-**	-	-	**-**	15,000	-	-	15,000
T. Woolfe	**-**	-	-	**-**	4,739	16,500	-	21,239
	321,415	-	-	**321,415**	183,118	16,500	-	199,618

[1] Of this amount Mr Robertson was paid $7,645 as Directors fees and $60,000 as Company Secretary fees.

(c) Remuneration Options granted and vested during the financial year ending 30 June 2016 and the financial year ending 30 June 2015

To ensure that the Company has appropriate mechanisms to continue to attract and retain the services of directors and employees of a high calibre, the Company has a policy of issuing options that are exercisable in future at a certain fixed price.

No options were issued to directors during the year or the prior year.

(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.

Shares held by Directors and key management Personnel

Period from 1 July 2015 to 30 June 2016

	Balance at beginning of year	Received as Remuneration	Options Exercised	Net Change Other	Balance at end of year
G. Frangeskides	1,000,000	-	-	-	1,000,000
E. Mead	-	-	-	-	-
C. Baird	-	-	-	-	-
G. Robertson	6,266,738	-	-	(2,887,422)	3.379,316
	7,266,738	-	-	(2,887,422)	4,379,316

Period from 1 July 2014 to 30 June 2015

	Balance at beginning of year	Received as Remuneration	Options Exercised	Net Change Other	Balance at end of year
E. Mead	-	-	-	-	-
C. Baird	-	-	-	-	-
G. Frangeskides	1,000,000	-	-	-	1,000,000
G. Robertson	3,379,316	-	-	2,887,422	6,266,738
S. Coates	-	-	-	-	-
T.Woolfe[1]	23,250,000	5,766,667	-	(29,016,667)	-
	27,629,316	5,766,667	-	(26,129,245)	7,266,738

[1]Balance prior to ceasing to act as a consultant to the Company.

Options and Performance Rights Held by Directors and key management Personnel

Period from 1 July 2014 to 30 June 2016

There were no options held by Directors and key management personnel in the year ended 30 June 2015 and 30 June 2016.

The performance rights on issue have not vested as the hurdles have not been met and have now expired.

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 $4,632 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 2016 has been received and can be found on page 18 of the financial report.

NON-AUDIT SERVICES

The Board of Directors, 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 provided during the year ended 30 June 2016:

Taxation services	$3,000

This report is made in accordance with a resolution of the directors.

Edward Mead
Director
16 September 2016

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

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Sydney NSW 2001

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ARTEMIS RESOURCES LIMITED
ABN 80 107 051 749
AND ITS CONTROLLED ENTITIES

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016 there has been:

i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Hall Chadwick

Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000

DREW TOWNSEND
Partner

Dated: 16 September 2016

Continuing Operations	Note	Consolidated 30 June 2016 $	Consolidated 30 June 2015 $
Revenue	2(b)	202,608	100,297
Other Income	2(b)	783	7,242
Administration expenses		(50,595)	(99,874)
Professional fees and consultancy costs		(176,392)	(128,869)
Occupancy costs		(11,796)	(50,354)
Compliance and regulatory expenses		(63,673)	(86,538)
Payments to directors		(180,369)	(128,379)
Exploration expenditure written off		(5,798,979)	(2,228,830)
Management fees		(22,203)	(87,500)
Travel		(13,003)	(25,681)
Share based payments		-	(46,500)
Legal Fees		(330,329)	(1,120,936)
Borrowing costs		(33,538)	(52,353)
LOSS BEFORE INCOME TAX FOR THE YEAR		(6,477,486)	(3,948,275)
Income tax expense	3	-	-
LOSS AFTER INCOME TAX FOR THE YEAR		(6,477,486)	(3,948,275)
LOSS FOR THE YEAR ATTRIBUTABLE TO:			
Members of the parent entity		(6,477,486)	(3,948,275)
Non-controlling interest		-	-
TOTAL LOSS FOR THE YEAR		(6,477,486)	(3,948,275)
OTHER COMPREHENSIVE INCOME/(LOSS)			
Items that will not be reclassified to profit or loss:			
Net change in fair value of available for sale investments		-	(68,128)
Items that may be reclassified subsequently to profit or loss:			
Income tax relating to components of other comprehensive income		-	(32,195)
		-	(100,323)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(6,477,486)	(4,048,598)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO			
Owners of the parent		(6,477,486)	(4,048,598)
Non-controlling interest		-	-
		(6,477,486)	(4,048,598)
Earnings per share – continuing operations			
Basic loss per share (cents)	19	(0.26)	(0.34)
Diluted loss per share (cents)	19	(0.26)	(0.34)

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

	Note	**Consolidated 30 June 2016 $**	Consolidated 30 June 2015 $
CURRENT ASSETS			
Cash and cash equivalents	4	**18,149**	340,922
Trade and other receivables	5	**101,595**	67,589
Other financial assets	6	**15,989**	15,989
Total current assets		**135,733**	424,500
NON-CURRENT ASSETS			
Evaluation and exploration expenditure	9	**1,631,509**	6,736,804
Total non-current assets		**1,631,509**	6,736,804
TOTAL ASSETS		**1,767,242**	7,161,304
CURRENT LIABILITIES			
Trade and other payables	10	**529,736**	924,965
Borrowings	11	**-**	939,189
Total current liabilities		**529,736**	1,864,154
TOTAL LIABILITIES		**529,736**	1,864,154
NET ASSETS		**1,237,506**	5,297,150
EQUITY			
Share Capital	12	**32,374,443**	29,956,601
Reserves	13	**-**	125,000
Accumulated losses		**(31,136,937)**	(24,784,451)
Parent interests		**1,237,506**	5,297,150
Non-controlling interest		**-**	-
TOTAL EQUITY		**1,237,506**	5,297,150

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

	Attributable to equity holders of parent			
	Share Capital	**Reserves**	**Accumulated Losses**	**Total Equity**
CONSOLIDATED - 2016	$	$	$	$
Balance 1 July 2015	**29,956,601**	**125,000**	**(24,784,451)**	**5,297,150**
Loss for the year	**-**	**-**	**(6,477,486)**	**(6,477,486)**
Total comprehensive income for the year	**-**	**-**	**(6,477,486)**	**(6,477,486)**
Issue of shares	**2,417,842**	**-**	**-**	**-**
Expiry of options	**-**	**(125,000)**	**125,000**	**-**
Balance as at 30 June 2016	**32,374,443**	**-**	**(31,136,937)**	**1,237,506**

	Attributable to equity holders of parent			
	Share Capital	**Reserves**	**Accumulated Losses**	**Total Equity**
CONSOLIDATED - 2015	$	$	$	$
Balance 1 July 2014	**28,918,343**	**572,536**	**(21,308,389)**	**8,182,490**
Loss for the year	**-**	**-**	**(3,948,275)**	**(3,948,275)**
Net change in the fair value of available-for-sale financial assets	**-**	**(100,323)**	**-**	**(100,323)**
Total comprehensive income for the year	**-**	**(100,323)**	**(3,948,275)**	**(4,048,598)**
Issue of shares	**1,076,793**	**-**	**-**	**1,076,793**
Share issue costs	**(38,535)**	**-**	**-**	**(38,535)**
Issue of options	**-**	**125,000**	**-**	**125,000**
Expiry of options	**-**	**(472,213)**	**472,213**	**-**
Balance as at 30 June 2015	**29,956,601**	**125,000**	**(24,784,451)**	**5,297,150**

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

	Note	Consolidated 30 June 2015 $	Consolidated 30 June 2015 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operations		-	-
Payments to suppliers and employees		(814,702)	(1,371,003)
Interest received		789	7,242
Interest paid		-	(52,353)
NET CASH USED IN OPERATING ACTIVITIES	22	(813,913)	(1,416,114)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments		265,407	240,297
Payments for exploration and evaluation		(586,359)	(835,160)
Research and development tax receipt		-	247,926
NET CASH USED IN INVESTING ACTIVITIES		(320,952)	(346,937)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		812,092	955,543
Loan proceeds		-	939,189
Repayment of loan		-	(542,255)
NET CASH PROVIDED BY FINANCING ACTIVITIES		812,092	1,352,477
Decrease in cash held		(322,773)	(410,574)
Cash at the beginning of the year		340,922	751,496
CASH AT THE END OF THE YEAR	4	18,149	340,922

The consolidated statement of cash flows is to be read in conjunction with the attached note.

Notes to the Financial Statements for the year ended 30 June 2016

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 23 September 2016 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 7 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 incurred losses of $6,477,486, had net cash outflows from operating activities of $813,913 and investing activities of $320,952 for the year ended 30 June 2016, and had a working capital deficit as at 30 June 2015 of $394,003. The Company will need to raise additional funds in the year ahead in order to meet all of its expenditure commitments.

These factors indicate significant uncertainty as to whether the Company and consolidated entity will continue as a going concern and therefore whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

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 $18,149 and net assets of $1,237,506 as at 30 June 2016;
- The Company has a letter of financial support from a major shareholder to allow it to meet its debts as and when they fall due, prior to a planned capital raise.
- The ability of the consolidated entity to further 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 commencing on or after 1 January 2017).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue. Although the directors anticipate that the adoption of AASB 15 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

The directors anticipate that the adoption of AASB 15 will not have a significant impact on the Group's 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 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 (ie 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 (ie 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. 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.

j. Revenue recognition

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

k. 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.

l. 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.

m. 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.

n. Comparative figures

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

o. 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.

p. Key judgements

The Group capitalises expenditure relating to exploration and evaluation 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 $1,631,509.

2. REVENUE AND OTHER INCOME

	Consolidated 2016 $	Consolidated 2015 $
a) Revenue		
Profit on sale of available for sale financial assets	**-**	**100,297**
Profit on disposal of project interest	**52,608**	**-**
Sale of contingent asset	**150,000**	**-**
	202,608	**100,297**
b) Other Income		
Interest received	**783**	**7,242**

3. INCOME TAXES

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

	Consolidated 2016 $	Consolidated 2015 $
Loss before tax	**(6,477,486)**	**(3,948,275)**
Tax at 30% (2014: 30%)	**(1,943,246)**	**(1,184,483)**
Tax effect of non-deductible expenses	**1,727,074**	**687,066**
Exploration expenditure	**(186,328)**	**(177,968)**
Tax losses and timing differences not brought to account	**402,500**	**675,385**
Income tax expense	**-**	**-**
(b) Balance of franking account at year end	**-**	**-**
(c) Deferred tax liabilities taken to equity		
Balance brought forward	-	32,195
Unrealised (loss)/gain on investments	-	(32,195)
	-	-

Applicable tax rate

The applicable tax rate is 30%, the 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 $ (2015-$4,865,423).

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 2016 $	Consolidated 2015 $
Cash and cash equivalents	**18,149**	340,922

5. TRADE AND OTHER RECEIVABLES

	Consolidated 2016 $	Consolidated 2015 $
Current		
Trade receivables	-	4,156
Other	**101,595**	63,433
	101,595	67,589

The value of trade and other receivables considered by the Directors to be past due or impaired is nil (2014: Nil).

6. OTHER FINANCIAL ASSETS

	Consolidated 2016 $	Consolidated 2015 $
Non Current		
Available-for-sale financial assets		
Listed equity securities – at fair value	**15,989**	15,989

7. SUBSIDIARIES

	Country of Incorporation	Ownership % 2016	Ownership % 2015
Parent Entity:			
Artemis Resources Limited	Australia	-	-
Subsidiaries:			
Yandal Metals Pty Limited	Australia	**100**	100
Wombat Resources Pty Limited	Australia	**100**	100
Artemis Mining Corporation Pty Limited[1]	Australia	**25**	25
Karratha Metals Limited	Australia	**100**	100
KML No 2 Pty Limited	Australia	**100**	100
Armada Mining Pty Limited	Australia	**100**	100
Western Metals Pty Limited	Australia	**80**	80
Artemis Graphite Pty Ltd[2]	Australia	**100**	100
Anco Holdings Limited	Hong Kong	**49**	49

[1]In accordance with the agreement, 75% of the shares in Artemis Mining Corporation Pty Limited was transferred to Strategic Metals Australia Pty Ltd (SMA) following their reaching exploration spend commitments. In accordance with the agreement SMA are required to issue Artemis 500,000 fully paid SMA ordinary shares which have not yet been issued, and no value has been attributed to these shares.

[2]Artemis is farming out its interest in the Amitsoq graphite project to Alba Mineral Resources Limited (AIM Listed). Artemis has accrued a residual payment owing by it in relation to the original purchase in the amount of $85,000. In the event Alba meets the minimum expenditure requirements and earns a 70% interest, Artemis will receive a further £200,000

In the event Alba earns up to 70% Artemis will retain a 20% interest in the project, which will have undergone substantial further development.

Consolidated

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

8. PLANT AND EQUIPMENT

	Consolidated 2016 $	Consolidated 2015 $
Plant and equipment		
At cost		
Opening balance	-	**52,937**
Disposals	-	**(52,937)**
Closing balance	-	-
Depreciation		
Opening balance		**(52,937)**
Charge for the year	-	-
Disposals	-	**52,937**
Closing balance	-	-
	-	-

9. INTANGIBLE EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated 2016 $	Consolidated 2015 $
Exploration and evaluation expenditure	**1,631,509**	6,736,804
Reconciliation of carrying amount		
Carrying amount at 1 July	**6,736,804**	8,368,835
Acquisition of tenements and tenement interests[1]	**100,000**	246,696
Expenditure capitalised in current period	**622,228**	598,029
Capitalised expenditure written off[2]	**(5,760,942)**	(2,228,830)
Carrying value of project sold	**(66,581)**	-
Research and development rebate received	-	(247,926)
Carrying amount 30 June	**1,631,509**	6,736,804

[1] Relates to the acquisition of the Platina project in 2016 and in respect of 2015 a further 29% in the Weerianna Project and costs associated with the acquisition of the Amitsoq graphite project.
[2] The Company wrote down its interests in the Mt Clement project and the Buchanans Creek project during the year. In addition it wrote off those expenditures relating to tenements that were relinquished within the West Pilbara project during the year. In 2015 the Company wrote off its interest in the Yandal project.

Costs capitalised on areas of interest have also been reviewed for impairment factors, such as resources prices, ability to meet expenditure going forward, potential resource downgrades. It is the Directors' opinion that the Company has ownership, or title to the areas of interests it has capitalised expenditure on and has reasonable expectations that its activities are ongoing.

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploration, or, alternatively, sale of the respective area of interest.

All plaint matters on the Company's tenements were resolved in the Company's favour during the year.

10. TRADE AND OTHER PAYABLES

	Consolidated 2016 $	Consolidated 2015 $
Trade and other accounts payable (unsecured)	**529,736**	924,966

11. BORROWINGS

	Consolidated 2016 $	Consolidated 2015 $
Loans	**-**	939,189

Loans payable to major shareholders Armengael Limited and Exchange Minerals Limited were converted to equity during the year.

12. SHARE CAPITAL

	2016 Shares	2015 Shares	2016 $	2015 $
3,656,158,159 (2015: 1,238,316,411) fully paid ordinary shares	**3,656,158,159**	**1,238,316,411**	**32,374,444**	**29,956,601**

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:

	2016 No. Shares	2015 No. Shares	2016 $	2015 $
Issued ordinary shares	**3,656,158,159**	1,238,316,411	**32,274,443**	29,956,601
Reconciliation of movement during year				
Opening balance	**1,238,316,411**	851,597,822	**29,956,601**	28,918,343
Issue of shares – 21 August 2015	**100,000,000**	-	**100,000**	-
Issue of shares rights issue – 23 December 2015	**2,317,841,748**	-	**2,317,842**	-
Issue of shares rights Issue – 31 July 2014	-	210,847,756	-	632,543
Issue of shares – 20 October 2014	-	4,166,667	-	12,500
Issue of share placement – 31 October 2014	-	107,666,666	-	323,000
Issue of shares 17 December 2014 – Weerianna acquisition	-	48,437,500	-	68,750
Issue of shares – 19 December 2014	-	2,000,000	-	6,000
Issue of shares – 10 February 2015	-	12,160,000	-	30,400
Issue of shares – 18 May 2015	-	1,440,000	-	3,600
Cost of raising capital	-	-	-	(38,535)
Closing balance	**3,656,158,159**	1,238,316,411	**32,374,443**	29,956,601

(i) For further details of share based payments refer to Note 21.

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 2016 $	Consolidated 2015 $
Option Issue Reserve (a)	**-**	125,000
Unrealised Gains Reserve (b)	**-**	-
	-	125,000

Reconciliation of movements during the year:

	2016 Options	2015 Options	**2016 $**	2015 $
(a) Option Reserve				
Total Options	**2,524,817,348**	331,975,600	-	125,000
Opening balance	**331,975,600**	146,846,952	**125,000**	472,213
Issue of options rights issue – 23 December 2015	**2,317,841,748**	-	**-**	
Issue of options rights issue – 29 July 2014	**-**	52,438,521	-	-
Issue of options rights issue – 12 August 2014	**-**	273,461	-	-
Issue of options rights issue – 20 October 2014	**-**	16,666,666	-	-
Issue of options rights issue – 22 October 2014	**-**	10,250,000	-	-
Issue of options rights issue – 19 December 2014	**-**	500,000	-	-
Issue of options acquisition – 17 December 2014	**-**	125,000,000	-	125,000
Expiry of options – 30 June 2016	**(125,000,000)**	-	(125,000)	-
Expiry of options - 30 November 2014	**-**	(10,000,000)	-	(63,073)
Expiry of options – 14 December 2014	**-**	(10,000,000)	-	(409,140)
Closing balance	**2,524,817,348**	331,975,600	-	125,000

(i) For further details of share based payments refer to Note 21.

	Consolidated 2016 $	Consolidated 2015 $
(b) Unrealised Gains Reserve		
Opening balance	**-**	**100,323**
Increase/(Decrease) in value of financial assets	**-**	**(100,323)**
Closing balance	**-**	**-**

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

	Consolidated 2016 $	Consolidated 2015 $
Financial Assets		
Cash and cash equivalents	**18,149**	340,922

(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 has no exposure to foreign exchange risk.

(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, foreign exchange risk, and equity securities price risks. 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 2016 and 2015.

Consolidated			**Interest Rate Risk**		**Interest Rate Risk**	
30 June 2016		**Carrying**	**-1%**		**+1%**	
		Amount	**Profit**	**Equity**	**Profit**	**Equity**
		$	**$**	**$**	**$**	**$**
Financial Assets	**Footnote**					
Cash and cash equivalents	1	**18,149**	(181)	(181)	181	181
Trade and other receivables	2	**101,595**	-	-	-	-
Other financial assets	3	**15,989**	-	-	-	-
Financial Liabilities						
Trade and other payables	4	**529,736**	-	-	-	-
Borrowings		**-**	-	-	-	-
Total increase / (decrease)			**(181)**	**(181)**	**181**	**181**

Consolidated			**Interest Rate Risk**		**Interest Rate Risk**	
30 June 2015		**Carrying**	**-1%**		**+1%**	
		Amount	**Profit**	**Equity**	**Profit**	**Equity**
		$	**$**	**$**	**$**	**$**
Financial Assets	**Footnote**					
Cash and cash equivalents	1	**340,922**	(3,409)	(3,409)	3,409	3,409
Trade and other receivables	2	**67,589**	-	-	-	-
Other financial assets	3	**15,989**	-	-	-	-
Financial Liabilities						
Trade and other payables	4	**924,966**	-	-	-	-
Borrowings	5	**939,189**	9,391	9,391	(9,391)	(9,391)
Total increase / (decrease)			**5,982**	**5,982**	**(5,982)**	**(5,982)**

1. Cash and cash equivalents are denominated in AUD and include deposits at call at floating and short-term fixed interest rates. At 30 June 2016, NIL was denominated in foreign currencies (30 June 2015 -$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 and are denominated in AUD.
4. Trade and other payables at balance date are denominated in AUD and are not interest bearing.
5. Loan 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 reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will roll forward.

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

Consolidated Group	**Within 1 year**		**1 to 5 years**		**Over 5 years**		**Total**	
	2016 $	2015 $	**2016 $**	2015 $	**2016 $**	2015 $	**2016 $**	2015 $
Financial liabilities - due for payment:								
Trade and other payables	**529,736**	924,966	-	-	-	-	**529,736**	924,966
Borrowings	-	939,189	-	-	-	-	-	939,189
Total contractual outflows	**529,736**	1,864,155	**-**	**-**	**-**	**-**	**529,736**	1,864,155
Cash and cash equivalents	**18,149**	340,922	-	-	-	-	**18,149**	340,922
Trade and other receivables	**101,595**	67,589	-	-	-	-	**101,595**	67,589
Financial assets	**15,989**	15,989	-	-	-	-	**15,989**	15,989
Total anticipated inflows	**135,733**	424,500	**-**	**-**	**-**	**-**	**135,733**	424,500
Net inflow/(outflow) on financial instruments	**(394,003)**	(1,439,655)	**-**	**-**	**-**	**-**	**(394,003)**	(1,439,655)

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.

15. COMMITMENTS FOR EXPENDITURE

The consolidated group currently has commitments for expenditure at 30 June 2016 on its Australian exploration tenements as follows:

	Consolidated Group 2015 $	Consolidated Group 2014 $
Not later than 12 months	**537,800**	808,885
Between 12 months and 5 years	**873,500**	2,055,435
Greater than 5 years	**333,000**	365,517
	1,744,300	3,229,837

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

16. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company has no contingent assets or liabilities.

During the year the Company sold a deferred consideration of $2 million receivable on the Yangibana project (sold in 2011) achieving bankable feasibility, for $150,000.

17. RELATED PARTY DISCLOSURES

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 2015. Key management personnel for the year ended 30 June 2015 comprised the directors and the General Manager Exploration.

The total remuneration paid to key management personnel of the company and the group during the year are as follows:

	Consolidated Group	
	2016	2015
	$	$
Short term employee benefits	**321,416**	**183,118**
Share based payments	**-**	**16,500**
	321,416	**199,618**

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 2016

No options were granted to directors during the year.

The relevant share based payment disclosures are contained in Note 20 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 2016	Consolidated Group 2015
	$	$
Expenses		
Integrated CFO Solutions Pty Limited[1]	**22,656**	**5,664**
Aetos Consulting Limited[2]	**-**	**32,496**
Doraleda[3]	**-**	**13,493**
	22,656	**51,653**

[1] Accounting services fees paid to Integrated CFO Solutions Pty Limited, a company in which Mr Robertson has an interest.

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

[3] Consulting fees paid in respect of Mr Edward Mead, to Doraleda Pty Limited, a company in which Mr Mead has an interest.

18. SEGMENT INFORMATION

The consolidated entity operates in Australia in mineral and mining exploration. The Company is farming out its interest in the Amitsoq Graphite project in Greenland. As at 30 June 2016 the Company is solely focused on exploration in the West Pilbara for gold, base metals, platinum and platinum group elements.

	Consolidated	
	2016	2015
	$	$
Segment Revenue		
External segment revenue	**203,391**	107,539
Segment expenses from		
- continuing operating activities	**(6,680,877)**	(4,055,814)
(Loss) before income tax	**(6,477,486)**	(3,948,275)
Income tax benefit	**-**	-
(Loss) after income tax	**(6,477,486)**	(3,948,275)
Assets		
Segment Assets	**1,631,509**	7,161,304
Total assets	**1,631,509**	7,161,304
Liabilities		
Segment Liabilities	**529,736**	1,864,154
Total Liabilities	**529,736**	1,864,154
An analysis of segment assets is as follows:		
Assets		
Exploration assets		
West Pilbara	**1,631,509**	3,724,352
Mount Clement/Eastern Hills	**-**	2,421,105
Amitsoq	**-**	65,446
Other exploration assets	**-**	525,900
Total exploration assets	**1,631,509**	6,736,804
Unallocated	**-**	424,500
TOTAL ASSETS	**1,631,509**	7,161,304

19. EARNINGS PER SHARE

	Consolidated Group	Consolidated Group
	2016	2015
	Cents	Cents
Reconciliation of earnings per share		
Basic and diluted earnings per share	**(0.26)**	(0.34)
(Loss) used in the calculation of the basic earnings per share	**(6,477,486)**	(3,948,275)
	No. of shares	No. of shares
Weighted average number of ordinary shares:		
Used in calculating basic earnings per ordinary share	**2,524,541,353**	1,150,579,419
Dilutive potential ordinary shares	**-**	-
Used in calculating diluted earnings per share	**2,524,541,353**	1,150,579,419

The company currently has a number of options as disclosed in the directors' report. These options could potentially dilute basic earnings per share in the future, but have not been included in the earnings per share calculation above due to being anti-dilutive for the period.

20. AUDITOR'S REMUNERATION

	Consolidated 2016 $	Consolidated 2015 $
Auditor of parent entity		
Audit fees – Hall Chadwick	**28,400**	26,000
Other services	**3,000**	3,000
Total	**31,400**	29,000

For the year ended 30 June 2016 the auditor appointed is Hall Chadwick.

21. 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.

Details of the options issued to key management personnel are included in the Directors' 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. 2016	Weighted average exercise price	No. 2015	Weighted average Exercise price
Outstanding at the beginning of the year	125,000,000	0.3 cents	20,000,000	4 cents
Granted during the year	-	-	125,000,000	0.3 cents
Exercised during the year	-	-	-	-
Expired/cancelled during the year	-	-	(20,000,000)	4 cents
Outstanding at the end of the year	-	-	125,000,000	0.3 cents
Exercisable at the end of the year	-	-	125,000,000	0.3 cents

The share options outstanding at the end of the previous year had a weighted average exercise price of $0.003 and a weighted average remaining contractual life of years of 1.17 years.

The weighted average fair value of options granted during the year was $Nil (2015 : $125,000).

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 2016 $	Consolidated Group 2015 $
Total key management personnel	-	16,500

Other information

No options have been exercised in the year to 30 June 2016.

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

	Consolidated 2016 $	Consolidated 2015 $
Loss after income tax	**(6,477,484)**	(3,948,275)
Depreciation		-
Exploration expenditure written off	**5,710,331**	2,228,830
Share based payments	**-**	46,500
Other non-cash items	**166,000**	-
Profit on sale of investments	**(198,926)**	(100,297)
Changes in assets and liabilities during the financial period:		
Decrease/(increase) in receivables	**(34,007)**	(13,417)
(Decrease)/Increase in trade and other payables	**20,173**	370,545
Net cash outflow from operating activities	**(813,913)**	(1,416,114)

Non cash financing and investing activities

During the year the Company acquired the right to farm into the Munni Munni Platinum project for $100,000 settled through the issue of 100,000,000 shares at $0.001 each. In addition the company settled outstanding loans and interest in the amount of $940,000 through the issue of 940,000,000 shares at $0.001 each. Other creditors in the amount of $565,750 were settled through the issue of 565,750,000 shares at $0.001 each.

23. PARENT ENTITY DISCLOSURES

(a) Financial position

	2016	2015
	$	$
Current Assets		
Cash and cash equivalents	**18,149**	340,722
Trade and other receivables	**101,595**	67,589
Other financial assets	**15,989**	-
Total Current Assets	**135,733**	408,311
Non-current Assets		
Trade and other receivables	**1,144,544**	1,907,481
Financial assets	**500,200**	2,372,200
Evaluation and exploration expenditure	**-**	2,486,551
Total Non-current assets	**1,644,744**	6,766,232
Total Assets	**1,780,477**	7,174,543
Current Liabilities		
Trade and other payables	**529,736**	1,864,155
Total Current Liabilities	**529,736**	1,864,155
TOTAL LIABILITIES	**529,736**	1,864,155
NET ASSETS	**1,250,741**	5,310,388
EQUITY		
Share Capital	**32,374,444**	29,956,601
Reserves	**-**	125,000
Accumulated losses	**(31,123,703)**	(24,771,213)
TOTAL EQUITY	**1,250,741**	5,310,388

(b) Reserves

Option issue reserve	**-**	125,000
Unrealised gains reserve	**-**	-
	-	125,000

(c) Financial performance

Loss for the year	**(6,477,484)**	(3,948,275)
Other comprehensive income	**-**	(100,323)
Total comprehensive income	**(6,477,484)**	(4,048,598)

(d) Commitments

Exploration commitments		
Not later than 12 months	**-**	131,900
Between 12 months and 5 years	**-**	442,096
	-	573,996

24. SIGNIFICANT AFTER BALANCE DATE EVENTS

On the 31 August 2016 the Company issued 100,000,000 shares at $0.001 each to a third party in relation to an exclusivity fee for a transaction that did not proceed.

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.

Directors' Declaration

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 19 to 43, 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 2016 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
16 September 2015

ARTEMIS RESOURCES LIMITED
ABN 80 107 051 749
AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARTEMIS RESOURCES LIMITED

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

Ph: (612) 9263 2600
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Report on the Financial Report

We have audited the accompanying financial report of Artemis Resources Limited which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility 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 is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

ARTEMIS RESOURCES LIMITED
ABN 80 107 051 749
AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARTEMIS RESOURCES LIMITED

Auditor's Opinion

In our opinion:

a. the financial report of Artemis Resources Limited is in accordance with the Corporations Act 2001, including:
   i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
   ii. complying with Australian Accounting Standards and the Corporations Act 2001; and
b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1(b) in the financial report, which indicates that the company incurred a net loss of $6,477,484 during the year ended 30 June 2016, and as of that date, the company's current liabilities exceeded its current assets by $394,003. These conditions, along with other matters as set forth in Note 1(b), indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amount stated in the financial report.

Report on the Remuneration Report

We have audited the remuneration report included in pages 13 to 16 of the directors' report for the year ended 30 June 2016. 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 2016 complies with Section 300A of the Corporations Act 2001.

Hall Chadwick

Hall Chadwick
Level 40, 2 Park Street

Sydney NSW 2000

DREW TOWNSEND
Partner
Dated: 16 September 2016

ADDITIONAL INFORMATION FOR LISTED COMPANIES
AS AT 15 SEPTEMBER 2016

The following additional information is required by the Australian Stock 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	66	7.086	0.00%
1,001 - 5,000	19	31,565	0.00%
5,001 - 10,000	9	59,584	0.01%
10,001 - 100,000	119	5,884,874	0.16%
Over 100,000	654	3,750,175,050	99.84%
TOTAL ON REGISTER	867	3,756,158,159	100.00%

b. The number of shareholders who hold less than a marketable parcel is 472.

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	730,866,016	19.45%
ARMENGAEL INV LTD	727,751,667	19.37%
MAHARAJAPURAM V S	286,119,304	7.72%
BLACK SWAN GLOBAL PL / NORMANDY CORPORATION/ RICHARD SHEMESIAN	283,278,772	7.54%

d. Twenty largest holders ordinary shares

Rank	Holder Name	Designation	Securities	%
1	PERSHING AUST NOM PL	INDIAN OCEAN A/C	1,051,968,571	28.01%
2	ARMENGAEL INV LTD		727,751,667	19.37%
3	MAHARAJAPURAM V S		286,119,304	7.62%
4	SHEMESIAN RICHARD DIKRAN		146,750,000	3.91%
5	GO2SHO INC		100,000,000	2.66%
6	PLATINA RES LTD		100,000,000	2.66%
7	BLACK SWAN GLOBAL PL	BLACK SWAN INV A/C	85,528,774	2.28%
8	LEGEND MINING LTD		60,000,000	1.60%
9	NORMANDY CORP PL	NORMANDY S/F A/C	50,999,998	1.36%
10	SHARBANEE PAUL GABRIEL	SCORPION FUND A/C	47,572,381	1.27%
11	CITICORP NOM PL		37,226,619	0.99%
12	DEMPSEY RES PL		33,533,333	0.89%
13	OKEWOOD PL		33,333,333	0.89%
14	EUROPE RES LTD		32,000,000	0.85%
15	MEGALOCONOMOS PL	MEGALOCONOMOS S/F	30,000,000	0.80%
16	PETROVIC MIROSLAV M		24,423,297	0.65%
17	SILVER CAP PL	NOEL & SANDRA ONG	20,000,000	0.53%
18	SILVER CAP PL	NOEL & SANDRA ONG	20,000,000	0.53%
19	CHONG ANNA		20,000,000	0.53%
20	TKOCZ MARK ANDREW		20,000,000	0.53%
		TOP 20 TOTAL	2,927,207,277	77.93%

ADDITIONAL INFORMATION FOR LISTED COMPANIES
AS AT 15 SEPTEMBER 2016

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 3, IBM Building
1060 Hay Street
West Perth WA 6005
Telephone: +(612) 9078 7670
Facsimile: +(612) 9078 7661

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
George Frangeskides (Non-Executive Director)
Edward Mead (Non-executive Director)
Campbell Baird (Non-executive Director)

REGISTERED OFFICE
Level 3, IBM Building
1060 Hay Street
West Perth WA 6005

Ph: (08) 9480 0459

SHARE REGISTRY
Security Transfer Registrars Pty Limited
770 Canning Highway
APPLECROSS WA 6953

Ph: (08) 9315-2333
Fax: (08) 9315-2233
www.securitytransfer.com.au

AUDITORS
Hall Chadwick

WEBSITE
www.artemisresources.com.au