

ASX / Media Announcement

7 August 2017

Artemis Resources Limited
ARBN: 80 107 051 749

Level 3, IBM Building,
1060 Hay Street,
West Perth, WA
Australia, 6006

PO Box R933
Royal Exchange
NSW
Australia, 1225

Phone: +61 2 9078 7670
Facsimile: +61 2 9078 7661
Email:
info@artemisresources.com.au
Website:
artemisresources.com.au

Directors:

Executive Chairman
David Lenigas

Executive Directors
Ed Mead
Alex Duncan-Kemp

Company Secretary:
Guy Robertson

Corporate Information
ASX Code: ARV



Figure 1: Gold Nuggets recovered from Purdy's Reward Gold Project over past 4 days. The flattened water melon seed shape of the nuggets is typical of the Witwatersrand style of gold.

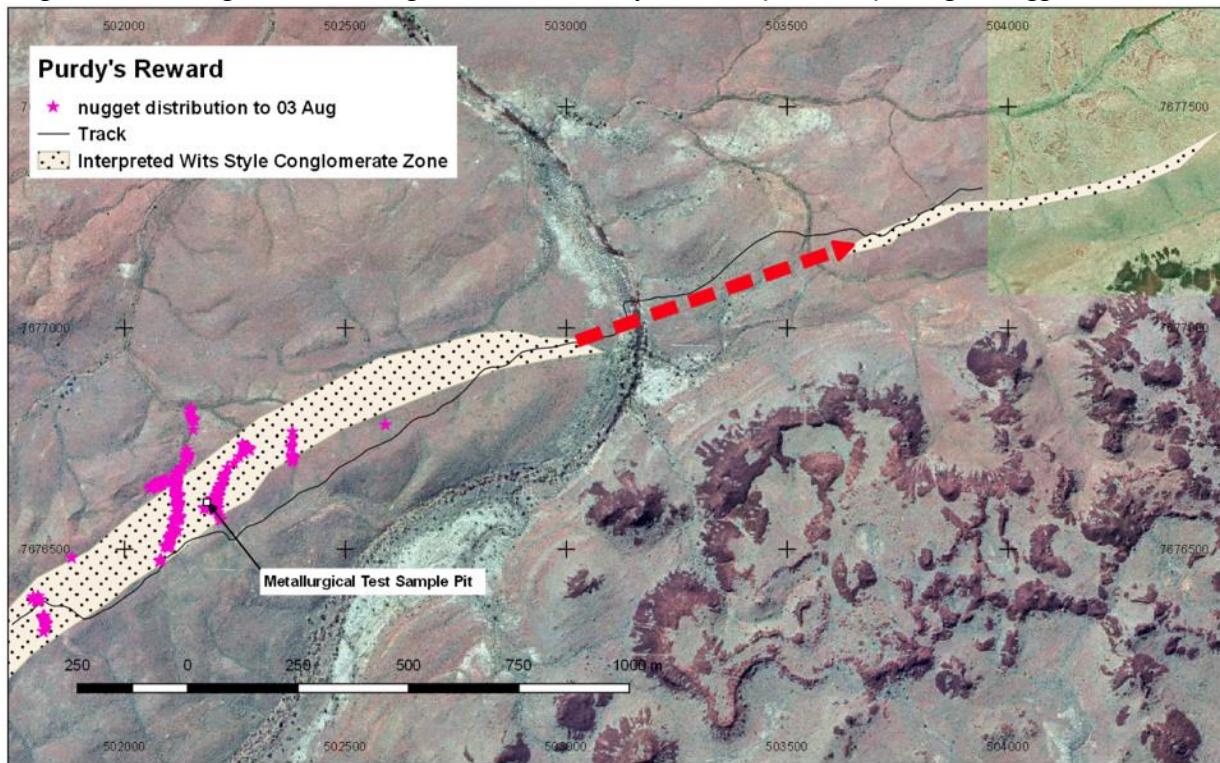
Highlights:

- The detailed geological assessment of the top of the newly discovered gold bearing conglomerates at its Purdy's Reward Gold Project located south of Karratha in Western Australia continues.
- The gold nugget recovery in the last 4 days has increased significantly with 547.4 grams (~17.6 ounces) (Figures 1,4 and 5).
- Multiple gold nuggets have been discovered to date over a 900 metre strike along the top of outcropping conglomerates and work is continuing to extend this strike length.
- The nugget's typical flattened shape (water melon seed) seen at Purdy's Reward are consistent with those found at Witwatersrand style conglomerate gold deposits.
- Conglomerates have now been identified at Purdy's Reward over about 3km trend to date and remains open to the east as the conglomerates dive under surface cover.

Ed Mead, Artemis's Executive Director and head of Exploration, commented;

"Recovery of gold nuggets has increased significantly as exposure of fresh and new surfaces that have not been metal detected by prospectors to date increases. The new areas are providing valuable information about the distribution of gold which will assist future exploration. The flat gold nuggets that are being recovered, is in the Company's view, further confirmation that the geology and gold mineralisation is Archean sedimentary and associated with conglomerates and fine grained sediments with mafic origin, in the Purdy's Reward area."

Figure 2: New Conglomerate Package identified at Purdy's Reward (E47/1745) with gold nugget locations:



Artemis Resources Limited (“**Artemis**” or “**the Company**”) (ASX: ARV) is pleased to report that the recovery of a significant number of gold nuggets continues from its newly identified conglomerate Witwatersrand style gold project in the Karratha area at Purdy’s Reward, West Pilbara (Figure 6).

Flattened and typically “water melon seed” shaped gold nuggets (Figures 1 and 5) totalling 547.4 grams have been recovered from conglomerates with mafic origin in the past 4 days to Sunday evening, 6 August. The strike length over which gold nuggets have been recovered has now increased to approximately 900m. On 2 August 2017, Artemis announced that it had recovered 385 grams of gold nuggets over a 650m strike length from the previous 9 days exploration efforts on top of the conglomerates. The consistent nature of the nuggets is thought to relate to emplacement in a high energy, submarine environment associated with glacial transgression and regression.

The style of mineralisation is referred to the Witwatersrand style, after the Witwatersrand gold province in South Africa that has significant gold in Archean sedimentary conglomerates.

The recovery of nuggets by small excavators (Figure 3, 4 and 5) has seen a steady increase in the quantity and size of nuggets as new fresher and deeper areas are exposed with excavators.

The information being gathered from this work is valuable in relation to better understanding the 100% owned Mt OscarWits project as announced on the 2 August 2017.

Figure 3: Small excavator exposing Archean sedimentary conglomerates at Purdy’s Reward:



Figure 4: Total weight of nuggets recovered in last 4 days 547.4 grams.



Figure 5: Plate of watermelon seed nuggets with a weight of 547.4 grams.

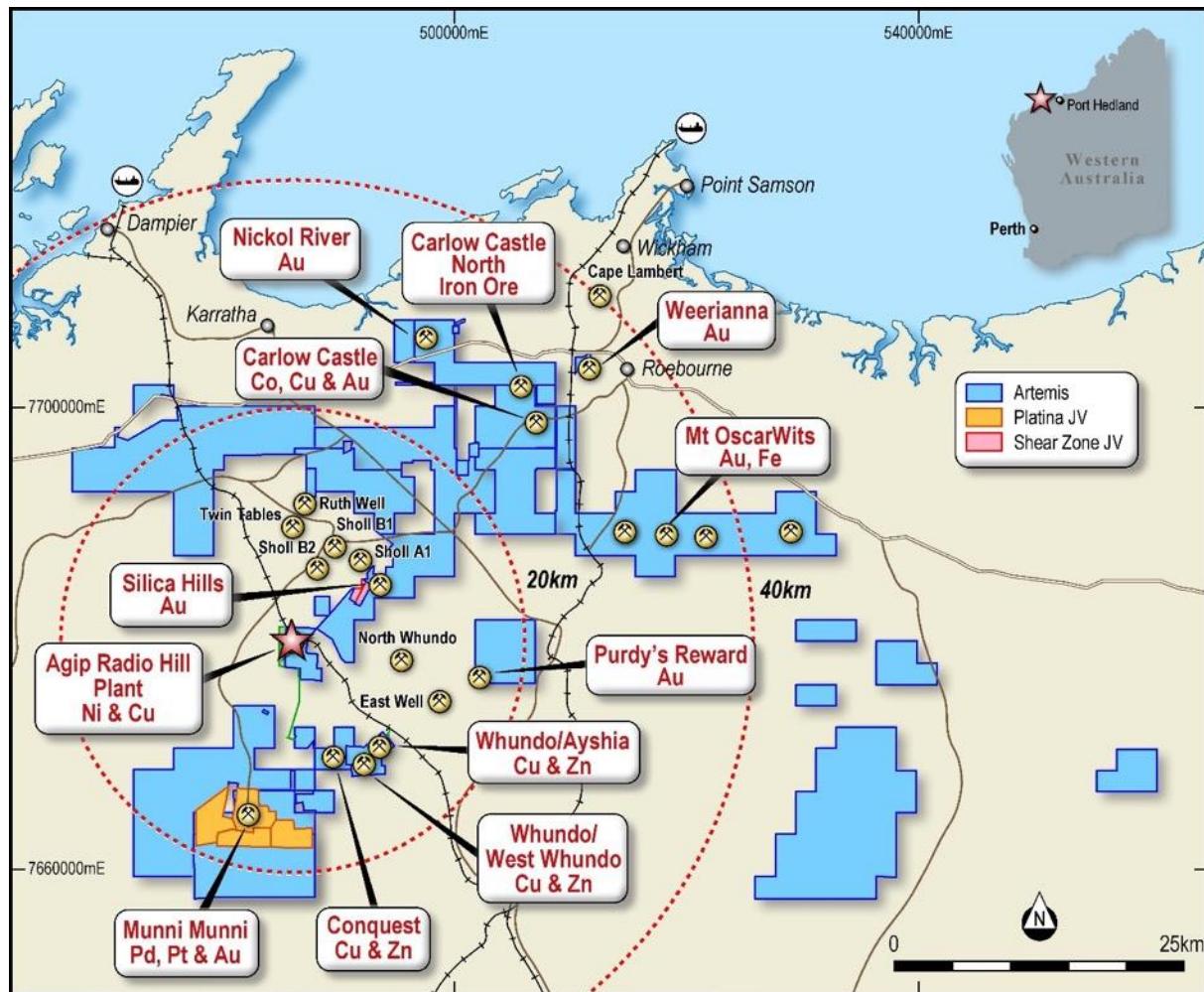


Purdy's Reward Tenement Tenure:

Purdy's Reward sits within a granted Exploration Licence (E47/1745) which covers an area of 29km² and sits approximately 16km east of Artemis's fully permitted Radio Hill processing plant and associated infrastructure. This exploration licence has heritage survey clearance and valid Programmes of Works with the DMIRS.

Artemis announced it had signed a binding Memorandum of Agreement with Canadian listed gold explorer Novo Resources Corp. ("Novo"). Pursuant to the terms of the Agreement, Novo will spend A\$2m over a 2-year period on any tenements within 100km of Karratha (excluding Mt Oscar) that are subject to an interest held by Artemis (or its subsidiaries) in order to earn a 50% interest in the conglomerate and paleo placer style gold mineralisation on those tenements. All conditions precedent for the MOA must be satisfied by 23 August 2017, including the requirement for Artemis to obtain affected third party consents on certain tenements.

Figure 6: Artemis Resources Projects in Karratha Area.



BACKGROUND INFORMATION ON ARTEMIS RESOURCES:

Artemis Resources Limited is a resources exploration and development company with a focus on its prospective Pilbara (gold, cobalt, base metals, platinum, platinum group elements and iron ore) and the Mt Clement-Paulsens (gold) project in Western Australia. Artemis owns the fully permitted 425,000tpa Radio Hill nickel and copper operations, processing plant and associated mining and exploration tenements with significant existing JORC 2004 compliant resources of Nickel, Copper and Zinc situated within a 15 km radius of the Radio Hill plant. The Radio Hill Plant is located 35 km south of Karratha in the Pilbara Region of Western Australia.

CONTACTS:

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

Investors / Shareholders

Edward Mead
Executive Director
Telephone: +61 407 445 351
Email: Ed.Mead@artemisresources.com.au

COMPETENT PERSONS STATEMENT

The information in this document that relates to Exploration Results and Exploration Targets is based on information compiled or reviewed by Allan Younger, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Younger is a consultant to the Company, and is employed by Indigo Geochemistry Pty Ltd. Mr Younger 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 Younger consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

FORWARD LOOKING STATEMENTS AND IMPORTANT NOTICE

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

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

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| Sampling techniques | <ul style="list-style-type: none"> • <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> • <i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i> | <ul style="list-style-type: none"> • Minelab 7500 and Minelab 2300 metal detectors have been used to locate the nuggets within material excavated by small excavators. |
| Drilling techniques | <ul style="list-style-type: none"> • Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). | <ul style="list-style-type: none"> • Not relevant, no drilling |
| Drill sample recovery | <ul style="list-style-type: none"> • Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. | <ul style="list-style-type: none"> • Not relevant, no drilling |
| Logging | <ul style="list-style-type: none"> • Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged. | <ul style="list-style-type: none"> • It is not considered that these samples will be used to support appropriate Mineral Resource estimation, mining studies or metallurgical studies. • |
| Sub-sampling techniques and sample preparation | <ul style="list-style-type: none"> • If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. | <ul style="list-style-type: none"> • Material not submitted for analysis. |

| Criteria | JORC Code explanation | Commentary |
|--|--|---|
| | <ul style="list-style-type: none"> For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the <i>in situ</i> material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. | |
| Quality of assay data and laboratory tests | <ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. | <ul style="list-style-type: none"> Material not submitted for analysis. |
| Verification of sampling and assaying | <ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. | <ul style="list-style-type: none"> At least two company personnel verify all significant results. |
| Location of data points | <ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. | <ul style="list-style-type: none"> A Garmin GPS76 hand-held GPS is used to define the location of the rock chip sample locations. Standard practice is for the GPS to track the location of the user constantly and the location of the soil samples are recorded electronically as 'waypoints' at the time of sampling. Sample locations are considered to be accurate to within 5m. Grid system used for Artemis Resources Ltd sampling is MGA 94 (Zone 50) |
| Data spacing and distribution | <ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. | <ul style="list-style-type: none"> Data sampling is entirely random based on the occurrence of nugget. |
| Orientation of data in relation to geological structure | <ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to | <ul style="list-style-type: none"> Most samples have been obtained whilst conducting reconnaissance geological mapping which was seeking to identify mineralised structures/lodes. As the sampling was not targeting specific lithologies, there should be no bias in these samples. |

| Criteria | JORC Code explanation | Commentary |
|--------------------------|--|--|
| | <i>have introduced a sampling bias, this should be assessed and reported if material.</i> | |
| Sample security | <ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> | <ul style="list-style-type: none"> The chain of custody is managed by the project geologist who retains all recovered nuggets |
| Audits or reviews | <ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> | <ul style="list-style-type: none"> No audit of soil sampling data has been completed to date. Data is validated when loading into the database. |

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

| Criteria | JORC Code explanation | Commentary |
|--|---|--|
| Mineral tenement and land tenure status | <ul style="list-style-type: none"> <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> | <ul style="list-style-type: none"> E47/1745 is currently in good standing. See map elsewhere in this report for locations. |
| Exploration done by other parties | <ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> | <ul style="list-style-type: none"> The most significant historic exploration identified to date at Purdy's Reward (E45/1745) was completed by Westfield Minerals NL during 1971, targeting nickel and copper. This work included soil sampling, reverse circulation and diamond drilling, and magnetic and IP surveying. All exploration and analysis techniques conducted by Acclaim Exploration & Westfield Minerals are considered to have been appropriate given the available techniques at the time. |
| Geology | <ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> | <ul style="list-style-type: none"> At Purdy's Reward, gold mineralisation has been identified as being associated with mafic lithologies. As exploration is at an early stage at Purdy's Reward, further work is required to determine the geological setting and provenance of the gold mineralisation. Mineralisation occurs as coarse, flat, and rounded nuggety gold within mafic lithologies. |
| Drill hole Information | <ul style="list-style-type: none"> <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i> <i>If the exclusion of this information is justified on the basis that the</i> | <ul style="list-style-type: none"> Not relevant to current sampling. |

| Criteria | JORC Code explanation | Commentary |
|---|--|--|
| | <p><i>information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></p> | |
| Data aggregation methods | <ul style="list-style-type: none"> <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> | <ul style="list-style-type: none"> No upper or lower cut-off grade was applied. No metal equivalents are used for reporting. |
| Relationship between mineralisation widths and intercept lengths | <ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> | <ul style="list-style-type: none"> Not relevant |
| Diagrams | <ul style="list-style-type: none"> <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> | <ul style="list-style-type: none"> Appropriate maps and sections are available in the body of this announcement. |
| Balanced reporting | <ul style="list-style-type: none"> <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practised to avoid misleading reporting of Exploration Results.</i> | <ul style="list-style-type: none"> Reporting of results in this report is considered balanced. |
| Other substantive exploration data | <ul style="list-style-type: none"> <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> | <ul style="list-style-type: none"> No other significant exploration work has been done by Artemis. |
| Further work | <ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions, depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> | <ul style="list-style-type: none"> Artemis has plans in place to follow-up this mapping and sampling with further geochemical sampling, trenching, and drilling. POW applications have recently been lodged for Purdy's Reward. |

