

Artemis Resources Limited

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Company Secretary:

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Corporate Information

ASX Code: ARV



**Open Pit Primary Sulphides Drilling
at Radio Hill Nickel/Copper/Cobalt Mine
- Karratha, Western Australia-**

Highlights:

- Radio Hill Nickel/Copper/Cobalt mineralisation extends to surface, as evidenced by the 1985/86 historic metallurgical test pit.
- 81 hole (9,000 metre) RC drill programme planned to design open pit to a vertical depth of 70 metres.
- Radio Hill remains principally unmined from a depth of 70 metres to near surface.
- Outcrop position (Test Pit) is only 400 metres from Radio Hill Plant.
- Fully approved Mining Lease with Heritage Agreements and Aboriginal Surveys in place.
- Programme of Works approved yesterday from the DMIRS.
- Drill rig is booked for 10 January 2018.
- Plans to drill primary sulphide mineralisation to measured/indicated JORC category.
- Open pit designs and approvals to be completed prior to Radio Hill Plant recommissioning, scheduled for June 2018.
- Plans underway to fast track Radio Hill Stage 2 upgrades to +1 million tonnes per year.

David Lenigas, Artemis' Executive Chairman, commented;

"The Radio Hill Plant was specifically designed to treat Radio Hill ore, and apart from the stockpiles that already exist at surface, the top of the Radio Hill Nickel/Copper/Cobalt area remains principally untouched. We are expecting to find primary massive sulphide, stringer and disseminated mineralization almost to surface and will be drilling the top of the system to define an open pit to a depth of 70 metres. With commodity prices now at recent highs (Nickel: ~AUD \$15,000/t, Copper: ~AUD \$9,000/t and Cobalt: ~AUD \$100,000/t), we plan to have the open pit resourced, designed and costed well in advance of the Radio Hill Plant's recommissioning in June 2018. In addition, our engineers responsible for bringing the Radio Hill plant back to life, have been requested to fast track plans to increase the plant's processing capacity to over 1 million tonnes per annum."

Artemis Resources Limited ("Artemis") (ASX: ARV) is pleased to announce that the Western Australian Government's Department of Mines, Industry, Regulation and Safety ("DMIRS") has approved a significant drilling programme at the Company's 100% owned Radio Hill Mine, which is designed to define new primary Nickel, Copper and Cobalt mineralisation amenable to open pit mining. Radio Hill has a long history of Ni/Cu/Co production from when it was opened back in 1985 by AGIP, and is located only 25km south of Karratha in the Western Pilbara Region of Western Australia.

Apart from the small quantities of ore extracted from the small Trial Pit for metallurgical purposes back in 1985/86 by AGIP, only minimal tonnages have been extracted in the top 70 metres of the Radio Hill mine, mainly from historical underground operations. Refer Figure 4 of Artemis’s news release on 16 December 2016¹.

Artemis is aiming to have the drilling completed within 40 days and pit designs and optimisation studies completed and costed prior to the Radio Hill Plant being operational during the middle of 2018.

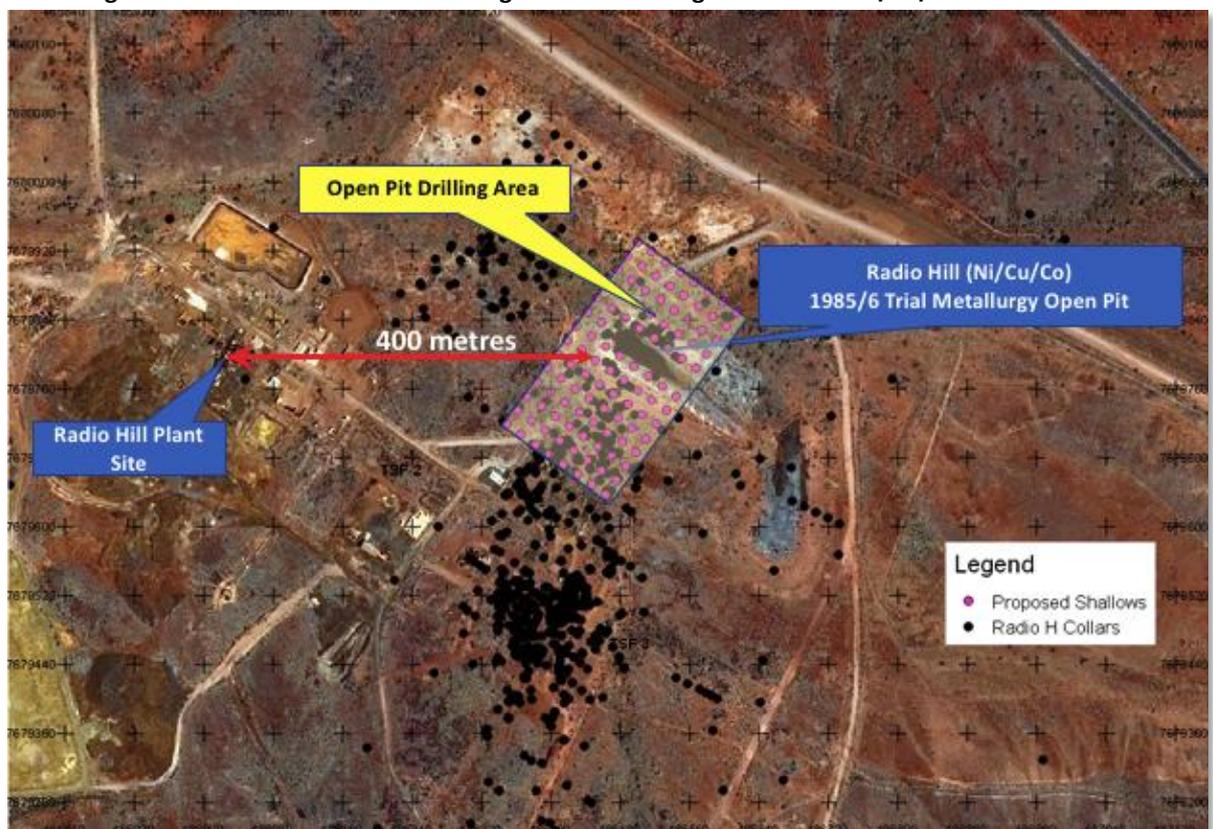
The refurbishment and upgrade programmes currently underway at the Radio Hill Plant are going to plan, with contractors tasked to have the plant ready for operation in June 2018. A detailed re-sampling of the surface stockpiles commenced prior to Christmas and will continue through January to provide initial plant feed for the plant. Contractors have also been tasked with accelerating the timeframe to upgrade the plant’s current capacity of circa 500,000 tonnes per annum to over 1 million tonnes per annum (Stage 2 expansion).

Drilling Programme:

The approved drilling program will test for the Nickel, Copper and Cobalt massive, stringer and disseminated mineralisation to a depth of 70m below surface around the original metallurgical Trial Pit at Radio Hill (Figure 1).

The RC drilling program consists of 81 drillholes with an initial plan to drill this area on a 40 metre x 40 metre spacing. The drilling will then move to infill on a 20 metre x 20 metre basis. Hole depth is based on generating an open pit design to a maximum depth of 70 metres below surface. Drilling will also extend below the proposed pit to both properly define the mineralised zones and locate any old underground mine voids to allow for safe mining.

Figure 1: Radio Hill Mine Site – Drilling sites for defining near surface Ni/Cu/Co mineralisation.



¹ Artemis Resources ASX News Release dated 16 December 2016: <http://artemisresources.com.au/investor-relations/announcements>

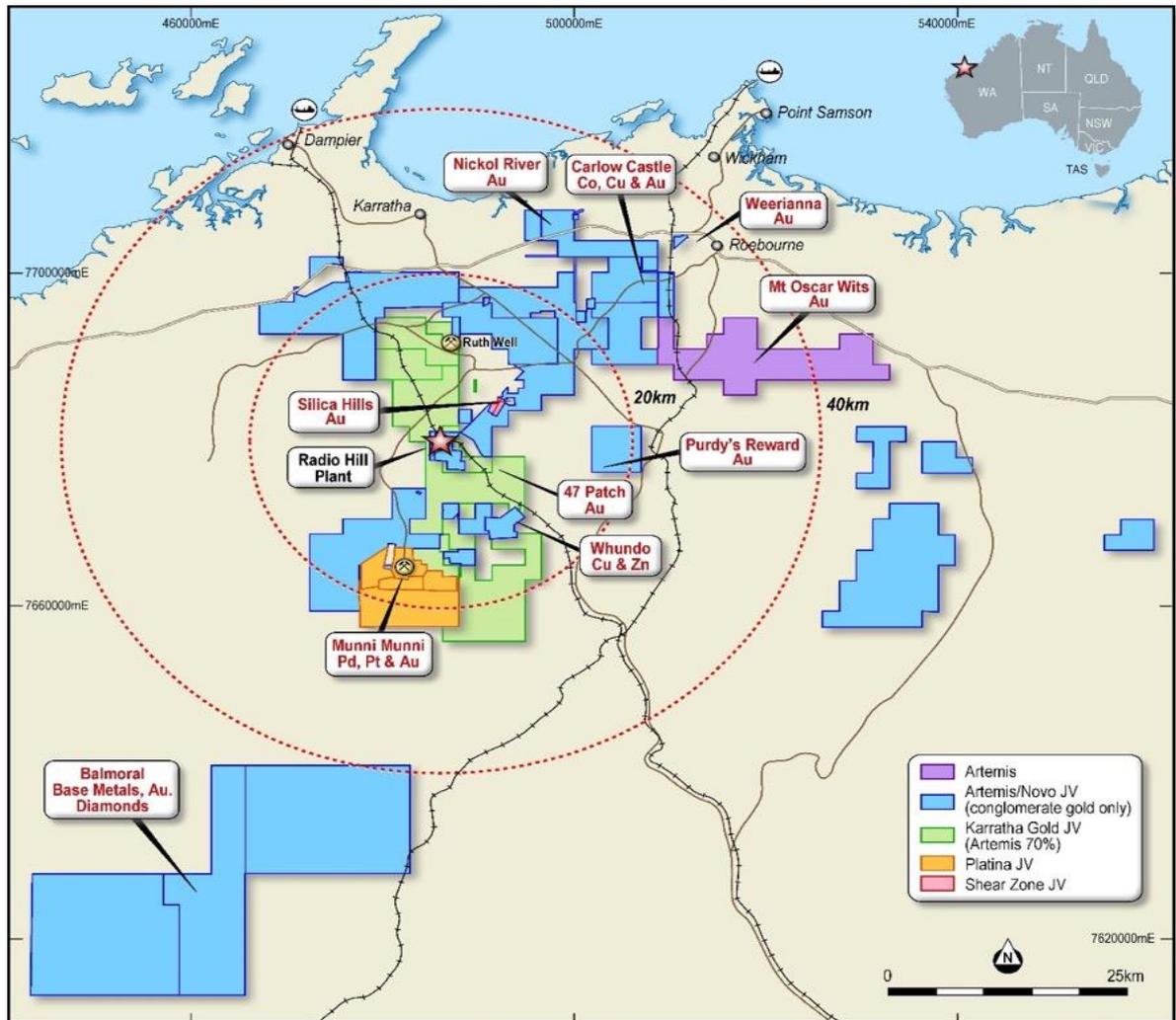
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Artemis's tenement package in the Karratha Region of Western Australia.



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.

BACKGROUND INFORMATION ON ARTEMIS RESOURCES:

Artemis Resources Limited is a resources exploration and development company with a focus on its prospective Karratha (gold, cobalt, base metals, 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 and processing plant located 25 km south of Karratha. JORC 2004 compliant resources of Gold, Nickel, Copper PGE's and Zinc, all situated within a 40 km radius of the Radio Hill plant and on 1,536sqkm form the newly consolidated assets of Artemis Resources.

Artemis have signed Definitive Agreements with Novo Resources Corp. ("Novo"), whereby Novo can farm-in to 50% of gold (and other minerals necessarily mined with gold) in conglomerate and/or paleoplacer style mineralization in Artemis' tenements within 100km of the City of Karratha, including at Purdy's Reward ("the Gold Rights"). The Gold Rights do not include (i) gold disclosed in Artemis' existing (at 18 May 2017) JORC compliant Resources and Reserves or (ii) gold which is not within conglomerate and/or paleoplacer style mineralization or (iii) minerals other than gold. Artemis' Mt Oscar tenement is excluded from the Definitive Agreements.

The farm-in commitment now requires Novo to expend AUD \$2 million on exploration within two years of satisfying conditions precedent in the definitive agreements.

The Definitive Agreements cover 38 tenements/tenement applications that are 100% owned by Artemis. On completion of the farm-in commitment, three 50:50 joint ventures will be formed between Novo's subsidiary, Karratha Gold Pty Ltd ("Karratha Gold") and three subsidiaries of Artemis. The joint ventures will be managed as one by Karratha Gold. Artemis and Novo will contribute to further exploration and mining of the Gold Rights on a 50:50 basis. Further definitive agreements covering approximately 19 Artemis tenements/tenement applications that are already subject to third party interests are expected to be signed once all necessary third party consents have been obtained.

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.