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Corporate Information

ASX Code: ARV



ARTEMIS MARCH 2018 QUARTERLY REPORT

Highlights: Quarter Ending 31 March 2018

Artemis is working towards getting in to positive cash flow as soon as possible from its Radio Hill Operations and has therefore been very active this quarter increasing the size of its base metals, cobalt and gold deposits in the Karratha region of Western Australia. The plant refurbishment and upgrades works are progressing well, and we are busy completing a detailed review of all of our major potential open pit projects, prioritising each project for potential plant feed based on each project's economic merits. Radio Hill plant throughput will commence production on gold ores for the first few months, sourcing plant feed from either 47 Patch conglomerates and/or Silica Hills and/or Weerianna and/or the Tozer's shear zone hosted gold deposit at Nickol River, to commission the new gold recovery circuit before moving to sulphide base metals feed from either the Radio Hill mine (Ni/Cu/Co) and/or the Whundo Mine (Cu/Zn/Co). Our new Ruth Well (Ni/Cu/Co) and Carlow Castle (Co/Cu/Au) deposits will form the basis of a much longer-term base metals production strategy." Commented David Lenigas; Artemis's Executive Chairman.

Radio Hill Operations:

(Processing Facility & Nickel/Copper/Cobalt Mine)

- Refurbishment and upgrades at the Radio Hill Plant are progressing well.
- Off-take discussions commenced for concentrate sales.
- Permit amendments submitted to DWER for the addition of a new gold circuit into the existing crushing/grinding/floatation circuit, plus a permit amendment to increase existing plant permits to 500,000 tonnes per annum.
- 80 RC drill holes completed at Radio Hill ore body. First assay results showed key intercepts, including:
 - 15m @ 2.05% Ni, 1.94% Cu, 0.09% Co from 27m (ARH066)
 - 7m @ 1.9% Ni, 1.07% Cu, 0.08% Co from 18m (ARH015)
 - 8m @ 1.14% Ni, 0.96% Cu, 0.06% Co from 75m (ARH007)
 - within 17m @ 0.81% Ni, 0.83% Cu, 0.04% Co from 67m (ARH007)
 - 3m @ 1.24% Ni, 2.42% Cu, 0.07% Co from 123m (ARH019)
 - within 26m @ 0.57% Ni, 0.92% Cu, 0.03% Co from 106m
 - 2m @ 2.93% Ni, 2.90% Cu, 0.12% Co from 19m (ARH020)
- Diamond drilling is ongoing at Radio Hill due to more ore being intersected and a new JORC 2012 compliant Mineral Resource estimate is due in May 2018.
- Final open pit designs targeted for the end of May 2018.
- Mining commencement targeted for July 2018.
- All approvals have now been granted to process (at Radio Hill) a 4,500 tonne bulk sample from 47K Patch to determine the overall "grams per tonne" of gold from the conglomerate/paleoplacer.

New Ruth Well and Zac Nickel corridor:

- *Ruth Well Project licence (E47/3487) approved by DMIRS.*
- *The Ruth Well deposit is situated only 12 km from the Company's Radio Hill treatment plant.*
- *Drill intersections of high grade nickel mineralisation which have been previously reported by Fox Resources Ltd in November 2007¹, are as follows:*
 - *11 metres @ 4.3% nickel, 1.5% copper, 0.13% cobalt, from 55m (RWRC218), including 3 metres @ 13.1% nickel, 1.0% copper, 0.35% cobalt from 59m;*
 - *3 metres @ 6.0% nickel, 1.2% copper, 0.18% cobalt from 69m (RWRC230), including 1 metre @ 13.8% nickel, 1.7% copper, 0.41% cobalt, from 70m;*
 - *4 metres @ 5.4% nickel, 3.0% copper, 0.17% cobalt from 79m (RWRC220), including 1 metre @ 15.9% nickel, 6.7% copper, 0.49% cobalt from 81m.*
- *37 RC drill holes (2,799m) and 1 diamond drill hole (90m) have been drilled by Artemis at Ruth Well and results are pending.*
- *Recent high powered SAM geophysical surveying has identified multiple "high-order" Galvanic Source Electromagnetic (GSEM) targets within a broader VTEM target area.*
- *Follow up ground FLTEM has refined the primary RW1 target as having a conductance of 15,000 to 20,000 Siemen (S)+ with a time constant of ~380msec, from one conductor of 175 x 400m areal size and estimated at only 75-100m from surface dipping at 20-30 degrees.*
- *This target has a similar geophysical signature to that of the Radio Hill Nickel Deposit.*
- *The FLTEM anomalies are prospective for nickel, copper and cobalt.*
- *Drilling will be undertaken as soon as POWs are approved by DMIRS.*

Whundo Mine (Copper/Zinc/Cobalt):

- *An extensive RC and diamond drilling programme has been completed to expand historic Mineral Resources and a new JORC 2012 compliant Mineral Resource estimate is targeted for May 2018.*
- *Open pit designs targeted for July 2018. Mining could commence as early as July this year*

Carlow Castle (Cobalt/Copper/Gold):

- *JORC 2012 compliant Indicated and Inferred Mineral Resource estimates (at 0.05% Co cut-off grade) increased to 2.3 Mt @ 1.3 g/t Au, 0.11% Co, 0.5% Cu & 1.6 g/t Ag within a global resource of 4.5 Mt @ 0.9g/t Au, 0.07% Co, 0.4% Cu & 1.3 g/t Ag.*
- *Positive pit optimisation outcome on project.*
- *Deposits remain open and optimisation work confirmed that there is significant scope for expansion with additional drilling.*
- *RC and diamond drilling are continuing with the aim of extending the deposit geometry.*

Novo Conglomerate JV (Gold):

- *Basal conglomerate bulk sampling from Purdy's Reward returned gold grades including 87.7g/t, 46.1g/t, 17.7 g/t, 15.7 g/t and 10.6g/t.*
- *Basement (Dolerite) bulk sampling, at Purdy's Reward below the conglomerates, returned gold grades up to 4.1 g/t.*
- *Bulk sample size has now increased to ~6 tonnes per sample from typically ~300 kg per sample.*
- *178.82 km² consisting of four tenements (E47/3720, E47/3721, E47/3722, E47/3723) around Pyramid Station have been granted to KML No2 Pty Ltd (Artemis's 100% subsidiary) and these are now wrapped into the existing Novo Resources JV for conglomerate/paleoplacer gold only.*

¹ Fox Resources Ltd ASX News Release date 7 November 2007: FOX DISCOVERS NEW NICKEL/COPPER TARGETS AT RUTH WELL

Granting of Elysian Tenements (Cobalt/Copper/Gold):

- Two key exploration licences, E47/3443 and E47/3564 (61 Blocks) were granted by DMIRS. These Licences do not form part of the Novo Resources JV.
- Licences contain the well-known 47 K Patch conglomerate/paleoplacer hosted gold find, which has been chosen as the preferred site to conduct Artemis's first large bulk sampling program on gold bearing conglomerates.
- Bulk samples to be treated at Artemis' owned Radio Hill plant site, where Artemis's gravity circuit is now fully permitted and installed.
- Licences also contain the continuation of the conglomerate trend immediately west of Novo's Comet Well project.
- Programme of Works now approved by DMIRS to commence exploration and bulk sampling at 47K Patch.

Weerianna (Gold):

- The Weerianna gold deposit is located on approved mining leases and are only 35 km from Artemis' 100% owned Radio Hill Plant and accessed by major highways from site to plant.
- Weerianna's Mineral Resource estimate of 1 million tonnes at 2.2 g/t Au was optimised, with a positive outcome.
- A 21 hole RC drilling (1,758m) programme has been completed to increase the resources further and upgrade existing resources categories and advance the project for potential early processing through the Radio Hill plant. Results from this drilling programme are pending.

Super-Deep Hole:

- Artemis to drill a super-deep diamond drill hole (ASD-1) to +3,300 metres, 50km south of Radio Hill Processing Plant.
- 6 VTEM clusters of base metals targets with a total of 31 anomalies identified within 25km of ASD-1.
- Artemis plans to complete a number of down-hole electro-magnetics (EM) surveys to test for conductors whilst the hole is being drilled.

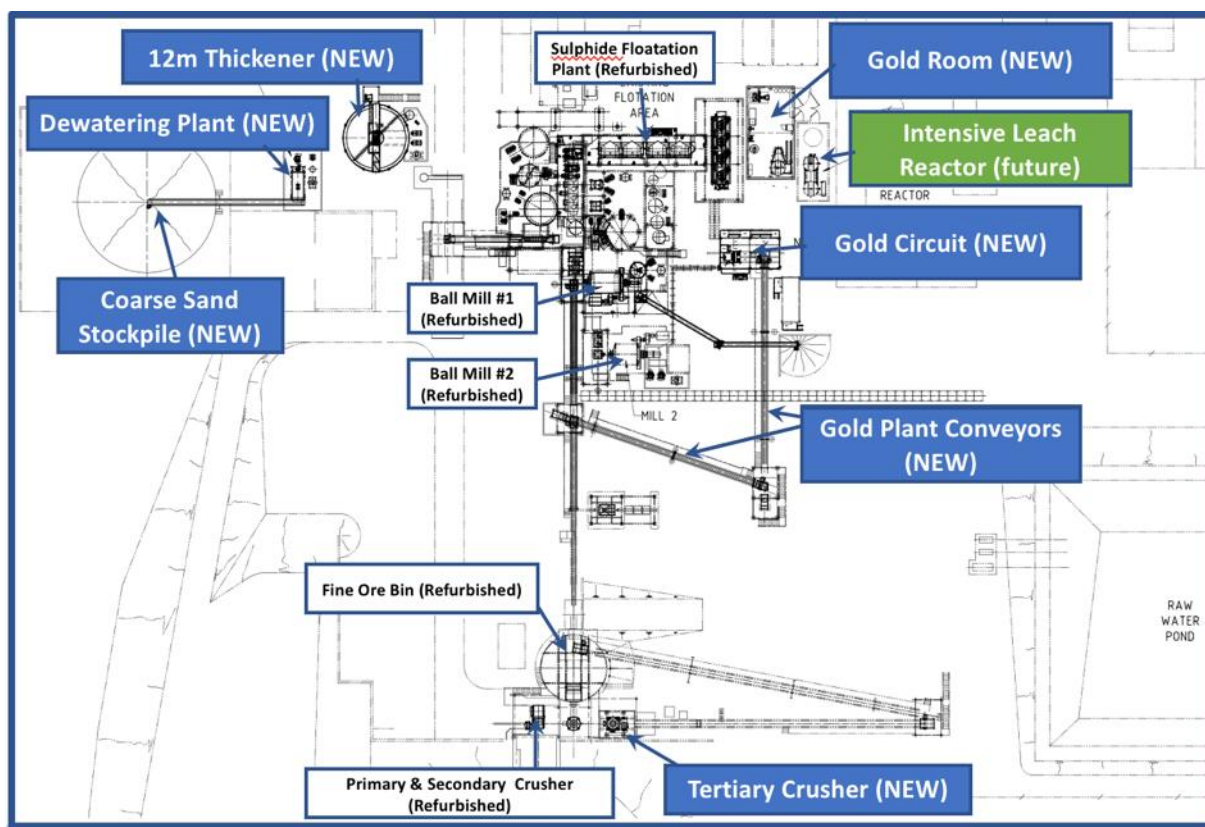
- End of Highlights -

Radio Hill Operations: (Processing Facility & Nickel/Copper/Cobalt Mine)

Work on refurbishment and upgrades of the Company's 100% owned Radio Hill processing plant, located 25 km south of Karratha, are progressing as planned and amendments to existing licenses and permits have been submitted to the Department of Water and Environmental Regulation (DWER) to add the new gravity gold circuit and operate the plant at 500,000 tonnes per year.

Following the refurbishment and upgrade works at the Company's 100% owned Radio Hill Processing Facility currently underway, we are targeting to have the capacity to treat gold ores at a rate of +70 tonnes per hour and base metal and cobalt ores at a rate of between 40 to 60 tonnes per hour depending on the bond work index of the types of ores being treated.

Figure 1: Radio Hill Processing Plant showing refurbished sections, new sections and planned sections for further installations.



Approvals Update

Artemis has submitted an application to amend the existing licence approvals to the DWER. This licence amendment is to increase approved plant throughput to 500,000 tpa and for the addition of a gold process plant circuit.

Included in this licence amendment is the addition of a gravity gold treatment plant and associated gold processing equipment, the installation of a tertiary crusher and a thickener.

Refurbishment Works

The refurbishment and upgrade works continue with mechanical and structural inspections showing that main plant components are in good and serviceable condition and most major plant items only requiring minor maintenance works to bring them to full operational status.

The existing primary and secondary crushers have been removed from site for overhaul in Perth prior to return to site for reinstallation. The two grinding mills have been inspected and crack tested and were found to be in good condition with minor works required to prepare them for full operational service. The mill motors and gearboxes were also tested and found to be in good order and have been sent to Perth for maintenance prior to being returned to site.

The flotation tanks from the sulphide flotation section of the mill have been removed, with the tanks sent off site for relining. The flotation tanks mechanical equipment is being overhauled on site.

Plant Upgrade Works

The upgrade works include the installation of a new tertiary crusher, to improve the throughput of the grinding circuit, to eliminate the previous bottlenecks experienced by all previous operators of the Radio Hill underground mining operations. A 10m diameter thickener is also being installed to improve water recovery through the process and improve the performance of the tailing storage facilities.

Both the tertiary crusher and thickener have been purchased and will be delivered to site during May. The gravity gold circuit and associated gold room equipment has been ordered from Gekko Systems Pty Ltd for delivery in June. Manufacture of this equipment is being undertaken in Gekko's Ballarat facility and is on track for delivery on schedule.

Licence amendments for approval of new plant equipment associated with the new gold circuit have been submitted.

Radio Hill Start-Up Strategy

Artemis's metallurgical consultants have estimated a processing cost of approximately \$20/t - \$22/t for gold ores and approximately \$32t - \$42/t for sulphide base metals ores.

Artemis is undertaking detailed reviews of all of its major potential open pit projects in the Karratha area, prioritising each project for potential plant feed based on each project's economic merits.

The current thinking is to commence production on a gold-only strategy for the first few months, sourcing plant feed from either 47 Patch conglomerates and/or Silica Hills and/or Weeriana, to commission the new gold recovery circuit. Sulphide base metals feed from the Radio Hill mine (Ni/Cu/Co), Ruth Well (Ni/Cu/Co), Whundo (Cu/Zn/Co) and Carlow Castle (Co/Cu/Au) will form the basis of a longer-term base metals production strategy.

Radio Hill Mine Update

Artemis has completed an 80 hole RC drilling programme² at Radio Hill (totaling 7,052 m), designed to delineate the nickel/copper/cobalt mineralisation in the top 70 m of the Radio Hill orebody and is currently diamond drilling to expand the Company's knowledge of the near surface mineralisation.

The Radio Hill orebody comes to surface near the metallurgical Test Pit area (shown to the right of the RED circle in Figure 2), originally excavated by AGIP in 1985. This Test Pit was originally mined to evaluate the metallurgical characteristics of the Radio Hill Ni/Cu/Co sulphide ores to provide data for the design of the original milling circuit and on-site smelter complex which has been removed.

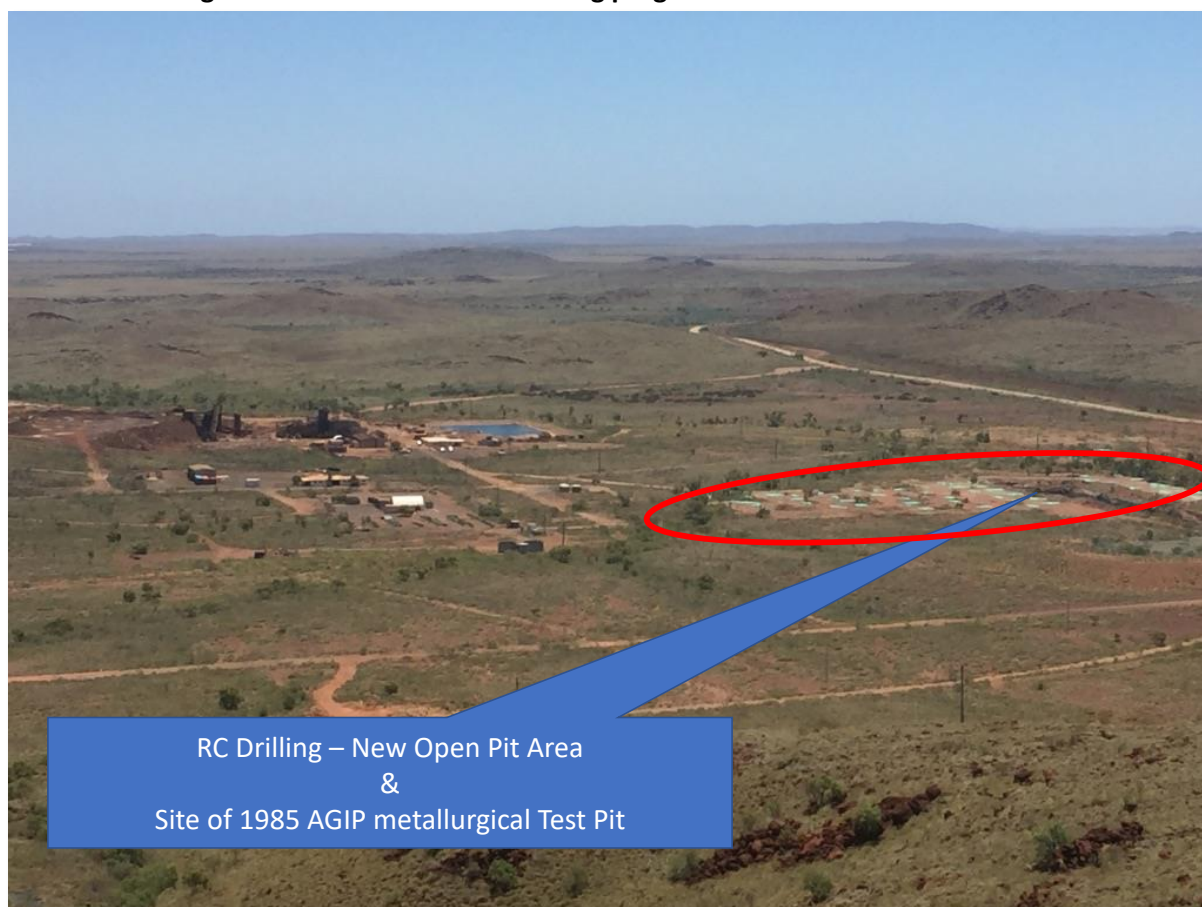
Best intercepts received to date include:

- **15m @ 2.05% Ni, 1.94% Cu, 0.09% Co from 27m (ARH066)**
- **7m @ 1.9% Ni, 1.07% Cu, 0.08% Co from 18m (ARH015)**
- **8m @ 1.14% Ni, 0.96% Cu, 0.06% Co from 75m (ARH007)**
 - **within 17m @ 0.81% Ni, 0.83% Cu, 0.04% Co from 67m (ARH007)**
- **3m @ 1.24% Ni, 2.42% Cu, 0.07% Co from 123m (ARH019)**
 - **within 26m @ 0.57% Ni, 0.92% Cu, 0.03% Co from 106m**
- **2m @ 2.93% Ni, 2.90% Cu, 0.12% Co from 19m (ARH020)**

(Note: the intercepts are not truth width and are based on 1 metre samples.)

² Artemis Resources Limited ASX announcement dated 29 December 2017– Open Pit Primary Sulphides Drilling at Radio Hill Mine

Figure 2: Location of the RC drilling programme at Radio Hill mine site.



Ruth Well and Zac Project (Nickel/Cobalt/Copper/Gold):

The Ruth Well and Zac Nickel/Copper/Cobalt/Gold Projects are on licences E47/3487 and E47/3341. Both tenements were granted by DMIRS during the quarter and are located only 12 km north of the Company's Radio Hill treatment plant.

A recently completed Gap Geophysics SAM (Sub Audio Magnetics) survey identified several higher priority Galvanic Source Electromagnetic (GSEM) targets (Figure 3). Vortex geophysics subsequently completed FLTEM over 3 (Figure 3) of the primary GSEM targets and Russell Mortimer of Southern Geoscience Consultants (SGC) managed the overall programme³

The western RW1 target (Figure 3) is looking the strongest target conductor wise at this stage, however both RW2 (Figure 3) and RW3 (Figure 3) loops have defined strong discrete conductors as well, so a very successful programme.

There is no historic drilling on the RW1 target, and there has only been 2 drill holes of 25 metres depth on the RW2 area, drilled by Westfield in 1971. These shallow holes intersected significant copper and nickel mineralisation close to surface. No holes have been drilled through any of the conductor plates.

³ Artemis Resources Limited ASX released dated 10 April 2018 "NEW LARGE 20,000S EM TARGET AT ZAC PROJECT"

The only two drill holes* drilled in RW2 intersected;

- 3.65m @ 1.53% Ni from 7.32m (71RWP245)
- 5.95m @ 0.69% Cu from Surface and 3.66m @ 0.8% Cu from 12.8m (71RWP227)

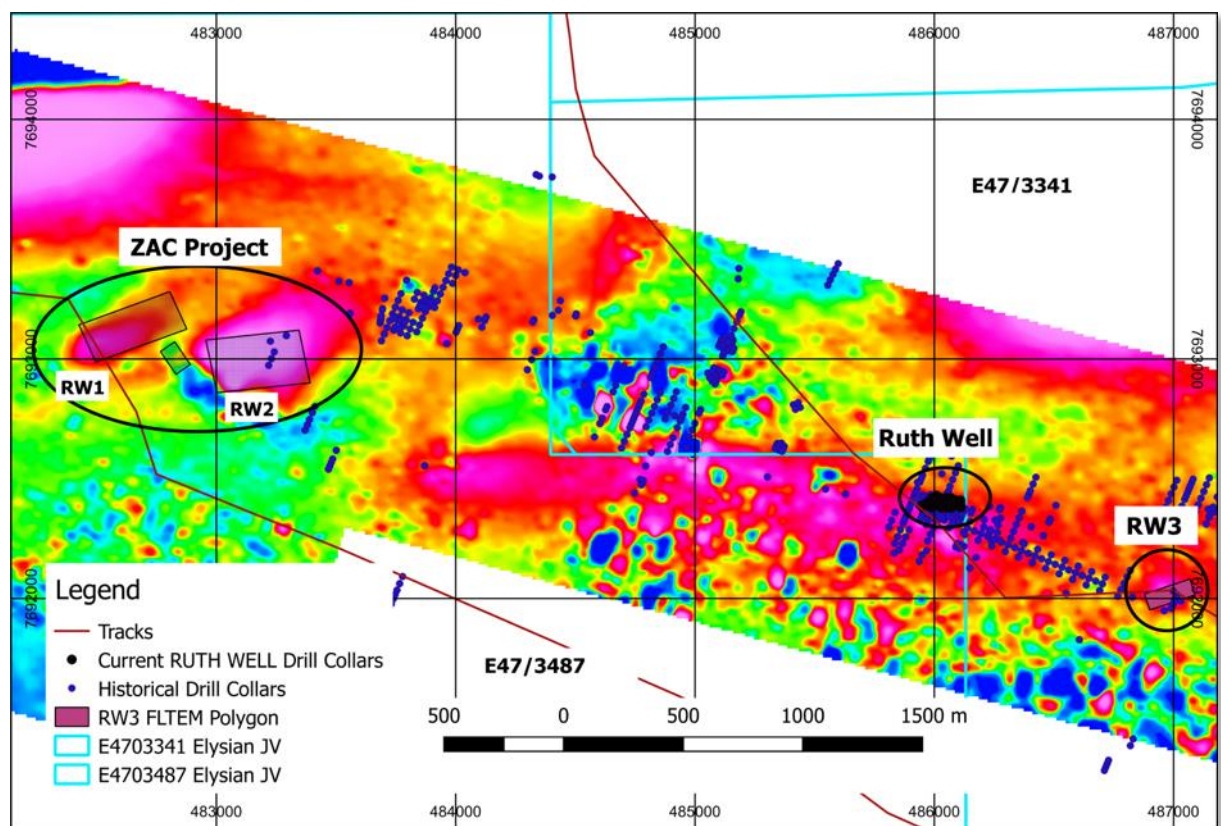
**The historical drilling results referred to in this release were obtained by previous explorers. Information pertaining to the drilling, sampling and assaying techniques has been extracted from reports lodged in 1972 with Geological Survey of Western Australia (GSWA) in WAMEX Report A109242 and information is contained in the ASX release dated 10 April 2018.*

Figure 3: Zac Project – Location of newly identified FLTEM anomalies with historical drill collars, with back ground GSEM Channel 14.

(RW1 (main) - ~15,000 – 20,000S+ - Very high conductance– (time constant ~380msec)

RW2 (main) - ~3,500 – 4,000S – moderate to high conductance (time constant ~80msec)

RW3 (main) - ~3,000 – 4,000S – moderate to high conductance (time constant ~30msec)



The RW3 target to the west of Ruth Well Ni/Cu/Co Deposit and on E47/3341 was drilled by Titan Resources in 1989 with a single 94-metre-deep drill hole, which intersected disseminated sulphides of pyrrhotite and chalcopyrite of 1%, but no significant assay results were recorded. Without Down Hole Electromagnetics (DHTEM), the Company is unsure of whether the conductor was intersected. Drilling of 4 other shallow drill holes in 1971 by Westfield/Agip did not intersect or record mineralisation.

At Ruth Well, drill intersections of high grade nickel mineralisation have been previously reported by Fox Resources Ltd in November 2007⁴, are as follows:

- 11 metres @ 4.3% nickel, 1.5% copper, 0.13% cobalt, from 55m (RWRC218), including 3 metres @ 13.1% nickel, 1.0% copper, 0.35% cobalt from 59m;

⁴ Fox Resources Ltd ASX News Release date 7 November 2007: FOX DISCOVERS NEW NICKEL/COPPER TARGETS AT RUTH WELL

- 3 metres @ 6.0% nickel, 1.2% copper, 0.18% cobalt from 69m (RWRC230), including 1 metre @ 13.8% nickel, 1.7% copper, 0.41% cobalt, from 70m;
- 4 metres @ 5.4% nickel, 3.0% copper, 0.17% cobalt from 79m (RWRC220), including 1 metre @ 15.9% nickel, 6.7% copper, 0.49% cobalt from 81m.

37 RC drill holes (2,799 metres) and 1 diamond drill hole (90 metres) have been drilled at Ruth Well and results are pending.

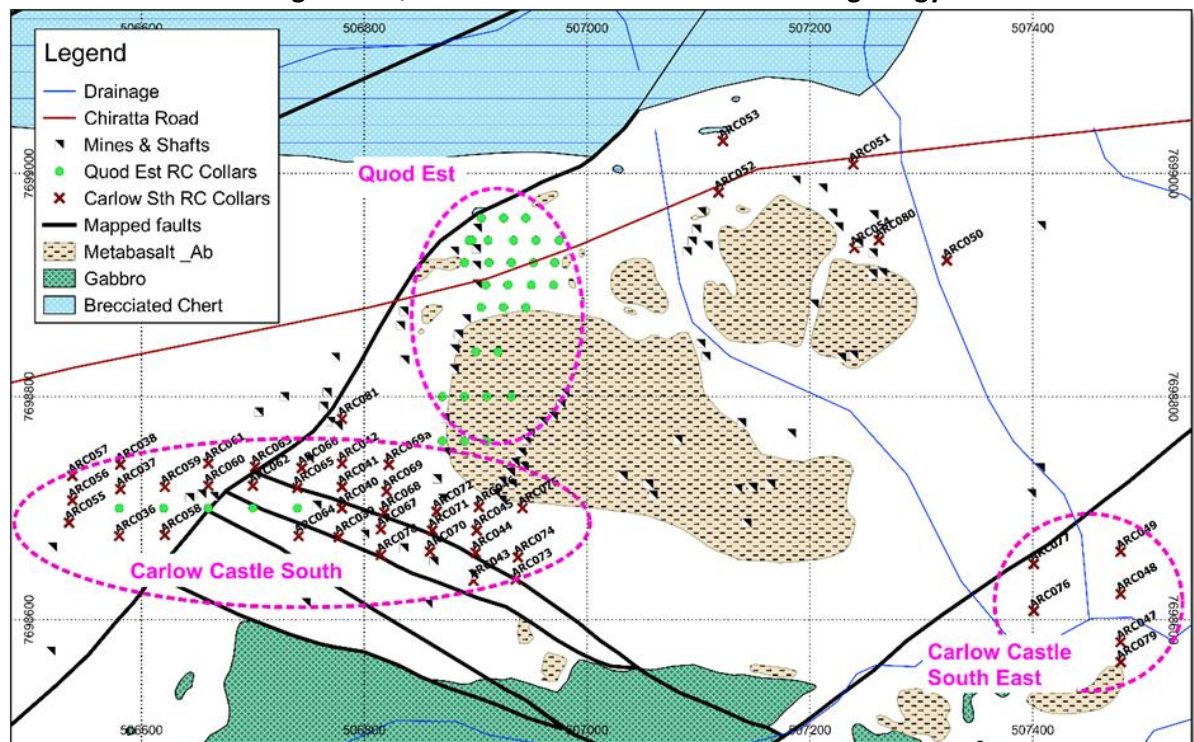
Further drilling will be undertaken as soon as POWs are approved by DMIRS and a heritage survey is completed.

DHTEM to be used on all drill holes to validate and search for off hole conductors. Based on drilling success on any of the new targets, additional deeper searching FLTEM will be utilised over the greater project area where GSEM has identified numerous other targets and trends.

Carlow Castle (Cobalt/Copper/Gold):

The first JORC Code (2012) compliant resource estimates, determined during the quarter, for the 100% owned Carlow Castle Project, which includes (Figure 4) Quod Est, Carlow Castle South and Carlow Castle South-East (Cobalt/Gold/Copper) Prospects, located about 20 km southeast of Karratha in the Western Pilbara Region of Western Australia are outlined below.

Figure 4: Quod Est and Carlow South areas and geology.



Carlow Castle is located only 30 km north-east of Artemis' Radio Hill processing plant, via gazetted roads. Work has also commenced on converting the portion of Exploration Licence E47/1797 covering the deposits to Mining Leases. A diamond drilling programme has recently been completed for geotechnical analysis for detailed open pit planning purposes and for advanced metallurgical recovery

optimisation and plant operating cost planning. Results for this recent round of diamond drilling are pending.

Mr Phil Jones from Al Maynard & Associates (“AM&A”) estimated a total Indicated and Inferred resource (Table 1) of the Carlow Castle Project, within the lode wireframes of Quod Est, Carlow Castle South and Carlow Castle South-East, which are based on 0.5 metal content lower cut-off of **4,500,000 tonnes at 0.9 g/t Au 0.07% Co, 0.4% Cu & 1.3 g/t Ag**, containing 130,000 ounces of gold, 18,000 tonnes of Cu, 3,150 tonnes Cobalt and 188,000 ounces of Silver.

Table 1: Global Resource estimate for Carlow Castle Project, which includes Quod Est⁵, Carlow Castle South and Carlow Castle South-East Lode (Phil Jones, 2018; AM&A).

Description	Category	Million Tonnes	Au (g/t)	Co (%)	Cu (%)	Ag (g/t)
Carlow Castle South	Inferred	3.2	0.9	0.06	0.4	1.3
Carlow Castle South-East Lode	Inferred	0.7	1.2	0.06	0.4	1.8
Quod Est	Indicated	0.3	1.2	0.21	0.5	1.4
Quod Est	Inferred	0.2	0.6	0.07	0.3	1.0
TOTAL	Indicated	0.3	1.2	0.21	0.5	1.4
TOTAL	Inferred	4.2	0.9	0.06	0.4	1.3
TOTAL	Indicated +Inferred	4.5	0.9	0.07	0.4	1.3

Considering the potential commercial value of all three elements and the proximity to the Company’s processing plant at Radio Hill and the preliminary metallurgical test work results previously announced in ASX announcement 19th June 2017 “Cobalt Metallurgy Tests Prove Positive Carlow Castle Project”, the project warrants detailed, systematic assessment.

Table 2: Resource estimate for Carlow Castle Project using a 0.05% Co cut-off (Phil Jones, 2018; AM&A)

Description	Category	Million Tonnes	Au (g/t)	Co (%)	Cu (%)	Ag (g/t)
Carlow Castle South	Inferred	1.6	1.2	0.09	0.5	1.5
Carlow Castle South-East Lode	Inferred	0.5	1.6	0.08	0.6	2.2
Quod Est	Indicated	0.2	1.8	0.35	0.7	1.9
Quod Est	Inferred	0.1	0.7	0.15	0.2	0.7
TOTAL	Indicated	0.2	1.8	0.35	0.7	1.9
TOTAL	Inferred	2.1	1.2	0.09	0.5	1.6
TOTAL	Indicated +Inferred	2.3	1.3	0.11	0.5	1.6

New Additional Resources at Carlow Castle South and Carlow Castle South-East:

AM&A estimate for Carlow Castle South and Carlow Castle South-East a total resource (Table 3) within the lode wireframes (Figure 2) which are based on a generic 0.5 metal content lower cut-off calculated

⁵ ASX release dated 19 January 2018 “First of the Cobalt/Copper/Gold JORC Resources at Carlow Castle- amended “

by (Au g/t + Cu% + 10*Co%) of **3,900,000 tonnes at 0.9 g/t Au, 0.06% Co, 0.4% Cu & 1.4g/t Ag**, made up of an Inferred resource of approximately 3,200,000 tonnes at 0.9 g/t Au, 0.06% Co, 0.4% Cu, 1.3g/t Ag at Carlow Castle South and an Inferred resource of approximately 700,000 tonnes at 1.2 g/t Au, 0.06% Co, 0.4% Cu & 1.8g/t Ag at Carlow Castle South-East.

Table 3: AM&A Resource estimate for Carlow Castle South and Carlow Castle South-East Lode. (Phil Jones, 2018).

Description	Category	Million Tonnes	Au (g/t)	Co (%)	Cu (%)	Ag (g/t)
Carlow Castle South	Inferred	3.2	0.9	0.06	0.4	1.3
Carlow Castle South-East Lode	Inferred	0.7	1.2	0.06	0.4	1.8
TOTAL	Inferred	3.9	0.9	0.06	0.4	1.4

The same resource estimate at cut-off grades of 1.0 g/t Au, 0.05% Co and at 1.0% Cu is provided for comparison in Table 4:

Table 4: AM&A Resource estimate at selected Au, Co and Cu lower cut-off grades for Carlow Castle South and Carlow Castle South-East Lode (Phil Jones, 2018).

Au Grade Range	Million Tonnes	Au (g/t)	Co (%)	Cu (%)	Ag (g/t)
>1.0	1.3	1.7	0.09	0.5	1.8
<1.0	2.6	0.5	0.05	0.4	1.1

Co Grade Range	Million Tonnes	Au (g/t)	Co (%)	Cu (%)	Ag (g/t)
>0.05%	2.1	1.2	0.09	0.5	1.6
<0.05%	1.9	0.5	0.03	0.3	1.0

Cu Grade Range	Million Tonnes	Au (g/t)	Co (%)	Cu (%)	Ag (g/t)
>1.0%	0.1	1.6	0.15	1.4	3.8
<1.0%	3.9	0.9	0.06	0.4	1.3

Note: Figures have been rounded and totals may vary due to small rounding errors.

Novo Conglomerate JV (Gold):

Novo Resources Corp (Novo) released an update on results from Purdy's reward on 14 February 2018. The bulk sampling results, as received from Novo, showed very high grade gold results.

Gold results from the basement dolerite unit grading up to 4.1 g/t were encouraging and further work is required to determine the ultimate significance of gold in the zone below the gold bearing conglomerates.

Novo now has an improved understanding of the extreme nuggety effect at the Purdy's Reward, which together with increasing the bulk sampling size and a new reliable and consistent processing path now available through SGS Minerals should allow the JV to more accurately define the extent of the gold mineralisation in these conglomerates and the surrounding rocks.

Artemis was granted a further four tenements (178.82 km²), which are subject to the Novo JV, during the quarter.

The tenements and areas are:

E47/3720 - 41 blocks - 130.89 km²

E47/3721 - 5 blocks - 15.98 km²

E47/3722 - 5 blocks - 15.97 km²

E47/3723 - 5 blocks - 15.98 km²

The newly granted tenements are located 60km south-east of Karratha in the Western Pilbara Region of Western Australia.

Granting of Elysian Tenements (Cobalt/Copper/Gold):

The WA Department for Mines, Industry Regulation and Safety ("DMIRS") granted E47/3443 (35 Blocks) and E47/3564 (26 Blocks) surrounding Artemis's Radio Hill operations and linking Artemis' tenements to Novo's Resources Corp.'s Comet Well project area, and the 27.39 km² Ruth Well Exploration Licence 47/3487 during the quarter. The Ruth Well nickel deposit is situated only 12 km from the Company's Radio Hill treatment plant.

The first two licences include the well-known 47 Patch conglomerate hosted gold find and the prognosed extension of the gold bearing conglomerates running west from Purdy's Reward westwards through Novo's Comet Well prospect and into these Elysian tenements.

A Programme of Works ("POW") has been lodged with the DMIRS to commence a detailed trenching, pitting, and drilling programme, and a further POW application for excess tonnage bulk samples up to 20,000 tonnes will be submitted.

Artemis announced on 26 February 2018 that the necessary permissions have been granted to process an initial 4,500 tonnes of gold bearing material at its Radio Hill plant site.

The bulk sampling programme will be managed by an independent group to report on recovered gold, tailings grade and overall head grade of the bulk sample.

A detailed Sub Audio Magnetics (SAM) programme was carried out by GAP Geophysics at Ruth Well during the quarter. RC drilling is planned with the aim of expanding the strike and depth of the known mineralisation. Artemis is targeting to have a Mineral Resource reported and classified in compliance with the JORC Code (2012) completed by the end of June 2018, so that Ruth Well can be incorporated in to a Nickel/Copper/Cobalt production strategy in conjunction with the Radio Hill open pit (see below).

Weerianna (Gold):

The Weerianna Gold Project is located about 35 km north-east of Artemis' Radio Hill Plant site. Pit optimisations undertaken during the quarter on the Weerianna Gold Project's Mineral Resource were positive. The optimisation was done to potentially prioritise initial plant feed in to Artemis' Radio Hill Processing Plant for the first few months after its re-commissioning scheduled for June 2018.

Weerianna is on a granted Mining Lease and has a current Inferred Mineral Resource classified and reported in compliance with the JORC Code (2012) of 1 Mt at 2.2 g/t Au for total contained metal of

70,000 ounces of Au⁶. The current resource outcrops at surface and remains open at depth and along strike.

Next Steps:

21 Reverse Circulation (RC) drill holes for 1,758 metres have been drilled at Weerianna in April to infill drill the deposit and test for extensions of the mineralisation along strike and down dip. Results are pending, and Artemis is targeting an updated Mineral Resource before the end of June 2018.

Artemis will now be working on submitting a Mining Proposal and a Project Management Plan to the WA Department of Mines Regulations, Industry and Safety (DMIRS) to seek approval to mine Weerianna.

Super-Deep Hole:

Artemis commenced planning during the quarter to drill a super-deep +3,300m diamond drill hole (ASD-1) on its Balmoral area, about 50km south of its Radio Hill Mine. (See proposed location of ASD-1 marked on Figure 5). The hole will be drilled to test for base metals, cobalt, gold and diamonds. The Company is waiting on the DMIRS's approval of the POW before the drilling of this hole.

On the Balmoral tenement package, Artemis have multiple diamondiferous dykes/pipes, such as Blacktop 1 and 2⁷, which have come up from the lower mantle below the earth's crust, the presence of a significant magnetic high feature, crustal breaks interpreted to be faults and dykes, 31 VTEM anomalies for base metals and rock chip assays and geochemical anomalies showing the presence of Cobalt, Nickel, Copper, Zinc, Lead and gold, at surface, proximal to the proposed ASD-1 site.

Regionally, within Artemis's extensive tenement package, there are pervasive intrusions throughout the entire area such as Munni Munni, Radio Hill and Mt Sholl, with newly identified intrusions at Silica Hills and Purdy's Reward, which confirms mineralisation associated with intrusions.

VTEM Targets

ASD-1 will be drilled in the area where Fox Resources Limited completed a VTEM survey that resulted in the discovery of six new clusters of base metal targets: LEGENDRE, MILLERS WELL, HARDING, BALMORAL, ROSEMARY and MATEBORE⁸. Each of the six clusters identified contain between two and eleven base metal targets, totalling 31 targets overall. Fox Resources also returned, from very limited exploration, a surface rock chip sample grading 1.93% zinc, 1.58% lead and 0.29% copper near the Harding cluster⁹.

Russel Mortimer from Southern Geoscience Consultants has reviewed all the geophysical data that was collated and confirms that there has been no material change.

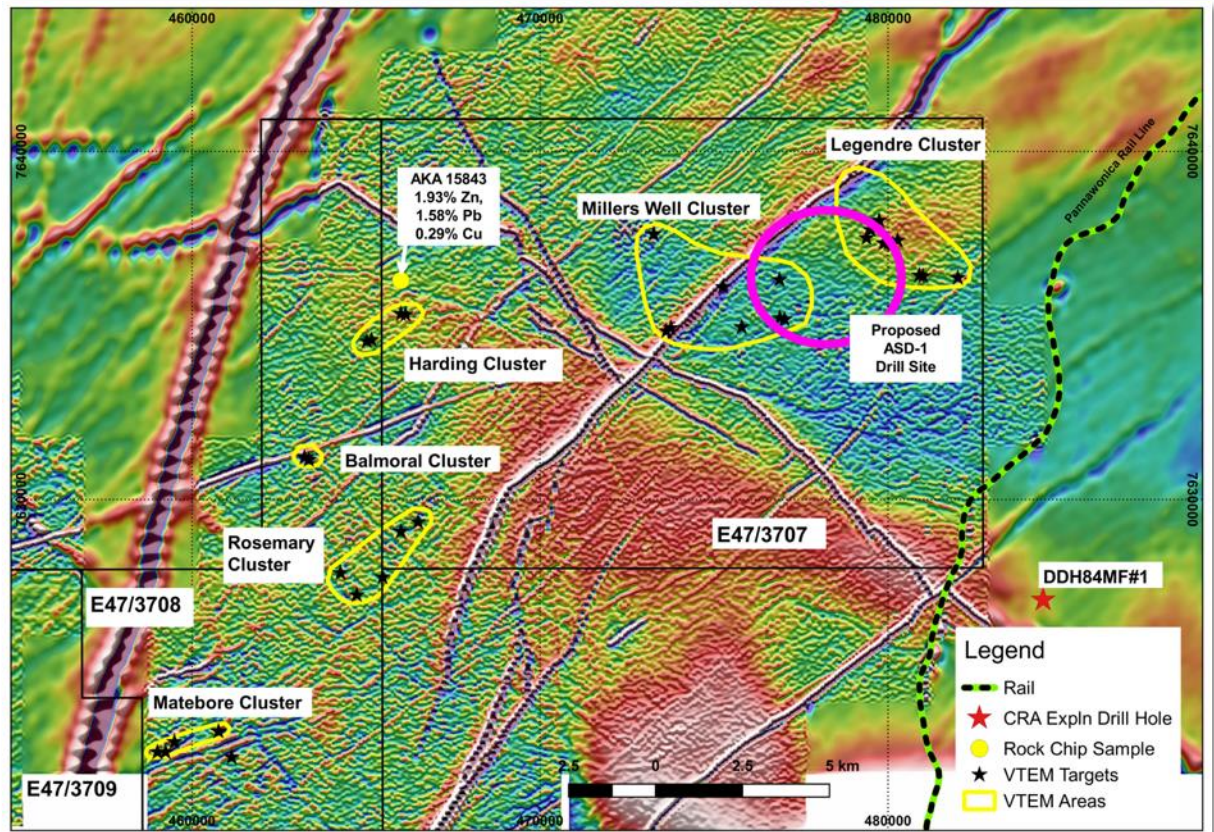
⁶ Artemis Resources Limited ASX announcement dated 26 June 2014 – Acquisition of Gold Deposit to Kickstart West Pilbara Gold and Base Metals Exploration Weerianna

⁷ Artemis Resources Limited ASX announcement dated 16 May 2017 - Increase in Prospective Karratha Land Package to 1,536 sq. km

⁸ Fox Resources Limited ASX announcement dated 1 February, 2008 – December 2007 Quarterly Report.

⁹ Fox Resources Limited ASX announcement dated 30 April, 2008 – March 2008 Quarterly Report.

Figure 5: Proposed Location of ASD-1 Diamond Drill Hole, with Magnetics, identified VTEM clusters and anomalies.



Gold Target

11km to the south-east of the proposed ASD-1 hole, CRA Exploration Pty Ltd drilled a 2,269.95 metre diamond drill hole DDH84MF#1 in 1984/85 and intersected 0.5 metres grading 10.67 g/t Au from 1,756m. Artemis has inspected the core from this drill hole at the GSWA Core Library, and believes the hole needs to be drilled deeper.

Diamond Targets

In addition, ASD-1 is located ~20km north-east from the BlackTop Kimberlite discoveries proximal to the Matebore Cluster within the Balmoral tenement package¹⁰. The Blacktop Kimberlite discoveries, which were assessed by the DeBeers/Tawana Resources NL JV ("JV") in 2006/7, recovering a total of 2,320 diamonds, weighing 163.89 carats were recovered from a bulk sampling programme of approximately 6,000 tonnes in 2006/7. The majority of the stones were white dodecahedrons, with the largest stone weighing 1.41 carats.

Corporate

The Company raised \$9 million during the quarter with the issue of 45,000,000 shares at 20 cents each.

¹⁰ Artemis Resources Limited ASX announcement dated 16 May 2017 - Increase in Prospective Karratha Land Package to 1,536 sq. km

Artemis was included in the ASX All Ordinaries index during the quarter reflecting the increase in market capitalisation of the Company.

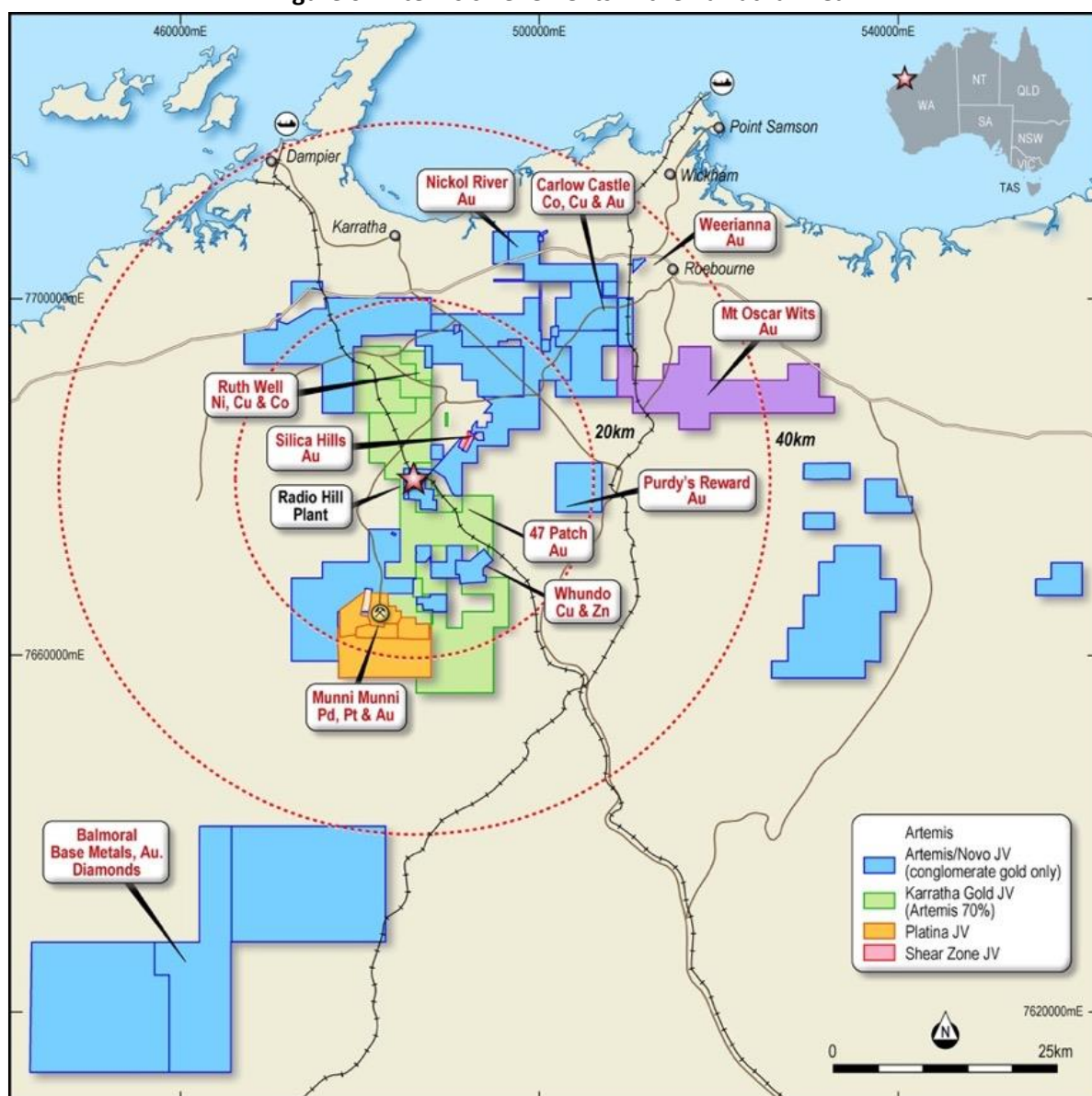
Artemis net cash operating and investing outflows for the year to date were approximately \$14 million.

This expenditure can be classified as follows: A\$000'

Refurbishment of the Fox Radio Hill Plant	\$ 3,500
Purchase of prospects (Elysian & Macarthur Lithium)	\$ 1,730
Exploration across the portfolio of projects	\$ 6,000
Investments in listed companies	\$ 736
Financing costs	\$ 194
Administration and Corporate costs, net(see note)	\$ 1,840

Note: Included in Administration and Corporate Costs are (in A\$000') legal fees relating to acquisitions and joint venture agreements (\$267), ASX fees (\$204) and advisor fees relating to capital raising (\$130).

Figure 6: Artemis's Tenements in the Karratha Area



TENEMENT SCHEDULE

E47/1745	E47/3939 (a)	Munni Munni⁶
E47/1746	E47/3940 (a)	M47/123
E47/1797	E47/3942 (a)	M47/124
E47/2716	P47/1112	M47/125
E47/3160	P47/1126	M47/126
E47/3322	P47/1127	
E47/3340 (a) ⁷	P47/1134	Mt Clement
E47/3341 ⁷	P47/1518 / M47/1527(a)	M08/191 ¹
E47/3361 (a) ⁷	P47/1519 / M47/1568(a)	M08/192 ¹
E47/3373 (a)	P47/1619	M08/193 ¹
E47/3390 ⁷	P47/1621	
E47/3443 ⁷	P47/1622	Fox Radio Hill Pty Ltd
E47/3487 ⁷	P47/1819	L47/93
E47/3534 (a) ⁷	P47/1832 (a) ⁷	L47/163
E47/3535 (a) ⁷	P47/1833 (a) ⁷	M47/7
E47/3536 (a) ⁷	P47/1881 (a) ⁷	M47/9
E47/3545 (a)	P47/1897 (a)	M47/161
E47/3546 (a)	L47/781 (a)	M47/337
E47/3547	L47/782 (a)	
E47/3564 ⁷	L47/820 (a)	Shear Zone Mining Pty Ltd
E47/3612	M47/177 ²	M47/93
E47/3707	M47/223 ³	M47/232
E47/3708	M47/288 ²	
E47/3709		East Pilbara⁵
E47/3719 (a)		E45/4779
E47/3720		E45/4732
E47/3721		
E47/3722		Mt OscarWits
E47/3723		E47/1217

(a) Tenement applications.

¹ 80% Artemis - Gold joint venture with Northern Star Resources (20%).

² 70% Artemis.

³ 80% Artemis.

⁴ 34% Artemis.

⁵ Option to acquire up to 80% by Artemis, remainder is held by Macarthur Minerals Limited.

⁶ 0% Artemis. Heads of Agreement to earn 70% and form joint venture with Platina Resources.

⁷ 70% Artemis – Karratha Gold Joint Venture

CONTACTS:

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BACKGROUND INFORMATION ON ARTEMIS RESOURCES:

Artemis Resources Limited is a resources exploration and development company with a focus on its prospective Karratha (Figure 6) (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 ~500,000 tpa Radio Hill nickel and copper operations and processing plant located 35 km south of Karratha. JORC Code 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 1,838 km² form the newly consolidated assets of Artemis Resources. Artemis is currently refurbishing and upgrading the Radio Hill processing plant and is targeting on having it operational in June 2018.

Artemis have signed Definitive Agreements with Novo Resources Corp. ("Novo"), which is listed on Canada's TSX Venture Exchange (TSXV:NVO), and pursuant to the Definitive Agreements, Novo has satisfied its expenditure commitment, and earned 50% of gold (and other minerals necessarily mined with gold) in conglomerate and/or paleoplacer style mineralization in Artemis' tenements within 100 km 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 Code 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 Definitive Agreements cover 38 tenements/ tenement applications that are 100% owned by Artemis. Pursuant to Novo's successful earn-in, three 50:50 joint ventures have been formed between Novo's subsidiary, Karratha Gold Pty Ltd ("Karratha Gold") and three subsidiaries of Artemis (KML No 2 Pty Ltd, Fox Radio Hill Pty Ltd, and Armada Mining Pty Ltd). The joint ventures are managed as one by Karratha Gold. Artemis and Novo will contribute to further exploration and any 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.