

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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

Name of entity

Artemis Resources Limited

ABN

80 107 051 749

Quarter ended ("current quarter")

31 March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	7	83
1.2 Payments for		
(a) exploration & evaluation	(1,586)	(10,505)
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(851)	(2,757)
1.3 Dividends received (see note 3)		
1.4 Interest received	-	5
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(2,430)	(13,174)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(177)	(13,319)
(b) prospects		
(c) investments		
(d) other non-current assets		

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(177)	(13,319)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares*		
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		202
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings	-	5,039
3.6	Repayment of borrowings	-	(2,542)
3.7	Transaction costs related to loans and borrowings		
3.9	Other (cost of equity issue)		
3.10	Net cash from / (used in) financing activities	-	2,699

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,087	27,048
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,430)	(13,174)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(177)	(13,319)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	2,699
4.5	Effect of movement in exchange rates on cash held		226
4.6	Cash and cash equivalents at end of period*	3,480	3,480

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5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	3,480	6,087
5.2 Call deposits	-	-
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)*	3,480	6,087

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

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

193

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

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

Directors fees and their associates

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

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

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

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

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

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify) Convertible Note

6,634

6,634

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

For terms see Appendix 1

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	560
9.2 Development	108
9.3 Production	
9.4 Staff costs	
9.5 Administration and corporate costs	1,023
9.6 Other (provide details if material) Investment	-
9.7 Total estimated cash outflows	1,691

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased	E45/5276	Amalgamated into Carlow Castle -E47/1797	Granted	100%
	P47/1134		-	100%
	P47/1881		Granted	70%

Compliance statement

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



Sign here:
 (Director/Company secretary)

Date:30/4/2019.....

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

Notes

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

TERMS OF FUNDING FACILITY

- **Convertible Securities:** Convertible Securities of US\$3,931,681 (**New Convertible Securities**), plus an extension of US\$1,285,710, being the balance of Convertible Securities announced on 11 December 2017 (**Existing Convertible Securities**) (together the **Convertible Securities**).
- **Face Value and Purchase Price:** US\$1.00 per Convertible Security.
- **Implementation Fee:** 5,000,000 fully paid ordinary shares in the capital of Artemis (**Shares**).
- **Commitment Fee:** 5%
- **Interest:** No interest payable on the Convertible Securities.
- **Maturity Date:** 10 January 2020.
- **Conversion:** Subject to the Maximum Issue (defined below), the Investor may elect to convert the Convertible Securities (other than those for which Artemis has given notice of early redemption) at either:
 - a **Fixed Conversion Price** of A\$0.21; or
 - a **Variable Conversion Price** of the lesser of the Fixed Conversion Price and 94% of the average of the 3 lowest daily VWAP's during the 10 trading days immediately prior to the date that notice of conversion is given by the Investor, subject to the conditions that the election to convert at the Variable Conversion Price cannot be made:

New Convertible Notes

- prior to 1 April 2019; or
- after 1 April 2019, with respect to more than \$279,507 in April 2019, \$521,739 in each of May 2019 to October 2019 and \$521,740 in November 2019 or such higher amount where a prior month's conversion capacity has not previously been used subject to an aggregate conversion up to 10 December 2019 of more than an aggregate of 70% of the total price paid for the Convertible Securities.

Existing Convertible Notes

- prior to 1 February 2019; or
 - in a calendar month where Artemis has given a notice of early redemption and Artemis paying the redeemed amount within the required time period.
- **Redemption:** Artemis may at any time elect to redeem some or all of the Convertible Securities (other than those for which the Investor has given a conversion notice), provided that:
 - notice of such redemption is given on the first trading day of a calendar month for which the 5-day VWAP for the 5 trading days immediately prior to that first trading day is less than the Fixed Conversion Price; and
 - the number of New Convertible Securities being redeemed is at least the minimum redemption amount for that calendar month being nil in all months other than 279,507 in April 2019, 521,739 in each of May 2019 to October 2019 and 521,740 in November 2019 and the number of Existing Convertible Securities is at least the minimum redemption amount for that calendar month being nil in all months other than 521,739 in each of February 2019 and March 2019 and 242,232 in April 2019.

Where Artemis elects to redeem the Convertible Securities, it must pay the Investor 112% of the face value of the redeemed Convertible Securities within 7 days of giving the redemption notice.

- **Maturity:** On the Maturity Date, Artemis must redeem the remaining Convertible Securities by paying the Investor the total face value (US\$1 per Convertible Security) outstanding.

- **Maximum Issue of Shares:** The maximum number of Shares to be issued without shareholder approval for the New Convertible Securities is capped at 36,171,466 (**Maximum Issue**). Where Artemis is requested to issue Shares in excess of the Maximum Issue, the issue of such Shares is subject to shareholder approval.
- **Options:** Artemis will issue the Investor and the arranger of the facility an aggregate of 8,571,429 options with an exercise price of A\$0.21, exercisable on or before 30 November 2021.
- **Security:** The funding will be secured over the assets of Fox Radio Hill Pty Ltd whilst the face value of the Convertible Securities exceeds US\$1,500,000.
- **Collateral Shares:** Artemis will issue 5,000,000 Shares to the Riverfort Group.