



ARTEMIS RESOURCES LIMITED
ACN 107 051 749

CONSOLIDATED INTERIM FINANCIAL REPORT

For the Half Year Ended

31 December 2020

Corporate Directory

Directors

Mark Potter (Non-Executive Chairman)
Alastair Clayton (Executive Director)
Boyd Timler (Executive Director)
Edward Mead (Non-Executive Director)
Daniel Smith (Non-Executive Director)

Company Secretary

Guy Robertson

Principal Registered Office

Level 8, 99 St Georges Terrace
Perth WA 6005

Telephone: +61 8 9486 4036
Email: info@artemisresources.com.au
Web: www.artemisresources.com.au

Securities Exchange Listing

Australia Securities Exchange Limited
(ASX: ARV)
OTC Markets Group (OTCQB: ARTFF)
Frankfurt Stock Exchange (Frankfurt: ATY)

Share Registry

Automic Registry Service
Level 2, 267 St Georges Terrace
Perth WA 6000

Telephone: 1300 288 664
Web: www.automicgroup.com.au

Bankers

Westpac Limited
Royal Exchange
Corner Pitt & Bridge Streets
Sydney NSW 2000

Auditors

HLB Man Judd (WA) Partnership
Level 4, 130 Stirling Street
Perth WA 6000

Telephone: +61 8 9227 7500
Facsimile: +61 8 9227 7533

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Directors' Report

The Directors of Artemis Resources Limited submit herewith the financial report of Artemis Resources Limited ("Artemis" or "Company") and its subsidiaries (referred to hereafter as the "Group") for the half-year ended 31 December 2020. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names of the directors of the company during or since the end of the half-year are:

Mark Potter	Non-Executive Chairman
Alastair Clayton	Executive Director
Boyd Timler	Executive Director (Appointed Non-Executive Director 1 October 2020, and Executive Director from 1 February 2021)
Edward Mead	Non-Executive Director (Non-Executive Director from 8 February 2021, previously Executive Director)
Daniel Smith	Non-Executive Director

Review of operations

The Group's focus for the half year was its two core projects, Carlow Castle (Gold-Copper-Cobalt) and the Paterson Central Gold project.

Carlow Castle Au-Cu-Co Project¹

The Carlow Castle drilling programmes during the half year have produced outstanding results which should reflect in a resource update expected in the first half of 2021.

The 10 hole 3,561m Carlow Castle Diamond Drilling programme aims were to:

- Expand the mineralised envelope which remains open in multiple directions.
- Test the depth potential below the main mineral trend of Carlow Castle
- Provide diamond core data to best understand the structure controls of Carlow Castle so future drilling programmes can expand and improve confidence to the MRE

The 63 hole 7,552m Reverse Circulation drilling programme aims were to:

- Complete further step-out drilling on known mineralized trends and extensional drilling on geological indicators.
- Test potential anomalies identified by historical and new IP surveying.

The Geophysics programme was deferred to the new year and will include dipole-dipole IP, Gradient array IP and high-resolution airborne magnetics and radiometrics.

A ~10,000m follow-up RC drill programme commenced in January 2021 and will be completed in Q1 the first quarter of 2021.

The drilling programmes extended the resource area and identified a number of new discovery zones.

¹ As announced 16 December 2020 to ASX "Carlow Castle Update – Outstanding Drilling results"

¹ As announced 23 November 2020 to ASX "Carlow Castle Update – Carlow Deep Gold Copper Discovery"

Directors' Report

DIRECTORS' REPORT (CONTINUED)

Highlights are outlined below:

Step out RC holes to extend Resource Area 50m to the south:

- o **44m @ 2.00g/t Au, 0.71% Cu, 0.15% Co** from 132m in ARC253; and
- o **5m @ 2.40g/t Au, 0.63% Cu, 0.09% Co** from 82m in ARC252.

New Northern Discovery Zone - Shallow reconnaissance RC holes ~250m north of the Resource Area:

- o **11m @ 4.24g/t Au, 1.58% Cu** from 71m in ARC233; and
- o **6m @ 1.33g/t Au, 0.93% Cu, 0.08 % Co** from 102m (to EOH) in ARC234.

New deep "Feeder Zone" discovery – deep diamond hole 20CCAD003:

- o **4m @ 11.1g/t Au, 2.0% Cu, 0.18% Co** from 639m.

First Resource Area infill diamond holes 20CCAD002 & -004:

- o **53m @ 2.98g/t Au, 0.85% Cu, 0.25% Co** from 120m in 20CCAD004, including;
 - **14m @ 4.92g/t Au, 0.14% Cu** from 120m,
 - **8m @ 7.34g/t Au, 1.03% Cu** from 144m, including
 - **2m @ 17.93g/t Au, 2.36% Cu** from 147m, and
 - **19m @ 1.59g/t Au, 1.06% Cu, 0.15% Co** from 155m.
- o **75m @ 1.15g/t Au, 0.36% Cu, 0.05% Co** from 56m in 20CCAD002, including;
 - **5m @ 1.86g/t Au, 0.43% Cu, 0.1% Co** from 69m; and
 - **7m @ 1.49g/t Au, 0.70% Cu, 0.22% Co** from 84m.

Shallow Reconnaissance RC holes ~100m east of Resource Area:

- o **1m @ 1.57g/t Au, 0.01% Cu** from 75m in ARC244; and
- o **1m @ 7.43g/t Au, 0.04% Cu** from 113m in ARC244.

As shown above, step out drilling to grow the Carlow Castle resource has produced excellent grades over some very large widths. Infill diamond core and structural drilling supports future resource upgrades, highlighting the impressive characteristics of the gold, copper and cobalt mineralisation at Carlow Castle. Drilling has discovered a totally new zone of shallow, high grade gold and copper mineralisation located approximately 250m to the north of the Carlow Castle Resource Area (**Figure 1**). This new Northern Discovery Zone is one of the key growth target areas being followed up as part of a 10,000m RC drill programme that started in early January 2021.

Directors' Report

DIRECTORS' REPORT (CONTINUED)

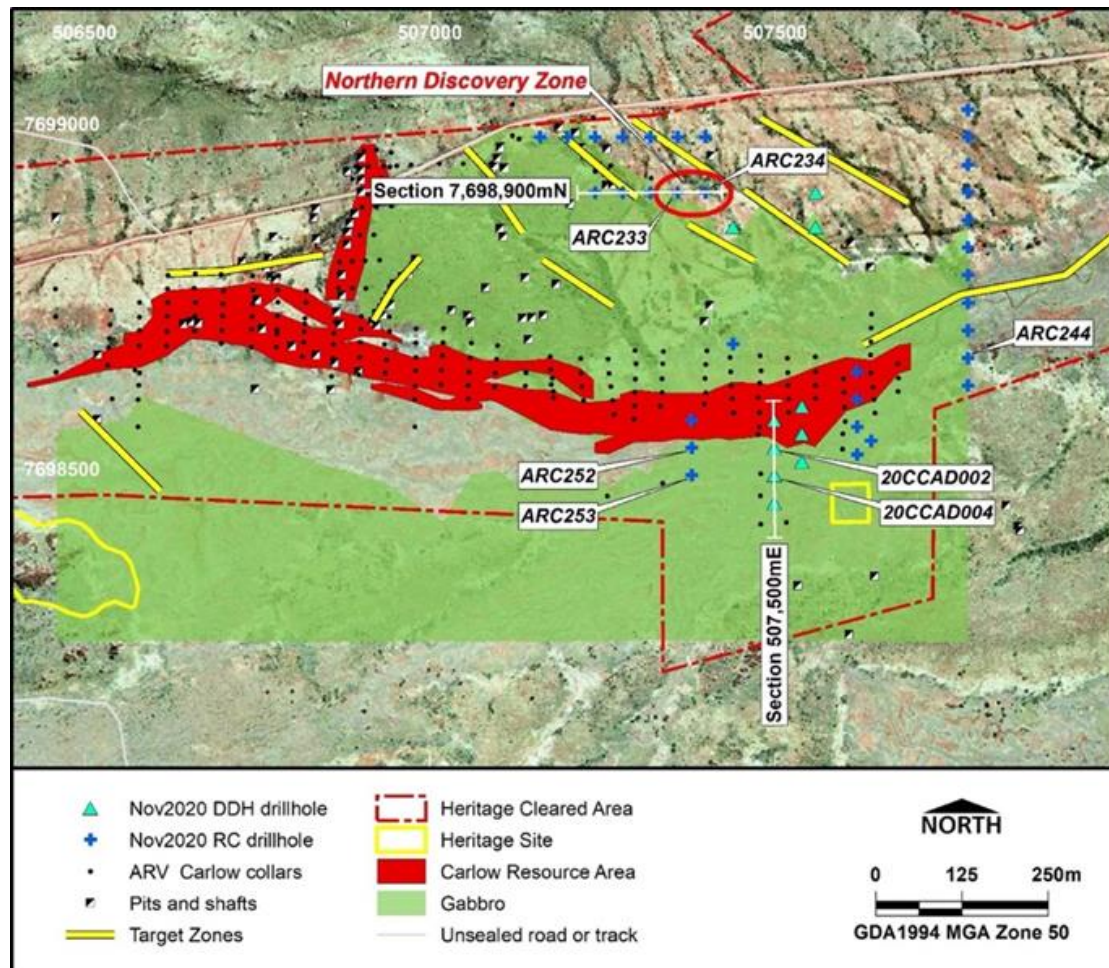


Figure 1: Carlow Castle Diamond (DDH) and RC hole locations (red) with previous drill collars, and 2019 inferred Mineral Resource Estimate (MRE) wireframe outline (as released to the ASX on 20 November 2019), with blue lines line showing locations of interpretive drill sections 507530mE +/-30m and 7698900mN +/-10m.

Directors' Report

DIRECTORS' REPORT (CONTINUED)

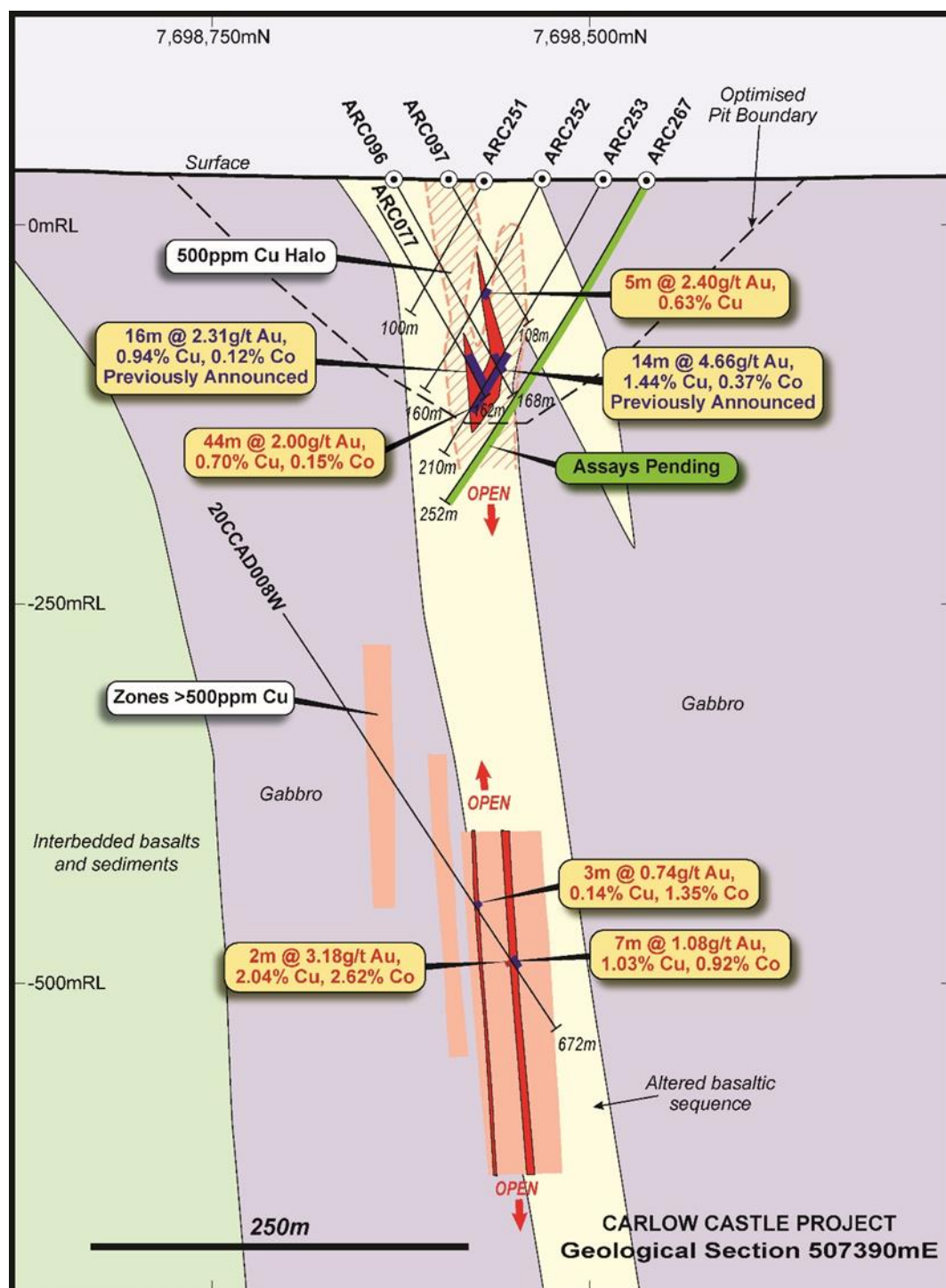


Figure 2: Carlow Castle current programme interpretive drill section 507390mE +/-10m showing recent intercepts from the Nov2020 RC drilling and deep diamond hole 20CCAD008W.

Directors' Report

DIRECTORS' REPORT (CONTINUED)

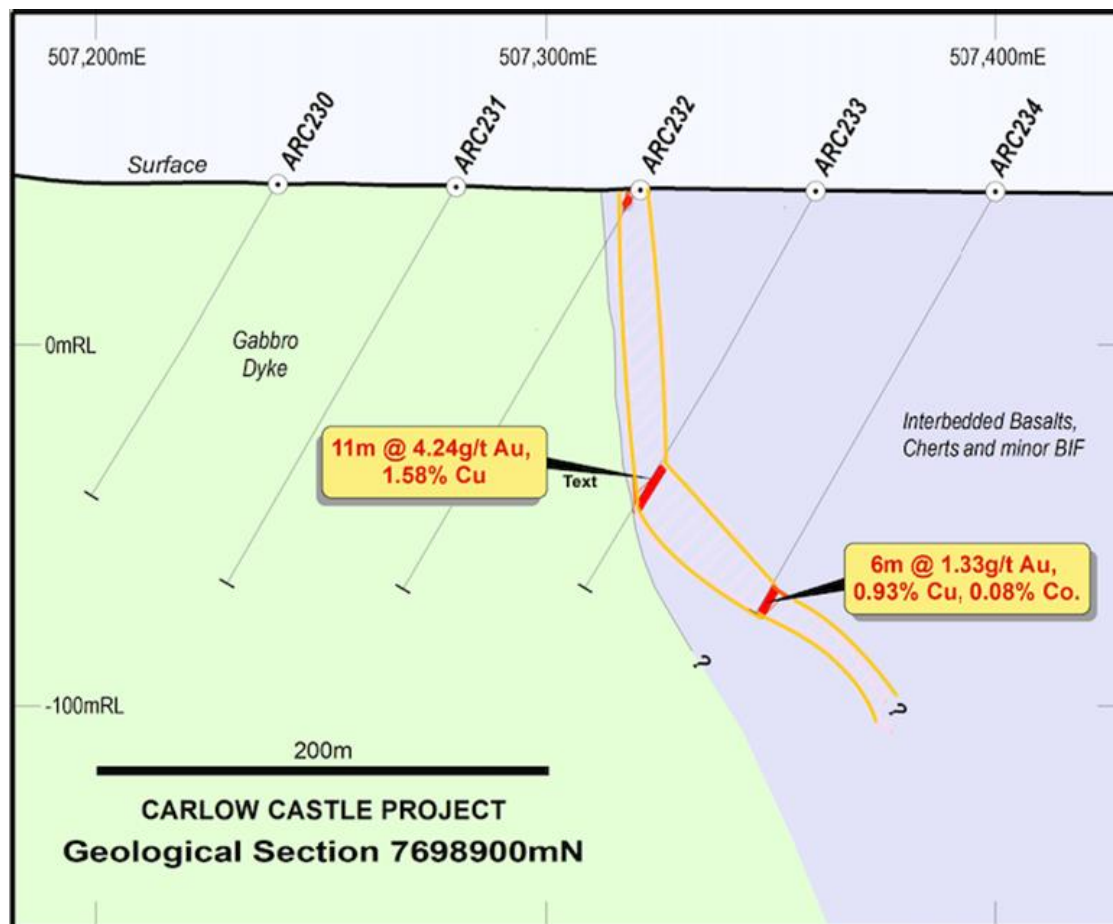


Figure 3: Carlow Castle Interpretive drill section 7698900mN +/-10m showing RC hole intersections in the Northern Discovery zone.

Directors' Report

DIRECTORS' REPORT (CONTINUED)

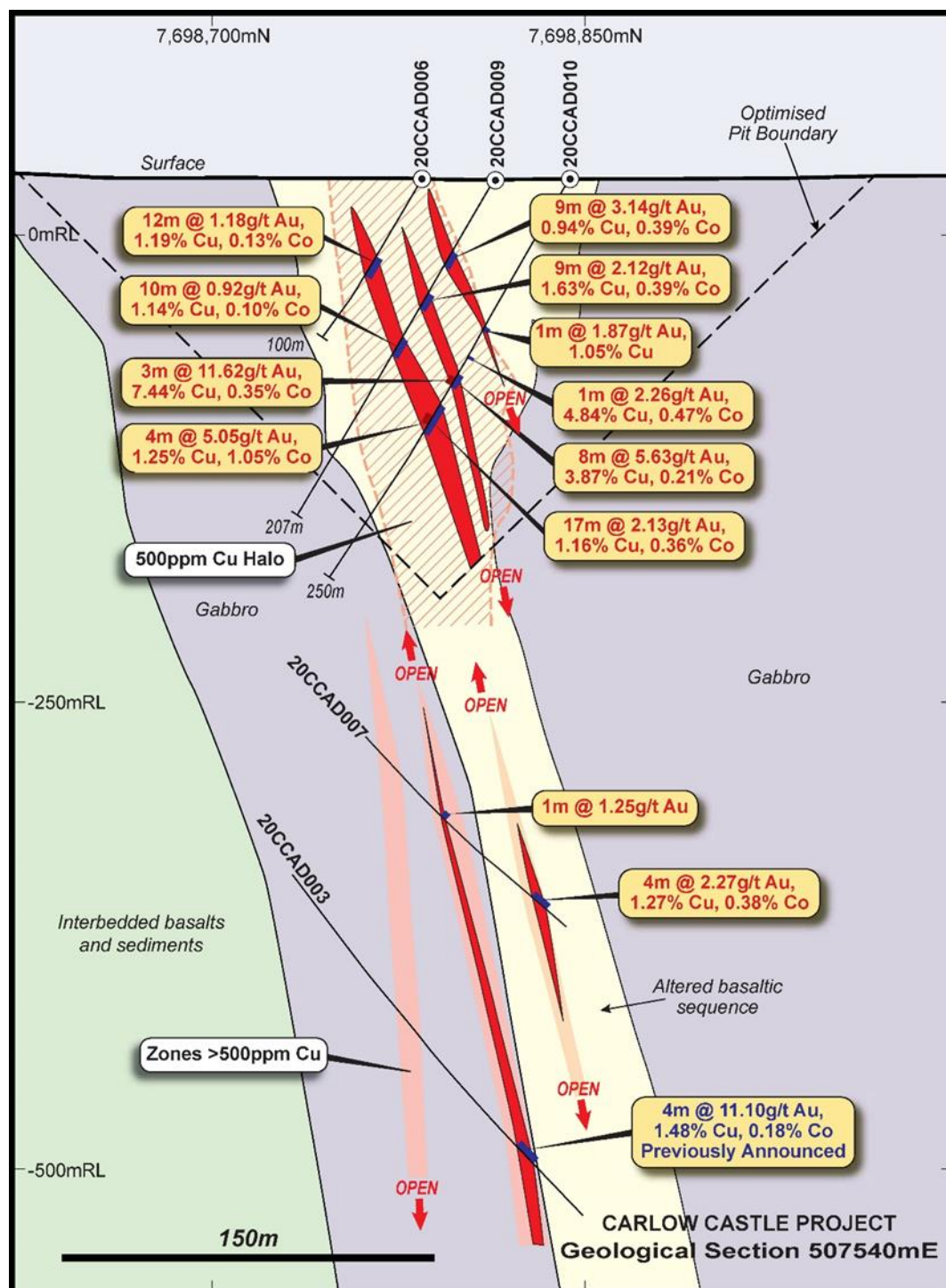


Figure 4: Carlow Castle current programme interpretive drill section 507540mE +/-10m showing recent intercepts from the Dec2020 Resource Infill diamond drilling and deep diamond holes 20CCAD003 and 20CCAD007.

Directors' Report

DIRECTORS' REPORT (CONTINUED)

Carlow Castle Geophysics Program

Resource Potentials has proposed that an induced polarisation (IP) survey be carried out over the Carlow Castle resource area and surrounds, as well as high resolution aeromagnetic and radiometric (AMAG) surveying over the majority of tenement E47/1797 (**Figure 5**), which contains Carlow Castle and surrounding prospective geological target areas, to assist with subsurface geological interpretation, target generation and direct drill planning.

This work was planned in Q4 calendar 2020 but has been carried over to Q1 calendar 2021.

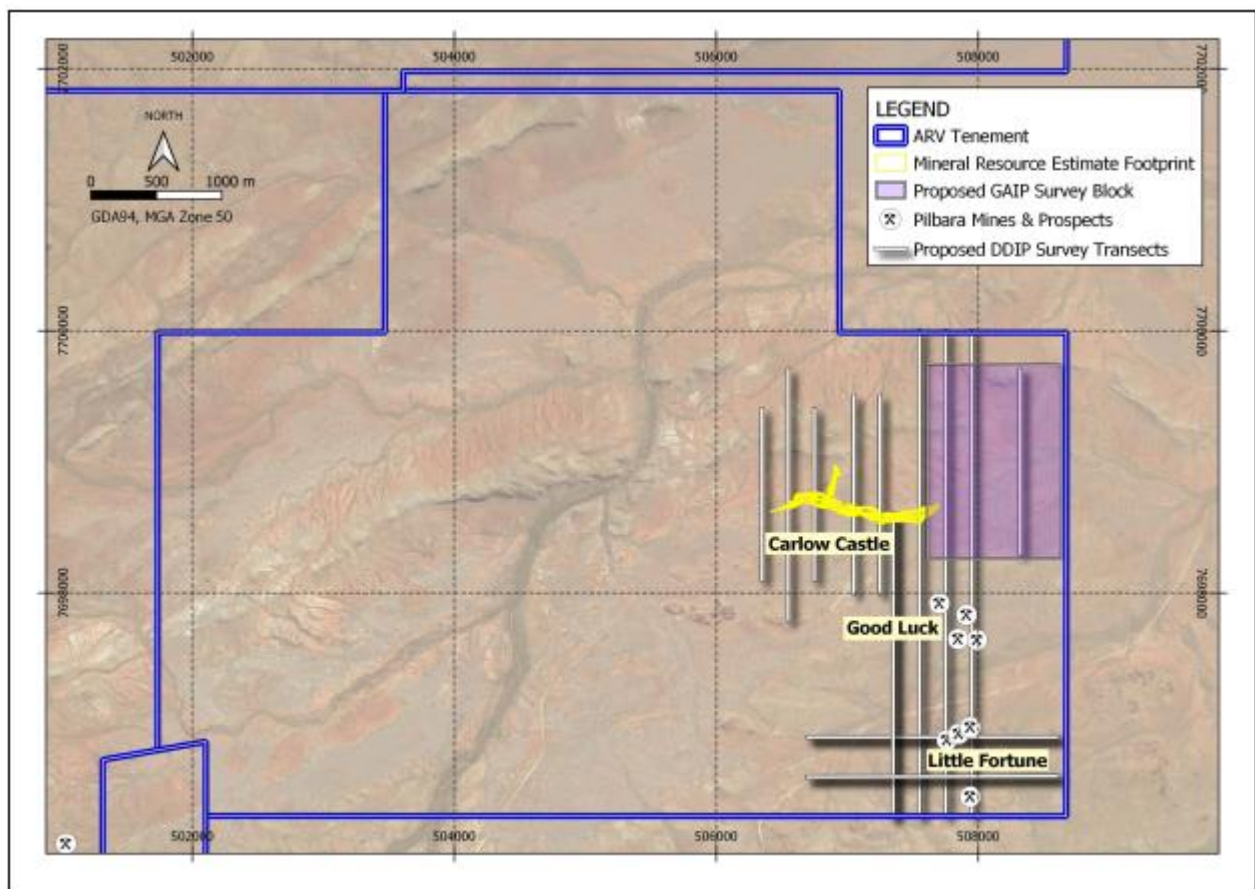


Figure 5: Carlow Castle resource area with target selection by Resource Potentials, based on existing geophysical data sets, overlaid with the planned IP geophysical survey lines.

Directors' Report

DIRECTORS' REPORT (CONTINUED)

Paterson Central Au-Cu Project²

- First Artemis drilling campaign completed at Paterson Central Project located next to the Newcrest Mining / Greatland Gold Havieron gold deposit in the Paterson Province, WA.
- Three deep diamond holes were drilled only 2.5km to the east of Havieron in the Nimitz Prospect area for a total of 3,012m, with 1,151m drilled into Proterozoic bedrock of the Lamil Group, which is the host rock to the Havieron and Telfer gold deposits.
- Despite being only the 5th ranked target, Nimitz was selected because of ease of access via the existing Havieron track that transects the Havieron Project area.
- A total of 71 grab sample intervals of core from 1,151m of basement drilled were recovered as each hole was underway and transported in field crew shift change flight luggage for immediate assaying and petrological analysis based on visual estimates of representative lithologies, intense alteration and brecciation. Assay results received post period end included:
 - Hole GDRCD003 sample 89042: **0.79g/t Au, 476ppm Cu, 59.5ppm Bi and 2.56ppm Te**. A 5cm quartz-carbonate vein hosted in dolerite from 829m.
 - Hole GDRCD002 samples 89015 & 89016: **0.26g/t Au, 1,565ppm Cu, 45.5ppm Bi and 4.26ppm Te**. An 11cm quartz-carbonate vein calcarenite sandstone from 614m.
- Core intervals above and below (+/- 40m) meaningful Au-Cu anomalism identified in any grab samples will then be cut and sampled at 1m intervals and sent for assay analysis.
- Overall drilling has provided core samples which provide visual indications that highly altered and brecciated rocks in the Nimitz prospect area have potential to host gold and copper mineralisation and provide vectors to a more intensely mineralised system. Core samples from Nimitz have been forwarded to the laboratory, ALS.
- Two drillholes (GDRCD001 and GDRCD003) testing Lamil Group rocks in the west (Nimitz South) returned multiple zones of particularly intense hydrothermal alteration, with breccias flooded by carbonate-sericite and quartz-carbonate-chlorite veining, all associated with hematite and trace to minor pyrite and chalcopyrite minerals.
- As all three holes drilled encountered intervals of intense hydrothermal alteration of upper Lamil Group rocks in close proximity to the Havieron deposit, the Company believes that the Paterson Central licence is very fertile and prospective for large intrusive related gold and copper deposits surrounding Havieron.
- Given these highly encouraging preliminary drilling observations, the Company is now planning an expanded 2021 multi-rig drill programme to cover the top priority Apollo and Atlas targets, follow-up drilling at the Nimitz group of targets, and to test the Enterprise targets to the South.

The Company has identified 7 initial targets/prospects for deep drill testing at Paterson Central, with 5 of them surrounding the Havieron gold-copper deposit to the north, east and south (**Figure 6**). Drilling commenced at the Company's Nimitz Prospect in early October and was completed by mid-December.

² As announced 17 December 2020 to ASX "Paterson Central – Drilling of Nimitz Prospect"

Directors' Report

DIRECTORS' REPORT (CONTINUED)

Nimitz was chosen because of its easily accessible location along an existing track that passes through Havieron and continues east into Artemis' Exploration Licence in a swale formed between 2 E-W trending linear sand dunes (**Figure 6**).

Photographs of selected bedrock core intervals from holes GDRCD001 and GDRCD003 drilled at the Paterson Project Nimitz prospect showing clear signs of hydrothermal alteration and veining are presented in **Figure 7**. These photographs show a range of rock types and hydrothermal alteration styles that have affected the Proterozoic basement rocks close to the western tenement boundary with the Havieron Au-Cu deposit. The scout drilling of these deep holes has provided core samples which provide early visual indications that rocks in the Nimitz Prospect area have potential to host gold and copper mineralisation, and results of petrographic analysis and geotechnical of 71 grab sample assay results will provide more geological insight into the gold and copper potential of the Nimitz Prospect area.

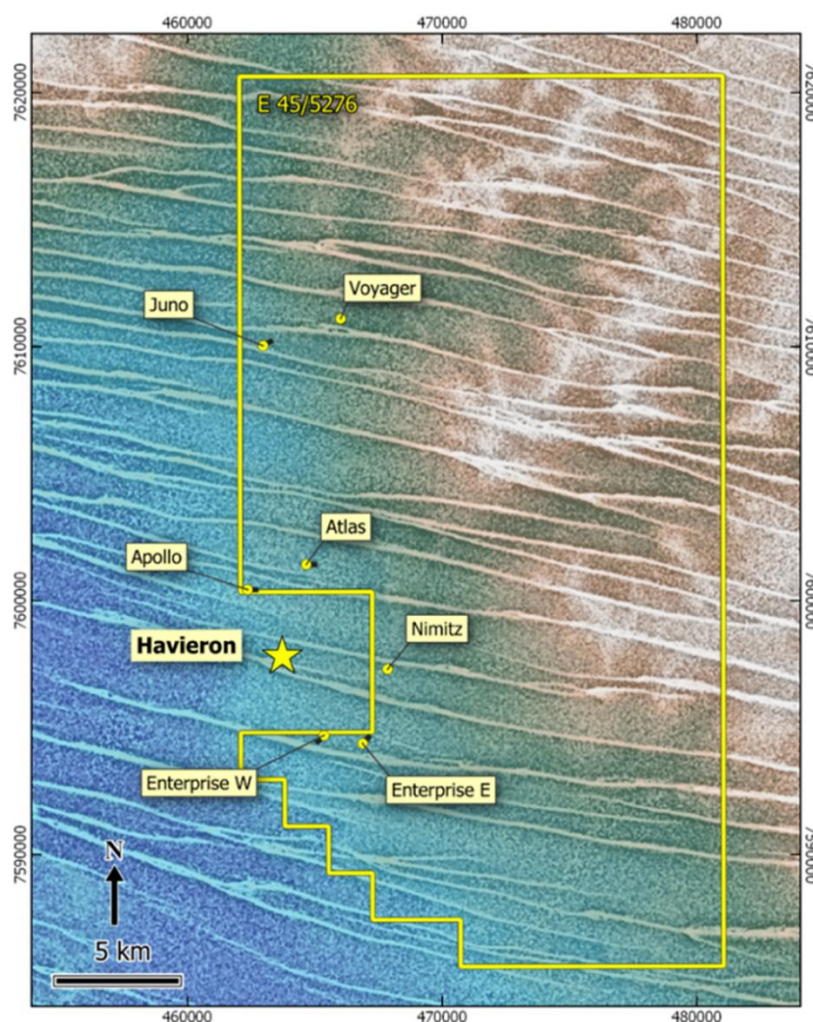


Figure 6: Digital terrain model and Artemis 100% owned Paterson Central tenement (yellow outline), with 7 initial targets/prospects shown (yellow dots). An extensive array of linear sand dunes show up as E-W trending lines, with topographic elevation highlighted by hotter colour attributes. The linear sand dunes range in height from 5 to 15 metres above the relatively flat landscape. The Nimitz Prospect is located 3km to the east of the centre of the Havieron deposit (3.4Moz Au), in the same inter-dune swale which was chosen for initial drilling due to relatively easy access.

Directors' Report

DIRECTORS' REPORT (CONTINUED)



Figure 7: Selected core photographs from Artemis deep diamond holes at the Paterson Nimitz prospect showing zones of hydrothermally altered Proterozoic bedrock and quartz-carbonate-chlorite-hematite veins usually containing trace pyrite and chalcopyrite. A) Hole GDRCD001 from 919m showing carbonate-sericite-hematite altered calcarenite with pyrite and chalcopyrite (<1%). B) Hole GDRCD001 from 1,022m showing calcarenite (bottom) and quartz-carbonate vein (top) with large chalcopyrite mineral grain (inside of red circle). C) Hole GDRCD001 from 972m showing carbonate-hematite altered calcarenite cut by a narrow quartz-carbonate-biotite vein containing trace sulphides (<1%). D) Hole GDRCD003 from 744m showing calcarenite breccia flooded by carbonate-chlorite veining. E) Hole GDRCD003 from 922m showing gabbro highly altered by silica and hematite with trace disseminated sulphides less than 1% (top) in contact with a breccia vein flooded by quartz-carbonate-chlorite and trace sulphides (bottom). F) Hole GDRCD003 from 952m showing brecciated dolerite and quartz-carbonate-biotite-pyrite veining.

A total of 3,012m were drilled, of which 1,151m were drilled into Proterozoic bedrock of the Lamil Group, the host rock to the Havieron and Telfer gold deposits, and the remainder was drilled through overlying Permian glacial deposit cover.

Directors' Report

DIRECTORS' REPORT (CONTINUED)

Figure 8 shows simplified lithology initially logged from the core in the field plotted down the drillhole traces. About 70 short intervals of core (10-20cm long) were sampled in the field crossing key rock types, different alteration zones and veins of interest. These grab samples are being analysed for petrology and are being assayed for an extensive geochemical element suite. The remaining core is being fully measured, marked up, logged, cut, sampled and stored at Artemis' Radio Hill Mine site.

Hole ID	Northing (MGA51)	Easting (MGA51)	EOH Depth (m)	Azimuth (degrees true N)	Dip (degrees)
GDRC001	7596691	467485	1061	145	-70
GDRC002	7597300	467855	905	45	-80
GDRC003	7597299	467856	1046	212	-60

Table 1: Paterson Central drill holes completed in Q4 2020.

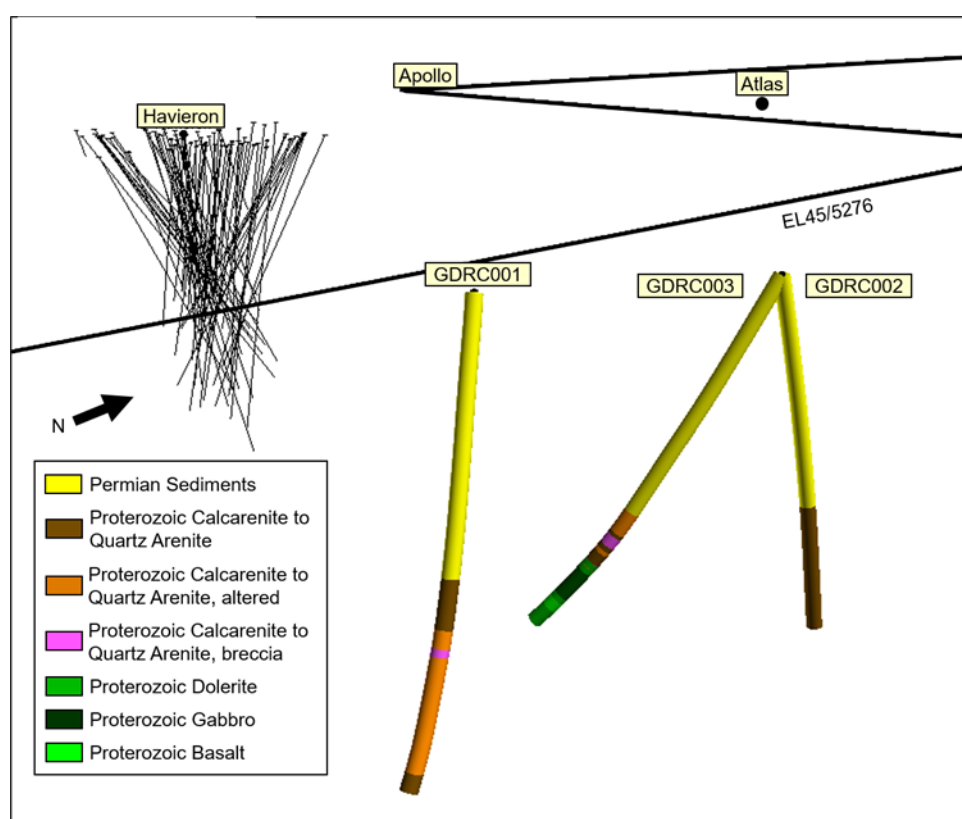


Figure 8: 3D view looking to the NW at Artemis deep drillholes into the Nimitz Prospect in the foreground coloured by simplified lithology down the hole traces. In the background are drillhole traces at Havieron up until end of September 2020 (taken from Newcrest quarterly reports to the ASX prior to the discovery of the Northern Breccia Zone at Havieron), and Artemis targets/prospects Apollo and Atlas.

The Nimitz Prospect is located on the western side of a broad NW-SE trending gravity ridge that runs along the eastern side of the Havieron Thrust Fault, and extends through the Artemis lease and into the adjacent lease containing Havieron (**Figure 9**). This gravity ridge is cut across to the south by an interpreted meandering paleo-valley incised into the top of the Proterozoic bedrock, and it is also cut across to the north by an interpreted granite batholith. This NW-SE gravity high trend can now be

Directors' Report

DIRECTORS' REPORT (CONTINUED)

explained as an anticlinal structural corridor containing mafic sills within the Lamil Group based on the results from Artemis deep drillhole GDRCD003.

The company is now focused on obtaining access to other targets/prospects within the Paterson Central Project area, with the aim to resume deep drilling on targets around Havieron and targets located further to the north in the first quarter of 2021.

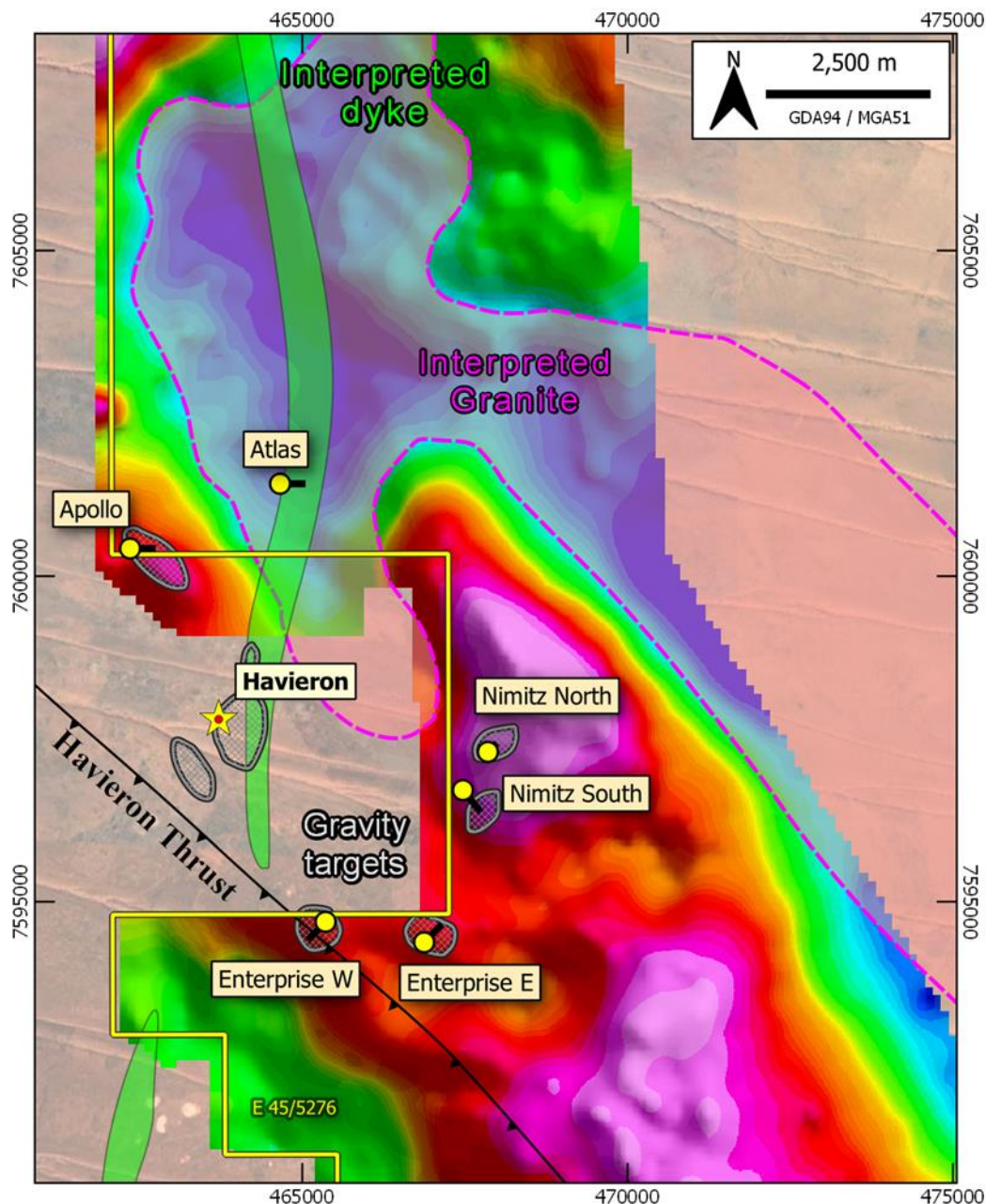


Figure 9: Gravity anomaly image after applying 12km high-pass filter and NE sun shading. Interpreted geological features highlighting a N-S trending post-mineralisation mafic dyke, Havieron Thrust Fault and granitic intrusion. Locations of Artemis targets/prospects and proposed drillholes are shown as yellow dots, and downhole traces of planned drillholes projected to surface are shown as black lines, as well as local gravity high zones outlined in grey.

Directors' Report

DIRECTORS' REPORT (CONTINUED)

MUNNI MUNNI PGE PROJECT

The Munni Munni Reverse Circulation (RC) drilling of 12 drill holes for 1,928metre was completed during the half year, with drill holes spread through the entire upper portion of the mineralisation, to a maximum depth of 200 metres. Samples were processed at ALS Global.

Drilling Results

The RC drilling programme was designed to add further confirmation of the PGE horizon position around the northern nose of the >20km long Munni Munni mafic intrusive Complex.

Historical drilling had shown the zone presence and was utilised to prepare a non-JORC 2012 compliant resource estimate, several RC holes were targeted at replicating the historical diamond drill intersections and provide comparative results with results from the Artemis 2018 diamond drilling. Other zones targeted were to simply improve definition other PGE horizon position. Holes 20MMRC009 & 010 were targeted on shallow VTEM anomalies at the base of the overlying Fortescue Group on the Munni Munni Complex.

As the PGE horizon is essentially a stratigraphic zone historical drilling has been widely spaced and very selectively assayed; Artemis has undertaken a broad multi-element analytical suite to better refine the subtle lithological variations.

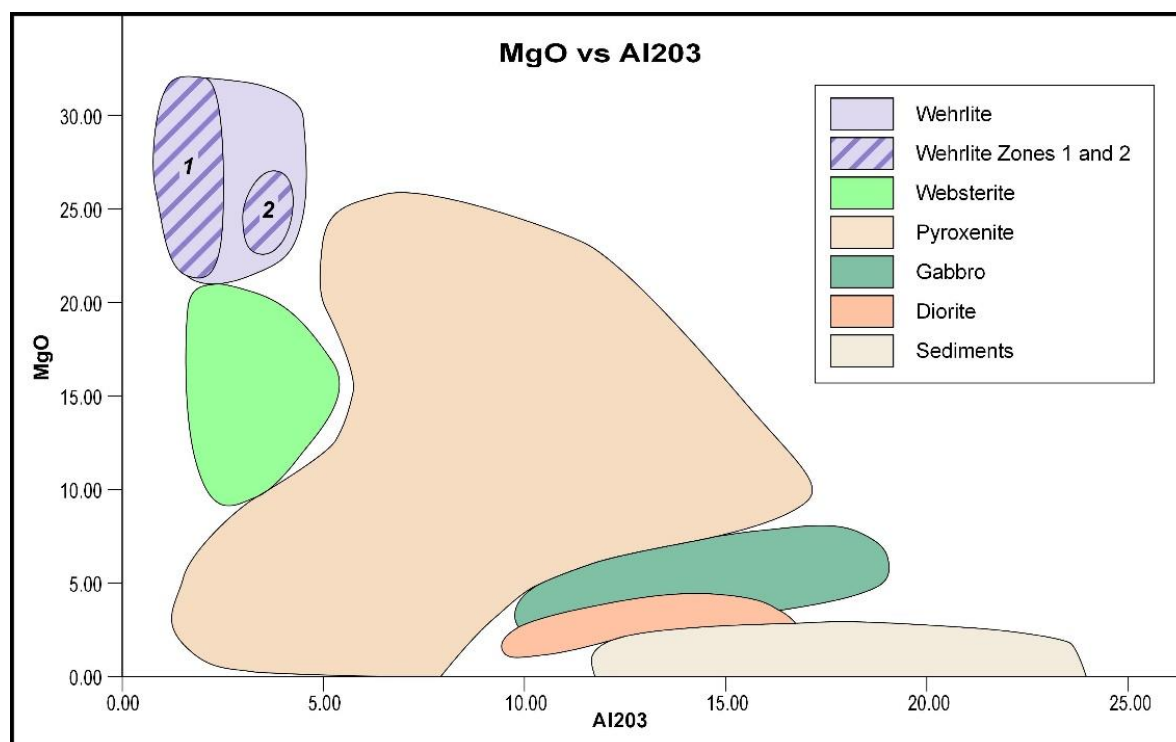


Figure 10: Munni Munni lithological associations

Directors' Report

DIRECTORS' REPORT (CONTINUED)

Figure 10 shows the allotted lithology fields based on the Al_2O_3 vs MgO contents from the 2018 Diamond drilling and 2020 RC drilling. Virtually all PGE occur within the Websterite lithology with a lesser amount in the pyroxenite due the PGE occurring very close to the contact between the 2 units

In the diamond drill core from 2018 essentially only gabbros and pyroxenites were recognised, likewise in the RC chips only gabbros, pyroxenites and sediments with various minor intrusive dykes were noted.

The multi-element data gave the opportunity to refine the mafic lithologies based on Al_2O_3 and MgO contents, given the Complex is essentially unmetamorphosed the lithochemistry has been shown to be consistent across 2 phases of drilling.

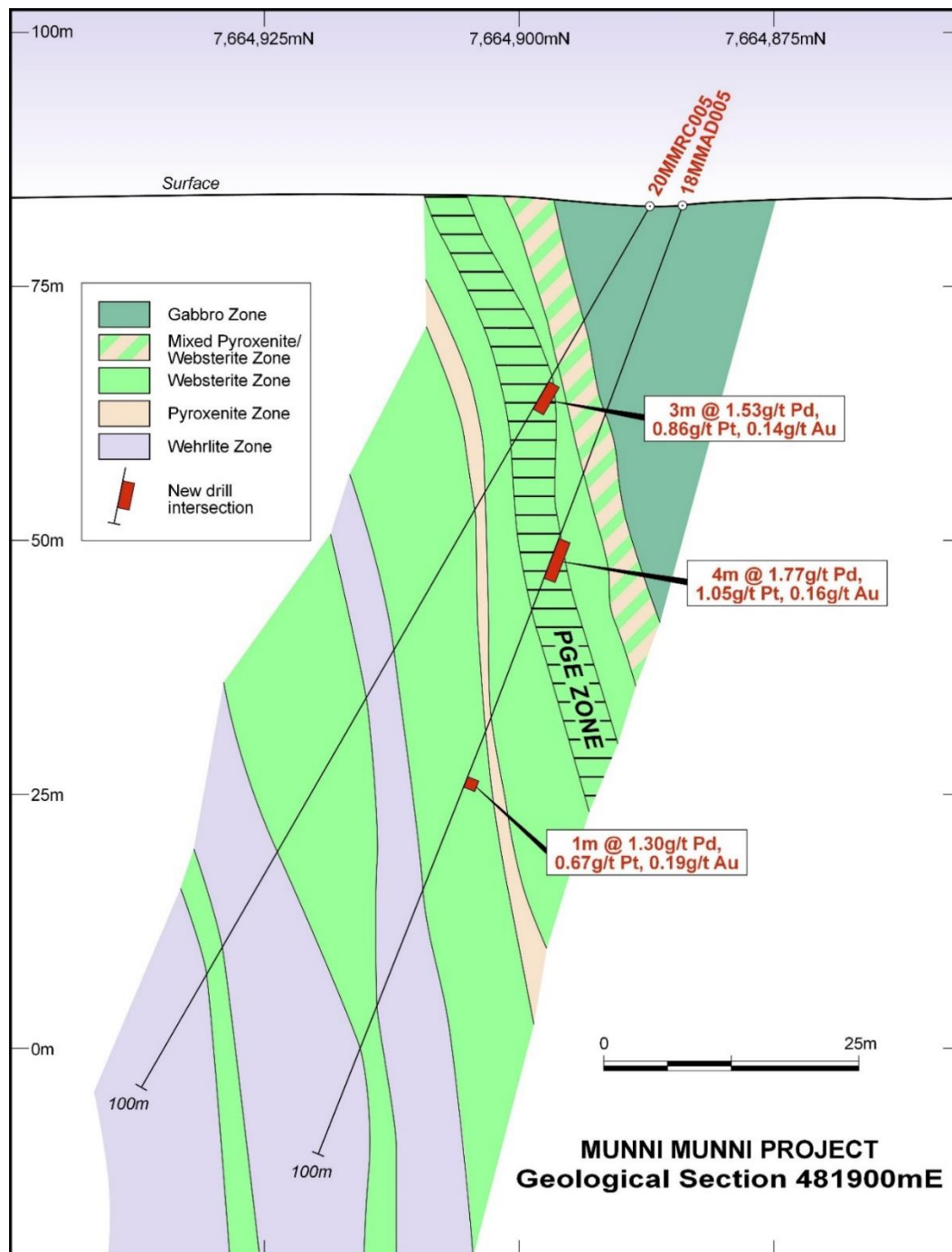


Figure 11: Munni Munni Cross Section of 481900mE

Directors' Report

DIRECTORS' REPORT (CONTINUED)

Section 481900mE (**Figure 11**) shows drill holes 18MMAD005 and 20MMRC005 with a direct comparison of the PGE results and the remarkable continuity and consistency of the lithochemistry. As would be expected the RC data shows slightly lower absolute results for the PGE, but occurs in the same relative 'stratigraphic' position, what is remarkable is the very steep dip of the horizon which clearly indicates there is far more variation than previously interpreted.

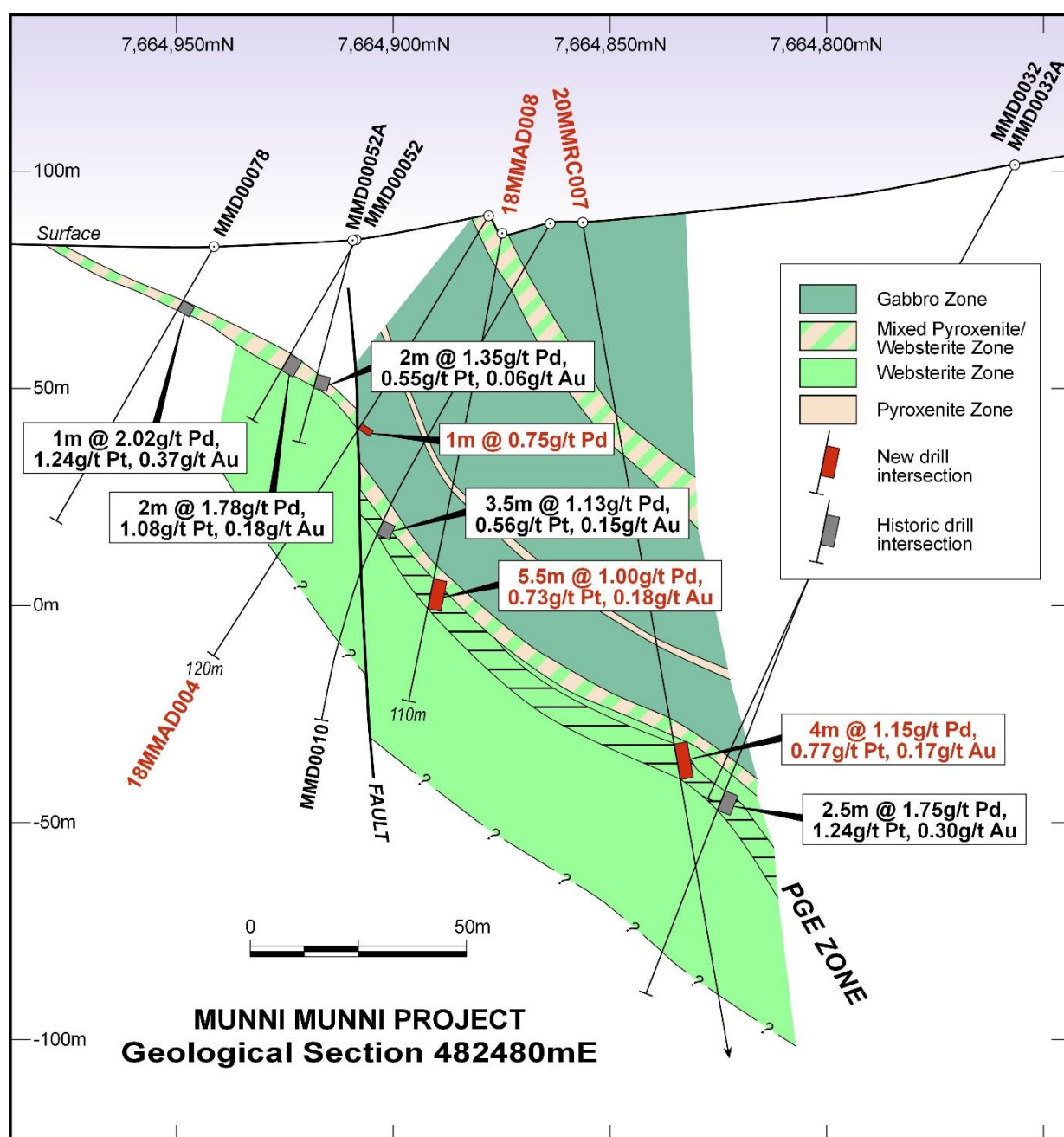


Figure 12: Munni Munni Cross Section of 482480mE

Directors' Report

DIRECTORS' REPORT (CONTINUED)

On section 482480mE (**Figure 12**) Diamond drillhole 18MMAD004 likely clipped the edge of the PGE horizon which was interpreted to be due faulting, which is has also been confirmed by the litho-chemistry. Drill hole MMD0032 intersected the PGE horizon approximately 30m to the east of 20MMRC007; but shows the intersections occurring in comparable positions with comparable grades and intersection widths. It should be noted that the reported assay grades in MMD0032 are derived from ¼ NQ core over 0.25m sample lengths, so the volume and mass of the RC sample (~3kg/m) is perceived to be a more representative sample. Specific assay results of the intersections in MMD0032 and 20MMRC007 are as announced 3 August 2020 to ASX "Munni Munni RC Drill Results".

The litho-chemical data again shows the very consistent nature of the mafic layering within the complex, but has also highlighted faulting and related dip changes of the PGE Reef.

COMPETENT PERSONS STATEMENT:

The information in this document that relates to Exploration Results is based on information compiled or reviewed by Edward Mead, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Mead is a Director of Artemis Resources Limited and is a consultant to the Company, and is employed by Doralda Pty Ltd. Mr Mead has sufficient experience that 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.

CORPORATE

Capital Raise

The Company raised \$5.6m (before costs) with the placement of 79,992,856 shares at 7 cents each with International and Australian institutions and sophisticated investors on 24 July 2020.

The Company received a further \$1.3m on the exercise of options. The treasury was further strengthened with the receipt of \$5.8m on the sale of Novo shares and a further \$1.8m on the sale of other non-core tenements and projects.

Director Appointment

The Company appointed Mr Boyd Timler as a Non-executive director on 1 October 2020. Mr Timler has over 38 years of experience in the resources industry, including at senior executive and operator level in both open pit and underground gold and base metals mines.

Subsequent to period end Mr Timler was appointed Executive Director, with Mr Edward Mead moving to a Non-executive director role.

Events subsequent to reporting date

There are no events subsequent to the end of the period that would have a material effect on the Group's financial statements at 31 December 2020.

Directors' Report

Auditor's independence declaration

The auditor's independence declaration is set out on page 19 of the half-year report.

Signed in accordance with a resolution of the directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Boyd Timler', with a long horizontal stroke extending to the right.

Boyd Timler
Executive Director
Sydney, 12 March 2021

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Artemis Resources Limited for the half-year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
12 March 2021



B G McVeigh
Partner

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

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HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

Consolidated Statement of Profit or Loss And Other Comprehensive Income For the Half Year Ended 31 December 2020

		Consolidated	
		31 December 2020	31 December 2019
	Notes	\$	\$
Other income	3	91,017	9,268
Personnel costs		(20,345)	(119,590)
Occupancy costs		(10,278)	(3,038)
Legal fees		(477,633)	(20,184)
Consultancy costs		(316,658)	(753,276)
Compliance and regulatory expenses		(68,208)	(100,139)
Directors' fees		(391,049)	(214,169)
Travel		(4,147)	(57,013)
Borrowing costs		(27,922)	(697,086)
Project and exploration expenditure written off	5	(2,064,448)	(5,003,471)
Net fair value gain/(loss) on financial instruments designated as fair value through profit or loss		639,498	(155,519)
Share based payments	9	(1,276,012)	(439,062)
Marketing expenses		(147,916)	(201,300)
Depreciation and amortisation		(46,215)	(88,838)
Interest expense		-	(3,828)
Unrealised foreign exchange gain		2,943	1,372
Other expenses		(152,927)	(205,235)
LOSS BEFORE INCOME TAX		(4,270,300)	(8,051,108)
Income tax expense		-	-
LOSS FOR THE PERIOD		(4,270,300)	(8,051,108)
Other comprehensive income, net of tax		-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(4,270,300)	(8,051,108)
Basic loss per share - cents	4	(0.38)	(1.00)
Diluted loss per share - cents	4	(0.38)	(1.00)

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

Consolidated Statement of Financial Position

As at 31 December 2020

		Consolidated	
		31 December 2020	30 June 2020
	Notes	\$	\$
CURRENT ASSETS			
Cash and cash equivalents		7,928,360	412,138
Other receivables		92,083	170,139
Assets held for sale		-	280,212
Other financial assets		325,984	6,586,551
TOTAL CURRENT ASSETS		8,346,427	7,449,040
NON-CURRENT ASSETS			
Plant and equipment		97,087	117,703
Intangible assets		52,512	71,676
Right-of-use assets		-	35,442
Exploration and evaluation expenditure	5	28,141,183	25,773,132
Development expenditure	6	23,462,158	23,414,154
TOTAL NON-CURRENT ASSETS		51,752,940	49,412,107
TOTAL ASSETS		60,099,367	56,861,147
CURRENT LIABILITIES			
Trade and other payables	7	1,584,165	1,834,010
Lease liabilities		-	40,824
Employee benefits obligation		10,133	10,133
Financial liabilities		29,200	116,671
TOTAL CURRENT LIABILITIES		1,623,498	2,001,638
NON-CURRENT LIABILITIES			
Provisions		1,413,123	1,413,123
TOTAL NON-CURRENT LIABILITIES		1,413,123	1,413,123
TOTAL LIABILITIES		3,036,621	3,414,761
NET ASSETS		57,062,746	53,446,386
EQUITY			
Share capital	8	98,905,526	92,294,878
Reserves	9	4,533,330	3,257,318
Accumulated losses		(46,376,110)	(42,105,810)
TOTAL EQUITY		57,062,746	53,446,386

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity For the Half Year Ended 31 December 2020

Consolidated	Issued Capital \$	Accumulated Losses \$	Reserves \$	Total Equity \$
Balance at 1 July 2020	92,294,878	(42,105,810)	3,257,318	53,446,386
Loss for the period	-	(4,270,300)	-	(4,270,300)
Total comprehensive loss for the period	-	(4,270,300)	-	(4,270,300)
Issue of capital	7,265,343	-	-	7,265,343
Cost of capital issue	(654,695)	-	-	(654,695)
Share based payments	-	-	1,276,012	1,276,012
Balance at 31 December 2020	98,905,526	(46,376,110)	4,533,330	57,062,746

Consolidated	Issued Capital \$	Accumulated Losses \$	Reserves \$	Total Equity \$
Balance at 1 July 2019	81,438,337	(30,589,268)	2,571,003	53,420,072
Loss for the period	-	(8,051,108)	-	(8,051,108)
Total comprehensive loss for the period	-	(8,051,108)	-	(8,051,108)
Issue of capital	8,121,810	-	-	8,121,810
Lapse of performance rights	-	1,031,999	(1,031,999)	-
Share based payments	141,750	-	541,061	682,811
Balance at 31 December 2019	89,701,897	(37,881,498)	2,353,186	54,173,585

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the Half Year Ended 31 December 2020

	Consolidated	
	31 December 2020 \$	31 December 2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	-	6,000
Payments to suppliers and employees	(1,745,768)	(971,903)
Interest paid	-	(3,828)
Interest received	863	3,132
Government subsidies – cash flow boost	74,093	-
Financing cost	-	(144,543)
NET CASH USED IN OPERATING ACTIVITIES	(1,670,812)	(1,081,142)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation	(4,857,184)	(1,286,464)
Proceeds from sale of property, plant and equipment	-	20,270
Payments for purchase investments	(244,205)	-
Proceeds on sale of investments	7,328,622	-
Proceeds on sale of project	369,000	-
Payment for development expenditure	(19,847)	(46,178)
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	2,576,386	(1,312,372)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	5,599,475	7,548,630
Cost of share issue	(302,665)	(461,990)
Exercise of options	1,313,838	-
Repayment of convertible note	-	(5,162,725)
Repayment of lease	-	(68,123)
NET CASH PROVIDED BY FINANCING ACTIVITIES	6,610,648	1,855,792
Net increase/(decrease) in cash held	7,516,222	(537,722)
Cash at the beginning of the period	412,138	821,481
CASH AT THE END OF THE PERIOD	7,928,360	283,759

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The half-year financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134: Interim Financial Reporting. The Group is a for profit entity for financial reporting purposes under Australian Accounting Standards.

The half-year financial report does not include notes of the type normally included in an annual financial report. The half year financial report is to be read in conjunction with the most recent annual financial report for the year ended 30 June 2020 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The consolidated financial statements have been prepared on the basis of historical costs, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise stated.

The financial statements are presented in Australian dollars which is Artemis Resources Limited's functional and presentation currency.

These interim financial statements were authorised for issue on 12 March 2021.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are mandatory for the current reporting period that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2020.

Going Concern

For the half-year ended 31 December 2020 the Group recorded a loss of \$4,270,300 (2019: a loss of \$8,051,108) and had net cash outflows from operating activities of \$1,670,812 (2019: \$1,081,142).

These factors indicate a material uncertainty which may cast significant doubt as to whether the Company and Group 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 Group 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 Group has cash at bank of \$7,928,360 and net assets of \$57,062,746 as at 31 December 2020;

Notes to the Financial Statements

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- The Company raised \$5,297,810, after costs, during the period and the Company has the ability to raise further capital to enable the Group to meet scheduled exploration expenditure requirements; and
- The ability of the Group to scale back certain parts of their activities that are non-essential so as to conserve cash.

Accordingly, the Directors believe that the Company and Group 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.

Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Key judgment

The Group capitalises expenditure relating to exploration and evaluation, and development, 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.

1. SEGMENT INFORMATION

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segment and to assess its performance.

The Group's operating segments have been determined with reference to the monthly management accounts used by the Chief Operating Decision Maker to make decisions regarding the Group's operations and allocation of working capital. Due to the size and nature of the Group, the Board as a whole has been determined as the Chief Operating Decision Maker.

a. Description of segments

The Board has determined that the Group has two reportable segments, being mineral exploration activities and development expenditure. The Board monitors the Group based on actual versus budgeted expenditure incurred by area of interest. The internal reporting framework is the most relevant to assist the Board with making decisions regard the Group and its ongoing exploration activities.

Notes to the Financial Statements

2. SEGMENT INFORMATION (CONTINUED)

b. Segment information provided to the Board:

31 December 2020

	Exploration Activities West Pilbara	Other	Development Activities Radio Hill	Unallocated Corporate	Total
	\$	\$	\$	\$	\$
Segment revenue	-	-	-	91,017	91,017
Segment expenses	(2,064,448)	-	-	(2,296,869)	(4,361,317)
Reportable segment loss	(2,064,448)	-	-	(2,205,852)	(4,270,300)
Reportable segment assets	28,141,183	-	23,462,158	8,496,026	60,099,367
Reportable segment liabilities	-	-	1,413,123	1,623,498	3,036,621

31 December 2019

	Exploration Activities West Pilbara	Other	Development Activities Radio Hill	Unallocated Corporate	Total
	\$	\$	\$	\$	\$
Segment revenue	-	-	-	9,268	9,268
Segment expenses	(4,900,000)	-	-	(3,160,376)	(8,060,376)
Reportable segment loss	(4,900,000)	-	-	(3,151,108)	(8,051,108)
Reportable segment assets	32,910,032	290,515	23,381,981	1,497,626	58,080,154
Reportable segment liabilities	-	-	1,413,123	2,493,447	3,906,570

Notes to the Financial Statements

3. REVENUE

	Consolidated	
	31 December 2020	31 December 2019
	\$	\$
Other income		
Government subsidy - cash boost	74,093	-
Other income	6,116	6,136
Profit on sale of project ¹	9,945	-
Interest received	863	3,132
	<u>91,017</u>	<u>9,268</u>

¹During the period the Group sold tenements with a carrying value of \$498,044 for proceeds of \$369,000 in cash and 37,357,190 shares in Alien Metals Plc.

4. EARNINGS PER SHARE

The calculation of basic earnings and diluted earnings per share at 31 December 2020 was based on the loss attributable to shareholders of the parent company of \$4,270,300 (2019: \$8,324,229):

	Consolidated	
	31 December 2020	31 December 2019
	\$	\$
Basic loss per share	(0.38)	(1.00)
Diluted loss per share	(0.38)	(1.00)
	No of Shares	No of Shares
Weighted average number of ordinary shares:		
Ordinary shares	1,114,213,871	804,286,287
Ordinary shares fully diluted	1,114,213,871	804,286,287

5. EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	31 December 2020	30 June 2020
	\$	\$
Exploration and evaluation expenditure	<u>28,141,183</u>	<u>25,773,132</u>

Notes to the Financial Statements

5. EXPLORATION AND EVALUATION EXPENDITURE (CONTINUED)

Exploration and Evaluation Phase Costs

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

Reconciliation of movement during the period:

	Consolidated	
	31 December 2020 \$	30 June 2020 \$
Opening balance	25,773,132	37,027,656
Expenditure capitalised in current period	4,930,543	2,853,616
Exploration expenditure written off	(2,064,448)	(9,291,149)
Carrying value of exploration sold	(498,044)	(4,536,779)
Transfer to assets held for sale	-	(280,212)
Closing balance	28,141,183	25,773,132

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.

6. DEVELOPMENT EXPENDITURE

	Consolidated	
	31 December 2020 \$	30 June 2020 \$
Development expenditure	23,462,158	23,414,154

Reconciliation of movement during the period:

	Consolidated	
	31 December 2020 \$	30 June 2020 \$
Opening balance	23,414,154	23,353,620
Additions	48,004	60,534
Closing balance	23,462,158	23,414,154

Notes to the Financial Statements

7. TRADE AND OTHER PAYABLES

	Consolidated	
	31 December	30 June
	2020	2020
	\$	\$
Trade and other payables	1,584,165	1,834,010

8. SHARE CAPITAL

	Consolidated		Consolidated	
	31 December	30 June	31 December	30 June
	2020	2020	2020	2020
	No. of Shares	No. of Shares	\$	\$
Issued and Paid-up Capital				
Ordinary shares, fully paid	1,136,764,317	1,033,819,481	98,905,526	92,294,878

Reconciliation of movement during the period:

	Shares	\$
Opening balance	1,033,819,481	92,294,878
Shares issued on exercise of options	17,922,980	1,313,838
Shares issued to investors for Placement	79,992,856	5,599,475
Shares issued in settlement of fees	5,029,000	352,030
Cost of raising capital	-	(654,695)
Closing balance	1,136,764,317	98,905,526

Term of Issue:

Ordinary Shares

Ordinary shares participate in dividends and are entitled to one vote per share at shareholders meetings. In the event of winding up the Company, ordinary shareholders rank after creditors and are entitled to any proceeds of liquidation in proportion to the number of shares held.

Notes to the Financial Statements

9. RESERVES

	Consolidated		Consolidated	
	31 December 2020	30 June 2020	31 December 2020	30 June 2020
	No. of options/rights	No. of options/rights	\$	\$
Share based payments				
Options	155,740,482	158,663,462	4,533,330	3,257,318

The unlisted options issued during the half year were valued using the Black-Scholes model. The options outstanding as at 31 December 2020 were determined on the date of grant using the following assumptions:

	Series 2	Series 3	Series 5	Series 6
Grant date	31/01/2018	30/11/2018	31/7/2019	22/07/2019
Exercise price (\$)	0.4538	0.21	0.08	0.08
Expected volatility (%)	100	95	100	100
Risk-free interest rate (%)	2	2	1.13	0.935
Expected life (years)	3	3	3	3
Share price at this date (\$)	0.215	0.145	0.036	0.029
Fair value per option (\$)	0.01	0.080	0.0165	0.0121
Number of options	5,439,858	8,571,429	13,729,195	10,000,000

	Series 7	Class A Director	Class B Director	Class A Broker	Class B Broker
Grant date	01/05/2020	30/04/2020	30/04/2020	01/05/2020	01/05/2020
Exercise price (\$)	0.04	0.05	0.07	0.05	0.07
Expected volatility (%)	100	89	103	89	103
Risk-free interest rate (%)	0.63	0.64	0.63	0.64	0.63
Expected life (years)	3	2.4	2.9	2.2	3.2
Share price at this date (\$)	0.031	0.032	0.032	0.031	0.031
Fair value per option (\$)	0.0181	0.01301	0.01507	0.0117	0.0154
Number of options	1,000,000	43,500,000	43,500,000	7,500,000	7,500,000

	Class C Director	Class D Director	Class E Director	Class F Director
Grant date	30/9/2020	30/9/2020	2/12/2020	2/12/2020
Exercise price (\$)	0.10	0.125	0.18	0.25
Expected volatility (%)	95	93	93	93
Risk-free interest rate (%)	.161	.171	.142	.142
Expected life (years)	2	3	3	5
Share price at this date (\$)	0.105	0.105	.15	.15
Fair value per option (\$)	0.05368	0.05706	0.08123	0.07053
Number of options	2,500,000	2,500,000	5,000,000	5,000,000

Notes to the Financial Statements

9. RESERVES (CONTINUED)

Director options, series 2 was cancelled subsequent to year end.

For the half-year ended 31 December 2020, the Group has recognised \$1,276,012 of share-based payment expense (2019: \$439,062).

10. FINANCIAL INSTRUMENTS

The Directors consider that the carrying amounts of financial instruments are a reasonable approximation of their fair values.

11. COMMITMENTS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or contingent assets since the last annual reporting period.

12. EVENTS SUBSEQUENT TO 31 DECEMBER 2020

There are no events subsequent to the end of the period that would have a material effect on the Group's financial statements at 31 December 2020.

13. RELATED PARTY TRANSACTIONS

During the period, the Group issued Mark Potter (Chairman) with 5,000,000 Class E Director options and 5,000,000 Class F Director options.

During the period, the Group issued Boyd Timler (Executive Director) with 2,500,000 Class C Director options and 2,500,000 Class D Director options.

Refer to Note 9 for further details on these share based payment arrangements.

Directors Declaration

The directors declare that:

- (a) the financial statements and notes, set out on pages 20 to 31, are in accordance with the *Corporations Act 2001*, and:
 - (i) comply with Accounting Standard AASB 134 *Interim Financial Reporting*; and
 - (ii) give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and its performance, for the half-year ended on that date.
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors



Boyd Timler
Executive Director
12 March 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Artemis Resources Limited

Report on the Condensed Half-Year Financial Report*Conclusion*

We have reviewed the accompanying half-year financial report of Artemis Resources Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2020, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Artemis Resources Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

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Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
12 March 2021



B G McVeigh
Partner