



Artemis Resources Limited (ARV)

30 November 2020

On the Hunt

Our View

Artemis Resources Limited (ASX: ARV, ATY: FRA, ARTTF: US, “Artemis” or “the Company”) is a Pilbara region, Western Australian focussed gold-copper-cobalt developer and explorer.

The most advanced project is the Greater Carlow Castle Gold Project, which includes the 418 koz Au Carlow Castle Au-Cu-Co deposit, located just 35 km from Karratha in the West Pilbara. The Company is actively exploring and evaluating Carlow Castle and several other targets over the extensive prospective tenement holdings, with the goal to build up a Resource base of at least one million ounces of gold, and then look at development scenarios.

Results from the first hole assayed from recent drilling has returned up to 4 m @ 11.1 g/t Au, 2.0% Cu and 0.18% Co 250 m below the previous deepest intercept, thus highlighting the potential to expand the Resource base.

Depending upon the magnitude of any further discoveries and expansions of the current Resource, the Company may look at using the 100% owned 500 ktpa Radio Hill processing plant in any future operation. The plant, located 35 km from Carlow Castle is permitted and should require only relatively modest capital to complete a refurbishment.

The Company is undertaking the divestment of non-core assets in the West Pilbara – to date this has added over \$8 million to the treasury, with more to come.

The Company’s second property is Paterson Central, adjacent to the Havieron discovery in the Paterson Orogeny of the East Pilbara. Havieron is shaping up to be a Tier 1 gold-copper discovery, and activities by Artemis have worked up seven priority geophysical and geochemical targets over the same geology as Havieron that are now being drilled. Although this is considered high risk exploration given the cover, there is the potential for substantial rewards as evidenced by Havieron.

With active multi-faceted work programmes under way, we expect steady newsflow over coming months. This includes results from current drilling at Carlow Castle, to be immediately followed by a further 10,000 m RC programme, as well as drilling at Paterson Central.

Key Points

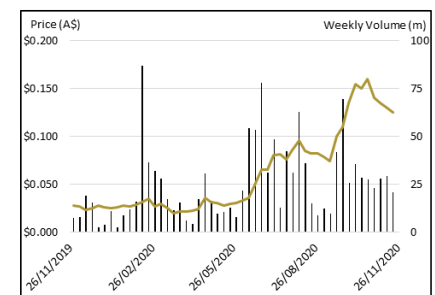
- **Highly prospective holdings in a world-class terrane** – The Pilbara and Paterson regions of Western Australia are highly prospective for several styles of mineralisation, with recent discoveries highlighting this.
- **“Hot” areas** – Recent discoveries, including Hemi and Havieron amongst others have made the Pilbara region a “go to” region for explorers, with ground now at a premium.
- **Positive results to date** – The prospectivity of the properties has been confirmed by the results of work by Artemis to date.
- **Plant, infrastructure, and services** – With the East Pilbara tenements, including the Radio Hill plant, being located largely within 50 km of Karratha in a world class mining region, there is ready access to infrastructure and skilled personnel and services.
- **Cashed up** – Artemis, with A\$9.2 million in the bank as of September 30, and subsequent receipts of A\$2.3 million, is well cashed up to support the active work programmes.
- **Strong outlook for gold** – Global factors, including COVID-19, strategic uncertainty in the Asia-Pacific region, low interest rates and wholesale printing of money amongst other factors have resulting in a significant appreciation in the gold price. Although there has been a pull back over recent months, we cannot see any significant change in the medium term.
- **Experienced board and management** – Company personnel have extensive technical and corporate experience in the junior resources sector.

Recommendation: Spec Buy

Summary (AUD)

Market capitalisation (undiluted)	\$136.4m
Share price (November 27, 2020)	\$0.12
52 week low	\$0.015
52 week high	\$0.175
Cash (30/9/20)	\$9.17m
Subsequent receipts	\$2.30m
Cash on in-money option conversion	\$8.62m
Ordinary shares (undiluted)	1,137m
Unlisted options	145.7m
In-money options	131.7m
Diluted for in-money options	1,268m
Fully diluted	1,282m

Share price graph (AUD)



Directors & Management

Mr Mark Potter	Non-Executive Chairman
Mr Alastair Clayton	Executive Director
Mr Edward Mead	Executive Director
Mr Dan Smith	Non-Executive Director
Mr Boyd Timler	Non-Executive Director

Top Shareholders

Merian Global Investors	4.99%
Battle Mountain Pty Ltd	4.58%
Bennelong Resource Capital	4.44%
Exchange Minerals FZE	4.44%
Top 20	25.7%
Directors and Management	0.93%

Background & History

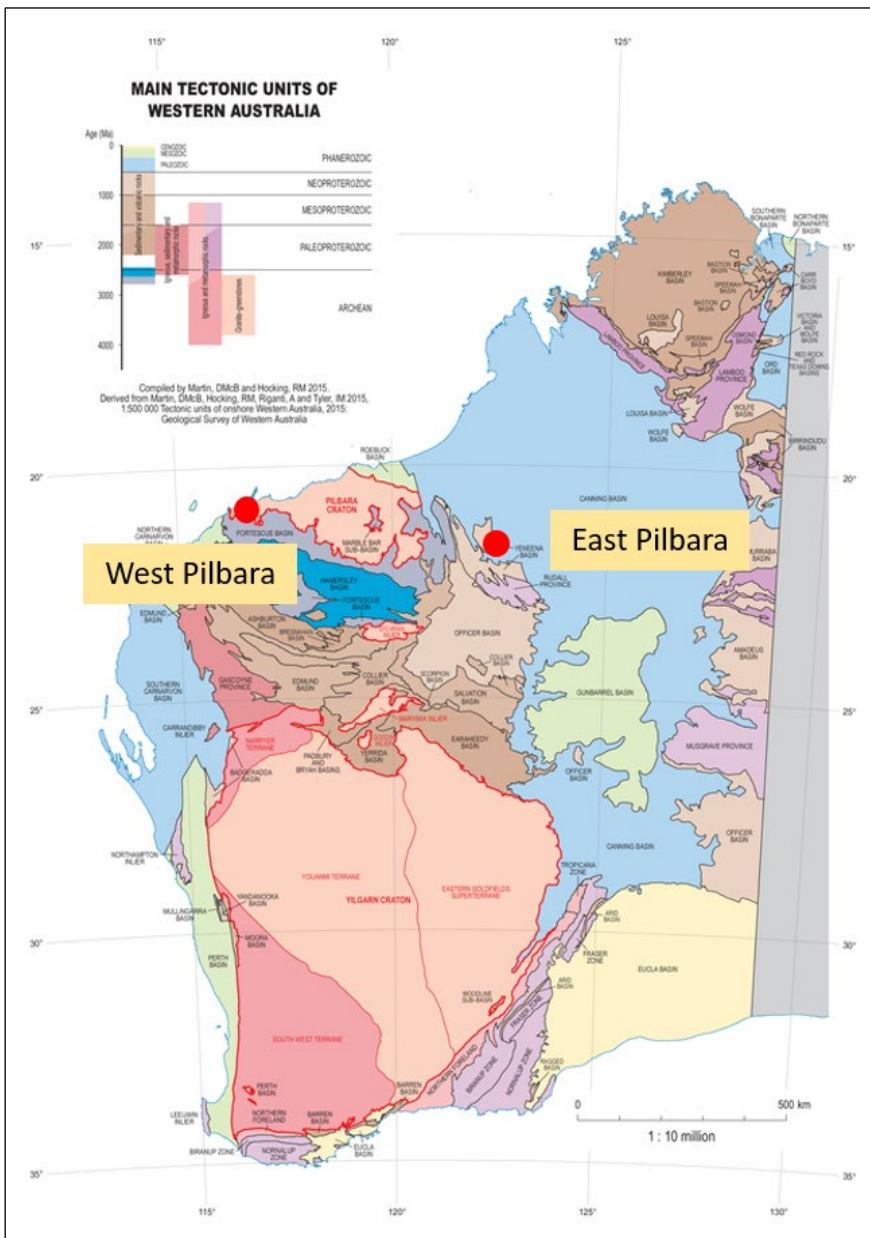
Background and Strategy

Artemis is a gold-copper-cobalt developer and explorer, with properties located in highly prospective areas of the East and West Pilbara of Western Australia (Figure 1).

The Company's key properties, and those on which activities are concentrated, include:

- The **Greater Carlow Castle Gold Project** located in the **West Pilbara**, which includes the Carlow Castle gold-copper-cobalt deposit with an Inferred Mineral Resource Estimate containing 418 koz Au, 48 kt Cu and 7 kt Co, the permitted Radio Hill processing plant, and ~700 km² of exploration ground (Figure 2); and,
- The **Paterson Central Project** located in the **East Pilbara** – Paterson Central is an early stage exploration project with the target being “Havieron” style mineralisation – the 100% owned 607 km² exploration licence (“EL”) abuts Greatland Gold’s (LON: GGP, “Greatland”) Havieron discovery, into which Newcrest Mining Limited (ASX: NCM, “Newcrest”) is earning 70% (Figure 9).

Figure 1: Project locations (Source Adapted from GSWA)



The Company also has full or part ownership of several other properties in the West Pilbara (currently with a total tenement area of 1,400 km²), however in early 2019 following a board restructure commenced a strategic review to rationalise holdings and is currently divesting non-core assets.

Ownership of the Radio Hill processing plant, a ~500 ktpa beneficiation and concentration plant located 35 km from Karratha, and the only plant of its type in the region (Figure 2), provides the opportunity for a relatively quick and low cost start up should an economically and technically project that suits the plant size be defined. The company's plan is to build a Resource base to justify looking towards development, and dependent upon the size of any future Resource, the Company may look at using Radio Hill, for which refurbishment was ~80% complete when stopped in mid-2019. Artemis is currently undertaking the "Project One Million" drilling campaign targeting Resource expansions and new discoveries. The Carlow Castle deposit is the main target; other prospects identified to date include Carlow West and several targets along a structural corridor between Carlow Castle and Carlow West (Figure 2).

Artemis has built up their tenement portfolio over several years, with, prior to the current strategy of divestment of non-core assets, the Company consolidating a large ground position in the West Pilbara. Artemis has operated in the region since May 2012 when it acquired ~700 km² of tenements from Legend Mining Limited (ASX: LEG, "Legend")

The "Elysium" reporting group properties (the Karratha Gold JV) as shown in Figure 2 were originally acquired in November 2017, as part of a strategy to explore for conglomerate style gold mineralisation, which, at the time had gained significant market interest, driven particularly by the activities of Vancouver listed Novo Resources Corp (CVE: NVO, "Novo"). The JV is with two private groups, who retain a 30% free carried interest until such a time as Artemis completes a Feasibility Study on a Reserve base of at least 100,000 oz of gold. After such a time the minority parties will be subject to a standard "contribute or dilute" arrangement.

Other acquisitions and farm-ins, relating to the project areas presented in Figure 2, include:

- May 2012 – Initial acquisition from Legend of ~700 km² of tenements – the deal involved the purchase of Legend's subsidiary Karratha Mining Limited ("KML") for 156 million ARV shares and A\$250,000 cash payable upon completion,
- June 2014 – Entered into the Weerianna Gold Project, located 7 km to the west of Carlow Castle, through the initial acquisition of 51% of a private company Western Metals Pty Ltd – Artemis has subsequently increased the holdings to 70%/80% under the terms of the earn-in,
- August 2015 – Entered into the Munni Munni JV to earn 70% of the project from Platina, with the requirement to spend A\$750,000 over three years; Artemis also issued Platina 100 million shares on completion, and a royalty of A\$400,000 will be payable to Franco-Nevada Corporation on achievement of commercial mining production,
- November 2016 – Acquisition of 34% of two mining leases ("ML") at Mount Sholl – these are adjacent to Artemis' Queen's Reef licenses M47/288 and M47/177, with the acquisition involving the purchase of 100% of Shear Zone Mining Pty Ltd for 20 million shares at a deemed value of A\$0.002/share,
- May 2017 – Agreement with Novo, whereby Novo could earn up to 50% of a proportion of Artemis's tenements that are considered prospective for conglomerate and paleoplacer gold mineralisation – consideration was 4 million Novo shares (worth A\$21.8 million at the time of settlement, and subject to a 16 month escrow period, and subsequently sold for A\$20.7 million to Kirkland Lake Gold), with Novo required to spend A\$2 million over two years,
- 2016 – Agreement with D & K Corps Investments granting Artemis the exclusive rights to explore, mine and sell gold and precious metals from up to a depth of five metres from five tenements covering 127 ha at Nickol River – the initial agreement was for two years, with annual options following, with the consideration being 100 million Artemis shares; and,
- December 2016 – Agreement to purchase Fox Resources' (then ASX: FXR, now an unlisted public company) Radio Hill operations for a total consideration of A\$3.5 million – the acquisition included the tenements and processing plant.

Project Divestments

As mentioned above the Company is in the process of rationalising holdings, with this including the unwinding/sale of interests in some projects and JVs - divestments completed or underway to date include:

- The sale of the Purdy's Reward and 47K Patch gold projects to Novo (announced March 13, 2020),
- The sale of 51% of Munni Munni (announced April 28, 2020); and,
- The sale of the Mt Clement Gold Project in the Ashburton to Northern Star (ASX: NST, announced on July 21, 2020).

As mentioned above Artemis had been involved in a JV with Novo since May 2017 with the asset sale also winding up the JV. The consideration for the sale was A\$0.82 million in cash and 1.64 million Novo shares. The Company subsequently sold the shares for A\$5.78 million.

The planned Munni Munni divestment however is the subject of legal action, with Platina Resources Limited (ASX: PGM, "Platina"), a 30% partner in the JV, claiming that the sale by Artemis of 51% to AIM-listed Empire Metals Ltd (LON: EEE, "Empire") and Empire's partner Almeera Ventures Ltd ("Almeera") breached the Heads of Agreement between Platina and Artemis on the original formation of the JV.

The consideration for the sale is a GBP50,000 option fee and 60 million new shares in Empire at 1p per share. Empire's shares are currently trading at 4.2p per share. Until the current litigation is resolved Artemis retains 70% and remains as operator at Munni Munni.

The consideration for the Mt Clement gold sale was A\$344,000 in cash and a 1% NSR on any future production from the three MLs that were the subject of the transaction.

Structure and Funding

Artemis currently has 1.132 billion fully paid ordinary shares and 145.7 million unlisted options on issue. The options have exercise prices ranging between A\$0.04 and A\$0.454, with 131.7 million being in the money. Expiry dates range from 31/1/2021 to 31/9/2023.

The largest shareholder is Merian Global Investors with 4.99% of the stock – directors currently hold 0.93%, with, as of June 30, 2020 there being 4,447 shareholders. Being listed in Frankfurt and the US gives the Company ready access to foreign capital.

Over the last two years the Company has raised A\$15.432 million in four raisings – these include:

- September quarter 2019 – A\$2.708 million through an SPP, issuing 87.3 million shares at A\$0.031/share,
- December quarter 2019 – A\$5.9 million through the placement of 184.4 million shares at A\$0.032/share – funds were used to fully retire a convertible note,
- March quarter 2020 – A\$2.1 million through the placement of 85.1 million shares at A\$0.025/share; and,
- September quarter 2020 – A\$5.6 million through the placement of 80 million shares at A\$0.07/share.

Also, Artemis has received considerable funds through the sale or joint venturing of assets. The most significant of these included two receipts of Novo shares which were subsequently sold as detailed above – total funds received were in the order of A\$26.5 million. Funds from the first sale (A\$20.7 million) were received in the June quarter 2018, with a significant proportion of this being used in the mill refurbishment.

As of September 31, 2020 the Company had A\$9.2 million in cash and no debt, with a further A\$2.3 million received after the end of the quarter. Conversion of all in the money options would yield a further A\$8.62 million, although these are relatively long dated, with the exercise dates of all of these options being after July 31, 2022.

West Pilbara – Greater Carlow Castle Gold Project

Location and Tenure

The West Pilbara projects include ELs, prospecting licenses ("PL") and MLs covering an area of some 793 km² to the south of Karratha (Figure 2). This area includes the Munni Munni tenements currently subject to court action, however, does not include three tenements to the south totalling 603 km² that comprise the Balmoral Project. Overall, the tenements that fall under the Greater Carlow Castle Gold Project ("GCC") cover ~700 km², and are held either 100% by Artemis, or 70% under the Karratha Gold JV. All tenements are in good standing.

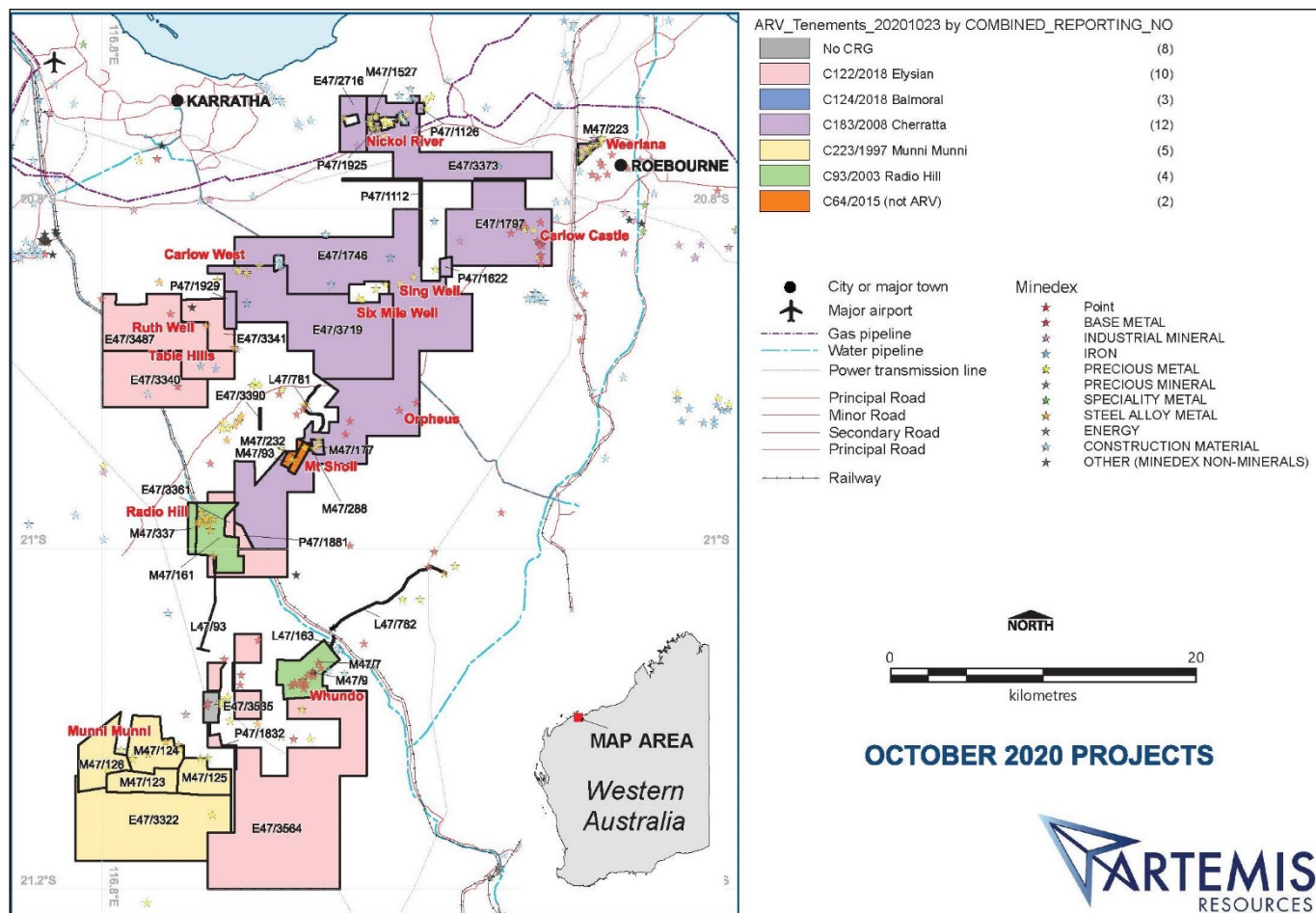
The Project is well served by infrastructure, being located generally within 50 km of the towns of Karratha and Dampier, with infrastructure including transport and power. Also, being in a major mining region, there is ready access to services and skilled personnel.

Regional Geology and Mineralisation

Tenements cover units of the accreted Regal, Karratha and Sholl Terranes of the Meso-Archaeon (~3.3 Ga to 2.8 Ga) West Pilbara Superterrane of the Pilbara Craton. These comprise granite greenstone belts, with the terranes being separated by the E-W-trending Sholl Shear Zone and arcuate segments of the Regal Shear – these are crustal scale structures and a conduit for mineralising fluids.

The greenstones are largely composed of metamorphosed ultramafic to mafic volcanics (with some coeval intrusives) and sediments.

Figure 2: West Pilbara project locations (Source Artemis)



The region, in addition to the iron ore deposits of the Hamersley and Fortescue Basins, is host to several styles of base and precious metals mineralisation typically associated with the Archaean terranes of Western Australia. Of key interest to Artemis is Carlow Castle and other gold mineralisation in the region..

The region is also host to extrusive and intrusive related Ni-Cu-PGE mineralisation, with examples including Munni Munni, Radio Hill and Ruth Well. The latter is interpreted as being associated with serpentinised extrusive peridotite, like the extrusive nickel deposits at Kambalda in the eastern Yilgarn Craton.

Munni Munni hosts PGE mineralisation within a layered ultramafic/mafic intrusive complex, and Radio Hill, again has massive sulphide mineralisation hosted within a layered ultramafic-mafic intrusion, with the mineralisation being Ni-Cu.

Whundo is a VMS copper-zinc deposit, that has been attenuated and partly dismembered through deformation – this is similar in style to other such deposits in the region including the nearby Whim Creek and Mons Cupri properties of Venturex Resources (ASX: VRX, “Venturex”), which are being acquired by Anax Resources (ASX: ANX, “Anax”).

Of interest over the last few years has been the conglomerate and paleoplacer gold prospectivity, with this originally driven by the activities of Novo. These deposits are younger than the Archaean-hosted deposits that are Artemis’s focus, and are hosted in two stratigraphic positions – conglomerates at the base of the Mount Roe Basalt (the basal unit in the Neoproterozoic Hamersley and Fortescue Basins), and within the overlying Hardey Formation. The source of the gold is interpreted as being the underlying granite/greenstones of the Pilbara Craton.

Historic Mining and Exploration Activities

The region has seen prospecting and mining activities going back to the mid-1800s, with this including for precious and base metals. Significant modern exploration has been undertaken throughout the Pilbara since the 1960’s – this includes the granite/greenstone terranes, as well as the Fortescue and Hamersley Basins, which have been largely explored for iron ore, and more recently, conglomerate/paleoplacer gold.

Areas within Artemis' tenement package have been the subject of appreciable modern exploration, with these areas including that around Carlow Castle, which has historic copper mining going back to the 1870s. Original limited drilling in the vicinity of Carlow Castle targeted chalcopyrite veins, however there was more focus on gold following the resurgence of interest in the metal in the 1980's. At the time of acquisition Carlow Castle had a Resource of 91,000 t @ 10 g/t Au.

Activities from the 1960s until 2008 around Carlow Castle included significant drilling, geochemical surveys, geophysical surveys and geological mapping, with the latest operator before Artemis being Legend from whom Artemis acquired the tenements in 2012. Some areas were however subject to a hiatus in ground activities from 2008 until 2015 due to Native Title negotiations.

The Radio Hill nickel-copper sulphide deposit was discovered in 1984 by Agip Australia ("Agip"), with this resulting in the 1986 construction of the processing plant, and subsequent mining until 1992. Titan Resources (ASX: TIR, no longer listed) reopened the mine in 1998, with activities ceasing again a few years later.

The operation was acquired by Fox in late 2002, with Fox treating ore through the Radio Hill plant from both Whundo and Radio Hill until 2008, when again operations ceased due to low metals prices, and the plant was placed under care and maintenance

Whundo itself was discovered in 1960s, with some limited oxide mining by Westfield/Whim Creek in 1976, which reportedly produced 6,746 t of ore grading at 27.4% copper. The project then passed through several hands until the acquisition by Fox, who undertook some mining activities in 2006-7, treating mineralisation through the Radio Hill plant.

Overall, the tenement package has seen appreciable work, including geological, geochemical and geophysical surveys, with several prospects being followed up by drilling.

Activities by Artemis – Key Assets

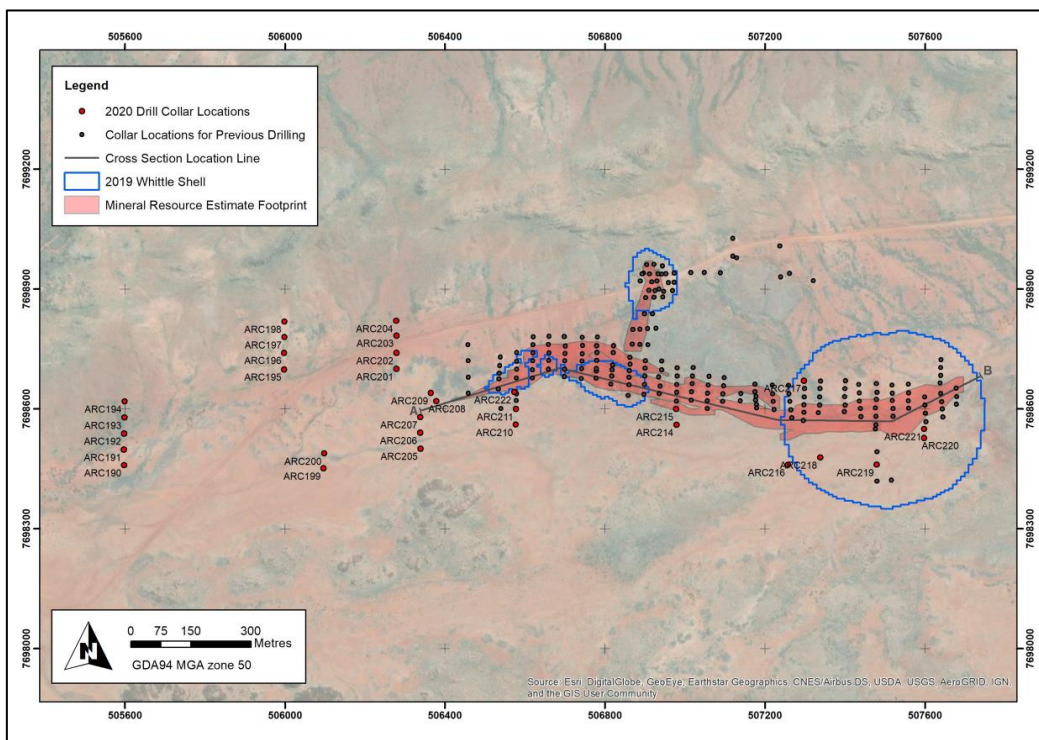
This section will present an overview of the properties, the work completed, and results of that work over the key assets that the Company is concentrating on. As such, those assets that are considered non-key, in the process of being disposed of, or are being considered for divestment will not be discussed further.

Carlow Castle Deposit and Exploration Areas

Carlow Castle provides the linchpin for the current "Project One Million" and plans to recommence operations at the Radio Hill processing plant and is located 30 km by road from the plant. A distinctive feature of Carlow Castle when compared with other Archaean deposits is the high cobalt content, which has the potential to be a high value by-product.

Mineralisation is structurally hosted and takes the form of a ~1.2 km long flattened sinusoidal zone within altered and sheared basalts adjacent to the NE trending Regal Thrust (Figures 3 to 6).

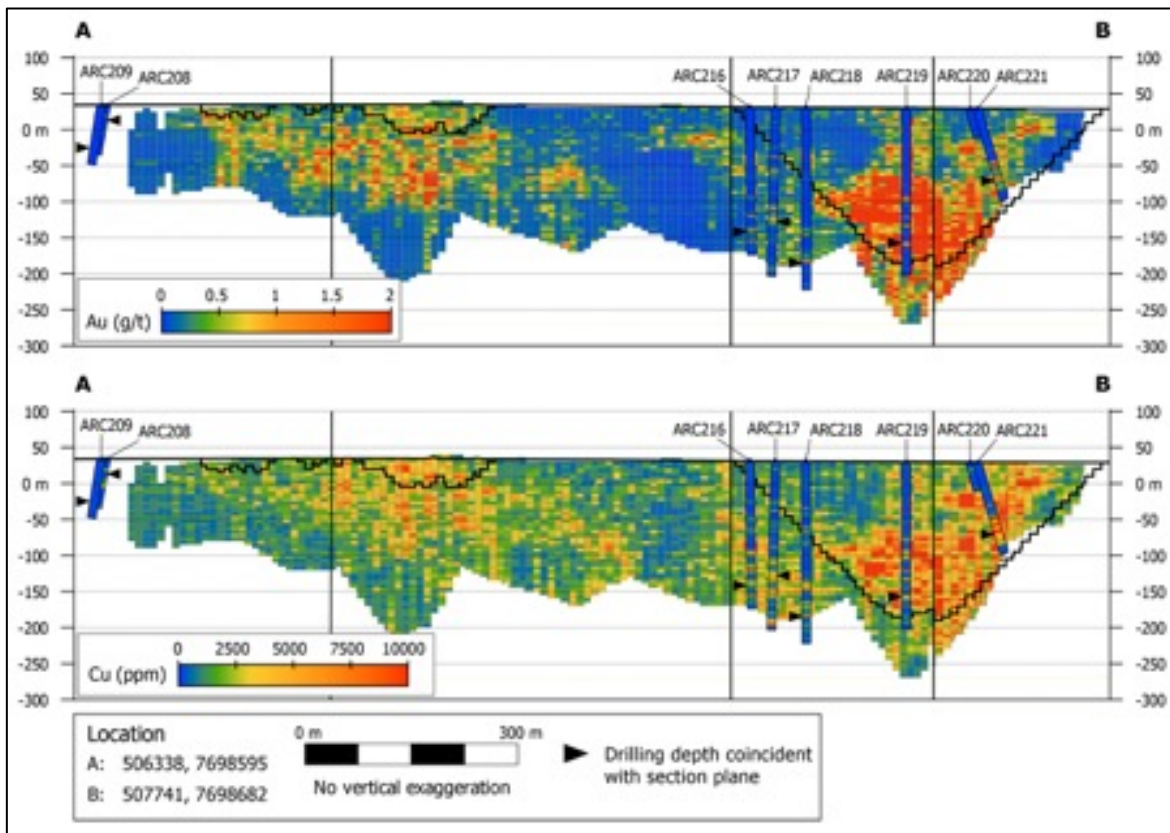
Figure 3: Carlow Castle footprint and previous drilling – for most recent drilling see Figure 5 (Source: Artemis)



Overall mineralisation is steeply dipping, with the western end dipping steeply to the south and the eastern end steeply to the north – both ends are fault terminated. A second zone, Quod Est, strikes north south, dips steeply east and has a strike length of 200 m, with the northern end, and possibly the base of mineralisation, being fault terminated. Oxidation generally occurs to a depth of 40 m (with little transitional material), with mineralisation being intersected down to 600 m, and is still open at depth and down plunge to the east.

The main lodes have been interpreted as a set of anastomosing fingers associated with a central main zone, with lodes averaging between 5 m and 90 m thick, with an average thickness of 40 to 50 m. The main sulphide minerals are pyrite, chalcopyrite, chalcocite (in the oxide zone), cobaltite and electrum, with mineralisation hosted in sulphide/quartz/carbonate veins. Alteration minerals include sericite, quartz, carbonate and chlorite.

Figure 4: Carlow Castle long sections looking north – these show traces from the April 2020 drilling (Source: Artemis)



The style of mineralisation appears to be distinct from the typical orogenic shear hosted mineralisation that is found in Western Australia, and is associated with a broad alteration halo, indicating a significant mineralising system, therefore with the potential to find other similar zones of mineralisation.

Artemis has undertaken significant work at Carlow Castle, with activities including:

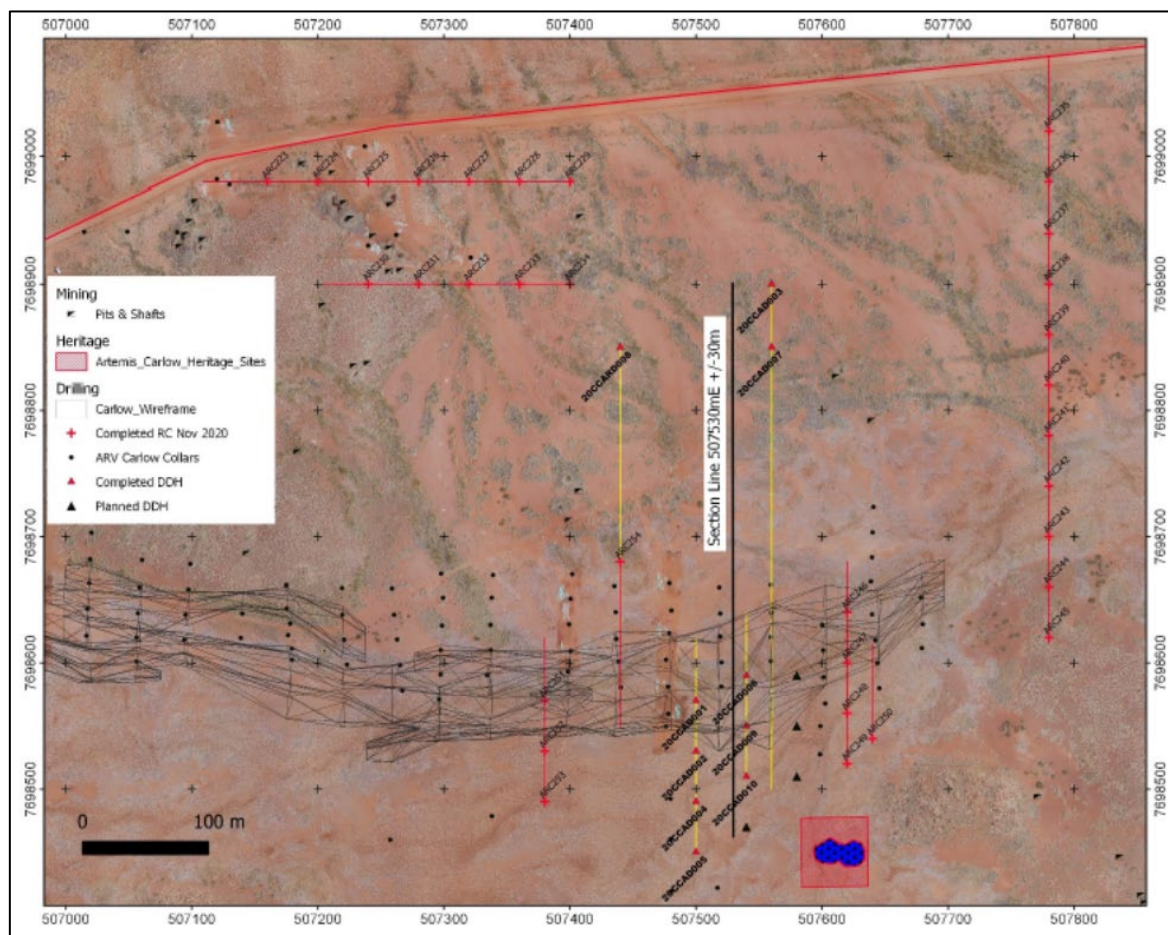
- Ongoing RC and diamond drilling,
- Preliminary metallurgical testwork,
- Three Mineral Resource Estimations (“MRE”); and,
- Geophysical, geological, and geochemical exploration programmes (including orientation surveys) targeting extensions to the mineralisation as well as looking for new zones in the vicinity of the known mineralisation.

Work on the deposit proper has resulted in the current MRE as presented in Table 1. This followed on from a comprehensive structural and geological review and re-interpretation of the deposit.

Initial results from a currently ongoing programme have recently been released, with these highlighting the upside potential – drill collars and traces are shown in Figure 5 and a section in Figure 6. Hole 20CCAD003 intersected 4 m @ 11.1 g/t Au, 2.0% Cu and 0.18% Co at 600 m depth, 250 m below the previous deepest intercept. The mineralisation is in a broader zone of strong silica sulphide alteration. The hole also intersected a previously unrecognised mineralised zone (2 m @ 5.70g/t Au) to the north of the

main lode. The Company has reported that hole 20CCAD003, drilled above 20CCAD007, has intersected sulphidic zones in the interpreted up-dip positions of the 20CCAD007 intercepts with assays awaited (Figure 6). Further drill testing to ascertain the extents of this nearly discovered mineralisation is underway.

Figure 5: Carlow Castle – current drilling (Source: Artemis)



To date 32 RC holes for 4,156 m and six diamond holes for 2,131 m have been completed in the current programme, with six diamond holes for 1,010 m yet to be drilled. A further 10,000 m of RC is planned to commence in December. This drilling will test for extensions of the known mineralisation areas adjacent to the deposit, as well as a number of other targets.

31 RC holes completed in April 2020 and reported on May 6, 2020 initially highlighted the potential for depth and strike extensions at Carlow Castle. Drill collars and traces are shown in Figures 3 and 4, with significant intersections including:

- 43 m @ 1.1 g/t Au, 1.13% Cu and 0.12% Co from 86 m in ARC221,
 - Including 5 m @ 4.17 g/t Au, 2.63% Cu and 0.51% Co from 90 m,
- 7 m @ 2.89 g/t Au, 0.34% Cu and 0.04% Co from 142 m in ARC219; and,
- 3 m @ 4.31 g/t Au, 0.47% Cu and 0.21% Co from 188 m in ARC219.

This drilling also intersected gold at one of the SAM targets (mentioned below).

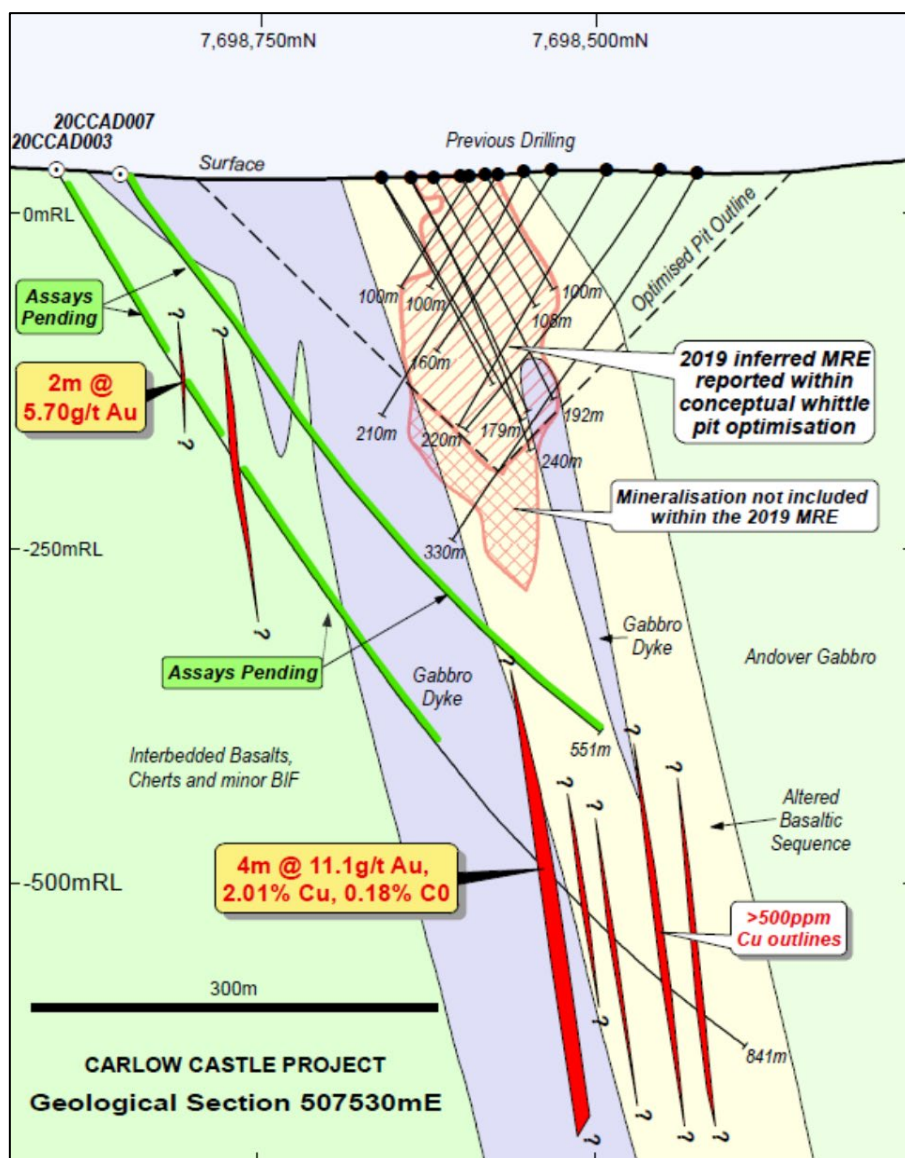
Preliminary metallurgical testwork reported in early 2019 was positive, and highlighted the following:

- 48% of the gold could be recovered using gravity separation, with most of the balance recoverable to sulphide concentrates,
- Quick floating copper minerals produced a high-grade, 30% premium copper concentrate, with recoveries of 77% to 85% - deleterious elements such as arsenic could be suppressed by light concentrate polishing; and,
- Cobalt recoveries ranged from 73 to 79% to a cobaltite concentrate – the arsenic content however would affect any concentrate selling price given the chemistry of cobaltite (CoAsS).

Table 1 – Carlow Castle Inferred Resources – November 2019 (Source: Artemis)

Carlow Castle Inferred Resources – November 2019								
Type	Inferred				Total			
	Tonnes (kt)	Cu %	Au ppm	Co ppm	Tonnes kt	Cu kt	Au koz	Co kt
Fresh	5,100	0.6	2.0	0.10	5,100	32	353	5
Oxide	2,800	0.6	0.7	0.05	2,800	27	65	2
Total	8,000	0.6	1.6	0.08	8,000	48	418	7

Figure 6: Carlow Castle cross section looking east (Source: Artemis)



Regional work has identified 25 km of prospective strike of “Regional Thrust” geology extending from Carlow Castle in the east to the Carlow West prospect in the west – this follows the Regal Thrust. This corridor has been defined by geology, geophysics, geology and geochemistry, with the most advanced prospect being Carlow West.

One of the surveys undertaken as a sub-audio magnetics (“SAM”) survey, which identified 21 targets to the WSW of Carlow Castle (Figure 7), and which will be tested in upcoming programmes.

Further to the west is Carlow West (Figure 8), on which a programme of 126 RC holes for 3,694 m was completed earlier in 2020, following up on surface gold geochemistry. Several holes hit narrow intercepts of anomalous gold, but the Company’s view is that it didn’t explain the surface anomalism in the structurally and geologically complex area. Further work, including geophysics is planned.

Figure 7: Eastern 10 km of the “Regional Thrust” zone and SAM targets (Source: Artemis)

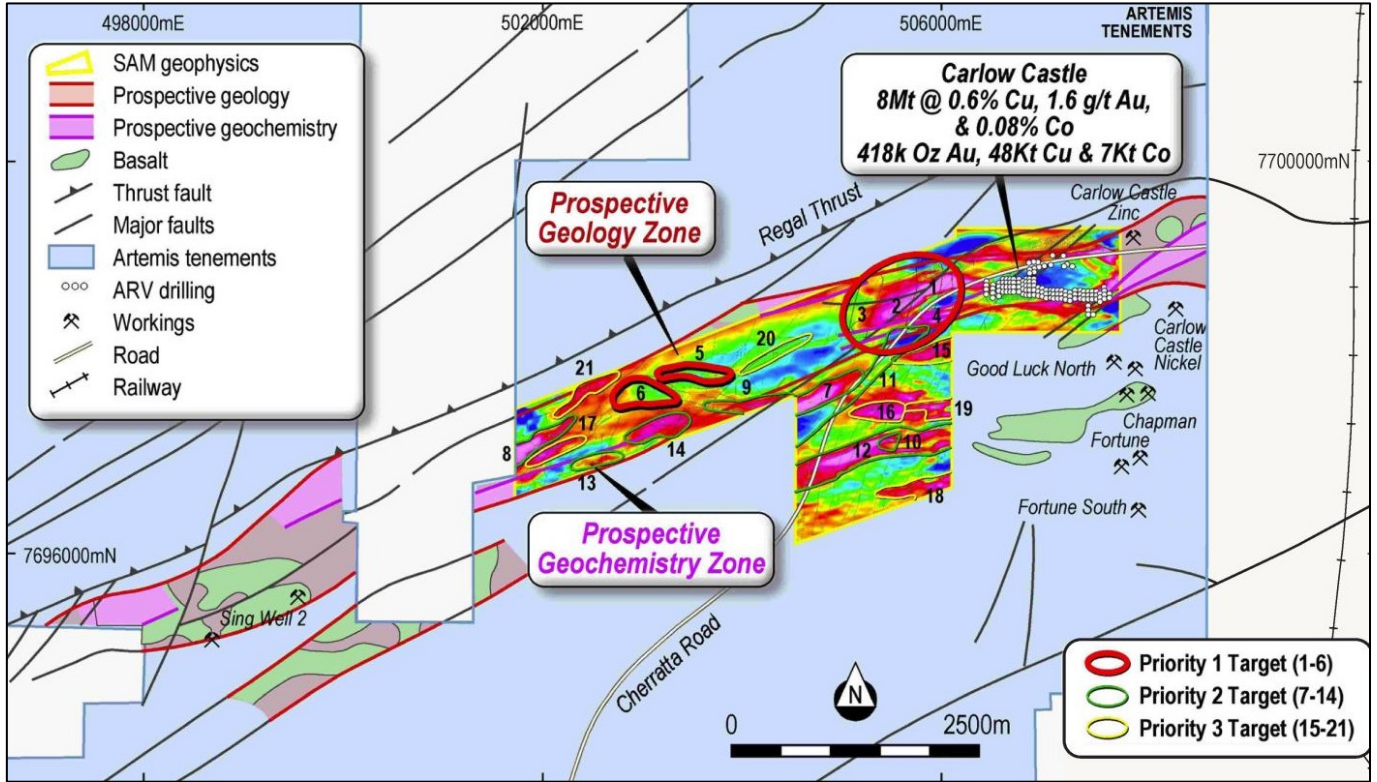
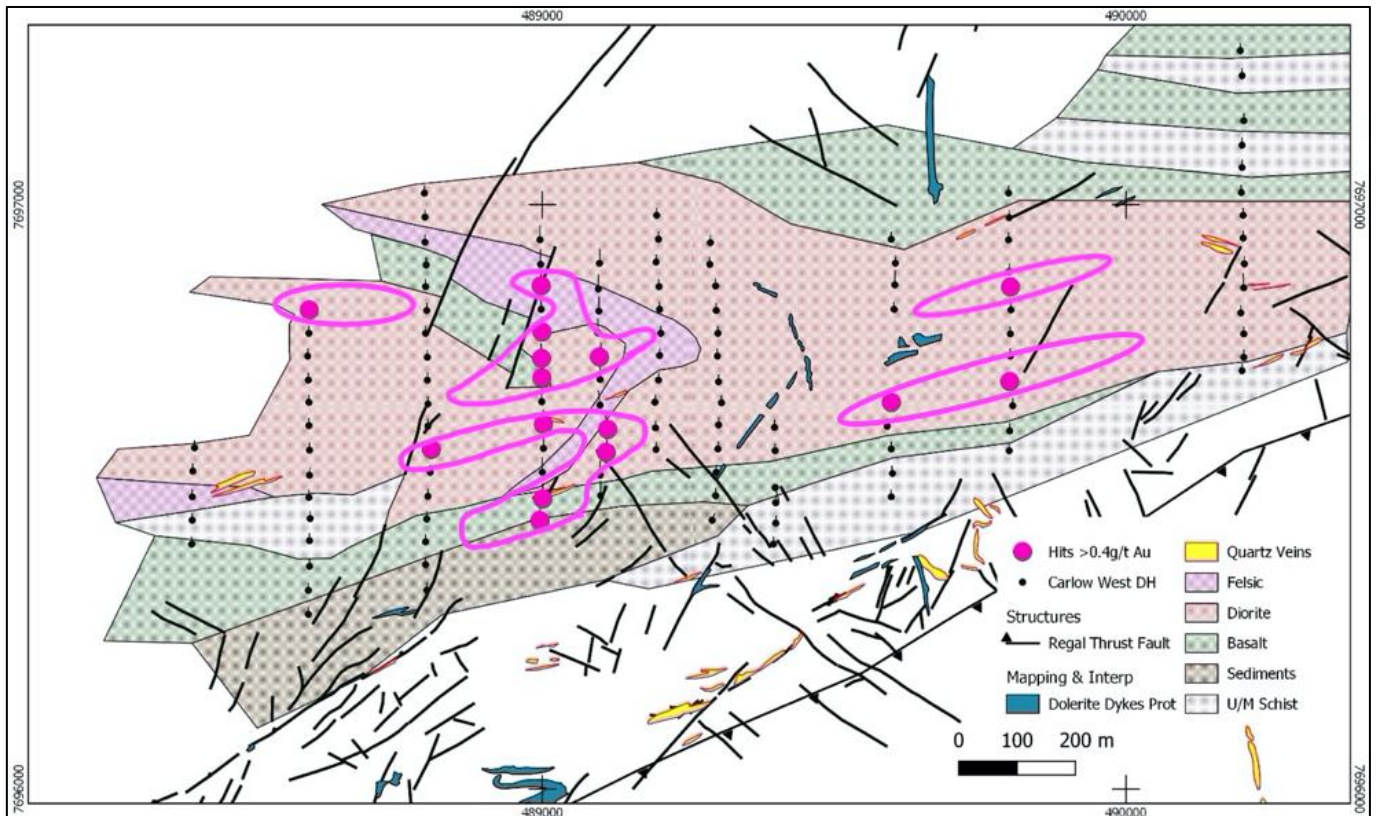


Figure 8: Carlow West geology and results summary (Source: Artemis)



Radio Hill Processing Plant

The Company's activities at Radio Hill have been focused on the processing plant, with the Ni-Cu mineralisation currently being considered non-core. As mentioned earlier, the plant, which has been largely refurbished and upgraded, is a key strategic asset, and should be capable of treating a broad range of precious and base metal mineralisation (including that at Carlow Castle) to produce concentrates – these can then be trucked the short distance to the nearby ports for export.

A key aspect in having a permitted plant is that it offers the following advantages in getting into operation:

- A shorter timeframe, including in construction and permitting to production,
- Lower up-front capex requirements in bringing a project to fruition, and,
- A lower Resource hurdle to make a deposit financially viable.

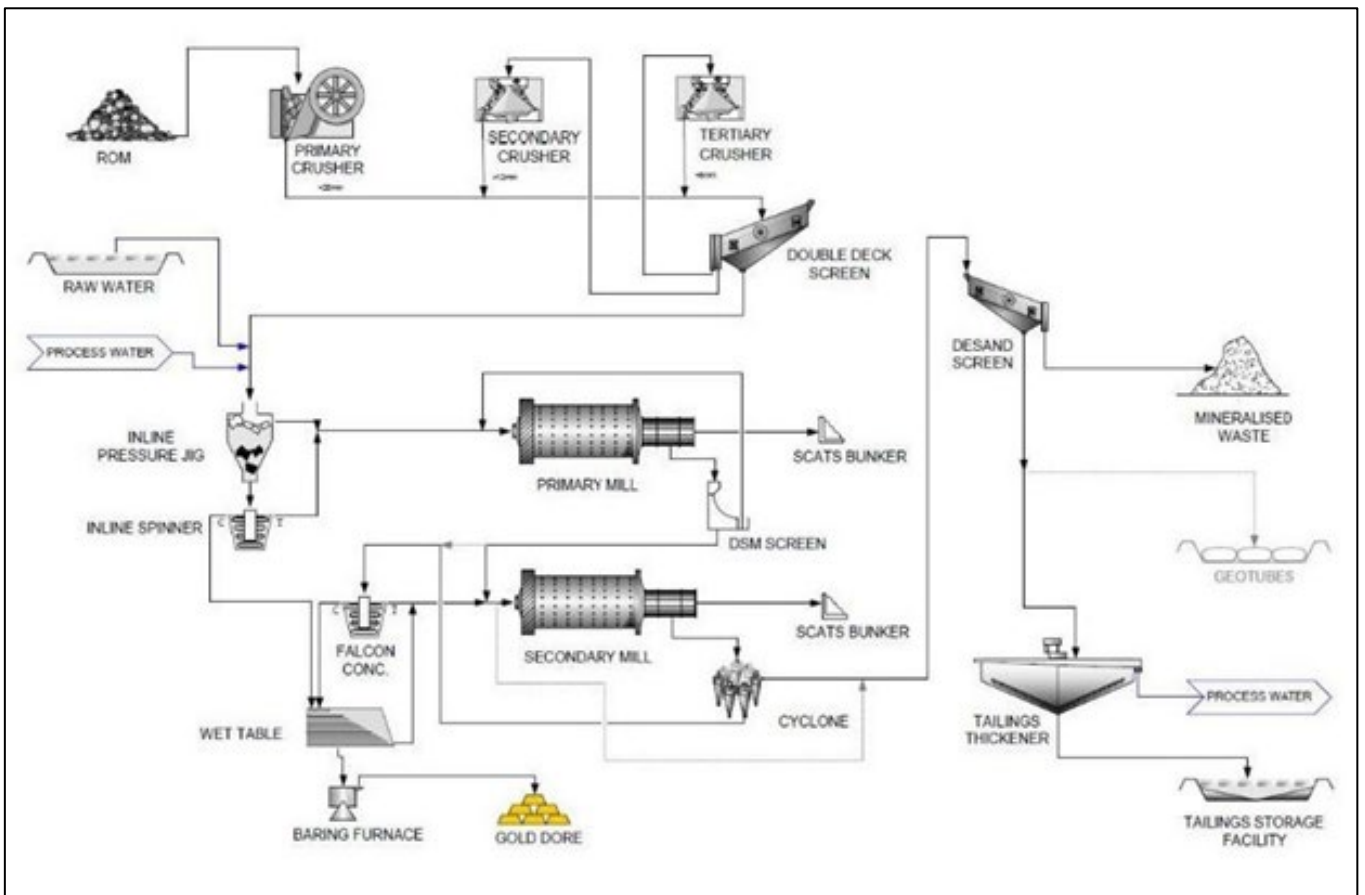
Refurbishment and upgrades by the Company, which commenced in August 2018, have included installing a tertiary crusher, and installation of a modular gravity gold recovery circuit (Figure 9), allowing for the production of dore on site. As of June 2019 the work was ~80% complete – the programme is currently on hold.

Key features of the mill are:

- Close to towns, so no onsite accommodation is required,
- Power and water are available, with infrastructure in good condition; and,
- Permitted site.
- Permits in place include those for the current TSF3 facility, which has ~300 kt capacity. The Company also has approval to build the lined TSF4, which will have a capacity of 4 Mt, with the option for an increase to 8 Mt through a lift.

Any decision to complete refurbishment will depend upon the Resource base to be used in any future development studies, and the outcome of those studies.

Figure 9: Radio Hill flow sheet – note that the circuit also includes froth flotation (Source: Artemis)



Other West Pilbara assets

Although not discussed in detail, other non-core assets at West Pilbara have JORC-compliant Mineral Resources. These are shown in Table 2.

Table 2: June 2020 Mineral Resource Statement (Source: Artemis)

Annual Mineral Resource Statement 30 June 2020											
Category	Gold		Copper		Cobalt		Nickel		Zinc		
	Tonnes	g/t	oz	%	t	%	t	%	t	%	t
Carlow Castle - 0.3 g/t Au cut-off											
Measured											
Indicated											
Inferred (oxide)	2,843,000	0.71	64,897	0.59	16,744	0.05	1,422				
Inferred (fresh)	5,124,000	2.14	352,545	0.62	31,769	0.1	5,124				
Subtotal	7,967,000	1.63	417,443	0.6	48,543	0.08	6,546				
Weerianna - 1.0 g/t Au cut-off											
Measured											
Indicated											
Inferred	975,000	2.00	62,694								
Subtotal	975,000	2.00	62,694								
Radio Hill - 0% cut-off											
Measured											
Indicated	1,150,000			0.73	8,395	0.028	322	0.52	5,980		
Inferred											
Subtotal	1,150,000			0.73	8,395	0.028	322	0.52	5,980		
Ruth Well - 0.3% Ni cut-off											
Measured											
Indicated	152,000			0.47	714			0.63	958		
Inferred											
Subtotal	152,000			0.47	714			0.63	958		
Whundo - 0.2% Cu cut-off											
Measured											
Indicated	2,600,000			1.14	29,640					1.12	29,120
Inferred											
Subtotal	2,600,000			1.14	29,640					1.12	29,120
Ayshia-Whundo - 0.4% Zn cut-off											
Measured	244,000			0.5	750					1.71	4,164
Indicated	593,000			0.5	1,720					2.42	14,340
Inferred	351,000			0.3	819					1.26	4,407
Subtotal	1,188,000			0.43	3,289					1.93	22,911
Total	Total Tonnes	Gold Ounces		Copper Tonnes		Cobalt Tonnes		Nickel Tonnes		Zn Tonnes	
	14,032,000	480,137		90,581		6,868		6,938		52,031	

East Pilbara – Paterson Central

Location and Tenure

South Paterson comprises a single tenement, EL45/5276 with an area of 607 km² (Figure 10). The tenement, which was granted in early 2019, is centred some 45 km east of Newcrest's Telfer operation, and surrounds Newcrest's/Greatland's Havieron discovery.

Telfer is located ~460 km from Port Hedland via State Route 138 to near Marble Bar, and then via the formed Telfer Mine Road. Telfer is also served by a 2,000 m airport. Access from Telfer to site (and within the tenements) is via tracks, with some difficulties due to the presence of generally WNW trending sand dunes up to 15 m high.

Given that the Project is in a major mining region there is ready access to skilled services and personnel.

Regional Geology and Mineralisation

Paterson Central is located over units of the Paleo- to Neoproterozoic Paterson Orogeny, which is comprised of two main subdivisions, the Paleo to Mesoproterozoic Rudall Province, and the Neoproterozoic Yeneena/Officer Basins – the two subdivisions are separated by an unconformity. The Paterson Orogeny forms part of the mobile belt that wraps around the Archaean Pilbara Craton, and which itself is covered in part by sediments of the Phanerozoic Canning Basin. The left hand panel of Figure 10 presents the geology of the eastern Yeneena Basin (brown metasediments and pink granites) and the overlying Phanerozoic Canning Basin (green and blue).

The Rudall Province, which occurs to the west, underwent at least two periods of deformation and metamorphism prior to the commencement of the Yeneena Basin deposition – the Rudall Province has been metamorphosed up to granulite facies and has been intruded by a number of ages of granites.

Deposition of the Paterson Supergroup (Table 3), which comprises the main units of the Yeneena Basin occurred at between 850 to 824 Ma during a NE-SW extensional event, with the sequence having a total thickness of around 9,000 m. The rocks are dominated by marine clastic and chemical sediments, with some volumetrically minor 835 to 830 Ma mafic intrusives. The area was then affected by two major orogenies, with the first being the Miles Orogeny, related to the basin inversion. There is some conjecture about the age of the Miles Orogeny, including ~830 to 810 Ma, 750 to 720 Ma, or even 650 Ma. The late Paterson Orogeny occurred at round 550 Ma.

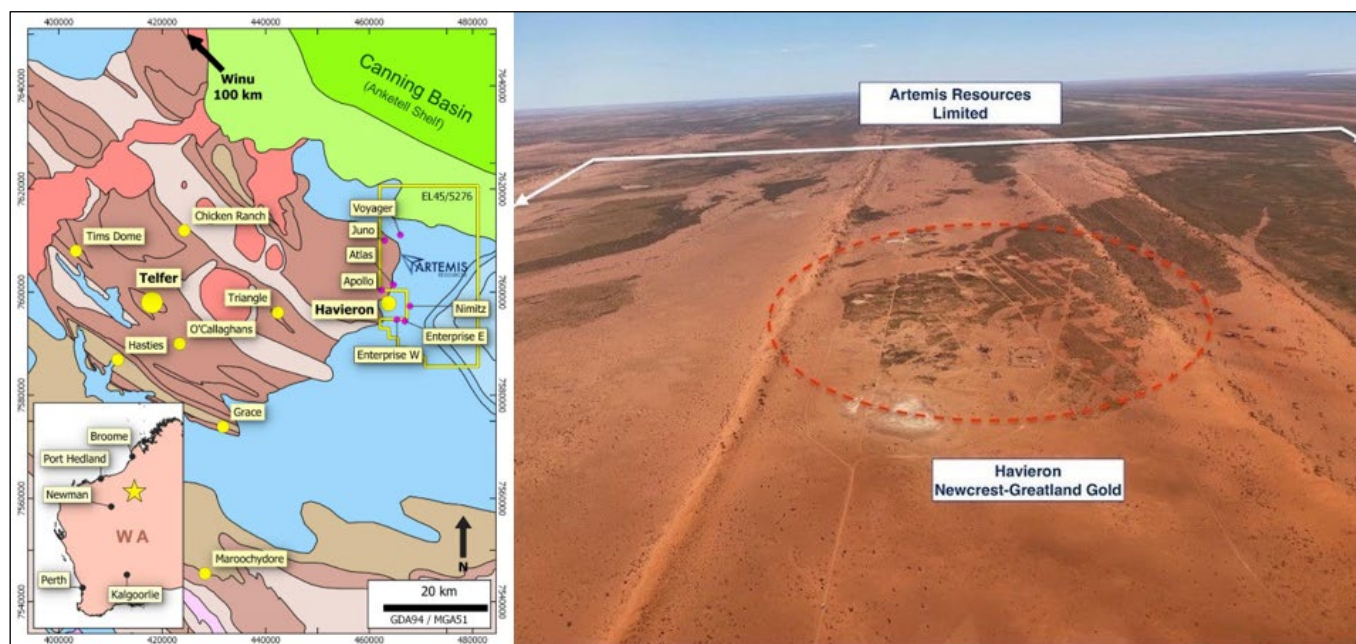
The orogenic episodes have had different orientations, resulting in the complex folding and doming seen throughout the region – these have also overprinted the earlier deformation within the Rudall Province.

The Paterson Basin has been intruded by widespread granites of the 645 to 605 Ma O'Callaghans Supersuite – these form two main trends, including the O'Callaghan's trend in the NW and the Mount Crofton trend to the SE (Figure 8). They were also intruded in two main phases, being ~645 – 630 Ma and at ~605 Ma. The granites are important in relation to the genesis of mineralisation in the region.

Table 3: Neoproterozoic and Palaeozoic stratigraphy (Source: Artemis, GSWA)

Neoproterozoic and Paleozoic stratigraphy			
Province	Stratigraphy	Age	Description
Canning Basin	Anketell Formation	Early Cretaceous	Fine grained sandstone and siltstone; lesser coarse-grained sandstone and conglomerate
	Callawa Formation	Jurassic to Early Cretaceous	Very fine grained to coarse grained sandstone and conglomerate
	Unconformity		
	Paterson Formation	Early Permian	Conglomerate (including diamictite), sandstone, and siltstone; largely glaciogene
Unconformity			
Yeneena Basin, Paterson Supergroup	Mount Crofton Granite	650 +/- 8 Million years	Syenogranite and monzogranite
	Wilki Formation	Neoproterozoic	Fine to medium grained quartz sandstone; minor shale, laminated sandstone, and dolomite
	Puntapunta Formation	Neoproterozoic	Dolarenite interbedded with dolomite, siltstone, and shale; thinly bedded, fine to medium grained
	Malu Formation incl. Telfer Member	Neoproterozoic	Fine to medium grained quartz sandstone
	Isdell Formation	Neoproterozoic	Thinly bedded dolomitic limestone, calcareous siltstone, and minor shale; locally sulfidic

Figure 10: Paterson Central Project location and geology – photo (looking east) highlights proximity to Haverion (Source Artemis)



Several styles of mineralisation occur within the Paterson Orogen, including:

- Telfer – Dome related epigenetic structurally controlled and stratabound gold-copper mineralisation,
- Haverion – Gold-copper bearing breccias and skarns,
- Kintyre – Vein-style, unconformity related uranium,
- Nifty, Maroochydore – Sediment hosted copper; and,
- O'Callaghans - Tungsten (+- copper-lead-zinc) skarn.

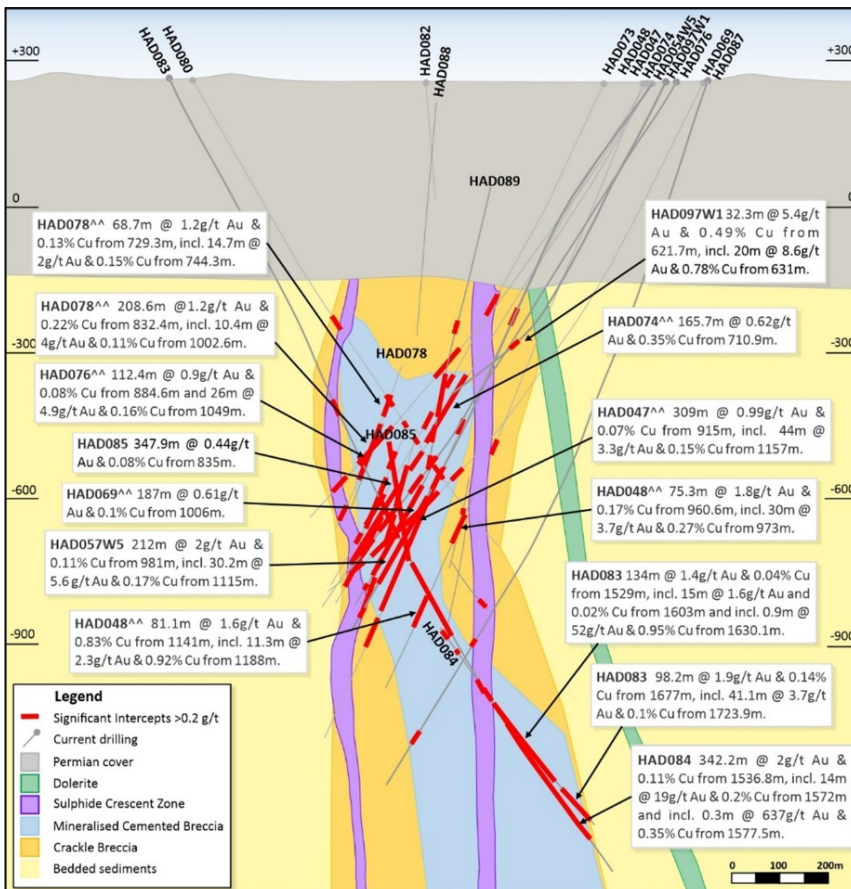
Of these, Haverion, Telfer and O'Callaghans are genetically related to the O'Callaghans Supersuite granites, however there is still some argument over the genesis of Telfer. One school of thought is that the metals were sourced from the sedimentary pile and then transported by convecting basinal brines, with deposition precipitated by mixing with hot saline fluids, with granites being the heat source.

Another theory is that metals were deposited directly from magmatic fluids, making the deposit intrusion related, albeit distal, as the nearest granite is over 10 km away from the deposit.

Of more interest to Artemis is Haverion, which is interpreted as being closely related to granites, in that mineralisation is in the form of skarns and breccias, and an extensive underlying granite has been interpreted from work completed to date by Artemis.

Haverion forms a complex NW trending ovoid zone including breccias, with dimensions of ~600 m (SE-NW) and 400 m (NE-SW), and has been intersected to a vertical distance of at least 1,000 m below the base of the Canning Basin sediments, which are ~420 m thick (Figure 11).

Figure 11: Havieron cross section looking NW (Source Greatland Gold)



Mineralisation occurs as breccia and vein infill, and massive sulphide replacement, and is typical of intrusion related and skarn styles of mineralisation. The main sulphides are pyrrhotite, pyrite and chalcopyrite, with alteration minerals including amphibole, carbonate, biotite, sericite and chlorite.

The presence of pyrrhotite provides for a magnetic signature, with a high sulphide content presumably leading to the gravity anomalism – these are important targeting tools in the exploration for this style of deposit.

Exploration and Mining History

This will only provide a brief overview of the relatively recent history of the region (from the 1970s to the present) – a comprehensive overview is beyond the scope of this report.

Given the discoveries made, the region, particularly those areas with outcropping Proterozoic units, has generally been actively explored.

One of the most significant discoveries was that of Telfer, with outcropping gossans being identified in 1970, with open pit mining of oxide mineralisation commencing at the Main Dome in 1975, and with mining continuing to this day. Telfer has an overall mining inventory (current Resources plus past production) in the order of 27 Moz and is Western Australia's 3rd largest gold producer.

Several other Telfer style systems have subsequently been discovered, with the period post ~2010 yielding a number of discoveries, including Calibre (Antipa Minerals, ASX:AZY, 2012) and Winu (Rio Tinto, ASX:RIO, ~2017). This latter discovery led to a pegging rush in the Paterson, with this also corresponding to an upturn in the markets. Prospective ground is now fully pegged.

Havieron was initially drilled by Newcrest in the late 1990s/early 2000s, following up on coincident ~1 km magnetic and gravity anomalies, with the drilling intersecting alteration and some high-grade mineralisation. Greatland commenced drilling in April 2018 with a four-hole programme, with hole HAD001 intersecting 121 m @ 2.93 g/t Au and 0.23% Cu; the second programme (September 2018) was also successful.

Newcrest subsequently entered into a staged farm-in with Greatland, with the right to earn up to 70% for aggregate payments of US\$65 million over four years and is manager of the project. Drilling under Newcrest commenced in late May 2019, with results to date confirming what is potentially a Tier 1 discovery.

Work by Artemis

Work to date by Artemis initially concentrated on working up drill targets over the tenement, with drilling now underway. Given the depth of cover (+400 m) drilling is expensive, technically challenging and targeting significantly harder than for shallow targets, and thus comprehensive work programmes prior to drilling are required to mitigate the not inconsiderable risk.

Pre-drilling programmes have included:

- An airborne magnetic survey which covered the western half of the tenement – this included 3,311 line km, with a 100 m line spacing and a flight height of 35 m,
- Detailed ground gravity surveying,
- EM surveying,
- Ionic leach/mobile metal ion (“MMI”) surface geochemical surveys on a 400 m x 100 m grid,
- Trial 3-line 147 station passive seismic surveying for basement profiling; and,
- Re-interpretation of historical 2D surveying.

This work has resulted in an interpretation of the bedrock geology and structure (Figure 12) and identified seven priority targets, with a programme of work (“PoW”) in place for a 20-hole programme – the Company has commenced a seven hole, 5,600 m programme with one hole planned for each of the priority targets.

The results of the geochemical sampling released to date have also confirmed some of the geophysical targets (Figure 13) and a NE trend from near the Havieron tenement boundary. This work was designed to test all seven priority targets, however the original 1,500 sample programme was initially cut to 456 samples due to rain. This work has subsequently been completed, with assay results yet to be released. Ionic leach and MMI are very low detection level proprietary geochemical methods, that look for metals that have been transported upwards through cover, with MMI reportedly being used successfully at Havieron.

Figure 12: Geophysical interpretation (Source: Artemis)

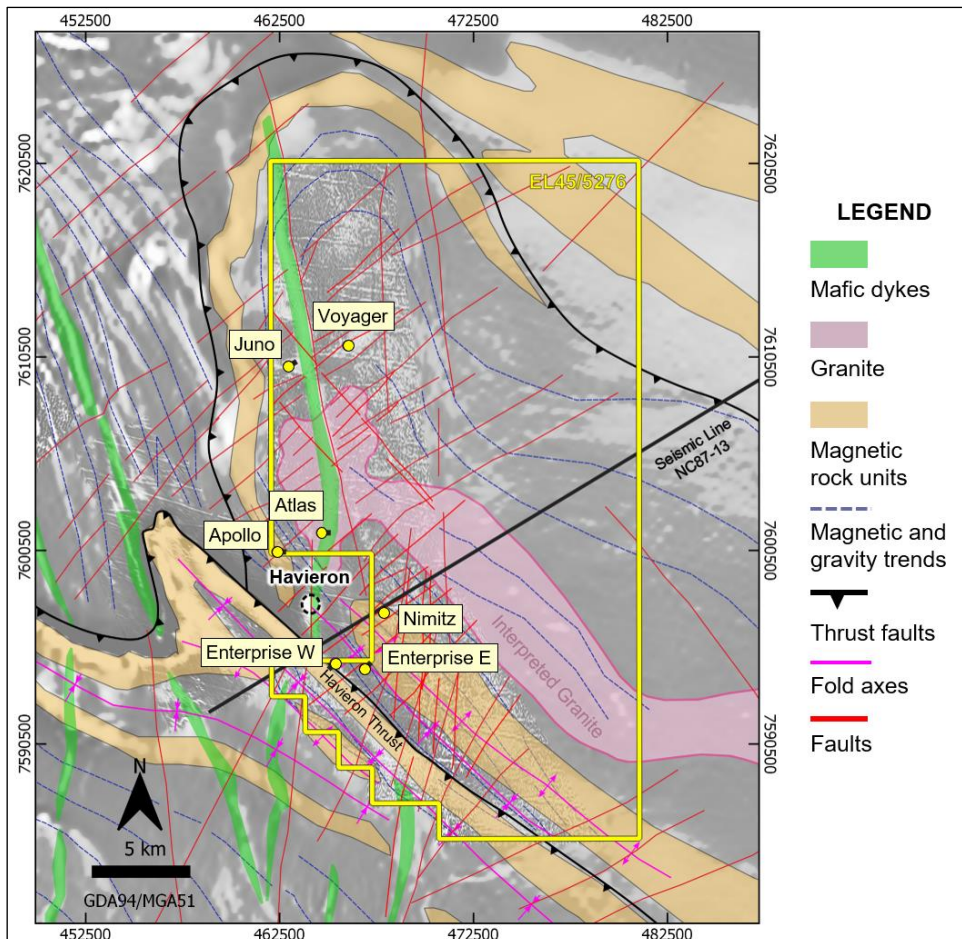
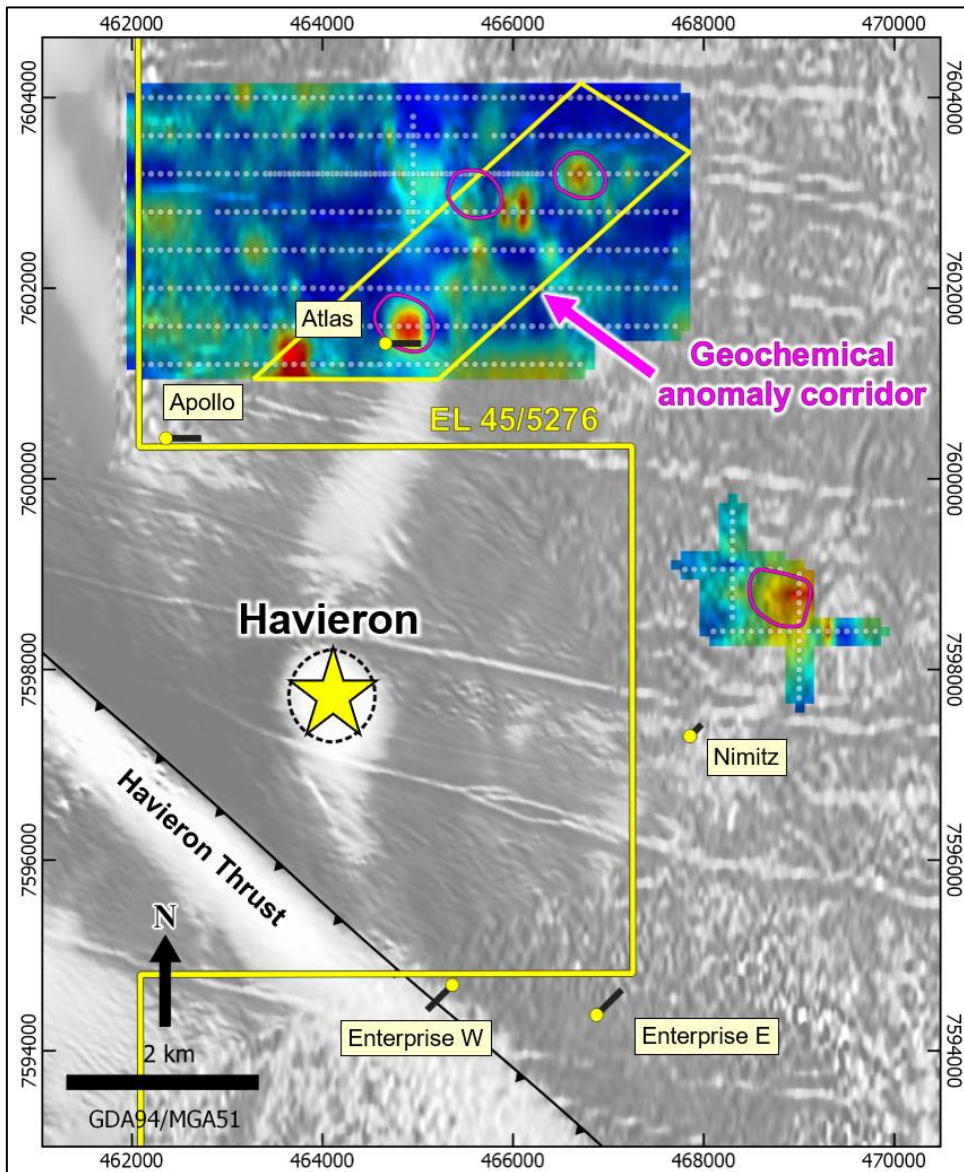


Figure 13: Geochemical sampling results (Source: Artemis)



Current and Upcoming Activities

West Pilbara

As mentioned earlier the Company is currently completing a 2,500 m diamond/4,156 m RC drilling programme, with the following objectives amongst others:

- Expand the mineralisation which remains open, particularly down dip and down plunge to the east,
- Upgrade areas of the current Inferred Resource to Indicated,
- Obtain structural data from the diamond drilling for further interpretations of the mineralisation; and,
- Obtain further samples for metallurgical test work.

The discovery of the deep mineralisation in hole 20CADD007 has necessitated some changes in the programme as initially planned.

As mentioned earlier a large proportion of assays from this programme are awaited. Also awaited are the processed and interpreted results of a recently flown airborne magnetics programme which covered an area of some 2 km east-west and 1 km north-south in the vicinity of the deposit.

Other planned work includes a 10-line gradient array induced polarisation survey (“GAIP”) over the immediate Carlow Castle area, and SAM geophysics at Carlow West. Regional activities, including geological mapping and geochemical sampling will continue.

A 10,000 m follow up RC programme which will include further work at Carlow Castle as well as testing some more regional targets is due to start in early to mid-December. The results of this drilling, which is expected to be completed by the end of January, will be used to plan activities for 2021.

East Pilbara

Artemis has been drilling some of the targets generated as part of the geophysical and geological surveys. Field activities will soon be suspended given the imminent wet season and will then resume next year. The summer period will be used to assess and interpret the results of work to date, with this then used to plan and refine activities for 2021.

Board and Management

Mark Potter – Non-Executive Chairman

Mr Potter has over 15 years’ experience in natural resources investments. Mr Potter currently serves as a Director and Chief Investment Officer of Metal Tiger Plc (AIM:MTR), a natural resources investment company quoted on the AIM market of the London Stock Exchange, and is the Founder and a Partner of Sita Capital Partners LLP, an investment management and advisory firm specialising in investments in the mining industry.

He was formerly a Director and Chief Investment Officer of Anglo Pacific Group, a London listed natural resources royalty company, where he successfully led a turnaround of the business through the acquisition of new royalties, disposal of non-core assets, and successful equity and debt fundraisings. Prior to Anglo Pacific, Mr Potter was a founding member and Investment Principal for Audley Capital Advisors LLP, a London based activist hedge fund, where he was responsible for managing all UK listed and natural resources investments.

Mr Potter has worked on several landmark deals in the mining sector including the successful distressed investment and turnaround of Western Coal Corp and its C\$3.3bn sale to Walter Energy Inc. Prior to Audley Capital, Mr Potter worked in corporate finance for Salomon Smith Barney (Citigroup) and Dawnay Day, a private equity and corporate finance advisory boutique and completed over US\$2bn of M&A, equity and debt transactions. Mr Potter has an MA degree in Engineering and Management from Trinity College, University of Cambridge.

Mr Potter is a Non-Executive Director of Trident Resources Plc and a Non-Executive Director of Thor Mining Plc.

Alastair Clayton – Executive Director

Mr Clayton is based in London and is a qualified geologist and mining executive with extensive experience in evaluating, optimising and financing large scale mining projects internationally.

Mr Clayton has over 25 years’ experience in identifying, financing and developing mineral, energy and materials processing projects in Australia, Europe and Africa. Mr Clayton, in addition to being a qualified geologist has a Graduate Diploma in Finance and Economics and maintains a broad network of Equity provider and Private Equity relationships in Europe, Africa and Australia.

Mr Clayton has considerable experience with both ASX and AIM listed companies. Mr Clayton has been a vocal supporter of the Patersons Range area and understands the significant potential the Company holds as the Artemis project surrounds Havieron. Mr Clayton was previously a Director of Extract Resources and Universal Coal.

Edward Mead –Executive Director

Mr Edward Mead is a geologist with 27 years’ experience in gold and base metals exploration, mine development and mine production. Edward has also worked in the oil and gas industry on offshore drilling platforms. Other commodities that he has significant experience with and can be considered to be a competent person in are iron ore, magnetite, coal, manganese, lithium, potash and uranium.

Geological areas in Western Australia that he has worked in include: the West Pilbara for base metals and gold; the East Pilbara for manganese and gold; the Yilgarn for gold; the Kimberley for base metals, gold and uranium; and the Murchison for base metals, uranium and gold.

He has a BSc in geology from Canterbury University in New Zealand and is a member of the Australian Institute of Mining and Metallurgy.

Edward has worked for both small and large companies and has worked through his own consultancy company since 2005. He has been a Director of public companies since 2007.

Dan Smith – Non-Executive Director

Dan Smith BA is a Commercial Director at Minerva Corporate, an established corporate services business based in Perth, Western Australia. He has significant experience in capital markets and corporate governance of ASX listed companies. Dan Smith is a non-executive director of ASX and AIM listed Europa Metals Limited, ASX listed Lachlan Star Limited, HIPO Resources Limited and White Cliff Minerals Limited.

Boyd Timler – Non-Executive Director

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. Mr Timler was most recently Chief Operating Officer of Panoramic Resources Limited, and prior to this he held the roles of CEO and Managing Director of Medusa Mining Limited and COO for Beadell Resources Limited.

Between 2005 and 2013, Mr Timler held senior operations management roles with Barrick Gold Corporation in Australia and Africa. Prior to that he held senior roles with Placer Dome Limited, Kinross Gold Corporation and TVX Gold Inc. In addition to his extensive operational experience, Mr Timler has considerable involvement with the evaluation and development of numerous resource projects throughout the world.

Mr Timler has a Bachelor of Science in Geology from the University Alberta, Canada and is a Graduate of the Australian Institute of Company Directors.

Risks

- **Exploration/Resource definition risk** – This is the key technical risk facing Artemis, in that sufficient Resources to justify a restart of operations in the West Pilbara will need to be discovered and delineated. We note, that with the recent drill results, that any future Resource will probably contain both open cut and underground mineralisation, and thus will need to be sufficient (particularly with regards to tonnage and grade for the underground) to justify both. Exploration is the key risk at Paterson Central, with this being exacerbated by the depth of the cover sequence.
- **Drilling risk** – This applies at Paterson Central, in that drilling through the basin cover can at times be “tricky”, and therefore experienced drillers with the right equipment are required – issues leading to hole abandonment can result in significant costs and lost time.
- **Markets** – The market and appetite for risk is currently high, however can turn on a dime, with the riskier resource stocks being the first to feel negative market sentiment.
- **Gold/silver prices and currency rates** – These will affect the viability of any future operation, access to capital and the sentiment of investors.

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At the time of writing of this report, Principals and Staff hold approximately 72,000 shares in Artemis Resources.

Analyst Certification: The Analyst certifies that the views expressed in this document accurately reflect their personal, professional opinion about the financial product(s) to which this document refers.

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