



# **Artemis Resources Limited and its controlled entities**

## **Interim financial report for the 6 months ended 31 December 2014**

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<b>Contents</b>	<b>Page</b>
Directors' Report	3
Auditor's Independence Declaration	10
Consolidated Statement of Profit or Loss and Other Comprehensive Income	11
Consolidated Statement of Financial Position	12
Consolidated Statement of Changes in Equity	13
Consolidated Statement of Cash Flows	14
Notes to the Financial Statements	15
Directors' Declaration	21
Independent Auditor's Review Report	22
Corporate Directory	24

The Directors present their report on the consolidated entity for the half year ended 31 December 2014.

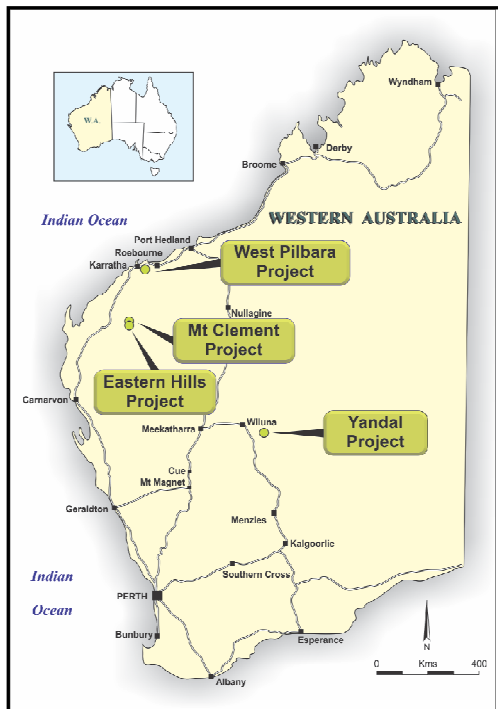
**Directors**

The names of the Directors who held office during and since the end of the half-year:

- Guy Robertson (Executive Director)
- George Frangeskides (Non-Executive Director)
- Edward Mead (Non-Executive Director) (Appointed 31 December 2014)
- Shannon Coates (Non-Executive Director) (Resigned 31 December 2014)

**RESULT AND REVIEW OF OPERATIONS**

Artemis continued to focus on its gold, antimony and base metals prospects during the period under review.



**West Pilbara project** – approximately 700 km<sup>2</sup> - go copper, nickel and iron.

**Mt Clement project** – (80%) Joint Venture with Northe Star – gold. JORC Resource (inferred) 80,000 oz Au eq.

**Eastern Hills project** – Antimony. JORC Resource (indicat and Inferred) 22,400 tonnes Sb (Antimony) (grade 1.7%) a 32,700 tonnes Pb (lead) (grade 2.5%)

**Yandal project** – gold. Prospects in Yandal Gold Belt.

Artemis remains focused on quality project identificatic exploration, discovery and development.

**West Pilbara – gold and base metals**

After an extended period of negotiation Artemis executed a Native Title Agreement with the Ngarluma Aboriginal Corporation in late 2014. Artemis has lodged two applications with Ngaluma for heritage surveys ahead of proposed on-ground exploration. This was an important milestone for Artemis allowing the company to fully comply with and discharge its obligations under Aboriginal heritage and native title legislation.

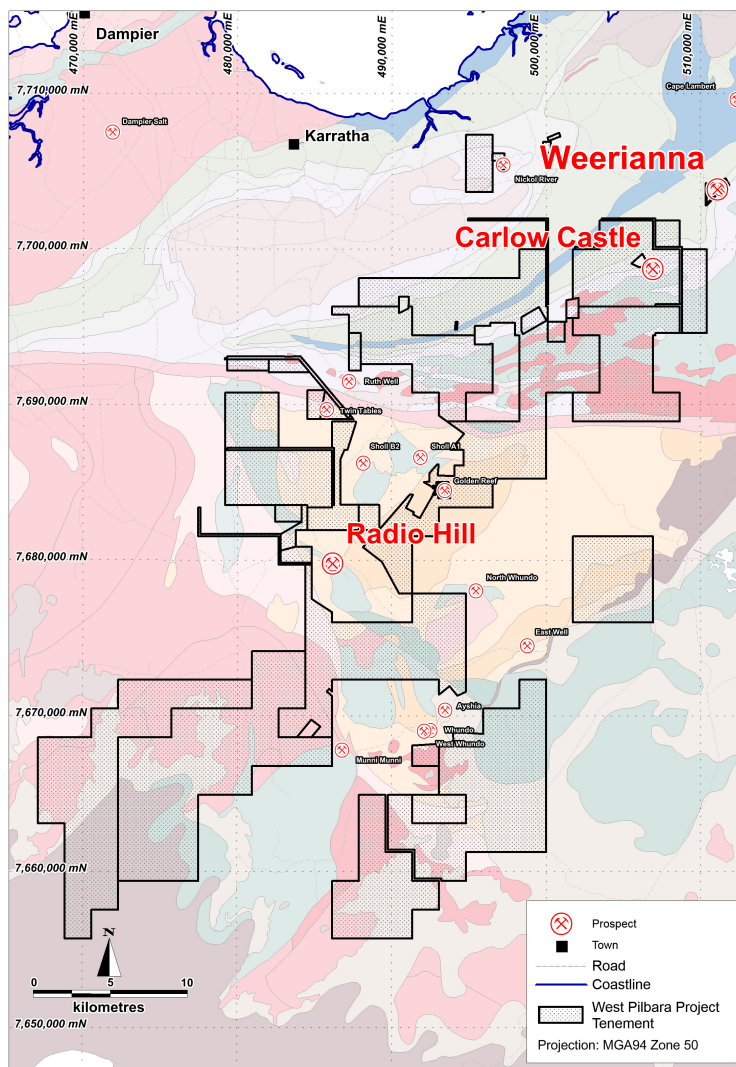
The Company has completed planning for RC drill testing following a review of geophysical base metal targets within the West Pilbara Project. This initial phase 1 drilling program has been designed to rapidly assess the potential for nickel-copper sulphide mineralisation associated with electro-magnetic (EM) anomalies within the Andover Intrusive Complex, to be present within the West Pilbara Project area<sup>1</sup>. The Company conducted two site visits in late 2014 to ground-truth these electro-magnetic anomalies.

<sup>1</sup> As per ASX announcement dated 11 November 2014 "Drilling Planned to test Significant Nickel-Copper Anomalies – West Pilbara Project

During the period Artemis completed the balance of the acquisition of Weerianna (now holding 80%).

The Weerianna Gold Project currently hosts a JORC (2012) Inferred Mineral Resource of **1 million tonnes at 2.2 g/t Au for a total of 70,000 ounces** of gold<sup>2</sup>. Excellent potential exists for a substantial increase in tonnage, as the current resource is open at depth, and along strike. The Weerianna project is within 7 kilometres of Carlow Castle, a tenement in the Artemis West Pilbara portfolio which currently hosts a JORC (2012) Inferred Mineral Resource of 418,000 tonnes at 3.0 g/t Au and 0.6% Cu, for total contained metal of 40,000 ounces of Au, and 2,500 tonnes of Cu<sup>2</sup>.

The completion of the Western Metals acquisition is part of an ongoing process of aggregating tenements within the West Pilbara area that are geographically proximate and geologically contiguous with the potential of hosting a volume of resource which is economically viable. The main target minerals will be copper and nickel as well as the existing gold resources at Weerianna and Carlow Castle (see map below).



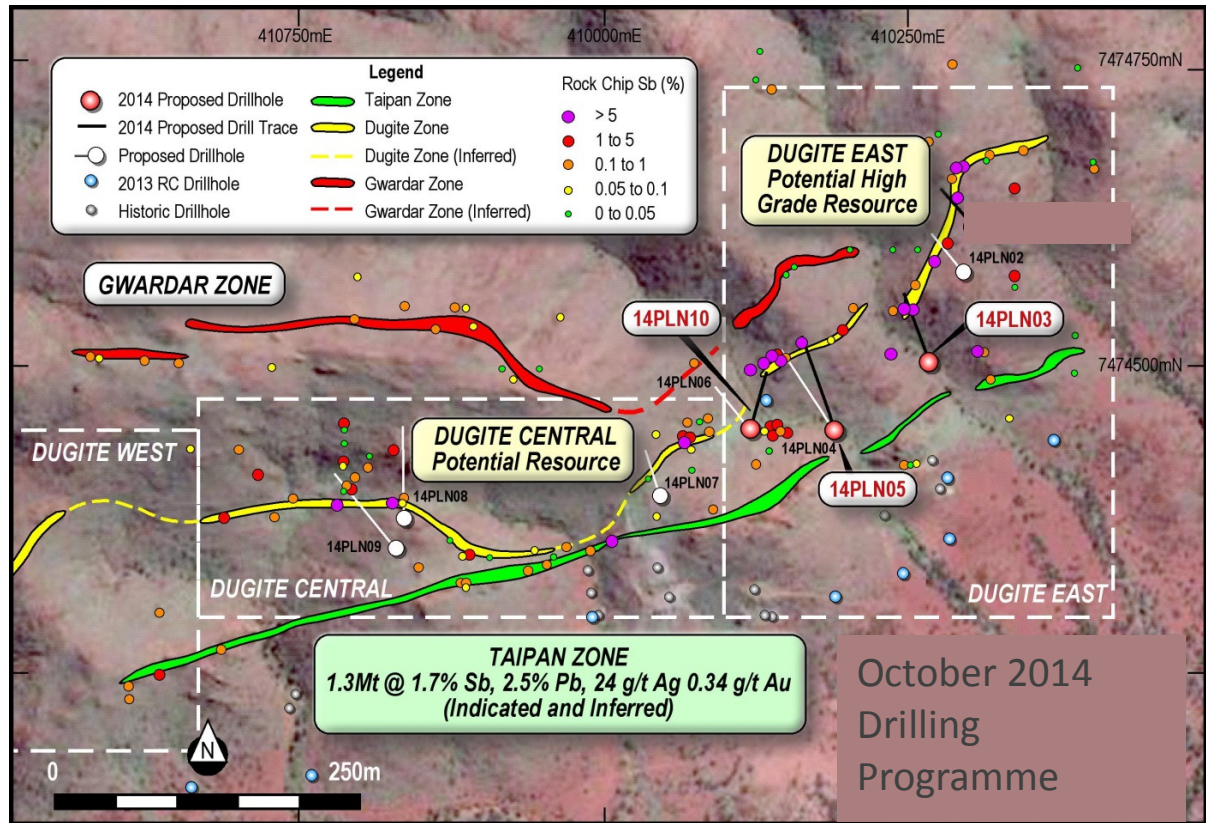
### Artemis West Pilbara Project Tenements

<sup>2</sup> As per ASX announcement dated 30 June 2014 "Completion of Gold Project Acquisition – Update on West Pilbara Resource Status"

**Eastern Hills – Antimony**

During October 2014 the Company undertook a second drill programme with three RC drill holes for a total of 318 metres. These drillholes comprised an abridged RC drilling program designed to quickly and efficiently assess the potential for high grade mineralisation identified within the Dugite East Zone to extend at depth.

While each of the completed drillholes (14PLN3, 5 & 10) intersected Sb-Pb mineralization the high grades returned from surface sampling were not found to continue at depth.



**Eastern Hills – 2014 Drilling on Dugite East Zone**

Artemis is continuing discussions with potential joint venture partners to further develop this project.

**Yandal - gold**

The Company undertook a further review of the Yandal gold project during the period which resulted in the relinquishment of a number of tenements that the Company considered less prospective.

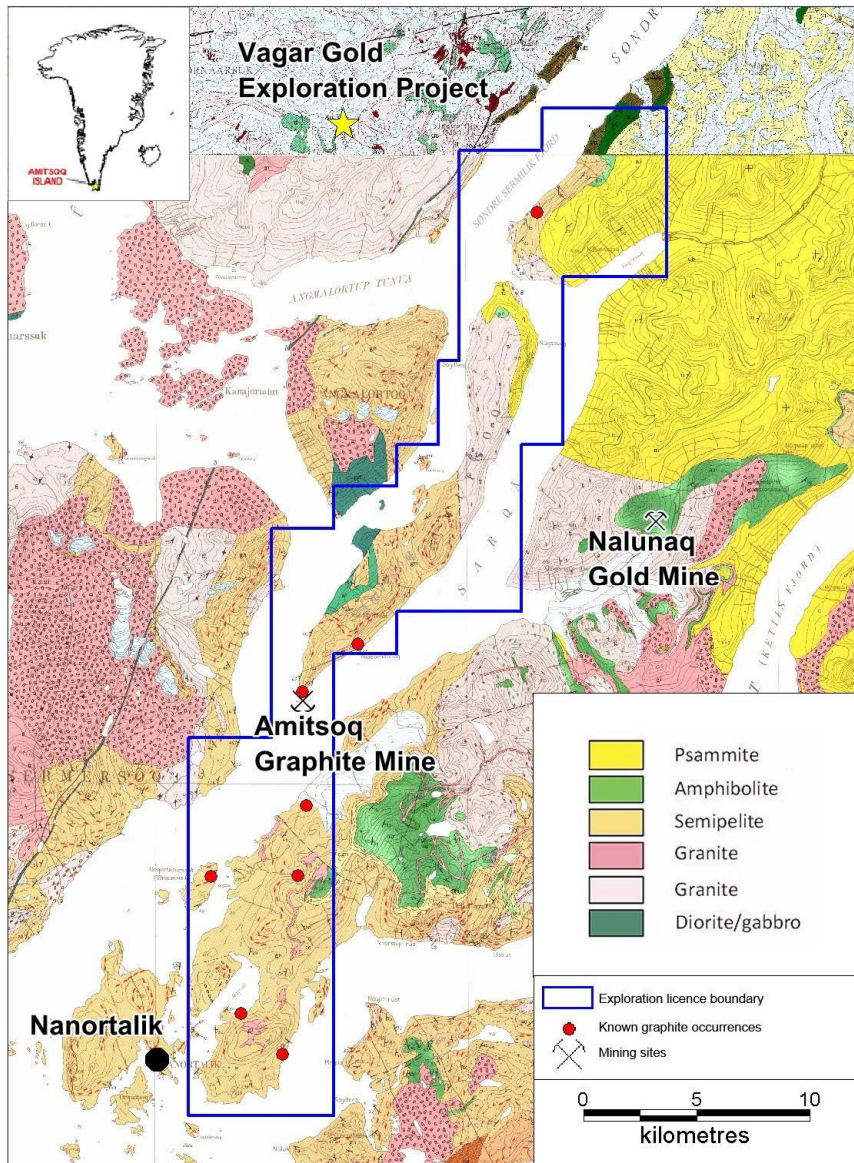
The Company is seeking potential joint venture partners for the further development of this project.

**Amitsoq Graphite**

Subsequent to period end the Company announced the conditional acquisition of a majority interest in a graphite project in Southern Greenland.

Graphite is deemed a supply critical material in the USA and a strategic mineral in the EU. The project has had no modern exploration for graphite and there are good prospects for significant exploration upside.

Greenland has a long history of graphite mining. The Amitsoq Graphite Mine was an open-cut operation between 1911 and 1924 and produced 6,000 tonnes at 21% Graphite. The mine is located on an island located 15km north of the Nanortalik town and heliport. The exploration licence 2013/06 covers an area of 146k<sup>2</sup>.



Map showing the 2013/06 exploration licence over regional geology (GEUS) and proximity of other deposits/projects and the town of Nanortalik. The geology is characterised by strongly metamorphosed Archaean metasedimentary rocks.

Artemis proposes to further exploration with an airborne Electromagnetics (EM) survey to identify conductors. A field trip will then be undertaken to validate anomalies, obtain samples and assist with designing a drill program.

**Corporate**

**Funding**

Artemis completed a rights issue during the period and a placement late in the year raising approximately \$955,000.

Subsequent to period end the Company announced a funding facility of \$2 million with Wimmer Financial LLP. The facility carries an interest rate of 10% and drawdowns can be converted into Artemis shares at a 20% discount to the 30 day Volume Average Price. The facility expires in June 2016.

**Board Restructure**

During the period Artemis appointed Mr Edward Mead to the board of Artemis on the 31<sup>st</sup> December 2014, replacing Shannon Coates. The board would like to thank Shannon for her contribution to Artemis.

Mr Mead is a geologist with 20 years' experience in gold and base metals exploration, mine development and mine production. Mr Mead has also worked in the oil and gas industry on offshore drilling platforms. Other commodities that he has significant experience with are iron ore, magnetite, coal, manganese, lithium, potash and uranium.

Mr Mead has a good understanding of Artemis's current projects and in particular has an excellent knowledge of the West Pilbara as he was the Geology Manager at the nearby Radio Hill Nickel Mine from 2004 to 2007. He has a BSc in geology from Canterbury University in New Zealand and is a member of the Australian Institute of Mining and Metallurgy. He has worked for the Geological Survey of Western Australia, Portman Mining, Western Mining Corporation (BHPB), Sons of Gwalia, Fox Resources, Comdek Ltd and Baker Hughes Inteq and a number of other companies through his own consultancy business.

**Tenement Plaints**

The Company has four tenements in its West Pilbara project under plaint which it is dealing with in the ordinary course of business.

Artemis was successful in having the plaint over E47/1797 during the period dismissed. Plaints over tenements M47/223 and M47/288 have yet to come before the Warden.

In respect of tenements E47/1745 and E47/1746 the Minister has refused Artemis' application for exemption, a decision which Artemis is in the process of appealing.

The Company has taken legal advice and is vigorously defending its rights to these assets.

**Competent Person Statement**

*The information in this report that relates to Exploration Targets and 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 Doralada Pty Ltd. Mr Mead has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Mead consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

TENEMENT SCHEDULE

West Pilbara	West Pilbara	Other
E47/1745	E47/3204 (a)	E45/4463
E47/1746	E47/3200 (a)	E04/2382
E47/1747	E47/3160 (a)	E04/2383
E47/1797		E80/4932
E47/1806 <sup>3</sup>	<b>Mt Clement</b>	
E47/1807 <sup>3</sup>	E08/1841	
E47/2652	M08/191 <sup>1</sup>	
E47/2696	M08/192 <sup>1</sup>	
E47/2716 (a)	M08/193 <sup>1</sup>	
E47/2724 (a)	E08/2656(a)	
E47/2908		
M47/177 <sup>2</sup>	<b>SMA JV – QLD<sup>4</sup></b>	
M47/288 <sup>2</sup>	ML 3311	
M47/223 <sup>5</sup>	ML 30123	
P47/1360	ML 30208	
P47/1361	EPM 13694	
P47/1366	EPM 14988	
P47/1367	EPM 18490	
P47/1371		
P47/1374	<b>Yandal</b>	
P47/1375	E53/1213	
P47/1380	E53/1214	
P47/1386	E53/1412 <sup>2</sup>	
P47/1518	E53/1413 <sup>2</sup>	
P47/1519	E53/1525 <sup>2</sup>	
P47/1520	E53/1526 <sup>2</sup>	
P47/1112 (a)	E53/1627	
P47/1124 (a)	E53/1689	
P47/1126 (a)	E53/1729 (a)	
P47/1127 (a)	E53/1742 (a)	
P47/1131 (a)	E53/1759 (a)	
P47/1134 (a)	P53/1606	
P47/1619	P53/1607	
P47/1620	P53/1608	
P47/1621	P53/1616	
P47/1622	P53/1618	
E47/3210 (a)		

(a) Tenement applications

<sup>1</sup> 80% Artemis - Gold joint venture with Northern Star Resources (20%)

<sup>2</sup> 80% Artemis

<sup>3</sup> 30.15% Interest – Non managed joint venture with Fox Resources Limited

<sup>4</sup> Strategic Metals Australia Pty Limited (SMA) earning 75%, with an option over the remaining 25%

<sup>5</sup> 51% Artemis



**OPERATING RESULTS**

With this background, the loss after income tax for the period amounted to \$2,296,795 (31 December 2013 loss: \$1,354,166).

**EVENTS SUBSEQUENT TO REPORTING DATE**

Subsequent to period end the Company entered into a \$2 million funding agreement with Wimmer Financial LLP for a \$2 million facility to provide the Company with funds to further its exploration programme and for working capital. The facility is unsecured, expires in June 2016 and has an interest rate of 10% payable in cash or shares at the Company's election. Funds drawn down if not repaid can be converted into Artemis shares at 80% of the Volume Weighted Average Price for the 30 days prior to conversion.

Subsequent to period end the Company announced the conditional acquisition of a majority interest in a graphite project in Southern Greenland.

Subject to regulatory approvals from the Greenlandic authorities, Artemis Graphite Pty Limited, a wholly-owned subsidiary of Artemis Resources Limited, will acquire 90% of the private vehicle which has the right to acquire 100 per cent of exploration licence 2013/06. The acquisition price is \$100,000 in cash plus the issue to the vendors and advisers of 35 million fully paid ordinary Artemis shares and 35 million Artemis share options (expiry date 31 December 2016 and an exercise price of \$0.003). Artemis will undertake to spend at least \$500,000 on the project over a 36 month period. There is a put and call option over the vendors' residual 10% interest in the project which may be exercised by either party following completion of a bankable feasibility study for an agreed price or, failing agreement, a price determined by independent valuation.

Other than outline above there are no events subsequent to the end of the period that would have a material effect on the consolidated entity's financial statements at 31 December 2014.

**SIGNIFICANT CHANGES IN STATE OF AFFAIRS**

In the opinion of the Directors, other than the matters covered above in this report and the accounts and notes attached thereto, there were no significant changes in the state of affairs of the Company that occurred during the financial period under review.

**DIVIDENDS**

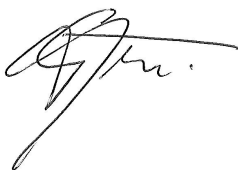
No dividends have been paid or declared since the end of the previous financial year to the date of this report.

**AUDITOR'S INDEPENDENCE DECLARATION**

The lead auditor's independence declaration is set out on page 10 and forms part of the Directors' Report for the half year ended 31 December 2014.

Signed in accordance with a resolution of the Directors

Guy Robertson



**Executive Director**

Dated at Sydney

12 March 2015

**ARTEMIS RESOURCES LIMITED**

**ABN 80 107 051 749**

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF  
ARTEMIS RESOURCES LIMITED**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2014 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review

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**DREW TOWNSEND**

**Partner**

Dated: 12 March 2015

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Revenue from operations	81,594	16,309
Expenses from continuing operations		
Administration expenses	(67,748)	(122,053)
Employee benefit expense	-	(25,973)
Occupancy costs	(35,075)	(225)
Legal fees	(456,953)	(53,000)
Consultancy costs	(76,112)	(15,485)
Compliance and regulatory expenses	(55,954)	(78,316)
Depreciation	-	(3,383)
Management fees	(75,000)	(90,000)
Directors' fees	(67,234)	(67,003)
Exploration expenditure written off	(1,552,288)	(810,451)
Travel	(11,100)	(20,586)
Borrowing costs	(20,851)	-
Share based payments consultants	-	(84,000)
<b>(LOSS) BEFORE INCOME TAX</b>	<b>(2,336,721)</b>	<b>(1,354,166)</b>
Income tax benefit	39,926	-
<b>(LOSS) FOR THE PERIOD</b>	<b>(2,296,795)</b>	<b>(1,354,166)</b>
<b>OTHER COMPREHENSIVE (LOSS) FOR THE PERIOD</b>		
<b>Items that may be reclassified subsequently to profit or loss</b>		
Loss on available for sale investments	(77,366)	(10,904)
Income tax relating to components of other comprehensive income	8,319	3,271
<b>Other comprehensive loss for the period, net of income tax</b>	<b>(69,047)</b>	<b>(7,633)</b>
<b>TOTAL COMPREHENSIVE (LOSS) FOR THE PERIOD</b>	<b>(2,365,842)</b>	<b>(1,361,799)</b>
Basic and diluted (loss) per share	(0.24) cents	(0.21) cents

The consolidated statement of profit and loss is to be read in conjunction  
with the attached notes to the financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2014**

	Note	31 December 2014 \$	30 June 2014 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		204,694	751,496
Trade and other receivables		63,579	54,171
Other financial assets	3	41,262	258,628
<b>TOTAL CURRENT ASSETS</b>		<u>309,535</u>	<u>1,064,295</u>
<b>NON-CURRENT ASSETS</b>			
Evaluation and exploration expenditure	4	7,366,421	8,368,835
<b>TOTAL NON-CURRENT ASSETS</b>		<u>7,366,421</u>	<u>8,368,835</u>
<b>TOTAL ASSETS</b>		<u>7,675,956</u>	<u>9,433,130</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		529,565	676,190
Shareholder loan		208,000	542,255
<b>TOTAL CURRENT LIABILITIES</b>		<u>737,465</u>	<u>1,218,445</u>
<b>NON CURRENT LIABILITIES</b>			
Deferred tax liabilities		8,985	32,195
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>8,985</u>	<u>32,195</u>
<b>TOTAL LIABILITIES</b>		<u>746,450</u>	<u>1,250,640</u>
<b>NET ASSETS</b>		<u>6,929,506</u>	<u>8,182,490</u>
<b>EQUITY</b>			
Issued capital	5	29,906,201	28,918,343
Reserves		156,276	572,536
Accumulated losses		(23,132,971)	(21,308,389)
<b>TOTAL EQUITY</b>		<u>6,929,506</u>	<u>8,182,490</u>

The consolidated statement of profit and loss is to be read in conjunction  
with the attached notes to the financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	<b>Issued Capital</b>	<b>Accumulated Losses</b>	<b>Reserves</b>	<b>Total Equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July 2014	28,918,343	(21,308,389)	572,536	8,182,490
Loss for the period	-	(2,296,795)	-	(2,296,795)
Asset revaluation	-	-	(69,047)	(69,047)
Total comprehensive loss for the period	-	(2,296,795)	(69,047)	(2,365,842)
Issue of capital	1,042,793	-	-	1,042,793
Cost of raising capital	(54,935)	-	-	(54,935)
Issue of options	-	-	125,000	125,000
Expiry of options	-	472,213	(472,213)	-
<b>Balance at 31 December 2014</b>	<b>29,906,201</b>	<b>(23,132,971)</b>	<b>156,276</b>	<b>6,929,506</b>

	<b>Issued Capital</b>	<b>Accumulated Losses</b>	<b>Reserves</b>	<b>Total Equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July 2013	27,027,128	(19,428,421)	652,676	8,251,383
Loss for the period	-	(1,354,166)	-	(1,354,166)
Asset revaluation	-	-	(7,633)	(7,633)
Total comprehensive loss for the period	-	(1,354,166)	(7,633)	(1,361,799)
Issue of capital	1,645,946	-	-	1,645,946
Cost of raising capital	(119,981)	-	-	(119,981)
Expiry of options	-	94,512	(94,512)	-
<b>Balance at 31 December 2013</b>	<b>28,553,093</b>	<b>(20,688,075)</b>	<b>550,531</b>	<b>8,415,549</b>

The consolidated statement of changes in equity is to be read in conjunction with the attached notes to the financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(885,247)	(534,172)
Department of mines co-contribution funding	39,926	82,500
Interest received	6,497	12,496
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(838,824)</b>	<b>(439,176)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for prospects	-	(250,000)
Proceeds from sale of investments	215,060	-
Payments for exploration and evaluation	(544,326)	(812,457)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(329,266)</b>	<b>(1,062,457)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	955,543	1,546,409
Cost of issue of shares	-	(119,981)
Proceeds from loan	208,000	-
Repayment of loan	(542,255)	-
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>621,288</b>	<b>1,426,428</b>
Net (decrease) in cash held	(546,802)	(75,205)
Cash at the beginning of the period	751,496	754,046
<b>CASH AT THE END OF THE PERIOD</b>	<b>204,694</b>	<b>678,841</b>

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

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### BASIS OF PREPARATION

The half year consolidated financial statements are a general purpose financial report which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The group is a for profit entity for financial reporting purposes under Australian Accounting Standards.

The consolidated half year financial report does not include all of the information required for a full 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 2014. This report must also be read in conjunction with any public announcements made by Artemis Resources Limited and its controlled entities during the half year.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of certain non-current assets, financial assets and financial liabilities.

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

### GOING CONCERN

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of \$2,296,795 and had net cash outflows from operating activities and investing activities of \$838,824 and \$329,266 respectively for the half year ended 31 December 2014, and has a net working capital deficiency of \$427,930. The consolidated entity has prepared budgets and forecasts for the following 12 months, and has determined further capital is required if the company is to continue at the planned level of operations.

These factors indicate significant uncertainty as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern, after consideration of the following factors:

- The company has been successful in raising capital whenever it has approached the markets in the past and the directors are confident in the ability to continue to raise additional funds on a timely basis, as and when required;
- Subsequent to period end the Company entered into a funding agreement with Wimmer Financial LLP for a \$2,000,000 facility to provide the Company with funds to further its exploration programme and for working capital;
- The consolidated entity has cash at bank at balance date of \$204,694 and net assets of \$6,929,506;
- The ability of the consolidated entity to further scale back certain parts of their activities that are non-essential so as to conserve cash should capital raising be delayed or not occur; and
- The consolidated entity retains the ability, if required, to wholly or in part dispose of interests in mineral exploration and development assets.

• STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

**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.

*Recovery of Capitalised Exploration and Evaluation Expenditure*

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the consolidated entity decides to exploit the related site itself, or if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to the environmental restoration obligations) and changes to commodity prices.

**NEW AND REVISED STANDARDS AND AMENDMENTS THEREOF AND INTERPRETATIONS EFFECTIVE FOR THE CURRENT HALF-YEAR THAT ARE RELEVANT TO THE CONSOLIDATED ENTITY**

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the consolidated entity's accounting policies and has no effect on the amounts reported for the current or prior half-years. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**2. EARNINGS PER SHARE**

The calculation of basic earnings and diluted earnings per share at 31 December 2014 was based on the loss attributable to shareholders of the parent company of \$2,296,795 (2013: Loss \$1,354,166):

	<b>2014</b>	<b>2013</b>
	<b>Cents</b>	<b>Cents</b>
Basic and diluted (loss) per share	<u>(0.24) cents</u>	<u>(0.21) cents</u>
	<b>No of Shares</b>	<b>No of Shares</b>
<b>Weighted average number of ordinary shares:</b>		
Ordinary shares	<u>1,147,718,836</u>	<u>653,998,465</u>



### 3. FINANCIAL ASSETS

	31 December 2014 \$	30 June 2014 \$
<b>Current</b>		
<b>Available for sale financial assets</b>		
Shares in listed equity securities – at fair value	41,262	258,628

### 4. INTANGIBLE EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2014 \$	30 June 2014 \$
Exploration and evaluation phase costs carried forward at cost:	7,366,421	8,368,835

#### (a) 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.

#### (b) Reconciliation of movement during the period

	31 December 2014 \$	31 December 2013 \$
Opening balance	8,386,835	8,060,220
Acquisition of project – see (c) below	181,250	318,750
Carrying value of project sold	-	(178,419)
Add: Exploration and evaluation expenditure capitalised	346,328	963,931
Less: Exploration expenditure written off see (d) below	(1,529,991)	(795,647)
Closing balance	7,366,421	8,368,835

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.

The Company has a number of tenements in its West Pilbara project under plaintiff which it is dealing with in the ordinary course of business. The company was successful in defending the plaintiff on E47/1797 during the period. There are plaintiffs on tenements M47/223 and M47/288 which have yet to come before the Warden. In respect of tenements E47/1745 and E47/1746 the Minister has refused Artemis' application for exemption, a decision which the Company is in the process of appealing. The Company has taken legal advice and is vigorously defending its right to these assets.

#### (c) Acquisition of project

During the period the Company acquired a further 29% of the Weerianna project for a consideration of \$181,250 (prior period 51% for \$318,750).

#### (d) Write down of exploration expenditure Yandal Project

During the period the Company relinquished the non-core tenements in the Yandal project.

## 5. SHARE CAPITAL

	31 December 2014 \$	30 June 2014 \$
<b>ISSUED CAPITAL DETAILS</b>		
1,224,716,411(30 June 2014: 851,597,822) Ordinary shares:	29,906,201	28,918,343

### Reconciliation of movement during the period:

	Shares	\$
Opening balance	851,597,822	28,918,343
Movements		
Rights issue – 31 July 2014	210,847,756	632,543
Issue to consultant – 20 October 2014	4,166,667	12,500
Share placement – 31 October 2014	107,666,666	323,000
Issued on acquisition of project – 17 December 2014	48,437,500	68,750
Issued to consultant -19 December 2014	2,000,000	6,000
Cost of issue		(54,935)
Closing balance	1,224,716,411	29,906,201

### Terms 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.

### SHARE OPTIONS

The Company issued 79,628,648 listed options exercisable at 0.3 cents before 31 July 2016 as free attaching options on the basis of one option for every four shares subscribed to the rights issue and 125,000,000 unlisted options exercisable at 0.3 cents before 30 June 2016 as part of the acquisition price of the Weerianna project.

The Company currently has the following outstanding options:

	Options on issue	Number listed on ASX	Exercise Price	Expiry Date
Listed options	80,128,648	80,128,648	0.3 cents	31/07/2016
Listed options	126,846,952	126,846,952	2.0 cents	31/08/ 2016
Unlisted options	125,000,000	-	0.3 cents	30/06/2016

20,000,000 unlisted options expired during the period and the related options reserve in the amount of \$472,213 has been written back to retained earnings.

### PERFORMANCE RIGHTS

The Company has 9 million performance rights on issue as at period end. The performance period expires on 30 June 2015. It is probable that the performance hurdles will not be met and no charge has been recorded in the accounts for the period ended 31 December 2014.

## 6. SEGMENT INFORMATION

The consolidated entity operates in Australia. The entity has three major projects, Yandal, West Pilbara and Mount Clement. Management reporting identifies these three segments and groups other exploration activities under Other Projects.

	Exploration Activities Yandal \$	Exploration - Activities Mt Clement \$	Exploration - Activities West Pilbara \$	Exploration - Activities Other Projects \$	Unallocated \$	Total \$
<b>31 December 2014</b>						
Segment revenue	-	-	-	-	81,594	81,594
Segment expenses	-	-	-	-	(2,418,315)	(2,418,315)
Results from operating activities	-	-	-	-	(2,336,721)	(2,336,721)
Segment assets	604,704	2,662,446	3,573,371	525,900	309,535	7,675,956
Segment liabilities	-	-	-	-	746,450	746,450
<b>31 December 2013</b>						
Segment revenue	-	-	-	-	16,309	16,309
Segment expenses	-	-	-	(755,064)	(615,411)	(1,370,475)
Results from operating activities	-	-	-	(755,064)	(599,102)	(1,354,166)
Segment assets	1,995,290	2,445,231	2,816,968	704,318	985,746	8,947,553
Segment liabilities	-	-	200,000	-	332,000	532,000

## 7. COMMITMENTS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or contingent assets.

## 8. EVENTS SUBSEQUENT TO 31 DECEMBER 2014

Subsequent to period end the Company entered into a \$2 million funding agreement with Wimmer Financial LLP for a \$2 million facility to provide the Company with funds to further its exploration programme and for working capital. The facility is unsecured, expires in June 2016 and has an interest rate of 10% payable in cash or shares at the Company's election. Funds drawn down if not repaid can be converted into Artemis shares at 80% of the Volume Weighted Average Price for the 30 days prior to conversion.

Subsequent to period end the Company announced the conditional acquisition of a majority interest in a graphite project in Southern Greenland.

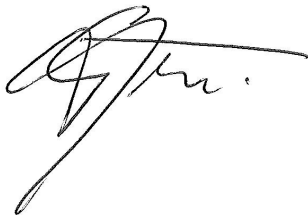
Subject to regulatory approvals from the Greenlandic authorities, Artemis Graphite Pty Limited, a wholly-owned subsidiary of Artemis Resources Limited, will acquire 90% of the private vehicle which has the right to acquire 100 per cent of exploration licence 2013/06. The acquisition price is \$100,000 in cash plus the issue to the vendors and advisers of 35 million fully paid ordinary Artemis shares and 35 million Artemis share options (expiry date 31 December 2016 and an exercise price of \$0.003). Artemis will undertake to spend at least \$500,000 on the project over a 36 month period. There is a put and call option over the vendors' residual 10% interest in the project which may be exercised by either party following completion of a bankable feasibility study for an agreed price or, failing agreement, a price determined by independent valuation.

Other than outline above there are no events subsequent to the end of the period that would have a material effect on the consolidated entity's financial statements at 31 December 2014.

**The directors declare that:**

- (a) the financial statements and notes, set out on pages 11 to 20, 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 2014 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

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

**Guy Robertson**  
**Executive Director**

Dated at Sydney this 12 March 2015

**ARTEMIS RESOURCES LIMITED**

ABN 80 107 051 749

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF  
ARTEMIS RESOURCES LIMITED****Report on the Interim Financial Report**

We have reviewed the accompanying half-year financial report of Artemis Resources Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the period ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

**Directors' Responsibility for the Half-Year Financial Report**

The directors of Artemis Resources Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) 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.

**Auditor's Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, 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 Artemis Resources Limited's financial position as at 31 December 2014 and its performance for the period ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Artemis Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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 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.

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**ARTEMIS RESOURCES LIMITED**  
ABN 80 107 051 749

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF  
ARTEMIS RESOURCES LIMITED**

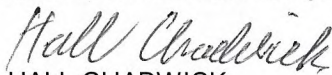
**Conclusion**

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 is not in accordance with the Corporations Act 2001 including:

- (i) giving a true and fair view of Artemis Resources Limited's financial position as at 31 December 2014 and of its performance for the period ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

**Emphasis of Matter**

Without modifying our conclusion, we draw attention to Note 1 in the financial report, which indicates that the company incurred a net loss of \$2,296,795 and had net cash outflows from operating activities of \$838,824 during the half-year ended 31 December 2014 and, as of that date; the company's current liabilities exceeded its current assets by \$427,930. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the half-year financial report.



HALL CHADWICK

Level 40, 2 Park Street

Sydney NSW 2000



**DREW TOWNSEND**

**Partner**

Dated: 12 March 2015

**DIRECTORS**

Guy Robertson (Executive Director)  
George Frangeskides (Non-Executive Director)  
Edward Mead (Non-Executive Director)

**COMPANY SECRETARY**

Guy Robertson

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**SOLICITORS**

DLA Phillips Fox

**AUDITORS**

Hall Chadwick  
Chartered Accountants

**BANKERS**

Westpac Limited

**WEBSITE**

[www.artemisresources.com.au](http://www.artemisresources.com.au)