



Artemis Resources Limited and its controlled entities

Interim financial report for the 6 months ended 31 December 2015

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The Directors present their report on the consolidated entity for the half year ended 31 December 2015.

Directors

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

George Frangeskides (Non-Executive Director)
Edward Mead (Non-Executive Director)
Campbell Baird (Non-Executive Director) (Appointed 17 August 2015)
Guy Robertson (Executive Director) (Resigned 17 August 2015)

RESULT AND REVIEW OF OPERATIONS

Progress on the Company's projects is outlined under the following project headings:

West Pilbara – Gold and Base Metals

Eastern Hills – Antimony and Lead

Mt Clement – Gold

Highlights

- ✓ Heritage clearance obtained on Weerianna, Mt Sholl and Carlow Castle area (includes Goodluck and Fortune), on West Pilbara Projects, with no restrictions
- ✓ Phase 1 drilling on walk up copper and gold targets at Goodluck and Fortune completed.
- ✓ 171 assays from Goodluck and Fortune drilling have been submitted for assay.
- ✓ Edward Mead, experienced Pilbara base metals and gold geologist, appointed as Managing Director
- ✓ Campbell Baird, experienced mining engineer, appointed as a Director
- ✓ Ongoing review of opportunities in West Pilbara
- ✓ Rights issue closed successfully raising \$2.3 million

West Pilbara-Carlow Castle Project Area (100%)

The West Pilbara region hosts a number of nickel, copper, platinum group element (PGE) and gold deposits, including the Radio Hill nickel sulphide mine, discovered in the 1980s, which was in production until 2008 and is located approximately 25 kilometres southwest of Carlow Castle (Figure 1). There has been limited exploration drilling in the region in recent years, and there is the potential to discover further base metal, PGE and gold deposits using the latest exploration technology and quality technical expertise.

Artemis' aim is the discovery of a major nickel/copper deposit in the West Pilbara. A geophysical review was completed by independent geophysical consultants, Southern Geoscience Consultants, and identified 9 priority targets. A total of 13 RC drillholes were recommended to test airborne VTEM (Electro Magnetic) targets refined by ground based Electro Magnetic surveys.

Of the identified targets, Artemis has identified two for priority drill testing as part of an initial Phase 1 drilling program (Figure 2). These are the Goodluck and Little Fortune anomalies, which have the potential to host nickel-copper mineralisation associated with the Andover Intrusive Complex, and gold from late stage quartz veins. Furthermore, these targets are within close proximity to Artemis's Carlow Castle copper-gold deposit, which contains a JORC (2012) Inferred Mineral Resource of **418,000 tonnes @3.0 g/t gold (Au), and 0.6% copper (Cu)**

for total contained metal of 40,000 ounces of Au, and 2,500 tonnes of Cu¹. Both the Goodluck and Little Fortune anomalies, and the Carlow Castle deposit, are located within E47/1797².

A heritage survey with the assistance of the Ngarluma Aboriginal Corporation was completed in mid October 2015. This survey in conjunction with an approved Programme of Work by DMP, has recently allowed the company to undertake a Phase 1 drilling programme.

Phase 1 RC drilling of 656 metres was completed at the Goodluck (Chapman) and Little Fortune (Thorpe) prospects (Figure 1) in the Carlow Castle area, which is 5 km from Roebourne.

171 samples were taken and have been submitted for assay. As the programme is RC and phase 1, the Company has made the decision to wait for assay results from the laboratory prior to planning the next stage of the programme.

The Goodluck anomaly (Figure 2) is located 1 kilometre to the south of Carlow Castle, and coincides with historic copper-gold workings, within Gabbro of the Andover Intrusive Complex (AIC). The original airborne VTEM anomaly trends west-northwest with a strike length of 600m, extending well beyond the limit of the historic workings. Follow up ground based FLTEM over the anomaly identified two discrete, shallow bedrock conductors at depths of 40m and 60m respectively. Historic follow-up soil and rock chip sampling also identified coincident copper and nickel anomalies.

The Little Fortune anomaly (Figure 2) is located 2 kilometres to the south of Carlow Castle, and coincides with historic copper-gold workings, within Gabbro of the Andover Intrusive Complex. The strike of the workings is 600m, and 419 tonnes of copper ore was mined from 1901- 1919. A further 14 tonnes was mined from 1963-1964. Drilling in the area has intersected gold and chalcopyrite (copper ore), but drill samples were only ever assayed for gold.

West Pilbara-Weerianna Gold Project (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 gold³. 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.

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.

A heritage survey was completed and a Programme of Work (POW) has been submitted to the Department of Minerals and Petroleum (DMP) for trenching to be undertaken looking for east-west gold mineralised structures. If this identifies structures of interest a Sub-audio magnetic survey will be completed and a POW for drilling submitted.

¹ As per ASX announcement dated 30 June 2014 "Acquisition of Gold Project Acquisition - Update on West Pilbara Resource Status"

² As per ASX announcement dated 11 November 2014 "Drilling Planned to test Significant Nickel-Copper Anomalies – West Pilbara Project"

³ As per ASX announcement dated 30 June 2014 "Completion of Gold Project Acquisition – Update on West Pilbara Resource Status"

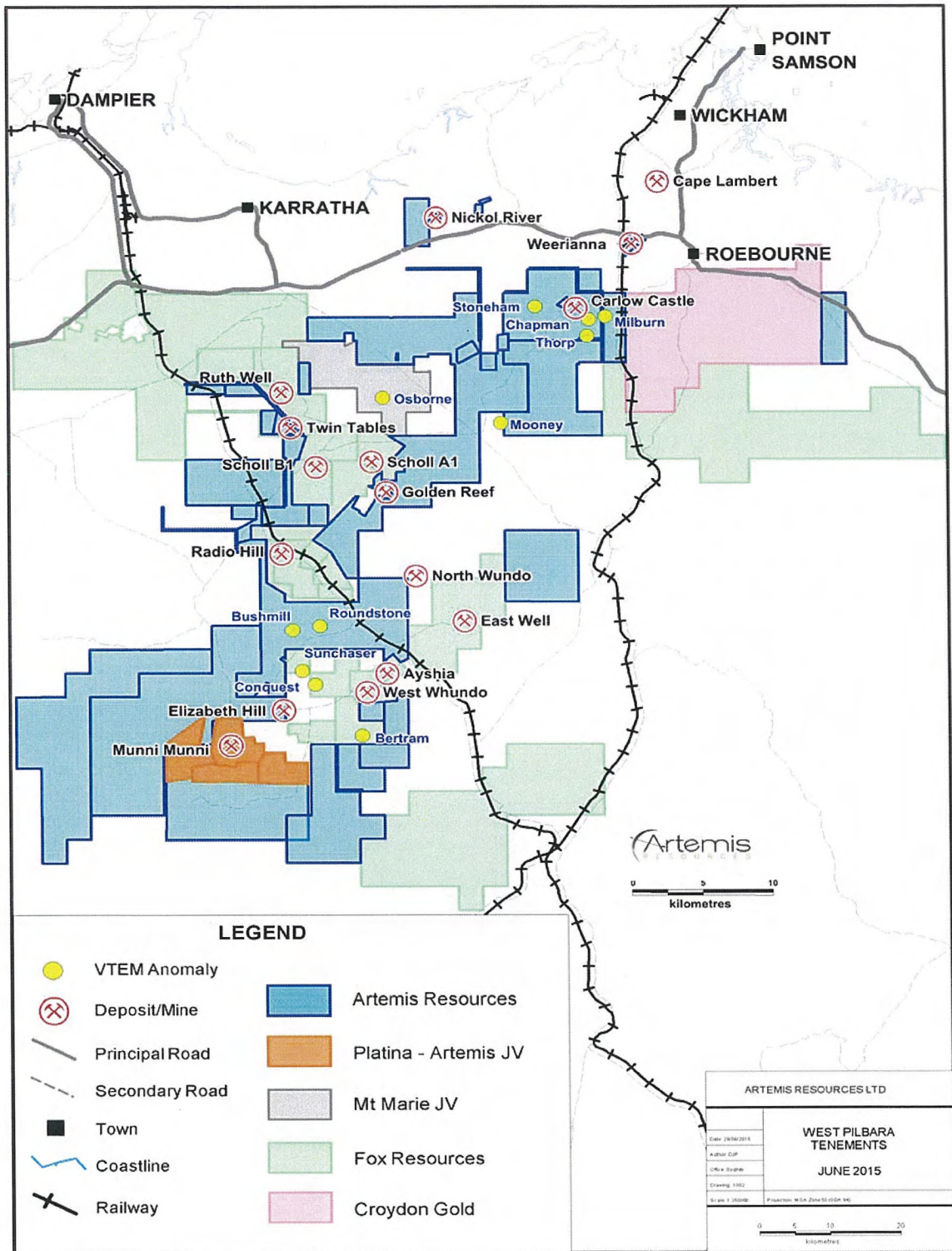


Figure 1: Artemis West Pilbara Project Tenements and Priority VTEM Anomalies

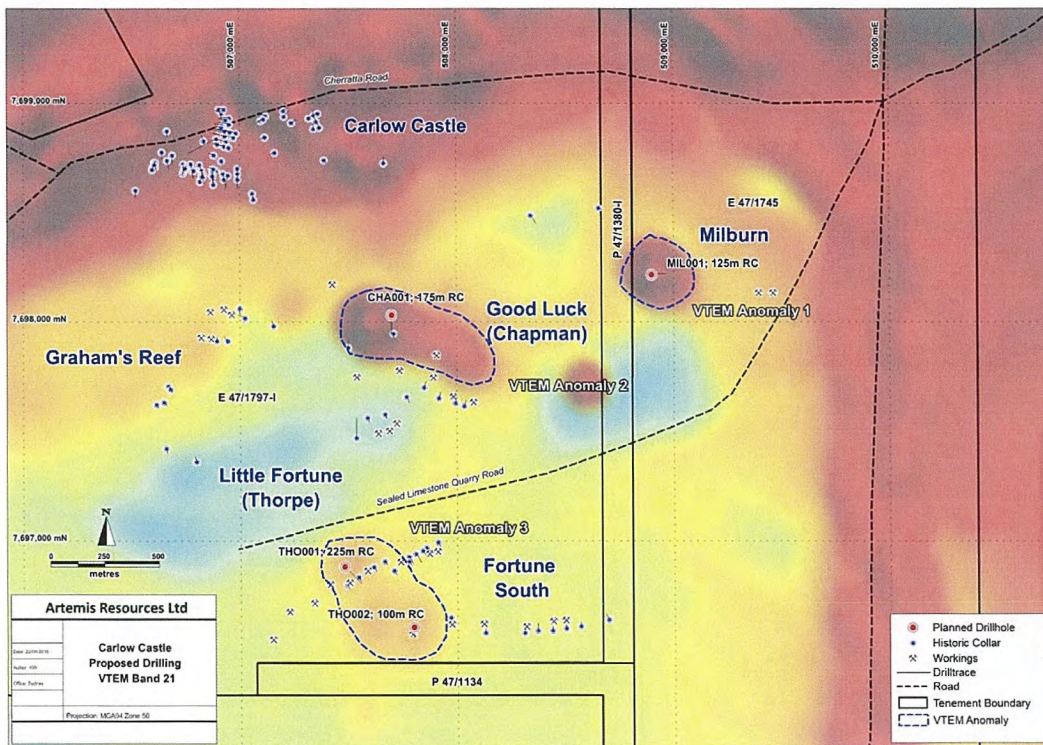


Figure 2: Carlow Castle and VTEM Anomalies (VTEM Band 21 as Background)

West Pilbara-Mt Sholl East Joint Venture (34%)

Artemis is to acquire all the shares in Shear Zone Mining Pty Ltd, a private company that holds 34 of 100 shares in the Mt Sholl East Joint Venture (MSEJV). The MSEJV operates the Mining Licences M47/93 and M47/232 which are contiguous to Artemis Mining Licences M47/288 and M47/177, known as the Queens Reef gold workings. Artemis tenement E47/1746 surrounds the Queens Reef area and is the focus of early stage exploration looking at strike extensions of gold mineralisation.

West Pilbara-Munni Munni Joint Venture (Artemis to earn 70%)

The Munni Munni Project (Figure 1) hosts the largest intrusion in the West Pilbara and hosts a JORC 2004 compliant Resource of **24 Mt @ 2.9 g/t Platinum Group Element (PGE) + gold** (1.4Mt Inferred, 9.8Mt indicated and 12.4Mt Measured) (0.83Moz platinum, 1.14Moz palladium, 152Koz gold and 76Koz rhodium)⁴. Munni Munni is the largest as yet un-mined primary PGE Resource in Australia.

The Project is contiguous to Artemis tenements on all sides and continues the Company's vision to consolidate a previously fragmented tenement holding region.

Exploration and Development Strategy

Artemis will undertake a full review of all previous geophysical surveys. The eastern side of Munni Munni remains unexplored and an airborne electromagnetic survey is proposed, but will be confirmed after the full review.

The existing resource will be updated from JORC 2004 to JORC 2012.

⁴ As per ASX announcement dated 5 August 2015 "Artemis to earn majority interest in Australia's largest platinum deposit"

Metallurgical processing flow sheets will be reviewed in light of new and recent technological advances. Metallurgical recoveries may be significantly higher using modern flow sheets, which are currently practised in the South African PGE industry and this needs to be represented in the style of future test work completed.

The project will benefit from improved metallurgical recoveries, metal prices and a lower Australian Dollar and active exploration and evaluation of targets including extensions of the Ferguson Reef and new discoveries of contact and/or discordant precious and base metal mineralisation.

Transaction Terms

The binding agreement that has been entered into with Platina ("Agreement") provides for Artemis's wholly-owned subsidiary, Karratha Metals Pty Limited ("Karratha"), to earn a 70% interest in the Project by expending \$750,000 over a 3 year period. During its earn in, Karratha must keep the tenements in good standing.

A royalty of \$400,000 is payable to Franco-Nevada Corporation on commercial mining production. Franco-Nevada Corporation is a Canadian company headquartered in Toronto with additional offices in the U.S., Australia and Barbados, all of which are used to manage Franco-Nevada's leading gold-focused and other commodity royalty and streaming investments. Franco-Nevada shares trade on the Toronto Stock Exchange and New York Stock Exchange. Franco-Nevada, with a market capitalization over US\$7 Billion, owns and continues to grow a large, diversified portfolio of royalties. Upon and subject to earning a 70% interest in the Project, Karratha shall assume the obligation to pay the royalty to Franco-Nevada.

Artemis issued 100 million Artemis shares on completion of the Agreement.

Tenure Location and History

The Munni Munni Project is located (Figure 1) in the world-class Pilbara mining region of northern Western Australia, approximately 55km south of the port and rail hub of Karratha which is the regional administrative and service centre supporting the Paraburdoo, Tom Price and Pannawonica iron ore mines and the North West Shelf gas operations. The Munni Munni Project is extremely well located, near the port of Dampier, with grid power and groundwater available on site, and the area has an abundant skilled workforce nearby.

The PGE potential was first recognised by world renowned expert Dr. John Ferguson (former Division Head/Acting Director at the BMR, now Geoscience Australia, and ex-Platina Non-Executive Director) in the 1980's, and accordingly, the identified mineralised horizon is referred to as the "Ferguson Reef". Exploration activities since the initial discovery have defined a significant PGE and gold resource making it Australia's largest undeveloped primary platinum-palladium project. The entire known resource is contained within four granted mining leases and all likely extensions of the Ferguson Reef are within Artemis exploration tenements.

Geology

The Munni Munni Project area is situated within the Archaean Pilbara Block of the Pilbara Craton, which consists of an elongate east-west trending granite greenstone terrain. The late Archaean Munni Munni Igneous Complex (MMIC) is a layered mafic-ultramafic intrusion emplaced into granitic rocks of the west Pilbara Block. The MMIC is the largest (25km x 9km) and one of the best preserved of a number of complexes, which occur throughout the Pilbara and has been dated at 2.92 Ga.

The MMIC is a 'boat-shaped' intrusive complex composed of an alternating sequence of ultramafic rocks overlain by a thick mafic package of predominantly gabbroic rock (Figure 3). The mineralised Ferguson Reef occurs at the contact between the lower ultramafic rocks and the upper gabbroic rock types. The intrusion is likely in excess of 5km thick with the keel of ultramafic material 1800m thick and the upper gabbroic package 3600m thick.

The uppermost unit of the ultramafic zone is a medium to coarse grained porphyritic websterite. The upper portion of this unit is the host to the PGE mineralised Ferguson Reef. The most obvious alteration in the ultramafic series is the serpentinisation of olivine although pervasive talc alteration is also apparent.

The upper gabbroic material is a monotonous sequence of poorly layered gabbro to gabbro-norite.

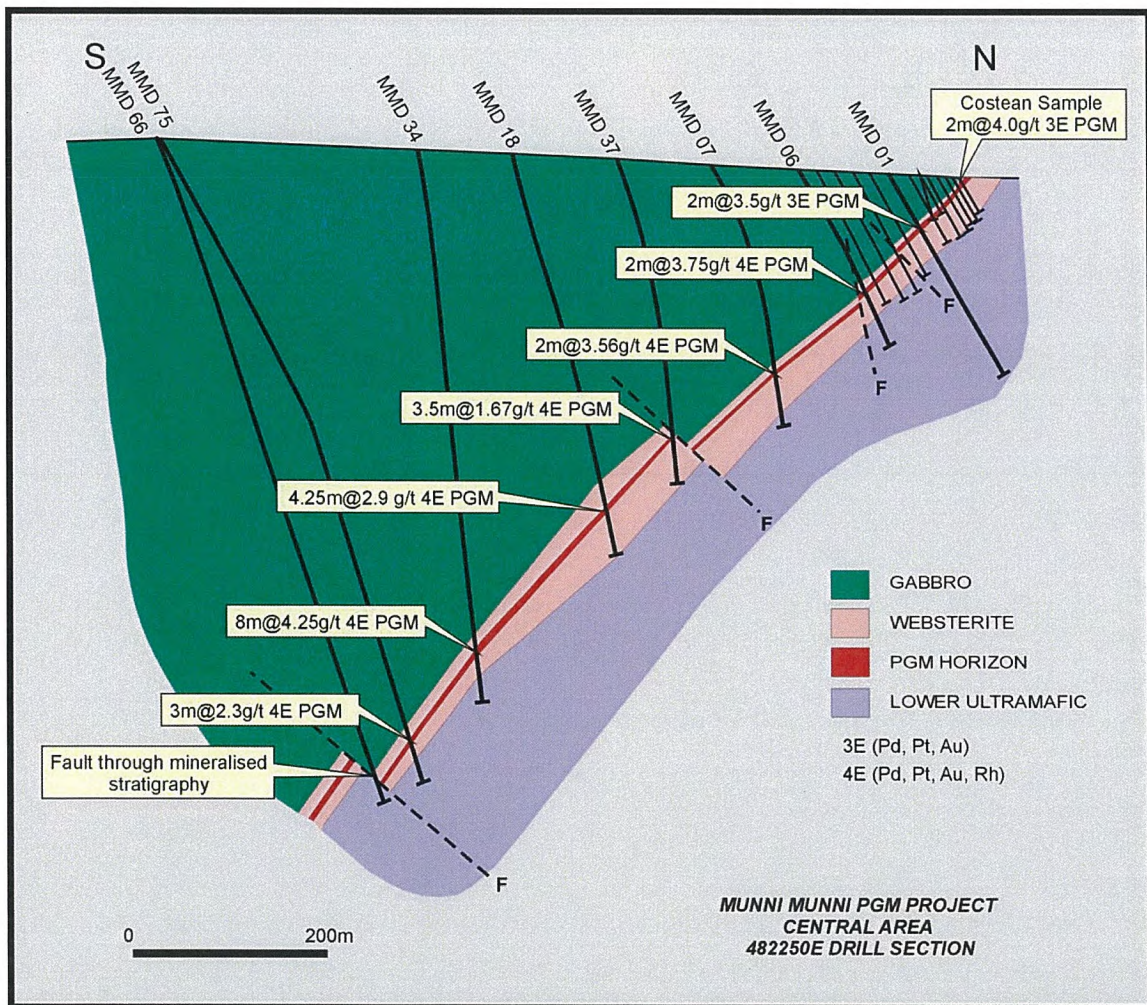
The southern portion of the MMIC is unconformably overlain by flat-lying sediments and volcanics of the Mount Bruce Supergroup and more particularly the Fortescue Group.

Mineralisation

The Ferguson Reef PGE mineralisation (Figure 3) averages 2.6 m (range 1-9 metres) thickness, has an approximate 2km strike length and extends from surface to more than 1km depth at a dip of 45°. The mineralisation has two ore domains comprising 'high sulphide' (Cu >1000ppm) and 'low sulphide' (Cu <1000ppm). The dominant sulphides are chalcopyrite and pyrrhotite with trace pentlandite, typically comprising 1% to 2%. Chromite does not occur as an accessory mineral in the reef, which would make the concentrates more valuable than traditional higher chromium concentrates.

The Munni Munni Resource

Munni Munni has a Measured, Indicated and Inferred Mineral Resource (Figure 4), reported in accordance with the JORC Code 2004, for mineralisation within the Ferguson Reef (Table 1). The estimation was first completed by SRK Consulting in July 2002 and then was estimated and confirmed by Snowden's in 2003. Platina Resource's then completed an estimation in 2004 to confirm the resource, with Rob Mosig being the competent person. This resource includes all drilling completed in the Cherratta, Pinderi, Central, Maitland and Yannery Zones of the Northern Domain. The resource does not include additional drilling completed by Platina in 2007.



MM00210.cdr

Figure 3. Munni Munni drill section Central Area

								Contained Metal		
								Moz		
JORC Category	Million	Pt g/t	Pd g/t	Au g/t	Rh g/t	Cu	Ni	Pt	Pd	Au
Measured	12.4	1.1	1.4	0.2	0.1	0.09	0.07	0.44	0.56	
Indicated	9.8	1.1	1.6	0.3	0.1	0.22	0.11	0.35	0.50	
Inferred	1.4	1.1	1.6	0.3	0.1	0.15	0.09	0.05	0.07	
Total	23.6	1.1	1.5	0.2	0.1	0.15	0.09	0.83	1.14	0.15

Table 1. Munni Munni undiluted JORC 2004 resource estimate at a cut-off grade of 1.9g/t PGE + Au (SRK, 2002, subsequently confirmed by Snowden, 2003, as reported in Platina Annual Report)

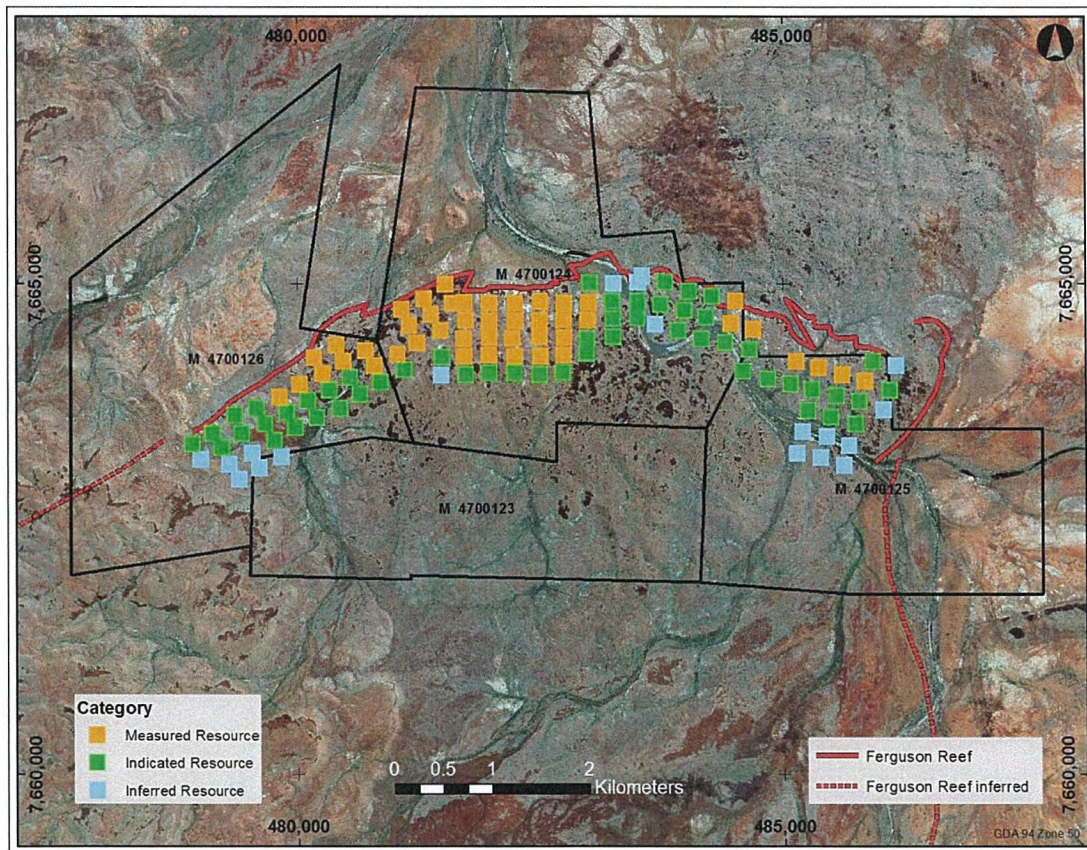


Figure 4. Plan view of the Measured, Indicated and Inferred resources draped over aerial photo. The blocks represent offset block centroids at 1500ppb Pt-Pd+Au cut-off, coloured by resource category.

Metallurgical Test Work and Mining Studies

Preliminary metallurgical test work completed in 1988 indicated that conventional flotation would concentrate the PGE sulphide mineralisation. Further test work in 2001 (on twelve year-old core) incorporated batch roughing and cleaning flotation tests with moderate PGE recoveries of the high sulphide and low sulphide ore

of 70% and 66% respectively. This basic flotation test work has not used modern reagent schemes for PGE recovery, which may be improved in future test work.

An economic study by AMC Consultants in 2010 produced a mine plan (combined open pit and underground) and economic model and a review of this work by Whittle Consulting Pty Ltd in 2011 concluded that the project was sub-economic, citing the major factor as being current metal prices, the Australian Dollar exchange rate with the US Dollar and a moderate resource size.

Artemis believes that if more resources can be defined within the MMIC or within the Artemis tenure that surrounds the MMIC, that the capital cost could be shared by increased resources and could improve the economics.

Amitsoq Project Disposal

Given the Company's focus on the West Pilbara, Artemis has sold 70% of the rights to earn into the Amitsoq graphite project to a third party for approximately \$104,000 and shares in the third party on it achieving certain exploration spend milestones.

Rights Issue

The Company closed the renounceable rights issue on the 23 December 2015, with the minimum subscription of \$2.3 million being exceeded.

The Company issued to shareholders and placed the shortfall for a total amount of 2,317,841,748 shares at \$0.001 per share and 2,317,841,748 options exercisable at \$0.001 per share before 30 September 2017.

The securities were issued on 23 December 2015.

Plaint Matters

The Company successfully defended all plaintiff matters that were heard during the period and reached an agreement with the person/entity making the plaintiffs, at no additional cost, to cease all further claims.

Board and Management Changes

During the period Artemis appointed Mr Edward Mead as Managing Director of the Company. Mr Mead is a geologist with more than 20 years' experience in gold and base metals exploration, mine development and mine production and has previously worked on most projects within the West Pilbara.

Mr Campbell Baird, a mining engineer, was appointed a non-executive Director on 17 August 2015 to further strengthen the Company's technical exploration team.

Mr Guy Robertson resigned as a Director during the period and continues as the Company Secretary.

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.

OPERATING RESULTS

With this background, the loss after income tax for the period amounted to \$3,182,127 (31 December 2014 loss: \$2,296,795).

EVENTS SUBSEQUENT TO REPORTING DATE

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 2015.

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.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 12 and forms part of the Directors' Report for the half year ended 31 December 2015.

Signed in accordance with a resolution of the Directors



Edward Mead
Executive Director
Dated at Sydney
14 March 2016

**ARTEMIS RESOURCES LIMITED
ABN 80 107 051 749
AND ITS CONTROLLED ENTITIES**

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

SYDNEY

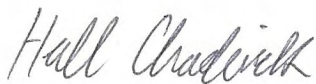
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I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2015, there have been no contraventions of:

- (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



HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000



DREW TOWNSEND

Partner

Dated: 14 March 2016

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	\$	\$
Revenue from operations	38,170	81,594
Occupancy costs	(10,376)	(35,075)
Legal fees	(295,721)	(456,953)
Consultancy costs	(176,998)	(76,112)
Compliance and regulatory expenses	(46,013)	(55,954)
Management fees	(22,203)	(75,000)
Directors' fees	(57,221)	(67,234)
Exploration expenditure written off	(2,555,349)	(1,552,288)
Travel	(5,771)	(11,100)
Borrowing costs	(33,500)	(20,851)
Other expenses	(17,145)	(67,748)
(LOSS) BEFORE INCOME TAX	(3,182,127)	(2,336,721)
Income tax benefit	-	39,926
(LOSS) FOR THE PERIOD	(3,182,127)	(2,296,795)
OTHER COMPREHENSIVE (LOSS) FOR THE PERIOD		
Items that may be reclassified subsequently to profit or loss		
Loss on available for sale investments	-	(77,366)
Income tax relating to components of other comprehensive income	-	8,319
Other comprehensive loss for the period, net of income tax	-	(69,047)
TOTAL COMPREHENSIVE (LOSS) FOR THE PERIOD	(3,182,127)	(2,365,842)
Basic and diluted (loss) per share	(0.24) cents	(0.24) cents

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	31 December 2015 \$	30 June 2015 \$
CURRENT ASSETS			
Cash and cash equivalents		435,923	340,922
Trade and other receivables		42,600	67,589
Other financial assets	3	15,989	15,989
TOTAL CURRENT ASSETS		<u>494,512</u>	<u>424,500</u>
NON-CURRENT ASSETS			
Evaluation and exploration expenditure	4	4,684,558	6,736,804
TOTAL NON-CURRENT ASSETS		<u>4,684,558</u>	<u>6,736,804</u>
TOTAL ASSETS		<u>5,179,070</u>	<u>7,161,304</u>
CURRENT LIABILITIES			
Trade and other payables		646,205	924,965
Shareholder loan		-	939,189
TOTAL CURRENT LIABILITIES		<u>646,205</u>	<u>1,864,154</u>
TOTAL LIABILITIES		<u>646,205</u>	<u>1,864,154</u>
NET ASSETS		<u>4,532,865</u>	<u>5,297,150</u>
EQUITY			
Share capital			
Issued capital	5	32,374,443	29,956,601
Reserves		125,000	125,000
Accumulated losses		(27,966,578)	(24,784,451)
TOTAL EQUITY		<u>4,532,865</u>	<u>5,297,150</u>

The consolidated statement of financial position 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 2015**

	Issued Capital	Accumulated Losses	Reserves	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2015	29,956,601	(24,784,451)	125,000	5,297,150
Loss for the period	-	(3,182,127)	-	(3,182,127)
Total comprehensive loss for the period	-	(3,182,127)	-	(3,182,127)
Issue of capital	2,417,842	-	-	2,417,842
Balance at 31 December 2015	32,374,443	(27,966,578)	125,000	4,532,865

	Issued Capital	Accumulated Losses	Reserves	Total Equity
	\$	\$	\$	\$
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)	-
Balance at 31 December 2014	29,906,201	(23,132,971)	156,276	6,929,506

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 2015

	2015	2014
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(636,732)	(885,247)
Department of mines co-contribution funding	-	39,926
Interest received	562	6,497
NET CASH USED IN OPERATING ACTIVITIES	(636,170)	(838,824)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of project	104,188	-
Proceeds from sale of investments	-	215,060
Payments for exploration and evaluation	(185,109)	(544,326)
NET CASH USED IN INVESTING ACTIVITIES	(80,921)	(329,266)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	812,092	955,543
Proceeds from loan	-	208,000
Repayment of loan	-	(542,255)
NET CASH PROVIDED BY FINANCING ACTIVITIES	812,092	621,288
Net increase/(decrease) in cash held	95,001	(546,802)
Cash at the beginning of the period	340,922	751,496
CASH AT THE END OF THE PERIOD	435,923	204,694

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 2015. 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.

These interim financial statements were authorised for issue on 14 March 2016.

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 \$3,182,127 and had net cash outflows from operating activities and investing activities of \$636,170 and \$80,921 respectively for the half year ended 31 December 2015, and has a net working capital deficiency of \$151,693. 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;
- The Company has 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 \$435,923 and net assets of \$4,532,865;
- 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 2015 was based on the loss attributable to shareholders of the parent company of \$3,182,127 (2014: Loss \$2,296,795):

	2015	2014
	Cents	Cents
Basic and diluted (loss) per share	<u>(0.24) cents</u>	<u>(0.24) cents</u>
	No of Shares	No of Shares
Weighted average number of ordinary shares:		
Ordinary shares	<u>1,325,282,807</u>	<u>1,147,718,836</u>

3. FINANCIAL ASSETS

	31 December 2015 \$	30 June 2015 \$
Current		
Available for sale financial assets		
Shares in listed equity securities – at fair value	15,989	15,989

4. INTANGIBLE EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2015 \$	30 June 2015 \$
Exploration and evaluation phase costs carried forward at cost:	4,684,558	6,736,804

(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 2015 \$	31 December 2014 \$
Opening balance	6,736,804	8,386,835
Acquisition of project – see (c) below	100,000	181,250
Carrying value of project sold	(66,580)	-
Add: Exploration and evaluation expenditure capitalised	466,425	346,328
Less: Exploration expenditure written off see (d) below	(2,552,091)	(1,529,991)
Closing balance	4,684,558	7,366,421

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.

(c) Acquisition of project

During the period the Company acquired the right to farm into the Munni Munni Platinum Group Elements project. The binding agreement that has been entered into with Platina ("Agreement") provides for Artemis's wholly-owned subsidiary, Karratha Metals Pty Limited ("Karratha"), to earn a 70% interest in the Project by expending \$750,000 over a 3 year period.

A royalty of \$400,000 is payable to Franco-Nevada Corporation on commercial mining production. Upon and subject to earning a 70% interest in the Project, Karratha shall assume the obligation to pay the royalty to Franco-Nevada.

In accordance with the agreement with Platina, Artemis issued 100 million Artemis shares at \$0.001 per share.

(d) Write down of exploration expenditure Mt Clement Project (80%)

The Company is seeking a buyer or joint venture partner for the Mt Clement project. The Company's joint venture partner Northern Star Resources (NST) has a pre-emptive right to acquire the Company's interest. Given uncertainty as to its value the Company has written down the asset to NIL.

5. SHARE CAPITAL

	31 December 2015	30 June 2015
	\$	\$
ISSUED CAPITAL DETAILS		
3,656,158,159 (30 June 2015: 1,238,316,411) Ordinary shares:	32,374,443	29,956,601
Reconciliation of movement during the period:		
	Shares	\$
Opening balance	1,238,316,411	29,956,601
Rights issue – 23 December 2015	2,417,841,748	2,417,842
Closing balance	3,656,158,159	32,374,443

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

During the period the Company issued 2,417,841,748 unlisted options exercisable at 0.1 cents before 30 September 2017 as free attaching options on the basis of one option for every share subscribed to the rights issue.

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
Unlisted options	2,417,841,748	-	0.1 cents	30/09/2017

6. SEGMENT INFORMATION

The consolidated entity operates in Australia. The entity in the previous period had three major projects, Yandal, West Pilbara and Mount Clement. During the previous year the Company wrote off its investment in Yandal following disposal of this project. The Company is currently looking for joint venture partners for its Mt Clement project and given uncertainty as to its value has written down the project to nil value. Going forward the Company is focussing on the West Pilbara project.

	Exploration Activities Yandal \$	Exploration - Activities Mt Clement \$	Exploration - Activities West Pilbara \$	Exploration - Activities Other Projects \$	Unallocated \$	Total \$
31 December 2015						
Segment revenue	-	-	-	-	38,170	38,170
Segment expenses	-	(2,467,523)	(84,568)	-	(668,206)	(3,220,297)
Results from operating activities	-	(2,467,523)	(84,568)	-	(630,036)	(3,187,127)
Segment assets	-	-	4,158,658	525,900	494,512	5,179,070
Segment liabilities	-	-	-	-	646,205	646,205
31 December 2014						
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

7. COMMITMENTS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

8. EVENTS SUBSEQUENT TO 31 DECEMBER 2015

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 2015.

DIRECTORS' DECLARATION

The directors declare that:

- (a) the financial statements and notes, set out on pages 13 to 21, 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 2015 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



Edward Mead
Executive Director
14 March 2016

**ARTEMIS RESOURCES LIMITED
ABN 80 107 051 749
AND ITS CONTROLLED ENTITIES****INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
ARTEMIS RESOURCES LIMITED****SYDNEY**Level 40
2 Park Street
Sydney NSW 2000
AustraliaGPO Box 3555
Sydney NSW 2001Ph: (612) 9263 2600
Fx : (612) 9263 2800**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 2015, 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 2015 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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of separate and
independent
accounting
and consulting firms

**ARTEMIS RESOURCES LIMITED
ABN 80 107 051 749
AND ITS CONTROLLED ENTITIES**

**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 2015 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 \$3,182,127 and had net cash outflows from operating activities of \$636,170 during the half-year ended 31 December 2015 and, as of that date, the company's current liabilities exceeded its current assets by \$151,693. 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: 14 March 2016

DIRECTORS

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

COMPANY SECRETARY

Guy Robertson

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AUDITORS

Hall Chadwick
Chartered Accountants

BANKERS

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