


**Artemis Resources Limited**      **ASX: ARV**  
Investor Update

April 2016



**Investor Update**



**ARTEMIS TO FINANCE HOLLYWOOD FILM 'TANGO DOWN',  
TAPPING INTO THE SUCCESS OF GLOBAL FRANCHISE**



2

## Overview

Tango Down is a strong investment opportunity that we expect will deliver returns to our shareholders given its connection to and its extensive appeal to military and action fans and gamers

Artemis is focussed on providing value to and maximising shareholder returns, particularly during a difficult time in the resource sector

Concurrent to this project, Artemis will retain its focus on prospective gold and base metal projects in the West Pilbara region of Western Australia



3

## Investment Highlights

- Aim is to generate revenue to invest in positive cash flow businesses in entertainment and resources
  - Opportunity to invest up to US\$8m in 'Tango Down', a film inspired by the hugely successful military and action genre of movies and video game franchises
  - Written by Call of Duty's Black Ops 1 and 2 central character James C. Burns, known to Call of Duty fans worldwide as Sergeant Frank Woods
  - Tango Down is expected to be released in mid 2017
  - Call of Duty franchise is one of the most successful entertainment products, having grossed more than US\$10 billion in nine years and retains an active following of over 100 million gamers
- 
- Tango Down is an independent film production and is not affiliated in any way with the Call of Duty video game franchise, the Call of Duty films currently in development or the owners of the rights thereto.



4

## Investment Highlights - Terms

*Know to Call of Duty Black Ops 1 and 2 fans as Sergeant Frank Woods, Burns is immensely popular among fans of action/military genre films, video games, and entertainment products.*

- Artemis to rank first for repayment of US\$8m with 20% preferred return (US\$1.6m)
- Artemis to get 20% equity in Film Co and participate in distribution of revenue
- Rights to prequels and sequels and the potential for creation of a franchise
- Movie to have Completion Bond, to ensure that the movie is made for the budget of US\$8m
  
- Revenue sources – Theatre sales, Internet, Video on Demand, TV & Cable, Video games, APP's , TV Spinoff, Soundtrack, Merchandise. (Normally revenue is only given on Theatre sales)
  
- Experienced film industry advisory team acting for Artemis Board
  - Production advice and all aspects of film from Independent Production Company
  - Greenberg Glusker Fields Claman & Machtinger LLP (Lawyers to Tom Cruise, James Cameron)



5

## ARV Tango Down – The Movie

*Call of Duty is one of the most successful entertainment products, having grossed more than US\$10 billion in nine years, and retains an active following of over 100 million gamers.*

- Script written by the **STAR** of Call of Duty Black Ops 1 and 2, James C Burns
- **TANGO DOWN** will star two of the main actors of Call of Duty Black Ops 1 and 2
  - **James Burns** – CoD character Sgt. Frank Woods
    - Tango Down Character Sgt. Griffon Baines
  - **Kamar De Los Reyes** – CoD character Menendez
    - Tango Down Character Sgt. Angel “Poncho” Diaz

### Synopsis:

“The year, 1969, and a battle scarred sergeant and his elite Special Forces unit are sent to uncover the truth behind a covert research facility in Vietnam, only to find the hard truth is *unforgiving*.”



6

## ARV Tango Down – Target audience

*Tango Down will be marketed to the existing worldwide fan base of action/military genre films and entertainment products. Burns' worldwide popularity in this genre will appeal to Tango Down's target audience.*

- **TANGO DOWN** will appeal to audiences in the core age group of 14 – 48, Fans of Call of Duty, Zombie Films, Action Movies and Military Movies – **MASS APPEAL**
- Stars of Tango Down have an immediate connection to the game and online community consisting of **MILLIONS** of fans **WORLD WIDE**
- The Call of Duty franchise, featuring James and Kamar, is one of the most successful entertainment products in history.
  - US\$6 BILLION plus in sales for the Black Ops 1 & 2 games featuring James and Kamar



7

## ARV Tango Down – Producers

*"We expect the film will have considerable appeal and potentially reach a mass audience" – Thomas E van Dell*

- The **PRODUCERS** (Thomas E van Dell, Rock Jacobs) have generated entertainment sales in the hundreds of millions of dollars
- Van Dell was Vice President of International for Universal/Motown Records Group, is a Partner and served as COO of Radar Pictures LLC until recently.
- Radar is a leading independent film studio and multi media company, with classic films such as **The Last Samurai**, **The Texas Chainsaw Massacre**, and **The Chronicles Of Riddick**.
- Jacobs (Rock) has been considered as a pioneer of creating young + fresh content, for commercial, film and television sectors globally.
- Rock has been honored by MTV, BET, and MVPA, for Music Videos he has written, produced, and directed for artists such as The Vamps, Marilyn Manson, Lil Wayne, Wale, J-Cole, Ludacris, Ice Cube and many more. He has shot commercials all over the world for brands such as Mercedes Benz, McDonalds, Scorpion, and more



8

## ARV Tango Down – Marketing

### Marketing:

- The marketing campaign starts “during filming” which includes;
  - Embedded Tango Down correspondent reporting daily from set
  - Embedded “TOP” gaming *bloggers* on location with the cast and crew to blog / upload updates to enthusiasts around the globe
  - Early campaign buzz via fan magazines and sites including *Comic Con*

### Ancillary Potential Revenue Streams favoured by Producers:

- Fan APP featuring updates, videos, behind the scenes footage
- Tango Down game across mobile and digital spaces

### Distribution of the movie:

- The distribution of the movie will be through traditional methods. Well known distributors for movies are Time Warner, 20<sup>th</sup> Century-Fox, Lionsgate, Weinstein
- Marketing of Tango Down is paid for by the distributor
- The profile of Tango Down and with marketing starting during filming will assist in negotiating a deal with a larger distributor



9

## ARV Tango Down – Investment Terms

### Investment terms for 20% of FilmCo + Repayment of Investment with 20% return:

- 100m Artemis shares to Producer for 58 Business Days exclusivity (Starting 29<sup>th</sup> March), and 15 Business Days (18<sup>th</sup> April) to complete due diligence and to secure an underwriter acceptable to the Producer
- 200m Artemis shares to Producer on completing satisfactory due diligence and securing an underwriter acceptable to the Producer
- Artemis will have the balance of 43 Business Days' (3<sup>rd</sup> June) exclusivity to satisfy the conditions to the US\$7.7 million investment
- Subject to Artemis shareholder approval and re-complying with Chapters 1 and 2 of the Listing Rules, Artemis has the right (but not obligation) to invest US\$7.7 million in a special purpose vehicle which will own the rights to the film (“FilmCo”) in return for a 20% equity interest in FilmCo

### Waterfall of payments:

- Deferments to acting talent, and only to the extent that such deferments to acting talent have been approved by the Financier
- Repayment of principal (US\$8m) to ARV + 20% return (US\$1.6m) on investment
- Balance of net profits to be split between the shareholders in accordance with their equity holding. Artemis to have 20% equity in FilmCo



10

## ARV Tango Down – Investment Timeline

### Timeline to complete full transaction with ASX:

- |  |               |
|--|---------------|
| ✓ First Exclusivity Issue of 100m Shares (on a pre-consolidation basis)  | 29 March 2016 |
| • Second Exclusivity Issue of 200m Shares (on a pre-consolidation basis) | 18 April 2016 |
| • Lodge prospectus and listing application                               | 29 April 2016 |
| • Send notice of meeting to shareholders                                 | 4 May 2016    |
| • Shareholder meeting to approve capital raising and investment          | 3 June 2016   |
| • Complete capital raising and pay Producer                              | 17 June 2016  |
| • Securities reinstated to trading                                       | 24 June 2016  |

### Timeline to complete movie:

- Pre-Production has begun. Identification of suitable Directors, Actors/Talent, selection of filming location.
- Production- Filming of the movie, 2 month to complete
- Post-Production. 6 months
- Release of the movie in mid 2017



11

## Summary: Tango Down – Value Proposition

### Objectives in Entertainment

- Near term cash flow potential
- Active news flow
- Potentially significant return on investment
- 20% equity stake in the movie could be a significant value driver based on all the revenue sources available
- Revenue sources – Theatre sales, Internet, Video on Demand, TV & Cable, Video games, APP's , TV Spinoff, Soundtrack, Merchandise. (Normally revenue is only given on Theatre sales)
- Rights to prequels and sequels and the potential for creation of a franchise



12

## Movie industry: Domestic USA

### Top-Grossing Genres 1995 to 2016

	Movies	Total Gross	Average Gross	Market Share
1 <b>Comedy</b>	2,219	\$41,642,840,646	\$18,766,490	21.90%
2 <b>Adventure</b>	666	\$41,552,055,338	\$62,390,473	21.85%
3 <b>Action</b>	763	\$34,055,144,023	\$44,633,216	17.91%
4 <b>Drama</b>	4,179	\$31,776,903,635	\$7,603,949	16.71%
5 <b>Thriller/Suspense</b>	834	\$16,452,503,317	\$19,727,222	8.65%
6 <b>Romantic Comedy</b>	511	\$9,301,562,148	\$18,202,666	4.89%
7 <b>Horror</b>	447	\$8,659,416,608	\$19,372,297	4.55%
8 <b>Musical</b>	139	\$2,072,968,637	\$14,913,443	1.09%
9 <b>Documentary</b>	1,700	\$1,954,520,774	\$1,149,718	1.03%
10 <b>Black Comedy</b>	148	\$1,224,872,998	\$8,276,169	0.64%

### Top-Grossing MPAA Ratings 1995 to 2016

	Movies	Total Gross	Average Gross	Market Share
1 <b>PG-13</b>	2,625	\$89,632,917,735	\$34,145,873	47.14%
2 <b>R</b>	4,485	\$52,438,677,069	\$11,692,013	27.58%
3 <b>PG</b>	1,212	\$37,463,662,917	\$30,910,613	19.70%
4 <b>G</b>	329	\$8,931,298,931	\$27,146,805	4.70%
5 <b>Not Rated</b>	3,965	\$1,518,652,063	\$383,014	0.80%
6 <b>NC-17</b>	22	\$44,594,461	\$2,027,021	0.02%
7 <b>Open</b>	5	\$5,489,687	\$1,097,937	0.00%

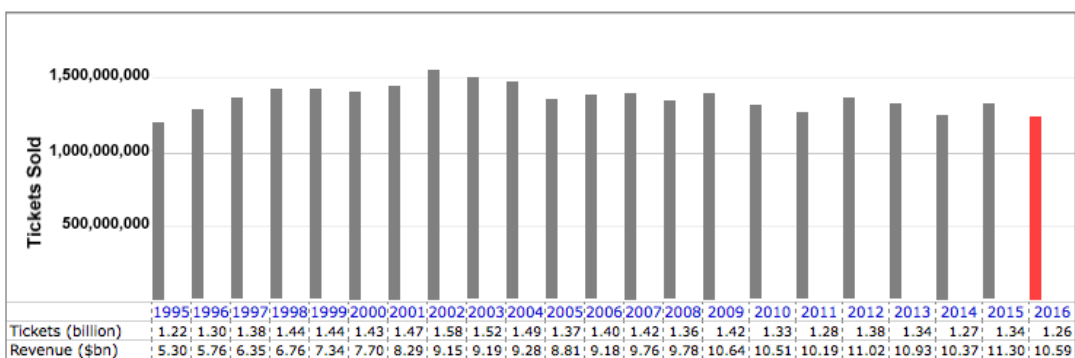
Source information www.the-numbers.com



13

## Movie industry: Domestic USA

### Annual Ticket Sales



Source information www.the-numbers.com



14

## Movie industry: Domestic USA

### Most Profitable Movies, Based on Return on Investment

Release Date	Movie	Approx. Profit	Production Budget	RoI
1 9/25/2009	<b>Paranormal Activity</b>	\$89,329,177	\$450,000	19,751%
2 7/10/2015	<b>The Gallows</b>	\$6,548,608	\$100,000	6,449%
3 1/6/2012	<b>The Devil Inside</b>	\$37,316,634	\$1,000,000	3,632%
4 2/5/1953	<b>Peter Pan</b>	\$139,993,051	\$4,000,000	3,400%
5 6/16/1978	<b>Grease</b>	\$184,824,685	\$6,000,000	2,980%
6 5/25/1977	<b>Star Wars Ep. IV: A New Hope</b>	\$322,493,196	\$11,000,000	2,832%
7 3/21/2014	<b>God's Not Dead</b>	\$33,017,157	\$1,150,000	2,771%
8 10/20/2010	<b>Paranormal Activity 2</b>	\$77,144,539	\$3,000,000	2,471%
9 4/1/2011	<b>Insidious</b>	\$34,666,575	\$1,500,000	2,211%
10 1/1/1946	<b>It's a Wonderful Life</b>	\$66,210,435	\$3,180,000	1,982%
11 12/15/1974	<b>Young Frankenstein</b>	\$57,593,510	\$2,800,000	1,957%
12 10/23/1992	<b>Reservoir Dogs</b>	\$22,452,279	\$1,200,000	1,771%
13 6/20/1975	<b>Jaws</b>	\$223,226,308	\$12,000,000	1,760%
14 10/3/2014	<b>Annabelle</b>	\$98,400,730	\$6,500,000	1,414%
15 11/13/1991	<b>Beauty and the Beast</b>	\$294,642,787	\$20,000,000	1,373%
16 4/17/2015	<b>Unfriended</b>	\$13,360,153	\$1,000,000	1,236%
17 11/26/2010	<b>The King's Speech</b>	\$196,435,893	\$15,000,000	1,210%
18 6/29/2012	<b>Magic Mike</b>	\$90,792,979	\$7,000,000	1,197%
19 5/25/2012	<b>Chernobyl Diaries</b>	\$12,335,685	\$1,000,000	1,134%
20 6/6/2014	<b>The Fault in Our Stars</b>	\$147,550,657	\$12,000,000	1,130%



15

## ARV Corporate Snapshot

### Board of Directors

- **Edward Mead** (BSc Geol), MAusIMM) **Managing Director**
- **George Frangeskides** **Non-Exec Chairman**
- **Campbell Baird** (BEng Mining), MAusIMM) **Non-Exec Director**



**Edward Mead** (BSc Geol), MAusIMM) **Managing Director**

- Geologist with over 20 years experience in mining, exploration and project development.
- Geology Manager with Fox Resources and Technical Director with Resource Generation Limited.
- Currently a Director of ASX listed RAM Resources Limited.



**George Frangeskides** **Non-Executive Chairman**

- Broad range of experience gained from over 20 years in the legal and corporate advisory sectors in Australia and the United Kingdom.
- Currently Chairman of AIM listed Alba Mineral Resources Plc



**Campbell Baird** (BEng Mining), MAusIMM, AICD) **Non-Executive Director**

- Over 20 years of mining experience.
- Former CEO of Focus Minerals where through organic growth and acquisitions took the company to 175K oz gold producer.
- Project development and lead in multiple feasibility studies across multiple commodities for SRK Consulting.

### Issued Share Capital (at June 2015)

ASX Code	ARV
Shares on Issue	3,656,158,159
Unlisted Options (\$0.001, Expiry 30 Sept 2017)	2,317,841,748
Listed & Unlisted Options (\$0.003 June/July 2016)	205,128,648
<b>Other Key Statistics</b>	
Debt (31 December 2015)	No Debt
Market Capitalisation (at \$0.001 per share)	\$3.6 million
Cash and Investments (31 December 2015)	\$0.435 million

### Major Shareholders (at December 2015)

Exchange Minerals Limited	19.9%
Armengael Investments Limited	19.9%
<b>Top 20 Shareholders</b>	<b>81.31%</b>



16



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17

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<sup>1</sup> Artemis to finance Hollywood film 'tango down', tapping into the success of global franchise in ASX announcement dated 31 March 2016



18