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## **QUARTERLY REPORT 31 MARCH 2007**

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### **HIGHLIGHTS**

- Artemis listed on the ASX on Friday 16 March 2007 after the successful completion of an initial public offer to raise \$5 million less listing expenses.
- Exploration and review commences on its Australian mineral projects
- Appointment of mining expert Mr Tony Grey as Special Adviser to the Board

### **INITIAL PUBLIC OFFERING**

After closing its heavily oversubscribed \$5,000,000 Initial Public Offer (IPO) early the Company made its debut on the ASX on Friday 16 March 2007.

The Company is very pleased with the success of the IPO and has gained support from institutional investors in Australia, Canada and Europe. Mega Uranium Ltd, a Toronto Stock Exchange listed uranium group is the largest corporate investor, holding approximately 10 per cent of Artemis through its wholly owned Australian subsidiary.

### **EXPLORATION ACTIVITIES**

The Company has commenced its review and exploration activities on its Australian Projects as listed in its Prospectus dated 25 January 2007.

### **SPINFEX RIDGE-BAMBOO CREEK-MOLYBDENUM & BASE METALS PROJECT**

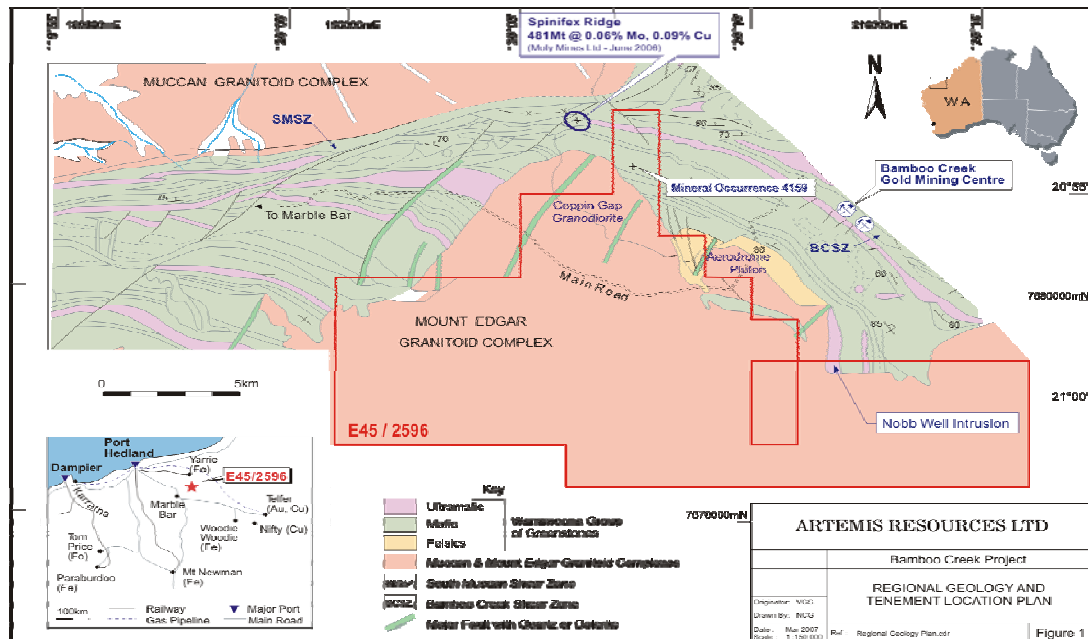
Artemis announced on 26 March 2007 that it had commenced field work at its 100% owned Spinifex Ridge - Bamboo Creek Project targeting molybdenum and other base metals. The project is located some 50 km northeast of Marble Bar in the East Pilbara region of Western Australia.

Artemis' tenement is located less than 800 metres east of the world class Spinifex Ridge molybdenum-copper project owned by Moly Mines Ltd (ASX Code: MOL). The mineralisation was discovered in 1970 and subsequently explored by a number of international companies.

A JORC compliant resource of 500 million tonnes @ 0.06% Mo and 0.09% Cu has been recently published by Moly Mines Ltd for its Spinifex Ridge deposit (see MOL Quarterly Activities Report – December 2006). Spinifex Ridge presently is one of the largest undeveloped molybdenum deposits in the world with an insitu content of 635 million pounds molybdenum and 974 million ponds of copper. A bankable feasibility study is expected to be completed by Moly Mines Ltd on its project in the next few months.

Artemis' geologists have identified that the northern project area contains geological and structural settings similar to that at Spinifex Ridge and includes the presence of numerous quartz veins containing visible galena mineralization which is commonly found together with molybdenum and copper.

The location of the Spinifex Ridge - Bamboo Creek Project is shown in the map below.





## **NEW BUSINESS AND APPOINTMENT OF SPECIAL ADVISER**

As foreshadowed in the Company's prospectuses, Artemis has commenced its review to invest directly and indirectly in mineral resource projects focusing on base metals, gold and energy related minerals.

To that end, Artemis has retained Mr Anthony (Tony) Grey as special advisor to the Board who will assist Artemis in the review of new opportunities in the mineral sector. Mr Grey brings a significant amount of mining and exploration experience. In 1972 Mr Grey founded Pancontinental Mining and built a major Australian public listed mining house. He left Pancon in 1992 and became a Director of National Mutual Royal Bank for four years.

In 1995 Mr Grey was appointed Chairman of Kingsgate Consolidated Ltd a gold mining company listed on the ASX. He held this role for four years. Tony is currently a director of TSX listed Mega Uranium and Chairman of International Ferro Metals Limited ("IFL) which is currently producing ferrochrome from its mine in South Africa. IFL is listed on London Stock Exchange AIM.

Mr Grey's extensive experience in resource project assessment and execution and his knowledge of mining finance will be invaluable to Artemis as the Company builds its resource investments.

The Company has issued Mr Grey with 1,000,000 options with an expiry date of 30 June 2009 and an exercise price of 30 cents. An additional 1,000,000 options will be issued to Mr Grey and will vest after 12 months to Dr Grey on the same terms as the initial tranche of options.

For further information please contact:

Barry Woodhouse  
Director and Company Secretary

+61 8 9488 5266 or 0438 674 259

## Appendix 5B

### *Mining exploration entity quarterly report*

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

ARTEMIS RESOURCES LIMITED

ABN

80 107 051 749

Quarter ended ("current quarter")

31 March 2007

#### Consolidated statement of cash flows

|   | Current quarter<br>\$A'000 | Year to date (9<br>months)<br>\$A'000 |
|---|----------------------------|---------------------------------------|
| <b>Cash flows related to operating activities</b>               |                            |                                       |
| 1.1 Receipts from product sales and related debtors             | -                          | -                                     |
| 1.2 Payments for(a) exploration and evaluation                  | (29)                       | (33)                                  |
| (b) development   | -                          | -                                     |
| (c) production  | -                          | -                                     |
| (d) administration  | (14)                       | (33)                                  |
| 1.3 Dividends received  | -                          | -                                     |
| 1.4 Interest and other items of a similar nature received       | 42                         | 43                                    |
| 1.5 Interest and other costs of finance paid                    | -                          | -                                     |
| 1.6 Income taxes paid   | -                          | -                                     |
| 1.7 Other (provide details if material)                         | -                          | -                                     |
| <b>Net Operating Cash Flows</b>                                 | <b>(1)</b>                 | <b>(23)</b>                           |
| <b>Cash flows related to investing activities</b>               |                            |                                       |
| 1.8 Payment for purchases of:                                   |                            |                                       |
| (a)prospects  | -                          | -                                     |
| (b)equity investments   | -                          | -                                     |
| (c) other fixed assets  | -                          | -                                     |
| 1.9 Proceeds from sale of:                                      |                            |                                       |
| (a)prospects  | -                          | -                                     |
| (b)equity investments   | -                          | -                                     |
| (c)other fixed assets   | -                          | -                                     |
| 1.10 Loans to other entities                                    | -                          | -                                     |
| 1.11 Loans repaid by other entities                             | -                          | -                                     |
| 1.12 Other (provide details if material)                        | -                          | -                                     |
| <b>Net investing cash flows</b>                                 | <b>-</b>                   | <b>-</b>                              |
| 1.13 Total operating and investing cash flows (carried forward) | <b>(1)</b>                 | <b>(23)</b>                           |

+ See chapter 19 for defined terms.

|   |  |              |              |
|---|--|--------------|--------------|
| 1.13  | Total operating and investing cash flows (brought forward) | (1)          | (23)         |
| <b>Cash flows related to financing activities</b> |  |              |              |
| 1.14  | Proceeds from issues of shares, options, etc.              | 5,045        | 5,402        |
| 1.15  | Proceeds from sale of forfeited shares                     | -            | -            |
| 1.16  | Proceeds from borrowings                                   | -            | 20           |
| 1.17  | Repayment of borrowings                                    | -            | (37)         |
| 1.18  | Dividends paid   | -            | -            |
| 1.19  | Other (provide details if material)                        | (330)        | (330)        |
|   | <b>Net financing cash flows</b>                            | <b>4,715</b> | <b>5,055</b> |
|   | <b>Net increase (decrease) in cash held</b>                | <b>4,714</b> | <b>5,032</b> |
| 1.20  | Cash at beginning of quarter/year to date                  | 318          | -            |
| 1.21  | Exchange rate adjustments to item 1.20                     | -            | -            |
| 1.22  | <b>Cash at end of quarter</b>                              | <b>5,032</b> | <b>5,032</b> |

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

|      |  | Current quarter<br>\$A'000 |
|------|--|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 3                          |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10   | -                          |

1.25 Explanation necessary for an understanding of the transactions

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Please refer to Prospectus dated 25 January 2007 in relation to the Acquisition Agreement

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

|     |                             | Amount available<br>\$A'000 | Amount used<br>\$A'000 |
|-----|-----------------------------|-----------------------------|------------------------|
| 3.1 | Loan facilities             | -                           | -                      |
| 3.2 | Credit standby arrangements | -                           | -                      |

+ See chapter 19 for defined terms.

### Estimated cash outflows for next quarter

|              |                            | \$A'000    |
|--------------|----------------------------|------------|
| 4.1          | Exploration and evaluation | 500        |
| 4.2          | Development                | -          |
| <b>Total</b> |                            | <b>500</b> |

### Reconciliation of cash

| Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|---|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank  | -                          | 318                         |
| 5.2 Deposits at call  | 5,038                      | -                           |
| 5.3 Bank overdraft  | (6)                        | -                           |
| 5.4 Other (provide details)   | -                          | -                           |
| <b>Total: cash at end of quarter (item 1.22)</b>  | <b>5032</b>                | <b>318</b>                  |

### Changes in interests in mining tenements

|     | Tenement reference  | Nature of interest (note (2))  | Interest at beginning of quarter   | Interest at end of quarter   |
|-----|---|--|--|--|
| 6.1 |   | Interests in mining tenements relinquished, reduced or lapsed  |  |  |
| 6.2 | E08/1606<br>E45/2596<br>E53/1026<br>E53/1213<br>E53/1214<br>M08/191<br>M08/192<br>M08/193<br>P77/3538<br>P77/3539<br>P77/3540<br>P77/3541<br>P77/3542<br>P77/3543<br>P77/3544 | Purchase of all tenements apart from E45/2596 as per the Acquisition Agreement.<br><br>For further information please refer to the Prospectus dated 25 January 2007. | 0%<br>100%<br>0%<br>0%<br>0%<br>0%<br>0%<br>0%<br>0%<br>0%<br>0%<br>0%<br>0%<br>0%<br>0% | 100%<br>100%<br>100%<br>100%<br>100%<br>100%<br>100%<br>100%<br>100%<br>100%<br>100%<br>100%<br>100%<br>100%<br>100% |

+ See chapter 19 for defined terms.

### Issued and quoted securities at end of current quarter

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

|  | Total number   | Number quoted  | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|--|----------------|----------------|---|--|
| 7.1 <b>Preference securities</b><br><i>(description)</i>   |                |                |   |  |
| 7.2 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs, redemptions |                |                |   |  |
| 7.3 <b>+Ordinary securities</b>  | 50,760,002     | 21,600,002     | 25 cents                                      | 25 cents   |
| 7.4 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs              | (a) 25,860,000 | (a) 21,600,002 | (a) 25 cents                                  | (a) 25 cents                                     |
| 7.5 <b>+Convertible debt securities</b><br><i>(description)</i>  |                |                |   |  |
| 7.6 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through securities matured, converted              |                |                |   |  |
| 7.7 <b>Options</b><br><i>(description and conversion factor)</i>   |                |                | <i>Exercise price</i>                         | <i>Expiry date</i>                               |
| 7.8 Issued during quarter  |                |                |   |  |
| 7.9 Exercised during quarter   |                |                |   |  |
| 7.10 Expired during quarter  |                |                |   |  |
| 7.11 <b>Debentures</b><br><i>(totals only)</i>   |                |                |   |  |
| 7.12 <b>Unsecured notes</b><br><i>(totals only)</i>  |                |                |   |  |

+ See chapter 19 for defined terms.

### ***Compliance statement***

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: Barry Woodhouse . Date: 30 April 2007  
(Director & Company secretary)

Print name: Barry Woodhouse

### ***Notes***

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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