

30 September 2007

Exploration at Molybdenum-Copper project continues and investments made in Uranium sector diversifies Artemis' portfolio

HIGHLIGHTS

- Completion of second field trip at Bamboo Creek – Spinifex Ridge Molybdenum Project (100% ARV). The Company awaits results.
- Field investigations have identified that the northern project area contains geological and structural setting similar to that at Spinifex Ridge. The discovery of quartz veins containing visible copper and galena mineralisation is highly encouraging as these minerals are commonly found together with molybdenum.
- Geological review underway of the Yandal Gold and Yilgarn Projects which are prospective for gold, base metals and iron ore.
- Apollo Minerals Ltd IPO successfully completed raising \$7m (listed today) and will focus on uranium, iron ore and gold prospects in South Australia's Gawler Craton.
- Artemis holds approximately 7% interest in Apollo with an unrealised gain of \$1.25m after first day of trade.
- Priority offer for Apollo Minerals made to Artemis shareholders is highly successful.
- Review of various other mineral exploration projects continues
- Loyalty option issue raises approximately \$500,000 with a 96% take up rate.



ASX Code; ARV

Share Price

25 cents – 31/10/2007

Issued Shares

50.6m

Market Cap

\$A 12.69m

Gold Price

\$A 850.50.70/oz at 31/10/2007

Uranium Price

\$A 86.92/lb at 31/10/2007

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PROJECTS

SPINIFEX RIDGE/BAMBOO CREEK

(MOLYBDENUM - COPPER)

The Spinifex-Ridge Bamboo Creek Project is located in the Eastern Pilbara region of Western Australia and is adjacent to the world class Spinifex Ridge Moly-Copper Project held by Moly Mines Ltd (ASX: MOL). Spinifex Ridge presently has one of the largest undeveloped molybdenum deposits in the world with an in situ content of 635 million pounds molybdenum and 974 million pounds of copper. A bankable feasibility study is expected to be completed by Moly Mines Ltd shortly and funding for the project of around \$1 billion is currently being undertaken.

Following a preliminary geological and geophysical assessment of the mineral potential the Company identified several areas prospective for a number of mineralisation styles including porphyry hosted copper-molybdenum (Spinifex Ridge-style) and shear-hosted gold (Bamboo Creek-style). A detailed geophysical assessment identified a total of 21 targets of which six are rated as priority 1 and a further three priority 1 to 2. Three alteration zones were outlined approximately 1,000 metres east of Moly Mines Ltd Spinifex Ridge deposit. These zones may represent similar styles of mineralization identified at the Spinifex Ridge deposit. Some of the other targets are possible zones of alteration associated with fault and shear zones.

Several of these faults and shear zones were identified as possible extensions of the Bamboo Creek Shear which hosts the gold at the Bamboo Creek Mining Centre with a historical gold production of 800,000 tonnes at an average grade of 8.15 g/t.

Most of these targets were field assessed during the reporting year. It was found that the northern most portion of the project area has many geological and structural features very similar to those present at Spinifex Ridge. A copper-stained gossan located within an alteration zone returned strongly anomalous values for a number of elements including molybdenum, copper, lead and gold. A follow-up field programme in August located another substantial copper-rich vein system. In addition the entire northern area was geochemically sampled. Results from the multi-element assays for samples taken during the August campaign are expected shortly.

Artemis is encouraged by these preliminary results and deems that follow-up work on most of the identified targets will continue.

YANDAL PROJECT (GOLD)

The Yandal Gold project covers a total area of 238 km² and is located some 95 km southeast of Wiluna which lies approximately 1000 km by road from Perth. The project area lies in the Yandal Greenstone Belt in the northern part of the Eastern Goldfields Province of Western Australia, Australia's largest gold producing region. Since 1987 a number of large deposits have been discovered in



the Yandal Belt including Jundee (containing 5.4Moz of gold), Bronzewing (2.3Moz), Darlot (2.9Moz) and Thunderbox (2.0Moz). The project area lies 35km north of Bronzewing and 80km SSE of Jundee.

The Yandal Belt lies 50km east of another greenstone belt hosting some of the world's largest komatiite associated nickel sulphide deposits, including Mount Keith (2.7 Mt Ni), Perseverance (1.3 Mt Ni) and Honeymoon Well (1.1 Mt Ni). The Yandal project overlies approximately 35km of this highly prospective Yandal greenstone sequence with identified resources at Lowlands and Slav Well containing an estimated 35,000 ounces of gold. Both deposits are shallow oxide resources defined to a depth of approximately 50 metres and have not been closed off along strike and down dip. Previous exploration has also identified gold mineralisation in at least another six prospects on the property. The gold is hosted in a variety of geological settings within granitoids, porphyry rocks and various greenstone lithologies.

During a recent reconnaissance field visit by Artemis geologists it was noticed that several of these projects have been only lightly explored and little systematic exploration such as mapping and geochemistry has been undertaken over the entire project area. In addition several anomalies generated by previous explorers have not been followed up. A comprehensive exploration strategy over this highly prospective ground has been developed by Artemis and

will be implemented within the next few months. The high gold prospectivity of the area has recently again been demonstrated by Echo Resources Ltd. This company recently announced results from their Julius prospect which included an intersection of 6m @ 11.8g/t gold along a granite-greenstone contact. Echo is actively exploring an extensive area immediately north of the Artemis ground and Julius is located some 20km north of the tenement boundary.

YILGARN PROJECT (BASE METALS)

The Yilgarn project is comprised of two separate prospects located 200km north of Southern Cross which lies approximately 350km east of Perth in the Yilgarn Mineral Field. The northern prospect is Coppermine Bore and the southern is the Yarbu prospect.

The tenements lie within the Southern Cross Province on the northern extension of the Southern Cross – Marda greenstone belt. The northeast trending belt comprises primarily metamorphosed komatiitic and tholeiitic basalt and banded iron formations. Regionally the area is on the northeast striking limb of an open antiform plunging at a shallow angle to the southwest. Most of the Yarbu prospect is soil covered with outcrop of quartz sericite schist confined to the southeast of the tenement. The tenements are situated proximal to the regional granite greenstone contact.

The tenements are prospective for gold and base metals and Coppermine Bore contains



outcropping banded iron formation, a rock type that can host economic concentrations of iron ore and other commodities such as gold and base metals. The Company conducted initial exploration at Coppermine Bore comprising soil sampling. It was found that the soil geochemical anomalies, whilst of a low order, are located in a suitable geological environment for base metal mineralisation being located along a contact between gabbro and high magnesium basalts. The gabbros are in the form of layered sills and are potential hosts for copper, nickel and platinum group minerals. The Company will consider follow-up exploration programmes for the Coppermine Bore Prospects including field inspection and RAB drilling to further investigate the anomalies. Results from the Yarbu tenements for all elements were considered low and within a range for samples collected from sand plain over granite terrain. A low order Ni-Cr-Mn anomaly was observed within the project and it is considered that elevated values for these elements are the result of laterisation noted during the sampling in this area. The Company will consider a review of the area of anomalism to be followed by ground inspection prior to planning any further exploration.

MOUNT CLEMENT (GOLD)

The Mt Clement Gold Project is located in the Ashburton region of Western Australia some 185km west of Paraburdoo and 35km southsouthwest of the Paulsens Gold Mine operated by NuStar Mining Corporation Limited. This deposit contains over 500,000 ounces of gold. The project

comprises three granted mining leases covering an area of 8km². In addition, an exploration licence covering 3 sub blocks has been finalised. A review of this project will be conducted once title issues are finalised.

REVIEW OF INVESTMENTS

Contact Uranium Limited

ASX Code: CTS

As reported in the last quarterly report, Artemis has a 6% equity stake in a fellow resources company Contact Uranium Limited whereby Artemis acquired 5,000,000 shares and 5,000,000 options (exercise price of A\$0.50) in Contact, for a consideration of A\$2.5m.

Contact Uranium Ltd is an Australian-based exploration company with a portfolio of uranium projects in Peru, Kyrgyz Republic and Western Australia. Contact has a total uranium resource of 11 million lbs of U3O8 and aims to increase this resource base through further exploration of its key projects in Peru and Kyrgyz Republic.

Apollo Minerals Limited

ASX Code: AON

During the quarter, Artemis assisted Apollo Minerals Limited ("Apollo") on a \$7m Initial Public Offer (IPO) which listed on the ASX on 31 October 2007. As part of Artemis' resource investment strategy, the Company successfully provided strategic support to Apollo on its ASX listing. Together with a leading Sydney broker, the Company was able to structure a

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deal to act as joint lead manager for the float and enter into a management agreement with Apollo. Artemis will have a stake of approximately 7% interest in Apollo (5,000,000 shares) and will provide management services to Apollo as well as expertise in sourcing new acquisitions for Apollo. At close of trade, Artemis has a \$1.25m unrealized gain on its Apollo shareholding.

Apollo's current core project is Commonwealth Hill located in the Gawler Craton in South Australia. The project comprises five 100%-owned tenements in an area highly prospective for a number of commodities including IOCGU (iron oxide-copper-gold-uranium) deposits (Olympic Dam style) and gold deposits.

Apollo will initially focus on the iron ore potential of the project area and will utilize funds from the IPO to immediately undertake an aggressive exploration program. There are a number of other exploration companies active in the region, such as Ironclad Mining (ASX: IFE) and Western Plains Resources (ASX: WPG), seeking to become junior iron ore companies. Previous drilling by PIRSA (Primary Industries and Resources SA, the South Australian department responsible for mineral resources) has outlined 22M tonnes of magnetite banded iron formations (BIF) grading 28.4% Fe to a depth of 100m.

Also, metallurgical testing has demonstrated that the magnetite BIF was readily beneficiated to a high grade product containing

70.3% Fe. In addition, there are other iron ore targets within the tenement area which Apollo will explore. A major advantage for Apollo is the ready access to major infrastructure, with the Adelaide-Darwin Railway line transgressing the Company's project tenements. In addition, the project is located close to other key infrastructure requirements, which will contribute to low capital costs in developing the project. And, given the project's close proximity to the major Olympic Dam uranium resource, it also believes there is the potential for significant uranium upside.

In addition to the funding of exploration activity Apollo also plans to use funds from the IPO to pursue acquisition and joint venture opportunities both in Australia and overseas

Proposed Niger Uranium Joint Venture

In September 2007, Artemis agreed a term sheet for a joint venture in relation to two highly prospective tenements within the Tim Mersoï basin in Niger to earn up to a 51% interest in the joint venture through a controlled subsidiary. The proposed joint venture remains subject to a number of conditions precedent including any required regulatory approvals and execution of a formal joint venture agreement. Niger is one of the world's largest uranium producers and is ranked behind only Canada, Australia and Kazakhstan in terms of production and total known uranium reserves.

In 2005 Niger produced 3,093

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tonnes of uranium from two mines operated by AREVA (previously Cogema) situated north of the JV project area:

- The SOMAIR mine in Arlit. An open pit resource that has produced more than 45,000 tonnes of uranium at an average grade of 0.2 % U₃O₈ over a 30+ year history;
- The COMINAK mine at Akouta. A higher grade underground mine that has produced over 55,000 tonnes of uranium at an average grade of between 0.4-0.5 % U₃O₈;
- The two operating mines have a combined reserve of approximately 43,000 tonnes of uranium at average grade of between 0.3% and 0.5%.

Both operating mines are located in the same stratigraphic unit as the two projects which form part of Artemis' joint venture. The joint venture ground covers approximately 1,000 km² and is situated adjacent to another major uranium deposit (Teguidda) currently being developed by the state owned Chinese nuclear company CNNC. The projects are also close to all necessary infrastructure. CNNC's Teguidda uranium project contains 15,000 tonnes at 0.2% U₃O₈ and is currently being developed with the aim of production in the near term. Several other unmined uranium resources occur in the region including Imouraren (120,000 tonnes at 0.11% U₃O₈) and Madaouela (6,190 tonnes at 0.2-0.3% U₃O₈). As part of the Artemis due diligence program, the Company engaged the services of SRK Consulting to review several uranium exploration tenements in

the Tim Merso Basin in Niger. SRK and Artemis personnel visited Niger and investigated the quality of these tenements in relation to their economic potential for uranium prior to Artemis entering into a joint venture with Trendfield. The SRK review concluded that "the potential for relatively shallow blind uranium resources in the TAG 2 and 4 tenements appears to be very good." Artemis is also encouraged by the fact that the fault which contains the CNNC Teguidda deposit of 15,000 adjacent to the JV tenements runs through the project tenements.

OTHER PROJECTS

Artemis continues to review new mining opportunities in the resources sector with the view of further investments overseas and Australia in the near future.

CORPORATE

Subsequent to 30 September 2007, the Company completed its Loyalty Option issue to shareholders with a 96% take up rate.

The option issue raised approximately \$489,000 before costs.

DISCLAIMER

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Frans Voermans, who is a Fellow and Chartered Professional of The Australasian Institute of Mining and Metallurgy. Mr Frans Voermans is employed by Voermans Geological Services Pty Ltd. Mr Frans Voermans has sufficient experience which is relevant to the style of mineralisation and



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type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Frans Voermans consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.