

**31 December 2007**

**Artemis lists iron ore explorer Apollo Minerals raising \$7million for Apollo during the IPO. Artemis signs JV on two uranium projects in Niger adding to its portfolio of investments. Artemis continues to look for more opportunities to increase shareholder value.**

## HIGHLIGHTS

### Niger Uranium Projects

Artemis finalised a formal Joint Venture Agreement ("JVA") with Trendfield Holdings Ltd for the acquisition of a stake in two highly prospective uranium projects in Niger, West Africa. Condition precedents to the agreement are due to be completed shortly.

Field exploration expected to commence in February 2008.

### Bamboo Creek – Spinifex Ridge Copper-Molybdenum Project

Artemis announced highly encouraging results from its 100% owned Bamboo Creek – Spinifex Ridge Molybdenum Project.

Four areas with visible copper mineralisation and associated molybdenum enrichment have been identified in an area immediately east of the world class copper and molybdenum project at Spinifex Ridge currently being developed by Moly Minerals Ltd.

Rock chip samplings returned maximum values of 26.6% copper, 7.11 ppm silver and 10.7 ppm molybdenum

### Yandal Gold

Artemis completed a geological review of the Yandal Gold project in the Yandal Greenstone Belt, West Australia which hosts several world-class gold deposits. Previous exploration has identified an inferred resource of 35,000 oz of gold with an in-situ value of approximately \$35 million.

Artemis is reviewing the best way to unlock its gold assets to take advantage of recent record gold prices.

## Corporate Activity

Artemis acted as joint lead manager arranging the \$7,000,000 IPO capital raising for Apollo Minerals Ltd in September 2007.

Artemis entered into a management agreement with Apollo under which Apollo will pay a management fee of to Artemis for management services.

Artemis is also entitled to a performance fee. This fee is paid annually and is based on Apollo's performance during each financial year. The arrangement with Apollo is expected to generate significant revenue for Artemis.

In November 2007 Artemis introduced a Chinese industrial group as a Strategic Investor to Apollo Minerals Ltd and in January 2007 arranged for the placement of \$1,000,000 of shares with this investor.

## Investments

Artemis holds 5,000,000 shares in Apollo Minerals Limited equating to 7% of the shares on issue.

Artemis holds 5,000,000 shares and 5,000,000 options in Contact Uranium Limited equating to 6% of the shares on issue.

## Cash Position

As at 31 Dec 2007 Artemis held cash and marketable securities of over \$7m. The company is in a strong position to invest in exploration on projects or invest in other mineral exploration companies that require financing.



**ASX Codes:** ARV and ARVO

### Gold Price

\$US 922/oz at 31/01/2008

### Uranium Price

\$US 78/lb at 31/01/2008

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## **PROJECTS**

### **NIGER URANIUM JOINT VENTURE**

In November 2007, Artemis formalised its Joint Venture Agreement (JVA) with Trendfield Holdings Limited (“Trendfield”) for the acquisition by Arminco, an Artemis controlled entity, of an initial 49 per cent stake in two highly prospective uranium projects in Niger, West Africa (TAG 2 and TAG 4). Artemis has the ability to acquire up to 51% in the joint venture and has commenced exploration work at the project (see attached Figure 1).

This JVA is subject to a number of condition precedents including regulatory approval in Niger, all of which are expected to be satisfied shortly.

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 tonnes of uranium from two mines (Cominak and Somair-Arlit) north of the JV project area. Both mines, operated by Areva (previously Cogema), are located in the same stratigraphic unit as the Artemis joint venture area.

The joint venture ground covers approximately 1,000 km<sup>2</sup> and is situated adjacent to another major uranium deposit (Teguidda) which is currently being developed by the state owned Chinese nuclear company CNNC. Teguidda

contains 15,000 tonnes at 0.2% U<sub>3</sub>O<sub>8</sub> and will be another significant producer in the near term.

Several other unmined uranium resources have been located in the region including Imouraren (120,000 tonnes at 0.11% U<sub>3</sub>O<sub>8</sub>) and Madaouela (6,190 tonnes at 0.2-0.3% U<sub>3</sub>O<sub>8</sub>). In January 2008, Areva announced an investment of \$1.5 billion on project development in Niger.

The TAG 2 and 4 projects are also close to all necessary infrastructure.

SRK Consulting has reviewed several uranium exploration tenements in the Tim Merso Basin in Niger. SRK and Artemis personnel visited Niger and investigated their economic potential for uranium. 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” as the major fault which hosts the Teguidda deposit runs through the project tenements.

Field exploration is expected to commence in February 2008.

### **SPINFEX RIDGE/BAMBOO CREEK (COPPER – MOLY)**

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 Molybdenum-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 of molybdenum and 974 million pounds of copper.

A bankable feasibility study has been completed by Moly Mines Ltd and construction has commenced. Funding for the project of around \$1.1 billion is currently being finalised.

During a follow-up field trip on its 100% owned tenement E45/2596 Artemis geologists discovered a further three areas with visible copper and associated gold and molybdenum enrichment. This area (**“the Northern Area”**) is immediately to the east of Spinifex Ridge Molybdenum Project (See Figure 2).

Maximum assay results from rock chip sampling were **26.6%** copper, **7.11ppm** gold, **478ppm** silver and **10.7ppm** molybdenum.

Near the largest copper find (**“Norm’s Find”**) a NNW-trending 400m long shear was identified hosting pods with strong copper oxide staining.

Elevated molybdenum values were also returned from two soil/rock traverses over the granitoid/greenstone contact further to the south. Soils from one of these traverses had anomalous tungsten values as well. Tungsten (W) is a good pathfinder element for molybdenum and most copper-rich samples had anomalous tungsten values as well.

The geological setting of Artemis’ ground is very similar to Spinifex

Ridge. Molybdenum is frequently associated with copper and other elements such as tungsten. For these reasons, the discovery of copper mineralisation at surface at a number of locations at close proximity to the Spinifex Ridge project is highly encouraging. These copper occurrences might represent the surface expression of a larger copper-molybdenum mineralised system at depth.

In the same area, gold enrichment has been outlined in a geological and structural setting very similar to the gold found at the nearby Bamboo Creek Gold Mining Centre.

Elsewhere further to the east limited rock chip sampling taken a around Armstrong Well and Little De Grey Well returned some surprising results. Two samples taken from younger dykes in granitoids were moderately to strongly anomalous in gold (63 and 37ppb), copper (828 and 1322ppm) and also uranium (3 and 9ppm). There were some anomalies in the values of tin and barite as well. Two samples taken in the strongly hybridized (mixed) zone near the greenstone/granitoid contact returned high values for copper (2329 and 2888ppm) together with some weakly anomalous gold (12 and 18ppb).

The discovery of copper-gold anomalism hosted by younger intrusive dykes and also near the greenstone/granite contact certainly warrants further investigations.

## **Planned Exploration**



All geochemically anomalous areas generated by the latest field campaign require follow-up work. Artemis will carry out a follow-up infill soil and rock geochemistry programme to further detail the targets. Ground geophysics will be undertaken for better target definition followed by test drilling of the most promising targets.

### **YANDAL PROJECT (GOLD)**

The Yandal Gold project covers a total area of 238 km<sup>2</sup> 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 over 13M oz of gold has been discovered in the Yandal belt including Jundee (containing 5.4Moz of gold), Bronzewing 2.3Moz, Darlot 2.9Moz and Thunderbox 2Moz. The project area lies 35km north of Bronzewing and 80km south east 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 the more promising projects have been only lightly explored. A number of anomalies generated by previous explorers have not been followed up. In addition, little systematic exploration such as mapping and geochemistry covering the entire project area has been undertaken.

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.

Artemis is examining ways to enhance the value of this project for shareholders.



## **YILGARN PROJECT (BASE METALS)**

The Yilgarn project comprises two separate prospects which are located 200km north of Southern Cross. This town 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 are prospective for gold and base metals.

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.

## **INVESTMENTS**

### **Contact Uranium Limited**

### **ASX Code: CTS**

Artemis holds 5,000,000 shares and 5,000,000 options (exercise price of A\$0.50) in Contact Uranium Ltd equating to 6% of the shares on issue.

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 U<sub>3</sub>O<sub>8</sub> 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 acted as joint lead manager in the Initial Public Offer for Apollo Minerals Limited (“Apollo”), which raised \$7 million. Apollo listed on the ASX on 31 October 2007.

Artemis holds approximately 7% of the share on issue in Apollo (5,000,000 shares) and under a management agreement will provide management services to Apollo as well as expertise in sourcing new acquisitions.

Apollo’s projects include the Commonwealth Hill located in the Gawler Craton in South Australia and the Mount Oscar Iron Ore Project located in the Pilbara region of Western Australia.

The Commonwealth Hill project comprises an area highly prospective for a number of

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commodities including iron oxide, gold and uranium.

Apollo will initially focus on the iron ore prospectivity at Commonwealth Hill and has conducted an initial 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.

## **CORPORATE**

Artemis completed a placement of shares and options to raise \$4.2m in December 2007.

As at 31<sup>st</sup> December 2007 the company held cash and marketable securities of over \$7 million.

## **PROJECT DEVELOPMENT**

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

The company is in a strong position to invest in exploration on projects or invest in other mineral exploration companies that require financing and looks forward to working with mining companies which are seeking funding for mineral projects with high prospectivity.

## 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 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.*

Figure 1: Niger Tenement Location and Key Mines, Deposits and Infrastructure





