

29 January 2010

December 2009 Quarterly Activities Report



ACQUISITIONS

Yangibana (Rare Earth Metals)

- Acquisition of Yangibana Rare Earth Element Project in WA

Gascoyne Projects (Uranium)

- Acquisition of Cambridge Creek, Mundong Well and Bali Hi Uranium Projects, WA

Grant's Gully/Buchanan's Creek (Lithium)

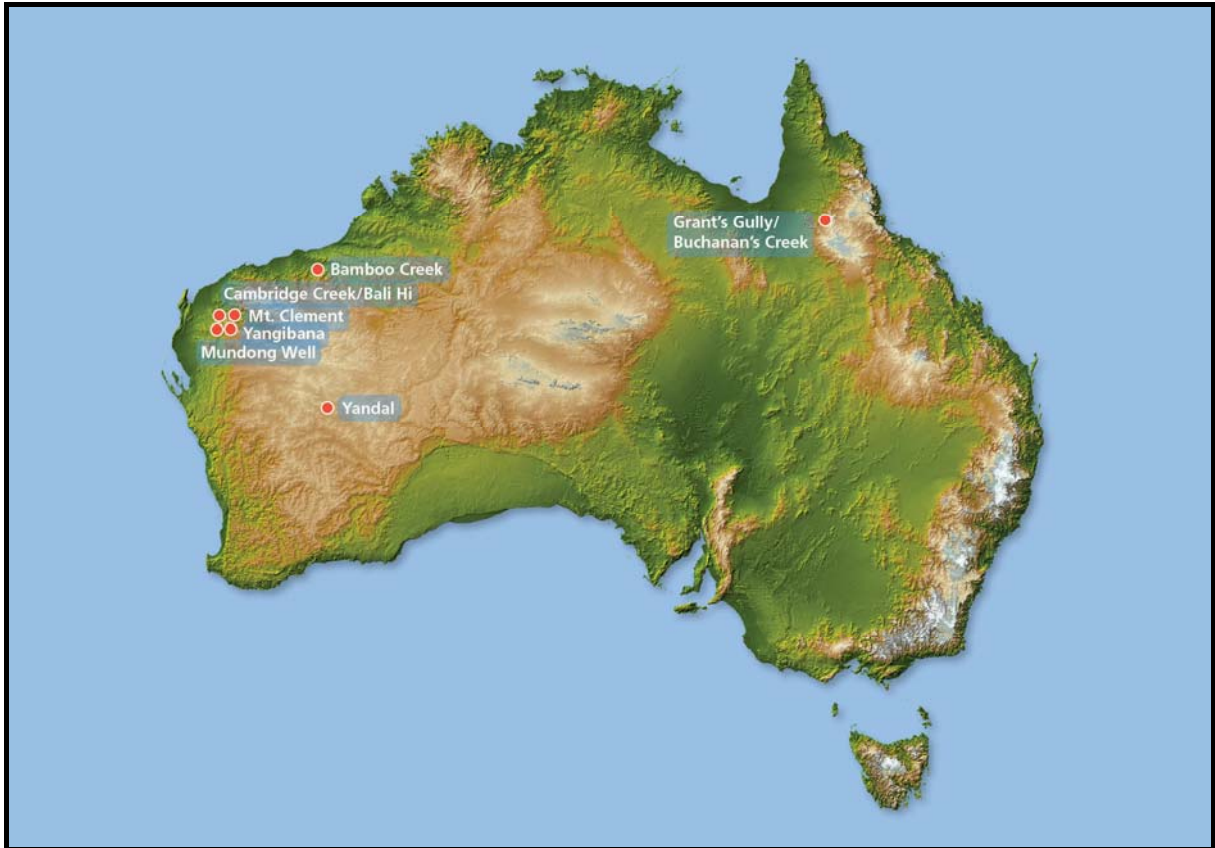
- Agreement to purchase 100% of the Grant's Gully/Buchanan's Creek Tantalum/Lithium Project in QLD

MT CLEMENT (Gold)

- Five (5) RC drill holes were drilled at Artemis' Mt Clement Gold Project (WA) during the quarter to test magnetic features and to drill the known gold mineralisation. Further drilling is planned.

CAPITAL RAISING

- A placement and a Rights Issue during the quarter was successfully completed and closed well oversubscribed. This new capital is allocated to acquisition and on-going exploration as a dual approach to company growth and shareholder return. Total funds raised before costs of \$4.3m



Location Map of Artemis's Australian Resources Projects

QUARTERLY ACTIVITY REVIEW

Artemis expanded its asset base with strategic acquisitions and successful exploration.

Rare Earth Elements (WA)

As a component of Artemis' growth strategy, the company also acquired the **Yangibana Rare Earth Element (REE) Project** in Western Australia. The mineralisation at Yangibana hosts both light and heavy rare earth elements within Carbonatite plugs and dykes. Artemis is now provided with exposure to the high-growth, high-value rare earth element industry and is well positioned to derive growth benefit from these metals which are experiencing strong demand. It is expected that this demand will continue to grow and accordingly prices are predicted to remain on a positive trend. With this platform of strong growth and increasing demand, exposure to rare earth elements provides Artemis with tremendous exposure to high value metals and long-term projects. Artemis holds a 60% beneficial interest in this project.

Lithium (Queensland)

In line with the Company's objectives of expanding its interest in technology metals, agreement was reached to acquire the **Grant's Gully/Buchanan's Creek Tantalum/Lithium Project** in North Queensland. Through the development and commercial production of electric and hybrid motor vehicles and mobile devices like laptops and iphones/mobiles, lithium and rare metals are experiencing high growth and increased demand. The company is expected to hold a 100% interest in this project.

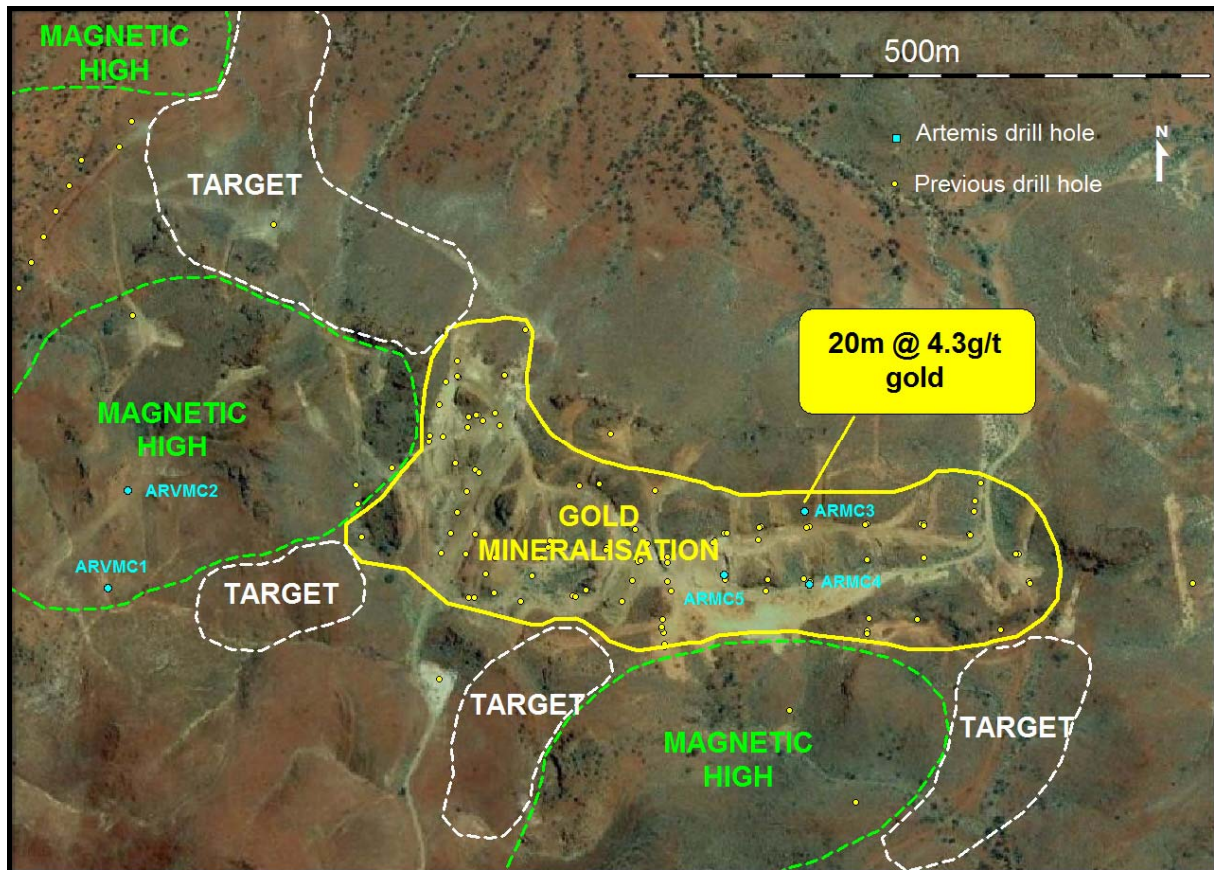
Gold (WA)

The **Mt Clement Gold Project** in WA hosts a small but important historical gold resource. This resource has not been fully tested and remains open at depth. Along strike, the extension of the mineralisation is poorly understood however Artemis believes that strike potential remains good. With improved understanding of the geology, it is expected that further gold will be located.

For this reason, one of the three magnetic anomalies close to the known mineralisation was drill-tested during the December quarter. This drilling was designed to fully understand the surrounding geological environment and to test lithology and perceived targets. Verification drilling of the known mineralisation was also undertaken.

The results announced in January 2010 demonstrate that the magnetic targets are highly magnetic sediments and no intrusive material was identified. It was confirmed from this drilling that gold mineralisation is associated with areas of magnetite destruction or depletion. The Company's aim of understanding the geology has successfully identified new targets of relatively low magnetic signature. Further drilling is planned to test these new targets in the March quarter 2010.

The Company is confident that gold mineralisation at Mt. Clement will continue to be successfully located.



Map of Mt Clement showing gold mineralisation and surrounding targets

Iron, Molybdenum, Copper (WA)

At the Company's Bamboo Creek Prospect in Western Australia, Artemis has collected 40 rock samples from the iron-rich horizon to assess the prospect's potential to host hematite mineralisation. Direct Shipping Ore ("DSO") iron mineralisation similar to that at the nearby Spinifex Ridge Iron Project owned by Moly Mines is the model for Bamboo Creek. A tenement close to Bamboo Creek hosts a high grade iron ore lense with 7.3MT @ 59% Fe. Results from this sampling are now being analysed and the results will be reported shortly.

Uranium (WA)

The Company has completed the acquisition of Mundong Well as previously announced. The company now holds a 100% interest in Mundong Well West and a 90% interest in Mundong Well. Artemis considers these 2 licences to have high potential to host vein-type uranium.

The Company has further interests in the Gascoyne Uranium Province with the acquisition of the **Cambridge Creek and Bali Hi uranium** projects (both located in the west Pilbara region of Western Australia). These projects are located close to the Mundong Well Uranium Project and provides significant exposure to uranium prospectivity in areas known to host uranium anomalies. The company holds a 60% beneficial interest in these projects.

NIGER URANIUM PROJECT, NIGER (49%)

The Company continued its plans for drill-testing the tenements in Niger West Africa, particularly the Tagazza IV Licence. Plans have now been finalised for a combined RC/Diamond drilling campaign of 3,000 to 3,500m to test an important east-west fault known to host significant uranium along strike further to the east.

Drilling will involve a fence of stratigraphic holes to confirm geology, understand the nature and location of the regional fault and to test for near-surface uranium-hosting channels. Initially, this drilling is designed to gain knowledge of the geology which (to date) has been poorly understood due to surficial cover and limited past exploration.

The program of drilling is due to commence in the March quarter and the Company remains optimistic about the prospectivity of these exploration licences. With the perceived source of uranium being the Air Massif and its associated producing Tegguida uranium mine owned by a Chinese state owned enterprise lying just to the east of Tagazza IV, the Company's tenements provide Artemis with potential close to producing uranium mines.

PROJECT ASSESSMENTS & ACQUISITIONS

The Company will continue to assess possibilities for growth. Projects of merit will be sought, particularly those with geographical proximity to the Company's assets and those close to or containing an existing resources.

Artemis has a strong growth focus and management and our strong team of advisers are pursuing projects capable of advancing and developing the Company. In particular, high-value metals including rare earths and rare metals are being considered for the long-term growth of Artemis.

CORPORATE

During the quarter, a placement and 1 for 5 Rights Issue was completed and closed strongly over-subscribed. Artemis was seeking to place 33,339,990 new options however more than 395 million options were sought by investors. The capital raising resulted in \$4.3m before costs. The new capital raised has been utilised to fund acquisitions and will be applied to on-going exploration and asset acquisition.

GENERAL MANAGER APPOINTED

Mr David W. Price has been appointed to the position of General Manager of Artemis Resources. David brings more than 22 years experience as a geologist to the Company, including time spent as General Manager and other senior posts in publicly listed companies. He was the Regional Exploration Manager for Hargraves Resources, General Manager for Millennium Mining (Fiji) Limited and Chief Executive Officer for Golden Tiger Mining Limited. The Board of Artemis welcomes David and the sound technical guidance he provides the Company.

Sevag Chalabian

Non Executive Chairman

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The information in this Report that relates to Exploration Results is based on information compiled by David W. Price who is a member of the Australian Institute of Mining and Metallurgy. David is an Officer of Artemis Resources and 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'. David W. Price consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

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 December 2009

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (6 months) \$A'000
1.1	Receipts from management and incentive fees from Apollo Minerals Limited	100	150
1.2	Payments for		
	(a) exploration and evaluation	(296)	(621)
	(b) development		
	(c) production		
	(d) administration	(395)	(665)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	32	48
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Payment for security deposit on premises		
	Other		
Net Operating Cash Flows		(559)	(1,088)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	(670)	(685)
	(b) equity investments		
	(c) other fixed assets		
	(d) exploration and evaluation		
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)		
Net investing cash flows		(670)	(685)
1.13	Total operating and investing cash flows (carried forward)	(1,229)	(1,773)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,229)	(1,773)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	4,351	4,351
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Cost of capital	(274)	(274)
	Net financing cash flows	4,077	4,077
	Net increase (decrease) in cash held	2,848	2,304
1.20	Cash at beginning of quarter/year to date	1,355	1,899
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	4,203	4,203

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 \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	46
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Includes consulting fees paid to director related entities.

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

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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

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$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	400
4.2 Development	
Total	400

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 \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,003	51
5.2 Deposits at call	3,200	1,304
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	4,203	1,355

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				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

6.2	Interests in mining tenements acquired or increased	E 08/1561	Direct	70%	
		E 08/1792	Direct	70%	
		E 08/1834	Direct	70%	
		E 08/1372	Direct	70%	
		E 09/1043	Direct	70%	
		E 09/1049	Direct	70%	
		E 09/1514	Direct	70%	
		E 09/1703	Direct	70%	
		E 09/1704	Direct	70%	
		E 09/1705	Direct	70%	
		E 09/1706	Direct	70%	
		E 08/2104	Direct	100%	
		E 08/2105	Direct	100%	
		ML 3311	Direct	100%	
		ML 30123	Direct	100%	
		ML 30208	Direct	100%	
		EPM 13694	Direct	100%	
		EPM 14988	Direct	100%	
		ELA 09/1700	Direct	100%	
		P 09/1463	Direct	100%	
		P 09/1464	Direct	100%	
		P 09/1465	Direct	100%	
		P 09/1466	Direct	100%	
		P 09/1467	Direct	100%	

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	Preference +securities (description)				

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				

7.3	+Ordinary securities	179,699,952	176,699,952	Fully paid	Fully paid
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+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.4	Changes during quarter	11,786,861	11,786,861	5 cents	Fully paid
		36,322,779	36,322,779	5 cents	Fully paid
	(a) Increases through issues	3,070,000	3,070,000	5 cents	Fully paid
		300,000	300,000	5 cents	Fully paid
		38,000,000	38,000,000	5 cents	Fully paid
		3,000,000	-	6 cents	Fully paid
		10,000,000	10,000,000	4 cents	Fully paid
	(b) Decreases through returns of capital, buy-backs				
7.5	*Convertible debt securities (description)				
7.6	Changes during quarter				
	(a) Increases through issues				
	(b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	2,000,000	-	<i>Exercise price</i> 15 cents	<i>Expiry date</i> 24 Nov 2011
		57,394,810	57,394,810	5 cents	30 Jun 2011
		1,750,000	-	10 cents	30 Jun 2011
		10,000,000	-	4 cents	14 Dec 2012
		3,562,500	-	15 cents	30 Jun 2012
7.8	Issued during quarter	24,054,820	24,054,820	5 cents	30 Jun 2011
		33,339,990	33,339,990	5 cents	30 Jun 2011
		1,750,000	-	10 cents	30 Jun 2011
		10,000,000	-	4 cents	14 Dec 2012
		3,562,500	-	15 cents	30 Jun 2012
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity quarterly report

- 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:

Date: 29 January 2010

(Secretary)

Print name:

Guy Robertson

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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+ See chapter 19 for defined terms.