

ASX QUARTERLY
28 July 2011

About Artemis Resources

Artemis Resources Limited is an ASX-listed mineral exploration company with a focus on gold.

Key Gold Projects

Mt Clement (WA)
Yandal (WA)

Artemis' corporate strategy is to maximise shareholder returns through a combination of exploration success and quality project acquisition.

The Company's focus on gold is viewed as an important growth strategy for the company.

Australian Securities Exchange

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QUARTERLY ACTIVITIES REPORT JUNE 2011

- **Major exploration thrust at Yandal gold project**
- **JORC-compliant inferred resource at Mount Clement**
- **Sale of non-core assets to yield up to \$4m.**
- **Strengthening of technical team to further develop gold projects**
- **Option to acquire Weerianna Gold Project signed**

Australian resources company, Artemis Resources Ltd (**ASX: ARV**), today posted its June 2011 quarterly activities report.

Yandal Project

During the quarter Artemis announced that it has planned a major exploration thrust at its Yandal Gold Project during the current field season.

The Yandal Project covers approximately 284km² in the Yandal Greenstone Belt, located 95km southeast of Wiluna in the North Eastern Goldfields.

More than 12 million ounces of gold has been produced to date from the Yandal Greenstone Belt, which contains some of Australia's largest gold mines including Jundee, Darlot and Bronzewing.

Potential for new discoveries in this rich gold province is shown by recent success just 10km north of Artemis' ground, where Echo Resources Ltd (ASX:EAR) is focusing on a 1 million plus ounce exploration target at the Julius gold discovery.

Gold mineralisation has been encountered at numerous locations within the Yandal Project, including Slav Well and Lowlands where historical non-JORC resources were identified in previous exploration. As reported recently, drilling in May 2011 extended the Lowlands mineralisation to the south east and this remains open.

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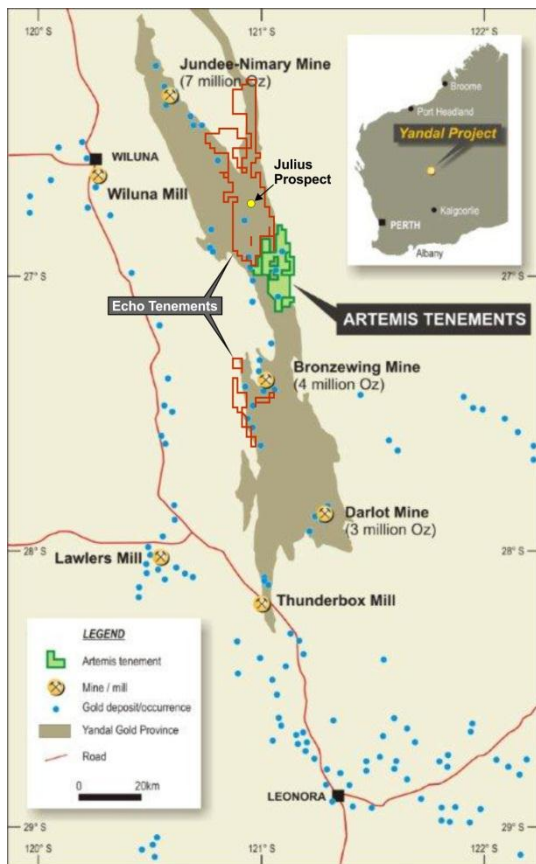


Figure 1 – Artemis' Yandal Gold Tenements

Significant gold of up to 9 metres at 7.15g/t Au was also intersected at the Forked Stick prospect.

Independent Consultants Behre Dolbear Australia recently conducted a field visit to Yandal with Artemis' geological team.

Behre Dolbear concluded that the Yandal Project warranted further exploration and identified the following:

- *Yandal gold project is highly prospective and lies within a fertile greenstone belt which has to date produced four multi-million ounce gold deposits, namely Jundee, Darlot, Mt McClure and Bronzewing;*
- *The northern area of the tenements appears to have shallow < 1 metre soil cover and as such soil sampling and trenching to expose bedrock should be conducted;*
- *RAB drilling in the past may have straddled rather than drilled into any gold bearing veins and shear zones obscured by soil cover;*
- *Several historical drill holes were stopped short of targets, review has shown gaps devoid of any drilling along the strike of the vein; and*
- *Recognition of an essentially untested nickel gossan near Sandalwood Bore is extremely encouraging.*

The earliest recorded gold workings within Artemis' ground date to the mid-1930s, and more modern exploration commenced in the 1970s, mainly for nickel. There has been no systematic gold exploration and little multi-element geochemistry for tellurium (Te), molybdenum (Mo), or bismuth (Bi), which are important pathfinder elements for gold in this environment.

Great Central Mines, which discovered Jundee and Bronzewing gold mines, held a portion of the Artemis ground but did not conduct large scale exploration. Also, previous surface geochemical surveys and shallow drilling which returned little encouragement were possibly inconclusive due to thick transported cover. The potential remains for the discovery of a world-class gold system at depth beneath the limit of the shallow historical exploratory drilling.

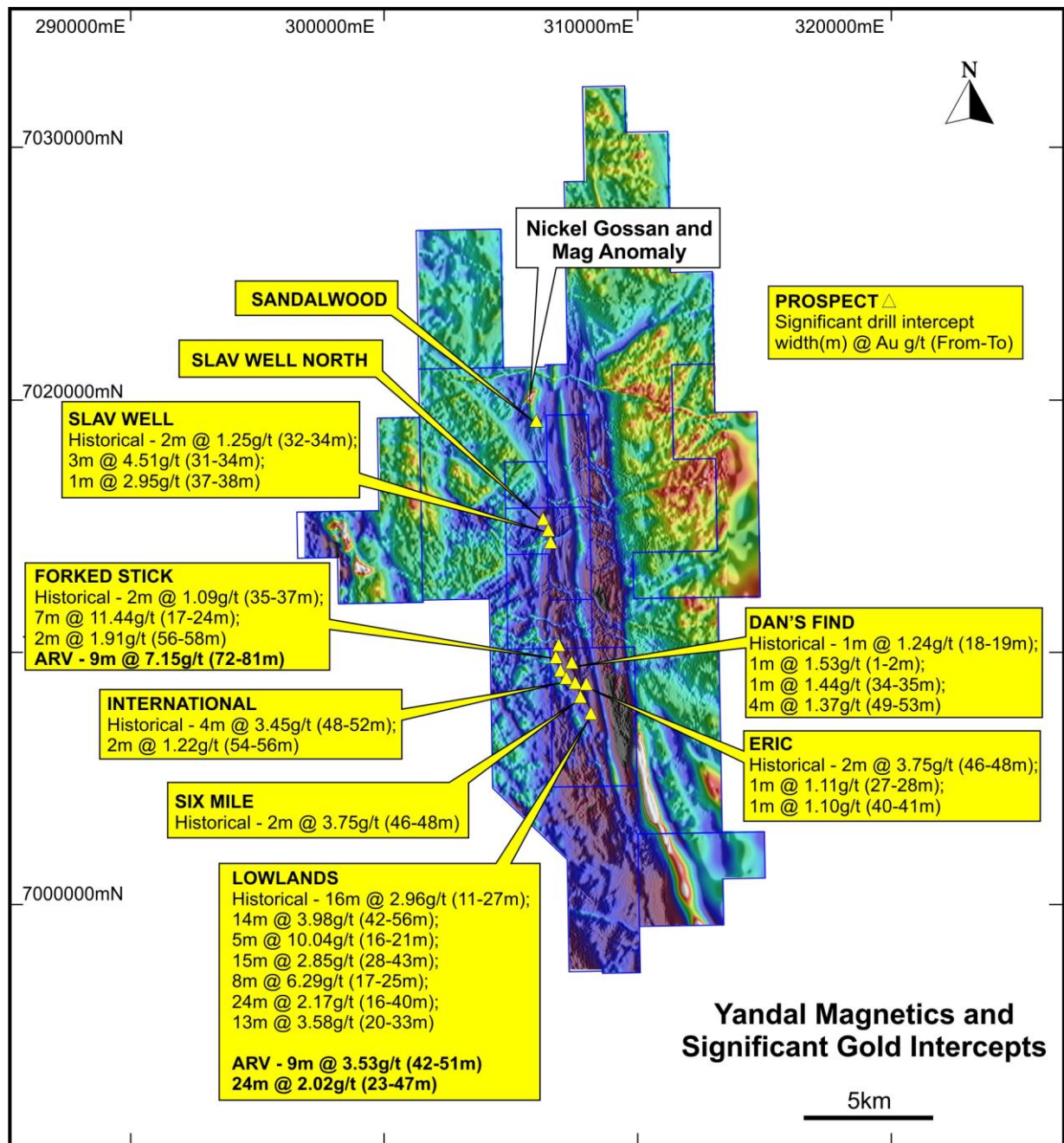


Figure 2 – Known Gold Prospects within Artemis' Yandal Tenements and Aeromagnetic Data

Artemis Exploration Plans

Artemis is completing a detailed review of all previous exploration within its Yandal Project to confirm gold target areas, where low-level anomalies encountered in previous exploration remain to be followed-up, or where previous exploration did not actually test the target thoroughly.

Drilling planned by Artemis will test below the historical drilled depths of around 60-80 metres. This review programme has already identified significant gold targets for reassessment.

In addition, at Slav Well an orientation soil geochemical survey was undertaken over the known mineralisation to determine the best pathfinder elements for gold in this area. Assays are awaited. Regional mapping and rock chip sampling programmes have also been recently undertaken and are in the process of being analysed.

Reverse Circulation drilling will be carried out at those prospects with readily defined targets, including:

- **Forked Stick**, where Artemis recently intersected **9m @ 7.15g/t Au from 72 metres** and which has historical drill results of up to **7m @ 11.5g/t Au from 17m** (BRC029); strike potential is untested;
- **Lowlands**, to follow up a recent intersection of **9m @ 3.53g/t Au from 42 metres**); and
- **Slav Well**, where there is over 1 kilometre of outcropping, as yet only partly tested auriferous quartz vein in sheared mafics.

This drilling is expected to be carried out in the second half of 2011.

Based on the results of the orientation survey, Artemis will conduct a large-scale soil sampling programme to identify new targets in currently untested or poorly tested areas. In addition, this geochemical survey will cover targets highlighted previously by consultants Southern Geoscience from aeromagnetic data. Anomalous zones identified by this programme will be systematically tested with the objective of defining drill targets for testing in the second half of 2011.

Artemis has also discovered what appears to be a nickel gossan near the Sandalwood prospect. Grab samples have recently been forwarded for analysis with results expected soon.

The anomaly is clearly identifiable on aeromagnetic data and was highlighted by Southern Geoscience as a target of interest. Despite proximity to several of the world's largest komatiite-associated nickel sulphide deposits (Mount Keith, Perseverance, Honeymoon Well), the Yandal Greenstone Belt has had only limited historical nickel exploration.

Based on aeromagnetic data and reconnaissance mapping, Artemis' tenements potentially host ultramafic rocks under cover elsewhere within the Yandal Project and these will be targeted using modern techniques.

Artemis plans to immediately further assess the Sandalwood nickel gossan if initial assays prove encouraging. A TEM survey is being planned for delineation of drill targets of massive nickel sulphide mineralisation.

Mount Clement

The Company has received a new JORC-compliant resource estimate prepared by independent consultants Apex Australia Geoscience Pty Limited for the Mount Clement gold project. The Company (80%) is the operator of the Mt Clement JV with Northern Star Resources Ltd (20%) (ASX:NST).

The estimate indicates a total inferred resource of 1,131,600 tonnes at 1.77g/tAu and 17.0g/tAg containing almost 64,400 ounces of gold and 620,000 ounces of silver. This represents a 58% increase in contained gold over the historical resource estimate for the project, and a doubling of the precious metal (gold and silver) content. Taking account of recent commodity prices, and incorporating the silver content, which had not previously been estimated, this results in a total of over 80,000 ounces gold equivalent.

As reported previously, the Company's 2010 drilling programme encountered relatively high grade sulphide-rich mineralisation at depth associated with the Adit Fault. At this stage some 125,000 tonnes at 2.71g/tAu (10,900 ounces) and 75.6g/tAg (304,000 ounces) of the total inferred resource are related to this structure.

Figure 3 provides an isometric view of the deposit as modelled, showing both the oxide resource lenses and the high-grade sulphide-rich lenses to the northwest.

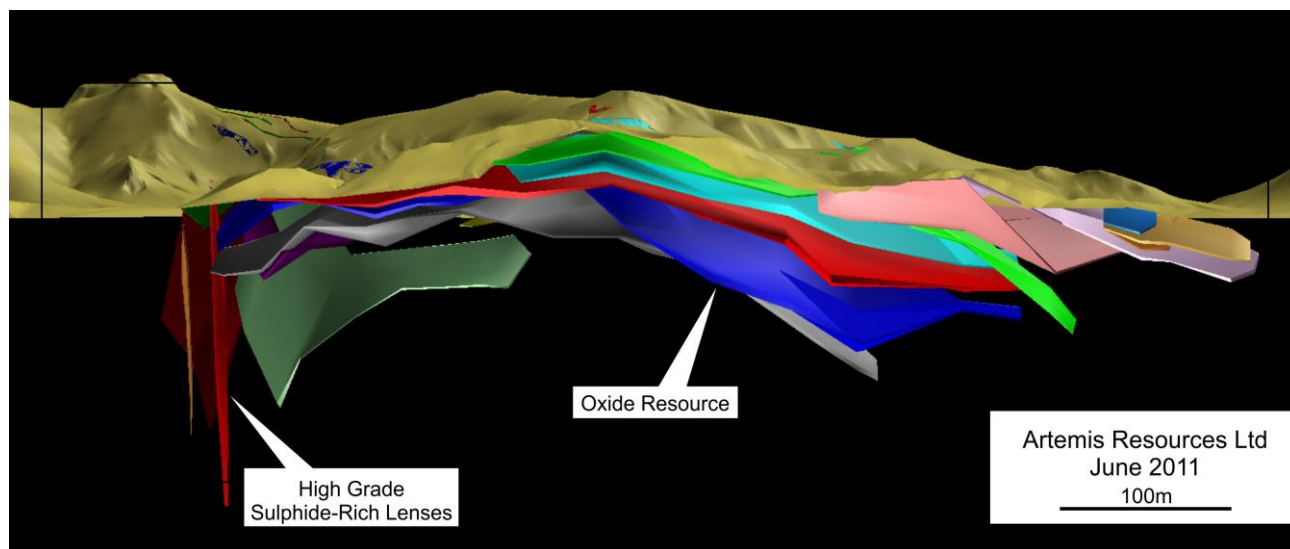


Figure 3 – Isometric view of Mt Clement deposit facing North

Artemis has confirmed that four targets remain within the immediate resource area, which have potential to increase the resource and warrant further exploration:

- The first target is the extension of the high grade zone, where seven separate lodes have been identified and each remains open to the west (Figure 4). There is approximately 100m of strike length open until these lodes would intersect a dolerite dyke to the west. Drilling of this target has been constrained by topography but Artemis considers it to be a high priority target that warrants additional drilling.
- The second target is the down-dip extension of the high grade gold-silver zone. A potential extension of 40m has been identified in this target.

- The third area lies adjacent to a hole that returned 16m @ 3.04g/t Au from 37.15m and 8m @ 0.52% Cu from 41.6m. Artemis has identified this area as having potential for additional high grade zones of gold-copper mineralisation. The elevated copper might be associated with a second north-south fault structure and Artemis intends to conduct detailed surface mapping to locate this structure.
- The fourth target lies in the northeast trending fault that offsets the mineralisation at Mt Clement (Figure 4). It is assumed that this structure has had multiple phases of fluid flow and re-activation. Due to the proximity of high gold and silver grades to this fault, it appears possible that this was the main fluid pathway sourcing mineralisation into the deposit. As such, exploration along this fault structure might identify favourable structural/lithological trap sites that could host additional mineralisation.

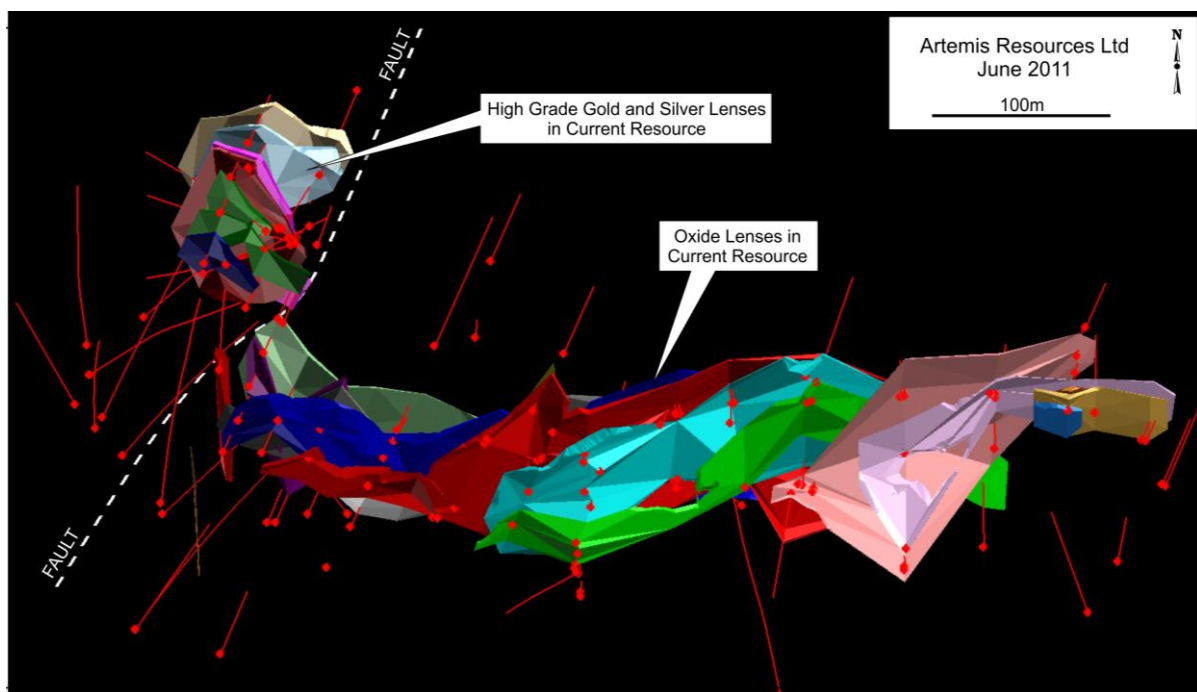


Figure 4 – Plan showing current resource blocks with high grade lenses in NW

To assist in the definition of these targets, Artemis Resources is planning to undertake a VTEM electromagnetic geophysical survey over the area surrounding the defined mineralisation (Figure 3).

This survey is planned to characterise the known high-grade sulphide zone and to determine whether extensions and/or repetitions occur which would provide immediate drill targets and potentially additional resources. The survey will be carried out over the whole of the Mt Clement Project area.

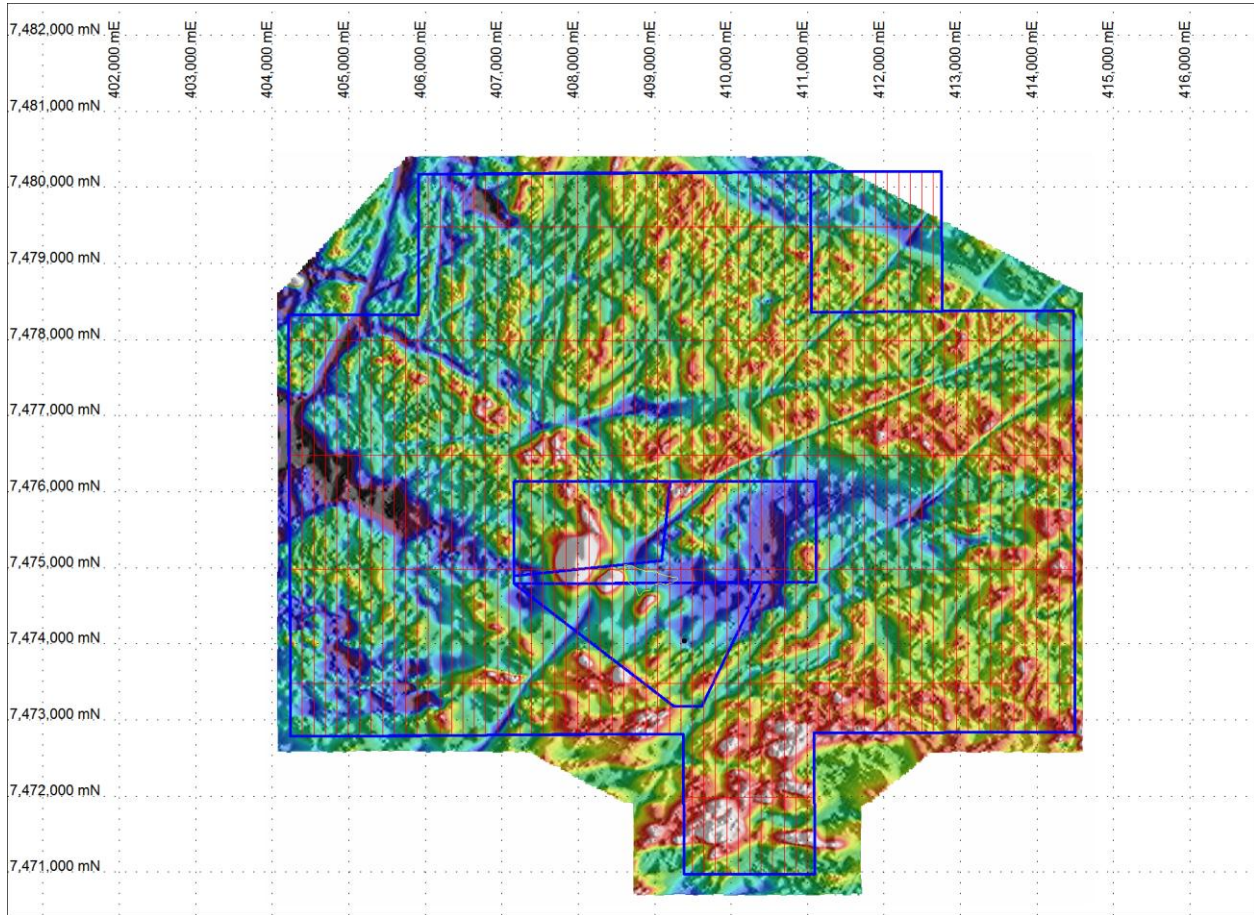


Figure 5 – Proposed VTEM survey over Mt Clement tenements (Inner Boundary Mining Leases, Outer Boundary Exploration licences)

If this survey proves successful in delineating either extensions to the currently defined high grade sulphide-rich mineralised zone or potential repetitions of this mineralisation, then the Company will consider conducting additional drilling at Mt Clement.



Option to Purchase Weerianna Gold Project

Artemis is currently examining a number of gold investment opportunities and has recently signed an option in respect of the Weerianna Gold Project (details announced on 23 June 2011). The Weerianna Gold Project currently has a 70,200 oz gold JORC resource with the potential for that resource to be increased by further exploration. The Company is conducting due diligence on the Project and expects to make a further announcement in due course.

Sale of Non-Core Asset

In June 2011 Artemis sold its majority interest in the Yangibana Rare Earths Project in Western Australia to Hastings Rare Metals Limited ("Hastings") for up to \$4 million. The initial payment is for a total of \$2 million with a further \$2 million payable on achievement of a project milestone.

Of the sale proceeds, \$1 million is payable on completion and a further \$1 million will be received by 31 October, 2011. A further \$2m will be payable to Artemis on Hastings achieving a bankable feasibility study for the project and obtaining a formal offer for project financing.

The sale of Artemis' 60% interest, which was acquired in December 2009, represents a significant return on the initial purchase price.

Artemis has an ongoing 10% free carried interest in the project retaining upside in this rare earth project which is to be developed by Hastings, a focused rare earths and rare metals explorer.

Artemis is also seeking expressions of interests for its:

- Queensland Lithium/Rare Metal Project;
- WA Uranium Projects; and
- West African Uranium Project.

Strengthening of Technical Team for Gold Projects

During the quarter Artemis engaged international mining consulting firm Behre Dolbear Australia which has over 100 years experience in the mining and exploration businesses. Behre Dolbear will provide Artemis with the full spectrum of technical, operational, and financial expertise in gold exploration and mining.

In addition the Company appointed Mr. Peter Fey M.Sc, F.AusI.M.M as its specialist geological consultant. Peter will be advising Artemis' exploration team on its gold exploration programmes. A former Chief Field Geologist for the Geological Survey of Zimbabwe, Mr. Fey has over 40 years experience as a senior geologist and has extensive experience in the Western Australian gold fields.

Mr. Tony Grey has been appointed as Special Advisor to the Artemis board, and will be involved in the planning and implementation of the Company's gold exploration and acquisition strategy. Mr. Grey is the former Managing Director of Pancontinental Mining Ltd and has extensive experience in the discovery and development of gold mining projects throughout WA including the discovery of the multi-million ounce Paddington gold mine.



<p>Board of Directors and Management</p> <p>Graham Libbesson (Non-Executive Chairman)</p> <p>Frans Voermans (Non-Executive Director)</p> <p>George Frangeskides (Non-Executive Director)</p> <p>John Miles (Non-Executive Director)</p> <p>Guy Robertson (Chief Operating Officer)</p>	<p>Registered Office</p> <p>Artemis Resources Limited 50 Margaret Street Sydney, NSW, 2000 AUSTRALIA</p> <p>Phone: (+61) (2) 9078 7670 Facsimile: (+61) (2) 9078 7661</p> <p>www.artemisresources.com.au</p> <p>Share Registry Security Transfer Registrars Pty Ltd 770 Canning Highway Applecross, WA, 6153 AUSTRALIA</p> <p>Phone: (+61) (8) 9315 2333 Facsimile: (+61) (8) 9315 2233 www.securitytransfer.com.au</p> <p>Please direct all shareholding enquiries to the share registry</p>
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The information in this document that relates to Mineral Resources or Ore Reserves is based on information compiled by Mr. Steven Nicholls, who is a Member of Australian Institute of Geoscientists. Mr. Nicholls has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr. Nicholls consents to the inclusion in this report of the matters based on their information in the form and content in which it appears.

The information in this document that relates to Exploration Results is based on information compiled by Mr. Andy Border, who is a Member of the Australian Institute of Mining and Metallurgy. Mr. Border 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. Border, who is an officer of the Company, consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

