



Artemis Resources Limited and its controlled entities

Annual financial report for the year ended 30 June 2011



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ARTEMIS RESOURCES LIMITED
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BOARD AND MANAGEMENT

Graham Libbesson (Non-Executive Chairman)
John Miles (Non-Executive Director)
Frans Voermans (Non-Executive Director)
George Frangeskides (Non-Executive Director)
Guy Robertson (Chief Operating Officer)

COMPANY SECRETARY

Guy Robertson (Secretary)

REGISTERED OFFICE

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SOLICITORS

Mills Oakley

AUDITORS

RSM Bird Cameron Partners

WEBSITE

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Dear Shareholder,

On behalf of the directors of Artemis Resources Limited ("Artemis"), it gives me pleasure to advise you of your Company's progress for the financial year ending 30 June 2011.

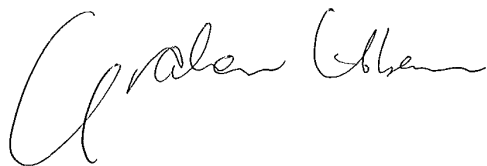
The Company continued its exploration programme at its key projects - the Mt Clement Gold Project and the Yandal Gold Project in Western Australia. Activities on these projects are more fully described in the Operations Report below.

During the year the Company completed over 6,000 metres of drilling at its gold projects. An enhanced JORC resource at Mt Clement and promising results of the work undertaken at Yandal continue to enhance the value of the Company and its prospects. The Company is continually looking at and for new gold projects which would fit within the Company's strategy and add significantly to its value.

Given the Company's focus on gold, it has sought opportunities to maximise value to shareholders through the disposal of non-core assets. The sale of the Yangibana Project for a consideration of up to \$4 million has provided the Company with additional resources to expand its gold inventory and assets. Other assets are kept under review with the view of obtaining maximum value through exploration, sale or joint venture.

The Company raised \$6.8 million during the year through capital raising and the exercise of options providing the Company with a solid base from which to continue its exploration programme.

On behalf of the Board of Directors I would like to thank the management team for their commitment and the shareholders for their ongoing support.



Graham Libbesson
Non-Executive Chairman
26 September 2011

REVIEW OF OPERATIONS

The operations of the consolidated entity during the year are as described below.

Exploration Report

The Company has interests in the following exploration projects focused on gold:

- Yandal
- Mt Clement

YANDAL GOLD PROJECT

Artemis Resources 100%

The Yandal Gold Project covers a total area of 238 km² and is located 95 km southeast of the township of Wiluna (figure 1). The project area lies in the highly-productive Yandal Greenstone Belt in the northern part of the Eastern Goldfields Province of Western Australia which has produced more than 12 million ounces of gold to date. The project lies 30km north of the 2mtpa Bronzewing Gold Mine, and adjacent to Echo Resources Limited's Julius discovery (see figure 2).

The Yandal Gold Project is host to the Lowlands, Slav Well, Forked Stick, 6 Mile Well and International Gold Deposits, each of which has been drilled by previous explorers with encouraging gold intersections. These explorers include Great Central Mines, MIM, Dominion, Tectonic Resources, Sandstone Resources and Chartfield Limited. Great Central Mines (GCM) discovered the multi million ounce Bronzewing and Jundee deposits. During this period GCM did not have access to large parts of the area now comprising Artemis' Yandal Project.

Gold mineralisation has been encountered at numerous locations within Artemis' Yandal Project including Slav Well and Lowlands where historic non-JORC resources were identified by previous explorers.



Figure 1. Yandal Project: Location and Tenure

Artemis completed 16 reverse circulation holes (2,333m) during the year with eight holes drilled adjacent to the Lowlands prospect, five seeking possible repetitions to the north of Lowlands, two drilled at Forked Stick and one at Dan's Find West.

Hole ARYARC0015 returned 9m at 7.15g/tAu from 72m downhole, intersecting the lode approximately 35m beneath a previous intersection of 7m at 11.5g/tAu. The recent intersections represent a true width of around 3.5m and Forked Stick retains significant exploration potential.

Hole ARYARC0011 returned 9m at 3.53g/tAu from 42m downhole. This hole was drilled to the southeast of the known Lowlands mineralisation and this deposit remains open.

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

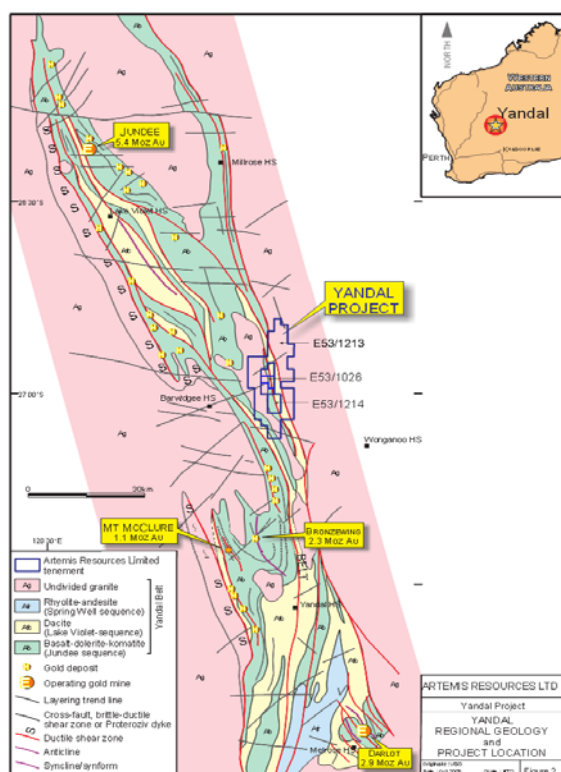


Figure 2. Yandal Project: Regional Geology and Mineralisation

Their report 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 4 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.

Figure 3 shows selected historical and recent drilling intersections at the various targets that occur with Artemis' tenements and the aeromagnetic data.

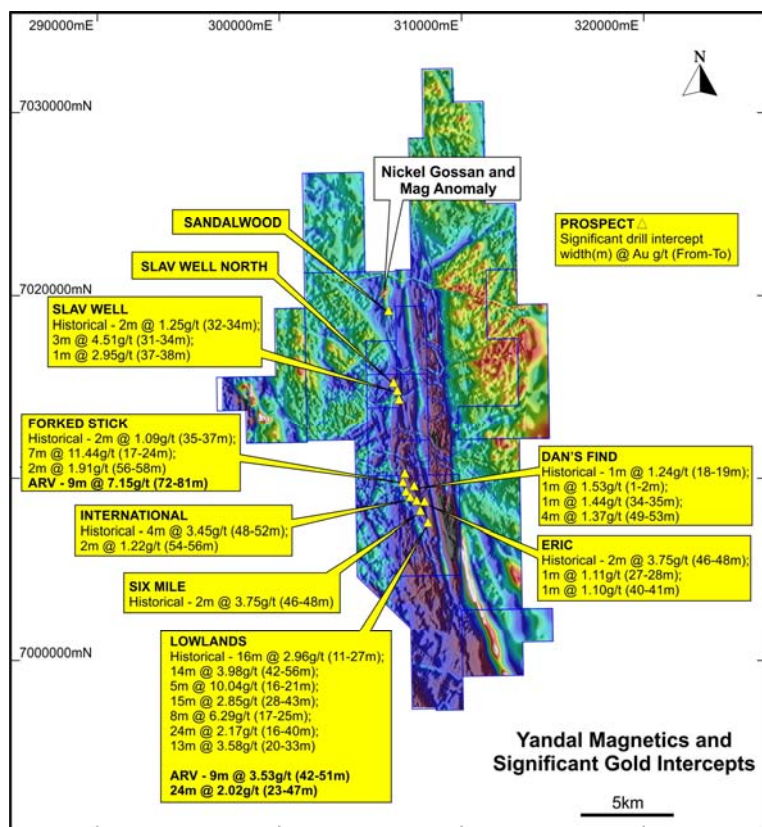


Figure 3. Yandal Project: Selected Drill Intersections over Aeromagnetic Image, Yandal Project

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 average historical drilled depths of around 60-80 metres. This review programme has already identified significant gold targets for reassessment.

In addition to drilling the Company conducted an orientation soil geochemical survey over the known mineralisation to determine the best pathfinder elements for gold at Slav Well and other gold deposits.

RC drilling will then 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);
- **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.

Based on the results of the orientation survey, Artemis will consider 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.

Artemis has also discovered 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. Major explorers, such as the Independence Group, are now examining the potential for nickel in the Yandal belt.

Based on aeromagnetic data and reconnaissance mapping, Artemis's 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 as a matter of priority. A TEM survey is being planned for delineation of drill targets of massive nickel sulphide mineralisation.

MT CLEMENT GOLD/SILVER PROJECT

Artemis Resources 100% of E08/1841 and E08/1606

Artemis Resources 80% Northern Star Resources Limited (NST) 20% (for tenements M08/191, M08/192 & M08/193 - for which NST has free carry to bankable feasibility)

The Mt Clement Project comprises three granted Mining Leases (valid until 2020) and two granted Exploration Licences that cover a total area of 14.55km² in the Ashburton area of Western Australia. The project lies roughly 30km southeast of the operating Paulsen's Gold Mine owned by Northern Star Resources Limited.

Artemis completed two drilling programmes during the year comprising a total of nineteen reverse circulation (RC) holes, of which four were completed with diamond tails and one diamond drill hole (DD). In total 1892 m of RC and 868m of DD were drilled. This exploration led to the discovery of a high grade gold/silver and copper zone at Mt Clement.

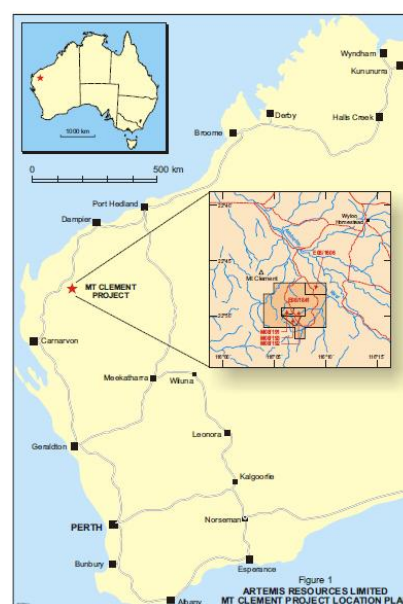


Figure 4: Mt Clement Project Location and Tenure

Best intersections returned during the year included:-

Hole No	From	To	Int	g/tAu	g/tAg	%Cu
ARMCRC0001	14	20	6	5.23		
	106	112	6	8.81		
	including		5		656	2.80
ARMCRC002	147	149	2	3.22		
	150	153	3		22.1	0.12
ARMCRC003	92	105	13	1.46	67.6	0.24
ARMCRC006	78	80	2	3.84		
ARMCRC007	86	106	20	7.32	395	0.78
	including		5	14.34	412	1.15
ARMCRC008	31	66	35	2.91	118	0.36
	including		3	8.39	176	1.08
	101	103	2	2.58	180	0.50
	214	215	1	2.15	106	0.46
ARMCRC011	39	59	20	1.99	66.8	0.2
ARMCRC013	97	108	11	4.76	260	1.10
ARMCRCD005	27	40	13	2.61	334	0.82
ARMCRCD006	24	70	46	1.75		

Following these drilling programmes, the Company commissioned a new JORC-compliant resource estimate prepared by independent consultants Apex Geoscience Limited.

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, for a total of 80,000 ounces gold equivalent at current commodity prices. 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. Figure 5 provides an isometric view of the various interpreted mineralised lenses.

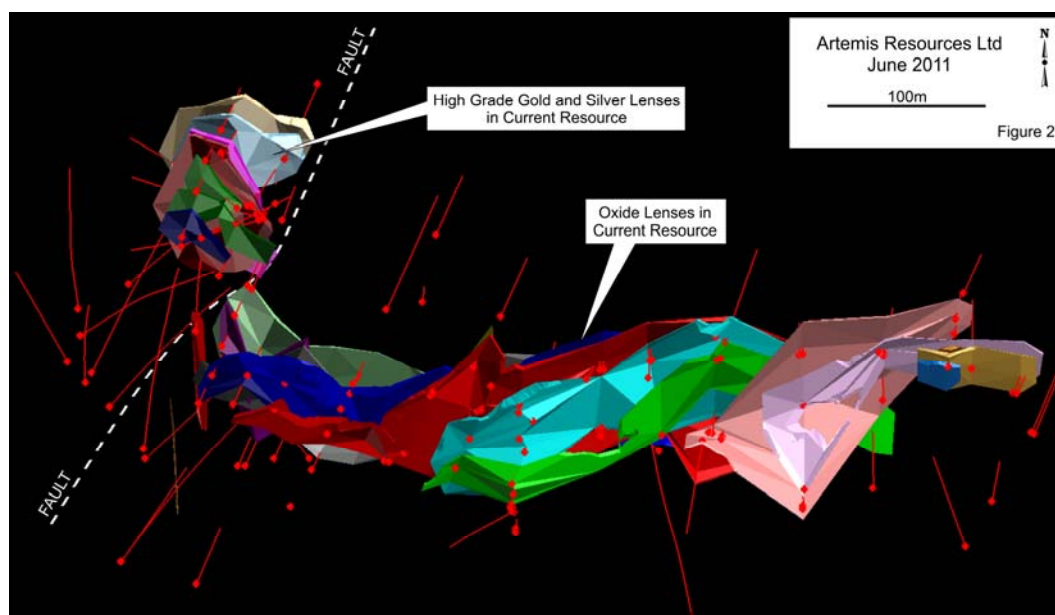


Figure 5 – Mt Clement project: Isometric view of Mt Clement Mineralisation facing North

The Company's 2010 drilling programme encountered relatively high grade sulphide-rich mineralisation at depth. At this stage some 125,000 tonnes at 2.71g/tAu (10,900 ounces of gold) and 75.6g/tAg (304,000 ounces of silver) of the total Inferred Resource are related to this structure.

Artemis has confirmed that four targets remain within the immediate resource area, that 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. 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. 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.

A VTEM 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.

MUNDONG WELL URANIUM PROJECT

Mundong Well is located in the Ashburton region of Western Australia, 300km south-west of Karratha. The project covers 169 square kilometres and includes the Mundong West, Cambridge Creek and Bali Hi tenements. The project hosts a variety of uranium styles of mineralisation including vein type, palaeochannel and calcrete uranium occurrences.

After being discovered in the early 1970s, a number of companies explored Mundong Well with encouraging results including a 1.5 metre wide channel sample with values of 6.0% Cu, 2.85% Pb and 3.9% U_3O_8 . Later drilling intersected 6m of 0.25% U_3O_8 from 37m and 4m of 0.1% U_3O_8 from 42m depth. Since this time, little work has been completed until recently.

Extensive palaeochannel uranium mineralisation is known to occur at Mundong Well and historical diamond drilling confirmed a channel thickness of between 75 and 80m thick, with uranium readings up to 64,000cps and a best drill result of 539ppm U_3O_8 . The recent reprocessed and interpreted remote sensing data has helped to distinguish the morphology and extent of the palaeochannel distribution.

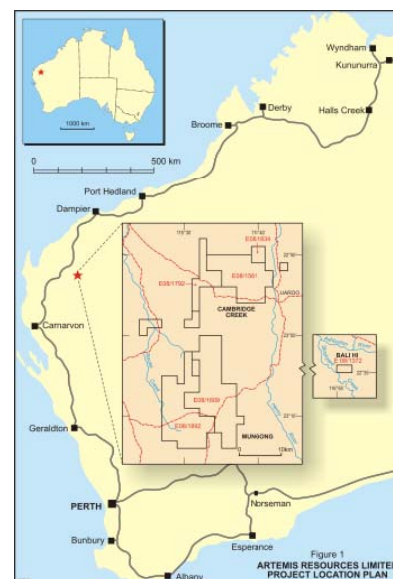


Figure 6: Mundong Well Project: Location and Tenure

YANGIBANA

The Company sold its majority interest in the Yangibana Rare Earths Project in Western Australia during the year to Hastings Rare Metals Limited ("Hastings") for up to \$4 million. Under the terms of the original acquisition by Artemis in 2009 of a majority interest in the Yangibana project, Artemis acquired a 60% beneficial joint venture interest and was required to free carry the minority joint venture partner to commencement of a bankable feasibility study. The terms of the sale of Artemis's participating majority interest to Hastings provide for an initial payment to Artemis of \$2 million with a further \$2 million payable on achievement of a project milestone. As a consequence of the sale, Hastings has assumed from Artemis the obligation to free carry the minority joint venture partner.

The initial \$2 million payable to Artemis has been included in the results of operations for this year, with \$1 million having been received in June 2011. The second \$1 million is receivable on the earlier of Hastings undertaking a capital raising of at least \$1 million (net of costs) and 31 October 2011. Artemis has agreed, subject to amendment of the sale agreement and to certain other stipulations (including the payment of interest), to extend the date by which Hastings is required to pay the second tranche of \$1 million to 31 December 2011.

The sale of Artemis's majority participating interest in Yangibana is part of Artemis' strategy to divest itself of non-core assets where it can achieve significant value for those assets.

The sale represents a significant return for the Company on the cumulative initial purchase price and exploration cost of \$575,100.

BUCHANAN'S CREEK RARE METALS PROJECT

Artemis Resources holds tenements in Buchanan's Creek/Grant's Gully containing known lithium (Li) and niobium (Nb) mineralisation.

Buchanan's Creek Prospect is located south of Georgetown, North Queensland.

During the year the Company gained exploration permits for a further 93km² of exploration ground considered highly prospective for tantalum, lithium, niobium and gold (Au). This area (EPM18490 "Mosquito Creek") lies to the west of the Buchanan's Creek Prospect in North Queensland.

Artemis' tenements are dominated by Proterozoic-age rocks which are known to host swarms of pegmatite dykes containing Ta, Li and Nb at both Grant's Gully/Buchanan's Creek. Previous exploration at Buchanan's Creek has proved highly successful with drill hole BCDH8 intersecting 10m @ 1.37% Li and BCDH12 intersecting 8m @ 1.39% Li. Hole BCDH13 encountered 7m @ 0.13% Ta.

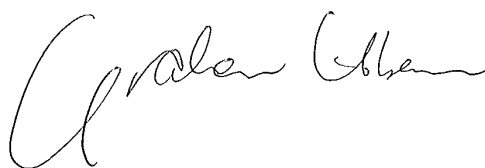


Figure 7: Buchanans Creek Project: Location and Tenure

During the year Artemis undertook regional assessments of the main targets with encouraging results achieved from grab samples collected in the vicinity of the drilled pegmatites. The results indicated that rare metal mineralisation was widespread in this area and is not confined to the four previously drilled pegmatite bodies.

NIGER URANIUM

Artemis holds a 49% interest in the Tagaza II and IV uranium exploration tenements in Niger, West Africa. The Tagaza Project is located within the highly productive Tim Merso Basin in north-east Niger, which hosts uranium mines producing 12% of the world's uranium supply. However, given the complexities and difficulties surrounding this project the Company has written down its investment in this project to nil.



Graham Libbesson
Non Executive Chairman
Sydney 26 September 2011

The information in this Report that relates to Exploration Results is based on information compiled by Frans Voermans who is a member of the Australian Institute of Mining and Metallurgy. 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'. Frans Voermans consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Tenement Schedule

Yandal Gold Project

E53/1026	100%
E53/1213	100%
E53/1214	100%
E53/1412	100%
E53/1413	100%

Niger Uranium

Tagaza II	49%
Tagaza IV	49%

Mundong Well Uranium

E 08/1609	90%
E08/1892	100%

Bali Hi Base Metals

E 08/1372	70%
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Mount Clement Gold/Silver Project

E08/1841	100%
E08/1606	100%

Mount Clement

M08/191	80%
M08/192	80%
M08/193	80%

Buchanan's Creek Rare Metals

ML3311	100%
ML30123	100%
ML30208	100%
EPM30694	100%
EPM14988	100%

Cambridge Creek

E08/1561	60%
E08/1792	60%
E08/1834	60%
ELA 08/2104	100%
ELA 08/2105	100%

The Artemis Resources Limited group ("**Artemis**"), through its Board and executives, recognises the need to establish and maintain corporate governance policies and practices that reflect the requirements of the market regulators and participants, and the expectations of members and others who deal with Artemis. These policies and practices remain under constant review as the corporate governance environment and good practices evolve.

ASX Corporate Governance Principles and Recommendations

Artemis is currently a small cap listed company and where its processes do not fit the model of the ASX Corporate Governance Principles and Recommendations, the Board believes that there are good reasons for the different approach being adopted. Reporting against the 8 Principles, we advise as follows:

Principle 1: Lay solid foundations for management and oversight

1.1 *Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.*

The primary responsibilities of Artemis' board include:

- (i) The establishment of long term goals of the Company and strategic plans to achieve those goals;
- (ii) The review and adoption of the annual business plan for the financial performance of the company and monitoring the results on a monthly basis;
- (iii) The appointment of the General Manager;
- (iv) Ensuring that the Company has implemented adequate systems of internal control together with appropriate monitoring of compliance activities; and
- (v) The approval of the annual and half-yearly statutory accounts and reports.

The Board meets on a regular basis, normally monthly, to review the performance of the Company against its goals both financial and non-financial. In normal circumstances, prior to the scheduled monthly board meetings, each board member is provided with a formal board package containing appropriate management and financial reports.

The responsibilities of senior management including the General Manager are contained in letters of appointment and job descriptions given to each appointee on appointment and updated at least annually or as required.

The primary responsibilities of senior management are:

- (i) Achieve Artemis' objectives as established by the Board from time to time;
- (ii) Operate the business within the cost budget set by the Board;
- (iii) Ensure that Artemis' appointees work with an appropriate Code of Conduct and Ethics.
- (iv) Ensure that Artemis appointees are supported, developed and rewarded to the appropriate professional standards.

1.2 *Companies should disclose the process for evaluating the performance of senior executives and appointees.*

The performance of all senior executives and appointees is reviewed at least once a year. The performance of the General Manager is reviewed by the Chairman on an annual basis, and the performance of other senior executives is reviewed by the General Manager, in conjunction with the Board. They are assessed against personal and Company Key Performance Indicators established from time to time as appropriate for Artemis.

1.3 *Companies should provide the information indicated in the Guide to reporting on Principle 1.*

A performance evaluation for each senior executive has taken place in the reporting period in line with the process disclosed.

A Statement covering the primary responsibilities of the Board is set out in 1.1 above.

A Statement covering the primary responsibilities of the senior executives is set out in 1.1 above.

The Artemis Corporate Governance Charter is available on the Artemis web site, and includes sections that provide a board charter. The Artemis board reviews its charter when it considers changes are required.

Principle 2: Structure the Board to add value

2.1 *A majority of the Board should be independent directors.*

During the reporting period, the Artemis Board consisted of four non-executive directors. Of these directors two are considered independent directors, including the Chairman.

2.2 *The Chairperson should be independent.*

Graham Libbesson, the non executive chairman, is independent.

2.3 *Chief Executive Officer should not be the same as Chairman.*

During the period under review, David Price held the position of General Manager and subsequently Guy Robertson as Chief Operating Officer.

2.4 *A nomination committee should be established.*

As Artemis is a small cap company, the Board has decided that responsibilities of a nominations committee should be handled by the full Board.

2.5 *Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.*

The Artemis Board has four Board members, who are in regular contact with each other as they deal with matters relating to Artemis's business. The Board uses a personal evaluation process to review the performance of directors, and at appropriate times the Chairman takes the opportunity to discuss Board performance with individual directors and to give them his own personal assessment. The Chairman also welcomes advice from Directors relating to his own personal performance. The full Board as the Remuneration and Nomination Committee determines whether any external advice or training is required. The Board believes that this approach is most appropriate for a company of the size and market cap of Artemis.

2.6 *Companies should provide the information indicated in the Guide to reporting on Principle 2*

A description of the skills and experience of each director is contained in the 2011 Directors Report.

Graham Libbesson and John Miles, are considered to be independent non executive directors. Frans Voermans, and George Frangeskides (appointed 17 January 2011) under the ASX 2.1 guidance, are not considered to be independent because of contractual relationships with Artemis. Jonathan Robinson resigned as a Director on 14 December 2011.

Directors are able to take independent professional advice at the expense of the Company, with the prior agreement of the Chairman.

The nomination responsibilities are handled by the full board under the guidance of the Chairman.

An evaluation of the Board of directors took place during the reporting period and was in accordance with the process described in 2.5 above.

New directors are selected with consultation of all board members and their appointment voted by the Board. Each year, in addition to any Board members appointed to fill casual vacancies during the year, one third of directors retires by rotation and is subject to re-election by shareholders at the Annual General Meeting.

There is no Board charter for nominations. As is appropriate in a small cap listed company that must raise funds from shareholders and investors to fund its activities, there is some informality in the Board appointment process.

Principle 3: Promote ethical and responsible decision-making

3.1 *Companies should establish a code of conduct and disclose the code or a summary of the code as to:*

- *the practices necessary to maintain confidence in the company's integrity;*
- *the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and*
- *the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.*

Artemis' policies contain a formal code of conduct that applies to all directors and employees, who are expected to maintain a high standard of conduct and work performance, and observe standards of equity and fairness in dealing with others. The detailed policies and procedures encapsulate the company's ethical standards. The code of conduct is contained in the Artemis Corporate Governance Charter.

3.2 *Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.*

As a company with a small market capitalisation, the company has a small board. The company has no established policy at present but is aware of the principle and will be alert for opportunities when board changes are contemplated.

3.3 *Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.*

The company has, as yet, no established policy in relation to gender diversity. The company has a small number of employees and as a consequence the opportunity for creating a meaningful gender diversity policy are limited.

3.4 *Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.*

Given the small size of the company and the limited number of employees this is not a meaningful statistic at this time.

Principle 4: Safeguard integrity in financial reporting

4.1 *Establish an audit committee.*

The Company has an Audit Committee.

4.2 *Audit Committee composition.*

As Artemis is a company with a small market capitalisation, the audit committee is comprised of two members being Graham Libbesson (Chairman of the Audit Committee) and George Frangeskides.

4.3 *A formal charter should be established for the Audit Committee.*

The Company has adopted an Audit Committee charter. It is publicly available on the Artemis web site.

4.4 *Companies should provide the information indicated in the Guide to reporting on Principle 4.*

The Audit Committee met twice during the course of the year.

The Audit Committee provides a forum for the effective communication between the board and external auditors. The committee reviews:

- The annual and half-year financial reports and accounts prior to their approval by the board;
- The effectiveness of management information systems and systems of internal control; and
- The efficiency and effectiveness of the external audit functions.

The committee meets with and receives regular reports from the external auditors concerning any matters that arise in connection with the performance of their role, including the adequacy of internal controls.

In conjunction with the auditors the Audit Committee monitors the term of the external audit engagement partner and ensures that the regulatory limit for such term is not exceeded. At the completion of the term, or earlier in some circumstances, the auditor nominates a replacement engagement partner. The committee interviews the nominee to assess relevant prior experience, potential conflicts of interest and general suitability for the role. If the nominee is deemed suitable, the committee reports to the Board on its recommendation.

The Audit Committee also reviews the Artemis Corporate Governance and Risk Management processes to ensure that they are effective enough for a listed public company that is currently small cap.

Principle 5: Make timely and balanced disclosure

5.1 *Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.*

The Artemis Board and senior management are conscious of the ASX Listing Rule Continuous Disclosure requirements, which are supported by the law, and take steps to ensure compliance. The Company has a policy, which can be summarised as follows:

- the Board, with appropriate advice, determines whether an announcement is required under the Continuous Disclosure principles;
- all announcements are monitored by the Company Secretary; and
- all media comment is handled by the Chief Operating Officer.

Artemis believes that the internet is now the best way to communicate with shareholders and provides detailed announcements to the Australian Securities Exchange on a regular basis to ensure that shareholders are kept well informed on Artemis' activities

5.2 *Companies should provide the information indicated in the Guide to reporting on Principle 5.*

Artemis' disclosure policy to shareholders is set out as part of the Artemis Corporate Governance charter, which is publicly available on the Artemis web site, as are Artemis' recent announcements.

Principle 6: Respect the rights of shareholders

6.1 *Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.*

Artemis provides information to its shareholders through the formal communications processes (e.g. ASX releases, general meetings, annual report, and occasional shareholder letters). This material is also available on the Artemis website (www.artemisresources.com.au).

Shareholders are encouraged to participate in general meetings and time is set aside for formal and informal questioning of the Board, senior management and the auditors. The external audit partner attends the annual general meeting to be available to answer any shareholder questions about the conduct of the audit and the preparation and content of the audit report.

6.2 Companies should provide the information indicated in the Guide to reporting on Principle 6.

The Company's communications policy is described in 5.1 and 5.2, and 6.1 above.

Principle 7: Recognise and manage risk

7.1 Companies should establish a sound system for the oversight and management of material business risks.

The company has established policies for the oversight and management of material business risks.

The board monitors the risks and internal controls of Artemis through the Audit Committee. That committee looks to the executive management to ensure that an adequate system is in place to identify and, where possible, on a cost effective basis appropriate for a small cap company, to manage risks inherent in the business, and to have appropriate internal controls.

As part of the process, Artemis' management formally identifies and assesses the risks to the business, and these assessments are noted by the Audit Committee and the Board.

7.2 The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.

The Board has required management to design and implement the risk management and internal control system appropriate to a small cap company of the size of Artemis to manage the Company's material business risks and report to it on whether those risks are being managed effectively. Management has reported to the Board as to the effectiveness of the Company's management of its material business risks.

7.3 The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The board has received assurance from the Chief Operating Officer and the Chief Financial Officer that the declaration provided in accordance with section 295A of the *Corporations Act 2001* is founded on a sound system of risk management and internal control appropriate for a small cap company of the size of Artemis, and that the system is operating effectively in all material respects in relation to financial reporting risks.

7.4 Companies should provide information in the Guide to reporting on Principle 7.

The Board has received the report from Management under Recommendation 7.2 and the Board has received the assurances referred to under Recommendation 7.3. The Company's policies on risk oversight and management of material business risks for a small cap company the size of Artemis are not publicly available.

Principle 8: Remunerate fairly and responsibly

8.1 *Establish a remuneration committee.*

As it is a small cap company, Artemis has not established a remuneration committee. Those responsibilities are handled by the full board under the guidance of the Chairman.

8.2 *The remuneration committee should be structured so that it:*

- *consists of a majority of independent directors*
- *is chaired by an independent chair*
- *has at least three members*

As it is a small cap company, Artemis has not established a remuneration committee. Those responsibilities are handled by the full board under the guidance of the Chairman.

8.3 *Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.*

The remuneration details of non executive directors, executive directors and senior management are set out in the Remuneration Report that forms part of the Directors' report.

Senior executives' remuneration packages are reviewed by reference to Artemis' performance, the executive director's or senior executive's performance, comparable information from industry sectors and other listed companies in similar industries, which guidance from external remuneration sources. This provides a basis to ensure that base remuneration is set to reflect the market for a comparable role.

The performance of the executive director and senior executives is measured against criteria agreed annually and bonuses and incentives are linked to predetermined performance criteria and may, with shareholder approval, include the issue of shares and / or options.

There are no schemes for retirement benefits, other than statutory superannuation for non-executive directors.

8.4 *Companies should provide the information indicated in the Guide to reporting on Principle 8.*

The information is as outlined above.

Your directors present their report on the Artemis Resources Limited (**Artemis** or the **Company**) for the financial year ended 30 June 2011.

DIRECTORS

The names of directors in office at any time during or since the end of the period are:

Current Directors

MR GRAHAM LIBBESSON

LLB, B.Com, CA
Non-Executive Chairman

Mr Libbesson is a Chartered Accountant with 30 years experience in taxation, management, mergers and acquisitions and financial transactions and as an advisor.

Mr Libbesson has previously been the Non-Executive Chairman of East Coast Minerals NL and was previously a Director of ComOps Ltd and eServGlobal Limited. Mr Libbesson was also on the audit committee of these companies.

Mr Libbesson was appointed a director on 31 August 2010 and is also the Chairman of the audit committee.

MR JOHN MILES

MA Cantab, Solicitor of the
Supreme Court of England
and Wales.
Non-Executive Director

John Miles is a lawyer and company director. He is Chairman of ALN, a group of five law firms in East and Central Africa. His practice is principally in advising African governments and the private sector in Africa on issues arising in relation to infrastructure projects, and in the oil, gas and mining sectors. He is a director of Pelican Hotels (UK) Limited and its subsidiary Pelican Hotels (SA) (Pty) Ltd. He also runs an estate producing indigenous plants, timber and other products, and a guest resort.

Mr Miles was appointed a Director on 4 May 2007.

MR FRANS VOERMANS

Fellow of the Australian
Institute of Mining &
Metallurgy, Chartered
Professional (Geology).
Non-Executive Director

Frans Voermans has over 40 years of mineral exploration experience including exploration, development and mining projects in Europe, Africa and Australia. Mr Voermans has previously held the position of Senior Geologist for Agip Australia being closely involved in the Radio Hill Nickel-Copper Mine and the Elizabeth Hill Silver Mine.

Mr Voermans was appointed a Director on 28 August 2009.

MR GEORGE FRANGESKIDES

Non-Executive Director

Mr Frangeskides has a broad range of experience gained from over fifteen years in the legal and corporate advisory sectors in Australia and the United Kingdom.

Mr Frangeskides is an Executive Director at Berwick Capital, a corporate advisory firm which specialises in natural resources and which advises ASX and AIM-listed companies on projects and transactions in the mining and oil and gas sectors. Prior to establishing Berwick Capital, Mr Frangeskides practised as a lawyer focusing on corporate finance, commercial and capital market transactions.

Mr Frangeskides was appointed a Director on 17 January 2011.

Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

Secretary

MR GUY ROBERTSON

(Company Secretary)
B Com (Hons.) CA

Guy Robertson was appointed Company Secretary on 12 November 2009.

Guy has over 25 years experience as a Chief Financial Officer, Company Secretary and Director of both private and ASX listed companies in both Australia and Hong Kong.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The following summary of events marks significant milestones in the state of affairs of the Company during the year:

- The expansion of the inferred JORC resource at Mt Clement to the equivalent of 80,000 ounces.
- Significant progress on Yandal with identified drill targets to be tested and promising results from discovered Nickel gossan.
- Capital raise of a total of \$6.2m which has provided the resources necessary to continue the Company's exploration programmes.
- The sale of Yangibana for up to \$4m (\$2m deferred with receipt based on milestones).

PRINCIPAL ACTIVITIES

The principal activity of the Company during the financial year was mineral exploration and direct and indirect investments in the mining industry. There have been no significant changes in the nature of the Company's principal activities during the financial year.

SIGNIFICANT AFTER BALANCE DATE EVENTS

There are currently no matters or circumstances that have arisen since the end of the financial period that have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

LIKELY FUTURE DEVELOPMENTS AND EXPECTED RESULTS

The primary objective of Artemis is to explore its current tenements in Australia and the Company continues to look to invest in mineral resources projects which have the potential to become mines, focusing on gold.

PERFORMANCE IN RELATION TO ENVIRONMENTAL REGULATION

The consolidated entity will comply with its obligations in relation to environmental regulation on its projects when it undertakes exploration. The Directors are not aware of any breaches of any environmental regulations during the period covered by this report.

OPERATING RESULTS

The loss of the consolidated entity after providing for income tax amounted to \$5,111,202 (2010: loss of \$4,338,505).

DIVIDENDS PAID OR RECOMMENDED

The directors do not recommend the payment of a dividend and no dividend has been paid or declared to the date of this report.

MEETINGS OF DIRECTORS

The number of directors' meetings (including committees) held during the financial period each director held office during the financial period and the number of meetings attended by each director is:

Director	Directors Meetings		Audit Committee Meetings	
	Meetings Attended	Number Eligible to Attend	Meetings Attended	Number Eligible to Attend
Graham Libbesson	11	11	2	2
John Miles	11	7	-	-
Frans Voermans	11	10	-	-
George Frangeskides	5	5	1	1
Sevag Chalabian – resigned 30 August 2010	-	-	-	-
Jonathan Robinson – resigned 14 December 2010	6	6	1	1

In addition to the directors meetings outlined above there were seven circular resolutions.

REMUNERATION REPORT (AUDITED)

Remuneration Policy

The remuneration policy of Artemis has been designed to align director objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates and offering specific long-term incentives based on key performance areas affecting the consolidated group's financial results.

The Board of Artemis believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the Company, as well as create goal congruence between directors and shareholders.

The Board's policy for determining the nature and amount of remuneration for board members and officers is as follows:

- The remuneration policy, setting the terms and conditions (where appropriate) for the executive directors and other senior staff members, was developed by the Chairman and Company Secretary and approved by the Board;
- In determining competitive remuneration rates, the Board may seek independent advice on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Independent advice may be obtained to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices;
- The Company is a mineral exploration company, and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, directors and senior executives, such personnel are paid market rates associated with individuals in similar positions within the same industry. Options and performance incentives may be issued particularly as the Company moves from commercialisation to a producing entity and key performance indicators such as profit and production can be used as measurements for assessing executive performance.

Given the early stage of the company's projects it is not meaningful to track executive compensation to financial results and shareholder wealth. It is also not possible to set meaningful specific objective performance criteria for directors as this stage.

Options granted to Directors in November 2010 vested 50% on grant, recognising a past performance contribution, and 50% vesting a year from grant providing a loyalty incentive.

- All remuneration paid to directors and officers is valued at the cost to the Company and expensed. Where appropriate, shares given to directors, executives and officers are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes methodology.
- The Board policy is to remunerate non-executive directors and officers at market rates for comparable companies for time, commitment and responsibilities. The Chairman in consultation with independent advisors determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders in a General Meeting, and is currently \$150,000 per annum, as approved by shareholders. Fees for non-executive directors and officers are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the directors and officers are encouraged to hold shares in the company.

Directors' and Executive Officers' Remuneration

(a) Details of Directors and Key Management Personnel

(i) Current Directors

Graham Libbesson – Non-Executive Chairman (appointed 31 August 2010)
John Miles – Non-Executive Director
Frans Voermans - Non-Executive Director
George Frangeskides - Non-Executive Director (appointed 17 January 2011)

(ii) Former Directors

Sevag Chalabian – Director (appointed 19 October 2006) (resigned 30 August 2010)
Jonathan Robinson – Director (appointed 28 August 2009) (resigned 14 December 2010)

(iii) Company Secretary

Guy Robertson – Company Secretary

(iv) Key Management Personnel

Andy Border – General Manager Business Development
David Price – General Manager (resigned 9 March 2011)
Guy Robertson – Chief Operating Officer

Directors' remuneration and other terms of employment are reviewed annually by the Board having regard to performance against goals set at the start of the year, relative comparative information and independent expert advice.

Except as detailed in Notes (a) – (d) to the Remuneration Report, no director has received or become entitled to receive, during or since the financial period, a benefit because of a contract made by the Company or a related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors and shown in Notes (a) – (d) to the Remuneration Report, prepared in accordance with the Corporations regulations, or the fixed salary of a full time employee of the Company.

(b) Remuneration of Directors and Key Management Personnel

The Board of Directors, comprised of non-executive directors, is responsible for determining and reviewing compensation arrangements. The Board will assess the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team. Remuneration of Directors of the Company and consolidated entity is set out below.

**ARTEMIS RESOURCES LIMITED
DIRECTORS REPORT**

Parent and Group Key Management Personnel

	2011				2010			
	Base Salary and Fees	Fair Value of Options Granted	Post Employment Super Contributions	Total	Base Salary and Fees	Fair Value of Options Granted	Post Employment Super Contributions	Total
G. Libbesson ¹	31,333	69,196	27,000	127,529	-	-	-	-
J. Miles ²	25,020	5,536	-	30,556	25,020	7,227	-	32,247
F. Voermans ³	30,000	5,536	-	35,536	25,000	3,574	-	28,574
G. Frangeskides ⁴	16,124	-	-	16,124	-	-	-	-
G. Robertson ⁵	59,583	-	-	59,583	20,419	2,859	-	23,278
S. Chalabian ⁶	70,000	-	-	70,000	83,000	18,030	-	101,030
J. Robinson ⁷	22,500	5,536	-	28,036	25,000	-	-	25,000
D. Price ⁸	239,220	9,227	17,030	265,477	113,199	14,295	10,188	137,682
A. Border	130,734	-	11,766	142,500	-	-	-	-
R. Sealy ⁹	-	-	-	-	22,950	-	-	22,950
J. Hartigan ⁹	-	-	-	-	20,862	-	-	20,862
	624,514	95,031	55,796	775,341	335,450	45,985	10,188	391,623

¹ In the twelve months to 30 June 2011, Mr Libbesson was paid directors fees of \$58,333 (comprised of base salary and superannuation). A further \$19,500 was paid to Unorfadox Pty Ltd a company in which Mr Libbesson has an interest.

² In the twelve months to 30 June 2011, consulting fees of \$25,020 (2010: \$25,020) were paid and / or accrued to Pelican Hotels (UK) Ltd (a company of which Mr Miles is a Director);

³ Mr Voermans' directors fees were paid to Voermans Geological Services Pty Ltd, a company of which Mr Voermans is a director and shareholder.

⁴ Mr Frangeskides directors fees were paid to Aetos Consulting Limited, a company in which Mr Frangeskides has an interest.

⁵ Mr Robertson's contract has an annual amount payable of \$70,000 and can be terminated by either party giving three months notice.

⁶ In the twelve months to 30 June 2011, fees of \$10,000 (2010: \$83,000) were paid and / or accrued to Lands Legal Pty Limited (a company of which Mr Chalabian is a Director and Shareholder) and STC Advisory Pty Ltd <Chalabian Family A/C> of which Mr Chalabian is a potential beneficiary. In addition Mr Chalabian was paid a termination fee of \$60,000;

⁷ Mr Robinson's directors fees were paid to Go Green Energy Pty Limited a company of which Mr Robinson is a director and shareholder.

⁸ Paid to Mining Management Consultants Pty Limited which contracted the services of Mr Price. Mr Price resigned with effect from 9 March 2011.

⁹ Mr Sealy and Mr Hartigan were paid through Sealy Consulting Services Pty Ltd and Astute Corporate Services Pty Ltd, companies in which they respectively held an interest.

All transactions were entered into on normal commercial terms.

(c) Remuneration Options granted and vested during the financial year ending 30 June 2011 and the financial year ending 30 June 2010

To ensure that the Company has appropriate mechanisms to continue to attract and retain the services of Directors and Employees of a high calibre, the Company has a policy of issuing options that are exercisable in future at a certain fixed price.

**ARTEMIS RESOURCES LIMITED
DIRECTORS REPORT**

On 24 November 2010 the Company issued 3,100,000 options to directors, of which one half vested immediately and the balance one year from issue date. The options have an exercise price of 7 cents and an expiry date of 30 September 2013. The fair value of the options was deemed to be \$85,804 (of which \$85,084 was expensed in the current year). A further 1,000,000 options were issued to key management personnel of which 666,667 lapsed during the year.

On 8 December 2009 the Company issued 1,750,000 options to directors, of which one half vested immediately and the balance one year from the issue date. The options had an exercise price of 10 cents and an expiry date of 30 June 2011. The fair value of the options was deemed to be \$69,635 (of which \$25,108 was expensed in 2010 and \$44,527 in the current year). These options were not exercised and have expired.

(d) Share and Option holdings

All equity dealings with directors have been entered into with terms and conditions no more favourable than those that the entity would have adopted if dealing at arm's length.

Shares held by Directors and Officers

Period from 1 July 2010 to 30 June 2011

	Balance at beginning of year	Received as Remuneration	Options Exercised	Net Change Other	Balance at end of year
G. Libbesson	-	-	-	249,842	249,842
S. Chalabian ¹	2,630,814	-	-	-	N/A
J. Miles	-	-	-	-	-
F. Voermans	-	-	-	-	-
G. Frangeskides	-	-	-	-	-
J. Robinson ¹	10,000	-	-	-	N/A
	2,640,814	-	-	249,842	249,842

¹ Directors resigned during the year, therefore no closing balance.

Period from 1 July 2009 to 30 June 2010

	Balance at beginning of year	Received as Remuneration	Options Exercised	Net Change Other	Balance at end of year
S. Chalabian	630,814	-	-	2,000,000	2,630,814
J. Miles	-	-	-	-	-
F. Voermans	-	-	-	-	-
J. Robinson	-	-	-	10,000	10,000
R. Sealy	-	-	-	-	N/A
	630,814	-	-	2,010,000	2,640,814

Options Held By Directors and Officers

Period from 1 July 2010 to 30 June 2011

	Balance at beginning of year	Received as Remuneration	Options Exercised	Net Change Other	Balance at end of year
G. Libbesson ¹	-	2,500,000	-	-	2,500,000
S. Chalabian	2,000,000	-	-	(1,000,000)	N/A
J. Miles ²	750,000	200,000	-	(250,000)	700,000
F. Voermans ²	500,000	200,000	-	(500,000)	200,000
G. Frangeskides	-	-	-	562,500	562,500
J. Robinson ²	5,000	200,000	-	(5,000)	N/A
G. Robertson	200,000	-	-	-	200,000
D. Price ³	3,000,000	1,000,000	-	(2,666,667)	N/A
	6,455,000	4,100,000	-	(3,859,167)	4,162,500

¹ 50% of options granted in November 2010 vested in current year, with 50% vesting in September 2011, these options expire on 30 September 2013.

² 50% of options granted in November 2010 vested in the current year, with 50% vesting in November 2012. These options expire on 30 September 2013.

³ One third of options granted in November 2011 vested on that date. The balance lapsed on resignation of the executive.

The fair value of these options granted is included in the remuneration table above. The options are granted as a loyalty incentive.

Period from 1 July 2009 to 30 June 2010

	Balance at beginning of year	Received as Remuneration	Options Exercised	Net Change Other	Balance at end of year
S. Chalabian	1,014,402	1,000,000	-	(14,402)	2,000,000
J. Miles	500,000	250,000	-	-	750,000
F. Voermans	N/A	500,000	-	-	500,000
J. Robinson	N/A	-	-	5,000	5,000
G. Robertson	-	200,000	-	-	200,000
D. Price	-	3,000,000	-	-	3,000,000
R. Sealy	N/A	-	-	-	N/A
	1,514,402	4,950,000	-	(9,402)	6,455,000

Options issued as Part of Remuneration for the year ended 30 June 2011 and 30 June 2010

3,100,000 options (2010 – 1,750,000 options) were issued to directors of the company during the year as outlined above. Except for the un-vested options noted at 1 above all other options have vested at year end.

1,000,000 options (2010 – 3,000,000 options) were issued to key management personnel of which 2,666,667 lapsed on resignation of the executive.

OPTIONS

At the end of the financial year and as at the date of this report, there were 29,095,833 unlisted options over new ordinary shares in the Company on issue. Listed options expired on 30 June 2011. There has been no issue of ordinary shares as a result of the exercise of options by directors and senior management during or since the end of the financial year.

Directors' holdings of shares and share options have been disclosed in the Remuneration Report.

INDEMNIFYING OFFICERS

In accordance with the constitution, except as may be prohibited by the *Corporations Act 2001*, every officer or agent of the Company shall be indemnified out of the property of the Company against any liability incurred by him or her in his or her capacity as officer or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

During the financial year the Company paid insurance premiums of \$13,715 in August 2011 in respect of directors' and officers' liability. The insurance premiums relate to:

- Costs and expenses incurred by the relevant officers in defending legal proceedings, whether civil or criminal and whatever their outcome;
- Other liabilities that may arise from their position, with the exception of conduct involving wilful breach of duty or improper use of information to gain a personal advantage.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceeding to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2011 has been received and can be found on page 25 of the financial report.

NON-AUDIT SERVICES

The Board of Directors is satisfied that the provision of non-audit services by the entity's auditors is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the reason that the nature of the services provided did not compromise the general principles relating to auditors independence as set out in APES 110 Code of Ethics for Professional Accountants.

- No amounts were paid to the Company's auditors during the year ended 30 June 2011 for non-audit related services.

This report is made in accordance with a resolution of the directors.



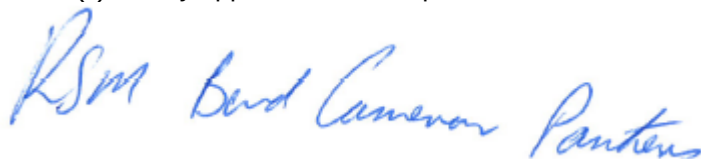
Graham Libbesson
Non Executive Chairman
Sydney 26 September 2011

RSM Bird Cameron Partners
Level 12, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001
T +61 2 9233 8933 F +61 2 9233 8521

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Artemis Resources Limited for the year ended *30 June 2011* I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



RSM BIRD CAMERON PARTNERS
Chartered Accountants



Cameron J. Hume
Partner

Sydney, NSW
Dated: 26 September 2011

ARTEMIS RESOURCES LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 2011

		Consolidated 30 June 2011	Consolidated 30 June 2010
		\$	\$
Continuing Operations	Note		
Revenue	2(a)	310,000	305,202
Other Income	2(b)	1,667,347	97,416
Administration expenses		(387,654)	(407,803)
Personnel costs		(282,153)	-
Consultancy costs		(698,069)	(533,986)
Occupancy costs		(106,876)	(158,836)
Compliance and regulatory expenses		(139,438)	(144,463)
Depreciation		(24,465)	(4,409)
Payments to directors		(161,978)	(158,020)
Exploration expenditure written off		(4,178,676)	(619,237)
Consulting and technical		(660,000)	(185,625)
Legal fees		(133,059)	(106,055)
Travel		(127,242)	(124,638)
Share based payments		(188,939)	(193,657)
Impairment loss		-	(2,104,394)
LOSS BEFORE INCOME TAX		(5,111,202)	(4,338,505)
Income tax expense	3	-	-
LOSS FOR THE YEAR		(5,111,202)	(4,338,505)
LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY		(5,111,202)	(4,338,505)
OTHER COMPREHENSIVE INCOME/(LOSS)			
Net change in fair value of available for sale investments		(275,000)	(725,000)
Income tax relating to components of other comprehensive income		82,500	217,500
		(192,500)	(507,500)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(5,303,702)	(4,846,005)
LOSS FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the parent		(4,970,887)	(4,158,712)
Non-controlling interest		(140,315)	(179,793)
		(5,111,202)	(4,338,505)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the parent		(5,163,387)	(4,666,212)
Non-controlling interest		(140,315)	(179,793)
		(5,303,702)	(4,846,005)
Earnings per share – continuing operations			
Basic loss per share (cents)	18	(1.75)	(2.79)
Diluted loss per share (cents)	18	(1.75)	(2.79)

The consolidated statement of comprehensive income is to be read in conjunction with the attached notes

ARTEMIS RESOURCES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2011

	Note	Consolidated 30 June 2011 \$	Consolidated 30 June 2010 \$
CURRENT ASSETS			
Cash and cash equivalents	4	3,940,243	1,064,093
Trade and other receivables	5	1,146,815	184,682
Other financial assets	6	-	26,250
Total current assets		5,087,058	1,275,025
NON-CURRENT ASSETS			
Other financial assets	6	275,000	550,000
Plant and equipment	8	70,823	88,326
Evaluation and exploration expenditure	9	4,407,895	6,707,287
Total non-current assets		4,753,718	7,345,613
TOTAL ASSETS		9,840,776	8,620,638
CURRENT LIABILITIES			
Trade and other payables	10	612,897	493,212
Total current liabilities		612,897	493,212
NON CURRENT LIABILITIES			
Deferred tax liability	3	81,000	163,500
Total non-current liabilities		81,000	163,500
TOTAL LIABILITIES		693,897	656,712
NET ASSETS		9,146,879	7,963,926
EQUITY			
Share Capital	11	25,120,128	18,789,072
Reserves	12	1,076,063	1,112,964
Accumulated losses		(16,590,931)	(11,620,044)
Parent interests		9,605,260	8,281,992
Non-controlling interest		(458,381)	(318,066)
TOTAL EQUITY		9,146,879	7,963,926

The consolidated statement of financial position is to be read in conjunction with the attached notes.

ARTEMIS RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

	Attributable to equity holders of parent					
	Share Capital	Reserves	Accumulated Losses	Total	Non-controlling Interest	Total equity
	\$	\$	\$	\$	\$	\$
CONSOLIDATED - 2011						
Balance 1 July 2010	18,789,072	1,112,964	(11,620,044)	8,281,992	(318,066)	7,963,926
Loss for the year	-	-	(4,970,887)	(4,970,887)	(140,315)	(5,111,202)
Net change in the fair value of available-for-sale financial assets	-	(192,500)	-	(192,500)	-	(192,500)
Total comprehensive income for the year	-	(192,500)	(4,970,887)	(5,163,387)	(140,315)	(5,303,702)
Issue of share capital	6,895,781	-	-	6,895,781	-	6,895,781
Costs of share capital	(598,065)	-	-	(598,065)	-	(598,065)
Expiry of options	33,340	(33,340)	-	-	-	-
Share based payments	-	188,939	-	188,939	-	188,939
Balance as at 30 June 2011	25,120,128	1,076,063	(16,590,931)	9,605,260	(458,381)	9,146,879
	Attributable to equity holders of parent					
	Share Capital	Reserves	Accumulated Losses	Total	Non-controlling Interest	Total equity
	\$	\$	\$	\$	\$	\$
CONSOLIDATED – 2010						
Balance 1 July 2009	12,445,411	1,494,211	(7,574,380)	6,365,242	(25,022)	6,340,220
Loss for the year	-	-	(4,158,712)	(4,158,712)	(179,793)	(4,338,505)
Issue of share capital	6,305,985	-	-	6,305,985	-	6,305,985
Issue of options	-	713,028	-	713,028	-	713,028
Expiry of options	586,929	(586,929)	-	-	-	-
Unrealised gains	-	(507,500)	-	(507,500)	-	(507,500)
Costs of share capital	(549,253)	-	-	(549,253)	-	(549,253)
Other adjustment	-	154	(154)	-	-	-
Movement in outside equity (changed ownership interests)	-	-	113,202	113,202	(113,251)	(49)
Balance as at 30 June 2010	18,789,072	1,112,964	(11,620,044)	8,281,992	(318,066)	7,963,926

The consolidated statement of changes in equity is to be read in conjunction with the attached notes.

ARTEMIS RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Note	Consolidated 30 June 2011 \$	Consolidated 30 June 2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operations		170,000	305,202
Payments to suppliers and employees		(2,720,155)	(2,326,771)
Interest received		141,882	97,416
NET CASH USED IN OPERATING ACTIVITIES	21	(2,408,273)	(1,924,153)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(6,962)	(68,062)
Proceeds on sale of plant and equipment		-	438
Proceeds on sale of available for sale financial assets		111,815	-
Proceeds from sale of subsidiary		1,000,000	-
Proceeds from sale of tenements		140,000	-
Payments for exploration and evaluation		(2,141,737)	(2,801,286)
NET CASH USED IN INVESTING ACTIVITIES		(896,884)	(2,868,910)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares and options		6,779,371	4,353,822
Costs of issue of shares and options		(598,065)	(395,754)
NET CASH PROVIDED/(USED) BY FINANCING ACTIVITIES		6,181,306	3,958,068
Increase/(Decrease) in cash held		2,876,150	(834,995)
Cash at the beginning of the year		1,064,093	1,899,088
CASH AT THE END OF THE YEAR	4	3,940,243	1,064,093

The consolidated statement of cash flows is to be read in conjunction with the attached note.

These consolidated financial statements and notes represent those of Artemis Resources Limited and Controlled Entities (the “consolidated group” or “group”).

The separate financial statements of the parent entity, Artemis Resources Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

The financial statements were authorised for issue on 26 September 2011 by the directors of the company.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements are presented in Australian dollars which is the Company’s functional and presentation currency.

a. Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Artemis Resources Limited at the end of the reporting period. A controlled entity is any entity over which Artemis Resources Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity’s activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 7 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the equity section of the consolidated statement of financial position and statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

b. Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business

As disclosed in the financial statements, the company and consolidated entity incurred losses of \$5,102,688 and \$5,111,202 respectively, and the consolidated entity had net cash outflows from operating activities of \$2,408,273 for the year ended 30 June 2011.

The Directors believe that it is reasonably foreseeable that the company and consolidated entity will continue as going concerns and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The company has been successful in raising capital during the period (per note 11);
- The company has the ability to continue to raise additional funds on a timely basis, pursuant to the Corporations Act 2001;
- The consolidated entity has cash at bank at balance date of \$3,940,243, net working capital of \$4,474,161 and net assets of \$9,146,879;
- The ability of the consolidated entity to further scale back certain parts of their activities that are non essential so as to conserve cash; and
- The consolidated entity retains the ability, if required, to wholly or in part dispose of interests in mineral exploration and development assets.

c. Adoption of New and Revised Accounting Standards

Changes in accounting policies on initial application of Accounting Standards

In the year ended 30 June 2011, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2011. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

The following Australian Accounting Standards have been issued or amended and are applicable to the Company but are not yet effective.

The Group does not anticipate the early adoption of any of the following Australian Accounting Standards.

ARTEMIS RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Reference	Title	Summary	Application date (financial years beginning)	Expected Impact
AASB 9, 2009-11, 2010-7	<i>Financial Instruments (and related amendments to other standards).</i>	Replaces the requirements of AASB 139 for the classification and measurement of financial assets. This is the result of the first part of Phase 1 of the IASB's project to replace IAS 39.	1 January 2013	Disclosure changes may be required, no significant implications expected.
AASB 124, 2009-12, 2009-14	<i>Related Party Disclosures (and related amendments to other standards and interpretations).</i>	Revised standard. The definition of a related party is simplified to clarify its intended meaning and eliminate inconsistencies from the application of the definition	1 January 2011	Disclosure changes only.
2010-4	<i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i>	Amends AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13 as a result of the annual improvements project.	1 January 2011	No significant impact expected.
2010-5	<i>Amendments to Australian Accounting Standards</i>	Amends AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042 for editorial corrections	1 January 2011	No significant impact expected.
2010-6	<i>Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets</i>	This Standard adds and amends disclosure requirements about transfers of financial assets, including in respect of the nature of the financial assets involved and the risks associated with them.	1 July 2011	No significant impact expected.
2011-1	Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project	Amends AASB 1, 5, 101, 107, 108, 121, 128, 132, 134 and Interpretations 2,112 & 113) as a result of the Trans-Tasman Convergence Project.	1 July 2011	No significant impact expected.
2011-4	Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements	This Standard makes amendments to Australian Accounting Standard AASB 124 <i>Related Party Disclosures</i> .	1 July 2013	Disclosure changes only.

d. Income Taxes

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income). Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity. Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

e. Exploration and Evaluation Costs

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

f. Leases

A distinction is made between finance leases which transfer from the lessor to the lessee substantially all the risks and rewards incident to ownership of the leased asset and operating leases under which the lessor retains substantially all the risks and rewards.

Where an asset is acquired by means of a finance lease, the fair value of the leased property or the present value of minimum lease payments, if lower, is established as an asset at the beginning of the lease term. A corresponding liability is also established and each lease payment is apportioned between the finance charge and the reduction of the outstanding liability.

Operating lease rental expense is recognised as an expense on a straight line basis over the lease term, or on a systematic basis more representative of the time pattern of the user's benefit.

g. Financial Instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

(iii) Held-to-maturity investments

Held-to-maturity investments are included in non-current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (ie gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in non-current assets where they are expected to be sold within 12 months after the end of the reporting period. All other financial assets are classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Derivative instruments

The Group designates certain derivatives as either:

- ii. hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- ii. hedges of highly probable forecast transactions (cash flow hedges).

At the inception of the transaction the relationship between hedging instruments and hedged items, as well as the Group's risk management objective and strategy for undertaking various hedge transactions, is documented.

Assessments, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items, are also documented.

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recorded in the statement of comprehensive income, together with any changes in the fair value of hedged assets or liabilities that are attributable to the hedged risk.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is deferred to a hedge reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in the statement of comprehensive income.

Amounts accumulated in the hedge reserve in equity are transferred to the statement of comprehensive income in the periods when the hedged item will affect profit or loss.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

Financial guarantees

Where material, financial guarantees issued that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due are recognised as a financial liability at fair value on initial recognition.

The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

The fair value of financial guarantee contracts has been assessed using a probability-weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting in a year period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposed if the guaranteed party were to default.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

h. Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen.

i. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

j. Revenue Recognition

Interest revenue is recognised using the effective interest method. It includes the amortisation of any discount or premium.

k. Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred except borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period to get ready for its intended use or sale. In this case the borrowing costs are capitalised as part of the cost of such a qualifying asset.

The amount of borrowing costs relating to funds borrowed generally and used for the acquisition of qualifying assets has been determined by applying a capitalisation rate to the expenditures on those assets. The capitalisation rate comprises the weighted average of borrowing costs incurred during the period.

l. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

m. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

n. Significant judgements and key assumptions

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

o. Key judgements

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at reporting date at \$4,407,895.

2. REVENUE AND OTHER INCOME

a) Revenue

	Consolidated 2011 \$	Consolidated 2010 \$
Sale of non core tenements	140,000	-
Other income	70,000	5,202
Management fees	100,000	300,000
	310,000	305,202

b) Other Income

Interest received	141,882	97,416
Sale of available for sale financial assets	85,565	-
Sale of Gascoyne Metals Pty Limited ¹	1,439,900	
	1,667,347	97,416

ARTEMIS RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

¹ Relates to the Yangibana Project. Of this amount \$1 million has been received. A further \$1 million is receivable on the earlier of the purchaser undertaking a capital raising of at least \$ 1 million or 31 October 2011, and the deferred consideration has been attributed a fair value of \$15,000 . Artemis has agreed, subject to amendment of the sale agreement and to certain other stipulations (including the payment of interest), to extend the date by which the purchaser is required to pay the second tranche of \$1 million to 31 December 2011. The carrying cost of the project sold was \$575,100 leaving a profit on sale of \$1,439,900.

3. INCOME TAXES

(a) Reconciliation between income tax expense and prima facie tax on accounting loss:

	Consolidated 2010 \$	Consolidated 2009 \$
Loss before tax	(5,111,202)	(4,338,505)
Tax at 30% (2009: 30%)	(1,533,361)	(1,301,551)
Foreign losses treated as non deductible	1,109,102	204,290
Tax effect of non-deductible expenses	1,380	-
Tax losses and timing differences not brought to account	422,879	1,097,261
Income tax expense	-	-

(b) Balance of franking account at year end

	-	-
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(c) Deferred tax liabilities taken to equity

Balance brought forward	163,500	381,000
Unrealised (loss)/gain on investments	(82,500)	(217,500)
	81,000	163,500

Applicable tax rate

The applicable tax rate is 30%, the national corporate tax rate in Australia.

Analysis of deferred tax assets

No deferred tax assets have been recognised as yet, other than to offset deferred tax liabilities, as it is currently not probable that future taxable profit will be available to realise the asset. Potential deferred tax assets on carry forward losses amount to \$2,653,191 (2010-\$2,230,312).

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and account balances with banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents included in the cash flow statement comprise the following amounts:

	Consolidated 2011 \$	Consolidated 2010 \$
Cash and cash equivalents	3,940,243	1,064,093

5. TRADE AND OTHER RECEIVABLES

	Consolidated 2011 \$	Consolidated 2010 \$
Current		
Trade receivables	34,088	19,013
Receivable on sale of Gascoyne Metals Pty Ltd ¹	1,015,000	-
Other	97,727	165,669
	1,146,815	184,682

The value of trade and other receivables considered by the Directors to be past due or impaired is nil (2010: Nil).

¹ Relates to the sale of the Yangibana project, with \$ 1 million being received on the earlier of at least a \$1 million capital raise by the purchaser or 31 October 2011. Artemis has agreed, subject to amendment of the sale agreement and to certain other stipulations (including the payment of interest), to extend the date by which the purchaser is required to pay the second tranche of \$1 million to 31 December 2011. The balance of \$15,000 is the fair value of the deferred contingent consideration.

6. OTHER FINANCIAL ASSETS

	Consolidated 2011 \$	Consolidated 2010 \$
Current		
Listed equity securities – at fair value	-	26,250
	-	26,250

The listed securities were sold during the year for \$111,815 giving a profit on sale of \$85,565.

Non Current

Available-for-sale financial assets

Listed equity securities – at fair value	275,000	550,000
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The listed equity securities relate to a holding in Apollo Mining a related entity.

7. SUBSIDIARIES

	Country of Incorporation	Ownership % 2011	Ownership % 2010
Parent Entity:			
Artemis Resources Limited	Australia	-	-
Subsidiaries:			
Yandal Metals Pty Limited	Australia	100	100
Gascoyne Metals Pty Limited	Australia	-	100
Wombat Resources Pty Limited	Australia	100	100
Artemis Mining Corporation Pty Limited	Australia	51	51
Arminco (Pte) Ltd	Singapore	100	100
Anco Holdings Limited	Hong Kong	49	49
Uranium Exploration SA	Niger, Africa	49	49

ARTEMIS RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Consolidated

The parent entity within the group is Artemis Resources Limited which is the ultimate parent entity in Australia.

Arminco's ownership of Anco Holdings is 49%. The Company has consolidated these subsidiaries (Anco Holdings Limited and in turn Uranium Exploration SA) as it exercises control over the group. This control is based on a 49% ownership, having 50% representation on the board and management control of the project.

Uranium Exploration SA was incorporated as the legal entity for the Niger project.

The Company sold its interest in Gascoyne Metals Pty Limited (Yangibana Project) during the year for up to \$4 million. Of this amount \$1 million has been received, \$1 million is receivable at the earlier of a \$1 million capital raise by the purchaser or 31 October 2011. Artemis has agreed, subject to amendment of the sale agreement and to certain other stipulations (including the payment of interest), to extend the date by which the purchaser is required to pay the second tranche of \$1 million to 31 December 2011. A further \$2,000,000 is receivable in the event that the Yangibana project obtains approval for project financing of the amount determined as being required in a bankable feasibility study. The deferred consideration has been attributed a fair value of \$15,000.

8. PLANT AND EQUIPMENT

	Consolidated 2011 \$	Consolidated 2010 \$
Plant and equipment	70,823	88,326
<i>At cost</i>		
Opening balance	103,688	35,626
Additions	6,962	68,062
Disposals	-	-
Closing balance	110,650	103,688
<i>Depreciation</i>		
Opening balance	(15,362)	(10,515)
Charge for the year	(24,465)	(4,409)
Adjustment	-	(438)
Closing balance	(39,827)	(15,362)
	70,823	88,326

9. INTANGIBLE EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated 2011 \$	Consolidated 2010 \$
Exploration and evaluation expenditure	4,407,895	6,707,287
<i>Reconciliation of carrying amount</i>		
Carrying amount at 1 July	6,707,287	3,708,352
Acquisition of tenements and tenement interests ¹	166,667	3,624,236
Expenditure capitalised in current period	2,287,717	1,474,093
Capitalised expenditure written off	(4,178,676)	-
Exploration cost base of subsidiary sold	(575,100)	-
Provision for impairment	-	(2,099,394)
Carrying amount 30 June	4,407,895	6,707,287

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¹ The balance in 2011 relates to the acquisition of a 10% free carried interest in the Yangibana project. A further \$166,667 is payable on the project achieving a bankable feasibility study.

Costs capitalised on areas of interest have also been reviewed for impairment factors, such as resources prices, ability to meet expenditure going forward, potential resource downgrades. It is the Directors' opinion that the Company has ownership, or title to the areas of interests it has capitalised expenditure on and has reasonable expectations that its activities are ongoing.

As a consequence of the complexities and difficulties surrounding the Niger project the Company has written down its investment in this project to nil. The Company continues to retain a 49% interest in the project and will endeavour to realise value in the project.

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploration, or, alternatively, sale of the respective area of interest.

10. TRADE AND OTHER PAYABLES

	Consolidated 2011 \$	Consolidated 2010 \$
Trade accounts payable (unsecured)	612,897	493,212

11. SHARE CAPITAL

	2011 Shares	2010 Shares	2011 \$	2010 \$
325,390,396 (2010: 192,552,088) fully paid ordinary shares	325,390,396	192,552,088	25,120,128	18,789,072
	325,390,396	192,552,088	25,120,128	18,789,072

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Reconciliation of movements in share capital during the year:

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	2011	2010	2011	2010
	No. Shares	No. Shares	\$	\$
Issued ordinary shares	325,390,396	192,552,088	25,120,128	18,789,072
Reconciliation of movement during year				
Opening balance	192,552,088	77,220,312	18,789,072	12,445,411
1 October 2009 Share Placement	-	11,786,861	-	589,343
9 October 2009 Share Placement	-	36,322,779	-	1,816,139
9 October 2009 Share Issue	-	3,070,000	-	153,500
9 October 2009 Share Placement	-	300,000	-	15,000
26 October 2009 Share Purchase Plan	-	38,000,000	-	1,900,000
3 December 2009 Share Issue (GTI)	-	3,000,000	-	180,000
15 December 2009 Share Issue	-	10,000,000	-	740,000
31 December 2009 Share Issue (GTI)	-	3,500,000	-	238,000
Transfer of expired options	-	-	-	586,929
4 January 2010 (Wombat)	-	3,000,000	-	204,000
18 March 2010 (Mundong Well)	-	2,782,066	-	225,000
18 March 2010 (Advisors Mundong Well)	-	3,500,000	-	241,500
1 June 2010 Share Issue	-	70,070	-	3,503
15 July 2010 Share Placement	25,000,000	-	1,000,000	-
13 August 2010 Share Placement	625,000	-	25,000	-
15 September 2010 Share Issue	690,000	-	27,600	-
23 September 2010 Share Placement	54,545,454	-	3,000,000	-
12 October 2010 Exercise of options	3,832,228	-	191,611	-
4 November 2010 Rights Issue	46,195,693	-	2,540,763	-
22 December 2010 Share Issue	1,210,000	-	73,810	-
18 January 2011 Exercise of options	4,167	-	208	-
24 January 2011 Exercise of options	2,691	-	135	-
17 February 2011 Exercise of options	5,001	-	250	-
6 June 2011 Share Issue	200,000	-	10,000	-
6 June 2011 Exercise of options	76,076	-	3,804	-
30 June 2011 Exercise of options	451,998	-	22,600	-
30 June 2011 Expired options	-	-	33,340	-
Transaction costs from share issues	-	-	(598,065)	(549,253)
Closing balance	325,390,396	192,552,088	25,120,128	18,789,072

(i) For further details of share based payments please refer to note 20.

(ii) The balance of the consolidated entity option reserves was equal to the parent entity balances above.

Capital management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

Management is constantly adjusting the capital structure to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may issue new shares or sell assets to reduce debt.

There have been no changes in the strategy adopted by management to control the capital of the group since the prior year. This strategy is to maintain share capital as dictated by operational requirements and market conditions.

12. RESERVES

	Consolidated	Consolidated
	2011	2010
	\$	\$
Option Issue Reserve (a)	887,063	731,464
Unrealised Gains Reserve (b)	189,000	381,500
	1,076,063	1,112,964

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Reconciliation of movements during the year:

	2011 Options	2010 Options	2011 \$	2010 \$
(a) Option Reserve				
Total Options	29,095,833	93,457,310	887,063	731,464
Opening balance	93,457,310	68,374,002	731,464	605,365
Loyalty option issue – 19 December 2008 (i)	-	-	-	21,764
Expired options – 30 September 2009	-	(66,374,002)	-	(586,929)
Listed option issue – 9 October 2009	-	24,054,820	-	-
Listed option issue – 30 November 2009	-	33,339,990	-	33,340
Option issue – 4 December 2009	-	3,500,000	-	76,891
Option issue – 8 December 2009	-	1,750,000	-	12,508
Option issue – 14 December 2009	-	13,562,500	-	564,940
Listed option issue – 31 December 2009	-	15,000,000	-	-
Option issue – 26 March 2010	-	250,000	-	3,585
Listed option issue – 15 July 2010	12,500,000	-	-	-
Listed option issue – 13 August 2010	312,500	-	-	-
Unlisted option issue – 13 August 2010	7,850,000	-	155,048	-
Listed option issue – 23 September 2010	13,636,354	-	-	-
Exercise of options – 12 October 2010	(3,832,228)	-	-	-
Listed option issue – 4 November 2010	11,548,933	-	-	-
Unlisted option issue – 24 November 2011	4,100,000	-	83,701	-
Exercise of options – 18 January 2011	(4,167)	-	-	-
Exercise of options – 24 January 2011	(2,691)	-	-	-
Exercise of options – 17 February 2011	(5,001)	-	-	-
Unlisted options lapsed – 9 March 2011	(666,667)	-	(4,038)	-
Exercise of options – 6 June 2011	(76,076)	-	-	-
Exercise of options – 30 June 2011	(451,998)	-	-	-
Expiry of unlisted options – 30 June 2011	(2,750,000)	-	(45,772)	-
Expiry of listed options – 30 June 2011	(106,520,436)	-	(33,340)	-
	-	-	-	-
Closing balance	29,095,833	93,457,310	887,063	731,464

(i) For further details of share based payments refer to note 20.

	Consolidated 2011 \$	Consolidated 2010 \$
(b) Unrealised Gains Reserve		
Opening balance	381,500	889,000
Decrease in value of financial assets	(192,500)	(507,500)
Closing balance	189,000	381,500

	Consolidated 2011 \$	Consolidated 2010 \$
(c) Foreign Currency Translation Reserve		
Opening balance	-	(154)
Transfer to profit and loss	-	154
Closing balance	-	-

13. FINANCIAL INSTRUMENTS

The Company's principal financial instruments comprise cash, short term deposits and securities in Australian listed companies. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the company. The Company also has other financial instruments such as trade debtors and creditors which arise directly from its operations. For the period under review, it has been the Company's policy not to trade in financial instruments. The Company holds financial instruments in the form of shares in Australian listed companies with the aim of trading these shares to generate a profit.

The main risks arising from the Company's financial instruments are interest rate risk and credit risk and market risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Interest Rate Risk

The Company's exposure to interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities. The Company does not have short or long term debt, and therefore this risk is minimal.

At balance date, the Company had the following financial assets and liabilities exposed to interest rate risk that are not designated as cash flow hedges:

	Consolidated 2011 \$	Consolidated 2010 \$
Financial Assets		
Cash and cash equivalents	3,940,243	1,064,093
	3,940,243	1,064,093

(b) Credit Risk

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Company's maximum exposure to credit risk.

(c) Foreign exchange risk

The Company has no exposure to foreign exchange risk.

(d) Equity securities price risk

Equity securities price risk arises from investments in listed equity securities. The Group is exposed to equity price risk arising from its equity investments. Equity investments are held for trading purposes. The Group does not actively trade these investments and no hedging or derivative transactions have been used to manage equity price risk.

(e) Sensitivity Analysis

The following tables summarise the sensitivity of the Group's financial assets and liabilities to interest rate risk, foreign exchange risk, and equity securities price risks. Had the relevant variables, as illustrated in the tables, moved, with all other variables held constant, post tax profit and equity would have been affected as shown. The analysis has been performed on the same basis for 2011 and 2010.

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Sensitivity Analysis

Consolidated 30 June 2011		Carrying Amount \$	Interest Rate Risk		Interest Rate Risk		Foreign Exchange Risk		Foreign Exchange Risk		Equity Securities Price Risk		Equity Securities Price Risk	
			-1%		+1%		-20%		+20%		-50%		+50%	
			Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$
Financial Assets	Footnote													
Cash and cash equivalents	1	3,940,243	(39,402)	(39,402)	39,402	39,402	-	-	-	-	-	-	-	-
Trade and other receivables	2	1,146,815	-	-	-	-	-	-	-	-	-	-	-	-
Other financial assets	3	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial Liabilities														
Trade and other payables	4	612,898	-	-	-	-	-	-	-	-	-	-	-	-
Total increase / (decrease)			(39,402)	(39,402)	39,402	39,402	-	-	-	-	-	-	-	-

Consolidated 30 June 2010		Carrying Amount \$	Interest Rate Risk		Interest Rate Risk		Foreign Exchange Risk		Foreign Exchange Risk		Equity Securities Price Risk		Equity Securities Price Risk	
			-1%		+1%		-20%		+20%		-50%		+50%	
			Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$
Financial Assets	Footnote													
Cash and cash equivalents	1	1,064,093	(10,640)	(10,640)	10,640	10,640	12,782	12,782	(12,782)	(12,782)	-	-	-	-
Trade and other receivables	2	184,682	-	-	-	-	-	-	-	-	-	-	-	-
Other financial assets	3	26,250	-	-	-	-	-	-	-	-	(13,125)	(13,125)	13,125	13,125
Financial Liabilities														
Trade and other payables	4	493,212	-	-	-	-	-	-	-	-	-	-	-	-
Total increase / (decrease)			(10,640)	(10,640)	10,640	10,640	12,782	12,782	(12,782)	(12,782)	(13,125)	(13,125)	13,125	13,125

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¹ Cash and cash equivalents are denominated in AUD and include deposits at call at floating and short-term fixed interest rates. At 30 June 2011, NIL was denominated in foreign currencies (30 June 2010 -\$63,912)

² Trade and other receivables are denominated in AUD and are not interest bearing.

³ Other financial assets are equity securities listed on the ASX and are denominated in AUD.

⁴ Trade and other payables at balance date are denominated in AUD and are not interest bearing.

(f) Liquidity Risk

The consolidated entity's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans, convertible notes and finance leases. Cash flows from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will roll forward.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Consolidated Group	Within 1 year		1 to 5 years		Over 5 years		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
<i>Financial liabilities - due for payment:</i>								
Trade and other payables	612,898	493,212	-	-	-	-	612,898	493,212
Total contractual outflows	612,898	493,212	-	-	-	-	612,898	493,212
<i>Financial assets – cash flows realisable</i>								
Cash and cash equivalents	3,940,243	1,064,093	-	-	-	-	3,940,243	1,064,093
Trade and other receivables	1,146,815	184,682	-	-	-	-	1,146,815	184,682
Financial assets	-	26,250	-	-	-	-	-	26,250
Total anticipated inflows	5,087,049	1,275,025	-	-	-	-	5,087,049	1,275,025
Net (outflow)/inflow on financial instruments	4,474,151	781,813	-	-	-	-	4,474,151	781,813

Management and the Board monitor the Group's liquidity reserve on the basis of expected cash flow. The information that is prepared by senior management and reviewed by the Board includes:

- (i) Annual cash flow budgets;
- (ii) Monthly rolling cash flow forecasts.

(g) Net fair values

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in note 1.

14. COMMITMENTS FOR EXPENDITURE

The consolidated group currently has commitments for expenditure at 30 June 2011 on its Australian exploration tenements as follows:

	Consolidated Group 2011 \$	Consolidated Group 2010 \$
Not later than 12 months	606,900	631,918
Between 12 months and 5 years	633,900	1,579,672
Greater than 5 years	-	408,965
	1,240,800	2,620,555

Other exploration commitments

The Company has resolved not to incur additional expenditure on its Tag II and IV licences of the Niger project. In accordance with an agreement with its joint venture partner, the company will dilute its interest based on a set formula to the extent it does not contribute to required expenditure going forward.

Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements.

Payable – minimum lease payments

	Consolidated Group 2011 \$	Consolidated Group 2010 \$
• Not later than 12 months	-	135,056
• Between 12 months and 5 years	-	290,709
• Greater than 5 years	-	-
	-	425,765

Subsequent to year end the company has negotiated a surrender of its premises lease with no charge above that already accrued in the accounts.

Other Commitments

The company has a commitment to third parties for the provision of financial, accounting and secretarial support, corporate office support and corporate advisory services.

	Consolidated Group 2011 \$	Consolidated Group 2010 \$
• Not later than 12 months	330,000	-
• Between 12 months and 5 years	120,000	-
• Greater than 5 years	-	-
	450,000	-

15. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company has no contingent assets or liabilities.

16. RELATED PARTY DISCLOSURES

Refer to the Remuneration Report contained in the Directors Report for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2011. Other than the Directors, Company Secretary, General Manager and Chief Operating Officer, the Company had no key management personnel for the financial period ended 30 June 2011.

The total remuneration paid to key management personnel of the company and the group during the year are as follows:

	Consolidated Group	
	2011	2010
	\$	\$
Short term employee benefits	680,310	345,638
Options granted	95,031	45,985
	775,341	391,623

The company has contracts with third parties for the provision of all administrative and support services and geological consulting support services.

Of the options expense of \$95,031 for the year, \$85,804 relates to the vested portion of options granted to directors.

DIRECTORS' AND EXECUTIVE OFFICERS' EMOLUMENTS

(a) Details of Directors and Key Management Personnel

Current Directors

Graham Libbesson – Non-Executive Chairman

John Miles – Non-Executive Director

Frans Voermans - Non-Executive Director

George Frangeskides - Non-Executive Director (appointed 17 January 2011)

Former Directors

Sevag Chalabian– Director (appointed 19 October 2006) (resigned 30 August 2010)

Jonathan Robinson – Director (appointed 28 August 2009) (resigned 14 December 2010)

Company Secretary

Guy Robertson – Secretary

Key Management Personnel

Andy Border – General Manager Exploration (appointed)

David Price – General Manager (resigned 28 February 2011)

Guy Robertson – Chief Operating Officer

Directors' remuneration and other terms of employment are reviewed annually by the Board having regard to performance against goals set at the start of the year, relative comparative information and, where applicable, independent expert advice.

Except as detailed in Notes (a) – (d) to the Remuneration Report in the Director's Report, no director has received or become entitled to receive, during or since the financial period, a benefit because of a contract made by the Company or a related body corporate with a director, a firm of which a director is a member or an

entity in which a director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors and shown in Notes (a) – (d) to the Remuneration Report, prepared in accordance with the Corporations regulations, or the fixed salary of a full time employee of the Company.

(b) Key Management Personnel

Other than the Directors, company secretary and chief operating officer, the Company had no key management personnel for the financial period ended 30 June 2011, other than David Price, Executive General Manager, contracted through Mining Management Consultants Pty Limited, who was then succeeded by Andy Border.

(c) Remuneration Options: Granted and vested during the financial period ending 30 June 2011

3,100,000 options were granted to directors as remuneration during the year ended 30 June 2011, and 1,000,000 options to key management personnel of which 666,667 have lapsed on resignation of the executive.

1,750,000 options were granted to directors as remuneration during the financial year ending 30 June 2010. The relevant share based payment disclosures are contained in note 20 to the financial statements.

(d) Share and Option holdings

All equity dealings with directors have been entered into with terms and conditions no more favourable than those that the entity would have adopted if dealing at arm's length.

Shares held by Directors and Officers

Period from 1 July 2010 to 30 June 2011

	Balance at beginning of year	Received as Remuneration	Options Exercised	Net Change Other	Balance at end of year
G. Libbesson	-	-	-	249,842	249,842
S. Chalabian ¹	2,630,814	-	-	-	N/A
J. Miles	-	-	-	-	-
F. Voermans	-	-	-	-	-
G. Frangeskides	-	-	-	-	-
J. Robinson	10,000	-	-	-	N/A
	2,640,814	-	-	249,842	249,842

Period from 1 July 2009 to 30 June 2010

	Balance at beginning of year	Received as Remuneration	Options Exercised	Net Change Other	Balance at end of year
S. Chalabian ¹	630,814	-	-	2,000,000	2,630,814
J. Miles	-	-	-	-	-
F. Voermans	-	-	-	-	-
J. Robinson	-	-	-	10,000	10,000
R. Sealy	-	-	-	-	-
	630,814	-	-	2,010,000	2,640,814

¹ Held indirectly by Brutus Investments Pty Limited of which Mr Sevag Chalabian is a Director and Shareholder and by STC Advisory Pty Ltd ATF Chalabian Family Trust of which Mr Chalabian is a potential beneficiary.

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Options Held By Directors and Officers

Period from 1 July 2010 to 30 June 2011

	Balance at beginning of year	Received as Remuneration	Options Exercised	Net Change Other	Balance at end of year
G. Libbesson	-	2,500,000	-	-	2,500,000
S. Chalabian ¹	2,000,000	-	-	(1,000,000)	N/A
J. Miles	750,000	200,000	-	(250,000)	700,000
F. Voermans	500,000	200,000	-	(500,000)	200,000
G. Frangeskides	-	-	-	562,500	562,500
G. Robertson	200,000	-	-	-	200,000
D. Price	3,000,000	1,000,000	-	(2,666,667)	N/A
J. Robinson	5,000	200,000	-	(5,000)	N/A
	6,455,000	4,100,000	-	(3,859,167)	4,162,500

Period from 1 July 2009 to 30 June 2010

	Balance at beginning of year	Received as Remuneration	Options Exercised	Net Change Other	Balance at end of year
S. Chalabian ¹	1,014,402	1,000,000	-	(14,402)	2,000,000
J. Miles	500,000	250,000	-	-	750,000
F. Voermans	-	500,000	-	-	500,000
J. Robinson	-	-	-	5,000	5,000
G. Robertson	-	200,000	-	-	200,000
	1,514,402	1,950,000	-	(9,402)	3,455,000

¹ Held indirectly by Brutus Investments Pty Limited of which Mr S Chalabian is a Director and Shareholder and by STC Advisory Pty Ltd <Chalabian Family A/C> of which Mr Chalabian is a potential beneficiary.

(e) Related Party Transactions

	Consolidated Group 2011 \$	Consolidated Group 2010 \$
Revenue		
Apollo Minerals Limited ¹	100,000	300,000
Expenses		
Lands Legal ²	6,000	69,000
STC Advisory ²	4,000	14,000
Aetos Consulting Limited ³	76,528	-
Unorfadox Pty Limited ⁴	19,500	-
Pelican Hotels (UK) Ltd ⁵	25,020	25,020
Voermans Geological Services Pty Ltd ⁶	101,450	138,000
Go Green Energy Pty Ltd Ltd ⁷	22,500	25,000
Astute Corporate Services Pty Limited ⁸	-	20,862
Sealy Consulting Services Pty Ltd ⁸	-	22,950
	254,998	314,832

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- ¹ The agreement with Apollo Minerals Limited was cancelled with effect from 1 November 2010 by mutual agreement between both parties. The agreement was for the provision of administrative and geological personnel.
- ² Mr S Chalabian is a partner of Lands Legal Pty Limited and has a relevant interest in STC Advisory Pty Limited. Mr Chalabian was a director of Artemis. The payments to Lands Legal Pty Limited and STC Advisory Pty Limited were for director fees for Mr Chalabian.
- ³ Consulting fees and reimbursement of expenses paid to a company in which George Frangeskides, a director, has a relevant interest.
- ⁴ Consulting Fees paid to Unorfadox Pty Limited, a company in which the non-executive chairman, Mr Graham Libbesson has an interest.
- ³ Mr J Miles is a director of Pelican Hotels (UK) Ltd and a director of Artemis Limited. The payments to Pelican Hotels (UK) Ltd were for director fees and professional services for Mr Miles.
- ⁶ Mr F Voermans is a director of Voermans Geological Services Pty Limited and Artemis Limited. Payments were made to Voermans Geological Services Pty Limited for directors fees in the amount of \$30,000 and consulting fees in the ordinary course of business for \$71,450.
- ⁷ Mr J Robinson is a director of Go Green Energy Pty Limited and Artemis Limited. Payments were made to Go Green Energy Pty Limited for directors fees.
- ⁸ Paid to Mr J Hartigan and Mr R Sealy through companies in which they had an interest being Astute Corporate Services Pty Limited and Sealy Consulting Services Pty Ltd.

17. SEGMENT INFORMATION

The consolidated entity operates in Australia and in Niger, Africa. The entity has one business segment, mineral and mining exploration, and all of the consolidated entity's resources are employed for this purpose.

	AUSTRALIA		NIGER, AFRICA		TOTAL	
	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$
Segment Revenue						
External segment revenue	1,977,347	402,618	-	-	1,977,347	402,618
Segment expenses from operating activities	(3,911,631)	(3,816,987)	(2,926,918)	(924,136)	(6,863,549)	(4,741,123)
(Loss)/Profit before income tax	(1,934,284)	(3,414,369)	(2,926,918)	(924,136)	(4,861,202)	(4,338,505)
Income tax benefit	-	-	-	-	-	-
(Loss) after income tax	(1,924,284)	(3,414,369)	(2,926,918)	(924,136)	(4,861,202)	(4,338,505)
Assets						
Segment Assets	9,840,662	5,306,726	250,114	3,313,912	10,090,776	8,620,638
Total assets	9,840,662	5,306,726	250,114	3,313,912	10,090,776	8,620,638
Liabilities						
Segment Liabilities	(612,897)	(493,212)	-	-	(612,897)	(493,212)
Total Liabilities	(612,897)	(493,212)	-	-	(612,897)	(493,212)

18. EARNINGS PER SHARE

	Consolidated Group 2011 Cents	Consolidated Group 2010 Cents
Reconciliation of earnings per share		
Basic and diluted earnings per share	(1.75)	(2.79)
Profit/(loss) used in the calculation of the basic earnings per share	(5,303,702)	(4,338,505)
	No. of shares	No. of shares
Weighted average number of ordinary shares:		
Used in calculating basic earnings per ordinary share	292,977,160	155,779,426
Dilutive potential ordinary shares	-	-
Used in calculating diluted earnings per share	292,977,160	155,779,426

The company currently has a number of options as disclosed in the directors' report. These options could potentially dilute basic earnings per share in the future, but have not been included in the earnings per share calculation above due to being anti-dilutive for the period.

19. AUDITORS' REMUNERATION

	Consolidated 2011 \$	Consolidated 2010 \$
Auditor of parent entity		
Audit fees – RSM Bird Cameron	40,000	40,000
Total	40,000	40,000

For the year ended 30 June 2011 the auditor appointed is RSM Bird Cameron.

20. SHARE BASED PAYMENTS

Goods or services received or acquired in a share-based payment transaction are recognised as an increase in equity if the goods or services were received in an equity-settled share-based payment transaction or as a liability if the goods and services were acquired in a cash settled share-based payment transaction.

For equity-settled share-based transactions, goods or services received are measured directly at the fair value of the goods or services received provided this can be estimated reliably. If a reliable estimate cannot be made the value of the goods or services is determined indirectly by reference to the fair value of the equity instrument granted.

Transactions with employees and others providing similar services are measured by reference to the fair value at grant date of the equity instrument granted.

ARTEMIS RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Options granted to Key Management Personnel:

Grant date	Option class	Balance at start of year	Number granted/(expired) during year	Options outstanding at 30 June 2011	Fair value of options granted during the year	Number vested at 30 June 2011	Exercise Price	Expiry date
19 Dec 2008	Annexure B ¹	2,000,000	-	2,000,000	-	2,000,000	15c	24 Nov 2011
8 Dec 2009		1,750,000	(1,750,000)	-	-	-	10c	30 June 2011
25 Jun 2010 ²		3,200,000	(2,000,000)	1,200,000	-	1,200,000	7c	30 Jun 2013
24 Nov 2010 ³		-	333,333	333,333	9,227	333,333	8c	30 Sep 2013
24 Nov 2010		-	3,100,000	3,100,000	85,804	1,550,000	7c	30 Sep 2013

¹ The Annexure B options vested one third in year 1, one third in year 2 and one third in year 3. The options hold no voting or dividend rights, and are unlisted.

² 3,000,000 options were issued with 2,000,000 expiring following the resignation of the executive.

³ 1,000,000 options were issued during the year with 666,667 expiring following the resignation of the executive.

Details of the options issued to key management personnel are included in the Directors' report.

Options granted to Other Parties:

Grant date	Option class	Balance at start of year	Number granted/(expired) during year	Options outstanding at 30 June 2011	Fair value of options granted during the year	Number vested at 30 June 2011	Exercise Price	Expiry date
23 Nov 2009		10,000,000	-	10,000,000	-	10,000,000	4c	14 Dec 2014
4 Dec 2009		3,500,000	-	3,500,000	-	3,500,000	10c	24 Nov 2011
30 Nov 2009		3,500,000	-	3,500,000	-	3,500,000	10c	29 Jan 2012
9 Dec 2009		3,562,500	-	3,562,500	-	3,562,500	15c	30 Jun 2012
26 Mar 2010		-	250,000	250,000	8,793	250,000	10c	30 Jun 2012
25 Jun 2010		-	500,000	500,000	17,586	500,000	8c	30 Sep 2013
25 Jun 2010		-	1,150,000	1,150,000	40,448	1,150,000	7c	30 Jun 2012

Basis of valuation

The Black & Scholes methodology has been used to ascertain fair value, together with the following assumptions for the options issued on 24 November 2010:

The average risk free rate used was 4.86%;

The underlying security spot price used for the purposes of the valuation is based on the volume weighted average share price of the Company for the five days preceding issue which was \$0.06;

The volatility factor is set as 80% which is based on price movements in the previous six months.

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	Consolidated Group 2011 \$	Consolidated Group 2010 \$
Total key management personnel	95,031	45,985

Other information

No options have been exercised to 30 June 2011.

21. RECONCILIATION OF NET CASH USED IN OPERATING ACTIVITIES TO LOSS AFTER INCOME TAX

	Consolidated 2011 \$	Consolidated 2010 \$
Loss after income tax	(5,111,202)	(4,338,505)
Depreciation	24,465	4,409
Exploration expenditure written off	4,178,676	20,943
Share based payments	188,939	193,657
Impairment investments	-	2,104,394
Profit on sale of subsidiary	(1,439,900)	-
Cost base of subsidiary sold	575,100	-
Profit on sale of investments	(85,565)	-
Other non cash items	103,661	-
<i>Changes in assets and liabilities during the financial period:</i>		
Decrease/(increase) in receivables	(962,133)	(38,108)
Increase/(decrease) in trade and other payables	119,686	129,057
Net cash inflow/(outflow) from operating activities	(2,408,273)	(1,924,153)

22. PARENT ENTITY DISCLOSURES

(a) Financial position

	2011 \$	2010 \$
Current Assets		
Cash and cash equivalents	3,939,927	999,880
Trade and other receivables	1,146,815	184,682
Financial assets	-	26,250
Total Current Assets	5,086,742	1,210,812
Non-current Assets		
Trade and other receivables	2,260,406	4,399,864
Financial assets	791,868	2,199,492
Plant and Equipment	70,823	88,326
Evaluation and exploration expenditure	1,883,645	966,338
Total Non-current assets	5,006,742	7,654,020
Total Assets	10,093,484	8,864,832
Current Liabilities		
Trade and other payables	612,898	493,212
Total Current Liabilities	612,898	493,212
Non Current Liabilities		
Deferred tax liability	81,000	163,500
Total Non Current Liabilities	81,000	163,500
TOTAL LIABILITIES	693,898	656,712
NET ASSETS	9,399,586	8,208,120
EQUITY		
Share Capital	25,120,128	18,789,072
Reserves	1,076,063	1,112,964
Accumulated losses	(16,796,605)	(11,693,916)
TOTAL EQUITY	9,399,586	8,208,120
(b) Reserves		
Option issue reserve	887,063	731,464
Unrealised gains reserve	189,000	381,500
	1,076,063	1,112,964
(c) Financial performance		
Loss for the year	(5,102,688)	(4,094,370)
Other comprehensive income	-	-
Total comprehensive income	(5,102,688)	(4,094,370)
(d) Commitments		
Exploration commitments		
Not later than 12 months	113,900	113,900
Between 12 months and 5 years	360,600	360,600
	474,500	474,500
Administration commitments		
Not later than 12 months	330,000	-
Between 12 months and 5 years	120,000	-
	450,000	-

23. SIGNIFICANT AFTER BALANCE DATE EVENTS

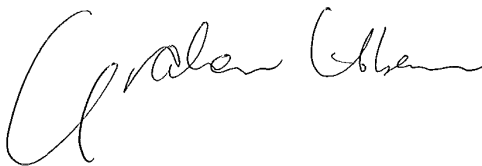
Subsequent to year end the Company has agreed, subject to amendment of the sale agreement and to certain other stipulations (including the payment of interest), to extend the date by which the purchaser of the Yangibana Project is required to pay the second tranche of \$1 million to 31 December 2011.

Other than as outlined above, there are currently no matters or circumstances that have arisen since the end of the financial period that have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 26 to 56, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position as at 30 June 2011 and of the performance for the period ended on that date of the company and consolidated group; and
2. the Chief Operating Officer and Chief Financial Officer have each declared that:
 - a. the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - b. the financial statements and notes for the financial year comply with the Accounting Standards; and
 - c. the financial statements and notes for the financial year give a true and fair view.
3. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Graham Libbesson
Non Executive Chairman and Director
Sydney 26 September 2011

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ARTEMIS RESOURCES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Artemis Resources Limited ("the company"), which comprises the consolidated statement of financial position as at 30 June 2011, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Artemis Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

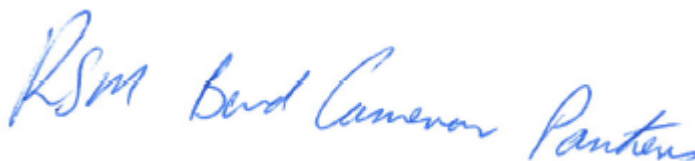
- (a) the financial report of Artemis Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 19 to 23 of the directors' report for the financial year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Artemis Resources Limited, for the year ended 30 June 2011 complies with section 300A of the *Corporations Act 2001*.



RSM BIRD CAMERON PARTNERS

Chartered Accountants



C J Hume

Partner

Sydney, NSW

Dated: 26 September 2011

**ADDITIONAL INFORMATION FOR LISTED COMPANIES
AS AT 15 SEPTEMBER 2011**

The following additional information is required by the Australian Stock Exchange pursuant to Listing Rule 4.10.

a. Distribution of Shareholders

Number held	Number of share holders	Number of shares	% of number of shares
1 – 1,000	149	13,378	0.00%
1,001 - 5,000	47	166,005	0.05%
5,001 - 10,000	145	1,194,953	0.37%
10,001 - 100,000	840	40,516,880	12.45%
100,001+	510	283,499,180	87.13%
Total	1,691	325,390,396	100.00%

b. The number of shareholders who hold less than a marketable parcel is 448.

c. Substantial shareholders

The names of the substantial shareholders in the Company, the number of equity securities to which each substantial shareholder and substantial holder's associates have a relevant interest, as disclosed in substantial holding notices given to the Company are:

	No of shares	%
Black Swan Global Pty Limited	25,756,887	7.92%
JP Morgan Nominees Australia Limited	18,652,277	5.73%

d. Twenty largest holders of each class of quoted equity security

	Name	No of Ordinary Shares	%
1.	BLACK SWAN GLOBAL PTY LIMITED	25,756,887	7.92%
2.	JP MORGAN NOMINEES AUSTRALIA LIMITED	18,652,277	5.73%
3.	EFG TRUST COMPANY LIMITED	15,749,999	4.84%
4.	NATIONAL NOMINEES LIMITED	7,669,174	2.36%
5.	CITICORP NOMINEES LIMITED	7,139,566	2.19%
6.	HSBC CUSTODY NOMINEES PTY LIMITED	7,126,509	2.19%
7.	GROSVENOR PIRIE MANAGEMENT LIMITED	5,767,908	1.77%
8.	MEGALOCONOMOS PTY LIMITED	4,600,000	1.41%
9.	FIRSTPICK INVESTMENTS PTY LIMITED	4,470,000	1.37%
10.	SIEGFRIED GRAF	4,000,000	1.23%
11.	GTI RESOURCES LIMITED	3,500,000	1.08%
12.	CORA BIKE RACK PTY LTD	2,491,941	0.77%
13.	STUART PAUL HILL	2,428,000	0.75%
14.	TRENDFIELD HOLDINGS LIMITED	2,210,000	0.68%
15.	MIROSLAV PETROVIC	2,153,926	0.66%
16.	JOHN ARTHUR CONOMOS	2,150,000	0.66%
17.	ARCHEM TRADING NEW ZEALAND LIMITED	2,100,000	0.65%
18.	FRIEDRICH STOEBICH	2,074,978	0.64%
19.	SANPEREZ PTY LIMITED	2,021,863	0.62%
20.	NUTSVILLE PTY LTD	2,000,000	0.61%
		124,063,028	100.00%

OTHER DETAILS

1. Address and telephone details of entity's registered and administrative office

The address and telephone details of the registered and administrative office in Australia are:
Level 9, 50 Margaret St
Sydney, New South Wales 2000
Telephone: +(612) 9078 7670
Facsimile: +(612) 9078 7661

2. Address and telephone details of the office at which the register of securities is kept

The address and telephone of the office at which a register of securities is kept:
Security Transfer Registrars Pty Limited
770 Canning Highway
Applecross, Western Australia 6153

3. Stock exchange on which the Company's securities are quoted

The Company's listed equity securities are quoted on the Australian Securities Exchange

4. Review of Operations

A review of operations is contained in the Review of Operations report.

5. On market buy-back

There is currently no on-market buy-back.