Artemis Resources Limited
and its controlled entities

Interim financial report
for the 6 months ended
31 December 2012

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The Directors present their report on the consolidated entity for the half year ended 31 December 2012.

Directors

The names of the directors who held office during or since the end of the half-year:

Guy Robertson (Executive Director)
Shannon Coates (Non-Executive Director)
George Frangeskides (Non-Executive Director – appointed 15 August 2012)
Frans Voermans (Non-Executive Director – resigned 15 August 2012)

RESULT AND REVIEW OF OPERATIONS

OVERVIEW

During the half year the Company completed the analysis of the June 2012 Yandal - Lowlands reconnaissance drilling programme which indicated the presence of additional gold mineralisation down plunge to the southwest beneath the historical Lowlands resource, and a new gold zone to the south where mineralisation was encountered some 350m from the known resource within the southern extension of the altered magnetic basalt host rock.

The Company undertook a complete review of the Mt Clement project which identified significant antimony mineralisation at the Eastern Hills prospect. A significant increase in antimony prices has enhanced the economic parameters of this deposit. Artemis plans to undertake a drilling programme in early 2013 to upgrade the exploration target to a JORC compliant resource.

Following the acquisition of the West Pilbara Project in June 2012 the Company engaged Snowdens, an independent industry consultant, to undertake a thorough review of this portfolio. Artemis is currently finalising its priorities and strategy to advance this project area in 2013.

YANDAL

The drill results from the 2012 drilling campaign (see Table 1) were:

YARC29 18m @ 2.13 g/t Au – known Lowlands oxide zone
YARC23 6m @ 1.50 g/t Au – beneath known oxide
YARC30 2m @ 5.50 g/t Au – beneath known oxide
YARC28 1m @ 5.77 g/t Au – beneath known oxide
YARC20 12m @ 1.78 g/t Au – new gold zone, 350m south of Lowlands

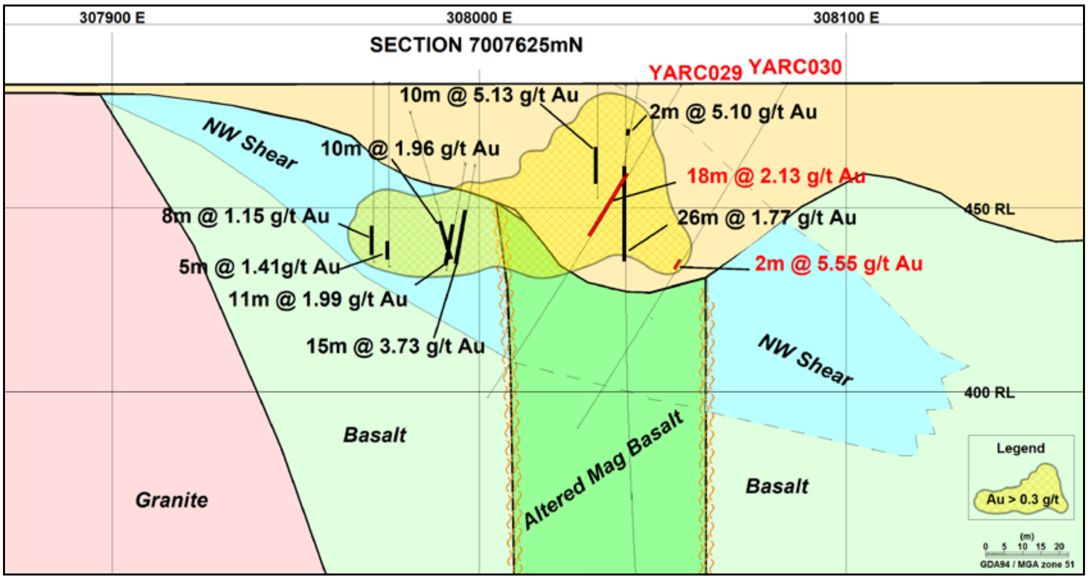
Previous drilling results at Lowlands include:

10m @ 5.13 g/t Au – Lowlands oxide zone
15m @ 3.73 g/t Au – Lowlands oxide zone
26m @ 1.77 g/t Au – Lowlands oxide zone

These drill results indicate that the potential for a significant gold resource at Yandal remains high. A further drilling programme is being planned to increase the size of the known resource.

At **Lowlands**, the drilling suggests that gold mineralisation occurs in a 'pipe' or shoot located at the intersection of a northerly trending zone of sheared and altered magnetic basalt, (the source of the IP anomalism) and a previously known northwest striking, shallow southwest dipping shear zone (see Figure 1).

Figure 1 Simplified Yandal Cross Section 7007625N



The new deeper RC drilling on east-west cross sections has detected gold mineralisation below and to the south of Lowlands. There are strong indications that the known Lowlands oxide resource is a southwest plunging shoot extending into the primary sulphide zone.

Holes YARC029 and YARC030 intersected significant gold mineralisation (Table 1): 18m@ 2.13 g/t and 2m @ 5.5 g/t respectively (refer Figure 1). The second last metre of hole YARC028 also returned an assay of 5.77 g/t gold at a vertical depth of around 215 metres on Section 7007650mN (refer Figure 2). The recent drilling campaign has confirmed gold mineralisation below the previously known oxide zone with potential to host a large gold target.

At Lowlands South: Drill holes YARC022 and YARC020 intersected soil-covered gold mineralisation within and on the margins of the same sheared and altered magnetic basalt which hosts Lowlands.

Both holes returned significant gold intercepts. Hole YARC022 intersected 84m of low grade gold mineralisation with gold values up to 0.49g/t over 4m. The hole farthest south, YARC020, intersected a 12m interval of 1.78g/t gold. This new zone of gold mineralisation is open in all directions as no other drilling has been undertaken in this southern area.

MT CLEMENT

Artemis has identified historical antimony-lead mineralisation at the Eastern Hills location, less than one kilometre to the southeast of the Mt Clement gold deposit, in the Ashburton region of WA (Figure 3).

The Mt Clement Project includes the Mt Clement Gold Project (ARV 80%) a gold joint venture with Northern Star Resources Ltd (ASX: NST 20%) in relation to tenements M08/191, M08/192 & M08/193. NST is the operator of the nearby Paulsens Gold Mine. The Mt Clement gold deposit contains an Inferred Resource[1] of 1.13Mt at 1.8g/t Au and 17.0g/t Ag (64,000oz gold and 618,000oz silver contained) that is compliant with the JORC Code (2004).

No field work was carried out in relation to the Mt Clement Gold Project during the half year.

[1] *Mt Clement Inferred Resource previously reported in ASX Announcement dated 26 July 2011*

Figure 2 Plan of Lowlands Area - Magnetic image, showing magnetic lithologies, shear zones and Artemis RC holes.

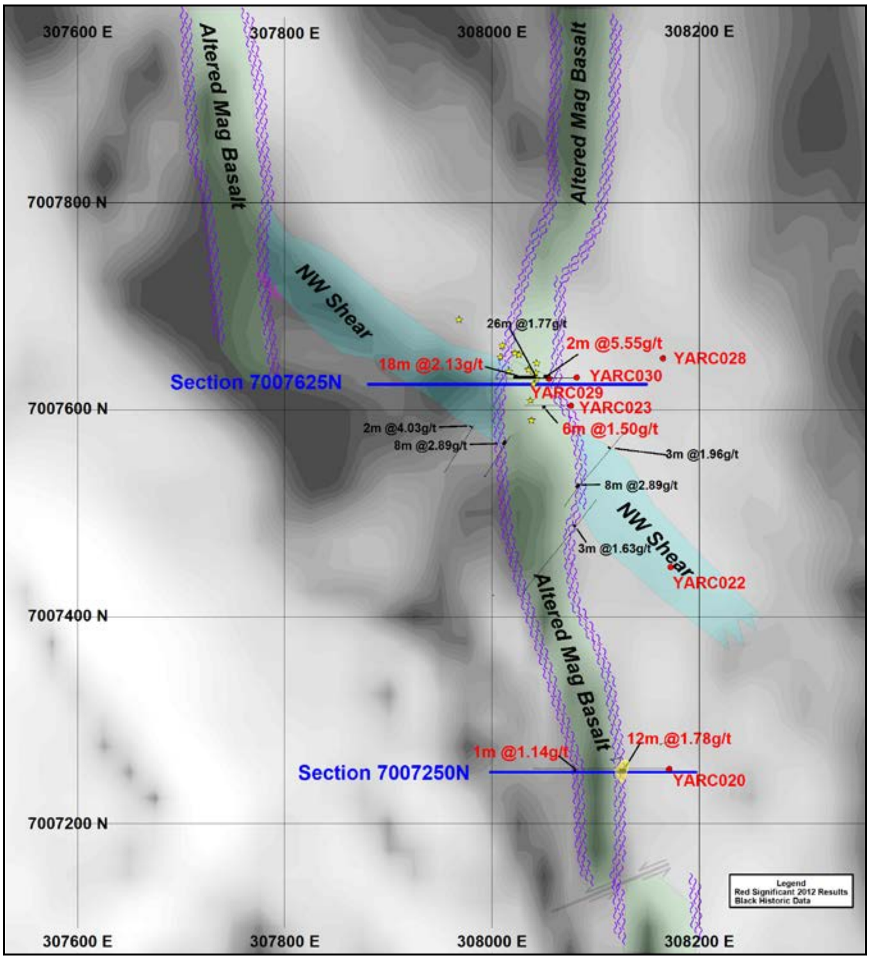


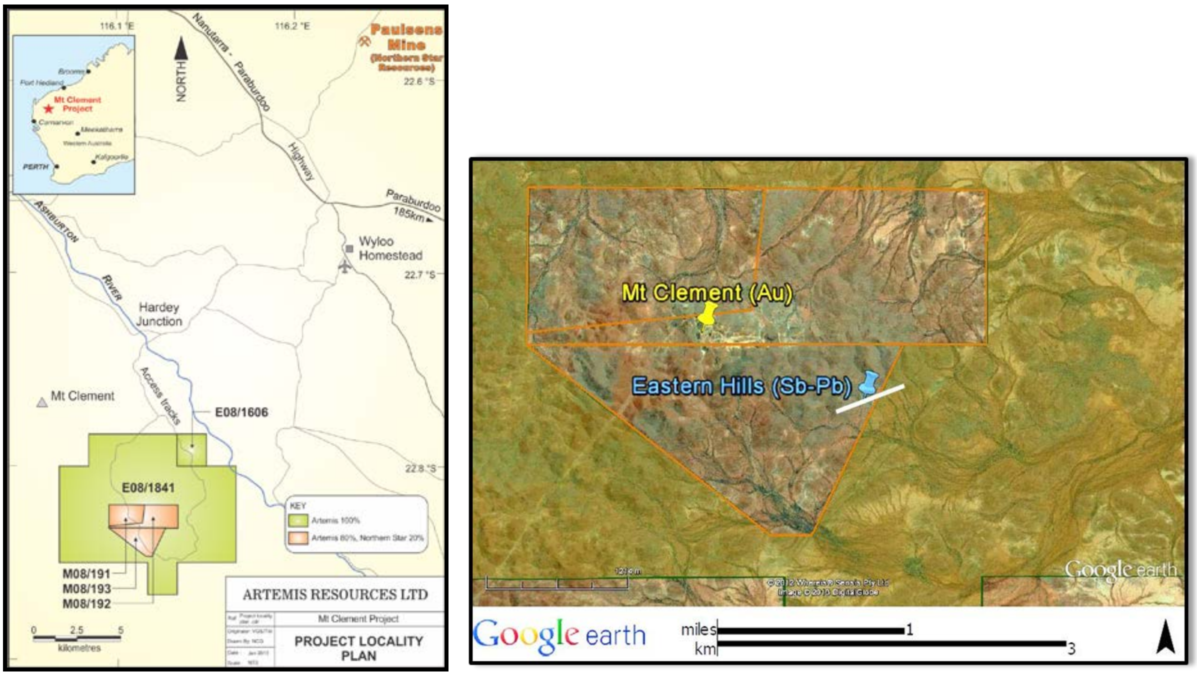
Table 1 Significant drill results

Hole_ID	mFrom	mTo	InterceptDescription
YARC020	**80**	**92**	**12m @ 1.78 g/t Au**
YARC020	175	176	1m @ 1.14 g/t Au
YARC023	54	60	6m @ 1.50 g/t Au
YARC023	85	86	1m @ 1.40 g/t Au
YARC025	57	59	2m @ 1.90 g/t Au
YARC025	62	63	1m @ 1.20 g/t Au
YARC027	176	177	1m @ 2.21 g/t Au
YARC028	30	34	4m @ 1.50 g/t Au
YARC028	**248**	**249**	**1m @ 5.77 g/t Au**
YARC029	16	17	1m @ 2.13 g/t Au
YARC029	**24**	**42**	**18m @ 2.13 g/t Au**
YARC029	46	47	1m @ 2.32 g/t Au
YARC029	52	56	4m @ 1.57 g/t Au
YARC029	62	63	1m @ 1.35 g/t Au
YARC029	67	68	1m @ 1.12 g/t Au
YARC030	**55**	**57**	**2m @ 5.55 g/t Au**

Eastern Hills antimony-lead deposit

A review of historical exploration at Eastern Hills suggests that there is potential for an initial exploration target[2] in the range 410,000 - 1,250,000t at 1.5-1.9% Sb and 2.1-2.7% Pb. The exploration target also contains precious metal credits of around 0.22g/t gold and 26g/t silver. As this is an exploration target, the potential quantity and grade is conceptual in nature, there has so far been insufficient exploration to define a Mineral Resource in compliance with the JORC Code and it is uncertain if further exploration will result in the determination of a Mineral Resource as defined by the JORC Code.

Figure 3 Mt Clement Project – Eastern Hills location map



The Eastern Hills Sb-Pb mineralisation is associated with a fault structure outcropping over a strike length of at least 600 metres. The Sb-Pb massive sulphide zone is bounded by a broader zone of disseminated sulphides up to ~15 metres wide. Sulphide mineralogy consists of arsenopyrite, pyrite and boulangerite ($Pb_5Sb_4S_{11}$) with minor pyrrhotite, chalcopyrite and galena. The mineralisation remains open, both at depth and along strike. There has been no follow-up exploration of this deposit since initial discovery in 1996-97. A preliminary historical metallurgical assessment yielded high Sb and Pb recoveries – greater than 98%.

Eastern Hills proposed program

Eastern Hills now has significant relevance to Artemis, based on a recent antimony price surge, and the Company is planning drilling in the next half year to confirm the exploration target and upgrade it to a resource estimate that is compliant with the JORC Code, as well as expanding the resource both down dip and along strike. Exploration will include a thorough review of all Eastern Hills historical data, field reconnaissance and verification of geological interpretation, re-analysis of surface outcrops for confirmation of mineralisation, planning and undertaking a campaign of RC drilling to both confirm previous drilling and expand the mineralisation.

[2] *Eastern Hills Exploration Target previously reported in ASX Announcement dated 16 January 2013*

Antimony prices and market

Antimony is a specialty metal used as a fire retardant, a hardening/strengthening agent for lead and zinc alloys, lead batteries, ammunition, a catalyst in PET (plastics) production and in ceramics. Antimony prices have surged to record highs, with antimony pricing currently 50% higher than that of copper (Figure 4). Antimony is currently trading at around US$12,000 per tonne, a six-fold increase since the Eastern Hills deposit was first reported in 1997. This has the potential to significantly enhance the economic parameters of the Eastern Hills deposit. Global antimony output has been dominated by China for many years (Figure 5). This potentially risky reliance on China as a source of global antimony has led to the European Commission placing antimony on its list of 14 Critical Raw Materials, based on supply risk, economic importance and environmental country risk.

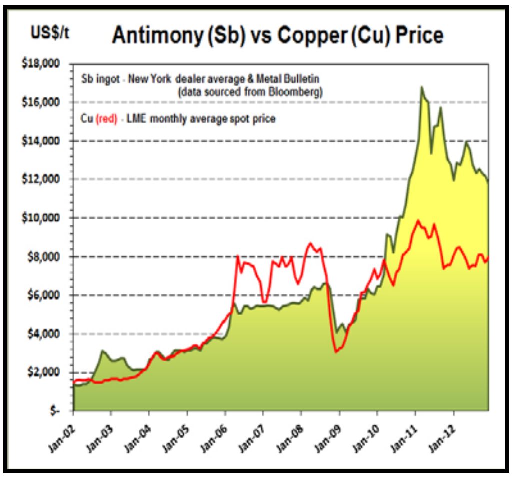


Figure 4 Antimony price vs copper price

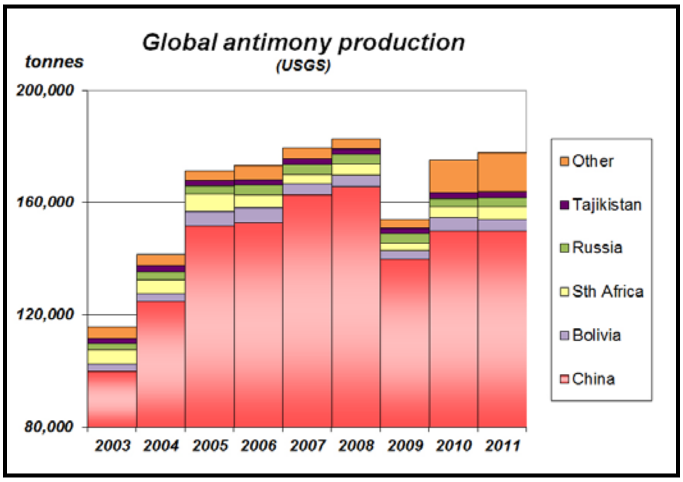


Figure 5 Annual global Sb production by country

WEST PILBARA PROJECT (WA)

Artemis engaged Snowdens, an independent industry consultant, to undertake a thorough review of the West Pilbara project portfolio. The Company is now internally finalising its priorities and strategy to advance this project area during 2013. The West Pilbara Project covers a large area and is prospective for a broad range of commodities including gold, nickel, copper, PGEs and iron ore.

Auger Sampling Program

Artemis undertook an auger sampling program on selected areas of its West Pilbara Project in the second half of 2012. The focus of the program was on the Nickol River and Golden Reef areas (Figure 6), both of which are known for their historical alluvial gold associations.

Nickol River

Auger sampling at the Nickol River prospect focused on three tenements (Tozers, Nickol South and Lydia) in the central portion of the Nickol River goldfield, about 15km east of Karratha. Considerable small scale, alluvial mining operations have been carried out in this area since 1984. The area is highly prospective due to the numerous, favourable structures and extensive known mineralisation, occurring both disseminated in the country rock and also in quartz reefs. These reefs are likely to be the source for much of the alluvial gold found in this goldfield.

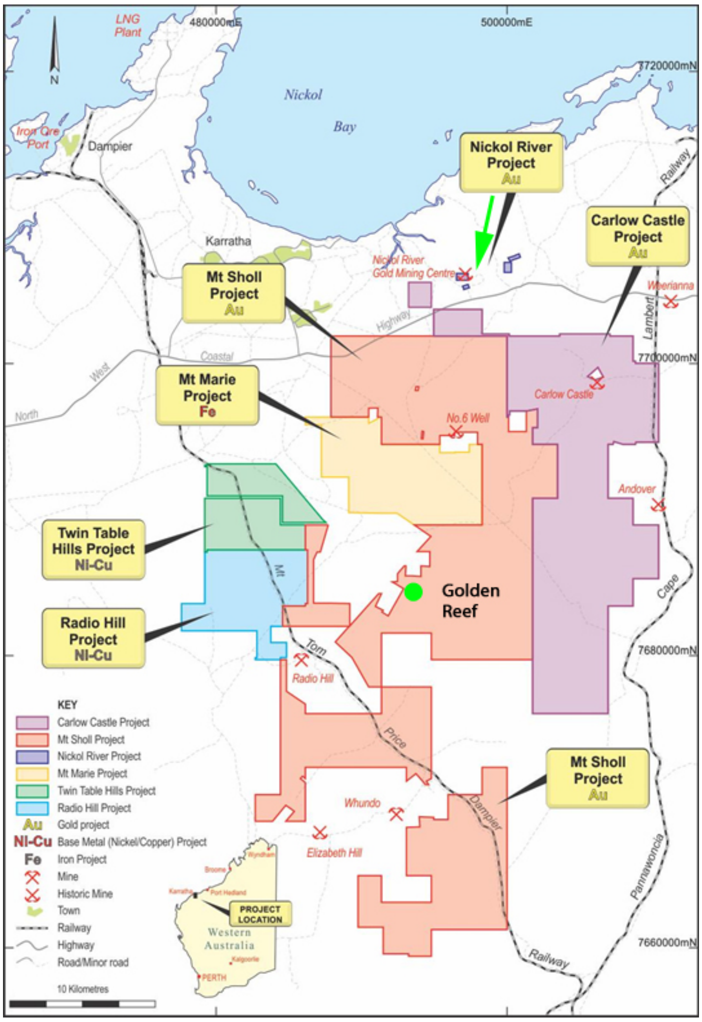


Figure 6 West Pilbara Project – Location of Nickol River and Golden Reef prospects

The Tozers tenement is known to host at least three WSW-ENE trending quartz lodes. Previous explorers in the 1980s reported best RC drill intervals[3] of 4m at 9.76g/t Au from the Samantha Zone, 2m at 15.00g/t Au from the Tozers zone and 3m at 34.50g/t Au from the Boiler Zone.

The gold results achieved in the 2012 auger drilling program were very encouraging. The Tozers auger grid returned the best results from the campaign, with values as high as 6.87g/t and 2.64g/t Au. A significant 300m x 400m zone of anomalous gold mineralisation was defined, as demonstrated in the attached geochemical contour map (Figure 7). The Tozers auger gold anomaly remains open, particularly to the east.

Once the current wet season has passed, field reconnaissance will assess the anomalies generated in relation to the reported old workings and drill hole locations (if they remain intact). A drilling program will then be considered to test the auger anomalies, validate previous RC drill results and to test continuity and extensions to the gold mineralisation.

It should also be noted that due to the "nuggety" nature of gold in the Nickol River area, as demonstrated by alluvial workings, repeat samples undertaken internally by the Genalysis Laboratory on anomalous samples showed a wide variance. For further details of this and other aspects of the campaign, see Artemis Resources' December 2012 Quarterly Report.

[3] *Artemis has not yet been able to verify the quality control data, original laboratory files and location of drill holes on the ground for the historical drilling.*

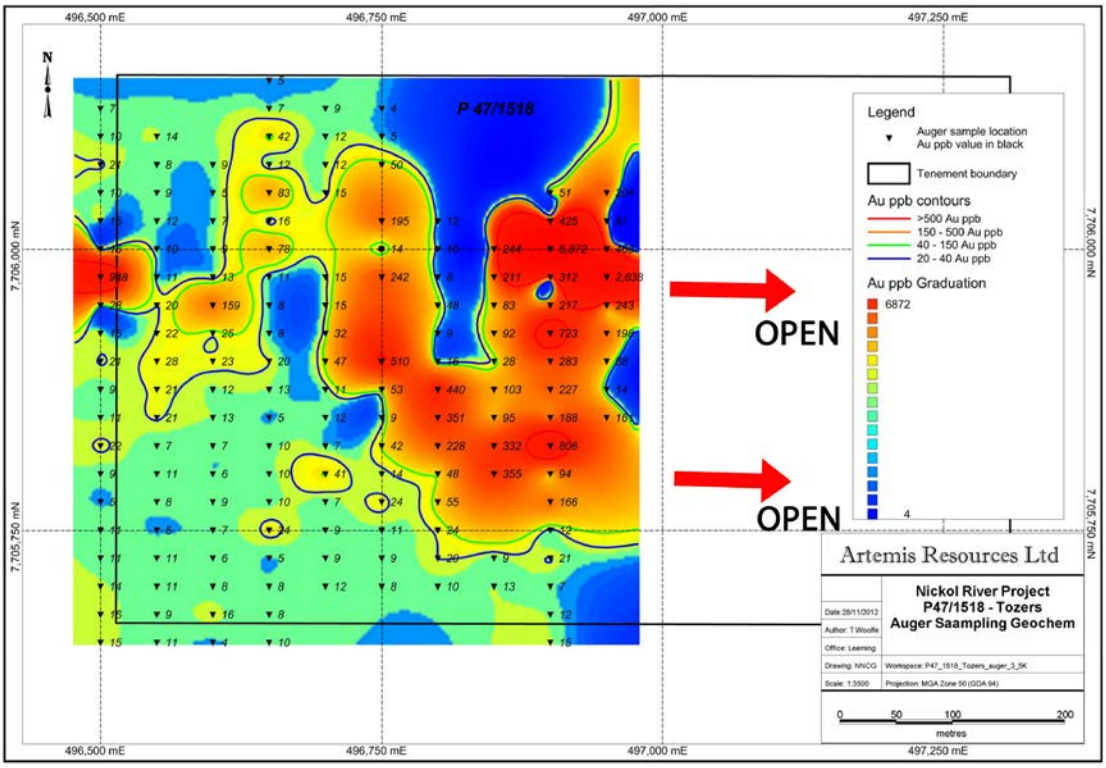


Figure 7 Tozers Prospect – Auger sampling gold geochemistry values and contours

At Lydia, another quartz lode has been identified, trending SW-NE. Historical drilling resulted in a best intersection of 6m at 2.93g/t Au. Only the southwestern portion of the Lydia tenement was tested by the latest auger sampling program, returning a peak gold result of 243ppb, well above local background levels of around 10ppb Au. The gold anomaly remains open to the northeast. The anomalous zones warrant further field reconnaissance to determine whether follow up drill testing of this target is appropriate.

Golden Reef

The Golden Reef target is located centrally within Artemis Resources' West Pilbara Project area (Figure 6), situated approximately 25km south of Karratha. The M47/177 and adjacent M47/288 tenements cover substantial alluvial and eluvial gold workings known as the Sholl East and Golden Reef prospects.

The Sholl East/Golden Reef zone has a demonstrated potential to host substantial amounts of gold, however to date only near surface targets have been tested. Regional structural targets remain untested despite the fact that substantial amounts of coarse surface gold have been found in the area.

The latest phase of auger sampling covered a small area of these two tenements. The results however, were disappointing with only one individual sample out of 150 samples returning above 40ppb Au (53ppb). Further field reconnaissance will be required to interpret the relationship of these results with respect to the known mineralisation.

CORPORATE

The Company has cash on hand as at 31 December 2012 of $1.35 million and a further $450,000 in tradeable investments.

Tenement Schedule (as at date of report)

Yandal Gold Project

E53/1026	100%
E53/1213	100%
E53/1214	100%
E53/1412	80%[1]
E53/1413	80%[1]
E53/1525	80%[1]
E53/1526	80%[1]
E53/1574	100%
ELA/1626	100%
ELA/1627	100%
EL53/1662	100%
PLA53/1606-1619	100%
E53/1665	100%
ELA53/1689	100%
ELA53/1729	100%
ELA53/1735	100%
ELA53/1741	100%
ELA53/1742	100%
ELA53/1748	100%
ELA53/1749	100%
ELA53/1750	100%
ELA53/1759	100%

Mount Clement –Gold/Silver/Antimony

E08/1841	100%
E08/1606	100%
M08/191	80%[2]
M08/192	80%[2]
M08/193	80%[2]

Buchanan's Creek – Rare Metals

ML3311	100%
ML30123	100%
ML30208	100%
EPM13694	100%
EPM14988	100%
EPM18490	100%

Bali Hi – Base Metals

E08/1372	70%[3]
E08/2129	100%

West Pilbara – Gold & Base Metals

E47/1745	100%
E47/1746	100%
E47/1747	100%
E47/1797	100%
P47/1360-1375	100%
P47/1380	100%
P47/1386	100%
PLA47/1112	100%
PLA47/1124	100%
PLA47/1126	100%
PLA47/1127	100%
PLA47/1131	100%
PLA47/1134	100%
E47/1806	40%
E47/1807	40%
E47/1878	40%
M47/177	80%[4]
M47/288	80%[4]
P47/1518	100%
P47/1519	100%
PL47/1520	100%
PLA47/1619	100%
PLA47/1620	100%
PLA47/1621	100%
PLA47/1622	100%
PL47/1652	100%
EL47/2645	100%
ELA47/2652	100%
ELA47/2696	100%
ELA47/2716	100%
ELA47/2724	100%
ELA47/2908	100%

Mundong Well - Uranium

E08/1609	100%
E08/1892	100%
ELA08/2273	100%
EL08/2104	100%
EL08/2105	100%

[1] JV with Aureus Investments Pty Ltd
[2] JV with Northern Star Resources Ltd
[3] JV with GTI Resources Ltd
[4] JV with Fox Resources Ltd

All joint venture partners are free carried or partially free carried by Artemis.

OPERATING RESULTS

With this background, the loss after income tax for the period amounted to $470,758 (31 December 2011 loss: $904,471).

ANNOUNCEMENTS

The consolidated entity has made the following announcements since the close of the financial period:

- 16 January 2013 – Mt Clement Review - Significant Antimony Exploration Target
- 18 January 2013 – Mt Clement Antimony Project - Announcement Clarification
- 30 January 2013 – Quarterly Cashflow Report
- 30 January 2013 – Quarterly Activities Report
- 28 February 2013 – 2013 Exploration Programme and Investor Presentation

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

In the opinion of the Directors, other than the matters covered above in this report and the accounts and notes attached thereto, there were no significant changes in the state of affairs of the Company that occurred during the financial period under review.

DIVIDENDS

No dividends have been paid or declared since the end of the previous financial year to the date of this report.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 12 and forms part of the Directors' Report for the half year ended 31 December 2012.

Signed in accordance with a resolution of the Directors

Guy Robertson

Executive Director
Dated at Sydney
11 March 2013

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Artemis Resources Limited for the half year ended 31 December 2012, 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 review; and

(ii) any applicable code of professional conduct in relation to the review.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

C J Hume
Partner

Sydney, NSW
Dated: 11 March 2013

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	2012 $	2011 $
Revenue from continuing operations	44,713	167,902
Expenses from continuing operations		
Administration expenses	(68,753)	(108,798)
Occupancy costs	(42,437)	(8,990)
Legal fees	(25,304)	(93,003)
Consultancy costs	(115,398)	(178,858)
Compliance and regulatory expenses	(43,374)	(56,440)
Depreciation	(5,836)	(9,264)
Management fees	(100,000)	(140,000)
Directors' fees	(58,913)	(60,483)
Exploration expenditure written off	(8,551)	(46,294)
Impairment of exploration expenditure	-	(359,940)
Travel	(11,905)	-
Share based payments directors	(35,000)	(10,726)
(LOSS) BEFORE INCOME TAX	(470,758)	(904,894)
Income tax expense	-	-
(LOSS) FOR THE PERIOD	(470,758)	(904,894)
OTHER COMPREHENSIVE (LOSS) FOR THE PERIOD		
Items that may be reclassified subsequently to profit or loss		
Loss on available for sale investments	(16,800)	(35,000)
Income tax relating to components of other comprehensive income	5,040	10,500
Other comprehensive loss for the period, net of income tax	(11,760)	(24,500)
TOTAL COMPREHENSIVE (LOSS) FOR THE PERIOD	(482,518)	(929,394)
(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:		
Owners of the parent	(470,758)	(904,471)
Non-Controlling interest	-	(423)
	(470,758)	(904,894)
TOTAL COMPREHENSIVE (LOSS) FOR THE PERIOD ATTRIBUTABLE TO:		
Owners of the parent	(482,518)	(928,971)
Non-Controlling interest	-	(423)
	(482,518)	(929,394)
Basic and diluted (loss) per share	(0.10) cents	(0.28) cents

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the attached notes to the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Issued Capital $	Accumulated Losses $	Reserves $	Non - Controlling Interest $	Total Equity $
Balance at 1 July 2012	26,992,128	(17,850,380)	728,750	(459,709)	9,410,789
Loss for the period	-	(470,758)	-	-	(470,758)
Asset revaluation	-	-	(11,760)	-	(11,760)
Total comprehensive loss for the period	-	(470,758)	(11,760)	-	(482,518)
Issue of capital	35,000	-	-	-	35,000
Other adjustment	-	(459,709)	-	459,709	-
Balance at 31 December 2012	27,027,128	(18,780,847)	716,990	-	8,963,271

	Issued Capital $	Accumulated Losses $	Reserves $	Non - Controlling Interest $	Total Equity $
Balance at 1 July 2011	25,120,128	(16,590,931)	1,076,063	(458,381)	9,146,879
Loss for the period	-	(904,471)	-	(423)	(904,894)
Change in fair value of financial assets (net of tax)	-	-	(24,500)	-	(24,500)
Total comprehensive loss for the period	-	(904,471)	(24,500)	(423)	(929,394)
Expiry of options	-	95,327	(95,327)	-	-
Share based payments	-	-	10,726	-	10,726
Balance at 31 December 2011	25,120,128	(17,400,075)	966,962	(458,804)	8,228,211

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

	Note	31 December 2012 $	30 June 2012 $
CURRENT ASSETS			
Cash and cash equivalents		1,358,356	1,993,844
Trade and other receivables		74,188	819,367
Other financial assets	3	453,200	520,000
TOTAL CURRENT ASSETS		1,885,744	3,333,211
NON-CURRENT ASSETS			
Plant and equipment		46,459	52,295
Evaluation and exploration expenditure	4	7,737,843	7,413,797
TOTAL NON-CURRENT ASSETS		7,784,302	7,466,092
TOTAL ASSETS		9,670,046	10,799,303
CURRENT LIABILITIES			
Trade and other payables		647,315	1,324,014
TOTAL CURRENT LIABILITIES		647,315	1,324,014
NON CURRENT LIABILITIES			
Deferred tax liability		59,460	64,500
TOTAL NON-CURRENT LIABILITIES		59,460	64,500
TOTAL LIABILITIES		706,775	1,388,514
NET ASSETS		8,963,271	9,410,789
EQUITY			
Issued capital	5	27,027,128	26,992,128
Reserves		716,990	728,750
Accumulated losses		(18,780,847)	(17,850,380)
Parent interests		8,963,271	9,870,498
Minority interest		-	(459,789)
TOTAL EQUITY		8,963,271	9,410,709

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	2012 $	2011 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from operations	16,303	6,969
Payments to suppliers and employees	(565,368)	(829,902)
Interest received	35,030	160,933
NET CASH USED IN OPERATING ACTIVITIES	(514,035)	(662,000)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for plant and equipment	-	(6,961)
Payments for exploration and evaluation	(701,453)	(533,988)
NET CASH USED IN INVESTING ACTIVITIES	(701,453)	(540,949)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from sale of investments	330,000	-
Repayment of loan	250,000	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	580,000	-
Net (decrease) in cash held	(635,488)	(1,202,949)
Cash at the beginning of the period	1,993,844	3,940,243
CASH AT THE END OF THE PERIOD	1,358,356	2,737,294

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The half year consolidated financial statements are a general purpose financial report which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

The consolidated half year financial report does not include all of the information required for a full annual financial report. The half year financial report is to be read in conjunction with the most recent annual financial report for the year ended 30 June 2012. This report must also be read in conjunction with any public announcements made by Artemis Resources Limited and its controlled entities during the half year.

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 to which they apply. The accounting policies adopted in the preparation of this financial report are, unless otherwise stated, consistent with those presented in the most recent annual financial report.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of certain non-current assets, financial assets and financial liabilities.

The financial statements are presented in Australian dollars which is Artemis Resources Limited's functional and presentation currency.

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 consolidated entity incurred a loss of $470,758 and had net cash outflows from operating activities and investing activities of $514,035 and $701,453 respectively for the half year ended 31 December 2012. The consolidated entity has prepared budgets and forecasts for the following 12 months, and has determined further capital is required if the company is to continue at the planned level of operations.

These factors indicate significant uncertainty as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern, after consideration of the following factors:

- The company has been successful in raising capital whenever it has approached the markets in the past and the directors are confident in 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 $1,358,356, net working capital of $1,238,429 and net assets of $8,963,271;
- The ability of the consolidated entity to further scale back certain parts of their activities that are non-essential so as to conserve cash;

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- The consolidated entity retains the ability, if required, to wholly or in part dispose of interests in mineral exploration and development assets; and;
- The directors regularly monitor the Group's cash position and, on an on-going basis, consider a number of strategic initiatives to ensure that adequate funding continues to be available.

Accordingly, the Directors believe that consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Recovery of Capitalised Exploration and Evaluation Expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the consolidated entity decides to exploit the related site itself, or if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to the environmental restoration obligations) and changes to commodity prices.

NEW AND REVISED STANDARDS AND AMENDMENTS THEREOF AND INTERPRETATIONS EFFECTIVE FOR THE CURRENT HALF-YEAR THAT ARE RELEVANT TO THE CONSOLIDATED ENTITY

Amendments to AASB 1, 5, 7, 101, 112, 120, 121, 132, 133 and 134 as a consequence of AASB 2011-9 'Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income'

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the consolidated entity's accounting policies and has no effect on the amounts reported for the current or prior half-years. However, the application of AASB 2011-9 has resulted in changes to the consolidated entity's presentation of, or disclosure in, its half-year financial statements.

AASB 2011-9 introduces new terminology for the statement of comprehensive income. Under the amendments to AASB 101, the statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income. The amendments to AASB 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to AASB 101 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to AASB 101 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

2. EARNINGS PER SHARE

The calculation of basic earnings and diluted earnings per share at 31 December 2012 was based on the loss attributable to shareholders of the parent company of $470,758 (2011: Loss $904,471):

	2012 Cents	2011 Cents
Basic and diluted (loss) per share	(0.10) cents	(0.28) cents

	No of Shares	No of Shares
Weighted average number of ordinary shares:		
Ordinary shares	482,018,113	325,390,396

3. FINANCIAL ASSETS

	31 December 2012 $	30 June 2012 $
Current		
Available for sale financial assets		
Shares in listed equity securities – at fair value	453,200	520,000

4. INTANGIBLE EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2012 $	30 June 2012 $
Exploration and evaluation phase costs carried forward at cost:	7,737,843	7,413,797

(a) Exploration and Evaluation Phase Costs

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

(b) Reconciliation of movement during the period

	31 December 2012 $	31 December 2011 $
Opening balance	7,413,797	4,407,895
Add: Exploration and evaluation expenditure capitalised	324,046	367,290
Less: Exploration expenditure written off	-	(11,170)
Less: Impairment of exploration and evaluation expenditure	-	(359,940)
Closing balance	7,737,843	4,404,075

5. SHARE CAPITAL

	31 December 2012 $	30 June 2012 $
ISSUED CAPITAL DETAILS		
484,890,396 (30 June 2012: 325,390,396) Ordinary shares:	27,027,128	26,992,128

Reconciliation of movement during the period:

	Shares	$
Opening balance	481,390,396	26,992,128
Movements	3,500,000	35,000
Closing balance	484,890,396	27,027,128

Terms of Issue:

Ordinary shares

Ordinary shares participate in dividends and are entitled to one vote per share at shareholders meetings. In the event of winding up the Company, ordinary shareholders rank after creditors and are entitled to any proceeds of liquidation in proportion to the number of shares held.

SHARE OPTIONS

No options were issued and no options expired during the period. The Company currently has the following outstanding options:

	Shares on issue	Number listed on ASX	Exercise Price	Expiry Date
Ordinary Options	10,000,000	-	4 cents	14/12/2014
Ordinary Options	1,000,000	-	7 cents	30/06/2013
Ordinary Options	3,100,000	-	7 cents	30/09/2013
Ordinary Options	833,333	-	8 cents	30/09/2013
Ordinary Options	10,000,000	-	4 cents	30/11/2014
	24,933,333	-		

6. SEGMENT INFORMATION

The consolidated entity operates in Australia. The entity has three major projects, Yandal, West Pilbara and Mount Clement. Management reporting identifies these three segments and groups other exploration activities under Other Projects.

	Exploration Activities Yandal	Exploration - Activities Mt Clement	Exploration - Activities West Pilbara	Exploration - Activities Other Projects	Unallocated	Total
	$	$	$	$	$	$
31 December 2012						
Segment revenue	-	-	-	-	44,713	44,713
Segment expenses	-	-	-	(8,551)	(506,920)	(515,471)
Results from operating activities	-	-	-	(8,551)	(462,207)	(470,758)
Segment assets	1,734,023	1,969,510	2,604,869	1,429,441	1,932,203	9,670,046
Segment liabilities	-	-	450,000	-	256,775	706,775
31 December 2011						
Segment revenue	-	-	-	-	167,902	167,902
Segment expenses	-	-	-	(359,940)	(712,856)	(1,072,796)
Results from operating activities	-	-	-	(359,940)	(544,954)	(904,894)
Segment assets	1,113,457	1,921,976	-	1,368,641	4,208,676	8,612,750
Segment liabilities	-	-	-	-	384,536	384,536

7. COMMITMENTS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or contingent assets.

8. EVENTS SUBSEQUENT TO 31 DECEMBER 2012

The consolidated entity has made the following announcements since the close of the financial period:

- 16 January 2013 – Mt Clement Review - Significant Antimony Exploration Target
- 18 January 2013 – Mt Clement Antimony Project - Announcement Clarification
- 30 January 2013 – Quarterly Cashflow Report
- 30 January 2013 – Quarterly Activities Report
- 28 February 2013 – 2013 Exploration Programme & Updated Investor Presentation

Other than as set out in the announcements made since 31 December 2012, there are no other events subsequent to the end of the period that would have a material effect on the consolidated entity's financial statements at 31 December 2012.

DIRECTORS' DECLARATION

The directors declare that:

(a) the financial statements and notes, set out on pages 13 to 22, are in accordance with the *Corporations Act 200*1, and:

(i) comply with Accounting Standard AASB 134 *Interim Financial Reporting*; and

(ii) give a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance, for the half-year ended on that date.

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors

Guy Robertson
Executive Director

Dated at Sydney this 11 March 2013

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF

ARTEMIS RESOURCES LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Artemis Resources Limited which comprises the condensed statement of financial position as at *31 December 2012*, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, 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 half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Artemis Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, 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.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Artemis Resources Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 1 in the financial report, which indicates that the consolidated entity incurred a loss of $470,758 and had net cash outflows from operating activities and investing activities of $514,035 and $701,453 respectively for the half year ended 31 December 2012. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

C J Hume
Partner

Sydney, NSW
Dated: 11 March 2013

DIRECTORS
Guy Robertson (Executive Director)
George Frangeskides (Non-Executive Director)
Shannon Coates (Non-Executive Director)

SENIOR MANAGEMENT
Trevor Woolfe (General Manager Exploration)
Guy Robertson (Company Secretary)

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SOLICITORS
DLA Phillips Fox

AUDITORS
RSM Bird Cameron Partners

BANKERS
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