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Corporate Information
ASX Code: ARV



COBALT METALLURGY TESTS PROVE VERY POSITIVE -CARLOW CASTLE COBALT PROJECT-

- Mineralogy of the cobalt at Carlow Castle is predominantly cobaltite, which is analogous to eCobalt's cobalt mining project in Idaho in the USA, which has proven metallurgy.
- Initial metallurgy test work conducted on RC drill chips by ALS Global Metallurgical Services indicate very good first pass flotation recoveries of Carlow Castle sulphides from high grade gold (13.8 g/t) and cobalt (0.84%) intersections:
 - 67.3% Gold Recovery (calculated head grade 13.8 g/t Au)
 - 55.5% Cobalt Recovery (calculated head grade of 0.84% Co)
 - 87.4% Copper recovery (calculated head grade 2.16% Cu)
- Recoveries are expected to improve significantly with further tests on diamond core.
- Gold is relatively coarse and amenable to low cost gravity concentration.

David Lenigas, Artemis's Chairman, commented;

"These initial metal recovery results are very positive indeed and we would expect to see significant improvements to these numbers when we repeat this test work on diamond core samples. We are now planning a phase of diamond drilling at Carlow Castle, to provide samples for further metallurgy test work and for geotechnical open pit design studies."

Figure 1: Co/Cu/Au concentrates generated from ALS Global test work.



Artemis Resources Limited (“**Artemis**” or “**the Company**”) (**ASX: ARV**) is pleased to report that samples recovered from the recent Reverse Circulation (RC) drilling campaign at the Carlow Castle Cobalt/Gold/Copper Project near Karratha, were submitted for analysis and basic metallurgical testing at ALS Global’s Metallurgical Services laboratories in Perth, Australia.

Initial results from RC drill chips returned 67.3%, 55.5% and 87.4% metal recovery for gold, cobalt and copper respectively. These results are expected to improve with the use of diamond core samples.

The drilling was completed along a limited 250m strike out of what is now a possible 2km of newly identified strike potential. Mineralisation remains open in all directions along strike and at depth.

The RC chips were sized by ALS Global’s Metallurgical Services laboratories in Perth and each size fraction was analysed. It is now planned to do further diamond drilling to recover core, which will be coarser than RC chips and would typically result in a much-improved metallurgical response.

This analysis also demonstrates the coarse nature of the gold, most of it being in the +106 micron fraction, which is amenable to recovery by low cost gravity separation before finer grinding of the ore for cobalt and copper recovery by flotation, which is expected to increase overall gold recoveries.

Table 1: Analysis by size fraction

Size fraction (microns)	Mass	Gold		Cobalt		Copper	
		Grade g/t	Distn. %	Grade %	Distn.%	Grade %	Distn.%
+106	20.9	36.6	55.5	0.37	9.3	1.11	10.8
-106 +75	14.4	8.1	8.4	1.01	17.4	2.10	14.0
-75+53	10.9	10.9	8.6	1.48	19.4	2.83	14.3
-53+38	8.4	10.4	6.3	1.54	15.4	3.25	12.6
-38	45.4	6.4	21.2	0.71	38.5	2.30	48.3
Calc. Head	100.0	13.8	100.0	0.84	100.0	2.16	100.0

Preliminary tests, in which only rougher flotation was done with no attempt at this stage to improve the concentrate grade, resulted in acceptable recoveries shown below. These tests were done on samples from RC drill chips which traditionally result in depressed recoveries. Further work will be done on diamond drill core and improved results are expected. By way of comparison, eCobalt, at their cobalt project in Salmon, Idaho, USA, have reported gold, cobalt and copper recoveries from sulphide flotation of similar cobaltite ore of 78% ,91% and 93% respectively¹.

Table 2: Rougher Flotation Recoveries

	Mass	Gold	Cobalt	Copper
Recovery to concentrate	21.1%	67.3%	55.5%	87.4%
Calc. head		7.44 g/t	0.85%	2.70%

The mineralogy of the cobalt at Carlow Castle is predominantly cobaltite, which is similar to the eCobalt project. The eCobalt project has proven metallurgy, which involves conventional crushing, milling and sulphide flotation to produce a concentrate for downstream processing in a refinery to recover cobalt and other valuable metals. The eCobalt project is projected to start production in 2019 via underground production.

¹ From eCobalt’s web page: <http://www.ecobalt.com/project/technical-reports>

The Carlow Castle project based on metallurgy to date would have the added advantage of significant gold recovery by low cost gravity processing ahead of the cobalt/copper flotation plant at Artemis's fully permitted Radio Hill sulphide ore treatment plant located 27 km south-west of Carlow Castle.

BACKGROUND INFORMATION ON ARTEMIS RESOURCES

Artemis Resources Limited is a resources exploration and development company with a focus on its prospective Pilbara (gold, cobalt, base metals, platinum, platinum group elements, diamonds and iron ore) and the Mt Clement-Paulsens (gold) project in Western Australia. Artemis owns the fully permitted 425,000tpa Radio Hill nickel and copper operations, processing plant and associated mining and exploration tenements with significant existing JORC 2004 compliant resources of Nickel, Copper and Zinc situated within a 15 km radius of the Radio Hill plant. The Radio Hill Plant is located 35 km south of Karratha in the Pilbara Region of Western Australia.

CONTACTS

For further information on this update or the Company generally, please visit our website at www.artemisresources.com.au or contact:

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COMPETENT PERSONS STATEMENT

The information in this document that relates to Exploration Results and Exploration Targets is based on information compiled or reviewed by Allan Younger, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Younger is a consultant to the Company, and is employed by Indigo Geochemistry Pty Ltd. Mr Younger 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Younger consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

FORWARD LOOKING STATEMENTS AND IMPORTANT NOTICE

This report contains forecasts, projections and forward looking information. Although the Company believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions it can give no assurance that these will be achieved. Expectations, estimates and projections and information provided by the Company are not a guarantee of future performance and involve unknown risks and uncertainties, many of which are out of Artemis' control. Actual results and developments will almost certainly differ materially from those expressed or implied. Artemis has not audited or investigated the accuracy or completeness of the information, statements and opinions contained in this presentation. To the maximum extent permitted by applicable laws, Artemis makes no representation and can give no assurance, guarantee or warranty, express or implied, as to, and takes no responsibility and assumes no liability for (1) the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omission from, any information, statement or opinion contained in this report and (2) without prejudice to the generality of the foregoing, the achievement or accuracy of any forecasts, projections or other forward looking information contained or referred to in this report.

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