

28 April 2011

QUARTERLY ACTIVITIES REPORT MARCH 2011

About Artemis Resources

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

Key Projects

Gold

Mt Clement (WA)
Yandal (WA)

Rare Metals

Yangibana (WA)
Buchanan's Creek (QLD)

Uranium

Mundong Well (WA)
TAG II/IV (Niger, Africa)

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

Gold forms a central platform for the Company's growth strategy.

Australian Securities Exchange

Code: ARV
Options: ARVOB

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HIGHLIGHTS

- **Mt Clement phase two drilling completed in December 2010, more than doubling the high grade gold-silver mineralisation previously discovered at Mt Clement.**
- **Artemis maiden resource at Mt Clement to be released in Qtr 2 2011.**
- **Phase 1 Drilling (2,333 metres) completed at Yandal Gold Project on time and on budget.**
- **Andrew Johnstone appointed as Project Director.**

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

Mt Clement

During the quarter Artemis announced that recent long sections generated at the Mt Clement Gold Project highlight the successful extension of gold and silver mineralisation achieved from the recently completed 2010 drilling programs. The high grade gold and silver has been intersected more than 100m south of previous intersections and also indicates the high grade gold silver mineralised zone is open at depth in most directions.



Mt Clement Gold Project, Western Australia

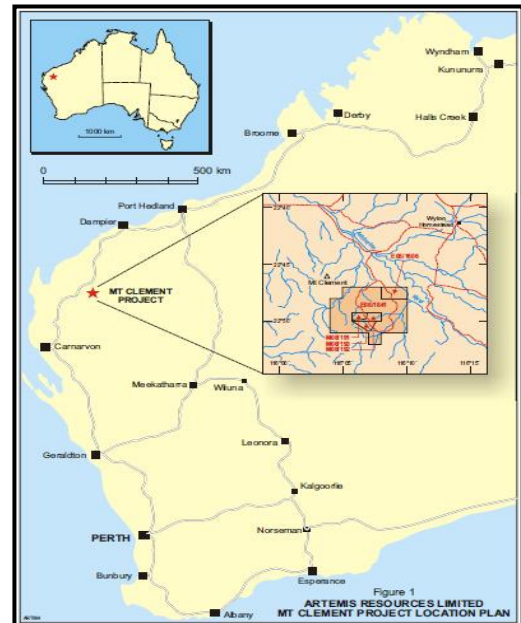
The Mt Clement Gold Project is located in the reinvigorated Ashburton Gold Province of Western Australia. Artemis has more than 5 square kilometres under tenement surrounding the former workings at Mt Clement, including 3 current Mining Leases directly over the Mt Clement Gold/Silver Deposit itself. The Mt Clement Project lies 30km south of the Paulsen's Gold Mine operated by Artemis' 20% Joint Venture partner, Northern Star Resources Limited (ASX: NST).

Artemis has identified 2 styles of gold mineralisation at Mt Clement. **"Type 1"** gold mineralisation is typically sulphide-rich, higher grade gold and is usually associated with high silver and copper values. Type 1 mineralisation is also characterised by steep dipping structures and has a moderate plunge towards the south-southwest.

The **"Type 2"** gold mineralisation style is typically lower grade (between 1 - 2g/t gold) and is stratabound and highly oxidised. The mineralisation varies from 5m to 25m in thickness and is broadly flat lying, although the orientation varies considerably due to folding. Prior to drilling by Artemis, historical drilling has mainly intersected "Type 2" lower grade mineralisation.

Quarter Review

Recent drilling at the Mt Clement Gold Project in Western Australia has at least doubled the high grade, sulphide-rich mineralised zone associated with the Mt Clement Adit Fault. This north-south fault has been responsible for emplacement of high grade gold, silver and copper (see Figures 1 and 2). There are at least 2 more high-grade mineralised faults identified and confirmed by drilling, with the potential for a number of other high grade faults within the Mining Leases at Mt Clement.



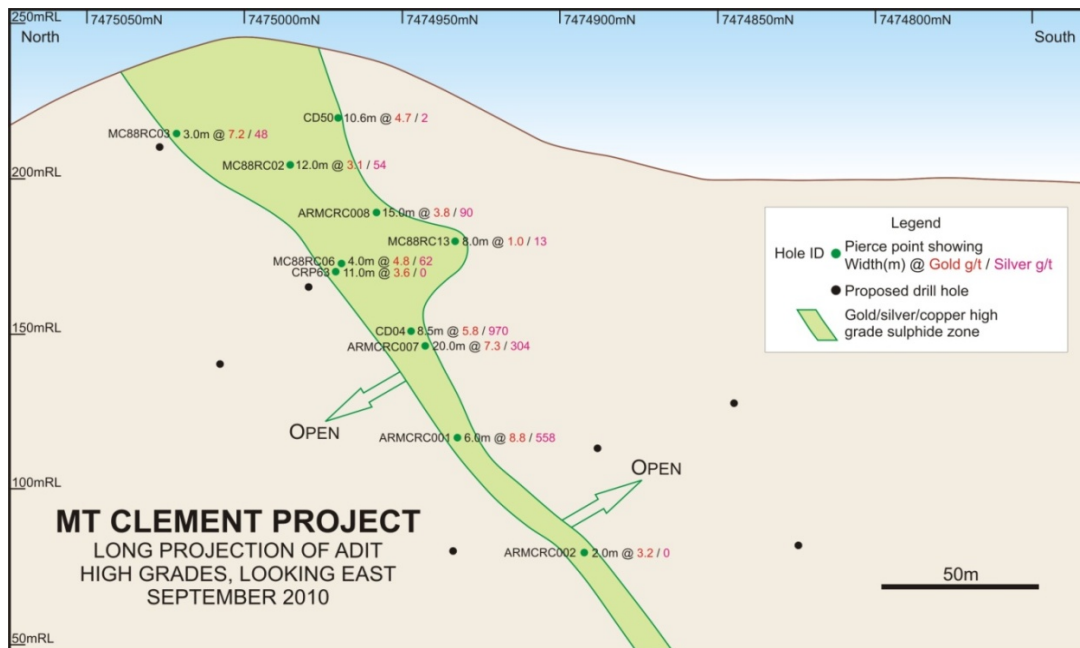


Figure 1: A Long Section of the high grade sulphide zone at Mt Clement as at September 2010 after the July 2010 first round of drilling. This long section shows the high grade gold/silver/copper zone dipping towards the south and was known to occupy about 12m in a north-south direction.

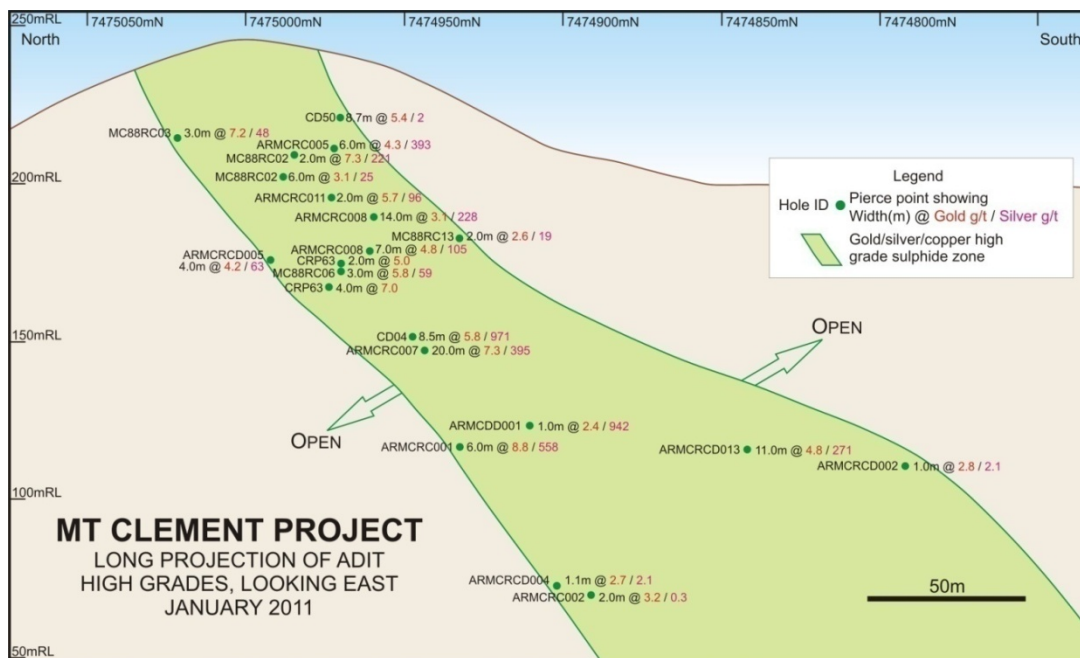


Figure 2: A Long Section of the high grade sulphide zone at Mt Clement as at January 2011 after the November 2010 second round of drilling. This long section shows the high grade gold/silver/copper zone still dipping towards the south – which has been extended by more than 90m towards the south.

Figure 1 illustrates the knowledge of the high grade zone following the Company's first round of drilling in July 2010. At the completion of this first phase of drilling and prior to the second phase of drilling in November 2010 (Figure 2), the understanding of the high grade zone was based on only 2 drill holes at depth; namely ARMCRC001 and ARMCRC002. Figure 1 shows the proposed holes which were planned to increase the dimensions of the high grade zone, particularly towards the south. The drill holes drilled as part of the Phase 2 drilling program in November 2010 succeeded in providing very pleasing results, including an intersection of 11m @ 4.90g/t gold - which increased the high grade gold, silver and copper by more than 100m towards the south.

Figure 2 demonstrates the results of the second phase of drilling and the success this phase had in significantly extending the high grade gold, silver and copper mineralisation significantly. Each hole drilled by ARV succeeded in intersecting the lode and has resulted in a large increase in the dimensions of the mineralisation (100m southerly extension). The results from this second phase of drilling open up a large target for in-fill and extension drilling in all directions. The limits to the Adit Fault have not yet been encountered and the high grade gold, silver, copper zone remains open in all directions.

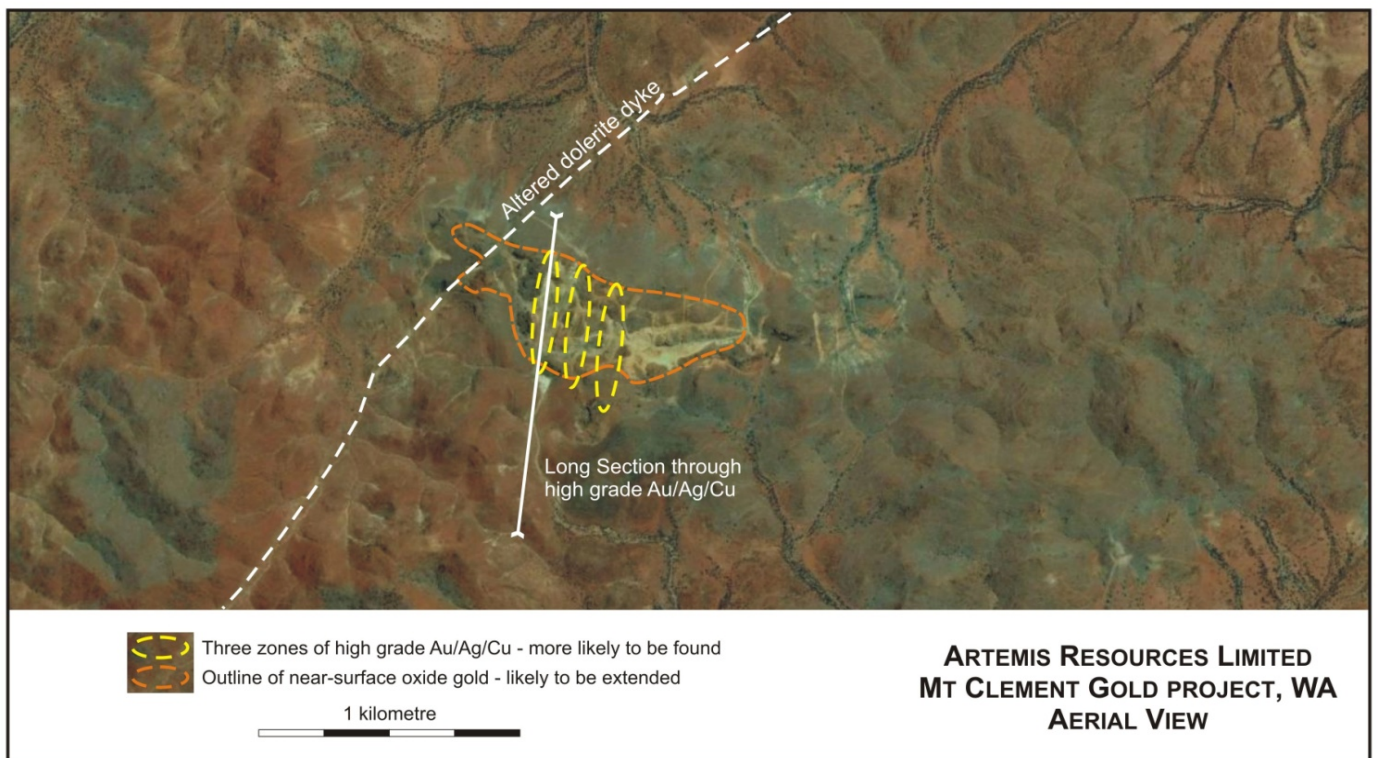


Figure 3 illustrates the location of the Adit Fault in relation to the near-surface oxide gold mineralisation.

Figure 3 shows the location of the north-south longitudinal section which is centered on the high grade gold-silver-copper-rich Adit Fault. Two long sections (Figures 1 and 2) have been generated looking towards the east at the location of the Adit Fault. These long sections clearly show the increased dimensions of the high grade Adit Fault and the continuing potential to the north, south and at depth.

In Figure 3, two additional high-grade faults are also shown. These two additional high grade faults have not been thoroughly explored and offer the potential for large increases in tonnage and corresponding gold ounces.

The Company will be further targeting the mineralised north-south trending, high grade fault in the next phase of drilling at Mt Clement following the resource review.

Additional exciting targets for further drilling have been exposed from the results of the second phase of drilling and the Company is also aiming to exploit these areas.

Yandal Gold Project, Western Australia

The 100%-owned Yandal Gold Project is situated within the highly productive Yandal gold belt in Western Australia which has produced more than 12 million ounces of gold. The Yandal Project lies 90km south of the Jundee Gold Mine (5.4million ounces) and 50km north of the Bronzewing Gold Mine (2.3million ounces). The 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. Gold mineralisation remains open at all deposits and potential exists to increase the size of these deposits substantially with additional drilling.



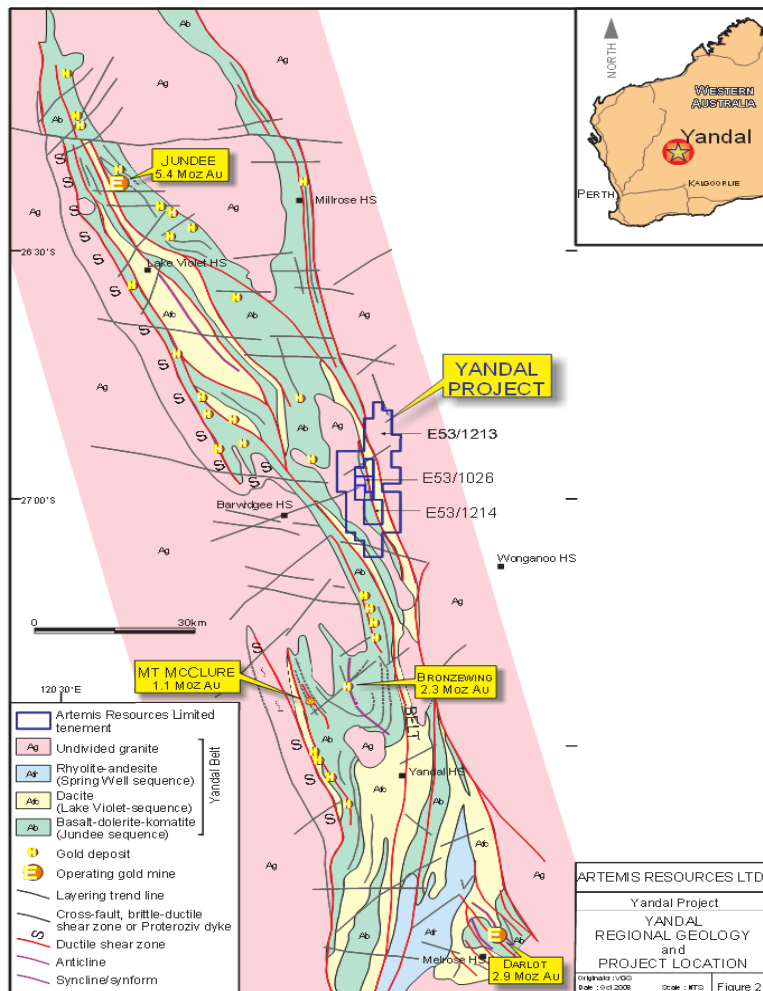
A recent re-appraisal of the **Slav Well Gold Deposit** at Yandal has resulted in the recognition of a linear (north-south) striking gold mineralised body which has only been partially tested. Gold intercepts encountered in previous drilling lie mostly within 50m from the surface and gold mineralisation is well-suited to an open cut mining scenario. The best gold intercepts from historic drilling at Slav Well include:

- 4m @ 5.00g/t gold
- 3m @ 4.20g/t gold
- 3m @ 4.50g/t gold
- 1m @ 9.80g/t gold

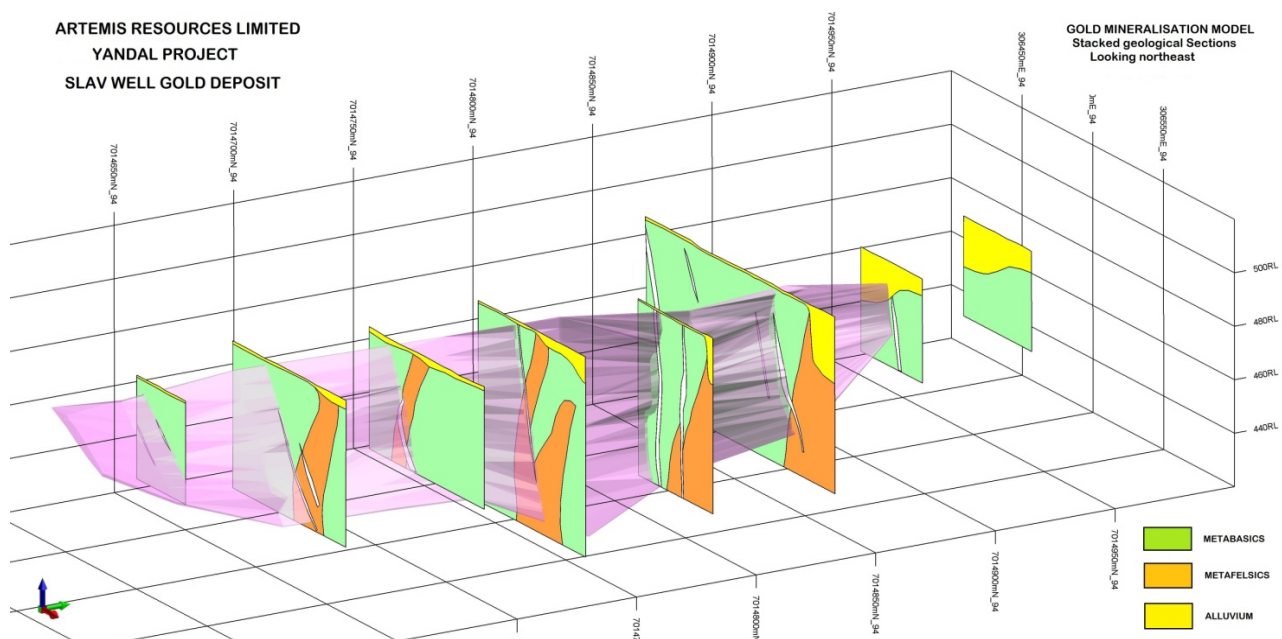
Drilling at Lowlands, Western Australia was completed during the quarter. 16 holes for 2,333 m were drilled. Samples have now been dispatched to SGS in Perth for analysis.

At Lowlands a historical JORC inferred resource of 320,000t at a grade of 2.29g/t for 23,560 ounces has been previously reported by Artemis. Of the 16 holes drilled, 8 holes were targeted around the existing Lowlands resource to test for possible extensions to the east and west, while 5 holes were targeted to the north to test for repetitions. Additionally, one deep vertical hole was drilled to also test for repetitions at depth. Two holes were also drilled at Forked Stick and one under the Dan's Find West prospect.

The development plan for the Yandal project at a time of record gold prices (over US\$1500 per oz) is designed to confirm high grade mineralisation amenable for sale to operating mines in the area. This approach is in line with Artemis' new gold strategy to maximise return to shareholders by developing projects with an aim to achieve cash flow with limited capital investment.



Yandal, WA location map surrounded by multi million ounce mines including Bronzewing (2.3m oz)



Stacked geological sections showing the model for gold mineralisation (in purple colour) at the Slav Well Gold Deposit – part of the Yandal Gold Project.

The Slav Well Gold Deposit remains open both at depth and along strike and provides Artemis with highly prospective drilling targets for the identification of more gold mineralisation.

Rare Earths/Rare Metals

Yangibana, Western Australia

Artemis holds 60% of the Yangibana Rare Earth Project in Western Australia. The tenements comprise granted Exploration Licences E08/1043 and E08/1049 and Exploration Licence Applications ELA 09/1703, 1704, 1705 and 1706. The tenements are prospective for rare earths and uranium.

Although Artemis has over 7km of strike length of a carbonatite dyke under tenement, only a small portion of the strike length has been tested, as the Company is awaiting Government approval to explore several of its tenements containing the bulk of the mineralised strike.

No field work was completed during the March Quarter.



Buchanan's Creek, Queensland

Artemis holds 100% of the Buchanan's Creek Project, southwest of Georgetown in central Queensland. The tenements comprise Mining Leases 3311, 30123 and 30208, as well as an application for a surrounding Exploration Permit for Minerals (EPM 14988). The Grant's Gully area (EPM 13694) and application area, EPMA 18490 (Mosquito Creek) also form part of the Buchanan's Creek Project. The tenements are prospective for lithium, tantalum, niobium and gold.

No field work was completed during the March Quarter.

The Company is assessing various options in order to extract optimal value from both its rare earths and rare metal assets.

TAG II/IV, Niger, West Africa

Artemis holds a 49% interest in the Tagaza II and IV uranium exploration tenements in Niger, West Africa. The Tagaza II and IV tenements cover approximately 1,000 km² and are situated adjacent to another major uranium deposit, Teguida.

No field work was completed during the March Quarter.

The Company is examining various options to maximise the value of its Niger project.

Corporate

Project Director

The Company appointed Andrew Johnstone as Project Director with effect from 1 March 2011. Andrew will be responsible for leading the exploration and development of Artemis' projects. He has previously held senior management positions at a number of ASX listed companies including Gulf Industrials Limited and Discovery Metals Limited. Andrew brings to Artemis over 20 years experience working in exploration, resource development and mining. He also has a proven background in capital raisings and other corporate activities.

Andrew has a B.SC (Hon) Economic Geology and Geophysics from the University of Tasmania and a Graduate Diploma in Applied Finance and Investment, Equity Investment Analysis from the Securities Institute of Australia. He is a member of the Australian Institute of Geoscientists (MAIG) and a Fellow of the Financial Services Institute of Australia (FFin).

Andrew is focused on advancing exploration on the Company's core gold projects, Mt Clement and Yandal, and working on extracting shareholder value from the Company's other assets.



Management Agreement

The Company advises that during the quarter it has reached agreement with Apollo Minerals Limited to cancel the management agreement with Apollo Minerals Limited with effect from 1 November 2010.

Obligations between the parties, as outlined in the previous Annual Report, ceased with effect from this date.

Board of Directors and Management	Registered Office
<p>Graham Libbesson (Non-Executive Chairman)</p> <p>Frans Voermans (Non-Executive Director)</p> <p>George Frangeskides (Non-Executive Director)</p> <p>John Miles (Non-Executive Director)</p> <p>Andrew Johnstone (Project Director)</p>	<p>Artemis Resources Limited 50 Margaret Street Sydney, NSW, 2000 AUSTRALIA</p> <p>Phone: (+61) (2) 9078 7670 Facsimile: (+61) (2) 9078 7661</p> <p>www.artemisresources.com.au</p> <p>Share Registry Security Transfer Registrars Pty Ltd 770 Canning Highway Applecross, WA, 6153 AUSTRALIA</p>
<p>Company Secretary Guy Robertson</p>	<p>Phone: (+61) (8) 9315 2333 Facsimile: (+61) (8) 9315 2233 www.securitytransfer.com.au</p> <p>Please direct all shareholding enquiries to the share registry</p>

The information in this document that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Andrew Johnstone, who is a Member of the Australian Institute of Geoscientists. Mr Johnstone has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Johnstone, who is an officer of the Company, consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.