

ARTEMIS ACQUIRES STRATEGIC WEST PILBARA GOLD AND BASE METALS ASSETS

About Artemis Resources

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

Key Gold Projects

Yandal Gold (WA)
Mt Clement Gold (WA)
Pilbara Gold and Base Metals (WA)

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

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

Australian Securities Exchange

Code: ARV

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Highlights

- Acquisition of 45 tenements (700km²) gives Artemis a significant position in the West Pilbara.
- Acquisition increases exposure to gold assets including JORC inferred resources of 91,000 tons at 10 g/t
- Significant gold exploration upside plus base metals and iron ore exposure
- Total gold project area in the West Pilbara, Ashburton and Yandal provinces increases to 1,120 sq km's .
- New Projects close to regional hub Karratha infrastructure and operating mines.

Artemis Resources Ltd (ASX: ARV) ('Artemis' or 'the Company') is pleased to announce that it has agreed to acquire 100% of Karratha Metals Limited ('Karratha'), a company which has interests in a strategic package of 45 tenements in the Pilbara and Yandal Greenstone Belts in Western Australia.

Artemis will, on acquisition of Karratha, own a tenement package being acquired from Legend Mining Limited (Legend) and its subsidiary, which holds tenements and is currently earning a 70% interest in the Mt Marie joint venture with Fox Radio Hill Pty Ltd (see figure 1). On completion of the transaction, Legend will hold approximately 12.5% of the issued capital of Artemis.

Guy Robertson, Artemis Executive Director said, "The proposed transaction provides Artemis with one of the largest exploration portfolios in the West Pilbara, introduces a significant new investor onto our share register and makes Artemis a substantially larger Western Australian explorer".



A brief outline of six of the new project areas is as follows (see figures 1 & 2):

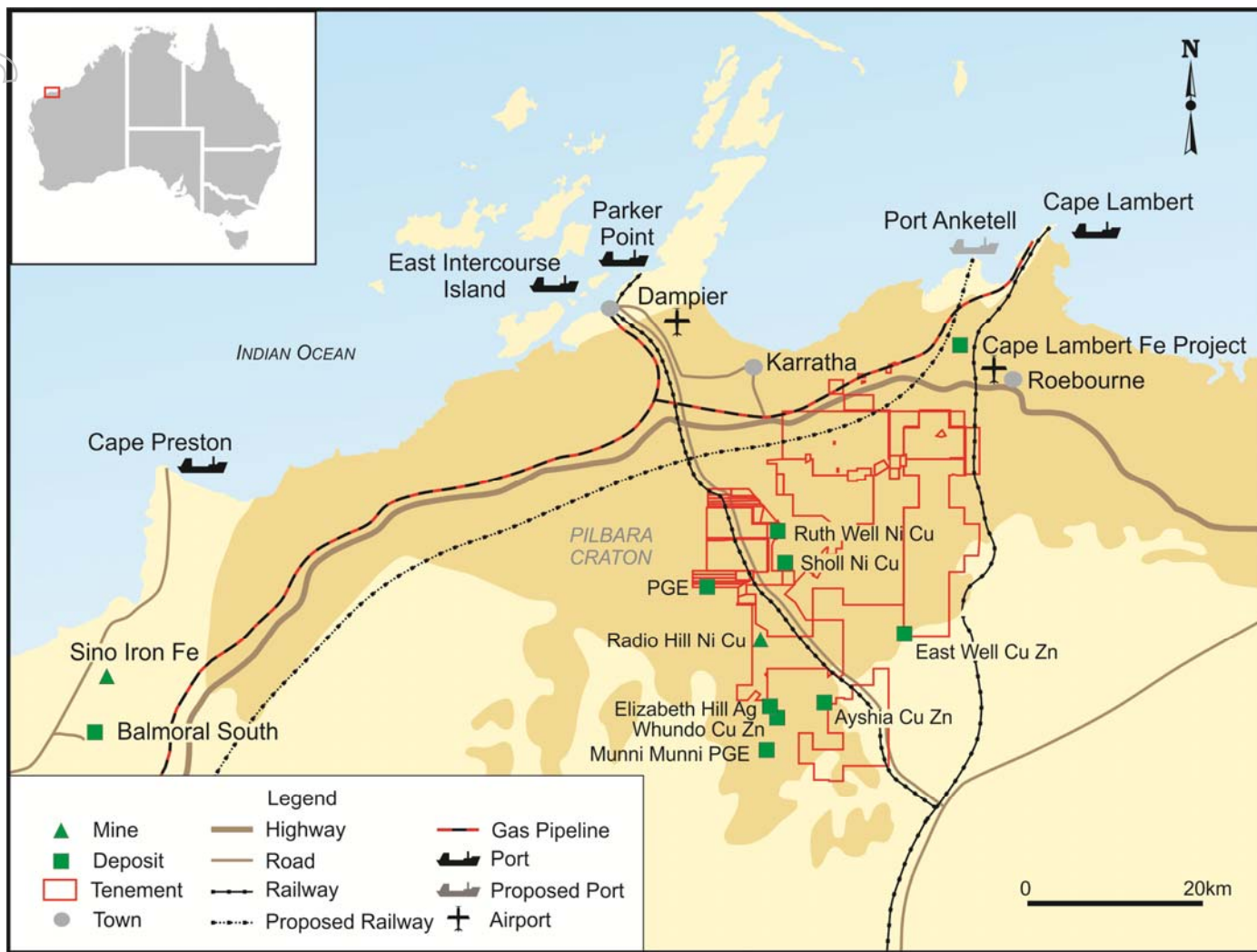


Figure 1: Location Map Karratha Pilbara Tenements

CARLOW CASTLE (Gold & Copper)

- Contains a JORC inferred mineral resource of 91,000 tonnes at an average grade of 10 g/t gold (Au) and 1.4% copper (Cu).
- Considerable potential to increase the size of the current mineral resource.
- Generally under-explored and deeper drilling required to test continuity and extent of mineralisation at depth.

MT SHOLL (Gold & Iron Ore)

- The Cleaverville Formation is present in the Mt Sholl, Carlow Castle and Mt Marie Projects. It's total strike length is 18km. BIF units of this formation have the potential to host a significant tonnage of iron mineralisation.
- The 1.6 billion tonne Cape Lambert magnetite iron ore deposit, located 8km northwest of Roebourne, is hosted by the north eastern extension of the Carlow Castle Cleaverville Formation.
- Two principal areas of known mineralisation - Golden Reef (substantial quantities of alluvial gold since 1987) and Orpheus Shear Zone (a copper-lead-zinc discovery by Dragon in 1995), largely untested.

NICKOL RIVER GOLD PROJECT (Gold)

- Historical gold production from 4 localities – Tozer's, Boiler, Nickol South and Lydia.
- Considerable potential for discovery of additional gold mineralisation in areas below and along strike of shallow workings.

MT MARIE PROJECT (Gold & Iron Ore)

- Hosts BIF units of the Cleaverville formation – a potential source of iron mineralisation.
- Potential for gold, copper, zinc, silver and nickel.
- Substantial part of project area previously held as a Government Temporary Reserve and was not available for exploration.

TWIN TABLE HILLS PROJECT (Base Metals)

- Considered to have potential to host massive nickel-copper sulphide mineralisation similar to Radio Hill and Ruth Well.
- A regional VTEM survey at Ruth Well South Prospect outlined a number of high priority targets including Castlebar – targets not tested by drilling.

RADIO HILL EXPLORATION PROJECT (Base Metals)

- Immediately north of the Radio Hill nickel mine.
- Considerable potential for the discovery of Radio Hill-type massive sulphide mineralisation.
- Known nickel-copper-PGE mineralisation at the Little Dingo and Toorare Pool prospects require further test drilling.

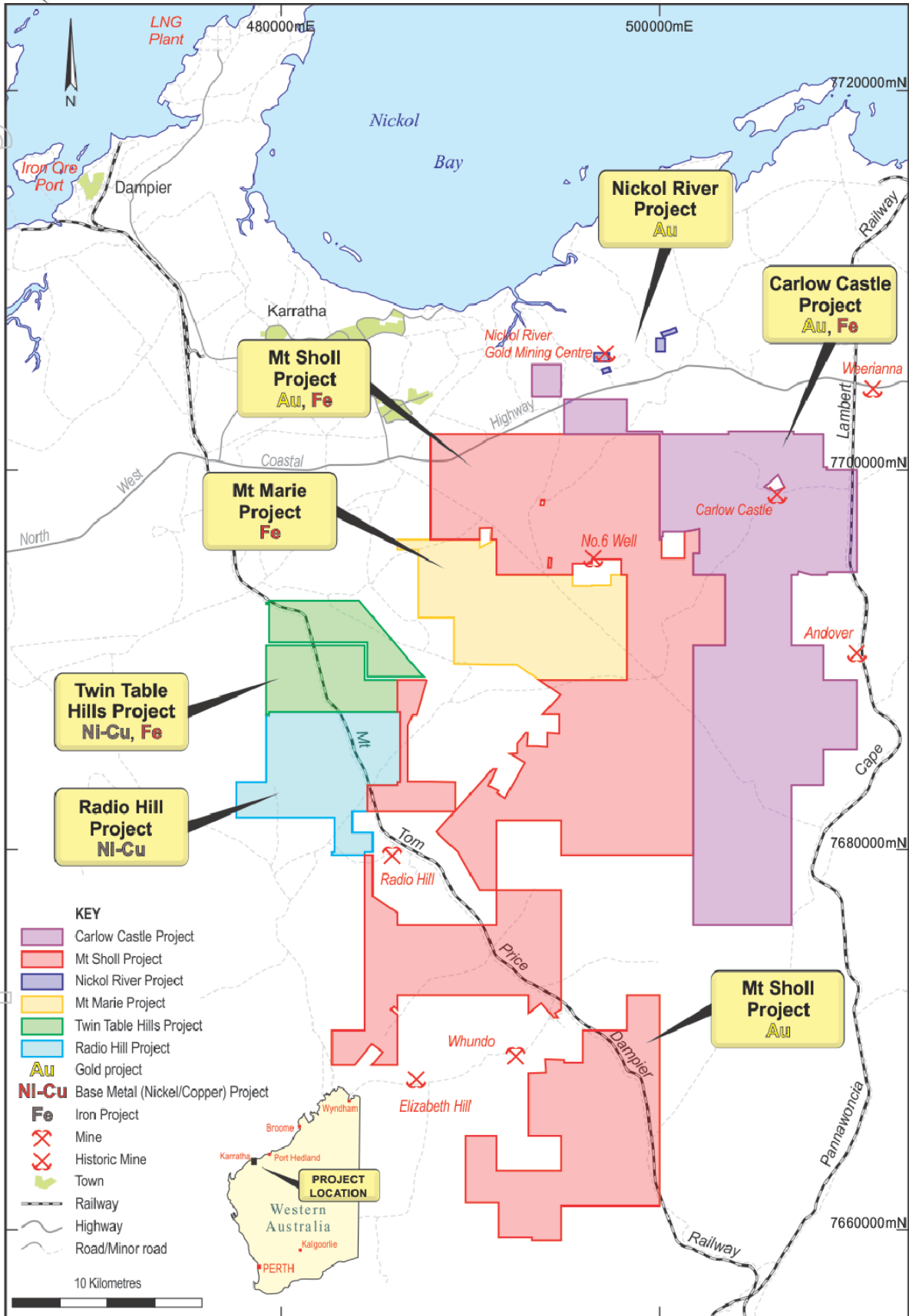


Figure 2: Karratha Metals Limited Key Projects



Proposed Terms of Transaction

- Acquisition is primarily an all share deal on the basis of 6 Artemis (ARV) shares for each Karratha (KML) share (156 million ARV shares)
- \$250,000 payable on completion of acquisition
- The acquisition is conditional on acceptance by 75% of the KML shareholders. Major shareholders in KML (holding greater than 75%) have accepted the offer.

Artemis capital structure pre and post acquisition is as follows:

ARTEMIS CAPITAL STRUCTURE

	Pre Acquisition	Post Acquisition
Ordinary Shares on Issue	325,390,396	481,390,396
Market Cap @ 2.5c	8,134,760	12,034,760

Artemis has 30,095,833 unlisted options on issue, pre and post acquisition.

The acquisition of Karratha and the issue of the shares as consideration will require Artemis shareholder approval. A Notice of Meeting will be lodged with the ASX and forwarded to shareholders in due course.

ABOUT ARTEMIS RESOURCES

Artemis Resources Limited is a resources exploration company with a focus on gold and base metals. Artemis' Yandal and Mount Clement gold projects, together with this addition of one of the largest exploration portfolios in the West Pilbara, have significant exploration potential. All Artemis' principal projects are in close proximity to operating mines. Artemis aims to develop a significant gold inventory through exploration and acquisitions which have the potential to become mines and create shareholder value.

For further information, please contact:

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Competent Person's Statement

The information in this document that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Frans Voermans, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr 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'. Mr Voermans, who is a non-executive Director 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.