ARTEMIS GOLD INC

TSX-V: ARTG
www.artemisgoldinc.com
December 2020

# Disciplined Development of the Blackwater Gold Project in BC

# Forward Looking & Cautionary Statements

This presentation contains certain "forward looking statements" and certain "forward-looking information" as defined under applicable Canadian and U.S. securities laws (together, “forward-looking statements”). Forward-looking statements can generally be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "continue", "plans", "potential" or similar terminology. Forward-looking statements in this presentation include, but are not limited to, statements and information related to the results of the Company’s 2020 Pre-Feasibility Study (based on a technical report entitled *“Blackwater Gold Project British Columbia – NI 43-101 Technical Report on Pre-Feasibility Study”* with an effective date of August 26, 2020, available on SEDAR and the Company’s website) (“2020 PFS”); estimates of mineral reserves and mineral resources; the Blackwater Gold Project (“Blackwater”, or the “Project”) development and mining plans; commencement of a Feasibility Study; engagement and negotiations with Indigenous nations; completing supplemental geotechnical and hydrogeological site investigation work; progressing and achieving final permitting; commencement of drilling and exploration programs; awarding lump-sum fixed price EPC contracts for the construction of the Project; arranging debt and equity financings to support development activities; the merits of the Project; the Company’s plans and objectives with respect to the Project and the timing related thereto, including with respect to permitting, construction, improved economics and financeability, and de-risking development risks; and other statements regarding future plans, expectations, guidance, projections, objectives, estimates and forecasts, as well as statements as to management's expectations with respect to such matters.

Forward-looking statements and information are not historical facts and are made as of the date of this presentation. These forward-looking statements involve numerous risks and uncertainties and actual results may vary. Important factors that may cause actual results to vary include without limitation, risks related to the ability of the Company to accomplish its plans and objectives with respect to the 2020 PFS and the Project within the expected timing or at all, including the ability of the Company to improve the economics and financeability and de-risk the Project; the timing and receipt of certain approvals, changes in commodity and power prices, changes in interest and currency exchange rates, risks inherent in exploration estimates and results, timing and success, inaccurate geological, mining, and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral reserves and resources), changes in development or mining plans due to changes in logistical, technical or other factors, unanticipated operational difficulties (including failure of plant, equipment or processes to operate in accordance with specifications, cost escalation, unavailability of materials, equipment and third party contractors, delays in the receipt of government approvals, industrial disturbances or other job action, and unanticipated events related to health, safety and environmental matters), political risk, social unrest, and changes in general economic conditions or conditions in the financial markets. In making the forward-looking statements in this presentation, the Company has applied several material assumptions, including without limitation, the assumptions that: (1) market fundamentals will result in sustained mineral demand and prices; (2) the receipt of any necessary approvals and consents in connection with the development of any properties; (3) the availability of financing on suitable terms for the development, construction and continued operation of any mineral properties; and (4) sustained commodity prices such that any properties put into operation remain economically viable. The actual results or performance by the Company could differ materially from those expressed in, or implied by, any forward-looking statements relating to those matters. Accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what impact they will have on the 2020 PFS, results of operations or financial condition of the Company. Except as required by law, the Company is under no obligation, and expressly disclaim any obligation, to update, alter or otherwise revise any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Non-IFRS Performance Measures**:** The Company has included certain non-IFRS measures in this presentation. The company believes that these measures, in addition to conventional measures prepared in accordance with IFRS, provide investors an improved ability to evaluate the underlying performance of the Project. The non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable with other issuers.

Cash Costs: Cash costs are a common financial performance measure in the gold mining industry but with no standard meaning under IFRS. Artemis considers and discloses total cash costs on a sales basis. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, such as sales, certain investors use this information to evaluate the Project’s performance and ability to generate operating earnings and cash flow from its mining operations. Management uses this metric as an important tool to monitor cost performance. Cash costs include production costs such as mining, processing, refining and site administration, less non-cash share-based compensation, less gross revenue generated from silver sales, divided by gold ounces sold to arrive at total cash costs per gold ounce sold. Cash Costs include royalty payments and permitting costs. Other companies may calculate this measure differently.

All-in Sustaining Costs (“AISC”): The Company believes that AISC more fully defines the total costs associated with producing gold. The Company typically calculates all-in sustaining costs as the sum of total cash costs (as described above), corporate general and administrative expense (net of stock-based compensation), reclamation and sustaining capital, all divided by the gold ounces sold to arrive at a per ounce figure. Other companies may calculate this measure differently as a result of differences in underlying principles and policies applied. Differences may also arise due to a different definition of sustaining versus growth capital.

Note that in respect of AISC metrics within the Study, as such economics are disclosed at the project level, corporate general and administrative expenses are not included in the AISC calculations.

Alastair Tiver, VP Projects for Artemis is a Qualified Person as defined by National Instrument 43-101 and he has reviewed and approved of the scientific and technical information related to the Blackwater project contained in slides 3,4,6, and 11. Klaus Popelka, P. Geo., Manager Resource Geology for Artemis is a Qualified Person as defined by National Instrument 43-101 and has reviewed and approved the scientific and technical information related to the Blackwater project contained in all other slides.

For further information regarding the 2020 PFS, including data verification and the mineral resources and mineral reserves, please refer to the Company’s news release dated August 26, 2020 or the 2020 PFS Technical Report.

# Why Invest in Artemis Gold?

- **Proven Track Record of Execution and Value Creation**: Artemis is the team that founded, developed, operated and sold Atlantic Gold Corporation (38%-owned by Board and Management) achieving a +1,129% return on investment over 4.5 years from inception to acquisition in 2019 by St Barbara Limited for $802 M in cash.
- **Board and Management Alignment with Shareholders**: Board and Management have participated in every equity offering completed by Artemis, investing over $82 M over the last 12 months, with ownership of 42% of the fully diluted shares.
- Artemis Gold owns a 100% interest in the **Blackwater Gold Project** in British Columbia, Canada, and a 39% partially diluted equity interest in **Velocity Minerals Ltd.** (TSX-V: VLC), which has a 70% interest in the PFS stage Rozino project and exploration projects in Bulgaria.
- **Staged Development Unlocks the Value of the Blackwater project:** The 2020 PFS outlines a 3-stage development of Blackwater with substantially improved economics. Highlights include:
  - **Initial development capital of C$592m;**
  - **A payback period of 2.0 years;**
  - **A levered* after-tax IRR of 50%; and**
  - **An after-tax NPV (5%) of C$2.2bn (long-term consensus US$1,541 gold price, 0.76 US$:CAD$ F/X)**
  - All numbers include the impact from gold stream granted to New Gold as part of the acquisition cost of the project.

*Refer to News Release Dated August 26, 2020 "Artemis Announces Revised PFS for Blackwater Project" for Levered scenario assumptions

*All amounts are in Canadian Dollars unless otherwise noted*

# Why Invest in Artemis Gold (cont…)

- **Blackwater is one of the most advanced large scale gold projects in Canada:** Federal and BC Environmental Assessments approved in 2019. Partnership Agreements signed in 2019 with the Lhoosk'Uz Dené Nation and the Ulkatcho First Nation. This puts the project on track to be fully permitted in time for a start of construction in Q2 2022.
- **Leverage to an 8-million ounce gold reserve, but with downside protection from the phased approach:**
  - **Base Case of US$1,541/oz Gold (~19% below spot): after-tax NPV (5%) of $2.2bn, levered* after-tax IRR of 50%**
  - **But if gold goes higher** at US$2,050/oz (~8% above spot): **after-tax NPV (5%) increases to $3.8bn,** levered* after tax IRR of 70%
  - **Or if gold goes much lower** at US$1,300/oz (32% below spot): **after-tax NPV (5%) is still $1.5bn** levered* after-tax IRR of 38%

  Note: 0.76 US$/CAD$ F/X rate

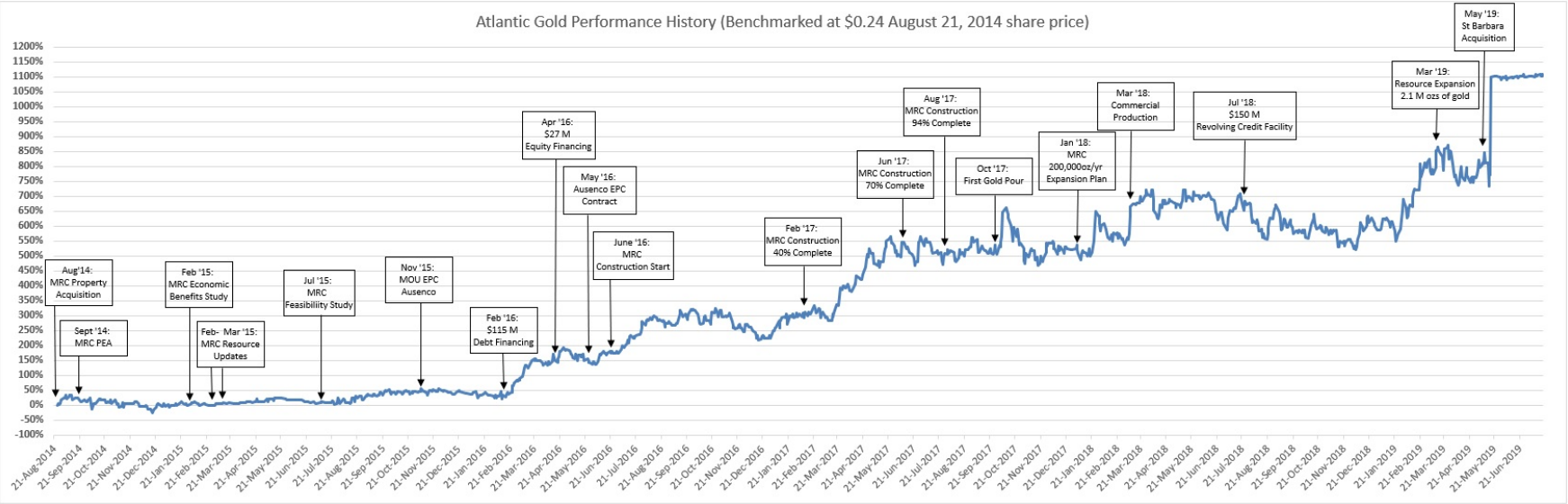
  *Refer to News Release Dated August 26, 2020 "Artemis Announces Revised PFS for Blackwater Project" for Levered scenario assumptions
- **Good Timing: A scarce Tier 1 gold project in a sector starved for growth and flush with free cash flow**
  - **Large producers have a flat to declining growth profile (Source: BMO)**
  - **Top 10 gold producers are forecast to generate >US$81 B in free cash flow from 2021-2024 at US$1850/oz gold (Source: BMO)**
  - **With the potential to produce >400,000 ounces of gold per year at a AISC of US$616/oz over a 23-year mine life, Blackwater is an attractive target for a larger cap producer looking to add some growth.**
- **Compelling valuation: With a P/NPV of 0.37x Artemis is trading at roughly a 39% discount to the peer group average P/NAV of 0.61x, with a significant revaluation potential as the Company advances and derisks the Blackwater project (Source: BMO).**

Note: NPV = Net Present Value, IRR = Internal Rate of Return

# Value Creation Through Derisking & Execution

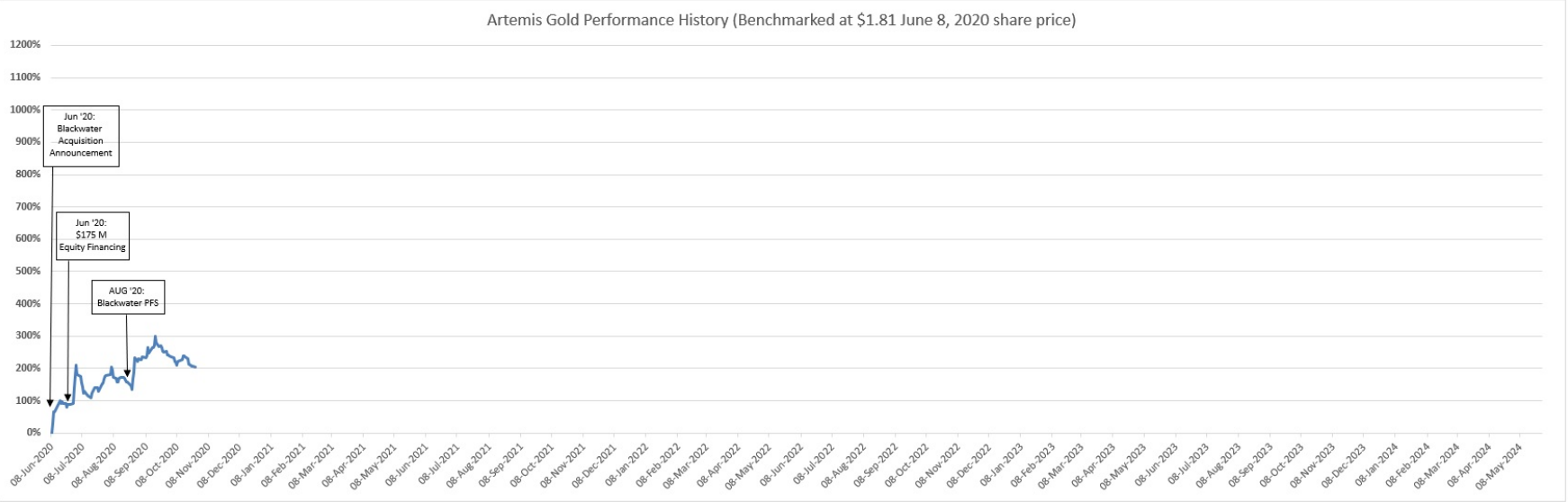
## Atlantic Gold (2014-2019)

- Acquisition to production in 3 years
- +1,129% return for shareholders
- GDXJ Index down 29% during the same period
- Acquired at the all-time high




## Artemis Gold (2019 -)

- Acquired Blackwater in August 2020
- Targeting full project financing in Q4 2021
- Targeting all permits in Q1 2022
- Targeting production in 2024



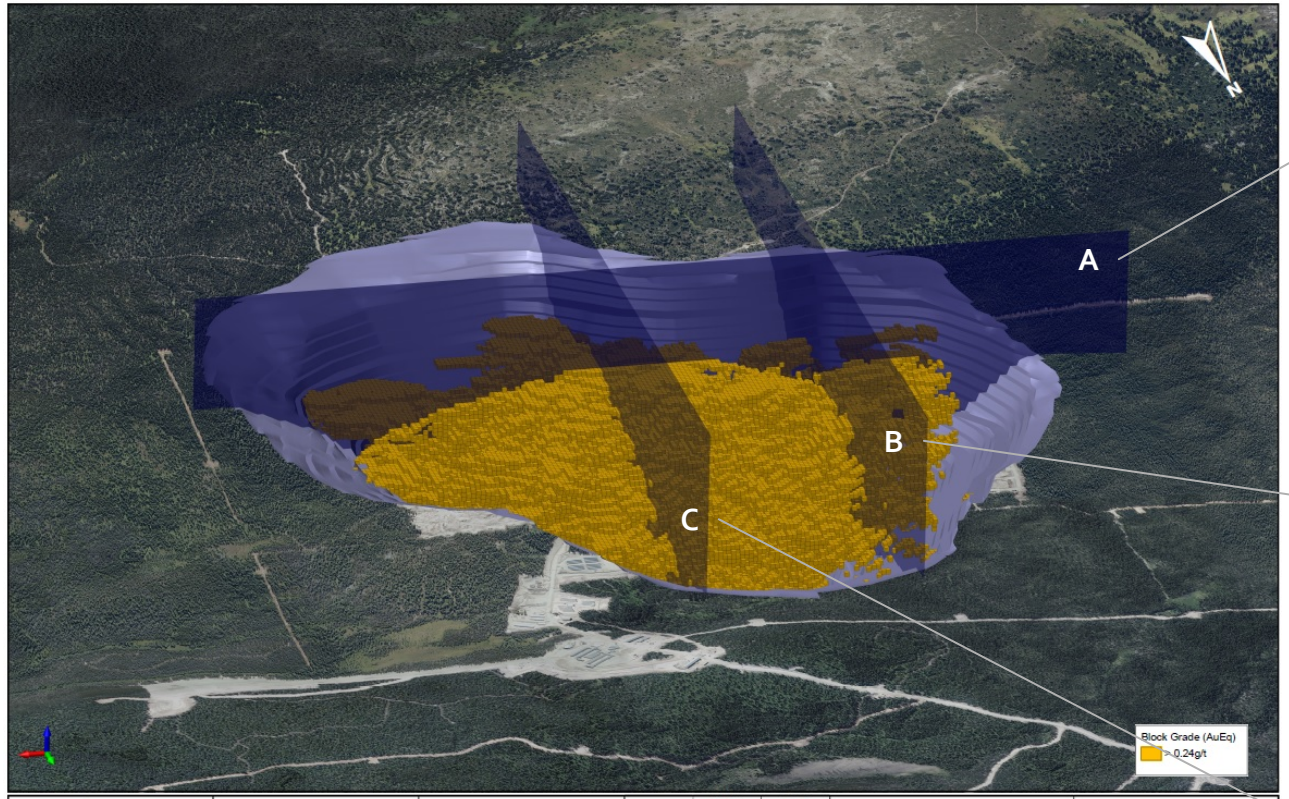
# Blackwater Project 2020 PFS Summary

## -After providing for the gold stream granted to New Gold

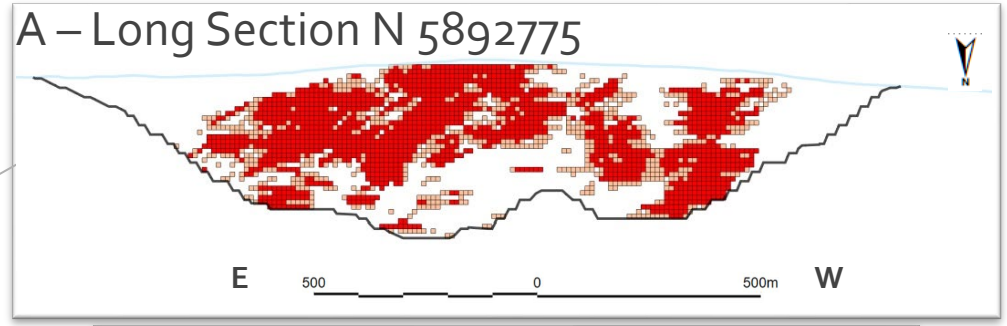
| Gold Price – US$1,541/oz | Phase 1 | Phase 2 | Phase 3 | Phase 4 | LOM |
|---|---|---|---|---|---|
| Years | 1-5 | 6-10 | 11-17 | 18-23 | 1-23 |
| Initial/Expansion Capex | $592m | $426m | $398m | Nil | $1415m |
| Sustaining Capex* | $132m | $199m | $273m | $107m | $711m |
| Throughput (tpa) | 5.5m | 12m | 20m | 20m | Variable |
| **Gold Grade (g/t)** | **1.57** | **1.17** | **0.74** | **0.31** | **0.75** |
| Gold Recovery | 93% | 93% | 93% | 93% | 93% |
| **Avg. Annual Gold Production** | **248,000** | **420,000** | **442,000** | **168,000** | **324,000** |
| **Operating Strip Ratio** | **1.68** | **1.92** | **2.29** | **Nil** | **2.00** |
| Operating Cost (C$/t) | $28.42 | $23.30 | $18.28 | $11.04 | $17.65 |
| AISC (C$/oz) | $668 | $696 | $880 | $1,032 | $811 |
| **Avg. Annual FCF*** | **$262m** | **$351m** | **$318m** | **$102m** | **$257m** |
| Initial Capex Payback Period | | | | | 2.0 Years |
| Levered After-Tax IRR** | | | | | 50% |
| After-Tax NPV (5%) | | | | | C$2,247m |

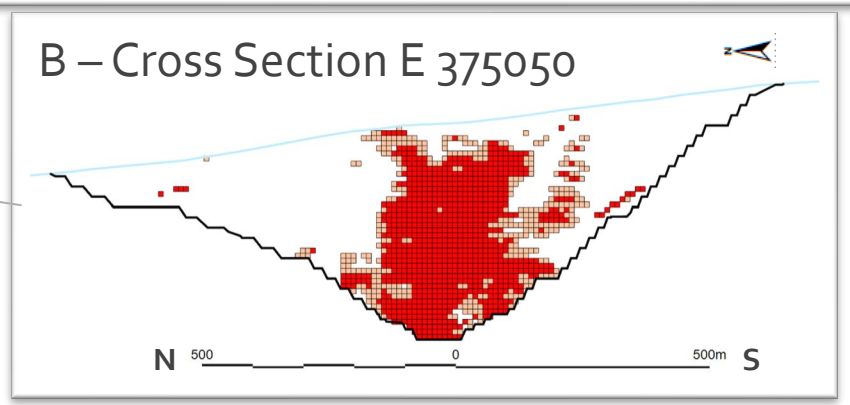
Note: PFS = Pre-Feasibility Study, NPV = Net Present Value, IRR = Internal Rate of Return, Operating Strip Ratio is calculated by dividing waste by processed and stockpiled ore
*FCF = Operating Cash Flow – Sustaining Capex (Including Closure Costs) – Cash Taxes (Excludes Expansion/Growth Capital)
**Refer to News Release Dated August 26, 2020 "Artemis Announces Revised PFS for Blackwater Project" for Levered scenario assumptions

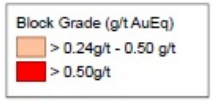
# Continuous Broad Zones of High Grade Mineralization…

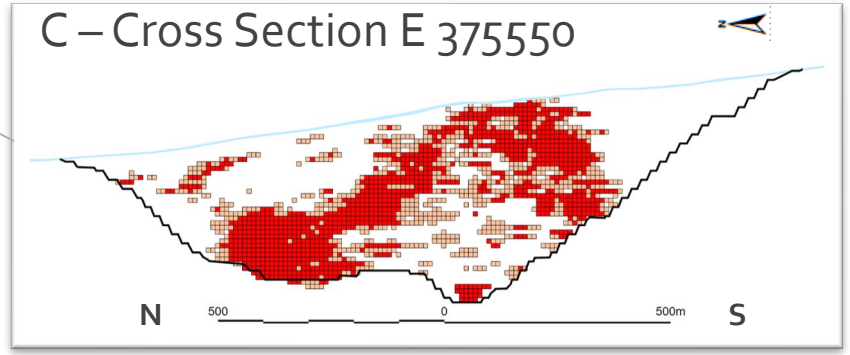



| | | | | | |
|---|---|---|---|---|---|
| ARTEMIS GOLD INC Blackwater Project | Blocks >0.24g/t AuEq<br>Blocksize 10m x 10m | Au Equivalent (g/t)<br>AuEq = Au(g/t) + 0.006*Ag(g/t) | Scale is Approximate<br>Plot Date 05-Nov-2020<br>Sheet 1 of 1<br>Plot File: Vizex<br>100 0 100m | Resource Blockmodel | Blackwater Project<br>Final Pit Design |




# …drives the low strip ratio LOM

# Targeting a High-Grade Starter Zone (Years 1-7)

## Bench 1570 - Within Year 1 Pit Design

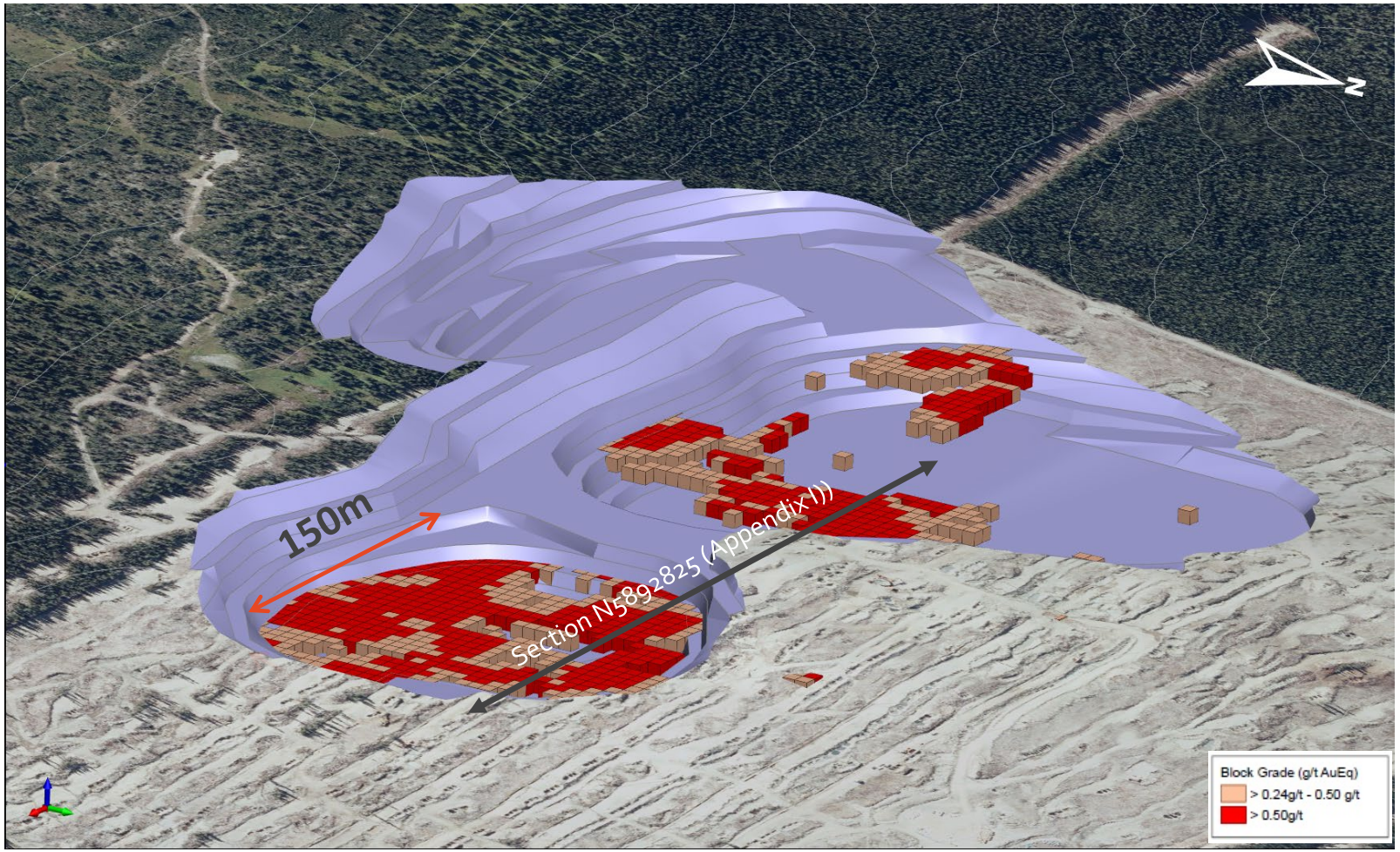
**Higher-grade starter zone for the first seven years:**

- 50.5M tonnes processed through the mill from the southwest part of the deposit
- Grading 1.5 g/t gold
- <2 strip ratio

**Bench 1570:**

- **1 of 7 benches to be mined within the first year of operation**

| Bench 1570 - YR1 | | | |
|---|---|---|---|
| COG (AuEq g/t) | Tonnes (kt) | AuEq (g/t) | koz |
| >0.24 - 0.50 | 795 | 0.36 | 9.20 |
| >0.50 | 1,365 | 1.45 | 63.63 |
| Total | 2,160 | 1.05 | 72.83 |



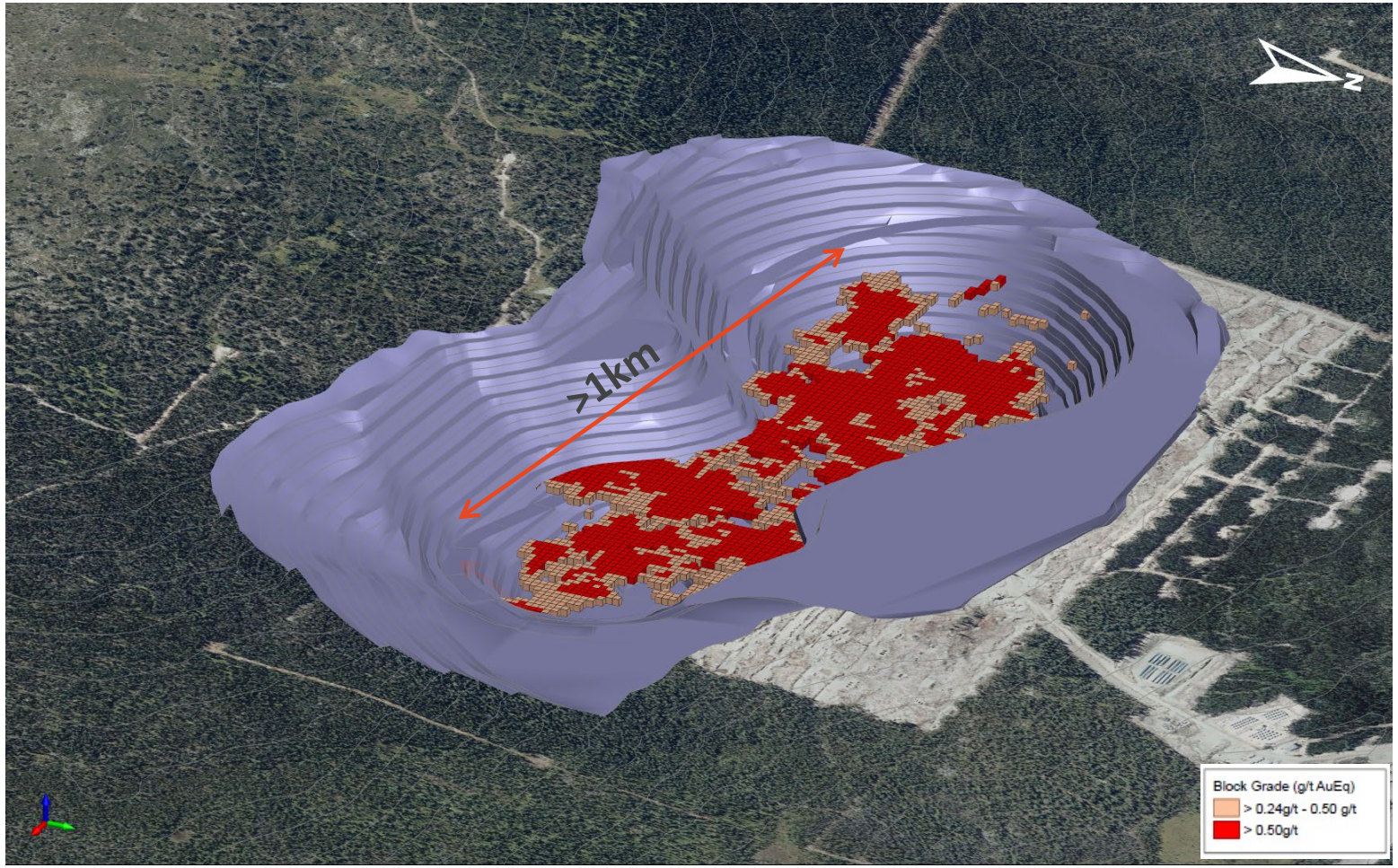
# High Grade Continuity: Ramped up to 35,000 tpd

## Bench 1480 - Within Year 7 Pit Design

Bench 1480:

- 1 of 8 benches to be mined within the seventh year of operation

| Bench 1480 - YR7 | | | |
|---|---|---|---|
| COG (AuEq g/t) | Tonnes (kt) | AuEq (g/t) | koz |
| >0.24 - 0.50 | 2,406 | 0.36 | 27.79 |
| >0.50 | 4,554 | 1.39 | 203.11 |
| Total | 6,960 | 1.03 | 230.90 |



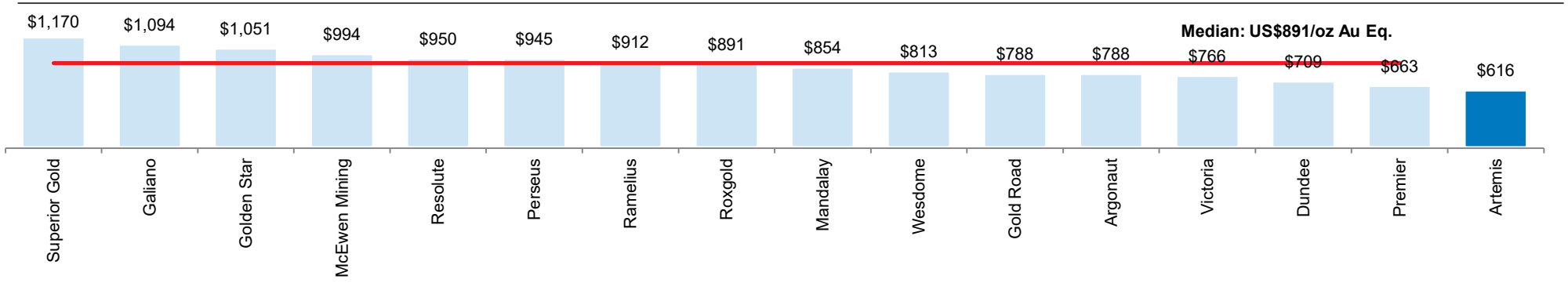
# Differentiators: Blackwater Gold Project

- **Tier 1 mining jurisdiction in Central British Columbia**
- **Environmental Assessments Approved in 2019**
- **Supportive Primary Indigenous Nations**:
  - Participation Agreement with Lhoosk'Uz Dené Nation and the Ulkatcho First Nation executed in April 2019.
- **Manageable Initial Development Capital of $592 M**
- **High-Grade, Low Strip Starter Pit**:
  - Average gold grade of 1.50 g/t gold processed through the mill over the first seven years with a strip ratio of <1.80.
- **Artemis To Benefit from New Gold's Substantial Investment in the project:**
  - Acquired 75% of Blackwater by Acquiring Richfield Ventures ($550 M)
  - Acquired remaining 25% by Acquiring Silver Quest Resources ($121 M)
  - Invested US$290 M in drilling, engineering and permitting
  - >$1 billion invested in the acquisition, exploration and advancement of the Blackwater project by New Gold

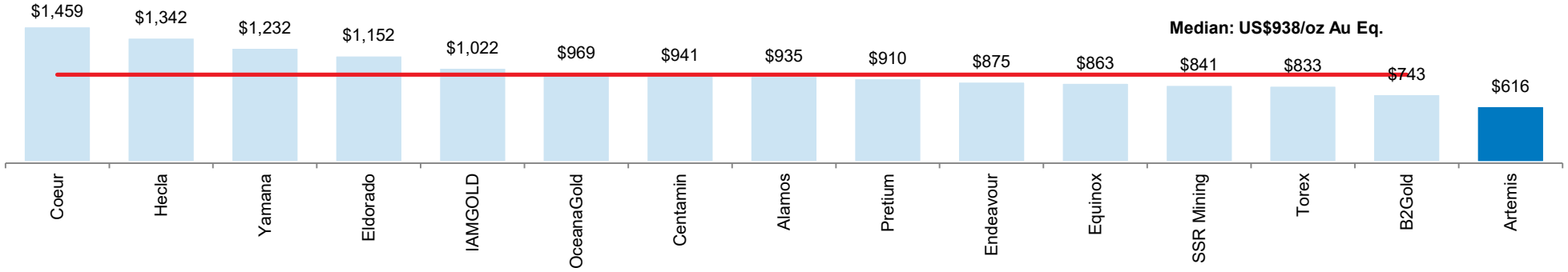
# Blackwater: Bottom Quartile AISC

- The World Gold Council reported average AISC of US$980/oz in Q2 2020
- With AISC of CAD$811 per ounce or US$616 per ounce (assuming 0.76 US$:CAD$ F/X) , Blackwater falls into the bottom quartile of the global cost curve.

2021 CO-PDT AISC (US$/OZ AU EQ.) – JUNIOR PRODUCER GROUP




2021 CO-PDT AISC (US$/OZ AU EQ.) – INTERMEDIATE PRODUCER GROUP

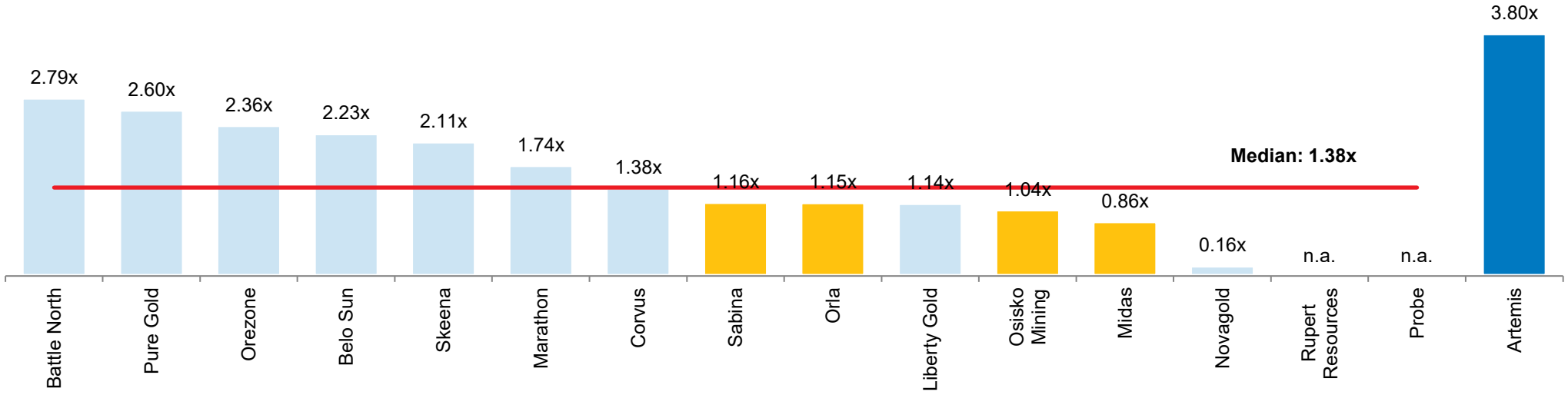



Source: BMO Capital Markets Equity Research, company disclosure, FactSet. Note: AISC = All-In-Sustaining Cash Cost

Note: AISC = All-In Sustaining Costs

# NPV/Capex – Blackwater Stands Out

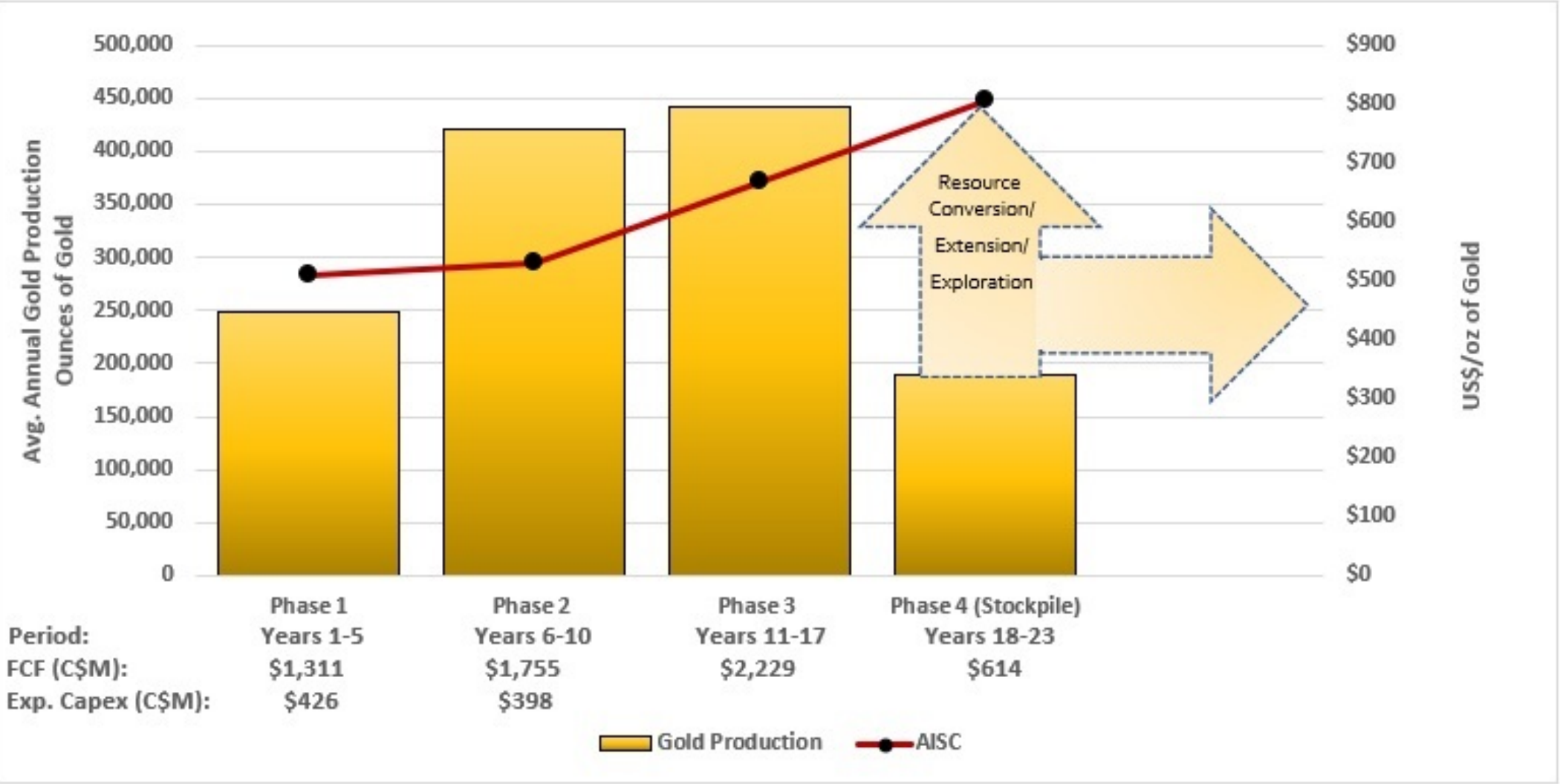
- With an NPV/Initial Capex ratio of 3.8x, the Blackwater project stand out relative to the developer average of 1.38x.




Source: Company disclosure, FactSet, street research

Note: NPV = Net Present Value, Capex = Initial Development Capital

# Blackwater Gold Production and AISC

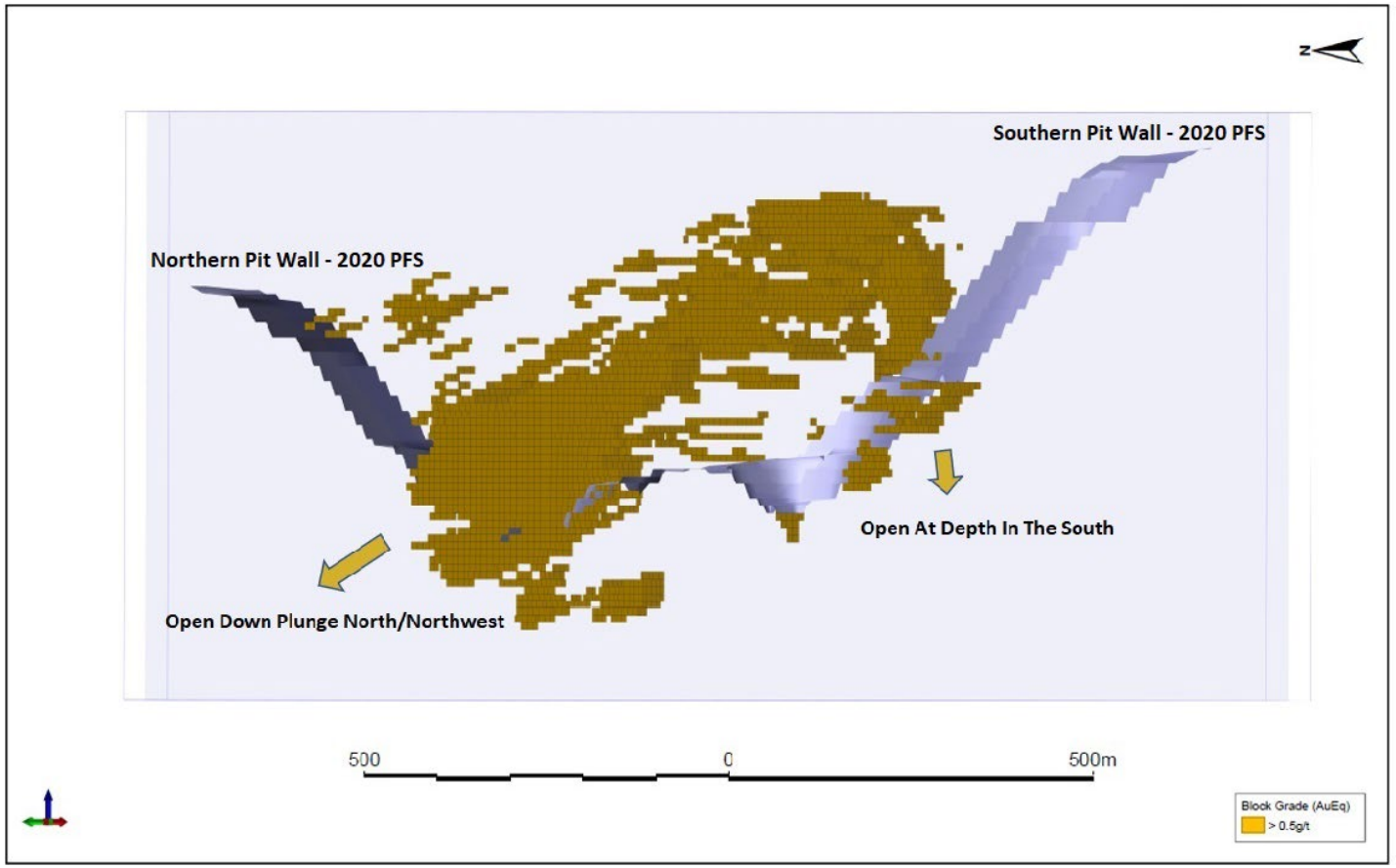



Notes: FCF = Operating Cash Flow – Sustaining Capex (includes Closure Costs) – Cash Taxes (Excludes Expansion/Growth Capital)

Exp. Capex = Expansion Capital, AISC = All-In Sustaining Costs

# Exploration Potential:
## Open to the North, Northwest and at depth

- Already a 23-year reserve life
- Long-term exploration upside potential remains substantial
- Open to the North
- Open to the Northwest
- Open at depth in the South
- 1,500 km² largely untested land package

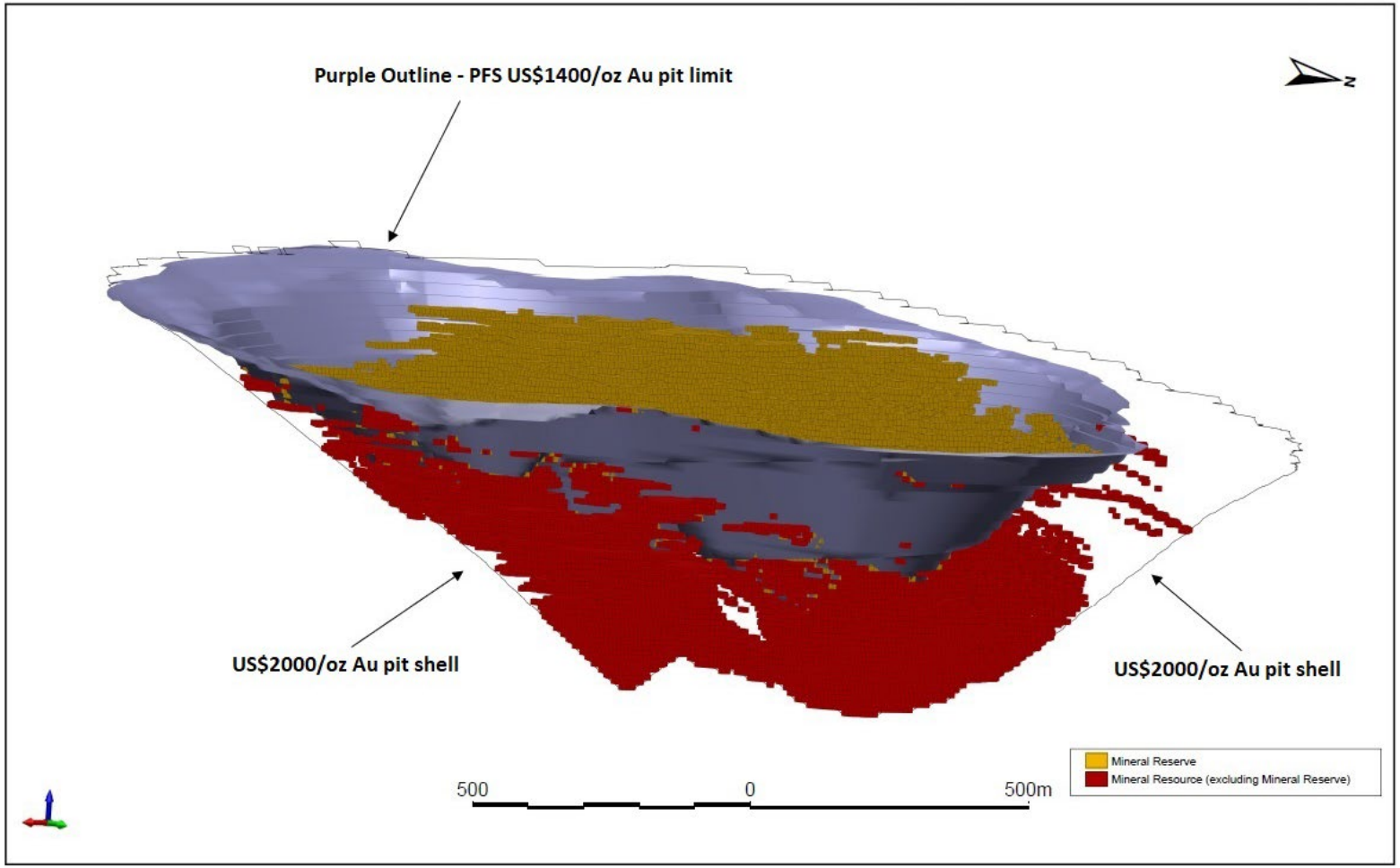


# Gold Price Resource Upside:

## $2,000/oz Au Pit Shell Captures Significantly More Ounces

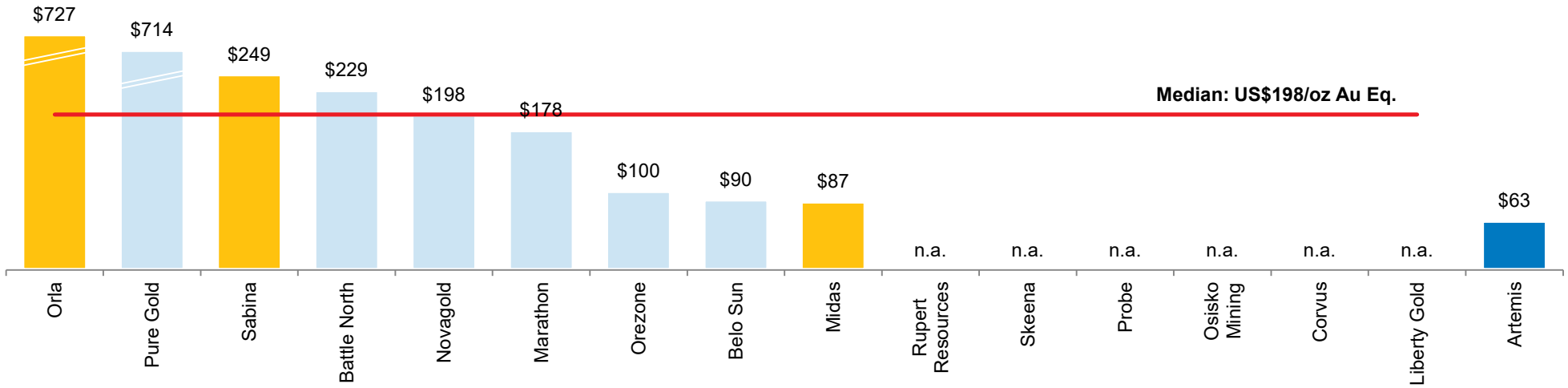
- Current reserves based on a US$1,400/oz gold price pit shell
- At a US$2,000/oz gold price:
  - Pit shell expands
  - Additional M&I resources are potentially captured within the pit
- There is substantial reserve expansion potential without any further exploration

| Additional Resource in $2000 pitshell: | | | |
|---|---|---|---|
| **COG (AuEq g/t)** | **Tonnes (Mt)** | **AuEq** | **Moz** |
| **0.24 - 0.50** | 76.84 | 0.35 | 0.87 |
| **>0.5** | 58.73 | 0.90 | 1.70 |
| **Total** | **135.56** | **0.59** | **2.57** |



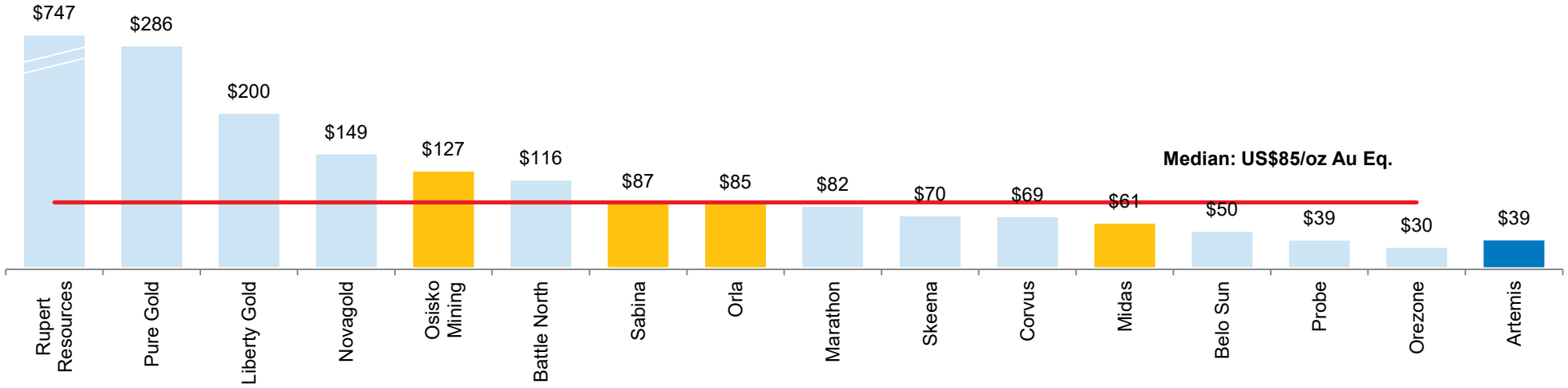
# Developers

EV / RESERVES (US$/OZ AU EQ.)




Source: BMO Capital Markets, Company disclosure, FactSet, street research

EV / RESOURCES (US$/OZ AU EQ.)

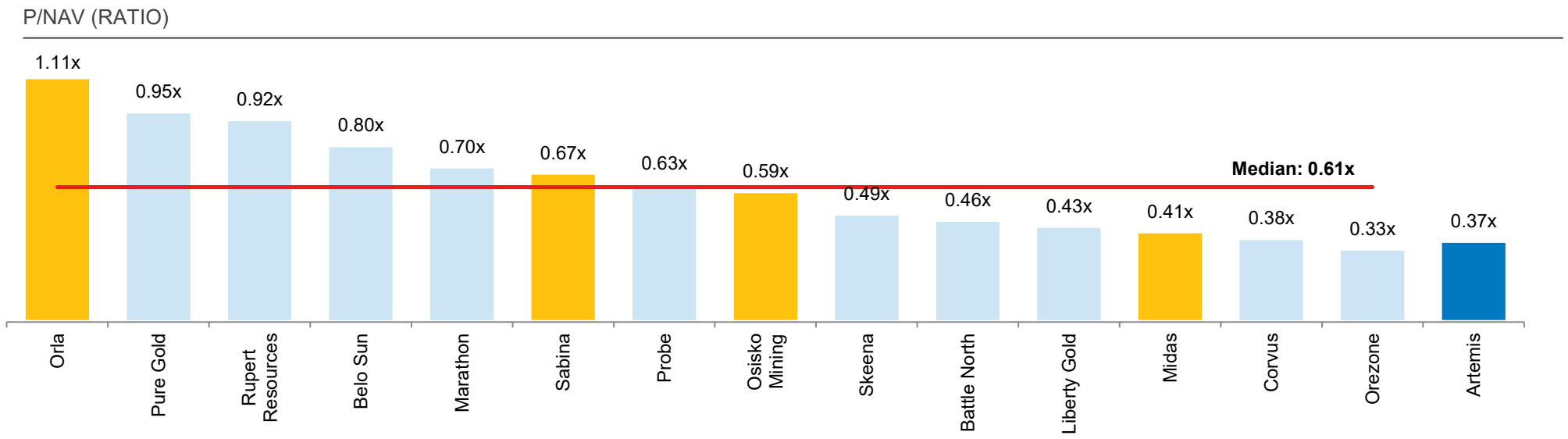



Source: BMO Capital Markets, Company disclosure, FactSet, street research

Note: EV = Enterprise Value

# P/NAV – Selected Developers

- **Artemis is trading at 0.37x P/NAV, a 39% discount to the average developer value of 0.61x P/NAV**



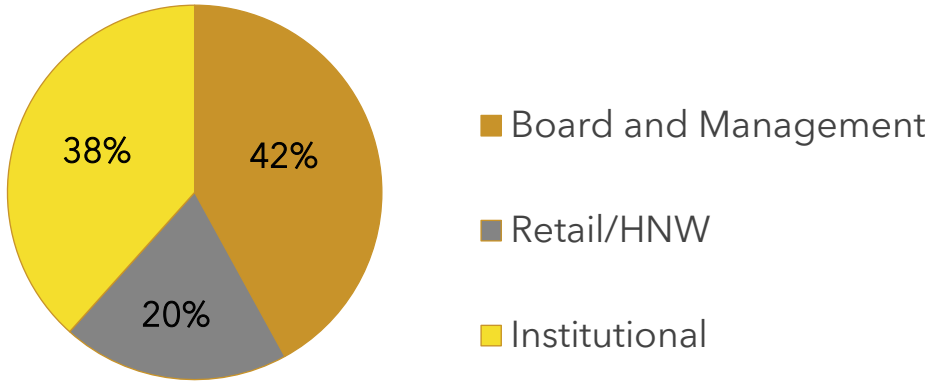

Source: BMO Capital Markets, Company disclosure, FactSet, street research
Note: Artemis NPV of C$2,247m at US$1,541/oz gold price as outlined in the 2020 PFS; NAV includes balance sheet adjustments and US$14 mm investment in Velocity Minerals.

Note: NPV = Net Present Value

# Capital Structure

| Capital Structure (As of November 30, 2020) | |
|---|---|
| Issued & Outstanding Shares (M) | 124 |
| Options (M) | 5 |
| Warrants (M) | 33 |
| Fully Diluted Shares O/S (M) | 162 |
| Share Price (CAD$) | $5.49 |
| Market Capitalization (CAD$, M) | $681 |
| Avg. Daily Market Value Traded (CAD$) | $1,554,000 |
| Cash (CAD$, M) as of 9/30/2020 | $58 |

Ownership, Fully Diluted

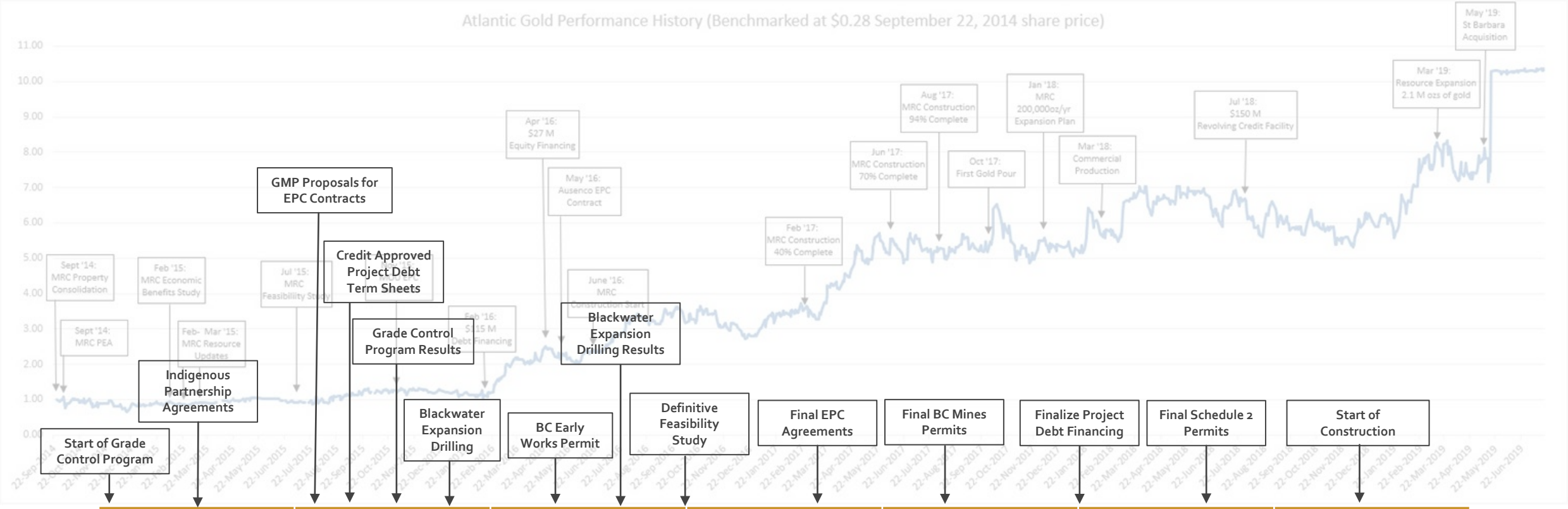



**Major Shareholders:**

- **Ryan Beedie (Director)**
- **Steven Dean (Chairman & CEO)**
- **Blackrock**
- **Sentry**
- **Fourth Sail**
- **Exor**
- **Kopernik**
- **Paulson**
- **New Gold**

# Upcoming Catalyst for Artemis Gold

Steady stream of catalysts and derisking events for ARTG over the next 12 months



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# Appendix I: Grade Control Drilling Program

- 35,000-metre grade control RC Drilling Program to commence in Q4/20
- Targeting ~2.5 M tonnes of Year 1 mill feed

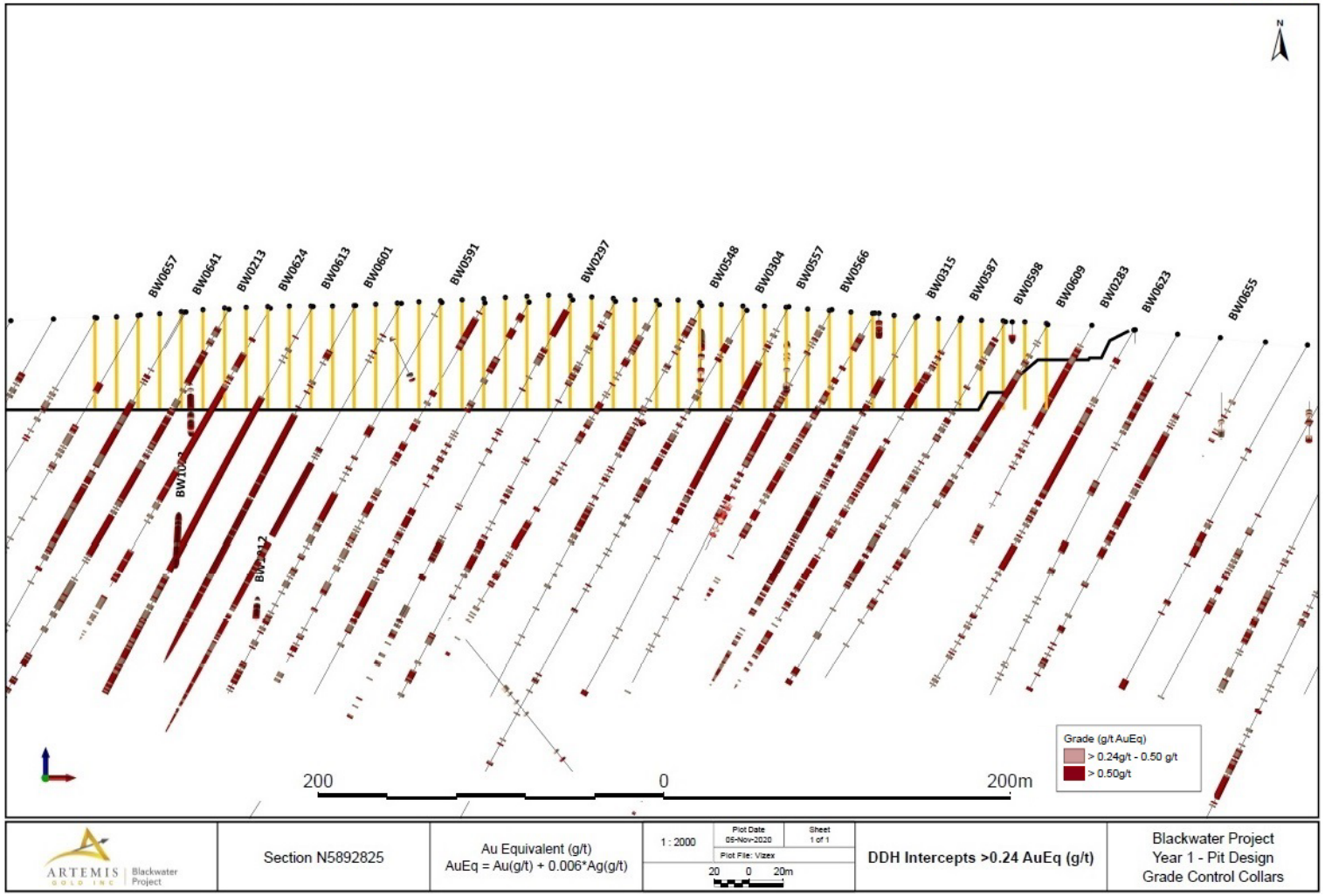
## Program Objectives

- Delineate near surface high-grade mineralization to confidence in the first year of mill feed
  - Will be a continuous program to keep 6+ months ahead of mining
- Improves delineation of ore and waste boundaries, to reduce dilution
- Optimizes grade selectivity and mine schedule for managing tonnes and grade to the mill
- Increases data density by up to 16x over current diamond drilling data
- Improves drill and blast design
- Derisks start up for project financing

# Appendix I: Grade Control Program

## Highlighting selected near surface DD intersections in resource

- **BW0213: 21m @ 1.93 g/t AuEq (28m[1])**
- **BW0283: 29.5m @ 1.99 g/t AuEq (25.5m[1])**
- **BW0297: 17m @ 2.12 g/t AuEq (7m[1])**
- BW0304: 5m @ 2.10 g/t AuEq (23m[1])
- BW0315: 9m @ 3.94 g/t AuEq (43m[1])
- **BW0587: 23m @ 6.24 g/t AuEq (38m[1])**
- BW0598: 5m @ 1.21 g/t AuEq (11m[1])
- BW0609: 12m @ 2.10 g/t AuEq (37m[1])
- BW0624: 8m @ 1.75 g/t AuEq (31m[1])
- BW0657: 5.25m @ 1.12 g/t AuEq (46m[1])
- **BW1012: 48m @ 2.81 g/t AuEq (36m[1])**
- **BW1013: 192.5m @ 2.81 g/t AuEq (7.5m[1])**

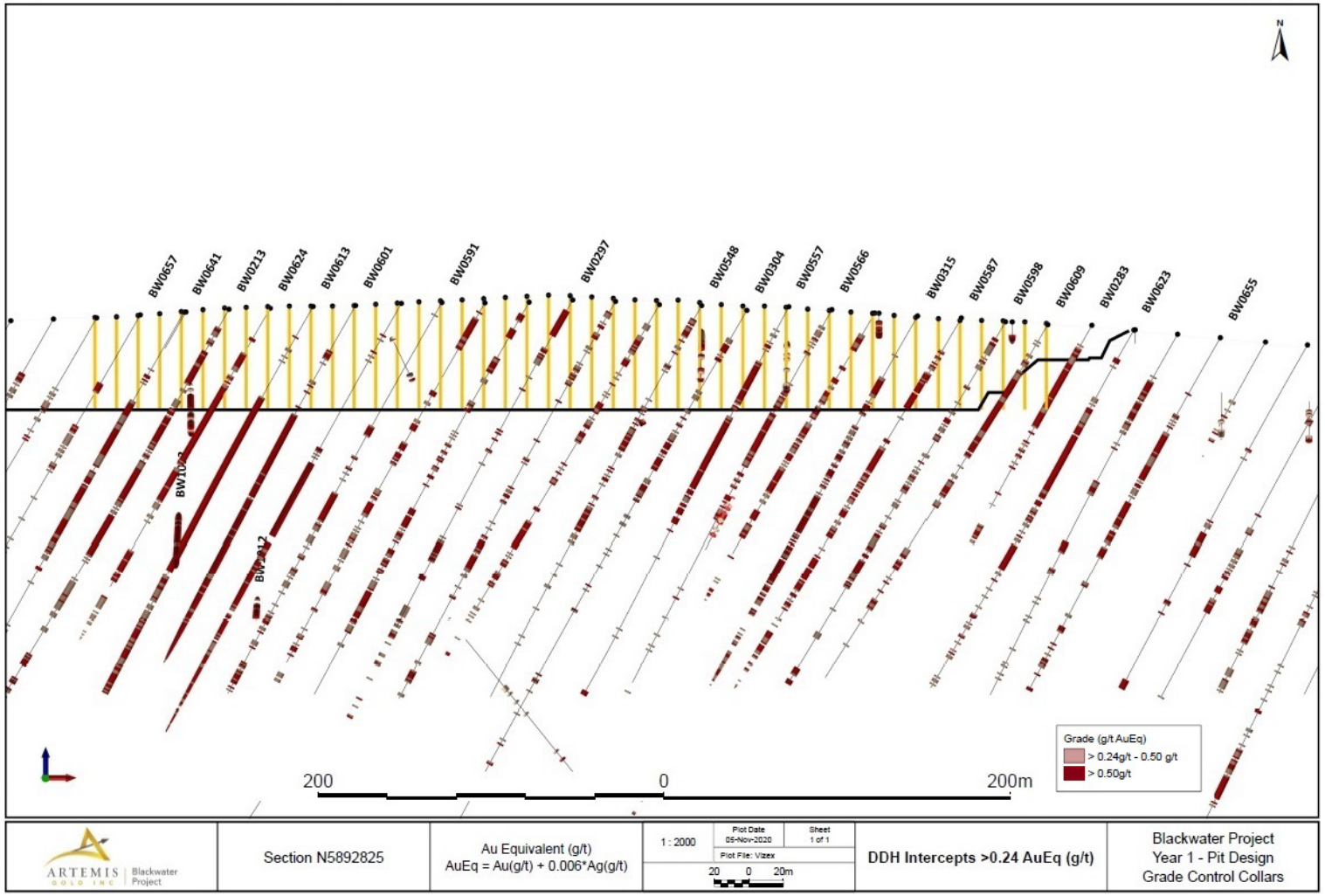



1 Number of metres down drill hole, drill hole intervals do not represent true width

# Appendix I: Grade Control Program

## Highlighting selected DD intersections 50-100m in resource

- BW0283: 9m @ 1.60 g/t AuEq (58m[1])
- BW304: 8m @ 1.36 g/t AuEq (99m[1])
- **BW0548: 11m @ 5.86 g/t AuEq (85m[1])**
- **BW0557: 51m @ 4.06 g/t AuEq (74m[1])**
- **BW0566: 31m @ 2.08 g/t AuEq (69m[1])**
- BW0587: 33m @ 1.15 g/t AuEq (89m[1])
- BW0591: 5m @ 9.16 g/t AuEq (83m[1])
- **BW0601: 103m @ 2.78 g/t AuEq (73m[1])**
- **BW0609: 20m @ 3.26 g/t AuEq (52m[1])**
  13m @ 5.90 g/t AuEq (76m[1])
- **BW0613: 113m @ 4.73 g/t AuEq (61m[1])**
- **BW0623: 55m @ 4.44 g/t AuEq (61m[1])**
- **BW0624: 51m @ 5.60 g/t AuEq (53m[1])**
- BW0641: 17m @ 1.54 g/t AuEq (78m[1])
- BW0655: 14m @ 1.43 g/t AuEq (65m[1])
- **BW1012: 97m @ 2.11 g/t AuEq (91m[1])**




1 Number of metres down drill hole, drill hole intervals do not represent true width

# Appendix II: Analyst Coverage

| Institution | Analyst | Email |
|---|---|---|
| BMO Capital Markets | Andrew Mikitchook | andrew.mikitchook@bmo.com |
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| PI Financial | Chris Thompson | cthompson@pifinancial.com |

*All figures as of October 8, 2020 unless otherwise noted. All amounts are in Canadian Dollars.*