MANAGEMENT DISCUSSION AND ANALYSIS

For the three and six months ended June 30, 2021 and 2020

ARTEMIS GOLD INC.

Dated August 27, 2021

1. GENERAL

This management's discussion and analysis ("**MD&A**") is management's interpretation of the results and financial condition of Artemis Gold Inc. ("**Artemis**" or the "**Company**") for the three and six months ended June 30, 2021, and includes events up to the date of this MD&A. This discussion should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2021 and the related notes thereto (the "**Interim Financial Statements**") and other corporate filings of the Company, including the Company's audited consolidated financial statements for the year ended December 31, 2020 (the "**Annual Financial Statements**"), its most recently filed Annual Information Form ("**AIF**"), all of which are available under the Company's profile on SEDAR at www.sedar.com. Unless otherwise specified, all financial information has been derived from the Company's Interim Financial Statements and Annual Financial Statements which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board applicable to the preparation of interim financial statements including International Accounting Standard 34 - Interim Financial Reporting. All dollar figures stated herein are expressed in Canadian dollars, unless otherwise specified. This MD&A contains forward-looking information. Please see the section, "Note Regarding Forward-Looking Information" for a discussion of the risks, uncertainties and assumptions used to develop the Company's forward-looking information.

2. TECHNICAL INFORMATION

All scientific and technical information herein related to the Blackwater Gold Project located in central British Columbia (the "**Blackwater Project**" or "**Blackwater**") has been reviewed and approved by Mr. Jeremy Langford, FAusIMM., who is the Company's Chief Operating Officer and a qualified person for the purposes of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("**NI 43-101**"). For additional information regarding the Blackwater Project, please see the Company's news release dated August 26, 2020, as well as the Company's technical report entitled "Blackwater Gold Project British Columbia NI 43-101 Technical Report" dated September 18, 2020 (with an effective date of August 26, 2020) (the "**2020 PFS**"), both available on the Company's profile at www.sedar.com.

3. BACKGROUND

Artemis was incorporated on January 10, 2019 pursuant to the *Business Corporations Act* (British Columbia) under the name 1193490 B.C. Ltd. Artemis was incorporated as a wholly-owned subsidiary of Atlantic Gold Corporation for the purpose of acquiring gold mineral exploration properties. The Company's common shares are traded on the TSX Venture Exchange (the "**TSXV**") under the symbol "ARTG".

Since the acquisition of the Blackwater Project from New Gold Inc. ("**New Gold**") on August 21, 2020, the Company's primary focus has been to advance Blackwater to construction.

The Company also holds a 32% equity interest in Velocity Minerals Ltd ("**VLC**"). VLC is in the business of acquiring, exploring, and evaluating mineral resource properties in Bulgaria and its flagship project is the Rozino Project. Velocity's common shares are traded on the TSXV under the symbol "VLC".

HIGHLIGHTS AND KEY BUSINESS DEVELOPMENTS

Corporate highlights since the prior quarter

- The Company continued its work towards de-risking the Blackwater Project by:
  - Executing a credit-approved mandate letter with Macquarie Bank Limited ("**Macquarie**") and National Bank of Canada ("**National Bank**") to arrange a project loan facility (the "**PLF**") in the amount of $360 million plus up to $25 million in capitalized interest, to fund a significant component of the estimated construction costs of the Blackwater Project;
  - Executing an impact benefits agreement (the "**IBA**") with Nazko First Nation ("**Nazko**");
  - Continuing negotiations with other affected indigenous nations;
  - Receipt of the Mines Act Permit M-246 for early construction works (the "**Early Works Permit**"), allowing the Company to commence the necessary site preparation work in anticipation of full-scale development in 2022;
  - Executing a binding memorandum of understanding ("**MOU**") with a consortium of Carisbrooke Consulting Inc., Westpark Electric Ltd. and 1319071 B.C. Ltd., the latter entity representing Nadleh Whuten, the Saik'uz First Nation and the Stellat'en First Nation, and all entities comprising the consortium collectively referred to as the "**Preferred GMP Proponent**". The MOU provides a guaranteed maximum price ("**GMP**") for a fixed-price Engineering, Procurement and Construction ("**EPC**") contract to construct a 135-kilometer long 230kV electricity transmission line and High Voltage (**"HV"**) substation (collectively the "**Power Facilities**") for Blackwater; and

- The Company appointed Ms. Elise Rees, FCPA, FCA, to the Company's board of directors. Concurrent with her appointment as a director of the Company, Ms. Rees was also appointed as Chair of the Company's Audit Committee.

- On May 19, 2021, the Company completed a brokered offering with a syndicate of underwriters to issue 18,853,100 common shares on a bought deal basis at a price of $6.10 per common share (the "Bought Deal Offering"). The Company also announced a Non-Brokered Offering for 9,200,000 common shares, also at a price of $6.10 per common share. The Non-Brokered Offering closed on May 25, 2021, for combined gross proceeds of $171,123,910.

- At the Company's annual general meeting held on August 10, 2021 (the "**2021 AGM**"), Ms. Lisa Ethans, FCPA, FCA and Dr. Janis Shandro were appointed to the Company's Board of Directors. Ms. Ethans and Dr. Shandro, along with Mr. William Armstrong, will comprise the Board's Health, Safety, Environment and Social Performance ("**HSES**") Committee, while Ms. Ethans was also appointed as a member of the Board's Audit Committee.

4. DEVELOPMENT OF BLACKWATER

Key milestones achieved

Since April 1, 2021, the Company has completed the following activities to reduce the project execution risk associated with Blackwater:

i) Execution of PLF Mandate

On April 9, 2021, following a competitive process involving a number of international banks and financiers, the Company received and executed a credit-approved mandate letter with Macquarie and National Bank to arrange a PLF in the amount of $360 million plus capitalized interest of up to $25 million. Subject to final credit approval and final due diligence, Macquarie and National Bank would agree to each underwrite 50% of the PLF. The PLF (if executed on the terms outlined in the mandate letter) will accrue interest at the Canadian Dealer Offered Rate, or CDOR, plus a margin of 4.25% pre-project completion, reducing to 3.75% post-completion. The agreed upfront fees and standby fees are considered customary for a facility of this nature.

Principal and capitalized interest will be repayable in quarterly installments over six years commencing one year following achievement of commercial production, with a repayment holiday during years four and five of production while the Company expects to undertake its expansion of the Project from Phase I to Phase II. The PLF can be prepaid at any time without penalty.

The Company would be required to maintain a minimum balance of $10 million in a proceeds account, while an amount equal to the principal and interest owing in any subsequent quarter will be required to be maintained in a debt service reserve account.

A defined amount of hedging is expected to be put in place in advance of the signing of a definitive credit agreement pending certain conditions being met, covering approximately 10% to 14% of total recovered gold production from the Project during the tenure of the PLF, in order to limit the Company's exposure to reductions in the gold price and in support of project economics.

The provision of the PLF will be subject to final credit approval, completion of final due diligence, the completion of the Company's feasibility study, project finance documentation and other typical conditions precedent for a financing of this nature. The Company is targeting the execution of a definitive credit agreement by the end of Q3 2021.

Notwithstanding the above arrangement with Macquarie and National Bank, the Company continues to consider all financing options including non-bank construction financing proposals in the interests of minimizing shareholder dilution and cost of capital.

ii) Nazko IBA

Effective May 25, 2021, the Company executed an IBA with Nazko. This is in addition to the existing participation agreement with the Lhoosk'uz Dene Nation and Ulkatcho First Nation, the two Indigenous groups whose traditional territories overlap the Project's mine site.

iii) Award of Electricity Transmission Line GMP

Following a competitive bidding process, the Company entered into a binding MOU with the Preferred GMP Proponent. The selection of the Preferred GMP Proponent was based on a proposal to engineer and construct the Power Facilities for a GMP of up to $80 million (before duties or taxes), subject to technical or commercial changes requested by Artemis. The MOU outlines the terms under which the Preferred GMP Proponent will undertake further detailed engineering, which will form the basis of a final fixed price EPC contract. The GMP cost for the Power Facilities is consistent with the capital estimates in the 2020 PFS.

The final fixed price EPC contract on the Power Facilities is expected to represent the second largest component of the capital cost of Blackwater at approximately 14% of the 2020 PFS estimate of initial development capital. Combined with the previously announced GMP for the process plant and associated facilities, Artemis has secured GMP MOU's for 53% of the total initial development capital for Blackwater as outlined in the 2020 PFS.

Ultimately, Artemis is targeting approximately 60% of the initial development capital for Blackwater to be insulated from capital cost and schedule overruns once final fixed price EPC contracts for the processing plant, onsite infrastructure, Power Facilities and potentially other site preparation and infrastructure have been executed.

iv) Receipt of Early Works Permit

The Company obtained approval of its *Mines Act* Permit M-246 allowing for early construction works at the Blackwater Project**.** The approval of the early works permit is the first step required for mine construction, allowing for the necessary site preparation and land clearing work to begin.

ESG initiatives

Artemis is committed to the responsible development of the Blackwater Project. The Company has engaged The Terron Group LLC ("**Terron**") to provide integrated Environmental, Social and Governance ("**ESG**") services and management training within the organization. Terron's support services are targeted to help Artemis advance Blackwater in adherence with the Equator Principles ("**EP**") and International Finance Corporation ("**IFC**") performance standards and to develop and align the Company's ESG practices and protocols in accordance with such standards.

Terron's managing partners have over 50 years of collective experience creating better shared outcomes for companies, communities, and the environment through high-impact ESG solutions. Terron has extensive experience supporting projects globally and in British Columbia to adhere to EP and IFC standards. Terron performs its work acknowledging Indigenous Peoples Rights and reconciliation.

Following the 2021 AGM, the Board established the HSES Committee which, along with the Board's existing Nominating and Corporate Governance Committee, will oversee the Company's ESG initiatives. The inaugural HSES Committee members are Ms. Lisa Ethans, Dr. Janis Shandro and Mr. William Armstrong.

Next steps

Over the next 3-12 months, the Company will be focused on the following activities:

- Finalizing work on the feasibility study based on the revised development approach with detailed engineering of the Blackwater Project;
- Publishing the NI43-101-compliant technical report associated with the feasibility study;
- Negotiating and awarding of lump-sum fixed price EPC contracts in respect of key components of construction of the Blackwater Project;
- Completing the due diligence process and finalizing definitive agreements associated with the PLF and other project financing;
- Continuing engagement and consultation with Indigenous groups who may be impacted by the Blackwater Project;
- Progression and achievement of final permitting required to commence construction; and
- Commencing early works and construction.

5. DISCUSSION OF OPERATIONS

During the three and six months ended June 30, 2021, the Company incurred a net loss of $3,269,654 and $6,785,876, respectively, compared to a net income for the three months ended June 30, 2020, and a net loss for the six months ended June 30, 2020, of $3,882,635 (income) and $742,056 (loss), respectively. In this MD&A, the three months ended June 30, 2021, may be referred to as ("**Q2 2021**"), while the six months ended June 30, 2021, may be referred to as ("**YTD 2021**"). Similarly, the three months ended June 30, 2020, may be referred to as ("**Q2 2020**"), while the six months ended June 30, 2020, may be referred to as ("**YTD 2020**").

The following information has been derived from the Interim Financial Statements and should be read in conjunction with the Company's Interim Financial Statements, which are available on www.sedar.com.

	Q2 2021 $	Q2 2020 $	**YTD 2021** $	**YTD 2020** $
Operating expenses				
Depreciation	**80,821**	43,753	**154,805**	**83,742**
Management fees and wages	**728,227**	288,449	**1,470,776**	**602,650**
Investor relations and corporate development	**65,593**	130,466	**162,270**	**274,392**
Office, Insurance and general	**216,225**	69,470	**405,896**	**139,413**
Professional fees	**213,403**	91,643	**462,753**	**126,319**
Share-based payments	**1,146,296**	257,552	**2,183,204**	**781,118**
Transfer agent and regulatory	**53,229**	30,296	**110,520**	**38,929**
Loss from operations	**(2,503,794)**	(911,629)	**(4,950,224)**	**(2,046,563)**
Other (expense) income				
Accretion expense on lease liability	**(20,929)**	(13,597)	**(42,552)**	**(27,540)**
Accretion expense on asset retirement obligation	**(17,989)**	-	**(40,228)**	**-**
Equity loss from investment in associate	**(200,229)**	(57,636)	**(343,393)**	**(156,685)**
Fair value adjustment on convertible debtenture	**-**	3,605,547	**(795,646)**	**978,766**
Fair value adjustment on warrants	**(686,676)**	1,732,688	**(893,115)**	**101,754**
Interest income	**159,963**	85,296	**279,282**	**251,818**
Net (loss) income before income taxes	**(3,269,654)**	4,440,669	**(6,785,876)**	**(898,450)**
Deferred income tax (expense) recovery	**-**	(558,034)	**-**	**156,394**
Net (loss) income	**(3,269,654)**	3,882,635	**(6,785,876)**	**(742,056)**
Other comprehensive loss, net of tax				
Items that will not be reclassified to net loss				
Gains (losses) on marketable securities	**101,671**	1,145,849	**(165,589)**	**1,242,623**
Comprehensive (loss) income	**(3,167,983)**	5,028,484	**(6,951,465)**	**500,567**
(Loss) earnings per common share				
Basic	**(0.02)**	0.08	**(0.05)**	**(0.02)**
Diluted	**(0.02)**	0.06	**(0.05)**	**(0.02)**
Weighted average number of common shares outstanding				
Basic	**136,935,176**	48,397,527	**130,631,649**	**48,288,816**
Diluted	**136,935,176**	63,752,976	**130,631,649**	**48,288,816**

The following includes an analysis of significant factors that impacted period-to-period variations:

Management fees and wages

Management fees and wages for Q2 2021 were $439,778 higher than during Q2 2020. The increase was predominantly due to additional hires following the completion of the acquisition of Blackwater in Q3 2020, as well as accruals associated with the Company's short-term incentive program. The Company continued to strengthen the management team throughout 2021 as the Company positions itself to execute on the development plan for Blackwater.

These factors also contributed to the management fees and wages for YTD 2021 being $868,126 higher than during YTD 2020.

Investor relations and corporate development

The decrease in investor relations and corporate development expenses from Q2 2020 to Q2 2021 and YTD 2020 to YTD 2021 of $64,873 and $112,122, respectively, reflects that the Company's activities have shifted from evaluating corporate development opportunities to being focused on the development of Blackwater.

Office, Insurance and general

Office, insurance and general expenses were $146,755 higher for Q2 2021 when compared to Q2 2020. This reflected the costs of operating the corporate head office in Vancouver as the scope of the Company's focus expanded following the acquisition of the Blackwater Project in Q3 2020.
Similarly, the office, insurance and general expenses for YTD 2021 were $266,483 higher than YTD 2020.

Professional fees

Professional fees increased by $121,760 during Q2 2021, compared to Q2 2020. The increase related predominantly to consulting fees associated with the Company's ESG initiatives, quarterly accruals for the 2021 audit fees, as well as consulting related to the Company's hiring and resourcing activities.

Professional fees for YTD 2021 were $336,434 higher than YTD 2020, due to the factors listed above, as well as costs associated with filing the Company's base shelf prospectus in early 2021.

Share-based payments

Stock-based compensation increased by $888,744 and $1,402,086, respectively, when comparing Q2 2021 to Q2 2020 and YTD 2021 to YTD 2020. The increases relate to (i) new hires who joined the Company concurrent with and subsequent to the completion of the Blackwater acquisition in Q3 2020 and received stock options and (ii) the fact that options vest over three years (with the first grant only occurring in Q4 2019; share-based compensation is therefore expected to continue to increase for the next twelve months until such time as the initial grants of stock options have fully vested).

Changes associated with investment in VLC

The investment in VLC is comprised of:

	Investment in associate $	Convertible debenture $	Warrants $	Total $
Balance, January 1, 2020	5,639,902	9,999,434	2,351,844	17,991,180
Investment	3,825,858	-	240,897	4,066,755
Fair value change for the year	-	1,410,550	106,721	1,517,271
Shares received in settlement of interest	432,990	(432,990)	-	-
Equity loss on investment in associate	(418,996)	-	-	(418,996)
Balance, December 31, 2020	**9,479,754**	**10,976,994**	**2,699,462**	**23,156,210**
Shares received on conversion of debenture	10,181,348	(10,181,348)	-	-
Fair value change in the period	-	(795,646)	(893,115)	(1,688,761)
Equity loss on investment in associate	(343,393)	-	-	(343,393)
Balance, June 30, 2021	**19,317,709**	**-**	**1,806,347**	**21,124,056**

Equity loss on investment in associate

The Company applies equity accounting over its investment in the common shares of VLC as the Company has significant influence over VLC due to its share ownership in the Company and its board representation. As a result, at inception of the investment, the common shares were recognized at attributed cost, with the carrying amount of the investment increasing or decreasing to recognize the Company's proportionate share of the profit or loss of VLC at each reporting period.

On March 25, 2021, the Company exercised its conversion option on the convertible debenture which had a face value of $5,094,000 plus accrued interest of $208,784, in exchange for 21,211,136 common shares of VLC. This brought the Company's interest in the common shares of VLC to 50,701,138 (or 32.2% of VLC's issued and outstanding common shares at the time). VLC's most recently reported net loss for the three and six months prior to June 30, 2021 (for the period ended March 31, 2021) totaled $601,172 and $1,223,784, respectively, based on the most recently reported information available as at the time of preparation of this MD&A. As at June 30, 2021, the fair market value of the Company's 50,701,138 VLC common shares was $21,801,489.

Fair value adjustment on convertible debenture

During YTD 2021, the Company recorded a non-cash fair value loss on the convertible debenture of $795,646, prior to the conversion of the convertible debenture.

Fair value adjustment on warrants

The Company's warrants in VLC are measured at FVTPL which resulted in losses for Q2 2021 and YTD 2021 of $686,676 and $893,115, respectively. The Company used the Black-Scholes option pricing model to calculate the fair value of the warrants held in VLC and the losses for the three and six months ended June 30, 2021 resulted primarily from a decrease in VLC's share price during Q2 2021 as VLC's share price reduced from $0.49 per share to $0.43 per share.

Deferred Income Tax

As at June 30, 2021, the Company's temporary differences (between carrying values and tax bases of assets and liabilities) were in a net deductible position. However, since the Company has determined that the deductible temporary differences are not yet expected to be more-likely-than-not to be realized, no deferred tax asset was recognized (consistent with the prior period-end). As a result, the Company recorded a $nil income tax expense. During Q2 2020, the Company recorded a deferred income tax expense of $558,034 in order to reflect its deferred tax liability at the time.

6. SUMMARY OF QUARTERLY RESULTS

The following information is derived from the Company's Interim Financial Statements prepared in accordance with IFRS applicable to interim financial reporting including IAS 34 – *Interim Financial Reporting*. For quarterly periods other than those ended December 31, the information below should be read in conjunction with the Company's Interim Financial Statements for each of the past quarters. Consistent with the preparation and presentation of the financial statements, these unaudited quarterly results are presented in Canadian dollars, except per share information.

	Q2 2021	Q1 2021 $	Q4 2020 $	Q3 2020 $
Revenue	-	-	-	-
Net (loss) income	(3,269,654)	(3,516,222)	(953,204)	(2,237,147)
Basic (loss) income per share	(0.02)	(0.03)	(0.01)	(0.03)
Diluted (loss) income per share	(0.02)	(0.03)	(0.01)	(0.03)
Cash dividend declared per share	nil	nil	nil	nil
	Q2 2020 $	Q1 2020 $	Q4 2019 $	Q3 2019 $
Revenue	-	-	-	-
Net (loss) income	3,882,635	(4,624,691)	(1,208,292)	1,387,978
Basic (loss) income per share	0.08	(0.10)	(0.06)	0.06
Diluted (loss) income per share	0.06	(0.10)	(0.06)	0.06
Cash dividend declared per share	nil	nil	nil	nil

The Company is focused on the development of the Blackwater project and does not yet generate any revenue. It is the Company's policy to capitalize all exploration and evaluation expenses incurred and as such the changes in net income from one period to another depend largely on corporate and administrative expenditure, non-cash fair value adjustments and equity accounting associated with the Company's interest in VLC, as well as non-cash deferred income tax expenses and recoveries.

The Company's common shares commenced trading on the TSXV on October 2, 2019. Since Q3 2019, corporate and administrative expenditure remained relatively consistent until the acquisition of Blackwater in Q3 2020. Concurrent with the acquisition of Blackwater, the Company commenced with building up of human resources, resulting in increased wages, office expenses and share-based compensation from Q3 2020 onwards.

In addition to the foregoing, the predominant reason for fluctuations in net (loss) income from one quarter to another was the following changes in fair value adjustments to the Company's convertible debt and warrants held in VLC:

	Q2 2021	Q1 2021 $	Q4 2020 $	Q3 2020 $
Fair value adjustment on convertible debt	-	(795,646)	1,044,477	(612,693)
Fair value adjustment on warrants	(686,676)	(206,439)	384,333	(379,366)
	Q2 2020 $	Q1 2020 $	Q4 2019 $	Q3 2019 $
Fair value adjustment on convertible debt	3,605,547	(2,626,781)	97,261	(21,227)
Fair value adjustment on warrants	1,732,688	(1,630,934)	(84,478)	-

7. LIQUIDITY, CAPITAL RESOURCES, CASH FLOWS AND SELECTED ANNUAL INFORMATION

Liquidity

As a development-stage company, Artemis does not have revenues and is expected to incur operating losses. As at June 30, 2021, the Company's net assets and working capital position were as follows:

	As at June 30, 2021 $	As at December 31, 2020 $
Assets		
Cash and cash equivalents	**201,190,654**	51,846,826
Other current assets	**4,238,694**	4,951,253
Current assets	**205,429,348**	56,798,079
Restricted cash	**570,800**	540,800
Other non-current assets	**315,797,043**	295,334,486
TOTAL ASSETS	**521,797,191**	352,673,365
Consideration payable	**49,311,930**	47,247,708
Other current liabilities	**8,378,703**	4,648,258
Current liabilities	**57,690,633**	51,895,966
Non-current liabilities	**42,505,547**	41,539,253
TOTAL LIABILITIES	**100,196,180**	93,435,219
NET ASSETS	**421,601,011**	259,238,146
WORKING CAPITAL	**147,738,715**	4,902,113

As at June 30, 2021, the Company had the following undiscounted obligations:

	< 1 year $	1 - 3 years $	4 - 5 years $	> 5 years $	Total $
Accounts payable and accrued liabilites	8,037,365	-	-	-	**8,037,365**
Lease liability	341,338	733,916	568,184	-	**1,643,438**
Consideration payable	50,000,000	-	-	-	**50,000,000**
Variable consideration payable	-	-	-	84,000,000	**84,000,000**
Asset retirement obligation	-	-	-	11,637,000	**11,637,000**

In addition to the Company's working capital balance of $147,738,715 as at June 30, 2021, the Company's investment in common shares of VLC had a fair value of $21,801,489 as at June 30, 2021.

As at June 30, 2021, the Company expects that its working capital position provides sufficient resources available to meet its contractual obligations for the ensuing 12 months.

The Company has not paid any dividends and management does not expect that this will change in the near future.

Working capital is held almost entirely in cash, significantly reducing any liquidity risk of financial instruments held by Artemis.

Cash flows

	For the three months ended June 30, 2021 $	For the three months ended June 30, 2020 $	**For the six months ended June 30, 2021** $	For the six months ended June 30, 2020 $
Net cash used in operating activities	**(753,499)**	(738,717)	**(1,899,578)**	(1,259,122)
Net cash used in investing activities	**(6,797,738)**	(206,031)	**(15,093,119)**	(2,634,404)
Net cash provided by financing activities	**166,321,312**	651,390	**166,336,525**	692,500
Change in cash and cash equivalents	**158,770,075**	(293,358)	**149,343,828**	(3,201,027)
Cash and cash equivalents, beginning	**42,420,579**	28,594,640	**51,846,826**	31,502,309
Cash and cash equivalents, ending	**201,190,654**	28,301,282	**201,190,654**	28,301,282
Restricted cash, ending	**570,800**	6,550,169	**570,800**	6,550,169
Total cash, cash equivalents and restricted cash, ending	**201,761,454**	34,851,451	**201,761,454**	34,851,451

Cash flows from operating activities

Cash used in operating activities for Q2 2021 were comparable to that of Q2 2020. However, the cash flow used in operating activities for YTD 2021 were $640,456 higher than YTD 2020. This was predominantly the result of the increased scope of the Company's development activities as the Company commenced expanding its management team in conjunction with the Blackwater acquisition and also incurred professional fees associated with the finalization of the Company's base shelf prospectus.

Cash flows from investing activities

Cash used in investing activities increased by $6,591,707 in Q2 2021 compared to Q2 2020. This was predominantly the result of $7,228,804 spent on development activities at Blackwater (which was acquired in Q3 2020). The cost incurred related to engineering, permitting and environmental activities, engagement with stakeholders, site investigation, as well as the execution of the GC drilling program. The impact of development expenditure on Blackwater was partly offset by interest income of $425,886 and $294,391 proceeds from a partial disposition of marketable securities.

These factors also contributed to cash used in investing activities increasing by $12,458,715 when comparing YTD 2021 to YTD 2020.

Cash flows from financing activities

The increase in cash provided by financing activities when comparing Q2 2021 to Q2 2020 and YTD 2021 to YTD 2020 predominantly reflects the net proceeds from the Bought Deal Offering and the Non-Brokered Offering.

Use of Proceeds

The following table includes a comparison of actual use of proceeds to previous disclosures made by the Company during the past year:

	Intended use of proceeds $	Actual use of proceeds $
Net proceeds from private placements completed on July 7, 2020 and September 2, 2020	170,479,845	
Net proceeds from Bought Deal Offering and the Non-Brokered Offering	164,962,717	
	335,442,562	
Acquisition of Blackwater	140,000,000	140,000,000
Payment of consideration payable to New Gold	50,000,000	-
Advancing development of Blackwater and general working capital	145,442,562	22,553,192
Remaining in treasury	-	172,889,370
Total net proceeds		335,442,562

The $50 million consideration payable to New Gold was paid by August 23, 2021. The balance of the proceeds remaining in treasury is intended to be applied towards (i) ongoing permitting costs, (ii) costs associated with detailed engineering and preparation of the feasibility study, (iii) financing costs, (iv) pre-development and development expenditures as contemplated in the Company's 2020 PFS, including the costs associated with mobilizing the EPC contractors, placing orders for longer-lead construction items, commencing earthworks and development of offsite infrastructure including road access and power supply to the Blackwater site, as well as (v) implementation payments associated with participation agreements with indigenous nations and (vi) general corporate purposes.

8. TRANSACTIONS BETWEEN RELATED PARTIES

Key management included the Company's directors, Chief Executive Officer, Chief Financial Officer and Chief Operating Officer. Compensation awarded to key management for the three and six months ended June 30, 2021 and 2020 comprised the following:

	For the three months ended June 30, 2021 $	For the three months ended June 30, 2020 $	**For the six months ended June 30, 2021 $**	For the six months ended June 30, 2020 $
Salaries and benefits	**206,331**	59,709	**484,191**	130,900
Consulting fees	**143,750**	87,500	**287,500**	175,000
Directors' fees	**107,083**	41,250	**188,333**	82,500
Share-based payments	**1,012,093**	190,394	**1,989,090**	564,335
	1,469,257	378,853	**2,949,114**	952,735

9. OFF-BALANCE SHEET ARRANGEMENTS

The Company had no off-balance sheet arrangements as at June 30, 2021 or as at the date hereof.

10. SUBSEQUENT EVENTS

a) On August 12, 2021, 2,583,443 of the Company's share purchase warrants in VLC expired unexercised as the exercise price of the share purchase warrants ($0.55 per share purchase warrant) remained in excess of the prevailing share price of VLC.

b) On August 23, 2021, the Company settled the $50 million consideration that at the time remained payable to New Gold in regards to the acquisition of the Blackwater Project.

11. OUTSTANDING SHARE DATA

The authorized capital of Artemis consists of an unlimited number of common shares. As of the date of this report, there were 153,494,702 common shares, 5,702,000 stock options and 31,503,242 warrants outstanding. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of $1.08 per until August 27, 2024.

12. CAPITAL RESOURCES

The Company's objective in managing capital is to safeguard the Company's ability to continue as a going concern, to maintain a flexible capital structure which optimizes cost of capital at acceptable risk, and to provide reasonable returns to shareholders. The Company manages the capital structure and makes adjustments in light of changes in economic conditions, foreign exchange rates and the risk characteristics of the Company's assets. In order to maintain or adjust the capital structure, the Company may issue new shares, or sell interests in assets to improve working capital. The Company has no other externally imposed capital requirements. In order for the Company to meet its obligations and undertake its intended discretionary spending related to further development of the Blackwater Project, it may choose to fund such expenditures by obtaining financing through additional equity financing, through debt financing, through a sale of interest in its assets or a combination thereof.

13. FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's financial instruments consist of cash and cash equivalents, interest receivables and deposits, and the investment in VLC warrants which are designated as fair value through profit and loss. The Company's marketable securities are designated as fair value through other comprehensive income and loss. The Company's financial instruments also include accounts payable and consideration payable, which are measured at amortised cost.

Fair value measurements

A three-level hierarchy for fair value measurements exists based upon the significance of inputs used in making fair value measurements:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 – Inputs for the asset or liability that are not based on observable market data.

As at June 30, 2021, the carrying value of the Company's cash and cash equivalents, receivables, as well as accounts payable approximate their fair values due to their short-term nature, while the Company's investments in marketable securities and warrants in VLC are carried at fair value. The carrying value of consideration payable and other variable consideration payable are considered to approximate their fair value. The fair value of the Company's equity investment in VLC is disclosed in note 4 to the Interim Financial Statements.

Fair value is based on available public market information or, when such information is not available, estimated using present value techniques and assumptions concerning the amount and timing of future cash flows and discount rates which factor in the appropriate credit risk. The fair value of the Company's investment in the VLC warrants, as well as consideration payable and other variable consideration payable, are categorized as Level 3 in the fair value hierarchy as observable market data for these instruments are not available. Marketable securities are categorized as Level 1.

14. CHANGES IN ACCOUNTING POLICIES

a) Accounting standards adopted January 1, 2021

There were no new standards effective January 1, 2021 that had an impact on the consolidated Annual Financial Statements or are expected to have a material effect in the future.

b) Accounting standards and amendments issued but not yet adopted

The following standards and interpretations, which may be applicable to the Company, have been issued but are not yet effective as of June 30, 2021: Amendment to IAS 16 On May 14, 2020, the IASB amended *IAS 16 - Property, Plant and Equipment* to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendments are effective for annual periods beginning on or after January 1, 2022 with early adoption permitted. The new pronouncement does not have any impact on the Company's historical financial statements, but management will consider the impact of the new pronouncement as it advances the development activities associated with the Blackwater Project.

15. RISK FACTORS

The Company's business, operations and future prospects are subject to significant risks. For details of these risks, refer to the risk factors set forth in the Company's most recently filed AIF, which can be found under the Company's corporate profile on SEDAR at www.sedar.com. Management is not aware of any significant changes to the risks identified in the Company's most recently filed AIF nor has the Company's mitigation of those risks changed significantly during the quarter ended June 30, 2021. These risks, and the risk factors disclosed below, could materially affect the Company's business, operations, prospects and share price and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair the business, operations, prospects and share price of the Company. If any of the risks actually occur, the business of the Company may be harmed, and its financial condition and results of operations may suffer significantly.

The operations of the Company are speculative due to the high-risk nature of its business which is the exploration of mineral properties. For details of these risks, refer to the risk factors set forth in the Company's most recently filed AIF, which can be found under the Company's corporate profile on SEDAR at www.sedar.com. Management is not aware of any significant changes to the risks identified in the Company's most recently filed AIF nor has the Company's mitigation of those risks changed significantly during the quarter ended June 30, 2021. The risks referred to herein are not the only risks and uncertainties that Artemis faces. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair its business operations. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

16. ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning Artemis' general and administrative expenses and exploration and evaluation expenses is provided in the Company's statement of income and comprehensive income contained in its Annual Financial Statements and Interim Financial Statements, which are all available on Artemis' website and its profile on SEDAR at www.sedar.com.

17. NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking statements" (also referred to as "forward-looking information") within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical facts, included in this MD&A that address activities, events or developments that Artemis expects or anticipates will or may occur in the future, including, without limitation, statements about the future exploration activities; sources, and proposed uses, of funds; capital and operating cost estimates, including general and administrative expenses; expectations regarding the ability to raise capital for future activities; and other such matters are forward-looking statements. When used in this MD&A, the words "estimate", "plan", "anticipate", "expect", "intend", "believe" and similar expressions are intended to identify forward-looking statements.

Forward-looking information and statements are based on the then current expectations, beliefs, assumptions, estimates and forecasts about Artemis' business and the industry and markets in which it operates. Forward-looking information and statements are made based upon certain assumptions and other important factors that could cause the actual results, performances or achievements of Artemis to be materially different from future results, performances or achievements expressed or implied by such information or statements. Such information and statements are based on numerous assumptions including, among others, the accuracy of the economic benefits as forecasted by the Study, the expected economic impact on British Columbia stemming from construction and operating activities of the Blackwater Project, the expected value-added and jobs stemming from the construction and operation of the Blackwater Project, the ability to fast-track certain construction initiatives at the Blackwater Project, the Company's ability to file a feasibility study reflecting the work undertaken as part of the GMP work streams, the timing of awarding of the EPC contract, and the results of metallurgical test work to support the feasibility study, that the results of planned exploration activities are as anticipated, the price of gold, the anticipated cost of planned exploration activities, that general business and economic conditions will not change in a material adverse manner, that financing will be available if and when needed on reasonable terms and that third party contractors, equipment, supplies and governmental and other approvals required to conduct Artemis' planned exploration activities will be available on reasonable terms and in a timely manner.

Forward-looking information and statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Artemis to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, risks related to the negative operating cash flow and dependence on third party financing; the uncertainty of additional financing; the limited operating history of Artemis; the lack of known mineral resources or reserves; the influence of a large shareholder; alternate sources of energy; aboriginal title and consultation issues; risks related to exploration activities generally; reliance upon key management and other personnel; title to properties; uninsurable risks; conflicts of interest; permits and licences; environmental and other regulatory requirements; political regulatory risks; competition; and the volatility of share prices, all as more particularly described in the "Risk Factors" above.

Although Artemis has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.