MANAGEMENT DISCUSSION AND ANALYSIS

For the three months ended March 31, 2021 and 2020

ARTEMIS GOLD INC.

Dated May 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 months ended March 31, 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 months ended March 31, 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. 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 ("**COO**") 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".

4. HIGHLIGHTS AND KEY BUSINESS DEVELOPMENTS

Corporate highlights since the prior quarter

- The Company continued its work towards de-risking the Blackwater Project by:
  - Completing a 33,216-metre grade control drill program, the results of which will inform mine planning for the initial years of mining;
  - Completing site investigation work, including geotechnical drilling at the proposed tailings storage facility (the "**TSF**") and plant site;
  - Continuing negotiations with indigenous nations;
  - Submitting an application to the government of British Columbia for permits for early construction works, as well as documents to the federal government required to amend Schedule 2 of the Metal and Diamond Mining Effluent Regulations ("**MDMER**") for mine waste disposal;
  - Executing a memorandum of understanding ("**MOU**") with Ausenco Engineering Canada Inc. ("**Ausenco**") based on a guaranteed maximum price ("**GMP**") for a fixed-price Engineering, Procurement and Construction ("**EPC**") contract to construct a 5.5 million tonne per annum processing facility and associated infrastructure for $236 million;
  - 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; and
  - Executing an impact benefits agreement (the "**IBA**") with Nazko First Nation ("**Nazko**").

- The Company strengthened its management team through the appointment of Mr. Jeremy Langford as COO, Ms. Candice Alderson as Senior Vice President Corporate Affairs and Mr. Gerrie van der Westhuizen as Vice President Finance.

- On March 25, 2021, the Company converted its convertible debenture in VLC (in the amount of $5,302,784, including accrued interest) at a conversion price of $0.25/share for a total of 21,211,136 additional common shares of VLC. This brought the Company's position to 32% of VLC's issued and outstanding common shares.

- The Company engaged The Terron Group, LLC ("**Terron**") to provide integrated Environmental Social Governance ("**ESG**") services and management training to Artemis.

- 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.

5. DEVELOPMENT OF BLACKWATER

Key milestones achieved

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

i) Filing of applications for early construction works

The Company submitted applications to the B.C. government to undertake an early works construction program, which is designed to focus on clearing of key infrastructure areas including haul roads, the stage 1 TSF and camp areas. In addition, the early works permits would allow for construction of the mine access road and for plant-site bulk earthworks to facilitate early mobilization of an EPC contractor to site.

ii) Award of GMP

Following a competitive bidding process involving a number of GMP proposals from engineering firms, the Company entered into an MOU with Ausenco. This was based on Ausenco's proposal to engineer and construct the processing facility and associated infrastructure for a GMP of $236 million, subject to any technical or commercial changes that may be requested by Artemis. Ausenco has already undertaken a significant amount of detailed engineering work and will progress work towards concluding a fixed-price EPC contract on an "open-book" basis, which is expected to mitigate the potential for capital cost and schedule overruns. The GMP for the processing facility covers a number of construction packages, including the process plant and ore crushing circuit, on-site infrastructure, as well as engineering and project management. A fixed price EPC contract on the processing facility and associated infrastructure represents by far the largest single component of the capital cost of Blackwater at approximately 40% of the 2020 PFS estimate.

The Company is also conducting a competitive bidding process for a GMP proposal (in connection with a fixed-price EPC contract) for the construction of the electricity transmission line and associated offsite infrastructure for Blackwater, which is expected to be awarded in Q2 2021.

Ultimately, Artemis is targeting approximately 60% of the initial development capital for Blackwater to be insulated from capital cost and schedule overruns once final EPC fixed-price contracts have been executed.

The Company expects to file a feasibility study (the "**Feasibility Study**"), reflecting the work undertaken as part of the GMP work streams, by mid-2021.

iii) Commenced federal Schedule 2 amendment regulatory process

The Company submitted documents as required to commence the federal Schedule 2 regulatory process under the MDMER in respect of Blackwater. As part of the permitting process for Blackwater, a listing on Schedule 2 of the MDMER by way of a regulatory amendment is required for the deposition of mine waste into water bodies frequented by fish.

The Company has completed an objective and rigorous Assessment of Alternatives for mine waste disposal, as well as a fish habitat compensation plan, which are the two key elements required to commence the regulatory amendment process. Given the extensive consultation and study undertaken as part of the Environmental Assessment approval (which concluded in 2019), Artemis believes that Blackwater is eligible for a streamlined Schedule 2 amendment process. The abbreviated streamlined process does not diminish environmental protection but provides a more efficient regulatory system that aims to shorten the approval process from a period of 8-12 months down to 5-6 months.

iv) Grade control drilling program

The Company completed its reverse circulation ("**RC**") drill program targeting mineralization planned to be mined during the first year of production within Phase 1 of the Blackwater development plan as set out in the 2020 PFS (the "**GC Program**"). The primary objectives of the GC Program were to:

- Optimize grade selectivity and mine schedule for managing the tonnes and grade of mineralized material to be processed in the first year of operations;
- More accurately delineate ore and waste boundaries to mitigate ore dilution;
- Optimize drill and blast designs;
- Provide a larger sample size to reduce the grade variability of mineralization

Results from the GC Program provided significantly increased confidence in the target area earmarked for the first year of operations at Blackwater compared with the corresponding area in the Company's mineral resource estimate as contained in the Company's 2020 PFS. The GC Program confirmed wide, near-surface intersects of elevated gold grades at the start of the mine life as outlined in the 2020 PFS. The Company completed 33,216 metres of grade control drilling (covering 561 holes) ahead of schedule, with a total of 11,500 samples collected, prepared and dispatched for analysis to SGS Canada Inc. in Burnaby, B.C.

The GC Program was designed to bring the drill density from up to 50 x 50m core spacing down to 12.5 x 12.5m spacing, generating up to 16 times the data when compared to the New Gold reserve definition drill program. This Program has targeted a zone within the first 60m (six mining benches) from surface containing in excess of five million tonnes of high-grade ore to improve short-term mine planning at the start of production.

The LeachWELL™ assay method was selected to increase the sample size from a more standard 50g to one kilogram sample which reduces variability and increases repeatability of assay results. Additionally, the LeachWELL™ method increases the understanding of leachability of the orebody with the information feeding directly into the process design. Extensive duplicate analyses highlight excellent LeachWELL™ repeatability of assay results and recoverable gold and silver.

849 samples have been assayed for residue gold and silver concentration in the LeachWELL™ residues, resulting in a calculated overall recovery of 96.7% for gold and 72.2% of silver.

Additional technical disclosures, including details of intercepts, illustrative figures and a description of data verification procedures are included in the Company's news release dated May 4, 2021 available on the Company's profile at www.sedar.com.

v) Geotechnical site investigation

The Company completed a geotechnical drilling program on site in order to support detailed design of the TSF and the freshwater reservoir for Blackwater. This program included downhole seismic surveys and was expanded in January 2021 to incorporate additional drilling within the proposed plant-site area. The expanded program totaled 28 holes, including five holes drilled at the plant site, for a total of 1,395m and was completed during Q1 2021.

vi) B.C. Hydro System Impact Study

A system impact study has been initiated with B.C. Hydro to determine the scope and cost of interconnection requirements for Blackwater. The preliminary results of the study are expected to be received during Q2 2021.

vii) 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.

viii) Nazko IBA

Subsequent to March 31, 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.

ESG initiatives

Artemis is committed to the responsible development of the Blackwater Project. The Company has engaged Terron to provide integrated 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 is a woman-minority-owned consultancy whose 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.

Next steps

Over the next 12 to 18 months, the Company will be focused on the following activities:

- Progression and achievement of final permitting required to commence construction;
- Negotiating and awarding of lump-sum fixed price EPC contracts in respect of key components of construction of the Blackwater Project;
- Continuing engagement and consultation with Indigenous groups who may be impacted by the Blackwater Project;
- Continuing work on a Feasibility Study based on the revised development approach with detailed engineering of the Blackwater Project;
- Completing the due diligence process and executing definitive agreements associated with the PLF; and
- Commencing early works and construction.

6. DISCUSSION OF OPERATIONS

During the three months ended March 31, 2021 ("**Q1 2021**") and the three months ended March 31, 2020 ("**Q1 2020**") the Company incurred a net loss of $3,516,222 and $4,624,691, respectively.

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.

	Q1 2021 $	Q1 2020 $
Operating expenses		
Depreciation	**73,984**	39,989
Management fees and wages	**742,549**	314,201
Investor relations and corporate development	**96,677**	143,926
Office, Insurance and general	**189,671**	69,943
Professional fees	**249,350**	34,676
Share-based payments	**1,036,908**	523,566
Transfer agent and regulatory	**57,291**	8,633
Loss from operations	**(2,446,430)**	(1,134,934)
Other income (expense)		
Accretion expense on lease liability	**(21,623)**	(13,943)
Accretion expense on asset retirement obligation	**(22,239)**	-
Equity loss from investment in associate	**(143,164)**	(99,049)
Fair value adjustment on convertible debtenture	**(795,646)**	(2,626,781)
Fair value adjustment on warrants	**(206,439)**	(1,630,934)
Interest income	**119,319**	166,522
Net loss before income taxes	**(3,516,222)**	(5,339,119)
Deferred income tax recovery	**-**	714,428
Net loss	**(3,516,222)**	(4,624,691)
Other comprehensive loss, net of tax		
Items that will not be reclassified to net loss		
Unrealized (loss) gain on marketable securities	**(267,260)**	96,774
Total loss and comprehensive loss	**(3,783,482)**	(4,527,917)
Loss per common share		
Basic and diluted	**(0.03)**	(0.10)
Weighted average number of common shares outstanding		
Basic and diluted	**124,258,084**	**48,225,784**

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

Management fees and wages

Management fees and wages for Q1 2021 were $428,348 higher than during Q1 2020. The increase was predominantly due to additional hires following the completion of the acquisition of Blackwater in Q3 2020, as well as accruals raised associated with the Company's short-term incentive program. The Company continued to strengthen the management team in early 2021 as the Company positioned itself to execute on the development plan for Blackwater.

Investor relations and corporate development

The $47,249 decrease in investor relations and corporate development expenses from Q1 2020 to Q1 2021 reflects that the Company's activities have shifted from evaluating corporate development opportunities to being focussed on the development of Blackwater.

Office, Insurance and general

Office, Insurance and general expenses were $119,728 higher for Q1 2021 when compared to Q1 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.

Professional fees

Professional fees increased by $214,674 during Q1 2021, compared to Q1 2020. The increase related predominantly to fees associated with finalization of the Company's base shelf prospectus, as well as certain hiring activities.

Share-based payments

Stock-based compensation increased by $513,342 when comparing Q1 2021 to Q1 2020. The relates to (i) new hires who joined the Company concurrent with the completion of the Blackwater acquisition in Q3 2020 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)	(206,439)	(1,002,085)
Equity loss on investment in associate	(143,164)	-	-	(143,164)
Balance, March 31, 2021	**19,517,938**	**-**	**2,493,023**	**22,010,961**

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 32.3% of VLC's issued and outstanding common shares at the time). VLC's most recently reported net loss for the three months prior to March 31, 2021 (most recently reported information was as at December 31, 2020) totaled $601,172 (three months ended December 31, 2019: $507,250).

As at March 31, 2021, the fair market value of the Company's 50,701,138 VLC common shares was $24,843,558.

Fair value adjustment on convertible debenture

During Q1 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 a loss of $206,439 for Q1 2021. The Company used the Black-Scholes option pricing model to calculate the fair value of the warrants held in VLC and the gain for the three months ended March 31, 2021 resulted primarily from a marginal ($0.01/share) decrease in VLC's share price during the quarter.

Deferred Income Tax

As at March 31, 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 not yet determined whether the deductible temporary differences are 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 the three months ended March 31, 2020, the Company recorded a deferred tax recovery of $714,428 in order to reduce its deferred tax liability at the time.

7. 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. The Company's first interim statements as a reporting issuer were prepared for the period from January 10, 2019 to September 30, 2019, therefore periods before Q3 2019 are not presented.

Consistent with the preparation and presentation of the financial statements, these unaudited quarterly results are presented in thousands of Canadian dollars, except per share information.

	Q1 2021 $	Q4 2020 $	Q3 2020 $	Q2 2020 $
Revenue	-	-	-	-
Net (loss) income	(3,516,222)	(953,204)	(2,237,147)	3,882,635
Basic (loss) income per share	(0.03)	(0.01)	(0.03)	0.08
Diluted (loss) income per share	(0.03)	(0.01)	(0.03)	0.06
Cash dividend declared per share	nil	nil	nil	nil

	Q1 2020 $	Q4 2019 $	Q3 2019 $
Revenue	-	-	-
Net (loss) income	(4,624,691)	(1,208,292)	1,387,978
Basic (loss) income per share	(0.10)	(0.06)	0.06
Diluted (loss) income per share	(0.10)	(0.06)	0.06
Cash dividend declared per share	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:

	Q1 2021 $	Q4 2020 $	Q3 2020 $	Q2 2020 $
Fair value adjustment on convertible debt	(795,646)	1,044,477	(612,693)	3,605,547
Fair value adjustment on warrants	(206,439)	384,333	(379,366)	1,732,688

	Q1 2020 $	Q4 2019 $	Q3 2019 $
Fair value adjustment on convertible debt	(2,626,781)	97,261	(21,227)
Fair value adjustment on warrants	(1,630,934)	(84,478)	-

8. 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 March 31, 2021, the Company's net assets and working capital position were as follows:

	As at March 31, 2021 $	As at December 31, 2020 $
Assets		
Cash and cash equivalents	**42,420,579**	51,846,826
Other current assets	**5,071,582**	4,951,253
Current assets	**47,492,161**	56,798,079
Restricted cash	**570,800**	540,800
Other non-current assets	**284,249,171**	295,334,486
TOTAL ASSETS	**332,312,132**	352,673,365
Consideration payable	**48,279,819**	47,247,708
Other current liabilities	**5,228,457**	4,648,258
Current liabilities	**53,508,276**	51,895,966
Non-current liabilities	**41,340,027**	41,539,253
TOTAL LIABILITIES	**94,848,303**	93,435,219
NET ASSETS	**256,981,767**	259,238,146
WORKING CAPITAL (DEFICIT)	**(6,016,115)**	4,902,113

As at March 31, 2021, the Company had the following undiscounted obligations:

	< 1 year $	1 - 3 years $	4 - 5 years $	> 5 years $	Total $
Accounts payable and accrued liabilites	4,887,164	-	-	-	**4,887,164**
Lease liability	318,793	733,916	568,184	-	**1,620,894**
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**

Though the Company reported a working capital deficit of $6,016,115 as at March 31, 2021, this balance does not include the Company's investment in common shares of VLC which had a fair value of $24,843,558 as at March 31, 2021. In addition, the Company closed the Bought Deal Offering, including the over-allotment option, on May 19, 2021, while the Non-Brokered Offering closed on May 25, 2021, for combined gross proceeds of $171,123,910.

Following the completion of the Bought Deal Offering and Non-Brokered Offering, the Company's has a robust working capital position with 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 March 31, 2021 $	For the three months ended March 31, 2020 $
Net cash used in operating activities	**(1,146,079)**	(520,406)
Net cash used in investing activities	**(8,295,381)**	(2,428,373)
Net cash provided by financing activities	**15,213**	41,110
Change in cash and cash equivalents	**(9,426,247)**	(2,907,669)
Cash and cash equivalents, beginning	**51,846,826**	31,502,309
Cash and cash equivalents, ending	**42,420,579**	28,594,640
Restricted cash, ending	**570,800**	-
Total cash, cash equivalents and restricted cash, ending	**42,991,379**	28,594,640

Cash flows from operating activities

Cash used in operating activities increased by $625,673 in Q1 2021, compared to Q1 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 $5,867,008 in Q1 2021 compared to Q1 2020. This was predominantly the result of $8,283,679 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. During Q1 2020, the Company invested $2,580,177 in the common shares of VLC and other marketable securities.

Cash flows from financing activities

Cash provided by financing activities decreased by $25,897 in Q1 2021 relative to Q1 2020. This was mainly due to an increase in lease payments as the Company expanded its Vancouver head office as the Company expanded its management team to execute on the development of the Blackwater Project.

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:

Private placements completed on July 7, 2020 and September 2, 2020:	Intended use of proceeds $	Actual use of proceeds $
Acquisition of Blackwater	140,000,000	140,000,000
Advancing development of Blackwater and general working capital	30,479,845	16,360,548
Remaining in treasury	-	14,119,297
Total net proceeds	170,479,845	170,479,845

The table above reflects use of proceeds up to and including the quarter ended March 31, 2021. The Company closed the Bought Deal Offering, including the over-allotment option, on May 19, 2021, while the Non-Brokered Offering closed on May 25, 2021, for additional combined gross proceeds of $171,123,910. The Company expects that the combined proceeds from the Bought Deal Offering and the Non-Brokered Offering will be used to fund (i) the $50 million consideration payable to New Gold (due by August 21, 2021), (ii) ongoing permitting costs, (iii) costs associated with detailed engineering and preparation of the Feasibility Study, (iv) financing costs, (v) pre-development and development expenditures as contemplated in the Company's Pre-Feasibility Study, 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 (vi) implementation payments associated with participation agreements with indigenous nations and (vii) general corporate purposes.

9. 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 months ended March 31, 2021 and 2020 comprised the following:

	For the three months ended March 31, 2021 $	For the three months ended March 31, 2020 $
Salaries and benefits	**277,860**	71,191
Consulting fees	**143,750**	87,500
Director fees	**81,250**	41,250
Share-based payments	**976,997**	373,941
	1,479,857	573,882

10. OFF-BALANCE SHEET ARRANGEMENTS

The Company had no off-balance sheet arrangements as at March 31, 2021 or as at the date hereof.

11. SUBSEQUENT EVENTS

Subsequent events included the following:

a) Execution of the credit-approved mandate for the PLF in the amount of $360 million plus up to $25 million of capitalized interest.

b) Closing of the Bought Deal Offering and Non-Brokered Offering for combined gross proceeds of $171,123,910.

c) Subsequent to quarter-end, 85,000 share purchase warrants were exercised for proceeds of $91,800.

d) Executing the IBA with Nazko.

e) Granting of 75,000 stock options exercisable at a price of $6.88 per stock option.

12. 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 152,419,702 common shares, 5,682,000 stock options and 32,578,242 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.

13. 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.

14. 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, 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 March 31, 2021, the carrying value of the Company's cash and cash equivalents, receivables, as well as accounts payable approximate their fair values, 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.

15. 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 March 31, 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.

16. 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 March 31, 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 March 31, 2021. The risks refer 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.

17. 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.

18. 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.

19. APPROVAL

The Audit Committee and the Board of Artemis have approved the disclosure contained in this MD&A on May 27, 2021. A copy of this MD&A will be provided to anyone who requests it and can be located, along with additional information, on the Company's profile SEDAR website at www.sedar.com or by contacting the registered and records office, located at 2600-595 Burrard Street Vancouver, BC.