MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended December 31, 2021

ARTEMIS GOLD INC.

Dated March 29, 2022

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 year ended December 31, 2021 and includes events up to the date of this MD&A. This discussion should be read in conjunction with the annual audited financial statements for the year ended December 31, 2021 and the related notes thereto of the Company (the "**Annual Financial Statements**") and other corporate filings of the Company, including 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, the Company's Annual Financial Statements 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. For additional discussion and 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.

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 September 13, 2021, as well as the Company's technical report entitled "Blackwater Gold Project, NI 43-101 Technical Report on Updated Feasibility Study" with an effective date of September 10, 2021 (the "**Feasibility Study**"), 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 "**Blackwater Acquisition**"), 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

The Company continued to focus on key optimization and de-risking activities associated with the Blackwater Project through:

(i) Finalizing the previously announced silver stream offer from Wheaton Precious Metals™ Corp. ("**Wheaton**") to provide additional funding for the development of the Blackwater Project in the amount of approximately $176 million (US$141 million);

(ii) Executing an underwritten commitment letter from Macquarie Bank Limited ("**Macquarie**") and National Bank of Canada ("**National Bank**") associated with a $360 million project loan facility ("**PLF**" to fund the Blackwater Project. The PLF also allows for an additional $25 million in capitalized interest and a $40 million standby cost overrun facility (the "**Standby COF**");

(iii) Announcing inclusion in the VanEck Vectors Junior Gold Miners Exchange Traded Fund (NYSE:GDXJ) ("**GDXJ**").

5. DEVELOPMENT OF BLACKWATER

Key milestones achieved

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

i) Silver stream financing and sale of Gold Stream to Wheaton

Silver stream

During Q4 2021, the Company concluded a silver stream precious metals purchase agreement (the "**Silver Stream Agreement**") with Wheaton, in respect to the Blackwater Project.

Under the terms of the Silver Stream Agreement, Wheaton has agreed to fund US$141 million (approximately $176 million) of the construction cost of the Blackwater project in exchange for the right to purchase 50% of the silver production from the mineral reserves of Blackwater until approximately 18 million ounces of silver have been delivered, after which the stream reduces to 33% of the silver production for the life of mine. Wheaton will buy the silver that is to be delivered under the Silver Stream Agreement at a price equal to 18% of the spot silver prices until the up-front deposit payment is reduced to zero, and at a price of 22% of the spot silver prices thereafter.

The Silver Stream Financing Agreement also contains a partial buy back option such that, in the event of a change of control, until the earlier of January 1, 2025 or the achievement of commercial production at Blackwater, the Company will have a one-time option to repurchase up to 33% of the silver stream for certain consideration.

Sale of Gold Stream

In connection with the Blackwater Acquisition, the Company originally entered into a gold stream agreement with New Gold whereby New Gold would receive 8% of the gold production from Blackwater until 279,908 ounces had been delivered, following which New Gold's interest in production would decrease to 4% of produced gold (the "**Gold Stream**"). Under the Gold Stream agreement, the Company had a right of first offer ("**ROFO**") should New Gold ever receive an offer to sell the Gold Stream. On December 13, 2021, New Gold sold the Gold Stream to Wheaton and the Company waived its ROFO in exchange for:

- New Gold waiving its rights under the ROFR Offer for the Silver Stream Agreement
- Certain favourable amendments to the existing Gold Stream to accommodate the planned project financing for Blackwater

Aligning both the Silver Stream Agreement and the Gold Stream Agreements with a single counterparty (Wheaton) facilitated the simplification of administration of both agreements through development and operations of Blackwater.

Wheaton maintains a security interest over Blackwater in connection with the Gold Stream, subject to certain provisions. The Silver Stream Agreement will be a subordinated secured obligation of the Company.

(ii) Execution of credit approved commitment letter

On February 24, 2022, the Company announced the execution of a credit-approved commitment letter with Macquarie and National Bank to jointly underwrite a $360 million PLF, to fund a significant component of the estimated construction costs of the Company's Blackwater Project. The PLF also provides for up to $25 million in capitalized interest and a $40 million Standby COF. The Standby COF is an addition to the facilities previously announced on April 9, 2021, and represents a further enhancement of these financing facilities to de-risk development in the current economic environment.

The execution of the Commitment Letter represents a strong statement of support of the technical and economic merits of Blackwater by Macquarie and National Bank, and achieves another important milestone towards de-risking the development of Blackwater.

Currently Artemis remains confident in the $645 million initial capital cost estimate outlined in the 2021 Feasibility Study. Potential future inflationary pressures remain a risk for development projects and accordingly the Standby COF provides another important risk management tool at management's disposal at a competitive cost of capital. The PLF remains subject to customary conditions precedent, including but not limited to the finalization of definitive documentation.

<u>Highlights of the PLF</u>

Key terms of the PLF include the following:

- <u>Facility Amount</u> - $360 million, plus up to $25 million for capitalized interest prior to Project completion, plus a Standby COF in the amount of $40 million. The Company may cancel the Standby COF once Project development reaches completion;

- <u>Interest Rate</u> – Canadian Dealer Offered Rate ("**CDOR**"), plus a margin of 4.5% pre-project completion, reducing to 4.0% post-completion. Any amounts drawn on the Standby COF will carry the above pricing plus an additional 2%;

- <u>Fees</u> – Customary Upfront and standby fees for a facility of this nature;
- <u>Repayment and Maturity</u> – Principal and capitalized interest is expected to be repayable in quarterly installments over six years, with reduced repayments during the period when the Company expects to

undertake its expansion of the Project from phase 1 to phase 2. The PLF can be prepaid at anytime without penalty;

- Liquidity – Minimum required proceeds of $10 million, debt service reserve of principal and interest owing in the upcoming quarter; and

- Hedging - A hedging program is expected to be put in place following the execution of a definitive credit agreement pending certain conditions being met. In order to limit the Company's exposure to lower gold prices early in the mine life including during pay-back and in support of overall project economics, the extent of the hedge program may range from 185,000 gold ounces (at a hedge price of C$2,632 per gold ounce) to 250,000 gold ounces (at a hedge price of C$2,369 per gold ounce).

Closing of the PLF will be subject to completion of final due diligence, definitive documentation and other typical conditions precedent for a financing of this nature. The Company is targeting the execution of a definitive credit agreement during Q2 2022.

(iv) Update on EPC Contract and Project development

The Company has engaged with a number of Engineering, Procurement and Construction ("EPC") contractors in connection with the EPC contract for the construction of the processing facility and associated infrastructure (the "Facilities") for the Blackwater Project and expects to award the EPC contract to the successful bidder by the end of April 2022.

Early works construction at Blackwater remains targeted to commence in Q2 2022 to prepare the Project site in order to accommodate the commencement of major works construction activities.

As of the date of this MD&A, the Company is now targeting receipt of the BC Mines Act Permit in the Fall of 2022 with major construction activities to commence shortly thereafter.

Currently the Project schedule maintains an estimated first gold pour date of H1 2024, consistent with the schedule outlined in the Feasibility Study

Update on Environmental Social and Governance matters

During the period, the Company continued to engage in a number of Environmental Social and Governance ("**ESG**") initiatives, including:

a) Performing an evaluation of the Company's existing ESG practices. The Company developed a roadmap to comply with the social and environmental undertakings contained in the Equator Principles ("**EP4**") and to adopt governance best-practices relative to the Company's peers, making significant strides towards accomplishing said principles and best practices;

b) Eliminating the use of hydrocarbons in the Blackwater processing plant as part of the Feasibility Study;

c) Continued and meaningful engagement with the Indigenous Peoples impacted by Blackwater.

Next Steps

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

- Awarding the EPC contract for the Facilities;

- Continuing engagement and negotiations with First Nations who may be impacted by the Project;
- Commencing early works activities in Q2 2022;
- Finalization of the definitive credit agreement for the PLF;
- Advancing supply and credit agreements associated with the Blackwater mining fleet;
- Receiving the BC Mines Act Permit and other authorizations in order to commence Project construction; and
- Commencement of major construction activities shortly following receipt of the BC Mines Act Permit in the Fall of 2022.

6. DISCUSSION OF OPERATIONS AND SELECTED ANNUAL INFORMATION

During the year ended December 31, 2021 ("**FY2021**") and December 31, 2020 ("**FY2020**") the Company incurred a net loss of $13,710,752 and $3,932,407, respectively.

The following information has been derived from the Annual Financial Statements and should be read in conjunction with the Company's Annual Financial Statements. YTD 2019 is from January 10, 2019 to December 31, 2019. The information for the three months ended December 31, 2021 ("**Q4 2021**") and December 31, 2020 ("**Q4 2020**") was derived in conjunction with the Unaudited Condensed Interim Financial Statements for the three months ended September 30, 2021 and September 30, 2020 which are available on www.sedar.com.

	Q4 2021	Q4 2020	**YTD 2021**	**YTD 2020**	**YTD 2019**
Operating expenses					
Depreciation	**93,214**	41,870	**340,641**	167,483	39,989
Management fees and wages	**1,039,285**	549,496	**3,216,248**	2,183,408	349,878
Investor relations and corporate development	**77,919**	54,731	**297,600**	422,706	61,396
Office, insurance and general	**219,271**	165,659	**864,495**	424,344	113,152
Professional fees	**158,182**	488,878	**1,121,112**	758,557	291,538
Share-based payments	**1,402,154**	1,086,694	**4,579,325**	2,371,263	818,447
Transfer agent and regulatory	**129,760**	94,670	**302,147**	179,950	49,325
Loss from operations	**(3,119,785)**	(2,481,998)	**(10,721,568)**	(6,507,711)	(1,723,725)
Other (expense) income					
Accretion expense on lease liability	**(19,252)**	(12,990)	**(81,921)**	(53,775)	(14,284)
Accretion expense on consideration payable	**-**	344,037	**-**	-	-
Accretion expense on asset retirement obligation	**(18,038)**	(22,983)	**(76,850)**	(22,983)	-
Interest expense on convertible debenture	**-**	-	**-**	-	(148,591)
Equity loss from investment in associate	**(176,901)**	(65,160)	**(701,729)**	(418,996)	(208,002)
Gain on investment in associate	**-**	-	**-**	-	1,488,000
Fair value adjustment on convertible debenture	**-**	1,044,477	**(795,646)**	1,410,550	5,359,338
Fair value adjustment on warrants	**(1,084,393)**	384,333	**(2,055,343)**	106,721	2,351,844
Interest income	**198,926**	132,017	**722,305**	554,663	172,309
Other expenses	**-**	(274,937)	**-**	(274,937)	-
Net (loss) gain before income taxes	**(4,219,443)**	(953,204)	**(13,710,752)**	(5,206,468)	7,276,889
Deferred income tax recovery	**-**	-	**-**	1,274,061	(1,000,895)
Net (loss) gain	**(4,219,443)**	(953,204)	**(13,710,752)**	(3,932,407)	6,275,994
Other comprehensive (loss) gain, net of tax					
Items that will not be reclassified to net loss					
Gains on marketable securities	**51,927**	825,020	**444,057**	2,861,695	54,303
Comprehensive (loss) gain	**(4,167,516)**	(128,184)	**(13,266,695)**	(1,070,712)	6,330,297
(Loss) gain per common share					
Basic	**(0.03)**	(0.01)	**(0.10)**	(0.05)	0.31
Diluted	**(0.03)**	(0.01)	**(0.10)**	(0.05)	0.26
Weighted average number of common shares outstanding					
Basic	**153,758,332**	124,200,969	**142,224,347**	75,234,362	20,326,239
Diluted	**153,758,332**	124,200,969	**142,224,347**	75,234,362	24,971,679

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

Management fees and wages

Management fees and wages increased by $489,789 and $1,032,840 for Q4 2021 and FY2021, respectively, compared to the comparative prior periods. The increase for both periods was predominantly due to additional hires, including the impact of annual wage increases and bonus payments following the completion of the acquisition of Blackwater in Q3 2020. The Company continued to strengthen the management team throughout 2021 as the Company continued to position itself to execute on the development plan for Blackwater.

Office, insurance and general

Office, insurance and general expenses were $53,612 and $440,151 higher for Q4 2021 and FY2021, respectively, when compared to the comparative prior periods. This reflected the costs of setting up and operating the corporate head office in Vancouver as the scope of the Company's focus expanded towards the development of the Blackwater Project.

Professional fees

Professional fees decreased by $330,696 for Q4 2021 compared to Q4 2020. The decrease was related predominantly to the fact that during Q4 2020 residual regulatory compliance costs associated with the Blackwater acquisition, as well as fees associated with the initial preparation of the Company's base shelf prospectus were incurred.

The increase of $362,555 in professional fees for FY2021 is related predominately to consulting fees associated with the Company's environment, social and governance initiatives ("**ESG**"), costs associated with the Company's hiring and resourcing activities, as well as costs associated with filing the Company's base shelf prospectus.

Share-based payments

Stock-based compensation increased by $315,460 and $2,208,062 for Q4 2021 and FY2021, respectively, when compared to the comparative prior periods. The increases correspond to the expansion of the management team of the Company concurrent with and subsequent to the completion of the Blackwater acquisition.

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**
Fair value change for the year	-	(795,646)	(2,055,343)	(2,850,989)
Conversion of debenture	10,181,348	(10,181,348)	-	-
Equity loss on investment in associate	(701,729)	-	-	(701,729)
Balance, December 30, 2021	**18,959,373**	**-**	**644,119**	**19,603,492**

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 VLC 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 a 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% of VLC's issued and outstanding common shares). VLC's most recently reported net loss for the three and twelve months ended September 30, 2021 totaled $552,388 and $2,342,313, respectively, and is based on the most recently reported information available at the time of preparation of this MD&A. As at December 31, 2021, the fair market value of the Company's VLC common shares was $15,717,353.

Fair value adjustment on convertible debenture

During FY2021, 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 fair value through profit and loss which resulted in losses for Q4 2021 and FY2021 of $1,084,393 and $2,055,343 respectively. The Company used the Black-Scholes option pricing model to calculate the fair value of the warrants held in VLC. The loss for the year ended December 31, 2021 is primarily due to a decrease in VLC's share price from $0.50 per share at the beginning of the year to $0.31 per share at December 31, 2021.

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.

As at December 31, 2021, the Company held 9,300,000 share purchase warrants exercisable at $0.25 per warrant until March 14, 2022 (see "Subsequent Events" section).

Deferred Income Tax

As at December 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.

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 Consolidated Financial Statements for each of the past quarters.

	Q4 2021 $	Q3 2021 $	Q2 2021 $	Q1 2021 $
Revenue	-	-	-	-
Net loss	**(4,219,443)**	(2,705,433)	(3,269,654)	(3,516,222)
Basic loss per share	**(0.03)**	(0.02)	(0.02)	(0.03)
Diluted loss per share	**(0.03)**	(0.02)	(0.02)	(0.03)
Cash dividend declared per share	**-**	-	-	-
	Q4 2020 $	**Q3 2020 $**	**Q2 2020 $**	**Q1 2020 $**
Revenue	-	-	-	-
Net (loss) income	(953,204)	(2,237,147)	3,882,635	(4,624,691)
Basic (loss) income per share	(0.01)	(0.03)	0.08	(0.10)
Diluted (loss) income per share	(0.01)	(0.03)	0.06	(0.10)
Cash dividend declared per share	-	-	-	-

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 mine development 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, equity accounting associated with the Company's interest in VLC as well as non-cash deferred income tax expenses and recoveries which are offset by any interest income accrued in the period.

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 its human resources, resulting in increased management fees and wages from Q3 2020 onwards.

In addition to the foregoing, the predominant reason for fluctuations in net (loss) income from one quarter to another were the following changes in fair value adjustments to the Company's convertible debt and warrants held in VLC as well as stock-based compensation associated with the expansion of the management team towards the development of the Project:

	Q4 2021 $	Q3 2021 $	Q2 2021 $	Q1 2021 $
Stock based compensation	**(1,402,154)**	(993,967)	(1,146,297)	(1,036,908)
Fair value adjustment on convertible debt	-	-	-	(795,646)
Fair value adjustment on warrants	**(1,084,393)**	(77,835)	(686,676)	(206,439)
	Q4 2020 $	Q3 2020 $	Q2 2020 $	Q1 2020 $
Stock based compensation	(999,186)	(503,451)	(257,551)	(523,565)
Fair value adjustment on convertible debt	1,044,477	(612,693)	3,605,547	(2,626,781)
Fair value adjustment on warrants	384,333	(379,366)	1,732,688	(1,630,934)

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 for the foreseeable future.

The Company's net assets and working capital position were as follows:

	As at December 31, 2021 **$**	As at December 31, 2020 $	As at December 31, 2019 $
Assets			
Cash and cash equivalents	**131,359,116**	51,846,826	31,502,309
Other current assets	**1,772,236**	4,951,253	431,215
Current assets	**133,131,352**	56,798,079	31,933,524
Restricted cash	**824,300**	540,800	-
Other non-current assets	**335,835,779**	295,334,486	19,133,289
TOTAL ASSETS	**469,791,431**	352,673,365	51,066,813
Consideration payable	**-**	47,247,708	-
Other current liabilities	**5,430,523**	4,648,258	343,831
Current liabilities	**5,430,523**	51,895,966	343,831
Non-current liabilities	**45,033,673**	41,539,253	1,802,839
TOTAL LIABILITIES	**50,464,196**	93,435,219	2,146,670
NET ASSETS	**419,327,235**	259,238,146	48,920,143
WORKING CAPITAL	**127,700,829**	4,902,113	31,589,693

As of December 31, 2021, the Company had entered into the following undiscounted obligations:

	< 1 year $	1 - 3 years $	4 - 5 years $	> 5 years $	Total $
Accounts payable and accrued liabilites	5,068,652	-	-	-	**5,068,652**
Lease liability	361,871	744,226	285,924	-	**1,392,021**
Other variable consideration payable	-	-	-	84,000,000	**84,000,000**
Asset retirement obligation	-	-	-	11,637,000	**11,637,000**

As at the date of this report, the Company expects that its working capital position provides sufficient resources available to meet its contractual obligations for the ensuing 12 months. Having said this, in order for the Company to meet such obligations and undertake its discretionary spending related to further development of the Blackwater Project, it will need to (and the Company intends to) fund such planned expenditures by obtaining financing from the exercise of warrants, through additional equity financing and/or through debt financing, as well as streaming arrangements. Management is confident financing will be available at terms agreeable to the Company, however there can be no assurance that the Company will secure the funding required for such elective initiatives.

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 and cash equivalents, significantly reducing any liquidity risk of financial instruments held by the Company.

Cash Flows

	Q4 2021 $	Q4 2020 $	FY 2021 $	FY2020 $
Net cash used in operating activities	**(2,862,481)**	(1,121,601)	**(5,728,083)**	(4,133,980)
Net cash used in investing activities	**(8,899,864)**	(5,116,803)	**(79,657,626)**	(149,682,935)
Net cash provided by (used in) financing activities	**(1,195,191)**	(2,565)	**164,897,999**	174,161,432
Change in cash and cash equivalents	**(12,957,536)**	(6,240,969)	**79,512,290**	20,344,517
Cash and cash equivalents, beginning	**144,316,652**	58,087,795	**51,846,826**	31,502,309
Cash and cash equivalents, ending	**131,359,116**	51,846,826	**131,359,116**	51,846,826
Restricted cash, ending	**824,300**	540,800	**824,300**	540,800
Total cash, cash equivalents and restricted cash, ending	**132,183,416**	52,387,626	**132,183,416**	52,387,626

Cash flows from operating activities

Net cash used in operating activities increased by $1,740,880 and $1,594,103, respectively when comparing Q4 2021 to Q4 2020 and FY2021 to FY2020. The increase in net cash used in operating activities during Q4 2021 is primarily the result of the increased scope of the Company's activities in support of the development of Blackwater. The increase in net cash used in operating activities during FY2021 is due to the factor listed above, as well as the costs associated with filing the Company's base shelf prospectus in early 2021, an increase in professional fees related to the Company's ESG initiatives and costs associated with the company's hiring and resourcing activities.

Cash flows from investing activities

Cash used in investing activities increased by $3,783,061 in Q4 2021 compared to Q4 2020. This was predominantly the result of the ongoing development activities at Blackwater, including the costs incurred related to permitting activities and environmental engineering, engagement with stakeholders, the mobile fleet tendering process and site investigation. These costs were partially offset by a reduction in investment in VLC in Q4 2021, as well as an increase in interest received.

The decrease in cash used in investing activities in FY2021 relative to FY2020 was primarily due to the fact that during FY2020 the initial cash consideration paid of $140,000,000 as part of the Blackwater acquisition was incurred, compared to $50,000,000 to satisfy the final cash payment in consideration for the Blackwater acquisition during FY2021, a reduction in additional investment in VLC shares, as well as an increase in proceeds received from marketable securities.

Cash flows from financing activities

Cash used in financing activities increased by $1,192,626 in Q4 2021 compared to Q4 2020, which was primarily due to an increase in spend related to securing project financing for the Project, which was partially offset by an increase of share warrant exercises in the period.

Cash provided by financing activities in FY2021 was $9,263,433 lower than FY2020. The reduction was due to the fact that net proceeds raised from private placements during FY 2020 was $170,479,846 compared to net proceeds raised from the Bought Deal Offering and Non-Brokered Offering was $164,962,716 during FY2021, an increase in deferred financing costs as well as a reduction in share warrant exercises in the year.

Use of Proceeds

The following table includes a comparison of actual use of proceeds to previous disclosures made by the Company during the year ended December 31, 2021:

	Intended use of proceeds $	Actual use of proceeds $
Net proceeds from private placements completed on July 7, 2020 and September 2, 2020	170,479,846	
Net proceeds from the Bought Deal Offering on May 19, 2021 and the Non-Brokered Offering on May 25, 2021	164,962,716	
Total net proceeds	**335,442,562**	
Acquisition of Blackwater	140,000,000	140,000,000
Payment of consideration payable to New Gold	50,000,000	50,000,000
Advancing development of Blackwater and general working capital	145,442,562	42,384,728
Remaining in treasury	-	103,057,834
Total net proceeds		**335,442,562**

The $50 million consideration payable to New Gold was paid on 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 (iii) financing costs (iv) pre-development and development expenditures as contemplated in the Company's 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 (v) costs associated with partnering with First Nations groups and (vi) general corporate purposes.

9. TRANSACTIONS BETWEEN RELATED PARTIES

Key management for the year ended December 31, 2021 included the Company's directors, Chief Executive Officer, Chief Financial Officer and Chief Operating Officer (for the year ended December 31, 2020 – Company's directors, Chief Executive Officer and Chief Financial Officer).

Compensation awarded to key management for the years ended December 31, 2021 and December 31, 2020 was:

	Q4 2021 $	Q4 2020 $	FY2021 $	FY 2020 $
Salaries and benefits	**523,161**	85,518	**1,197,790**	431,180
Consulting fees	**698,334**	143,750	**1,129,584**	836,657
Director fees	**177,917**	66,250	**439,375**	205,833
Share-based payments	**1,217,068**	882,439	**4,081,337**	1,866,756
	2,616,480	1,177,957	**6,848,086**	3,340,426

10. OFF-BALANCE SHEET ARRANGEMENTS

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

11. SUBSEQUENT EVENTS

a) Subsequent to December 31, 2021 the Company granted 50,000 incentive stock options, exercisable at a weighted average price of $6.08, expiring 5 years from the date of the grant.

b) Subsequent to December 31, 2021 the Company issued 80,000 common shares in various tranches pursuant to warrant exercises for gross proceeds of $86,400.

c) On March 14, 2022, 9,300,000 of the Company's share purchase warrants in VLC expired unexercised, bringing the remaining share purchase warrants balance to nil.

d) On February 24, 2022, the Company announced the execution of a credit-approved commitment letter with Macquarie and National Bank to jointly underwrite a $360 million PLF, to fund a significant component of the estimated construction costs of the Company's Blackwater Project. The PLF also provides for up to $25 million in capitalized interest and a $40 million standby COF. The Standby COF is an addition to the terms previously announced on April 9, 2021, and represents a further enhancement of these financing facilities to de-risk development in the current economic environment.

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 154,051,145 common shares outstanding, 30,960,465 warrants outstanding and 9,026,500 options 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.

CAPITAL MANAGEMENT

Capital includes all components of shareholders' equity. 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 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, or through debt financing or a combination thereof.

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); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data.

As at December 31, 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 5 to the Annual 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.

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 December 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.

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 year ended December 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 year ended December 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.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning Artemis' general and administrative expenses and exploration, evaluation and development expenses are 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.

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, development and construction activities; sources, and proposed uses, of funds; capital and operating cost estimates; NPV, IRR and other economic estimates in respect of the economics of the Blackwater Project; expectations regarding the construction, operation and expansion of the Blackwater Project; expectations regarding the ability to raise capital for future activities, including the Company's expectations with respect to financing the construction of the Blackwater Project; expectations relating to the PLF; expectations relating to the continued engagement and negotiation with First Nations; the timing and receipt of certain approvals, and other such matters are forward-looking statements. When used in this MD&A, the words "estimate", "plan", "anticipate", "expect", "intend", "target', "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 Feasibility 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 timing of awarding of the EPC contract, that the results of planned exploration, development and construction activities are as anticipated, the price of gold, the anticipated cost of planned exploration, development and construction 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 (including that the Company will be able to conclude a project loan facility for the Blackwater Project in the manner and on the timelines currently anticipated) 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, the risk that the estimates (including economic and cost estimates) set out in the Feasibility Study will prove incorrect, or the plans, forecasts, expectations and assumptions otherwise set out in the Feasibility Study are inaccurate or unrealized; risks related to the development and construction of the Blackwater Project; risks related to the negative operating cash flow and dependence on third party financing, including that the Company will be unsuccessful in executing a project loan facility for the Blackwater Project in the manner or on the timeline currently anticipated; 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.