

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
(unaudited)**

For the three months ended March 31, 2022 and 2021

Expressed in Canadian Dollars, unless otherwise noted



ARTEMIS GOLD INC.

Condensed Interim Consolidated Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars)

	Notes	As at March 31, 2022 \$	As at December 31, 2021 \$
Assets			
Current assets			
Cash and cash equivalents		119,834,588	131,359,116
Receivables and prepayments		784,700	651,139
Marketable securities		-	1,121,097
		120,619,288	133,131,352
Non-current assets			
Restricted cash	7	824,300	824,300
Investment in Velocity	4	18,722,497	19,603,492
Deferred financing costs		6,559,637	2,978,123
Mineral property, plant and equipment	5	323,669,718	313,254,164
TOTAL ASSETS		470,395,440	469,791,431
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		7,450,746	5,068,652
Lease liability - current portion		363,578	361,871
		7,814,324	5,430,523
Non-current liabilities			
Lease liability - non-current portion		807,026	880,308
Other variable consideration payable	6	37,961,164	36,809,082
Asset retirement obligation	7	6,027,375	7,344,283
TOTAL LIABILITIES		52,609,889	50,464,196
Shareholders' equity			
Share capital		417,362,431	417,276,031
Contributed surplus		12,161,982	10,058,314
Accumulated other comprehensive income		3,622,371	3,360,055
Retained deficit		(15,361,233)	(11,367,165)
Total Shareholders' equity		417,785,551	419,327,235
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		470,395,440	469,791,431

Subsequent event (Note 10)

Approved for Issuance by the Board of Directors:

"Elise Rees"	Director
"Steven Dean"	Director

The accompanying notes are an integral part of the condensed interim consolidated financial statements

ARTEMIS GOLD INC.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited - Expressed in Canadian Dollars, except number of shares outstanding)

	For the three months ended March 31, 2022 \$	For the three months ended March 31, 2021 \$
Operating expenses		
Depreciation	94,753	73,984
Management fees and wages	1,207,410	742,549
Investor relations and corporate development	91,975	96,677
Office, insurance and general	245,707	189,671
Professional fees	169,635	249,350
Share-based payments	1,471,408	1,036,908
Transfer agent and regulatory	12,812	57,291
Loss from operations	(3,293,700)	(2,446,430)
Other (expense) income		
Accretion expense on lease liability	(18,277)	(21,623)
Accretion expense on asset retirement obligation	(19,568)	(22,239)
Equity loss from investment in associate	(236,876)	(143,164)
Fair value adjustment on convertible debenture	-	(795,646)
Fair value adjustment on warrants	(644,119)	(206,439)
Interest income	218,472	119,319
Net loss	(3,994,068)	(3,516,222)
Other comprehensive (loss) gain, net of tax		
<i>Items that will not be reclassified to net loss</i>		
Gains (loss) on marketable securities	262,316	(267,260)
Comprehensive loss	(3,731,752)	(3,783,482)
Loss per common share		
Basic and diluted	(0.03)	(0.03)
Weighted average number of common shares outstanding		
Basic and diluted	153,991,034	124,258,084

The accompanying notes are an integral part of the condensed interim consolidated financial statements

ARTEMIS GOLD INC.

Condensed Interim Consolidated Statements of Changes in Equity

(Unaudited - Expressed in Canadian Dollars, except number of shares)

	Share capital		Contributed surplus	Accumulated other comprehensive income	Retained deficit	Total shareholders' equity	
	Notes	Number of shares					Amount
		#					\$
Balance - January 1, 2022		153,971,145	417,276,031	10,058,314	3,360,055	(11,367,165)	419,327,235
Exercise of share purchase warrants		80,000	86,400	-	-	-	86,400
Shared-based payments		-	-	2,103,668	-	-	2,103,668
Gain on marketable securities		-	-	-	262,316	-	262,316
Net loss		-	-	-	-	(3,994,068)	(3,994,068)
Balance - March 31, 2022		154,051,145	417,362,431	12,161,982	3,622,371	(15,361,233)	417,785,551

	Share capital		Contributed surplus	Accumulated other comprehensive income	Retained earnings (deficit)	Total shareholders' equity	
	Notes	Number of shares					Amount
		#					\$
Balance - January 1, 2021		124,204,936	250,411,031	3,567,530	2,915,998	2,343,587	259,238,146
Exercise of share purchase warrants		76,666	82,799	-	-	-	82,799
Shared-based payments		-	-	1,444,304	-	-	1,444,304
Unrealized loss on marketable securities		-	-	-	(267,260)	-	(267,260)
Net loss		-	-	-	-	(3,516,222)	(3,516,222)
Balance - March 31, 2021		124,281,602	250,493,830	5,011,834	2,648,738	(1,172,635)	256,981,767

The accompanying notes are an integral part of the condensed interim consolidated financial statements

ARTEMIS GOLD INC.

Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

	For the months ended March 31, 2022 \$	For the months ended March 31, 2021 \$
Operating activities		
Net loss	(3,994,068)	(3,516,222)
Items not involving cash:		
Depreciation	94,753	73,984
Share-based payments	1,471,408	1,036,908
Accretion expense on lease liability	18,277	21,623
Accretion expense on asset retirement obligation	19,568	22,239
Equity loss from investment in associate	236,876	143,164
Fair value adjustment on convertible debenture	-	795,646
Fair value adjustment on warrants	644,119	206,439
Interest income	(218,472)	(119,319)
Net changes in non-cash working capital:		
Accounts payable and accrued liabilities	328,263	95,014
Receivables and prepayments	(85,894)	94,445
Net cash used in operating activities	(1,485,170)	(1,146,079)
Investing activities		
Interest received	182,347	35,747
Proceeds from marketable securities	1,383,413	-
Mineral property, plant and equipment	(7,334,924)	(8,301,128)
Restricted cash	-	(30,000)
Net cash used in investing activities	(5,769,164)	(8,295,381)
Financing activities		
Deferred financing costs	(4,266,741)	-
Exercise of share purchase warrants	86,400	82,799
Lease payments	(89,853)	(67,586)
Net cash provided by financing activities	(4,270,194)	15,213
Change in cash and cash equivalents	(11,524,528)	(9,426,247)
Cash and cash equivalents, beginning	131,359,116	51,846,826
Cash and cash equivalents, ending	119,834,588	42,420,579
Restricted cash, ending	824,300	570,800
Total cash, cash equivalents and restricted cash, ending	120,658,888	42,991,379

The accompanying notes are an integral part of the condensed interim consolidated financial statements

ARTEMIS GOLD INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

1. NATURE OF OPERATIONS

Artemis Gold Inc. ("**Artemis**" or the "**Company**") was incorporated under the Business Corporations Act (British Columbia) on January 10, 2019. The Company is a development-stage company focused on the development of the Blackwater Gold Project ("**Blackwater**" or the "**Blackwater Project**") in central British Columbia. The Company's common shares are traded on the Toronto Venture Exchange under the symbol "ARTG".

The Company acquired Blackwater from New Gold Inc. ("**New Gold**") on August 21, 2020. The Company also has a significant investment in Velocity Minerals Ltd. ("**VLC**") which is in the business of acquiring, exploring, and evaluating mineral resource properties in Bulgaria.

The Company operates a single reportable segment, being the exploration and development of mineral properties.

The Company maintains its head office at 595 Burrard Street, Suite 3083, Vancouver, B.C. Canada. The Company's registered and records office is located at 595 Burrard Street, Suite 2600, Vancouver, B.C., Canada.

2. BASIS OF PREPARATION

Basis of preparation and measurement

These unaudited condensed interim consolidated financial statements ("**Interim Financial Statements**") have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board (the "**IASB**") applicable to the preparation of interim financial statements including International Accounting Standard 34 - *Interim Financial Reporting* and do not include the information required for full annual financial statements. Accordingly, they should be read in conjunction with the Company's audited financial statements for the years ended December 31, 2021 and 2020 (the "**Annual Financial Statements**"). The accounting policies applied in the preparation of these Interim Financial Statements are consistent with those applied and disclosed in the Annual Financial Statements, except as described below.

These Interim Financial Statements have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value. In addition, these Interim Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information. These Interim Financial Statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiary. References to "US\$" are to United States Dollars. Certain comparative period information has been restated to conform to the current period presentation.

These Interim Financial Statements were approved by the board of directors on May 18, 2022.

ARTEMIS GOLD INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

2. BASIS OF PREPARATION (continued)

Basis of consolidation

These Interim Financial Statements include the accounts of the Company and its wholly-owned subsidiaries, BW Gold Ltd. and 1337890 BC Ltd. The Company and its subsidiaries are domiciled in Canada. All inter-company balances, transactions, revenues and expenses have been eliminated upon consolidation.

Changes in accounting policies

Effective January 1, 2022, the Company adopted amendments to *IAS 16 - Property, Plant and Equipment* ("**IAS 16**") as issued by the IASB. The amendments to IAS 16 prohibit deducting from the cost of an item of mineral 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 to IAS 16 did not have any impact on the Company's historical financial statements or the current-period results.

3. USE OF ESTIMATES AND JUDGMENTS

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances. Uncertainty about these judgments, estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The Company's interim results are not necessarily indicative of its results for a full year. The significant judgments and estimates applied in the preparation of these Interim Financial Statements are consistent with those applied and disclosed in Note 4 of the Annual Financial Statements.

4. INVESTMENT IN VLC

The Company's investment in VLC as at March 31, 2022 was comprised of:

	Investment in associate \$	Convertible debenture \$	Warrants \$	Total \$
Balance, January 1, 2021	9,479,754	10,976,994	2,699,462	23,156,210
Conversion of debenture	10,181,348	(10,181,348)	-	-
Fair value change for the year	-	(795,646)	(2,055,343)	(2,850,989)
Equity loss on investment in associate	(701,729)	-	-	(701,729)
Balance, December 31, 2021	18,959,373	-	644,119	19,603,492
Fair value change in the period	-	-	(644,119)	(644,119)
Equity loss on investment in associate	(236,876)	-	-	(236,876)
Balance, March 31, 2022	18,722,497	-	-	18,722,497

ARTEMIS GOLD INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

4. INVESTMENT IN VLC (continued)

As at March 31, 2022, the Company held 50,701,138 common shares of VLC (or 32% of VLC's issued and outstanding common shares) with a fair market value of \$14,703,330 (December 31, 2021 - 50,701,138 VLC shares at a fair value of \$15,717,353).

The Company's also previously held 9,300,000 warrants in VLC which expired unexercised on March 14, 2022.

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

The assets and liabilities of VLC are summarized in the following table and incorporates VLC's most recently available financial information at the time of preparation of these Interim Financial Statements, which was as at December 31, 2021.

	December 31, 2021
	\$
Current assets	5,033,235
Non-current assets	23,447,757
	28,480,992
Current liabilities	429,626
Non-current liabilities	44,776
	474,402
Net assets	28,006,590
Company's equity share of net assets	8,859,343
Loss and comprehensive loss attributable to VLC shareholders for the three months ended December 31, 2021	(748,825)

ARTEMIS GOLD INC.

Notes to the Condensed Interim Consolidated Financial Statements

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(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

5. MINERAL PROPERTY, PLANT AND EQUIPMENT

	Mineral property \$	Right-of-use asset \$	Camp \$	Equipment \$	Vehicles \$	Other ⁽¹⁾ \$	Total \$
COST							
Balance, January 1, 2021	-	959,744	4,817,845	1,457,107	126,461	144,832	7,505,989
Transfer from mineral property – exploration and evaluation asset	297,627,717	-	-	-	-	-	297,627,717
Additions (dispositions)	8,274,158	610,144	(15,000)	215,955	(12,320)	392,856	9,465,793
Balance, December 31, 2021	305,901,875	1,569,888	4,802,845	1,673,062	114,141	537,688	314,599,499
Additions	9,776,889	-	-	-	-	864,792	10,641,681
Balance, March 31, 2022	315,678,764	1,569,888	4,802,845	1,673,062	114,141	1,402,480	325,241,180
Balance, January 1, 2021	-	(199,947)	(160,595)	(28,571)	(8,431)	(8,143)	(405,687)
Depreciation	-	(288,409)	(480,535)	(92,148)	(24,472)	(54,084)	(939,648)
Balance, December 31, 2021	-	(488,356)	(641,130)	(120,719)	(32,903)	(62,227)	(1,345,335)
Depreciation	-	(72,102)	(104,043)	(26,940)	(4,062)	(18,980)	(226,127)
Balance, March 31, 2022	-	(560,458)	(745,173)	(147,659)	(36,965)	(81,207)	(1,571,462)
NET BOOK VALUE							
Balance, December 31, 2021	305,901,875	1,081,532	4,161,715	1,552,343	81,238	475,461	313,254,164
Balance, March 31, 2022	315,678,764	1,009,430	4,057,672	1,525,403	77,176	1,321,273	323,669,718

(1) Included in "Other" are furniture, leasehold improvements, buildings and land.

Total depreciation recognized during the three months ended March 31, 2022 was \$226,127 (for the three months ended March 31, 2021 – \$222,519), of which \$94,753 was expensed in the interim consolidated statements of loss and comprehensive loss (for the three months ended March 31, 2021 - \$73,984). The remaining depreciation charges were capitalized to mineral property.

ARTEMIS GOLD INC.

Notes to the Condensed Interim Consolidated Financial Statements

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(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

6. VARIABLE CONSIDERATION PAYABLE

As part of the consideration associated with the acquisition of the Blackwater Project from New Gold, the Company agreed to a Gold Stream with New Gold. The Gold Stream was subsequently sold by New Gold to Wheaton Precious Metals™ Corp. (“Wheaton”).

The Gold Stream includes a delayed construction/production penalty clause (the “Delay Penalty Clause”) whereby, in the event the Blackwater mineral processing facility has not achieved an average of at least 80% of nameplate capacity (as per the definition in the 2021 feasibility study) for a period of 60 days prior to each of August 21, 2027, 2028 and 2029, the Company will be required to make penalty payments to Wheaton in the amount of \$28,000,000 (the “Penalty Payment”) per annual deadline missed, up to a maximum of \$84,000,000. Although the Company does not control all of the events which may result in payment of the Penalty Payments, it is likely that the minimum benefit to Wheaton, either as a result of the Delay Penalty Clause or through future sales at a discount to the spot price, will be the sum of the Penalty Payments. Accordingly, the Company has recorded a liability for variable consideration payable upon the acquisition of Blackwater.

The initial fair value of the financial liability was determined using a discount rate of 12.5% and subsequent changes to the amortized cost were as follows:

	Carrying amount \$
Balance, January 1, 2021	32,484,283
Accretion expense capitalized to mineral property, plant and equipment	4,324,799
Balance, December 31, 2021	36,809,082
Accretion expense capitalized to mineral property, plant and equipment	1,152,082
Balance, March 31, 2022	37,961,164

7. ASSET RETIREMENT OBLIGATION

Changes to the asset retirement obligation are as follows:

	Carrying amount \$
Balance, January 1, 2021	8,347,027
Accretion expense	76,850
Change in obligation estimate	(1,079,594)
Balance, December 31, 2021	7,344,283
Accretion expense	19,568
Change in obligation estimate	(1,336,476)
Balance, March 31, 2022	6,027,375

ARTEMIS GOLD INC.

Notes to the Condensed Interim Consolidated Financial Statements

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(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

7. ASSET RETIREMENT OBLIGATION (continued)

The majority of the expenditures are expected to occur after 2047. As at March 31, 2022, the assumptions applied in estimating the asset retirement obligation included the 25-year average inflation rate and discount rate which were 2.12% and 2.41% per annum (as at December 31, 2021 2.02% and 1.68% per annum), respectively.

As at March 31, 2022 and December 31, 2021, the Company recorded \$824,300 of restricted cash on the statements of financial position with respect to cash collateral posted to support surety bonds in the amount of \$3,684,000 attributed to the asset retirement obligation and early works permit (\$540,800 of restricted cash for a \$2,704,000 surety bond attributed to the asset retirement obligation and \$196,000 of restricted cash for a \$980,000 surety bond related to the early works permit). The remainder of the Company's restricted cash balance relates to collateral provided in regard to general corporate accounts.

8. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Key management compensation

The Company transacts with key management personnel, who have authority and responsibility to plan, direct and control the activities of the Company and receive compensation for services rendered in that capacity. Amounts paid to related parties were incurred in the normal course of business and on an arm's length basis. Salaries, benefits, consulting fees and director's fees are recorded on a historical cost basis while share-based compensation is measured at the fair value of the instruments issued, with the expense recognized over the relevant vesting periods.

Related party transactions for the three months ended March 31, 2021, included compensation paid to the Company's directors, as well as the Company's Chief Executive Officer, Chief Financial Officer and Chief Operating Officer.

Compensation awarded to related parties for the three months ended March 31, 2022, and March 31, 2021, was:

	For the three months ended March 31, 2022 \$	For the three months ended March 31, 2021 \$
Salaries and benefits	209,489	277,860
Consulting fees	150,000	143,750
Directors' fees	135,500	81,250
Share-based payments	1,170,099	976,997
	1,665,088	1,479,857

As at March 31, 2022, the Company did not owe any unpaid salaries, benefits and consulting fees to the Company's Chief Executive Officer, Chief Financial Officer and Chief Operating Officer (as at December 31, 2021 - \$Nil).

As at March 31, 2022, the Company did not owe any unpaid fees to Directors (as at December 31, 2021 - \$Nil).

ARTEMIS GOLD INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

9. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, interest receivables and deposits which are classified as fair value through profit and loss. The Company's financial instruments also include accounts payable and variable 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 March 31, 2022, 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. The carrying value of variable consideration payable

is considered to approximate its fair value (Note 6). The fair value of the Company's equity investment in VLC is disclosed in Note 4.

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 variable consideration payable is categorized as Level 3 in the fair value hierarchy as observable market data for this instrument is not available.

10. SUBSEQUENT EVENT

- a) Subsequent to March 31, 2022 the Company issued 60,000 common shares in various tranches pursuant to warrant exercises for gross proceeds of \$64,800.