MANAGEMENT DISCUSSION AND ANALYSIS

For the three and six months ended June 30, 2022 and 2021

ARTEMIS GOLD INC.

Dated August 11, 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 three and six months ended June 30, 2022, and includes events up to the date of this MD&A. This discussion should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2022 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, 2021 (the "**Annual Financial Statements**") and 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 which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS**") applicable to the preparation of interim financial statements including International Accounting Standard ("**IAS**") 34 - Interim Financial Reporting. All dollar figures stated herein are expressed in Canadian dollars, unless otherwise specified. This MD&A contains forward-looking information. Please see the section, "Note Regarding Forward-Looking Information" for a discussion of the risks, uncertainties and assumptions used to develop the Company's forward-looking information.

2. TECHNICAL INFORMATION

All scientific and technical information herein related to the Blackwater Gold Project located in central British Columbia (the "**Blackwater Project**" or "**Blackwater**") has been reviewed and approved by Mr. Jeremy Langford, FAusIMM., who is the Company's Chief Operating Officer and a qualified person for the purposes of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("**NI 43-101**"). For additional information regarding the Blackwater Project, please see the Company's news release dated 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) and its 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 engaged 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 to focus on key optimization and de-risking activities associated with the Blackwater Project through:

(i) Executing an Interim Services Agreement ("**ISA**") with Sedgman Canada Limited ("Sedgman"), a CIMIC Group Company for an Engineering, Procurement and Construction ("**EPC**") contract for the construction of the processing facility and associated infrastructure (the "**Facilities**") for the Blackwater Project;

(ii) Securing orders for certain long-lead equipment (associated with major works construction) under the ISA, including orders for crushing and grinding equipment, the adsorption, desorption and recovery ("**ADR**") plant, agitators, gravity concentrators, leach reactors, pumps, samplers and screens.

(iii) Executing binding agreements with Finning (Canada), a division of Finning International Inc. (TSX: FTT) ("**Finning**") for the supply of a primary and ancillary mining fleet for the Blackwater Project, as well as the supply of associated parts, components and services for the mining fleet (collectively the "**Mining Equipment Supply Agreements**");

(iv) Entering into a binding agreement with Caterpillar Inc. ("**Caterpillar**") which provides the Company an option to place orders for Caterpillar's future zero-emissions haul trucks for shipments beginning in 2029;

(v) Executing a Master Lease Agreement for a $140 million equipment lease facility (the "**Facility**") with Caterpillar Financial Services Limited ("**Cat Financial**") associated with the primary and ancillary mining fleet for the Blackwater Project ("**Blackwater**" or the "**Project**") in Central British Columbia, Canada.

5. DEVELOPMENT OF BLACKWATER

Key milestones achieved

Since April 1, 2022, the Company has completed the following activities to reduce the project execution risk associated with Blackwater:

(i) Execution of an ISA for the EPC contract for the Facilities for the Blackwater Project

On May 2, 2022, the Company announced it had made an award for the EPC scope of works for the engineering, procurement, construction and commissioning of the processing plant and associated infrastructure at the Company's Blackwater project in the amount of approximately $312 million, consistent with the prescribed budget for the process plant and selected infrastructure scope of works in the Feasibility Study.

The EPC contract is expected to be executed during Q3 2022, supported by performance security including bank letters of credit which will underwrite the financial performance and obligations of the contractor under the contract.

While the parties finalize the definitive EPC contract, in order to maintain the project schedule, the Company executed the ISA, the scope of which includes but is not limited to, the following activities:

- Derisking by way of:
    - Procurement and pricing of long lead equipment;
    - Potential advance procurement of certain raw materials for fabricators;
    - Detailed engineering work commencing in Q2 2022; and
    - Progression of quantification of structural steel/platework and piping areas of the estimate.

- Optimization through refined scope changes.

The final EPC contract terms will provide for potential cost adjustments of certain components of construction representing approximately less than 15% of the total contract amount, including the potential for cost adjustments from further quantity definition. Standard adjustments, including, currency exchange rates for certain equipment purchases also apply, and further optimization of the processing plant with final engineering will occur.

Artemis is also considering awarding additional construction packages under an EPC agreement type structure to further enhance the risk management of the total capital expenditure for Blackwater.

When combined with the EPC for the Power Transmission Line announced on August 18, 2021, the percentage of the estimated total capex for Blackwater under EPC is on track to target ~60% of the initial Stage 1 development capital in a lump sum EPC type arrangement.

(ii) Placement of orders for long-lead construction equipment

Following the execution of the ISA, Sedgman commenced with detailed engineering, as well as procurement of long-lead construction equipment in order to not only secure pricing, but also to maintain the Project schedule. The packages for which purchase orders have already been issued include the crushing and grinding equipment, the ADR plant, agitators, gravity concentrators, leach reactors, pumps, samplers and screens.

The Company similarly entered into an early engineering and procurement agreement to allow BC Hydro to perform certain engineering design, procurement and other services related to the Power Transmission line.

The cost of procurement of these packages form part of the initial capital of the Project.

(iii) Execution of Mining Equipment Supply Agreements and placement of orders for mining and ancillary equipment

During the quarter, the Company executed the Mining Equipment Supply Agreements with Finning for the supply of a primary and ancillary mining fleet. Under the Mining Equipment Supply Agreements, the Company has secured equipment pricing for the primary fleet until December 31, 2024, subject to minor index and foreign exchange adjustments. Finning has further agreed to delivery dates for the primary and ancillary fleet in order to support mine development for Blackwater. The Mining Equipment Supply Agreements secure the supply of equipment, as well as the supply of parts and labour, the latter of which will support the equipment availability guarantees provided by Finning.

(iv) Establishing a pathway to future decarbonization of the Blackwater haul fleet

Concurrent with execution of the Mining Equipment Supply Agreements, the Company also executed a binding agreement with Caterpillar which provides the Company an option to place orders for Caterpillar's future zero-emissions haul trucks for shipments beginning as early as 2029. In addition, the Company obtains access to Caterpillar's early deployment program to help develop the Company's roadmap for the prospective transition from diesel operations to electric hauling.

(v) Closing of Master Lease Agreement for mining and ancillary equipment

On July 27, 2022, the Company executed the Master Lease Agreement with Cat Financial. The Facility with Cat Financial provides for up to $140 million in equipment financing, with amounts associated with the primary fleet repayable over a six-year period and on terms consistent with the assumptions contained within the Feasibility Study. Utilization of the Facility remains subject to various conditions precedent.

Next Steps

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

- Executing the EPC contract for the Facilities;
- Executing an ISA for the EPC activities associated with the 135-kilometer long 230kV electricity transmission line and High Voltage substation;
- Continuing engagement with First Nations who may be impacted by the Project;
- Finalization of the definitive credit agreement for the project loan facility;
- Placing orders for remaining long lead construction items, mining and ancillary fleet;
- Receiving the BC Mines Act Permit and other authorizations in order to commence Project construction; and
- Commencement of major works construction activities shortly following receipt of the BC Mines Act Permit in the Fall of 2022.

6. DISCUSSION OF OPERATIONS

The following information has been derived from the unaudited Interim Financial Statements for the three and six months ended June 30, 2022 ("**Q2 2022**" and "**YTD 2022**", respectively) and the three and six months ended June 30, 2021 ("**Q2 2021**" and "**YTD 2021**", respectively) and should be read in conjunction with the Company's Interim Financial Statements, which are available on www.sedar.com.

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

	Q2 2022	Q2 2021	YTD 2022	YTD 2021
Operating expenses				
Depreciation	**98,391**	80,821	**193,144**	154,805
Management fees and wages	**953,927**	728,227	**2,161,337**	1,470,776
Investor relations and corporate development	**77,823**	65,593	**169,798**	162,270
Office, insurance and general	**256,761**	216,225	**502,468**	405,896
Professional fees	**137,801**	213,403	**307,436**	462,753
Share-based payments	**1,433,673**	1,146,296	**2,905,081**	2,183,204
Transfer agent and regulatory	**23,529**	53,229	**36,341**	110,520
Loss from operations	**(2,981,905)**	(2,503,794)	**(6,275,605)**	(4,950,224)
Other (expense) income				
Accretion expense on lease liability	**(17,195)**	(20,929)	**(35,472)**	(42,552)
Accretion expense on asset retirement obligation	**(16,060)**	(17,989)	**(35,628)**	(40,228)
Equity loss from investment in associate	**(207,794)**	(200,229)	**(444,670)**	(343,393)
Fair value adjustment on convertible debenture	**-**	-	**-**	(795,646)
Fair value adjustment on warrants	**-**	(686,676)	**(644,119)**	(893,115)
Interest income	**383,863**	159,963	**602,335**	279,282
Net loss	**(2,839,091)**	(3,269,654)	**(6,833,159)**	(6,785,876)
Other comprehensive loss, net of tax				
Items that will not be reclassified to net loss				
Gains (loss) on marketable securities	**-**	101,671	**262,316**	(165,589)
Comprehensive loss	**(2,839,091)**	(3,167,983)	**(6,570,843)**	(6,951,465)
Loss per common share				
Basic and diluted	**(0.02)**	(0.02)	**(0.04)**	(0.05)
Weighted average number of common shares outstanding				
Basic and diluted	**154,098,459**	136,935,176	**154,045,043**	130,631,649

Management fees and wages

Management fees and wages increased by $225,700 and $690,561, respectively when comparing Q2 2022 to Q2 2021 and YTD 2022 to YTD 2021. The increase in both periods is predominantly due to additional hires made to support the increasing scope of development activities associated with Blackwater.

Office, insurance and general

Office, insurance and general expenses increased by $40,536 and $96,572, respectively when comparing Q2 2022 to Q2 2021 and YTD 2022 to YTD 2021. The increase in both periods reflect the costs of expanding and operating the corporate head office in Vancouver in support of the development of the Blackwater Project.

Professional fees

Professional fees decreased by $75,602 during Q2 2022 compared to Q2 2021 due to a reduction in fees associated with the Company's third-party environmental, social and governance initiatives and a reduction in consulting costs related to the Company's hiring and resourcing activities, with similar activities now being undertaken by management (see management fees and wages above).

Professional fees decreased by $155,317 during YTD 2022 compared to YTD 2021 due to the factors listed above, while the YTD 2021 expenditure also reflected non-recurring fees associated with the finalization of the Company's base shelf prospectus and third-party executive placement.

Share-based payments

Share based payments increased by $287,377 and $721,877, respectively when comparing Q2 2022 to Q2 2021 and YTD 2022 to YTD 2021. The increase in both periods is predominantly due to the expansion of the management team of the Company as the Company pursues the development of the Blackwater Project.

Changes associated with investment in VLC

The investment in VLC is 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	(444,670)	-	-	(444,670)
Balance, June 30, 2022	**18,514,703**	**-**	**-**	**18,514,703**

Equity loss on investment in associate

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 recognized initially 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 most recently reported applicable period. The total loss applicable to shareholders of VLC for the six months ended March 31, 2022 was $1,405,713 (for the six months ended March 31, 2021 - $1,223,784).

As at June 30, 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 $13,435,802 (December 31, 2021 - 50,701,138 VLC shares at a fair value of $15,717,353).

Fair value adjustment on warrants

On March 14, 2022, the Company's (then) remaining 9,300,000 warrants in VLC expired unexercised.

7. SUMMARY OF QUARTERLY RESULTS

The following information is derived from the Company's unaudited 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.

	Q2 2022 $	Q1 2022 $	Q4 2021 $	Q3 2021 $
Revenue	-	-	-	-
Net loss	(2,839,091)	(3,994,068)	(4,219,443)	(2,705,433)
Basic and diluted loss per share	(0.02)	(0.03)	(0.03)	(0.02)
Cash dividend declared per share	**-**	-	-	-
	Q2 2021 $	**Q1 2021 $**	**Q4 2020 $**	**Q3 2020 $**
Revenue	-	-	-	-
Net loss	(3,269,654)	(3,516,222)	(953,204)	(2,237,147)
Basic and diluted loss per share	(0.02)	(0.03)	(0.01)	(0.03)
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 and equity accounting associated with the Company's interest in VLC 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. Concurrent with the acquisition of Blackwater, the Company commenced with building up its human resources capacity, resulting in increased management fees and wages from primarily Q3 2020 onwards.

In addition to the foregoing, the predominant reason for fluctuations in net loss 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:

	Q2 2022 $	Q1 2022 $	Q4 2021 $	Q3 2021 $
Stock based compensation	**(1,433,673)**	(1,471,408)	(1,402,154)	(993,967)
Fair value adjustment on convertible debt	**-**	-	-	-
Fair value adjustment on warrants	**-**	(644,119)	(1,084,393)	(77,835)
	Q2 2021 $	**Q1 2021 $**	**Q4 2020 $**	**Q3 2020 $**
Stock based compensation	(1,146,297)	(1,036,908)	(999,186)	(503,451)
Fair value adjustment on convertible debt	-	(795,646)	1,044,477	(612,693)
Fair value adjustment on warrants	(686,676)	(206,439)	384,333	(379,366)

8. LIQUIDITY, CAPITAL RESOURCES, CASH FLOWS AND SELECTED FINANCIAL 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(1) were as follows:

	As at June 30, 2022 $	As at December 31, 2021 $
Assets		
Cash and cash equivalents	**103,265,958**	131,359,116
Other current assets	**888,164**	1,772,236
Current assets	**104,154,122**	133,131,352
Restricted cash	**885,500**	824,300
Other non-current assets	**365,808,835**	335,835,779
TOTAL ASSETS	**470,848,457**	469,791,431
Other current liabilities	**8,706,924**	5,430,523
Current liabilities	**8,706,924**	5,430,523
Non-current liabilities	**44,965,165**	45,033,673
TOTAL LIABILITIES	**53,672,089**	50,464,196
NET ASSETS	**417,176,368**	419,327,235
WORKING CAPITAL	**95,447,198**	127,700,829

(1) Working capital is calculated as current assets less current liabilities

As at June 30, 2022, the Company had the following undiscounted obligations:

	< 1 year $	1 - 3 years $	4 - 5 years $	> 5 years $	Total $
Accounts payable and accrued liabilites	8,341,639	-	-	-	**8,341,639**
Lease liability	365,285	747,640	190,950	-	**1,303,875**
Contractual commitments	5,072,365	-	-	-	**5,072,365**
Variable consideration payable	-	-	-	84,000,000	**84,000,000**
Asset retirement obligation	-	-	-	11,637,000	**11,637,000**
Total	13,779,289	747,640	190,950	95,637,000	**110,354,879**

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. However, 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, through the utilization of the project loan facility, its silver streaming arrangement with Wheaton Precious Metals™ Corp. ("**Wheaton**"), as well as financing through the Master Lease Agreement. 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. Furthermore, closing of the project loan facility, as well as utilization of the project loan facility, silver streaming arrangement and the Master Lease Agreement remain subject to various conditions precedent.

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

	For the three months ended June 30, 2022 $	For the three months ended June 30, 2021 $	For the six months ended June 30, 2022 $	For the six months ended June 30, 2021 $
Net cash used in operating activities	**(850,125)**	(753,499)	**(2,335,295)**	(1,899,578)
Net cash used in investing activities	**(15,391,536)**	(6,797,738)	**(21,160,700)**	(15,093,119)
Net cash (used in) provided by financing activities	**(326,969)**	166,321,312	**(4,597,163)**	166,336,525
Change in cash and cash equivalents	**(16,568,630)**	158,770,075	**(28,093,158)**	149,343,828
Cash and cash equivalents, beginning	**119,834,588**	42,420,579	**131,359,116**	51,846,826
Cash and cash equivalents, ending	**103,265,958**	201,190,654	**103,265,958**	201,190,654
Restricted cash, ending	**885,500**	570,800	**885,500**	570,800
Total cash, cash equivalents and restricted cash, ending	**104,151,458**	201,761,454	**104,151,458**	201,761,454

Cash flows from operating activities

Net cash used in operating activities increased by $96,626 and $435,717, respectively when comparing Q2 2022 to Q2 2021 and YTD 2022 to YTD 2021. The increase in both periods is predominantly due to an increase in corporate operating costs associated with increased staffing levels to support the development of the Blackwater Project.

Cash flows from investing activities

Cash used in investing activities increased by $8,593,798 when comparing Q2 2022 to Q2 2021. The increase is related to cash expenditures associated with the ongoing development activities at the Blackwater Project, including permitting activities, engineering and payments related to certain long-lead items associated with major works construction.

Cash used in investing activities increased by $6,067,581 when comparing YTD 2022 to YTD 2021. The increase is related to the factors listed above, as well as cash expenditures related to the EPC proposal process and the mobile fleet tendering process. These increases were partially offset by an increase proceeds received from the sale of marketable securities.

Cash flows from financing activities

Cash provided by financing activities decreased by $166,648,281 when comparing Q2 2022 to Q2 2021 due to the fact that during Q2 2021 net proceeds of $164,962,716 were raised from the Bought Deal Offering and Non-Brokered Offering compared to $nil raised during Q2 2022. Furthermore, there was a reduction in the amount of share purchase warrants exercised in the period.

Cash provided by financing activities decreased by $170,933,688 when comparing YTD 2022 to YTD 2021 due to the factors listed above, as well as an increase in the payment of deferred financing costs associated with securing the various forms of financing for the Project during YTD 2022.

Use of Proceeds

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

	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**	
Blackwater Acquisition	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	70,477,886
Remaining in treasury	-	74,964,676
Total net proceeds	**335,442,562**	**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

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. 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 and six months ended June 30, 2022, included compensation paid to the Company's directors (Messrs. David Black, Bill Armstrong, Ryan Beedie, Mss. Elise Rees and Lisa Ethans and Dr. Janis Shandro), as well as the Company's Chief Executive Officer (Mr. Steven Dean), Chief Financial Officer

(Mr. Chris Batalha), Chief Operating Officer (Mr. Jeremy Langford) and Chief Commercial Officer (Candice Alderson, commencing in late Q2 2022).

Compensation awarded to related parties for the three and six months ended June 30, 2022 and 2021, was:

	Q2 2022	Q2 2021	YTD 2022	YTD 2021
	$	$	$	$
Salaries and benefits	**200,486**	206,331	**409,975**	484,191
Consulting fees	**150,000**	143,750	**300,000**	287,500
Directors' fees	**135,500**	107,083	**271,000**	188,333
Share-based payments	**1,169,880**	1,012,093	**2,339,979**	1,989,090
	1,655,866	1,469,257	**3,320,954**	2,949,114

10. OFF-BALANCE SHEET ARRANGEMENTS

The Company had no off-balance sheet arrangements as at June 30, 2022, or as at the date hereof.

11. SUBSEQUENT EVENT

a) Subsequent to June 30, 2022 the Company issued 75,000 common shares in various tranches pursuant to warrant exercises for gross proceeds of $81,000.

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 154,246,701 common shares outstanding, 30,764,909 warrants outstanding and 9,066,500 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.

13. 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, through the project loan facility, its streaming arrangement with Wheaton, the Master Lease Agreement, 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 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 June 30, 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. 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.

15. RISK FACTORS

The Company's business, operations and future prospects are subject to significant risks. For details of these risks, refer to the risk factors set forth in the Company's most recently filed AIF, which can be found under the Company's corporate profile on SEDAR at www.sedar.com. Management is not aware of any significant changes to the risks identified in the Company's most recently filed AIF nor has the Company's mitigation of those risks changed significantly during the quarter ended June 30, 2022. These risks 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.

16. 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.

17. NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking statements" (also referred to as "forward-looking information") within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical facts, included in this MD&A that address activities, events or developments that Artemis expects or anticipates will or may occur in the future, including, without limitation, statements about the future exploration, 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 project loan facility; expectations relating the to the utilization of the Master Lease Agreement; expectations relating to the silver stream arrangement; 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.