MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended December 31, 2022

ARTEMIS GOLD INC.

Dated March 28, 2023

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, 2022 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, 2022 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".

The Company's primary focus is to advance the development of the Blackwater Project.

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

4. HIGHLIGHTS AND KEY BUSINESS DEVELOPMENTS

Corporate highlights since the prior quarter and since December 31, 2022:

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

(i) Obtaining the BC Mines Act Permit for the Blackwater Project, which was the final step required to allow the Company to commence construction activities in Q1 2023;

(ii) Closing a syndicated project facility with a syndicate of lenders, in respect of its previously announced $385 million Project Loan Facility ("**PLF**");

(iii) Completing the construction camp to meet the full complement needed for the duration of the construction project;

(iv) Advancing the plant site preparation, including the contractor laydown and batch plant areas. Sedgman Canada Limited ("**Sedgman**") commenced mobilization in accordance with the Engineering, Procurement and Construction Contract;

(v) Selecting preferred construction support service partners related to security, supply of fuel and related products, as well as explosives and related services; and

(vi) Executing an order with Finning (Canada), a division of Finning International Inc (TSX:FTT) ("**Finning**") for the construction mobile equipment required for the owner-performed scope of major works construction activities.

5. DEVELOPMENT OF BLACKWATER

Key milestones achieved

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

(i) Receiving the BC Mines Act Permit for the Blackwater Project

On March 9, 2023 the Company announced the receipt of the BC Mines Act Permit for the Blackwater Project, allowing for major works construction activities to commence in Q1 2023, with the expectation of an initial gold pour in H2 2024.

As part of the permitting process, Artemis Gold collaborated with the federal and provincial governments, Lhoosk'uz Dené Nation, Ulkatcho First Nation, Carrier Sekani First Nations, and Nazko First Nation on the development of innovative and precedent-setting environmental management plans related to caribou habitat offsetting, fish habitat offsetting, wetlands offsetting and conservation and enhancement activities. The company has also received significant support and input from the District of Vanderhoof and other local communities in the project area.

(ii) Finalizing a syndicated project facility agreement for $385 million

On March 1, 2023 the Company announced closing the syndicated PLF to fund a significant component of the estimated construction costs of the Blackwater Project.

The terms of the PLF are substantially consistent with those announced in the Company's news release dated February 24, 2022 and include the following:

- Facility Amount - $360 million, plus up to $25 million for capitalized interest prior to Project completion, plus a standby cost overrun facility ("**Standby COF**") in the amount of $40 million. The Company may cancel the Standby COF once Project development reaches completion;

- Interest Rate – Canadian Dealer Offered Rate ("**CDOR**"), plus a margin of 4.75% pre-project completion, reducing to 4.25% post-completion. Any amounts drawn on the Standby COF will carry the above pricing plus an additional 2%;

- Fees – Customary Upfront and standby fees for a facility of this nature;

- Repayment and Maturity – Principal and capitalized interest will be repayable in quarterly installments over six years, commencing in the third quarter following commercial production, 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; and

- Hedging - A hedging program is expected to be put in place prior to utilization of the PLF. 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 to 300,000 gold ounces.

Utilizing the PLF is subject to the satisfaction of certain customary conditions precedent. The PLF is secured through guarantees and a first ranking charge on all assets of the Company and each of its material subsidiaries.

(iii) Advancing the final preparations for the commencement of major works construction

A number of key initiatives to support the commencement of major works were progressed, including:

Plant Site Preparation

In the process plant area, tree clearing activities, as well as other clearing and grubbing activities have been completed over the entire 26-hectare plant site footprint. A new contractor laydown area has been stripped, levelled, and graded with cut and fill earthworks well advanced throughout and earthwork has been completed on the sediment and erosion control pond.

Construction Camp Installation

Site levelling, pad preparation and bulk earthworks for the construction camp was completed as planned in Q4 2022. The module buildings, arctic corridors and gym facilities were all completed prior to end of Q4 2022, with the remainder of the construction camp (including minor service tie ins) completed during Q1 2023.

Upgrades to Infrastructure

The Company is also advancing required upgrades to site which include running buried and surface pipelines from selected water wells, and upgrades to its sewage infrastructure in order to accommodate planned capacity at site for major works construction activities. The Company has also completed upgrades to fire suppression, heating ventilation and air conditioning and associated electrical facilities at site.

Selection of preferred construction partners

To further support preparations for the commencement of major works construction, the Company has also selected preferred partners to provide security, supply fuel and related products, as well as explosives and related services.

(iv) Executing an order with Finning for the construction equipment required for the owner-performed scope of major works construction activity

During Q1 2023, the Company executed an order with Finning for the construction equipment required for the execution of the owner-performed scope of major works construction activities. The initial construction fleet is expected to be delivered in early Q2 2023 and will be composed of a variety of mining support equipment, including excavators, backhoe loaders, compactors, graders, telehandlers, as well as fuel and water trucks, and will be further expanded throughout the construction period.

Supplementary rental equipment will be used in the interim to support the initial construction fleet until the primary mining fleet is delivered to site in preparation for the commencement of mine pre-stripping activities. Preliminary work activities will focus on development of site infrastructure including access roads, water management structures, mine haul roads, and commencement of tailings dam construction.

(v) Advancing Engineering, Procurement and Construction contract ("EPC") with Sedgman

As of the end of February 2023, Sedgman had completed approximately 63% of the detailed engineering for the processing plant. Over 90% of the total processing equipment packages have been awarded, including key items such as the ball mill, gyratory crusher, apron and reclaim feeders, the secondary and tertiary crushers, slurry and solution pumps, the pre-leach and carbon in leach tankage, vibrating screens, and the gravity concentrators. Manufacturing has commenced and is proceeding in accordance with the relative fabrication vendor schedules/timelines.

Looking ahead to Q2 2023, Sedgman will continue to mobilize personnel to the Blackwater Project site and focus on finalizing site establishment and commencing civil works and subsequent concrete pours at major foundations within the process plant area.

Next Steps ÷

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

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- Executing the engineering, procurement and construction contract 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;
- Executing major works construction activities, in line with the construction plan.

6. DISCUSSION OF OPERATIONS AND SELECTED ANNUAL INFORMATION

During the years ended December 31, 2022 ("**FY2022**") and December 31, 2021 ("**FY2022**"), the Company incurred a net loss of $21,629,912 and $13,710,752, respectively.

The following information has been derived from and should be read in conjunction with the Consolidated Financial Statements for the years ended December 31, 2022 and December 31, 2021 ("**Annual Financial Statements**"). The information for the three months ended December 31, 2022 ("**Q4 2022**") and December 31, 2021 ("**Q4 2021**") was derived from the Unaudited Condensed Interim Financial Statements for the three months ended September 30, 2022 and September 30, 2021 which are available on www.sedar.com.

	Q4 2022	Q4 2021	FY 2022	FY 2021	YTD 2020
Operating expenses					
Depreciation	**120,720**	93,214	**412,254**	340,641	167,483
Management fees and wages	**1,457,953**	1,039,285	**5,049,645**	3,216,248	2,183,408
Investor relations and corporate development	**199,716**	77,919	**417,838**	297,600	422,706
Office, insurance and general	**493,423**	219,271	**1,237,006**	864,495	424,344
Professional fees	**262,921**	158,182	**736,601**	1,121,112	758,557
Share-based payments	**817,217**	1,402,154	**5,078,570**	4,579,325	2,371,263
Transfer agent and regulatory	**111,391**	129,760	**183,677**	302,147	179,950
Loss from operations	**(3,463,341)**	(3,119,785)	**(13,115,591)**	(10,721,568)	(6,507,711)
Other (expense) income					
Accretion expense on lease liability	**(20,982)**	(19,252)	**(72,545)**	(81,921)	(53,775)
Accretion expense on asset retirement	**(14,319)**	(18,038)	**(63,456)**	(76,850)	(22,983)
Equity loss from investment in associate	**(189,371)**	(176,901)	**(893,189)**	(701,729)	(418,996)
Fair value adjustment on convertible debenture	**-**	-	**-**	(795,646)	1,410,550
Fair value adjustment on warrants	**-**	(1,084,393)	**(644,119)**	(2,055,343)	106,721
Impairment loss on investment in associate	**-**	-	**(9,889,867)**	-	554,663
Interest income	**1,851,107**	198,926	**3,048,855**	722,305	(274,937)
Net loss before income taxes	**(1,836,906)**	(4,219,443)	**(21,629,912)**	(13,710,752)	(5,206,468)
Deferred income tax recovery	**-**	-	**-**	-	1,274,061
Net loss	**(1,836,906)**	(4,219,443)	**(21,629,912)**	(13,710,752)	(3,932,407)
Other comprehensive loss, net of tax					
Items that will not be reclassified to net loss					
Gains on marketable securities	**-**	51,927	**262,316**	444,057	2,861,695
Comprehensive loss	**(1,836,906)**	(4,167,516)	**(21,367,596)**	(13,266,695)	(1,070,712)
Loss per common share					
Basic and diluted	**(0.01)**	(0.03)	**(0.13)**	(0.10)	(0.05)
Weighted average number of common shares outstanding					
Basic and diluted	**187,293,658**	153,758,332	**162,477,167**	142,224,347	75,234,362

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

Management fees and wages

Management fees and wages increased by $418,668 and $1,833,397 for Q4 2022 and FY2022, respectively, compared to the comparative prior periods. The increase in both periods is predominantly the result of additional hires made to support the increasing scope of development activities associated with Blackwater.

Office, insurance and general

Office, insurance and general expenses were $274,152 and $372,511 higher for Q4 2022 and FY2022, respectively, when compared to the comparative prior periods. The increase in both periods reflect the costs of expanding and operating the corporate head office in Vancouver and the regional offices in the Project region to support the development of the Blackwater Project.

Professional fees

The decrease of $384,511 in professional fees for FY2022 compared to prior year is 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.

Share-based payments

Share-based payments decreased by $584,937 in Q4 2022 when compared to Q4 2021 due to the relative timing of the vesting of previously granted compensation that became fully vested in the quarter.

Share-based payments increased by $499,245 in FY2022 compared to prior year. The increase corresponds to the expansion of the management team of the Company to support the development of the Blackwater Project.

Interest Income

Interest income was $1,652,181 and $2,326,550 higher for Q4 2022 and FY2022, respectively, when compared to the comparative prior periods. The increase in both periods reflect the interest earned as a result of the Company's higher cash balances, due to the completion of a brokered and non-brokered offering in Q4 2022 (further details of the brokered and non-brokered offering are contained within the liquidity section below), as well as increase interest rates that favorably impacted the return on the associated cash balances.

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**
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 31, 2021	**18,959,373**	-	**644,119**	**19,603,492**
Fair value change for the year	-	-	(644,119)	(644,119)
Equity loss on investment in associate	(893,189)	-	-	(893,189)
Impairment loss on investment in	(9,889,867)	-	-	(9,889,867)
Balance, December 31, 2022	**8,176,317**	**-**	**-**	**8,176,317**

Equity loss on investment in associate

The Company applies equity accounting for 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 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.

During the year, the Company recognized a non-cash impairment loss of $9,889,867 due to a significant and prolonged decline in the market share price of VLC. The Company compared the carrying value of the investment in VLC to its estimated recoverable amount, which was determined to be its level 1 fair value due to the observable share prices of VLC on the TSXV at year end.

As at December 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 $10,140,228 (December 31, 2021 - 50,701,138 VLC shares at a fair value of $15,717,353). VLC's most recently reported net loss for the three and twelve months ended September 30, 2022 totaled $598,649 and $2,823,594, respectively, and is based on the most recently reported information available at the time of preparation of this MD&A.

Fair value adjustment on warrants

During the year-ended December 31, 2022, the Company's remaining 9,300,000 warrants in VLC expired unexercised.

Deferred Income Tax

As at December 31, 2022, the Company has unrecognized tax assets of $33,226,114 (primarily related to non capital losses). However, since the Company has not yet determined whether the deductible temporary differences are probable of being 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 2022 $	Q3 2022 $	Q2 2022 $	Q1 2022 $
Revenue	-	-	-	-
Net loss	**(1,836,906)**	(12,959,846)	(2,839,091)	(3,994,069)
Basic and diluted loss per share	**(0.01)**	(0.08)	(0.02)	(0.03)
Cash dividend declared per share	-	-	-	-
	Q4 2021 $	**Q3 2021 $**	**Q2 2021 $**	**Q1 2021 $**
Revenue	-	-	-	-
Net loss	(4,219,443)	(2,705,433)	(3,269,654)	(3,516,222)
Basic and diluted loss per share	(0.03)	(0.02)	(0.02)	(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, 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.

From 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 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 from one quarter to another were the following: changes in fair value adjustments to the Company's VLC convertible debt and VLC warrants, non-cash impairment charges associated with the investment held in VLC and stock-based compensation associated with the expansion of the management team towards the development of the Project:

	Q4 2022 $	Q3 2022 $	Q2 2022 $	Q1 2022 $
Stock based compensation	**(817,217)**	(1,356,272)	(1,433,673)	(1,471,408)
Impairment loss on investment in associate	-	(9,889,867)	-	-
Fair value adjustment on warrants	-	-	-	(644,119)
	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)

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.

On October 14, 2022, the Company completed an equity financing of $175,005,000 via the issuance of an aggregate of 38,890,000 common shares (the "**Common Shares**") at a price of $4.50 per Common Share (the "**Offering Price**").

National Bank Financial, as sole bookrunner and lead underwriter, together with RBC Capital Markets and Stifel GMP as co-lead underwriters, on behalf of a syndicate of underwriters (which included BMO Nesbitt Burns Inc., Canaccord Genuity Corp., Scotia Capital Inc., Haywood Securities Inc., PI Financial Corp., Cormark Securities Inc., and Paradigm Capital Inc.) (collectively, the "**Underwriters**"), purchased on a bought deal basis 19,112,000 Common Shares at the Offering Price (the "**Bought Deal Offering**") for gross proceeds of $86,004,000 (the "**Bought Deal Gross Proceeds**").

In addition to the Bought Deal Offering, certain management, insiders and shareholders, purchased, pursuant to a separate non-brokered offering, 19,778,000 Common Shares at the Offering Price for gross proceeds of $89,001,000 (the "**Non-Brokered Offering**", together with the Bought Deal Offering, the "**Offering**").

The Common Shares issued under the Bought Deal Offering and the Non-Brokered Offering were offered pursuant to two separate prospectus supplements each dated October 7, 2022 (the "**Supplements**") to the Company's base shelf prospectus dated January 12, 2021. The terms of the Bought Deal Offering and the Non-Brokered Offering were described in the Supplements which were filed with the securities regulators in each of the provinces and territories of Canada pursuant to the Supplement, and in the United States by way of a private placement.

The net proceeds of the Offering are expected to be used to fund permitting and development costs for the Company's Blackwater Gold Project and for general corporate purposes.
The Company's net assets and working capital position were as follows:

	As at December 31, 2022 $	As at December 31, 2021 $	As at December 31, 2020 $
Assets			
Cash and cash equivalents	**194,089,372**	131,359,116	51,846,826
Other current assets	**2,968,341**	1,772,236	4,951,253
Current assets	**197,057,713**	133,131,352	56,798,079
Restricted cash	**4,734,100**	824,300	540,800
Other non-current assets	**454,959,611**	335,835,779	295,334,486
TOTAL ASSETS	**656,751,424**	469,791,431	352,673,365
Consideration payable	**-**	-	47,247,708
Other current liabilities	**25,288,601**	5,430,523	4,648,258
Current liabilities	**25,288,601**	5,430,523	51,895,966
Non-current liabilities	**54,035,092**	45,033,673	41,539,253
TOTAL LIABILITIES	**79,323,693**	50,464,196	93,435,219
NET ASSETS	**577,427,731**	419,327,235	259,238,146
WORKING CAPITAL(1)	**171,769,112**	127,700,829	4,902,113

(1) Working capital is defined as current assets less current liabilities.

As of December 31, 2022, 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	24,608,609	-	-	-	**24,608,609**
Lease liability	679,992	1,218,878	-	-	**1,898,870**
Capital commitments	248,004,525	41,612,862	-	-	**289,617,387**
Other variable consideration payable	-	-	-	84,000,000	**84,000,000**
Asset retirement obligation	-	4,448,042	-	8,605,520	**13,053,562**
Total	273,293,126	47,279,782	-	92,605,520	**413,178,428**

As at the date of this report, the Company expects that its working capital position, along with the amounts to be made available on the PLF and the silver streaming arrangement 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 may need to fund such planned expenditures by obtaining financing from the exercise of warrants or through additional equity financing. The Company also intends to fund part of the development of the Blackwater Project through its silver streaming arrangement with a streaming company, the utilization of the project loan facility, proceeds received from the Bought Deal Offering and Non-Brokered Offering, as well as financing through a $140 million mobile equipment 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. 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

	Q4 2022 $	Q4 2021 $	FY 2022 $	FY 2021 $
Net cash used in operating activities	**(1,679,982)**	(2,862,481)	**(6,053,517)**	(5,728,083)
Net cash used in investing activities	**(42,300,905)**	(8,899,864)	**(96,791,646)**	(79,657,626)
Net cash provided by (used in) financing activities	**170,802,917**	(1,195,191)	**165,575,419**	164,897,999
Change in cash and cash equivalents	**126,822,030**	(12,957,536)	**62,730,256**	79,512,290
Cash and cash equivalents, beginning	**67,267,342**	144,316,652	**131,359,116**	51,846,826
Cash and cash equivalents, ending	**194,089,372**	131,359,116	**194,089,372**	131,359,116
Restricted cash, ending	**4,734,100**	824,300	**4,734,100**	824,300
Total cash, cash equivalents and restricted cash, ending	**198,823,472**	132,183,416	**198,823,472**	132,183,416

Cash flows from operating activities

Net cash used in operating activities decreased by $1,182,499 when comparing Q4 2022 to Q4 2021. The decrease in cash used in operating activities is primarily the result of temporary favourable working capital changes, which were partially offset by an increase in cash used in management fees and wages, professional fees, office, insurance and other general costs.

Net cash used in operating activities increased by $325,434 when comparing FY2022 to FY2021. The increase in cash used in operating activities is primarily the result of an increase in management fees, wages, office, insurance and other general costs to support the ongoing development of the Project. These increases were partially offset by temporary favourable working capital changes.

Cash flows from investing activities

Cash used in investing activities increased by $33,401,041 and $17,134,020, respectively when comparing Q4 2022 to Q4 2021 and FY2022 to FY2021. This was predominantly the result of the ongoing development activities at Blackwater, including the costs incurred related to permitting, engineering and payments related to certain long-lead items and payments made under the EPC contract, which was partially offset by an increase in interest revenue earned over both periods.

Cash flows from financing activities

Cash provided by financing activities increased by $171,998,108 in Q4 2022 compared to Q4 2021, due to the fact that during Q4 2022 net proceeds of $171,598,515 were raised from the Bought Deal Offering and Non-Brokered Offering, as well as a decrease in deferred financing costs incurred related to the PLF. These increases in cash were partially offset by a reduction in proceeds received from the exercise of share purchase warrants.

Cash provided by financing activities increased by $677,420 in FY2022 compared to FY2021, due to the fact that during 2022 net proceeds of $171,598,515 were raised from the Bought Deal Offering and Non-Brokered Offering compared to $164,962,717 raised from a brokered and non-brokered offering in FY2021. This increase was partially offset by a reduction in proceeds received from the exercise of share purchase warrants and an increase in the payment of deferred financing costs associated with securing the various forms of financing for the Project during FY2022.

Use of Proceeds

On October 14, 2022, the Company completed the Offering for total net proceeds of $171.6 million, all of which net proceeds remained in treasury as at December 31, 2022.

The following table includes a comparison of actual use of proceeds, for the most recently completed financial year, to previous disclosures made by the Company:

	Intended use of proceeds $	Actual use of proceeds $
Net proceeds from the Offering	171,598,515	
Total net proceeds	171,598,515	
Advancing development of Blackwater and general working capital	171,598,515	-
Remaining in treasury	-	171,598,515
Total net proceeds	**171,598,515**	**171,598,515**

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, 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. Salaries, benefits, consulting fees and director's fees are recorded on a 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.

Key management personnel transactions for Q4 2022 and FY2022, 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), former 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 key management for the years ended December 31, 2022 and December 31, 2021 was:

	Q4 2022 $	Q4 2021 $	FY2022 $	FY 2021 $
Salaries and benefits	**292,409**	523,161	**1,171,647**	1,197,790
Consulting fees	**150,000**	698,334	**690,000**	1,129,584
Director fees	**143,000**	177,917	**542,000**	439,375
Share-based payments	**642,877**	1,217,068	**4,274,130**	4,081,337
	1,228,286	2,616,480	**6,677,777**	6,848,086

10. OFF-BALANCE SHEET ARRANGEMENTS

The Company had no off-balance sheet arrangements as at December 31, 2022 or as at the date hereof.

11. SUBSEQUENT EVENTS

a) On March 9, 2023 the Company announced the receipt of the BC Mines Act Permit for the Blackwater Project, allowing for major works construction activities to commence in Q1 2023, with the expectation of an initial gold pour in H2 2024;

b) On February 28, 2023, the Company announced that it had executed a syndicated project facility agreement with a syndicate of lenders in respect of its previously announced $385 million project loan facility (the "PLF") to fund a significant component of the estimated construction costs of the development of the Blackwater Project. The PLF also provides for a $40 million standby cost overrun facility;

c) Subsequent to December 31, 2022, The Company executed an order with Finning (Canada), a division of Finning International Inc. (TSX: FTT) for the construction equipment required for the execution of the owner-performed scope of major works construction activities. The initial construction fleet is expected to be delivered in early Q2 2023 and will be composed of a variety of mining support equipment, including excavators, backhoe loaders, compactors, graders, telehandlers, as well as fuel and water trucks, and will be further expanded throughout the construction period;

d) Subsequent to December 31, 2022, the company granted 2,899,875 incentive stock options, exercisable at a weighted average price of $4.88, expiring 5 years from the date of the grant; and

e) Subsequent to December 31, 2022, Mr. Gerrie van der Westhuizen was appointed as Chief Financial Officer of the Company following the resignation of Mr. Chris Batalha.

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 193,244,701 common shares outstanding, 30,656,909 warrants outstanding, 534,000 restricted share units, 12,961,142 options outstanding, and 51,000 deferred share units. 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 cash and cash equivalents, and 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 through the PLF, its silver streaming arrangement with a streaming company, a $140 million mobile equipment master lease agreement, a combination thereof, or by other means.

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, restricted cash, interest receivables and deposits. The Company's marketable securities were previously designated as fair value through other comprehensive income. 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 December 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 fair value of variable consideration payable is estimated to be $41,709,665 (December 31, 2021 - $36,809,082), which was calculated using a discounted cashflow approach with an estimated market interest rate applied (see Note 7 in the Annual Financial Statements). 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.

15. CHANGES IN ACCOUNTING POLICIES

a) Accounting standards adopted January 1, 2022

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.

b) Accounting standards and amendments issued but not yet adopted

- IAS 1, *Presentation of Financial Statements* ("**IAS 1**"): In October 2022, the IASB issued amendments to IAS 1 titled *Non-current Liabilities with Covenants*. These amendments sought to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override but incorporate the previous amendments, *Classification of Debt as Current or Non-current*, issued in January 2020, which clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendments are effective January 1, 2024, with early adoption permitted. Retrospective application is required on adoption. The Company does not expect these amendments to have a material effect on its consolidated financial statements.
- IAS 1 and IFRS Practice Statement 2: In February 2021, the IASB issued amendments to IAS 1 and the IFRS Practice Statement 2 *Making Materiality Judgements* to provide guidance on the application of materiality judgments to accounting policy disclosures. The amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. Guidance and illustrative examples are added in the Practice Statement to assist in the application of materiality concept when making judgments about accounting policy disclosures. The amendments are effective January 1, 2023, with early adoption permitted. Prospective application is required on adoption. The Company does not expect these amendments to have a material effect on its consolidated financial statements.
- IAS 12, *Income Taxes* ("**IAS 12**") – Deferred tax related to assets and liabilities arising from a single transaction: The amendments to IAS 12 require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The impact on the company is not expected to be material. These balances would offset and there will be no impact on the statement of financial position.

16. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are regularly evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. The following discusses the most significant accounting judgments and estimates that the Company has made in the preparation of these consolidated financial statements that could result in a material effect in the next financial year on the carrying amounts of assets and liabilities.

Information about significant areas of estimation uncertainty considered by management in preparing the financial statements is as follows:

Accounting policy judgments

Impairment of mineral property, plant and equipment

Mineral property, plant and equipment are tested for impairment at the end of each reporting period if, in management's judgement, there is an indicator of impairment. Management applies significant judgment in assessing whether indicators of impairment exist that would necessitate impairment testing. Internal and external factors, such as (i) changes in the amount of the recoverable resources and reserves; (ii) changes in metal prices, capital and operating costs and interest rates; and (iii) the market capitalization of the Company compared to its net assets, are evaluated by management in determining whether there are any indicators of impairment. The estimated amount of recoverable resources and reserves are prepared by qualified persons as defined in accordance with NI 43-101 issued by the Canadian Securities Administrators (management's experts).

Impairment of investment in associate

At the end of each financial reporting period, the carrying amount of the investment in associate is reviewed to determine whether there is objective evidence of an impairment or reversal of previous impairment. With respect to its investment in associate, the Company is required to make judgments about future events and circumstances and whether the carrying amount of the asset exceeds its recoverable amount. Recoverability depends on various factors, including the discovery of economically recoverable reserves at VLC's exploration properties, the ability of VLC to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition of the VLC shares themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact VLC's assessment as to the overall viability of its properties or its ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's investment in VLC.

Estimation Uncertainty

Reclamation and closure cost obligations

The Company's provision for reclamation and closure cost obligations represents management's best estimate of the present value of the future cash outflows required to settle the liability which reflects estimates of future costs, inflation, and assumptions of risks associated with the future cash outflows, and the applicable risk-free interest rates for discounting the future cash outflows. Changes in the above factors can result in a change to the provision recognized by the Company.

17. MANAGEMENT'S REPORT ON INTERNAL CONTROLS AND PROCEDURES

Internal control over financial reporting

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("**NI 52-109**"), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

i. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation."

Management's Responsibility for Financial Information

The Company's financial statements are the responsibility of the Company's management and have been approved by the Board of Directors. The financial statements were prepared by the Company's management in accordance with Canadian generally accepted accounting principles. The financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

Changes in internal controls over financial reporting

There have been no changes in the Company's ICFR during the twelve months ended December 31, 2022, that have materially affected, or are reasonably likely to materially affect, its ICFR.

18. 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. 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, 2022. 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, 2022. 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.

19. 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.

20. 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 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 Transmission Line 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.