



A Message from Steven Dean, Chairman and CEO

In August 2020, Artemis Gold Inc. acquired the Blackwater Gold Project from New Gold Inc.

We sat down with Steven Dean, Chairman and CEO, and discussed Artemis' plans for Blackwater.

Question: Who is Artemis Gold?

Steven: We are a BC based development company formed in 2019 and spun out of Atlantic Gold Corporation, which was sold to St. Barbara Limited in July 2019 for in excess of \$800m. Board and management comprise largely the same team that built and operated Atlantic Gold's MRC mine in Nova Scotia. Artemis is primarily focused on advancing Blackwater through to construction and commercial production.

Our mission statement is to create and grow sustainable value by applying leading, technically excellent, and differentiated approaches to managing mining assets and unlocking their unrealized potential, while being firmly committed to protecting the health, safety, and wellbeing of our employees, the environment, and the communities in which we work.

Question: What attracted Artemis to purchase the Blackwater Project?

Steven: The Blackwater Project is one of the largest, most advanced, undeveloped gold deposits in Canada. The Project has benefited from extensive consultation and engagement with Indigenous Nations and major investment in exploration, infrastructure, environmental planning, and engineering. This culminated in the 2019 Federal and Provincial approvals of the Environmental Assessment and Participation Agreements signed with Ulkatcho First Nation and Lhook'uz Dene Nation, whose traditional

territories overlap the proposed mine site. This made Blackwater one of the few major gold projects in a position to achieve commercial production within the next few years, which was very attractive.

Question: Artemis Gold is a new company. How will they finance a project of this magnitude?

Steven: Artemis is well financed with a strong balance sheet of \$58 million in cash. Artemis has developed a strong shareholder base with 42 percent owned by Board and Management and another 38 percent held by long-term institutional shareholders. This gives Artemis the capacity to support future longer-term capital requirements. The Project is expected to be financed through a responsible amount of debt and equity.

Question: What is the difference between the original plan to build Blackwater and the new, phased approach?

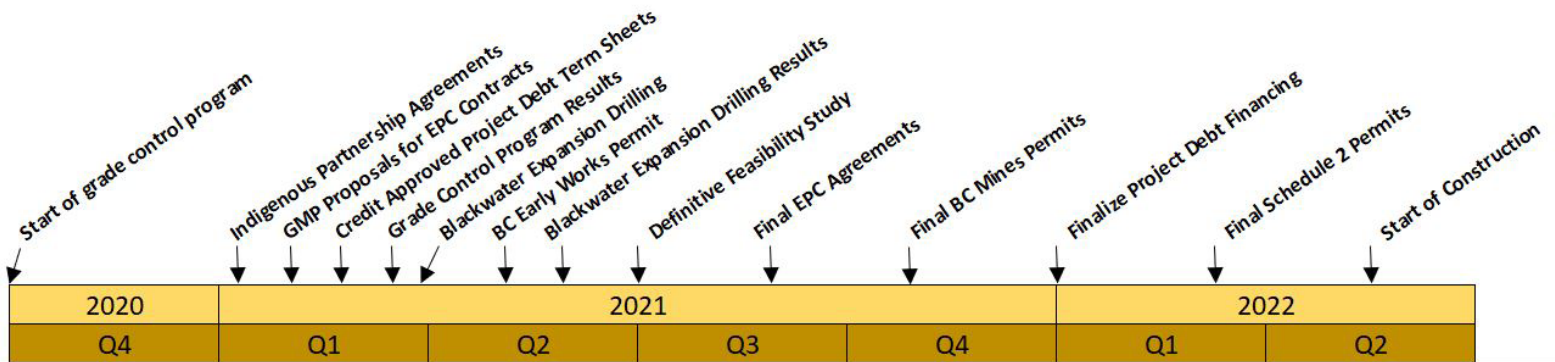
Steven: Artemis is redesigning the development of the Blackwater Project with a phased approach, which requires lower up-front capital costs to start Phase 1 production and then utilize the free cash flow from operations to finance the expansion of the mine to the original design capacity. This approach has allowed Artemis to reduce the up-front development capital to approximately C\$592 million, down from \$1.9 billion under the previous development scenario.

Question: When will mine construction begin?

Steven: Construction is expected to start once all the remaining permits have been approved, and project financing has been secured. We are targeting a start of construction in 2022, with a start of production in 2024.

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Upcoming Catalyst for Artemis Gold



Question: If I am a local contractor, how can I find out about contracting opportunities?

Steven: To support local contracting, the Project Office has developed a directory of local businesses and suppliers. This information will be provided to the Procurement Team, once it is established. As well, the Project Office sends out communication updates on project developments, news releases, and newsletters via email to keep subscribers informed about the Project. It is best to contact the Project Office in Vanderhoof, either by phone or email, for more information on the distribution list.

Question: When will Blackwater be hiring for construction and operations jobs?

Steven: With construction planned for 2022, we anticipate jobs will be advertised in the fourth quarter of 2021. In 2024, the mine should begin operations with employment opportunities advertised by the fourth quarter of 2023.

Economic Benefits from Blackwater Mine

The Company engaged international consulting firm, KPMG, to produce an Economic Benefits Study to estimate the updated economic benefits of the new, staged approach to the development of the Project. The Blackwater Project is projected to infuse direct (employment by Blackwater), indirect (businesses that supply goods and services), and induced (jobs created by employee spending) economic impact benefits to the region and the province. Blackwater is expected to generate up to 825 full-time jobs during construction phases and 457 full-time jobs during operations. Our goal with a 23-year mine life is to recruit workers that will make a lifelong career working at Blackwater.

Value added and jobs stemming from the construction² and operation of the Project

British Columbia	Direct Effects	Indirect Effects	Induced Effects	Total
In millions of dollars				
Total value added during construction ²	485	221	104	810
Value added per year during operations	419	100	21	540
In Full-Time Equivalent				
Jobs per year over 5 year of construction ²	825	453	222	1,499
Jobs per year during operations	457	698	211	1,366

Note: Due to rounding, the sum of items may not add up to the total.

Source: Simulations of B.C. Stat based on data from Artemis; KPMG analysis

² For construction, we assumed that the overall project, including initial phase and the 2 expansion phases, would take 60 months or 5 years; therefore, results may vary depending on the exact length of each phase.

Community Update

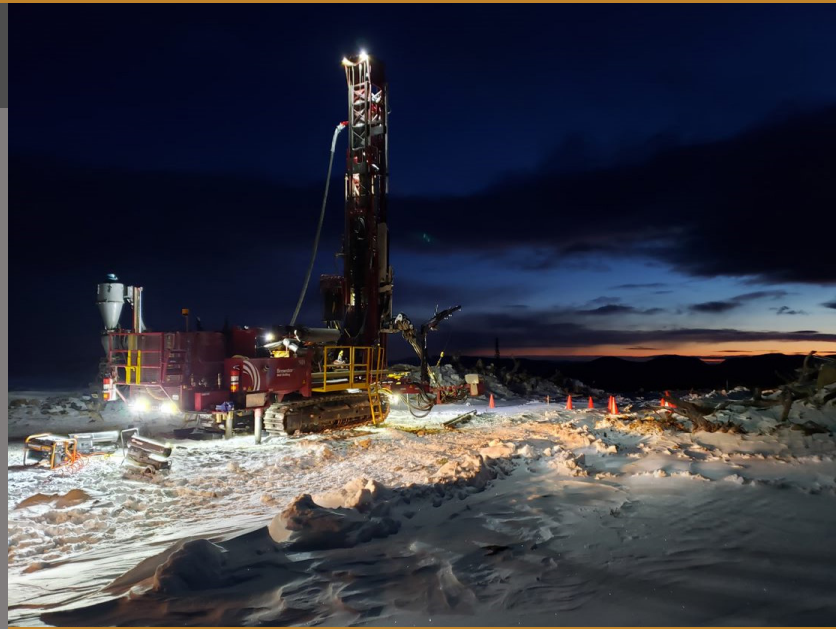
In October, the Blackwater Project team hosted a virtual meeting with the Community Leaders group, which is comprised of mayors and regional district representatives from the Project region. This group allows for open communication on the Project status and community updates. The Blackwater team provided an update on Artemis' plan to move the Project forward to construction, and the elected officials provided community updates on their home community/region.

In November, the team met virtually with the Community Liaison Committee (CLC). The CLC is comprised of 14 members from the region, representing education, health, environment, social, and economic sectors. The purpose of the CLC is to provide advice on mitigation measures to address social and economic effects. Staff presented a project update and Artemis' plan to move the Project to construction. The CLC will be in place for the life of mine through to mine closure. The presentation was followed by a question-and-answer session. Great feedback was received from CLC members on experiences and effects on communities from other major projects in the region. The committee will be meeting in the new year to have further in-depth conversations on the important role the CLC will play during the planning, construction, operation, and mine closure phases for the Project.

Did you know?

Grade control drilling, managed by geologists, is conducted to establish more precise and rock type boundaries for mining. Samples are sent to a lab for assaying; the results are used by the Geologists to model the orebody. This information is fed into the mine plan to optimize ore extraction and blasting patterns.

Geotechnical drilling, managed by engineers, is performed to test rock and soil stability before construction of infrastructure commences.



Grade Control drilling operates 24 hours a day, 7 days a week, with two crews each working 12 hour shifts.

Drilling Program

In mid-November, Artemis initiated a 35,000-meter pre-construction grade control program at the Blackwater site. One reverse circulation rig was mobilized to delineate part of the orebody within the first-year pit limit. The results of this program will assist us to schedule the ore feed to the mill over the start-up period of the mine and predict grades more accurately. Grade control drilling is the first and a fundamental part of the mining operations and will continue during the open pit mining phase, anticipated to last 18+ years for the Blackwater deposit.

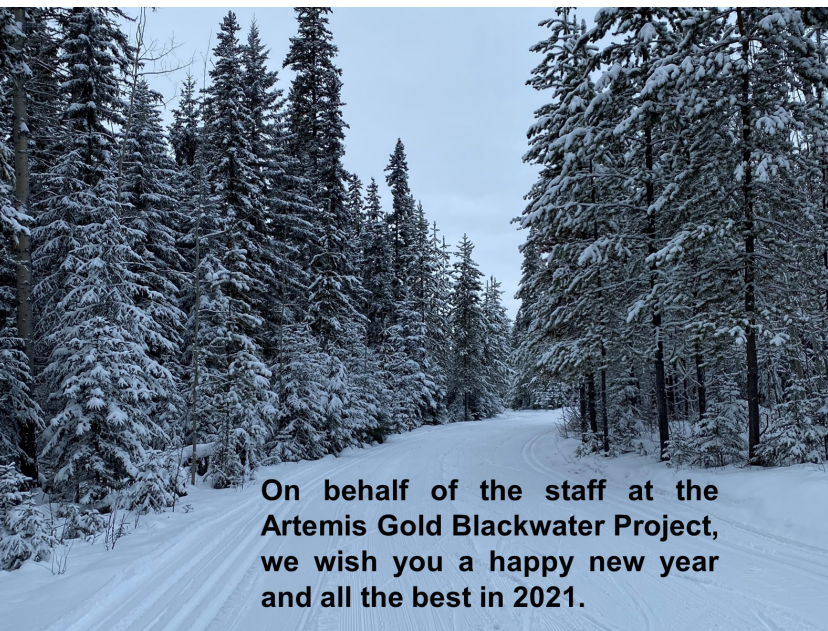
In conjunction, using a sonic drill rig, a geotechnical drilling program is underway to investigate ground conditions for future infrastructure.

These initial programs are being executed together with support from Lhoosk'uz Dene Nation and Ulkatcho First Nations and are expected to take until May 2021.

Artemis Gold in the Community

Artemis Gold, through our Sponsorship and Donation Program, is pleased to sponsor the following groups and conferences in Q4 of 2020:

- Fort Fraser Food Bank
- Fort St. James Toy and Food Drive
- Fraser Lake Crisis Centre
- Kinette Club of Vanderhoof
- Lhoosk'uz Dene Nation – Food Hampers
- Lightning Creek Ski Club
- Nadleh Whut'en First Nation – Food Hampers
- Nazko First Nation – Food Hampers
- Nechako Valley Sporting Association – Waterlily Trails
- Saik'uz First Nation – Food Hampers
- Stelat'en First Nation – Food Hampers
- The Link
- Ulkatcho First Nation – Food Hampers
- Vanderhoof Community for Kids – BC Children's Hospital
- 2021 BC Natural Resources Forum – Silver Level
- 2021 AME Round-Up Conference – Bronze Level



On behalf of the staff at the Artemis Gold Blackwater Project, we wish you a happy new year and all the best in 2021.



Blackwater Project



Vanderhoof Community for Kids Festival of Lights cheque presentation: L to R: Val Erickson, Artemis Gold Community Relations Advisor and Michelle Roberge.



Looking north over the Blackwater Camp.

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