Athena Resources Limited

ABN 69 113 758 900

ANNUAL FINANCIAL REPORT 2019

CONTENTS

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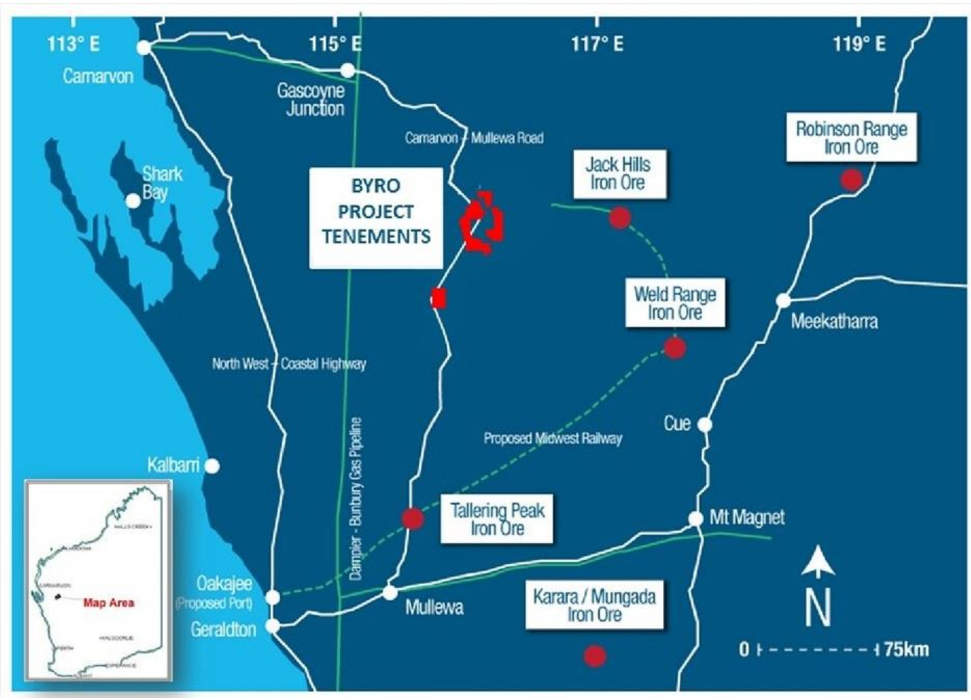
THE BYRO MAGNETITE INDUSTRIAL MINERALS PROJECT

LOCATION

The BYRO Project is located in the Shire of Murchison and covers an area of approximately 800km^2, containing 11 magnetite ore bodies. AHN has established the magnetite iron project, **FE1.**

The project southern tenement boundary is 230km north from the nearest rail link, Mullewa Rail siding, and 310km from the Port of Geraldton. Other projects in the greater region include Karara Mine (Ansteel Group and Gindalbie Metals), Weld Range (Sino - SMC), Jack Hills Mine (Mitsubishi), and the recently in care and maintenance, Tallering Peak Mine (Mt Gibson Mining).

AHN hold 5 granted exploration licenses comprising the total BYRO Project and the Mt NARRYER Project; The Byro Project tenements are E09/1637, E09/1552, E09/1507, and E09/1781. The Mt Narryer Project tenement is E09/1938. Athena has been working on the Byro tenements since 2009. AHN was granted two mining leases, M09/166 a licensed mining area of 6.72km2, containing the FE1 magnetite deposit within E09/1507 and M09/168 containing the Mt Narryer magnetite deposit within E09/1938. Both mining leases were granted on the 9 April 2018 by the West Australian Government, authorizing the development of the tenements under regulation of the Government of Western Australia and the Department of Mines Industry Regulation and Safety.



GEOLOGY AND MINERALISATION

Athena's Byro Project is located along the north-western margin of the Yilgarn Craton, within an Archaean Gneiss Belt which trends north-northeast for approximately 200km. The geology is predominately quartzo-feldspathic gneisses and migmatites with amphibolites, quartzites, BIF's, felsic volcanics and layered mafic-ultramafic intrusions. Regional folding and thrusting has resulted in a steep dominant westerly dip and north-northeast strike, although locally this varies from north to east. The high grade magnetite iron ore at Byro has been characterised by a coarse metamorphic grain size, super low impurities during development of thick migmatite layers in the upper amphibolite - granulite metamorphic terrain.

Outcropping sequences of mafic to ultramafic lithologies suggest a series of prospective intrusions, the extent of which has been refined with gravity and detailed magnetic surveys where alluvial cover persists. Past exploration in the region indicates the presence of anomalous copper-nickel-PGE and chromite mineralisation. Two altered, layered mafic-ultramafic bodies are found at Taccabba Well and Imagi Well where iron-rich chromite occurrences have been discovered. At the Milly Milly Project, copper gossans exist at the edge of the Milly Milly Intrusion.

Nearby historic drilling intersected copper and nickel mineralisation. Further drilling by Athena has advanced the understanding of this intrusive body as being a highly prospective fertile system.

PROJECT DEVELOPMENT

The Athena exploration leases contain 11 magnetite ore bodies and 9 beneficiable hematite ore bodies grouped within 5 regional areas. The FE1 deposit sits within the Byro South region. An Exploration Potential Target was announced on potential tonnes and grade in August 2014, on the ASX Company Announcements Platform. The assessment was compliant with JORC 2012 requirements.

Development of the regions has been prioritised by magnetitic intensity, tonnes and grade of the ore body and proximity to the transport corridor. The Byro South Region has the highest concentration of multiple ore bodies and has been given priority.

Following the decline of iron ore prices through 2011 to 2015, and resulting poor economy of supplying a mill feed product, Athena committed to a research and development phase. This led to the identification of a high-grade product acceptable to industrial markets other than mill feed. It was decided to concentrate on the Fe1 deposit (M09/166) and the Mt Narryer deposit (M09/168).

There have been many external contributors to the work completed on the FE1 Project. In summary, a Maiden Inferred JORC resource was calculated by AMC Consultants, Perth, on behalf of Athena and announced on 28 November 2011.

The Changsha Institute of Mining and Metallurgy (CRIMM), in China, conducted the first ore characterization test work in 2010 on the FE1 ore, identifying a high-grade magnetite concentrate with low impurities and favorable ore characteristics. At the same time ore characterization test work was carried out in Australia by ALS Ammtec at their specialist iron ore laboratory.

These two sets of independent results are in agreement and collectively underpinned engineering designs and a Pre-Feasibility Study on the FE1 deposit. The pre-feasibility study was completed by GR Engineering Limited, ('GR') in Australia. A further study was carried out in 2018 by Yantai Xinhai Mining Research and Design Co, Ltd. (Xinhai) in China. These designs resulted in two separate outcomes. These studies are best described as Scoping Studies as defined in the JORC Code 2012. The Scoping Studies referred to in this report are based on low-level technical and economic assessments, and are insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Studies can be reasonably justified.

GR Engineering Plant Costing Study

In the earliest study, GR evaluated the design and costs associated with the construction and operation of a processing facility proposed for the Byro FE1 Magnetite Project.
The process flow sheet and plant design were simple and resulted from analysis of the mineralogical and metallurgical investigations conducted during Changsha Research Institute of Mining and Metallurgy test work in China and ALSA laboratories in Australia. Substantial capital and operating cost savings were identified and compared to other magnetite projects in Australia that required fine grinding and more complex separation techniques. The coarse grind brings with it a significant cost saving in power required for grinding. The preferred process circuit consists of crushing, grinding, classification, rougher and cleaning wet LIMS, thickening and filtration.

Xinhai Engineering and Costing Study

The Xinhai study, (2018), evaluated design and costs associated with construction and operation of a new mining, crushing and processing facility producing concentrate at the the Byro FE1 Magnetite Project. The study aimed to produce a concentrate with a grade of 68% – 70%Fe, P-80 at 110 µm.

As detailed in the ASX announcements on 16 and 17 April 2018 the primary concentrate sample was then further processed, producing a Super Purity magnetite (SPFe) of >72%Fe and a high Purity magnetite (HPFe) of >71.3%Fe. (100% purity magnetite (Fe_3O_4) is approximately 72.35%Fe) The work used bulk sample retrieved from drilling reported to the ASX on 6 November 2017.

As the mineral resource at Fe1 is in the inferred category Athena is not able under the ASX Listing Rules to publish the results of Xinhai Study production targets or economic results. The results of the study were however positive and justify Athena to commit to bringing the inferred resource to an indicated and measured resource and completion of a feasibility study.

Processing options to achieve the high and super purity grades include separation techniques that exclude the use of reverse flotation circuits and the related use of environmentally harmful reagents. This was possible because of the physical characteristics of magnetite ore with very few impurities and the development of simple but innovative processing techniques.

The metallurgical samples produced: SPFe with a grade of 72.00%Fe yielding 38% of the sample tested, and HPFe with a grade of 71.30%Fe yielding 52%. The remaining Iron concentrate with a grade of 65.00%Fe and a yield of 3% is considered a byproduct but still of premium grade quality. The waste material of 7% consists mostly of silica and will be used in the cement industry.

The preferred processing circuits consist of crushing, grinding, classification, rougher and cleaning with concentrate conditioning in conjunction with multiple stages of wet LIMS, followed by thickening and filtration.

The output products from mining and the primary processing are targeted to be at a grade of >68%Fe with P80 110 µm. It is important to note that the 45µm size component for this product is directly suitable for the coal wash market once screened.

MARKETS AND PRODUCTION REQUIREMENT

Magnetite in Dense Media Separation

Heavy media gravity separation means separating products with different densities. Magnetite is used to produce dense medium slurry for coal washing (as above), mineral processing and recycling of metals and plastics.

Bulk Coal Wash Market

The much sought after coarse grained high grade magnetite concentrate is primarily used for dense medium separation in coal washing mineral preparation.

Magnetite is suited to coal washing due to its:

- High density; and
- Ability to be recovered via magnetic separation for recycling and reuse.

The dense medium separation process used in most coal washing and magnetic separation plants requires a suspension of magnetite in water. Magnetite for coal washing must be of overall high purity and be devoid of contaminants, such as hematite, sulphides or other minerals.

Magnetite is reasonably durable (and therefore does not readily break down), and is chemically stable during coal washing and magnetic separation. It is also non-fouling, which means that even if small amounts become incorporated with washed products, subsequent treatment stages will not be adversely affected.

Athena propose to target the following markets for its coal washing product.

China

China produces domestically (2018) 3.66 billion tonnes of coal of which 51% is prepared coal and 55% of the prepared coal uses dense medium. This would require approximately 4.5 million tonnes of magnetite.

Prices quoted in China for magnetite suitable for coal washing (CIF Geraldton) range from CNY 970/t to CNY 1,050/t or (A$194.96 – A$211.03)

India

India produces domestically (2018) 0.716 billion tonnes of coal of which 50% is prepared coal and 80% of the prepared coal uses dense medium. This would require approximately 1.4 million tonnes of magnetite.

Mr R K Sachdev, President of the Coal Preparation Society of India remarked as follows:
“In India more and more wash plants are coming up albeit gradually. Some 10 to 12 coal washery tenders are already in the pipeline.”

In case of thermal coal washing requirement being limited to 34% ash content in clean coal, most wash plants are jig based. However, some washeries which are processing thermal coal to lower ash content say 26 to 28%ash content are using heavy medium circuits, both cyclones and baths. They are generally, barring a couple of serious players, buying locally marketed Magnetite. Serious players like Tata Steel are importing.

In case of coking coal some 8 to 10 new washeries are to be set up in coming few years in addition to major revamping of existing 16 odd coking coal washeries. These will definitely require high grade magnetite, because of favourable cost- benefits of higher cleans recovery expected from these plants. Currently there a couple of local Indian suppliers of magnetite. But quality and cost are always an issue.

Lately, washery operators have come to realize the cost and benefits of using better quality magnetite rather than using cheaper local product having poor quality magnetite.”

Imported coal wash Magnetite is quoted at between US$150- US$180 CIF, India or A$211 – A$254

Australia

In 2018 Australia exported 203 Million tonnes of thermal (energy) coal and 179 Mt of metallurgical (steel-making) coal. This represents about 75% of coal produced. The other 25% is thermal coal for power stations.

The coal produced will require approximately 500,000 tonnes of magnetite. Tasmania Mines/ Kara project supplies approximately 200,000 tonnes. The balance is currently imported from Brazil, Chile and South Africa.

Tasmania Mines in their 2016 Annual Report lodged with ASX (now delisted) reported sales into NSW of Dense Medium Magnetite of 193,627 tonnes for revenue of $40.6M (A$210). The current price is estimated at about A$250/t.

Indonesia

Indonesia produces (2018) 0.528 billion tonnes of coal of which 0.413 billion tonnes are exported to India, China, Japan and South Korea. The exported coal would require coal washing. This is a new and expanding market and one that Athena will also target.

Magnetite in Ammonia and Gas to Liquid Fuel Synthesis Markets

The catalyst market carries one of the highest demands on purity and as such pays high premiums to acknowledge the cost of maintaining a high standard. The Byro FE1 magnetite product meets all requirements for raw material intake for production of iron catalysts for the synthesis of ammonia and Gas to Liquid fuels.

Iron Powder Markets

The Byro Fe1 SPFe and HPFe magnetite products meet all requirements for a raw material additive for powder metal alloy production. The magnetite products are required to be further processed for final consumption as a powder metal by reduction to produce Fe. The two major uses of iron powder are:

3D Printing (Additive manufacturing)

3D Printing or Additive manufacturing is a process of creating a three-dimensional object from a digital file. It is called additive because it generally involves building up thin layers of material, one by one. The technology can produce complex shapes that are not possible with traditional casting and machining methods, or subtractive techniques.

Iron Powder Press-and-Sinter and Metal Injection Moulding

The predominant market for Press/Sinter structural Powder Metallurgy parts is the automotive sector. On average across all geographical regions, around 80% of all Powder Metallurgy structural components are for automotive applications.

Supply of raw magnetite for powder metal alloys and components market is estimated to be worth more than Au$6 billion by 2020.

Water Filtration

Sand and gravel bed filters used by many municipal water treatment plants can realize benefits by using heavier aggregates in the sand bed.

The heavier specific gravity of magnetite aggregates allow a more aggressive backwash in the cleaning phase without loss of product, and because magnetite is magnetic it can be easily scavenged back from waste water streams for reuse.

Heavy Concrete

When used as the aggregate portion of a concrete mix, magnetite increases the density of the concrete to twice that of standard concrete. This so called "heavy concrete" has become a common building material in nuclear plants as well as (in brick form) for the mitigation of radiation in x-ray facilities. Beyond that, however, heavy concrete is used to make counterweights and as thermal mass in heat storage situations. The most common and growing use is in the design and building of passive solar collection in domestic housing. Still in its infancy, this application has grown out of the search for more efficient heat retention beyond that offered by standard concrete.

The denser the material, the greater its thermal retention properties, and heavy concrete offers twice the mass in the same volume as standard concrete. Being just as strong and flexible as standard concrete, it can be used in the very same applications and offer substantially improved thermal characteristics.

The use of heavy concrete in nuclear power plants is dependent on new plant contracts and old plant repairs. It does not represent a stable consumption but can be an important add-in market in the short term.

The most stable use currently is in the production of counterweights for everything from washing machines to pipeline anchors to crane counterweights.

WORK COMPLETED THIS YEAR

Resource Development and Mining Plan Approval Work

Drilling

Planning has been completed for a proposed drilling program. Athena Resources gained approval for an infill drilling program at FE1 for the use of ground disturbing equipment on M09/166-I.Registration ID: 77001. The program design has resulted following discussions with external resource consultants. The planned infill program includes 11 RC with Diamond tail drill holes and is designed to lift the FE1 magnetite resource from a JORC Inferred to JORC Indicated for inclusion in the Byro Project Feasibility Study.

Transport Corridor

The transport corridor for the Byro project includes several options through the development of the project contingent on output tonnage. The primary option within this study is based on an output tonnage of 1.2mtpa delivered to port, by road direct from the mine site to the Port of Geraldton.

Both the Shires and Main Roads WA have been collectively involved with Athena Resources in the assessment of the corridor to accommodate for RAV Network 10, N10.3, TD5 & TDN5.3 access. The road network from the FE1 mine site to the Port of Geraldton has been deemed suitable and formally added to the RAV Network.

The largest section of road within the road corridor is the Carnarvon Mullewa Road, extending through the Shire of Murchison and continues south from Murchison Shire boundary to the City of Greater Geraldton, until intersecting with the Mt Magnet Geraldton Road at Mullewa.

The Carnarvon Mullewa Road is currently managed by the two Shires; Shire of Murchison and City of Greater Geraldton and the Mt Magnet Geraldton Road is managed by Main Roads WA.

Athena Resources is continuing to work with the two Shires responsible for the Carnarvon Mullewa Road, developing a management and maintenance plan.

Water Supply Desk Top Study

The Yarra Yarra Paleo Channel Bore Field:

Two holes using reverse circulation drilling within the Yarra Yarra Paleo Channel confirms a significant quantity of water. Hole AHRC0019 has been identified as the most proximal to the Yarra Yarra paleo channel and indicates a base of channel at depth of 157m. The Desk Top Study has been expanded on the potential of the channel to supply water for the project using reviewed drilling, airborne TDEM data, 100yr rainfall data sets and pastoral water bore data. The outcome of the study was sufficiently positive to proceed to planning water mass balance investigations and the planning and design of a 2 bore, bore field. This work is ongoing and is a requirement for completion of a feasibility study, mining proposal and prior to the preparation and submission of a H3 Hydrogeological Report with 5C license application.

The makeup water requirement for the FE1 project has been revised up from 0.6 gigalitres per annum to 2 gigalitres per annum. This allows for super purity processing to achieve grades up to 72%Fe for industrial processes. Desktop review and drilling to date has identified the Yarra Yarra paleo channel as a likely water source for the project.

Environment

A detailed level 2 flora survey was carried out for FE1 during October/November 2018. The survey was completed for the development of the FE1 mining proposal in accordance with the Guidelines for Mining Proposals in Western Australia. The final report has been received.

The survey was designed to examine and retrieve data necessary to assess impacts to flora and vegetation in accordance with the Environmental Protection Authority (EPA) Technical Guidance, Flora and Vegetation Surveys for Environmental Impact Assessment, December 2016 (guidance document):

In conclusion, the area was extensively surveyed. Seven vegetation types were mapped of which Hardpan Mulga Shrubland was the most common.

The following recommendations were made to protect and enhance the conservation and botanical values in the Fe1 Project area:

- Ground disturbance and clearing of vegetation should be limited to that which is essential for the development of the project.
- Where possible, maintain existing drainage systems, e.g. do not allow roads etc. to disrupt or divert historic flow patterns.
- Retain and stockpile cleared vegetation for use in the later rehabilitation of disturbed areas. The value of the soil and vegetation matter that may be sourced from clearing operations for use in future rehabilitation work cannot be overestimated in this environment. It is important to note however, that stockpiled topsoil needs to be maintained with some degree of vegetation cover to retain the viability of micro-organisms essential for the growth and survival of most plant species.
- Apply weed control measures.
- Whilst acknowledging the severity of the existing land degradation and difficulties imposed on any rehabilitation programmes carried out in conjunction with overlapping pastoral activities in such arid areas, consideration should be given to the possibility of harvesting local native seed for future rehabilitation opportunistically and prior to any clearing being carried out. The unpalatable and therefore abundant Limestone Wattle (*Acacia sclerosperma*) and the various Cassias (*Senna sp*), inhabiting the Creek line Shrubland vegetation type, produce an abundance of hard coated seed which should be an essential component of any seed mix used in future rehabilitation programmes.
- Further multivariate analysis needs to be carried out to evaluate the potential for Priority Ecological Community (PEC) being replicated within the survey area.
- A supplementary survey be carried out during the optimum time period recommended in the EPA Technical Guidance statement, 6-8 weeks post-wet season (March – June), to rescore existing quadrats to capture data on ephemerals not recorded in this survey and install additional monitoring quadrats along Yarra Yarra Creek to determine the

potential for groundwater dependent plant species to exist and be impacted by development.

PREVIOUS WORK

FE1 Metallurgical Review - Key Attributes

Review of the physical and metallurgical characteristic of the Byro Magnetite.

- Observed crystal is granular
- Grain size up to 4mm (4,000 µm)
- Dissemination Granularity 95% between 0.2mm < 1.65mm (200µm < 1,650 µm)
- Hardness on Mohs scale 6.5 with Vickers Hardness Number (VHN_{100}=681 - 792 kg/mm^2)
- Specific gravity calculated at 5.18 g/cm^3
- Uneven fracture parting on surface {111}
- Negligible cleavage planes within the crystal matrix.

FE1 Chemistry Review - Key Attributes

The concentrate chemistry key attributes are,

- Mineral composition of the ore is simple.
- No significant secondary alteration.
- K2O, Na2O, P, and S, all low and with P and S particularly low.
- Product is a high-quality concentrate of primary acidic magnetite.
- SiO2, Al2O3, CaO, and MgO decrease as TFe increases.
- Magnetite represents the major iron-bearing mineral, while quartz represents the major gangue mineral.
- Tailings component of the ore is SiO2, accounting for 80.99% of the total
- Product and tailings have no significant environment impacts.

Chemical Components of the Ore (%)

Components	TFe	FeO	Fe2O3	SiO2	TiO2	Al2O3	CaO	MgO
Content	37.52	18.28	33.33	41.49	0.11	1.41	1.55	2.38
Components	MnO	Na2O	K2O	P	S	Loss in ignition	TFe/FeO	Coef of basicity
Content	0.18	0.093	0.036	0.056	0.054	0.70	2.05	0.09

Results of Chemical Phase of Iron in the Ore

Phase of iron	Fe in magnetite	Fe in hematite & limonite	Fe in carbonate	Fe in sulfide	Fe in Silicate	Total
Content	34.62	0.81	0.17	0.03	1.89	37.52
Proportion	92.27	2.16	0.45	0.08	5.04	100.00

The major recoverable content in the ore is iron, at a grade of 37.52%; and 70% on concentration. Total iron over iron oxide ratio of the ore is 2.05, and the coefficient of basicity ($CaO+MgO$) / ($SiO_2+Al_2O_3$) equals 0.09. This is important for the ammonia production industry as low impurities and oxygen reduction is helpful for improved ammonia synthesis.

Minerals to be disposed by separation for iron enrichment on concentration include mainly SiO_2, followed by Al_2O_3, CaO, and MgO, altogether amounting 46.83% of the total weight. Contents of phosphorus and sulphur, which are the common hazardous contents, in like ores, are too low to cause any substantial influence on the quality of concentrate. Common Byro magnetite grains contain only microscopic impurities.

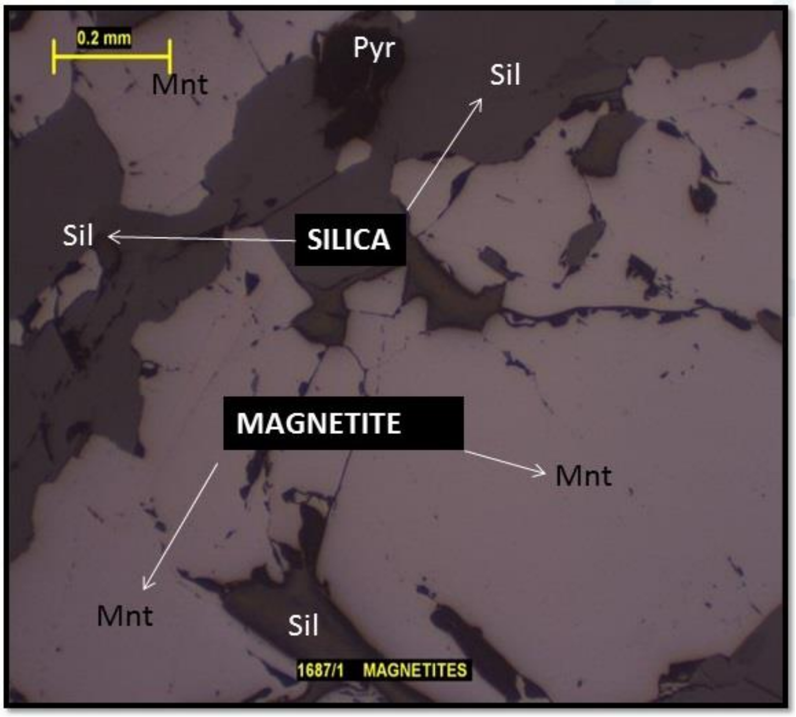
FE1 Grain Size and Granularity Review - Key Attributes

Magnetite grain size at the FE1 Resource is distributed mostly as moderate to fine grains, 1.65mm > 0.30mm in size. More than 94% of the magnetite grains can be separated under the milling fineness of -0.21mm, which is equivalent to 65% of the minerals under -200 mesh (expressed as “-200mesh / 45%”). Silicate and amphibole minerals occur along the boundary between and edges of the magnetite grains, and actual milling product can be appropriately coarser than the design test parameters.

Grain Size and key attributes are,

- Magnetite occurs mainly in disseminated to matrix form.
- Dissemination granularity size varies
- Grain size can be up to 4mm (4,000 µm)
- Large product range
- 94% of the useful magnetite can be separated free at -200 mesh / 45%.
- Discrete silica at magnetite crystal boundaries allow clean early extraction.
- Care to be taken to avoid over grinding
- Concentrate productivity 47.9%,
- Magnetite recovery 92.27%.

The image below is an example of a large grain tested at the Changsha Research Institute of Mining and Metallurgy in China.



Scanning Electron Microprobe

The most useful attributes of premium grading for industrial magnetite are purity and size. Dissemination granularity is a consequence of the physical characteristics of the metamorphic magnetite and is the start point for targeting a product size. The following table shows the granularity range for the Byro Magnetite is relatively large with the majority of grains in a wide spread of coarse fractions. The bulk group increasing at 0.3mm (300µm) up to 1.65mm (1,650 µm).

Dissemination Granularity range of FE1 Magnetite

Granularity (mm)	Distribution rate	Cumulative distribution rate
2.3 > 1.65	8.31	8.31
1.65 > 1.17	20.77	29.08
1.17 > 0.83	18.69	47.77
0.83 > 0.59	15.58	63.35
0.59 > 0.42	12.98	76.33
0.42 > 0.30	10.65	86.98
0.30 > 0.21	7.46	94.44
0.21 > 0.15	2.92	97.36
0.15 > 0.105	1.65	99.01
0.105 > 0.074	0.61	99.62
0.074 > 0.052	0.20	99.82
0.052 > 0.037	0.12	99.94
0.037 > 0.026	0.05	99.99
0.026 > 0.019	0.01	100.00
>0.019	Trace amount	

The widespread granular distribution in the coarse range demonstrates usable volumes for grooming to suit multiple target sizes for multiple product applications.

There is also scope for improving the extraction of the grain size in the upper spectrum of the product range. The sharp contrast between the 2.3mm > 1.65mm at 8.31% and 1.65mm > 1.17mm @ 20.77% suggests it would be possible to over mill the product. A very coarse fraction, >2mm, can be removed post crushing and at first pass milling to prevent overgrinding. Upcoming test work will determine the productivity of an early mill product.

Byro Magnetite Work Indices Review

Determination of the Byro Magnetite Work Indices was completed at the same time as the granular classification in China. The Work Indices tests were repeated in Australia with near to identical results.

Work Indices already determined are:

- Strong - Unconfined Compressive Strength (UCS) recorded values of 139.9 - 153.7 Mpa
- Bond Impact Crushing Work Index (CWi) recorded average value of 15.5 kWh/t
- Bond Ball Mill Work Index recorded a value of 16.5 kWh/t (test aperture of 106 micron).
- Bond Rod Mill Work Index recorded a value of 8.3 kWh/t.
- Bond Abrasion Index recorded a value of 0.3894

Athena is now looking at the costs and practical steps towards development of a low volume processing plant with additional classification and clean-up modules for industry specific requirements. This will be based on current pricing and the favourable material work indices already determined.

Byro Project Magnetite Exploration Potential to Date.

The company has steadily been developing the potential of the tenements by gaining an understanding and characterisation of the mineralization discovered, followed by refining targets areas and the development of a maiden JORC compliant inferred resource at FE1. The most recent metallurgy completed so far is in reference to industrial applications for the JORC compliant inferred resource below.

FE1 JORC Compliant Inferred Resource

Mt	DTR Fe	DTR SiO_2	DTR Al_2O_3	DTR P	DTR S	DTR LOI %	DTR
C	70.7%	1.16%	0.32%	0.003%	0.014%	-3.26	35.1%

Magnetite Exploration Target

The company has developed and announced in July 2014, magnetite exploration targets which are expressed in terms of maximums and minimums for both tonnes and grade in the range of 131 to 481 Mt at 16 to 30 % Fe to date. Work completed throughout the tenements support the figures which remain unchanged in particular the target for the Mt Narryer Project is supported by the most recent drilling at the project. The target remains unchanged from that announced in July 2014.

Magnetite Exploration Target

	Range	Tonnes	Mt	% Fe
FE1	Maximum	6,300,000	6.3	42.1
	Minimum	2,021,250	2.0	31.1
Byro North	Maximum	90,956,250	90.9	44.0
	Minimum	32,340,000	32.0	21.6
Byro Deeps	Maximum	34,965,000	34.9	36.1
	Minimum	12,432,000	12.4	25.4
Byro South Region	Maximum	164,587,500	164.6	38.6
	Minimum	23,940,000	23.9	21.6
Milly Milly Region	Maximum	56,700,000	56.7	42.4
	Minimum	22,680,000	22.6	24.8
Mt Narryer	Maximum	127,575,000	127.5	46.4
	Minimum	37,800,000	37.8	36.4
Combined Total	Maximum	481,083,750	480.9	30.0
	Minimum	131,213,250	131.0	16.0

The range estimated is in accordance with JORC (2012) guidelines. Grade range at the six projects is taken from surface rock chip sampling of outcrop and RC drilling assays where drilling has been executed. No cuts or averaging have been applied. All assay results reported as per ASX -AHN announcements through the period July 2010-2014. All surface dimensions are from surface mapping programs.

More drilling is needed to prove depth or true thickness. Depth estimates in the absence of drilling have been made based on outcrop and field relationships. The potential quantity and grade of the exploration target is conceptual in nature. There has been insufficient exploration to define a Mineral Resource or to understand the potential of any of the exploration targets.

Further exploration is warranted to improve understanding and reduce uncertainty. It is uncertain if further exploration will result in the estimation on a mineral resource. The magnetite exploration target listed in Table 14 above remains unchanged from its original form with supporting data announced in July 2014.

Cautionary Notes

Forward Looking Statements

This announcement contains certain statements that may constitute “forward looking statements”. Such statements are only predictions and are subject to inherent risks and uncertainties, which could cause actual values, results, performance achievements to differ materially from those expressed, implied or projected in any forward-looking statements.

Drilling to date supports aspects of the estimates in this report which were published earlier this year. The quantity and grade reported is conceptual in nature. There has been sufficient exploration to define a mineral resource and further exploration is warranted to improve understanding and reduce uncertainty about this body.

JORC Code Compliance Statement

Some of the information contained in this announcement is historic data that have not been updated to comply with the 2012 JORC Code. The information referred to in the announcement was prepared and first disclosed under the JORC Code 2004 edition. It has not been updated since to comply with the JORC Code 2012 edition on the basis that the information has not materially changed since it was last reported.

Competent Persons Statement

The results of the Xinhai Engineering Costing and metallurgical investigation included in this report were compiled by Mr Yunlong Zhang. Mr Zhang is the Chairman of the Yantai Xinhai Group of which the Yantai Xinhai Mining Research and Design Co. Ltd., is a fully owned subsidiary. Mr Zhang is a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient relevant experience in the styles of mineralisation and deposit styles under consideration to qualify as a Competent Person as defined in “The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012 Edition)”. Mr Zhang consents to the inclusion of the information in the announcement in the context and format in which it appears, and new information announced in this report is compliant with the JORC Code 2012 Edition.

The information included in this report was compiled by Mr Liam Kelly, an employee of Athena Resources Limited. Mr Kelly is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient relevant experience in the styles of mineralisation and deposit styles under consideration to qualify as a Competent Person as defined in “The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012 Edition)”. Mr Kelly consents to the inclusion of the information in the announcement in the context and format in which it appears, and that the historical information was compliant with the relevant JORC Code, 2004 Edition, and new information announced in this report is compliant with the JORC Code 2012 Edition.

Competent Persons Disclosure

Mr Zhang is the Chairman of the Yantai Xinhai Group and currently holds securities in the Yantai Xinhai Group as well as securities in the investment company Brilliant Glory Industrial Corporation Limited which has a 15.87% holding in Athena Resources Ltd.

Mr Kelly is an employee of Athena Resources Ltd and currently holds securities in the company.

DIRECTORS REPORT

Your Directors submit their report on the consolidated entity consisting of Athena Resources Limited ("Athena" or "the Company") and its controlled entities ("Group") for the financial year ended 30 June 2019.

DIRECTORS

The names of directors who held office during or since the end of the year and until the date of this report are as follows. Directors were in office for this entire period;

David Arthur Webster	Non-Executive Chairman
Edmond William Edwards	Executive Director
Hau Wan Wai	Executive Director

PARTICULARS OF DIRECTORS AND COMPANY SECRETARIES

David Arthur Webster — Non-Executive Chairman

Experience

Mr Webster's career in Australian agriculture includes developing an extensive run of farming properties in Western Australia and restructuring the Australian wool industry. More recently Mr Webster has been involved in significant Chinese investments in agriculture and associated infrastructure in Australia. He is currently a director of Australian Wool Innovation Limited (AWI) where he is also Chairman of the Finance and Audit Committee and he is a director of the Australian Wool Testing Authority Limited.

Mr Webster's considerable commercial expertise together with many years of experience of working with government at the highest level, both in Australia and overseas, is of substantial value to Athena Resources.

Interest in Shares

12,364,747 Fully Paid Shares

Special Responsibilities

Mr Webster is Chairman of the Audit Committee.

Directorships held in listed entities

In the 3 years immediately before the end of the financial year Mr Webster did not serve as a director of any other listed companies.

Hau Wan Wai **Executive Director**

Experience

Hau Wan Wai (John) graduated from The University of Regina Canada in 1998 with a Bachelor of Administration, Major in Marketing. John speaks Mandarin, Cantonese and English. He was born and resides in Hong Kong. John is also the executive director of Brilliant Glory Industrial Corporation Ltd, the Hong Kong company which is the 100% parent of Brilliant Glory Investments.

He has twenty years of international trade and relations experience having started his career as a merchandiser. He specialises in management of overseas customers to locate the sourcing of materials for mainland China in many different fields, and especially in Mineral resources.

Interest in Shares

43,000,000 Fully Paid Shares

Special Responsibilities

Mr Wai is responsible for the promotion of the company in China.

Directorships held in listed entities

In the 3 years immediately before the end of the financial year Mr Wai did not serve as a director of any other listed companies.

Edmond William Edwards **Executive Director and Joint Company Secretary**

Qualifications

Mr Edwards is a Chartered Accountant with a Bachelor of Commerce from the University of Western Australia.

Experience

Mr Edwards has over 40 years of experience in the mining industry in Western Australia. He has previously been Executive Director or Finance Director of a number of listed mining and exploration companies having taken many of these companies through the initial public offering, then exploration, feasibility and finally into production.

Interest in Shares

38,128,831 Fully Paid Shares

Special Responsibilities

Mr Edwards is responsible for the financial management of the company and is also a Joint Company Secretary.

Directorships held in listed entities

In the 3 years immediately before the end of the financial year Mr Edwards did not serve as a director of any other listed companies.

Peter John Newcomb **Joint Company Secretary**

Qualifications

Mr Newcomb is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of Chartered Accountants Australia and New Zealand.

Experience

Mr Newcomb has over 40 years professional and commercial experience working in a number of industries and locations including London, Scotland, Singapore and Perth. The majority of his experience over the last ten years has been in the Resources industry in Western Australia.

PRINCIPAL ACTIVITIES

The principal activity of the consolidated entity during the year was mineral exploration in Australia.

OPERATING AND FINANCIAL REVIEW

Review of Operations

A review of operations of the group during the financial year is contained in the Review of Operations section of this annual report.

	2019 $	2018 $
Consolidated loss after income tax for the financial year	434,995	193,552

Financial Position

At 30 June 2019 the Company has cash reserves of $5,913.

Dividends

No dividends were paid during the year and no recommendation is made as to dividends.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors, there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial year under review not otherwise disclosed in this report or in the consolidated accounts.

MATTERS SUBSEQUENT TO THE END OF FINANCIAL YEAR

Except as stated in Note 28, since the end of the financial year under review and the date of this report, there has not arisen any matter, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to significantly affect the operations of the consolidated entity, in the current or subsequent financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company intends to continue its exploration activities with a view to the commencement of mining operations as soon as possible.

Further information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Company.

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2019, and the number of meetings attended by each Director.

These meetings included matters relating to the Remuneration and Nomination Committees of the Company.

	Number eligible to attend	Number attended
David Arthur Webster	4	4
Edmond William Edwards	4	4
Hau Wan Wai	2	2

AUDIT COMMITTEE

The audit committee was comprised of the non-executive director Mr D Webster.

During the year ended 30 June 2019, Mr D Webster held two meetings of the Audit Committee.

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each member of the key management personnel of Athena Resources Limited.

The following persons acted as directors during or since the end of the financial year:

David Arthur Webster	Non-Executive Chairman
Edmond William Edwards	Executive Director
Hau Wan Wai	Executive Director

The Company has no other key management personnel.

The information provided in the remuneration report includes remuneration disclosures that are required under Accounting Standards AASB 124 “Related Party Disclosures”. These disclosures have been transferred from the financial report and have been audited.

Remuneration policy

The board policy is to remunerate directors at market rates for time, commitment and responsibilities. The board determines payment to the directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of directors’ fees that can be paid is subject to approval by shareholders in general meeting, from time to time. Fees for non-executive directors are not linked to the performance of the consolidated entity. However, to align directors’ interests with shareholder interests, the directors are encouraged to hold securities in the company.

The company’s aim is to remunerate at a level that will attract and retain high-calibre directors and employees. Company officers and directors are remunerated to a level consistent with the size of the company.

All remuneration paid to directors and executives is valued at the cost to the company and expensed.

Performance-based remuneration

The company does not pay any performance-based component of remuneration.

Details of remuneration for year ended 30 June 2019.

Directors’ Remuneration

No salaries, commissions, bonuses or superannuation were paid or payable to directors during the year. Remuneration was by way of fees (as detailed below) paid monthly in respect of invoices issued to the Company by the Directors or Companies associated with the Directors in accordance with agreements between the Company and those entities. No other short-term or long-term benefits were provided during the current or prior year. Details of the agreements are set out below.

Agreements in respect of cash remuneration of Directors

Mr. Edwards is an Executive Director responsible for the financial operations of the Company. The Company has an agreement with Tied Investments Pty Ltd to provide the management services of Mr. Edwards to the Company in relation to its corporate activities on normal commercial terms and conditions. An annual fee of $180,000 excluding GST was paid during the year. Mr. Edwards is a director of Tied Investments Pty Ltd. The Company may terminate the contract by giving three months' notice. Tied Investments Pty Ltd may terminate by giving three months' notice.

Mr David Webster is a Non-Executive Director. Fees payable to Mr Webster are detailed below. No fee was paid to Mr Wai.

The Directors are entitled to reimbursement of out-of-pocket expenses incurred whilst on company business.

The total remuneration paid to directors is summarised below:

Year ended 30 June 2019

Director	Associated Company	Fees $	Total $
E W Edwards	Tied Investments Pty Ltd	180,000	180,000
D A Webster	Cobpen Co Investments Pty Ltd	48,000	48,000
H W Wai		-	-
		228,000	228,000

Year ended 30 June 2018

Director	Associated Company	Fees $	Total $
E W Edwards	Tied Investments Pty Ltd	180,000	180,000
D A Webster	Cobpen Co Investments Pty Ltd	48,000	48,000
H W Wai		-	-
		228,000	228,000

Aggregate amounts payable to Directors and their personally related entities.

Current	2019 $	2018 $
Accounts Payable (including GST)	810,200	718,024
Loans	111,900	140,000
	922,100	858,024

During the year unsecured interest free loans were made by Directors to support short term cash flow as follows:

Mr Edwards	$40,000
Mr Webster	$40,000
Mr Wai	$31,900

There were no performance related payments, option or share based payments, superannuation payments or other benefits made during the year.

Directors' Shareholdings in the Company

Director	Balance 1 July 2018	Rights Issue	Balance 30 June 2019
Hau Wan Wai	43,000,000	-	43,000,000
E W Edwards	30,503,066	7,625,765	38,128,831
D A Webster	9,891,798	2,472,949	12,364,747
	83,394,864	10,098,714	93,493,578

The shareholding disclosed for Hau Wan Wai are held in Brilliant Glory Industrial Corp Ltd of which Hau Wan Wai is sole Director.

The Company received no specific feedback on its Remuneration Report at the 2018 Annual General Meeting.

The Company did not use remuneration consultants during the year.

End of Remuneration Report

SHARE OPTIONS

As at the date of this report, there were no options over unissued ordinary shares in the parent entity.

ENVIRONMENTAL ISSUES

The consolidated entity has conducted exploration activities on mineral tenements. The right to conduct these activities is granted subject to environmental conditions and requirements. The consolidated entity aims to ensure a high standard of environmental care is achieved and, as a minimum, to comply with relevant environmental regulations. There have been no known breaches of any of the environmental conditions.

INDEMNIFICATION OF DIRECTORS

During the financial year, the Company has given an indemnity or entered into an agreement to indemnity as follows:

The Company has entered into agreements with Mr E Edwards, Mr D Webster and Mr H Wai to indemnify them against any liability incurred by them as an officer of the Company including costs and expenses of successfully defended legal proceedings.

AUDITOR

HLB Mann Judd continues in office in accordance with section 327 of the Corporations Act 2001.

NON-AUDIT SERVICES

No non-audit services were provided by our auditors, HLB Mann Judd, during the year ended 30 June 2019.

AUDITOR’S INDEPENDENCE DECLARATION

The auditor’s independence declaration as set out on page 28 has been received for the year ended 30 June 2019 and forms part of this directors’ report.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the directors.

....
E W EDWARDS
Executive Director

Dated at Perth this 30th day of September, 2019.

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Athena Resources Limited for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
30 September 2019

N G Neill
Partner

hlb.com.au

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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	Consolidated Entity	
		2019 $	2018 $
Expenses			
Directors' remuneration		228,000	228,000
Salaries and employee costs		153,300	153,300
Legal and professional		77,050	73,058
Office and communication		70,544	59,840
Listing and share registry		39,756	26,517
Financial		12,682	11,734
Depreciation	7	5,651	5,731
Other expenses		38,418	57,787
Recoveries to capitalised exploration	8	(170,400)	(182,400)
Net expenses		455,001	433,567
Other income	2	(20,006)	(240,015)
LOSS BEFORE INCOME TAX BENEFIT		434,995	193,552
Income tax benefit	4	-	-
NET LOSS FOR THE YEAR		434,995	193,552
Other comprehensive income		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		434,995	193,552
Basic loss per share (cents per share)	25	0.18	0.09

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	Consolidated Entity 2019 $	Consolidated Entity 2018 $
CURRENT ASSETS			
Cash and cash equivalents	5	5,913	39,086
Trade and other receivables	6	37,040	125,927
Total Current Assets		42,953	165,013
NON-CURRENT ASSETS			
Plant and equipment	7	8,309	13,960
Mineral exploration and evaluation	8	8,409,884	7,679,399
Total Non-Current Assets		8,418,193	7,693,359
TOTAL ASSETS		8,461,146	7,858,372
CURRENT LIABILITIES			
Trade creditors and accruals	9	372,524	87,579
Deferred creditors	10	962,200	888,781
Related party loans	11	111,900	160,000
Third party loans	12	208,100	-
Total Current Liabilities		1,654,724	1,136,360
TOTAL LIABILITIES		1,654,724	1,136,360
NET ASSETS		6,806,422	6,722,012
EQUITY			
Issued capital	14	13,920,293	13,400,888
Accumulated losses	13	(7,113,871)	(6,678,876)
TOTAL EQUITY		6,806,422	6,722,012

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

Consolidated Entity	Issued Capital $	Accumulated Losses $	Total $
Year ended 30 June 2018			
Balance at 1 July 2017	13,400,888	(6,485,324)	6,915,564
Comprehensive loss for the year	-	(193,552)	(193,552)
Balance at 30 June 2018	13,400,888	(6,678,876)	6,722,012
Year ended 30 June 2019			
Balance at 1 July 2018	13,400,888	(6,678,876)	6,722,012
Entitlements Issue (Note 14)	541,901	-	541,901
Issue Costs	(22,496)	-	(22,496)
Comprehensive loss for the year	-	(434,995)	(434,995)
Balance at 30 June 2019	13,920,293	(7,113,871)	6,806,422

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	Consolidated Entity	
		2019 $	2018 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers		(546,630)	(415,789)
Interest received		6	15
Net Cash Outflow from Operating Activities	15	(546,624)	(415,774)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for mineral exploration and evaluation		(301,298)	(284,762)
Net Cash (Outflow) From Investing Activities		(301,298)	(284,762)
CASH FLOWS FROM FINANCING ACTIVITIES			
Contributions received from Brilliant Glory		102,848	580,602
Proceeds of Entitlement Issue (before expenses)		541,901	-
Proceeds/(repayments) of related party loans		(48,100)	140,000
Proceeds of third party loans		208,100	-
Proceeds of employee loans		10,000	-
Net Cash Inflow from Financing Activities		814,749	720,602
Net increase/(decrease) in cash held		(33,173)	20,066
Cash and cash equivalents at beginning of the financial year		39,086	19,020
Cash and cash equivalents at the end of this financial year	5	5,913	39,086

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law.

The financial report has also been prepared on a historical cost basis. The financial report is presented in Australian dollars. For the purposes of preparing the consolidated financial statements, the company is a for-profit entity

The company is a listed public company, incorporated in Australia and operating in Australia. The entity's principal activities are mineral exploration.

The accounting policies detailed below have been consistently applied to all years presented unless otherwise stated. The financial statements are for the consolidated entity consisting of Athena Resources Limited and its subsidiaries.

Reporting Basis and Conventions (Going Concern)

The financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of Athena's assets and the discharge of its liabilities in the normal course of business.

The Board considers that Athena is a going concern and recognises that additional funding is required to ensure that it can continue to fund its operations and further develop its mineral exploration and evaluation assets during the twelve-month period from the date of approval of this financial report. The company has access to the following potential source of funding:

- The placement of securities under the ASX Listing Rule 7.1 or otherwise;
- An excluded offer pursuant to the Corporations Act 2001; or
- The sale of assets.

Notwithstanding the fact that the Group incurred an operating loss of $434,995, has a working capital deficit of $1,611,771 and a net cash outflow from operating activities amounting to $546,624, the Directors are of the opinion that the Company is a going concern for the following reasons:

- Subsequent to year-end, the Group raised $391,000 of equity capital via an issue of 11,171,429 ordinary shares at $0.035 cents and received additional loan advances of $158,800. The funds raised will be used to meet the ongoing working capital requirements of the Group.
- Concurrently, the Group converted debt of $366,900 ($208,100 as at 30 June 2019) to equity via the issue of 10,482,857 ordinary shares at $0.035 cents.

Additionally, certain related parties have confirmed that debt totalling $962,200 will be deferred until such time as the Group has raised sufficient funds to settle all of its existing debts to non-related parties.

The Directors also anticipate that a further equity raising will be completed in the 2020 financial year.

Accordingly, the Directors believe that subject to prevailing equity market conditions, Athena will obtain sufficient funding to enable it to continue as a going concern and that it is appropriate to adopt that basis of accounting in the preparation of the financial report. Should Athena be unable to obtain sufficient funding as outlined above, there is a material uncertainty that may cast significant doubt whether it will be able to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should it not continue as a going concern.

Statement of Compliance

The financial report was authorised for issue on 30 September 2019.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

Adoption of New and Revised Standards

In the year ended 30 June 2019, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Consolidated Entity's operations and effective for the current annual reporting period.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Consolidated Entity's business and therefore, no change is necessary to accounting policies of the consolidated entity.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2019. As a result of this review the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to consolidated entity accounting policies.

Segment Reporting

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Athena Resources Limited.

Accounting Policies

(a) Principles of Consolidation

A controlled entity is any entity controlled by Athena Resources Limited. Control exists where Athena Resources Limited has the capacity to dominate the decision making in relation to the financial and operating policies of another entity so that the other entity operates with Athena Resources Limited to achieve the objectives of Athena Resources Limited. All controlled entities have a 30 June financial year-end.

All intercompany balances and transactions between entities in the consolidated entity, including any unrealised profit or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the consolidated entity during the year, their operating results have been included from the date control was obtained or until the date control ceased.

(b) Income Tax

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowable items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance date.

Deferred tax is accounted for in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised, or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(c) Plant and Equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation.

Plant and Equipment

Plant and equipment are measured on the cost basis less accumulated depreciation and accumulated impairment losses.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future consolidated benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets, but excluding computers, is depreciated on a reducing balance commencing from the time the asset is held ready for use. Computers are depreciated on a straight-line basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	15 – 50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to accumulated losses.

(d) Impairment of Assets

At each reporting date, the Directors review the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the assets, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(e) Provisions

Provisions are recognised where there is a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(g) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and service tax (GST).

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expenses. Receivables and payables in the statement of financial position are shown inclusive of GST.

(i) Issued Capital

Issued and paid up capital is recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(j) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(k) Impairment of Exploration Expenditure

The Directors assess impairment at each reporting date by evaluating conditions specific to the consolidated entity that may lead to impairment of exploration expenditure. In making this assessment, the Directors have considered the existence of any possible indicators of impairment per AASB 6 “Exploration for and Evaluation of Mineral Resources”.

On the basis of this review, the Directors have not written off any exploration expenditure during the financial year and are satisfied that no impairment is present at June 30 2019.

(l) Critical Accounting Estimates and Judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

(m) Deferred Exploration and Evaluation Expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(a) the rights to tenure of the area of interest are current; and

(b) at least one of the following conditions is also met:

- (i) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
- (ii) exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(n) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

NOTE 2 – OTHER INCOME

	Consolidated Entity	
	2019	2018
	$	$
Other income from non-operating activities		
Interest received	6	15
Contribution to overheads from Brilliant Glory	20,000	240,000
Total revenue	20,006	240,015

NOTE 3 – LOSS FROM ORDINARY ACTIVITIES BEFORE TAX EXPENSE

Expenses

Depreciation of non-current assets:		
Office furniture and equipment	640	720
Motor vehicles	5,011	5,011
Total depreciation of non-current assets	5,651	5,731

NOTE 4 – INCOME TAX

No income tax is payable by Athena as each entity in the consolidated entity incurred a loss for tax purposes for the year and each has available recoupable income tax losses at balance date. The aggregate of income tax attributable to the financial year differs from the amount calculated on the operating loss. The differences are calculated as follows:

	Consolidated Entity 2019 $	2018 $
Loss for the year	(434,995)	(193,552)
Income tax calculated at 30% (2018 30%)	(130,498)	(58,065)
Tax effect of permanent differences:		
Deferred tax asset not recognised	130,498	58,065
Income Tax Attributable to Operating Loss	-	-

Accumulated Tax Losses

	2019 $	2018 $
Loss for the year	434,995	193,552
Disallowable expenses	(13,118)	(17,462)
Exploration expenditure	730,485	94,857
Timing differences	(136)	1,676
Section 40-880 deduction	26,753	57,296
Tax loss for the year	1,178,979	329,919
Tax losses brought forward	12,073,759	11,743,840
Current year loss	1,178,979	329,919
Tax losses carried forward	13,252,738	12,073,759

The potential deferred tax asset has not been brought to account in the financial report at 30 June 2019 as the Directors do not believe it is appropriate to regard the realisation of the asset as probable. This asset will only be obtained if:

(a) The company and its controlled entity derive future assessable income of an amount and type sufficient to enable the benefit from the deductions for the tax losses and the unrecouped exploration expenditure to be realised;
(b) The company and its controlled entity continue to comply with the conditions for deductibility imposed by tax legislation; and
(c) No changes in tax legislation adversely affect the company and its controlled entity in realising the benefit from the deductions for the tax losses and unrecouped exploration expenditure.

Tax loss comparatives have been restated to reconcile to the prior year tax return.

Franking Credits

No franking credits are available at balance date for the subsequent financial year.

NOTE 5 – CASH AND CASH EQUIVALENTS

	Consolidated Entity	
	2019	2018
	$	$
Cash at bank and on hand	5,913	39,086
	5,913	39,086

NOTE 6 – TRADE AND OTHER RECEIVABLES

Current

Debtors – overhead related	3,814	32,200
Debtors – exploration related	-	63,861
GST Receivable	33,226	29,866
	37,040	125,927

NOTE 7 – PLANT AND EQUIPMENT

	Cost	Accumulated Depreciation	Net Book Value
Year ended 30 June 2018	$	$	$
Balance at 1 July 2017	201,554	(181,863)	19,691
Additions	-	-	-
Disposals	-	-	-
Depreciation Charge	-	(5,731)	(5,731)
Balance at 30 June 2018	201,554	(187,594)	13,960
Year ended 30 June 2019			
Balance at 1 July 2018	201,554	(187,594)	13,960
Additions	-	-	-
Disposals	-	-	-
Depreciation Charge	-	(5,651)	(5,651)
Balance at 30 June 2019	201,554	(193,245)	8,309

NOTE 8 – MINERAL EXPLORATION AND EVALUATION

	Consolidated Entity 2019 $	2018 $
Balance at 1 July 2018	7,679,399	7,584,542
Expenditure during the year on external costs and services	279,072	316,920
Native title on grant of mining leases	300,000	-
Overheads recovered through timesheet allocations	170,400	182,400
Contribution to tenement expenditure by Brilliant Glory	(18,987)	(404,463)
Balance at 1 July 2019	8,409,884	7,679,399

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

NOTE 9 – TRADE CREDITORS AND ACCRUALS

Current

Trade creditors - overheads	42,715	45,544
Trade creditors – mineral exploration and evaluation	19,809	42,035
Native title on grant of mining leases	300,000	-
Loan from employee	10,000	-
	372,524	87,579

NOTE 10 – DEFERRED CREDITORS

	1 July 2017	Fees (inc GST)	Payment	30 June 2018
E Edwards	352,494	198,000	130,070	420,424
D Webster	174,400	52,800	-	227,200
R Kandiah	70,400	-	-	70,400
P Newcomb	114,400	52,800	(3,557)	170,757
	711,694	303,600	126,513	888,781

	1 July 2018	Fees (inc GST)	Payment	30 June 2019
E Edwards	420,424	198,000	123,424	495,000
D Webster	227,200	52,800	-	280,000
R Kandiah	70,400	-	35,200	35,200
P Newcomb	170,757	52,800	71,557	152,000
	888,781	303,600	230,181	962,200

Directors and Officers have agreed to defer payment of fee arrears until such time as the company is in a position to settle without prejudicing third party creditors.

NOTE 11 – RELATED PARTY LOANS

During the year, Directors and Company Secretary extended unsecured interest free loans to the Company, for the purpose of supporting short-term cash flow as follows:

Officer	1 July 2018	Advances	Repayments	30 June 2019
E Edwards	100,000	70,000	130,000	40,000
D Webster	40,000	40,000	40,000	40,000
H Wai	-	31,900	-	31,900
P Newcomb	20,000	50,000	70,000	-
	160,000	191,900	240,000	111,900

NOTE 12 – THIRD PARTY LOANS

	Consolidated Entity	
	2019	2018
	$	$
Loan from Goldway Mega Trade Limited	208,100	-
	208,100	-

Third party loans are interest free, the loan from Goldway Mega Trade Limited was converted to shares in the placement announced on 27 September 2019.

NOTE 13 – RESERVES AND ACCUMULATED LOSSES

	Consolidated Entity	
	2019	2018
	$	$
Balance at beginning of the year	(6,678,876)	(6,485,324)
Net Loss for the year	(434,995)	(193,552)
Balance at end of the year	(7,113,871)	(6,678,876)

NOTE 14 – ISSUED CAPITAL

Ordinary Fully Paid Shares	$	$
As at 1 July 2018	13,400,888	13,400,888
Rights Issue net of issue costs of $22,496	519,405	-
As at 30 June 2019	13,920,293	13,400,888

	Shares	Shares
As at 1 July 2018	216,760,789	216,760,789
Rights Issue	54,190,133	-
As at 30 June 2019	270,950,922	216,760,789

NOTE 15 – NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of (loss) / profit after income tax to net operating cash flows

	Consolidated Entity 2019 $	2018 $
(Loss) / Profit from ordinary activities	(434,995)	(193,552)
Depreciation	5,651	5,731
Recoveries to exploration	(170,400)	(182,400)
Share Issue Costs	(22,496)	-
Contribution to overheads	(20,000)	(240,000)
Movement in assets and liabilities		
Receivables – overhead related	25,026	(1,165)
Payables – overhead related	(2,829)	18,525
Payables - deferred	73,419	177,087
Net cash used by operating activities	(546,624)	(415,774)

NOTE 16 – FINANCIAL INSTRUMENTS

The Directors have assessed that the value of financial assets and financial liabilities approximate their fair value at balance date.

NOTE 17 – NON-RENOUNCEABLE ENTITLEMENTS OFFER

On 31 December 2018, 54,190,133 shares were issued under a fully subscribed pro-rata non-renounceable entitlement offer for one new share for every four existing shares held by eligible shareholders, at an issue price of $0.01 per new share.

The subscription comprised 22,399,114 acceptances and 15,436,637 shortfall applications from eligible shareholders and a further placement of 16,354,382 shortfall shares.

The costs of the issue were $22,496.

NOTE 18 – COMMITMENTS FOR EXPENDITURE REVENUE

Mineral Tenement Leases

In order to maintain current rights of tenure to mining tenements, the consolidated entity will be required to outlay amounts of $5,144,185 (2018: $4,912,240) in respect of minimum tenement expenditure requirements and lease rentals. The obligations are not provided for in the financial report and are payable as follows:

	Consolidated Entity	
	2019	2018
	$	$
Not later than one year	1,028,837	982,448
Later than 1 year but not later than 2 years	1,028,837	982,448
Later than 2 years but not later than 5 years	3,086,511	2,947,344
	5,144,185	4,912,240

The Company has a number of avenues available to continue the funding of its current exploration program and as and when decisions are made, the Company will disclose this information to shareholders.

NOTE 19 – CONTINGENT LIABILITIES

Athena Resources Limited and its controlled entities have no known material contingent liabilities as at 30 June 2019.

NOTE 20 – INVESTMENT IN CONTROLLED ENTITIES

	Class of Shares		Book Value of Athena's Investments	
			2019	2018
			$	$
Complex Exploration Pty Ltd	Ordinary	100%	100	100
Capricorn Resources Pty Ltd	Ordinary	100%	200	200
Byro Exploration Pty Ltd	Ordinary	100%	1,390,000	1,390,000
			1,390,300	1,390,300

The above controlled entities are incorporated in Australia.

The book value of Athena Resources Limited's investment in the ordinary shares of controlled entities is at cost, which does not exceed the underlying net assets of the entity.

Byro Exploration Pty Ltd is a wholly owned subsidiary of Complex Exploration Pty Ltd.

NOTE 21 – SEGMENT INFORMATION

During the year the Group operated principally in one business segment being mineral exploration within Australia.

NOTE 22 – KEY MANAGEMENT PERSONNEL

(a) Directors

The names and positions of Directors in office at any time during the financial year are:

David Arthur Webster	Non-Executive Chairman
Edmond William Edwards	Executive Director
Hau Wan Wai	Executive Director

(b) Remuneration Polices

Remuneration policies are disclosed in the Remuneration Report which is contained in the Directors' Report.

(c) The total remuneration paid to Directors is summarised below:

	Parent Entity	
	2019	2018
	$	$
Year ended 30 June		
Short-term employee benefits	228,000	228,000
Post-employment benefits	-	-
Other-long term benefits	-	-
Other – based payments	-	-
	228,000	228,000

d) Aggregate amounts payable to Directors and their personally related entities.

	Parent Entity	
	2019	2018
Current	$	$
Accounts payable	810,200	718,024
Loans	111,900	140,000
	922,100	858,024

NOTE 23 – RELATED PARTY INFORMATION

Transactions within the Consolidated Entity

Non-current receivables – Controlled Entities	9,965,369	9,234,884
Less : Provision for non recovery	(1,554,985)	(1,554,985)
	8,410,384	7,679,899

At balance date unsecured interest free loans were made by Directors to support short term cash flow were as follows:

Mr Edwards	$40,000
Mr Webster	$40,000
Mr Wai	$31,900

NOTE 24 – REMUNERATION OF AUDITORS

	Consolidated entity	
	2019	2018
	$	$
Amount received, or due and receivable, by the auditors for:		
Auditing and reviewing of the financial statements of Athena Resources Limited and of its controlled entities	23,400	22,750
Other Services	-	-
	23,400	22,750

Audit fees are included in Legal and Professional in the Statement of Comprehensive Income.

NOTE 25 – PROFIT/(LOSS) PER SHARE

	Consolidated entity	
	2019	2019
	$	$
(Loss) used in the calculation of loss per share	(434,995)	(193,552)
Weighted average number of ordinary shares outstanding during the year	244,375,487	216,760,789
Basic (loss) per share (cents per share)	(0.18)	(0.09)

NOTE 26 – FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

The consolidated entity's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable.

The board's overall risk management strategy seeks to assist the group in meeting its financial targets, whilst minimising potential adverse effects on financial performance. The group has developed a framework for a risk management policy and internal compliance and control systems that covers the organisational, financial and operational aspects of the consolidated entity's affairs. The Chairman is responsible for ensuring the maintenance of, and compliance with, appropriate systems.

Financial Risk Exposures and Management
The main risks the group is exposed to through its financial instruments are interest rate risk and liquidity risk.

Interest Rate Risk
The consolidated entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of change in the market, interest rate and the effective weighted average interest rate on these financial assets, is as follows:

	Non-Interest Bearing		Floating Interest Rate	
	2019 $	2018 $	2019 $	2018 $
Financial Assets				
- Cash at bank	-	-	5,913	39,086
- Trade debtors	37,040	125,927	-	-
Total Financial Assets	37,040	125,927	5,913	39,086
Financial Liabilities				
- Trade Creditors and Accruals	72,524	278,336	300,000	-
- Deferred Creditors	962,200	858,024	-	-
- Related Party Loans	111,900	-	-	-
- Third Party Loans	208,100	-	-	-
Total Financial Liabilities	1,354,724	1,136,360	300,000	-

Weighted Average Effective Interest Rate is 1.0% (2018: 1.0%)

Interest on Native Title liability of $300,000 is contracted as the ANZ Indicator Interest Rate rate which is currently 1.2%. The company has agreed with the Native Title Party that $100,000 will be paid in October, and the balance of $200,000 will bear interest at the above rate with effect form 1 July 2019.

Liquidity Risk

The consolidated entity manages liquidity risk by monitoring forecast cash flows.

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date, is the carrying amount net of any allowance for doubtful debts, as disclosed in the statement of financial position and notes to the financial statement.

In the case of cash deposited, credit risk is minimised by depositing with recognised financial intermediaries such as banks, subject to Australian Prudential Regulation Authority supervision.

The consolidated entity does not have any material risk exposure to any single debtor or group of debtors under financial instruments entered into by it.

Capital Management Risk

Management controls the capital of the consolidated entity in order to maximise the return to shareholders and ensure that the consolidated entity can fund its operations and continue as a going concern.

Management effectively manages the consolidated entity's capital by assessing the consolidated entity's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of expenditure and debt levels and share and option issues. There have been no changes in the strategy adopted by management to control capital of the consolidated entity since the prior year.

Financial Instruments

Net Fair Values

For financial assets and liabilities, the net fair value approximates their carrying value. The consolidated entity has no financial assets or liabilities that are readily traded on organised markets at balance date and has no financial assets where the carrying amount exceeds net fair values at balance date.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the financial statements.

Interest Rate Sensitivity Analysis

The consolidated entity has not performed a sensitivity analysis relating to its exposure to interest rate risk as it is not materially exposed to interest rate risk.

NOTE 27 – SUBSEQUENT EVENTS

Suspension

On 13 August 2019 the ASX announced that the securities of Athena Resources Limited ('AHN') will be suspended from quotation immediately under Listing Rule 17.3, pending a satisfactory response to ASX queries and further, as ASX has determined that AHN's financial condition is not adequate to warrant the continued quotation of its securities and therefore it is in breach of Listing Rule 12.2. The suspension will continue until AHN is able to demonstrate compliance with Listing Rule 12.2 and respond satisfactorily to ASX's queries.

At the date of this report the securities are still suspended from quotation.

Share Placement

Between 1 July 2019 and this date Goldway Mega Trade Limited has advanced a further $158,800 bringing its total loans to $366,900.

On 27 September 2019 the company announced the completion of a placement of 21,654,286 shares at an issue price of $0.035 each to raise $757,900.

The placement represents conversion of loan funds from Goldway Mega Trade Limited of $366,900 and new funds of $391,000. The shares are subject to a voluntary escrow for 12 months from the date of issue.

NOTE 28 – PARENT ENTITY DISCLOSURES

Financial Position	2019 $	2018 $
CURRENT ASSETS		
Cash and cash equivalents	5,113	38,286
Trade and other receivables	37,040	125,927
Total Current Assets	42,153	164,213
NON-CURRENT ASSETS		
Plant and equipment	8,309	13,960
Investment in subsidiaries	300	300
Loans to subsidiaries	8,110,386	7,679,899
Total Non-Current assets	8,118,995	7,694,159
TOTAL ASSETS	8,161,148	7,858,372
CURRENT LIABILITIES		
Trade and other payables	1,354,726	1,376,360
Total Current Liabilities	1,354,726	1,376,360
TOTAL LIABILITIES	1,354,726	1,376,360
NET ASSETS	6,806,422	6,722,012
EQUITY		
Issued capital	13,920,293	13,400,888
Accumulated losses	(7,113,871)	(6,678,876)
TOTAL EQUITY	6,806,422	6,722,012
Financial Performance		
(Loss) for the year	(434,995)	(193,552)
Other comprehensive income	-	-
Total comprehensive (loss)	(434,995)	(193,552)
Accumulated losses prior year	(6,678,876)	(6,485,324)
	(7,113,871)	(6,678,876)

The parent entity has not entered into any guarantees in relation to debts of its subsidiaries, has no contingent liabilities, and has no commitments for acquisition of property, plant and equipment.

The ultimate recovery of the loans to the subsidiaries is dependent on the successful development and/or commercial exploitation or sale of the subsidiaries' exploration assets.

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2019

Athena

1. In the opinion of the directors of Athena Resources Limited (the 'Company'):

a) the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the year then ended; and

(ii) complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.

b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2019.

____
E W Edwards
Executive Director

Dated at Perth this 30th September 2019

INDEPENDENT AUDITOR'S REPORT

To the members of Athena Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Athena Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

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Key Audit Matter	How our audit addressed the key audit matter
Capitalised Exploration and Evaluation Expenditure Refer to Note 8.	
In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group capitalises exploration and evaluation expenditure and as at 30 June 2019 had a deferred exploration and evaluation expenditure balance of $8,409,884. Exploration and evaluation expenditure was determined to be a key audit matter as it is important to the users' understanding of the financial statements as a whole and was an area which involved the most audit effort and communication with those charged with governance.	Our procedures included but were not limited to: - Obtained an understanding of the key processes associated with management's review of the carrying value of exploration and evaluation expenditure; - Considered the Directors' assessment of potential indicators of impairment in addition to making our own assessment; - Obtained evidence that the Group has current rights to tenure of its areas of interest; - Considered the nature and extent of planned ongoing activities; - Substantiated a sample of expenditure by agreeing to supporting documentation; and - Examined the disclosures made in the annual report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Athena Resources Limited for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

N G Neill
Partner

Perth, Western Australia
30 September 2019

SHAREHOLDER DETAILS
FOR THE YEAR ENDED 30 JUNE 2019

ANALYSIS OF SHAREHOLDING – 17 SEPTEMBER 2019

	SHARES
1 – 1,000	25
1,001 – 5,000	49
5,001 – 10,000	68
10,001 – 100,000	262
100,001 – or more	150
	554
Total on issue	270,950,922
Shareholders holding less than marketable parcel	229

Voting Rights

Article 16 of the Constitution specifies that on a show of hands every member present in person, by attorney or by proxy shall have:

(a) for every fully paid share held by him one vote
(b) for every share which is not fully paid a fraction of the vote equal to the amount paid up on the share over the nominal value of the shares.

Substantial Shareholders

The following substantial shareholders have notified the Company in accordance with Corporations Act 2001.

Brilliant Glory Industrial Corp Ltd	43,000,000	15.87%
Edmond William Edwards	38,128,831	14.07%
Peter John Newcomb	17,100,000	6.31%

Directors' Shareholding

Interest of each director in the share capital of the Company is detailed in the Remuneration Report.

SHAREHOLDER DETAILS
FOR THE YEAR ENDED 30 JUNE 2019

TOP TWENTY SHAREHOLDERS 17 SEPTEMBER 2019

Shareholder	Shares	%	Rank
Brilliant Glory Industrial Corp Ltd	43,000,000	15.87	1
Tied Nominees Pty Ltd	38,073,831	14.05	2
Stonydeep Investments Pty Ltd	17,100,000	6.31	3
Cobpen Co Investments Pty Ltd	10,096,626	3.73	4
Mr James Gregory Puklowski	9,253,895	3.42	5
Vitor Pty Ltd	8,333,333	3.08	6
Ishine International Resources Limited	8,300,000	3.06	7
Citicorp Nominees Pty Limited	7,160,769	2.64	8
Gardner Mining Pty Ltd	6,675,000	2.46	9
Kelanco Pty Ltd	6,108,750	2.25	10
Mr Mark Snabel-Matthews	5,950,830	2.20	11
Kokatu Pty Ltd	5,020,000	1.85	12
Mr Andrew Peter Thomson	4,432,500	1.64	13
Julia Edwards Superannuation Pty Ltd	4,020,000	1.48	14
Caroline Patricia Edwards	3,954,218	1.46	15
Mr Terence Weston	3,671,000	1.35	16
Mr Andrew John Puklowski	3,631,767	1.34	17
Mr L P Kelly & Ms H Salomons (Kelly Super)	3,243,611	1.20	18
Mr Ronald Wang Chi Tai	3,064,765	1.13	19
Mr G P Russell	3,000,000	1.11	20
Total	194,090,895	71.63	

INTEREST IN MINING TENEMENTS

Byro

E09/1507
E09/1552
E09/1637
E09/1781
E09/1938
M09/166
M09/168

E – Exploration License
M – Mining Lease

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Athena Resources Limited is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of Athena Resources Limited on behalf of the shareholders by whom they are elected and to whom they are accountable. The statement reports on Athena Resources Limited's key governance principles and practices.

Details of the Corporate Governance Statement can be found on the Athena Resources Limited's website at:

http://www.athenaresources.com.au/corporate/corporate-governance/