

DECEMBER 2007 QUARTERLY REPORT

ATHENA RESOURCES LIMITED

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PROJECTS

Ravensthorpe: Nickel-copper

Ashburton: Gold and Basemetals

Byro: Nickel-Copper-PGE

Binneringie: Nickel-Copper-PGEs



HIGHLIGHTS

- **Rock chip and soil geochemistry confirm prospectivity of three areas in the Ashburton.**

Follow-up aeromagnetic surveys and drilling planned for in early and mid-2008.

Significant rock chip results include:-

- 1.02g/t gold
- 1.07% Copper
- 18% Lead
- 70g/t Silver

- **Assay confirm outcropping copper and Platinum Group Metal mineralisation at Byro.**

Results include:-

- 1.5% copper
- 0.79g/t platinum+palladium
- 0.44g/t gold

Aeromagnetic and ground geophysical surveys planned for early 2008, with follow-up drilling scheduled for mid-year.

1. ASHBURTON PROJECT

Athena Resources Limited (Athena or the Company) received and reviewed all results for the Company’s geochemical sampling program in the Kooline area. A total of 43 rock chip and 500 soil samples were collected to geochemically fingerprint and characterise the mineralisation at four targets near Kooline. Three anomalous trends were identified in the soil geochemistry together with the significant rock chip results as shown in Figure 1. These anomalies occur in an area 3.7 kilometres by 3.0 kilometres, which represents 2% of the 970km² held by Athena in the Ashburton (Figure 2).

The significant rock chip assay results are shown in Table 1. The samples (rock chip and soils) all have strong poly-metallic signature.

Table 1 – Rock Chip Analyses for Select Samples and Elements from Athena’s Ashburton Project

Sample Number	MGA 50East	MGA 50East	Au (g/t)	Ag (g/t)	Pb (%)	Cu (%)
AKCR027	444947	7442640	1.02	70	18	1.07
AKCR007	443591	7443844	0.56	175	34	2.15
AKCR041	444973	7445336	0.10	155	59	NSA
AKCR015	444566	7443542	0.19	210	43	NSA
AKCR038	444290	7442871	0.10	85	42	0.15
AKCR016	445304	7443878	0.04	40	37	NSA
AKCR004	443554	7443569	0.32	65	26	0.43
AKCR035	446186	7441136	0.79	*NSA	NSA	NSA
AKCR005	443559	7443720	0.70	30	5	0.38
AKCR013	446320	7441999	0.41	35	12	0.29
AKCR023	445076	7442573	0.31	20	NSA	1.63

*NSA: No Significant Assay

The new anomalous zones have distinct copper-gold (labelled “Gold Zone” in Figure 1), silver-lead (“Lead Zone”) and copper-gold-lead (“Copper Zone”) signatures. Sample AKCR041 (59.1% Pb, 155g/t Ag) was a rock chip from a shear zone within the “Gold Zone” north of the lead workings. No lead mineralisation had been previously recorded in this area. AKCR035 assayed 0.79g/t gold and is significant as it is from another parallel structural trend 800m to the south of the “Copper Zone”. This result, from outside of the area of the historic workings covered by the soil sampling, verifies the association between host rock, structure and mineralisation. The copper and gold association in the “Gold” and “Copper Zones” is particularly encouraging.

The geochemistry identified two zones of mineralisation parallel to the Kooline lead workings. Samples AKCR027, 035, 004 and 023 represent new mineralised trends. Samples AKCR007, 015, 016 and 013 were from prospecting pits which have never been drill tested. The mineralisation, which trends east-southeast to west-northwest, is associated with quartz veins and stockwork hosted mineralisation adjacent to shears along fold axes. These anomalies provide a focus for on going exploration and will be drill tested in the 2008 field season.

In December 2007 Digital Mapping Australia (DiMap) flew high-resolution digital aerial photography over an area centred on the Kooline mining area. This data will be used to generate high quality seamless digital images and a digital terrain model to aid outcrop and regolith mapping, and interpretation of the geochemistry. Perth based Universal Tracking Systems (UTS) have been contracted to fly high-resolution aeromagnetic and radiometric survey. The survey is scheduled for early-mid 2008.

2. BYRO PROJECT (Athena Resources 80%, contributing 100%)

Assay results have confirmed an outcropping copper occurrence found during a reconnaissance survey of Athena's Byro Project. Two rock chip samples collected by Athena confirm the presence of copper-platinum group metal (PGM)-gold mineralisation. One rock chip sample assayed 1.5% copper, 0.79g/t platinum+palladium and 0.44g/t Gold, with another 0.75% copper, 0.36g/t platinum+palladium and 0.19g/t gold at target "T1" (Figure 3). This metal association typically occurs in mineralised layered complexes and results suggest the presence of gabbro hosted nickel-copper sulphide and PGM mineralisation.

The discovery outcrop is approximately 20 kilometres west of Mithril Resources and Yilgarn Mining Limited's Byro East Joint Venture, and 10 kilometres north of the Imagi Well chromitite occurrence. The results confirm the Byro area as having "fertile" mafic intrusions similar to those found in the West Pilbara (Figure 3) and Halls Creek Mobile Belt.

Outcropping lithologies suggest that the Byro mineralisation is related to a northeast trending layered complex which extends for at least 2 kilometres. Athena has identified features in the regional gravity and magnetic data that are interpreted to be layered intrusions. The outcropping mineralisation is likely to be part of a larger concealed layered complex. The discovery outcrop was previously mapped as felsic gneiss and is just 300 metres from the main road.

The Company has planned an aggressive exploration program to test these targets in 2008 commencing with a high-resolution aeromagnetic survey covering approximately 171km². The aeromagnetic survey will be followed by surface mapping, prospecting, ground geophysics and drilling. Athena holds approximately 4,800km² under application at Byro.

3. RAVENSTHORPE PROJECT

Preparations are well advance to resume field work at Ravensthorpe. A geochemical sampling program designed to test 9 target areas is scheduled to commence in early February 2008. The geochemistry will be followed by an IP (induced polarisation) survey to test for disseminated sulphides, initially at Oldfield, then at other targets on Athena's adjacent tenements.

4. BINNERINGIE PROJECT (Athena Resources 80%, contributing 100%)

DOIR have advised Athena of the intention to grant exploration licence applications E63/1143 and E63/1149. These two tenements located approximately mid-way along the dyke provide the opportunity to the test and refine the Company's exploration model over extensive outcrops of the



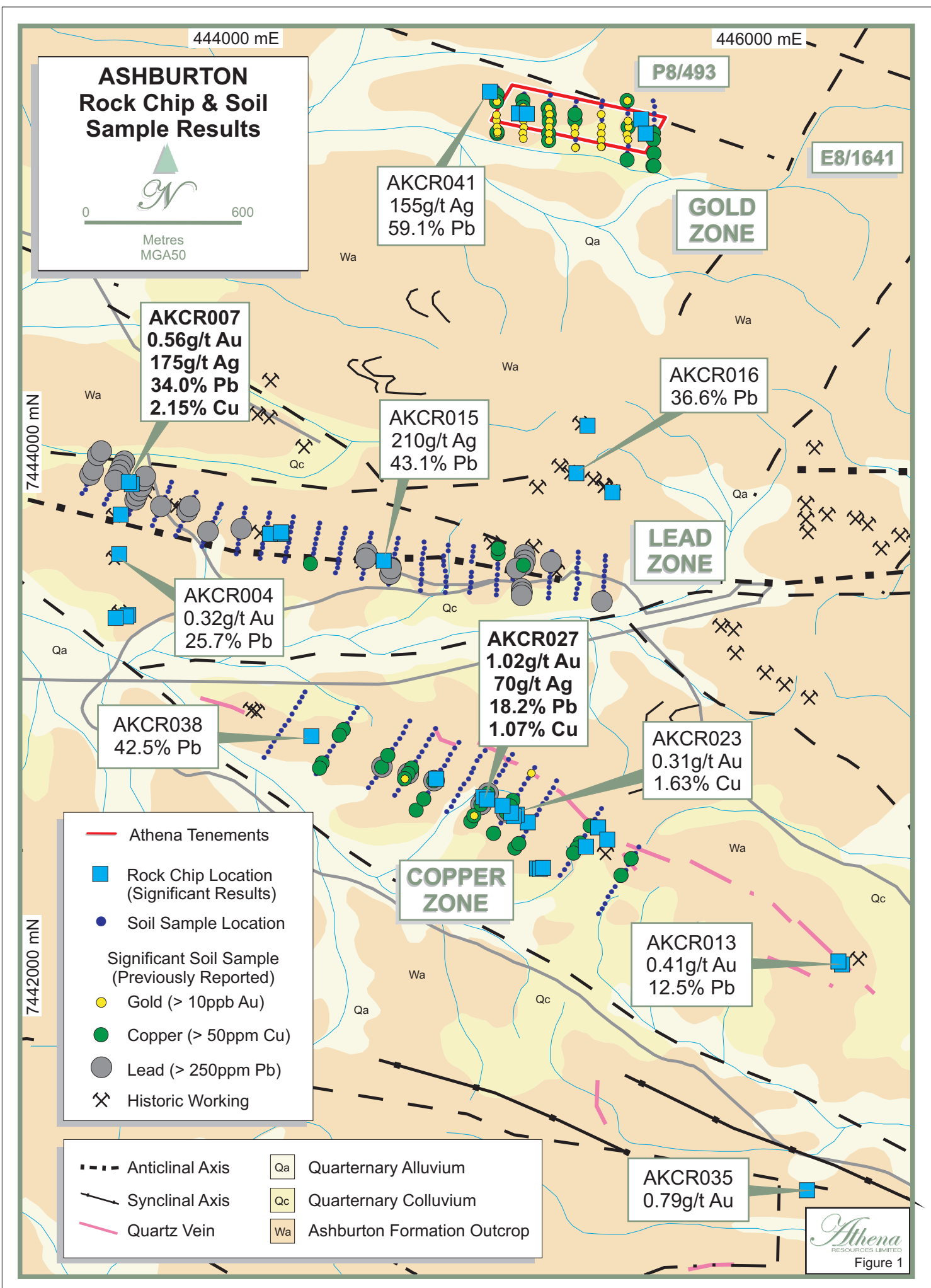
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Binneringie Dyke. In 1998 Stockdale Prospecting Limited (De Beers) reported finding four chromites in samples collected close to the Binneringie Dyke from an area north-east of E63/1143.

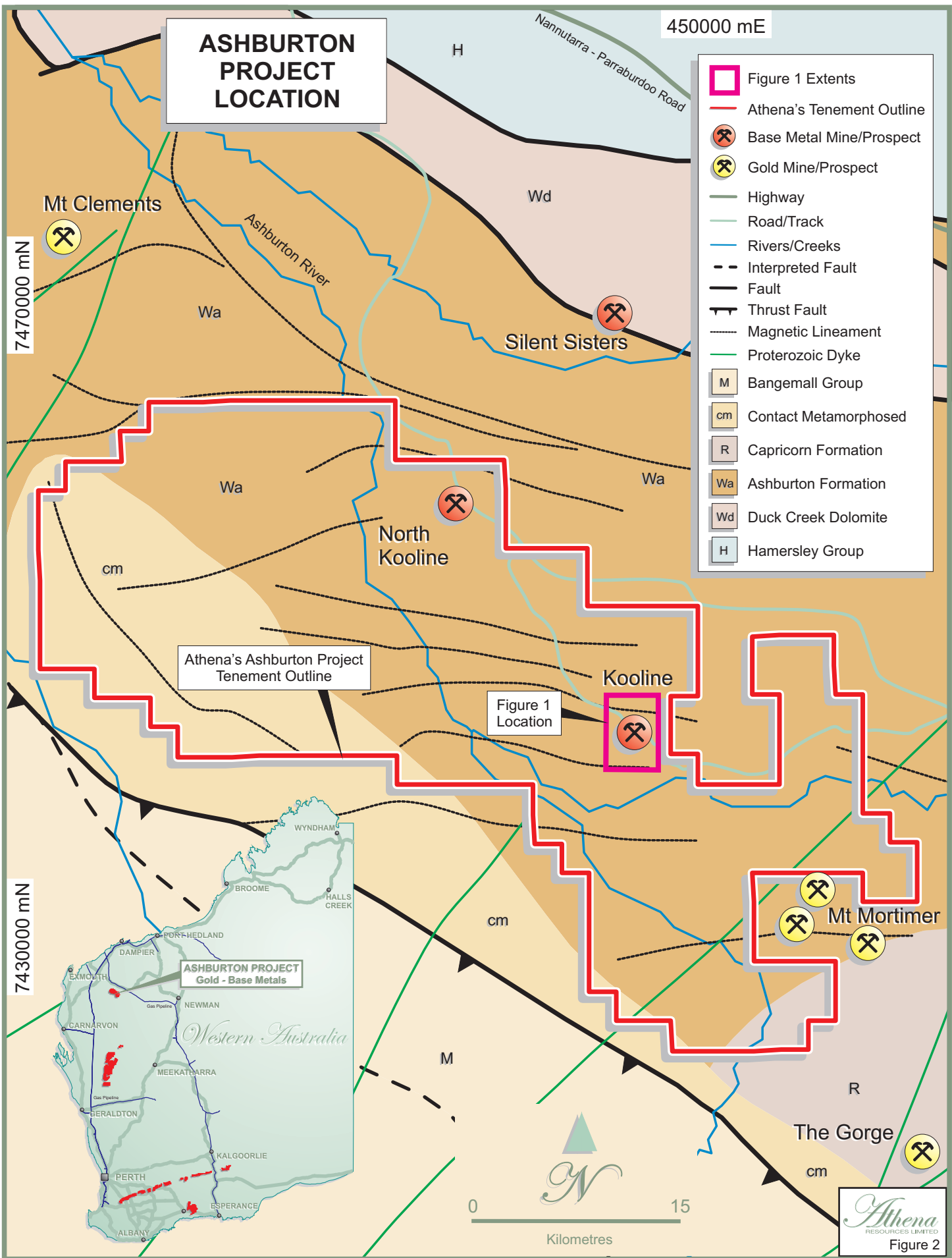
Athena's initial program at Binneringie will consist of geological mapping, and reconnaissance soil and rockchip geochemistry, followed by airborne and ground geophysical surveys.

Donald Thomson
Technical Director
24 January 2008

The technical information relating to Athena's exploration projects was compiled by Mr Donald Thomson, an employee of Indigo Exploration Services Pty Ltd. Mr Thomson 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, 2004 edition)". Mr Thomson consents to this inclusion of the information in this report in the context and format in which it appears.



ASHBURTON PROJECT LOCATION



- Figure 1 Extents
- Athena's Tenement Outline
- Base Metal Mine/Prospect
- Gold Mine/Prospect
- Highway
- Road/Track
- Rivers/Creeks
- Interpreted Fault
- Fault
- Thrust Fault
- Magnetic Lineament
- Proterozoic Dyke
- M Bangemall Group
- cm Contact Metamorphosed
- R Capricorn Formation
- Wa Ashburton Formation
- Wd Duck Creek Dolomite
- H Hamersley Group

