Athena
RESOURCES LIMITED

INVESTOR UPDATE – CAPITAL RAISING

As announced previously Athena Resources Limited (Athena) is seeking to raise $1.3 million to fund further exploration for gold, precious and basemetals on the Company's projects. As a current investor you will have recently received an offer document and entitlement form dated 13 February 2008. We ask that you give consideration to taking up your entitlement prior to the closing date of 17 March 2008. The funds will be raised by way of a non-renounceable pro-rata offer of New Shares at an issue price of 20 cents each on the basis of one (1) New Share for every four (4) Shares held on the Record Date (the Offer). Every one (1) Share subscribed for will have one (1) free attaching New Option, exercisable at 20 cents each on or before 30 November 2009.

Background

Since its listing on the ASX in November 2006, Athena has focused on exploring for gold, platinum group metals (PGM), nickel, copper, and basemetals in under-explored terrains in Western Australia, where the extensive experience of the Company's exploration team provide an advantage. The work carried out in 2007 has successfully identified gold, copper and silver-lead mineralisation over a substantial area around Kooline in the Ashburton Project, which is in the central-west of WA. At Byro, part of the Murchison Project, Athena has found copper-PGM mineralisation in outcropping metamorphosed gabbro.

Athena's focus and exploration strategy is justified by recent sharp increases in commodity prices; particularly gold, platinum and silver. Demand for nickel, copper and lead are also likely remain high for sometime.

Projects and Proposed Exploration

Athena has budgeted $850,000 for exploration drilling and geophysics in 2008. Field work at Ashburton and Byro is expected to commence shortly after the cyclone season, with high-resolution aeromagnetic surveys scheduled for early May. The Company has contracted Perth based company Univeral Tracking Systems (UTS) to conduct these surveys.

Work at the Ashburton Project, where Athena has identified strong evidence for gold and copper in geochemistry centred on the historic silver-lead workings at Kooline, is particularly encouraging. Soil and rockchip sampling programs have delineated mineralisation associated with axial planar shears in folded turbidite sediments of the Ashburton Basin. The mineralisation is similar to that seen in the Proterozoic Pine Creek province of the Northern Territory.

The geochemistry has defined distinct trends of gold-copper and silver-lead mineralisation in an area 3.7 kilometres long and 3 kilometres wide. Rock chip samples include peak results of 1.02g/t gold with 1.07% copper, and 0.56g/t gold with 2.15% copper. Other Athena samples returned significant results of 59% lead and 155g/t silver, 43% lead and 210g/t silver, and 34% lead with 175g/t silver. These results represent vein-style mineralisation, and are located within broad soil anomalies, which are open ended along strike.

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The 50m high resolution aeromagnetic suvey at Kooline will be used, along with the previous exploration results, to target exploration drilling currently scheduled for mid-year. Field mapping and geochemical sampling programs are planned over the remaining Ashburton Project tenements; to date the Company has explored less than 2% of the 970km^2 tenement area.

At Byro Athena has discovered evidence of copper-PGM mineralisation associated with a poorly defined mafic intrusive. Rock chip samples collected by Athena assayed 1.5% copper, 0.79g/t platinum+palladium and 0.44g/t gold in one case; with another assaying 0.75% copper, 0.36g/t platium+palladium and 0.19g/t gold These results are very significant in the context in which they occur and in relation to the target model, and suggest the mineralisation may be part of a larger mineralised igneous complex.

The area was targeted using government acquired gravity and 1600 metre line spaced aeromagnetic data. The broad aeromagnetic surveys were designed to facilitate Federal and State Government regional mapping programs, but the resolution is generally inadequate for defining most ore deposits, which are typically tens to hundreds of metres, rather than kilometres long. UTS will fly a semi-regional 100m spaced survey over the main target area. This will be followed by mapping, geochemical sampling and ground-geophysical programs. Drilling will commence upon completion and interpretation of these programs. Athena is confident of a successful result in this area.

Lead Manager

The Company has appointed Montagu Stockbrokers Pty Ltd as lead manager to the rights issue. If you have any questions regarding the rights issue or our plans, please give Mr Peter Aaron at Montagu a call on 08 9225 2857 or call Don or Ed on the number below. If you have misplaced your rights issue entitlement form please contact our office on 08 9328 8277 or by email on ahn@athenaresources.com.au

Donald Thomson
(MAusIMM, MAICD)

Technical Director
28 February 2008

For more information please contact:

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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.