

MARCH 2009 QUARTERLY REPORT

ATHENA RESOURCES LIMITED

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CONTACTS

Mr Ed Edwards
Executive Chairman

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PROJECTS

Ashburton: Gold and Basemetals

Byro: Nickel-Copper-PGE's

Ravensthorpe: Nickel-Copper



HIGHLIGHTS

ASHBURTON

- **Application for exciting exploration licence over the eastern extension of Kooline North.**
- **Historic soil and rock chip sampling indicates that the gold mineralisation extends for at least 12 kilometres within the new application.**
- **High-grade rock chips included assays of 146g/t gold, 103 g/t gold and 121g/t gold with 1300 ppm copper.**
- **Peak soil sample assays included: 2.9, 1.2, 0.51, 0.49 and 0.47 g/t gold.**
- **Gold intersections from previous drilling include:-**
 - 3m@15.6g/t**
 - 2m@13.9g/t**
 - 2m@3.9g/t**
 - 5m@2.7g/t**

CORPORATE

- **Capital Raising – Proposed 1 for 2 Rights Issue to raise \$570,000.**

Overview

Athena Resources Limited (“Athena” or the “Company”) (**ASX: AHN**) is a mineral exploration company with a gold, nickel and basemetals focus. The Company is targeting “green-fields” Proterozoic and Archaean terranes in Western Australia that exhibit features associated with large mineral systems. Athena is exploring for gold-copper-silver-lead mineralisation at Ashburton and magmatic nickel-copper sulphide and platinum group mineralisation at the Byro and Ravensthorpe projects. The Company has over 6,000 km² under granted tenure and in exploration licence applications.

1. ASHBURTON PROJECT (Athena Resources 100%, P08/493 95%, M08/189 90%)

During the Quarter Athena lodged an application for an exploration licence covering the eastern extension of the Kooline North gold anomaly. The application (ELA08/1954), which is shown on **Figure 1**, covers an area of 87 square kilometres. Athena has reviewed the open file reports on past exploration within the application area, and has obtained a copy of a database of stream sediment, soil, rock chip and drilling geochemistry.

The database contains assays for 67 stream sediment, 745 soil and 769 rock chip samples and 3195 metres of reverse circulation drilling (RC) from work carried out by Aberfoyle Resources Limited (Aberfoyle) and later Goldfield Exploration Pty Limited (Goldfields).

The best soil and rock chip results shown on **Figure 2** and listed in **Tables 1 and 2**. Athena has completed an assessment of previous stream sediment, soil, rock chip and drilling geochemistry on ELA08/1954. Six prospects on two mineralised trends have been identified. Aberfoyle and Goldfields partially tested three of the six prospects (True Grit, Sunken Treasure and Dook) with RC drilling. Aberfoyle drilled 26 holes for 992 metres and Goldfields drilled 19 holes for 2203 metres. The location of the drill holes is shown in **Figure 3**.

Outstanding results from past exploration at Collins Bore include:-

<u>Soils</u> -Gold ppb	<u>Rock chips</u> - Gold g/t
2900	146
1200	121
515	103
490	48
470	32
273	29

The surface geochemistry shows two anomalous trends defined by soil and rock chip traverses within the area of ELA08/1954. Recent (2007) GSWA aeromagnetic data indicates that these trends are on opposite limbs of the folded Ashburton Formation sediments. The host units are east-west orientated sandstone and shale units. The stronger northern Collins Bore trend is the eastern extension of Athena’s Kooline North prospect and has a strike length of 12 kilometres within the new application. The Collins Bore trend includes three prospects that have returned

high-grade gold results in soil and rock chip assays. Two of these prospects (True Grit and Dook) have been partially drill tested (see below).

Descriptions of the Collins Bore mineralisation indicate that it is similar to Athena's gold prospects at Kooline North and Kooline. Athena's Kooline North gold anomaly is a 2.5 kilometres long by 200 metre wide with coincident gold-copper-uranium-zinc-antimony-tungsten anomaly altered sandstone. The anomaly is open in both directions as the soil sampling program only tested of the 3 kilometre long outcrop. Alteration at the Kooline North anomaly is typified by silica and pyrite and is similar to the Kooline gold zone where Gradient Array IP was used to map an altered pyritic unit.

Important results from Aberfoyle's and Goldfield's are drilling listed in **Table 3** and the location of the drill holes shown on **Figure 3**. Cross sections for the best results are shown in **Figure 4** and **Figure 5**. Bulldozer trenching by Aberfoyle in 1991 demonstrated that the gold mineralisation is hosted by quartz vein stockworked arenites and coarse grits with silica-pyrite-muscovite alteration on the vein margins. Aberfoyle also found visible gold mineralisation in manganiferous laterite.

Athena is working actively with the Western Australian Department of Mines and Petroleum (DMP) to get this new application granted. The Kooline North trend and eastern extensions will be tested by IP surveys and evaluated for drill testing.

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

During the Quarter Athena carried out an extensive review of the Byro Project. The Company has used the latest (2008) aeromagnetic and airborne radiometric data-sets to develop new ideas and exploration strategies for the region. These models will form the basis for field mapping and sampling campaigns to be carried out in the June Quarter. The Company remains committed to identifying and developing sound copper-nickel and PGE's opportunities in the area. Preliminary work at Moonborough highlights the prospectivity of the Byro region for sulphide deposits associated with mafic igneous intrusions.

3. RAVENSTHORPE PROJECT (Athena Resources 100%)

No field work was carried out on the Ravensthorpe project during the March 2009 Quarter

Athena is seeking a partner to manage and explore the Ravensthorpe tenements, and an Information Memorandum has been sent to a number of interested parties.

5. CORPORATE - Future Activities

Athena Resources Limited is pleased to announce a non-renounceable rights issue of fully paid ordinary shares in the capital of the Company (**Shares**) on the basis of one (1) Share for every two (2) Shares held at the record date of 6 May 2009 (**Rights Issue**).

Shares under the Rights Issue will be offered at 3 cents per Share. The maximum number of Shares which may be issued under the Rights Issue is 19,100,325 to raise \$573,010 (based on the current capital structure of the Company)

In view of the substantial downward movement in the value of commodities and equities, and the resultant scarcity of new capital, the Directors have adopted a strategy of cash preservation by reducing overheads and discretionary expenditure to the absolute minimum. Costs have been further reduced by withdrawal from non-core projects. Athena will continue to focus on those projects the Directors consider to have greatest potential to deliver superior Shareholder returns in the current economic climate.

Donald Thomson
Technical Director
24 April 2009

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.

**Table 1. - Soil Samples from Past Exploration
(Greater than 100ppb Gold)**

Sample Number	Gold ppb	Arsenic ppm	Copper ppm	Sieve Size	Prospect	East MGA50	North MGA50
120061	2900			-2mm	Collins Bore	443527	7457785
1074356	1200	-5	46	-1.6mm	Collins Bore	445441	7457453
1074822	515	53	19	bulk	Collins Bore	446293	7457454
1074411	490	24	47	-1.6mm	True Grit	442694	7457883
1074888	470	28	10	bulk	Collins Bore	449942	7456754
1077480	273	6	40	bulk	Collins Bore	445491	7457453
1074413	185	-5	34	-1.6mm	True Grit	442694	7457783
1074335	162	-5	27	-1.6mm	Dook	446841	7457303
1074130	143	6	42	-1.6mm	Collins Bore	443441	7457753
1074090	124			-1.6mm	Collins Bore	445541	7457503
120040	120			-2mm	Collins Bore	443012	7457768
1074412	109		36	-1.6mm	True Grit	442694	7457833
1074061	102	13	40	-1.6mm	Collins Bore	446741	7457303

**Table 2. - Rock Chip Samples from Past Exploration at Collins Bore
(Greater than 5g/t Gold)**

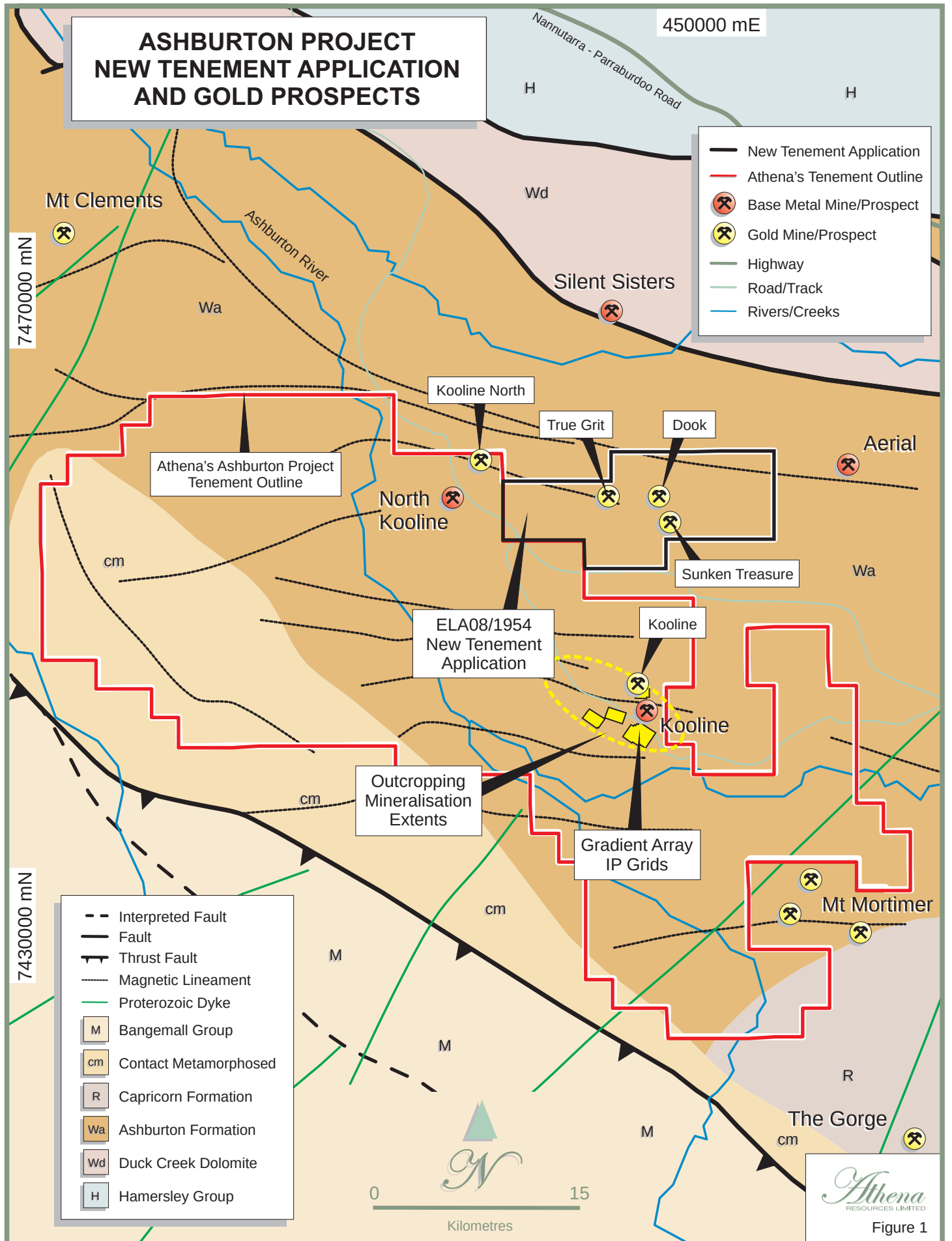
Sample Number	Gold g/t	Copper ppm	Arsenic ppm	Lead ppm	Zinc ppm	Prospect	East MGA50	North MGA50
1084779	146	104	7	51	127	Dook	446932	7457307
1084767	121	1300	20	64	152	Dook	446895	7457275
278779	103	51		24	20	True Grit	442697	7457798
1084773	48	256		61	112	Dook	446916	7457263
605012	32					Collins Bore	446905	7457274
579999	29	48	11	10	76	Collins Bore	442803	7457826
1084025	22	173		23	26	True Grit	442666	7457809
579247	22	130	2	15	14	Collins Bore	442803	7457826
1084026	22	91			45	True Grit	442704	7457797
634573	17					Collins Bore	442618	7457797
120100	14					Collins Bore	447487	7455520
1084771	9	24		7	20	Dook	446811	7457287
613710	9	344	17	25	258	Collins Bore	442803	7457826
1084768	7	141		24	58	Dook	446871	7457279
634334	6	30		5	40	Collins Bore	442687	7457794
1084024	6	180		16	76	True Grit	442677	7457810
634779	6	48	11	15	90	Collins Bore	446887	7457274
613765	5	34	110	375	8	Collins Bore	444518	7455109
120246	5					Collins Bore	447051	7457266

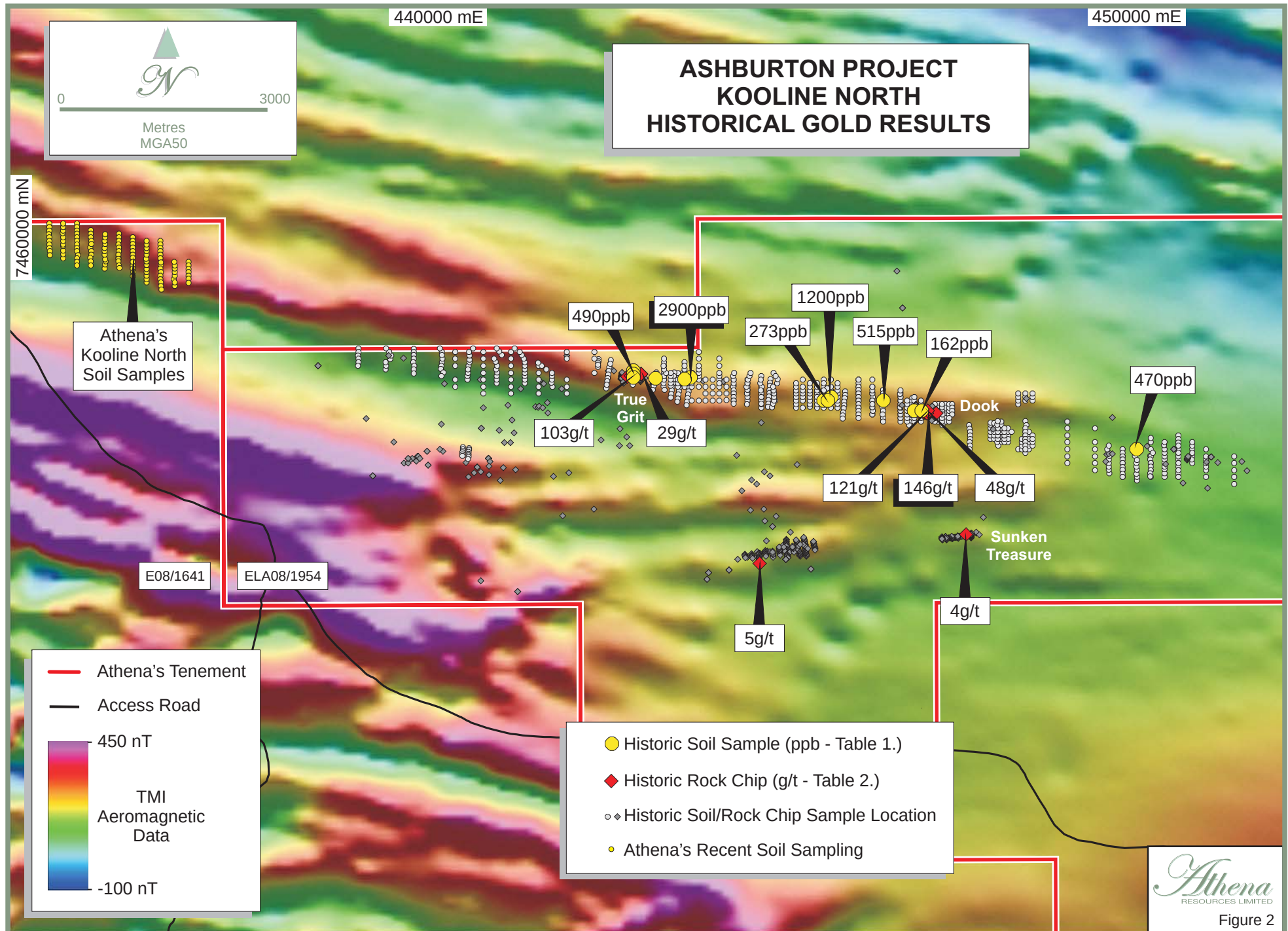
**Table 3 - Summary of Significant Intersections from Previous Drilling at Collins Bore
On ELA 08/1954**

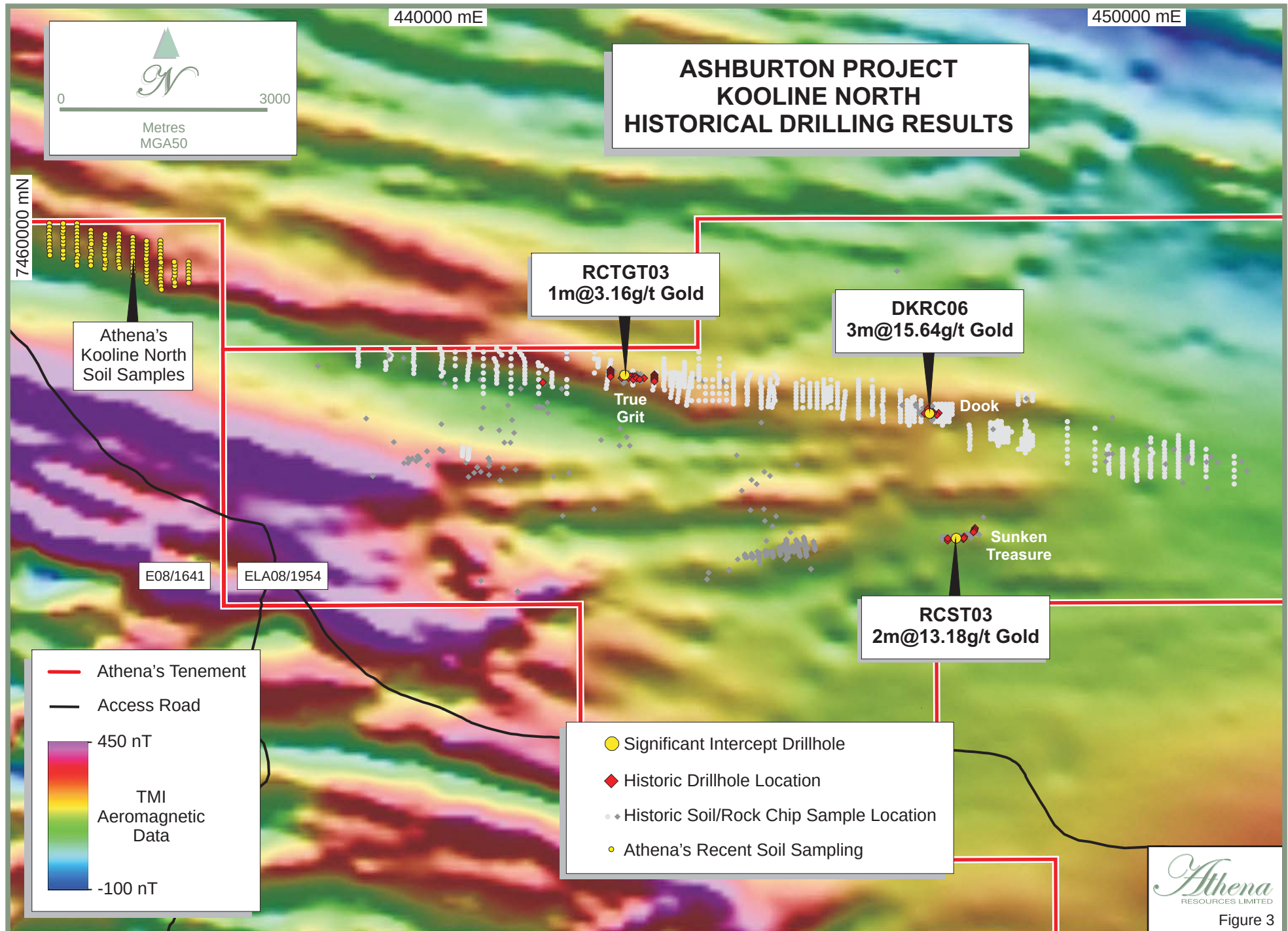
Drill Hole	MGA East	MGA North	From (m)	Intercept	Company
Dook Prospect					
DKRC06	446964	7457254	48	3m @15.64g/t	Goldfields
			65	1m@1.48g/t	
DKRC07	447014	7457274	11	2m@3.93g/t	Goldfields
RCDK02	446994	7457252	52	5m@2.72g/t	Aberfoyle
			65	1m@1.21g/t	
DKRC01	446940	7457250	59	2m@3.65g/t	Goldfields
			71	4m@1.84g/t	
DKRC05	446964	7457274	30	1m@1.63g/t	Goldfields
True Grit Prospect					
RCTGT03	442587	7457792	5	1m@3.16g/t	Aberfoyle
TGRC07	442705	7457739	59	1m@1.69g/t	Goldfields
RCTGT02	442588	7457817	11	2m@1.13g/t	Aberfoyle
RCTGT01	442692	7457785	21	4m@1.09g/t	Aberfoyle
Sunken Treasure Prospect					
RCST03	447340	7455445	40	2m@13.18g/t	Aberfoyle
RCST05	447197	7455416	52	2m@1.48g/t	Aberfoyle
STRC02	447451	7455449	46	2m@1.21g/t	Goldfields
			56	2m@1.44g/t	
RCST01	447456	7455464	60	1m@1.23g/t	Aberfoyle
			64	1m@ 2.10g/t	

Note: 31.103g = 1 Troy oz

ASHBURTON PROJECT NEW TENEMENT APPLICATION AND GOLD PROSPECTS







7455450 mN

ASHBURTON PROJECT SUNKEN TREASURE PROSPECT Cross Section 447340 mE

Quartz Veins With
Rock Chips to 0.22g/t Gold

200 mRL

RCST04

RCST03

Fault

Arenite

Quartz
Vein

Arenite

Grit

Shale

Quartz
Vein
in Shear

2m@13.18g/t Gold

150 mRL

1m@0.51g/t Gold

Shale

Arenite

Quartz
Vein

Grit

Arenite

Arenite

Shale

70m

72m

0 15

Metres
MGA50

Fault

Athena
RESOURCES LIMITED

Figure 4

7457250 mN

7457300 mN

ASHBURTON PROJECT DOOK PROSPECT Cross Section 446960 mE

200 mRL

DKRC06

DKRC05

Shale

Arenite

Shale

Quartz
Vein

3m@0.69g/t Gold

40m

Shale

Shale

3m@15.64g/t Gold

150 mRL

Quartz
Vein
in Shear

1m@1.48g/t Gold

80m

Shale

0 15

Metres
MGA50

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Figure 5