



ABN 69 113 758 900

Notice of General Meeting

Explanatory Statement

and

Proxy Form

63 Lindsay Street, Perth WA 6000
Ph: 08 9428 2900 Fax: 08 9428 2910



NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of members of Athena Resources Limited ("Athena") will be held on Friday 9 April 2010 commencing at 10.30am at Perth Flying Squadron Yacht Club, The Esplanade, Dalkeith, Western Australia for the purpose of transacting the business set out below.

The Explanatory Statement that accompanies and forms part of this Notice of General Meeting describes in more detail the matter to be considered.

AGENDA

BUSINESS

To consider and if thought fit, to pass the following **ordinary resolutions**:

1. Resolution 1 - Proposed Issue of Shares and Options to Ishine International Resources Limited

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes:

1) the issue and allotment of the Ishine Placement Tranche 1 in the following manner:

- a) 8,300,000 Shares at an issue price of 12 cents per Share to raise \$996,000; and*
- b) 4,150,000 Options at an issue price of 1 cent per Option to raise \$41,500, exercisable at 8 cents each and expiring on 30 April 2012 ; and*

2) subject to Ishine exercising an option to subscribe for the Ishine Placement Tranche 2, the issue and allotment of the Ishine Placement Tranche 2 in the following manner:

- a) 5,935,823 ordinary fully paid shares at an issue price of 20 cents per share to raise \$1,187,165; and*
- b) 2,967,912 Options expiring exercisable at 8 cents expiring on 30 April 2012 at 1 cent per option to raise \$29,679,*

and otherwise on the terms and conditions contained in the Explanatory Statement accompanying this Notice of General Meeting, is approved."

Voting Exclusion Statement

In accordance with the Listing Rules, Athena will disregard any votes cast on Resolution 1 by Ishine International Resources Limited and any person who might obtain a benefit, except a benefit solely in the capacity of a security holder or ordinary securities, if the resolution is passed, and any of their Associates. However, Athena need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

2. Resolution 2 - Proposed Issue of Options to Mineral Products Holdings Pty Ltd

"That, subject to the passing of Resolution 1, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue and allotment within three months of the date of this meeting of 1,000,000 Options at an issue price of 1 cent each, exercisable at 8 cents each and expiring on 30 April 2012, to Mineral Product Holdings Pty Ltd in consideration of services provided to the Company, and otherwise on the terms and conditions contained in the Explanatory Statement accompanying this Notice of General Meeting, is approved."

Voting Exclusion Statement

In accordance with the Listing Rules, Athena will disregard any votes cast on Resolution 2 by Mineral Product Holdings Pty Ltd and any person who might obtain a benefit, except a benefit solely in the capacity of a security holder of ordinary securities, if the resolution is passed, and any of their Associates. However, Athena need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

3 Resolution 3 - Election of Director

"That, subject to the passing of Resolution 1 and the issue and allotment of the Shares and Options in respect of Ishine Placement Tranche 1 pursuant to Resolution 1, Mr Caigen Wang, having offered himself for election and being eligible, is hereby elected as a director of the Company."

Voting Entitlements

For the purposes of determining voting entitlements at the general meeting, Shares will be taken to be held by persons who are registered as holding Shares at 7.00pm (EST) on 7 April 2010. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the general meeting.

Proxy and Voting Entitlement Instructions are included on the Proxy Form accompanying this Notice of General Meeting.

BY ORDER OF THE BOARD

E W Edwards
Company Secretary

8 March 2010



EXPLANATORY STATEMENT

1. INTRODUCTION

This Explanatory Statement has been prepared for the information of members of Athena Resources Limited ("Athena") in connection with the business to be conducted at the General Meeting of members to be held on Friday 9 April 2010 commencing at 10.30am at Perth Flying Squadron Yacht Club, The Esplanade, Dalkeith, Western Australia.

This Explanatory Statement forms part of and should be read in conjunction with the accompanying Notice of General Meeting.

Shareholders should note that all the directors approved the proposal to put the resolutions to shareholders as outlined in the Notice of General Meeting and to prepare this Explanatory Statement.

ASX Listing Rule Requirements

ASX Listing Rule 7.1 provides that prior approval of the shareholders of the Company is required to an issue of equity securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months without shareholder approval, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

The number of securities to be issued by the Company under the proposed Resolutions 1 and 2 will exceed 15% of the Company's issued Shares and accordingly shareholder approval is sought for the issue of those securities.

The information required by ASX Listing Rules 7.1 and 7.3 to be provided to shareholders is contained within this Explanatory Statement and the Notice of General Meeting.

2 RESOLUTION 1 - PROPOSED ISSUE OF SHARES AND OPTIONS TO ISHINE INTERNATIONAL RESOURCES LIMITED

Resolution 1 of the Notice of General Meeting proposes:

1) the issue and allotment of the Ishine Placement Tranche 1 as follows:

- a) 8,300,000 Shares at an issue price of 12 cents per Share to raise \$996,000; and
- b) 4,150,000 Options issued at 1 cent each to raise \$41,500, exercisable at 8 cents each and expiring on 30 April 2012; and

2) subject to Ishine exercising an option to subscribe for the Ishine Placement Tranche 2 at anytime up to 5.00pm (WST) on 31 October 2010, the issue and allotment of the Ishine Placement Tranche 2 as follows:

- a) 5,935,823 Shares at an issue price of 20 cents per share to raise \$1,187,165; and
- b) 2,967,912 Options issued at 1 cent per Option to raise \$29,679, exercisable at 8 cents expiring on 30 April 2012.

Timing of Completion of Ishine Placement

Allotment and issue of the Ishine Placement Tranche 1 will occur, subject to Shareholders approving Resolution 1, five (5) business days after the General Meeting, but in any event no later than 3 months after the General Meeting.

Ishine has been granted an option to subscribe for the Ishine Placement Tranche 2 at anytime prior 31 October 2010. The Company has applied to ASX for a waiver from Listing Rule 7.3.2 to allow the Shares and Options the subject of the Ishine Placement Tranche 2 to be issued later than 3 months from the date of the General Meeting, but in any event no later than 31 October 2010. The waiver is yet to be determined by ASX. If the waiver is granted, subject to Ishine exercising its option to subscribe for the Ishine Placement Tranche 2, the Shares and Options comprised in the Tranche 2 Placement will be issued no later than 31 October 2010. If the waiver is not granted by ASX and Ishine exercises its option to subscribe for the Ishine Placement Tranche 2, the Company will do any of the following, depending on the circumstances of the Company when the option is exercised:

- a) if the option is exercised by Ishine prior to the date 3 months from the General Meeting, the Company will issue and allot the Shares and Options the subject of the Ishine Placement Tranche 2 to Ishine within five (5) business days of the option being exercised but in any event no later than 3 months after the General Meeting; and
- b) if the option is exercised by Ishine after the date 3 months from the General Meeting, the Company will either:
 - i) issue and allot the Shares and Options the subject of the Ishine Placement Tranche 2 to Ishine within its 15% capacity under Listing Rule 7.1; or
 - ii) re-obtain Shareholder approval to the issue of the Shares and Options the subject of the Ishine Placement Tranche 2.

Background to Subscription Agreement

As announced to ASX on 1 March 2010, on 27 February 2010 Athena Resources Ltd entered into a subscription agreement with Ishine International Resources Limited ("Subscription Agreement"). Pursuant to the agreement, subject to obtaining all necessary Shareholder approvals, Athena agreed to issue to Ishine the Ishine Placement Tranche 1 and to grant to Ishine an option to subscribe for the Ishine Placement Tranche 2 by no later than 5.00pm WST on 31 October 2010. The Subscription Agreement contains additional terms and conditions considered standard in an agreement of that nature.

Ishine is an Australian exploration and mining company with mainly Chinese shareholders that listed on ASX in December 2009. Ishine's major interest in Athena is the Byro Iron Ore Joint Venture in the Mid-West of Western Australia.

Ishine's major shareholders are Shandong Ishine Mining Industry Co Ltd (SIMIC), who currently holds 68.7% of the issued share capital of Ishine, and Mr Yunde Li who currently holds 11.5% of the issued share capital of Ishine. Mr Li is the chairman of Ishine and SIMIC. SIMIC is an iron ore mining and production company well established in Shandong Province, China and which converted from state ownership in 2001. SIMIC owns three iron ore plants and has iron resources of nearly 50 million tonnes within three exploration areas in China. Its core business is the production and sale of its own fine iron ore concentrate.

Listing Rule 7.3 Information Requirements

In compliance with the information requirements of ASX Listing Rule 7.3 members are advised of the following particulars in relation to the proposed issue of Shares and Options pursuant to Resolution 1:

(a) Maximum number of securities to be issued:

Tranche 1 a) 8,300,000 Shares at 12 cents per Share to raise \$996,000; and
b) 4,150,000 Options issued at 1 cent per Option to raise \$41,500, exercisable at 8 cents each and expiring on 30 April 2012.

Tranche 2 a) 5,935,823 Shares issued at 20 cents per Share to raise \$1,187,165; and
b) 2,967,912 Options issued at 1 cent per Option to raise \$29,679, exercisable at 8 cents each and expiring on 30 April 2012.

(b) Date by which Athena will issue the Shares and Options:

- (i) The Shares and Options issued pursuant to the Ishine Placement Tranche 1 will be issued no later than three months after the date of the general meeting.
- (ii) Please refer above for details of the timing of the issue of the Shares and Options pursuant to the Ishine Placement Tranche 2.

(c) Price at which securities to be issued:

- (i) Ishine Placement Tranche 1:
 - (a) 12 cents per Share
 - (b) 1 cent per Option
- (ii) Ishine Placement Tranche 2:
 - (a) 20 cents per Share
 - (b) 1 cent per Option

(d) Name of the allottee:

Ishine International Resources Limited. Ishine is not a related party of the Company.

(e) Terms of securities:

Athena Resources Limited

The Shares rank equally in all respects with the existing Shares on issue. Options will be of the same class as the Listed Options and will be issued on the terms and conditions set out in Annexure A.

(f) Intended use of funds raised:

Funds will be used to further accelerate the exploration of the Company's Byro Iron Ore Project for the ongoing exploration programs on the Company's other projects and for working capital.

(g) Dates of allotment:

- (i) Ishine Placement Tranche 1: allotment will occur within five business days of shareholder approval being obtained at the general meeting; and
- (ii) Please refer above for details of the timing of the allotment of the Shares and Options pursuant to the Ishine Placement Tranche 2.

3. RESOLUTION 2 - PROPOSED ISSUE OF OPTIONS TO MINERAL PRODUCTS HOLDINGS PTY LTD

Resolution 2 of the Notice of Meeting proposes the issue and allotment of 1,000,000 Options to Mineral Products Holdings Pty Ltd in consideration for its assistance in the negotiation of the subscription of Shares and Options by Ishine, the subject of Resolution 1. The issue of Options is subject to and conditional on shareholders approving Resolution 1 and the successful completion of the proposed Ishine Placement Tranche 1.

In accordance with ASX Listing Rule 7.3, the following information is provided to shareholders in respect of Resolution 2:

- (a) the maximum number of securities to be issued by the Company is 1 million Options;
- (b) the Options at or around the same time as the Ishine Placement Tranche 1 but in any event, will be issued within 3 months of the date of the this General Meeting;
- (c) no amount will be raised through the issue of the Options. The Options will be issued at a deemed issue price of 1 cent each in consideration for services rendered to the Company;
- (d) the allottee of the Options is Mineral Products Holdings Pty Ltd. Mineral Products Holdings Pty Ltd is not a related party of the Company;
- (e) the Options, from their date of allotment and issue, will rank equally in all respects with existing Options on issue. The Options have an exercise price of 8 cents each and an expiry date of 30 April 2012. The full terms and conditions of the Options are set out in Annexure "A"; and
- (f) allotment of the Options will occur following shareholder approval on a date determined by the Company.

4. RESOLUTION 3 – ELECTION OF A DIRECTOR - DR CAIGEN WANG

Pursuant to the Subscription Agreement, Athena has agreed with Ishine that Ishine will nominate a non-executive director for appointment by the Company on completion of the Ishine Placement Tranche 1. Ishine has nominated Dr Caigen Wang (Caigen) to be appointed as a director of Athena. Resolution 3 is a resolution to approve his appointment subject to and conditional on shareholders passing Resolution 1 and the successful completion of the proposed Ishine Placement Tranche 1. Caigen is the managing director of Ishine.

As a qualified Engineer, Caigen has worked across most stages of project development and production of a wide range of commodities for the last 20 years. Caigen has a Bachelor's degree, Master's degree and PhD in Mining Engineering. Caigen's first professional experience spanning 7 years, was providing technical consulting services and research for a number of coal mining companies in China. In the last 13 years, Caigen has worked in Canada on oil sands projects and predominantly in Australia in a number of senior technical and management roles for a range of companies including BHP Billiton, St Barbara Mining, Sons of Gwalia, WMC and China Goldmines Plc (CGM). Within CGM, his roles included Mining Manager and General Manager for eight underground mines either in production or project development. Caigen was involved with exploration tenement acquisitions and exploration and joint development of a number of exploration projects in Western Australia.

Caigen is a Chartered Professional Engineer with the Institution of Engineers Australia (CPEng MIEAust) and a Member of the Australasian Institute of Mining and Metallurgy (AusIMM).

5. CAPITAL STRUCTURE

On completion of the issue of Shares and Options pursuant to the Ishine Placement Tranche 1 and Ishine Placement Tranche 2 and Resolution 2 contemplated by this Notice of General Meeting, the capital structure of the Company will be as follows:

Number of Shares	Description	
57,300,974	Shares on issue at the date of this Notice of General Meeting	
8,300,000	Ishine Placement Tranche 1	
5,935,823	Ishine Placement Tranche 2	
<u>71,536,797</u>		

Number of Options	Description	Exercise Price
28,650,487	Options on issue at date of this Notice of General Meeting	\$0.08
4,150,000	Ishine Placement Tranche 1	\$0.08
2,967,912	Ishine Placement Tranche 2	\$0.08
1,000,000	Options Issue to Mineral Products	\$0.08
<u>36,768,399</u>		

6. DEFINITIONS

\$	means Australian dollars. All amounts in this Explanatory Statement are in Australian dollars unless otherwise stated.
ASX	means ASX Limited (ABN 98 008 624 691).
ASX Listing Rules or Listing Rules	means the Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
Athena or the Company	means Athena Resources Limited (ABN 69 113 758 900).
Directors	means the directors of the Company.
Ishine	means Ishine International Resources Limited (ACN 139 522 553)
Ishine Placement Tranche 1	means the issue and allotment to Ishine of 8,300,000 ordinary fully paid shares at 12 cents per share to raise \$996,000 and 4,150,000 Options at 1 cent per Option to raise \$41,500
Ishine Placement Tranche 2	means the issue and allotment to Ishine of 5,935,823 ordinary fully paid shares at 20 cents per share to raise \$1,187,165 and 2,967,912 Options at 1 cent per Option to raise \$29,679
Mineral Products	means Mineral Products Holdings Pty Ltd (ACN 009 283 194)
Official Quotation:	has the same meaning as in the ASX Listing Rules.
Option	means an option to acquire a Share at an exercise price of 8 cents per option on or before 30 April 2012 issued on the terms and conditions as specified in Annexure "A".
Share	means a fully paid ordinary share in the capital of Athena.

ANNEXURE A

The terms and conditions of the Options are as follows:

- (a) Each Option gives the Optionholder the right to subscribe for one Share. To obtain the right given by each Option, the Optionholder must exercise the Options in accordance with the terms and conditions of the Options.
- (b) The Options will expire at 5:00 pm (WST) on 30 April 2012 ("**Expiry Date**"). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be \$0.08 ("**Exercise Price**").
- (d) An Optionholder may exercise their Options in whole or part by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;("Exercise Notice").
- (e) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (f) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (g) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares. The Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (h) The Company will apply for quotation of the Options on ASX.
- (i) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (j) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (k) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

PROXY FORM

The Secretary
Athena Resources Limited
63 Lindsay Street
Perth WA 6000

I/We (full name)

_____ of _____

being a member(s) of Athena Resources Limited, hereby appoint as my/our proxy

_____ of _____

or, failing him/her the Chairperson of the Meeting to attend and vote for me/us at the general meeting of the Company to be held at 10.30am on Friday 9 April 2010 and at an adjournment thereof in respect of _____% of my/our shares or, failing any number being specified, ALL of my/our shares in the Company.

The Chairman intends to vote all undirected proxies in favour of Resolutions 1, 2 and 3.

RESOLUTIONS

	FOR	AGAINST	ABSTAIN
1 Proposed Issue of Shares and Options to Ishine International Resources Limited	☐	☐	☐
2 Proposed Issue of Options to Mineral Products Holdings Pty Ltd	☐	☐	☐
3 Election of a Director Dr C Wang	☐	☐	☐

If the member is an individual or joint holder:

Usual Signature

Dated this _____ day of _____

Usual Signature

2010.

If the member is a company:

Executed by the company
in accordance with section 127
of the Corporations Act 2001 (Cth):

Director

Dated this _____ day of _____

Director/Secretary

2010.

Athena Resources Limited

INSTRUCTIONS AS TO VOTING

If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect to the resolution, please place a mark in the box.



By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of the resolution and that votes cast by the Chair of the meeting other than as proxy holder will be disregarded because of that interest.

If you do not mark the box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

NOTES

1. A member entitled to attend and vote is entitled to appoint not more than two proxies.
2. Where more than one proxy is appointed and that appointment does not specify the proportion or number of the member's votes, each proxy may exercise half of the votes.
3. A proxy need not be a member of the Company.
4. A proxy is not entitled to vote unless the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed is either deposited at the registered office of the Company (63 Lindsay Street, Perth, Western Australia, 6000) or sent by facsimile to that office on Fax: 08 9428 2910 to be received not less than 48 hours prior to the time of the meeting.
5. If the member is a company it must execute under its Common Seal or otherwise in accordance with its Constitution.