



ABN 69 113 758 900

# **Notice of General Meeting**

## **Explanatory Statement**

*and*

## **Proxy Form**

---



## NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Members of Athena Resources Limited (**Athena** or the **Company**) will be held on Wednesday 12 January 2011 commencing at 10.00am at 63 Lindsay Street, Perth, WA.

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

### AGENDA

#### ORDINARY BUSINESS

##### 1. Resolution 1 - Ratification of Placement – 25 November 2010

To consider and if thought fit, to pass the following as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the prior issue and allotment of 9,840,000 fully paid ordinary shares in the capital of the Company at an issue price of \$0.08, to clients of Intersuisse Limited as noted in the Explanatory Statement accompanying this Notice of General Meeting and otherwise on the basis set out therein, is ratified and approved."*

Athena will disregard any votes cast on this resolution by the parties who participated in the issue as noted in the Explanatory Statement and any associate of them. 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 Capital Raising – Shares

To consider and, if thought fit, to pass the following as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue within three months of the date of this meeting of up to 17,660,000 ordinary fully paid shares ranking equally in all respects with the existing ordinary shares on issue at a subscription price of 8 cents each, is approved."*

Athena will disregard any votes cast on this resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a security holder, if the resolution is passed, and any associate of them. 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 - Proposed Capital Raising – Shares to Directors**

To consider and, if thought fit, to pass the following as an **ordinary resolution**:

*“That, subject to the passing of Resolution 2, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the issue and allotment to Directors or their nominees within one month of the date of this meeting of up to 2,500,000 ordinary fully paid shares ranking equally in all respects with the existing ordinary shares on issue at a subscription price of 8 cents each, is approved.”*

For the purposes of Listing Rule 10.13.6, the Company will disregard any votes cast on this resolution by the Directors, and any associate of them. However, the Company 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.

### **4. Allotment of Incentive Options to Employees**

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the directors be authorised to grant, within three months of the date of this meeting, a total of 500,000 Incentive Options to subscribe for Shares to Employees as set out in the Explanatory Statement, (such Incentive Options to be issued on the terms and conditions set out in the Explanatory Statement accompanying this Notice of General Meeting).”*

Athena will disregard any votes cast on this resolution by or on behalf of the employees that may participate in the proposed issue, and a person who might obtain a benefit, except a benefit solely in the capacity of a security holder, if the resolution is passed, or 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 chairperson of 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.

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 10 January 2011. 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**

**MR P NEWCOMB**  
**COMPANY SECRETARY**  
30 NOVEMBER 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 Wednesday 12 January 2011 commencing at 10.00am at 63 Lindsay Street, Perth WA.

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***

The Company announced on 25 November 2010 that it has agreed with Intersuisse Limited to raise funds by the placement of 27,500,000 shares at 8 cents per share to raise \$2,200,000. The placement consisted of two tranches. The first was the placement of 9,840,000 shares (the subject of resolution 1) and the second will subject to shareholder approval at a General Meeting be for an additional 17,660,000 shares. The purpose of resolution 2 is to approve the issue of the second tranche of shares.

In the announcement on 25 November 2010 the company also advised that the directors had resolved subject to shareholder approval to issue a total of 2,500,000 fully paid ordinary shares to the directors of the company. This placement of shares will form part of the second tranche of the placement by Intesuisse Limited described above and will be at the same price.

ASX Listing Rule 7.1 relevantly provides that the prior approval of the shareholders of Athena is required to an issue of equity securities if the securities will, when aggregated with the securities issued by Athena during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

The issue and allotment of shares outlined in resolution 1 (tranche 1) does not exceed the 15% limit, however, ASX Listing Rules 7.1 and 7.4 provide that, where a company in general meeting ratifies an issue of equity securities the issue will be treated as having been made with approval for the purpose of ASX Listing Rule 7.1, thereby enabling the company to issue further equity securities without exceeding the 15% in 12 months limitation.

Shareholder approval under resolution 1 is sought to the prior issue of 9,840,000 shares so as to refresh Athena's 15% equity security placement limit pursuant to ASX Listing Rule 7.1.

The number of securities to be issued by Athena under proposed resolutions 2, 3 and 4 will exceed 15% and accordingly shareholder approval is sought for the placement and issue of Incentive Options.

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.

---



ASX Listing Rule 10.11 relevantly provides that the prior approval of shareholders of Athena is required for the issue of equity securities to a related party. If approval is given for the issue of securities under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1. ASX Listing Rule 10.13 sets out the information to be provided to shareholders in the notice of meeting. The company is seeking shareholder approval to the proposed allotment to related parties pursuant to resolution 3.

## **2. RATIFICATION OF PLACEMENT – 24 November 2010 - Resolution 1**

Resolution 1 of the Notice of General Meeting proposes the ratification for the issue and allotment of 9,840,000 Shares, thereby satisfying the requirements of ASX Listing Rule 7.4.

In compliance with the information requirements of ASX Listing Rule 7.5 members are advised of the following particulars in relation to the placement:

- (a) Number of securities allotted:

9,840,000 Shares

- (b) Price at which the securities were issued:

\$0.08 per Share.

- (c) Terms of the securities:

The Shares are ordinary fully paid shares and rank equally in all respects with the existing Shares on issue.

- (d) Names of the allottees:

The allottees were sophisticated and professional investor clients of Intersuisse Limited. None of the allottees are related parties of the company.

- (e) Intended use of funds raised:

The proceeds of the placement will be used for ongoing exploration on the Byro Iron Ore Project including work carried out with the aim of identifying a JORC compliant resource, ongoing exploration on the Company's other projects and for general working capital.



### **3. PROPOSED CAPITAL RAISING – SHARES - Resolution 2**

Resolution 2 of the Notice of General Meeting proposes the issue and allotment of up to 17,660,000 Shares in the capital of Athena at a subscription price of 8 cents per share. If approval is given to Resolutions 2 and 3, the named directors intend to subscribe for 2,500,000 of the Shares.

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 pursuant to resolution 2:

- (a) Maximum number of securities to be issued:

17,660,000 Shares.

- (b) Date by which Athena will issue securities:

As soon as possible following this meeting and in any event no later than three months after the date of this meeting.

- (c) Price at which securities to be issued:

\$0.08 per Share.

- (d) Basis upon which allottees will be determined:

The allottees will be sophisticated and professional investor clients of Intersuisse Limited. With the exception of the directors' participation up to 2,500,000 shares, subject to the passing to resolution 3, none of the allottees are related parties of the company.

- (e) Terms of issue:

The Shares are ordinary fully paid shares and will rank equally in all respects with the existing Shares on issue.

- (f) Intended use of funds raised:

The proceeds of the placement will be used for ongoing exploration on the Byro Iron Ore Project including work carried out with the aim of identifying a JORC compliant resource, ongoing exploration on the Company's other projects and for general working capital.

- (g) Dates of allotment:

Allotment will occur progressively.

No shareholder/placee would be permitted to have a relevant interest in the Company exceeding 20% of the issued capital of Athena pursuant to the placement proposed under Resolution 2 and therefore no change in control of Athena is anticipated as a result of the placement.

It is proposed that the placement be made to selected allottees as an "excluded issue" pursuant to the Corporations Act 2001.

It is not intended that the issue be underwritten. Directors and their associates are not entitled to participate in the placement, with the exception of named Directors as detailed in section 4 below, subject to shareholders approving resolution 3.

Athena proposes to apply to the ASX for Official Quotation of the Shares to be issued.

---



#### **4. PROPOSED CAPITAL RAISING – SHARES TO DIRECTORS - Resolution 3**

Subject to the passing of Resolution 2, Resolution 3 is seeking approval under Listing Rule 10.11 to permit Directors to participate in the proposed issue of Shares up to a maximum of 2,500,000 Shares.

In compliance with the information requirements of ASX Listing Rule 10.13 members are advised of the following particulars:

(a) Names of participants:

Director of the Company, being:

Mr Andrew Thomson or his nominee  
Mr Edmond Edwards or his nominee  
Mr Caigen Wang or his nominee

(b) Maximum number of securities to be issue:

Mr Andrew Thomson – 1,875,000 Shares.  
Mr Edmond Edwards – 312,500 Shares  
Mr Caigen Wang – 312,500 Shares

(c) Date by which Athena will issue securities:

No later than one month after the date of this meeting.

(d) Price at which securities to be issued:

\$0.08 per Share.

(e) Terms of issue:

The Shares are ordinary fully paid shares and will rank equally in all respects with the existing Shares on issue.

(f) Intended use of funds raised:

As outlined in Section 3(f) of this Explanatory Statement.

#### **5. PROPOSED GRANT OF OPTIONS TO EMPLOYEES Resolution 4**

Resolution 4 of the Notice of General Meeting proposes the grant of up to 500,000 Incentive Options to employees of Athena.

Athena has engaged a number of employees to assist the Company in the advancement of the Company's Projects.

The purpose of the allotment of the Incentive Options is to provide a performance incentive to the employees.

The Options will be issued for no consideration.

No directors or their associates will participate in the allotment of Incentive Options approved under Resolution 4.

---



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 Incentive Options:

- (a) Maximum number of Incentive Options to be issued:  
500,000
- (b) Date by which Athena will issue the Incentive Options:  
No later than three months after the date of the meeting.
- (c) Price at which options to be issued:  
The options are being issued free as a reward for past services to the Company and an incentive to continue to contribute to the Company's operations and generate shareholder value.
- (d) Names of the allottees:  
The names of the allottees are still to be determined, but will be selected employees of Athena.
- (e) Terms of issue:  
The Incentive Options which are exercisable at 12 cents will be issued on the terms and conditions as outlined in Appendix "A".
- (f) Intended use of funds raised:  
The options will be issued for no consideration. There are no funds being raised from the allotment as the Incentive Options will be issued as an incentive for work done for the Company.
- (g) Dates of allotment:  
Allotment will occur progressively.

**6. CAPITAL STRUCTURE**

On completion of the issue of Shares contemplated by this Notice of General Meeting, the capital structure of the Company will be as follows:

Number of Shares	Issued Capital	
75,440,974	Shares on issue including those issued under resolution 1	
17,660,000	Share Placement Issue (Tranche 2)	
93,100,974		

  

Number of Options	Description	Exercise Price
33,800,465	Listed Options on issue	\$0.08
500,000	Unlisted Incentive Options on Issue	\$0.12



## 7. DEFINITIONS

<b>\$</b>	means Australian dollars. All amounts in this Explanatory Statement are in Australian dollars unless otherwise stated.
<b>ASX</b>	means ASX Limited.
<b>ASX Listing Rules or Listing Rules</b>	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.
<b>Athena or the Company</b>	means Athena Resources Limited (ABN 69 113 758 900).
<b>Directors</b>	means the directors of the Company.
<b>Incentive Option</b>	means an option to acquire a Share on the terms and conditions as specified in Annexure "A".
<b>Official Quotation:</b>	has the same meaning as in the ASX Listing Rules.
<b>Share</b>	means a fully paid ordinary share in the capital of Athena.

---



## APPENDIX "A"

### Terms and Conditions of Incentive Options

The Incentive Options granted will entitle the holder to subscribe for and be allotted Shares as follows:

- (i) each Incentive Option entitles the holder to subscribe for and be allotted one fully paid ordinary share in the Company upon payment of 12 cents per option.
- (ii) the Incentive Options shall lapse at 5.00pm Western Standard Time on 30 September 2012 ("Expiry Date").
- (iii) the Incentive Options shall be exercisable wholly or in part by notice in writing to the directors of the Company at any time until the expiry date on payment of 12 cents per option.
- (iv) no application will be made to the ASX for Official Quotation of the Incentive Options.
- (v) there are no participating rights or entitlements inherent in the options and holders of the options will not be entitled to participate in new issues of capital which may be offered to shareholders during the currency of the option.

However, option holders have the right to exercise their options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the options, and will be granted a period of at least 9 business days before the date for determining entitlements to exercise the options.

- (vi) within 10 business days of receipt of a properly executed option notice and the required application monies the number of shares specified in the notice will be allotted.
- (vii) shares issued on the exercise of the options will rank pari-passu with the then existing issued ordinary shares. The Company will apply for Official Quotation by ASX of all shares issued upon exercise of the options within three business days after the date of allotment of those shares.
- (viii) in the event of any reorganisation (including reconstruction, consolidation, subdivision, reduction or return) of the issued capital of the Company, the options will be reorganised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- (ix) the options are not transferable, without the prior written approval of the Directors.
- (x) Cessation of engagement or death of the holder.
  - (i) In the event of the death of a holder, the options in the name of such person shall remain in full force and effect for the full term up until the Expiry Date and may be exercised at any time up to the Expiry Date by the holder or a deceased holder's legal personal representative.
  - (ii) Subject to paragraph (iii) below, in the event of a holder ceasing to be engaged by the Company or any of its subsidiaries as either a consultant (directly or via any legal entity) or as an employee ("Termination"):



- a) within 1 year of the date of issue of the options, the options may only be exercised by the holder within 1 month of such Termination and immediately following that 1 month shall forthwith lapse and have no further effect, unless otherwise determined by the board of directors of the Company.
  - b) after 1 year of the date of issue of the options, then all of the options issued to that holder shall remain in full force and effect for the full term up until the Expiry .
  - (iii) in the event of a Termination following the takeover of, or Change in Control in, the Company, all options shall remain in full force and effect for the full term up until the Expiry Date.
-



**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 10.00am on 12 January 2011 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 4. The Corporations Act 2001 does not allow the Chairman to vote undirected proxies in the case of resolution 3.

**RESOLUTIONS**

		<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
<b>1</b>	Ratification of Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>2</b>	Proposed Capital Raising – Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>3</b>	Proposed Capital Raising – Shares to Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>4</b>	Proposed Issue of Incentive Options – Employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

***If the member is an individual or joint holder:***

\_\_\_\_\_  
Usual Signature

\_\_\_\_\_  
Usual Signature

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 201 .

***If the member is a Company:***

Signed in accordance with the constitution of the company (affix common seal if applicable)

\_\_\_\_\_  
Director/Sole Director

\_\_\_\_\_  
Director/Secretary

\_\_\_\_\_  
Sole Director and Sole Secretary

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 201 .



#### **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.
-