



ATHENA RESOURCES LIMITED

ACN 113 758 900

OFFER DOCUMENT

For a non-renounceable Entitlement issue of one (1) Share for every ten (10) Shares held by Shareholders registered at 5.00pm (WST) on 21 September 2011 at an issue price of 9 cents per Share to raise up to approximately \$963,000 (Offer).

IMPORTANT NOTICE

This document is not a prospectus and has not been lodged with ASIC. Accordingly, this document does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding whether or not to invest in the Shares offered by this document.

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser without delay.

This offer opens on 26 September 2011 and closes at 5.00pm (WST) on 20 October 2011.

Valid acceptances must be received before that time.

Please read the instructions in this document and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement.



IMPORTANT NOTES

This Offer Document is dated 13 September 2011.

No person is authorised to give information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

The Offer is an offer of continuously quoted securities (as defined in the Corporations Act) of the Company and has been prepared in accordance with section 708AA of the Corporations Act. In broad terms, section 708AA relates to rights issues by certain companies that do not require the provision of a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Document is significantly less than that required in a prospectus. Eligible Shareholders should therefore consider whether the securities offered under this document are a suitable investment in the light of their own investment objectives and financial circumstances and the merits or risks involved, having regard to their own knowledge of the Company and the disclosures made by the Company to the ASX. If, after reading this Offer Document, Eligible Shareholders have any questions regarding the Offer, they should contact their stockbroker, accountant or other independent professional adviser before deciding whether to accept the Offer.

Neither ASX nor ASIC takes any responsibility for the contents of this Offer Document or the merits of the investment to which this Offer Document relates.

Capitalised terms in this Offer Document are generally defined terms. Their meaning is set out in Section 4 of this Offer Document.

Eligibility

Applications for Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Forms sets out an Eligible Shareholder's Entitlement to participate in the Offer.

Overseas Shareholders

The Company is of the view that it is unreasonable to make the Offer under this Offer Document to Eligible Shareholders outside of Australia and New Zealand having regard to:

- (a) the number of Eligible Shareholders registered outside of Australia and New Zealand;
- (b) the number and value of the securities to be offered to Eligible Shareholders registered outside of Australia and New Zealand; and
- (c) the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, the Company is not required to make Offers under this Offer Document to Eligible Shareholders registered outside of Australia and New Zealand.

This Offer Document does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.



IMPORTANT NOTES

Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's Share Registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1998 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

This document is not a prospectus and does not contain all of the information that an investor would find in a prospectus or which may be required to make an informed decision regarding, or about the rights attaching to, New Shares offered by this Offer Document.



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1 DETAILS OF THE OFFER

1.1 The Offer

The Company is making a non-renounceable pro-rata offer of New Shares at an issue price of 9 cents each on the basis of one (1) New Share for every ten (10) Shares held on the Record Date (the Offer).

The Company intends to apply the funds raised from the Offer towards the ongoing exploration programs at the Company's projects, the costs of the Offer and general working capital. The cash costs of the Offer will be approximately \$15,000.

Exploration Expenditure	\$800,000
Expenses of the Offer	\$15,000
Additional working capital	\$148,000
Total funds applied	\$963,000

As at 13 September 2011, the Company had on issue:

- 107,000,974 listed Shares;
- 33,800,465 listed Options exercisable at 8 cents each by 30 April 2012; and
- 500,000 unlisted Options exercisable at 12 cents each by 30 September 2012.

The above capital structure may change if existing Options are exercised before the Record Date. Any increase to the number of Shares on issue will increase the number of New Shares which may be issued under the Offer by a corresponding amount. New Shares are fully paid ordinary shares which upon issue will rank equally with existing Shares on issue.

Optionholders who do not hold Shares on the Record Date are not entitled to participate in the Offer. Where the determination of the Entitlement of any Eligible Shareholder results in a fraction such fraction will be rounded down to the nearest whole number.

1.2 Effect of the Offer on the Capital Structure and Financial Position of the Company

The capital structure of the Company following completion of the Offer is summarised below:

Shares	Number
Shares on issue at the date of the Offer ¹	107,000,974
New Shares now offered under the Offer ²	10,700,097
Total Shares on issue at completion of the Offer	<u>117,701,071</u>
Options	Number
Options on issue at the date of the Offer and at completion of the Offer ¹	33,800,465
Incentive Options on issue at the date of the Offer and at completion of the Offer	<u>500,000</u>

1. The Shares on issue at the date of the Offer may increase if existing Options are exercised before the Record Date, and the Options on issue will correspondingly decrease.

2. *The New Shares to be offered may increase if existing Options are exercised before the Record Date.*

The Company's cash reserves following completion of the Offer, assuming the Offer, is fully subscribed, will increase by approximately \$963,000 being the gross proceeds of the Offer, less the costs of the Offer.

1.3 Timetable

Event	Date
Announcement of Rights Issue	13 September 2011
Notice Sent to Security Holders	14 September 2011
Ex Date (Date from which Shares commence trading without the entitlement to participate in the Rights Issue)	15 September 2011
Record Date (5pm (WST)) (Date for determining entitlements of Eligible Shareholders to participate in the Rights Issue)	21 September 2011
Offer Document Sent to Eligible Shareholders (Expected date for Sending Offer Document and Entitlement and Acceptance Forms)	26 September 2011
Rights Issue Opens	26 September 2011
Closing Date (5pm (WST))	20 October 2011
ASX Notified of Under-subscriptions (if any)	24 October 2011
Expected Date for Issue of New Shares	28 October 2011
Expected Date for Sending Holding Statements	28 October 2011

These dates are indicative only and may be subject to change. Subject to the Listing Rules and other applicable Laws, the Directors reserve the right to vary the dates of the Offer. The Directors also reserve the right not to proceed with the whole or part of the Offer.

1.4 Entitlements and Acceptance

The Entitlement of Eligible Shareholders to participate in the Offer was determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance Form accompanying this Offer Document.

Acceptance of Entitlement in Full

If you wish to take up all of your Entitlement under the Offer, please complete the Entitlement and Acceptance Form in accordance with instructions on that form.

Partial Acceptance of Entitlement

You may accept a lesser number of New Shares should you wish to take up only part of your Entitlement under the Offer, please complete the Entitlement and Acceptance Form in accordance with instructions on that form.

1.5 Shortfall Shares

If you decide not to accept all or part of your Entitlement pursuant to the Offer Document, you are not required to take any action. The Shares not accepted by Eligible Shareholders ("Shortfall Shares") will form part of the Shortfall and will be dealt in accordance with this Section.

Subject to the Corporations Act and Listing Rules, the Directors reserve the right to deal with, at their absolute discretion, the Shortfall Shares which are not taken up by Eligible Shareholders under the Offer within 3 months after the Closing Date. The Shortfall Shares will be issued at the same issue price as offered to Eligible Shareholders pursuant to this Offer Document. Following completion of the Offer, the Directors may invite persons to apply for the Shortfall under this Offer Document by completing a Shortfall Application Form and returning it to the Company together with the relevant application money.

Shortfall Shares will not be placed to the Directors or related parties or any associates of the Directors or related parties.

1.6 Underwriting

The Offer will not be underwritten.

1.7 No rights trading

The rights to Shares under the Offer are non-renounceable. Accordingly, there will be no trading of rights on the ASX and you may not dispose of your rights to subscribe for Shares under the Offer to any other party. If you do not take up your Entitlement to Shares under the Offer by the Closing Date, the Offer to you will lapse.

1.8 Minimum Subscription

There is no minimum subscription.

1.9 Opening and Closing Dates

The Offer opens on the Opening Date, being 26 September 2011. The Company will accept Entitlement and Acceptance Forms until 5.00pm WST on the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the Listing Rules.

1.10 Issue of New Shares and Sending of Holding Statements

The issue of Shares offered by this Offer Document and the sending of holding statements are expected to occur on the dates specified in the Timetable set out in Section 1.3 of this Offer Document.

It is the responsibility of Applicants to determine the allocation prior to trading in the New Shares. Applicants who sell Shares before they receive their holding statements will do so at their own risk.

1.11 ASX Listing

Application has been made to the ASX for quotation of the New Shares. The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription. Issues of New Shares under the Offer will only be made after permission for their quotation on the ASX has been granted.

1.12 CHESS

The Company will apply to ASX to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of New Shares allotted to them under this Offer Document. The notice will also advise holders of their Holder Identification Number (HIN) and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

1.13 Overseas Eligible Shareholders

The Offer is only available for acceptance by Eligible Shareholders. This Offer Document and accompanying Entitlement and Acceptance Form do not, nor are they intended to, constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

Eligible Shareholders resident outside Australia and New Zealand should consult their professional advisors as to whether any government or other consents are required, or other formalities need to be observed, to enable them to take up their Entitlements under the Offer.

1.14 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

Shareholders should consult their professional tax advisor in connection with subscribing for Shares under this Offer Document.

1.15 Risk factors

An investment in New Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are described in Section 3 of this Offer Document.

1.16 Enquiries concerning Offer Document

Enquiries concerning the Entitlement and Acceptance Form can be made by contacting Computershare Investor Services Pty Ltd by telephone on (08) 9323 2000

Enquiries relating to this Offer Document should be directed to the Company by telephone on (08) 9428 2900, by fax on (08) 9428 2910 or by email to ahn@athenaresources.com.au

1.17 Governing law

This Offer Document and the contracts formed on acceptance of the Entitlement and Application Forms are governed by the laws applicable in Western Australia. Each Applicant for New Shares and Additional New Shares submits to the non-exclusive jurisdiction of the courts of Western Australia.

1.18 Entire agreement

The terms contained in this Offer Document constitute the entire agreement between the Company and you as to the Offer and your participation in it is to the exclusion of all prior representations, undertakings and agreements between the Company and you.

2 ACTION REQUIRED BY SHAREHOLDERS

2.1 How to Accept the Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Offer Document.

You may participate in the Offer as follows;

- a) if you wish to accept your Entitlement in full:
 - i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and
 - ii) attach your cheque for the amount indicated on the Entitlement and Acceptance Form; or
- b) if you only wish to accept part of your Entitlement:
 - i) fill in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - ii) attach your cheque for the appropriate monies (at 9 cents per New Share); or
- c) if you do not wish to accept any part of your Entitlement, you are not obliged to do anything.

2.2 Form of Payment

All cheques must be drawn on an Australian Bank or Bank Draft made payable in Australian currency to "Athena Resources Ltd Share Issue" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form, together with your cheque, must be forwarded to:

By Mail
Athena Resources Limited
Computershare Investor Services Pty Ltd
Locked Bag 2508
Perth, WA 6001

In Person
Athena Resources Limited
Computershare Investor Services Pty Ltd
Level 2, 45 St Georges Terrace
Perth WA 6000

Those who elect to pay via BPAY must follow the instructions for BPAY set out in the Entitlement and Acceptance Form. Investors who elect to pay via BPAY will not need to return their completed Entitlement and Acceptance Form.

Completed Entitlement and Acceptance Forms must be received no later than 5.00pm (WST) on the Closing Date. Please note that payment via BPAY must be made by no later than 4.00pm WST on 20 October 2011. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the date and time mentioned above. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

The Company will treat Eligible Shareholders as applying for as many New Shares as their payment will pay for in full. Amounts received by the Company in excess of the Entitlement of an Eligible Shareholder will be refunded.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

3 RISK FACTORS

3.1 General

The Shares offered under this Offer Document should be considered speculative because of the nature of the Company's business.

Whilst the Directors recommend that Shareholders take up their Entitlement, there are however numerous risk factors involved. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which Shares will trade.

The following is a summary of the more material matters to be considered and should be read in conjunction with specific matters referred to in the Company's announcements and reports. However, the summary is not exhaustive and potential investors should examine the contents of this Offer Document in its entirety and consult their professional advisors before deciding whether to apply for the Shares.

3.2 Operational Risks

The business of mining and mineral exploration, development and production by its nature contains significant risks. The business depends on, amongst other things, successful exploration and identification of mineral reserves, security of tenure, the availability of adequate funding, satisfactory performance of mining operations, good industrial relations and competent management. Profitability and asset values can be affected by unforeseen changes in operating circumstances, mineral reserves and geotechnical considerations.

3.3 Environmental Risks

Mining is an industry which has become subject to increasing environmental responsibility and liability. The potential liability is an ever-present risk. The use and disposal of chemicals in the mining industry is under constant legislative scrutiny and regulation.

3.4 Changes in Government Policy

The Company's capacity to explore and mine, as well as industry profitability, can be affected by changes in government policy that are beyond the control of the Company. Changes in government regulations and policies may adversely affect the financial performance of the Company.

3.5 General Economic Climate

Factors such as inflation, currency fluctuation, interest rates and supply and demand have an impact on opening costs, commodity prices and stock market prices. The Company's future revenues and Share price may be affected by these factors, as well as by fluctuations in the price of gold or other minerals, which are beyond the Company's control.

3.6 Sharemarket Conditions

The market price of the Company's Shares may be subject to varied and unpredictable influences on the market for equities in general and resource stocks in particular.

3.7 Speculative Nature of Investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Offer Document. Therefore, the Shares offered pursuant to this Offer Document carry no guarantee with respect to the payment of dividends, returns of capital of the market value of the Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares.

4 DEFINED TERMS

Applicant refers to a person who submits an Entitlement and Acceptance Form

Application refers to the submission of an Entitlement and Acceptance Form

ASIC means the Australian Securities and Investments Commission

ASX means ASX Limited (ACN 008 624 691) or, where the context permits, the Australian Securities Exchange operated by ASX Limited

CHESS means the Clearing House Electronic Subregister System

Closing Date means 5.00pm WST on 20 October 2011

Company means Athena Resources Limited (ACN 113 758 900)

Corporations Act means the Corporations Act 2001(Cth)

Directors means the directors of the Company

Eligible Shareholder means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date with a registered address in Australia and New Zealand or who are otherwise eligible to take up the Offer

Entitlement means the entitlement to subscribe for New Shares under this Offer, and Entitlements has a corresponding meaning

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Offer Document

Listing Rules means the Listing Rules of the ASX

New Share means a new Share proposed to be issued pursuant to this Offer

Offer means the offer of Shares under this Offer Document

Offer Document means this Offer Document dated 13 September 2011

Opening Date means 26 September 2011

Optionholder means a holder of options

Options means an option to acquire a Share

Record Date means 5.00 pm WST on 21 September 2011

Share means an ordinary fully paid share in the capital of the Company

Shortfall means those Shares under the Offer not applied for by Shareholders under their Entitlement

Shareholder means a holder of Shares

WST means Australian Western Standard Time