



63 Lindsay Street Perth WA 6000
p 61 8 9428 2900
f 61 8 9428 2910
e ahn@athenaresources.com.au
www athenaresources.com.au
ABN : 69 113 758 900

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Company Announcements Platform
Australian Securities Exchange
Level 4, 20 Bridge Street
SYDNEY NSW 2000

DRILLING UPDATE BYRO SOUTH - IRON ORE

- Continued expansion of the ore horizon at Byro South Ore Body with excellent drilling results.
- Strike length of the twin seam, high grade ore body in excess of 1 kilometre.

Intersections from RC and Diamond drilling include:

| Hole ID | Intersection | Magsus SI | From |
|-------------------------|---------------------|--------------------|---------------------|
| AHRC0053D | 80m | 884 | 80m |
| AHRC0054D | 53m | 828 | 86m |
| AHRC0063D | 53m | 865 | 92m |
| AHRC0058 and | 44m 19m | 492 765 | 67m 117m |
| AHDH0005 | 19m | 567 | 120m |
| AHRC0060 | 31m | 803 | 51m |
| AHRC0061 | 28m | 516 | 45m |
| AHRC0057 | 15m | 438 | 70m |

**Details**

The Directors of Athena Resources Limited (ASX: AHN) are pleased to advise that the Company's highly prospective Byro Iron Ore Project in the Mid-West region of Western Australia has been further expanded by the completion of drilling at the Byro South Ore Body for 2011. Further drilling at the new Whitmarsh Find prospect and initial drilling at the Whistle Jack prospect will be completed this month.

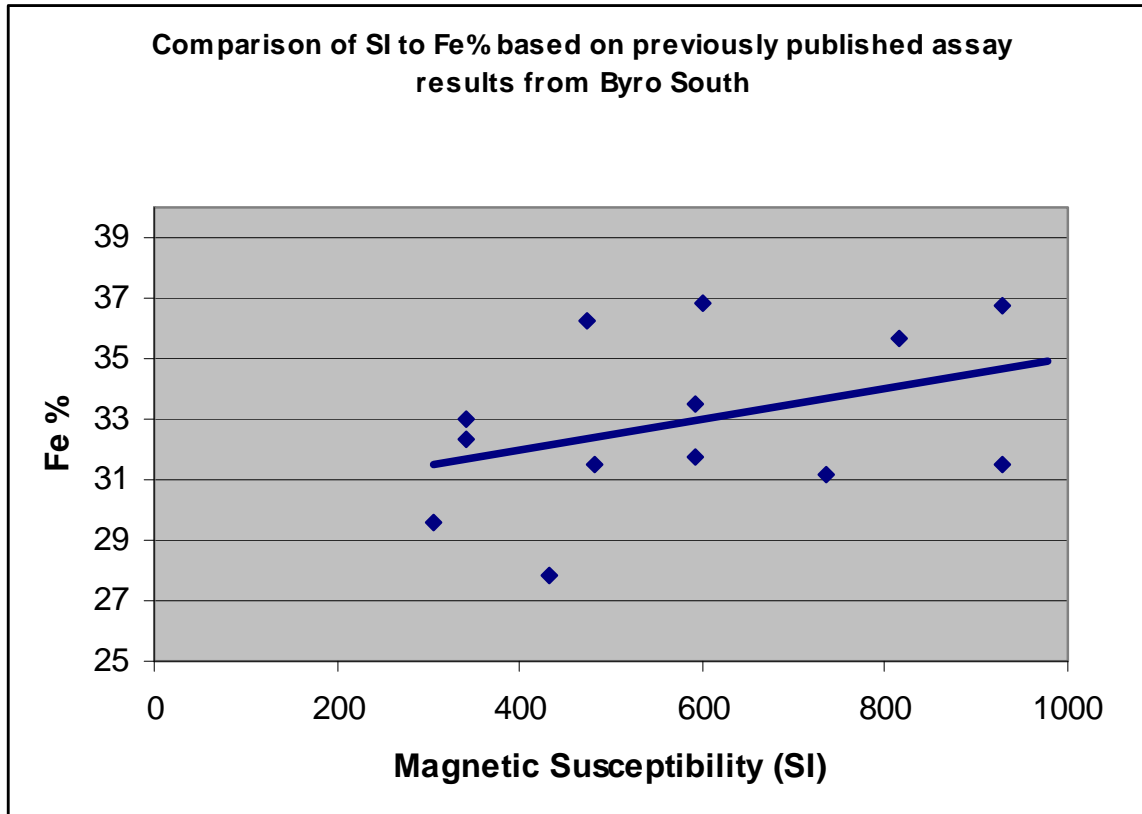
The Byro South program comprised 1,363m of drilling including 878m of reverse circulation drilling and 485m of Diamond drilling. Targeting was based on high definition aeromagnetic signatures, surface outcrop mapping and sampling as well as reported drilling results from September this year.

Drill intersections for this round at Byro South demonstrate continued high grade ore from magnetic susceptibility (magsus) levels from the iron ore. Results are of similar high quality to the first section drilled at Byro South in September. A direct comparison of grain size and Magnetic susceptibility of this ore can be made to Athena's Maiden Inferred Resource at the FE1 Ore Body.

The Magnetite ore at Byro South appears within upper amphibolite facies gneissic rock in the form of a migmatite. The ore is matrix to massive localized in seams that range in thicknesses from 10m up to 50m width, dipping steeply to the west and strike dominantly north. Drilling has confirmed the high amplitude aeromagnetic anomalies are a direct result of the magnetite. The eastern boundary of the unit is well delineated by the laplucian magnetic imagery and aeromagnetic data. This successful round of drilling has completed testing of the western and eastern margins of the ore body at depth and demonstrates the characteristic of a continuous ore horizon with a strike length of the twin seam body in excess of 1 kilometre.

Drilling completed to date indicates a near surface potential of 50 million tonnes¹ at Byro South within 150m depth. Infill drilling will commence in April 2012 to prove this to Inferred Resource within JORC compliance standards.

¹ *The potential quantity and grade of iron deposits reported as exploration potential is conceptual in nature and there has been insufficient exploration to define a Mineral Resource and it is uncertain if future exploration will result in the determination of a Mineral Resource.*



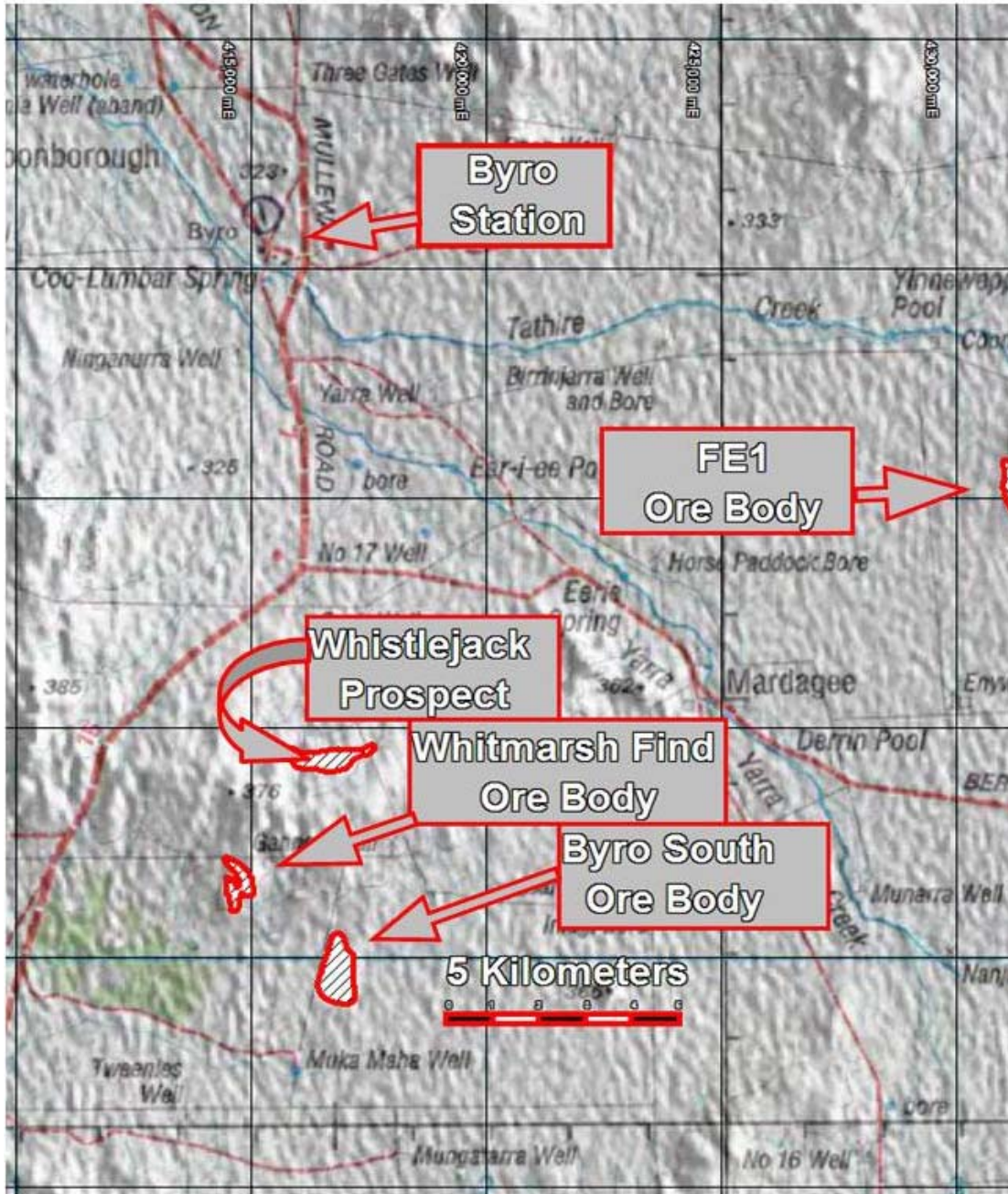
Assay Pending

Samples are being prepared and shipped for assay to Amdel-Ultratrace Laboratories of the Bureau Veritas Group in Perth. Results are expected in early February.

Competent Persons Statement

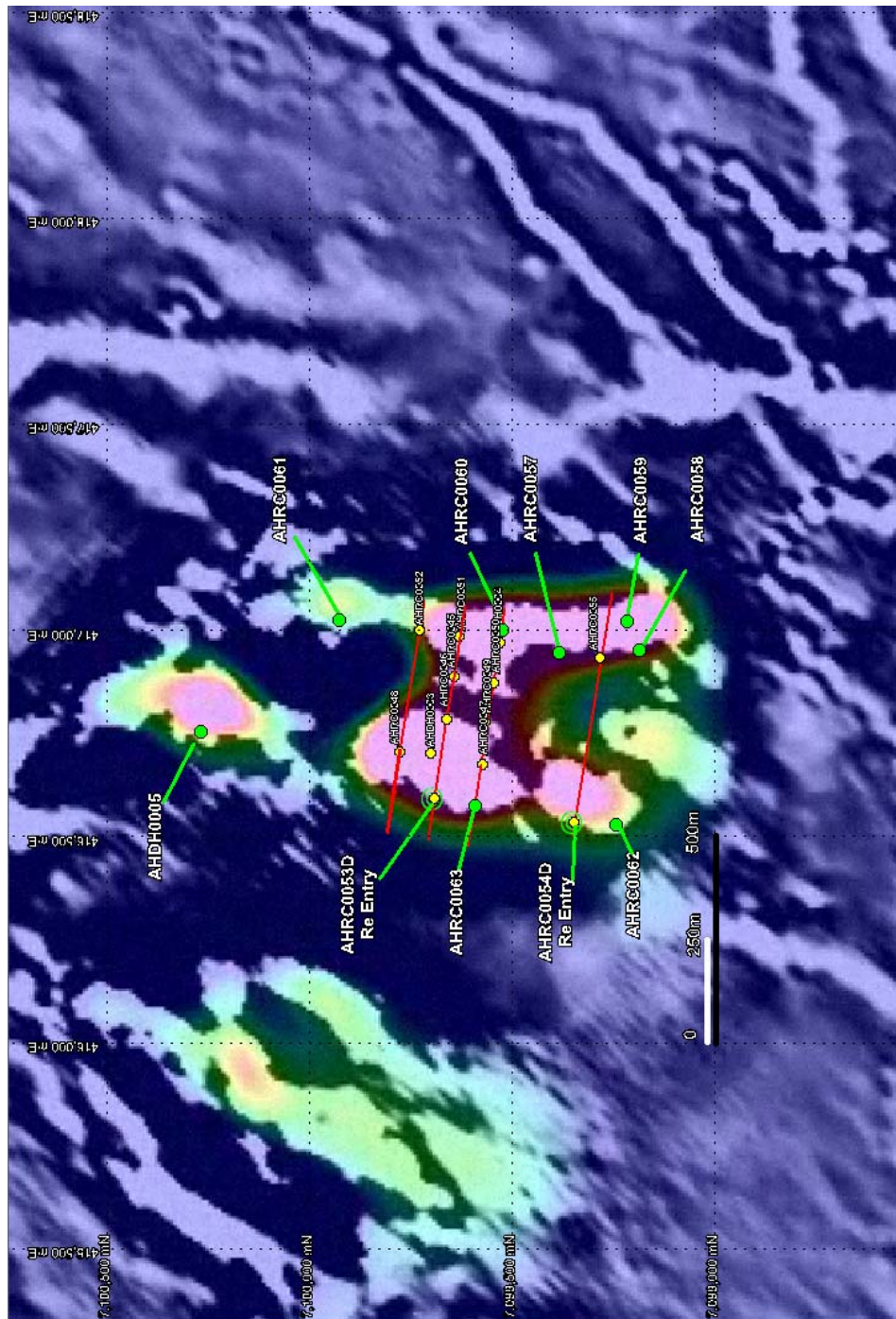
The technical information relating to Athena's exploration projects was compiled by Mr Liam Kelly, an employee of Athena Resources Limited. Mr Kelly is a Member of the Australasian Institute of Mining and Metallurgy, and has sufficient relevant experience in the styles of mineralisation and deposit styles 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 Kelly consents to this inclusion of the information in this report in the context and format in which it appears

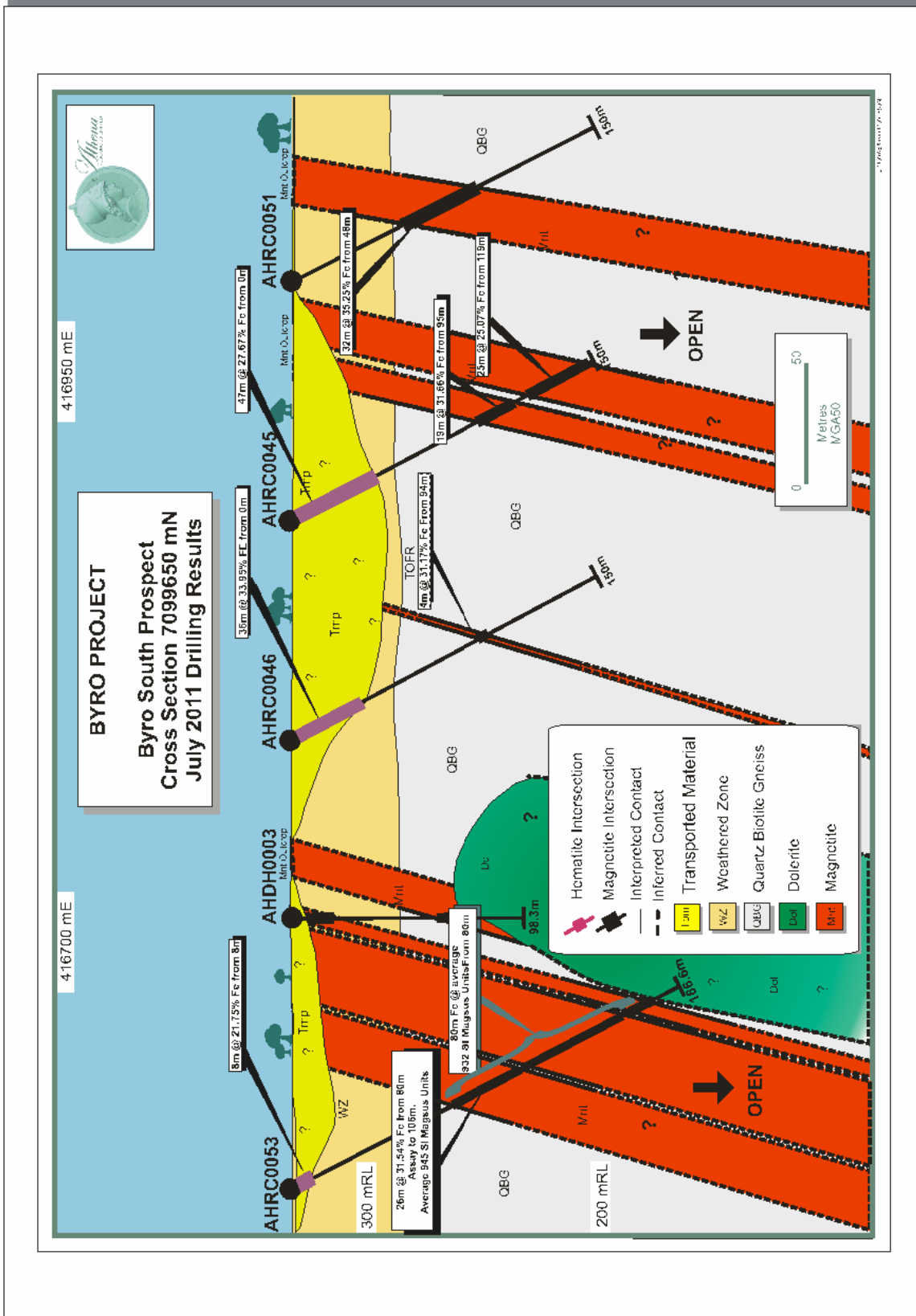
Location Map



The Fe1 Ore body is approximately 20 kilometers northeast from the Byro South Ore Body. The two ore bodies are bisected by the southeast running Milly Milly Road. Access to The Byro South Ore Body is from the Carnarvon-Mullewa Road and the Milly Milly Road.

Byro South Ore Body Drilling 2011 shown over a 1500nT aeromagnetic filter



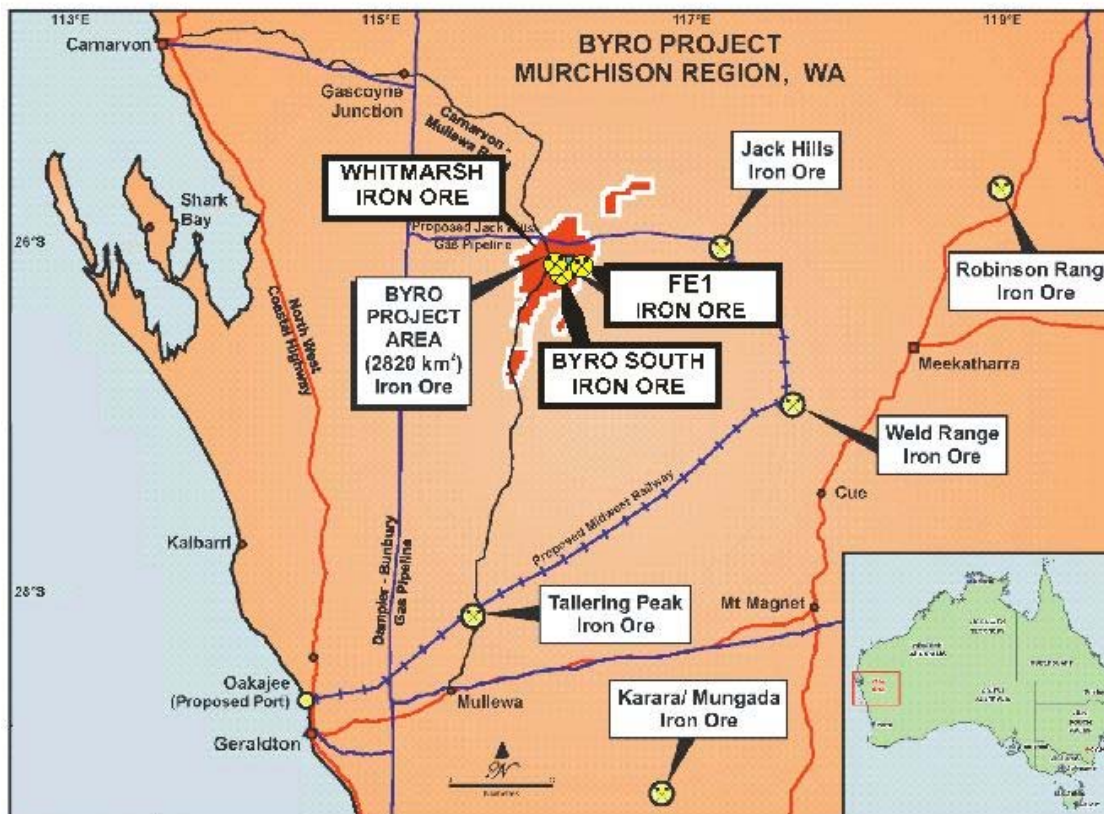


ABOUT ATHENA

Athena Resources Limited (ASX:AHN), which is based in Perth, was listed on the ASX in 2006 and currently has 112 million shares on issue. Athena’s major asset is its 100% interest in the Byro Project where it is exploring for copper, nickel, PGE’s in addition to iron ore. The company also has significant gold, lead and silver targets in the Ashburton.

The Byro Iron Ore Project (Athena 100% through its wholly owned subsidiaries) is strategically located some 330km north east of Geraldton and about 250km north of the Mt Gibson Talling Peak Project. It is 100km west of the proposed Midwest Iron Ore Railway to link existing and future iron ore projects in the mid west region to the proposed Oakajee deep water bulk shipping port north of Geraldton.

Byro Location Map



E W Edwards
Managing Director



Appendix 1

BYRO SOUTH DRILL HOLE COLLAR DETAILS – Magnetite intersections Grid: MGA50 (GDA94)

| Hole ID | Northing | Easting | RSL | Hole Depth (m) |
|-----------|----------|---------|-----|----------------|
| AHRC0053D | 7099691 | 416591 | 338 | 200.1 |
| AHRC0054D | 7099352 | 416535 | 335 | 186.6 |
| AHRC0057 | 7099426 | 416950 | 338 | 150 |
| AHRC0058 | 7099201 | 416953 | 339 | 154 |
| AHRC0059 | 7099216 | 417021 | 335 | 160 |
| AHRC0060 | 7099528 | 416978 | 362 | 100 |
| AHRC0061 | 7099953 | 417032 | 343 | 150 |
| AHRC0062 | 7099275 | 416635 | 344 | 136 |
| AHRC0063D | 7100269 | 416753 | 337 | 156.6 |
| | | | | |
| AHDH0005 | 7100269 | 416753 | 339 | 183.8 |

