

Notice of Annual General Meeting and Explanatory Memorandum 2013

Thursday
28 November 2013
11.00 am (WST)

**Perth Flying Squadron
Yacht Club**
Esplanade, Dalkeith, WA

This Notice of Annual General Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +61 (0)8 9222 5888.

The Annual Report is available online at
www.athenaresources.com.au



Athena
Resources

Athena Resources Limited

ACN 113 758 900

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Notice Of Annual General Meeting

Notice is given that the Annual General Meeting of Shareholders of Athena Resources Limited will be held at Perth Flying Squadron Yacht Club, Esplanade, Dalkeith WA on Thursday 28 November 2013 at 11.00am WST.

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 26 November 2013 at 5.00pm (WST).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Schedule 1.

AGENDA

1. Accounts and Reports

To receive and consider the Company's Annual Report for the year ended 30 June 2013, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2. Resolution 1 – Adoption of Remuneration Report.

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

"That the Remuneration Report included in the Annual Report for the financial year ended 30 June 2013 be adopted by the Shareholders on the terms and conditions set out in the Explanatory Memorandum."

The vote on this resolution is advisory only and does not bind the directors of the Company.

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may vote on this Resolution if:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) the vote is not cast on behalf of a person described in sub paragraph (a) or (b) above; or
- (c) the person is the Chair voting an undirected proxy which expressly authorises the Chair to vote on a Resolution connected with the remuneration of a member of the Key Management Personnel.

Notice Of Annual General Meeting

3. Resolution 2 - Election of Director – Mr David Webster

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

“That Mr David Webster, a director who was appointed on 29 November 2012, retires by rotation in accordance with clause 3.6 of the Company’s Constitution and being eligible, is hereby re- elected as a director of the Company.”

4. Resolution 3 – Ratification of Incentive Shares and Options

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve the prior issue and allotment of 500,000 fully paid ordinary shares and 4,000,000 Incentive Options to consultants as set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast on this resolution by or on behalf of any of the consultants that participated in the 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, the Company need not disregard a vote if it is cast by a consultant 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.

Dated 25 October 2013

BY ORDER OF THE BOARD

Peter Newcomb
Company Secretary

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Explanatory Memorandum

1. Introduction

This Explanatory Memorandum has been prepared for the information of members of Athena Resources Limited (“Athena”) in connection with the business to be conducted at the Annual General Meeting of Members to be held on Thursday 28 November 2013 commencing at 11.00am at Perth Flying Squadron Yacht Club, Esplanade, Dalkeith, WA

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

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

The purpose of this Explanatory Memorandum is to provide information for Shareholders in deciding whether or not to pass the Resolutions in the Notice of Annual General Meeting.

2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a **proxy**) to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgment of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

In accordance with section 250R of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on Resolution 1 as proxy if the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above and either:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy:
 - (i) does not specify the way the proxy is to vote on Resolution 1; and
 - (ii) expressly authorizes the Chairman to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of Key Management Personnel.

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Explanatory Memorandum

3. 2013 Annual Report

In accordance with the requirements of the Company's Constitution and the Corporations Act, the 2013 Annual Report will be tabled at the annual general meeting. There is no requirement for Shareholders to approve the Annual Report, however Shareholders will have the opportunity of discussing the Annual Report and making comments and raising queries in relation to the Report.

The Annual Report is available online at www.athenaresources.com.au.

Representatives from the Company's auditors, HLB Mann Judd, will be present to take Shareholders' questions and comments about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and the content of the Auditor's Report; and
- (b) the conduct of the audit;
- (c) accounting policies by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

4. Adoption of Remuneration Report – Resolution 1

The Annual Report for the financial year ended 30 June 2013 contains a Remuneration Report, which forms part of the Directors' Report and sets out the remuneration policy for the Company and its controlled entities, and reports the remuneration arrangements in place for executive directors, senior management and non-executive directors.

The Corporations Act 2001 requires listed companies to put an annual non-binding resolution to shareholders to adopt the Remuneration Report. In line with the legislation, this vote will be advisory only, and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when considering the Company's remuneration policy.

Under the Corporations Act, if at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2014 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of a general meeting to consider the appointment of Directors of the Company ("Spill Resolution").

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the general meeting ("Spill Meeting") within 90 days of the Company's 2014 annual general meeting. All the Directors who were in office when the Company's 2014 Director's report was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

At the Company's previous annual general meeting the votes cast against the remuneration report were less than 25%. Accordingly, the resolution for the re-election of the Board is not relevant for this Meeting.

The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

The Chairman intends to exercise all undirected proxies in favour of Resolution 1. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, the Shareholder is considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

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5. Election of Director – Resolution 2

In accordance with the requirements of the Company's Constitution and the Corporations Act 2001, one-third of the directors of the Company retire from office at this annual general meeting of the Company and, being eligible, may offer themselves for re-election. Mr David Webster retires by rotation and offers himself for re-election.

Details of Mr Webster's background and experience are set out in the Annual Report.

The Directors (excluding Mr Webster) recommend that Shareholders vote in favour of Resolution 2. The Chairman of the meeting intends to vote undirected proxies in favour of Resolutions 2.

6. Resolution 3 – Ratification of Issue of Shares and Incentive Options – 7 May 2013

Resolution 3 of the Notice of General Meeting seeks approval for the ratification for the prior issue and allotment of 500,000 Shares and 4,000,000 Incentive Options, pursuant to ASX Listing Rule 7.4.

The Company announced on 7 May 2013 that it had issued 500,000 fully paid ordinary shares at 4 cents per share and 4,000,000 Incentive Options exercisable at 6 cents and expiring on 30 April 2016 to consultants in consideration of consultancy fees (the subject of Resolution 3).

ASX Listing Rule 7.1 provides that the prior approval of the Shareholders of Athena is required for 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 and Incentive Options outlined in Resolution 3 do not exceed the 15% limit, however, ASX Listing Rule 7.4 provides that, where a company in a 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 (provided that the previous issue did not breach ASX Listing Rule 7.1), thereby enabling the company to issue further equity securities without exceeding the 15% in 12 months limitation.

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.

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Explanatory Memorandum

In compliance with the information requirements of ASX Listing Rule 7.5 Shareholders are advised of the following particulars in relation to the issue of securities:

(a) Number of securities allotted:

500,000 Shares

4,000,000 Incentive Options

(b) Price at which the securities were issued:

The Shares were issued for nil cash consideration at a deemed value of \$0.04 per Share.

The Incentive Options were issued free for nil cash consideration.

(c) Terms of the securities:

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

The Incentive Options are exercisable at 6 cents were issued on the terms and conditions as outlined in Appendix "A".

(d) Name of the allottee:

The Shares and Options were issued to Joint Gain Worldwide Limited. The allottee is not a related party of the company.

(e) Intended use of funds raised:

The Shares and Incentive Options were issued for nil cash consideration. The Shares and Incentive Options were issued as part consideration for services to be provided to the Company which would not deplete the Company's cash reserves and an incentive to continue to contribute to the Company's operations and generate shareholder value going forward.

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Schedule 1 – Definitions

In this Notice and the Explanatory Memorandum:

\$	means Australian Dollars.
Annual Report	means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ending 30 June 2013.
ASX	means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.
Auditor's Report	means the auditor's report on the Financial Report.
Board	means the board of Directors.
Business Day	means: <ul style="list-style-type: none"> (a) for determining when a notice, consent or other communication is given, a day that is not a Saturday, Sunday or public holiday in the place to which the notice, consent or other communication is sent; and (b) for any other purpose, a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth.
Chair or Chairman	means the person appointed to chair the Meeting conveyed by this Notice.
Closely Related Party	of a member of the Key Management Personnel means: <ul style="list-style-type: none"> (a) a spouse or child of the member; (b) a child of the member's spouse; (c) a dependent of the member or the member's spouse; (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity; (e) a company the member controls; and (f) a person prescribed by the Corporations Regulations 2001 (Cth).
Company	means Athena Resources Limited.
Constitution	means the constitution of the Company as at the commencement of the Meeting.
Corporations Act	means the Corporations Act 2001 (Cth).
Director	means a director of the Company.
Directors' Report	means the annual directors' report for the Company prepared under chapter 2M of the Corporations Act.

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Schedule 1 – Definitions

Explanatory Memorandum	means the explanatory memorandum attached to the Notice.
Financial Report	means the annual financial report for the Company prepared under Chapter 2M of the Corporations Act.
Incentive Option	means an option to acquire a Share on the terms and conditions as specified in Annexure "A".
Key Management Personnel	has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.
Listing Rules	means the listing rules of ASX.
Meeting	has the meaning in the introductory paragraph of the Notice.
Notice or Notice of Annual General Meeting	means this notice of annual general meeting.
Proxy Form	means the proxy form attached to the Notice.
Remuneration Report	means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2013.
Resolution	means a resolution contained in the Notice.
Section	means a section contained in this Explanatory Memorandum.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a shareholder of the Company.
WST	means Western Standard Time, being the time in Perth, Western Australia.

In this Notice and the Explanatory Memorandum words importing the singular include the plural and vice versa.

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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) Subject to shareholder or regulatory approvals (if applicable) each Incentive Option entitles the holder to subscribe for and be allotted one fully paid ordinary share in the Company upon payment of 6 cents per option.
- (ii) the Incentive Options shall lapse at 5.00pm Western Standard Time on 30 April 2016 (“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 6 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.

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Proxy Form

The Secretary
Athena Resources Limited

By delivery:
24 Colin Street
West Perth, WA 6005

By post:
PO Box 1970
West Perth, WA 6872

By facsimile:

+61 8 222 5810

**Name of
Shareholder 1:**

**Address of
Shareholder:**

**Number of Shares
entitled to vote:**

Please mark to indicate your directions. Further instructions are provided overleaf.

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting.

Step 1 – Appoint a Proxy to Vote on Your Behalf

**The Chairman of the
Meeting (mark box)**

OR if you are **NOT** appointing the Chairman of the meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy 2

or failing the person/body corporate named, or if no person/body is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Meeting of the Company to be held at Perth Flying Squadron Yacht Club on Thursday 28 November at 11.00am WST.

Important – If the Chairman of the Meeting is your proxy or is appointed your proxy by default

If you have not directed your proxy how to vote as your proxy in respect of the Resolution 1 and the Chairman is, or may by default be, appointed your proxy, you must mark the box below.

- I/we direct the Chairman to vote in accordance with his/her voting intentions (as set out above) on Resolution 1 (except where I/we have indicated a different voting intention) and expressly authorise that the Chairman may exercise my/our proxy even though the Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 1. If the Chairman of the Meeting is your proxy or is appointed your proxy by default, unless you indicate otherwise by ticking either the 'for', 'against' or 'abstain' box in relation to Resolution 1, you will be authorising the Chairman to vote in accordance with the Chairman's voting intentions on Resolution 1 even if Resolution 1 is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

5 Proxy Form

Step 2 – Instruction as to Voting on Resolutions

The proxy is to vote for or against the Resolutions referred to in the Notice as follows:

	For	Against	Abstain
Resolution 1 – Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Re-election of Mr Webster	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Ratification of Issue of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each Resolution.

Authorised signature/s

This section must be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

Individual or Shareholder 1 <input style="width: 100%; height: 40px;" type="text"/>	Shareholder 2 <input style="width: 100%; height: 40px;" type="text"/>	Shareholder 3 <input style="width: 100%; height: 40px;" type="text"/>
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Sole Director and Sole Company Secretary <input style="width: 100%; height: 40px;" type="text"/>	Director <input style="width: 100%; height: 40px;" type="text"/>	Director/Company Secretary <input style="width: 100%; height: 40px;" type="text"/>
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Contact Name	Contact Daytime Telephone	Date
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¹ Insert name and address of Shareholder ² Insert name and address of proxy *Omit if not applicable

Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is entitled to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate or Appointment of Representative prior admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

- Joint Holding: where the holding is in more than one name all of the holders must sign.
- Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy, of the Power of Attorney to this Proxy Form when you return it.
- Companies: a Director can sign jointly with another Director or Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicated the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received at the Perth office of the Company 24 Colin Street West Perth WA 6005 or Facsimile +61 8 9222 5810 not less than 48 hours prior to the time of commencement of the Meeting.