Athena Resources

ABN 69 113 758 900

INTERIM FINANCIAL REPORT
31 DECEMBER 2013

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Athena Resources

AND CONTROLLED ENTITIES

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2013. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

DIRECTORS

The following persons were directors of Athena Resources Limited during the whole of the half-year period and up to the date of this report.

David Webster	Non Executive Chairman
Edmond Edwards	Managing Director
Rajakumar Kandiah	Non Executive Director

REVIEW OF OPERATIONS

1. BYRO PROJECT (Athena Resources 100%)

LOCATION AND ACCESS

The Byro Iron project is strategically located in the Midwest Iron province which includes a substantial mining sector. The projects southern boundary is 210km north of the Mullewa Rail Siding by road and 250km from the Port of Geraldton. Development of the Byro Iron project is expanding the overall resource in the Midwest region along with neighbours at the Gindalbie and Ansteel's Karara Iron Project, Sinosteel's Weld Range Project, the proposed Jack Hills Expansion Project, Padbury's Robinson Range Project, and Mt Gibson's Tallering Peak Mine, amongst others. Access and improved infrastructure to the maturing iron ore province is growing with development of the CSIRO SKA Project and increased capacity and further development at the Port of Geraldton. The region is also awaiting the inevitable development of a deep water bulk shipping port north of Geraldton to cater for the export of the many billions of tonnes of iron ore currently in JORC compliant resources in the region.

TENURE

Athena's Byro Project covers approximately 2,500 square kilometres and consists of nine exploration licences. Athena has a 100% interest in the project. The Company has applied and received authorisation to explore for iron ore on the exploration licences.

GEOLOGY AND MINERALISATION

Athena's Byro Project is located along the north-western margin of the Yilgarn Craton, within an Archaean Gneiss Belt which trends north-northeast for approximately 200km. The geology is predominately quartzo-feldspathic gneisses and migmatites with amphibolites, quartzites, BIF's, felsic volcanics and layered mafic-ultramafic intrusions. Regional folding and thrusting has resulted in a steep dominant westerly dip and north-northeast strike, although locally this varies from north to east. The high grade magnetite iron ore at Byro has been characterised by a coarse metamorphic grain size, super low impurities during development of thick migmatite layers in the upper amphibolite - granulite metamorphic terrain.

Outcropping sequences of mafic to ultramafic lithologies suggest a series of prospective intrusions, the extent of which has been refined with gravity and detailed magnetic surveys where alluvial cover persists. Past exploration in the region indicates the presence of anomalous copper-nickel-PGE and chromite mineralisation. Two altered, layered mafic-ultramafic bodies are found at Taccabba Well and Imagi Well where iron-rich chromite occurrences have been discovered. At the Byro East Project, copper gossans exist at the edge of the Milly Milly Intrusion. Nearby historic drilling intersected copper and nickel mineralisation. Further drilling by Athena has advanced the understanding of this intrusive body as being a highly prospective fertile system.

BYRO IRON EXPLORATION AND RESOURCE DEVELOPMENT

The Byro Iron Ore project comprises three types of iron ore which are magnetite, insitu hematite and pisolite including lateritic hematite. During the half year work has been focused on sampling, preliminary metallurgy and beneficiation test work on hematite ore in its various forms at Byro. This work builds on the magnetite iron resource and growth of conceptual exploration targets in the previous year. As a result of work completed the company has built up a large number of highly prospective magnetite and hematite targets with positive assay and metallurgical test results now included in the Byro Iron Project.

Results received during the half year have further advanced the Byro Iron Ore Project. Work has focused on the southern tenements at Mt Narryar and hematite ore metallurgy in the northern tenements.

At Mt Narryar East magnetite assay results were consistently above 40% Fe along the length of the outcrop, with only one result, MBCR483 below. This sample was from a weathered hematite pisolite. The surface exposure of magnetite confirms the aeromagnetic anomaly of up to 5.4 kilometres length.

The Mt Narryar East outcrop displays variable thickness. At the widest point up to 80m wide and narrows to 25m in some cases. Average width is estimated around 40m. The anomaly is a first order magnetite target given its location, continuity of geology and potential volume.

Table 1 Magnetite Assays from Outcrop at Mt Narryar East

Sample	East	North	Fe	SiO2	Al2O3	P XRF	S XRF	LOI
MBCR483	395840	7062566	23.27	54.27	4.25	0.026	0.084	6.36
MBCR484	396108	7063029	40.04	39.93	0.76	0.02	0.11	1.39
MBCR485	396115	7063143	43.58	34.31	0.99	0.03	0.12	1.77
MBCR487	396206	7063646	40.33	38.38	0.92	0.02	0.04	2.47
MBCR488	396410	7063709	46.38	27.90	1.87	0.04	0.11	2.95
MBCR489	396541	7063755	43.84	34.99	0.97	0.04	0.05	0.94
MBCR490	396027	7063704	39.17	39.20	1.56	0.03	0.07	3.02
MBCR491	397041	7064174	36.35	44.99	1.13	0.03	0.06	1.39
MBCR492	397969	7063379	37.42	42.49	0.70	0.07	0.09	0.87

The Northwest magnetite anomaly at Mt Narryar, comprises a series of close spaced interbedded parallel magnetite sequences interspaced with sheared granite and gneiss. Fe from assay results range from 35% to 40.5% Fe, taken from sporadic outcrop.

Table 2. Magnetite Outcrop at Mt Narryar North West

Sample	East	North	Fe	SiO2	Al2O3	P XRF	S XRF	LOI
MBCR477	390500	7066836	35.31	47.38	0.84	0.02	0.08	0.83
MBCR478	390441	7066679	40.53	38.83	0.28	0.02	0.24	1.98
MBCR479	390384	7066674	37.59	44.62	0.72	0.01	0.06	0.64
MBCR480	390302	7066450	39.66	41.23	0.77	0.07	0.08	0.52

Assay Results from Previously Untested Ultramafic

Samples MBCR501 and MBCR502 were taken from a sheared ultramafic intrusive partially intercalated at the west contact of the magnetite units. The ultramafic displays bladed amphiboles, actinolite and tremolite with minor magnesite suggesting both hydrous and carbonate alteration. Assays reveal MgO of 24% well above the mafic MgO threshold of 10% confirming ultramafic origin. Sampling contained visible but rare trace sulphides most likely pyrrhotite and pyrite from assay related to magnetite. This body is a new discovery and will require detailed follow up.

Table 3. Ultramafic Assay

Sample	Fe	SiO2	Al2O3	TiO2	Mn	S XRF	MgO	Zn	Pb	Cu	Cr	Cl	Ni	Co
MBCR501	6.16	52.81	5	0.22	0.07	0.04	24.3	0.01	0.001	0.001	0.33	0.01	0.16	0.01
MBCR502	5.36	71.48	2.5	0.11	0.1	0.04	13.4	0.01	0.001	0.001	0.14	0.01	0.10	0.01

FIRST PASS UPGRADE OF BYRO HEMATITE

The Think Big Prospect is a 5.4 Km long hematite body outcropping at kilometre scale exposures. The average iron content from surface samples to date is 43% Fe. A composite of samples was processed to test potential for upgrade to a furnace grade product. The samples were from outcrop in three separate locations over a 1 kilometre strike. The composite was crushed to 500µm and assayed, results below, in Table 4 show the composite sample had an Fe assay 44.6%. The sample was then processed through a gravity separation Wilfley table dividing the sample into seven fractions based on density. The various cuts were assayed and the cumulative results listed in Table 5.

Table 4. Composite feed grade

Conc Sample	Mass (g)	Scaled Mass (g)	% Retain	Grade (%) and Distribution					
				Fe	SiO_2	Al_2O_3	P	S	LOI1000
Calc head	**2985**	**3000**	**100.00%**	**44.9**	**31.77**	**1.55**	**0.02**	**0.07**	**1.76**
Assay Head				44.6	32.22	1.63	0.02	0.08	1.76

The whole rock feed grade iron content of 44.6% and silica 32.2% combined is approaching 77% of the rock mass. Removal of the silica from the rock mass by simple gravity has been proven possible in the first stage, (Rougher Phase).

Table 5 Wilfley Table Concentrates Assays.

Cumulativ Conc	Retain	Cum.% Retain	Cumulative Concentrate Grade (%) and Retained Distribution										
			Fe		SiO2		Al2O3		P		S		LOI
Cut 1	5.5	5.5	61.3	7.5	9.0	1.6	1.2	4.1	0.02	4.1	0.07	5.3	1.37
Cut 1 - 2	5.9	11.4	58.6	14.9	12.9	4.6	1.2	9.1	0.02	9.4	0.07	11.7	1.49
Cut 1 - 3	5.4	16.8	58.5	21.8	13.0	6.8	1.3	13.5	0.02	13.9	0.07	16.2	1.5
Cut 1 - 4	12.8	29.5	57.4	37.8	14.5	13.5	1.3	24.3	0.02	24.7	0.06	26.3	1.52
Cut 1 - 5	23.9	53.4	**55.3**	**65.8**	17.4	29.3	1.3	45.0	0.02	44.8	0.06	45.9	1.59
Cut 1 - 6	20.4	73.8	50.7	83.4	24.0	55.7	1.3	62.9	0.02	62.9	0.06	63.0	1.57

Table 5 shows the cumulative grades achieved with the cut 1 cumulate to cut 6, Cut 7 being dominantly fine clays, silica and Al_2O_3. The assay shows very low levels of contaminant minerals, sulphur Al_2O_3 and phosphorous. The results also show contaminant minerals are similar to the Byro magnetite both in JORC resource and from drilling at other locations. Grain size of the hematite within the rock varies from 0.25mm to 1.5mm with distinctive boundaries between the hematite and quartz. A grind size of 500µm was chosen on the basis of grain size and style of grain boundary. These initial results suggest this could be further optimized and will be confirmed with petrological study of the master composite grinds.

Further Surface Sampling and Mapping

The 2,500 square kilometers of tenements held by Athena host multiple locations where whole rock assays from surface sampling have demonstrated iron grades in excess of 50% Fe.

At the FE12 prospect within tenement E09/1507, a new and untested hematite outcrop adjacent to previously reported high grade assays from float rock was mapped and sampled. Assays received and announced in this report range from 46.1% Fe up to 52.4% Fe, (Table 6).

Hematite/martite in samples from this location display a grain size of up to 4mm under reflected light microscopy. Some of the martite grains display occasional octahedral shapes easing identification. The very coarse grain hematite/martite presents favorable processing options. Four samples were assayed and are presented in Table 6.

Table 6.

Sample ID	East	North	RL	Fe	SiO2	Al2O3	P XRF	S XRF	LOI1000
MBCR504	418153	7122835	352	46.1	25.83	3.41	0.036	0.106	3.73
MBCR505	418167	7122834	355	47.25	24.22	4.08	0.1	0.061	3.8
MBCR506	418412	7122707	353	52.4	16.55	1.94	0.073	0.071	5.5
MBCR507	418205	7122800	356	47.89	27.02	0.86	0.015	0.139	2.71
UNITS				%	%	%	%	%	%
DETECTION				0.01	0.01	0.01	0.001	0.001	0.01
METHOD				XRF202	XRF202	XRF202	XRF202	XRF202	ROBTGA

Observation of free silica grains remaining in processed concentrate sample is also confirmed by concentrate assay results, Table 5. Tests are continuing to confirm separation of minerals, liberation of iron, and refine the process to remove the remaining silica grains left behind. Work will include petrology, determining a cleaning and scavenging stage to reduce silica content further and achieve a target grade of 60% Fe.

Table 5 shows the cumulative Fe grades in concentrate achieved from a grind size of 500µm. The concentrate assays showed very low levels of the contaminant elements, sulphur, Al_2O_3 and phosphorous. Mineralogical examinations (PLM/SEM/XRD) were undertaken to identify the ore and gangue minerals from a selection of the concentrates.

During the half year extensive Programmes of Work were designed to drill test magnetite and hematite targets in tenements E09/1552, E09/1507, E09/1637 E09/1781. These programmes were approved by the Department of Mines and Petroleum for the 2014 period. Further applications are being sought for tenements E09/1508 and the Mt Narryar tenement E09/1938.

BYRO BASE METAL NICKEL-COPPER AND PGE EXPLORATION

In 2006, Athena was introduced to the prodigious geological credentials and potential for base metal exploration within the Byro area hosting the Milly-Milly intrusion and the Chromite discovery within the Imiagi Well layered ultramafic intrusion. Athena has since identified two new layered intrusive systems at Moonborough and at Central Byro.

Athena considers the Mt Narryar tenement E09/1938 tenement and greater Byro area to be highly prospective for Ni-Cu and PGE's. The deep sutures adjacent to the Byro tenements could have sourced Ni-Cu-PGE bearing fluids from depth as seen in the Milly-Milly Ni-Cu and PGE intrusion at Byro East.

During the half year Athena received notification that the Company is a successful recipient of the Royalties for Regions Co-Funded Government – Industry Drilling Program in 2014.

Athena has demonstrated the elevated nickel and multi metal content is found in sulphide as well as in silicate elements. The finely disseminated fertile ultramafic demonstrates signs of sulphide concentration and remobilization into dilation zones such as veins. The potential for economic concentrations of nickel and copper are very encouraging.

The purpose of the co-funded drilling is to generate target vectors towards Cu and Ni sulphide accumulations. The program provides for 1500m of diamond drilling at the Milly Milly Cu-Ni Intrusion. Drilling results from this program will provide further geochemical assay data, structural information and most importantly provide a crucial platform for Down Hole Electromagnetic Surveys (DHEM). The DHEM data is to be correlated and integrated with surface moving loop EM and existing VTEM and IP data. The purpose of the program is to generate multilayered information refining an existing high amplitude VTEM anomaly and an unexplained IP anomaly.

Further drilling, geochemistry and geophysics is now possible and will advance understanding of the potential of this under explored body.

JORC Code Compliance Statement

Some of the information contained in this report is historic data that have not been updated to comply with the 2012 JORC Code. The information referred to in the announcement was prepared and first disclosed under the JORC Code 2004 edition. It has not been updated since to comply with the JORC Code 2012 edition on the basis that the information has not materially changed since it was last reported.

Competent Person's Statement

The information included in the announcement 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 2012 Edition)". Mr Kelly consents to the inclusion of the information in the announcement in the context and format in which it appears and that the historical information was compliant with the relevant JORC Code, 2004 Edition, and new information announced in this report is compliant with the JORC Code 2012 Edition.

Competent Persons Disclosure

Mr Kelly is an employee of Athena Resources and currently holds securities in the company.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on the following page and forms part of this directors' report for the half-year ended 31 December 2013.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s306(3) of the Corporations Act 2001.

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Edmond W Edwards
Managing Director
Dated at Perth this 14 day of March 2014

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Athena Resources Limited for the half-year ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia	**M R W Ohm**
14 March 2014	**Partner**

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CONDENSED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

AND CONTROLLED ENTITIES

		Consolidated	
	Note	31 December 2013 $	31 December 2012 $
Interest Revenue		1,007	433
Employee and Consultant Costs		(168,593)	(231,682)
Share Issue Costs Written off		(153,898)	-
Exploration Written Off		(762)	-
Listing and Securities Exchange fees		(18,260)	(22,767)
Office and Communication Costs		(35,151)	(43,540)
Other expenses		(73,633)	(66,934)
Depreciation		(6,822)	(6,216)
Loss before income tax		(456,112)	(370,706)
Income tax benefit	7	386,814	728,806
Net (loss) / profit for the period		(69,298)	358,100
Other comprehensive income		-	-
Total comprehensive result for the period		(69,298)	358,100
Basic (loss) / profit per share (cents per share)		(0.06)	0.29

The accompanying notes from part of these financial statements.

CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013

AND CONTROLLED ENTITIES

	Note	Consolidated 31 December 2013 $	Consolidated 30 June 2013 $
CURRENT ASSETS			
Cash and cash equivalents		10,249	259,458
Trade and other receivables		411,450	38,206
Prepayments		-	81,185
Total Current Assets		421,699	378,849
NON CURRENT ASSETS			
Property, plant and equipment		19,332	26,154
Deferred exploration and evaluation expenditure	2	5,960,686	5,725,313
Total Non Current assets		5,980,018	5,751,467
TOTAL ASSETS		6,401,717	6,130,316
CURRENT LIABILITIES			
Trade and other payables	6	812,142	471,443
Total Current Liabilities		812,142	471,443
TOTAL LIABILITIES		812,142	471,443
NET ASSETS		5,589,575	5,658,873
EQUITY			
Issued capital	3	10,996,771	10,996,771
Reserves		52,500	52,500
Accumulated losses		(5,459,696)	(5,390,398)
TOTAL EQUITY		5,589,575	5,658,873

The accompanying notes from part of these financial statements.

	Consolidated			
	Issued Capital $	Accumulated Losses $	Option Reserve $	Total Equity $
Half-year to 31 December 2013				
Balance at 1 July 2013	10,996,771	(5,390,398)	52,500	5,658,873
Net loss for the period	-	(69,298)	-	(69,298)
As at 31 December 2013	10,996,771	(5,459,696)	52,500	5,589,575
Half-year to 31 December 2012				
Balance at 1 July 2012	10,980,031	(5,436,526)	32,500	5,576,005
Net profit for the period	-	358,100	-	358,100
Expiry of options	-	20,000	(20,000)	-
As at 31 December 2012	10,980,031	(5,058,426)	12,500	5,934,105

The accompanying notes from part of these financial statements.

	Note	Consolidated 6 months to 31 December 2013 $	6 months to 31 December 2012 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers		(104,345)	(163,428)
Interest income received		1,007	433
Net cash used in operating activities		(103,338)	(162,995)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration expenditure		(246,564)	(355,400)
Payment for purchase of non-current assets		-	(5,000)
Net cash used in investing activities		(246,564)	(360,400)
CASH FLOWS FROM FINANCING ACTIVITIES			
Share issue costs		(49,307)	-
Proceeds from borrowings from related party	6	150,000	200,000
Net cash provided by financing activities		100,693	200,000
Net decrease in cash held		(249,209)	(323,395)
Cash and cash equivalents at the beginning of the period		259,458	413,616
Cash and cash equivalents at the end of the period		10,249	90,221

The accompanying notes from part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that the financial statements be read in conjunction with the annual financial report for the year ended 30 June 2013 and any public announcements made by Athena Resources Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Basis of preparation

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

The financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of the Group's assets and the discharge of their liabilities in the normal course of business.

The Board considers that the Company is a going concern and recognises that additional funding is required to ensure that the Company can continue to fund the Group's operations, repay debt funding and further develop its mineral exploration and evaluation assets during the twelve month period from the date of this financial report. Such additional funding can be derived from either one or a combination of the following:

- The placement of securities under the ASX Listing Rule 7.1 or otherwise;
- An excluded offer pursuant to the Corporations Act 2001; or
- The sale of assets.

Accordingly, the directors believe that subject to prevailing equity market conditions, Athena will obtain sufficient funding to enable it to continue as a going concern and that it is appropriate to adopt that basis of accounting in the preparation of the financial report. Should Athena be unable to obtain sufficient funding as outlined above, there is a material uncertainty that may cast significant doubt whether it will be able to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should it not continue as a going concern.

Significant accounting judgements and key estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Except as described below, in preparing this interim report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2013.

In the half-year ended 31 December 2013, management reassessed its estimates in respect of:

Carrying value of exploration expenditure

The Group performed a detailed review of its exploration tenements at period end to determine whether the related expenditure should continue to be capitalised under AASB 6 or written off to profit or loss. As part of this review, $762 (2012: Nil) exploration expenditure was written off in the half-year. The directors are satisfied with the carrying value of the remaining capitalised exploration costs.

Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2013, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for annual reporting periods beginning on or after 1 July 2013.

It has been determined by the directors that there is no impact, material or otherwise, of the new and revised standards and interpretations on the Group's business and therefore, no change is necessary to Group accounting policies.

The directors has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2013. As a result of this review the directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change necessary to Group accounting policies.

NOTE 2 - DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	6 Months to 31 December 2013 $	12 Months to 30 June 2013 $
Balance at beginning of period	5,725,313	5,331,186
Expenditure incurred during the period	236,135	491,680
Expenditure arising on purchase of Tenement	-	15,000
Loss on Sale of Ashburton Tenements	-	(112,553)
Exploration written off during period	(762)	-
Total deferred exploration and evaluation expenditure	5,960,686	5,725,313

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent upon the successful development and commercial exploitation or sale of the respective areas.

NOTE 3 - ISSUED CAPITAL

	Consolidated	
Ordinary Shares	31 December 2013 $	30 June 2013 $
Issued and fully paid	10,996,771	10,996,771

Movements in ordinary share capital of the Company were as follows:

	Number	$
At 1 July 2013	123,019,392	10,996,771
At 31 December 2013	123,019,392	10,996,771
At 1 July 2012	122,519,392	10,980,031
At 31 December 2012	122,519,392	10,980,031

Movements in options were as follows:

	Number	$
At 1 July 2013	5,000,000	52,500
At 31 December 2013	5,000,000	52,500
At 1 July 2012	1,500,000	32,500
Transfer to accumulated losses on expiry of options	(500,000)	(20,000)
At 31 December 2012	1,000,000	12,500

1,000,000 Incentive Options are exercisable at $0.20 on or before 31 March 2014
4,000,000 Incentive Options are exercisable at $0.06 on or before 30 April 2016

NOTE 4 - CONTINGENT LIABILITIES

Athena Resources Limited and its controlled entities have no known material contingent liabilities as at 31 December 2013.

NOTE 5 - SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Athena Resources Limited.

The Group operates in one business and geographical segment being mineral exploration in Australia. Accordingly, under the management approach outlined above only one operating segment has been identified and no further disclosure is required in the half-year financial statements.

NOTE 6 – TRADE AND OTHER PAYABLES	6 Months to 31 December 2013	12 Months to 30 June 2013
Current	$	$
Trade creditors and accruals	177,808	118,559
Due to directors - remuneration	418,334	286,884
Borrowings from Related Parties	216,000	66,000
	812,142	471,443

During the year to 30 June 2013, loans of $266,000 were extended to the Company by a Director, Mr Edwards, for the purposes of supporting short-term cash flow. The loans are unsecured and $200,000 plus $4,480 interest (5.95% per annum) was repaid from the proceeds of the refundable research and development offset of $728,806. The maximum amount outstanding during the period was $204,480. The balance of the loan outstanding at 30 June 2013 of $66,000 is interest free.

During the half year to 31 December 2013, additional loans of $150,000 were extended to the Company by Directors, Mr Edwards $50,000 and Mr Webster $100,000, for the purposes of supporting short-term cash flow. The loans are unsecured and interest free. $100,000 was repaid from the proceeds of the refundable research and development offset of $386,814 received in January 2014. The maximum amount outstanding during the period was $216,000.

NOTE 7 – INCOME TAX BENEFIT

The Income Tax benefit arose from the research and development taxation offset.

DIRECTORS' DECLARATION

The Directors of the company declare that:

1) The financial statements and notes thereto are in accordance with the Corporations Act 2001 including:

   (a) complying with Accounting Standard AASB 134: Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   (b) giving a true and fair view of the Group's financial position as at 31 December 2013 and of its performance for the half-year then ended.

2) in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

Edmond W Edwards

Dated at Perth this 14 day of March 2014

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Athena Resources Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Athena Resources Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2013, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

Accountants | Business and Financial Advisers

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Athena Resources Limited is not in accordance with the *Corporations Act 2001* including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 1 in the financial statements which indicates that additional funding is required to ensure that the Company can continue to fund the Group's operations, repay debt funding and further develop its mineral exploration and evaluation assets during the twelve month period from the date of this financial report. Should the Company be unable to obtain sufficient funding as outlined in Note 1, there is a material uncertainty that may cast significant doubt whether it will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

M R W Ohm
Partner

Perth, Western Australia
14 March 2014