

24 March 2014

The Company Announcements Office
Australian Securities Exchange Limited
4 Floor 20 Bridge Street
SYDNEY NSW 2000

SHARE PLACEMENT AND BYRO IRON ORE JOINT VENTURE.

Athena Resources Limited (ASX Code: AHN) (**Athena**) announces that it has entered into a binding terms sheet with a private Chinese investment holding company with mining interests (**Investor**) on the following terms and conditions (**Terms Sheet**).

The material terms of the Terms Sheet are as follows:

(1) Placement

Investor will subscribe for \$2,240,000 worth of Athena shares at an issue price of \$0.07 per share (**Placement**) on the following basis:

- a) 18,000,000 shares in Athena at an issue price of \$0.07 each on or before 9 May 2014 (**Tranche 1 Shares**); and
- b) subject to Athena receiving all necessary shareholder and regulatory approvals, 14,000,000 shares in Athena at \$0.07 each on or before 30 June 2014 (**Tranche 2 Shares**).

(2) Earn-in and JV

Investor will earn a 70% interest in the Byro Project in consideration for the payment of \$2,500,000 to Athena (**Earn-in and JV**) on the following basis:

- a) a non-refundable deposit of \$50,000 will be paid to Athena on or before 28 March 2014 (**Deposit**);
- b) \$2,500,000 (less the Deposit) will be paid to Athena on or before 30 June 2014 in consideration for Athena transferring the 70% legal and beneficial interest in respect of only the ferrous minerals contained in the tenements comprising the Byro Project to Investor;
- c) the joint venture will be an unincorporated joint venture in respect of only the ferrous minerals contained on the Byro Project;
- d) title to all nonferrous minerals on the Byro Project remains the sole property of Athena;

- e) a joint venture is intended to be created immediately upon contemporaneous completion of the Subscription and the Earn-in and JV; and
- f) Athena will be entitled to a royalty of 2% on gross sales of all product from the Byro Project.

The Parties have agreed to enter into formal documentation in respect of the Placement and Earn-in and JV on terms not inconsistent with the Term Sheet and otherwise on industry standard terms.

ISSUE OF SHARES TO DIRECTORS

Additionally, the directors have also resolved, subject to shareholder approval, to issue a total of 6,428,571 fully paid ordinary shares to the directors of Athena. This issue of shares to the directors will be to satisfy fees due and loans advanced totaling \$450,000 and will be at the same price (7 cents per share) as the Placement referred to above (**Director Shares**).

The proceeds from the Terms Sheet and the Director Shares will be used as follows:

- (1) Ongoing exploration program on the Byro Project; and
- (2) Working capital, including costs of the raising.

Athena intends to convene a meeting of shareholders as soon as practicable to approve the issue of the Tranche 2 Shares and the Director Shares.

Yours faithfully

E W Edwards
Managing Director