

Notice of General Meeting and Explanatory Memorandum

Thursday
25 September 2014
11.00 am (WST)

24 Colin Street
West Perth
Western Australia

This Notice of 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.



Athena
Resources

Athena Resources Limited

ACN 113 758 900

www.athenaresources.com.au

Notice Of General Meeting

Notice is given that a General Meeting of Shareholders of Athena Resources Limited will be held at 24 Colin Street, West Perth WA on 25 September 2014 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 23 September 2014 at 5.00pm (WST).

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

AGENDA

Resolution 1 – Ratification of Placement – 11 August 2014.

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, the Shareholders approve the prior issue of 13,400,000 Shares at an issue price of \$0.03 on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast on this resolution by the parties who participated in the issue as noted in the Explanatory Memorandum and any associate of them. However, the Company need not disregard a vote if it is cast by a person 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 person chairing 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.

Resolution 2 – Proposed Issue of Shares to Director – David Webster

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

“That, for the purposes of section 195(4) of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve the issue to David Webster (or his nominee) of 6,000,000 Shares on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

For the purposes of Listing Rule 10.13.6, the Company will disregard any votes cast on this resolution by the Directors (or their nominees), and any associate of them. However, the Company need not disregard a vote if it is cast by a person 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 person chairing 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.

Resolution 3 – Proposed Issue of Shares to Director – Edmond Edwards

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

“That, for the purposes of section 195(4) of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve the issue to Edmond Edwards (or his nominee) of 12,500,000 Shares on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

For the purposes of Listing Rule 10.13.6, the Company will disregard any votes cast on this resolution by the Directors (or their nominees), and any associate of them. However, the Company need not disregard a vote if it is cast by a person 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 person chairing 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.

Resolution 4 – Proposed Issue of Shares to Director – Rajakumar Kandiah

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

“That, for the purposes of section 195(4) of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve the issue to Rajakumar Kandiah (or his nominee) of 1,500,000 Shares on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

For the purposes of Listing Rule 10.13.6, the Company will disregard any votes cast on this resolution by the Directors (or their nominees), and any associate of them. However, the Company need not disregard a vote if it is cast by a person 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 person chairing 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 August 2014
BY ORDER OF THE BOARD

Peter Newcomb
Company Secretary

Explanatory Memorandum

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Meeting to be held at 24 Colin Street, West Perth, WA on 25 September 2014 at 11.00am WST.

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions in the Notice.

A Proxy Form is located at the end of the Explanatory Memorandum.

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

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.

2.1 Proxies

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. Lodgement 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.

3. Resolutions 1 – Ratification of Placement – 11 August 2014

Background

The Company announced on 5 August 2014 that it had raised \$402,000 by way of the placement of 13,400,000 Shares at 3 cents per Share to sophisticated and professional investors as arranged by the lead broker Beer & Co (**Placement**).

Resolution 1 of the Notice of General Meeting seeks approval for the ratification for the prior issue of 13,400,000 Shares under the Placement, pursuant to ASX Listing Rule 7.4.

ASX Listing Rule Requirements

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 of Shares outlined in Resolution 1 does 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.

Shareholder approval under Resolution 1 is sought to the prior issue of 13,400,000 Shares so as to refresh Athena's 15% equity security placement limit pursuant to ASX Listing Rule 7.1.

The information required by ASX Listing Rules 7.1 and 7.3 to be provided to shareholders is contained within this Explanatory Memorandum and the Notice of General Meeting as set out below.

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 Placement:

- a) Number of securities issued:
13,400,000 Shares
- b) Price at which the securities were issued:
\$0.03 per Share.
- c) Terms of the securities:
The Shares are ordinary fully paid shares and rank equally in all respects with the existing Shares on issue.
- d) Name of the allottee:
The allottees are sophisticated and professional investors. The allottees are not related parties of the company.
- e) Intended use of funds raised:
As announced by the Company on 5 August 2014, the proceeds of the placement will be used for ongoing exploration on the Byro Iron Ore Project ongoing exploration on the Company's other projects and for general working capital, specifically as follows:
 - (i) 1,500m of diamond drilling, gravity and EM surveys at the Milly Milly Nickel project at Byro;
 - (ii) Drilling the DSO Iron targets at Byro;
 - (iii) Drilling at the Mt Narryer Magnetite target at Byro;
 - (iv) Ongoing exploration programs at Byro; and
 - (v) working capital, including costs of the raising.

4. Resolutions 2, 3 and 4 – Proposed Capital Raising – Issue of Shares to Directors

Background

Pursuant to the Company's ASX announcement on 5 August 2014, the Company also advised that the Directors had resolved, subject to Shareholder approval, to issue a total of 20,000,000 fully paid ordinary shares to the Directors to satisfy fees due and loans advanced totalling \$620,000. This issue of the Shares to the Directors will be at the same price as the Shares issued pursuant to the Company's Share Purchase Plan (also announced on the 5 August 2014).

Resolutions 2, 3 and 4 seek approval under section 195 of the Corporations Act and Listing Rule 10.11 to permit Directors (or their nominees) to participate in the proposed issue of Shares up to a maximum of 20,000,000 Shares, as set out below.

Corporations Act Requirements

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

The issue of Shares to Directors as described above constitutes giving a financial benefit and David Webster, Edmond Edwards, and Rajakumar Kandiah are related parties of the Company by virtue of their position as Directors of the Company

The Directors (other than David Webster in respect of Resolution 2 only, Edmond Edwards in respect of Resolution 3 only and Rajakumar Kandiah in respect of Resolution 4 only, who each have a material personal interest in their respective Resolutions) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Shares to be issued as the Shares will be issued to the Directors on similar terms as Shares issued pursuant to the Placement and at the same issue price as was offered to all eligible Shareholders under the Company's Share Purchase Plan (as announced on 5 August 2014), and as such the giving of the financial benefit is on arm's length terms.

As the Directors have a material personal interest in the issue of the Shares that are the subject of Resolutions 2, 3 and 4 the Company seeks approval under section 195 of the Corporations Act so that the Shareholders may pass a resolution to deal with this matter.

Explanatory Memorandum

ASX Listing Rule Requirements

ASX Listing Rule 10.11 also requires Shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the Directors are related parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

In compliance with the information requirements of ASX Listing Rule 10.13 members are advised of the following particulars:

(a) Names of participants:

Directors of the Company, being:

Mr David Webster or his nominee

Mr Edmond Edwards or his nominee

Mr Rajakumar Kandiah or his nominee

(b) Maximum number of securities to be issued:

Mr David Webster – 6,000,000 Shares (to satisfy fees due and loans owing to David Webster totalling \$186,000)

Mr Edmond Edwards – 12,500,000 Shares (to satisfy fees due and loans owing to Edmond Edwards totalling \$387,500)

Mr Rajakumar Kandiah – 1,500,000 Shares (to satisfy fees due to Rajakumar Kandiah totalling \$46,500)

(c) Date by which Athena will issue securities:

No later than one month after the date of this Meeting.

(d) Price at which securities to be issued:

\$0.031 per Share.

(e) Terms of issue:

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

(f) Intended use of funds raised:

No funds will be raised. The proceeds of the placement will be used to retire amounts owing to Directors for loans advanced and accrued fees owing, as set out above.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Shares to be issued under Resolutions 2, 3 and 4 as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to the Directors (or their nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

5. Capital Structure

On completion of the issue of Shares contemplated by this Notice of General Meeting, the capital structure of the Company will be as follows:

Shares	Number
Shares currently on issue (including those previously issued the subject of Resolution 1)	136,419,392
Issue of Shares to David Webster (Resolution 2)	6,000,000
Issue of Shares to Edmond Edwards (Resolution 3)	12,500,000
Issue of Shares to Rajakumar Kandiah (Resolution 4)	1,500,000
Total	156,419,392

Schedule 1 – Definitions

In this Notice and the Explanatory Memorandum:

\$ means Australian Dollars.

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

Board means the board of Directors.

Business Day means 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.

Company or **Athena** 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.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Listing Rules means the listing rules of ASX.

Meeting has the meaning in the introductory paragraph of the Notice.

Notice or **Notice of General Meeting** means this notice of general meeting.

Placement has the meaning specified in Section 1 of the Explanatory Memorandum.

Proxy Form means the proxy form attached to the Notice.

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.

Proxy Form

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 9200 5697 not less than 48 hours prior to the time of commencement of the Meeting.