

23 February 2015

Ms Anjuli Sinniah
Adviser, Listing Compliance (Perth)
ASX Compliance Pty Limited
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

By email

Dear Ms Sinniah

ATHENA RESOURCES LIMITED (ACN 113 758 900) (COMPANY)
ASX LETTER OF 16 FEBRUARY 2015

We refer to your letter to the Company dated 16 February 2015 (**Letter**). We respond to each of the questions contained in your Letter as follows:

1. The Company confirms it has sufficient cash to fund its activities. Additionally, the Company notes the following:
 - (a) The Company completed an extensive drilling program at Byro during the September and December quarters as set out in the Quarterly Activity Report released on 30 January 2015 ("the Quarterly Activity Report").
 - (b) The Company's expenditure in the next quarter will be significantly lower than previous quarter's expenditure as it will predominantly consist of further analysis and compilation of the recent Byro drilling program results.
 - (c) Subsequent to 31 December 2014, the Company has received \$125,000 from the Department of Mines and Petroleum under the drilling co-funding program and is awaiting receipt of the 30 June 2014 Research and Development Claim. Accordingly, the Company's current cash on hand, together with recent and anticipated cash inflow will be sufficient funding for the Company's activities.
 - (d) Furthermore the Company has already taken numerous steps to reduce costs and continues to review its expenditure commitments.
2. The Company will have negative operating cash flows for the foreseeable future as is normal for a resource company conducting exploration activities. As outlined in paragraph 1 above, the Company has sufficient financial resources to fund its current level of activities.

The Company is mindful of its cash position and it continues to monitor its cash and funding requirements on an ongoing basis.

3. Please refer to paragraphs 1 and 2 above. The Company is of the opinion that it is in a position to continue to meet its business objectives and to fund its exploration commitments. The Company continually reviews its expenditure commitments. As and when additional funds are required, the Company will actively pursue fund raising initiatives.
4. Athena Resources Limited hereby confirms it is in compliance with the listing rules and in particular, listing rule 3.1.
5. The Company is of the opinion that it is in compliance with listing rule 12.2 for the reasons stated above (in particular, paragraph 1) and as set out in the Quarterly Activity Report.

In addition, the Company is constantly assessing its funding requirements commensurate to the level of exploration activities such that it has a reasonable expectation that it will be able to fund its future activities.

If you have any queries in this regard please do not hesitate to contact me.

Regards

E W Edwards
Managing Director
Athena Resources Limited



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16 February 2014

Mr Peter Newcomb
Company Secretary
Athena Resources Limited
PO Box 1970,
WEST PERTH WA 6872

By email: pn@athenaresources.com.au

Dear Peter

Athena Resources Limited("Company")

I refer to the Company's Quarterly Report in the form of Appendix 5B for the period ended 31 December 2014 released to ASX Limited ("ASX") on 30 January 2015 (the "Appendix 5B").

ASX notes that the Company has reported the following.

1. Receipts from product sales of \$0.
2. Net negative operating cash flows for the quarter of \$456,145.00.
3. Cash at end of quarter of \$73,134.00.

In light of the information contained in the Appendix 5B, please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 5B, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 5B for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?
5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response will be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me on facsimile number +61 8 9221 2020 or email anjuli.sinniah@asx.com.au. It should not be sent to ASX Market Announcements.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **5.00 pm WST on Friday 20 February 2015**.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries please let me know.

Yours sincerely,

[sent electronically without signature]

Anjuli Sinniah

Adviser, Listings Compliance (Perth)