

SEPTEMBER - 2016 QUARTERLY REPORT

ATHENA RESOURCES LIMITED

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PROJECTS

Byro:
 Iron Ore, Nickel-Copper-PGE's

SECURITIES

217M Shares - AHN

SHAREHOLDERS

Brilliant Glory	19.84%
Mr E Edwards	14.07%
Mr D Webster	4.55%

BYRO IRON PROJECT

EXPLORATION

- **Mining Lease Application M09/168 for Mt Narryer Ore Body Submitted and Proceeding Through the Department of Mines**
- **Mt Narryer Project Davis Tube Results confirm high grades from all seven holes drilled in June 16. Coarse 90µm grind, with up to 98.9% recovery of magnetite**
 AHRC0076 26m @ 68.21%^{DTR}Fe from 32m
 AHRC0077 20m @ 68.67%^{DTR}Fe from 30m
 AHRC0078 24m @ 69.19%^{DTR}Fe from 68m
 AHRC0080 32m @ 67.05%^{DTR}Fe from 20m
- **Whistlejack Project Davis Tube Results confirm high grades from holes drilled in June 16. Coarse 75µm grind, with up to 96.7% recovery of magnetite**
 AHRC0084 40m @ 68.52%^{DTR}Fe from 114m
 AHRC0085 32m @ 67.08%^{DTR}Fe from 56m
 And
 AHRC0085 26m @ 67.54%^{DTR}Fe from 90m

BYRO MAGNETITE PROJECT (Athena Resources 100%)

Mining Lease Applications

The company in October 2016 submitted to the Department of Mines and Petroleum mining lease application M09/168, within tenement E09/1938. The Mining Lease application is currently being assessed by the Mines Department and will then proceed to the Karratha Office and Tenure Section at the Department of Mines and Petroleum. M09/168 contains the high grade Mt Narryer magnetite ore body.

Mt Narryer Project

The Mt Narryer magnetite body within tenement E09/1938, is located 210 Km north from Mullewa and 310Km by road north from the Port of Geraldton.

Eight holes were drilled logged and sampled this season. Preliminary whole rock assays were announced with the June Quarterly Report.

Test work is also currently being undertaken on a PQ diamond hole AHRC0089D to determine the nature of the ore and how to best characterise the ore in order to develop tests that will ultimately lead to the design of a processing flow sheet.

Table 1. Drill Collars, 2016

Hole ID	Project	EOH	Easting	Northing	Dip	Azi	Tenement
AHRC0076	Narryer	112	396078mE	7063112mN	-60	115	E09/1938
AHRC0077	Narryer	150	395976mE	7062851mN	-60	115	E09/1938
AHRC0078	Narryer	106	395934mE	7062863mN	-60	115	E09/1938
AHRC0079	Narryer	145	395849mE	7062738mN	-60	115	E09/1938
AHRC0080	Narryer	88	396384mE	7063625mN	-60	115	E09/1938
AHRC0081	Narryer	76	396148mE	7063394mN	-60	115	E09/1938
AHRC0082	Narryer	106	396074mE	7063213mN	-75	115	E09/1938
AHRC0089D	Narryer	90.1	395966mE	7062853mN	-90	0	E09/1938

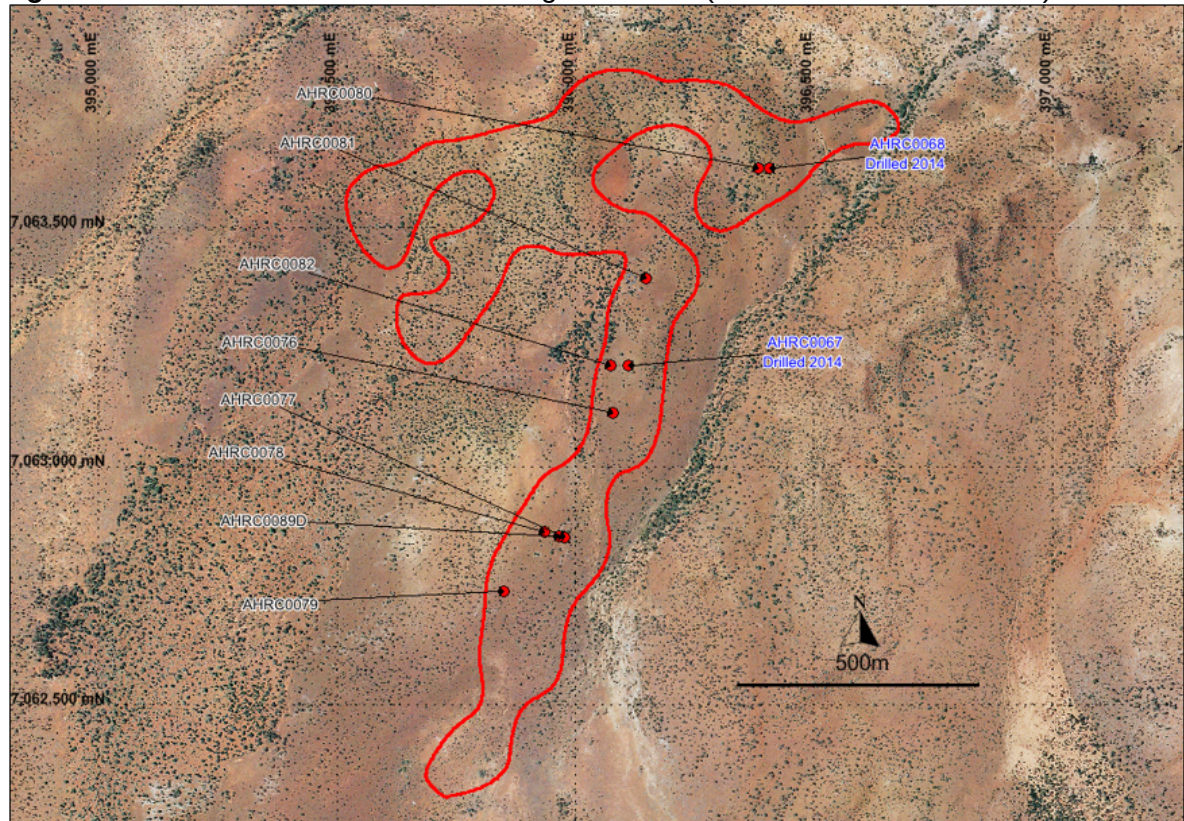
Coordinate system MGA-94/50

Table 2. Mt Narryer Magnetite DTR Intersections

Hole ID	RC Drilling Intersection XRF Assay as Reported to ASX 27/07/2016	DTR Concentrate Within RC drilling Intersection
AHRC0076	28m @ 31.9%Fe from 34m	26m @ 68.21%Fe from 32m
AHRC0077	24m @ 33.2%Fe from 28m	20m @ 68.67%Fe from 30m
AHRC0078	28m @ 33.3%Fe from 66m	24m @ 69.19%Fe from 68m
AHRC0079	28m @ 30.9%Fe from 66m	14m @ 69.06%Fe from 100m and 8m @ 65.87%Fe from 116m
AHRC0080	32m @ 27.8%Fe from 20m	32m @ 67.05%Fe from 20m
AHRC0081	28m @ 26.0%Fe from 40m	14m @ 68.84%Fe from 40m and 10m @ 60.74%Fe from 58m
AHRC0082	20m @ 26.3%Fe from 68m	6m @ 57.97%Fe from 68m 10m @ 62.64%Fe from 76m

XRF assay results from drill chip assay reported 29 July 2016 in left column, DTR results right column.

Figure 1. Drill Hole Location over TMI Magnetic Halo. (Red line = 1000nT isobar)



From within the intersections reported 29 July 2016, Table 2, a total of 99 samples were selected for Davis Tube Testing.

The samples from each intersection were selected and combined to form composites representative of each intersection. A total of 31 composites were assembled and following a grind establishment were milled to 90µm to achieve liberation of the magnetite ore. Magnetic content of each composite was recorded and averaged for the intersection and total recovery of the Fe₃O₄ calculated and is recorded in Table 3.

Table 3. Magnetite content and Recovery

Hole ID	Mag %	Recovery of Fe ₃ O ₄ Component within Composite Samples
AHRC0076	29.6	93.7
AHRC0077	26.2	85.8
AHRC0078	44.2	98.6
AHRC0079	46.6	98.9
AHRC0080	26.7	97.2
AHRC0081	26.0	93.4
AHRC0082	34.0	97.9

Davis Tube Test Work Details

In 2014 test work was undertaken to determine optimum grind which resulted in a coarse 90µm grind and high 66.8% Fe. This was confirmed with further grind establishment work in 2016 using 90µm as the liberation size.

The DTR assays returned grades that the Company considers are very good and confirm the ore body has economic potential for follow up metallurgy.

Results show very low levels of impurities, notably low levels of the common contaminants phosphorous and sulphur, Where sulphur was encountered is was related to pyrite in the saprolitic weathered zone.

Figure 2. Cross Section at AHRC0082 and AHRC0067

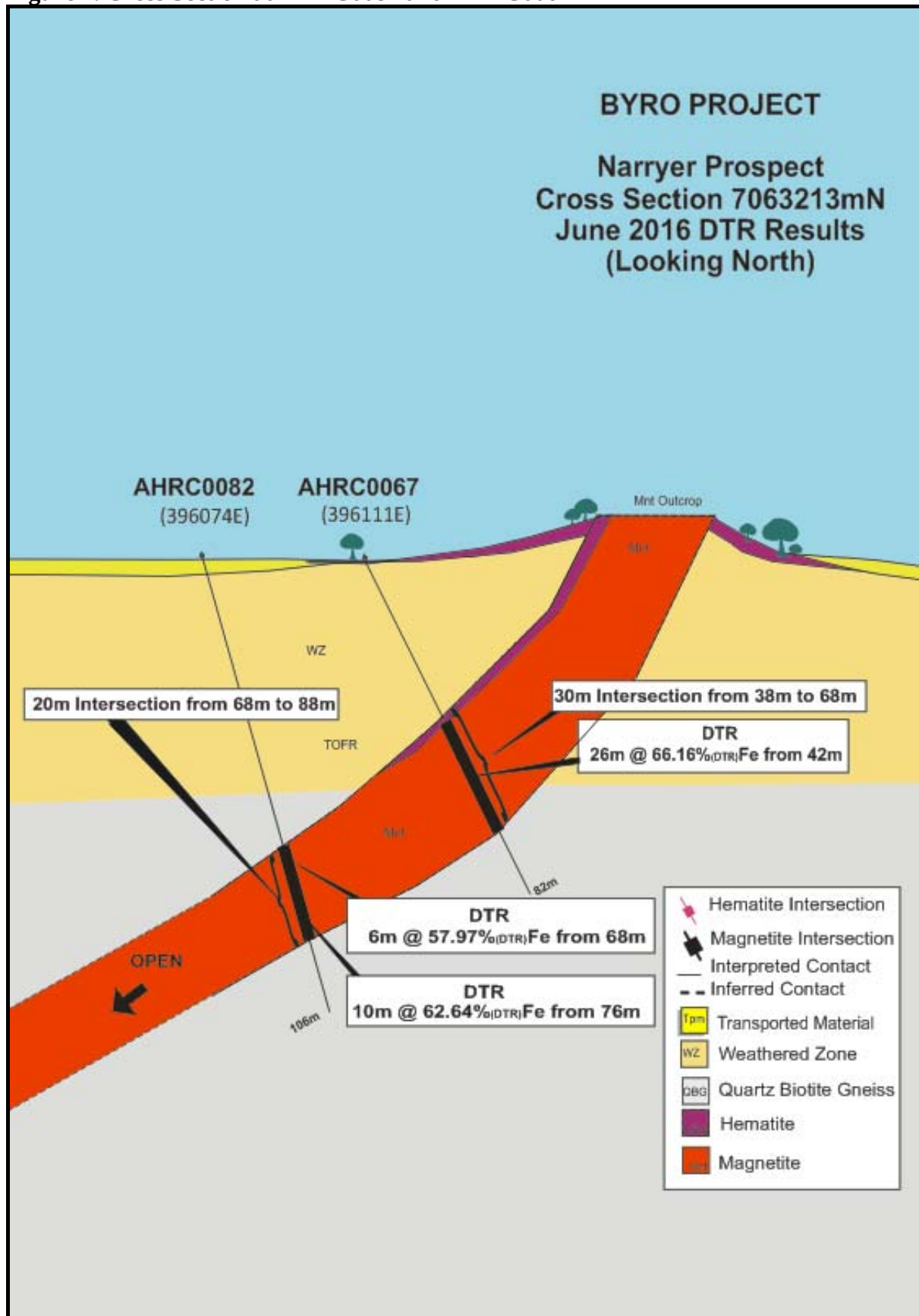
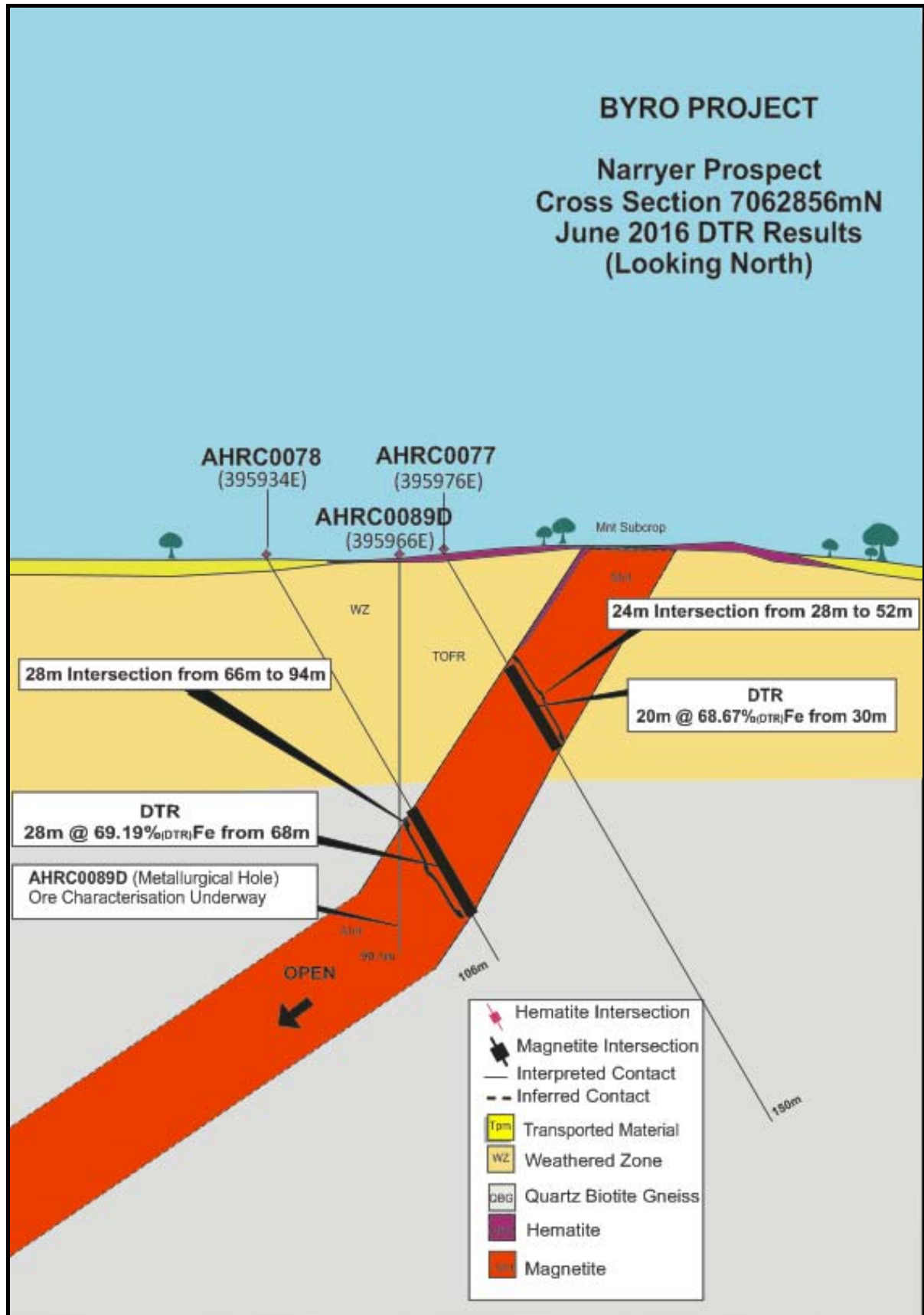


Figure 3. Cross Section at AHRC0078 and AHRC0077



Athena Resources Limited – First Quarter Activities

Table 4 DTR Composite Concentrate Results

Narryer Composites	Feed	Mags		Assays (%)							
	g	g	%	Fe	SiO ₂	Al ₂ O ₃	TiO ₂	P	S	Fe ₃ O ₄	LOI ₁₀₀₀
N1	20.00	1.76	8.8	66.52	3.74	0.42	0.19	0.007	0.003	12.3	0.16
N2	20.00	7.00	35.0	69.95	1.52	0.34	0.17	0.001	0.005	64.3	-2.28
N3	20.00	8.42	42.1	67.74	4.58	0.66	0.27	0.003	0.046	86.8	-3.11
N4	20.00	6.48	32.4	60.90	11.48	1.19	0.45	0.017	0.906	70.8	-2.47
N4 (repeat)	20.09	5.95	29.6	65.62	6.34	1.23	0.49	0.011	0.956	79.6	-2.72
N5	20.01	1.63	8.1	39.74	29.80	5.74	0.95	0.014	3.390	26.9	-0.52
N5 (repeat)	20.00	1.08	5.4	49.11	18.83	4.93	1.23	0.010	5.020	41.8	0.00
N6	20.00	2.49	12.5	48.65	21.32	4.25	1.00	0.010	3.150	46.5	-0.98
N7	20.00	0.04	0.2	IS	IS	IS	IS	IS	IS	I/S	IS
N8	20.00	4.26	21.3	69.02	2.16	0.23	0.06	0.011	0.003	45.4	-1.26
N9	20.00	6.21	31.1	68.31	3.11	0.29	0.10	0.004	0.008	60.3	-1.97
N10	20.00	3.03	15.2	59.03	15.82	0.65	0.16	0.009	0.482	73.8	-2.50
N11	20.00	9.82	49.1	70.43	1.74	0.28	0.08	0.002	0.012	91.8	-3.25
N12	20.01	9.84	49.2	68.26	4.22	0.33	0.15	0.003	0.004	88.9	-3.02
N13	20.00	6.89	34.4	68.40	4.28	0.39	0.16	0.003	0.008	87.8	-3.26
N14	20.00	3.54	17.7	40.30	30.43	3.07	0.99	0.033	0.151	47.4	-0.67
N14 (repeat)	20.22	2.16	10.7	59.80	11.02	1.58	0.95	0.013	0.146	74.4	-2.66
N15	20.00	9.41	47.0	68.23	4.56	0.43	0.12	0.003	0.045	87.5	-3.23
N16	20.00	10.36	51.8	70.17	2.37	0.14	0.07	0.002	0.006	91.6	-3.31
N17	20.00	4.10	20.5	29.74	35.64	8.00	2.36	0.066	0.079	28.3	-0.48
N17 (repeat)	20.30	1.92	9.5	49.72	17.63	3.62	3.16	0.039	0.059	58.0	-2.09
N18	20.01	8.75	43.8	65.87	7.47	0.38	0.12	0.005	0.042	84.6	-3.10
N19	20.00	3.70	18.5	49.46	22.93	2.45	0.95	0.027	0.030	62.5	-2.18
N20	20.00	2.10	10.5	67.44	4.91	0.58	0.10	0.004	0.051	72.2	-2.69
N21	20.00	7.27	36.3	68.03	4.32	0.60	0.09	0.002	0.059	87.8	-3.12
N22	20.00	6.65	33.2	64.38	8.46	0.70	0.17	0.006	0.126	81.4	-2.87
N23	20.00	2.77	13.8	67.00	5.80	0.32	0.08	0.006	0.030	68.2	-2.50
N24	20.00	8.96	44.8	69.58	2.90	0.31	0.10	0.003	0.033	88.4	-3.17
N25	20.00	1.03	5.1	35.29	39.69	3.30	0.59	0.028	1.150	31.9	-0.91
N26	20.00	5.54	27.7	44.47	31.70	1.24	0.23	0.021	0.438	46.3	-1.19
N26 (repeat)	20.08	3.55	17.7	60.74	12.83	0.87	0.30	0.008	0.392	72.4	-2.43
N27	20.00	6.40	32.0	57.97	16.51	0.73	0.24	0.010	0.141	72.7	-2.44
N28	20.00	1.84	9.2	33.92	26.70	1.95	1.05	0.032	0.273	38.9	1.63
N29	20.00	7.22	36.1	62.64	10.91	0.57	0.26	0.008	0.357	77.6	-2.78
N30	20.01	2.09	10.4	51.69	19.75	2.51	1.76	0.009	0.755	51.7	-2.56
N31	20.00	1.15	5.8	55.58	14.04	1.97	0.90	0.013	2.290	59.6	-2.17

Note: Fe: Iron; SiO₂: Silicon Dioxide; Al₂O₃ : Aluminium Oxide; TiO₂ Titanium Oxide P: Phosphorus; LOI: Loss On Ignition

Table 5 Optimum Grind DTR Head Assay

Sample ID	Assays (%)							
	Fe	SiO ₂	Al ₂ O ₃	TiO ₂	P	S	Fe ₃ O ₄	LOI ₁₀₀
AHRC0067-68	24.84	48.61	3.10	0.62	0.066	0.798	19.69	0.615

Table 6 Optimum Grind DTR Concentrate

Actual P ₈₀ (µm)	Feed	Mags		Assays (%)							
	g	g	%	Fe	SiO ₂	Al ₂ O ₃	TiO ₂	P	S	Fe ₃ O ₄	LOI ₁₀₀
45	20.00	4.27	21.4	69.99	1.80	0.54	0.17	0.002	0.174	93.27	-3.77
75	20.00	4.36	21.8	68.04	4.06	0.60	0.19	0.003	0.155	90.37	-3.16
90	20.01	4.67	23.3	66.84	5.59	0.62	0.19	0.006	0.156	88.56	-3.12
125	20.00	4.94	24.7	61.52	11.6	0.73	0.18	0.010	0.178	78.25	-2.52

Note: Fe: Iron; SiO₂: Silicon Dioxide; Al₂O₃ : Aluminium Oxide; TiO₂ Titanium Oxide P: Phosphorus; LOI: Loss On Ignition

Table 7a Grind Establishment Times			Table 7b Grind Size Checks			
Sample ID AHRC0067 - 68			Sample ID:	Bulk Comp P ₈₀ = 90 µm		
Mill Number	Time	Time (sec)	Size Fraction (µm)	Mass (g)	Mass (%)	Cumulative (%) Passing
P80 Size	(min)					
125 µm	5.75	345	90	18.64	12.6	82.3
106 µm	7.35	441	63	29.27	19.8	62.6
90 µm	9.38	563	45	20.36	13.7	48.9
75 µm	12.4	744	-45	72.82	49.1	-
45 µm	27.3	640	Total	148.61	100.3	

Grind times are low at below ten minutes to achieve milling to a P80 of 90µm. The tables above relate to grind establishment work completed and announced 2014. Table 7a and 7b, a precursor to favourable impact, bond and ball mill indices. More detailed metallurgical test work is underway from diamond drill hole AHRC0089D to establish the criteria for processing design.

Further metallurgical work includes, results expected in the December quarter.

- Unconfined Compressive Strength Index
- Specific Gravity
- Crushing Work Index
- Bond Ball Mill Index
- Abrasive Index

Wistlejack Project DTR

The Whistlejack Magnetite Project is within tenements E09/1781 and E09/1507 located 260Km north from Mullewa and 360Km by road north from the Port of Geraldton.

The magnetite ore drilled at Whistlejack appears to be a migmatic magnetite and is intimately associated with the Mt Narryer Gneiss. The gneiss is typically within a granulite facies metamorphic terrain which has a coarse grain size and crystalline nature. The ore tested is variable in some characteristics but similar to the Byro style of magnetite in the north Murchison area of the northwest Yilgarn. Overall the ore appears fundamentally different to the magnetite ore found in sedimentary granular iron formations (GIF) and finer banded iron formations (BIF) outside the terrain.

Grades announced here are from drilling conducted in compliance with the PoW approvals and EPA Guidance. All holes were designed to encounter target mineralisation below the weathering horizon and up to a maximum 150m depth.

All holes were logged and sampled. Further work is underway to determine what test work is required to understand the nature of the ore and how to best characterise the ore in terms of development of tests that will ultimately lead to the design of a processing flow sheet.

Athena Resources Limited – First Quarter Activities

Four holes were drilled and completed at the Whistlejack ore body in June 2016. Magnetic susceptibility readings and preliminary whole rock assays were announced within the June Quarterly Report, listed in Table 8.

Table 8. 2016 Whistlejack Collar Locations

Hole ID	Project	EOH	Easting	Northing	Dip	Azi	Tenement
AHRC0083	Whistlejack	124	417478	7104498	-60	320	E09/1507
AHRC0084	Whistlejack	154	417384	7104454	-60	320	E09/1507
AHRC0085	Whistlejack	124	417348	7104479	-60	320	E09/1507
AHRC0086	Whistlejack	124	417118	7104400	-60	320	E09/1507

Table 9. Whistlejack Magnetite Intersections

FEED	
Hole ID	Magnetite Intersection
AHRC0083	30m @ 34.42%Fe from 80m
AHRC0084	40m @ 37.02%Fe from 114m
AHRC0085	64m @ 33.35%Fe from 52m
AHRC0086	20m @ 38.26%Fe from 86m
DTR	
Hole ID	Magnetite Intersection
AHRC0083	Not completed
AHRC0084	40m @ 68.52%Fe from 114m
AHRC0085	32m @ 67.08%Fe from 56m
and	26m @ 67.54%Fe from 90m
AHRC0086	Not completed

Figure 4 Whistlejack Location

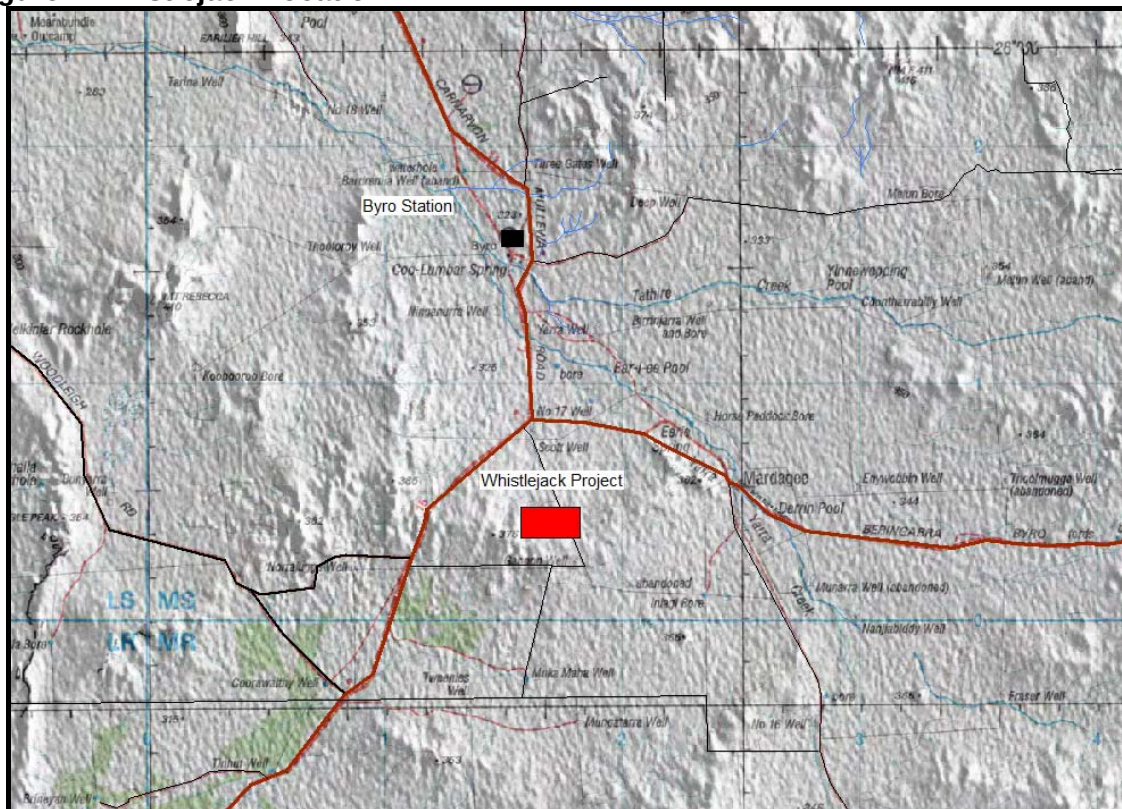


Figure 5. Drill Hole Location over TMI Magnetic Halo. (Red = 1500nT isobar) Cross section A A'

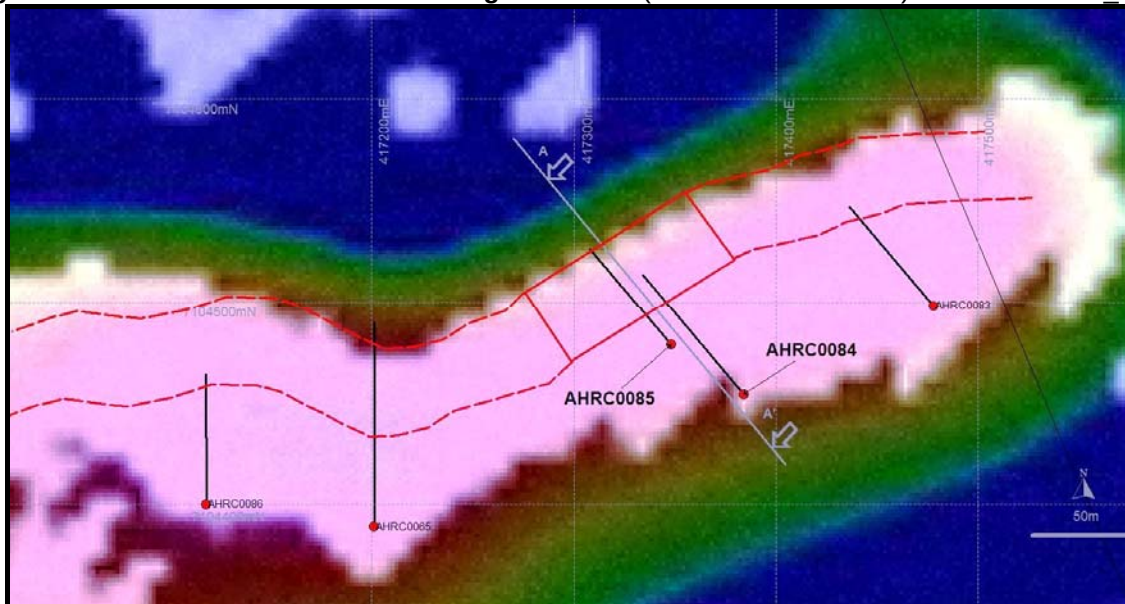
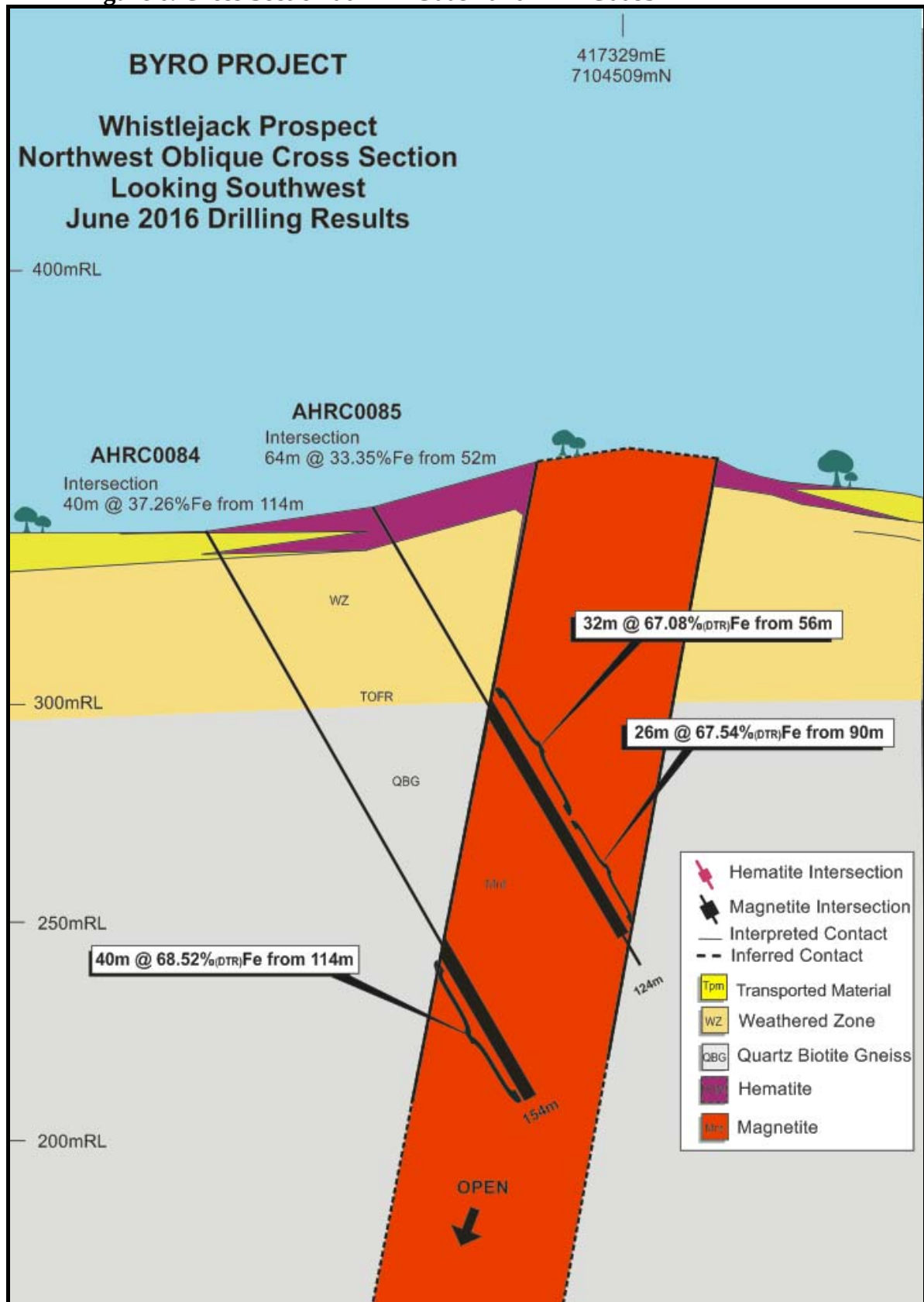


Figure 5 shows the drill hole locations From within the intersections within AHRC0084 and AHRC0085 reported 29 July 2016, a total of 49 samples were selected from these holes for compositing and Davis Tube Testing, Table 9.

The samples from each intersection were selected and combined to form composites representative of each intersection. A total of 14 composites were assembled and following a grind establishment were milled to 75µm to achieve liberation of the magnetite ore, Table 10

Figure 6. Cross Section at AHRC0084 and AHRC0085



Athena Resources Limited – First Quarter Activities

Davis Tube Test Work Details

In 2014 test work was undertaken to determine optimum grind which resulted in a coarse P80 of 75µm grind which achieved a high 66.8% Fe. This has been supported with further grind establishment work in 2016 using 75µm as the liberation target. Composites below were assembled based on feed assay as seen in Table 10 Below.

Table 10. Whistlejack Composite Head Assays

Composite No	Sample	Fe	SiO ₂	Al ₂ O ₃	TiO ₂	P	S	Fe ₃ O ₄	LOI ₁₀₀₀
AHRC0084 WJ5	MBRC4436	36.4	40.67	2.35	0.17	0.032	0.123	40.8	-1.51
	MBRC4437	38.77	39.93	0.74	0.05	0.034	0.128	45.5	-1.5
AHRC0084 WJ6	MBRC4438	39.37	40.14	0.64	0.05	0.03	0.17	44.6	-1.71
	MBRC4439	40.86	38.54	0.63	0.04	0.027	0.187	48.1	-1.74
	MBRC4440	40.24	39.19	0.54	0.02	0.019	0.104	47.6	-1.84
AHRC0084 WJ7	MBRC4441	35.69	39.82	1.97	0.15	0.036	0.408	36.3	-1.25
	MBRC4442	38.44	38.49	0.51	0.02	0.023	0.025	37.5	-1.85
	MBRC4443	39.86	38.54	0.65	0.03	0.022	0.024	40.8	-1.99
	MBRC4444	38.09	39.89	0.46	0.02	0.032	0.026	41	-1.81
	MBRC4445	38.24	39.56	0.6	0.07	0.043	0.041	42.1	-1.75
AHRC0084 WJ8	MBRC4446	35.28	43.81	1.89	0.09	0.047	0.064	39.2	-1.48
	MBRC4447	33.62	45.19	1.16	0.06	0.037	0.453	37.2	-1.13
	MBRC4448	28.18	50.05	4.98	0.18	0.048	1.12	23.3	-0.51
	MBRC4449	37.81	40.28	1.7	0.11	0.045	0.106	36.9	-1.88
	MBRC4450	30.39	45.37	4.4	0.26	0.045	0.068	32	-0.87
AHRC0084 WJ9	MBRC4451	35.44	42.46	2.41	0.11	0.031	0.088	41.3	-1.34
	MBRC4452	34.61	41.82	3.08	0.26	0.049	0.076	36.3	-1.08
AHRC0084 WJ10	MBRC4453	39.14	40.45	0.82	0.09	0.048	0.175	40.3	-1.72
	MBRC4454	39.39	39.8	0.91	0.15	0.043	0.046	40.7	-1.76
	MBRC4455	40.58	39.51	0.75	0.06	0.037	0.026	46	-1.83
AHRC0085 WJ12	MBRC4470	37.82	40.34	1.18	0.21	0.044	0.08	43.4	-1.08
	MBRC4471	34.74	42.74	2.42	0.12	0.031	0.124	40.4	-1.18
	MBRC4472	36.88	41.8	1.3	0.09	0.052	0.064	40.2	-1.5
	MBRC4473	33.53	44.02	2.6	0.19	0.043	0.07	37.1	-1.25
WJ13	MBRC4474	21	53.24	7.39	0.41	0.052	0.024	19.9	-0.61
AHRC0085 WJ14	MBRC4475	33.41	39.67	4.08	0.47	0.055	0.071	31.6	-0.56
	MBRC4476	39.51	39	1.5	0.22	0.047	0.034	41.8	-1.72
	MBRC4477	40.15	37.27	1.64	0.39	0.066	0.098	41.4	-1.86
	MBRC4478	40.5	38.85	0.83	0.09	0.045	0.079	42	-1.97
	MBRC4479	41.78	37.26	0.83	0.08	0.048	0.174	43.8	-2.1
AHRC0085 WJ15	MBRC4480	28.21	46.33	4.89	0.31	0.06	0.312	24.5	-0.71
	MBRC4481	39.87	38.08	1.27	0.11	0.031	0.106	40.3	-1.92
AHRC0085 WJ16	MBRC4482	40.68	36.87	1.16	0.11	0.029	0.105	40.9	-1.91
	MBRC4483	40.69	38.01	0.96	0.09	0.035	0.064	41.3	-2.08
	MBRC4484	38.5	38.47	1.33	0.12	0.029	0.258	35.5	-1.92
	MBRC4485	30.03	47.41	3.67	0.11	0.032	0.2	28.8	-1.31
AHRC0085 WJ18	MBRC4487	33.51	42.89	3.36	0.25	0.048	0.227	31.5	-1.1
	MBRC4488	40.65	38.19	1.11	0.12	0.043	0.168	38.5	-2.16
	MBRC4489	38.95	38.64	1.39	0.14	0.034	0.134	37.6	-2.03
	MBRC4490	40.25	38.25	0.93	0.09	0.031	0.114	40.1	-2.13
AHRC0085 WJ19	MBRC4491	36.91	41.52	2.2	0.17	0.031	0.13	33.5	-1.92
	MBRC4492	38.64	38.62	1.28	0.11	0.026	0.119	31	-2.46
	MBRC4493	27.15	48.37	5.28	0.28	0.027	0.107	25.5	-0.78
	MBRC4494	30.69	46.88	3.72	0.36	0.032	0.205	27.8	-0.8
	MBRC4495	34.02	45.8	2.77	0.12	0.02	0.174	29.6	-1.87
AHRC0085 WJ20	MBRC4496	26.7	51.78	5	0.2	0.033	0.138	26.5	-1.09
	MBRC4497	37.22	42.15	2.42	0.21	0.028	0.222	37.8	-1.62
	MBRC4498	26.41	49.3	5.12	0.26	0.063	0.205	22.8	-0.97
	MBRC4499	22.37	45.42	7.35	0.7	0.05	0.076	17.7	-0.28

The DTR assays returned grades that the Company considers are very good and confirm the ore body has economic potential for follow up metallurgy.

Athena Resources Limited – First Quarter Activities

Results show very low levels of impurities, notably low levels of the common contaminants phosphorous and sulphur, Where sulphur was encountered is was related to pyrite in the saprolitic weathered zone.

Table 11 DTR Composite Concentrate Results

Whistlejack Composites	Feed	Mags		Assays (%)							
	g	g	%	Fe	SiO ₂	Al ₂ O ₃	TiO ₂	P	S	Fe ₃ O ₄	LOI ₁₀₀₀
WJ5	20.43	9.78	47.9	69.76	2.15	0.58	0.11	0.002	0.047	87.7	-3.18
WJ6	20.23	10.63	52.5	68.95	3.17	0.68	0.09	0.002	0.101	86.2	-3.23
WJ7	20.31	9.69	47.7	68.56	3.68	0.71	0.11	0.006	0.073	85.0	-3.23
WJ8	20.68	7.93	38.4	66.75	4.45	0.81	0.19	0.005	0.547	83.0	-2.86
WJ9	20.33	8.61	42.3	70.31	1.36	0.73	0.23	0.003	0.044	89.6	-3.22
WJ10	20.32	9.58	47.2	68.97	2.85	0.90	0.22	0.004	0.068	85.3	-3.21
WJ12	20.29	9.17	45.2	67.99	4.31	0.84	0.21	0.003	0.034	86.8	-3.23
WJ13	20.37	4.43	21.7	66.66	4.34	1.52	0.76	0.005	0.013	82.5	-3.16
WJ14	20.78	9.54	45.9	67.42	4.77	0.99	0.35	0.008	0.052	85.1	-3.14
WJ15	20.89	7.86	37.6	66.37	5.72	0.94	0.28	0.008	0.102	81.7	-3.06
WJ16	20.45	8.80	43.0	66.22	6.03	1.05	0.22	0.008	0.126	82.3	-3.14
WJ18	20.84	8.90	42.7	67.55	4.59	0.93	0.28	0.008	0.096	83.0	-3.23
WJ19	20.15	7.40	36.7	67.64	4.04	0.90	0.29	0.007	0.131	83.7	-3.21
WJ20	20.29	5.99	29.5	67.42	4.39	1.04	0.40	0.004	0.124	84.6	-3.08

Note: Fe: Iron; SiO₂: Silicon Dioxide; Al₂O₃ : Aluminium Oxide; TiO₂ Titanium Oxide P: Phosphorus; LOI: Loss On Ignition

At the Whistlejack ore body drillers reported considerable and abnormally high wear rates on their equipment during RC drilling due to abrasiveness from the ore. New wear plates were replaced in nearly every hole and in some cases twice per hole. This level of abrasiveness had not been encountered previously. The hardness and abrasive nature of this ore will be tested and is expected to be a positive attribute in an industrial application.

Test work has already established that fine grind style processing is not appropriate for the coarse grain, crystalline ore. It is not known what work or energy will be required to crush the rock A purpose fit processing route will need to be developed through ongoing metallurgy. However, Athena is confident experiments can be developed to understand the ore, how to extract it from the parent rock and mitigate abrasion with the processing route at a low cost.

CONDITIONAL DISPOSAL OF BYRO PROJECT

Subject to the Company receiving all necessary Shareholder and regulatory approvals, the Company has agreed to give Brilliant Glory the right (but not the obligation) to purchase the Byro Project in consideration for the payment of \$20,000,000.

Completion of the acquisition under the Binding Term Sheet is subject to the following conditions:

- Athena conducting the necessary works to obtain two mining leases within the boundaries of the Byro Project; and
- Athena and Byro obtaining all necessary Shareholder and regulatory approvals prior to completion.

On and from completion of the acquisition, Athena will be entitled to a royalty of \$2 per dry metric tonne of iron ore sold from the Byro Project.

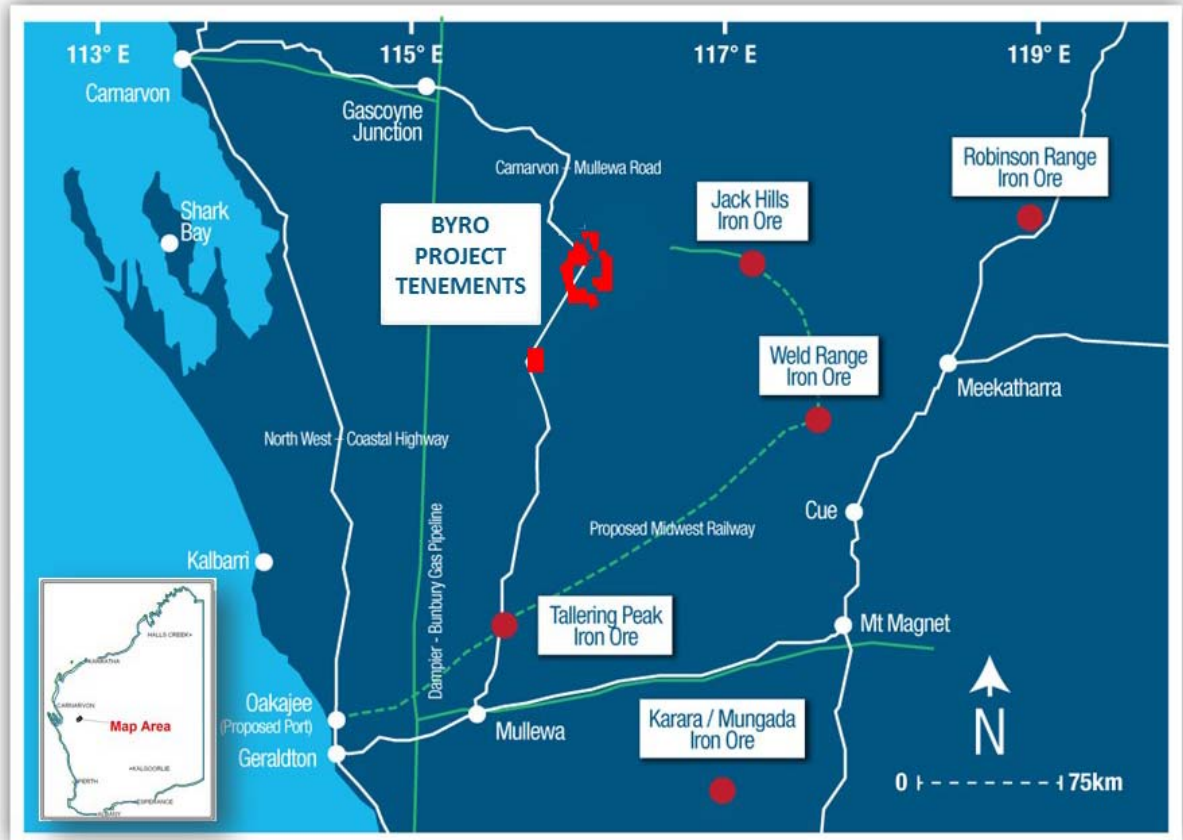
Athena Resources Limited – First Quarter Activities

About Athena Resources Limited.

Athena Resources Limited (ASX:AHN), which is based in Perth was listed on the ASX in 2006 and currently has 217 million shares on issue. Athena owns a 100% interest in the Byro Project through its subsidiaries Complex Exploration and Byro Exploration where it is exploring for iron ore copper, nickel and PGE's.

The Byro Iron Ore Project is strategically located in the Midwest which includes a substantial mining sector. The projects southern boundary is 210km north of the Mullewa Rail Siding by road and 310km from the Port of Geraldton. 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.

Figure 7 Regional Project Location



Yours faithfully

Ed Edwards
Executive Director
ATHENA RESOURCES LIMITED
25 October 2016

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
<i>Sampling techniques</i>	<i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	This Report includes magnetic susceptibility readings taken from RC drill hole sAHRC0076 AHRC0088. The measurement tool used for Magnetic susceptibility was a hand held KT-10 with serial number # 8791
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	Magnetic susceptibility readings were taken at every meter interval with the average reading noted from scanning mode
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i>	Reverse circulation drilling was used to obtain 1 m samples from which 5 kg was pulverised to produce a 50 g charge for XRF assay
<i>Drilling techniques</i>	<i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	- Reverse Circulation (RC) - RC Precollar with PQ Diamond Tail
<i>Drill sample recovery</i>	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	- Samples recovered from cyclone splitter using 1m intervals and 2 to 4m composites - Collection of RC Chips from sieved sample - No bias was observed between recovery and sample quality or loss or gain

Athena Resources Limited – First Quarter Activities

Criteria	JORC Code explanation	Commentary
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i>	Drill chips have been geologically logged as well as recording major geotechnical features observable in chip over the full depth of the holes.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	- RC Drilling chips taken - PQ whole core for metallurgy and Geotechnical sample
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	Samples were dry rotary split
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Industry standard sampling preparation procedures were used
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Industry standard sampling preparation procedures were used
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	- Industry standard sampling procedures were used - No field duplicate/second-half sampling
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Average sample size from splitter was 5kg
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	- This report includes XRF assay results from Bureau Veritas Laboratories Perth. Industry standard procedures were used in obtaining the assay results - This report includes one meter sample magnetic susceptibility results.. - The measurement tool used was a hand held KT-10 with serial number # 8791 using units of 10⁻³ Standard SI units - Industry standard procedures were used in obtaining the magus readings
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	The intersections have been verified by two Geologists, one independent to the company

Athena Resources Limited – First Quarter Activities

Criteria	JORC Code explanation	Commentary
	<i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i>	- No adjustments have been made to readings - Assays have been verified using standard QA QC methods
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i>	- Hand held GPS - Coordinate system used MGA94/50
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i> <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> <i>Whether sample compositing has been applied.</i>	- This report includes one meter sample magnetic susceptibility results. Assays are pending - Collar and end of hole surveys were taken and combined with collar location at surface - Sample compositing has been applied at 2m intervals within ore body and 4m intervals in the non-mineralised footwall and hanging wall
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	This report includes one meter sample magnetic susceptibility results and composite assay results that are not affected by orientation.
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	No sampling bias was introduced by drilling orientation
Sample security	<i>The measures taken to ensure sample security.</i>	Sample security was maintained during all stages of preparation
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	Sample security was maintained during all stages of preparation

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	Tenements referred to in this report are E09/1938, E091637, E09/1507 and E09/1781 and are 100% owned and operated by Athena Resources Pty Ltd within native title claim WAD 6033/98, made on behalf of the Wajarri Yamatji People.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	- The tenements are in good standing and no known impediments exist. - See tenement listing attached.
<i>Exploration done by other parties</i>	Acknowledgment and appraisal of exploration by other parties.	Historic exploration within the project area largely confined to south of a line extending from Imagi Well to the Byro East intrusion (Melun Bore). The earliest work with any bearing on Athena's activities is that of Electrolit Zinc Co (1969) exploring for chromitite at Imagi Well, followed closely by Jododex Australia (1970-1974) at Byro East. Much of the exploration of a more regional nature is of limited use either because of the vagaries of the accuracy of positional information and the limited range of elements analysed. More recent surveys pertinent to Athena's current investigations include that of Redback Mining (1996-2002), Yilgarn Mining Limited (2003-2008) and Mithril (2007, JV with Yilgarn) at Byro East, and Western Mining Corporation (1976-1979) and Precious Metals Australia at Imagi Well. Newcrest Mining carried out a limited reconnaissance RAB drilling programme for platinum just to the east of Byro homestead (1998-1990).
<i>Geology</i>	Deposit type, geological setting and style of mineralisation.	Upper amphibolite to granulite metamorphic facies with mafic to ultramafic intrusives. Archaean Granite and migmatite are common

Athena Resources Limited – First Quarter Activities

Criteria	JORC Code explanation	Commentary
Drill hole Information	- A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: - easting and northing of the drill hole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and interception depth - hole length.	See Table 1 and 2 main body of Report.
	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	No information has been excluded
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.	min max, ave, techniques were used in this report and all workings are shown within this report. References are used where information has been previously announced
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	aggregation has been used and is restricted to sample intervals which do not overlap assayed composite boundaries
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent are referred to in this report
Relationship between mineralisation widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results.	
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported	See main body of report
	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	All reference to widths are down hole length, true width is not calculated
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts	Refer to Figures in the body of the report

Athena Resources Limited – First Quarter Activities

Criteria	JORC Code explanation	Commentary
	<i>should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	This report contains all meaningful drilling results for this campaign
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	This report contains all meaningful drilling results for this campaign
Further work	The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).	Drilling programs have been planned and approvals have been granted. The registration ID of the granted PoW's is
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	The planned drilling information is commercially sensitive and is not included in this report.

Cautionary Notes

Forward Looking Statements

This announcement contains certain statements that may constitute “forward looking statements”. Such statements are only predictions and are subject to inherent risks and uncertainties, which could cause actual values, results, performance achievements to differ materially from those expressed, implied or projected in any forward looking statements.

Drilling to date supports aspects of the estimates in this report which were published earlier this year. The quantity and grade reported is conceptual in nature. There has been insufficient exploration to define a mineral resource. Further exploration is warranted to improve understanding and reduce uncertainty about this body.

JORC Code Compliance Statement

Some of the information contained in this announcement 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 Persons 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.

INTEREST IN MINING TENEMENTS	
Athena Resources Limited 100%	
Byro	
E09/1507	E – Exploration License
E09/1552	E – Exploration License
E09/1637	E – Exploration License
E09/1781	E – Exploration License
E09/1938	E – Exploration License
MLA09/166	M – Mining Licence
MLA09/168	M – Mining Licence