Athena Resources

Athena Resources Limited
ACN 113 758 900

JUNE - 2018 QUARTERLY REPORT

ATHENA RESOURCES LIMITED

ASX Symbol: **AHN**

ABN: 69 113 758 900

Address: 24 Colin Street, West Perth WA 6005
Telephone: (08) 9222 5888
Facsimile: (08) 9222 5810
Email: ahn@athenaresources.com.au

www.athenaresources.com.au

CONTACTS

Mr Ed Edwards
Executive Director

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

- **Formal Sale Option Agreement**

  During the quarter Athena gave notice to Brilliant Glory that Athena's conditions precedent to the formal agreement for the Sale Option for the Byro Project had been completed.

  In June 2018 the Sale Option Agreement was extended until 31 July 2018. As at the date of this Quarterly Report, Brilliant Glory has not satisfied its conditions precedent to the Sale Option Agreement. If the Brilliant Glory conditions precedent remain unsatisfied until midnight on 31 July 2018, Athena intends to exercise its right to terminate the Sale Option Agreement by notice in writing to Brilliant Glory on 1 August 2018

- **Feasibility Study on Byro Project**

  During the quarter Xinhai and Athena continued the work on the feasibility study following the results of the High Purity and Super High Purity magnetite concentrate.

  As part of the feasibility a physical assessment for the road corridor from FE1 site to the Port of Geraldton has been completed by WA Main Roads.

BYRO MAGNETITE PROJECT (Athena Resources 100%)

FEASIBILITY STUDY ON THE BYRO PROJECT

Brilliant Glory engaged Yantai Xinhai Mining Research and Design Co, Ltd., (Xinhai), from Shandong Provence, China, to conduct mineral processing test work on the FE1 and Mt Narryer ore bodies.

Mr. Zhang played a part in the preparation of the test report. Mr. Zhang is the Chairman of the Yantai Xinhai Group of which the Yantai Xinhai Mining Research and Design Co, Ltd is a fully owned subsidiary. Mr. Zhang is a Fellow of the Australasian Institute of Mining and Metallurgy.

It has been demonstrated by Athena Resources Limited, that the magnetite discovered within the companies Byro mining leases is of unique quality. The processing system developed by Xinhai was specifically tailored to suite the Byro project ore type while targeting a product suitable for markets in premium industrial processes, high purity metal production and the growing global Powder Metal (PM) industries.

As announced by Athena to ASX on 17 April 2018 Xinhai demonstrated the process route can reliably produce a bulk concentrate that could be divided into two categories, a High Purity magnetite product (HPFe) 71.5%Fe < 72%Fe, and a Super Purity magnetite product (SPFe), >72%Fe.

Following receipt of these test results Xinhai is compiling the feasibility study into the economics of the Byro Project as a product suitable for markets in premium industrial processes, high purity metal production and the growing global Powder Metal (PM) industries.

Main Roads WA were requested to assess the road corridor from the FE1 project covering the Berringarra-Cue Rd to the Carnarvon-Mullewa Rd to the intersection with the Geraldton-Mt Magnet Road. The preliminary assessment was completed in late June, The preliminary assessment is currently being considered by the Heavy Services Division of Main Roads WA.

CONDITIONAL DISPOSAL OF THE BYRO PROJECT

On 6 December 2016 Athena announced that it and Brilliant Glory Industrial Corporation Limited together with Brilliant Glory Investments Pty Ltd had signed a formal Sale Option Agreement.

That agreement included in the definitions the following: “Satisfaction Date means 30 June 2017 or such other date as is agreed between the Parties”.

On June 30 2018 that date was extended to 31 July 2018.

On 28 May 2018 Athena gave notice to Brilliant Glory that Athena had completed its Conditions Precedent to the Sale Option Agreement. As at the date of this Quarterly Report, Brilliant Glory has not satisfied its conditions precedent to the Sale Option Agreement. If the Brilliant Glory conditions precedent remain unsatisfied until midnight on 31 July 2018, Athena intends to exercise its right to terminate the Sale Option Agreement by notice in writing to Brilliant Glory on 1 August 2018

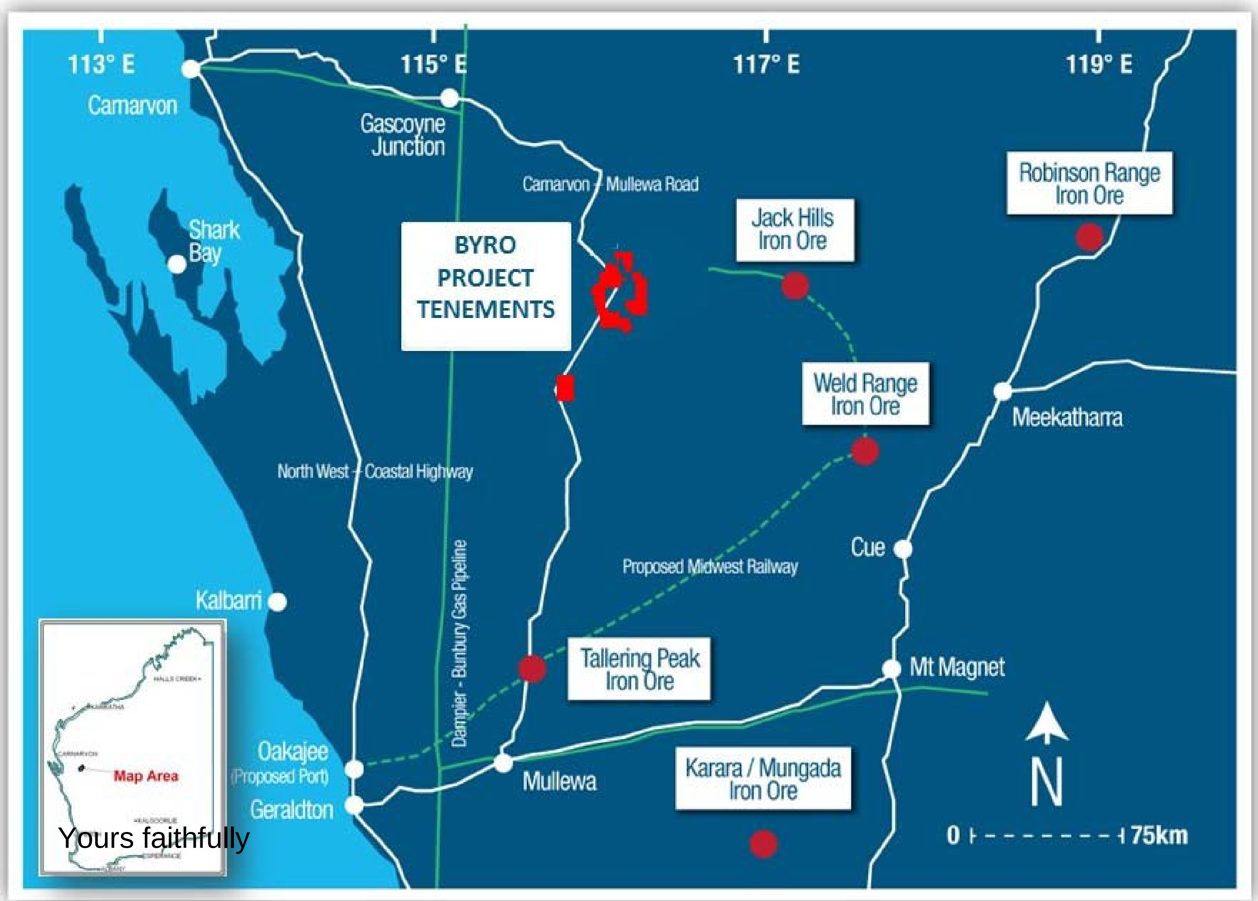
About Yantai Xinhai Mining Technology and Equipment

Shandong Xinhai Mining Technology and Equipment Inc. (stock code836079) is a stockholding high and new technology enterprise to provide "Turnkey Solution Plant" including design and research, machine manufacturing, equipment procurement, management service, mine operation, mine materials procurement and management as well as industry resources integration. Up to now, with 500 mine EPC projects, mining technologies and experience of 70 kinds of ores and 88 patents, Xinhai has established overseas offices in Sudan, Zimbabwe, Tanzania, Iran, Peru and Indonesia with products exported to more than 20 countries.

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 copper, nickel, PGE's and iron ore. Figure 1 below, shows the current tenement holdings.

Figure 1 Regional Project Location



Yours faithfully

Ed Edwards
Executive Director
ATHENA RESOURCES LIMITED
31 July 2018

INTERESTS IN MINING TENEMENTS

INTEREST IN MINING TENEMENTS Athena Resources Limited 100%	Tenement Type
Byro Exploration	
E09/1507	E – Exploration License
E09/1552	
E09/1637	
E09/1781	
E09/1938	
Byro Project Mining	
M09/166	M - Mining Lease
M09/168	

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 sufficient exploration to define a mineral resource and 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 quarterly report 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 Ltd and currently holds securities in the company.