



Athena Resources Limited

(ACN 113 758 900)

Entitlement Offer

For a non-renounceable pro rata entitlement offer of up to 54,190,197 New Shares on the basis of 1 New Share for every 4 existing Shares held on the Record Date at an issue price of \$0.01 per New Share to raise up to \$541,902.

The Offer closes 5pm (WST) on Thursday, 20 December 2018.

Important Notice

This Offer Document is not a prospectus or other form of disclosure document under the Corporations Act and has not been lodged with ASIC. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding the Offer or about the rights attaching to the New Shares offered by this Offer Document.

Please read the instructions in this Offer Document and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement.

The New Shares offered by this Offer Document should be considered speculative.

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Corporate directory

Registered Office

24 Colin Street
West Perth, WA 6005
Western Australia

Postal Address

PO Box 1970
West Perth, WA 6872
Western Australia

Email: info@athenaresources.com.au

Phone: +61 (08) 9222 5888

Directors

David Webster (Chairman)
Edmond Edwards (Executive Director)
Hau Wan Wai (Executive Director)

Share Registry

Computershare Limited
172 St Georges Terrace
Perth, WA 6000
Western Australia

ASX Listing Code

AHN

Important notices

1. Offer Document

This Offer Document has been prepared by Athena Resources Limited (ACN 113 758 900) (**Athena** or the **Company**) and is dated 26 November 2018. This Offer Document is not a prospectus or other form of disclosure document under the Corporations Act and has not been lodged with ASIC.

2. This is an important document

The information contained in this Offer Document does not constitute investment advice and has been prepared without taking into account each Eligible Shareholder's investment objectives or financial circumstances. You should seek advice from your professional adviser before deciding to invest. Investing in the Company involves risks. The Offer Document does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding the Offer or about the rights attaching to the New Shares offered by this Offer Document. This Offer Document should be read in conjunction with the Company's other periodic and continuous disclosure announcements to the ASX available at www.asx.com.au or the Company's website www.athenaresources.com.au.

3. Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer. To the extent permitted by law, neither the Company nor any other person warrants the future performance of the Company or any return on any investment made under this Offer Document, except as required by law and then only to the extent so required.

4. Future performance

Neither the Company nor any other person warrants, represents or guarantees (expressly or by implication) the future performance of the New Shares or any particular rate of return on any investment made pursuant to the Offer, or any particular tax treatment.

An investment in the Company is subject to investment and other known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and its board, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward- looking statements in this Offer Document.

5. Past performance

Investors should note that the past share price performance of Shares provides no guarantee or guidance as to future share price performance. Past performance information given in this Offer Document is provided for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

6. Eligibility

Applications for New Shares by Eligible Shareholders can only be made on an Entitlement and Acceptance Form sent with this Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Offer.

7. Overseas shareholders

This Offer Document does not, and is not intended to, constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer or issue. This Offer Document has not been, nor will it be lodged, filed or registered with any regulatory authority under the securities laws of any other country outside Australia.

8. **Privacy Act**

If you complete an application for New Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Offer Document. Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for New Shares, the Company may not be able to accept or process your application.

9. **Interpretation**

A number of terms and abbreviations used in this Offer Document have defined meanings as set out in Section 6 'Glossary of Terms'.

10. **Queries**

If you are an Eligible Shareholder or other investor and have any questions in relation to this Offer please contact your stockbroker, accountant or other professional adviser. If you have any questions regarding your Entitlement, how to complete the Entitlement and Acceptance Form or how to take up your Entitlement, contact the Company Secretary on +61(08) 9222 5888 or Company's Share Registry on +61(08) 9323 2000.

Overview

Question	Reference	Details
What is the Entitlement Offer?	Section 1	The Entitlement Offer constitutes the offer of 1 New Share for every 4 existing Shares held on the Record Date at an Offer Price of \$0.01 (1 cent) per New Share.
Who can participate in the Offer?	Section 1.1 and 1.12	Only Eligible Shareholders may participate in the Offer. Eligible Shareholders are persons with a registered address in Australia or New Zealand at 5.00pm (WST) on the Record Date. If you are a Shareholder residing outside of Australia or New Zealand, please refer to Section 1.12 for further information.
How much do I have to pay to participate in the Offer?	Section 1.3 and 2	This depends on how many New Shares you wish to acquire. The Offer Price is \$0.01 per New Share. You may accept all, or a portion of your Entitlement. If you apply for all of your Entitlement, you may also apply to subscribe for more New Shares than your Entitlement by applying for Shortfall Shares. The Shortfall Shares will be issued at the directors' discretion. There is no guarantee that you will be allocated the same number of Shortfall Shares that you applied for, if any at all.
What are the terms of the New Shares?	Section 1.2	The New Shares issued under the Offer will rank equally with existing Shares.
Is the Offer underwritten?	Section 1.8	No, the Offer is not underwritten.
Can the Offer be withdrawn?	Section 1.7	Yes. The Directors reserve the right to withdraw the Offer at any time subject to the Corporations Act and ASX Listing Rules.
What are the risks of investing in the Company?	Section 3	If the Offer is withdrawn, the Company will refund Application Monies, without any adjustment for interest. In addition to the general risks applicable to all investments in listed companies, there are specific risks associated with an investment in the Company. Key risks include future funding requirements and commodity price risk. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.
What is my Entitlement?	Section 1.3	Your Entitlement as an Eligible Shareholder is set out on your personalised Entitlement and Acceptance Form accompanying this Offer Document. If you apply for all of your Entitlement, then in addition to your Entitlement, you may also apply for Shortfall Shares at the same Offer Price.

Question	Reference	Details
What are the tax implications of participating in the Offer?	Section 1.14	As the tax implications of participating in the Offer can vary for each individual investor; you should contact your professional adviser.
What are my options?	Section 2	<p>You may either:</p> <ul style="list-style-type: none"> (a) take up all or part of your Entitlement; (b) apply for Shortfall Shares; or (c) do nothing and allow your Entitlement to lapse, in which case the New Shares issuable upon exercise of that Entitlement will form the Shortfall and may be placed to other Shareholders by the Directors.
Am I guaranteed to receive all Shortfall Shares I apply for?	Section 0	No. If you apply for Shortfall Shares, there is no guarantee that you will be issued all, or any, of the Shortfall Shares applied for. Any Application Monies received for more than an Applicants final allocation of New Shares (including Shortfall Shares) will be refunded as soon as practical after the Closing Date.
Can I sell or transfer my Entitlement?	Section 1.5	No. The Offer is “non-renounceable”.
How do I accept my Entitlement?	Section 2	<p>You may accept your Entitlement by:</p> <ul style="list-style-type: none"> (a) completing and returning the Entitlement and Acceptance Form (together with a cheque or bank draft for the total amount payable in Australian dollars) to the Share Registry; or (b) apply and pay via BPAY.
What if I am an Ineligible Shareholder?	Section 1.12	If you are a Shareholder outside of Australia and New Zealand you are an Ineligible Shareholder and you will have no ability to participate in the Offer.
What is the purpose of the Entitlement Offer and how will the funds be used?	Section 4.2	Proceeds from the Entitlement Offer will be principally applied towards costs associated with advancing the Company's Byro Project, and working capital, including costs of the Entitlement Offer.
How can I obtain further information?		The Company encourages you to seek advice from your financial or other professional adviser. Enquiries concerning the Offer Document and Entitlement and Acceptance Form should be directed to the Company Secretary on +61(08) 9222 5888 or Share Registry on +61 (08) 9323 2000.

Board Letter

26 November 2018

Dear Shareholder,

Athena Resources Limited capital raising – Entitlement Offer

On behalf of Athena Resources Limited (**Athena**), I am pleased to invite you to participate in a 1 for 4 non-renounceable pro-rata entitlement offer of Athena shares (**New Shares**) at an issue price of 1.0 cent for each New Share (**Entitlement Offer**).

The Entitlement Offer will not be underwritten, however a shortfall application facility is in place for Eligible Shareholders who would like to apply for more Shares than their Entitlement. Details of this are contained in section 0 and section 2.

Athena is continuing to work towards the development of the Byro Magnetite Project having identified a high-grade product specification acceptable to industrial and high value markets, and has decided to concentrate on the Fe1 deposit (M09/166) and the Mt Narryer deposit (M09/168).

A primary concentrate sample was further processed, producing a Super Purity magnetite (SPFe) of >72%Fe and a high Purity magnetite (HPFe) of >71.3%Fe. (100% theoretically pure magnetite (Fe₃O₄) is approximately 72.35%Fe).

Some of the industrial and high value markets identified to date may include:

- Magnetite in Bulk Coal Wash Market
- Magnetite in Dense Media Separation
- Magnetite in Ammonia and Gas to Liquid Fuel Synthesis Markets
- Iron Powder Markets
 - 3D Printing (Additive manufacturing)
 - Iron Powder Press-and-Sinter and Metal Injection Molding
 - Sponge Iron
- Dense Aggregate for concrete

Sample product and/or product specifications have been sent to potential customers in these markets.

Ongoing work has continued to develop the Mining Proposal for Fe1 as follows:

- resource development including drilling to bring the Fe1 inferred resource to an indicated and measured resource.
- transport corridor including working with the Murchison Shire, Main Roads and the Port of Geraldton.
- environmental clearance surveys are underway.
- hydrology desktop scoping studies are also continuing.

The Company intends to apply the funds raised from the Offer as set out in section 4.2 of the Offer Document.

You will find enclosed the following important information:

- summary of important dates;
- key terms for the Offer;
- risk factors associated with the Offer;
- instructions on how to apply setting out how to accept all or part of your Entitlement under the Entitlement Offer; and a personalised Entitlement and Acceptance Form which details your entitlement, to be completed in accordance with the instructions provided.

An investment in the Company is subject to certain risks, a non-exhaustive list of which is set out in Section 3. In particular, key risks include future funding requirements and commodity price risk. Accordingly, this Offer Document should be read carefully and in its entirety before deciding whether or not to participate in the Offer.

There will be a page on the Athena website entitled NRRI from which you can download a bookmarked copy of the offer document and research recent developments: www.athenaresources.com.au\NRRI.

On behalf of the Board, I encourage you to consider this investment opportunity and thank you for your continued support as an Athena Shareholder.

Yours sincerely

Edmond Edwards
Executive Director

Indicative Timetable

Event	Date
Announcement of Entitlement Offer, Appendix 3B, Cleansing Notice and Offer Document	26 November 2018
Notice Sent to Security Holders	26 November 2018
Ex Date (date from which securities commence trading without the entitlement to participate in the Offer)	28 November 2018
Record Date (date for determining entitlements of eligible shareholders to participate in the Offer as at 5:00pm (WST))	29 November 2018
Offer Document Dispatched to Shareholders (expected date of dispatch of offer document, entitlement and acceptance forms)	4 December 2018
Entitlement Offer Opens	4 December 2018
Closing Date* 5.00pm (WST)	20 December 2018
New Shares quoted on a deferred settlement basis	21 December 2018
ASX Notified of Shortfall	27 December 2018
Issue Date**	31 December 2018
Dispatch Holding Statements**	2 January 2019

* Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.

** Dates are indicative only

Applicants are encouraged to submit their Entitlement and Acceptance Forms as soon as possible after the Entitlement Offer opens. The timetable above is indicative only and is subject to change. Athena reserves the right, subject to requirements of the Corporations Act, ASX Listing Rules and other applicable laws to vary the dates of the Entitlement Offer, including extending the Closing Date or accepting late applications, either generally or in particular cases, without notice. Any extension of the Closing Date will have a consequential effect on the issue date of New Shares. Cooling off rights do not apply to an investment in New Shares and you cannot, in most circumstances, withdraw your application once it has been accepted.

1. Details of the Entitlement Offer

1.1 The Offer

The Company is making a pro-rata non-renounceable entitlement offer of ordinary shares in the Company on the basis of one (1) new share (**New Shares**) for every four (4) existing shares held, at an issue price of \$0.01 (1.0 cent) per share (**Entitlement Offer**).

The Entitlement Offer seeks to raise a total of approximately \$541,902 (before expenses) through the issue of up to a maximum of 54,190,197 New Shares. Fractions of shares will be rounded down to the nearest whole number.

The Entitlement Offer is non-renounceable and is available to all eligible Athena shareholders registered as shareholders of the Company at 5.00pm (WST) on Thursday, 29 November 2018 (**Record Date**). Please note that shareholders at the Record Date that have an address registered outside of Australia or New Zealand may not be eligible to participate in the Entitlement Offer.

The Entitlement Offer is not underwritten. New Shares issued under the Entitlement Offer will rank equally with existing shares and the Company will apply for official quotation of the New Shares.

The Company intends to apply the funds raised from the Offer towards costs associated with advancing the Company's Byro Project, and working capital, including costs of the Entitlement Offer. The costs of the Offer are estimated to be approximately \$10,000. Refer to Section 4.2 for further information.

1.2 Terms and Conditions of New Shares

The New Shares issued under the Offer are fully paid ordinary shares which, upon issue, will be on the same terms and conditions and will rank equally with the existing Shares of the Company.

1.3 Your entitlement and acceptance

Your entitlement to participate in the Offer will be determined on the Record Date. The entitlement of Eligible Shareholders receiving this Offer Document is shown on the original Entitlement and Acceptance Form sent to Eligible Shareholders with this Offer Document. The Offer may be accepted in whole or in part prior to the Closing Date. Instructions for accepting your Entitlement are set out in Section 2 and on the Entitlement and Acceptance Form which accompanies this Offer Document.

1.4 Opening and Closing Dates

The Company will accept Entitlement and Acceptance Forms from Eligible Shareholders until 5.00pm WST on the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

1.5 No Rights trading

Entitlements to New Shares offered pursuant to the Offer are non-renounceable and therefore Shareholders will not be able to trade their Entitlements under this Offer.

1.6 Shortfall Facility

An Entitlement not taken up pursuant to the Entitlement Offer will form part of the shortfall offer (**Shortfall**). The Shortfall Offer is a separate offer made pursuant to this Offer Document and will remain open for up to three months following the Closing Date of the Entitlement Offer. The issue price for each Share forming part of the Shortfall (**Shortfall Shares**) to be issued under the Shortfall offer will be \$0.01 per Shortfall Share (being the same price at which New Shares are offered under the Entitlement Offer).

The Company reserves the right to place any Shortfall remaining within a three month period after the Closing Date, at the Offer Price, to any investors who are eligible to subscribe for Shares who satisfy the requirements of section 708 of the Corporations Act, other than related parties and their associates. However, the Company will only issue such Shares pursuant to a Shortfall application received where the Directors are satisfied, in their discretion, that the issue of the Shares will not increase the applicant's voting power above 19.99%.

Eligible Shareholders may apply for Shortfall Shares under the Shortfall. Shortfall Shares will only be available where there is a Shortfall between Valid Applications received from Eligible Shareholders and the number of New Shares proposed to be issued under the Offer. Shortfall Shares may be issued on the same terms and conditions of the New Shares under the Offer at an issue price of \$0.01 per New Share.

Shortfall Shares will be allocated at the Directors' discretion. Accordingly, Eligible Shareholders who apply for Shortfall Shares may be allocated a lesser number of, or no, Shortfall Shares than applied for, in which case excess application money will be refunded without interest in accordance with the Corporations Act. It is possible that there will be few or no Shortfall Shares available, depending on the level of acceptance of Entitlements by Eligible Shareholders and the Directors' discretion. Accordingly, there is no guarantee that in the event that Shortfall Shares are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them. If you wish to subscribe for Shortfall Shares in addition to your Entitlement you may request a shortfall application form by emailing NRRI@athenaresources.com.au with the word Shortfall in the subject line. We will email a shortfall application form to you, with payment instructions.

Related parties (including the Directors) and their associates are unable to subscribe for any Shortfall Shares as a result of regulatory requirements.

You should obtain any professional advice you require to evaluate whether to participate in the Entitlement Offer. For further information regarding the Entitlement Offer please visit our website at www.athenaresources.com.au.

1.7 Entitlement and Acceptance Form

Acceptance of a completed Entitlement and Acceptance Form by the Company creates a legally binding contract between the Applicant and the Company for the accepted Entitlement which contract shall be subject to the Company's right to withdraw the Offer. The Entitlement and Acceptance Form does not need to be signed to be a binding acceptance of your Entitlement. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance of an Entitlement and Acceptance Form as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

1.8 Underwriting

The Offer is not underwritten

1.9 Issue and dispatch

All Shares offered by this Offer Document are expected to be issued, and security holder statements dispatched, on or before the dispatch date specified in the Timetable. It is the responsibility of Applicants to determine that New Shares have been issued to them prior to trading them. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

1.10 ASX quotation

The Company has made an application for official quotation by ASX of the New Shares offered under this Offer Document. If that permission is not granted by ASX, the Company will not issue any New Shares and all Application Monies received (without interest) will be refunded in full to the Applicants. The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares. The New Shares will have the same rights as and rank equally with existing Shares.

1.11 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Corporations Act and ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares.

If you are broker sponsored, ASX Settlement will send you a CHESS statement. The CHESS statement will set out the number of Shares issued under this Offer Document, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares. If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by Automatic Registry Services and will contain the number of Shares issued to you under this Offer Document and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

1.12 Overseas Shareholders and Appointment of Foreign Holder Nominee

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer Document. No action has been taken by the Company to permit an offer of the New Shares in any jurisdiction outside Australia and New Zealand. The Offer to Eligible Shareholders who have registered addresses in New Zealand at 5pm (WST) on the Record Date is made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

The Company is of the view that it is unreasonable to make the Offer to Shareholders without registered addresses in Australia and New Zealand at 5pm (WST) on the Record Date (**Ineligible Shareholders**) having regard to the:

- (a) small number of Ineligible Shareholders;
- (b) number and value of New Shares that would be offered to Ineligible Shareholders; and
- (c) cost of complying with regulatory requirements in jurisdictions outside Australia and New Zealand.

Accordingly, the Offer is not being extended to Shareholders with a registered address which is outside of Australia or New Zealand. Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations. Shareholders with a registered address outside Australia and New Zealand at 5.00pm (WST) on the Record Date will receive details of the Offer and advice that the Company will not offer New Shares to such Shareholders, in accordance with Listing Rule 7.7 and that as a result their shareholding will be diluted.

1.13 Risk factors

An investment in Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are summarised in detail in Section 3.

1.14 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Offer Document.

1.15 Governing law

This Offer Document and the contracts formed on acceptance of the Entitlement and Application Forms are governed by the laws applicable in Western Australia. Each applicant for New Shares under this Offer Document submits to the non-exclusive jurisdiction of the courts of Western Australia.

1.16 Entire agreement

The terms contained in this Offer Document constitute the entire agreement between the Company and you as to the Offer and your participation in it is to the exclusion of all prior representations, undertakings and agreements between the Company and you.

2. Action required by Shareholders

2.1 What Eligible Shareholders may do

The number of New Shares to which you are entitled (your Entitlement) is shown on the accompanying Entitlement and Acceptance Form. You may also apply for Shortfall Shares.

If you do not take up your Entitlement, then your percentage holding in the Company will be diluted if the Offer is completed.

As an Eligible Shareholder you may:

- (a) take up all or part of your Entitlement (refer to Section 2.2 below); or
- (b) allow all of your Entitlement to lapse (refer to Section 2.3 below).

2.2 If you wish to take up all or part of your Entitlement

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Offer Document as follows:

- (a) if you wish to accept your Entitlement in full, complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; or
- (b) if you only wish to accept part of your Entitlement, fill in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form,

and forward the completed Entitlement and Acceptance Form, unless payment is made by BPay®, together with your Application Monies to reach Computershare Registry Services by no later than 5:00pm (WST) on the Closing Date.

The postal address for the Company's share registry is located at:

Athena Resources Ltd
c/- Computershare Investor Services Pty Limited
GPO Box 505
Melbourne
Victoria 3001

The hand delivery address for the Company's share registry is below (between office hours 9:00am-5:00pm WST):

Athena Resources Ltd
c/- Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace
Perth 6000

The Offer Price for each New Share accepted under your Entitlement is payable on application. You have the following payment options:

- (a) **By Cheque:**
By cheque in Australian currency to "**Athena Resources Limited**" and crossed "Not Negotiable".
- (b) **By BPay®**
If paying via BPay®, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPay® by the date and time mentioned above. If you elect to pay via BPay®, you must follow the instructions for BPay® set out in the Entitlement and Acceptance Form and you do not need to return the Entitlement and Acceptance Form.

(c) **Payment by EFT**

Should you wish to pay by EFT the bank details are as follows:

Account Name	Athena Resources Share Issue Account
BSB	036-004
Account Number	311150

You will need to send the completed Entitlement and Acceptance Form to NRR1@athenaresources.com.au in this case.

The Company shall not be responsible for any postal or delivery delays or delay in the receipt of the BPAY® or EFT payment.

2.3 If you do not wish to accept any of your Entitlement

If you do not wish to accept any of your Entitlement, you are not obliged to do anything. The number of Shares you hold and the rights attached to those Shares will not be affected should you choose not to accept any of your Entitlement.

2.4 Enquiries concerning your Entitlement

Enquiries concerning the Offer Document or the Entitlement and Acceptance Form should be directed to the Company Secretary on +61 (08) 9222 5888.

3. Risk factors

Prior to deciding whether to apply for New Shares under the Entitlement Offer, you should read this Entitlement Offer Document in its entirety and review all announcements made to the ASX in order to gain an understanding of Athena Resources, its activities, operations, financial position and prospects.

You should be aware that there are risks associated with an investment in Athena Resources. These can be categorised as specific risks (that is, matters that relate directly to Athena Resources' business) and general risks (those that relate to the business in general). Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many are outside the control of Athena Resources and cannot be mitigated.

The New Shares carry no guarantee in respect of profitability, return of capital or the price at which they will trade on ASX. An investment in Athena Resources is speculative.

The following is not an exhaustive summary but identifies the areas the Board regards as the major risks specific to an investment in Athena Resources.

3.1 Specific risk factors

(a) *Exploration, development, mining and processing risks*

Mineral exploration, project development and mining by their nature contain elements of significant risk. Ultimate and continuous success of these activities is dependent on many factors such as:

- (i) the discovery and/or acquisition of economically recoverable ore resources;
- (ii) successful conclusions to feasibility studies;
- (iii) access to adequate capital for project development;
- (iv) design and construction of efficient mining and processing facilities within capital expenditure budgets;
- (v) securing and maintaining title to tenements;
- (vi) obtaining consents and approvals necessary for the conduct of exploration and mining;
- (vii) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants; and
- (viii) adverse weather conditions over a prolonged period, which can adversely affect exploration and mining operations and the timing of revenues.

Whether or not income will result from development of tenements depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development and mining operations.

(b) *Metallurgy*

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

- (i) identifying a metallurgical process through testwork to produce a saleable product;

- (ii) developing an economic process route to produce a saleable product; and
- (iii) changes in mineralogy in the ore deposit can result in inconsistent ore grades and recovery rates, affecting the economic viability of the project.

(c) *Operational and technical risks*

The current and future operations of Athena, including exploration, appraisal and production activities may be affected by a range of factors, including:

- (i) geological, geotechnical and hydrogeological conditions;
- (ii) limitations on activities due to seasonal weather patterns;
- (iii) alterations to joint venture programs and budgets;
- (iv) unanticipated operational and technical difficulties encountered in survey, drilling and production activities;
- (v) electrical and mechanical failure of operating plant and equipment, industrial and environmental accidents, industrial disputes and other force majeure events;
- (vi) unavailability of aircraft or drilling equipment to undertake airborne surveys and other geological and geophysical investigations;
- (vii) the supply and cost of skilled labour;
- (viii) unexpected shortages or increases in the costs of power, water, consumables, diesel fuel, tyres, spare parts and plant and equipment; and
- (ix) prevention or restriction of access by reason of inability to obtain consents or approvals.

(d) *Future funding requirements*

The funds raised by the Offer will be used to carry out the Company's objectives as detailed in this Offer Document and the Company's announcements to ASX. The Company's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary according to a number of factors, including prospectivity of projects (existing and future), the results of exploration, feasibility studies, development and mining, stock market and industry conditions and the price of relevant commodities and exchange rates.

Further to the Company's disclosure on 23 August 2018, the Company notes it continues discussions with a third party funder in respect of a potential placement of shares. No formal agreement has been entered into at this stage. The Company will continue to update the market in due course.

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in the future. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations.

(e) *Title, tenure and access*

Generally, mining tenements which Athena (or any of its Related Bodies Corporate) holds or may acquire either by application, sale and purchase or farm-in are regulated by the applicable mining legislation. There is no guarantee that any secondary applications for the proposed Byro mining and associated operations will be granted as applied. Various conditions may also be imposed as a condition of grant.

Renewal of mining tenements titles or licences is made by way of application to the relevant minister. There is no guarantee that a renewal will be automatically granted other than in accordance with the applicable mining legislation.

In addition, the relevant minister may impose conditions on any renewal, including relinquishment of ground.

(f) *Global credit and investment markets*

Global credit, commodity and investment markets have recently experienced a degree of uncertainty and volatility. The factors which have led to this situation have been outside the control of Athena and may continue for some time resulting in continued volatility and uncertainty in world stock markets (including ASX). This may impact the price at which Athena' securities trade regardless of operating performance and affect Athena' ability to raise additional equity and/or debt to achieve its objectives.

(g) *Commodity price risk*

If the Company achieves success leading to mineral production, the revenue it will derive through the sale exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors. Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets. These factors may have an adverse effect on Athena' exploration, development and production activities, as well as on its ability to fund those activities.

(h) *General environmental risks*

Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing mining operations to cease or be curtailed, and may require Athena to implement corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

(i) *Resource and reserve estimates*

Resource and reserve estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that are valid when made may change significantly when new information becomes available through drilling, sampling and similar examinations.

In addition, resource and reserve estimates are necessarily imprecise and depend to some extent on geological interpretations, as well as various economic, commercial, technical, environmental and legal assumptions which may prove to be inaccurate.

Should Athena encounter mineralisation or formations different from those predicted, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect Athena' operations.

(j) *Taxation and government regulations*

Changes in taxation and government legislation in a range of areas (for example, the Corporations Act, the Foreign Acquisitions and Takeovers Act 1975 (including the Foreign Investment Policy), accounting standards, and taxation law) can have a significant influence on the outlook for companies and the returns to investors.

The recoupment of taxation losses accrued by Athena from any future revenues is subject to the satisfaction of tests outlined in taxation legislation or regulations in the jurisdictions in which Athena operates. There is no guarantee that Athena will satisfy all of these requirements at the time it seeks to recoup its tax losses which may impact on the financial performance and cash flows of Athena.

(k) *Reliance on key personnel*

Athena is reliant on its management. The loss of one or more of these individuals could adversely affect Athena. In addition, Athena' ability to manage growth effectively will require it to continue to implement and improve its management systems and to recruit and train new employees and consultants. Although Athena expects to be able to do so in the future, there can be no assurance that Athena will be able to attract and retain skilled and experienced personnel and consultants.

(l) *Joint venture parties, contractors and agents*

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which Athena is, or may become a party; or insolvency or other managerial failure by any of the contractors used by Athena in any of its activities; or insolvency or other managerial failure by any of the other service providers used by Athena for any activity.

(m) *Insurance*

Athena will evaluate obtaining insurance cover for operational and other risks where appropriate, taking into consideration the availability of cover and premium costs and where required under its contractual commitments. There can be no assurance, however, that Athena will be able to obtain or maintain such insurance coverage at reasonable rates (or at all), or that any coverage it has or obtains will be adequate and available to cover any such claims.

(n) *Share liquidity and ASX listing*

Due to the size and nature of Athena, the liquidity of its Shares traded on the ASX can be low. This could impact your ability to sell the Shares that you acquire or the prices at which you can sell your Shares.

Under the ASX Listing Rules a listed company must maintain a spread of holdings which, in ASX's opinion, is sufficient to ensure that there is an orderly and liquid market in its securities. If a company is unable to maintain the required level of spread, ASX may suspend and eventually delist that company, which would materially adversely affect the ability of Shareholders to buy and sell shares.

3.2 General risk factors

(a) *Economic conditions*

The performance of Athena may be significantly affected by changes in both domestic and world economic conditions. Relevant factors include interest, inflation and exchange rates, changes in fiscal, monetary and regulatory policies and sovereign or political risk in each of the regions in which Athena operates.

(b) *Share market conditions*

As Athena is a listed company, the price at which its securities trade will be subject to the numerous influences that may affect both the broad trend in the share market and the share prices of individual companies and sectors. Investors should recognise that the price of New Shares may fall as well as rise.

(c) *Capital availability*

Current economic conditions can impact on the availability of debt and equity funding that may be required to support the cash flow of a business. Athena's development may be affected by availability of funding which would impact on its ability to establish business operations in the expected time frame and/or at its current levels.

4. Effect of the Offer

4.1 Capital Structure on completion of the Offer and Financial Position of the Company

The capital structure of Athena following the issue of New Shares, assuming (unless otherwise specified) that the maximum number of New Shares are issued under the Entitlement Offer, will be as follows:

Capital structure	Number
Shares on issue as at date of this offer Document	216,760,789
Maximum number of New Shares to be issued under the Entitlement Offer (if fully subscribed)	54,190,197
Maximum number of Shares on issue after completion of the Entitlement Offer (if fully subscribed)	270,950,986

The Company's cash reserves following completion of the Offer, assuming the Offer is fully subscribed, will increase by approximately \$530,000, being the gross proceeds of the Offer, less the costs of the Offer.

4.2 Purpose of the Offer and Use of Funds

The Company intends to use the proceeds of the Entitlement Offer on the Byro Project as follows:

Proposed Use of Funds	A\$
Tenement maintenance costs	\$100,000
Flora and fauna surveys	\$40,000
Working capital, including costs of the Entitlement Offer	\$201,902
Continued work to upgrade the resource from inferred to indicated and measured	\$200,000
Total funds raised under the Offer	\$541,902

Actual expenditure may differ significantly from the above estimates due to a number of factors including market conditions, the development of new opportunities, the results obtained and other factors. Any options on issue which are exercised will supplement the Company's working capital. In the event that less than the full amount of the gross proceeds are received, the general working capital budget will be reduced accordingly.

The above table is a statement of the Company's current intentions as at the date of this Offer Document. As with any budget, intervening agents including new circumstances, have the potential to affect the manner in which funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

Further to the Company's disclosure on 23 August 2018, the Company notes it continues discussions with a third party funder in respect of a potential placement of shares. No formal agreement has been entered into at this stage. The Company will continue to update the market in due course. Accordingly, following completion of the Entitlement Offer, Athena will continue to seek appropriate financing arrangements, so that additional sources of funds become available to meet its ongoing needs.

Shareholders should be aware that substantial further funding will be needed to develop the Byro project and should refer to the risk factor in section 3.1(d) of this Document for a further discussion of Athena's future capital requirements.

4.3 Directors' Participation and Potential Effect on Control of the Company

The Company has lodged with ASX a notice in accordance with section 708AA of the Corporations Act which sets out, among other things, the effect of the Offer on the control of the Company. This notice may be viewed on the websites of the Company and ASX.

The issue of New Shares will be dilutive to shareholders who do not take up their Entitlements under the Offer. The potential effect which the Offer will have on the control of the Company depends on several factors including the demand amongst Eligible Shareholders and the size of the Shortfall.

The potential effect of the Offer on the control of the Company is as follows:

- (a) If all eligible shareholders take up their Entitlements under the Offer, then the Offer will have no effect on the control of the Company.
- (b) If some eligible shareholders do not take up all of their Entitlements under the Offer, then their percentage shareholding and voting power in the Company will be diluted.
- (c) In addition, other eligible shareholders may be successful in applying for New Shares under the Shortfall Offer which will be dilutive to eligible shareholders who do not take up all of their Entitlement.
- (d) The percentage shareholding and voting power of ineligible shareholders will also be diluted by New Shares issued under the Offer, as a result of ineligible shareholders not being able to participate in the Offer and the relevant shares forming part of the shortfall to be dealt with at the discretion of the directors.

The effect the Entitlement Offer will have on change of control of the Company is described above and the table below and is attributable to eligible shareholders successfully applying for New Shares under the Entitlement Offer.

The Directors and their associates have expressed an intention to participate in the Offer to the extent set out in the table below. The actual effect on control will depend on the level of subscription by Eligible Shareholders pursuant to the Offer, as well as the extent to which the Directors allocate any Shortfall to third parties. Accordingly, whilst it is not possible to predict the actual effect, some potential effects of control on the Company that may arise as a result of the Entitlement Offer are set out in the table below. Please note this is not an exhaustive list.

Director	David Webster	Hau Wan Wai	Edmond Edwards
Shareholding on Record Date	9,891,798	43,000,000	30,438,218
% Holding	4.56	19.84	14.04
Entitlement	2,472,949	10,750,000	7,609,554
Intention to participate ⁽¹⁾	2,472,949	-	7,609,554
Shareholding upon issue of Entitlement Offer Shares	12,364,746	43,000,000	38,047,772
% Holding Post Entitlement Offer ⁽²⁾	4.56	15.87	14.04

Notes:

(1) The Directors' intentions are indicative as at the date of the Company's announcement of the Entitlement Offer and subject to change without notice.

(2) Example: Assumes that the Entitlement Offer is fully subscribed.

(3) Hau Wan Wai's shares are held by Brilliant Glory Industrial Corporation Limited (a company incorporated in Hong Kong) of which he sole Director.

5. Additional information

5.1 Reliance on Offer Document

The Offer is made pursuant to section 708AA of the Corporations Act without the issue of a disclosure document under Chapter 6D of the Corporations Act. This Offer Document is not a prospectus or a disclosure document under the Corporations Act (or any other Australian or foreign law) and has not been lodged with ASIC. This Offer Document contains a summary of information only. Investors should read this Offer Document in conjunction with the Company's disclosures lodged with ASX under the Listing Rules.

For the Company to rely on the disclosure exemption in section 708AA of the Corporations Act, the Company is required to lodge a "cleansing notice" under section 708AA(2)(f) of the Corporations Act which complied with the requirements of section 708AA(7) of the Corporations Act on the date of lodgement. That notice is required to:

- (a) set out any information that has been excluded from a continuous disclosure notice in accordance with the Listing Rules and that investors and their professional advisers would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (ii) the rights and liabilities attaching to the New Shares; and
- (b) state the potential effect of the issue of the New Shares on the control of the Company and the consequences of that effect.

The Company lodged a cleansing notice in respect of the Offer in accordance with section 708AA(2)(f) of the Corporations Act with ASX on 26 November 2018.

5.2 Continuous Disclosure

The Company is a "disclosing entity" under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual, half yearly and quarterly reports.

The Company is also required to notify the ASX of information about specific events and matters as they arise for the purpose of the ASX making that information available to the stock markets conducted by the ASX. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain exemptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price value of its Shares. That information is available to the public from the ASX.

Some documents are required to be lodged with ASIC in relation to the Company. These documents may be obtained from, or inspected at, an ASIC office.

5.3 Announcements

Eligible Shareholders intending to participate in the Offer should refer to the announcements made by the Company to the ASX. This information is available from the ASX website, www.asx.com.au (ASX Code: AHN), and the Company's website, www.athenaresources.com.au. Copies of the announcements will also be available from the Company Secretary.

5.4 Financial Information

Shareholders should refer to the Company's 2018 Annual Report and subsequent Quarterly Cash Flow Reports on the Company's website and related announcements on the ASX website should they wish to obtain more detailed disclosures and commentary on the historical financial position.

5.5 Historical Share price on ASX

The highest and lowest closing sale price of Shares on ASX during the 3 months immediately preceding the date of this Offer Document and the last closing price are as follows:

- (c) Highest closing price
\$0.025 on 30/10/18, 31/10/18, 1/11/18
- (d) Lowest closing price
\$0.010 on 18/10/18, 19/10/18, 22/10/18, 23/10/18, 24/10/18, 25/10/18
- (e) Last closing price
\$0.160 on 23/11/18

Eligible Shareholders should note that past Share price performance provides no guidance as to future Share price performance.

5.6 Custodians and Nominees

The Company is not obliged or required to assess whether or not any registered shareholder is acting as a nominee or to assess the identity of place of residence of any beneficial owners of Shares. Where a nominee is acting on behalf of a beneficial owner of Shares with a registered address outside Australia and New Zealand the nominee is responsible for ascertaining and taking its own advice as to whether the participation by the beneficial owner through the nominee's participation is in compliance with any applicable foreign securities legislation.

6. Glossary

These definitions are provided to assist persons in understanding some of the expressions used in this Offer Document.

\$	means Australian dollars.
Acceptance Form	means a valid application for New Shares made pursuant to this Offer Document on an Entitlement and Acceptance Form.
Applicant	An Eligible Shareholder who has applied to subscribe for New Shares by submitting an Entitlement and Acceptance Form accompanied by the relevant Application Monies or arranging payment through BPAY in accordance with the instructions on the Entitlement and Acceptance Form
Application	An application to subscribe by submission of an Entitlement and Acceptance Form accompanied by the relevant Application Monies or arranging for payment of the relevant Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form
Application Monies	Monies payable by Applicants in respect of Applications
ASIC	The Australian Securities and Investments Commission
ASX	ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as applicable
ASX Listing Rules	The official listing rules of ASX, as amended or waived by ASX from time to time
Board	The board of Directors of Athena Resources Limited
Company or Athena	Athena Resources Limited (ACN 113 758 900)
Corporations Act	Corporations Act 2001 (Cth)
Director	A director of Athena Resources Limited
Eligible Shareholder	A Shareholder who falls within the description set out in section 5.1
Entitlement	The entitlement to 1 New Share for every 4 Shares held at 5pm (WST) on the Record Date. The Entitlement of each Eligible Shareholder is shown on the Entitlement and Acceptance Form
Entitlement and Acceptance Form	The Entitlement and Acceptance Form accompanying this Document
Entitlement Offer	The pro rata non-renounceable offer of 1 New Share for every 4 Shares held by an Eligible Shareholder at 5pm (WST) on the Record Date at the Offer Price
Ineligible Shareholder	A Shareholder which is not an Eligible Shareholder
Offer Price	\$0.01 for each New Share
New Shares	All shares to be allotted and issued under the Entitlement Offer
Record Date	5.00pm (WST) on Thursday 29 November 2018
Register	The register of Shareholders required to be kept under the Corporations Act
Related Body Corporate	A 'related body corporate' as defined in the Corporations Act
Related Party	A 'related party' as defined in the ASX Listing Rules
Share	A fully paid ordinary share in Athena Resources
Share Registry	Computershare Limited (ACN 005 485 825)
Shareholder	A holder of Shares in Athena Resources Limited
Shortfall or Shortfall Share	Has the meaning specified in section 0
WST	Australian Western Standard Time