



Athena
Resources

ACN 113758 900

9 May 2019

Mr James Rowe
Manager, Listing Compliance (Perth)
ASX Compliance Pty Limited
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

By email: ListingsCompliancePerth@asx.com.au

Dear Mr Rowe

ATHENA RESOURCES LIMITED (ASX:AHN) (COMPANY)
ASX LETTER OF 7 May 2019

We refer to your letter to the Company dated 7 May 2019 (**Letter**). We respond to each of the questions contained in your Letter as follows:

1. The Company will have negative operating cash flows for the foreseeable future as is normal for a resource company conducting exploration activities.
2. The Company is currently in discussions with potential funders in respect of a placement. At this stage, the Company expects or anticipates these discussions to be concluded prior to 30 June 2019.
3. The Company expects to be able to continue its operations and meet its business objectives as outlined in the Quarterly Activities Report released on 30 April 2018. During May to date the Company has received \$40,000 from loan funding from directors and officers. Further funding will be provided by the Directors and officers (if required) until a placement is completed as outlined in 2 above.

The current operations predominantly consist planning the work required to obtain approval of the mining plan for the Byro Industrial Magnetite Project and reviewing sales and marketing opportunities in the markets identified in the March 2019 Quarterly Activities report. Furthermore, the Company constantly assesses its funding requirements in relation to its level of exploration activities to ensure that it is able to fund its future activities.

4. The Company hereby confirms it is in compliance with the Listing Rules and in particular, Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX that has not already been released to the market.
5. The responses to the questions asked in your letter dated 7 May 2019 have been made by Mr E W Edwards (a director of the Company) with the delegated authority from the board to respond to ASX on disclosure matters and in accordance with the Company's Continuous Disclosure Policy.

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

Regards

E W Edwards
Executive Director
Athena Resources Limited

Athena Resources Limited

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7 May 2019

Mr Ed Edwards
Executive Director
Athena Resources Limited
24 Colin Street
West Perth, WA 6005

By email: ee@athenaresources.com.au

Dear Mr Edwards

Athena Resources Limited ('AHN'): Appendix 5B Query

ASX refers to AHN's Appendix 5B quarterly report for the period ended 31 March 2019 lodged with ASX Market Announcements Platform on 30 April 2019 (the 'Appendix 5B').

ASX notes that AHN has reported:

- negative net operating cash flows for the quarter of \$310,568;
- cash at the end of the quarter of \$102,978; and
- estimated cash outflows for the next quarter of \$210,000.

It is possible to conclude, based on the information in the Appendix 5B that if AHN were to continue to expend cash at the rate indicated by the Appendix 5B, AHN may not have sufficient cash to continue funding its operations.

In view of that, ASX asks AHN to respond separately to each of the following questions and requests for information:

1. Does AHN expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has AHN taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does AHN expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that AHN is complying with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that rule that has not already been released to the market.
5. Please confirm that AHN's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of AHN with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **3.00 PM AWST Friday, 10 May 2019**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in AHN's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, AHN's obligation is to disclose

the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1 and Listing Rule 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to AHN’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that AHN’s obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in AHN’s securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

James Rowe
Manager, Listings Compliance (Perth)