

23 June 2021

The Company Announcements Office  
Australian Stock Exchange Limited  
4 Floor, Bridge Street  
SYDNEY, NSW 2000



**Athena**  
Resources

ACN 113 758 900

## **CAPITAL RAISINGS, DEBT RESTRUCTURE AND CONDITIONAL REINSTATEMENT TO TRADING ON THE ASX**

Athena Resources Limited (ACN 113 758 900) (ASX:AHN) (**Company**) is pleased to provide the following update.

### **Capital Raisings**

In order to recapitalise and strengthen its balance sheet, the Company is proposing to undertake the following capital raisings:

- 1) \$304,000 (before costs) through a proposed placement of 38,000,000 fully paid ordinary shares (**Shares**) at an issue price of \$0.008 per Share (**Placement**); and
- 2) \$2,888,270 through a proposed fully underwritten 1:1 rights issue to existing shareholders (**Rights Issue**) to issue 361,033,779 Shares at an issue price of \$0.008 per Share,

(together, the **Capital Raisings**).

Upon completion of the Capital Raisings, the Company would have raised a total of \$3,192,270 (before costs).

In accordance with new ASX policy in relation to reinstatement of long-term suspended entities, a full form prospectus will be prepared by the Company for the Rights Issue.

### **Lead manager and Underwriter**

CPS Capital Group Pty Ltd (**CPS**) has been engaged to act as lead manager to the Placement and to fully underwrite the Rights Issue.



Pursuant to the lead manager mandate (**CPS Mandate**) and underwriting agreement (**Underwriting Agreement**) entered between CPS and the Company, CPS will receive the following fees:

- a) an underwriting fee of 6%, plus GST, where applicable for underwriting the Rights Issue;
- b) a management fee of 2%, plus GST, for managing the Placement;
- c) a placement fee of 4%, plus GST, for funds raised via the Placement;
- d) subject to the Rights Issue and Placement being completed in full, CPS will receive a monthly corporate advisory fee of AUD\$5,000.00 plus GST, per month, where applicable, payable in cash. This mandate is for a minimum term of twelve (12) months and the full amount of the twelve (12) month term is due and payable should this mandate be terminated by the Company otherwise than for cause; and
- e) CPS and or its Nominees, will receive 75,000,000 Options upon the successful reinstatement of the Company. These Options will have an expiry term of four years with an exercise price of \$0.02. These Options will be issued at a deemed issue price of \$0.0001. The Company will seek shareholder approval for the issue of these Options at a meeting to be held in the near future (**General Meeting**).

The CPS Mandate and Underwriting Agreement otherwise contain terms and conditions considered standard for an agreement of this nature.

### Use of funds

The net proceeds of the Placement will be applied to existing creditors of the Company.

The proceeds of the Rights Issue will be used as follows:

Proposed use of funds	Amount (\$)
Underwriting Fee (6%)	173,296
Overheads	442,763
Exploration	2,272,211
<b>Total</b>	<b>\$2,888,270</b>

**Note:** The above table is a statement of current intentions as at the date of this Notice. Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors including, but not limited to, the outcome of operational and development activities, as well as regulatory developments and economic conditions. In light of this, the Company reserves the right to alter the way the funds are applied

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## Debt Restructure

In addition to the Capital Raisings, the Company also proposes to restructure debt owing to Directors and Officers of the Company.

The Company has reached an agreement with the Directors and Officers of the Company to (**Debt Restructure**):

- 1) write off an amount of \$414,600 (inclusive of GST) of Director fees owing; and
- 2) convert a further amount of \$567,200 Director fees owing into equity at \$0.008 cents per share subject to shareholder approval. The Company will seek shareholder approval for the proposed conversion of Director fees into Shares at the General Meeting.

## Proposed Capital Structure

Upon the completion of the Capital Raisings and Debt Restructure, the capital structure of the Company will be as follows:

<b>Capital Raising and capital structure</b>	<b>Shares</b>	<b>Value \$</b>
<b>Shares</b>		
Current shares on issue	323,033,779	
Securities to be issued pursuant to the Placement	38,000,000	304,000
Rights Issue shares at 1:1 fully underwritten	361,033,779	2,888,270
Securities to be issued to Directors and other officers in satisfaction of outstanding fees	<u>70,900,000</u>	567,200
<b>Total Shares on issue after Rights Issue and shortfall placement</b>	<b><u>792,967,558</u></b>	
<b>Options</b>		
Options to be issued to CPS pursuant to the CPS Mandate	<u>75,000,000</u>	
<b>Total Options on issue after Rights Issue</b>	<b><u>75,000,000</u></b>	
<b>Proceeds</b>		
Placement		304,000
Rights Issue		<u>2,888,270</u>
<b>Total</b>		<b><u>3,192,270</u></b>



## **Board Changes**

The Company also intends to appoint Frank Knezovic and David Wheeler to the Board.

The purpose of the change is to refresh the Board and to provide additional experience to assist with the exploration program and development of commercial opportunities for the Company.

### Frank Knezovic

Mr Knezovic is a lawyer and co-founding director of legal firm Nova Legal. Mr Knezovic has for more than 20 years advised public and private companies, directors, corporate advisors, broking firms, insolvency practitioners and financial services providers on a broad range of corporate and commercial matters. Mr Knezovic has extensive experience in advising on capital raisings (both IPO and post-IPO) asset acquisitions and disposals, takeovers, mergers and acquisitions, corporate reconstructions and insolvency, directors' duties, general corporate and commercial advice, and regulatory and strategic advice. Mr Knezovic is a member of the Australian Institute of Company Directors and the Association of Mining and Exploration Companies.

### David Wheeler

David has more than 30 years of Senior Executive Management, Directorships, and Corporate Advisory experience. He is a foundation Director and Partner of Pathways Corporate a boutique Corporate Advisory firm that undertakes assignments on behalf of family offices, private clients, and ASX listed companies.

David has engaged in business projects in the USA UK Europe NZ China Malaysia Singapore and the Middle East.

David has experience on public and private company boards and currently holds several Directorships and Advisory positions in Australian companies.

David holds the following ASX Listed company board positions:

- 1) Avira Resources Ltd (AVW) - Non-Executive Chairman
- 2) Blaze International Ltd (BLZ) - Non-Executive Chairman
- 3) Health House International Ltd (HHI) - Executive Chairman
- 4) Protean Wave Energy Ltd (POW) - Non-Executive Director
- 5) PVW Ltd (PVW) - Non-Executive Chairman
- 6) Ragnar Minerals Ltd (RAG) - Non-Executive Director

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- 7) Tyranna Resources Ltd (TYX) - Non-Executive Director
- 8) Syntonic Ltd (SYT) - Non-Executive Director

David is a fellow of the Australian Institute of Company Directors (FAICD) (since 1990).

### **Reinstatement to Trading**

On the basis of the Company's Capital Raisings, Debt Restructure, Board changes and proposed future exploration activities, the Company lodged submissions to the ASX for confirmation that the Company will comply with Chapter 12 of the Listing Rules, in particular, that the Company's level of operations and financial condition will be sufficient to satisfy ASX Listing Rules 12.1 and 12.2, and of the conditions that ASX would impose on the Company's reinstatement.

The Company is pleased to announce that it has received confirmation from the ASX that the ASX can see no reason why the securities of AHN should not be reinstated to official quotation, subject to compliance with the following conditions (**Reinstatement Conditions**):

- 1) The Company's shareholders approving all of the resolutions required to effect the proposed Capital Raising to be considered at a general meeting of shareholders.
- 2) The Company releasing a full form prospectus pursuant to section 710 of the *Corporations Act 2001* (Cth) (**Prospectus**) in relation to the proposed Capital Raising.
- 3) Completion of the Capital Raising, closure of the Prospectus and confirmation that the Company has reached minimum subscription.
- 4) Confirmation in a form acceptable to ASX that the Company has received cleared funds for the complete amount of the issue price of every security allotted and issued to every successful applicant for securities under the Capital Raising.
- 5) The Company demonstrating compliance with Listing Rules 12.1 and 12.2, to the satisfaction of the ASX, as set out below.
  - a) The Company satisfies the requirements of Listing Rule 12.1 by completion of the following activities from the exploration program set out in the Company's submissions provided on 27 May 2021:
    - i) Native Title: Mining Lease Heritage Fee;
    - ii) Metallurgy: Industrial Minerals Project further metallurgical test work;
    - iii) Geophysical Ground Electromagnetic Survey:

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- (A) Ground Electromagnetic: Milly Milly Intrusion, (TDEM – SQUID); and
  - (B) Ground Electromagnetic: Moonborough Intrusion, (TDEM - SQUID).
- iv) Geophysical Ground Gravity Survey:
- (A) Ground Bougar Gravity: Milly Milly (Infill over conduit target);
  - (B) Ground Bougar Gravity: Milly Milly (Infill over western contact with second Intrusion);
  - (C) Ground Bougar Gravity: Moonborough (Infill to close space over main bougar anomaly);
- v) Target Generation: Data collation and Interpretation including target definition and drilling trajectories;
- vi) Native Title: Ethnographic Clearance Surveys, Access and Drill Pads;
- vii) Ground Preparation: Develop access and drill pads; and
- viii) Drilling:
- (A) Milly Milly Intrusion (3 Primary Targets); and
  - (B) Moonborough Intrusion (3 Primary Targets),
- at the Byro Project.
- b) Announcement of the completion of the drilling programs referred to at 5(a) [bookmark0](#)(viii)(A) and 5(a)(viii)(B) above and confirmation that the Company is proceeding with the remainder of the scheduled activities set out in the exploration program.
- c) The Company's financial condition satisfies the requirements of listing rule 12.2, by completion of the Capital Raising and that, after payment of the costs of the Capital Raising the Company can demonstrate to ASX that it will have working capital of \$1,500,000.
- d) The Company's financial condition remains satisfactory to ASX and in compliance with listing rule 12.2 at the time of reinstatement.
- 6) Lodgement of all outstanding Appendices 3B with ASX for issues of new securities.
- 7) Lodgement of any outstanding reports for the period since the Company's securities were suspended and any other outstanding documents required by Listing Rule 17.5.



- 8) Lodgement of the Company's reviewed accounts for the half year ended 31 December 2020, and:
  - a) if reinstatement is to occur after the due date for the Company's accounts for the full year ended 30 June 2021, the Company's audited accounts for the full year ended 30 June 2021 that are not subject to any modified opinion, emphasis of matter or other matter paragraph that ASX considers unacceptable; or
  - b) if reinstatement is to occur prior to the due date for the Company's accounts for the full year ended 30 June 2021, the reviewed accounts for the half year ended 31 December 2020 must not be subject to any modified opinion, emphasis of matter or other matter paragraph that ASX considers unacceptable.
- 9) Lodgement of Director's Interest Notices, being either Appendix 3Xs, 3Ys, or 3Zs, as required.
- 10) Confirmation that there are no legal, regulatory or contractual impediments to the Company undertaking the activities the subject of the commitments disclosed in the Prospectus.
- 11) Payment of any ASX fees, including listing fees, applicable and outstanding.
- 12) Confirmation the securities to be issued following the Meeting have been issued, and despatch of each of the following has occurred:
  - a) In relation to all holdings on the CHESSE subregister, a notice from the Company under ASX Settlement Operating Rule 8.9.1.
  - b) In relation to all other holdings, issuer sponsored holding statements.
  - c) Any refund money.
- 13) Provision of the following documents, in a form suitable for release to the market.
  - a) A statement setting out the names of the 20 largest holders of each class of securities to be quoted, including the number and percentage of each class of securities held by those holders.
  - b) A distribution schedule of the numbers of holders in each class of security to be quoted, setting out the number of holders in the following categories.
    - 1-1,000
    - 1,001-5,000
    - 5,001-10,000
    - 10,001-100,000
    - 100,001 and over



- c) A statement confirming completion of the Capital Raising, closure of the Prospectus and that the Company has reached minimum subscription.
- d) A statement outlining the Company's capital structure following the Meeting on a post-issue basis.
- e) The Company's pro forma balance sheet based on actual funds raised.
- f) The Company's updated statement of commitments based on actual funds raised.
- g) A consolidated activities report setting out the proposed business strategy for the Company (including an update on the status of the Company's assets and the current activities with respect thereto).
- h) An update on the status of the forfeiture applications in respect to tenements E09/1507 and E09/1552.
- i) Full terms and conditions of all options on issue.
- j) A statement confirming that there are no legal, regulatory or contractual impediments to the Company undertaking the activities the subject of the commitments disclosed in the Prospectus.
- k) Confirmation that the Company is in compliance with the listing rules and in particular listing rule 3.1.
- l) Provision of any other information required or requested by ASX including, but not limiting the generality of the foregoing, in relation to any issues that may arise (1) from ASX's review of the Prospectus and (2) the Company's financial reports.



## Indicative Timetable

The indicative timetable to complete the Capital Raisings set out below:

Event	Date
ASX announcement Capital Raising and Reinstatement	23 June 2021
Placement completed	24 June 2021
Prospectus lodged with ASIC/ASX for Rights Issue	8 July 2021
General Meeting	30 July 2021
Completion of Rights Issue	30 July 2021

The above timetable is indicative only and subject to change.

This announcement was authorised by the Board of the Company

Yours faithfully

E W Edwards  
Executive Director

**Shareholder queries:** Ed Edwards, Executive Director, [ahn@athenaresources.com.au](mailto:ahn@athenaresources.com.au)