

16 March 2021

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



Athena
Resources

ACN 113 758 900

Extension of Reporting and Lodgement Deadline – Interim Financial Report for Half Year ended 31 December 2020

Athena Resources Limited (ASX: AHN) ("**Company**") advises that it will be relying on *ASX Class Waiver Decision – Extended Reporting and Lodgement Deadlines* dated 29 December 2020 ("**ASX Class Waiver**") and *ASIC Corporations (Extended Reporting and Lodgement Deadlines – Listed Entities) Instrument 2020/451* ("**Amended ASIC Relief**") to extend the lodgement date for its reviewed half-year accounts which are required to be lodged with ASX and ASIC under Listing Rule 4.2B and section 320 of the *Corporations Act 2001* (Cth) respectively.

As required under the ASX Class Waiver, the Company advises that the following **un-reviewed** documents will be lodged with the ASX no later than 16 March 2021:

- a) Statement of Comprehensive Income together with Notes to the Statement;
- b) Statement of Financial Position together with Notes to the Statement;
- c) Statement of Cash Flows together with Notes to the Statement; and
- d) Statement of Retained Earnings.

Under the ASX Class Waiver, the Company is required to release its reviewed half year accounts for the half-year ended 31 December 2020 at the earlier of: (i) when they are ready to be given to ASX; or (ii) when they must be given to ASIC under the Amended ASIC Relief.

The Company will immediately make a further announcement to the market if there is a material difference between its un-reviewed half year accounts and its reviewed half year accounts.

This announcement was authorised by a Director, E W Edwards

Yours faithfully
E W Edwards
Executive Director

Athena Resources Limited



Athena Resources Limited

ABN 69 113 758 900

PRELIMINARY UN-REVIEWED INTERIM FINANCIAL REPORT 31 DECEMBER 2020

These financial statements are subject to audit review. The Company is relying on the Amended ASIC Relief to extend the lodgement date for its audit reviewed half year accounts and the other documents required to be lodged with ASIC under section 320 of the Corporations Act.

The Company does not anticipate any variance between its unreviewed accounts and its reviewed accounts; however, it will immediately make an announcement to the market if it becomes aware that there will be a material difference.

DIRECTORS' REPORT



AND CONTROLLED ENTITIES

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2020. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

DIRECTORS

The following persons were directors of Athena Resources Limited during the whole of the half-year period and up to the date of this report.

| | |
|----------------|------------------------|
| David Webster | Non Executive Chairman |
| Hau Wan Wai | Executive Director |
| Edmond Edwards | Executive Director |

REVIEW OF OPERATIONS

Exploration and Evaluation

BYRO BASE METALS PROJECT

Milly Milly Intrusion (Cu/Ni/PGE)

Potential structural flow dynamics within the Milly Milly intrusion warrant an infill gravity survey planned to further define the anomaly. Gaps in ground EM data have also been highlighted warranting further moving loop EM data acquisition.

Review of diamond drill hole AHDH0007 drilled outside the interpreted intrusion boundary targeting a gravity anomaly. The hole remained in ultramafic to end of hole and showed variable geochemistry including sections of primitive ultramafic with signs of metal depletion towards the end of hole.

Moonborough Intrusion (Cu/Ni/PGE)

Recent appraisal of the central Byro, Moonborough Intrusion demonstrates compelling exploration potential. The project is at a greenfield stage hosting a significant gravity anomaly coincident with 10-year-old VTEM anomalies and drilling which intersected an ultramafic.

BYRO INDUSTRIAL MAGNETITE PROJECT

During the period under review Athena has undertaken additional test work defining the magnetic characteristic of the Byro Industrial Magnetite. The results of this confirm the suitability for retrieval and re-use in multiple industrial processing applications.

Further work has been conducted to confirm suitability for dense media separation for the coal washing industry. The product is well within international specifications.

The test work to date confirms the Athena product is suited to relatively high value markets as opposed to steel making, which sets it apart from other typical Mid-West deposits.

A small amount of by product may be sent to steel mills for blending with lower grade ore.

Market research on uses for high purity magnetite indicates that there is a significant offtake opportunity for the Athena product in a number of industries.

DIRECTORS' REPORT



AND CONTROLLED ENTITIES

During the current season Athena intends to conduct further drilling at Byro to upgrade the 2004 JORC compliant Inferred Resource to Indicated both in tonnage and to the revised 2012 JORC Code.

Once a 2012 JORC compliant resource is confirmed the Company will be in a position to publish an indicative valuation of the project.

Corporate

On 13 August 2019 ASX suspended trading in Athena shares due to insufficient funds to satisfy the funding requirement under their guidelines. This was based on a Quarterly Cash Report for June 2019 which showed available cash of less than \$10,000 and expected outgoings in the order of \$200,000 in the forthcoming quarter.

At the date of the suspension Athena shares had last traded at 2c per share.

During the half year to 31 December 2020, 9,857,142 shares have been issued for a total of \$345,000 less costs of \$4,722. Costs comprised ASX listing fees.

These transactions were at 3.5c per share.

Ongoing funding remains a significant issue, however the Company has a commitment from the same Hong Kong investor for a further \$315,000 at 3.5c per share. Covid-19 travel restrictions have caused unforeseen and unavoidable delays in settling this placement.

Detailed results of activities and discussion thereon are contained in our Quarterly Activities Reports which are available on our website www.athenaresources.com.au.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s306(3) of the Corporations Act 2001.

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Edmond W Edwards
Executive Director
Dated at Perth this 16 day of March 2021

CONDENSED STATEMENT OF COMPREHENSIVE INCOME



FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

AND CONTROLLED ENTITIES

| | Note | Consolidated Entity | |
|--|------|---------------------------|---------------------------|
| | | 31 December 2020 \$ | 31 December 2019 \$ |
| Expenses | | | |
| Directors' remuneration | | 90,000 | 114,000 |
| Salaries and employee costs | | 114,750 | 76,650 |
| Legal and professional | | 42,825 | 48,240 |
| Office and communication | | 8,795 | 41,016 |
| Listing and share registry | | 19,818 | 22,321 |
| Financial expenses | | 5,565 | 18,424 |
| Depreciation | | 1,266 | 2,848 |
| Other expenses | | 15,443 | 27,304 |
| Total Expenses | | <u>298,462</u> | <u>350,803</u> |
| Recoveries to capitalised exploration | | (99,200) | (102,000) |
| Expenses net of recoveries | | <u>199,262</u> | <u>248,803</u> |
| Other income | 2 | (15,799) | (28) |
| LOSS BEFORE INCOME TAX BENEFIT | | <u>183,463</u> | <u>248,775</u> |
| Income tax benefit | | - | - |
| NET LOSS FOR THE YEAR | | <u>183,463</u> | <u>248,775</u> |
| Other comprehensive income | | | - |
| TOTAL COMPREHENSIVE LOSS FOR THE YEAR | | <u>183,463</u> | <u>248,775</u> |
| Basic loss per share (cents per share) | | 0.06 | 0.09 |

CONDENSED STATEMENT OF FINANCIAL POSITION



AS AT 31 DECEMBER 2020

AND CONTROLLED ENTITIES

| | | Consolidated Entity | |
|---|------|---------------------------|-----------------------|
| | Note | 31 December 2020 \$ | 30 June 2020 \$ |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | 89,723 | 17,992 |
| Trade and other receivables | 3 | 96,460 | 34,737 |
| Total Current Assets | | 186,183 | 52,729 |
| NON CURRENT ASSETS | | | |
| Plant and equipment | | - | 1,266 |
| Deferred exploration and evaluation expenditure | 4 | 8,964,815 | 8,839,163 |
| Total Non Current Assets | | 8,964,815 | 8,840,429 |
| TOTAL ASSETS | | 9,150,998 | 8,893,158 |
| CURRENT LIABILITIES | | | |
| Trade creditors and accruals | 8 | 344,326 | 314,801 |
| Provisions – Annual Leave | 9 | 16,000 | - |
| Deferred creditors | 10 | 1,048,900 | 981,800 |
| Related party loans | 11 | 45,000 | 100,000 |
| Total Current Liabilities | | 1,454,226 | 1,396,601 |
| NON-CURRENT LIABILITIES | | | |
| Provisions – Long Service Leave | 9 | 43,400 | - |
| | | 43,400 | - |
| TOTAL LIABILITIES | | 1,497,626 | 1,396,601 |
| NET ASSETS | | 7,653,372 | 7,496,557 |
| EQUITY | | | |
| Issued capital | 5 | 15,284,724 | 14,944,446 |
| Accumulated losses | | (7,631,352) | (7,447,889) |
| TOTAL EQUITY | | 7,653,372 | 7,496,557 |

CONDENSED STATEMENT OF CHANGES IN EQUITY



FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

AND CONTROLLED ENTITIES

| | Consolidated Entity | | |
|---|-------------------------|-----------------------------|--------------------|
| | Issued Capital \$ | Accumulated Losses \$ | Total Equity \$ |
| Half-year to 31 December 2019 | | | |
| Balance at 1 July 2019 | 13,920,293 | (7,113,871) | 6,806,422 |
| Share Issue | 1,037,900 | - | 1,037,900 |
| Share Issue Costs | (13,747) | - | (13,747) |
| Comprehensive Income for the half -year | - | (248,775) | (248,775) |
| As at 31 December 2019 | <u>14,944,446</u> | <u>(7,362,646)</u> | <u>7,581,800</u> |
| Half-year to 31 December 2020 | | | |
| Balance at 1 July 2020 | 14,944,446 | (7,447,889) | 7,496,557 |
| Share Issue | 345,000 | - | 345,000 |
| Share Issue Costs | (4,722) | - | (4,722) |
| Comprehensive Income for the half -year | - | (183,463) | (183,463) |
| As at 31 December 2020 | <u>15,284,724</u> | <u>(7,631,352)</u> | <u>7,653,372</u> |

CONDENSED STATEMENT OF CASH FLOWS



FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

AND CONTROLLED ENTITIES

| | | Consolidated Entity | |
|---|------|---------------------------|---------------------------|
| | Note | 31 December 2020 \$ | 31 December 2019 \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Payments to overhead suppliers | | (53,858) | (224,338) |
| Other income received | 2 | 15,799 | 28 |
| Net cash (used in) operating activities | | (38,059) | (224,310) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for exploration expenditure | | (175,488) | (293,422) |
| Net cash (used in) investing activities | | (175,488) | (293,422) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Share Issues net of costs | 5 | 340,278 | 1,027,354 |
| Repayment of borrowings from related parties | 11 | (55,000) | (11,900) |
| Repayment of borrowings from non-related party | | - | (366,900) |
| Proceeds from borrowing from non-related party | | - | 158,800 |
| Proceeds from borrowings from related party | | - | 30,000 |
| Net cash provided by financing activities | | 285,278 | 837,354 |
| Net increase (decrease) in cash held | | 71,731 | 319,622 |
| Cash and cash equivalents at the beginning of the period | | 17,992 | 5,915 |
| Cash and cash equivalents at the end of the period | | 89,723 | 325,537 |

NOTES TO THE CONDENSED FINANCIAL STATEMENTS



FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

AND CONTROLLED ENTITIES

NOTE - 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that the financial statements be read in conjunction with the annual financial report for the year ended 30 June 2020 and any public announcements made by Athena Resources Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period except for the impact of the new standards and interpretations effective 1 July 2020 disclosed below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The interim financial statements were authorised for issue on 16 March 2021.

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Reporting Standards (IFRS).

Basis of preparation

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

Going Concern

The financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of the Group's assets and the discharge of their liabilities in the normal course of business.

The Board considers that the Company is a going concern and recognises that additional funding is required to ensure that the Company can continue to fund the Group's operations, repay debt funding and further develop its mineral exploration and evaluation assets during the twelve month period from the date of this financial report. Such additional funding can be derived from either one or a combination of the following:

NOTES TO THE CONDENSED FINANCIAL STATEMENTS



FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

AND CONTROLLED ENTITIES

- The placement of securities under the ASX Listing Rule 7.1 or otherwise;
- An excluded offer pursuant to the Corporations Act 2001;
- Deferral of Related Party Payables, or
- The sale of assets.

Accordingly, the directors believe that subject to prevailing equity market conditions, Athena will obtain sufficient funding to enable it to continue as a going concern and that it is appropriate to adopt that basis of accounting in the preparation of the financial report. Should Athena be unable to obtain sufficient funding as outlined above, there is a material uncertainty that may cast significant doubt whether it will be able to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should it not continue as a going concern.

Significant accounting judgements and key estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Except as described below, in preparing this interim report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2020.

The Group performed a detailed review of its exploration tenements at period end to determine whether the related expenditure should continue to be capitalised under AASB 6 or written off to profit or loss. As a result of this review, there was no amount of (2019: \$Nil) exploration expenditure written off in the half-year. The directors are satisfied with the carrying value of the remaining capitalised exploration costs.

Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2020, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for annual reporting periods beginning on or after 1 July 2020.

It has been determined by the directors that there is no impact, material or otherwise, of the new and revised standards and interpretations on the Group's business and therefore, no change is necessary to Group accounting policies. The Group has applied both AASB 9 and AASB 15 retrospectively with effect of initially applying these standards at the date of initial application and has elected not to restate comparatives due to their being no material change.

The directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2020. As a result of this review the directors have determined that there is no impact, material or otherwise, of the new and revised Standards and

NOTES TO THE CONDENSED FINANCIAL STATEMENTS



FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

AND CONTROLLED ENTITIES

Interpretations on the Group's business and, therefore, no change necessary to Group accounting policies.

NOTE - 2 OTHER INCOME

| | Consolidated | |
|---------------------|---------------------------|---------------------------|
| | 31 December 2020 \$ | 31 December 2019 \$ |
| Interest received | 4 | 28 |
| Covid-19 Cash Boost | 15,795 | - |
| Total other income | <u>15,799</u> | <u>28</u> |

NOTE - 3 TRADE AND OTHER RECEIVABLES

| | Consolidated | |
|-----------------------|---------------------------|-----------------------|
| | 31 December 2020 \$ | 30 June 2020 \$ |
| GST refundable | 37,744 | 29,865 |
| Prepaid tenement rent | 58,716 | - |
| Other receivables | - | 4,872 |
| | <u>96,460</u> | <u>34,737</u> |

NOTE - 4 DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

| | | |
|--|------------------|------------------|
| Balance at beginning of period | 8,839,163 | 8,409,884 |
| Expenditure during period on external costs and services | 26,452 | 228,979 |
| Overheads recovered through timesheet allocations | 99,200 | 200,300 |
| | <u>8,964,815</u> | <u>8,839,163</u> |

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent upon the successful development and commercial exploitation or sale of the respective areas.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS



FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

AND CONTROLLED ENTITIES

NOTE - 5 ISSUED CAPITAL

| | Consolidated | |
|------------------------|---------------------------|-----------------------|
| | 31 December 2020 \$ | 30 June 2020 \$ |
| Ordinary Shares | | |
| Issued and fully paid | <u>310,462,350</u> | <u>300,605,208</u> |

Movements in ordinary share capital of the Company were as follows:

| | Number | \$ |
|--------------------------------------|--------------------|-------------------|
| Year to 30 June 2020 | | |
| At 1 July 2019 | 270,950,922 | 13,920,293 |
| Placements during the year | 29,654,286 | 1,037,900 |
| Share Issue Costs | - | (13,747) |
| At 30 June 2020 | <u>300,605,208</u> | <u>14,944,446</u> |
| 6 Months to 31 December 2020 | | |
| At 1 July 2020 | 300,605,208 | 14,944,446 |
| Placement 17 August 2020 3.5 cents | 7,428,571 | 260,000 |
| Placement 30 December 2020 3.5 cents | 2,428,571 | 85,000 |
| Share Issue Costs | - | (4,722) |
| At 31 December 2020 | <u>310,462,350</u> | <u>15,284,724</u> |

NOTE - 6 CONTINGENT LIABILITIES

Athena Resources Limited and its controlled entities have no known material contingent liabilities as at 31 December 2020.

NOTE - 7 SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Athena Resources Limited.

The Group operates in one business and geographical segment being mineral exploration in Australia. Accordingly, under the management approach outlined above only one operating segment has been identified and no further disclosure is required in the half-year financial statements.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS



FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

AND CONTROLLED ENTITIES

NOTE - 8 TRADE AND OTHER PAYABLES

| | Consolidated | |
|--|---------------------------|-----------------------|
| | 31 December 2020 \$ | 30 June 2020 \$ |
| Current | | |
| Trade creditors | 144,326 | 114,801 |
| Native title on grant of mining leases | 200,000 | 200,000 |
| | <u>344,326</u> | <u>314,801</u> |

NOTE - 9 PROVISIONS

| | Consolidated | |
|----------------------------------|---------------------------|-----------------------|
| | 31 December 2020 \$ | 30 June 2020 \$ |
| Current | | |
| Provision for Annual Leave | 16,000 | - |
| | <u>16,000</u> | <u>-</u> |
| Non-Current | | |
| Provision for Long Service Leave | 43,400 | - |
| | <u>43,400</u> | <u>-</u> |

NOTE - 10 DEFERRED CREDITORS

| Officer | 1 July 2020 | Fees | Payments | 31 December 2020 |
|-----------|----------------|----------------|-----------------|------------------|
| E Edwards | 495,000 | 99,000 | (49,500) | 544,500 |
| D Webster | 319,600 | - | - | 319,600 |
| R Kandiah | 35,200 | - | - | 35,200 |
| P Newcomb | 132,000 | 26,400 | (8,800) | 149,600 |
| | <u>981,800</u> | <u>125,400</u> | <u>(58,300)</u> | <u>1,048,900</u> |

Directors have agreed to defer payment of fee arrears until such time as the company is in a position to settle without prejudicing third party creditors.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS



FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

AND CONTROLLED ENTITIES

NOTE - 11 RELATED PARTY LOANS

During the half year, Directors and Company Secretary extended unsecured interest free loans to the Company, to support short-term cash flow as follows:

| Officer | 1 July 2020 | Advances | Repayments | 31 December 2020 |
|-----------|----------------|----------|---------------|------------------|
| E Edwards | 20,000 | - | 20,000 | - |
| D Webster | 40,000 | - | - | 40,000 |
| H Wai | 20,000 | - | 15,000 | 5,000 |
| P Newcomb | 20,000 | - | 20,000 | - |
| | <u>100,000</u> | <u>-</u> | <u>55,000</u> | <u>45,000</u> |

NOTE - 12 FINANCIAL INSTRUMENTS

The Directors have assessed that the value of financial assets and financial liabilities approximate their fair value at balance date.

NOTE - 13 SUBSEQUENT EVENTS

On 19 February 2021, 2,857,143 shares were issued to Goldway Mega Trade Limited for a total of \$100,000 less costs of \$1,922. Costs comprised ASX listing fees.

This issue was at 3.5c per share.

DIRECTORS' DECLARATION



AND CONTROLLED ENTITIES

The Directors of the company declare that:

- 1) The financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a) complying with Accounting Standard AASB 134: Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year then ended.
- 2) in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

Edmond W Edwards

Dated at Perth this 16 day of March 2021