

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

ATHENA RESOURCES LIMITED

ABN

69 113 758 900

Quarter ended ("current quarter")

31 DECEMBER 2019

Consolidated statement of cash flows		Current quarter \$A	Year to date (6 months) \$A
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(159,946)	(224,336)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	28	28
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(159,918)	(224,308)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	(226,237)	(293,422)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A	Year to date (6 months) \$A
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(226,237)	(293,422)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	280,000	1,037,900
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(10,546)	(10,546)
3.5	Proceeds from borrowings	20,000	188,800
3.6	Repayment of borrowings	(11,900)	(378,800)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	277,554	837,354

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	434,140	5,915
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(159,918)	(224,308)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(226,237)	(293,422)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	227,554	837,354

Consolidated statement of cash flows		Current quarter \$A	Year to date (6 months) \$A
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	325,539	325,539

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A	Previous quarter \$A
5.1 Bank balances	325,539	434,140
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	325,539	434,140

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A
45,000
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

The amount included in 6.1 is payments made to Tied Investments Pty Ltd for services of Mr Edwards

7. Financing facilities

Note: the term 'facility' includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A	Amount drawn at quarter end \$A
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other – see below	130,000	130,000
7.4 Total financing facilities	130,000	130,000

7.5 Unused financing facilities available at quarter end

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- 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

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During the quarter, Directors, Company Secretary non-related parties advanced further funds under unsecured interest free loans to the Company, for the purpose of supporting short-term cash flow as follows:

Officer	Opening balance at 1 July 2019	Advances	Repayments	31 Dec 2019
E Edwards	40,000	-	-	40,000
D Webster	40,000	-	-	40,000
H Wai	31,900	-	11,900	20,000
P Newcomb	-	30,000	-	30,000
	<u>111,900</u>	<u>30,000</u>	<u>(11,900)</u>	<u>130,000</u>
Non-Related Party				
Goldway Mega Trade Limited	208,100	158,800	(366,900)	-
Total	<u>320,000</u>	<u>188,800</u>	<u>(378,800)</u>	<u>130,000</u>

8.	Estimated cash available for future operating activities	\$A
8.1	Net cash from / (used in) operating activities (Item 1.9)	159,918
8.2	Capitalised exploration & evaluation (Item 2.1(d))	226,237
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	386,155
8.4	Cash and cash equivalents at quarter end (Item 4.6)	325,539
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	325,539
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	0.84

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

- Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer Budgeted outflows for the March Quarter for Operating activities are \$100,000 and Capitalised Exploration are \$45,000. Future expenditure on Operating Activities and Capitalised Expenditure will depend on level of additional funding available.

- Has the entity 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?

Answer Athena is waiting on additional funding from Goldway Mega Trade Limited. During the 6 months to 31 December 2019 Goldway have been issued shares to the value of \$1,037,900 (see Item 3.1).

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3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer The Company expects to be able to continue its operations and meet its business objectives as outlined in the December 2019 Quarterly Activities Report. As noted in 2 above Goldway Mega Trade limited has been providing funding and further funding is expected in the current quarter.

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 Quarterly Activities reports. 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.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:31 January 2020.....

Authorised by: Edmond W Edwards -Director.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.