

Athena Resources Limited

(ACN 113 758 900)

Placement Prospectus

This Prospectus contains:

- (a) an offer of up to 57,500,000 Shares at an issue price of \$0.01 per Share (together with 1 free attaching New Option per Share issued with an exercise price of \$0.018 and 3 year expiry) to raise up to \$575,000 before costs (**Offer**); and
- (b) an offer of 5,000,000 New Options to the Lead Manager (or its nominees) pursuant to the terms of the Lead Manager Mandate (**Lead Manager Offer**).

The Offer is being made to the Lead Manager and its clients. Investors should only submit an Application Form in respect of the Offer if instructed to do so by the Company or the Lead Manager.

Refer to Section 7.4 of this Prospectus for a summary of the terms of the Lead Manager Mandate under which the Lead Manager is engaged to act as lead manager for the Offer.

IMPORTANT NOTICE

This document is important and should be read in its entirety including the Application Form. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser. The Shares and New Options offered by this Prospectus should be considered as speculative.

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Indicative Timetable

Event	Date
Lodgement of Prospectus with ASIC and Appendix 3B with ASX	Mon 10 October 2022
Opening Date of the Offers	Tue 11 October 2022
Closing Date of the Offers*	5.00pm (WST) Wed 12 October 2022
Expected date of Official Quotation of the Shares*	Mon 17 October 2022

* Subject to the ASX Listing Rules, the Directors reserve the right to bring forward or extend the Closing Date or other dates above, or withdraw the Offers, at any time in their discretion. As such, the date the Shares are expected to commence trading on ASX may vary with any change in the Closing Date.

1. Important Notes

1.1 Important Notes

This Prospectus is dated 10 October 2022 and was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus should be considered speculative.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and options to acquire continuously quoted securities and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

Certain capitalised words or expressions used in this Prospectus have defined meanings which are set out at the end of this Prospectus.

1.2 Application Forms

Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus. Investors should only submit an Application Form in respect of the Offers if instructed to do so by the Company or the Lead Manager.

The Corporations Act prohibits any person passing onto another person an Application Form for Shares unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form for any reason, including from a person if it has reason to believe that when that person was given access to the Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement Prospectus.

1.3 Risk Factors

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 6 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider

consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

1.4 Overseas Investors

This Offers do 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 Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue or circulate this Prospectus or to offer the Securities.

This Prospectus must not be released or distributed in the United States. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy securities in the United States. The Securities have not been registered under the US Securities Act or the securities laws of any state of the United States, and may not be offered or sold in the United States, or to, or for the account or benefit of a US person, except in a transaction exempt from the registration requirements of the US Securities Act and applicable United States securities laws.

1.5 No Exposure Period

An exposure period does not apply to the Offers.

1.6 Not financial product advice

The information in this Prospectus is not financial product advice and has been prepared without taking into account your financial and investment objectives, financial situation or particular needs (including financial or taxation issues).

Some of the risk that investors and their professional advisers should consider before deciding whether to invest in the Company are set out in Section 6 of this Prospectus. There may be additional risks to those that should be considered in light of your personal circumstances.

1.7 Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offers in this Prospectus which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offers.

Except to the extent required by law, no person named in this Prospectus, nor any other person, warrants or guarantees the performance of the Company, the repayment of capital by the Company, the payment of a return on the Securities or the future value of the Securities. The business, financial condition, operating results and prospects of the Company may change after the date of this Prospectus. You should be aware that past performance is not indicative of future performance. Any new or change in circumstances that arise after the date of this Prospectus will be

disclosed by the Company to the extent required and in accordance with the Corporations Act.

1.8 No cooling-off rights

Cooling-off rights do not apply to an investment in Securities issued under this Prospectus. This means that, except where permitted by the Corporations Act, you cannot withdraw your Application once it has been accepted.

1.9 Obtaining a copy of this Prospectus

You can obtain a copy of this Prospectus, free of charge, by contacting the Company Secretary on +61 448 895 664 during normal business hours or by email at ahn@athenaresources.com.au.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company on ahn@athenaresources.com.au and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at <https://athenaresources.com.au/>.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

2. Corporate Directory

Directors

Edmond Edwards (Executive Director)
Hau Wan Wai (Non-Executive Director)
Peter Newcomb (Non-Executive Director)

Company Secretary

Edmond Edwards

Registered Office

21 Millstream Rise
Hillarys WA 6025

Telephone

+ 61 448 895 664

Email

ahn@athenaresources.com.au

Website

<https://athenaresources.com.au/>

ASX Code

AHN

Solicitors

EMK Lawyers
Suite 1
519 Stirling Hwy
Cottesloe WA 6011

Lead Manager to the Offer

Peak Asset Management
Level 39/55 Collins Street.
Melbourne VIC 3000

Auditor*

HLB Mann Judd (WA Partnership)
Level 4, 130 Stirling Street
Perth, Western Australia 6000

Telephone: +61 8 9227 7500

Facsimile: +61 8 9227 7533

Share Registry*

Computershare Investor Services Pty
Limited
Level 11, 172 St Georges Terrace
Perth WA 6000

Telephone: +61 8 9323 2000

Facsimile: +61 8 9323 2033

* These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

3. Details of the Offers

3.1 Summary of the Offer

The Company is making an offer of 57,500,000 Shares at an issue price of \$0.01 per Share (together with 1 free attaching New Option per Share issued) to raise up to \$575,000 (**Offer**).

The purpose of the Offer and the use of the funds raised pursuant to the Offer are set out in Section 4 of this Prospectus.

The New Options granted under this Prospectus will be exercisable at \$0.018 on or before 5.00pm (WST) on the date which is 3 years after the date of grant of the New Options and otherwise on the terms set out in section 5.2 of this Prospectus.

Shares issued upon exercise of New Options will rank equally with the Shares on issue at the date of this Prospectus.

Please refer to section 5.1 for further information regarding the rights and liabilities attaching to the Shares and section 5.2 for information regarding the rights and liabilities attaching to the New Options.

The Offer is not underwritten.

3.2 Summary of the Lead Manager Offer

The Lead Manager Offer is an offer of New Options the Company is required to offer under the Lead Manager Mandate.

Refer to Section 7.4 of this Prospectus for a summary of the Lead Manager Mandate.

The Lead Manager Offer will only be extended to the Lead Manager or its nominees.

Application Forms for the Lead Manager Offer will only be provided by the Company to these parties.

Applications for the Lead Manager Offer must be made by the Lead Manager (or its nominees) using the Application Form for the Lead Manager Offer accompanying this Prospectus. By completing a Lead Manager Offer Application Form, Applicant's will be taken to have declared that all details and statements made by them are complete and accurate and that they have personally received the Lead Manager Offer Application Form together with a complete and unaltered copy of this Prospectus.

The New Options offered under the Lead Manager Offer under this Prospectus will be granted on the terms and conditions set out in Section 5.2 of this Prospectus. All of the Shares issued upon the future exercise of the New Options will rank equally with the Shares on issue as at the date of this Prospectus.

3.3 Opening and Closing Date of the Offers

The Opening Date of the Offers will be 11 October 2022 and the Closing Date for the Offer will be 5:00pm WST on 12 October 2022.

The Directors reserve the right to close the Offer early or extend the Closing Date (as the case may be), or withdraw the Offers, should it be considered by them necessary to do so.

3.4 Minimum Subscription

There is no minimum subscription under the Offers.

3.5 Application for Securities under the Offers

Applications for Securities under the Offer must be made by completing the applicable Application Form (and returning it to the Company) and making the appropriate payment, so that it reaches the Company's Share Registry no later than 5.00pm WST on the Closing Date.

Payment for the Shares under the Offer must be made in full on application at the issue price of \$0.01 per Share.

3.6 Payment

Payment for Shares may be made by Electronic Funds Transfer (**EFT**), in accordance with the instructions on the Application Form. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. Please note that to pay by EFT you must make payment to the specified bank account using your unique reference number for payment as shown on your Application Form, as your payment reference. You must quote your unique reference number as your payment reference/ description when processing your EFT payment. Failure to do so may result in your funds not being allocated to your Application and the Securities not being issued (and the funds refunded).

Applications for Shares under the Offer must be made for a minimum of 50,000 Shares.

3.7 ASX Listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Securities and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

3.8 Issue of Securities

The issue of Securities offered under the Offers will take place as soon as practicable after the Closing Date.

The Directors, in consultation with the Lead Manager, will determine the allottees of all the Securities the subject of the Offers. The Directors reserve the right to decline

any applications received, or to issue a lesser number of Securities than that applied for. Where the number of Securities issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date of the Offers.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offers will be mailed as soon as practicable after the issue of the Securities.

3.9 Enquiries

Any questions concerning the Offer should be directed to the Company Secretary, Edmond Edwards, on +61 448 895 664.

4. Purpose and Effect of the Offers

4.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$575,000 before costs.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Proceeds of the Offer	Full Subscription (\$575,000)	%
Byro Project Exploration	\$300,000	52%
Working Capital	\$225,500	39%
Expenses of the Offer	\$49,500	9%
Total	\$575,000	100%

Refer to Section 7.10 of this Prospectus for further details relating to the estimated expenses of the Offer.

The table above is a statement of current intentions of the Board as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

If the Offer is less than fully subscribed the funds raised will be altered by reducing the allocation to working capital.

4.2 Purpose of Lead Manager Offer

The purpose of the Lead Manager Offer is to grant 5,000,000 New Options to the Lead Manager (or its nominees) subject to the Lead Manager raising a minimum of \$575,000 under the Offer pursuant to the terms of the Lead Manager Mandate. Refer to section 7.4 of this Prospectus for a summary of the Lead Manager Mandate.

4.3 Effect of the Offers

The principal effect of the Offers will be to:

- (a) increase the cash reserves of the Company by \$575,000 if the Offer is fully subscribed (less the estimated expenses of the Offer) immediately after completion of the Offer;
- (b) increase the number of Shares on issue from 812,967,558 Shares as at the date of this Prospectus to 870,476,558 Shares if the Offer is fully subscribed; and
- (c) increase the number of Options on issue from 75,000,000 to 137,500,000 if the Offer is fully subscribed.

4.4 Pro-forma balance sheet

Shown below is the audited balance sheet as at 30 June 2022, an unaudited balance sheet as at 30 September 2022 and an unaudited pro-forma balance sheet as at 30 September 2022 adjusted to show the effect of the Offers (assuming the Offer is fully subscribed) and material adjustments post 30 June 2022. The balance sheets have been prepared on the basis of the accounting policies normally adopted by the Company.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	Audited 30 Jun-22 \$	Unaudited 30 Sep-22 \$	Effect of Offers \$	Proforma 30 Sep-22 \$
CURRENT ASSETS				
Cash and cash equivalents	663,311	306,879	525,500	832,379
Trade and other receivables	232,913	301,272	0	301,272
Total Current Assets	<u>896,224</u>	<u>608,151</u>	<u>525,500</u>	<u>1,133,651</u>
NON-CURRENT ASSETS				
Mineral exploration and evaluation	10,965,438	11,312,956	0	11,312,956
Total Non-Current Assets	<u>10,965,438</u>	<u>11,312,956</u>	<u>0</u>	<u>11,312,956</u>
TOTAL ASSETS	<u>11,861,662</u>	<u>11,921,107</u>	<u>525,500</u>	<u>12,446,607</u>
CURRENT LIABILITIES				
Trade creditors and accruals	62,120	237,206	0	237,206
Annual leave payable	34,187	38,832	0	38,832
Other liabilities	424,855	473,151	0	473,151
Total Current Liabilities	<u>521,162</u>	<u>749,189</u>	<u>0</u>	<u>749,189</u>
NON-CURRENT LIABILITIES				
Long service leave provision	56,001	57,510	0	57,510
Total Non-Current Liabilities	<u>56,001</u>	<u>57,510</u>	<u>0</u>	<u>57,510</u>
TOTAL LIABILITIES	<u>577,163</u>	<u>806,699</u>	<u>0</u>	<u>806,699</u>
NET ASSETS	<u>11,284,499</u>	<u>11,114,408</u>	<u>525,500</u>	<u>11,639,908</u>

EQUITY

Contributed equity	18,956,665	18,956,665	497,000	19,453,665
Reserves	323,100	323,100	28,500	351,600
Accumulated losses	-7,995,266	-8,165,357	0	-8,165,357
TOTAL EQUITY	11,284,499	11,114,408	525,500	11,639,908

The effect of the Offers on the capital structure of the Company assuming the Offer is fully subscribed is set out below.

Shares

	Number
Shares currently on issue	812,967,558
Shares offered pursuant to the Offer	57,500,000
Total Shares on issue after completion of the Offers assuming fully subscribed	870,467,558

Options

	Number
Options currently on issue¹	75,000,000
Options offered under the Offer assuming its fully subscribed ²	57,500,000
Options offered under the Lead Manager Offer ²	5,000,000
Total Options on issue after completion of the Offers assuming fully subscribed	137,500,000

1. Unlisted Options with \$0.02 exercise price, expiring 16 February 2026.
2. Options with \$0.018 exercise price, expiring 3 years from grant.

The capital structure on a fully diluted basis as at the date of this Prospectus comprises 887,967,558 Shares and on completion of the Offer assuming full subscription would comprise 1,025,467,558 Shares.

5. Rights and Liabilities attaching to Securities

5.1 Shares

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one (1) vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one (1) vote for each Share held.

(c) Dividend rights

Subject to the rights of any preference shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. The Directors may set aside any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the Company's profits may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on shares which are participating shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the Company's property, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of shareholders.

(e) Shareholder liability

As the Shares issued upon exercise of New Options will be fully paid shares at the time of issue, they will not be subject to any calls for further moneys by the Directors and will therefore not become liable for forfeiture.

(f) Transfer of Shares

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of, or failure to observe the provisions of, a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) Future increase in capital

The issue of any new Shares is under the Directors' control. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) Variation of rights

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of a majority of the issued shares of that class, or if authorised by ordinary resolution passed at a separate meeting of the holders of the shares of that class.

(i) Alteration of Constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at a general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

5.2 Terms of New Options

The New Options entitle the holder (**Optionholder**) to subscribe for, and be issued, ordinary shares in the capital of the Company (**Shares**) on and subject to the following terms and conditions:

(a) Entitlement

Each Option gives the Optionholder the right to subscribe for, and be issued, one Share.

(b) Expiry Date

The Options will expire at 5.00pm (WST) on the date which is 3 years after the date of grant (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(c) Exercise Price

Subject to Part (h), the amount payable upon exercise of each Option will be \$0.018 (**Exercise Price**).

(d) Notice of Exercise

An Optionholder may exercise any Options by lodging with the Company, before the Expiry Date:

- (i) a written notice of exercise of Options specifying the number of Options being exercised (**Exercise Notice**); and
- (ii) electronic funds transfer for the aggregate Exercise Price for the number of Options being exercised.

(e) Exercise Date

An Exercise Notice is only effective on and from the later of the date of receipt of the Exercise Notice and the date of receipt of payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(f) Timing of issue of Shares on exercise and quotation

Within 5 Business Days of the Exercise Date, the Company will:

- (i) allot the applicable Shares to the Optionholder; and
- (ii) if the Company is admitted to the official list of the ASX at the time, apply for official quotation on the ASX of the Shares issued pursuant to the exercise of the Options.

(g) Shares issued on exercise

All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other issued fully paid Shares.

(h) Reorganisation

If, prior to the Expiry Date, the issued capital of the Company is reorganised, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and any requirements with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

(i) Participation in new issues

- (i) There are no participating rights or entitlements inherent in the Options.
- (ii) An Optionholder will not be entitled to participate in new issues of securities offered to Shareholders during the currency of the Options except to the extent that Options are exercised prior to the 'record date' for determining entitlements for the new issue.

(j) Change in exercise price or number

An Option does not confer on the holder any right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

(k) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australia securities law.

(l) Agreement to be bound

By lodging an Exercise Notice, the Optionholder agrees to take the applicable Shares and agrees to be bound by the constitution of the Company.

6. Risk Factors

6.1 Introduction

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.2 Company Specific

(a) Future Capital Requirements

The Company's capital requirements depend on numerous factors. The Company will require further financing in the future to satisfy its exploration commitments pertaining to its projects. The availability of equity funding is subject to market risk at the time. 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, scale back its exploration programmes and may result in loss of tenure, as the case may be.

(b) Contract risk

In order for the Company to carry out its stated objectives, it is reliant on compliance with the terms of its various sale agreements. Where the Company fails to comply with the terms of these agreements, particularly as they relate to the ongoing payment obligations, the Company's interests in, and ability to carry out exploration on, the subject tenements may be lost.

6.3 Risks relating to the Company's operations

(a) Exploration and Development Risks

The business of iron ore, copper, nickel and PGE exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors such as:

- (i) the discovery and/or acquisition of economically recoverable reserves;

- (ii) access to adequate capital for project development;
- (iii) design and construction of efficient development and production infrastructure within capital expenditure budgets;
- (iv) securing and maintaining title to interests;
- (v) obtaining consents and approvals necessary for the conduct of iron ore, copper, nickel and PGE exploration, development and production; and
- (vi) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from the Company's Byro Projects undergoing an exploration and development program depends on successful exploration and establishment of production facilities. Factors including costs and reliability and commodity prices affect successful project development and operations.

Mining activities carry risk and as such, activities may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortages or delays in the delivery of equipment.

Industry operating risks include fire, explosions, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, mechanical failure or breakdown and environmental hazards such as accidental spills or leakages, or geological uncertainty. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, clean-up responsibilities, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

There is no assurance that any exploration on current or future interests will result in the discovery of an economic deposit of iron ore, copper, nickel and PGE. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed.

(b) Forfeiture risk

As previously announced to the ASX, Alexander Creek Pty Ltd has objected to an application for exemption for expenditure made by the Company for E09/1507 and E09/1552 for the tenement year ending 22 October 2020 and has lodged applications for forfeiture of the tenements.

The Company considers it will be granted exemptions under its exemption applications, based on the grounds submitted, together with the level of expenditure in previous years for the project as a whole and for the relevant

year for which exemption is sought and also the activities and plans for future exploration. If the exemptions are granted, they will afford a complete defence to the applications for forfeiture.

(c) General Economic and Political Risks

Changes in the general economic and political climate in Australia and on a global basis could impact on economic growth, iron ore, copper, nickel and PGE prices, interest rates, the rate of inflation, taxation and tariff laws, domestic security which may affect the value and viability of any iron ore, copper, nickel and PGE activity that may be conducted by the Company.

(d) Licence applications and renewal risk

The licences constituting the Company's Byro Projects are subject to applications for renewal or grant (as the case may be). The renewal or grant of the terms of each licence is usually at the discretion of the relevant government authority. Additionally, licences are subject to a number of specific legislative conditions. The inability to meet these conditions could affect the standing of a licence or restrict its ability to be renewed.

If a licence is not renewed or granted, the Company may suffer significant damage through the loss of opportunity to develop and discover mineral resources on that licence.

(e) Environmental risk

The Company's Byro Projects are subject to rules and regulations regarding environmental matters including obtaining the approval of an environmental impact study or assessment depending on location and impacts. As with all mineral projects, the Company's Byro Projects are expected to have a variety of environmental impacts should development proceed. Development of the Company's Byro Projects will be dependent on the Company satisfying environmental guidelines and, where required, being approved by government authorities.

Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's costs of doing business or affect its operations in any area.

(f) Commodity price fluctuations

In the event of exploration and development success, any future revenue derived through any future sales of iron ore, copper, nickel and PGE exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for commodities, forward selling by producers and the level of production costs in major commodity-producing regions. Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation,

interest rates and global and regional demand for, and supply of, commodities.

(g) Compliance Risk

The Company operates in a highly regulated industry and could be exposed to significant compliance costs, which may increase if regulations change.

(h) Competitor Risk

The Company competes with various other resource companies in relation to the identification and capture of suitable exploration and production properties. Competition with other companies may also have an impact on recruitment and retention of suitably qualified employees.

6.4 General Risks

(a) Potential Acquisitions

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or prospects although no such acquisitions or investments are currently planned. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

(b) Market Conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Reliance on Key Management

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that

there will be no detrimental impact on the Company if one or more of these senior management or key personnel cease their employment.

6.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

7. Additional Information

7.1 Litigation

Except to the extent disclosed to the ASX prior to the date of this Prospectus, as at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

7.2 Continuous Disclosure Obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities (and, if the securities are options, the rights and liabilities attaching to the options and the underlying securities). It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is issued in circumstances where significant publicly available information in relation to the Company exists by virtue of disclosures to ASX. This Prospectus does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors are encouraged to have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific disclosure requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus. These disclosure requirement require the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not generally been included in this Prospectus other than certain information required to be included in this Prospectus by the Corporations Act.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company or may be obtained from, or inspected at, the offices of the ASIC; and

- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
- (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act or any document lodged in relation to the Company under section 675 of the Corporations Act which are given or lodged with ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC or ASX in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
30 September 2022	Corporate Governance 2022
30 September 2022	Appendix 4G

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours or via the ASX's web site at www.asx.com.au

The announcements are also available through the Company's website www.athenaresources.com.au

No information has been excluded from continuous disclosure notices in accordance with the ASX Listing Rules which is information which investors and their professional advisors would reasonably require to make an informed assessment of the assets, liabilities, financial position and performance, profits and losses and prospects of the Company or the rights and liabilities of securities being offered under this Prospectus (and the underlying securities in the case of the New Options).

7.3 Market price of shares

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Type	Price	Date
Highest	\$0.024	4 July 2022
Lowest	\$0.008	26 September 2022
Last	\$0.011	10 October 2022

7.4 Lead Manager Mandate

The Company has engaged the Lead Manager under a mandate dated 5 October 2022 (**Mandate**) the key terms of which are:

- (a) the Lead Manager is appointed as corporate advisor and lead manager to raise up to \$575,000 under the Offer;
- (b) the Company will pay the Lead Manager a capital raising fee of 6% plus GST on amounts raised by the Lead Manager under the Offer;
- (c) subject to the Lead Manager raising a minimum of \$500,000, the Company will issue the Lead Manager with 5 million Options; and
- (d) the mandate term expires 31 December 2022.

The Mandate is otherwise on standard terms and conditions for an agreement of this nature.

7.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or

- (e) for services provided in connection with:
- (i) the formation or promotion of the Company; or
 - (ii) the Offer.

7.6 Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

Director	Shares
Hau Wan Wai	49,250,000 ¹
Edmond Edwards	69,378,831 ²
Peter Newcomb	99,275,000 ³

Notes:

1. The Shares are held by Brilliant Glory Investments Pty Limited of which Mr Hau Wan Wai is a director.
2. 69,323,831 Shares are held by Tied Nominees Pty Ltd and the balance are held by Tied Investment Pty Ltd. Mr Edwards is a director and shareholder of both.
3. 49,400,000 Shares are held by Stonydeep Investments Pty Ltd of which Mr Newcomb is a shareholder and director. 49,250,000 Shares are held by Brilliant Glory Investments Pty Ltd, of which Mr Newcomb is a director and associate. 625,000 Shares are held directly by Mr Newcomb.

7.7 Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$150,000 per annum.

A Director may be paid a fee or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	2020/21 (Actual)	2021/22 (Actual)	2022/23 (Proposed)
Edmond Edwards	\$150,000	\$120,000	\$120,000
Hau Wan Wai	-	-	\$48,000
Peter Newcomb	-	-	\$48,000

Notes:

This does not include any reimbursements that the Directors may receive for work related expenses. The Company engages Tied Investments Pty Ltd (Tied) under a consultancy agreement dated 1 January 2021 under which Tied provides the services of Mr Edwards as an executive director for a fee of \$10,000 per month for 50 hours a month (additional hours \$180 per hour) plus GST.

7.8 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offer.

EMK Lawyers has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay EMK Lawyers \$8,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, EMK Lawyers has been paid fees totalling \$nil (excluding GST and disbursements) for legal services provided to the Company.

The Lead Manager will be paid a fee of 6% of funds raised under the Offer, being up to \$34,500 in respect of the Offer (assuming the offer is fully subscribed and excluding GST). During the 24 months preceding lodgement of this Prospectus with the ASIC, the Lead Manager has not been paid any fees by the Company.

7.9 Consents

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) has not authorised or caused the issue of this Prospectus; and
- (c) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and any statement included in this Prospectus with the consent of that party as specified in this Section;

EMK Lawyers has given its written consent to being named as the solicitors to the Company in this Prospectus. EMK Lawyers has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Copeak Corporate Pty Ltd (ACN 632 277 144) has given its written consent to being named as Lead Manager to the Company in this Prospectus. Copeak Corporate Pty Ltd (ACN 632 277 144) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

7.10 Estimated Expenses of Offer

The estimated expenses of the Offer are estimated to be approximately \$49,500 (excluding GST) if fully subscribed and are expected to be applied towards the items set out in the table below:

Item	Costs (fully subscribed)
ASIC Lodgement Fees	\$3,206
ASX Listing Fees	\$3,794
Legal Costs	\$8,000
Lead Manager Fees	\$34,500
Total	\$49,500

7.11 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

7.12 Clearing House Electronic Sub-Register System (“CHESS”) and Issuer Sponsorship

The Company will not be issuing Security certificates. The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

7.13 Taxation

The Company does not propose to give any taxation advice and neither the Company, its Directors nor its officers accept any responsibility or liability for any taxation consequence to Applicants. Applicants should consult their own professional tax advisers in regard to taxation implications of the Offers.

7.14 Privacy Act

If you complete an application for Securities, you will be providing personal information to the Company (directly or by the Company’s share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, 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 Prospectus.

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 Shares, the Company may not be able to accept or process your application.

8. Directors' Consent

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented in writing to the lodgement of this Prospectus with the ASIC.



Edmond Edwards
Executive Director
For and on behalf of
Athena Resources Limited

9. Glossary

Applicant means an investor that applies for Securities under an Offer using the relevant Application Form pursuant to this Prospectus.

Application Form means the Application Forms as relevant to each Offer (accompanying this Prospectus).

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the closing date for receipt of an Application Form, currently being as set out in the indicative timetable in this Prospectus.

Company means Athena Resources Limited (ACN 113 758 900).

Constitution means the Company's Constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means directors of the Company at the date of this Prospectus.

Dollar or "\$" means Australian dollars.

Lead Manager means Copeak Corporate Pty Ltd (ACN 632 277 144) <The Trustee for Peak Asset Management Unit Trust> trading as Peak Asset Management.

Lead Manager Offer has the meaning given to that term on the cover page of this Prospectus.

New Option means an Option granted on the terms set out in Section 5.2 of this Prospectus.

Offer has the meaning given to that term on the cover page of this Prospectus.

Offers means the Offer and the Lead Manager Offer.

Official Quotation means official quotation on ASX.

Opening Date means the opening date for receipt of an Application Form under this Prospectus currently being as set out in the indicative timetable in this Prospectus.

Option means an option to acquire a Share.

Peak Asset Management means the Lead Manager.

PGE means palatinum group elements.

Prospectus means this Prospectus.

Security means a Share or an Option.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means the holder of a Share.

Share Registry means the company noted in the Corporate Directory in Section 2 of this Prospectus.

WST means Western Standard Time as observed in Perth, Western Australia.