

8 January 2016

The Company Announcements Office
Australian Securities Exchange Limited
4 Floor 20 Bridge Street
SYDNEY NSW 2000

SHARE PLACEMENT AND CONDITIONAL SALE OF BYRO IRON ORE PROJECT

Athena Resources Limited (ASX Code: AHN) (**Athena**) announces that it has entered into a binding term sheet with Brilliant Glory Industrial Corporation Limited, a Hong Kong based company (**BG**) (**Term Sheet**).

The material terms of the Term Sheet are as follows:

(1) Placement

BG will subscribe for \$1,000,000 worth of Athena shares (**Placement**) on the following basis:

- a) 15,000,000 shares in Athena at an issue price of \$0.02 each. The shares will be issued on receipt of cleared funds (\$300,000) (**Tranche 1 Shares**). The Tranche 1 Shares will be issued under Athena's Listing Rule 7.1 placement capacity; and
- b) subject to Athena receiving all necessary shareholder and regulatory approvals, 28,000,000 shares in Athena at \$0.025 each (\$700,000) (**Tranche 2 Shares**).

The Tranche 1 Shares and Tranche 2 Shares will be subject to a 12 month voluntary escrow period from their date of issue.

(2) Proposed Board Appointment

Subject to the necessary shareholder approvals, Mr Jian Li (a director of BG) will be appointed to the board of Athena on completion of the Tranche 2 Shares.

(3) Conditional Sale of Byro Project

Subject to Athena receiving all necessary shareholder and regulatory approvals, Athena has agreed to give BG the right (but not the obligation) to purchase the Byro Project in consideration for the payment of \$20,000,000.

Completion of the acquisition under the Term Sheet is subject to the following conditions:

- a) Athena conducting the necessary works to obtain two mining leases within the boundaries of the Byro Project; and
- b) Athena and Byro obtaining all necessary shareholder and regulatory approvals prior to completion.



On and from completion of the acquisition, Athena will be entitled to a royalty of \$2 per dry metric tonne of iron ore sold from the Byro Project.

Athena and BG may, by mutual agreement, enter into formal agreements in respect of the matters contained in the Term Sheet.

The Term Sheet otherwise contains terms, conditions and warranties considered standard in an agreement of this type.

Athena anticipates it will convene a general meeting to obtain the necessary shareholder and regulatory approvals in the first quarter of 2016, and will continue to keep Shareholders updated as the transaction progresses.

Yours faithfully

E W Edwards
Managing Director