Athena Resources

ABN 69 113 758 900

INTERIM FINANCIAL REPORT
31 DECEMBER 2015

CONTENTS

AND CONTROLLED ENTITIES

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2015. 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
Edmond Edwards	Managing Director
Rajakumar Kandiah	Non Executive Director

REVIEW OF OPERATIONS

1. BYRO PROJECT (Athena Resources 100%)

LOCATION AND ACCESS

The Byro Iron Ore Project is strategically located in the Midwest which includes a substantial mining sector. The project's southern boundary is 210km north of the Mullewa Rail Siding by road and 310km from the Port of Geraldton. Access and improved infrastructure to the maturing iron ore province is growing with development of the CSIRO SKA Project and increased capacity and further development at the Port of Geraldton.

TENURE

Athena's Byro Project covers approximately 800 square kilometres and consists of five exploration licences. Athena has a 100% interest in the project. The Company has applied and received authorisation to explore for iron ore on the exploration licences.

GEOLOGY AND MINERALISATION

Athena's Byro Project is located along the north-western margin of the Yilgarn Craton, within an Archaean Gneiss Belt which trends north-northeast for approximately 200km. The geology is predominately quartzo-feldspathic gneisses and migmatites with amphibolites, quartzites, BIF's, felsic volcanics and layered mafic-ultramafic intrusions. Regional folding and thrusting has resulted in a steep dominant westerly dip and north-northeast strike, although locally this varies from north to east. The high grade magnetite iron ore at Byro has been characterised by a coarse metamorphic grain size, super low impurities during development of thick migmatite layers in the upper amphibolite - granulite metamorphic terrain.

Outcropping sequences of mafic to ultramafic lithologies suggest a series of prospective intrusions, the extent of which has been refined with gravity and detailed magnetic surveys where alluvial cover persists. Past exploration in the region indicates the presence of anomalous copper-nickel-PGE and chromite mineralisation. Two altered, layered mafic-ultramafic bodies are found at Taccabba Well and Imagi Well where iron-rich chromite occurrences have been discovered. At the Byro East Project, copper gossans exist at the edge of the Milly Milly Intrusion. Nearby historic drilling intersected copper and nickel mineralisation. Further drilling by Athena has advanced the understanding of this intrusive body as being a highly prospective fertile system.

BYRO IRON ORE PROJECT

During the half year, Athena started preliminary work on gaining approval of mining lease applications. The mineralised areas being considered for mining lease applications are:

- FE1
- Mt Narryer
- Byro South
- Whistlejack
- Heppenstall

The company has met with the Department of Mines and Petroleum to initiate the lease application process. A Mineralisation report has been completed for the FE1 Prospect intended to fulfil the statutory requirement in Section 74(1) (a) and Section 74(ca) (ii) of the *Mining Act 1978* in support of an application to convert part of Exploration Lease E09/1507 covering the FE1 Ore body and JORC compliant inferred resource to a mining lease and also in support of a consequent mining proposal.The preparation of mineralisation reports for the remaining projects will be undertaken in 2016.

Following the grant of the mining leases the individual projects will be assessed for potential mining based on their merits.

Summary of Byro Magnetite Mineralisation

Metallurgical Review
Review of the physical and metallurgical characteristic of the Byro Magnetite:

- Observed crystal is granular
- Grain size up to 4mm (4,000 µm)
- Dissemination Granularity 95% between 0.2mm < 1.65mm (200µm < 1,650 µm)
- Hardness on Mohs scale 6.5 with Vickers Hardness Number (VHN_{100}=681 - 792 kg/mm^2)
- Specific gravity calculated at 5.18 g/cm^3
- Uneven fracture parting on surface {111}
- Negligible cleavage planes within the crystal matrix

Chemistry Review
The concentrate chemistry key attributes are:

- Mineral composition of the ore is simple
- No significant secondary alteration
- K_2O, Na_2O, P, and S, all low and with P and S particularly low
- Product is a high-quality concentrate of primary acidic magnetite
- SiO_2, Al_2O_3, CaO, and MgO decrease as TFe increases
- Magnetite represents the major iron-bearing mineral, while quartz represents the major gangue mineral
- Tailings component of the ore is SiO_2, accounting for 80.99% of the total
- Product and tailings have no significant environment impacts

The major recoverable content in the ore is iron, at a grade of 37.52%; and 70% on concentration. Total iron over iron oxide ratio of the ore is 2.05, and the coefficient of basicity (CaO＋MgO) / (SiO_2＋Al_2O_3) equals 0.09. This is important for the ammonia production industry as low impurities and oxygen reduction is helpful for improved ammonia synthesis.

Minerals to be disposed by separation for iron enrichment on concentration include mainly SiO_2, followed by Al_2O_3, CaO, and MgO, altogether amounting 46.83% of the total weight. Contents of phosphorus and sulphur, which are the common hazardous contents, in like ores, are too low to cause any substantial influence on the quality of concentrate. Common Byro magnetite grains contain only microscopic impurities.

FE1 Grain Size and Granularity Review
Concentrate granularity key attributes are:

- Magnetite occurs mainly in disseminated to matrix form
- Dissemination granularity size varies
- Grain size can be up to 4mm (4,000 µm)
- Large product range
- 94% of the useful magnetite can be separated free at -200 mesh / 45%
- Discrete silica at magnetite crystal edges allow clean early extraction
- Care to be taken to avoid over grinding
- Concentrate productivity 47.9%
- Magnetite recovery 92.27%

The widespread granular distribution in the coarse range demonstrates usable volumes for grooming to suite multiple target sizes for multiple product applications.

There is also scope for improving the extraction of the grain size in the upper spectrum of the product range. The sharp contrast between the 2.3mm > 1.65mm at 8.31% and 1.65mm > 1.17mm @ 20.77% suggests it would be possible to over mill the product. A very coarse fraction, >2mm, can be removed post grinding and at first pass milling to prevent overgrinding. Upcoming test work will determine the productivity of an early mill product.

Byro Magnetite Work Indices Review
Determination of the Byro Magnetite Work Indices was completed at the same time as the granular classification in China. The Work Indices tests were repeated in Australia with near to identical results.

Work Indices already determined are:

- Strong - Unconfined Compressive Strength (UCS) recorded values of 139.9 - 153.7 Mpa
- Bond Impact Crushing Work Index (CWi) recorded average value of 15.5 kWh/t
- Bond Ball Mill Work Index recorded a value of 16.5 kWh/t (test aperture of 106 micron)
- Bond Rod Mill Work Index recorded a value of 8.3 kWh/t
- Bond Abrasion Index recorded a value of 0.3894
-

Athena is considering the practical steps in development of additional classification and clean-up modules for industry specific requirements. This will be based on 2015 pricing and the favourable material work indices already determined.

Summary of Premium Markets Suitable for Byro Magnetite
The industrial magnetite product from Byro is suitable for a large range of industrial uses. In the previous quarter the company had commenced discussion with several industries and specific product users. Those discussions continue and market gaps identified by Athena endure. The Market gaps include common use areas as well specialist industries (as noted below) using coarse grain size and or purity are in high demand.

- Dense Media Separation – Ragging
- Dense Media Separation – Coal Washing
- Catalyst in Ammonia Production
- Liquid Hydrocarbon Fuel Production from Coal and Natural Gas
- Industrial abrasives, sand blasting and ablation

- Aggregate in high-density concrete.

JORC Code Compliance Statement

Some of the information contained in this report is historic data that has not been updated to comply with the 2012 JORC Code. The information referred to in the announcement was prepared and first disclosed under the JORC Code 2004 edition. It has not been updated since to comply with the JORC Code 2012 edition on the basis that the information has not materially changed since it was last reported.

Competent Person's Statement

The information included in the announcement was compiled by Mr Liam Kelly, an employee of Athena Resources Limited. Mr Kelly is a Member of the Australasian Institute of Mining and Metallurgy, and has sufficient relevant experience in the styles of mineralisation and deposit styles under consideration to qualify as a Competent Person as defined in "The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012 Edition)". Mr Kelly consents to the inclusion of the information in the announcement in the context and format in which it appears and that the historical information was compliant with the relevant JORC Code, 2004 Edition, and new information announced in this report is compliant with the JORC Code 2012 Edition.

Competent Persons Disclosure

Mr Kelly is an employee of Athena Resources and currently holds securities in the company.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on the following page and forms part of this directors' report for the half-year ended 31 December 2015.

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
Managing Director
Dated at Perth this 8 day of March 2016

HLB Mann Judd

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Athena Resources Limited for the half-year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
8 March 2016

N G Neill
Partner

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CONDENSED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

Athena Resources

AND CONTROLLED ENTITIES

	Note	Consolidated 31 December 2015 $	Consolidated 31 December 2014 $
Revenue		4,178	1,327
Employee and Consultant Costs		(145,702)	(164,142)
Exploration Written Off	2	-	(102,271)
Listing and Securities Exchange fees		(19,238)	(26,341)
Office and Communication Costs		(38,674)	(40,084)
Other expenses		(74,804)	(62,094)
Depreciation		(1,363)	(4,167)
Loss before income tax		(275,603)	(397,772)
Income tax benefit	7	558,526	361,655
Net profit / (loss) for the period		282,923	(36,117)
Other comprehensive income		-	-
Total comprehensive result for the period		282,923	(36,117)
Basic profit / (loss) per share (cents per share)		0.16	(0.02)

The accompanying notes from part of these financial statements.

CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

AND CONTROLLED ENTITIES

	Note	Consolidated 31 December 2015 $	Consolidated 30 June 2015 $
CURRENT ASSETS			
Cash and cash equivalents		183,555	122,503
Trade and other receivables		7,822	-
Total Current Assets		191,377	122,503
NON CURRENT ASSETS			
Plant and equipment		5,615	6,977
Deferred exploration and evaluation expenditure	2	6,662,618	6,494,119
Total Non Current Assets		6,668,233	6,501,096
TOTAL ASSETS		6,859,610	6,623,599
CURRENT LIABILITIES			
Trade and other payables	6	554,972	600,270
Total Current Liabilities		554,972	600,270
TOTAL LIABILITIES		554,972	600,270
NET ASSETS		6,304,638	6,023,329
EQUITY			
Issued capital	3	12,459,132	12,460,746
Reserves		40,000	40,000
Accumulated losses		(6,194,494)	(6,477,417)
TOTAL EQUITY		6,304,638	6,023,329

The accompanying notes from part of these financial statements.

	Consolidated			
	Issued Capital $	Accumulated Losses $	Option Reserve $	Total Equity $
Half-year to 31 December 2014				
Balance at 1 July 2014	10,969,162	(5,708,741)	40,000	5,300,421
Shares issued (net of issue costs)	1,477,538			1,477,538
Comprehensive loss for the half - year	-	(36,117)	-	(36,117)
As at 31 December 2014	12,446,700	(5,744,858)	40,000	6,741,842
Half-year to 31 December 2015				
Balance at 1 July 2015	12,460,746	(6,477,417)	40,000	6,023,329
Shares issued (net of issue costs)	(1,614)	-	-	(1,614)
Comprehensive result for the half - year	-	282,923	-	282,923
As at 31 December 2015	12,459,132	(6,194,494)	40,000	6,304,638

The accompanying notes from part of these financial statements.

CONDENSED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

AND CONTROLLED ENTITIES

	Consolidated	
	31 December 2015 $	31 December 2014 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers	(285,116)	(213,597)
Interest income received	1,905	1,326
Research and Development Tax offset	558,526	-
Net cash provided by / (used in) operating activities	275,315	(212,271)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration expenditure	(214,761)	(634,951)
Payment for purchase of shares in other entities	(2,000)	-
Proceeds from sale of shares in other entities	4,112	-
Net cash used in investing activities	(212,649)	(634,951)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	908,000
Share issue costs	(1,614)	(41,513)
Proceeds from borrowings from related party	70,000	-
Repayment of borrowings to related party	(70,000)	(25,000)
Net cash (used in) provided by financing activities	(1,614)	841,487
Net increase / (decrease) in cash held	61,052	(5,735)
Cash and cash equivalents at the beginning of the period	122,503	78,869
Cash and cash equivalents at the end of the period	183,555	73,134

The accompanying notes from part of these financial statements.

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 2015 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. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

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:

- The placement of securities under the ASX Listing Rule 7.1 or otherwise;
- An excluded offer pursuant to the Corporations Act 2001; 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 (see Note 8) 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 2015.

In the half-year ended 31 December 2015, management reassessed its estimates in respect of:

Carrying value of exploration expenditure

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 (2014: $102,271) 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 2015, 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 2015.

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 directors has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2015. 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 Interpretations on the Group's business and, therefore, no change necessary to Group accounting policies.

NOTE 2 - DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	31 December 2015 $	30 June 2015 $
Balance at beginning of period	6,494,119	6,185,350
Expenditure incurred during the period	168,499	993,854
WA Gov't Industry Drilling Co Funding	-	(112,500)
Exploration written off during period	-	(572,585)
Total deferred exploration and evaluation expenditure	6,662,618	6,494,119

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.

NOTE 3 - ISSUED CAPITAL

	Consolidated	
	31 December 2015	30 June 2015
Ordinary Shares	$	$
Issued and fully paid	12,459,132	12,460,746

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

6 Months to 31 December 2015	Number	$
At 1 July 2015	173,760,789	12,460,746
Share Issue Costs	-	(1,614)
At 31 December 2015	173,760,789	12,459,132

Year to 30 June 2015		
At 1 July 2014	123,019,392	10,969,162
11 August 2014 Placement at 3 cents	13,400,000	402,000
12 September 2014 Placement at 3 cents	1,500,000	45,000
26 Sept 2014 Share Purchase Plan at 3.1 cents	8,258,063	256,000
26 Sept 2014 Directors' Debt Conversion at 3.1c	20,000,000	620,000
11 December 2014 Placement at 3 cents	6,833,334	205,000
26 June 2015 Placement at 2 cents	750,000	15,000
Share Issue Costs	-	(51,416)
At 30 June 2015	173,760,789	12,460,746

Movements in options were as follows:

6 Months to 31 December 2015	Number	$
At 1 July 2015	4,000,000	40,000
At 31 December 2015	4,000,000	40,000

Year to 30 June 2015	Number	$
At 1 July 2014	4,000,000	40,000
At 30 June 2015	4,000,000	40,000

4,000,000 Incentive Options are exercisable at $0.06 on or before 30 April 2016.

NOTE 4 - CONTINGENT LIABILITIES

Athena Resources Limited and its controlled entities have no known material contingent liabilities as at 31 December 2015.

NOTE 5 - 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.

NOTE 6 – TRADE AND OTHER PAYABLES	6 Months to 31 December 2014	12 Months to 30 June 2015
Current	$	$
Trade creditors and accruals	62,838	115,796
Due to directors - remuneration	425,334	417,674
Due to other officers - remuneration	66,800	66,800
	554,972	600,270

NOTE 7 – INCOME TAX BENEFIT

The income tax benefit arose from the research and development taxation incentive.

NOTE 8 – EVENT SUBSEQUENT TO BALANCE DATE

On 8 January 2016, Athena announced to ASX it had entered into a Binding Term Sheet with Brilliant Glory, the material terms of which are as follows:

Placement to Raise $1 million

Brilliant Glory will subscribe for $1,000,000 worth of Shares on the following basis:

- 15,000,000 Shares at an issue price of $0.02 each to raise $300,000 (**Tranche 1 Placement**). The Tranche 1 Placement has already taken place. The Shares were issued under the Company’s Listing Rule 7.1 placement capacity; and

- 28,000,000 shares at an issue price of $0.025 each to raise $700,000 (**Tranche 2 Placement**). The Tranche 2 Placement was subject to the Company receiving Shareholder approval which was received on 8 March 2016.

Conditional Disposal of the Byro Project

Subject to the Company receiving all necessary Shareholder and regulatory approvals, the Company has agreed to give Brilliant Glory 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 Binding Term Sheet is subject to the following conditions:

- Athena conducting the necessary works to obtain two mining leases within the boundaries of the Byro Project; and

- 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.

DIRECTORS' DECLARATION

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 2015 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 8 day of March 2016

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Athena Resources Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Athena Resources Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2015, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

Accountants | Business and Financial Advisers

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Athena Resources Limited is not in accordance with the *Corporations Act 2001* including:

a) giving a true and fair view of the Group's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1 in the financial report, which indicates that additional funding is required to ensure that the Group can continue to fund its operations and further develop its mineral exploration and evaluation assets during the twelve month period from the date of approval of this financial report. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

N G Neill
Partner

Perth, Western Australia
8 March 2016