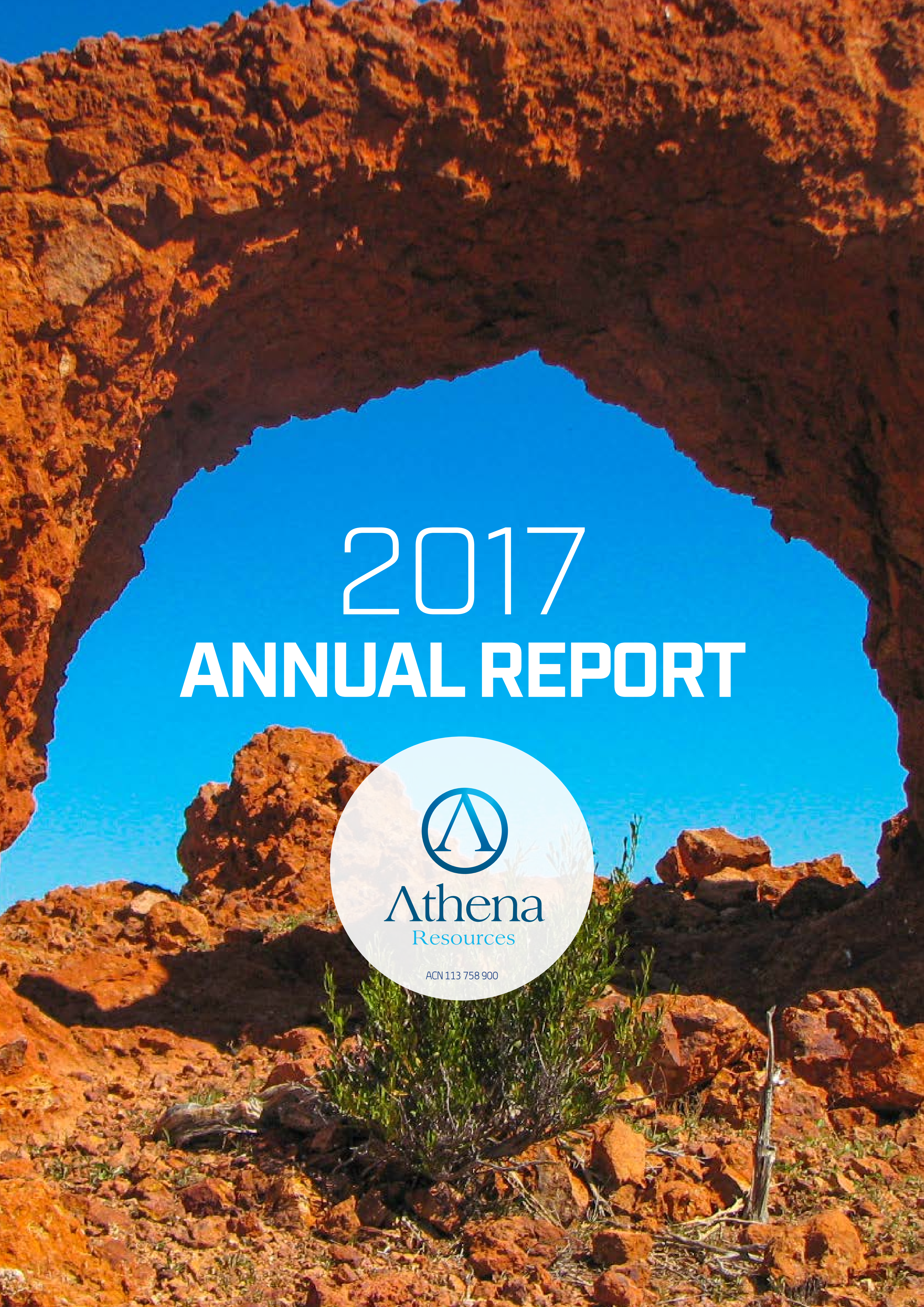
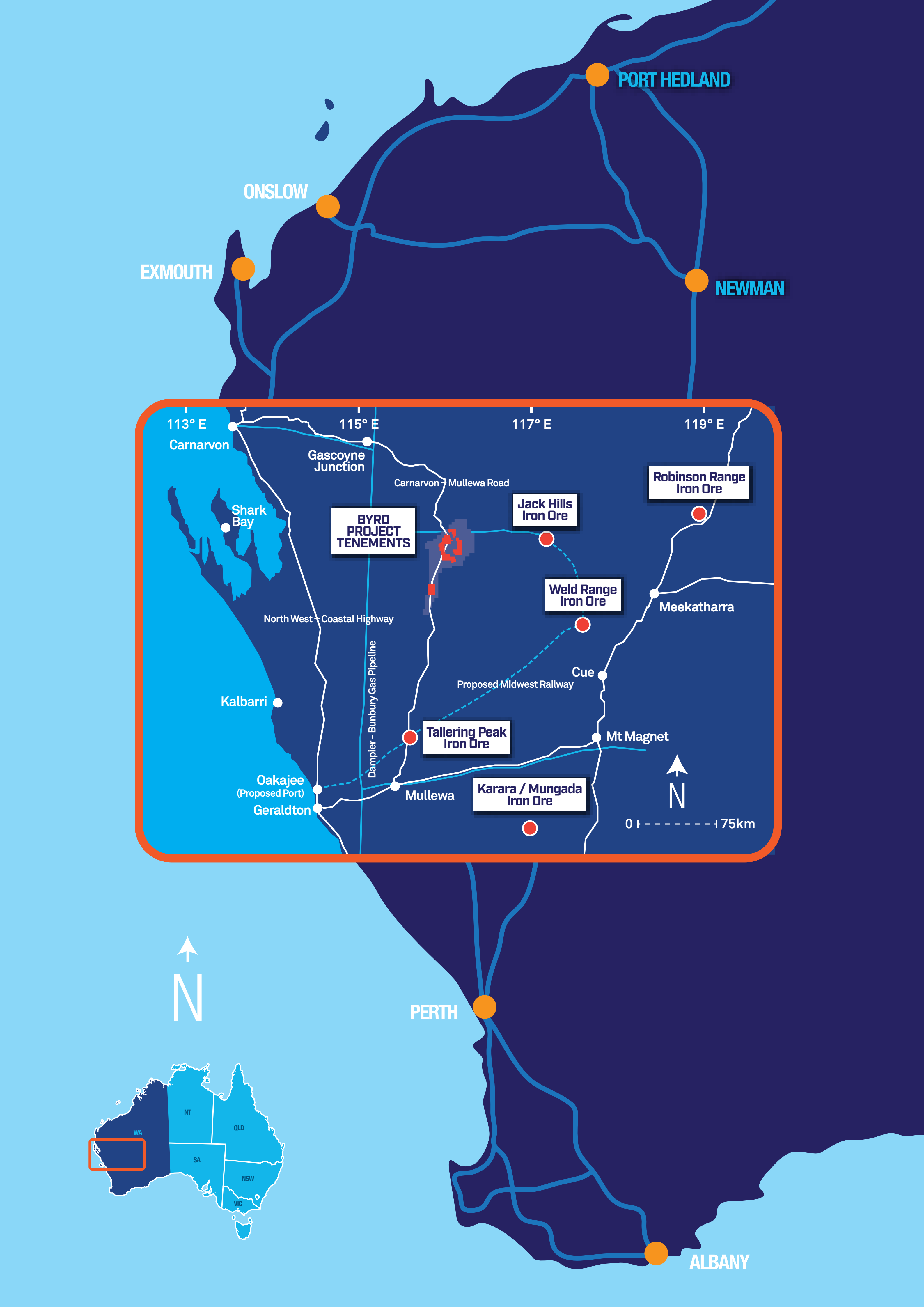


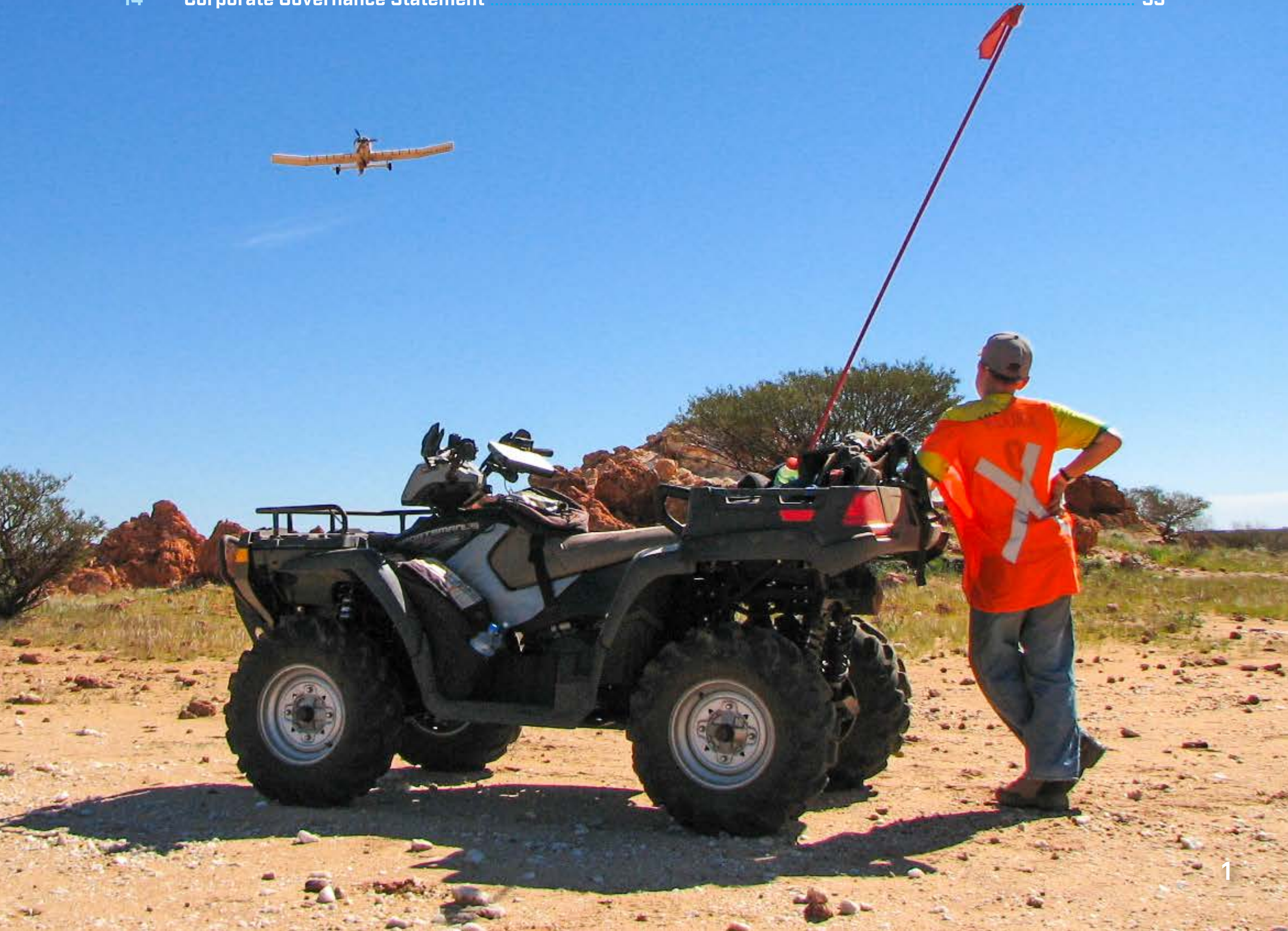
2017
ANNUAL REPORT

Athena
Resources

ACN 113 758 900


PORT HEDLAND
ONSLOW
EXMOUTH
NEWMAN
113° E
115° E
117° E
119° E
Carnarvon
Gascoyne Junction
Carnarvon - Mullewa Road
Shark Bay
BYRO PROJECT TENEMENTS
Jack Hills Iron Ore
Robinson Range Iron Ore
Weld Range Iron Ore
Meekatharra
North West - Coastal Highway
Cue
Proposed Midwest Railway
Kalbarri
Dampier - Bunbury Gas Pipeline
Tallering Peak Iron Ore
Mt Magnet
Oakajee (Proposed Port)
Geraldton
Mullewa
Karara / Mungada Iron Ore
N
0 75km
PERTH
ALBANY
N
WA
NT
QLD
SA
NSW
VIC

Contents



01 Company Information

ABN	69 113 758 900
Directors	D A Webster (Chairman) J Li (Chief Executive Officer) E W Edwards (Executive Director)
Secretaries	E W Edwards P J Newcomb
Registered Office	24 Colin Street West Perth, WESTERN AUSTRALIA 6005 Telephone: +61 8 9222 5888 Facsimile: +61 8 9222 5810 Email: ahn@athenaresources.com.au
Postal Address	PO Box 1970 West Perth, WESTERN AUSTRALIA 6872
Share Registry	Computershare Investor Services Pty Ltd Level 11 172 St Georges Terrace Perth, WESTERN AUSTRALIA 6000 Telephone: +61 8 9323 2000 Facsimile: +61 8 9323 2033
Auditor	HLB Mann Judd Level 4, 130 Stirling Street Perth, WESTERN AUSTRALIA 6000 Telephone: +61 8 9227 7500 Facsimile: +61 8 9227 7533
Bankers	Westpac Banking Corporation 1257 Hay Street West Perth, WESTERN AUSTRALIA 6005
Securities Exchange Listing	Athena Resources Limited shares are listed on the Australian Securities Exchange (Home Exchange – Perth) ASX Code: Shares AHN
Website	www.athenaresources.com.au

02 Review of Operations

The BYRO PROJECT

LOCATION

The Byro Iron project is strategically located in the Midwest Iron province which includes a substantial mining sector. The projects southern boundary is 210km north of the Mullewa Rail Siding by road and 275km from the Port of Geraldton. Development of the Byro Iron project is expanding the overall resource in the Midwest region along with neighbours at the Karara Iron Project, Sinosteel's Weld Range Project, the proposed Jack Hills Project, and Mt Gibson's Extension Hill project, amongst others. 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. Athena has also applied for two mining leases covering the Fe1 and Mt Narryer deposits.

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 Milly Milly 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.

The magnetite from Byro has unique characteristics because of its development within the ancient, deeply buried terrain of the north western Yilgarn Craton. This terrain produced the granulite grade metamorphic magnetite very different to the common banded iron formations mined in the Pilbara. Data review has shown that the Byro Magnetite is a valuable fit for multiple industrial applications. This is because the Byro Magnetite's natural attribute of purity becomes significantly more useful to industry with increased grain size.

FORMAL SALE OPTION AGREEMENT FOR BYRO PROJECT

On 8 January 2016 Athena announced that it had entered into a binding term sheet with Brilliant Glory Industrial Corporation Limited (BG), a Hong Kong based company for the conditional sale of the Byro Project. The terms sheet provided that Athena and BG may, by mutual agreement, enter into formal agreements in respect of the matters contained in the Term Sheet.

Athena and Brilliant Glory Industrial Corporation Limited together with Brilliant Glory Investments Pty Ltd on 2 December 2016 signed the formal Sale Option Agreement.

The material terms of the agreement are as follows:

Subject to the Company receiving all necessary Shareholder and regulatory approvals, the Company 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 agreement 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 (approved 8 March 2016) 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.

The agreement included in the definitions the following: "Satisfaction Date means 30 June 2017 or such other date as is agreed between the Parties". This date was extended until 30 September 2017 and subsequently to 31 December 2017.

The agreement to extend the date requires Brilliant Glory to fund the amount of $40,000 per month for maintenance of the Byro tenements and to advance a loan to Athena of $20,000 per month to cover Athena's corporate costs. That loan will be repaid out of the sale proceeds of $20,000,000.

MINING LEASE APPLICATIONS

During the year Athena continued discussions with the Wajarri Yamatji people who are the Traditional Owners of the area in which the Byro Project is located. Discussions to date include briefings on the scope of the project, future development and timelines. These discussions regard the grant on mining lease M09/166 (covering the Fe1 deposit) and M09/168 (covering the Mt Narryer deposit).

ONGOING METALLURGICAL WORK BY BRILLIANT GLORY

Brilliant Glory is continuing metallurgical studies for the purpose of plant design and to assist in the development of future sales of the high grade magnetite.

Cautionary Notes

Forward Looking Statements

This announcement contains certain statements that may constitute "forward looking statements". Such statements are only predictions and are subject to inherent risks and uncertainties, which could cause actual values, results, performance achievements to differ materially from those expressed, implied or projected in any forward looking statements.

JORC Code Compliance Statement

Some of the information contained in this announcement is historic data that have 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 Persons 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.

03 Directors' Report

Your Directors submit their report on the consolidated entity consisting of Athena Resources Limited ("Athena" or "the Company") and its controlled entities ("Group") for the financial year ended 30 June 2017.

DIRECTORS

The names of directors who held office during or since the end of the year and until the date of this report are as follows. Directors were in office for this entire period;

David Arthur Webster	Chairman
Jian Li	Chief Executive Officer
Edmond William Edwards	Executive Director

PARTICULARS OF DIRECTORS AND COMPANY SECRETARIES

David Arthur Webster – Chairman

Experience

Mr Webster's career in Australian agriculture includes developing an extensive run of farming properties in Western Australia and restructuring the Australian wool industry. More recently Mr Webster has been involved in significant Chinese investments in agriculture and associated infrastructure in Australia. He is currently a director of Australian Wool Innovation Limited (AWI) where he is also Chairman of the Finance and Audit Committee and he is a director of the Australian Wool Testing Authority Limited.

Mr Webster's considerable commercial expertise together with many years of experience of working with government at the highest level, both in Australia and overseas, is of substantial value to Athena Resources.

Interest in Shares

9,891,798 Fully Paid Shares

Special Responsibilities

Mr Webster is Chairman of the Audit Committee.

Directorships held in listed entities

In the 3 years immediately before the end of the financial year Mr Webster did not serve as a director of any other listed companies.

Jian Li – Chief Executive Officer

Experience

Jian Li has over 30 years of experience in import and export, international and domestic trade, and management of leading business and organisations in the Chinese market.

He started his career as a salesman and was eventually promoted to managing director and vice general manager in one of the top 500 state owned enterprises in China.

Along with his experience in international commodities import and domestic trade such as iron ore, coal, nickel and non-ferrous metal etc, he has developed strong connections, cooperation and sales networks with most of the biggest steel manufacturers, coal resource state owned enterprises and power plants in China.

Interest in Shares

43,000,000 Fully Paid Shares

Special Responsibilities

Mr Li is responsible for the promotion of the company in China.

Directorships held in listed entities

In the 3 years immediately before the end of the financial year Mr Li did not serve as a director of any other listed companies.

Edmond William Edwards – Executive Director and Joint Company Secretary

Qualifications

Mr Edwards is a Chartered Accountant with a Bachelor of Commerce from the University of Western Australia. He is a Fellow of The Australian Institute of Company Directors.

Experience

Mr Edwards has over 40 years of experience in the mining industry in Western Australia. He has previously been Executive Director or Finance Director of a number of listed mining and exploration companies having taken many of these companies through the initial public offering, then exploration, feasibility and finally into production. These companies include Taruga Gold Limited, Scotgold Resources Ltd, Resource Mining Corporation Ltd, Fox Resources Ltd, Aztec Resources Ltd, Acclaim Exploration NL and Matlock Mining NL.

Interest in Shares

30,503,066 Fully Paid Shares

Special Responsibilities

Mr Edwards is responsible for the financial management of the company and is also a Joint Company Secretary.

Directorships held in listed entities

In the 3 years immediately before the end of the financial year Mr Edwards did not serve as a director of any other listed companies

Peter John Newcomb – Joint Company Secretary

Qualifications

Mr Newcomb is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Chartered Accountants Australia and New Zealand.

Experience

He has over 31 years professional and commercial experience working in a number of industries and locations including London, Scotland, Singapore and Perth. The majority of his experience over the last ten years has been in the Resources industry in Western Australia. Mr Newcomb is Company Secretary.

PRINCIPAL ACTIVITIES

The principal activity of the consolidated entity during the year was mineral exploration in Australia.

OPERATING AND FINANCIAL REVIEW

Review of Operations

A review of operations of the group during the financial year is contained in the Review of Operations section of this annual report.

	2017 $	2016 $
Operating Results		
Consolidated (loss) /profit after income tax for the financial year	(130,994)	83,087

Financial Position

At 30 June 2017 the Company has cash reserves of $19,020.

Dividends

No dividends were paid during the year and no recommendation is made as to dividends.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors, there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial year under review not otherwise disclosed in this report or in the consolidated accounts.

MATTERS SUBSEQUENT TO THE END OF FINANCIAL YEAR

Since the end of the financial year under review and the date of this report, there has not arisen any matter, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to significantly affect the operations of the consolidated entity, in the current or subsequent financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company intends to continue its exploration activities with a view to the commencement of mining operations as soon as possible.

Further information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Company.

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2017, and the number of meetings attended by each Director. These meetings included matters relating to the Remuneration and Nomination Committees of the Company.

	Number eligible to attend	Number attended
Edmond William Edwards	4	4
David Arthur Webster	4	4
Jian Li	2	2

AUDIT COMMITTEE

The audit committee was comprised of the non-executive director Mr D Webster. During the year ended 30 June 2017, Mr D Webster attended two meetings of the Audit Committee.

REMUNERATION REPORT (Audited)

This report details the nature and amount of remuneration for each member of the key management personnel of Athena Resources Limited.

The following persons acted as directors during or since the end of the financial year:

David Arthur Webster	Chairman
Jian Li	Chief Executive Officer
Edmond William Edwards	Executive Director

The Company has no other key management personnel.

The information provided in the remuneration report includes remuneration disclosures that are required under Accounting Standards AASB 124 "Related Party Disclosures". These disclosures have been transferred from the financial report and have been audited.

Remuneration policy

The board policy is to remunerate directors at market rates for time, commitment and responsibilities. The board determines payment to the directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of directors' fees that can be paid is subject to approval by shareholders in general meeting, from time to time. Fees for non-executive directors are not linked to the performance of the consolidated entity. However, to align directors' interests with shareholder interests, the directors are encouraged to hold securities in the company.

The company's aim is to remunerate at a level that will attract and retain high-calibre directors and employees. Company officers and directors are remunerated to a level consistent with the size of the company.

All remuneration paid to directors and executives is valued at the cost to the company and expensed.

Performance-based remuneration

The company does not pay any performance-based component of remuneration.

Details of remuneration for year ended 30 June 2017

Directors' Remuneration

No salaries, commissions, bonuses or superannuation were paid or payable to directors during the year. Remuneration was by way of fees (as detailed below) paid monthly in respect of invoices issued to the Company by the Directors or Companies associated with the Directors in accordance with agreements between the Company and those entities. No other short-term or long-term benefits were provided during the current or prior year. Details of the agreements are set out below.

Agreements in respect of cash remuneration of Directors:

Mr. Edwards is an Executive Director responsible for the financial operations of the Company. The Company has an agreement with Tied Investments Pty Ltd to provide the management services of Mr. Edwards to the Company in relation to its corporate activities on normal commercial terms and conditions. An annual fee of $180,000 excluding GST was paid during the year. Mr. Edwards is a director of Tied Investments Pty Ltd. The Company may terminate the contract by giving three months notice. Tied Investments Pty Ltd may terminate by giving three months notice.

Mr David Webster is a Non-Executive Director. Fees payable to Mr Webster are detailed below. No fee was paid to Mr Li.

The Directors are entitled to reimbursement of out-of-pocket expenses incurred whilst on company business.

The total remuneration paid to directors is summarised below:

Director	Associated Company	Fees $	Total $
Year ended 30 June 2017			
E W Edwards	Tied Investments Pty Ltd	180,000	180,000
D A Webster	Cobpen Co Investments Pty Ltd	48,000	48,000
J Li		-	-
		228,000	228,000

Director	Associated Company	Fees $	Total $
Year ended 30 June 2016			
E W Edwards	Tied Investments Pty Ltd	180,000	180,000
D A Webster	Cobpen Co Investments Pty Ltd	48,000	48,000
J Li		-	-
R P Kandiah	Kokatu Pty Ltd	24,000	24,000
		252,000	252,000

Aggregate amounts payable to Directors and their personally related entities.

	2017 $	2016 $
Current:		
Accounts payable	597,294	483,734
	597,294	483,734

During the year, interest free loans of $120,000 by Mr Edwards were extended to the Company by a director, for the purpose of supporting short-term cash flow. The loans were unsecured. The maximum amount outstanding during the period was $120,000. The balance of the loan outstanding at 30 June 2017 was nil.

There were no performance related payments, option or share based payments, superannuation payments or other benefits made during the year.

Directors' Shareholdings in the Company

Director	Balance 1 July 2016	Placement	Balance 30 June 2017
J Li	43,000,000	-	43,000,000
E W Edwards	30,503,066	-	30,503,066
D A Webster	9,891,798	-	9,891,789
	83,394,864	-	83,394,864

End of Remuneration Report

SHARE OPTIONS

As at the date of this report, there were no options over unissued ordinary shares in the parent entity.

ENVIRONMENTAL ISSUES

The consolidated entity has conducted exploration activities on mineral tenements. The right to conduct these activities is granted subject to environmental conditions and requirements. The consolidated entity aims to ensure a high standard of environmental care is achieved and, as a minimum, to comply with relevant environmental regulations. There have been no known breaches of any of the environmental conditions.

INDEMNIFICATION OF DIRECTORS

During the financial year, the Company has given an indemnity or entered into an agreement to indemnity as follows:

The Company has entered into agreements with Mr E Edwards, Mr D Webster and Mr J Li to indemnify them against any liability incurred by them as an officer of the Company including costs and expenses of successfully defended legal proceedings.

AUDITOR

HLB Mann Judd continues in office in accordance with section 327 of the Corporations Act 2001.

NON-AUDIT SERVICES

No non-audit services were provided by our auditors, HLB Mann Judd, during the year ended 30 June 2017.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as set out on page 10 has been received for the year ended 30 June 2017 and forms part of this directors' report.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the directors.

E W EDWARDS
Executive Director

Dated at Perth this 21 day of September, 2017.

04 Auditors Independence Declaration

For the year ended 30 June 2017

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Athena Resources Limited for the year ended 30 June 2017, 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 audit; and

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

Perth, Western Australia
21 September 2017

N G Neill
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4 130 Stirling Street Perth WA 6000 | PO Box 8124 Perth BC WA 6849 | Telephone +61 (08) 9227 7500 | Fax +61 (08) 9227 7533
Email: mailbox@hlbwa.com.au | Website: www.hlb.com.au

05 Statement of Comprehensive Income

For the year ended 30 June 2017

	Note	Consolidated Entity	
		2017 $	2016 $
Revenue	2	2,136	6,761
Expenses			
Depreciation	3	(6,159)	(3,400)
Employee and Consultant Costs		(260,239)	(241,745)
Listing and Share Registry Costs		(26,748)	(24,143)
Office and Communication Costs		(88,762)	(78,826)
Other expenses		(143,437)	(134,086)
LOSS BEFORE INCOME TAX BENEFIT		(523,209)	(475,439)
Income tax benefit	4	392,215	558,526
NET PROFIT / (LOSS) FOR THE YEAR		(130,994)	83,087
Other comprehensive income			-
TOTAL COMPREHENSIVE PROFIT / (LOSS) FOR THE YEAR		**(130,994)**	**83,087**
Basic earnings / (loss) per share (cents per share)	20	(0.06)	0.05

These financial statements should be read in conjunction with the accompanying notes.

06 Statement of Financial Position

As at 30 June 2017

	Note	Consolidated Entity	
		2017 $	2016 $
CURRENT ASSETS			
Cash and cash equivalents	5	19,020	758,935
Trade and other receivables	6	60,901	55,181
Total Current Assets		79,921	814,116
NON-CURRENT ASSETS			
Plant and equipment	7	19,691	25,850
Mineral exploration and evaluation	8	7,584,542	7,184,778
Total Non-Current Assets		7,604,233	7,210,628
TOTAL ASSETS		7,684,154	8,024,744
CURRENT LIABILITIES			
Trade and other payables	9	768,590	978,186
Total Current Liabilities		768,590	978,186
TOTAL LIABILITIES		768,590	978,186
NET ASSETS		6,915,564	7,046,558
EQUITY			
Issued capital	10	13,400,888	13,400,888
Accumulated losses	11	(6,485,324)	(6,354,330)
TOTAL EQUITY		6,915,564	7,046,558

These financial statements should be read in conjunction with the accompanying notes.

07 Statement of Changes in Equity

For the year ended 30 June 2017

Consolidated Entity	Issued Capital $	Accumulated Losses $	Share Option Reserve $	Total $
Year ended 30 June 2017				
Balance at 1 July 2016	13,400,888	(6,354,330)	-	7,046,558
Comprehensive loss for the year	-	(130,994)	-	(130,994)
Balance at 30 June 2017	13,400,888	(6,485,324)	-	6,915,564
Year ended 30 June 2016				
Balance at 1 July 2015	12,460,746	(6,477,417)	40,000	6,023,329
Shares issued (net of issue costs)	940,142	-	-	940,142
Expiry of Options	-	40,000	(40,000)	-
Comprehensive income for the year	-	83,087	-	83,087
Balance at 30 June 2016	13,400,888	(6,354,330)	-	7,046,558

These financial statements should be read in conjunction with the accompanying notes.

08 Statement of Cash Flows

For the year ended 30 June 2017

	Note	Consolidated Entity 2017 $	2016 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers		(376,311)	(468,369)
Interest received		2,136	2,649
Research and Development tax offset		392,215	558,526
Net Cash Inflow From Operating Activities	16	18,040	92,806
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for mineral exploration/evaluation expenditure		(777,955)	(376,355)
Payment for purchase of shares in other entities		-	(2,000)
Payment for the purchase of fixed assets		-	(22,273)
Proceeds from sale of shares in other entities		-	4,112
Net Cash (Outflow) From Investing Activities		(777,955)	(396,516)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares and options		-	1,000,000
Share and option issue transaction costs		-	(59,858)
Proceeds from borrowings from related party		140,000	70,000
Repayment of borrowings from related party		(120,000)	(70,000)
Net Cash Inflow From Financing Activities		20,000	940,142
Net increase in cash held		(739,915)	636,432
Cash and cash equivalents at beginning of the financial year		758,935	122,503
Cash and cash equivalents at the end of this financial year	5	19,020	758,935

These financial statements should be read in conjunction with the accompanying notes.

09 Notes to and forming part of the financial statements

For the year ended 30 June 2017

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law.

The financial report has also been prepared on a historical cost basis. The financial report is presented in Australian dollars. For the purposes of preparing the consolidated financial statements, the company is a for-profit entity

The company is a listed public company, incorporated in Australia and operating in Australia. The entity's principal activities are mineral exploration.

The accounting policies detailed below have been consistently applied to all years presented unless otherwise stated. The financial statements are for the consolidated entity consisting of Athena Resources Limited and its subsidiaries.

Reporting Basis and Conventions

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 Athena's assets and the discharge of its liabilities in the normal course of business.

The Board considers that Athena is a going concern and recognises that additional funding is required to ensure that it 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. The company has access to the following potential source of funding:

- 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 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.

Statement of Compliance

The financial report was authorised for issue on 21 September 2017.

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

Adoption of new and revised standards

Changes in accounting policies on initial application of Accounting Standards

In the year ended 30 June 2017, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Consolidated Entity's operations and effective for the current annual reporting period.

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 Consolidated Entity's business and therefore, no change is necessary to accounting policies of the consolidated entity.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2017. 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 its business and, therefore, no change necessary to consolidated entity accounting policies.

Segment Reporting

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Athena Resources Limited.

Accounting Policies

a) **Principles of Consolidation**

A controlled entity is any entity controlled by Athena Resources Limited. Control exists where Athena Resources Limited has the capacity to dominate the decision making in relation to the financial and operating policies of another entity so that the other entity operates with Athena Resources Limited to achieve the objectives of Athena Resources Limited. All controlled entities have a 30 June financial year-end.

All intercompany balances and transactions between entities in the consolidated entity, including any unrealised profit or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the consolidated entity during the year, their operating results have been included from the date control was obtained or until the date control ceased.

b) **Income Tax**

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowable items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance date.

Deferred tax is accounted for in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

c) **Plant and Equipment**

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation.

Plant and equipment

Plant and equipment are measured on the cost basis less accumulated depreciation and accumulated impairment losses.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future consolidated benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets, but excluding computers, is depreciated on a reducing balance commencing from the time the asset is held ready for use. Computers are depreciated on a straight line basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	15 – 50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to accumulated losses.

d) Mineral Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is either written off as incurred or accumulated in respect of each identifiable area of interest. Tenement acquisition costs are initially capitalised. Costs are only carried forward to the extent that they are expected to be recouped through the successful development of the areas, sale of the respective areas of interest or where activities in the area have not yet reached a stage, which permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full in the year in which the decision to abandon the areas is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are expensed as incurred and treated as exploration and evaluation expenditure.

e) Impairment of Assets

At each reporting date, the Directors review the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the assets, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

f) Provisions

Provisions are recognised where there is a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

g) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

h) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and service tax (GST).

i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expenses. Receivables and payables in the statement of financial position are shown inclusive of GST.

j) Issued Capital

Issued and paid up capital is recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

k) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

l) Critical accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

m) Key Estimates – Impairment of exploration expenditure

The Directors assess impairment at each reporting date by evaluating conditions specific to the consolidated entity that may lead to impairment of exploration expenditure. In making this assessment, the Directors have considered the existence of any possible indicators of impairment per AASB 6 "Exploration for and Evaluation of Mineral Resources".

On the basis of this review, the Directors have not written off any exploration expenditure during the financial year and are satisfied that no impairment is present at June 30 2017.

NOTE 2 REVENUE

	Consolidated Entity 2017 $	Consolidated Entity 2016 $
Revenue from non-operating activities		
Interest received	2,136	2,649
Sale of shares in other entities	-	4,112
Total revenue	2,136	6,761

NOTE 3 LOSS FROM ORDINARY ACTIVITIES BEFORE TAX EXPENSE

	Consolidated Entity 2017 $	Consolidated Entity 2016 $
Expenses		
Depreciation of non-current assets:		
Plant and equipment	-	533
Office furniture and equipment	1,148	1,919
Motor vehicles	5,011	948
Total depreciation of non-current assets	6,159	3,400

NOTE 4 INCOME TAX

	Consolidated Entity 2017 $	Consolidated Entity 2016 $
No income tax is payable by Athena as each entity in the consolidated entity incurred a loss for tax purposes for the year and each has available recoupable income tax losses at balance date. The aggregate of income tax attributable to the financial year differs from the amount calculated on the operating loss. The differences are calculated as follows:		
Loss for the year	(523,209)	(475,439)
Income tax calculated at 30%	(156,963)	(142,632)
Tax effect of permanent differences:		
R&D Tax Offset	392,215	558,526
Deferred tax asset not recognised	156,963	142,632
Income Tax Attributable To Operating Loss	392,215	558,526
The directors estimate the unrecognised deferred tax asset attributable to the company and its controlled entities at 30% is as follows:		
Revenue Losses	3,523,152	3,506,197

The potential deferred tax asset has not been brought to account in the financial report at 30 June 2017 as the Directors do not believe it is appropriate to regard the realisation of the asset as probable. This asset will only be obtained if:

a) The company and its controlled entity derive future assessable income of an amount and type sufficient to enable the benefit from the deductions for the tax losses and the unrecouped exploration expenditure to be realised;

b) The company and its controlled entity continue to comply with the conditions for deductibility imposed by tax legislation; and

c) No changes in tax legislation adversely affect the company and its controlled entity in realising the benefit from the deductions for the tax losses and unrecouped exploration expenditure.

Franking Credits

No franking credits are available at balance date for the subsequent financial year.

NOTE 5 CASH AND CASH EQUIVALENTS

	Consolidated Entity	
	2017 **$**	**2016** **$**
Cash at bank and on hand	19,020	758,935
	19,020	758,935

NOTE 6 TRADE AND OTHER RECEIVABLES

	Consolidated Entity	
	2017 **$**	**2016** **$**
Current		
Other Debtors	28,056	-
GST Receivable	32,845	55,181
	60,901	55,181

NOTE 7 PLANT AND EQUIPMENT

	Consolidated Entity	
	2017 **$**	**2016** **$**
Plant and equipment		
Cost	201,554	201,554
Provision for depreciation	(181,863)	(175,704)
	19,691	25,850
Movement for the year		
Opening balance	25,850	6,977
Additions	-	22,273
Depreciation expensed	(6,159)	(3,400)
Closing balance	19,691	25,850

NOTE 8 MINERAL EXPLORATION AND EVALUATION

	Consolidated Entity 2017 $	Consolidated Entity 2016 $
At cost brought forward – exploration and evaluation phase	7,184,778	6,494,119
Expenditure during the year	399,764	690,659
At cost less impairment	7,584,542	7,184,778

The ultimate recoupment of exploration expenditure carried forward is dependent upon successful development and commercial exploration, or sale of the respective areas

NOTE 9 TRADE AND OTHER PAYABLES

	Consolidated Entity 2017 $	Consolidated Entity 2016 $
Current		
Trade creditors and accruals	36,896	403,252
Loan from Brilliant Glory Investments Pty Ltd (Note 22)	20,000	-
Due to directors - remuneration	597,294	483,734
Due to other officers - remuneration	114,400	91,200
	768,590	978,186

NOTE 10 ISSUED CAPITAL

	Consolidated Entity 2017 $	Consolidated Entity 2016 $
(a) Issued capital:		
216,760,789 ordinary shares fully paid		
(2016: 216,760,789 ordinary shares fully paid)	13,400,888	13,400,888

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

Date	Details	No. Of Shares	Issue Price Cents / Share	Value $
	Balance June 30 2015	173,760,789		12,460,746
11/08/14	Placement	15,000,000	2.00	300,000
12/09/14	Placement	12,000,000	2.50	300,000
26/06/15	Placement	16,000,000	2.50	400,000
	Less: Transaction costs arising on share issues	-		(59,858)
	Balance June 30 2016 and 2017	216,760,789		13,400,888

(c) Movement in Options:

Details	No. Of Options	Issue Price Cents / Share	Value $
Balance June 30 2015	4,000,000		40,000
Transfer to Accumulated Losses on Expiry of Options	(4,000,000)		(40,000)
Balance June 30 2016 and 2017	-		-

Options exercisable at 6 cents on or before 30 April 2016 expired during the 2016 year.

(d) Voting and dividend rights

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

NOTE 11 RESERVES AND ACCUMULATED LOSSES

	Consolidated Entity 2017 $	Consolidated Entity 2016 $
Accumulated Losses	(6,485,324)	(6,354,330)
Accumulated Losses		
Balance at beginning of the year	(6,354,330)	(6,477,417)
Net Profit / (Loss) for the year	(130,994)	83,087
Transfer to Accumulated Losses on Expiry of Options	-	40,000
Balance at end of the year	(6,485,324)	(6,354,330)

NOTE 12 COMMITMENTS FOR EXPENDITURE

	Consolidated Entity 2017 $	Consolidated Entity 2016 $
Mineral Tenement Leases		
In order to maintain current rights of tenure to mining tenements, the consolidated entity will be required to outlay amounts of $4,059,670 (2016: $2,774,325) in respect of minimum tenement expenditure requirements and lease rentals. The obligations are not provided for in the financial report and are payable as follows:		
Not later than one year	811,934	554,865
Later than 1 year but not later than 2 years	811,934	554,865
Later than 2 years but not later than 5 years	2,435,802	1,664,595
	4,059,670	2,774,325

The Company has a number of avenues available to continue the funding of its current exploration program and as and when decisions are made, the Company will disclose this information to shareholders.

The commitments referred to above represent the Company's share of obligations under joint venture agreements without allowing for dilution.

NOTE 13 CONTINGENT LIABILITIES

Athena Resources Limited and its controlled entities have no known material contingent liabilities as at 30 June 2017.

NOTE 14 INVESTMENT IN CONTROLLED ENTITIES

	Class of Shares		Book Value Investments 2017 $	Book Value Investments 2016 $
Athena Resources Limited - Parent Entity	Ordinary	100%	-	-
Complex Exploration Pty Ltd	Ordinary	100%	100	100
Capricorn Resources Pty Ltd	Ordinary	100%	200	200
Byro Exploration Pty Ltd (c)	Ordinary	100%	1,390,000	1,390,000
			1,390,300	1,390,300

a) The above controlled entities are incorporated in Australia.

b) The book value of Athena Resources Limited's investment in the ordinary shares of controlled entities, is at cost which does not exceed the underlying net assets of the entity.

c) Wholly owned subsidiary of Complex Exploration Pty Ltd.

NOTE 15 SEGMENT INFORMATION

During the year the Group operated principally in one business segment being mineral exploration within Australia.

NOTE 16 NOTES TO THE STATEMENT OF CASH FLOWS

	Consolidated Entity 2017 $	2016 $
Reconciliation of (loss) / profit after income tax to net operating cash flows		
(Loss) / Profit from ordinary activities	(130,994)	83,087
Depreciation	6,159	3,400
Profit on sale of other entities	-	(2,112)
Movement in assets and liabilities		
Receivables	148,595	(55,181)
Payables	(5,720)	63,612
Net cash provided by operating activities	18,040	92,806

NOTE 17 KEY MANAGEMENT PERSONNEL

a) Directors

The names and positions of Directors in office at any time during the financial year are:

David Arthur Webster	Chairman
Jian Li	Chief Executive Officer
Edmond William Edwards	Executive Director

b) Remuneration Polices

Remuneration policies are disclosed in the Remuneration Report which is contained in the Directors' Report.

c) The total remuneration paid to Directors is summarised below:

Year ended 30 June	2017 $	2016 $
Short-term employee benefits	228,000	252,000
Post-employment benefits	-	-
Other-long term benefits	-	-
Other – based payments	-	-
	228,000	252,000

d) Aggregate amounts payable to Directors and their personally related entities.

	2017 $	2016 $
Current		
Accounts payable	597,294	483,734
	597,294	483,734

NOTE 18 RELATED PARTY INFORMATION

	Parent Entity	
	2017 $	2016 $
Transactions within the Consolidated Entity		
Aggregate amount receivable within the consolidated entities at balance date		
Non-current receivables – Controlled Entities	9,140,029	8,740,265
Less : Provision for non recovery	(1,554,985)	(1,554,985)
	7,585,044	7,185,280

All loans to related parties and controlled entities are interest free and repayable on demand.

During the year, a loan of $120,000 was extended to the Company by a Director, Mr Edwards, for the purpose of supporting short-term cash flow. The loans were unsecured. The maximum amount outstanding during the period was $120,000. The balance of the loans outstanding at 30 June 2017 was nil.

NOTE 19 REMUNERATION OF AUDITORS

	Consolidated Entity	
	2017 $	2016 $
Amount received, or due and receivable, by the auditors for:		
Auditing and reviewing of the financial statements of Athena Resources Limited and of its controlled entities	22,200	22,000
Other Services	-	5,000
	22,200	27,000

NOTE 20 (LOSS) / PROFIT PER SHARE

	Number of shares	
	2017 No	2016 No
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic loss per share	216,760,789	184,141,611
	$	$
Profit / (Loss) used in the calculation of loss per share	(130,994)	83,087

NOTE 21 FINANCIAL RISK MANAGEMENT

a) Financial Risk Management Policies

The consolidated entity's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable.

The board's overall risk management strategy seeks to assist the group in meeting its financial targets, whilst minimising potential adverse effects on financial performance. The group has developed a framework for a risk management policy and internal compliance and control systems that covers the organisational, financial and operational aspects of the consolidated entity's affairs. The Chairman is responsible for ensuring the maintenance of, and compliance with, appropriate systems.

i) Financial Risk Exposures and Management

The main risks the group is exposed to through its financial instruments are interest rate risk and liquidity risk.

Interest Rate Risk

The consolidated entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of change in the market, interest rate and the effective weighted average interest rate on these financial assets, is as follows:

	Non-Interest Bearing $		Weighted Average Effective Interest Rate %		Floating Interest Rate $	
	2017	2016	2017	2016	2017	2016
Financial Assets						
- Cash at bank	-	-	0.92	0.18	19,020	758,935
- Trade debtors	60,901	55,181			-	-
Total Financial Assets	60,901	55,181			19,020	758,935
Financial Liabilities						
- Payable and accruals	171,298	494,452			-	-
- Amounts payable related parties	597,294	483,734			-	-
Total Financial Liabilities	768,592	978,186			-	-

Liquidity Risk

The consolidated entity manages liquidity risk by monitoring forecast cash flows.

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date, is the carrying amount net of any allowance for doubtful debts, as disclosed in the statement of financial position and notes to the financial statement.

In the case of cash deposited, credit risk is minimised by depositing with recognised financial intermediaries such as banks, subject to Australian Prudential Regulation Authority supervision.

The consolidated entity does not have any material risk exposure to any single debtor or group of debtors under financial instruments entered into by it.

Capital Management Risk

Management controls the capital of the consolidated entity in order to maximise the return to shareholders and ensure that the consolidated entity can fund its operations and continue as a going concern.

Management effectively manages the consolidated entity's capital by assessing the consolidated entity's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of expenditure and debt levels and share and option issues. There have been no changes in the strategy adopted by management to control capital of the consolidated entity since the prior year.

b) Financial Instruments

Net Fair Values

For financial assets and liabilities, the net fair value approximates their carrying value. The consolidated entity has no financial assets or liabilities that are readily traded on organised markets at balance date and has no financial assets where the carrying amount exceeds net fair values at balance date.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the financial statements.

Interest Rate Sensitivity Analysis

The consolidated entity has performed a sensitivity analysis relating to its exposure to interest rate risk. This sensitivity analysis demonstrates the effect on the current year results and equity which could result in a change in these risks.

At 30 June 2017 the effect on the loss and equity as a result of a 2% change in the interest rate with all other variables remaining constant is as follows:

	2017 $	2016 $
Change in Profit / (Loss)		
- Increase in interest by 2%	2,013	6,622
- Decrease in interest by 2%	(2,013)	(6,622)
Change in equity		
- Increase in interest by 2%	2,013	6,622
- Decrease in interest by 2%	(2,013)	(6,622)

NOTE 22 FORMAL SALE OPTION AGREEMENT FOR BYRO PROJECT

On 8 January 2016 the Company announced to ASX that it has entered into a binding term sheet with Brilliant Glory Industrial Corporation Limited (BG), a Hong Kong based company for the conditional sale of the Byro Project.

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

Athena and Brilliant Glory Industrial Corporation Limited together with Brilliant Glory Investments Pty Ltd on 2 December 2016 signed the formal Sale Option Agreement.

The material terms of the agreement are as follows:

Subject to the Company receiving all necessary Shareholder and regulatory approvals, the Company 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 agreement 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 (approved 8 March 2016) 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.

The agreement included in the definitions the following: "Satisfaction Date means 30 June 2017 or such other date as is agreed between the Parties".

This date was extended until 30 September 2017 and subsequently to 31 December 2017.

The agreement to extend the date requires Brilliant Glory to fund the amount of $40,000 per month for maintenance of the Byro tenements and to advance a loan to Athena of $20,000 per month to cover Athena's corporate costs. That loan will be repaid out of the sale proceeds of $20,000,000.

NOTE 23 PARENT ENTITY DISCLOSURES

	2017 $	2016 $
Financial Position		
CURRENT ASSETS		
Cash and cash equivalents	18,220	758,135
Trade and other receivables	60,901	55,181
Total Current Assets	79,121	813,316
NON-CURRENT ASSETS		
Plant and equipment	19,691	25,850
Investment in subsidiaries	300	300
Loans to subsidiaries (i)	7,585,044	7,185,280
Total Non-Current assets	7,605,035	7,211,430
TOTAL ASSETS	7,684,156	8,024,746
CURRENT LIABILITIES		
Trade and other payables	768,592	978,188
Total Current Liabilities	768,592	978,188
TOTAL LIABILITIES	768,592	978,188
NET ASSETS	6,915,564	7,046,558
EQUITY		
Issued capital	13,400,888	13,400,888
Accumulated losses	(6,485,324)	(6,354,330)
TOTAL EQUITY	6,915,564	7,046,558
Financial Performance		
Profit (Loss) for the year	(130,994)	83,087
Other comprehensive income	-	-
Total comprehensive income / (loss)	(130,994)	83,087
Accumulated losses prior year	(6,354,330)	(6,477,417)
Transfer to Reserve on expiry of options	-	40,000
	(6,485,324)	(6,354,330)

The parent entity has not entered into any guarantees in relation to debts of its subsidiaries, has no contingent liabilities, and has no commitments for acquisition of property, plant and equipment.

(i) The ultimate recovery of the loans to the subsidiaries is dependent on the successful development and/or commercial exploitation or sale of the subsidiaries' exploration assets.

10 Directors' Declaration

For the year ended 30 June 2017

1. In the opinion of the directors of Athena Resources Limited (the 'Company'):

   a. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:

      i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the year then ended; and

      ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.

   b. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

   c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2017.

E W Edwards
Executive Director

Date at Perth this 21 September 2017

11 Independent Auditor's Report

For the year ended 30 June 2017

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of Athena Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Athena Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates the existence of a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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HLB Mann Judd

Key Audit Matter	How our audit addressed the key audit matter
Carrying amount of exploration and evaluation expenditure Note 8 of the financial report	
In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group capitalises exploration and evaluation expenditure and at 30 June 2017 had capitalised exploration and evaluation expenditure of $7,584,542. Our audit focussed on the Group's assessment of the carrying amount of the capitalised exploration and evaluation asset as it involved the most communication with those charged with governance and also is of importance to the users' understanding of the financial report as a whole. We planned our work to address the audit risk that the capitalised expenditure might no longer meets the recognition criteria of the standard. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.	Our procedures included but were not limited to the following: - We obtained an understanding of the key processes associated with management's review of carrying values of each area of interest; - We considered the Director's assessment of potential indicators of impairment; - We obtained evidence that the Group has current rights to tenure of its area of interest; - We examined exploration budgets and discussed with management the nature of planned ongoing activities; and - We examined the disclosures made in the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

HLB Mann Judd

Report on the Remuneration Report

Opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2017.

In our opinion, the remuneration report of Athena Resources Limited for the year ended 30 June 2017 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

Norman Glad

HLB Mann Judd
Chartered Accountants

N G Neill
Partner

Perth, Western Australia
21 September 2017

12 Shareholder Details

For the year ended 30 June 2016

ANALYSIS OF SHAREHOLDING – 14 SEPTEMBER 2017	SHARES
1 – 1,000	22
1,001 – 5,000	48
5,001 – 10,000	73
10,001 – 100,000	276
100,001 – or more	152
	571
Total on issue	216,760,789
Shareholders holding less than marketable parcel	179

Voting Rights

Article 16 of the Constitution specifies that on a show of hands every member present in person, by attorney or by proxy shall have:

a) for every fully paid share held by him one vote

b) for every share which is not fully paid a fraction of the vote equal to the amount paid up on the share over the nominal value of the shares.

Substantial Shareholders

The following substantial shareholders have notified the Company in accordance with Corporations Act 2001.

Brilliant Glory Industrial Corp Ltd	43,000,000	19.84%
Edmond William Edwards	30,503,066	14.07%

Directors' Shareholding

Interest of each director in the share capital of the Company is detailed in the Remuneration Report.

Top Twenty Shareholders 15 September 2016

NAME	SHARES	%	RANK
Brilliant Glory Industrial Corp Ltd	43,000,000	19.84	1
Tied Nominees Pty Ltd	30,459,066	14.05	2
Ishine International Resources Limited	8,300,000	3.83	3
Cobpen Co Investments Pty Ltd	8,077,301	3.73	4
Kelanco Pty Ltd	8,061,771	3.72	5
Vitor Pty Ltd	6,666,667	3.08	6
Mr Andrew Peter Thomson	4,432,500	2.04	7
Julia Edwards Superannuation Pty Ltd	4,020,000	1.85	8
Corridor Nominees Pty Ltd	3,803,375	1.75	9
Mr Peter John Newcomb	3,710,250	1.71	10
Mr Terence Weston	3,661,000	1.69	11
Citicorp Nominees Pty Limited	2,811,406	1.30	12
Mr Andrew John Puklowski	2,678,471	1.24	13
Mr James Gregory Puklowski	2,646,053	1.22	14
Stonydeep Investments Pty Ltd	2,625,000	1.21	15
Mr Ronald Wang Chi Tai	2,548,370	1.18	16
Befavo Pty Ltd	2,504,409	1.16	17
HSBC Custody Nominees (Australia)	2,023,500	0.93	18
B C & K D Kelly	1,973,047	0.91	19
Mr Liam Kelly	1,954,889	0.90	20
TOP 20 TOTAL	**143,532,677**	**66.21**	

13 Interest in Mining Tenements

Byro

E09/1507

E09/1552

E09/1637

E09/1781

E09/1938

MLA09/166

MLA09/168

E – Exploration License

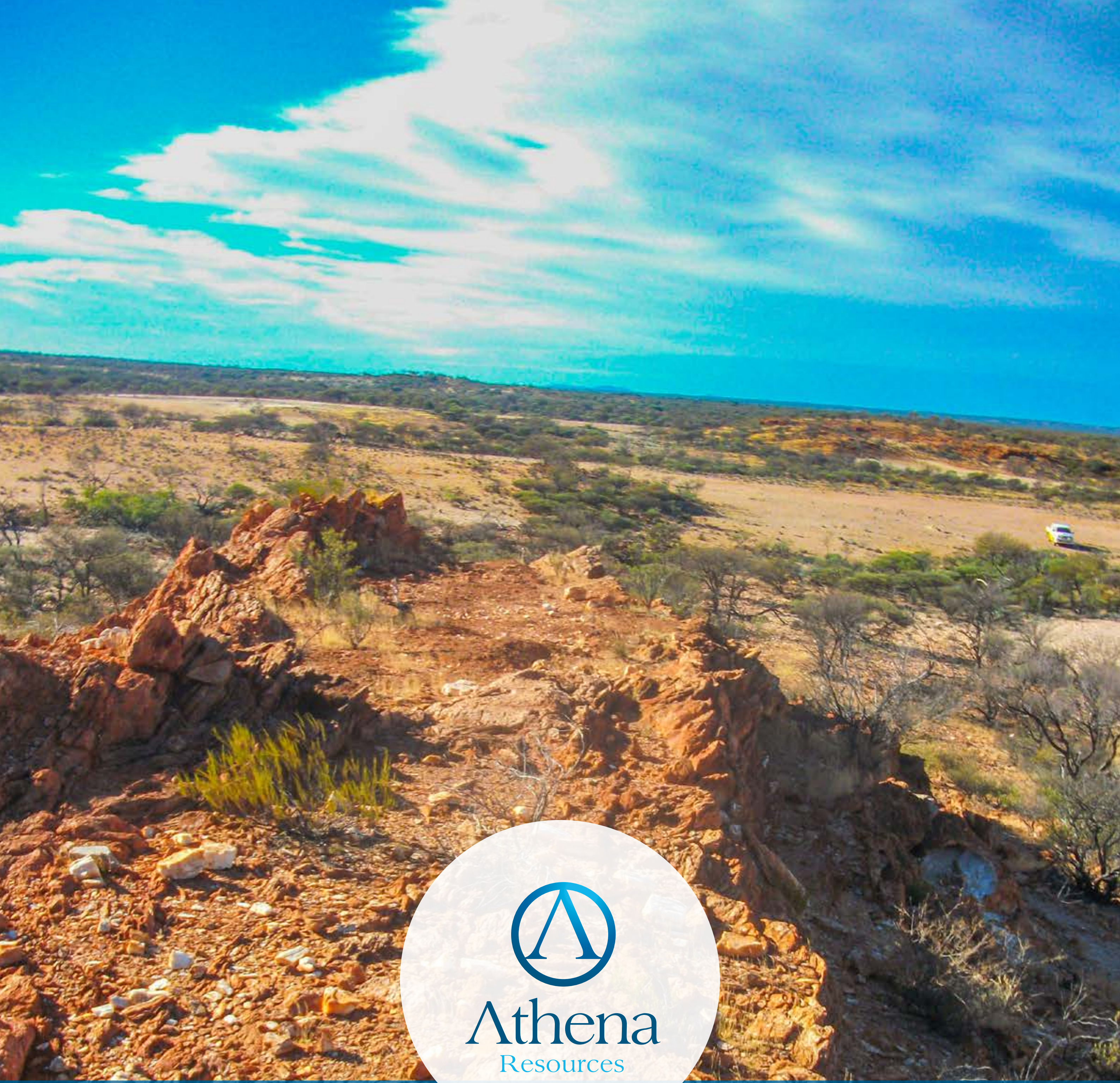
MLA – Mining Lease Application

14 Corporate Governance Statement

For the year ended 30 June 2017

The Board of Directors of Athena Resources Limited is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of Athena Resources Limited on behalf of the shareholders by whom they are elected and to whom they are accountable. The statement reports on Athena Resources Limited's key governance principles and practices.

Details of the Corporate Governance Statement can be found on the Athena Resources Limited's website at http://www.athenaresources.com.au/corporate/corporate-governance/



Athena Resources

ACN 113 758 900

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