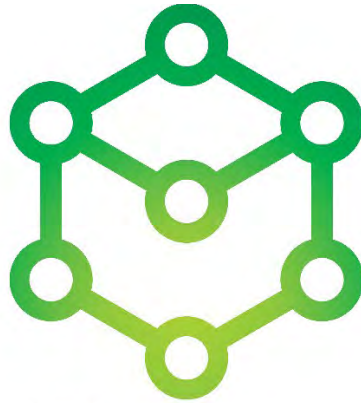


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athena
RESOURCES

Athena
Resources
Limited

ABN 69 113 758 900

ANNUAL FINANCIAL REPORT
30 JUNE 2023

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COMPANY INFORMATION

ABN	69 113 758 900	
Directors	E W Edwards P J Newcomb H W Wai J D Swingler T P Weston	Managing Director Executive Director Non-executive Director Non-executive Director Non-executive Director
Company Secretary	P J Newcomb	
Registered Office	21 Millstream Rise Hillarys, WA 6025	Telephone: +61 448 895 664 Email:ahn@athenaresources.com.au
Postal Address	21 Millstream Rise Hillarys, WA 6025	
Share Registry	Computershare Investor Services Pty Ltd Level 11, 172 St Georges Terrace Perth, WA 6000	Telephone: +61 8 9323 2000
Auditor	HLB Mann Judd (WA Partnership) Level 4, 130 Stirling Street Perth, WA 6000	Telephone: +61 8 9227 7500
Bankers	Westpac Banking Corporation 109 St Georges Terrace Perth, WA 6000	
Securities Exchange Listing	Athena Resources Limited shares are listed on the Australian Securities Exchange (Home Exchange – Perth)	ASX Code: AHN
Website	www.athenaresources.com.au	

DIRECTORS' REPORT



AND CONTROLLED ENTITIES

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 2023.

REVIEW OF OPERATIONS

Exploration and Evaluation

Athena Resources Limited (ASX: AHN) ("Athena" or the "Company") is pleased to report on the Company's activities for the year ended 30 June 2023.

Athena's work over the past 12 months has principally been resource development, with the focus on the Company's 100% owned Byro Magnetite Project. Drilling at the start of the period resulted in a re-evaluation and revision of the Mineral Resource Estimate ("MRE") at the Byro Project's Fe1 Target resulting in an upgraded resource. These results formed the basis of a Project Study which commenced in early 2023.

Also, during the period, the Company evaluated and revised the base metal targets at the Byro Project, resulting in the planning of further exploration programs, scheduled for execution in late 2023.

BYRO MAGNETITE PROJECT

The Byro Magnetite Project consists of primary target Fe1, along with the satellite targets Byro South, Whitmarsh Find, Whistlejack, and Mt Narryer. During the reporting year, work focussed primarily on Fe1. The company announced on 27 July 2022 that drilling had been completed. This program included 1,037.5m of reverse circulation ("RC") drilling, and 1,305.3m of HQ diameter diamond core drilling.

The drill program showed mineralisation extending beyond 2011 Inferred Mineral Resource limits. Following whole rock assay results, Davis Tube Recovery ("DTR") analysis of composite samples was undertaken with results demonstrative of the projects ability to produce a consistently high purity magnetite concentrate.

Significant intersections of DTR composite assays are tabulated below:



Figure 1 Project location

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DIRECTORS' REPORT



AND CONTROLLED ENTITIES

Table 1 Fe1 2022 drilling program significant DTR results

Hole ID	Easting (m)	Northing (m)	RL (m)	Intercept	From	Fe %
	MGA94z50	MGA94z50	AHD	metres	metres	DTR
AHRC0111D	431100	7110036	349	103.6	91.3	70.9
AHRC0112D	430950	7110036	349	59.6	152.4	71.3
AHRC0113D	430950	7109970	348.5	39.2	166	70.5
AHRC0114D	4311000	7109970	349	79	105	70.8
AHRC0115D	431050	7109970	349	124.27	62	70.6

In late 2022, Entech Mining Consultancy Pty Ltd (“Entech”) were commissioned to update the Mineral Resource Estimate to include the recent RC and diamond drilling results. On 17 January 2023, the Company announced the updated MRE reported to Joint Ore Reserve Committee (“JORC”) 2012 standard.

Table 2 Byro Whole Rock Mineral Resource within mineralised domains (10% Fe cut-off)

Mineral Resource Category	Weathered	Tonnes (Mt)	Fe (%)	SiO2 (%)	Al2O3 (%)	P (%)	S (%)	TiO2 (%)	LOI (%)	Density
Indicated	Fresh	24	25.1	49.3	5.48	0.052	0.079	0.32	-0.059	3.27
Inferred	Fresh	5.3	22.7	50.6	6.56	0.048	0.085	0.37	0.023	3.21
TOTAL		29.3	24.7	49.6	5.68	0.051	0.08	0.33	-0.044	3.26

Table 3 Byro Magnetite Mineral Resource within mineralised domains (20% DTR cut-off)

Mineral Resource Category	Weathered	Tonnes (Mt)	DTR (%)	Fe (%)	SiO2 (%)	Al2O3 (%)	P (%)	S (%)	LOI (%)	Density
Indicated	Fresh	17.7	33.6	70.7	1.23	0.32	0.003	0.021	-3.2	3.3
Inferred	Fresh	3.3	32.3	70.8	0.95	0.34	0.002	0.023	-3.17	3.26
TOTAL		21	33.4	70.7	1.18	0.32	0.003	0.021	-3.19	3.29

The updated MRE resulted in a 24% increase in tonnes of contained iron with DTR results maintaining a grade sufficient for high value specialised steel (including green steel), and other high value industrial applications.



Figure 2 Drilling at Fe1 2022.

Pre-Feasibility / Scoping Study

In late 2022, Athena announced the commencement of a Pre-Feasibility Study for the Byro Magnetite Project. Central to this Project Study is the Indicated Mineral Resource at Fe1. As part of this investigation, a number of companies and consultancies have been engaged.

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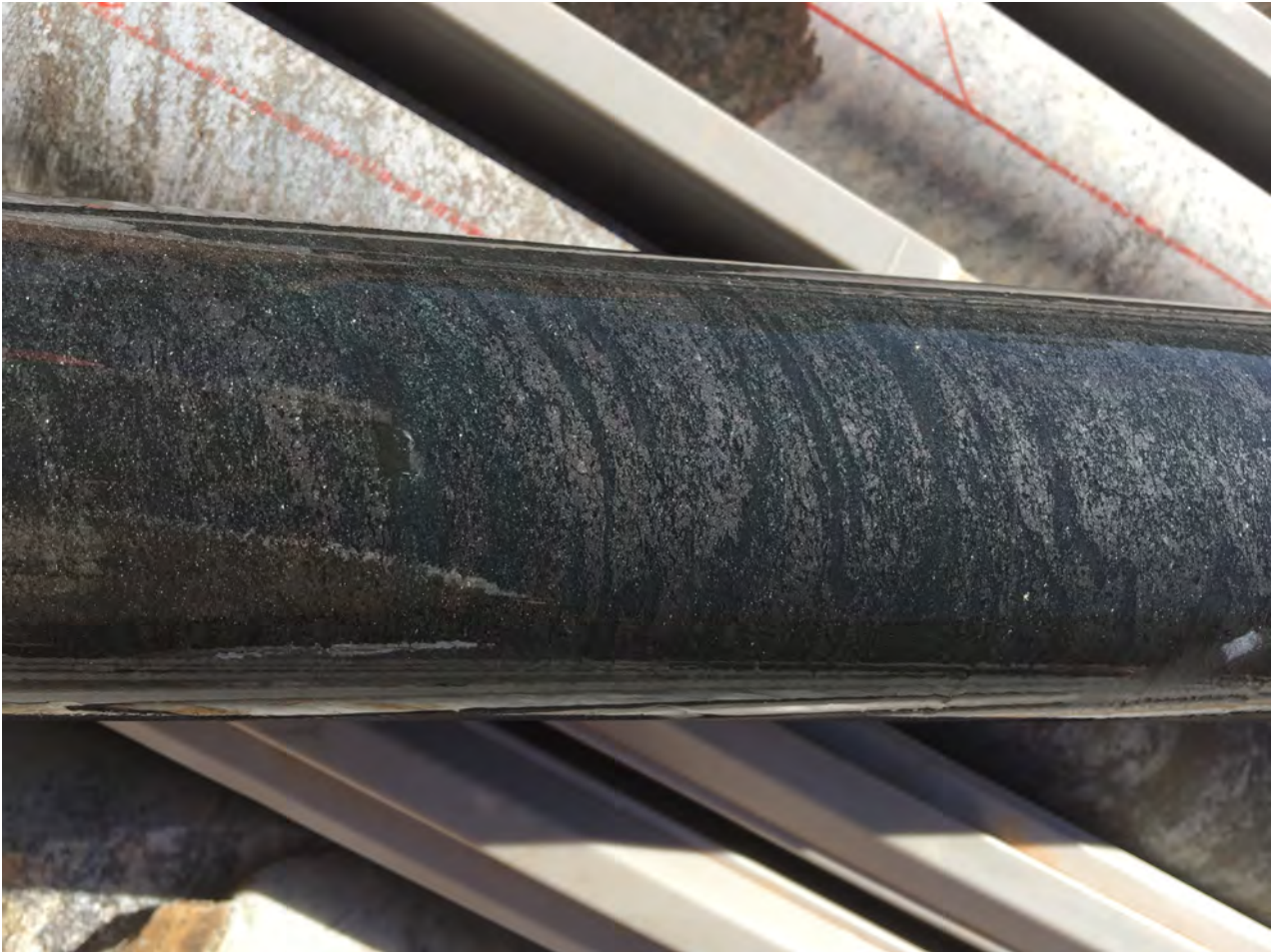


Figure 3 HQ diamond core showing matrix magnetite mineralisation.

GR Engineering Services Limited (“GRES”) were commissioned to update the previously estimated capital and operational costs associated with the construction and operation of a 5Mt/annum processing facility proposed for the project. GRES were initially engaged to in 2011 to carry out cost estimates and an operating flowsheet, which has largely been retained with some modification and improvement.

ALS Metallurgy’s Iron Ore Technical Centre (“IOTC”) completed Wet Low Intensity Magnetic Separation (Wet LIMS) test-work yielding highly encouraging results. IOTC prepared bulk samples for larger scale simulation to test wet LIMS used within the processing plant design. The comparison of bulk LIMS against previous LIMS and the large DTR dataset provided a clear understanding of the LIMS separation will be. This also allows for a more a practical understanding of actual mass reporting to various stages of the concentrate grinding process, or waste to tailings.

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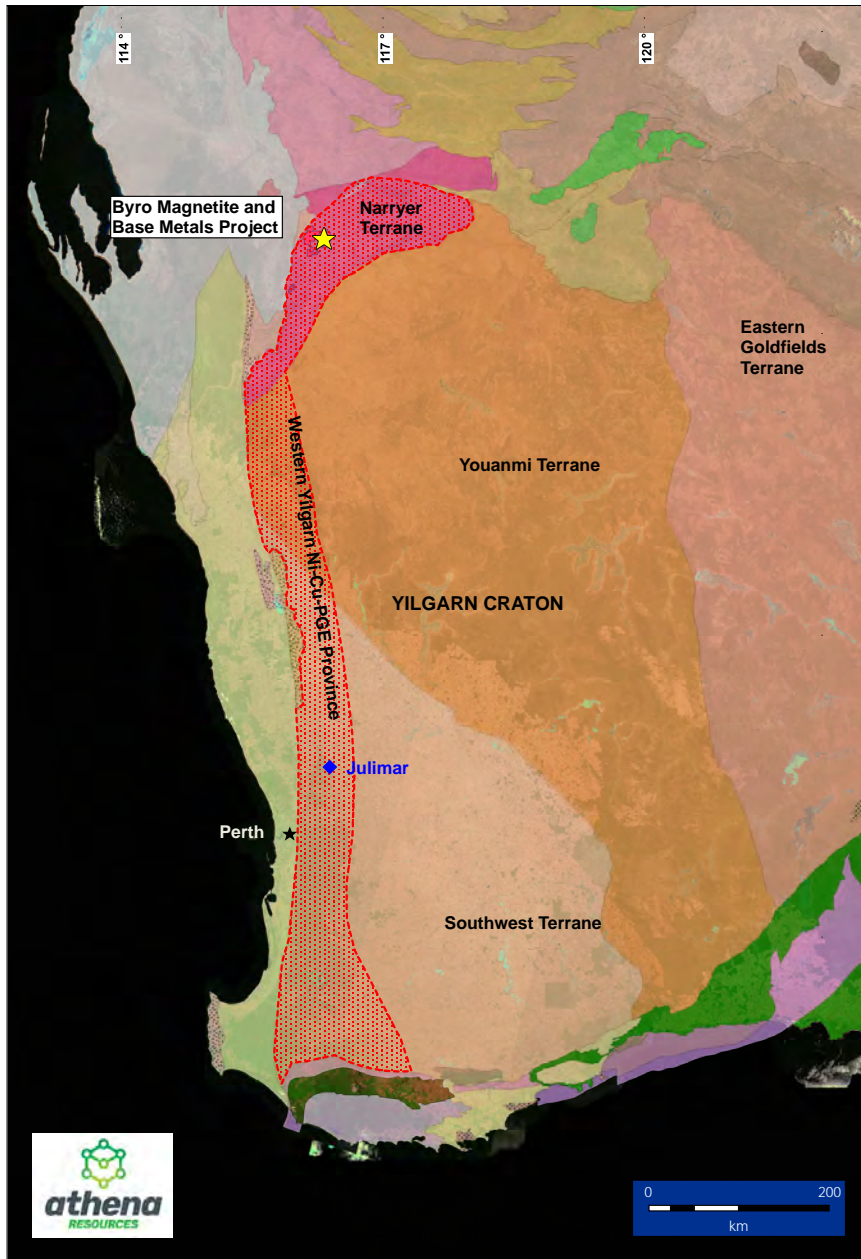


Figure 5 Project location, Western Yilgarn Ni-Cu-PGE Province

BYRO BASE METALS PROJECT

The Company carried out a comprehensive review of the base metal targets at the Byro Project. The Byro Project is situated in the highly prospective Narryer Terrane, which forms the northernmost part of the West Yilgarn Ni-Cu-PGE Province. This highly prospective 1,200km corridor hosts numerous prospects and projects, the most notable being the Gonneville (Julimar) discovery by Chalice Mining Ltd with an MRE of 16Moz 3E (Pd, Pt, Au), 860kt Ni, 520kt Cu, 83kt Co. The Gonneville discovery has resulted in multiple companies securing tenure and exploring for mafic/ultramafic intrusion hosted mineralisation along the western margin of the Yilgarn Craton.

DIRECTORS' REPORT



AND CONTROLLED ENTITIES

Milly Milly Intrusion

Athena has been exploring within the Narryer Terrane and through geophysical surveys, drilling, and sampling, has identified extensive mafic and ultramafic intrusive units within the project tenements. The primary base metal targets occur at the Milly Milly Intrusion, a large peridotite intrusion, which hosts disseminated nickel-copper sulphide, elevated PGE's, with 2021 RC drilling identifying high grade graphite mineralisation. Historic drilling, by Athena, includes the below intersections:

AHDH00162.7m @ 0.29% Ni from 149.7m

AHRC002536m @ 0.34% Ni from 0m

(ASX: AHN Announcement 10/09/2010)

Graphite intersections include:

AHRC0096 3m @ 4.83% TGC from 102m, including 1m @ 13.02% TGC from 103m,

AHRC00963m @ 3.13% TGC from 107m, including 1m @ 5.28% TGC from 108m,

(ASX: AHN Announcement 9/03/2023)

Moonborough Intrusion

The extensive Moonborough Intrusion is part of a broader series of mafic/ultramafic intrusion underlying significant portions of several of the project tenements. Historic work by the Company has identified elevated PGE soil anomalies, significant rock chip samples with elevated copper and PGE's, with a 2021 RC drilling campaign returning the following significant intersections:

Table 4 Moonborough significant copper intersections

Hole ID	Easting (m)	Northing (m)	RL (m)	From	To	Interval	Cu
	MGA94z50	MGA94z50	AHD	(m)	(m)	(m)	(ppm)
AHRC0100	415684	7117164	328	0	40	40	104.6
	<i>including</i>			20	23	3	371
AHRC0101	415793	7117271	326	10	81	71	65
	<i>including</i>			55	75	20	121.5
AHRC0106	415922	7117179	324	0	14	14	95.36

Table 5 Moonborough significant PGE intersections

Hole ID	Easting (m)	Northing (m)	RL (m)	From	To	Interval	3PGE
	MGA94z50	MGA94z50	AHD	(m)	(m)	(m)	(ppb)
AHRC0100	415684	7117164	328	0	96	96	
	<i>including</i>			0	33	33	
AHRC0101	415793	7117271	326	46	81	35	
	<i>including</i>			55	64	9	
AHRC0106	415922	7117179	324	0	18	18	

Revision of these programs concludes that more extensive work is required to develop an improved understanding of the intrusion's extent and internal morphology, and to develop primary base metal and PGE targets. Campaigns of extensive geochemical soil sampling are currently in development with execution scheduled for late 2023. This program includes Byro South tenement E09/1781, along with the Milly Milly tenement E09/1637.

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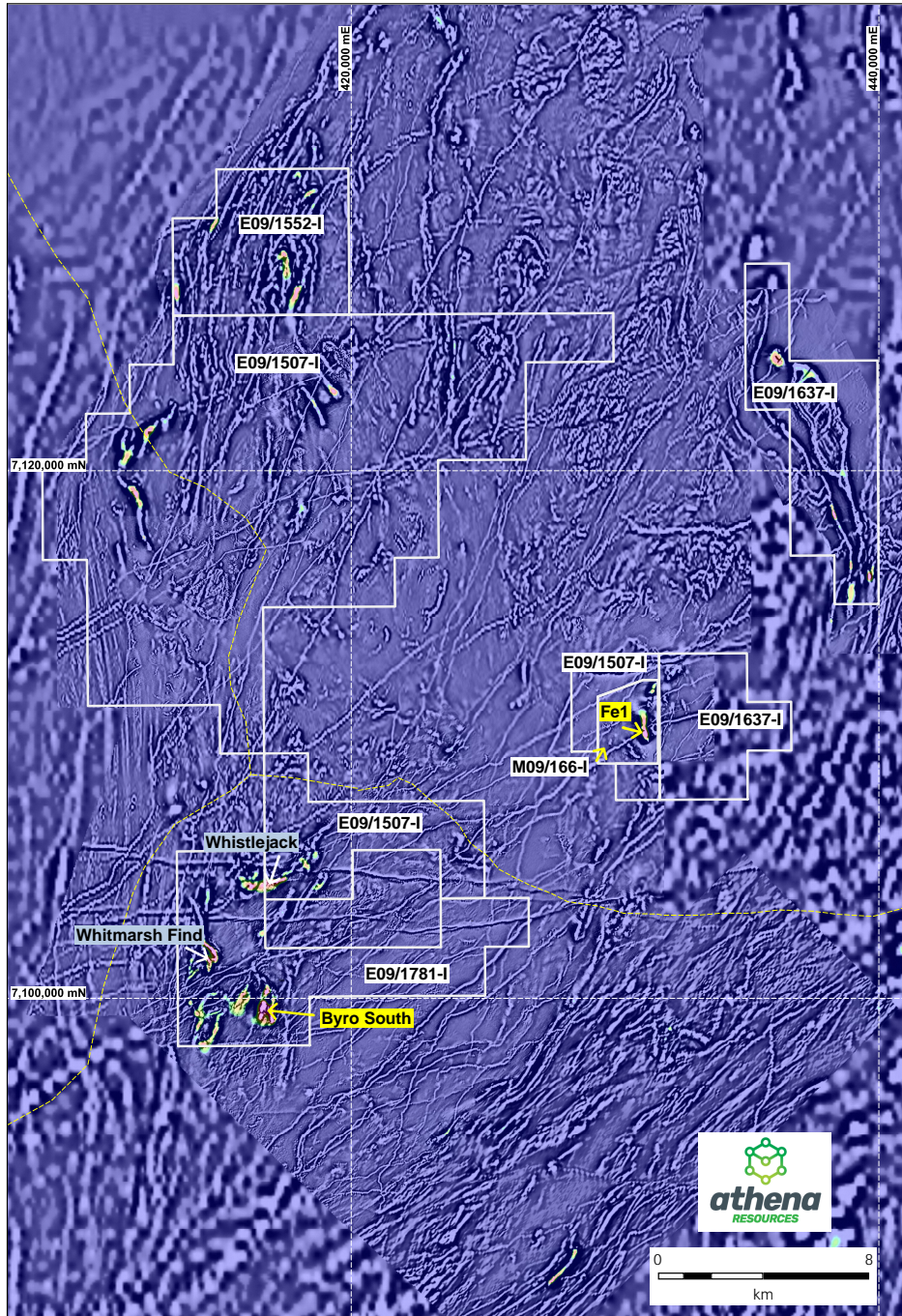


Figure 4 Byro Project magnetite Prospects and tenure.

Detailed results of activities and discussion thereon are contained in our Quarterly Activities Reports which are available on our website www.athenaresources.com.au.

DIRECTORS' REPORT



AND CONTROLLED ENTITIES

As announced to ASX on 20 December 2022, the Mining Warden has recommended against the granting of partial exemption from the expenditure requirements for 2020 in respect of exploration licences E09/1507 and E09/1552.

The Minister has yet to decide whether to grant or refuse the applications. Should the application be refused, the Minister has the discretion to do nothing, apply a fine of up to \$10,000 per tenement or forfeit the tenements.

The Company has applied for a judicial review of the Warden's decision relating to the exemption application. The Judicial Review has now been listed for hearing before a Judge in the Supreme Court on 24 August 2023.

The Company retains current tenure whilst the above process is taking place.

Announcements relevant to the activities for the year are as follows:

28/07/2022	Completion of Drilling for Mineral Resource Estimation
16/11/2022	Assay Results from Infill Drilling for Indicated MRE
28/11/2022	Further Assay results from Infill Drilling for Indicated MRE
17/01/2023	MRE - upgraded JORC classification and increased tonnes
21/03/2023	Byro Magnetite Project - Prefeasibility Study Update
23/03/2023	Byro Magnetite Project Update
29/03/2023	Byro Fe1 Mineral Resource Estimate Full Entech Report
07/06/2023	Investor Presentation
13/06/2023	Byro Base Metal Project Presentation
19/06/2023	Pre Feasibility Study Update Metallurgy

Corporate

Management and Board

During the year Peter Newcomb was appointed Executive Director and Company Secretary and Ed Edwards became Managing Director. Dates of all appointments and resignations are shown in a later section of this Directors' Report.

In March 2023 Martin Dormer joined the management team as Head of Geology.

On 4 May 2023 the Company received a notice under section 249D of the Corporations Act to requisition a meeting of shareholders to consider resolutions to gain control of the company by changing the composition of the Board. The Notice was from Adroit Capital Investments Pty Ltd (and others) who had purchased shares ten days prior to the notice date to enable this action. Adroit had not been a shareholder prior to that date.

On 22 May 2023 the Company issued a Notice of General Meeting to be held on 28 June 2023 to consider the proposed changes.

At the Meeting the proposed resolutions were defeated by 468 million votes to 189 million votes.

At the date of this report Adroit is no longer a shareholder.

DIRECTORS' REPORT



AND CONTROLLED ENTITIES

Share Capital and Options

During the year the Company completed the following Capital Raisings:

Month	Type	Shares	Options*	Price	Raising
October 2022	Placement	57,500,000	-	\$0.010	\$575,000
December 2022	NRRI	-	163,832,940	\$0.002	\$327,666
January 2023	Shortfall	-	126,323,913	\$0.002	\$252,648
January 2023	Placement	200,000,000	200,000,000	\$0.010	\$2,000,000
		<u>257,500,000</u>	<u>490,156,853</u>		<u>\$3,155,314</u>

* Options with an exercise price of \$0.018 expiring 20 October 2025

Further details of Contributed Equity and Options, including costs of raising, are in Notes 13 and 14.

Directors in Office

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 unless otherwise stated:

Name	Office	Appointed	Resigned
Edmond William Edwards	Managing Director		
Peter John Newcomb	Executive Director	23-09-2022	
Hau Wan Wai	Non-executive Director		
Jeffrey David Swingler	Non-executive Director	01-07-2023	
Terence Paul Weston	Non-executive Director	01-07-2023	
David Colin Wheeler	Non-executive Director	30-06-2021	30-09-2022
Giuseppe Paolo Graziano	Non-executive Director	31-05-2022	01-08-2022
Clinton Stash Moxham	Non-executive Director	01-08-2022	30-09-2022

Particulars of Directors

Edmond William Edwards Managing Director

Qualifications

Mr Edwards is a member of Chartered Accountants Australia and New Zealand (CAANZ), with a Bachelor of Commerce from the University of Western Australia.

Experience

Mr Edwards has over 45 years of experience in the mining industry in Western Australia. Ed retired as a partner in Sir Charles Court's professional practice Hendry Rae and Court in 1989, where he was principally audit partner for Cliffs Robe River Iron Associates.

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 or production startup.

DIRECTORS' REPORT



AND CONTROLLED ENTITIES

These projects included the Nimary Gold Mine, Radio Hill base metals and Koolan Island iron ore.

Interest in Shares

69,378,831 Fully Paid Shares

Special Responsibilities

Mr Edwards is responsible for the day to day running of the Company with an emphasis on financial and tenement management.

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 **Executive Director and Company Secretary**

Qualifications

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

Experience

Mr Newcomb has over 45 years professional and commercial experience working in a number of industries and locations including London, Scotland, Singapore and Perth. Qualified as a Chartered Accountant in the UK, Peter joined Hendry, Rae and Court 1980, where he became audit manager for Cliffs Robe River Iron Associates (CRRIA) amongst other clients.

During his time on the CRRIA audit he was also responsible for the development of computer based audit systems and programs, and performed a number of non-audit consulting roles for the client. He was later employed by his other main accounting and audit client UK based Oeconics Group, and was shortly after relocated to Singapore to manage the group's equipment technology and supply group Seatronics in South East Asia before taking up a Group Finance Director position in Aberdeen with responsibility for all international bases.

After a further 8 years in London in the Pharmaceutical industry he returned home to Perth and established his consultancy Symbios Pty Ltd specialising in IT solutions for management and accounting, together with Company Secretarial services.

The majority of his experience over the last 25 years has been in the Resources industry predominantly in Western Australia.

Interest in Shares

58,263,042 Fully Paid Shares

30,000,000 Listed Options

Special Responsibilities

Company Secretarial functions, financial reporting, financial modelling, information systems and general administration.

DIRECTORS' REPORT



AND CONTROLLED ENTITIES

Directorships held in listed entities

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

Hau Wan Wai

Non-executive Director

Qualifications

BA The University of Regina Canada, Major in Marketing.

Experience

Mr Wai speaks Mandarin, Cantonese and English. He was born and resides in Hong Kong. Mr Wai is also an executive director of Brilliant Glory Industrial Corporation Ltd, the Hong Kong company which is the 100% parent of major shareholder Brilliant Glory Investments Pty Ltd.

He has over 30 years of international trade and relations experience having started his career as a merchandiser. He specialises in management of overseas customers to locate the sourcing of materials for mainland China in many different fields, and especially in Mineral resources.

He introduced the Company to Xinhai Mining Research and Design Company and accompanied a team of mining and engineering personal to Byro to inspect the project. Xinhai produced a detailed engineering study in 2018.

Interest in Shares

49,250,000 Fully Paid Shares

Special Responsibilities

Mr Wai is responsible for the promotion of the company, and discussions with potential partners in Hong Kong, China and the Far East.

Directorships held in listed entities

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

Jeffrey David Swingler

Non-executive Director (Appointed 1 July 2023)

Qualifications

Mr Swingler has a Bachelor of Business from RMIT and a Masters of Entrepreneurship and Innovation from Swinburne University.

Experience

Jeff is a businessman with a background as a Chartered Accountant and Banker, his exposure to mining commencing with Shell's ownership of Gold (Boddington) and Coal assets in the 80's before Upstream and Downstream Oil & Gas.

His accounting career progressed into a technology, systems and infrastructure focus during nine years with Visy Industries, seeding various technologies, developing strategy and building new paper mills and box plants in Australia and the USA. His interest in energy developed through R&D and implementation

DIRECTORS' REPORT



AND CONTROLLED ENTITIES

of energy cogeneration, recycling, biofuels and markets. Visy sponsored Jeff's participation in CSIRO's Business Higher Education Round Table Leadership program which gave him exposure to a range of advanced developments.

Appointed a Director of ANZ Securities, ANZ Corporate Finance and other ANZ businesses across the Investment Bank in the late 90's, Jeff was involved in overseeing the floats of various companies and refinancing including Ashton Mining, and the break up of the SECV, before being appointed Global Head of Equity Risk for ANZ.

Jeff has spent the last 25 years working across corporate innovation, technology business startups, garnering financing from angels and Venture Capital through to Institutional Investors.

He was appointed Australia's Senior Investment Specialist for Energy and Resources (Austrade) in 2014 working across the spectrum of projects including Adani, Iron Road and others as well as LNG developments such as Inpex along with Renewable energy developments, kick starting the Federal Government's commercial support for Critical Materials and Rare Earths. Jeff was the Federal Government's representative to the Cooper Basin Gas Roundtable.

More recently Jeff has advised Australian Strategic Materials polymetallic rare earth activities and Scandium International's nickel cobalt and scandium project, whilst also introducing them both to Defence, Automotive and Aerospace participants internationally.

Interest in Shares

None

Special Responsibilities

Mr Swingler is responsible for identification of innovative high margin markets, shareholder engagement and mid term strategy

Directorships held in listed entities

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

Terrence Paul Weston Non-executive Director (Appointed 1 July 2023)

Qualifications

Mr Weston holds the Degree of Bachelor of Applied Science (Metallurgy) from University of Melbourne. He is a Member of the Australasian Institute of Mining and Metallurgy.

Experience

Terence is a metallurgist with 30 years' experience as a consultant in the mining industry. After graduation from University of Melbourne in 1973 he joined Peko-Wallsend (later North Mining) working as Production Metallurgist at the gold/copper operation at Mt Morgan, Queensland, in 1976 transferring to the Scheelite mine on King Island achieving the position of Deputy Manager/Metallurgical Superintendent. In 1989 Terry transferred to North Mining's office in Perth to oversee North's gold operations in W.A. and assist in the design and construction of the Kanowna Belle gold mine.

After twenty years working for North Mining, he ventured out as an independent Metallurgical Consultant and during the next thirty years consulted to both big and small mining companies. These included

DIRECTORS' REPORT



AND CONTROLLED ENTITIES

Harmony Gold Australia (Jubilee Gold operation) Harmony Gold PNG Services (Hidden Valley Gold project), Newcrest Mining (O'Callaghan's Tungsten project), Athena Resources Limited (Byro Magnetite project), Savannah Nickel Mines (Nickel/Copper/Colbalt operation), Gold Road Resources (Gruyere Gold operation) and Doray Minerals (Andy Well Gold operation) to mention a few.

Terry's expertise includes, gold, copper/gold, nickel/copper/colbalt, iron ore, tungsten, mineral sands, tantalum/tin, lithium and uranium. He specialises in taking a project from exploration, laboratory testwork (design of test program and review), process design and construction to operation/production. During the last thirty years he has acted on numerous occasions as client representative working with engineering companies to bring projects to production.

Interest in Shares

14,000,000 Fully Paid Shares
6,000,000 Listed Options

Special Responsibilities

Mr Weston is responsible for developing laboratory test programs, review of testwork results through to optimisation of process design and planned construction, together with providing a cost effective treatment process for the Byro magnetite project, including process mass balance calculations plus review of individual items of capital for the processing plant.

Directorships held in listed entities

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

PRINCIPAL ACTIVITIES

The principal activity of the Group 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 at the start of the Directors' Report.

	2023 \$	2022 \$
Consolidated loss after income tax for the financial year	<u>680,980</u>	<u>547,720</u>

Financial Position

At 30 June 2023 the Company has cash reserves of \$1,436,016.

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 Group that occurred during the financial year under review not otherwise disclosed in this report or in the consolidated accounts.

DIRECTORS' REPORT



AND CONTROLLED ENTITIES

MATTERS SUBSEQUENT TO THE END OF FINANCIAL YEAR

Except as stated in Note 26, 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 Group 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 2023, 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	10	10
Peter John Newcomb	8	8
Hau Wan Wai	10	10

The Company also attended to other Board business via several circular resolutions of the Board.

AUDIT COMMITTEE

The audit committee was comprised of Executive director Mr E Edwards.

During the year ended 30 June 2023, Mr Edwards held 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:

		Appointed	Resigned
Edmond William Edwards	Managing Director	11/04/2005	
Peter John Newcomb	Executive Director	23/09/2022	
Hau Wan Wai	Non-executive Director	29/12/2017	
Jeffrey David Swingler	Non-executive Director	01/07/2023	
Terence Paul Weston	Non-executive Director	01/07/2023	
David Colin Wheeler	Non-executive Director	30/06/2021	30/09/2022
Giuseppe Paolo Graziano	Non-executive Director	31/05/2022	01/08/2022
Clinton Stash Moxham	Non-executive Director	01/08/2022	30/09/2022

DIRECTORS' REPORT



AND CONTROLLED ENTITIES

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.

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

Director	Position	Monthly Fee	Note
Ed Edwards	Managing Director	\$15,000	(1)
Peter Newcomb	Executive Director	\$5,000	(2)
Hau Wan Wai	Non-exec Director	\$5,000	
Jeff Swingler	Non-exec Director	\$5,000	
Terry Weston	Non-exec Director	\$5,000	(3)

- (1) Personal related entity Tied Investments Pty Ltd has an agreement with the Company to provide corporate management services. Either party may terminate by giving six months' notice. Fees for work conducted outside the scope of this Directorship are charged at commercial rates.
- (2) Personal related entity Symbios Pty Ltd has an agreement with the Company to provide administrative and Co Sec services. Either party may terminate by giving six months' notice. Fees for work conducted outside the scope of this Directorship are charged at commercial rates.
- (3) Personal related entity The Weston Family Trust has an agreement with the Company to provide technical services. Either party may terminate by giving three months' notice. Fees for work conducted outside the scope of this Directorship are charged at commercial rates.

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:

DIRECTORS' REPORT



AND CONTROLLED ENTITIES

Year ended 30 June 2023

Director	Associated Company	Fees \$	Consultancy \$	Total \$
E W Edwards	Tied Investments Pty Ltd	150,000	-	150,000
P J Newcomb	Symbios Pty Ltd	37,000	140,123	177,123
H W Wai		48,000	-	48,000
D C Wheeler	Pathways Corporate	12,000	-	12,000
G P Graziano	Pathways Corporate	4,000	-	4,000
C S Moxham	Mine Operations Exchange Pty Ltd	8,000	-	8,000
		<u>259,000</u>	<u>140,123</u>	<u>399,123</u>

Year ended 30 June 2022

Director	Associated Company	Fees \$	Consultancy \$	Total \$
E W Edwards	Tied Investments Pty Ltd	120,000	-	120,000
H W Wai		-	-	-
D C Wheeler	Pathways Corporate	48,000	-	48,000
G P Graziano	Pathways Corporate	4,000	-	4,000
F R Knezovic	Nova Legal	44,000	-	44,000
		<u>216,000</u>	<u>-</u>	<u>216,000</u>

At 30 June 2023 there was \$29,500 payable to Directors and their personally related entities.

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 2022	Balance on appointment	Acquired during the year	At date of resignation	Balance 30 June 2023
E W Edwards	69,378,831	-	-	-	69,378,831
Hau Wan Wai	49,250,000	-	-	-	49,250,000
P J Newcomb	-	50,025,000	6,975,000	-	57,000,000
D C Wheeler	6,250,000	-	-	(6,250,000)	-
G P Graziano	6,250,000	-	-	(6,250,000)	-
	<u>131,128,831</u>	<u>50,025,000</u>	<u>6,975,000</u>	<u>(12,500,000)</u>	<u>175,628,831</u>

The shareholding disclosed for Hau Wan Wai is held in Brilliant Glory Investments Pty Ltd of which Hau Wan Wai is a Director.

DIRECTORS' REPORT



AND CONTROLLED ENTITIES

The Company received no specific feedback on its Remuneration Report at the 2022 Annual General Meeting.

End of Remuneration Report

SHARE OPTIONS

As at the date of this report, there were 75,000,000 Unlisted options over unissued ordinary shares in the parent entity. The options are exercisable at 2c per share and expire on 15 February 2026.

As at the date of this report, there were 582,656,853 Listed options over unissued ordinary shares in the parent entity. The options are exercisable at 1.8c per share and expire on 20 October 2025.

ENVIRONMENTAL ISSUES

The Group has conducted exploration activities on mineral tenements. The right to conduct these activities is granted subject to environmental conditions and requirements. The group 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 indemnify as follows:

The Company has entered into an agreement with Mr E Edwards to indemnify him against any liability incurred by him as an officer of the Company including costs and expenses of any successfully defended legal proceedings.

AUDITOR

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

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as set out on page 22 has been received for the year ended 30 June 2023 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.

A handwritten signature in blue ink, appearing to read "E W Edwards", with a long horizontal line extending to the right.

.....
E W EDWARDS
Managing Director

Dated at Perth this 31st day of July, 2023.

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 2023, 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
31 July 2023



M R Ohm
Partner

hl**b.com.au**

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Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**



	Note	Consolidated	
		2023	2022
		\$	\$
Expenses			
Directors' remuneration		270,000	244,000
Salaries and employee costs		245,718	227,337
Legal and professional		200,193	144,568
Office and communication		13,546	11,304
Listing and share registry		66,488	51,375
Financial expenses		44,094	41,540
Depreciation	6	48	-
Other expenses		106,643	68,996
Total Expenses		<u>946,730</u>	<u>789,120</u>
Recoveries to capitalised exploration	7	<u>(265,750)</u>	<u>(241,400)</u>
Expenses net of recoveries		<u>680,980</u>	<u>547,720</u>
Other income		-	-
LOSS BEFORE INCOME TAX BENEFIT		<u>680,980</u>	<u>547,720</u>
Income tax benefit	3	-	-
NET LOSS FOR THE YEAR		<u>680,980</u>	<u>547,720</u>
Other comprehensive income		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u><u>680,980</u></u>	<u><u>547,720</u></u>
Basic loss per share (cents per share)	24	0.073	0.072

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**



	Note	Consolidated	
		2023	2022
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	4	1,436,016	663,311
Trade and other receivables	5	132,877	232,913
Total Current Assets		1,568,893	896,224
NON-CURRENT ASSETS			
Plant and equipment	6	1,714	-
Mineral exploration and evaluation	7	12,168,588	10,965,438
Total Non-Current Assets		12,170,302	10,965,438
TOTAL ASSETS		13,739,195	11,861,662
CURRENT LIABILITIES			
Trade creditors and accruals	8	195,734	62,120
Annual leave payable		36,955	34,187
Other liabilities	9	22,734	424,855
Long service leave provision	10	62,408	-
Total Current Liabilities		317,831	521,162
NON-CURRENT LIABILITIES			
Long service leave provision		-	56,001
Total Non-Current Liabilities		-	56,001
TOTAL LIABILITIES		317,831	577,163
NET ASSETS		13,421,364	11,284,499
EQUITY			
Contributed equity	13	21,154,196	18,956,665
Reserves	14	943,414	323,100
Accumulated losses	12	(8,676,246)	(7,995,266)
TOTAL EQUITY		13,421,364	11,284,499

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

Consolidated	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total \$
Year ended 30 June 2022				
Balance at 1 July 2021	16,543,107	-	(7,447,546)	9,095,561
Issue of shares	3,048,270	7,500	-	3,055,770
Issue costs – cash based	(319,112)	-	-	(319,112)
Issue costs – fair value of options	(315,600)	315,600	-	-
Comprehensive loss for the year	-	-	(547,720)	(547,720)
Balance at 30 June 2022	<u>18,956,665</u>	<u>323,100</u>	<u>(7,995,266)</u>	<u>11,284,499</u>
Year ended 30 June 2023				
Balance at 1 July 2022	18,956,665	323,100	(7,995,266)	11,284,499
Issue of shares	2,575,000	620,314	-	3,195,314
Issue costs – cash based	(377,469)	-	-	(377,469)
Issue costs – fair value of options	-	-	-	-
Comprehensive loss for the year	-	-	(680,980)	(680,980)
Balance at 30 June 2023	<u>21,154,196</u>	<u>943,414</u>	<u>(8,676,246)</u>	<u>13,421,364</u>

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**



	Note	Consolidated	
		2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers		<u>(643,917)</u>	<u>(816,324)</u>
Net Cash (Outflow) from Operating Activities	15	<u>(643,917)</u>	<u>(816,324)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(1,763)	-
Payments for mineral exploration and evaluation		<u>(1,399,460)</u>	<u>(1,347,054)</u>
Net Cash (Outflow) From Investing Activities		<u>(1,401,223)</u>	<u>(1,347,054)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		3,155,314	3,055,770
Repayments of borrowings from related parties		-	(40,000)
Share issue transaction costs		<u>(337,469)</u>	<u>(319,112)</u>
Net Cash Inflow from Financing Activities		<u>2,817,845</u>	<u>2,696,658</u>
Net increase in cash held		772,705	533,280
Cash and cash equivalents at beginning of the financial year		663,311	130,031
Cash and cash equivalents at the end of the financial year	4	<u>1,436,016</u>	<u>663,311</u>

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023



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NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001 including Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB') and applicable accounting standards.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year except for the impact of the new standards and interpretations effective 1 July 2022 disclosed below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The financial statements were authorised for issue on 31 July 2023.

The financial statements comply 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 Reporting Standards (IFRS).

Basis of Preparation

This 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.

Reporting Basis and Conventions (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 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 sources of funding:

- The placement of securities under the ASX Listing Rule 7.1 or otherwise;
- An excluded offer pursuant to the Corporations Act 2001;
- The sale of assets; or
- Deferral of creditors payments

Should such funding not be received, or not received on a sufficiently timely basis, there would be a material uncertainty which may cast significant doubt as to the Group's ability to continue as a going concern and realise its assets and extinguish its liabilities in the ordinary course of business, and at the amounts stated in the financial report.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023



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Significant accounting judgements and key estimates

The preparation of 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.

In preparing this annual 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 2022.

As announced to ASX on 20 December 2022, the Mining Warden has recommended against the granting of partial exemption from the expenditure requirements for 2020 in respect of exploration licences E09/1507 and E09/1552.

The Minister has yet to decide whether to grant or refuse the applications. Should the application be refused, the Minister has the discretion to do nothing, apply a fine of up to \$10,000 per tenement or forfeit the tenements.

The Company has applied for a judicial review of the Warden's decision relating to the exemption application. The Judicial Review has now been listed for hearing before a Judge in the Supreme Court on 24 August 2023.

The Company retains current tenure whilst the above process is taking place.

Adoption of New and Revised Standards

In the year ended 30 June 2023, 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 2022.

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 have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2023. 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.

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

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023



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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 Group during the year, their operating results have been included from the date control was obtained or until the date control ceased.

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 Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

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 Group 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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023



AND CONTROLLED
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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	33%

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.

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.

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 Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023



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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.

Cash and Cash Equivalents

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

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).

Share-based Payments

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

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.

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.

Comparative Figures

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

Impairment of Exploration Expenditure

The Directors assess impairment at each reporting date by evaluating conditions specific to the Group 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 30 June 2023.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023



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Critical Accounting Estimates and Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

1) *Exploration and evaluation costs*

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

2) *Share-based payment transactions*

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

**NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**



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NOTE 2 - LOSS FROM ORDINARY ACTIVITIES BEFORE TAX EXPENSE

Expenses	Consolidated	
	2023	2022
	\$	\$
Depreciation of non-current assets:		
Plant and equipment	48	-
Total depreciation of non-current assets	<u>48</u>	<u>-</u>

NOTE 3 - INCOME TAX

No income tax is payable by Athena as each entity in the Group 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:

Tax Losses for the year	Consolidated	
	2023	2022
	\$	\$
Loss for the year	<u>680,980</u>	<u>547,720</u>
Income tax credit calculated at 25% (2022 25%)	170,245	136,930
Deferred tax asset not recognised	<u>(170,245)</u>	<u>(136,930)</u>
Income Tax Attributable to Operating Loss	<u>-</u>	<u>-</u>
Accumulated Tax Losses	\$	\$
Loss for the year	680,980	547,720
Disallowable expenses	(4,642)	(2,506)
Timing differences on depreciation of assets	1,714	2,142
Exploration expenditure	1,203,150	1,718,200
Provisions movement	409,950	(418,171)
Section 40-880 deduction	<u>233,327</u>	<u>157,832</u>
Tax loss for the year	<u>2,524,479</u>	<u>2,005,217</u>
Tax losses brought forward	16,358,511	14,353,294
Current year loss	<u>2,524,479</u>	<u>2,005,217</u>
Tax losses carried forward	<u>18,882,990</u>	<u>16,358,511</u>

**NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**



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INCOME TAX - continued

	Consolidated	
	2023	2022
Section 40-880		
Balance brought forward	588,692	111,812
Share Issue costs per Statement of Financial Position (Note 13)	377,469	319,112
Fair value of options issued (Note 13)	-	315,600
Claim for the year	<u>(233,327)</u>	<u>(157,832)</u>
Balance carried forward – available for claim in future years	<u>732,834</u>	<u>588,692</u>

The potential deferred tax asset has not been brought to account in the financial report at 30 June 2023 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 entities 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 entities 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 entities 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 4 - CASH AND CASH EQUIVALENTS

	Consolidated	
	2023	2022
	\$	\$
Cash at bank and on hand	<u>1,436,016</u>	<u>663,311</u>
	<u>1,436,016</u>	<u>663,311</u>

**NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**



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NOTE 5 - TRADE AND OTHER RECEIVABLES

Current

Other Debtors	747	-
Prepaid Tenement Rent	94,565	60,290
Progress payments	-	150,000
GST Receivable	37,565	22,623
	<u>132,877</u>	<u>232,913</u>

NOTE 6 - PLANT AND EQUIPMENT

	Cost	Accumulated Depreciation	Net Book Value
	\$	\$	\$
Year ended 30 June 2022			
Balance at 1 July 2020	71,356	(71,356)	-
Additions	-	-	-
Disposals	-	-	-
Depreciation Charge	-	-	-
Balance at 30 June 2022	<u>71,356</u>	<u>(71,356)</u>	<u>-</u>
Year ended 30 June 2023			
Balance at 1 July 2022	71,356	(71,356)	-
Additions	1,762	-	1,762
Disposals	-	-	-
Depreciation Charge	-	(48)	(48)
Balance at 30 June 2023	<u>73,118</u>	<u>(71,404)</u>	<u>1,714</u>

NOTE 7 - MINERAL EXPLORATION AND EVALUATION

	Consolidated	
	2023	2022
	\$	\$
Exploration and evaluation phase:		
Balance at 1 July 2022	10,965,438	9,247,238
Expenditure during the year on external costs and services	937,400	1,476,800
Overheads recovered through timesheet allocations	265,750	241,400
Balance at 30 June 2023	<u>12,168,588</u>	<u>10,965,438</u>

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phase is dependent on the successful development and commercial exploitation or sale of the respective areas.

**NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
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NOTE 8 - TRADE CREDITORS AND ACCRUALS

Current

Accounts payable	195,734	62,120
	<u>195,734</u>	<u>62,120</u>

NOTE 9 - OTHER LIABILITIES

Accrued overhead expenses	7,000	-
Accrued exploration expenses	-	376,000
Days in lieu	731	26,937
Employee deductions and entitlements	15,003	21,918
	<u>22,734</u>	<u>424,855</u>

NOTE 10 - LONG SERVICE LEAVE PROVISION

Due to a resignation effective 14 July 2023 the Long Service Leave provision has been re-classified to current liabilities.

NOTE 11 - RELATED PARTY LOANS

There have been no related party loan movements during the current year and no balances outstanding at 30 June 2023.

NOTE 12 - ACCUMULATED LOSSES

	Consolidated	
	2023	2022
	\$	\$
Balance at beginning of the year	(7,995,266)	(7,447,546)
Net Loss for the year	(680,980)	(547,720)
Balance at end of the year	<u>(8,676,246)</u>	<u>(7,995,266)</u>

**NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
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NOTE 13 - CONTRIBUTED EQUITY

	2023	2022
Issued Capital	\$	\$
Balance at beginning of year	18,956,665	16,543,107
Issued during the year for cash	2,575,000	3,048,270
Share issue costs – cash based	(377,469)	(319,112)
Share issue costs – fair value of options	-	(315,600)
Balance at end of year	<u>21,154,196</u>	<u>18,956,665</u>
Issued Capital	Shares	Shares
	2023	2022
Balance at beginning of year	812,967,558	361,033,779
Issued during the year for cash under 1:1 Rights Issue	-	361,033,779
Issued during the year for cash under Placements	257,500,000	20,000,000
Issued during the year with shareholder approval	-	70,900,000
Balance at end of year	<u>1,070,467,558</u>	<u>812,967,558</u>

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

**NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**



AND CONTROLLED
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NOTE 14 - RESERVES

	Consolidated	
	30 June 2023 \$	30 June 2022 \$
Share Options		
Issued and fully paid	<u>943,414</u>	<u>323,100</u>

Movements in reserves of the Company were as follows:

Year to 30 June 2022	Number	\$
At 1 July 2021	-	-
Share based payment transactions	-	315,600
Options issued	<u>75,000,000</u>	<u>7,500</u>
At 30 June 2022	<u>75,000,000</u>	<u>323,100</u>
Year to 30 June 2023		
At 1 July 2022	75,000,000	323,100
NRRI free attaching options	57,500,000	-
Lead manager options	5,000,000	10,000
NRRI options issue	163,832,940	327,666
NRRI Option shortfall	126,323,913	252,648
Free attaching options at nil value	200,000,000	-
Lead manager options at 0.1c per option	<u>30,000,000</u>	<u>30,000</u>
At 30 June 2023	<u>657,656,853</u>	<u>943,414</u>

The share-based payment reserve is used to recognise difference between the amount paid for options and the fair value on grant date. Fair value was independently determined using the Black-Scholes option pricing model that took into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share.

Listed options were issued to Peak Asset Management for services relating to their role as lead managers. These were valued at the listed price of the options on grant date.

**NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**



AND CONTROLLED
ENTITIES

NOTE 15 - STATEMENT OF CASH FLOWS

Reconciliation of loss after income tax to net operating cash flows

	Consolidated	
	2023	2022
	\$	\$
Loss from ordinary activities	680,980	547,720
Depreciation	(48)	-
Movement in assets and liabilities		
Receivables and prepayments	(134,310)	6,228
Payables and provisions	97,295	262,376
Net cash used in operating activities	<u>643,917</u>	<u>816,324</u>

NOTE 16 - FINANCIAL INSTRUMENTS

The Directors have assessed that the carrying value of financial assets and financial liabilities approximate their fair value at balance date.

NOTE 17 - COMMITMENTS FOR EXPENDITURE

Mineral Tenement Leases

In order to maintain current rights of tenure to mining tenements, the Group will be required to outlay amounts of \$3,257,000 (2022: \$3,257,000) 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:

	Consolidated	
	2023	2022
	\$	\$
Not later than one year	651,400	651,400
Later than 1 year but not later than 2 years	651,400	651,400
Later than 2 years but not later than 5 years	1,954,200	1,954,200
	<u>3,257,000</u>	<u>3,257,000</u>

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.

NOTE 18 - CONTINGENT LIABILITIES

Athena Resources Limited and its controlled entities have no known material contingent liabilities as at 30 June 2023.

**NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**



AND CONTROLLED
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NOTE 19 - INVESTMENT IN CONTROLLED ENTITIES

	Class of Shares		Book Value of Athena's Investments	
			2023 \$	2022 \$
Complex Exploration Pty Ltd	Ordinary	100%	100	100
Capricorn Resources Pty Ltd	Ordinary	100%	200	200
Byro Exploration Pty Ltd	Ordinary	100%	1,390,000	1,390,000
			<u>1,390,300</u>	<u>1,390,300</u>

The above controlled entities are incorporated in Australia.

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 each entity.

Byro Exploration Pty Ltd is a wholly owned subsidiary of Complex Exploration Pty Ltd.

NOTE 20 - SEGMENT INFORMATION

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

NOTE 21 - KEY MANAGEMENT PERSONNEL

(a) Directors

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

Edmond William Edwards	Managing Director	
Peter John Newcomb	Executive Director	Appointed 23 September 2022
Hau Wan Wai	Non-executive Director	
David Colin Wheeler	Non-executive Director	Resigned 30 September 2022
Clinton Stash Moxham	Non-executive Director	Appointed 1 August 2022
		Resigned 30 September 2022
Giuseppe Paolo Graziano	Non-executive Director	Resigned 1 August 2022

(b) Remuneration Policies

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

**NOTES TO AND FORMING PART OF THE
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(c) The total remuneration paid to Directors is summarised below:

	Consolidated	
	2023	2022
Year ended 30 June	\$	\$
Short-term employee benefits	399,123	216,000
Post-employment benefits	-	-
Other-long term benefits	-	-
	<u>399,123</u>	<u>216,000</u>

At 30 June there was \$29,500 payable to Directors and their personally related entities.

NOTE 22 - RELATED PARTY INFORMATION

	Parent Entity	
	2023	2022
Transactions within the Group	\$	\$
Non-current receivables – Controlled Entities	13,724,073	12,520,923
Less: Provision for non-recovery	(1,554,985)	(1,554,985)
Note 27	<u>12,169,088</u>	<u>10,965,938</u>

NOTE 23 - REMUNERATION OF AUDITORS

	Consolidated	
	2023	2022
Amount received, or due and receivable, by the auditors for:	\$	\$
Auditing and reviewing of the consolidated financial statements	41,455	23,823
Other services – Independent Limited Assurance Report	-	7,575
	<u>41,455</u>	<u>31,398</u>

Audit fees are included in Legal and Professional expenses in the Statement of Comprehensive Income.

**NOTES TO AND FORMING PART OF THE
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NOTE 24 - LOSS PER SHARE

	Consolidated	
	2023	2022
	\$	\$
Loss used in the calculation of loss per share	680,980	547,720
Weighted average number of ordinary shares outstanding during the year	934,206,003	758,234,951
Basic loss per share (cents per share)	<u>0.073</u>	<u>0.072</u>

NOTE 25 - FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

The Group'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 Group's affairs. The Chairman is responsible for ensuring the maintenance of, and compliance with, appropriate systems.

Financial Risk Exposures and Management

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

**NOTES TO AND FORMING PART OF THE
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Interest Rate Risk

The Group'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		Floating Interest Rate	
	2023 \$	2022 \$	2023 \$	2022 \$
Financial Assets				
- Cash at bank	1,436,016	663,311	-	-
- Trade debtors	132,877	232,913	-	-
Total Financial Assets	<u>1,568,893</u>	<u>896,224</u>	-	-
Financial Liabilities				
- Trade Creditors	195,734	62,120	-	-
- Accruals	122,097	515,043	-	-
- Related Party Loans	-	-	-	-
Total Financial Liabilities	<u>317,831</u>	<u>577,163</u>	-	-

Weighted Average Effective Interest Rate is 0% (2022: 0.1%)

Liquidity Risk

The Group 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 forming part of the financial statements.

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 Group 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 Group in order to maximise the return to shareholders and ensure that the Group can fund its operations and continue as a going concern.

Management effectively manages the consolidated entity's capital by assessing the Group'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 Group since the prior year.

**NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
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Financial Instruments

Net Fair Values

For financial assets and liabilities, the net fair value approximates their carrying value. The Group 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 Group does not have a material exposure to interest rate risk.

NOTE 26 - EVENTS SUBSEQUENT TO BALANCE DATE

On 1 July 2023 Jeffrey David Swingler and Terence Paul Weston were appointed Non-executive Directors.

No other matters or circumstances have arisen since the end of the financial year that have significantly affected, or may significantly affect, the operations of the Group, the results of these operations or the state of affairs of the Group, in the current or subsequent financial years.

**NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
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NOTE 27 - PARENT ENTITY DISCLOSURES

	2023	2022
	\$	\$
Financial Position		
CURRENT ASSETS		
Cash and cash equivalents	1,435,216	662,511
Trade and other receivables	132,877	232,913
Total Current Assets	<u>1,568,093</u>	<u>895,424</u>
NON-CURRENT ASSETS		
Plant and equipment	1,714	-
Investment in subsidiaries	300	300
Loans to subsidiaries	Note 22 12,169,088	10,965,938
Total Non-Current assets	<u>12,171,102</u>	<u>10,966,238</u>
TOTAL ASSETS	<u>13,739,195</u>	<u>11,861,662</u>
CURRENT LIABILITIES		
Trade and other payables	317,831	521,162
Total Current Liabilities	<u>317,831</u>	<u>521,162</u>
NON-CURRENT LIABILITIES		
Long service leave provision	-	56,001
TOTAL LIABILITIES	<u>317,831</u>	<u>577,163</u>
NET ASSETS	<u>13,421,364</u>	<u>11,284,499</u>
EQUITY		
Issued capital	22,097,610	19,279,765
Accumulated losses	(8,676,246)	(7,995,266)
TOTAL EQUITY	<u>13,421,364</u>	<u>11,284,499</u>
Financial Performance		
(Loss) for the year	(680,980)	(547,720)
Other comprehensive income	-	-
Total comprehensive (loss)	<u>(680,980)</u>	<u>(547,720)</u>

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.

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.

DIRECTORS' DECLARATION FOR THE YEAR ENDED 30 JUNE 2023



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 Group's financial position as at 30 June 2023 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 2023.

E W Edwards
Managing Director

Dated at Perth this 31st day of July 2023

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 2023, 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 2023 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 (including Independence Standards)* ("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 that 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.

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Key Audit Matter	How our audit addressed the key audit matter
<p>Mineral exploration and evaluation Refer to Note 7</p> <p>The Group has a capitalised mineral exploration and evaluation balance of \$12,168,588 as at 30 June 2023. In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, the Group capitalises exploration and evaluation expenditure as incurred.</p> <p>We considered this to be a key audit matter due to its materiality, the degree of audit effort and communication with management necessary and its importance for the users' understanding of the financial statements.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> - Obtaining evidence that the Group has current rights to tenure of its areas of interest; - Substantiating a sample of exploration and evaluation expenditure; - Considering the Directors' assessment of potential indicators of impairment under AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> in addition to making our own assessment; - Examining the exploration budget and discussing with management the nature of planned ongoing activities; and - Assessing the appropriateness of the disclosures included in the relevant notes to 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 2023, 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, actions taken to eliminate threats or safeguards applied.

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.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the Directors' Report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Athena Resources Limited for the year ended 30 June 2023 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

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
31 July 2023



M R Ohm
Partner

SHAREHOLDER DETAILS FOR THE YEAR ENDED 30 JUNE 2023



ANALYSIS OF SHAREHOLDING – 14 JULY 2023

	Holders	SHARES
1 – 1,000	35	4,991
1,001 – 5,000	49	141,637
5,001 – 10,000	62	533,065
10,001 – 100,000	389	19,549,619
100,001 – 500,000	318	82,109,513
500,001 – or more	250	968,128,733
Total on issue		<u>1,070,467,558</u>

433 shareholders, with a total of 10,927,107 shares, hold less than marketable parcel of \$500.

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.

Goldway Mega Trade Limited	72,082,857
Edmond William Edwards	69,378,831
Peter Andrew Nelson	65,197,459
Peter John Newcomb	58,263,042
Alister Murdock MacDonald	58,000,000
Brilliant Glory Investments Pty Ltd	49,250,000

Directors' Shareholding

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

SHAREHOLDER DETAILS FOR THE YEAR ENDED 30 JUNE 2023



TOP TWENTY SHAREHOLDERS 28 JULY 2023

Shareholder	Shares	%	Rank
Goldway Mega Trade Limited	72,082,857	6.73	1
Mr Peter Andrew Nelson	65,197,459	6.09	2
Tied Nominees Pty Ltd	58,298,138	5.45	3
Stonydeep Investments Pty Ltd	58,263,042	5.27	4
Brilliant Glory Investments Pty Ltd	49,250,000	4.60	5
Technical Ceramic Marketing Services Pty Ltd	44,000,000	4.11	6
Mr David Webster	18,750,000	1.75	7
Ms Natasha Baker	17,461,111	1.63	8
Mr James Gregory Puklowski	15,900,000	1.49	9
Cobpen Co Investments Pty Ltd	15,096,626	1.41	10
Mr Terence Paul Weston	14,000,000	1.31	11
10 Bolivianos Pty Ltd	12,666,386	1.18	12
Mr Harold Gordon Shore	12,395,749	1.16	13
Kelanco Pty Ltd	12,100,000	1.13	14
Mr Alister Macdonald + Mrs Lidia Saez Macdonald	12,000,000	1.12	15
Citicorp Nominees Pty Limited	10,799,647	1.00	16
BNP Paribas Nominees Pty Limited	10,791,042	1.00	17
Twin Oaks Super Pty Ltd	10,000,000	0.93	18
Mr Constantine Differding + Mrs Tonie Differding	9,500,000	0.89	19
BNP Paribas Noms Pty Ltd	8,702,668	0.81	20
Total	527,254,725	49.28	

TOP TWENTY UNLISTED OPTIONHOLDERS 28 JULY 2023

Optionholder	Options	%	Rank
Celtic Capital Pty Ltd <Income A/C>	39,482,724	52.64	1
CPS Capital No 5 Pty Ltd	22,499,997	30.00	2
Plutus Ventures Pty Ltd	5,331,573	7.11	3
Mr David Peter Valentino	4,102,381	5.47	4
Mr Brent Joseph Evitt <Evitt Family Fund A/C>	716,665	0.96	5
Mercury Anetac Capital Pty Ltd	716,665	0.96	6
Phi Group Pty Ltd <The Broun A/C>	716,665	0.96	7
Princeton Capital (WA) Pty Ltd <The Princeton A/C>	716,665	0.96	8
Honeybee Anhm Pty Ltd	537,499	0.72	9
Mr Mason King	179,166	0.24	10
Total	75,000,000	100.00	

SHAREHOLDER DETAILS FOR THE YEAR ENDED 30 JUNE 2023



TOP TWENTY LISTED OPTIONHOLDERS 28 JULY 2023

Optionholder	Options	%	Rank
Technical Ceramic Marketing Services Pty Ltd	40,000,000	6.87	1
Stonydeep Investments Pty Ltd	30,000,000	5.15	2
Mr Lemuel Cherloaba	30,000,000	5.15	3
Adroit Capital Investments Pty Ltd	30,000,000	5.15	4
Goffacan Pty Ltd	22,000,000	3.78	5
Ms Chunyan Niu	19,087,838	3.28	6
Twin Oaks Super Pty Ltd	18,000,000	3.09	7
Mr Darryl Gregor Abotomey	17,800,000	3.05	8
Mr Andrew John Puklowski	16,000,000	2.75	9
Tornado Nominees Pty Ltd	15,000,000	2.57	10
BNP Paribas Nominees Pty Ltd	14,768,655	2.53	11
Lennox Investments Pty Ltd	12,800,000	2.20	12
Mr Shane Timothy Ball	12,676,670	2.18	13
Mr Conor Daley	12,500,000	2.15	14
Anzus Software Solutions Pty Ltd	10,000,000	1.72	15
Mr Scott Arthur Cluff	10,000,000	1.72	16
Mr Constantine Differding + Mrs Tonie Differding	9,500,000	1.63	17
Mr Ching Hsiung Tseng	9,500,000	1.63	18
Matthew Burford Super Fund Pty Ltd	9,000,000	1.54	19
Tornado Nominees Pty Ltd	8,700,000	1.49	20
	<u>347,333,163</u>	<u>59.61</u>	

INTEREST IN MINING TENEMENTS FOR THE YEAR ENDED 30 JUNE 2023



INTEREST IN MINING TENEMENTS

Athena Resources Limited 100%	Tenement Type	Applications pending
Byro Project Exploration		
E09/1507 – see Note below	E – Exploration License	Exemption 592781 Forfeiture 592786
E09/1552 – see Note below		Exemption 592782 Forfeiture 592787
E09/1637		
E09/1781		
E09/1938		
Byro Project Mining		
M09/166	M – Mining Lease	
M09/168		
Byro Project Water		
L09/112	L – Miscellaneous Licence	

Note on applications pending

Exploration Licences E09/1507 and E09/1552 did not meet minimum expenditure requirements in the year ending October 2020 and applications for exemption were made to the Mines Department.

The exemption applications were objected to by Alexander Creek (a wholly owned subsidiary of Buxton Resources) on the same day, and shortly thereafter applications for forfeiture were lodged by Alexander Creek. In the case of a forfeiture, the applicant has first rights to the tenement.

Buxton Resources had previously been given access to both the ground and to Athena's data, under a Confidentiality Agreement, and were aware of a potential shortfall in expenditure for that year.

The current status of the exemption applications, and the potential implications of this are discussed in the announcement made to ASX on 13 June 2023.

ASX Announcement

[Update on Status of Exemption Applications](#)

CORPORATE GOVERNANCE STATEMENT

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:

www.athenaresources.com.au/corporate/corporate-governance/