

athena
RESOURCES

Athena
Resources
Limited

ABN 69 113 758 900

INTERIM FINANCIAL REPORT
31 DECEMBER 2023

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COMPANY INFORMATION

ABN	69 113 758 900
Directors	E W Edwards Managing Director P J Newcomb Executive Director H W Wai Non-executive Director T P Weston 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

Your directors submit the financial report of the consolidated entity (or Group) for the half-year ended 31 December 2023. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

DIRECTORS

The following persons were directors of Athena Resources Limited during the whole of the half-year period and up to the date of this report except as specified.

		Appointed	Resigned
Edmond Edwards	Managing Director	-	-
Peter Newcomb	Executive Director	-	-
Hau Wan Wai	Non-executive Director	-	-
Terry Weston	Non-executive Director	1 July 2023	-
Jeff Swinger	Non-executive Director	1 July 2023	30 November 2023

Directors' interests in Shares and Options of the Company as at 31 December 2023 were as follows:

Director	Holding predominantly through	Listed Options	Fully Paid Ordinary Shares
Ed Edwards	Tied Investments Pty Ltd	-	69,378,831
Peter Newcomb	Stonydeep Investments Pty Ltd	30,000,000	62,500,000
Hau Wan Wai	Brilliant Glory Investments Pty Ltd	-	49,250,000
Terry Weston	Terence Paul Weston <Weston Family A/c>	6,000,000	16,000,000

Listed Options are exercisable at 1.8c and expire on 20/10/25.

DIRECTORS' REPORT

REVIEW OF OPERATIONS

Athena Resources Ltd (ASX: AHN) ("Athena" or "Company") is pleased to report on the Company's activities for the six-month period ended 31 December 2023. Athena's work programs during the reporting period have focused on the advancement of the Byro Project's FE1 Scoping Study, geochemical soil sampling at Milly Milly, and reconnaissance field mapping and sampling at Mt Narryer.



Athena Projects Location

DIRECTORS' REPORT

BYRO MAGNETITE PROJECT (100% AHN)

The Byro Magnetite Project is 340km north-east of the port of Geraldton in Western Australia's Mid-West region. Central to the project is the Fe1 magnetite deposit with a Whole Rock Mineral Resource of **29.3Mt @ 24.7% Fe (10% cut-off)** with a Magnetite Mineral Resource of **21MT @ 70.7% Fe (DTR, 20% cut-off)**. (ASX: AHN Announcement 17 January 2023).

LIMS Optimisation Testwork Results

During the reporting period, Athena progressed the Byro Project Study with further metallurgical testwork. Composites were obtained from weathered and fresh ores from diamond drill holes AHRC0107D and AHRC01010D, drilled in the 2022 campaign. Following the initial testwork, (ASX: AHN Announcement 16 June 2023) wet Low Intensity Magnetic Separation (LIMS) produced high-grade magnetite concentrates of 67.4% to 70.4% Fe from weathered and fresh ores respectively.

Further testwork was therefore carried out to confirm the suitability of coarse "Cobber" LIMS, with results exceeding the rejection rate in the process mass balance.

GR Engineering Services designed a process flow sheet which included a coarse wet LIMS (referred to as a "Cobber" LIMS) stage after primary grinding and prior to secondary grinding. The objective of the Cobber LIMS was to reject large percentages of non-magnetic material direct to tailings and reduce the load on secondary grinding, classification, and rougher/cleaner LIMS stages.

The recent LIMS testwork (AHN: ASX Announcement 26 July 2023) investigated the capabilities of the Cobber LIMS with a coarse feed of -1mm. The results included the following highlights:

- The mass rejection of all four composites were excellent with all four exceeding the allowance of 40% in the process mass balance.
- Rejection rates were up to 61.8%.
- The overall mass calculated rejection rate for the non-magnetic product is 51.1%.

Given the success of the -1mm testwork, the next step is to continue investigation into slightly coarser feeds. The results would be expected to provide further load reduction and power demand at each subsequent processing stage.

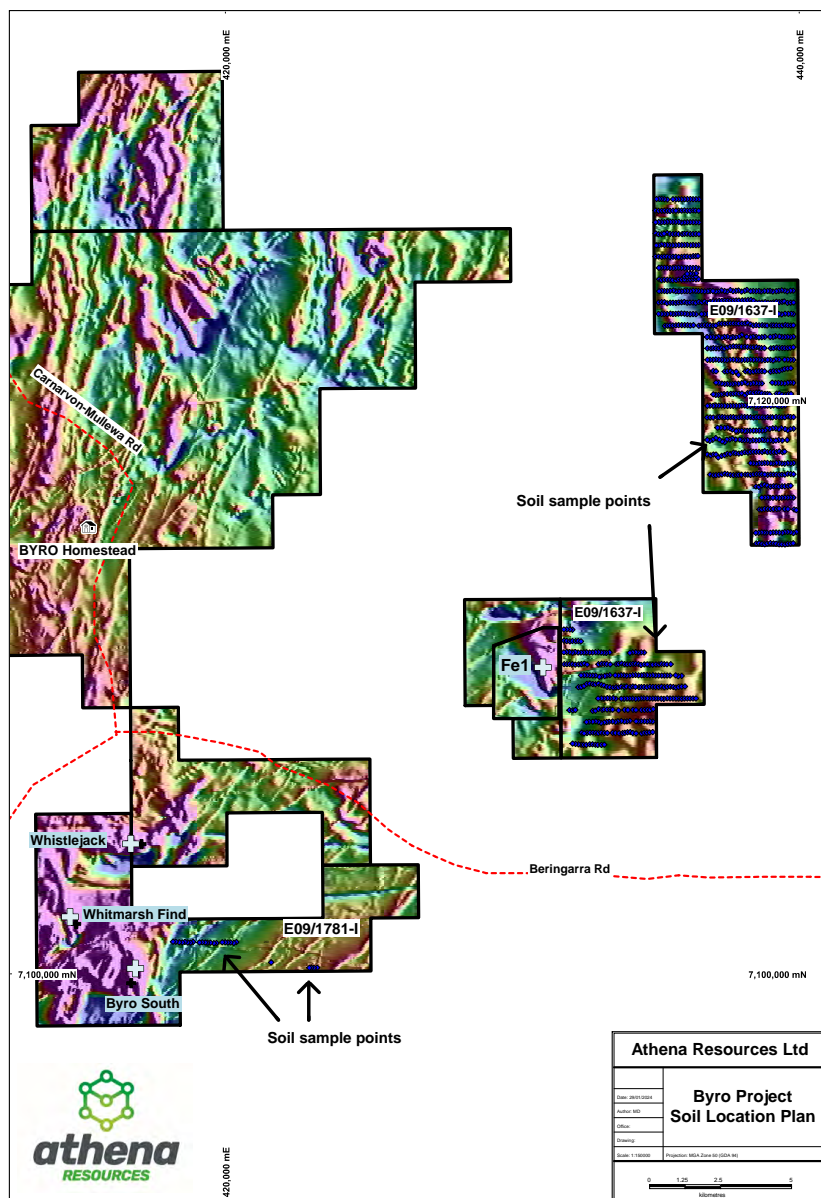
Following the successful results from coarse Wet Low Intensity Magnetic Separation (Cobber LIMS) testwork on feed at a coarse -1mm size, Athena completed additional testwork including: -

- Cobber LIMS tests on coarser feed at -3mm.
- Screening and Regrinding of -150um high-grade magnetite concentrate to produce a finer concentrate at -63um considered suitable for sales into the Coal Washing Industry as Coal Wash Media (CWM).

As a result of the fine screening testwork, a revised Process Flowsheet has been developed to include the Screening and Regrind circuit necessary to produce the fine magnetite for CWM and enable the completion of the Scoping Study. Athena engaged a number of Engineering vendors to assess and comment on the flowsheet and propose leading edge equipment with budget quotes obtained for the larger items of equipment.

DIRECTORS' REPORT

BYRO PROJECT – MILLY MILLY PROSPECT (E09/1637)



Byro Project, soil sample locations on tenements with TMI aeromagnetic image.

Athena carried out a programme of geochemical soil sampling and mapping across the majority of E09/1637, with two test sample lines across E09/1781. The 1,020-sample program targeted base metal and rare earth element (REE) anomalies in soils to provide focus for follow up targeted exploration programs.

A total of 994 samples were taken from tenement E09/1637-I, across the Milly Milly ultramafic intrusion, with a further 26 samples taken on test sample lines at the Byro South Project, E09/1781-I.

At Milly Milly, sampling was carried out from a 400m by 100m grid spacing across most of the tenement area. Samples were removed via conventional method, sieved in the field, and sent to Australian Laboratory Services in Malaga for multi element analysis, including the REE suite.

The targeted areas were identified in regional and detailed airborne magnetic data, and bouguer gravity data, which is suggestive of widespread occurrences of intrusive mafic and ultramafic lithologies. This was supported by geological mapping, carried out in conjunction with the sampling program.

Two short test sample lines were also carried out within E09/1781, near the Byro South magnetite target. A total of 26 samples were taken to test for anomalous base metal and REE responses that may be followed up with more detailed and systematic sampling programs. The areas selected are underlain by extensive intrusive mafic and ultramafic lithologies that form part of the Moonborough Intrusion.

DIRECTORS' REPORT

MOUNT NARRYER PROJECT (100% AHN)

The Mount Narryer Project consists of a single Exploration Licence (E09/1938-I) and single Mining Lease (M09/168-I). The Project is approximately 50km south of the Byro Magnetite Project and contains iron mineralisation in numerous outcrops across the project.

During the half year, the company geologist carried out geological mapping and rock chip and soil sampling for lithogeochemistry and to test banded iron outcrops for iron content. Several units were positively correlated with magnetic highs. A total of 50 rock chip samples and 20 soil samples were analysed.



Banded iron outcrop at Mt Narryer Project.

DIRECTORS' REPORT



Corporate

Management

On 1 July 2023, Jeff Swingler and Terry Weston were appointed Non-executive Directors.

Pursuant to ASX Listing Rule 14.4 and clause 3.3 of the Company's Constitution, both Directors being appointed by the Board during the year were required to automatically retire at the November 2023 Annual General Meeting and are able to offer themselves for re-election at that meeting.

On 28 November, Jeff Swingler advised that due to increasing business commitments he no longer sought re-election and the resolution to re-elect him at the Company's Annual General Meeting was withdrawn.

Share Capital

There have been no changes to Ordinary Shares or Share Options on issue during the period. Details of current Issued Capital and Options Reserve are shown in Notes 5 and 6.

Subsequent Events

Other than as disclosed in Note 12 to the financial statements, there have been no other matters or circumstances that have arisen since the end of the financial period 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 future financial years.

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

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on the following page and forms part of this directors' report for the half-year ended 31 December 2023.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s306(3) of the Corporations Act 2001.

Edmond W Edwards
Managing Director
Perth, 14 March 2024

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Athena Resources Limited for the half-year ended 31 December 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 review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
14 March 2024



M R Ohm
Partner

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

**CONDENSED STATEMENT OF
COMPREHENSIVE INCOME**
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023



	Consolidated Entity	
	31 December 2023	31 December 2022
	\$	\$
Expenses		
Directors and Management	258,213	174,220
Contractors and Wages	202,987	87,558
Legal and Professional costs	30,603	28,525
Office and Communications expenses	4,355	4,257
Listing and Share Registry expenses	30,446	34,768
Financial costs	14,971	23,064
Depreciation expense	472	-
Other expenses	48,299	45,300
Total Expenses	590,346	397,692
Recoveries to capitalised exploration	(217,763)	(91,250)
Expenses net of recoveries	372,583	306,442
LOSS BEFORE INCOME TAX BENEFIT	372,583	306,442
Income tax benefit	-	-
NET LOSS FOR THE YEAR	372,583	306,442
Other comprehensive income	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	372,583	306,442
Basic loss per share (cents per share)	0.03	0.04

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

CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023



AND CONTROLLED ENTITIES

		Consolidated Entity	
	Note	31 December 2023 \$	30 June 2023 \$
CURRENT ASSETS			
Cash and cash equivalents		322,282	1,436,016
Trade and other receivables	2	173,759	132,877
Total Current Assets		496,041	1,568,893
NON-CURRENT ASSETS			
Plant and equipment	3	3,060	1,714
Deferred exploration and evaluation expenditure	4	12,720,431	12,168,588
Total Non-current Assets		12,723,491	12,170,302
TOTAL ASSETS		13,219,532	13,739,195
CURRENT LIABILITIES			
Trade creditors and accruals	9	170,751	195,734
Employee benefits		-	99,363
Other liabilities	10	-	22,734
Total Current Liabilities		170,751	317,831
TOTAL LIABILITIES		170,751	317,831
NET ASSETS		13,048,781	13,421,364
EQUITY			
Issued capital	5	21,154,196	21,154,196
Reserves		943,414	943,414
Accumulated losses		(9,048,829)	(8,676,246)
TOTAL EQUITY		13,048,781	13,421,364

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

CONDENSED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023



AND CONTROLLED ENTITIES

	Consolidated Entity			
	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
Half-year to 31 December 2022				
Balance at 1 July 2022	18,956,665	323,100	(7,995,266)	11,284,499
Share issue	575,000	337,666	-	912,666
Share issue costs	(164,681)	-	-	(164,681)
Comprehensive loss for the half -year	-	-	(306,442)	(306,442)
As at 31 December 2022	19,366,984	660,766	(8,301,708)	11,726,042
Half-year to 31 December 2023				
Balance at 1 July 2023	21,154,196	943,414	(8,676,246)	13,421,364
Comprehensive loss for the half -year	-	-	(372,583)	(372,583)
As at 31 December 2023	21,154,196	943,414	(9,048,829)	13,048,781

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

**CONDENSED STATEMENT OF CASH
FLOWS**
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023



	Consolidated Entity	
	31 December 2023 \$	31 December 2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers	(555,769)	(138,697)
Net cash (used in) operating activities	(555,769)	(138,697)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for purchase of plant and equipment	(1,817)	-
Payments for exploration expenditure	(556,148)	(771,703)
Net cash (used in) investing activities	(557,965)	(771,703)
CASH FLOWS FROM FINANCING ACTIVITIES		
Share issues net of costs	-	747,985
Net cash provided by financing activities	-	747,985
Net (decrease) in cash held	(1,113,734)	(162,415)
Cash and cash equivalents at the beginning of the period	1,436,016	663,311
Cash and cash equivalents at the end of the period	322,282	1,651,139

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

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023



AND CONTROLLED ENTITIES

NOTE - 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that the financial statements be read in conjunction with the annual financial report for the year ended 30 June 2023 and any public announcements made by Athena Resources Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

These interim financial statements were authorised for issue on 14 March 2024.

The interim 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 interim financial statements and notes thereto, complies with International Reporting Standards (IFRS).

Basis of preparation

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

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 the Group's assets and the discharge of their liabilities in the normal course of business.

As at 31 December 2023, the Group has available cash and cash equivalents of \$322,282 and for the half-year then ended recorded a loss of \$372,583 and net cash outflows from operating and investing activities of \$1,113,734.

Subsequent to period end, the Company has entered into a Binding Agreement to raise up to \$1,000,000 from the issue of Convertible Notes to Fenix Resources Limited. A total of \$320,000 was received on 7 March 2024 with the balance to be paid following the relevant shareholder approvals.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023



AND CONTROLLED ENTITIES

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.

Significant accounting judgements and key estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2023.

As announced to ASX on 20 December 2023, 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.

In a judicial review of the Warden's decision relating to the exemption application His Honour Justice Howard on 23 September 2023 confirmed the decision of the Warden that the exemption applications in respect of two exploration licences be refused.

Whilst Byro Exploration Pty Ltd and Complex Exploration Pty Ltd were unsuccessful, we are confident that we will be successful in defending against the applications for forfeiture in due course.

The Company retains current tenure, and has lodged applications for extension on 5 October 2023 being granted, whilst the above processes are taking place. The Company expects such extensions to be granted in due course, and has paid the annual rents for 2023-2024 levied by DMIRS on 8 November 2023.

Adoption of new and revised Accounting Standards

In the half-year ended 31 December 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 2023.

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.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023



AND CONTROLLED ENTITIES

The directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 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.

NOTE - 2 TRADE AND OTHER RECEIVABLES

	Consolidated	
	31 December 2023 \$	30 June 2023 \$
Prepaid tenement rent	94,856	94,565
Prepaid tenement rates	19,391	-
Prepaid insurance	22,823	-
GST refundable	36,689	37,565
Other debtors	-	747
	<u>173,759</u>	<u>132,877</u>

NOTE - 3 PLANT AND EQUIPMENT

	Cost	Accumulated Depreciation	Net Book Value
Year ended 30 June 2023	\$	\$	\$
Balance at 1 July 2022	-	-	-
Additions	1,762	-	1,762
Disposals	-	-	-
Depreciation Charge	-	(48)	(48)
Balance at 30 June 2023	<u>1,762</u>	<u>(48)</u>	<u>1,714</u>
Half Year ended 31 December 2023			
Balance at 1 July 2023	1,762	(48)	1,714
Additions	1,818	-	1,818
Disposals	-	-	-
Depreciation Charge	-	(472)	(472)
Balance at 31 December 2023	<u>3,580</u>	<u>(520)</u>	<u>3,060</u>

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023



AND CONTROLLED ENTITIES

NOTE - 4 DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	6 months to 31 December 2023	Year to 30 June 2023
Exploration and evaluation phase:		
Balance at beginning of period	12,168,588	10,965,438
Expenditure during period on external costs and services	334,080	937,400
Overheads recovered through timesheet allocations	217,763	265,750
	<u>12,720,431</u>	<u>12,168,588</u>

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

NOTE - 5 ISSUED CAPITAL

	Consolidated	
	31 December 2023 \$	30 June 2023 \$
Ordinary Shares		
Issued and fully paid	<u>21,154,196</u>	<u>21,154,196</u>

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

Year to 30 June 2023	Number	\$
At 1 July 2022	812,967,558	18,956,665
Placements during the year	257,500,000	2,575,000
Share issue costs	-	(377,469)
At 30 June 2023	<u>1,070,467,558</u>	<u>21,154,196</u>
6 Months to 31 December 2023		
At 1 July 2023	<u>1,070,467,558</u>	<u>21,154,196</u>
At 31 December 2023	<u>1,070,467,558</u>	<u>21,154,196</u>

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023



AND CONTROLLED ENTITIES

NOTE - 6 RESERVES

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
Share Options		
Issued and fully paid	943,414	943,414

Movements in reserves of the Company were as follows:

	Number	\$
Year to 30 June 2023		
At 1 July 2022	75,000,000	323,100
Free attaching options	257,500,000	-
Lead manager options	35,000,000	40,000
Options issued	290,156,853	580,314
At 30 June 2023	657,656,853	943,414
6 Months to 31 December 2023		
At 1 July 2023	657,656,853	943,414
Options issued	-	-
At 31 December 2023	657,656,853	943,414

NOTE - 7 CONTINGENT LIABILITIES

Athena Resources Limited and its controlled entities have no known material contingent liabilities as at 31 December 2023.

NOTE - 8 SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Athena Resources Limited.

The Group operates in one business and geographical segment being mineral exploration in Australia. Accordingly, under the management approach outlined above only one operating segment has been identified and no further disclosure is required in the half-year financial statements.

NOTE - 9 TRADE AND OTHER PAYABLES

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
Current		
Trade creditors	170,751	195,734
	170,751	195,734

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023



AND CONTROLLED ENTITIES

NOTE - 10 OTHER LIABILITIES

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
Accrued overhead expenses	-	7,000
Days in lieu	-	731
Employee deductions and entitlements	-	15,003
	<u>-</u>	<u>22,734</u>

NOTE - 11 FINANCIAL INSTRUMENTS

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

NOTE - 12 SUBSEQUENT EVENTS

On 1 March 2024 the Company announced the securing of a binding commitment from Fenix Resources Limited to raise up to \$1,000,000 from the issue of Convertible Notes to Fenix.

The key conditions were as follows:

- 32 Notes will be issued to Fenix on 8 March 2024 (or such other date as the parties agree) using the Company's available placement capacity under Listing Rule 7.1.
- The Company will, within 3 months, seek Shareholder approval at a general meeting to issue a further 68 Notes to Fenix (Tranche 2 Notes). If shareholder approval is not obtained within 3 months, the parties will cease to have any obligations in respect of the Tranche 2 Notes.
- Fenix may, at any time after 30 September 2024 and prior to the Maturity Date of 6 March 2025, elect to convert the outstanding Face Value of a Note (and any accrued and unpaid interest) into fully paid ordinary shares in the Company (Shares) at the \$0.002 per Share.
- Simple interest will accrue daily on the Notes at the rate of 8% per annum.
- Subject to the following, the Company may, in its discretion, elect to repay all or some of the outstanding Face Value at any time before the Maturity Date by notice to Fenix, provided at least \$100,000 is repaid at any one time. (Repayment Notice).
- On receipt of a Repayment Notice, Fenix may elect to be repaid the relevant Face Value (and applicable accrued and unpaid interest) into Shares at the Conversion Price.

On 7 March 2024 32 Convertible Notes with an individual face value of \$10,000 were issued to Fenix Resources Limited.

Other than as disclosed above, no other matters or circumstances have arisen since 31 December 2023 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 future financial years.

DIRECTORS' DECLARATION

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023



The Directors of the Company declare that:

- 1) The financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a) complying with Accounting Standard AASB 134: Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year then ended.
- 2) in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

A handwritten signature in blue ink that reads "Ed Edwards".

Ed Edwards
Managing Director

Perth 14 March 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Athena Resources Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Athena Resources Limited ("the company") and its controlled entities ("the Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes, and the directors' declaration, for the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

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

- (a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

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

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Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Independence

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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
14 March 2024



M R Ohm
Partner