



Athena Resources Limited

ABN 69 113 758 900

ANNUAL FINANCIAL REPORT 2022

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COMPANY INFORMATION

ABN	69 113 758 900
Directors	E W Edwards (Executive Director) H W Wai (Non-executive Director) P J Newcomb (Non-executive Director)
Secretary	E W Edwards
Registered Office	21 Millstream Rise Hillarys, Western Australia 6025 Telephone: +61 448 895 664 Email: ahn@athenaresources.com.au
Postal Address	21 Millstream Rise Hillarys, Western Australia 6025
Share Registry	Computershare Investor Services Pty Ltd Level 11, 172 St Georges Terrace Perth, Western Australia 6000 Telephone: +61 8 9323 2000 Facsimile: +61 8 9323 2033
Auditor	HLB Mann Judd (WA Partnership) Level 4, 130 Stirling Street Perth, Western Australia 6000 Telephone: +61 8 9227 7500 Facsimile: +61 8 9227 7533
Bankers	Westpac Banking Corporation 109 St Georges Terrace Perth, Western Australia 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



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 2022.

REVIEW OF OPERATIONS

Exploration and Evaluation

BYRO INDUSTRIAL MAGNETITE PROJECT – Green Steel

In May 2022 Athena announced Board approval to develop the 2004 inferred JORC compliant magnetite Mineral Resource Estimate (MRE) to a 2012 JORC compliant Indicated Resource.

- Encryption drilling at the FE1 Resource was planned with eleven infill diamond drill holes. Once the MRE is in the Indicated classification the Company will be in a position to convert the resource to Probable Mineral Reserve.
- The Company is on a scheduled path to complete the indicated MRE and move forward to development of the Company's Project Feasibility Study, (PFS) within 2022.

Through pilot processing trials Athena can reliably produce bulk concentrate at the FE1 Inferred resource to be divided into two categories, a High Purity magnetite, (HPFe), product 71.5%Fe < 72%Fe, and a Super Purity magnetite, (SPFe), product >72%Fe. (Announced on 16 April 2018 and 18 September 2018). These iron grades are equalled by few mines in the world and among the highest purity reported in Australia.

The FE1 magnetite resource is a boutique resource identified as Globally unique through comprehensive development including metallurgy, ore characterisation and engineered processing design over the last ten years. The unique nature of the Byro magnetite concentrate puts the product at the forefront of supply to current premium industrial processes and supply to high purity "Green Steel" production of the uppermost grade and purity available.

Engineering design following pilot trials demonstrate supply of magnetite concentrate can be achieved with low capital expenditure using industry standard processing within an economic transport corridor through to the Port of Geraldton, an established iron ore export port, to global markets hungry for high grade – low impurity feed stock.

Blast furnaces, with fossil fuel-based energy and coking coal for reduction of the oxide account for 70% of world steel production and produce >7% of total global CO₂ emissions. Reduction of iron ore (iron oxide) is responsible for the bulk of CO₂ emission in the industry. Steel production is going through a revolutionary shift to low impurity - low CO₂ emission production, now commonly known as "Green Steel".

In July 2022 Athena announced completion of the infill resource drilling program. The completion of drilling and preliminary data acquisition is a key component in the development of the Byro magnetite resource with many milestones already completed. The infill program supports major steps including grant of mining leases, native title mining agreement, thorough metallurgy repeated in Australia and China, process engineering design, Main Roads WA approved transport corridor, hydrology studies, advanced environmental studies and exploration drilling of supporting satellite ore bodies.

DIRECTORS' REPORT (continued)



The program was designed by the Company in consultation with Entech Pty Ltd who have been appointed to undertake the Mineral Resource Estimation (MRE). The program was designed to satisfy the identified data gaps required to lift the resource from an inferred to indicated resource including required geotechnical data for pit optimization for the PFS.

The infill program consisted of 11 RC pre-collars followed by 11 diamond tails for solid core recovery and 3 standalone RC holes. Several holes were drilled twinning historic holes. Data from the twinned holes will be used to fulfill data gaps required by the 2012 JORC Code and define variability within the ore body while extending the modelled block to the west and to a depth of 200m.

BYRO BASE METALS PROJECT

During the year Reverse Cycle (RC) drilling programs were completed at five target areas within the Milly Milly and Moonborough Intrusions. Completion of drilling and drilling details were announced on the ASX Platform on 18 October 2021.

The drilling programs included a total of 2,096m of RC drilling for a total of 13 holes. Samples from drilling were compiled and sent to Intertek Laboratories.

Milly Milly Intrusion (Cu/Ni/PGE)

On 3 May 2022 Athena announced the preliminary results from the Milly Milly Target Areas. Study works included lithological logging, cross-sectional interpretation, and assay results.

Highlights and findings from these works include.

Discovery of high-grade graphite seams from successful target drilling of an MLTEM conductor from hole AHRC0096 at Milly Milly within Area 2.

Graphite Intersections include

- 3m @ 4.83%C from 102m including 1m @ 13.02%C from 103m,
- 3m @ 3.16%C from 107m including 1m @ 5.28%C from 108m,
- 2m @ 1.68%C from 120m including 1m @ 2.22%C from 120m.

Confirmation that lithology within the Conduit Target in Area 3 is a high MgO olivine dunite and directly related to the main Milly Milly intrusion.

Nickel Intersection includes

- 11m @ 0.46%Ni from 9m including 1m @ 0.82%Ni from 12m.

Discovery of a new package of prospective rock types in close proximity to the recently refined gravity anomaly within Area 2 at Milly Milly.

- The new package includes felsic -intermediate and ultramafic rock types.
- The sequence is not directly associated with the main Milly Milly intrusion and may represent an eruptive sequence.

DIRECTORS' REPORT (continued)



Moonborough Intrusion (Cu/Ni/PGE)

In March 2022 Athena announced the assay results from the Moonborough Intrusion. Study works included lithological logging, cross-sectional interpretation, thin section petrology and XRD scanning and assay results.

Highly encouraging copper and PGE results include the following:

AHRC0100: 6m @ 0.32%Cu from 19m, including 1m @ 0.57%Cu, 191ppb Pd, 30ppb Pt from 22m and 3m @ 0.230g/t Au from 21m including 1m @ 0.317g/t Au from 23m.

AHRC0101: 1m @ 0.39%Cu from 58m, including 0.5m @ 0.62% Cu, 0.28g/t Au, 150 ppb Pd, 50ppb Pt from 58.5m in AHRC0101, within a broad zone of 35m @ 555.9ppm Cu from 46m,

AHRC0106: 18m @ 487.95 ppm Cu from 0m
36m @ 61.36 ppb 3PGE (Pd, Pt, Au) from 0m

The northern gabbro within the Moonborough Intrusion is more extensive than previously mapped. It thickens, plunges and is open to the northwest. Xray Diffraction analysis, (XRD), was completed on a small sample of drill cuttings from Moonborough. XRD results imply the gabbro assemblage contains two phases, a non-mineralized calcic amphibole phase and a mineralised pyroxene gabbro phase.

It is interpreted as a result of a series of magma pulses differentiated by variable geochemistry from a deep magma source, similar to the emplacement of economic layered intrusions in similar tectonic environments. Thin section petrology has confirmed that the disseminated ores within the mineralized pyroxene lens comprise of bornite (Cu), chalcopryite (Cu), and ilmenite (Ti).

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

Corporate

Share Capital

During the year, and after shareholder approval was granted at the General Meeting held on 30 July 2021, the Company issued 70,900,000 shares to Directors and Officers to settle fee arrears in the amount of \$567,200.

The fully underwritten Entitlements Issue was also concluded, raising a total before costs of \$2,888,270 for the issue of 105,319,945 entitlement shares and 255,713,834 shortfall shares.

An additional 20,000,000 shares were issued to Goldway Mega Trade for \$160,000.

Under the Lead Manager Mandate CPS Capital Group Pty Ltd and or its nominees, received 75,000,000 Options, following the successful reinstatement of the Company on ASX. The Options have an expiry term of four years with an exercise price of \$0.02. Shareholder approval for these options was granted on 30 November 2021.

These options were issued on 16 February 2022.

During the year a number of shares were released from escrow. At the date of this report there were no shares in escrow.

DIRECTORS' REPORT (continued)



DIRECTORS

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

Name	Office	Appointed	Resigned
Edmond William Edwards	Executive Director		
Hau Wan Wai	Non-executive Director		
Peter John Newcomb	Non-executive Director	23-09-2022	
Frank Robert Knezovic	Non-executive Director	30-06-2021	31-05-2022
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 AND COMPANY SECRETARY

Edmond William Edwards Executive Director and Company Secretary

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. 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.

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.

DIRECTORS' REPORT (continued)



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 twenty five 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.

Interest in Shares

49,250,000 Fully Paid Shares

Special Responsibilities

Mr Wai is responsible for the promotion of the company in Hong Kong and China.

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.

Peter John Newcomb

Non-executive Director

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

Interest in Shares

99,275,000 Fully Paid Shares

Special Responsibilities

Financial reporting, financial modelling and geospatial databases.

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.

DIRECTORS' REPORT (continued)



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.

	2022 \$	2021 \$
Consolidated loss\profit after income tax for the financial year	<u>547,720</u>	<u>(343)</u>

Financial Position

At 30 June 2022 the Company has cash reserves of \$663,311.

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.

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.

DIRECTORS' REPORT (continued)



MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2022, 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	6	5
Hau Wan Wai	6	6
David Colin Wheeler	6	6
Frank Robert Knezovic	6	6
Giuseppe Paolo Graziano	-	-

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 2022, 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:

Edmond William Edwards	Executive Director	
Hau Wan Wai	Non-executive Director	
Peter John Newcomb	Non-executive Director	
Frank Robert Knezovic	Non-executive Director	Resigned
David Colin Wheeler	Non-executive Director	Resigned
Giuseppe Paolo Graziano	Non-executive Director	Resigned
Clinton Stash Moxham	Non-executive Director	Resigned

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

DIRECTORS' REPORT (continued)



subject to approval by shareholders in general meeting, from time to time. Fees for non-executive directors are not linked to the performance of the consolidated entity. However, to align directors' interests with shareholder interests, the directors are encouraged to hold securities in the company.

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

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

Performance-based remuneration

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

Details of remuneration for year ended 30 June 2022.

Directors' Remuneration

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

Agreements in respect of cash remuneration of Directors

Mr. Edwards is an Executive Director responsible for the financial operations of the Company. The Company has an agreement with Tied Investments Pty Ltd to provide the management services of Mr. Edwards to the Company in relation to its corporate activities on normal commercial terms and conditions. An annual fee of \$120,000 excluding GST was paid during the year. Mr. Edwards is a director of Tied Investments Pty Ltd. The Company may terminate the contract by giving six months' notice. Tied Investments Pty Ltd may terminate by giving six months' notice.

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:

Year ended 30 June 2022

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

* Represents remuneration from 1 July 2021 to 31 May 2022

** Represents remuneration from 31 May 2022 to 30 June 2022

DIRECTORS' REPORT (continued)



Year ended 30 June 2021

Director	Associated Company	Fees \$	Total \$
E W Edwards	Tied Investments Pty Ltd	150,000	150,000
H W Wai		-	-
		<u>150,000</u>	<u>150,000</u>

Aggregate amounts payable to Directors and their personally related entities.

	2022 \$	2021 \$
Current		
Accounts Payable (including GST)		
Services provided by Director	-	33,000
Services provided by related party	-	52,484
Loans	-	40,000
	<u>-</u>	<u>125,484</u>

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 2021	Balance on appointment	Acquired during the year	At date of resignation	Balance 30 June 2022
E W Edwards	38,128,831	-	31,250,000	-	69,378,831
Hau Wan Wai	43,000,000	-	6,250,000	-	49,250,000
D C Wheeler**	-	-	6,250,000	-	6,250,000
F R Knezovic *	-	-	6,250,000	6,250,000	-
G P Graziano**	-	6,250,000	-	-	6,250,000
	<u>81,128,831</u>	<u>6,250,000</u>	<u>50,000,000</u>	<u>6,250,000</u>	<u>131,128,831</u>

* resigned 31 May 2022

** single holding by Pathways Corporate of which both are Directors

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

The Company received no specific feedback on its Remuneration Report at the 2021 Annual General Meeting.

End of Remuneration Report

DIRECTORS' REPORT (continued)



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.

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 indemnity as follows:

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

AUDITOR

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

NON-AUDIT SERVICES

Our auditors, HLB Mann Judd provided an Independent Limited Assurance Report for inclusion within the Company's Prospectus during the year at a cost of \$7,575. No other Non-Audit services were provided during the year.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

- The directors are of the opinion that the services as disclosed in Note 23 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

DIRECTORS' REPORT (continued)



AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as set out on page 15 has been received for the year ended 30 June 2022 and forms part of this directors' report.

PROCEEDINGS ON BEHALF OF COMPANY

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

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

Signed in accordance with a resolution of the directors.

.....
E W EDWARDS
Executive Director

Dated at Perth this 30th day of September, 2022.

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 2022, 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
30 September 2022



M R Ohm
Partner

hlb.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 2022



	Note	Consolidated	
		2022	2021
		\$	\$
Expenses			
Directors' remuneration		244,000	150,000
Salaries and employee costs		227,337	198,272
Legal and professional		144,568	165,100
Office and communication		11,304	15,692
Listing and share registry		51,375	42,563
Financial expenses		41,540	11,681
Depreciation	7	-	1,266
Other expenses		68,996	13,191
Total Expenses		<u>789,120</u>	<u>597,765</u>
Recoveries to capitalised exploration	8	<u>(241,400)</u>	<u>(205,400)</u>
Expenses net of recoveries		<u>547,720</u>	<u>392,365</u>
Other income	2	-	(392,708)
LOSS/(PROFIT) BEFORE INCOME TAX BENEFIT		<u>547,720</u>	<u>(343)</u>
Income tax benefit	4	-	-
NET LOSS/(PROFIT) FOR THE YEAR		<u>547,720</u>	<u>(343)</u>
Other comprehensive income		-	-
TOTAL COMPREHENSIVE LOSS/(INCOME) FOR THE YEAR		<u>547,720</u>	<u>(343)</u>
Basic loss per share (cents per share)	24	0.072	-

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022



	Note	Consolidated 2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	5	663,311	130,031
Trade and other receivables	6	232,913	70,810
Total Current Assets		896,224	200,841
NON-CURRENT ASSETS			
Plant and equipment	7	-	-
Mineral exploration and evaluation	8	10,965,438	9,247,238
Total Non-Current Assets		10,965,438	9,247,238
TOTAL ASSETS		11,861,662	9,448,079
CURRENT LIABILITIES			
Trade creditors and accruals	9	62,120	214,023
Annual leave payable		34,187	26,345
Other liabilities	10	424,855	22,623
Related party loans	11	-	40,000
Total Current Liabilities		521,162	302,991
NON-CURRENT LIABILITIES			
Long service leave provision		56,001	49,527
Total Non-Current Liabilities		56,001	49,527
TOTAL LIABILITIES		577,163	352,518
NET ASSETS		11,284,499	9,095,561
EQUITY			
Contributed equity	13	18,956,665	16,543,107
Reserves	14	323,100	-
Accumulated losses	12	(7,995,266)	(7,447,546)
TOTAL EQUITY		11,284,499	9,095,561

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022



Consolidated	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total \$
Year ended 30 June 2021				
Balance at 1 July 2020	14,944,446	-	(7,447,889)	7,496,557
Issue of shares	1,656,200	-	-	1,656,200
Issue costs	(57,539)	-	-	(57,539)
Comprehensive income for the year	-	-	343	343
Balance at 30 June 2021	<u>16,543,107</u>	<u>-</u>	<u>(7,447,546)</u>	<u>9,095,561</u>
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>

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022



	Note	Consolidated	
		2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers		(816,324)	(291,763)
Interest received		-	4
Net Cash (Outflow) from Operating Activities	15	<u>(816,324)</u>	<u>(291,759)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for mineral exploration and evaluation		<u>(1,347,054)</u>	<u>(625,202)</u>
Net Cash (Outflow) From Investing Activities		<u>(1,347,054)</u>	<u>(625,202)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		3,055,770	1,089,000
Repayments of borrowings from related parties	11	(40,000)	(60,000)
Share issue transaction costs		(319,112)	-
Net Cash Inflow from Financing Activities		<u>2,696,658</u>	<u>1,029,000</u>
Net increase in cash held		533,280	112,039
Cash and cash equivalents at beginning of the financial year		130,031	17,992
Cash and cash equivalents at the end of the financial year	5	<u>663,311</u>	<u>130,031</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 2022



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 2021 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 30 September 2022.

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 source of funding:

- The placement of securities under the ASX Listing Rule 7.1 or otherwise;
- An excluded offer pursuant to the Corporations Act 2001;
- 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.

Adoption of New and Revised Standards

In the year ended 30 June 2022, 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 2021.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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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 2022. 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

(a) *Principles of Consolidation*

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

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

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

(b) *Income Tax*

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

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

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

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

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022



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.

(c) 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.

(d) Depreciation

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

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

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

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

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

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

(e) 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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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.

(f) 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.

(g) 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.

(h) 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.

(i) 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).

(j) 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.

(k) 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022



(l) 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.

(m) Comparative Figures

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

(n) 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 2022.

(o) 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022



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.

NOTE 2 – OTHER INCOME

	Consolidated	
	2022	2021
	\$	\$
Revenue from non-operating activities		
Interest received	-	4
Covid-19 Cash Boost	-	15,795
Directors fee arrears written off (net of GST)	-	376,909
Total	-	392,708

NOTE 3 – LOSS FROM ORDINARY ACTIVITIES BEFORE TAX EXPENSE

Expenses		
Depreciation of non-current assets:		
Motor vehicles	-	1,266
Total depreciation of non-current assets	-	1,266

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022



NOTE 4 – 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:

	Consolidated	
	2022	2021
	\$	\$
Tax Losses for the year		
Profit/(Loss) for the year	(547,720)	343
Income tax calculated at 25.0% (2021 27.5%)	(136,930)	94
Deferred tax asset not recognised	136,930	(94)
Income Tax Attributable to Operating Loss	-	-
Accumulated Tax Losses		
(Profit)/Loss for the year	547,720	(343)
Tax free income – cash boost	-	15,795
Disallowable expenses	(2,506)	(5,123)
Timing differences on depreciation of assets	2,142	2,424
Exploration expenditure	1,718,200	408,075
Provisions movement	(418,171)	(88,547)
Legal costs deemed to be capital transferred to Section 40-880	-	(60,668)
Section 40-880 deduction	157,832	30,890
Tax loss for the year	2,005,217	302,503
Tax losses brought forward	14,353,294	14,050,791
Current year loss	2,005,217	302,503
Tax losses carried forward	16,358,511	14,353,294
Section 40-880		
Balance brought forward	111,812	24,495
Share Issue costs per Statement of Financial Position (Note 13)	319,112	57,539
Fair value of options issued (Note 13)	315,600	
Legal costs deemed to be capital	-	60,668
Claim for the year	(157,832)	(30,890)
Balance carried forward – available for claim in future years	588,692	111,812

The potential deferred tax asset has not been brought to account in the financial report at 30 June 2022 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;

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022



- (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 5 – CASH AND CASH EQUIVALENTS

	Consolidated	
	2022	2021
	\$	\$
Cash at bank and on hand	663,311	130,031
	<u>663,311</u>	<u>130,031</u>

NOTE 6 – TRADE AND OTHER RECEIVABLES

Current

Debtors	-	-
Prepaid Tenement Rent	60,290	54,416
Progress payments	150,000	-
GST Receivable	22,623	16,394
	<u>232,913</u>	<u>70,810</u>

NOTE 7 – PLANT AND EQUIPMENT

	Cost	Accumulated Depreciation	Net Book Value
	\$	\$	\$
Year ended 30 June 2021			
Balance at 1 July 2020	71,356	(70,090)	1,266
Additions	-	-	-
Disposals	-	-	-
Depreciation Charge	-	(1,266)	(1,266)
Balance at 30 June 2021	<u>71,356</u>	<u>(71,356)</u>	<u>-</u>
Year ended 30 June 2022			
Balance at 1 July 2021	71,356	(71,356)	-
Additions	-	-	-
Disposals	-	-	-
Depreciation Charge	-	-	-
Balance at 30 June 2022	<u>71,356</u>	<u>(71,356)</u>	<u>-</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022



NOTE 8 – MINERAL EXPLORATION AND EVALUATION

	Consolidated	
	2022	2021
	\$	\$
Exploration and evaluation phase:		
Balance at 1 July 2021	9,247,238	8,839,163
Expenditure during the year on external costs and services	1,476,800	202,675
Overheads recovered through timesheet allocations	241,400	205,400
Balance at 30 June 2022	<u>10,965,438</u>	<u>9,247,238</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.

NOTE 9 – TRADE CREDITORS AND ACCRUALS

Current

Accounts payable	62,120	214,023
	<u>62,120</u>	<u>214,023</u>

NOTE 10 – OTHER LIABILITIES

Accrued overhead expenses	-	16,000
Accrued exploration expenses	376,000	-
Days in lieu	26,937	-
Employee deductions and entitlements	21,918	6,623
	<u>424,855</u>	<u>22,623</u>

NOTE 11 – RELATED PARTY LOANS

A loan outstanding of \$40,000 from former Director David Webster at the 2021 year end was settled in July 2021.

There have been no other related party loan movements during the current year and no balances outstanding at 30 June 2022.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022



NOTE 12 – ACCUMULATED LOSSES

	Consolidated	
	2022	2021
	\$	\$
Balance at beginning of the year	(7,447,546)	(7,447,889)
Net Profit\Loss for the year	(547,720)	343
Balance at end of the year	<u>(7,995,266)</u>	<u>(7,447,546)</u>

NOTE 13 – CONTRIBUTED EQUITY

Issued Capital	\$	\$
As at 1 July 2021	16,543,107	14,944,446
Issued during the year for cash	3,048,270	1,089,000
Share issue costs – cash based	(319,112)	(57,539)
Share issue costs – fair value of options	<u>(315,600)</u>	<u>-</u>
	18,956,665	15,975,907
Unissued Capital		
Applications received subject to shareholder approval	-	567,200
As at 30 June 2022	<u>18,956,665</u>	<u>16,543,107</u>
Issued Capital	Shares	Shares
	2022	2021
As at 1 July 2021	361,033,779	300,605,208
Issued during the year for cash under 1:1 Rights Issue	361,033,779	60,428,571
Issued during the year for cash under Placement	20,000,000	-
Issued during the year with shareholder approval	70,900,000	-
	<u>812,967,558</u>	<u>361,033,779</u>
Applications received subject to shareholder approval	-	70,900,000
As at 30 June 2022	<u>812,967,558</u>	<u>431,933,779</u>

During the 2021 year applications were received from Directors and Officers for shares in conversion of fee arrears. This issue of these shares was subject to shareholder approval. At a General Meeting of the Company held on 30 July 2021 shareholders approved this issue.

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 2022



NOTE 14 – RESERVES

	Consolidated	
	2022	2021
	\$	\$
Balance at beginning of the year	-	-
Share-based payment transactions	315,600	-
Option fee received	7,500	-
Balance at end of the year	<u>323,100</u>	<u>-</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 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.

During the year, 75,000,000 options were issued under the lead manager mandate to CPS Capital Group Pty Ltd and its nominees following the successful re-instatement of the Company on ASX. The options have an expiry term of four years with an exercise price of \$0.02.

NOTE 15 – STATEMENT OF CASH FLOWS

Reconciliation of profit/(loss) after income tax to net operating cash flows

Profit/(Loss) from ordinary activities	(547,720)	343
Depreciation	-	1,266
Directors fee arrears written off	-	(414,600)
Share issue costs	-	(57,539)
Movement in assets and liabilities		
Receivables and prepayments	(6,228)	18,343
Payables and provisions	(262,376)	160,428
Net cash used in operating activities	<u>(816,324)</u>	<u>(291,759)</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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022



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 (2021: \$3,809,300) 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	
	2022	2021
	\$	\$
Not later than one year	651,400	761,860
Later than 1 year but not later than 2 years	651,400	761,860
Later than 2 years but not later than 5 years	1,954,200	2,285,580
	<u>3,257,000</u>	<u>3,809,300</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 2022.

NOTE 19 – INVESTMENT IN CONTROLLED ENTITIES

	Class of Shares		Book Value of Athena's Investments	
			2022	2021
			\$	\$
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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022



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	Executive Director	
Hau Wan Wai	Non-executive Director	
David Colin Wheeler	Non-executive Director	
Frank Robert Knezovic	Non-executive Director	Resigned 31 May 2022
Giuseppe Paolo Graziano	Non-executive Director	Appointed 31 May 2022

(b) Remuneration Policies

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

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

	Consolidated	
	2022	2021
	\$	\$
Year ended 30 June		
Short-term employee benefits	216,000	150,000
Post-employment benefits	-	-
Other-long term benefits	-	-
	<u>216,000</u>	<u>150,000</u>

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

	Consolidated	
	2022	2021
	\$	\$
Current		
Accounts payable	-	85,484
Loans Mr Webster (former Director)	-	40,000
	<u>-</u>	<u>125,484</u>

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FOR THE YEAR ENDED 30 JUNE 2022



NOTE 22 – RELATED PARTY INFORMATION

	Parent Entity	
	2022	2021
	\$	\$
Transactions within the Group		
Non-current receivables – Controlled Entities	12,520,923	10,802,723
Less : Provision for non recovery	(1,554,985)	(1,554,985)
	<u>10,965,938</u>	<u>9,247,738</u>

NOTE 23 – REMUNERATION OF AUDITORS

	Consolidated	
	2022	2021
	\$	\$
Amount received, or due and receivable, by the auditors for:		
Auditing and reviewing of the consolidated financial statements of Athena Resources Limited	23,823	19,050
Other services – Independent Limited Assurance Report	7,575	-
	<u>31,398</u>	<u>19,050</u>

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

NOTE 24 – LOSS PER SHARE

	Consolidated	
	2022	2021
	\$	\$
Profit/(Loss) used in the calculation of loss per share	(547,720)	343
Weighted average number of ordinary shares outstanding during the year	758,234,951	310,538,579
Basic loss per share (cents per share)	<u>0.072</u>	<u>-</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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022



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.

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	
	2022	2021	2022	2021
	\$	\$	\$	\$
Financial Assets				
- Cash at bank	663,311	130,031	-	-
- Trade debtors	232,913	70,810	-	-
Total Financial Assets	<u>896,224</u>	<u>200,841</u>	<u>-</u>	<u>-</u>
Financial Liabilities				
- Trade Creditors	62,120	214,023	-	-
- Accruals	515,043	98,494	-	-
- Related Party Loans	-	40,000	-	-
Total Financial Liabilities	<u>577,163</u>	<u>352,517</u>	<u>-</u>	<u>-</u>

Weighted Average Effective Interest Rate is 0.1% (2021: 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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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.

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 has not performed a sensitivity analysis relating to its exposure to interest rate risk.

NOTE 26 – EVENTS SUBSEQUENT TO BALANCE DATE

No 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

FOR THE YEAR ENDED 30 JUNE 2022



NOTE 27 – PARENT ENTITY DISCLOSURES

Financial Position	2022 \$	2021 \$
CURRENT ASSETS		
Cash and cash equivalents	662,511	129,231
Trade and other receivables	232,913	70,810
Total Current Assets	<u>895,424</u>	<u>200,041</u>
NON-CURRENT ASSETS		
Plant and equipment	-	-
Investment in subsidiaries	300	300
Loans to subsidiaries	10,965,938	9,247,738
Total Non-Current assets	<u>10,966,238</u>	<u>9,248,038</u>
TOTAL ASSETS	<u>11,861,662</u>	<u>9,448,079</u>
CURRENT LIABILITIES		
Trade and other payables	521,162	302,991
Total Current Liabilities	<u>521,162</u>	<u>302,991</u>
NON-CURRENT LIABILITIES		
Long service leave provision	56,001	49,527
TOTAL LIABILITIES	<u>577,163</u>	<u>352,518</u>
NET ASSETS	<u>11,284,499</u>	<u>9,095,560</u>
EQUITY		
Issued capital	19,279,765	16,543,107
Accumulated losses	(7,995,266)	(7,447,546)
TOTAL EQUITY	<u>11,284,499</u>	<u>9,095,561</u>
Financial Performance		
(Loss)/profit for the year	(547,720)	343
Other comprehensive income	-	-
Total comprehensive (loss)/income	<u>(547,720)</u>	<u>343</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 2022



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 2022 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 2022.

E W Edwards
Executive Director

Dated at Perth this 30th day of September 2022

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 2022, 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 2022 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates 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 matter below to be the key audit matter to be communicated in our report.

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Key Audit Matter	How our audit addressed the key audit matter
Mineral exploration and evaluation Refer to Note 8 The Group has a capitalised mineral exploration and evaluation balance of \$10,965,438 as at 30 June 2022. In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> , the Group capitalises exploration and evaluation expenditure as incurred. We considered this to be a key audit matter due to its materiality, the degree of audit effort and communication with management and its importance for the users' understanding of the financial statements.	Our procedures included but were not limited to: <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 for the year ending 30 June 2023 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 2022, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

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 2022.

In our opinion, the Remuneration Report of Athena Resources Limited for the year ended 30 June 2022 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
30 September 2022

M R Ohm
Partner

SHAREHOLDER DETAILS

FOR THE YEAR ENDED 30 JUNE 2022



ANALYSIS OF SHAREHOLDING – 30 SEPTEMBER 2022

	Holders	SHARES
1 – 1,000	32	4,970
1,001 – 5,000	47	137,137
5,001 – 10,000	63	539,565
10,001 – 100,000	398	19,342,134
100,001 – or more	470	792,943,752
Total on issue	1,010	<u>812,967,558</u>

362 shareholders, with a total of 6,687,742 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 John Newcomb	50,700,000
Brilliant Glory Industrial Corp 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 2022



TOP TWENTY SHAREHOLDERS 30 SEPTEMBER 2022

Shareholder	Shares	%	Rank
Goldway Mega Trade Limited	72,082,857	8.87	1
Tied Nominees Pty Ltd	69,378,831	8.53	2
Stonydeep Investments Pty Ltd	49,400,000	6.08	3
Brilliant Glory Industrial Corp Ltd	49,250,000	6.06	4
Sunset Capital Management P/L	20,000,000	2.46	5
Mr David Webster	18,750,000	2.31	6
Mr James G Puklowski	18,400,000	2.26	7
Clive Waterson Superfund P/L	17,000,000	2.09	8
Cobpen Co Investments Pty Ltd	15,096,626	1.86	9
Ms Natasha Baker <Angelfish A/C>	14,180,000	1.74	10
Mr Peter Andrew Nelson	12,551,522	1.54	11
Mr Harold Gordon Shore	12,395,749	1.52	12
Mr Terence Paul Weston <Weston Family A/C>	11,142,000	1.37	13
Citicorp Nominees Pty Limited	11,008,586	1.35	14
Kelanco Pty Ltd <The Kelanco Super Fund A/C>	11,000,000	1.35	15
Kokatu Pty Ltd	9,963,871	1.23	16
Vitor Pty Ltd	8,333,333	1.03	17
Mr Mark Vincent Snabel-Matthews	7,500,000	0.92	18
Mr Liam Patrick Kelly + Ms Heather Salomons	7,487,222	0.92	19
Mr Andrew John Puklowski	7,166,350	0.88	20
Total	442,086,947	54.38	

TOP TWENTY OPTIONHOLDERS 30 SEPTEMBER 2022

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		

INTEREST IN MINING TENEMENTS
FOR THE YEAR ENDED 30 JUNE 2022



INTEREST IN MINING TENEMENTS

Athena Resources Limited 100%	Tenement Type
Byro Exploration	
E09/1507	E – Exploration License
E09/1552	
E09/1637	
E09/1781	
E09/1938	
Byro Project Mining	
M09/166	M – Mining Lease
M09/168	

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:

<http://www.athenaresources.com.au/corporate/corporate-governance/>