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Athena
Resources
Limited

ABN 69 113 758 900

ANNUAL FINANCIAL REPORT 2020

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COMPANY INFORMATION

ABN	69 113 758 900
Directors	D A Webster (Non-Executive Chairman) E W Edwards (Executive Director) H W Wai (Executive Director)
Secretaries	E W Edwards P J Newcomb
Registered Office	21 Millstream Rise Hillarys, WESTERN AUSTRALIA 6025 Telephone: +61 8 9307 7902 Email: ahn@athenaresources.com.au
Postal Address	PO Box 1970 West Perth, WESTERN AUSTRALIA 6872
Share Registry	Computershare Investor Services Pty Ltd Level 11, 172 St Georges Terrace Perth, WESTERN AUSTRALIA 6000 Telephone: +61 8 9323 2000 Facsimile: +61 8 9323 2033
Auditor	HLB Mann Judd Level 4, 130 Stirling Street Perth, WESTERN AUSTRALIA 6000 Telephone: +61 8 9227 7500 Facsimile: +61 8 9227 7533
Bankers	Westpac Banking Corporation 1257 Hay Street West Perth, WESTERN AUSTRALIA 6005
Securities Exchange Listing	Athena Resources Limited shares are listed on the Australian Securities Exchange (Home Exchange – Perth) ASX Code: Shares AHN
Website	www.athenaresources.com.au

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 2020.

REVIEW OF OPERATIONS

Exploration and Evaluation

During the period under review Athena has undertaken additional test work defining the magnetic characteristic of the Byro Industrial Magnetite. The results of this confirm the suitability for retrieval and re-use in multiple industrial processing applications.

Further work has been conducted to confirm suitability for dense media separation for the coal washing industry. The product is well within international specifications.

The test work to date confirms the Athena product is suited to relatively high value markets as opposed to steel making, which sets it apart from other typical Mid West deposits.

A small amount of by product may be sent to steel mills for blending with lower grade ore.

Market research on uses for high purity magnetite indicates that there is a significant offtake opportunity for the Athena product in a number of industries.

During the current season Athena intends to conduct further drilling at Byro to upgrade the 2004 JORC compliant resource both in tonnage and to the revised JORC Code.

Once a 2012 JORC compliant resource is confirmed the Company will be in a position to publish an indicative valuation of the project.

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DIRECTORS REPORT (continued)



Corporate

On 13 August 2019 ASX suspended trading in Athena shares due to insufficient funds to satisfy the funding requirement under their guidelines. This was based on a Quarterly Cash Report for June 2019 which showed available cash of less than \$10,000 and expected outgoings in the order of \$200,000 in the forthcoming quarter.

At the date of the suspension Athena shares had last traded at 2c per share.

Since suspension and during the year ended 30 June 2020 the Company has raised \$1,024,153 (Note 14) including a conversion of loans and net of issue costs and on 17 August 2020 the company announced the completion of a placement to raise a further \$260,000.

These transactions were at 3.5c per share.

Ongoing funding remains a significant issue, however the Company has a commitment from the same Hong Kong investor for a further \$700,000 at 3.5c per share. Covid-19 travel restrictions have caused unforeseen and unavoidable delays in settling this placement.

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

DIRECTORS

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

David Arthur Webster	Non-Executive Chairman
Edmond William Edwards	Executive Director
Hau Wan Wai	Executive Director

PARTICULARS OF DIRECTORS AND COMPANY SECRETARIES

David Arthur Webster

Non-Executive Chairman

Experience

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

DIRECTORS REPORT (continued)



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

Interest in Shares

12,364,747 Fully Paid Shares

Special Responsibilities

Mr Webster is Chairman of the Audit Committee.

Directorships held in listed entities

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

Hau Wan Wai

Executive Director

Experience

Hau Wan Wai (John) graduated from The University of Regina Canada in 1998 with a Bachelor of Administration, Major in Marketing. John speaks Mandarin, Cantonese and English. He was born and resides in Hong Kong. John is also the executive director of Brilliant Glory Industrial Corporation Ltd, the Hong Kong company which is the 100% parent of Brilliant Glory Investments.

He has twenty 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

43,000,000 Fully Paid Shares

Special Responsibilities

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

Directorships held in listed entities

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

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DIRECTORS REPORT (continued)



Edmond William Edwards

Executive Director and Joint Company Secretary

Qualifications

Mr Edwards is a Chartered Accountant with a Bachelor of Commerce from the University of Western Australia.

Experience

Mr Edwards has over 40 years of experience in the mining industry in Western Australia. He has previously been Executive Director or Finance Director of a number of listed mining and exploration companies having taken many of these companies through the initial public offering, then exploration, feasibility and finally into production.

Interest in Shares

38,128,831 Fully Paid Shares

Special Responsibilities

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

Directorships held in listed entities

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

Peter John Newcomb

Joint Company Secretary

Qualifications

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

Experience

Mr Newcomb has over 40 years professional and commercial experience working in a number of industries and locations including London, Scotland, Singapore and Perth. The majority of his experience over the last ten years has been in the Resources industry in Western Australia.

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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.

	2020 \$	2019 \$
Consolidated loss after income tax for the financial year	<u>334,018</u>	<u>434,995</u>

Financial Position

At 30 June 2020 the Company has cash reserves of \$17,992.

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 28, 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.

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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 2020, 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
David Arthur Webster	2	2
Edmond William Edwards	2	2
Hau Wan Wai	2	2

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

AUDIT COMMITTEE

The audit committee was comprised of the non-executive director Mr D Webster.

During the year ended 30 June 2020, Mr D Webster held two meetings of the Audit Committee.

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DIRECTORS REPORT (continued)



REMUNERATION REPORT (AUDITED)

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

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

David Arthur Webster	Non-Executive Chairman
Edmond William Edwards	Executive Director
Hau Wan Wai	Executive Director

The Company has no other key management personnel.

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

Remuneration policy

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

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

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

Performance-based remuneration

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

Details of remuneration for year ended 30 June 2020.

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.

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DIRECTORS REPORT (continued)



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 \$135,000 excluding GST was paid during the year. Mr. Edwards is a director of Tied Investments Pty Ltd. The Company may terminate the contract by giving three months' notice. Tied Investments Pty Ltd may terminate by giving three months' notice.

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

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 2020

Director	Associated Company	Fees \$	Total \$
E W Edwards	Tied Investments Pty Ltd	135,000	135,000
D A Webster	Cobpen Co Investments Pty Ltd	36,000	36,000
H W Wai		-	-
		<u>171,000</u>	<u>171,000</u>

Year ended 30 June 2019

Director	Associated Company	Fees \$	Total \$
E W Edwards	Tied Investments Pty Ltd	180,000	180,000
D A Webster	Cobpen Co Investments Pty Ltd	48,000	48,000
H W Wai		-	-
		<u>228,000</u>	<u>228,000</u>

Aggregate amounts payable to Directors and their personally related entities.

Current	2020 \$	2019 \$
Accounts Payable (including GST)	849,800	810,200
Loans	80,000	111,900
	<u>929,800</u>	<u>922,100</u>

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DIRECTORS REPORT (continued)



During the year net repayments of unsecured interest free loans were made to Directors as follows:

Mr Edwards	\$20,000
Mr Wai	\$11,900

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 2019	Issued during the year	Balance 30 June 2020
Hau Wan Wai	43,000,000	-	43,000,000
E W Edwards	38,128,831	-	38,128,831
D A Webster	12,364,747	-	12,364,747
	<u>93,493,578</u>	<u>-</u>	<u>93,493,578</u>

The shareholding disclosed for Hau Wan Wai is held in Brilliant Glory Industrial Corp Ltd of which Hau Wan Wai is sole Director.

The Company received no specific feedback on its Remuneration Report at the 2019 Annual General Meeting.

End of Remuneration Report

SHARE OPTIONS

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

ENVIRONMENTAL ISSUES

The 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:

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DIRECTORS REPORT (continued)



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

AUDITOR

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

NON-AUDIT SERVICES

No non-audit services were provided by our auditors, HLB Mann Judd, during the year ended 30 June 2020.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as set out on page 14 has been received for the year ended 30 June 2020 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, 2020.

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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 2020, 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 2020

N G Neill
Partner

hlb.com.au

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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020



	Note	Consolidated	
		2020 \$	2019 \$
Expenses			
Directors' remuneration		171,000	228,000
Salaries and employee costs		144,300	153,300
Legal and professional		69,600	77,050
Office and communication		67,523	70,544
Listing and share registry		31,308	39,756
Financial expenses		12,082	12,682
Depreciation	7	5,667	5,651
Loss on disposal of fixed assets		1,376	-
Other expenses		57,833	38,418
Total Expenses		<u>560,689</u>	<u>625,401</u>
Recoveries to capitalised exploration	8	<u>(200,300)</u>	<u>(170,400)</u>
Expenses net of recoveries		<u>360,389</u>	<u>455,001</u>
Other income	2	(26,371)	(20,006)
LOSS BEFORE INCOME TAX BENEFIT		<u>334,018</u>	<u>434,995</u>
Income tax benefit	4	-	-
NET LOSS FOR THE YEAR		<u>334,018</u>	<u>434,995</u>
Other comprehensive income		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u><u>334,018</u></u>	<u><u>434,995</u></u>
Basic loss per share (cents per share)	24	0.11	0.18

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020**



	Note	Consolidated	
		2020 \$	2019 \$
CURRENT ASSETS			
Cash and cash equivalents	5	17,992	5,913
Trade and other receivables	6	<u>34,737</u>	<u>37,040</u>
Total Current Assets		<u>52,729</u>	<u>42,953</u>
NON-CURRENT ASSETS			
Plant and equipment	7	1,266	8,309
Mineral exploration and evaluation	8	<u>8,839,163</u>	<u>8,409,884</u>
Total Non-Current Assets		<u>8,840,429</u>	<u>8,418,193</u>
TOTAL ASSETS		<u>8,893,158</u>	<u>8,461,146</u>
CURRENT LIABILITIES			
Trade creditors and accruals	9	314,801	372,524
Deferred creditors	10	981,800	962,200
Related party loans	11	100,000	111,900
Third party loans	12	<u>-</u>	<u>208,100</u>
Total Current Liabilities		<u>1,396,601</u>	<u>1,654,724</u>
TOTAL LIABILITIES		<u>1,396,601</u>	<u>1,654,724</u>
NET ASSETS		<u>7,496,557</u>	<u>6,806,422</u>
EQUITY			
Issued capital	14	14,944,446	13,920,293
Accumulated losses	13	<u>(7,447,889)</u>	<u>(7,113,871)</u>
TOTAL EQUITY		<u>7,496,557</u>	<u>6,806,422</u>

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020



Consolidated	Issued Capital \$	Accumulated Losses \$	Total \$
Year ended 30 June 2019			
Balance at 1 July 2018	13,400,888	(6,678,876)	6,722,012
Entitlements Issue	541,901	-	541,901
Issue Costs	(22,496)	-	(22,496)
Comprehensive loss for the year	-	(434,995)	(434,995)
Balance at 30 June 2019	<u>13,920,293</u>	<u>(7,113,871)</u>	<u>6,806,422</u>
Year ended 30 June 2020			
Balance at 1 July 2019	13,920,293	(7,113,871)	6,806,422
Issued during the year	1,037,900	-	1,037,900
Issue Costs	(13,747)	-	(13,747)
Comprehensive loss for the year	-	(334,018)	(334,018)
Balance at 30 June 2020	<u>14,944,446</u>	<u>(7,447,889)</u>	<u>7,496,557</u>

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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020**



	Note	Consolidated	
		2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers		(308,597)	(376,230)
Interest received		46	6
Net Cash (Outflow) from Operating Activities	15	<u>(308,551)</u>	<u>(376,224)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for mineral exploration and evaluation		<u>(497,270)</u>	<u>(471,698)</u>
Net Cash (Outflow) From Investing Activities		<u>(497,270)</u>	<u>(471,698)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Share Issues net of costs		671,000	541,901
Repayments of borrowings from related parties	11	(65,400)	(48,100)
Proceeds from borrowings from related parties	11	53,500	102,848
Proceeds from borrowings from non-related parties	12	158,800	218,100
Net Cash Inflow from Financing Activities		<u>817,900</u>	<u>814,749</u>
Net increase/(decrease) in cash held		12,079	(33,173)
Cash and cash equivalents at beginning of the financial year		5,913	39,086
Cash and cash equivalents at the end of the financial year	5	<u>17,992</u>	<u>5,913</u>

**NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**



Notes to the Accounts

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 and corresponding reporting period except for the impact of the new standards and interpretations effective 1 July 2019 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 2020.

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
- The continued deferral of creditors payments

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**NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**



Notwithstanding the fact that the Group incurred an operating loss of \$334,018 for the year, has a working capital deficit of \$1,343,872 at balance date and a net cash outflow from operating activities of \$294,804 for the year and from mineral exploration and evaluation of \$497,270, the Directors are of the opinion that the Company is a going concern for the following reasons:

Subsequent to year-end, on the 17 August 2020 the Group raised \$260,000 of equity capital via an issue of 7,428,571 ordinary shares at \$0.035 cents. In addition, discussions are underway with major shareholders for a further \$900,000. The funds raised will be used to meet the ongoing working capital requirements of the Group.

The Company has carried out a review of cash outflow from operating activities and closed the office with executives operating from home. In addition the Company has received a number of approaches to Joint Venture the Byro Central and Byro East (Milly Milly) base metals projects. This has the potential to receive reimbursement of previous expenditure and reduce outgoings while the company seeks funding for the Byro Industrial Minerals project.

Additionally, certain related parties have confirmed that debt totalling \$981,800 will be deferred until such time as the Group has raised sufficient funds to settle all of its existing debts to non-related parties.

The Directors also anticipate that a further equity raising will be completed in the 2021 financial year.

Accordingly, the directors believe that subject to prevailing equity market conditions, Athena will obtain sufficient funding to enable it to continue as a going concern and that it is appropriate to adopt that basis of accounting in the preparation of the financial report.

Should Athena be unable to continue to defer payment of creditors or to obtain sufficient funding as outlined above, there is a material uncertainty that may cast significant doubt whether it will be able to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

After considering the uncertainties above, the Directors have a reasonable expectation that the Group will be able to obtain additional funding that will provide the Group with sufficient resources to continue for the foreseeable future.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts (in particular the capitalised deferred exploration expenditure of \$8,839,163) or to the amounts and classification of liabilities that might be necessary should it not continue as a going concern.

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**NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**



Significant accounting judgements and key estimates

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

In preparing this 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 2019.

Adoption of New and Revised Standards

In the year ended 30 June 2020, 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 2019.

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 2020. 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.

AASB 16 Leases

AASB 16 Leases supersedes AASB 117 Leases. The Group has adopted AASB 16 from 1 July 2019 which has resulted in changes in the classification, measurement and recognition of leases. The changes result in almost all leases where the Group is the lessee being recognised on the Statement of Financial Position and removes the former distinction between 'operating' and 'finance' leases. The new standard requires recognition of a right-of-use asset (the leased item) and a financial liability (to pay rentals). The exceptions are short-term leases and leases of low value assets.

The Group has adopted AASB 16 using the modified retrospective approach under which the reclassifications and the adjustments arising from the new leasing rules are recognised in the opening Statement of Financial Position on 1 July 2019. Under this approach, there is no initial Impact on accumulated losses, and comparatives have not been restated.

Impact on adoption of AASB 16.

All Group leases have a term of less than 12 months and the Group has applied the optional exemption to not capitalise these leases and instead account for the lease expense on a straight-line basis over the lease term.

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**NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**



Therefore, the adoption of AASB 16 resulted in the recognition of right-of-use assets of \$nil and lease liabilities of \$nil in respect of all operating leases.

The net impact on accumulated losses on 1 July 2019 was \$nil.

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.

Plant and Equipment

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

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

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

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets, but excluding computers, is depreciated on a reducing balance commencing from the time the asset is held ready 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.

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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.

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 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.

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(c) Plant and Equipment

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

(d) Mineral Exploration and Evaluation Expenditure

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

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

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

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

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

(e) Impairment of Assets

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

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

(f) Provisions

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

(g) Cash and Cash Equivalents

Cash and cash equivalents 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.

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(h) Revenue

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

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

(i) Goods and Services Tax (GST)

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

(j) Issued Capital

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

(k) Comparative Figures

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

(l) 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 2020.

(m) Critical Accounting Estimates and Judgements

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

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**NOTES TO AND FORMING PART OF THE
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NOTE 2 – REVENUE

	Consolidated	
	2020	2019
	\$	\$
Revenue from non-operating activities		
Interest received	46	6
Covid-19 Cash Boost	26,325	-
Contribution to overheads from Brilliant Glory	-	20,000
Total revenue	<u>26,371</u>	<u>20,006</u>

NOTE 3 – LOSS FROM ORDINARY ACTIVITIES BEFORE TAX EXPENSE

Expenses		
Depreciation of non-current assets:		
Office furniture and equipment	642	640
Motor vehicles	5,025	5,011
Total depreciation of non-current assets	<u>5,667</u>	<u>5,651</u>

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	
	2020	2019
	\$	\$
Loss for the year	<u>(334,018)</u>	<u>(434,995)</u>
Income tax calculated at 27.5% (2019 30%)	(91,855)	(130,498)
Deferred tax asset not recognised	<u>91,855</u>	<u>130,498</u>
Income Tax Attributable to Operating Loss	<u>-</u>	<u>-</u>

**NOTES TO AND FORMING PART OF THE
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Accumulated Tax Losses

Loss for the year	334,018	434,995
Tax free income – cash boost	26,325	-
Disallowable expenses	(11,014)	(13,248)
Exploration expenditure	429,279	730,485
Timing differences on depreciation of assets	190	(28)
Section 40-880 deduction	19,220	26,754
Tax loss for the year	<u>798,018</u>	<u>1,179,014</u>
Tax losses brought forward	13,252,773	12,073,759
Current year loss	<u>798,018</u>	<u>1,179,014</u>
Tax losses carried forward	<u>14,050,791</u>	<u>13,252,773</u>

The potential deferred tax asset has not been brought to account in the financial report at 30 June 2020 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:

- 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;
- The company and its controlled entities continue to comply with the conditions for deductibility imposed by tax legislation; and
- 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.

Tax loss comparatives have been restated to reconcile to the prior year tax return.

Franking Credits

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

NOTE 5 – CASH AND CASH EQUIVALENTS

	Consolidated	
	2020	2019
	\$	\$
Cash at bank and on hand	17,992	5,913
	<u>17,992</u>	<u>5,913</u>

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**NOTES TO AND FORMING PART OF THE
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NOTE 6 – TRADE AND OTHER RECEIVABLES

Current

Debtors	4,872	3,814
GST Receivable	29,865	33,226
	<u>34,737</u>	<u>37,040</u>

NOTE 7 – PLANT AND EQUIPMENT

	Cost	Accumulated Depreciation	Net Book Value
	\$	\$	\$
Year ended 30 June 2019			
Balance at 1 July 2018	201,554	(187,594)	13,960
Additions	-	-	-
Disposals	-	-	-
Depreciation Charge	-	(5,651)	(5,651)
Balance at 30 June 2019	<u>201,554</u>	<u>(193,245)</u>	<u>8,309</u>
Year ended 30 June 2020			
Balance at 1 July 2019	201,554	(193,245)	8,309
Additions	-	-	-
Disposals	(130,198)	128,822	(1,376)
Depreciation Charge	-	(5,667)	(5,667)
Balance at 30 June 2020	<u>71,356</u>	<u>(70,090)</u>	<u>1,266</u>

NOTE 8 – MINERAL EXPLORATION AND EVALUATION

	Consolidated	
	2020	2019
	\$	\$
Balance at 1 July 2019	8,409,884	7,679,399
Expenditure during the year on external costs and services	228,979	279,072
Native title on grant of mining leases	-	300,000
Overheads recovered through timesheet allocations	200,300	170,400
Contribution to tenement expenditure by Brilliant Glory	-	(18,987)
Balance at 30 June 2020	<u>8,839,163</u>	<u>8,409,884</u>

**NOTES TO AND FORMING PART OF THE
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NOTE 9 – TRADE CREDITORS AND ACCRUALS

Current

Trade creditors	84,801	62,524
Native title on grant of mining leases	230,000	300,000
Loan from employee	-	10,000
	<u>314,801</u>	<u>372,524</u>

NOTE 10 – DEFERRED CREDITORS

	1 July 2018	Fees (inc GST)	Payment	30 June 2019
E Edwards	420,424	198,000	123,424	495,000
D Webster	227,200	52,800	-	280,000
R Kandiah	70,400	-	35,200	35,200
P Newcomb	170,757	52,800	71,557	152,000
	<u>888,781</u>	<u>303,600</u>	<u>230,181</u>	<u>962,200</u>

	1 July 2019	Fees (inc GST)	Payment	30 June 2020
E Edwards	495,000	148,500	(148,500)	495,000
D Webster	280,000	39,600	-	319,600
R Kandiah	35,200	-	-	35,200
P Newcomb	152,000	44,000	(64,000)	132,000
	<u>962,200</u>	<u>232,100</u>	<u>(212,500)</u>	<u>981,800</u>

Directors and Officers have agreed to defer payment of fee arrears until such time as the company is in a position to settle without prejudicing third party creditors.

NOTE 11 – RELATED PARTY LOANS

During the year, Directors and the Company Secretary extended unsecured interest free loans to the Company, for the purpose of supporting short-term cash flow as follows:

Officer	1 July 2019 \$	Advances \$	Repayments \$	30 June 2020 \$
E Edwards	40,000	23,500	(43,500)	20,000
D Webster	40,000	-	-	40,000
H Wai	31,900	-	(11,900)	20,000
P Newcomb	-	30,000	(10,000)	20,000
	<u>111,900</u>	<u>53,500</u>	<u>(65,400)</u>	<u>100,000</u>

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NOTE 12 – THIRD PARTY LOANS

	1 July 2019 \$	Advances \$	Share Issue \$	30 June 2020 \$
Goldway Mega Trade Limited	208,100	158,800	(366,900)	-
	<u>208,100</u>	<u>158,800</u>	<u>(366,900)</u>	<u>-</u>

Third party loans are interest free. The loan from Goldway Mega Trade Limited was converted to shares in the placement announced on 27 September 2019.

NOTE 13 – RESERVES AND ACCUMULATED LOSSES

	Consolidated	
	2020 \$	2019 \$
Balance at beginning of the year	(7,113,871)	(6,678,876)
Net Loss for the year	(334,018)	(434,995)
Balance at end of the year	<u>(7,447,889)</u>	<u>(7,113,871)</u>

NOTE 14 – ISSUED CAPITAL

Ordinary Fully Paid Shares	\$	\$
As at 1 July 2019	13,920,293	13,400,888
Issued during the year for cash	671,000	541,901
Issued during the year loan conversions	366,900	-
Share issue costs	(13,747)	(22,496)
As at 30 June 2020	<u>14,944,446</u>	<u>13,920,293</u>
	Shares	Shares
As at 1 July 2019	270,950,922	216,760,789
Issued during the year	29,654,286	54,190,133
As at 30 June 2020	<u>300,605,208</u>	<u>270,950,922</u>

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NOTE 15 – NOTES TO THE STATEMENT OF CASH FLOWS

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

	Consolidated	
	2020	2019
	\$	\$
(Loss) from ordinary activities	(334,018)	(434,995)
Depreciation	5,667	5,651
Loss on disposal of fixed assets	1,376	-
Share issue costs	(13,747)	(22,496)
Contribution to overheads	-	(20,000)
Movement in assets and liabilities		
Receivables – overhead related	2,302	25,026
Payables – overhead related	10,269	(2,829)
Payables - deferred	19,600	73,419
Net cash provided by operating activities	<u>(308,551)</u>	<u>(376,224)</u>

NOTE 16 – FINANCIAL INSTRUMENTS

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

NOTE 17 – COMMITMENTS FOR EXPENDITURE

Mineral Tenement Leases

In order to maintain current rights of tenure to mining tenements, the Group will be required to outlay amounts of \$3,951,995 (2019: \$5,144,185) 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	
	2020	2019
	\$	\$
Not later than one year	790,399	1,028,837
Later than 1 year but not later than 2 years	790,399	1,028,837
Later than 2 years but not later than 5 years	2,371,197	3,086,511
	<u>3,951,995</u>	<u>5,144,185</u>

**NOTES TO AND FORMING PART OF THE
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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 2020.

NOTE 19 – INVESTMENT IN CONTROLLED ENTITIES

	Class of Shares		Book Value of Athena's Investments	
			2020	2019
			\$	\$
Complex Exploration Pty Ltd	Ordinary	100%	100	100
Capricorn Resources Pty Ltd	Ordinary	100%	200	200
Byro Exploration Pty Ltd	Ordinary	100%	1,390,000	1,390,000
			<u>1,390,300</u>	<u>1,390,300</u>

The above controlled entities are incorporated in Australia.

The book value of Athena Resources Limited's investment in the ordinary shares of controlled entities is at cost, which does not exceed the underlying net assets of each entity. Byro Exploration Pty Ltd is a wholly owned subsidiary of Complex Exploration Pty Ltd.

NOTE 20 – SEGMENT INFORMATION

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

NOTE 21 – KEY MANAGEMENT PERSONNEL

(a) Directors

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

David Arthur Webster	Non-Executive Chairman
Edmond William Edwards	Executive Director
Hau Wan Wai	Executive Director

(b) Remuneration Policies

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

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

	Consolidated	
	2020	2019
Year ended 30 June	\$	\$
Short-term employee benefits	171,000	228,000
Post-employment benefits	-	-
Other-long term benefits	-	-
Other – based payments	-	-
	<u>171,000</u>	<u>228,000</u>

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

	Consolidated	
	2020	2019
Current	\$	\$
Accounts payable	849,800	810,200
Loans	80,000	111,900
	<u>929,800</u>	<u>922,100</u>

NOTE 22 – RELATED PARTY INFORMATION

	Parent Entity	
	2020	2019
Transactions within the Group	\$	\$
Non-current receivables – Controlled Entities	10,394,650	9,665,371
Less : Provision for non recovery	(1,554,985)	(1,554,985)
	<u>8,839,665</u>	<u>8,110,386</u>

During the year net repayments of unsecured interest free loans were made to Directors as follows:

Mr Edwards	\$20,000
Mr Wai	\$11,900

The maximum amount outstanding during the year to 30 June 2020 was \$111,900.

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**NOTES TO AND FORMING PART OF THE
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NOTE 23 – REMUNERATION OF AUDITORS

	Consolidated	
	2020	2019
	\$	\$
Amount received, or due and receivable, by the auditors for:		
Auditing and reviewing of the consolidated financial statements of Athena Resources Limited	22,300	23,400
Other services	-	-
	22,300	23,400

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

NOTE 24 – PROFIT/(LOSS) PER SHARE

	Consolidated	
	2020	2019
	\$	\$
(Loss) used in the calculation of loss per share	(334,018)	(434,995)
Weighted average number of ordinary shares outstanding during the year	291,987,188	244,375,487
Basic (loss) per share (cents per share)	(0.11)	(0.18)

NOTE 25 – FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

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

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

Financial Risk Exposures and Management

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

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Interest Rate Risk

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

	Non-Interest Bearing		Floating Interest Rate	
	2020	2019	2020	2019
	\$	\$	\$	\$
Financial Assets				
- Cash at bank	-	-	17,192	5,913
- Trade debtors	34,737	37,040	-	-
Total Financial Assets	<u>34,737</u>	<u>37,040</u>	<u>17,192</u>	<u>5,913</u>
Financial Liabilities				
- Trade Creditors	84,801	72,524	230,000	-
- Accruals	-	-	-	300,000
- Deferred Creditors	981,800	962,200	-	-
- Related Party Loans	100,000	111,900	-	-
- Third Party Loans	-	208,100	-	-
Total Financial Liabilities	<u>1,166,601</u>	<u>1,354,724</u>	<u>230,000</u>	<u>300,000</u>

Weighted Average Effective Interest Rate is 1.0% (2019: 1.0%)

Interest on Native Title liability of \$300,000 excluding GST is contracted as the ANZ Indicator Interest Rate rate which is currently 1.2%. The Company agreed with the Native Title Party that \$100,000 be paid in October 2020, and the balance of \$200,000 will bear interest at the above rate with effect from 1 July 2019.

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.

**NOTES TO AND FORMING PART OF THE
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Capital Management Risk

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

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

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.

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**NOTES TO AND FORMING PART OF THE
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NOTE 26 – PARENT ENTITY DISCLOSURES

	2020 \$	2019 \$
Financial Position		
CURRENT ASSETS		
Cash and cash equivalents	17,192	5,113
Trade and other receivables	34,737	37,040
Total Current Assets	<u>51,929</u>	<u>42,153</u>
NON-CURRENT ASSETS		
Plant and equipment	1,266	8,309
Investment in subsidiaries	300	300
Loans to subsidiaries	8,839,665	8,110,386
Total Non-Current assets	<u>8,841,231</u>	<u>8,118,995</u>
TOTAL ASSETS	<u>8,893,160</u>	<u>8,161,148</u>
CURRENT LIABILITIES		
Trade and other payables	1,396,603	1,354,726
Total Current Liabilities	<u>1,396,603</u>	<u>1,354,726</u>
TOTAL LIABILITIES	<u>1,396,603</u>	<u>1,354,726</u>
NET ASSETS	<u>7,496,557</u>	<u>6,806,422</u>
EQUITY		
Issued capital	14,944,446	13,920,293
Accumulated losses	(7,447,889)	(7,113,871)
TOTAL EQUITY	<u>7,496,557</u>	<u>6,806,422</u>
Financial Performance		
(Loss) for the year	(334,018)	(434,995)
Other comprehensive income	-	-
Total comprehensive (loss)	<u>(334,018)</u>	<u>(434,995)</u>
Accumulated losses prior year	(7,113,871)	(6,678,876)
	<u>(7,447,889)</u>	<u>(7,113,871)</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.

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NOTE 27 – ASX LISTING

On 13 August 2019 the ASX announced that the securities of Athena Resources Limited ('AHN') will be suspended from quotation immediately under Listing Rule 17.3, pending a satisfactory response to ASX queries and further, as ASX has determined that AHN's financial condition is not adequate to warrant the continued quotation of its securities and therefore it is in breach of Listing Rule 12.2. The suspension will continue until AHN is able to demonstrate compliance with Listing Rule 12.2 and respond satisfactorily to ASX's queries.

Since suspension and during the year ended 30 June 2020 the Company has raised \$1,024,153.

On 17 August 2020 the Company announced the completion of a placement of 7,428,571 shares at an issue price of \$0.035 each to raise \$260,000.

At the date of this report the securities are still suspended from quotation.

NOTE 28 – EVENTS SUBSEQUENT TO BALANCE DATE

On 17 August 2020 the company announced the completion of a placement of 7,428,571 shares at 3.5 cents to raise a further \$260,000.

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**DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2020**



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 2020 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) subject to the matters described in Note 1, 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 2020.

E W Edwards
Executive Director

Dated at Perth this 30th September 2020

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INDEPENDENT AUDITOR'S REPORT

To the members of Athena Resources Limited

Report on the Audit of the Financial Report

Disclaimer of Opinion

We were engaged to audit 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 2020, 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.

We do not express an opinion on the accompanying financial report of the Group. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis to form an opinion on this financial report.

Basis for Disclaimer of Opinion

As at 30 June 2020, the Group had cash and cash equivalents of \$17,992 and an excess of current liabilities over current assets of \$1,343,872. For the year ended 30 June 2020, the Group recorded a loss of \$334,018 and a net cash outflow from operating and investing activities of \$805,821.

As part of our audit procedures, we have been unable to obtain sufficient appropriate audit evidence in relation to the Group's ability to continue as a going concern with respect to the following matters as outlined in Note 1:

- the ability to continue to defer payment of creditors on a basis which will enable the Group to continue as a going concern for the relevant period; and
- the ability of the Group to raise future funding which is sufficient to enable it to continue as a going concern for the relevant period.

The going concern assertion is material and pervasive to the financial report as a whole.

Based upon the above matters, we have been unable to obtain sufficient appropriate audit evidence as to whether the Group is able to continue as a going concern and whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

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.

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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 responsibility is to conduct an audit of the Group's financial report in accordance with Australian Auditing Standards and to issue an auditor's report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report.

We are independent of the Group in accordance with 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 ethical responsibilities in accordance with the Code.

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 2020.

In our opinion, the Remuneration Report of Athena Resources Limited for the year ended 30 June 2020 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 2020

Norman Neill

N G Neill
Partner

**SHAREHOLDER DETAILS
FOR THE YEAR ENDED 30 JUNE 2020**



ANALYSIS OF SHAREHOLDING – 16 SEPTEMBER 2020

	SHARES
1 – 1,000	25
1,001 – 5,000	48
5,001 – 10,000	68
10,001 – 100,000	262
100,001 – or more	151
	<hr/>
	554
	<hr/>
Total on issue	308,033,779

Number of Shareholders holding less than marketable parcel cannot be calculated as the shares are suspended.

Voting Rights

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

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

Substantial Shareholders

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

Brilliant Glory Industrial Corp Ltd	43,000,000	13.96%
Edmond William Edwards	38,128,831	12.38%
Goldway Mega Trade Limited	37,082,857	12.04%
Peter John Newcomb	17,100,000	5.55%

Directors' Shareholding

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

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**SHAREHOLDER DETAILS
FOR THE YEAR ENDED 30 JUNE 2020**



TOP TWENTY SHAREHOLDERS 16 SEPTEMBER 2020

Shareholder	Shares	%	Rank
Brilliant Glory Industrial Corp Ltd	43,000,000	13.96	1
Tied Nominees Pty Ltd	38,073,831	12.36	2
Goldway Mega Trade Limited	37,082,857	12.04	3
Stonydeep Investments Pty Ltd	17,100,000	5.55	4
Cobpen Co Investments Pty Ltd	10,096,626	3.28	5
Mr James Gregory Puklowski	9,253,895	3.00	6
Vitor Pty Ltd	8,333,333	2.71	7
Ishine International Resources Limited	8,300,000	2.69	8
Citicorp Nominees Pty Limited	7,160,769	2.32	9
Gardner Mining Pty Ltd	6,675,000	2.17	10
Kelanco Pty Ltd	6,108,750	1.98	11
Mr Mark Snabel-Matthews	5,950,830	1.93	12
Kokatu Pty Ltd	5,020,000	1.63	13
Mr Andrew Peter Thomson	4,432,500	1.44	14
Julia Edwards Superannuation Pty Ltd	4,020,000	1.31	15
Caroline Patricia Edwards	3,954,218	1.28	16
Mr Terence Weston	3,671,000	1.19	17
Mr Andrew John Puklowski	3,631,767	1.18	18
Mr L P Kelly & Ms H Salomons (Kelly Super)	3,243,611	1.05	19
Mr Ronald Wang Chi Tai	3,064,765	0.99	20
Total	228,173,752	74.07	

**INTEREST IN MINING TENEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**



INTEREST IN MINING TENEMENTS

Byro

E09/1507
E09/1552
E09/1637
E09/1781
E09/1938
M09/166
M09/168

E – Exploration License
M – Mining Lease

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/>

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