



Notice of Annual General Meeting

Explanatory Statement

and

Proxy Form



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Members of Athena Resources Limited (**ATHENA** or the **Company**) will be held on Wednesday 28 November 2007 commencing at 11.00am at Oceanus restaurant, Challenger Parade, City Beach WA.

The Explanatory Statement that accompanies and forms part of this Notice of Annual General Meeting describes in more detail the matters to be considered.

AGENDA

ORDINARY BUSINESS

1. Accounts and Reports

To receive and consider the Financial Report of the Company and of the consolidated entity for the year ended 30 June 2007, together with the reports by directors and auditors thereon.

2. Resolution 1 – Adoption of Remuneration Report

To consider and if thought fit, to pass the following ordinary resolution:

“That the Remuneration Report included in the Annual Report for the financial year ended 30 June 2007 be adopted.”

The vote on this resolution is advisory only and does not bind the directors of the Company.

3. Resolution 2 - Re Election of Director (Mr E W Edwards)

To consider and if thought fit, to pass the following ordinary resolution:

“That Mr E Edwards, who retires by rotation in accordance with the Company’s Constitution and being eligible, is hereby re- elected as a director of the Company.”

SPECIAL BUSINESS

To consider and if thought fit, to pass the following ordinary resolution:

4. Resolution 3 - Proposed Issue of Shares to Ucabs Pty Ltd

“That, for the purposes of ASX Listing Rule 7.1, the issue and allotment within three months of the date of this meeting of fully paid ordinary shares to the value of \$200,000, such shares ranking equally in all respects with the existing ordinary shares on issue at a subscription price no less than 80% of the average market price calculated in accordance with ASX Listing Rules , and otherwise on the terms and conditions contained in the Explanatory Statement accompanying this Notice of General Meeting, is approved.”

Athena will disregard any votes cast on this resolution by Ucabs Pty Ltd and any person who might obtain a benefit, except a benefit solely in the capacity of a security holder, if the resolution is passed, and any associate of them. However, Athena need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
--

For the purposes of determining voting entitlements at the Annual General Meeting, Shares will be taken to be held by persons who are registered as holding Shares at 11.00am on 26 November 2007. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the annual general meeting.

Proxy and Voting Entitlement Instructions are included on the Proxy Form accompanying this Notice of Annual General Meeting.

BY ORDER OF THE BOARD

MR E W EDWARDS
EXECUTIVE CHAIRMAN
22 OCTOBER 2007



EXPLANATORY STATEMENT

1. INTRODUCTION

This Explanatory Statement has been prepared for the information of members of Athena Resources Limited ("Athena") in connection with the business to be conducted at the Annual General Meeting of Members to be held on Wednesday 28 November 2007 commencing at 11.00am at Oceanus restaurant, Challenger Parade, City Beach WA.

This Explanatory Statement forms part of and should be read in conjunction with the accompanying Notice of Annual General Meeting.

2. 2007 ANNUAL REPORT

In accordance with the requirements of the Company's Constitution and the Corporations Act, the 2007 Annual Report will be tabled at the annual general meeting. Shareholders will have the opportunity of discussing the Annual Report and making comments and raising queries in relation to the Report.

Representatives from the Company's auditors, HLB Mann Judd, will be present to take shareholders' questions and comments about the conduct of the audit and the preparation and content of the audit report.

3. ADOPTION OF REMUNERATION REPORT – Resolution 1

The Annual Report for the financial year ended 30 June 2007 contains a Remuneration Report, which forms part of the Directors' Report and sets out the remuneration policy for the Company and its controlled entities, and reports the remuneration arrangements in place for executive directors, senior management and non-executive directors.

The Corporations Act 2001 requires listed companies to put an annual non-binding resolution to shareholders to adopt the Remuneration Report. In line with the legislation, this vote will be advisory only, and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when considering the Company's remuneration policy.

4. RE-ELECTION OF DIRECTOR – Resolution 2

In accordance with the requirements of the Company's Constitution and the Corporations Act 2001, one-third of the directors of the Company retire from office at this annual general meeting of the Company and, being eligible, may offer themselves for re-election.

Mr Ed Edwards retires by rotation and offers himself for re-election. Details of Mr Edwards's qualifications and experience are detailed below.

Edmond William Edwards BCom, ACA FAICD – Executive Chairman

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

Mr Edwards has over 26 years experience in the mining industry in Western Australia. He was previously Managing Director of Resource Mining Corporation Ltd having successfully taken that company to the feasibility stage at its Argyle Iron Ore Project and Wowo Gap Nickel Laterite Project.

As the Finance Director of both Fox Resources Ltd and Aztec Resources Ltd he was responsible for the successful floats of those companies through to the successful re-commissioning of the Radio Hill Project for Fox and the strong position of Aztec to develop the Koolan Iron Ore Project. Mr Edwards was also previously a Director of Acclaim Exploration NL and Matlock Mining NL which with Eagle Mining developed the successful Nimary Gold Mine.

Mr Edwards was a partner at Hendry Rae & Court until 1989 having joined that firm in 1975. He was the partner in charge of the Robe River Iron Ore Project audit for 8 years.

5. ISSUE OF SHARES TO UCABS PTY LTD – Resolution 3

ASX Listing Rule Requirements

ASX Listing Rule 7.1 relevantly provides that the prior approval of the shareholders of Athena is required to an issue of equity securities if the securities will, when aggregated with the securities issued by Athena during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

The issue and allotment of shares outlined in resolution 3 will not exceed the 15% limit, however, ASX Listing Rule 7.1 provides that, where a company in general meeting approves an issue of equity securities the issue will not be included in the calculation of the 15% limitation, thereby enabling the company to issue further equity securities without exceeding the 15% in 12 months limitation.

Shareholder approval is sought so as to retain Athena's 15% equity security placement limit pursuant to ASX Listing Rule 7.1.

The information required by ASX Listing Rules 7.1 and 7.3 to be provided to shareholders is contained within this Explanatory Statement and the Notice of Annual General Meeting.

Resolution 3 of the Notice of Annual General Meeting proposes, the issue and allotment within three months of the date of this meeting of fully paid ordinary shares to the value of \$200,000, such shares ranking equally in all respects with the existing ordinary shares on issue at a subscription price no less than 80% of the average market price calculated in accordance with ASX Listing Rules.

On 8 December 2006 Athena Resources Ltd entered into an option agreement to acquire 75% of the Oldfield Nickel-Copper Sulphide Project (exploration licence E74/218) at Ravensthorpe from Ucabs Pty Ltd.

The terms of the agreement are as follows: -

1. Athena paid Ucabs \$250,000 for the first year's option period.
2. Athena may extend the option by a further 12 months by making a second payment of \$250,000 and \$200,000 in Athena shares at that date.
3. The option may be exercised by final payment of \$1,500,000 and \$1,500,000 in Athena shares at that date.

In compliance with the information requirements of ASX Listing Rule 7.3 members are advised of the following particulars in relation to the proposed issue of shares and options:

- (a) Maximum number of securities to be issued:

To be determined on date of allotment but not exceeding shares to the value of \$200,000.

- (b) Date by which Athena will issue shares:

No later than three months after the date of the meeting.

- (c) Price at which securities to be issued:

Not less than 80% of the average market price calculated in accordance with ASX Listing Rules.

- (d) Name of the allottee:

Ucabs Pty Ltd.

- (e) Terms of securities:

The Shares rank equally in all respects with the existing Shares on issue.

- (f) Intended use of funds raised:

No funds will be raised by the issue. The purpose of the issue is to make payment of the shares pursuant to the Ucabs Pty Ltd agreement.

- (g) Dates of allotment:

Allotment will occur on one date.



ABN 69 113 758 900

PROXY FORM

The Secretary
Athena Resources Limited
63 Lindsay Street,
Perth WA 6000

I/We (full name) _____
of _____

being a member(s) of Athena Resources Limited, hereby appoint as my/our proxy

of _____

or, failing him/her the Chairperson of the Meeting to attend and vote for me/us at the annual general meeting of the Company to be held at 11.00am on 28 November 2007 and at an adjournment thereof in respect of _____% of my/our shares or, failing any number being specified, ALL of my/our shares in the Company.

RESOLUTIONS

Table with 5 columns: Resolution Number, Description, FOR, AGAINST, ABSTAIN. Rows include Adoption of Remuneration Report, Re-Election of Director – Mr E Edwards, and Issue of Shares to Ucabs Pty Ltd.

If the member is an individual or joint holder:

Usual Signature

Dated this _____ day of _____ 2007.

Usual Signature

If the member is a Company:

Signed in accordance with the constitution of the company (affix common seal if applicable)

Director/Sole Director

Director/Secretary

Sole Director and Sole Secretary

Dated this _____ day of _____ 2007.

INSTRUCTIONS AS TO VOTING

If you wish to direct your proxy how to vote with respect to the proposed resolutions, please indicate the manner in which your proxy is to vote by placing a "X" in the appropriate box for each Resolution, otherwise your proxy will vote as he/she thinks fit or abstain from voting.

If you do not wish to direct your proxy how to vote, please place a mark in the box.

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest.

NOTES

1. A member entitled to attend and vote is entitled to appoint not more than two proxies.
2. Where more than one proxy is appointed and that appointment does not specify the proportion or number of the member's votes, each proxy may exercise half of the votes.
3. A proxy need not be a member of the Company.
4. A proxy is not entitled to vote unless the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed is either deposited at the registered office of the Company (63 Lindsay Street Perth, Western Australia, 600) or sent by facsimile to that office on Fax: *08 9328 5188* to be received not less than 48 hours prior to the time of the meeting.
5. If the member is a company it must execute under its Common Seal or otherwise in accordance with its Constitution.
6. The Chairman intends to vote all undirected proxies in favour of all resolutions.