
JUNE 2007 QUARTERLY REPORT

ATHENA RESOURCES LIMITED

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PROJECTS

Ravensthorpe: Nickel-copper

Ashburton: Gold and Basemetals

Byro: Nickel-Copper



HIGHLIGHTS

- **Drilling at Ravensthorpe intersected nickel sulphide mineralisation in 2 holes**
- **Peak results:-**
 - **30 metres at 0.56% nickel, including 8 metres at 0.74% nickel**
 - **10 metres at 0.61% nickel, including 3 metres at 1.03% nickel**
- **Metallurgical test programme to determine recoveries at Ravensthorpe implemented.**

1. RAVENSTHORPE PROJECT

Athena Resources Limited (Athena or the Company) announced the successful completion of the Company’s first reverse circulation (RC) drilling programme at its Ravensthorpe Project, WA. Significant intersections of disseminated sulphides were obtained in two drillholes as shown in Table 1 below. The best intersection was 30 metres of disseminated sulphides assaying 0.56% nickel from 53 to 83 metres down hole including 8 metres at 0.74% nickel in hole OF07RC004. Athena’s results are comparable with intersections reported by Nickel Search in the early 1970’s.

This first drill programme comprised 5 RC holes totalling 871 metres. The holes will be used for downhole electromagnetic geophysical surveying to optimise the future drill testing of the target zone. The initial focus is on the larger eastern ultramafic zone. The location of Athena’s drill holes in relation to the historic drill holes with nickel sulphides is shown in Figures 1 and 2. OF07RC004 (Figure 3), drilled by Athena, is 60m southeast of RDH2 and 200m south-southwest of RDH3. OF07RC003 is approximately 235m to the northeast of OF07RC004. The host unit dips at 10° to the east and intercepts in Athena’s holes are believed to be close to true width.

Table 1 – Athena’s 2007 Drilling Summary of Nickel Intersections (>0.5% Ni)

Hole ID	MGA East	MGA North	Hole Dip	Direction Magnetic	Downhole Width	Intercept % Nickel	Comments
OF07RC001	272328	6290417	-60°	256°	1 to 41m	40 metres @ 0.67%	Laterite Nickel
				Including	19 to 35m	16 metres @ 1.00%	
OF07RC002	272240	6290592	-60°	256°	5 to 9m	4 metres @ 0.68%	Laterite Nickel
				Including	6 to 8m	2 metres @ 0.92%	
OF07RC003	272308	6290521	-60°	256°	0 to 30m	30 metres @ 0.51%	Laterite Nickel
				Including	19 to 22m	3 metres @ 0.84%	
				Including	57 to 67m	10 metres @ 0.61%	Disseminated Sulphides
				Including	63 to 66m	3 metres @ 1.03%	
OF07RC004	272201	6290312	-60°	256°	7 to 30m	23 metres @ 0.55%	Laterite Nickel
				Including	22 to 29m	7 metres @ 0.77%	
				Including	53 to 83m	30 metres @ 0.56%	Disseminated Sulphides
				Including	54 to 62m	8 metres @ 0.74%	
OF07RC005	271657	6291087	-60°	256°	24 to 27m	3 metres @ 0.55%	Laterite Nickel

The drilling confirmed the correlation between the ultramafic units that host the nickel sulphide mineralisation at the Oldfield prospect and magnetic highs. Mineralogy on drill chips show magnetite in the ultramafic units to be derived from the serpentinisation of olivine rich meso- and adcumulate igneous rocks. The ultramafic body associated with the magnetic anomaly is divided into an eastern and a western zone by a narrow granitic body. Athena’s drilling focused on the larger eastern zone which has a strike length of approximately 600 metres. The broader magnetic anomaly is 1,100 metres long and 900 metres wide at its widest point including the granite lens.

The Company has commissioned a consultant metallurgist to oversee a test programme to determine metallurgical recoveries and possible treatment processes for the nickel sulphide mineralisation at Oldfield. This work will form the basis of a scoping study that will enable Athena to confirm the viability of establishing an open pit mine on low grade sulphide at Oldfield prior to committing to a resource drilling program.

Athena has exploration rights over 1,624km² in the Ravensthorpe District through granted tenements, tenement applications and option agreements. The Company has a two year option agreement to acquire 75% of the Oldfield River nickel sulphide project from Ucabs Pty Ltd for a total of \$3.7 million in cash and shares. The project consists of a single granted exploration licence (E74/218) of 24 km² within Athena's existing tenement holding.

2. ASHBURTON PROJECT

Athena has recently completed a review of historic mining and production from the Kooline lead mines located on the Company's Ashburton tenements.

Lead sulphide mineralisation in the form of galena has been known at Kooline for some time, and exploration and mining commenced in the 1950's when there was a sharp rise in the lead price. According to Mines Department records production came from about thirty separate mines on Athena's tenements. The three largest operations had their own batteries and concentrating circuits, and were located along two en echelon veins with a combined strike length of 1000 metres. Smaller mines on similar veins to the east either hand sorted the ore prior to transport to the smelter or toll treated the ore at one of the three batteries. The majority of the Kooline mines occur in a cluster occupying an area 7.2 km x 2.4 km (Figure 4). The controlling structures continue beyond this area with some minor but unrecorded production for small time prospector type pits and shafts.

The Kooline lead silver mines are the most intense concentration of mineralised veins discovered in the Ashburton region so far. The veins vary in width from several centimetres to about 2 metres with strike length of up to 500 metres. The deposits occur as a series of en echelon veins made up mostly of quartz and galena with muscovite alteration of the wall rock and minor malachite, calcite and barite on the surface with some chalcopyrite and pyrite in the fresh rock. The galena is usually massive and varies from being a minor portion of the vein to in places being the whole vein.

The Kooline lead deposits were exceptionally high grade and assays in the 10% to 70% range typical. The ore is readily upgraded using simple gravity concentration to a direct shipping grade lead product. The lead workings have never been drilled; past exploration being limited to trenches, pits, and shafts hand excavated by prospectors. Several of the old workings within the Kooline area have potential extensions for both along strike and down dip. The potential for strike and depth extensions to the lead mineralisation around the historic workings and on structural extensions evident in the geophysics is considerable.

Athena plans to test for extensions to the known silver-lead mineralisation commencing with a review of historic data, followed by geological mapping and surface prospecting around historic workings and geophysical testing, in preparation for an exploration drilling program. Estimates of the potential size of individual lenses range from several thousand tonnes to possibly 75,000 tonnes.

3. BYRO PROJECT (Athena Resources 80%, contributing 100%)

Athena has been actively compiling open file data held by the Geological Survey of Western Australia ahead of ground reconnaissance in the coming months. Assessment of past exploration includes the capture of historic surface and drill hole geochemical data as digital files. These data sets are currently being integrated with gravity, magnetic and remote sensing data from public sources to identify specific targets for ground checking.

The Byro area is prospective for nickel, copper, chrome and iron deposits. The area was targeted using gravity and magnetic data, which indicate a number of poorly exposed mafic intrusions on the northwest margin of the Yilgarn Craton.

Athena has an interest in 10 tenement applications covering 5,000 km² near Byro Station in Western Australia’s Gascoyne Mineral Field. The exploration target at Byro is similar to the Ravensthorpe Project where the Company is exploring for nickel-copper sulphides hosted by ultramafic and gabbroic intrusive rocks on the rifted margin of the Yilgarn Block.

4. CORPORATE

In light of the strong lead price Athena’s Directors have reviewed exploration strategy and commodity focus. A comparison of the in situ value of various commodities is shown in Table 2 below. The strong demand for lead provides an opportunity to perhaps delineate sufficient resources of lead and silver at Kooline to support a modest mining operation at Kooline and to provide Athena with a cash stream. The Directors remain confident that the Company can successfully identify sulphide nickel resources that can be exploited profitably. The conceptual target size for a sulphide nickel resource at Ravensthorpe is 2.5 million tonnes at a grade in excess of 0.6% nickel (in-situ value \$444M). At Kooline Athena hopes to delineate resources of 0.5 million tonnes grading 20% lead or better (in-situ value \$352M, inclusive of silver credits).

Table 2 – Comparison of the in situ Value for Target Commodities

	Nickel	Gold	Copper	Lead	Silver	Zinc
Grade Units	%	ppm	%	%	ppm	%
Units contained metal	Tonnes	Oz	Tonnes	Tonnes	Oz	Tonnes
Resource Tonnes	500,000	500,000	500,000	500,000	500,000	500,000
Resource Grade	0.6%	10	3%	20%	200	8%
Contained Metal	3,000	161,290	15,000	100,000	3,225,806	40,000
Metallurgical Recovery	80%	90%	80%	80%	90%	80%
LME Metal Price (\$A)	\$37,000	\$775	\$9,100	\$3,864	\$15	\$4,300
In Situ Value (\$Million)	\$88.8M	\$112.5M	\$109M	\$309M	\$43M	\$137.6M



Athena Resources Limited – Fourth Quarter Activities Report

Donald Thomson
Technical Director
27 July 2007

The technical information relating to Athena's exploration projects was compiled by Mr Donald Thomson, an employee of Indigo Exploration Services Pty Ltd. Mr Thomson is a Member of the Australasian Institute of Mining and Metallurgy, and has sufficient relevant experience in the styles of mineralisation and deposit styles under consideration to qualify as a Competent Person as defined in "The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2004 edition)". Mr Thomson consents to this inclusion of the information in this report in the context and format in which it appears.

This report contains forward-looking statements that involve risks and uncertainties, which may cause actual results to differ materially from the statements made. When used in this document, the words "aim", "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions are intended to identify forward-looking statements. Such statements reflect Athena's current views with respect to future events and are subject to such risks and uncertainties. Many factors could cause actual results to differ materially from the statements made including those factors detailed from time to time in filings made by Athena to securities regulatory authorities. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated or expected. Athena does not intend and does not assume any obligation to update these forward-looking statements.

The samples were assayed at Ultra Trace Pty Ltd as follows: -

Sample Preparation:

The samples have been sorted, dried and split where necessary. The samples have then been pulverised in a vibrating disc pulveriser.

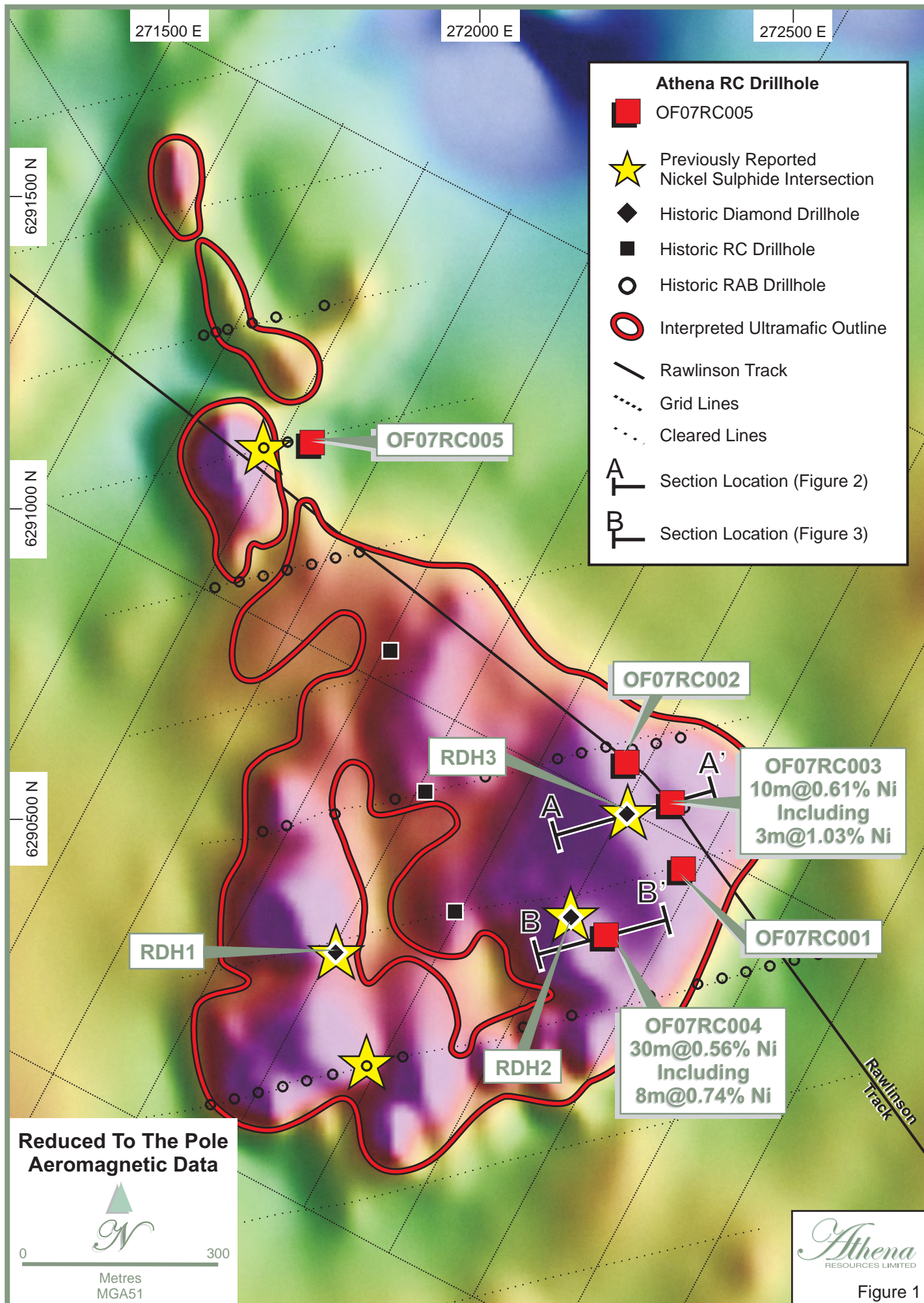
Analytical Methods:

The samples have been analysed by Firing a 40 gm (approx) portion of the sample. This is the classical fire assay process and will give total separation of Gold, Platinum and Palladium in the sample. Au, Pt, Pd have been determined by Inductively Coupled Plasma (ICP) Optical Emission Spectrometry.

The samples have been fused with Sodium Peroxide and subsequently the melt has been dissolved in dilute Hydrochloric acid for analysis. Because of the high furnace temperatures, volatile elements are lost. This procedure is particularly efficient for determination of Major element composition (Including Silica) in the samples or for the determination of refractory mineral species. Ni, Cu, Co, Zn, Cr, V, Ti, Mg, Mn, Fe, Al, P, Ca, Si, S have been determined by Inductively Coupled Plasma (ICP) Optical Emission Spectrometry. As, Ag, Bi, Pb, Sb have been determined by Inductively Coupled Plasma (ICP) Mass Spectrometry.

Loss on Ignition (LOI) results have been determined using a robotic TGA system. Furnaces in the system were set to 110 and 1000 degrees Celsius.

OLDFIELD DRILLING RESULTS



OF07RC003 CROSS SECTION

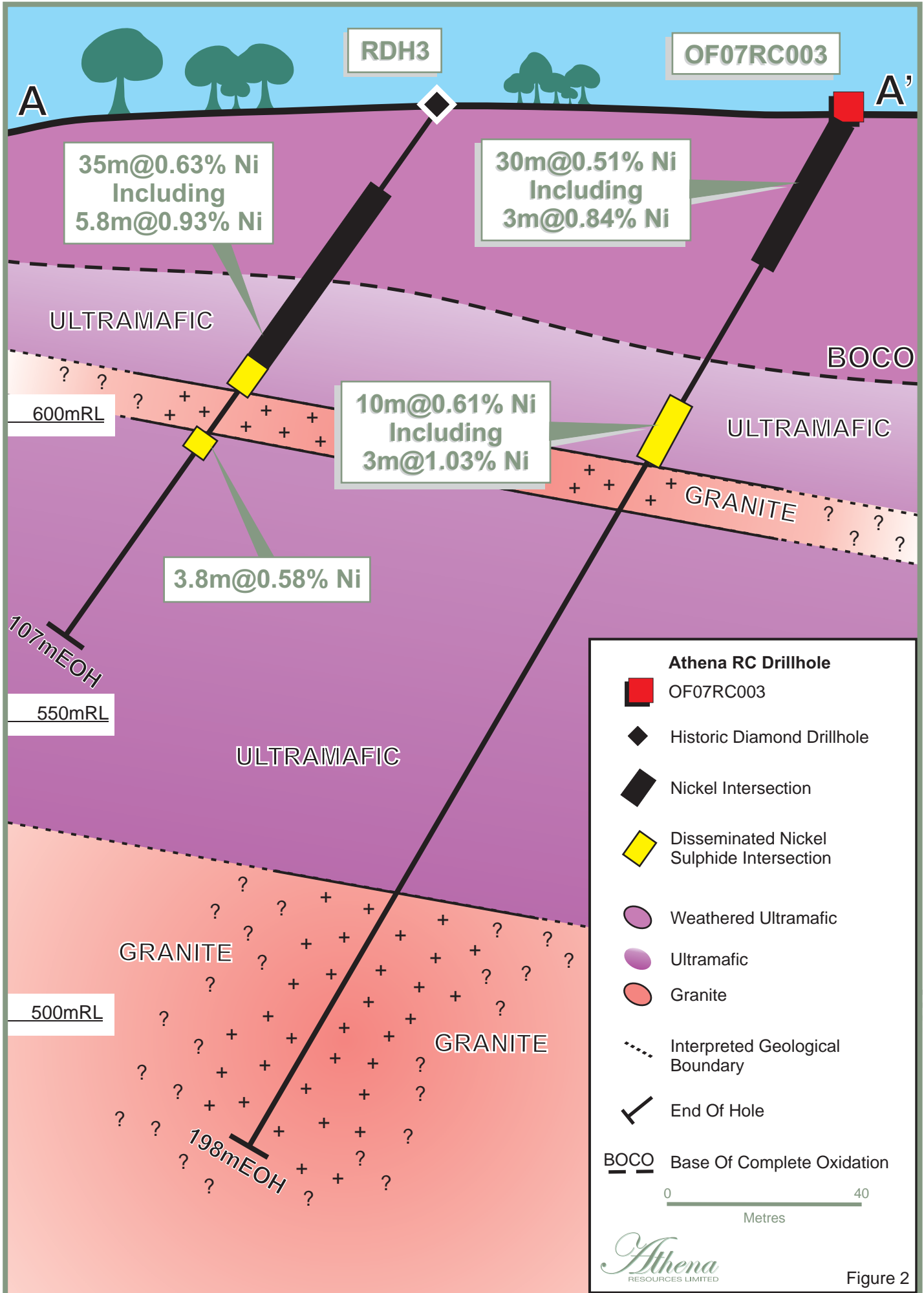
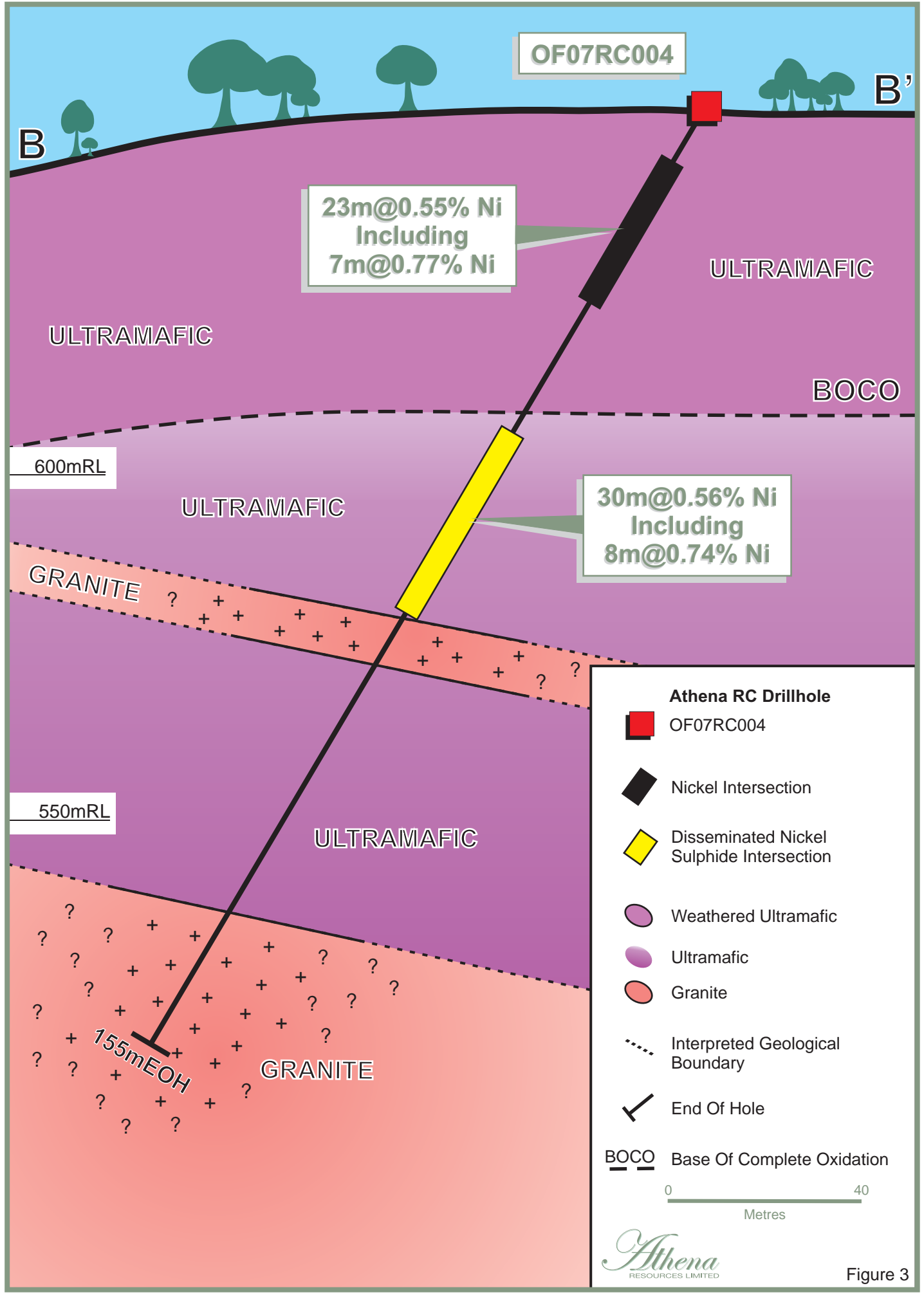


Figure 2

OF07RC004 CROSS SECTION



Athena RC Drillhole
 OF07RC004

Nickel Intersection

Disseminated Nickel Sulphide Intersection

Weathered Ultramafic

Ultramafic

Granite

Interpreted Geological Boundary

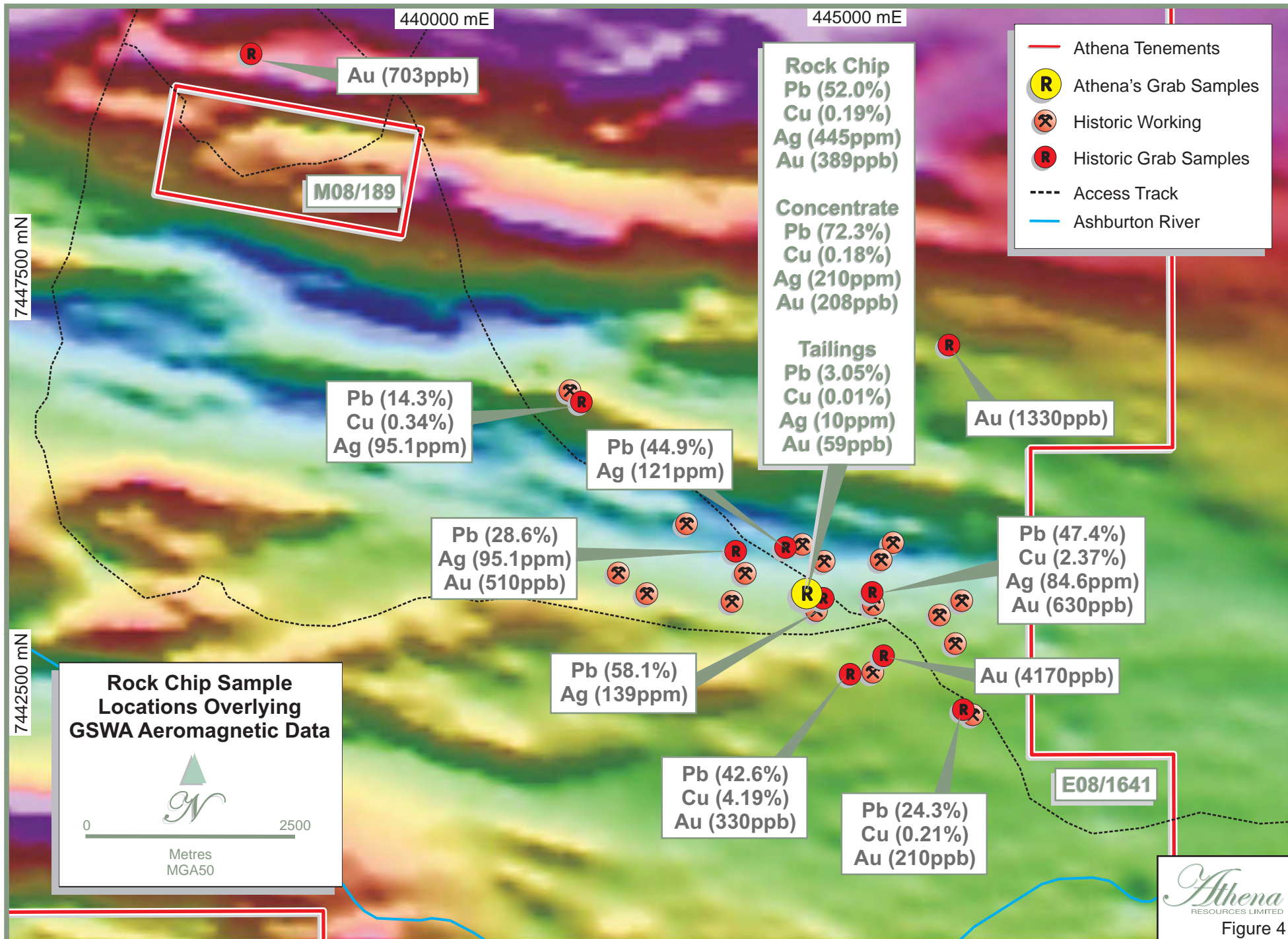
End Of Hole

BOCO Base Of Complete Oxidation

0 40
Metres

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Figure 3



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Figure 4