

ATHENA SILVER CORP
Form 10-K/A
April 27, 2016

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-K/A 1

**ANNUAL REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF
1934**

For the fiscal year ended December 31, 2015

**TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934**

For the transition period from _____ to _____

Commission file number: 000-51808

ATHENA SILVER CORPORATION

(Exact Name of Registrant as specified in its Charter)

Delaware

(State or other jurisdiction of incorporation or
organization)

2010A Harbison Drive # 312, Vacaville, CA

(Address of principal executive offices)

90-0775276

(IRS Employer Identification number)

95687

(Zip Code)

Registrant's telephone number, including area code: **(707) 884-3766**

Securities registered under Section 12(b) of the Exchange Act: **None**

Securities registered under Section 12(g) of the Exchange Act: **Common Stock, \$.0001 par value**

Edgar Filing: ATHENA SILVER CORP - Form 10-K/A

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [] No []

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes [] No []

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [] No []

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [] No []

Edgar Filing: ATHENA SILVER CORP - Form 10-K/A

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter: \$1,115,781 based upon the last sale price of \$0.0735 as reported on the OTC.QB effective June 30, 2015.

The number of shares outstanding of the registrant's common stock, as of March 31, 2016 is 36,202,320.

List hereunder the following documents if incorporated by reference and the Part of the Form 10-K (*e.g.*, Part I, Part II, etc.) into which the document is incorporated: (1) Any annual report to security holders; (2) Any proxy or information statement; and (3) Any prospectus filed pursuant to Rule 424(b) or (c) under the Securities Act of 1933. The listed documents should be clearly described for identification purposes:

None.

Explanatory Note:

The Company is filing this Amendment No. 1 (this Amendment) to the Company's Annual Report on Form 10-K for the year ended December 31, 2015, originally filed with the U.S. Securities and Exchange Commission on April 5, 2016 (the Original Filing), for the sole purpose to include the Company's Consolidated Balance Sheets and

Consolidated Statement of Operations which were inadvertently dropped from the html files of the Original Filing.
There are no other changes to the Original Filing.

Forward-looking Statements

In General

This Report contains statements that plan for or anticipate the future. In this Report, forward-looking statements are generally identified by the words "anticipate," "plan," "believe," "expect," "estimate," and the like.

The factors that could cause actual results to differ materially from those projected in the forward-looking statements include:

- * the risk factors set forth below under Risk Factors ;
- * our ability to raise additional financing necessary to conduct our business;
- * our future business plans and strategies;
- * changes that could result from future acquisition of new mining properties or businesses;
- * our ability to commercially develop our mining interests.;
- * risks and hazards inherent in the mining business, including environmental hazards, industrial accidents, weather or geologically related conditions;
- * uncertainties inherent in our exploratory and developmental activities, including risks relating to permitting and regulatory delays;
- * changes in the market prices of silver;
- * uncertainties inherent in the estimation of silver ore reserves;
- * effects of environmental and other governmental regulations; and
- * the worldwide economic downturn and difficult conditions in the global capital and credit markets.

Readers are cautioned not to put undue reliance on forward-looking statements. We disclaim any intent or obligation to update publicly these forward-looking statements, whether as a result of new information, future events or otherwise.

In light of the significant uncertainties inherent in the forward-looking statements made in this Report, the inclusion of this information should not be regarded as a representation by us or any other person that our objectives and plans will be achieved.

PART I

ITEM 1. DESCRIPTION OF BUSINESS

Overview

Athena Silver Corporation (we, our, us, or Athena) is an exploration stage company engaged in the acquisition and exploration of mineral resources. We were incorporated in Delaware on December 23, 2003, and we became an exploration stage company effective January 1, 2010. We have not presently determined whether our mineral properties contain mineral reserves that are economically recoverable.

In December 2009, we formed and organized a new wholly-owned subsidiary, Athena Minerals, Inc. (Athena Minerals) to take an assignment of a Sale and Purchase Agreement and Joint Escrow Instructions dated December 4, 2009 (the Purchase Agreement). The Purchase Agreement granted us an option to purchase a 413 acre group of 20 patented mining claims (the Langtry Property) located in the Calico Mining District at the base of the Calico Mountains northeast of Barstow, California.

In March 2010, we entered into a Mining Lease with Option to Purchase (the Langtry Lease or the Lease) which superseded the Purchase Agreement and granted us a 20 year lease to develop and conduct mining operations on the Langtry Property, also with an option to purchase. Effective November 28, 2012, December 19, 2013, and January 21, 2015, we executed Amendments No. 1, 2 and 3, respectively, to the Langtry Lease modifying certain terms.

In March 2016, we entered into a new lease/option agreement further described herein that replaced the prior mining lease and its amendments #1, #2 and #3. In addition to the patented claims controlled through this mining lease, the Company has staked and acquired unpatented mining claims that together represent the Langtry project.

On September 28, 2015, at the request of the Company and its advisors, the San Bernardino County Land Use Services Department (the Department) issued and recorded a Certificate of Land Use Compliance for Vested Land Use in which the Department formally determined that the Langtry property had the legally established right for mineral resource development activity (the Vested Right). The Vested Right is subject to certain conditions set forth in the Certificate and runs with the Langtry property in perpetuity.

Going forward, our primary focus will be to continue our evaluation of the Langtry Property including the possible acquisition of additional mineral rights and additional exploration, development and permitting activities. Our mineral lease payments, permitting applications and exploration and development efforts will require additional capital.

Conflicts of Interests

Magellan Gold Corporation (Magellan) is a publicly-held company under common control. Mr. Power is our President, CEO and a director and is also President and director and of Magellan. Mr. Power and Mr. Gibbs are significant investors in both Athena and Magellan.

Silver Saddle Resources, LLC (Silver Saddle) is a private company under common control. Mr. Power and Mr. Gibbs are significant investors and managing members of Silver Saddle.

Athena, Magellan and Silver Saddle are exploration stage companies and each is involved in the business of acquisition and exploration of mineral resources.

The existence of common ownership and common management could result in significantly different operating results or financial position from those that could have resulted had Athena, Magellan and Silver Saddle been autonomous.

In addition, the common ownership could result in significant conflicts of interest both in terms of the allocation of working capital as well as under the doctrine of corporate opportunity, inasmuch as all three entities are engaged in mineral exploration in the United States. Messrs. Power and Gibbs have not adopted any policy or guidelines to mitigate the potential adverse effects of their conflicting interests between and among, Athena, Magellan and Silver Saddle.

Investors in Athena should be cognizant that the interests of Athena may, in the future, be in conflict with the other activities of Athena's control persons.

SUMMARY PROVISIONS OF THE LANGTRY LEASE/OPTION

In 2010, we entered into a 20 year Mining Lease with Option to Purchase (the Langtry Lease or the Lease) granting us the exclusive right to explore, develop and conduct mining operations on a group of 20 patented mining claims consisting of approximately 413 acres that comprise our Langtry Property (Langtry or the Langtry Property).

Effective November 28, 2012, December 19, 2013 and January 21, 2015, we executed Amendments No. 1, 2 and 3, respectively, to the Langtry Lease modifying certain terms.

Under Amendment No. 3 to the Lease, the Lessor was issued 200,000 shares of restricted Athena common stock as compensation for the modifications.

Effective March 10, 2016, we executed and delivered new Lease/Purchase Option (Lease/Option) covering our flagship Langtry Property located in the Calico Mining District, San Bernardino County, California. The Lease/Option also includes two unpatented mining claims in the Calico Mining District known as the Lilly #10 and Quad Deuce XIII (the Langtry Unpatented Claims), which we have previously owned and agreed to transfer to the Lessor subject to the Lease/Option. The new Lease/Option supercedes all prior agreements. The following is a summary of the highlights of the new Lease/Option, which is qualified in its entirety by the provisions of the Lease/Option which was filed as Exhibit 10.1 to our Current Report dated March 10, 2016:

The Lease/Option has a term of 20 years, and grants an exclusive right to explore, develop and purchase the Langtry property. Rent payments under the Lease are a nominal \$1 per year, payable in advance.

Option payments: in order to maintain the option to purchase, we are required to pay option payments (Option Payments) as follows: \$40,000 year 1; the greater of \$40,000 or the spot price of 2,500 ounces of silver in years 2 through 5; the greater of \$50,000 or the spot price of 2,500 ounces of silver in years 6 through 10; the greater of \$75,000 or the spot price of 3,750 ounces of silver in years 11 through 15; and the greater of \$100,000 or the spot price of 5,000 ounces of silver in years 16 through 20. 50% of all Option Payments are credited against the purchase price should the Company exercise the purchase option.

In 2016, the option payment is due \$20,000 on March 15 and \$20,000 on September 15. In subsequent years, the option payment is due March 15.

Option Purchase Price: We have the option to purchase fee title to the Langtry Property for the full 20 year term of the Lease/Option. The purchase price is:

Years 1 through 3 (3-15-2016 to 3-15-2019): \$5,000,000

Years 4 through 5 (3-15-2019 to 3-15-2021): the greater of \$5,000,000 or the spot price of 250,000 troy ounces of silver, plus payment of the deferred rent of \$130,000;

Years 6 through 10 (3-15-2021 to 3-15-26): the greater of \$7,500,000 or the spot price of 375,000 troy ounces of silver, plus payment of the deferred rent of \$130,000;

Years 11 through 20 (3-15-2026 to 3-15-2036): the greater of \$10,000,000 or the spot price of 500,000 troy ounces of silver, plus payment of the deferred rent of \$130,000.

During the lease term, and provided the purchase option has not been exercised, the lessor is entitled to receive a 2% NSR on silver production and a 3% to 5% royalty on other mineral production and certain other revenue streams;

After exercise of the purchase option, the lessor will not receive royalties on silver or other precious metals production but will receive a 5% royalty on barite production and other revenue streams.

Deferred rent of \$130,000 under the prior lease shall be payable upon exercise of the purchase option or upon Athena entering into a joint venture or other arrangement to develop the Langtry prospect.

If we are in breach of the Lease/Option, the Lessor will have the option to terminate the Lease by giving us 30 days written notice. The Lease also provides us with the right to terminate the Lease without penalty on March 15th of each year during the Lease term by giving the lessor 30 days written notice of termination on or before February 13th of each year.

The Langtry Property is also subject to a net smelter royalty in favor of Mobil Exploration and Producing North America Inc. from the sale of concentrates, precipitates or metals produced from ores mined from the royalty acreage.

The agreement dated April 30, 1987 granted a base net smelter royalty of 3% plus an additional incremental 2% royalty on net smelter proceeds from silver sales above \$10.00 per troy ounce plus an additional incremental 2% royalty on net smelter proceeds from silver sales above \$15.00 per troy ounce.

On May 28, 2015 we executed an amendment to the deed underlying the Langtry Lease to cap at 2% the net smelter royalty that would be due to Mobil Exploration and Producing North America Inc. (Mobil) from any future sales of concentrates, precipitates or metals produced from ores mined from the royalty acreage. In consideration for the amendment, we agreed to pay an amendment fee of \$150,000, with \$10,000 due at the time of the agreement and the balance payable \$10,000 each June 1st until paid in full. If we sell our interest in the Lease or enter into an agreement, joint venture or other agreement for the exploration and development of the Langtry Property, the amendment fee shall become due and payable immediately.

During the term of the Lease/Option, Athena Minerals has the exclusive right to develop and conduct mining operations on the Langtry Property. Future lease payments and/or exploration and development of this property will require additional equity and/or debt capital.

LANGTRY PROJECT CLAIMS

In April, 2010, we staked nine unpatented mining lode claims and in October 2011, we staked an additional 13 unpatented mining lode claims all of which are located in Sections 7,8,9,16,17 & 18 of Township 10 North, Range 1 East, San Bernardino Base & Meridian on federal land managed by the Bureau of Land Management (BLM). These 22 unpatented claims are adjacent or in close proximity to our Langtry Property. In Jan 2013, we over staked one additional unpatented mining claim. In August 2015, we acquired 15 unpatented mining claims adjacent to our existing holdings. These 38 unpatented claims together with the 20 patented Langtry Property claims comprise our Langtry Project. All of our unpatented claims are active and valid, subject to renewals. We have not undertaken any exploration activity on our unpatented claims and they have no known reserves. Our annual renewal costs are \$155 per claim prior to September 1 of each year.

BLM Serial No.

Claim Name

CAMC296910

Clipper #1

CAMC296911

Clipper #2

CAMC296912

Clipper #3

CAMC296913

Clipper #4

CAMC296914

Clipper #5

CAMC296915

Hawaii Clipper

CAMC296916

California Clipper #2

CAMC296917

California Clipper #3

CAMC296918

California Clipper #4

CAMC300265

Clipper #12

CAMC300266

Clipper #13

CAMC300267

Clipper #14

CAMC300268

Clipper #15

CAMC300269

Clipper #16

CAMC300270

Clipper #17

CAMC300271

Clipper #18

CAMC300272

Clipper #19

CAMC300273

Clipper #20

CAMC300274

Clipper #21

CAMC300275

Clipper #22

CAMC300276

Clipper #23

CAMC300277

Clipper #24

On January 15, 2013, we over-staked with the BLM an existing claim, (CAMC0306178) Quad Duece XIII, held by a third party that we believed was deficient in meeting the statutory requirements and therefore subject to overstaking. The claim we over-staked Lilly #10 (CACM 290263) was later acquired in August 2015. As of now, we maintain both claims in good standing. Both the Lilly#10 and Quad Deuce XIII were assigned to the Lessor and included in our rights under the Lease/Option.

In August 2015 the Company acquired by deed conveyance 15 unpatented mining claims in the Calico Mining District in San Bernardino, California from a third party. The claims are contiguous to our existing unpatented and patented claims known as the Langtry Property. In consideration of the conveyance, the Company agreed to pay \$10,000, payable in equal monthly installments of \$1,000 beginning on September 1, 2015. These claims were renewed with the BLM in August 2015 and are in good standing until August 31, 2016. There is a recorded lien granted to a third party on these claims granted by the former owner. We are attempting to get a release of this lien as we no longer believe it is valid. However, we can make no assurances that a lien release can be obtained and that the lien is no longer valid.

CAMC 0290263	LILLY #10
CAMC 0290264	LILLY #11
CAMC 0290265	LILLY #12
CAMC 0290266	LILLY #13
CAMC 0290267	LILLY #14
CAMC 0290268	LILLY #15
CAMC 0290269	LILLY #16
CAMC 0290270	LILLY #17
CAMC 0290271	LILLY #18
CAMC 0290272	LILLY #19
CAMC 0289957	SILVERADO #30
CAMC 0289958	SILVERADO #31
CAMC 0289960	SILVERADO #33
CAMC 0289962	SILVERADO #35
CAMC 0289963	SILVERADO #36

OTHER UNPATENTED MINING CLAIMS

On December 14, 2011, we staked and subsequently filed with the BLM, on March 13, 2012, four unpatented lode claims located in San Bernardino County, California. We have renewed the claims annually since then and an annual renewal fee of \$155 is payable to the BLM prior to September 1 of each year to maintain the claims. The claims are located in Sections 7 and 18, Township 10 North, Range 1 West and Sections 12 and 13, Township 10 North, Range 2 West, San Bernardino Base & Meridian. The claims are adjacent to a historic silver mine known as the Waterman Mine (the Waterman Claims). There are no known reserves on these claims.

BLM Serial No.	Claim Name
CAMC302228	Silver Glance
CAMC302229	Front
CAMC302230	Omega East
CAMC302231	Alpha East

We are not presently planning any exploration activities on the Waterman Claims and the claims are not considered a material property at this time. There are no capitalized costs associated with this property.

ABANDONED MINING CLAIMS

On November 15, 2010, we staked nine unpatented lode claims in San Bernardino County, California. The claims are located in Sections 7 and 18, Township 10 North, Range 2 West, San Bernardino Base & Meridian. The claims are adjacent to a historic silver/lead mine known as the Pedry Mine (the Pedry Claims). There are no known reserves on these claims.

These claims were filed with the BLM on January 13, 2011 and were renewed annually until 2015 when they were not renewed and abandoned.

BLM Serial No.	Claim Name
CAMC298045	San Pasqual
CAMC298046	San Miguel
CAMC298047	Santa Anna
CAMC298048	San Bernardino
CAMC298049	San Gabriel

CAMC298050	San Luis Obispo
CAMC298051	Santa Clara
CAMC298052	Santa Coleta
CAMC290853	Santo Angel

SECTION 13 PROPERTY

On May 22, 2012, we purchased 661 acres of land (Section 13 Property) in fee simple for \$135,684 cash, located in San Bernardino County, California, that was sold in a property tax auction conducted on behalf of the County. The parcel is all of Section 13 located in Township 7 North, Range 4 East, San Bernardino Base & Meridian.

The Section 13 property is near the Lava Beds Mining District and has evidence of historic mining. The property is located in the same regional geologic area known as the Western Mojave Block that includes our flagship Langtry Project. The property is approximately 28 miles southeast of our Langtry Project.

We do not intend to engage in any material exploration activities on the Section 13 property during the next twelve months.

CHIMNEY ROCK PROPERTY

In May 2014, we purchased 160 acres of land located in the Calico Mining District, San Bernardino County, California. The parcel, is the SE quarter of Section 25, Township 10 North, Range 1 East and is mostly surrounded by public lands. It was purchased for approximately \$21,000 in a property tax auction conducted on behalf of the County.

We do not intend to engage in any material exploration activities on this property during the next twelve months.

Unpatented Mining Claims: The Mining Law of 1872

Except for the Langtry Property, our mineral rights consist of leases covering "unpatented" mining claims created and maintained in accordance with the U.S. General Mining Law of 1872, or the General Mining Law. Unpatented mining claims are unique U.S. property interests, and are generally considered to be subject to greater title risk than other real property interests because the validity of unpatented mining claims is often uncertain. The validity of an unpatented mining claim, in terms of both its location and its maintenance, is dependent on strict compliance with a complex body of federal and state statutory and decisional law that supplement the General Mining Law. Also, unpatented mining claims and related rights, including rights to use the surface, are subject to possible challenges by third parties or contests by the federal government. In addition, there are few public records that definitively control the issues of validity and ownership of unpatented mining claims. We have not filed a patent application for any of our unpatented mining claims that are located on federal public lands in the United States and, under possible future legislation to change the General Mining Law, patents may be difficult to obtain.

Location of mining claims under the General Mining Law, is a self-initiation system under which a person physically stakes an unpatented mining claim on public land that is open to location, posts a location notice and monuments the boundaries of the claim in compliance with federal laws and regulations and with state location laws, and files notice of that location in the county records and with the BLM. Mining claims can be located on land as to which the surface was patented into private ownership under the Stockraising Homestead Act of 1916, 43 U.S.C. §299, but the mining claimant cannot injure, damage or destroy the surface owner's permanent improvements and must pay for damage to

crops caused by prospecting. Discovery of a valuable mineral deposit, as defined under federal law, is essential to the validity of an unpatented mining claim and is required on each mining claim individually. The location is made as a lode claim for mineral deposits found as veins or rock in place, or as a placer claim for other deposits. While the maximum size and shape of lode claims and placer claims are established by statute, there are no limits on the number of claims one person may locate or own. The General Mining Law also contains provision for acquiring five-acre claims of non-mineral land for millsite purposes. A mining operation typically is comprised of many mining claims.

The holder of a valid unpatented mining claim has possessory title to the land covered thereby, which gives the claimant exclusive possession of the surface for mining purposes and the right to mine and remove minerals from the claim. Legal title to land encompassed by an unpatented mining claim remains in the United States, and the government can contest the validity of a mining claim. The General Mining Law requires the performance of annual assessment work for each claim, and subsequent to enactment of the Federal Land Policy and Management Act of 1976, 43 U.S.C. §1201 et seq., mining claims are invalidated if evidence of assessment work is not timely filed with BLM. However, in 1993 Congress enacted a provision requiring payment of \$140 per year claim maintenance fee in lieu of performing assessment work, subject to an exception for small miners having less than 10 claims. No royalty is paid to the United States with respect to minerals mined and sold from a mining claim.

The General Mining Law provides a procedure for a qualified claimant to obtain a mineral patent (*i.e.*, fee simple title to the mining claim) under certain conditions. It has become much more difficult in recent years to obtain a patent. Beginning in 1994, Congress imposed a funding moratorium on the processing of mineral patent applications which had not reached a designated stage in the patent process at the time the moratorium went into effect. Additionally, Congress has considered several bills in recent years to repeal the General Mining Law or to amend it to provide for the payment of royalties to the United States and to eliminate or substantially limit the patent provisions of the law.

Mining claims are conveyed by deed, or leased by the claimant to the party seeking to develop the property. Such a deed or lease (or memorandum of it) needs to be recorded in the real property records of the county where the property is located, and evidence of such transfer needs to be filed with BLM. It is not unusual for the grantor or lessor to reserve a royalty, which as to precious metals often is expressed as a percentage of net smelter returns.

Patented Mining Claims

Patented mining claims, such as our Langtry Property claims, are mining claims on federal lands that are held in fee simple by the owner. No maintenance fees or royalties are payable to the BLM; however lease payments and royalties are payable under the operative leases.

LOCATION, HISTORY AND GEOLOGY OF THE LANGTRY PROJECT

Langtry Project:

The Langtry Project covers approximately 1,200 acres and consists of 20 patented lode mining claims held under the Strachan Lease and 38 unpatented lode mining claims with the BLM.

Location, Access and Composition

The Langtry Project is located in the central part of the Mojave Desert of Southern California. It is situated along the western flank of the Calico Mountains, about 10 miles northeast of Barstow in San Bernardino County. Access is good with paved county roads within a mile of the project. A rail shipping point is about five miles to the south.

The property can be accessed from Barstow by traveling north on I-15 to the Fort Irwin Road exit and traveling approximately 5.4 miles to a 4WD dirt road that leads to the claims.

The following map shows the location of our Langtry Project claims:

Power and Water

Commercial power is available about 3 miles west of the Project.

A likely source of process water would be groundwater produced from an alluvial or regional aquifer. Based upon a hydrologic investigation of the Marine Corps Logistics Base, Nebo and Yermo Annexes, near Barstow, California, conducted by the U.S. Geological Survey (1997), such aquifers may exist in major washes associated with the Calico Mountains.¹

We continue to investigate and evaluate but have not secured commercial sources of power or water yet.

Geology

The large tonnage, modest grade disseminated silver-barite mineralization at Langtry is hosted by the Barstow Formation, a brecciated sequence of Miocene age siltstones, sandstones, some thin bedded calcarenites, and water laid tuffs that were deposited in a shallow lake environment. These sediments are underlain by volcanic flows and breccias of primarily dacitic to andesitic composition (Pickhandle Formation). Both vein mineralization, hosted in the Pickhandle Formation, and the disseminated mineralization hosted in the overlying Barstow Formation are believed to have formed from a common event, with the host rock controlling the style of mineralization. The vein network generally parallels a regional zone of northwestern-trending faults that has acted as both a feeder for mineralization and has displaced it during periods of reactivation.

The disseminated silver mineralization, hosted in the brecciated Barstow Formation, consists of pervasive silicification with barite, grading with depth to quartz with lesser barite, minor hematite, calcite, and silver bearing sulfides, mostly acanthite with very fine grained native silver. Sphalerite and galena were identified from microscopy in grains typically smaller than 25 microns. Argentobarite and cerargyrite are also reported locally. A separate event with magnetite and manganese oxide and silver mineralization is also known from the district.

The host rock type for the Langtry mineralization is the Miocene age Barstow formation. This is a sedimentary sequence of sandstone, mudstone, siltstone, and locally silty limestone.

The Langtry deposit is intersected by multiple faults. The most prominent is the Calico fault that is located along the southwest side of the mineralization. The fault is interpreted to be right lateral with displacement as much as several miles horizontally and several hundred feet vertically. There are numerous splay faults from the Calico of which at least two are interpreted to cross the Langtry deposit striking east to north east.

The northeastern boundary of the deposit is defined by an un-named fault that strikes more to the northwest than the Calico fault. This boundary fault occurs almost immediately at the toe of the mountains that lie immediately north of the Langtry Deposit. The north bounding fault and the Calico fault intersect at the east end of the Langtry Deposit.

Numerous silver bearing veins are hosted within the Barstow formation. These are often high grade when compared to the surrounding rock mass.

¹ The U.S. Geological Survey (1997) defined two main aquifer systems in the area of the Nebo and Yermo Annexes. The Mojave River aquifer is contained within the sand and gravel of the Mojave River alluvium, and the regional aquifer lies in the bordering alluvial-fan deposits and older alluvium.

History

Early mining in the Calico District was most active during the period 1881 to 1896. During that time an estimated 20 million ounces of silver were mined by underground methods from veins, mostly in the Wall Street Canyon and Odessa Canyon areas, on the south end of the Calico Mountains, just north of the historic town of Calico. Calico is now a ghost town and California state park.

The earliest report on the Langtry Mines was published by the California State Mining Bureau (1896). The report states:

They [the Langtry Mines] are 5 miles west of Calico, and comprise a group of claims upon which considerable work has been done. The veins are fissures in tufa, and are the only veins in this district entitled to be called fissures. The strike is E. and W. and the dip 80° N. The tufa lies in nearly horizontal beds. The main filling is baryta [barium hydroxide] and quartz containing chloride of silver, iron oxide, and carbonate of lead. Idle.T. N. Stebbins, of Daggett, owner.

Around 1967, the Superior Oil Company, Minerals Division, began exploration in the area of the old Langtry Mine. The Superior Oil program resulted in the discovery of a bulk minable disseminated silver deposit. The principal development work consisted of more than 200 drill holes, most drilled to depths of about 500 feet, surface trenches, and access roads. Most of the boreholes were rotary drilled, although some were core drilled. Rotary cuttings were collected on 5-ft or 10-ft intervals and assayed; core was assayed at approximately 10-ft intervals. The assay data for each hole were recorded by Superior Oil on Graphic Drill Logs, 198 of which are available with assays. Silver, in ounces per ton, was reported for every hole, even if it was reported as trace. Percent barite (BaSO_4) was reported for many holes, and lead assays were reported for a limited number of holes. Laboratory reports for these data are not available.

At the behest of Superior Oil Company, the BLM prepared a Mineral Validity Report (BLM, 1974) evaluating Mineral Patent Application No. R-4645. The application was filed by Title Insurance and Trust Company, agent for Superior Oil Company, for 21 lode mining claims located in T.10 N., R. 1 E., Sections 6, 7, 8, and totaling 433.881 acres. The BLM verified drill sites on the individual claims; drilled twin holes; collected 62 check samples that were assayed by Skyline Labs, Inc. in Tucson, Arizona; correlated assay data for each claim; and excavated surface cuts and trenches to expose sample locations where the ore deposit cropped out near the surface.

Superior received a patent for 20 of the 21 claims applied for which comprise the claims now held under the option/lease agreement between Strachan and Athena. The claim not approved for patent known as Lilly 10 or Quad Deuce XIII is also held under the option lease agreement between Strachan and Athena.

Current State of Exploration and Development

Our current focus is primarily on the exploration of our Langtry Property.

Athena conducted a 13-hole confirmation drilling program performed by us in January and February 2011. Our drilling program consisted of 10 vertical holes drilled to depths of between 350 to 575 for a total of 4,285 to test the results of a much larger historic drilling program conducted by Superior Oil Company; and three angle holes drilled to a depth of between 500 and 600 for a total of 1,700 were exploratory as they targeted veins near 19th century historic workings on the Property and were not intended to replicate any prior drill holes.

We are currently working with our consultants to develop additional exploration plans subject to available funding. Future work could include core drilling and metallurgical studies but no firm plans or budgets have been completed. Any proposed program would be exploratory in nature.

The Company does not have any proven or probable reserves as defined in Industry Guide 7 promulgated by the SEC.

Future lease payments and/or exploration and development of this property will require new equity and/or debt capital.

OUR EXPLORATION PROCESS

Our exploration program is designed to acquire, explore and evaluate exploration properties in an economically efficient manner. We have not at this time identified or delineated any mineral reserves on any of our properties.

We expect our exploration work on a given property to proceed generally in three phases. Decisions about proceeding to each successive phase will take into consideration the completion of the previous phases and our analysis of the results of those phases.

The first phase is intended to determine whether a prospect warrants further exploration and involves:

- .
researching the available geologic literature;
- .
interviewing geologists, mining engineers and others familiar with the prospect sites;
- .
conducting geologic mapping, geophysical testing and geochemical testing;
- .
examining any existing workings, such as trenches, prospect pits, shafts or tunnels;
- .

digging trenches that allow for an examination of surface vein structures as well as for efficient reclamation, re-contouring and re-seeding of disturbed areas; and,

.

analyzing samples for minerals that are known to have occurred in the test area.

Subject to obtaining the necessary permits in a timely manner, the first phase can typically be completed on an individual property in several months at a cost of less than \$200,000.

The second phase is intended to identify any mineral deposits of potential economic importance and would involve:

.

examining underground characteristics of mineralization that were previously identified;

.

conducting more detailed geologic mapping;

.

conducting more advanced geochemical and geophysical surveys;

.

conducting more extensive trenching; and

.

conducting exploratory drilling.

Subject to obtaining the necessary permits in a timely manner, the second phase can typically be completed on an individual property in nine to twelve months at a cost of less than \$1 million. None of our properties has reached the second phase.

The third phase is intended to precisely define depth, width, length, tonnage and value per ton of any deposit that has been identified and would involve:

drilling to develop the mining site;

conducting metallurgical testing; and

obtaining other pertinent technical information required to define an ore reserve and complete a feasibility study.

Depending upon the nature of the particular deposit, the third phase on any one property could take one to five years or more and cost well in excess of \$1 million. None of our properties has reached the third phase.

We intend to explore and develop our properties ourselves, although our plans could change depending on the terms and availability of financing and the terms or merits of any joint venture proposals.

SILVER PRICES

Our operating results are substantially dependent upon the world market prices of silver. We have no control over silver prices, which can fluctuate widely. The volatility of such prices is illustrated by the following table, which sets forth the high and low London Fix prices of silver (as reported by www.kitco.com) per ounce during the periods indicated:

	Year Ended December 31,					
	2015		2014		2013	
	High	Low	High	Low	High	Low
Silver	\$ 18.23	\$ 13.71	\$ 22.05	\$ 15.28	\$ 32.23	\$ 18.61

These historical prices are not indicative of future silver prices.

MARKETING

All of our mining operations, if successful, will produce silver in doré form or a concentrate that contains silver.

We plan to market our refined metal and doré to credit worthy bullion trading houses, market makers and members of the London Bullion Market Association, industrial companies and sound financial institutions. The refined metals will

be sold to end users for use in electronic circuitry, jewelry, silverware, and the pharmaceutical and technology industries. Generally, the loss of a single bullion trading counterparty would not adversely affect us due to the liquidity of the markets and the availability of alternative trading counterparties.

We plan to refine and market its precious metals doré and concentrates using a geographically diverse group of third party smelters and refiners. The loss of any one smelting and refining client may have a material adverse effect if alternate smelters and refiners are not available. We believe there is sufficient global capacity available to address the loss of any one smelter.

GOVERNMENT REGULATION

General

Our activities are and will be subject to extensive federal, state and local laws governing the protection of the environment, prospecting, mine development, production, taxes, labor standards, occupational health, mine safety, toxic substances and other matters. The costs associated with compliance with such regulatory requirements are substantial and possible future legislation and regulations could cause additional expense, capital expenditures, restrictions and delays in the development and continued operation of our properties, the extent of which cannot be predicted. In the context of environmental permitting, including the approval of reclamation plans, we must comply with known standards and regulations which may entail significant costs and delays. Although we are committed to environmental responsibility and believe we are in substantial compliance with applicable laws and regulations, amendments to current laws and regulations, more stringent implementation of these laws and regulations through judicial review or administrative action or the adoption of new laws could have a materially adverse effect upon our results of operations.

Federal Environmental Laws

Certain mining wastes from extraction and beneficiation of ores are currently exempt from the extensive set of Environmental Protection Agency (EPA) regulations governing hazardous waste, although such wastes may be subject to regulation under state law as a solid or hazardous waste. The EPA has worked on a program to regulate these mining wastes pursuant to its solid waste management authority under the Resource Conservation and Recovery Act (RCRA). Certain ore processing and other wastes are currently regulated as hazardous wastes by the EPA under RCRA. If our future mine wastes, if any, were treated as hazardous waste or such wastes resulted in operations being designated as a Superfund site under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA or Superfund) for cleanup, material expenditures would be required for the construction of additional waste disposal facilities or for other remediation expenditures. Under CERCLA, any present owner or operator of a Superfund site or an owner or operator at the time of its contamination generally may be held liable and may be forced to undertake remedial cleanup action or to pay for the government's cleanup efforts. Such owner or operator may also be liable to governmental entities for the cost of damages to natural resources, which may be substantial. Additional regulations or requirements may also be imposed upon our future tailings and waste disposal, if any, in Nevada under the Federal Clean Water Act (CWA) and state law counterparts. We have reviewed and considered current federal legislation relating to climate change and we do not believe it to have a material effect on our operations. Additional regulation or requirements under any of these laws and regulations could have a materially adverse effect upon our results of operations.

EMPLOYEES AND CONSULTANTS

We have only one part-time employee, Mr. Power, who devotes approximately 25% of his time and attention to our business. We have agreed to pay Mr. Power \$2,500 per month for his services.

We rely heavily on the services of consulting engineers and geologists.

ITEM 1A RISK FACTORS.

An investment in our securities is speculative and involves a high degree of risk. Please carefully consider the following risk factors, as well as the possibility of the loss of your entire investment, before deciding to invest in our securities.

Risks Related to our Business

Due to our history of operating losses our auditors are uncertain that we will be able to continue as a going concern.

Our financial statements have been prepared assuming that we will continue as a going concern. Due to our continuing operating losses and negative cash flows from our operations, the reports of our auditors issued in connection with our financial statements for the years ended December 31, 2015 and 2014, contain explanatory paragraphs indicating that the foregoing matters raised substantial doubt about our ability to continue as a going concern. We cannot provide any assurance that we will be able to continue as a going concern

We have no history of or experience in mineral production.

We have no history of or experience in producing silver or other metals. The development of our Langtry Project would require the construction and operation of mines, processing plants, and related infrastructure. As a result, we would be subject to all of the risks associated with establishing a new mining operation and business enterprise. We may never successfully establish mining operations, and any such operations may not achieve profitability.

Our principal shareholders and control persons are also principal shareholders and control persons of Magellan and Silver Saddle, which could result in conflicts with the interests of minority stockholders.

Messrs. Gibbs and Power are control persons and principal shareholders of Athena, Magellan and Silver Saddle. Athena, Magellan and Silver Saddle are engaged in mineral exploration activities, although in different geographical regions. While the geographical focus of the companies is different, numerous conflicts could arise in the future. For example, Messrs. Gibbs and Power have provided the majority of working capital for all three companies to date, and in the likely event that these companies require additional capital in the future, their resources may be inadequate to finance the activities of all. In addition, if new prospects become available, a conflict may exist with respect to which company to offer those opportunities. Messrs. Gibbs and Power have not developed a conflict of interest policy to mitigate the potential adverse effects of these conflicts and as a result these conflicts represent a significant risk to the shareholders of the Company. Conflicts for access to limited resources and opportunities cannot be eliminated completely, and investors should be aware of their potential.

Our principal executive officer intends to devote only a limited amount of his time and attention to our business.

Mr. Power is the principal executive officer of both Athena and Magellan. He anticipates that he will only devote approximately 25% of his time and attention to our business. This limited focus could result in significant delays in our exploration and development activities and ability to generate revenues and profits, if any, in the future.

We have no proven or probable reserves.

We are currently in the exploration stage and have no proven or probable reserves, as those terms are defined by the SEC, on any of our properties including the Langtry Project. The mineralized material identified to date in respect of the Langtry Project has not demonstrated economic viability and we cannot provide any assurance that mineral reserves with economic viability will be identified on that property.

In order to demonstrate the existence of proven or probable reserves under SEC guidelines, it would be necessary for us to advance the exploration of our Langtry Project by significant additional delineation drilling to demonstrate the existence of sufficient mineralized material with satisfactory continuity which would provide the basis for a feasibility study which would demonstrate with reasonable certainty that the mineralized material can be economically extracted and produced. We do not have sufficient data to support a feasibility study with regard to the Langtry Project, and in order to perform the drill work to support such feasibility study, we must obtain the necessary permits and funds to continue our exploration efforts. It is possible that, even after we have obtained sufficient geologic data to support a feasibility study on the Langtry Project, such study will conclude that none of the identified mineral deposits can be economically and legally extracted or produced. If we cannot adequately confirm or discover any mineral reserves of precious metals on the Langtry Property, we may not be able to generate any revenues. Even if we discover mineral reserves on the Langtry Property in the future that can be economically developed, the initial capital costs associated with development and production of any reserves found is such that we might not be profitable for a significant time after the initiation of any development or production. The commercial viability of a mineral deposit once discovered is dependent on a number of factors beyond our control, including particular attributes of the deposit such as size, grade and proximity to infrastructure, as well as metal prices. In addition, development of a project as significant as Langtry will likely require significant debt financing, the terms of which could contribute to a delay of profitability.

The exploration of mineral properties is highly speculative in nature, involves substantial expenditures and is frequently non-productive.

Mineral exploration is highly speculative in nature and is frequently non-productive. Substantial expenditures are required to:

- establish ore reserves through drilling and metallurgical and other testing techniques;
- determine metal content and metallurgical recovery processes to extract metal from the ore; and,
- design mining and processing facilities.

If we discover ore at the Langtry Project, we expect that it would be several additional years from the initial phases of exploration until production is possible. During this time, the economic feasibility of production could change. As a result of these uncertainties, there can be no assurance that our exploration programs will result in proven and

probable reserves in sufficient quantities to justify commercial operations at the Langtry Project.

Even if our exploration efforts at Langtry are successful, we may not be able to raise the funds necessary to develop the Langtry Project.

If our exploration efforts at Langtry are successful, our current estima