

AFSL: 247 404

14<sup>th</sup> July 2010

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### Report prepared by:

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### Directors

John Bishop	Managing Director
Leon Pretorius	Chairman
Andrew White	Non-exec. Director
Stephen Bartrop	Non-exec. Director
Ian Sheffield Parker	Project Manager

### Capital Structure

ASX Code	III
Share Price	A\$0.08
Market Cap	A\$7.8m
Cash	A\$ 0.6m
Fully Diluted Shares	97.6m
Unlisted Options	23m

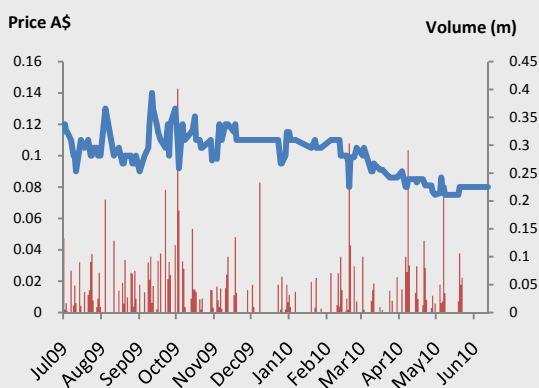
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Web Site: [www.iconresources.com.au](http://www.iconresources.com.au)

### 1- YEARS SHARE PRICE



Source: Bloomberg

## Icon Resources (III)

### Redeveloping the Mt Carbine tungsten mine

- **World Class potential at the Mt Carbine Tungsten project.**
- **Significant infrastructure in place allows for low CapEx.**
- **Mt Carbine about to enter into pre-feasibility study.**
- **Tungsten outlook favourable as demand to exceed supply.**
- **Other quality exploration projects in gold, tin, copper.**

### Company Overview

Icon Resources Limited (ASX:III) was listed on the Australian Stock Exchange in 2006 and is actively involved in projects on the eastern seaboard of Australia. The main focus of the company is the development of 100% owned Tungsten mine at Mt Carbine, situated in Far North Queensland, 120km NW of Cairns.

During the early 1980's Mt Carbine was Australia's leading tungsten producer, with a total recorded production of approximately 17,000 tonnes of wolframite and scheelite concentrates extracted from some 13.5Mt of ore from sheeted quartz veining. Low metal prices forced the closure of operations in the mid-1980's. When operations ceased, underground development was well advanced to access high-grade mineralisation extending beneath the floor of the open cut.

Following the acquisition of Mt Carbine in 2008, Icon has been progressing on the redevelopment of the project as the longer-term outlook for tungsten continues to improve.

A Scoping Study for the potential development of Mt Carbine was commissioned to assess the economics of restarting an open pit mining operation. Key findings include:

- The long term production strategy comprises both open cut and underground resources giving a +10 year mine life.
- Relatively modest capital expenditure is required for project redevelopment given existing infrastructure already in place on the Mt Carbine Mining Lease.
- Project NPV's are a multiple of the current Icon share price
- Given the existing mining lease, excellent access and no significant environmental constraints, the project could be in production within three years.

Given the favourable outcomes of the scoping study, the company now intends to enter into a pre-feasibility study.

**Gold exploration drilling** recently commenced at Icon's Crow King prospect in NE NSW. This prospect forms part of the larger 'Peel Fault Gold Project' which is situated in an area of old workings which has received little modern exploration.

## Project Review

### Mt Carbine- Tungsten

Historically one of the world’s largest high-grade tungsten mines, Mt Carbine is known for high-grade, low impurity tungsten concentrates, wolframite((Fe,Mn)WO<sub>4</sub>) and scheelite(CaWO<sub>4</sub>).

Tungsten is mostly used for ‘hard metal’ construction (machine-cutting tools), for which there is no substitute. It has the highest melting point and tensile strength of all metals, is one of the heaviest metals, and has high thermal and electrical conductivity. The European Commission recently named Tungsten as one of fourteen “Critical Raw Materials’. China, with ~60% of the world’s reserves, is now a net importer. Tungsten supply is predicted to be in significant deficit from 2013 when the mine is scheduled to be back in production.

### Strategy

The company is completing a 5000m drilling program which will be used to enlarge and upgrade the hard-rock resource to JORC standard. Once complete, the new resource will be used to revise the mining and financial models.

### Current Resource Summary Table

Resource	Classification	Ore (Mt)	WO <sub>3</sub> %	Contained WO <sub>3</sub> (kt)
Tailings	Inferred	1.6	0.11	1.8
Open Cut	Inferred	1.1	0.2	2.2
Underground	Inferred	9.6	0.22	21.1
				<b>25.1</b>

Source: Icon Resources

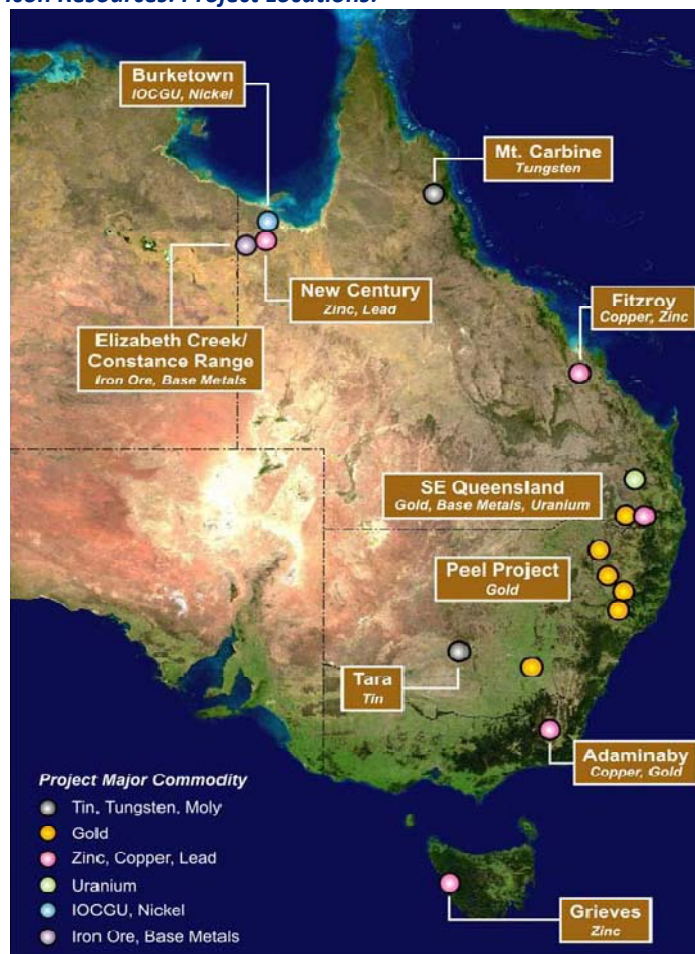
**Stage 1** of operations will **retreat the 1.6mt of tailings**. Metallurgical work has already been carried out and the plan is to be in production by December 2010. Initially margins are not expected to be high but at the current tungsten price the company should net a pre tax profit of ~A\$4-5M.

**Stage 2** will aim to **reopen the existing open cut mine**. Using the base case figures from the Scoping Study, Mt Carbine will produce 2,400t p.a of WO<sub>3</sub> at a margin of A\$5,200/t to generate an EBIT of ~A\$12M p.a. Icon believe they will be able to process more ore and at higher grades than those stated in the Scoping Study which would lead to even more attractive EBIT multiples.

**Stage 3** will be targeting **the existing ~12Mt of waste material and ~4Mt of reject material** adjacent to the open pit. Neither material has been adequately sampled but values of ~0.07% have been suggested. An ore sorter is expected on site at Mt Carbine in July which will accept ore from both the waste dumps which will in turn be sent for assay and test processing.

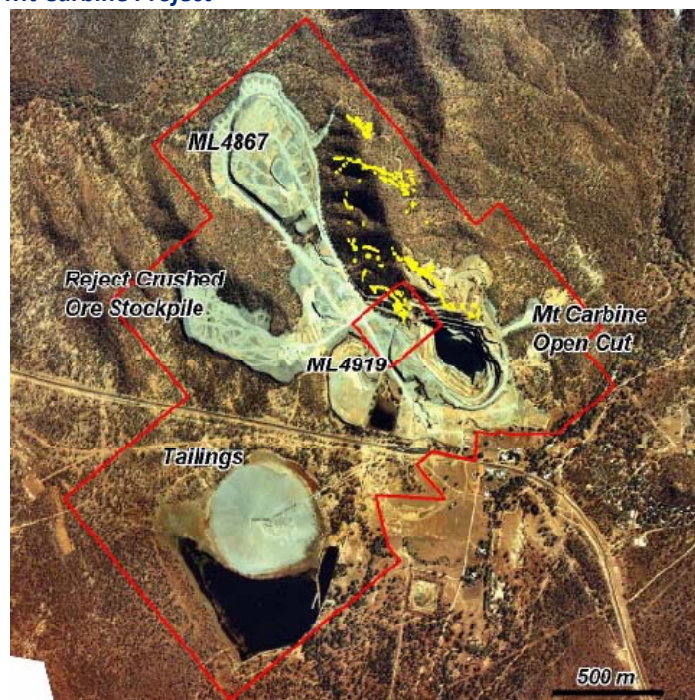
Icon also holds the potential to reopen the underground workings which host a 9.6Mt resource at 0.22% WO<sub>3</sub>.

### Icon Resources: Project Locations:



Source: Icon Resources

### Mt Carbine Project

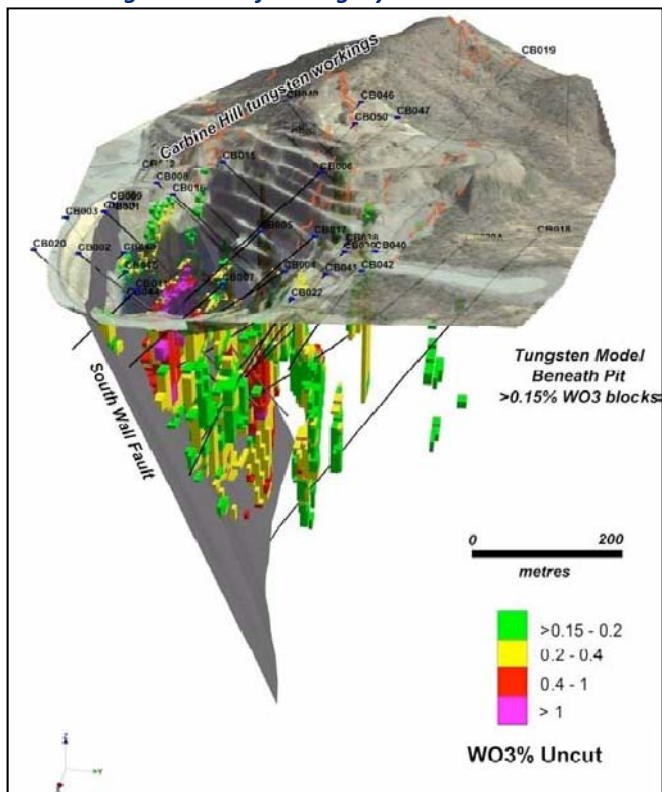


Source: Icon Resources

### Mt Carbine Continued...

Earlier operations 25 years ago at Mt Carbine profitably produced high-grade concentrates of wolframite and scheelite. Since then metallurgical processing techniques have improved.

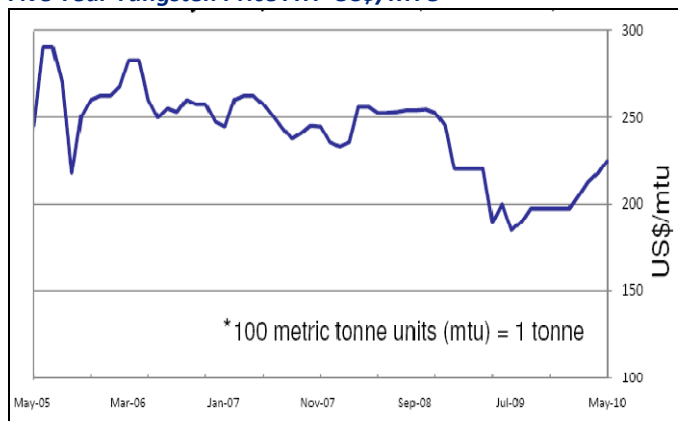
### A 3D Geological model from legacy drillhole data



Source: Icon Resources

The picture above depicts the geological model from legacy drillhole data. The current drilling program is designed to extend on this resource.

### Five Year Tungsten Price ATP US\$/MTU



Source: Icon Resources

The tungsten price is commonly referenced to ammonium paratungstate or APT, with concentrates of scheelite and/or wolframite usually 70-75% the APT price.

### Peel Fault –Gold

The Peel Fault is a mega-suture in the New England Fold Belt in NE NSW and has extensive old gold workings along its length as well as other mineralisation including copper, nickel, diamonds and platinum group minerals.

Geophysically and geologically the Peel Fault zone bears strong resemblance to the richly endowed ‘Californian Mother Lode’ gold province in SW USA which has produced more than 130Moz.

Icon holds several exploration licences along the Peel Fault and has concentrated initially within the Crow King licence where it has conducted field mapping, soil geochemistry and geophysics including a 3D induced polarisation survey.

The Crow Mountain gold deposits occur in clusters over a 6.5km long corridor adjacent to a large serpentinite body within the Peel Fault. The larger historical mines include the Eagle-Crow King, Red Flag, Princess, Flannigan’s Brothers and Dodger-Fletchers with recorded production of over 55kg Au at average grades of ~50 g/t.

The known gold prospects are characterised by quartz-pyrite veins, often with calcite, and are usually associated with a series of chert beds subparallel to the Peel Fault.

Previous exploration has concentrated on the veins and been restricted to a very limited portion of the mineralised corridor with the potential for large concealed alteration systems within and adjacent to the ultramafics, essentially untested.

### Additional Projects:

#### Tara –Tin

Exploration to date at Tara has identified a large (3km x 2km) poly-metallic system with widespread tin, tungsten and zinc mineralisation concealed beneath shallow alluvial cover. Specifically, Icon is targeting concealed intrusion-related tin-tungsten veins / stockworks and associated deep-lead placer-tin deposits recently recognised in river channels incised into mineralised bedrock and hidden beneath the present cover.

#### Fitzroy Project – Copper-Zinc

The Fitzroy Project covers a belt of volcanic rocks to the north of Rockhampton where previous exploration has identified a series of concealed copper-zinc mineralizing systems. Icon plans to utilise geophysics to explore for extensions to the known mineralisation and evaluate the potential for similar systems throughout the under-explored host volcanic terrain under consolidated tenure within EPM 17604 ‘Fitzroy’, which contains a number of previously identified geochemical and geophysical targets.

#### North West QLD – Iron Ore, Copper, Gold, Uranium (IOCGU)

Icon’s strategic tenement holdings in the NW Qld mineral province of the highly prospective Mt Isa block are being progressively evaluated, with potentially large IOCGU and nickel targets under cover at Burketown, potential for world-class sediment-hosted (SEDEX) ‘Century-style’ lead-zinc mineralisation within the New Century project, and iron ore at Constance Range.

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- The author of this research note does not have a relevant interest in the securities mentioned in this report. This position may change at any time.
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