

Quarterly Report for Period Ending 30 September 2006

Icon Resources Ltd ('Icon') is pleased to provide the following report on the Company's activities for the three month period ended 30 September 2006. Other information on the Company's projects and its previous announcements are available on the website at www.iconresources.com.au. Figure 1, at the end of this report, shows the locations of Icon's current exploration licences and licence applications.

Highlights

- Icon completed its first round of drilling at Tara in central NSW and is currently awaiting assays.
- Icon flew airborne magnetic and radiometric surveys over Weabonga and Niangala in north-eastern NSW.
- Icon carried out field data acquisition of 3D IP surveys at Grenfell in central NSW and at Weabonga. Data processing is underway and drilling is scheduled for late November and December 2006.
- Very encouraging results from Icon's initial tests to separate sphalerite from near-surface zinc-rich 'clays' at Grieves, Professor project in western Tasmania.
- Drilling planned for Professor project in December 2006.

Professor Project, Western Tasmania

EL47/2004 (Henty Rd) and EL8/2005 (Amber Ck)

Icon entered an agreement with Zinifex in 2005 whereby Zinifex had an option to mine the zinc-rich 'clays' at Grieves and elsewhere on the Professor leases. Zinifex had initially hoped that the material would be suitable as a low grade feed to the Rosebery mill to help smooth out variations in the mill head grade. Zinifex carried out a number of tests on bulk samples from five separate locations (see following table) to see if the zinc could be conventionally treated for their purposes. However these were unsuccessful and Zinifex allowed the option to lapse on 30 September, 2006.

Since the end of the option period, Icon has conducted some unconventional tests with initial encouraging results and further test work is in progress. The tests so far, and those in the immediate future, will use material taken from the five pits dug by Zinifex for their bulk sampling. The grades for these pits were:



Table 1: Sample Pits, Grieves Zinc Prospect

Pit No	Location*		% Zn	% Pb
115	364,729mE	5,349,634mN	2.84	0.06
170	364,532mE	5,349,238mN	2.53	0.10
181	364,495mE	5,349,206mN	17.5	1.45
264	364,826mE	5,349,705mN	2.69	0.09
368	364,462mE	5,349,164mN	4.98	1.63

* Datum not specified but probably WGS84: to be field-checked.

An inferred resource of approximately 350,000 tonnes at around 4% Zn has been calculated for the near-surface sphalerite at Grieves (see Figure 2 below). However, Icon's Directors are very confident of significantly increasing the tonnage at Grieves and for locating similar material elsewhere on the lease: for example at the nearby Myrtle prospect, previous explorers have targeted around 0.6Mt at 2-4% Zn and highly anomalous intersections have been obtained at Professor Range, King Billy, etc.

GRIEVES SIDING – INFERRED RESOURCE

As at December 2005

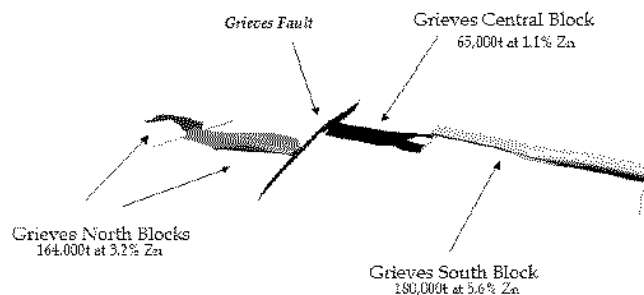


Figure 2. *Perspective view of the near-surface sphalerite resource at Grieves looking to the south east. Previous drilling was used to calculate an inferred resource of just over 400,000 at 3.9% Zn using a dry bulk density of 1.7t/c.m. (Burrows, 2005). The wet bulk densities of the five recent bulk samples varied from 1.29 to 1.56 and the average of these (1.4) gives a tonnage of 337,000t. Burrows (2005) suggested that an increase in the tonnage could occur following in-fill drilling. There is also similar mineralisation at the nearby Myrtle prospect plus other encouraging intersections on the leases.*

A detailed re-examination of all the existing drill core from the tenements has commenced with a view to better understanding the depositional environment and targeting future drilling of the primary ore zone.

A drill rig has been booked from December 2006 to attempt to extend the resource at Grieves and upgrade its JORC rating. Drill testing of the other prospects is scheduled for early 2007.

Central NSW Projects

EL6532 (Tara), EL6291 (Hiawatha), EL6559 (Grenfell)

Grenfell

EL 6559 is located approximately 12km south of the town of Grenfell and covers several historic gold workings.



A 3D IP survey has been completed over the old workings and the data were being processed at the time of writing this report. If the results are encouraging, drilling is scheduled for late November and December, 2006.

Tara

Four vertical drillholes have recently been completed on EL6532. A rotary rig was used to penetrate the 50-100m thick overburden and to pierce into the (weathered) basement as far as possible. The holes were drilled with a 200mm roller bit and lined with 150mm plastic casing to enable diamond 'tails' to extend them.

Table 2: Tara Drilling

Drillhole	Location (AGD84)		Depth	Target
T1	381,753mE	6,299,335mN	133.5m	magnetic. low
T2	381,728mE	6,299,938mN	76.5m	IP high
T3	382,241mE	6,299,608mN	70m	gravity high
T4	383,686mE	6,299,510mN	106m	alteration vector

The drilling was designed test for alteration associated with any mineralisation at depth.. We are currently awaiting results of assays of samples from the base of the hole and from the contact between the overburden and basement. If results are encouraging, a 3D IP survey is planned to cover a larger area and look much deeper than the previous 2D survey.

Hiawatha

This licence, previously held by Tackle Resources as EL6291, has been reapplied for (application ELA2785). No work has been carried out on the tenement during this reporting period. A 3D IP survey is scheduled to commence towards the end of the next quarter.

Peel Fault Project, NSW

EL6618 (Upper Hunter), EL6619 (Golden Crystal), EL6620 (Weabonga), ELA2786 (Crow King), ELA2805 (Trilby), ELA2806 (Bingara), ELA2807 (Baldwin), ELA2827 (Niangala).

As outlined in the Annual Report, Icon believes that the Peel Fault is very prospective for significant gold deposits. There are numerous old workings along its length which have largely been ignored by explorers and there are many analogies with the richly endowed greenstone belts in WA and elsewhere.

As well as gold, the Peel Fault is host to platinum group minerals and has excellent potential for nickel. Icon has applied for several licences on or near the Fault and is now in a commanding exploration position. Data capture and reviews are being carried out on all of the licences and applications. Landholders on all but one of the titles have been visited and Icon's proposed exploration activities approved. Other recent work and activity is summarised below.

Weabonga

A 3D IP survey has been recently completed on EL6620; an old drillhole has been sampled and sent for assay together with some surface grab samples. Prior to the IP, the area was flown with a detailed aeromagnetic and radiometric survey.

The results of the IP are expected towards the end of October. These will be integrated with the magnetics and radiometrics and old workings to prioritise drill targets. If the results are encouraging, drilling is scheduled for late November or early December.



Niangala

ELA2827 is adjacent to Weabonga and formed part of the aeromagnetic and radiometric coverage. The results have been received and are presently being interpreted. However no ground work is anticipated until the licence has been granted.

Crow King

ELA2786 was repegged over Tackle Resources' EL6297 and the Department is expected to issue a licence in the near future. Mapping and geochemical sampling is planned for November and December, 2006.

Stanthorpe Projects, SE Qld

EPM15401 (Glentanna), EPM15007 (Warwick),

Glentanna

A review of the previous work carried out on EPM15401 has resulted in a higher priority for the Grieves Quarry zinc prospect and other along-trend old workings. (Note: as well as a Grieves zinc deposit at Glentanna, there is also a Myrtle (copper) prospect. These should not be confused with prospects of the same name within the Tasmanian Professor leases.)

The Grieves Quarry zinc-rich polymetallic sulphide mineralisation was drilled by the Geological Survey of Queensland (GSQ) in the early 1970's. It comprises galena, sphalerite and chalcopryrite within pyrite-dominant stratiform lenses hosted in limestone interbedded with andesitic volcanics. The GSQ drilling indicates there is target mineralisation in the order of 0.2 Mt at grades of approximately 0.6% Cu, 0.7% Pb, 5.0% Zn & 30 ppm Ag. The best intersection was 16.05m from 19.5mbc @ 0.62% Cu, 2.15% Pb, 7.07% Zn & 72g/t Ag in hole LS22 (QDEX CR 97423). The mineralisation has many of the characteristics typical of Volcanic Hosted Massive Sulphides.

Icon is completing a data capture of the previous work and further reconnaissance field visits are planned for late October and early November. A trial ground electromagnetic survey is planned over the known mineralisation at Grieves Quarry and, if successful, this will be extended to cover the prospective ground to the north and south. The existing holes will also be checked to see if any are open and accessible. If so, down-hole EM surveys will also be carried out. These surveys are planned for December 2006.

Further sampling of an area of altered Texas Beds will also be undertaken this year to assist targeting of potential copper/gold mineralisation.

North Queensland Projects

EPM14589 (Elizabeth Creek), EPMA15368 (Burketown), EPMA 15386-15388 (Leichhardt), EPMA 15866, 15867 and 15904 ('New Century').

Elizabeth Ck

This licence is prospective for Pb/Zn mineralisation as well as containing significant iron ore. Zinifex is earning equity in the tenement and is the operator of the exploration program.

Burketown and Leichhardt

Both of these licences are still at the application stage. No field visits have been made but the concept of a possible iron-oxide copper gold deposit associated with the coincident magnetic and gravity responses at Burketown is being developed in tandem with the Voisey's Bay nickel model. Leichhardt was pegged to cover an interpreted 'triple plate junction' with the possibility of associated deep-seated mineralising structures.



The magnetic and gravity data for both projects will be further analysed and interpreted over the forthcoming wet season so that a quick start can be made to exploration once the tenements have been granted.

'New Century'

Three contiguous tenements are under application to explore for conceptual sediment-hosted Century style lead-zinc mineralisation. While the area is covered by younger sediments, the underlying strata appears to fulfil several criteria which Icon believes are necessary for the development of this type of orebody.

No work is planned until the licence has been granted, a process which will require a native title clearance.

Discussion

As well as carrying out the program described in our IPO Prospectus, Icon has evaluated several other projects and has successfully applied for more ground along the Peel Fault and for new areas in Far North Queensland. In fact we believe Icon now has a more prospective tenement package than when we floated on ASX in June.

However, we have recently experienced lower than normal levels of news flow reflecting the current stages of our various programs and this has translated into some softness in the share price. Nevertheless, as our projects advance, we expect the share price to respond to results which will highlight the quality of the tenements and the robustness of Icon's exploration strategy.

John Bishop Managing Director
17 October 2006

The information in this report that relates to Exploration Results is based on information compiled by Dr John Bishop, who is a member of the Australian Institute of Geoscientists. Dr Bishop is a full-time employee of Icon, and has sufficient experience relevant to the styles of mineralisation and types of deposits under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Bishop consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



Icon at a Glance

Directors

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Dr John Bishop, Managing Director
Mr Steve Bartrop, Director

Company Secretary

Mr Rob Waring

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Number of Shareholders

At 17 October 2006 Icon had 624 shareholders.

Major Shareholders

The share register records the following as major shareholders at

Shareholder	%
Tropo Resources P/L	11.90
Fallon Nominees P/L	10.86
Golden Reef Enterprises P/L	7.71
John Richard Bishop	3.86
Sarah Victoria Bishop	3.86
Roger James Gollan Lewis	3.66
Amelia Barbara Lewis	3.47
Gage Resources P/L	1.57
St Jude Exploration P/L	1.57
Mandel P/L	1.25

Cash Balance

At 30 September 2006 Icon's cash balance was approximately \$3.1 million.

ASX Listing Code

The Company's ASX listing code is IHL.

Issued Capital

At 16 October 2006 Icon's issued capital was 40,000,000 ordinary shares and 1,200,000 unlisted options exercisable at 30 cents by 8 March 2011.

Shareholder Enquiries

Matters relating to shares held and change of address should be directed to the share registry:

Computershare Investor Services P/L
Level 2, 45 St Georges Tce
Perth WA 6000
Ph: +1300 557 010

To receive Icon's announcements by email,
write down your e-mail address & fax to
02 9279 2727
or email to
info@iconresources.com.au

Name

.....

E-mail address

.....

Website

Please visit Icon's website for the latest announcements and news:
www.iconresources.com.au

General Enquiries

Contact John Bishop on 0418 373 429 or
email to jbishop@iconresources.com.au

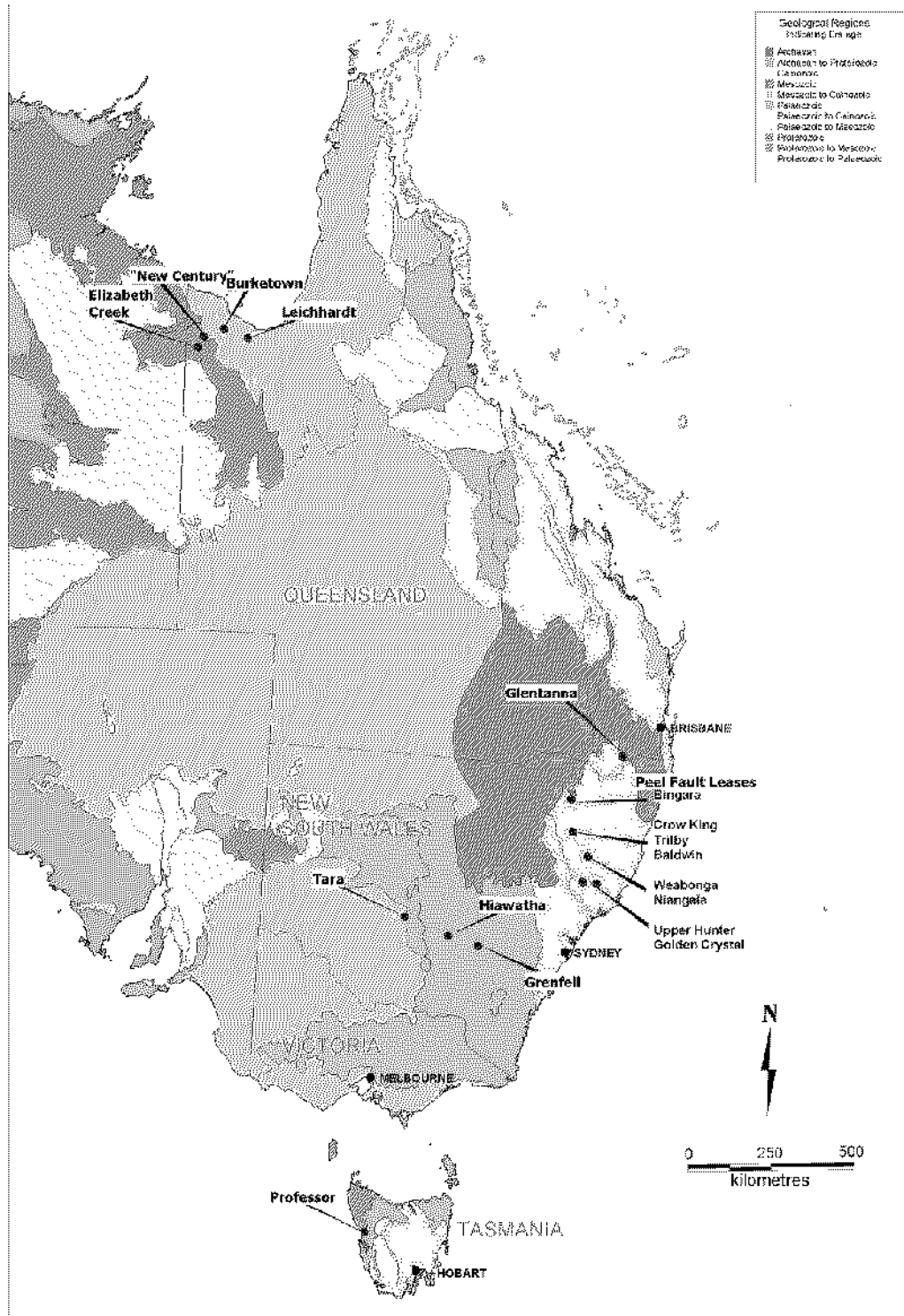


Figure 1. Icon tenement locations.