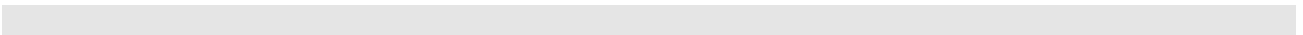




I C O N
R E S O U R C E S

Annual Report 2007



Corporate Directory

Directors

Andrew White	<i>Chairman</i>
John Bishop	<i>Managing Director</i>
Steve Bartrop	<i>Non-executive Director</i>

Company Secretary

Robert Waring

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Telephone: 1300 557 010

Auditors

Barnes Dowell James

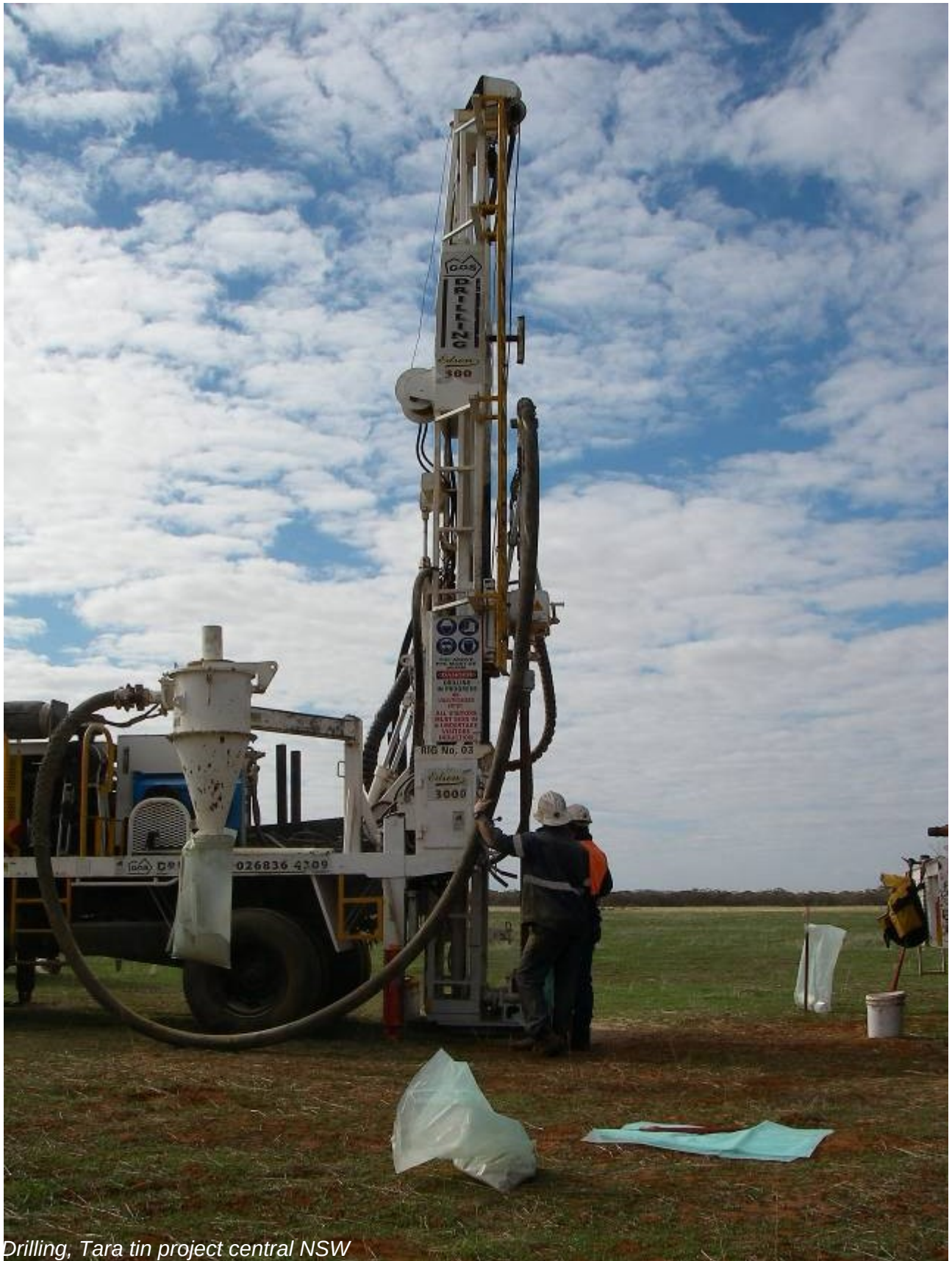
Listed on the Australian Stock Exchange

ASX Code: III

ABN: 77 115 009 106

TABLE OF CONTENTS

Chairman's Report	3
Review of Operations	5
Schedule of Tenements	17
Directors' Report	19
Income Statement	23
Balance Sheet	24
Statement of Cash Flows	25
Statement of Changes in Equity	26
Notes to the Accounts	27
Directors' Declaration	41
Auditor's Independence Declaration	42
Independent Auditor's Report	43
Corporate Governance Statement	44
Shareholder Information	46



Drilling, Tara tin project central NSW

CHAIRMAN'S REPORT

Icon Resources Ltd has prospects for base and precious metals spread across eastern Australia. During the last twelve months we have persisted with our strategy of testing the prospects as quickly as possible and as thoroughly as warranted, we have put together a small team of good people to do the work, and the company successfully raised \$2 million additional capital in June. We have completed a lot of groundwork that should enable us to keep drilling robust targets for the foreseeable future, and if we keep drilling we will make a worthwhile discovery.

We have added significant value to several prospects. Metallurgical test work on the zinc in peat deposit in our Professor leases (West Coast Tasmania) led us to conclude an agreement with Rogers Chemical Engineering to complete the test work and build a pilot plant to demonstrate zinc can be profitably extracted from the surface peat deposits. Test results so far are very positive. Drilling, bulk sampling and geophysical programs were also completed, and core samples from the latest drilling program are currently being assayed for gold as well as zinc.

At our Tara project in central western NSW, we have outlined a 3km by 2 km alteration system containing tin, tungsten, copper and zinc mineralisation. The geology is analogous to major tin producing provinces elsewhere in the world, and our target is bonanza-grade tin lodes like those found in Cornwall and Peru. The prospect is under about 20m of cover, and therefore we have had to use extensive geophysical surveys and drilling to improve our understanding of the geology.

At Grenfell in central NSW the target is a concealed gold-bearing porphyry intrusive, similar to the one exposed 12km to the north at Grenfell, that produced several tonnes of gold in the 1860s. We have just commenced a drilling program, with the first hole, which intersected a zone of intensive alteration. Assays are under way.

In all our other projects, excellent progress has been made to develop drill targets; negotiate Native Title Agreements leading to grant of titles and/or consolidation of ground positions. Icon acquired the Foresthorne copper-zinc prospect in central Queensland, where we are currently confirming the historic inferred resource of 0.9Mt @ 2.3% Cu + 3.3% Zn. In addition, Icon has been granted two permits to explore for uranium in a new province in SE Queensland and has applied for a number of under-explored porphyry copper style prospects in SE NSW. Your Board has considered, and is considering, a number of possible new ventures and prospects, with the ongoing aim of acquiring high quality new opportunities for Icon.

We think that the market may be unstable for the next few months, but in the longer term there is an underlying strength to mining mainly because of domestic growth in China and India. Our targets are carefully selected on the basis that discoveries can quickly be brought into profitable operation and the mix is right to manage present risk. My view is we are on the right track for success and we aim to get there as quickly as possible.

John Bishop has provided outstanding leadership, drive and enthusiasm for Icon, Steve Bartrop provides remarkable market insight and balanced judgement of what we do. And on behalf of you, the shareholders, and my fellow directors, I want to thank the rest of the Icon team for a marvellous job of getting us to where we are in a very short time.



Dr Andrew H White

Chairman

27 September 2007

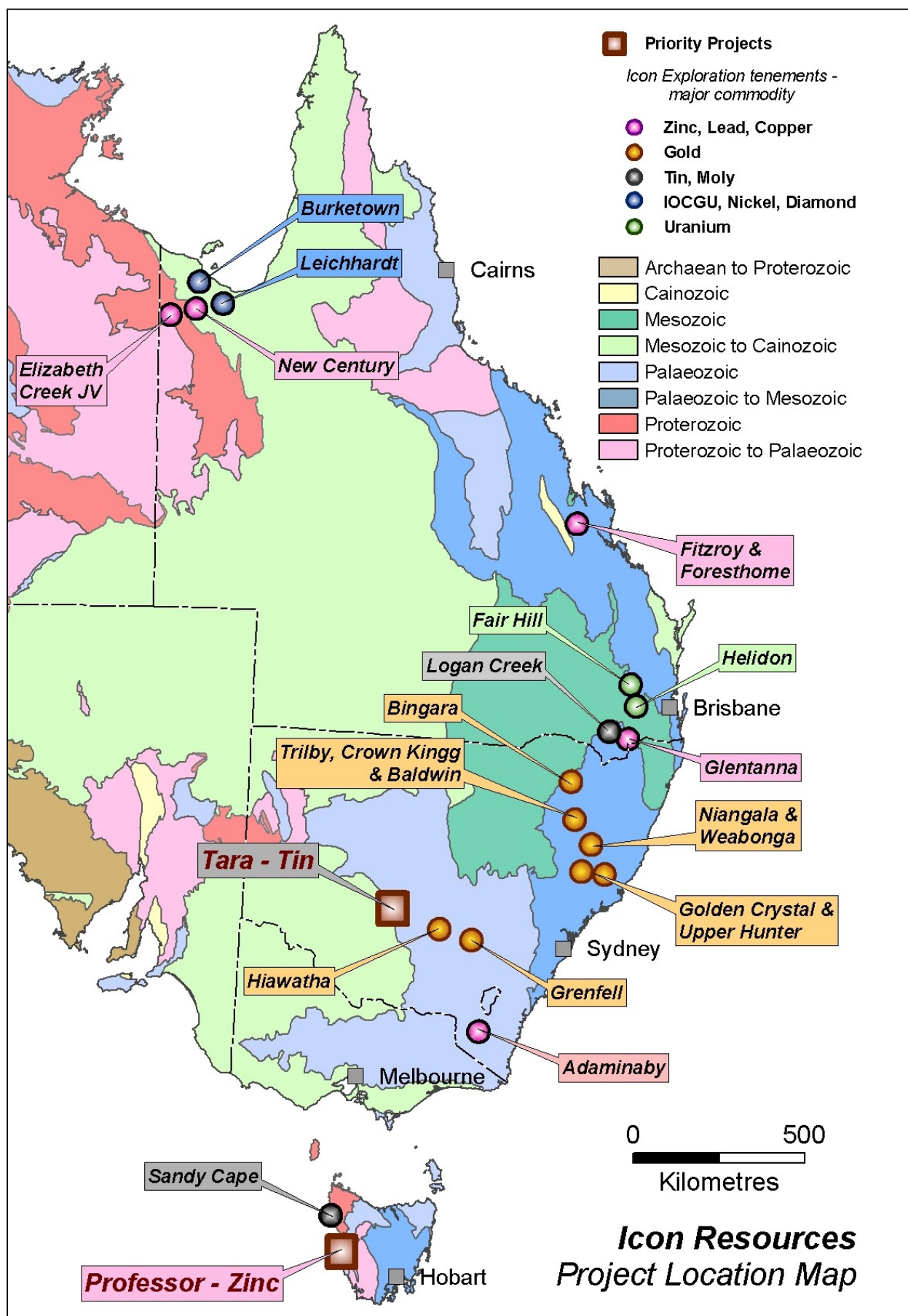


Figure 1. Icon tenement locations.

REVIEW OF OPERATIONS

Since its listing in June '06 Icon has drilled four different projects. On two of them, Tara Tin and Professor Zinc, work is continuing, whilst drilling is presently underway at Grenfell.

We have applied for several licences since our last annual report and a brief description of these is given below together with summary of our activities over the past year. Figure 1 shows the locations of Icon's current exploration licences and applications.

PROFESSOR PROJECT: ZINC, W. TAS. (III 100%)

Tenements: ELs 47/2005 (Henty Rd) and 8/2005 (Amber Ck)

Target: 'Irish-style' carbonate hosted zinc-lead associated with shallow secondary zinc-in-peat resources and deeply weathered oxide-zinc potential.

Work completed in 2006-07. Significant progress has been achieved in the characterisation and metallurgical processing of the near-surface zinc-bearing peat resource and a program of large diameter auger sampling completed as the first phase of delineating an economic resource.

Exploration for primary mineralisation included the completion of a large 3D IP survey covering the prospective sequence to the west and north of the known mineralisation at Grieves Siding, and two diamond drilling programs.

Results. The 52 auger holes (to 9m) successfully established an effective sampling methodology for peat resource definition and potentially extended the width of the peat resource at Grieves with extensions along strike to be tested in subsequent programs. Approximately 200 bagged 25kg peat samples are presently stored in Zeehan with additional bulk composites retained in the field for future testwork.

The initial phase of diamond drilling comprised four holes totalling 722m. The first hole, (IPD001) was designed to test the basal contact mineralisation at depth, targeting primary sphalerite ore, however the hole intersected weak zinc oxide mineralisation approximately 150m down-dip from the previous deepest intersection. Three more holes were drilled which tested infill areas of zinc 'oxide' mineralisation near the Grieves Fault and the Fault itself.

The 3D IP survey delineated a number of discrete chargeability anomalies, three of which were drill-tested in mid-2007. The first hole of this program (IPD005) intersected minor zinc-bearing siderite alteration and clay pug adjacent to the basal contact, with the IP response interpreted to relate to fine disseminated pyrite within the host carbonates. This also appears to be the case in the two anomalies tested further to the west of Grieves. Final analytical results are awaited, however the anomalies tested to date are not considered to be associated with significant primary zinc mineralisation.

Forward program. Icon is progressing development of the Grieves Siding zinc mineralisation through a recently established agreement with Rogers Chemical Engineering P/L. (RCE). This agreement targets the near-surface zinc-in-peat but a parallel ore characterisation and metallurgical program will be commenced on the underlying zinc oxide mineralisation to determine the viability of processing this potentially significant resource. RCE has the right to earn up to 50% in the processing operation.

If the program is successful, a profitable treatment of the zinc-in-peat will have been demonstrated by July '08 with a costed flowsheet for a mining operation. The process is expected to have global applications and Icon has already identified possible targets overseas where the technology might be usefully applied.

If economic processing options are established, additional drilling and bulk sampling will be undertaken at Grieves to define mineable reserves, and to identify additional resources along the ~25km of potentially mineralised horizon within the Professor project area.

REVIEW OF OPERATIONS



Figure 2: Large diameter auger sampling of zinc-in-peat, Grieves Siding, Professor Project, Western Tasmania.

TARA PROJECT: TIN-TUNGSTEN, CENTRAL NSW (III 100%)

Tenements: EL 6532 (Tara), ELA 2953 (Tara Extended)

Target: Concealed intrusion-related tin-tungsten veins / stockworks and breccia pipes.

Work completed in 2006-07. Initial shallow drilling of a series of conceptual targets flanking the previously identified discrete magnetic anomaly highlighted the potential for a laterally extensive tin system associated with a deeply buried mineralising intrusive. This completely concealed system has the potential to host significant polymetallic mineralisation, and Icon is utilising geophysics to resolve targets for drill testing.

Two shallow resistivity surveys have been completed to map the weathered basement beneath relatively shallow (~25m) alluvial cover, and in July a large 3D IP survey and detailed ground magnetics were completed. These surveys have highlighted a number of potentially mineralised structures over a ~3 km by ~2 km area.

A program of shallow air-core drilling was completed to commence mapping basement geochemistry and investigate several features identified in the resistivity data.

Two diamond holes were also drilled to follow up the initial “conceptual” holes to provide geological data on the host basement lithologies and the mineralising system.

Results. The initial phase of drilling intersected elevated tin values in two of the four widely-spaced drillholes. Petrographic examination confirmed the presence of cassiterite and the follow-

REVIEW OF OPERATIONS

up diamond holes completed in mid- 2007 intersected a complex network of polymetallic veining including fluorite / cassiterite / sphalerite veins, pyrite-chalcopyrite veins and some tungsten mineralisation (wolframite and scheelite).

Preliminary assay data for the first drillhole have confirmed elevated tin, tungsten and base metal contents, but no ore-grade intervals have been reported as individual mineralised veins are diluted by intervening largely unmineralised altered wall rocks.

The presence of extensive hornfelsing, increasing fluorite contents and minor widespread tungsten associated with the tin-base metal veining may indicate proximity to a mineralising intrusive, but at this stage vectors to more intensely mineralised parts of the system are unclear.

The recently completed 3D IP and detailed ground magnetic surveys have highlighted potentially mineralised structures across the prospect area, including satellite chargeable bodies to the NW and SW of the central anomaly partially tested to date.

Forward program. Icon is in the process of integrating the geophysical and geochemical data from work completed throughout the year to enhance the geological model for the project and develop targets for the next phase of evaluation.

As shallow air-core sampling has been relatively effective in mapping tin anomalism within the basement, it is likely that target areas defined by the geophysics will be “firmed-up” with additional geochemistry prior to further diamond drilling.

Icon considers Tara to represent a significant undeveloped tin-tungsten system, but the challenge of locating ore-grade zones within the extensive mineralised envelope may necessitate the introduction of suitable JV partners, or alternative funding arrangements for exploration and development beyond 2008.



Figure 3. Chargeability anomalies from a recent 3D IP survey indicating large areas of untested mineralisation (△ indicates drill collar)

REVIEW OF OPERATIONS

GRENFELL: GOLD, CENTRAL NSW (III 100%)

Tenement: EL 6559

Target: Concealed “Porphyry-related gold” linked to extensive historical hard-rock and alluvial gold workings.

Work completed in 2006-07. A 3D IP survey completed across the northern portion of the tenement was followed up by geological reconnaissance and a series of detailed soil XRF (Niton) geochemical surveys. The results of these surveys have been incorporated with existing geophysical and geochemical data. A number of priority targets have been identified and drilling commenced at the prospect in August 2007.

Results. The 3D IP identified several chargeability anomalies which may relate to pyritic mineralisation adjacent to historical gold workings and mapped a large resistive body in the central portion of the grid. Niton soil geochemistry has highlighted coherent multi-element anomalies associated with many of the known mineralised structures, and defined additional mineralised corridors.

The first hole of the current program targeting the central resistivity feature has intersected a 20m thick zone of intense alteration from ~220m. This is considered to be very encouraging, but analytical results are awaited to confirm any gold association

Forward program. Icon is proceeding to drill test additional geophysical and geochemical anomalies, including two areas of historical workings which have not been previously evaluated at depth. Testing extensions to the recently intersected zone of alteration mapped by the 3D resistivity data may also be incorporated in the current program.

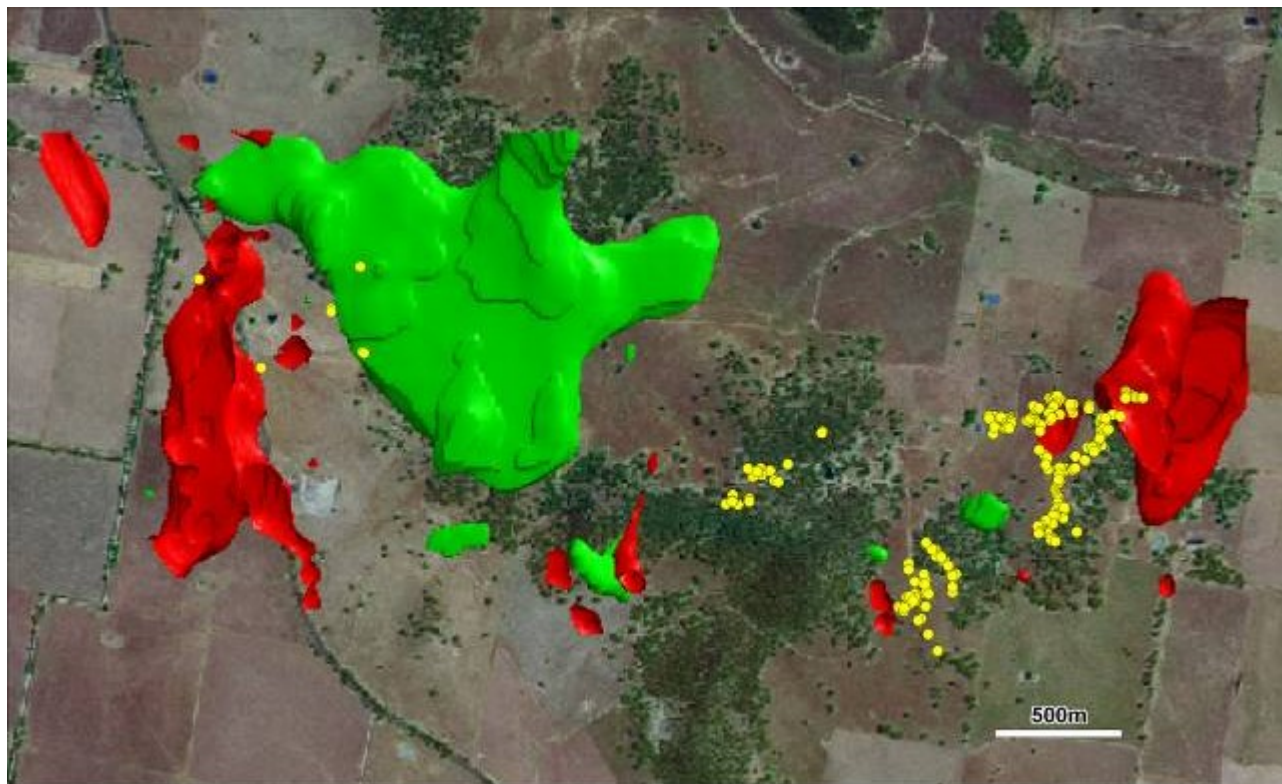


Figure 4. Grenfell 3D IP survey showing central resistivity high (green) with flanking chargeability responses (red). The first hole, collared into the resistivity high, intersected a 20m thick zone of intense alteration from ~220m. Assays are awaited. (● : historic gold workings)

REVIEW OF OPERATIONS

HIAWATHA: GOLD, CENTRAL NSW (III 100%)

Tenement: EL 6291

Target: Concealed 'Porphyry-related gold' similar to Grenfell, or a variant of the nearby Lake Cowal system.

Work completed in 2006-07. A 3D IP survey was completed in early 2007 with geological reconnaissance and a series of detailed soil Niton geochemical traverses recently undertaken.

Results. The 3D IP identified broad chargeable zones which may relate to pyritic mineralisation adjacent to historical gold workings, and geochemical results are currently being compiled to define targets.

Forward program. Drilling of priority targets at Hiawatha is scheduled to follow on from the current Grenfell program.

PEEL FAULT PROJECT: GOLD, NE NSW (III 100%)

Tenements: EL6618 (Upper Hunter), EL6619 (Golden Crystal), EL6620 (Weabonga), EL6648 (Crow King), EL2805 (Trilby), EL2806 (Bingara), EL2807 (Baldwin), EL2827 (Niangala).

Target: The Peel Fault on the western margin of the New England Foldbelt is a Palaeozoic greenstone belt with extensive historical gold occurrences along its length. The zone has received little attention and remains remarkably under-explored. The belt is considered prospective for Californian 'Mother-lode' and related vein gold systems, and has potential for platinum group minerals, nickel, chrome and diamonds.

Work completed in 2006-07. Icon has now consolidated its position with eight separate tenements distributed along the belt and a data compilation together with a proposed exploration program is currently being finalised with evaluation initially focused on Weabonga and Crow King.

A detailed aeromagnetic/radiometric survey has been carried out over Weabonga and Niangala with a 3D IP survey and Niton surveying at Weabonga.

At Crow King geological reconnaissance has confirmed extensive distinctive alteration zones within ultramafic rocks peripheral to the known gold workings, and soil Niton geochemical sampling has commenced.

Results. At Weabonga, interpretation of the aeromagnetic/radiometric data has been integrated with the results from 3D IP and soil Niton geochemical sampling to identify targets for initial drill - testing . A series of IP chargeability anomalies and discrete soil arsenic anomalies have been identified, some of which are associated with historical gold workings.

Preliminary analysis of geochemical sampling at Crow King indicates that both the structurally controlled known gold mineralisation and potentially significant alteration zones within the ultramafics can be effectively mapped.

Forward program. Detailed geological mapping to assist drill targeting is scheduled to be completed at Weabonga. Mapping of the extensive alteration zones at Crow King will also be completed in conjunction with additional geochemical and geophysical surveys.

While Icon is continuing to add value to key prospects within the Peel Project, regional data compilation is progressing to the point where JV partners can be sought to advance the exploration of the entire prospective belt.

REVIEW OF OPERATIONS

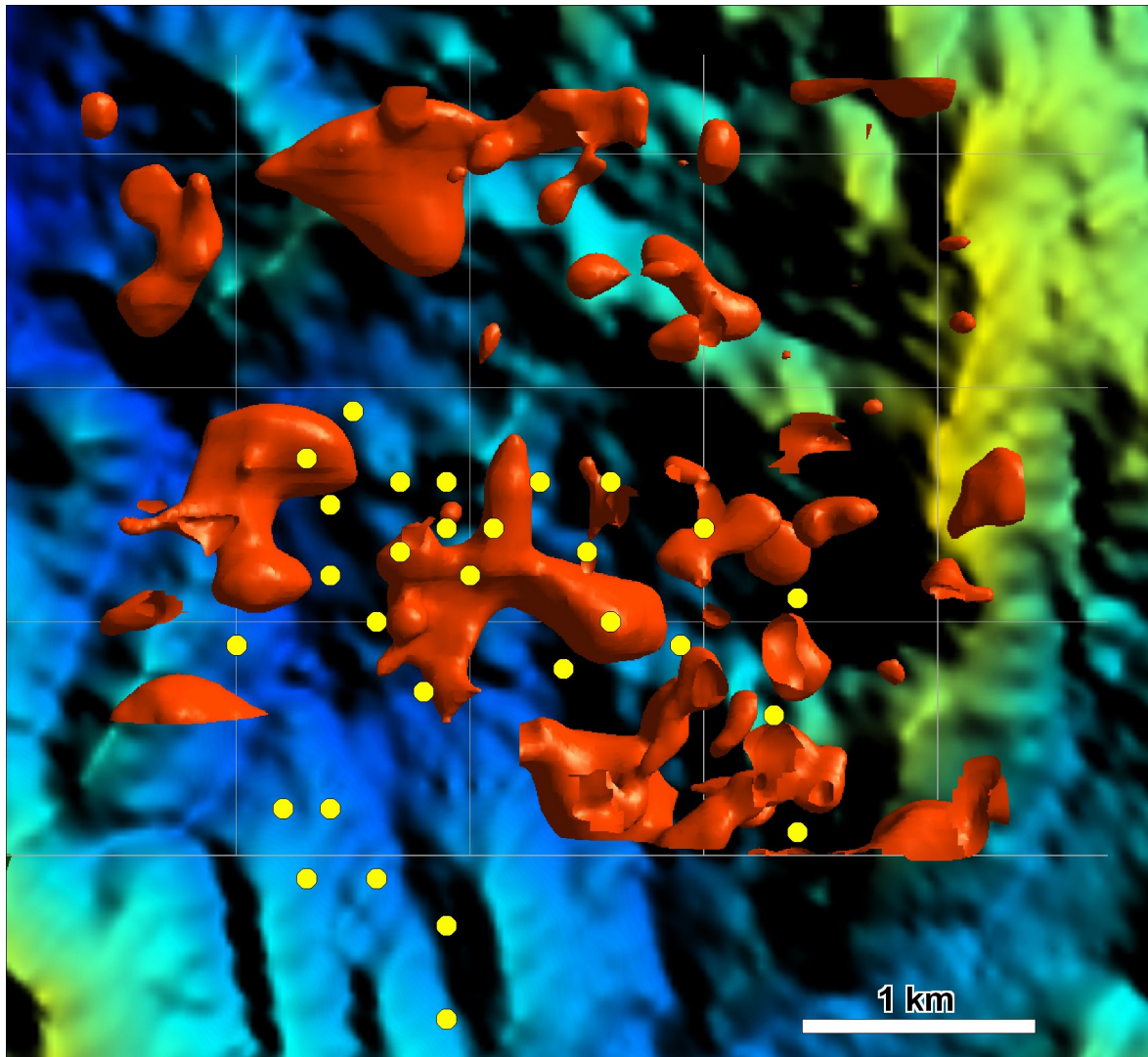


Figure 5: Weabonga 3D IP chargeability responses with historic gold workings (●) superimposed on a pseudocoloured digital terrain model.

LOGAN CK: MOLYBDENUM, SE QLD (III 100%)

Tenement: EPM 15007

Target: Intrusive-related molybdenum

Work completed in 2006-07. No survey work since the previous reporting program when an extensive IP and drill program was carried out at Crystal Mountain to the south of Logan Creek.

Forward program –Preliminary negotiations are under way to vend or JV the permit into a specialist company exploring for molybdenum and associated metals.

REVIEW OF OPERATIONS

GLENTANNA: POLYMETALLIC, SE QLD (III 100%)

Tenement: EPM 15401

Target: Volcanic-hosted style polymetallic (Cu/Zn) massive sulphide lenses

Work completed in 2006-07. Data compilation and reconnaissance field investigations

Results. Untested anomalies from previous work plus extensive areas of host volcanics

Forward program. Previous work by the Geological Survey of Queensland estimated a (non-JORC) inferred resource of 0.2Mt at 5% zinc. Icon is planning a series of geophysical surveys to identify new zones of mineralisation as well as extensions to existing mineralisation.



Figure 6. Silverwood Copper Mine. This lies approximately 3 km along strike from the Grieves Quarry mineralisation where the GSQ estimated a (non-JORC) inferred resource of ~0.2Mt at 5% zinc. Data searches to date suggest that it has not been drilled and has had minimal exploration. Insert: copper staining, malachite (green) and azurite (blue) on float from the Silverwood mine.

HELIDON AND FAIR HILL: URANIUM, SE QLD (III 100%)

Tenements: EPM 16454 (Helidon) and 16285 (Fair Hill)

Target: Sediment-hosted uranium at Helidon; caldera-style uranium at Fair Hill

Work completed in 2006-07. Regional data assessment and applications

Forward program. Geological reconnaissance / possible JV into specialist Qld uranium explorers

REVIEW OF OPERATIONS

FITZROY: POLYMETALLIC, CENTRAL QLD (III 100%)

Tenements: EPM 13961 (Foresthorne) and EPMA 16665 (Fitzroy)

Target: Volcanic-hosted style polymetallic (Cu/Zn) massive sulphide lenses

Work completed in 2006-07. Data compilation and remodelling of the Develin Ck resource

Results. Awaiting final confirmation of the modelling but indications are that it will confirm the previous estimate of a (non JORC) inferred resource of ~0.9Mt @2.3% Cu + 3.3% Zn. in two discrete mineralised bodies

Forward program – Geophysical surveys planned to identify new zones of mineralisation as well as further lenses of massive sulphides at Develin Ck, both at depth and concealed beneath extensive Tertiary cover. A broader regional program is planned within the surrounding Fitzroy permit application targeting additional systems through a 50km long belt of under-explored terrain.

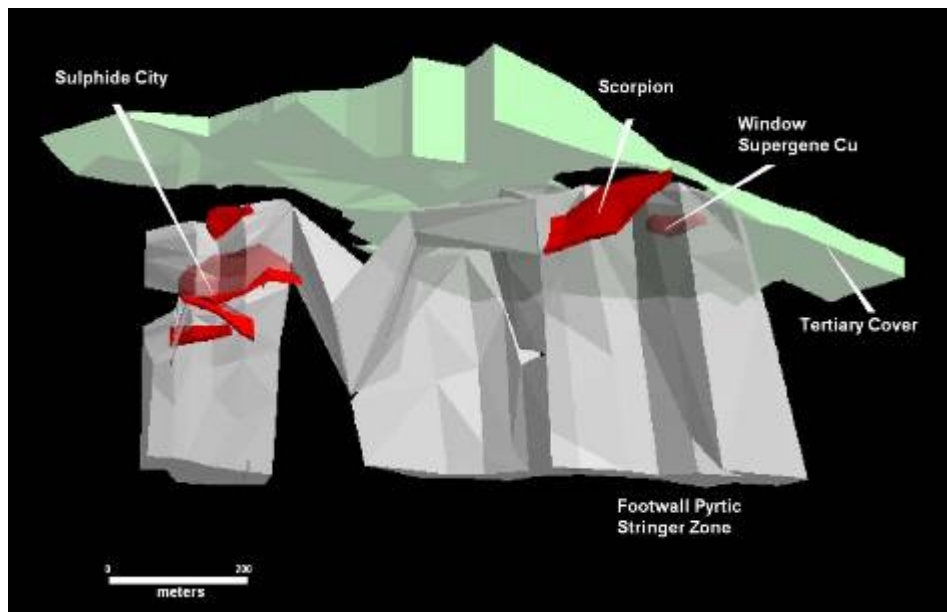


Figure 7. Perspective diagram (looking SE) of the Develin Ck volcanic-hosted massive sulphide lenses, Foresthorne, central Qld.

NW QLD PROJECTS

Icon through its 100% owned subsidiaries holds granted tenements and applications over large areas along the NW margin of the highly prospective Mt Isa block in NW Qld. These project areas cover both outcropping and concealed targets with potential for world-class sediment-hosted (SEDEX) 'Century-style' zinc mineralisation and Iron oxide copper-gold –uranium (IOCGU) deposits, and may host significant iron, nickel, PGE and unconformity –related uranium.

ELIZABETH CREEK: ZINC, NW QLD (Icon-Zinifex JV)

Tenement: EPM 14589)

Target: Sediment-hosted Zn/Pb/Ag similar to the nearby Century deposit plus iron ore

Work completed in 2006-07. Elizabeth Ck is under a joint venture agreement with Zinifex who are managing the exploration. Zinifex have been conducting geochemical programs over the Lawn Hill Formation in the eastern half of the permit and have been assaying core collected by previous explorers investigating the Constance Range iron ore deposits (mainly BHP) for basemetals.

Forward program. Zinifex will continue to progress its exploration program for zinc, but Icon will also investigate the potential to develop the iron ore.

REVIEW OF OPERATIONS

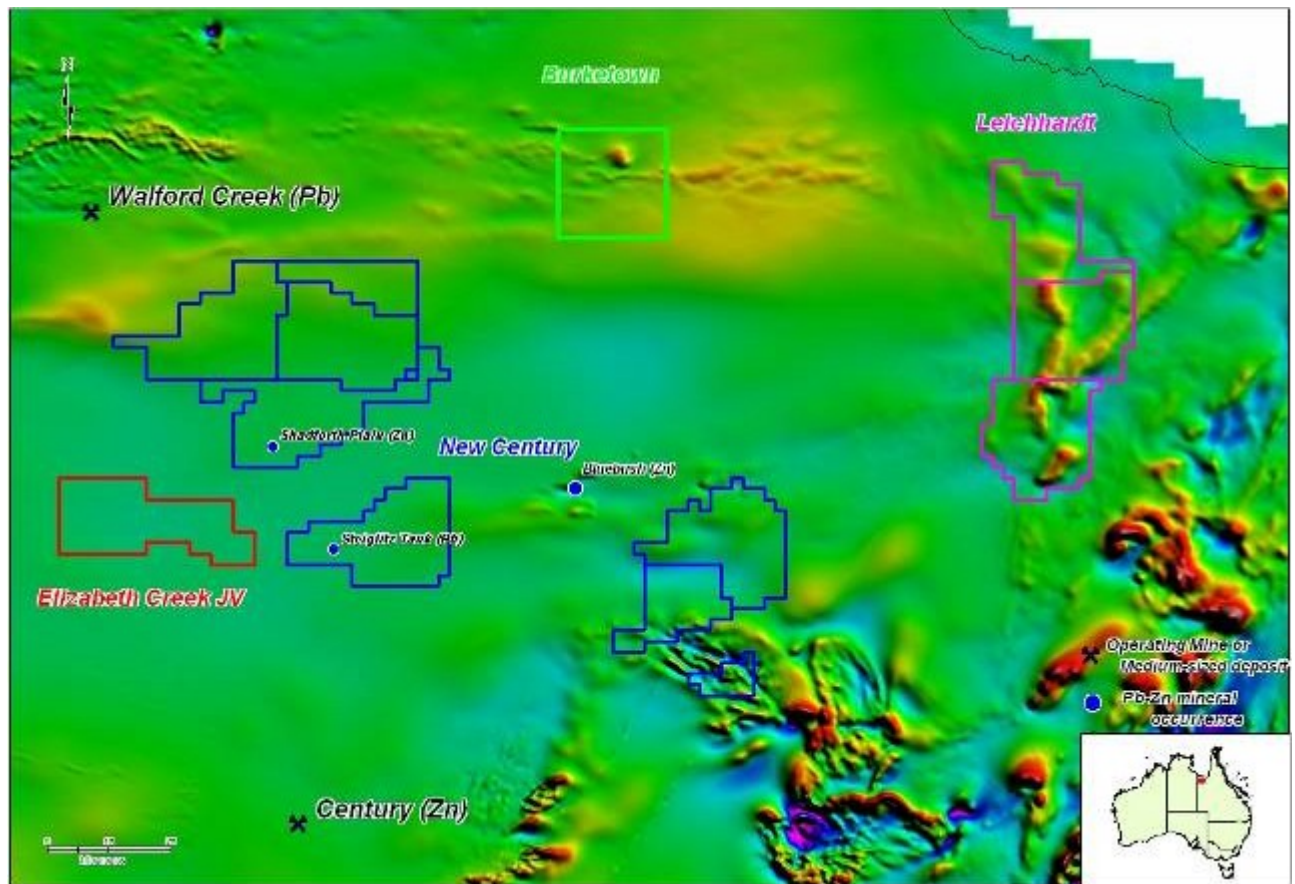


Figure 8. Icon's NW Qld tenements superimposed on an aeromagnetic image.

NEW CENTURY: ZINC, NW QLD (III 100%)

Tenements: EPMA's 15866 (Argyle Ck) 15867 (Desert Ck), 15904 (Bannockburn), 16228 (Shadforth), 16229 (Sandy Ck), 16230 (Steiglitz) and 16232 (Almora)

Target: Sediment-hosted Zn/Pb/Ag similar to the nearby Century deposit

Work completed in 2006-07. Icon Resources Ltd has lodged 7 semi-contiguous exploration permit applications covering over 1900 km² to the NW of the Century Zinc Mine, highly prospective for sediment-hosted (SEDEX) zinc-lead mineralisation. The region hosts a number of world-class base metal deposits and represents one of the world's most productive zinc provinces. Work to date has consisted of a compilation of the preceding exploration data.

Forward program. Recent research indicates that Century-style deposits are associated with the drainage of metal-bearing brines derived from deeply buried sedimentary - volcanic source rocks deposited in rift basins.

The basins covered by the Icon tenements drain large volumes of potential source rocks, and the seismic data suggest that prospective sediments along the northern boundary are faulted close to the surface.

Icon is proposing to refine definition of the basin architecture by re-processing and re-interpretation of the available seismic data, together with structural interpretation of the aeromagnetic, radiometric and satellite coverage. Prospective corridors will be explored with soil geochemistry to detect lead-zinc and associated pathfinder anomalism due to leakage from potential deposits to the

REVIEW OF OPERATIONS

surface particularly along faults. Modern 3D induced polarisation techniques will be employed to resolve drilling targets.

Until the permits are granted, no work will be done on the ground.

BURKETOWN: COPPER GOLD URANIUM NICKEL, NW QLD (III 100%)

Tenement: EPM 15368

Targets: Iron oxide copper gold uranium; (ie Olympic Dam style mineralisation); nickel.

Work completed in 2006-07. This tenement has been recently granted and negotiations have commenced with the traditional owners to facilitate the exploration program. Icon is in the process of applying for financial assistance with this program through the State Government's recently implemented assistance scheme.

Forward Program. EPM 15368 has potential for iron oxide copper gold uranium (IOCGU) style mineralisation in the form of large near-coincident basement magnetic and gravity anomalies under 300-400m of younger sedimentary cover (ie, similar to Olympic Dam). There is also an extensive system of altered mafic dykes with potential similarities to Voisey Bay –style nickel.

LEICHHARDT: COPPER GOLD URANIUM NICKEL, NW QLD (III 100%)

Tenements: EPM 15386 (North) 15387 (Central) and 15388 (South)

Targets: Iron oxide copper gold uranium; nickel; PGEs

Work completed in 2006-07. The Leichhardt permits lie on the east side of the northern termination of the Isa Rift under cover. Two of the three tenements have been granted and a preliminary interpretation of the regional geophysical data has been carried out. The tenements are interpreted to cover a triple plate junction containing large volumes of mafic/ultramafic rocks where the mineralised western plate (eg, Westmoreland uranium) meets the similarly mineralised (Mt Isa copper, etc) southern plate under a variable thickness of cover.

Forward Program. Upon granting of all three tenements, JV partners will be sought to advance a series of conceptual targets being developed within the project area. An early program will be to determine the topography of the younger cover and to concentrate effort in areas where basement is shallowest.

RECENT ACQUISITIONS:

ADAMINABY: Copper/Gold, SE NSW (III 100%)

Tenements: ELA 3261 (Kyloe) and ELA 3262 (Jindabyne)

Target: Porphyry style copper/gold

Application Rationale. Icon has identified a group of under-explored mineral occurrences in southern NSW which have been described by the NSW Mines Dept as 'porphyry coppers' including one, Kyloe, described as a 'large porphyry copper' where the mine closed in 1913. It is now partially covered by Lake Eucumbene and appears never to have been pegged for an exploration licence.

Forward program. A regional data compilation will be carried out and any airborne geophysical datasets evaluated. When granted, geophysical surveys such as 3D IP will be used early in the program to define the extent of the mineralisation.

REVIEW OF OPERATIONS



Figure 9. Two Icon applications containing mineral occurrences identified by the NSW Geological Survey as *porphyry copper* style, superimposed on a Google Earth image. 'Kyloe' in the northern application was mined until 1913 and is described as a "large porphyry copper" system. All ten prospects are regarded as under-explored.

REVIEW OF OPERATIONS

SANDY CAPE: Tin, W. TAS (III 100%)

Tenement: ELA 26/2007 (Sandy Cape)

Target: skarn or Replacement tin-tungsten deposit

Application Rationale. The application covers portion of the Devonian Sandy Cape Granite and several adjacent magnetic responses. Many of Tasmania's granites of this age are associated with mineralisation and tin occurs within and around the nearby Heemskirk Granite. The area is remote and has had very little exploration.

Forward program. When granted, a series of Niton surveys over selected magnetic responses within the licence are planned for the first-pass exploration program.

Following some recent appointments, Icon is now close to full strength. Since the last annual report, Darcy Milburn has joined us as Exploration Manager and Bron Kimber and Andy Wakefield as project geologists and Ben Harper will be joining us as senior geologist in late October. Steve Northey continues to admirably manage our field operations and Jane Capp does much more than smoothly administer our tenement database and reporting.

Icon intends to continue its policy of acquiring potentially world-class conceptual targets and under-explored historic mine fields; working them up –using modern geophysical and geochemical techniques and rapidly assessing them, We have been very encouraged by the results we have obtained at Professor and Tara and will continue to add value there, but not to the exclusion of our other projects.



John Bishop
Managing Director

Competent Person

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.

SCHEDULE OF TENEMENTS

Name	Number	Expiry Date	Status	Licence Holder
New South Wales				
Tara	EL6532	14-Mar-08	Granted	Icon
Grenfell	EL6559	12-Aug-08	Granted	Icon
Upper Hunter	EL6618	29-Aug-08	Granted	Icon
Golden Crystal	EL6619	29-Aug-08	Granted	Icon
Weabonga	EL6620	29-Aug-08	Granted	Icon
Crow King	EL6648	18-Oct-08	Granted	Icon
Hiawatha	EL6670	27-Nov-08	Granted	Icon
Trilby	EL6680	13-Dec-08	Granted	Icon
Bingara	EL6681	13-Dec-08	Granted	Icon
Baldwin	EL6682	13-Dec-08	Granted	Icon
Niangala	EL6683	13-Dec-08	Granted	Icon
"Tara Extended"	ELA2953		Application	Icon
Kyloe	ELA3261		Application	Icon
Jindabyne	ELA3262		Application	Icon
Queensland				
Almora	EMPA16232		Application	Troutstone
Foresthorne	EPM13961	23-Jun-08	Granted	Icon
Elizabeth Creek	EPM14589	04-Aug-10	Granted	Cast Resources
Logan Creek	EPM15007	26-Sep-07	Granted	Icon
Burketown	EPM15368	01-Aug-09	Granted	Golden Reef
Leichhardt (North)	EPM15386		Application	Troutstone
Leichhardt (Central)	EPM15387	19-Dec-08	Granted	Troutstone
Leichhardt (South)	EPM15388	19-Dec-08	Granted	Troutstone
Glentanna	EPM15401	28-Jun-08	Granted	Icon
Argyle Creek	EPM15866		Application	Troutstone
Desert Creek	EPM15867		Application	Troutstone
Bannockburn	EPM15904		Application	Troutstone
Fair Hill	EPM16285	23-Aug-10	Granted	Icon
Shadforth	EPMA16228		Application	Troutstone
Sandy Creek	EPMA16229		Application	Troutstone
Steiglitz	EPMA16230		Application	Troutstone
Helidon	EPMA16454	30-Jul-10	Granted	Icon
Fitzroy Project	EPMA16665		Application	Icon
Tasmania				
Henty Road	EL47/2004	10-Feb-10	Granted	Sth Eastern Resources
Amber Creek	EL8/2005	29-Mar-11	Granted	Sth Eastern Resources
Sandy Cape	ELA26/2007		Application	Icon



Bron Kimber and Steve Northey (foreground) making Niton measurements on core from the Professor zinc project, western Tasmania.

DIRECTORS' REPORT

Your Directors present the financial report of the Company for the period ended 30 June 2007.

The following persons hold office as Directors at the date of this report and throughout the period. Their qualifications and experience are:

Dr Andrew H White, *Chairman*

Andy White has been a director of Icon since 8 November 2005. Andy is a geologist with more than 42 years experience in the industry. He has been exploration minerals manager for exploration and mining companies and has been an independent consultant since 1983. Andy is the author of the text 'Management of Mineral Exploration' and has for many years conducted courses on exploration and financial evaluation of mining projects for senior industry personnel.

Dr John R Bishop, *Managing Director*

John Bishop has been a director since 18 October 2005. John formed the geophysical consulting company Mitre Geophysics in 1980 and has provided exploration advice, often leading to increased resources and/or reserves, for a variety of commodities in several countries. Prior to Mitre, John had government, industry and academic experience. John has had a long interest in developing innovative techniques to improve the effectiveness of mineral exploration and has published more than twenty five papers on geophysical applications to exploration.

Stephen B Bartrop, *Director*

Steve Bartrop has been a director since 28 June 2005. Steve is a principal of Stock Resource and has been a top rated resource analyst working for Macquarie Bank, Bankers Trust, Ord Minnett and J P Morgan. Prior to entering the financial markets, Steve worked with Ashton Mining for five years and then for MIM for a similar period. Steve is currently completing a PhD in mineral economics at Curtin University of Technology.

Robert J Waring, *Company Secretary*

Robert Waring's experience has been gained over 36 years in financial and corporate roles including 16 years in company secretarial roles for ASX listed companies and 12 years as a Director of an ASX listed company. He is a Director of Oakhill Hamilton Pty Ltd, a company which provides secretarial and corporate advisory services to a range of listed and unlisted companies.

Directors' Interests in Shares and Options

Directors' interests in shares and options as at 30 June 2007 are set out in the table below. Between the end of the financial year and the date of this report, Andy White has subscribed for 44,444, John Bishop for no shares and Steve Bartrop for 345,504 shares, either directly or indirectly.

Director	Shares Directly and Indirectly Held	Options
Stephen Bartrop	5,500,957	-
John Bishop	3,115,014	500,000
Andrew White	3,295,714	-

Activities

The continuing principal activity of the Company is the exploration for economic deposits of minerals. For the period of this report, the emphasis has been on tin, zinc and gold.

Results

The net result of operations after applicable income tax expense was a loss of \$389,134.

Dividends

No dividends were paid or proposed during the period.

Review of Operations

A review of the operations of the Company during the financial period and the results of those operations are contained in pages 5 to 16 in this report.

Corporate Structure

Icon Resources Ltd is a limited company that is incorporated and domiciled in Australia.

Employees

The Company had five employees as at 30 June 2007. The Company also uses contract geologists and other consultants as required.

Significant Changes

The Directors are not aware of any significant changes in the state of affairs of the Company occurring during the financial period, other than as disclosed in this report.

Matters Subsequent to the End of the Financial Period

There were at the date of this report no matters or circumstances which have arisen since 30 June 2007 that have significantly affected or may significantly affect:

- the operations of the Company,
- the results of those operations, or
- the state of affairs of the Company,

Likely Developments and Expected Results

As the Company's areas of interest are still at an early stage of exploration, it is not possible to postulate likely developments and any expected results. The Company

DIRECTORS' REPORT

is hoping to identify other precious and base metal exploration and evaluation targets.

Remuneration Report

The remuneration report is set out under the following main headings:

- (a) Principles used to determine the nature and amount of remuneration
- (b) Details of remuneration
- (c) Service agreements
- (d) Share-based compensation.

(a) Principles used to determine the nature and amount of remuneration

The objective of the company's remuneration framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders. The Board believes that executive remuneration satisfies the following key criteria:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency
- capital management.

These criteria result in a framework which can be used to provide a mix of fixed and variable remuneration, and a blend of short and long-term incentives in line with the Company's limited financial resources.

Board and Senior Management

Fees and payments to the non-executive directors and senior executives reflect the demands which are made on, and the responsibilities of, the directors and the senior management. Such fees and payments are reviewed annually by the Board. The executive and non executive directors, senior executives and officers are entitled to receive options under the company's employee share option scheme.

(b) Details of remuneration

Directors' and Executives' Remuneration

Directors are entitled to remuneration out of the funds of the Company but the remuneration of the Non-Executive Directors may not exceed in any year the amount fixed by the Company in general meeting for that purpose. The aggregate remuneration of the Non-Executive Directors has been fixed at a maximum of \$200,000 per annum to be apportioned among the non-executive directors in such a manner as they determine (refer below). Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at Board meetings and otherwise in the execution of their duties as directors.

The Directors have agreed that no non-executive Directors fees were to be paid for the 2007 year.

Details of the nature and amount of each element of the remuneration of each of the directors of Icon Resources Limited and each of the five senior executives of the company and the consolidated entity who received the highest emoluments during the year ended 30 June 2007 are set out in the following tables.

Table 1: Director and senior executive remuneration

Directors of Icon Resources Limited	Directors' Fees	Salaries	Consulting Fees	Super. Cont.	Options	Shares	Total
	\$	\$	\$	\$	\$	\$	\$
S B Bartrop	-	-	6,500	-	-	-	6,500
J R Bishop	-	161,549	-	14,539	-	-	176,088
A H White	-	-	57,782	-	-	-	57,782
Senior executives of the consolidated entity							
D Milburn	-	52,834	-	4,755	-	-	57,589

1. Any Options and shares that may be granted do not represent cash payments to directors or senior executives and share options granted may or may not be exercised by the directors or executives.

DIRECTORS' REPORT

Options and shares granted as part of remuneration

There were no Options or Shares issued as part remuneration during the financial year to 30 June 2007.

The value of any shares granted are recognised as expenses in the financial statements and are expensed, resulting in an increase in employee benefits expense for the relative financial year.

Options granted as a part of a director and executive remuneration are valued using a Black and Scholes option-pricing model, which takes account of factors including the option exercise price, the share price at time of grant, volatility of the underlying share price, the risk-free interest rate and the expected life of the option.

Fair value of options

The fair value of each option is estimated on the date of grant using a Black & Scholes option-pricing model with the relative weighted average assumptions applicable to each grant made. There were no grants of Options made during the financial year to 30 June 2007.

(c) Service agreements

Remuneration and other terms of employment for the directors and executives are formalised in Service/Appointment agreements.

All contracts with executives may be terminated early by either party with the stipulated number of months notice, subject to termination payments as detailed below.

Dr Andrew White

There is no written contract with Dr White, who received payments and benefits totalling \$57,782 in his role as a consultant of the company.

Stephen B Bartrop

There is no written contract with Mr Bartrop, who received payments and benefits totalling \$6,500 in his role as a consultant of the company.

Dr John Bishop

There is an employment agreement dated 27 February 2006 between Icon Resources Ltd and Dr John Bishop, whereby Dr Bishop will provide services to the Company at an agreed salary of \$165,000 per annum (inclusive of Director's fees), subject to review on each 31 December during the term of the Agreement. Dr Bishop received salary and benefits totalling \$176,088 during the financial year.

The employment agreement can be terminated by a minimum of 3 months notice.

d) Share Options

At 30 June 2007 the company had granted options over 1,200,000 unissued shares to directors and consultants, all issued in the 2006 financial year and expire 3 March 2011 at an exercise price of 30 cents per share. They are escrowed until 29 March 2008.

Directors' Interests

The relevant interest of each Director (including their associates) in the share capital of the company as at 30 June 2007 are set out in note 16 to the financial statements.

Any Options included in directors' and executives' remuneration are treated as follows:

Fair values have been assessed using the Black and Scholes option valuation methodology which takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the options, the current price and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Share Capital and Options

A detailed breakdown of the company's capital, including options (unquoted options and employee options) and convertible instruments is contained in Note 12 to the Financial Statements.

Meetings of Directors

Director's attendance at Directors meetings are shown in the following table:

Director	Meetings Eligible to Attend	Meetings Attended
Dr A H White	9	9
Dr J Bishop	9	9
Mr S Bartrop	9	9

Non-Executive Directors, Dr White and Mr Bartrop are members of the Company's Audit Committee. The Committee reviews the Company's financial systems, accounting policies, half-year and annual financial statements. There was one Audit Committee meeting during the period.

Directors, Officers, Senior Employees and Consultants Share Option Plan

The Company has established the Icon Resources Ltd Employees and Officers Share Options Plan ("the

DIRECTORS' REPORT

Plan”) to assist in the attraction, retention and motivation of the Company’s directors, officers, employees and senior consultants. No options have been granted under the Plan as at the date of this report.

A summary of the rules of the Plan is as follows. All Directors, officers, employees and senior consultants (whether full- or part-time) will be eligible to participate in the Plan after a qualifying period of 12 months employment by the Company or its subsidiaries (or, in the case of a senior consultant, having provided consulting services to the Company or its subsidiaries on a continuous basis for at least 12 months), although the Board may waive this requirement.

The allocation of options under the Plan is at the discretion of the Board.

If permitted by the Board, options may be issued to a nominee of a director, officer, employee or senior consultant (for example, to a spouse or family company).

Each option allows the option holder to subscribe for one fully paid ordinary share in the Company and will expire five years from its date of issue. Options will be issued free. The exercise price of options will be determined by the Board subject to a minimum price equal to the market value of the Company’s shares at the time the Board resolves to issue the options. The total number of shares the subject of options issued under the Plan, when aggregated with other options issued under the Plan during the previous five years must not exceed five percent of the Company’s issued share capital at the time.

The Board may amend the Plan rules at any time subject to the requirements of the ASX Listing Rules.

Indemnification and Insurance of Directors and Officers

During the financial year, the Company has paid premiums in respect of a contract insuring all the Directors against legal costs incurred in defending proceedings for conduct involving:

- 1) willful breach of duty; or
- 2) a contravention of sections 182 or 183 of the Corporations Act 2001, as permitted by section 199B of the Corporations Act 2001.

It is a term of the policy that the Company cannot disclose the premium paid for the cover.

Environmental Performance

Icon holds exploration licences issued by the Mines Departments of three state governments which specify guidelines for environmental impacts in relation to exploration activities. The licence conditions provide for the full rehabilitation of the areas of exploration in accordance with the various Mines Departments’ guidelines and standards. There have been no significant known breaches of the licence conditions.

Auditor’s Independence and Non-Audit Services

No non-audit services were provided by the Company’s auditor, Barnes Dowell James. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised. The Directors received a declaration of independence from the auditors of Icon Resources Ltd. It is located on the following page and forms part of this report.

Barnes Dowell James received or are due to receive no payments for the provision of non-audit services in the 30 June 2007 financial year.

Signed at Sydney this 27th day of September 2007 in accordance with a resolution of the Directors.



A H WHITE
Chairman

INCOME STATEMENT

YEAR ENDED 30 JUNE 2007

	Note	Consolidated 2007 \$	Parent Entity 2007 \$	Consolidated 2006 \$	Parent Entity 2006 \$
REVENUE	2	162,751	162,751	98,166	73,621
Administration expenses		(139,028)	(139,028)	(84,530)	(54,816)
Consultant expenses		(142,900)	(142,900)	(54,436)	(54,436)
Depreciation	8	(15,351)	(15,351)	(493)	(493)
General expenses		(17,086)	(17,086)	-	-
Exploration written off		(107,584)	(107,584)	(270,452)	(270,452)
Occupancy expenses		(38,959)	(38,959)	-	-
Salaries and employee benefits expense		(37,005)	(37,005)	(23,716)	(23,716)
Travel and accommodation		(47,633)	(47,633)	(35,422)	(35,422)
Other expenses from ordinary activities		(6,339)	(6,339)	(14,068)	(13,983)
		(551,885)	(551,885)	(483,117)	(453,318)
(LOSS) BEFORE INCOME TAX EXPENSE		(389,134)	(389,134)	(384,951)	(379,697)
INCOME TAX EXPENSE	3	-	-	-	-
(LOSS) AFTER INCOME TAX EXPENSE	13	(389,134)	(389,134)	(384,951)	(379,697)
NET (LOSS) ATTRIBUTABLE TO MEMBERS OF ICON RESOURCES LTD		(389,134)	(389,134)	(384,951)	(379,697)
Basic loss per share (cents per share)	14	(0.966)	(0.966)	(4.311)	(4.253)
Diluted loss per share (cents per share)	14	(0.966)	(0.966)	(4.311)	(4.253)

BALANCE SHEET

AT 30 JUNE 2007

	Note	Consolidated 2007 \$	Parent Entity 2007 \$	Consolidated 2006 \$	Parent Entity 2006 \$
CURRENT ASSETS					
Cash assets		3,230,608	3,230,608	3,319,515	3,319,508
Receivables	5	74,641	74,637	80,371	80,371
TOTAL CURRENT ASSETS		3,305,249	3,305,245	3,399,886	3,399,879
NON-CURRENT ASSETS					
Shares in controlled entities	6	-	480,004	-	480,004
Tenement security deposits	7	146,500	127,500	56,500	42,500
Plant and equipment	8	139,516	139,516	2,357	2,357
Deferred exploration and evaluation expenditure	9	2,240,236	801,924	572,187	52,934
Loans to controlled entities	10	-	982,566	-	58,510
TOTAL NON-CURRENT ASSETS		2,526,252	2,531,510	631,044	636,305
TOTAL ASSETS		5,831,501	5,836,755	4,030,930	4,036,184
CURRENT LIABILITIES					
Payables	11	330,310	330,310	90,707	90,707
TOTAL CURRENT LIABILITIES		330,310	330,310	90,707	90,707
TOTAL LIABILITIES		330,310	330,310	90,707	90,707
NET ASSETS		5,501,191	5,506,445	3,940,223	3,945,477
EQUITY					
Issued capital	12	6,272,917	6,272,917	4,322,816	4,322,816
Accumulated losses	13	(774,084)	(768,830)	(384,951)	(379,697)
Reserves	13	2,358	2,358	2,358	2,358
TOTAL EQUITY		5,501,191	5,506,445	3,940,223	3,945,477

STATEMENT OF CASH FLOWS

YEAR ENDED 30 JUNE 2007

	Note	Consolidated 2007 \$	Parent Entity 2007 \$	Consolidated 2006 \$	Parent Entity 2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
Payment to suppliers and employees		(303,587)	(303,587)	(188,627)	(158,828)
Other income		4,370	4,370	89,221	64,676
Interest received		158,381	158,381	8,945	8,945
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES	24	(140,836)	(140,836)	(90,461)	(85,207)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment in subsidiaries		-	-	-	(4)
Purchase of shares in South Eastern Resources		-	-	-	(160,000)
Purchase of plant and equipment		(140,120)	(140,120)	(2,849)	(2,849)
Expenditure on mining interests (exploration)		(1,673,046)	(1,673,046)	(522,642)	(323,389)
Tenement security deposits		(85,000)	(85,000)	(56,500)	(42,500)
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES		(1,898,166)	(1,898,166)	(581,991)	(528,742)
CASH FLOWS FROM FINANCING ACTIVITIES					
Advances to controlled entities		-	-	-	(58,510)
Proceeds from issue of shares		2,035,333	2,035,333	4,426,757	4,426,757
Equity raising expenses		(85,231)	(85,231)	(434,790)	(434,790)
NET CASH FLOWS FROM FINANCING ACTIVITIES		1,950,102	1,950,102	3,991,967	3,933,457
Net increase in cash held		(88,900)	(88,900)	3,319,515	3,319,508
Add opening cash brought forward		3,319,508	3,319,508	-	-
CLOSING CASH CARRIED FORWARD	24	3,230,608	3,230,608	3,319,515	3,319,508

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2007

CONSOLIDATED	Attributable to the shareholders of Icon Resources Ltd			
	Issued Capital	Accumulated Losses	Reserves	Total Equity
	\$	\$	\$	\$
AT 1 JULY 2006	4,322,816	(384,951)	2,358	3,940,223
Loss for the period	-	(389,134)	-	(389,134)
Issue of share capital	1,950,102	-	-	1,950,102
AT 30 JUNE 2007	6,272,918	(774,085)	2,358	5,501,191

PARENT	Attributable to the shareholders of Icon Resources Ltd			
	Issued Capital	Accumulated Losses	Reserves	Total Equity
	\$	\$	\$	\$
AT 1 JULY 2006	4,322,816	(379,697)	2,358	3,945,477
Loss for the period	-	(389,134)	-	(389,134)
Issue of share capital	1,950,102	-	-	1,950,102
AT 30 JUNE 2007	6,272,918	(768,831)	2,358	5,506,445

NOTES TO AND FORMING PART OF THE ACCOUNTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards.

The financial report has been prepared on a historical cost basis except for land and buildings, which have been measured at fair value.

(b) Statement of compliance

The financial report has been prepared and complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ("IFRS").

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of Icon Resources Limited (Icon or the "Company") and its subsidiaries ("the Group") as at 30 June each year.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full.

Subsidiaries are fully consolidated from date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

(d) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Land and buildings are measured at fair value less accumulated depreciation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- plant and equipment – 4 years

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

An item of plant and equipment is derecognised upon disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

(e) Borrowing costs

Borrowing costs are recognised as an expense when incurred.

(f) Intangible assets

Acquired both separately and from a business combination

Intangible assets acquired separately are capitalised at cost and from a business combination are capitalised at fair value as at the date of acquisition. Following recognition, the cost model is applied to the class of intangible assets.

The useful lives of these intangible assets are assessed to be either finite or indefinite.

Where amortisation is charged on assets with finite lives, this expense is taken to the income statement through the "administrative expenses" line item.

Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the period in which the expenditure is incurred.

NOTES TO AND FORMING PART OF THE ACCOUNTS

Intangible assets are tested for impairment where an indicator of impairment exists, and in the case of indefinite life intangibles annually, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

(g) Recoverable amount of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use.

(h) Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the income statement.

Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification.

Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity.

For investments carried at amortised cost, gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process.

For investments that are actively traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date.

For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date, being the date that the Group commits to purchase the asset.

(i) Exploration, evaluation, development and restoration costs

Exploration and evaluation

Exploration and evaluation expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific connection with a particular area of interest.

Exploration and evaluation costs in relation to separate areas of interest for which rights of tenure are current are brought to account in the year in which they are incurred and carried forward provided that:

- such costs are expected to be recouped through successful development and exploitation of the area, or alternatively through its sale; or
- exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Once a development decision has been taken, all past and future exploration and evaluation expenditure in respect of the area interest is aggregated within costs of development.

NOTES TO AND FORMING PART OF THE ACCOUNTS

Exploration and evaluation – impairment

The Directors assess at each reporting date whether there is an indication that an asset has been impaired and for exploration and evaluation cost whether the above carry forward criteria are met.

Accumulated costs in respect of areas of interest are written off or a provision made in the Income Statement when the above criteria do not apply or when the Directors assess that the carrying value may exceed the recoverable amount. The costs of productive areas are amortised over the life of the area of interest to which such costs relate on the production output basis, provisions would be reviewed and if appropriate, written back.

Development

Development expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest in which economically recoverable reserves have been identified to the satisfaction of the directors. Such expenditure comprises net direct costs and, in the same manner as for exploration and evaluation expenditure, an appropriate portion of related overhead expenditure having a specific connection with the development property.

All expenditure incurred prior to the commencement of commercial levels of production from each development property is carried forward to the extent to which recoupment out of revenue to be derived from the sale of production from the relevant development property, or from the sale of that property, is reasonably assured.

No amortisation is provided in respect of development properties until a decision has been made to commence mining. After this decision, the costs are amortised over the life of the area of interest to which such costs relate on a production output basis.

Restoration

Provisions for restoration costs are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Remaining mine life

In estimating the remaining life of the mine at each mine property for the purpose of amortisation and depreciation calculations, due regard is given not only to the volume of remaining economically recoverable reserves but also to limitations which could arise from the potential for changes in technology, demand, product substitution and other issues that are inherently difficult to estimate over a lengthy time frame.

(j) Mine property held for sale

Where the carrying amount of mine property and related assets will be recovered principally through a sale transaction rather than through continuing use, the assets are reclassified as Mine Property Held for Sale and carried at the lower of the assets' carrying amount and fair value less costs to sell – where such fair value can be reasonably determined, and otherwise at its carrying amount. Liabilities and provisions related to mine property held for sale are similarly reclassified as Liabilities – Mine Property Held for Sale and, Provisions – Mine Property Held for sale, as applicable, and carried at the value at which the liability or provisions expected to be settled.

(k) Trade and Other Receivables

Trade receivables, which generally have 5-30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(l) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdrafts, if any.

NOTES TO AND FORMING PART OF THE ACCOUNTS

(m) Other provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(n) Employee Entitlements

Liabilities for wages and salaries are recognised and are measured as an amount unpaid at the reporting date at current pay rates in respect of employee's services up to that date. Current employee contracts do not entitle them to annual leave and long service leave. A liability in respect of superannuation at the current superannuation guarantee rate has been accrued at the reporting date.

(o) Share-based payments

An employee share option scheme has been established where selected employees, consultants, contractors and Directors of the Company are issued with options over ordinary shares in Icon Resources Ltd. The options, issued for nil consideration, are issued in accordance with a performance review by the Directors. The options cannot be transferred and will not be quoted on the ASX. There were 1,200,000 options issued in March 2006 which expire on 8 March 2011, which are exercisable at 30 cents and which have vested. Options expire if not exercised 90 days after a participant resigns from the Company. The cost of these equity-settled transactions is determined by reference to the fair value at the date at which they are granted. The fair value of the options is determined by using the Black and Scholes option pricing model.

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (a) the extent to which the vesting period has expired and (b) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. The Company has applied the requirements of AASB 1 "First-time Adoption of Australian Equivalents to International Financial Reporting Standards" in respect of equity-settled awards and has applied AASB 2 "Share-Based Payments" only to equity instruments granted after 7 November 2002 that had not vested on or before 1 January 2005.

(p) Leases

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as the lease income.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

(q) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

NOTES TO AND FORMING PART OF THE ACCOUNTS

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer.

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Dividends

Revenue is recognised when the shareholders' right to receive the payment is established.

(r) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

(s) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

NOTES TO AND FORMING PART OF THE ACCOUNTS

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(t) Currency

Both the functional and presentation currency is Australian dollars (A\$).

(u) Comparatives

There are no comparative figures as this is company's first year of operation.

(v) Investment in Controlled Entities

The Company's investment in its controlled entities is accounted for under the equity method of accounting in the Company's financial statements.

	Consolidated 2007 \$	Parent 2007 \$	Consolidated 2006 \$	Parent 2006 \$
2. REVENUE FROM ORDINARY ACTIVITIES				
Interest received – other persons/corporation	158,381	158,381	8,945	8,945
Other income	4,370	4,370	89,221	64,676
	162,751	162,751	98,166	73,621

3. INCOME TAX

(a) Income tax expense

Current tax	-	-	-	-
Deferred tax	-	-	-	-
(Over) under provision in prior years	-	-	-	-
	-	-	-	-
Income tax expense is attributable to:				
Profit from continuing operations	-	-	-	-
Aggregate income tax expense	-	-	-	-

(b) Numerical reconciliation of income tax expense to prima facie tax payable

Losses from continuing operations before income tax expense	(389,133)	(389,133)	(384,951)	(379,697)
Tax at the Australian tax rate of 30%	(116,740)	(116,740)	(115,485)	(113,909)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Additional deductions	-	-	-	-
(Over) under provision prior year	-	-	-	-
Non-allowable deductions	-	-	-	-
Other	-	-	-	-
Income taxes not brought to account	116,740	116,740	115,485	113,909

NOTES TO AND FORMING PART OF THE ACCOUNTS

	Consolidated 2007 \$	Parent 2007 \$	Consolidated 2006 \$	Parent 2006 \$
(c) Current tax liabilities				
Balance at beginning of year	(115,485)	(113,909)	-	-
Income tax paid	-	-	-	-
Current year's income tax on profit	(116,740)	(116,740)	(115,485)	(113,909)
Under (over) provided in prior year	-	-	-	-
Balance at end of year	(232,225)	(230,649)	(115,485)	(113,909)

No provision for income tax is considered necessary in respect of the Company for the period ended 30 June 2007.

No recognition has been given to any future income tax benefit which may arise from operating losses not claimed for tax purposes. The Company has estimated its losses not claimed of \$232,225. These amounts have not been brought to account in calculating any future tax benefit.

A benefit of 30% of approximately \$232,225 will only be obtained if:

- the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised,
- the Company continues to comply with the conditions for deductibility imposed by the law, and
- no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the losses, i.e. current tax legislation permits carried forward tax losses to be carried forward indefinitely.

No franking credits are available for subsequent years.

Tax consolidation

The Tax Consolidation scheme is applicable to the company. As at the date of this report the directors have not assessed the financial effect, if any, the scheme may have on the company and the consolidated entities, and accordingly the directors have not made a decision whether or not to be taxed as a single entity. The financial effect of the tax consolidation scheme on the Group has not been recognised in the financial statements.

	Consolidated 2007 \$	Parent 2007 \$	Consolidated 2006 \$	Parent 2006 \$
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4. AUDITORS' REMUNERATION

Total amounts receivable by the current auditors of the Company for:

Audit of the Company's accounts	11,250	11,250	6,000	6,000
Other services – Independent Accountant's Report for IPO Prospectus	-	-	5,012	5,012
	11,250	11,250	11,012	11,012

5. RECEIVABLES – CURRENT

Interest	6,629	6,629	5,661	5,661
Refund for GST paid	63,005	63,005	74,710	74,710
Other	5,007	5,003		
Other receivables	74,641	74,637	80,371	80,371

NOTES TO AND FORMING PART OF THE ACCOUNTS

	Consolidated 2007 \$	Parent 2007 \$	Consolidated 2006 \$	Parent 2006 \$
6. SHARES IN CONTROLLED ENTITIES				
South Eastern Resources Limited	-	480,000	-	480,000
Cast Resources Pty Ltd	-	2	-	2
Troutstone Resources Pty Ltd	-	2	-	2
	-	480,004	-	480,004

7. TENEMENT SECURITY DEPOSITS

Cash with government mines department	146,500	127,500	56,500	42,500
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These deposits are restricted so that they are available for any rehabilitation that may be required on exploration tenements (refer to Note 19).

8. PLANT AND EQUIPMENT

Plant and equipment – at cost	155,360	155,360	2,849	2,849
Accumulated depreciation	(15,844)	(15,844)	(492)	(492)
	139,516	139,516	2,357	2,357

Reconciliation of the carrying amount of plant and equipment at the beginning and end of the current and previous financial year

Carrying amount at beginning	2,357	2,357	-	-
Additions	153,744	153,744	2,849	2,849
Disposals	(1,234)	(1,234)	-	-
Depreciation expense	(15,351)	(15,351)	(492)	(492)
	139,516	139,516	2,357	2,357

9. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

Costs brought forward	572,187	52,934	-	-
Costs incurred during the period	1,775,633	856,574	842,639	323,386
Expenditure written off during period	(107,584)	(107,584)	(270,452)	(270,452)
Costs carried forward	2,240,236	801,924	572,187	52,934
Exploration expenditure costs carried forward are made up of:				
Expenditure on joint venture areas	-	-	-	-
Expenditure on non joint venture areas	2,240,236	801,924	572,187	52,934
Costs carried forward	2,240,236	801,924	572,187	52,934

The above amounts represent costs of areas of interest carried forward as an asset in accordance with the accounting policy set out in Note 1. The ultimate recoupment of deferred exploration and evaluation expenditure in respect of an area of interest carried forward is dependent upon the discovery of commercially viable reserves and the successful development and exploitation of the respective areas or alternatively sale of the underlying areas of interest for at least their carrying value. Amortisation, in respect of the relevant area of interest, is not charged until a mining operation has commenced.

NOTES TO AND FORMING PART OF THE ACCOUNTS

10. LOANS TO CONTROLLED ENTITIES

Unsecured loans to controlled entities (interest free)	-	982,566	-	58,510
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Loans represent exploration expenditure incurred by subsidiary companies.

11. CURRENT LIABILITIES – PAYABLES

Trade creditors	285,962	285,962	56,237	56,237
Accrued expenses	16,601	16,601	26,843	26,843
Other	27,747	27,747	7,627	7,627
	330,310	330,310	90,707	90,707
	Consolidated	Parent	Consolidated	Parent
	2007	2007	2006	2006
	\$	\$	\$	\$

12. CONTRIBUTED EQUITY

Share capital

44,893,248 ordinary shares fully paid	6,272,917	6,272,917	4,322,816	4,322,816
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Movements in ordinary share capital	Date	Number of shares	Issue price	\$
1 July 2005 to 30 June 2006				
Shares issued to initial Shareholders	23-01-06	8,691,429	\$0.00	613,218
Shares issued at a deemed price of 0.013 cents each	03-03-06	10,491,429	\$0.013	136,388
Shares issued to acquire tenements	03-03-06	617,142	\$0.00	-
Shares issued to directors in lieu of directors fees	03-03-06	200,000	\$0.04	8,000
Shares issued for cash in IPO	03-06-06	20,000,000	\$0.20	4,000,000
Costs of IPO share issue	03-06-06	-	-	(434,790)
Balance as at 30 June 2006	30-06-06	40,000,000		4,322,816
1 July 2006 to 30 June 2007				
Balance b/fwd		40,000,000		4,322,816
Additional costs of IPO share issue in June 2006	1-07-06	-	-	(23,069)
Shares issued to acquire tenements	28-02-07	370,286	\$0.00	-
Share issue	14-06-07	3,000,000	\$0.45	1,350,000
Costs of share issue as a result of placement of 3,000,000 shares at \$0.45	14-06-07	-	-	(62,162)
Funds raised from Share Purchase Plan pending share allotment on 10 July 2007	30-06-07	1,522,962	\$0.45	685,332
Balance as at 30 June 2007*		44,893,248		6,272,917

* The funds were received from Share Purchase Plan prior to 30 June 2007, with allotment on 5 July 2007

NOTES TO AND FORMING PART OF THE ACCOUNTS

Terms and conditions of contributed equity

Ordinary Shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company. Option holders have no voting rights until the options are exercised.

Options

There are 1,200,000 options outstanding which expire on 8 March 2011, which are exercisable at 30 cents. No options were issued during the current period.

	Consolidated 2007 \$	Parent 2007 \$	Consolidated 2006 \$	Parent 2006 \$
Options expense reserve				
Balance at 1 July 2006	2,358	2,358	2,358	2,358
Options transferred to reserve	-	-	-	-
Balance at the end of the financial year	2,358	2,358	2,358	2,358

13. RESERVES

Balance at the beginning of period	(382,593)	(377,339)	-	-
Operating profit (loss) after income tax expense	(389,133)	(389,133)	(384,951)	(379,697)
Share-based payments reserve	-	-	2,358	2,358
Balance at the end of period	(771,726)	(766,472)	(382,593)	(377,339)

14. LOSS PER SHARE

Basic loss per share (cents per share)	0.966	0.966	4.311	4.253
Diluted loss per share (cents per share)	0.966	0.966	4.311	4.253

Weighted average number of ordinary shares on issue used in the calculation of basic and diluted loss per share is 40,264,507.

Loss used in calculating basic and diluted loss per share	389,134	389,134	384,951	379,697
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Conversion, call, subscription or issue after 30 June 2007:

Since the end of the financial period, and before the reporting date of these financial statements, the following conversions to, call of, or subscriptions for ordinary shares or issues of potential ordinary shares has taken place:

Movements in ordinary share capital	Date	Number of shares	Issue price	\$
Balance as at 30 June 2007		43,370,286		
Shares issued under Share Purchase Plan*	10-07-07	1,522,962	\$0.45	685,332
Balance as at 10 July 2007		44,893,248		

The funds of \$685,332 were received prior to end of reporting period whilst the relative shares were issued after the balance date, on 10 July 2007

NOTES TO AND FORMING PART OF THE ACCOUNTS

15. REMUNERATION AND RETIREMENT BENEFITS

(a) Directors' remuneration

The following table outlines the nature and amount of the elements of the remuneration of specified Directors of the Company for the periods ended 30 June 2006 and 2007.

	Salary	Directors Fees	Consulting Fees	Superannuation Contributions	Options	Shares	Total
2006	\$	\$	\$	\$	\$	\$	\$
A H White	-	-	5,500	-	-	6,000	11,500
J R Bishop	10,092	-	16,598	908	983	-	28,581
S B Bartrop	-	-	-	-	-	2,000	2,000
	10,092	-	22,098	908	983	8,000	42,081

	Shares	Value of shares					Total
2006	Number	\$					\$
S B Bartrop*	50,000	2,000	-	-	-	-	2,000
J R Bishop	-	-	-	-	-	-	-
A H White*	150,000	6,000	-	-	-	-	6,000
	200,000	8,000	-	-	-	-	8,000

	Salary	Directors Fees	Consulting Fees	Superannuation Contributions	Options	Shares	Total
2007	\$	\$	\$	\$	\$	\$	\$
S B Bartrop	-	-	6,500	-	-	-	6,500
J R Bishop	161,549	-	-	14,539	-	-	176,088
A H White	-	-	57,782	-	-	-	57,782
	161,549	-	64,282	14,539	-	-	240,370

	Shares	Value of shares					Total
2007	Number	\$	\$	\$	\$	\$	\$
S B Bartrop	-	-	-	-	-	-	-
J R Bishop	-	-	-	-	-	-	-
A H White	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

* shares issued in lieu of Directors fees

Directors' interests in shares and options in the Company are set out in Note 16.

(b) Executive Officers' remuneration, shares and options

	Salary	Consulting Fees	Superannuation Contributions	Options	Shares	Total
2007	\$	\$	\$	\$	\$	\$
D Milburn	52,834	-	4,755	-	-	57,589
	52,834	-	4,755	-	-	57,589

NOTES TO AND FORMING PART OF THE ACCOUNTS

There were no 'Executive Officers' in 2006.

16. RELATED PARTY DISCLOSURES

The Directors in office during the period were A H White, J R Bishop and S Bartrop.

Interests and movements in the shares and options of the Company held by Directors and their Director-related entities as at 30 June 2007:

Fully Paid Ordinary Shares

at 30 June 2007

Directors	Balance 1.7.06	Net changes Number	Balance 30.6.07	Balance held Nominally Number
S B Bartrop	4,435,714	1,065,243	5,500,957	5,255,457
J R Bishop	3,095,714	19,300	3,115,014	1,572,157
A H White	3,275,714	20,000	3,295,714	3,145,715
	10,807,142	1,104,543	11,911,685	9,973,329

Options

at 30 June 2007

Directors	Balance 1.7.06	Net changes Number	Balance 30.6.07	Balance held Nominally Number
S B Bartrop	-	-	-	-
J R Bishop	500,000	-	500,000	-
A H White	-	-	-	-
	500,000	-	500,000	-

Directors interests in shares and Options includes holdings in their names and in the names of director related entities.

Remuneration options: Granted and vested during the year

During the financial year no options were granted as equity compensation benefits to any specified directors or officers of the Company.

No options were granted to Directors or officers during the current period under the Company's Employees Option Plan. Shares and options held by Directors included those held by the Directors and their Director-related entities, including the spouses of such Directors and relatives of such Directors. All shares and options, that have been granted were issued or granted on terms no more favourable than to other shareholders or option holders.

Dr Bishop is an employee and Director of and has a significant financial interest in Mitre Geophysics Pty Ltd, a company that provided technical services to the Company during the period. Services provided during the period ended 30 June 2007, which are referred to in the remuneration of Directors in Note 15, amounted to \$Nil. Dr White is a Director and has a significant financial interest in Andrew White Associates, a partnership that provides geological and exploration management services to the Company. Services provided during the period ended 30 June 2007 amounted to \$57,782. Steven Bartrop is a Director and has a significant financial interest in Troppo Resources Pty Ltd, a company that provides management and corporate services to the company. Services provided during the period ended 30 June 2007 amounted to \$6,500.

Services provided by Director-related entities were under normal commercial terms and conditions. No other benefits have been received or are receivable by Directors, other than those already disclosed in the notes to the accounts.

17. JOINT VENTURES

The Company is a party to one exploration joint venture agreements to explore for copper and gold. Under the terms of the agreements the Company will be required to contribute towards the exploration and other costs if it wishes to maintain or increase its percentage holdings. The joint ventures are not separate legal entities. There are contractual

NOTES TO AND FORMING PART OF THE ACCOUNTS

arrangements between the participants for sharing costs and future revenues in the event of exploration success. There are no assets and liabilities attributable to the Company at balance date resulting from these joint ventures, other than exploration expenditure costs carried forward as detailed in Note 9.

Percentage equity interests in joint ventures at 30 June 2007 were as follows:

	Percentage Interest 2007
Queensland	
Elizabeth Creek NW Qld	100%
Zinifex Ltd can earn an equity in the project by funding and managing exploration and development of the project	

18. FINANCIAL REPORT BY SEGMENT

The Company operates predominantly in the one business and in one geographical area, namely Australian mineral exploration and evaluation.

19. CONTINGENT LIABILITIES

The Group has provided guarantees totalling \$146,500 in respect of mining tenements. These guarantees in respect of mining tenements are secured against deposits with the relative State Department of Mines. The Company does not expect to incur any material liability in respect of the guarantees.

20. EMPLOYEE ENTITLEMENTS

An employee share option plan has been established where selected officers and employees of the Company can be issued with options over ordinary shares in Icon Resources Ltd. The options, issued for nil consideration, will be issued in accordance with a performance review by the Directors. The options cannot be transferred and will not be quoted on the ASX. The Company has not yet made an issue under the Plan.

21. FINANCIAL INSTRUMENTS

Interest rate risk exposure

At balance date, the Company was exposed to a floating weighted average interest rate as follows:

	Consolidated 2007	Parent 2007	Consolidated 2006	Parent 2006
Weighted average rate of cash balances	6.14%	6.14%	1.08%	1.08%
Cash balances	\$3,230,608	\$3,230,608	\$3,319,515	\$3,319,508

Bank negotiable certificates of deposit are normally invested for 30 days and other cash at bank balances are at call. All other financial assets and liabilities are non-interest bearing.

Net fair value of financial assets and liabilities, on balance sheet and credit risk

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the Company approximates their carrying value. Credit risk is minimal at balance date.

22. COMMITMENTS

Exploration licence expenditure requirements

In order to maintain the Company's tenements in good standing with the various mines departments, the Company will be required to incur exploration expenditure under the terms of each licence. These expenditure requirements will diminish as the Company joint ventures projects to third parties. It is the Company's exploration strategy to farm-out where appropriate to larger companies to fund drilling programmes. In addition, the Company has commitments to expend funds towards earning or retaining an interest under joint venture agreements.

NOTES TO AND FORMING PART OF THE ACCOUNTS

	Consolidated 2007 \$	Parent 2007 \$	Consolidated 2006 \$	Parent 2006 \$
Payable not later than one year	660,000	660,000	327,000	327,000
Payable later than one year but not later than two years	950,000	950,000	332,000	332,000
	1,610,000	1,610,000	659,000	659,000

It is likely that the granting of new licences and changes in licence areas at renewal or expiry, will change the expenditure commitment to the Company from time to time.

23. SUBSEQUENT EVENTS

There have been no material events subsequent to 30 June 2007.

24. STATEMENT OF CASH FLOWS

Reconciliation of net cash outflow from operating activities to operating loss after income tax

(a) Operating (loss) after income tax	(389,134)	(389,134)	(384,951)	(379,697)
Depreciation	15,351	15,351	493	493
Share/Option based payments for services	-	-	2,358	2,358
Share based payments for directors fees	-	-	8,000	8,000

Change in assets and liabilities:

(Increase)/decrease in receivables	(5,967)	(5,967)	(80,371)	(80,371)
(Decrease)/increase in trade and other creditors	238,916	238,916	90,707	90,707
Exploration expenditure written off	-	-	260,303	260,303
Management fee paid/received	-	-	13,000	13,000
Loss on disposal of asset	(2)	(2)	-	-
Net cash outflow from operating activities	(140,836)	(140,836)	(90,461)	(85,207)

- (b) For the purpose of the Statement of Cash Flows, cash includes cash on hand, at bank, deposits and bank bills used as part of the cash management function. The Company does not have any unused credit facilities.

The balance at 30 June 2007 comprised:

Cash assets	3,230,608	3,230,608	3,319,515	3,319,508
Bank deposits (Note 6)	-	-	-	-
Cash on hand	3,230,608	3,230,608	3,319,515	3,319,508

25. CORPORATE INFORMATION

The financial report of the Group for the year ended 30 June 2007 was authorised for issue in accordance with a resolution of the Directors on 27 September 2007.

Icon Resources Limited is a company limited by shares and incorporated in Australia. Its shares are publicly traded on the Australian Stock Exchange under the ticker code "III".

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Icon Resources Ltd, I state that:

- (1) In the opinion of the Directors:
 - (a) financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2007 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (2) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2007.

On behalf of the Board



J R Bishop
Director

Sydney, 27 September 2007

BARNES DOWELL JAMES

Incorporating P J Hennessy & Co

CHARTERED ACCOUNTANTS

Partners
C H Barnes FCA
A J Dowell CA
M W James CA
B Kolevski (Affiliate ICAA)

Associate
M A Nakkan CA

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P J Hennessy FCA

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AJD:KG

21 August, 2007

The Directors
Icon Resources Limited
Suite 404
25 Lime Street
SYDNEY NSW 2000

Dear Sirs,

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF ICON RESOURCES LIMITED

In relation to our audit of the financial report of Icon Resources Limited for the financial year ended 30 June 2007 to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Yours faithfully
BARNES DOWELL JAMES



.....
A.J. DOWELL
Partner

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INDEPENDENT AUDITOR'S REPORT

To members of Icon Resources Ltd

Scope

We have audited the financial report of Icon Resources Ltd for the financial period ended 30 June 2007 as set out on pages 23 to 41.

The Company's Directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Independence

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration set out on page 43 has not changed as at the date of providing our audit opinion.

Audit opinion

In our opinion, the financial report of Icon Resources Ltd is in accordance with:

(a) the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2007 and its performance for the period ended on that date; and
- (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements in Australia.



BARNES DOWELL JAMES

Chartered Accountants
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NORTH SYDNEY NSW 2060

ANTHONY DOWELL

Partner
26 September 2007

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Icon Resources Ltd (III) is responsible for corporate governance and strives for high standards in this regard. The Board monitors the business and affairs of III on behalf of the shareholders by whom they are elected and to whom they are accountable. The Board draws on relevant best practice principles particularly those issued by the ASX Corporate Governance Council in March 2003. At a number of its meetings the Board examined the III corporate governance practices and the progress towards a review of its practice compared to the best practice principles proposed by the ASX Corporate Governance Council. While III is attempting to adhere to the principles proposed by ASX, it is mindful that there may be some instances where compliance is not practicable for a company of III's size.

The March 2003 Australian Stock Exchange Corporate Governance Council publication "Principles of Good Corporate Governance and Best Practice Recommendations" is for guidance purposes, however all listed companies are required to disclose the extent to which they have followed the recommendations; to identify any recommendations that have not been followed; and reasons for not doing so. The Company's Board of Directors has reviewed the recommendations. In many cases the Company was already achieving the standard required. In other cases the Company will have to consider new arrangements to enable compliance. In a limited number of instances, the Company may determine not to meet the standard set out in the recommendations, largely due to the recommendation being considered by the Board to be unduly onerous for a company of this size.

A set of Revised Principles were issued by ASX in August 2007. Icon will be reviewing these in the 2007-08 year with a view to reporting against the eight revised principles in the following year.

The following paragraphs set out the Company's position relative to each of the 10 principles contained in the ASX Corporate Governance Council's report.

Principle 1: Lay solid foundations for management and oversight

The Company has not yet formalised and disclosed the functions reserved to the Board and those delegated to management. However, the Company has a small Board of three Directors (two Non-Executive Directors and the Director Technical) and a small team of people, so roles and functions have to be flexible to meet specific requirements.

Principle 2: Structure the Board to add value

The Company complies with most of the recommendations within this area as the Chairman is separate from the Executive Director. The Company does not comply with the recommendation that a majority of Directors are independent, because one is an Executive Director and the Chairman is a substantial shareholder and the third Non-executive Director represents an associated company and a substantial shareholder. The Company has a Board nomination committee.

Two of the Company's three Directors are non-executives, and the employer of one of the non-executives has undertaken consultancy work for the Company within the past three years. Each Director of the Company has the right to seek independent professional advice at the expense of the Company. Prior approval of the Chairman is required, but this will not be unreasonably withheld.

Principle 3: Promote ethical and responsible decision-making

The Company has a policy concerning trading in its securities by Directors, management, staff and significant consultants which is set out below. The Company does not have a formal code of conduct, again reflecting the Company's size and the close interaction of individuals throughout the organisation.

Principle 4: Safeguard integrity in financial reporting

At this stage the Company's financial statements are prepared by an external accountant who confirms to the Audit Committee in writing that the Company's financial reports represent a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards. The Managing Director reviews and approves the financial statements before they are submitted to the Audit Committee and also confirms this in writing to the Board.

The Company has an Audit Committee which consists of the two Non-Executive Directors, Dr White and Mr Bartrop. These directors have applicable expertise and skills for this Committee. This structure does not meet the ASX's guidance regarding independence, in that it should have a majority of independent directors. The audit committee reports to the Board after each committee meeting. In conjunction with the full Board, the committee meets with and reviews the performance of the external auditors (including scope and quality of the audit).

CORPORATE GOVERNANCE STATEMENT

Principle 5: Make timely and balanced disclosure

The Company, its Directors and consultants are very aware of the ASX's continuous disclosure requirements and operate in an environment where strong emphasis is placed on full and appropriate disclosure to the market. Whilst the Company does not have formal written policies regarding disclosure, it uses strong informal systems underpinned by experienced individuals. The Company maintains a register of matters considered for possible market disclosure.

Principle 6: Respect the rights of shareholders

All significant information disclosed to the ASX is posted on the Company's website as soon as it is disclosed to the ASX. When analysts are briefed on aspects of the Group's operations, the material used in the presentation is released to the ASX and posted on the Company's website. Procedures have also been established for reviewing whether any price sensitive information has been inadvertently disclosed, and if so, this information is also immediately released to the market.

Whilst the Company does not have a communications strategy to promote effective communication with shareholders, as it believes this is excessive for small companies, the Company does communicate regularly with shareholders. The Company has requested the external auditor to attend general meetings and this has been supported by the Company's audit partner at Barnes Dowell James.

Principle 7: Recognise and manage risk

The Company is a small, exploration company and does not believe that at this stage there is significant need for formal policies on risk oversight and management of risk, although these issues are actively considered at all times in the Company's activities. Risk management arrangements are the responsibility of the Board of Directors and senior management collectively. Risk Factors is an agenda item for each Board meeting. The company has an Occupational Health and Safety policy with which all of the Company's staff, contractors and consultants must comply.

Principle 8: Encourage enhanced performance

The Company has a Remuneration Committee of Dr White and Mr Bartrop which meets as and when required, to review performance matters and remuneration. There has been no formal performance evaluation of the Board during the past financial period, although its composition will be reviewed at a Board meeting at least annually. The Directors work closely with management and have full access to all the Company's files and records.

Principle 9: Remunerate fairly and responsibly

Directors believe that the size of the Company makes individual salary and consultant negotiations more appropriate than formal remuneration policies. The Remuneration Committee will seek independent external advice and market comparisons as necessary. In accordance with Corporations Act requirements, the Company discloses the fees or salaries paid to all Directors, plus the five highest paid officers. The Company has an Employee Share Option Plan that was introduced in 2006 but has not made an issue under the Plan at this time.

Principle 10: Recognise the legitimate interests of stakeholders

Due to the Company's size and relative level of operational activity which makes legal compliance a less onerous task than with larger companies, the Company does not have a formal code of conduct to guide compliance with legal and other obligations. The Board of Directors continues to review the situation to determine the most appropriate and effective operational procedures.

Ethical Standards

The Board's policy is for the Directors and management to conduct themselves with the highest ethical standards. All Directors and employees will be expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

Securities Trading and Trading Windows

Directors, employees and key consultants must consult with the Chairman of the Board or the Executive Director before dealing in shares of the Company. Purchases or sales in the Company's shares by Directors, employees and key consultants may not be carried out other than in the "window", being the period commencing one day following the date of an ASX announcement leading, in the opinion of the Board, to an informed market. However, Directors, employees and key consultants are prohibited from buying or selling the Company's shares at any time if they are aware of price sensitive information that has not been made public.

SHAREHOLDER INFORMATION

Information relating to shareholders at 14 September 2007 (per ASX Listing Rule 4.10)

Substantial Shareholders	Shareholding
Tropo Resources Pty Ltd	5,290,957
Fallon Nominees Pty Ltd <Fallon Family A/c>	4,345,714
Golden Reef Enterprises Pty Ltd <Golden Reef Enterprises FAM A/c>	3,096,826
ANZ Nominees Limited <Cash Income A/c>	2,328,617

Distribution of Shareholders	Number of Holders	Ordinary Shares
Number of ordinary shares held		
1 – 1,000	10	8,458
1,001 – 5,000	66	229,383
5,001 – 10,000	151	1,441,189
10,001 – 100,000	416	13,073,885
100,001 – and over	50	30,140,333
	693	44,893,248

At the prevailing market price of 27.5 cents per share, there are 17 shareholders with less than a marketable parcel of \$500.

Top 20 Shareholders of Ordinary Shares as at 14 September 2007	Shares	% Shares issued
Tropo Resources Pty Ltd	5,290,957	11.79
Fallon Nominees Pty Ltd <Fallon Family A/c>	4,345,714	9.68
Golden Reef Enterprises Pty Ltd <Golden Reef Enterprises FAM A/c>	3,096,826	6.90
ANZ Nominees Limited <Cash Income A/c>	2,328,617	5.19
Mr John Richard Bishop	1,542,857	3.44
Sarah Victoria Bishop	1,542,857	3.44
Mr Roger James Gollan Lewis <Lewis Family Account>	1,476,825	3.29
Amelia Barbara Lewis	1,476,825	3.29
Pathold No 107 Pty Ltd <EMD Group Super A/c>	629,611	1.40
Gage Resources Pty Ltd <The Craighead Family A/c>	629,486	1.40
St Jude Exploration Pty Ltd	629,486	1.40
Mandel Pty Ltd <Mandel Super Fund A/c>	561,111	1.25
Mr Stephen Bruce Bartrop	478,282	1.07
Mr William Ross McCorquodale	440,000	0.98
Australian Asiatic Gems Pty Ltd	370,286	0.82
Mr Neil Kenneth Watson & Ms Margaret Helen Moroney <Rossdale Super Fund A/c>	331,111	0.74
Mr Tom Kolovos	289,280	0.64
Mr Jeffrey Douglas Pappin	251,000	0.56
Idgas Services Pty Ltd	240,000	0.53
G J N Enterprises Pty Ltd	222,171	0.49
Total of top 20 holdings	25,577,695	58.30
Other holdings	18,719,946	41.70
Total fully paid shares issued	44,893,248	100.00

SHAREHOLDER INFORMATION

The following shares and options are restricted by ASX:

Ordinary fully paid shares, restricted for 24 months from date of quotation (1 June 2006)	14,520,286
Options restricted for 24 months from date of issue (1 June 2006)	1,150,000

Employee Share Option Plan

At a General Meeting held in March 2006, shareholders approved the adoption of the Company's Employee Share Option Plan. No options have been issued under the plan, however a total of 1,200,000 options have been issued prior to the establishment of the Plan.

Voting rights

There are no restrictions on voting rights. On a show of hands every member present or by proxy shall have one vote and upon a poll each share shall have one vote. Where a member holds shares which are not fully paid, the number of votes to which that member is entitled on a poll in respect of those part paid shares shall be that fraction of one vote which the amount paid up bears to the total issued price thereof. Option holders have no voting rights until the options are exercised.

Audit Committee

At the date of the Report of the Directors, the Company has a committee of two Non-Executive Directors which meets with the Company's external auditors at least once during each half-year. These meetings will take place prior to the finalisation of the half-year financial statements and Annual Report and prior to the signing of the Audit Report.

Statement under ASX Listing Rule 4.10.19

From the date of admission of the Company's shares on ASX (6 June 2006) to the date of this Annual Report, the Company has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives. Expenditures have been in line with Prospectus estimates.