

Icon options new iron ore project, WA

Icon Resources Ltd ('Icon') is pleased to announce that it has secured an option over the Splinter Iron Ore project from Azure Minerals Limited.

Highlights

- The Splinter Magnetite Iron Ore Project comprises four, wholly owned, contiguous, granted Exploration Licences, covering approximately 840km² of the Yilgarn Craton, approximately 120km northeast of the deepwater port of Esperance
- Previous exploration by Azure, including diamond core and RC drilling, has identified wide zones of high grade magnetite mineralisation commencing at a shallow depth. Drill intersections include up to 24m @ 30.8% Fe and 50m @ 22.6% Fe.
- Initial Davis Tube metallurgical testwork has reported positive magnetite recovery and concentrate grades which assayed between 60.82% and 66.47% Fe. Impurity levels in the concentrates were uniformly low.
- The agreement involves Icon Resources paying Azure Minerals \$50,000 for a three month option over the Splinter project. Icon can elect to extend this option for an additional three months by the payment of an additional \$100,000.
- The exercise price for the option is \$2 million and would deliver 100% of the project to Icon Resources.

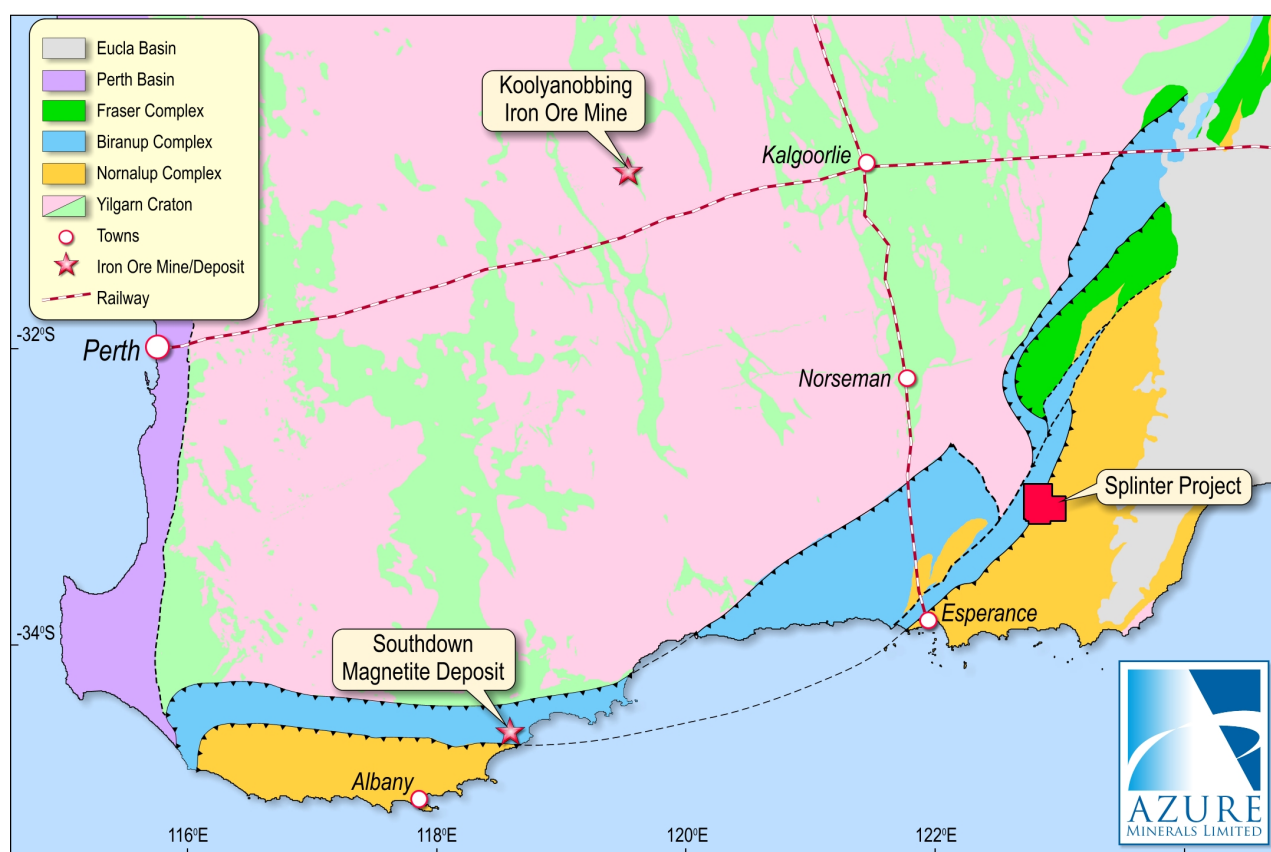
Dr John Bishop commented that the signing of an option agreement over the Splinter Iron ore project is an exciting step for Icon as part of rebalancing its current portfolio. Icon can apply its in-house geophysical skills to rapidly define prospective targets along the 8km strike length of the 'Splinter' banded iron formation and adjacent BIFs and has the capacity to implement immediate follow up drill testing. Icon is also considering funding opportunities for both the exercise of the option and ongoing exploration costs and which may include an offtake partner, should the initial evaluation work prove favourable.



Splinter Background

The Splinter property is located approximately 120km northeast of the deepwater port of Esperance in southern Western Australia. The well maintained Esperance to Fraser Range road passes to within 50km of the project to the west, with the also well maintained Esperance to Balladonia road only 35km east of the southeastern corner of the project. The standard gauge Kalgoorlie to Esperance rail line, already used for bulk commodity transport, is also accessible some 100km west of the property.

The project is situated entirely on Vacant Crown Land, with excellent access via established roads and farm tracks. Once within the project area, access is restricted to exploration tracks established by Azure and previous explorers.

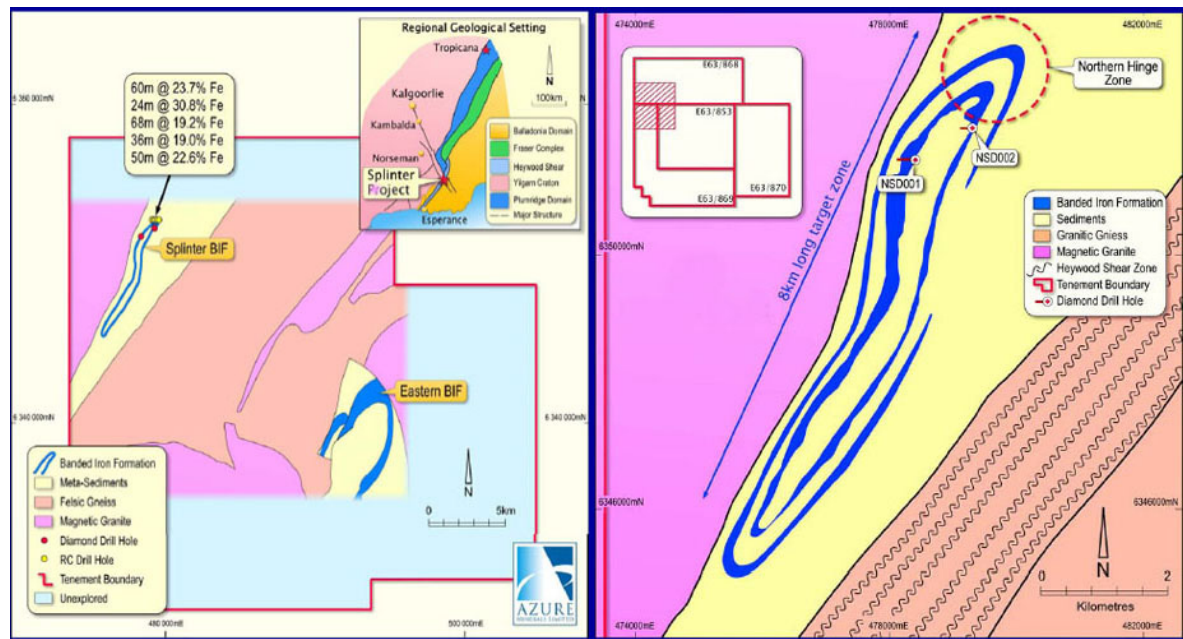


The Splinter project tenements are mostly underlain by rocks of the Biranup Complex, which consists predominantly of quartzo-feldspathic gneisses (mainly derived from granitoids?), interlayered with lesser metasediments and gabbro/dolerite intrusives. The rocks, particularly in the vicinity of the crustal-scale Heywood Shear Zone, are intensely deformed and primary layering is transposed. Metamorphism appears to be at least upper amphibolite facies in the project area.

Four major episodes of plutonic activity have been identified in the Albany-Fraser Belt, at 2630Ma, 1700-1600Ma, 1300Ma and 1160Ma. Granitoids of the Biranup Supersuite (1700-1600Ma) vary from syenogranites to monzodiorite in character. Geoscience Australia has classified the



granitoids of the Biranup Supersuite as mostly oxidised and metaluminous. Late pegmatite veining is common.



Several highly magnetic horizons within the Biranup Complex gneisses are interpreted to represent sheared and metamorphosed original banded iron formation horizons (BIFs) and are considered prospective for significant magnetite iron oxide deposits. Grange Resources' (ASX Code: GRR) Southdown Magnetite Project is also hosted within the Biranup Complex gneisses, in a geological setting virtually identical to that at Splinter.

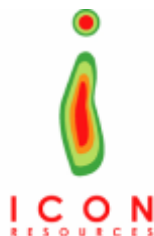
Outcrop is rare in the project area, with a widespread, but thin, veneer of aeolian sand cover obscuring the basement rocks. Local development of deeper Tertiary palaeochannels is common.

In addition to the excellent potential for significant magnetite iron ore mineralisation, the Splinter project is also considered prospective for:

- Ernest Henry (QLD) or Olympic Dam (SA) iron oxide copper-gold-(uranium) (IOCG) style mineralisation,
- Tropicana (WA) or Barns (SA) style structurally-hosted gold,
- Voisey's Bay (Canada) or Sally Malay (WA) mafic-ultramafic intrusive-hosted nickel-copper-PGE sulphides, and
- Beverley (SA) palaeochannel-hosted "rollfront" uranium.

Recent Exploration

Azure's (as Nickel Australia Limited) initial exploration at Splinter focussed on following up the existing anomalous calcrete geochemistry, searching for both structurally hosted gold and iron oxide copper gold uranium (IOCGU) mineralisation. Calcrete sampling was infilled to ~400m x 400m spacing, with anomalous areas infilled further down to 200m x 200m. The sampling outlined strong Au anomalism over a 3km x 1km area, with an adjacent, associated Cu anomaly.



To aid in interpretation of the geochemistry and assist drillhole targeting, both a low level aeromagnetics survey and wide spaced ground gravity survey were completed over the granted E63/853 tenement in 2004-2005. Both the magnetics and gravity provided invaluable information on the structure and geological framework of the tenement and a moderate-strong gravity anomaly was found to be coincident with the Au-Cu calcrete anomaly.

The Au-Cu calcrete anomalism, coupled with a coincident gravity high was considered significant as an IOCGU target and, along with several other geophysical targets, was drill tested with aircore drilling in late 2005. No significant results were returned from the shallow drilling and the calcrete anomalism remains to be adequately explained.

Following the grant of E63/868 – 870, which surround E63/853, in 2005, Azure focussed its exploration efforts on the IOCG potential of the major, crustal scale Heywood Shear Zone immediately adjacent to the northwestern corner of E63/853. The gravity survey was extended to provide cover over the Heywood Shear Zone and surrounds. Limited shallow aircore drilling was also completed across the shear zone, which coupled with the gravity provided two excellent IOCG targets for diamond drilling.

Two diamond drillholes, NSD001 and NSD002, were drilled in August 2006, targeting a strong gravity anomaly (Gravity Target 1 – *Figure 2*) for blind IOCG mineralisation. The drilling was unsuccessful in intersecting significant copper-gold mineralisation, but encountered a strongly magnetic quartz-magnetite gneissic sequence, believed to represent a strongly metamorphosed and deformed banded iron formation (BIF). Initial assaying of the drill core from NSD001 and 002 returned high iron results to **35.8% Fe** from zones of semi massive magnetite. Follow up and infill sampling of the two holes resulted in highly encouraging magnetite iron intercepts, detailed in Table 2 below:

Table 2. Splinter Diamond Drillholes NSD001 & NSD002 – Fe Results

Hole No	Easting (mE)	Northing (mN)	Dip	Azimuth	From (m)	To (m)	Width (m)	Grade (Fe %)
NSD 001	478 400	6 351 500	-60°	270°	195.1	227.0	31.9	15.1
					276.0	301.7	25.7	15.4
NSD 002	479 300	6 352 000	-60°	270°	98.3	110.0	11.7	15.1
					208.9	302.0	93.1	15.0
				<i>including</i>	249.0	254.3	5.3	25.5
					320.0	330.0	10.0	15.9

These results were seen as highly significant from a magnetite iron ore point of view and 7 samples of core were sent to Amdel Laboratories for Davis Tube work to determine whether the magnetic fraction could be adequately concentrated and recovered. The preliminary Davis Tube results were very encouraging, returning magnetic concentrates assaying **between 60.82% and 66.47% Fe**. Impurity levels in the concentrate were uniformly low. The Davis Tube results are tabulated below:

Table 3. Davis Tube Recovery Testwork Results

Sample	Fe %	FeO %	TiO ₂ %	SiO ₂ %	Al ₂ O ₃ %	CaO %	P %	S %	LOI %	Fe Recov %
--------	------	-------	--------------------	--------------------	----------------------------------	-------	-----	-----	-------	------------



K121331	63.65	27.6	4.21	3.05	2.16	0.70	0.02	1.74	-2.14	35.80
K121333	63.74	26.1	3.81	1.85	2.75	0.32	0.01	0.87	-2.68	36.96
K121334	62.73	26.0	3.81	1.92	2.77	0.18	0.01	0.67	-2.82	27.35
K121336	62.90	26.0	3.80	2.54	2.96	0.33	0.02	0.87	-2.55	26.93
K121341	60.82	27.6	3.98	4.80	3.21	0.66	0.03	1.08	-2.59	19.77
K121371	63.93	27.0	3.63	3.47	2.14	0.75	0.10	0.30	-2.98	27.16
K121401	66.47	25.2	2.23	2.45	1.55	0.42	0.02	1.40	-2.01	26.29
AVERAGE	63.46	26.5	3.64	2.87	2.51	0.48	0.03	0.99	-2.54	28.61

The Davis Tube testwork results compare very favourably with those of other Western Australian magnetite iron ore projects.

To further define the geological setting of the gravity anomalies, a low level aeromagnetic survey was completed over the Gravity Target 1 and 2 anomalies in September 2006. The extended survey outlined a strongly magnetic folded sequence (*Figure 2*), coincident with the gravity anomalies. The magnetic horizons were interpreted to represent the magnetite BIF stratigraphy, with folding defining a possible total strike length of 16km.

The aeromagnetics also showed that the most magnetic portion of the BIF horizon(s), a tight fold nose just to the north of NSD002, had not been drill tested. The fold nose was seen as a high priority IOCG target, with coincident aeromagnetics, gravity and structure, and in December 2006 a line of RC drilling was completed across the fold nose.

Once again, no significant copper mineralisation was intersected in the drilling, but greater widths of magnetite BIF were intersected and the drilling returned highly encouraging iron grades, significantly higher than those from NSD001 and NSD002. Significant iron results from the RC drilling are shown in Table 4 below.

Table 4. Splinter RC Drillholes – Fe Results

Hole No	Easting (mE)	Northing (mN)	Dip	Azimuth	From (m)	To (m)	Width (m)	Grade (Fe %)
SRC 002	479 300	6 352 500	-60°	270°	44.0	104.0	60.0	23.7
				<i>including</i>	52.0	76.0	24.0	30.8
SRC 004	479 500	6 352 500	-60°	270°	8	76.0	68.0	19.2
					136.0	172.0	36.0	19.0
SRC 005	479 600	6 352 500	-60°	270°	136.0	186.6	50.0*	22.6

Note: * denotes to end of hole.

The high iron grades and widths from the RC drilling prompted Azure to review all available Splinter data to define other targets prospective for iron ore mineralisation. The preliminary review highlighted 13 targets within E63/853 (7 targets), E63/868 (1 target) and E63/869 (5 targets). Several of these targets exhibit magnetic signatures significantly higher than the magnetic horizons drilled to date, along with greater apparent widths and potential strike lengths. All of these additional targets remain to be drill tested, with the higher magnetic intensity and increased widths and strike lengths defining several high priority targets for magnetite iron ore mineralisation.



Importantly, the majority of E63/868 and E63/869, and all of E63/870 have no detailed aeromagnetic coverage and remain completely untested for Southdown-style magnetite iron ore deposits. Other magnetite iron ore targets would be expected to be delineated following a more comprehensive review of the Splinter data, but several anomalies represent high priority, walk-up drill targets. In light of the limited previous drilling, the increased magnetic intensity, along with significant widths and strike lengths of these anomalies suggests the Splinter project has excellent potential for hosting large scale, magnetite-style, iron ore deposits

Dr John Bishop
Managing Director

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. John 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.