ICON
RESOURCES

# Annual General Meeting

ASX: III

*Sydney, 17th November 2009*

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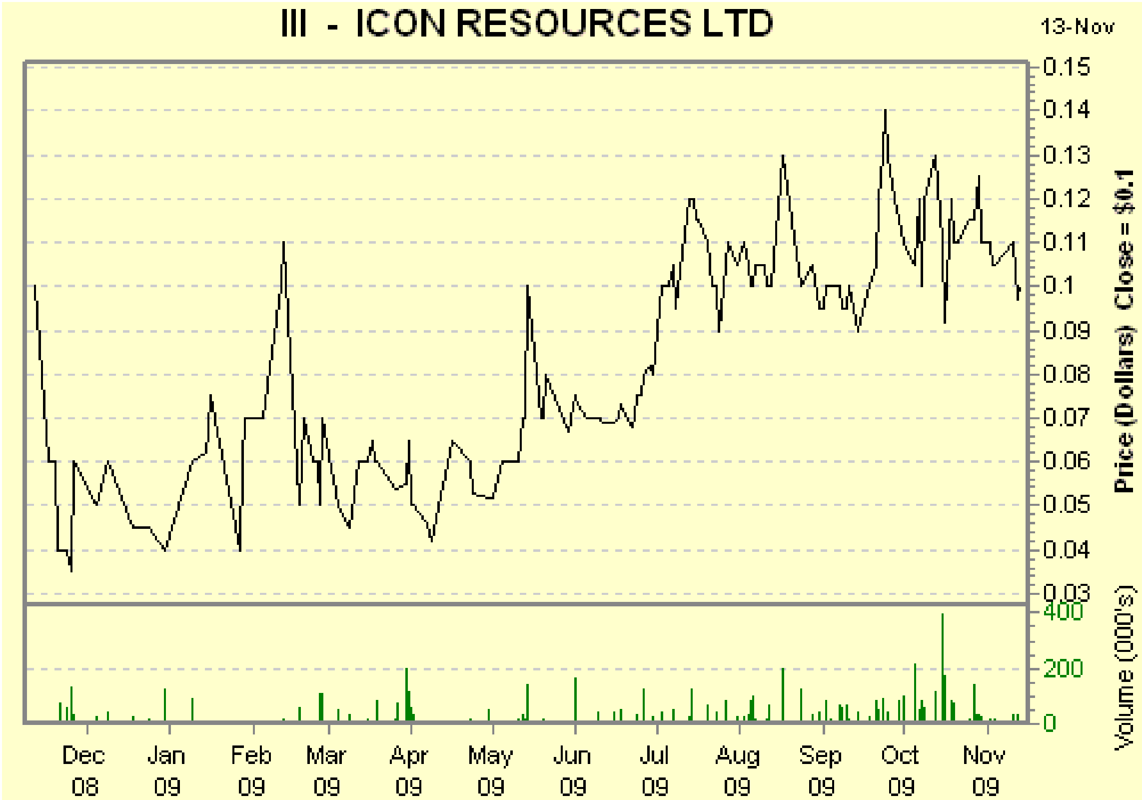
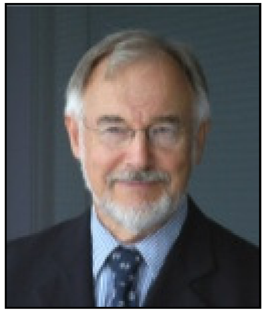
# Corporate Overview

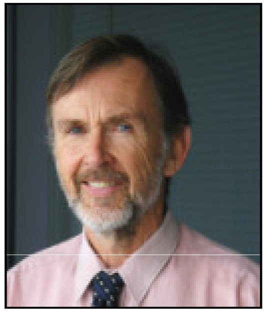
- Icon Resources Ltd listed June ’06,    ASX code: III
- Issued Capital:  ~75M shares   (year range 3.5-14c; currently ~10c)
- Another 17,250,000 shares to be issued following the recent placement which raised S1.55M
- ~4.5M unlisted options with exercise prices of 30-45c
- ~17M new unlisted options with an exercise price of 15c from the recent placement
- Web Site: www.iconresources.com.au



# Board and Management



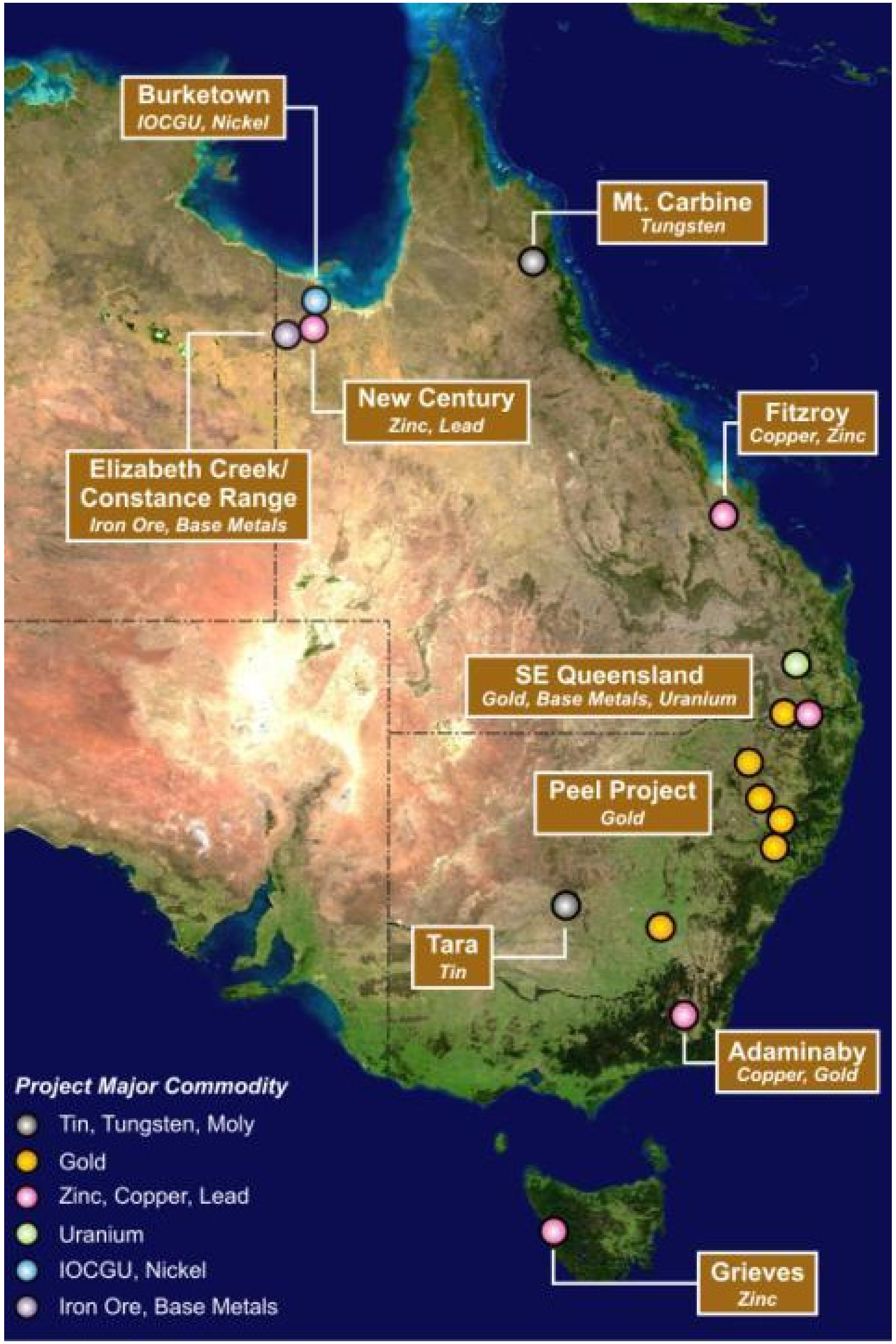
Dr Andrew White, Chairman. Consultant geologist, Extensive experience in exploration, mining and project development including previous operation at Mt Carbine. AusIMM medallist and author of ‘*Management of Mineral Exploration*’.



Dr John Bishop, Managing Director. Wide experience in metalliferous exploration and author of several papers on innovative geophysical techniques. Chairman of ASX listed KUTh Energy Ltd.

Steve Bartrop, Non-executive Director. Managing director of Lime St Capital and co-principal of Stock Resource. Director of ASX listed KUTh Energy Ltd. Previously a geologist with Ashton and MIM

Darcy Milburn, Exploration Manager. Experience in mineral exploration, resource development and marketing and business development with executive roles in listed resource companies.

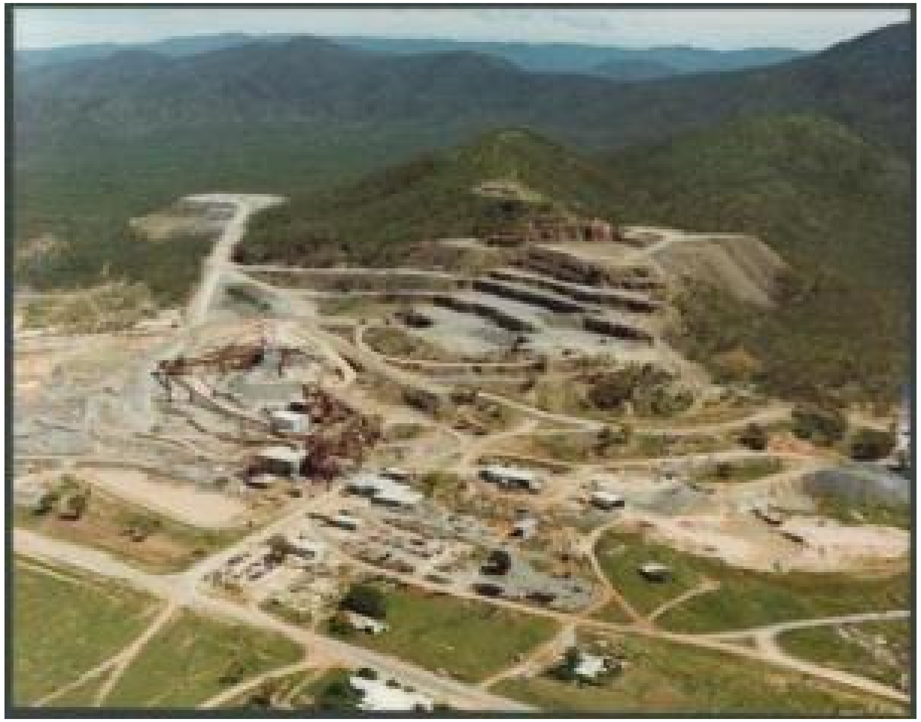



# Icon's Projects

Icon Resources is an emerging tungsten producer and diversified explorer with projects in eastern Australia. They include:-

- **Tungsten** at Mt Carbine. Icon's 100% owned flagship project on track for early development
- **Copper-Zinc** at Fitzroy Project. Inferred Resource: 1.75Mt @ 1.7% Cu + 2% Zn. Planned exploration program to expand resource
- **Gold** at Peel Fault Project. Drill-ready targets to test Icon coincident mapping, geochem and geophysics
- **Tin** at Tara Project. Re-interpretation of Icon geophysics to be tested by further drilling
- **Copper-Gold-Uranium**, **Zinc**, **Nickel** and **Iron Ore** exploration targets in NW Qld

# The Mt Carbine Tungsten Project



*Mt Carbine in 1978*

Mt Carbine –a World Class Tungsten Deposit

- Historically one of the world's largest tungsten mines
- Granted Mining Leases with substantial infrastructure in place
- Recent Scoping Study highlights the financial viability of the project
- On track for re-opening with a long-life mine plan
- Predictions for tungsten are all 'bullish'

# The Mt Carbine Tungsten Project

## Previous large operation with good track record

- Historically produced half of Australia's annual tungsten
- Mine closed due to low prices (~25% current price) with new underground operation partially developed
- Excellent location (~45mins drive from Port Douglas) with power, sealed roads, tailings storage facilities and some permitting in place


## In-situ grades likely under-stated

- Previous operation did not undertake metal balances or establish in-situ grade
- Program in place to reconcile model grade with historic production
- Planned bulk sampling of exposed mineralisation
- XRF analysis of core library underway

## Significant opportunity to increase resource base

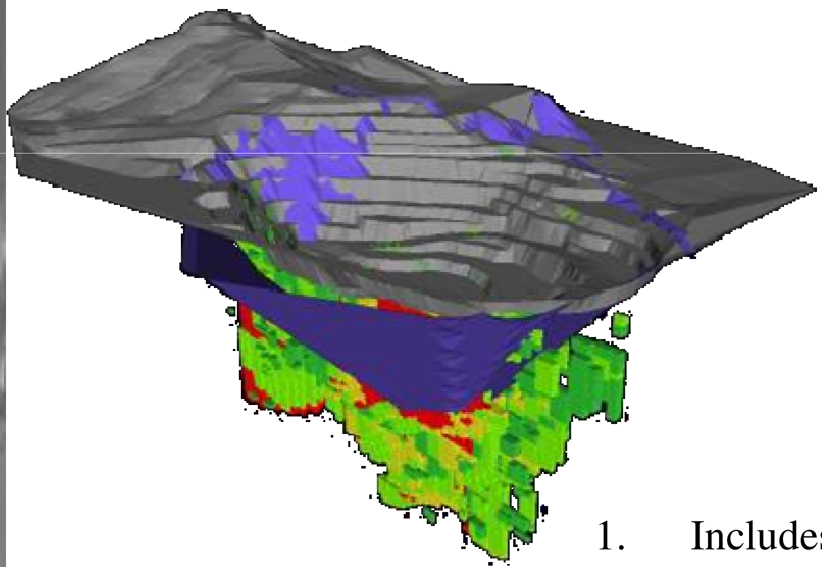
- Mineralisation extends beyond and below the current open cut
- No exploration of extensive old workings adjacent to pit
- Previous operation concentrated on wolframite with <u>scheelite-rich areas largely ignored</u>

# Current Status of the Mt Carbine Project

- Icon has 100% of the mining rights
- Scoping Study has confirmed a viable project based on extracting 7-9Mt
- Potential for very large upside in project value following anticipated increase in resource
- Specific pit expansion targets have been identified to significantly increase both tonnage and grade
- Pre-Feasibility Study scheduled for completion by end 2010

# Scoping Study Findings

- Scoping Study economic assessment strongly supports viability of Mt Carbine
- The Study modelled a Whittle-derived 1.5Mtpa open cut operation with a strip ratio of 1.7 and a recoverable resource of 7.2Mt @ 0.21% $WO_3$ producing approx 2350 tonnes of $WO_3$ in concentrate per year
- Excellent potential to extend beyond the base-case five year mine plan by accessing sparsely-drilled adjacent mineralisation



| Cash Cost[1] per MTU | Capital Cost[2] per MTU | Production Cost per MTU | Margin[3] per MTU |
|---|---|---|---|
| A$144 | A$54 | A$198 | A$52 |

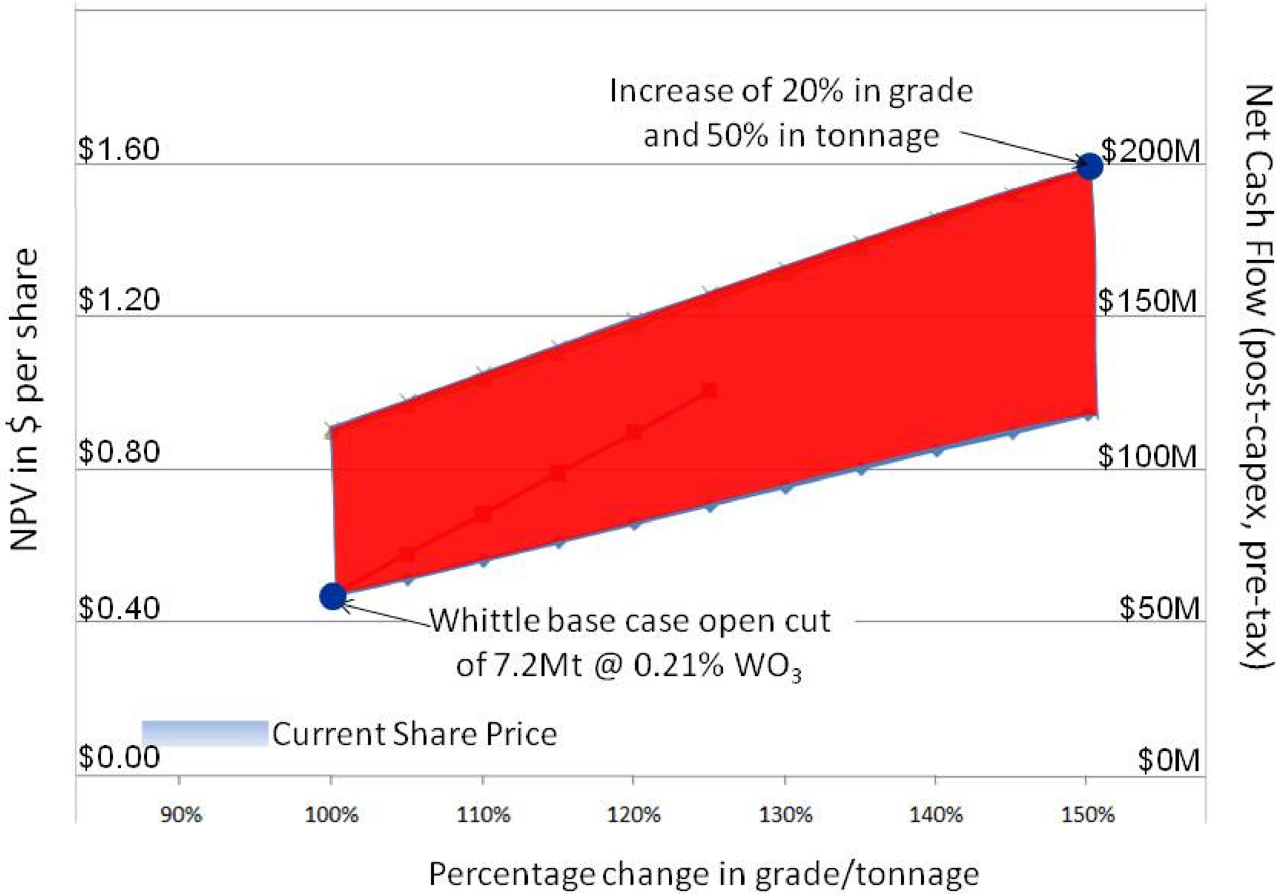
1. Includes mining, processing, freight, royalties, admin, pre-tax
2. Estimated capex of A$60M
3. Assuming the long-term revenue of A$250 per MTU

n.b. these are values are at scoping level accuracy: +/- 30%

*(1 MTU of concentrate is 1/100 of a tonne or 10kg of $WO_3$)*

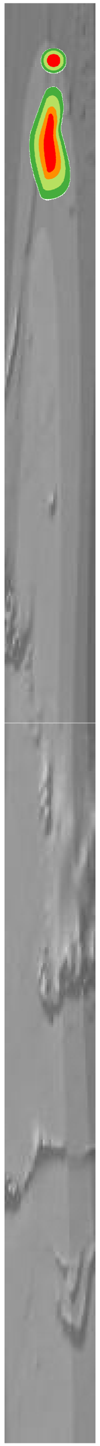
# Scoping Study Model

- The base-case model gives a project net cash flow (after capex, admin, royalties, etc but before tax) of $59M or NPV of 46cps at 8% discount for current 75M issued shares.
- But reconciliation of model grade with historical records suggest in situ grade is 20% higher.
- Combined with an achievable 50% increase in tonnage, this gives a cash flow of close to $200M or NPV of $1.60 per share.



# Scoping Study Recommendations

1. Infill drilling of known mineralisation within the existing lodes
2. Verify  and reconcile the historic grade of the orebody (which is ~20% higher than the modelled grade) by sampling of waste and reject dumps
3. Complete XRF assays of existing core to upgrade status of the resource and update the mining models
4. De-water open pit
5. Trial ore-sorting and processing of bulk samples

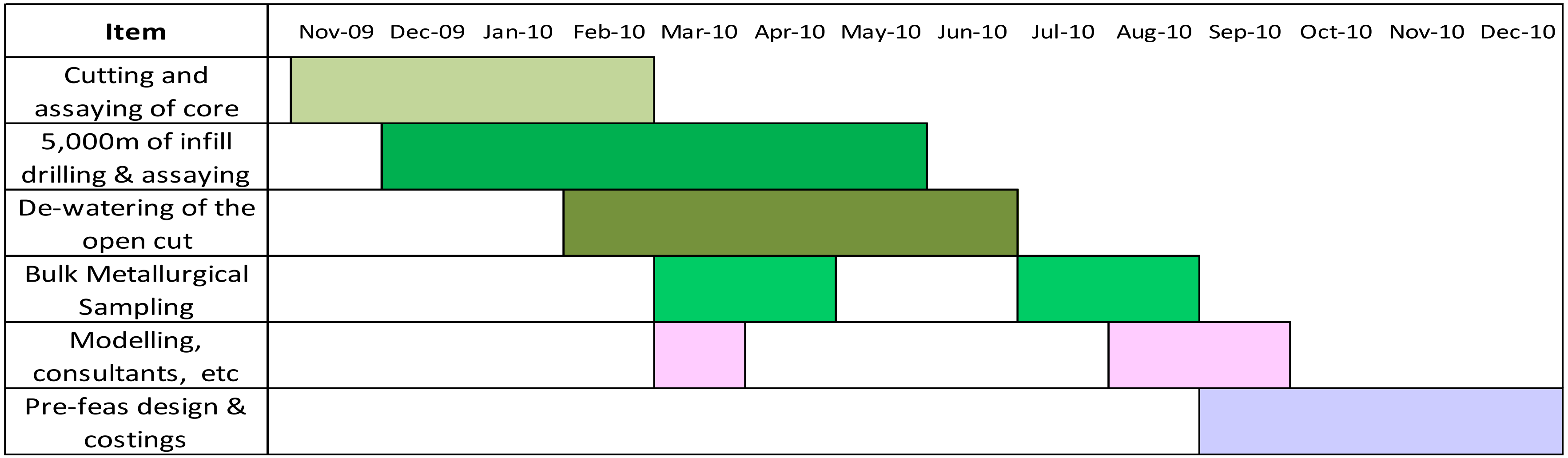


# Budget and Timelines

Budget for 2010-11

| Item | A$M |
|---|---|
| Cutting and assaying of core | 0.1 |
| 5,000m of infill drilling | 0.9 |
| De-watering of the open cut | 0.2 |
| Bulk metallurgical sampling | 0.4 |
| Modelling, consultants, etc | 0.3 |
| Pre-feas design & costings | 0.3 |
| Definitive feasibility study | 1.3 |
| Mt Carbine exploration drilling | 0.5 |
| Tara Tin placer drilling | 0.1 |
| Peel Fault Gold drilling | 0.3 |
| Fitzroy Cu/Zn geophysics | 0.2 |
| Other projects | 0.3 |
| Administration, etc | 1.0 |
| Contingency | 0.2 |
| **Total** | **$6.0** |

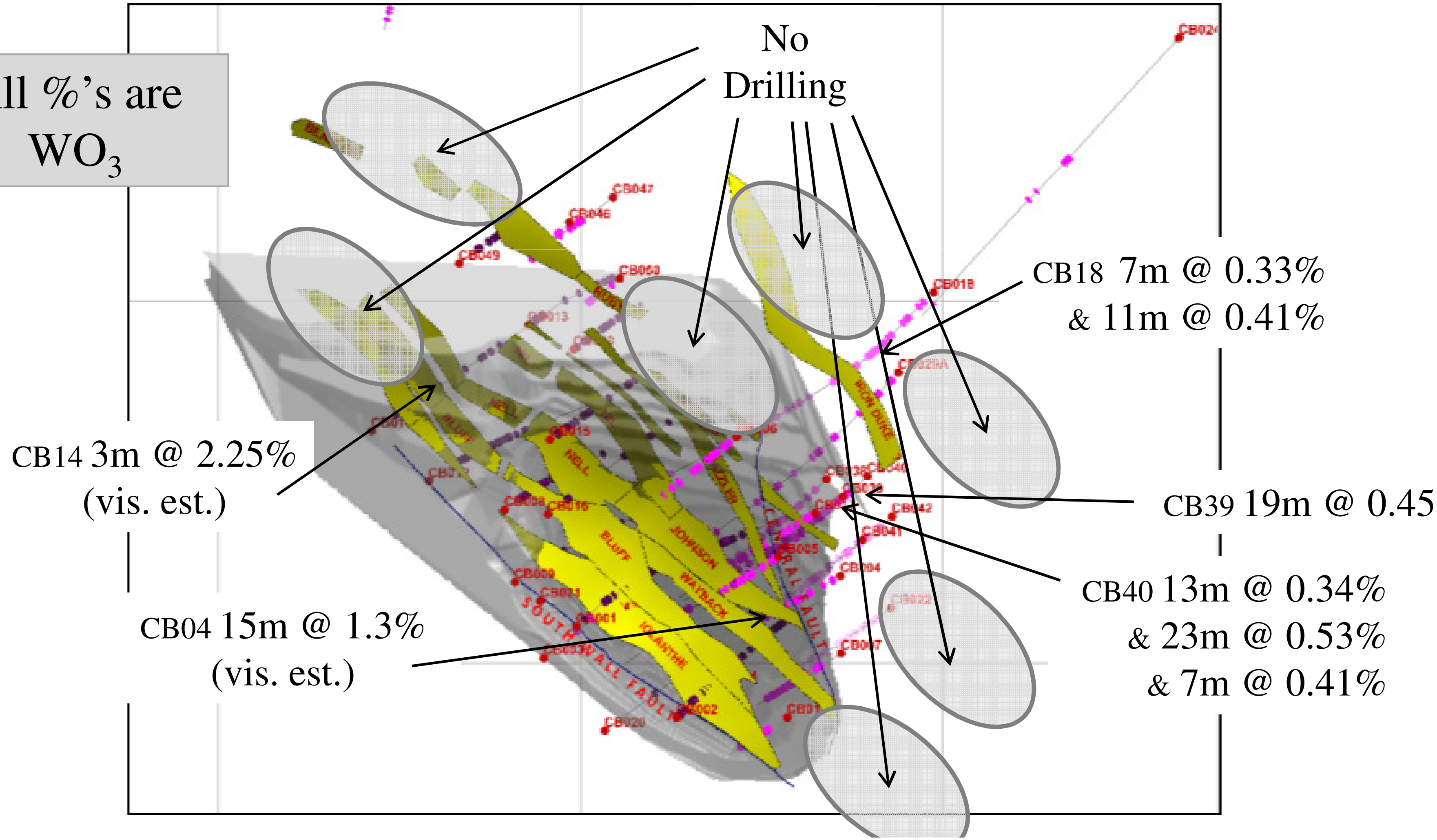
Timelines for 2010



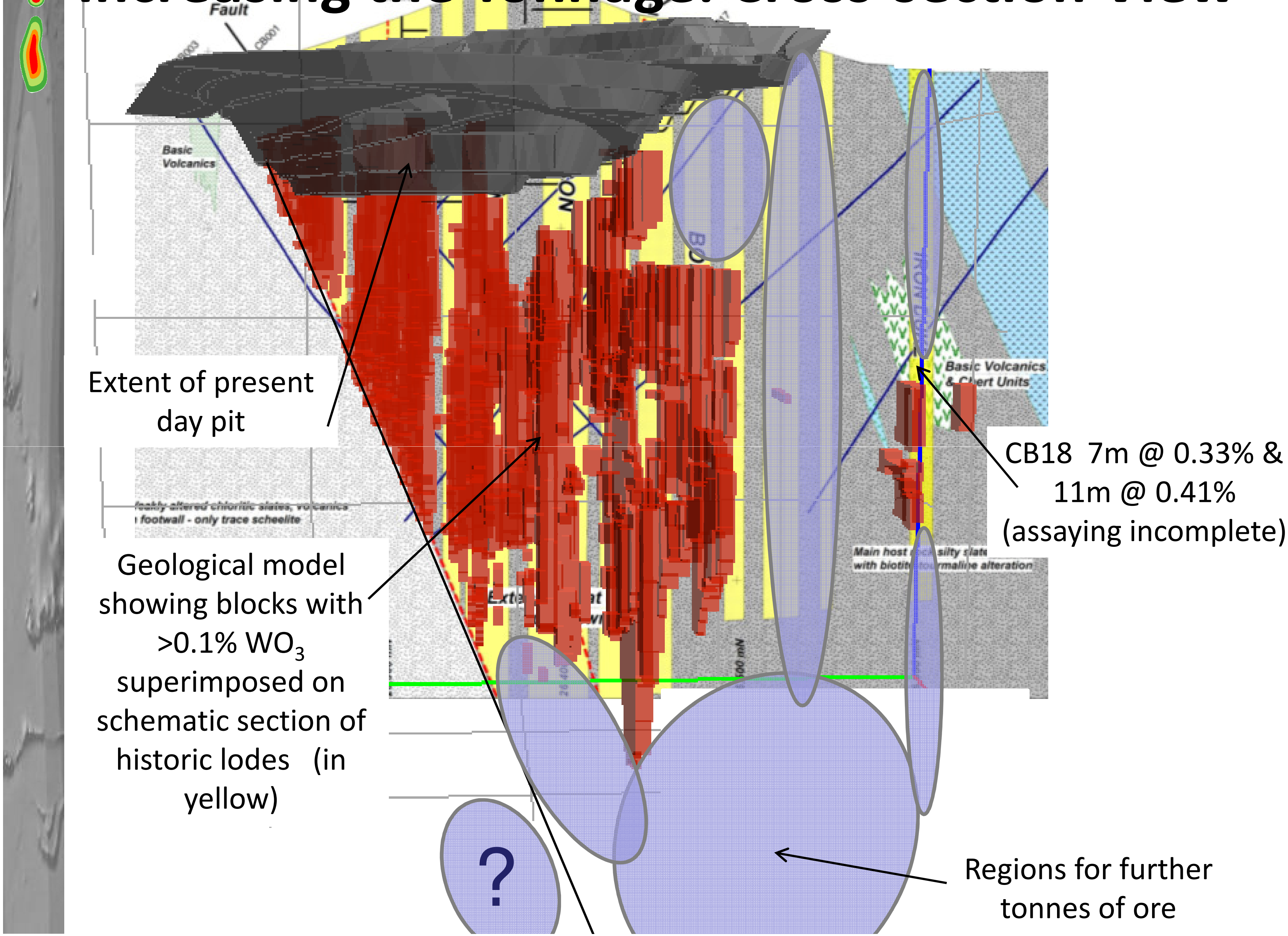
# Increasing the Tonnage: Plan View

- Limited drilling outside of existing open cut
- But good intersections close to the boundary of the presently defined mineralisation indicate extensions highly likely
- Image includes all drillholes. Intersections >0.1% shown in purple

All %'s are $WO_3$

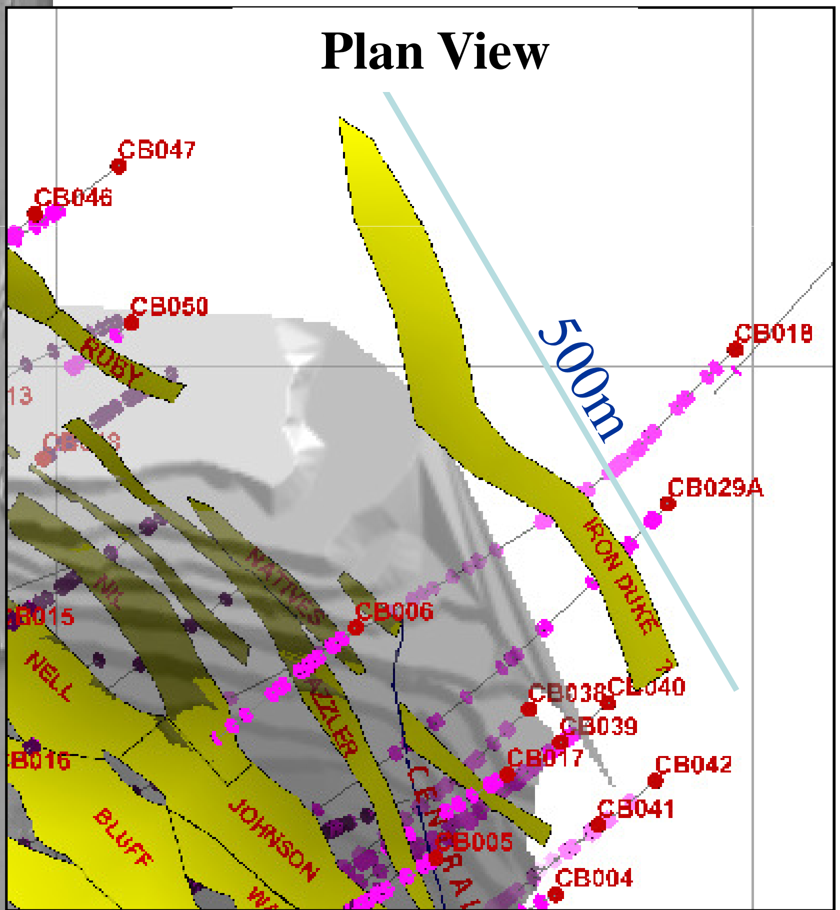


# Increasing the Tonnage: Cross-section View

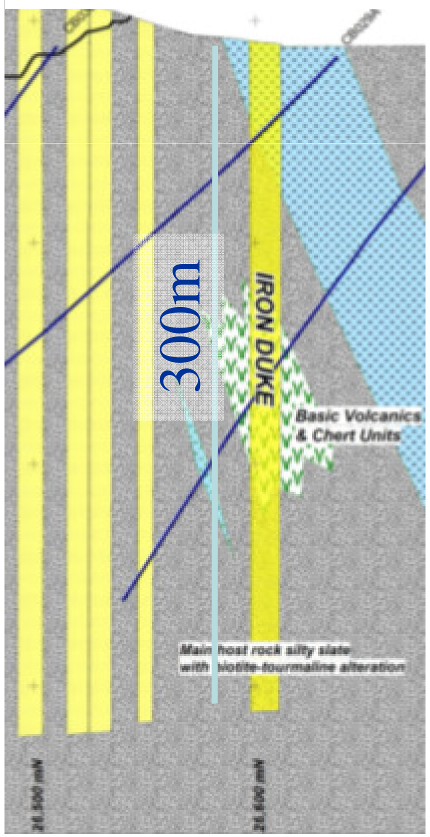


# The Iron Duke

- Potential to define large tonnage, high-grade mineralisation
- Assaying of CB18 close to completion, but currently includes 7m @ 0.33% $WO_3$ and 11m @ 0.41% $WO_3$ (c.f. previous visual estimation of 58m @ 0.09% $WO_3$)
- Assuming L=400m, D=300m, W=50m, Tonnage = **16.8Mt** for sg=2.8 (c.f. Watershed, 15.2Mt @ 0.29% $WO_3$)




Cross Section




resource of 15Mt @ 0.3% $WO_3$
x10 multiple on base case pit

# Exploration Potential & Other Sources of Ore


*Plan view of Mt Carbine open cut, tailings and dumps, and mine lease boundaries*

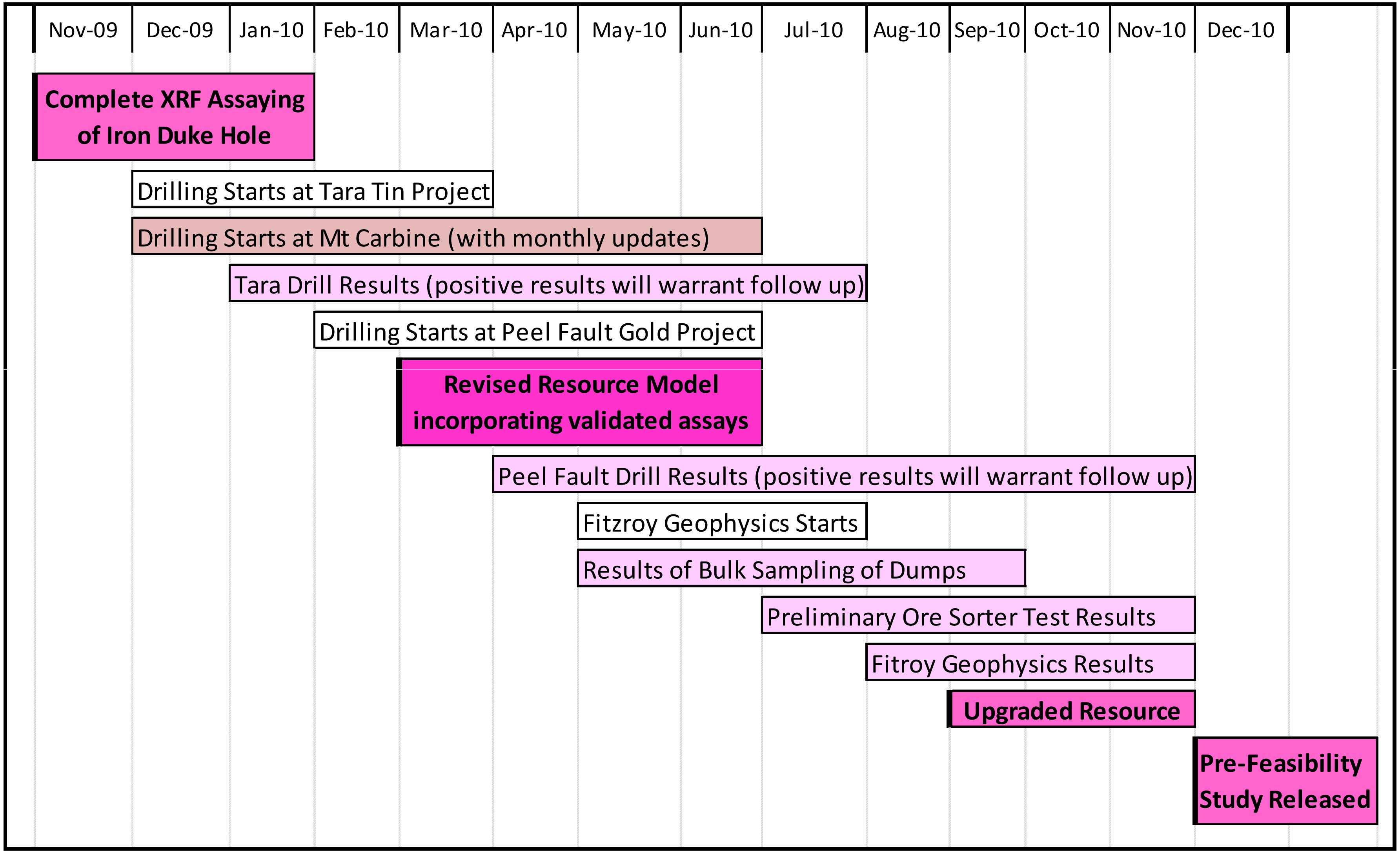
1. Only one exploration hole has tested beneath extensive old workings along Carbine Hill (and intersected the 'blind' Watson's Zone)

2. Potential for old waste dump to carry 'grade' material (previously reported as 0.07% $WO_3$). Scheduled for bulk assaying.

3. Potential for old 'reject' dump (of ~10Mt) to be profitably re-run through latest generation ore-sorters. Scheduled for bulk assaying.

4. Tailings: totalling approximately 2Mt @ 0.11% $WO_3$ (JORC compliant)

# Projected News Flow



# Australian Tungsten Resource Companies

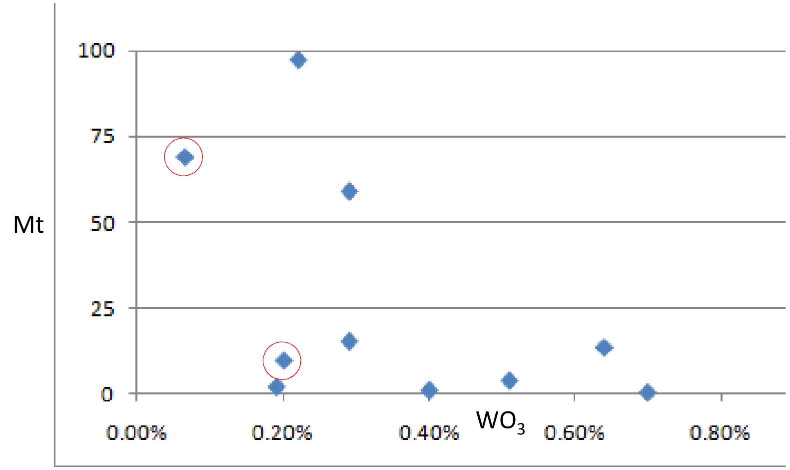
(Sorted by Market Capitalisation)

**Table 3: Some of the listed companies with tungsten mines/projects**

| Company Name | Ticker | Price | MCap | EV | Project | Resources |
|---|---|---|---|---|---|---|
| | | LCY | LCY(m) | LCY(m) | | |
| Newcrest mining | NCM | 36.62 | 17,700.0 | 18,067.0 | O'Callaghans | 59.0Mt @ 0.29% WO3 |
| Heemskirk Cons. Ltd | HSK | 0.63 | 56.5 | 90.0 | Los Santos, Spain | 1.934Mt @ 0.19% WO3 |
| Vital Metals | VML | 0.11 | 14.7 | 14.0 | Watershed, Qld | 15.2Mt @ 0.29% WO3 |
| King Island Scheelite | KIS | 0.22 | 12.2 | 9.0 | King Island Scheelite Mine, Tasmania | 13.4Mt @ 0.64% WO3 |
| Wolf Minerals | WLF | 0.45 | 11.9 | 8.8 | Hemerdon, England | 97.4Mt @ 0.22% WO3 |
| Planet Metals Ltd | PMQ | 0.16 | 9.2 | 7.9 | Wolfram Camp, Qld | 0.9Mt @ 0.4% WO3 |
| Icon Resources* | III | 0.13 | 7.5 | 7.5 | Mt Carbine Project, Qld | 9.6Mt @ 0.2% WO3 |
| Paradigm Metals | PDM | 0.06 | 5.6 | 4.9 | White Rock | 0.26Mt @ 0.7% WO3 |
| Thor Mining | THR | 0.04 | 4.5 | 4.3 | MolyHill | 3.73Mt @ 0.51% WO3 |

Source: Company reports, UBS Oct., '09

* Within a larger 'exploration target' of 55-60Mt @ 0.07-0.09% $WO_3$



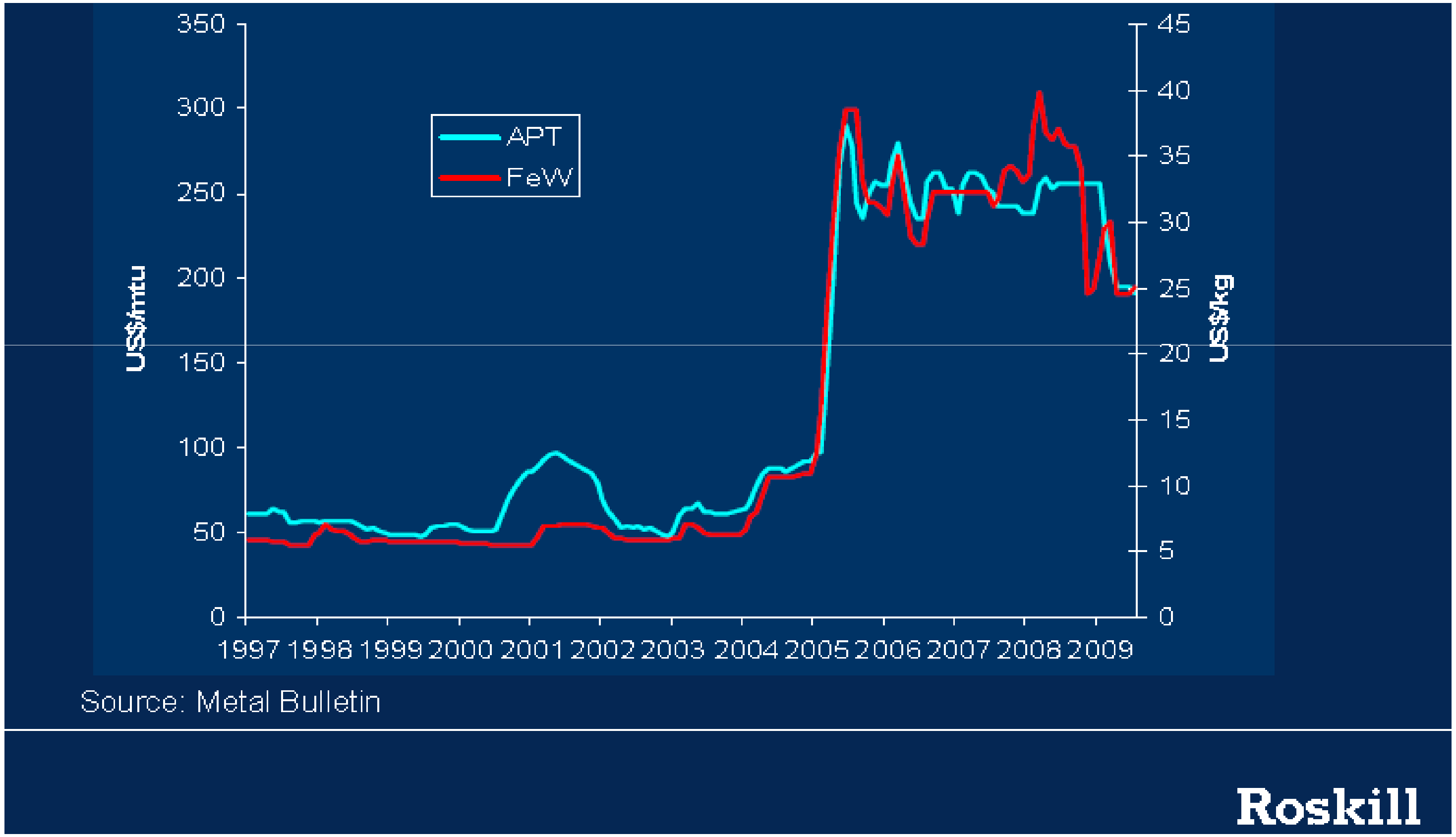
# Tungsten Price

Tungsten prices up x 4 (in US$) over the last few years

China, with ~60% of the world's reserves, is **now a net importer**

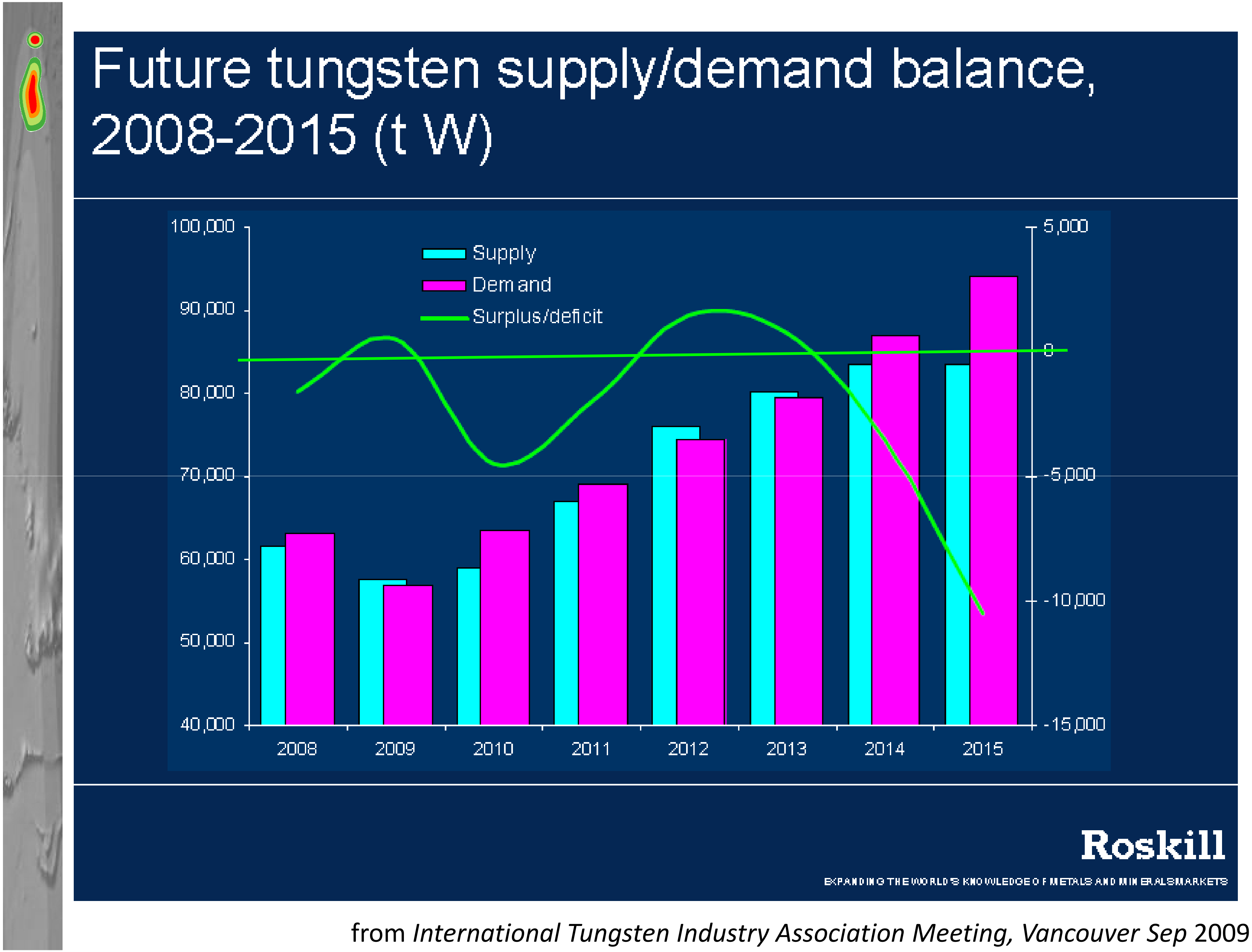
Price down ~20% (in US$) in recent months, but analysts predict sustained demand.

Concentrates now back to ~US$150 and rising




Tungsten is usually priced in metric tonne units (mtu) of $WO_3$ which is 10kg of $WO_3$ or 7.93kg W. Prices are also quoted in the refined product APT (ammonium paratungstate) which trades at a premium of 20-30% above the $WO_3$ price.

from *International Tungsten Industry Association Meeting, Vancouver Sep* 2009




from *International Tungsten Industry Association Meeting, Vancouver Sep* 2009

# Outlook for Tungsten

- *"Tungsten –the next sexy metal?"* ('Strictly Boardroom', Aug '09)
- *"Increasing deficit in tungsten from 2013 on"* (Roskill, Sep '09)
- *"In 2012, it will be tin, <u>tungsten</u> & molybdenum"* (CRU, Oct'09)

## Opportunities

**Robust Fundamentals**:

- Tungsten's supply / demand fundamentals are robust and supportive of a high long term APT price (US$250 / mtu) for the metal

**Limited Western World Supply**:

- Western world future supply looks desperately thin and is limited to a limited number of significant projects

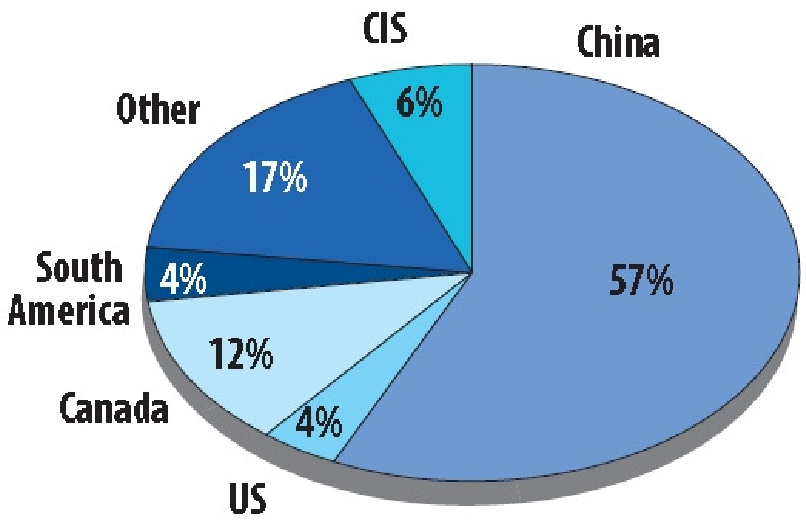
- **Mt Carbine is one of these projects!**

Haywood Securities, *Talking Tungsten* PDAC, Mar 2009

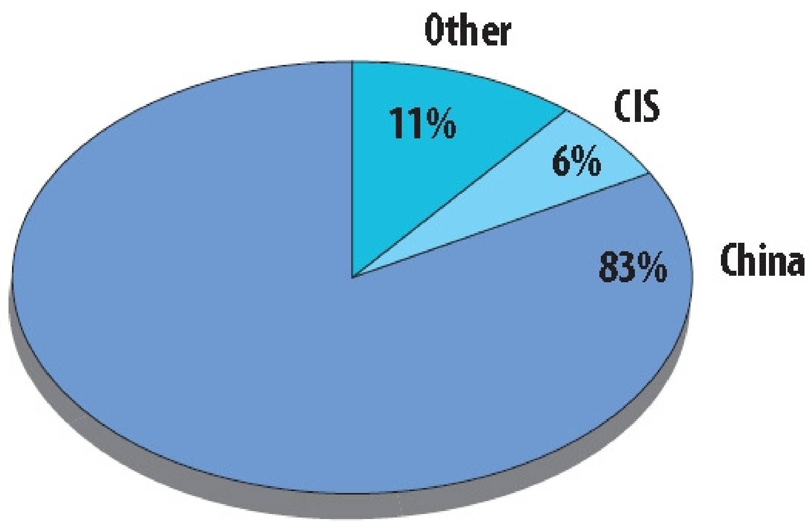
# Tungsten Distribution and Production

- Annual consumption is ~80kt of which ~20kt is recycled
  Traded through individual contracts –not (yet) via the LME.
- China has majority of supply but is now a net importer

**Estimated world tungsten reserves 7Mt (W content)**

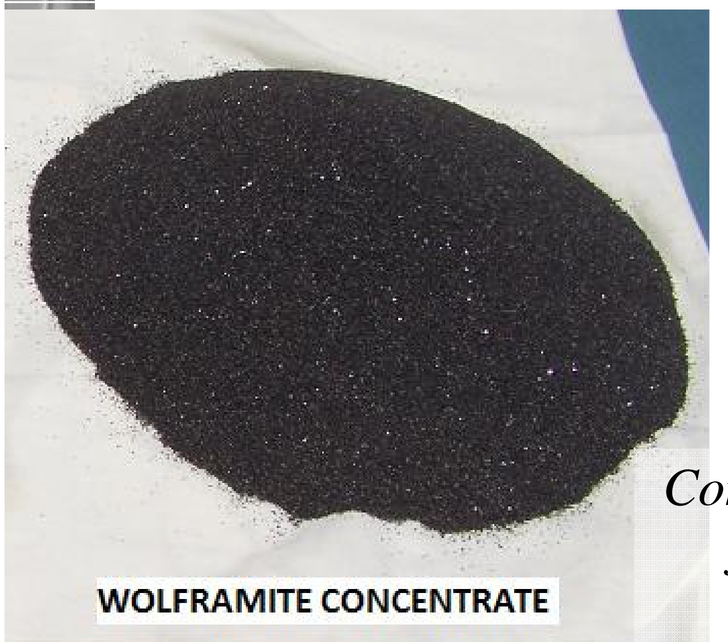



**Supply in 2004: 56,700t (W content)**

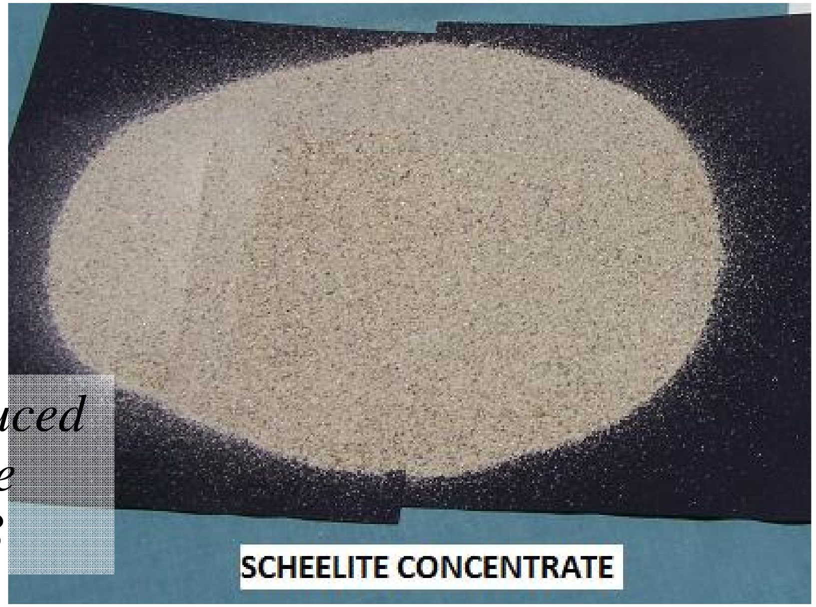


# Tungsten Properties & Occurrence

- Highest melting point and tensile strength of all metals
  Lowest coefficient of expansion of all metals
  Very heavy (similar to gold) - high thermal and electrical conductivity
  Tungsten carbide is the hardest material next to diamond
- Commonly occurs as -
  **Wolframite**, (Mn,Fe)$WO_4$ - black in colour
  **Scheelite**, $CaWO_4$ - light brown; fluoresces under UV light




*Concentrates produced from Mt Carbine tailings in 2008*



# Tungsten Applications

- Tungsten is mostly used for ‘hard metal’ construction (machine-cutting tools, etc).
  Growing applications in: electronics, medicine and catalytic converters.
  Annual consumption is ~80kt of which ~20kt is recycled.

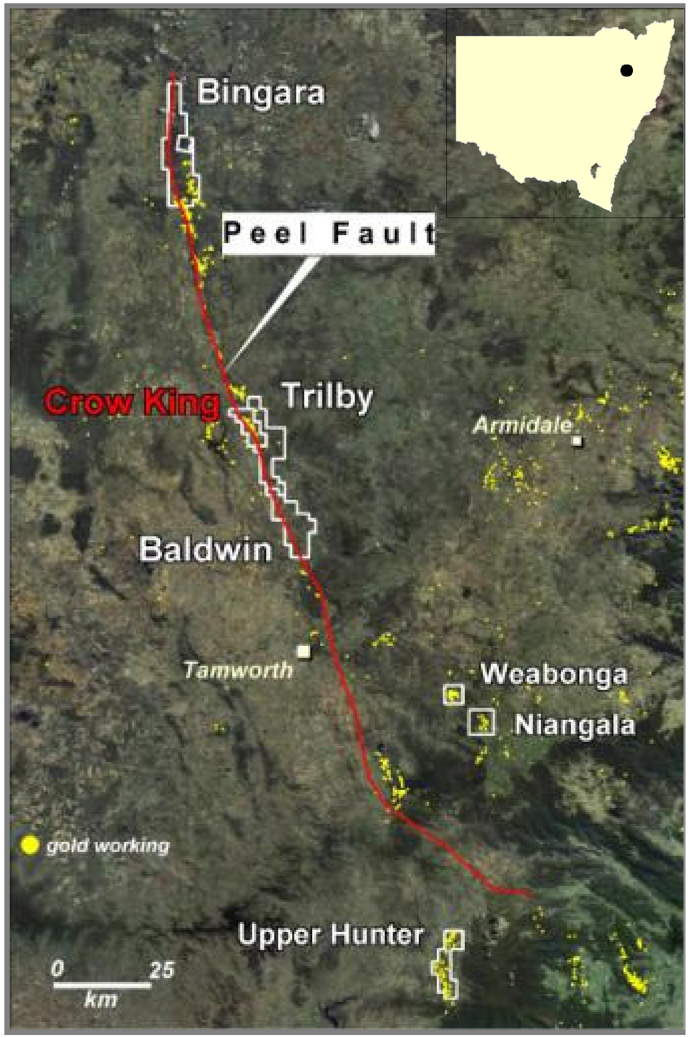
### Some ‘Everyday’ Uses of Tungsten

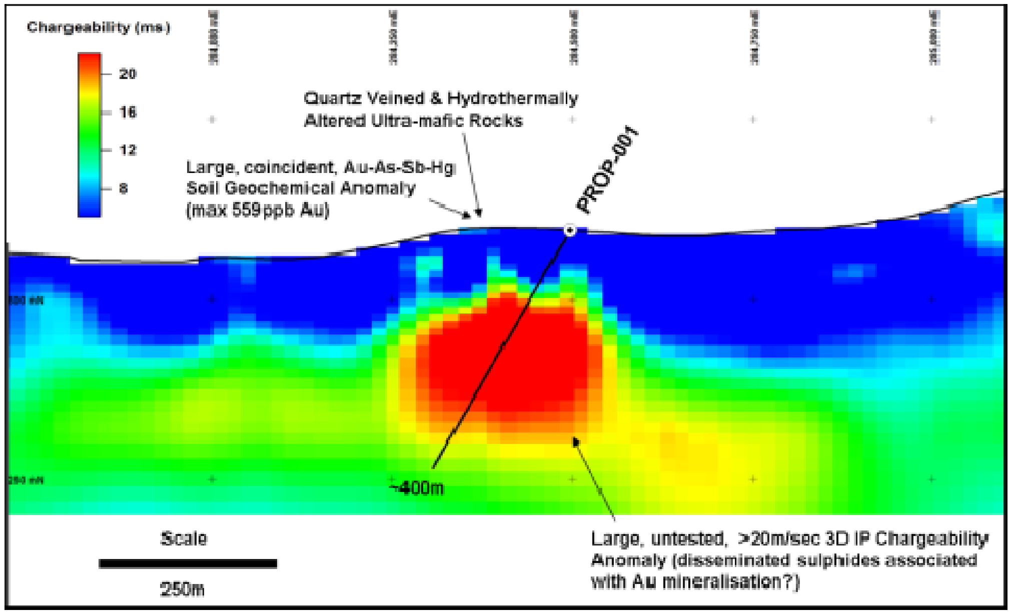
- Car horns & safety switches (conductive)
- Golf clubs, golf balls, golf shoe spikes
- Snow tyre studs
- Vibrating mechanism in a mobile phone
- Dental drills
- Light globes
- Ball point pens (hard-wearing)
- Heated car windows
- Fishing sinkers (heavy; non-toxic)
- A replacement for chrome plating?

# Other Active Exploration Projects

# Peel Fault Gold Project, NE NSW

- Extensive old gold workings with little if any modern exploration
- Analogous to 130Moz ‘Mother Lode’ in California (structure, Listwanite alteration, etc)
- Drilling  scheduled to test strong targets defined by Icon mapping/geochemistry/3DIP  in Nov09 – Mar10



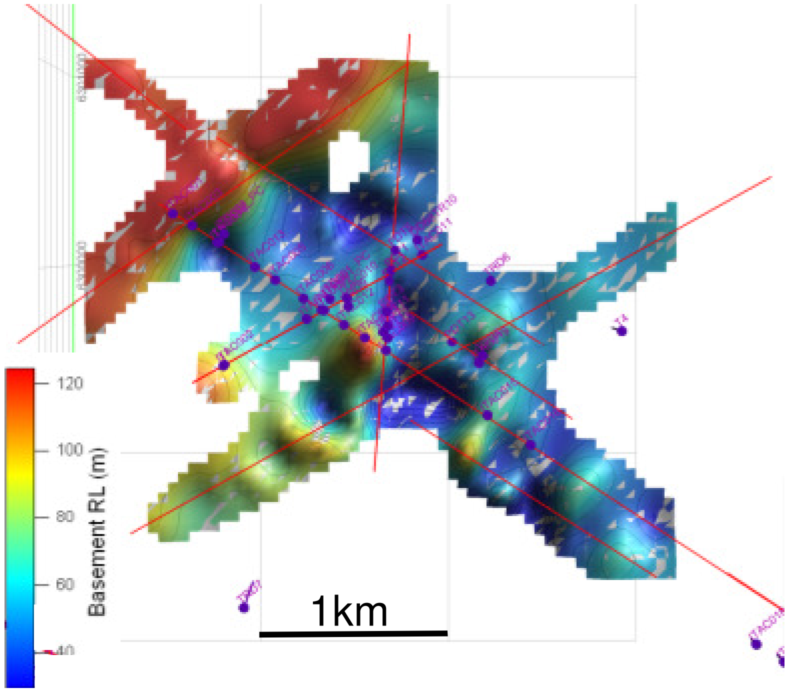




*Cross-section through  Icon 3D IP at Magnesite Hill prospect, Crow King showing proposed drillhole to test chargeability response beneath surface gold anomaly*

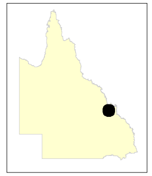
# Tara Tin Project, Central NSW

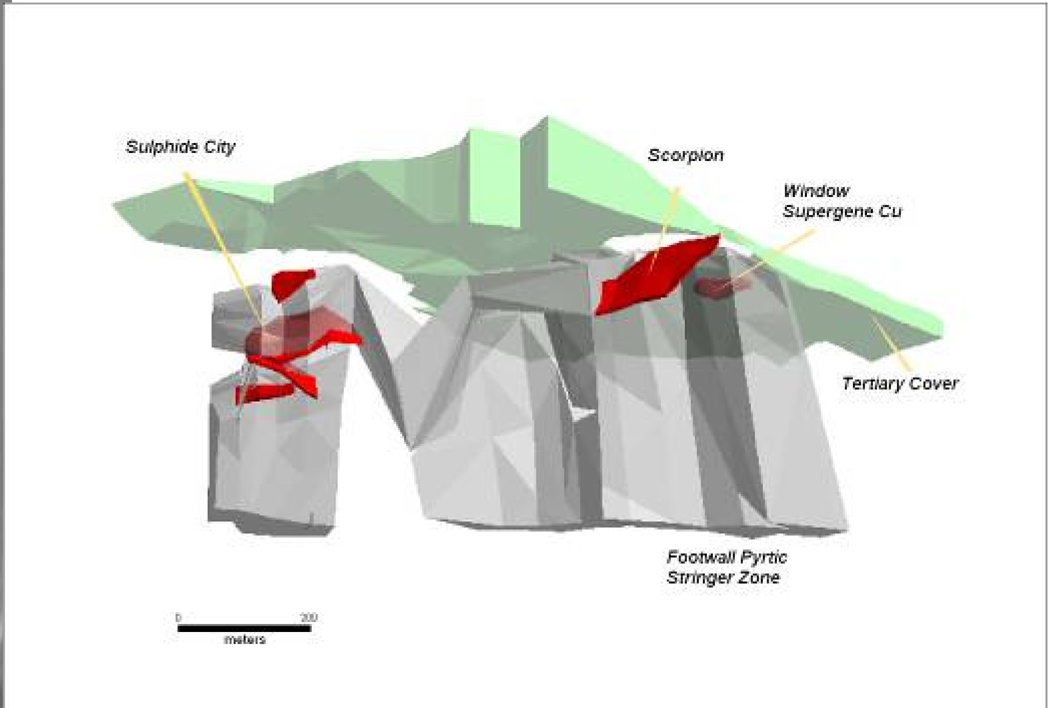
- Previous drilling has identified a large area of tin-bearing mineralisation
- Re-interpretation of Icon geophysics has identified potential for extensive placer tin
- Drilling  scheduled to test targets defined by Icon 3D resistivity in Nov09 – Mar10
- Large, underlying hard-rock target still regarded as highly prospective

*Plan view of basement topography immediately beneath the overburden, based on Icon's 3D resistivity survey. Deep channels (in blue) will be targeted by the drill program*

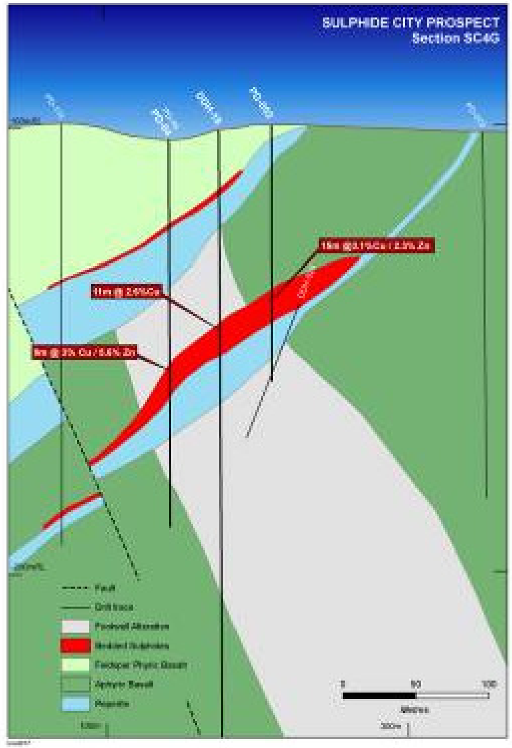


# Fitzroy Cu/Zn Project, Central QLD






- EM and IP surveys planned to test host horizon under cover




- Icon 100% owned project
- Inferred Resource of 1.75Mt @  1.7% Cu + 2% Zn
- Excellent potential for more stacked lenses of massive sulphides

# Contact Details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