ASX Announcement

Icon Resources identifies prime tin target at Tara, central NSW, and acquires Mt Holmes, a little explored tin/tungsten prospect in North Queensland

Whilst much of Icon's efforts have been focused on bringing the Mt Carbine tungsten project in Far North Queensland back into production, Icon's other projects have not been neglected. This report is to update shareholders and the market on progress with Icon's Tara prospect, 20km NE of Hillston in Central NSW, and to comment on the acquisition of the Mt Holmes tin/tungsten prospect, 20km south of Icon's tungsten project at Mt Carbine.

At Tara, Icon has identified a prime target for further exploration for tin, zinc and tungsten, buried beneath recent cover sediments. Icon now has an accurate picture of the basement topography beneath the cover, and has identified basement hills surrounded by ancestral Lachlan River channels. The hills stand up to 85 metres above the neighbouring basement surface in the ancient river channels, but are concealed by 15 – 30 metres of recent cover.

Highly anomalous (>1,000ppm Sn) to ore-grade (1% Sn) tin values have been found in several holes drilled to the basement/cover contact, but appear to be restricted to the margins of the basement highs, just above the contact. This is interpreted to indicate that tin has shed off the basement topographic highs. Potentially ore grade tin, zinc and tungsten mineralisation in historic cored drill holes in the basement also appears to be restricted to those holes that intersected the basement highs. The basement highs are now regarded as prime targets for tin/zinc mineralisation and Icon is evaluating how best to fund the drilling of these targets at the earliest opportunity.

Tara

At Tara, in EL6352 a very large (>4km x 2km) tin, zinc and tungsten-bearing alteration system has been identified by geophysics and drilling in basement rocks that occur beneath recent cover ranging from 10 to 100 metres thick. The challenge for explorers for 25 years since the Tara prospect was first identified by airborne magnetics was whether there was economic mineralisation in this giant system, and if so where was it under the cover?

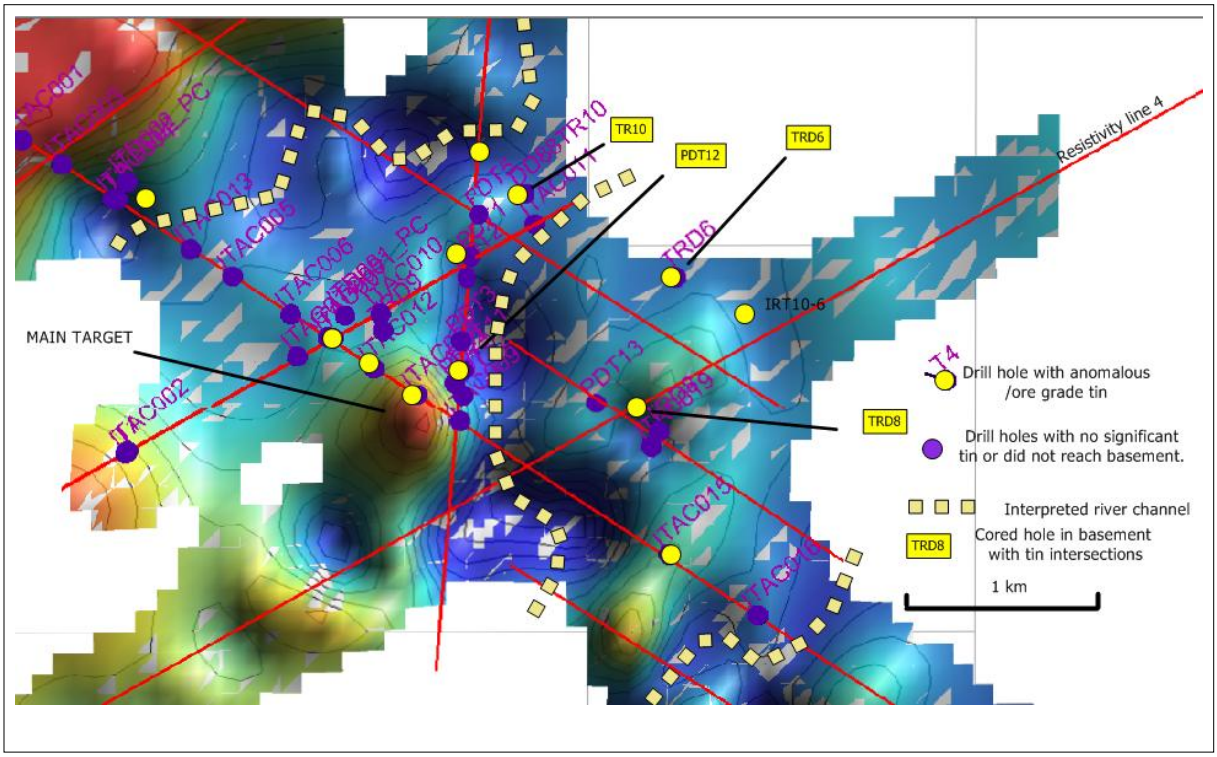
Icon personnel standing on the approximate location of the subsurface tin-zinc target.

Icon completed a high-resolution resistivity survey in 2008 with the intention of gaining information on both bedrock and cover, and in 2009 attempted to drill the cover sequence but the air core drilling program was largely unsuccessful, due to the difficulty of drilling the unconsolidated cover sediments. Interpretation of the resistivity suggested that the cover was mostly sediment deposited in ancestral channels of the Lachlan River, and using a different drilling method (blade drilling with mud, and an oilfield-type mud-screening and recovery system), 8 holes were successfully drilled to basement early in 2010 to test the potential for placer tin deposits in the ancestral river channels. A lengthy and comprehensive sample preparation procedure followed to ensure that any tin mineralisation in the channel sediments was correctly assessed.

The cover sequence consists of three packages:

- the surface soil profile up to 5m thick that consists of red-brown sandy clayey soil to 1 metre, overlying red-brown clayey sand and calcrete up to 4 metres thick.
- A sequence of sand, silt and clay, generally completely barren of tin, down to ~34 metres below surface, with evidence of development of one or more laterite weathering profiles.
- A sequence of sand, silt and clay and gravel, also with evidence of lateritisation, but locally containing tin (cassiterite) in trace to minor amounts.

The river channel fill indicates that the ancestral Lachlan River was a braided stream, and the nature of this type of stream effectively precludes the possibility of water-sorting and concentration of detrital cassiterite. No economic placers were found, the best result being Hole IRT10-6, with 4 metres at 983ppm tin from 40 metres. However, the drilling showed that the resistivity accurately maps the topography of the buried basement, and clearly identifies ancestral river channels separated by basement highs. Anomalous (>1,000ppm Sn) tin values occur in drill holes at or near the basement/cover contact on or adjacent to the basement highs and it is considered that tin has shed off the basement highs.



Plan view of basement topography interpreted from resistivity, Tara. The ancestral river channels are blue, the basement high features are yellow and red.

Icon re-sampled and re-assayed historic cored holes from Tara. Four cored holes penetrate the basement highs: PDT 12, intersected 11m at 0.37% tin (Sn), 0.61% zinc (Zn) from 654m, including 2m at 12.6 g/t Ag from 662m and 4m at 0.63% Sn, 0.84% Zn from 682m, TRD8 (11m at 0.35% Sn and 3597 g/t Ag from 116m), TRD6, 1.7m at 0.6% Sn, 199ppm silver from 181.9m and 5m at 0.20% Sn from 187m, and TR10 (16m at 0.125% Sn from 254m). Anomalous tungsten assays were obtained in TR10 (0.9m at 0.049% W from 252.85m, 0.65m at 0.053%W from 257.15m), ITD-1 (0.5m at 0.059% W from 251m), and PDT12 (2m at 0.051% W from 685m).

Cassiterite is resistant to weathering and heavy, and readily concentrates in soils, alluvial and elluvial layers. Holes drilled to sample the overburden intersected highly anomalous tin around the basement highs. Hole T3 intersected 1% Sn in the bottom in fossil soils just above basement, Hole ITAD 07 intersected 10 metres at 0.156% Sn from 56 metres. Niton Portable XRF analyses of samples from the 2010 drilling indicate anomalous tin in the lowest sediment package in the cover sequence in holes IRT10-1, 4, 5, 6, and 7, with the highest values in IRT10-6 (estimated 983ppm over 4 metres from 40 metres). The distribution of tin in the holes drilled to sample the overburden suggests that the buried basement highs have shed cassiterite into the cover sediments as they were deposited.

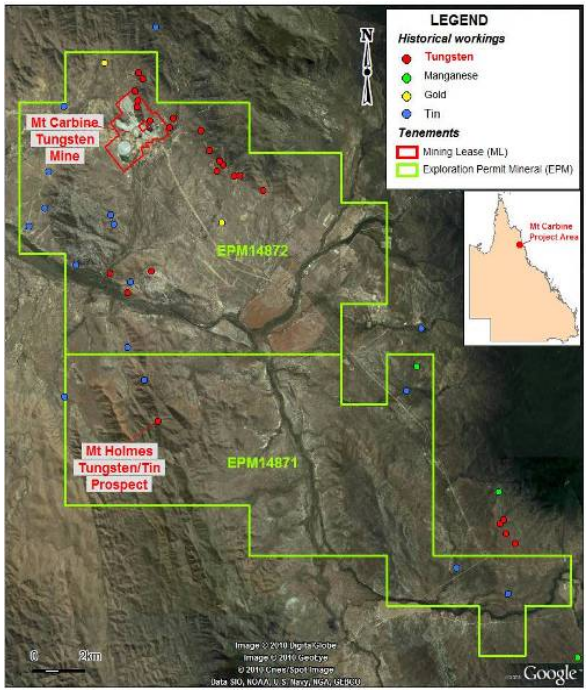
Icon is evaluating how best to fund the drilling of the basement target at the earliest opportunity to test for extensions of the mineralisation found in PDT12 and TRD8.

Mt Holmes (EPM 14871)

The Mt Holmes exploration tenement, acquired by Icon in mid-2010, contains a number of known mineral occurrences including the Mt Holmes prospect approximately 10km south of Mount Carbine. The prospect comprises a northeast striking sheeted vein system approximately 500 metres long and 250 metres wide within Hodgkinson Formation metasediments.

Mt Holmes is a sheeted quartz vein system similar to the Mt Carbine deposit, but tin (cassiterite) is the dominant economic mineral in the surface exposures.

Icon has completed a detailed review of previous exploration activities and commenced reconnaissance geological mapping of the Mt Holmes prospect and surrounding prospective terrain. In a 1982 assessment of Mt Holmes an Exploration Target of 7.5 to 9.5Mt of sheeted quartz veining containing low-grade tin and tungsten was reported (Forsythe 1982).



Location of EPM 14871 & Mt Holmes

Icon plans to drill test the grade and continuity of the system at depth, and also assess whether modern ore sorting technology can successfully beneficiate the tin (and tungsten) bearing veins.

Sheeted quartz veins Mt Holmes

Coarse cassiterite, in quartz vein, Mt Holmes

Information in this report that relates to Exploration Results is based on information compiled by Mr. Darcy Milburn, who is a member of the Australian Institute of Mining and Metallurgy. Darcy 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". Mr. Milburn consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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