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ESTIMATE OF WORK REQUIRED TO UPGRADE RESOURCES: GRIEVES PROSPECT

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EXECUTIVE SUMMARY

Icon Resources Ltd (ICR) engaged AMC Consultants Pty Ltd (AMC) in November 2006, to prepare a report detailing the work required to upgrade the shallow Inferred Resource to an Indicated Resource for Grieves Siding, located 12 km south west of Zeehan in Tasmania. The report is also to include the work required to convert the deeper mineralisation target at Grieves Siding to an Inferred Resource. As part of the target upgrade AMC will highlight deeper drilling targets.

Shallow Mineral Resource:

- With a new geological model the interpretation needs to be updated to ensure that it supports the new model. The addition of new data will require an updated interpretation.
- Data location is material to complete the interpretation and the resource classification. Historical holes should be located accurately by survey and all future drill hole collars need to be located by survey.
- With the highly variable depth to basal contact, difficulty in distinguishing the basal contact and the erratic zinc grade distribution between holes 10m apart, the average drill spacing of 75m by 10m needs to be reduced.
- Duplicate drilling of 5% to 10% of pre existing holes and twinning of 5% to 10%% of new drill holes will help to confirm the validity of previous aircore intersections and provide guidance as to grade variability.
- All new holes drilled must be drilled through the mineralisation and into the underlying weathered limestone so as to locate the highly variable basal contact.
- As well as the standard suit of assays, all future drilling needs to include sample recovery, bulk density, moisture and QA/QC data collection.
- A QA/QC program for assay results that includes the submission of blind duplicates, replicates and independently sourced standards should be introduced for future drill sample assays.
- Existing QA/QC data and sample recovery requires entering into the database.
- Future estimation methods should include variography studies, and grade interpolation should preferably be either by Kriging or inverse distance squared.
- Modifying the December 2005 Mineral Resource tonnes by updating the volumes based on the new density and moisture data is insufficient for future public reporting because of the significant change in the geology.
- Given the change in the geological model from clay hosted to organic hosted mineralisation, a method of treatment needs to be established and documented to confirm that the shallow mineralisation meets the JORC Code[1] requirements for classification as a mineral resource.

[1] Australasian Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

- AMC proposes a drill program, consisting of 99 drill holes, totalling of 4,025m, to infill the existing drilling over the area of the Inferred Mineral Resource.

Oxide Mineralisation at Depth:

- Thirteen diamond drill hole logs need to be reviewed for more detailed stratigraphy and have the detailed stratigraphy entered into the database.
- AMC proposes a drill program, consisting of 22 drill holes, totalling of 4,250m to infill the existing diamond drilling over the deeper oxide mineralisation, potentially allowing it to be upgraded from an exploration target to Inferred Resources.
- The data provided by these drill holes should be photographed, geotechnically and geologically logged before cutting of the core for assay.
- All logging, sampling and QA/QC procedures need to be documented.

QUALITY CONTROL

The signing of this statement confirms this report has been prepared and checked in accordance with the AMC Peer Review Process. AMC's Peer Review Policy can be viewed at www.amcconsultants.com.au.

Project Manager		
T.L. Burrows		12 December 2006
Peer Reviewer		
P. R. Stephenson		12 December 2006

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2 copies to Mr John Bishop, Icon Resources Ltd
1 copy to AMC Melbourne office

1 INTRODUCTION

Icon Resources Ltd (ICR) engaged AMC Consultants Pty Ltd (AMC) in November 2006, to prepare a report detailing the work required to upgrade the shallow Inferred Resource at Grieves Siding 12 km south west of Zeehan in Tasmania and the work required to convert the deeper exploration target to an Inferred Resource. As part of the exploration target upgrade AMC was requested to highlight deeper drilling targets.

T. L. Burrows, Senior Geologist, AMC prepared this report, which has been peer reviewed by P. R. Stephenson, Principal Geologist, AMC.

2 SCOPE OF WORK

The scope of work listed is an extract from AMC's proposal MP06151 to ICR dated 13 November 2006.

- Document the work required to convert the Grieves 'organic zinc' deposit from an Inferred Resource to an Indicated Resource.
- Document the work to be completed to upgrade the exploration potential at depth to an Inferred Resource.
- Prepare and document drilling targets for the exploration potential at depth.

Note that resource upgrading will be dependant on successful results from further exploration.

The scope of work did not include commentary or advice on whether the current Grieves Inferred Resource estimate meets the JORC Code requirements for "reasonable prospect for economic extraction", which is necessary if it is to be publicly reported as a mineral resource. AMC notes the unusual style of mineralogy of the upper weathered portion of the deposit, but has accepted, for the purpose of this report, ICR's advice that there are reasonable prospects of the mineralisation being metallurgically treatable.

3 DATA PROVIDED

The following data was provided by ICR:

- Digital drill hole data database, including hole collars, surveys, assays, QA/QC data and geology.
- All previous relevant documentation and tenement reports.
- Digital geological interpretations, paper plans and sections where digital copies do not exist.
- Data and reports on bulk density, specific gravity, moisture content and metallurgical test work.

Digital topographic data was requested to assist in compiling drill locations. This data was not forthcoming in a timely fashion, and AMC therefore had to proceed without it.

3.1 Data Validation by AMC

The digital drill hole data was validated in Datamine. No errors were found.

The validation process checked for the following inconsistencies:

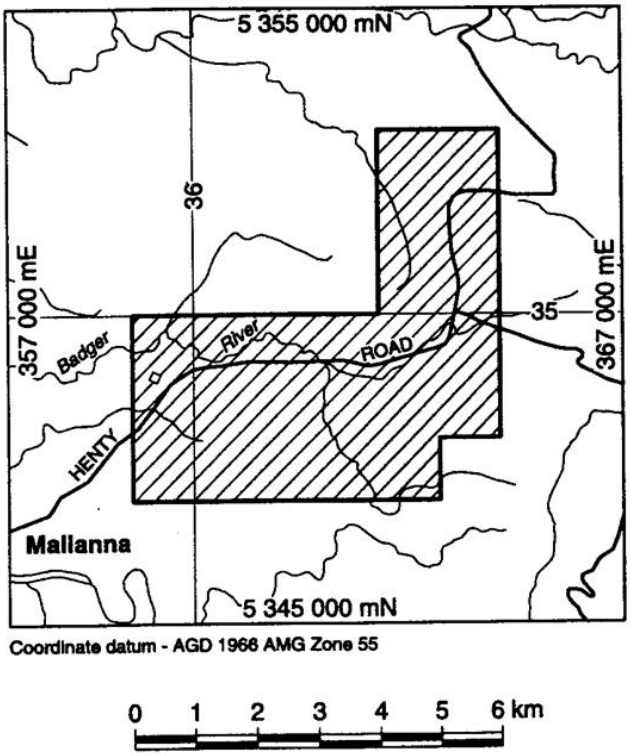
- Collar co-ordinates.
- FROM and TO values in all files.
- Survey dip and bearing angles.
- Assay values greater than 100% or less than detection limit.
- Duplicate records, duplicate holes.

All drill holes that appeared on the geological cross sections provided by ICR were present in the digital database.

4 LOCATION AND EXPLORATION

The Grieves Siding zinc mineralisation is located 12 km south west of Zeehan along the Henty Road in Tasmania. The current exploration license EL47/2004 was granted to South Eastern Resources on 3 February 2005. South Eastern Resources was fully acquired by ICR in a related party transaction in June 2006.

Figure 4.1 Tenement Location Plan for EL47/2004



The Grieves area has been actively explored since the mid 1980's with CRAE, Amco-EZ, Rio Tinto and Allegiance Mining all carrying out exploration activities. An estimated $2 Million (Purvis, 2006) was spent during this time. Bulk sampling from five locations in January 2006 was conducted as part of a joint venture between Zinifex and ICR. The joint venture lapsed on the 30 September 2006. No drilling has yet been undertaken by ICR.

South Eastern Resources Ltd commissioned Burrows[2] to construct a digital database and complete a resource estimate for the Grieves shallow mineralisation in December 2005.

Detailed records exist for 75 diamond drill and 389 aircore holes in the Grieves area. See Figure 5.1 for drill collar locations.

[2] Undertaken by Burrows prior to commencement of employment with AMC

5 GEOLOGY

The geology of the Grieves deposit has been referenced from Tear (1996, 1997), Purvis (2006) and Newnham (1998, 2003).

Grieves is underlain by Upper Cambrian to Devonian sediments dipping NW. The sediments on a large scale are folded around anticlinal and synclinal axes trending NW and cut by a series of NW trending faults.

The Grieves deposit is hosted by a 600m thick Ordovician Limestone unit (Gordon Limestone), dipping at 35-60° NW. The limestone is strongly affected by weathering for several hundred metres. It is unconformably underlain by the Moina Sandstone and conformably overlain by the Crotty Quartzite.

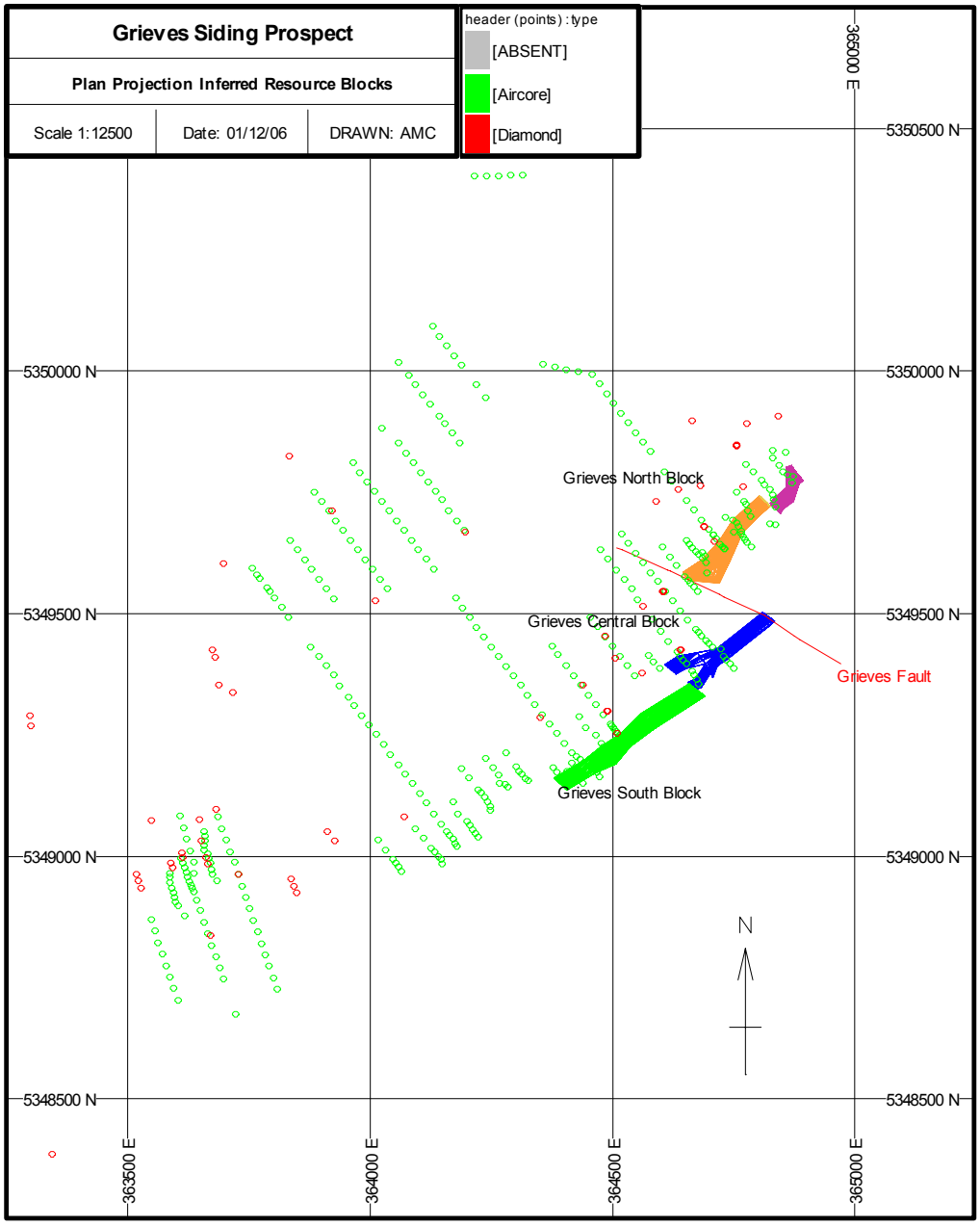
At depth the mineralised intersections occur in multiple stratiform horizons of siderite alteration along the basal contact of the Moina Sandstone, along the Upper contact of the Crotty Quartzite and in intermediate argillaceous beds and dolomite breccia beds, hence many of the mineralised intersections are laterally disjointed along strike and up and down dip.

The Gordon Limestone does not outcrop, with the top 5m to 30m being weathered to clay. It has been established by Purvis in the recent metallurgical sampling and analysis that the “clay” is largely made up of organic matter, and that the zinc mineralisation occurs as colloform sphalerite / wurtzite with galena and growing in situ within the organic matter.

The shallow colloform mineralisation shown in Figure 1.1 is 750m long with a variable vertical thickness of between 5m and 25m and an average width of 30m. The basal contact depth is extremely variable between drill holes with broken blocks of weathered limestone intermingled with the organic mineralisation along the basal contact.

The Central and North Grieves mineralised blocks are displaced approximately 150m perpendicular to strike by the Grieves Fault (Figure 5.1).

Figure 5.1 The South, Central and North Grieves Mineralised Blocks



6 EVALUATION OF REQUREMENTS TO UPGRADE INFERRED RESOURCE

The upgrading of the Grieves Inferred Resource for the weathered organic portion of the deposit to an Indicated Resource is dependant upon the success of future work. The current Inferred Resource was estimated in December 2005 by Burrows, see Table 6.1.

Table 6.1 Grieves Siding Inferred Mineral Resource

Block	Tonnes	COG (%Zn)	Zn (%)	Pb (%)	S (%)	Fe (%)
North	164,000	1.0	3.2	0.1	3.0	4.7
Central	65,000	1.0	1.1	0.2	9.3	11.5
South	180,000	1.0	5.6	0.6	6.5	6.1
Total	409,000	1.0	3.9	0.3	5.5	6.4

The upper weathered organic mineralisation was classified as an Inferred Resource mainly because of the broad drill spacing with consequential uncertainty as to geological interpretation, no bulk density or specific gravity data.

An outline of the work required to upgrade the Inferred Resource is detailed below.

6.1 Geological Interpretation

The existing geological interpretation is based on the wide spaced cross sections, wide spaced drill holes and the geological model of zinc mineralisation in weathered clay. This assumes that grade in the weathered but more competent underlying Gordon Limestone is a less weathered extension of the mineralisation being modelled and as such this grade has some influence upon the overlying mineralisation.

6.1.1 Recommendation

With the new geological model provided by Purvis, the interpretation needs to be updated to ensure that it supports the new resource model. The addition of new data will require an updated interpretation.

6.2 Drill Hole Collar Location Uncertainty

ICR has indicated that there is a data mismatch in drill hole collar locations between a portion of the drill database established by Burrows in 2005 and the Mineral Resources Tasmania (MRT) drill hole data set. The 2005 database was entered by hand from written drill logs and surveys. The logs and surveys were sourced from MRT open file data repository. The origins of the collar co-ordinates provided to MRT that are used in their data set has not been verified. The collar mismatch does not appear to be consistent between the drill holes or consistent as a result of a grid transformation.

Purvis has also stated that during the January 2006 fieldwork a GPS was used to locate existing drill collars on the ground. Collar markers that had obviously been disturbed were omitted and collar markers in their original location were frequently out of place by

up to 10m from the recorded geological log. The accuracy of the GPS was to a radius of 2m.

6.2.1 Recommendation

The data location is material to the geological interpretation and the resource classification. Where possible, existing drill holes should be located accurately by survey. All future drill hole collars need to be located by survey.

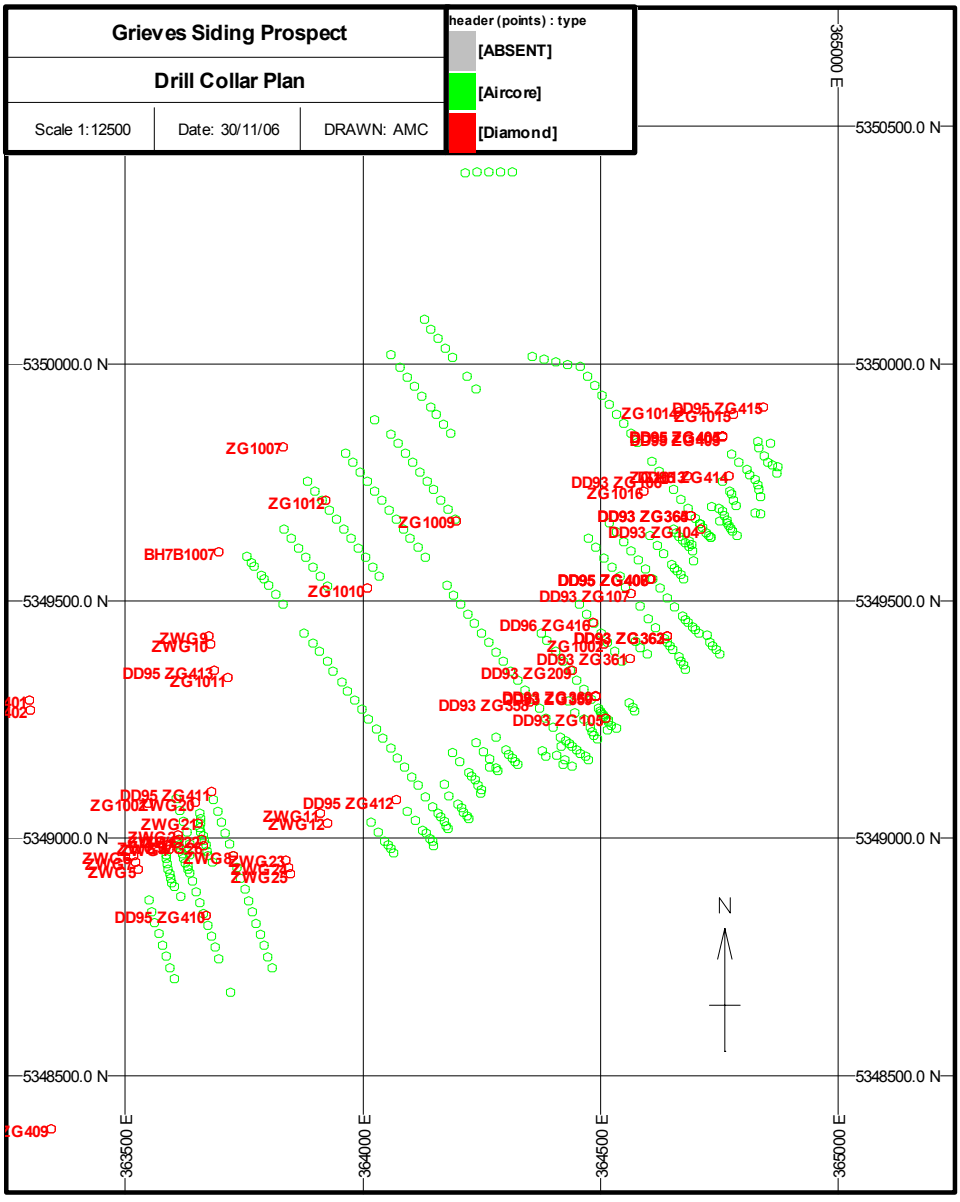
The impact of this issue on the resource estimation and classification will need to be reviewed once the collar verification programme has been completed.

6.3 Drill spacing

The drill plan as shown in Figure 6.1 illustrates an aircore drill spacing of either 50m or 100m along the strike of the Grieves mineralisation, with holes spaced at 10m intervals along each section, giving an average overall spacing of 75m by 10m. All diamond drilling in the area intersects the Gordon Limestone at depth; there is no diamond drilling through the Inferred Resource mineralisation.

Some of the aircore holes have stopped in mineralisation.

Figure 6.1 Drill Collar Location Plan



6.3.1 Recommendation

With the highly variable depth to basal contact and the erratic zinc grade distribution between holes 10m apart, the drill spacing needs to be reduced. Reducing the drill spacing will firm up the geological interpretation in all directions. To optimise expenditure, the collar verification programme should completed before finalising additional drilling plans.

Duplicate drilling of 5% to 10% of pre existing holes and twinning of 5% to 10% of any new holes would help to confirm the validity of previous aircore intersections and provide guidance as to grade variability.

All new holes drilled must be drilled through the mineralisation and into the underlying weathered limestone so as to locate the highly variable basal contact.

With respect to the type of drilling, the main consideration must be to ensure good sample recovery. AMC is unable on the information available to judge whether this would best be achieved by diamond drilling, aircore or another form of percussion drilling, but recommends that ICR gives the matter careful attention. The recommended duplicate drilling of existing (aircore) holes should be by diamond drilling.

Newnham had previously planned an infill drill programme consisting of 55 holes. Refer to MRT open file report 99-4290 page 205, a digital copy of which is provided as APPENDIX A. Section 7 and APPENDIX B of this report detail AMC's proposed 99 hole infill drill program.

6.4 Sampling

Bulk density and moisture data was not collected during any previous drilling programmes. The January 2006 fieldwork by Purvis involving the collection of samples for metallurgical and processing studies did include the collection of five bulk density samples. The bulk samples were collected into plastic buckets, sealed and delivered to the laboratory 30 hours after being collected. At the laboratory they were then frozen to prevent drying and oxidation. Only one sample was in sufficient condition to be analysed for moisture.

The five bulk density samples collected range from 1.8 t/m^3 to 2.62 t/m^3 dry, averaging 2.2 t/m^3. The one moisture sample that was collected returned a moisture content of 42% by weight. Insufficient and poorly collected bulk density and moisture data are a material risk to resource estimation.

Some duplicate zinc assay samples have been recorded in the hole logs drilled by CRAE in 1995.

6.4.1 Recommendation

As well as the standard suit of assays, all future drilling needs to include sample recovery, bulk density, moisture and QA/QC data collection.

All pre existing QA/QC data should be entered into the database for future use.

A QA/QC program for assay results that includes the submission of blind duplicates, replicates and independently sourced standards should be introduced for future drill sample assays. The QA/QC procedure should be documented and the data entered into the database.

Future samples need to be collected in a manner that will allow accurate bulk density and moisture calculations. The collection and measurement methods for bulk density and moisture should be documented and the data entered into the database.

6.5 Sample Recovery

There is no sample recovery data in the database and limited sample recovery data in the drill logs. Sample recovery is a material risk to the evaluation of a resource by potentially biasing assay results and the grade estimation.

6.5.1 Recommendation

All pre existing sample recovery data should be entered into the database for future use. All new holes drilled should record sample recovery accurately and document the method of recovery measurement used.

6.6 Estimation Method

The upgraded geological model now available means that a more rigorous estimation technique than the Nearest Neighbour estimation method used by Burrows in December 2005 can be applied.

6.6.1 Recommendation

Future estimation methods should, entail a review of the variography after which (depending upon the results) block modelling using kriging or inverse distance weighting should be applied.

6.7 Metallurgy and Processing

Samples collected and submitted for analysis in January 2006 by Purvis have indicated that the shallow zinc mineralisation is colloform sphalerite / wurtzite with galena in an amorphous organic peat with similar burning properties to the La Trobe Valley brown coal. In a Joint Venture with Zinifex, these samples were tested to assess the treatability of the Grieves mineralisation in the Zinifex Rosebery plant. Test results showed that the Grieves mineralisation is not amenable to recovery by either floatation or gravity methods because of the high organic carbon contents (36% to 89%), very fine grain size and pH of between 4.3 and 6.3. Excessive amounts of reagents were consumed during the floatation trials. Blending of the Zinifex Rosebery ore and the Grieves mineralisation was trialled, this resulted in a significantly lower recovery (77%) than would normally be expected at the Rosebery mill (91% to 93%).

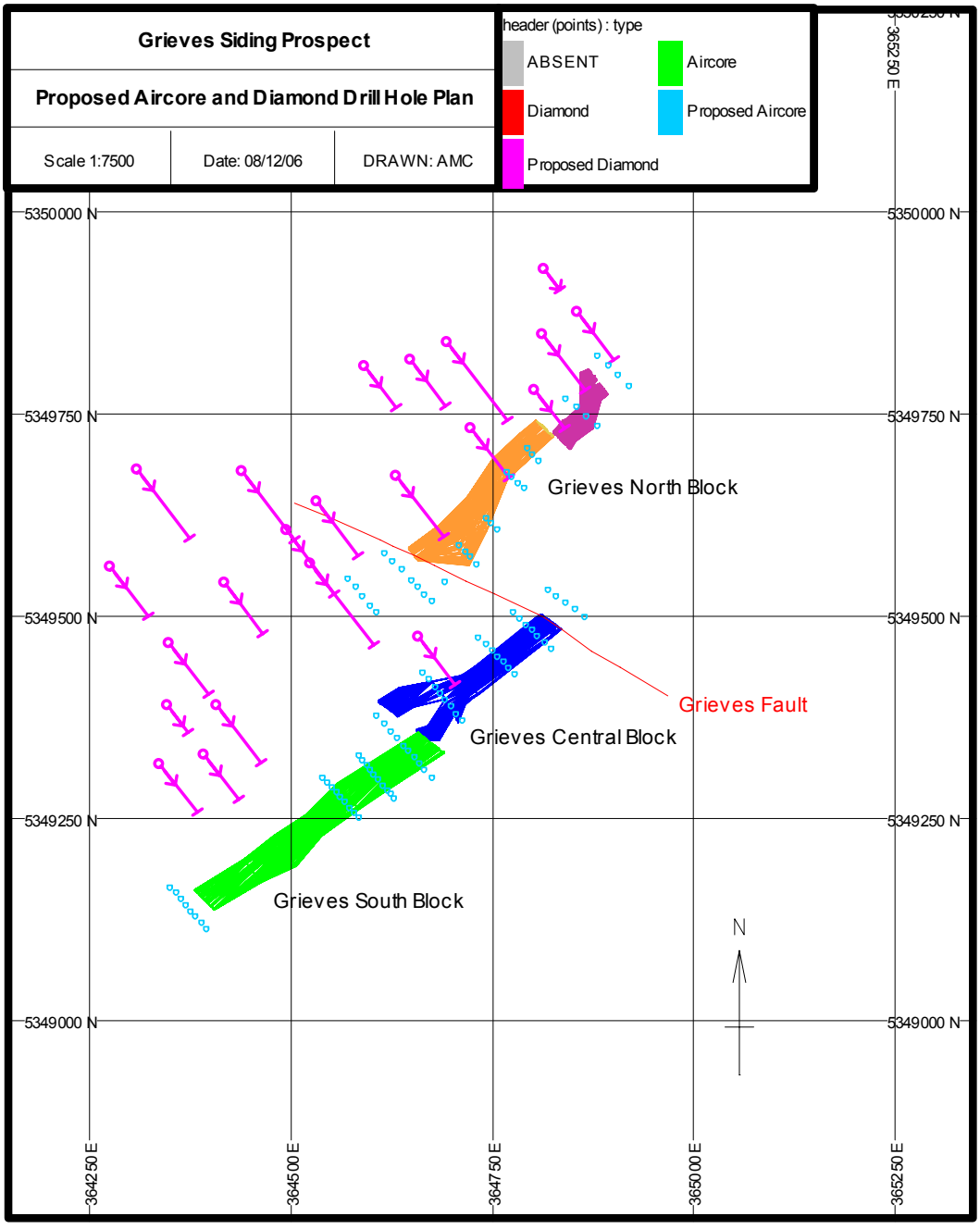
6.7.1 Recommendation

Given the change in the geological model from clay hosted to organic hosted mineralisation and all the subsequent difficulties with the recent processing test work, a method of treatment needs to be established, verified and documented to confirm that the shallow mineralisation meets the JORC Code requirements for classification as a mineral resource.

7 PROPOSED DRILL PROGRAM: INFERRED MINERAL RESOURCE

A drill program, consisting of 99 drill holes, totalling of 4,025m has been generated to infill the existing drilling over the area of the Inferred Mineral Resource, refer to APPENDIX B for proposed drill hole specifications. See Figure 7.1 for proposed drill hole plan.

Figure 7.1 Proposed Drill Hole Plan



The proposed program reduces the drill spacing from an average of 75m by 10m to 50m by 10m by infilling 100m spaced sections to produce regular 50m spaced sections, and also by extending the drill holes along some of the existing section lines to ensure lateral coverage. Nineteen cross sections illustrating the proposed holes are shown in APPENDIX D.

This program is a guide and should be modified as newly drilled holes are logged, assayed and included in the data set.

The following assumptions were made when designing the proposed program:

- No topographic data was available, consequently reduced levels for proposed drill hole collars were estimated from existing drill hole collars located near by. The program will need to be modified once digital topography is available.
- No allowance was made for unsuitable terrain, power lines or any other surface features that may restrict access to all areas for a drill rig.
- Proposed drill holes have been given temporary drill hole names.

8 EVALUATION OF REQUIREMENTS TO UPGRADE THE OXIDE MINERALISATION TARGET TO INFERRED

The work to be completed to upgrade the oxide mineralisation exploration target to Inferred Resources consists of a review of existing data and new diamond drilling.

8.1 Existing Data Review

The current drill hole database does not contain detailed geological descriptions. Detailed geological logs for most holes are contained in the MRT documents 94-3550.pdf, 95-3714.pdf, 96-3889.pdf and 97-4010.pdf. Detailed stratigraphy has been entered into the database for some, but not all the diamond drill holes. Not all holes have clearly denoted stratigraphy in the drill logs. The stratigraphy for these holes may be able to be assigned without re-logging the drill hole, however some of the drill holes may need to be re-logged. Table 8.1 lists the drill holes that require review.

Table 8.1 Diamond Drill Holes That Require Review

ZG104
ZG105
ZG106
ZG107
ZG209
ZG358
ZG359
ZG360
ZG361
ZG362
ZG363
ZG364
ZG365

Detailed review of the drill logs, the geological interpretation and the core should be completed before the commencement of any drilling. Holes DD96 ZG401 to ZG416 have a detailed stratigraphy.

9 PROPOSED DIAMOND DRILL PROGRAM: OXIDE MINERALISATION AT DEPTH

A drill program, consisting of 22 drill holes, totalling of 4,250m has been proposed to infill the existing diamond drilling over the oxide mineralisation located down dip of the Grieves Siding Inferred Mineral Resource, refer to APPENDIX C for proposed drill hole specifications. See Figure 7.1 for proposed drill hole plan.

The proposed program reduces the drill spacing from 125m by 50m to 50m by 50m by infilling sections between the existing drill sections and also by extending the drill hole coverage further down dip to test for mineralisation at depth. The longest single hole has a proposed length of 305m and no hole has a dip less than 55°. Nineteen cross sections illustrating the proposed holes are shown in APPENDIX D.

Drill holes between known mineralised intersections should be given priority and drilled first to confirm that the existing targets potentially join along strike. Holes around the perimeter of the mineralised zone, followed up by holes more distal from the known mineralisation will test the extremities of the existing zones of mineralisation.

This program is a guide and should be modified as each hole is drilled and holes are logged, assayed and included in the data set.

The following assumptions were made when designing the proposed program:

- No topographic data was available, consequently reduced levels for proposed drill hole collars were estimated from existing drill hole collars located near by. The program will need to be modified once digital topography is available.
- No allowance was made for unsuitable terrain, power lines or any other surface features that may restrict access to all areas for a drill rig.

9.1 Geotechnical Data Collection

This diamond drill program will provide good coverage of both the footwall and hangingwall geology, assuming all holes are drilled sufficiently deep into the Moina Sandstone (footwall) unit.

If the oxide mineralisation exploration target is upgraded to a Mineral Resource, geotechnical data will be necessary to plan and design ore extraction and for the progression to Ore Reserve. The data provided by these drill holes should be photographed, geotechnically and geologically logged before cutting of the core for assay. Once the core has been cut, many of the standard geotechnical observations can no longer be recorded and the data is lost.

A geotechnical logging procedure should be set up and documented. The following list is a summary of data that should be collected during geotechnical logging:

- Integrity
    - Recovered / unrecovered core

  - Fragmented core
  - RQD
- Materials
  - Type / Domain
  - Texture
  - Weathering
  - Strength
- Structures
  - Fractures (number / infill / angle)
  - Veins (number / infill / angle)
  - Bedding/Foliation (number / infill / angle)
- Comments
  - Effect of drilling
  - Nature of structures

9.2 Other Data Collection

All logging, sampling and QA/QC procedures need to be documented. Other data to be collected from any new drilling program should include, core photographs, core recovery, geological log, assays, QA/QC, density.

This needs to be entered into a digital system and validated for accuracy and transcription errors.

10 DISCUSSION

The scope of work specified by ICR was for AMC to establish what work would be required to upgrade the existing Inferred Resource for the shallow mineralisation to an Indicated Resource. An Inferred Resource is only such if it meets the JORC Code definition for a Mineral Resource, including “reasonable prospects for eventual economic extraction”. Although it was not part of AMC’s brief to comment on whether this requirement has been fulfilled, AMC notes that it appears doubtful, on current evidence, that the shallow portion of the deposit can be economically treated by known metallurgical extraction processes.

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APPENDIX A

DIGITAL: MRT OPEN FILE REPORT 99-4290.PDF

APPENDIX B

PROPOSED DRILL PROGRAM: INFERRED MINERAL RESOURCE

Proposed Drill Hole	EASTING	NORTHING	RL	DEPTH	BEARING	DIP
AC01	364547.6	5349291.5	156	35	360	-90
AC02	364552.9	5349285.5	156	35	360	-90
AC03	364559.7	5349279	156	35	360	-90
AC04	364563.5	5349273	156	35	360	-90
AC05	364569.5	5349267	156	35	360	-90
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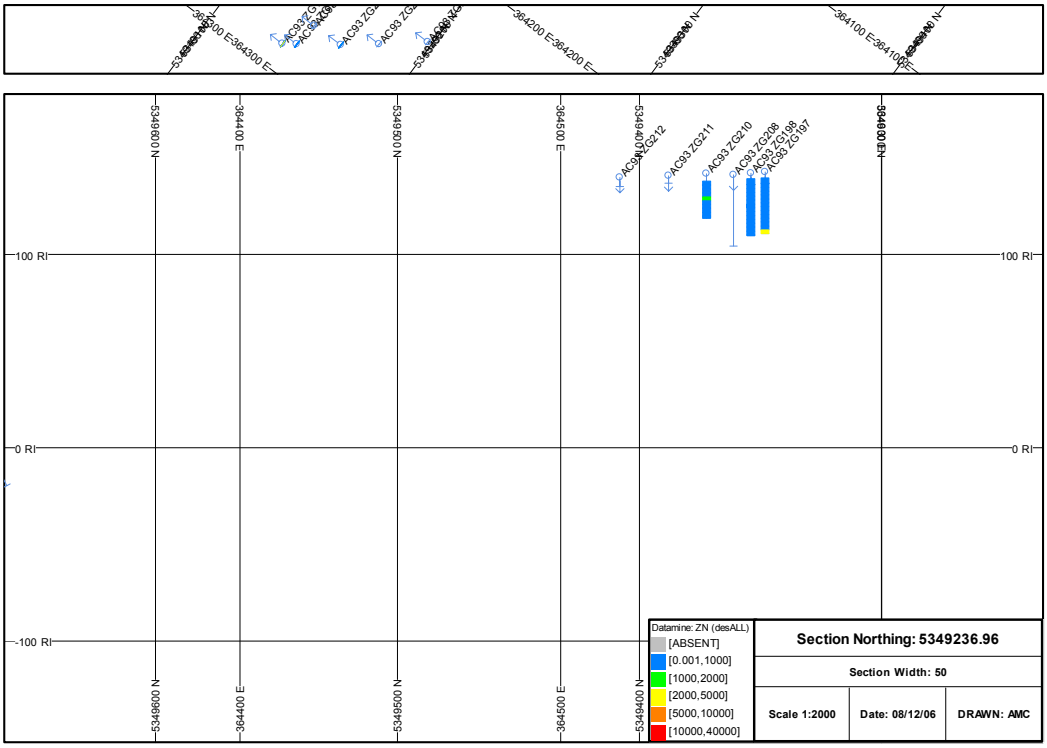
APPENDIX C

PROPOSED DRILL PROGRAM: OXIDE MINERALISATION AT DEPTH

Proposed Drill Hole	EASTING	NORTHING	RL	LENGTH	BEARING	DIP
D01	364279.8	5349558	128	255	142.5	73
D02	364351.8	5349463	136	215	142.5	-69
D03	364411.8	5349385	143	175	142.5	-61
D04	364312.6	5349678.5	139	305	142.5	-70
D05	364420.6	5349538	140	295	142.5	-75
D06	364442.1	5349674.5	134	290	142.5	-69
D07	364497	5349602	140	255	142.5	-68
D08	364528.1	5349562	139	210	142.5	-53
D09	364661	5349470.5	143	140	142.5	-59
D10	364534.3	5349638	136	195	142.5	-65
D11	364634.4	5349670.5	145	135	142.5	-46
D12	364594.5	5349805	144	195	142.5	-72
D13	364650.6	5349814	145	195	142.5	-69
D14	364725.9	5349728.5	154	130	142.5	-55
D15	364696.5	5349836	153	205	142.5	-54
D16	364805	5349777	153	100	142.5	-55
D17	364815.1	5349845	160	150	142.5	-56
D18	364816.9	5349925.5	148	175	142.5	-80
D19	364857.5	5349872.5	152	125	142.5	-55
D20	364341	5349313	140	180	142.5	-66
D21	364349.1	5349385	145	190	142.5	-78
D22	364394.6	5349325	146	135	142.5	-60

APPENDIX D

CROSS SECTIONS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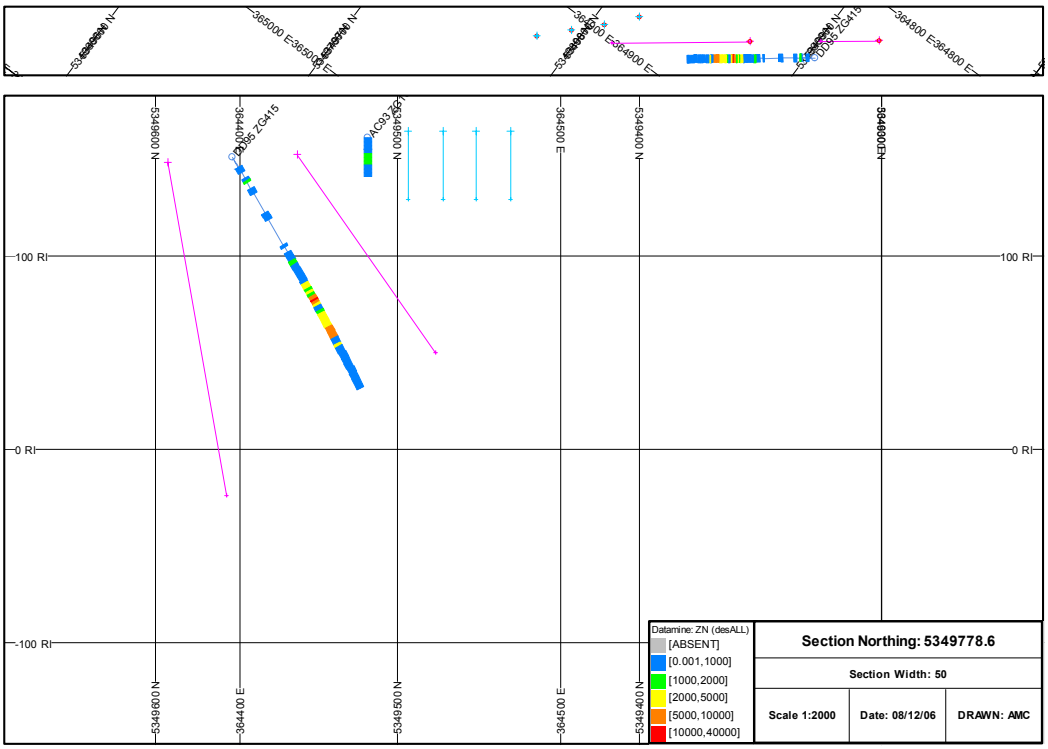
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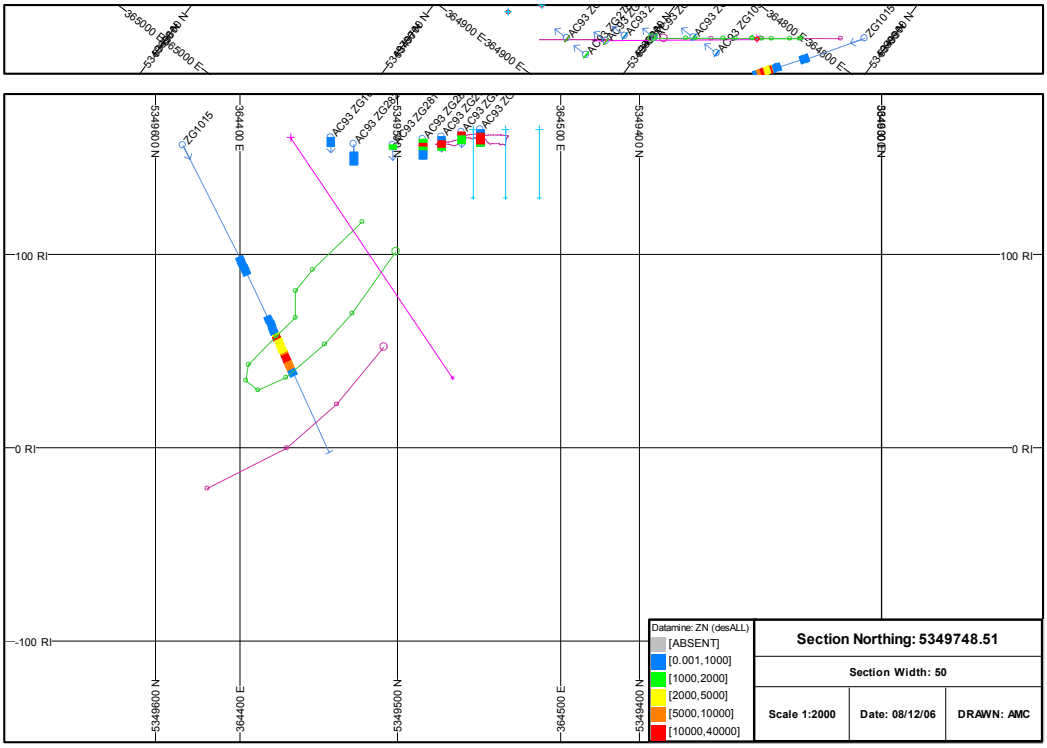
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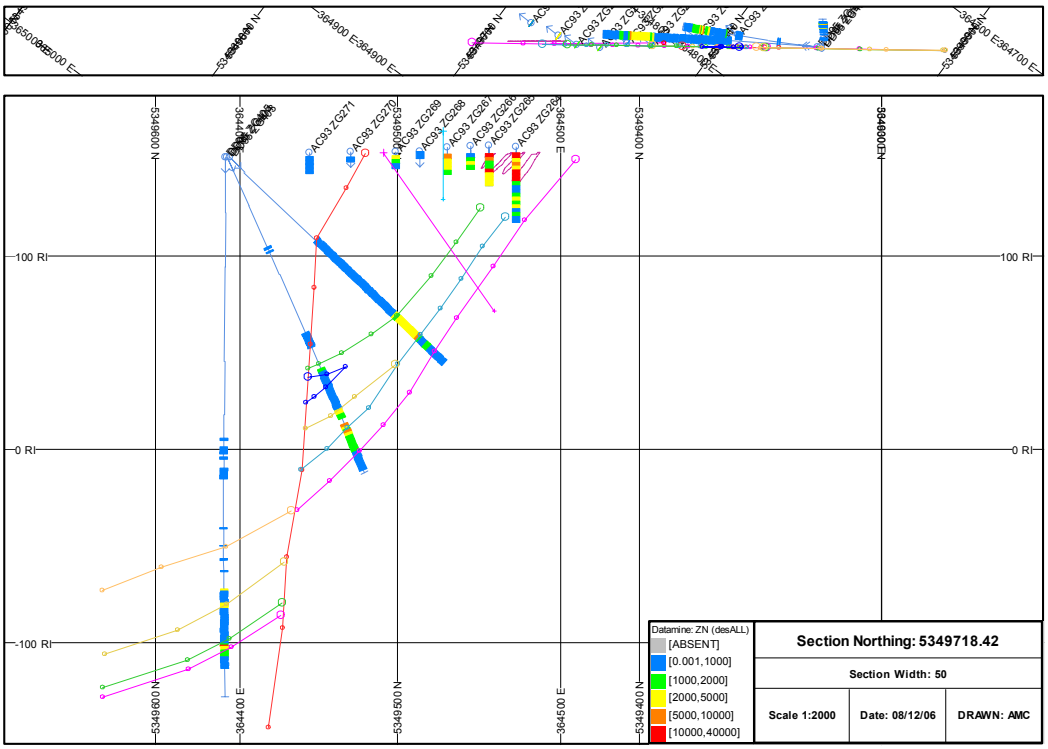
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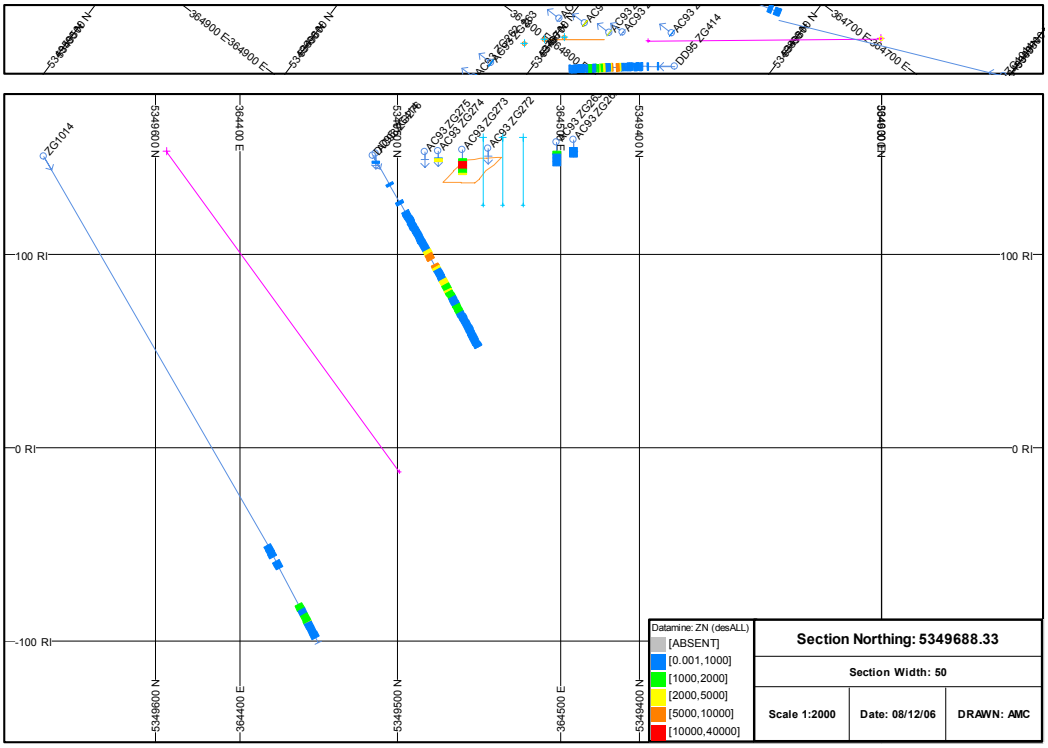
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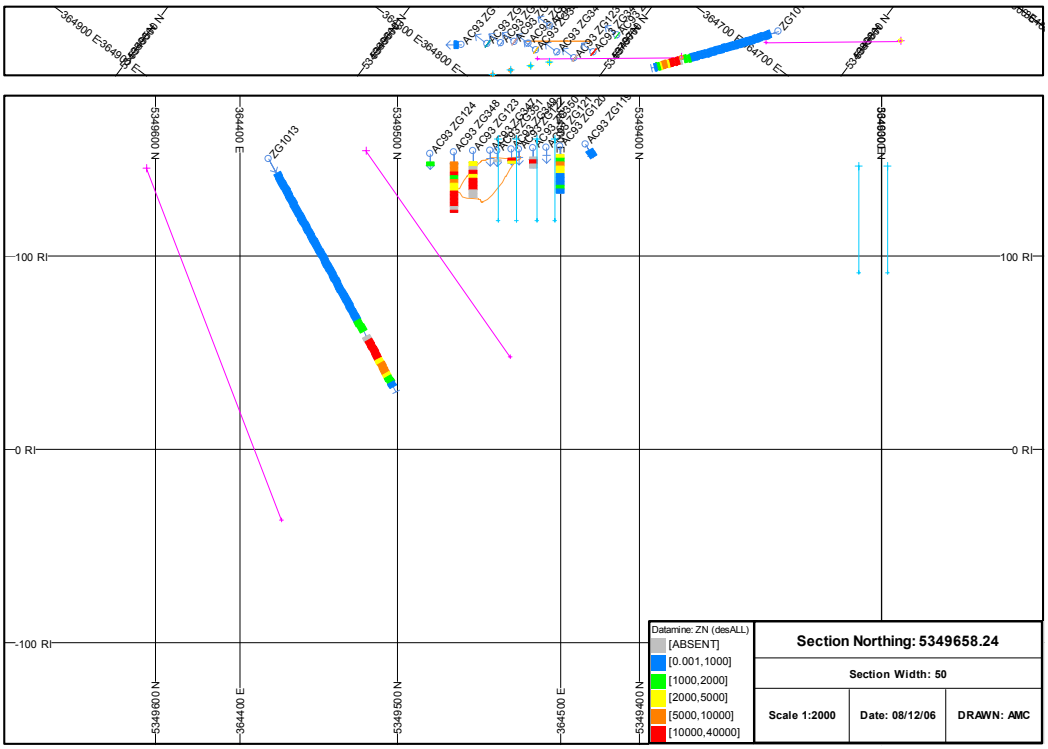
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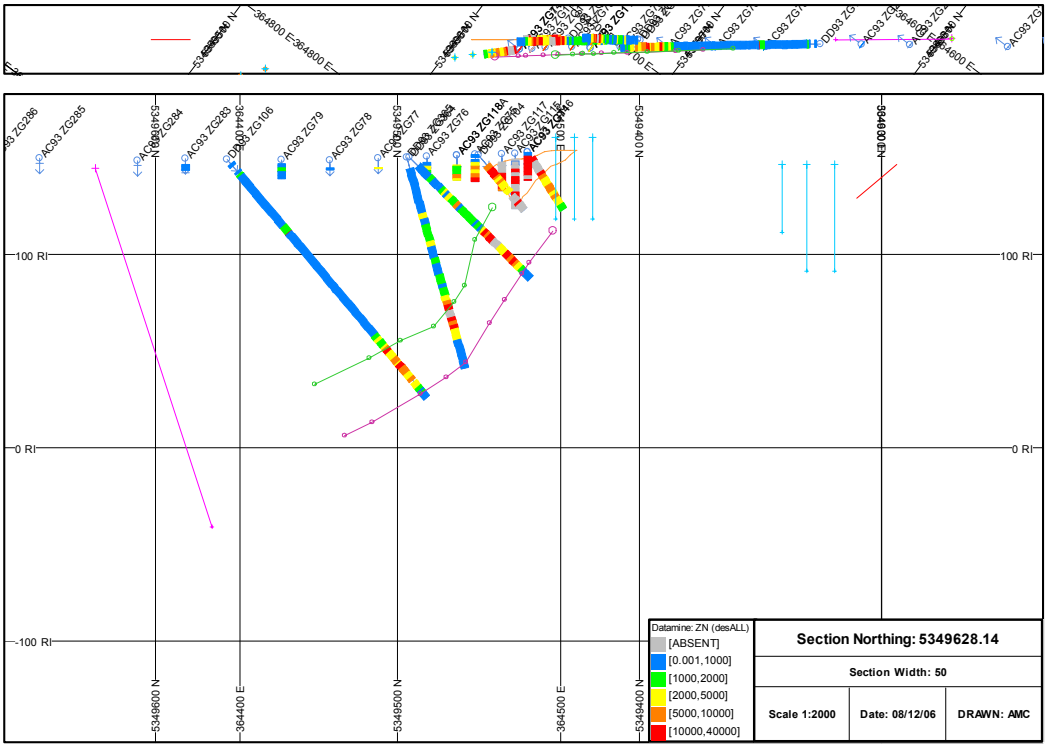
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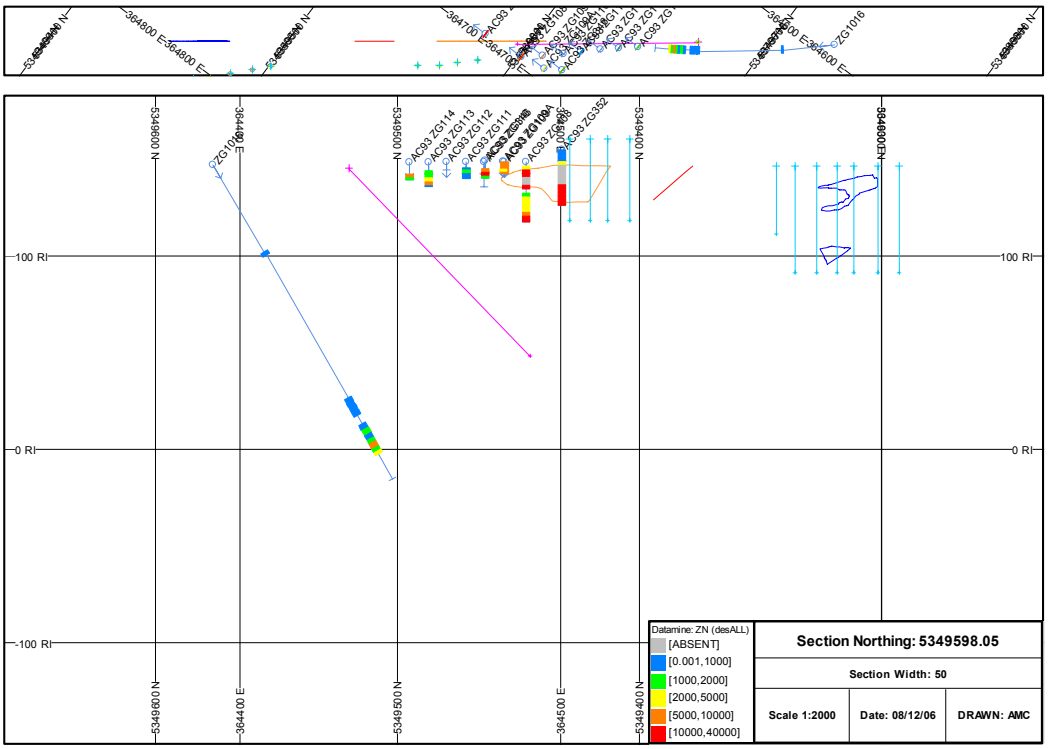
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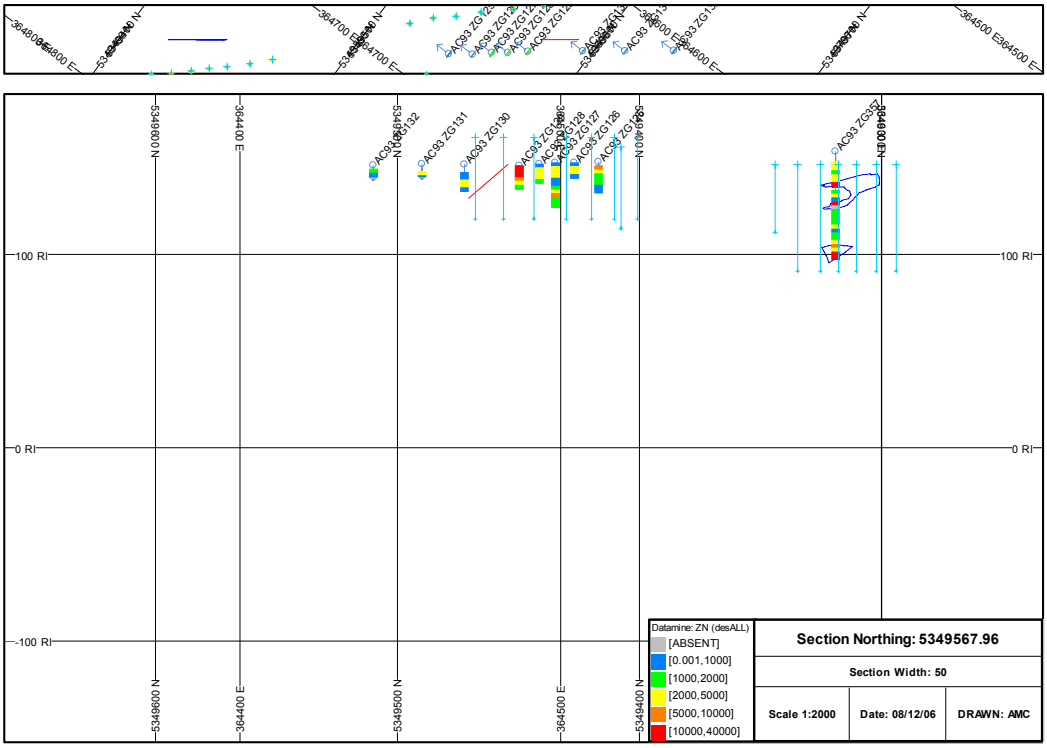
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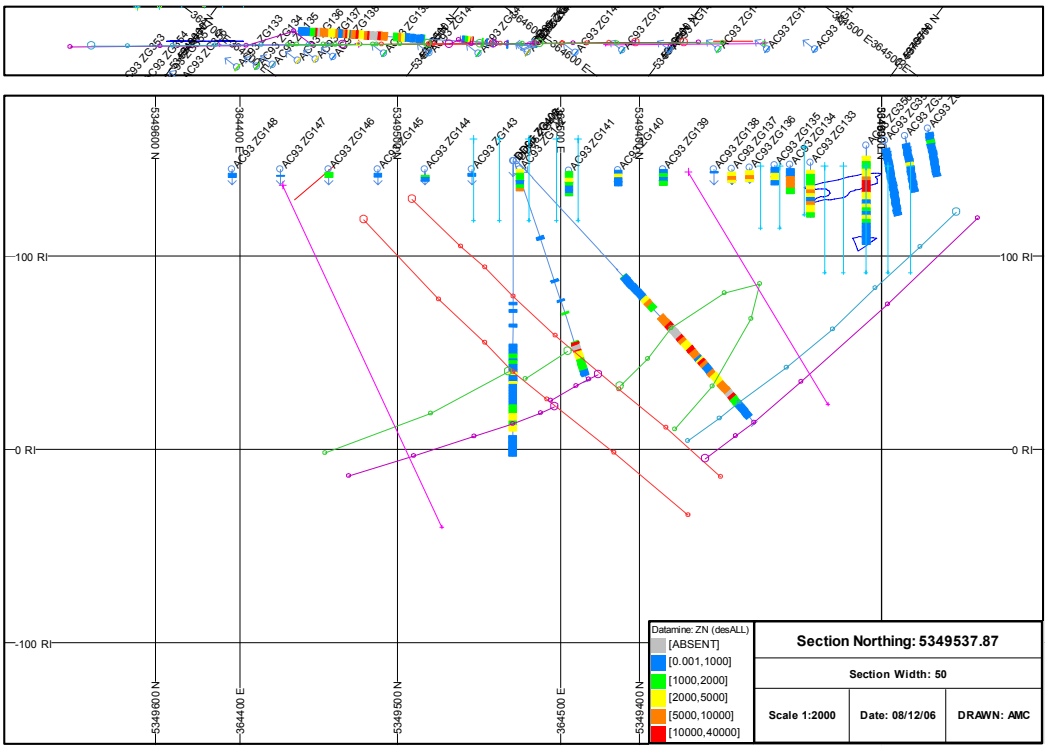
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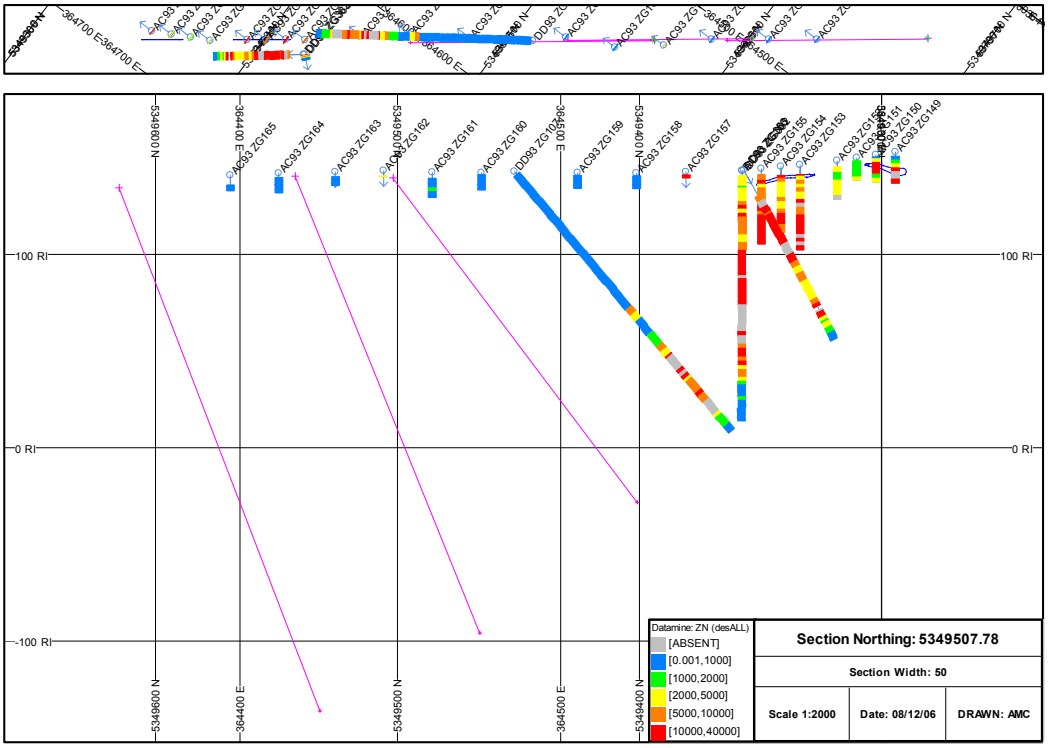
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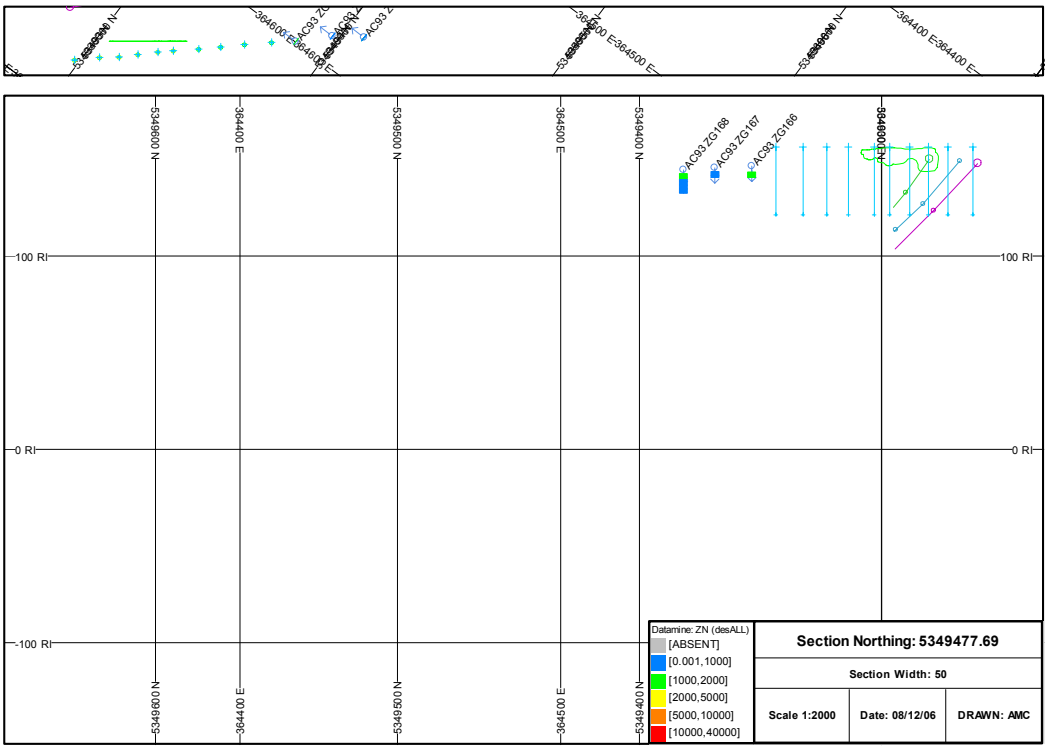
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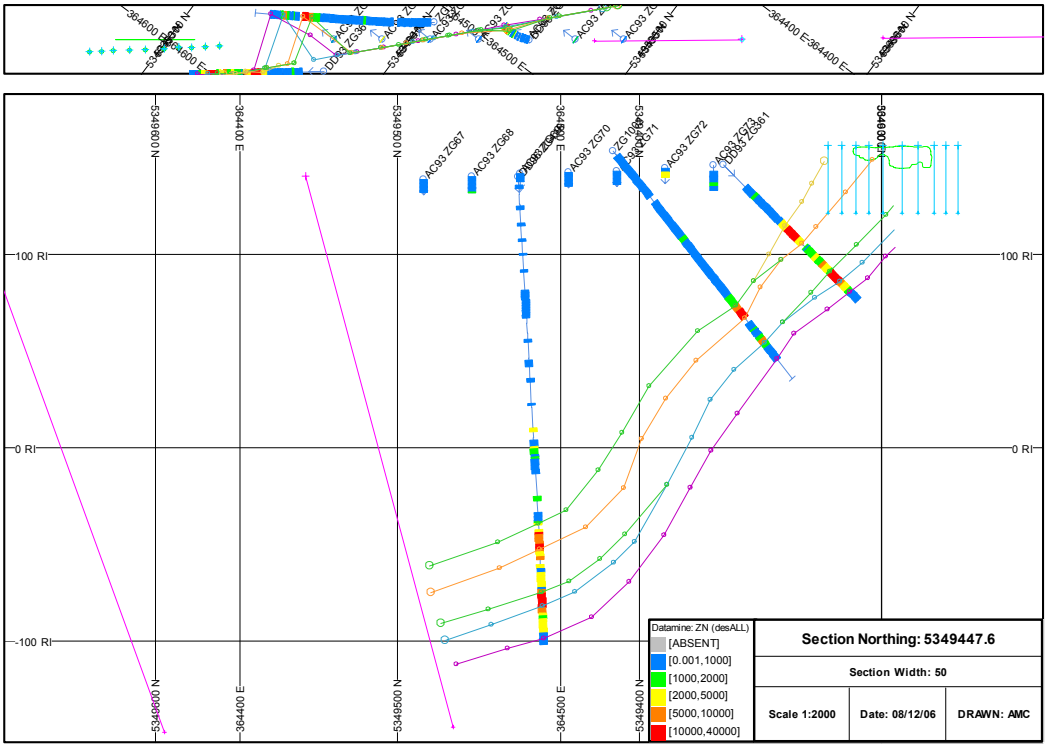
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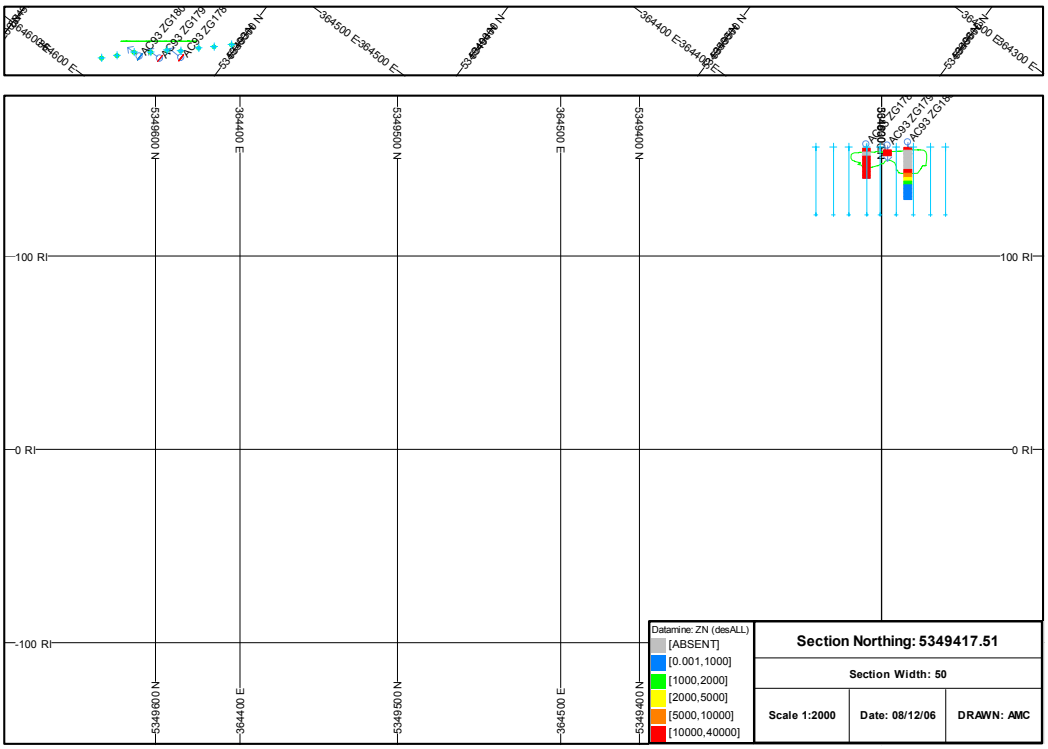
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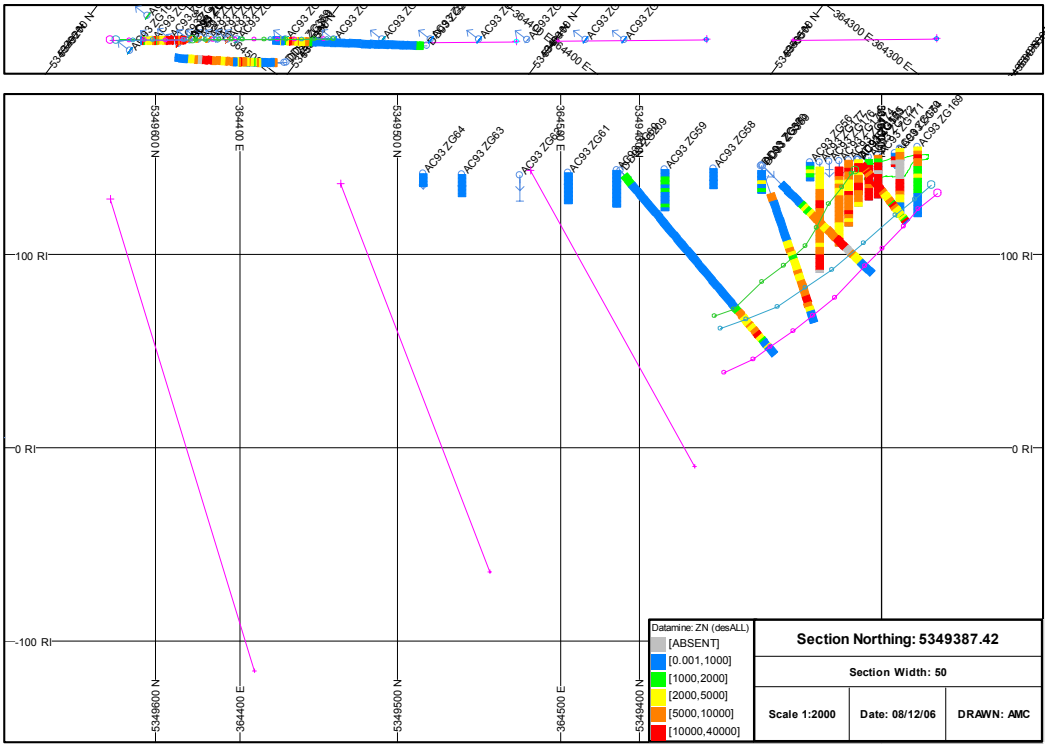
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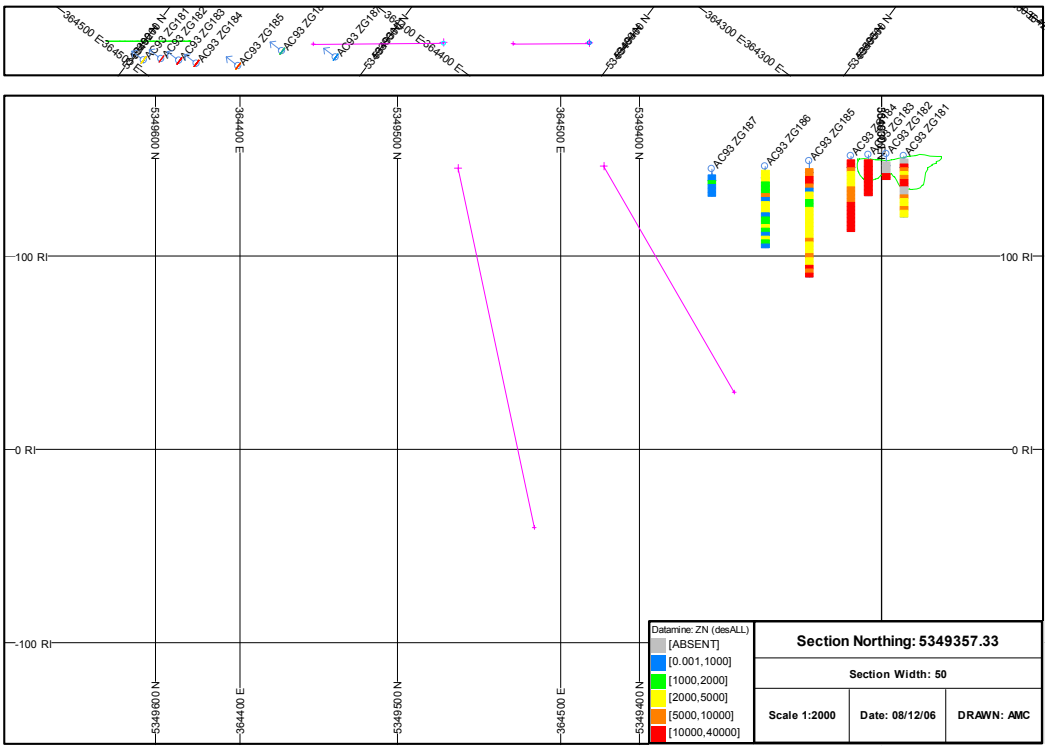
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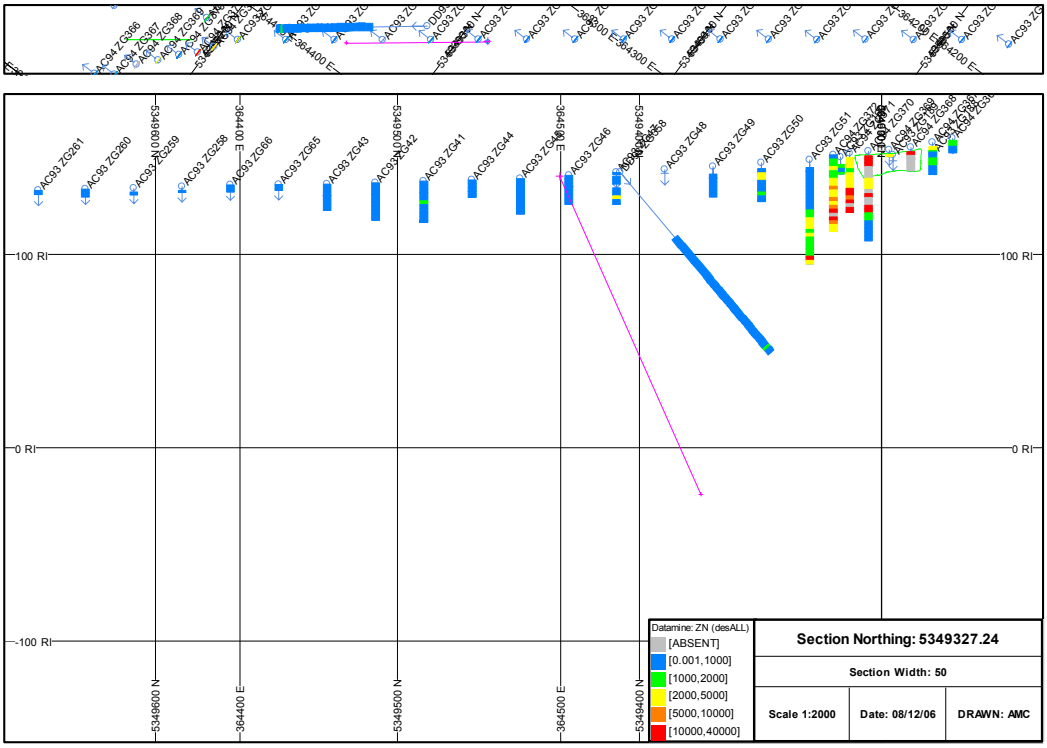
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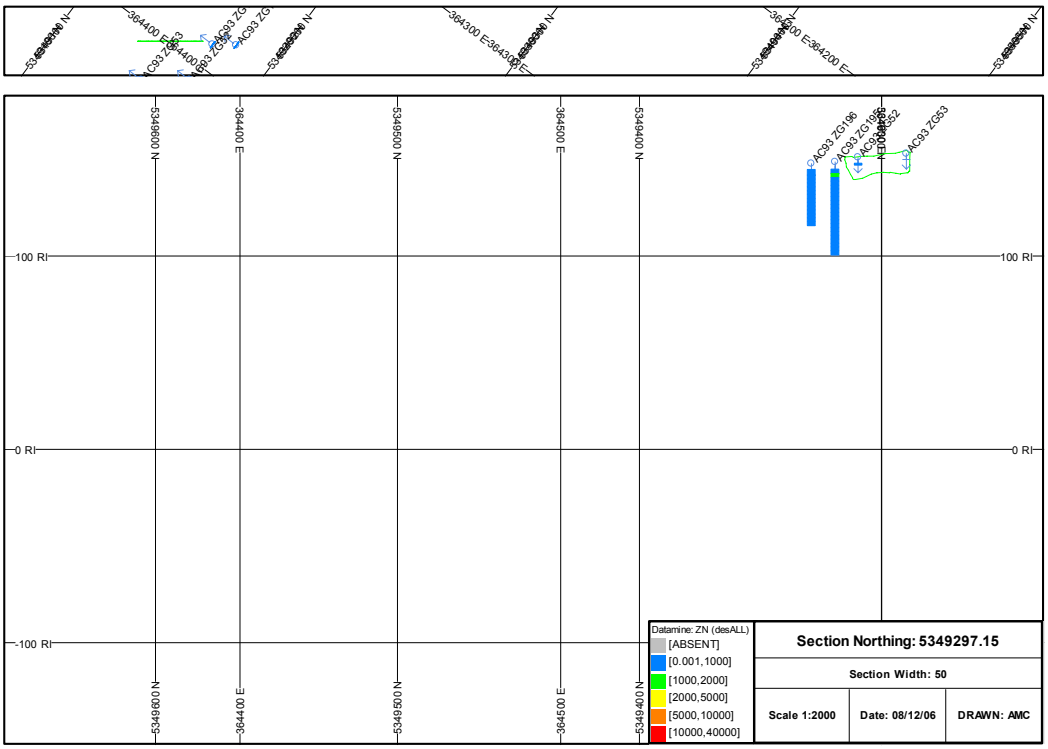
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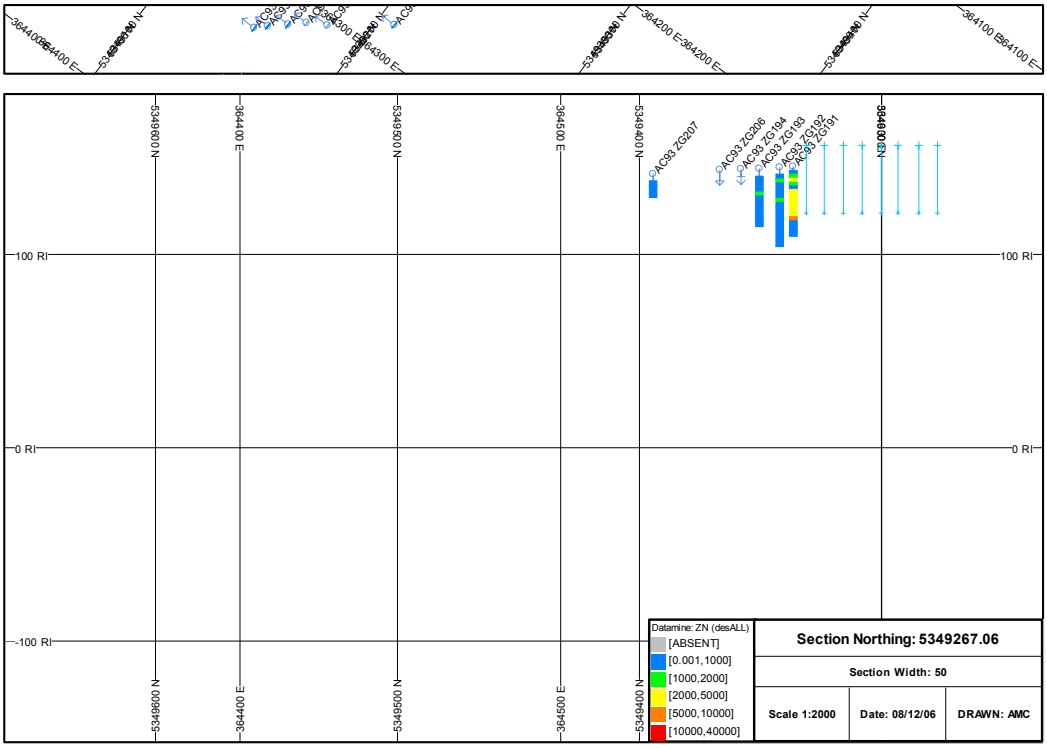
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Date: 08/12/06
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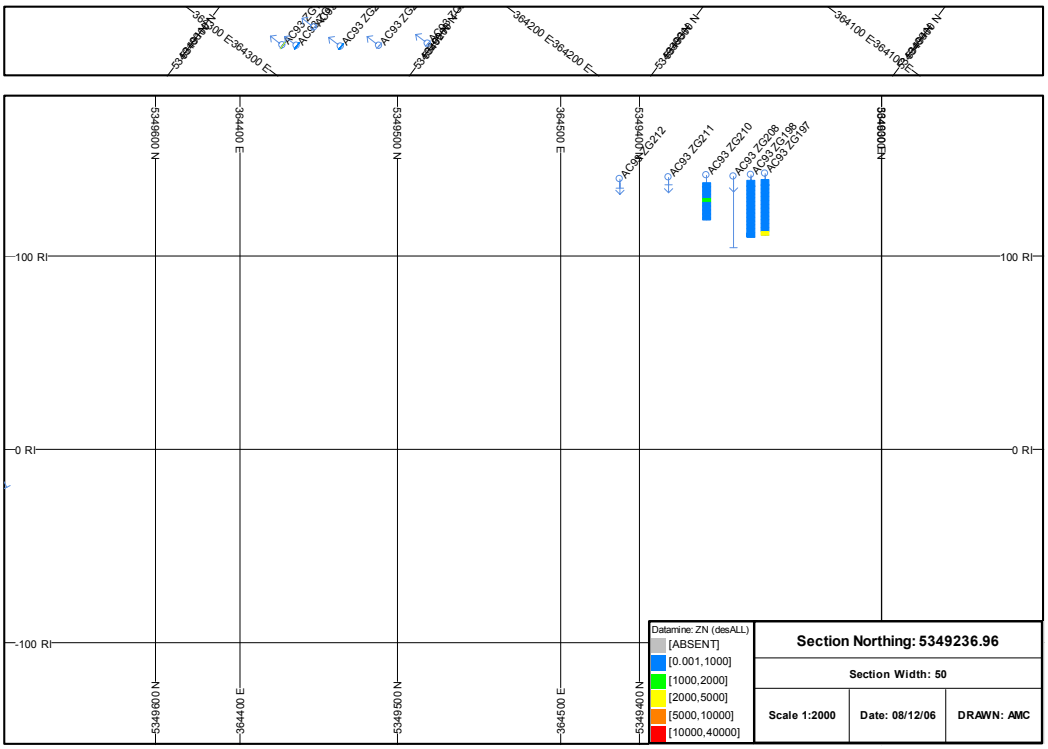
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Date: 08/12/06
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