

Directors' Report

for the year ended 30 June 2023

The Directors of Icon Energy Limited ("Icon Energy" or "the Company") present their report together with the consolidated financial statements of the Company and its controlled entities ("the Group" or "the Consolidated Entity") for the financial year ended 30 June 2023 and the auditor's report thereon. In order to comply with the provisions of the *Corporations Act 2001*, the Directors of Icon Energy report as follows:

PRINCIPAL ACTIVITIES

The principal activities of Icon Energy during the year related to the renewal application in respect to ATP 855 due on or before 31 October 2022, and the subsequent filing of an application lodged in the Supreme Court of Queensland. The hearing was conducted on 5 September 2023 and the judgement will be reported in 3-6 months from this date.

DIRECTORS

The Directors of the Company who held office during or since the end of the year are set out below:

Name	Position	First Appointed
Stephen Michael Barry	Non-executive Chairman	Director since 05/01/1993 Retired on 08/09/2023
Raymond Swinburn James	Non-executive Director Company Secretary	Director since 01/02/1993 Company Secretary since 21 October 2022
Dr Keith Hilless AM	Non-executive Director	Director since 03/04/2009 Retired on 30/11/2022
Jeffrey Marvin	Non-executive Director	Director since 31/03/2023
Peter Wilson	Non-executive Director	Director since 08/09/2023

Icon's Director Keith Hilless and Icon's Chairman Stephen Barry retired from the Board after many years of service to the company, on 30 November 2022 and 8 September 2023 respectively. Icon would like to note and thank them for their valued contribution made to the company.

Details of the qualifications and experience, other directorships of listed entities and special responsibilities of Directors are set out in the Board of Directors' section of this Annual Report.

Refer to table 5 of the Remuneration Report for Directors' interests in shares and performance rights.

REVIEW OF OPERATIONS

A review of operations of the Consolidated Entity during the financial year is included in the Review of Operations section of this Annual Report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

ATP 855 Cooper-Eromanga Basin Queensland

- ATP 855 was due for renewal on 31 October 2022.
- On 4 October 2022, Icon submitted an application to the Queensland Department of Resources (DOR) for the renewal of ATP 855 which was due for renewal on 31 October 2022.
- On 14 October 2022 Icon received a letter from the Department stating that the Minister's Delegate refused to receive or process the renewal application. It was refused under section 82(1)(e) of the P&G Act—which addresses capability criteria and section 82(1)(f) of the P&G Act and other matters under sections 84 and 86. Section 84 of the P&G Act provides that the Minister may grant or refuse the renewal unless satisfied that the applicant satisfies the capability criteria.
- On 1 November 2022 the Department of Resources informed Icon that ATP 855 and the PCAs had expired. On 8 February 2023 the Department in correspondence outlined further reasons concerning its position rejecting the renewal application
- Icon has filed an appeal to the Supreme Court of Queensland seeking to set aside that decision as being incorrect.
- The appeal was heard by the Court on 5 September 2023 and the matter expected to be finalised with a judgement due sometime in the next 3-6 months.

PEP 170, 172 and 173 Gippsland Basin Victoria

- Icon did not to accept the offer to renew PEP 172 and 173 and advised the Victorian government of that decision. Icon applied to surrender PEP 170 and consent was given on 16 August 2022.

PRLs 35, 37, 38, 41, 43, 44, 45, 48 and 49 South Australia (PRLs)

- Following a decision by other joint venturers to withdraw from the tenement, Icon also withdrew from the venture and from the tenement and served a notice on the Operator on 23 August 2022.

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- Icon has now completed documentation and withdrawn from all PRLs. (formally known as PEP 218)

ATP 594 Cooper-Eromanga Basin Queensland

- Icon has lodged documents for the return of the Environmental Authority (EPSX03049115) for ATP 594 which has expired.

Corporate

- Icon Energy held the Company's 2022 Annual General Meeting on 30 November 2022 with all resolutions adopted.
- On 31 March 2023, the Board appointed a new non-executive director of the company, Mr Jeffrey Marvin. Mr Marvin has 20 years global experience in mineral resource project exploration, financing and development. Mr Marvin has international management and corporate governance experience with projects located in diverse international business climates. Prior to joining Icon's Board, Mr Marvin was a founding/executive director of an Australian energy technology company and has experience working across a range of projects including gold, coal, mineral-sands and coal seam gas.
- On 8 September 2023, the Board appointed a new non-executive director of the Company, Mr Peter Wilson. Mr Wilson has over 42 years of experience in the international coal mining and mining contract industry and has held senior management positions including General Manager, Director and Chief Operating Officer at a number of mine operating and contracting companies. During his career, Mr Wilson has worked in multiple jurisdictions including Australia, New Zealand, India, and Africa, and he has experience across a range of commodities including coking coal, heavy mineral sands and metalliferous mining. More recently, Mr Wilson was engaged as a consultant on a Heavy Mineral Sands project in Namaqualand, South Africa, and is currently Operations Director at Mine2Port Limited, an Australian company with interests in coking coal, rail and port logistics projects in Africa and the United States of America. Mr Wilson was also appointed a Non-Executive Director of UK AIM listed company Kazera Global Plc in April 2023.

EVENTS AFTER THE BALANCE DATE

On 5 September 2023 the Hearing in the Supreme Court of Queensland was held between the Company and the Queensland Department of Resources. Her Honour reserved her decision and will deliver a written judgement, timing of which is not known but could be several months.

There has not arisen any other item, transaction, or event of a material or unusual nature likely in the opinion of the Directors, to affect substantially the operations or state of affairs of the Consolidated Entity in subsequent financial years.

CORPORATE STRATEGIES AND FUTURE DEVELOPMENTS

Reference to corporate strategies and future development is to be included in the Chairman's Report in the Annual Report. The group will continue to pursue the renewal of ATP 855.

FINANCIAL POSITION

The consolidated loss after tax for the Company and its controlled entities for the financial year ended 30 June 2023 was \$5,537,787 (2022: \$1,468,076 loss).

In September 2022, 13,243,677 listed options were exercised and Icon raised \$662,183 before costs.

In March 2023, Raymond James, a Director of the Company, signed a loan agreement for the amount of \$520,000 to the Company on an interest-free unsecured loan for 2.5 years expiring 13 September 2025.

SHARES UNDER OPTION

The Company has no options or other convertible securities on issue at the date of this report.

DIVIDENDS

The Directors recommend that no dividend be paid by the Company. No dividends have been declared or paid by the Company since the end of the previous financial year (30 June 2022).

REMUNERATION REPORT

The Remuneration Report for the financial period which forms part of the Director's Report can be found on page 30 of this Annual Report.

COMPANY SECRETARY

On 27 September 2022, Natalia Fraser resigned from her position as a Company Secretary. Following Ms Fraser's resignation, Raymond James was appointed as a Company Secretary on

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21 October 2022. The details of qualifications and experience are set out in the Board of Directors section of this Annual Report.

MEETINGS OF DIRECTORS

During the financial period, twenty-eight meetings of Directors and four committee meetings were held. Attendances at these meetings by each Director were as follows:

	Directors Meetings		Audit and Risk Management Committee Meetings		Remuneration Nominations and Succession Committee Meetings	
	Held	Attended	Held	Attended	Held	Attended
R S James	28	28	2	2	-	-
S M Barry	28	28	2	2	2	2
K Hillless	14	12	1	-	1	1
J Marvin	3	3	-	-	1	1

ENVIRONMENTAL REGULATION

The Consolidated Entity's operations are subject to various environmental regulations. Further information on the Group's environmental performance can be found in the Sustainability section of the 2023 Annual Report.

The Directors regret to report that in the financial year the company obtained from Queensland Treasury a determination of the surety required to be provided in respect of ATP 855 and its Estimated Rehabilitation Cost however failed to apply to the Department of Environment and Science for its determination of the estimated rehabilitation cost prior to the expiry of the ERC on 1 April 2022. The Department of Environment and Science has after the end of the financial year issued the company with penalty infringement notices in respect of the breaches totalling \$17,231.00 which have been paid. A request to surrender Icon's Environmental Authority (EA) was not made because the court proceedings had not been determined.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

DIRECTORS AND AUDITORS' INDEMNIFICATION

The Directors and Company Secretary are indemnified by the Company against any liability incurred in their capacity as an officer of the Company or a related body corporate to the maximum extent permitted by law. The Company has not paid any premiums in respect of any contract insuring the Directors of the Company against a liability for legal costs.

The Company has not paid any premiums in respect of any contract insuring the auditor against a liability incurred in the role as an auditor of the Company. In respect of non-audit services, Crowe, the Company's auditor, has the benefit of indemnity to the extent Crowe reasonably relies on information provided by the Company, which is true, accurate and complete. No amount has been paid under this indemnity during the period ended 30 June 2023 or to the date of this Report.

Details of the nature of the liabilities covered in respect of Directors' and Officers' insurance policies are not disclosed as such disclosure is prohibited under the terms of the contracts.

The total premium expense for the year was \$74,088 (30 June 2022: \$57,652).

NON-AUDIT SERVICES

The auditors did not perform any non-audit services during the year.

There are no officers of the Company who are former audit partners of Crowe.

LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The lead auditor's independence declaration is set out on page 37 and forms part of the Directors' Report for the period ended 30 June 2023. Crowe continues in office in accordance with Section 327 of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Board of Directors of Icon Energy Limited.



R S James
Director
29 September 2023



J R Marvin
Director
29 September 2023

Remuneration Report – Audited

for the year ended 30 June 2023

Key Points

- No short-term incentives or long-term incentives were issued by Icon for the 2022-2023 financial year.
- There are no performance rights issued to executives or staff which might vest in the future.
- Executive salary increases for 2022-2023 were restricted to CPI increases.

The Directors of Icon Energy Limited present this Remuneration Report for the Consolidated Entity for the year ended 30 June 2023, outlining key aspects of the Group's remuneration policy and framework, and remuneration awarded to Directors and other Key Management Personnel (KMP) for the reporting period.

The Remuneration Report forms part of the Directors' Report. The information provided in this report has been prepared in accordance with section 300A of the *Corporations Act 2001 (Cth)* and has been audited as required by the Act.

In this report, KMP are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

Key management personnel covered in this report:

Name	Position Held	Period as KMP
Non-Executive Directors		
Stephen Barry	Chairman	Full Year
Dr Keith Hillless	Director	Retired 30 November 2022
Ray James	Director Company Secretary	Full Year Appointed 21 October 2022
Jeffrey Marvin	Director	Appointed 31 March 2023
Other Key Management Personnel		
Natalia Fraser	Chief Financial Officer and Company Secretary	Resigned 27 September 2022

Changes since the end of the reporting period:

As disclosed to the Australian Stock Exchange, Mr Peter Wilson was appointed as director on 8 September 2023, and Mr Stephen Barry resigned from the position of Chairman and a member of the Board on 8 September 2023 due to his current professional commitments as a practicing lawyer.

1. ROLE OF THE REMUNERATION, NOMINATIONS AND SUCCESSION COMMITTEE

Our Remuneration, Nominations and Succession Committee is made of independent non-executive directors. The Committee is responsible for making recommendations to the Board on remuneration policies. The Committee, where necessary, obtains independent advice on the remuneration

packages offered to potential employees. The Company's broad remuneration policy ensures that each remuneration package is properly aligned to the person's duties and responsibilities, that remuneration is competitive in attracting, retaining and motivating people of the highest quality and that remuneration practices are transparent and easily understood.

The Remuneration, Nominations and Succession Committee Charter sets out the Board's policy for the nomination and appointment of directors and the process for the evaluation of the performance of senior executives. The Corporate Governance Statement provides further information on the role of the Committee.

2. REMUNERATION FRAMEWORK

The Company's Remuneration framework is designed to ensure that:

- Executive and Senior Managers receive competitive and reasonable market-based levels of base remuneration; and
- Bonuses and other incentives for Employees and Executives and Senior Managers who perform well in their duties are only payable if they are approved by the Board and in the case of proposed issues of shares or other securities to Directors, by shareholders as well.

3. METHODOLOGY USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

Non-Executive Directors

On appointment to the Board, all Directors agree to terms of appointment as set out in a letter of appointment. The letter sets out the remuneration applicable and other matters such as role of Director, compliance with the Company's corporate policies, access to independent professional advice and confidentiality obligations.

Fees paid to Non-Executive Directors reflect the demands made on, and responsibilities of, such directors. Non-Executive Directors' fees are reviewed by the Board on an annual basis. In 2018 the Board determined to reduce base fees by 20% in view of the low share price. Thereafter, Non-Executive Directors are paid a base fee of \$56,000 per annum together with the payment of additional fees to Directors serving on Board Committees to recognise their contribution to the Company together with superannuation. The Chairman's remuneration has been set at \$78,480 per annum plus Committee fees and superannuation. An additional \$6,000 per annum per Committee is paid to Committee members and \$6,800 per annum per Committee for the Chairmen of the Committees. This arrangement has been in place for the year ended 30 June 2023.

Since Mr James' service agreement as Managing Director expired on 31 December 2019, Mr James remained a director of the company with additional duties as directed by the Board. Therefore, the Board determined a remuneration for Mr James of \$111,124 per annum plus superannuation.

Remuneration Report – Audited

for the year ended 30 June 2023

The maximum total amount available for payment of all Non-Executive Director fees is \$500,000 per annum which was approved by shareholders at the 2010 Annual General Meeting. The total amount of fees accrued and paid to Non-Executive Directors during the financial year was \$268,672. Non-Executive Directors do not receive performance-based remuneration.

At the date of this report, no Director was considered to be executive.

Other Key Management Personnel

Other Key Management Personnel may be employed by the Company under a service agreement. They are remunerated through a combination of:

- Fixed Remuneration (FR); and
- Bonus or other incentives (short-term and long-term) for outstanding performance to be determined at the discretion of the Board.

In November 2017, the company's Performance Rights Plan ("Plan") expired. The Plan provided for the granting of appropriately structured short and long-term incentives to employees (including Executive Directors) in addition to their fixed remuneration.

Since 2017, the Board decided not to seek shareholder approval for any new plan.

At the date of this report, no other employees were considered to be key management personnel.

There were no remuneration consultants used by the Company during the year ended 30 June 2023 or in the prior year.

4. FIXED REMUNERATION

Fixed remuneration consists of the base remuneration calculated on a total cost basis and includes FBT charges on employee benefits, if relevant, as well as contributions to superannuation funds. Remuneration levels are reviewed annually. Senior executives were restricted to CPI increases over the financial year.

5. SHORT-TERM INCENTIVES

The Company did not issue Short-term Incentives (STI) for the 2022-23 year.

6. LONG-TERM INCENTIVES

The Company did not issue Long-term Incentives (LTI) for the 2022-23 year.

7. SERVICE AGREEMENTS

The Company has a policy that service agreements with Executive and Senior Managers should be limited in term and include termination clauses of between two and twelve months. The Company may make a payment in lieu of notice equal to the base amount prescribed in the service agreement for a specified period, and in respect of Executive Directors subject to the limits prescribed by section 200G of the *Corporations Act 2001*, or that determined by the Board and subject to shareholder approval at the time. In addition, accrued statutory benefits and superannuation benefits are payable. Details of the service agreements/contracts in force during the 2022/2023 financial year appear in the table below.

Table 1: Service Agreements with Other Key Management Personnel

Name	Date of Contract	Termination by Icon (without cause)	Termination by employee	Termination Payments (where terminated by Company)	STI & LTI Entitlements not applicable
N Fraser	29-Aug-19	2 months	2 months	Payment in lieu of notice based on FR	Resigned 27 September 2022

8. REMUNERATION OF EACH MEMBER OF KEY MANAGEMENT PERSONNEL AND DIRECTORS FOR THE CONSOLIDATED ENTITY

Table 2: Directors and Key Management Personnel Remuneration for the year ended 30 June 2023

	Short Term		Post-employment	Long-term Employee Benefits (iii)	Termination Benefits (iv)	Total
	Salaries & Fees (i)	Other Benefits (ii)	Superannuation			
	\$	\$	\$	\$		\$
Non-executive Directors						
Stephen Barry	84,800	-	8,904	-	-	93,704
Keith Hillless	31,400	-	3,297	-	-	34,697
Ray James	111,124	-	11,668	-	-	122,792
Jeffrey Marvin(v)	15,818	-	1,661	-	-	17,479
Other Key Management Personnel						
Natalia Fraser (vi)	32,411	668	3,600	495	58,346	95,520
Total	275,553	668	29,130	495	58,346	364,192

(i) Salaries & Fees include annual leave paid during the year.

(ii) Other Benefits represent accrued annual leave during the year.

(iii) Long-term employee benefits represent only the long service leave accrued during the year.

(iv) Termination Benefits include annual and long service leave paid out at termination.

(v) Mr Marvin was appointed as a Non-Executive Director on 31 March 2023. The amounts represent accrued Directors' Fees and Super during the reporting period.

(vi) This represents Ms Fraser's remuneration for the period to 27 September 2022.

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for the year ended 30 June 2023

Table 3: Directors and Key Management Personnel Remuneration for the year ended 30 June 2022

	Short Term		Post-employment	Long-term Employee Benefits (iii)	Termination Benefits (iv)	Total
	Salaries & Fees (i)	Other Benefits (ii)	Superannuation			
	\$	\$	\$	\$	\$	\$
Non-executive Directors						
Stephen Barry	84,800	-	8,480	-	-	93,280
Keith Hillless	62,800	-	6,280	-	-	69,080
Ray James	111,124	-	11,112	-	-	122,236
Other Key Management Personnel						
Natalia Fraser	113,951	2,091	11,395	2,053	-	129,490
Total	372,675	2,091	37,267	2,053	-	414,086

(vii) Salaries & Fees include annual leave paid during the year.

(viii) Other Benefits represent accrued annual leave during the year.

(ix) Long-term employee benefits represent only the long service leave accrued during the year.

(x) Termination Benefits include annual leave paid out at termination and payment in lieu of notice as per employees' Service Agreements.

9. DIRECTORS' AND SENIOR MANagements' INTERESTS

As at 30 June 2023, the interests of the Directors and senior management or entities associated with them in shares and options of Icon Energy Limited are:

Shareholdings

The movement during the year in the number of ordinary shares in Icon Energy Limited held directly, indirectly or beneficially, by each KMP, including their related parties, is as follows:

Table 4: Directors' and Executive and Senior Manager' Interests

2023	Balance 1.07.2022	Employee Performance Rights Plan	Purchases	Options Exercised	Sold	Other changes	Balance 30.06.2023
	Number	Number	Number	Number	Number	Number	Number
Directors							
Stephen Barry*	2,480,389	-	-	-	-	-	2,480,389
Keith Hillless	139,840	-	-	-	-	(139,840)	-
Raymond James*	37,846,993	-	-	12,615,664	-	-	50,462,657
Jeffrey Marvin	-	-	-	-	-	-	-
Other Key Management Personnel							
Natalia Fraser	359,661	-	-	-	-	(359,661)	-
	40,826,883	-	-	12,615,664	-	(499,501)	52,943,046

2022	Balance 1.07.2021	Employee Performance Rights Plan	Purchases	Options Exercised	Sold	Other changes**	Balance 30.06.2022
	Number	Number	Number	Number	Number	Number	Number
Directors							
Stephen Barry*	1,653,593	-	-	-	-	826,796	2,480,389
Keith Hilless	93,227	-	-	-	-	46,613	139,840
Raymond James*	25,231,329	-	-	-	-	12,615,664	37,846,993
Other Key Management Personnel							
Natalia Fraser	239,774	-	-	-	-	119,887	359,661
	27,217,923	-	-	-	-	13,608,960	40,826,883

*These KMP's shareholdings include indirect shareholdings held by their spouse and/or related corporations.

**Shares purchased through the Rights Issue to the shareholders.

Transactions with Directors and Director Related Entities

During the year ended 30 June 2023, Raymond James, a Director of the Company, signed a loan agreement for the amount of \$520,000 to the Company on an interest-free unsecured loan for 2.5 years expiring 13 September 2025 (30 June 2022: nil).

10. SHARE OPTIONS

Options Granted to Directors and Key Management Personnel of the Company

No options were issued or granted to, or exercised by, Directors and other KMP of the Company during the year.

Options Held by Key Management Personnel

The movement during the year in the number of options in Icon Energy Limited held directly, indirectly or beneficially, by each KMP, including their related parties, is as follows:

Table 5: Options held by Directors and Executive and Senior Managers

2023	Balance 1.07.2022	Employee Performance Rights Plan	Purchases	Options Exercised	Options Expired	Other changes	Balance 30.06.2023
	Number	Number	Number	Number	Number	Number	Number
Directors							
Stephen Barry*	826,796	-	-	-	(826,796)	-	-
Keith Hilless	46,613	-	-	-	(46,613)	-	-
Raymond James*	12,615,664	-	-	(12,615,664)	-	-	-
Jeffrey Marvin	-	-	-	-	-	-	-
Other Key Management Personnel							
Natalia Fraser	119,887	-	-	-	(119,887)	-	-
	13,608,960	-	-	(12,615,664)	(993,296)	-	-

*These KMP's options include indirect shareholdings held by their spouse and/or related corporations.

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2022	Balance 1.07.2021	Employee Performance Rights Plan	Purchases	Options Exercised	Sold	Other changes**	Balance 30.06.2022
	Number	Number	Number	Number	Number	Number	Number
Directors							
Stephen Barry*	-	-	-	-	-	826,796	826,796
Keith Hillless	-	-	-	-	-	46,613	46,613
Raymond James*	-	-	-	-	-	12,615,664	12,615,664
Other Key Management Personnel							
Natalia Fraser	-	-	-	-	-	119,887	119,887
	-	-	-	-	-	13,608,960	13,608,960

*These KMP's options include indirect shareholdings held by their spouse and/or related corporations.

**Options acquired through the Rights Issue to the shareholders.

At the Company's 2022 Annual General Meeting (AGM) 94.96% of votes cast in relation to the resolution to adopt the 2022 Remuneration Report were cast in favour of the resolution. There were no comments made on the Remuneration Report at that AGM.

The following table shows the Company's Profit/Loss (after tax) for the current year as well as previous last four years.

Table 6: Company's Profit/Loss (after tax)

	30-Jun-19	30-Jun-20	30-Jun-21	30-Jun-22	30-Jun-23
Closing Share Price	0.014	0.008	0.014	0.014	0.004
Dividends paid	-	-	-	-	-
Profit (Loss) after tax	(\$31,372,498)	(\$2,949,536)	(6,919,302)	(1,468,076)	(5,537,787)

End of Remuneration Report (audited)