

12 January 2024

Company Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
Sydney NSW 2000

ICON ENERGY ENTERS INTO BINDING TERM SHEET FOR RESOURCE OPPORTUNITIES

Icon Energy Limited (**ASX: ICN**) (**Icon** or the **Company**) is pleased to advise that it has entered into a binding term sheet (**Binding Term Sheet**) with Consolidated Resources Pte Ltd (**CR**) to jointly pursue energy resource opportunities in the oil and gas sector and other energy resources and critical minerals. The partnership will leverage the capabilities and experience of both parties and allow Icon to tap into CR's global natural resource network. The initial focus of the strategic alliance is in relation to the Midwest Africa Limitada (**Midwest**) coal mining concession 5086C, in the Moatize coal basin, Tete Province, Mozambique (**Project**).

Consolidated Resources is a private Singapore based company with interests in natural resource projects and minerals trading across Africa, Asia and the United States. These projects include metallurgical coal, mineral sands and other energy and critical minerals.

CR holds an offtake agreement with Midwest to purchase 1,000,000 tonnes annually for a period of 30 years of clean processed metallurgical coal produced from the 5086C mining concession from Midwest (**Offtake**).

Icon has agreed with CR to undertake the following:

- (a) Icon will acquire an initial 1.25% interest in the Offtake (**Offtake Interest**) through a combination of cash and scrip, as follows:
 - (i) A\$0.75 million cash to be paid upon signing of formal transaction documents;
 - (ii) 190,000,000 shares to be issued at A\$0.01 per share, upon signing of formal transaction documents; and
 - (iii) A\$1.2 million cash to be paid at completion of acquisition of the Offtake Interest;
- (b) Icon to be granted a further option to increase its stake up to a 50% interest in the Offtake Interest, at the same valuation, for a period of two years. Icon and CR will jointly market the metallurgical coal and share in the pro rata profits;
- (c) Jointly pursue the development of a 360,000 tonne per annum capacity metallurgical coke plant at mine site of the Project (**Coke Plant Development**), through a new joint venture entity;
- (d) Jointly apply for hydrocarbon exploration rights on the tenement which is thought to be prospective for coal seam gas;
- (e) CR to assist Icon in developing partners and funding sources for the development of ATP 855;
- (f) CR to assist Icon in sourcing drilling services contracts on its mineral projects and through other sources; and
- (g) CR will on terms to be agreed lend Icon surplus funds from project cash flow to assist Icon in developing its other energy assets,

(together, the **Proposed Transaction**).

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Material terms of the Proposed Transaction

The Proposed Transaction is subject to and conditional upon the satisfaction or waiver (by the Company) of each of the following conditions:

- (a) Icon being satisfied of the results of its due diligence, including without limitation the following:
 - (i) conduct a site visit of the Project;
 - (ii) determine if all permits are held legally and are in good standing with no encumbrances;
 - (iii) review and confirm off take agreement in good standing; and
 - (iv) any other due diligence activities required in Icon's sole discretion;
- (b) Icon obtaining in-principle confirmation from the Australian Securities Exchange (**ASX**) that the Proposed Transaction will result in a suitable undertaking for the purposes of the official listing rules of the ASX (**ASX Listing Rules**);
- (c) if required by ASX, Icon Energy re-complying with Chapters 1 and 2 of the ASX Listing Rules and receiving conditional approval from the ASX for re-admission to the official list of the ASX;
- (d) Icon shareholders approving all resolutions required for the Proposed Transaction for the purpose of the ASX Listing Rules and for all other purposes;
- (e) Icon completing a capital raising sufficient to undertake the Proposed Transaction; and
- (f) the execution of the agreement from transaction documents setting out the terms and conditions of the Proposed Transaction, which will be substantially consistent with the Binding Term Sheet and otherwise will include such additional terms and conditions as are customary for a transaction of this nature ("**Transaction Documents**"),

(each a "**Condition Precedent**" and together the "**Conditions Precedent**").

If the Conditions Precedent are not satisfied or waived by April 30, 2024, or earlier, either party may terminate the Binding Term Sheet by notice in writing to the other party. The Binding Term Sheet may also be terminated upon mutual agreement of the parties, by a party if the other party suffers an insolvency event, or if the other party commits a material breach which is not remedied within 10 business days of receiving notice of remedy from the non-breaching party.

The Company previously sought in-principle advice from ASX, and ASX confirmed that the Proposed Transaction would constitute a change in the nature of the Company's activities for the purposes of ASX Listing Rule 11.1 and the Company would be required to comply with ASX Listing Rules 11.1.2 and 11.1.3. ASX has also stated that it is likely to consider that a 1.25% interest in a coal offtake would not (of itself) be a suitable undertaking for the purposes of ASX Listing Rule 1.1 Condition 1 and ASX Listing Rule 1.19.

The Company is currently negotiating further detailed terms regarding the Coke Plant Development and other aspects of the Proposed Transaction and intends to seek in-principle advice from ASX as soon as practicable to confirm whether the revised terms of the Proposed Transaction would result in a suitable undertaking for the purposes of ASX Listing Rule 1.1 Condition 1 and ASX Listing Rule 1.19.

The Company will provide a further update on the outcome of the ASX in-principle advice and the next steps regarding the Proposed Transaction in due course, including information required by ASX Guidance Note 12 and an indicative timetable for the Proposed Transaction.

This announcement is authorised by the Company's board of directors.

Yours Faithfully



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Forward looking statements

This announcement may contain certain forward-looking statements with respect to the financial condition, results of operations, projects and business of the Company and certain plans and objectives of the management of the Company. These forward-looking statements involve known and unknown risks, uncertainties and other factors which are subject to change without notice and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. Neither the Company, nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. In particular, those forward-looking statements are subject to significant uncertainties and contingencies, many of which are outside the control of the Company. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements.