



## Quarterly Activities Report for Period Ended March 31, 2009

### Corporate Directory

**ASX Code:** AAG, AAGO

Level 1,  
168 Adelaide Terrace  
East Perth WA 6004

PO Box 6383  
East Perth WA 6892

**Telephone:** (08) 9326 5788

**Facsimile:** (08) 9202 1050

**Email:**

[admin@aragonresources.com.au](mailto:admin@aragonresources.com.au)

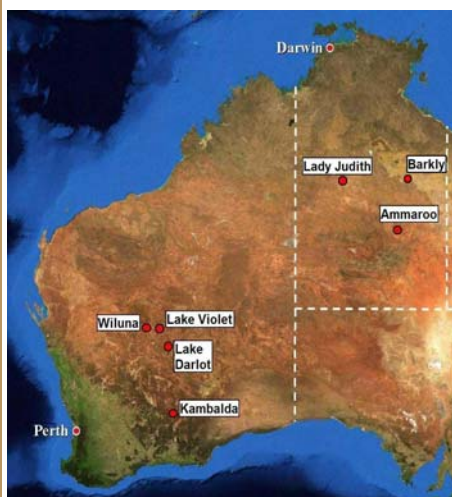
**Visit our website and subscribe:**

[www.aragonresources.com.au](http://www.aragonresources.com.au)

**Major Shareholders:**

Westgold Resources Ltd 37.02%

Metals X Limited 11.35%



### Overview

#### Northern Territory Phosphate

**Ammaroo Phosphate Prospect** – Reconnaissance field mapping during the period has confirmed the presence and extensiveness of the Arthur Creek Formation over large areas of the Ammaroo group of tenements. This rock sequence is prospective for phosphate and base metals. Preparations for drilling are now complete and are due to commence early May.

#### Western Australia Gold, Nickel

**Mission and Cable Gold Prospect** – Preparations for the next phase of reverse circulation (RC) drilling at Cables have continued. This drilling aims to extend the existing high grade gold mineralisation further north and to test the current geological model. Drilling is expected to commence in the June Quarter.

**Lake Lefroy Nickel Prospect** - A SQUID EM Geophysical Survey designed to identify bedrock conductors associated with nickel mineralisation beneath the conductive lake surface is due to recommence early April. Early indications from the incomplete survey show a number of potential targets. A full assessment will be complete once the survey data is received.

#### Strategic Investments

##### Subsequent Event

**Vital Metals Ltd (ASX Code: VML)** - Subsequent to the period as announced on the 15th April, Aragon Resources Ltd (“Aragon”) has agreed to join with Vital Metals Ltd (“Vital”) to advance its Tungsten Strategy within Australia by becoming Vital’s largest shareholder. Aragon has taken a 15% placement (17.45million fully paid ordinary shares) in Vital and will issue a \$500,000 convertible note to provide \$936,250 in working capital.

Aragon believes Vital’s Watershed Tungsten Project (15.1 million tonnes @ 0.46% WO<sub>3</sub>) in Far North Queensland holds excellent potential to progress into a long-term and significant producer of Scheelite (tungsten-trioxide) concentrate.

Enquires:

**Paul Benson**, Executive Director

**Phone:** +61 8 9326 5788

**Email:** [paul.benson@aragonresources.com.au](mailto:paul.benson@aragonresources.com.au)

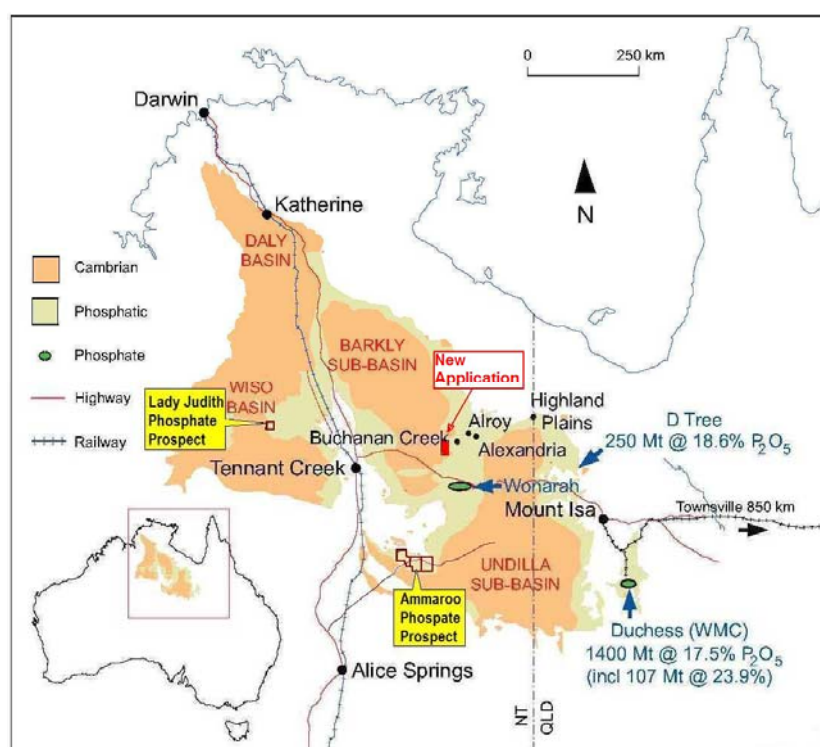
## Report on Activities

### Northern Territory

**Phosphate Prospectivity** - An extensive investigation into the phosphate prospectivity of the Georgina Basin was carried out over 2004 – 2005 by the Northern Territory Geological Survey. Cuttings from 214 water bores within the basin were logged and tested for phosphate. The results of this comprehensive study are reported in the “Phosphate testing of waterbores and diamond drillcore in the Georgina, Wiso and Daly Basins, Northern Territory” report available from the NTGS. Among these tested water bores several holes returned assays over 2% P<sub>2</sub>O<sub>5</sub>. The top two holes RN020989 and RN013989 are located within applications and granted tenements held by Territory Phosphate Ltd (100% owned subsidiary of Aragon resources Ltd).

Hole	zone	easting	northing	Map Sheet / Prospect	Depth Interval	Assay
	MGA	MGA (mE)	MGA (mE)		(m)	% P <sub>2</sub> O <sub>5</sub>
RN020989	52	723728	7920921	Winnecke Creek / <b>Lady Judith</b>	15–18	28.2
RN020989	52	723728	7920921	Winnecke Creek / <b>Lady Judith</b>	72–75	2.22
RN013015	53	586305	7589953	Elkedra / <b>Ammaroo</b>	45–48	16.9
RN006257	53	420127	7700169	Bonney Well	3–6	2.19
RN010258	53	452127	7840168	Tennant Creek	43–46	2.04
RN010533	53	350593	7852701	Tennant Creek	40–43	3.2
RN011609	53	365583	7813028	Tennant Creek	84–87	2.43
RN016928	53	436367	7845375	Tennant Creek	24–27	2.69
RN016930	53	354634	7857275	Tennant Creek	36–39	2.21
RN016930	53	354634	7857275	Tennant Creek	39–42	5.54

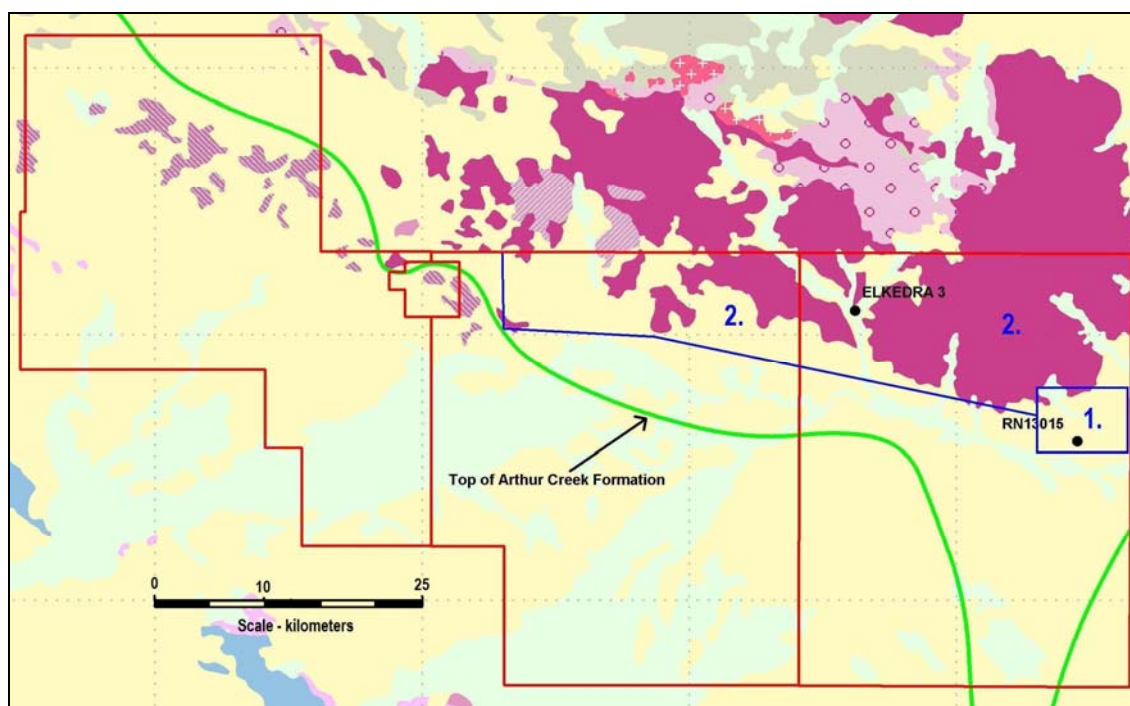
**Table 1.** Significant (>2%) phosphate intersections in waterbores showing highlighted holes within Territory Phosphate tenements



**Figure 1.** Location map showing the Ammaroo, Lady Judith and Barkly Phosphate Prospects including the major phosphate deposits.

**Ammaroo Phosphate Prospect (EL25183, EL25184 and EL25185)** – A reconnaissance field mapping program was completed during the period. The aim of this exercise was to prepare for the first phase of wide spaced aircore drilling and to identify those areas where the prospective phosphatic beds are closest to surface. Identifiable rock exposures are limited to areas adjacent of topographic highs where silicified chert breccia overlies calcarenite and dolarenite interbeds. These interbeds contain abundant fossiliferous material and overlie the target phosphatic beds. It is also evident that the basin deepens to the south and generally shallows toward the north west of the tenement area.

The first phase of wide spaced scout drilling due to commence in late April is aimed to better define the depth to the target phosphatic unit over a large area of EL25185 and EL25183 (area 2 shown in Figure 2.) and to focus on extending the previously identified phosphate occurrence at water bore hole RN13015 (area 1 shown in Figure 2.). Testing of rock chips from this water bore was conducted using ammonium molybdate solution during an extensive sampling program by the Northern Territory Geological Survey during 2004 - 2005. Positive reactions from such chips were then quantitatively analysed for phosphate. Significantly water bore RM13015 returned an assay result of 45m @ 6.7% P<sub>2</sub>O<sub>5</sub> from 30m (including 12m @ 12.79% from 42m). The maximum value of 16.9% was at 45 to 48 m depth. These are excellent results considering that thirty samples of waterbore cuttings from six holes directly overlying Australia's largest JORC compliant resource at Wonarah (461Mt @ 18.8% P<sub>2</sub>O<sub>5</sub>) were sampled for comparison. These results over Wonarah range from 0.22 to 9.47% and therefore compare well with those at Ammaroo.



**Figure 2.** Ammaroo Prospect area showing simplified surface geology and the interpreted extent in green of the favourable phosphatic host Arthur creek Formation (dark purple). First phase planned drilling areas are numbered 1 and 2.

**Lady Judith (ELA24994) and Barkly Phosphate Prospects (ELA27082)** - Work continues on meeting all statutory obligations to progress these to grant. Dependant on successful outcomes of this process, field reconnaissance and drill programs will be implemented based on previous exploration and open file data.



## Western Australia

**Cables Gold Prospect (E37/747)** - Preparations for drilling at the Cables Gold Prospect near Lake Darlot continues. The next phase of reverse circulation (RC) drilling will aim to extend the existing high grade gold mineralisation further north within the favourable structural corridor. This drilling will commence in the June Quarter. RC drilling over the Cables and Mission Prospects to date has returned high grade gold assays that indicate that the area has the potential to contain a significant high grade primary gold system. Barrick Gold Corporation's 7 million ounce Darlot Gold Mine currently in production is located just 7km to the south of the prospect area. Also, located just 5km west of the Darlot Gold Mine is the British King Gold mine which has a measured resource of 24,000 tonnes and an inferred resource of 123,000 tonnes, for a total of 147,000 tonnes at the very robust grade of 20 g/t Au, for a total of 94,000 ozs Au. The presence of these two producing mines shows that the area has enormous potential for further discoveries. Given this excellent prospectivity and after a comprehensive review of the remaining tenement holding in Western Australia, Aragon has decided to focus its gold exploration efforts in the Lake Darlot region where it has a significant tenement holding.

Highlights at Mission from previously reported RC drilling by Aragon Resources include:

- 3m @ 11.40g/t, including 1m @ 29.65g/t
- 3m @ 11.20g/t, including 1m @ 24.60g/t
- 2m @ 18.62g/t, including 1m @ 20.00g/t
- 2m @ 28.29g/t, including 1m @ 55.85g/t
- 7m @ 11.35g/t, including 2m @ 33.62g/t
- 2m @ 9.45g/t, including 1m @ 14.00g/t
- 1m @ 72.42g/t

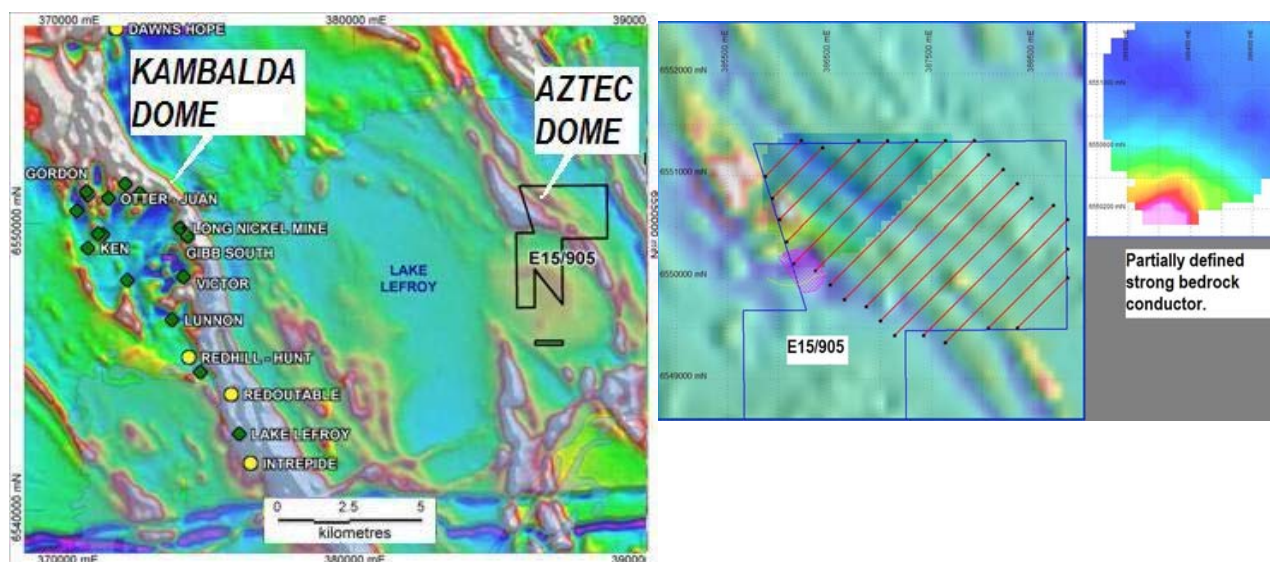
Highlights at Cables from previously reported RC drilling by Aragon Resources include:

- 2m @ 23.94g/t
- 3m @ 6.63g/t, including 1m @ 17.30g/t
- 7m @ 4.46g/t, including 1m @ 17.35g/t
- 9m @ 1.58g/t, including 1m @ 5.53g/t
- 3m @ 16.75g/t, including 1m @ 36.00g/t
- 7m @ 27.53g/t, including 1m @ 77.60g/t
- 4m @ 41.96g/t, including 1m @ 107.50g/t
- 3m @ 18.85g/t, including 1m @ 72.20g/t

For a full list of drilling results from the Mission and Cables Gold Prospects please visit our website to access previous announcements at [www.aragonresources.com.au](http://www.aragonresources.com.au).



**Lake Lefroy Nickel Prospect (E15/905)** - The Lake Lefroy Nickel Prospect partly covers the concealed Aztec Dome which shows a similar regional magnetic response to that of the nickel rich Kambalda Dome some 15km to the west. A detailed SQUID EM Geophysical Survey designed to identify bedrock conductors associated with nickel mineralisation beneath the conductive lake surface is due to recommence early April. If successful the survey will provide a target for future deep drilling.



**Figure 3.** Lake Lefroy tenement map over regional magnetic imagery and the partially defined bedrock conductor from the incomplete SQUID ground geophysical survey.

## Strategic Investments

### Subsequent Event

#### Vital Metals Ltd (13% AAG)

Subsequent to the period as announced on the 15th April, Aragon has agreed to join with Vital Metals Ltd ("Vital") to advance its Tungsten Strategy within Australia by becoming Vital's largest shareholder. Aragon has taken a 15% placement (17.45million fully paid ordinary shares) in Vital and will issue a \$500,000 convertible note to provide \$936,250 in working capital. The 3-year note is unsecured and will carry a coupon rate of 6% payable quarterly in arrears. The notes are convertible at the higher of 4cps or 80% of the one-month VWAP of Vital shares prior to conversion. The notes cannot be converted in the first 12 months. The Convertible Note will require the approval of VML shareholders in due course.

Aragon believes Vital's Watershed Tungsten Project in Far North Queensland holds excellent potential to progress into a long-term and significant producer of Scheelite (tungsten-trioxide) concentrate. Vital Metals Ltd is a specialist tungsten, tungsten/molybdenum explorer and aspiring mine operator. The Watershed Prospect currently has a Total Identified Mineral Resource Estimate of 15.1 million tonnes at an average grade of 0.46% WO<sub>3</sub>, containing 69,300 tonnes of WO<sub>3</sub>, using a 0.10% WO<sub>3</sub> cut-off grade.

Watershed is a virgin deposit and is one of the more superior and higher grade Tungsten deposits in Australia and the World. It is located in the Mt Carbine region of Far North Queensland which is one of the most prolific tungsten regions of Australia.

For more information regarding Tungsten and Vital Metals Ltd please visit their website at [www.vitalmetals.com.au](http://www.vitalmetals.com.au)



## Corporate

Aragon has continued to manage risk with the implementation of cost cutting initiatives, tenement rationalisation to those areas providing the greatest probability of success and a range of quality prospects and investments. Aragon believes that its exposure to the diverse commodities of gold, nickel, phosphate, uranium and now tungsten provide it with flexibility and greatest probability of success for the company and its shareholders.

Cash in the Bank as at the end of the Quarter is \$4.94 million.

## Corporate Structure

The company has the following equities on issue as at March 30, 2009.

Fully paid ordinary shares	67,529,755
Listed options convertible at \$0.25 on or before 30/09/2010	24,970,285
Unlisted options convertible at \$0.35 each on or before 28/11/2010	1,000,000
Unlisted options convertible at \$0.30 each expiring between 31/05/2011 and 13/08/2011	1,750,000

## Major Shareholders

Westgold Resources NL 25,000,000 (37.02%)

Metals X Limited 7,661,858 (11.35%)

**Note:** Metals X through its 22.4% holding in Westgold has 48.37% relevant interest in Aragon.

*The information in this report that relates to exploration, mineral resources or ore reserves is based on information compiled by Mr Christopher Bryans (B.App.Sc.) who is a full time employee of Aragon Resources Ltd, is a member of the AusIMM. Mr Bryans has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a competent person as described by the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Bryans consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Aragon Resources Limited

ABN

63 114 714 662

Quarter ended ("current quarter")

31 March 2009

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(141)   (121)	(1,124)   (470)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	37	200
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
<b>Net Operating Cash Flows</b>	<b>(225)</b>	<b>(1,394)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		(3)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (specify)		
<b>Net investing cash flows</b>		<b>(3)</b>
1.13 Total operating and investing cash flows (carried forward)	(225)	(1,397)

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(225)	(1,397)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other – (capital raising costs)		
	Other – (share application monies held on trust)		
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(225)	(1,397)
1.20	Cash at beginning of quarter/year to date	5,167	6,339
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	4,942	4,942

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	77
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.



### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	153
4.2 Development	-
4.3 Production	-
4.4 Administration	80
<b>Total</b>	<b>233</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	4,942	5,167
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>4,942</b>	<b>5,167</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

---

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	All Directly held	All 100%	All Nil
	E26/106 E36/573 E36/575 E36/682 E37/821 E53/1171 P36/1676 P36/1677 P36/1678 P53/1226 P53/1443 E69/2570 E69/2571			
6.2	Interests in mining tenements acquired or increased	All Directly held	All Nil	All 100%
	P36/7643 P37/7644 P37/7645 P37/7646			

---

+ See chapter 19 for defined terms.

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	67,529,755	67,529,755		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	24,970,285 1,250,000 300,000 200,000 1,000,000	24,970,285	Exercise price 25 cents 30 cents 30 cents 30 cents 35 cents	Expiry date 30/09/2010 31/05/2011 01/07/2011 13/08/2011 28/11/2010
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

---

7.12	<b>Unsecured notes</b> ( <i>totals only</i> )		
------	---	--	--

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~not~~\* give a true and fair view of the matters disclosed.

Sign here: ..... P G BENSON ..... Date: ..... 22 April 2009 .....  
(Director)

Print name: ..... PAUL GARRETT BENSON .....

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==

---

+ See chapter 19 for defined terms.