



Quarterly Activities Report Period Ending December 31st, 2009

Corporate Directory

ASX Code: AAG, AAGO

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168 Adelaide Terrace
East Perth WA 6004

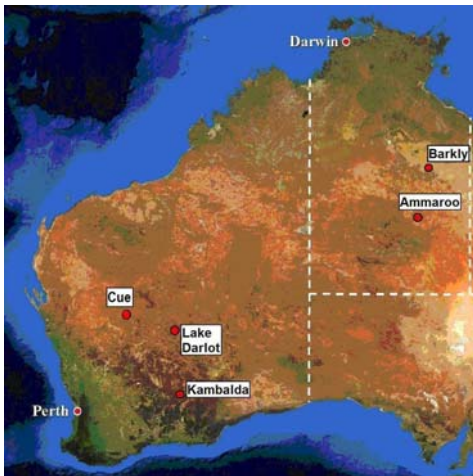
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Visit our website and subscribe:
www.aragonresources.com.au

Major Shareholders :
Westgold Resources Ltd 19.75%
Metals X Limited 8.72%



Significant Events During the Quarter

- Aragon Resources Ltd (“Aragon”) completes acquisition of Big Bell Gold Operations Pty Ltd (“BBGO”) including an aggregate 1.5 million ounces of JORC compliant resources at the Central Murchison Gold Project.
- Aragon completes \$13 million capital raising to fund acquisition and provide working capital.
- Aragon withdraws from agreement to acquire Hot Chili Pty Limited.
- Aragon continues tenement rationalization, evaluation and exploration activities at Lake Darlot (gold), Lake Lefroy (nickel) and Ammaroo (phosphate) prospects. At Ammaroo a drill program planned for completion during the period has been postponed due to technical issues with the drilling equipment. The drill program will recommence as soon as practicable.
- Vital Metals Ltd (Aragon 13% direct interest) enters into a farm-in agreement on highly prospective gold exploration tenements in West Africa, presenting the Company with an outstanding new opportunity.

Enquires:

Paul Benson CEO/Executive Director

Phone: +61 8 9326 5788

Email: paul.benson@aragonresources.com.au





Report on Activities

Acquisition of Big Bell Gold Operations Pty Ltd

On 23 November 2009 Aragon announced that subject to certain approvals, including shareholder approval, it had entered into the Agreement with Fulcrum Resources Pty Ltd (“Fulcrum”) to acquire all of the shares and interest in Fulcrum. At a General Meeting held on Wednesday, 30 December 2009, Aragon gained shareholder approval to acquire Fulcrum. The consideration was 35 million fully paid Aragon shares and 17.5 million options over fully paid shares convertible at \$0.20 per share on or before 31 December 2013. At the same meeting shareholders authorised the issue of up to 100 million fully paid ordinary shares at \$0.13 to a range of institutions and sophisticated investors raising \$13 million to fund the acquisition and provide working capital for ongoing activities.

Fulcrum entered into an agreement (the “Big Bell Agreement”) with New Hampton Goldfields Limited (“New Hampton”) and Harmony Gold (Australia) Pty Ltd to acquire all of the shares and interests and rights in New Hampton’s wholly owned subsidiary Big Bell Gold Operations Pty Ltd (“BBGO”).

The key terms of the Big Bell Agreement include:

- Refundable deposit of \$300,000;
- Payment of \$2.7 million upon completion of the transaction; and
- Replacement of \$3.2 million in existing environmental performance bonds.

As announced on 3 December 2009, Aragon completed a 15% placement of 10,000,000 shares at \$0.13 raising \$1.3 million.

Subsequent to the period, and as approved by shareholders, Aragon completed a placement of 90,000,000 shares at \$0.13 to raise a further \$11.7 million and the acquisition of BBGO.

These projects now collectively referred to as the Central Murchison Gold Project contain the three major historic gold production centres of Big Bell, Cuddingwarra and Day Dawn. Recent gold production from these areas ceased in 2003 at much lower gold prices. Substantial remnant resources and newly defined gold exploration targets exist within the titles.

The Central Murchison Gold Project is now the main focus of Aragon with the clear aim to expand the resource base and advance towards production.

The completion of the transaction provides Aragon with a significant resource base with a total current JORC resource of approximately 1.5 million ounces with over 900,000 ounces in the “indicated” category at 4.7g/t. The summary resource table demonstrates the magnitude of the resource inventory and the number of targets that have proven production history and which there remains potential to increase inventory at current gold prices. In addition, exploration works completed in the six years since closure of operations has defined many new targets and exploration opportunities.





TABLE: Central Murchison Gold Project – mineral resource summary by deposit

Deposit	Mining Centre	Measured			Indicated			Inferred			Total Resource		
		Tonnes ('000s)	Au g/t	Au Oz	Tonnes ('000s)	Au g/t	Au Oz	Tonnes ('000s)	Au g/t	Au Oz	Tonnes ('000s)	Au g/t	Au Oz
1600N/Shocker	Murchison Bell				415	2.5	33,000	359	3.2	37,000	774	2.8	70,000
Murchison Bell	Murchison Bell				3,200	4.7	484,000	700	4.2	95,000	3,900	4.6	578,000
Fender	Murchison Bell				71	4.1	9,000				71	4.1	9,000
Black Swan	Cuddingwarra				222	3.5	25,000	1	1.3		223	3.5	25,000
Black Swan South	Cuddingwarra				315	3.5	35,000	1,816	3.8	224,000	2,131	3.8	259,000
Chieftain	Cuddingwarra				50	3.1	5,000	75	3.4	8,000	125	3.3	13,000
City of Chester	Cuddingwarra				28	2.3	2,000	82	2.4	6,000	110	2.4	8,000
City of Sydney	Cuddingwarra	4	1.6		62	2.1	4,000				65	2.0	4,000
Golden Gate	Cuddingwarra				65	3.0	6,000	1	2.6		66	3.0	6,000
Rheingold	Cuddingwarra							89	3.8	11,000	89	3.8	11,000
Rheingold South	Cuddingwarra	23	3.3	3,000	82	3.6	10,000	96	3.4	11,000	202	3.5	23,000
3210	Day Dawn				50	3.3	5,000				50	3.3	5,000
Golden Crown	Day Dawn				95	7.5	23,000	144	8.8	41,000	238	8.3	63,000
Great Fingall	Day Dawn				349	1.9	21,000	1,500	1.4	67,000	1,849	1.5	88,000
Great Fingall	Day Dawn				755	10.0	243,000	147	6.8	32,000	902	9.5	275,000
Kinsella	Day Dawn	1	2.9		54	3.1	5,000				55	3.1	6,000
Mt Fingall	Day Dawn							30	3.1	3,000	30	3.1	3,000
Rubicon	Day Dawn	19	2.9	2,000	50	2.3	4,000	12	1.3		80	2.3	6,000
South Fingall	Day Dawn				36	2.8	3,000	28	3.1	3,000	65	3.0	6,000
Try Again	Day Dawn	1	1.8		12	3.2	1,000	178	3.1	17,000	192	3.1	19,000
Yellow Taxi	Day Dawn				80	2.4	6,000	15	2.9	1,000	94	2.5	7,000
Yellow Taxi South	Day Dawn							37	4.3	5,000	37	4.3	5,000
Sub Total In situ		47	3.3	5,000	5,992	4.8	924,000	5,309	3.3	561,000	11,348	4.1	1,490,000
STOCKPILES													
Great Fingall					108	1.0	3,000				108	1.0	3,000
Fingall Sands					34	1.2	1,000				34	1.2	1,000
Stockpiles					142	0.9	4,000				142	0.9	4,000
TOTAL RESOURCES		47	3.3	5,000	6,133	4.7	928,000	5,309	3.3	561,000	11,490	4.0	1,494,000

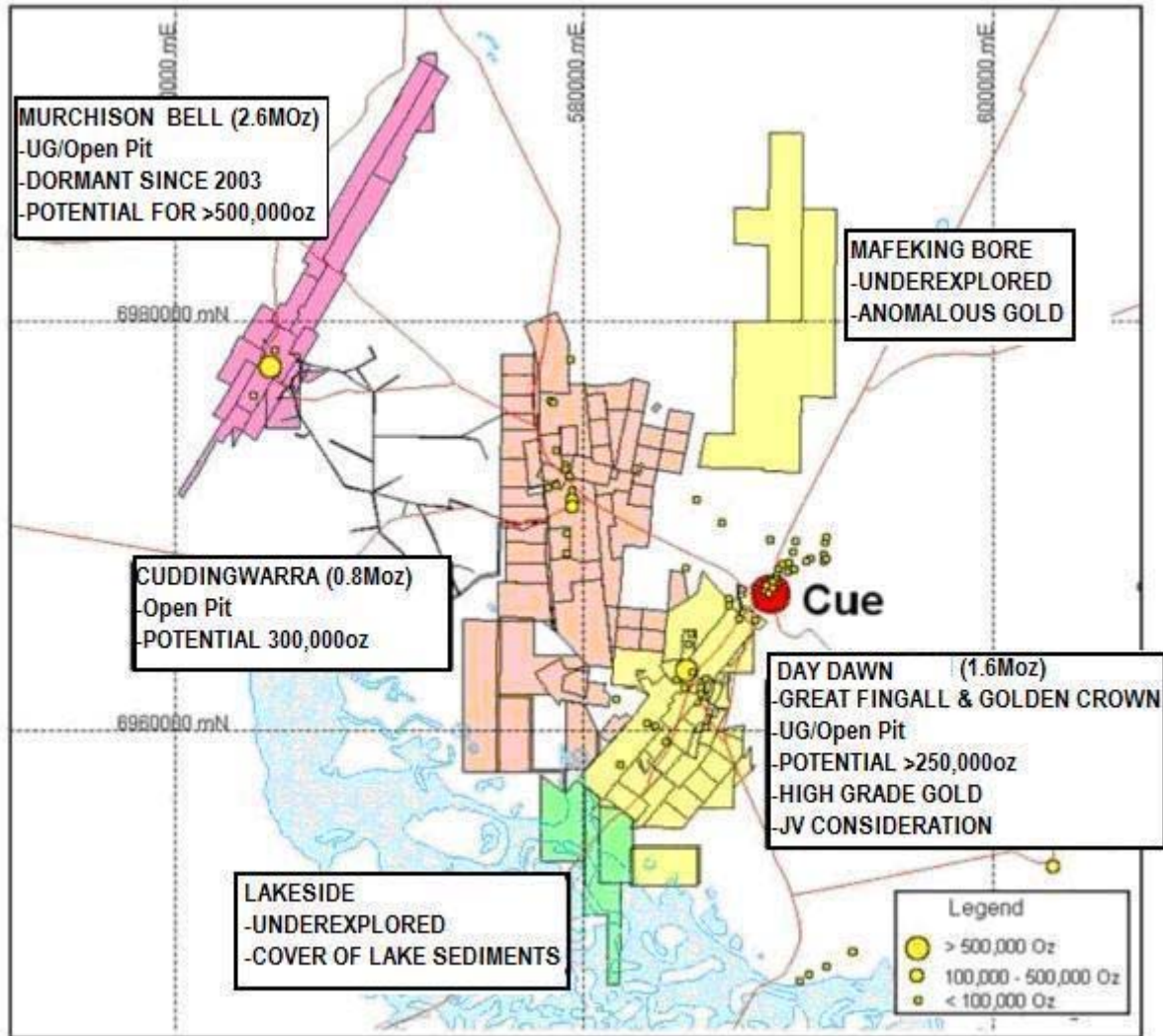
The information in this table and report that relates to exploration, mineral resources or ore reserves is based on information compiled by Mr Paul Benson (B.Sc.) who is a full time employee of Aragon Resources Ltd, is a member of the AusIMM. Mr Benson has sufficient experience which is relevant to the 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 Benson consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The Central Murchison Gold Project contains three key project areas synonymous with the three historic mining centres contained within the package. These are:

1. The Day Dawn Goldfield
2. The Murchison Bell Project (including the historic Big Bell production centre)
3. The Cuddingwarra Goldfield



ARAGON RESOURCES LIMITED



Central Murchison Gold Project showing historical production from each of the three key project areas of Murchison Bell, Day Dawn and Cuddingwarra.



Central Murchison Gold Project Site Office



Day Dawn Goldfield

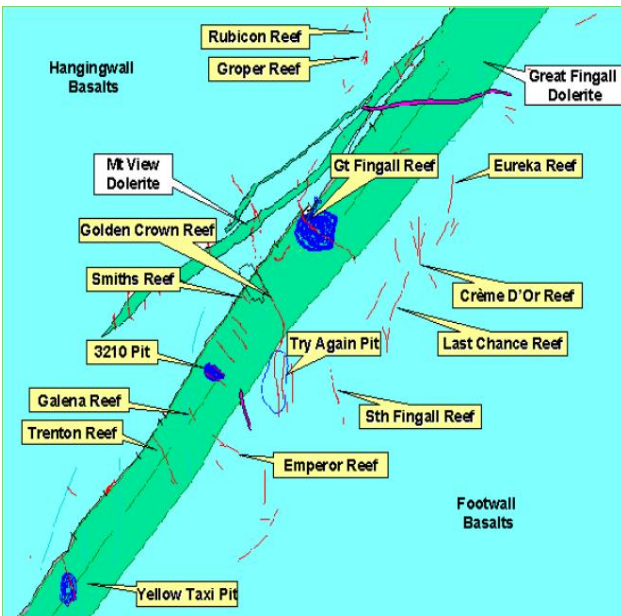
The **Day Dawn** mining centre has an estimated historic production of approximately 1.6 million ounces and the current total Identified Mineral Resource estimate (JORC) is 488,000 oz.

The Day Dawn Goldfield is characterised by the favoured host of the Great Fingall Dolerite (GFD). This geological unit manifests as a contrasting brittle host that allows quartz-filled fault and shear structures to widen and ramify establishing larger mining structures. The GFD coincident with numerous identified exploration targets and historic workings along its strike and there remains excellent potential to define further deposits and to expand existing open pits and underground resources.

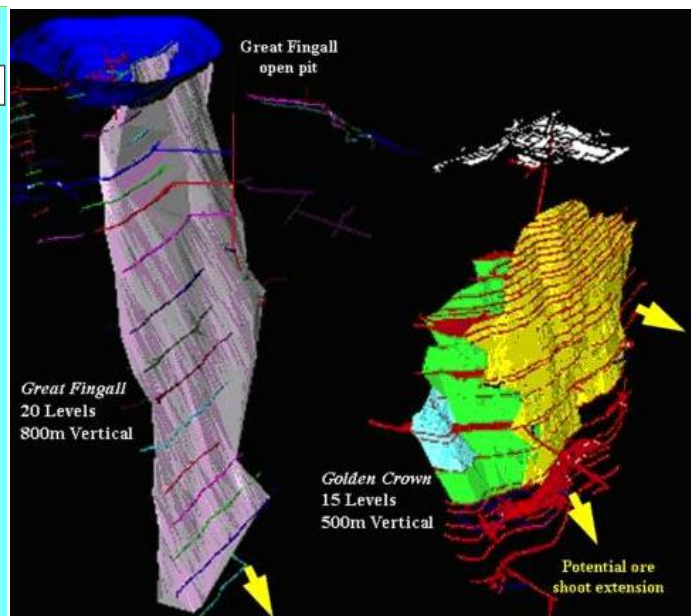
The Great Fingall underground mine, which was closed in 1918 is an exciting opportunity to re-establish a long term high grade operation due to the grade and quantity of resources (902,000 tonnes @ 9.5g/t for 275,000 oz). A claim, requiring clarification of a 49% Joint Venture interest exists below 500m.

More recently the Great Fingall open pit has produced approximately 82,000 ounces from ramified quartz lodes that splay off the main Great Fingall structure and a remnant mineable resource of 88,000 oz remains in the floor of the current pit. Aragon believes that there is excellent potential to define further significant mineralisation along strike adjacent to the pit limits.

Underground resource extensions will also be targeted at the neighbouring Golden Crown underground mine where the current total Identified Mineral Resource estimate is 238,000 tonnes @ 8.3g/t for 63,000 oz. Previous work has identified extensive high grade reefs and splay development.



Great Fingall Dolerite (GFD)



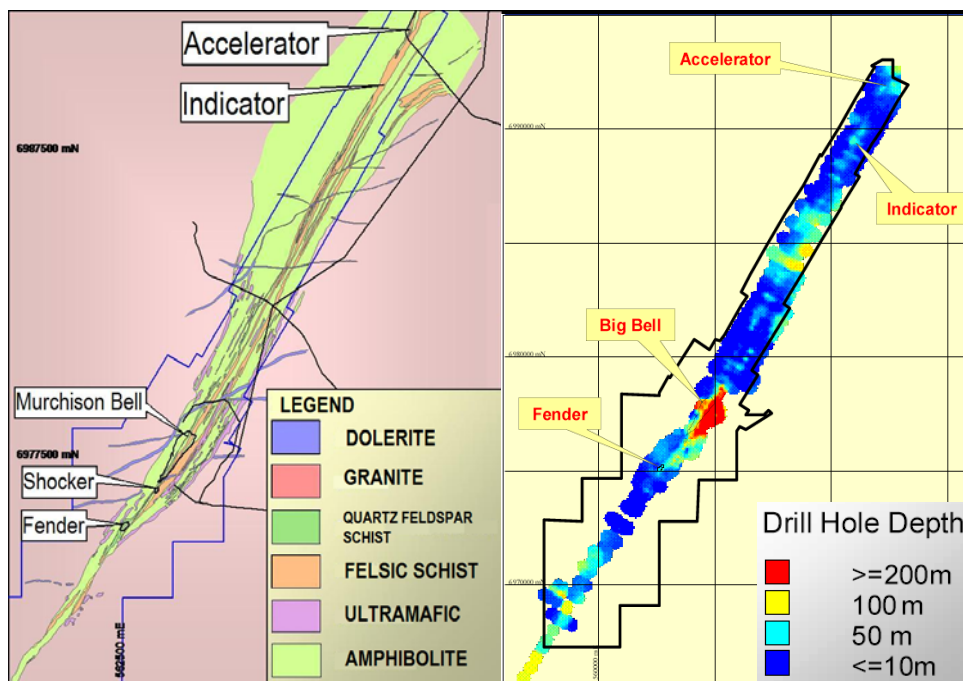
Great Fingall and Golden Crown workings and stoped out reef



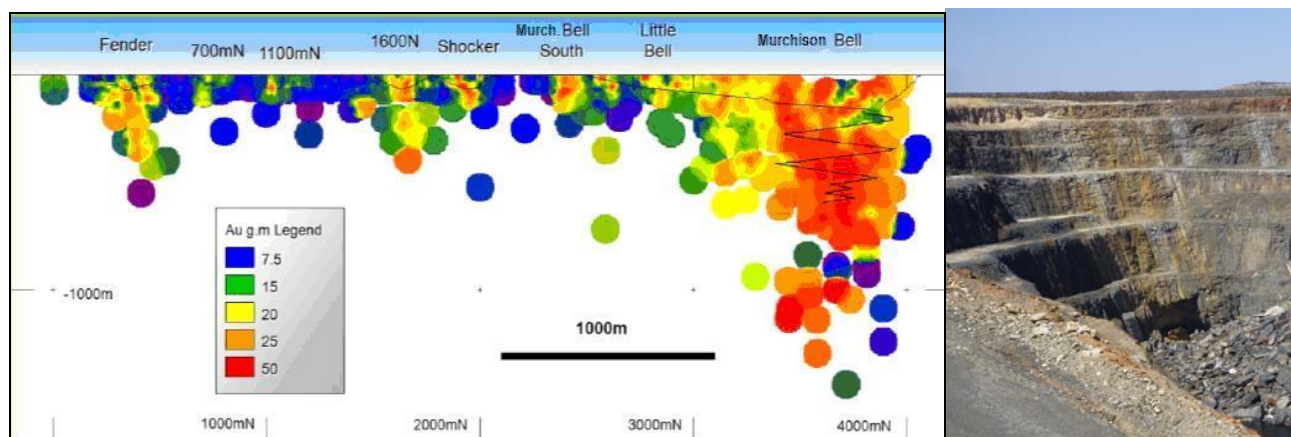
The Murchison Bell Project

The **Murchison Bell** mining centre is an elongate trend of Archaean greenstone metamorphosed to hornblende facies and transacted by a major shear zone extending several kilometres in a north-east south-west direction. Previous production along the shear has won 2.6 million ounces from open pit and underground operations and there remains excellent potential to define additional deposits along its strike length. The current total Identified Mineral Resource estimate (JORC) on the line of lode is 657,000oz.

Structural jogs along the shear have resulted in economic accumulations of lensoidal mineralisation that vary from 6m to over 35m in width and extend to a depth of at least 1500m below surface. Shallow historical drilling has identified areas of anomalism and the proven structure remains under-explored at depth adding to its potential.



Aragon has identified the potential to significantly expand this resource and will commence a drill program targeting depth extensions as soon as practicable.



Murchison Bell Long section and photograph showing the extensive shear zone in the north wall of the pit



The Cuddingwarra Project

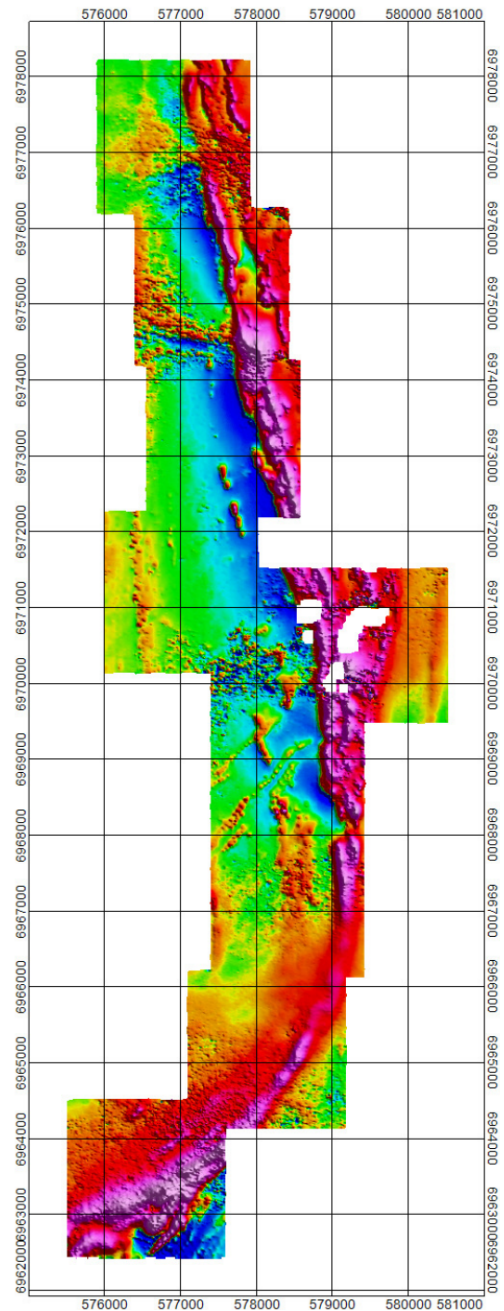
The **Cuddingwarra** mining centre has an aggregate historic production of approximately 800,000 oz. The current total Identified Mineral Estimate (JORC) is 349,000 oz within numerous historical pits and prospects. Since mining ceased in the area, about 6 years ago, exploration has continued. A comprehensive database, including a recent Sub Audio Magnetic survey reveals many targets still to be evaluated.

Aragon has identified a number of high priority exploration targets worthy of drill testing. In particular, de-magnetised zones of the mafic sequence indicated in the imagery are interpreted to result from cross cutting structures that have allowed for the introduction of mineral bearing fluids and these areas are considered to hold excellent potential for additional new discoveries similar to those discovered and mined in the field in more recent times.

In addition, there remain obvious opportunities for extensions of the previously mined deposits at Black Swan South, Rheingold and Golden Gate.



**Black Swan South Pit Remaining Resource
2,131,000 t @ 3.8g/t (259,000oz)**



Sub-audio Magnetic Imagery





Ammaroo Phosphate Prospect

An aircore drilling program planned for completion during the period was cut short due to technical issues with the drilling equipment. Five holes were drilled before a decision was made to cancel the drilling and postpone the remainder of the program until after the current wet season.

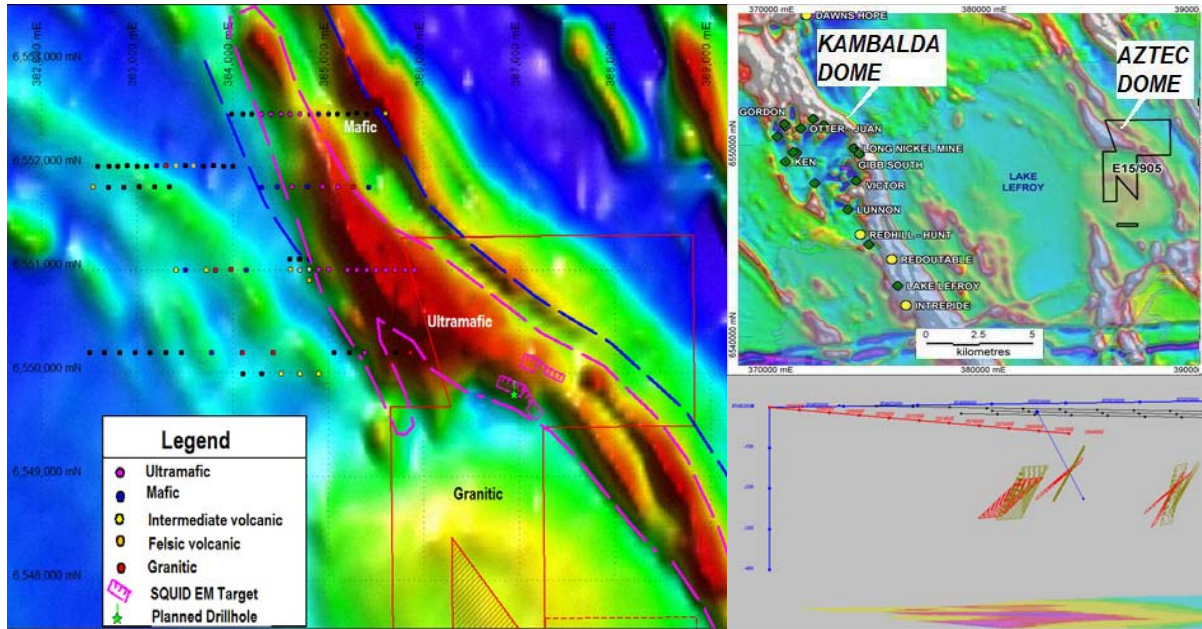
Lake Darlot Gold Prospect

No on ground exploration work was carried out during the quarter. The Mission and Cables Prospects have excellent potential for additional discoveries and to extend the current high grade mineralisation defined to date. Due to the acquisition of the Central Murchison Gold Project, Aragon will focus its efforts on the development of this key asset. Given this focus Aragon has commenced a strategic review of the options to advance the significant potential of the Mission and Cables Prospects.

For a full list of previous high grade drilling results from the Mission and Cables Gold Prospects. Please visit our website to access previous announcements at www.aragonresources.com.au.

Lake Lefroy Nickel Prospect (E15/905)

As previously announced, open file data of past drilling results on Lake Lefroy indicates that favourable ultramafic stratigraphy similar to that found at the nickel rich Kambalda District is coincident with a regional magnetic signature. In addition the recent SQUID EM geophysical survey has identified multiple conductive anomalies within this structure. The lack of previous drilling within the tenement boundary makes a compelling target worthy of drill testing. Preparations for drilling are progressing and will commence once access to the lake is possible.



Top right: tenement location map showing the structurally similar Kambalda and Aztec Domes.

Left: regional magnetic image showing open file drilling and interpreted geology.

Bottom right: cross section of potential drill targets and planned drilling.





Strategic Investment - Vital Metals (AAG 13%)

The key asset of Vital is the Watershed Tungsten Project which currently has a Total Identified Mineral Resource Estimate of 15.1 million tonnes at an average grade of 0.46% WO₃, containing 69,300 tonnes of WO₃, using a 0.10% WO₃ cut-off grade. Aragon is the largest shareholder of Vital holding 17.45 million shares. In addition, Aragon has lent Vital \$500,000 in funds via an interest bearing convertible note. Aragon is represented on the Board of Vital by Mr Paul Benson.

Vital announced on the 19 November 2009 that it has entered into a farm-in agreement on highly prospective gold exploration tenements in Burkina Faso, West Africa. This presents Vital with an outstanding new opportunity to enter the gold sector. Vital can earn a stake of up to 80% in Ampella's Doulunia/Campala property, where an initial evaluation program by Ampella encountered widespread gold mineralisation when it was exploring for zinc in 2007- 2008.

For further details of the Vital farm-in agreement please visit their website to access relevant announcements.

Corporate

Cash in the Bank as at the end of the Quarter is \$9.99 million. This includes \$1.3 million raised on 3 December 2009 and a portion (\$5.8 million) of advanced funds received for the 90 million share placement completed in January 2010. Subsequent to the period, Aragon expended approximately \$6 million to complete the acquisition of the Central Murchison Gold Project.

Simon Eley was appointed as Executive Director to the Aragon Board. Mr Eley is a Corporate/Commercial lawyer with a focus on mining and resources. Simon was a founding director of Fulcrum. He brings legal, commercial and contract skills to the Company which will compliment the current technical and scientific skills-base of the Board as it moves forward with its planned activities through 2010.

Subsequent to the end of the quarter, Mr Ben Pollard has joined the Board as a non-executive director. Mr Pollard is a Geologist with significant mining, exploration and management experience in the gold industry throughout Western Australia. He brings to the Company exploration, mine planning and resource estimation skills suited to the project development and Company's expansion plans through 2010. He is also a Principal Geologist of BMGS Perth managing geological consulting services in Australia and overseas.

Corporate Structure

The company has the following equities on issue as at the date of the 25th January, 2009.

Fully paid ordinary shares	202,530,775
Listed options convertible at \$0.25 on or before 30/09/2010	24,969,265
Unlisted options convertible at \$0.20 each on or before 31/12/2013	17,500,000
Unlisted Employee options convertible at \$0.20 to \$0.35 on or before varying dates	7,100,000

Major Shareholders

The company has the following major shareholders as at the date of the 25th January, 2009.

Westgold Resources Limited	40,000,000 (19.75%)
Metals X Limited	17,661,858 (8.72%)

Note: Metals X through its 29.36% holding in Westgold has 28.47% relevant interest in Aragon.

-End-

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 December 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	(130) (215)	(393) (380)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	35	74
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(310)	(699)
Cash flows related to investing activities		
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		(500)
1.11 Loans repaid by other entities		
1.12 Other (specify)		
Net investing cash flows	-	(503)
1.13 Total operating and investing cash flows (carried forward)	(310)	(1,202)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(310)	(1,202)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,300	1,300
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)	(70)	(70)
	Other – (share application monies held on trust)	5,837	5,837
	Net financing cash flows	7,067	7,067
	Net increase (decrease) in cash held	6,757	5,865
1.20	Cash at beginning of quarter/year to date	3,236	4,128
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	9,993	9,993

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	71
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	800
4.2 Development	-
4.3 Production	-
4.4 Administration	200
Total	1,000

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	9,993	3,236
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	9,993	3,236

+ 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	E53/948 E53/972 E53/984 E53/1001 E53/1025 E53/1082 E53/1148 P53/1283 P53/1307 E53/1084	All Directly held	All 100%	All Nil
6.2 Interests in mining tenements acquired or increased	E36/707	All Directly held	All Nil	All 100%

+ 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 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	77,530,775	77,530,775		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	10,001,000	10,001,000		
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	24,969,265	24,969,265	Exercise price 25 cents	Expiry date 30/09/2010
	1,250,000	-	30 cents	31/05/2011
	100,000	-	30 cents	01/07/2011
	200,000	-	30 cents	13/08/2011
	1,000,000	-	35 cents	28/11/2010
	2,500,000	-	21 cents	30/11/2012
	1,050,000	-	21 cents	30/11/2013
7.8 Issued during quarter	2,500,000		21 cents	30/11/2012
	1,050,000		21 cents	30/11/2013
7.9 Exercised during quarter	1,000	1,000	25 cents	30/09/2010
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.12	Unsecured notes (<i>totals only</i>)		
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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: XX January 2010
(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.

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+ See chapter 19 for defined terms.