



Positive Underground Mine Study Results for CMGP

- Initial Mining Reserve Estimate of 614,000 ounces of gold.
- Results provide a solid foundation for a 100,000 ounces per annum project.

Aragon Resources Limited ('Aragon') is pleased to announce it has completed a preliminary assessment of the commercial viability of its underground mine projects within the Central Murchison Gold Project. Underground mining studies on the Big Bell deposit and the combined Golden Crown, Great Fingall deposits (collectively referred to as "Golden Fingall" for simplicity) have concluded that a positive development scenario exists.

The underground mining studies constrained to well defined components of the overall underground resources have determined Probable Mining Reserve estimates of:

Probable Mining Reserve Estimates

Deposit	Probable Reserve		
	Tonnes	Grade (g/t Au)	Ounces
Big Bell Underground	2,895,000	4.2	390,000
Golden Fingall ¹ Underground	878,000	8.0	224,000
Total	3,773,000	5.1	614,000

Note: Mining recoveries of 85% with 20% dilution has been applied at Big Bell

Mining recoveries of 80% with 10% dilution has been applied at Golden Fingall

Mine Study Results

Big Bell Underground Mine

- The underground mining studies at Big Bell have been completed by Berrimil Services Pty Ltd and Mr. John Player (Senior Research Fellow - Geotechnical Engineering, West Australian School of Mines). Both consultants have extensive and direct operating experience at the Big Bell mining operation.
- Mining only operating costs are estimated to be \$56/tonne of ore mined or A\$465 per ounce for ore delivered to a surface stockpile at the mine.
- Pre-production capital and re-establishment costs are estimated to be \$20.1 million. This includes approximately \$9.7M for refurbishment and re-establishment of the mine, portal, decline and mine services. A further \$10.4M is estimated for replacement mine fixed plant, services equipment and reticulation.
- Sustaining Capital Development costs for the initial 2.895 Million tonnes of probable reserve are estimated at \$33.8M equating to an additional cost of \$11.70/t or A\$96 per ounce.



Golden Fingall Underground Mine

- The underground mining studies at Golden Fingall have been completed by Mining Plus. Aragon believes there is potential to significantly customise and improve on their outputs.
- Mining only operating costs are estimated to be \$61.5/tonne of ore or \$241 per ounce for ore delivered to a surface stockpile at the mine.
- Pre-production capital and re-establishment costs are estimated at \$32.7 million. This includes approximately \$12.5M for fixed plant and equipment (including dewatering) and \$20.2m for a new decline to access ore production.
- Sustaining Capital Development costs for the initial 878,000 tonnes of probable reserve are estimated at \$26.3M equating to an additional cost of \$30/t or A\$117 per ounce.

Significance of the Underground Mine Studies

The study shows that Big Bell underground mine can become the backbone feedstock for a processing facility at the Central Murchison Project producing at approximately 500,000 tonnes per annum after an initial 18 month pre-production period. The study also shows the Golden Fingall mine to be in a position after a 2 year establishment period to produce high-grade ore at a rate of approximately 200,000 tonnes per annum.

On a combined basis both underground mines can provide a feed of 700,000 tonnes per annum to a surface stockpile at the mines for an average cost of approximately A\$400/oz. This also allows for an annual recoverable gold production of approximately 100,000oz per annum for an initial 6 year life with plenty of scope to extend.

This provides Aragon with a solid foundation on which to build a mining project. Aragon will soon complete its open pit studies which should add to the overall project especially in the early years whilst underground ore production is established.

Having now established a cost and production capability assessment from its underground mining projects, Aragon will now move to complete ore processing cost, design and operating parameters as the next step in the completion of a definitive study on the development of the Central Murchison Gold Project.

Background & More Detail

Big Bell Underground

Aragon has completed a resource estimation at the Big Bell deposit for use in the mine scoping study with the following results:

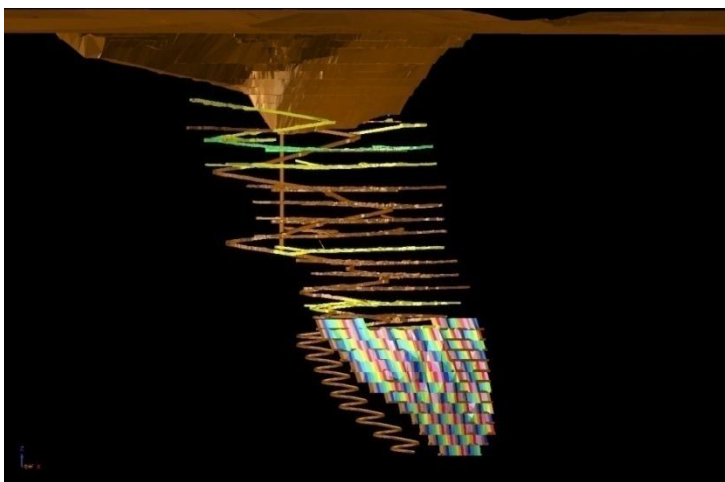
Big Bell JORC Identified Mineral Resource Estimate

Cut-off Grade (g/t Au)	Indicated			Inferred			Total		
	Tonnes	Grade (g/t Au)	Ounces	Tonnes	Grade (g/t Au)	Ounces	Tonnes	Grade (g/t Au)	Ounces
2.5	5,153,200	4.5	747,000	7,400	4.9	1,200	5,161,000	4.5	748,000
2.75	4,455,000	4.8	689,000	7,400	4.9	1,200	4,462,000	4.8	690,000
3.0	3,916,000	5.1	640,000	7,400	4.9	1,200	3,923,000	5.1	641,000



The mining study considers the indicated material using a cutoff grade of 2.5g/t and is focused only on the section between 500mRL and 825mRL which contains 4,000,000 tonnes @ 4.8g/t Au containing 623,900 ounces or 83% of the total resource.

Using a stope dilution at 20% @ 1.65g/t Au and a stope recovery of 85% mining studies estimated an extraction of 63% of this resource from development and stoping (2.895 million tonnes at 4.2g/t Au for 390,000 ounces).



Big Bell historical workings shown to the top of coloured area of reserves. Also shown is the planned decline to access those reserves considered in this study

An independent geotechnical scoping study has confirmed the viability of the selective longitudinal sub level caving mining method used in this analysis. This mining method is designed to maintain mining efficiency and maximize recovered grade and differs from previous methods where a bulk low grade caving option was used. Underground mine costing has been completed using detailed stope and development designs with typical industry contract mining rates applied.

The development of resources below an interpreted pegmatite intrusion is not included in the initial study or mining reserve estimate. Ore in this area is expected to add significantly to the life of the mining operation. Planned drilling for 2011 will target this area of the resource model to more accurately define the limits of the interpreted pegmatite and more accurately define ore limits and grades in this area potentially add significant resources to be included into future studies.

Golden Fingall Underground

The results of the desktop mining study completed by Mining Plus are based on a single access decline that provides for development of the Golden Crown and Great Fingall resources as a single production source. High-grade production from the Golden Fingall underground operation is planned to complement the base lode production sourced from the Big Bell underground mine.

The scoping study considers the Golden Crown resource below the 550rl and the Great Fingall resource below the 800rl (tabulated below) and applies a longhole open stoping in a top down sequence method.

The study focussed on an un-mined section of the overall resources at Great Fingall and Golden Crown. The section of the JORC Indicated Resources considered in the study is tabulated below:

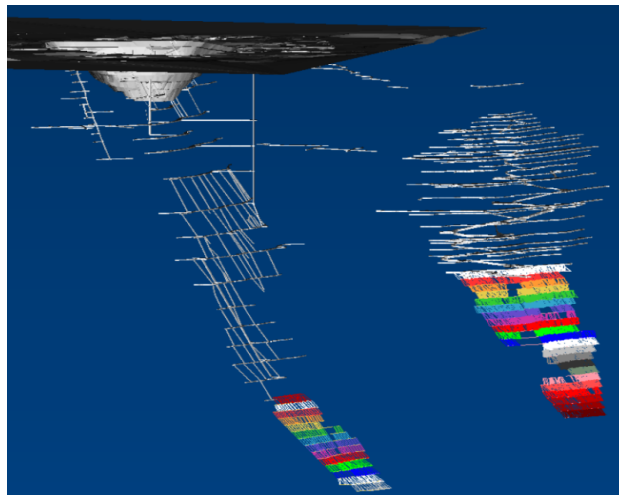
Great Fingall and Golden Crown JORC Indicated Resources considered in the study

	Tonnes	Grade (g/t Au)	Ounces
Great Fingall - Indicated¹	570,000	10.1	186,000
Golden Crown - Indicated	479,000	10.2	157,000
Golden Fingall - Total	1,048,000	10.2	343,000

No remnant resources have been included in this initial study. These remnants account for 189,000 ounces (see below) and provide considerable upside in future studies.

Great Fingall and Golden Crown JORC Remnant Resources not considered in the study

Description	Indicated			Inferred			Total		
	Tonnes	Grade (g/t Au)	Ounces	Tonnes	Grade (g/t Au)	Ounces	Tonnes	Grade (g/t Au)	Ounces
Golden Crown Remnants	73,000	5.3	12,000	26,000	5.2	4,000	98,000	5.3	17,000
Great Fingall Remnants	464,000	10.3	154,000	53,000	10.5	18,000	517,000	10.3	172,000
Total Remnants	537,000	9.6	166,000	79,000	8.8	22,000	615,000	9.5	189,000



Historical workings and coloured area of reserves at Golden Crown and Great Fingall.

The mining study considers the indicated material outside areas of previous mining which contains 1,048,000 tonnes @ 10.2g/t Au for 343,000 ounces of the total combined resource. Using a stoping dilution at 10% at zero grade and a stope recovery of 80% mining studies estimated an extraction of 65% of this resource or 878,000 tonnes @ 7.95g/t Au (224,000 ounces) from development and stoping.

Resource development drilling into 2011 will focus on those areas required for input into feasibility studies and to increase the resources and reserves.

Planning is well underway to continue exploration for new gold discoveries across the CMGP and to conduct resource development drilling in 2011 in the knowledge that the ore systems remain open and further expansion of the combined resource is likely.

Aragon believes that significant potential to improve the outcomes of the Mining Plus study exists with consideration to use of existing open pits to rapidly advance vertical development, the use of existing underground infrastructure/development and with consideration of different mining methods and development designs.

Appendices 1 - Identified Mineral Resource Estimates

Mining Centre/ Deposit	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
Murchison Bell												
1600N/Shocker				415	2.5	33,000	359	3.2	37,000	774	2.8	70,000
Big Bell*				5,153	4.5	747,000	7	4.9	1,200	5,161	4.5	748,000
Fender				71	4.1	9,000				71	4.1	9,000
North Fender				385	1.7	21,000	578	1.6	30,000	963	1.7	51,000
Sub -total				6,024	4.2	810,000	944	2.2	68,200	6,969	3.9	878,000
Cuddingwarra												
Black Swan				222	3.5	25,000	1	1.3		223	3.5	25,000
Black Swan South				315	3.5	35,000	1,816	3.8	224,000	2,131	3.8	259,000
Chieftain				50	3.1	5,000	75	3.4	8,000	125	3.3	13,000
City of Chester				28	2.3	2,000	82	2.4	6,000	110	2.4	8,000
City of Sydney	4	1.6		62	2.1	4,000				65	2.0	4,000
Golden Gate				65	3.0	6,000	1	2.6		66	3.0	6,000
Rheingold							89	3.8	11,000	89	3.8	11,000
Rheingold South	23	3.3	3,000	82	3.6	10,000	96	3.4	11,000	202	3.5	23,000
Sub-total	27	3.0	3,000	824	3.3	87,000	2,160	3.7	260,000	3,011	3.6	349,000
Day Dawn												
3210				50	3.3	5,000				50	3.3	5,000
Golden Crown*				551	9.6	169,000	91	5.4	16,000	642	9.0	185,000
Great Fingall				349	1.9	21,000	1,500	1.4	67,000	1,849	1.5	88,000
Great Fingall*†				1,034	10.2	340,000	271	6.5	56,000	1,305	9.4	396,000
Kinsella	1	2.9		54	3.1	5,000				55	3.1	6,000
Mt Fingall							30	3.1	3,000	30	3.1	3,000
Rubicon	19	2.9	2,000	50	2.3	4,000	12	1.3		80	2.3	6,000
South Fingall				36	2.8	3,000	28	3.1	3,000	65	3.0	6,000
Try Again	1	1.8		12	3.2	1,000	178	3.1	17,000	192	3.1	19,000
Yellow Taxi				80	2.4	6,000	15	2.9	1,000	94	2.5	7,000
Yellow Taxi South							37	4.3	5,000	37	4.3	5,000
Sub-total	21	2.8	2,000	2,216	7.8	554,000	2,162	2.5	168,000	4,399	5.1	726,000
Sub Total In situ	47	3.3	5,000	9,064	4.98	1,451,000	5,266	2.9	496,200	14,379	4.23	1,953,000
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	47	3.3	5,000	9,206	4.9	1,455,000	5,266	2.9	496,200	14,521	4.2	1,957,000

Murchison Gold Project – JORC Compliant Resource Table (* denotes underground resource)

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Competent Persons Statement

The information in the tables in this report that relate 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 and a member of the AusIMM. Mr. Benson has sufficient experience which is relevant to the style of mineralisation and type of deposits 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.

Note 1: Great Fingall JV Claim

There is a 49% joint venture interest claim over the Great Fingall deeps from 500 metres below surface. The current total resource included in this area is approximately 927,000 tonnes @ 9.1g/t Au for 271,000 ounces.

Note 2: Exploration and production targets

The information in this release that relates to exploration and production targets refers to targets that are conceptual in nature; there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Disclaimer

This release has been prepared by Aragon Resources Limited ("Aragon" or the "Company"). This release contains forecasts and forward looking statements. Such forecasts, projections and information are not a guarantee of future performance, involve unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied.