



**ASX:** AAG, AAGO

**Shares and options:**

**Shares:** 202,530,775  
**Listed options:** 24,969,265  
**Unlisted options:** 24,600,000

**Major shareholders:**

**Westgold (WGR)** 19.75%  
**Metals X (MLX)** 8.72%  
**(Top 20)** 66.18%

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**Board:**

**Peter Cook** Non-Exec Chairman  
**Paul Benson** CEO/Exec Director  
**Simon Eley** Exec Director  
**Brian Thomas** Non-Exec Director  
**Ben Pollard** Non-Exec Director

**Resources:**

**11.49Mt @ 4.0g/t for 1.49Moz Au**

**Projects:**

**Central Murchison Gold Project**

**Lake Darlot – gold**

**Lake Lefroy – nickel**

**Ammaroo JV – phosphate/potash**

**Maitland JV – gold**

## Quarterly Activities Report

For the quarter ended 30 June 2010

### HIGHLIGHTS

#### PROJECTS

##### **Central Murchison Gold Project (CMGP)**

- Initial mining studies focusing on the Big Bell deposit have returned a positive outcome on bringing the Big Bell Mine back into production.
- Open pit optimisation studies across the CMGP using current gold prices are well underway with results expected in the following quarter.
- High grade gold results returned from drilling at Great Fingall and Golden Crown (Golden Crown results received in September quarter) confirm mineralised extensions at depth and will add to the current resources; Highlighted results across the CMGP include:

##### **Day Dawn Mining Centre**

###### **Great Fingall – main reef**

- 2.9 metres @ 14.83g/t Au from 560.8 metres

###### **Golden Crown – main reef**

- 0.75 metres @ 16.10g/t Au from 787.7 metres
- 1 metre @ 7.06g/t Au from 52 metres

###### **Try Again Prospect**

- 0.8 metres @ 10.30g/t Au 211.5 metres
- 0.9 metres @ 7.67g/t Au from 233.5 metres

###### **Trenton Prospect**

- 4 metres @ 4.63g/t Au from 66 metres

##### **Cuddingwarra Mining Centre**

###### **Black Swan South Mine**

- 2 metres @ 62.8g/t Au from 12 metres
- 6.1 metres @ 7.1g/t Au from 458 metres
- 1.3 metres @ 11.6g/t Au from 337.7 metres

##### **Murchison Bell Mining Centre**

###### **North Fender Prospect**

- 6 metres @ 3.65g/t Au from 153 metres

##### **Ammaroo Phosphate Project**

- Aragon entered a heads of agreement with Rum Jungle Uranium (“RUM”) whereby RUM can earn up to a 70% interest in the Ammaroo phosphate/potash project in the Northern Territory by spending \$5m over 7 years. The deal is subject to due diligence by RUM.

#### CORPORATE

- Aragon divested its 13.84% interest in Vital Metals Limited. The sale realised just over \$2.05m for Aragon which will be utilised exploring and developing the CMGP in Western Australia. Cash at 30 June 2010 was \$11.4m (includes cash back performance bonds of \$3.3m) with no debt.

## Report on Activities

### PROJECTS

#### Central Murchison Gold Project - overview

Aragon has aggregated three significant mining centres with nearly 1.5M ounces of gold into one project; the CMGP (Table 1).

Drilling across the CMGP during the period totalled 3,344 metres of RC and 4,674 metres of diamond. In addition, Aragon commenced mining studies to evaluate the potential development options for the CMGP. Located just 550km north-west of Perth, Western Australia, the CMGP is adjacent to the well serviced township of Cue and the Great Northern Highway (Figure 1). One of the conceptual development options involves establishing a processing facility in the centrally located Cuddingwarra Mining Centre which could be fed from multiple mines situated within 15km of Cuddingwarra.

Since the acquisition of the CMGP in January 2010, RC and diamond drilling has targeted resource extensions and new discoveries at Cuddingwarra, Day Dawn and Murchison Bell. Past production of over 12 million ounces of gold has come from the Murchison Goldfield with about 5 Million ounces from the CMGP Mining Centres.

Furthermore, the area has significant exploration upside with much of the contiguous 33,400 hectare tenement package remaining under-explored by drilling beyond 100 metres in depth. Aragon’s focus since acquiring the CMGP is to evaluate the existing resources, explore for primary ore extensions and new discoveries plus complete mining studies that will provide potential development options for a centralised gold mining operation sourcing ore from each of the mining centres comprising the CMGP.

Aragon’s strategy is to delineate sufficient resources from multiple mines at each centre to sustain a 100,000 ounces per annum operation over a 6 to 8 year mine life.

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
Murchison Bell				3,686	4.4	526,000	1,059	3.9	132,000	4,745	4.3	657,000
Day Dawn	21	2.8	2,000	1,481	6.6	311,000	2,091	2.5	169,000	3,592	4.2	483,000
Cuddingwarra	27	3.0	3,000	824	3.3	87,000	2,160	3.7	260,000	3,011	3.6	349,000
Stockpiles		-		142	0.9	4,000		-		142	0.9	4,000
<b>TOTAL</b>	<b>47</b>	<b>3.3</b>	<b>5,000</b>	<b>6,133</b>	<b>4.7</b>	<b>928,000</b>	<b>5,309</b>	<b>3.3</b>	<b>561,000</b>	<b>11,490</b>	<b>4.0</b>	<b>1,494,000</b>

Table1: Central Murchison Gold Project Resource Table

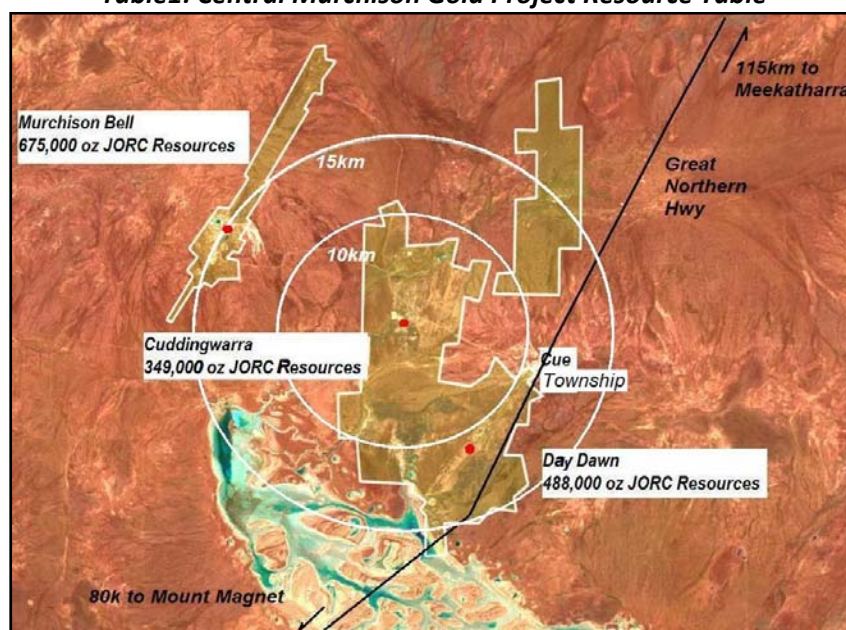


Figure 1: CMGP – location and tenement outline

**Central Murchison Gold Project – Mining Studies**

Aragon has retained Mr John Player (Senior Research Fellow - Geotechnical Engineer, West Australian School of Mines) to complete an independent geotechnical scoping study on the Big Bell deposit. Mr Player is a Chartered Professional Engineer, AusIMM and has 7 years of hands on underground experience at the Big Bell deposit. During that time Mr Player spent 5 years as the Geotechnical Engineer where he was instrumental in the research and management of the geotechnical considerations at the Big Bell deposit.

Mr Player concluded that it is technically possible to re-enter the Big Bell mine and bring the mine back into production. One of the key findings of the study confirms the validity of the alternative mining approach to the Big Bell deposit proposed by Aragon. Rather than the large scale sublevel caving method used in the past, Aragon intends to apply a more selective open stope paste fill extraction method that will minimise or potentially eliminate significant seismic events and maximise the overall recovered grade from the Big Bell deposit. This initial positive result will be followed by a detailed review of mine engineering considerations and the overall in-situ resource.

Open-pit optimisation studies have also commenced across the entire project. The CMGP has a long history of mining activity and much of this mining occurred at gold prices of around A\$600 per oz. The current gold price and positive outlook for gold combine to present Aragon with an excellent opportunity to increase the resource base by way of re-optimisation studies. The results of the open-pit optimisation studies are expected to be announced during the following quarter.

**Central Murchison Gold Project – Day Dawn Mining Centre**

Aragon’s objectives at Day Dawn (Figure 2) are to evaluate and increase the known underground resources at Great Fingall and Golden Crown, to test for repetitions of these high grade deposits along strike within the Great Fingall Dolerite and to conduct open-pit optimisation studies at current gold prices. A total of 2,186 metres of RC and 3,973 metres of diamond drilling have been completed during the June Quarter.

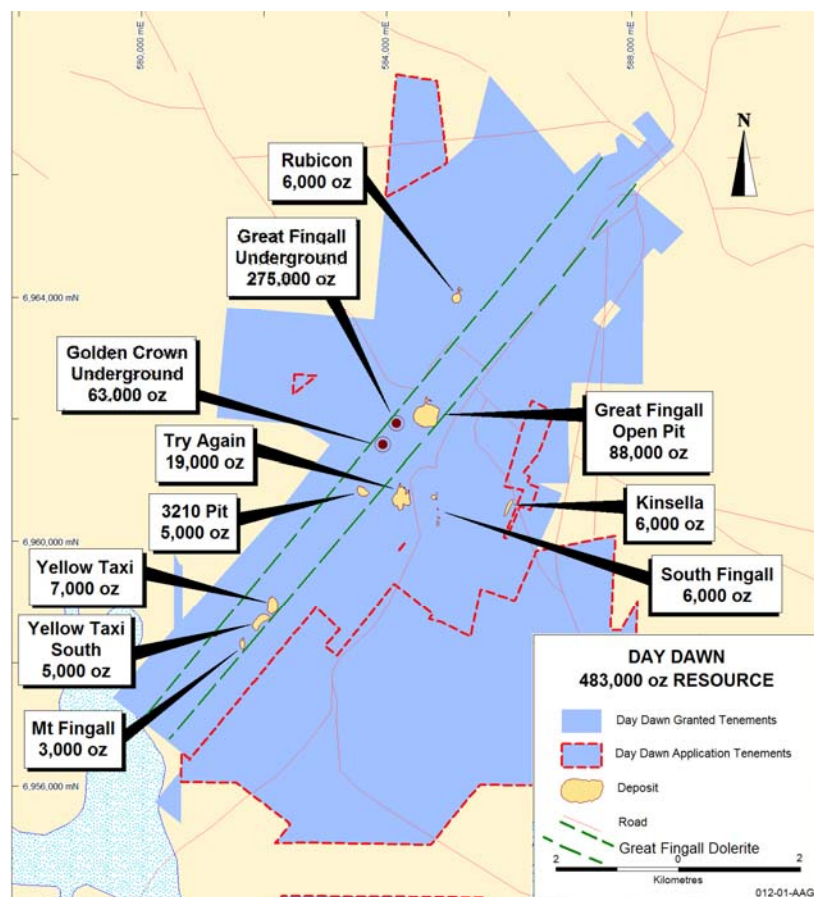


Figure 2: Day Dawn – deposit location and tenement outline

Drill results from the main reef system at Great Fingall and Golden Crown have confirmed the high grade nature of both the Great Fingall (JORC Resource of 902,000t @ 9.5g/t for 275,000oz) and Golden Crown Deposits (JORC Resource of 238,000t @ 8.3g/t for 63,000oz) and show that each deposit remains open at depth. As previously announced, diamond hole CMD011 at Great Fingall (Figure 4) returned 2.9 metres @ 14.83g/t Au from 560.8 metres and diamond hole CMD019 (at Golden Crown and subsequent to period) has returned 0.75 metres @ 16.1g/t Au from 787.7 metres (Figure 3).

The high grade result from Golden Crown is significant as this intersection occurs approximately 90 metres down plunge of the existing resource and confirms that it remains open at depth. When compared to resource at Great Fingall just 500 metres to the north, the Golden Crown Deeps zone clearly has the potential to contain an additional 180,000 ounces as indicated by the similar resource at this level of the nearby Great Fingall deposit. Both deposits remain open at depth and ongoing drilling is continuing to further define the extent of both deposits.

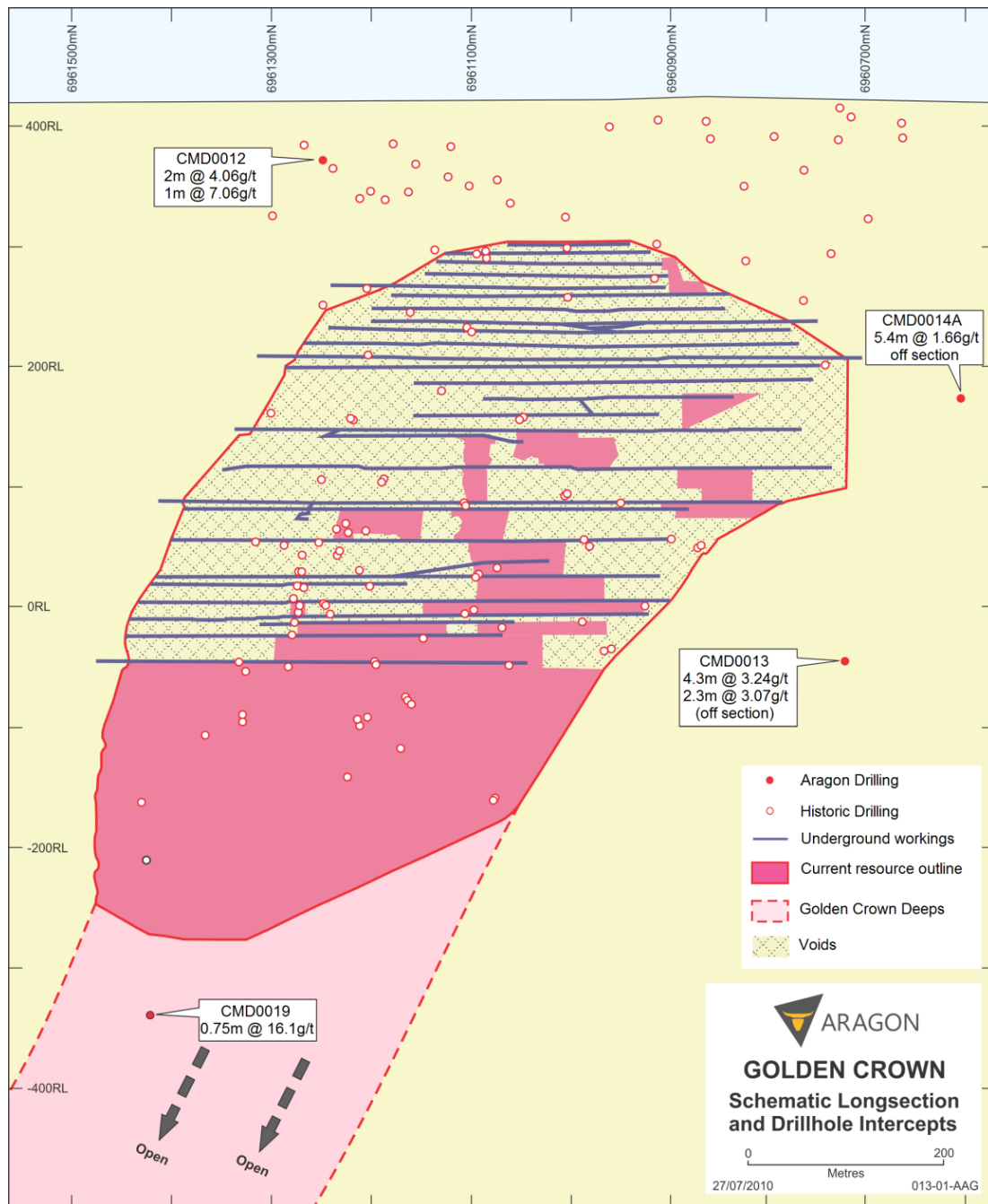
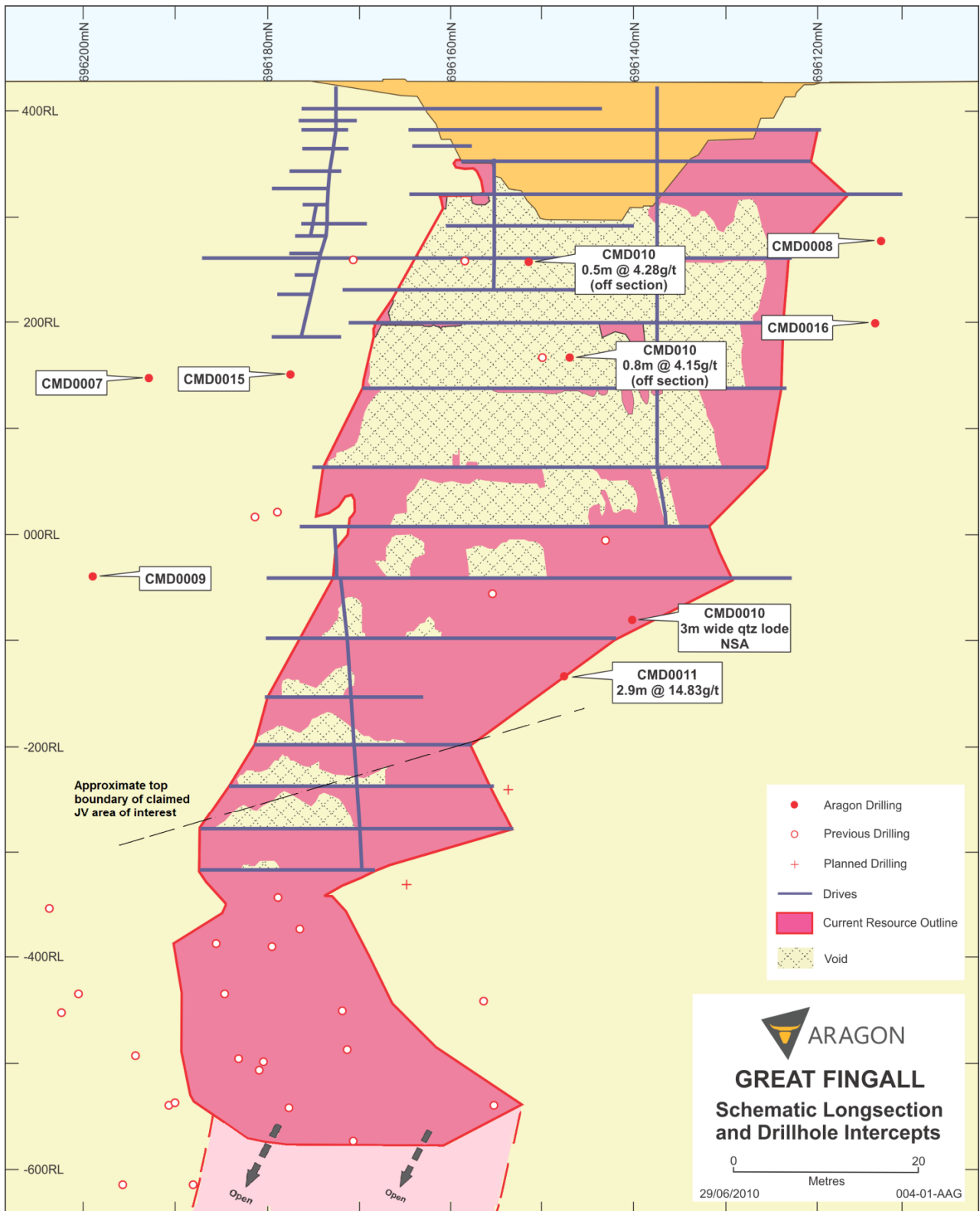


Figure 3: Golden Crown resource long section and drill-hole intersections



**Figure 4: Great Fingall resource long section and drill-hole intersections**

Note: There is a 49% joint venture interest claim over the Great Fingall deeps from 500 metres below surface. The total resource included in this area is approximately 693,793g/ t @ 9.12g/t Au for 203,421 oz.

**Great Fingall Dolerite**

Drilling on the Day Dawn Mining Centre has also targeted repetitions of the reef system along the Great Fingall Dolerite (GFD). The GFD hosts numerous deposits along its 12km strike length within the area covered by the Day Dawn Mining Centre and provides excellent targets for repetitions of high grade deposits similar to Golden Crown and Great Fingall. As previously announced, encouraging high grade drill results of 0.8m @ 10.30g/t Au and 0.9m @ 7.67g/t Au from hole CMD0004 (Try Again deposit) and 4 metres @ 4.63g/t, including 1 metre @ 11.4g/t from hole CMD0005 (Trenton deposit ) show the potential for such repetitions. Significantly the Trenton deposit has limited drilling that has intersected the reef over a strike length of approximately 250 metres. This is a highly encouraging result given that Golden Crown lay dormant for many years before drilling below 120 metres confirmed the existence of a significant reef system that went on to produce 648,000t @ 13.8g/t (288,000oz).

The drilling results from the 3210, Rubicon and Yellow Taxi deposits were not as high as the grades seen at Golden Crown and Great Fingall. However, the drilling confirmed that these structures do continue at depth along the GFD and validate the strategy of targeting repetitions of Golden Crown and Great Fingall style deposits within the GFD. Exploration for high grade lookalike deposits similar to Great Fingall and Golden Crown along the GFD will continue in subsequent drill programs. In the immediate term, Aragon remains focused on increasing the resources at Great Fingall and Golden Crown.

**Central Murchison Gold Project –Murchison Bell Mining Centre**

Aragon’s priority at Murchison Bell (Figure 5) is to evaluate the potential to restart underground mining at the Big Bell deposit by way of a detailed mining study and drilling of key targets. A total of 720 metres of RC and 701 metres of diamond drilling have been completed at Murchison Bell beneath the current resource of Big Bell and over an area of significant mineralisation called North Fender. A full analysis of the data is not complete as all drill results have yet to be received. However preliminary outcomes from an initial geotechnical review as previously detailed and results from North Fender of 6 metres @ 3.65g/t (including 1 metre @ 8.88g/t) in CMC009 are highly encouraging.

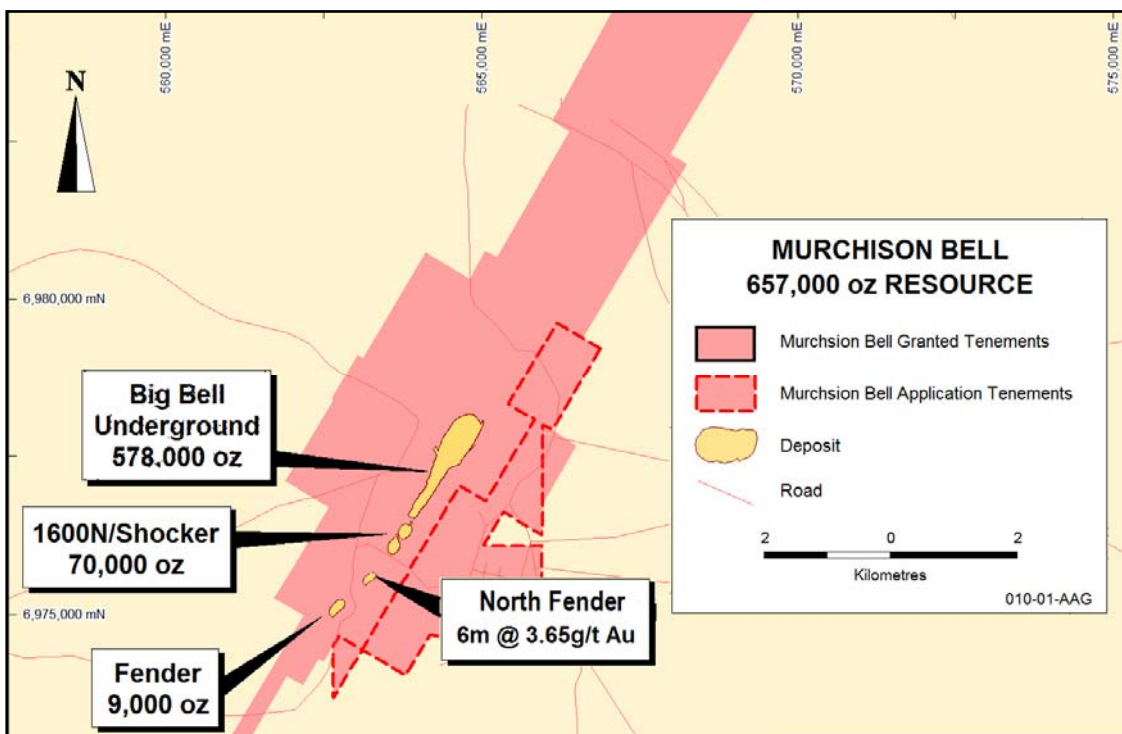
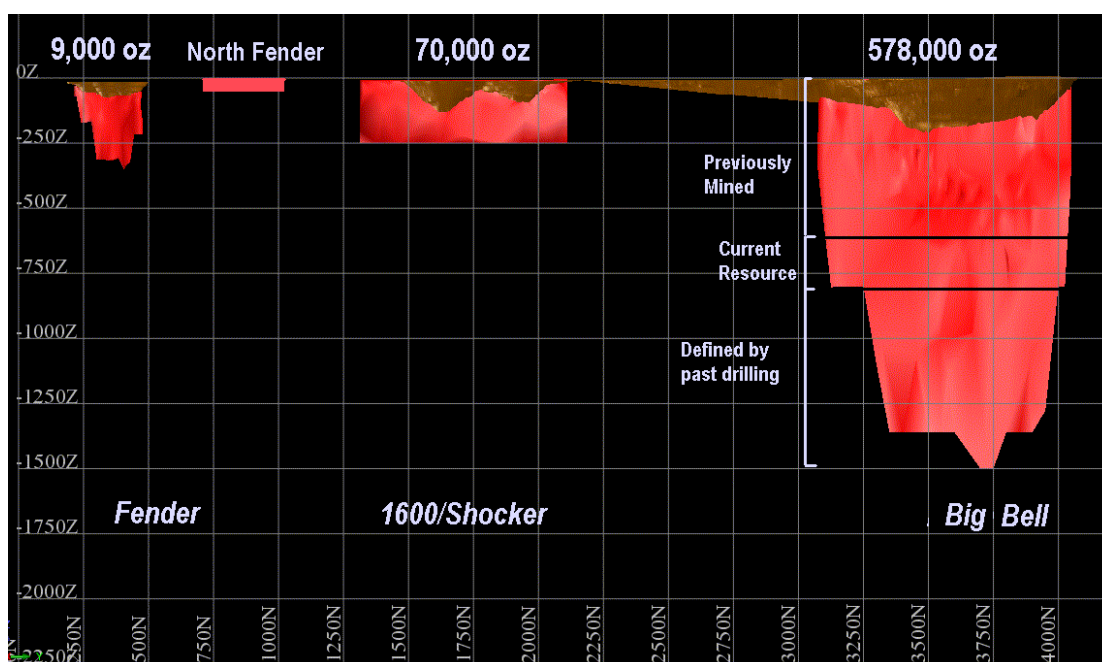


Figure 5: Murchison Bell – deposit location and tenement outline



**Figure 6: Murchison Bell, Fender, North Fender and 1600/Shocker deposits. Mineralised envelopes as defined by previous drilling shown in red.**

**Big Bell Deposit**

The review of the historic data shows that the Big Bell deposit has been developed to 615 metres below surface with mineralisation identified to at least 1500 metres from surface (Figure 6). This suggests potential to substantially increase the resources at Big Bell. A single drill hole has targeted the Big Bell Deposit (3.9 million tonnes @ 4.6g/t for 578,000oz) beneath the lower extent (810RL) of the current resource model to provide fresh geotechnical data and to evaluate the continuity of the deposit at depth. As mentioned above, the initial geotechnical study has found that it is technically possible to re-enter the Big Bell mine and bring the mine back into production. Further results from the recent drilling and mining study are expected in the next quarter and will be announced as they become available.

**North Fender**

The North Fender prospect is located within the Big Bell shear zone between the Fender and 1600/Shocker Deposits at Murchison Bell. A preliminary drill program was designed to test potential continuity of grades at depth analogous to Big Bell style mineralisation. Previous drilling in the area has returned numerous significant results that indicate a potential shallow low grade deposit. Highlights from historic drilling include:

- 26m at 1.36g/t from 46m (BRC059)
- 18m at 2.55g/t from 46m (BRC010)
- 11m at 2.08 from 106m (BBRC0014)
- 28m at 5.34g/t from 33m (BRC155)
- 20m at 2.69g/t from 36m (BRC566)
- 19m at 2.01g/t from 122m (BBRC0037)
- 20m at 2.33g/t from 149m (BBRC0003)

Recent drilling completed by Aragon has indicated that mineralisation at North Fender consists of higher grade shoots located in a broad area of low-grade mineralisation similar to that seen elsewhere along the Big Bell shear zone. Pending the outcome of a detailed interpretation and evaluation of results, further drilling will be planned along the shear zone.

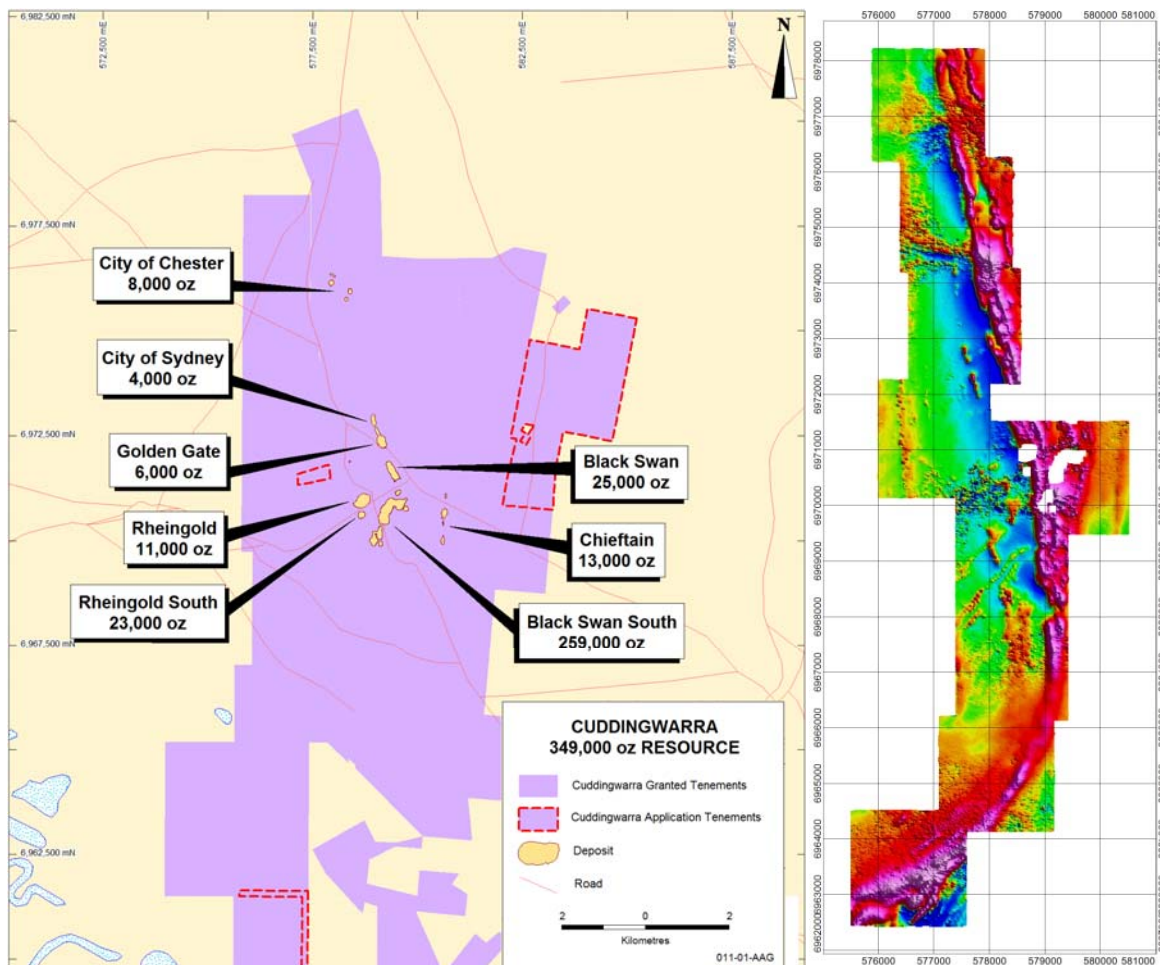
**Central Murchison Gold Project –Cuddingwarra Mining Centre**

The key objectives at the Cuddingwarra Mining Centre (Figure 7) are to conduct pit optimisation studies, test for primary ore extensions beneath existing pits along the Cuddingwarra shear zone and to conduct regional exploration for a new discovery in under explored areas away from existing deposits.

Open pit mining at Cuddingwarra stopped in 2003 when the gold price was approximately A\$550 per ounce. Significant resource outlines exist beneath these old open pits. Mining optimisation studies at current gold prices and mining costs have commenced on these resources to assess their potential for additional cut-back style open-pit mining. As mentioned above, this will also include historic open pit resources within the Day Dawn and Murchison Bell Gold Fields.

Strategically, the Cuddingwarra Mining Centre has excellent potential to provide larger scale lower grade ore feed from open-pit cutbacks that could compliment the primary higher grade underground ores planned to be mined from Day Dawn (Great Fingall and Golden Crown) and at Murchison Bell (Big Bell).

During the quarter Aragon has completed an additional 438 metres of RC drilling as part of the larger program to evaluate potential primary ore extensions to existing resources and to develop additional exploration targets for a new discovery.



**Figure 7: Cuddingwarra – deposit location, tenement outline and total magnetic intensity image from 2009 SAM survey**



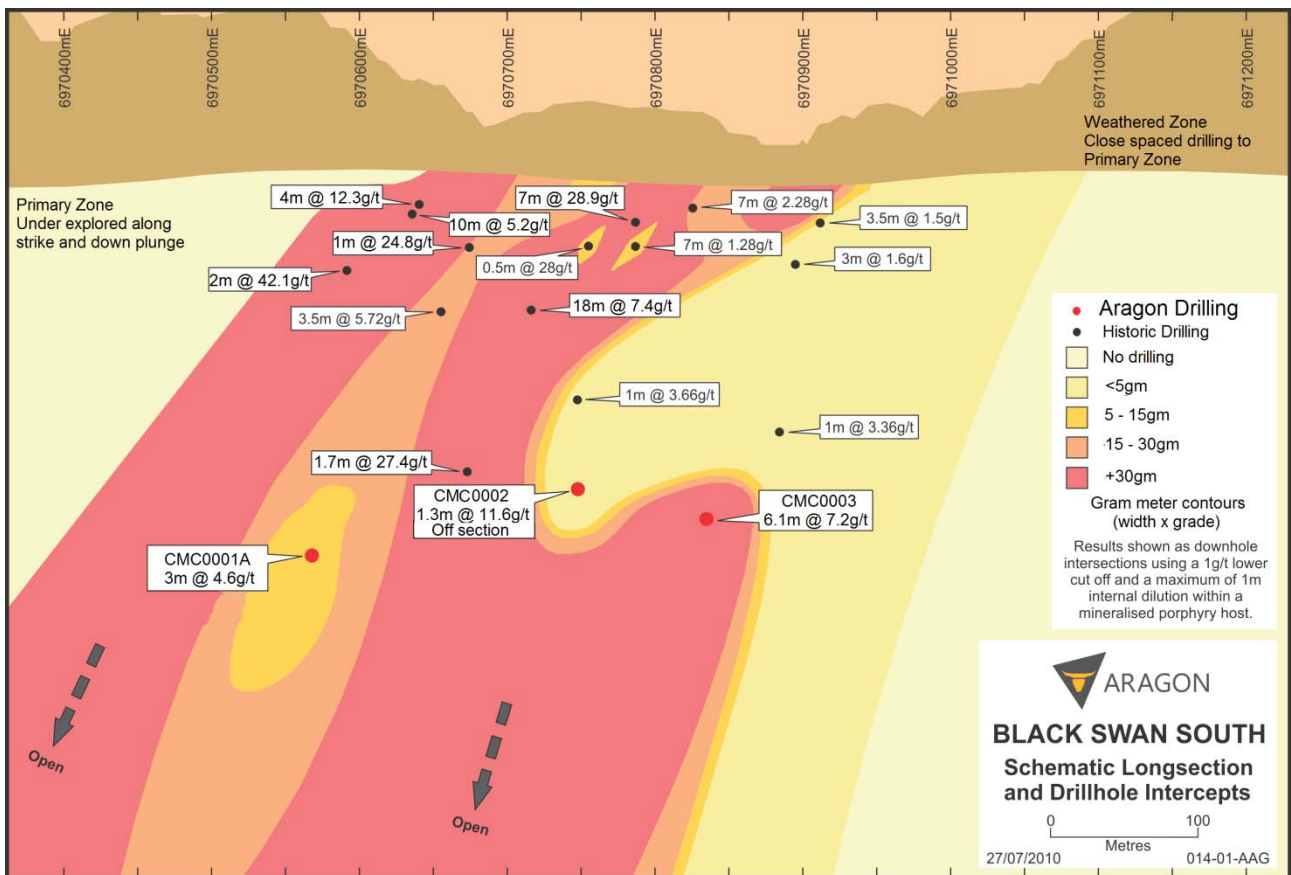
**Black Swan South Deeps**

The Black Swan South deposit lies within the extensive north-south trending Cuddingwarra Shear Zone. The current JORC resource beneath the previously mined Black Swan South pit totals 2,131,000t @ 3.8g/t for 259,000oz Au.

Three diamond holes targeting a small portion of the 3km shear zone beneath Black Swan South has confirmed the extent of the structure to at least 397 metres from surface returning, as previously announced, 6.1 metres @ 7.22g/t Au including 1 metre @ 26.0g/t, 0.5 metres @ 13.0g/t and 0.5 metres @ 10.3g/t Au from CMC003. These results confirm that the primary system contains high grade shoots within a larger mineralised porphyry envelope (Figure 8). Additional drilling is planned to further define the high grade shoots along the shear zone as the structure remains open along strike and down plunge.

Drilling beneath the Chieftain and City of Chester Pits indicates that there is limited potential for a primary ore system suited to underground mining. This drilling will have no significant impact on the current resources defined in these areas and so remain unchanged when used in the current pit re-optimisation exercise.

The remaining drilling at Cuddingwarra has identified two parallel mineralised structures interpreted to host the deposits at Rheingold and Rheingold South. These appear to be coincident with a distinct geophysical feature identified from the Sub Audio Magnetic Survey conducted in 2009. This important information is a positive step forward in understanding the geophysical data and has contributed to the targeting of the next phase of exploration drilling. Exploration over high priority targets defined from this survey presents Aragon with an opportunity to make new discoveries within the highly prospective tenure covered by shallow sheet wash at Cuddingwarra. This exploratory drilling will commence in the ensuing quarter.



**Figure 8: Black Swan South Schematic Long Section of primary lode system**

**Lake Darlot – gold**

No on-ground work was undertaken on the Lake Darlot Gold Project during the quarter. Given the focus on the CMGP, Aragon is considering various options to commercialise the potential of the Mission and Cables prospects in the Lake Darlot Gold Project.

**Lake Lefroy – nickel**

No on-ground work was undertaken on the Lake Lefroy Nickel Project during the quarter due to access limitations on the salt lake surface. Aragon has been awarded co funding of up to \$75,000 after a successful submission to the EIS Co-funded Drilling project for 2010/11. Drilling preparations have been made and a suitable drilling rig identified to complete the drilling. This drilling will be undertaken as soon as access to the drill-site is possible.

The Lake Lefroy Nickel Project has a similar setting to the Kambalda Dome located some 15km to the west. Aragon recently completed a SQUID EM survey over the northern area of the project and has identified a priority EM drill target.

**Ammaroo – phosphate**

No on-ground work was undertaken at Ammaroo during the quarter.

Subsequent to the quarter, Aragon entered into a Heads of Agreement (“HoA”) with Rum Jungle Uranium Ltd (“RUM”) whereby RUM is entitled to earn a 60% interest in Aragon’s Ammaroo phosphate/potash project in the Northern Territory. Under the HoA, RUM has to complete due diligence on the Project to its satisfaction following which the parties will execute a formal farm-in/joint venture agreement.

Under the proposed farm-in/joint venture agreement RUM will be required to spend \$3 million over 5 years to earn a 60% interest in the Ammaroo project and will be responsible for maintaining the tenements in good standing and determining the work program.

RUM may also earn another 10% interest by spending an additional \$2 million over 2 years, taking total expenditure to \$5 million over 7 years for a 70% interest in the Project. Aragon can also elect to contribute its 40% interest at the end of the first 5 years. The HoA also contains a condition subsequent whereby the attaching royalty is reduced to \$0.40 per tonne of ore mined from the area covered by the Ammaroo project.

For further information regarding all projects please visit Aragon’s website to access all previous announcements at [www.aragonresources.com.au](http://www.aragonresources.com.au)

**CORPORATE****Investment**

Aragon has divested its 13.84 % interest in Vital Metals Limited to undisclosed clients of Paterson’s Securities Limited. The sale realised just over \$2.05 million for Aragon which will go towards exploration and development of the CMGP in Western Australia.

Mr Paul Benson who was Aragon’s representative on the Vital Board resigned his position prior to the transaction.

**Cash**

At the end of the quarter, Aragon had no debt and \$11.4 million in cash and investments (this includes cash backed performance bonds of \$3.3 million).



**Drill Table Summary**

Mining Centre	Deposit	Hole ID	Northing	Easting	RL	Dip	Azimuth	From (m)	To (m)	Down hole Interval (m)	Grade g/t Au
Day Dawn	Great Fingall	CMD0007	6962552	584541	420	-85	090	129.3	130	0.7	2.25
		CMD0008	6961963	584899	420	-65	065				NSA
		CMD0009	6962540	584367	420	-85	090				NSA
		CMD0010	6962050	584410	420	-85	090	150.8	151.3	0.5	4.28
								159.6	160.3	0.7	1.28
								161	161.6	0.6	1.12
								240.1	241	0.9	1.07
	245.5							246.3	0.8	4.15	
		262	262.6	0.6	1.05						
	CMD0011	6962085	584338	420	-85	090	<b>560.8</b>	<b>563.7</b>	<b>2.9</b>	<b>14.83</b>	
	Golden Crown	CMD0012	6961890	584177	420	-70	155	48	50	2	4.065
								52	53	1	7.06
		CMD0013	6961450	583937	420	-60	090	266	270.3	4.3	3.24
		CMD0014A	6961343	584248	420	-65	095	214.5	218.2	3.7	2.04
							219	219.8	0.8	1.59	
	CMD0019	6961650	583520	430	-80	048	<b>787.7</b>	<b>788.45</b>	<b>0.75</b>	<b>16.10</b>	
	Rubicon	CMD0001	6963800	584976	420	-70	090				NSA
		CMD0002	6964052	585150	420	-60	090				NSA
	3210	CMD0003	6960818	583534	420	-90	000	280.4	282.5	2.1	1.63
	Try Again	CMD0004	6960848	584138	420	-60	090	33	34	1	1.07
								37	38	1	1.37
								50	52	2	1.44
								64	65	1	3.31
								83	84	1	1.04
								211.5	212.3	0.8	10.30
								225	225.5	0.5	4.43
	233.5	234.4	0.9	7.67							
Trenton	CMD0005	6960218	583201	420	-90	000	21	24	3	2.01	
							66	70	4	4.63	
							72	75	3	2.67	
Yellow Taxi	CMD0006	6959074	582066	420	-60	090	251.5	254.4	2.9	2.58	
Murchison Bell	North Fender	CMM0001	6975643	563416	420	-60	301.5	30	32	2	1.54
								49	50	1	1.79
								130	131	1	1.01
		CMM0002	6975696	563487	420	-60	301.5	153	159	6	3.65
								162	164	2	1.07
								169	171	2	1.66
								185	186	1	1.49
		CMM0003	6975548	563335	420	-60	301.5	206	208	2	1.20
								141	143	2	3.25
								145	149	4	1.55

Note: All descriptions and locations stated are as designed coordinates in MGA-94. Results shown as down-hole intervals and compiled applying 1g/t cut-off. Intervals include maximum of 1 metre down-hole internal dilution. Assays by 50g Fire Assay with AA finish.



**Drill Table Summary continued**

Mining Centre	Deposit	Hole ID	Northing	Easting	RL	Dip	Azimuth	From (m)	To (m)	Down hole Interval (m)	Grade g/t Au					
Cuddingwarra	Black Swan South	CMC0001A	6970550	579590	420	-60	270	345.3	347.1	1.8	1.74					
								350.1	350.7	0.6	1.12					
								355.3	357.3	2	1.11					
								358.8	361.2	2.4	2.66					
								479.7	480.4	0.7	1.32					
								482	485	3	4.60					
		CMC0002	6970652	579625	420	-60	270	0	1	1	1.07					
								337.7	339	1.3	11.61					
								345.7	346.4	0.7	1.05					
								354.4	355.2	0.8	1.73					
								358.5	359	0.5	1.83					
								460.9	461.4	0.5	2.79					
								12	14	2	62.77					
								34	35	1	1.98					
								69	70	1	2.72					
	CMC0003	6970750	579670	420	-60	270	452.5	453.5	1	1.73						
							457.5	463.6	6.1	7.14						
							CMC0004	6970906	578742	420	-75	000	90	91	1	1.06
							CMC0005	6970878	578804	420	-70	180	152	153	1	1.09
													199	200	1	2.04
	222	223	1	1.22												
CMC0006	6970900	578792	420	-80	000	192	196	4	2.03							
						212	213	1	1.44							
						209	210	1	2.10							
CMC0007	6970950	578950	420	-60	000	212	213	1	1.45							
						224	226	2	2.11							
						CMC0008	6970802	580922	420	-62	270				NSA	
City of Chester	CMC0009	6976152	578624	420	-60	270	115	120	5	1.63						
							CMC0010	6976352	578530	420	-60	270	117	118	1	1.55
							CMC0011	6976252	578579	420	-60	270	123	125	2	1.02
130	132	2	1.38													

Note: All descriptions and locations stated are as designed coordinates in MGA-94. Results shown as down-hole intervals and compiled applying 1g/t cut-off. Intervals include maximum of 1 metre down-hole internal dilution. Assays by 50g Fire Assay with AA finish.

### Central Murchison Gold Project Resource Table

Mining Centre/ Deposit	Measured			Indicated			Inferred			Total Resource		
	Tonnes	Au	Au	Tonnes	Au	Au	Tonnes	Au	Au	Tonnes	Au	Au
	('000s)	g/t	Oz	('000s)	g/t	Oz	('000s)	g/t	Oz	('000s)	g/t	Oz
<b>Murchison Bell</b>												
1600N/Shocker				415	2.5	33,000	359	3.2	37,000	774	2.8	70,000
Big Bell*				3,200	4.7	484,000	700	4.2	95,000	3,900	4.6	578,000
Fender				71	4.1	9,000				71	4.1	9,000
Sub -total				3,686	4.4	526,000	1,059	3.9	132,000	4745	4.3	657,000
<b>Cuddingwarra</b>												
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	4,000
Golden Gate				65	3	6,000	1	2.6		66	3	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
<b>Day Dawn</b>												
3210				50	3.3	5,000				50	3.3	5,000
Golden Crown*				95	7.5	23,000	144	8.8	41,000	238	8.3	63,000
Great Fingall				349	1.9	21,000	1,500	1.4	67,000	1,849	1.5	88,000
Great Fingall*				755	10	243,000	147	6.8	32,000	902	9.5	275,000
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	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	1,481	6.6	311,000	2,091	2.5	169,000	3,592	4.2	483,000
<b>Sub Total In situ</b>	<b>47</b>	<b>3.3</b>	<b>5,000</b>	<b>5,992</b>	<b>4.8</b>	<b>924,000</b>	<b>5,309</b>	<b>3.3</b>	<b>561,000</b>	<b>11,348</b>	<b>4.1</b>	<b>1,490,000</b>
<b>Stockpiles</b>												
Great Fingall				108	1	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
<b>TOTAL</b>	<b>47</b>	<b>3.3</b>	<b>5,000</b>	<b>6,133</b>	<b>4.7</b>	<b>928,000</b>	<b>5,309</b>	<b>3.3</b>	<b>561,000</b>	<b>11,490</b>	<b>4.0</b>	<b>1,494,000</b>

Note: \* denotes underground resource

### 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.

# 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")

30 June 2010

### 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	(1,751)   (323)	(2,375)   (921)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	124	321
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (stamp duty on acquisition of subsidiary)		(498)
<b>Net Operating Cash Flows</b>	<b>(1,950)</b>	<b>(3,473)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	   (83)	   (500) (380)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	   2,047	   2,047
1.10 Loans to other entities		(500)
1.11 Loans repaid by other entities		500
1.12 Other (acquisition of a subsidiary)		(2,700)
<b>Net investing cash flows</b>	<b>(1,964)</b>	<b>(1,533)</b>
1.13 Total operating and investing cash flows (carried forward)	14	(5,006)

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	14	(5,006)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.		13,000
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)		(674)
	Other – (share application monies held on trust)		
	<b>Net financing cash flows</b>		12,326
	<b>Net increase (decrease) in cash held</b>	14	7,320
1.20	Cash at beginning of quarter/year to date	11,434	4,128
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	11,448	11,448

**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	142
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	1,800
4.2 Development	-
4.3 Production	-
4.4 Administration	200
<b>Total</b>	<b>2,000</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	3,164	180
5.2 Deposits at call	5,000	8,000
5.3 Bank overdraft	-	-
5.4 Other (performance bonds/bank guarantees)	3,284	3,254
<b>Total: cash at end of quarter (item 1.22)</b>	<b>11,448</b>	<b>11,434</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%	50% Nil Nil Nil Nil Nil
6.2	Interests in mining tenements acquired or increased			

**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>	202,530,775	202,530,775	
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>			

+ See chapter 19 for defined terms.

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>	24,969,265 1,250,000 100,000 200,000 1,000,000 2,500,000 1,050,000 17,500,000 1,000,000		Exercise price 25 cents 30 cents 30 cents 30 cents 35 cents 21 cents 21 cents 20 cents 20 cents	Expiry date 30/09/2010 31/05/2011 01/07/2011 13/08/2011 28/11/2010 30/11/2012 30/11/2013 30/12/2013 07/01/2013
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> <i>(totals only)</i>				
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 ~~does not~~\* give a true and fair view of the matters disclosed.

Sign here: ..... P G BENSON ..... Date: ..... 29 July 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

+ See chapter 19 for defined terms.

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

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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.