

Aragon to JV with Rum Jungle – Ammaroo Project

Overview

- **Aragon agrees to farm-out 60% of the Ammaroo phosphate/potash project in the Northern Territory to Rum Jungle**
- **Rum Jungle required to spend \$3,000,000 over 5 years to earn a 60% interest in Ammaroo**

Aragon Resources Limited (ASX: AAG; “Aragon” or “Company”) is pleased to announce that it has entered a Heads of Agreement (“HoA”) with Rum Jungle Uranium Ltd (“Rum Jungle”) whereby Rum Jungle is entitled to earn a 60% interest in Aragon’s Ammaroo phosphate/potash project in the Northern Territory (the “Project”).

Under the HoA, Rum Jungle 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;

- (a) Rum Jungle will be required to spend \$3,000,000 over 5 years to earn a 60% interest in the Project;
- (b) Rum Jungle will be responsible for maintaining the tenements comprising the Project in good standing and determining the work program;

Rum Jungle will forgo any interest if it does not spend the required amount and, subject to certain conditions, is also entitled to withdraw at any time during the farm-in period.

Rum Jungle may also earn another 10% interest by spending an additional \$2,000,000 over 2 years, taking total expenditure to \$5,000,000 over 7 years for a 70% interest in the Project. Aragon can also elect to contribute their 40% interest after the completion of the first stage.

The HoA also contains a condition subsequent whereby the attaching royalty is reduced to \$0.40 per tonne of ore mined from the Project.

This is an excellent outcome for Aragon because it allows Aragon to maintain its focus on the recently acquired Central Murchison Gold Project and to retain an interest in this highly prospective area for phosphate/potash in the Northern Territory.

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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.