

Exploration Update – Cuddingwarra and Lefroy

Aragon Resources Limited (ASX: AAG) (“Aragon”) is pleased to provide an update to the ongoing exploration for new open pittable gold discoveries at the Cuddingwarra Goldfield of Central Murchison Gold Project (“CMGP”) and advise that diamond drilling at the Lefroy Nickel Prospect, east of Kambalda is due to commence on the 5th on February 2011.

Recent aircore drilling at the City of Chester East Prospect completed by Aragon has returned initial highlight down-hole results of:

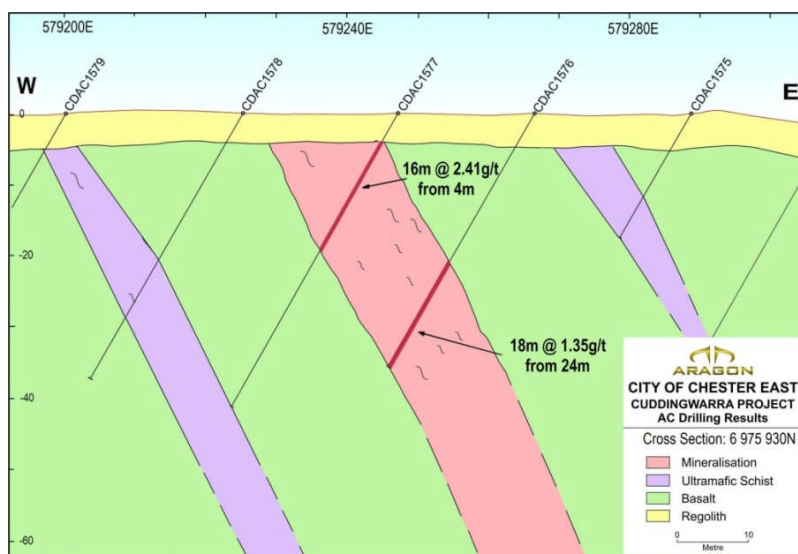
- CDAC1577: 16 metres @ 2.41g/t Au from 4 metres
- CDAC1576: 18 metres @ 1.35g/t Au from 24 metres
- CDAC1564: 4 metres @ 1.15g/t Au from 16 metres
- CDAC1567: 18 metres @ 0.88g/t Au from 8 metres

Aragon’s strategy is to recommence gold operations across the CMGP by sourcing gold production from multiple underground and open pit sources. Since acquiring the Project in January 2010 Aragon has increased the resource based from 1.5 million ounces to 2.0 million ounces and has established an initial Mining Reserve Estimate of 614,000 ounces for the first phase of its planned underground mining developments at Big Bell and Day Dawn. As part of the development strategy Aragon maintains a focus on exploring for new open pittable gold discoveries across each of the three parallel historic goldfields that make up the CMGP.

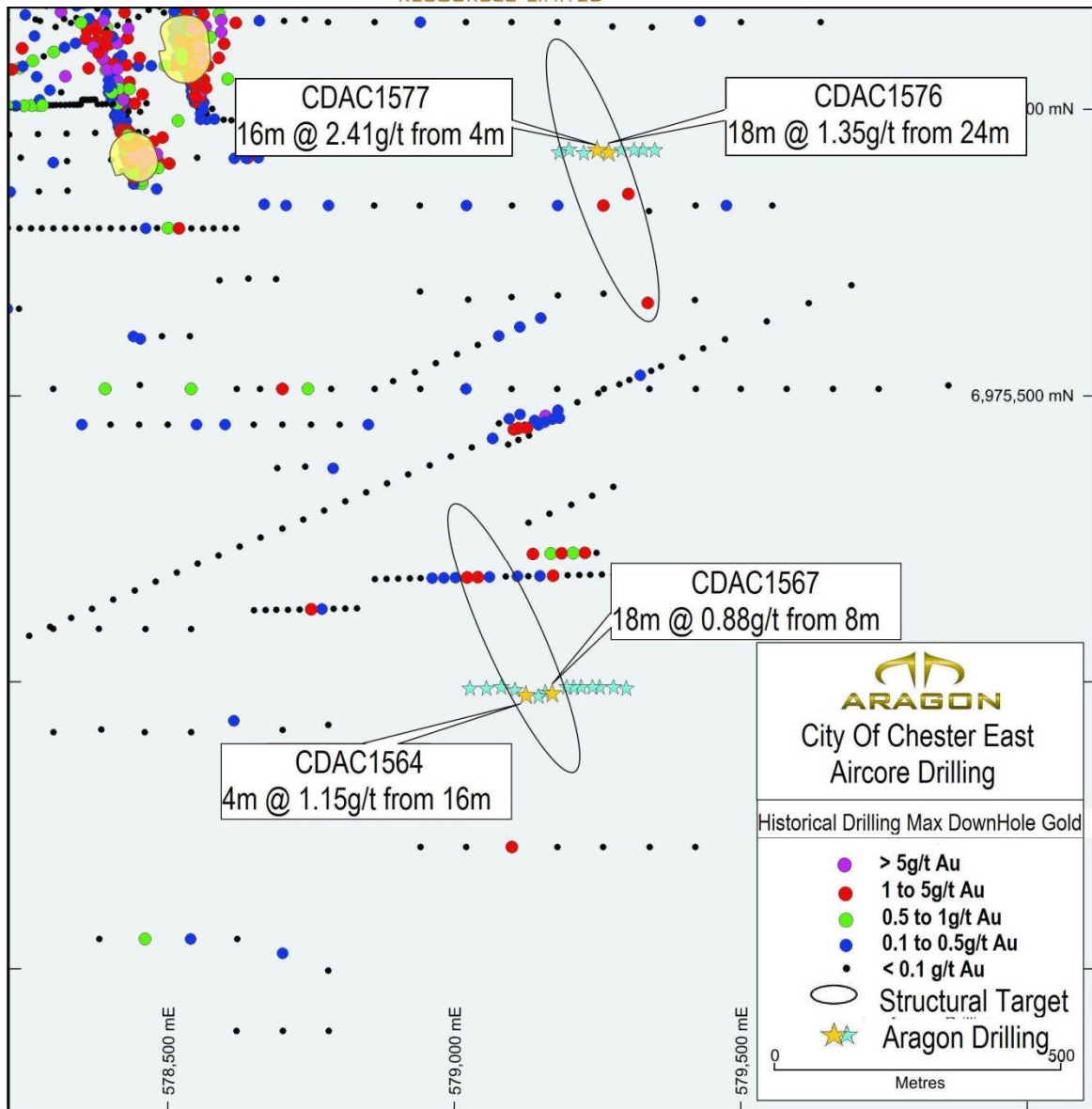
Recent drilling has focussed on two target areas at East of the City of Chester mine where previous wide spaced drilling had confirmed anomalous gold mineralisation coincident with structural dislocations evident in magnetic intensity surveys. Highly encouraging results suggesting potential for virgin open pittable resources have been made as follows:

Cuddingwarra Exploration - City Of Chester East Prospect

The northern drill line, shown in the cross section below has transected the main Cuddingwarra shear zone which is the primary host to mineralisation in the region. The holes defined a sequence of mineralised and sheared mafics and ultramafic rock units typical of the Cuddingwarra deposits. It is considered that significant along-strike and depth potential exists as results are still within the totally oxidised profile and the area is sparsely tested.



Simplified cross section of mineralised shear zone at City of Chester East.



Plan showing historic drill holes and highlight drill intercepts from the recent drilling completed by Aragon

The southern drill line, shown above has intersected a similar parallel structure of sheared mafics and ultramafics with significant gold mineralisation at shallow depths. Drilling to date suggest that the mineralised structures at both locations have the potential to extend well beyond a 500 metre strike length at depths amenable to open pit mining. These initial results will form the basis of a follow-up reverse circulation drill program to further define these structures and are due to commence in the coming weeks.

The prospect is located within a sequence of northerly striking, steeply east dipping mafic lithologies, intruded by a quartz-porphphy. Generally the prospect has been previously interpreted as an en echelon shear system striking north-west and dipping 65 degrees to the south-west. These shears form part of the main Cuddingwarra shear zone which hosts many other prospects such as Golden Gate and Black Swan South. The Black Swan South open pit has a reported past production of 443,000 ounces at an average grade of 1.7g/t Au. The Cuddingwarra Goldfield is also host to numerous open pit deposits and has a total combined historic production of approximately 800,000 ounces of gold.

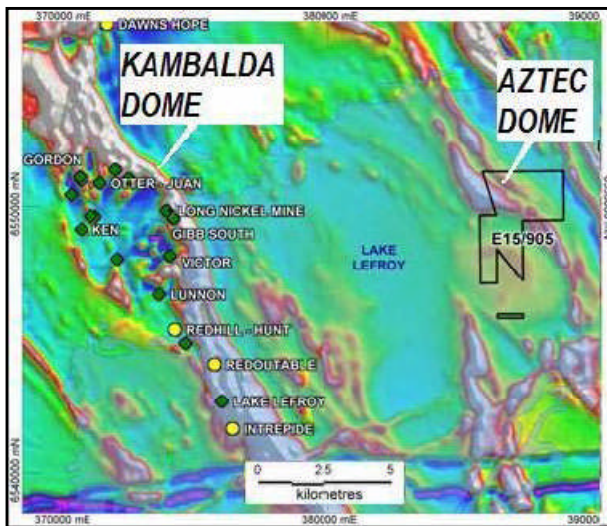
Lefroy Nickel Prospect (100%)

The Lefroy Nickel Prospect is located at Lake Lefroy within the Aztec Dome some 15km east of the Kambalda Dome in Western Australia. The Aztec Dome has a very similar regional magnetic signature to that seen at the Kambalda Dome where significant komatiite hosted nickel deposits have been discovered and mined over many years.

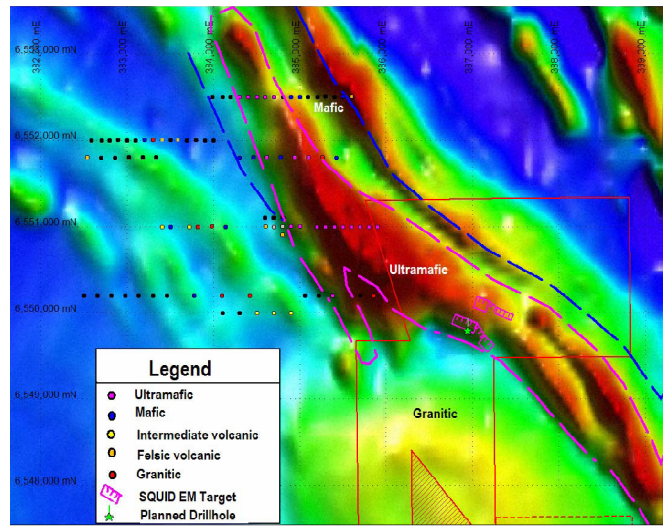
In recent years, the Aztec Dome has attracted the attention of nickel explorers since the advancement of geophysical techniques that allow for more effective exploration beneath the lake surface and lake sediments. The SQUID class of TEM sensor, capable of such exploration has been responsible for a number of major new nickel-sulphide discoveries in recent times.

Aragon has previously completed A SQUID MLTEM ground geophysical survey over its tenure on Lake Lefroy. Data processing by expert consultants Southern Geoscience has defined a number of conductive anomalies which are coincident with highly magnetic komatiite flows similar to targets typically associated with nickel sulphides in Kambalda. A specialist drill rig capable of drilling through and accessing the lake sediments has been mobilized and will commence drilling these compelling targets in the next few days.

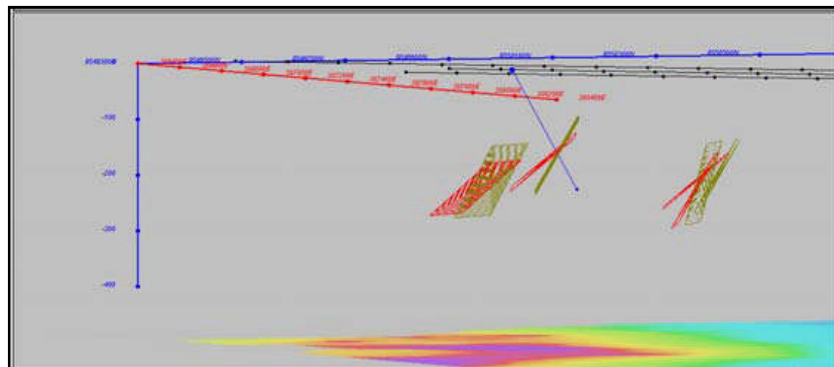
Aragon has been awarded co funding from the EIS Co-funded Drilling project for 2010/11 to complete the drilling of this significant target.



Left: Regional magnetic geophysical image showing the similar geophysical signatures of the Aztec Dome and Kambalda Domes.



Right: Total magnetic intensity plan outlining highly magnetic komatiite flows and the projected conductor targets within the prospect.



This oblique cross section view show the planned drill hole intersecting the target conductor at a depth of approximately 175 metres below surface.



Enquires:

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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.

Appendix

Aircore Drill Results Summary Table

Hole ID	Northing	Easting	From	To	Composite Sample Interval (m)	Composite Assay (Au g/t)	Intersection (m)	Weighted Average (Au g/t)	Comments
CDAC1576	6975930	579269	24	28	4	1.97	18	1.35	1m resplit sampling from 24m - 42m, Results Pending. EOH Due to blade refusal.
			28	32	4	0.08			
			32	35	3	1.83			
			35	36	1	1.96			
			36	37	1	2.79			
			37	38	1	1.45			
			38	39	1	0.31			
			39	40	1	2.62			
CDAC1577	6975930	579249	4	8	4	2.91	16	2.41	1m resplit sampling from 4m - 20m, Results Pending.
			8	12	4	3.76			
			12	16	4	2.42			
			16	20	4	0.55			
CDAC1564	6974980	579171	16	20	4	1.15	4	1.15	1m resplit sampling from 16m - 20m, Results Pending.
CDAC1567	6974980	579125	8	12	4	0.21	18	0.88	1m resplit sampling from 8m - 26m, Results Pending. EOH Due to blade refusal
			12	16	4	0.54			
			16	20	4	0.75			
			20	24	4	1.87			
			24	26	2	1.21			

Note: All hole use design coordinates in MGA-94 with an azimuth of 270° and dip of -60°. Results shown as un-cut down-hole intervals. Assays by 50g Fire Assay with AA finish.

Central Murchison Gold Project Mining Reserve Table

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

CMGP – JORC Compliant Resource Table (* denotes underground resource)

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				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