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10 September 2007

Australian Stock Exchange Limited
Company Announcements Office
Level 10 Exchange Centre
20 Bond Street
SYDNEY NSW 2000

Dear Sir

RE: ARAGON RESOURCES LIMITED

The Company has previously advised the ASX that subject to shareholder and regulatory approval, it intended to distribute in-specie to its shareholders a portion of its vendor shares. This was anticipated to be approximately 12 million of the 25 million shares it holds in Aragon and would have resulted in each Westgold shareholder receiving one Aragon share for approximately each ten Westgold shares they held.

Changed market conditions since the listing of Aragon on the ASX have brought into question whether it is in Westgold's best interest to retain its existing 41.67% holding in Aragon rather than distributing a portion to shareholders.

After consideration of the matter and after consultation with Westgold's major shareholders, your board have formed the view that the proposed in-specie distribution of Aragon shares to Westgold shareholders is unlikely to gain shareholder support.

Accordingly the Board has decided not to proceed further with the proposed in-specie distribution and Westgold will retain this asset.

Westgold continues with its core exploration programs within the Rover Field at Tennant Creek. Both RC and diamond drilling is underway at the Explorer 108 polymetallic prospect to test for extensions of the known high-grade lead and zinc mineralisation discovered and announced earlier. Land access approvals allowing the grant of titles over the Rover 1 prospect are close to finalisation. Westgold plans to be on the ground drilling at Rover 1 next quarter.

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Yours sincerely,

A handwritten signature in black ink that reads "Michael Atkins". The signature is written in a cursive, flowing style.

MICHAEL ATKINS
CHAIRMAN

For further information, please contact:

Michael Atkins
Chairman
Westgold Resources NL
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