2 June, 2009

The Manager (Companies), Australian Stock Exchange, Sydney

Dear Sir,

UNDERGROUND MINE IDENTIFIED ON MONTE CHRISTO LEASE

An underground mine has been identified by Cluff's drilling at the Monte Christo Mining Lease, on the Bingara Diamond Field. Whilst drilling at a depth of 5.9 metres (20 feet) **the wire line core barrel dropped 1.8 metres**, 0.9 metres through an open hole, and another 0.9 metres through very soft mud interpreted as soft rock shovelled into a cavity. The cavity is interpreted as old mine workings.

The hole (MCR 26) is located on the 20 acre Monte Christo mining lease, from which about 18,000 carats of diamonds were reported to have been produced at extremely high grades, initially at up to 5000 carats per hundred tones, but averaging 500 carats per hundred tones by 1903, according to NSW Mines Department records.

Figure 1 shows the location of drill hole MCR 26, fifty metres south of Cluff's open cut from which 1,400 carats of diamonds were recovered in the 1990s. This open cut mined tunnels stated by the NSW Mines Department to be the Monte Christo Mine (NSW Dept Mines Annual Report, 1894), but grades recovered were not consistent with Captain Rogers' world-renowned Monte Christo Mine. Information for the maps was supplied to the Mines Department by a third party, however, and is now considered by Cluff to describe earlier workings on the lease.

The hole was sited within a group of old shafts, to confirm that they were used for production. Intersection of an 1.8 metre high mining cavity in the drill hole indicates substantial production. Further drilling and pitting for bulk sampling is underway to determine whether this is the former Monte Christo Mine.

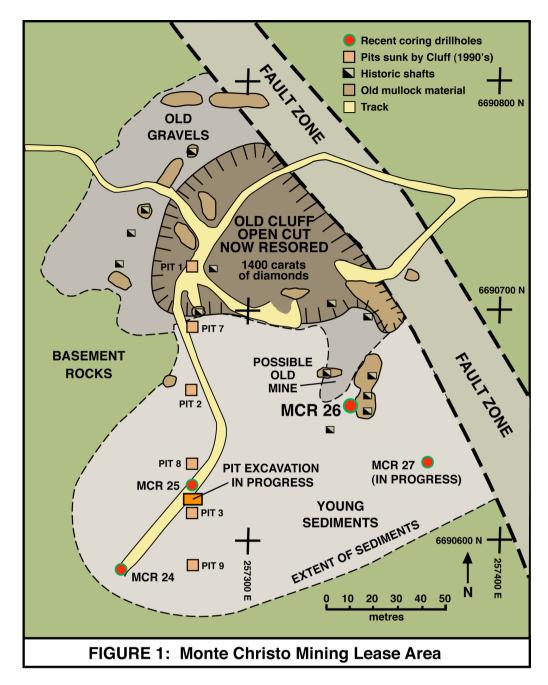
The Monte Christo Diamond Mine was worked underground on two near horizontal levels by shafts 30 feet (9 metres) and 50 feet (15 metres) deep. This cavity may be the upper level of this mine, worked from the nearby 50 foot shaft.

The lower level may also have been mined by this shaft. Clays drilled below this cavity contained chert pebbles in a 2.8 metre bed above the hard basement at 13.5 metres. As similar pebbles were recorded in the shaft waste dump, it is possible that the shaft also gave access to the lower level.

Additional drill holes are under way to confirm the best location for a pit to investigate the cavity, and bulk sample both the upper and lower levels. A bulk sampling pit is currently in progress near drill hole MRP 25 to test whether a fragmental rock penetrated between 5 and 7.5 metres carries diamonds.

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The information in this report that relates to exploration results is based on information compiled by Peter John Kennewell, who is a corporate member of the Australasian Institute of Mining and Metallurgy included in a list promulgated by the ASX from time to time. Peter John Kennewell is a full time employee of Cluff Resources Pacific NL and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a competent person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Identified Mineral Resources, and Ore Reserves". Peter John Kennewell consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

For further information contact:

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Yours faithfully,

Peter Kennewell, Managing Director