24 December, 2009

The Manager (Companies), Australian Stock Exchange, Sydney

Dear Sir,

TWENTY GEM DIAMONDS RECOVERED; OLD WORKINGS LOCATED, BINGARA

The Monte Christo bulk sampling pit MCR 26 at Bingara has been extended, revealing a network of tunnels continuing to the west and south, and shown below. Three tunnels are present in the far wall, and an old mined area supported by three vertical timber props in the right hand wall.

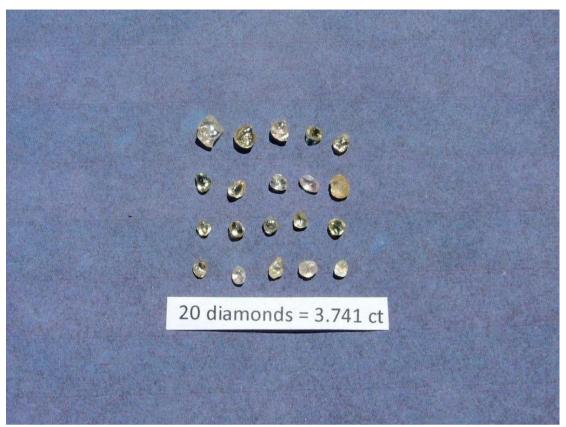


Old diamond mine exposed on Monte Christo Lease

Twenty gem quality diamonds weighing 3.74 carats were recovered from 49 tonnes of material extracted during this work. These diamonds occur in the shallowly dipping brown bed into which the tunnels have been driven, above the shallowly dipping base of the pit.

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Postal Address: Locked Bag 3355, Hornsby NSW 2077, Australia Tele-Communications: Tel: (612) 9482 4655 Fax: (612) 9482 4987 email: Cluff@bigpond.com Internet: www.cluff.com.au In total, sixty three diamonds and carbonados weighing 9.7 carats have recently been recovered by the Company from this old mine.



Diamonds recovered from Pit MCR 45



Wooden props in old mine workings



Old Tunnel (located behind stockpile in pit photo)

As the workings extend only to the south and west, it appears the pit is dug on the very edge of these former mine workings.

The Company is planning to extend the excavation to the south west, further down the diamond bearing bed and further into the old workings. We will attempt to locate deeper tunnels which may be in fresh rock, and still open, to assess the extent of this old diamond mine and perhaps to gain access to deeper working faces.

The nature of the diamond bearing rock, which has unusual sedimentary textures, and also the rock hosting the diamond bearing bed, is also being further clarified.

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