Annual Report

2008

Cluff Resources Pacific NL
ABN 72 002 261 565

Cluff Resources Pacific NL
Corporate Directory

Directors

Peter Ashcroft
Chairman

Peter Kennewell, B.Sc, MAusIMM
Managing Director

Scott Enderby, B.Comm
Director and Company Secretary

Ian Johns
Director

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ASX Code : CFR

2008 Annual Report

CFR

CHAIRMAN'S REPORT

Dear Shareholder,

Mr Ian Johns and I joined the Board in December last year and we have been presented with an increasingly difficult period of global financial instability and lack of confidence in the share market and resource companies in particular. Commodity prices remain weak and have fallen by 50 to 80% over the past 18 months and the road to their recovery appears long and difficult. China has not taken up the fall in demand from the US and Europe. But there are signs of some recovery in that inventories in some commodities are now very low. However, any significant recovery and the time it will take for such recovery will generally be limited by the probable slow and difficult recovery in the US. The short and medium term prospects for traditional natural resource commodities are very weak.

The Board of Cluff is very aware of these risks and therefore we have decided to focus the business of your company upon diamonds in Australia and gold at home, and in Asia. Both of these commodities have, over the past 12 months, been the only safe havens and the only natural resources that can justify further funding and upon which your company intends to focus its efforts. Gem diamonds remain the commodity of choice for romance and marriage and neither is currently out of favour so prices have remained generally firm. Gold is currently over $1220 (US$880) an ounce but has been as high as $1400 (US$1000) an ounce in February. It is the only commodity to have held up in price over the past 6 months, and indeed shows all the signs of increasing in price. Many commentators are predicting $1740 (US$1250) per ounce by the end of this year.

Your company has very good diamond prospects at Bingara and Copeton and the Board is confident of the immediate prospects for development at Bingara. The company proposes to develop a producing diamond mine at Bingara if warranted, and I encourage all shareholders to assist the company to undertake this opportunity.

I have been involved with Cluff for the past 6 years in the provision of professional legal advice to the company and its operating subsidiaries. I have a long history of providing advice to listed resource companies over the past 30 years.

Late last year I was aware of the problems being experienced by Cluff and its need to appoint new directors. I would like to take this opportunity to thank the past non-executive directors and particularly Mr Peter Barrow for their services to the company over many years. The appointment of new and particularly independent directors was crucial but the timing was particularly inopportune.

I discussed these issues with the Executive Directors and Mr Ian Johns who had been approached to join the Board. The appointment of Ian was in my opinion a very important step in the next stage of the development of your company and its move back to an exciting and viable long term natural resource company. Ian is the future of Cluff and with his drive, enthusiasm and commercial expertise he is an outstanding addition to the Board of your company. All shareholders should be aware of the enormous financial commitment Ian made to the company late last year and has continued to make. There is little doubt without Ian's funding during this period that the company may not have been able to survive in its present form. Shareholders should note that neither Ian nor I are receiving any remuneration for our positions as directors. Our only compensation is proposed to be the grant of the options which are the subject of various resolutions before you at the meeting.

I am confident of the future of your company and in support of my confidence I have provided funds that were needed for working capital over the past several months. All directors have participated and all directors join with me in this expression of confidence for the future.

Despite the current global financial problems I remain confident of the long term viability of Cluff and the general improvement in the prospects of natural resource companies in Australia. However to be successful we must be focused and tough. The Board has instituted a complete review of all operations, assets and all costs, and is proceeding to dispose of all assets that do not contribute to the on-going operations of the company in the immediate future.

On behalf of all shareholders and the non-executive members of the Board I wish to thank the enormous efforts of the executive directors, other members of the staff and dedicated contractors of the company. The immediate challenges to the company are significant but we have opportunities to realise benefits from our existing portfolio of assets that will see Cluff not only survive in the immediate term but prosper over the medium and long term.

I and my fellow directors are looking forward to the coming year and we invite all our shareholders to join with us as we move forward.

Peter Ashcroft
Chairman
Cluff Resources Pacific NL
April 2009

MANAGING DIRECTOR'S REPORT

Focussing on projects aimed at producing a short-term cash flow has been the priority for the Board during 2008-2009. As we are all aware, the market has been one of the worst since the Great Depression, resulting in money for exploration or development generally not being available on the stock market. Cash flows planned from our ruby mine have not eventuated due to lack of a suitable market for the stones, resulting in further need for rationalisation. This has been addressed by further reductions in staff, office costs and exploration programs, but also by retention of the key staff and equipment essential for development and operation of a small mine. Surplus mining plant and equipment is being auctioned to assist funding such evaluation and development.

As a result of the market situation, an attempt was made last year to achieve an income from production through purchasing equity in a small but potentially profitable Indian iron ore mine. Unfortunately the volatility of the equity markets and the impact on Cluff's share price made capital raisings on the basis of this proposed venture extremely unlikely, and the Board accepted our advisers' recommendations not to proceed. The vendor of the five mining lease applications on offer to our Company recently advised that one is now in production as a mine, yielding substantial profits.

With the Company's plans to raise money for production of iron ore stymied, and no money available on the market for exploration projects, we have progressed with evaluating prospects suitable for raising funds and commencement of small mine aimed at producing a cash flow. Pure exploration projects have been wound back for the present. Overseas negotiations aimed at a more substantial project of appeal to larger financiers have also progressed on a low expenditure basis.

The Company has been attempting to use its granted leases and environmentally approved mining plant at Copeton, in northern NSW, as a means of obtaining a short-term cash flow, and mining prospects in this district are being evaluated.

The main focus has been on solving the 125 year old puzzle of where the high grades of diamonds recorded on NSW's Copeton and Bingara fields, worked for over 300,000 carats of diamonds during the late 1800s, are hidden. This is being carried out by reinterpreting old percussion drill hole information and by drilling modern wire line core holes in key localities using our own drilling rig and existing staff. Sites adjacent to our existing shaft have been investigated to determine the closest point at which the high grade diamonds can be sampled. The drilling confirms the previous interpretation that the high grade diamonds occur at the base of a hydrothermal alteration zone. This interpreted high-grade diamond zone can be accessed by a tunnel 50 metres long from the base of our existing shaft.

Exciting results with future potential for open cut mining have recently been obtained on the Bingara diamond field, where reinterpretation of historical mining data has led us to pitting in previously ignored places, with the recent discovery of an historic open cut refilled and levelled. Railway tracks, including a set of points, extending into the hill toward an old shaft but terminating before they reach it, have been buried. This mysterious relic is only tens of metres from a recent sample site where 20 carats per hundred tonnes of diamonds has been recovered in pitting. The diamonds occur in possible hillslope scree, suggesting an outcrop nearby, probably beneath recent sediments, of high-grade diamonds.

As the Copeton plant is suitable for processing tin as well as diamonds, two small evaluation programs over small privately held tin resources were carried out, one of which is continuing.

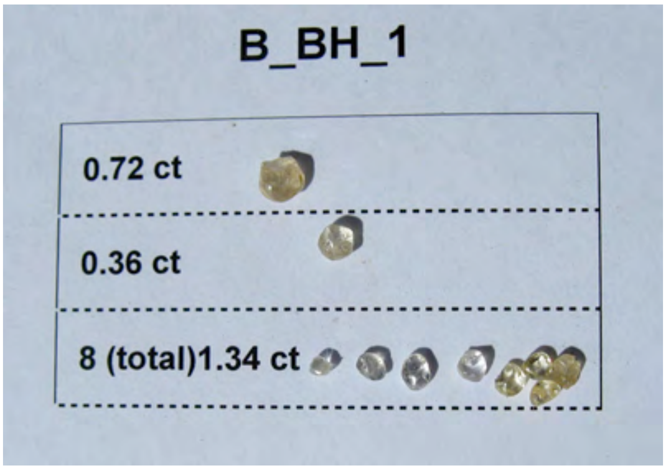
During much of the year the Company has been functioning with low cash in the bank. This has been recently supplemented with loan funds from the Directors. If approved as converting notes by the Shareholders at the Annual General Meeting, these loans will be converted to shares with accompanying options in the Company.

DIAMONDS

BINGARA DIAMOND PROJECT (Cluff 100%. Diamond Ventures 10% NPI, reducing to 5%)

Ten gem quality diamonds have recently been recovered from a twelve tonne sample of hill slope or debris flow deposit containing bedrock fragments, together with underlying weathered bedrock, in the Big Hill area of the Company's Bingara Diamond Field, in northern NSW. The grade of this sample is 20.2 carats / 100 tonnes.

The Company is now focussed on discovering the source from which this anomalously rich diamond bearing material originated. The diamonds found are shown below. Five stones are yellow in colour, and five are white.



Diamonds recovered at Bingara.

Working the grease table.

Old Tunnel Portal with two rail tracks, Big Hill.

The currently active bulk sampling and core drilling program is applying our Copeton model, refined by recent drilling, to reassess the Bingara Diamond Field. If economic grades of diamonds were present at Bingara, the shallower depths expected for their occurrence may make open cut mining possible, and establishment of a mine faster.

COPETON DIAMOND SHAFT (Cluff 100%)

Recent drilling or deepening of seven cored holes in the area surrounding the Company's 60 metre deep shaft on the Copeton Diamond Field, 50 kilometres east of Bingara, has been completed. This has allowed refinement of the model for occurrence of the high grade diamond deposits at Copeton.

Cluff's shaft, sunk several years ago, clearly demonstrated that the river gravels within "deep leads" do not carry significant numbers of diamonds, as was historically reported. The only alternative source from which the large number of gem diamonds mined in the past could have originated is previously unrecognised source rock within the granite basement. Accordingly we drilled the basement to investigate whether non-conventional, high grade gem diamond source rocks are present.

The drilling program initially utilised the dewatering bores which were necessary for sinking of our shaft, but are now no longer required, as the shaft has dewatered the sediments in the area. Metal screening at their base was drilled out, providing cased access to the top of the basement rocks beneath the hard to drill river gravels, now known to be non-diamondiferous gravels. Several such bores were deepened. The program has since progressed to a total of eight completed holes, each to a depth of between 70 and 130 metres.

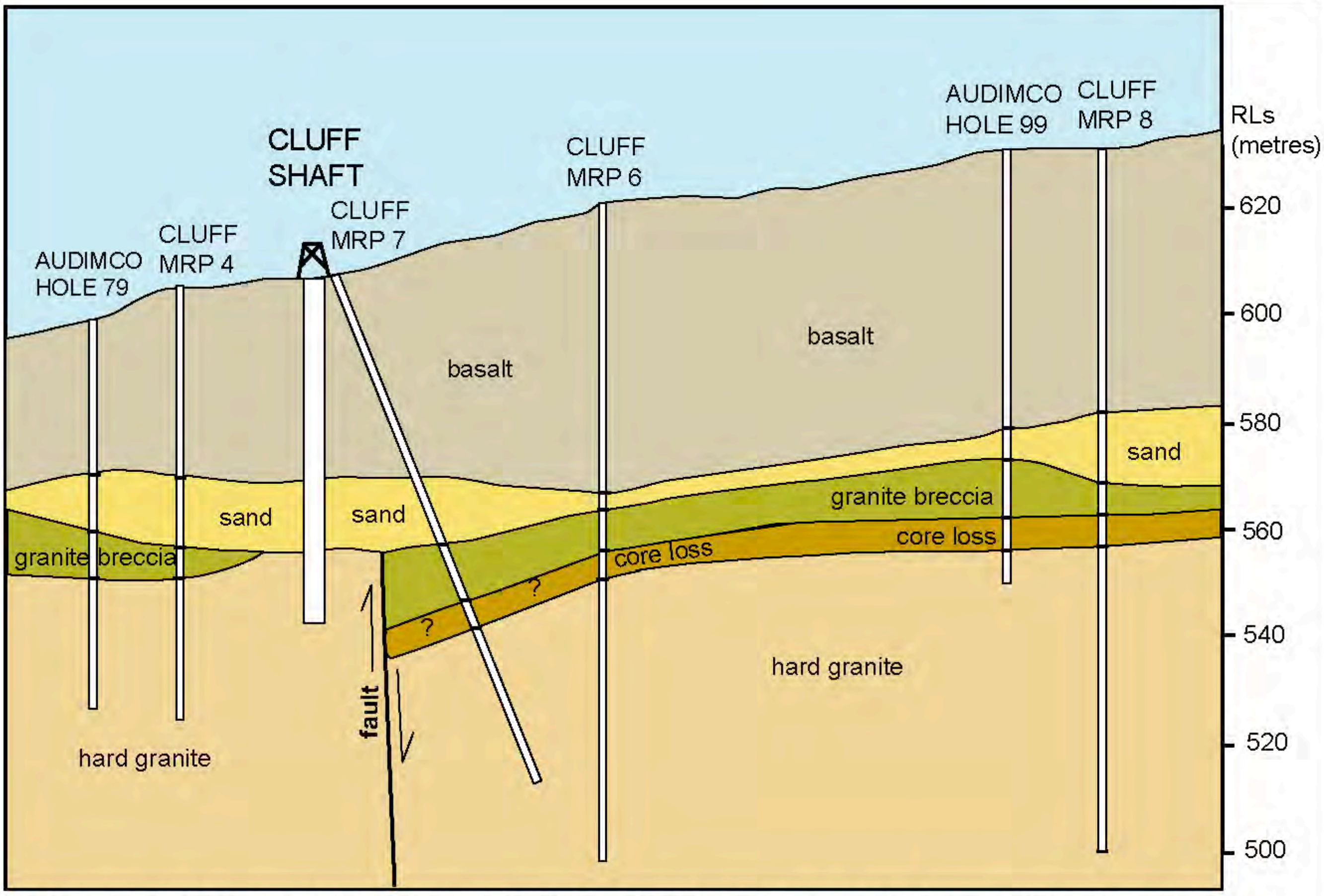


FIGURE SHOWING COPETON CROSS SECTION INTERPRETED FROM DRILLCORE ANALYSIS

Preliminary Interpretation of Copeton Drilling Results

The resultant cores have not yet been logged in detail, but preliminary interpretation indicates a granite basement high area immediately beneath the shaft, hence the lack of diamondiferous rocks penetrated. The shaft was located on the eastern side of a fault displacing the bedrock upward on its western side by about fifteen metres, possibly causing contemporaneous erosion of the overlying softer rocks. These softer rocks are preserved to the east, no less than 30 metres from the shaft, where they consist of brecciated or broken up granite which has been totally altered to clays, which have formed a slurry in parts. Such rocks may have diamond bearing potential, particularly at their base where blast breccias and ash from high energy volcanic eruptions may be represented by core loss.

Data resulting from the core logging will be incorporated into the three-dimensional model and cross-sections of the diamond project, which is now largely complete.

The Company is also pleased to note that its in-house drilling team have clearly reached a point of expertise which allows such exploration to be undertaken in a very efficient and professional manner. All drilling has been done to obtain the best core recoveries, not the highest drilling rate as is common when using contractors. This is essential in diamond exploration, where diamonds commonly occur, or are associated with, very soft rocks.

We look forward to taking further advantage of the resulting timely provision of quality results, and the drilling team is to be commended for their continued enthusiasm and dedication to this important role.

TIN (Cluff 100%)

ARDLETHAN TIN PROVINCE

An exploration program comprising 3,000 metres of drilling utilizing mainly the Company's drilling rig has been prepared, aiming at several targets throughout the Ardlethan area. These included:

- evaluation of the downwards extension to the tin resource at the White Crystal Pit at Ardlethan, below which continuation of the mineralisation beyond the pit with low strip ratios was identified in past drilling. This forms a small tonnage bulk mining target, of low priority at the time of mining as the operation moved to the much larger nearby Wild Cherry Pit.
- six regional intersections were to be further evaluated, including several targets at the Buddigower tin field near West Wyalong where the Company found encouraging high tin and silver grades from rock chip sampling, and
- a large induced polarisation anomaly identified in the 1980s was to be drilled beneath alluvium which was not tested at the time due to drilling problems.

The planned drilling in the Ardlethan Tin Province has been based on following up good drilling intersections from modern drilling carried out prior to the tin market collapse in 1986. Should an economic ore body be defined by Cluff's exploration work and a plant constructed, the additional deep underground tin deposits beneath the former Ardlethan Open Cut may become economic.

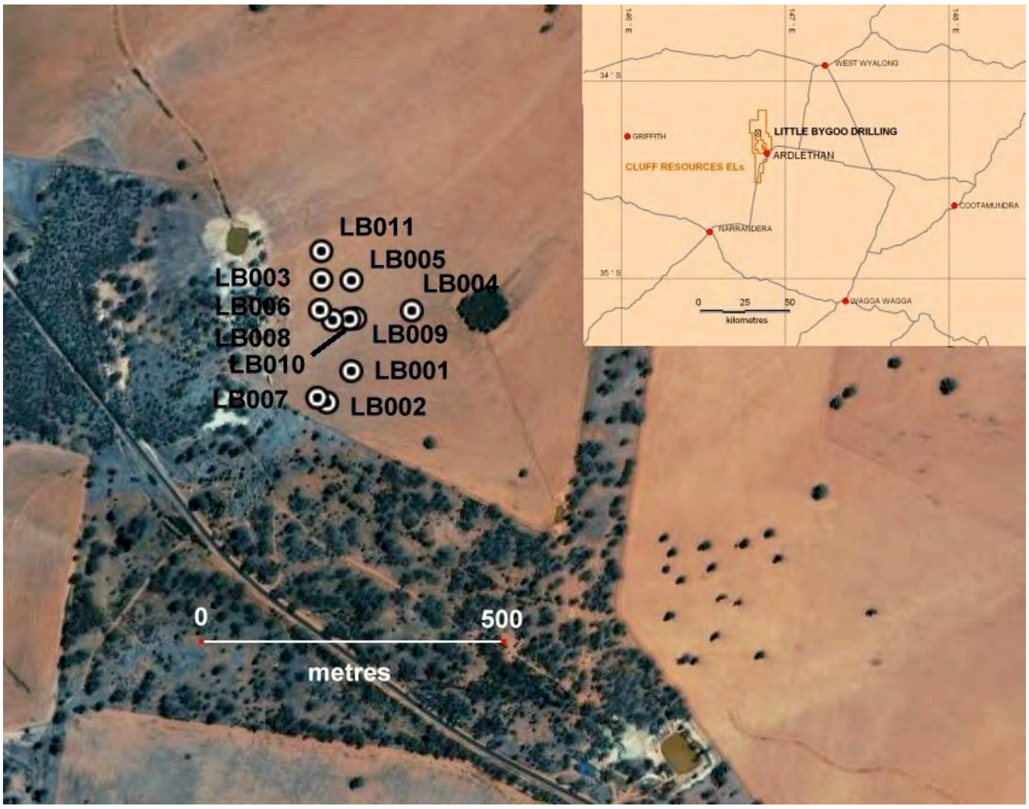
LITTLE BYGOO DRILLING

A substantial drilling program was completed at Little Bygoo, about 10 km north of Ardlethan to confirm previous drilling showing a substantial high grade underground mining target open in two directions. The outcrop of this Little Bygoo tin deposit produced over 1,290 tonnes of metallic tin in the early 1900s. Unfortunately the initial drilling by Ardlethan Tin in the 1980s could not be demonstrated to be coherent, and a resource could not be demonstrated.

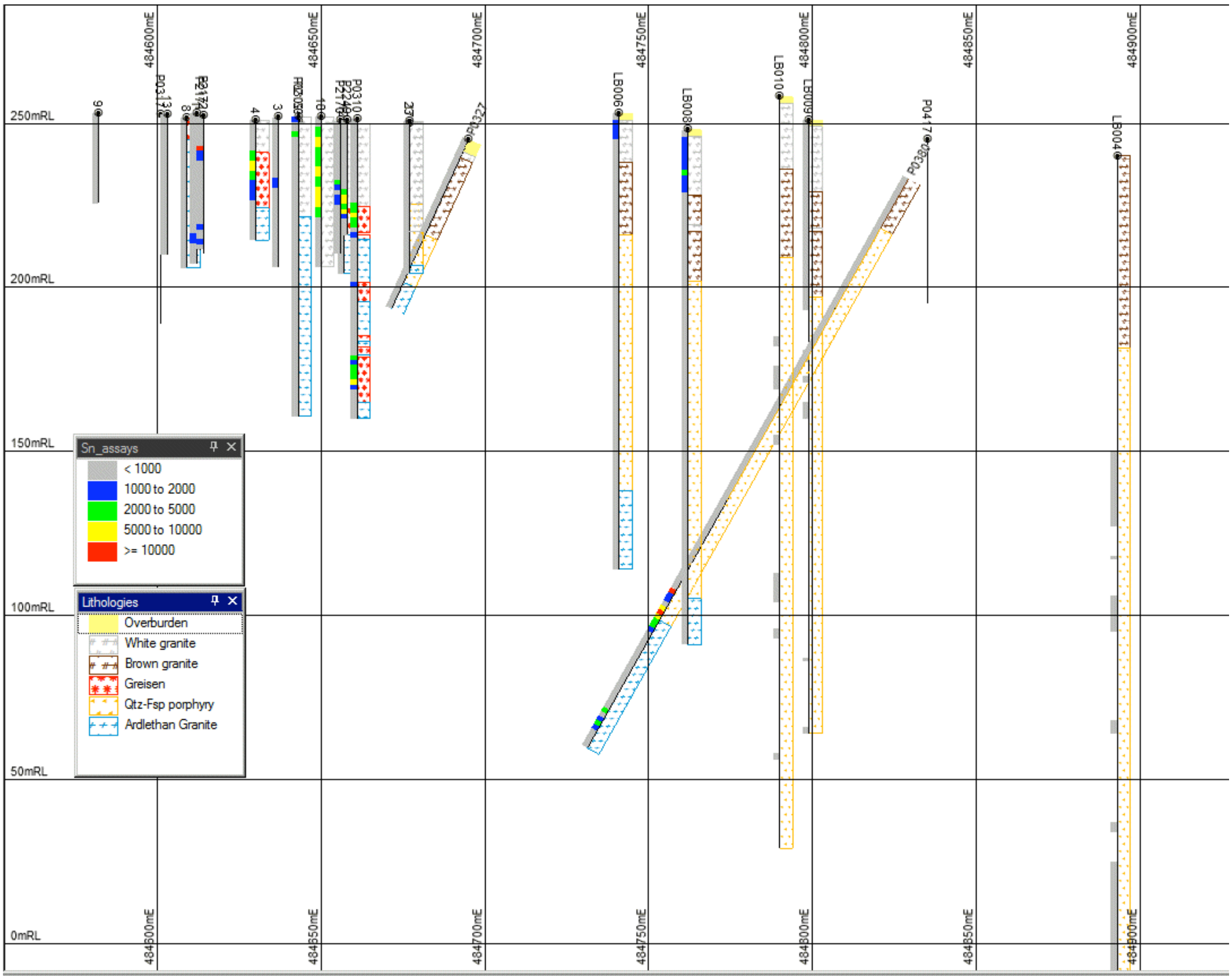
A total of eleven holes were drilled. Hole locations are shown on the figure below and former open cuts, developed on white greisen outcrops, are obvious as white areas west of the drill holes on the air photograph. The southernmost one has been utilized as a dam. The open hole percussion drilling program was completed in mid-June, with 1,613 metres drilled in nine holes.

Assay results from the two initial Cluff cored drillholes (LB 1 and LB 4) indicate that neither hole intersected a tin mineralised zone. Replotting of the cross sections demonstrated that the tin bearing rocks are not tabular but increase their dip to the east, and that the holes may have been too shallow to intersect mineralisation. Hole LB 1 was terminated because of lack of additional drill rods at the time, and can now be deepened if warranted. Hole LB 4 was near the limit of the drilling rig.

The more recent percussion drilling program, supervised by Consultants, was aimed to infill areas between previous drilling by Ardlethan Tin to allow possible determination of an inferred resource of tin in the area between the open cuts and Cluff's earlier drilling. Any future work will aim to define near surface lower grade open cut resources between the former open pits to the north and south, and investigate the reasons for inconsistencies between our drilling and the earlier work, which was carried out by a very experienced mining team.



Drillhole Locations, Little Bygoo



Tin assays, Little Bygoo

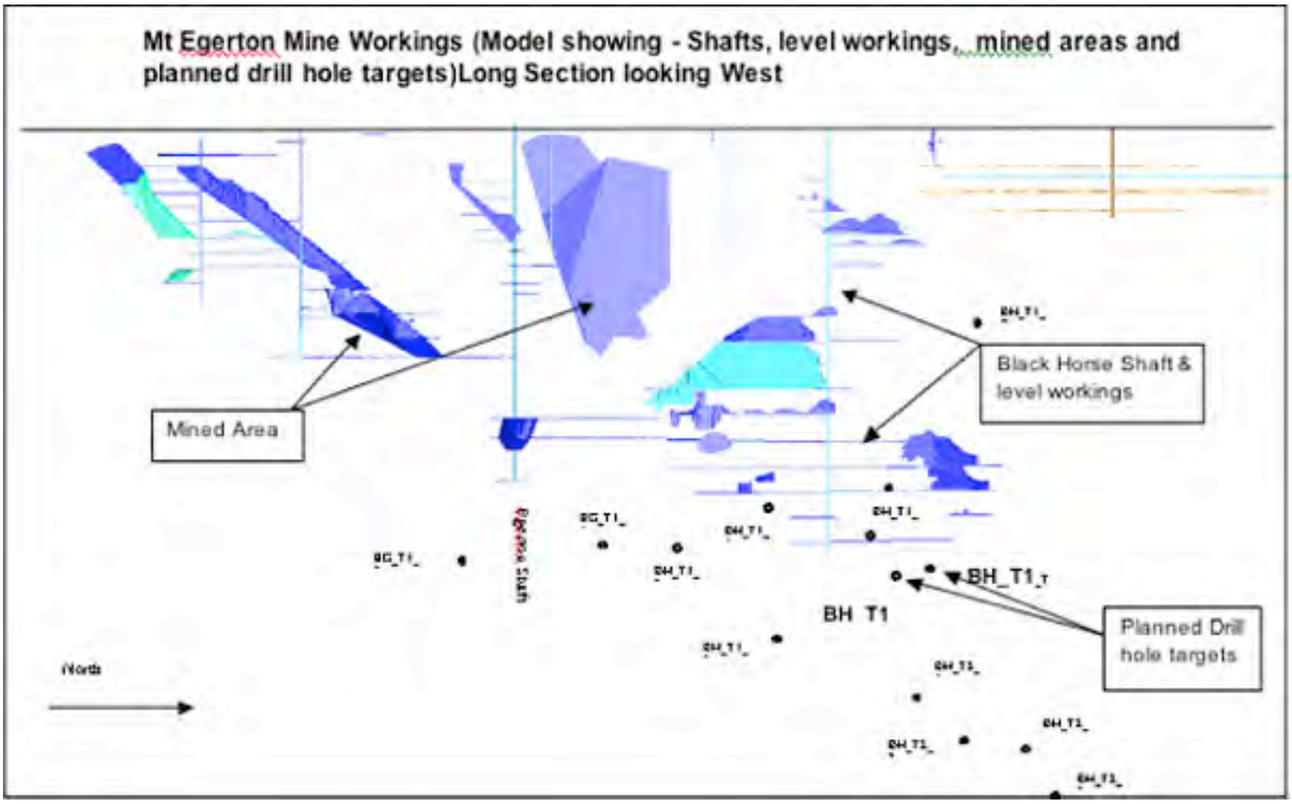
EGERTON GOLD PROJECT (Cluff 51%, earning up to 75% from Tech-Sol Pty Ltd)

Exploration targets totalling between 2.2 and 3.3 million tonnes of gold bearing quartz with grades between 3 and 12 grams/tonne have been outlined below old workings of the Black Horse, the Egerton and the Mundic Lode Mines. This represents a total exploration target range of between 340,000 and 1,150,000 ounces of gold. It should be noted that potential quantity and grade of the targets is 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.

The Black Horse exploration target is below 380 metres depth and may contain recoverable gold within the continuation to depth of a previously mined ore shoot. Records for the Black Horse Mine suggest that significant areas within and close to the existing level development were not mined as they were considered to be low grade at the time.

The targeted ore shoot was partly developed for mining from 380 to 600 metres depth by the Black Horse Shaft and by many development tunnels, but reports indicate that it was not extracted before the mine closed in the early 1900s. A 3.5 metre mining width for this target has been assumed, based on this being the apparent average mining width in the past. Grade is inferred to be between 6 grams/ton, the lowest grade reported recovered from the mine, and 12 grams/ton (less than 16 grams/ton, the highest grade reported recovered).

A digital model collating historical mining data was purchased from the previous tenement holders, and extensively modified by field work to accurately show the location of the old shafts, level workings and mined areas (shown in figure below). Exploration drill holes drilled since 1980 (drilled by WMC & Minico Pty Ltd) were added to the model and the Cluff drilling program was designed to intersect the ore shoots within developed but unmined areas below the former mine workings.



Following the approval of the drilling program by the State Government in October, 2007, the Company secured drilling consents from Mount Egerton residents whose property boundaries were located closer than 100 metres from proposed drilling locations. This is a requirement under Section 45 of the Mineral Resources and Development Act, whereby such consent is required for any mining-related activities this distance from residential dwellings.

Several contractors were approached to quote on the drilling program, but the necessary fit with Cluff's timetable and budgetary requirements proved difficult to achieve. Fortunately, we had determined that the Company's own drilling rig had proven capable and efficient for the task at hand, and so it and the drilling team were dispatched to undertake the program.

The rig was originally constructed in order to only drill vertical holes. As the Egerton Gold drilling program required angled holes, a new mast was fabricated and was installed at the Inverell workshop. An additional smaller set of drill rods and barrel had to be purchased to allow casing of zones of mud loss.

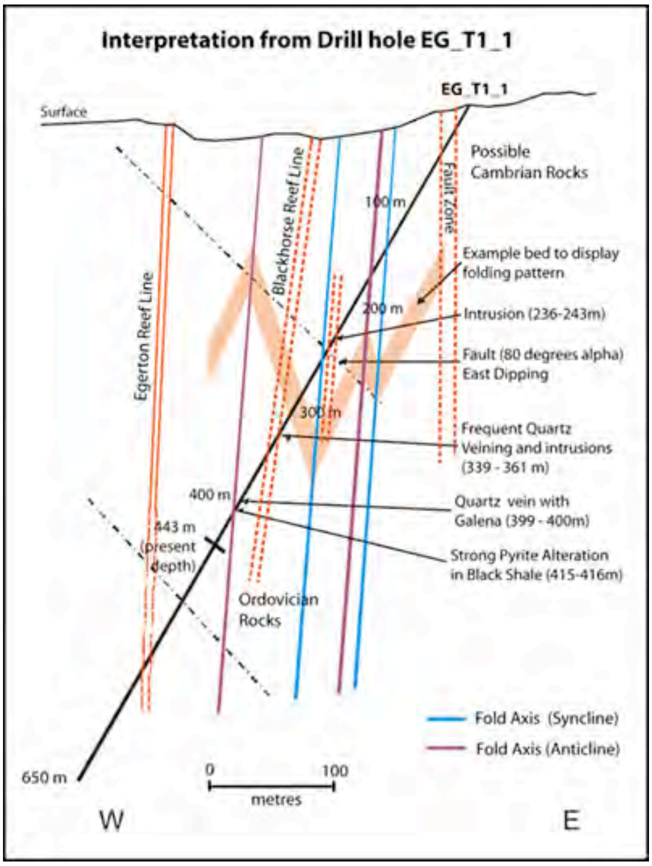
Drilling of the first hole, BH T1 1, commenced in late May, and was targeted to allow determination of the grade and thickness of the downward extension of the quartz reef beneath old workings of the Black Horse Mine. This initial drilling proved to be very problematic. Weak fine grained sandstones with bands of quartz have been encountered, the ground collapsed if not supported and was very porous. The quartz was very abrasive on the drilling equipment. Also voids have been intersected which have been difficult to drill through because of collapsing ground.

The hole was abandoned at 126m because of such collapsing ground. Upon recommendations from local drillers and local geologists Cluff purchased larger diameter open hole drilling equipment and recommenced two metres away. The rig drilled through two voids, possibly old mine workings or resulting bedrock fractures, but the hole had to be abandoned at a depth of 148 metres. Drilling had been difficult and progress slow.

The second hole of the program, BH T1 2, which was drilled to 157 metres, intersected puggy and poorly consolidated rocks containing old workings which could not be cemented off or cased. The casing could not be successfully sealed or cemented into the bedrock, causing a lack of drill mud return which ultimately could have caused the drilling rods to become stuck in the hole, and accordingly the hole was abandoned.

Assays of drill cuttings indicated a zone of anomalous gold mineralisation below 118.5 metres, with the higher values over the basal ten metres of the hole suggesting that drill mud loss, which caused cessation of the hole, was due to the presence of old unrecorded workings creating fractures in the surrounding bedrock.

Cluff's drilling rig on Hole BH T1 2



Interpretation of drillhole EG_T1_1

The third drill hole, EG T1 1, commenced in early September, approximately 350 metres to the south of the two previously drilled holes. It aimed to test the gold reefs within a 250 metre wide zone across the regional scale Muckleford Fault.

Within this zone the Egerton Reef is reported to have produced 590,000 tonnes of ore at a recovered gold grade of 12.6 grams per tonne, and the Black Horse Reef 303,000 tonnes at 10.1 grams of gold recovered per tonne. 392,488 ounces of gold were produced from these reefs during the late nineteenth century.

The Black Horse line of lode is interpreted as having been penetrated as a zone with a true thickness of 9 metres (from 339 to 361 metres). Within this zone are seven quartz reefs with true thicknesses ranging from 0.1 to 0.25 metres, and a volcanic intrusion 0.4 metres true thickness. A second quartz reef of true thickness 0.15 metres and carrying traces of sulphide mineralisation was penetrated at 399.6 metres depth. None of the reefs contained significant gold grades.

Geological interpretation shows that the sediments on the Egerton goldfield have been very sharply folded, as illustrated in the Figure above. Such folding is characteristic of many goldfields in Victoria, and when understood can provide valuable clues to the interpretation of the location of the reefs and their gold content.

Following discussions with the Mining Warden and senior management of the Victorian Department of Primary Industries, it was decided to amalgamate the mining tenement on which the drilling is being undertaken with the Joint Ventures' surrounding exploration licence. Despite not having reached its target at 600 metres, the drilling rig was required by the Department of Primary Industries to cease operations for a minimum of four weeks. It had reached a depth of 443 metres. During this amalgamation period no drilling activities are able be undertaken. The intention is to resume drilling of the hole after the title transfer has been completed, and while the drilling rig is not being required for other projects.

During the year, Cluff fulfilled its expenditure obligations to earn 51% ownership of the Egerton Gold Project, with the result that all tenements are now held under Cluff's name and the Company will have the ability to earn up to 75% ownership as expenditure continues.

Drill Core from Hole EG T 1 to 151 metres depth

INDIAN IRON ORE

In early May the Company announced that four Iron Ore Mining Lease Applications, near Chitradurga in the Indian State of Karnataka, were the subject of a Memorandum of Understanding between Cluff Resources Pacific NL and Sai Construction, Engineers and Contractors, of Bangalore, India. The MOU made provision for the establishment of a Joint Venture Company, Karnataka Iron Ore Mining Pte Limited, in which the shares would be held in the proportion Elephant Gold Pty Ltd 60%, Sai Constructions 40%.

The mining lease applications were within a district with a large amount of current and historical mining. The evidence of past and current illegal mining activity by artisanal mining workers within at least three of the areas suggested the presence of commercial grades of iron ore on the leases. The region produces the large majority of iron ore from the state, and is the location of at least 140 current or former high grade, low impurity haematite iron ore open pit mines. Total production of iron ore from Karnataka State was 12 million tonnes in 1996, which was almost wholly exported in a raw state. Neighboring leases mine haematitic iron ore at an average grade of 64% Fe. Much iron ore production is marketed to local sponge iron plants.

Approvals from various government Departments are necessary before the Mining Leases could be granted. The entry price of Cluff to the Joint Venture was payment of costs necessary for the processing of the Mining Lease Applications, and grant of the Mining Leases. Departments involved include the Indian Bureau of Mines, the Central Government, the Pollution Control Board, the Ministry of Environment and Forestry and the State Government. Sai Construction was obliged to assist in obtaining these consents, and in resolving any legal issues which may arise in grant of the Mining Lease Applications.

It was the intention of Sai Construction to exit the Company after the approvals were in place, and the funding for the project sanctioned. This provided an opportunity for Cluff to competitively acquire the remaining equity in the iron ore leases, giving it 100% ownership.

Subsequent to signing of the MOU, an Independent Expert's Report was commissioned, and received in late July, giving a review of the projects and a comprehensive assessment of the current state of the Karnataka Iron Ore industry. It was received and released to the ASX in its totality on 29 July. Its Executive Summary is reproduced below:

1. The five project areas are located in areas of active high grade haematite open pit mines. None has yet involved any significant exploration or assessment expenditures. Two are assessed as currently worthy of closer investigation.
2. The Bellary project area in particular is located in an area of high grade low impurity mines, with production grades of at least 64 per cent iron and very low silica, alumina, phosphorus and sulphur levels.
3. Ownership of the iron ore operating mines is widely diverse. The Bellary district has involved at least 143 mainly very small open pit mining areas, averaging 220 hectares in size.
4. The Bellary project appears to offer the potential for a minimum of 200,000 tonnes of float ore, otherwise known as scree, at a grade of 65 per cent iron and higher tonnages of reef ore of uncertain grade.
5. Infrastructure facilities are poor. The transport of ore to export ports is mainly in maximum 13 tonne payload trucks, via roads partly in very poor condition.
6. Verbal advice has been received that the mine gate price currently paid for 63 per cent iron ore fines is the equivalent of approximately $A77 per tonne.
7. The float ore appears to indicate a potential pre-tax operating cash surplus of at least A $12 million over an initial two year period from commencement of operations.
8. All five areas are at the AML (registered Application for Mining Lease) stage.
9. The processing of mining lease applications in Karnataka is extremely slow. For the latest available annual reporting period, 40 leases were granted from a total of 1216 applications.
10. For the possibility of proving and developing the target Bellary district open pit iron ore project, the main risks assessed are the absence of any JORC Code mineral resources, the likely permitting delay, the contingency of future environmental constraints and medium term iron ore price risk, if a protracted period is involved in permitting.

The Report encouraged the Company to further investigate committing to iron ore mining in Karnataka State by highlighting the haematitic nature of the deposits, high grade of iron ore mined regionally, and low levels of silica, alumina, phosphorous and sulphur within the ores. Reported mine gate price of this iron ore is high. The smaller size of the mines and low requirement for ore processing suggested that mine establishment costs would be much lower than for many other commodities. This, together with likely low stripping ratios, and the use of contract haulage was likely to result in low production costs. Hence mining operations on these leases had potential to produce profits suitable for an emerging miner such as Cluff.

The minimal amount of exploration and geological mapping carried out to date needed to be remedied. Hence the projects were at the point where they require exploratory drilling to define a resource, rather than at mine planning stage.

The independent expert's report was not favourably received by some shareholders, and the Company's share trading price dropped substantially, making raising of funds for the project impossible. Despite this setback, the business relationships established in India continue to be maintained, and the Company believes that there are still opportunities there which bear further investigation.

GLOUCESTER RUBY MINE (Cluff 100%)

An information memorandum was prepared and circulated to over ten parties who may be in a position to cut, polish and market all of the production of the mine. No positive responses have been received to date, and accordingly the heavier trucking equipment and accommodation facilities which can be easily replaced are being put to auction to assist funding the Company's ongoing operations. Should diamond or tin or ruby production be necessary in the medium term, this equipment is readily available and can be quickly replaced.

Other equipment that is hard to obtain and is essential for production of diamonds or tin, such as the trommel and jig plant, is being retained and will be moved directly onto a new production site when planning is finalised.

The Ruby Mine continued under care and maintenance throughout the year, with additional restoration undertaken in order to ensure the successful regeneration of mined areas. All mining pits have been infilled and revegetated, with only a small amount of restoration and topsoil spreading remaining, and a minimal required for tailings and settling dams.

Regeneration of vegetation on mined areas continued at an accelerated rate throughout the warmer weather, and cattle are now grazing on the regrassed paddocks. Water turbidity monitoring continued to indicate that the Company's activities have had no measurable impact on the local groundwater and river systems.

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.

SCHEDULE OF TENEMENTS (as at 18 March 2009)

Permit/Licence Area	Name & Location	Economic Entity Interest
TIN EXPLORATION		
EL 6986	Ardlethan, NSW	100%
EL 7015	Gibsonvale Tin Field, NSW	100%
EL 6966	Inverell, NSW	100%
EL 7016	Buddigower Tin Field, NSW	100%
EL 7201	Ardlethan, NSW	100%
DIAMOND EXPLORATION AND DEVELOPMENT		
EL 3325	Bingara Central, NSW	100% (see Note 1)
MC 194	Monte Christo, NSW	100%
EL 6073	Copeton Central, NSW	100%
ML 1058	Mount Ross, Copeton, NSW	100%
ML 1059	Mount Ross, Copeton, NSW	100%
ML 1083	Mount Ross, Copeton, NSW	100%
ML 5904	Mount Ross, Copeton, NSW	100%
ML 6153	Malacca, Copeton, NSW	100%
ML 1232	Collas Hill, Copeton, NSW	100%
RUBY EXPLORATION		
EL 5336	Barrington Tops, Gummi, NSW	100%
GOLD EXPLORATION AND DEVELOPMENT		
EL 4844	Gordon-Egerton Goldfields, Victoria	51%
EL 4574	Gordon-Egerton Goldfields, Victoria	51%
SAPPHIRE MINING		
ML 70022	Sapphire, Queensland	100%
ML 70048	Sapphire, Queensland	100%
ML 7232	Sapphire, Queensland	100%
ML 70358	Sapphire, Queensland	100%
ML 70133	Sapphire, Queensland	100%
ML 70066	Sapphire, Queensland	100%
ML 70094	Sapphire, Queensland	100%
MLA 70095	Sapphire, Queensland	100%
MLA 70096	Sapphire, Queensland	100%
RESIDUAL INTERESTS		
PEL 27	Otway Basin, South Australia	0.75% (overriding royalty)

Note 1 – Diamond Ventures NL is entitled to a royalty of 10% of the first $20 million of any net profits, and 5% thereafter, arising from future production from the licence.

DIRECTORS' REPORT

The directors of Cluff Resources Pacific NL present their report on the Company and its controlled entities for the financial year ended 31 December 2008.

Directors
The names of directors in office at any time during or since the start of the financial year to the date of this report are:

Peter Kennewell	Scott Enderby
Ian Johns	Peter Ashcroft
Peter Barrow	Stephen Gemell

Directors have been in office since the start of the financial year to the date of this report.

Company Secretary
The name of the company secretary in office at any time during or since the start of the financial year to the date of this report is Scott Enderby. The company secretary has been in office since the start of the financial year to the date of this report.

Principal activities
The principal activities of the economic entity during the course of the financial year was exploration and evaluation of mineral interests. There were no other significant changes in the nature of those activities during the financial year.

Operating results
The consolidated loss of the consolidated entity for the 2008 financial year was $ 1,153,119 (2007: $1,361,652).

Dividends
No dividends were paid or declared by the consolidated entities since the end of the previous financial year, and the directors recommend that no dividend be paid for the year ended 31 December 2008.

Review of operations

A review of the operations of the consolidated entity during the financial year and the result of those operations precedes this report. During the year the consolidated entity has continued the development of its tin, gold and diamond exploration projects, and conducted negotiations over iron ore projects in India. These activities have been funded by existing cash reserves and share issues.

Significant changes in the state of affairs

During the year the consolidated entity raised $1,075,052 from share issues and the exercising of options (2007: $2,807,042). This has enabled the continuation of the exploration and evaluation of mineral interests. There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year
There are no matters to report.

Likely developments and expected results of operations
In 2009 the consolidated entity intends to continue its focus on developing its diamond and tin prospects in New South Wales and on gold exploration in Victoria. Negotiations over prospects overseas are also likely to continue, and agreements are expected to be finalised. Information as to likely developments in the consolidated entity's operations, including expected financial results in subsequent financial years would, in the opinion of the Directors, prejudice the interests of the parent entity and the consolidated entity and has therefore not been included in this report.

Environmental regulation performance

The consolidated entity's environmental obligations are regulated under both State and Federal law. All environment performance obligations are monitored by the Directors and subjected from time to time to Government site inspections. The consolidated entity has a policy of at least complying with, but in most cases exceeding its environmental performance obligations. No environmental breaches have been notified by any Government agency during the year ended 31 December 2008.

Information on Directors
Particulars of directors' qualifications and past experience, and current responsibilities:

Peter Ashcroft Chairman (joined 9th December 2008)
Peter Ashcroft is a commercial law specialist with over 30 years experience. He is the owner and principal of Ashlaw Legal Services, which is a specialised commercial legal practice focusing upon the provision of advice to natural resource companies, both in production and exploration stages, and logistic and transport businesses. Peter is familiar with mining and resource developments throughout Australia, and has advised on joint ventures in Indonesia, New Zealand, Philippines, India, USA, Sweden, Ghana and Canada.

Peter J Kennewell Managing Director
B.Sc
Mr Kennewell has had over thirty years professional experience in the Australian mineral and oil industry, and has been with the parent entity for the past twenty-one years as the Group's Exploration Manager and Managing Director. He has had responsibility for much of the exploration programme of the consolidated entity.

Scott M Enderby Director
B.Com Company Secretary
Since joining the Board in 1996, Mr Enderby has applied his extensive marketing experience to Cluff's varied projects, and held the position of Company Secretary for the past four years.

Ian Johns Director (Joined 9th December 2008)
Ian Johns brings 20 years of operational business experience to the Cluff Board. He consults in the manufacturing industry as a business developer and contract negotiator, and was a founding Director of Royalco Resources, a successful royalty income-based mineral exploration company.

Stephen G Gemell Chairman (Retired 17th March 2008)
Peter F Barrow Director (Retired 9th December 2008)

Directors' Meetings

The number and attendances of the directors at meetings of the Board of Directors were:

	Attended	Maximum possible Attended
Stephen G Gemell	2	2
Peter J Kennewell	8	8
Scott M Enderby	8	8
Peter F Barrow	7	7
Peter Ashcroft	1	1
Ian Johns	1	1

Directors' Interests

Interests in the shares and options of the Company as at 31 December 2008
(Includes securities held directly, as well as those in which the Director may not own directly, but holds a beneficial interest)

	Ordinary Shares	**Unlisted 13/9/09 $0.01 Employee Options ***	**Unlisted 13/9/10 $0.01 Employee Options ***
Peter Ashcroft	**1,900,000**	**-**	**-**
Peter J Kennewell	**9,091,134**	**5,600,000**	**7,400,000**
Scott M Enderby	**555,555**	**3,700,000**	**4,900,000**
Ian A Johns	**69,112,029**	**-**	**-**

* these Unlisted Options were issued during the 2007 year to all eligible employees under the Company's Employee Options Plan. Shown here are the specific numbers of Options issued to each director of the Company

REMUNERATION REPORT

This report outlines the remuneration arrangements in place for directors, secretaries and senior managers of Cluff Resources Pacific NL (the Company).

Remuneration policy

The Remuneration Committee of the Board of Directors is responsible for determining and reviewing compensation arrangements for the directors and executives. The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team.

Remuneration levels for directors and executives are competitively set to attract the most qualified and experienced candidates, taking into account prevailing market conditions and individual's experience and qualifications. Remuneration packages contain the following key elements:

(a) Short-term benefits – salaries and director's fees
(b) Post-employment benefits – including superannuation;
(c) Share-based payments - share options granted under the option plan; and
In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Non-executive director remuneration
Prior to December 2008, non-executive directors received a fixed fee for their services as directors, however it has been proposed to remunerate the two incoming non-executive directors with non-cash incentives such as options: the terms of this remuneration policy will require shareholder approval at a general meeting.
Where the Company may utilise the services of a non-executive Director for consultancy in their field of expertise, these services are remunerated at their commercially billable rate. There is no direct link between remuneration paid to any of the directors and corporate performance such as bonus payments for achievement of certain key performance indicators.

Executive remuneration
Executives receive a fixed remuneration set to provide a base level commensurate with their position and responsibilities within the Company and so as to align the interests of executives with those of shareholders and ensure total remuneration is competitive by market standards.
There is no direct link between remuneration paid and corporate performance such as bonus payments for achievement of certain key performance indicators.
In addition the Company may issue options to executives under the Company's Employee Option Plan to recognise ability and effort, provide incentive to improve company performance, attract appropriate persons and promote loyalty.
Remuneration levels are reviewed annually by the Remuneration Committee by reviewing company performance, personal performance, market trends, industry comparisons, employment market conditions and, where appropriate, external advice.

Details of remuneration for the year ended 31 December 2008

	Salary	Superannuation	Consulting and/or Professional Fees	Directors' Fees	Compensation for expenses	Total
	$	$	$	$	$	$
Peter Ashcroft	-	-	-	-	-	-
Peter J Kennewell	127,850	58,842	-	-	-	186,692
Scott M Enderby	79,964	7,196	-	-	-	90,556
Ian Johns	-	-	-	-	-	-
Stephen G Gemell	-	-	136	10,032		10,168
Peter F Barrow	-	-	-	27,728	-	27,728
						315,144

Indemnification of officers and auditors
The Directors and Company Secretary are indemnified in the Articles of Association of the Company. There are no insurance or indemnity arrangements for the auditor of the consolidated entity.

Proceedings on Behalf of Company
No person has applied for leave of Court to bring proceedings on behalf of the consolidated entity or intervene in any proceedings to which the consolidated entity is a party for the purpose of taking responsibility on behalf of the consolidated entity for all or any part of those proceedings. The consolidated entity was not party to any such proceedings during the year.

Auditor's Independence Declaration
The auditor's independence declaration for the year ended 31 December 2008 has been received and is included in these financial statements.

This report is made and signed in accordance with a resolution of the Board of Directors.

SCOTT ENDERBY
Director

PETER KENNEWELL
Director

Hornsby NSW
19 March 2009

BALANCE SHEET
AS AT 31 DECEMBER 2008

		Consolidated Group		Parent Entity	
		2008	2007	2008	2007
	Note	$	$	$	$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	417,640	1,477,160	382,187	1,415,758
Trade and other receivables	6	35,835	112,110	33,044	46,924
Inventories	7	129,981	101,276	55,707	58,035
TOTAL CURRENT ASSETS		583,456	1,690,546	470,938	1,520,717
NON-CURRENT ASSETS					
Trade and other receivables	8	-	-	4,314,133	4,248,776
Financial assets	9	-	-	-	-
Property, plant & equipment	10	702,075	760,845	702,075	760,845
Exploration, evaluation and pre-development expenditure	11	10,276,445	9,114,079	8,403,458	7,204,170
Development properties	12	2,292,890	2,284,974	-	-
TOTAL NON-CURRENT ASSETS		13,271,410	12,159,898	13,419666	12,213,791
TOTAL ASSETS		13,854,866	13,850,444	13,890,604	13,734,508
CURRENT LIABILITIES					
Trade and other payables	13	219,347	145,422	194,730	130,557
Short-term provisions	14	153,697	145,137	67,172	54,220
TOTAL CURRENT LIABILITIES		373,044	290,559	261,902	184,777
NON-CURRENT LIABILITIES					
Financial liabilities	15	330,000	330,000	330,000	330,000
TOTAL NON-CURRENT LIABILITIES		330,000	330,000	330,000	330,000
TOTAL LIABILITIES		703,044	620,559	591,902	514,777
NET ASSETS		13,151,822	13,229,885	13,298,702	13,219,731
EQUITY					
Issued capital	16	49,888,859	48,813,807	49,888,859	48,813,807
Reserves	17	108,516	108,516	108,516	108,516
Accumulated losses	2	(36,845,553)	(35,692,438)	(36,698,673)	(35,702,592)
TOTAL EQUITY		13,151,822	13,229,885	13,298,702	13,219,731

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

		Consolidated Group		Parent Entity	
		2008	2007	2008	2007
	Note	$	$	$	$
Sales revenue	3	2,111	272,573	2,111	29,580
Cost of sales		(51,812)	(405,106)	(1,310)	(100,337)
Gross profit		(49,701)	(132,533)	801	(70,757)
Other revenues	3	132,210	60,727	95,199	60,703
Distribution expenses		(43,448)	(37,303)	(43,448)	(37,303)
Marketing expenses		(22,273)	(30,929)	(22,273)	(30,929)
Occupancy expenses		(8,673)	(7,308)	(8,673)	(7,308)
Administrative expenses		(760,361)	(1,029,709)	(633,435)	(877,748)
Borrowing costs		(34,192)	(30,155)	(34,192)	(30,155)
Other expenses		(366,681)	(137,869)	(350,061)	(140,155)
Exploration and pre-development		-	(16,573)		-
Loss before income tax	2	(1,153,119)	(1,361,652)	(996,082)	(1,133,652)
Income tax expense		-	-	-	-
Profit for year		(1,153,119)	(1,361,652)	(996,082)	(1,133,652)
Basic earnings per share	18	(0.09)	(0.12)		

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2008

		Consolidated Group			Parent Entity		
		Issued Capital	Retained Earnings	Asset Revaluation Reserve	Issued Capital	Retained Earnings	Asset Revaluation Reserve
	Note	$	$	$	$	$	$
Balance as at 1 January 2007		46,011,759	(34,330,7842)	108,516	46,011,759	(34,568,939)	108,516
Shares issued during year		2,802,048			2,802,048		
Loss attributable to members			(1,361,652)			(1,133,652)	
Balance as at 31 December 2007		48,813,807	(35,692,434)	108,516	48,813,807	(35,702,591)	108,516
Shares issued during year		1,075,052			1,075,052		
Loss attributable to members			(1,153,119)			(996,082)	
Balance as at 31 December 2008	16,17	49,888,859	(36,845,553)	108,516	49,888,859	(36,698,673)	108,516

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	Consolidated Group 2008 $	Consolidated Group 2007 $	Parent Entity 2008 $	Parent Entity 2007 $
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		75,596	279,669	36,602	36,677
Payments to suppliers and employees		(971,785)	(1,462,958)	(923,125)	(1,027,497)
Interest received		55,725	47,930	55,708	47,906
Borrowing costs		(34,192)	(30,155)	(34,192)	(30,155)
Goods and services tax paid		(4,477)	(21,444)	(5,209)	(161,904)
Net operating cash flows	21(b)	(879,133)	(1,186,958)	(870,216)	(1,134,973)
CASH FLOWS FROM INVESTING ACTIVITIES					
Exploration and development expenditure		(1,116,564)	(479,811)	(1,145,570)	(422,368)
Payments for property, plant & equipment		(141,875)	(70,279)	(141,875)	(70,279)
Proceeds from sale of property, plant & equipment		3,000	5,700	3,000	5,700
Loans to controlled entities		-	-	46,038	(109,305)
Net investing cash flows		(1,255,439)	(544,390)	(1,238,407)	(596,252)
CASH FLOWS FROM FINANCING ACTIVITIES					
Allotted share proceeds		1,075,052	2,802,048	1,075,052	2,802,048
Unallotted share proceeds		-	-	-	-
Receipt of bank loan		-	-	-	-
Net financing cash flows		1,075,052	2,802,048	1,075,052	2,802,048
Net (decrease) / increase in cash held		(1,059,520)	1,070,700	(1,033,571)	1,070,823
Cash at the beginning of the year		1,477,160	406,460	1,415,758	344,935
Cash at the end of the year	21(a)	417,640	1,477,160	382,187	1,415,758

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the consolidated group of Cluff Resources Pacific NL and controlled entities, and Cluff Resources Pacific NL as an individual parent entity. Cluff Resources Pacific NL is a listed public company, incorporated and domiciled in Australia.

The financial report of Cluff Resources Pacific NL and controlled entities, and Cluff Resources Pacific NL as an individual parent entity comply with all International Financial Reporting Standards (IFRS) in their entirety.

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets for which the fair value basis of accounting has been applied.

Accounting Policies

Principals of Consolidation

A controlled entity is any entity Cluff Resources Pacific NL has the power to control the financial and operating policies so as to obtain benefits from its activities.

A list of controlled entities is contained in Note 9 to the financial statements. All controlled entities have a December financial year-end.

All inter-company balances and transactions between entities in the controlled group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Going Concern

The financial report has been prepared on the basis that the consolidated group is a going concern.

It is the Directors' intentions to expand the controlled group's operations to exploit and develop its mining tenements. The directors have been conducting assessments of the alternative paths to take with respect to developing appropriate markets. The directors are containing cost levels and presently believe that there are sufficient funds to carry out these ongoing operations. If as a result of this assessment a project is to be developed economically, then at that point in time the Company will consider its funding options which would include raising further capital from share placements or rights issues.

Exploration, Evaluation and Pre-development Expenditure

Exploration, evaluation and pre-development expenditures incurred are charged against earnings as incurred except in the case of identifiable areas of interest where:

A. it is expected that the expenditure will be recouped by successful development or sale; or
B. at balance date, exploration and evaluation activities have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, and active and significant operations are continuing.

Where conditions set out in A or B above is met, expenditure is capitalised.
Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. A regular review is undertaken of each identifiable area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Development Properties

Development expenditure incurred is accumulated separately for each identifiable area of interest in which economically recoverable mineral resources have been identified to the satisfaction of the directors.

Once a development decision has been taken, all past and future exploration and evaluation expenditure in respect of the area of interest is aggregated with the costs of development and classified under non-current assets as "Development Properties". All expenditure incurred prior to the commencement of commercial levels of production from each development property is carried forward, to the extent to which recoupment out of revenue to be derived from the sale of production from the relevant development property, or from the sale of that property, is reasonably assured.

Amortisation is not charged until production commences. Amortisation charges are determined on the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each identifiable area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Property, Plant & Equipment

Property, plant and equipment are held at cost or at directors' valuation. A review by the Directors of the carrying value of the consolidated group's property, plant and equipment showed that the current carry values were appropriate and no impairment was noted.

The cost of property, plant and equipment is depreciated on a straight-line basis over the period of the estimated useful lives of the consolidated group commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

	Life	Method
Buildings	50 years	Straight line
Office furniture and equipment	4 years	Straight line
Motor vehicle	4 years	Straight line
Plant and equipment	4 years	Straight line

Inventories

Inventories of diamonds, rubies and sapphires are valued at the lower of cost and net realisable value. Cost comprises direct material, labour and transportation expenditure in getting such inventories to their existing location and condition, together with an appropriate portion of fixed and variable overhead expenditure. Cost also includes an appropriate allocation of exploration, evaluation and pre-development expenditure once production has commenced in an area of interest. Net realisable value is the amount estimated as obtainable from the sale of the item of inventory in the normal course of business, less any anticipated costs to be incurred prior to its sale.

Borrowing Costs

Borrowing costs are expensed as incurred.

Foreign Exchange

Transactions in foreign currencies have been converted at the rates of exchange applicable at the date of each transaction. Foreign currency balances arising from these transactions have been converted at the rates of exchange ruling at 31 December 2007. Gains and losses arising from exchange rate fluctuations are brought to account in the income statement.

Provision for Rehabilitation

The provision for rehabilitation represents charges against profits for future estimated total restoration and rehabilitation costs relating to areas from which natural resources have been extracted. In determining the costs of site restoration there is uncertainty regarding the nature and the extent of the restoration due to community expectations and future legislation.

Income Tax
The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date. Deferred tax assets and liabilities are ascertained based on the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be
recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets relating to temporary differences and unused tax losses are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Cluff Resources Pacific NL and its wholly owned Australian subsidiaries have formed an income tax consolidation group under tax consolidation legislation.

Employee Entitlements
The amounts expected to be paid to employees for their pro-rata entitlement to long service and annual leave are accrued annually at current pay rates, including on costs such as payroll tax, superannuation and workers compensation, having regard to experience of employee turnover rates and periods of service.

Impairment
At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

2. LOSS FOR THE YEAR

		Consolidated Group		**Parent Entity**	
		2008	**2007**	**2008**	**2007**
	Note	**$**	**$**	**$**	**$**
Depreciation of property, plant & equipment		146,927	173,754	35,532	47,356
Auditors' remuneration					
- Audit		20,000	25,000	12,000	15,000
- Other		-	-	-	-
Write-off of exploration expenditure on surrender of tenement	11	-	-	-	-
Write down of inventories to net realisable value		16,888	-	1,248	-
Provision for write-down of pre-development expenditure		-	16,573	-	-
(Profit)/Loss on disposal of property, plant and equipment		(3,000)	(5,700)	(3,000)	(5,700)
Finance charges		34,358	43,861	34,358	43,861

3. REVENUE

	Consolidated Group 2008 $	Consolidated Group 2007 $	Parent Entity 2008 $	Parent Entity 2007 $
Operating activities				
Sales of gemstones & jewellery sets	2,111	272,573	2,111	29,580
Other revenue:				
Interest received or receivable - other corporations	55,725	47,930	55,708	47,906
Profit/(Loss) on disposal of property, plant and equipment	3,000	5,700	3,000	5,700
Other revenue	73,485	7,096	36,491	7,097
	132,210	60,726	95,199	60,703
Total Revenue	134,321	333,299	97,310	90,283

4. INCOME TAX

	Consolidated Group 2008 $	Consolidated Group 2007 $	Parent Entity 2008 $	Parent Entity 2007 $
Reconciliation of prima facie income tax:				
Loss from ordinary activities before income tax	(1,153,119)	(1,361,652)	(996,092)	(1,133,652)
Prima facie income tax on operating loss at 30%	(345,936)	(408,496)	(298,828)	(340,096)
Tax effect of adjustments to derive income tax expense:				
Timing differences - provisions	4,068	2,895	3,886	2,895
Exploration and pre-development expenditure	(362,161)	(162,660)	(343,671)	(135,563)
Income tax effect of current year tax loss not brought to account	(704,029)	(568,261)	(638,613)	(472,764)
Income tax credit	-	-	-	-

The consolidated entity has unconfirmed carry forward tax losses, calculated according to Australian income tax legislation, estimated at $30,500,000 (2007 - $29,800,000), which will be deductible from future assessable income provided that income is derived, and:

(a) the parent entity and its controlled entities carry on prescribed petroleum or mining operations as defined in the Income Tax Assessment Act, as appropriate, or

(b) the parent entity and its controlled entities carry on a business of, or a business that includes, exploration or prospecting in Australia, for the purpose of discovering or extraction of minerals, as appropriate, and

(c) no changes in tax legislation adversely affect the parent entity and its controlled entities in realising the benefit from the deductions for the losses.

The benefit of these losses will only be recognised where it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

5. CASH ASSETS

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	$	$	$	$
Cash at bank and in hand	31,394	1,076,020	31,941	1,075,512
Bank short-term deposits	128,066	128,066	128,066	128,066
Other short-term deposits	258,180	273,074	222,180	212,180
Total cash and cash equivalents	417,640	1,477,160	382,187	1,415,758

The effective interest rate on short-term bank deposits was 6.8% (2007 – 6.3%); these deposits have an average maturity of 360 days.

6. RECEIVABLES

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	$	$	$	$
CURRENT				
Trade receivables	388	67,107	388	9,607
Other receivables	35,447	45,003	32,656	37,317
	35,835	112,110	33,044	46,924
Provision for impairment	-	-	-	-
Net receivables	35,835	112,110	33,044	46,924

7. INVENTORIES

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	$	$	$	$
CURRENT				
At net realisable value				
Stock on hand – uncut loose gems	42,362	35,284	19,200	19,968
Stock on hand – cut loose gems	57,058	34,351	5,946	6,426
Stock on hand – jewellery	30,561	31,641	30,561	31,641
Total inventories	129,981	101,276	55,707	58,035

8. RECEIVABLES

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	$	$	$	$
NON-CURRENT				
Receivable from wholly owned subsidiaries	-	-	8,494,189	8,428,832
Provision for impairment	-	-	(4,180,056)	(4,180,056)
Net receivables	-	-	4,314,133	4,248,776

9. OTHER FINANCIAL ASSETS

Investments in controlled entities	Parent Entity 2008 $	2007 $
Shares in controlled entities, at cost	746,021	746,021
Provision for impairment	(746,021)	(746,021)
Shares in controlled entities, net	-	-

The following were controlled entities at or during the year ended 31 December 2008 and have been included in the consolidated accounts. The shares issued by the controlled entities are all ordinary shares.

	% Ownership	Place of Incorporation and business
NSW Tin Pty Ltd	100	New South Wales Aust
Cliff Minerals (Australia) Pty Limited	100	New South Wales Aust
NSW Gold NL	100	New South Wales Aust
Cliff Mining Pty Limited	100	New South Wales Aust
Cliff Open Cut Mining Pty Limited	100	New South Wales Aust
Elephant Gold Pty Limited	100	New South Wales Aust
Egerton Gold Pty Limited	100	New South Wales, Aust
Elephant Metals Pty Limited	100	New South Wales, Aust

10. PROPERTY, PLANT AND EQUIPMENT

	Consolidated Group 2008 $	2007 $	Parent Entity 2008 $	2007 $
Office furniture and equipment, at deemed cost				
Opening balance	8,288	8,288	8,288	8,288
Additions	-	-	-	-
Disposals	-	-	-	-
Closing balance	8,288	8,288	8,288	8,288
Accumulated depreciation				
Opening balance	(8,288)	(8,288)	(8,288)	(8,288)
Depreciation for year	-	-	-	-
Disposals	-	-	-	-
Closing balance	(8,288)	(8,288)	(8,288)	(8,288)
Net book value	-	-	-	-
Office furniture and equipment, at cost				
Opening balance	117,435	113,633	117,435	113,633
Additions	1,494	3,802	1,494	3,802
Disposals	-	-	-	-
Closing balance	118,929	117,435	118,929	117,435
Accumulated depreciation				
Opening balance	(106,800)	(99,644)	(106,800)	(99,644)
Depreciation for year	(5,948)	(7,156)	(5,948)	(7,156)
Disposals	-	-	-	-
Closing balance	(112,748)	(106,800)	(112,748)	(106,800)
Net book value	6,181	10,635	6,181	10,635
Motor vehicles, at deemed cost				
Opening balance	22,938	22,938	22,938	22,938
Additions	-	-	-	-
Disposals	-	-	-	-
Closing balance	22,938	22,938	22,938	22,938

	Consolidated Group			Parent Entity
	2008	2007	2008	2007
	$	$	$	$
Motor vehicles, at cost				
Opening balance	327,779	327,779	327,779	327,779
Additions	9,414	-	9,414	-
Disposals	-	-	-	-
Closing balance	337,193	327,779	337,193	327,779
Accumulated depreciation				
Opening balance	(298,434)	(255,811)	(298,434)	(255,811)
Depreciation for year	(30,325)	(42,623)	(30,325)	(42,623)
Disposals	-	-	-	-
Closing balance	(328,759)	(298,434)	(328,759)	(298,434)
Net book value	8,434	29,345	8,434	29,345
Plant and equipment, at cost				
Opening balance	1,317,590	1,283,853	1,317,590	1,283,853
Additions	130,968	66,477	130,968	66,477
Disposals	(75,000)	(32,740)	(75,000)	(32,740)
Closing balance	1,373,558	1,317,590	1,373,558	1,317,590
Accumulated depreciation				
Opening balance	(1,080,990)	(968,599)	(1,080,990)	(968,599)
Depreciation for year	(163,604)	(145,131)	(163,604)	(145,131)
Disposals	75,000	32,740	75,000	32,740
Closing balance	(1,169594)	(1,080,990)	(1,169,594)	(1,080,990)
Net book value	203,964	236,600	203,964	236,600
Plant and equipment, at deemed cost				
Opening balance	541,978	541,978	541,978	541,978
Additions	-	-	-	-
Disposals	-	-	-	-
Closing balance	541,978	541,978	541,978	541,978
Accumulated depreciation				
Opening balance	(541,978)	(541,978)	(541,978)	(541,978)
Depreciation for year	-	-	-	-
Disposals	-	-	-	-
Closing balance	(541,978)	(541,978)	(541,978)	(541,978)
Net book value	-	-	-	-
Land and buildings, at cost				
Opening balance	495,951	495,951	495,951	495,951
Additions	-	-	-	-
Disposals	-	-	-	-
Closing balance	495,951	495,951	495,951	495,951
Accumulated Depreciation				
Opening balance		-	(11,686)	-
Depreciation for year	11,686)	(11,686)	(769)	(11,686)
Disposals	(769)	-	-	-
Closing balance	-	(11,686)	(12,455)	(11,686)
	(12,455)			
Net book value	483,496	484,265	483,496	484,265
Total property, plant & equipment				
- at deemed cost	573,204	573,204	573,204	573,204
- at cost	2,325,632	2,258,757	2,325,632	2,258,757
Total Accumulated depreciation	(2,196,761)	(2,071,116)	(2,196,761)	(2,071,116)
Property, plant & equipment	702,075	760,845	702,075	760,845

Office furniture and equipment, motor vehicles and plant and equipment were last revalued by the Directors as at 31 December 2002. Valuations were based on the Directors' assessments of recoverable values of each asset, having regard to current market values.

11. EXPLORATION, EVALUATION AND PRE-DEVELOPMENT EXPENDITURE

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	$	$	$	$
Exploration and evaluation expenditure, at cost				
Expenditure brought forward	1,608,964	1,474,870	608,417	561,051
Less: transfer to pre-development	-	-		-
Add: expenditure for year	500,466	134,094	500,466	47,366
Less: expenditure written off on areas relinquished		-		-
	2,109,430	1,608,964	1,108,883	608,417
Provision for impairment				
Provision brought forward	602	602	-	-
Add: Increase during year	-	-	-	-
	602	602	-	-
Exploration and evaluation expenditure	2,108,828	1,608,362	1,108,883	608,417
Pre-development expenditure, at cost				
Expenditure brought forward	9,525,567	9,147,270	7,272,552	6,864,707
Add: transfer from exploration and evaluation	-	-		-
Add: expenditure for year	661,900	378,297	661,900	407,845
Less: transfer to development properties		-		-
	10,187,467	9,525,567	7,934,452	7,272,552
Provision for impairment				
Provision brought forward	2,019,850	2,019,850	676,799	676,799
Add: Increase during year	-	-		-
	2,019,850	2,019,850	676,799	676,799
Pre-development, net	8,167,617	7,505,717	7,257,653	6,595,753
Total exploration, evaluation and pre-development expenditure	10,276,445	9,114,079	8,366536	7,204,170

The exploration and evaluation expenditure has been accounted for on the basis set out in Note 1 and relates to areas of interest in the exploration phase and which have not yet reached the stage where a reasonable estimate of the existence or otherwise of economically recoverable reserves can be made.

Pre-development exploration expenditure has been accounted for on the basis set out in Note 1. Pre-development expenditure relates to areas of interest in the sampling and trial mining phase and for which the directors believe economically recoverable mineral reserves have not yet been established, and commercial levels of production have not yet commenced. No amortisation is provided in respect of such expenditure until commercial mining has commenced.

The ultimate recovery of the costs incurred on areas for which current title is held is dependent upon the successful exploration, exploitation and development of areas of interest or by their sale, and accordingly is uncertain. As disclosed in Note 1, the directors will need to raise further capital from share placements and/or rights issues to enable ongoing activity in these areas of interest.

12. DEVELOPMENT PROPERTIES

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	$	$	$	$
Development properties expenditure, at cost				
Expenditure brought forward	2,290,472	2,306,782	-	-
Add: expenditure for year	7,916	263	-	-
Less: production amortisation	-	(16,573)	-	-
	2,298,388	2,290,472	-	-
Provision for impairment				
Provision brought forward	5,498	5,498	-	-
Add: Increase during year	-	-	-	-
	5,498	5,498	-	-
Total development properties expenditure	2,292,890	2,284,974	-	-

13. PAYABLES

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	$	$	$	$
CURRENT				
Unsecured				
Trade creditors	134,574	94,891	134,574	94,891
Accrued expenses	84,773	50,531	60,156	35,666
Total payables	219,347	145,422	194,730	130,557

14. PROVISIONS

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	$	$	$	$
CURRENT				
Rehabilitation of mining properties	85,923	85,923	25,000	25,000
Annual Leave	67,774	59,214	42,172	29,220
Total provisions	153,697	145,137	67,172	54,220

Obligations under exploration and mining leases granted by NSW Department of Mineral Resources are secured against cash deposits with the NSW Department of Mineral Resources. Included with Cash and cash equivalents of $ 417,640 for the consolidated entity (2007 – $ 1,477,160) are cash deposits of $386,246 (2007 - $401,140) held by the NSW Department of Mineral Resources as security against rehabilitation of mining properties.

15. FINANCIAL LIABILITIES

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
NON-CURRENT	$	$	$	$
Secured liabilities				
Bank Loan	330,000	330,000	330,000	330,000
The carrying amounts of non-current assets pledged as security are:				
First Mortgage				
Freehold land & buildings	483,496	484,265	483,496	484,265
Cash and cash equivalents	128,066	128,066	128,066	128,066

The bank loan is for a term of ten years and expires on 22 December 2015. Repayments are interest only for 3 years and principal and interest from 22 December 2008 to repay the loan over the remaining term of seven year.

16. ISSUED CAPITAL

	2008		2007	
	Number of shares	$	Number of shares	$
Issued capital fully paid				
At the beginning of the year	1,498,288,472	48,713,807	1,176,450,631	45,911,759
Issued during the year (a)	118,679,650	1,075,052	321,837,841	2,802,048
On issue at the end of the year	1,616,968,122	49,788,859	1,498,288,472	48,713,807
Issued capital partly paid				
At the beginning of the year	73,724,328	100,000	73,724,328	100,000
Issued during the year	-	-	-	-
On issue at the end of the year	73,724,328	100,000	73,724,328	100,000
Total shares on issue at the end of the year	1,690,692,450	49,888,859	1,572,012,800	48,813,807

During the year, a total of 118,679,650 (2007 – 321,837,841) fully paid listed shares were issued to provide an increase in working capital and funds for the carrying out the Company's exploration and mining program.

17. RESERVES

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	$	$	$	$
Asset revaluation reserve	108,516	108,516	108,516	108,516

The Asset revaluation reserve records revaluations of non-current assets.

18. EARNINGS PER SHARE

	Consolidated Group	
	2008	2007
Basic earnings per share	Cents	Cents
(cents per share)	(0.09)	(0.12)
Weighted average number of ordinary shares used in the calculation of basic earnings per share	1,230,613,288	1,171,273,463

19. FINANCIAL REPORTING BY SEGMENTS

The consolidated entity and parent entity operate predominantly in one industry and one geographic area, being the participation in prospecting and mining for rubies, diamonds and sapphires within Australia.

20. OTHER COMMITMENTS

Exploration

To retain its interest in various permits the consolidated entity is committed to contribute its share of costs as they are incurred. Due to the nature of the consolidated entity's operations in the exploration and evaluation of areas of interest it is not possible to forecast the nature or amount of such future expenditure.

Guarantees

Bank guarantees in respect of the controlled entity's share of mineral exploration expenditure commitments for certain areas of interest which were outstanding at 31 December, 2008 amounted to $115,000 for the consolidated entity (2007 - $115,000) and $Nil for the parent entity (2007 - $Nil). Included in Cash and cash equivalents of $417,640 for the consolidated entity (2007 - $1,477,160) are short term deposits of $Nil (2007 - $4,869) held by Westpac Banking Corporation as security against bank guarantees issued.

Security Deposit

Security deposits have been lodged with the NSW Department of Mineral Resources, Queensland Department of Natural Resources and Mines Guyra Shire Council, the Commonwealth Bank and the Westpac Banking Corporation. Included in Cash and cash equivalents of $417,640 for the consolidated entity (2007 - $1,477,160) are short term deposits of $386,246 (2007 - $396,246).

21. CASH FLOW INFORMATION

(a) Reconciliation of Cash

For the purpose of the Cash Flow Statement, cash includes cash on hand and at banks and deposits. Cash at the end of the financial year in the Cash Flow Statement is reconciled to Cash and cash equivalents in the Balance Sheet as follows:

	Consolidated Group		Parent Entity	
	2008 $	2007 $	2007 $	2007 $
Cash and cash equivalents	417,640	1,477,160	382,187	1,415,758

(b) Reconciliation of Cash Flow from Operations with Loss after Income Tax

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	$	$	$	$
Loss from after income tax	(1,153,119)	(1,361,652)	(996,082)	(1,133,652)
Non Cash Flows in Loss from Ordinary Activities				
Provision for write-down of pre-development expenditure		-		-
Depreciation expense	146,927	173,754	35,532	47,356
Audit fee accrual	20,000	20,000	12,000	10,000
Write-off of exploration and development properties expenditure	-	16,573	-	-
(Profit)/Loss on disposal of property, plant & equipment	(3,000)	(5,700)	(3,000)	(5,700)
Stock write-down	16,888	-	1,248	-
Change in assets and liabilities				
(Decrease) / increase in creditors and provisions	67,485	(290,833)	65,126	(177,162)
Decrease / (increase) in receivables	71,279	37,152	13,880	24,967
Decrease / (increase) in inventories	(45,593)	223,748	1,080	99,218
Net cash outflow from operating activities	(879,133)	(1,186,958)	(870,216)	(1,134,973)

22. STAFF COSTS

Remuneration of Directors

The number of directors of the parent entity and of the consolidated entity who received, or were due to receive, remuneration including brokerage, commissions, bonuses and salaries, directly or indirectly, from the parent entity or any related corporation, as shown in the following bands, were:

$	2008	2007
10,000 - 19,999	**1**	**0**
20,000 - 29,999	1	1
40,000 - 59,999	0	1
80,000 - 89,999	1	1
120,000 - 169,999	0	0
170,000 - 189,999	1	1

The aggregate remuneration of the directors referred to in the above bands is $315,144 (2007 - $362,489).

Superannuation Commitments

The consolidated entity contributes to a number of superannuation funds in respect of superannuation guarantee obligations to employees and salary sacrifice.

23. COMPARATIVE INFORMATION

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

DIRECTORS' DECLARATION

The director’s of the company declare that:

1. the financial statements and notes are in accordance with the Corporations Act 2001:
    i) comply with Accounting Standards and the Corporations Regulations 2001; and
    ii) give a true and fair view of the financial position as at 31 December 2008 and of the performance for the year ended on that date of the company and consolidated group;
2. the Chief Executive Officer and the Chief Finance Officer have each declared that:
    i) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
    ii) the financial statements and notes for the financial year comply with the Accounting Standards; and
    iii) the financial statements and notes for the financial year give a true and fair view.
3. in the directors’ opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

SCOTT ENDERBY
Director

PETER KENNEWELL
Director

Hornsby, NSW
19 March 2009

STATEMENT OF CORPORATE GOVERNANCE

THE BOARD OF DIRECTORS

The Company, being an independent exploration and mining company, operates such that the majority of management and other decisions are undertaken by the Board of Directors directly. Accordingly, the Board takes responsibility for corporate governance and operates in accordance with the following principles:

- the Board comprises a minimum of four directors;
- not less than half the Board should be Non-executive Directors;
- the Chairman should be a Non-executive Director who is elected by the full Board;
- the Board should comprise Directors with a broad range of skills and experience relevant to the business of the Company; and
- the issue of board membership is generally a matter to be decided by the shareholders at general meetings.

INDEPENDENT PROFESSIONAL ADVICE

Directors may seek independent professional advice at the Company's expense with the approval of the Board of Directors.

TRADING POLICY

The Company's policy regarding directors and employees trading in its securities is set by the Remuneration Committee. The policy restricts directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the securities' prices.

REMUNERATION POLICIES

The remuneration of directors is determined by the Remuneration Committee based on commercial rates relevant to the nature of services provided. The members of the Remuneration Committee during the year were S Gemell, P Barrow, P Kennewell and S Enderby. The remuneration is disclosed in notes 21 and the director's report.

AUDIT COMMITTEE

The role of the Audit Committee is to advise on the establishment and maintenance of a framework of internal controls and appropriate ethical standards for the management of the consolidated group. It also gives the Board of Directors additional assurance regarding the quality and reliability of financial information prepared for use by the Board in determining policies or for inclusion in the financial report. Among its specific responsibilities, the committee reviews and advises the Board on the nomination and remuneration of auditors and reviews the terms of their engagement, and the scope and quality of their audit.

The members of the Audit Committee during the year were S Gemell, P Barrow, P Kennewell, S Enderby, I Johns and P Ashcroft.

INDEPENDENT AUDIT REPORT

To the Members of Cluff Resources Pacific NL:

Scope

I have audited the financial report of Cluff Resources Pacific NL and controlled entities for the financial year ended 31 December 2008 as set on pages 14 to 33. The financial report includes the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year. The company's directors are responsible for the financial report. I have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company.

My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements and statutory requirements so as to present a view which is consistent with my understanding of the company's and the consolidated entity's financial position, and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Independence

In conducting my audit I followed applicable independence requirements of Australian professional and ethical pronouncements and the Corporations Act 2001.

In accordance with ASIC Class Order 05/83, I declare to the best of my knowledge and belief that the auditor's independence declaration set out on page 38 of the financial report has not changed as at the date of providing my audit opinion.

Audit Opinion

In my opinion, the financial report of Cluff Resources Pacific NL is in accordance with:

(a) the Corporations Act 2001, including:
    (i) giving a true and fair view of the company's and consolidated entity's financial position as at 31 December 2008 and their performance for the year ended on that date; and
    (ii) complying with Accounting Standards and the Corporations Regulations 2001 and
(b) other mandatory professional reporting requirements in Australia

Inherent Uncertainty Regarding Continuation as a Going Concern and Recoverability of Assets

Without qualification to the opinion expressed above, attention is drawn to the following matter:

As a result of the matter described in Note 1, there is uncertainty whether the company will be able to continue as a going concern, and therefore, whether it will realize its assets and extinguish its liabilities in the normal course of business, and at the amounts stated in the financial statements.

Included in current assets are gemstone inventories of $129,981 and in other non-current assets, exploration, evaluation and pre development expenditure of $10,276,445 and development properties of $2,292,890. The ability of the company to continue as a going concern is dependent on the recovery of the book value of these assets, the raising of further capital through rights issues and share placements, successful development of current and future areas of interest and the expansion of new markets for the company's gemstone products.

Ronald Smith & Co
Chartered Accountant

Ronald Hamilton Smith
Signed at Hornsby, NSW on 19 March 2009

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF CLUFF RESOURCES PACIFIC LIMITED

I declare to the best of my knowledge and belief that during the year ended 31 December 2008 there have been:

1. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
2. no contraventions of any applicable code of professional conduct in relation to the audit.

Ronald Smith & Co
Chartered Accountant

Ronald Hamilton Smith

Signed at Hornsby, NSW on 19 March 2009

SUBSTANTIAL SHAREHOLDERS

The company's register of substantial shareholders recorded the following information as at 18 March 2009. Shareholdings in this name represent 5 percent or more of each class of equity.

Name	Number	% of Holdings
Fully paid shares		
Citicorp Nominees Pty Limited	206,528,490	12.77 %
Partly paid shares		
Television Corporation of Australia Pty Limited	73,724,328	100.00%

SPREAD OF SHAREHOLDINGS AND VOTING RIGHTS

At 18 March 2009 there were 7,524 holders of shares. The shareholders are entitled to one vote for each share held.

Distribution of Shareholdings	Shareholders
1 - 1,000	156
1,001 - 5,000	777
5,001 - 10,000	786
10,001 - 100,000	3,812
Over 100,001	1,993
	7,524

As at 18 March 2009 there were 5,771 shareholders holding less than a marketable parcel of 125,000 shares.

TWENTY LARGEST SHAREHOLDERS AND OPTIONHOLDERS

The 20 largest holders of fully paid ordinary shares held 27.52% of the total issued.

The 20 largest holders of partly paid ordinary shares held 100.00% of the total issued.

The principal registered office in Australia is Unit 1, 30 Leighton Place, Hornsby NSW 2077. Telephone (02) 9482 4655. Facsimile (02) 9482 4987.

The share register is held at Registries Limited, Level 7, 207 Kent Street, Sydney, NSW 2000. Telephone (02) 9290 9600. Facsimile (02) 9279 0664.

The names and addresses of the twenty largest shareholders as at 18 March 2008 have been lodged with the Australian Stock Exchange (Sydney) Limited.

The following are the names of and number of equity securities held by the 20 largest holders as at 18 March 2009.

Cluff Resources Pacific NL Fully Paid Ordinary Shares
Top 20 Holdings as at 18-03-2009

Holder Name	Balance at 18-03-2009	%
CITICORP NOMINEES PTY LIMITED	206,528,490	12.773
JOHNS CORPORATION PTY LTD <JOHNS FAMILY A/C>	65,449,029	4.048
JONENDERBEE INVESTMENTS PTY LIMITED	22,380,200	1.384
JONENDERBEE INVESTMENTS PTY LTD <STARLOTTERS STAFF A/C>	17,000,000	1.051
MR PHILIP MICHAEL BALDACCHINO	12,925,000	0.799
MRS CARMELA BAIAMONTE	12,825,000	0.793
MARNET PTY LTD <THE M L WEINBERG FAMILY A/C>	9,600,000	0.594
BIGSON PTY LTD <MIKE GIBSON SUPER A/C>	9,333,333	0.577
MARLOSS FIFTEEN PTY LTD <THE MCMURRICK FAMILY A/C>	9,333,333	0.577
BOULEVADE INVESTMENTS PTY LTD	9,000,000	0.557
MR THOMAS THOMSON & MRS BARBARA HUTTON THOMSON MR CRAIG STUART THOMSON <THOMSON FAMILY SMSF A/C>	9,000,000	0.557
DIAMOGEM PTY LIMITED	8,450,000	0.523
JARRA GLEN PTY LTD	8,000,000	0.495
MR VICTOR STANLEY KUDRA & MRS AMANDA EILEEN KUDRA <VSK & AEK FAM RETIREMENT A/C>	7,533,334	0.466
MR PETER JOHN FALKENSTEIN	7,000,000	0.433
GOLDRIM INVESTMENTS PROPRIETARY LIMITED	6,964,994	0.431
LINREY PTY LTD <LINREY SUPER FUND A/C>	6,130,982	0.379
DR MARK JOHN OBLAK	6,000,000	0.371
M & M NICHOLSON PTY LTD	6,000,000	0.371
VSK & AEK NOMINEES PTY LTD <FAMILY RETIREMENT FUND A/C>	5,503,514	0.340
	444,957,209	27.518
TOTAL FULLY PAID ORDINARY SHARES		**1,616,968,122**

ASX code: CFR

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