



Cluff Resources Pacific NL

ABN 72 002 261 565

Tuesday, 7 December 2010

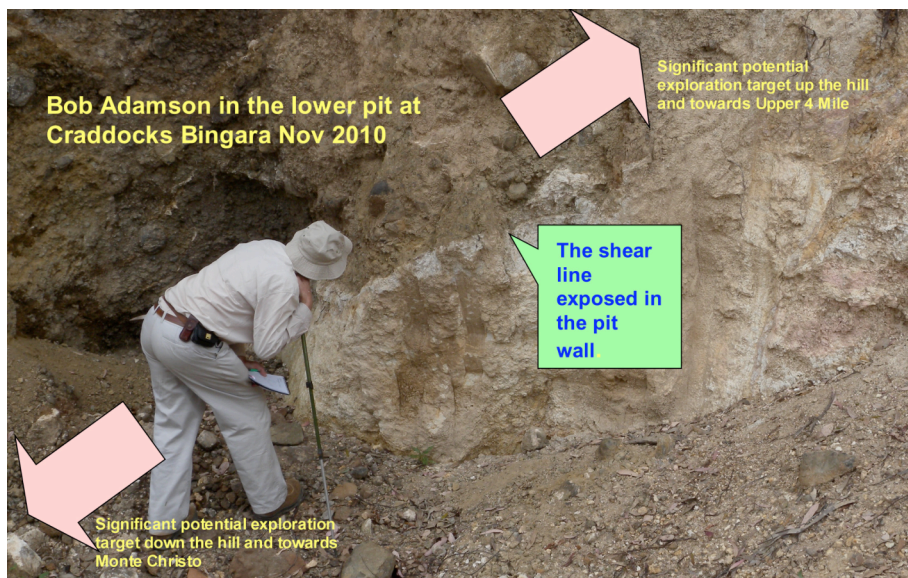
The Manager (Companies)
Australian Securities Exchange
Sydney

Dear Sir,

DIAMONDS AT BINGARA STILL SPARKLE

The Chairman of Cluff, Peter Ashcroft along with Dr Julian Hollis, Bob Adamson and the professional staff of Cluff visited Bingara last week to review the information gained from the company's exploration program over the past year.

Particular interest was shown to the Monte Christo pit, the Craddock's mines, Surface Hill and Big Hill.



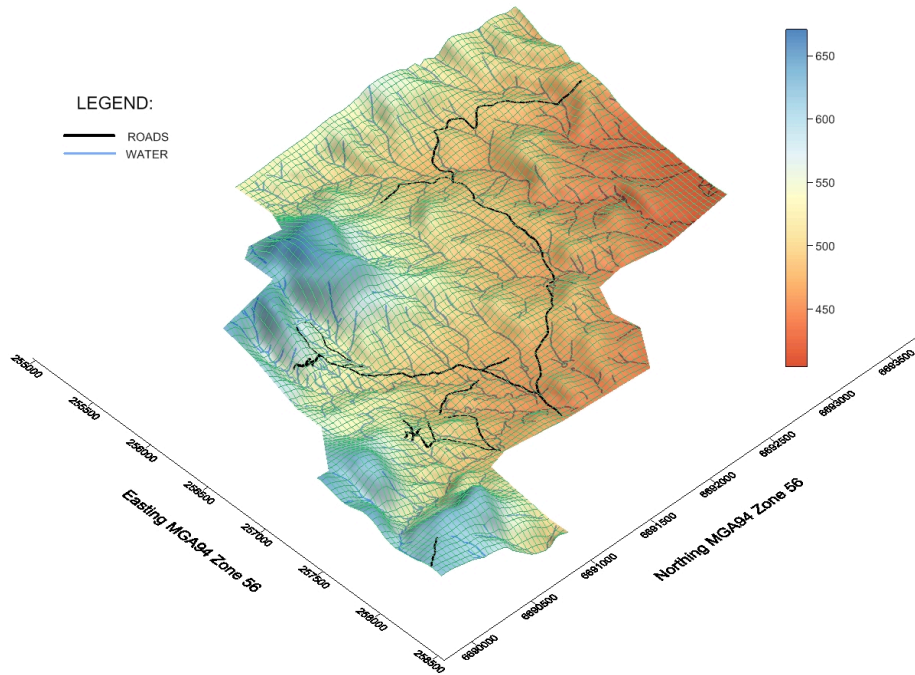
It has become clear to the company that it is crucially important to focus upon the shear zones and their now known and recently discovered locations. Beautiful clear diamonds were discovered by the company in the Monte Christo pit from the yellow pebble zone which we have determined is a zone of altered rock having been acted upon by hydrothermal activity. This is the key to the next stage of our investigation and exploration. Detailed mapping of this zone has never taken place and the company is now engaged in an active program of mapping. We have recently received all our new digital mapping data and are building our new models.

Our initial review has identified for the first time the shear zone in Craddock's which has never been investigated in the past. A small pit undertaken by the company some time ago discovered some diamonds in this area but the company failed to understand at the time the importance of this discovery.

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Survey Graphics Grid of EL 3325 Bingara November 2010

The shear line in the lowest workings at Craddock's has enormous potential to be actively explored both up and down the hill to the east and west of the old workings. Previous workings have all concentrated further up the hill, in pebbles but not directly along the shear zone. We are now firmly of the view that it is likely that the large grades referred to in the old literature of the late 19th century were concentrations of diamonds in pebble rock in the immediate vicinity of these shear zones. Together with our recent very important discovery that all the diamonds discovered by Cluff over many years at Bingara have a physical association with a specific mineral suite (which we have identified), we can in turn successfully identify those areas that are more highly prospective. We have now identified the old workings at Surface Hill as excavations along one of these shears. The Craddock's shear remains largely unexplored and a significant opportunity. The zone immediately above the shear at Craddock's contains pebbles and our identified mineral suite.

Last week Cluff also put into place a substantial re-structure of its operations at Inverell and Bingara. A reduction in directly employed staff and a move to independent contractors for the provision of the company's operations will see an immediate benefit in respect to both costs and outcomes as those contractors are better equipped, self managed and motivated. With the new operating structures now installed at Bingara and Inverell Cluff is much better positioned to provide well costed and managed programs into the future.

We will be further expanding our understanding of the underlying structures at Bingara and will release our 2011 work program for Bingara in the near future.

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Yours faithfully,

Scott Enderby,
 Company Secretary / Executive Director