



Cluff Resources Pacific NL

ABN 72 002 261 565

QUARTERLY REPORT FOR PERIOD ENDING 30 JUNE 2010

HIGHLIGHTS:

- **BULK SAMPLING BY LARGE DIAMETER DRILLING COMPLETED**
- **\$500,000 RAISED VIA PLACEMENT FOLLOWING APPROVAL AT AGM**

BINGARA DIAMOND PROJECT (Cluff 100%, Atlantic Gold 10% NPR, reducing to 5%)

Large Diameter Drilling Bulk Sampling Program

13 large diameter percussion drill holes targeting the claystone layer on EL 3325 in the vicinity of Doctor's Creek (nearby the old Monte Christo prospect) were completed by contractors to a depth of 60 to 68 metres.

All material recovered from the holes was collected and has been transported to the company's processing plant at Mount Ross, Copeton. Processing has commenced, and is continuing over the next two to three weeks.

Core drilling using the Company's diamond core drill rig also continued during the quarter, with the completion of 4 more drill holes in the vicinity of the Doctor's Creek prospect area.

Restoration of the Upper Four Mile pit area, undertaken by the Company in 2005, has commenced and other areas excavated by the Company over the past 12 months during recent exploration programs will also be rehabilitated this year.



Percussion drilling at Bingara June 2010

The company appointed a consultant senior geologist and mine manager to undertake a review of Bingara and Copeton, and received preliminary reports after a site visit.

Core Drilling Program

Core drilling of the claystone is continuing in the Doctors Creek area, and future holes are shown below, aimed at determining the further extent and thickness of the claystone, as well as the lithology and extent of the upper geological layers which have already been demonstrated to carry diamonds with varying grades.

COPETON DIAMOND PROJECT (Cluff 100%)

Some restoration work was undertaken in the vicinity of the upper tailings dam at Mount Ross, Copeton. The Company's trommel and jig plant was used throughout the Quarter to process samples derived from the Bingara exploration program.

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Planned Core Drilling Program, and Bulk Sampling Pit, Doctors Creek:

Planned core drill holes as stars, completed drill holes as dots, proposed bulk sampling site as triangle.

RUBY MINE (Cluff 100%)

Meetings were held with the consent authorities to examine the success of rehabilitation of mined areas, which confirmed that the Company was in compliance with its environmental obligations. Final rehabilitation is programmed for the following 6 months.

TIN (Cluff 100%)

There were no field activities undertaken on tin project areas during the quarter.

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

There were no field activities undertaken at the Egerton Gold Project during the quarter.

INDIA

Further negotiations have proceeded and the company remains positive that the terms of an economically viable joint venture will be completed in the near future.

CORPORATE

As a result of motions put to shareholders at the Annual General Meeting on the 7th of June, the position of Mr Peter Kennewell as Managing Director and as a Director of Cluff Resources Pacific NL and of its subsidiary companies was terminated. Mr Kennewell's entitlements upon termination have been fully paid.

FINANCE

\$500,000 was raised via a placement to Firebird Global Master Fund, who were issued a total of 111,111,111 fully paid ordinary shares and 111,111,111 free attaching 31 July 2011 \$0.01 listed options at a price of \$0.0045 per share. Approval of this placement was granted by shareholders at the AGM.

The Company has received a good number of applications for July 31 2010 listed optionholders (CFRO) to convert these securities into fully paid ordinary shares, with over \$15,000 being received from optionholders at this point in time. The shares issuable from these conversions will be allotted in the week following the expiry of these securities. The Company is grateful for the continued support of its security holders.

PLAN OF OPERATIONS FOR THE FOLLOWING 6 MONTHS

Following the change of management at the AGM, the company has put into place a plan for its Australian operations for the next 6 months:

Aside from other activities which may develop as a result of current discussions, the company plans to undertake the following:

1. Completion of the processing of the material extracted from the percussion program at Bingara;
2. Completion of the current diamond core hole at Doctor's Creek;
3. Detailed geological mapping of the "drift" (historically recognised diamond bearing zones) at Bingara, with a view to confirming the historical records and defining an inferred resource;
4. Diamond core drilling to be undertaken at Big Hill, Bingara (proposed program of 4 to 6 holes) to verify the lithology of this prospect which has demonstrated high diamond grades from the Company's recent bulk sampling;
5. Processing of bulk sampling at Eaglehawk mining area, Bingara, to be undertaken;
6. Possible detailed mapping of EL3325, including an aerial survey and DGPS;
7. Detailed review of all data from previous exploration programs at Bingara;
8. Review of Dr Julian Hollis's opinions as a consequence of the recent program and re-interpretation of the data. (Dr Hollis has provided interpretation of exploration results in the past);
9. Preparation of a further exploration program for Bingara, following the collation of data and examination of results achieved from the above activities;
10. Upper Four Mile pit at Bingara to be fully rehabilitated;
11. Monte Christo pit at Bingara to be fully rehabilitated;
12. The small processing plant at Copeton to be reconstructed to provide for its long term viability and to be modularised to allow it to be transported relatively easily. If this cannot be achieved economically the small plant to be disassembled for sale and a new modern small plant constructed or purchased;
13. Ruby Mine to be completely closed and the site fully rehabilitated, and all environmental bonds returned. Components of the ruby processing plant to be assessed for compatibility with the Copeton plant components, with a view to constructing the most efficient modularised plant;
14. The large processing plant at Copeton to be disassembled and sold, pending assessment of its continued viability for bulk sample processing;
15. Copeton processing area to be thoroughly tidied up;
16. The yard and workshop at Inverell to be completely re-organised and all excess or unwanted equipment to be sold or scrapped; and
17. Tin tenements at Ardlethan and Buddigower to be preserved by ensuring expenditure commitments have been met.

CORPORATE RE-STRUCTURE

The company also has plans for some changes to its corporate structure and plans a Special General Meeting in mid September at which it will seek shareholder approval for such changes.

For further information contact:

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Yours faithfully,



Scott Enderby,
Company Secretary
26 July 2010