

21 April 2010

The Manager (Companies) Australian Stock Exchange Sydney

Dear Sir,

## DIAMOND INDICATOR MINERALS FOUND IN PELLETAL CLAYSTONE, BINGARA DIAMOND FIELD

The first three samples of hard pelletal claystone, taken from recent cores made by the company from the Bingara Diamond Field, have all yielded indicator minerals positive for diamonds. The presence of these minerals indicates that this pelletal claystone has the potential to carry diamonds. These indicators are interpreted as having not travelled more than four kilometres, which demonstrates a local source.

The indicator minerals present are outlined below, and were taken from the upper reaches of Doctor's Creek.

Sample Number	Number of Indicator Minerals	Diamond Indicator Minerals Present
HVY 1/49	9	Chromite
	1	Cr-bearing Diopside
HVY 6/5	1	Chromite
HVT 7/5	1	Chromite

Indicator mineral sampling, together with core drilling of the pelletal claystone to determine its thickness and extent, is continuing.

The diamond indicator mineral results reported are based on information provided by John Towie of Independent Diamond Laboratories Pty Ltd, Perth.

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.

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Yours faithfully,

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