

Thursday 5th May 2011

VATOVORONA GOLD PROJECT EXTENSION OF TENEMENTS

Cluff announces today the further extension of its Vatovorona Gold Project tenements in central Madagascar with an application by Varun Cluff international (VCI) to consolidate licence 18012 with 6 sub-blocks of licence 29219 (being the sub-blocks immediately to the west of licence 38698) and the two blocks north of licence 38698.

These additional blocks create a licence with a continuous area totalling 34.25 square km, importantly securing 3.5 km of the projected northern extension of the presently identified gold bearing zone. This zone is the focus of the Stage 1 test pit in licence 39110. Excavation of this pit is about to commence.



The northern part of the application contains French gold workings dating from 1943 to 1962. This area is currently the focus of small scale artisanal mining.

Current artisanal mining operations are also being undertaken on the same strike line in licence 38698, indicating the prospectivity of the northern extension of this gold bearing zone in VCI's new application.

The photograph at left shows target quartz veins exposed at the surface in a creek wall in the new application area. This is approximately 1.5 km north of the pit to be constructed on licence 39110

Upon the grant of the application VCI has plans to undertake some exploration pits across the projected gold bearing zone in the immediate vicinity of the French workings and in the area of previous licence 18012 where the quartz veins have been exposed in a creek wall (see photo above).

The gold bearing quartz veins appear to extend along the same bearing, with little variation except some apparent small offset faults for up to 14 kilometres of which 5.5 km is within the existing licence and the application area.

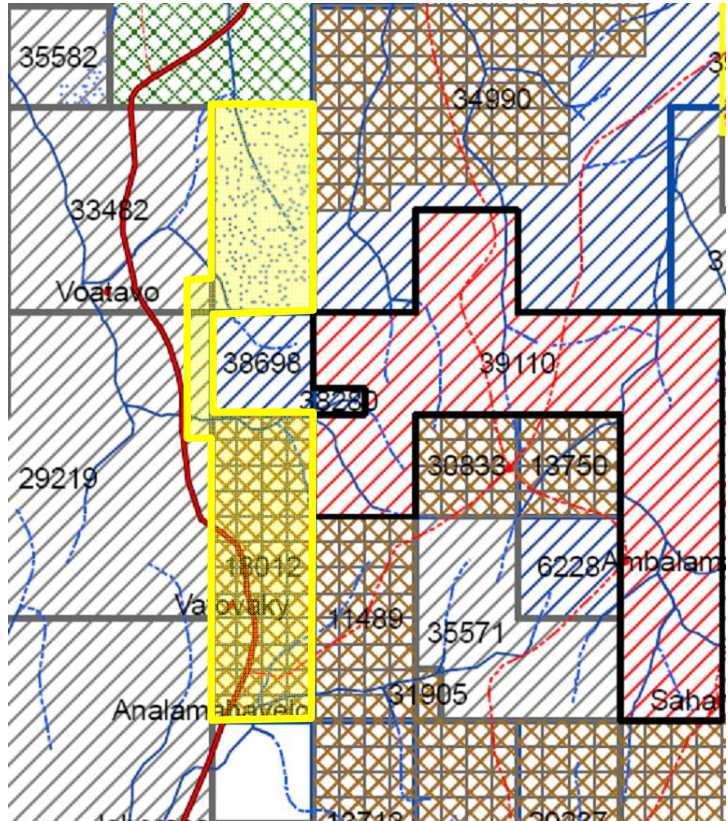
VCI is currently undertaking an environmental assessment to allow large scale mining on these licences. The licences contain subsistence village farms and consideration is being given to the best means to allow farming and mining to co-exist. The planted fields constitute a small portion of the total licence areas and none appear on the projected mineralised zone, a positive for VCI's future mining plans.

As part of its proposed drilling program in Stage 2 of the project, VCI intends to provide at least one water well to the local village, which has no regular water supply. The provision of a water well and pump will greatly enhance the day to day lives of all villagers but particularly the women and children whose main task is the collection of water from any available source, which is usually a nearby stream.



Above: The local head man from the town of Voatavo showing VCI the old French workings on 30 April 2011.

Map at right shows the current licences. VCI currently holds Licences 39110. The application (in yellow) comprises licence 18012 and the dotted area to the north of licence 38698 plus 6 sub-blocks to the west of licence 38698



VCI is an incorporated joint venture with Cluff holding 35% of the company.

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