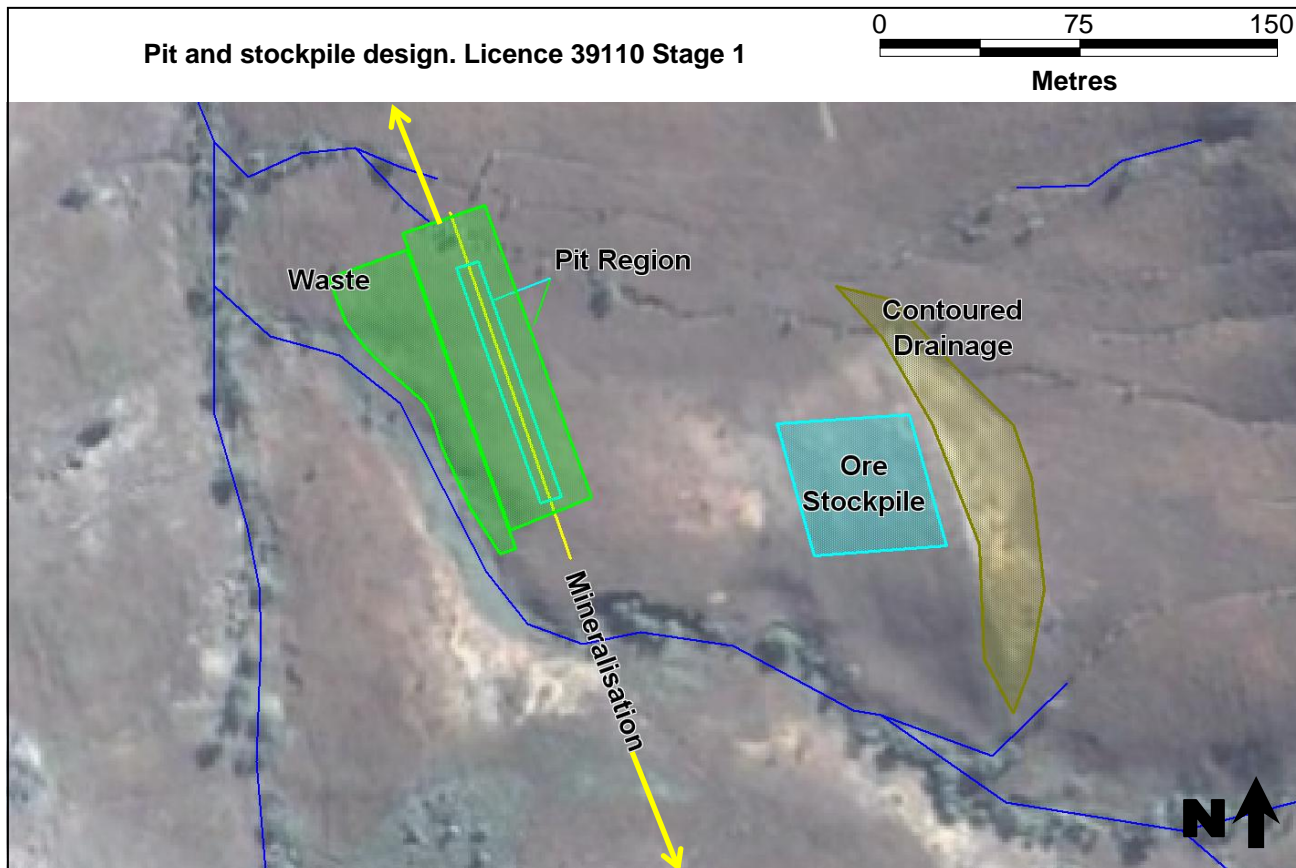


Thursday, 26 May 2011

## MADAGASCAR TRIAL MINING BEGINS

Cluff Resources Pacific NL (Cluff) announces today that the Varun Cluff joint venture contract miner Ambol SARL has arrived on the site of the Madagascan gold project at Vatovorona to commence the extension of the access road and trial mining pit on licence 39110. Ambol is a leading French-Malagasy civil and mining contractor based in Madagascar.



The pit has a designed length of 150 metres and a depth of 12 to 15 metres. The pit is designed to extend along the observed gold bearing quartz filled shear zone from the location the company took the February sample to the north west for 150 metres. The company proposes extensive testing and assaying of the geology as the pit is constructed and to stockpile all gold bearing material in the location indicated on the above plan. The waste material from the pit will be deposited to the immediate west of the pit. The company is adopting environmental controls to ensure the stream to the west of the pit is not affected by the construction.

At a depth of 15 metres we expect to extract 9000 cubic metres or in excess of 18,000 tonnes of ore within the next 3 to 4 months of mining. If the gold grade is in line with our test work samples collected in February, at 12.3 grams per tonne we project to have an amount of 220,000 grams of gold or 7,300 ounces in the stockpile. Two stage gravitational processing to recover 91% of the gold in accordance with our Ammtec metallurgical results (see our release on 20 April 2011) would see the possible production of 6,700 ounces of gold from the stockpile.

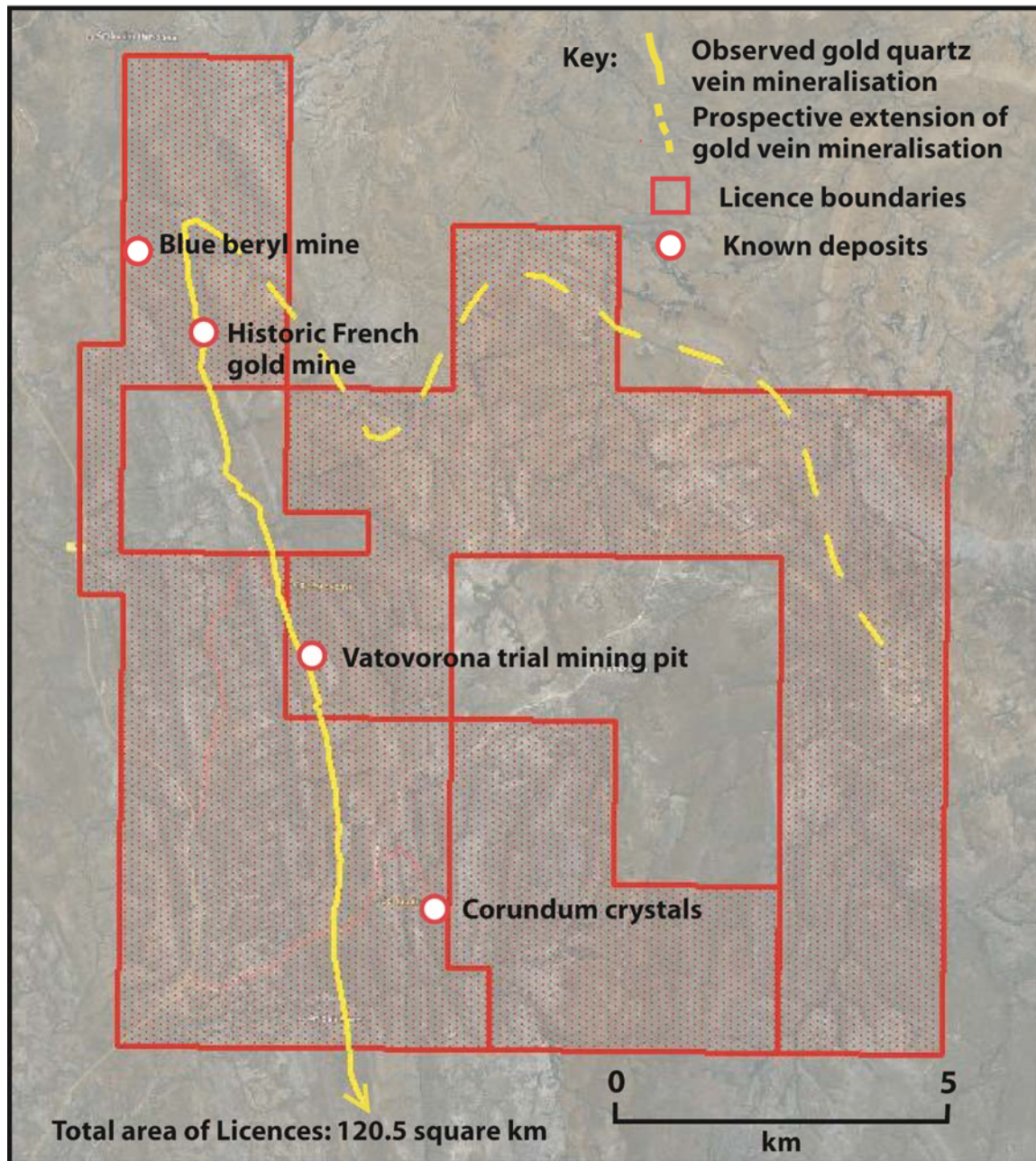
The joint venture intends to commence processing by crushing and separating stockpiled ore within 2 months, producing concentrate for export to South Africa for smelting and refining.

The joint venture is proceeding to plan:

- further extensions of the pit to the north and south of this first pit,
- an extensive diamond core drilling program of up to 15,000 metres in Q3 and Q4 2011 and Q2 2012;
- the construction of an upgraded trial processing plant with a new 10 tonne per hour crushing plant.

This further program is subject to contract confirmation and appropriate funds being available.

The three licences (shaded in red) containing the Vatovorona gold project in Madagascar are set out below.



For further information contact:

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Yours faithfully,

Scott Enderby, Company Secretary / Executive Director