



Cluff Resources Pacific NL

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ASX and MEDIA RELEASE

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CLUFF MADAGASCAR : AMMTEC ADVISES LABORATORY PROCESSING RESULTS

Cluff Resources Pacific NL (Cluff) announces today that Ammtec laboratories in Perth has completed its detailed laboratory analysis of the 565kg sample of gold bearing material recently brought back from Madagascar, including subjecting the tested part of the processed sample to a cyanide wash to indicate total possible rates of recovery. Ammtec have previously confirmed via a screen fire assay test (indicating total gold content) an overall grade of 12.3 grams per tonne, and that the sample has minimal levels of carbon and sulphides.

Today's results from Ammtec (attached below) have confirmed gold recoveries of 90.99% are achieved via gravity separation when gold-bearing materials are crushed to a size of 0.2 millimetres (200 microns). Thereafter, a cyanide leach may be utilised, and secure a total recovery of 99.9% gold from the tailings along with additional crushing to 75 microns.

Ammtec also advise that the sample contains high levels of silica, and will be very abrasive to equipment so the company plans to use conveyors between the crusher and separator, and separator and leaching plant to limit the wear which sealed systems experience with the processing of such gold-bearing material.



Photo of Vatovorona Gold Project from recent visit, showing pits along line of gold-bearing quartz vein

The final report on the laboratory testing from Ammtec, which will suggest the most appropriate equipment and processes for economic gold recovery, is expected later in the week.

Cluff Chairman Peter Ashcroft states: "These results are fantastic. A processing plant crushing to no less than 0.2 millimetres will see more than 90% recovery of the available gold. The grade is excellent. The ore is free of organic material and sulphides, ensuring that processing is straightforward and low cost. The ore is easily extracted from a shallow pit along a significant length of strike. The local community and Madagascan government are in favour of the development and we have a great local partner in Varun. The potential for this project is enormous."

The joint venture provides for a production share of all gold produced on the permit of 35% to Cluff and 65% to Varun. The permit is held by Varun Madagascar on behalf of Varun Cluff International SARC of which 35% is held by Cluff.

Yours faithfully,

Scott Enderby, Company Secretary / Executive Director

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CLUFF RESOURCES LTD : MADAGASCAR GOLD PROJECT

SAMPLE IDENTITY : OVERALL COMPOSITE

GRAVITY RECOVERABLE GOLD [GRG] CONTENT DETERMINATION / DIRECT CYANIDATION ON TAILINGS

TESTS HS24945, HS24946, HS24654, HS24997

Material / Stage	Weight	Volume	GOLD			
			ASSAY		TOTAL	DIST'N
			(g/t)	(mg/L)		
(g)	(mL)					
Gravity concentrate : GRG Stage 1 [Grade calculated from size by size gold assay on gravity concentrate]	92.7		4441		411681	81.53
Gravity concentrate : GRG Stage 2 [Grade calculated from size by size gold assay on gravity concentrate]	80.9		619		50077	9.92
Gravity concentrate : GRG Stage 3 [Grade calculated from size by size gold assay on gravity concentrate]	94.2		13.7		1291	0.26
Cyanidation Leach Residue [Direct Cyanidation on GRG Stage 3 Knelson Tailings]	49732.2		0.01		497	0.10
Cyanidation Leach Liquor [Direct Cyanidation on GRG Stage 3 Knelson Tailings]		74598.3		0.555	41402	8.20
TOTAL RECOVERY						99.90
TOTAL	50000.0				504948	100.00
CALCULATED HEAD			10.1			
ASSAY HEAD			12.3			

GRG TESTWORK FLOWSHEET : KNELSON METHOD

