



Cluff Resources Pacific NL

ABN 72 002 261 565

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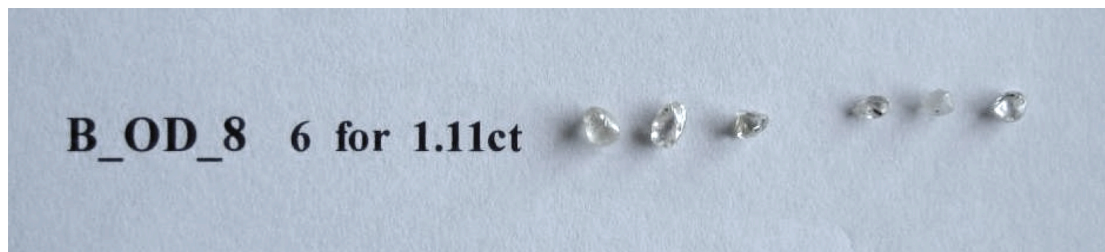
The Manager (Companies),
Australian Stock Exchange,
Sydney

Dear Sir,

FORMER DIAMOND OPEN CUT MINE IDENTIFIED AT BINGARA

Six gem quality diamonds have been recovered from an eight tonne bulk sample from a former diamond open cut near the 1890s processing area of the Australian Diamond Mining Company.

The diamonds occur in a clay rich debris flow or hot spring deposit containing bedrock fragments, which is present as relicts of the material mined. These are preserved over a thickness of 1.5 metres in the wall of the open cut. **The grade of this sample is 13.9 carats / 100 tonnes.**



The sample is similar in grade, nature and occurrence to the recently taken Sample B BH 1 from Big Hill, 400 metres to the north, and demonstrates the presence of an ancient, near horizontal depositional surface on which similar rocks formed throughout the district.

The open cut has mined the deposit from within a shallow depression twenty by twenty five metres. A 0.5 to 1 metres thickness of similar rocks, containing sparse small rounded pebbles, is preserved on the base of the pit, and is now being sampled to determine the quality of the diamonds mined, and the grade at the base of the deposit.

The likely total thickness of the diamond bearing deposit was at least 2.5 metres, as the open cut has removed the crest of a small rise capped by gravels, and as one metre of similar material was preserved within the centre of the depression.

The diamonds found are shown above. Also recovered on the grease table were some small non-commercial pieces of blue sapphire and flakes of gold. Location is 0256485E 6692333N (GDA 95). Eight out of ten 2mm tracers were recovered.

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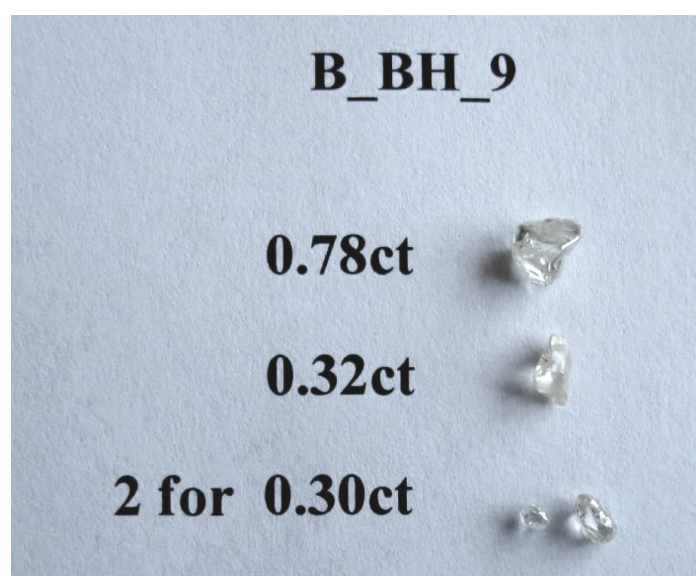
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Sample B OD 8 was taken from the pit edge at centre right.
Note the railway tracks (centre) oriented towards the washing dam.

Sample B BH 9

Six white gem quality diamonds totalling 1.4 carats, the largest weighing 0.78 carats, were recovered from Pit B BH 9 on Big Hill, (0256669E 6692588N, GDA 95) from basal conglomerates, overlying the ancient erosion surface mentioned above, at a **grade of 9.9 carats per hundred tonnes**. Two very small stones were not included in the photograph.



Based on recent exploration results, it is likely that the diamonds were contained within the clayey band crossing the centre of the photo below, and similar in occurrence to those in B OD 8. As this band is about 0.4 metres thick within a total sample thickness of 2.4 metres, the grade of this narrow band may be higher than reported. All tracers were recovered.



Base of Sample B BH 9 above (at top of shovel blade).

Additional Samples

Eight additional samples testing different exploration models yielded no diamonds.

Sampling was by backhoe and excavator. The samples were trucked to Copeton for crushing to 10 mm, processing through the Company's trommel and jig plants, using a screen size of 1.2 mm. Separation from concentrate was by grease table.

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.

For further information contact:

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Yours faithfully,

Peter Kennewell,
Managing Director