

Cluff Resources Pacific NL

ABN 72 002 261 565

23 January, 2004

The Manager (Companies),
Australian Stock Exchange,
Sydney.

Dear Sir,

REOPENING OF TRENCH 4, GLOUCESTER RUBY PROJECT

The Middle Terrace near Trench 4, from which the largest rubies were obtained during the bulk sampling program, is to be reopened and a 120 tonne bulk sample taken. 15 and 11 carat flawed rubies, together with four gem quality rough stones larger than seven carats were obtained from Trench 4. Over 30% of the rubies recovered were larger than 4.5 mm in size. When processed, this bulk sample is expected to yield about 500 carats of larger rubies, many of which will be suitable for use in CPH Ltd's marketing program as feature stones.

Development Applications and an Environmental Impact Statement for the Gloucester Ruby Project have been lodged with the local Councils, and are currently being considered. A Notice of Intention to Mine Privately Owned Mineral, relating to the mining agreement previously signed with CPH Ltd, has also been lodged with the Department of Mineral Resources, and a suitable bond is being assessed. After approval of Development Consent and lodgment of the bond, the Company's plant will be permitted to increase its throughput from 150 tonnes per day at present to its full capacity of 250 tonnes per day.

Sufficient gravels have been included in these applications to allow mining for about three years. Further environmental approvals will be necessary for larger scale production, and application for these will be considered when economics and possible mining methods have been determined.

The ruby deposit occurs on EL 5336 held by NSW Gold, a 100% subsidiary of the Company. It is subject to a business arrangement with Consolidated Press Holdings by which Cluff Resources Pacific NL will receive 20% of the net profits from sale of gemstones marketed by CPH. CPH purchases the gemstones from Cluff at production cost plus 10%.

For further information please contact:

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Yours faithfully,

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