

Cluff Resources Pacific NL

ABN 72 002 261 565

21 April, 2004

The Manager (Companies),
Australian Stock Exchange,
Sydney, NSW, 2000.

Dear Sir,

DEWATERING BORE COMMENCES AT COPETON DIAMOND SHAFT

Drilling of both the ten inch-wide dewatering bore and the pilot hole for the fifty metre diamond evaluation shaft at Copeton has commenced, and is expected to be completed this week. Dewatering of the diamond bearing ground to ensure safe working conditions will then commence, and is expected to take several weeks.

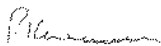
Development Consent to sink the shaft has been acknowledged by Guyra Shire Council, and a pumping licence for the bore granted by DIPNA. The shaft site has been cleared and leveled, the Mining Lease resurveyed, and an access road established by the Company's newly appointed site production manager. Site visits by short listed tenderers are in progress, and the contract for shaft sinking is expected to be awarded in May.

Sinking of the shaft will commence as soon as the gravels at the bottom of the shaft have been dewatered. Once a portable head frame and other necessary equipment is on site, the Company expects that the contractor will complete the shaft within a few weeks.

An inferred resource of 500,000 carats of diamonds (200,000 tonnes at a grade of 250 carats per hundred tonnes) that was prospected early last century is being re accessed to recover a parcel of large gem quality diamonds for evaluation. The shaft will also determine the nature of the deposit, its grade and thickness, and assist in determining future mine production methods.

Diamond bearing rocks recovered from the shaft will be processed in the Company's operating trommel and jig plant, less than two kilometres away at Mount Ross.

Yours faithfully,



Peter Kennewell,
Managing Director

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