

Cluff Resources Pacific NL

ABN 72 002 261 565

25 July, 2006

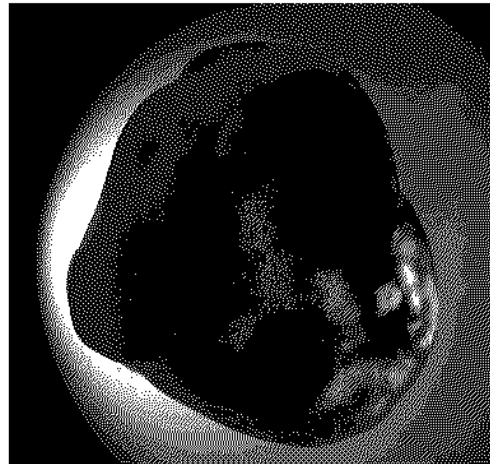
The Manager (Companies),
Australian Stock Exchange,
Sydney

Dear Sir,

RUBY MINE RECOVERS ONE OF THE LARGEST GEM QUALITY PINK SAPPHIRES EVER FOUND IN AUSTRALIA

The Company is pleased to report that a 19.37 carat pink sapphire has been recovered at the Ruby Mine. The gemstone measures approximately 17mm long, 15mm across and 9mm thick. It is a natural deep pink colour, displays exceptional clarity and appears to have very few internal flaws or inclusions.

The Company believes this is **one of the largest gem quality pink sapphires ever found in Australia**, and certainly the largest ever found in this particular region.



Photographed through a
microscope showing
gemstone lit from below
(larger than actual size)

The gemstone has been consigned to the offices of Ellerston Gems in New York. World class gem cutters and appraisers will evaluate the most suitable cut to enhance its appearance and value. It is currently with the American Gemological Laboratory, where it is being examined with a refractometer/spectrometer and probe in order to create a distinctive 'signature' for future identification and reference.

Until the stone is faceted and the final weight known, it is very difficult to accurately assess its value. Under the agreement with CPH Limited, profits from the marketing of gemstones above 4 carats rough weight are shared 50/50. The Company is currently discussing with CPH Limited how to obtain the maximum possible value from the marketing of this unique natural gemstone, and looks forward to the possibility that there are more stones of this size and quality still to be found at the Ruby Mine.

Yours faithfully,

Peter Kennewell
Managing Director