



ACCLAIM EXPLORATION NL
ACN 009 076 233

HALF YEARLY REPORT

For six months ended
31 December 2003



DIRECTORS' REPORT

The Directors present the financial report of the consolidated entity for the half-year to 31 December 2003 and the independent review report thereon.

Directors

The names of the directors who held office during or since the end of the half-year:

Mr D Head	(Appointed 1 December 2003)
Mr D Thomson	
Mr A Waller	(Appointed 18 September 2003)
Mr C Willis	
Mr B Matich	(Resigned 5 September 2003)

The directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

REVIEW OF OPERATIONS

EXPLORATION

Claude Hills – South Australia

The company is targeting magnetic and electromagnetic anomalies that are interpreted to represent massive magmatic nickel-copper sulphide mineralisation. The anomalies are associated with mafic enclaves in the granulite gneiss that are interpreted to be feeder zones to the larger layered intrusions. The program will comprise ground based geophysics and comprehensive drill testing of specific targets; airborne geophysics and regional reconnaissance geochemical surveys.

Several days were spent at the Core Library of Geological Survey Branch, Primary Industry and Resources South Australia (PIRSA) in Adelaide. The core library holds drill samples from the Musgrave block dating back to the 1950's.

Geophysical modelling of magnetic anomalies at Claude Hills has confirmed a number of strong dipole anomalies that may indicate the presence of buried massive sulphide mineralisation. Ten of the 15 anomalies selected for modelling have been marked for immediate follow up. The depths of the anomalies range from 50 to 200 metres. On the basis of magnetic susceptibility, size, shallow model depth and geological setting, a number are considered to be particularly interesting.

The Anangu Pitjantjatjara Yankunytjatjara Land Council (APYLC) Executive have agreed to a commencement date for on ground exploration at Claude Hills on exploration licence 2777.

Wingellina – Western Australia

A visit by geologists from the South Australian Geological Survey's Musgrave Mapping Team was hosted at Wingellina. The visit was part of a cooperative effort between the Geological Survey and the Company to better understand the geology of the central Musgrave Block, and relationships and settings of the layered intrusions in particular. The visit also served to familiarise the team with the geology on the Western Australian side of the border and the field observations that have assisted Acclaim with the targeting of the Claude Hills area for nickel sulphides.



Acclaim Exploration NL and Controlled Entities
Half Yearly Report for the six months ended 31 December 2003

Wingellina has resources totalling 227 million tonnes grading 1% nickel and 0.07% cobalt and 30.1% Fe at a cut-off of 0.5% nickel. This resource, which contains 2.3 million tonnes of nickel, includes a higher-grade resource of 86 million tonnes grading 1.2% nickel and 0.8% cobalt. Wingellina, which is open along strike, has potential to host additional high-grade mineralisation.

CORPORATE

The Company completed share placements to raise an amount of \$3,171,325 before expenses of the issue. These capital raisings will be applied to future exploration programmes on the Company's existing projects, in particular the proposed exploration and drilling programmes on the Company's Claude Hills tenement.

Signed in accordance with a resolution of Directors.

A G Waller
Director

PERTH, Western Australia
Dated: 15 March 2004



**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE HALF YEAR ENDED 31 DECEMBER 2003**

	Notes	Consolidated	
		2003	2002
		\$	\$
Revenue from ordinary activities	2	25,972	2,283
Depreciation		(24,260)	(47,836)
Carrying value of property, plant & equipment and investments sold		(13,950)	-
Administrative expenses		<u>(211,121)</u>	<u>(277,910)</u>
Loss from ordinary activities before income tax expense		(223,359)	(323,463)
Income tax expense relating to ordinary activities		<u>-</u>	<u>-</u>
Net loss attributable to members of Acclaim Exploration NL		<u>(223,359)</u>	<u>(323,463)</u>
Basic (loss) per share – cents		<u>(0.06)</u>	<u>(0.13)</u>
Diluted (loss) per share – cents		<u>(0.06)</u>	<u>(0.13)</u>



**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2003**

	Notes	Consolidated	
		31 December 2003 \$	30 June 2003 \$
CURRENT ASSETS			
Cash assets		2,574,662	26,714
Receivables		<u>12,736</u>	<u>56,975</u>
TOTAL CURRENT ASSETS		<u>2,587,398</u>	<u>83,689</u>
NON-CURRENT ASSETS			
Investments		12,613	15,899
Property, plant and equipment		124,186	157,274
Mineral interests		<u>12,824,062</u>	<u>12,606,508</u>
TOTAL NON-CURRENT ASSETS		<u>12,960,861</u>	<u>12,779,681</u>
TOTAL ASSETS		<u>15,548,259</u>	<u>12,863,370</u>
CURRENT LIABILITIES			
Payables		235,649	440,504
Interest bearing liabilities		7,440	7,813
Provisions		<u>16,923</u>	<u>-</u>
TOTAL CURRENT LIABILITIES		<u>260,012</u>	<u>448,317</u>
NON-CURRENT LIABILITIES			
Interest bearing liabilities		<u>22,318</u>	<u>25,665</u>
TOTAL NON-CURRENT LIABILITIES		<u>22,318</u>	<u>25,665</u>
TOTAL LIABILITIES		<u>282,330</u>	<u>473,982</u>
NET ASSETS		<u>15,265,929</u>	<u>12,389,388</u>
EQUITY			
Contributed equity	5	30,853,973	27,754,073
Reserves		262,809	262,809
Accumulated losses		<u>(15,850,853)</u>	<u>(15,627,494)</u>
TOTAL EQUITY		<u>15,265,929</u>	<u>12,389,388</u>



**STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2003**

	Consolidated	
	2003	2002
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(262,196)	(160,780)
Interest received	<u>11,072</u>	<u>2,283</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(251,124)</u>	<u>(158,497)</u>
CASHFLOWS FROM INVESTING ACTIVITIES		
Exploration expenditure/recoup	(310,173)	(1,124,230)
Purchase of plant and equipment	(1,836)	-
Proceeds on sale of fixed assets	10,680	-
Proceeds on sale of investments	<u>4,220</u>	<u>-</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(297,109)</u>	<u>(1,124,230)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share and option issues (net)	3,099,901	1,716,720
Repayments of borrowings	<u>(3,720)</u>	<u>(2,975)</u>
NET CASH INFLOW FROM FINANCING ACTIVITIES	<u>3,096,181</u>	<u>1,713,745</u>
NET INCREASE IN CASH HELD	2,547,948	431,018
CASH AT BEGINNING OF HALF YEAR	<u>26,714</u>	<u>31,836</u>
CASH AT END OF HALF YEAR	<u>2,574,662</u>	<u>462,854</u>



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the half year ended 31 December 2003**

1. STATEMENT OF ACCOUNTING POLICY

This general purpose half year consolidated financial report has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 1029 : Interim Financial Reporting, Urgent Issues Group Consensus view and other authoritative pronouncements of the Australian Accounting Standards Board. It is recommended that these accounts be read in conjunction with the financial report for the year ended 30 June 2003 and any public announcements made by Acclaim Exploration NL during the half year in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the Consolidated Entity and are consistent with those of the previous financial year.

For the purposes of preparing this half year consolidated financial report, the half year has been treated as a discrete reporting period.

The half year report does not include full disclosure of the type normally included in an annual financial report.

2. REVENUE

	Consolidated	
	2003	2002
	\$	\$
Revenue from operating activities		
Interest received – other corporations	<u>11,072</u>	<u>2,283</u>
Revenue from non-operating activities		
Sale of property plant & equipment	10,680	-
Sale of investments	<u>4,220</u>	<u>-</u>
Total Revenue from ordinary activities	<u>25,972</u>	<u>2,283</u>

3. LOSS FROM ORDINARY ACTIVITIES

(a) Expenses

Depreciation of plant and equipment	24,260	47,836
-------------------------------------	--------	--------

(b) Profit/(Losses)

Profit on sale of investments	934	-
(Loss) on sale property plant & equipment	(940)	-

4. NON CASH FINANCING AND INVESTING ACTIVITES

There were no transactions or events during the half year which affected assets and liabilities and did not result in cash flows.



5. CONTRIBUTED EQUITY

	31 December 2003 \$	30 June 2003 \$
Issued Capital		
Ordinary shares – fully paid	27,653,973	24,554,073
Ordinary shares – partly paid	3,200,000	3,200,000
	<u>30,853,973</u>	<u>27,754,073</u>
Movement in shares on issue	Number	\$
(i) Ordinary shares – fully paid		
Balance at beginning of period	291,702,699	24,554,073
Issue at 1.5 cents	43,755,000	656,325
Issue at 5 cents	50,300,000	2,515,000
Expenses of the issues	-	(71,425)
Balance at end of period	<u>385,757,699</u>	<u>27,653,973</u>
(ii) Ordinary shares – partly paid		
Balance at beginning of period	40,000,000	3,200,000
Balance at end of period	<u>40,000,000</u>	<u>3,200,000</u>
Total issued and paid up shares	<u>425,757,699</u>	<u>30,853,973</u>

6. SEGMENT REPORTING

The consolidated entity is involved in the mineral exploration industry solely within Australia.

7. SUBSEQUENT EVENTS

There are no matter or circumstances which have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial periods.

8. CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.



DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes as set out on pages 4 to 8:
 - (a) comply with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Regulations; and
 - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2003 and its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

A G Waller
Director

PERTH, Western Australia

Dated: 15 March 2004

INDEPENDENT REVIEW REPORT

To the Members of

ACCLAIM EXPLORATION NL

Scope

We have reviewed the financial report of Acclaim Exploration NL for the half-year ended 31 December 2003 as set out on pages 4 to 9. The financial report includes the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year. The company's directors are responsible for the preparation and presentation of the financial report and the information contained therein.

We have performed the review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements and statutory requirements in Australia, so as to present a view which is consistent with our understanding of the consolidated entity's financial position and performance as represented by the results of its operations and its cash flows, and in order for the company to lodge the financial report with the Australian Securities and Investments Commission / Australian Stock Exchange Limited.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. The review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. Our review has not involved a study and evaluation of internal accounting controls, tests of accounting records or tests of responses to inquiries by obtaining corroborative evidence from inspection, observation or confirmation. The procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that causes us to believe that the half-year financial report of Acclaim Exploration NL is not drawn up in accordance with:

- a) the Corporations Act 2001, including:
 - i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2003 and of its performance for the half-year ended on that date; and
 - ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations; and
- b) other mandatory professional reporting requirements in Australia.

HLB Mann Judd

HLB MANN JUDD
Chartered Accountants

Norman G Neill

N G NEILL
Partner

Perth, Western Australia
15 March 2004

HLB Mann Judd (WA Partnership)
15 Rheola Street West Perth 6006. PO Box 263 West Perth 6872 Western Australia. DX 238 (Perth) Telephone +61 (08) 9481 0977. Fax +61 (08) 9481 3686.
Email: hlb@mjwa.com.au. Website: <http://www.hlb.com.au>