



ACCLAIM EXPLORATION N.L.

ABN 99 009 076 233

Quarterly Report

For the period to 31 December 2004

Highlights

- Outcropping disseminated sulphide found during geological reconnaissance
- Five anomalous areas identified from the soil sampling programme

EXPLORATION - Claude Hills & Wingellina

Aeromagnetic and Radiometric Survey

Geological verification of the radiometric and magnetic interpretation over the Claude Hills tenement commenced in the December quarter. Blebs of disseminated sulphides up to 10mm across were found in outcrop in the course. The outcrop is located in a broad geochemical anomaly, with elevated copper, nickel, platinum, palladium and gold.

Eight broad domains with ultramafic and mafic lithologies covering an area in excess of 80 square kilometres have been identified within the predominantly felsic basement gneiss. Two irregular magnetic features with "mafic" radiometric signatures and a combined strike length of 34 kilometres have been identified. These features are of particular interest as they appear to be "feeder-structures" to the small Ewarara intrusion.

The process of ranking and prioritising anomalous areas for follow up exploration (ground EM and drilling) will continue during 2005. A programme of helicopter borne electromagnetics (EM) is envisaged to further test the anomalous areas identified.

Soil Geochemical Programme

First pass reconnaissance soil sampling programme was completed, with all areas with easy access having been tested. Five broadly anomalous areas or domains with elevated copper, platinum, palladium, gold and nickel values have been identified. One anomaly includes the outcrop where disseminate sulphides were found.

Five hundred and fifty-seven samples were collected on a nominal 400 metre by 800 metre grid, the average depth of the holes to bedrock was less than two metres. Samples were analysed for a suite of "path finder" elements commonly associated with nickel sulphide deposits. The peak values were: 137 ppm copper, 6 ppb platinum, 3 ppb palladium, 10 ppb gold, 842 ppm nickel, 791 ppm cobalt and 796 ppm sulphur. These results which are ten to twenty times the background values for the area are significant. The samples are from areas covered by shallow alluvium and aeolian sand and background level for these elements are very low.

A separate sample collected from a drainage containing a series of magnetic anomalies returned 1.6% sulphur; although the values for the other elements analysed were low, the result is of interest. The result is believed to reflect locally elevated sulphur levels in ground water in this particular drainage, which appeared to have higher concentrations of magnesium sulphate than other drainages in the area.

Areas of outcrop not amenable to testing by auger drilling will be tested by stream sediment sampling. Samples will be collected from creeks draining areas of outcropping mafic during the course of geological mapping during 2005.

Drilling

The final diamond hole (CHDH-4) of a six hole programme was completed with a final depth 277 metres. This hole drilled to test a strong discrete "bull's eye" magnetic anomaly over the interpreted basal section of the Claude Hills ultramafic sill intersected an intensely magnetic gabbro unit. The gabbro is similar to one intersected in the first hole (CHDH-1) and appears to be one of a suite of small plugs and dike that post-date prospective Giles Complex intrusions.

Although no significant sulphide mineralisation was identified in the drilling programme, only six holes were drilled to test four anomalies. A considerable number of new anomalies have been identified from the aeromagnetic and radiometric data accumulated during the year.

Location of drill hole CHDH -4 (datum GDA 94 zone 52)

Hole Number	Tenement	Easting (MGA)	Northing (MGA)	Depth Metres	Comment
CHDH -4	E2777-Claude Hills	506790	7122740	277	Complete

Donald Thomson
Technical Director
31 January 2005

The information contained in this report relating to exploration results and geological data is based on and accurately reflects information compiled by Mr Donald Thomson (Technical Director). Mr Thomson is a member of the Australian Institute of Mining and Metallurgy with more than five years relevant experience.

Appendix 5B

Mining Exploration Entity Quarterly Report

Origin: Appendix 8

Name of Entity

ACCLAIM EXPLORATION NL

ACN or ARBN

99 009 076 233

Quarter Ended ("Current Quarter")

31 DECEMBER 2004

Consolidated Statement of Cash Flows

Cash Flows Related to Operating Activities	Current Quarter \$A	Year to Date (6 months) \$A
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation	(612,877)	(923,532)
(b) development	-	-
(c) production	-	-
(d) administration	(149,991)	(337,016)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	16,823	37,712
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(746,045)	(1,222,836)
Cash Flows Related to Investing Activities		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	(1,066)	(7,599)
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities (note 3)	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net Investing Cash Flows	(1,066)	(7,599)
1.13 Total operating and investing cash flows (carried forward)	(747,111)	(1,230,435)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(747,111)	(1,230,435)
Cash Flows Related to Financing Activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(2,279)	(4,466)
1.18	Dividends paid	-	-
1.19	Other (provide details if material) – Share Issue Costs	-	-
Net Financing Cash Flows		(2,279)	(4,466)
Net Increase (Decrease) in Cash Held			
1.20	Cash at beginning of quarter/year to date	1,695,848	2,181,359
1.21	Exchange rate adjustments to 19	-	-
1.22	Cash at End of Quarter	946,458	946,458

Payments to directors of the entity and associates of the directors Payments to related entities of the entity and associates of the related entities

		Current quarter \$A
1.23	Aggregate amount of payments to the parties included in item 1.2	78,683
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	

Non-Cash Financing and Investing Activities

2.1	Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows	NIL
2.2	Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest	NIL

Financing Facilities Available

Add notes as necessary for an understanding of the position.

	Amount Available \$A	Amount Used \$A
3.1 Loan facilities	NIL	
3.2 Credit standby arrangements	NIL	

Estimated Cash Outflows for Next Quarter

	\$A
4.1 Exploration and evaluation	150,000
4.2 Development	-
Total	150,000

Reconciliation of Cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current Quarter \$A	Previous Quarter \$A
5.1 Cash on hand and at bank	946,458	1,695,848
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details) term deposit	-	-
Total: Cash at End of Quarter (item 1.22)	946,458	1,695,848

Changes in Interests in Mining Tenements

	Tenement Reference	Nature Of Interest	Interest at Beginning of Quarter	Interest at End of Quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Nil		
6.2	Interests in mining tenements acquired or increased	Nil		

Issued and Quoted Securities at End of Current Quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Number Issued	Number Quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference + securities			
7.2	Changes during quarter			
7.3	+ Ordinary Securities	385,757,699 40,000,000	385,757,699 40,000,000	10 8
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			
7.5	+ Convertible Debt Securities			
7.6	Changes during quarter			
7.7	Options (description)	8,000,000	- Exercise Price 25	Expiry Date 8/10/2005
7.8	Issued during quarter			
7.9	Exercised during quarter			
7.10	Expired during quarter			
7.11	Debentures			
7.12	Unsecured Notes			

Compliance Statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: N J Bassett
 (Director/Company Secretary)

Date: 31 January 2005

Print name: Neville John Bassett

= = = = =