



ACCLAIM EXPLORATION N.L.

ABN 99 009 076 233

Quarterly Report For the period to 30 June 2005

During the period Acclaim Exploration NL ("Acclaim" or "Company") and Metals Exploration Limited Group ("Metals Ex") completed documentation for farm-in over Acclaim's nickel interests in the Musgrave Ranges of South Australia and Western Australia, with Metals Ex making the initial payments of \$1.25 million to acquire the existing technical and geological information held by Acclaim.

Metals Ex has advised that:

- all necessary documentation and approvals have been completed to allow Metals Ex access to the Wingellina / Claude Hills tenements.
- A 20,000m³ RC drilling programme, focused on the nickel oxide resource is scheduled to commence in August 2005.

Wingellina- Farm In

- ◆ Metals Ex to earn up to an 80% interest in the Wingellina tenements and property rights (on the basis that Acclaim is non-contributing) by meeting all exploration and development expenditure until a Bankable Feasibility Study on the Wingellina Project or such other mineral development project on the titles is completed.
- ◆ Metals Ex cannot withdraw from this obligation until it has expended \$2.5 million on the project, including the initial \$1 million payment.
- ◆ Metals Ex undertakes to spend a minimum of A\$750,000 per annum on exploration and development on the Wingellina tenements.
- ◆ Should Metals Ex spend a total of \$5.25m on the Wingellina Project without completing a Bankable Feasibility study Metals Ex will have earned a 51% interest in the Wingellina tenements and a formal Joint Venture will be formed with Metals Ex holding a 51% interest and Acclaim a 49% interest.

Claude Hills- Farm In

- ◆ Metals Ex to earn up to an 80% interest in the Claude Hills tenements and property rights (on the basis that Acclaim is non-contributing) by meeting all exploration and development expenditure until a Bankable Feasibility Study on the Claude Hills Project or such other mineral development project on the titles is completed.
- ◆ Metals Ex cannot withdraw from this obligation until it has expended \$1 million on the project, including the initial \$250,000 payment.
- ◆ Metals Ex undertakes to spend a minimum of A\$250,000 per annum on exploration and development on the Claude Hills tenements.

- ◆ Should Metals Ex spend a total of \$1.75m on the Claude Hills Project without completing a Bankable Feasibility study Metals Ex will have earned a 51% interest in the Claude Hills tenements and a formal Joint Venture will be formed with Metals Ex holding a 51% interest and Acclaim a 49% interest.

Wingellina - Technical

The Wingellina Project is Australia's largest and one of the World's largest undeveloped nickel oxide deposits. Acclaim have previously announced an Identified Mineral Resource estimate of 226.9 million tonnes at 1% Ni, 0.07% Co and 30.1% Fe at a 0.5% cut-off grade classified as per the following table:

Wingellina - Identified Mineral Resource Estimate at 0.5% Cut-Off

Measured	32,149,000 tonnes at 1.0% Ni, 0.08% Co and 33.5% Fe
Indicated	113,496,000 tonnes at 1.0% Ni, 0.08% Co and 31.6% Fe
Inferred	81,261,000 tonnes at 1.0% Ni, 0.06% Co and 26.8% Fe
<u>Total</u>	<u>226,905,000 tonnes at 1.0% Ni, 0.07% Co and 30.1% Fe</u>

At a higher cut-off grade of 1% Ni, Acclaim have estimated the total Identified Mineral Resource estimate to be 86 Million tonnes at 1.2% Ni and 0.08% Co.

Claude Hills EL2777- Technical

The Claude Hills Project area covers the easterly extension of the Wingellina layered intrusion and basement gneiss. Bedrock geochemistry at Wingellina suggests that sulphides may have formed in the melt prior to formation of the layered intrusion and there is a possibility that sulphides may have accumulated in trap sites in feeder dykes or irregularities in the floor of the layered intrusion.

Acquisition of Uranium/Gold Project

Subsequent to the end of the quarter, the Company announced the entry into an unconditional agreement to acquire the Denny Dalton Uranium / Gold Project in South Africa.

- The project area is approximately 4,000 hectares with significant uranium and gold drilling and mining previously undertaken.
- Independent Legal and Geological Reviews completed.
- Inferred JORC resource of 31.5m tonnes of U₃O₈ at 0.35 kg/t for 11,025 tonnes with associated gold mineralisation.
- Potential to increase orebody dimensions and extend existing resource with down dip investigation and additional farm areas currently under application.

Project Summary

The Denny Dalton Project is located approximately 70 km south south-west of the town of Vryheid in the north of the province of KwaZulu-Natal, Republic of South Africa. The project is centred on the Denny Dalton gold mine on the farm Tusschenby 411, for which gold was mined during the period 1894 to 1926.

As part of the Company's due diligence on the project, Mabex Consulting Geologists were engaged to report on the uranium and gold potential of the area in and on the old Denny Dalton Mine. The project area is approximately 4,000 hectares and includes the following farms: Tusschenby 411, Vlakhoek 548, Malta 514 and Welvergund 405.

The area has established potential for significant gold and uranium mineralisation and the nearsurface stratigraphy and mode of mineralisation appears to be well understood.

Previous Exploration

The current owner of the Project obtained significant historical data from previous owners and operators (Anglo American Corporation and Southern Sphere who were commissioned by the Atomic Energy Corporation in the 1970s) prior to commencing its own recent exploration activities.

Between 1976 and 1978 Southern Sphere drilled 241 bore holes in the Denny Dalton area with a total of 4,269 metres of diamond drilling and 8,501 metres of percussion drilling. 77 of the holes intersected mineralisation.

The drilling program was considered successful enough by Southern Sphere to justify engaging independent consultants to commission a mining study to test the cost of the project area to support a uranium mine producing 1,000 t of U₃O₈ annually over a ten year mine life. Due to the prevailing uranium price at the time, Southern Sphere decided not to proceed with commissioning the mine.

Further Exploration and Development

The board of Acclaim views the Denny Dalton project as a medium-advanced stage exploration program. The consulting geologist's reported that the style of mineralisation that occurs at Denny Dalton is similar to that of the known Witwatersrand conglomerates, which host large tonnage medium to high grade deposits of gold and uranium. Further the area has established potential for significant gold and uranium mineralisation and the near surface stratigraphy and mode of mineralisation appears to be well understood, but warrants review and further exploration.

Upon acquiring the Project, the Company will move to complete further work to verify the historical data and increase the level of knowledge and confidence of the project area and to convert the resources to indicated and measured status. The work will include testing the limits of the orebody to the level of detail required for JORC indicated and measured resource categories by way of infill drilling on previous exploratory holes on the farms, perimeter drilling to establish orebody dimensions, hole logging, sampling and assaying. The Company will also move to appoint experienced project management at both operational and Board level to ensure the success of the Project.

Further particulars are contained in the Company's announcement dated 21 July 2005.

N J Bassett
Company Secretary