

**Acclaim Exploration NL**  
ABN 99 009 076 233

***Notice of General Meeting***

***Explanatory Statement***

*and*

***Proxy Form***

**ACCLAIM EXPLORATION NL**  
**ABN 99 009 076 233**

**NOTICE OF GENERAL MEETING**

Notice is hereby given that a General Meeting of members of Acclaim Exploration NL (**Acclaim** or the **Company**) will be held on Thursday, 16 February 2006 commencing at 2.00pm at the Broadwater Hotel, 112 Melville Parade, South Perth, Western Australia.

The Explanatory Statement that accompanies and forms part of this Notice of General Meeting describes in more detail the matters to be considered as Special Business.

**AGENDA**

**SPECIAL BUSINESS**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

**1. Disposal of Hinckley Range Pty Ltd and Austral Nickel Pty Ltd**

*"That, for the purposes of ASX Listing Rule 11.2 and for all other purposes, the disposal by the Company of its entire interest in Hinckley Range Pty Ltd and Austral Nickel Pty Ltd on the terms and conditions set out in the Explanatory Statement accompanying this Notice of General Meeting, is approved."*

The Company will disregard any votes cast on this resolution by a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

For the purposes of determining voting entitlements at the general meeting, Shares will be taken to be held by persons who are registered as holding Shares at 2.00pm on 14 February 2006. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the general meeting.

Proxy and Voting Entitlement Instructions are included on the Proxy Form accompanying this Notice of General Meeting.

**BY ORDER OF THE BOARD**

**NEVILLE BASSETT**  
COMPANY SECRETARY  
11 JANUARY 2006

# EXPLANATORY STATEMENT

## 1. INTRODUCTION

This Explanatory Statement has been prepared for the information of members of Acclaim Exploration NL in connection with the Special Business to be conducted at the general meeting of members to be held at the Broadwater Hotel, 112 Melville Parade, South Perth, WA on Thursday, 16 February 2006 at 2.00pm.

This Explanatory Statement forms part of and should be read in conjunction with the accompanying Notice of General Meeting.

### ***Australian Stock Exchange Limited ("ASX") Listing Rule Requirements***

ASX Listing Rule 11.2 relevantly provides that the Company must get the approval of its shareholders if the Company proposes disposing of its main undertaking.

The Company is required to obtain shareholder approval for the disposal of Hinckley Range Pty Ltd and Austral Nickel Pty Ltd the holders of the Company's Wingellina Project and Claude Hills Project, respectively.

## 2. Disposal of Hinckley Range Pty Ltd and Austral Nickel Pty Ltd

On 25 November 2005 the Company announced that they had reached agreement to sell to their joint venture partner, Metals Exploration Ltd ("Metals Ex") their entire interest in Hinckley Range Pty Ltd and Austral Nickel Pty Ltd. The consideration is \$5 million in cash and 4.5 million fully paid ordinary shares in Metals Exploration Limited, such amounts to be allocated between the repayment of loan funds to Acclaim from each of Hinckley Range Pty Ltd and Austral Nickel Pty Ltd, and consideration for all of the issued capital of each company.

The offer is subject to shareholder approval by Acclaim.

The price of the Metal Ex's Shares quoted on ASX over the past three months has ranged from a low of 70 cents on 12 October 2005 to a high of 90 cents on 9, 14, 21 and 22 December 2005. The latest available price of the Company's shares quoted on the ASX, prior to the date of this Explanatory Statement, on 10 January 2006 was 87 cents.

Hinckley Range Pty Ltd is the holding company of the Wingellina Project, the subject of a farm-in JV between Metals Ex and Acclaim as announced on March 23, 2005.

Austral Nickel Pty Ltd is the holding company of the Claude Hills Project, also the subject of a farm-in agreement between Metals Ex and Acclaim.

Under the farm-in arrangements Metals Ex have the right to earn up to an 80% interest in both the Wingellina and Claude Hills tenements and property rights by meeting all exploration and development expenditure until a Bankable Feasibility Study on the Wingellina Project or Claude Hills Project, as the case may be, is completed. Should Metals Ex spend a total of \$5.25m on the Wingellina Project or \$1.75m on the Claude Hills Project without completing a bankable feasibility study they will have earned a respective 51% in each project.

Under the joint venture agreement Acclaim received an upfront payment of \$1.25m for the acquisition of existing technical and geological information.

Until such time that this transaction is completed, the current farm-in agreements between Metex Nickel Pty Ltd and the two holding companies will subsist.

The Directors are of the view that the sale of Hinckley Range Pty Ltd and Austral Nickel Pty Ltd is in the best interests of the Company and its shareholders, as it provides funds to complete the Denny Dalton Uranium/Gold Project without any further dilutionary impact on Acclaim shareholders.

Metals Ex has agreed to advance the cash payment of \$5million to Acclaim in return for first ranking fixed and floating charges over the shares in and assets of Hinckley Range Pty Ltd and Austral Nickel Pty Ltd. Should the transaction not be completed within 90 days after date of advance, the funds will be immediately repayable with interest at 10% payable from the date of advance.

### **Acquisition of Uranium/Gold Project**

As announced in July 2005 Acclaim has entered into an unconditional agreement to acquire the Denny Dalton Uranium / Gold Project in South Africa. It is intended that \$3.75 million of funds advanced be utilised to settle the acquisition of the Denny Dalton Project.

- 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 U<sub>3</sub>O<sub>8</sub> 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 Weivergund 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 U<sub>3</sub>O<sub>8</sub> 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.

## **Effect on Financial Position**

The sale of Hinckley Range Pty Ltd and Austral Nickel Pty Ltd, and the acquisition of the Denny Dalton Uranium / Gold Project in South Africa will have no impact on the capital structure of the Company. It is not anticipated that there will be any management changes as a result of the transactions, other than the possible appointment to the Board of a person(s) with requisite experience in uranium.

The current capital structure of the company, together with a pro-forma statement of financial position is set out in Annexure "A".

## **3. DEFINITIONS**

<b>Acclaim or the Company</b>	means Acclaim Exploration NL (ABN 99 009 076 233)
<b>ASX</b>	means Australian Stock Exchange Limited.
<b>ASX Listing Rules</b>	means the official listing rules of ASX.
<b>Director</b>	means a director of the Company.
<b>Metals Ex</b>	means Metals Exploration Limited (ABN 86 005 483 009).
<b>Share</b>	means a fully paid ordinary share in the capital of the Company and <b>Shares</b> has a corresponding meaning.

## Annexure "A"

### Capital Structure

#### **Shares**

<i>Number</i>	<i>Description</i>
460,757,699	fully paid ordinary shares
40,000,000	partly paid ordinary shares

#### **Options**

<i>Number</i>	<i>Exercise Price</i>	<i>Expiry date</i>
75,000,000	\$0.05	30 June 2008

### Pro-Forma Statement of Financial Position

	<b>Audited 30 June 2005</b>	<b>Pro-Forma</b>
<b>Current Assets</b>		
Cash assets	943,411	1,624,411
Receivables	67,034	67,034
Total Current Assets	<u>1,010,445</u>	<u>1,691,445</u>
<b>Non-Current Assets</b>		
Investments	612,613	4,187,613
Property, plant and equipment	98,035	16,775
Mineral interests	12,977,125	6,151,203
Total Non-Current Assets	<u>13,687,773</u>	<u>10,355,591</u>
Total Assets	<u>14,698,218</u>	<u>12,047,036</u>
<b>Current Liabilities</b>		
Payables	221,087	206,502
Provisions	1,667	1,667
Total Current Liabilities	<u>222,754</u>	<u>208,169</u>
Total Liabilities	<u>222,754</u>	<u>208,169</u>
Net Assets	<u>14,475,464</u>	<u>11,838,867</u>

The pro-forma statement of financial position as at 30 June 2005 incorporates the following significant events and proposed transactions by the Company subsequent to 30 June 2005:

1. The issue of 75,000,000 ordinary fully paid shares at an issue price of 2.2 cents each in November 2005, raising \$1,650,000, before expenses of the issue of \$99,000.
2. The sale of Hinckley Range Pty Ltd and Austral Nickel Pty Ltd including proceeds of \$8,825,000 made up of \$5,000,000 in cash and \$3,825,000 representing 4,500,000 shares in Metals Ex at 85 cents per share.
3. Payment for the Denny Dalton Uranium / Gold project of \$5,750,000.

**PROXY FORM**

The Secretary  
Acclaim Exploration NL  
Suite B, 150 Hay Street  
Subiaco WA 6008

I/We (full name)

\_\_\_\_\_

of \_\_\_\_\_

being a member(s) of Acclaim Exploration NL, hereby appoint as my/our proxy

\_\_\_\_\_

of \_\_\_\_\_

or, failing him/her the Chairperson of the Meeting to attend and vote for me/us at the general meeting of the Company to be held at 2.00pm on Thursday, 16 February 2006 and at an adjournment thereof in respect of \_\_\_\_\_% of my/our shares or, failing any number being specified, ALL of my/our shares in the Company.

**RESOLUTIONS**

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
1 Disposal of Hinckley Range Pty Ltd and Austral Nickel Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

***If the member is an individual or joint holder:***

\_\_\_\_\_  
Usual Signature

Dated this \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
Usual Signature

2006.

***If the member is a Company:***

Signed in accordance with the  
Constitution of the company  
the presence of:

\_\_\_\_\_  
Director/Sole Director

Dated this \_\_\_\_\_

\_\_\_\_\_  
Director/Secretary

day of \_\_\_\_\_

\_\_\_\_\_  
Sole Director and Sole Secretary

2006.

#### INSTRUCTIONS AS TO VOTING

If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect to the resolution, please place a mark in the box.

By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of the resolution and that votes cast by the Chair of the meeting other than as proxy holder will be disregarded because of that interest.

If you do not mark the box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

#### NOTES

1. A member entitled to attend and vote is entitled to appoint not more than two proxies.
2. Where more than one proxy is appointed and that appointment does not specify the proportion or number of the member's votes, each proxy may exercise half of the votes.
3. A proxy need not be a member of the Company.
4. A proxy is not entitled to vote unless the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed is either deposited at the registered office of the Company (Suite B, 150 Hay Street, West Perth, Western Australia, 6008) or sent by facsimile to that office on Fax: 08 9388 8450 to be received not less than 48 hours prior to the time of the meeting.
5. If the member is a company it must execute under its Common Seal or otherwise in accordance with its Constitution.
6. The Chairman intends to vote all undirected proxies in favour of the resolution.