ACCLAIM EXPLORATION N.L.

ABN 99 009 076 233

Quarterly Report
For the period to 31 March 2006

CAPITAL RAISING

During the quarter the company completed a capital raising through the placement of 69,113,654 ordinary fully paid shares (together with 69,113,654 free attaching options exercisable at 5 cents on or before 30 June 2008) at an issue price of 2.2 cents per share, thereby raising $1,520,500.

DENNY DALTON URANIUM AND GOLD PROJECT

During the quarter the company engaged the services of Caracle Creek International Consulting Inc (CCIC), a Canadian and South African based geological consulting company, which provides a wide range of geological and engineering services to the mineral industry. CCIC has experience in conceiving and managing small to large exploration projects for a wide range of mineral commodities, including uranium and gold.

Acclaim has retained CCIC to undertake data acquisition, validation and verification (QA/QC) followed by compilation and geological ore body modelling. Once data has been compiled into a relational database, a 3D geological ore body model will be brought up to a preliminary resource calculation stage prior to planning of the infill and ore body definition drilling and/or trenching.

A drill rig has been secured with the work to commence during the current quarter.

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. 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.

Project History

Gold had been known to occur in KwaZulu-Natal since its discovery in 1836 by European settlers. By the mid-1990s over 50 gold occurrences were documented for the province (Figure 1)

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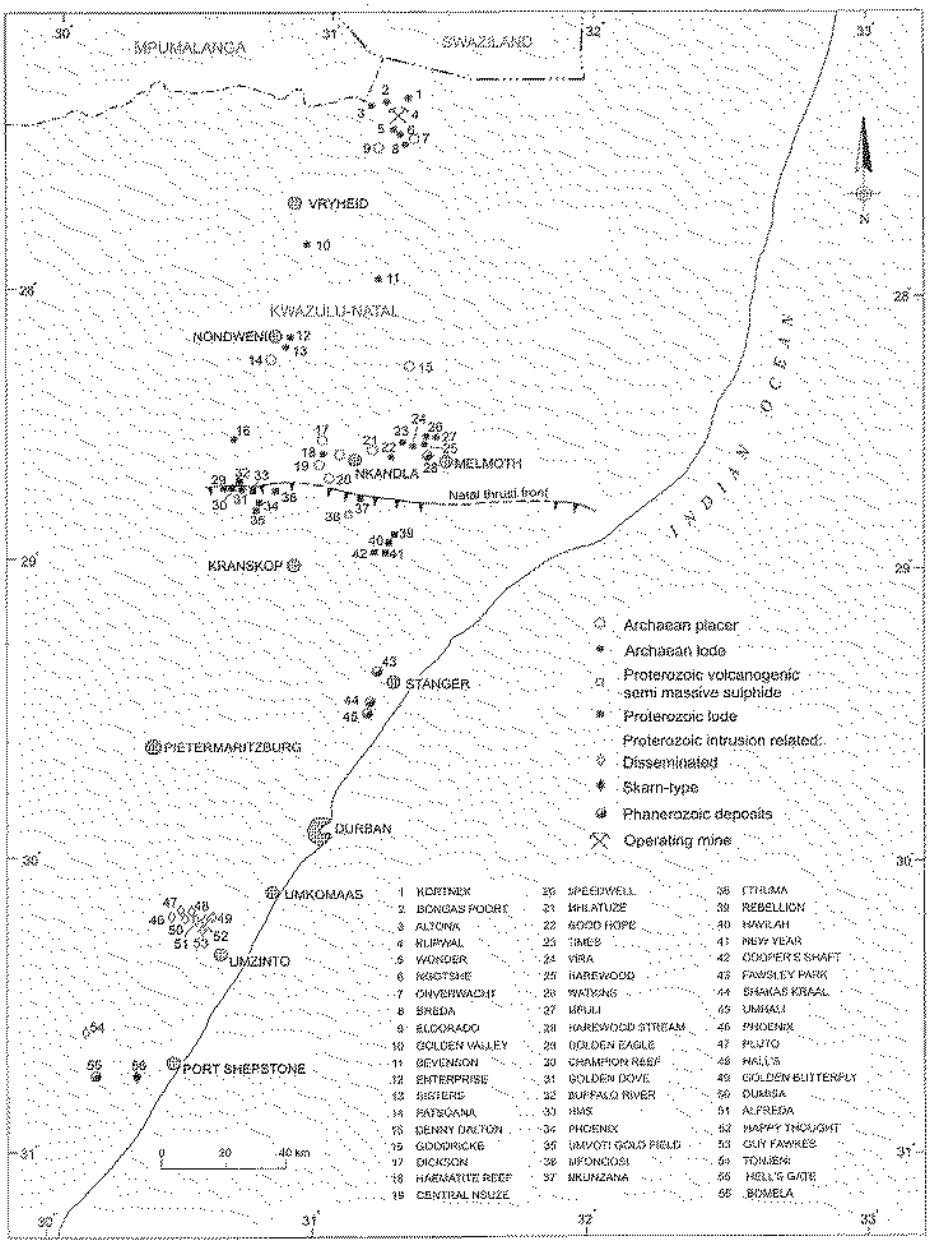

Figure 1: Gold occurrences in Natal. From Ward and Wilson, 1998.

In the late 1860's gold was discovered near the White Umfolozi River in Conglomerates of the Mozaan Group. Because of their proposed time equivalence with the West and Central Rand groups of the Witwatersrand Supergroup (Beukes and Cairncross, 1991), these conglomerates were investigated and drilled during the late 1980's and early 1990's by Gold Fields of South Africa and the Anglo American Corporation. The auriferous conglomerates contain pockets of payable gold mineralization (Ward and Wilson, 1998) and Goldfields concluded that they were distal reefs to an auriferous hinterland. Of the reefs investigated, the Denny Dalton Mine, 38km northwest of Melmoth showed the most promise, and it is believed that some 100kg of gold was produced from this deposit (Ward and Wilson, 1998).

In 2002 Savanna Diamond (Pty) Ltd. contracted Mabex Consulting Geologists (MCG) to evaluate the gold potential of the old Denny Dalton Mine and surrounding area. MCG concluded that the Denny Dalton project was a medium to advanced stage exploration project, with a mineralisation style akin to that of the Witwatersrand conglomerates, hosting potentially significant gold and uranium mineralisation. In the MCG geological report on the Uranium and Gold potential of the Denny Dalton project, Martens (2005) noted the near surface stratigraphy and mode of mineralization must be reviewed and requires additional exploration drilling. Martens (2005) also recommended that all previous drilling and sampling be verified and better understood in order to increase the knowledge and confidence levels of the project. MCG were confident that historical data, coupled to additional

infill and ore body definition drilling, would allow for the conversion of the Inferred Resources (Table 1) to the Indicated and Measured categories.

Tonnage (tonnes)	Grade (kg/t)	Width (m)	U_3O_8 (t)
31,500,000	0.35	1.0	11.025

Tonnage (tonnes)	Grade (g/t)	Width (m)	Au (Moz)
31,500,000	2.5	1.0	2.5

Table 1: Inferred Mineral Resources – JORC (Martens, 2005).

Previous Exploration

The previous owner of the Project obtained significant historical data from prior owners and operators (Anglo American Corporation and Southern Sphere who were commissioned by the Atomic Energy Corporation in the 1970s) before 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_3O_8 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.

Summary of Previous Exploration

Denny Dalton & Paulson (1893-1908)

- Eleven (11) on-reef adits of which three (3) were partially stoped.
- Fluvial gravels, depth extension not more that 600m.
- Intermittent production equates to 100kg of gold.

Anglo American Corporation And General Mining

- Exploration drilling covering an area of 15km by 5km (gold and uranium potential).
- CCIC has access to JCI archives and could possibly obtain historical drilling data.

Atomic Energy Co-Corporation (1974 – 1978)

- Exploration company: Southern Sphere.
- 241 exploration holes (uranium potential).
- Radiometric counts and chemical analysis
- Average Uranium grade: 0.54 kg/t
- Value distribution curves for gold and uranium are parallel.
- Sampled adits up to 100m from the entrances.

- 1:10 000 photo geological map.
- Aerial radiometric survey.
- 4269m diamond core drilling; 8501m pre-core percussion drilling.
- 77 of the holes intersected mineralization (no data available on the remaining holes).
- Exploration activities concentrated on Nsuzi-Mozaan contact (8km).
- Potential higher grades eastwards, significant down-dip potential.

Savannah Diamonds (Pty) Ltd (2005)

- Geological Consulting Company: Mabex Consulting Geologists.
- 21 channel samples (Avmin Analytical Laboratory).
- 24 RC exploration holes (SGS laboratory).
- Avmin Analytical Laboratory – Uranium & gold mineralization.
- Channel sampling results.
- Inferred Mineral Resource statement.

SALE OF WINGELLINA / CLAUDE HILLS PROJECTS

Pursuant to the approval of members at a general meeting of shareholders held on 16 February 2006 the company completed that sale of their entire interest in Hinckley Range Pty Ltd and Austral Nickel Pty Ltd to Metals Exploration Ltd ("Metals Ex"). The consideration for the sale was $5 million in cash and 4.5 million fully paid ordinary shares in Metals Exploration Limited. Acclaim had previously received an upfront payment of $1.25m for the acquisition of existing technical and geological information pursuant to the joint venture arrangements.

The company's sole focus is now on the Denny Dalton Uranium and Gold Project in South Africa, however the company retains an indirect interest in the Wingellina and Claude Hills Projects through the holding of the 4,500,000 shares in Metals Ex.

The Information in this announcement that relates to exploration results and a resource calculation is based on information compiled by Francois Martens of Mabex Consulting Geologists, who is a Member of the Geological Society of South Africa and the South African Council for Natural Scientific Professions (Recognised Overseas Professional Organisations). Mr Martens has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Francois Martens consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.