



ACCLAIM EXPLORATION N.L.

ABN 99 009 076 233

Quarterly Report For the period to 30 June 2006

DENNY DALTON URANIUM AND GOLD PROJECT

Drilling Programme

During the quarter the company commenced its drilling campaign on the Denny Dalton site.

Caracle Creek International Consulting (CCIC) in conjunction with surveyors and engineers conducted several site visits verifying historical data. This formed the basis of the current drilling program. The drill programme commenced on the 28th of June on the Tusschenby 411 portion and to date 6 holes have been completed.

Following concerns with the performance of the original drilling contractor, drilling was delayed as the Company, through CCIC, negotiated a new commercial drilling contract with an alternate contractor. These negotiations resulted in an improved contract price and access to a more suitable and better quality rig.

The company is pleased with progress of the drilling programme, with the drilling contractor under supervision from CCIC operating to schedule and working co-operatively with all parties. The Board is also encouraged by the support from the local tribal council. The Company and CCIC have established a solid relationship with the Council and several local residents have been employed to help with tasks on site.

The initial drill programme of 11 holes will be completed during the September 2006 quarter and results of assaying will be released as they become available. It is proposed that on completion of the initial drilling programme the drilling rig will remain onsite with an ongoing commitment between Acclaim and the drilling contractor to continue the drilling campaign.

Royalty Acquisition

Subsequent to the end of the quarter, the company announced that it had negotiated with the previous Denny Dalton vendors to acquire the ongoing gold royalty payment.

Under the terms of the original agreement the company agreed to a royalty on all gold derived from ore mined on or within the projects, including any gold which is sold or as a concentrate or dore.

The board believes that by controlling 100% of the asset it strategically improves and strengthens its position for future negotiations.

Technical Director Appointment

During the quarter the company strengthened the Board with the appointment of Mr Trevor Gillard.

Mr Gillard is a resident of South Africa and has in excess of 25 years experience in the mining industry. He has worked on numerous mining projects, as well as acting as a mining analyst for stockbrokers and funds managers. Mr Gillard has Uranium and Gold exploration experience and academic qualifications from Rhodes University, including a B Sc Honours – Geology and MBA – UNISA (MBL). Mr Gillard has previously contracted to Snowden's as an industry mining consultant.

The appointment of Mr Gillard brings considerable mining experience and technical expertise to the Board and will assist the company in the progression of the Denny Dalton Uranium/Gold Project.

Mr Gillard is also assisting with the company's applications from "Old Order" to "New Order" prospecting rights.

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)

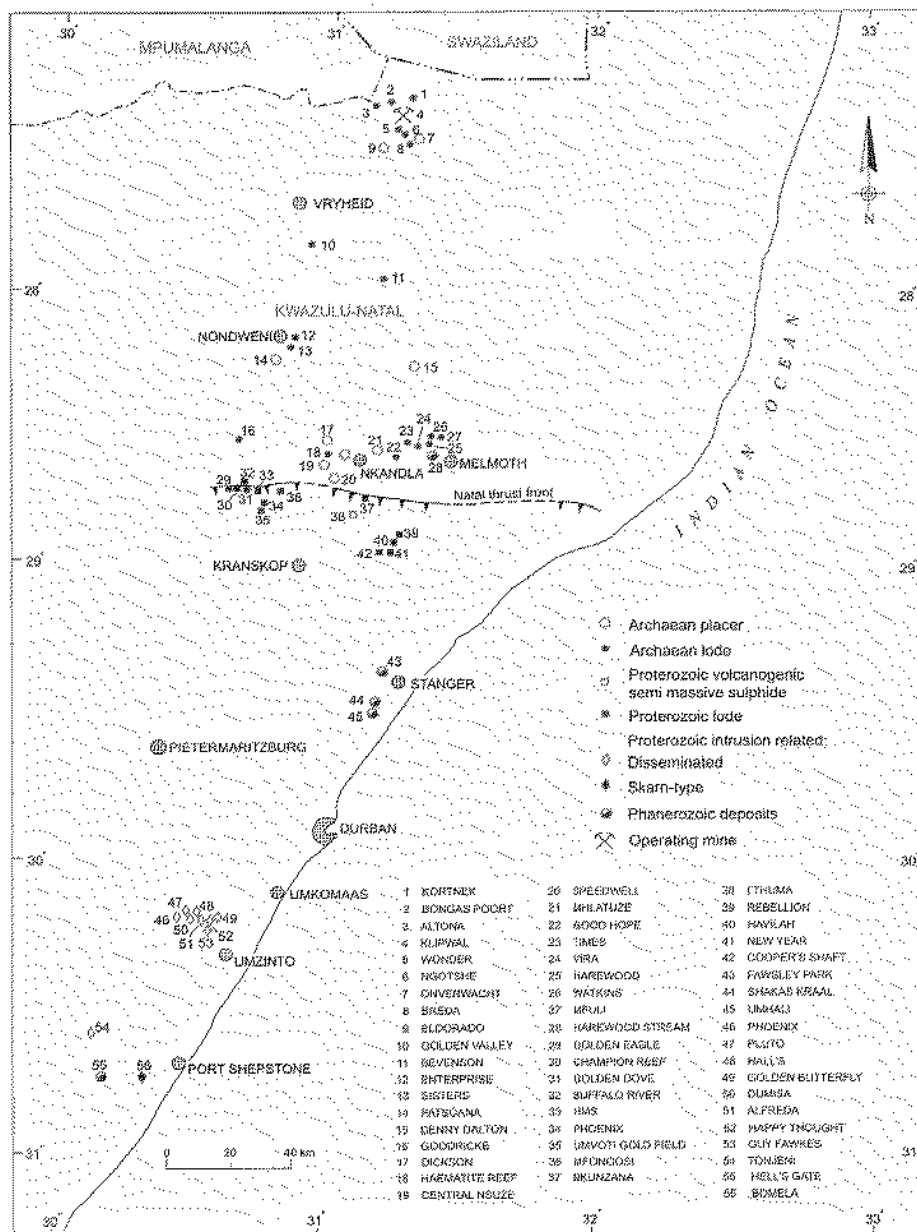


Figure 1: Gold occurrences in Natal. From Ward and Wilson, 1998.

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)	U₃O₈ (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 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.

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 than 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.

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.