



ACCLAIM EXPLORATION N.L.

ABN 99 009 076 233

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Companies Announcements Office
Australian Stock Exchange Limited
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Sydney NSW 2000

Acclaim Exploration- Quarterly Activities Report

During the quarter Acclaim Exploration NL ("Acclaim") commenced the second phase drilling program in South Africa on the Denny Dalton project. Acclaim is currently running a Diamond drilling and Reverse Circulation (RC) drilling program in parallel.

The first phase of the drilling commenced during the first quarter with assay results released on the 19th of October 2006, reported in the first Quarterly Report. Using the information gathered from those results and previous historical information CCIC planned the current drilling program. The initial Diamond Drilling worked started on the 8th of November 2006. RC drilling commenced on the 6th of December 2006. Drilling has continued into the New Year with both drilling teams breaking for holidays over the Christmas, New Year period.

The aim of this drilling program is to upgrade the current Inferred Resource of 31.5 million tonnes pf 0.35kg/t U₃O₈ and 2.5g/t Au to Indicated status before proceeding with a mining pre-feasibility study.



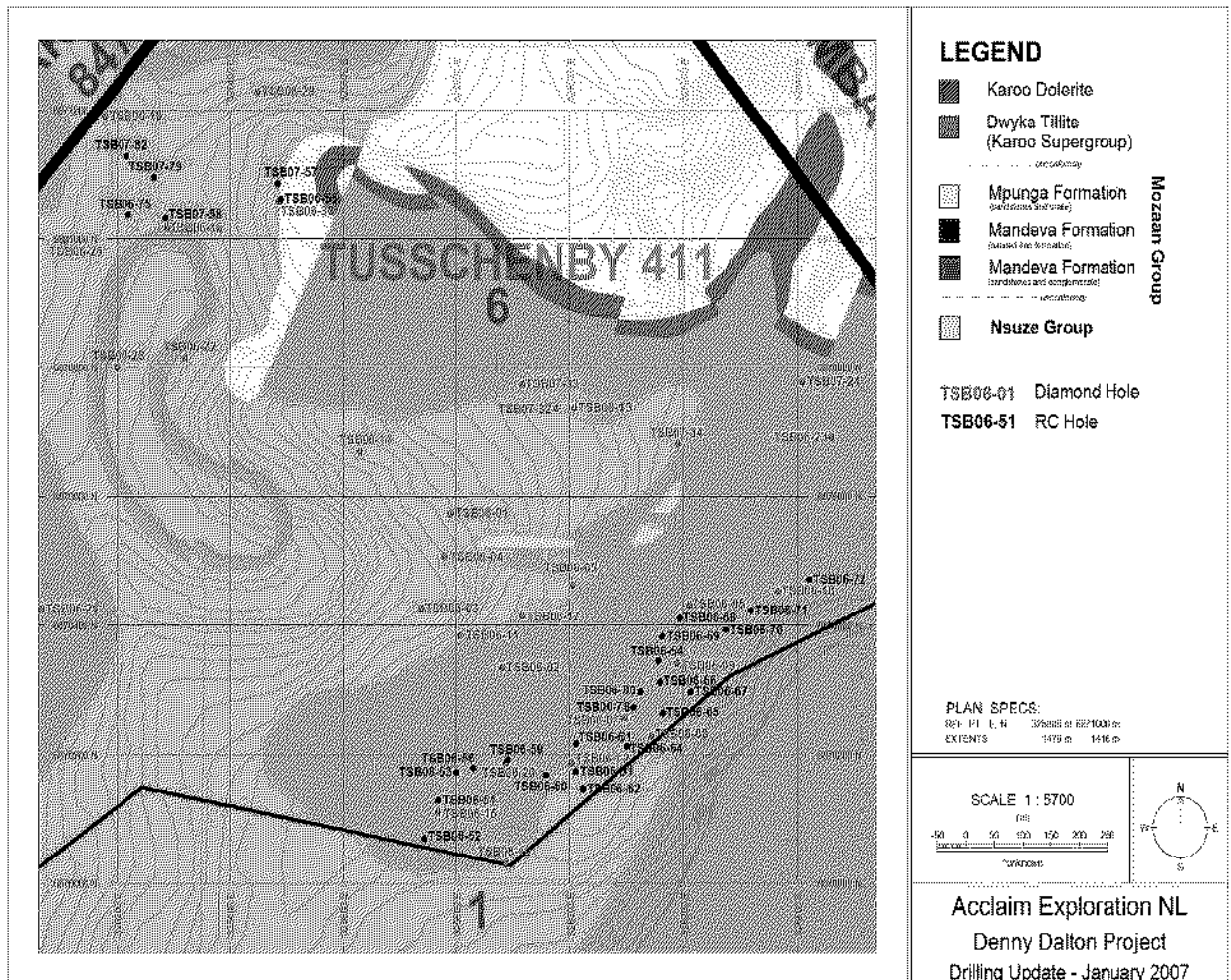
RC Rig on site 8th December 06

The Company is planning to test approximately 1000 meters of RC drilling. The program will comprise of a tightly spaced drilling distance to determine the spread of mineralization outward from the holes that intersected grade on the first phase diamond drilling.(Map 1). Samples will then be submitted to SGS Lakefield for analysis and determination of the most appropriate form of drilling on subsequent drilling programs.

Diamond drilling core samples are being collated and sent to the lab for analysis. To date some 1342 meters of core has been bagged and recorded. Acclaim is currently awaiting these results.

During the quarter initial work started on geological modeling. A 3D geological model is being generated by CCIC of the geology in the vicinity of the old gold mine. This should give Acclaim a greater understanding of the geology of the area. A preliminary model, which should be available during the current quarter, will be tightened up with data received from current onsite work.

(MAP 1) - Proposed Diamond and RC Targets



The farm Tusschenby 411 is located in northern rural KwaZulu Natal some ±70km south-east of the town of Vryheid near the southern end of the known limits of the 3.1 – 2.9 billion year old Pongola Basin within the White Umfolozi Inlier. The target on the Property is the Mozaan Contact Reef of the Mozaan Group – a 3-4.5m thick conglomerate formation lying unconformably on the underlying Nsuzi Formation with only the bottom 45 to 90cm of this pyritic conglomerate yielding anomalous erratic gold and uranium mineralisation. This unit was intermittently mined by the Denny Dalton Gold Mine from 1893 to 1926. The dip of the geology varies between 9° and 11°.

Due to the similarity and proposed time equivalence of the geology with that of the West and Central Rand groups of the Witwatersrand Supergroup this deposit has attracted some attention. Since that time four phases of exploration have been completed to further tests its potential. The most extensive exploration being conducted by Southern Sphere on behalf of the Atomic Energy Corporation in the 1970's and the most recent by Mabex Consulting Geologists on behalf of Savanna Diamonds (Pty) Limited. A total of 266 (known) holes have been drilled on the Property and surrounding areas with the compilation of a geological map by Southern Sphere.

The Denny Dalton Project is situated at the southern most end of a major Precambrian basin in which deep erosion has stripped away the cover rocks and exposed the units of the Pongola Super Group. This Pongola basin is compatible in size with the Witwatersrand but about 300 million years older. The Pongola rocks are estimated to be 3.1–2.9 billion years compared with the Witwatersrand which spans 2.75 – 2.5 billion years. Mineralisation at Denny Dalton occurs as shoots of gold and uranium concentrations within conglomerate beds at the base of the Mozaan Group. These conglomeritic beds outcrop over a strike area of approximately 4km with the Mozaan Contact Reef (MCR) the principal economic horizon lying unconformably on the Insuzi Lava Formation. Previous stratigraphy above the MCR, have shown to have economic potential both for gold and uranium.

Subsequent to the end of the quarter, Acclaim received confirmation from the Republic of South Africa Department of Minerals and Energy (DME) that its application for the conversion from Old Order Prospecting Rights to New Order Prospecting Rights on the Nobamba Farm has been granted.

Acclaim sees this as significant step forward for the company. A drilling rig is been sourced by CCIC to be sent to the Nobamba Farm area to start drilling as soon as possible. The market will be informed as to the date that drilling activity starts.

The granting of this conversion will allow Acclaim to achieve it's objective of further drilling on the Denny Dalton project area to increase the level of confidence in the resource.

Corporate

During the quarter Acclaim completed a placement of 75,000,000 ordinary fully paid shares, as announced on 25 October 2006, raising \$2,250,000. The issue of 75,000,000 free attaching options exercisable at 5 cents each and expiring on 30 June 2008, is subject to shareholder approval. The placement was made to sophisticated investors through Aegis Partners Limited. Subject to shareholder approval, the company also accepted applications for a further 6,000,000 shares (together with free attaching option), raising an additional \$180,000.

Funds from the placement will be used for the ongoing development of the Denny Dalton Uranium & Gold Project in Kwazulu Natal, South Africa.

Yours faithfully

Signed N J Bassett

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<p>Information in this report that relates to exploration, mineral resources or mineral reserves is based on information compiled by Mr Brian Thomas who is a member of the Australasian Institute of Mining and Metallurgy who 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 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Brian Thomas is the Principal of B D Thomas & Associates, a consultant to the company and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.</p>
