



ACCLAIM EXPLORATION N.L.

ABN 99 009 076 233

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Company Announcements Office
ASX Limited
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ACCLAIM EXPLORATION ACQUIRES RIGHTS to 25% of ANGELA AND PAMELA URANIUM TENEMENT APPLICATIONS

Highlights

- **Acquires a 25% interest in rights to pursue mineral lease and mineral claim applications for Angela and Pamela uranium prospects, located 25kms south of Alice Springs in the Northern Territory, and a 25% interest in mineral leases if granted.**
- **Mineral lease and mineral claim applications are contingent on the outcome of litigation in the Northern Territory.**
- **Published maximum total resource at Angela of 12,650 tonnes of U3O8 at an average grade of 0.1% U3O8.**

Acclaim Exploration Limited (AEX) is pleased to announce that it has entered into an agreement to purchase the rights to a 25% interest in the mineral lease applications and mineral claim applications (currently subject to litigation) in respect of areas RO1292 and RO1103 ("Angela and Pamela") in the Northern Territory.

Geological Summary

The Angela and Pamela uranium occurrences are located in the Amadeus Basin some 25km south of Alice Springs. The original anomalies were found in the early 1970's by Uranerz Australia Pty Ltd in joint venture with their then Australian partners using airborne and then detailed ground radiometrics (Borshoff & Faris 1990). The targets were trenched and drilled and significant sandstone hosted uranium mineralisation was confirmed in both locations, particularly at Angela. Further drilling at Angela during the late 1970's found a number of mineralised bodies associated with the main deposit which has a strike extent exceeding 5.7 km and is open down plunge to the west.

Reports published have summarised a maximum resource of 12,650 tonnes U₃O₈ with a minimum total resource of 8.54 million tonnes @ 0.12% U₃O₈ for 10,250 tonnes of U₃O₈ made up of the following:

Category	Contained U ₃ O ₈ (tonnes)	Grade (% U ₃ O ₈)
Measured (0.05% cut-off, to 650m depth)	4,700	0.13
Indicated (0.05% cut-off)	1,950	0.10
Inferred	3,600 – 6,000	0.10 – 0.13
Total (minimum–maximum)	10,250 – 12,650	0.12

The maximum total resource estimate represents 27.83 million pounds U₃O₈ potential in ground resource which at the current spot price of US\$75/lb is one of the more significant uranium deposits in Australia.

Mineral Claim at Angela and Pamela

In late 2006, the Northern Territory Government relinquished a group of mining reserves, two of which contained the Angela and Pamela uranium prospects.

Until 7 December 2006, this land was reserved from mining under section 178 of the Northern Territory Mining Act ("Mining Act"). That reservation was revoked with effect from midnight on 6 December 2006.

Shortly after midnight on the morning of 7 December 2006, McCleary Investments Pty Ltd (in their own right and on behalf of the Vendors) marked out the relevant parts of the land and submitted applications for mineral leases and mineral claims.

Whilst McCleary Investments Pty Ltd believe they had consent to enter the land under the Mining Act, in fact the Warden had purported to refuse consent. Had the Warden given the consent, then McCleary Investments Pty Ltd's application for mineral leases and mineral claims over the Angela and Pamela deposit would have priority over any other claims for exploration licences or other mining tenement applications.

McCleary Investments Pty Ltd subsequently initiated legal proceedings in the Supreme Court of the Northern Territory to overturn a decision of the Warden refusing to consent to it getting access to land in the Northern Territory which it has marked out.

The proceedings are against the Northern Territory and the relevant Warden.

McCleary Investments Pty Ltd contends that the Warden's decision to refuse consent is of no effect and has sought orders in the Supreme Court of the Northern Territory:

- (a) that the refusal to consent be set aside;
- (b) that the Warden reconsider the matter; and
- (c) restraining any competing interest under the Mining Act from being considered in the meantime.

The legal proceedings before Justice Riley in the Supreme Court of the Northern Territory were concluded on 14 February 2007. Justice Riley has reserved his decision.

It is also possible that whatever the outcome of the proceedings either or both parties will appeal. If the proceedings and subsequent appeals are not successful then McCleary Investments Pty Ltd and hence the Vendors may have no right to pursue the applications for mineral leases or mineral claims. The proceedings are complicated and it is not possible to predict their outcome.

Details of the Acquisition

Pursuant to a conditional agreement, AEX proposes to acquire Imperial Granite & Minerals Pty Ltd's (the Vendor) 25% legal and beneficial interest in the Mineral Lease applications in respect of areas RO1292 and RO1103 and mineral claim applications over the area formerly known as RO1292 designated Ghan1 to Ghan7 inclusive ("the Tenements").

Consideration

The consideration for the acquisition of the aforementioned assets is as follows:

- a) AUS\$110,000 payable in cash within 7 business days of the execution of the Agreement ("the Execution Date");
- b) The issue of fully paid ordinary shares in AEX to the value of \$1 million at an issue price based on the volume weighted average price of shares in AEX for the 5 days preceding the Execution Date;
- c) The issue of fully paid ordinary shares in AEX to the value of \$2.3 million based on the volume weighted average price of shares in AEX for the 5 days preceding the Execution Date and an equal number of options exercisable at 3 times the issue price on or before 31 August 2009, the issue of such shares and options conditional upon the Vendor being granted the Tenements by the Northern Territory Government and any shareholder approvals and regulatory approvals required for their issue.

The Vendor has agreed to voluntarily escrow the shares to be issued for a period of 12 months from the date of issue.

Conditions

The agreement is subject to a number of conditions, inter alia:

1. the execution of a formal acquisition agreement between the Vendor and AEX containing (amongst other things) warranties and indemnities by Vendor usual for documents of this nature;
2. the obtaining of all necessary shareholder and regulatory approvals;
3. all legal and associated costs to the date of the signing of this agreement are to be borne by the Vendor, with all legal and associated costs in the future to be agreed to and be the liability of and paid for by the AEX;

4. the Vendor is not to enter into any other legally binding contracts in respect of the assets (including a joint venture agreement) between the date of the agreement and the execution of the formal acquisition agreement;
5. the offer is subject to the Vendor using their best endeavours to pursue the grant of the Tenements including maintaining the legal steps currently underway; and
6. The agreement is subject to a 14 day due diligence review.

This 25% interest in Angela and Pamela will add to AEX's asset base, which includes the Denny Dalton Uranium/Gold Project in South Africa, and give exposure to uranium assets within Australia.

The directors are strategically pursuing these tenements and believe there is the potential for significant upside for the company.

Yours Sincerely

NJ Bassett

<p>The 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>
