



ACCLAIM EXPLORATION NL  
ACN 009 076 233

# **HALF-YEAR FINANCIAL REPORT**

**FOR HALF-YEAR ENDED**

**31 December 2007**

For personal use only



## **DIRECTORS' REPORT**

Your directors present the financial report of the consolidated entity for the half-year ended 31 December 2007. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

### **DIRECTORS**

The names of the directors who held office during or since the end of the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Andrew Waller – Non-Executive Chairman  
Ralph Bagirathi – Managing Director  
Craig Willis – Non-Executive Director  
Trevor Gillard – Non-Executive Director (resigned 4 December 2007)

### **REVIEW OF OPERATIONS**

The net loss for the half-year attributable to members of Acclaim Exploration NL was \$467,778.

#### **Corporate**

To enhance the operational capabilities of the company within Africa, Acclaim has established an operational office in Johannesburg, South Africa. The office will form the operational base for the company's CEO, Mr Bagirathi, together with the technical team.

#### **Exploration Activity – Denny Dalton**

During the half-year the Company received results from the second phase drilling program on the Denny Dalton Project in KwaZulu-Natal (South Africa) and a review of the comprehensive CCIC report on the results was undertaken by the company. The review is ongoing, however, initial indications are that a further drilling programme will be undertaken in and around the old mine site and in particular the area to the east.

Mr Bagirathi, Acclaim's managing director, is in consultation with a suitably qualified geological team preparing the works program for the next phase drilling campaign.

The previous program included regional mapping, diamond drilling (2498.90m in 44 holes) and reverse circulation drilling (903m in 27 holes). The main purpose of the initial drilling program was to test and confirm reports of uranium and gold mineralization in and around the historic Denny Dalton Gold Mine, with continued drilling aimed at gaining a better understanding of the subsurface geology and testing extensions to this mineralization.

The average depth of the reverse circulation drilling was 33.44m with the deepest hole drilled to 69m and the shallowest to 6m. The average depth of the diamond drilling was 56.79m with the deepest hole being 232.78m and the shallowest hole being 11.23m.

The drill program was successful in intercepting well developed conglomerates in a number of areas. Of the 71 holes drilled, 48 successfully intersected the MCR. In 11 holes the MCR was poorly developed and in 10 it was absent.



**Acclaim Exploration NL and Controlled Entities**  
**Half Yearly Report for the six months ended 31 December 2007**

Anomalous gold and uranium results were achieved from various borehole intersections. The gold values have a highly skewed distribution, which is expected with such a sedimentary deposit. The uranium values also exhibit a skewed distribution but appear to have a larger variance than that of the gold.

The geological modeling of the various conglomerate bodies has significantly increased the understanding of the subsurface geology, and shown that the nature of the mineralized trends are more complex than originally anticipated. It is further evident that these conglomerate lenses represent the basal portions of the active channels of an extensive, bedload dominated, braided channel complex.

The historical Denny Dalton mine area is situated on what appears to be the largest and best developed channel, with the best development of the basal conglomerate. This conglomerate has extensive pyrite mineralization and also the most anomalous gold grades in the region. The geological model confirmed that the best potential resides in the old Denny Dalton Mine area and east thereof. As such it represents the most developed of several target areas in the Project area. Further drilling in the area at a much closer drill spacing (<50 m) may allow for additional understanding of the grade distribution, as well as possible down dip extensions of the mineralized zone.

### **Guinea**

As previously reported, the Company has been granted the entitlement to formally survey within the Prefectures of Mali, Siguiri, Mamou, Kindia, Kissidougou, Mandiana, and N'Zerekore in Guinea and select what it believes to be the most prospective uranium rich occurrences. The survey does not include land covered by pre-existing rights held within the Prefectures.

During the half-year, due diligence was completed and documentation lodged for approval with the Republic of Guinea Government Ministry. Mr Bagirathi has met with the Minister a number of times and has received advice that the application is progressing through due process. The Company is still awaiting Ministerial sign off.

In accordance with the agreement with Laskara Limited, the final terms of the acquisition are subject to negotiation. On receipt of Ministerial sign off, Acclaim expects to be in a position to enter formal agreement with Laskara Limited.

Work has begun identifying potential targets within the selected Prefectures in anticipation of the formal granting of the exploration licenses. A review of past exploration reports to collate the various datasets is ongoing, with the objective of assessing the potential for viable uranium mineralisation within the 7 Prefectures.

### **CHANGES IN STATE OF AFFAIRS**

During the half-year ended 31 December 2007 there was no significant change in the entity's state of affairs other than that referred to in the half-year financial statements or notes thereto.



**AUDITOR'S DECLARATION OF INDEPENDENCE**

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 5 and forms part of this directors' report for the half-year ended 31 December 2007.

Signed in accordance with a resolution of Directors.

**C Willis**  
Director

PERTH, Western Australia  
Dated: 13 March 2008

For personal use only

### Auditor's Independence Declaration

As lead auditor for the review of the financial report of Acclaim Exploration NL for the half-year ended 31 December 2007, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

This declaration is in respect of Acclaim Exploration NL.



**Perth, Western Australia  
14 March 2008**

**W M CLARK  
Partner, HLB Mann Judd**



**CONDENSED INCOME STATEMENT  
FOR THE HALF YEAR ENDED 31 DECEMBER 2007**

	Consolidated	
	2007 \$	2006 \$
Revenue	61,600	58,688
Depreciation expense	(2,788)	(2,922)
Administrative expenses	(526,590)	(650,735)
<b>Loss before income tax expense</b>	<b>(467,778)</b>	<b>(594,969)</b>
Income tax expense	-	-
<b>Net loss attributable to members of Acclaim Exploration NL</b>	<b>(467,778)</b>	<b>(594,969)</b>
Basic loss per share (cents per share)	(0.07)	(0.10)
Diluted loss per share (cents per share)	(0.07)	(0.10)

The accompanying notes form part of these financial statements



**CONDENSED BALANCE SHEET  
AS AT 31 DECEMBER 2007**

	Consolidated	
	31 Dec 2007	30 June 2007
	\$	\$
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	1,205,979	2,057,616
Trade and other receivables	169,592	30,374
Other financial assets	350,000	350,000
<b>Total Current Assets</b>	<b>1,725,571</b>	<b>2,437,990</b>
<b>Non-Current Assets</b>		
Available for sale investments	7,896,200	8,708,100
Property, plant and equipment	41,266	16,379
Mineral interests	7,795,500	7,793,108
<b>Total Non-Current Assets</b>	<b>15,732,966</b>	<b>16,517,587</b>
<b>Total Assets</b>	<b>17,458,537</b>	<b>18,955,577</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables	65,944	283,306
<b>Total Current Liabilities</b>	<b>65,944</b>	<b>283,306</b>
<b>Total Liabilities</b>	<b>65,944</b>	<b>283,306</b>
<b>Net Assets</b>	<b>17,392,593</b>	<b>18,672,271</b>
<b>EQUITY</b>		
Issued capital	36,133,648	36,133,648
Reserves	5,180,049	5,991,949
Accumulated losses	(23,921,104)	(23,453,326)
<b>Total Equity</b>	<b>17,392,593</b>	<b>18,672,271</b>

The accompanying notes form part of these financial statements



**CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007**

	<b>Issued Capital</b>	<b>Accumulated Losses</b>	<b>Unrealised Gains Reserve</b>	<b>Option Reserve</b>	<b>Total Equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>At 1 July 2006</b>	33,849,448	(21,938,982)	45,000	662,809	12,618,275
Securities issued during the period	2,250,000	-	-	-	2,250,000
Transaction costs	(145,800)	-	-	-	(145,800)
Fair value adjustment to available for sale investments	-	-	2,737,700	-	2,737,700
Loss attributable to members of the parent entity	-	(594,969)	-	-	(594,969)
<b>At 31 December 2006</b>	<b>35,953,648</b>	<b>(22,533,951)</b>	<b>2,782,700</b>	<b>662,809</b>	<b>16,865,206</b>
<b>At 1 July 2007</b>	<b>36,133,648</b>	<b>(23,453,326)</b>	<b>5,023,100</b>	<b>968,849</b>	<b>18,672,271</b>
Securities issued during the period	-	-	-	-	-
Transaction costs	-	-	-	-	-
Fair value adjustment to available for sale investments	-	-	(811,900)	-	(811,900)
Loss attributable to members of the parent entity	-	(467,778)	-	-	(467,778)
<b>At 31 December 2007</b>	<b>36,133,648</b>	<b>(23,921,104)</b>	<b>4,211,200</b>	<b>968,849</b>	<b>17,392,593</b>

The above statement should be read in conjunction with the accompanying notes.



**CONDENSED CASH FLOW STATEMENT  
FOR THE HALF YEAR ENDED 31 DECEMBER 2007**

	Consolidated	
	2007	2006
	\$	\$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(656,372)	(736,104)
Interest received	70,086	58,688
Net cash used in operating activities	(586,286)	(677,416)
<b>Cash flows from investing activities</b>		
Exploration expenditure	(105,386)	(293,900)
Acquisition of tenement interests	-	(100,000)
Loans to other entities	(132,290)	-
Repayment of advances to other entities	-	39,600
Payments for plant and equipment	(27,675)	(6,849)
Net cash used in investing activities	(265,351)	(361,149)
<b>Cash flows from financing activities</b>		
Proceeds from securities issues	-	2,250,000
Securities issue transaction costs	-	(72,900)
Net cash inflow from financing activities	-	2,177,100
Net decrease in cash held	(851,637)	1,138,535
Cash at beginning of the half-year	2,057,616	2,215,159
<b>Cash at end of the half-year</b>	<b>1,205,979</b>	<b>3,353,694</b>

The accompanying notes form part of these financial statements



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the half year ended 31 December 2007**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**Statement of compliance**

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

The half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2007 and any public announcements made by Acclaim Exploration NL and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

**Basis of preparation**

The half-year report has been prepared on a historical cost basis, except for land and buildings, derivative financial instruments and available-for-sale financial assets which are measured at fair value. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the half-year report, the half-year has been treated as a discrete reporting period.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2007 annual financial report for the financial year ended 30 June 2007.

In the half-year ended 31 December 2007, the group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2007.

It has been determined by the group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.



## 2. DEFERRED EXPLORATION EXPENDITURE

Costs carried forward in respect of areas of interest in the following phases:

	31 Dec 2007	30 June 2007
	\$	\$
Exploration and evaluation phase – at cost	<u>7,795,500</u>	<u>7,793,108</u>
<b>Movement:</b>		
Balance at beginning of period	7,793,108	
Tenements acquired on acquisition of controlled entity	-	
Acquisition of royalty interest		
Expenditure incurred	<u>2,392</u>	
Balance at end of period	<u>7,795,500</u>	

Ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and commercial exploitation or, alternatively, sale of the relevant areas of interest, at amounts at least equal to book value.

## 3. NON CASH FINANCING AND INVESTING ACTIVITES

There were no transactions or events during the half-year which affected assets and liabilities and did not result in cash flows.

## 4. ISSUED CAPITAL

	31 December 2007	30 June 2007
	\$	\$
<b>Issued Capital</b>		
Ordinary shares – fully paid	32,993,648	32,993,648
Ordinary shares – partly paid	<u>3,200,000</u>	<u>3,200,000</u>
	<u>36,133,648</u>	<u>36,133,648</u>
<b>Movement in shares on issue</b>		
	Number	\$
(i) Ordinary shares – fully paid		
Balance at beginning of period	<u>610,871,353</u>	<u>32,993,648</u>
Balance at end of period	<u>610,871,353</u>	<u>32,993,648</u>
(ii) Ordinary shares – partly paid		
Balance at beginning of period	<u>40,000,000</u>	<u>3,200,000</u>
Balance at end of period	<u>40,000,000</u>	<u>3,200,000</u>
Total issued and paid up shares	<u>650,871,353</u>	<u>36,133,648</u>

## 5. SEGMENT REPORTING

The Company has one business segment, namely the acquisition and exploration of uranium/gold properties. The Company's primary geographical segment is the Republic of South Africa.



## **6. SUBSEQUENT EVENTS**

Subsequent to year-end there has been a decrease in the market value of available for sale investments. As at 13 March 2008, the market value of these investments is \$6,883,700.

There are no other matters or circumstances which have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial periods.

## **7. CONTINGENT LIABILITIES**

There has been no change in contingent liabilities since the last annual reporting date.

For personal use only



## DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes as set out on pages 6 to 12:
  - (a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and
  - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2007 and its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

**C Willis**  
Director

PERTH, Western Australia

Dated: 13 March 2008

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of  
**ACCLAIM EXPLORATION NL**

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report, which comprises the condensed balance sheet as at 31 December 2007, the condensed income statement, condensed statement of changes in equity, condensed cash flow statement and notes to the financial statements for the half-year ended on that date, and the directors' declaration, of Acclaim Exploration NL and the entities it controlled during the half-year ended 31 December 2007 ("consolidated entity").

#### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001*, including giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Acclaim Exploration NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 2 15 Rheola Street West Perth 6005 PO Box 263 West Perth 6872 Western Australia. Telephone +61 (08) 9481 0977. Fax +61 (08) 9481 3686.

Email: [hlb@hlbwa.com.au](mailto:hlb@hlbwa.com.au). Website: <http://www.hlb.com.au>

Liability limited by a scheme approved under Professional Standards Legislation

HLB Mann Judd (WA Partnership) is a member of  International and the HLB Mann Judd National Association of independent accounting firms

*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* has been provided to the directors of Acclaim Exploration NL on 14 March 2008.

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of Acclaim Exploration NL is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position at 31 December 2007 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



**HLB MANN JUDD**  
**Chartered Accountants**



**W M CLARK**  
**Partner**

**Perth, Western Australia**  
**14 March 2008**

For personal use only