



# ACCLAIM EXPLORATION N.L.

ABN 99 009 076 233

## Quarterly Activities Report

For the Quarter Ended 30 June 2010

### Nacimiento Copper Uranium Project

On 25 June 2010 shareholders approved the issue of 220,000,000 ordinary fully paid shares to complete the acquisition of a 100% interest in Energy Company of America LLC ("ECA").

ECA holds a number of lode mining claims which lie within a mineral prospective region located in north-central New Mexico. The area lies along the east margin of the San Juan basin and into the adjacent Sierra Nacimiento mountain range within Rio Arriba and Sandoval Counties ("**the Nacimiento Region**").

The region of interest is a north-south-trending area, 80 km long and 20 km wide, or in excess of 1,500 square kilometres.

ECA holds three blocks of lode mining claims, namely:

#### ***Coyote Lode Mining Claims, Sandoval County, New Mexico***

The property comprises 53 lode mining claims covering 1,100 acres, in two blocks. The claims were staked to cover a cluster of copper prospects and a cluster of uranium occurrences.

#### ***Aranda Lode Mining Claims, Rio Arriba County, New Mexico***

The property comprises 50 lode mining claims covering 1,000 acres. The claims were staked to cover a cluster of copper and uranium occurrences.

#### ***Los Pinos Lode Mining Claims, Sandoval County, New Mexico***

The property comprises 51 unpatented lode mining claims covering 1,120 acres. The claims were staked to cover a cluster of copper and uranium occurrences.

No exploration work was carried out during the quarter, pending shareholder approval to allow for completion of the acquisition of ECA.

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## Mangalisa Project

### Background

On 24 February 2010 the Company announced that it executed a preliminary agreement with Goldcorp Limited ("Goldcorp") to acquire an initial 33.3% interest, with an option to increase to 50%, in the Mangalisa project in the Free State Goldfields in the Republic of South Africa. The transaction was approved by shareholders on 25 June 2010.

The Mangalisa Project is an exploration property located in the Republic of South Africa, and is prospective for gold and uranium.

The Mangalisa Project is located in the Free State Province of the Republic of South Africa, on the farm subdivision known as Erfenis 328. The 180km<sup>2</sup> license area is situated approximately 20km to the east of the township of Welkom, and approximately 10km north of Harmony Gold's operating Masimong 5 Shaft. Ore mined at Masimong is processed at the Harmony 1 Plant some 23 kilometres away. Masimong (formerly Saaiplaas) was purchased in September 1998 from AngloGold Ashanti Limited. This region of the Free State is a mature mining region with a mining and exploration history dating back to discovery in 1934. The regional towns are Welkom and Virginia. Welkom is located 220km south west of Johannesburg.

The Free State region has historically produced in excess of 300 million ounces of gold and has proven mining law and tenement infrastructure. The property has been historically drilled by various groups including Gencor and Superior International Mining.

The Mangalisa project represents one of the last remaining, high potential gold and uranium exploration properties within the Witwatersrand Welkom goldfield. The historical results would indicate the potential for the discovery of new gold and uranium mineralised reefs within the area. The presence of gold and uranium in this area enhances the prospectivity of other Free State gold reefs deeper in the stratigraphy, such as Leader and Basal reefs, which have been mined at the nearby Harmony's Masimong Gold Mine.

### Consideration

The acquisition of the Mangalisa Project was approved by shareholders on 25 June 2010.

The company will acquire the 33.3% working interest in the Mangalisa Project by the payment of US\$5 million plus the issue of US\$5 million by way of ordinary fully paid shares at \$0.005 per share. The shares issued to the vendors shall be non-dilutionary in quantity with a top up provision whereby the company will issue further shares to the vendors on completion of the first tranche of a proposed Capital raising to maintain the vendors shareholding interest. Thereafter, the vendors will dilute in proportion to any further capital raising.

The Company will be required to spend a minimum of US\$5 million on exploration expenditure within the first 12 months to maintain its 33.3% interest.

Pending the outcome of exploration results the Company can then elect to earn an additional 16.7% interest, to bring its total interest to 50%, by expending a further US\$5 million in exploration on the Mangalisa project.

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## Exploration

On 12 April 2010, the Company reached agreement with Goldcorp to provide immediate working capital funding of up to A\$2 million to expedite the proposed drilling program at the Mangalisa Project.

The drilling program will commence prior to the formal completion of the proposed transaction with the working capital funds being applied in part consideration of the company's obligations under the purchase agreement for the Mangalisa Project.

The drilling program will centre around the **PG-1** drill hole on the western side of the project area which intersected the Witwatersrand reef not previously encountered in the area at 776m below the surface, returning approximately 50g/t gold and 5 kg/t uranium over one metre.

The plan is to drill the holes to a depth of 1000m in order to verify the existence and provisional extent of the inferred deposition fan structure. The drill cores will then be sampled and assayed on all reef intersections.

Subsequent to the end of the quarter, drilling at the Mangalisa Project encountered the Erfenis Reef Zone in a drill hole ERF5-0 which lies 142 metres south west of the original PG-1 drill hole. The original PG-1 results were:

**45.8 g/t Au and 3.79 kg/t U over 0.45 m**  
**91.8 g/t Au and 7.24 kg/t U over 0.21 m**  
**51.1 g/t Au and 4.27 kg/t U over 0.32 m**

At least ten Individual conglomerate bands were intersected, over a core width of some 11 m. The true width is approximately 5.5 m. This scenario is common in the Elsburg geological environment. This intersection confirms the belief held by Acclaim that the Erfenis Reef intersected in PG1 was not an isolated occurrence and that the further drilling could extend the high grade reef.

The uppermost and lowermost reef bands show anomalous radiometric signatures (most likely to be related to uranium mineralisation) and are therefore likely to have above background gold values as well. The uranium – gold association was demonstrated in the previous drilling program.

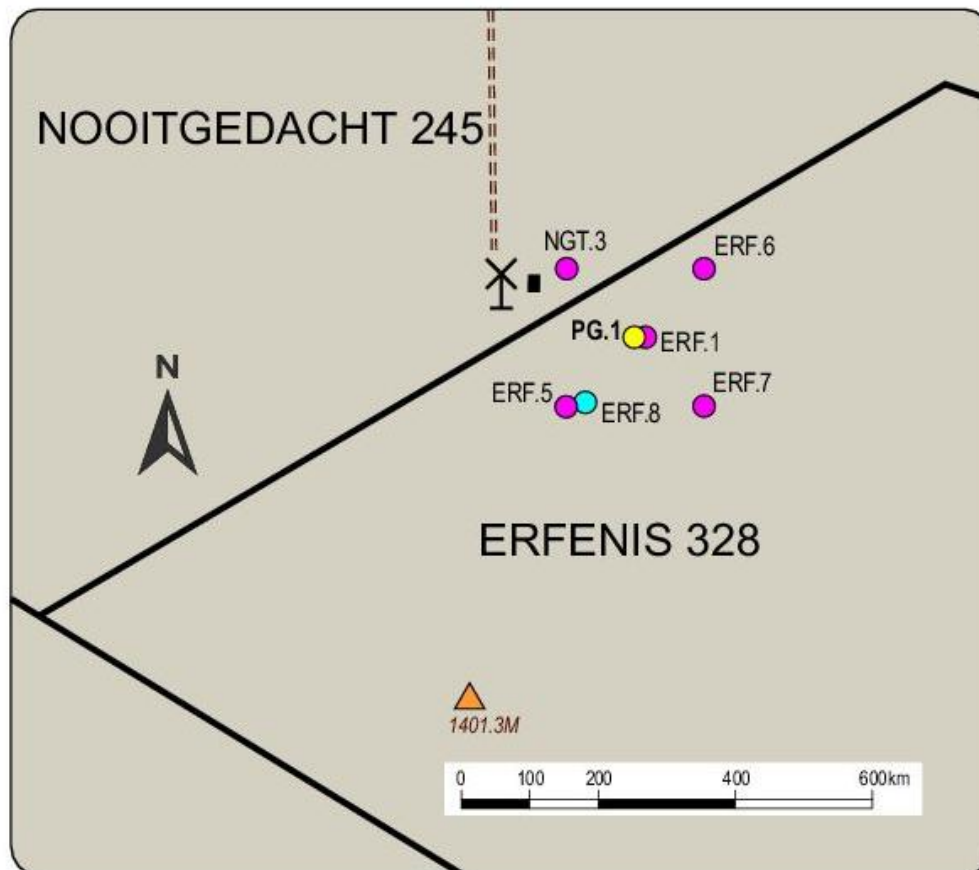
### **ERF5-0 Quartz pebble conglomerate reef, contact at 730.64 m**



Core sampling and analysis is in progress. The reef zone will be re-cut a further 4 times in order to provide QAQC on the results. This will only commence once the mother hole has reached its final depth and the wire line geophysical survey has been completed.

The initial 8-hole phase of drilling on Mangalisa is designed to establish whether there is an extension to the PG1 intersection. The significance of the ERF5 intersection is that we have now demonstrated the first leg of the lateral continuity of the Erfenis Reef.

### MANGALISA DRILL PROGRAM RELATIVE TO PG-1 HOLE LOCATION



Acclaim is extremely encouraged by these preliminary observations which strengthen our view that the Mangalisa project has the potential to provide a significant new Witwatersrand-type discovery in what has been one of the most prolific gold production areas in world history.

*The information in this report that relates to exploration, mineral resources or ore reserves is based on information compiled by Dr Rodney Tucker, BSc (Mining Geology), MSc (University of Witwatersrand) who is a consultant to Acclaim Exploration NL. Dr Rodney Tucker 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 described by the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Tucker consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

## **Denny Dalton Project**

No further work was undertaken on the Denny Dalton Project during the quarter and the Board is currently considering various options.

**A R Hamilton  
Chief Executive Officer  
Acclaim Exploration NL**

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