

COMPANY REVIEW

Corporate

During the year:

- The Company reached agreement to place 150 million fully paid ordinary shares in the capital of Acclaim, together with 150 million free attaching options (exercisable at 4 cents each on or before 30 June 2010), to raise \$1.5 million. 90 million shares have been issued under the Company's 15% capacity with the balance (60 million shares and 150 million options) subject to shareholder approval.
- To enhance the operational capabilities of the company within Africa, Acclaim established an operational office in Johannesburg, South Africa. The office forms the operational base for the company's CEO, Mr Bagirathi, together with the technical team.
- The Company reached agreement to earn leasehold and working interests, and attributable net revenue interests, in various oil and gas prospects as described in detail below.

Exploration Activity – Denny Dalton

During the 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 confirmed initial indications that a further drilling programme be undertaken in and around the old mine site and in particular the area to the east.

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.

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.

During the June quarter, the Company in conjunction with its attorney, continued negotiations with the Department of Minerals and Energy (DME) for the granting of license applications lodged on the farms to the east of the initial drilling program. Once these licenses have been authorised it is the company's intention to expand the drilling campaign on these adjoining properties.

A decision has been taken to defer a proposed RC drilling program in and around the old mine site (in close spacing to the previous holes reported to the market) pending negotiations with a potential joint venture partner. The party, who has signed a confidentiality agreement, is currently analyzing the previous drill hole data. It is anticipated that the partner will participate in the next drilling campaign on the Denny Dalton project.

Project Description

The farm Tusschenby 411, with Nobamba lying adjacent, 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 Nsuze 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°.

Denny Dalton 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 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.

Guinea

In late June 2007, the Company entered into an agreement with Laskara Limited to acquire the rights to explore and mine uranium in the West African nation of Guinea. The Company has been granted the entitlement to formally survey the entire Prefectures of Mali, Siguiiri, 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 year, due diligence was completed and documentation lodged for approval with the Republic of Guinea Government Ministry.

Work commenced to identify 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 was undertaken, with the objective of assessing the potential for viable uranium mineralisation within the 7 Prefectures.

In accordance with the agreement with Laskara Limited, the final terms of the acquisition were to be subject to negotiation on receipt of Ministerial sign off.

As reported throughout the year, the company has experienced continued delays in obtaining the formal grant of exploration licences within the Prefectures of Mali, Siguiiri, Mamou, Kindia, Kissidougou, Mandiana, and N'Zerekore in Guinea.

As a result of these frustrating delays, the company is in discussion with the vendors on the potential withdraw from its involvement in these assets in Guinea. Acclaim will seek repayment of all deposit monies.

Farm-in-Oil and Gas Prospects

During the year, Acclaim reached agreement to earn leasehold and working interests, and attributable net revenue interests, in various oil and gas prospects.

Maria Prospect

The right to earn up to a 25% leasehold estate and working interest in and to oil, gas and mineral leases covering lands situated in the Maria Prospect in Dewitt and Goliad Counties, Texas, USA. By participating in the cost of drilling an initial test well, the Esenjay Operating, Inc – Wood Gas Unit No. 1 Well, Acclaim will acquire the leasehold interest, and have the option to participate in the acquisition of additional leasehold interests within an area of mutual interest.

The initial test well has been drilled to a total measured depth of 14,000', to test the expanded lower Wilcox Roeder /Migura sand section.

The bottom log has only shown small amounts of gas. However the operator First Strike Energy (Esenjay) has commenced testing the oil sand encountered at 7,800'. The Elog indicates a pay sand to be 15' feet thick.

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The Maria Prospect is considered a duplication of the Nordheim SW and Lions Fields. Both of the fields produce from the "toe" part of individual faults blocks downthrown to major down-to-the-coast expander faults. The traps are northerly dipping fault blocks (either west or east component depending on the situation), with associated buried faulting providing the seal.

The two analog fields (Nordheim SW and Lions) were discovered pre-3D coverage which was first shot in this area in 1996. Serious development of both of these fields did not occur until some years later (2000 and 2005, respectively) for different individual reasons.

Gemini Prospect

As provided in the terms of the agreement, in the event that Acclaim is not satisfied with the terms of contractual documents of one or more prospect, it may by mutual agreement with the vendors enter into a farm-in agreement over an alternative prospect in substitution thereof. Following a review of the original Galveston Bay Prospect and the Gemini Prospect, it has been determined to substitute the Galveston Bay Prospect with the Gemini Prospect

Gemini is comprised of two very similar prospects in the Frio producing trend of south Texas with proposed wildcat tests of 10,000 feet each. The project offers an excellent potential return on investment particularly in today's price environment. Both prospects are defined by high quality 3D seismic data with close well control. The prospects are located about 3 miles east of Rita NE and Mifflin fields, which produce from the prospective interval of the Gemini prospects. Mifflin has produced 27 BCFG from 21 different sands and Rita NE has produced 46 BCFG from 17 sands. Hinojosa (21 BCF) and Alazan (38 BCF) fields are about 20 miles north and on trend with the prospects and are nearly identical in structure and stratigraphy. The location is flat dry land with gas processing facilities nearby. The estimated completed well costs are \$1,500,000 and payout for each well would be about six months at \$7.00/MCF, and less than one year even with a product price of \$3.0/MCF. Gemini1 is anticipated to be a 3 well development and Gemini 2 would have approximately 4 wells.

The Gemini project is located in Kenedy County, Texas, just south of Baffin Bay and approximately 20 miles south of Sarita. The proposed locations of the two prospects are about 1 mile apart and part of a contiguous lease. The proposed locations are in well drained flat land and 3 miles from a major state highway. Several possibilities exist for gas.

South Sprint Prospect

The acquisition of a 25% interest in a production well on the South Sprint Prospect and participation in exploration wells in the prospect area. South Sprint is a deeper pay prospect seeking Cib haz and Marg tex productive zones at South Sprint Field, beneath the existing Marg Frio pay zone. The field is a large upthrown three way fault closure. It has produced over 69 BCF from the Marg Frio and has only been tested in the deeper Cib haz and Marg tex by an off structure Pan American Petroleum Corp well that proved good sands and sealing shales exist in the area. It did not find pay in the deeper zones (although it did show cycle skipping in the Cib haz on a sonic log – often an indicator of gas).

Consideration

The consideration for the right to earn the leasehold and working interests, and attributable net revenue interests, in the various oil and gas prospects is as follows:

- (a) the issue of 140 million fully paid ordinary shares in the capital of Acclaim, together with 70 million options to acquire fully paid ordinary shares at an exercise price of 4 cents each on or before 30 June 2010;
- (b) the assumption of the rights and obligations pursuant to the respective leasehold interests; and
- (c) the payment of US\$750,000 cash in respect to the South Sprint Prospect.

The transaction is subject to:

- (a) entering into formal agreements to reflect the agreed terms and to a review of all contractual documents evidencing the respective leasehold and working interests; and
- (b) shareholder approval for the issue of the shares and options as consideration for the acquisition of the relevant interests.

In the event that Acclaim is not satisfied with the terms of contractual documents of one or more prospect, it may by mutual agreement with the vendors enter into a farm-in agreement over an alternative prospect in substitution thereof.

Acclaim has the right, subject to necessary consents, to assign all or part of its interests in the farm-in at any time.