



ACCLAIM EXPLORATION N.L.

ABN 99 009 076 233

Quarterly Activities Report

For the Quarter Ended 31 March 2010

Nacimiento Copper Uranium Project

On 7 January 2010, the Company announced that following the receipt of an independent technical review report on the Nacimiento Copper Uranium project by Coffey Mining Consultants, the company intends to proceed with completion for the acquisition of the 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.

Consideration

The consideration for the acquisition of the 100% membership interest in ECA, as varied by agreement dated 24 February 2010, will comprise:

- (a) the payment of A\$200,000 in the form of a refundable deposit;
- (b) the issue of ordinary fully paid shares in the capital of Acclaim to the value of A\$250,000 which comprised the issue of 50,000,000 ordinary fully paid shares on 24 February 2010; and

- (c) the issue of 220,000,000 ordinary fully paid shares at an issue price of \$0.005 per share, upon shareholder approval to the issue of the securities, as part consideration for the acquisition. The initial agreement provided for the payment of a cash consideration of A\$1,100,000.

Mangalisa Project

On 24 February 2010 the Company announced that it executed a preliminary agreement with Goldcorp Limited (“Goldcorp”) to acquire an initial 33% 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 is subject to the completion of due diligence, shareholder & regulatory approvals and formal agreement.

The Company has retained Coffey Mining Pty Ltd, specialist mining consultants, to undertake a high level technical review of the Mangalisa project.

The Mangalisa Gold project is located 20 km’s east of Welkom, the urban centre of the Free State Goldfield within the Republic of South Africa. The Exploration right covers an area of 180 km² with existing large scale mining operations to both the East and North. Harmony Golds Masimong No5 Shaft gold operations are located 10kms to the south of the project area.

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.

Seven percussion holes were drilled within the exploration area in the 1960’s originally, then in 1988 one hole **PG-1** was re opened and sampling confirmed at the 776m depth with the following results:

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

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 **PG-1** drill hole has confirmed the presence of a well mineralized reef. 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 company will acquire a 33% working interest 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 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 said proportion of shares issued. Thereafter, the vendors will dilute in proportion to any further capital raising.

The Company will then be required to spend a minimum of US\$5 million on exploration within the first 12 months to maintain its 33% interest.

Pending the outcome of exploration results the Company can then elect to earn an additional 17% interest, to bring its total interest to 50%, by expending a further US\$5 million in exploration on the Mangalisa project.

Proposed Exploration Plan

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 and is still subject to shareholder and regulatory approval, with completion of the Notice of Meeting and statutory documents expected shortly. The Board of Directors also advise that the working capital funds will be 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.

The Company will also undertake inspection and location of existing bore holes to correlate the original historical data.

Additionally, further historical data and reports prepared by Snowden's Johannesburg office will be reviewed to assemble a data base of all known exploration records within the permit area.

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.

Capital Raising

On 24 February 2010, the Company announced that in line with the announcement of the Mangalisa Project acquisition and the revised terms for the acquisition of ECA, the company had decided not to proceed with the previously announced underwritten rights issue.

The Company was of the view that the dilutionary effect to shareholders was not warranted at this early stage of development, with the Company currently finalizing the terms of a fully underwritten capital raising at share price levels in excess of those contemplated in the initial proposed rights issue.

On 8 March 2010, the Company announced that it had executed an agreement with **Raptor Capital LLC** ("**Raptor**") to underwrite and manage a A\$9,174,598 capital raising by way of a combination of funding transactions on terms set out below.

The capital raising of A\$9,174,598 will comprise:

- (i) Subject to shareholder approval, the private placement of 200,000,000 ordinary fully paid shares ("**Shares**") at an issue price of \$0.025 per Share (together with one free option exercisable at \$0.07 on or before 31 December 2012 for every three Shares subscribed for and issued), to raise A\$5,000,000;
- (ii) a pro-rata non-renounceable entitlement issue of Shares on the basis of one (1) New Share for every eight (8) Shares held at a record date to be advised ("**Entitlement Issue**"). New Shares under the Entitlement Issue will be offered at \$0.025 per New Share. The maximum number of New Shares which may be issued under the Entitlement Issue is 126,983,919 to raise approximately A\$3,174,598 (based on the current capital structure of the Company); and
- (iii) a share purchase plan ("**SPP**") to raise a further A\$1,000,000 on terms yet to be finalised.

Under the terms of the Company's agreement with Raptor, Raptor has agreed to underwrite each of the private placement, the Entitlement Issue and the SPP referred to above, subject to all necessary regulatory and shareholder approvals. This initial funding is at a significant premium to the previously withdrawn rights issue (\$0.005 per Share) and will provide capital to complete the proposed acquisition of the Mangalisa Project. The balance of the funds from the capital raising will be applied to working capital and to fund the Company's projects. Raptor will be paid an up-front commitment fee of \$100,000 and will be paid an underwriting fee of 5% and a management fee of 1% of the total funds raised.

The Company has received strong expressions from European Institutions (as evidenced by the filing of a substantial shareholder notice by Jabre Capital Partners SA) to provide the next level of funding required to fund the drilling and exploration on the Mangalisa Project, which is planned to commence on site as soon as practical after completion.

The Mangalisa project is a highly prospective world class exploration target located in the Free State Goldfields in the Republic of South Africa which the company has secured as part of its strategic commodity focus.

As soon as practical, the company will prepare a Prospectus and notice of meeting to seek all necessary shareholder approvals for the Capital raising and proposed acquisition of the Mangalisa Project.

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