



## Quarterly Activities Report

For the Quarter Ended 30 September 2010

### Mangalisa Project

#### Background

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. 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.

#### Exploration

During 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**

The first assay from the ERF7 drill hole intersected the Erfenis Reef Zone at a depth of 874.13 metres as follows; **36.6 g/t Au and 0.2407 kg/t U3 O8 over 0.29m**

**ERF 7 DRILL CONTACT WITH THE ERFENIS REEF**

The data suggests that this reef is a correlative of the Erfenis Reef intersected in PG1. The reef in this instance is a pyrite-bearing quartz pebble conglomerate. This type of reef is more likely to be wide spread than the carbon seam occurrence in PG1. A reef intersected in ERF5 is believed to be the Erfenis Reef and the company is awaiting receipt of the assay results which will be released as soon as they are available. The overall results of the drilling continue to be encouraging in that it has now been demonstrated that the PG1 intersection of the Erfenis Reef was not an isolated case. A number of other conglomerates have been intersected above the Erfenis Reef in both ERF5 and ERF7. The current 8-hole phase of drilling on Mangalisa is designed to establish the extension to the PG1 intersection. The significance of the ERF 7 and ERF5 intersection is that we have now demonstrated the first leg of the lateral continuity of the Erfenis Reef.

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.

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.*

### **Nacimiento Copper Uranium Project**

Pursuant to shareholder approval, on 24 September 2010 the company issued 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.

A project plan is currently being prepared by Acclaim Exploration NL to further the exploration and development of these claims.

### **Denny Dalton Project**

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

## Corporate

### Capital Raising

During the quarter, the Company completed the following securities issues:

- (i) the placement of 71,075,000 ordinary fully paid shares (**Shares**) at a subscription price of \$0.018 each, (together with the grant of one free attaching option exercisable at \$0.05 each on or before 31 December 2013 (**Options**) for every Share subscribed for and issued), raising an amount of \$1,279,350. The issue of the 71,075,000 free attaching Options is subject to shareholder approval; and
- (ii) pursuant to shareholder approval, issued 220,000,000 Shares to complete the acquisition of a 100% interest in Energy Company of America LLC.

Subsequent to the end of the quarter, the Company:

- (i) completed the placement of a further 107,749,999 Shares (together with, subject to shareholder approval, 107,749,999 free attaching Options), raising an amount of \$1,939,500; and
- (ii) received additional applications for a further 41,555,554 Shares (together with free attaching Options), for an additional capital raising sum of \$748,000. Subject to shareholder approval, it is proposed to proceed with the issue and allotment of these securities.

Funds raised from these issue will provide additional working capital for the current Mangalisa drilling program underway in South Africa.

**A R HAMILTON**  
Chief Executive Officer