

---

## **ACCLAIM EXPLORATION NL**

**ACN 009 076 233**

## **NOTICE OF GENERAL MEETING**

---

**TIME:** 10.00am (WST)

**DATE:** 25 June 2010

**PLACE:** The Esplanade River Suite Hotel  
Water Well Room  
112 Melville Parade  
Como WA 6152

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9388 8436.***

---

**CONTENTS PAGE**

---

Notice of General Meeting (setting out the proposed resolutions)	3
Explanatory Statement (explaining the proposed resolutions)	5
Glossary	13
Schedule 1 – Terms and Conditions of Options	15
Annexure A – Independent Expert's Report	16
Proxy Form	

---

**TIME AND PLACE OF MEETING AND HOW TO VOTE**

---

**VENUE**

---

The general meeting of the Shareholders to which this Notice of Meeting relates will be held at 10.00am (WST) on 25 June 2010 at:

The Esplanade River Suite Hotel  
Water Well Room  
112 Melville Parade  
Como WA 6152

**YOUR VOTE IS IMPORTANT**

---

The business of the General Meeting affects your shareholding and your vote is important.

**VOTING IN PERSON**

---

To vote in person, attend the General Meeting on the date and at the place set out above.

**VOTING BY PROXY**

---

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) post to Acclaim Exploration NL, Suite B, 150 Hay Street, Subiaco WA 6008; or
- (b) facsimile to the Company on facsimile number (+61 8) 9388 8450,

so that it is received not later than 10.00am (WST) on 23 June 2010.

**Proxy Forms received later than this time will be invalid.**

---

## NOTICE OF GENERAL MEETING

---

Notice is given that a general meeting of Shareholders will be held at 10.00am (WST) on 25 June 2010 at The Esplanade River Suite Hotel, Water Well Room, 112 Melville Parade, Como, Western Australia.

The Explanatory Statement provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 7.00pm (Sydney time) on 23 June 2010.

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary.

---

## AGENDA

---

### 1. RESOLUTION 1 – ACQUISITION OF THE MANGALISA PROJECT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, subject to the passing of Resolution 2, for the purpose Item 7 of Section 611 of the Corporations Act and for all other purposes, approval is given for:*

- (a) the Directors to allot and issue 1,455,836,992 Shares; and*
- (b) the acquisition of a relevant interest in the issued voting shares of the Company by the Vendor in excess of the threshold prescribed by Section 606(1) of the Corporations Act by virtue of the issue of the Shares,*

*on the terms and conditions set out in the Explanatory Statement.”*

**Independent Expert's Report:** Shareholders should carefully consider the Independent Expert's Report prepared by BDO Corporate Finance (WA) Pty Ltd for the purposes of the Shareholder approval required under Item 7 of Section 611 of the Corporations Act. The Independent Expert's Report comments on the fairness and reasonableness of the transaction to the non-associated Shareholders. The Independent Expert has determined the issue of Shares to the Vendor is **not fair but reasonable** to the non-associated Shareholders.

**Voting Exclusion:** Under Item 7 of Section 611 of the Corporations Act, no votes may be cast in favour of the resolution by:

- (a) the person proposing to make the acquisition and their associates; or
- (b) the persons (if any) from whom the acquisition is to be made and their associates.

Accordingly, the Company will disregard any votes cast on this Resolution by the Vendor and any of its associates.

---

## 2. RESOLUTION 2 – PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, subject to the passing of Resolution 1, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 200,000,000 Shares and up to 66,666,667 Options on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

---

## 3. RESOLUTION 3 – ISSUE OF SHARES TO STIRLING COMMODITIES INVESTMENTS LIMITED

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 220,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

---

## 4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 120,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

---

**DATED: 17 MAY 2010**

**BY ORDER OF THE BOARD**

**NEVILLE BASSETT  
COMPANY SECRETARY**

---

## **EXPLANATORY STATEMENT**

---

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting to be held at 10.00am (WST) on 25 June 2010 at The Esplanade River Suite Hotel, Water Well Room, 112 Melville Parade, Como, Western Australia.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

---

### **1. BACKGROUND TO THE ACQUISITION**

#### **1.1 Details of the Agreement**

The Company has entered into a conditional agreement (**Agreement**) with the Vendor to acquire an initial 33.3% interest (with an option to increase to a 50% interest) in the Mangalisa Project located in the Free State Goldfields in the Republic of South Africa (**Project**) (the **Acquisition**).

The Acquisition is conditional upon all necessary shareholder and regulatory approvals.

The consideration for the Acquisition is a total of 1,455,836,992 Shares and US\$5,000,000. The Company is also required to spend a minimum of US\$5,000,000 on exploration on the Project within 12 months from settlement of the Acquisition.

The Company may then elect to increase its interest to 50% by spending a minimum of a further US\$5,000,000 on exploration on the Project.

#### **1.2 Details of the Project**

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.

For further information in relation to the Mangalisa Project, refer to the Independent Technical Valuation prepared by Coffey Mining Pty Ltd and included as Annexure 3 to the Independent Expert's Report.

---

### **2. RESOLUTION 1 – ACQUISITION OF THE MANGALISA PROJECT**

#### **2.1 General**

As outlined in Section 1.1, the Company has entered into the Agreement pursuant to which the Company will, amongst other things and subject to Shareholder approval, allot and issue 1,455,836,992 Shares to the Vendor in consideration for the Acquisition.

Resolution 1 seeks Shareholder approval for the allotment and issue of the Shares to the Vendor as well as the acquisition of a relevant interest in the issued voting shares of the Company by the Vendor in excess of the threshold prescribed by Section 606(1) of the Corporations Act by virtue of the issue of the Shares.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of Shares proposed by Resolution 1 as approval is being obtained under Item 7 of Section 611 of the Corporations Act. Accordingly, the issue of Shares to the Vendor will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

The Corporations Act and ASIC Regulatory Guide 74 set out a number of regulatory requirements which must be satisfied. These are summarised below.

## 2.2 Item 7 of Section 611 of the Corporations Act

Pursuant to Section 606(1) of the Corporations Act, a person must not acquire a relevant interest in issued voting shares in a listed company if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the company increases:

- (a) from 20% or below to more than 20%; or
- (b) from a starting point that is above 20% and below 90%.

The voting power of a person in a body corporate is determined in accordance with Section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's associates have a relevant interest.

A person (**second person**) will be an "associate" of the other person (**first person**) if:

- (a) the first person is a body corporate and the second person is:
  - (i) a body corporate the first person controls;
  - (ii) a body corporate that controls the first person; or
  - (iii) a body corporate that is controlled by an entity that controls the first person; or
- (b) the second person has entered or proposed to enter in a relevant agreement with the first person for the purpose of controlling or influencing the composition of the Company's board or the conduct of the Company's affairs; or
- (c) the second person is a person with whom the first person is acting or proposed to act, in concert in relation to the Company's affairs; or
- (d) the first person is a body corporate and the second person is:
  - (i) a director or secretary of the body; or
  - (ii) a related body corporate; or
  - (iii) a director or secretary of a related body corporate.

An entity controls another entity if it has the capacity to determine the outcome of decisions about that other entity's financial and operating policies.

The following parties are considered to be associates of the Vendor:

- (a) Richard Sinclair – a director of the Vendor; and
- (b) Debbie Calderwood – a director of the Vendor.

No associates of the Vendor currently have a relevant interest in any securities of the Company.

Pursuant to Section 608(1) of the Corporations Act, a person has a "relevant interest" in securities if they:

- (a) are the holder of the securities;
- (b) have the power to exercise, or control the exercise of, a right to vote attached to the securities; or
- (c) have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

Pursuant to Section 608(3) of the Corporations Act, a person is deemed to have a "relevant interest" in securities that a company has if their voting power in the company is above 20% or they control the company.

No shareholders of the Vendor have voting power in the Vendor of greater than 20% as such no shareholders of the Vendor are deemed to have a relevant interest in the Shares to be issued to the Vendor.

In addition, no other parties are deemed to have a relevant interest in the Shares to be issued to the Vendor.

At completion of the Acquisition, the Vendor will be issued with 1,455,836,992 Shares which will result in the Vendor acquiring a relevant interest in the issued voting shares of the Company of greater than 20% (assuming only the Shares and Options contemplated by this Notice are issued, the Entitlement Issue and SPP are fully subscribed, the issue price of Shares issued under the SPP is the same as the issue price of Shares issued pursuant to the Entitlement Issue and the Placement (i.e. 2.5 cents) and no Options are exercised). This acquisition is in excess of the threshold prescribed by Section 606(1) of the Corporations Act.

Item 7 of Section 611 of the Corporations Act provides an exception to the prohibition in Section 606(1) of the Corporations Act, whereby a person may acquire a relevant interest in a company's voting shares with the approval of the shareholders of that company.

Accordingly, the Company seeks Shareholder approval under Item 7 of Section 611 of the Corporations Act for the issue of the Shares to the Vendor as well as the acquisition of a relevant interest in the issued voting shares of the Company by the Vendor in excess of the threshold prescribed by Section 606(1) of the Corporations Act by virtue of the issue of the Shares.

## 2.3 Specific information required by Item 7 of Section 611 of the Corporations Act & ASIC Regulatory Guide 74

The following information is required to be provided to Shareholders under ASIC Regulatory Guide 74 and the Corporations Act in respect of obtaining approval pursuant to Item 7 of Section 611 of the Corporations Act.

### ***The identity of the acquirer and their associates and any person who will have a relevant interest in the Shares to be acquired***

The acquirer is the Vendor.

Details of the associates of the Vendor are set out in Section 2.2.

No party other than Vendor will have a relevant interest in the Shares to be issued to the Vendor.

### ***Full particulars (including the number and percentage) of the Shares to which the Vendor is or will be entitled immediately before and after the Acquisition AND the maximum extent of the increase in the Vendor's voting power in the Company (including their associates) as a result of the Acquisition.***

As at the date of this Notice, the Vendor does not have a relevant interest in any Shares or Options.

Event	Vendor (and its associates)
No. of Shares (% of voting power) held as at the date of this Notice (Total Shares = 975,871,353)	0 (0.00%)
No. of Shares (% of voting power) held after Acquisition (assuming only the Shares and Options contemplated by this Notice are issued, the Entitlement Issue and SPP are fully subscribed and no Options are exercised) (Total Shares = 3,018,692,264)	1,455,836,992 (48.3%)
No. of Shares (% of voting power) held on a fully diluted basis (Total Shares = 3,119,192,264)	1,455,836,992 (46.7%)

#### Note

<sup>1</sup> An assumption has been made that the issue price of Shares to be issued under the SPP is the same as the issue price of Shares issued pursuant to the Entitlement Issue and the Placement (i.e. 2.5 cents). The issue price has not been determined by the Company but once confirmed this will be announced to ASX.

<sup>2</sup> Total Shares figures exclude 40,000,000 partly paid ordinary shares in the capital of the Company that are currently on issue.

### ***The identity, associations (with the Vendor and any of its associates) and qualifications of any person who it is intended will become a Director if Shareholders approve the Acquisition.***

The Vendor will not be seeking to appoint a representative to the Board following completion of the Acquisition.



**A statement of the Vendor's intentions regarding the future of the Company if Shareholders agree to the Acquisition.**

Other than as disclosed elsewhere in this Explanatory Statement, at the date of this Notice of Meeting the Company understands that the Vendor does not intend to:

- (a) make any significant changes to the business of the Company;
- (b) inject further capital into the Company;
- (c) make any changes to the future employment of the present employees of the Company;
- (d) any property will be transferred between the Company and the Vendor or any person associated with any of them;
- (e) otherwise redeploy the fixed assets of the Company; and
- (f) change significantly the financial or dividend policies of the Company.

Further details of the Acquisition are set out throughout this Explanatory Statement. Shareholders are also referred to the Independent Expert's Report set out in Annexure A.

## **2.4 Reasons for the Acquisition**

### **Advantages**

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on Resolution 1:

- (a) the Acquisition provides an opportunity for the Company to diversify its current business operations; and
- (b) the potential increase in market capitalisation of the Company following completion of the Acquisition and the associated capital raisings may lead to increased coverage from investment analysts, access to improved equity capital market opportunities and increased liquidity which are not currently present.

### **Disadvantages**

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on Resolution 1:

- (a) the Independent Expert has assessed the Acquisition to be not fair;
- (b) a significant future outlay of funds will be required which will increase funding pressure on the Company in order to continue exploration of both the Project and its existing Nacimiento copper uranium project;
- (c) on completion of the Acquisition, the Placement, Entitlement Issue and SPP the Company will still require further funding to meet its first year expenditure commitment;
- (d) current Shareholders will have their interests in the Company diluted by the Acquisition and any further equity funding undertaken by the Company;

- (e) there is no guarantee that exploration on the Project by the Company will result in the discovery of a mineral resource; and
- (f) current Shareholders may only want exposure to the Company's existing asset, the Nacimiento copper uranium project and the Acquisition will result in unwanted diversification of the Company's asset portfolio.

## 2.5 Recommendations of Directors

The Directors do not have any personal interests in the outcome of Resolution 1 and recommend that Shareholders vote in favour of the Resolution as they consider the proposed issue of Shares to the Vendor to be in the best interests of Shareholders for the following reasons:

- (a) after assessment of the advantages and disadvantages referred to in Section 2.4; and
- (b) the Independent Expert has determined the issue of Shares to the Vendor to be **not fair but reasonable** to the non-associated Shareholders.

## 2.6 Independent Expert's Report

The Independent Expert's Report prepared by BDO Corporate Finance (WA) Pty Ltd sets out a detailed examination of the proposed Acquisition to enable non-associated Shareholders to assess the merits and decide whether to approve the issue of Shares to the Vendor.

To the extent that it is appropriate, the Independent Expert's Report sets out further information with respect to the Acquisition and concludes that the issue of Shares to the Vendor is **not fair but reasonable** to the non-associated Shareholders.

Shareholders are urged to carefully read the Independent Expert's Report set out in Annexure A to understand its scope, the methodology of the valuation and the sources of information and assumptions made.

---

## 3. RESOLUTION 2 – PLACEMENT

### 3.1 General

Resolution 2 seeks Shareholder approval for the allotment and issue of up to 200,000,000 Shares at an issue price of \$0.025 per Share, together with a total of 66,666,667 Options on the basis of one free attaching Option for every three Shares subscribed for and issued (**Placement**).

None of the subscribers pursuant to this issue will be related parties of the Company.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 2 will be to allow the Directors to issue the Shares pursuant to the Placement during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### 3.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Shares to be issued is 200,000,000 and the maximum number of Options to be issued is 66,666,667;
- (b) the Shares and Options will be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the issue price will be \$0.025 per Share and nil per Option;
- (d) the Directors will determine to whom the Shares will be issued but these persons will not be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (g) the Company intends to use the funds raised from the Placement towards the cash consideration payable in relation to the Acquisition.

---

## 4. RESOLUTION 3 – ISSUE OF SHARES TO STIRLING COMMODITIES INVESTMENTS LIMITED

### 4.1 General

Resolution 3 seeks Shareholder approval for the allotment and issue of 220,000,000 Shares to Stirling Commodities Investments Limited in lieu of the cash consideration remaining on the acquisition of Energy Company of America LLC following agreement by both parties to the variation of the terms of settlement as previously announced to ASX on 24 February 2010 (**Placement**).

The subscriber pursuant to this issue will not be a related party of the Company.

A summary of ASX Listing Rule 7.1 is set out in Section 3.1 above.

The effect of Resolution 3 will be to allow the Directors to issue the Shares pursuant to the Placement during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### 4.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Shares to be issued is 220,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;

- (c) the deemed issue price will be \$0.005 per Share;
- (d) the Shares will be allotted and issued to Stirling Commodities Investments Limited;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the Placement as the Shares will be issued in lieu of the cash consideration remaining on the acquisition of Energy Company of America LLC.

---

## **5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE**

### **5.1 General**

On 25 February 2010, the Company issued 120,000,000 Shares as consideration for a facilitation fee in relation to the acquisition of the Mangalisa Project.

The subscriber pursuant to this issue was not a related party of the Company.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

A summary of ASX Listing Rule 7.1 is set out in Section 3.1 above.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **5.2 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 120,000,000 Shares were allotted;
- (b) the deemed issue price was \$0.005 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) 70,000,000 Shares were allotted and issued to Holdco Asset Management Pty Ltd and 50,000,000 Shares were allotted and issued to Empire Securities Group Pty Limited; and
- (e) no funds raised as the Shares were issued in consideration for a facilitation fee in relation to the acquisition of the Mangalisa Project.

---

## GLOSSARY

---

**\$** means Australian dollars.

**Acquisition** means the acquisition of an interest in the Project by the Company from the Vendor pursuant to the Agreement.

**Agreement** means the agreement between the Company and the Vendor in relation to the Acquisition and as further described in Section 1.1.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Company** means Acclaim Exploration NL (ACN 009 076 233).

**Constitution** means the Company's constitution.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** means the current directors of the Company.

**Entitlement Issue** means the pro-rata non-renounceable entitlement issue of Shares on the basis of one Share for every eight Shares held at the specified record date at an issue price of 2.5 cents per Share to raise up to approximately \$3,174,598 (based on the capital structure as at the date of this Notice) to be undertaken by the Company as announced to ASX on 8 March 2010.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**General Meeting** or **Meeting** means the meeting convened by the Notice.

**Independent Expert** means BDO Corporate Finance (WA) Pty Ltd (ACN 124 031 045).

**Independent Expert's Report** means the report prepared by the Independent Expert and annexed to this Notice as Annexure A.

**Notice** or **Notice of Meeting** or **Notice of General Meeting** means this notice of general meeting including the Explanatory Statement.

**Option** means an option to acquire a Share with the terms and conditions set out in Schedule 1.

**Optionholder** means a holder of an Option.

**Placement** means the placement to be undertaken by the Company as announced to ASX on 8 March 2010 and referred to in Resolution 2.

**Project** or **Mangalisa Project** means the exploration right located in the Free State Goldfields within the Republic of South Africa in which the Company will acquire an interest from the Vendor.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**SPP** means the share purchase plan to be undertaken by the Company as announced to ASX on 8 March 2010 to raise \$1,000,000.

**Vendor** means Goldcorp Limited, a company incorporated in Guernsey.

**WST** means Western Standard Time as observed in Perth, Western Australia.

---

## SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

---

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option gives the Optionholder the right to subscribe for one Share.
- (b) The Options will expire at 5.00pm (WST) on 31 December 2012 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be \$0.07 (**Exercise Price**).
- (d) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
  - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;

**(Exercise Notice).**

- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) The Options are not transferable.
- (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (j) The Company will not apply for quotation of the Options on ASX. However, The Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (m) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.







**ACCLAIM EXPLORATION NL**  
Independent Expert's Report

21 May 2010



BDO Corporate Finance (WA) Pty Ltd  
38 Station Street Subiaco WA 6008  
PO Box 700 West Perth WA 6872  
Phone 61 (0)8 6382 4600  
Fax 61 (0)8 6382 4601

[bdo@bdo.com.au](mailto:bdo@bdo.com.au)  
[www.bdo.com.au](http://www.bdo.com.au)  
ABN 27 124 031 045  
AFS Licence No. 316158

## Financial Services Guide 21 May 2010

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 (“BDO” or “we” or “us” or “ours” as appropriate) has been engaged by Acclaim Exploration NL (“Acclaim”) to provide an independent expert’s report on whether or not the proposed issue of shares to Goldcorp Limited (“Goldcorp”) to acquire an initial 33.3 percent interest in the Mangalisa project is fair and reasonable. You will be provided with a copy of our report as a retail client because you are a shareholder of Acclaim.

### Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide (“FSG”). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- Who we are and how we can be contacted
- The services we are authorised to provide under our Australian Financial Services Licence, Licence No. 316158
- Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice
- Any relevant associations or relationships we have
- Our internal and external complaints handling procedures and how you may access them.

### Information about us

BDO Corporate Finance (WA) Pty Ltd is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

### Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients.

When we provide the authorised financial services we are engaged to provide expert reports in connection with the financial product of another person. Our reports indicate who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

### General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.

### **Fees, Commissions and Other Benefits that we may receive**

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee for this engagement is approximately \$25,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

### **Remuneration or other benefits received by our employees**

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Acclaim for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

### **Referrals**

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

### **Complaints resolution**

#### *Internal complaints resolution process*

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700 West Perth WA 6872.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

### **Referral to External Dispute Resolution Scheme**

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service (“FOS”). FOS is an independent organisation that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial service industry. FOS will be able to advise you as to whether or not they can be of assistance in this matter. Our FOS Membership Number is 12561.

Further details about FOS are available at the FOS website [www.fos.org.au](http://www.fos.org.au) or by contacting them directly via the details set out below.

Financial Ombudsman Service  
GPO Box 3  
Melbourne VIC 3001  
Toll free: 1300 78 08 08  
Facsimile: (03) 9613 6399  
Email: [info@fos.org.au](mailto:info@fos.org.au)

### **Contact details**

You may contact us using the details set out at the top of our letterhead on page 1 of this FSG.



## TABLE OF CONTENTS

1	Introduction	1
2	Summary and Opinion	1
3	Scope of the Report	4
4	Outline of the Transaction	5
5	Profile of Acclaim Exploration NL	6
6	Profile of the Mangalisa Project	11
7	Industry Analysis	12
8	Valuation Approach Adopted	15
9	Valuation of an Acclaim Share Prior to the Transaction	16
10	Valuation of an Acclaim share Following Transaction	25
11	Is the Transaction Fair?	30
12	Is the Transaction Reasonable?	31
13	Conclusion	35
14	Sources of Information	35
15	Independence	35
16	Qualifications	36
17	Disclaimers and Consents	36

**Appendix 1 - Glossary**

**Appendix 2 - Valuation Methodologies**

**Appendix 3 - Coffey Mining Pty Ltd Technical Report - Mangalisa Project**

---



21 May 2010

The Directors  
Acclaim Exploration NL  
Suite B, 150 Hay Street  
SUBIACO WA 6008

Dear Sirs

## INDEPENDENT EXPERT'S REPORT

### 1 Introduction

On 24 February 2010, Acclaim Exploration NL (“**Acclaim**”) announced that it had executed a preliminary agreement with Goldcorp Limited (“**Goldcorp**” or “**the Vendor**”) to acquire an initial 33.3 percent interest from Goldcorp in the Mangalisa Project in the Free State Goldfields in the Republic of South Africa (“**the Mangalisa Project**”).

### 2 Summary and Opinion

#### 2.1 Purpose of the report

The directors of Acclaim have requested that BDO Corporate Finance (WA) Pty Ltd (“**BDO**”) prepare an independent expert’s report (“**our Report**”) to express an opinion as to whether or not the proposed issue of Acclaim shares to Goldcorp to acquire an initial interest of 33 percent in the Mangalisa Project (“**the Transaction**”) is fair and reasonable to the non-associated shareholders of Acclaim (“**the Shareholders**”).

Our Report is prepared pursuant to section 611 of the Corporations Act and is to be included in the Explanatory Memorandum for Acclaim to be sent to all Shareholders in order to assist the Shareholders in their decision whether or not to approve the Transaction.

#### 2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission (“**ASIC**”) Regulatory Guide 111 (“**RG 111**”), ‘Content of Expert’s Reports’ and Regulatory Guide 112 (“**RG 112**”) ‘Independence of Experts’.

In arriving at our opinion, we have assessed the terms of the Transaction as outlined in the body of this report. We have considered:

- How the value of an Acclaim share prior to the Transaction compares to the value of an Acclaim share following the Transaction
- The likelihood of a superior alternative offer being available to Acclaim
- Other factors which we consider to be relevant to the Shareholders in their assessment of the Transaction
- The position of Shareholders should the Transaction not proceed.

#### 2.3 Opinion

**We have considered the terms of the Transaction as outlined in the body of this report and have concluded that, in the absence of a superior offer, the Transaction is not fair but reasonable.**

In our opinion, the Transaction is not fair because the value of an Acclaim share following the Transaction will be less than the value on an Acclaim share prior to the Transaction. However, we consider the Transaction to be reasonable because the advantages of the Transaction to Shareholders are greater than the disadvantages. In particular, we note Acclaim has been able to conduct a capital raising at a premium to its share following the announcement of the Transaction and also the significant increase in the Company's share price since the arrangement of the Transaction.

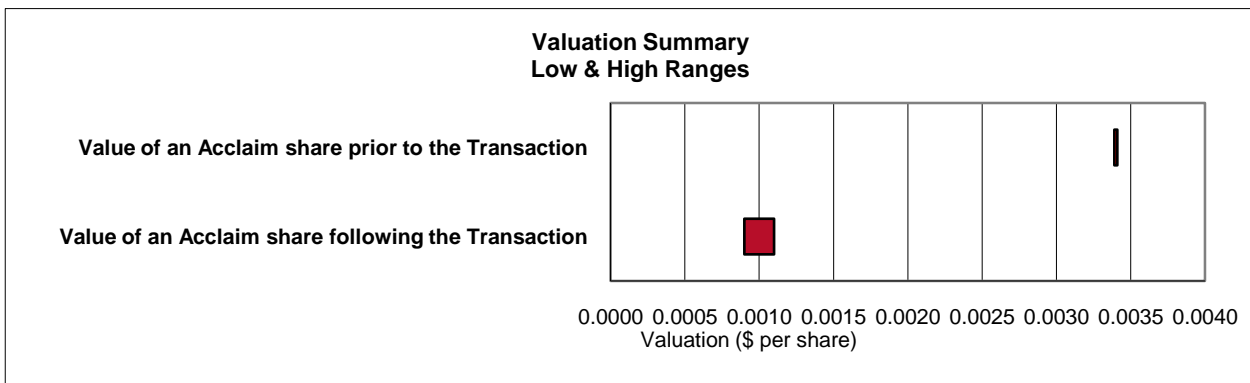
Our analysis of the Transaction is based on the Company successfully conducting a capital raising to fund the Transaction. On 8 March 2010, Acclaim announced it would conduct a capital raising of \$9,174,958. Acclaim has reached an agreement with Raptor Capital LLC to underwrite the capital raising, however the Company has not formally signed an underwriting agreement with Raptor Capital LLC to underwrite the capital raising. Without the capital raising, Acclaim will not be able to fund the Transaction unless alternative funding can be raised.

## 2.4 Fairness

In Section 11 we determined how the value of an Acclaim share prior to the Transaction compares to the value of an Acclaim share post the Transaction as detailed hereunder.

	Section	Low value per share (\$)	High value per share (\$)
Value of an Acclaim share prior to the Transaction	9.3	0.0034	0.0034
Value of an Acclaim share following the Transaction	10	0.0009	0.0011

The above valuation ranges are graphically presented below:



The above pricing indicates that the Transaction is not fair for Shareholders.

## 2.5 Reasonableness

We have considered the analysis in Section 12 of this report, in terms of both:

- Advantages and disadvantages of the Transaction; and
- Alternatives, including the position of Shareholders if the Transaction does not proceed.

In our opinion, the position of Shareholders if the Transaction is approved is more advantageous than the position if the Transaction is not approved. Accordingly, in the absence of any other relevant information and/or a superior proposal we believe that the Transaction is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
12.4.1.1	Exposure to the Mangalisa Project	12.4.2.1	Dilution of shareholders
12.4.1.2	Potential for increased market capitalisation of Acclaim	12.4.2.2	Increased funding pressure
12.4.1.3	Positive share market reaction	12.4.2.3	Unwanted diversification of portfolio
12.4.1.4	Capital raisings will support share price		

Other key matters we have considered include:

Section	Description
12.1	Alternative proposal
12.2	Implications of not accepting the Transaction
12.3	Other Considerations

## 3 Scope of the Report

### 3.1 Purpose of the Report

Section 606 of the Corporations Act Regulations (“the Act”) expressly prohibits the acquisition of shares by a party if that acquisition will result in that person (or someone else) holding an interest in 20% or more of the issued shares of a public company, unless a full takeover offer is made to all shareholders.

Section 611 permits such an acquisition if the shareholders of that entity have agreed to the issue of such shares. This agreement must be by resolution passed at a general meeting at which no votes are cast in favour of the resolution by any party who is associated with the party acquiring the shares, or by the party acquiring the shares. Section 611 states that shareholders of the company must be given all information that is material to the decision on how to vote at the meeting.

Regulatory Guide 74 issued by ASIC deals with “Acquisitions Agreed to by Shareholders”. It states that the obligation to supply shareholders with all information that is material can be satisfied by the non-associated directors of Acclaim, by either:

- Undertaking a detailed examination of the Transaction themselves, if they consider that they have sufficient expertise; or
- By commissioning an Independent Expert’s Report.

The directors of Acclaim have commissioned this Independent Expert’s Report to satisfy this obligation.

### 3.2 Regulatory guidance

The Act does not define the meaning of “fair and reasonable”. In determining whether the Transaction is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

This regulatory guide suggests that where the transaction is a control transaction the expert should focus on the substance of the control transaction rather than the legal mechanism to affect it.

RG 111 suggests that where a transaction is a control transaction it should be analysed on a basis consistent with a takeover bid. In our opinion the Transaction is a control transaction as defined by RG 111 and we have therefore assessed the Transaction to consider whether in our opinion it is fair and reasonable to Shareholders.

### 3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is greater than the value of the securities subject of the offer. When considering the value of the securities subject of the offer in a control transaction the expert should consider this value inclusive of a control premium.

Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being ‘not fair’ the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Having regard to the above, BDO has completed this comparison in two parts:

- A comparison between the value of an Acclaim share prior to the Transaction and following the Transaction (fairness - see Section 11 “Is the Transaction Fair?”); and
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the resolution, after reference to the value derived above (reasonableness - see Section 12 “Is the Transaction Reasonable?”).



## 4 Outline of the Transaction

On 24 February 2010, Acclaim announced it had executed a preliminary agreement with Goldcorp to acquire an initial 33.3 percent interest, with an option to increase to 50 percent, in the Mangalisa Project.

The Company will acquire the 33.3 percent interest in the Mangalisa Project by the payment of US\$5 million in cash plus 1,455,836,992 ordinary shares in Acclaim. 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 a proposed capital raising to maintain the Vendor's shareholding interest. After the proposed capital raising, the Vendors will be diluted in proportion to any further capital raising. The terms of the proposed capital raising were announced on 8 March 2010.

Acclaim will be required to spend a minimum of US\$5 million in exploration expenditure to maintain its 33.3% within 12 months. Acclaim can then increase its direct equity in the Mangalisa Project by spending a further US\$5 million to earn a further 16.7% at which time Acclaim will hold a 50% interest in the Mangalisa Project.

	Pre-Transaction		Post-Transaction (including capital raising)	
	No. of Shares	%	No. of Shares	%
Current Shareholders <sup>1</sup>	1,075,871,353	100%	1,075,871,353	35.64%
Vendor of the Mangalisa project	-	-	1,455,836,992	48.23%
Proposed capital raisings <sup>3</sup>	-	-	366,983,919	12.16%
Shares issued to the facilitator of the Transaction	-	-	120,000,000	3.98%
<b>Total</b>	<b>1,075,871,353</b>	<b>100%</b>	<b>3,018,692,264</b>	<b>100.00%</b>

<sup>1</sup>Assumes the completion of the Energy Corporation of America acquisition (refer to section 5 for details) through the issuance of 270,000,000 shares.

<sup>2</sup>Calculated at an exchange rate of 0.89768 US/1 AUD as at the date of the Transaction

<sup>3</sup> The proposed capital raising is the subject of resolution 2.

This analysis does not include 40,000,000 partly paid shares (Share at 10 cents paid to 8 cents) and does not include 105,000,000 out of the money options

^Reconciliation of Shares to current balance as listed below

	Shares on Issue
Pre-Transaction as per BDO analysis	1,075,871,353
Shares to be issued to the Vendors of the Nacimiento Copper Project (unrelated to the Transaction)	(270,000,000)
<b>Shares on Issue as at 31 December 2009</b>	<b>805,871,353</b>
Shares issued for the facilitation of the acquisition of the Mangalisa Project	120,000,000
Shares issued to the Vendors of the Nacimiento Copper Project (unrelated to the Transaction)	50,000,000
<b>Shares on issue as at 12 April 2010</b>	<b>975,871,353</b>

On 14 April 2010 the Company announced that Acclaim had advanced A\$2million to Goldcorp to expedite drilling at the Mangalisa project to allow drilling to commence prior to Shareholder approval being received. This advance will be treated as a part payment of the cash consideration for the acquisition of the Mangalisa Project.

On 24 February 2010 Acclaim issued 120,000,000 shares as a facilitation fee in relation to the acquisition of the Mangalisa Project. This share issue must be ratified by Shareholders through the approval of resolution 4. The approval of resolutions 1 and 4 are not interdependent which means that one can be approved without the other being approved.

## 5 Profile of Acclaim Exploration NL

### 5.1 History

Acclaim Exploration NL is a publicly listed mineral exploration company based in Perth, Western Australia. Acclaim was incorporated on 22 September 1983 and has formerly traded under the names of Tindals Gold Mines NL and MC Mining NL which listed on 16 August 1984. The directors of Acclaim are as follows;

- Anthony Hamilton
- John Geary
- Craig Willis

### 5.2 Current Projects

Acclaim's focus during the 2009 calendar year has been the Denny Dalton Uranium/Gold Project in South Africa.

The Denny Dalton Project is located approximately 70 kilometres south-west of the town of Vryheid in the north of the province of KwaZulu-Natal, Republic of South Africa. The project is centred on the Denny Dalton gold mine on the farm Tusschenby 411, from which gold was mined during the period 1894 to 1926. The project area is approximately 4,000 hectares.

On 19 February 2010, Shareholders approved the proposed acquisition of a 100% interest in Energy Company of America LLC ("ECA"), a company incorporated in the State of New Mexico, USA from Sterling Commodities Investments Limited ("Sterling").

ECA holds three blocks of lode mining claims (collectively referred to as the Nacimiento Copper Uranium project) as below:

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

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

#### ***Aranda Lode Mining Claims, Rio Arriba Country, 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.

### 5.3 Historical Balance Sheets

	Reviewed as at 31 December 2009 \$	Audited as at 30 June 2009 \$	Audited as at 30 June 2008 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	1,049,482	2,140,810	1,277,941
Trade and other receivables	613,099	188,991	42,288
<b>Total Current Assets</b>	<b>1,662,581</b>	<b>2,329,801</b>	<b>1,320,229</b>
<b>Non-Current Assets</b>			
Other financial assets	683,109	602,566	-
Available for sale investments	-	14,303	8,200,840
Property, plant and equipment	40,985	9,273	31,021
Deferred exploration expenditure	100,000	100,000	9,156,350
<b>Total Non-Current Assets</b>	<b>824,094</b>	<b>726,142</b>	<b>17,388,211</b>
<b>Total Assets</b>	<b>2,486,675</b>	<b>3,055,943</b>	<b>18,708,440</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	199,729	214,265	111,491
<b>Total Current Liabilities</b>	<b>199,729</b>	<b>214,265</b>	<b>111,491</b>
<b>Total Liabilities</b>	<b>199,729</b>	<b>214,265</b>	<b>111,491</b>
<b>Net Assets</b>	<b>2,286,946</b>	<b>2,841,678</b>	<b>18,596,949</b>
<b>Equity</b>			
Issued capital	37,389,378	37,389,378	36,988,648
Reserves	968,849	968,849	5,848,089
Retained earnings	(36,071,281)	(35,516,549)	(24,239,788)
<b>Total Equity</b>	<b>2,286,946</b>	<b>2,841,678</b>	<b>18,596,949</b>

Source: Audited Acclaim Exploration NL Financial Report for the years ended 30 June 2009 and 2008 and reviewed Acclaim Exploration NL Half Year Report for 31 December 2009

## 5.4 Historical Income Statements

	6 months to the 31 December 2009 \$	Audited Year Ended 30 June 2009 \$	Audited Year Ended 30 June 2008 \$
Revenue	21,323	19,431	104,322
Depreciation expense	(7,452)	(21,748)	(8,693)
(Loss)/Profit on sale of non-current assets	-	(965,527)	666,505
Impairment of available for sale investments	(22,085)	(222,031)	-
Exploration and evaluation expenses written off	(20,993)	(9,055,826)	(412,045)
Administrative expenses	(525,525)	(1,031,060)	(1,136,551)
Loss before income tax	(554,732)	(11,276,761)	(786,462)
Income tax	-	-	-
Net loss for period	(554,732)	(11,276,761)	(786,462)
Attributable to:			
Equity holders of the company	(554,732)	(11,276,761)	(786,462)
Minority interest	-	-	-
	(554,732)	(11,276,761)	(786,462)

Source: Audited Acclaim Exploration NL Financial Report for the years ended 30 June 2009 and 2008 and reviewed Acclaim Exploration NL Half Year Report for 31 December 2009

## 5.5 Comments on the financial statements

The audited financial statements of Acclaim for the year ended 30 June 2009 indicate an impairment loss was recognised to reflect a reduction in the value of the Denny Dalton project.

During the period ended 31 December 2009 the Company incurred operational cash out flows of \$531,636, paid \$200,000 as a refundable deposit with respect to the acquisition of ECA and paid a deposit on the acquisition of oil and gas interests for \$119,790. We note that in regards to the oil and gas interests, Acclaim did not proceed further with the acquisition after a preliminary due diligence.

## 5.6 Capital Structure

The share structure of Acclaim as at 12 April 2010 is outlined below:

	Number
Total Ordinary Shares on Issue	975,871,353
Top 20 Shareholders	380,404,101
Top 20 Shareholders - % of shares on issue	38.98

Source: Acclaim Share Registry Report as at 12 April 2010

The range of shares held in Acclaim as at 12 April 2010 is as follows:

Range of Shares Held	No. of Ordinary Shareholders	No. of Ordinary Shares	% of Issued Capital
1-1,000	150	54,812	0.01
1,001-5,000	348	1,091,482	0.11
5,001-10,000	364	3,011,877	0.31
10,001-100,000	2,061	92,629,128	9.49
100,001 - and over	1,031	879,084,054	90.08
<b>TOTAL</b>	<b>3,954</b>	<b>975,871,353</b>	<b>100.00</b>

Source: Acclaim Share Registry Report as at 12 April 2010

The ordinary shares held by the most significant shareholders as at 12 April 2010 are detailed below:

Name	No of Ordinary Shares Held	% of Issued Shares
Holdco Asset Management Pty Ltd	70,000,000	7.17%
Citicorp Nominees Pty Ltd	55,989,100	5.74%
Empire Securities Group Pty Ltd	50,000,000	5.12%
Mining & Geological Industrial Consultants Pty Ltd	30,000,000	3.07%
Goldney Pty Ltd	20,000,000	2.05%
Top 5 Shareholders	225,989,100	23.16%
<b>Total Ordinary Shares on Issue</b>	<b>975,871,353</b>	<b>100.00%</b>

Source: Acclaim Share Registry Report as at 12 April 2010

The most significant optionholders of Acclaim as at 12 April 2010 are outlined below:

Name	Number of Options	Exercise Price (\$)	Expiry Date
Bell Potter Nominees Ltd	31,100,000	0.04	30 June 2010
Alimold Pty Ltd	15,800,000	0.04	30 June 2010
Azur Capital Group Limited	13,000,000	0.04	30 June 2010
Waterox Pty Ltd	5,740,000	0.04	30 June 2010
Palla Nominees Pty Ltd	5,000,000	0.04	30 June 2010
Remaining Optionholders	19,360,000	0.04	30 June 2010
Remaining Optionholders	10,500,000	0.09	31 December 2010
<b>Total Number of Options</b>	<b>105,000,000</b>		
<b>Cash Raised if Options Exercised</b>	<b>\$4,545,000</b>		

Source: Acclaim Share Registry Report as at 12 April 2010

## 6 Profile of the Mangalisa Project

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.

For further information in relation to the Mangalisa Project, refer to Appendix 3 - Coffey Mining Pty Ltd Technical Report - Mangalisa Project.

## 7 Industry Analysis

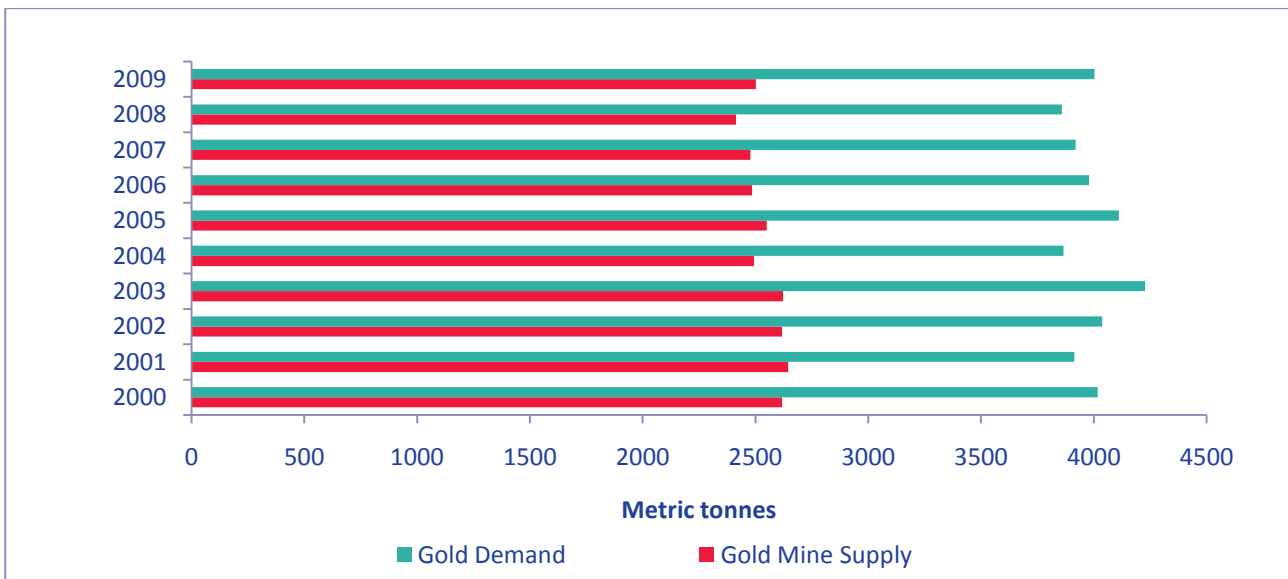
As the Mangalisa Project has both gold and uranium prospects, we have performed an industry analysis on both mineral sectors.

### 7.1 Gold Industry Analysis

#### 7.1.1 Supply and demand

Gold is both a commodity and an international store of monetary value. Once mined, gold continues to exist indefinitely, often melted down and recycled to produce alternative or replacement products. This characteristic means that gold demand is supported by both mine production and gold recycling. According to GFMS Limited, at the end of 2007 the above ground stocks of gold were approximately 161,000 tonnes. Approximately two-thirds of annual demand for gold is driven by jewellery fabrication, with the remainder driven by industrial use and investment in gold.

As illustrated in the chart below, gold mine production was approximately 2,502 metric tonnes in 2009 and gold consumption was 4,003 metric tonnes. With demand for gold already consistently exceeding supply, the escalated level of economic and financial uncertainty during the past 18 months has caused investors to move capital from risky assets to gold assets, which are perceived to be more risk adverse in times of financial certainty. As a result, total gold demand increased by approximately 4% between 2008 and 2009.

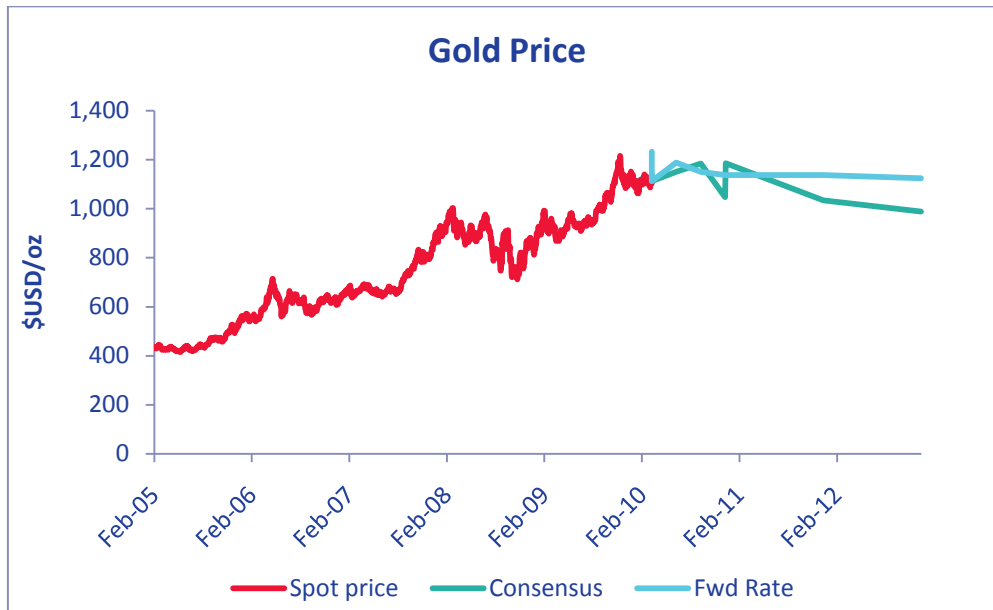


Source: Bloomberg

#### 7.1.2 Current and future gold prices

The price of gold fluctuates on a daily basis depending on global demand and supply factors. As can be seen in the graph below, the value of gold has increased over the past 5 years to USD\$1,221 per ounce as at 11 May 2010. This trend is reflective of high demand for gold due to weak economic conditions during the past 18 months. The consensus view is that gold prices will fall over the next 3 years to approximately \$989 in 2013. The current forward rate suggests that the price of gold will stabilise at current levels over the next three years.





Source: Bloomberg

## 7.2 Uranium

Uranium mining is the extraction of uranium ore from the ground. Uranium deposits are relatively rarely found and mining is concentrated to a few countries worldwide. The most common method of extraction is open pit mining due to the volume intense nature of extraction. This is attributable to uranium ore mostly occurring at relatively low concentrations.

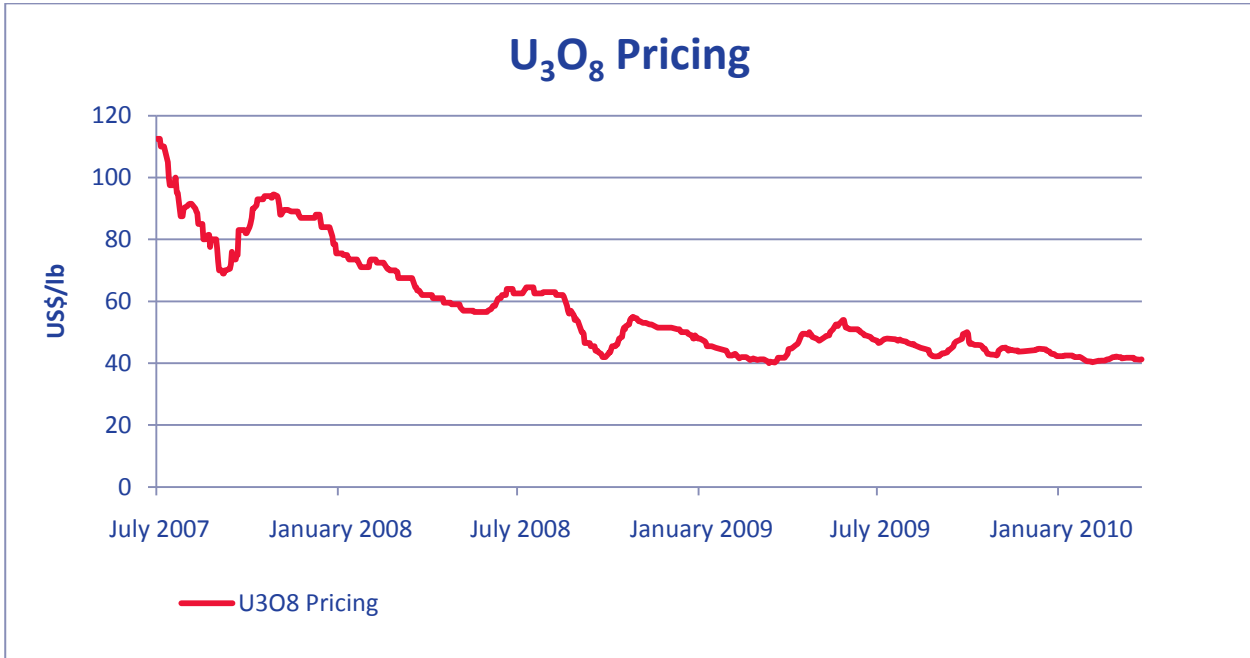
A prominent use of uranium from mining is as fuel for nuclear power plants. As of 2008, known economically recoverable uranium ore resources are estimated to be sufficient to produce fuel for about a century, based on current consumption rates.

The state of the world's uranium market is almost wholly dependent on the global fortunes of the nuclear power generation industry. The nuclear energy sector is currently enjoying a revitalisation. There are two major strategic reasons for this and a number of tactical or technical factors. Among the tactical or technical factors is the fact that a new generation of reactor designs promise even greater safety margins as well as significantly cheaper electricity. In addition, ideological issues from the 1970s and 1980s have less significance with a generation that has grown up since the end of the Cold War.

The two major factors which are driving the recovery of nuclear power around the world are concerns about energy security and climate change.

### 7.3 Uranium Pricing

The uranium spot price as at 7 May 2010 was US\$41.25/lb U<sub>3</sub>O<sub>8</sub>. The following table shows historical U<sub>3</sub>O<sub>8</sub> prices since July 2007:



Source: Bloomberg

The current spot price has remained under pressure from concerns of fund selling and postponed utility discretionary purchases.

### 7.4 Industry outlook

Over the last year there has been considerable merger and acquisition activity in the uranium sector. This trend is set to continue throughout 2010 if spot prices continue at the current levels that have forced production cuts, and in some cases mine closures. Of particular interest to market participants is the increased investment by China in the sector in anticipation of completing in the region of 40 new reactors by 2020. Chinese target nuclear generation figures for 2020 are expected to be revised this year, with some sources suggesting an increase from the current 9GWe produced by the country's 11 operating nuclear power plants to 70GWe by 2020.

## 8 Valuation Approach Adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Net Tangible Assets on a going concern basis (“NTA”)
- Quoted Market Price Basis (“QMP”)
- Capitalisation of Future Maintainable Earnings (“FME”)
- Discounted Cash Flow (“DCF”)
- Multiple of Exploration Expenditure (“MEE”).

A summary of each of these methodologies is outlined in Appendix 2.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information.

### 8.1 Valuation of an Acclaim share prior to the Transaction

In our assessment of the value of Acclaim prior to the Transaction, we have chosen to employ the following methodologies:

- Net Tangible Assets on a going concern basis
- Quoted Market Price Basis.

We have chosen these methodologies for the following reasons:

We have chosen to utilise the Net Tangible Asset basis as Acclaim is still in the exploration phase of development. We have chosen to utilise the Quoted Market Price basis because Acclaim shares are listed on the ASX.

We are unable to utilise the FME methodology as Acclaim has no history of profitability and we have not been presented with any forecast future cash flows and as a result have not been able to utilise the DCF methodology.

### 8.2 Valuation of an Acclaim share following the Transaction

In considering the valuation of an Acclaim share following the Transaction we have considered our valuation of an Acclaim share prior to the Transaction and included the following adjustments:

- to value Acclaim’s 33.3 percent interest in the Mangalisa Project which will be acquired if the Transaction is approved, we have chosen to utilise the Net Tangible Asset basis in conjunction with a valuation prepared by an independent specialist, Coffey Mining Pty Ltd
- we have included the impacts of capital raisings which are contingent on the Transaction being approved.



## 9 Valuation of an Acclaim Share Prior to the Transaction

In considering the valuation on an Acclaim share prior to the Transaction, we have performed our assessment in the following sections:

- A valuation of an Acclaim share on a net tangible asset basis (Section 9.1)
- A valuation of an Acclaim share on a quoted market basis (Section 9.2)
- A conclusion on the valuation of an Acclaim share prior to the Transaction being approved (Section 9.3).

## 9.1 Net Asset Valuation of Acclaim

The value of Acclaim assets on a going concern basis is reflected in our valuation below:

	Note	Reviewed as at 31 December 2009 \$	Valuation prior to the Transaction \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents		1,049,482	508,000
Trade and other receivables		613,099	613,099
<b>Total Current Assets</b>		<b>1,662,581</b>	<b>1,121,099</b>
<b>Non-Current Assets</b>			
Other financial assets		683,109	683,109
Property, plant and equipment		40,985	40,985
Deferred exploration expenditure	(a)	100,000	1,650,000
<b>Total Non-Current Assets</b>		<b>824,094</b>	<b>2,374,094</b>
<b>Total Assets</b>		<b>2,486,675</b>	<b>3,495,193</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables		199,729	199,729
<b>Total Current Liabilities</b>		<b>199,729</b>	<b>199,729</b>
<b>Total Liabilities</b>		<b>199,729</b>	<b>199,729</b>
<b>Net Assets</b>		<b>2,286,946</b>	<b>3,295,464</b>
<b>Shares</b>	(a)	<b>805,871,353*</b>	<b>1,075,871,353</b>
<b>Value of an Acclaim Share (\$)</b>		<b>0.0027</b>	<b>0.0031</b>

Source: BDO Analysis

\*Excluding partly paid shares

Acclaim acquired the Energy Company of America LLC (“ECA”) after 31 December 2009, whose key asset is the Nacimiento Copper Uranium Project. The table above indicates the net asset value of an Acclaim share is \$0.0031.

The following adjustments were made to the net assets of Acclaim as at 31 December 2009 in arriving at our valuation.

**(a) Acquisition of ECA**

On 7 January 2010, Acclaim announced its decision to proceed with the acquisition of the Nacimiento Copper Uranium project, through the acquisition of ECA. The consideration paid for ECA consisted of a payment of A\$200,000 and the issue of ordinary fully paid shares in the capital of Acclaim to the value of \$1,350,000 at an issue price of \$0.005 per share.

<b>Consideration paid for ECA</b>		<b>A\$1,550,000</b>
<b>Consisting of:</b>		
<b>Cash</b>		<b>A\$200,000</b>
<b>Shares</b>	270,000,000 shares at a notional value of \$0.005 per share	

ECA was purchased on 19 February 2010. We note that the acquisition of ECA was completed recently, acquired from a non-related party and on an arm's length basis. On this basis we have valued ECA on the basis of the consideration paid for ECA. In allocating the consideration paid for ECA, we have confirmed that there are no other assets or liabilities within ECA. Correspondingly, we have allocated the entire purchase consideration paid for ECA to deferred exploration expenditure.

<b>Consideration paid for ECA</b>		<b>A\$1,550,000</b>
<b>Allocated to:</b>		
Deferred exploration expenditure		<b>A\$1,550,000</b>

	<b>Shares on Issue</b>
<b>Shares on Issue as at 31 December 2009</b>	<b>805,871,353</b>
Shares to be issued to the Vendors of the Nacimiento Copper Project (unrelated to the Transaction)	270,000,000
Pre-Transaction as per BDO analysis	<u>1,075,871,353</u>

The Company issued its quarterly activities statement for the quarter ended 31 March 2010 on 29 April 2010, this disclosed that the Company had cash of \$508,000 on hand at 31 March 2010. We have incorporated this amount of cash in our valuation.

**9.1.1 Valuation**

On the basis of our net asset based valuation of Acclaim, we have valued Acclaim at \$0.0031 per share prior to the Transaction.

## 9.2 Quoted Market Prices for Acclaim Securities

To provide a comparison to the valuation of an Acclaim share in Section 9.1, we have also assessed the quoted market price for an Acclaim share.

The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

RG 111.22 suggests that when considering the value of a company's shares for the purposes of approval under s611 of the Corporations Act, the expert should consider a premium for control. An acquirer could be expected to pay a premium for control due to the advantages it will receive should it obtain 100% control of another company. These advantages include the following:

- Control over decision making and strategic direction;
- Access to underlying cash flows;
- Control over dividend policies; and
- Access to potential tax losses.

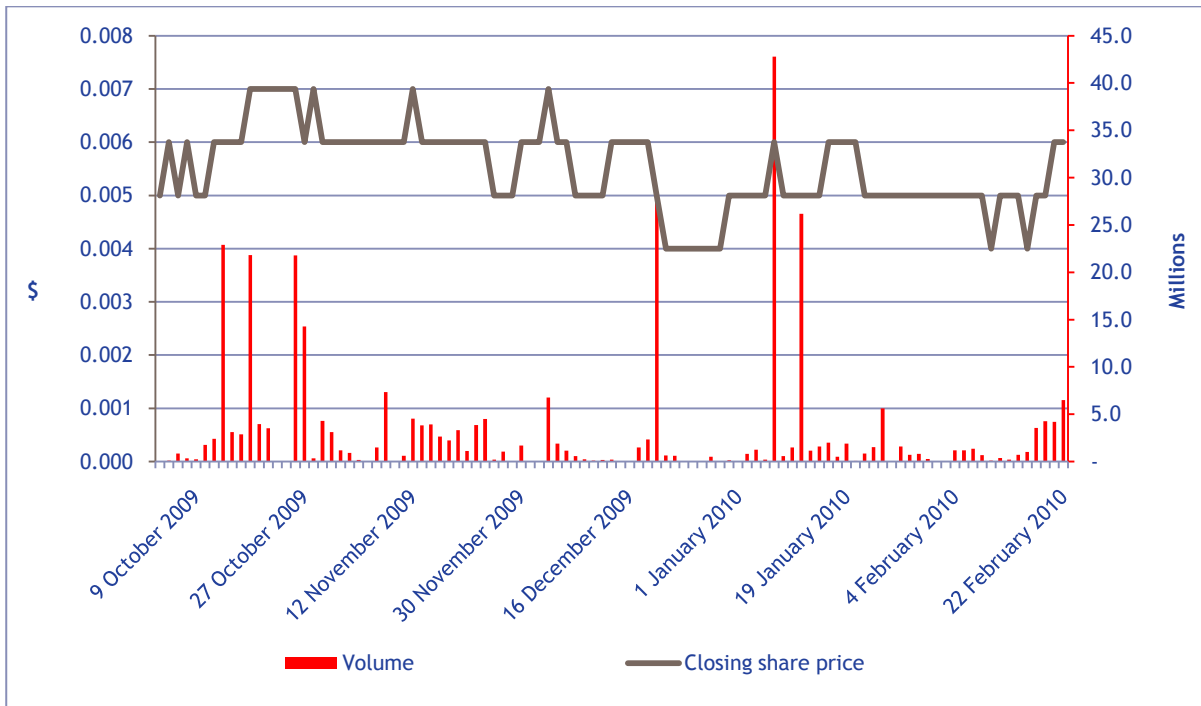
RG 111 states that the expert should calculate the value of a target's shares as if 100% control were being obtained. RG 111.24 states that the expert can then consider an acquirer's practical level of control when considering reasonableness. Reasonableness has been considered in Section 12.

Therefore, our calculation of the quoted market price of an Acclaim share including a premium for control has been prepared in two parts. The first part is to calculate the quoted market price on a minority interest basis. The second part is to add a premium for control to the minority interest value to arrive at a quoted market price value that includes a premium for control.

### 9.2.1 Minority interest value

Our analysis of the quoted market price of an Acclaim share is based on the pricing prior to the announcement of the Transaction. This is because the value of an Acclaim share after the announcement may include the affects of any change in value as a result of the Transaction itself. However, we have evaluated the value of an Acclaim share following the announcement of the Transaction when we have considered reasonableness in Section 12.

Information on the Transaction was announced to the market on 24 February 2010. Therefore, the following chart provides a summary of the share price movement over the year to 23 February 2010 which was the last trading day prior to the announcement of the Transaction.



Source: Bloomberg

The daily price of Acclaim shares from 23 February 2009 to 23 February 2010 has ranged from a high of \$0.008 on 26 October 2009 to a low of \$0.004 on 16 February 2010. During this period a number of announcements were made by Acclaim. The key announcements are set out below:

Date	Announcement	Closing Price Following Announcement	% Change	Closing Share Price Three Days	% Change
23/02/2010	Trading halt announced in anticipation of Acclaim acquiring a 33% interest with an option to increase to 50% in the Mangalisa project in the Free State Goldfields in the Republic of South Africa.	0.006	0.00%	0.018	▲ 200.00%
7/01/2010	Acclaim announced the receipt of the independent technical review report on the Nacimiento Copper Uranium project by Coffey Mining Consultants.	0.006	▼ 17%	0.005	▼ 17%
26/10/2009	Acclaim announced that it had entered into an agreement with Stirling Commodities Investments Limited ("Stirling") to acquire a 100% interest in the Energy Company of	0.007	▼ 14.29%	0.006	▼ 14.29%



Date	Announcement	Closing Price Following Announcement	% Change	Closing Share Price Three Days	% Change
	America LLC ("ECA") which owns the Nacimiento Copper Uranium Project.				
27/08/2009	Acclaim advised that the due diligence on the royalty stream acquisition from Arturus Capital Limited ("AKW") is still ongoing.	0.004	0.00%	0.004	0.00%
30/07/2009	Acclaim announced the acquisition of a 12% (15% of 80%) royalty stream from AKW over shallow gas projects located in Jackson County, Texas, USA for US \$1.5 million.	0.006	▼ 16.67%	0.005	▼ 16.67%

Source: ASX Announcements

The two significant spikes in volume in January 2010 were primarily in relation to the acquisition of the Nacimiento Copper Uranium. We are unable to attribute the spike in volume that occurred in December 2009 to any specific ASX announcements made by Acclaim.

To provide further analysis of the market prices for an Acclaim share, we have also considered the volume weighted average market price for 10, 30, 60 and 90 day periods to trading date prior to announcement.

Price per share	23 February 2010	10 Days	30 Days	60 Days	90 Days
Closing price	\$ 0.0060				
Volume Weighted Average Price		\$ 0.0053	\$ 0.0052	\$ 0.0054	\$ 0.0057

Source: Bloomberg

The above weighted average prices are prior to the date of the announcement of the Transaction, to avoid the influence of any increase in price of Acclaim shares that has occurred since the Transaction was announced.

An analysis of the volume of trading in Acclaim shares for the 180 trading days to 23 February 2010 is set out below:

	Share price Low(\$)	Share price High(\$)	Cumulative volume traded	% of Issued capital
1 Trading Day	0.006	0.006	-	0.00%
10 Trading Days	0.004	0.006	20,893,945	2.59%
30 Trading Days	0.004	0.006	43,906,694	5.45%
60 Trading Days	0.004	0.007	162,067,658	20.11%
90 Trading Days	0.004	0.008	254,001,985	31.52%
180 Trading Days	0.004	0.008	631,971,900	78.42%

Source: Bloomberg

This table indicates that Acclaim shares display a moderate level of liquidity, with 78.42% of the Company's current issued capital being traded in a 180 trading day period. For the quoted market price methodology to be reliable there needs to be a 'deep' market in the shares. RG 111.53 indicates that a 'deep' market should reflect a liquid and active market. We consider the following characteristics to be representative of a deep market:

- Regular trading in a company's securities
- Approximately 1% of a company's securities are traded on a weekly basis
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'deep', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of Acclaim, we consider that there is a deep market for its shares. This is because its shares are regularly traded and, when considering the two months prior to the announcement, volume has been buoyant. However, we note that the volume of shares traded during certain periods has been thin.

Our assessment is that a range of values for Acclaim shares based on market pricing, after disregarding post announcement pricing, is between \$0.0052 and \$0.0060.

### 9.2.2 Control Premium

We have reviewed the control premiums paid by acquirers of gold and uranium companies listed on the ASX. We have summarised our findings below:

Criteria	Deal Count	Average Deal Value	Average Control Premium <sup>^</sup>
<b>Gold</b>			
2010	15	342	96.34%
2009	71	4,543	16.46%
2008	53	3,224	20.31%
2007	69	3,242	20.41%
2006	53	1,207	12.40%
2005	45	658	58.99%
	<b>Average</b>	<b>2,202</b>	<b>37.49%</b>
	<b>Median</b>	<b>2,215</b>	<b>20.36%</b>
<b>Uranium</b>			
2010	2	15	*
2009	15	134	21.78%
2008	5	0.7	*
2007	20	367	15.20%
2006	5	6	*
2005	1	12	73.11%
	<b>Average</b>	<b>89</b>	<b>36.70%</b>
	<b>Median</b>	<b>14</b>	<b>21.78%</b>

Source: Bloomberg, based on information where deal premiums are disclosed

<sup>^</sup>In relation to instances in which there is sufficient information to calculate a control premium

\*Insufficient information available regarding deal premiums

The results from the table above indicate that on average the control premium has been 37.5 percent for gold companies and 36.7 percent for uranium companies over the last 5 years.

The results from the table above indicate that on median the control premium has been 20.36 percent for gold companies and 21.78 percent for uranium companies over the last 5 years.

On the basis of the results of the above analysis we have adopted a control premium to apply here of between 20% and 22%.



### 9.2.3 Quoted market price including control premium

Applying a control premium to Acclaim’s quoted market share price results in the following quoted market price value including a premium for control:

	Low (\$)	High (\$)
Quoted Market Price value	0.0052	0.0060
Control premium	20%	22%
<b>Quoted market price valuation including a premium for control</b>	<b>0.0072</b>	<b>0.0083</b>

Therefore, our valuation of an Acclaim share based on the quoted market price method and including a premium for control is between \$0.0072 and \$0.0083.

### 9.3 Conclusion on the Value of an Acclaim share prior to the Transaction

	Section	Low value per share (\$)	High value per share (\$)
Value of Acclaim on a Net Asset basis	9.1.1	0.0031	0.0031
Quoted market price including control premium	9.2.3	0.0072	0.0083

We have preferred the net tangible asset basis for our valuation of an Acclaim share prior to the Transaction. We have preferred this valuation methodology for the purposes of consistency in our valuation of an Acclaim share following the Transaction, as we have adopted a net asset basis for our valuation of an Acclaim share following the Transaction.

## 10 Valuation of an Acclaim share Following Transaction

### 10.1 Net Tangible Asset Valuation of Acclaim

The value of Acclaim assets on a going concern basis is reflected in our valuation below:

	Note	Reviewed as at 31 December 2009 \$	Valuation prior to the Transaction \$	Valuation following the Transaction \$ Low	Valuation following the Transaction \$ High
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	(a)(b)	1,049,482	508,000	3,462,548	3,462,548
Trade and other receivables		613,099	613,099	613,099	613,099
<b>Total Current Assets</b>		<b>1,662,581</b>	<b>1,121,099</b>	<b>4,075,647</b>	<b>4,075,647</b>
<b>Non-Current Assets</b>					
Other financial assets		683,109	683,109	683,109	683,109
Property, plant and equipment		40,985	40,985	40,985	40,985
Deferred exploration expenditure	(a)	100,000	1,650,000	3,450,000	4,050,000
<b>Total Non-Current Assets</b>		<b>824,094</b>	<b>2,374,094</b>	<b>4,174,094</b>	<b>4,774,094</b>
<b>Total Assets</b>		<b>2,486,675</b>	<b>3,495,193</b>	<b>8,249,741</b>	<b>8,849,741</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Trade and other payables		199,729	199,729	199,729	199,729
Commitments	(a)	-	-	5,569,913	5,569,913
<b>Total Current Liabilities</b>		<b>199,729</b>	<b>199,729</b>	<b>5,769,642</b>	<b>5,769,642</b>
<b>Total Liabilities</b>		<b>199,729</b>	<b>199,729</b>	<b>5,769,642</b>	<b>5,769,642</b>
<b>Net Assets</b>		<b>2,286,946</b>	<b>3,295,464</b>	<b>2,480,099</b>	<b>3,080,099</b>
Shares	(a)(b)	805,871,353	1,075,871,353	3,018,692,264	3,018,692,264
<b>Value of an Acclaim Share (\$)</b>		<b>0.0027</b>	<b>0.0031</b>	<b>0.0009</b>	<b>0.0011</b>

**(a) Acquisition of the Mangalisa Project**

The acquisition of the Mangalisa Project will require Acclaim to pay to the Vendors:

- US\$5 million, payable in cash
- 1,455,836,992 ordinary shares in Acclaim
- expend an additional US\$5million on exploration expenditure within 12 months of execution of the Transaction to maintain its 33 percent interest

Correspondingly, we have made the following adjustments to reflect the acquisition of the Mangalisa Project in our valuation of an Acclaim share following the Transaction.

**Cash**

Acclaim will be required to pay US\$5 million in cash to the Vendor. On the basis of the exchange rate at the announcement of the Transaction this is equivalent to:

Mineral Asset	Value
US\$5 million payable to the Vendor	US\$5,000,000
Exchange rate of AUD/USD as at the date of the Transaction	0.89768
<b>Australian dollar equivalent payable to Vendor</b>	<b>A\$5,569,913</b>

**Exploration Expenditure**

If the Transaction is approved, Acclaim will acquire a 33.3 percent interest in the Mangalisa Project. We have instructed Coffey to provide an independent market valuation of the Mangalisa Project. Coffey considered a number of different valuation methods when valuing the Mangalisa Project. Coffey applied the MEE method and the comparable transaction method. The MEE method is discussed in Appendix 2 and Coffey’s independent market valuation report has been appended to this report in Appendix 3. The comparable transaction method involves calculating a value per common attribute in a comparable transaction and applying that value to the subject asset. A common attribute could be the amount of resource or the size of a tenement. We consider these methods to be appropriate given the pre feasibility stage of development of the Mangalisa Project.

The range of values for the Mangalisa Project as calculated by Coffey is set out below:

	Low Value	High Value
Mangalisa Project	\$5.4M	\$7.3M

The table above indicates a range of values between \$5.4 million and \$7.3 million. This value range incorporates the \$5 million that Acclaim is committed to spend within 12 months of acquiring the Mangalisa Project.

As Acclaim will be acquiring a 33.3 percent interest in the Mangalisa Project, we have valued the initial interest that Acclaim will acquire if the Transaction is approved below:

\$m	Low Value	High Value
Mangalisa Project	\$5.4M	\$7.3M
Interest that Acclaim will acquire	33.3%	33.3%
Value of the 33.3% interest in the Mangalisa Project that Acclaim will acquire	\$1.8M	\$2.4M

### Commitments

Acclaim will be required to expend an additional US\$5million on exploration expenditure within 12 months of execution of the Transaction to maintain its 33.3 percent interest. On this basis, the following commitments will be payable by Acclaim to maintain its 33.3 percent interest.

Mineral Asset	Value
US\$5 million to be incurred on exploration expenditure	US\$5,000,000
Exchange rate of AUD/USD as at the date of the Transaction	0.89768
<b>Exploration Expenditure Commitments</b>	<b>A\$5,569,913</b>

### Shares issued

The Company will acquire a 33.3 percent interest in the Mangalisa Project by the payment of US\$5 million plus the issue of 1,455,836,992 ordinary shares in Acclaim. 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 a proposed capital raising to maintain the Vendor's shareholding interest.

Acclaim has issued 120,000,000 paid shares to the facilitator of the Transaction, a non-related party and the ratification of this issue is the subject of resolution 4.

As we have incorporated the capital raisings announced to the market on 8 March 2010, we have assumed the following shares will be issued.

	Shares issued
Equity component of the consideration	1,455,836,992
Facilitator Fee	120,000,000
<b>Additional Shares Issued</b>	<b>1,575,836,992</b>

## (b) Capital Raising

On 8 March 2010, Acclaim announced the it would conduct a capital raising of \$9,174,958 comprising of the following components:

- The private placement of 200,000,000 ordinary full paid shares at an issue price of \$0.025 to raise \$5,000,000 (together with one free option exercisable at \$0.07). We have made an assumption that these options are not exercised. This is the subject of resolution 2.
- A pro-rata non-renounceable entitlement issue of Shares on the basis of one new share for every eight shares. 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 \$3,174,598.
- A share purchase plan to raise a further A\$1,000,000 on terms yet to be finalised

Acclaim has reached an agreement with Raptor Capital LLC to underwrite the private placement, the entitlement issue and the share purchase plan. Raptor will be entitled to 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 approval of resolution 2 is required for the Transaction to proceed and as such, we have included the impact of the capital raisings in our valuation of an Acclaim share following the Transaction.

Our analysis of the Transaction is based on the Company successfully conducting a capital raising to fund the Transaction. Whilst Acclaim has reached an agreement with Raptor Capital LLC to underwrite the capital raising, the Company has not formally signed an underwriting agreement with Raptor Capital LLC to underwrite the capital raising. Without the capital raising, Acclaim will not be able to fund the Transaction unless alternative funding can be raised.

Correspondingly, we have made the following adjustments to reflect the proposed capital raisings in our valuation of an Acclaim share post the Transaction.

### Cash

The capital raisings will raise the following cash proceeds

	Cash Proceeds Raised
Capital Raisings	\$9,174,958
Raptor Management Fee	(\$100,000)
Raptor Underwriting and Management Fee	(\$550,497)
<b>Total cash proceeds raised</b>	<b>\$8,524,461</b>



## Shares

As a result of the above capital raisings, we have assumed the following shares are issued;

	Shares issued
Private placement	200,000,000
Entitlement issue	126,983,919
Share purchase plan	40,000,000
<b>Total shares issued</b>	<b>366,983,919</b>

Whilst the pricing of the share purchase plan has not been announced, we have assumed for the purposes of our analysis that the pricing of the share purchase plan is \$0.025, which is consistent with the private placement and the entitlement issue.

## Summary

A summary of the above adjustments for part (a) and part (b) have been summarised in the table below:

	Part (a)	Part (b)	Total
Cash and Cash Equivalents (\$)	(5,569,913)	8,524,461	2,954,548
Deferred Exploration Expenditure (\$)	1,800,000 to 2,400,000	~	1,800,000 to 2,400,000
Commitments (\$)	(5,569,913)	~	(5,569,913)
Shares Issued (number)	1,575,836,992	366,983,919	1,942,820,911

## 10.2 Conclusion on the Value of an Acclaim share following the Transaction

	Section	Low value per share (\$)	High value per share (\$)
Value of Acclaim on a Net Asset basis following the Transaction	10.1	0.0009	0.0011

On the basis of our analysis, our valuation of an Acclaim share following the Transaction is between \$0.0009 and \$0.0011 per share.

## 11 Is the Transaction Fair?

The value of an Acclaim share prior to the Transaction is compared to the value of an Acclaim share following Transaction as shown below:

	Section	Low value per share (\$)	High value per share (\$)
Value of an Acclaim share prior to the Transaction	9	0.0031	0.0031
Value of an Acclaim share following the Transaction	10	0.0009	0.0011

We note from the table above that value of an Acclaim share prior to the Transaction is greater than the value of an Acclaim share following the Transaction. Therefore, we consider that the Transaction is not fair.

## 12 Is the Transaction Reasonable?

### 12.1 Alternative Proposal

We are unaware of any alternative proposal that might offer the Shareholders of Acclaim a premium over the value ascribed to that resulting from the Transaction.

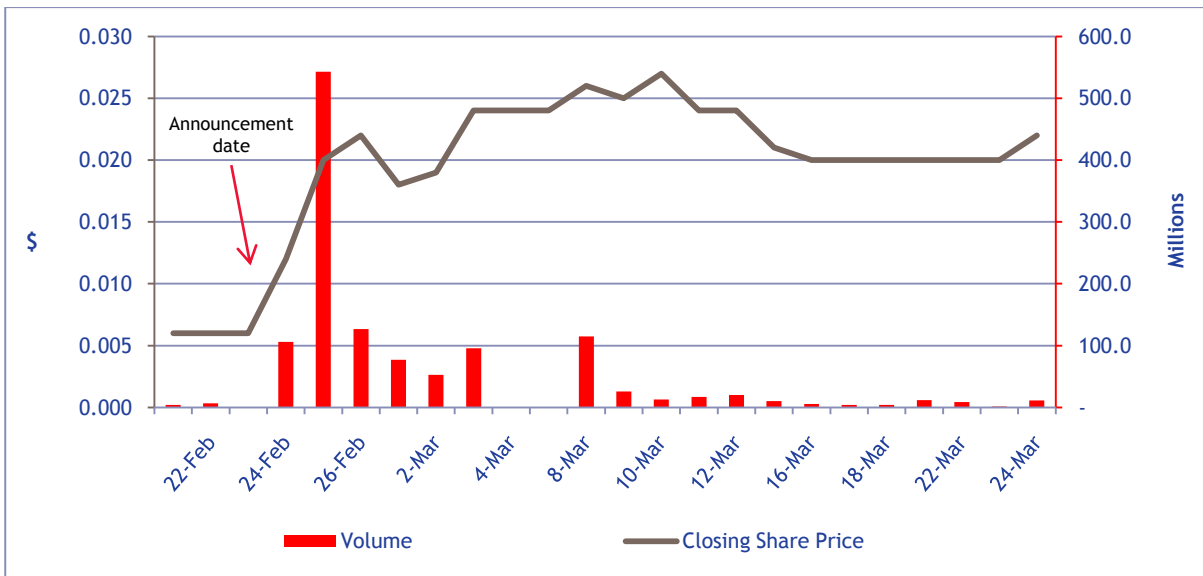
### 12.2 Implications of not approving the Transaction

#### 12.2.1 Future Activities of Acclaim if the transaction is not approved

If the Transaction is not approved, Acclaim will continue to focus on the development of the Nacimiento copper uranium project.

#### 12.2.2 Potential decline in share price

We have analysed movements in Acclaim's share price since the Transaction was announced. A graph of Acclaim's share price since the announcement is set out below.



Source: Bloomberg

The Acclaim share price has increased significantly following the announcement of the Transaction. The Acclaim share price has increased significantly from the closing share price of \$0.006 on 23 February 2010, the day prior to the announcement to a closing share price of \$0.07 on 14 May 2010.

In the analysis of volumes traded after the announcement of the Transaction, we noted that Jabre Capital Partners SA lodged a Notice of initial substantial holder on 3 March 2010. The notice detailed that after the announcement of the Transaction Jabre Capital Partners SA increased its interest in Acclaim to 53,500,000 shares.

Given the above analysis it is possible that if the Transaction is not approved, then Acclaim's share price may decline back to the pre-announcement levels

### 12.3 Other Considerations

On 8 March 2010, Acclaim announced that it would conduct a capital raising of \$9,174,958 comprising of the following components:

- The placement of 200,000,000 ordinary full paid shares at an issue price of \$0.025 to raise \$5,000,000 (together with one free option exercisable at \$0.07 for every three shares)
- A pro-rata non-renounceable entitlement issue of Shares on the basis of one new share for every eight shares. 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 \$3,174,598.
- A share purchase plan to raise a further A\$1,000,000 on terms yet to be finalised

Acclaim has reached an agreement with Raptor Capital LLC to underwrite the private placement, the entitlement issue and the share purchase plan.

The placement and entitlement issue will be raised at prices which are at a premium to the pre-announcement share price noted in section 9.

The above capital raisings will provide capital to complete and fund the Transaction and provide working capital to Acclaim.

Our analysis of the Transaction is based on the Company successfully conducting a capital raising to fund the Transaction. Whilst Acclaim has reached an agreement with Raptor Capital LLC to underwrite the capital raising, the Company has not formally signed an underwriting agreement with Raptor Capital LLC to underwrite the capital raising. Without the capital raising, Acclaim will not be able to fund the Transaction unless alternative funding can be raised.

## 12.4 Reasonableness

We have considered the position of Shareholders if the Transaction is approved and have taken into account the following advantages and disadvantages in this assessment. We have assessed that in all cases the advantages and disadvantages of rejecting the Transaction are the inverse of accepting the Transaction. Thus for simplicity of evaluation of the Transaction we have set out the significant factors only in the context of accepting the Transaction.

### 12.4.1 Advantages of Approving the Transaction

If the Transaction is approved, in our opinion, the potential advantages to Shareholders include those listed in the table below:

	Advantage	Description
12.4.1.1	Exposure to the Mangalisa Project	<p>Acclaim will acquire the Mangalisa Project if the Transaction proceeds. Shareholders will be exposed to any upside in relation to the development of the Mangalisa Project.</p> <p>As the Mangalisa Project is at the exploration stage, subject to any positive exploration results, there is a potential for the value of the Mangalisa Project to increase further.</p>
12.4.1.2	Potential for increased market capitalisation of Acclaim	<p>By acquiring the Mangalisa Project through there is a potential for an increase in market capitalisation of Acclaim. Increased market capitalisation may lead to several benefits to Acclaim such as increased coverage from investment analysts, access to equity capital market opportunities which were not present prior to the Transaction and increased liquidity.</p>
12.4.1.3	Positive share market reaction	<p>The announcement of the Transaction will enable Acclaim to conduct several capital raisings at premium to the share price prior to the announcement. This will enable Acclaim to raise funds at a share price not previously available to the Company.</p>
12.4.1.4	Capital raisings will support share price	<p>The capital raisings will be conducted at a price of \$0.025. These capital raisings will be conducted at a premium to the share price prior to the Transaction. As a result, of these proposed capital raisings, the share price is likely to be supported at higher levels than prior to the Transaction.</p>

### 12.4.2 Disadvantages of approving the Transaction

If the Transaction is approved, in our opinion, the potential disadvantages to Shareholders include those listed in the table below:

	Disadvantage	Description
12.4.2.1	Dilution of Shareholders	If the Transaction is approved, Acclaim will issue 1,455,836,992 Acclaim shares to the vendor of the Mangalisa Project. Shareholders will have their interest in the existing assets of Acclaim diluted and will receive a lower share of any potential upside of Acclaim’s current asset base.
12.4.2.2	Increased funding pressure	<p>Acclaim will have to fund the US\$5 million cash component of the consideration and also spend a minimum of US\$5 million on exploration within the first 12 months to acquire and then maintain its 33.3% interest in the Mangalisa Project.</p> <p>This will lead to further funding pressures on Acclaim as it will have to finance the exploration of both the Mangalisa Project and Nacimiento copper uranium project. This may result in future equity capital raisings which may further dilute Shareholders’ interest.</p> <p>It should also be noted that after the Transaction, Acclaim will not have the US\$5 million its needs to fund the Project and a further capital raising will be required if Acclaim wants to maintain its 33.3% interest.</p>
12.4.2.3	Unwanted diversification of portfolio	Currently, the Nacimiento copper uranium project is Acclaim’s principle focus. If Acclaim acquires the Mangalisa Project, there will be two major projects that Acclaim will be required to focus on. Shareholders of Acclaim may only want exposure to the Nacimiento copper uranium project and may not want any exposure to the Mangalisa project.

### 12.4.3 Conclusion as to Reasonableness

We have considered the analysis above and in our opinion the position of Shareholders if the Transaction is approved is more advantageous than the position of the Transaction is not approved.

## 13 Conclusion

We have considered the terms of the Transaction as outlined in the body of this report and have concluded that the Transaction is not fair but reasonable to the Shareholders of Acclaim.

## 14 Sources of Information

This report has been based on the following information:

- Financial statements for the financial years ended 30 June 2008 and 2009
- Financial statements for the half year ended 31 December 2009
- Management accounts for 2010 year to date
- Independent specialist geologist's valuation of the interest to be acquired in the Mangalisa Project as prepared by Coffey Mining Pty Ltd
- The draft Notice of Meeting and Explanatory Memorandum
- The Heads of Agreement between Acclaim and Goldcorp Limited
- Information from Acclaim's share registry on top 20 shareholders and option holders and the spread of shareholders and option holders
- Discussions with the directors and management of Acclaim
- Information available in the public domain.

## 15 Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$25,000 (excluding GST and reimbursement of out of pocket expenses). Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Acclaim in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by the Acclaim, including the non provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Acclaim and Goldcorp and any of their respective associates with reference to ASIC Regulatory Guide 112 "Independence of Experts". In BDO Corporate Finance (WA) Pty Ltd's opinion it is independence of Acclaim and Goldcorp and their respective associates.

Neither the two signatories to this report nor BDO Corporate Finance (WA) Pty Ltd, have had within the past two years any professional relationship with Acclaim, or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to Acclaim and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

BDO is the brand name for the BDO International network and for each of the BDO Member firms.

BDO (Australia) Ltd, an Australian company limited by guarantee, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of



Independent Member Firms. BDO in Australia, is a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International).

## 16 Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investment Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Member of the Institute of Chartered Accountants in Australia. He has over 22 years experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 130 public company independent expert's reports under the Corporations Act or ASX Listing Rules. These experts' reports cover a wide range of industries in Australia.

Adam Myers is a member of the Australian Institute of Chartered Accountants. Adam's career spans 12 years in the Audit and Assurance and Corporate Finance areas.

## 17 Disclaimers and Consents

This report has been prepared at the request of Acclaim for inclusion in the Explanatory Memorandum which will be sent to all Acclaim Shareholders. Acclaim engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider the proposed acquisition of the Mangalisa Project.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Notice of Meeting. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Notice of Meeting other than this report.

BDO Corporate Finance (WA) Pty Ltd has not independently verified the information and explanations supplied to us, nor has it conducted anything in the nature of an audit or review of Acclaim or Goldcorp in accordance with standards issued by the Auditing and Assurance Standards Board. However, we have no reason to believe that any of the information or explanations so supplied are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to Acclaim. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.





The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Transaction, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Acclaim, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent geological valuers, Coffey Mining Pty Ltd.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd has no obligation to update this report for events occurring subsequent to the date of this report.

Yours faithfully

**BDO CORPORATE FINANCE (WA) PTY LTD**

A handwritten signature in black ink, appearing to read 'Sherif Andrawes'.

**Sherif Andrawes**  
Director

A handwritten signature in black ink, appearing to read 'Adam Myers'.

**Adam Myers**  
Associate Director  
Authorised Representative

## Appendix 1 - Glossary of Terms

---

Reference	Definition
The Act	The Corporations Act
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
BDO	BDO Corporate Finance (WA) Pty Ltd
Coffey	Coffey Mining Pty Ltd
DCF	Discounted Future Cash Flows
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
FMD	Future Maintainable Dividends
FME	Future Maintainable Earnings
Goldcorp	Goldcorp Limited
MEE	Multiple of Exploration Expenditure
NTA	Net Tangible Assets on a going concern basis
QMP	Quoted Market Price Basis
Our Report	This Independent Expert's Report prepared by BDO
RG 111	Regulatory Guide 111
RG 112	Regulatory Guide 112
ROC	Return of Capital
Shareholders	Shareholders of Acclaim not associated with Goldcorp Limited
The Company	Acclaim Exploration NL
The Mangalisa Project	the Mangalisa Project in the Free State Goldfields in the Republic of South Africa
The Transaction	The proposed issue of Acclaim shares to Goldcorp to acquire an initial interest of 33.3 percent in the Mangalisa Project
The Vendors	Goldcorp Limited
VWAP	Volume Weighted Average Price

## Appendix 2 - Valuation Methodologies

---

Methodologies commonly used for valuing assets and businesses are as follows:

### **1 Net tangible asset value on a going concern basis (“NTA”)**

Asset based methods estimate the market value of an entity’s securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimate the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity’s valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity’s value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when entities are not profitable, a significant proportion of the entity’s assets are liquid or for asset holding companies.

### **2 Quoted Market Price Basis**

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a “deep” market in that security.

### **3 Capitalisation of future maintainable earnings (“FME”)**

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax (“EBIT”) or earnings before interest, tax, depreciation and amortisation (“EBITDA”). The capitalisation rate or “earnings multiple” is adjusted to reflect which base is being used for FME.

#### **4 Discounted future cash flows (“DCF”)**

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start up phase, or experience irregular cash flows.

#### **5 Multiple of Exploration Expenditure (“MEE”)**

The Past Expenditure method is a method of valuing exploration assets in the resources industry. It is applicable for areas which are at too early a stage of prospectivity to justify the use of alternative valuation methods such as DCF. The Past Expenditure method is often referred to as the Multiple of Exploration Expenditure method.

Past expenditure, or the amount spent on exploration of a tenement, is commonly used as a guide in determining value. The assumption is that well directed exploration adds value to a property. This is not always the case and exploration can also downgrade a property. The Prospectivity Enhancement Multiplier (“PEM”) which is applied to the effective expenditure therefore commonly ranges from 0.5 to 3.0. The PEM generally falls within the following ranges:

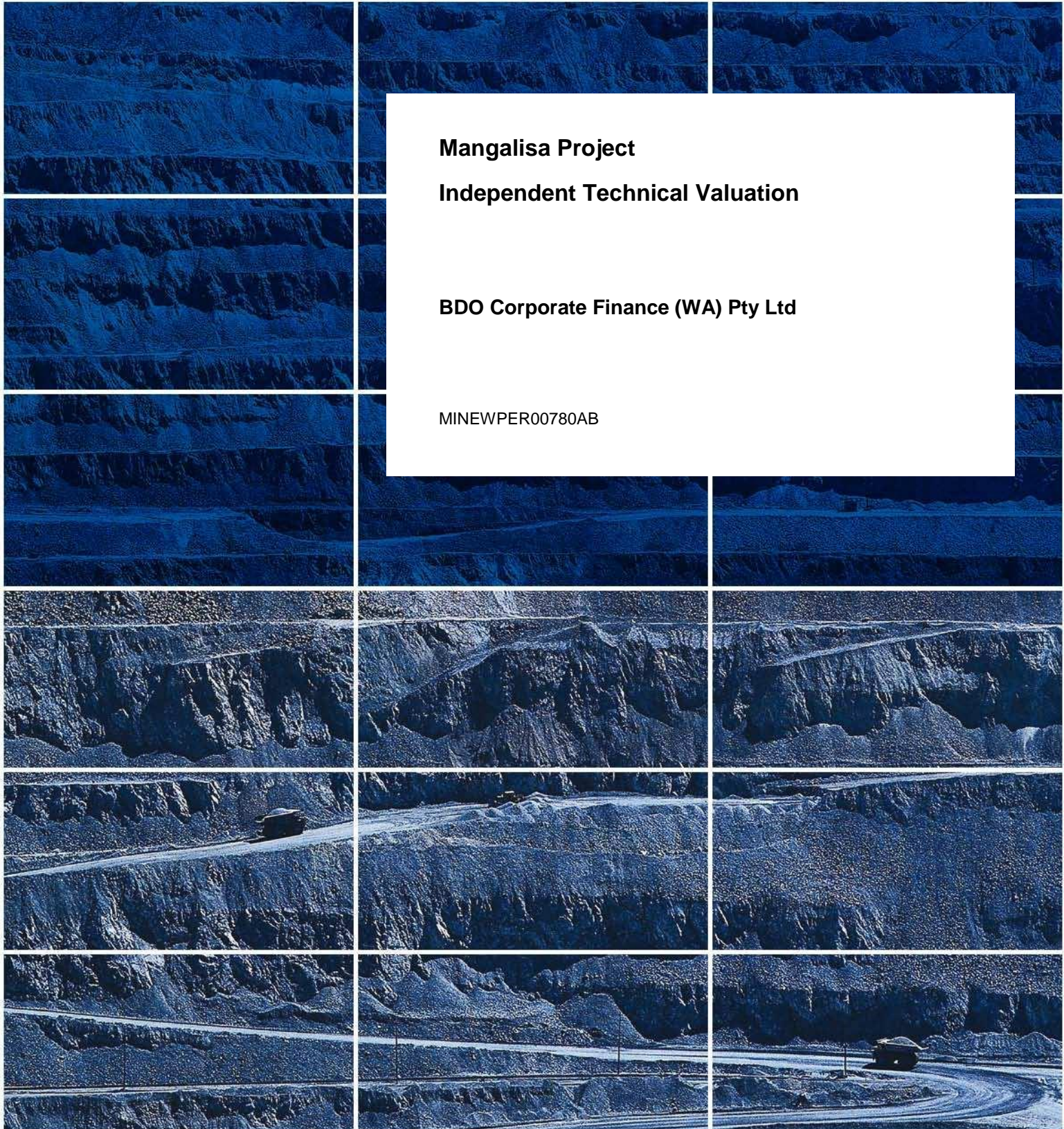
- 0.5 to 1.0 where work to date or historic data justifies the next stage of exploration;
- To 2.0 where strong indications of potential for economic mineralisation have been identified; and
- To 3.0 where ore grade intersections or exposures indicative of economic resources are present.

**Mangalisa Project**

**Independent Technical Valuation**

**BDO Corporate Finance (WA) Pty Ltd**

MINEWPER00780AB



14 April 2010

BDO Corporate Finance (WA) Pty Ltd  
38 Station Street  
Subiaco, WA 6008  
AUSTRALIA

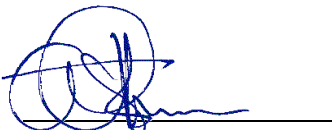
**Attention: Chief Executive Officer**

Dear Sherif

**RE: Mangalisa Project - Independent Technical Valuation**

Please find following our valuation of the Mangalisa Project in the Republic of South Africa.

For and on behalf of Coffey Mining Pty Ltd



Albert Thamm  
Associate Consultant

MINEWPER00780AB

**DOCUMENT INFORMATION**

**Author(s):** Albert Thamm Senior Consultant (FAusIMM)

**Date:** 14 April 2010

**Project Number:** MINEWPER00780AB

**Version / Status:** Final

**Path & File Name:** F:\MINE\Projects\Acclaim Exploration\MINEWPER00780AB\_Acclaim\_Mangalisa  
ITV\Report\CMWPr\_780AB\_Mangalisa\_ITV\_April2010\_Final.docx

**Print Date:** Friday, 21 May 2010

**Copies:** BDO Corporate Finance (WA) Pty Ltd (2)  
Coffey Mining – Perth (1)

**Document Change Control**

Version	Description (section(s) amended)	Author(s)	Date
Draft	All	AGT	20 April, 2010

**Document Review and Sign Off**


Primary Author  
Albert Thamm



Supervising Principal  
Paul Mazzone

This document has been prepared for the exclusive use of BDO Corporate Finance (WA) Pty Ltd ("Client") on the basis of instructions, information and data supplied by them. No warranty or guarantee, whether express or implied, is made by Coffey Mining with respect to the completeness or accuracy of any aspect of this document and no party, other than the Client, is authorised to or should place any reliance whatsoever on the whole or any part or parts of the document. Coffey Mining does not undertake or accept any responsibility or liability in any way whatsoever to any person or entity in respect of the whole or any part or parts of this document, or any errors in or omissions from it, whether arising from negligence or any other basis in law whatsoever.

## Table of Contents

---

<b>EXECUTIVE SUMMARY</b> .....	<b>i</b>
<b>1 Introduction</b> .....	<b>1</b>
1.1 Terms of reference .....	1
1.1 Declaration .....	1
1.2 Reliance on Other Experts .....	1
1.3 Qualifications and Experience .....	2
1.4 Material Terms and Contracts .....	2
1.5 Material Agreements .....	2
<b>2 Principal Sources of Information</b> .....	<b>5</b>
<b>3 Location</b> .....	<b>6</b>
<b>4 Tenure and Mining Law</b> .....	<b>9</b>
<b>5 Geology and Mineralisation</b> .....	<b>10</b>
5.1 Regional Geology .....	10
5.2 Mineral Endowment.....	16
5.2.1 Background .....	16
5.2.2 Gold.....	18
5.2.3 Uranium.....	18
5.3 Project Geology and Mineralisation.....	20
5.4 QA/QC .....	21
5.5 Conclusions and Recommendations.....	22
<b>6 Valuation of Mineral Assets</b> .....	<b>23</b>
6.1 Valuation Methods.....	23
6.1.1 Valuation Metrics.....	25
6.2 Valuation Summary .....	26
<b>7 Glossary of Technical Terms</b> .....	<b>28</b>



## List of Tables

---

Table 1 – Available Assay Results	i
Table 2 – Technical Valuation Summary	ii
Table 2_1 – Principal Sources of Information	5
Table 5.3_1 – Available Assay Results (April, 2009)	21
Table 6.2_1 – Mangalisa Lishugou Project - Valuation Summary	27

## List of Figures

---

Figure 1.5_1 – Company Holdings	4
Figure 3_1 – Property Location	7
Figure 3_2 – Project Location	8
Figure 5.1_1 – Regional Geology	12
Figure 5.1_2 – Stratigraphic Column	13
Figure 5.2_1 – Mangalisa Project – Regional Geology	17

## EXECUTIVE SUMMARY

Acclaim Exploration NL (AEX) is in the process of acquiring an initial 33.3% interest (with an option to increase to 50%) in the Mangalisa Gold/Uranium Project in the Free State Province of the Republic of South Africa, from Goldcorp Limited, a Guernsey domiciled company which has the right to acquire a 66.6% interest in the Mangalisa Project.

The property is underlain by Palaeozoic sediments and Proterozoic age volcanics and agglomerates that overlie relatively shallow sub-cropping Central Rand Group metasediments. These occur on the eastern margin of the southern terrane of the Witwatersrand Basin known as the Henneman-Kroonstad gap (Wilson and Anhaeuser, 1998). Medium to deep exploration by GENMIN in 1988 (a subsidiary of Gencor) resulted in one original diamond cored drillhole and nine mineralised deflections being intersected, sampled and assayed. One intersection did not return core (Superior Mining, 2009). The gold and uranium target appears to be gold and uranium bearing palaeo-placer mineralisation in pebbly quartzites to oligomictic meta-conglomerates tentatively correlated to the Eldorado Formation of the uppermost Turfontein Subgroup. These earlier results are not available.

Superior International Mining Company (Superior), a TSX Venture Exchange listed company, re-entered drillhole PG-1 in 2008 and drilled out two additional deflections using NQ sized diamond drilling.

These, named PG-1/12 and PG 1/13 are at depths ranging from 776.13m to 776.77m below collar. Superior completed 1350.6m of directed wedge drilling, resulting in seven separate deflection intervals. Of these, only two results have been presented. A second drillhole ERF1-0 was completed but only geological logging results have been supplied.

Given the lithological and stratigraphic interpretations supplied, the intersected mineralisation is a broad stratigraphic equivalent to the VS5, EA or "reworked" reefs at the base of the Turfontein Subgroup elsewhere in the Free State goldfield.

The two deflections, PG-1/12 and PG1/13, were reported by Superior in SEDAR filings. In addition to this, PG-1/13 has been supplied as an Appendix to a report completed by Snowden Minerals Consultants entitled Mangalisa Exploration Phase 1, dated May, 2009. These results are shown in Table 1. These are significant results and represent a re-discovery of a significant mineralised zone in an under explored part of the Witwatersrand Basin.

<b>Deflection</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Width (m)</b>	<b>Dip degrees</b>	<b>Au (g/t)</b>	<b>U<sub>3</sub>O<sub>8</sub> (g/t)</b>	<b>U KG/T</b>	<b>Source</b>
PG 1/12	776.32	776.77	0.45	NR	45.8	3790	3.21*	SEDAR/SUI
PG 1/13	776.13	776.45	0.32	NR	51.1	4269	3.62	SEDAR/SUI
PG 1/13	776.13	776.45	0.32	23	51.12	4269	3.62	Snowden

\*: U x 1.179 = U<sub>3</sub>O<sub>8</sub>

\*NR: not reported

In deep-level Witwatersrand gold and uranium exploration it is common practice to diamond drill an original intersection and to follow this up with a number of long and short deflections.

Coffey Mining has been mandated to provide a valuation and has chosen the Multiple of Exploration Expenditure method, based on estimates of historic costs and USD 5 million, committed to exploration by AEX.

Coffey Mining has used an exchange rate of 0.93 US cents to 1 AUD, the rate prevailing on the date of the valuation.

Based on the MEE approach, Coffey values the project within a range from AUD 5.4 million to AUD 7.3 million, with a preferred value of AUD 6.4 million (Table 2).

<b>Table 2</b>				
<b>Technical Valuation Summary</b>				
<b>(14 April 2010)</b>				
<b>Asset</b>	<b>Interest (%)</b>	<b>Technical Valuation</b>		
		<b>Low AUD\$M</b>	<b>High AUD\$M</b>	<b>Preferred AUD\$M</b>
Mangalisa Project, South Africa	100	5.4	7.3	6.4
AEX Share	33.3	1.8	2.4	2.1

The AEX 33.3% interest is therefore valued at between AUD 1.8 million and AUD 2.4 million within which range Coffey ascribe a preferred value of AUD 2.1 million.

The Independent Technical Valuation has been prepared on information available up to and including 14 April 2010.

## 1 INTRODUCTION

BDO Corporate Finance (WA) Ltd, (BDO) requested that Coffey Mining complete a valuation of the Mangalisa Project in the Free State Province, Republic of South Africa which comprises gold and uranium exploration assets on the farm Erfenis 328. Acclaim Exploration NL (Acclaim) has entered into an agreement with Goldcorp Limited (an entity domiciled in Guernsey, but operating in South Africa) (Goldcorp) to acquire an initial 33.3% interest (with an option to increase to 50%) in the Mangalisa Project.

Acclaim's acquisition is affected by investing USD 5 million to exploration and an initial cash and share consideration.

The lease area is underlain by rocks of the Central Rand Group, which hosts a number of quartz pebble gold and uranium bearing modified-placer "reefs". These reefs are widespread in their distribution across the goldfield. Many of these individual "reef" horizons are significant gold-producing horizons in their own right throughout the Welkom region. The established mines of the Free State Goldfield (which are located to the south and west of the project) have collectively produced well in excess of 300 million ounces of gold to date. Several of these produce uranium as a bi-product. Much of the historical production has been sourced from the Basal Reef in the Johannesburg Subgroup. There are a number of other reefs with more localized distribution which have also contributed to historical production figures, such as the Leader, "A," "B" and Beatrix reefs.

### 1.1 Terms of reference

Coffey Mining has been commissioned by BDO to provide an Independent Technical Valuation of the mineral assets comprising the Mangalisa Project tenements held by Goldcorp which it had acquired from the TSX Venture Exchange listed Superior Mining International Ltd (SUI) and related parties. This valuation is dated at 14 April, 2010. AEX and Goldcorp executed an agreement on 20<sup>th</sup> February 2010, pursuant to which AEX agrees to purchase an initial 33.3% interest in the Mangalisa Project (with an option to increase to 50%), from Goldcorp.

### 1.1 Declaration

Coffey declares that it has taken all reasonable care to ensure that the information contained in this report is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

### 1.2 Reliance on Other Experts

Reports by Snowdon's Mining Industry Consultants have been provided as part of this review, thus Coffey Mining relies on the results reported in this earlier work. These results have been publicly reported on the TSX Venture Exchange public reporting website called SEDAR ([www.sedar.com](http://www.sedar.com)) as filings of the Superior International Mining Company (TSX:SUI).

### 1.3 Qualifications and Experience

The primary author of this report is Mr Albert Thamm, who is a professional geologist with 25 years experience in exploration and mining geology. He is an Associate Geology Consultant with Coffey, in Perth, Western Australia. Mr Thamm is a Fellow of the Australian Institute of Mining and Metallurgy (AusIMM) and has the appropriate relevant qualifications, experience and independence to generally be considered as a “Competent Person” as defined in the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2004) and as an “Expert” as defined in the Valmin Code.

No site visit was undertaken as no exploration activities are current, nor have any been undertaken since 2009. No mineralisation is visible at surface and drillcore was not available for review.

### 1.4 Material Terms and Contracts

Neither Coffey, nor the author responsible for compiling this report, have or have had previously any material interest in either Acclaim or Goldcorp nor the mineral properties in which Acclaim has, or is earning, potentially earning, acquiring or expressing an interest. Our relationship with Acclaim is solely one of professional association between client and independent consultant. This report is prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this report.

### 1.5 Material Agreements

AEX and Goldcorp executed an agreement on 20<sup>th</sup> February 2010, pursuant to which AEX agrees to purchase an initial 33.3% interest in the Mangalisa Project (with an option to increase to 50%), from Goldcorp.

The prospecting rights of the Mangalisa Project are held by Turquoise Moon Trading 403 Trading (Pty) Ltd (TMT). Superior Mining International Corporation (Figure 1.5\_1) has a 100% direct interest in Superior Mining Corporation (Pty) Ltd, which in turn has a direct 74% interest in TMT.

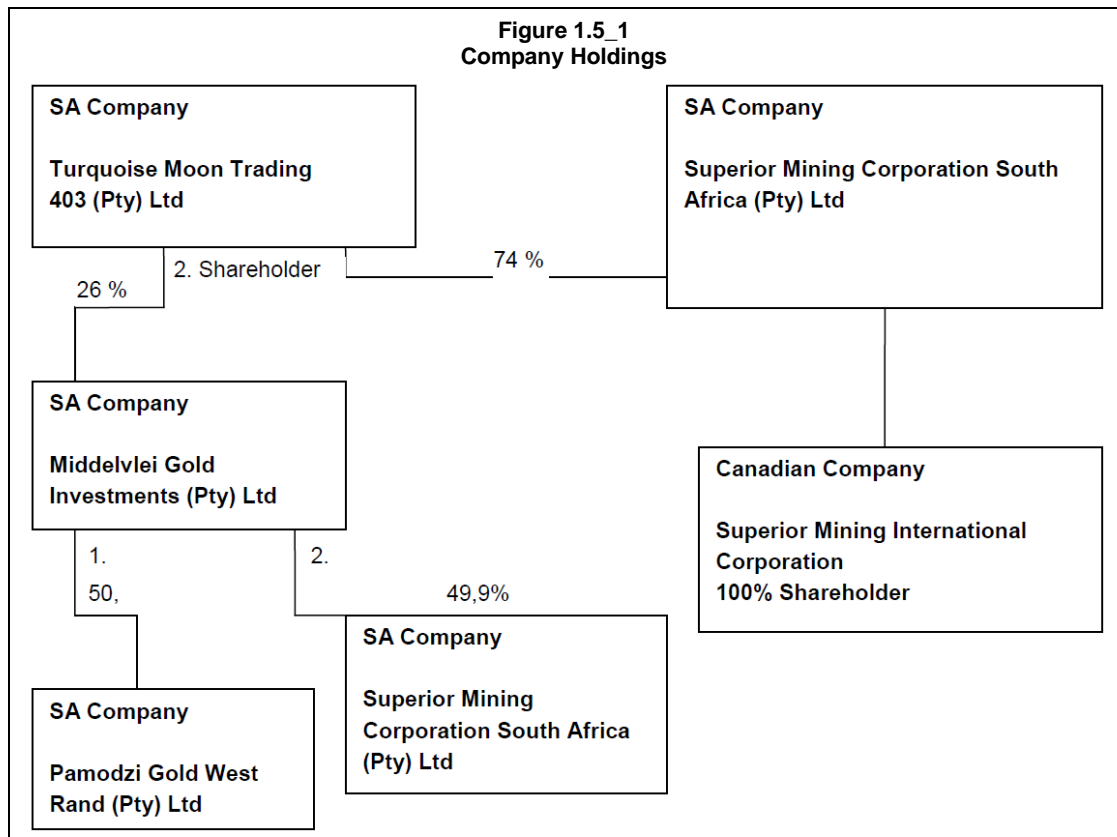
Superior Mining Corporation (Pty) Ltd also has a 49% share of Middelvllei Gold Investments, a South African company with 26% shareholding in TMT. This equates to a  $0.26 \times 0.499 = 0.12974$  (12.974%) indirect share. Thus Superior holds 86.974% of TMT, directly or indirectly.

Goldcorp is a company domiciled in Guernsey and operating from G004 and G005, Howick Gardens, Waterfall Park, Becker Str., Midrand, South Africa.

Minco Mineral Holdings Pty Ltd is a company domiciled in South Africa and operating from G004 and G005, Howick Gardens, Waterfall Park, Becker Str., Midrand, South Africa.

TMT has a share capital of 10,000 shares of which 1000 are issued.

Superior has agreed to sell to Goldcorp, as Minco's nominee, 666 of the 740 directly held TMT shares, i.e. Goldcorp has access to 90% of the shares held by Superior Mining Corporation South Africa (Pty) Limited in TMT.



This equates to an acquisition of 66.6% (666/740 shares x 74%) of the shares in Turquoise Moon Trading 403 (Pty) Limited by Goldcorp.

Acclaim Exploration N.L.'s acquisition of 50% of these shares (333/1000 shares on issue in TMT) from Goldcorp will equate to an initial interest of 33.3% in the Mangalisa Project (with an option to increase to 50% by spending a further USD 5 million on exploration of the Mangalisa Project).

AEX and Goldcorp executed an agreement on 20<sup>th</sup> February 2010, pursuant to which AEX agrees to purchase an initial 33.3% interest in the Mangalisa Project (with an option to increase to 50%), from Goldcorp. This agreement is subject to Goldcorp providing to AEX warranties and undertaking to clear title to the Mangalisa Project and that the Project is in good standing with RSA (Republic of South Africa) mining authorities.

## 2 PRINCIPAL SOURCES OF INFORMATION

The principal sources of information used in preparation of this report (Table 2\_1) comprises material supplied by Acclaim Exploration NL, published scientific reports, public scientific papers and regulatory filings made by previous project operators on SEDAR, ([www.sedar.com](http://www.sedar.com)) the public website and database of regulatory filings made to stock exchanges with Canadian jurisdiction.

<b>Table 2_1</b>	
<b>Principal Sources of Information</b>	
<b>Title</b>	<b>Type</b>
Cole, D.I. 1998. Uranium In: The Mineral Resources of South Africa, Handbook 16, The Mineral Resources of South Africa, Wilson, M.G.C. & Anhaeusser, C.R, (Eds.) 642656.	Publication, public.
Frimmel, H.E., Groves, D.I., Kirk, J., Ruiz, J., Chesley, J. and Minter, W.E.L. 2005. The formation and preservation of the Witwatersrand Goldfields. Economic Geology 100th Anniversary Volume, 769-797.	Publication, scientific, public.
HARMONY Annual Report, 2009 4pp.	Public report.
Kirk, J., Ruiz, J., Chesley, J., Walse, J., and England, G. 2002. A major Archean gold and crust-forming event in the Kaapvaal craton, South Africa. Science, v.297, 1856-1858.	Scientific publication.
Snowden, 2009. Appendix to report – Analytical QAQC, 25pp.	Appendix C to report.
Snowden, 2009. Appendix to report – Lithology, 5pp.	Appendix to report.
Snowden, 2009. Appendix to report – PG 1-0/10 Lithology, 38pp.	Appendix to report.
Snowden, 2009. Appendix to report – Lithology, 5pp.	Appendix to report.
Snowden, 2009. Appendix to report – Assay, 5pp.	Appendix to report.
Macleay, P.J. and Fleet, M.E, (1989). Detrital pyrite in the Witwatersrand gold fields of South Africa: Evidence of truncated growth banding. Economic Geology, 84, 2008-2011.	Scientific paper, public.
Minter, W.E.L., Hill, H.C.N., Kidger, C.S., Kingsley, C.S., and Snowden, P.A. (1985), The Welkom Goldfield. In: Mineral deposits of Southern Africa, Anhaeusser, C.R & Maske, S., (Eds.) - 497-539.	Publication, public.
Robb, L.J and Robb, V.M. 1998. Gold in the Witwatersrand Basin. In: The Mineral Resources of South Africa, Handbook 16, The Mineral Resources of South Africa, Wilson, M.G.C. & Anhaeusser, C.R, (Eds.) – 294-349.	Publication, public.
Superior Mining International Corporation 2009. Management discussion and Analysis, Year ended July 31, 2009., 26 November, 2009 13pp.	Form 51-102F1 report, Sedar Regulatory Filing.
Superior Mining International Corporation 2009. Material Change Report, 17 February, 2009 3pp.	Form 51-102F3 report, Sedar Regulatory Filing.
Superior Mining International Corporation 2009. Material Change Report, 18 December, 2009 3pp.	Form 51-102F3 report, Sedar Regulatory Filing.
Communication, R le Roux Lawyers, to AEX, 9 April,2010	Confidential correspondence
Draft agreement, Minco, Goldcorp, Superior Mining, AEX, 8 April,2010	Confidential correspondence



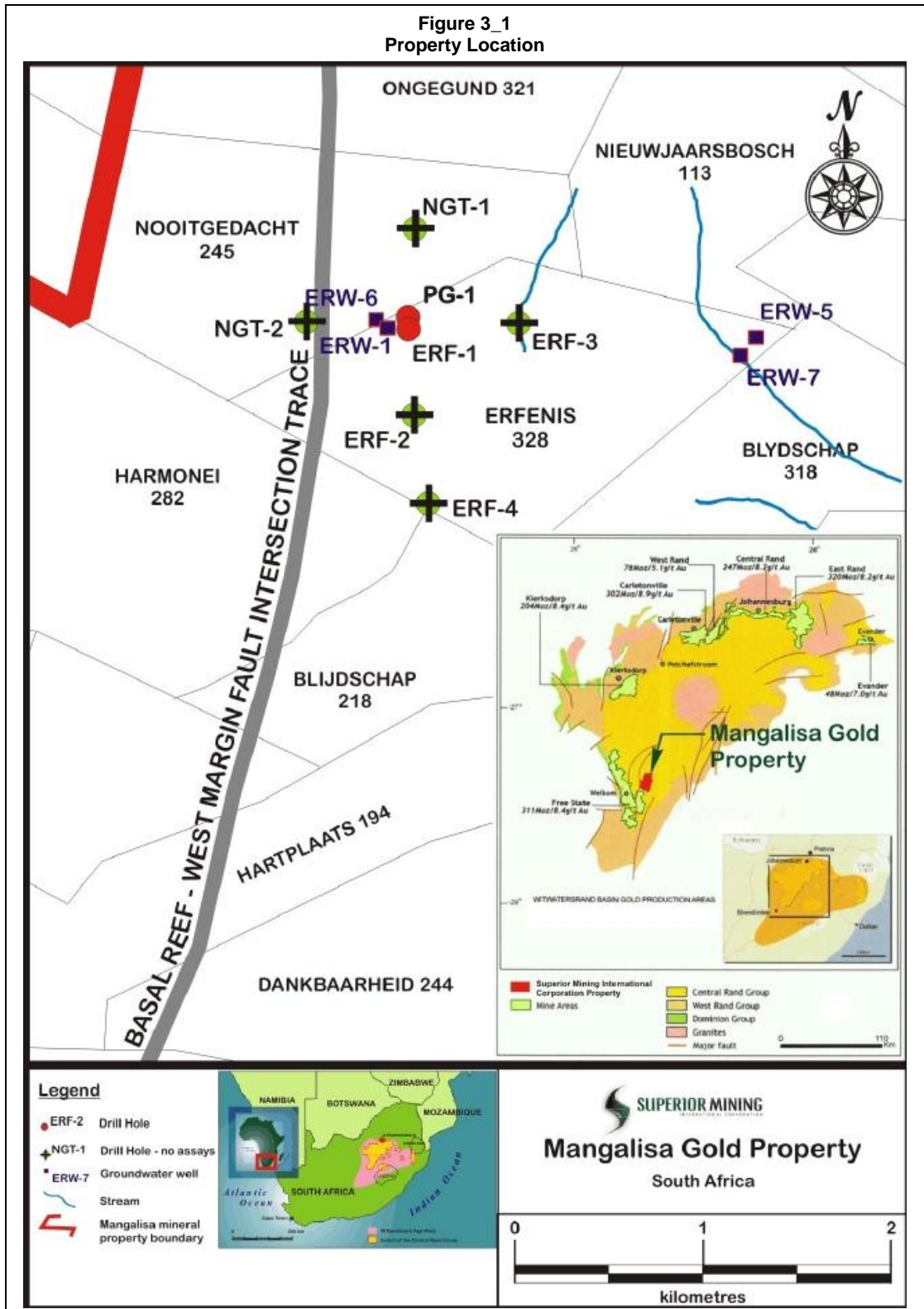
### 3 LOCATION

The Mangalisa Gold property is located in the Free State Province of the Republic of South Africa, on the farm subdivision known as Erfenis 328. The project is located in the SW corner of the Witwatersrand Basin along the SE periphery of the main basin extending from Johannesburg to northwest of Bloemfontein (Figure 3\_1).

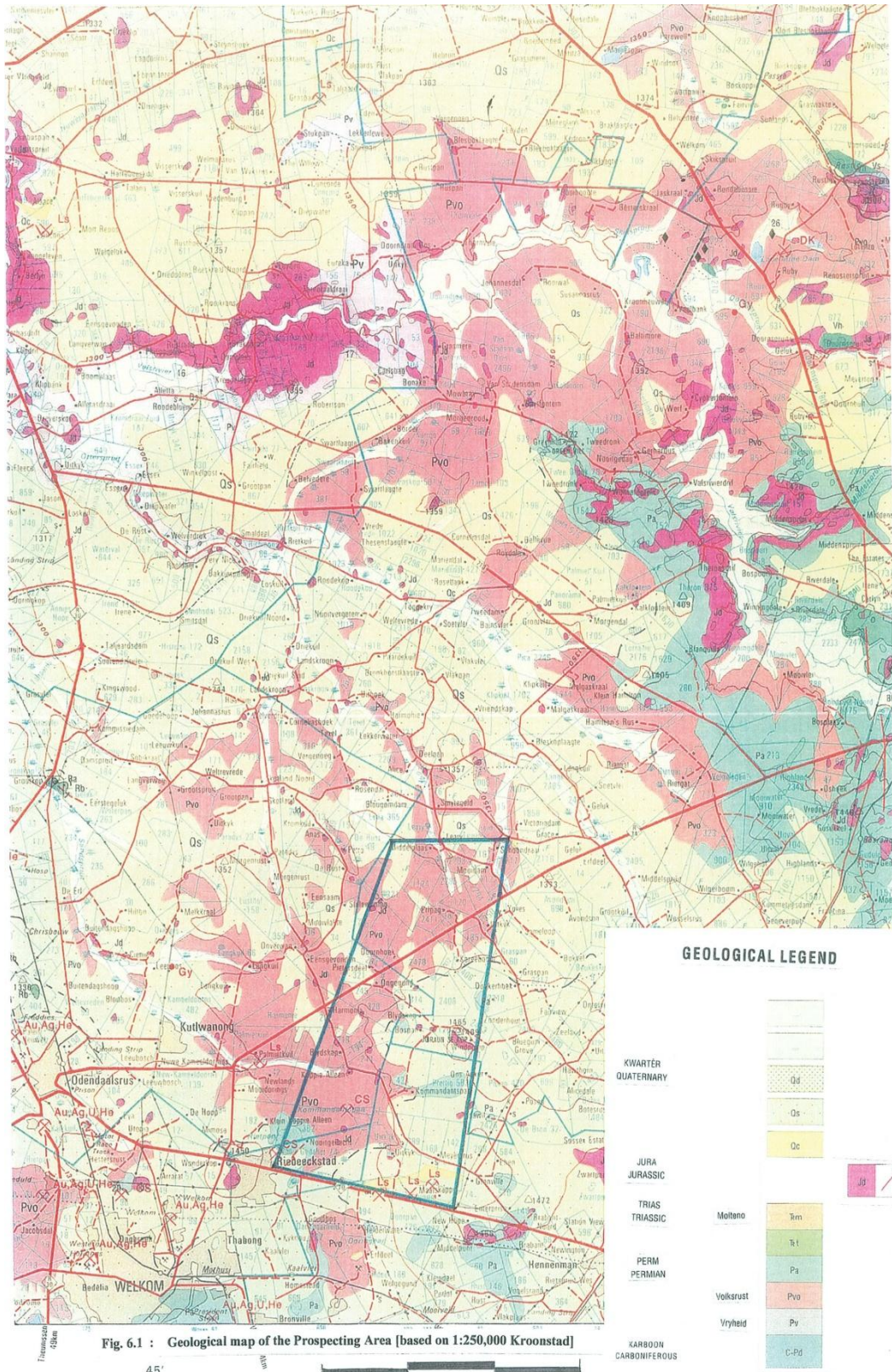
The 180km<sup>2</sup> license area is situated approximately 20km to the east of the township of Welkom, and approximately 10km north of Harmony Gold's operating Masimong 5 Shaft (formerly Erfdeel gold mine) which is near the town of Riebeeckstad. Masimong consists of one operating shaft (5 Shaft) and one closed shaft (4 Shaft) which is used for ventilation, pumping and as a second mine egress. Ore mined at Masimong is processed at the Harmony 1 Plant some 23 kilometres away. Masimong (formerly Erfdeel and 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 SW of Johannesburg.

The project is immediately east of the town of Riebeeckstad (Figure 3\_2) between two major regional roads the R70 (to Henneman) and the R34 (to Kroonstad). The surrounding area is primarily agricultural with focus on maize farming. The area is serviced by sealed roads and all mining and exploration related services are available regionally. The operating season is all year round.

Figure 3\_1  
Property Location



**Figure 3\_2  
Project Location**



(Source: Superior Mining, Mapping, Geological Survey of South Africa, 1:250,000 Kroonstad)

#### **4 TENURE AND MINING LAW**

Coffey Mining has not been mandated to review aspects of tenure thus makes no comment and presumes Acclaim and the project vendors have lawful possession and will have capacity to make the transaction as announced.

South Africa has a complex system of mineral tenure, with all old order prospecting and mining rights having been converted to new order rights under the new regulations of the Mineral and Petroleum Resources Development Act, or lapsing. Licensing will have been permitted under the new Minerals and Petroleum Resources Development Act No. 28, 2002 (the MPRD Act). Coffey Mining presumes all operating permits have been obtained, and are in good standing. Surface tenure rights are separated from mineral rights in South Africa and the farm Erfenis 328 is likely to be held as freehold tenure, by parties unrelated to the transaction.

## 5 GEOLOGY AND MINERALISATION

### 5.1 Regional Geology

The surface geology is dominated by sandstones, siltstones and shales of the Karoo Supergroup. These may include coal seams and a localised strong three dimensional basal unconformity along the Permian age Dwyka diamictite and associated glacial subcrop topography. The Karoo-age strata overly the Proterozoic age Ventersdorp Supergroup, the Allanridge, Bothaville and Klippan Formations of the Platberg Group and the Klipriviersberg Group (Minter *et al*, 1986). In Ventersdorp times, a period of normal faulting and extension resulted in a series of horst and graben structural blocks that are syn-Allanridge or Platberg Formation in age. These structures, which often exhibit lateral and vertical displacement also initiated and controlled basin infill during Ventersdorp times (Cole, 1998). Beneath the Ventersdorp volcano-sedimentary succession the Central Rand Group is preserved and it contains significant gold and uranium mineralisation hosted in modified palaeo-placer ore-bodies. Most of mineralisation tends to be concentrated in stratabound, stratiform palaeoplacer orebodies located on one or two distinct regional unconformities.

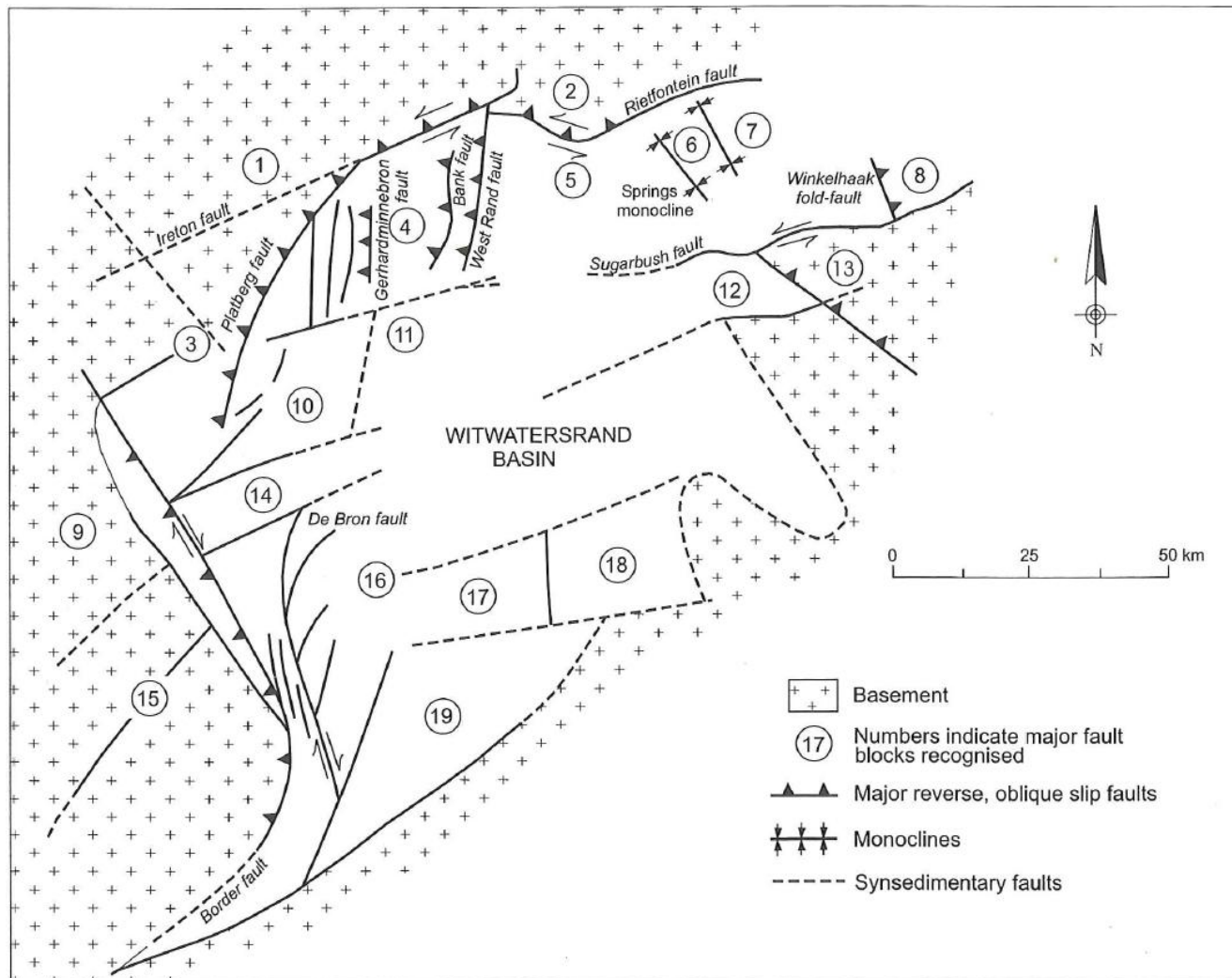
The Free State goldfield is divided into two sections, cut by the north-south striking, westward facing De Bron Fault (Figure 5.1\_1). This is a major structure Mesoproterozoic age and has a vertical displacement of about 1500m as well as a lateral shift of 4km. A number of other major faults (the Stuirmanspan, Dagbreek, Arrarat and Eureka) lie parallel to the De Bron Fault. The project area is located to the east of the De Bron fault in the block marked 16 (Figure 5.1\_1). The local stratigraphy (Figure 5.1\_2) is dominated by onlapping sedimentary packages of the Johannesburg and Turfontein Subgroups with palaeo-placer mineralisation at formation boundaries or as incised fluvial palaeo-drainage that has cut into underlying sediments.

To the west of the DeBron Fault, the Target, Tshepong, Phakisa, Nyala, Unisel, Brand, Bambanani and Joel mines are currently in production. These are operated by Harmony, Goldfields and Pamodzi. Bedding dips are mostly towards the east, averaging 30 degrees but become steeper approaching the DeBron Fault. The Merriespruit, Harmony and Masimong mines lie east of the DeBron fault. Bedding there mostly dips towards the west at 20 degrees, although Masimong is structurally complex and local dips of up to 40 degrees have been measured. Both the Homestead and Virginia faults are eastward facing (Minter *et al*, 1986).

Between these two blocks lies an uplifted horst block of West Rand Group sediments with no Au reefs preserved. Regionally the Basal/Steyn and Leader palaeoplacers are the most significant ore-bodies and are represented by multiphase conglomerate deposition with source areas to the south and west, based on palaeo-current directions and placer geometry. These ore-bodies tend to have a distinct Au/U ratio and gold distribution, with gold localised in proximal parts of the palaeo-placer, closer to the basin edge and uranium, associated with carbon seams (kerogen) and reworked carbon seams (flyspeck carbon) developed more distally.

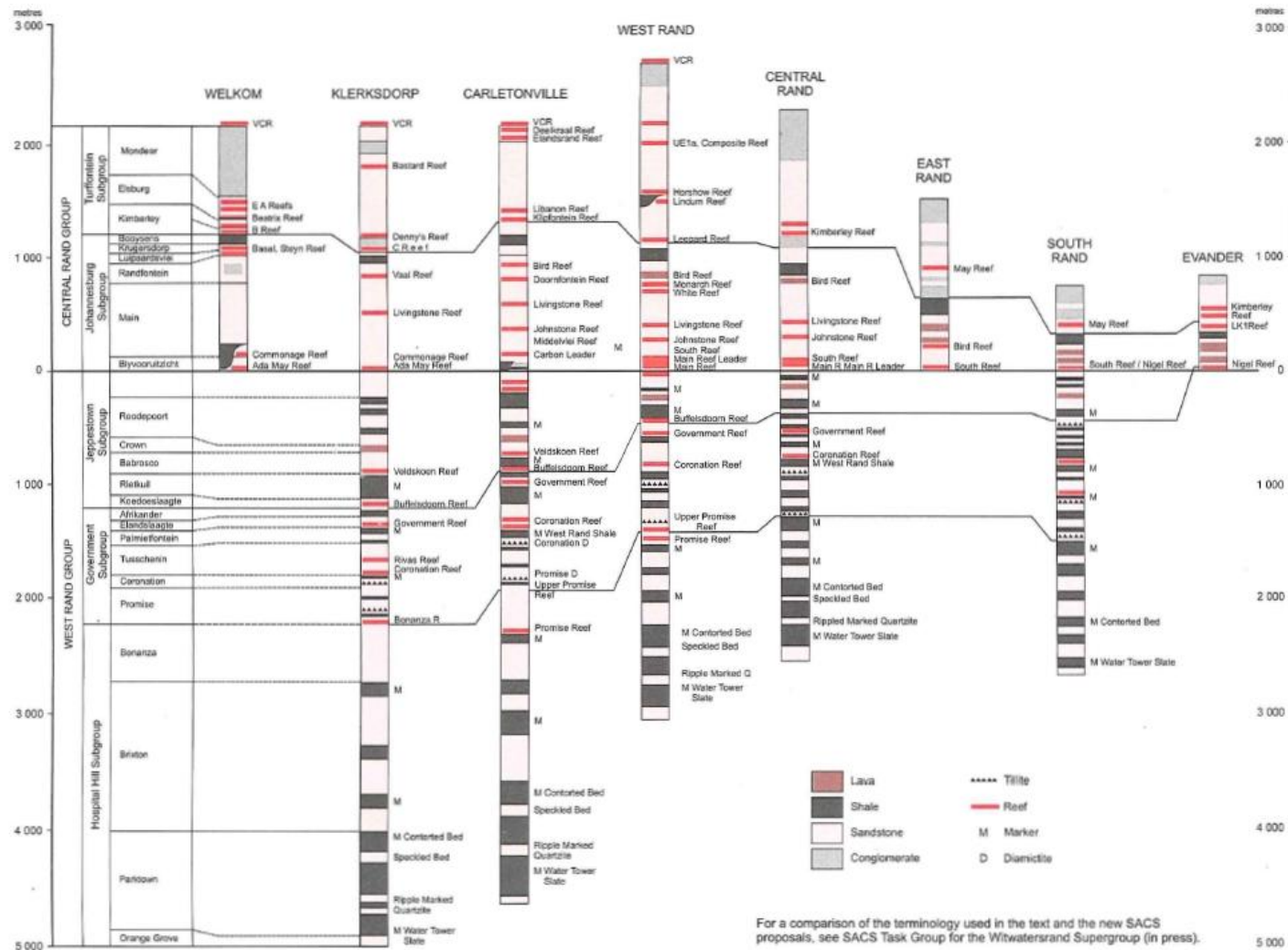


Figure 5.1\_1  
Regional Structure



Source: Robb and Robb, 1998.

Figure 5.1\_2  
Stratigraphic Column



Source: Robb and Robb, 1998.





The Witwatersrand Supergroup has been subjected to metamorphism to greenschist grade and the sediments are true meta-sediments such as quartzites and phyllites, with pyrophyllite, chlorite, chloritoid and other greenschist grade minerals commonly developed. There are multiple generations of pyrite present in the ore-bodies, some of which is clearly detrital (rounded) in origin (Maclean and Fleet, 1989) and some clearly post depositional (euhedral or other aggregates of botryoidally porous, diagenetic shapes).

All mining that has taken place is mostly deep-level underground mining, exploiting the narrow, generally shallow dipping tabular reefs, using multi-hoist, multi-shaft vertical methods, utilising narrow mining stopes with dips ranging from 20-40 degrees. On the faulted and thrust far western margin of the basin dips can be near vertical. In the Mangalisa project dips are expected to be westward facing and moderate to gentle, as confirmed by Superior Mining and documented in the Snowden's report appendices.

Ore-body three dimensional geometry ranges from broad stratabound and stratiform fluvial packages to those that are more channelized and locally confined. The Basal Reef (Figure 5.1\_2) is the most common regional reef horizon and is mined at all shafts except Target and Joel. It varies from a single pebble lag to channels more than 2m thick. It is commonly overlain by shale, which thickens northwards. The second major reef is the Leader Reef, located 15-20m above the Basal Reef. This is mostly mined at the shafts to the south of the goldfield (Unisel, Harmony2, Merriespruit1 and Merriespruit3). Further north, it becomes poorly developed with erratic grades. The reef consists of multiple conglomerate units, separated by thin quartzitic zones, often totalling up to 4 meters thick.

The B Reef is a highly channelized orebody located 140m stratigraphically above the Basal Reef. Because of its erratic nature, it has only been mined at Masimong and Tshepong. Within the channels, grades are excellent, but this falls away rapidly outside of the channels. Consequently, both shafts have undertaken extensive exploration to locate these mineralised channels.

The A Reef is also a highly channelized reef, located some 40m above the B Reef (Figure 5.1\_2). This is currently only mined at Harmony2 and Brand, although an extensive channel lies along the basin western margin from Nyala to Lorraine. It consists of multiple conglomerate bands of up to 4m thick and a selected mining cut is usually required to optimize the orebody. Joel Mine, located 30km south of Welkom, is the only Harmony Free State operation to mine the Beatrix Reef. This varies from a single-pebble lag to a multiple conglomerate, often showing mixing of the reef with some of the overlying lower grade VS5 (mixed pebble conglomerate) material. None of the other reefs are present this far south, having sub-cropped against the Beatrix Reef.

## 5.2 Mineral Endowment

### 5.2.1 Background

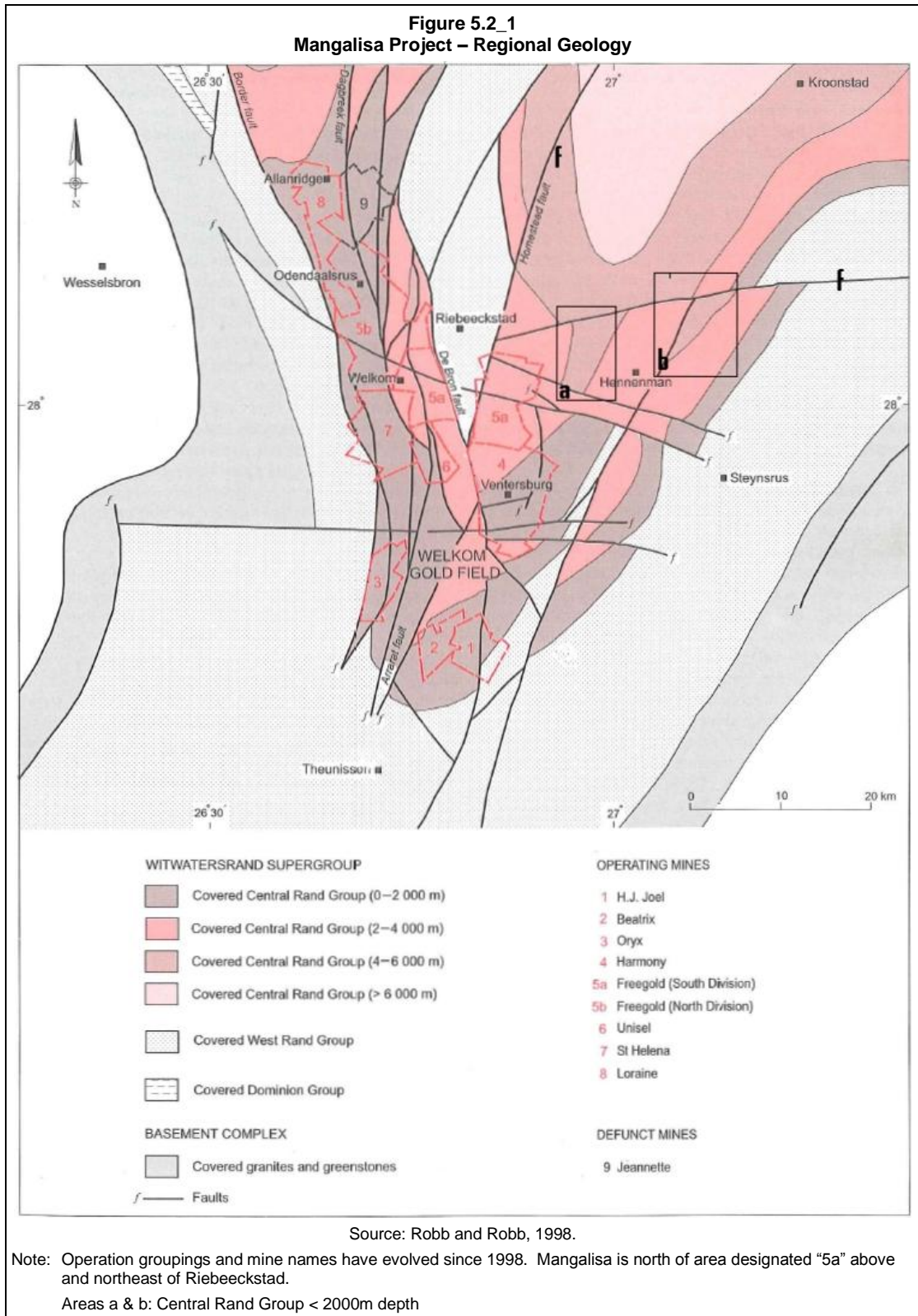
Structurally, the Free State Goldfield lies within a north-south trending syncline forming an apex in the south-western corner of the Witwatersrand Basin. The Central Rand Group in the Free State comprises some 2,000m of discrete sedimentary sequences deposited over successive unconformity surfaces in an expanding depositional basin. The absence of major faulting and folding of Central Rand Group age has led to the conclusion that subtle tectonic warping of the basin with granite doming on the margins controlled deposition. The conglomeratic reef units are most commonly deposited at the base of each depositional sequence, although gold and uranium may also occur as scours and channels incised downwards within a given formation.

The principal reefs mined in the Free State are the Basal Reef, the Saaiplaas Reef, the Leader Reef, the 'B' Reef, the 'A' Reef, Elsburg and the Dreyerskuil Reefs. At Masimong to the south of Mangalisa ore reserves (0.983 Moz Au) and resources (28 Moz Au) are found on the "B" and Basal reefs (Harmony, 2009). These are developed on ore-bodies at greater stratigraphic depths than the mineralisation at Mangalisa (Figure 5.2\_1). The Mangalisa Project has intersected mineralisation at relatively shallow depths (Figure 5.2\_1, Area A). Other minor shallow Central Rand Group is developed further east (Figure 5.2\_1, Area B).

Radioactivity has been detected in Witwatersrand gold bearing ore-bodies as early as 1915 and uranium extraction formally commenced at the West Rand Consolidated Mine, west of Johannesburg in 1952. Production peaked in 1959 (Cole, 1998) with 26 mines feeding 17 processing plants. After the 1973 oil price crisis uranium production was escalated again and in 1980 6002t was produced from 20 mines and 18 processing plants. By the mid 1990's uranium production has fallen back to ~1640t nationally, with only three mines, two in the Klerksdorp region, (Vaal Reefs, Hartebeestfontein) and Western Areas, west of Johannesburg, still recovering uranium ore.

The Free State goldfield has uranium bearing mineralisation in the 'A' and 'B' reefs in the Turfontein subgroup, and in the Leader, Basal, Steyn, Intermediate and Beisa and Commonage reefs of the Johannesburg Subgroup (Minter *et al*, 1986). Uranium grades and U/Au ratios vary as a result of provenance and sedimentary facies control. The Beisa Reef (which correlates with the Ada May or Commonage reefs elsewhere) at the base of the Johannesburg Subgroup is U rich but Au poor (~500-1000ppm U, 2ppm Au, (Minter *et al*, 1986, Cole, 1998). The 'B' reef conversely has 100-250ppm U and 8-25ppm Au. Uranium had been formerly produced from the Beisa, Basal, Steyn, Leader and 'B' reefs with the most significant producer being the Basal reef, with an average recovery of 167ppm U (Cole, 1998). Between 1955 and 1990 26,000t U was produced from the Welkom Goldfield (Cole, 1998).

**Figure 5.2\_1  
Mangalisa Project – Regional Geology**



Source: Robb and Robb, 1998.

Note: Operation groupings and mine names have evolved since 1998. Mangalisa is north of area designated "5a" above and northeast of Riebeeckstad.

Areas a & b: Central Rand Group < 2000m depth

### 5.2.2 Gold

Gold is contained in the Welkom Goldfield ore-bodies as a result of local re-mobilisation of placer deposited heavy mineral concentrates sourced from eroded granitic and ultramafic rocks in highly variable proportions in stratabound, stratiform ore-bodies. This has been developed into what is called the “modified placer” model for these orebodies (Frimmel *et al*, 2005). Gold, uranium and various generations of pyrite are present in the matrix to clast and matrix supported meta-conglomerates. The Witwatersrand Basin has produced in excess of 50,000 metric tonnes of gold. The 2.89- to 2.76 Ga meta- conglomerates of the Central Rand Group of South Africa host gold and rounded pyrites that yield a rhenium-osmium isochron age of  $3.03 \pm 0.02$  Ga (Frimmel *et al*, 2005) and an initial  $^{187}\text{Os}/^{188}\text{Os}$  ratio of  $0.1079 \pm 0.0001$ . This age is older than that of the conglomerates. Thus, the gold is detrital and was not deposited by later hydrothermal fluids (Kirk *et al*, 2002).

Gold is present as free gold, as micro-nuggets, toroids and dendritic aggregates with local secondary gold overgrowths. Gold is concentrated in palaeo-channels with highest grades in those areas where channels reach maximum thickness (Frimmel *et al*, 2005). Depositional environments range from proximal alluvial fans, to braided channel braid plain and braid-deltas to nearshore and shoreline environments. Locally, aeolian deflation processes are inferred. Most gold is hosted in clast supported, oligiomictic conglomerates.

Gold mineralisation is can be typified if terms of gold geochemistry can certain placers have distinct gold, cobalt, mercury, silver and zirconium.

### 5.2.3 Uranium

Uranium is presented as uraninite ( $\text{UO}_2$ , also known as pitchblende) and brannerite ( $\text{U}^{4+}, \text{REE}, \text{Th}, \text{Ca})(\text{Ti}, \text{Fe}^{3+}, \text{Nb})_2(\text{O}, \text{OH})_6$ ) associated with a pyrobitumen locally called “kerogen” or carbon seams. These indicate derivation from biomass buried within Witwatersrand sediments subject to sedimentary diagenesis and burial and subsequent polymerisation. Direct evidence of oil type diagenetic migration comes directly from oil bearing fluid inclusions. As the uranium bearing minerals are directly encapsulated by the kerogen, these must pre-date the early diagenetic processes that produce the pyrobitumen.

Only two uranium only focussed mines have ever operated in Witwatersrand of SA. One is Uranium One's Dominion Reefs mine (with ore-bodies at the base of the Dominion Group) west of Klerksdorp (which is in re-development). The other mine, called Beisa, opened in 1981 and operated for three years, producing about 1200t of  $\text{U}_3\text{O}_8$  and about 3,5t of Au before the operator, Gencor shut it down. This operation was located in the SW corner of the Welkom Goldfield. Shortly thereafter, the gold-rich Kalkoenkrans Reef was discovered under the uranium-rich Beisa Reef on the same property and the mine was renamed Oryx.

Gold Fields, which owns Oryx (now renamed Beatrix), is reassessing the Beisa Reef where a multimillion lb (pound) in-situ uranium resource remains undeveloped. Gold Fields is conducting feasibility studies. AngloGold Ashanti is the only South African Witwatersrand miner that is exploiting its uranium by-product – which it has been doing since 1979. It produces about 1.5Mlb of uranium a year in the form of ammonium di-uranate from its Vaal River operations around Klerksdorp. The raw material is transported to Westonaria, west of Johannesburg, to the Nuclear Fuels Corp, which is wholly owned by AngloGold Ashanti. There it is processed into uranium oxide (U3O8) for shipment to converters in Europe, North America and Asia

Uranium is contained within uraninite and brannerite and is associated with the development of kerogen (carbon) seams that encapsulate the uraninite. Locally the uraninite has altered to brannerite and uraniferous leucoxene indicating an epigenetic alternation of primary placer related uraninite.

Minter *et al* 1998 report that the Eldorado palaeo-surface marks the last major period of erosion in the Witwatersrand Succession in the Welkom gold field. Fluvial and debris flow sediments on this surface contain placer concentrates that were ultimately derived from the repeated erosion of sub-cropping placers which occur within a sequence of on-lapping formations separated by unconformities on the southern and eastern margin of the basin. These authors report that auto-radiographs of core recovered by drilling through the Eldorado palaeo-surface indicate that gold and uranium mineralization is associated with detrital pyrite and gold accumulations. This mineralization occurs as fluvial bed load concentrates that were deposited in shallow palaeo channels and with conglomeratic diamictites. Comparison of heavy mineral assemblage in crushed concentrates of the sub-cropping placers with those in the placer alluvium on the Eldorado age palaeo-pediment indicates that the suite of heavy minerals is the same. All three varieties of pyrite show detrital rounding including secondary pyrite which originally formed in-situ in the older, underlying placers. Kerogen particles appear to be rounded allogenic grains of broken columnar kerogen derived from erosion of older placers uraninite is very sparse and inclusions found in the rounded kerogen grains have been largely altered to brannerite and that the dominant uranium bearing minerals are uraniferous leucoxene and brannerite at various stages of alteration from uraninite to brannerite are evident. The rarity of uraninite indicates that most of the grains of that mineral were altered during re-working and prolonged exposure in a slightly oxidizing atmosphere.

This is significant in that upper parts of the Central Rand Group (where the Mangalisa Project mineralisation is inferred to lie) may be dominated by brannerite and not uranite mineralogy.

Coffey Mining recommends Acclaim undertake a mineralogical analysis to determine which species or uranium minerals are present. If uraninite is the dominant material this may indicate that the interpreted stratigraphy is deeper than currently understood and the stratigraphic interpretation needs revisiting.

As with most areas of mineral paragenesis in the Witwatersrand, conflicting theories exist in terms of origin, cause and controls of the mineralisation (Frimmel *et al*, 2005), but the modified palaeo-placer genesis holds the bulk of scientific credibility at present.

In the same way as the western margin of the basin has Eldorado age reworked placer mineralisation with a profoundly deformed and locally thrust and overturned footwall of older Central Rand Group metasediments (Mineral *et al*, 1986, Cole, 1998, Frimmel *et al* 2005), the Mangalisa Project area has an unusual combination of high grade uranium and gold mineralisation.

The tenor of this is high enough in this part of the upper Central Rand Stratigraphy to be considered seriously anomalous.

### 5.3 Project Geology and Mineralisation

The project area occurs west of the Homestead Fault (Figure 5.2\_1) in an area dominated by Proterozoic age horst and graben structures. The Central Rand Group sub-crops beneath volcanics and agglomerates (Bothaville Formation) at shallow depths (Areas A and B, Figure 5.2\_1). The project area is to the east of the trace of the Basal Reef/West margin fault trace (Figure 3\_1).

A total of seven pre-collar percussion holes plus three water wells were drilled at Mangalisa (2,394m drilled). Two of the percussion holes were then deepened by diamond drilling and one historical hole, previously drilled in 1988, was re-opened. Further work included the completion of wedging and deflection drilling of seven separate deflection intervals (1,350.6m drilled by diamond drill). Samples were collected and analysed from select intervals from two drillholes, PG-1 and ERF-1, and their respective deflections. Assay results from significant intersections in drillhole PG-1 are presented below. No other significant intersections were encountered. All drilling of the zones of interest was carried out using either NQ wireline or TNW conventional technique diamond core drilling. The majority of samples for assay were taken from TNW size cores, in the form of half-cores that were cut by diamond rock saw. Pre-collar drilling through non-target lava sequences to depths of approximately 300m was carried out using percussion drilling.

PG-1 encountered Karoo sediments to 116m, and an intrusive from 116 to 145m, Karoo sandstone to 153m, Allanridge lavas to 268m, Bothaville agglomerates and conglomerates to 419m, and first encountered Central Rand Group quartzites at 419.85m which is very shallow in a regional context. Locally the Elsburg stratigraphy is intruded by mafic dykes and the target conglomerate horizons were encountered at ~770m below collar. Drilling of ERF-2 was suspended prior to completion pending receipt of analytical results and geological interpretation of core from PG-1 and ERF-1. The need for continued drilling of ERF-2 and the other four pre-collared holes (ERF-3, ERF-4, NGT-1 and NGT-2) will be reassessed based on the geological interpretation of the available core and assay results. These studies will form the basis for the next phase of exploration on the property. In both drillholes PG1/13 and ERF-1 the mineralised horizons appear to be upward fining palaeochannel infill grading upwards from conglomerate, to quartzite and argillite. Assay results for deflection PG1/12 are available (Superior Mining, Feb 2009) and are reported as 45.8g/t and 3.79kg/t U over 45cm from 776.32m downhole depth. Detailed analysis has not been provided.

Superior Mining took four samples totalling 94cm across the mineralised horizon on PG1/13, these then return 17.5 g/t Au and 1.25 kg/t U over 94cm (Table 5.3\_1).

Table 5.3_1 Mangalisa Project Available Assay Results Deflection PG1/13 (April, 2009)								
Sample	To	Width (cm)	Au g/t	U <sub>3</sub> O <sub>8</sub> g/t	U g/t	U kg/t	Cumulative	
							Cm*g/t	Cm*kg/t
C1501	775.7	19	0.08	14	11.9	0.012	1.5	0.2
C1502	775.93	23	0.22	33	28.0	0.028	5.1	0.6
C1504	776.13	20	0.1	30	25.4	0.025	2.0	0.5
C1506	776.45	32	51.12	4269	3,620.9	3.621	1,635.8	115.9
Cumulative		94					1,644.4	117.2

\*: vertical width, not true width

Similar results are not available for PG/12.

## 5.4 QA/QC

The project results to date have been subjected to QA/QC analysis and reported in Appendix C of the Snowden's, 2009 report. Pulps have been analysed against reference standards. Snowden had been engaged by Superior Mining International (Superior) to manage their field exploration program for Witwatersrand gold in the Free State Province of South Africa. Quality control and quality assurance (QAQC) procedures were undertaken to ensure the integrity, accuracy and precision of the analytical results. Snowden concluded that the assay results are accurate and precise, and that the sampling had not been contaminated.

Certified reference material (CRM) was inserted at a rate of 1 CRM per 20 primary samples or a minimum of 10 CRM's per batch. Duplicate samples were inserted at a rate of 1/20, or a minimum of 10 per batch. Blank samples were submitted at a rate of 1/20 with a minimum of 5 per batch. Most of the analyses were performed by Set Point Laboratories (Pty) Ltd (SPL). SPL is accredited to perform analyses for gold by fire assay with ICP finish and for uranium by X-ray fluorescence. SPL completed 346 primary samples and 171 control samples using these methods. Twenty primary samples from boreholes PG1-12 and PG1-13 were submitted to Performance Laboratories (PL), to be analysed for gold and uranium. Twenty samples submitted to PL were submitted for check analyses of uranium to Genalysis Laboratory Services in Perth, Australia (Genalysis). Genalysis are accredited for analysis of uranium.

In terms of accuracy Snowden's concluded that laboratory accuracy is acceptable when at least 95% of values are within three standard deviations and 90% within two standard deviations of the certified mean. PL failed only marginally on one CRM, with 100% of the samples falling within 3 standard deviations and 88.9% (instead of 90%) falling within 2 standard deviations from the certified mean. PL failed only marginally on one CRM with 100% of the samples falling within 3 standard deviations and 88.9%, instead of 90%, falling



within 2 standard deviations from the certified mean. Both laboratories were therefore deemed to pass.

Snowden concludes that the accuracy of the gold and uranium assays is acceptable (good) for both laboratories.

In terms of precision, sixty duplicate samples were split from primary sample pulps and re-numbered using the same numerical series as the field samples. These samples were submitted to SPL in a blind trial, in order to monitor the precision of the assays. The average grade original samples were 0.74g/t and average grade of duplicates 0.71g/t. The percentage of dataset with a difference of more than 20% was 10 with a correlation coefficient (r) of 99.04%. The precision of the gold assays completed by SPL was considered as good. The uranium samples returned an average grade original 94.2g/t, the average grade of the duplicates was 95.0g/t and the percentage of dataset with a difference of more than 10% was 5%, with a correlation coefficient (r) 99.95%. Snowden concluded that the precision of the uranium assays completed by SPL is good.

## **5.5 Conclusions and Recommendations**

Significant gold and uranium mineralisation has been encountered in two deflections diamond drilled on Erfenis 328 in the Free State Goldfield, west of Riebeeckstad and north of the Masimong operations of Harmony Gold. The results remain significant, when recalculated over typical mining widths.

## 6 VALUATION OF MINERAL ASSETS

### 6.1 Valuation Methods

There are numerous recognised methods used in valuing “mineral assets”. The most appropriate application of these various methods depends on several factors, including the level of maturity of the mineral asset, and the quantity and type of information available in relation to any particular asset.

The Valmin Code, which is binding upon “Experts” and “Specialists” involved in the valuation of mineral assets and mineral securities, defines the level of asset maturity under the following categories:

- **“Exploration Areas”** refer to properties where mineralisation may or may not have been identified, but where a mineral resource has not been defined.
- **“Advanced Exploration Areas and Pre-Development Projects”** are those where Mineral Resources have been identified and their extent estimated, but where a positive development decision has not been made.
- **“Development Projects”** refers to properties which have been committed to production, but which have not been commissioned or are not operating at design levels.
- **“Operating Mines”** are those mineral properties, which have been fully commissioned and are in production.

The various recognised valuation techniques are designed to provide the most accurate estimate of the asset value in each of these categories of project maturity. In some instances, a particular mineral property or project may include assets that logically fall under more than one of these categories.

Regardless of the valuation techniques adopted, the consideration must reflect the perceived “fair market value”, which is described in Definition 43 of the Valmin Code as “the amount of money (or the cash equivalent of some other consideration) determined by the Expert in accordance with the provisions of the VALMIN Code for which the Mineral or Petroleum Asset or Security should change hands on the Valuation Date in an open and unrestricted market between a willing buyer and a willing seller in an “arm’s length” transaction, with each party acting knowledgeably, prudently and without compulsion”.

In the case of Pre-development, Development and Mining Projects, where Measured, Indicated and Inferred Resources have been estimated, and mining and processing considerations can be reasonably determined, valuations can be derived by compiling a discounted cashflow (DCF) and determining the net present value (NPV).

*Where mineral resources remain in the Inferred category, and the application of mining parameters to determine their economic viability has not been undertaken or is considered inappropriate, their value cannot be demonstrated using the more conventional DCF/NPV approach. A similar situation may apply where economic viability cannot be readily demonstrated for a resource assigned to a higher confidence category. In these instances it is frequently appropriate to adopt the In-situ Resource (or "Yardstick") method of valuation for these assets. This technique involves application of a heavily discounted valuation of the total in-situ metal contained within the resource. This usually equates to a range of 2% to 4.5% of the spot metal price as at the valuation date, but may vary substantially in response to a range of additional factors including physiography, infrastructure and the proximity of a suitable processing facility.*

In the case of Exploration Areas, and to a lesser extent Advanced Exploration Areas, the potential is speculative compared to projects where mineral resources have been estimated. The valuation of Exploration Areas is dependent, to a large extent, on the informed, professional opinion of the valuer.

Where useful previous and committed future exploration expenditure is known or can be reasonably estimated, the Multiple of Exploration Expenditure ("MEE") method is considered to represent one of the more appropriate valuation techniques. This method involves assigning a premium or discount to the relevant effective Expenditure Base ("EB"), represented by past and future committed expenditure, through application of a Prospectivity Enhancement Multiplier ("PEM"). This factor directly relates to the success or failure of exploration completed to date, and to an assessment of the future potential of the asset. The method is based on the premise that a "grass roots" project commences with a nominal value that increases with positive exploration results from increasing exploration expenditure. Conversely, where exploration results are consistently negative, exploration expenditure will decrease along with the value.

Other valuation methods can be adopted to assist in confirming conclusions drawn from the MEE approach. Where sale transactions relating to mineral assets that are comparable in terms of location, timing and commodity, and where the terms of the sale are suitably "arms length" in accordance with the Valmin Code, such transactions may be used as a guide to, or a means of, valuation.

Where a joint venture agreement has been negotiated as an "arm's length" transaction, the Joint Venture Terms valuation method may be applied. In a typical staged earn-in agreement, the value assigned to each of the various stages can be combined to reflect the total, 100% equity, value, as follows:

$$V_{100} = V_{\text{Stage 1}} + V_{\text{Stage 2}} + \dots$$

The value of equity assigned to an entity buying into the project, the farminor, at any earn-in stage of a joint venture can be considered as the sum of the value liquid assets transferred to the seller, or farminee, in cash or shares, plus the value of future exploration expenditure. Commonly, an agreement may stipulate a minimum expenditure that must be met by the farminor prior to allowing withdrawal from the agreement, and these funds are thus committed, as distinct from the notional expenditure to successful completion of the earn-in stage. In calculating the value of an agreement that includes future expenditure, it is considered appropriate to discount (usually at a rate of 10% per annum) that expenditure by applying the discount rate to the mid-point of the term of the earn-in phase. A probability range is also usually applied to each earn-in stage to reflect the degree of confidence that the full expenditure specified to completion of any stage will occur and, consequently, each equity position achieved.

The value assigned to the second and any subsequent earn-in stages will always involve discounted funds, and is likely to require exponentially increasing speculation as to the likelihood that each subsequent stage of the agreement will be completed. Correspondingly, in applying the Joint Venture Terms approach to staged earn-in agreements, it is regarded as most correct to consider only the first stage as the basis for estimating cash value equivalence at the time of the deal. Coffey Mining adheres to this guideline by adopting the end of the initial earn-in period for valuation purposes.

The total project value of the initial earn-in period can be estimated by assigning a 100% value, based on the deemed equity of the farminor, as follows:

$$V_{100} = \frac{100}{D} \left[ CP + \left( CE * \frac{1}{(1+I)^{\frac{t}{2}}} \right) + \left( EE * \frac{1}{(1+I)^{\frac{t}{2}}} * P \right) \right]$$

where:

- $V_{100}$  = Value of 100% equity in the project (\$)
- $D$  = Deemed equity of the farminor (%)
- $CP$  = Cash equivalent of initial payments of cash and/or stock (\$)
- $CE$  = Cash equivalent of committed, but future, exploration expenditure and payments of cash and/or stock (\$)
- $EE$  = Uncommitted, notional exploration expenditure proposed in the agreement and/or uncommitted future cash payments (\$)
- $I$  = Discount rate (% per annum)
- $t$  = Term of the Stage (years)
- $P$  = Probability factor between 0 and 1, assigned by the valuer, and reflecting the likelihood that the Stage will proceed to completion.

### 6.1.1 Valuation Metrics

Coffey Mining has elected to apply the MEE method of valuation.

In the case of the Mangalisa Property, some 2394m of percussion drilling and 1,350.6m of diamond drilling has been completed. A total of 577 samples, including QA/QC samples were submitted to laboratories in South Africa and Australia for analysis.

Superior (SUI) report exploration expenditures of CAD\$ 1.602 million and CAD\$0.36 million in statutory filings to SEDAR ([www.sedar.com](http://www.sedar.com)) for the 2009 and 2008 financial years respectively. These amounts are aggregated across projects in both South Africa (Mangalisa) and New Zealand (un-related to this transaction). By 31 July 2009 SUI was reporting the initial results of RC drilling at its New Zealand properties, these however are not reported in detail and some 680m of RC drilling is estimated to have taken place.

Coffey Mining estimates that 90% of the 2009 expenditure and 100% of the 2008 expenditure was related to Mangalisa. This equates to a historic spend of CAD 1.8 million.

The CAD has exchanged close to parity with the USD in this period hence:

- EB (USD): \$1.80 million + \$ 5 million (committed by AEX)
- PEM: 1
- FX: 0.93
- Value: AUD 7.3 million

and

- EB (USD): \$1.80 million + \$ 5 million (committed by AEX)
- PEM: 0.75
- FX: 0.93
- Value: AUD 5.4million

The PEM range applied is from 0.75 to 1.

## 6.2 Valuation Summary

A summary of the technical valuation for the asset is provided in Table 6.2\_1 below. These valuations reflect a 33.3% interest in the project.

The valuation is based on the MEE method based on a 33.3% interest held by AEX.

AEX has committed USD 5 million to exploration in the first 12 months. The valuation is based on an exchange rate of 0.93 US cents to 1 AUD, the prevailing rate on the date of the valuation.

Coffey would under most circumstances attempt to use one other valuation methodology to test against its chosen method. NPV methods are not applicable as there is no formal classified resource. Yardstick methods are also not applicable as there are no Inferred Resources. There are insufficient directly comparable transactions involving South Africa and pure gold exploration properties to be meaningful.

**Table 6.2\_1**  
**Technical Valuation Summary**  
**(14 April 2010)**

Asset	Interest	Technical Valuation		
		Low AUD\$M	High AUD\$M	Preferred AUD\$M
Mangalisa Project, South Africa	100%	5.4	7.3	6.4
<b>AEX Share</b>	<b>33.3%</b>	<b>1.8</b>	<b>2.4</b>	<b>2.1</b>

Based on the information provided to Coffey, the Mangalisa Project in which AEX is earning an initial 33.3% interest is considered to be sufficiently robust, subject to varying degrees of exploration and development risk to warrant ongoing exploration and is consistent with the proposed budget and application of funds. Based on the MEE approach, Coffey values the project within a range from AUD 5.4 million to AUD 7.3 million, with a preferred value of AUD 6.4 million. The AEX 33.3% interest is therefore valued at between AUD 1.8 million and AUD 2.4 million within which range Coffey ascribe a preferred value of AUD 2.1 million.

The Independent Technical Valuation has been prepared on information available up to and including 14 April 2010.

## 7 GLOSSARY OF TECHNICAL TERMS

<i>agglomerate</i>	Heterogeneous mixture of lithified volcanic rock fragments.
<i>Archaean</i>	An era of geological time spanning the period from 3,800 million years to 2,500 million years before present.
<i>assay</i>	The testing and quantification of the abundance of elements of compounds of interest within a sample.
<i>Atomic absorption spectrophotometry ("AAS")</i>	A method for analysing elemental concentrations in a sample that has been dissolved in acid.
<i>Au</i>	Chemical symbol for gold.
<i>AUD</i>	Australian Dollars
<i>AusIMM</i>	The Australasian Institute of Mining and Metallurgy.
<i>basal contact</i>	Lower boundary to a particular rock type.
<i>bedding</i>	The arrangement of a sedimentary rock in beds or layers of varying thickness and character.
<i>billion years</i>	1,000,000,000 years
<i>casing</i>	A zone of material altered by vein action and lying between the unaltered country rock and the vein.
<i>CP</i>	Cash equivalent of initial payments of cash and/or stock (\$)
<i>CE</i>	Cash equivalent of committed, but future, exploration expenditure and payments of cash and/or stock (\$)
<i>Competent Person</i>	A 'Competent Person' is a person who is a Member or Fellow of The Australasian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists with a minimum of five years experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which that person is undertaking
<i>D</i>	Deemed equity of the farminor (%)
<i>daughter wedges</i>	Smaller diameter, subsidiary diamond holes drilled off a deeper parent hole, designed to gain multiple intersections of mineralisation.
<i>detrital gold</i>	Accumulated particles of gold derived from pre-existing mineralised rocks by the process of weathering or erosion.
<i>diamond core</i>	Cylindrical core of rock produced by drilling with a diamond set or diamond impregnated bit.
<i>diamond core (DC)</i>	Method of obtaining cylindrical core of rock by drilling with a diamond set or diamond impregnated bit.
<i>diamond drilling</i>	Method of obtaining cylindrical core of rock by drilling with a diamond set or diamond impregnated bit.
<i>daughter wedges</i>	Smaller diameter, subsidiary diamond holes drilled off a deeper parent hole, designed to gain multiple intersections of mineralisation.
<i>dip</i>	The angle at which bedding or a geological structure is inclined from the horizontal.

<i>drillcore</i>	Cylindrical sample of rock obtained by diamond drilling.
<i>drillhole collars</i>	The position at surface of the start of a drillhole.
<i>EB</i>	Exploration Base. A term used in MEE valuation, comprising the sum of historic and future committed exploration money.
<i>Exploration Licence</i>	Granted temporary title over a large area of land entitling the holder to explore for one or more mineral commodities.
<i>fluvial</i>	Pertaining to sediments deposited by the action of streams and rivers.
<i>Ga</i>	Giga annum, billions of years
<i>g/t</i>	Grams per tonne, a standard mass unit for demonstrating the concentration of precious metals in a rock, equivalent to parts per million (ppm).
<i>g/t Au</i>	Grams of gold per tonne of rock, a standard unit for demonstrating the concentration of gold in a rock.
<i>greenschist facies</i>	A classification of the metamorphic grade of a rock, diagnostically defined by the metamorphic formation of chlorite and biotite at generally lower pressures and temperatures.
<i>horst and basin topography</i>	Terrain characterised by uplifted (horst) and downthrown (graben) areas developed during faulting.
<i>ICP</i>	Inductively Coupled Plasma, an analytic technique used in gold assay
<i>intercept</i>	That portion included between two points in a borehole, as between the point where the hole first encounters a specific rock or mineral body and where the hole enters a different or underlying rock formation.
<i>JORC Code</i>	The Australasian Code for Reporting of Mineral Resources and Ore Reserves (the 'JORC Code' or 'the Code'), which sets out minimum standards, recommendations and guidelines for Public Reporting of exploration results, Mineral Resources and Ore Reserves in Australasia. This code is prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Australian Mineral Industry Council (JORC).
<i>kg</i>	Kilogram, a standard metric unit for weight.
<i>km</i>	Kilometre, a standard metric unit measure of distance.
<i>m</i>	Metre, a standard metric unit measure of distance.
<i>M</i>	Million.
<i>metamorphic grade</i>	The intensity or rank of metamorphism, measured by the amount or degree of difference between the original parent rock and the metamorphic rock. It indicates in a general way the pressure-temperature environment or facies in which the metamorphism took place.
<i>mineralisation</i>	The concentration of metals and their compounds in rocks, and the processes involved therein.
<i>Mt</i>	Million tonnes, a standard metric unit measure of weight.
<i>Mtpa</i>	Million metric tonnes per annum.
<i>°C</i>	Degrees Celsius.
<i>oz</i>	Troy ounces, common imperial measure of weight applied to precious metals.
<i>palaeochannel or</i>	A preserved, inactive river channel in-filled with partially consolidated fluvial



<i>palaeo-channel</i>	sediments that may continue to carry water in the subsurface.
<i>Palaeoproterozoic or palaeo-Proterozoic</i>	The period of the earth evolution between 2,500 million years and 1,600 million years ago.
<i>Permian</i>	The era of geologic time between 299 and 251 million years ago.
<i>PEM</i>	Prospectivity Enhancement Multiplier. Used in MEE valuation. < 1 if results not all positive. >=1 for positive exploration results
<i>ppm</i>	Parts per million, quantitative equivalent of g/t.
<i>PQ core</i>	A diamond drill core size, larger in diameter than HQ.
<i>prospect</i>	A mineral deposit which warrants further investigation.
<i>Proterozoic</i>	An era of geological time within the Precambrian, spanning the period from 2,500 million years to 545 million years before present.
<i>pulp</i>	The finely crushed sample used as a material source in analytical techniques.
<i>pulp duplicate</i>	Repeat samples taken from pulverised rock and analysed as a test for laboratory precision levels.
<i>pyrite</i>	An iron sulphide mineral, FeS <sub>2</sub> .
<i>quality control</i>	Methods used to monitor and quantify assay quality.
<i>quartz</i>	A mineral composed of silicon dioxide, SiO <sub>2</sub> .
<i>quartz pebble conglomerate</i>	Conglomerate dominated by quartz pebbles.
<i>quartzite</i>	A quartz-rich sandstone that has been metamorphosed or indurated by the recrystallisation of silica.
<i>reef</i>	A term used to describe large quartz veins or gold lodes.
<i>sample intervals</i>	The length over which a sample is collected from a drillhole or a surface channel sample.
<i>sample preparation</i>	The grinding and milling of samples prior to assay.
<i>sample standards</i>	Samples in which the content of a mineral or element is known with a high degree of accuracy, used to test for analytical accuracy.
<i>sampling</i>	The collection of material for mineral analysis.
<i>sediment</i>	A rock formed of particles deposited from suspension and transport in water, wind or ice.
<i>sediment hosted</i>	Referring to rocks, typically of mineralisation, that are hosted within sedimentary rocks but which are not necessarily of sedimentary origin.
<i>shaft</i>	A vertical or inclined tunnel from the surface, through which underground excavations can be entered and by which ore and waste may be removed.
<i>stratabound</i>	Contain to designated sedimentary rock layers.
<i>stratigraphic</i>	Composition, sequence and correlation of stratified rocks.
<i>stratigraphy</i>	Sequence of layering formed in rocks by the depositional from a fluid, usually applied to sedimentary rocks but also to igneous rocks showing compositional variations within former magma chambers.
<i>surface lag</i>	A residual accumulation of coarse rock fragments on a surface after the finer material has been blown away by winds.

<i>synclinal</i>	Pertaining to a syncline.
<i>synform</i>	Syncline-like structure.
<i>syntectonic</i>	Occurring or forming at the same time as deformation and metamorphism.
<i>terrane / terrain</i>	A terrane/terrain is a crustal block or fragment that preserves a distinctive geologic history that is different from the surrounding areas and that is usually bounded by faults.
<i>Throw</i>	The amount of vertical displacement created by fault movement.
<i>TNW</i>	Thin tube wireline drilling, 60.3mm diameter
<i>unconformable</i>	Having the relation of uniformity to the underlying rocks; not succeeding the underlying strata in immediate order of age and in parallel position.
<i>uraninite</i>	An oxide mineral of uranium, UO <sub>2</sub> .
<i>V100</i>	Value of 100% equity in the project (\$)
<i>wedging</i>	The act of changing the course of a borehole by using a deflecting wedge.
<i>Witwatersrand</i>	The gold mining district, now usually called the Rand, of the Republic of South Africa.

**PROXY FORM**

**APPOINTMENT OF PROXY  
ACCLAIM EXPLORATION NL  
ACN 009 076 233**

**GENERAL MEETING**

I/We

of

being a member of Acclaim Exploration NL entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

OR  the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the General Meeting to be held at 10.00am (WST), on 25 June 2010 at The Esplanade River Suite Hotel, Water Well Room, 112 Melville Parade, Como, Western Australia, and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of all the Resolutions.

**Voting on Business of the General Meeting**

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
Resolution 1 – Acquisition of the Mangalisa Project	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Issue of Shares to Stirling Commodities Investments Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Ratification of Prior Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_\_%

**Signature of Member(s):** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Individual or Member 1**  
  
**Sole Director/Company Secretary**

**Member 2**  
  
**Director**

**Member 3**  
  
**Director/Company Secretary**

**Contact Name:** \_\_\_\_\_ **Contact Ph (daytime):** \_\_\_\_\_

**ACCLAIM EXPLORATION NL**  
**ACN 009 076 233**

**Instructions for Completing 'Appointment of Proxy' Form**

1. **(Appointing a Proxy):** A member entitled to attend and vote at a General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
  - **(Individual):** Where the holding is in one name, the member must sign.
  - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
  - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

(c) post to Acclaim Exploration NL, Suite B, 150 Hay Street, Subiaco WA 6008; or

(d) facsimile to the Company on facsimile number +61 8 9388 8450,

so that it is received not later than 10.00am (WST) on 23 June 2010.

**Proxy forms received later than this time will be invalid.**