



Quarterly Activities Report

For the Quarter Ended 31 December 2010

Mangalisa Project

Background

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

The Mangalisa Project is located in the Free State Province of the Republic of South Africa, on the farm subdivision known as Erfenis 328. The 180km² license area is situated approximately 20km to the east of the township of Welkom, and approximately 10km north of Harmony Gold's operating Masimong 5 Shaft. This region of the Free State is a mature mining region with a mining and exploration history dating back to discovery in 1934. The regional towns are Welkom and Virginia. Welkom is located 220km south west of Johannesburg.

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

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

Exploration

During the quarter, the current drilling program confirmed that the gold and uranium mineralisation intersected in the discovery hole PG1 is shown to continue over an area of at least **4 hectares** following completion of phase 1 of the 4 hole ERF drill program.

The results of the Phase One drilling to date are in agreement with the geological model. Grade results are indicative of the distal portion of an Elsburg-type Fan system. Mineable grades at the near-by Target Mine are restricted to only a few hundred metres from the sub-crop position. Based on this model, the current drilling on Mangalisa appears to be in the distal portion of a fan system.

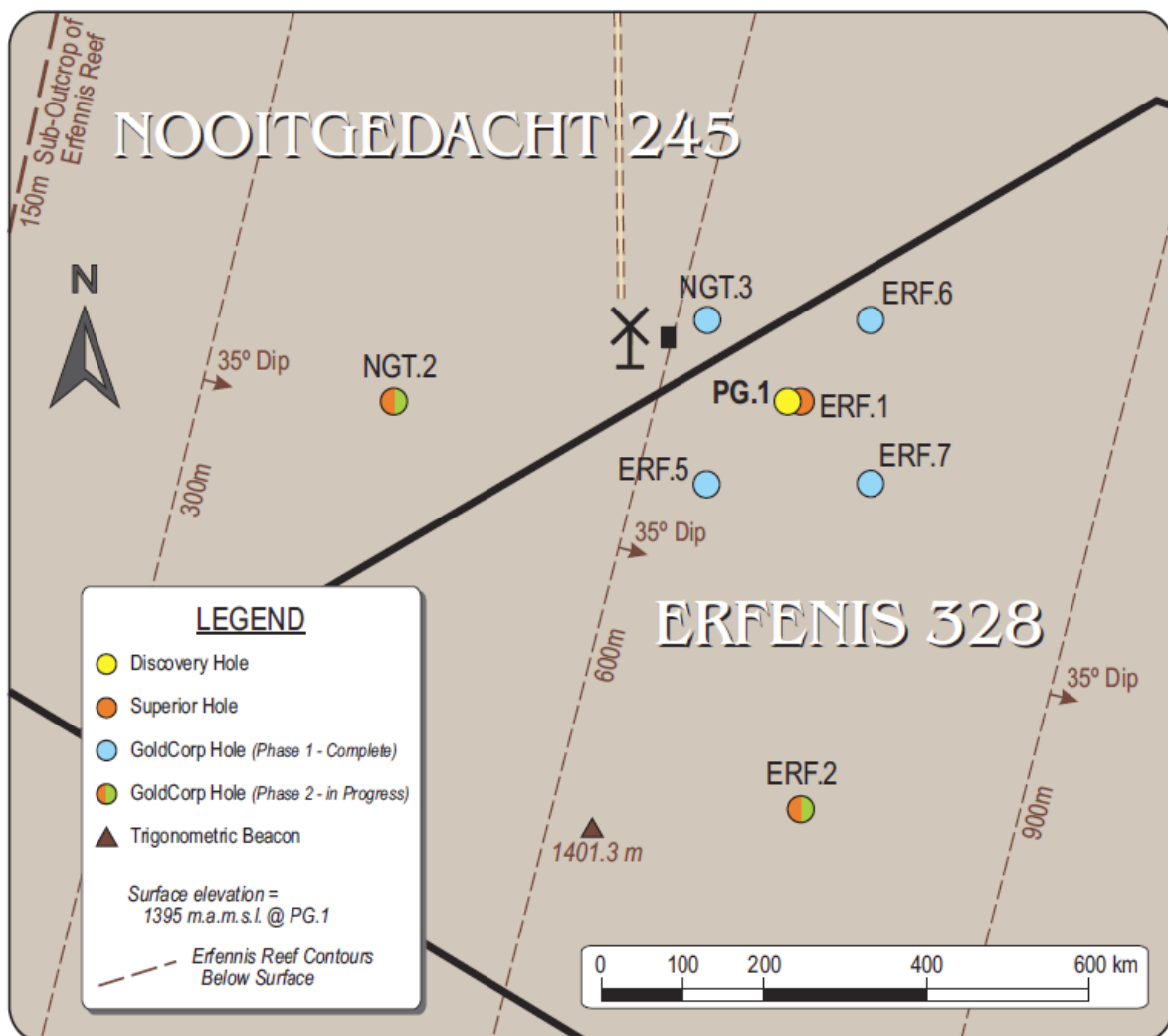
The results to date are regarded as significant in the search for potentially payable Elsburg reefs further upstream towards the Fan Apex area.

The values seen in the results have been calculated to a mineable stope width and not reef width. A stope width of 90 cm is considered to be the minimum mineable width.

Reefs containing individual sample values greater than 5.0 g/t Au in a mother hole sample (circa 20cm) were deflected up to four times. Reefs with mother hole values less than 5.0 g/t were re-cut twice to ensure the values were in fact low.

268 mother hole and 194 deflection (re-cut) samples were submitted for analysis. Three of the better grade reefs intersected were deflected and processed by Snowden Mining Consultants. This was done in order to provide an independent verification of the grade.

Location of Mangsalisa drilling on Erfenis and Nooitgedacht



The Mangsalisa project has been designed to discover an Elsburg-type Fan deposit of Witwatersrand gold-bearing conglomerate reefs. The original discovery of high grade gold and uranium by Gencor in borehole PG1 revealed the presence of Elsburg reefs. These are clearly an extension to the Homestead arm of the Welkom goldfield, which includes mines such as Harmony Gold Mine and Free State Saaiplaas Gold Mine (now called Massimong).

Phase 2 Drilling has commenced and will focus on the discovery of the fan apex. Early indications from the NGT2 drill hole are that the development of the conglomerates of the Erfenis Reef Zone is improving to the west of the discovery hole PG1.

The company now expects first results from the phase 2 drilling during the first quarter 2011 as the company drills to establish the location of the fan apex which is believed to lie to the west of the present area.

Acclaim continues to be encouraged by the results which strengthen the company's view that the Mangalisa project has the potential to provide a significant new Witwatersrand-type discovery in what has been one of the most prolific gold production areas in world history.

The information in this report that relates to exploration, mineral resources or ore reserves is based on information compiled by Dr Rodney Tucker, BSc (Mining Geology), MSc (University of Witwatersrand), a member of the Geological Society of South Africa, a Recognised Overseas Professional Organisation (ROPO), who is a consultant to Acclaim Exploration NL. Dr Rodney Tucker has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a competent person as described by the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Tucker consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Nacimiento Copper Uranium Project

Preparations for the commencement of field operations in 2011 on the Nacimiento Copper Uranium project are now well advanced following completion of the budgets and permitting for the exploration program.

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

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

Acclaim holds three blocks of lode mining claims, namely:

Coyote Lode Mining Claims, Sandoval County, New Mexico

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

Aranda Lode Mining Claims, Rio Arriba County, New Mexico

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

Los Pinos Lode Mining Claims, Sandoval County, New Mexico

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

Total production from the Nacimiento Region between 1881 and 1960 was in excess of 7,500,000 pounds of copper and 75,000 ounces of silver, most coming from the San Miguel mine. The San Miguel mine is located about one mile east of the Los Pinos property.

Subject to property access and site conditions the proposed exploration programmes will cover:

Phase One - Exploration Program

- Consultants to report and develop the Nacimiento exploration program
- Review current data and suggested target mineralisation
- Develop program on ground access and any Indigenous issues
- Pay permit requirements from US Army Corp Engineers
- Review historical data and review satellite imagery
- Locate drill logs from Oil and Gas exploration

Stage Two

- Exploration site visit 1st Quarter 2011
- Commence mobilization and preparations for Exploration program
- Determine Air – borne survey targets
- In field on ground samples from selected targets
- Review historical production data from San Miguel Copper Mine and site visit

Stage Three

- Drilling and testing of selected targets subject to completion stage 2
- Complete and report results
- Determine next stage of exploration

The Company had engaged consultants who have provided technical, geological and property consulting services to assist the Company in managing its ongoing financial commitments. The

Company has paid the annual maintenance fees to the Bureau of Land Management, US Department of the Interior which meets the requirements on all lode claims.

Denny Dalton Project

No further work was undertaken on the Denny Dalton Project during the quarter and the Board continues to evaluate various options.

Corporate

Capital Raising

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

- (i) the placement of 149,305,553 ordinary fully paid shares (**Shares**) at a subscription price of \$0.018 each (together with the grant of one free attaching option exercisable at \$0.05 each on or before 31 December 2013 (**Options**) for every Share subscribed for and issued), raising an amount of \$2,687,500;
- (ii) pursuant to shareholder approval, issued 71,075,000 Options as free attaching options to the placement of Shares completed on 21 September 2010; and
- (iii) issued 40,000,00 Shares in consideration for the provision of technical, geological and property consulting services on the company's Nacimiento Copper Uranium Project.

A R HAMILTON
Chief Executive Officer