ACCLAIM EXPLORATION N.L. AND CONTROLLED ENTITIES

ANNUAL REPORT 2011

ABN 99 009 076 233

COMPANY INFORMATION

Directors
John Geary - Non-Executive Director
Craig Willis - Non-Executive Director

Secretary
Damon Sweeny

Registered Office
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Telephone: (08) 9226 1240
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Auditors
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Share Registry
Computershare Investor Services Pty Ltd
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Solicitors
Tottle Partners
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Securities Exchange Listing
Acclaim Exploration N.L. shares are listed on the Australian Securities Exchange

ASX Code: Shares AEX

DIRECTORS' REPORT

Your Directors present their report on the Company and its controlled entities for the year ended 30 June 2011.

DIRECTORS

The names of the Directors of the Company in office during the financial year and up to the date of this report are as follows:

NAME	POSITION	EXPERTISE
C S Willis	Executive Director	Finance and Company Management
J C Geary	Non-Executive Director	Corporate and Technical
A R Hamilton – Resigned 29 July 2011	Executive Chairman	Corporate and Technical

INFORMATION ON DIRECTORS

***Craig S Willis** – Non-Executive Director*

Mr Willis has considerable project management and technology development experience, having held a number of public and private company directorships. He has significant experience in dealing with government instrumentalities pertaining to contract negotiations between private and public entities. He has previously project managed a number of successful operational developments within Australia Post.

Director since 30 June 2003.

During the past 3 years, Mr Willis has also served as a director of the following listed companies:

- Modena Resources Ltd (September 2006 – present)

***John Geary**, B. Bus, Grad. Dip Acctg, Grad Dip Adv. Taxation – Non-Executive Director*

John Geary was born and educated in Perth, Western Australia. He has over thirty years experience in the mineral exploration industry both in Australia and overseas. His experience includes prospecting, tenement acquisition, owner/operator of a contract drilling company and the promotion, listing and management of an exploration company on the Australian Securities Exchange. He has been actively involved in the planning and implementation of many exploration programmes.

This 'hands on' experience is complemented by Tertiary qualifications in Economics and Financial Management, Accounting and Taxation.

Director since 22 June 2009.

During the past 3 years, Mr Geary has also served as a director of the following listed companies:

- Ventnor Resources Ltd (12 February 2010 to present)
- Eldore Mining Corporation Ltd (13 January 2010 to present)
- Greater Pacific Gold Ltd (23 March 2005 to 24 November 2008)
- Yellow Rock Resources Ltd (13 September 2005 to 11 December 2008)
- Neo Resources Limited (30 May 2007 to present)

***Anthony Hamilton** – Executive Chairman*

Mr Hamilton is a fellow of the Institute of Directors in London and previously CEO of an International Mining company based in London.

He has extensive public company and corporate governance experience with both Australian and International resource expertise in gold, diamonds, oil & gas and base metals, having established operations in Africa, North America and Australia.

Mr Hamilton resigned as a director on 29 July 2011.

Interests in the shares and options of the Company and related bodies corporate

Craig Willis
- 1,000,000 ordinary fully paid shares

John Geary
- 339,200 ordinary fully paid shares
- 350,000 partly paid shares, 2 cents unpaid

COMPANY SECRETARY

Damon Sweeny

Damon holds a Master of Business Administration and is a member of Chartered Secretaries Australia. Damon has over 25 years of mining industry experience, more recently in the corporate services sphere. He has held a number of private company directorships as well as private and public governance roles.

CORPORATE INFORMATION

Corporate Structure

Acclaim Exploration NL is a no liability company that is incorporated and domiciled in Australia. Acclaim Exploration NL has prepared a consolidated financial report incorporating the entities ("Group") that it controlled during the financial year as follows:

Acclaim Exploration NL	-	parent entity
Denny Dalton (Pty) Ltd	-	100% owned controlled entity
Energy Company of America LLC	-	100% owned controlled entity

Nature of Operations and Principal Activities

The principal activity of the Group during the financial year was mineral exploration and investment.

There were no significant changes in the nature of the principal activities of the Group during the financial year.

OPERATING AND FINANCIAL REVIEW

Operating Results

The loss of the Group for the financial year after tax was $6,867,802 (2010: Loss - $1,847,713)

Dividends Paid or Recommended

No dividends have been paid or recommended by the Directors for the year ended 30 June 2011.

Review of Financial Condition

Capital Structure
The Group had net equity at 30 June 2011 of $855,740.

Treasury Policy
The Board has not considered it necessary to establish a separate treasury function because of the size and scope of the Group's activities.

Liquidity and Funding
The Group has cash resources of $87,428 at 30 June 2011, together with available-for-sale investments and other financial assets with a fair value of $177,924. The Company has a further $800,000 in uncalled capital on partly paid shares. Subsequent to balance date and to the date of this report, the Company has raised further equity of $150,000.

Risk Management
The Group takes a proactive approach to risk management. The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the Group's objectives and activities are aligned with the risks and opportunities identified by the Board. The Group believes that it is crucial for all Board members to be a part of this process, and as such the Board has not established a separate risk management committee.

Review of Operations

Corporate

During the year the Company:

- allotted and issued 220,000,000 ordinary fully paid shares as the final consideration for the acquisition of Energy Company of America LLC, the holder of the Nacimiento project in New Mexico. The issue of shares was as approved by shareholders on 25 June 2010;
- allotted and issued 270,380,553 ordinary fully paid shares to raise $4,166,850 before expenses of the issues ;
- withdrew and terminated the funding agreement on the Mangalisa project following a decision by the Board that drilling results released were not sufficiently positive to warrant further investment; and
- entered into a $5,000,000 equity funding agreement with the JC Long Term Value Fund. Subsequent to year end, the Company ended the JC Long Term Value Fund funding facility and commenced legal proceedings to protect its position. In light of the Company's view that the funding facility is at an end, the Company is evaluating options to secure replacement funding to meet its funding requirements going forward.

Nacimiento Copper Uranium Project

The Company holds a number of lode mining claims which lie within a mineral prospective region located in north-central New Mexico, 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.

The Company's exploration team will focuse on a program of known strata bound copper deposits.

The Company will focus on a number of key factors in the upcoming field program.

A. Peg the open area between the Los Pinos Lode Claim block and the San Miguel Mine (53 claims).
B. Secure an option to purchase additional selected locations
C. Peg the proposed CU Claim Block (68 claims) contiguous to and south of the Nacimiento Mine and mill site.

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. The decision to proceed with the current program is partly based on the technical review provided by Coffey Mining to the Company in 2009.

In summary, the Report identified that the Los Pinos claim block is regarded as the most interesting of the claim blocks in terms of exploration potential for copper and uranium. The Nacimiento Uplift region also contains a number of mostly small copper occurrences and two historic mines. Both deposits are sandstone hosted red bed-type, hosted by the Aqua Zarca Sandstone Member formation of the Triassic Chinle Formation. The Los Pinos claim block could be viewed as the starting point for a more extensive evaluation of the potential of the eastern side of the San Juan Basin for uranium and copper. The report also identified that 80km's to the southwest of the Nacimiento area significant uranium mineralsiation occurred in the Grants District, with over 340 million pounds of U_3O_8 produced from deposits in the Grants District up to 2002.

Mangalisa Project

In February 2010 the Company entered into a preliminary agreement with Goldcorp Limited ("Goldcorp") to acquire an initial 33.3% interest, with an option to increase to 50%, in the Mangalisa project in the Free State Goldfields in the Republic of South Africa. The transaction was approved by shareholders on 25 June 2010.

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

During the year, the Board made the decision to withdraw and terminated the funding agreement on the Mangalisa project.

The Company had invested over A$3 million in drilling and exploration with the exploration partner Goldcorp. Following attempts to resolve various matters in relation to the ongoing drilling program on receipt of assay results a satisfactory resolution on the drilling programme could not be reached.

The Board was of the view that the results released were not sufficiently positive to warrant further investment. The Company was required to spend up to $5 million to earn its interest and as such took the decision to withdraw and terminate the agreement. The Company has no retained interest in the project.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Significant changes in the state of affairs of the Company during the financial year are detailed under the heading 'Operating and Financial Review' of this Report.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Company that occurred during the financial year under review not otherwise disclosed in this report or in the financial report.

AFTER BALANCE DATE EVENTS

No matters or circumstances have arisen, since the end of the financial year, which significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years, other than the Company:

(i) announced that it had made a placement of 75,000,000 ordinary fully paid shares (**Shares**) at $0.002 per Share, together with 75,000,000 free attaching options exercisable at $0.02 each on or before 28 February 2014 (**Options**), to raise $150,000. The placement was made to sophisticated investors pursuant to section 708 of the Corporations Act.

    The 75,000,000 Shares and 75,000,000 Options were issued under prior approval given by shareholders at the General Meeting on 7 June 2011;

(ii) announced that it had ended the JC Long Term Value Fund funding facility and was commencing legal proceedings to protect its position. In light of the Company's view that the funding facility is at an end, the Company is evaluating options to secure replacement funding to meet its funding requirements going forward; and

(iii) Mr Anthony Hamilton resigned as a director and Mr Neville Bassett resigned as company secretary. Mr Damon Sweeny was appointed as the new company secretary. The search for a new director is continuing.

LIKELY DEVELOPMENTS AND RESULTS

Comments on likely developments and expected results have been covered generally herein and under the heading 'Operating and Financial Review' of this Report. The Company will also continue to pursue other potential investment opportunities to enhance shareholder value.

Further information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

DIRECTORS' MEETINGS

During the financial year 13 meetings of the Company's directors were held in respect of which each director of the Company attended the following number of meetings:

	Directors' Meetings	
Name of Director	***Meetings eligible to attend***	***Number attended***
A Hamilton	13	13
C Willis	13	13
J Geary	13	13

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each director and executive of Acclaim Exploration NL. The information provided in the remuneration report includes remuneration disclosures that are audited as required by section 308(3C) of the Corporations Act 2001.

For the purposes of this report Key Management Personnel of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company, and includes five executives in the parent group receiving the highest remuneration.

For the purposes of this report the term "executive" includes those key management personnel who are not directors of the parent company.

Remuneration Committee
The full Board carries out the role and responsibilities of the Remuneration Committee and is responsible for determining and reviewing the compensation arrangements for the Directors themselves, the Managing Director and any Executives.

Executive remuneration is reviewed annually having regard to individual and business performance, relevant comparative remuneration and internal and independent external advice.

A. Remuneration policy
The board policy is to remunerate directors at market rates for time, commitment and responsibilities. The board determines payments to the directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of directors' fees that can be paid is subject to approval by shareholders in general meeting, from time to time. Fees for non-executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholders interests, the directors are encouraged to hold shares in the Company.

The Company's aim is to remunerate at a level that will attract and retain high-calibre directors and employees. Company officers and directors are remunerated to a level consistent with the size of the Company.

The executive directors and full time executives receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed.

The Board believes that it has implemented suitable practices and procedures that are appropriate for an organisation of this size and maturity.

The Company did not pay any performance-based component of remuneration during the year.

B. Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive compensation is separate and distinct.

Non-executive Director Compensation

Objective

The Board seeks to set aggregate compensation at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate compensation of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed.

The amount of aggregate compensation sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external consultants as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process. Non-Executive Directors' remuneration may include an incentive portion consisting of options, as considered appropriate by the Board, which may be subject to Shareholder approval in accordance with ASX listing rules.

Separate from their duties as Directors, the Non-Executive Directors undertake work for the Company directly related to the evaluation and implementation of various business opportunities, including mineral exploration/evaluation and new business ventures, for which they receive a daily rate. These payments are made pursuant to individual agreement with the non-executive Directors and are not taken into account when determining their aggregate remuneration levels.

Executive Compensation

Objective

The entity aims to reward executives with a level and mix of compensation commensurate with their position and responsibilities within the entity so as to:

- reward executives for company and individual performance against targets set by appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link rewards with the strategic goals and performance of the Company; and
- ensure total compensation is competitive by market standards.

Structure

In determining the level and make-up of executive remuneration, the Board negotiates remuneration to reflect the market salary for a position and individual of comparable responsibility and experience. Due to the limited size of the Company and of its operations and financial affairs, the use of a separate remuneration committee is not considered appropriate. Remuneration is regularly compared with the external market by participation in industry salary surveys and during recruitment activities generally. If required, the Board may engage an external consultant to provide independent advice in the form of a written report detailing market levels of remuneration for comparable executive roles.

Remuneration consists of a fixed remuneration and a long term incentive portion as considered appropriate.

Compensation may consist of the following key elements:

- Fixed Compensation;
- Variable Compensation;
- Short Term Incentive (STI); and
- Long Term Incentive (LTI).

Fixed Remuneration

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Fixed remuneration is reviewed annually by the Board having regard to the Company and individual performance, relevant comparable remuneration in the mining exploration sector and external advice.

The fixed remuneration is a base salary or monthly consulting fee.

Variable Pay — Long Term Incentives
The objective of long term incentives is to reward directors/executives in a manner which aligns this element of remuneration with the creation of shareholder wealth. The incentive portion is payable based upon attainment of objectives related to the director's/executive's job responsibilities. The objectives vary, but all are targeted to relate directly to the Company's business and financial performance and thus to shareholder value.

Long term incentives (LTI's) granted to directors/ executives are delivered in the form of options.

LTI grants to Executives are delivered in the form of employee share options. These options are issued at an exercise price determined by the Board at the time of issue. The employee share options generally vest over a selected period.

The objective of granting options is to reward Executives in a manner which aligns the element of remuneration with the creation of shareholder wealth. As such LTI's are made to Executives who are able to influence the generation of shareholder wealth and thus have an impact on the Company's performance.

The level of LTI granted is, in turn, dependent on the Company's recent share price performance, the seniority of the Executive, and the responsibilities the Executive assumes in the Company.

Typically, the grant of LTIs occur at the commencement of employment or in the event that the individual receives a promotion and, as such, is not subsequently affected by the individual's performance over time.

C. Employment contracts of directors and senior executives

Remuneration and other terms of employment for Mr Hamilton and Mr Willis are formalised in service agreements. Major provisions of these agreements are set out below:

A R Hamilton – Resigned 29 July 2011
- Term of agreement – 3 years commencing 23 October 2009, renewable at term by mutual agreement.
- Base retainer to be reviewed annually.
- Annual retainer - $288,000.
- Either party may terminate the engagement at any time by three months written notice. Retainer is payable up until the termination takes effect.

C S Willis
- Term of agreement – 1 year commencing 1 July 2011, renewable at term by mutual agreement.
- Base retainer to be reviewed annually.
- Annual retainer - $72,000 plus directors fees of $30,000.
- Either party may terminate the engagement at any time by one month's written notice. Fees are payable up until the termination takes effect.

D. Details of remuneration for year

Directors
The following persons were directors of Acclaim Exploration NL during the financial year:

Anthony Hamilton	Chairman (executive) – resigned 29 July 2011
Craig Willis	Director (executive)
John Geary	Director (non-executive)

Executives
The following persons were executives of Acclaim Exploration NL during the financial year:

Neville Bassett	Company Secretary – resigned 29 July 2011

There were no other persons that fulfilled the role of a key management person, other than those disclosed as Executive Directors.

Remuneration
Details of the remuneration of each Director and named executive officer of the Company, including their personally-related entities, during the year was as follows:

		Short Term Benefits	Post Employment	Share Based Payments		
	Year	Salary and fees $	Superannuation $	Options $	Total $	Remuneration consisting of options during the year %
Directors						
A Hamilton	**2011**	**288,871**	-	-	**288,871**	-
	2010	197,455	-	-	199,455	-
C Willis	**2011**	**110,000**	**2,700**	-	**112,700**	-
	2010	102,000	2,700	-	104,700	-
J Geary	**2011**	**50,000**	-	-	**50,000**	
	2010	50,000	-	-	50,000	-
Executives						
N Bassett	**2011**	**36,000**	-	-	**36,000**	-
	2010	59,600	-	-	59,600	-
Total	**2011**	**484,871**	**2,700**	-	**487,571**	-
	2010	420,430	2,700	-	423,130	-

There were no performance related payments made during the year. Performance hurdles are not attached to remuneration options, however the Board determines appropriate vesting periods to provide rewards over a period of time to key management personnel.

The Group does not have any full time executive officers, other than directors as detailed above.

There were no performance related payments made during the year.

E. Compensation options to key management personnel

No options were granted as equity compensation benefits to Directors and Executives during the year.

F. Shares issued to key management personnel on exercise of compensation options

No shares were issued to Directors and Executives on exercise of compensation options during the year.

INSURANCE OF OFFICERS

The Company has in place an insurance policy insuring Directors and Officers of the Company against any liability arising from a claim brought by a third party against the Company or its Directors and officers, and against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as a Director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

In accordance with a confidentiality clause under the insurance policy, the amount of the premium paid to the insurers has not been disclosed. This is permitted under Section 300(9) of the Corporations Act 2001.

SHARE OPTIONS

Unissued ordinary shares of the Company under option at the date of this report are as follows:

	Number	Exercise Price	Expiry Date
Unlisted Options	220,380,553	5 cents	31 December 2013
Unlisted Options	42,500,000	2 cents	28 February 2014

During the year, 220,380,553 unlisted options exercisable at 5 cents each on or before 31 December 2013 and 42,500,000 unlisted options exercisable at 2 cents each on or before 28 February 2014 were issued. 10,500,000 options exercisable at 9 cents each expired.

No shares have been issued by virtue of the exercise of an option during the year or to the date of this report.

No person entitled to exercise these options had or has any right, by virtue of the option, to participate in any share issue of any other body corporate.

ENVIRONMENTAL ISSUES

The Group's operations are subject to various environmental regulations. The directors have complied with these regulations and are not aware of any breaches of the legislation during the current financial year and up until the date of this report which are material in nature.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

AUDITOR

HLB Mann Judd continues in office in accordance with Section 327 of the Corporations Act 2001.

Non-Audit Services

No non-audit services were provided by our auditors, HLB Mann Judd, during the year ended 30 June 2011.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2011 has been received and can be found on page 11.

Signed in accordance with a resolution of the directors.

Craig Willis
Perth, 30 September 2011

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Acclaim Exploration NL for the year ended 30 June 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Acclaim Exploration NL.

WMClark

Perth, Western Australia
30 September 2011

W M CLARK
Partner, HLB Mann Judd

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CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Acclaim Exploration NL is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of Acclaim Exploration NL on behalf of the shareholders by whom they are elected and to whom they are accountable. This statement reports on Acclaim Exploration NL's key governance principles and practices.

1. COMPLIANCE WITH BEST PRACTICE RECOMMENDATIONS

The Company, as a listed entity, must comply with the Corporations Act 2001 and the ASX Limited (ASX) Listing Rules. The ASX Listing Rules require the Company to report on the extent to which it has followed the Corporate Governance Recommendations published by the ASX Corporate Governance Council (ASXCGC). Where a recommendation has not been followed, that fact is disclosed, together with the reasons for the departure.

The table below summaries the Company's compliance with the Corporate Governance Council's Recommendations:

Principle #	ASX Corporate Governance Council Recommendations	Reference	Comply
Principle 1	**Lay solid foundations for management and oversight**		
1.1	Establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	2(a)	Yes
1.2	Disclose the process for evaluating the performance of senior executives.	2(h), 3(b), Remuneration Report	Yes
1.3	Provide the information indicated in the Guide to reporting on principle 1.	2(a), 2(h), 3(b), Remuneration Report	Yes
Principle 2	**Structure the board to add value**		
2.1	A majority of the board should be independent directors.	2(b), 2(e)	No
2.2	The chair should be an independent director.	2(c), 2(e)	No
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	2(b), 2(c)	No
2.4	The Board should establish a nomination committee.	2(d)	No
2.5	Disclose the process for evaluating the performance of the board, its committees and individual directors.	2(h)	Yes
2.6	Provide the information indicated in the Guide to reporting on principle 2.	2(b), 2(c), 2(d), 2(e), 2(h)	Yes
Principle 3	**Promote ethical and responsible decision-making**		
3.1	Establish a code of conduct and disclose the code or a summary as to:	4(a)	Yes
	• the practices necessary to maintain confidence in the Company's integrity;		
	• the practices necessary to take into account the Company's legal obligations and the reasonable expectations of its stakeholders; and		
	• the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.		
3.2	Establish a policy concerning trading in company securities by directors, senior executives and employees and disclose the policy or a summary of that policy.	4(b)	Yes
3.3	Provide the information indicated in the Guide to reporting on principle 3.	4(a), 4(b)	Yes

Principle #	ASX Corporate Governance Council Recommendations	Reference	Comply
Principle 4	**Safeguard integrity in financial reporting**		
4.1	The Board should establish an audit committee.	3(a)	Yes
4.2	The audit committee should be structured so that it:	3(a)	No
	• consists only of non-executive directors;		
	• consists of a majority of independent directors;		
	• is chaired by an independent chair, who is not chair of the Board; and		
	• has at least three members.		
4.3	The audit committee should have a formal charter	3(a)	Yes
4.4	Provide the information indicated in the Guide to reporting on principle 4.	3(a)	Yes
Principle 5	**Make timely and balanced disclosure**		
5.1	Establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies.	5(a), 5(b)	Yes
5.2	Provide the information indicated in the Guide to reporting on principle 5.	5(a), 5(b)	Yes
Principle 6	**Respect the rights of shareholders**		
6.1	Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose the policy or a summary of that policy.	5(a), 5(b)	Yes
6.2	Provide the information indicated in the Guide to reporting on principle 6.	5(a), 5(b)	Yes
Principle 7	**Recognise and manage risk**		
7.1	Establish policies for the oversight and management of material business risks and disclose a summary of those policies.	6(a)	Yes
7.2	The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	6(a), 6(b), 6(d)	Yes
7.3	The Board should disclose whether it had received assurance from the chief executive officer and the chief financial officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	6(c)	Yes
7.4	Provide the information indicated in the Guide to reporting on principle 7.	6(a), 6(b), 6(c), 6(d)	Yes
Principle 8	**Remunerate fairly and responsibly**		
8.1	The Board should establish a remuneration committee.	3(b)	No
8.2	Clearly distinguish the structure on non-executive directors' remuneration from that of executive directors and senior executives.	3(b), Remuneration Report	Yes
8.3	Provide the information indicated in the Guide to reporting on principle 8.	3(b),	Yes

2. THE BOARD OF DIRECTORS

2(a) Roles and Responsibilities of the Board

The Board is accountable to the shareholders and investors for the overall performance of the Company and takes responsibility for monitoring the Company's business and affairs and setting its strategic direction, establishing and overseeing the Company's financial position.

The Board is responsible for:

- ensuring the Company's conduct and activities are ethical and carried out for the benefit of all its stakeholders;
- development of corporate strategy, implementation of business plans and performance objectives;
- reviewing, ratifying and monitoring systems of risk management, codes of conduct and legal and regulatory compliance;
- the appointment of the Company's Managing Director, Chief Executive Officer (or equivalent), Chief Financial Officer, Company Secretary and other senior executives;
- monitoring senior executives' performance and implementation of strategy;
- determining appropriate remuneration policies;
- allocating resources and ensuring appropriate resources are available to management;
- approving and monitoring the annual budget, progress of major capital expenditure, capital management, and acquisitions and divestitures; and
- approving and monitoring financial and other reporting.

Other than as specifically reserved to the Board, responsibility for the day-to-day management of the Company's business activities is delegated to the Chief Executive Officer and Executive Management.

2(b) Board Composition

The Directors determine the composition of the Board employing the following principles:

- the Board, in accordance with the Company's constitution must comprise a minimum of three Directors;
- the roles of the Chairman of the Board and of the Chief Executive Officer should be exercised by different individuals;
- the majority of the Board should comprise Directors who are non-executive;
- the Board should represent a broad range of qualifications, experience and expertise considered of benefit to the Company; and
- the Board must be structured in such a way that it has a proper understanding of, and competency in, the current and emerging issues facing the Company, and can effectively review management's decisions.

The Board is currently comprised of one Non-Executive Director and one Executive Director. The Company is currently searching for an appropriately skilled additional non-executive director. Previous to this and during the whole of the financial year there was not a majority of Non-Executive Directors. Given the size and scale of the Company's operations during the year, the Board did not consider it essential to appoint further Non-Executive Directors simply to comply with the Corporate Governance Council's Recommendations.

The skills, experience, expertise, qualifications and terms of office of each director in office at the date of the annual report is included in the Directors' Report.

During the year, the Chair was not independent and the role of Chair and chief executive officer were exercised by the same person. Given the size and scale of the Company's operations during the year, the Board did not consider it essential to appoint an independent Chair simply in order to comply with the Corporate Governance Council's Recommendations. The Board considers that, at this stage of the Company's development, the executive role carried out by the Chairman was in the best interests of the Company.

The Company's constitution requires one-third of the Directors (or the next lowest whole number) to retire by rotation at each Annual General Meeting (AGM). The Directors to retire at each AGM are those who have been longest in office since their last election. Where Directors have served for equal periods, they may agree amongst themselves or determine by lot who will retire. A Director must retire in any event at the third AGM since he or she was last elected or re-elected. Retiring Directors may offer themselves for re-election.

A Director appointed as an additional or casual Director by the Board will hold office until the next AGM when they may be re-elected.

The Managing Dirctor is not subject to retirement by rotation and, along with any Director appointed as an additional or casual Director, is not to be taken into account in determining the number of Directors required to retire by rotation.

2(c) Chairman and Chief Executive Officer

The Chairman is responsible for:

- leadership of the Board;
- the efficient organisation and conduct of the Board's functions;
- the promotion of constructive and respectful relations between Board members and between the Board and management;
- contributing to the briefing of Directors in relation to issues arising at Board meetings;
- facilitating the effective contribution of all Board members; and
- committing the time necessary to effectively discharge the role of the Chairman.

During the year, the Chair was not independent. The role of Chair and chief executive officer are exercised by the same person. Given the size and scale of the Company's operations during the year, the Board did not consider it essential to appoint an independent Chair simply in order to comply with the Corporate Governance Council's Recommendations. The Board had considered this matter and decided that the non-compliance did not affect the operation of the Company.

The Chief Executive Officer is responsible for:

- implementing the Company's strategies and policies; and
- the day-to-day management of the Company's business activities

The Board specifies that the roles of the Chairman and the Chief Executive Officer are separate roles to be undertaken by separate people.

Due to the nature of the Company's current activities it does not currently have a chief executive officer and this role is effectively undertaken by the executive director. The Board considers that, at this stage of the Company's development, the executive role carried out by the director is in the best interests of the Company. The Board will monitor the need to separate these roles as the Company's circumstances change.

2(d) Nomination Committee

The Company does not comply with ASX Recommendation 2.4. The Company is not of a relevant size to consider formation of a nomination committee to deal with the selection and appointment of new Directors and as such a nomination committee has not been formed.

Nominations of new Directors are considered by the full Board. If any vacancies arise on the Board, all directors are involved in the search and recruitment of a replacement. The Board has taken a view that the full Board will hold special meetings or sessions as required. The Board are confident that this process for selection and review is stringent and full details of all Directors are provided to shareholders in the annual report and on the Company's website.

2(e) Independent Directors

The Company recognises that independent Directors are important in assuring shareholders that the Board is properly fulfilling its role and is diligent in holding senior management accountable for its performance. The Board assesses each of the directors against specific criteria to decide whether they are in a position to exercise independent judgment.

Directors of Acclaim Exploration NL are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

In making this assessment, the Board considers all relevant facts and circumstances. Relationships that the Board will take into consideration when assessing independence are whether a Director:

- is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;

- is employed, or has previously been employed in an executive capacity by the Company or another Company member, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- has within the last three years been a principal of a material professional advisor or a material consultant to the Company or another Company member, or an employee materially associated with the service provided;
- is a material supplier or customer of the Company or other Company member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; or
- has a material contractual relationship with the Company or another Company member other than as a Director.

The Board currently comprises two independent non-executive Directors.

In accordance with the definition of independence above, and the materiality thresholds set, the following Directors of Acclaim Exploration NL are considered to be independent:

Name	**Position**
John Geary	Non-Executive Director

The following persons were directors of Acclaim Exploration NL during the financial year:

Anthony Hamilton	Director (Executive)
Craig Willis	Director (Non-Executive)
John Geary	Director (Non-Executive)

The Board is currently comprised of one independent Non-Executive Director and one Executive Director. The Company is currently searching for an appropriately skilled additional independent non-executive director. Previous to this and during the whole of the financial year there was not a majority of independent Non-Executive Directors. Given the size and scale of the Company's operations during the year, the Board did not consider it essential to appoint further Non-Executive Directors simply to comply with the Corporate Governance Council's Recommendations.

2(f) Avoidance of conflicts of interest by a Director

In order to ensure that any interests of a Director in a particular matter to be considered by the Board are known by each Director, each Director is required by the Company to disclose any relationships, duties or interests held that may give rise to a potential conflict. Directors are required to adhere strictly to constraints on their participation and voting in relation to any matters in which they may have an interest.

2(g) Board access to information and independent advice

Directors are able to access members of the management team at any time to request relevant information.

There are procedures in place, agreed by the Board, to enable Directors, in furtherance of their duties, to seek independent professional advice at the Company's expense.

2(h) Review of Board performance

The performance of the Board is reviewed regularly by the Chairman. The Chairman conducts performance evaluations which involve an assessment of each Board member's performance against specific and measurable qualitative and quantitative performance criteria. The Board member assessment measures are the responsibility of the Chairman. The performance criteria against which directors and executives are assessed is aligned with the financial and non-financial objectives of Acclaim Exploration NL. Primarily, the review will be carried out through consultation by the Chairman and with individual Directors. Directors whose performance is consistently unsatisfactory may be asked to retire.

3. BOARD COMMITTEES

3(a) Audit Committee

Given the size and scale of the Company's operations the full Board undertakes the role of the Audit Committee. The Audit Committee does not comply with ASX Recommendation 4.2 as the Chair of the Board is Chair of the Audit Committee and the Audit Committee does not comprise only Non-Executive Directors. The role and responsibilities of the Audit Committee are summarised below.

The Audit Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. The Board sets aside time to deal with issues and responsibilities usually delegated to the Audit Committee to ensure the integrity of the financial statements of the Company and the independence of the auditor.

The Board reviews the audited annual and half-year financial statements and any reports which accompany published financial statements and recommends their approval to the members. The Board also reviews annually the appointment of the external auditor, their independence and their fees.

The Board is also responsible for establishing policies on risk oversight and management. The Company has not formed a separate Risk Management Committee due to the size and scale of its operations.

External Auditors

The Company's policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs. It is HLB Mann Judd's policy to rotate engagement partners on listed companies at least every five years.

An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is provided in the notes to the financial statements in the Annual Report.

There is no indemnity provided by the Company to the auditor in respect of any potential liability to third parties.

The external auditor is requested to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and preparation and content of the audit report.

There were no non-audit services provided by the auditors during the year.

3(b) Remuneration Committee

The role of a Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees.

The Board has not established a separate Remuneration Committee due to the size and scale of its operations. This does not comply with Recommendation 8.1 however the Board as a whole takes responsibility for such issues.

The responsibilities include setting policies for senior officers remuneration, setting the terms and conditions for the CEO, reviewing and making recommendations to the Board on the Company's incentive schemes and superannuation arrangements, reviewing the remuneration of both executive and non-executive directors and undertaking reviews of the CEO's performance.

The Company has structured the remuneration of its senior executive, where applicable, such that it comprises a fixed salary, statutory superannuation and, where applicable, participation in the Company's employee share option plan. The Company believes that by remunerating senior executives in this manner it rewards them for performance and aligns their interests with those of shareholders and increases the Company's performance.

Non-executive directors are paid their fees out of the maximum aggregate amount approved by shareholders for non-executive director remuneration. The Company does not adhere to Recommendation 8.2 Box 8.2 'Non-executive directors should not receive options or bonus payments'. The Company may, in the future, grant options to non-executive directors. The Board is of the view that options (for both executive and non-executive directors) are a cost effective benefit for small companies such as Acclaim Exploration NL that seek to conserve cash reserves. They also provide an incentive that ultimately benefits both shareholders and the optionholders, as optionholders will only benefit if the market value of the underlying shares exceeds the option strike price. Ultimately, shareholders will make that determination.

The board policy is to remunerate Directors at market rates for time, commitment and responsibilities. The Board determines payments to the Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. Fees for Non-Executive Directors are not linked to the performance of the consolidated entity. However, to align Directors' interests with shareholders interests, the Directors are encouraged to hold shares in the Company.

The Company's aim is to remunerate at a level that will attract and retain high-calibre directors and employees. Company officers and Directors are remunerated to a level consistent with the size of the Company.

The Board believes that it has implemented suitable practices and procedures that are appropriate for an organisation of this size and maturity.

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive compensation is separate and distinct.

In determining remuneration, the Board has taken a view that the full Board will hold special meetings or sessions as required. No Director participated in any deliberation regarding his or her own remuneration or related issues. The Board are confident that this process for determining remuneration is stringent and full details of remuneration policies and remuneration received by directors and executives in the current period is contained in the "Remuneration Report" within the Directors' Report of the Annual Report.

4. ETHICAL AND RESPONSIBLE DECISION MAKING

4(a) Code of Ethics and Conduct

The Board endeavours to ensure that the Directors, officers and employees of the Company act with integrity and observe the highest standards of behaviour and business ethics in relation to their corporate activities. The "Code of Conduct" sets out the principles, practices, and standards of personal behaviour the Company expects people to adopt in their daily business activities.

All Directors, officers and employees are required to comply with the Code of Conduct. Senior managers are expected to ensure that employees, contractors, consultants, agents and partners under their supervision are aware of the Company's expectations as set out in the Code of Conduct.

All Directors, officers and employees are expected to:

- comply with the law;
- act in the best interests of the Company;
- be responsible and accountable for their actions; and
- observe the ethical principles of fairness, honesty and truthfulness, including prompt disclosure of potential conflicts.

4(b) Trading in Company securities by Directors and employees

The Board has adopted a Securities Trading Policy which complies with the requirements of Listing Rule 12.12 which regulates dealings by Directors, officers and employees in securities issued by the Company.

The policy, which is available on the Company's website, includes the Company's closed periods, restrictions on trading that apply to the Company's key management personal, trading that is not subject to the policy, exceptional circumstances in which key management personnel may be permitted to trade during a prohibited period with prior written clearance and the procedure for obtaining written clearance. The policy provides that employees, directors and officers must not enter into transactions or arrangements which operate to limit the economic risk of their security holding in the Company without first seeking and obtaining written acknowledgement from the Board

5. TIMELY AND BALANCED DISCLOSURE

5(a) Shareholder communication

The Company believes that all shareholders should have equal and timely access to material information about the Company including its financial situation, performance, ownership and governance. The Company's "ASX Disclosure Policy" encourages effective communication with its shareholders by requiring that Company announcements:

- be factual and subject to internal vetting and authorisation before issue;
- be made in a timely manner;
- not omit material information;
- be expressed in a clear and objective manner to allow investors to assess the impact of the information when making investment decisions;
- be in compliance with ASX Listing Rules continuous disclosure requirements; and
- be placed on the Company's website promptly following release.

Shareholders are encouraged to participate in general meetings. Copies of addresses by the Chairman or Chief Executive Officer are disclosed to the market and posted on the Company's website. The Company's external auditor attends the Company's annual general meeting to answer shareholder questions about the conduct of the audit, the preparation and content of the audit report, the accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit.

5(b) Continuous disclosure policy

The Company is committed to ensuring that shareholders and the market are provided with full and timely information and that all stakeholders have equal opportunities to receive externally available information issued by the Company. The Company's "ASX Disclosure Policy" described in 5(a) reinforces the Company's commitment to continuous disclosure and outline management's accountabilities and the processes to be followed for ensuring compliance.

The policy also contains guidelines on information that may be price sensitive. The Company Secretary has been nominated as the person responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements with the ASX Listing Rules and overseeing and coordinating information disclosure to the ASX.

6. RECOGNISING AND MANAGING RISK

The Board is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. The Company's policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives. A written policy in relation to risk oversight and management has been established ("Audit and Risk Management Charter"). Considerable importance is placed on maintaining a strong control environment. There is an organisation structure with clearly drawn responsibilities.

6(a) Board oversight of the risk management system

The Company is not currently considered to be of a size, nor is its affairs of such complexity to justify the establishment of a separate Risk Management Committee. Instead, the Board, as part of its usual role and through direct involvement in the management of the Company's operations ensures risks are identified, assessed and appropriately managed. Where necessary, the Board draws on the expertise of appropriate external consultants to assist in dealing with or mitigating risk.

The Board is responsible for approving and overseeing the risk management system. The Board reviews, at least annually, the effectiveness of the implementation of the risk management controls and procedures.

The principle aim of the system of internal control is the management of business risks, with a view to enhancing the value of shareholders' investments and safeguarding assets. Although no system of internal control can provide absolute assurance that the business risks will be fully mitigated, the internal control systems have been designed to meet the Company's specific needs and the risks to which it is exposed.

Annually, the Board is responsible for identifying the risks facing the Company, assessing the risks and ensuring that there are controls for these risks, which are to be designed to ensure that any identified risk is reduced to an acceptable level.

The Board is also responsible for identifying and monitoring areas of significant business risk. Internal control measures currently adopted by the Board include:

- at least quarterly reporting to the Board in respect of operations and the Company's financial position, with a comparison of actual results against budget; and
- regular reports to the Board by appropriate members of the management team and/or independent advisers, outlining the nature of particular risks and highlighting measures which are either in place or can be adopted to manage or mitigate those risks.

6(b) Risk management roles and responsibilities

The Board is responsible for approving and reviewing the Company's risk management strategy and policy. Executive management is responsible for implementing the Board approved risk management strategy and developing policies, controls, processes and procedures to identify and manage risks in all of the Company's activities.

The Board is responsible for satisfying itself that management has developed and implemented a sound system of risk management and internal control.

6(c) Chief Executive Officer and Chief Financial Officer Certification

The Chief Executive Officer and Chief Financial Officer, or equivalent, provide to the Board written certification that in all material respects:

- The Company's financial statements present a true and fair view of the Company's financial condition and operational results and are in accordance with relevant accounting standards;
- The statement given to the Board on the integrity of the Company's financial statements is founded on a sound system of risk management and internal compliance and controls which implements the policies adopted by the Board; and
- The Company's risk management an internal compliance and control system is operating efficiently and effectively in all material respects.

6(d) Internal review and risk evaluation

Assurance is provided to the Board by executive management on the adequacy and effectiveness of management controls for risk on a regular basis.

In line with new guidelines, the Company will be reviewing its Corporate Governance Policies, including the implementation of a Diversity Policy, over the coming financial year, and the changes made will be disclosed on the Company's website accordingly.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Note	Consolidated 2011 $	2010 $
Interest Revenue	2	**173,796**	27,008
Profit on sale of available-for-sale assets		**23,500**	9,151
Depreciation		**(7,765)**	(11,120)
Impairment of available for sale assets		**(681,995)**	(4,914)
Impairment of other financial assets		**-**	(375,887)
Exploration & evaluation expenditure written off		**(3,763,065)**	(51,329)
Borrowing costs	11	**(250,000)**	(200,000)
Impairment of loan to related entity	6	**(900,103)**	-
Administration expenditure		**(1,462,170)**	(1,240,622)
Loss before income tax benefit		**(6,867,802)**	(1,847,713)
Income tax benefit	3	**-**	-
Net loss for year		**(6,867,802)**	(1,847,713)
Other comprehensive income		**-**	-
Total comprehensive loss attributable to members of Acclaim Exploration NL		**(6,867,802)**	(1,847,713)
Basic and diluted loss per share - cents	4	**(0.50)**	(0.21)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Note	Consolidated 2011 $	2010 $
ASSETS			
Current Assets			
Cash and cash equivalents	5	**87,428**	191,091
Trade and other receivables	6	**1,287,866**	304,559
Total Current Assets		**1,375,294**	495,650
Non-Current Assets			
Available for sale assets	7	**177,924**	562,348
Property, plant and equipment	8	**82,513**	37,317
Deferred exploration expenditure	9	**2,074,760**	4,073,192
Total Non-Current Assets		**2,335,197**	4,672,857
Total Assets		**3,710,491**	5,168,507
LIABILITIES			
Current Liabilities			
Trade and other payables	10	**729,498**	1,389,542
Borrowings	11	**2,125,253**	1,935,000
Total Current Liabilities		**2,854,751**	3,324,542
Total Liabilities		**2,854,751**	3,324,542
Net Assets		**855,740**	1,843,965
EQUITY			
Issued capital	12	**44,118,955**	38,239,378
Reserves	13	**968,849**	968,849
Accumulated losses		**(44,232,064)**	(37,364,262)
Total Equity		**855,740**	1,843,965

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

Consolidated	Issued Capital	Accumulated Losses	Option Reserve	Total Equity
	$	$	$	$
Balance at 1 July 2009	37,389,378	(35,516,549)	968,849	2,841,678
Loss for the year	-	(1,847,713)	-	**(1,847,713)**
Total comprehensive loss for the year	-	(1,847,713)	-	**(1,847,713)**
Securities issued during the year	850,000	-	-	850,000
Balance at 30 June 2010	38,239,378	(37,364,262)	968,849	**1,843,965**
Loss for the year	-	**(6,867,802)**	-	**(6,867,802)**
Total comprehensive loss for the year	-	**(6,867,802)**	-	**(6,867,802)**
Securities issued during the year	**6,306,850**	-	-	**6,306,850**
Transaction costs	**(427,273)**	-	-	**(427,273)**
Balance at 30 June 2011	**44,118,955**	**(44,232,064)**	**968,849**	**855,740**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Note	Consolidated 2011 $	Consolidated 2010 $
Cash flows from operating activities			
Payments to suppliers and employees		(813,462)	(1,181,779)
Interest received		3,523	27,008
Net cash used in operating activities	5 (i)	(809,939)	(1,154,771)
Cash flows from investing activities			
Tenement acquisition, exploration & evaluation expenditure		(1,364,339)	(2,074,521)
Purchase of plant and equipment		(52,961)	(39,164)
Purchase of other financial assets		(391,322)	(377,903)
Proceeds on sale of non-current asset		117,250	60,774
Loans to other entities		(2,281,173)	(114,134)
Loans repaid from other entities		409,196	-
Net cash from/(used in) investing activities		(3,563,349)	(2,544,948)
Cash flows from financing activities			
Proceeds from securities issues		4,166,850	-
Securities issue transaction costs		(87,478)	-
Proceeds from borrowings		419,500	1,750,000
Repayment of borrowings		(229,247)	-
Net cash provided by financing activities		4,269,625	1,750,000
Net increase/(decrease) in cash held		(103,663)	(1,949,719)
Cash at beginning of year		191,091	2,140,810
Cash at end of year	5	87,428	191,091

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Acclaim Exploration NL (the parent) is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Group are described in the Directors' Report.

(b) Adoption of new and revised standards

In the year ended 30 June 2011, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2011. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

(c) Statement of Compliance

The financial report was authorised for issue on 30 September 2011.

The financial report complies with Australian Accounting Standards, as issued by the Australian Accounting Standard Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board.

(d) Going Concern

Notwithstanding the fact that the Company only has cash and readily available for sale investments totalling $265,352, the directors are of the opinion that the Company is a going concern as the directors consider the company has the ability to raise additional funds from sources including:

- the placement of securities; or
- the sale of asset.

Should the Company be unable to obtain sufficient funding as outlined above, there is a material uncertainty which may cast significant doubt over whether or not the Company will be able to continue as a going concern and therefore, whether it will realise its assets (specifically the exploration and evaluation assets) and extinguish its liabilities in the normal course of business.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(e) Basis of consolidation

The consolidated financial statements comprise the financial statements of Acclaim Exploration NL ("Company" or "Parent Entity") and its subsidiaries as at 30 June each year ("Consolidated" or "Group"). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

Business combinations have been accounted for using the acquisition method of accounting (refer note 1(f)).

Unrealised gains or transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(f) Business combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or business under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(f) Business combinations (Cont.)

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified as either equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

(g) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

(h) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as described above, net of outstanding bank overdrafts.

(i) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

(j) Impairment of financial assets

The Group assesses at each balance date whether a financial asset or group of financial assets is impaired.

(i) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account.

The amount of the loss is recognised in profit or loss.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(j) Impairment of financial assets (Cont.)

(ii) Financial assets carried at cost
If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset.

(iii) Available-for-sale investments
If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the Statement of Comprehensive Income. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit. Reversals of impairment losses for debt instruments are reversed through profit or loss if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

(k) Foreign currency translation
Both the functional and presentation currency of Acclaim Exploration NL and its controlled entities is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

All exchange differences in the consolidated financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

As at the reporting date the assets and liabilities of these subsidiaries are translated into the presentation currency of Acclaim Exploration NL at the rate of exchange ruling at the balance date and their statements of comprehensive income are translated at the weighted average exchange rate for the year.

The exchange differences arising on the translation are taken directly to a separate component of equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(l) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(m) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(n) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a diminishing value basis over the estimated useful life of the assets as follows:
Plant and equipment – over 3 to 5 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.
For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the Statement of Comprehensive Income in the cost of sales line item.

(ii) Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(o) Financial assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

(i) Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iii) Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

(iv) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(p) Exploration and evaluation

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

(a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or

(b) exploration and evaluation activities in the area have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence, or otherwise, of economically recoverable reserves and active and significant operations in, or relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(q) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(r) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(s) Employee leave benefits

(i) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(t) Share-based payment transactions

Equity settled transactions:

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

When provided, the cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a binomial model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Acclaim Exploration NL (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The Statement of Comprehensive Income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 4).

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(u) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(v) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company.

(w) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(x) Significant Accounting Estimates and Judgments

Significant accounting judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Exploration and evaluation assets

The Group's accounting policy for exploration and evaluation expenditure is set out at Note 1(p). The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the policy, it is concluded that the expenditures are unlikely to be recovered by future exploitation or sale, then the relevant capitalised amount will be written off to the Statement of Comprehensive Income.

Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period relate to the impairment of assets. In determining the recoverable amount of assets, in the absence of quoted market prices, estimations are made regarding the present value of future cash flows using asset-specific discount rates and the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (Cont.)

	Consolidated 2011 $	Consolidated 2010 $
2 REVENUE AND EXPENSES		
(a) Revenue		
Interest received – other corporations	**3,523**	27,008
Interest received – related entity	**170,273**	-
	173,796	27,008
(b) Expenses		
Depreciation	**7,765**	11,120
Consulting and directors fees	**981,959**	688,814
ASX and share registry fees	**86,590**	63,809
(c) (Losses)/Gains		
Profit on sale of available for sale assets	**23,500**	9,151

3 INCOME TAX

(a) Income tax benefit
The income tax benefit for the year differs from the prima facie tax as follows:

	2011 $	2010 $
Loss for year	**(6,867,802)**	(1,847,713)
Prima facie income tax payable / (benefit) at 30%	**(2,060,341)**	(554,314)
Tax effect of non-deductible items	**1,129,818**	5,937
Deferred tax assets not brought to account	**930,523**	548,377
Total income tax benefit	**-**	-

(b) Deferred tax assets
Deferred tax assets not brought to account arising from tax losses, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(l) occur:

	2011 $	2010 $
Revenue losses	**4,045,644**	3,115,121
Capital losses	**1,847,304**	1,847,304
	5,892,948	4,962,425
Balance of Franking account at year end – Class C	**214,784**	214,784

4 EARNINGS PER SHARE (EPS)

	2011 Cents	2010 Cents
Basic loss per share	(0. 50)	(0.21)

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:

	$	$
Net loss for year used in total basic EPS	(6,867,802)	(1,847,713)
	No.	No.
Weighted average number of ordinary shares used in the calculation of Basic EPS	1,381,264,259	896,693,271

There are no potential ordinary shares on issue that are considered to be dilutive, therefore basic earnings per share also represents diluted earnings per share.

	Consolidated	
	2011 $	2010 $
5 CASH AND CASH EQUIVALENTS		
Cash at bank	87,428	191,091

Cash at bank earns interest at floating rates based on daily bank deposit rates.

(i) Reconciliation of loss for the year to net cash flows used in operating activities

	2011 $	2010 $
Loss for the year	(6,867,802)	(1,847,713)
Non-Cash Items		
Depreciation	7,765	11,120
Profit on sale of available for sale investments	(23,500)	(9,151)
Impairment of available for sale assets	681,995	4,914
Impairment of other financial assets	-	375,887
Impairment of loan to related party	900,103	-
Exploration & evaluation expenditure written off	3,762,771	51,329
Borrowing costs	250,000	200,000
Equity settled payments	110,000	-
Changes in Assets and Liabilities		
(Increase)/Decrease in accounts receivable	(81,698)	(16,434)
Increase/(Decrease) in accounts payable	450,427	75,277
Net cash flows (used in) operating activities	(809,939)	(1,154,771)

(ii) Non-cash financing and investing activities

During the year, the Company issued:

(a) 220,000,000 ordinary fully paid shares at an issue price of 0.5 cents each as part consideration for the acquisition of Energy Company of America LLC;
(b) 52,500,000 ordinary fully paid shares in consideration for the provision of technical, geological and property consulting services on the Nacimiento project, at an agreed value of $400,000
(c) 16,000,000 ordinary fully paid shares at an issue price of 0.5 cents each and 50,000,000 ordinary fully paid shares at an issue price of 0.4 cents each, in satisfaction of capital raising fees; and
(d) 104,166,666 ordinary fully paid shares at an issue price of 0.24 cents each in satisfaction of a funding facility fee.

	Consolidated 2011 $	2010 $
6 TRADE AND OTHER RECEIVABLES		
Current		
Loan – related entity	**2,042,250**	-
Impairment	**(900,103)**	-
	1,142,147	-
Other debtors	**145,719**	304,559
	1,287,866	304,559

Terms and conditions relating to the above financial instruments:

- Other receivables are non-interest bearing and generally repayable within 30 days.
- The Loan – related entity is unsecured and repayable from future cash flows of the company and/or may be settled, at the discretion of the Company by the issue of shares in the entity. The loan bears interest at 10% per annum. The maximum amount of the loan during the year ended 30 June 2011 was $2,206,173.
- Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value.

Ageing of past due but not impaired:

	2011 $	2010 $
60 – 90 days	**7,166**	-
90 – 120 days	**49,217**	-
120 + days	**67,596**	147,784
	123,979	147,784

7 AVAILABLE FOR SALE INVESTMENTS

	2011 $	2010 $
Non Current		
Listed Shares – at fair value	**177,924**	562,348
	177,924	562,348

Listed shares are readily saleable with no fixed terms. All shares held in listed companies are valued at their fair value.

8 PROPERTY, PLANT AND EQUIPMENT

	2011 $	2010 $
Plant and equipment - at cost	**129,556**	76,595
Less: Accumulated depreciation	**(47,043)**	(39,278)
Net carrying amount	**82,513**	37,317
Reconciliation		
At 1 July 2010, net of accumulated depreciation and impairment	**37,317**	9,273
Additions	**52,961**	39,164
Disposals	**-**	-
Depreciation expense	**(7,765)**	(11,120)
At 30 June 2011, net of accumulated depreciation and impairment	**82,513**	37,317

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (Cont.)

	Consolidated 2011 $	Consolidated 2010 $
9 DEFERRED EXPLORATION EXPENDITURE		
Exploration and evaluation phase - at cost		
Mineral properties	**2,074,760**	4,073,192
	2,074,760	4,073,192
Reconciliation		
- Balance at beginning of year	**4,073,192**	100,000
- Acquisition of tenements	**-**	2,250,000
- Expenditure incurred	**1,764,633**	1,774,521
	5,837,825	4,124,521
- Expenditure written off	**(3,763,065)**	(51,329)
- Balance at end of year	**2,074,760**	4,073,192

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

10 TRADE AND OTHER PAYABLES

	2011 $	2010 $
Current		
Trade payables and accruals	**729,498**	289,542
Owing under contract of sale	**-**	1,100,000
	729,498	1,389,542

Terms and conditions relating to the above financial instruments:

- Trade creditors are non-interest bearing and are normally settled on 30-90 day terms.
- Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

11 BORROWINGS

	2011 $	2010 $
Current		
Loans - unsecured	**2,125,253**	-
Loan - secured	**-**	1,935,000
	2,125,253	1,935,000

The Company was provided a short term funding facility of $1,735,000 during the year ended 30 June 2010. The loan was repayable from proposed equity raisings by the Company or within 90 days of first advance. Upon repayment of the loan amount a facility fee of $200,000 is payable. The loan does not accrue any interest. Pursuant to the terms of the facility, if requested, the Company must provide a charge over the assets and undertakings of the Company, including the Company's interest in the Mangalisa project. Subject to shareholder approval if required, the lender, in its sole discretion, has the right to convert in whole or in part a portion of the loan into ordinary fully paid shares in the Company at a 20% discount to the 30 day weighted average share price. The loan has been reclassified as unsecured, as no formal request for a charge has been made.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (Cont.)

	Consolidated 2011 $	Consolidated 2010 $
12 ISSUED CAPITAL		
(a) Issued and paid up capital		
Ordinary shares fully paid	**40,918,955**	35,039,378
Ordinary shares of 10 cents paid to 8 cents	**3,200,000**	3,200,000
	44,118,955	38,239,378

(b) Movement in ordinary shares on issue	2011 Shares	2011 $	2010 Shares	2010 $
(i) Ordinary shares fully paid				
Balance at beginning of year	**975,871,353**	**35,039,378**	805,871,353	34,189,378
Issue of shares as part consideration for acquisition of Energy Company of America LLC	-	-	50,000,000	250,000
Issue of shares as a facilitation fee in respect to the Mangalisa project acquisition	-	-	120,000,000	600,000
Issue of shares for cash – 21 September 2010	**71,075,000**	**1,279,350**	-	-
Issue of shares in satisfaction of amount owing under contract of sale	**220,000,000**	**1,100,000**	-	-
Issue of shares for cash – 22 October 2010	**107,749,999**	**1,939,500**	-	-
Issue of shares for cash – 3 December 2010	**41,555,554**	**748,000**	-	-
Issue of shares in satisfaction of geological services	**40,000,000**	**200,000**	-	-
Issue of shares in satisfaction of geological services	**12,500,000**	**200,000**	-	-
Issue of shares in satisfaction of capital raising fees	**16,000,000**	**80,000**	-	-
Issue of shares in satisfaction of legal fees	**1,176,470**	**20,000**	-	-
Issue of shares for cash – 25 May 2011	**50,000,000**	**200,000**	-	-
Issue of shares in satisfaction of capital raising fees	**50,000,000**	**200,000**	-	-
Issue of shares in satisfaction of funding facility fee	**104,166,666**	**250,000**	-	-
Issue of shares in satisfaction of consulting services	**30,000,000**	**90,000**	-	-
Less transaction costs	-	**(427,273)**	-	-
Balance at end of year	**1,720,095,042**	**40,918,955**	975,871,353	35,039,378
(ii) Ordinary shares partly paid				
Balance at beginning of year				
- Shares of 10 cents paid to 8 cents	**40,000,000**	**3,200,000**	40,000,000	3,200,000
Balance at end of year				
- Shares of 10 cents paid to 8 cents	**40,000,000**	**3,200,000**	40,000,000	3,200,000
Total issued and paid up shares	**1,760,095,042**	**44,118,955**	1,015,871,353	38,239,378

(c) Uncalled Capital	2011 Shares	2011 $	2010 Shares	2010 $
Shares of 10 cents paid to 8 cents	**40,000,000**	800,000	**40,000,000**	800,000

12 ISSUED CAPITAL (Cont.)

(d) Share Options at 30 June 2011

	Number	Exercise Price	Expiry Date
Unlisted Options	220,380,553	5 cents	31 December 2013
Unlisted Options	42,500,000	2 cents	28 February 2014

During the year, 220,380,553 unlisted options exercisable at 5 cents each on or before 31 December 2013 and 42,500,000 unlisted options exercisable at 2 cents each on or before 28 February 2014 were issued. 10,500,000 options exercisable at 9 cents each expired.

(e) Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

	Consolidated 2011 $	Consolidated 2010 $
13 RESERVES		
Reserves		
Share option reserve (i)	**968,849**	968,849
	968,849	968,849

(i) Share option reserve

Nature and purpose of reserve
The share option reserve is used to accumulate proceeds received from the issue of options and records items recognised as expenses on valuation of employee share options.

	2011 $	2010 $
Movements in reserve		
Opening balance 1 July	**968,849**	968,849
Closing balance 30 June	**968,849**	968,849

14 SEGMENT REPORTING

The Company operates predominantly in one business segment, namely the acquisition and exploration of uranium/gold properties. The Company operates predominantly in two geographical segments being the Republic of South Africa and the United States of America.

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance.

Operating segments are identified by Management based on the mineral resource and exploration activities in the Republic of South Africa and the United States of America. Discrete financial information about each project is reported to the chief operating decision maker on a regular basis.

The reportable segments are based on aggregated operating segments determined by the similarity of the economic characteristics, the nature of the activities and the regulatory environment in which those segments operate.

14 SEGMENT REPORTING (Cont.)

The consolidated entity has three reportable segments based on the geographical areas of the mineral resource and exploration activities in the Republic of South Africa and the United States of America. Unallocated results, assets and liabilities represent corporate amounts that are not core to the reportable segments.

(i) Segment performance

	Republic of South Africa (Denny Dalton Project)	Republic of South Africa (Mangalisa Project)	United States of America (Nacimiento Project)	Total
Year ended 30 June 2011				
Revenue	-	-	-	-
Total segment revenue	-	-	-	-
Segment net loss before tax	(100,000)	(3,662,771)	-	(3,762,771)
Reconciliation of segment result to net loss before tax				
Amounts not included in segment result but reviewed by the Board				
- Exploration expenditure written off				(294)
Unallocated items				
- Interest revenue				173,796
- Profit on sale of non-current assets				23,500
- Impairment of available-for-sale assets				(681,995)
- Impairment of loan to related entity				(900,103)
- Consulting and director fees expenses				(981,959)
- Facility fee				(250,000)
- Administration, management and other expenses				(487,976)
Net loss before tax from continuing operations				(6,867,802)

	Republic of South Africa (Denny Dalton Project)	Republic of South Africa (Mangalisa Project)	United States of America (Nacimiento Project)	Total
Year ended 30 June 2010				
Revenue	-	-	-	-
Total segment revenue	-	-	-	-
Segment net loss before tax	-	(200,000)	-	(200,000)
Reconciliation of segment result to net loss before tax				
Amounts not included in segment result but reviewed by the Board				
- Exploration expenditure written off				(51,329)
Unallocated items				
- Interest revenue				27,008
- Loss on sale of non-current assets				9,151
- Impairment expense				(380,801)
- Consulting and director fees				(688,814)
- Administration, management and other expenses				(562,928)
Net loss before tax from continuing operations				(1,847,713)

14 SEGMENT REPORTING (Cont.)

(ii) Segment assets

	Republic of South Africa (Denny Dalton Project)	Republic of South Africa (Mangalisa Project)	United States of America (Nacimiento Project)	Total
As at 30 June 2011				
Segment assets	-	-	**2,074,760**	**2,074,760**
Segment asset increases/(decreases) for the year				
- Exploration and evaluation	(100,000)	(2,323,192)	424,760	(1,998,432)
Reconciliation of segment assets to total assets				
Other assets				**1,635,731**
Total assets from continuing operations				**3,710,491**
As at 30 June 2010				
Segment assets	100,000	2,323,192	1,650,000	4,073,192
Segment asset increases/(decreases) for the year				
- Exploration and evaluation	-	2,323,192	1,650,000	(3,973,192)
Reconciliation of segment assets to total assets				
Other assets				1,095,315
Total assets from continuing operations				5,168,507

(iii) Segment liabilities

	Republic of South Africa (Denny Dalton Project)	Republic of South Africa (Mangalisa Project)	United States of America (Nacimiento Project)	Total
As at 30 June 2011				
Segment liabilities	-	**2,110,253**	-	**2,110,253**
Segment liability increases/(decreases) for the year	-	175,253	(1,100,000)	(924,747)
Reconciliation of segment liabilities to total liabilities				
Other liabilities				**744,498**
Total liabilities from continuing operations				**2,854,751**
As at 30 June 2010				
Segment liabilities	-	1,935,000	1,100,000	3,035,000
Segment liability increases/(decreases) for the year	-	1,935,000	1,100,000	3,035,000
Reconciliation of segment liabilities to total liabilities				
Other liabilities				289,542
Total liabilities from continuing operations				3,324,542

15 CONTINGENT COMMITMENTS

It is possible that native title, as defined in the Native Title Act 1993, might exist over land in which the Company has an interest in Australia. It is impossible at this stage to quantify the impact (if any) that the existence of native title may have on the operations of the Company.

16 COMMITMENTS FOR EXPENDITURE

Operating lease (non-cancellable)

	Consolidated 2011 $	Consolidated 2010 $
Not later than one year	6,202	32,779
After one year but not more than 5 years	-	6,202
	6,202	38,981

The non-cancellable operating lease is for commercial storage premises.

Nacimiento Project – USA
The Group has no minimum expenditure commitments on its Nacimiento project.

17 CONTINGENT LIABILITIES

As at 30 June 2011, the Group did not have any contingent liabilities.

18 BUSINESS COMBINATION

Acquisition – Energy Company of America LLC

In the previous year, the Company acquired 100% of the voting shares of Energy Company of America LLC.

The total cost of the combination was $1,650,000 and comprised cash and the issue of equity instruments. The Group issued 50,000,000 ordinary fully paid shares at an issue price of 0.5 cents each as part consideration for the acquisition of Energy Company of America LLC in the previous financial year and a further 220,000,000 ordinary fully paid shares at an issue price of 0.5 cents each were issued during the current year.

The fair value of the identifiable assets and liabilities of Energy Company of America LLC as at the dates of acquisition are:

	Recognised on acquisition $
Cash and cash equivalents	-
Receivables	-
Tenement interests, exploration and evaluation expenditure	1,650,000
Fair value of identifiable net assets	1,650,000
Cost of the combination:	
Cash	300,000
Securities issued, at fair value	1,350,000
Total cost of the combination	1,650,000
The cash inflow (outflow) on acquisition is as follows:	
Net cash acquired with subsidiary	-
Cash paid	(300,000)
Net cash inflow (outflow)	(300,000)

	Consolidated 2011 $	Consolidated 2010 $
19 REMUNERATION OF AUDITORS		
Amount received or due and receivable by the auditors of the Group for:		
Auditing or reviewing the financial statements	**24,450**	**31,920**
Other services	**-**	**-**
	24,450	**31,920**

20 RELATED PARTY TRANSACTIONS

(a) Subsidiaries

The consolidated financial statements include the financial statements of Acclaim Exploration NL and the subsidiaries listed in the following table.

	Country of Incorporation	Equity Interest 2011 %	Equity Interest 2010 %	Investment at cost 2011 $	Investment at cost 2010 $
Denny Dalton (Pty) Ltd	Republic of South Africa	**100**	100	**6,000,000**	6,000,000
Energy Company of America LLC	United States of America	**100**	100	**1,650,000**	1,650,000

(b) Parent entity

Acclaim Exploration NL is the ultimate Australian parent entity and ultimate parent of the Group.

(c) Key management personnel

Disclosures relating to key management personnel are set out in Note 22.

(d) Other related party transactions

The Company has been provided with a short term funding facility of $1,735,000 from Eldore Mining Corporation Ltd, an entity with common directors. Full particulars of the loan are outlined in note 11.

The Company has provided loan funds to Modena Resources Ltd, an entity with common directors, as disclosed in Note 6. The loan is unsecured and repayable from future cash flows of the Company and/or may be settled, at the discretion of the Company by the issue of shares in the entity. The loan bears interest at 10% per annum.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (Cont.)

21 PARENT ENTITY DISCLOSURES

Financial Position

	30 June 2011 $	30 June 2010 $
Assets		
Current Assets	**1,375,294**	495,650
Non-current asset	**2,335,197**	4,672,857
Total assets	**3,710,491**	5,168,507
Liabilities		
Current Liabilities	**2,854,751**	3,324,542
Non-current liabilities	-	-
Total liabilities	**2,854,751**	3,324,542
Equity		
Issued capital	**44,118,955**	38,239,378
Reserves		
Option reserve	**968,849**	968,849
Accumulated losses	**(44,232,064)**	(37,364,262)
Total equity	**855,740**	1,843,965

Financial Performance

	Year ended 30 June 2011 $	Year ended 30 June 2010 $
Loss for the year	**(6,867,802)**	(1,847,713)
Other comprehensive income	-	-
Total comprehensive income	**(6,867,802)**	(1,847,713)

22 KEY MANAGEMENT PERSONNEL

(a) Compensation of Key Management Personnel

	2011 $	2010 $
Short-Term employee benefits	**484,871**	420,430
Post Employment benefits	**2,700**	2,700
Total compensation	**487,571**	423,130

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report. These transferred disclosures have been audited.

22 KEY MANAGEMENT PERSONNEL (Cont.)

(b) Option holdings of Key Management Personnel

	Balance 01/07/10	Granted as Remuneration	Options Exercised	Net Change Other	Balance 30/06/11	Vested and Exercisable
Directors						
A Hamilton	-	-	-	-	-	-
C Willis	3,000,000	-	-	(3,000,000)#	-	-
J Geary	-	-	-	-	-	-
Executives						
N Bassett	3,000,000	-	-	(3,000,000)#	-	-
D Sweeny	-	-	-	-	-	-

\# Options expired during the year.

	Balance 01/07/09	Granted as Remuneration	Options Exercised	Net Change Other	Balance 30/0610	Vested and Exercisable
Directors						
A Hamilton	-	-	-	-	-	-
C Willis	3,000,000	-	-		3,000,000	3,000,000
J Geary	-	-	-	-	-	-
R Bagirathi	-	-	-	-	-	-
Executives						
N Bassett	3,000,000	-	-		3,000,000	3,000,000
D Sweeny	-	-	-	-	-	-

(c) Shareholdings of Key Management Personnel

	Balance 01/07/10	Received as Remuneration	Options Exercised	Net Change Other	Balance 30/06/11
Directors					
A Hamilton	200,000	-	-	200,000	400,000
C Willis	1,000,000	-	-	-	1,000,000
J Geary #	339,200	-	-	-	339,200
Executives					
N Bassett	1,000,000	-	-	-	1,000,000
D Sweeny	-	-	-	-	-

\# Mr Geary also holds 350,000 partly paid shares, 2 cents unpaid.

	Balance 01/07/09	Received as Remuneration	Options Exercised	Net Change Other	Balance 30/06/10
Directors					
A Hamilton	-	-	-	200,000	200,000
C Willis	1,000,000	-	-	-	1,000,000
J Geary #	339,200	-	-	-	339,200
R Bagirathi	-	-	-	-	-
Executives					
N Bassett	1,000,000	-	-	-	1,000,000
D Sweeny	-	-	-	-	-

\# Mr Geary also holds 350,000 partly paid shares, 2 cents unpaid.

All equity transactions with key management personnel have been entered into under terms and conditions no more favourable than those the group would have adopted if dealing at arm's length.

22 KEY MANAGEMENT PERSONNEL (Cont.)

(d) Loans with Key Management Personnel

Other than as disclosed in note 6, there were no loans to key management personnel or their related entities during the financial year.

23 SHARE BASED PAYMENTS

No share-based payments were made to key management personnel during the year.

There were no share-based payment arrangements existing at 30 June 2011.

During the year 10,500,000 share options exercisable at 9 cents each expired.

24 FINANCIAL RISK MANAGEMENT

The Company's principal financial instruments comprise receivables, payables, cash and short-term deposits. The Company manages its exposure to key financial risks in accordance with the Company's financial risk management policy. The objective of the policy is to support the delivery of the Company's financial targets while protecting future financial security.

The main risks arising from the Company's financial instruments are interest rate risk, credit risk, liquidity risk and foreign currency risk. The Group does not speculate in the trading of derivative instruments. The Company uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rates and assessments of market forecasts for interest rates. Ageing analysis of and monitoring of receivables are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks as summarised below.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below, including for interest rate risk, credit allowances and cash flow forecast projections.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in note 1 to the financial statements.

Risk Exposures and Responses

Interest rate risk
The Company's exposure to risks of changes in market interest rates relates primarily to the Company's cash balances. The Company constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing positions and the mix of fixed and variable interest rates. As the Company has no variable rate interest bearing borrowings its exposure to interest rate movements is limited to the amount of interest income it can potentially earn on surplus cash deposits. The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance date.

At balance date, the following table details the Group's expected maturity for its non-derivative financial assets. These have been drawn up based on undiscounted contractual maturities on the financial instruments including interest that will be earned on these instruments.

	Consolidated	
	2011	2010
	$	$
Financial Assets		
Cash and cash equivalents (interest-bearing accounts)	**87,428**	191,091
Trade and other receivables	**1,287,866**	302,059
Total exposure	**1,374,294**	493,150

24 FINANCIAL RISK MANAGEMENT (Cont.)

The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance date.

At 30 June 2011, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit/loss and equity relating to financial assets of the Group would have been affected as follows:

Judgements of reasonably possible movements:		
Post tax profit/(loss) – higher / (lower)		
+ 1.0%	**874**	1,911
- 1.0%	**(874)**	(1,911)
Equity – higher / (lower)		
+ 1.0%	**874**	1,911
- 1.0%	**(874)**	(1,911)

Liquidity Risk
The Group manages liquidity risk by monitoring immediate and forecast cash requirements and ensuring adequate cash reserves are maintained or available to the Group.

Credit risk
Credit risk arises from the financial assets of the Company, which comprise deposits with banks and trade and other receivables. The Company's exposure to credit risk arises from potential default of the counterparty, with the maximum exposure equal to the carrying amount of these instruments. The carrying amount of financial assets included in the Statement of Financial Position represents the Company's maximum exposure to credit risk in relation to those assets.

The Company does not hold any credit derivatives to offset its credit exposure.

The Company trades only with recognised, creditworthy third parties and as such collateral is not requested nor is it the Company's policy to secure it trade and other receivables.

Receivable balances are monitored on an ongoing basis with the result that the Company does not have a significant exposure to bad debts.

The Company's cash deposits are held with a major Australian banking institution otherwise, there are no significant concentrations of credit risk within the Company.

The following table details the expected maturity of the Group's financial assets and liabilities based on the earliest date of maturity or payment respectively. The amounts are stated on an undiscounted basis and include interest.

Consolidated	Weighted average effective interest rate %	Less than 1 month $	1 – 3 Months $	3 months – 1 year $	1 – 5 years $
2011					
Financial Assets:					
Non-interest bearing	-	**87,428**	**145,719**	**1,142,147**	**177,924**
Variable interest rate	-	-	-	-	-
Fixed interest rate	-	-	-	-	-
		87,428	**145,719**	**1,142,147**	**177,924**
Financial Liabilities:					
Non-interest bearing	-	**54,737**	**674,761**	**2,125,253**	-
Fixed interest rate	-	-	-	-	-
		54,737	**674,761**	**2,125,253**	-

24 FINANCIAL RISK MANAGEMENT (Cont.)

Consolidated	Weighted average effective interest rate %	Less than 1 month $	1 – 3 Months $	3 months – 1 year $	1 – 5 years $
2010					
Financial Assets:					
Non-interest bearing	-	-	302,059	-	562,348
Variable interest rate	0.98	191,091	-	-	-
Fixed interest rate	-	-	-	-	-
		191,091	302,059	-	562,348
Financial Liabilities:					
Non-interest bearing	-	263,542	1,961,000	-	-
		263,542	1,961,000	-	-

Capital Management Risk
Management controls the capital of the Group in order to maximise the return to shareholders and ensure that the Group can fund its operations and continue as a going concern.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of expenditure and debt levels and share and option issues.

There have been no changes in the strategy adopted by management to control capital of the Group since the prior year.

Foreign Currency Risk
As a result of the Group's mineral exploration activities in the Republic of South Africa and in the United States of America, the Group's operations can be affected by movements in the Rand/$A and US$/A$ exchange rates. The Company does not hedge this exposure.

The Group manages its foreign exchange risk by constantly reviewing its exposure to commitments payable in foreign currency and, where considered prudent, ensuring appropriate cash balances are maintained in either Rand or United States Dollars, to meet current operational commitments.

Management believes the balance date risk exposures are representative of the risk exposure inherent in financial instruments. The Group's exposure to foreign currency risk is considered immaterial at 30 June 2011.

Commodity Price Risk
The Group's exposure to price risk is minimal given the Group is still in an exploration phase.

24 FINANCIAL RISK MANAGEMENT (Cont.)

Fair Value
The methods of estimating fair value are outlined in the relevant notes to the financial statements. All financial assets and liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair values unless other wise stated in the applicable notes.

Financial Instruments Measured at Fair Value
The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Consolidated

	Level 1	Level 2	Level 3	Total
2011	**$**	**$**	**$**	**$**
Financial assets:				
Available-for-sale financial assets:				
- listed investments	177,924	-	-	177,924
	177,924	-	-	177,924
2010				
Financial assets:				
Available-for-sale financial assets:				
- listed investments	562,348	-	-	562,348
	562,348	-	-	562,348

Equity Price Sensitivity Risk
The Group is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments. At reporting date, if equity prices had been 5% higher or lower, there would have been an immaterial change in post tax loss for the year. The impact on equity would have been the same.

25 EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to year end, the Company:

(i) announced that it had made a placement of 75,000,000 ordinary fully paid shares (**Shares**) at $0.002 per Share, together with 75,000,000 free attaching options exercisable at $0.02 each on or before 28 February 2014 (**Options**), to raise $150,000. The placement was made to sophisticated investors pursuant to section 708 of the Corporations Act.

The 75,000,000 Shares and 75,000,000 Options were issued under prior approval given by shareholders at the General Meeting on 7 June 2011.

(ii) announced that it had ended the JC Long Term Value Fund funding facility and was commencing legal proceedings to protect its position. In light of the Company's view that the funding facility is at an end, the Company is evaluating options to secure replacement funding to meet its funding requirements going forward.

(iii) Mr Anthony Hamilton resigned as a director and Mr Neville Bassett resigned as company secretary. Mr Damon Sweeny was appointed as the new company secretary. The search for a new director is continuing.

There are no other matters or circumstances that have arisen since 30 June 2011 that have or may significantly affect the operations, results, or state of affairs of the Group in future financial years.

DIRECTORS' DECLARATION

1. In the opinion of the directors of Acclaim Exploration NL (the Company):

   a) the financial statements, notes and additional disclosures are in accordance with the Corporations Act 2001, including:

      i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

      ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

   b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and

   c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2011.

This declaration is signed In accordance with a resolution of the Board of Directors.

Craig Willis
Director

Perth, 30 September 2011

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of ACCLAIM EXPLORATION NL

Report on the Financial Report

We have audited the accompanying financial report of Acclaim Exploration NL ("the company"), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In Note 1(c), the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report and remuneration report of Acclaim Exploration NL for the financial year ended 30 June 2011 included on Acclaim Exploration NL's website. The company's directors are responsible for the integrity of the Acclaim Exploration NL website. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report and remuneration report identified in this report. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report and remuneration report to confirm the information contained in this website version of the financial report.

HLB Mann Judd

Accountants | Business and Financial Advisers

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001.*

Auditor's opinion

In our opinion:

(a) the financial report of Acclaim Exploration NL is in accordance with the *Corporations Act 2001*, including:

 (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

 (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(c).

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1(d) in the financial report, which indicates that additional funding is required for the company to continue as a going concern. Should the company be unable to obtain sufficient funding as outlined in Note 1(d), there is a material uncertainty that may cast significant doubt whether it will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the Remuneration Report of Acclaim Exploration NL for the year ended 30 June 2011 complies with section 300A of the *Corporations Act 2001.*

HLB Mann Judd.

HLB MANN JUDD
Chartered Accountants

WMClark

Perth, Western Australia
30 September 2011

W M C CLARK
Partner

Information Relating to Shareholders and Optionholders at 27 September 2011

			Ordinary Shares Fully Paid	Ordinary Shares Partly Paid
1	**Number of shareholders**		4,037	60
2	**Distribution of shareholders:**			
	Category	1 - 1,000	165	-
		1,001 - 5,000	343	-
		5,001 - 10,000	356	27
		10,001 - 100,000	1,871	11
		100,001 and over	1,302	22
			4,037	60
	Total on issue		1,720,095,042	40,000,000
	Shareholders with unmarketable parcel		3,190	
3	**Percentage of the 20 largest holders**		38.30%	97.61%

4 **Voting rights**

- Ordinary fully paid shares - upon show of hands one vote for every registered shareholder and upon a poll, one vote for each share held.
- Contributing shares - upon a poll proportional to the called up capital.
- Options – Options have no voting rights until such options are exercised as fully paid shares.

5 **Substantial Shareholders**

The Company has been notified of the following substantial shareholdings:

	Number
Sterling Commodities Investments Limited	220,000,000

6	**20 Largest Ordinary Fully Paid Shareholders**	**Number**	**%**
1	Sterling Commodities Investments Ltd	220,000,000	12.26
2	Morgan Stanley Australia Securities (Nominee) Pty Ltd <No 1 Account>	85,000,000	4.74
3	Pacific Niugini Limited	52,500,000	2.92
4	James Peter Thompson	50,000,000	2.79
5	Rosepoint Nominees Pty Ltd	34,000,000	1.89
6	Corporate Starboard Pty Ltd <Hackett Family A/C>	25,000,000	1.39
7	JP Morgan Nominees Australia Limited <Cash Income A/C>	24,584,153	1.37
8	Yandal Investments Pty Ltd	24,000,000	1.34
9	Kerryn Michelle Summers & Timothy Mark Summers	22,000,000	1.23
10	Empire Securities Group Pty Ltd	21,000,000	1.17
11	Goldney Pty Ltd	20,000,000	1.11
12	National Nominees Pty Ltd	19,600,107	1.09
13	Andover Commercial Pty Ltd	13,000,000	0.72
14	Edwin Duurland	12,200,525	0.68
15	Tre Pty Ltd <Time Road Superannuation A/C>	12,000,000	0.67
16	Dirdot Pty Ltd <Griffith Super Fund A/C>	11,386,363	0.63
17	Dina Bereznicki	11,329,458	0.63
18	David Gartner Pty Ltd <David Gartner Family A/C>	10,000,000	0.56
19	Jacobs Corporation Pty Ltd	10,000,000	0.56
20	Palla Nominees Pty Ltd	10,000,000	0.56
		687,600,606	38.30

7	20 Largest Ordinary Partly Paid Shareholders	Number	%
1	Corridor Nominees Pty Ltd	18,605,900	46.51
2	Geb Capital Limited	5,000,000	12.50
3	Tina Bazzo	3,510,000	8.78
4	Jade Asset Pty Ltd	2,010,000	5.02
5	Watershore Holdings Pty Ltd	1,480,000	3.70
6	Ruby Net Pty Ltd	1,400,000	3.50
7	Melissa Anne Vorlicek	1,200,000	3.00
8	Dagmar Blochlova	900,000	2.25
9	Scott James & Shelly Mary Therese Duncan	900,000	2.25
10	Margaret Downes	590,000	1.48
11	Scott James & Shelly Mary Therese Duncan <SJ & SM Duncan S/F A/C>	500,000	1.25
12	Kelanco Pty Ltd	500,000	1.25
13	Adam James Lienart	490,000	1.23
14	Jeremy Robert Pockley	460,000	1.15
15	Summerset Investments Pty Ltd	400,000	1.00
16	John Charles Geary	350,000	0.88
17	Dacin Nominees Pty Ltd	255,000	0.64
18	Scott James & Shelly Mary Therese Duncan	200,000	0.50
19	Edenkey Nominees Pty Ltd	150,000	0.37
20	Melissa Anne Vorlicek	140,000	0.35
		39,040,900	97.61

8 Unlisted Options

Details of unlisted option holders are as follows:

Class of unlisted options	No of Options	No of Holders
Options exercisable at 5 cents each on before 31 December 2013	220,380,553	48
Holdings of more than 20% of this class		
- Nil		
Options exercisable at 2 cents each on before 28 February 2014	117,500,000	4
Holdings of more than 20% of this class		
- James Peter Thompson	50,000,000	
- Alimold Pty Ltd	30,000,000	
- Corporate-Starboard Pty Ltd <Hackett Family A/C>	25,000,000	

9 Restricted Securities

There are no restricted securities or securities subject to voluntary escrow.

10 On-market Buy-back

Currently there is no on-market buy-back of the Company's securities.

Summary of Mining Interests as at 30 June 2011

NACIMIENTO COPPER URANIUM PROJECT, State of New Mexico, USA

Coyote Lode Mining Claims, Sandoval County, New Mexico

The property comprises 53 lode mining claims covering 1,100 acres, in two blocks.

Aranda Lode Mining Claims, Rio Arriba County, New Mexico

The property comprises 50 lode mining claims covering 1,000 acres

Los Pinos Lode Mining Claims, Sandoval County, New Mexico

The property comprises 51 unpatented lode mining claims covering 1,120 acres.

DENNY DALTON PROJECT, South Africa

Project Areas

1. Portion 6 and the Remaining Extent of the farm Tusschenby 411, in the District of Vryheid, Kwa Zulu Natal (as depicted on sketch plan annexed to Prospecting Permit number 105/03)
2. Portion 1 of the farm Vlakhoek 847, in the District of Vryheid, Kwa Zulu Natal (as depicted on sketch plan annexed to Prospecting Permit number 105/03).
3. Various portions of the farm Nobamba 16505, in the District of Vryheid, Kwa Zulu Natal (as depicted on sketch plan annexed to Prospecting Permit number 123/03).

MAROOCHYDORE, Western Australia
Acclaim Exploration NL 100%
ELA45/2475