ACCLAIM EXPLORATION N.L.
ABN 99 009 076 233

Quarterly Report

For the period to 30 September 2004

EXPLORATION - Claude Hills & Wingellina

Drilling

Five diamond holes have been drilled for a total of 1606 metres; the sixth hole is in progress. The location of the holes is given in the table below.

Hole Number	Tenement	Easting (MGA)	Northing (MGA)	Depth Metres	Comment
CHDH -1	E2777-Claude Hills	517300	7112210	208	Completed
CHDH -2	E2777-Claude Hills	506800	7122860	171	Abandoned
CHDH -3	E2777-Claude Hills	506800	7122660	192	Abandoned
CHDH -4	E2777-Claude Hills	506790	7122740	(171)	In progress
WPRCD 48	E69/535 - Wingellina	498762	7117422	558	Completed
WPRCD 83	E69/535 - Wingellina	493822	7120327	291	Completed

Although fine disseminated sulphides were observed in the first hole, CHDH-1 which targeted a discrete "bulls eye" magnetic anomaly on the Claude Hills tenement, no significant results were returned from the samples of core analysed. Holes CHDH 2 and 3 were both drilled to test a second larger discrete "bulls eye" magnetic anomaly on the Claude Hills tenement. Both encountered a deep paleochannel with swelling clays and running sands and had to be abandoned before reaching the target depth of 300 metres. CHDH-4, which is being drilled at a dip of 80° as opposed to the 60° dip of the two previous holes, is a further attempt to test this target.

Hole WPRCD48 was drilled to test a linear magnetic feature with a coincident electromagnetic anomaly. The model depth was approximately 300 vertical metres. The hole intersected a broad zone of sheared and silicified gabbro and mylonite. The drill core contained minor secondary pyrite, but nothing was observed in core that would explain the geophysical responses. Further geophysical testing is required to determine if this hole missed the target. The hole has been cased for this purpose.

Hole WPRCD83 targeted the lower most gabbro in the Wingellina sequence where previous drilling by Acclaim returned anomalous copper, platinum and palladium results. The object of the hole was to ascertain where significant sulphur saturation had occurred late in the cooling history of the Wingellina layered intrusion. No significant sulphides were observed in the core from WPRCD83, providing indirect evidence that sulphides formed early in the magma from which the Wingellina intrusion formed. The early formation of sulphide is considered essential if economic concentrations of sulphides are to accumulate within a layered intrusion.

Aeromagnetic and Radiometric Survey

A high-resolution survey was flown over part of the company's Musgrave holdings identified as having the greatest prospectivity for massive copper-nickel sulphide mineralisation. The survey covers approximately 1,027 square kilometres out of the 1,784 square kilometres held by the Company. A total of 13,300 line kilometres were flown at a nominal terrain clearance of 35 metres with survey lines 100 metres apart. The new data set is a significant improvement on the 400 metre line spaced data available from government surveys.

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The radiometrics have mapped eight broad areas of ultramafic and mafic lithologies covering an area in excess of 80 square kilometres within the predominantly felsic basement gneiss. Four of the zones were previously unrecognized.

Approximately 30 new magnetic and radiometric anomalies have been identified and ground checking of mafic outcrops for evidence of sulphide mineralisation has commenced. Magnetic anomalies coincident with radiometric lows are of particular interest to the Company's exploration team. Once a detailed assessment of the data has been completed anomalies will be field checked, ranked and prioritised for follow up exploration (ground EM and drilling).

Reconnaissance Geochemistry

A programme of reconnaissance auger geochemical sampling at grid spacing of 400 metres by 800 metres commenced over extensive areas covered by shallow alluvium and aeolian sand. The average depth of the holes to bedrock is less than two metres.

Samples have been submitted to a commercial laboratory and are being analysed for a suite of "path-finder" elements; including copper, nickel, platinum, palladium and gold. The first lot of results are expected shortly.

Areas of outcrop not amenable to testing by auger drilling will be tested by stream sediment sampling. Samples will be collected from creeks draining areas of outcropping mafic during the course of geological mapping.

Donald Thomson
Technical Director
29 October 2004

Rule 5.3

Appendix 5B
Mining Exploration Entity Quarterly Report

Origin: Appendix 8

Name of Entity

ACCLAIM EXPLORATION NL

ACN or ARBN	Quarter Ended ("Current Quarter")
99 009 076 233	30 SEPTEMBER 2004

Consolidated Statement of Cash Flows

Cash Flows Related to Operating Activities		Current Quarter $A	Year to Date (3 months) $A
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration and evaluation	(310,655)	(310,655)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(187,025)	(187,025)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	20,889	20,889
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	Net Operating Cash Flows	(476,791)	(476,791)
	Cash Flows Related to Investing Activities		
1.8	Payment for purchases of: (a)prospects	-	-
	(b)equity investments	-	-
	(c) other fixed assets	(6,533)	(6,533)
1.9	Proceeds from sale of: (a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	-	-
1.10	Loans to other entities (note 3)	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net Investing Cash Flows	(6,533)	(6,533)
1.13	Total operating and investing cash flows (carried forward)	(483,324)	(483,324)

1.13	Total operating and investing cash flows (brought forward)	(483,324)	(483,324)
	Cash Flows Related to Financing Activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(2,187)	(2,187)
1.18	Dividends paid	-	-
1.19	Other (provide details if material) – Share Issue Costs	-	-
	Net Financing Cash Flows	(2,187)	(2,187)
	Net Increase (Decrease) in Cash Held	(485,511)	(485,511)
1.20	Cash at beginning of quarter/year to date	2,181,359	2,181,359
1.21	Exchange rate adjustments to 19	-	
1.22	**Cash at End of Quarter**	1,695,848	1,695,848

Payments to directors of the entity and associates of the directors Payments to related entities of the entity and associates of the related entities

		Current quarter $A
1.23	Aggregate amount of payments to the parties included in item 1.2	75,726
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Non-Cash Financing and Investing Activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NIL

Financing Facilities Available

Add notes as necessary for an understanding of the position.

		Amount Available $A	Amount Used $A
3.1	Loan facilities	NIL	
3.2	Credit standby arrangements	NIL	

Estimated Cash Outflows for Next Quarter

		$A
4.1	Exploration and evaluation	300,000
4.2	Development	-
	Total	300,000

Reconciliation of Cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current Quarter $A	Previous Quarter $A
5.1	Cash on hand and at bank	1,695,848	2,181,359
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details) term deposit	-	-
	Total: Cash at End of Quarter (item 1.22)	1,695,848	2,181,359

Changes in Interests in Mining Tenements

		Tenement Reference	Nature Of Interest	Interest at Beginning of Quarter	Interest at End of Quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Nil			
6.2	Interests in mining tenements acquired or increased	Nil			

Issued and Quoted Securities at End of Current Quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Number Issued	Number Quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities**				
7.2	Changes during quarter				
7.3	**+Ordinary Securities**	385,757,699 40,000,000	385,757,699 40,000,000	 10	 8
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible Debt Securities**				
7.6	Changes during quarter				
7.7	**Options** *(description)*	8,000,000	-	*Exercise Price* 25	*Expiry Date* 8/10/2005
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures**				
7.12	**Unsecured Notes**				

Compliance Statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX.

2 This statement does give a true and fair view of the matters disclosed.

Sign here: N J Bassett Date: 29 October 2004
(Director/Company Secretary)

Print name: Neville John Bassett

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