

## ASX ANNOUNCEMENT

1 February 2016

### Notification of expiration of Options 28 February 2016

ASX  
 Level 40  
 Central Plaza  
 152 – 158 St Georges Tce  
 Perth WA 6000

#### Amendment to Notification of expiration of Options 28 February 2016

Dear Sirs

We refer to Palace Resources Ltd’s options (ASX Code: PZROB) which expire on 28 February 2016.

The Company has received notification from the ASX that it has been granted a waiver under ASX listing rule 6.24, Compliance with Timetables with regard to notification to option holders of the forthcoming expiration of the options, in accordance with Appendix 6A point 6 and 6.1 in full.

Please be advised that in accordance with Appendix 6A:

A	PZROB	A listing of the current option holders for Palace Resources Ltd – 60 in total has been sent separately to the ASX - Perth
B	PZROB	In the detail as outlined in a) above, each option holders holding is itemised and should the option holder seek to convert their options to shares, the conversion is based on 1 option entitles the holder to 1 share. There are 2,098,775 options on issue
C	PZROB	The conversion or exercise price is \$0.20 (20 cents) per option conversion
D	PZROB	The expiry date for the options is 28 February 2016
E	PZROB	Should the option holder choose not to exercise their

		options; the options will expire on 28 February 2016
F	PZROB	The date the quotation of the options will cease is 5 business days before the expiration of the option period, effectively this means 22 <sup>nd</sup> February 2016
G	PZROB	At close of business on 29 January 2016, no transaction had occurred concerning the options had occurred during the preceding 12 months (year).
H	PZROB	Between the 3 month period 1 Oct 2015 and 29 January 2016 no transactions occurred and hence no high or low value.
I	PZROB	<p>At close of business on 29 January 2016, PXR's last sale was recorded on 10 July 2015 and was at a unit price of \$0.001 and the daily volume was 526,050. On 12 August 2015, the Company applied for Chapter 1 and 2 re-compliance, with a change of activity and business. In addition, it consolidated its capital and options on a 1 : 100 basis.</p> <p>In addition , the Company has issued a Prospectus on 1 October 2015 and a Supplementary Prospectus on 8 January 2016, seeking to raise capital, with the minimum subscription level being \$4.5 million and the maximum being \$6.5 million – 45,000,000 FPO (minimum) and 65,000,000 FPO (maximum) at an issue price of \$0.10 each</p>
J	PZROB	<p>Between the 3 month period 1 October 2015 and 29 January 2016, the Company had been suspended in accord with the AS LR Chapters and 1 2 requirements.</p> <p>During the Calendar year ended 29 January 2016, the maximum and minimum selling price per FPO was \$0.001 each.</p>
K	PZROB	There are no underwriting agreements in place concerning the options that are due to expire on 28 February 2016.

In accordance with the waiver granted by the ASX, if the Company's ordinary shares exceed \$0.15 before 28 February 2016, the Company will immediately send an option expiry notice to the PZROB Option Holders.

Yours Sincerely

Roland Berzins  
Company Secretary