



ABN 74 106 240 475

Palace Resources Ltd
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 WA 6872

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24 January 2011

The Companies Announcement Office
 Australian Stock Exchange Limited
 20 Bridge Street
 Sydney NSW 2000

Dear Sir/Madam

Appendix 3B –Placement and Notice under s708A of the Act.

As announced on 14 January 2011, the Palace Resources has completed the placement of 100m shares and issued an additional 15,196,010 shares in oversubscriptions.

The Company has now issued a further 1,875,147 shares at 3 cents per share to sophisticated investor clients of GBU Securities Ltd.

This placement does not require shareholder approval.

Attached please find an Appendix 3B relating to the placements.

For clarification purposes;

PXR Fully paid ordinary shares on issue before allotment	299,595,871
PXR shares to be allotted	1,875,147

PXR Fully paid ordinary shares on issue after allotment	301,471,018
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Addition securities on issue:

PXRO Options expiring on 30 June 2012 exercisable at \$0.20 each	37,283,858
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PXROA Options expiring on 30 June 2012 exercisable at \$0.06 each	123,057,896
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If any further information is required, please do not hesitate to contact this office.

Yours Sincerely

A handwritten signature in black ink, appearing to read "Roland Berzins", is written over a light grey rectangular background.

Roland Berzins
 Company Secretary

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Palace Resources Ltd

ABN

74 106 240 475

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--------------------------------|
| 1 | +Class of +securities issued or to be issued | 1. Fully Paid Ordinary ("FPO") |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 1. 1,875,147 FPO |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | 1. Fully Paid Ordinary Shares |

+ See chapter 19 for defined terms.

<p>4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>1. FPO – Yes</p>								
<p>5 Issue price or consideration</p>	<p>1. FPO at 3.0 cents per share</p>								
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Working capital</p>								
<p>7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates</p>	<p>Despatch of certificates on 25 January 2011</p>								
<p>8 Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="766 1547 1069 1597">Number</th> <th data-bbox="1069 1547 1359 1597">⁺Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="766 1597 1069 1646">301,471,017</td> <td data-bbox="1069 1597 1359 1646">FPO (PXR)</td> </tr> <tr> <td data-bbox="766 1646 1069 1787">37,283,858</td> <td data-bbox="1069 1646 1359 1787">Options exercisable at 20 cents on or before 30 June 2012 (PXRO)</td> </tr> <tr> <td data-bbox="766 1787 1069 1886">123,057,896</td> <td data-bbox="1069 1787 1359 1886">Options exercisable at 6 cents on or before 30 June 2012 (PXROA)</td> </tr> </tbody> </table>	Number	⁺ Class	301,471,017	FPO (PXR)	37,283,858	Options exercisable at 20 cents on or before 30 June 2012 (PXRO)	123,057,896	Options exercisable at 6 cents on or before 30 June 2012 (PXROA)
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301,471,017	FPO (PXR)								
37,283,858	Options exercisable at 20 cents on or before 30 June 2012 (PXRO)								
123,057,896	Options exercisable at 6 cents on or before 30 June 2012 (PXROA)								

⁺ See chapter 19 for defined terms.

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	

No change

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	

+ See chapter 19 for defined terms.

20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	
25	If the issue is contingent on +security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	

+ See chapter 19 for defined terms.

32 How do +security holders dispose of their entitlements (except by sale through a broker)?

33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities N/A

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

+ See chapter 19 for defined terms.

38 Number of securities for which
+quotation is sought

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39 Class of +securities for which
quotation is sought

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40 Do the +securities rank equally in
all respects from the date of
allotment with an existing +class
of quoted +securities?

If the additional securities do not
rank equally, please state:

- the date from which they do
- the extent to which they
participate for the next
dividend, (in the case of a
trust, distribution) or interest
payment
- the extent to which they do
not rank equally, other than in
relation to the next dividend,
distribution or interest
payment

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41 Reason for request for quotation
now

Example: In the case of restricted securities, end
of restriction period

(if issued upon conversion of
another security, clearly identify
that other security)

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	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)		

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here

Date: 24/01/2011

(Director/Company secretary)

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NOTICE UNDER s708A OF THE ACT

The Company hereby notifies ASX under paragraph 708A(5)(e) of the Corporations Act 2001 for the issue of 1,875,147 ordinary fully paid shares :

1. the Company issued the shares without disclosure to investors under Part 6D.2 of the Act;
3. as at the date of this announcement, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company;
4. as at the date of this announcement, the Company has complied with section 674 of the Act;
5. as at the date of this announcement, there is no information that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules.

For further information, please contact:

Roland Berzins

Company Secretary

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