

10th March 2014

Company Announcements Office
Australian Securities Exchange
Level 8 Exchange Plaza
2 The Esplanade
Perth WA 6000

Dear Sir / Madam

Announcement of Partially Underwritten Non-Renounceable Entitlement Issue of Shares and Options

Palace Resources Ltd (**Company**) announces a pro-rata non-renounceable offer to eligible shareholders of 1 ordinary fully paid share for every 1 share held on the Record Date at an issue price of \$0.002 each and the opportunity to take up a 1 option for every 2 shares issued and at an issue price of \$0.001 (**Offer**). The options have an exercise price of \$0.002 and an expiry date of 28th February 2016.

The Amended Proposed timetable for the Offer is set out below:

Entity announces Rights Issue	Thursday, 6 March 2014
Lodgement of Offer Document, Appendix 3B, and s708AA Cleansing Notice with ASX	Thursday, 6 March 2014
Entity sends notice to security holders containing information required by Appendix 3B	Thursday, 6 March 2014
Existing Shares quoted on an "ex" basis	Thursday, 12 March 2014
Record date	Tuesday, 18 March 2014
Offer Document and Entitlement and Acceptance Form despatched to Eligible Shareholders	Friday, 21 March 2014
Closing Date*	Friday, 4 April 2014
Securities quoted on a deferred basis	Monday, 7 April 2014
ASX notified of under subscriptions	Wednesday, 9 April 2014
Anticipated date of issue of the Shares and Options**	Wednesday, 9 April 2014
Anticipated date of dispatch of holding statements**	Wednesday, 9 April 2014
Deferred settlement trading ends	Wednesday, 9 April 2014
Quotation of Shares issued under the Offer	Thursday, 10 April 2014

** Subject to the Listing Rules and the Corporations Act, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the Shares offered under this Offer Document;*

*** Indicative date only,*

The Offer is made under a prospectus that will be lodged with ASIC and which is available both on the ASX website (www.asx.com.au) and the Palace Resources Ltd website (www.palaceresources.com.au). Eligible shareholders should consider the Prospectus in deciding whether to acquire shares under the Offer and complete the Entitlement and Acceptance Application Form that will accompany the Prospectus.

The directors reserve the right to place any shortfall that may arise following the completion of the placement of the shares and or the options.

Yours sincerely

Roland Berzins
Company Secretary