

ASX ANNOUNCEMENT

8 January 2016

Palace Resources – ASX waiver of Listing Rule 14.7

Palace Resources Ltd (**Company**) advises that ASX Limited (**ASX**) has granted a waiver from ASX Listing Rule 14.7 to the extent necessary to permit the Company to issue (on a post consolidation basis) the following securities (**Transaction Securities**) later than 3 months after 12 August 2015, being the date of the shareholders meeting at which the issue of the Transaction Securities was approved:

1. up to 65,000,000 fully paid ordinary shares (**Shares**) as part of a capital raising;
2. 30,000,000 Shares and 36,000,000 performance shares to the shareholders of Misto;
3. 9,000,000 Shares and 5,000,000 performance shares to the shareholders of Min-Trak;
4. 1,806,523 Shares to creditors of the Company in lieu of consulting and management fees;
5. 450,000 Shares and 450,000 options exercisable at \$0.11 on or before 31 May 2018 in lieu of repayments to Seefeld Pty Ltd;
6. converting notes to raise \$1,000,000 (**Converting Notes**); and
7. 20,000,000 options exercisable at \$0.11 on or before 31 May 2018 to the Company's corporate advisors and lead managers.

The ASX waiver has been granted on the condition that:

1. the Shares are issued no later than 1 April 2016 and otherwise on the same terms as approved by shareholders on 12 August 2015; and
2. the Company releases the terms of the waiver to the market immediately.

For further information, please contact:

Roland Berzins
Company Secretary

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