



PALACE RESOURCES OVERSUBSCRIBED RAISING \$3 MILLION FOR URANIUM EXPLORATION

By Bill Prehn, features editor

Palace Resources has closed oversubscribed having raised \$3.5 million to fund a number of exploration targets in Western Australia and the Northern Territory. The IPO should list in early December.

The total area which the Company has targeted is more 12,400 square kilometres and has numerous targets defined by regional radiometrics.

The Technical Director for Palace Resources Limited, Mr Mathew Sullivan, described the total land area as massive and said the Company would progressively target each area and commence initial drilling.

“We fully appreciate that these are huge areas for initial exploration, and we will start with the Lake Teague tenement.

We have acquired the uranium rights at Lake Teague from Gemstar Diamonds and have acquired the uranium rights at Marla from Newmont. The Tanami project was open so we pegged it,” Mr. Sullivan said

We have put these areas together in less than six months, but we believe our drilling budgets are realistic and certainly adequate to fund the initial drilling.

The initial capital came from private investors and the investment community who are very keen on uranium. We may need to go back to the market again in a couple of years for a secondary raising when the initial results have been comprehensively assessed and analysed,” he added.

Mr Sullivan said the Company had put together a small but experienced team, “we are intending to utilise available independent consultants for much of the work,” Mr. Sullivan explained.

In the past 50 years, uranium has become one of the world’s most important energy minerals. It is more abundant than gold, silver or mercury, about the same as tin and slightly less abundant than cobalt, or lead.

The existence of uranium in Australia has been known since the 1890’s. In the 1930’s ores were mined at Radium Hill in South Australia to recover minute amounts of radium

for medical purposes. As a result, a few hundred kilograms of uranium were also obtained and used mostly to produce colours in glass and ceramics.

The first major producer of uranium in Australia was the Government owned Rum Jungle project in the Northern Territory which operated from 1954 to 1971.

As a result of extensive exploration in the late 1960's Australia began to emerge as a potential major source of uranium for the world's nuclear electricity production.

Today, Australia's share of the world's uranium resources in the low cost category is about 30%. Other countries with major uranium deposits are Canada, Kazakhstan, South Africa, Namibia, Brazil and the USA.

Mr Sullivan says it is ridiculous for Australia to have 30% of the world's resource, yet only have three mines operating.

"Uranium is now around \$US64 a pound which means the price has doubled in less than a year," he explained.

Mr Sullivan has formal qualifications as a geologist and has worked all over the east coast of Australia before moving to Delta Gold in Zimbabwe. Since 1988 Mr. Sullivan has spent considerable time in the WA Goldfields, and Central Australia.

"I have done a lot of contract work for various companies and also worked for Cogema, the French nuclear power Company which also owns and operates several uranium mines," he said.

Investment Highlights

- WA and NT focused uranium explorer
- 3 projects – 12,400 sq kilometres
- Numerous targets defined by regional radiometrics
- Experienced management and technical team

Tanami Project

- 5,900 sq kilometres in NT
- 100km strike of target unconformity plus calcrete targets
- Radiometric anomalies coincident with unconformity
- Calcrete targets also have radiometric anomalies
- Minimal uranium exploration to date

Maria Project

- 6,400 sq kilometres in NT
- New conceptual model (structurally controlled targets)

- Uranium geochem along structures
- Calcrete targets also have radiometric anomalies
- Minimal uranium exploration to date

Late Teague Project

- 100 sq kilometres in Central WA
- Radiometric anomalies down Paleo stream from known uranium occurrence
- Yeeliree style target – large tonnage target
- Limited exploration history