PERILYA

3 March 2005

Company Announcements Officer
Australian Stock Exchange
10th Floor
20 Bond Street
SYDNEY NSW 2000

Dear Sirs

EXPLORATION SUCCESS AT BROKEN HILL

Perilya advises that it has intersected **high grade** zinc mineralization at several prospects in the vicinity of the Stirling Vale Schist Zone, 10 kilometres to the west of Perilya's Broken Hill lead, zinc and silver operations.

The prospects lie within an area of 3.5 kilometres by 2.0 kilometres and are part of an under explored mineralised centre. The results demonstrate the exploration opportunity in the Broken Hill district and reinforce the potential to secure additional ore supplies to the Broken Hill operation.

Significant RAB results tabled below include:-

- Drilling at the **1130** anomaly which intersected 5 metres at 24.9 % Zn in fresh sphalerite, 25 metres below surface (reported in our December quarterly report). Follow up RAB drilling has since been completed with up-dip intercepts of 3 metres @ 18.7 % Zn and 2 metres @ 21.7 % Zn, and along strike intercepts of 4 metres @ 11.1 % Zn and 2 metres @ 11.0 % Zn.

- At **Smiths Prospect** drilling in the vicinity of a smithsonite gossan yielded sulphide intercepts of 6 metres @ 9.9 % Zn and 6 metres @ 9.5 % Zn. Results from recent drilling 50 metres along strike are pending.

- At **Sam Deeds** zinc anomalous massive sulphide was intersected 10 metres below surface, with a best intercept 13 metres @ 4.3 % Zn and 11 g/t Ag. The sulphide includes massive magnetite-pyrite-sphalerite and sub-massive pyrrhotite. Follow-up RC drilling will test the down dip position of the massive sulphide body.

- At **Henry George** drilling over 500 metres strike has yielded intercepts of 2 metres @ 17.8 % Zn, 1.3 % Pb and 60 g/t Ag and 5 metres @ 6.4 % Zn and 13 g/t Ag. Drilling on some lines has been restricted by cavities associated with gossanous quartz-gahnite lode horizons.

PERILYA LIMITED
ABN 85 009 193 695 Level 2, 31 Ventnor Avenue, West Perth, Western Australia 6005 PO Box 1787, West Perth, Western Australia 6872
Telephone: 61 8 9423 1700, Facsimile: 61 8 9423 1787, Email: perilya@wt.com.au, Website: www.perilya.com.au

Table of significant RAB results (3% Pb + Zn cut-off):

Hole	Prospect	North	East	Azi	Dip	From (m)	Interval (m)	Zn (%)	Pb (%)	Ag (ppm)
PB0538	Esmeralda	8152	2536	090	-65	51	5	5.7	-	2
PB0570	1130	9498	2361	090	-60	34	5	24.9	0.2	6
PB0572	1130	9498	2380	090	-60	20	3	18.7	0.5	27
PB0572	1130	9498	2380	090	-60	27	2	21.7	-	3
PB0574	1130	9549	2352	090	-60	25	2	11.0	-	3
PB0577	1130	9402	2340	090	-60	22	4	11.1	-	1
PB0604	Smiths	8952	2555	090	-60	34	6	9.9	-	1
PB0605	Smiths	8952	2544	090	-60	22	6	9.5	-	-
PB0621	Sam Deeds	8152	2073	270	-60	21	13	4.3	0.1	11
PB0656	Henry George	6002	3028	090	-60	39	2	17.8	1.3	65
PB0657	Henry George	6002	3038	090	-60	27	5	6.4	0.1	13

The drilling completed was angled RAB hammer drilling focused on specific soil geochemical targets, with average hole depths of 50 metres and line spacings of 50 - 100 metres. Fresh sulphide was generally intersected within 10 metres of surface and host rocks include Thackaringa to Broken Hill Group stratigraphy.

RAB drilling is ongoing. Follow-up reverse circulation drilling is planned to commence in 8 weeks time and will concentrate on drilling down dip at 1130, Smiths, Henry George and Esmerelda.

On the Broken Hill Mine Leases, Perilya's exploration programme will include reverse circulation drilling into new zinc lode targets at the North Mine, and will test targets in the vicinity of the Silver Peak Shaft on the Potosi Trend over the next 4 to 8 weeks.

Yours faithfully
PERILYA LIMITED

JOHN TRAICOS
Company Secretary