

## ASX and Media Release

19 August 2008

### Excellent New Copper and Cobalt Intercepts and Metallurgical Testwork Results at Mount Oxide

Perilya Limited (ASX: PEM) is pleased to announce continued exploration success from drilling at the Mount Oxide copper and cobalt project in the Mt Isa region in Queensland.

Following the company's ASX release yesterday, a further follow-up hole at depth has also intersected additional high grade zones and continues to confirm the geological model for the deeper mineralisation. The results from this latest drill hole MOXD105 include:

- 8m at 0.9 % copper and 0.12 % cobalt from 256m,
- 13m at 3.2 % copper from 280m,
- 13m at 3.8 % copper from 297m,
- 16m at 5.4 % copper and 49 g/t of silver from 329m.

MOXD105 was drilled approximately 90 metres south of drill hole MOXD089 and 50 metres south of MOXD104, which previously announced included, 23m at 8.9% copper from 395m and 12m at 15.3% copper respectively.

Initial metallurgical testwork shows excellent preliminary flotation recoveries for a range of economic grade samples tested of :

- Copper            90 %
- Cobalt            50-60%
- Silver            75%

Perilya's Executive Chairman, Patrick O'Connor, said these additional results of 16m at 5.4% copper from 329m, were further confirmation of the continuity and the higher grades of copper and silver being reported at depth.

In addition, significant cobalt intercepts have been reported in this years drilling which do not correlate directly with the copper zones. Using a 0.1% cobalt cut-off intercepts have included up to 48m at 0.36% cobalt from 149m and 20m at 0.34% cobalt from 259m, which are considered to add significant value to the project.

"The recent results especially with the excellent flotation recoveries reported, provide Perilya with a growing level of confidence on the potential of the Mount Oxide copper and cobalt project and are important for the commercialisation of a stand-alone operation," he added.

A program of diamond drilling is continuing to target extensional mineralisation to the north and at depth of the current Mount Oxide resource. In conjunction with this a commercialisation process is underway with a number of interested parties who have expressed an interest in the further development of the project.

#### For further information:

**Investors:** Patrick O'Connor  
Executive Chairman

**Media:** Darryl Edwards  
Company Secretary

**Phone:** +61 8 6210 2000

## Mount Oxide Copper and Cobalt Project - Drill Program and Results

Drill hole MOXD105 was targeted to investigate continuity around recently released high grade intercepts from MOXD089 (which included 23m at 8.9% copper from 395m) and to understand the geology and plunge of mineralisation. The hole was drilled immediately south of the MOXD089 intercepts within approximately 90m and has intersected a long interval with a number of high grade copper zones (Figures 1 and 2).

The mineralised sediments with coarse chalcocite and bornite mineralisation correlate well with the other intercepts in the area. Higher grade silver is also noted in these deeper zone. The intercepts are interpreted to be oblique to the mineralisation and interpreted to be at least 60% of true thickness.

The significant intercepts from MOXD105 include (Table 1):

- 8m at 0.9 % copper and 0.12 % cobalt from 256m,
- 13m at 3.2 % copper from 280m,
- 13m at 3.8 % copper from 297m,
- 16m at 5.4 % copper and 49 g/t of silver from 329m.

These results from MOXD 105 follow the recent release of results from MOXD104 (on 18 August 2008), which included 12m at 15.3 % copper and are further confirmation of the continuity and the higher grades of silver being reported at depth.

Details on the results of MODX89 were announced to the ASX on 5 June 2008 and details of MODX104 were announced to the ASX on 18 August 2008.

A number of significant zones of cobalt mineralisation are noted which do not directly correlate with the high grade copper zones. The distribution of the cobalt is spatially associated but distinct to the higher grade copper. A number of long intervals of very significant cobalt have been reported. Intersections based on a 0.1 % cobalt cut-off have included (Table 2):

- MOXD 87            17m at 0.37 % cobalt and 0.1 % copper from 152m,
- MOXD 88            36m at 0.23 % cobalt and 1.0 % copper from 187m,
- MOXD 89            20m at 0.34 % cobalt and 6.4 % copper from 259m,
- MOXD 91            48m at 0.36 % cobalt and 1.0 % copper from 149m,
- MOXD 93            22m at 0.26 % cobalt and 1.0 % copper from 79m,

Detailed assessment of these cobalt rich zones is underway and will be incorporated into a new resource calculation when the current drilling program has been completed. These values are considered especially important for the commercialisation of a stand-alone operation.

## Mount Oxide Copper and Cobalt Project – Preliminary Metallurgical Testwork

Initial metallurgical testwork conducted by AMMTEC indicates favourable recoveries of

- Copper            90 %
- Cobalt            50-60%
- Silver            75%

for a range of economic grade samples tested:

Figure 1. Mt Oxide Resource Drill Section 70700Mn, looking north with resource model and MOXD105 drill holes.

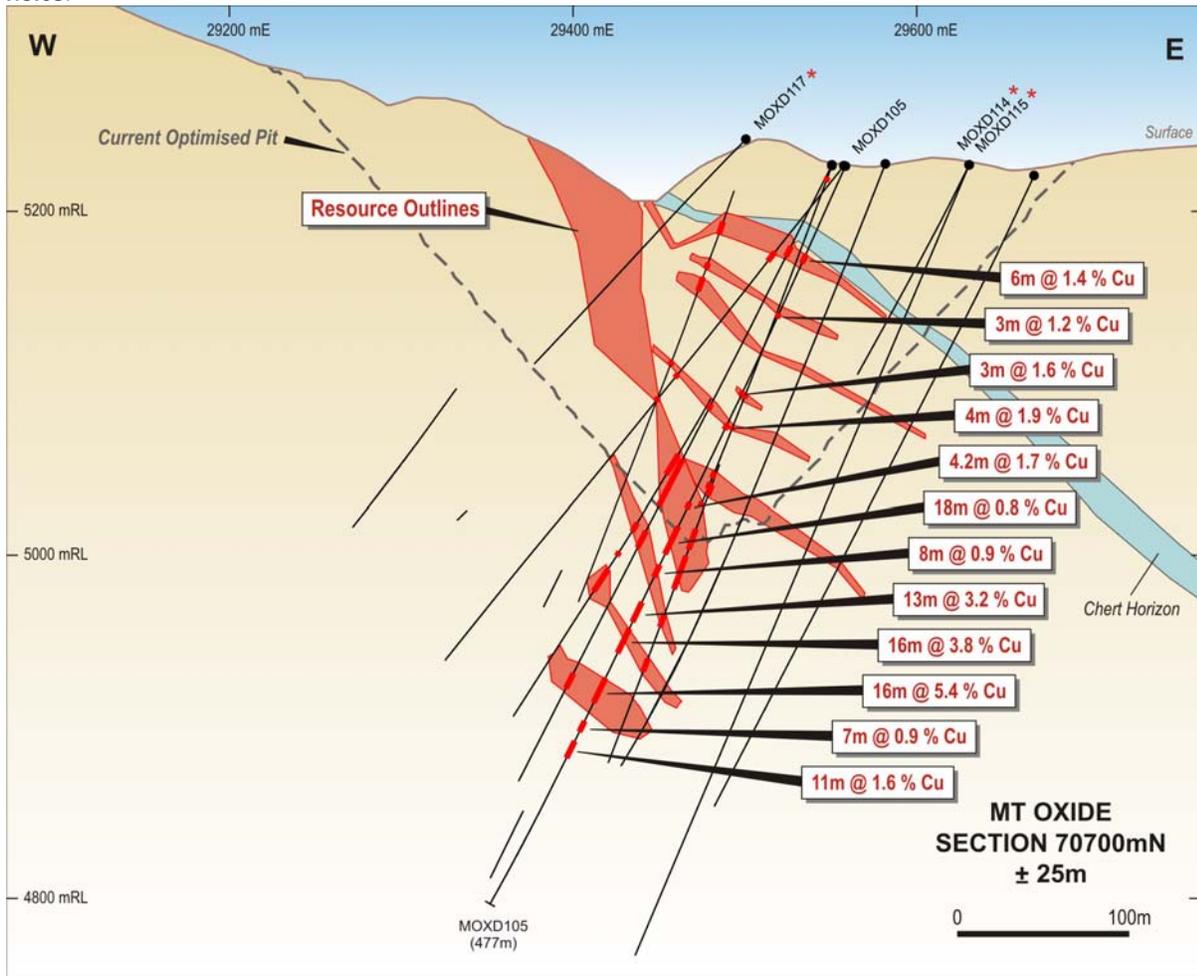
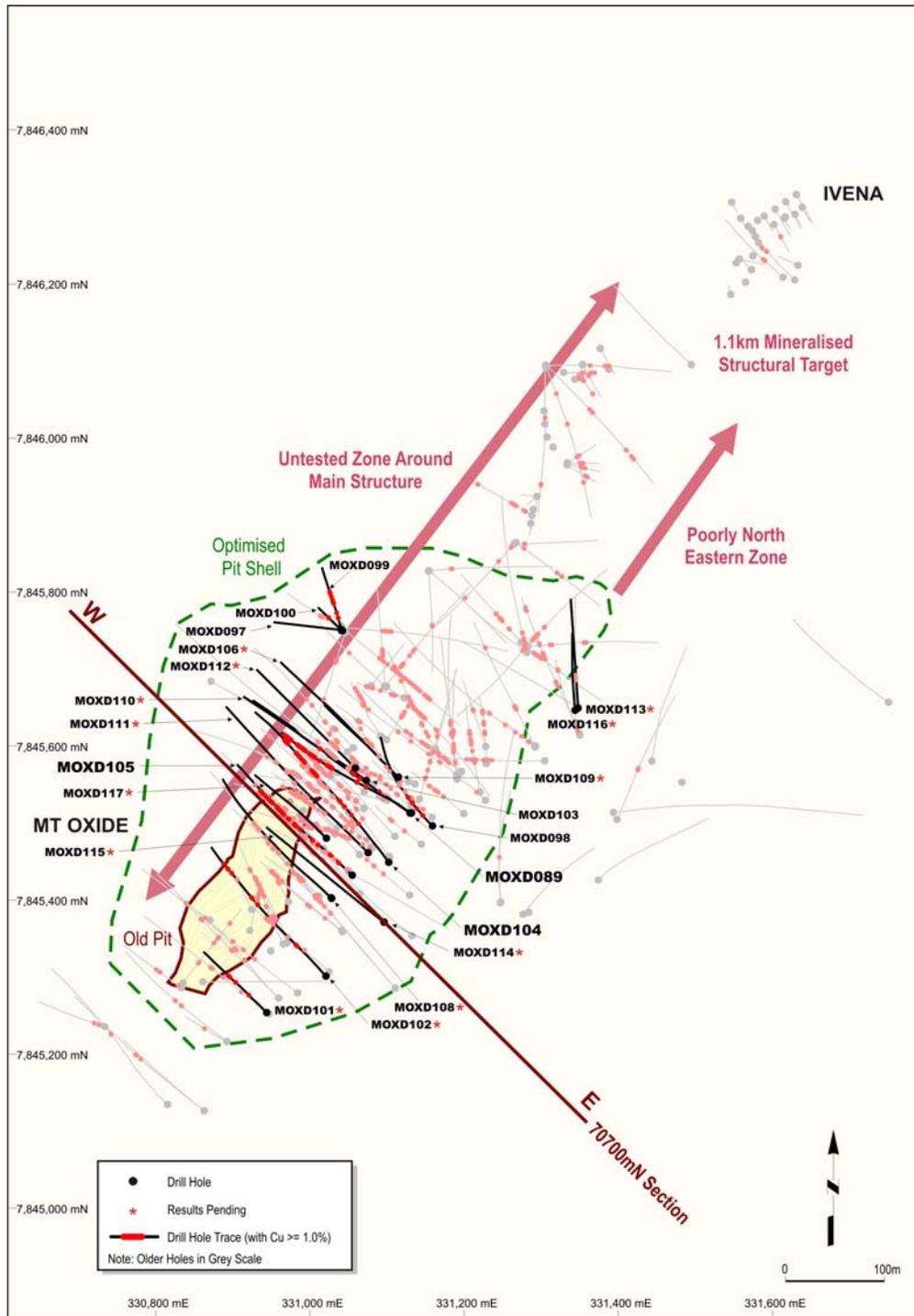


Figure 2. Location Plan of drill holes at Mount Oxide deposit with new holes reported.



**Table 1. Mount Oxide Drill Results, 0.5 % Copper (“Cu”) cut off, Maximum Internal Dilution 2m, >3 m%**

Hole ID	Northing	Easting	Azi	Dip	From (m)	To (m)	Interval (m)	Cu (%)	Ag (ppm)	Co (ppm)
MOXD105	7845448	331053	263	-66	56	62	6	1.4	5	108
					94	97	3	1.2	7	60
					144	147	3	1.6	11	140
					165	169	4	1.9	20	211
					215.8	220	4.2	1.7	19	945
					231	249	18	0.8	9	746
					256	264	8	0.9	10	1154
					280	293	13	3.2	35	127
					297	313	16	3.8	38	58
					329	345	16	5.4	49	126
					357	364	7	0.9	13	121
					370	381	11	1.6	17	180

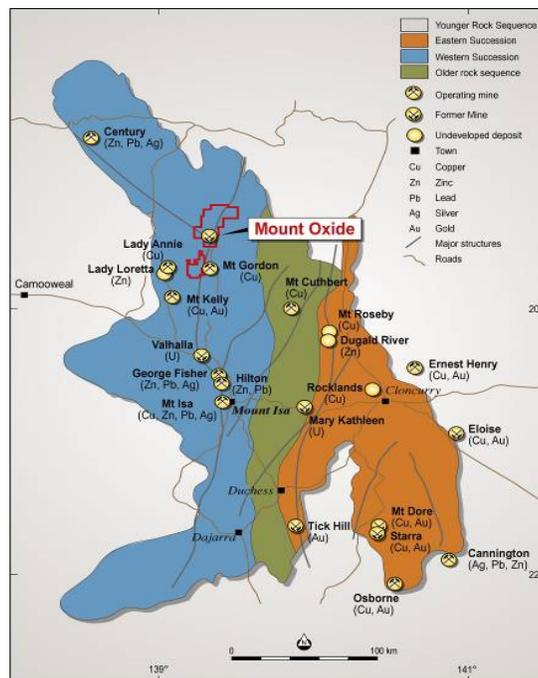
**Table 2. Mount Oxide Drill Results, 0.1 % Cobalt (“Co”) cut off, Maximum Internal Dilution 2m,**

Hole ID	Northing	Easting	Azi	Dip	From (m)	To (m)	Interval (m)	Co (%)	Ag (ppm)	Cu (%)	Comment
MOXD087	7845508	331207	-68	260	152	169	17	0.37	3	0.1	
MOXD088	7845528	331232	-68	304	145	160	15	0.21	3	0.1	
					163	183	20	0.18	6	0.8	
					187	223	36	0.23	4	1.0	
MOXD089	7845515	331128	-63	253	259	279	20	0.34	56	6.4	
MOXD090	7845596	331287	-52	287	97	103	6	0.18	2	0.1	
MOXD091	7845581	331313	-60	218	128	132	4	0.14	3	0.1	
					135	145	10	0.17	5	0.5	
					149	197	48	0.36	8	1.0	
MOXD093	7845616	331318	-46	278	79	101	22	0.26	7	1.0	
MOXD095	7845616	331318	-67	290	14	18	4	0.77	2	0.6 Oxide	
					101.9	109.3	7.4	0.15	2	0.2	
					114.3	120.8	6.5	0.14	2	0.0	
MOXD100	7845742	331041	-73	268	78	97	19	0.2	4	0.4	
					101	106	5	0.1	4	0.1	
MOXD105	7845448	331053	-66	263	218	222	4	0.11	6	0.4	
					255	262	7	0.13	10	0.9	

## Background to the Mount Oxide Project (100% owned)

The Mount Oxide project is located in the Mount Isa region Western Succession that includes several major sediment hosted breccia copper deposits. The deposit was intermittently mined between 1920 and 1971 by way of a small open pit and underground operation. The project lies 25 kilometres north of the existing Mount Gordon mine operated by Aditya Birla Minerals Limited.

The deposit is a chalcocite dominated system associated with strong silica-hematite alteration and copper mineralisation developed on the margins of the hematite core. The mineralisation is hosted in a sedimentary package associated with a strong structural control along the northeast trending Mount Oxide fault and associated cross cutting faults.



## Competent Person Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr. Bruce G.D. Hooper who is a full-time employee of the company and is a member of the Australian Institute of Geoscientists. Bruce Hooper has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Bruce Hooper consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## Background to Perilya

Perilya Limited is an ASX 200 Australian base metals mining and exploration company. Perilya is investing in the development of its three major projects located in the Broken Hill, Mt Isa and Flinders regions as well as exploration in the surrounding tenements.

For more details, visit [www.perilya.com.au](http://www.perilya.com.au)