

14 November 2013

Key Chinese Approval for Zhongjin Lingnan's Proposed cash offer to acquire Perilya for \$0.35/share

Base & precious metals miner, Perilya Limited ("**Perilya**") (ASX code: PEM), advises that the proposed Scheme of Arrangement whereby Zhongjin Lingnan (HK) Company Limited ("**Zhongjin Lingnan**"), a wholly owned subsidiary of Shenzhen Zhongjin Lingnan Nonfemet Co Ltd, has offered to acquire the balance of the ordinary shares in Perilya that it does not already own by way of Court approved Scheme of Arrangement for A\$0.35 per share ("**Scheme**") has been approved by the Guangdong Development and Reform Commission of the People's Republic of China ("**GDRC**").

As announced by Perilya on 4 September 2013 and as set out in clause 4.6 of the Scheme Booklet, GDRC approval was included as condition to the Scheme in the Scheme Implementation Agreement between Perilya and Zhongjin Lingnan.

Zhongjin Lingnan has advised Perilya that it has today received notice from GDRC that it approves the Scheme.

The GDRC approval is the principal Chinese regulatory approval required for the Scheme and is a pre-requisite for both the remaining Chinese regulatory approvals, being the approval of the State Administration of Foreign Exchange and the approval of the Ministry of Commerce of the People's Republic of China.

On Thursday, 31 October 2013, the Scheme Booklet and personalised Proxy Form were mailed to all non-Zhongjin Lingnan associated Perilya Shareholders ("**Participating Shareholders**").

The Scheme Booklet explains the terms of the Scheme and the manner in which the Scheme will be considered and implemented (if approved) and contains, amongst other things, a Notice of Scheme Meeting and an Independent Expert's Report prepared by Ernst & Young Transaction Advisory Services Pty Ltd ("**EY**").

EY has concluded that the Scheme is fair and reasonable and in the best interests of Participating Shareholders, in the absence of a superior proposal. The Independent Expert's Report is included as **Annexure A** to the Scheme Booklet.

The non-Zhongjin Lingnan associated Independent Directors (Paul Arndt, Patrick O'Connor and Anna Liscia) ("**Independent Directors**") continue to unanimously support the proposal and recommend that Perilya shareholders vote in favour of the Scheme, and intend to vote, or cause the voting of any shares in which they have a relevant interest, in favour of the Scheme, in each case in the absence of a superior proposal for Perilya.

The full reasons for this recommendation are set out in the Scheme Booklet.

Perilya Shareholders should carefully read the Scheme Booklet in its entirety and the materials accompanying it before deciding whether or not to vote in favour of the Scheme.

PERILYA SHAREHOLDER COMMUNICATION LINE

If shareholders have any questions about the Scheme or the Scheme Meeting, they should contact the Perilya Shareholder Communication Line:

- in Australia by telephone on 1300 729 381 (toll free); or
 - outside of Australia by telephone on +61 3 9946 4462,
- or consult their legal, investment, taxation or other professional adviser.

Yours faithfully



Paul Marinko
Company Secretary

For further information:

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About Perilya

Perilya is an Australian base and precious metals mining and exploration company, which owns and operates the iconic Broken Hill zinc, lead, silver mine in NSW Australia and, with the successful takeover of GlobeStar Mining Corporation in December 2010, the Cerro de Maimón copper, gold & silver mine in the Dominican Republic. The Company's operations at the Broken Hill mine went through a resizing in 2008 which has resulted in significant improvement in productivity, profitability and cashflows resulting in an extension to the life of mine to approximately 10 years.

In addition to its mining operations, the Company has an active exploration and development program which includes exploration and development programs in the Broken Hill region NSW Australia and in the Flinders region of South Australia in the vicinity of its Beltana zinc silicate project. The Company also has extensive exploration programs underway on its Dominican Republic mining and exploration concessions that include a laterite nickel project and highly prospective copper, gold & silver targets near its Cerro de Maimón mine.

The Company is reviewing options for the development of the Mount Oxide Copper Project in the Mount Isa region in Queensland. In addition, the Company has a 60% interest in the Moblan lithium project located in Quebec, Canada, which is currently undergoing a development study (the remaining 40% is held by SOQUEM, which is an investment company owned by the Quebec Government in Canada).

Perilya is owned 53.37% by Shenzhen Zhongjin Lingnan Nonfermet Co. Ltd, China's third largest zinc producer.

For more details, visit www.perilya.com.au

About Zhongjin Lingnan

Shenzhen Zhongjin Lingnan Nonfermet Company Limited (Zhongjin Lingnan) is a publicly listed company that specializes in the production of non-ferrous metals. As a listed company, Zhongjin Lingnan undertakes cross-industry and cross-region operations that include mining, processing, smelting, manufacturing and R&D. Zhongjin Lingnan is listed on the Shenzhen Stock Exchange (Ticker: 000060) and, as of 1 September 2013, has a market capitalisation of approximately RMB15.12 billion (A\$2.76 billion). Based in Shenzhen, Zhongjin Lingnan has a production base at Shaoguan, a city in the north of Guangdong.

In 2002, Zhongjin Lingnan was ranked among top 500 Chinese businesses for the first time. As one of the top 100 businesses in Shenzhen and Guangdong, the company was listed as an SSE 100 Index constituent stock in the same year. Since then, in recognition of its active role in high-tech operations in Guangdong, Zhongjin Lingnan has been awarded a string of honours as a tax-payer and exporter with significant contribution to the local economy.

Zhongjin Lingnan product portfolio includes fine lead ore, fine zinc ore, mixed lead/zinc ore, fine sulfur ore, electrolytic lead, fine zinc, silver, fine cadmium, germanium ingots, germanium dioxide, indium ingots, sulfuric acid, zinc sulfate, section aluminum, curtain walls, steel stripes, nickel hydroxide, zinc powder for batteries, and fibrous nickel powder, which span over 30 categories. The company offers products up to the international quality standards. Zhongjin Lingnan has obtained LME certifications for its electrolytic lead and fine zinc and LBMA certification for silver. A large number of production facilities in the company reach the ISO9000 standard. Zhongjin Lingnan is highly recognized both at home and abroad.

Zhongjin Lingnan's main activities comprise mining and smelting operations. Its key operations are the Shaoguan and Danxia Smelters and the Fankou lead & zinc mine. The Fankou mine is one of the lowest cost underground lead zinc mines in the world and has over 20 years of mine life remaining