

ASX and Media Release

29 April 2010

NEW MOUNT OXIDE COPPER DRILLING PROGRAM AND STUDY

Perilya Limited (ASX: PEM) is pleased to announce that following on from the successful rights issue to raise funds to progress exploration and development of the Company's internal projects, the Board has approved funding for a resource definition drilling program and study on the Mt Oxide resource. The purpose of the study and drilling program is to enable the Company to make a development decision on the Mt Oxide Copper Project by the end of the calendar year.

The Company is also pleased to announce the appointment of Dr Peter Trout to head up the Mt Oxide study. Dr Trout was previously General Manager PNG for Newcrest Mining, where his role included acting as Newcrest's representative on the Morobe Mining Joint Venture with Harmony Gold.

The new resource definition drilling program will commence in May to upgrade the existing Inferred and Indicated Resource to Measured status where appropriate. The program will include at least 13,000 metres of diamond and RC drilling. Additional drilling will be undertaken for environmental, geotechnical and metallurgical test work to support the study.

The Mount Oxide mineral resource estimate currently comprises 17.9 million tonnes at an average grade of 1.3% copper for 224,000 tonnes of contained copper. This resource is to a vertical depth of only 450 metres. The mineral resource also includes 0.06% cobalt (9,400 tonnes of contained cobalt) and 10g/tonne of silver (5,700,000oz of contained silver) (refer table below). Importantly, the larger part of the mineral resource (63%) is in the Indicated Mineral Resource category.

Mount Oxide Mineral Resource Estimate at 0.2 % Cu cut off

Classification	M Tonnes	Cu %	Co %	Ag g/t	Contained Copper (t)	Contained Cobalt (t)	Contained Silver (Ounces)
Measured	-	-	-	-	-	-	-
Indicated	10.1	1.4	0.06	12	142,000	5,600	3,900,000
Inferred	7.9	1.0	0.05	8	80,000	3,800	1,800,000
Stockpiles (Inferred)	0.3	0.7	-	-	2,000	-	-
Total	17.9	1.3	0.05	10	224,000	9,400	5,700,000

Note: Totals may not sum correctly due to rounding.

Drill results to date include a number of significant high grade copper intersections at depth, which have not been closed off and these provide significant encouragement for the continuity of higher grades of copper and silver at depth demonstrating potential for additional resource and reserve growth in the future.

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Perilya's Managing Director, Paul Arndt, said that "Perilya is excited by the potential development of this quality resource in a strong copper market."

"Dr Trout brings a wealth of experience in underground and open pit mining and project management making him the ideal appointment to progress the Mt Oxide project for the Company. We are therefore delighted that Dr Trout has agreed to join the Perilya team to head up the Mt Oxide study."

"The Mount Oxide Copper Project is an exciting project and one which continues to show significant potential for copper mineralisation with a number of high grade copper zones still open at depth and along strike. Significant cobalt and silver resources also have the potential to add additional value to the project."

He added that, "This decision by the Board reflects the part utilisation of funds raised in the Company's recent rights issue completed in late December 2009."

For further information:

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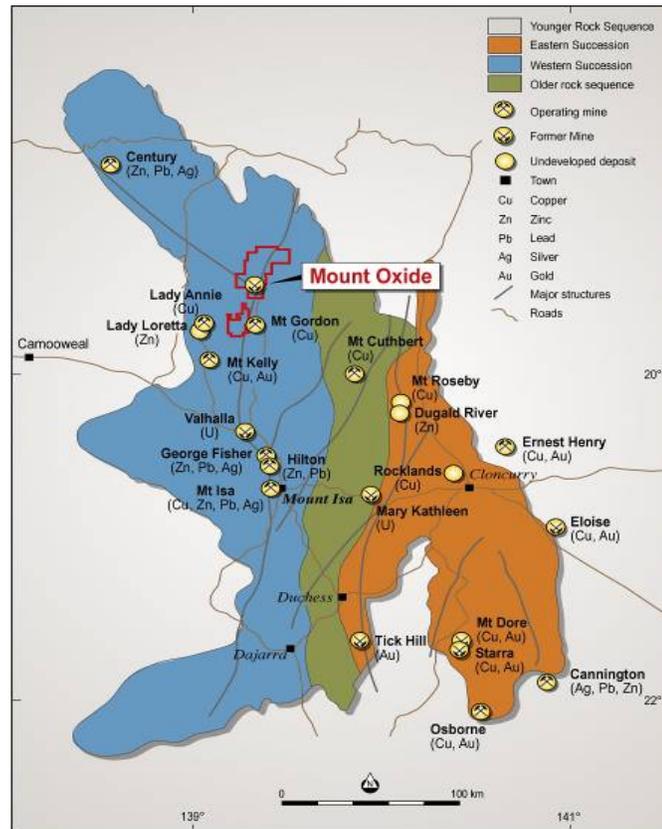
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Mount Oxide Copper Project (100%)

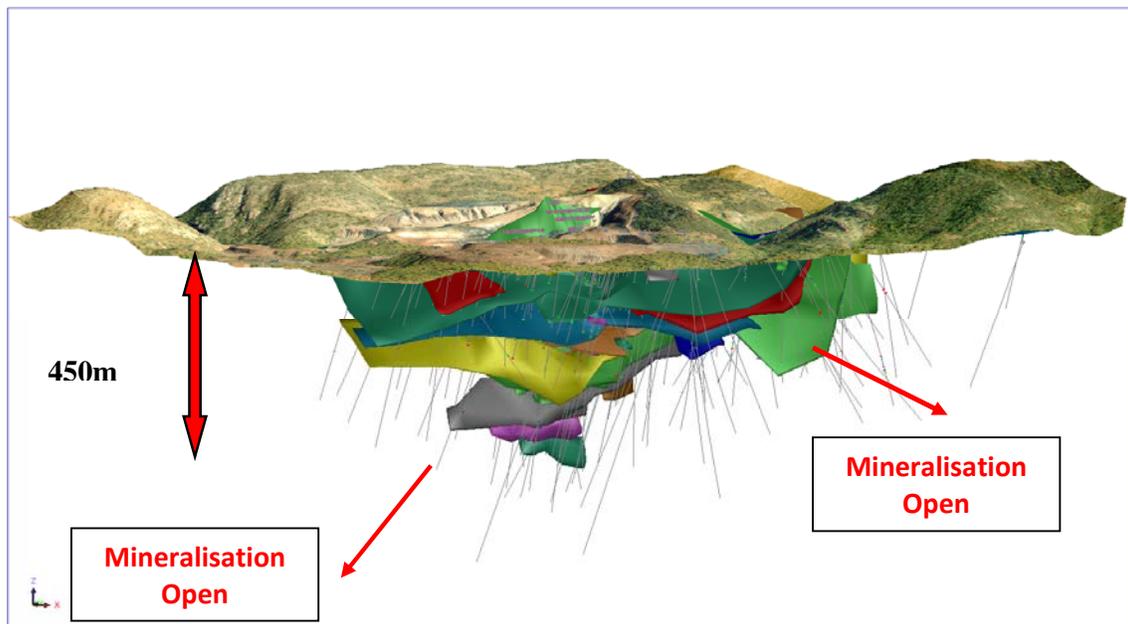
Figure 1: Mount Oxide Project – in the Mt Isa Region in QLD

The Mount Oxide Copper Project comprises 795 km² of tenements and is located in the Mount Isa region in northern Queensland and within the Western Succession area that includes several major sediment hosted breccia copper deposits. The Mount Oxide deposit was intermittently mined between 1920 and 1971 by way of a small open pit and underground operation (Figure 1). The project lies 25 kilometres north of the existing Mount Gordon mine operated by Aditya Birla 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.

Figure 2: Mount Oxide Resource model (looking west) demonstrating the potential to the North and at depth



Attribution Statement:

The information in this report that relates to mineral resources is based on information compiled by Mr. Martin Jones who was a full-time employee of Perilya Limited and is a member of the Australian Institute of Mining and Metallurgy. Mr. Jones 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'. Mr. Jones consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

About Perilya

Perilya Limited is an Australian base metals mining and exploration company. Perilya is the operator of the Broken Hill zinc, lead, silver mine in NSW and the Flinders zinc silicate project in South Australia.

The Company's operations at the iconic Broken Hill mine have recently been resized in a bid to improve productivity and to ensure operations are sustainable in the event of a prolonged period of low metal prices.

The Company continues to sell zinc silicate from its Beltana stockpiles in South Australia and evaluating development of nearby deposits including the Reliance deposit.

The Company is reviewing options for the development of the Mount Oxide Copper and Cobalt Project in the Mount Isa region in Queensland.

Perilya is owned 52% by Shenzhen Zhongjin Lingnan Nonfemet Co. Ltd, (China's third largest zinc producer).

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