

ASX and Media Release

22 July 2008

Perilya and CBH terminate Merger Implementation Deed

Perilya Limited (ASX: PEM) today announced that it and CBH Resources Limited (ASX: CBH) have mutually agreed to terminate the 25 March 2008 Merger Implementation Deed. Rather than incur legal costs and consume resources in a dispute over payment of the \$2 million break fee, Perilya and CBH have agreed to share equally the independent experts' costs incurred in preparing the merger for CBH shareholders and CBH noteholders consideration and to each bear their internal costs of the merger.

For further information:

Investors: Patrick O'Connor
Executive Chairman

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Company Secretary

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Background to Perilya

Perilya Limited is an ASX 200 Australian base metals mining and exploration company. Perilya is operator of the Broken Hill zinc, lead, silver mine in NSW and developing the Mount Oxide Cooper Project in Mt Isa, Queensland and the Flinders zinc silicate project in South Australia.

The company's operations at the iconic Broken Hill mine include the Southern Operations and Northern operations, which include an exploration decline at Potosi. The company is also evaluating the development of an open mine at the Flying Doctor deposit and conducting exploration within a ten kilometre radius of the concentrator.

The company has continued to deliver increased metal production and stability at Broken Hill in line with market guidance and delivered a June quarter increase of approximately 20% in metal production compared to the previous quarter.

The company is also targeting early development of its 203,000 tonne Mount Oxide (contained metal) copper project in the Mt Isa region in Queensland.

The company is also investing in the development of the Flinders zinc silicate project in South Australia, with approximately 90,000 tonnes of contained zinc stockpiled from its Beltana deposit and evaluating development of nearby deposits including the Reliance deposit.

Perilya has a strong balance sheet with low debt levels.

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