

Positioning for the Future

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perilya



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References to "Perilya" or "company" references to Perilya Limited (ABN 85 009 193 695) or its applicable subsidiaries.

Attribution Statement

The information in this report that relates to mineral resources and reserves is based on information compiled by Mr Noel Carroll who was a full-time employee of Perilya Broken Hill Limited and is a member of the Australian Institute of Geoscientists. Mr Carroll 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 Carroll consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Introduction

- Paul Arndt, CEO and Managing Director
- Fly-over of Broken Hill asset
- Positioning Perilya for the Future

Positioning for the Future

The Basics

- Experienced operators
- Quality asset portfolio
- Optimised productivity
- Re-sized Broken Hill

Building a new foundation

- Ensuring that the basics are sustainable
- Positioned to respond to market changes
- Strategic partnership with Zhongjin
- Well funded with a powerful partner

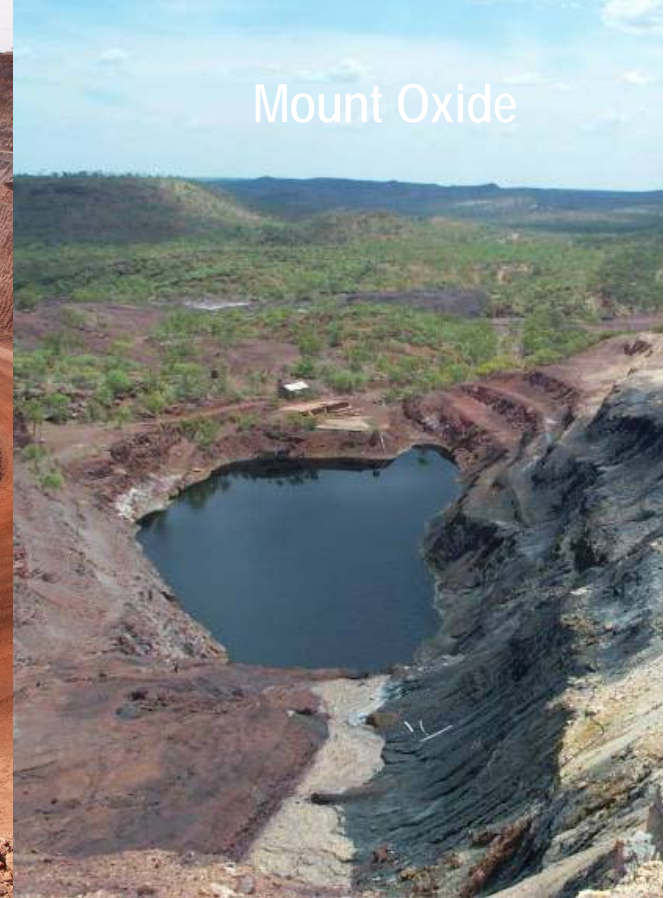
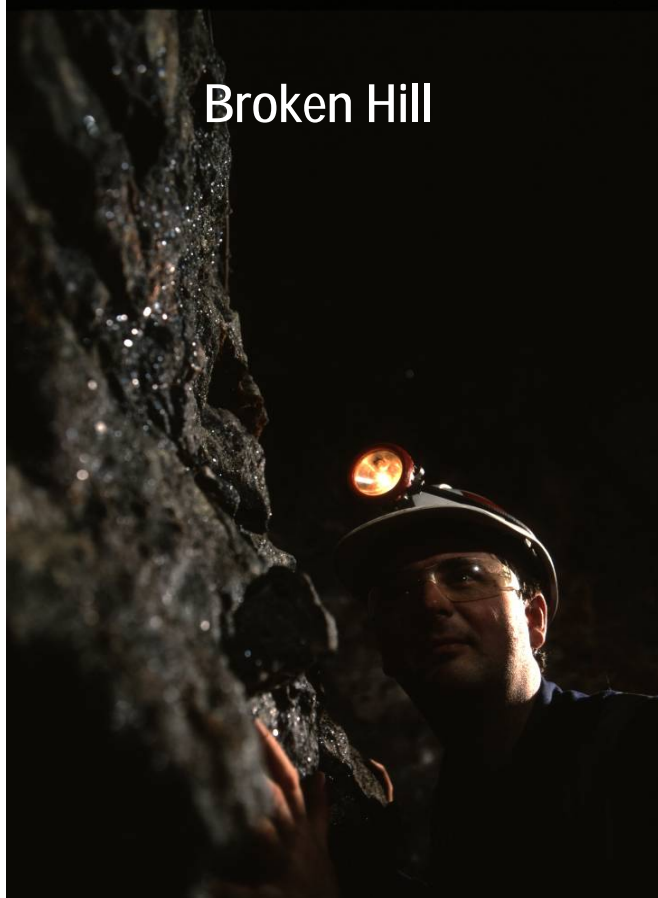
Create the future

- Organic optionality maintained
- Pursuit of growth opportunities in current market
- Focus on long-term sustainability and shareholder value

The Basics

positioning our key assets

Positioning our zinc, lead and copper assets for the future



Basics

Building the
Foundation

Create the Future



The Basics

➤ Experienced Operators

- Long history of mining in Broken Hill

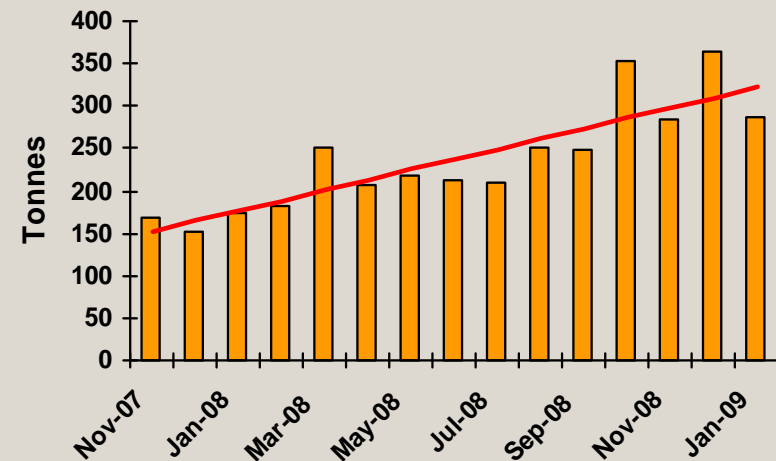
➤ Quality Assets

- **Broken Hill** - a solid foundation with 2.8Mtpa concentrator
- **Mount Oxide** - potential low cost copper project
- **Flinders** - optionality
- Holding low cost add-ons that can be fast tracked into production

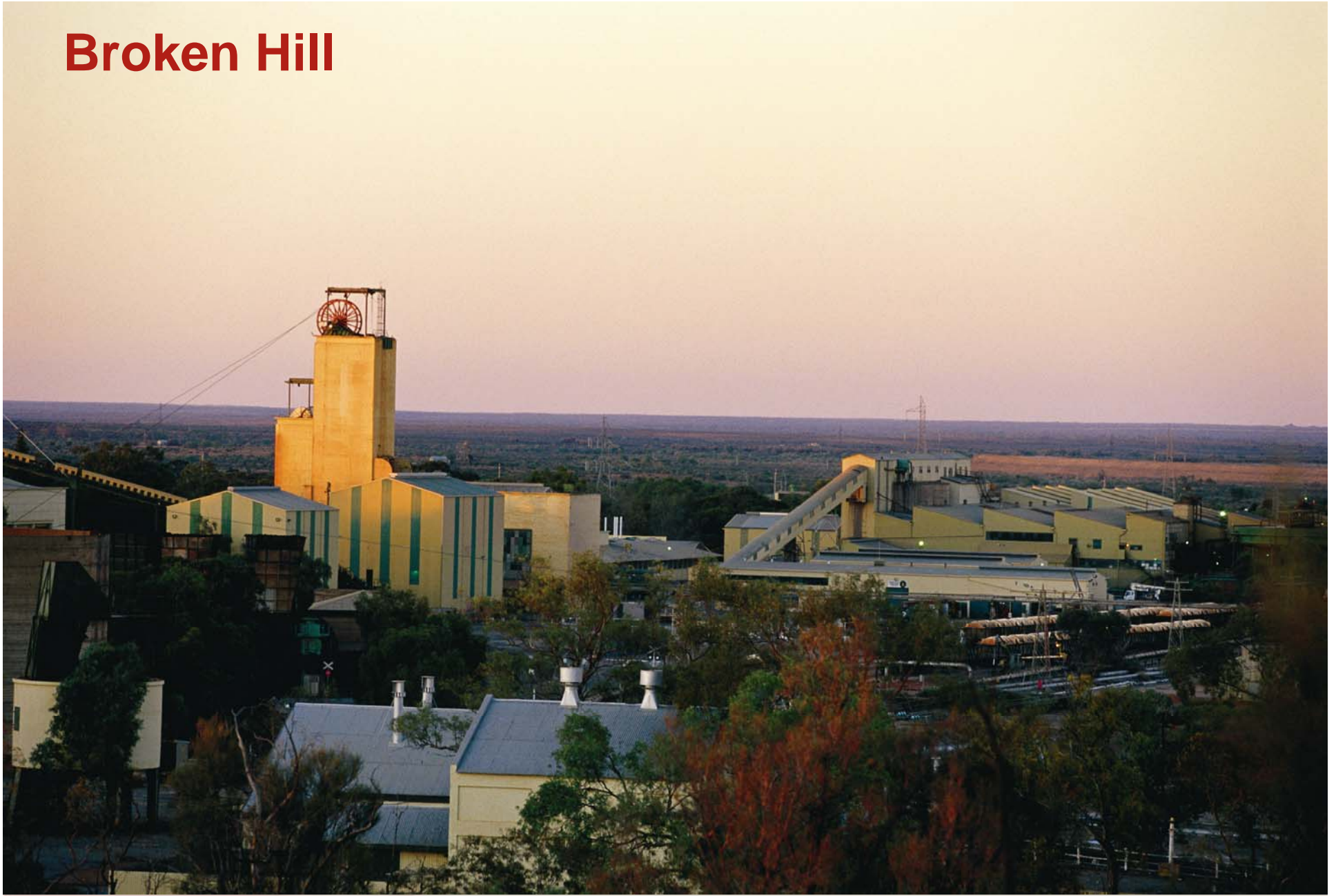
➤ Optimised Productivity

- Optimising and getting control of our base position

Tonnes Hoisted Per Employee



Broken Hill



Basics

Building the
Foundation

Create the Future



The Basics

new operating plan implemented successfully

- Broken Hill Operation re-sized on September 2008
- Reduced throughput to 950ktpa; to produce 55ktpa zinc, 50ktpa lead and 1Moz Ag
- Manpower levels retained at ~ 350 (from 760)
- Reducing fixed costs to re-position significantly down the cost curve
- Focus on improving productivity
- Revised plan is not "high grading"
- Care & maintenance - North Mine & Potosi
- Future proof to build back development as productivity allows

Responsive to market conditions

Broken Hill 2.8MT CONCENTRATOR



Basics

Building the
Foundation

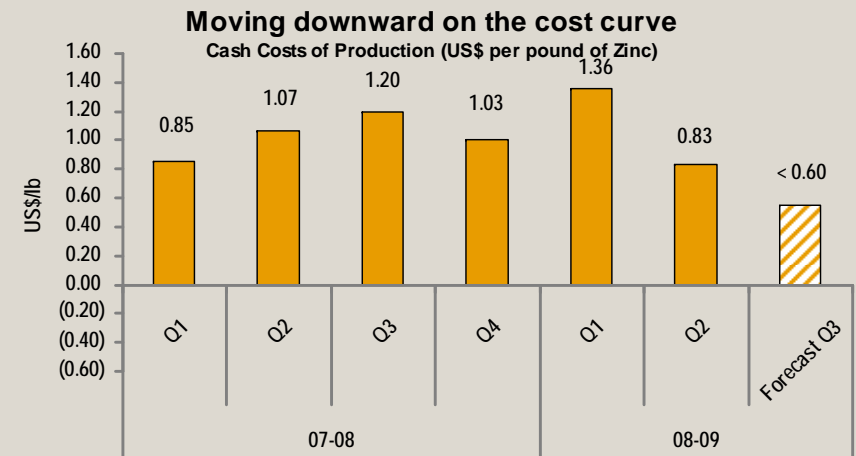
Create the Future



Building the Foundation

ensuring the basics are sustainable

- Safety
 - No lost time injuries under the new operating plan
- Significant improvement in operational reliability and predictability
 - Production targets at, or above, every quarter
 - Productivity improvements of over 100% in key mining activities
 - Key indicators above plan
- Cost focus
 - Significantly reduced historical cost base
 - Ongoing cost improvement
 - Re-positioning downward on the industry cost curve
 - January 2009 – C1 net cash costs <US\$0.60 per pound of zinc (June 2008: US\$1.03)
 - Capital & development reduced to ~A\$8Mpa (<US\$0.05/lb)



Building the Foundation positioned to respond to market changes

➤ Ore Reserves

- 10.0Mt @ 10.6% Zn/Pb
- 8 to 9 years with a long history of replacement
(based on US\$0.65/lb Zn and Pb and AUD/USD rate of A\$0.72)

➤ Mineral Resources

- 19.3Mt @16.7% Zn/Pb
- Substantial Resource base for potential conversion to Reserves at a later date

➤ Mine Planning

- Supported by mine plan and improved performance
- Independent review of Ore Reserve and mine plan for Southern Operations

➤ Holding add-ons

- North Mine, Potosi, Flying Doctor & the Pinnacles region
- That can be fast tracked into production
- Low capital cost

Ore Reserves – Broken Hill

| Classification | Tonnes ('000) | Zn % | Pb % | Ag g/t | Contained zinc (kt) | Contained lead (kt) | Contained Silver (koz) |
|----------------|---------------|------------|------------|-------------|---------------------|---------------------|------------------------|
| Measured | 5,834 | 6.9 | 5.4 | 54.3 | 403 | 315 | 10,186 |
| Indicated | 4,188 | 5.1 | 3.3 | 36.1 | 209 | 138 | 4,861 |
| Total | 10,022 | 6.1 | 4.5 | 46.7 | 612 | 453 | 15,047 |

Mineral Resources – Broken Hill

| Classification | Tonnes ('000) | Zn % | Pb % | Ag g/t | Contained zinc (kt) | Contained lead (kt) | Contained Silver (koz) |
|----------------|---------------|------------|------------|-------------|---------------------|---------------------|------------------------|
| Measured | 7,975 | 10.1 | 9.2 | 111.8 | 805 | 734 | 28,669 |
| Indicated | 5,287 | 9.0 | 7.6 | 99.9 | 476 | 402 | 16,983 |
| Inferred | 6,065 | 8.7 | 4.4 | 56 | 528 | 273 | 10,940 |
| Total | 19,362 | 9.4 | 7.3 | 90.8 | 1,809 | 1,408 | 56,592 |

Building the Foundation

pioneering strategic alliance with Zhongjin Lingnan

- Strategic partnership with Zhongjin investing A\$45.5m for 50.1%
- Third largest zinc producer in China with a mkt cap of \$A2.3B
- Introduces a well funded and strategic partner that delivers
 - Industry experience in mining, processing, smelting and marketing
 - Potential for future off-take agreements
 - Opportunities for synergies
- Balance sheet strength and resilience in uncertain economic times
- Secures a platform for future growth

A partnership for the long-term

Building the Foundation

Zhongjin pathway

- The selection pathway
 - Defended hostile & opportunistic takeover by CBH (all-scrip bid)
 - Identified various alternatives, predominately Chinese parties
 - Considered other capital management initiatives
- Zhongjin alliance
 - Established binding agreement within 2 week timeframe
 - All relevant Chinese approvals within 2 weeks of agreement
 - FIRB approvals followed ~7 weeks later; no conditions & up to 52% control
 - Early example of FIRB approval re-control

Broken Hill – aerial view looking SW

Pinnacles

Southern
Operations

Line of Lode

North Mine

Create the Future

organic growth & optionality

- Perilya has positioned its portfolio of assets
 - Broken Hill – optimised with a number of low capital cost add-ons
 - Mount Oxide – potential low cost copper project
 - Flinders – optionality and stockpiles 66kt zinc on the ground
- Created a new foundation for the long-term sustainability of Broken Hill
- Perilya has optionality and leverage to metal price

Positioning for the growth

Create the Future

pursuit of growth opportunities

- Growth opportunities in the current environment
- Zhongjin is a strong and well funded partner and signalling a desire for acquisitions
- Focus on long-term sustainability and shareholder value

Well placed to take advantage of opportunities

Summary

- Assets and operations are now focussed on sustainable production over the long-term
- Perilya has recapitalised and is well funded, with no corporate debt
- Zhongjin's investment is clear vote of confidence in Perilya's strength, assets and management
- Zhongjin's industry expertise makes it an excellent partner
- Synergies will be derived by Perilya and Zhongjin
- Flexibility for strategic growth in the future (internal and by acquisition)

Positioning for the Future

Thank you