

Quarterly Activities Report

for the three months ended 31 December 2010

HIGHLIGHTS

During the quarter, Perilya successfully acquired 97.77% of the common shares of Globestar Mining Corporation (“**GlobeStar**”), a TSX listed company, with operating and exploration assets in the Dominican Republic and an advanced lithium project in Canada. Post end of the quarter Perilya completed the compulsory acquisition of the remaining 2.23% of the outstanding common shares of GlobeStar and as of 10 January 2011 holds 100% of the issued shares of GlobeStar. The acquisition is in line with Perilya’s growth strategy and provides diversification into copper and gold, as well as potential exposure to lithium and nickel.

Within existing operations the three months ended 31 December 2010 witnessed another quarter of continued strong performance in mine safety from the Broken Hill. The continued improvement in safety performance is demonstrated with the All Injury Frequency Rate dropping to 17.2 (compared with 27.5 at the corresponding time last year).

The quarter also saw Perilya receive development approval from the Broken Hill City Council for its Potosi/Silver Peak mine development in Broken Hill. It is anticipated that the project will go to Perilya’s Board for a development decision during the March 2011 quarter.

C1 cash costs for the quarter is US\$0.45/lb of payable zinc, well below guidance of US\$0.50-0.55/lb of payable zinc.

Highlights for the quarter include:

Corporate

- Successful takeover of the TSX listed GlobeStar, with operating and exploration assets in the Dominican Republic, and an advanced lithium project in Canada for a consideration of CAD\$184 million.
- Closing cash balance of \$77.9 million (\$114.7 million at 30 September 2010).
- Strong focus on regional exploration activities with programs at Broken Hill, the Flinders project and an expanded drilling program at Mt Oxide supporting the development study continued during the quarter.

Broken Hill

- Net cash costs (C1) for the quarter were US\$0.45/lb of payable zinc well below market guidance of US\$0.50-US\$0.55/lb of payable zinc, despite strengthening of the Australian dollar (Quarter ended September 2010: US\$0.40/lb).
- Cash operating margin of US\$0.70/lb of payable zinc was higher than the previous quarter of US\$0.54/lb of payable zinc due to higher metal prices.
- Production levels for the quarter were slightly below market guidance with combined metal production of 28,123 tonnes of contained zinc and lead (against a guidance of 30,000 tonnes contained zinc and lead).
- Development approval received from the Broken Hill City Council for the Potosi/Silver Peak mine development.
- Exploration programme around the North mine, both from surface and underground directed at potential development of the upper area of the North mine

- Exploration diamond drilling continued on the Southern Extensions deep EM target and is projected to intersect the central portion of the modelled plate in late January/early February 2011.
- Continued strong safety performance for the quarter with the All Injury Frequency Rate at 17.2 compared with 27.5 at the corresponding time last year.
- Drilling to further evaluate previous high-grade drill intercepts in the Potosi Far Extended area was completed with promising results.

Flinders

- Exploration drilling focussed on in-fill reverse circulation (RC) drilling around recently identified zinc silicate mineralization at the North Moolooloo prospect area. There is potential to prove up a resource from this area.
- Extensional drilling at the former Aroona Mine was also completed during the quarter aimed at increasing the remaining resource tonnage.

Mount Oxide Copper Project

- The Mt Oxide Copper Project study program continued with detailed studies, as well as the completion of metallurgical and geotechnical drill holes and further resource definition drilling being completed during the quarter.
- The Company expects to make a development decision on the Mt Oxide Copper Project in the second quarter of the 2011 calendar year

MD/CEO's COMMENTS

Over the past 12 months Perilya has been engaged in a very intensive period of merger and acquisition (“M&A”) activity with its primary focus being the acquisition of an appropriate set of assets to compliment the Broken Hill operations. This increased M&A activity culminated during the quarter with Perilya successfully completing its takeover bid for Globestar Mining Corporation (“GlobeStar”). At the close of Perilya’s offer, we had received acceptances representing 97.77% of the common shares of GlobeStar. Post end of the quarter, Perilya completed the compulsory acquisition of the remaining 2.23% of outstanding common shares of GlobeStar and has now incorporated GlobeStar (and its subsidiaries) as a wholly owned subsidiary of Perilya. GlobeStar gives Perilya an additional strongly cash accretive long life operating asset with exposure to copper and gold, as well as an exciting suite of exploration/development projects.

As we look forward from today shareholders have the prospect of:

- a new copper/gold/silver operating asset in the Dominican Republic with potential for resource upgrade and mine life extension;
- potential expansions at Broken Hill through the possible development of Potosi and/or North Mine as well as the deep drilling at the Southern Mine;
- with strengthening zinc prices and encouraging exploration results coming out of our Flinders exploration projects, possible further developments in the Flinders region of direct shipped zinc silicate ore;
- the completion of the Mount Oxide copper mine study;
- Potential resource upgrades and future development for the lithium and nickel projects in Canada and the Dominica Republic respectively; and
- other early stage exploration projects.

All of these projects provide potential upside to the solid performance of the Broken Hill operations where the Company is continuing its strong performance in mining production coupled with an excellent safety performance. These outstanding performances are highlighted by mining production being 18% above plan for FY 2010 and the All Injury Frequency Rate dropping to 17.2 (compared with 27.5 at the corresponding time last year). These results are a reflection of the strong focus and delivery in terms of both production and safety performance by our entire team at Broken Hill.

The December quarter saw another very good performance on mining production, with highlights including 397,000 tonnes of ore mined (14% above plan), milling throughput being 17% above plan, and development advance being 39% above plan. Combined metal production of 28,123 tonnes was slightly below market guidance of 30,000 tonnes due to grades being lower than plan.

The Company has continued to maintain a very tight control on costs within the mine gate. The C1 cash costs for the quarter were US\$0.45/lb of payable zinc, again well below targeted C1 cash costs of US\$0.50 – US\$0.55/lb of payable zinc.

Going forward, the strengthening Australian dollar is expected to have an adverse impact on cash costs for Broken Hill. This will be partially offset by stronger lead and silver by-products and continued cost control. With the volatility in metal prices a broader range of guidance for C1 cash costs for 2011 of US\$0.50 – US\$0.60/lb of payable zinc is provided. Annualised production is expected to be maintained around 120,000t of contained zinc and lead from our Broken Hill operations.

Our newly acquired operating asset, the Maimón mine in the Dominican Republic is forecast to produce around 9,300 tonnes of saleable copper, 15,000 ounces of gold and 340,000 ounces of silver at a cash cost of approximately US\$0.80/lb of copper.

Our focus over the coming months will be to integrate the new acquisition, including both the optimisation of current operations as well as investigating, through an active near mine exploration programme, the potential for the Maimón mine to grow in size and/or life. There will also be a number of potential decisions around development projects and, through the strong support of our major shareholder, Zhongjin Lingnan, we will continue to actively look for further acquisition opportunities. 2010 has been a very active and exciting year for Perilya and we expect to build on the momentum created throughout 2011.



Paul Arndt
Managing Director and CEO
31 January 2011

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BROKEN HILL OPERATIONS

Mining Operations

The December quarter showed a continuation of the results highlighted in the September Quarterly Report. The overall performance in terms of metal produced was within market guidance. During the December Quarter Broken Hill Operations processed 403,453 tonnes of ore and this was 56,000 tonnes ahead of plan.

Sustained improvements to safety, development rates, long term rehabilitation schedules and pillar mining operations have continued from previous quarters and provide confidence in the sustainability of the changes evident at the Broken Hill operations. During the December Quarter the Lost Time Injury Frequency rate (LTIFR) has reached a historic low for Broken Hill and the All Injury Frequency rate (AIFR) has maintained the historic low level achieved during the September Quarter.

The December quarter continued to reinforce the sustainability of the improvements seen in the over previous Quarters. Mine development advance (measured as a combination of advance and rehabilitation) continued to exceed planned performance. Additionally rehabilitation of older excavations continues to exceed expectations with new ground support techniques being trialled to improve the overall performance when exposed to seismicity. Productivity measured in terms of tonnes hoisted per man shift showed a slight dip during the quarter as more development mullock was stacked in underground voids than previous Quarters. With this taken into account the trend to increased productivity is still evident.

During the September Quarter some 12,000 tonnes of development waste was tipped underground. This compares with the December Quarter when 21,000 tonnes of waste was tipped underground. This is a net increase of some 9,000 tonnes of waste that was not introduced to the ore stream during the December Quarter.

Concentrator operations continued to match the mine production treating a total of 403,000 tonnes over the quarter. This is similar to the previous quarter when 407,000 tonnes were treated.

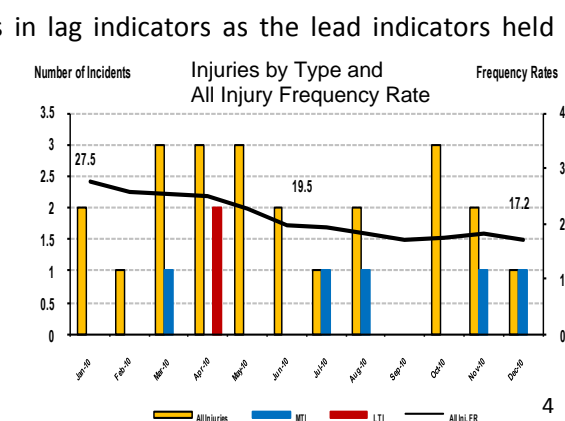
During the December quarter the recovery of lead to concentrate was 87.1% which was marginally below the planned recovery of 87.6%. Zinc recovery averaged 90.2% and this exceeded the planned recovery of 86.6%. Silver recovery exceeded plan with a recovery of 74.5%

Key performance indicators for the December quarter showed:

- Mining rates exceeded plan by 15%;
- Development advance was 9% above plan;
- Milling throughput was 16% above plan;
- Combined metal production of 28,121 tonnes slightly below market guidance; and
- Average net cash costs per pound of payable zinc at US\$0.45 was well below targeted cash costs of US\$0.50-US\$0.55/lb of zinc.

Safety

The December quarter continued the positive trends in lag indicators as the lead indicators held steady. The improved safety performance has seen the All Injury Frequency Rate maintained at 17.2 while the Lost Time Injury Frequency Rate has fallen to an all-time low of 1.6. This is due to the sustained compliance with proactive safety processes as reflected in the lead indicators of safety performance within the Perilya Broken Hill Operations. There were no lost time injuries, 2 medically treated injuries and only 4 minor injuries recorded during the quarter.



The proactive behaviours including safety interactions, “Take Time Take Charge”, and hazard reporting, continued to show steady participation and sustained improvement in quality. Over the last three months the number of hazards identified through all safety related processes has been maintained at a high level with over 90% being closed out as controlled or eliminated.

The major leadership development initiative in our Broken Hill operations is nearing completion with only some project presentations and participant interviews to be completed. The impact has been seen across the operation through increased communication, an alignment of leadership standards and behaviours and the identification and initiation of improvement projects.

Significant effort has also been directed towards the introduction of a restructured skills training framework for operators. This new framework aligns with the Australian Quality Training Framework and is being coordinated with a renewal of all site and area inductions.

Production and Sales

During the quarter 397,000 tonnes of ore was mined from the Southern Operation, which was 14% above plan.

The combined grade of ore processed this quarter was 7.8% (zinc & lead) which, whilst down on the long term plan, was a reflection of the continued development advance (and hence the unplanned greater proportion of lower grade ore won from development) which affected the overall grade processed.

Production Statistics - Tables

Table 1: Broken Hill Quarterly Production

	Dec Qtr 2010	Sep Qtr 2010
PRODUCTION STATISTICS		
Ore		
Total Ore Mined (kt)	397.3	409.2
Total Ore Treated (kt)	403.5	406.8
Zinc		
Grade (%)	4.2	4.2
Concentrate (kt)	31.2	31.4
Contained Zinc (kt)	15.4	15.1
Payable Zinc (kt)	12.9	12.6
Lead		
Grade (%)	3.6	3.3
Concentrate (kt)	17.5	16.2
Contained Lead (kt)	12.7	11.6
Payable Lead (kt)	12.1	11.0
Silver		
Grade (g/t)	39.3	35.2
Contained Silver (Moz)	0.381	0.320
CASH COST & OPERATING MARGIN (US\$/lb zinc)		
Average Price Received	1.15	0.94
Direct Cash Costs	1.46	1.30
By-product credits ^(*)	(1.33)	(1.09)
Zinc treatment charges	0.32	0.19
Net Cash Cost	0.45	0.40
Cash Operating Margin	0.70	0.54

^(*) Silver & Lead production net of treatment charges, freight & handling and realised lead/silver hedging gains and losses

Net Cash Costs of Production

The C1 net cash costs of production of US\$0.45/lb of payable zinc for the period was well ahead of the target range of US\$0.50 - \$US0.55/lb of payable zinc despite lower grades than plan due to some areas of poorer performing stopes during the period.

The cash margin increased on the previous quarter to US\$0.70/lb of payable zinc due to higher metal prices.

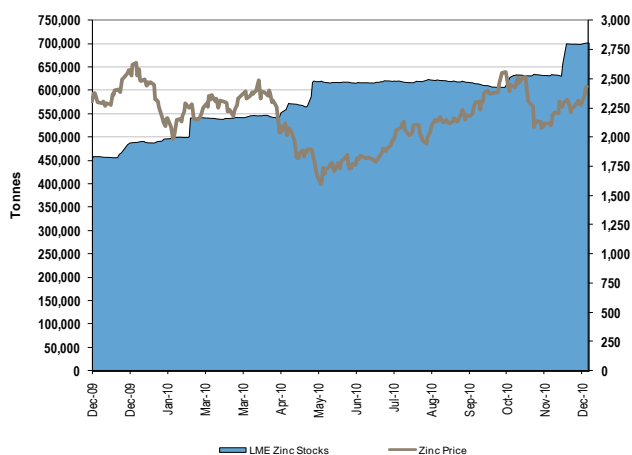
Markets

Zinc and Lead prices rebounded strongly during the quarter from their September lows of US\$2,089/t for both zinc and lead to US\$2,433/t and US\$2,587/t respectively.

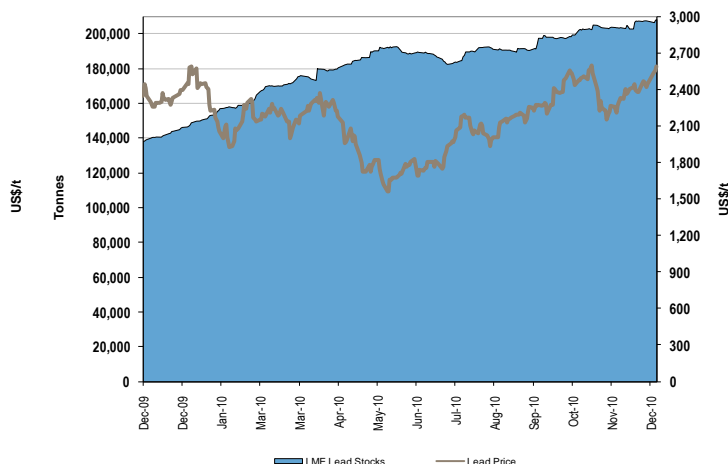
The AUD/USD exchange rate fluctuated between 0.9571 and 1.0170 over the December quarter, with an average of 0.9872 (September 10 quarter average of 0.9034).

Perilya believes that the zinc and lead market fundamentals remain sound and expect gains in the medium term based on strong Emerging Markets' demand, some supply constraints and the prospect for physically backed Exchange Traded Funds.

LME Zinc Price (US\$ / tonne)



LME Lead Price (US\$ / tonne)



BROKEN HILL AREA

Southern Extensions, Southern Operations

Exploration diamond drilling continued on the Southern Extensions project targeting down-hole electromagnetic (EM) anomalies along the Line of Lode down-plunge of mineralization at the Southern Operations. Drill hole N4970B, the second hole targeting the deepest and strongest EM anomaly identified has yet to reach target depth but is projected to intersect the central portion of the modelled plate and is scheduled for completion in January 2011. The first hole targeting this anomaly, N4970A, passed approximately 15m below the lower edge of the modelled conductor and failed to intersect any significant sulphides although subsequent down-hole EM and magneto-metric resistivity (MMR) surveys confirmed that the source of the strong geophysical anomaly was located above the hole.

Broken Hill, North Mine

During the quarter exploration activity at the north mine was confined to analysis of data obtained from drilling in the previous quarter. The results from metallurgical test work conducted during the December quarter provide encouragement to progress to bulk sample trials. Analysis of drill results has progressed to a mining scoping study on the hard rock resources. A detailed mining study is due for completion in the first half of 2011.

A program of additional diamond drilling has been planned on the Junction North project aimed at evaluating promising base-metal intersections returned from the previous drill program completed in mid-2010. Planned drilling on the North Mine Zinc Lodes target was deferred to 2011 due to higher priority targets identified at Southern Extensions.

Broken Hill, Potosi Mine

Drilling to test areas surrounding previously encountered high-grade intercepts in drill-hole 3444 along strike of the Potosi deposit was completed in late November 2010. A total of 6 holes were completed with the most promising results coming from holes drilled up-plunge and north of the Potosi mineralization which intersected sulphide abundances and widths comparable to those in historic hole 3444.

FLINDERS ZINC PROJECT

Reliance Deposit (70-85% owned)

The Company is continuing its study into the potential development of the Reliance Deposit.

Flinders Ranges Exploration

Drilling in the Flinders Ranges during the quarter concentrated on in-fill reverse circulation (RC) drilling around recently identified zinc silicate mineralization at the North Moolooloo prospect area. Encouraging results were returned from the north end of the prospect where thicker and higher grade intercepts than expected were returned. Additional potential for the zone still exists to the north where drilling along the target horizon is sparse. Drilling is on-going with a potential resource estimate scheduled for completion in the first half of 2011.

A program of extensional drilling at the former Aroona Mine was also completed during the quarter aimed at increasing the remaining resource tonnage. Higher zinc grades than predicted by the current resource model were intersected at the northwest end of the deposit although increases to the overall tonnage are expected to be minor. An updated resource estimate will be completed in the first half of 2011.

MOUNT OXIDE COPPER PROJECT

The Mt Oxide Copper Project study program continued during the quarter. Detailed studies, as well as the completion of metallurgical and geotechnical drill holes and further resource definition drilling, was completed. The Company expects to make a development decision on the Mt Oxide Copper Project in the second quarter of the 2011 calendar year.

During the 2010 field season over 10,275 meters of diamond drilling comprising infill, metallurgical and geotechnical drilling was completed. Two underground drilling rigs were used on surface to allow effective targeting using shallow angled holes to evaluate a number of zones that would otherwise remain untested. Infill drilling over the central area has been completed with drill results continuing to confirm continuity of mineralised widths and grades around previous drill intercepts. However, only limited drilling could be completed to investigate both the southern and northern extensions of the mineralised zones. Any future drilling success along strike will positively impact on resource growth. Due to the onset of the wet season field activities were suspended as planned in mid-December with drilling set to resume late in the March 2011 quarter following the wet season. The geological model is currently being updated with a new resource estimate being prepared.

Baseline environmental monitoring continued along with field investigations for preferred waste dump, tailings dam and water storage sites. Geochemical test-work and characterisation commenced for material within the open pit shell and remnant waste rock dumps. The Environmental Impact Statement (EIS) terms of reference were submitted for public comment and finalised after the quarter end. These terms will allow the EIS to be finalised in mid-2011. Work to be finalised in the next quarter includes surface water monitoring and baseline characterisation,

flood mapping and hydrology, and waste facility conceptual design. Surface and groundwater monitoring will also continue along with dust and weather data collection.

Work progressed on the conceptual open pit layout, assessment of preferred infrastructure sites, evaluation of water and power supply options, appraisal of transport logistics and consultation with project stakeholders. Designs for waste rock and tailing storage facilities were prepared. Groundwater baseline monitoring and production bore testing was carried out along with the evaluation of alternative water supply sources.

Geotechnical testing of core samples was performed with evaluations underway to establish slope design parameters for the open pit walls. Metallurgical evaluation, including laboratory comminution and flotation test-work, continued with a process flow-sheet to be selected in the first quarter.

Perilya's archaeologists and native title representatives conducted a site visit in December with a focus on Henry's Cave located immediately to the north east of the existing open pit. This visit confirmed the significance of Henry's Cave to the native title claimants. The impact of the proposed mine development on the cave will be a major consideration for the project. A broader archaeological field inspection assessed known sites of potential Aboriginal and European heritage significance. A detailed program is being developed for the preparation of a Cultural Heritage Management Plan (CHMP).

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 and is open at depth. The mineral resource also includes 10g/tonne of silver (5,700,000oz of contained silver). Importantly, the larger part of the mineral resource (63%) is in the Indicated Mineral Resource category.

THE AMERICAS



DOMINICAN REPUBLIC

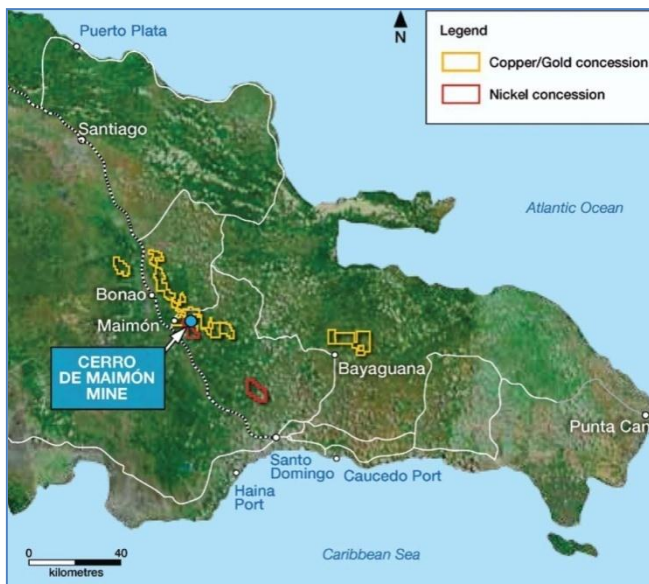
The GlobeStar takeover was completed in the December quarter and the company is now reviewing the exploration and development programs for 2011. GlobeStar's exploration programs have been focused on identifying and profitably developing high grade copper and gold deposits with a primary focus on its mineral exploration tenements that cover more than 328 km² in the Dominican

Republic. The GlobeStar group also holds laterite nickel resources in the Dominican Republic and a 60% interest in the Moblan Lithium Project in Quebec Canada. The Maimón and C1 Concessions cover approximately 85% of the Maimón massive sulphide belt surrounding the Cerro de Maimón Mine.

Cerro de Maimón Mine Exploration

The Cerro de Maimón deposit consists of a massive to semi-massive copper-zinc sulphide lens overlain by an oxide gossan remnant deposit with dimensions of approximately 1,000 meters long by 10 to 15 meters thick. Mineralisation beneath the Cerro de Maimón open pit is open and has not been closed off down dip or down plunge. On several sections past drilling has also intersected a relatively untested mineralised footwall lens.

In June 2010, GlobeStar commenced a diamond drill program to increase existing sulphide resources and reserves and to obtain bulk sulphide material for metallurgical testing. The drilling program covering 650 meters of strike of the massive sulphide lens up to approximately 270 metres depth confirmed the down dip and south east continuity of the Cerro de Maimón mineralization beyond the known reserves. This drill program completed in December 2010 comprising 26 diamond drill holes will be incorporated in an updated resource/reserve estimate scheduled for completion in the next quarter.



The drilling program will recommence in January 2011 to investigate the deposit's depth potential especially to the south east, assess the relatively untested footwall area and continue infill drilling. Geophysical data has been reprocessed using alternative analytical methods and further analysis is underway to identify additional targets. Down-hole EM will be conducted on drill holes at regular intervals to further assist drill targeting.

The south eastern extension of the Cerro de Maimón massive mineralised sulphide package, away from the mine environs, extends for a length of approximately 2 kilometres and has not been drill tested. Evaluation of this zone will be a priority in the March 2011 Quarter. In the December Quarter, GlobeStar conducted field mapping and soil geochemistry to the south east of the Cerro de Maimón Pit. Detailed alteration and structural mapping, plus integration of the geochemical data into the Cerro de Maimón three dimensional geological model, will assist drill targeting.

In the December Quarter GlobeStar also conducted other field activities including diamond drilling on several prospective targets away from the Cerro de Maimón mine and within the Bayaguana Concessions. A number of mineralised structures were drill tested with some success. A review will be carried out in the next quarter to assess the findings from all exploration conducted to date and prioritise future work.

OTHER EXPLORATION ACTIVITIES

Cumpié Hill Nickel Laterite Deposits

The Cumpié Hill deposit has a NI 43-101 compliant estimated indicated and inferred mineral resource of 6.2 million tonnes, grading 1.5% nickel at a cut-off grade of 1.0% nickel, containing an estimated 200 million pounds of contained nickel. The options available to reinstate the development of the Cumpié Hill nickel laterite deposit located 4 kilometres from the Cerro de Maimón Mine are being evaluated. No work was conducted in this quarter.

Moblan West Lithium Deposit (60% Owned)

The Moblan West lithium deposit, located in northern Quebec, is 60% owned by the Company and 40% owned by SOQUEM Inc. (“SOQUEM”). Drilling to date has outlined a near-surface 40-metre thick pegmatite sill, which hosts an Inferred mineral resource of 5.3 million tonnes, grading 1.51% lithium oxide (“Li₂O”) at a cut-off grade of 0.43% Li₂O. Included in this resource is a higher-grade inferred mineral resource estimate of 2.1 million tonnes, grading 1.85% Li₂O at the same cut-off grade.

In May 2010, a 99-hole, 13,379-metre, diamond drill program was completed. The program included two phases of infill drilling (50-metre and 25-metre spacing) and two additional deep holes, targeting the continuity along dip of the known pegmatite sill.

An updated resource estimate is underway with completion expected early in the next quarter.

CORPORATE

Cash and Investments at 31 December 2010

At 31 December 2010, the Company held cash, deposits and investments totalling \$104.8 million (30 September 2010: \$141.6 million), represented by:

- Free cash of \$77.9 million, (30 September 2010: \$114.7 million);
- Secured cash deposits of \$24.6 million supporting performance bonds required under various mining licences at Broken Hill; and
- Commercial paper and other investments of \$2.3 million (written down value).

Perilya generated a negative cashflow for the period primarily due to:

- 50% of the total consideration paid (CAD\$184 million) for the acquisition of GlobeStar was funded by Perilya’s own cash reserve;
- An increase in capital expenditure and exploration at Broken Hill and Flinders, the recommenced exploration drilling activities at Mt Oxide and the ongoing development study of the Mt Oxide project;
- The above negatives were partially offset by the utilisation of working capital facilities from Bank of China (“BoC”) and China Development Bank (“CDB”).

During the quarter work continued on the upgrade of the Port Pirie infrastructure, which is being undertaken to enable Perilya to export its lead product and therefore access better treatment charges in the spot lead market. This project is expected to be commissioned in the first quarter of 2011.

In addition to focusing on internal exploration and development projects, during the quarter Perilya successfully acquired 97.77% of the common shares of GlobeStar, a TSX listed company, with operating and exploration assets in the Dominican Republic, and an advanced lithium project in Canada. Post end of the quarter, Perilya completed the compulsory acquisition of the remaining outstanding common shares of GlobeStar and now holds 100% of the issued common shares on GlobeStar.

Management is in the process of assessing opportunities to sell the remaining commercial paper in hand.

Debt

At 31 December 2010 Perilya has US\$210.2 million of corporate debt (being debt other than equipment finance in the ordinary course of business) which comprises

- US\$91.2 million 5-year funding for GlobeStar acquisition from CDB;

- US\$49.5 million funding for the termination of the silver sale agreement from BoC; and
- US\$69.5 million working capital funding from BoC and CDB.

Perilya also has approximately \$3.6 million in operating debt solely related to mobile equipment financing which is payable over a three to five year period.

Hedging Policies

During the quarter Perilya entered into additional zinc hedging for 6,500 tonnes of forecast production for the period from February 2011 to April 2011 in accordance with its policy of hedging approximately 70% of payable metal production out 6 months.

As previously announced the company had entered into additional lead hedging for 30,000 tonnes of forecast production for the period July 2010 to June 2011 at an average forward price of A\$2,829 per tonne. This represents approximately 50% of anticipated payable lead production for that period.

Hedging Contracts Summary (as at 31 December 2010)

		Quarter Ending				Y/E	TOTAL POSITIONS
		Mar-11	Jun-11	Sep-11	Dec-11	Dec-12	
ZINC:-							
Tonnes	Tns	10,500	2,000	-	-	-	12,500
Price	A\$/tn	2,420	2,615	-	-	-	2,451
LEAD:-							
Tonnes	Tns	7,500	7,500	-	-	-	15,000
Price	A\$/tn	2,829	2,829	-	-	-	2,829
SILVER:-							
Ounces	Ozs	285,000	285,000	195,000	195,000	780,000	1,740,000
Price	US\$/oz	16.39	16.39	15.50	15.50	18.33	17.06

Financial Results

Perilya reports its Financial Results on the basis of a 31 December financial year end date. In line with this, the Company's audited results for the year ended 31 December 2010 are expected to be released by 28 February 2011.

Competent Persons Attribution Statement:

The information in this quarterly report that relates to exploration results for the Flinders region and Mt Oxide is based on information compiled and/or reviewed by Mr Martin Jones who is a full time employee of Perilya and is a member of the Australasian Institute of Mining and Metallurgy and a member of the Australian Institute of Geoscientists. 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 this quarterly report of the matters based on the information in the form and context in which it appears.

The information in this quarterly report that relates to exploration results for the Dominican projects and for the Moblan West Lithium project is based on information compiled and/or reviewed by Dr. Sergio Gelcich., PhD, P.Geo., Senior Geologist. Dr. Gelcich has visited the projects on a number of occasions during devolvement of the exploration programs and has validated all relevant data. Dr Gelcich has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Qualified Person as defined under NI 43-101 (Canada). Dr. Gelcich consents to the inclusion in this quarterly report of the matters based on the information in the form and context in which it appears.

CORPORATE DETAILS

Board of Directors:

Zhang Shuijin	Non- Executive Chairman
Patrick O'Connor	Non- Executive Deputy Chairman
Paul Arndt	Managing Director/CEO
Wang Wen	Non-Executive Director
Peter Harley	Non-Executive Director
Minzhi Han	Non-Executive Director

Capital Structure:

Ordinary Shares	526,075,563
Unlisted Options	7,189,721
Performance Rights	53,900

Major Shareholders:

Shenzhen Zhongjin Lingnan	
Nonfemet Co. Ltd	52.00%
L1 Capital Pty Ltd	5.01%

Australian Stock Exchange Listing

ASX Code:	PEM
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Company Secretary:

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COMPANY PROFILE

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 Australia, the Cerro de Maimón copper, gold & silver mine in the Dominican Republic and the Flinders zinc silicate project in South Australia.

The Company's operations at the iconic 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 of in excess of 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 and Cobalt 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 52% by Shenzhen Zhongjin Lingnan Nonfemet Co. Ltd, (China's third largest zinc producer).

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