

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Perilya Limited

ABN

85 009 193 695

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | Performance Rights under the Perilya Long Term Incentive Plan. |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 5,951,536 Performance Rights. |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | See Schedule A to this announcement, together with the terms described in this announcement. |

+ See chapter 19 for defined terms.

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<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>No. Performance Rights are not quoted securities and do not rank equally with ordinary shares or any other class of quoted securities. Performance Rights do not confer a right to vote, a right to receive dividends or any other rights of a shareholder. Any ordinary share issued or transferred to the holder of a Performance Right upon vesting will rank equally from the date of allotment with other ordinary shares.</p>
<p>5 Issue price or consideration</p>	<p>Nil. The Eligible Participants were not required to pay for the grant of the Performance Rights and for each Performance Right that vests, the Eligible Participant will be entitled to receive one share in the Company without payment.</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Performance Rights were granted to Eligible Participants under the Perilya Long Term Incentive Plan to link a component of their remuneration to Company performance (representing “at risk” remuneration) and as a retention strategy for key employees.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>No.</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>N/A</p>

+ See chapter 19 for defined terms.

6c	Number of +securities issued without security holder approval under rule 7.1	N/A
6d	Number of +securities issued with security holder approval under rule 7.1A	N/A
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A
6f	Number of +securities issued under an exception in rule 7.2	N/A
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	N/A
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	<p>Performance Rights were granted on 30 May 2013.</p>

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8	Number and ⁺ class of all ⁺ securities quoted on ASX (including the ⁺ securities in section 2 if applicable)	Number	⁺ Class
		769,316,426	Ordinary fully paid shares
9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the ⁺ securities in section 2 if applicable)	Number	⁺ Class
		100,000 Options	PEMAY EXP 17.07.13
		2,050,000 Options	PEMAZ 30.09.12
		2,589,721 Options	PEMAZ 31.03.14
		2,997,456 Options	EXP 31.03.15
		2,774,834 Performance Rights EXP 31.12.2015 (issued under the current Perilya Long Term Incentive Plan approved by shareholders on 10 May 2012)	
		5,951,536 Performance Rights EXP 31.12.2016 (issued under the current Perilya Long Term Incentive Plan approved by shareholders on 10 May 2012)	
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Performance Rights do not confer a right to receive dividends	

Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the ⁺ securities will be offered	N/A
14	⁺ Class of ⁺ securities to which the offer relates	N/A
15	⁺ Record date to determine entitlements	N/A

+ See chapter 19 for defined terms.

16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A

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27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Issue date	N/A

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(tick one)

(a) +Securities described in Part 1

(b) All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories

1 - 1,000

1,001 - 5,000

5,001 - 10,000

10,001 - 100,000

100,001 and over

37 A copy of any trust deed for the additional +securities

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Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

N/A

39 +Class of +securities for which quotation is sought

N/A

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

 If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

N/A

41 Reason for request for quotation now

 Example: In the case of restricted securities, end of restriction period

 (if issued upon conversion of another +security, clearly identify that other +security)

N/A

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	N/A	N/A

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Date: 6 June 2013

Print name: Paul Marinko, Company Secretary

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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	N/A
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	N/A
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	N/A
“A”	N/A

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Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	N/A
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	N/A
“C”	N/A
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	N/A
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	N/A
Total [“A” x 0.15] – “C”	N/A <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	N/A
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	N/A
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	N/A
“E”	N/A

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Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	N/A
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	N/A
Total [“A” x 0.10] – “E”	N/A <i>Note: this is the remaining placement capacity under rule 7.1A</i>

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Appendix 3B – Schedule A

Perilya Limited ACN 009 193 695

Principle terms of the Perilya Long Term Incentive Plan (LTIP)

Summary of the key terms of the LTIP	
Instrument	Performance rights are granted over fully paid ordinary shares in the capital of the Company (“ Shares ”).
Performance criteria: Time based	<p>40% of the performance rights granted will vest progressively in the period commencing from 31 December in the year following the year in which the grant is made to 31 December of the third year following the year in which the grant is made.</p> <p>10% of the performance rights will vest on 31 December in the year following the year in which the grant is made (the “First Vest Date”), 15% will vest on 31 December in the second year following the year in which the grant is made (the “Second Vest Date”) and 15% will vest on 31 December in the third year following the year in which the grant is made (the “Third Vest Date”)(the First Vest Date, the Second Vest Date and the Third Vest Date are each a “testing date”). A condition to vesting is that the relevant executive remains employed by Perilya at each testing date.</p>
Performance criteria: Total shareholder return (“TSR”)	30% of the performance rights will vest subject to the performance of Perilya’s relative TSR’s compared to a ranking comparator group of companies derived from the official ASX 300 metals and mining index, excluding BHP Billiton Limited, Rio Tinto Limited, Newcrest Mining Limited, Fortescue Metals Group Limited, metals/steel manufacturers.
Performance criteria: Earnings per share (“EPS”)	30% of the performance rights will vest subject to the performance of Perilya’s EPS average compound growth rate over the period compared to a predetermined average annual compound growth rate.
Performance period	The performance period will commence on 1 January each year and ends four years later. In the case of performance rights which are granted in 2013, the performance period will be deemed to have commenced on 1 January 2013 and ends on 31 December 2016.
Performance testing	<p>TSR and EPS performance testing occurs after three years, with retesting at the end of the fourth year (each a “test date”).</p> <p>The adoption of re-testing is designed to reduce the potential for an unfair outcome in the event that the Share price or earnings per Share is depressed circumstantially at the time of the initial test. It also has the effect of maintaining, and indeed increasing, the incentive to achieve the target performance level over time by extending the relevance of a performance right and criteria over a longer period.</p> <p>The TSR component of the performance rights vest on the first test date only if Perilya’s TSR ranking is at or above median. Vesting increases at the subsequent test date only if Perilya’s TSR ranking has improved.</p> <p>The EPS component of the performance rights vest on the first test date</p>

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	only if Perilya achieves an annual average compound growth in EPS of 10% or more. Vesting increases at the subsequent test dates only if Perilya's EPS annual average compound growth rate has improved.										
Vesting: Time based component	<p>40% of the performance rights granted will be tested by reference to the length of time the relevant executive remains employed by Perilya. The proportion of the performance rights that vest and convert into Shares on the time based criteria will be determined as follows:</p> <table border="1"> <thead> <tr> <th>Duration of employment</th> <th>Proportion of Time Based Performance Rights that Vest</th> </tr> </thead> <tbody> <tr> <td>31 December of the year following the year of grant</td> <td>25% of the rights subject to time condition</td> </tr> <tr> <td>31 December of the 2nd year following the year of grant</td> <td>37.5% of the rights subject to time condition</td> </tr> <tr> <td>31 December of the 3rd year following the year of grant</td> <td>37.5% of the rights subject to time condition</td> </tr> </tbody> </table>	Duration of employment	Proportion of Time Based Performance Rights that Vest	31 December of the year following the year of grant	25% of the rights subject to time condition	31 December of the 2nd year following the year of grant	37.5% of the rights subject to time condition	31 December of the 3rd year following the year of grant	37.5% of the rights subject to time condition		
Duration of employment	Proportion of Time Based Performance Rights that Vest										
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31 December of the 2nd year following the year of grant	37.5% of the rights subject to time condition										
31 December of the 3rd year following the year of grant	37.5% of the rights subject to time condition										
Vesting: TSR component	<p>30% of the performance rights granted will be tested based on TSR compared to the comparator group. The proportion of the performance rights that vest and convert into Shares will be determined based on Perilya's TSR ranking on the relevant test date as follows:</p> <table border="1"> <thead> <tr> <th>Perilya's relative TSR performance</th> <th>Proportion of Performance Rights that Vest</th> </tr> </thead> <tbody> <tr> <td>Less than 50th percentile</td> <td>0%</td> </tr> <tr> <td>50th percentile</td> <td>50% of the rights subject to the TSR condition</td> </tr> <tr> <td>Between 50th percentile and 75th percentile</td> <td>50% of the rights subject to the TSR condition plus an additional 2% of this award for each additional percentile ranking above the 50th percentile</td> </tr> <tr> <td>At or above the 75th percentile</td> <td>100% of the rights subject to the TSR condition</td> </tr> </tbody> </table>	Perilya's relative TSR performance	Proportion of Performance Rights that Vest	Less than 50th percentile	0%	50th percentile	50% of the rights subject to the TSR condition	Between 50th percentile and 75th percentile	50% of the rights subject to the TSR condition plus an additional 2% of this award for each additional percentile ranking above the 50th percentile	At or above the 75th percentile	100% of the rights subject to the TSR condition
Perilya's relative TSR performance	Proportion of Performance Rights that Vest										
Less than 50th percentile	0%										
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Between 50th percentile and 75th percentile	50% of the rights subject to the TSR condition plus an additional 2% of this award for each additional percentile ranking above the 50th percentile										
At or above the 75th percentile	100% of the rights subject to the TSR condition										
Vesting: EPS component	<p>30% of the performance rights granted will be tested based on EPS performance over the testing period. The proportion of the performance rights that vest and convert into Shares will be determined based on Perilya's EPS growth performance on the relevant test date as follows:</p> <table border="1"> <thead> <tr> <th>Perilya's annual average compound EPS growth rate</th> <th>Proportion of Performance Rights that Vest</th> </tr> </thead> <tbody> <tr> <td>Less than 10% p.a.</td> <td>0%</td> </tr> <tr> <td>At 10% p.a.</td> <td>50% of the rights subject to the EPS condition</td> </tr> <tr> <td>More than 10% but less than 20%</td> <td>Pro-rated vesting of between 51% and 99% of the rights subject to the EPS condition</td> </tr> <tr> <td>At or above 20%</td> <td>100% of the rights subject to the EPS condition</td> </tr> </tbody> </table>	Perilya's annual average compound EPS growth rate	Proportion of Performance Rights that Vest	Less than 10% p.a.	0%	At 10% p.a.	50% of the rights subject to the EPS condition	More than 10% but less than 20%	Pro-rated vesting of between 51% and 99% of the rights subject to the EPS condition	At or above 20%	100% of the rights subject to the EPS condition
Perilya's annual average compound EPS growth rate	Proportion of Performance Rights that Vest										
Less than 10% p.a.	0%										
At 10% p.a.	50% of the rights subject to the EPS condition										
More than 10% but less than 20%	Pro-rated vesting of between 51% and 99% of the rights subject to the EPS condition										
At or above 20%	100% of the rights subject to the EPS condition										
Upon Vesting	When a performance right vests, the participant will receive a matching number of Shares.										

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Lapse of performance rights	<p>Performance rights will lapse where an executive leaves Perilya due to resignation or dismissal before the performance rights vest, unless the Board determines otherwise.</p> <p>Performance rights (whether vested or unvested) will lapse where an executive acts fraudulently or dishonestly or is in material breach of their obligations under the LTIP or to Perilya, unless the Board determines otherwise.</p> <p>Any performance rights remaining unvested at the final test date lapse immediately.</p>
Other conditions	<p>In the case of a special circumstance (i.e. death, total and permanent disablement, retirement, redundancy or other circumstances determined by the Board) the performance hurdle may be waived and the Board may determine in its absolute discretion to allocate Shares against all or part of the unvested performance rights.</p>
Variations to the plan	<p>The Board may terminate, suspend or amend the terms of the LTIP at any time. However, the Board may not without the consent of the participants amend any restriction or other condition relating to Shares under the LTIP that reduce the rights of participants.</p> <p>The Board may amend the performance hurdles, specify different performance hurdles or specify a different retesting date for future grants of performance rights under the LTIP if it determines, in its discretion, that more appropriate performance hurdles have been identified. The performance hurdles for a particular grant of performance rights cannot be changed after the relevant performance rights have been granted.</p>
Expiry date of performance rights	<p>Performance rights will expire at the end of the performance period.</p>

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