



17 November 2009

Dear Shareholder,

On 17 November 2009, Perilya Limited ("**Company**") announced a non-renounceable pro-rata entitlements issue of up to approximately 131,518,213 new shares at an issue price of 42 cents each ("**Rights Issue**") to be offered to shareholders with registered addresses in Australia or New Zealand on the Record Date ("**Eligible Shareholders**") on the basis of 1 New Share for every 3 existing shares held.

The Rights Issue is being underwritten by Zhongjin Lingnan Mining (HK) Company Limited (who will underwrite approximately 9,995,217 shortfall shares) and UBS AG, Australia Branch who will underwrite any remaining shortfall shares (approximately 55,632,330 shares).

The Company expects the Rights Issue to be conducted in accordance with the following timetable:

Event	Date
Offer document lodged with ASX	Tuesday, 17 November 2009
Shares quoted on an "ex" entitlement basis	Thursday, 19 November 2009
Record Date for determining entitlements	5.00 pm WST on Wednesday, 25 November 2009
Offer document despatched to Eligible Shareholders	Friday, 27 November 2009
Offer opening date	Friday, 27 November 2009
Offer closing date	5.00 pm AEDT on Monday, 14 December 2009
Trading on ASX of new shares on a deferred settlement basis	Tuesday, 15 December 2009
Settlement	Monday, 21 December 2009
Allotment	Tuesday, 22 December 2009
Trading on ASX of new shares on a normal basis	Wednesday, 23 December 2009
Despatch holding statements	Thursday, 24 December 2009

The above dates are indicative only. The Company reserves the right to extend the closing date of the Rights Issue, subject to ASX Listing Rules in which case the date of issue of the securities will alter accordingly.

The new shares to be issued under the Rights Issue will rank equally with the existing shares.

The funds raised from the Rights Issue will be used for evaluation and progression of the Company's existing base metal development opportunities within its portfolio and for general working capital purposes.

Eligible Shareholders will receive a copy of the Rights Issue offer document and application form. You must follow the instructions in the application form to take up your entitlements.

Should you have any questions regarding the Rights Issue you may contact the Company on 08 6330 1000 or consult your stockbroker or professional adviser. A copy of the Rights Issue offer document may be viewed on the ASX Limited website at www.asx.com.au or alternatively at the Company's website at www.perilya.com.au.

We look forward to your participation in the Rights Issue.

Yours sincerely

A handwritten signature in black ink that reads "Paul Arndt". The signature is written in a cursive, slightly slanted style.

Paul Arndt
Manager Director