

10 August 2004

Manager Announcements
Companies Announcements Office
Australian Stock Exchange Limited
10th Floor 20 Bond Street
SYDNEY NSW 2000

Dear Sir/Madam,

By e-lodgment

COPERNICUS DRILLING RESULTS

- More intersections at Copernicus North
- Mineralisation showing good continuity at depth and EM survey now underway
- Best intersection of 14 metres at 1.45% Ni from 260 metres, including 12 metres at 1.55% Ni

DETAILS

Sally Malay Mining Limited (**ASX Code: SMY**) ("Sally Malay") is pleased to announce further significant mineralised intersections from the Stage 1 drilling programme at Copernicus North (Sally Malay earning 60% from Thundelarra Exploration).

Twelve angled RC holes were drilled on four, 50 metre spaced, sections to test the Copernicus North ground electromagnetic anomaly identified in 2003 and to follow up the significant result from the first hole drilled into the prospect last year (CORC035:3 metres at 2.75% Ni and 1.36% Cu from 144 metres). One additional hole was drilled south of the Copernicus resource (81 metres) and three metallurgical holes (210 metres) were drilled into the Copernicus resource. Assay results of the significant drill intercepts at Copernicus North are summarised in the table below:

Table 1: Significant Drill Intercepts – Stage 1 Drilling Programme – Copernicus North

Hole No.	From (m)	To (m)	Interval (m)	Ni%	Cu%	Co%
CORC035	157	160	3	2.75	1.36	0.082
CORC038	157	158	1	0.49	0.50	0.010
CORC039	199	216	17	1.36	0.87	0.050
(Including)			12	1.63	0.96	0.060
CORC040	213	215	2	1.10	0.98	0.036
CORC051	260	274	14	1.45	1.16	0.050
(including)			12	1.55	1.17	0.054
CORC052	298	305	7	0.96	0.62	0.036
(including)			3	1.42	0.59	0.053

The latest drilling has intersected a broad zone of nickel-copper sulphide mineralization (CORC051: 14 metres at 1.45% Ni and 1.16% Cu from 260 metres) on the northern most drill section (103,100N) approximately 150 metres north of the discovery hole. The mineralisation remains open down plunge to the north. The Stage 1 drilling programme has successfully defined a north plunging pipe-like body of magmatic nickel-copper sulphide mineralization that has the potential to host a significant sulphide resource of the Sally Malay style. A down-hole electromagnetic survey is currently underway and importantly the first four holes surveyed (CORC037, 041, 042 and 043) all returned good off-hole responses. This gives some confidence that the mineralization is continuous between sections.

The RC drilling programme has successfully outlined the mineralised zone at Copernicus North. The next stage of exploration is to accurately map out the zones of highest grade sulphide concentrations using down-hole EM techniques. This survey has commenced and the results from this survey will be used to plan the follow-up drilling programme.

Sally Malay is earning a 60% interest in the 1.2 square km Copernicus Joint Venture tenement by completing a bankable feasibility study ("BFS") on the Copernicus resource. The study expects to confirm the viability of mining the current resource via an open pit and processing ore through the Sally Malay plant, which is located 35 kilometres north. Copernicus North is an exciting new nickel-copper sulphide discovery that has the potential to significantly increase the resources within the Copernicus Joint Venture tenement. Subject to a positive BFS, the plan would be to commence mining late in 2005 and processing during 2006 as ore production at Sally Malay moves underground and there is spare capacity in the plant.

Yours faithfully,

SALLY MALAY MINING LIMITED



PETER HAROLD
Managing Director

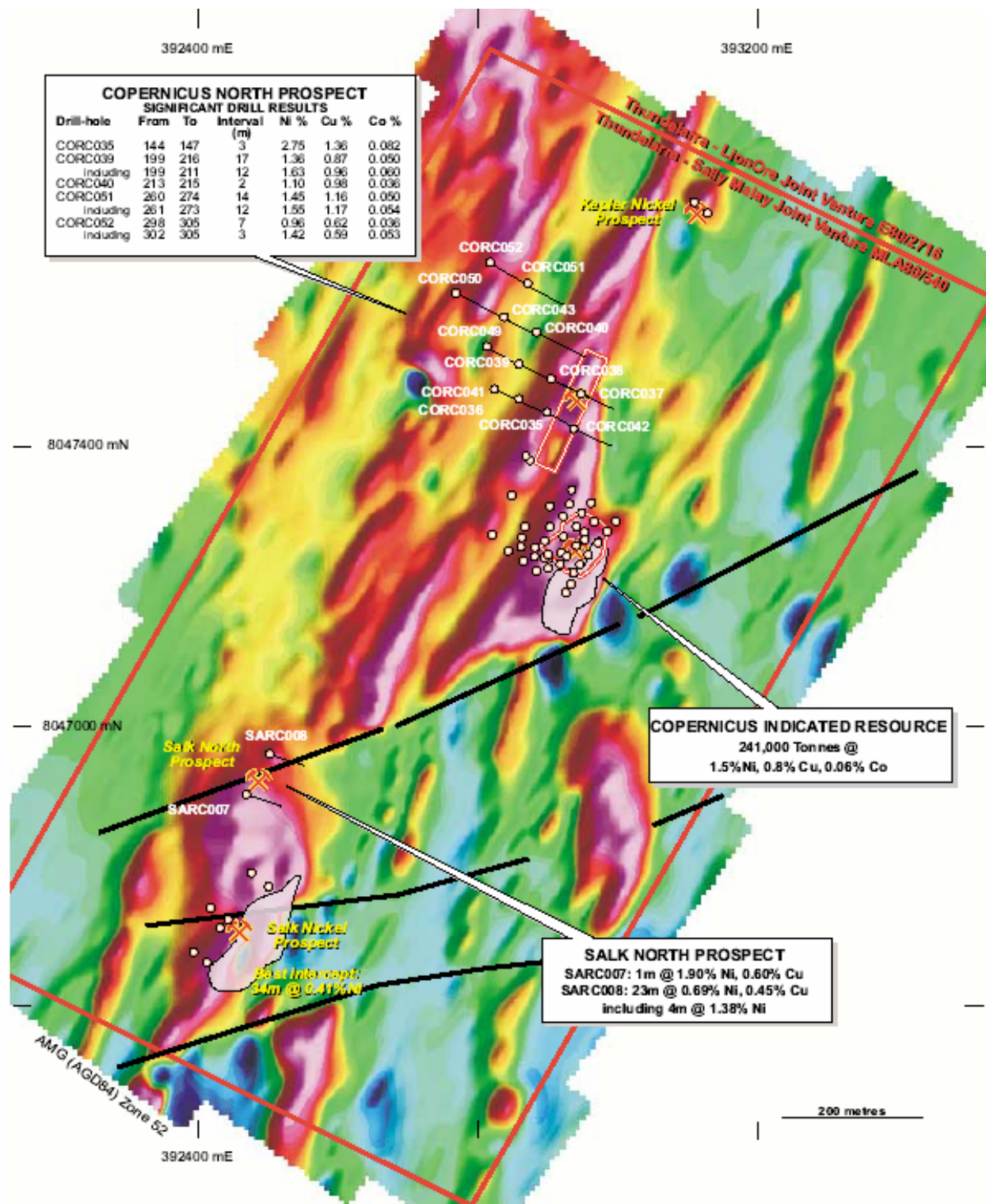
The geological information in this release is based on and accurately reflects information compiled by Mr John Hicks who has 25 years experience in base metal exploration.

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Sally Malay Mining Ltd earning 60% by completing Bankable Feasibility Study
Copernicus Indicated Nickel - Copper Resource 241,000 @ 1.5% Ni, 0.8% Cu
New Nickel Sulphide discovery at Copernicus North

Production scheduled for 2006

Drawing No: THX153
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