



SALLY MALAY MINING LIMITED



9 January 2008

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

GRANTING OF COPERNICUS MINING LEASE

Sally Malay Mining Limited (ASX Code: SMY) is pleased to announce that a mining lease has been granted for the Copernicus Joint Venture. Mining Lease M80/540 came into effect on 8 January 2008 and marks a significant milestone in the development of the project. The Copernicus Joint Venture is an unincorporated joint venture between Sally Malay (60%) and Thundelarra Exploration Limited (40%) with Sally Malay as the Manager and Operator.

Steady progress has been made on obtaining statutory approval for the project, with both the WA State Environmental Protection Authority (EPA) and Commonwealth Department of Environment and Water Resources (DEWR) having advised that the environmental impact of the project is not at a level requiring formal assessment. Approval by the Department of Infrastructure and Resources (DoIR) remains as the only significant statutory requirement for mining to commence.

Subject to the receipt of final statutory approvals, open pit mining at Copernicus remains on schedule to commence in mid 2008.

Yours faithfully,
SALLY MALAY MINING LIMITED

PETER HAROLD
Managing Director

About Sally Malay

Sally Malay is an established Western Australian based nickel sulphide producer with two underground mines, Sally Malay (100%) in the Kimberley and Lanfranchi (75% and operator) 42km south of Kambalda. In 2006/07 our operations produced over 13,000t Ni and will continue to ramp-up to over 20,000t Ni in 2008/09 assuming Deacon and Copernicus are developed in 2008. We have a significant exploration portfolio in the Kimberley and at Lanfranchi and are ramping up our exploration activities in order to grow our resource base and increase the mine life of our operations targeting 20,000t Ni per year for the next 10 years.

For further information contact:
Peter Harold, Managing Director
Sally Malay Mining Limited
Telephone 61-8-9225-0999
www.sallymalay.com