



SALLY MALAY MINING LIMITED



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

AWARDING OF CONTRACTS FOR COPERNICUS PROJECT

Sally Malay Mining Limited (**ASX Code: SMY**) is pleased to announce that all major contracts for construction and operation of the Copernicus Nickel Project have been awarded. Importantly the rates secured are in line with the assumptions made in the April 2007 Copernicus Feasibility Study.

Contractors were selected through a competitive tender process that was well supported. All the appointed contractors have extensive experience and successful track records in the mining and or construction industries.

Key contractors at Copernicus will be:

- Brierty Limited – Open pit mining and ore haulage and drill and blast (sub-contracted to Westdrill Pty Ltd)
- Synegex – Explosives supply and delivery
- Riverlea Corporation Pty Ltd – Haul road construction
- GR Engineering Pty Ltd – Process engineering of guar plant

Award of the contracts is conditional on receiving final approval from the Department of Industry and Resources prior to mobilisation to site, which is scheduled for early May. Open pit mining is scheduled to commence in late June with the first Copernicus ore scheduled to be delivered to the Sally Malay mill around the end of the September quarter 2008.

The Copernicus Nickel Project is a joint venture between Sally Malay Mining Limited (60%) and Thundelarra Exploration Ltd (40%) with Copernicus Nickel Mines Pty Ltd as operator.

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 grow 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 expanding 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:
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