



SALLY MALAY MINING LIMITED

ABN: 47 095 792 288



19 April 2005

The Manager
Companies Announcements Office
Australian Stock Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

via electronic lodgement

Dear Sir/Madam

COPERNICUS PROJECT

We refer to the ASX release made by Thundelarra Exploration Ltd (Thundelarra) on 18 April 2005 regarding the Copernicus Joint Venture in which Thundelarra disputes that Sally Malay has earned its 60% interest in the Copernicus Project.

- Sally Malay disputes the view of the Thundelarra board
- Sally Malay has carried out and delivered a Feasibility Study and believes it has earned a 60% interest in the Copernicus Project
- Sally Malay will act immediately to protect its rights and seek confirmation that it has earned its 60% interest

SALLY MALAY BELIEVES IT HAS EARNED ITS 60% INTEREST IN THE COPERNICUS PROJECT

Sally Malay Mining Limited (ASX:SMY) was advised in writing by Thundelarra on 15 April 2005 that the board of Thundelarra were of the view that:

1. "Sally Malay Exploration Pty Ltd (SMY) has not delivered a Feasibility Study for the purposes of clause 4.1 of the Heads of Agreement for Copernicus-Salk dated 7 July 2003;
2. accordingly, SMY has not earned a 60% interest in the Copernicus project under clause 4.1 of the Heads of Agreement; and
3. the joint venture contemplated by clause 6.1 of the Heads of Agreement has not been formed."

Sally Malay has delivered a Feasibility Study to Thundelarra in accordance with clause 4.1 of the Heads of Agreement for Copernicus-Salk and therefore the Company believes it has earned its 60% interest in the Copernicus Project. Sally Malay will now be taking all necessary action to confirm its 60% interest and to protect its rights.

Yours faithfully,
SALLY MALAY MINING LIMITED

PETER HAROLD
Managing Director

For more information contact
Peter Harold
Managing Director

Keith Liddell
Chairman

Registered Address: Level 22, 77 St George's Terrace, Perth, WA, 6000
Telephone: 61-8-9225 0999 Fax: 61-8-9421 1008