



NIAGARA
MINING LIMITED
ABN 60 060 525 206

Unit 8, Level 1, Churchill Court
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7 December 2005

Company Announcements Officer
Australian Stock Exchange Limited
Exchange Centre
Level 4, 20 Bridge Street
SYDNEY NSW 2000

www.asxonline.com

Dear Sir

Re: COMPLETES CAPITAL RAISING AND WINDARRA PURCHASE

We enclose herewith a copy of an announcement in relation to the above.

Yours faithfully

Douglas C. Daws
EXECUTIVE CHAIRMAN

Enc

CORPORATE DIRECTORY

Director / Senior Management

Douglas Daws	Executive Chairman
Chris Daws	Chief Executive Officer
Bruno Sceresini	Non-Executive Director
Peter Landau	Non-Executive Director
Ross Kestel	Company Secretary

Corporate Enquiries

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Shareholder Enquiries

Enquiries concerning shareholdings should be addressed to:

Computershare Investor Securities
GPO Box D182, Perth WA 6840
Tel: 61 8 9323 2000

Registered Office

Level 1, South Mill Centre
9 Bowman Street
South Perth WA 6151
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Fax: 61 8 9367 8812

Principal Office

Unit 8, Level 1 Churchill Court
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Home Exchange

The Company's shares are listed on the Australian Stock Exchange and the home exchange is Perth ASX code: NIA



ASX Announcement

7 December 2005

NIAGARA MINING COMPLETES WINDARRA NICKEL ACQUISITION

Niagara Mining Limited is today pleased to announce to shareholders that the company has completed the staged purchase of the BHP-Billiton "Windarra Nickel Assets".

Having made the final required payment of A\$5.25 million to facilitate the transfer of the iconic "Poseidon" nickel mines, Niagara will secure a 100% interest in the project area. As a result Niagara will be able to accelerate its exploration program aimed at reopening the historic Mt Windarra and South Windarra nickel mines.

"Over the last twelve months we have focussed on securing the Windarra Assets. We acknowledge the continuing support we have received from our investors.

"The Company, via Lead Manager to the issue Tolhurst Noall Limited, has raised A\$12 million at A\$0.20 per share with domestic institutions and sophisticated investors which has enabled us to complete the purchase, and gives Niagara the capital to move to the next exciting stage in our plans to develop this historic and highly prospective nickel project," Niagara Chief Executive Officer Mr Christopher Daws said.

Although explored extensively during the 1960s and 1970s Windarra can be regarded as essentially a greenfields project. In the last twenty years geophysical methods and geological concepts have developed considerably which enables geologists and geophysicists to "explore with a new set of eyes".

In particular, time-domain electromagnetic (TEM) techniques developed and refined over the last decade have been applied to nickel sulphide exploration in Western Australia and have had considerable success including the discovery of Silver Swan, Cosmos Deeps and Prospero ore bodies.

"There is no doubt that drawing on historic drilling data, applying these new techniques and evaluating Windarra, taking into consideration the recent discoveries and development of other massive nickel sulphide projects, there is enormous potential to discover new ore bodies.

"The economic attractiveness of massive sulphide deposits such as Cosmos and Silver Swan is unquestionable, even after accounting for the considerable development required. To have similar ore at Windarra so close to existing developments is a major advantage that could open the door to a new production life focussed on high-grade ore for what had been previously a low-grade mine," Mr Daws added.



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The Windarra sale is covered by a State agreement (*The Poseidon Nickel Agreement Act 1971*) and is subject to the approval of the Minister and, ultimately, ratification of the State Parliament. The company has been working closely with the State Government to finalise the purchase of the assets and the transfer of the State Agreement Act to Niagara. The Company expects to execute relevant documentation with the State Government and BHP-Billiton in due course.

“The Government has previously expressed their support for the sale, particularly as Niagara has an aggressive plan to prove up the project’s resources using modern exploration techniques not previously applied to Windarra,” Mr Daws said.

Background - the Windarra Project

The Windarra Nickel Project is located in Western Australia’s eastern Goldfields, 23kms north-west of the town of Laverton. There are two principal areas that have been mined, Mt Windarra and South Windarra which are part of the same geological belt which stretches over 20kms.

The area has been mined through both open cut and underground methods commencing in the 1970s until the closure of South Windarra operation in 1991. It gained some prominence as the mine supporting the 1970s Western Australian nickel boom, and in particular the then well known nickel mining company Poseidon Limited.

Over the 20 years of operation, total production from Mt Windarra and South Windarra exceeded 7 million tonnes of ore containing an average 1.59% nickel. Treatment recovered 815,000 tonnes of nickel concentrate which contained 84,000 tonnes of nickel metal.

Recent independent re-assaying of past drill cores at Windarra have returned three significant intersections of 15.4m @ 7.72% nickel, 9.4m @ 7.63% nickel and 300 metres vertically further below 6.4m @ 7.23% nickel. This suggests the potential for previously unrecognised high-grade massive nickel sulphide channel.

Douglas C. Daws EXECUTIVE CHAIRMAN

Note: The information in this report that relates to exploration results is based on information compiled by Mr Mick Elias, consulting geologist, who is a member of the Australian Institute of Mining and Metallurgy. He has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration, and to the activity undertaken. He is qualified as a competent person as defined in the 2004 Edition of the “Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves”. He has consented to the inclusion of this information in the form and context in which it appears. The Australian Stock Exchange has not received and does not accept responsibility for the accuracy or adequacy of this release.