



NIAGARA
MINING LIMITED
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Company Announcements Office
Australian Stock Exchange Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

DADWEN GOLD PROJECT – UPDATE

Niagara Mining Limited (**Company**) advised the market on 13 January 2005 that the Company, through its wholly owned subsidiary Wells Gold Corporation (International) Pty Ltd, had acquired a significant interest in the Dadwen Gold Project in Ghana, West Africa from Sanu Resources (Ghana) Ltd/Fidelity Resources (**Sanu**).

Sanu recently advised the Company that it had detected an encroachment by a third party (**Third Party**) on the northern boundary of the Dadwen Gold Project. Sanu notified the Third Party of the encroachment and further investigations by the parties have discovered that there was overlap between the boundaries of the Third Party's tenement and the tenements comprising the Dadwen Gold Project.

Representatives of both Sanu and the Third Party brought the issue to the attention of the Minerals Commission of Ghana, which established a committee to deliberate and make a decision on the matter.

The Company is now pleased to report that after an intensive study of the case by the Minerals Commission committee, it has found in favour of Sanu Resources Limited and Wells Gold (International) Pty Ltd. The Minerals Commission of Ghana has informed the parties that the necessary amendments have been effected on the Commission records.

For and on behalf of
NIAGARA MINING LIMITED

Douglas C. Daws
EXECUTIVE CHAIRMAN