

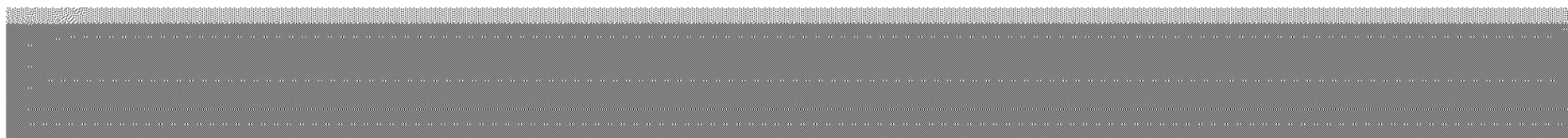


NIAGARA MINING LIMITED

(ASX:NIA)

Acquisition & Development of Windarra Nickel Project, Western Australia

September / October 2005



DISCLAIMER

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Accordingly, you should not rely on the content of this presentation in relation to any further action including investment in Niagara Mining Limited.

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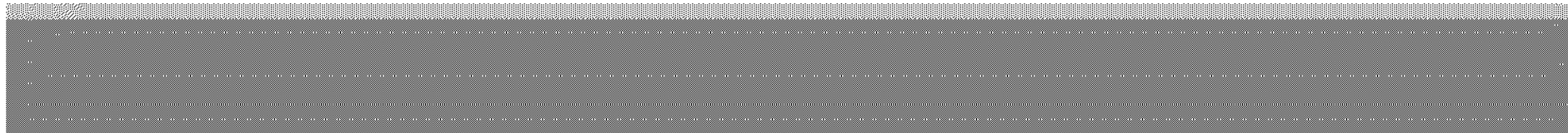
Any person considering an investment in Niagara Mining Limited is advised to obtain independent financial advice prior to making an investment decision.

SUMMARY

- **Niagara purchasing Windarra from Nickel West for A\$8.0m, second instalment A\$5.25m five business days after 2005 AGM;**
- **Major past producer of Ni – 84,000t Ni metal @ 1.59% Ni;**
- **High-grade massive Ni sulphide assays returned from re-assay of archived drill cores;**
- **Major Ni sulphide resources exist, Niagara believes in significant upside for additions;**
- **Near term production possible from Ni stockpiles;**
- **Key consultants engaged.**



The People



DIRECTORS & MANAGEMENT

- Doug Daws - Chairman (Ex-WMC)**
- Chris Daws - Chief Executive Officer**
- Bruno Sceresini - Non-Exec Director (Ex-WMC)**
- Peter Landau - Non-Exec Director**
- Ross Kestel - Company Secretary**

MANAGEMENT / CONSULTANTS

Bruno Sceresini

Former Chief Metallurgist Kambalda Nickel Operations (KNO), former Assistant Manager Kwinana Refinery and Former Project Manager Boddington Gold

Mick Elias

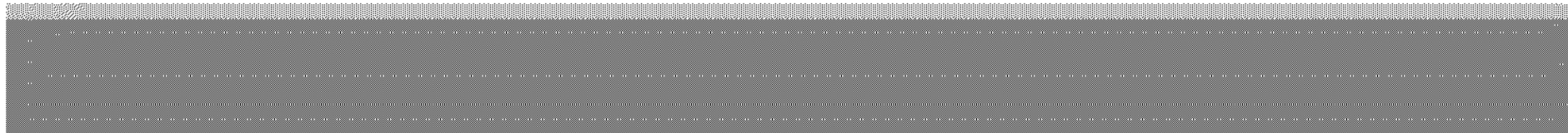
Former Chief Geologist Kambalda Nickel Operations (Ex-WMC), 30 yrs experience.

CSA Australia

Specialising in Exploration & Project Development Management

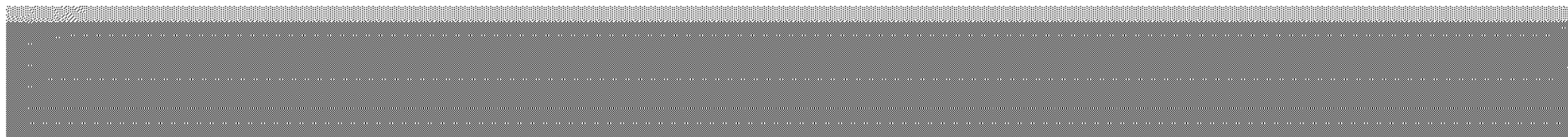
Southern Geoscience

Design, supervision, processing and interpretation of all types of ground & airborne geophysical surveys.





Corporate Structure



Capital Structure

Ord Shares-	124.2m
Contributing Shares (5c to pay)-	45.9m
Options (20c exercise) -	2.0m
Share Price (as at 29 Sept 05)-	A\$0.25
Market Cap (fully diluted)-	A\$43.0m
12mth Share Price (high/low)-	A\$0.09-0.265

NIA - NIAGARA MINING



Major Shareholders...

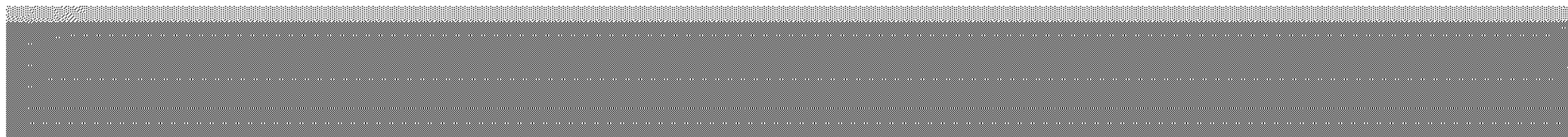
Shareholder	# Shares	%
National Nominees Ltd	5.7m	4.6%
RBC Global Serv Aust Nom P/L	4.3m	3.5%
Fortis Clearing Pty Ltd	4.0m	3.3%
Tricom Nominees Pty Ltd	4.0m	3.2%



Windarra

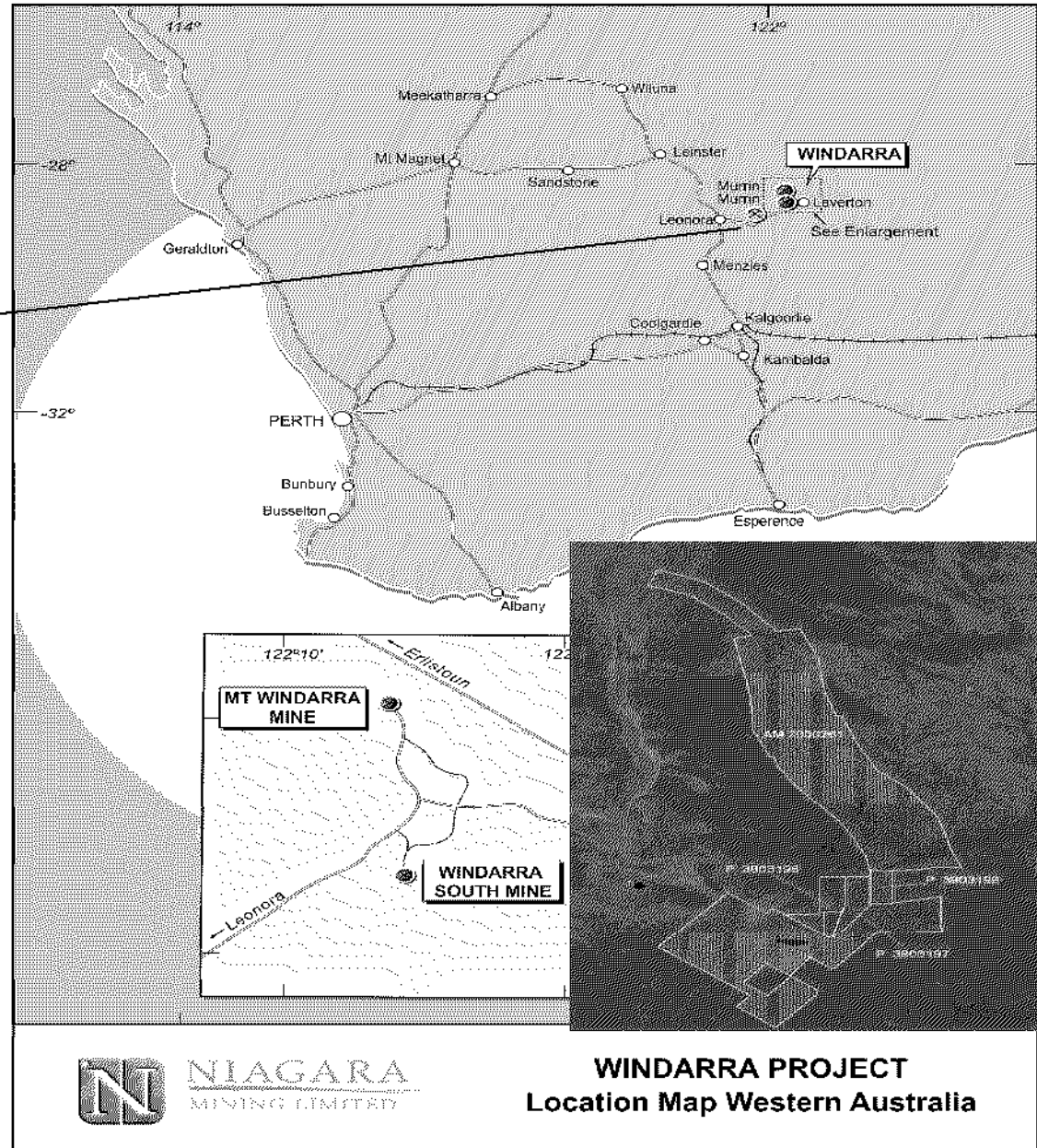
&

South Windarra



**Windarra nickel
deposits 260km NNE of
Kalgoorlie**

Windarra consists of one
Special Mining Lease and
three Prospecting Leases
covering a total area of
~70km²



WINDARRA PROJECT
Location Map Western Australia

Sale & Purchase Agreement-Windarra

- **Acquisition of 100% of Windarra Nickel Assets;**
- **A\$7.0m & a further A\$1.0m at 3 year anniversary date of assignment of the project assets for 100% interest;**
- **1% royalty on Ni revenue if product not sold to Nickel West;**
- **Deposit of A\$1.75m has been paid, second instalment of \$5.25m due five business days of 2005 AGM.**

Conditions Precedent

- **Closure Plan** between Nickel West/Govt/Niagara (completed)
- **Deed of Release** Govt/Nickel West (awaiting signing by Minister)
- **Variation Agreement** Govt/Niagara (agreed to final draft)
- **Deed of Covenant** Govt/Niagara (final draft received)
- **Environmental Bonds** Lodgement of \$3.5m or suitable security
- **Shareholder Approval** Niagara (GM - Nov 05)
- **Transfer of Mining Lease** (Govt. procedural)

Windarra Nickel Deposit History

- 1969** Poseidon discovers Ni sulphides at Mt Windarra, which helps create the 70's nickel boom and shares reach A\$282
- 1970** Mine development begins at Mt Windarra.
- 1983** WMC gain 100% of Windarra.
- 1989** Mt Windarra underground mine closure.
- 1991** South Windarra open pit mine closed.
- 2005** Niagara Mining Ltd Sale & Purchase Agreement

Production History

- Over 18 years (1973-1991) production from Mt Windarra & South Windarra exceeded 7mt @ 1.59% nickel;
- Treatment recovered 815,000 t of nickel concentrate which contained 84,000 tonnes of nickel metal;
- Open cut and underground methods were employed;
- Mining ceased in 1991 due to low nickel prices.

Geology & Mineralisation

Nickel sulphides in komatiitic environments occur in three different styles:

1. **Low-grade disseminated sulphides**
 2. **Disseminated sulphides**
 3. **Massive sulphides**
- Mining at Windarra was predominantly from disseminated sulphides grading 1 to 3% Ni.
 - **“BUT existing drill intersections below the current workings provide evidence of possible high grade (7 to 14% Ni) massive Ni sulphide channels in the ore environment.”**

High-Grade Massive Nickel Sulphides

Recognition of Possible Lava Channel Ore Deposit

- **Confirmed high-grade massive nickel sulphide intercepts uncovered by Niagara at the WA Govt. core storage library in Kalgoorlie.**

- **New independent assays returned the following results;**

DDH BE 554 1C 15.4m @ 7.72% Ni (686.9-702.3m) & 9.4m @ 7.63% (718.6-728.0m) downhole

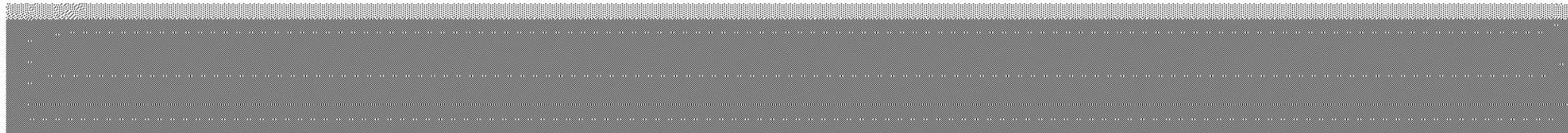
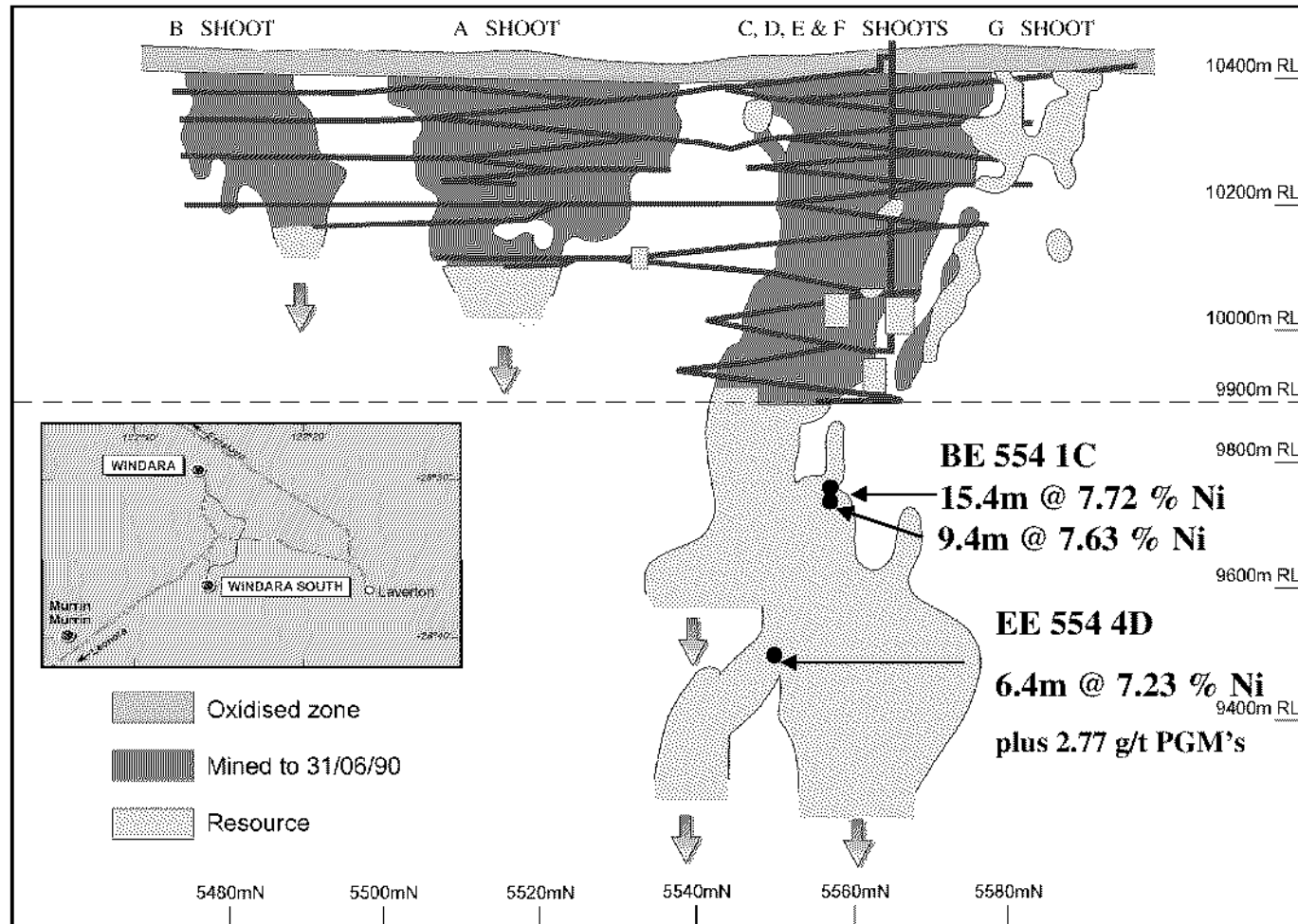
DDH EE 554 4D 6.4m @ 7.23% Ni (645.9 – 652.3m) downhole & @ 2.77 g/t PGM's over same interval

BE 554 1C intercept is within ~150m of decline & shaft with EE 554 4D situated a further 300m vertically below;

- **Mineralisation similar in tenor and form to Silver Swan (Lionore) and Cosmos (Jubilee).**

PLAN No.1

LONG SECTION – MT WINDARRA



Resources & Reserves

***Indicated Resource (Published)**

Mt Windarra

3,500,000t @ 1.4% Nickel – 49Kt Ni

South Windarra

600,000t @ 0.9% Nickel – 5.4Kt Ni

* Western Australia's Department of Industry and Resources MINDEX database
(WMC Limited Annual Report 1993)

Considerable nickel oxide material also exists, which the company intends to quantify for possible early development.

Stockpiled Ore-Possible near term cash flow

- Stockpiled oxide ore of unknown quantity;**
- Preliminary survey of the stockpiles is due to take place prior to settlement with Nickel West;**
- 200Kt of stockpiled sulphide ore (1.3% Ni, 35% recovery & 60% payable) indicates stockpiles have potential to Net A\$10.0-15.0m over 18-24 months from simple and cost effective water wash heap leaching. This recovery could be expected to improve with acid wash heap leaching.**

Modern Geophysics the key...

- **Surface TEM-Potential** to directly detect the presence of blind nickel sulphides;
- **Down Hole TEM (DHTEM)**-Routinely used to assist drill testing of massive nickel sulphide deposits deep below surface;
- **Magnetics**- useful for initial and ongoing detailed mapping of ultramafic sequences;
- **Induced Polarisation (IP)** potential to directly detect the presence of nickel sulphides disseminated throughout host rock. Also includes use of **Airborne TEM & Sub Audio Magnetics and Applied Potential.**

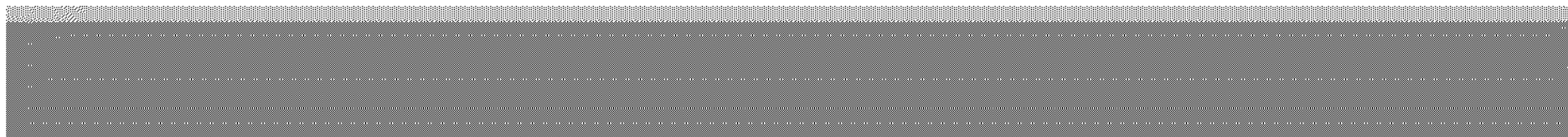
EXPLORATION TARGETS

- Mt Windarra Mine. Extensions to massive sulphide lenses already mined or defined by Nickel West;
- Entire Windarra Komatiite open for modern exploration. Strike length of approximately 24km prospective for new sulphide and oxide resources;
- South Windarra Pit. High potential for lateral and down dip extensions to pit for nickel sulphide and oxide mineralisation;
- Definition drilling of South Windarra oxide stockpile. Target of 1.0 million tonnes @ +1.5% Ni;
- Potential for associated gold mineralisation.

EXPLORATION PRIORITIES

- **Mt Windarra-Diamond drilling to follow up high-grade nickel intersections;**
- **Geophysical Surveys;**
- **Complete Pre-Feasibility study on Heap Leaching Stockpiles;**
- **Ongoing data compilation and review;**
- **Revision of resources and reserves.**

Outlook for Nickel remains strong...



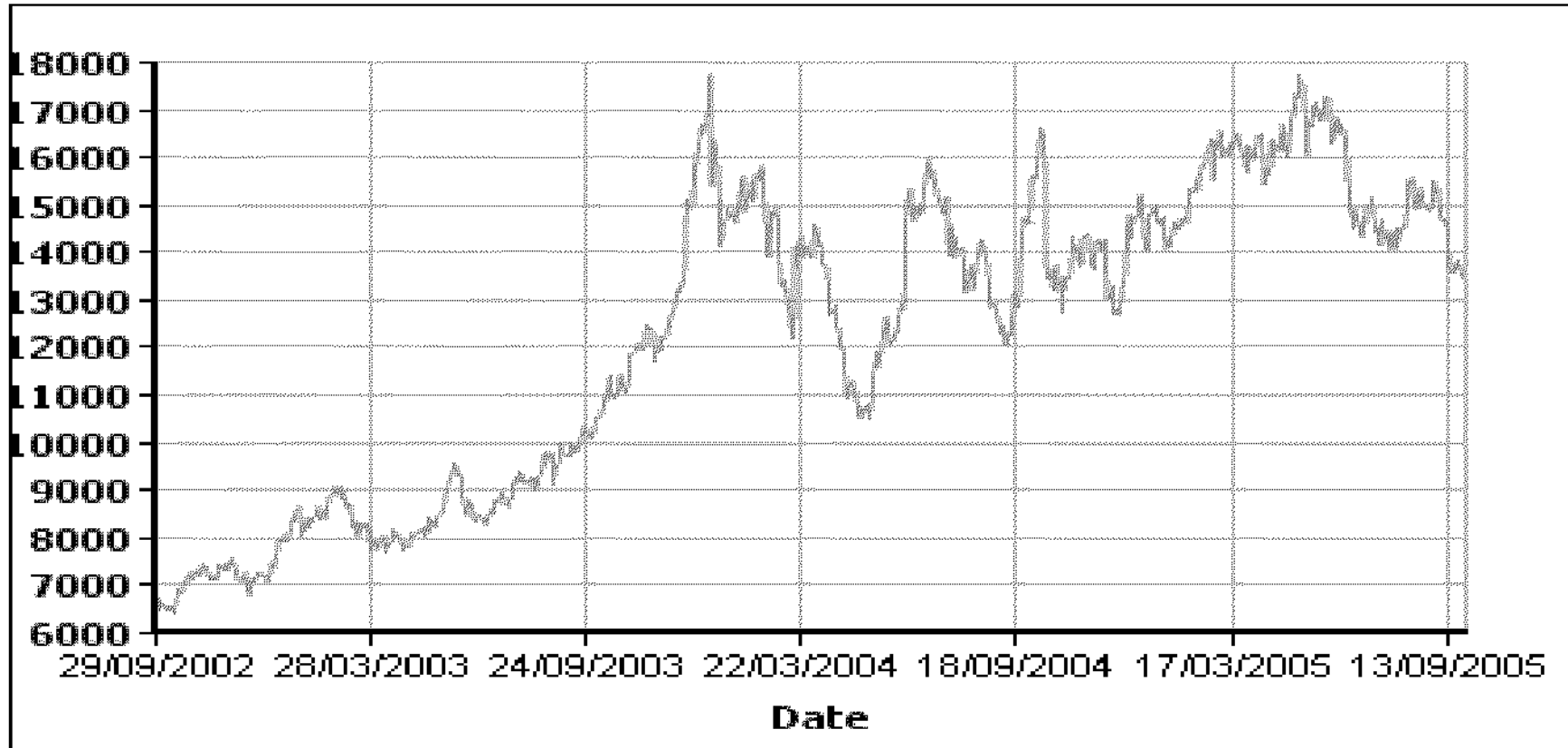
World Nickel Supply/Demand Balance

2003 to 2005

All figures in 000's tonnes

	2003	2004	Change	2005	Change
World Production	1,204	1,258	4.5%	1,300	3.3%
Stockpile releases	60	-	-		
World Supply	1,264	1,258	-0.5%	1,300	3.3%
World Demand	1,244	1,264	1.6%	1,316	4.1%
Balance	+20	-6		-16	

Nickel Price



Note: The information in this document that relates to exploration results and resources is based on information compiled by Mr Mick Elias who is a director and employee of CSA Australia Pty Ltd. Mr Elias is a Fellow of the Australasian 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.