



NIAGARA
MINING LIMITED
ABN 60 060 525 206

Unit 8, Level 1, Churchill Court
331-335 Hay Street
Subiaco WA 6008
PO Box 190
West Perth WA 6872
Tel: +61 8 9382 8799
Fax: +61 8 9382 4760

8 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

<u>CORPORATE DIRECTORY</u>	
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	
Mr Chris Daws - CEO	
P: 61 8 9382 8799	
F: 61 8 9382 4760	
M: 0414 334 842	
E: c.daws@niagaramining.com.au	
Media Enquiries	
Mr David Griffiths -- Gryphon Management	
P: 61 8 9382 8300	
F: 61 8 9381 2349	
M: 0419 912 496	
E: david.griffiths@gryphon.net.au	
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	
Tel: 61 8 9367 8133	
Fax: 61 8 9367 8812	
Principal Office	
Unit 8, Level 1 Churchill Court	
331-335 Hay Street	
Subiaco WA 6008	
Tel: 61 8 9382 8799	
Fax: 61 8 9382 4760	
Home Exchange	
The Company's shares are listed	
on the Australian Stock Exchange	
and the home exchange is Perth	
ASX code: NIA	



NIAGARA
MINING LIMITED
ABN 60 060 525 206

Unit 8, Level 1, Chardall Court
331-335 Hay Street
Subiaco WA 6008
PO Box 190
West Perth WA 6072
Tel: +61 8 9382 8799
Fax: +61 8 9382 8760

ASX Announcement

8 December 2005

NIAGARA MINING COMPLETES WINDARRA NICKEL ACQUISITION

Niagara Mining Limited is today pleased to announce to shareholders that the company has completed the 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 has acquired a 100% interest in the project area. As a result Niagara will be able to move forward with an 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. This 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.

In the last twenty years geophysical methods and geological concepts have developed considerably enabling geologists and geophysicists to "explore with a new set of eyes". Although explored extensively after discovery in 1969 Windarra can be regarded as essentially a greenfields project.

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

"There is no doubt that by drawing on historic drilling data and applying these new techniques to an evaluation of the Windarra belt, there is an excellent potential to discover new ore bodies".

"The economic attractiveness of massive nickel sulphide deposits such as Cosmos and Silver Swan is unquestionable, even after accounting for the considerable development expenditure required. To have identified similar ore at Windarra so close to existing mine development is a boon that could lead to an early recommencement of production focussed on high-grade ore," Mr Daws added.



NIAGARA
MINING LIMITED
ABN 60 060 525 206

Unit 8, Level 1, Churchill Court
331-335 Hay Street
Subiaco WA 6008
PO Box 190
West Perth WA 6872
Tel: +61 8 9382 8799
Fax: +61 8 9382 8760

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 by the State Parliament. The company has been working closely with the State Government to finalise the purchase of the assets and, ultimately, to the transfer of the State Agreement Act to Niagara.

"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 approximately 20 km's apart on the same geological belt.

The Windarra area was mined, using both open cut and underground methods, from commencement in 1971 until the closure of the South Windarra operation in 1991. Windarra gained prominence as the 'signature' mine identifying the 1970s Western Australian nickel boom, and in particular the association with 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 sulphide channel. (As per ASX Announcement dated 30 September 2005).

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.