



NIAGARA
MINING LIMITED
ABN 60 060 325 206

Unit 8, Level 1, Churchill Court
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16 May 2007

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

www.asxonline.com

Dear Sir

Re: NICKEL MARKETING AGREEMENT WITH FORTESCUE

We enclose herewith a copy of an announcement in relation to the above. The Company hereby requests the current trading halt to be lifted.

Yours faithfully

Douglas C. Daws
EXECUTIVE CHAIRMAN

Enc

CORPORATE DIRECTORY		Registered Office Level 1, South Mill Centre 9 Bowman Street South Perth WA 6151 Tel: 61 8 9367 8133 Fax: 61 8 9367 8812
Director / Senior Management		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
Douglas Daws	Executive Chairman	Home Exchange The Company's shares are listed on the Australian Stock Exchange and the home exchange is Perth ASX code: NIA
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		Website Address www.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		



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ASX Announcement

16 May 2007

Nickel Marketing Agreement with Fortescue

Niagara Mining Limited is pleased to advise its shareholders that the Company has today signed and executed a Nickel Marketing Agreement with Fortescue Metals Group Ltd. The Nickel Marketing Agreement is for all future nickel product produced from the Windarra Nickel Project.

Niagara has appointed Fortescue and Fortescue has accepted the appointment to act as the exclusive agent of Niagara for the purpose of providing all marketing and sales agency services relating to the sale of Nickel.

Fortescue has agreed that it will not, during the duration of the agreement, provide services to another entity where those services are identical to the services to be provided by Fortescue under this agreement, unless otherwise agreed by Niagara.

The Nickel Marketing Agreement is conditional upon a number of items to be fulfilled by the parties including, but not limited to;

- Niagara and Fortescue entering into a Strategic Alliance Agreement pursuant to which the parties will agree framework arrangements to provide assistance, support and co-operation to each other to enable the parties to leverage off each other's skills and capabilities to their respective advantages. The strategic alliance agreement will note Niagara's desire to leverage off the capabilities and opportunities available and afforded to Fortescue as a result of the scale of Fortescue's operations and its size and status. The Strategic Alliance Agreement will contain provisions relating to Fortescue and Niagara working together in relation to Niagara's funding requirements.
- Consolidation of Niagara's securities as per the re-organisation announced to the ASX 4th April 2007.
- Reorganisation of the board of directors of Niagara (partially complete).
- Subject to Fortescue Board approval.

The Strategic Alliance currently being formulated by the parties is an opportunity for Niagara Mining Limited to leverage off the large industrial strength and capabilities that Fortescue Metals Group Ltd has built over the past few years in developing the "New Force in Iron Ore" and assist in creating a formidable world class nickel exploration, mining and production Company.

The Company looks forward to progressing the Company's development and generating shareholder wealth.

Douglas C. Daws
EXECUTIVE CHAIRMAN