



QuadraFNX
MINING LTD

SUDBURY OPERATIONS
OPERATED BY:
FNX MINING COMPANY INC.

ANALYST & INVESTOR TOUR
November 2011

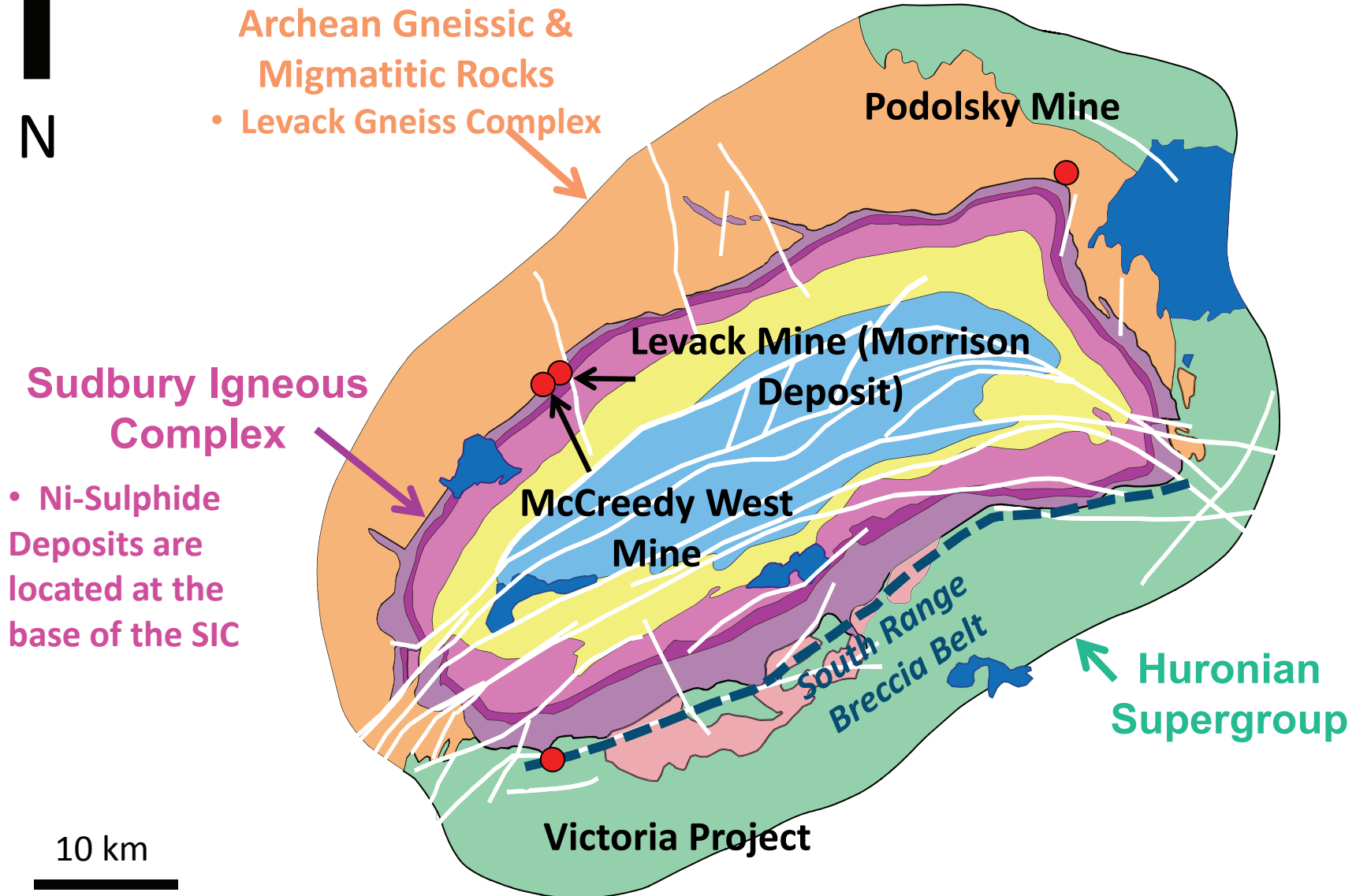


OBJECTIVE

“ Everyone Going Home Safe and Healthy Every Day ”

- **Supervisory development** – every supervisor to actively participate in the presentation and facilitation of the next stage of Courageous Leadership
- **5 pts Safety Card** – track the effectiveness of the 5pt card boards by monitoring the response time, completion time for worker concern.
Compliance data to be displayed at the board
- **All Mine Standards and procedures** – review one AMS or procedure weekly with dayshift crews
- **Monthly Safety Theme** – Promote one primary safety topic each month amongst all employees and monitor compliance during the month
- **First Aid Training** – 100% of employees to be trained by the end of 2011

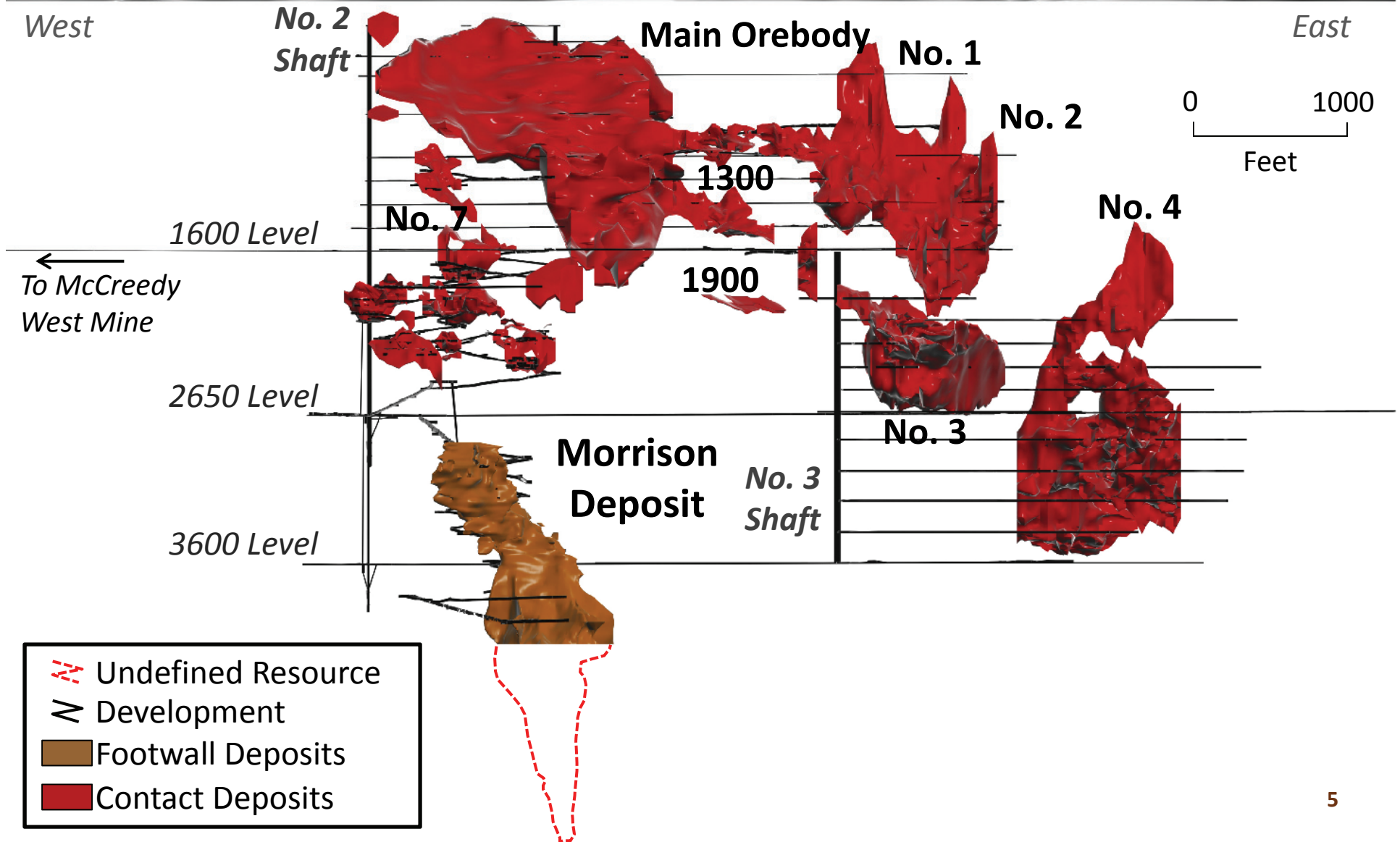
SUDBURY: REGIONAL GEOLOGY



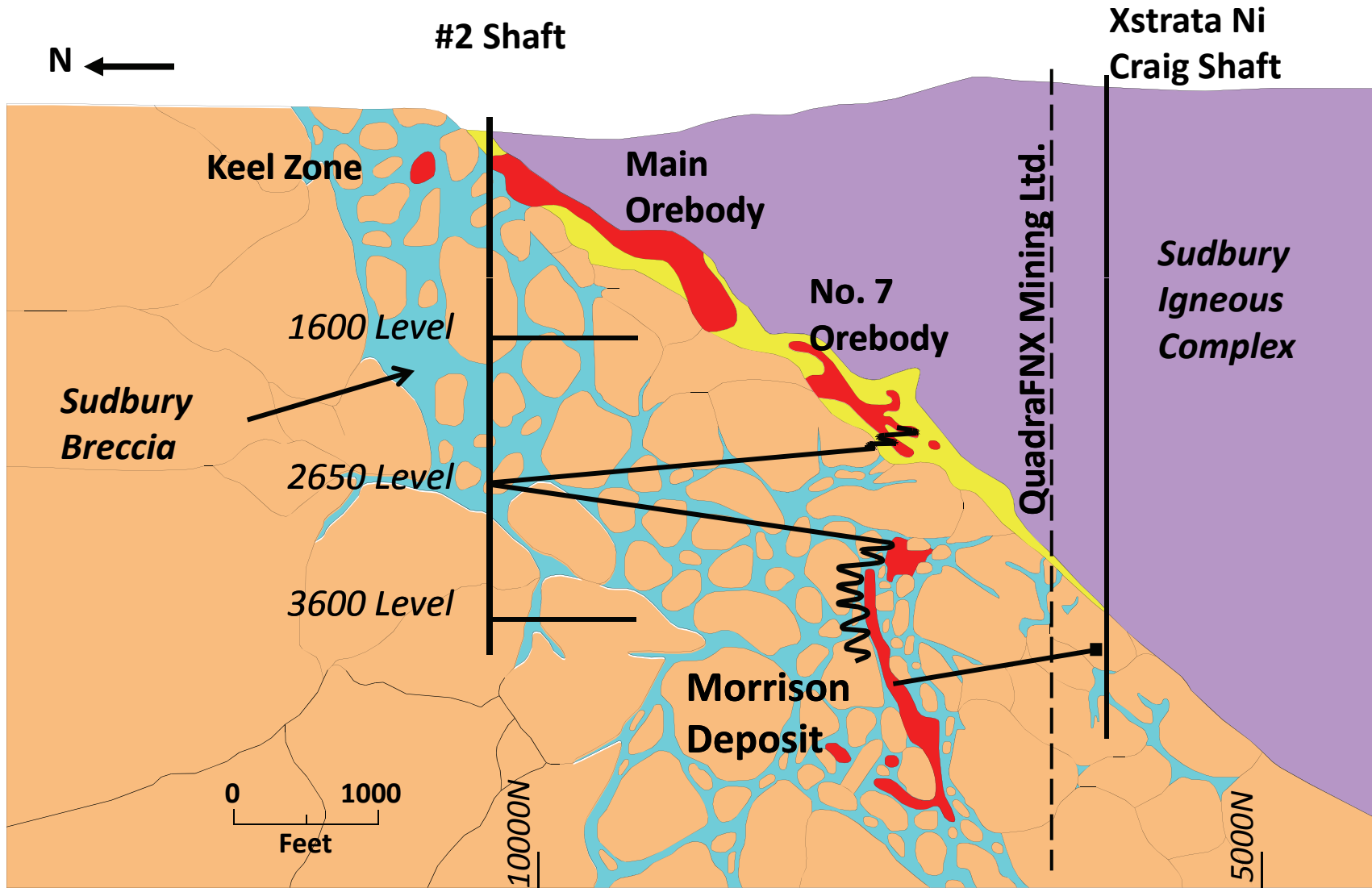
SHAFT LOCATION (LOOKING NE)



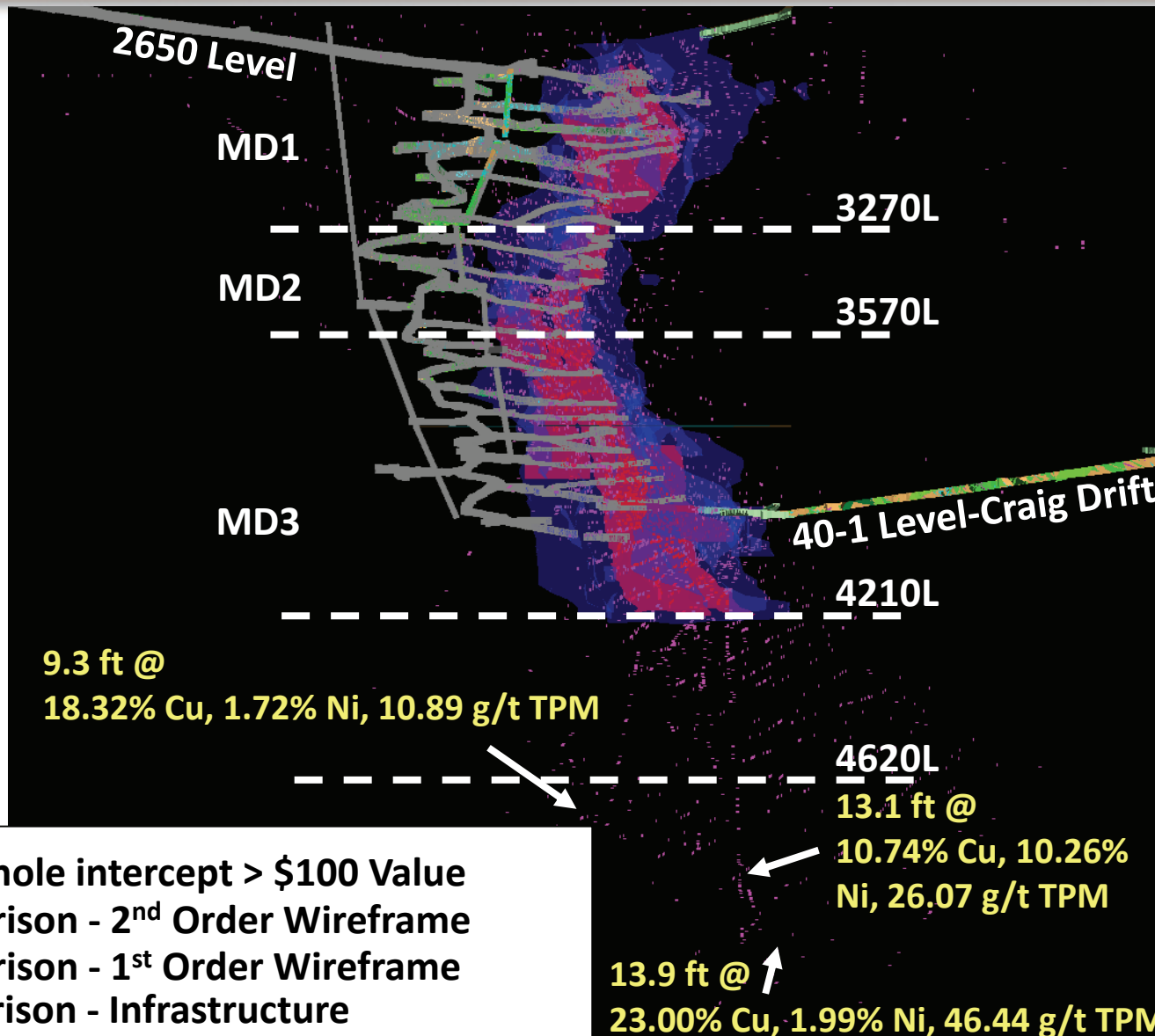
LEVACK MINE & OREBODIES



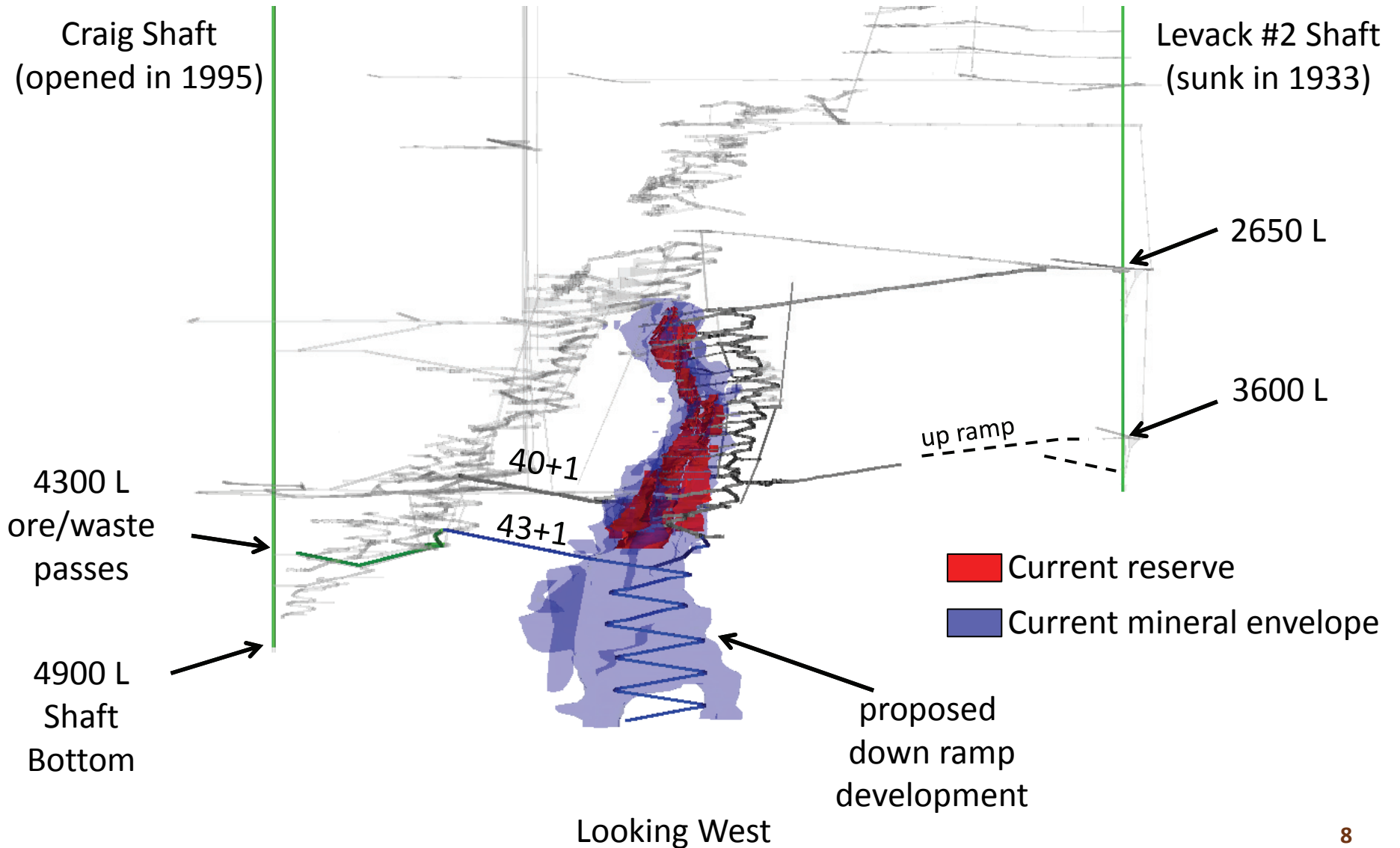
LEVACK MINE: SCHEMATIC



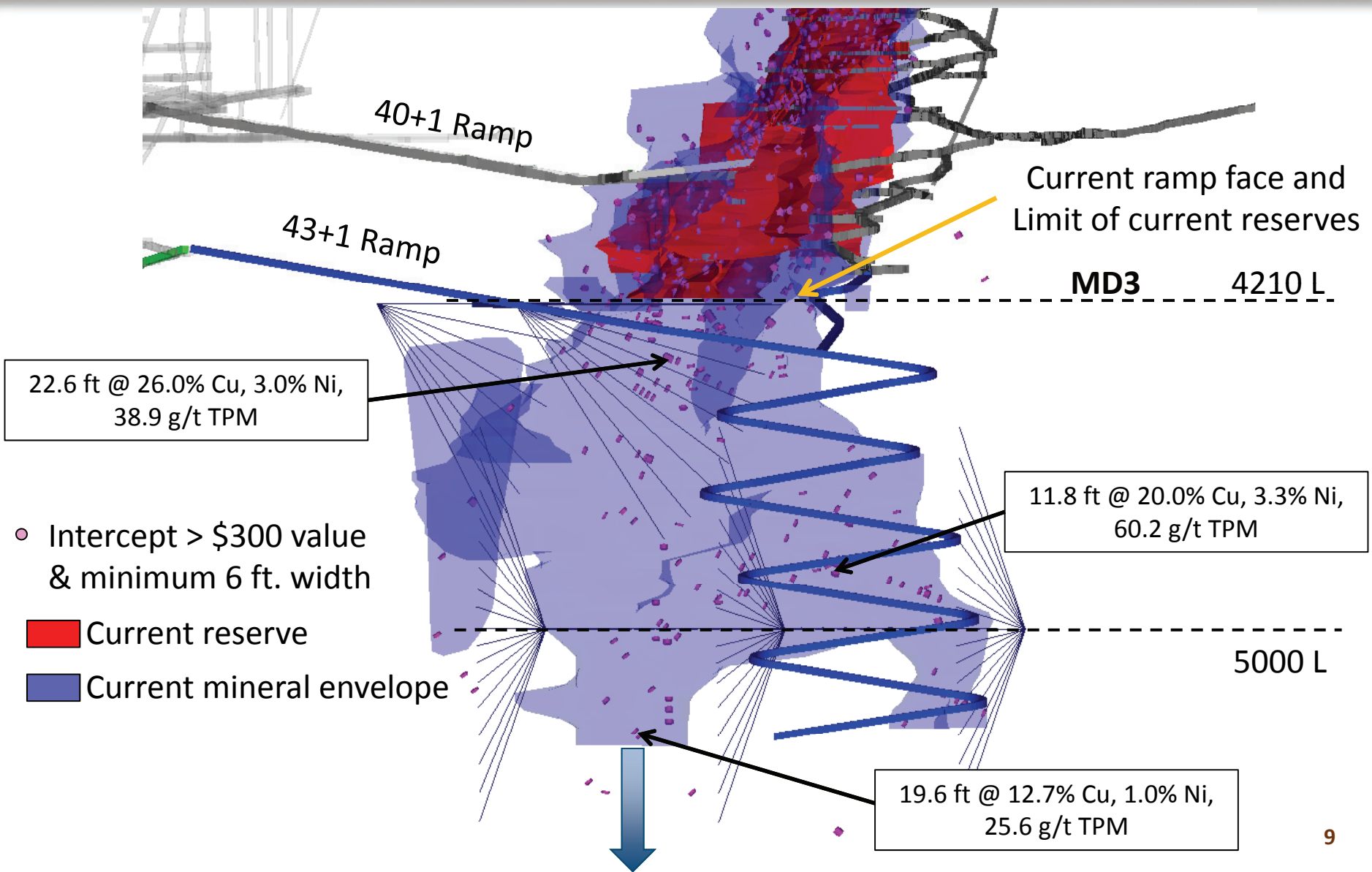
MORRISON DEPOSIT: LONGITUDINAL



OVERVIEW: SHAFT LOCATIONS



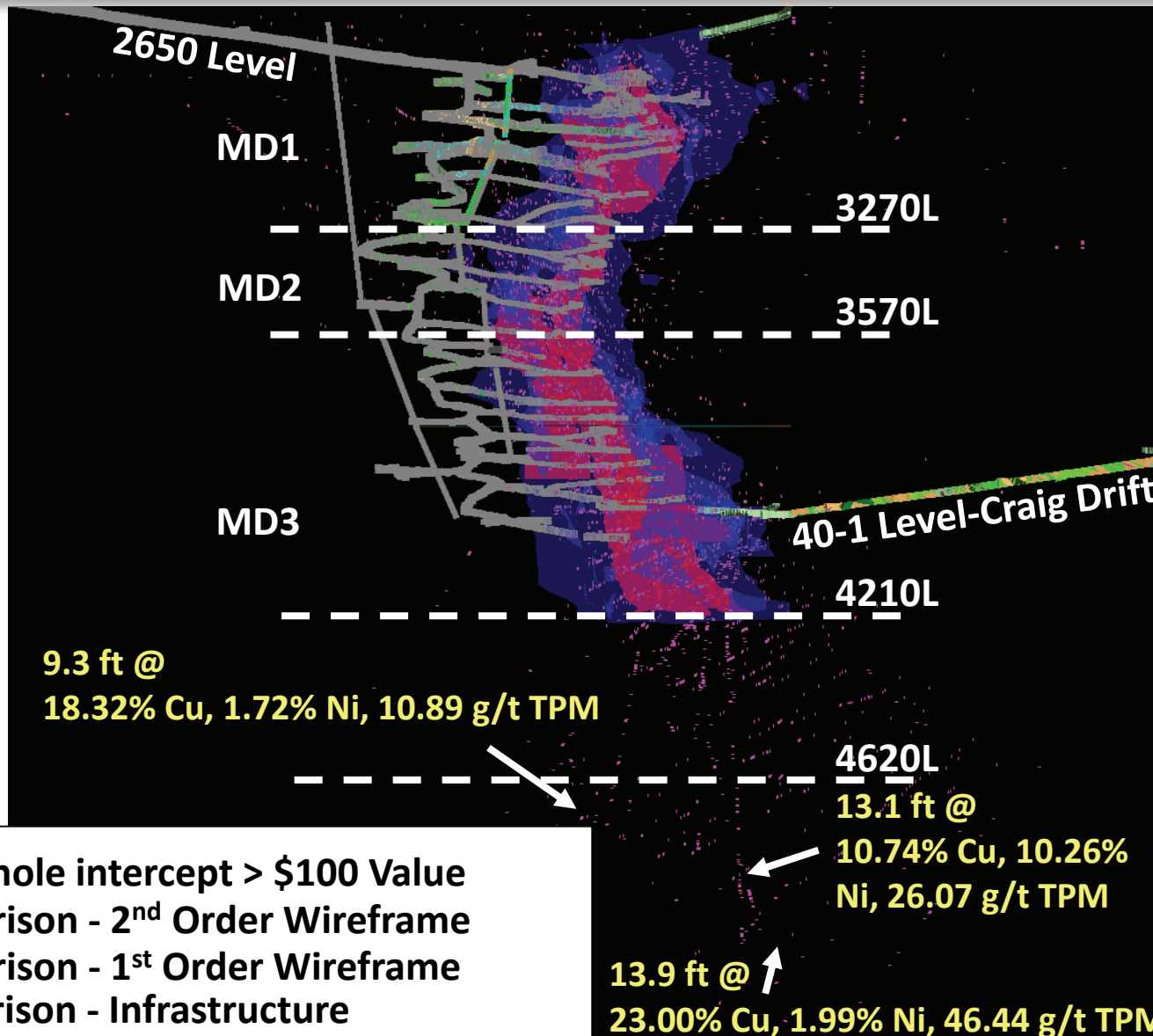
DRILL ACCESS: RESERVE/RESOURCE GROWTH





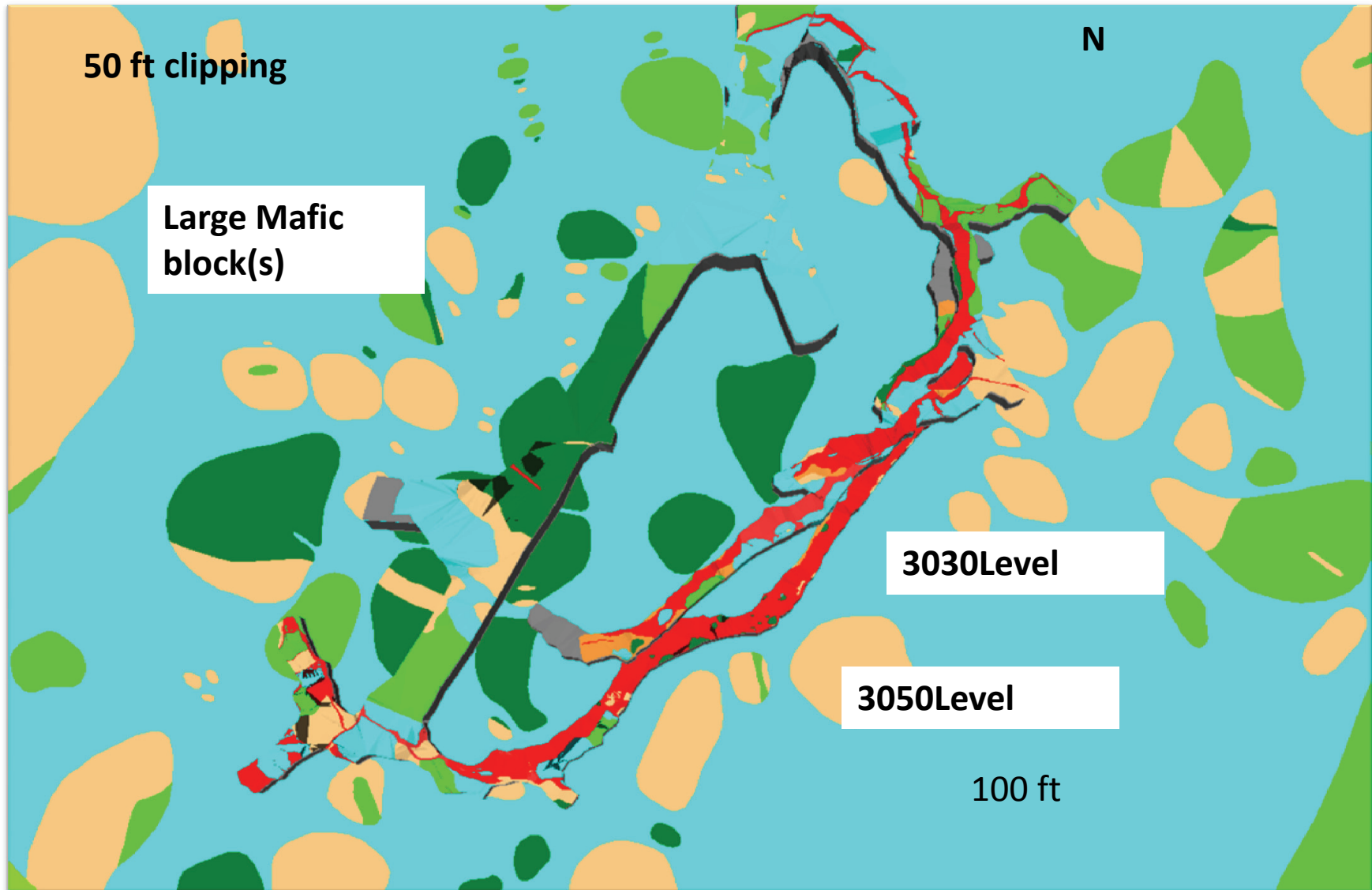
MORRISON OREBODY

MORRISON DEPOSIT: LONGITUDINAL



- Drillhole intercept > \$100 Value
- Morrison - 2nd Order Wireframe
- Morrison - 1st Order Wireframe
- Morrison - Infrastructure

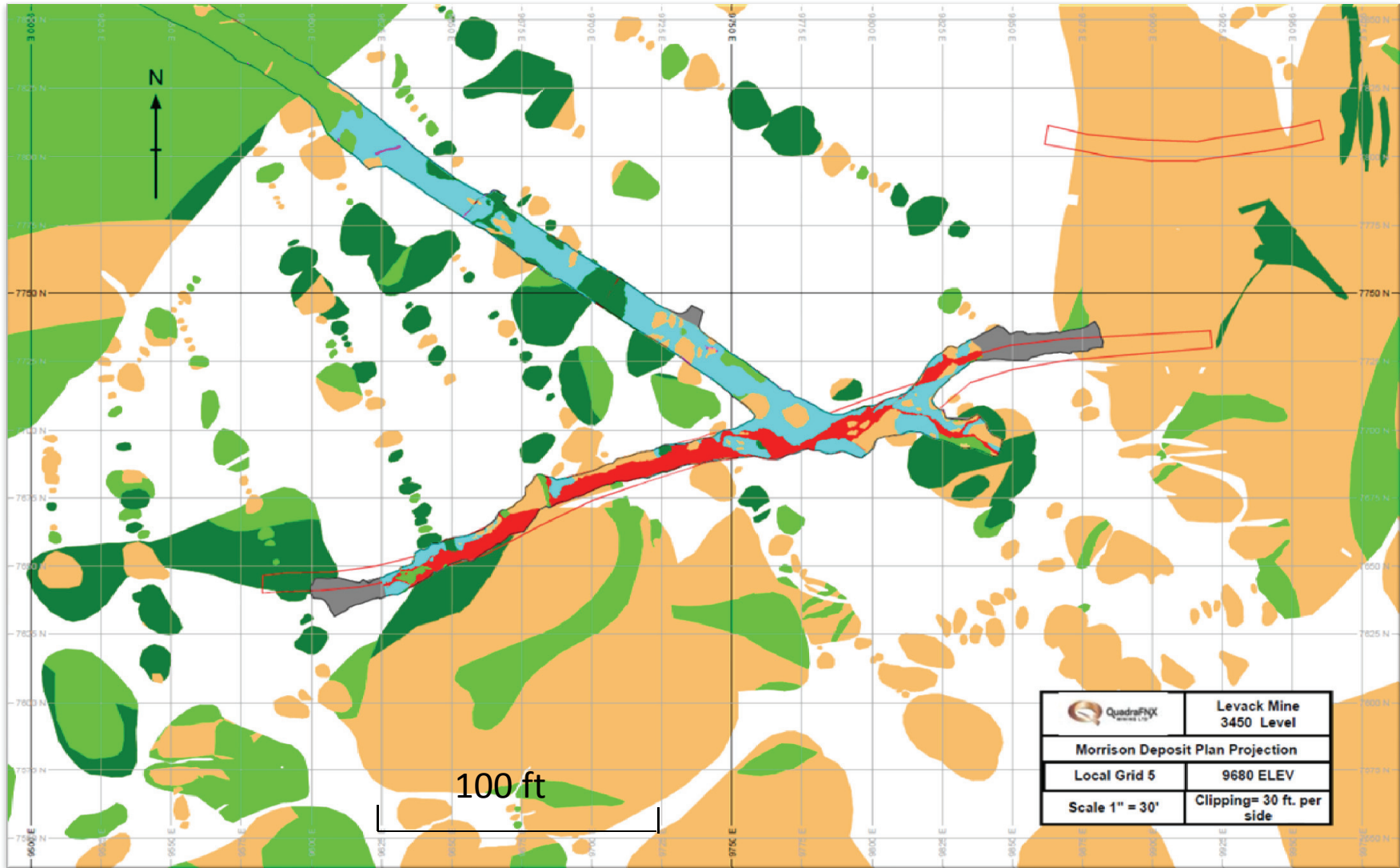
3050 LEVEL (10070 ELEVATION)



3180 LEVEL CUT #1 ROUND 12 WEST



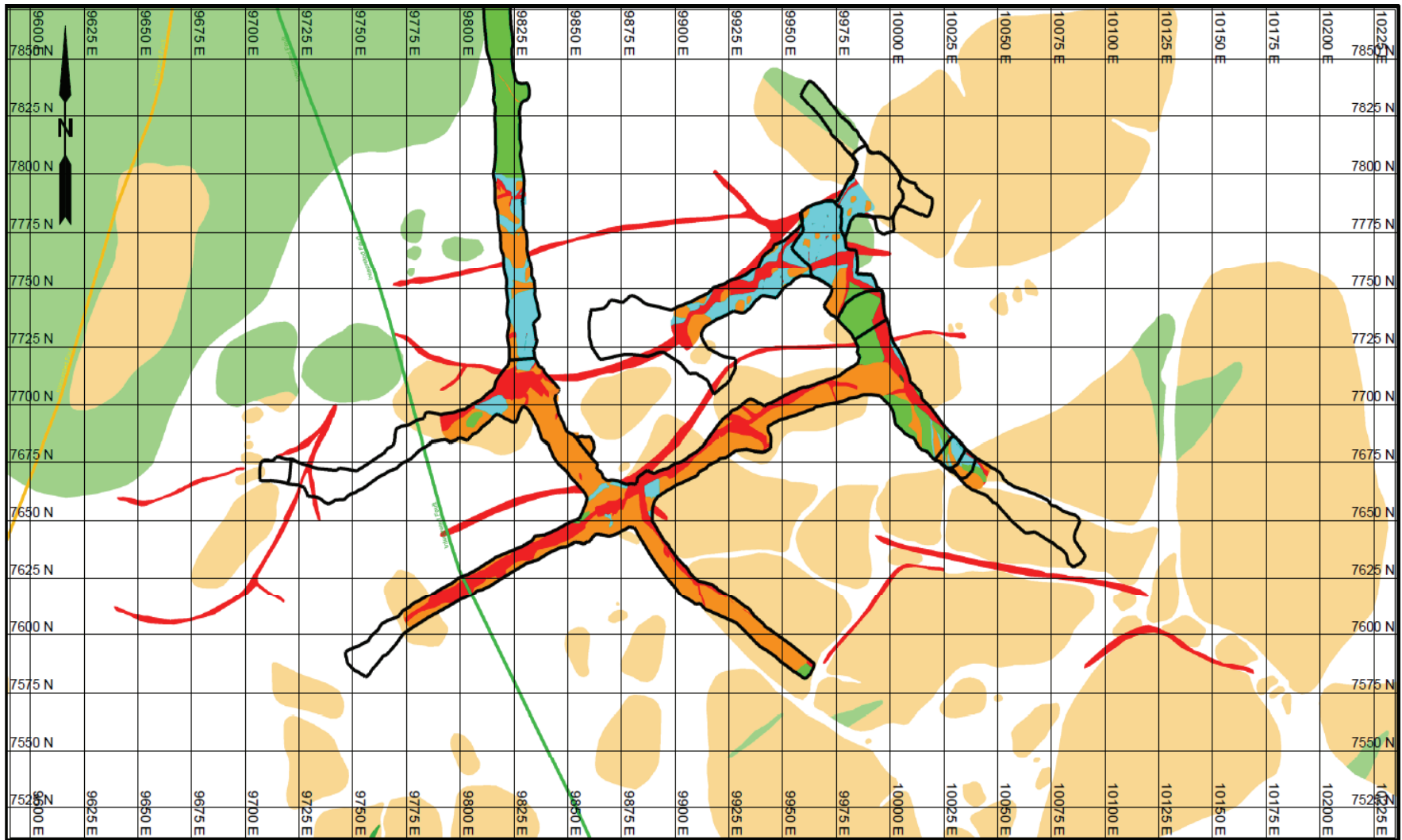
3450 LEVEL CUT #1



3450 LEVEL CUT #1 ROUND 14 WEST



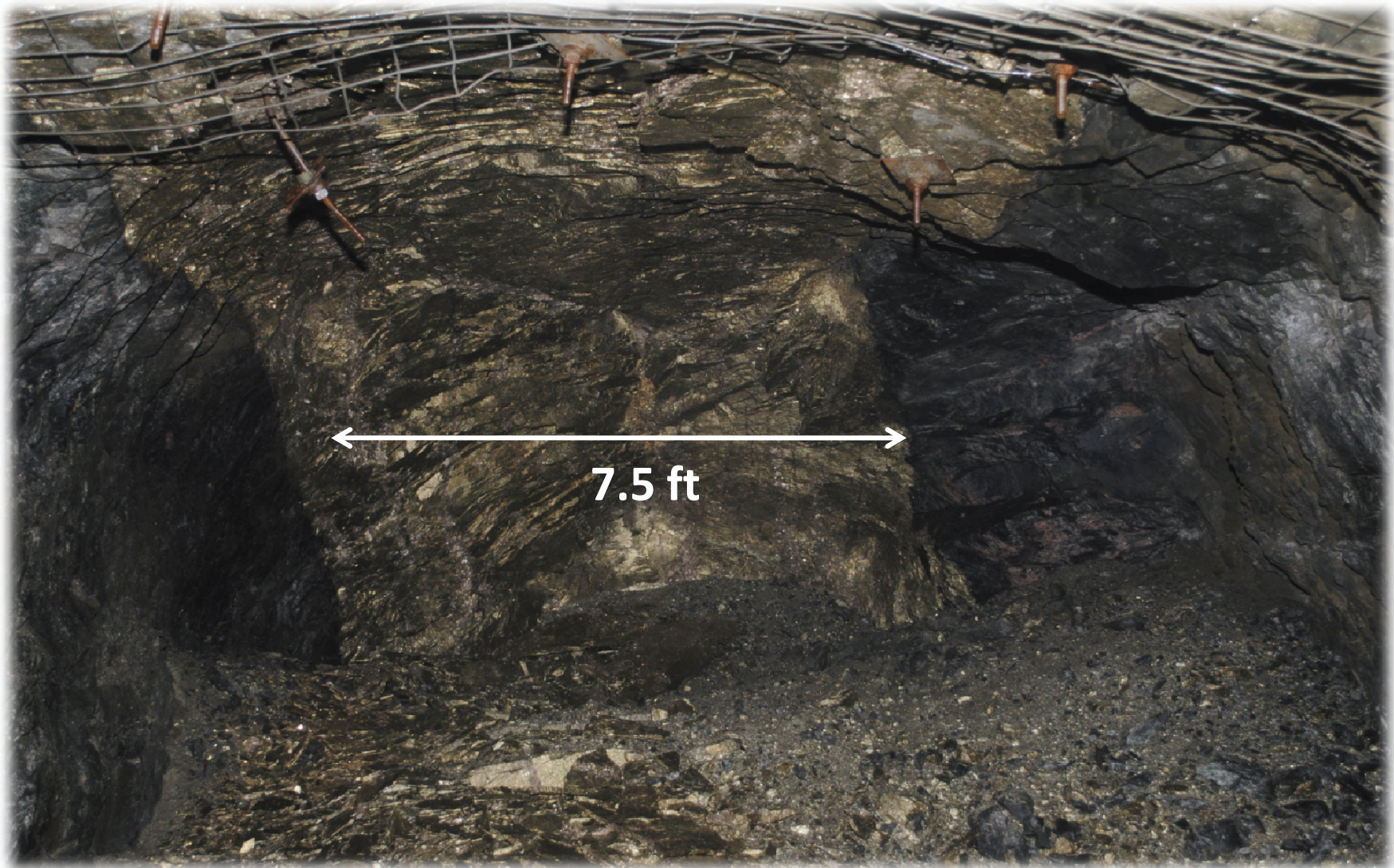
3690 LEVEL CUT #1



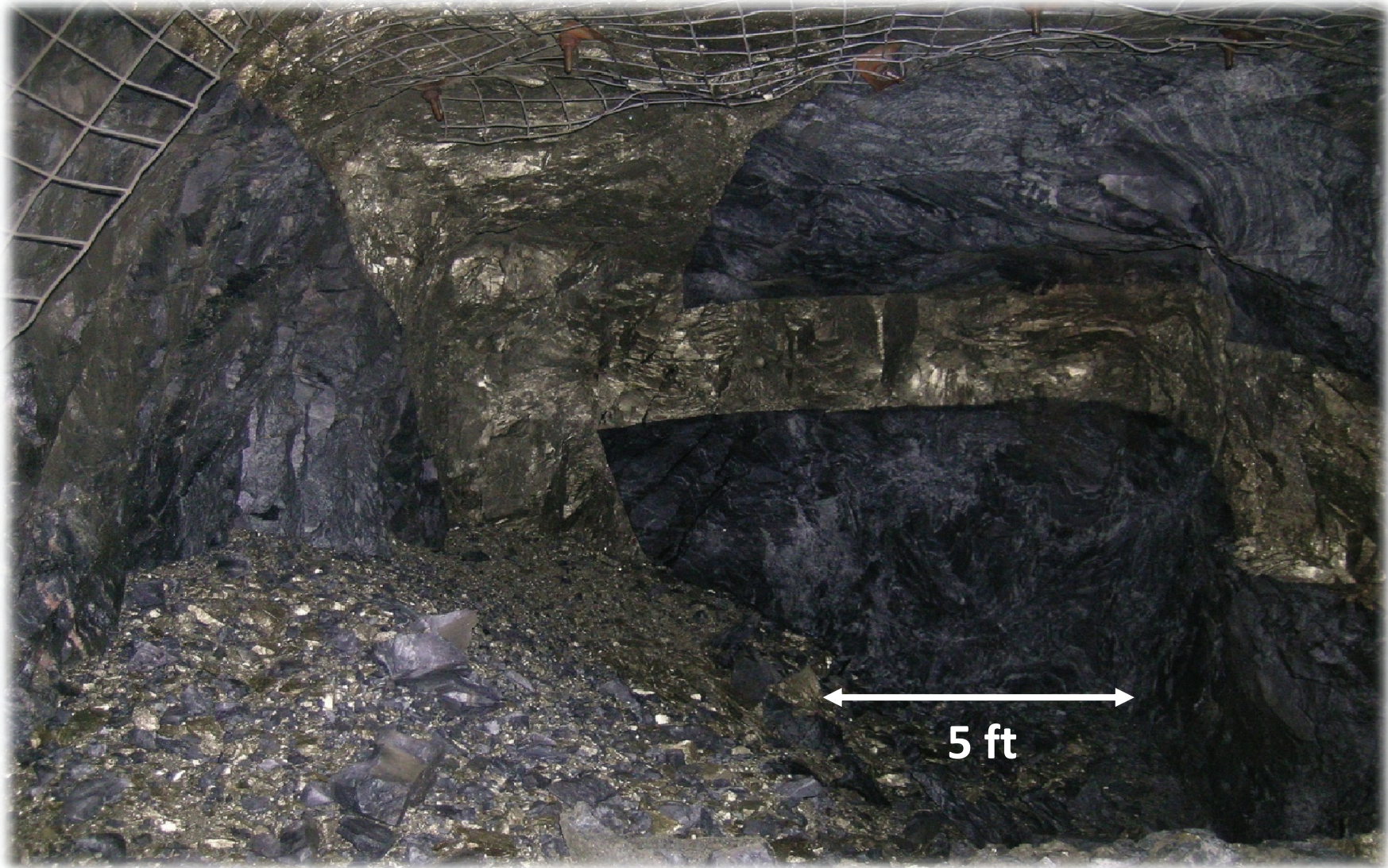
3690 LEVEL CUT #1 ROUND 69 SOUTH-EAST



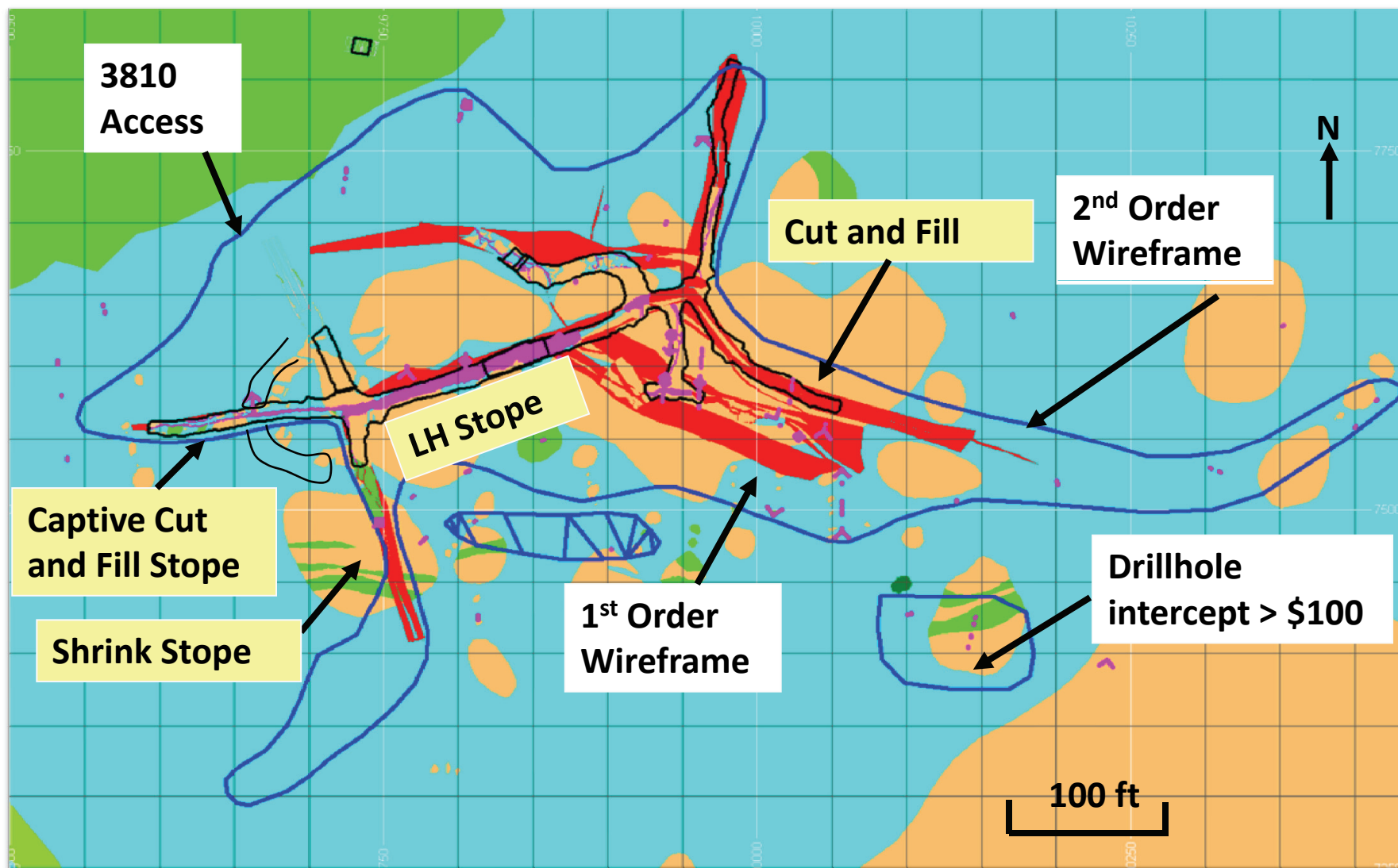
3810 LEVEL CUT #1 ROUND 19 EAST



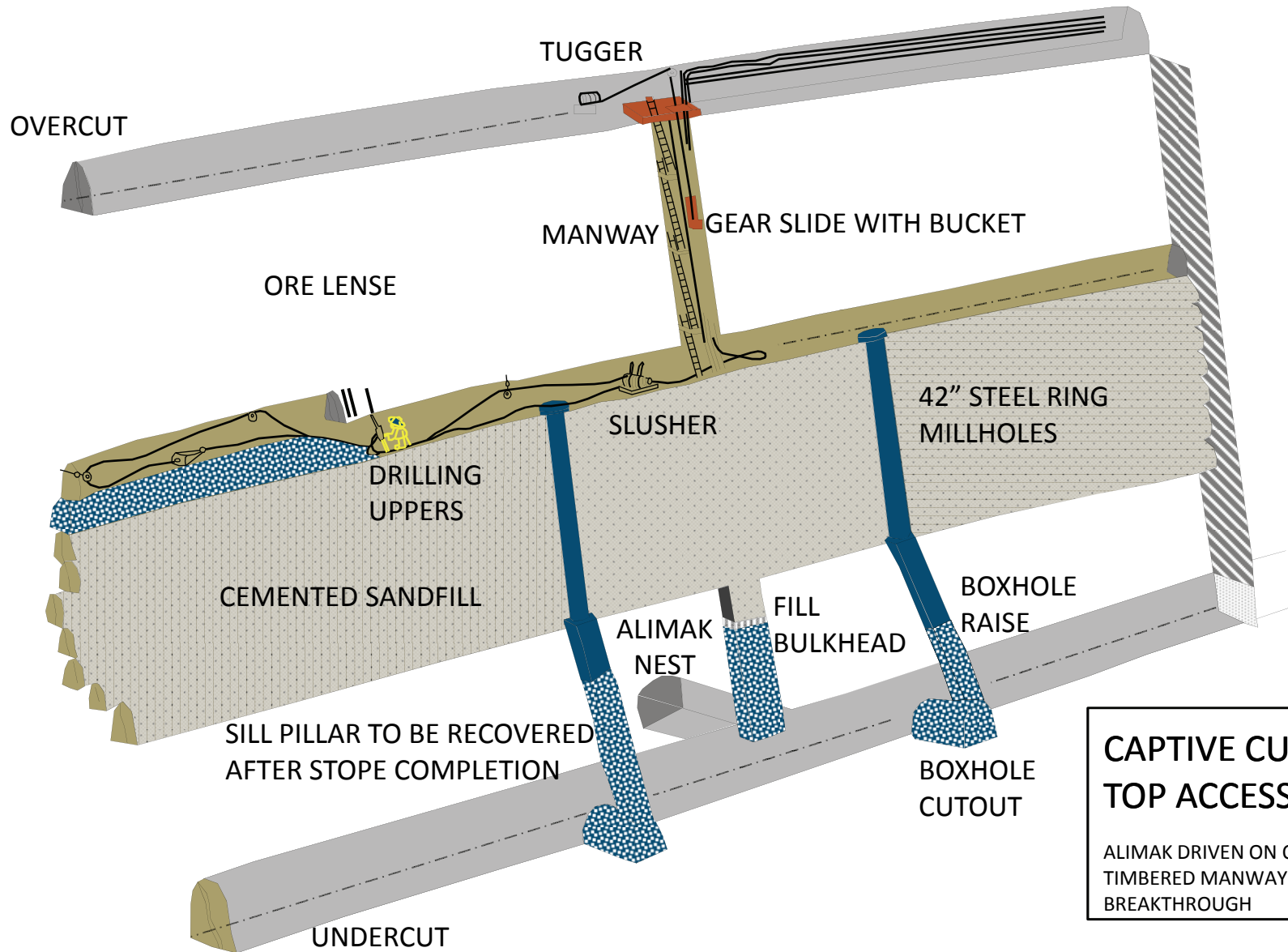
3810 LEVEL CUT #1 ROUND 68 SOUTH-EAST



MORRISON DEPOSIT – 3810L C1 – 9310 ELEVATION



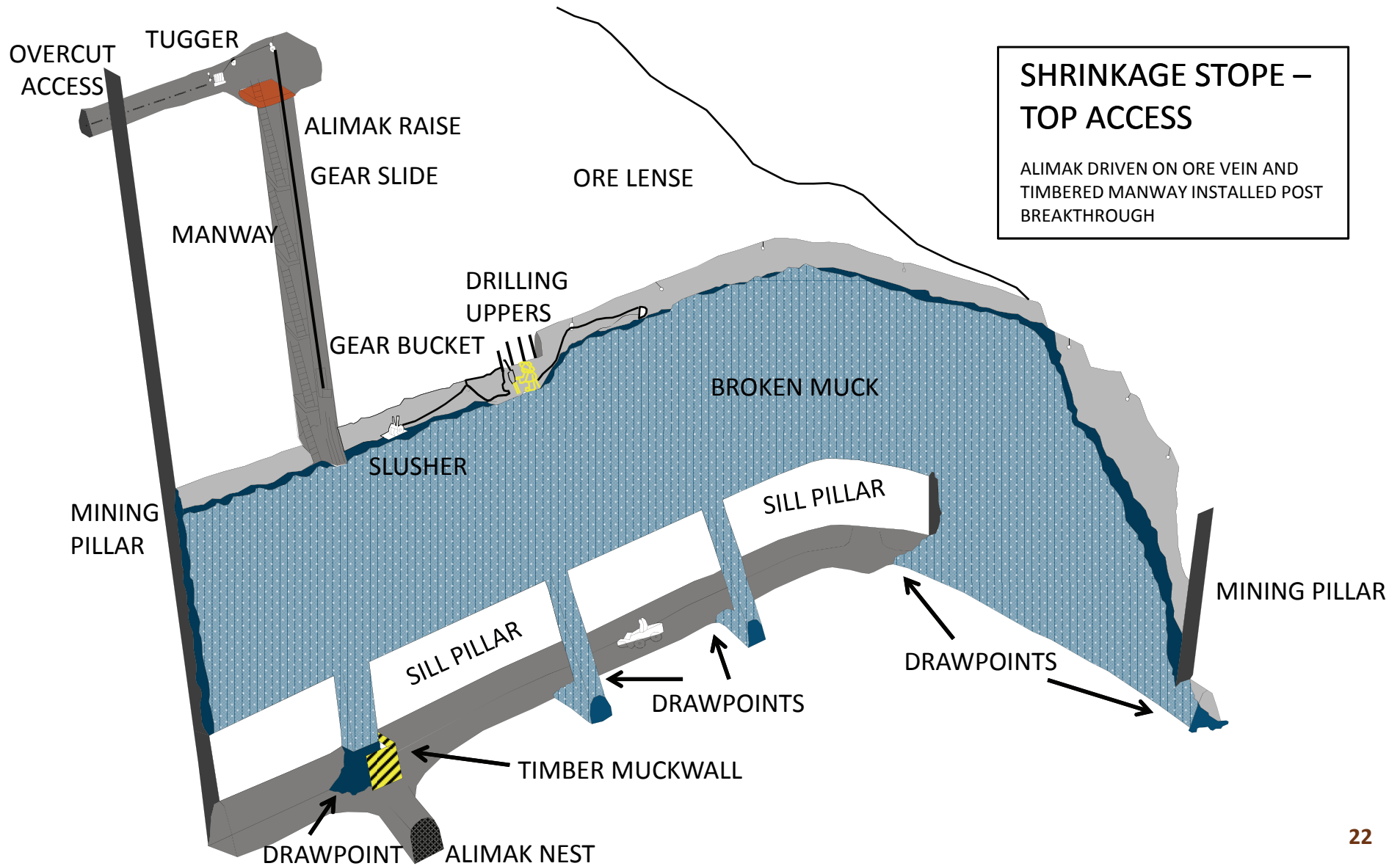
CAPTIVE CUT & FILL MINING METHOD



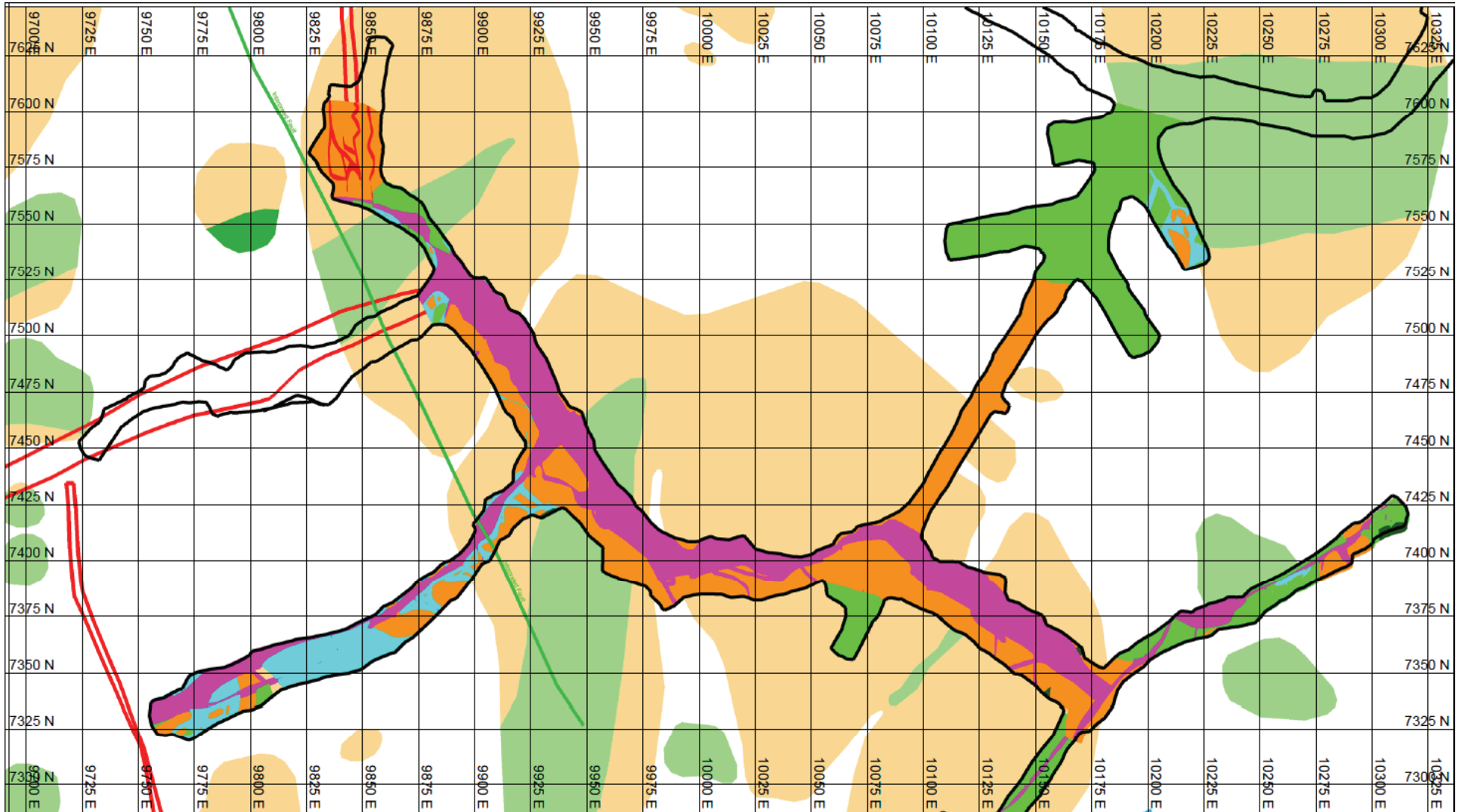
**CAPTIVE CUT AND FILL
TOP ACCESS STOPE**

ALIMAK DRIVEN ON ORE VEIN AND
TIMBERED MANWAY INSTALLED POST
BREAKTHROUGH

SHRINKAGE STOPE – TOP ACCESS



4150 LEVEL CUT #1



4150 LEVEL CUT #1



SWEEPER UNIT



BLOWPIPE

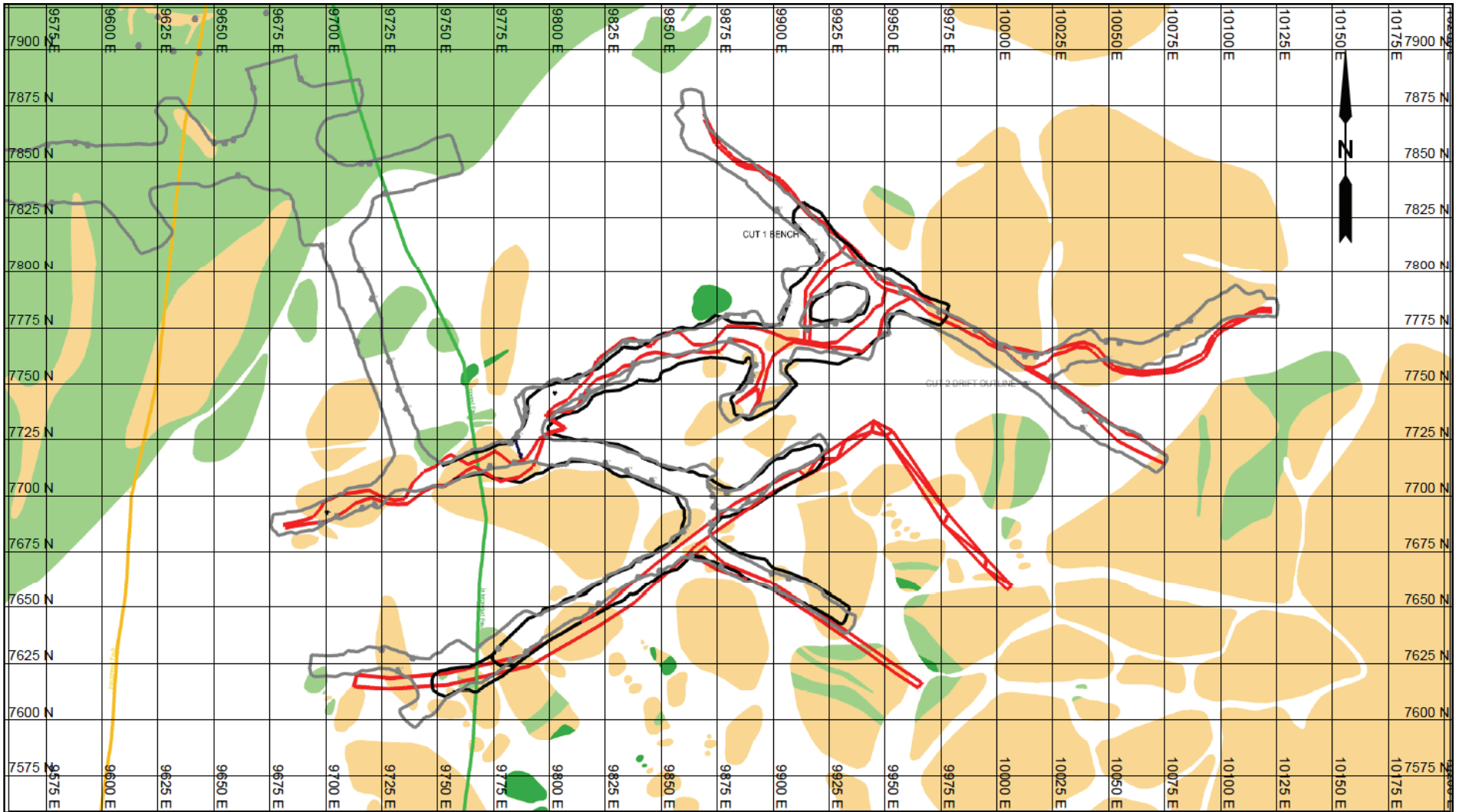




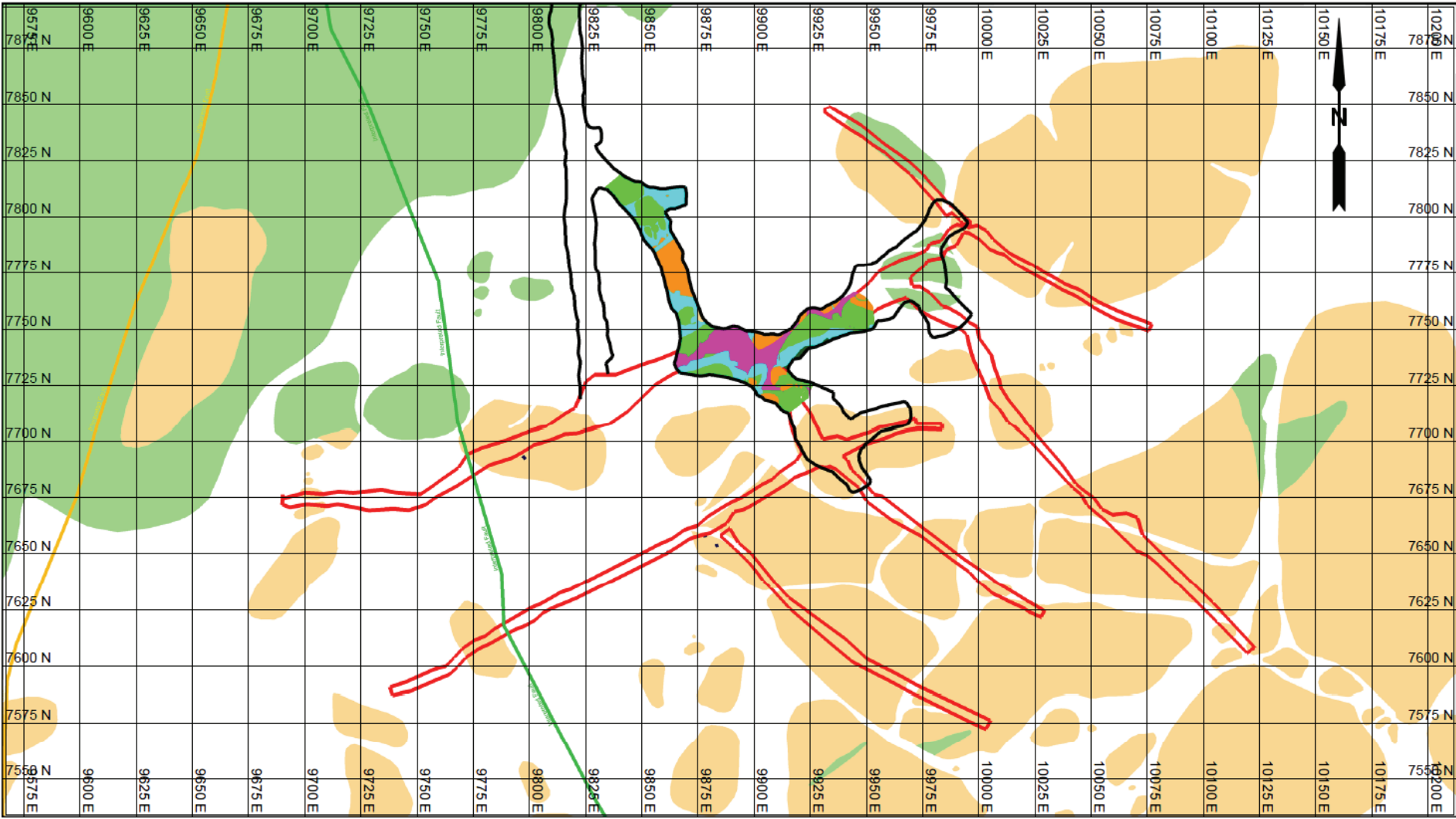
OUR TOUR TODAY



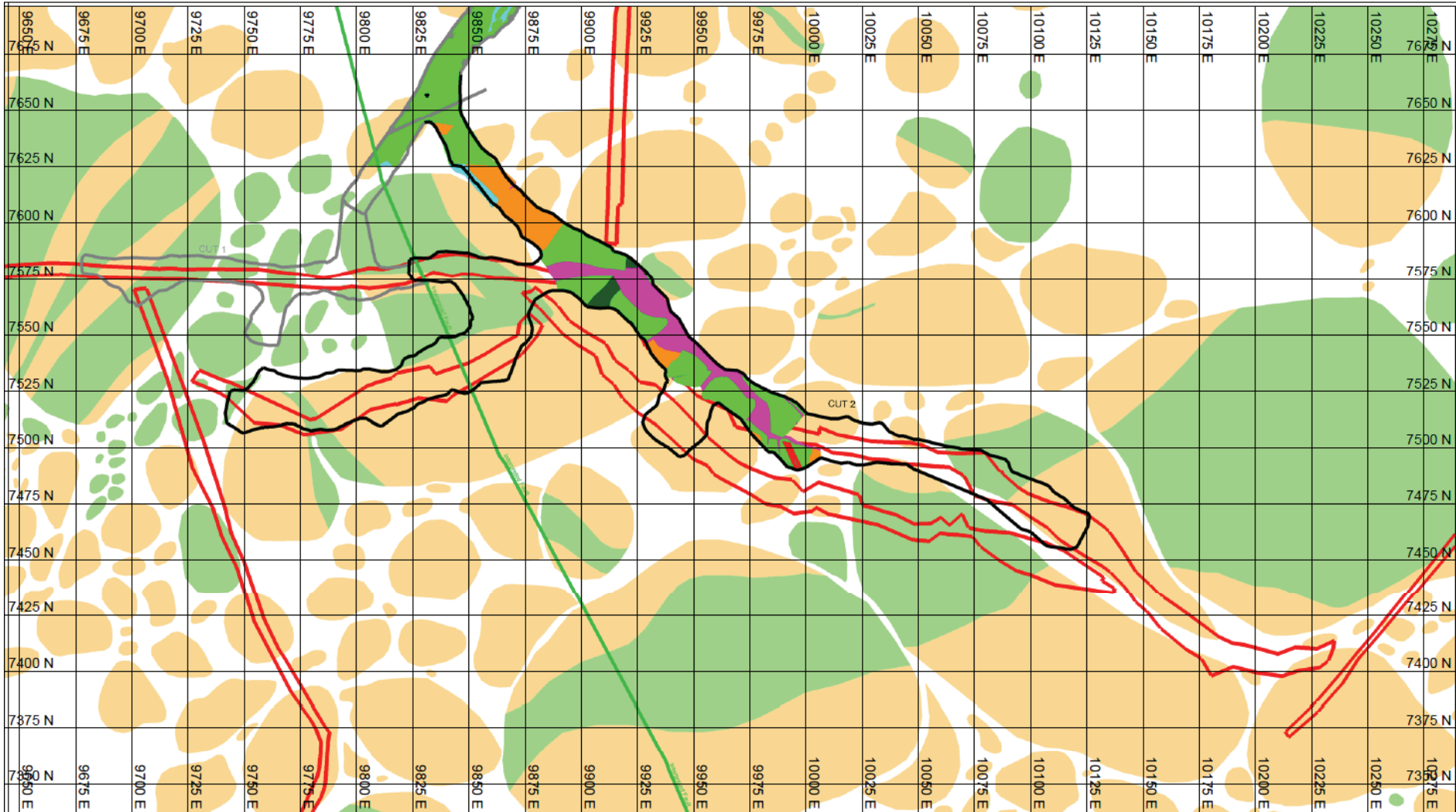
3630 LEVEL CUT #1



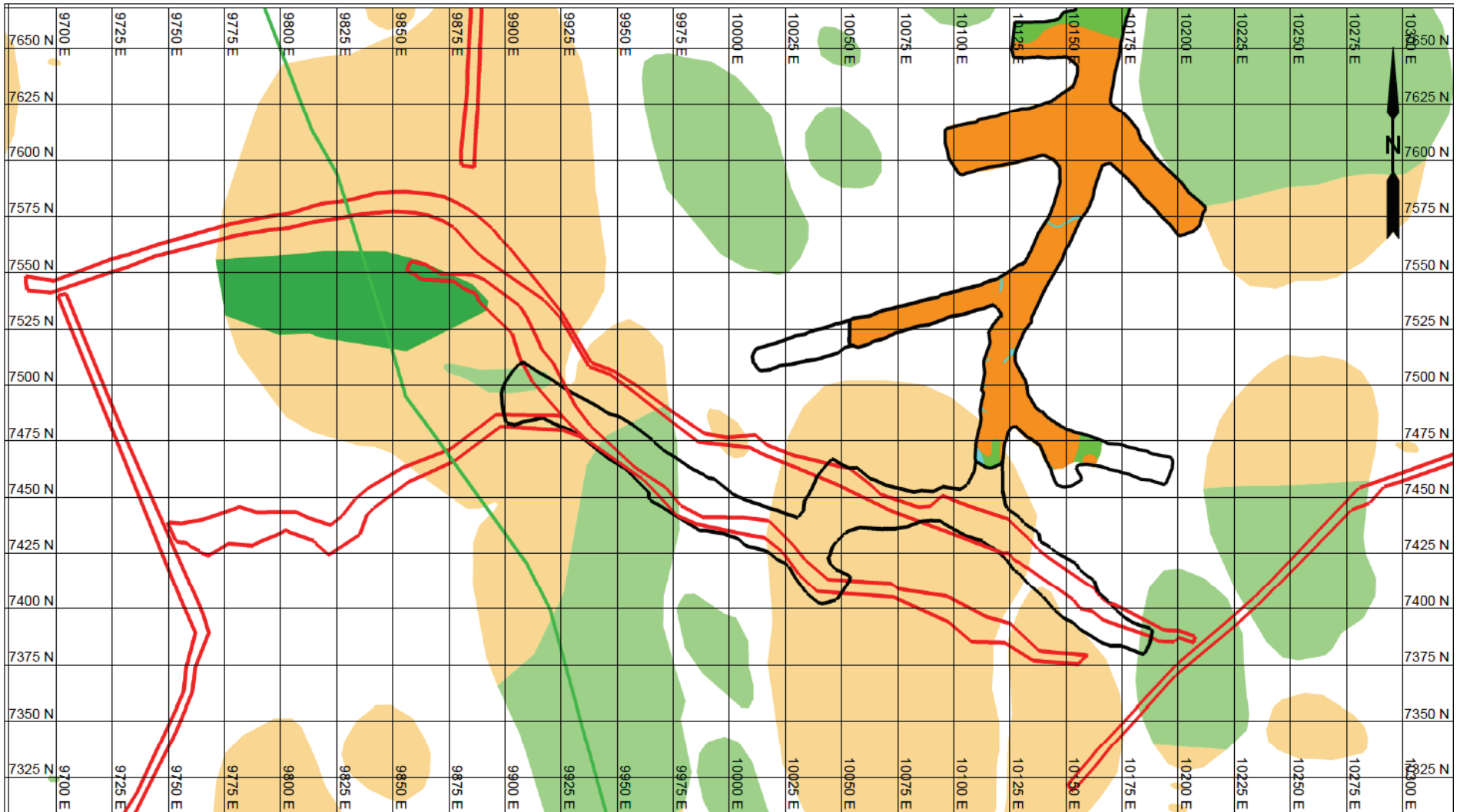
3690 LEVEL CUT #2



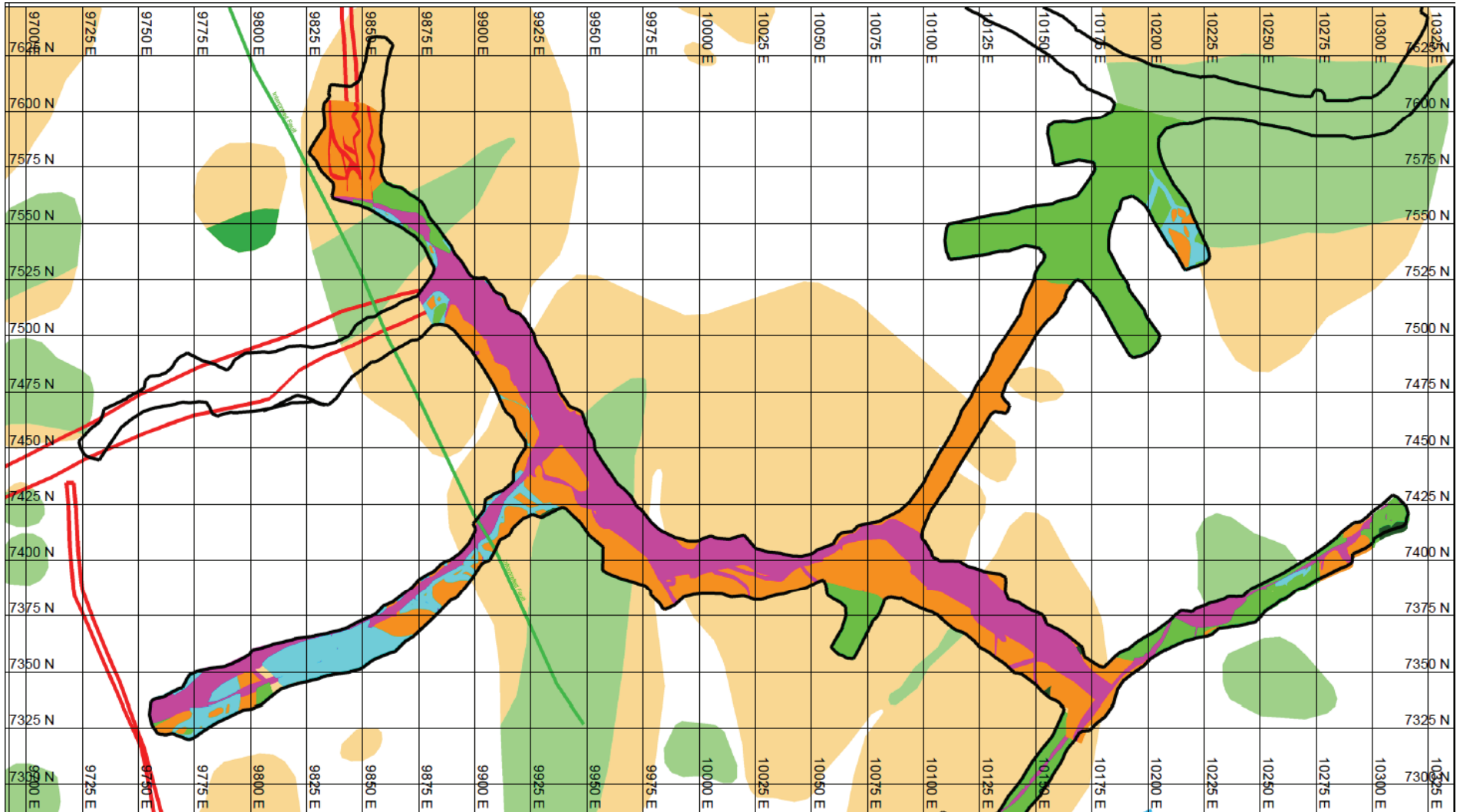
4030 LEVEL CUT #2



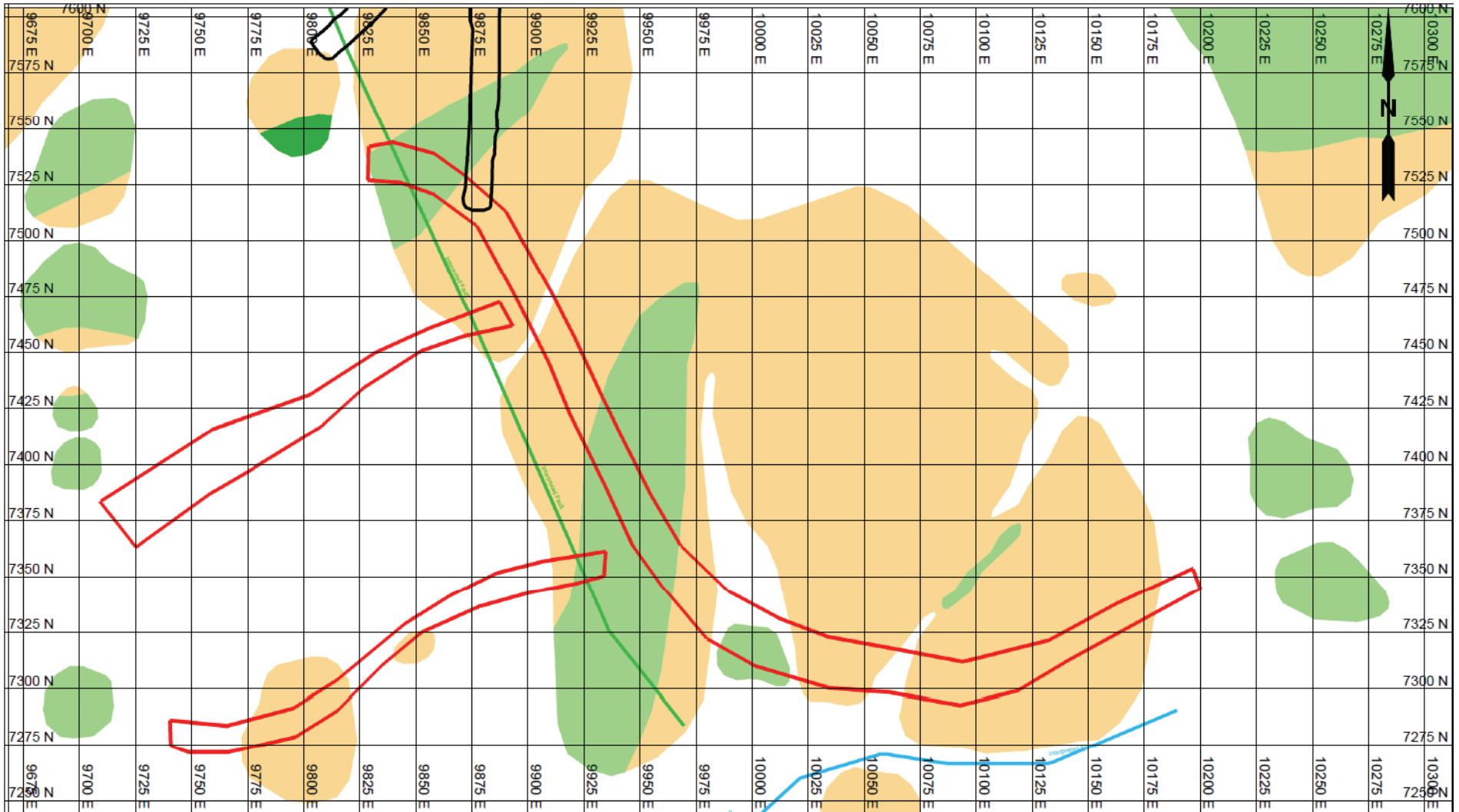
4090 LEVEL CUT #2



4150 LEVEL CUT #1



4210 LEVEL CUT #1



ENJOY YOUR TOUR!

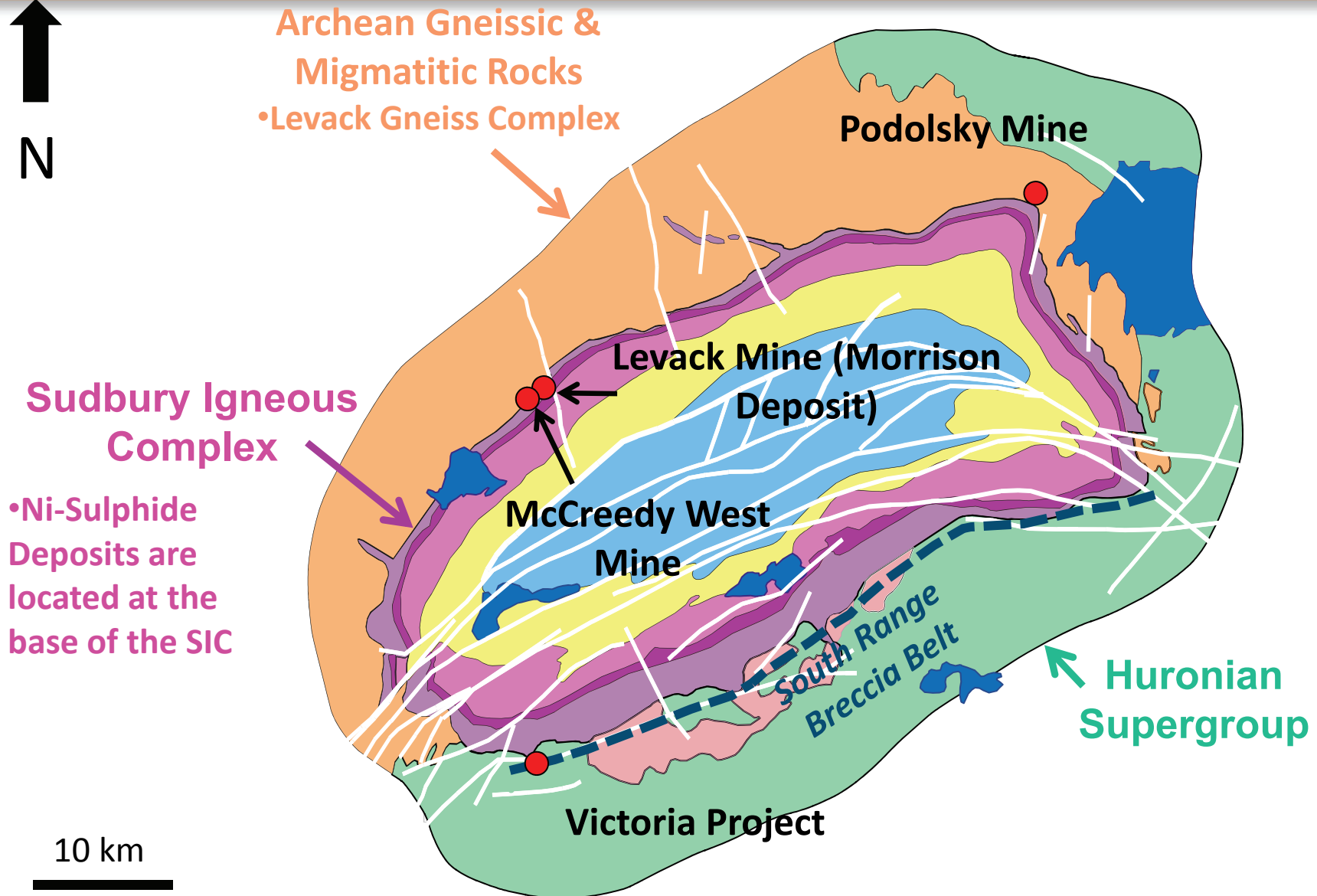




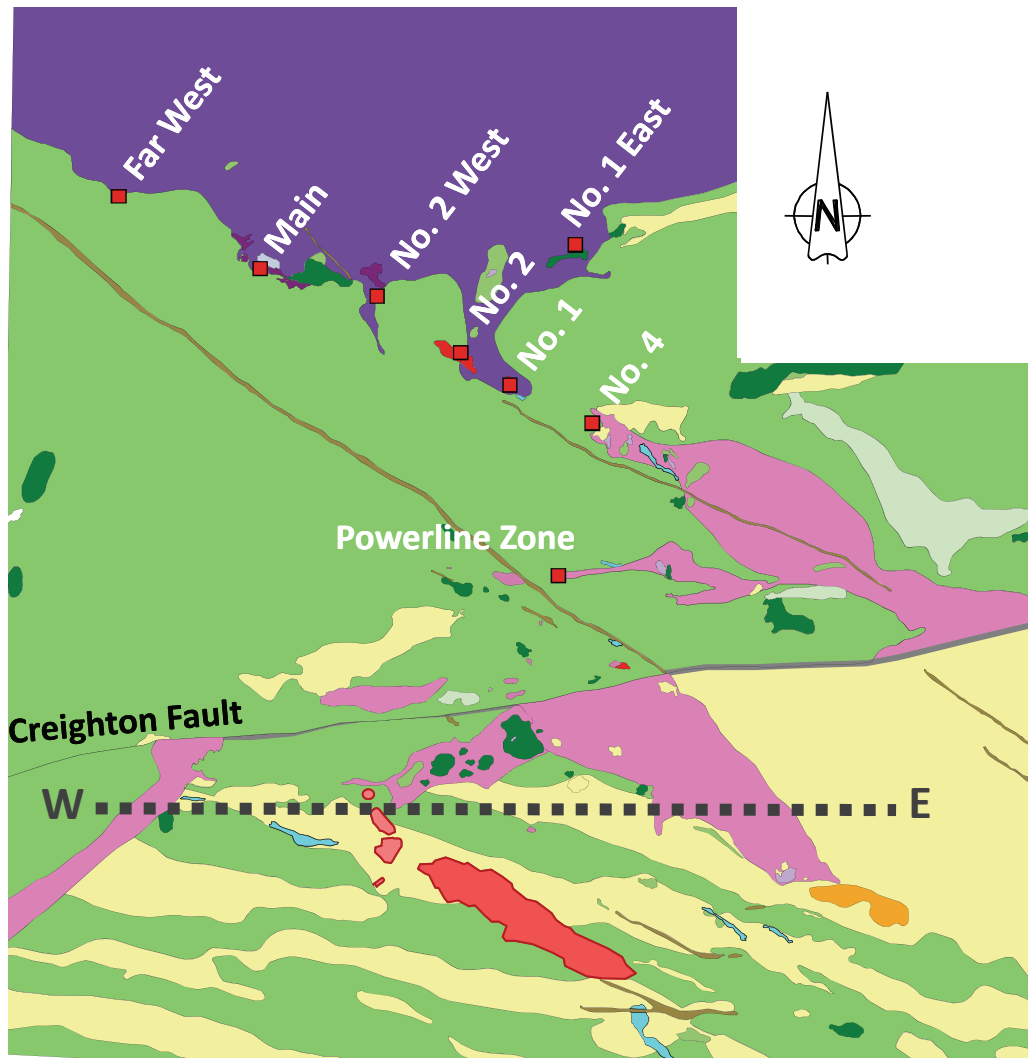
VICTORIA



SUDBURY: REGIONAL GEOLOGY



VICTORIA: SURFACE GEOLOGY



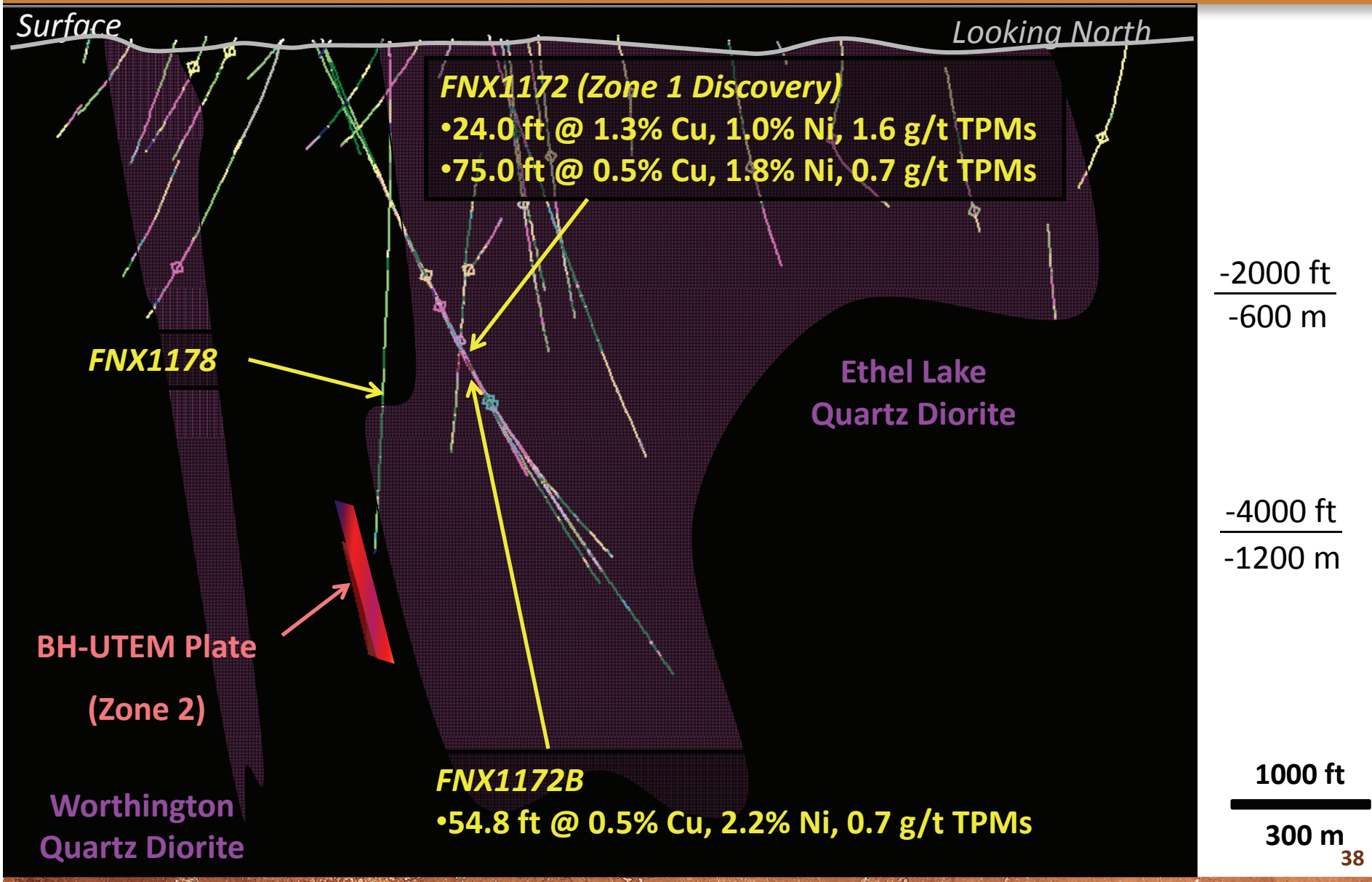
- Zone 2
- Zone 4

- Olivine Diabase
- Norite
- Quartz Diorite
- Sudbury Breccia
- Metabasaltic Rocks
- Metagabbroic Rocks
- Felsic Metavolcanic Rocks
- Metasedimentary Rocks

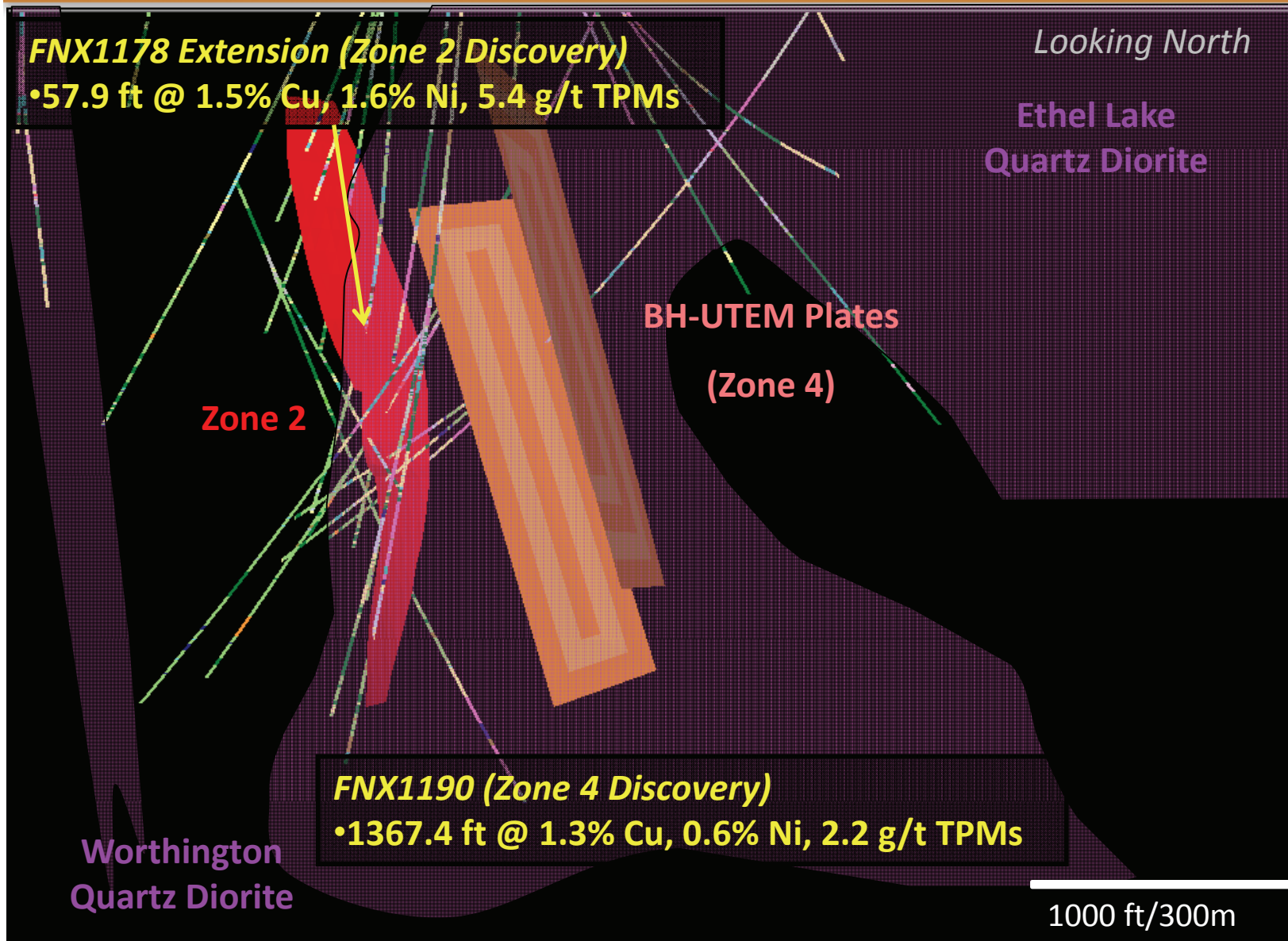
0 500

Meters

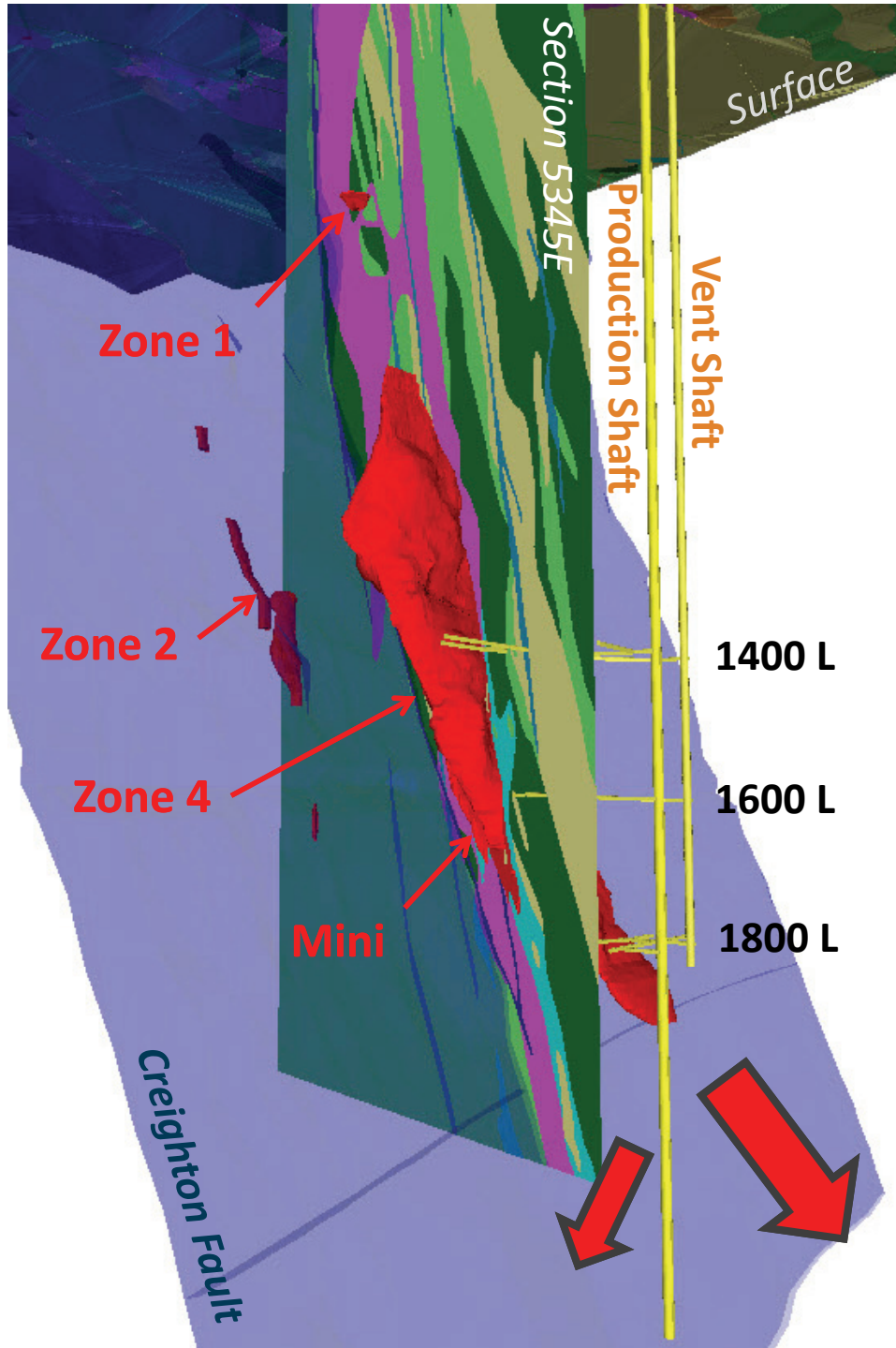
VICTORIA IN 2008: ZONES 1 & 2



VICTORIA 2009/2010: ZONES 2 TO 4



LOOKING NE



- Olivine Diabase
- Norite
- Quartz Diorite
- Sudbury Breccia
- Metabasaltic Rocks
- Metagabbroic Rocks
- Felsic Metavolcanic Rocks
- Metasedimentary Rocks

Open at depth & to the West

- BH-UTEM responses

VICTORIA: INFERRED RESOURCE

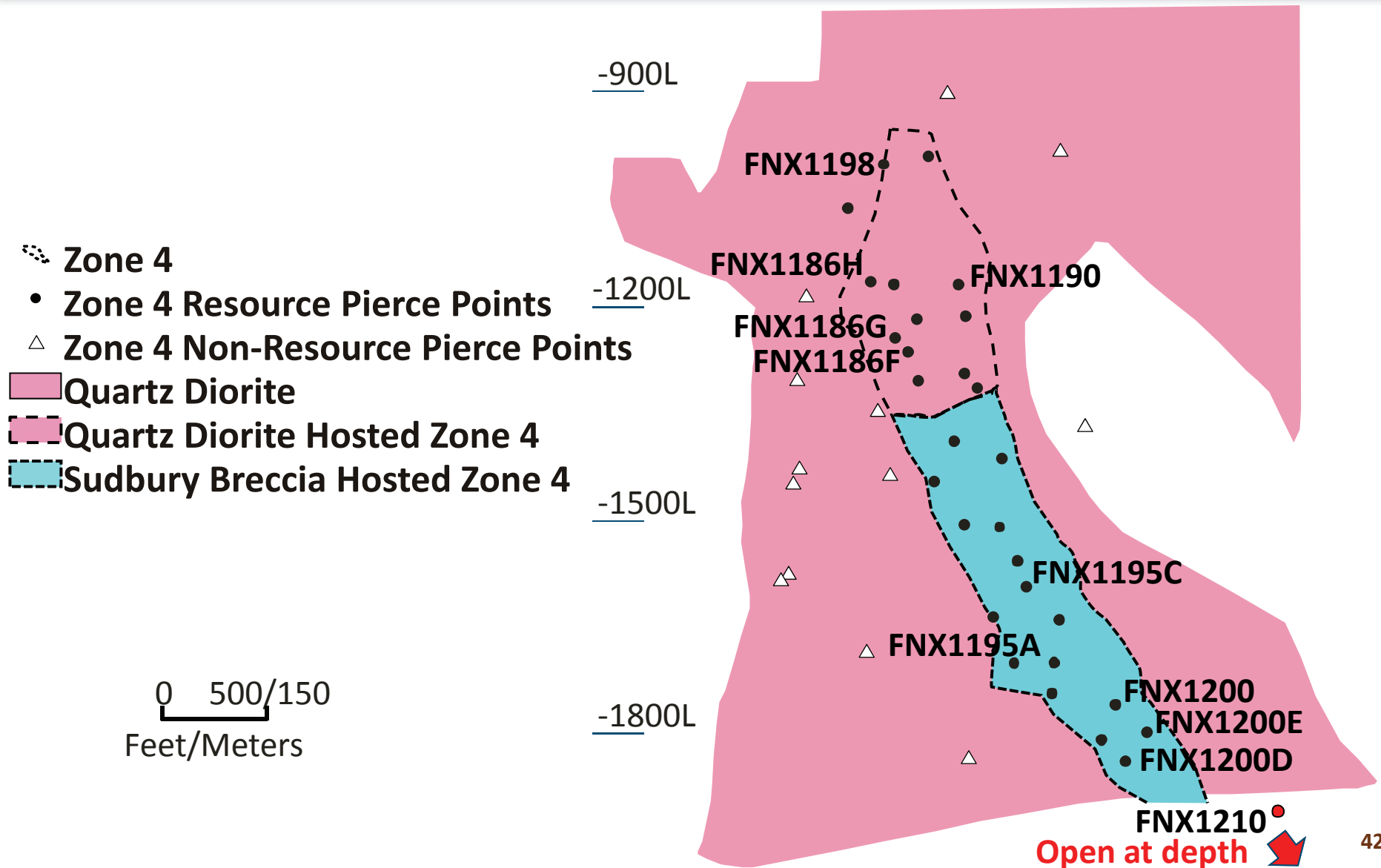


Inferred	Tonnes (M)	Cu (%)	Ni (%)	Pt (g/t)	Pd (g/t)	Au (g/t)	TPMs (g/t)
Zone 4	12.0	2.3	2.3	3.2	4.4	1.0	8.7
Zone 2	0.3	1.4	0.9	1.4	2.2	0.6	4.3
Mini	0.1	1.2	0.6	0.9	0.5	0.2	1.5
Total	12.5	2.3	2.2	3.2	4.3	1.0	8.5

The Mineral Resource estimate was prepared in accordance with the “CIM Definition Standards On Mineral Resources and Mineral Reserves”, adopted by CIM Council on December 11, 2005, and the CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines, adopted by CIM Council on November 23, 2003, using geostatistical and/or classical methods, plus economic and mining parameters appropriate to each operation. Definitions and guidelines can be found at www.cim.org.

Source: *Technical Report on the Victoria Project Deposit, Sudbury, Ontario, Canada by Farrow, Everest, Gibbins & Jollette; Filed on Sedar June 3, 2011*

INCLINED SECTION (LOOKING NNE)



1200 LEVEL MINERALIZATION



FNX1186H:

- 27.1 ft @ 1.1% Cu, 0.5% Ni & 2.7 g/t TPM
- 83.5 ft @ 1.1% Cu, 1.3% Ni & 2.2 g/t TPM

FNX1198:

- 26.0 ft @ 1.1% Cu, 0.6% Ni & 1.1 g/t TPM

FNX1190:

- 1367.4 ft @ 1.3% Cu, 0.6% Ni & 2.2 g/t TPM

FNX1186F:

- 98.7 ft @ 1.3% Cu, 0.4% Ni & 1.3 g/t TPM
- 15.5 ft @ 1.7% Cu, 0.2% Ni & 0.4 g/t TPM
- 108.1 ft @ 1.5% Cu, 2.2% Ni & 5.1 g/t TPM

FNX1186G:

- 623.6 ft @ 1.9% Cu, 1.7% Ni & 4.1 g/t TPM

-3000N

-3500N

-4000N

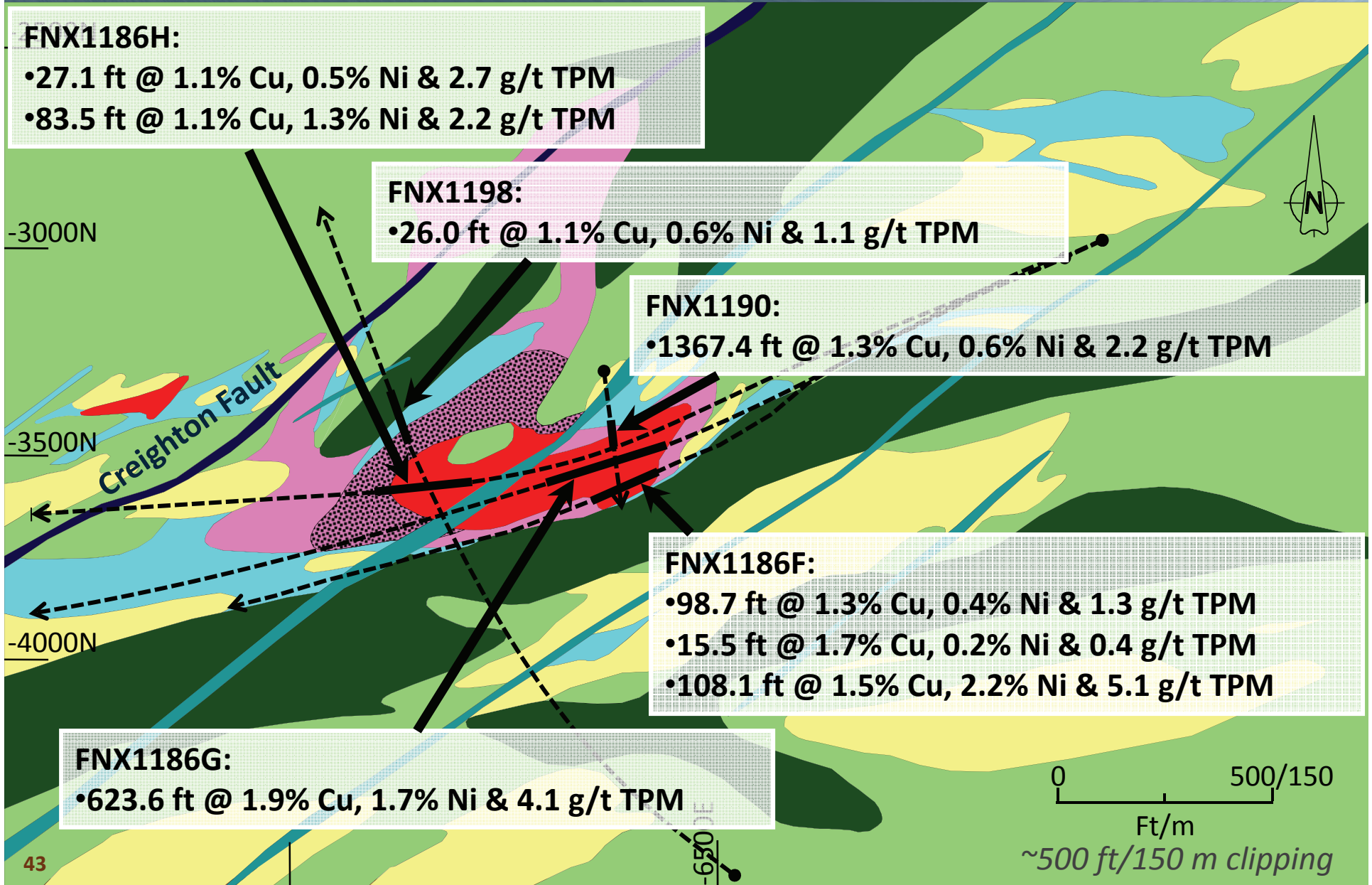
43

-650E

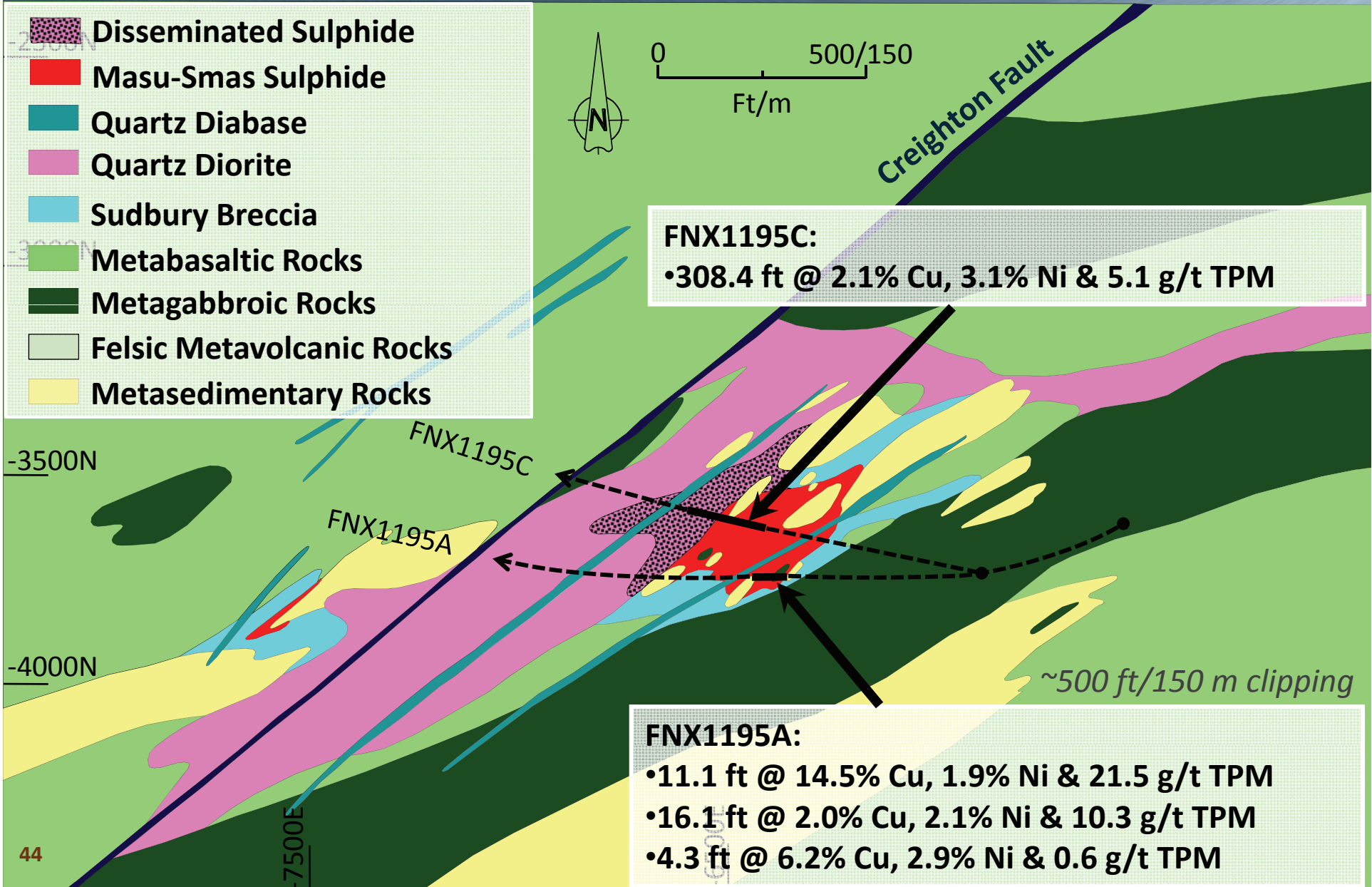


0 500/150
Ft/m

~500 ft/150 m clipping



1600 LEVEL MINERALIZATION



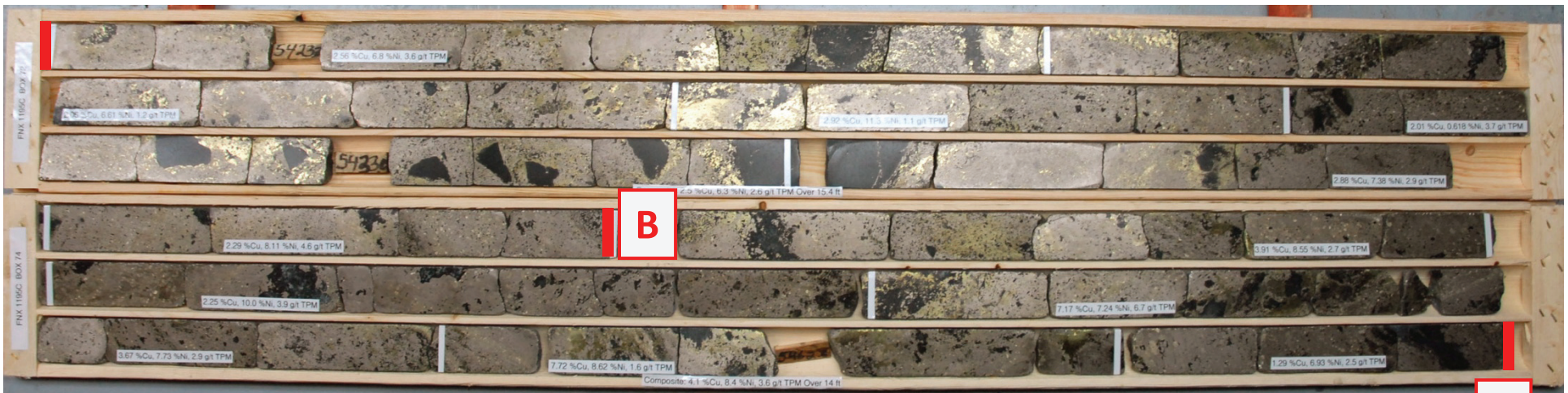
FNX1195C (MASSIVES SULPHIDE)



- Pyrrhotite-rich massive sulphide with pentlandite (Ni-mineral) & chalcopyrite (Cu-mineral)

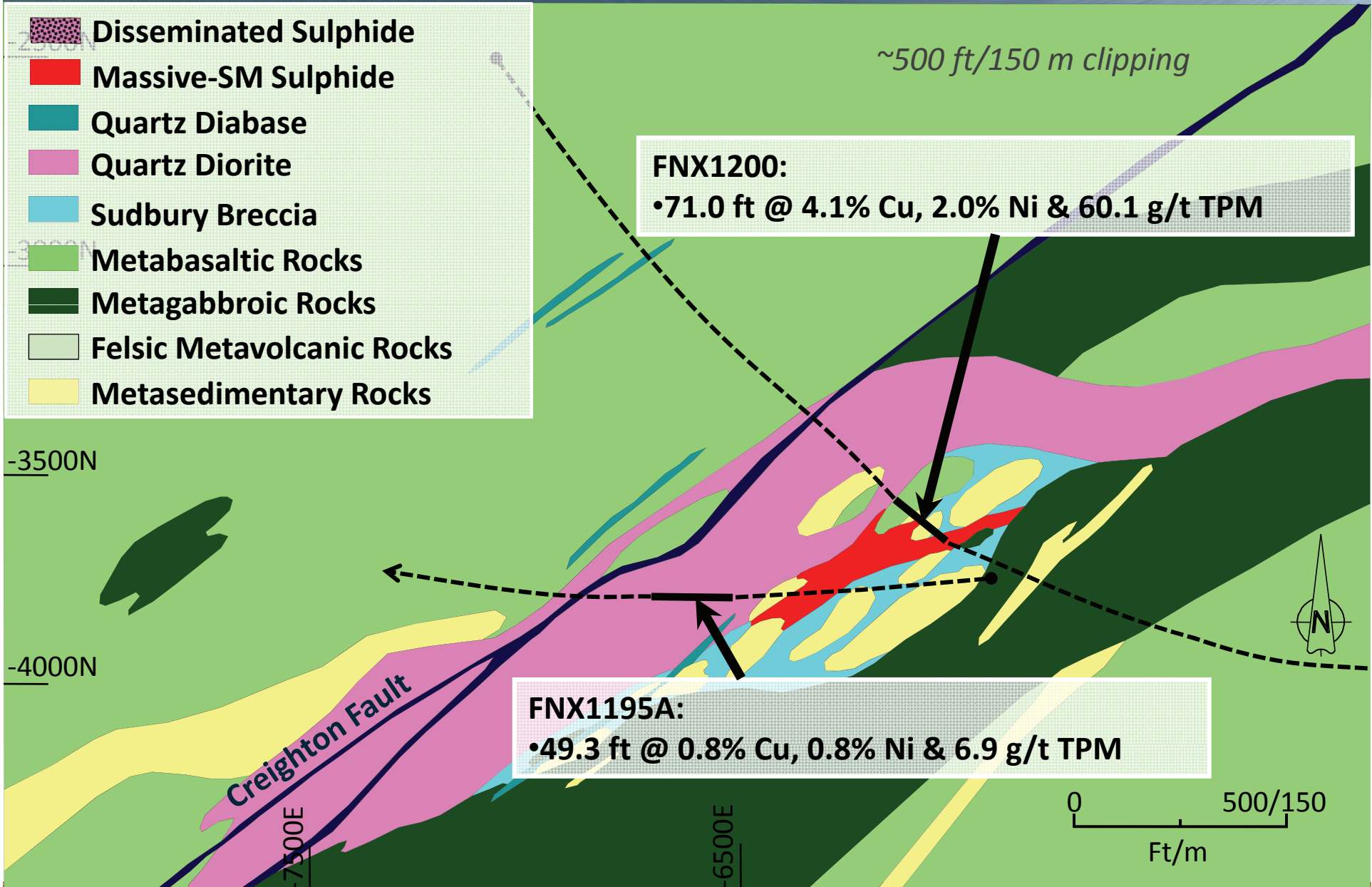
A

A – B: 15.4 ft @ 2.5% Cu, 6.3% Ni & 2.6 g/t Pt-Pd-Au

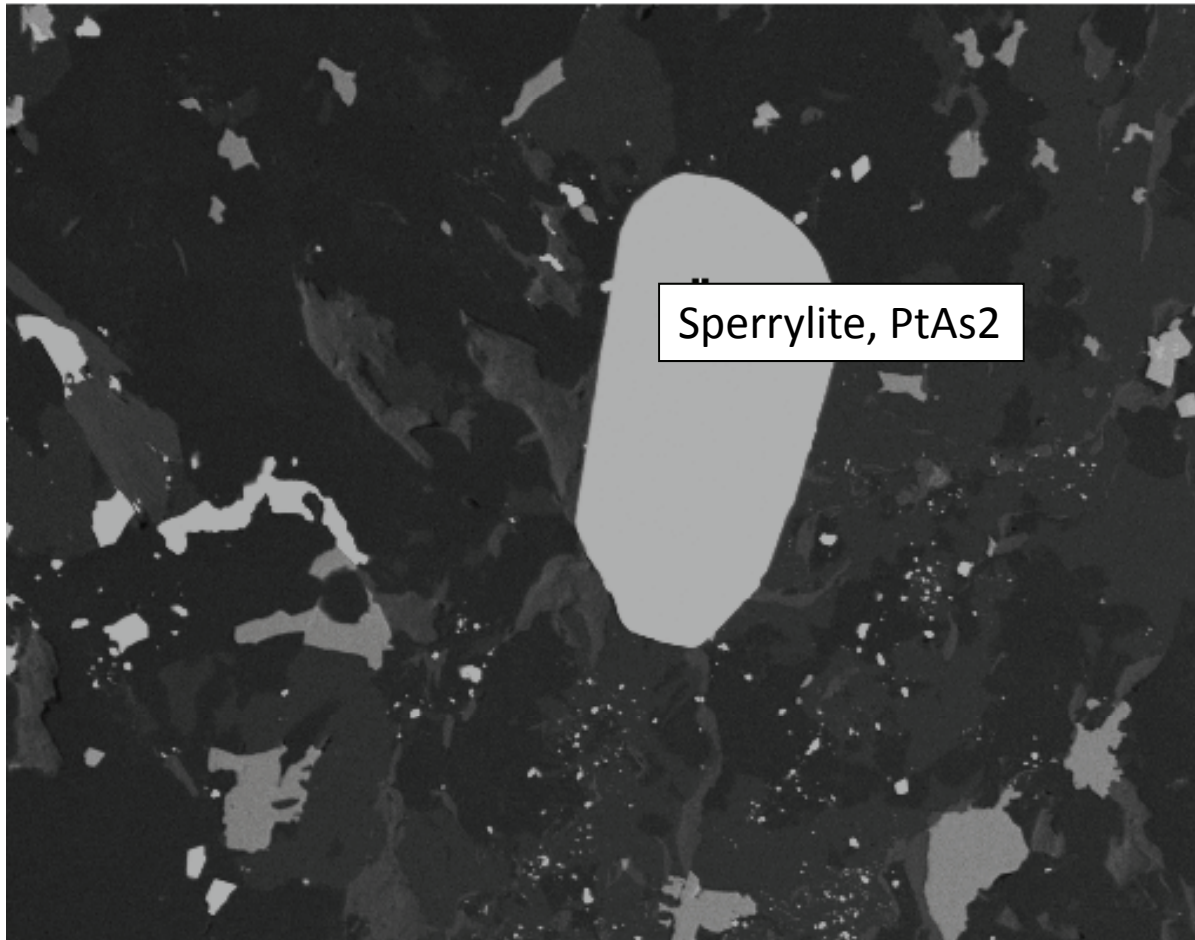


B – C: 14.0 ft @ 4.1% Cu, 8.4% Ni & 3.6 g/t Pt-Pd-Au

1800 LEVEL MINERALIZATION



VICTORIA: PLATINUM GROUP MINERALS

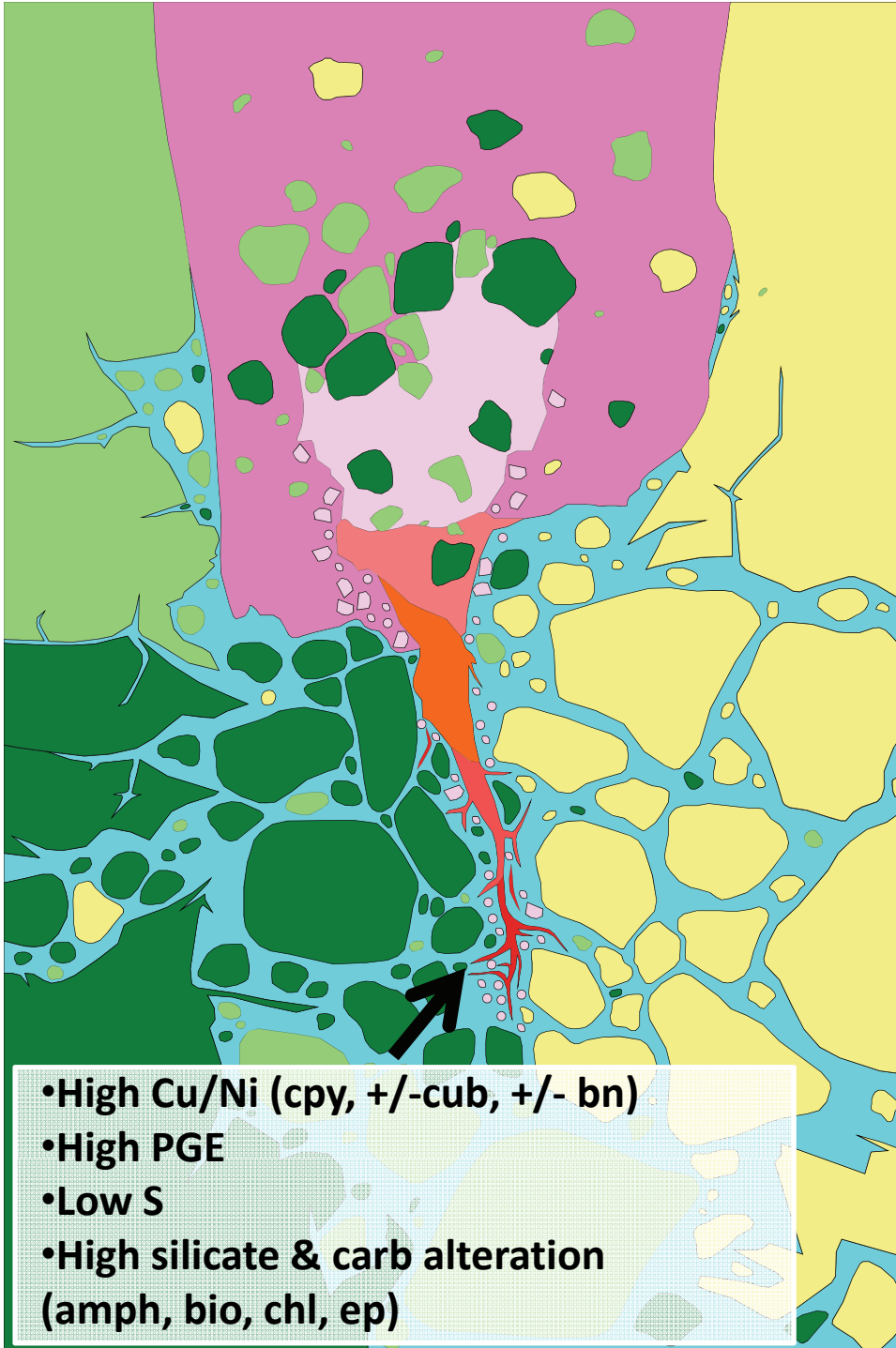


300µm

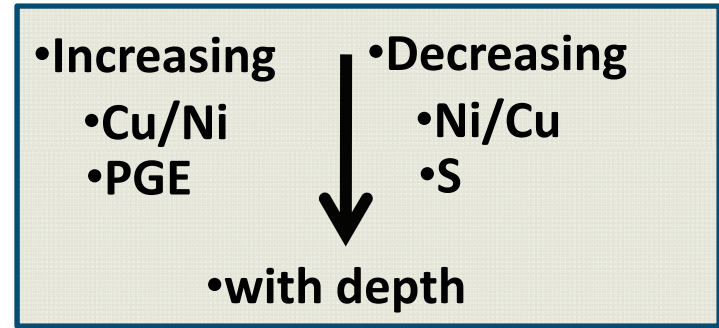
Electron Image 1

- **Pyrrhotite-rich massive sulphide veins with:**
 - pentlandite (Ni)
 - chalcopyrite (Cu)
- **Minor quartz-filled fractures**
- **Stockwork and minor veining in Sudbury Breccia/metabasalt**
- **PGM hosted by both sulphides & silicate/carbonate groundmass (shown here)**

MODIFIED "FROOD" ORE TYPE



- High Cu/Ni (cpy, +/- cub, +/- bn)
- High PGE
- Low S
- High silicate & carb alteration (amph, bio, chl, ep)



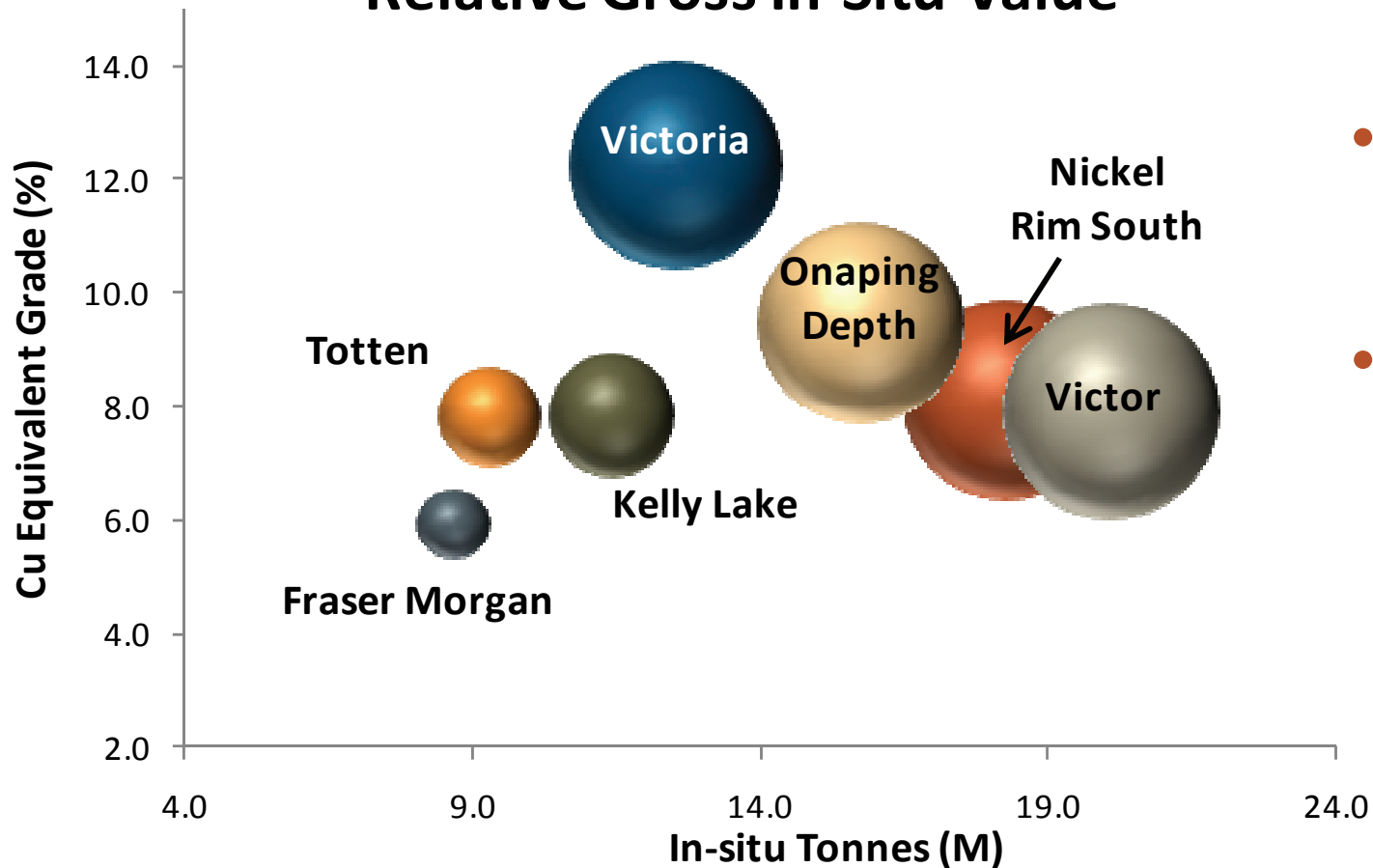
- DISU, blebby sulphides
- INMS, sulphide stockworks
- Po, pn, cpy, massive sulphide
- Po, pn, cpy, high tenor veining
- Cpy-rich (+/- qtz, carb veining)
- Sudbury Breccia
- Quartz Diorite
- Metabasaltic Rocks
- Metagabbro
- Metasedimentary Rocks

Modified from: Farrow & Lightfoot, 2002; Souch & Podolsky, 1969

SIZE & IN SITU VALUE



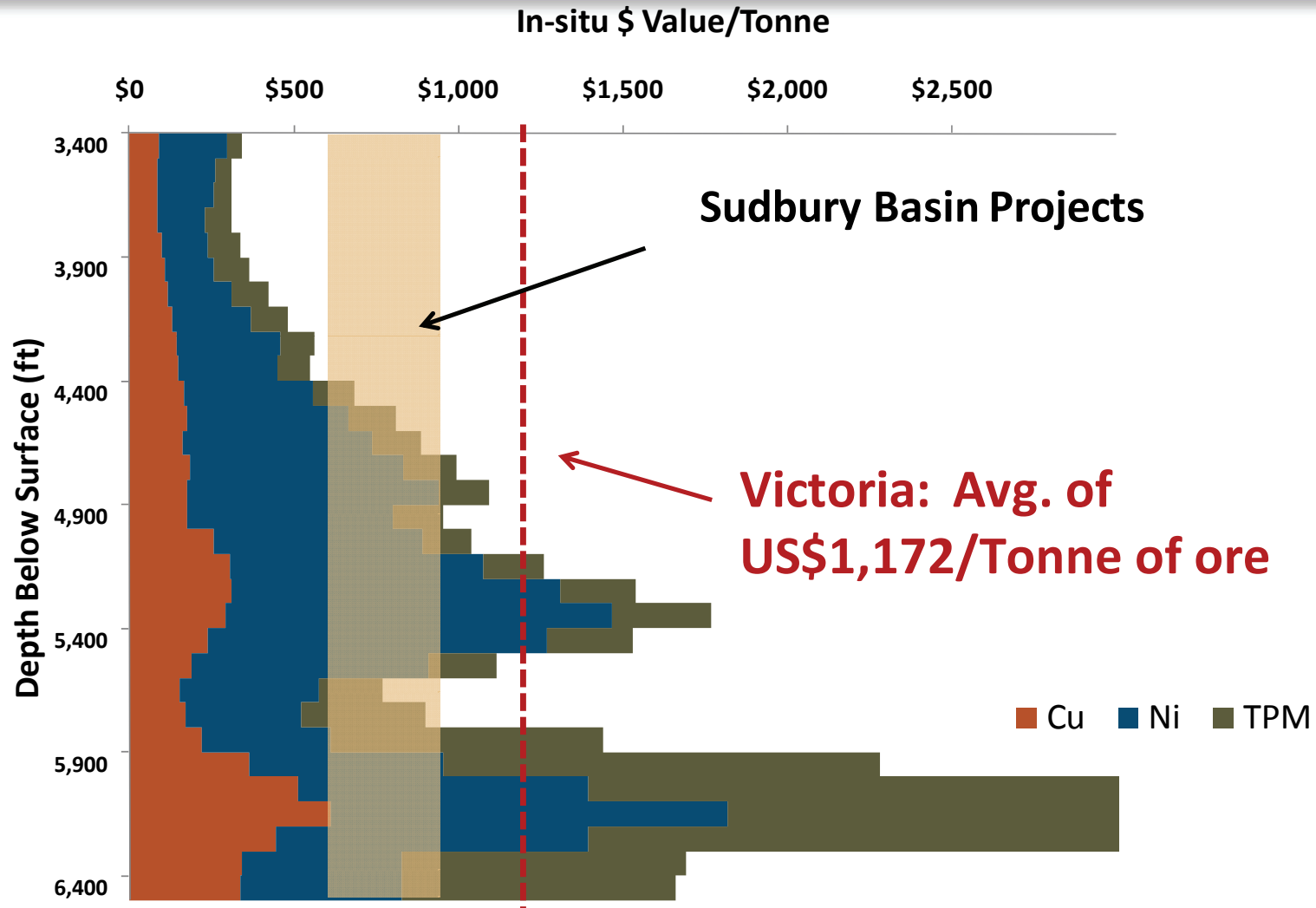
Relative Gross In-Situ Value



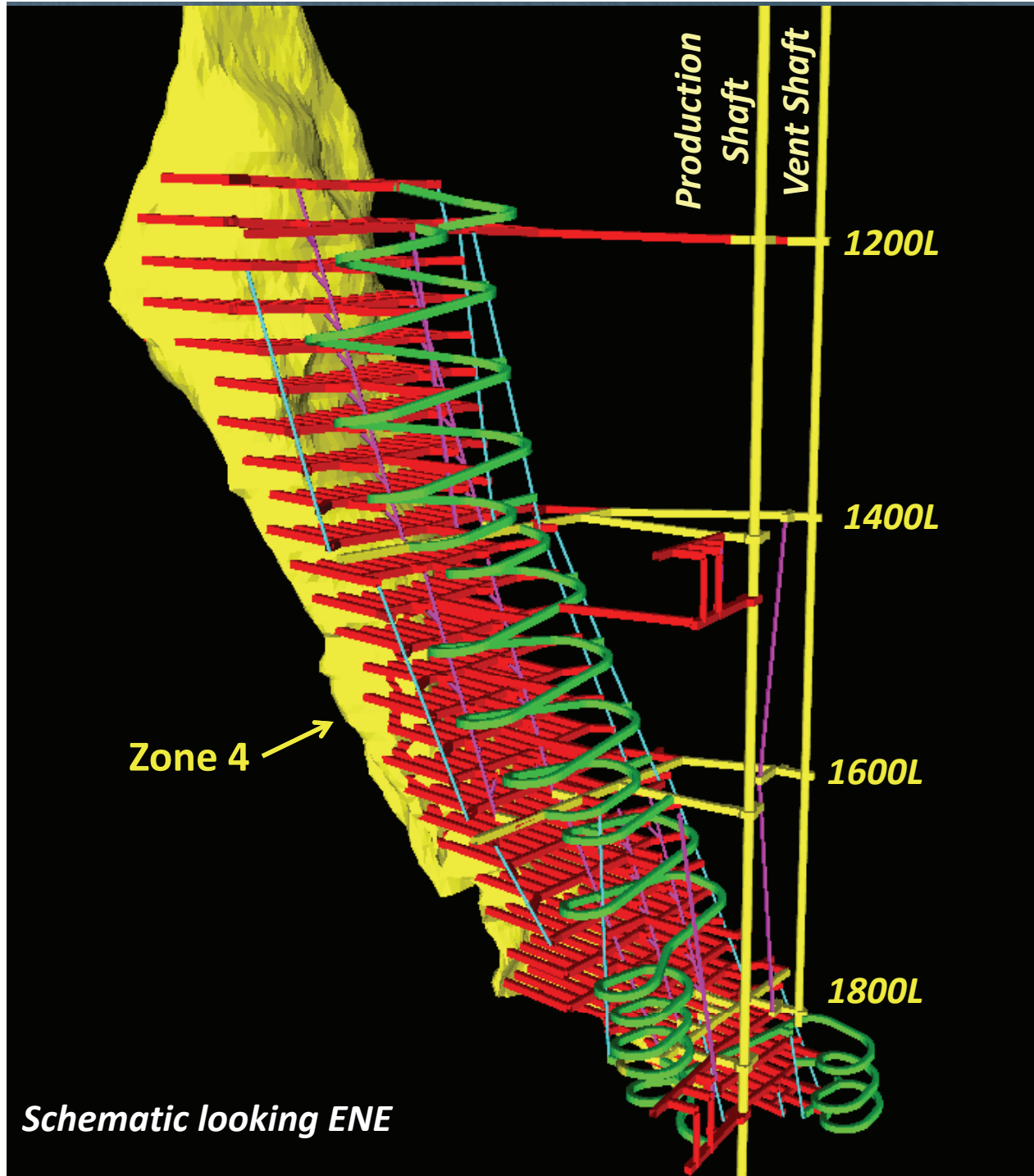
- ~ 3.4 BN lbs of Cu Equiv.
- ~ 1.2 BN lbs of Ni Equiv.

Note: Cu Equivalent and in-situ value calculation assumes three-month trailing average commodity prices at time of Sedar technical report filing; Cu at US\$4.34/lb, Ni at US\$12.27/lb, Pt at US\$1784/oz, Pd at US\$778/oz & Au at US\$1426/oz. Onaping Depth & Fraser Morgan resource are as of June 30 2010. Nickel Rim South, Totten, Kelly Lake & Victor resources are as of December 31, 2005.

VICTORIA: GRADE COMPARISON



Note: Cu Equivalent and in-situ value calculation assumes three-month trailing average commodity prices as at Sedar filing; Cu at US\$4.34/lb, Ni at US\$12.27/lb, Pt at US\$1784/oz, Pd at US\$778/oz and Au at US\$1426/oz. Other Sudbury projects include Onaping Depth, Fraser Morgan, Nickel Rim South, Totten, Kelly Lake and Victor.



Conceptual Mine Plan

- Definition drilling from ventilation shaft
- Bulk scale mining methods
 - Longhole stoping
 - Numerical geotechnical modelling underway
- Preliminary Capex :
 - ~\$3/4 B over 7 years

VICTORIA: SHORT-TERM PRIORITIES



Q4 2011

- First Nations consultations
- Environmental permitting
- Discussions with stakeholders & Vale
- Completion of PEA engineering
- Continue step-out diamond drilling
 - Impact system scale & infrastructure

Targeting commencement of
development in 2012

VICTORIA: KEY HIGHLIGHTS



- **Significant inferred resource, remains open**
- **Impressive grades increasing with depth**
- **Victoria appears amenable to low cost, bulk underground mining methods**
- **Pursuing an aggressive development timeline**
 - **Expertise in-house (QUX/DMC)**
- **Relatively low development risk profile**



CORPORATE OVERVIEW

Q3 2011 HIGHLIGHTS & MILESTONES

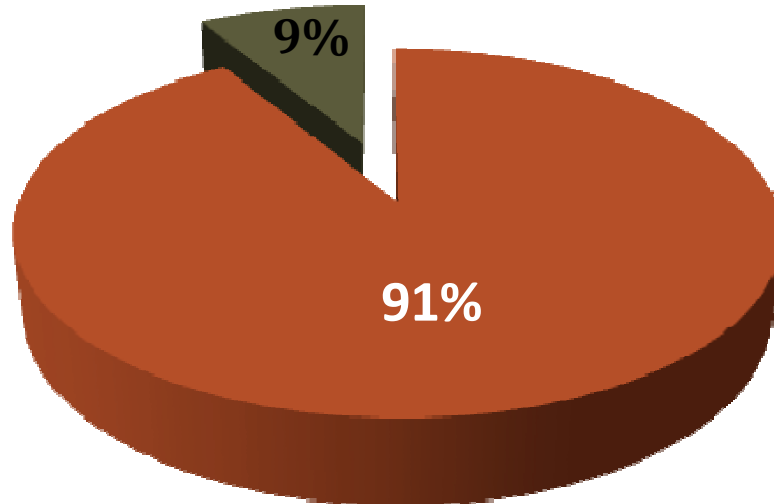


- ✓ **Production:** Significant improvements at Robinson & consistency in Sudbury
- ✓ **C1 Costs decline to \$2.13/lb Cu:** Higher Cu volumes
- ✓ **Profitability:** Reported EPS impacted by one time & non cash items
 - 44% increase in CFPS vs. Q3/10
- ✓ **Completed Sierra Gorda JV & commenced construction**
- ✓ **Balance sheet:** Over \$1 BN in cash
- ✓ **Safety Record:** Zero Harm remains our focus
 - Sudbury at 701 days without a Lost Time Accident (LTA)
 - Carlota at 484 days without a LTA
 - Podolsky has over 900 days without a Lost Time Injury

ASSET CONTRIBUTION



YTD Operating income*



■ Core Assets ■ Other Assets

Core Assets provide ~ 90% of our operating income

- Robinson /Morrison contribute ~85%

Balance must:

- Have upside potential
- Provide optionality

** Excluding the impact of inventory write downs*

ROBINSON: CURRENT STATUS & OUTLOOK



Ruth Pit



Q3 2011

- Higher grades in the bottom of the pit
- Higher mining & milling – new records
- Re-sequencing due to slope stability

Outlook

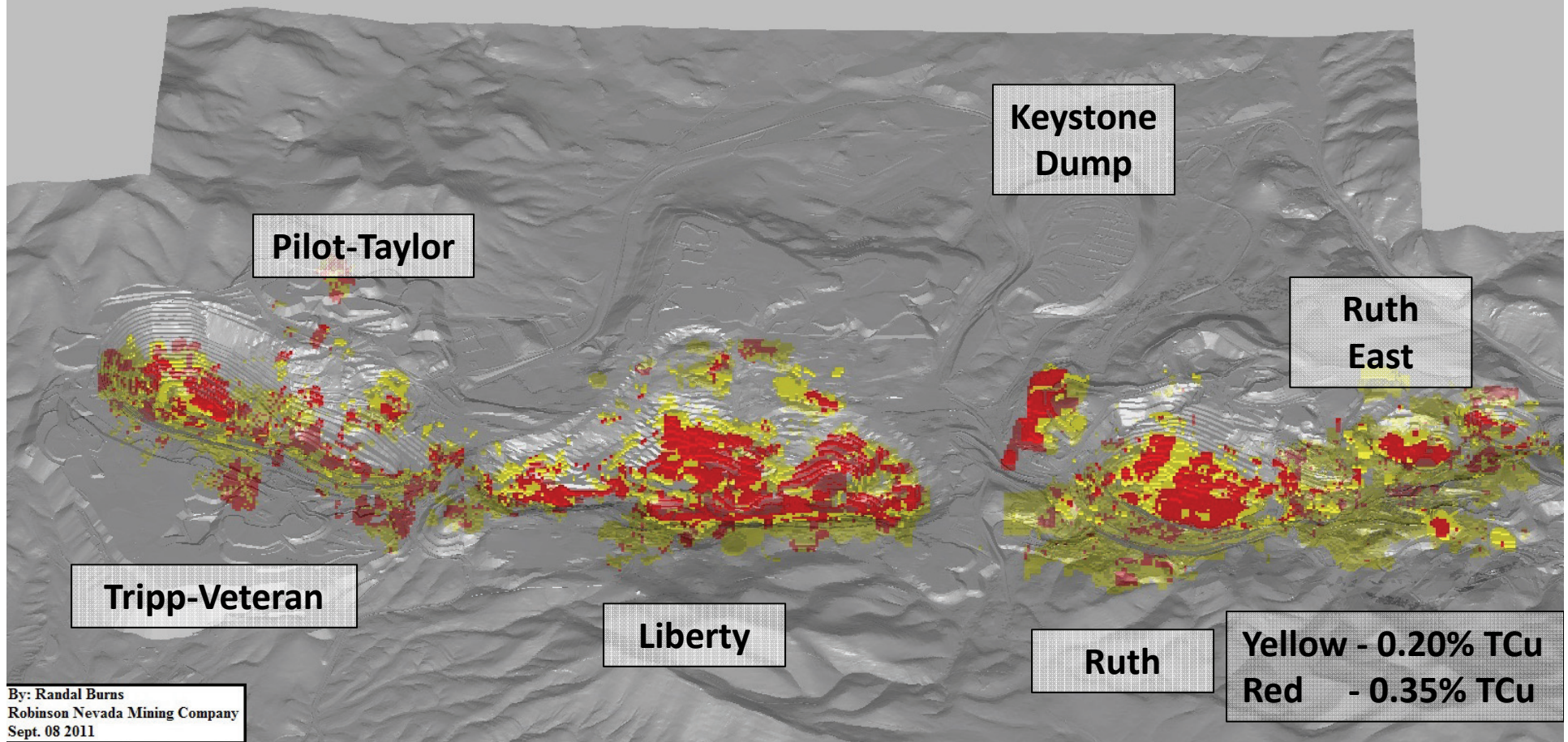
- Operating flexibility & grades continue to improve
- Positive momentum has continued into November

ROBINSON: CURRENT PLAN



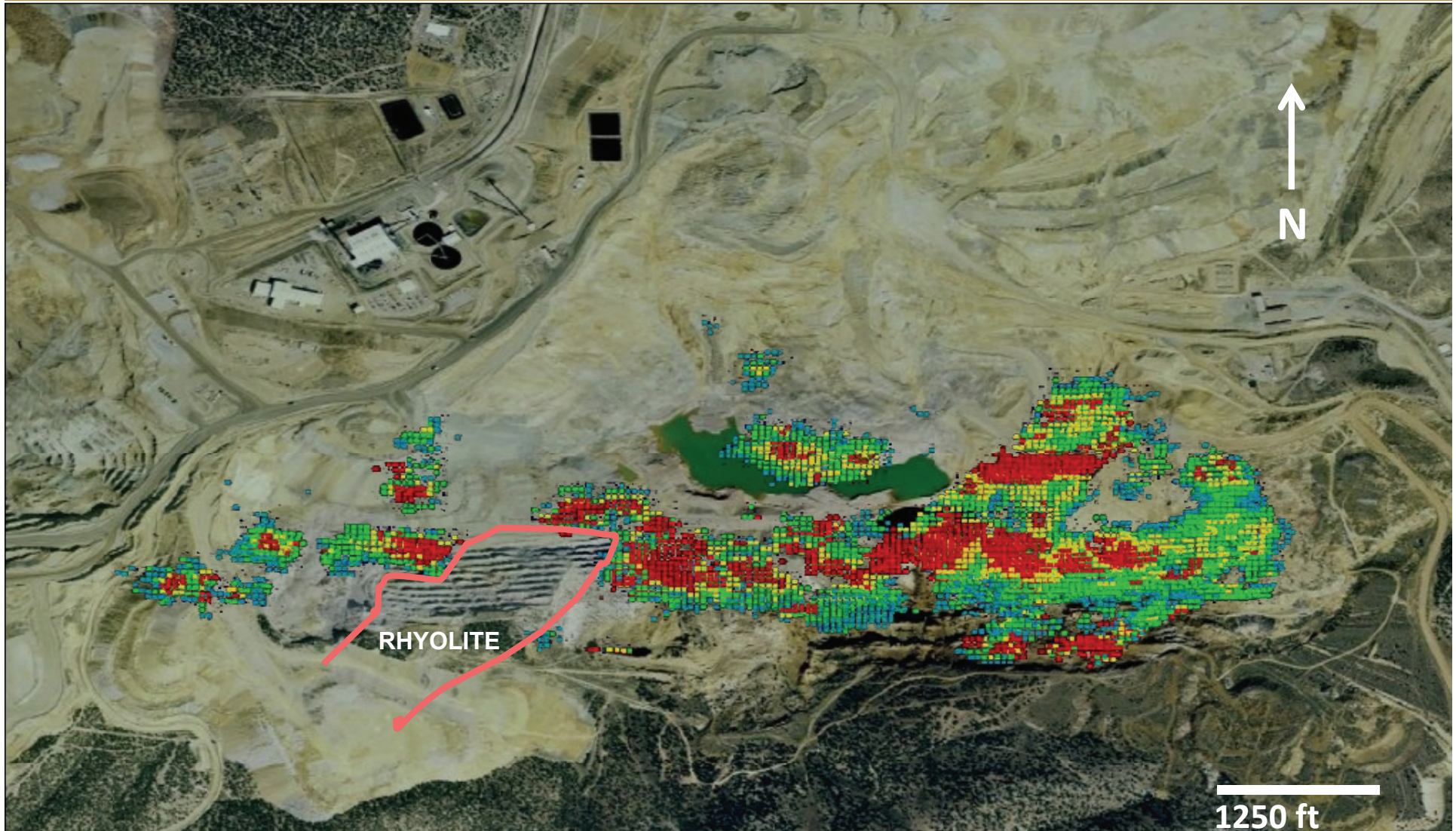
- **Operating flexibility**
 - 1 Mt in stockpiles
 - Wider benches
 - 3 dig faces
 - Additional ramp access
- **Slope stability**
 - Slope angles
 - Dewatering
- **Haulage optimization**
 - Larger benches
 - Additional haulage & loading capacity
 - Mine Star

ROBINSON: HISTORICAL MINERALIZATION





~5.3 BN lbs of Cu & 3.8 M oz Au produced

ROBINSON: LIBERTY POTENTIAL



 >0.20 % Cu

 >0.30 % Cu

 >0.40 % Cu

 >0.50 % Cu

MORRISON: ACCESS ARRANGEMENT



Key benefits:

Immediate cost savings

- Cessation of ongoing rehabilitation work on Levack #2 shaft

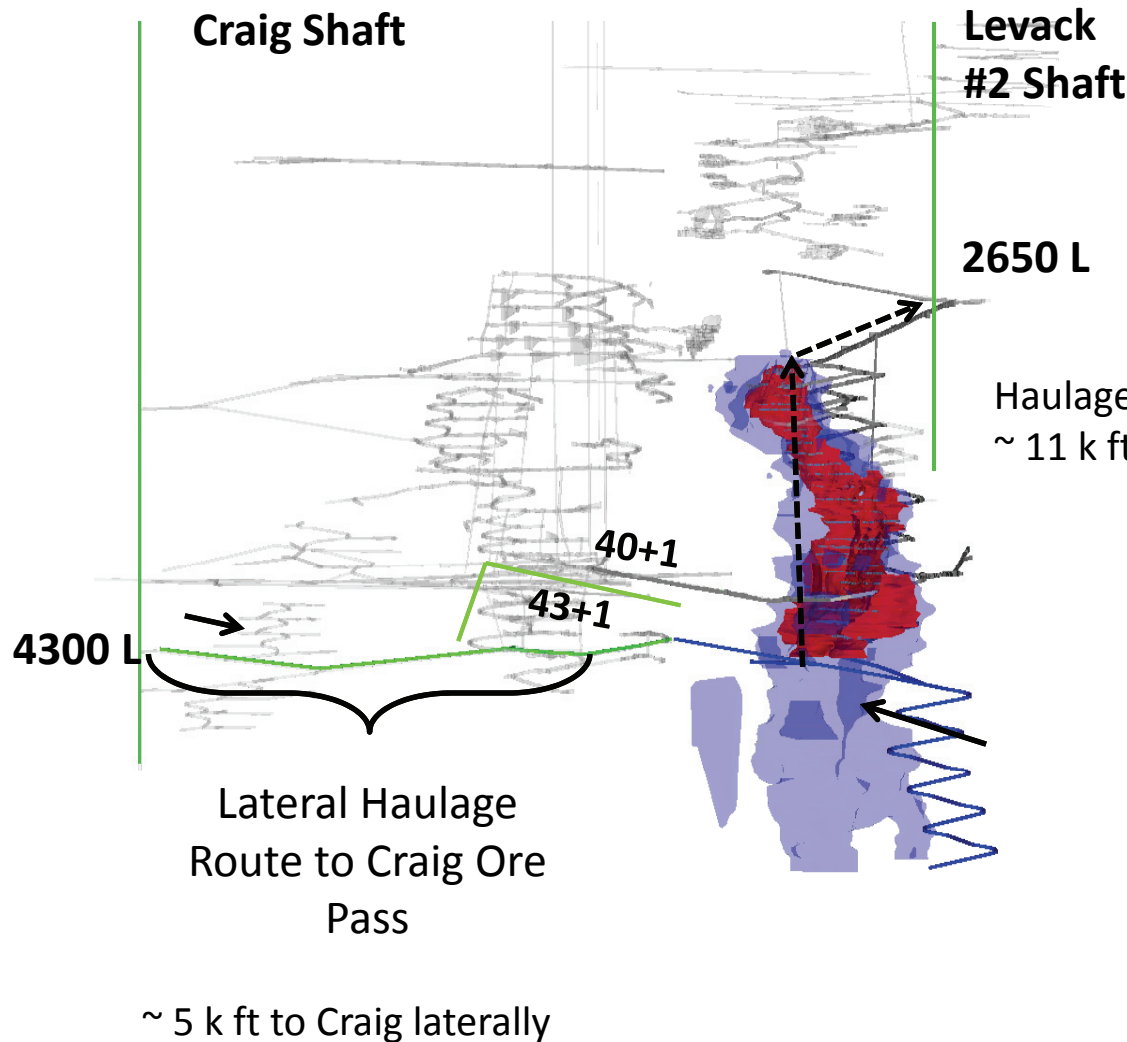
Operating flexibility & efficiencies

- Shorter haulage distance
- Operating efficiencies of Craig infrastructure

Drill access - reserve/resource growth

- Significant improvement in drill access below current reserves
- Alternative diamond drill platforms to test other targets

MORRISON: CURRENT STATUS & OUTLOOK



Q3 2011

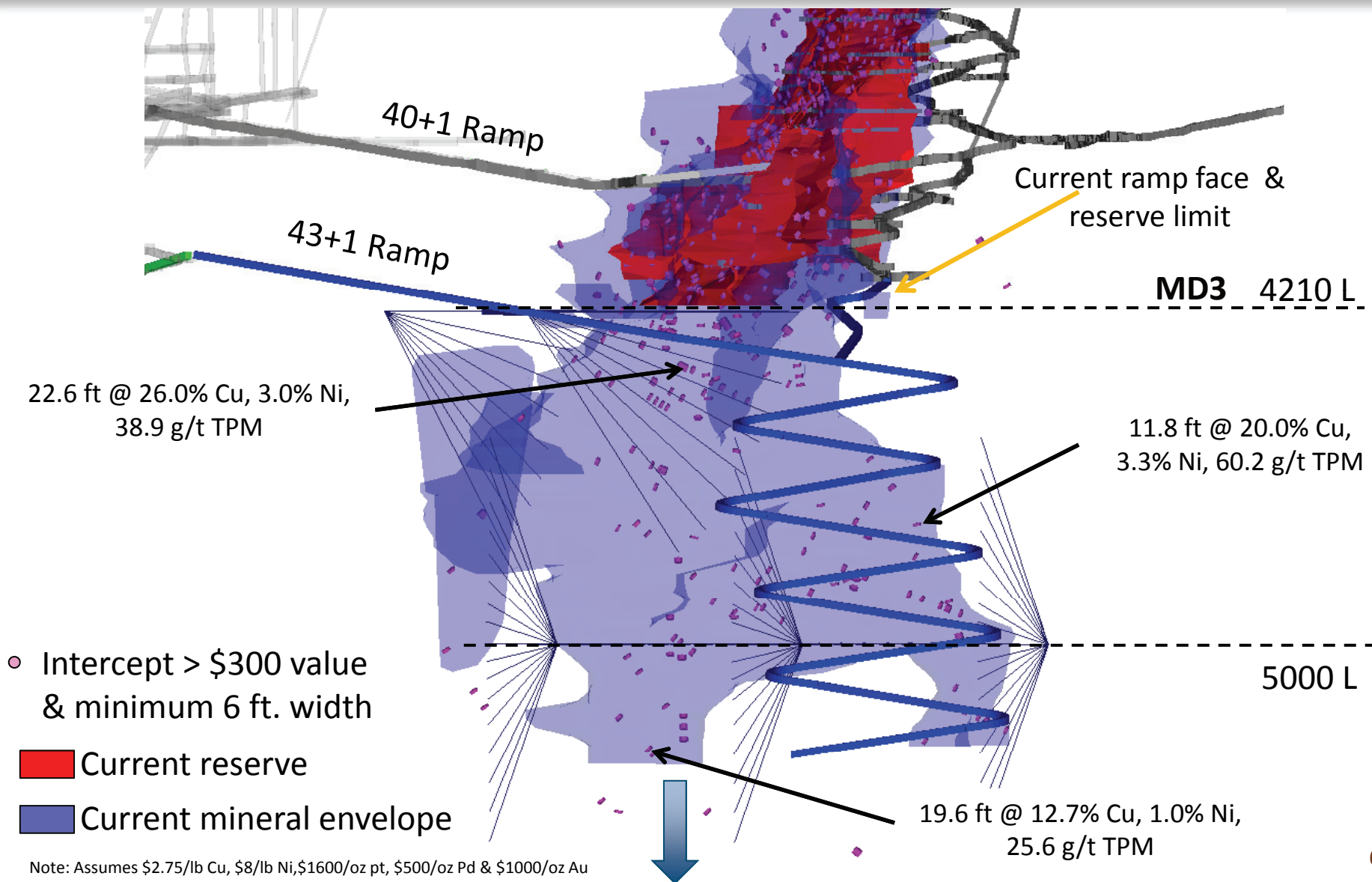
- Continuing strong operating performance

Outlook

- Strong Q4 due to high grades
- Finalizing Craig agreement. Expected transition in Q1 2012

Looking North West

MORRISON: RESERVE/RESOURCE GROWTH



GROWTH PROJECT: SIERRA GORDA



Outlook

- **On time & budget**
 - Shovel parts on site
 - Pre-strip on track for March 2012
 - Negotiating key contacts
 - First construction camp complete
 - Site activity building rapidly

GROWTH PROJECTS: VICTORIA



Outlook

- Ongoing drilling confirming & expanding footprint
- Permitting & stakeholder discussions ongoing
- Engineering studies completed by year-end

OTHER OPERATIONS



Franke



Q3 2011

- Continuing impact of high acid consumption

Outlook

- Adjusting cut off to minimize acid consumption & reduce costs
- Planning transition to China , which has less acid consumption in H2/12

McCreedy West



Q3 2011

- Mining contact Ni ores
- Continuing discussion with Xstrata on treatment terms

Outlook

- Planned re-start of Ni production, dependent on payability terms & Ni prices

OTHER OPERATIONS



Podolsky



Status

- Continuing its stable operating performance until late 2012 (end of 2000 Deposit reserves)

Outlook

- Temporary closure
- Reviewing remaining exploration options

Carlota



Status

- Conveyor stacking has had a positive impact on oxides: ~ 2 years of feed

Outlook

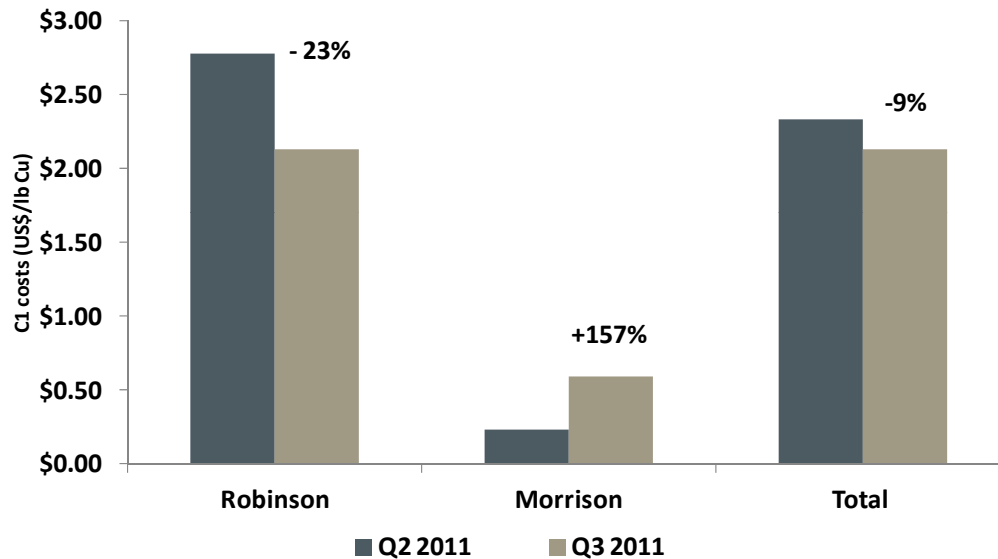
- Base case: mining remaining oxides & residual leach
- Secondary sulphides are more challenging (higher fines)
- Eder deposit provides potential upside & has less fines

OPERATINGS COSTS (US\$/lb Cu)

Q2 vs. Q3/11



2011 C1 costs



C1 costs positively impacted:

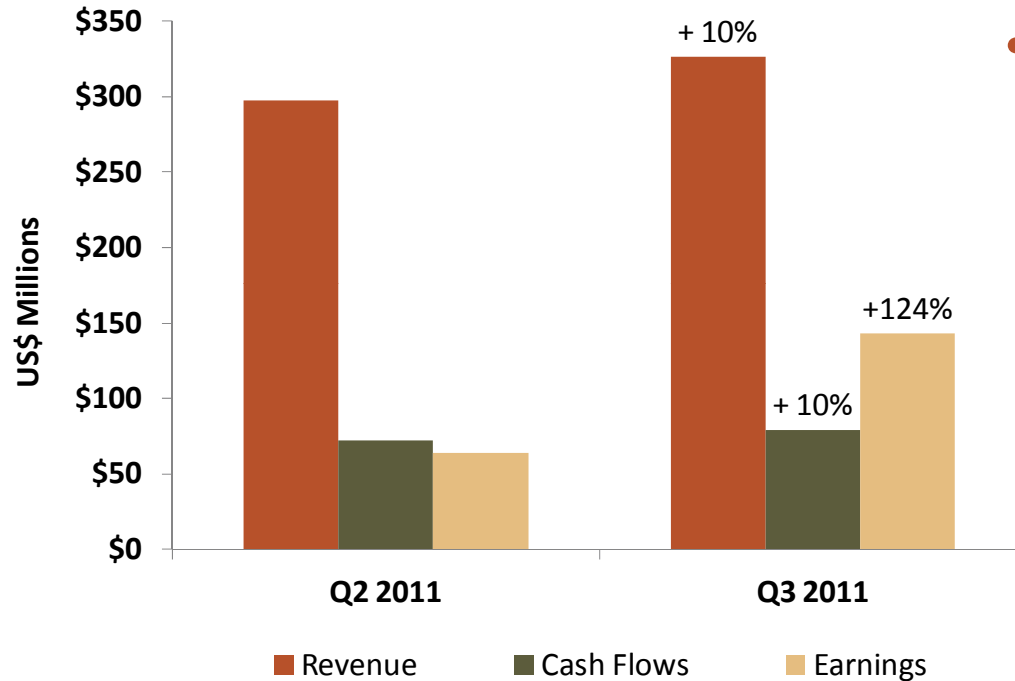
- Higher production volumes (Robinson)
- Lower by product credits (Morrison)

Q4 2011 Outlook:

- Continuing positive impact of higher Cu production

FINANCIAL SUMMARY

Q2 VS. Q3/11 (US\$ M)



- Despite a 12% decline in the realized Cu price, there were significant improvements in all of QUX's financial metrics in Q3 vs. Q2/11

Strong balance sheet: Positioned to deliver our growth projects

- Cash balance totaling \$1,067 M

SUMMARY



Q3 2011

- **Higher production & significant improvements in C1 costs vs. Q2/11**
- **Despite lower Cu prices, CFPS has increased by 10% vs. Q2/11 & 44% vs. Q3/10**
- **Positive operating momentum at Robinson continues**
- **QUX will focus on its Core Assets going forward**



QuadraFNX
MINING LTD

SUDBURY OPERATIONS
OPERATED BY:
FNX MINING COMPANY INC.

THANK YOU