



QuadraFNX
MINING LTD

**BANK OF AMERICA MERRILL LYNCH
17TH ANNUAL CANADA MINING CONFERENCE
SEPTEMBER 2011**

FORWARD LOOKING STATEMENT



Certain information appearing in this presentation constitutes forward looking information. Forward looking information is subject to known and unknown risks, uncertainties and other factors, including potentially inaccurate assumptions, which may cause the actual results, performance or achievements to be materially different from the results, performance or achievements expected or implied by the forward looking information.

The Company disclaims any intention or obligation to update or revise any forward looking statements whether as a result of new information, future events or otherwise.

No invitation to purchase securities is being made.

For additional disclosure about the Company, including a detailed discussion of the risks, assumptions and uncertainties relating to the Company, please see our Annual Information Form, Financial Statements and other materials available from www.sedar.com or our website, www.quadrafnx.com.

All figures except per share amounts are in US\$ unless otherwise stated or unless the context requires otherwise.

QUADRA FNX: WHO WE ARE



Leading intermediate Cu producer

Strong development pipeline

Strong financial & operating position

Experienced management team

Favorable industry dynamics

- **Six operating mines in geopolitically stable jurisdictions**
 - Canada, U.S. & Chile
- **Two significant development projects**
 - Sierra Gorda: 2014 production
 - Victoria: A significant new resource
- **Production growth: 132 M lbs Cu in 2006 to 224 M lbs Cu in 2010**
 - H1/11 EBITDA of \$353 M
 - Over \$1.0 B cash & no short term debt
- **Demonstrated track record in:**
 - Operations, exploration, project development, mergers & acquisition
- **Cu supply/demand fundamentals remain positive**
 - Emerging markets continuing to drive demand
 - Cu & precious metals continue strong pricing environment

DIVERSIFIED ASSETS & LOW POLITICAL RISK



Robinson



Carlota



Franke



Sierra Gorda



Morrison/Levack



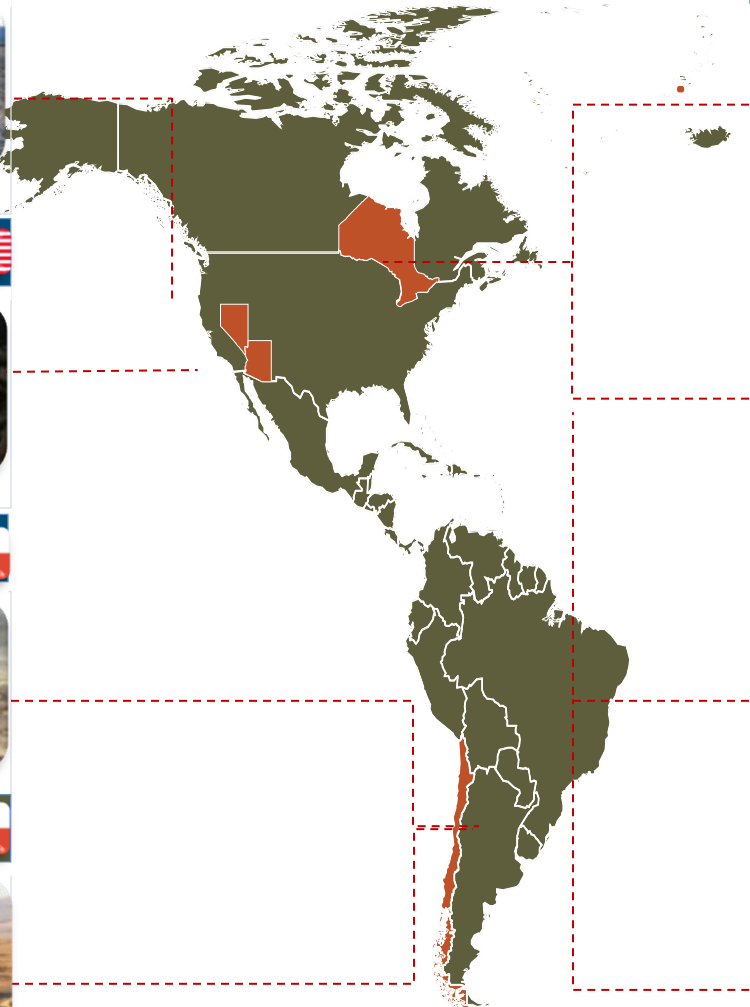
McCreeedy W



Podolsky

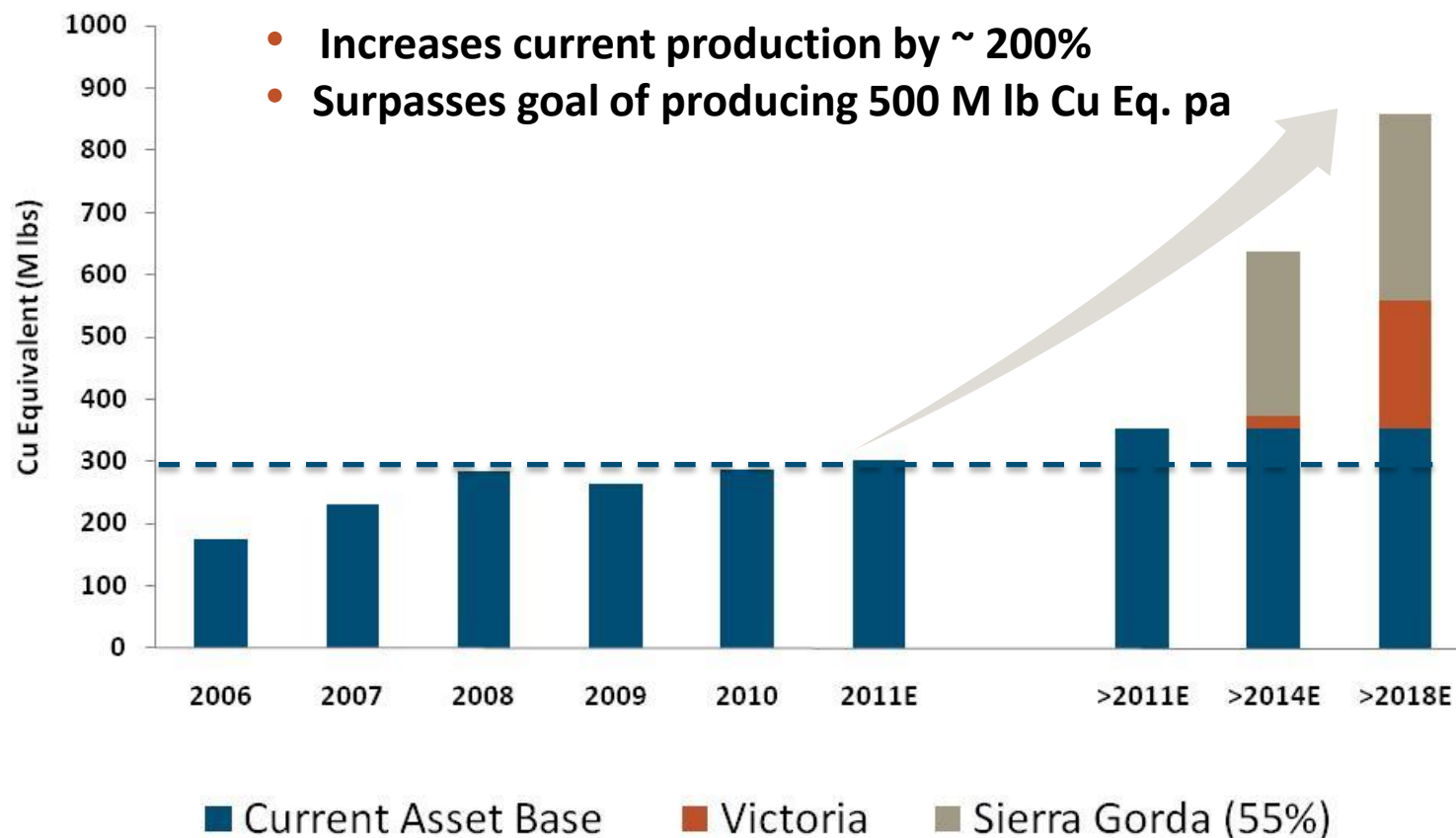


Victoria





Impact of Sierra Gorda & Victoria



Note: Cu Equivalent and in-situ value calculation assumes three-month trailing average commodity prices; 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 and US\$17.26 Mo. Historical production figures include historical production from FXN. Conceptual production from Victoria based on throughput ranges outlined in the April 19, 2011 press release.

OPERATIONS

FLAGSHIP OPERATIONS: ~ 150 M lbs Cu pa



Robinson, USA



Overview

- Open-pit concentrate producer
- M & I resources: 4,728 M lbs Cu
- H1/11 production: 41 M lbs Cu
- H1/11 revenue: \$201 M

Outlook

- 2011 production back- end weighted
- Strategies to improve flexibility:
 - Mud removal completed in May
 - New access ramp
 - Bench width increase

Morrison Deposit, Canada



Overview

- Underground Cu footwall deposit
- M & I footwall resources: 196 M lbs Cu
- H1/11 production: 18.5 M lbs Cu
- H1/11 revenue: \$124 M

Outlook

- Increasing output
- ~Zero cash cost
- Rehab of shaft & ramp development
- Exploration & development at depth

2011 PRODUCTION OUTLOOK



Focus in H2/11:

Robinson: Operating flexibility & grade

Morrison: Shaft rehabilitation & ramp up

Franke: Owner mining & stacking

Podolsky: Steady state

Carlota: Conveyor stacking

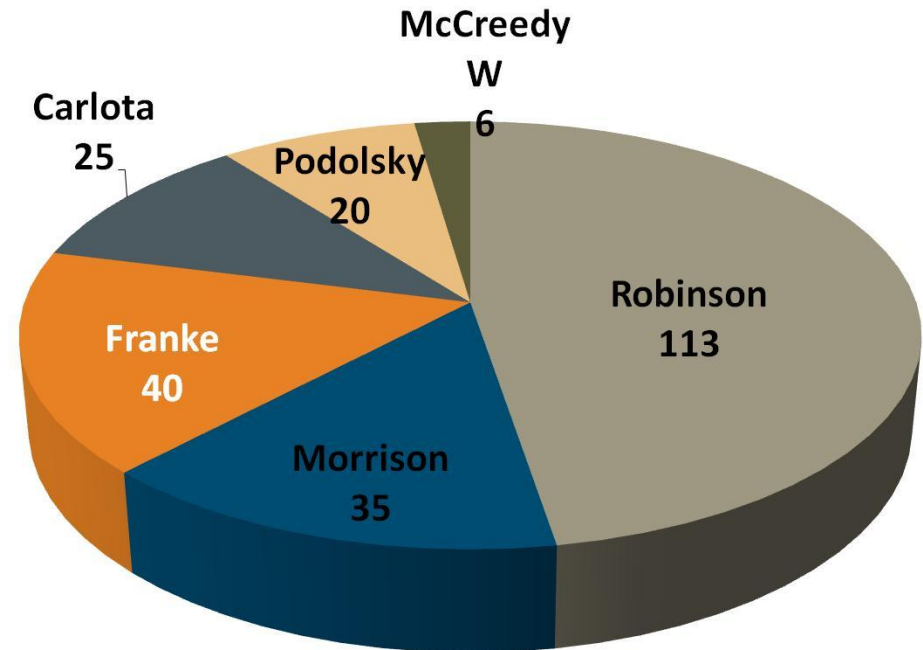
McCreeedy W: Potential Ni re-start

2011 Production Expectations*

240 M lbs +/- 10% of payable Cu

~ 100 k oz of payable TPMs

8- 10 M lbs of payable Ni



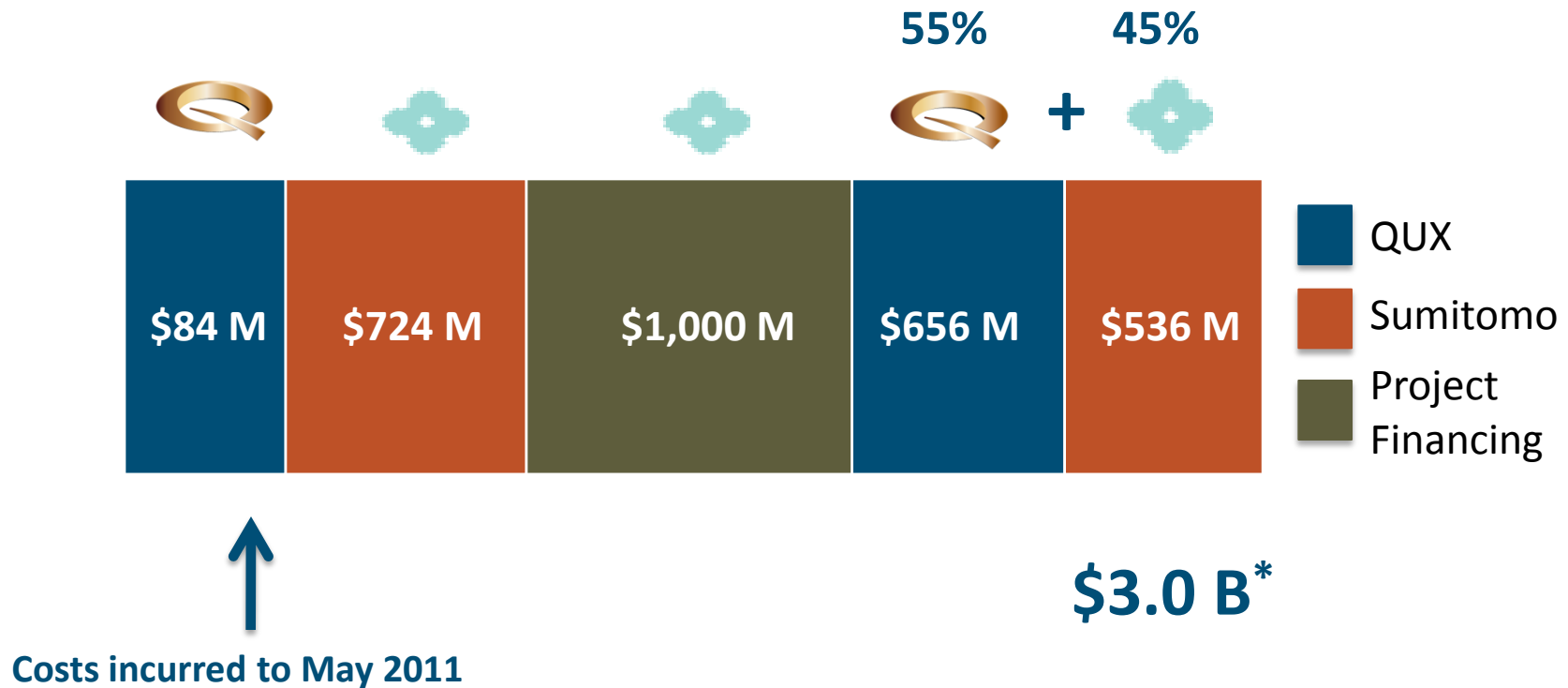
* Pie chart shows mid-point estimates only

SIERRA GORDA



- **Joint Venture Partnership with Sumitomo***
Financially strong, technically experienced, over 400 years of mining experience
 - Quadra FNX retains 55%
 - JV funding structure provides capital to build project
 - No equity dilution to QUX shareholders
 - Non-recourse debt: maintains QUX's balance sheet flexibility
- **Sierra Gorda Technical Report**
Long life, low copper cash cost, large Cu project in a mining friendly jurisdiction that will transform QUX
- **Our Team is in Place**
Targeting production in 2014

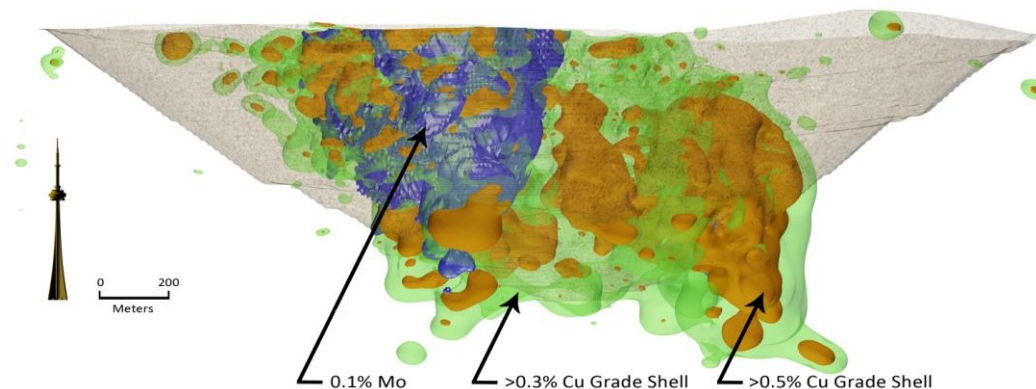
QUX-SUMITOMO: FUNDING TO PRODUCTION



**Quadra FNX's additional funding requirement is ~ \$656 M
Funded through \$500 M bond financing**

* Including capex + working capital + interest during construction + costs to May 2011. Note: Does not reflect the chronological order

SIERRA GORDA: PROJECT OVERVIEW



Key Operating Parameters

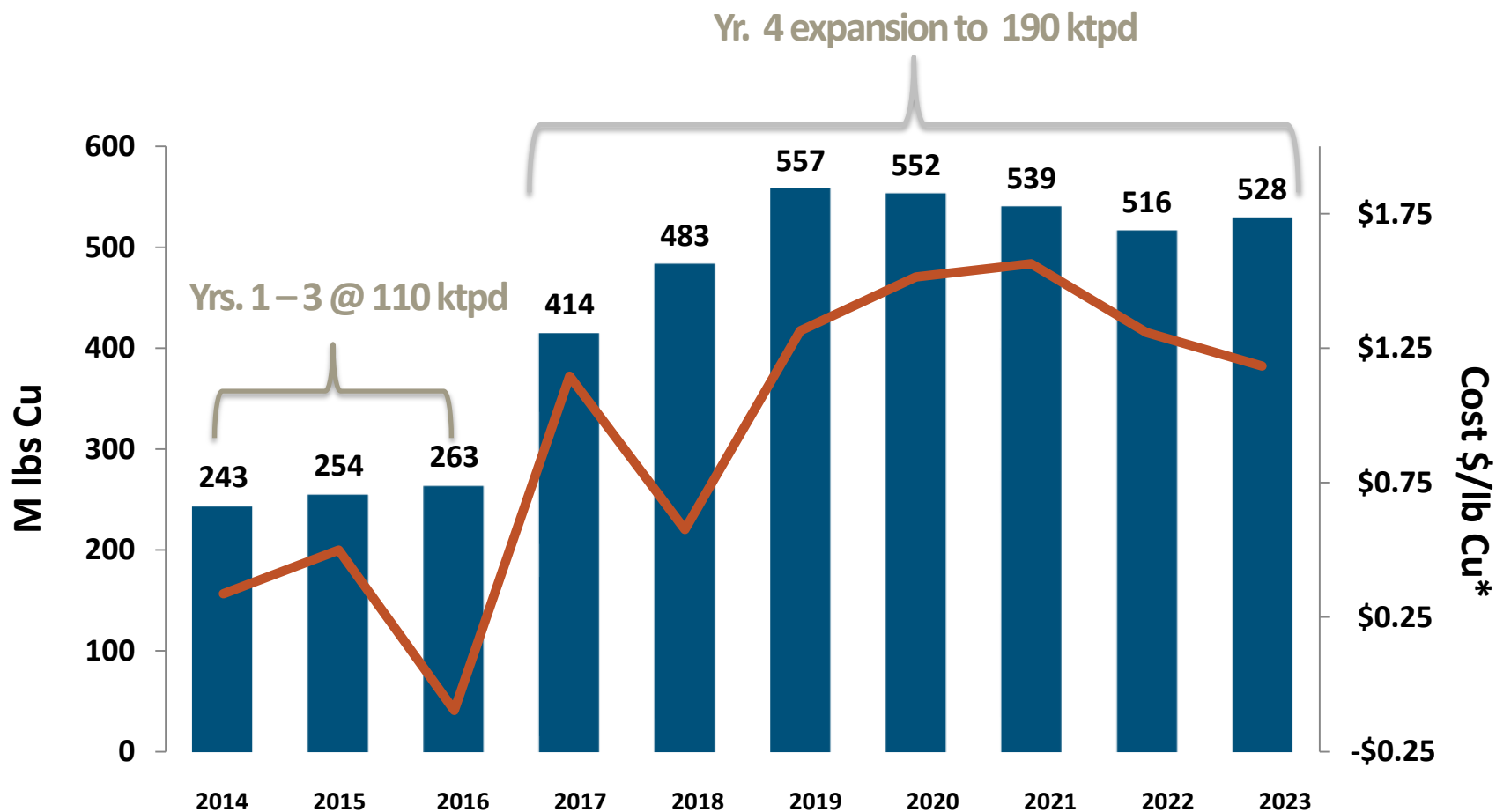
- **LOM Annual Average Production:**
500 M lbs Cu & 25 M lbs Mo
- **Mine Life:** 20 years
- **Initial Capex:** \$2.9 B
- **Years 1 - 5 C1 Costs*:** \$0.56/lb
- **LOM C1 Costs*:** \$1.15/lb Cu

Status

- ✓ Feasibility Study completed
- ✓ Investment Agreement with JV partner Sumitomo signed
- ✓ \$500 M bond financing
- ✓ EIA approval & Construction start
- ✓ Anti-trust approval
- JV Signing Sept 2011
- Pre-stripping in 2012
- Production in 2014

*Assuming US\$2.50/lb Cu, US\$12.00/lb Mo and US\$1,000/oz Au

SIERRA GORDA: PRODUCTION & COSTS



Source: Based on Information from the Technical Report. *Base Case costs net of by product revenue, assuming \$12/lb Mo and \$1,000/oz Au

SIERRA GORDA: INFRASTRUCTURE





Risk Mitigation

- **Joint Venture: a strong & experienced partner**
- **Capex \$2.9 B***
 - ~ \$600 M already locked in, with no use of contingencies
 - QUX total contingency of ~ 25%
 - \$300 M in contingencies (~11% of capex)
 - QUX has earmarked an additional \$200 M for its 55%
 - QUX plans to hedge Chilean currency risk

Rewards

- **Cash generating ability***
 - \$1.4 B/year in cash flow** at Spot Prices¹
 - \$0.65 B/year in cash flow** at Base Case Prices²
- **Production***
 - 20 year average: Cu 500 M lbs, Mo 25 M lbs

*100% basis **Cash flow before tax and capital

¹ At US\$4.00/lb Cu, US\$15.00/lb Mo and US\$1,200/oz Au & ² At US\$2.50/lb Cu, US\$12.00/lb Mo and US\$1,000/oz Au

VICTORIA

VICTORIA: PROJECT LOCATION



Sudbury

Toronto

Levack

Fraser Morgan Deposit
Onaping Depth

McCreeedy W

Podolsky

Victor Deposit
Nickel Rim

Garson Mine

Thayer-Lindsley Mine
Bleazard Deposit

Copper Cliff N Mine
Frood-Stobie Mine

Creighton Mine

Copper Cliff South Mine
Kelly Lake Deposit

- QUX Mines
- Vale Mines
- Xstrata Mines

Totten Mine

Victoria

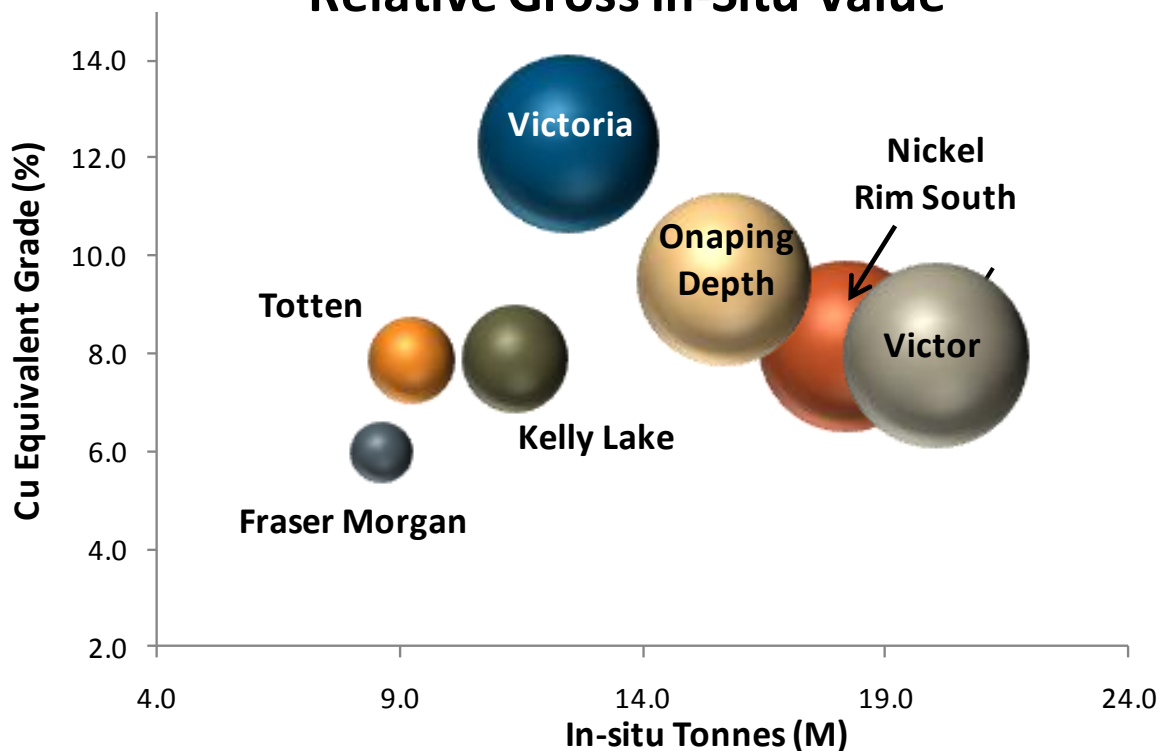


10 km

VICTORIA: SIZE & GRADE



Relative Gross In-Situ Value



Victoria Resource¹

- **12.5 M tonnes**
@2.3 % Cu
@2.2% Ni
@8.5 g/t TPM's
- **Cu Eq: 3.4* B lbs**
- **Ni Eq: 1.2* B lbs**

¹Please see Press Release dated April 19th, 2011

*Cu Equivalent and in-situ value calculation assumes three-month trailing average commodity prices; 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. Onaping Depth and Fraser Morgan resources are as of June 30, 2010. Nickel Rim South, Totten, Kelly Lake and Victor resources are as of December 31, 2005.

VICTORIA: PROJECT OVERVIEW



Shape

- Appears amenable to lower cost bulk tonnage mining methods

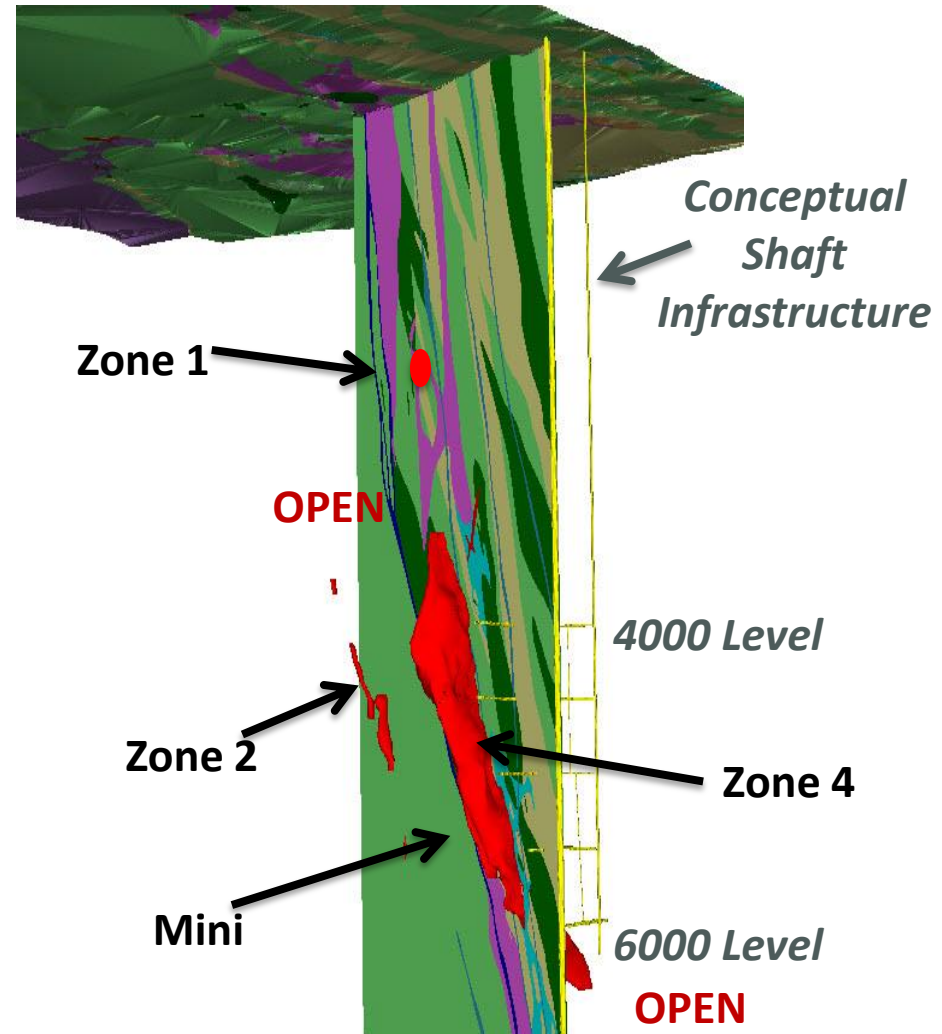
Capex

- Preliminary capital estimate:
 - ~ \$¾ B range over 7 years

Current focus

- Step-out exploration drilling
- Engineering in process (by year-end)
- Consultations with all stakeholders & environmental permitting
- Initiated discussions with Vale on payability terms & back in right

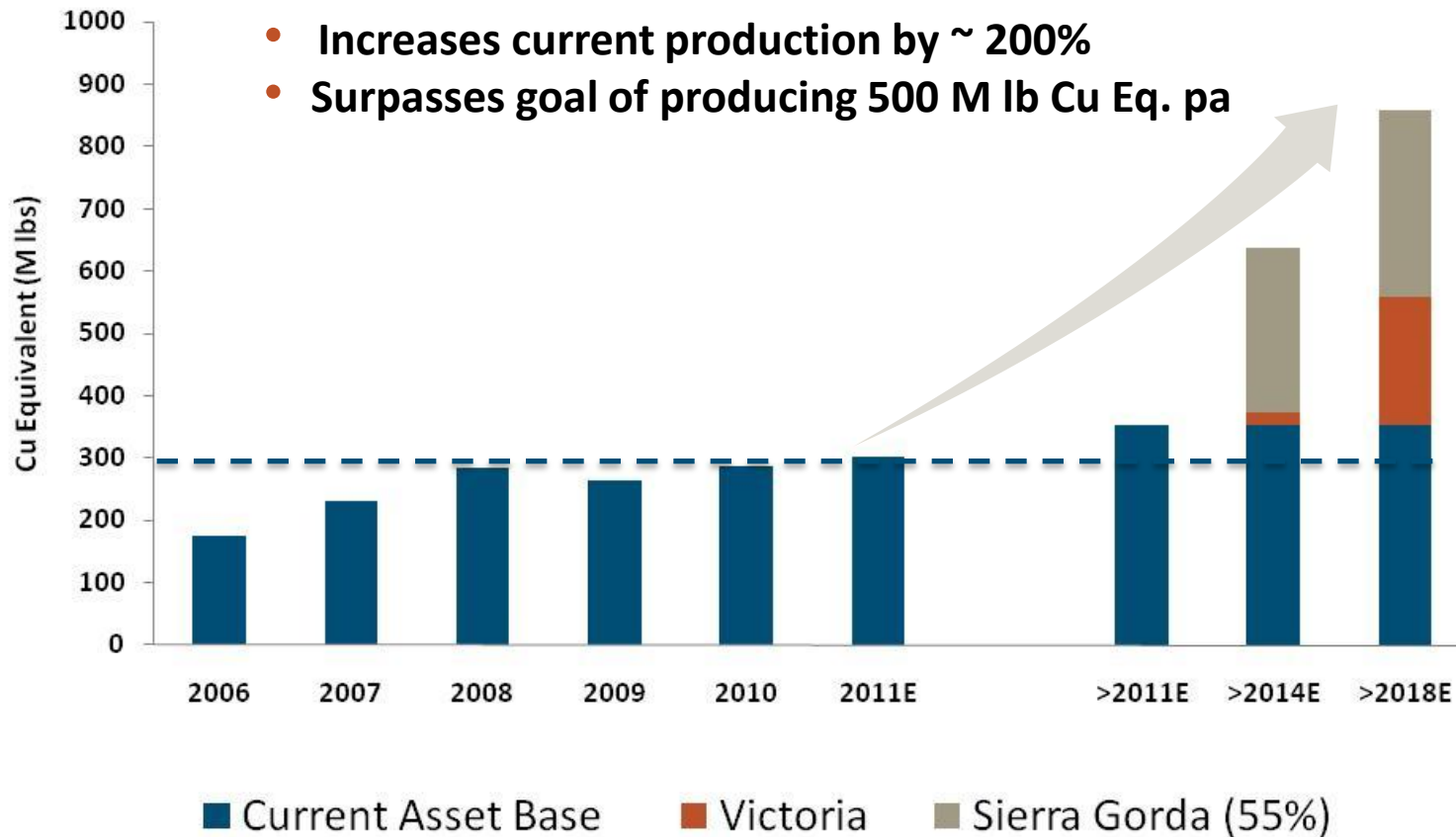
Long Section (looking NE)



THE FUTURE



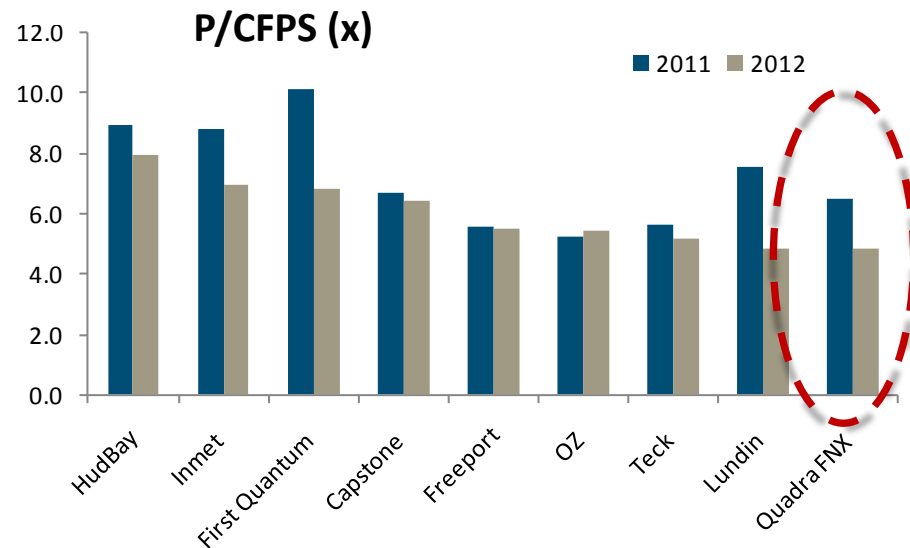
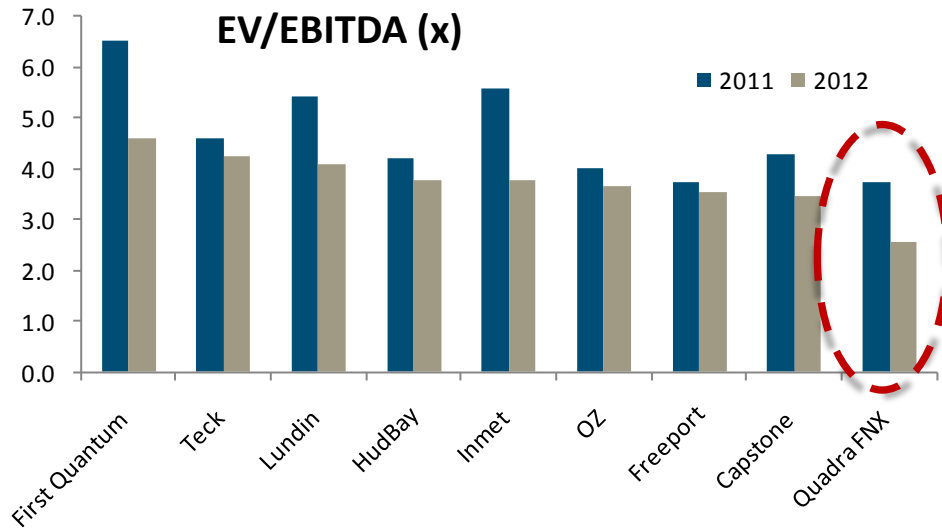
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VALUATION & SUMMARY

QUX: A VALUE PROPOSITION



A Compelling Valuation

- QUX is trading at a discount to its peers on forward EV/EBITDA & P/CFPS multiples
- Discount valuation implies that QUX's growth profile is not yet factored into the share price

CONCLUSIONS



- **Six operating mines with significant cash flow**
 - **Robinson: Leverage**
 - **Morrison: Close to zero cash cost**
- **Two substantial growth projects**
 - **Sierra Gorda production in 2014**
 - **Victoria to follow**
- **Robust balance sheet**
 - **\$1.3 B in working capital**
- **Compelling valuation**



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THANK YOU