



QuadraFNX
MINING LTD

**Q2 2011 FINANCIAL RESULTS
WEBCAST**

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 Companies disclaim 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 Companies, including a detailed discussion of the risks, assumptions and uncertainties relating to the Companies, please see our respective Annual Information Forms, 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.

Q2 2011 HIGHLIGHTS & MILESTONES



- ✓ **Production: 20% increase vs. Q1 2011**
 - Sudbury assets continuing consistent performance
 - Operational turnaround at Robinson, Franke and Carlota
- ✓ **Profitability: 124% increase in CFPS & 38% increase in Adj. EPS**
 - Benefited from higher Cu price & more production
- ✓ **Cash position: Ended the second quarter with over \$1.0 Bn in cash**
 - Positioned to deliver on our two growth projects
- ✓ **Sierra Gorda: A 55%/45% JV with Sumitomo, feasibility study & financing in place**
 - EIA approved & construction commencing
- ✓ **Victoria: Inferred resource & 43-101 Technical Report**
 - Continuing to advance project towards a production decision
- ✓ **Nickel restart: Received waiver from Vale & continued ongoing discussion with other parties**
- ✓ **Strong safety record: Underground mines reached Two Million Man Hours without an LTI in May 2011**



REVIEW OF FINANCIAL PERFORMANCE

Don MacDonald, CFO

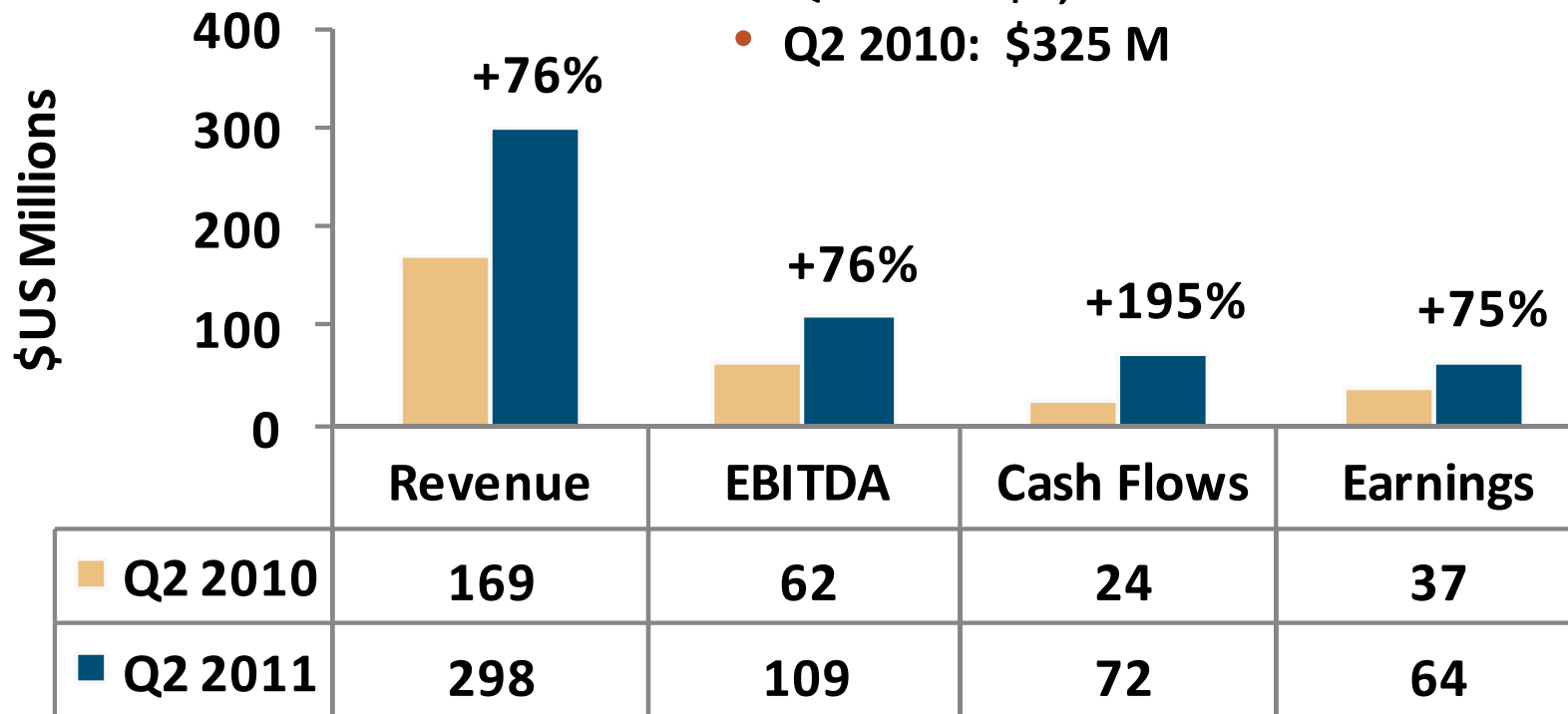
FINANCIAL SUMMARY

Q2/11 VS. Q2/10 (US\$ M)



Balance sheet: Positioned to deliver our growth projects

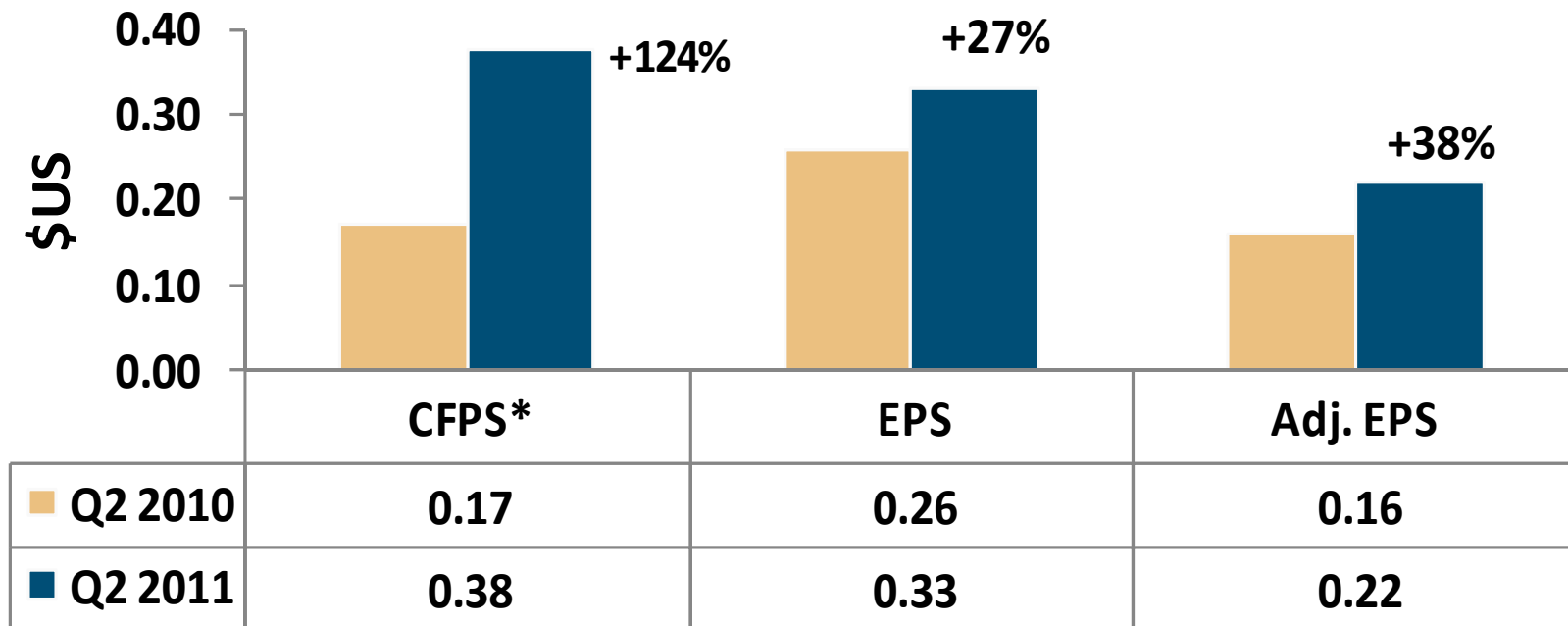
- Q2 2011: \$1,028 M
- Q2 2010: \$325 M



Note: The financial results of FNX has been consolidated commencing May 21, 2010, EBITDA is a non-IFRS financial measure which is defined as earnings attributable to shareholders before interest expenses, income taxes, depreciation, amortization and depletion, Cash flows are defined as cash flow from operating activities, after working capital

FINANCIAL SUMMARY – PER SHARE

Q2/11 VS. Q2/10 (US\$/sh)



Note: The financial results of FNX has been consolidated commencing May 21, 2010.

** CFPS is defined as cash flow from operating activities, after working capital*

Significant year-over-year improvements on all key metrics



REVIEW OF OPERATIONS & DEVELOPMENT PIPELINE

Paul Blythe, President & CEO

Q2 11/H1 2011 OPERATINGS COSTS



Q2 2011/H1 2011 impacted by:

- Cost pressures: fuel & other commodities
- Lower by product credits
- Lower production volumes

H2 2011 Outlook

Robinson: positive impact of higher grade & higher production volumes

Morrison: continuing strong Cu grades & by product production

Franke: owner mining & higher production rates

McCreedy W: volume dependant cost structure, possible transition to Ni mining

Podolsky: have a stable & volume dependant cost structure

Carlota: lower mining rate & higher production volumes

CURRENT STATUS & OUTLOOK



Robinson



Q2 2011

- Mud removal completed

Outlook

- Operating flexibility & grades to increase in H2

Morrison



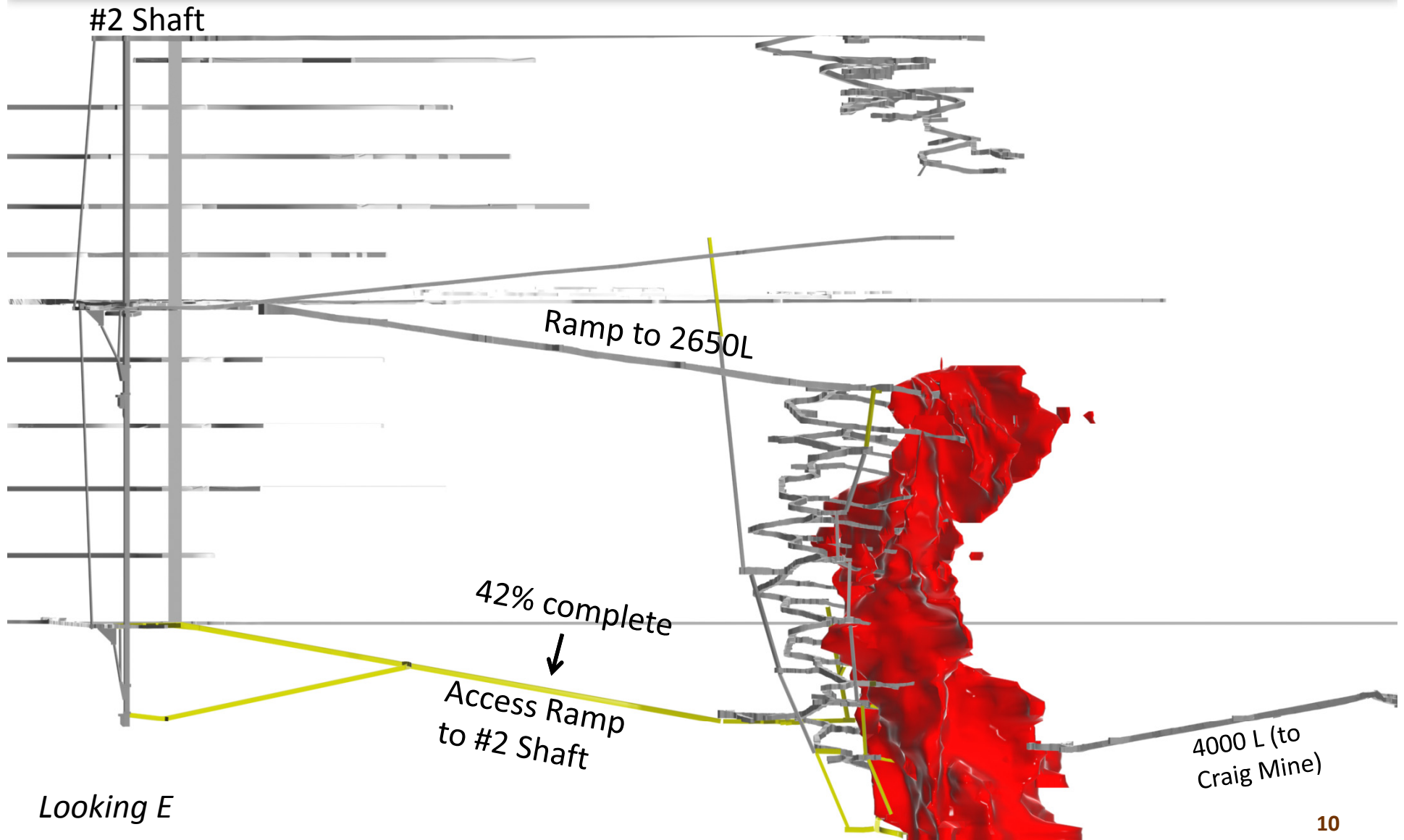
Q2 2011

- Strong quarter driven by double digit Cu grades

Outlook

- Access ramp to the #2 Shaft is 42% complete
- Shaft rehabilitation expected to be complete in mid-2012

MORRISON: PROGRESS ON INFRASTRUCTURE



CURRENT STATUS & OUTLOOK



McCreedy West



Q2 2011

- Strong operating performance (footwall ores)
- Vale waived rights to high MgO Ni ores
- Ore sorter commissioned

Outlook

- Ongoing discussions with alternative processor
- Mining bulk sample
- Re-start decision dependant on payability terms (finalized in Q4)

Podolsky



Q2 2011

- Continuing its stable operating performance

Outlook

- Continuing focus on exploration

CURRENT STATUS & OUTLOOK



Franke



Q2 2011

- Transition to owner mining and maintenance completed

Outlook

- Optimization programs are ongoing & recoveries are improving
- Old stacking equipment performing well & new stacker is expected in Q4
- Infill drilling at China

Carlota



Q2 2011

- Conveyor stacking has had a positive impact on percolation rates in oxides & sulphide ores

Outlook

- Definitive impact on recoveries will be measurable in Q3
- Decreasing mining rate in order to bring the cost structure in line

CURRENT STATUS & OUTLOOK



Carlota



Q2 2011

- Conveyor stacking has had a positive impact on percolation rates in oxides & sulphide ores

Outlook

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Franke



Q2 2011

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2011 PRODUCTION EXPECTATIONS



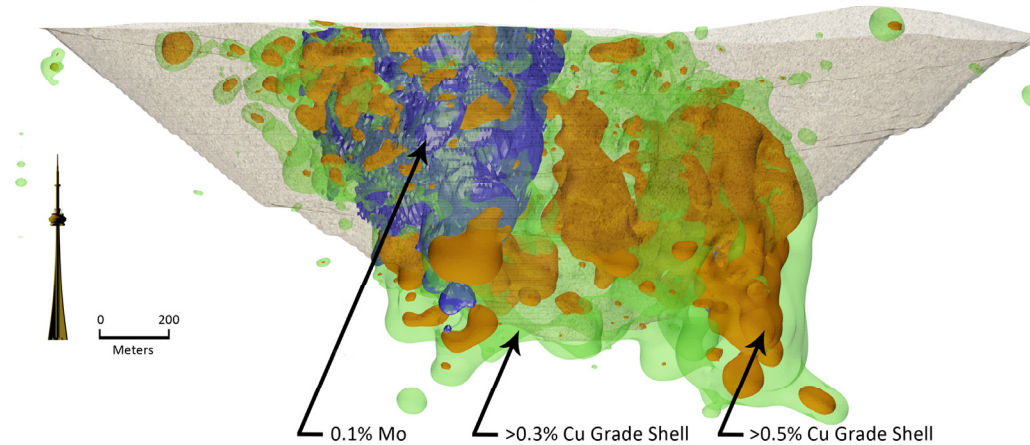
2011 Production Expectations

240 M lbs +/- 10% of payable Cu
~ 100 k oz of payable TPMs
~ 8 - 10 M lbs of payable Ni

Cu production ranges (M lbs)

	High	Low
Robinson	120	105
Morrison	40	30
Franke	45	35
Carlota	30	20
Podolsky	21	18
McCreeedy West	5	6

SIERRA GORDA: KEY MILESTONES



Status

- Feasibility Study
- Investment Agreement with Sumitomo signed
- \$500 M bond financing
- EIA approval
- Critical path orders
- Construction to commence in H2/11

Current focus

- Advanced engineering
- Critical path orders
- Camp construction

VICTORIA: A SECOND GROWTH PROJECT



Current focus

- **Step-out exploration drilling**
- **Engineering in process (by year-end)**
- **Consultations with First Nations & other stakeholders**
- **Environmental permitting**
- **Initiated discussions with Vale on payability terms & back in right**

H1 2011 MILESTONE & OUTLOOK



H1/2011

- ✓ Q2 operating improvement
- ✓ Sierra Gorda
 - Partnership
 - Feasibility
 - Financing
 - EIA
- ✓ Victoria inferred resource
- ✓ Ni-restart potential
- ✓ Labour agreements
 - Franke & Sudbury

Outlook

- ✓ Improving operating performance
- ✓ Two fully financed growth projects
- ✓ Compelling valuation



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**THANK YOU
QUESTIONS & ANSWERS**