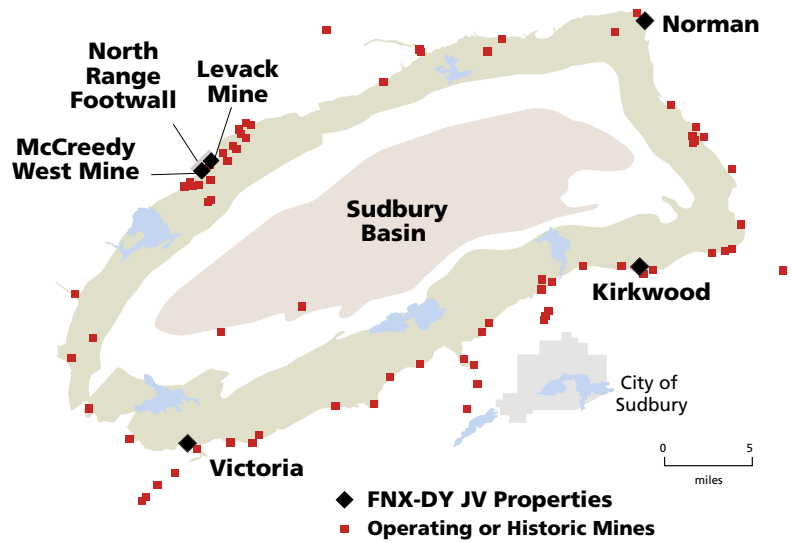


The Sudbury Basin Geology



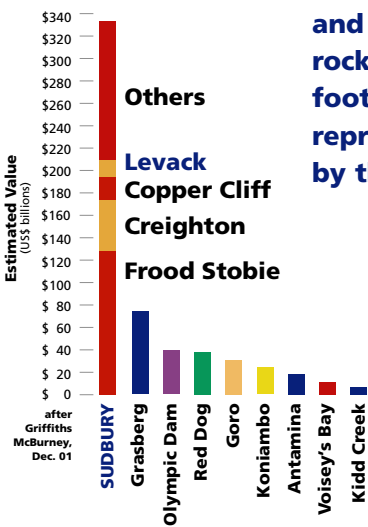
The total value of historic production and present reserves and resources from the Sudbury Basin, stated in today's dollars, exceeds US\$300 billion.

The Sudbury Basin is a 60 km by 30 km elliptical geologic structure located north of Sudbury. The Basin is generally accepted to be the result of a meteorite impact, which occurred 1,850 million years ago. The large resultant crater was infilled with magma containing nickel-copper-platinum-palladium-gold and other by-product metals. The ore material settled out of the magma and collected in topographic lows or traps along the lower contact of the Sudbury Igneous Complex (SIC), or along the Offset Dykes which radiate out from the Basin into the wallrock. The copper-platinum-palladium-gold mineralization was later re-mobilized and deposited in the Sudbury Breccia rock units, which occur in the footwall below the SIC contact and represent the host rock shattered by the meteor's impact.

There are three deposit types in the Sudbury Basin. The deposits occur along the edge of the Sudbury Basin. Contact deposits are nickel-rich and located in terraces and embayments at the base of the SIC. Footwall deposits occur within the Sudbury Breccia below, and often in the shadow of, the contact deposits and are rich in copper-platinum-palladium-gold. The third type of mineralization occurs within constrictions in the quartz diorite Offset Dykes, which radiate outward from the edges of the Sudbury Basin and they tend to be a hybrid of the contact and footwall type.

The total value of historic production and present reserves and resources from the Sudbury Basin, a total of 1.6 billion tonnes of ore, stated in today's dollars exceeds US\$300 billion. Though the Sudbury Basin is one of the world's most prolific mining camps, new discoveries continue to be made by Inco (McCreedy East - 153 Orebody, Victor, Totten and Kelly Lake Deposits) and by Falconbridge (Nickel Rim South Deposit).

On January 10, 2002 FNX Mining signed an option agreement with Inco Limited to earn a 100% interest in the mining rights of five former nickel-copper-platinum-palladium-gold producing properties in the Sudbury Basin.

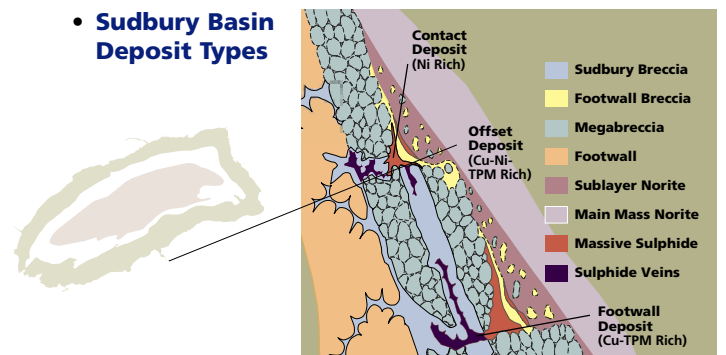


Sudbury Basin - World Class Deposits

Value of present reserves and historical production in today's dollars

Sudbury Basin - discovered in 1883

Sudbury Basin Deposit Types





FNX geologist
examining
drill core

Covering a total of 4,483 acres, the optioned properties include McCreedy West, Levack, Norman, Victoria and Kirkwood. The 2002 exploration program focused on the first four of these properties. Our exploration team was assembled during March and April and the first drill rigs mobilized by April 1st. By year end a total of 362 holes was completed or in progress for 354,000 ft. A total of 15,400 core samples, or 22.1% of the total core drilled, was collected for assay. Downhole UTEM geophysical surveys were completed on 119 holes and airborne AeroTem geophysical surveys were flown over all five properties.

A total of \$15.5 million was spent by the Sudbury Joint Venture on exploration in 2002, including reconditioning of the McCreedy West Ramp, and 950 and 1600 Levels. Five exploration raises were completed on the 700 Deposit at McCreedy West and development ore was stockpiled underground awaiting the receipt of final production approvals. The Sudbury field office was opened in March 2002 and at year end 31 geoscientific professional, technical and support staff were employed by FNX. The Sudbury Joint Venture exploration budget for 2003 is \$24.5 million.



FNX technician
setting up GPS
equipment



AeroTem airborne
geophysical
equipment