Victoria Advance Exploration Project
Past, Present and What’s Next
Forward Looking Statement

KGHM International press releases and information on Victoria Project together with supplemental data about our property portfolio and other information, are available on the Company’s Web site at www.kghminternational.com.

All Company audio, visual and written presentations normally contain forward-looking statements, including those identified by the expressions “anticipate”, “believe”, “plan”, “estimate”, “expect”, “intend” and similar expressions to the extent they relate to the Company or its management. The forward-looking statements are not historical facts but reflect the Company’s current expectations regarding future results or events and are based on information currently available to management. Certain material factors and assumptions are applied in providing these forward-looking statements.

Management believes that the expectations reflected in forward-looking statements are based upon reasonable assumptions; however, management can give no assurance that actual results will be consistent with these forward-looking statements. Statements about potential discoveries or extensions of mineralization and deposits are examples of forward-looking statements. There is no guarantee that any discovery of commercial mineralization will be made on KGHMI properties. The material factors or assumptions that were applied in providing these forward-looking statements are contained in various securities filings, all of which are available on SEDAR at www.sedar.com and the Company’s web site.

Undue reliance should not place on any of the Company’s audio, visual or written forward-looking statements. Further, a forward-looking statement speaks only as of the date on which such statement is made. The Company undertakes no obligation to publicly update any such statement or to reflect new information or the occurrence of future events or circumstances, except as may be required under applicable securities law.

KGHMI’s qualified persons are responsible for verification and quality assurance of the exploration data and analytical results set forth in this presentation. KGHMI complies with all NI 43-101 rules and regulations.
The Past

- **1899**: Operations initiated at Victoria Mine (Mond Nickel Co)
- **1923**: Mine Closed
- **1970-1978**: Victoria Mine re-opened by Inco Ltd
- **2004-2008**: Inferred resource announced
- **2008**: Zone 4 Discovery
- **2010**: FNX Mining Co. begins exploration at Victoria
- **2011**: Project Start
- **2013**: FNX Mining Company options Victoria Property from Inco Ltd.
The Property

VICTORIA PROPERTY
DENISON TOWNSHIP

Historic Victoria Mine

Victoria Project
The Reason

- 14.2 M tonnes of Inferred Resource in a Ni-Cu-PGE Deposit
- 2.5% Cu, 2.5% Ni, 0.23 oz/ton TPM
- 700 M lbs Cu, 700 M lbs Ni, 3.6 M oz TPM (Contained)
The Environment

- Surface water
  - Volume, flow rate, quality
- Ground water
  - Depth, flow direction, quality
- Weather
  - Temperature, precipitation, wind,
- Geochemistry of rock
  - Drill program & geochemical testing
- Aquatic organism surveys
  - Benthos, fish, wetland habitat
- Terrestrial organism surveys
  - Species at Risk, fauna, forest habitat

Collecting & analyzing data since 2002
The Property

- Powerline Zone
- Metabasalt
- Quartz Diorite
- Norite
- Olivine Diabase
- Sudbury Breccia
- Metasediment
- Metagabbro
- Rhyolite

Legend:
- Grey: Victoria Deposit
- Green: Creighton Fault
- Purple: Powerline Zone
- Pink: Victoria Deposit
- Blue: Sudbury Breccia
- Yellow: Metasediment
- Brown: Olivine Diabase
- Dark Purple: Norite
- Pale Pink: Quartz Diorite
- Light Green: Metabasalt
- Dark Green: Metagabbro
- Light Blue: Sudbury Breccia

Scale: 0 - 2,000 ft
The Deposit

Quartz Diorite Hosted Mineralization

Sudbury Breccia Hosted Mineralization

Sulphide Mineralization
Quartz Diorite
Creighton Fault
Quartz Diabase

0 ~ 200m
The Management

EPCM

- Safety integrated with Sudbury Operations Management
- KGHMI “E” Manager keeper of baselines & project controls
- KGHMI “P” Manager controls finance & purchase of assets
- KGHMI “M” Managers oversee the “C” Contractors
- “C” Contracts (3) – Design / Build
The Status

<table>
<thead>
<tr>
<th>Project Team</th>
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<tbody>
<tr>
<td>▪ Hire all critical positions by end of 2013</td>
</tr>
<tr>
<td>▪ Entire integrated project team in place by Q3 2014</td>
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<table>
<thead>
<tr>
<th>Permitting</th>
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<tbody>
<tr>
<td>▪ MNR, MOL &amp; MNDM – Nothing outstanding</td>
</tr>
<tr>
<td>▪ MOE – anticipate issuance of all permits Dec./13</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Project Controls</th>
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<tbody>
<tr>
<td>▪ Project budget &amp; schedule established</td>
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<thead>
<tr>
<th>Stakeholders</th>
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<tbody>
<tr>
<td>▪ Vale Agreement complete</td>
</tr>
<tr>
<td>▪ First Nations - IBA’s in principal to finalize</td>
</tr>
<tr>
<td>▪ Road Upgrade Agreement with CGS for approval Nov. 26, 2013</td>
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</tbody>
</table>
## The Engineering, Procurement & Construction

| **Site Preparation**          | ▪ Timbering done  
|                                | ▪ Overburden stripping to be complete by end of 2013  
|                                | ▪ Rockwork & site leveling to tender in December  |
| **Shaft Sinking & Hoist Plant (DMC)** | ▪ Engineering complete by end of 2013  
|                                | ▪ Sinking & auxiliary hoists ordered  
|                                | ▪ Shaft adit to start in January 2014  |
| **Surface Infrastructure**    | ▪ Site General Arrangements complete  
|                                | ▪ Equipment for waste water treatment to be delivered May 2014  
|                                | ▪ Construction to start in May 2014  |
| **Energy Infrastructure**     | ▪ 230kV & 69kV power engineering progressing  
|                                | ▪ 69kV power equipment in hand  
|                                | ▪ Construction to start in Q1 2014  |
The Timeline

Phase 1 – Exploration Shaft Sinking
- 2013: Site Preparation
- 2014: Exploration Shaft Sinking
- 2015: Site Construction
- 2016: 1st Off Shaft Drilling
- 2017: Definition Drilling
- 2018: Pre-production
- 2019: Production 1,200 - 1,500 tpd

Phase 2 – Production Shaft Sinking
- 2018: Bulk Sample
- 2019: U/G Development
- 2020: Mine Development & 1,200 tpd
- 2021: Production
- 2022:
- 2023:
- 2024:
- 2034?
The Site Plan – Advanced Exploration
The Deliverables

50,000 m of definition drilling
The Underground

- 30 mining levels, 360 stopes
- Average 25,000 tonnes per stope
- Average 90 day cycle time
The Site Plan – Production Expansion
The Future

**KGHMI**
- Finalize IBA’s with First Nations
- Build Project Team
- Receive Environmental Permits
- Continue Engineering
- Complete Site Preparations
- Procure long-lead items
- Advance key infrastructure
  - Construction & permanent power
  - Natural gas supply
  - Road upgrades

**Important Targets**
- MOE Permits          Dec./13
- Complete site prep   May/14
- Construction start   Q2 2014
### The Project Facts

#### Contained Metal

<table>
<thead>
<tr>
<th>Metal</th>
<th>Grade</th>
<th>Units</th>
<th>Qty</th>
<th>Units</th>
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<tbody>
<tr>
<td>Cu</td>
<td>2.5 %</td>
<td>%</td>
<td>710</td>
<td>Mlbs</td>
</tr>
<tr>
<td>Ni</td>
<td>2.5 %</td>
<td>%</td>
<td>720</td>
<td>Mlbs</td>
</tr>
<tr>
<td>Co</td>
<td>0.05 %</td>
<td>%</td>
<td>15</td>
<td>Mlbs</td>
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<tr>
<td>Pt</td>
<td>0.08 oz/Ton</td>
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<td>1,310</td>
<td>Koz</td>
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<tr>
<td>Pd</td>
<td>0.12 oz/Ton</td>
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<td>1,890</td>
<td>Koz</td>
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<tr>
<td>Au</td>
<td>0.03 oz/Ton</td>
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<td>420</td>
<td>Koz</td>
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<tr>
<td>Ag</td>
<td>0.40 oz/Ton</td>
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<td>6,260</td>
<td>Koz</td>
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<table>
<thead>
<tr>
<th>Category</th>
<th>Qty</th>
<th>Units</th>
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<tbody>
<tr>
<td>Inferred Resource</td>
<td>14.2 Mt</td>
<td></td>
</tr>
<tr>
<td>Dilution</td>
<td>16 %</td>
<td></td>
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<tr>
<td>Recovery</td>
<td>90 %</td>
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<tr>
<td>Tonnes / Metre</td>
<td>20,000 t/m</td>
<td></td>
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<tr>
<td>Development (Cap)</td>
<td>52 km</td>
<td></td>
</tr>
<tr>
<td>Development (Op)</td>
<td>17 km</td>
<td></td>
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<tr>
<td>Drilling</td>
<td>140 km</td>
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<table>
<thead>
<tr>
<th>Team</th>
<th>Qty</th>
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<tbody>
<tr>
<td>Project Owners Team</td>
<td>40+</td>
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<tr>
<td>Contractor</td>
<td>300</td>
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<tr>
<td>Manpower - Phase 2</td>
<td>150</td>
</tr>
<tr>
<td>Manpower - Phase 4</td>
<td>300</td>
</tr>
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Thank you