TECHNICAL REPORT ON THE VICTORIA PROJECT DEPOSIT, SUDBURY, ONTARIO, CANADA

NI 43-101 Report

for

QUADRA FNX MINING LTD.

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Cautionary Statement on Forward-Looking Information

This Report contains forward-looking statements. These statements relate to statements regarding Mineral Resource and mineral reserve estimates and anticipated grades and recovery rates, operating and capital costs, exchange rates, products to be produced and demand for such products, facilities to be constructed, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, forecast levels of production of ore and/or metals, metal prices, expenditures on property, plant and equipment, increases and decreased in production, and are or may be based on assumptions and/or estimates related to future economic, market and other conditions.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “expects”, “is expected”, “anticipates”, “plans”, “projects”, “estimates”, “assumes”, “intends”, “strategy”, “goals”, “objectives”, “potential” or variations thereof or stating that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to materially differ from those reflected in the forward-looking statements, including, without limitation the following risks and uncertainties for Quadra FNX:

Risks and uncertainties related to or associated with:

- Fluctuations in metal prices;
- The ability to expand or replace depleted reserves and the possible recalculation or reduction of the reserves and resources;
- The need to attract and retain qualified personnel;
- Dewatering at the Robinson Mine in 2012 and beyond;
- The development of the Sierra Gorda Project, a large project with significant capital expenditure, permitting and infrastructure requirements;
- Actual capital costs, operating costs and expenditures, production schedules and economic returns from the Company’s mining projects;
- Underground mining at the Levack Mine including reserves replacement, delays on re-establishing 3600L Loading Pocket, and backfilling rate;
- Geotechnical issues at all properties; specifically pit slope stability at open pit operations and structural issues at the underground mines;
- The mineralogy and block model assumptions at all mines and projects;
- The leaching rate and recoveries achievable at the Carlota Mine due to the high content of fines within the ore and other processing factors;
- The leaching rate and recoveries at the Franke Mine;
- The ability to find a suitable partner or obtain project financing for the Sierra Gorda Project;
- The ongoing litigation and potential future litigation at the Sierra Gorda Project;
- The offtake agreement with Vale, including the risk of potential adjustment to final payable metal and processing cost terms;
- Potential challenges to title to the properties;
- Transition to owner mining at the Franke Mine;
- Updated equipment for the Franke Mine may not be available;

- The dependence on transportation facilities and infrastructure;
- Labour relations, in particular with respect to the Sudbury operations;
- The actual costs of reclamation;
- Quadra FNX is impacted by the availability and cost of key operating supplies and services;
- The acquisition of businesses and assets;
- Inherent hazards and risks associated with mining operations;
- Inherent uncertainties associated with mineral exploration;
- The mining industry is competitive;
- Being subject to government regulation, including changes in regulation;
- Being subject to extensive environmental laws and regulations, including change in regulation;
- Need for governmental license and permits;
- Derivative contracts and exposure to the credit risk of counter-parties;
- The shareholder rights plan;
- Taxation;
- Dividends;
- Political and country risk;
- Conflicts of interest;
- Fluctuations foreign currency exchange rates; and
- Global financial conditions.

This list is not exhaustive of the factors that may affect any of Quadra FNX's forward-looking statements. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of Quadra FNX or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors.

Quadra FNX's forward-looking statements are based on the beliefs, expectations and opinions of management as of the date hereof and which the Company believes are reasonable in the circumstances, but no assurance can be given that these expectations will prove to be correct. Quadra FNX disclaims any intention or obligation to update or revise forward-looking statements if circumstances or management's beliefs, expectations or opinions should change, except as required by law. For the reasons set forth above, undue reliance should not be placed on forward-looking statements.

1. EXECUTIVE SUMMARY

This technical report (the 'Report') has been prepared to provide the scientific and technical information in support of the initial disclosure of estimated Mineral Resources to April 19th, 2011 of Quadra FNX Mining Ltd.'s (the 'Company') Victoria Project Deposit (zones 2, 4 and Mini). The authors, Catharine Farrow, Ph.D., P.Geo, John Everest, M.Sc., P.Geo., Stuart Gibbins, M.Sc., P.Geo., and Chantal Jolette, B.Sc., P.Geo., prepared this Report in format and content to conform to NI 43-101 Standards of Disclosure for Mineral Projects. All estimates are supported by applicable scientific and technical information.

Quadra FNX is a mid-tier copper mining company with corporate offices in Vancouver, B.C., and Toronto, Ontario. The company produces copper and precious metals from its operating mines: Robinson in Nevada, Carlota in Arizona, Franke in Chile, and McCreedy West, Levack and Podolsky in Sudbury, Ontario. Quadra FNX also possesses advanced development projects, including the Sierra Gorda copper-molybdenum project in Chile, the Malmberg molybdenum project in Greenland, and the Victoria Project in Sudbury, Ontario. The company employs approximately 1,900 people in North and South America.

Unless otherwise indicated, all financial values are reported in Canadian currency while the Imperial System has been used for units of measure. Although resource estimates have been calculated in Imperial units, the Company plans to shift to metric for the life of the project.

1.1 Conclusions

It is the opinion of the authors that the Victoria Project Inferred Mineral Resource estimate is compliant with the regulations and guidelines as defined by NI 43-101. Table 1-1 summarizes estimates of Mineral Resources for the Victoria Project (zones 2, 4 and Mini) as of April 19th, 2011.

The following conclusions are drawn from this report and its supporting work:

- The calculation of an Inferred Resource for the Victoria Project Deposit was built upon a sound understanding by Quadra FNX geological staff of the geological environment that hosts the mineralization. This understanding was facilitated by the geologically-driven drill targeting exercise that was supported by an intense borehole geophysics program. Targeting of each new drillhole was based upon the results of the previous drillholes and incorporated their impact, especially with respect to domain continuity, on the 'then current' geophysical and geological model for the zone of interest.

- Based upon this geological modeling it has been determined that the geological host environment and style of mineralization of the Victoria Project zones 1 to 4 and Mini conforms to the "Frood-style" Sudbury South Range Breccia Belt model. Similar to the Frood deposit, Zone 4 has an upper domain of Quartz Diorite - hosted, disseminated to semi-massive, pyrrhotite-rich Ni sulphide mineralization. This zone transitions with depth into, higher tenor, massive, pyrrhotite-dominant sulphide hosted by recrystallized Sudbury Breccia or Metabreccia. In the Victoria Zone 4 this transition occurs at a depth of approximately 4,000 feet (1219 m) below surface. With continuing depth in the 'Frood' model, chalcopyrite and precious metals increase relative to pyrrhotite to a point where chalcopyrite is the dominant sulphide within a 'Siliceous Zone' (Zurbrigg et al., 1957; Hawley, 1965; Souch et al., 1969; Fleet, 1977; Naldrett, 1984; Farrow & Lightfoot, 2002), which hosts very high concentrations of PGE. To date, this siliceous zone has not been observed at Zone 4 due to the depth limits of the current drill program. However, borehole UTEM-4 geophysics has revealed that Zone 4 mineralization continues down-plunge.

Table 1- 1: Summary of Mineral Resource for the Victoria Project (zones 2, 4 and Mini).

Imperial

Area	Category	Deposit or Zone	Tons	Cu	Ni	Pt	Pd	Au	TPM
				%	%	oz/ton	oz/ton	oz/ton	oz/ton
Victoria	Inferred	No. 2	300,000	1.4	0.9	0.04	0.07	0.02	0.13
	Inferred	No. 4 - QD	4,900,000	1.5	1.1	0.03	0.04	0.01	0.08
	Inferred	No. 4 - MTBX	8,400,000	2.8	3.0	0.13	0.18	0.04	0.35
	Inferred	Mini	200,000	1.2	0.6	0.03	0.01	0.01	0.04
	Inferred	**TOTAL**	**13,700,000**	**2.3**	**2.2**	**0.09**	**0.13**	**0.03**	**0.25**

Metric

Area	Category	Deposit or Zone	Tonnes	Cu	Ni	Pt	Pd	Au	TPM
				%	%	g/t	g/t	g/t	g/t
Victoria	Inferred	No. 2	300,000	1.4	0.9	1.4	2.3	0.6	4.3
	Inferred	No. 4 - QD	4,400,000	1.5	1.1	0.9	1.3	0.4	2.7
	Inferred	No. 4 - MTBX	7,600,000	2.8	3.0	4.6	6.2	1.4	12.1
	Inferred	Mini	100,000	1.2	0.6	0.9	0.5	0.2	1.5
	Inferred	**TOTAL**	**12,500,000**	**2.3**	**2.2**	**3.2**	**4.3**	**1.0**	**8.5**

Totals may not add due to rounding. Tons are short tons. TPM (Total Precious Metals) = Pt + Pd + Au

- With every hole drilled, Quadra FNX has ensured that industry 'best practices' security and QA/QC procedures were followed from initial set-up of the drill at site, until final checks of all collected data had been completed. With this assurance in place, the resource modeling was able to proceed with confidence.

- The geological and mineralogical observations from drilling at the Victoria Project at the time of writing support the interpretation that the Victoria sulphide mineralization is consistent with the range of ores routinely processed in Sudbury, and those processed from Victoria Mine production in the 1970s. As a result, unusual metallurgical characteristics are not anticipated for the Victoria Project. Nevertheless, further testwork is warranted.

- The Mineral Resource estimate took into account the nature of the geological host environment. Zone 4 modeling separated those sections of the deposit that were hosted by Quartz Diorite from sections that were hosted entirely by Metabreccia. Similarly, the Mini was entirely hosted by Quartz Diorite and Zone 2 was hosted within a fractured footwall environment with Metabreccia.

- Victoria Project Mineral Resources have been estimated by geostatistical three-dimensional block modeling techniques using Datamine Studio 3® software. The block model is constrained within 3D wireframes of the mineralized zones, as defined by detailed geological interpretation. Block model grade estimates include Cu, Ni, Co, Pt, Pd, Au, Ag, As, Pb, Zn, Fe, S, Fe, MgO, and SG (Specific Gravity), using ID^2 interpolation. Quadra FNX's long range metal prices of US$2.50/lb Cu, US$7.00/lb Ni, US$14.00/lb Co, US$1500/oz Pt, US$400/oz Pd and US$1000/oz Au were used in the estimate. The Canadian dollar exchange rate applied was US$1.00.

- The application of $115 in-situ value cut-off, published Clarabelle Mill recoveries, and a 30 ft x 20 ft x 50 ft cell/block size (to represent bulk, longhole mining method), is considered reasonable given the current understanding of the Victoria Project Mineral Resource and historical mining at depth on the South Range of the Sudbury Structure.

- The criteria used in the classification of the Mineral Resource estimates include a combination of sampling density, style of mineralization, search strategy achieved in interpolating grade in block models, cut-off and block dimensions. All Mineral Resources for the Victoria Project are reported as Inferred.

- Quadra FNX has not completed a pre-feasibility or feasibility study that would support the conversion of the Mineral Resources to Mineral Reserves. No Mineral Reserves exist at the Victoria Project at the time of writing.

- Victoria Project exploration to date has been focused on the discovery and definition (from surface) of sulphide-mineralized zones that are the topic of this report. Excellent surface-based exploration potential at the Victoria Project exists in the form of both extending known zones, especially Zone 4, both up- and down-dip, and in the discovery of proximal sulphide mineralization that could be serviced by future underground infrastructure.

1.2 Recommendations

The authors make the following recommendations to continue the advanced exploration program at the Victoria Project:

- Victoria Project drill programs are completed on a success-driven basis. Each new hole is based upon the results derived from the previous hole and the use of borehole UTEM-4 geophysical surveys. If no targets are derived through the process of completing a sound review of the borehole geology and geophysics, then the exploration focus will move to another area of similar geological interest on the property. It is recommended that this strategy continue to be employed by Quadra FNX at the Victoria Property to ensure the implementation of successful drill programs to expand known zones and explore for new, proximal zones. This will also ensure the conscientious use of exploration budgets.

- Data at the Victoria Project has historically been captured in Imperial units. Quadra FNX has continued to record data in Imperial units since acquiring the property in 2002. As a means of reducing the potential for conversion errors in the future as engineering and development efforts are increased, it is recommended that a full conversion to metric be made for all data collected at the Victoria Project. At the time of writing, conversion of the critical databases had been initiated. Metric units of measurement will be the standard for the Victoria Project going forward.

- A review of the Mineral Resource estimate by an independent engineering firm (the "Independent Firm") (Greenough and Warren, 2011), identified the following non-critical items in the resource estimation and core handling processes that could be improved:

    - Blanks: Quadra FNX uses felsic norite for blank insertion. The Independent Firm has recommended that consideration be given to selecting blank material from other local barren lithological units other than felsic norite due to the potential for some minor sulphides to exist within this unit. The Independent Firm has suggested that the micropegmatite or quartzite be considered for the blanks.

    - Wireframe modeling: The Independent Firm noted that certain areas of the resource model and lithological model may be prone to over-interpretation, although this problem is not evident to a significant degree. It has been recommended that for comparison purposes, a modeling excercise be completed using primarily the drillhole contact points with as little interpretation as possible.

    - Resource modeling based upon domains: Quadra FNX separated Zone 4 into two lithological domains (Quartz Diorite and Metabreccia) for the purposes of resource modeling. The Independent Firm has stated that the small amount of drillhole data used in this resource makes the definition of the lithological boundary fairly subjective, therefore values attributed to an individual domain may be distributed disproportionately during Mineral Resource modeling. The Independent Firm has recommended a closer examination of this boundary as more data are gathered in the future. In addition, the Independent Firm has recommended a comparative grade estimate on an all-encompassing domain model utilizing the same estimation parameters that were used on the two domain model for Zone 4.

    - Samples used for estimate: Instead of applying restrictions to the number of samples to be used in the resource estimate, the Independent Firm has recommended using Octant restriction to help minimize data clustering problems.

    - Validation checks in Datamine®: Quadra FNX used the Dynamic Search option in Datamine®, which may or may not have been responsible for minor areas in the block model with unexpected grade trends. The Independent Firm recommended that as a validation check, estimates be run without it, applying rotations to the search volumes that approximate the orientation of the deposit.

    - Smoothing of model: The Independent Firm has recommended that the Quadra FNX model be further assessed for smoothing.

- Quadra FNX will continue surface drilling at the Victoria Project for the remainder of 2011. The diamond drill program will be partly designed to expand the up- and down-dip extents of Zone 4 to test for significant increases in tonnage. The drill program will also test for proximal, or satellite, sulphide mineralization that could be effectively serviced from future underground infrastructure.

- Due to depth, technical challenges, geometry, and economic perspectives, expansion of Zone 2 and Zone 4 would be most efficiently completed with an underground-based advanced exploration program. Upgrading of the Inferred Mineral Resource reported here to Indicated and ultimately to Mineral Reserve requires an advanced exploration diamond drill program. At the time of writing Quadra FNX had initiated the process of evaluation of shaft sinking and underground development with internal conceptual/scoping studies, had initiated a pre-feasibility study on Victoria Project advanced exploration, and had commenced compilation of a Closure Plan (compliant with MNDMF regulations) to support advanced exploration development.

1.3 Location

The Victoria Project is located in the prolific Sudbury mining camp, an environment historically mined for over 110 years for its sulphide nickel, copper, cobalt and precious metal orebodies. The Victoria Property is located approximately 35 km by road from the downtown core of the City of Greater Sudbury (46°25'N latitude, 81°23'W longitude), in northeastern Ontario, Canada, and approximately 400 km north of Toronto, Ontario, Canada. As a result of its location, the Victoria Project has access to the very well-developed mining infrastructure available in an urban center with a population of 158,000. All of the infrastructure required to support the mining, processing and shipping requirements of an integrated mining camp that has been in production for more than 100 years are in place.

1.4 Mineral Resource Estimate

Quadra FNX's Mineral Resources for the Victoria Project have been estimated by geostatistical three-dimensional block modeling techniques using Datamine Studio 3® software. The block model is constrained within 3D wireframes of the mineralized zones, as defined by detailed geological interpretation. Block model grade estimates include Cu, Ni, Co, Pt, Pd, Au, Ag, As, Pb, Zn, Fe, S, MgO, and SG (Specific Gravity), using ID^2 interpolation. Quadra FNX's long range metal prices of US$2.50/lb Cu, US$7.00/lb Ni, US$14.00/lb Co, US$1500/oz Pt, US$400/oz Pd and US$1000/oz Au were used in the estimate. The Canadian dollar exchange rate applied was US$1.00. The resource estimate for the Victoria Project (Table 17-1) is based on $115 direct costs (based on Quadra FNX's production experience in Sudbury), and Clarabelle Mill recoveries to bulk concentrate as reported in the public document "External Audit of Mineral Reserves", for Vale Inco Limited, Ontario Operations, by Golder Associates, effective June 30, 2010 (Beauchamp & Greenough, 2010). Estimates of Mineral Resources represent the tonnage and grade of in-situ mineralization. Resource estimates take account of the minimum block size that can be selectively extracted, but do not include factors for mining recovery or dilution.

1.5 Background

On January 10th, 2002, Fort Knox Gold Resources Inc., the predecessor company to FNX Mining Company Inc., (FNX) signed an Option to Purchase Agreement with Inco Limited (now Vale Canada Limited) by which FNX could acquire a 100% interest in the mineral rights to five Sudbury Basin mineral properties, Victoria, McCreedy West, Levack, Podolsky (formerly Norman) and Kirkwood. The Option required continuing exploration and, if warranted, development of the subject properties under a 52 month program within which the Company was required to spend $30.0 million to earn its interest. Upon signing the Agreement with Inco, the Company formed the Sudbury Joint Venture (SJV) with Dynatec Corporation. This Joint Venture, owned as to 75% by the Company and as to 25% by Dynatec, was formed to explore, develop and, if economically appropriate, mine these properties. The SJV, having exceeded the required $30.0 million in expenditures on the Properties by December 1, 2003, vested at that date and owned 100% interest in the mineral rights to the five original properties. On October 21, 2005, FNX acquired Dynatec's 25% interest in the SJV and now owns 100% interest in the mineral rights to the McCreedy West, Levack, Podolsky, Victoria and Kirkwood properties.

On May 21st, 2010, Quadra Mining Ltd. entered into a merger with FNX Mining Company Inc. which resulted in the formation of Quadra FNX Mining Limited (Quadra FNX or the Company).

Quadra FNX currently owns all the mineral rights at the Victoria Property; the majority of the surface rights are owned by Vale Canada Limited and Carman Construction Inc. owns a narrow historic rail bed right of way.

1.6 Geology and Exploration

The Victoria Project is located in the world-class Sudbury mining camp, where concentrations of Ni-Cu-Pt-Pd-Au are located at, or in close proximity to, the basal contact of the Sudbury Igneous Complex (SIC). The SIC has intruded Archean Levack Gneiss Complex gneissic and migmatitic rocks on its north and east margins and Huronian supracrustal rocks along its southern contact. The Ni-rich Contact deposits typically are located in embayments or troughs along the base of the SIC and are characterized by a pyrrhotite-dominant sulphide mineral assemblage that includes chalcopyrite and pentlandite. The footwall to the SIC is the host to Sudbury Footwall-style Cu-Ni-Pt-Pd-Au deposits. These deposits may be 'sharp-walled', or 'low-sulphide'–type systems characterized by chalcopyrite-rich veins, stringers or disseminations. Both Ni-rich deposits and Cu-Ni-Pt-Pd-Au deposits may be hosted by Sudbury Offset dykes. All three host environments, the SIC basal contact, the footwall to the SIC, and Offset environments occur at the Victoria Property and all represent excellent exploration opportunities for Quadra FNX.

The Victoria Project Deposit is hosted within a geological environment that is a hybrid between Sudbury Offset Quartz Diorite dyke rock and re-crystallized Sudbury Breccia 'Footwall', with local transitions into sharp walled country rock hosted environments. This style of host environment and mineralization is characteristic of Sudbury South Range Breccia Belt deposits (Ames & Farrow, 2007; Farrow & Lightfoot, 2002; Souch & Podolsky, 1969), where the mineralized system transitions from an 'Offset' Ni-rich environment to a Sudbury South Range Breccia Belt style of mineralization at depth. The classic example of Sudbury South Range Breccia Belt deposits is the historically mined Frood Mine deposit, with smaller examples similar to the Copper Cliff North 138 Orebody, and the precious metal rich Vermilion deposit, located some 4 kilometers to the east of the Victoria Project area.

The currently known up-dip extent of the contiguous Zone 4 Inferred Mineral Resource is hosted within the Ethel Lake segment of the Worthington Quartz Diorite from approximately 3,000 feet (914 m) to a depth of approximately 4,000 feet (1219 m). This up-dip extent of Zone 4 is characterized by grades and sulphide tenors typical of Quartz

Diorite Offset dyke hosted mineralization (i.e., FNX1198B with 43.5 feet (13.3 m) of 1.1% Cu, 1.0% Ni and 1.2 g/t TPM). Below 4,000 feet (1219 m), Zone 4 is hosted by intensely thermally re-crystallized Sudbury Breccia or Metabreccia. As the ore transitions with depth into the Metabreccia host rock, base and precious metal tenors continue to increase. At 4000 feet depth, diamond drillhole FNX1186G yielded 623.6 feet (190.1 m) of 1.9% Cu, 1.7% Ni and 4.1 g/t TPM. This transition also marks the development of a higher concentration of massive ore rather than disseminated, interstitial and semi-massive. With the ore host transition from Quartz Diorite to Metabreccia at depth, ore grades and thickness increase to at least 5,500 feet depth where borehole FNX1195C yielded an intersection of 308 feet (93.9 m) of 2.1% Cu, 3.1% Ni and 5.1g/t TPM. At the down-dip extension of the Inferred Resource, precious metal tenors continue to increase as evidenced by borehole FNX1200E which intersected 140.9 feet (42.9 m) of 5.0% Cu, 3.6% Ni and 61.4 g/t TPM at a depth of approximately 6,200 feet (1,981 m). The borehole UTEM-4 surveys have provided an interpretation that the conductive zone, which is likely related to the occurrence of sulphide mineralization, extends below the current defined resource as reported here.

Since 2002, FNX has spent more than $38.9 million in exploration at the Victoria Property and drilled more than 370,000 feet of diamond drill core. However, since the beginning of 2008 the main focus at Victoria has been the targeting of the Ethel Lake Quartz Diorite and Worthington Offset geological environments for Cu-Ni-PGE mineralization. Between the re-start of exploration diamond drilling at Victoria in 2008 to March 29th, 2011, 97 drillholes for 274,338 feet (83,618 m) of exploratory pilot hole and wedge-cut holes have been completed at the Victoria Project. This program, and the resultant discovery of the Victoria Project zones that are the focus of this report, has incurred expenditures of ~$30.0 million to date.

1.7 Sampling and QA/QC

All Victoria Project diamond drillholes were logged and sampled by Quadra FNX geological staff. The samples were prepared by SGS Minerals in Sudbury and analysed at SGS Minerals in Toronto, Ontario. As part of Quadra FNX QA/QC procedures, pulp duplicates are sent to ALS Global in Vancouver, British Columbia for comparison and verification purposes. SGS Minerals and ALS Global are accredited by the Standards Council of Canada (SCC) for specific mineral tests listed on the scope of accreditation to the ISO/IEC 17025 standard. All samples were assayed for Cu, Ni, Pt, Pd, Au, Co, Fe, S, Ag, As, Pb, Zn and MgO. Specific gravity (SG) measurements were completed on all drill core assay samples by pycnometer at the analytical laboratory on the sample pulps. The Assay Quality Assurance program consists of the following types of quality control samples: reference materials, sample blanks, and check assays. The analytical laboratory also runs its own set of quality control samples including reference materials, sample blanks and laboratory duplicates. Drill logs and analytical results are stored in an SQL database managed by the Quadra FNX in Sudbury. Drillhole data has provided the basis for all resource estimates.

1.8 Declaration by Qualified Persons

This report provides technical disclosure to support estimates of Inferred Mineral Resources at the Victoria Project Deposit. It has been prepared in accordance with the requirements of National Instrument 43-101 - "Standards of Disclosure for Mineral Projects" and Form 43-101F1 – "Technical Report of the Canadian Securities Administrators". The authors each meet the requirements of a 'Qualified Person', as defined by the CIM.

All material assumptions, measurements and other parameters that have been used as the basis for the estimates of Mineral Resources have been subjected to peer review and audit. In general, these reviews and audits have concluded that the methodology for estimating resources and reserves is robust, while specific qualitative and quantitative recommendations from these reviews and audits have been incorporated in the results presented in this document. As a consequence, in the opinion of the Qualified Person's (QP's), the statements of Mineral Resources contained in this document fairly present, in all material aspects, the in-situ Resources for the Quadra FNX Victoria Project as of April 19th, 2011.

2 INTRODUCTION & TERMS OF REFERENCE

2.1 Purpose of the Technical Report

Quadra FNX is a mid-tier copper mining company with corporate offices in Vancouver, B.C., and Toronto, Ontario. The company produces copper and precious metals from its operating mines: Robinson in Nevada, Carlota in Arizona, Franke in Chile, and McCreedy West, Levack and Podolsky in Sudbury, Ontario. Quadra FNX also possesses advanced development projects, including the Sierra Gorda copper-molybdenum project in Chile, the Malmberg molybdenum project in Greenland, and the Victoria Project in Sudbury, Ontario. The company employs approximately 1,900 people in North and South America.

The Victoria Project Deposit is a sulphide Cu-Ni-PGE deposit located in the City of Greater Sudbury in northern Ontario. This deposit is geologically similar to other Sudbury 'South Range Breccia Belt Deposits', including the historic Frood Deposit. The Victoria Project Deposit represents the next chapter in the exploration and mining history of the Victory property; a property that was one of the original mining developments in the Sudbury area with mining initiated in 1899.

Historic mining and exploration on the property was mainly focused on Ni-rich Contact mineralization and minor Offset style mineralization to the north of the Creighton Fault. Exploration since 2008 has targeted Offset Quartz Diorite dyke style and Sudbury Breccia -related Cu-Ni-PGE mineralization to the south of the Creighton Fault along the Worthington Offset dyke and the Ethel Lake Quartz Diorite segment. The purpose of this report is to support the first time disclosure of Mineral Resources associated with Quadra FNX's Victoria Project Deposit (Zones 2, 4 and Mini) to April 19th, 2011. This Report has been prepared by the authors in accordance with National Instrument 43-101, 'Standards of Disclosure for Mineral Projects' and Form 43-101F1.

The authors of this report have been intricately involved in the exploration and development of resources at the Victoria Project site before, during and since the discovery of the sulphide mineralization in 2008. All authors have regularly visited the Victoria Project and the Company's Sudbury Exploration core handling facility (Kelly Lake Road facility), the facility at which all the project diamond drill core had been processed to the time of writing.

2.2 Reliance on Other Experts

The authors of this report have relied upon the expertise and experience of other technical personnel (Table 2.1) within Quadra FNX and representatives of the Independent Firm. The Independent Firm reviewed the Victoria Project Inferred Mineral Resource with the assistance of Quadra FNX geological staff in April, 2011 (see Section 17).

Table 2- 1: Reliance on other experts.

Expert	Title	Reliance
Vanessa Felix, B.Sc.,	Environmental Coordinator	Environmental Factors
Ian Horne, B.Sc., RPBio	Director, Environmental Affairs	Environmental Factors
David M. King, B.Sc., M.Sc., P. Geo.	Manager, Exploration Technical Services	Resource Modeling
Pat Lewis, B.Sc., P. Geo	Manager, Contracts Administration	Community and First Nations Relations
Gary MacSporran, B.Sc., M.Sc., P. Eng.	Manager, Technical Services	Mine Design, Mining Economics
Brad McKinley, B.Sc., M.Sc., P. Geo.	Project Geologist - Victoria	Geological Modeling
Ryan Milne	Geological Technologist - Victoria	Geotechnical
Roger Poulin, B.Sc., P. Geo	Project Geologist	Mineralogy and Petrography
Sydney Ramnath, B.Sc.	Geologist	Geological Modeling
Wayne Rodney	Mining Lands and Agreements	Property Management
Gerry Shields	Senior Technician	Surveying
Jian Xiong, B.Sc., M.Sc., P. Geo.	Project Geologist	Geological Modeling

2.3 Definitions, Technical Abbreviations, Acronyms, Commonly Used Terms, and Units of Measurement

The following defined terms have been used in this Report:

AAFN	Atikameksheng Anishnawbek First Nation (a.k.a.: Whitefish Lake First Nation)
CCI	Carman Construction Inc.
Central Database	The Fusion SQL server database
FNX	FNX Mining Company Inc. (a predecessor company to Quadra FNX Mining Limited)
Quadra FNX	Quadra FNX Mining Ltd.
MNDMF	Ontario Ministry of Northern Development, Mines and Forestry
MNO	Métis Nation of Ontario
MNR	Ontario Ministry of Natural Resources
MOE	Ontario Ministry of the Environment
Report	this technical report prepared pursuant to National Instrument 43-101 ‘Standards of Disclosure for Mineral Projects’ and Form 43-101F1, Technical Report of the Canadian Securities Administrators
SAFN	Sagamok Anishnawbek First Nation
SGS	SGS Minerals Services, part of SGS Group

SJV	Sudbury Joint Venture, formed upon signing of the original Inco Limited option agreement, between Fort Knox Gold Resources Inc. (now Quadra FNX) and Dynatec Corporation (now DMC Mining) in 2002
Vale	Vale Canada Limited (formerly Inco Ltd.)
Victoria Project	Mineralized zones defined by this Report. The Victoria Project includes zones 1 to 4 and Mini

The following technical abbreviations, acronyms, units of measurement and commonly used terms have been used in this Report:

ARD	acid rock drainage
As	arsenic
Au	gold
BH-UTEM-4	down hole, 4-component, time domain electromagnetic geophysical survey
CDN$	Canadian dollar
chl	chlorite
Co	cobalt
cp	chalcopyrite
Cu	copper
DGPS	differential global positioning system
EM	electromagnetic
Fe	iron
ft	foot/feet
Ga	billions of years
gar	garnet
g/t	grams per tonne
Ha	hectare
ICP-AES	inductively coupled plasma - atomic emission spectrometry
JV	joint venture
km	kilometer
lb(s)	pound(s)
m	metres
Ma	millions of years
mg/l	milligrams/litre
M lbs	millions of lbs
Ni	nickel
No.	number
opt	troy ounce per short ton
Pb	lead
Pd	palladium
PGE	platinum group elements
PGM	platinum group minerals
pn	pentlandite
po	pyrrhotite
ppm	parts per million
Pt	platinum
qtz	quartz
S	sulphur
SG	specific gravity
SIC	Sudbury Igneous Complex
t	short ton
tpa	tons per annum

tpd tons per day

TPM Total Precious Metals (Pt+Pd+Au)
US$ United States dollar
UTM Universal Trans Mercator geographic reference system
Zn zinc
µm microns

The following table will assist in conversions from metric to Imperial equivalents (Table 2-2).

Table 2- 2: Metric-Imperial units of measurement conversion table.

To Convert From	**To**	**Multiply By**
Centimeters	Inches	0.394
Metres	Feet	3.281
Kilometers	Miles	0.621
Hectares	Acres	2.471
Tonnes	Short tons	1.102
Grams	Ounces (Troy)	0.032
Grams per tonne	Ounces (Troy) per ton	0.029

The factor used to convert ounces (Troy) per short ton (oz/t) to grams per short ton (g/t) is 31.1048 grams. The conversion of short tons to metric tonnes requires the use of the conversion factor 1.102311. Therefore, 31.103481 grams per ton x 1.102311 = 34.2857 grams per tonne.

All intersection lengths referred to are lengths of drill core and should not be interpreted as being true widths.

All dollar values are reported as Canadian dollars unless otherwise specified.

Certain 'Sudbury Event' related rock-types have historically been given 'formational' names. They are considered proper nouns and therefore are capitalized. These include: Sudbury Breccia, Sublayer Norite, Quartz Diorite, Inclusion Quartz Diorite, and Metabreccia.

3 DISCLAIMER

As with previous Quadra FNX Sudbury-based technical reports (2001 to 2010), Vale Canada Limited (Vale) was not involved in the current study and makes no representations of any kind with respect to any of the historical data used in the study.

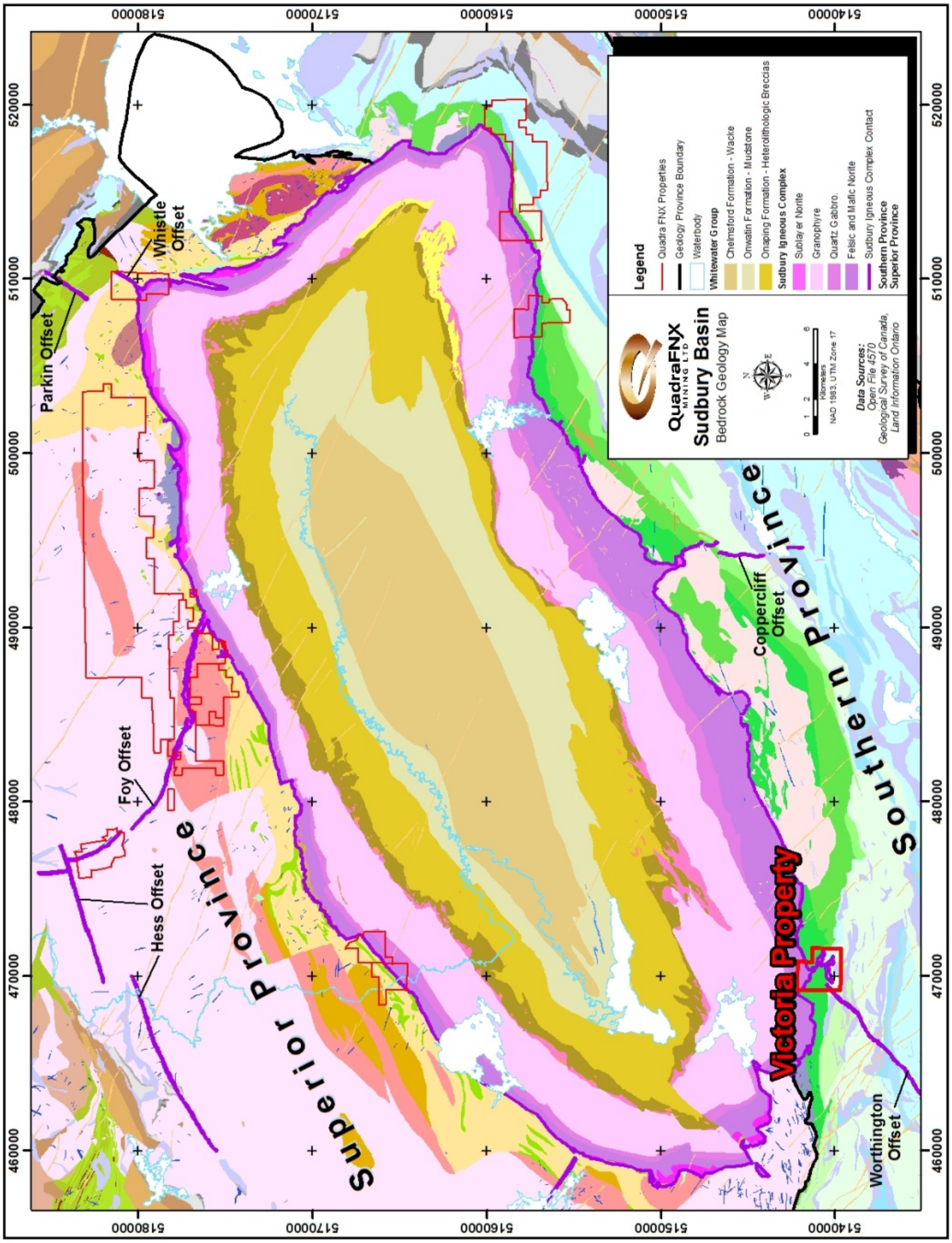
4 PROPERTY DESCRIPTION & LOCATION

4.1 Location

The Victoria Project is located in the prolific Sudbury mining camp, an environment historically mined for over 110 years for its sulphide nickel, copper, cobalt and precious metal orebodies. The Victoria Property is located approximately 35 km by road from the downtown core of the City of Greater Sudbury (46°25’N latitude, 81°23’W longitude), in northeastern Ontario, Canada, and approximately 400 km north of Toronto, Ontario (Figure 4-1). The main map feature of the Sudbury area, the Sudbury Igneous Complex (SIC), and the superimposed location of the Victoria Property relative to other Quadra FNX Sudbury properties is shown on Figure 4-2. The Victoria Property is comprised of (i) all of Lots 7, 8 & 9, Concession 4 and (ii) the south ½ of Lot 8 and 9, Concession 5, Township of Denison, Ontario. The Township of Denison consists of approximately 37.0

Figure 4- 1: Map of Ontario illustrating the location of Sudbury and the Victoria Property.

Figure 4- 2: Figure showing the geology of the Sudbury Igneous Complex and the



location of the Victoria Property relative to other Quadra FNX properties.

miles^2 (95.8 km^2) and was subdivided into 12 lots and 6 concessions, all surveyed by Ontario Land Surveyor W.P. Burke in 1884-1885. The boundaries of the Victoria Property are defined by those certain full Lots and Concession and half lots and Concession as illustrated in Figure 4-3.

4.2 Land Tenure - Mining Rights

Quadra FNX owns a 100% interest of the mining rights to the Victoria Property through four registered parcels (part of the Land Title System) and one registered deed of land (part of the Registry Act System), each of which were granted by Letters Patent through the Province of Ontario.

The five contiguous patented mining rights dispositions held by Quadra FNX (Table 4-1) encompass the entire Victoria Property and cover an area totaling 519.18 ha (Figure 4-3). In order to maintain the mining rights dispositions in good standing, an annual mining land tax of $4.00 per hectare each January, invoiced by the Ontario Ministry of Northern Development, Mines and Forestry (MNDMF) is required, payable to the Province of Ontario Minister of Finance.

Table 4- 1: Mining rights dispositions - Quadra FNX Mining Ltd., Victoria Property.

PIN Number	Parcel Number and Deed of Land	Owner	Hectares
Pt of PIN 73382-0501 (LT)	Pt of Parcel 19824 “A” SWS	Quadra FNX	252.08
PIN 73382-0346 (LT)	Parcel 1240 SWS	Quadra FNX	1.64
PIN 73382-0248 (LT)	Parcel 483 SWS	Quadra FNX	91.44
PIN 73382-0374 (LT)	Parcel 8283 SWS	Quadra FNX	42.90
PIN 73382-0551 (RA)	Deed-Instrument 151	Quadra FNX	131.12
Total:	**5**		**519.18**

4.3 Land Tenure - Surface Rights

Vale, and to a minor extent Carman Construction Inc. (“CCI”), own in unison the nine contiguous patented surface rights dispositions (Table 4-2) which encompass the entire Victoria Property and cover an area totaling 519.18 ha (Figure 4-3). By signed agreement, Vale currently grants to Quadra FNX the sole, exclusive and irrevocable right to access and use such part of the surface rights as are specified by Quadra FNX to carry out surface exploration, provided Quadra FNX shall indemnify Vale from all losses and damage to property etc. incurred directly or indirectly from its exploration activities.

In addition, Quadra FNX also has a signed agreement with CCI to access a small part of the property known as the Wickie Road. Quadra FNX currently pays CCI an annual fee of $1600.00 for the use of this road. Quadra FNX shall take all reasonable precautions to protect the surface rights from any damage arising in connection with its access of the property. Should any damage occur, specifically to that part of the property known as the Wickie Road, Quadra FNX will restore said road to a condition that is at least equal to or better than prior to its initial use.

Currently, both Vale and CCI pay the municipal taxes to the City of Greater Sudbury for their respective surface rights. However, should Quadra FNX erect buildings, structures and facilities for the purpose of advanced exploration, development and mining, then these taxes would become Quadra FNX's responsibility. As with any other municipality, these annual taxes vary each year based upon the municipality's current mill rate.

Figure 4- 3: Land tenure map superimposed on an orthophoto of the Victoria Property (Denison Township).

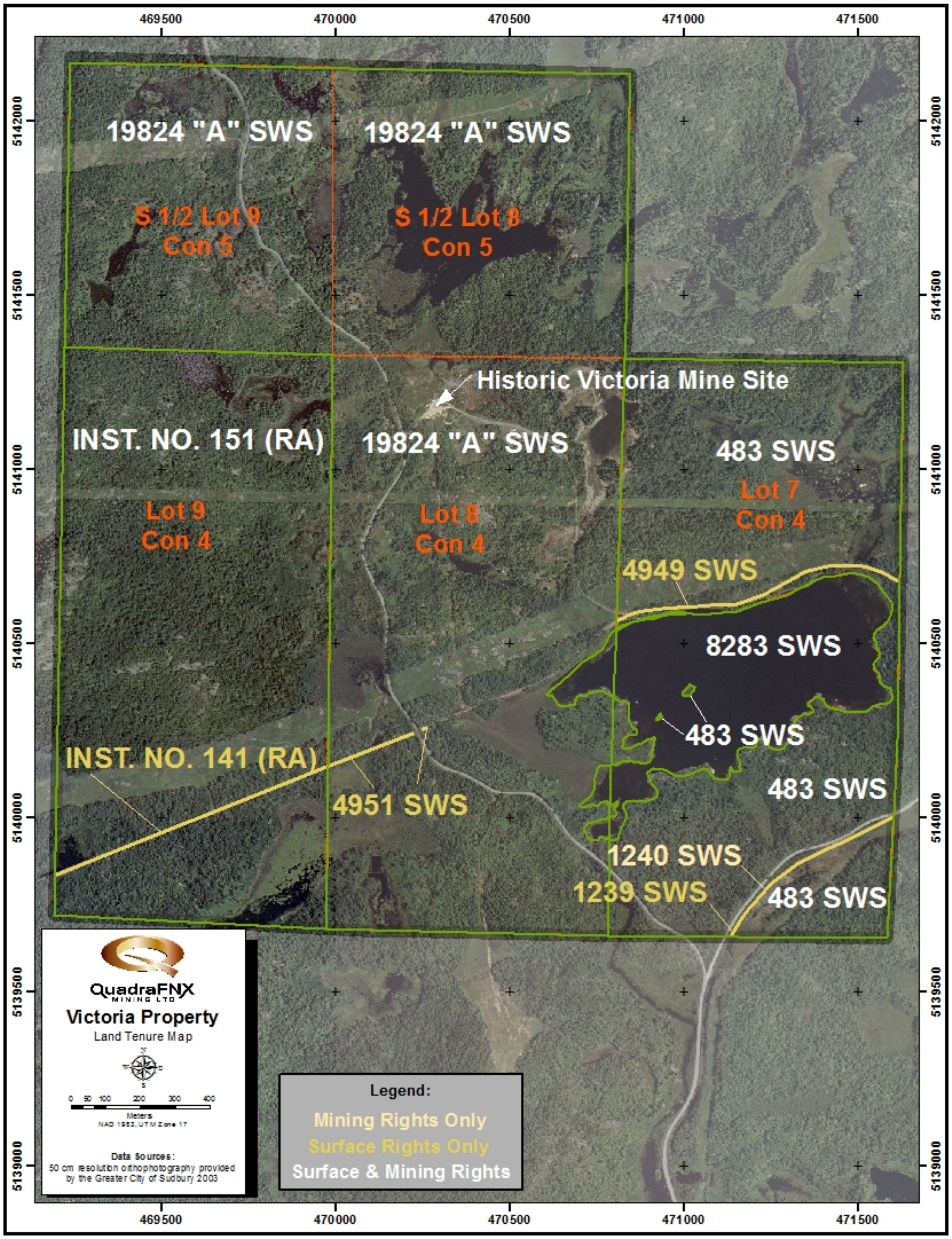

469500
470000
470500
471000
471500
5142000
5141500
5141000
5140500
5140000
5139500
5139000
19824 "A" SWS
19824 "A" SWS
S 1/2 Lot 9
Con 5
S 1/2 Lot 8
Con 5
Historic Victoria Mine Site
INST. NO. 151 (RA)
19824 "A" SWS
483 SWS
Lot 9
Con 4
Lot 8
Con 4
Lot 7
Con 4
4949 SWS
8283 SWS
483 SWS
INST. NO. 141 (RA)
4951 SWS
483 SWS
1240 SWS
1239 SWS
483 SWS
QuadraFNX
MINING LTD
Victoria Property
Land Tenure Map
0 50 100 200 300 400
Meters
NAD 1983, UTM Zone 17
Data Sources:
50 cm resolution orthophotography provided by the Greater City of Sudbury 2003
Legend:
Mining Rights Only
Surface Rights Only
Surface & Mining Rights

Table 4- 2: Surface rights dispositions - Vale Canada Limited and Carman Construction Inc., Victoria Property.

PIN Number	Parcel Number and Deed of Land	Owner	Hectares
Pt of PIN 73382-0501 (LT)	Pt of Parcel 19824 "A" SWS	Vale	251.17
PIN 73382-0345 (LT)	Parcel 1239 SWS	Vale	1.64
PIN 73382-0364 (LT)	Parcel 4949 SWS	Vale	2.57
PIN 73382-0248 (LT)	Parcel 483 SWS	Vale	88.87
PIN 73382-0374 (LT)	Parcel 8283 SWS	Vale	42.90
PIN 73382-0551 (RA)	Deed-Instrument 151	Vale	128.47
PIN 73382-0552 (RA)	Deed-Instrument 141	CCI	2.65
PIN 73382-0365 (LT)	Pt of Parcel 4951 SWS	CCI	0.85
PIN 73382-0650	Pt of Parcel 4951 SWS	CCI	0.06
Total:	**9**		**519.18**

4.4 Land Use Permitting and Licencing

Quadra FNX's activities at the Victoria Property currently consist primarily of diamond drilling and as such does not require work or land use permits. Quadra FNX has obtained a Licence to Harvest Forest Resources (No. B11854) comprising an area of 48 hectares in Lot 8 and 9, Concession 4, issued by the Ministry of Natural Resources ("MNR"). The licence is in good standing until March 31, 2012 and cannot be renewed. During the operational period, Quadra FNX shall pay, in respect of each cubic metre or its equivalent of Crown trees that are harvested, the Crown charges set out in the Ontario Stumpage Matrix and which apply to the species authorized for harvest.

4.5 Rights and Agreements

On 10 January, 2002, Fort Knox Gold Resources Inc., the predecessor company to FNX Mining Company Inc. signed an Option to Purchase Agreement with Inco Limited (now Vale) by which FNX could acquire a 100% interest in five Sudbury Basin mineral properties.

The property package included former producing mines known as the Victoria, McCreedy West, Levack, Whistle (Podolsky Property) and Kirkwood mines. The Option required continuing exploration and, if warranted, development of the subject properties under a 52 month program within which the Company was required to spend $30.0 million to earn its interest. Upon signing the Agreement with Inco, the Company formed the Sudbury Joint Venture (SJV) with Dynatec Corporation. This Joint Venture, owned as to 75% by the Company and as to 25% by Dynatec, was formed to explore, develop and, if economically appropriate, mine these properties.

The SJV, having exceeded the required $30.0 million in expenditures on the Properties by December 1, 2003, vested at that date and owned 100% interest in the mineral rights to the five original properties. On October 21, 2005, FNX acquired Dynatec's 25% interest in the SJV and now owns 100% interest in the mineral rights to the McCreedy West, Levack, Podolsky, Victoria and Kirkwood properties. FNX ownership of the properties extends only to the mineral rights and to surface access rights and on-site facilities as are required to permit exploration, development and mining operations to be conducted on the properties.

The FNX-Vale Option Agreement includes the following additional terms:

- If FNX discovers a New Deposit (as defined in the Option to Purchase Agreement) on any of the Properties and elects to complete a bankable feasibility study on such New Deposit recommending production, and should such New Deposit contain Mineral Resources having a value of at least 600 million pounds of nickel equivalent at the time of such bankable feasibility study, Vale has a right to re-acquire a 51% interest in such a New Deposit but not the Properties by bringing the New Deposit into commercial production without financial recourse to FNX. Until Vale achieves payback, it shall receive 80% of net revenues from production from the New Deposit. If Vale re-acquires a 51% interest in a New Deposit, Vale and FNX will form a joint venture, with Vale as the operator, to hold and operate the New Deposit.
- Vale continues to be responsible for all environmental liabilities existing on the Properties at the effective date (January 10, 2002). From that date, FNX is responsible for all environmental liabilities incurred on the properties that result from the actions taken after the effective date. Environmental processing obligations relating to the processing of ore cease upon delivery of ore to Vale.
- Vale has a right of first offer to purchase any interest in the properties that FNX proposes to sell to an arm's-length third party.

4.6 Environmental Liabilities

As the registered mining rights holder, Vale is responsible for all historical environmental liabilities currently existing on the Victoria Property. A Phase II Environmental Site Assessment completed in 2010 identified environmental issues at the site resulting from past mining operations and historical mine-related human settlement. The results of this study indicated concentrations of various contaminants exceeding the applicable Table 1 standards (O.Reg. 511/09).

A Mine Hazard Inventory was also completed in 2010 to provide an understanding of the current site conditions resulting from historic mining operations as they relate to Schedule 1 – Mine Rehabilitation Code of Ontario in Ontario Regulation 240/00, Mine Development and Closure under Part VII of the Mining Act.

Results of the Environmental Site Assessment and Mine Hazard Inventory indicate that several areas identified with groundwater and soil impacts are likely attributable to historic mining activities.

5 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

5.1 Accessibility

The Victoria Project area is located approximately 35 km by road to the south west of the downtown core of the City of Greater Sudbury, Ontario. Access to the project area from Sudbury is via Highway 17 to Fairbank Lake Road (County Road 4). Turn north on Fairbank Lake Road and follow for 2.5 km to Crean Hill Road. Turn north on Crean Hill Road and follow for 2 km to Fairbanks Road East. Turn northwest on Fairbanks Road East and follow for 0.8 km to the entrance of the Project area on the southwest side of the road.

The nearest full service commercial airport is located approximately 60 km from the project area to the northeast of the downtown core of the City of Greater Sudbury. The nearest international airport is located in Toronto. The nearest rail access is a Huron Central Railway line which is located 2 km south of the property boundary. This line connects the City of Greater Sudbury to the east with the City of Sault Ste. Marie approximately 230 km to the west.

5.2 Climate and Physiography

The local topography is hilly with moderate, rugged relief that ranges between 270 m to 330 m above sea level. Valleys typically host swamps or lakes. Overburden is minimal with thicknesses of only a few meters in topographic lows. The area is forested mainly with pine, spruce, birch, poplar and alder. Swampy, low-lying areas are interspersed with hummocky rock outcrops that form the higher ground.

The climate of the Sudbury region typically, but not always, includes snow from November through April, whereas the summer months tend to be hot and humid. The average annual temperature is 3° Celsius. Annual precipitation historically averages 900 mm, with 274 mm derived from snow fall.

5.3 Infrastructure

The City of Greater Sudbury boasts one of the most advanced mining communities in the world with a concentration of global mining service and equipment providers within a 200 km radius of the city. All of the infrastructure required to support the mining, processing and shipping requirements of an integrated mining camp that has been in production for more than 100 years are in place.

Xstrata Nickel’s Strathcona Mill is located 30 km (direct line) to the north of the Victoria Property. Xstrata Nickel’s Falconbridge Smelter is located 15 km to the northeast of downtown Sudbury. Vale’s Clarabelle concentrator and Copper Cliff smelting facilities are located southwest of downtown Sudbury in Copper Cliff, within 35 km (by road) of the Victoria Property.

Despite significant mining activity in the early part of the 20th century and during the 1970's, the Victoria Property currently has no permanent infrastructure on site other than an access road (Fairbanks Road East) that cross cuts the property from south to north and three east-west oriented, high voltage power lines. A natural gas line owned by Union Gas is located within 3 km of the property.

6 PROJECT HISTORY

Copper and nickel sulphide mineralization was discovered on the Victoria Property in 1886 (Patterson, 2001). Following the 1899 acquisition of the property by the Mond Nickel Company, ore production and shaft sinking occurred from 1900 to 1918. In 1918 a vertical, three-compartment production shaft was sunk to a depth of 3,012 ft (918 m). During the period 1900-1923, 888,000 tons of ore averaging 2.99% Cu and 2.12% Ni was produced from the No. 1 and No. 2 orebodies. Following cessation of mining in 1923 the mine was flooded. The property was acquired by the International Nickel Company in 1931 following its merger with Mond Nickel.

Mining activity at the property remained largely stagnant for the next 38 years, except for 175 surface holes drilled between 1945 and 1964. However, in 1969, the mine was dewatered and in 1973 production resumed. A total of 649,000 tons of ore averaging 1.26% Cu, 0.83% Ni, and 0.067 oz/ton TPM was produced between 1973 and 1978 when, once again, the mine was closed and flooded. Production during this period was from the Main, No. 2 West and No. 4 orebodies.

In 2002, Fort Knox Mining Company Inc. (the precursor company to FNX and Quadra FNX) entered into an option agreement with Inco Ltd. (now Vale) on the Victoria Property and four other Inco Ltd. Sudbury properties. Upon signing of the agreement, Quadra FNX immediately initiated an exploration program on the property which consisted of an airborne magnetic and EM geophysical survey, intensive drilling of the extents of known orebodies and surface geological mapping.

In 2002 and 2003, Quadra FNX completed a program of detailed drilling of the up-dip portions of the SIC contact hosted No. 1, No. 2 West, Main and Far West Zones. In addition, FNX completed a detailed diamond drill program to define the Power Line Zone. This zone, which was previously known as the Lake Hill Deposit (Sutherland et al., 1923), is hosted in a Quartz Diorite Offset and Sudbury Breccia environment, and was rediscovered by Quadra FNX in 2002 during an evaluation of airborne geophysical results. During this period 161 drillholes were completed for a total of 98,877 feet (30,138 m).

Two airborne geophysical surveys were completed at the Victoria Property in the intervening years of 2002 to 2005. In 2002, Aeroquest International Ltd. was contracted to complete an airborne magnetic and electromagnetic survey over the property. In 2005, Terrapoint Aerial Services was contracted to complete a light detection and ranging survey (LIDAR) over the property, as a means of providing a digital elevation model. No further exploration work was completed on the property until 2007 when a broad-based program of drill targeting was initiated by Quadra FNX to search for Offset-related deposits. It was this program that led to the discovery of the Victoria Project sulphide mineralization that is the basis for this report.

In 2007 Quadra FNX also completed a technical review and re-definition of the pre-existing historical resource base. This evaluation, which included drill data from the 2002 to 2003 drill programs, was based upon a 0.5% Cu+Ni cut-off grade. Given the new global economic environment of the end of 2008, these Mineral Resources were re-evaluated based on a 1% Ni cut-off grade. As of December 31, 2010, Victoria Indicated Mineral Resources were 0.53 million tons (0.48 million tonnes) grading 1.41% Cu and 1.23% Ni, whereas Inferred Mineral Resources were 0.44 million tons (0.40 million tonnes) of 0.87 % Cu and 1.37% Ni (Table 6-1; from Farrow et al., 2009). The reported Mineral Resources were based on the historical mineral inventory dataset which did not always have Pt, Pd or Au analyses included, as historically these elements were not always part of the analysis package, or the data were considered proprietary at the time of collection. These Mineral Resources are hosted by geologically and spatially distinct sulphide-mineralized environments from the Victoria Project Inferred Mineral Resources that are the focus of this report. For the most part they are located near previously mined environments along the SIC basal contact, and in the Power Line Zone.

Table 6- 1: Victoria Property - historical Mineral Resources (to December 31, 2010; from Farrow et al., 2009).

Mine	**Category**	**Deposit Type**	**Tons**		**Cu**	**Ni**
				Tonnes	**%**	**%**
Victoria	Indicated	Contact	258,700	234,667	0.89	1.55
	Indicated	Offset	272,500	247,185	1.91	0.93
	Total Indicated	**Contact & Offset**	**531,200**	**481,852**	**1.41**	**1.23**
	Inferred	Contact	442,450	401,346	0.87	1.37
	Total Inferred	**Contact & Offset**	**442,450**	**401,346**	**0.87**	**1.37**

7 GEOLOGICAL SETTING

7.1 Regional Geology

The Victoria Property is part of the Sudbury Structure, a collective term defined by Giblin (1984), for the greater than 15,000 km^2 area represented by the sedimentary and brecciated rocks of the Whitewater Group (Onaping, Chelmsford and Onwatin Formations), the elliptically shaped Sudbury Igneous Complex (SIC) and the surrounding brecciated country rocks of the Superior and Southern Provinces. This unique geological environment is situated along a zone of Early Proterozoic faulting and dislocation known as the Murray Fault System. The footwall rocks on the north and east margins of the SIC are the Archean Levack Gneiss Complex and granitoids. A metamorphic age of 2711±7 Ma has been determined for Levack Gneiss Complex footwall rocks near Levack Mine (Krogh et al., 1984). The footwall rocks to the south are Paleoproterozoic Huronian Supergroup metavolcanic and metasedimentary rocks. These supracrustal rocks are intruded by the 2220 Ma Nipissing Gabbro which consists dominantly of gabbroic sheets and dykes, and locally of amphibolites southwest of the SIC, and by early Proterozoic granitic plutons (Creighton, Murray and Skead plutons). Remnants of Paleoproterozoic mafic-ultramafic intrusions occur in the proximal footwall of the SIC (Farrow & Lightfoot, 2002). The Late Proterozoic Grenville Province and its northern limit, the Grenville Front, is 10 km south of the Sudbury Structure.

The Levack Gneiss Complex is largely composed of gneisses that range from felsic compositions, Granite Gneiss, to mafic compositions, Mafic Gneiss. The gneissic banding can be regular or contorted, and locally is continuous over tens of feet. Lenses of Mafic Gneiss are commonly boudinaged within the Granitic Gneiss. The granitic component of the complex is medium to coarse-grained and massive to incipiently foliated. Irregularly-shaped, discontinuous veins of pegmatitic granite up to 45 cm wide occur within medium-grained granite bodies. Granite crosscuts the gneisses with sharp to diffuse contacts, and also sharply crosscuts gabbro. Gabbro is medium-grained, massive to inicipiently foliated with 30-40% interstitial feldspar as a mosaic of feldspar laths or as rosettes interstitial to amphibole. Diabase dykes that pre-date the Sudbury Event at 1.85 Ga are common in the Levack Gneiss Complex and are referred to as ‘Anhedral Porphyry’ in the local geological literature. The anhedral porphyritic rocks are characterized by 1% to 20% glomeroporphyroblasts of anhedral to subhedral clots of white feldspar up to 5 cm in diameter. Their matrix is fine-grained with approximately equal proportions of feldspar and amphibolitized pyroxene, and exhibits aphanitic chill margins in contact with gneissic granite and gabbro, evidence of their intrusion into these rocks.

The Main Mass of the SIC is characterised by a lower sequence of norites, separated from an upper sequence of granophyre by a quartz gabbro (Naldrett et al., 1984). An igneous breccia, termed the Sublayer Norite (Souch et al., 1969; Pattison, 1979), occurs discontinuously along the contact between the base of the norite and the country rocks (Morrison, 1984). The Sublayer Norite consists of 55 to 70% dominantly mafic, and rarely ultramafic, fine- to medium-grained subrounded to rounded fragments within a mafic noritic igneous matrix. A variably igneous or metamorphic-textured breccia of more ambiguous origin, Footwall/Granite Breccia, is locally developed along the SIC-footwall rock interface as the basal unit of the Sublayer (Farrow & Lightfoot, 2002). The Granite Breccia is a matrix supported heterolithic breccia with clast sizes ranging from 1 cm to hundreds of metres in diameter. Clast types are dominantly gabbro, diabase, mafic gneiss, intermediate gneiss, granitic gneiss, and granite. The clasts are typically sub-angular to sub-rounded and represent approximately 70 to 80% of the rock mass. Both the Sublayer Norite and the Footwall/Granite Breccia (together termed the Sublayer) are the dominant hosts to pyrrhotite-pentlandite-chalcopyrite sulphide mineral assemblages that typify the Contact Ni –style of deposit.

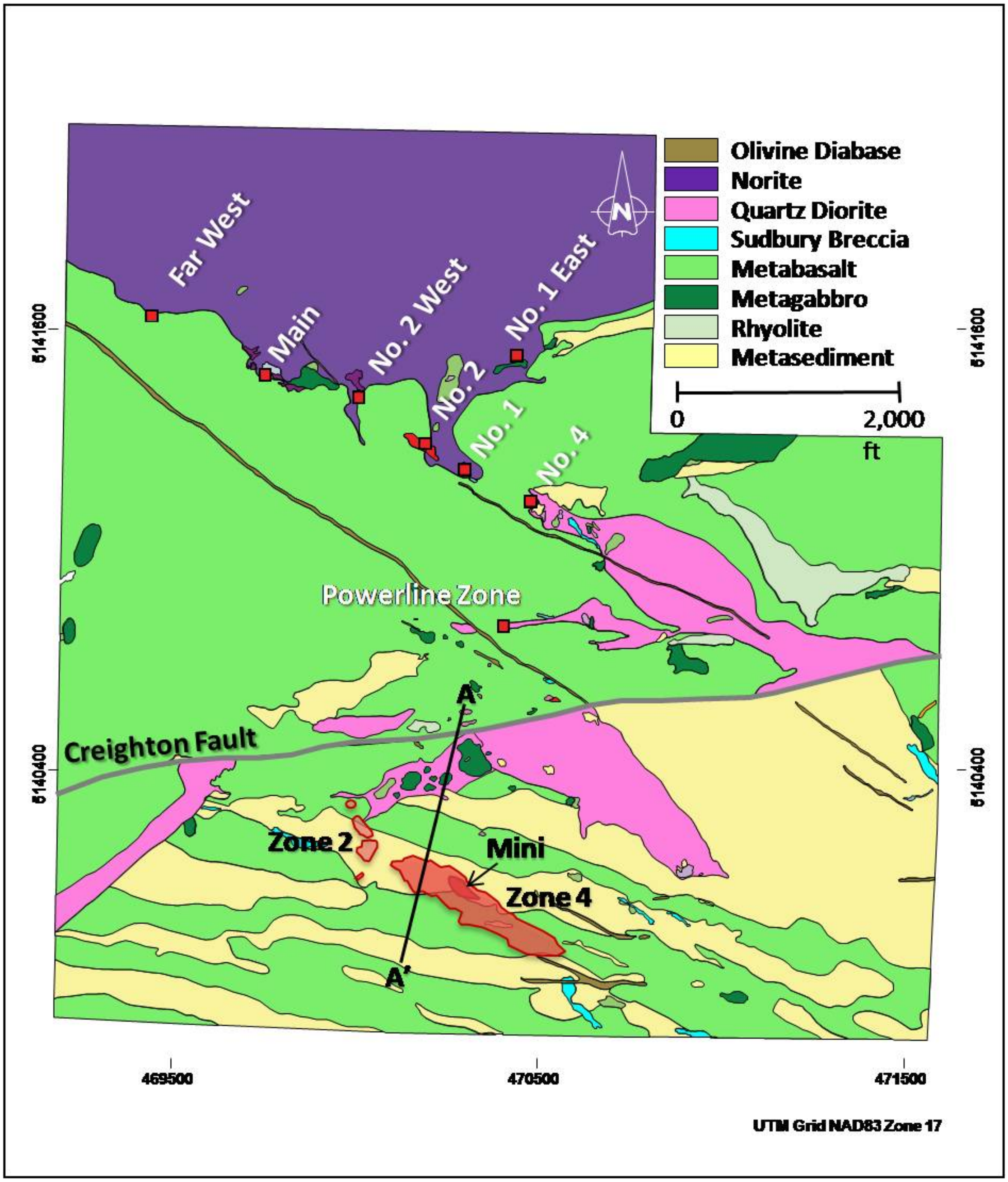
Sudbury Offset dykes are further defined into two main types; viz: 1) Radial dykes which extend away from the SIC tend to follow domains of Sudbury Breccia and are typically discontinuous (e.g., Copper Cliff; Cochrane, 1984; Mourre et al., 1999). They commonly pinch and swell (e.g., Worthington Offset; Lightfoot et al., 1997b), and they are locally broken, rather than faulted, for short distances at a high angle to the trend of the Offset (e.g., Parkin Offset at Milnet Mine; Lightfoot et al., 1997a,c; Murphy & Spray, 2002). Concentric dykes form ring-like structures centered on the SIC (e.g., the Manchester and Hess Offsets; Grant and Bite, 1984; Lightfoot et al., 1997a; Wood and Spray, 1998). Rock types within Offset dykes are dominated by Quartz Diorite and Inclusion Quartz Diorite on the South Range, and by fine grained norites, metabreccias and Quartz Diorite in North Range (Foy and Whistle) examples.

Sudbury Breccia is a pseudotachylite-like footwall breccia that forms discontinuous belts on both the North and South ranges. Sudbury Breccia is largely interpreted to have formed by comminution of footwall rocks as a result of meteorite impact (Dressler, 1984) and is considered to be important in the preparation of the country rocks for Cu-Ni-PGE system emplacement of which they are the primary host (Farrow, 1994; Farrow et al., 2005; Fedorowich et al., 1999). Sudbury Breccia is a matrix-supported fragmental rock with a black to light grey, aphanitic to fine-grained, and variably re-crystallized, quartzo-feldspathic (±amphibole, biotite) matrix. Rounded, equant, footwall rock clasts from 1 mm to 30 m in diameter consist of gabbro, diabase, mafic gneiss, intermediate gneiss, granite gneiss, and granite, although exotic fragments of iron formation and quartzite have been observed locally. Sudbury Breccia occurs as veinlets and veins in fractured footwall rocks to the SIC, and can form irregularly-shaped masses or belts on the scale of hundreds of metres in diameter.

7.2 Local and Property Geology

The Victoria Property is located at the junction of the SIC and the Worthington Offset dyke, approximately 6.5 km northeast of Vale's Totten Mine. The footwall rocks in this area consist of a Paleoproterozoic Huronian Supergroup assemblage of repetitions of metasedimentary sequences with felsic and mafic metavolcanic rocks and gabbroic intrusive (Figure 7-1). These units typically trend in a 100° to 110° east to southeast orientation and dip steeply (-75° to -80°) to the south to southwest. The Worthington Offset dyke joins the Main Mass of the SIC in an intensely faulted and poorly exposed embayment structure at the location of the historic Victoria Mine site. The dyke thins and locally disappears at surface to the southeast of Victoria Mine before it merges with a large irregular unit of variable-textured, incipiently sulphide-mineralized, medium- to coarse-grained Quartz Diorite in the area north of Ethel Lake. This Quartz Diorite unit is terminated on its southern margin along the Creighton Fault, but re-appears 950 m to the west in an apparent dextral shift of the unit. The Quartz Diorite intrusive is irregularly-shaped south of the Creighton Fault and terminates to the west prior to re-occurring again as the main mass of the Worthington Offset dyke. The Worthington Offset dyke is cut by the Creighton Fault along its northern margin, and extends to the southwest for 14 km, with a thickness of 30 to 100 m, and a dip of approximately 80^{o} southeast (Lightfoot & Farrow, 2002). Other mineralized locations are known along the Worthington Offset dyke between the Victoria Property and the Totten Deposit. Two of these, the adjacent McIntyre property and the AER/Kidd Copper property, located 3 km further southwest from the Victoria Property, were the objects of small historic mining operations.

Figure 7- 1: Surface geology of the Victoria Property, illustrating the irregular shapes and orientations of the Quartz Diorite 'dyke' segments both north and south of the Creighton Fault and the sulphide mineralized zones of interest. Zones 1, 2, 4 and Mini have been projected to surface. The section A to A' is shown in Figure 9- 2.



7.2.1 Lithological Descriptions - Post- Sudbury Event Related Rocks

Olivine Diabase (OLDI),

The 1250 Ma (Palmer et al., 1977) olivine diabase dyke swarm is the youngest generation of diabase dyke in the Sudbury area. It is post tectonic, has well developed chill margins and strikes towards the northwest, cutting all footwall and SIC-related rocks. This dark grey dyke rock is highly magnetic, and is composed of plagioclase, augite, olivine and biotite.

7.2.2 Lithological Descriptions - Sudbury Event Related Rocks

Metabreccia (MTBX)

Metabreccia at Victoria is only observed within drill core in close proximately to the Quartz Diorite Offset dykes. The Metabreccia is distinguished from Sudbury Breccia by having a fine- to medium-grained, sub-igneous textured matrix, and is brown-grey in colour. Quartz is the dominant matrix mineral, with ~30% subhedral amphibole, ~10% subhedral plagioclase laths, ~5% anhedral biotite and minor euhedral microcline. The Metabreccia is a common host for Cu-Ni-PGE sulphide mineralization and is interpreted to represent a re-crystallized variant of the Sudbury Breccia

Sudbury Breccia (SUBX)

The formation of Sudbury Breccia has been attributed to brittle fracture and comminution of footwall rocks related to an explosive event (Dressler, 1984), such as a meterorite impact. At the Victoria Property, the Sudbury Breccia outcrops in a variety of locations south of the Creighton Fault and consists of a fine-grained matrix that supports fragments of footwall rocks. The breccia 'veins' are almost always sheared, resulting in some elongated fragments of metasediment, metabasalt and metagabbro. Biotite-rich bands are common in the sheared breccias and the matrix ranges from fine to medium grained, with a brown colouration.

Quartz Diorite (QD), Inclusion Quartz Diorite (IQD)

The Quartz Diorite outcrops at numerous locations on the Victoria property. Its groundmass is typically coarse- to medium- grained with subhedral to euhedral plagioclase laths and subhedral or composite grains of amphibole which are pseudomorphic after pyroxene (Grant, 1982). Accessory minerals include biotite, hornblende, quartz, apatite, zircon, titanite, leucoxene, epidote and chlorite. Quartz content varies from 5 to 15 % and it typically occurs with/as granophyre. Fragments of local and exotic origin are commonly seen within the groundmass. If greater than 10% fragments and blocks are identified in the groundmass, the term Inclusion Quartz Diorite is applied to the rock unit. The Quartz Diorite and Inclusion Quartz Diorite units can host interstitial, and blebby to massive chalcopyrite, pyrrhotite, and pentlandite mineralization.

Quartz Diabase Dykes (QDIA)

The quartz diabase dykes are the oldest dyke rocks observed on the Victoria Property and consist of anhedral amphibole, quartz (< 5%), plagioclase, and trace titanite. Limited drilling has facilitated the interpretation that these dykes occur discontinuously in an east to west direction sub-paralleling the Creighton Fault; they may also pinch and swell in the dip direction. The timing of emplacement of the quartz diabase dykes is poorly defined, but is considered to be pre- or pene-contemporaneous with the Sudbury Event.

Sublayer Norite (SLNR)

The Sublayer Norite is a fine- to medium grained intrusive breccia with a groundmass composition of plagioclase, hornblende, biotite and quartz. This heterogeneous breccia also contains a wide variety of inclusion types. Some of these inclusions are identifiable as originating from the country rock, others of ultramafic and mafic composition may have originated from both exotic and juvenile sources. At the Victoria Property, Sublayer Norite rocks are located along the northern margin of the property at the base of the SIC. They are typically variably sulphide mineralized with pyrrhotite, pyrite, chalcopyrite and pentlandite as disseminations, interstitial blebs, veins and inter-clast matrix surrounding mafic and felsic inclusions.

Green Norite (GRNR)

The green norite is an altered member of the South Range Norite and an equivalent of the North Range Mafic Norite (Naldrett, 1984). This unit is mainly composed of saussuritized plagioclase, actinolite, hornblende, chlorite, epidote, quartz and micropegmatite, and is commonly variably sheared.

7.2.3 Lithological Descriptions - Footwall Rocks

Metasedimentary Rocks (MTSD)

The section of the property south of the Creighton Fault contains most of the metasedimentary rock units on the property. These metasedimentary rocks are part of the Stobie Formation and range in composition from quartzite and arkosic quartzite to grey argillaceous arkose. They have thick (10 to 20 m), steeply dipping beds. Locally the argillaceous arkose component is intensely foliated and contains variable amounts of clastic quartz, feldspar, biotite, epidote and sericite. Pyrrhotite is a common sulphide observed locally within the pelitic units as thin layers along the foliations. What have been interpreted as tabular aluminosilicate porphyroblasts have been observed throughout the pelitic sediments but have not been mineralogically characterized. The metasedimentary rocks are commonly interlayered with other footwall lithologies and appear to be fairly continuous along strike and dip.

Metabasaltic Rocks (MTBS)

Metabasaltic rocks outcrop throughout the Victoria Property south of the basal contact of the SIC. North of the Creighton Fault they are part of the Elsie Mountain Formation, and to the south they are part of the Stobie Formation. In both cases they range in colour from light grey-green to dark green-black and consist of fine- to medium-grained amphibolite or amphibolite schist. These mafic to intermediate, submarine metavolcanic rocks are weakly foliated and occur as flows containing amygdules and small phenocrysts, with the development of pillows locally. They consist of hornblende, actinolite, plagioclase, quartz, chlorite, epidote, pyrite, pyrrhotite, magnetite and ilmenite. To the south of the Creighton Fault the steeply dipping metabasalt occurs as flows that are 75 to 300 feet (23 to 91 m) in thickness that are commonly interlayered with metasedimentary and metagabbroic units. Minor late quartz veining is observed with associated pervasive chlorite alteration.

Metagabbro (MTGB), Metacrystic gabbro (MXGB)

The metagabbro and metacrystic gabbro are similar rock types that mainly differ in terms of their grain size. These green to dark green rocks are composed of amphibole, plagioclase, chlorite, epidote, quartz, and biotite. The metacrystic gabbro consists of very coarse-grained, optically continuous, poikiolitic crystals of amphiboles, whereas the metagabbros are fine to medium grained. Although the metagabbro occurs throughout the Victoria Property, the metacrystic gabbro appears to be restricted to the southern portion of the property, and in close proximately to Quartz Diorite intrusives. The metacrystic gabbro may be a re-crystallized version of the metagabbro. Both the metagabbro and metacrystic gabbro are steeply dipping, and are interlayered within the metasedimentary and metabasaltic rocks (perhaps having been intruded as sills). Minor interstitial pyrrhotite-pentlandite and chalcopyrite is locally associated with some units of the metagabbro (Nippising Gabbro), but predates the Sudbury Event mineralization. Minor quartz-carbonate veining occurs with associated chloritic alteration halos

Rhyolite (RHY)

Rhyolite has been observed in outcrop in the north-east part of the Victoria Property north of Ethel Lake. Rhyolite has also been intersected in drill core on the south side of the Ethel Lake Quartz Diorite. The rhyolitic units at Victoria are typically fine-grained, light green to grey in colour, and commonly display white amygdules within the groundmass. Fragmental rhyolite units are also observed locally within the the massive rhyolite. The rhyolite is commonly siliceous, and the groundmass consists of anhedral quartz, with less common amphibole, biotite, chlorite, and epidote. Minor quartz veins are ubiquitous in the rhyolitic rocks.

Amphibolite (AMPH), Ultramafic (UM)

The amphibolite and ultramafic rocks at Victoria are rarely observed in surface outcrops, but are more commonly observed in drill core, where they occur as blocks/clasts hosted within the Quartz Diorite. They are dark green-grey with a mottled texture, and are dominantly composed of green amphibole with intense talc alteration.

8 DEPOSIT TYPES

Sudbury is host to multiple styles of polymetallic, Ni-Cu-Co-Pt-Pd-Au sulphide mineralization in various host rocks. Regardless of the style of mineralization, ore deposits in Sudbury are ubiquitously hosted by a breccia unit. The following is a summary of the deposit types most common to the Sudbury area, Contact deposits, Offset Deposits and Footwall or Cu-Ni-PGE systems. All three of the main styles of Sudbury sulphide mineralization described in the following section occur, and are exploration targets, on the Victoria Property. A fourth deposit style, the South Range Breccia Belt deposit has only been interpreted on the Victoria Property as a result of the discoveries that are the topic of this report.

8.1 Sudbury Contact Ni Deposits

Historically, the SIC Contact deposits had been recognised as the most important ore type in the Sudbury area and were the first deposits to be mined in the Sudbury camp (Souch et al., 1969). Contact-type mineralisation occurs at the base of the Main Mass of the SIC, typically within the Sublayer Norite or Footwall/Granite Breccia (Souch et al., 1969; Pattison, 1979; Coats and Snajdr, 1984; Davis, 1984; Morrison, 1984; Naldrett, 1984a). Both the Sublayer Norite and Footwall/Granite Breccia are dominantly igneous-textured, and locally metamorphic-textured, breccias that occur as discontinuous lenses along the base of the SIC (Pattison, 1979). The sulphides are massive, semi-massive and blebby, with less common stringer and disseminated zones, and consist of pyrrhotite + pentlandite + chalcopyrite -dominated assemblages (Naldrett, 1984b). Copper/nickel ratios in Contact-style deposits from present-day production average approximately 0.7 and Pt+Pd+Au contents tend to be less than 1 g/t (Farrow & Lightfoot, 2002). The largest Contact deposit is located at the Creighton Mine, where the 280 Mt orebody has been mined since 1900 (Farrow & Lightfoot, 2002).

8.2 Sudbury Offset Ni-Cu-PGE Deposits

Offset deposits are hosted in radial and concentric Quartz Diorite Offset dykes (Souch et al., 1969; Grant and Bite, 1984). The deposits tend to be associated with discontinuities along the radial dykes where variations in country rock lithology appear to act as a primary control of sulphide concentrations (Cochrane, 1984; Mourre, 2000). Typically the Offset dyke deposits are mineralogically more similar to Contact-style deposits than Footwall deposits, with massive, semi-massive (commonly with inclusions of Quartz Diorite or mafic rocks derived from the host footwall rocks), blebby and vein sulphides (e.g., most Copper Cliff and Worthington Offset deposits; Farrow & Lightfoot, 2002; Lightfoot & Farrow, 2002). The Offset dyke sulphide assemblage is dominated by pyrrhotite with less common pentlandite and chalcopyrite. The Offset deposits have higher Cu/Ni ratios, typically 1.5 to 2, than Contact deposits, but are especially interesting exploration targets because they tend to have higher Cu, Ni and precious metal tenors (Pt+Pd+Au >2.5 g/t) than Contact deposits (Farrow & Lightfoot, 2002). However, Offset dykes also host Cu-rich, Ni- and PGE-bearing deposits such as the 800-810 Cross Over orebody in the Copper Cliff Offset, and the 2000 and North deposits in the Whistle Offset (see 'hybrid' Cu-Ni-PGE deposit description below). Early exploration models used for diamond drill targeting that eventually resulted in the discovery of Zone 4 at the Victoria Project were based on Offset dyke deposit geological environments.

8.3 Sudbury 'Footwall' Deposits – Cu-Ni-PGE Systems

Footwall-type deposits or 'Cu-Ni-PGE Systems' are characterised by chalcopyrite-rich assemblages hosted entirely within brecciated footwall rocks to the SIC, typically either in re-crystallized Sudbury Breccia or Offset dyke Quartz Diorite. The best-known of these deposits occur in the North Range (Abel et al., 1979; Coats and Snajdr, 1984; Naldrett, 1984a; Li et al., 1992; Morrison et al., 1994; Farrow and Watkinson, 1997; Farrow et al., 2005; Ames & Farrow, 2007). The most spectacular and intensely studied of these are the Cu-rich veins at the McCreedy West, McCreedy East, Coleman, Strathcona and Fraser mines in the Onaping-Levack area of the North Range. They are characterised by complex networks of veins, pods and disseminations of chalcopyrite ± cubanite, with minor pyrrhotite, pentlandite, millerite and magnetite (Abel et al., 1979; Farrow and Watkinson, 1992; Li et al., 1992; Money, 1993; Jago et al., 1994; Everest, 1999; Kormos, 1999). Copper contents of the Footwall deposits are extremely high, with Cu/Ni ratios typically greater than 6, and typical production grades of Cu greater than 6.5 wt.% and Pt+Pd+Au contents greater than 7 g/t (Farrow & Lightfoot, 2002). Sudbury Cu-(Ni)-PGE systems can be sub-divided into three styles of mineralization: 'Sharp-walled' veins, 'Low-sulphide' and 'Hybrid'. Both 'Sharp-walled' and 'Low-sulphide' mineralization occur to variable extents in all Sudbury Cu-(Ni)-PGE mineralization, but the distinction is made according to the volumetrically dominant or economically most important style of mineralization (Farrow et al., 2005). 'Sharp-walled' vein systems are dominated by massive, chalcopyrite-rich veins with barren inter-vein rock/dilution. 'Hybrid' systems display massive, chalcopyrite-rich veins and pods, with low-sulphide, high PGE tenor mineralization in the host rock between the massive sulphide concentrations. The 'Low sulphide' deposit-type is characterized by stringers, small veins, blebs and disseminations of low-sulphide, very high PGE tenor mineralization in Sudbury Breccia matrix-dominant host rocks. In all three styles, chalcopyrite is the dominant sulphide mineral, and the platinum group minerals (PGM) occur ubiquitously as discrete grains in either sulphide or silicate hosts, but characteristically along host grain boundaries.

8.4 Sudbury South Range Breccia Belt Deposits

The Sudbury South Range Breccia Belt (SRBB) is a 100 m to 1 km wide, arcuate zone of well-developed Sudbury Breccia with localized Quartz Diorite melt pods or intrusions that transects the Huronian Supergroup along the southern margin of the SIC (Speers, 1957; Spray, 1997; Scott & Spray, 1999, 2000). The SRBB is host to the giant Frood-Stobie mine environment, and the Frood Mine deposit architecture is considered the type-location for this style of mineralization despite the fact that parts of the mine have been closed for decades (Farrow & Lightfoot, 2002; Ames & Farrow, 2007). Frood Mine has an upper domain of disseminated to semi-massive, pyrrhotite-rich, Ni mineralization hosted by Quartz Diorite, that transitions with depth into higher tenor, massive, pyrrhotite-dominant, sulphide hosted by recrystallized Sudbury Breccia. The pyrrhotite-rich sulphides transition to chalcopyrite-dominant, very PGE-rich mineralization with increasing depth. The lower domain of Cu-PGE mineralization was termed the 'Siliceous Zone' (Zurbrigg et al., 1957; Hawley, 1965; Souch et al., 1969; Fleet, 1977; Naldrett, 1984; Farrow & Lightfoot, 2002). The Victoria Project discoveries display a similar range in host rock lithologies, from Quartz Diorite at the top of the currently known extents of Zone 4 to thermally metamorphosed Sudbury Breccia below approximately 4,000 feet depth. The down-dip extents of Zone 4 are characterized by extremely high Pt and Pd contents in high Ni and Cu tenor, pyrrhotite + pentlandite + chalcopyrite sulphides, although chalcopyrite-dominant sulphide assemblages had not been intersected at depth at the time of writing. The historic Vermilion Deposit is a small SRBB-style deposit located east of the Victoria Property (see Section 15 for description).

9 MINERALIZATION

9.1 Victoria Project - Zones 1 to 4, and Mini

The Ethel Lake Quartz Diorite-associated sulphide mineralization has been subdivided into 5 distinct zones (Zones 1 to 4 and 'Mini'). Mineral Resources have been estimated only for zones 2, 4 and 'Mini' for the purposes of this report. However, due to the potential connectivity of zones 1 and 3 with Zone 4, the geology and mineralization of these zones is also discussed in this section.

9.1.1 Zones 1 and 3

Victoria Zone 1 sulphide mineralization was the first to be intersected by the diamond drill program that targeted the western margin of the Ethel Lake Quartz Diorite (refer to Section 10 for exploration history). This sulphide mineralization was intersected at a vertical depth of 2,200 feet (671 m) below surface and consists dominantly of pyrrhotite and pentlandite with less common chalcopyrite within a block/clast-choked mass of Quartz Diorite. Sulphide mineralization occurs as interstitial grains and disseminations within the Quartz Diorite, and as massive sulphide that wraps around and/or forms the matrix to decimetre to metre scale blocks of mafic to ultramafic rock. Smaller irregular fragments (centimetre-scale) of mafic to ultramafic rock occur throughout the pyrrhotite-dominant massive sulphide. Diamond drilling has been limited on this zone to date (4 boreholes total) due to its complex, clast-rich nature and its restricted borehole EM geophysical response. The network of sulphide matrix and silicate blocks/clasts yields a geophysical response and resultant interpretation that the mineralization may not be a solid mass but is instead 'a gridlike (Swiss cheese) conductor' (Lamontagne, 2008). The holes in the 'Swiss cheese' are represented by the large blocks that are wrapped by the sulphides. Zone 1 sulphide mineralization has not been fully defined at this point, but at the time of writing had been intersected over a 250 foot (76 m) horizontal by 400 foot (122 m) vertical extent, with an unknown true width.

One of the wedge holes (FNX1172B) that was used to test Zone 1 was extended through the Quartz Diorite to the contact with the wall rock. Prior to intersecting the metacrystic gabbro wall rock, the borehole intersected a domain of sulphide mineralized Metabreccia (now known as Zone 3). Sulphide mineralization within Zone 3 consists of decimetre-scale massive pyrrhotite (with minor pentlandite and chalcopyrite) veins that contain centimetre-scale mafic inclusions. Subrounded blebs of chalcopyrite and pyrrhotite also occur within the host Metabreccia unit. Minor quartz veining is localized along sulphide vein contacts.

Metabreccia-hosted, sulphide-mineralized zones that contain elevated chalcopyrite mineralization, (such as Zone 3), typically also contain higher concentrations of precious metals relative to zones hosted by Quartz Diorite (i.e., Zone 1). Sulphide-mineralized intercepts within Zone 3, including 17.2 feet (5.2 m) of 2.1% Cu, 1.2% Ni and 20.0 g/t TPM (FNX1172B), is evidence that this zone conforms to this model. The ultimate size of Zone 3 has not been fully defined as a result of the limited drilling completed in this domain to date.

9.1.2 Zone 2

Zone 2 was discovered after Zone 1, 600 feet (183 m) to the west and 2,000 feet (610 m) deeper on the north side of the Creighton Fault (refer to Section 10 for exploration history). The host rock for Zone 2 varies from metaquartzite and other metasedimentary rocks to less common Metabreccia and Quartz Diorite. However, the bulk of the sulphide mineralization occurs as inclusion massive sulphide hosted by fractures within the quartzite in the footwall of the Metabreccia package. Zone 2 appears to represent a trapping environment at the termination of a thin extension of Quartz Diorite in fractured footwall rocks. The sulphide mineralization typically occurs as inclusion massive sulphide composed of variable amounts of pyrrhotite, chalcopyrite and pentlandite. The inclusions consist of fragments from the footwall and from more exotic mafic sources. These sub-angular to sub-rounded fragments commonly represent up to 25 to 30% of the sulphide-mineralized rock volume. Pyrrhotite is the dominant sulphide, typically as host to the chalcopyrite. Chalcopyrite also occurs along corroded mafic inclusion margins and within fractures in the fragments. Minor pentlandite is hosted by pyrrhotite but is difficult to observe macroscopically. Microscopically, pentlandite is observed as braided aggregates (average width 0.7 mm) along pyrrhotite grain margins and as small flames (average length 0.05 mm) within pyrrhotite. White quartz and dark green, iron-rich chlorite veins locally occur along the margins of the sulphide-mineralized package.

Other economic minerals of interest include michenerite (PdBiTe) and sperrylite ($PtAs_2$), which are Pd- and Pt-bearing mineral species common to this deposit type and to South Range deposits in general (Farrow & Lightfoot, 2002). These two minerals were observed in thin section and confirmed by electron microprobe analysis. The precious metal grains are typically less than 0.1 mm in diameter and are either embedded within the sulphides or are interstitial to mafic silicate minerals. Accessory minerals include gersdorffite, tsumoite, galena and pyrite.

Based upon borehole geophysics and borehole intercepts, the Zone 2 mineralization appears to be continuous for a plunge extent of at least 2500 feet (762 m), with a strike extent of less than 150 feet (46 m) at its widest point. Accurate testing of this narrow zone along its entire length is impractical from surface and would best be accomplished from future underground platforms. Parts of the zone had received intense drilling whereas other sections were only intersected by one or two holes. The drilled sections of the zone as modeled in this report were separated by up to 500 feet (152 m) along plunge extent. Therefore, it was determined that infill drilling would be required in between the drilled sections to facilitate estimation of an Inferred Mineral Resource over the full 2,500 foot (762 m) plunge extent of the domain. As a result, the estimated Mineral Resource was confined to those sections of the zone where confidence was maximized through both drillhole intersections and conductive continuity as defined by borehole geophysics.

Interpretation of borehole geophysics completed in drillholes that targeted Zone 2 consistently yielded a conductive response within their hangingwall. Successful drill testing of the source of this conductance in early 2010 resulted in initiation of a diamond drill program which would eventually define the Zone 4 Inferred Mineral Resource as reported here.

9.1.3 Zone 4

Zone 4 is a polymetallic Ni-Cu-Pt-Pd-Au orebody typical of Sudbury 'Frood-style' South Range Breccia Belt deposits (Souch & Podolsky, 1969; Farrow & Lightfoot, 2002; Ames & Farrow, 2007). Smaller examples of deposits similar to the Frood Deposit include the Copper Cliff North 138 Orebody and the high precious metal Vermilion deposit, located on a property adjacent to Victoria. The currently known up-dip extent of the contiguous Zone 4 Inferred Mineral Resource is hosted within the Ethel Lake segment of the Worthington Quartz Diorite from approximately 3,000 feet (914 m) to a depth of approximately 4,000 feet (1219 m; Figures 9-1, 9-2 and 9-3). Below 4,000 feet (1219 m), Zone 4 is hosted by intensely thermally re-crystallized Sudbury Breccia or Metabreccia (Figures 9-4 and 9-5).

Figure 9- 1: Zone 4 longitudinal section. View direction is illustrated in inset. The intercepts of diamond drillholes used in the Zone 4 Inferred Mineral Resource are labeled.

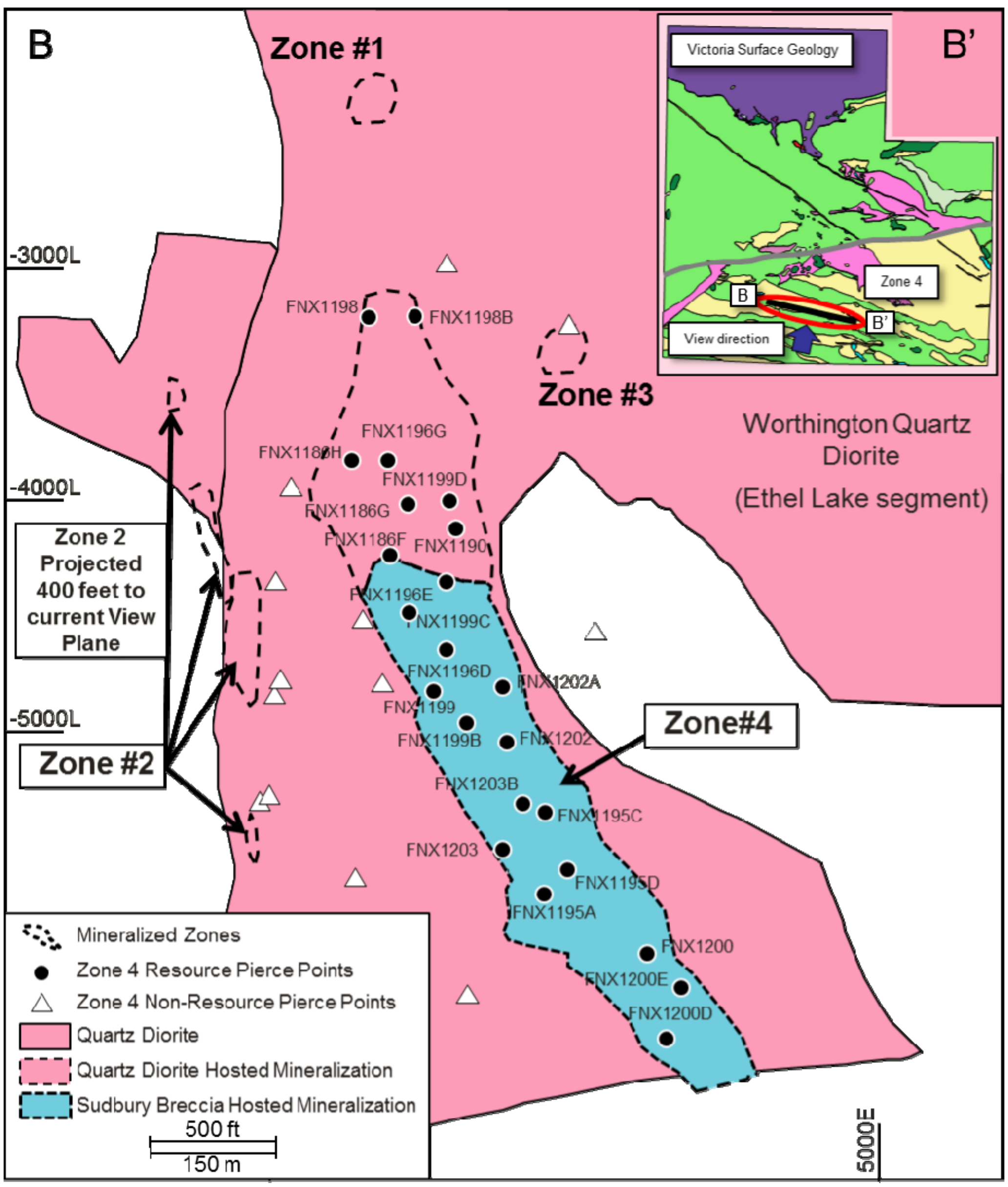


Figure 9-2: Victoria Project schematic cross section (looking east). See Figure 7-1 for location of cross section in surface map view.

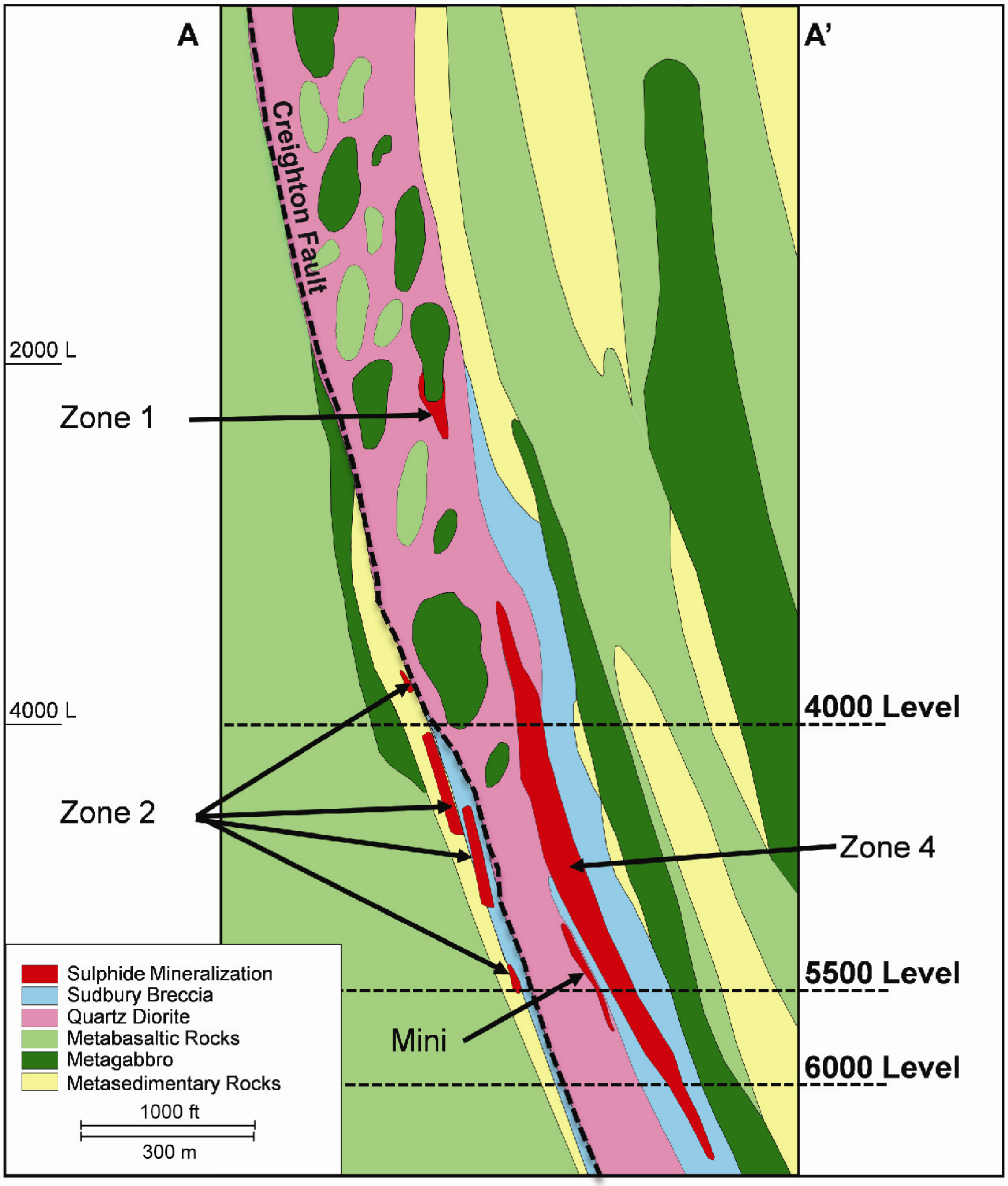


Figure 9-3: Victoria Project plan map at -4000 foot level (+/- 250 foot clipping).

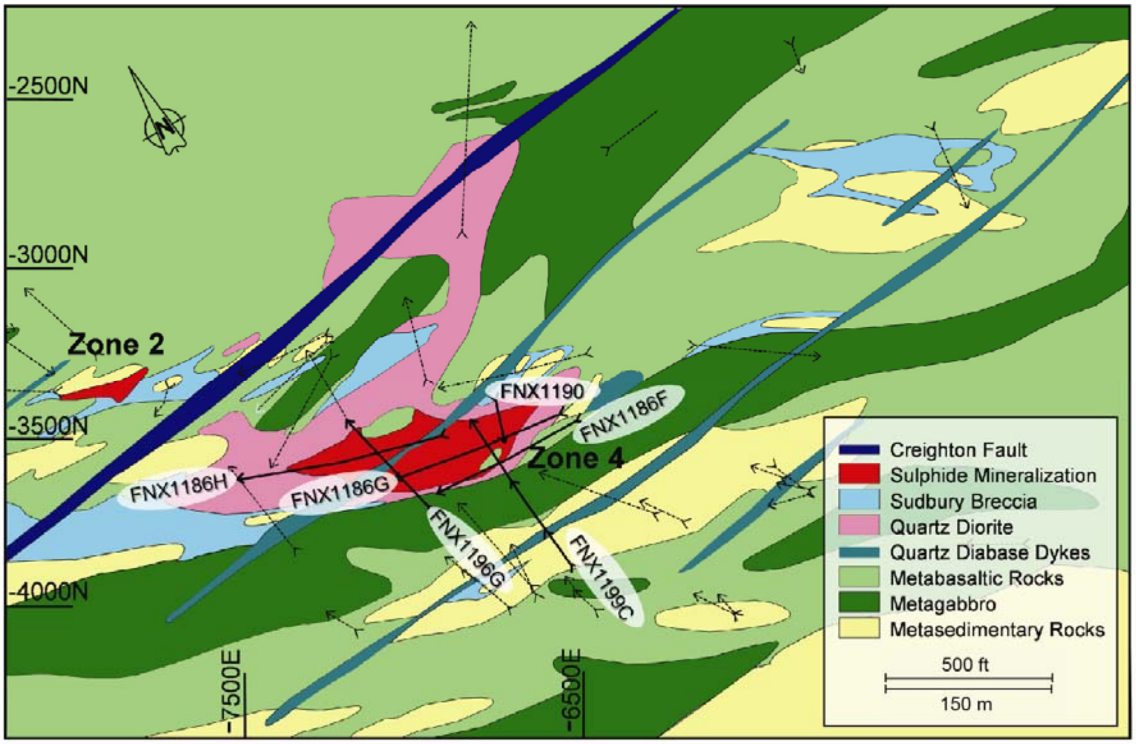


Figure 9-4: Victoria Project plan map at -5500 foot level (+/- 250 foot clipping).

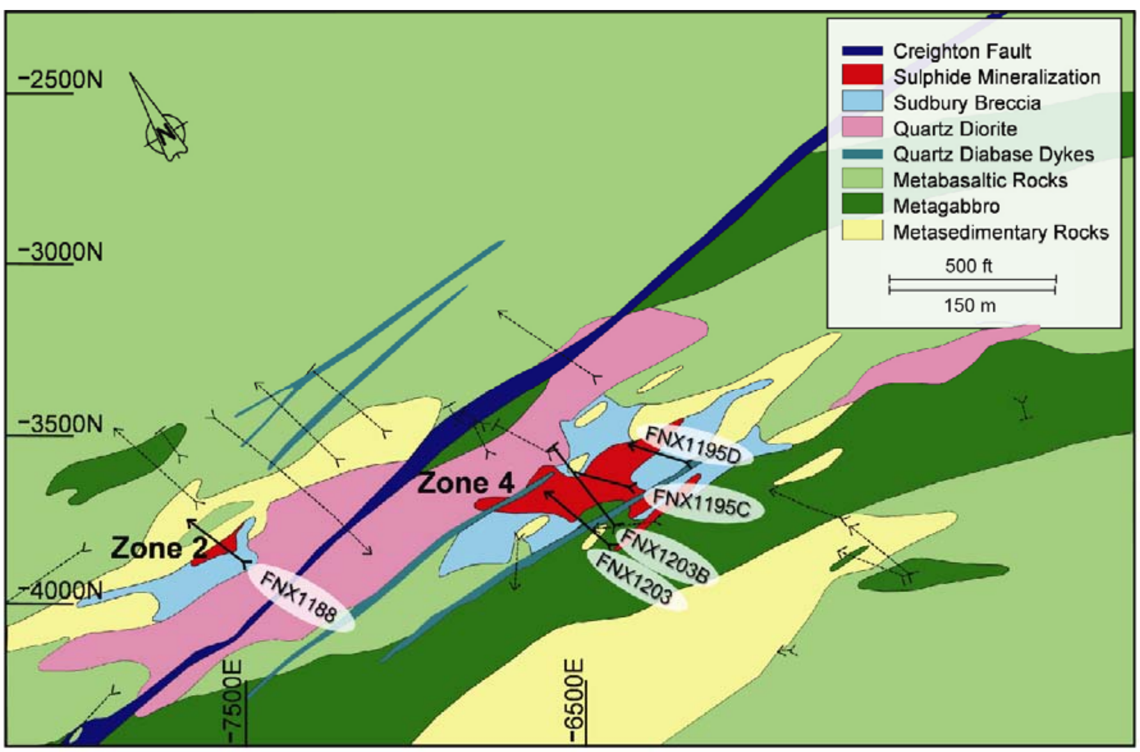
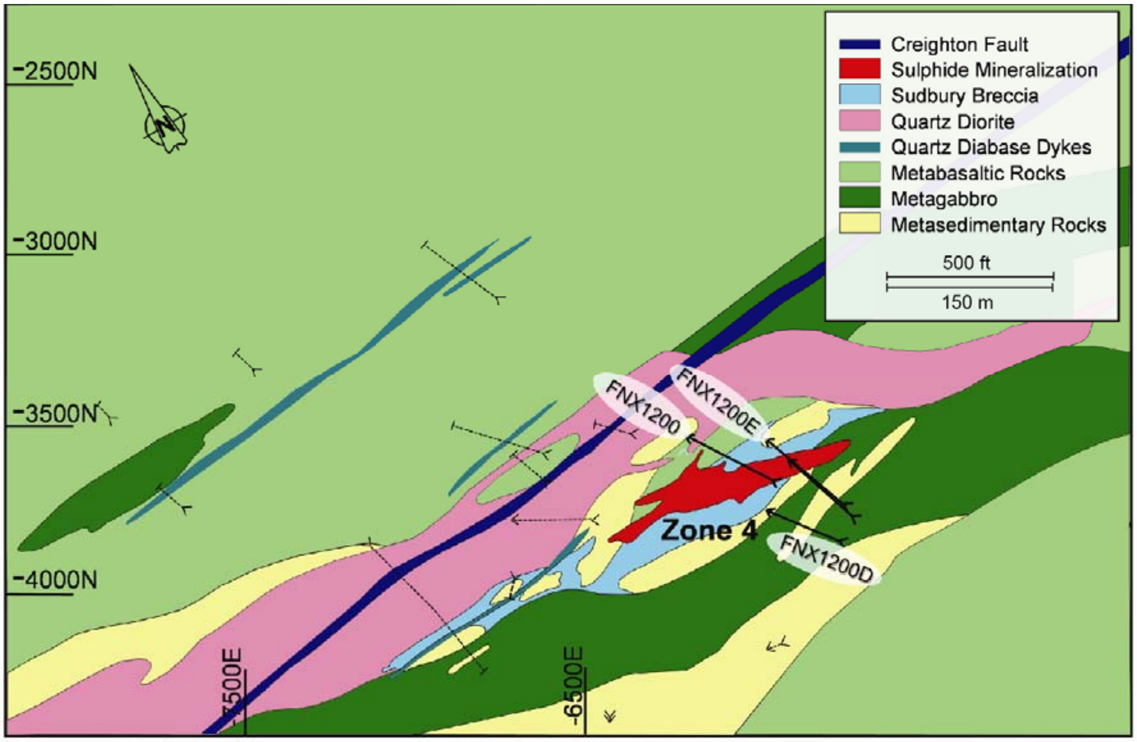


Figure 9-5: Victoria Project plan map at -6000 foot level (+/- 250 foot clipping).



Visible sulphides in the Quartz Diorite ore environment at the top of the Zone 4 mineral envelope occur dominantly as disseminations of pyrrhotite, pentlandite and chalcopyrite within the Quartz Diorite groundmass. Microscopically pentlandite is observed as flames within pyrrhotite and as braided aggregates along pyrrhotite grain margins. Sulphides are interstitial to groundmass plagioclase, quartz, amphibole and biotite. Epidote and chlorite occur at sulphide-silicate mineral contacts. As sulphide concentration increases in the Quartz Diorite, it tends to form interconnected networks, locally encapsulating the Quartz Diorite as inclusions within a massive sulphide host. These massive sulphides contain varying proportions and sizes of host footwall rocks and exotic xenoliths, from blocks that are 10s of meters in diameter, to numerous smaller rounded fragments that are centimeters in diameter. The matrix of massive sulphide also contains millimeter diameter, individual silicate grains that have both local and exotic origins.

This up-dip extent of Zone 4 is characterized by grades and sulphide tenors typical of Quartz Diorite Offset dyke hosted mineralization (i.e., FNX1198B with 43.5 feet (13.3 m) of 1.1% Cu, 1.0% Ni and 1.2 g/t TPM). As the ore transitions with depth into the Metabreccia host rock, base and precious metal tenors continue to increase. At 4000 feet depth, diamond drillhole FNX1186G yielded 623.6 feet (190.1 m) of 1.9% Cu, 1.7% Ni and 4.1 g/t TPM. This transition also marks the development of a higher concentration of massive ore rather than disseminated, interstitial and semi-massive. Minerals that occur as gangue in the sulphides include magnetite, epidote, quartz, plagioclase, biotite, muscovite, chlorite, almandine, calcite and amphibole.

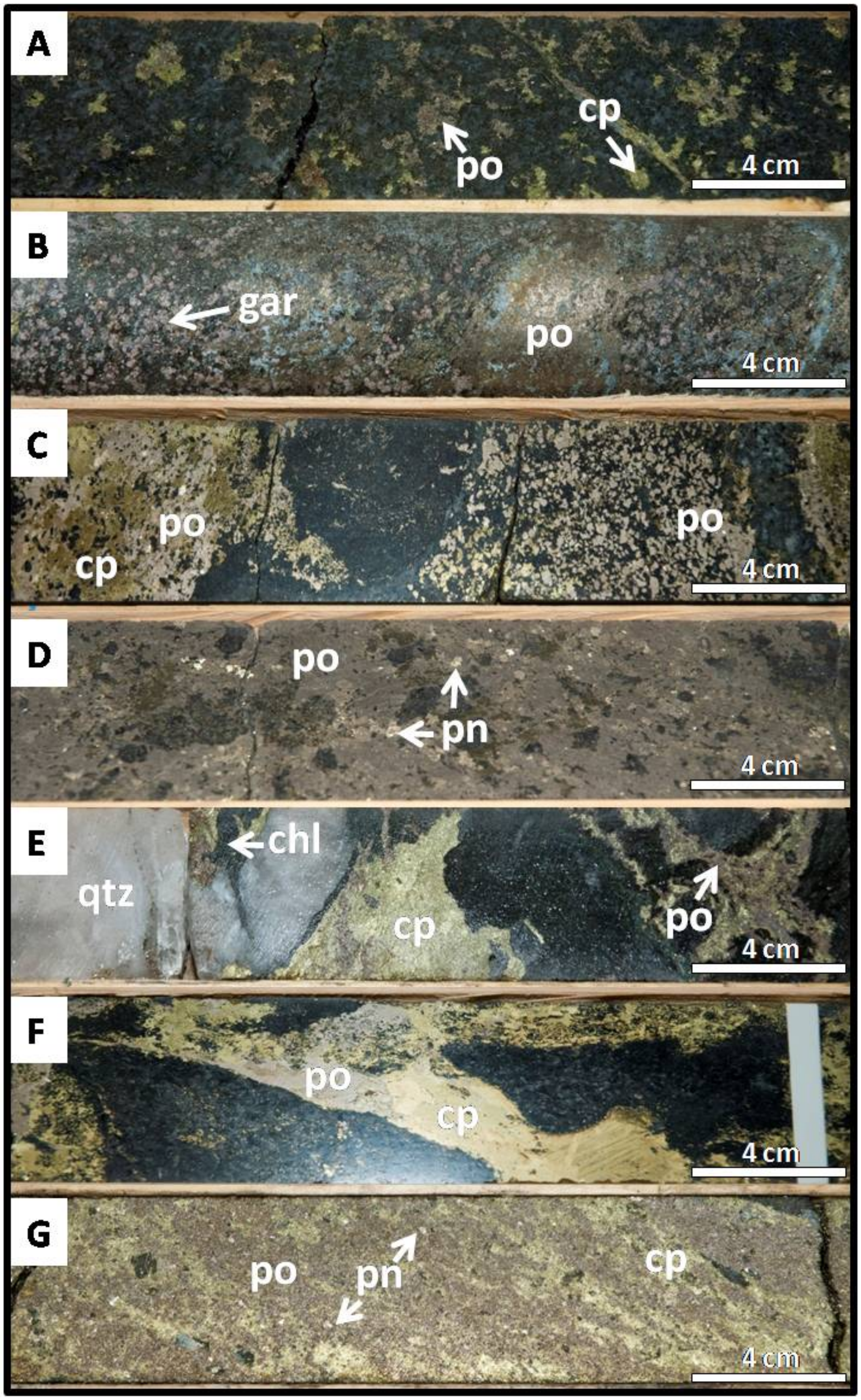
Below the Metabreccia/Quartz Diorite interface, the sulphide texture changes. The pyrrhotite, chalcopyrite and pentlandite become coarser grained and pentlandite flames are rare in the pyrrhotite. Pyrrhotite is the dominant sulphide in this part of the zone and occurs as rounded grains to over 1 cm in diameter. Where pyrrhotite dominates the sulphide assemblage, chalcopyrite occurs as irregular masses within it, and commonly encapsulates the silicate mafic fragments and grains. Locally, both pyrrhotite and chalcopyrite are also observed to be fragmental within the more chaotic sulphide package. Pentlandite eyes and grains up to 2 mm in diameter are embedded in the pyrrhotite, but are typically in the 0.5 to 0.8 cm diameter range. Locally these pentlandite grains may represent between 15 and 25% of the sulphide assemblage. Small pentlandite grains also form 0.4 mm wide aggregates along pyrrhotite grain margins. Pentlandite flames are rare, but where they occur, extend into the pyrrhotite from grain margins.

Locally, massive chalcopyrite with less common pyrrhotite is observed in the zone. Chalcopyrite-dominant domains and veins are concentrated along the margins of the deposit and at depth. The pyrrhotite locally occurs as networks of interconnected, sinuous ribbons with locally observed pentlandite eyes, or as ragged fragments throughout the massive chalcopyrite. Sulphide veins and massive sulphide margins are locally associated with silicification of the wall rocks (1-2 m wide alteration margins) and occur with quartz or quartz–chlorite veins to 10 cm wide. These margins are also locally sheared and are intensely biotite altered.

Other less common sulphides of economic interest in Zone 4 include argentopentlandite, bornite, cobaltite, galena, gersdorffite, millerite, and sphalerite. Platinum group minerals are of high importance to the economics of this deposit, especially at depth. The dominant platinum group minerals include:

- Michenerite, PdBiTe, is observed in all sulphide mineralized domains as anhedral grains less than 0.2 mm in diameter. It is spatially associated with electrum, tsumoite or pyrrhotite within silicates or composite pentlandite-chalcopyrite grains
- Sperrylite, $PtAs_2$, is most commonly observed as irregularly-shaped grains and subhedral rounded grains from 0.05 to 0.8 mm in diameter at depth in the current Zone 4 Mineral Resource. Sperrylite tends to be spatially associated with chalcopyrite, galena and pyrrhotite.
- Froodite, $PdBi_2$, is observed as anhedral to subhedral grains to 0.01 mm in diameter and is spatially associated with sphalerite, electrum or bismuth at depth in Zone 4.

Figure 9- 6: Victoria Project sulphide textures: a) FNX1186 (at ~4970 feet) – interstitial, disseminated and blebby cp-po-pn; b) FNX1196D (at ~4787 feet) - pinkish almandine garnets with blebby and semi-massive po; c) FNX1195C (at ~5421 feet) - inclusion massive po-cp; d) FNX1195C (at ~5428 feet) - massive po-cp with small mafic fragments and pn eyes; e) FNX1202A (at ~5128 feet) - quartz-chlorite vein with cp-po and corroded mafic fragments; f) FNX1200 (at ~6100 feet) - mafic fragments in cp-po; g) FNX1200E (at ~6285 feet) – well-developed fabric in massive po-cp-pn.



With the ore host transition from Quartz Diorite to Metabreccia at depth, ore grades and thickness increase to at least 5,500 feet depth where borehole FNX1195C yielded an intersection of 308 feet (93.9 m) of 2.1% Cu, 3.1% Ni and 5.1g/t TPM. At the down-dip extension of the Inferred Resource, precious metal tenors continue to increase as evidenced by borehole FNX1200E which intersected 140.9 feet (42.9 m) of 5.0% Cu, 3.6% Ni and 61.4 g/t TPM at a depth of approximately 6,200 feet (1,981 m). The borehole UTEM-4 surveys have provided an interpretation that the conductive zone, which is likely related to the occurrence of sulphide mineralization, extends below the Inferred Mineral Resource as reported here.

From top to bottom, Zone 4 is 3,300 feet (1005.8 m) down plunge and averages approximately 475 feet (145 m) along strike. The true thickness ranges from 150 feet (46 m) to 250 feet (76 m) in the bulk of the Mineral Resource, but this thins towards the margins, as well as up- and down- plunge.

9.1.4 Mini Zone

A Quartz Diorite hosted zone of mineralization, the ‘Mini’, was ubiquitously intersected in the footwall to Zone 4 at a depth of 5000 feet (1524 m) to 5500 feet (1676 m) below surface. This small zone is similar in style of sulphide mineralization to the upper part of Zone 4, where the pyrrhotite-rich assemblage occurs as disseminated, blebby and semi-massive sulphide.

10 EXPLORATION

Quadra FNX initiated exploration at the Victoria Property in 2002. This program included surface mapping, diamond drilling, and airborne and borehole geophysical surveys. Prior to initiating any extensive drill program, Quadra FNX contracted a property-wide, helicopter-borne magnetic and electromagnetic survey with Aeroquest International Ltd. Digital data were provided by the survey company and the results interpreted in-house. The survey yielded numerous near surface, electromagnetic conductors as well as various magnetic features which follow-up drill programs have reconciled. The diamond drill programs were initiated in 2002 and continued to the end of 2003. These programs focused on the SIC contact environment in the vicinity of the Main Deposit, and one of the geophysical anomalies, now known as the Powerline Deposit (previously described in the literature as the Lake Hill Deposit; Sutherland et al., 1923) was resolved despite the cultural interference of high voltage power lines. There was a hiatus in exploration on the property for 4 years as the exploration department focused on other Sudbury opportunities. However, a LIDAR survey was flown by Terrapoint Aerial Services over the property in 2005 as part of a program completed on five Quadra FNX Sudbury Basin properties. This survey provided Quadra FNX with digital elevation model data and detailed digital photography. Quadra FNX recommenced the drill-based exploration program at the Victoria Property in 2008 with Major Drilling Group International Inc. as the contractor. This program was designed to geologically target Offset-style environments that were prospective for Cu-Ni-PGE mineralization, since airborne and ground geophysics had not yielded responses that would lead to the discovery of what would become the Victoria Project zones 1-4 and Mini as reported here.

In July 2008 Quadra FNX focused its diamond drill efforts on a volume of the Worthington Quartz Diorite dyke that was interpreted to have high potential for hosting Offset dyke - style mineralization located west of Ethel Lake and south of the Creighton Fault. In this area, the Ethel Lake Quartz Diorite segment narrowed and pinched out on surface with no apparent connection to the main Worthington Offset dyke. This area was targeted due to its similarity to other areas on the property that hosted Offset dyke - style mineralization (No. 4 Orebody and the Powerline Deposit), and to the general model of trapping environments for this deposit type. Once the target was defined, the decision was made to drill down the interpreted plunge of the western termination of the Ethel Lake Quartz Diorite and then complete a Lamontagne UTEM-4 borehole geophysical survey to test for off-hole conductive masses (conductivity in Sudbury is typically the result of pyrrhotite-rich sulphides and not graphitic metasedimentary rocks). Four component Lamontagne borehole UTEM-4 surveys are commonly conducted on exploration drillholes by exploration companies in the Sudbury area, including Quadra FNX.

In July 2008 the initial diamond drillhole (FNX1172) into this volume intersected Quartz Diorite - hosted, pyrrhotite-rich, Ni-Cu mineralization in a mafic and ultramafic clast-rich environment at approximately 2,200 vertical feet (670 m) below surface. The follow-up geophysical survey did not reveal an extensive conductive body in the sampled rock volume, but patchy conductivity that is interpreted to be the result of a pyrrhotite-rich sulphide matrix rich in silicate clasts that disrupt any apparent electromagnetic connectivity. The continuity of the sulphides is interpreted to be disrupted by large metre to tens of metre -scale blocks of mafic and ultramafic rock within the Quartz Diorite matrix. Follow-up drilling of the sulphide mineralization by three subsequent diamond drillholes failed to expand the zone significantly or provide key geometric information. This sulphide-mineralized zone has since been named Zone 1.

In mid-October 2008, a subvertical hole was initiated 600 feet to the west of Zone 1 in an attempt to either intersect associated mineralization or to better model the conductive mass by using borehole UTEM-4 geophysics on the outside of the system. Despite the fact that the borehole (FNX1178) exited the Quartz Diorite and entered into the country rock at a depth of 450 feet (137 m) below surface, the hole was continued to a borehole depth of 3,749 feet (1143 m) where it was terminated. Enroute to this depth, the borehole passed within 600 feet (183 m) of Zone 1 at a vertical depth of 2,200 feet (670 m). Follow-up borehole UTEM-4 geophysics failed to identify any significant conductive horizon at the 2,200 foot (670 m) depth, but it did yield an anomaly building at the foot of the borehole.

Due to budget concerns related to the global financial crisis of the time, a decision was made to terminate further exploration at Victoria in late 2008. In April 2009, Quadra FNX completed a flow-through financing of approximately $15 million with which to re-initiate Sudbury exploration efforts. Subsequently, borehole FNX1178 was extended through the conductive plate that was interpreted at its foot. The extended borehole intersected the conductive plate at approximately 4,170 feet (1271 m) in the form of significant pyrrhotite, chalcopyrite and pentlandite mineralization that graded 1.5% Cu, 1.6% Ni, 5.4 g/t TPM over 57.9 feet (17.6 m). This intersection and associated borehole UTEM-4 geophysical surveys defined the exploration diamond drill program for the remainder of 2009 and early 2010. The result was the completion of 14 additional holes to test what is now known as Zone 2.

While the testing of Zone 2 was underway in 2009, Quadra FNX initiated a number of ground and airborne geophysical surveys at the property in an effort to provide a better understanding of the lithologies at depth through the definition of rock physical properties. This program included the collection of property-scale airborne gravity data with Sander Geophysics Ltd, ground gravity with Quadra Surveys, ground magnetotelluric and induced polarization surveys with Quantec Geoscience, and borehole resistivity, natural gamma, magnetic susceptibility, density and temperature surveys with DGI Geoscience Inc. All data collected from these surveys, data from previous surveys, Quadra FNX drillhole logs and Quadra FNX geological interpretations were provided to Mira Geoscience in 2009 and 2010 in an attempt to create a 3D predictive model of the geology at depth. Data from this analysis were provided to Quadra FNX by Mira Geoscience in late 2010. An initial review of the data has suggested that the 3D constrained inversion process was successful in identifying some of the main lithological units. At the time of writing, a final report from Mira Geoscience was pending.

Borehole UTEM-4 geophysical surveys were completed on all holes that tested Zone 2. In addition to defining the conductive corridor of Zone 2 and assisting with drillhole targeting, these geophysical surveys also revealed a large conductive mass in the hangingwall to Zone 2. In February 2010, borehole FNX1190 was collared from surface and drilled down the plunge of the zone as a means to better define its physical characteristics and guide the orientation of future drilling. On February 23rd, 2010, FNX1190 intersected pyrrhotite, chalcopyrite, pentlandite mineralization at a borehole depth of approximately 3,715 feet (1132 m).The intersection ultimately intersected 1.3% Cu, 0.6% Ni and 2.2 g/t TPM over 1,367 feet (417m). This intersection and associated borehole UTEM-4 geophysics would define the Victoria drill exploration program for the rest of 2010 and early 2011 with the completion of an additional 23 holes into this zone, now known as Zone 4.

Table 10- 1: Victoria Property geophysical surveys - 2002 to 2009.

Geophysical Contractor	Year of Survey	Type of Survey	Nature of Survey
Lamontagne Geophysics Ltd.	2002-Present	Electromagnetic (EM)	Borehole and Surface
Aeroquest International Ltd.	2002	Magnetic	Airborne
		Electromagnetic (EM)	Airborne
Terrapoint Aerial Services	2005	Light Detection and Ranging (LIDAR)	Airborne
DGI Geoscience Inc.	2009/2010	Borehole Physical Properties including: resistivity, natural gamma, magnetic susceptibility, density, temperature	Borehole
Quadra Surveys	2009	Gravity	Ground
Quadra Geophysics Ltd.	2009	Induced Polarization (IP)	Ground
	2009	Magnetotellurics (MT)	Ground
Sander Geophysics Ltd.	2009	Gravity	Airborne
	2009	Light Detection and Ranging (LIDAR)	Airborne
Fara Systems Ltd.	2009	Radio Imaging Methodology (RIM)	Borehole

11 DRILLING

Surface diamond drilling programs were first initiated by Quadra FNX at the Victoria Property in 2002. Since 2002, 271 diamond drillholes have been completed on the property, for a total of 373,000 feet (113,690 m) of drilling. Most of the diamond drilling during the first 2 years at Victoria was focused on sulphide mineralization associated with the SIC basal contact and a zone in the Offset environment known as the Powerline Deposit. Following a hiatus in exploration drilling at the Victoria Property from 2004 to 2008, exploration drilling was ramped up again in January, 2008. This program resulted in the first intersection of substantial sulphide mineralization associated with the Ethel Lake Quartz Diorite. Between the re-start of exploration diamond drilling at Victoria in 2008 to March 29th, 2011, 97 drillholes for 274,338 feet (83,618 m) of exploratory pilot hole and wedge-cut holes have been completed at the Victoria Project.

All Quadra FNX exploration diamond drillholes have been initiated with NQ size core drilling bits and rods. Occasionally the NQ rods became stuck in the drillhole due to repeated wedging and sharp turns due to navigational drilling, in which case the hole was reduced to BQ size to facilitate its completion. Wedge cuts and directional drilling were implemented on several of the Victoria parent drillholes, especially during the drilling of Zone 4. Wedges and directional drilling were primarily used to provide more accurate targeting of specific areas of the mineralization. Directional drilling also reduced costs and time to target by utilizing drill cuts from the pilot hole at depth.

Relative to the strike, dip and plunge of the sulphide mineralization wireframes, the core axis angles of drillhole intersections vary from sub-parallel (as exhibited by the first discovery holes which ran nearly along strike and down plunge), to the more optimal sub-orthogonal angles of later holes. True thicknesses of intersections, therefore, range from 10% to 81%, with an average of 48%. It is the authors' opinion that the angles of these drillhole intersections are acceptable for an Inferred Mineral Resource estimate.

11.1 Wedging and Directional Drilling

Wedges and directional cuts were completed with NQ diameter drillholes to facilitate the use of wedges and navigational equipment in the hole. International Directional Services LLC (IDS) in Sudbury, Ontario, Canada was contracted to operate the navigational (NAVI) motor and the Devico directional system. The depth of the sulphide mineralized system required the use of the NAVI motor on most of the required hole deviations since the Devico system can only operate successfully in holes less than 3000 feet (914 m) depth in the Victoria environment. Unlike the Devico system, which cuts BQ sized core during the deviation, the NAVI motor system recovers no core while cutting NQ size drillholes. Deviations ranging from 5 to 35° were achieved with the NAVI motor over distances that ranged from 50 feet (15 m) to 400 feet (122 m).

Wedge placement within the parent hole was based on a number of variables including: dip, azimuth, depth, and lithology. Once the placement depth had been selected, an expandable wedge retainer (mechanical plug) was set within the parent hole. On top of the mechanical plug, the drilling contractor used one of two methods for holding the steel wedge in place. The first method included the use of a wooden block. The block was placed on top of the mechanical plug and allowed to swell in the surrounding water, which in turn locked the wooden block into place. The second method utilized rock bolt resin for cementing the steel wedge into place. After four to five sticks of resin were pumped down to the mechanical plug, a blunt shaped steel wedge with grooves was sent to a location just above the resin or wood plug. The steel wedge was then oriented in the hole with a down hole Reflex EZ-Shot® (Reflex) survey instrument by the driller to the roll provided by the geologist. Once the face of the wedge was oriented, it was slowly lowered into the wood or hardening resin until the copper pins on the wedge became sheared. In the case of the resin, this process also caused the resin sticks to rupture and mix.

Figure 11-1: Surface and underground diamond drillhole traces. Inset box identifies outline of Victoria Project drilling at Zones 1 to 4 and Mini (see Figure 11-2).

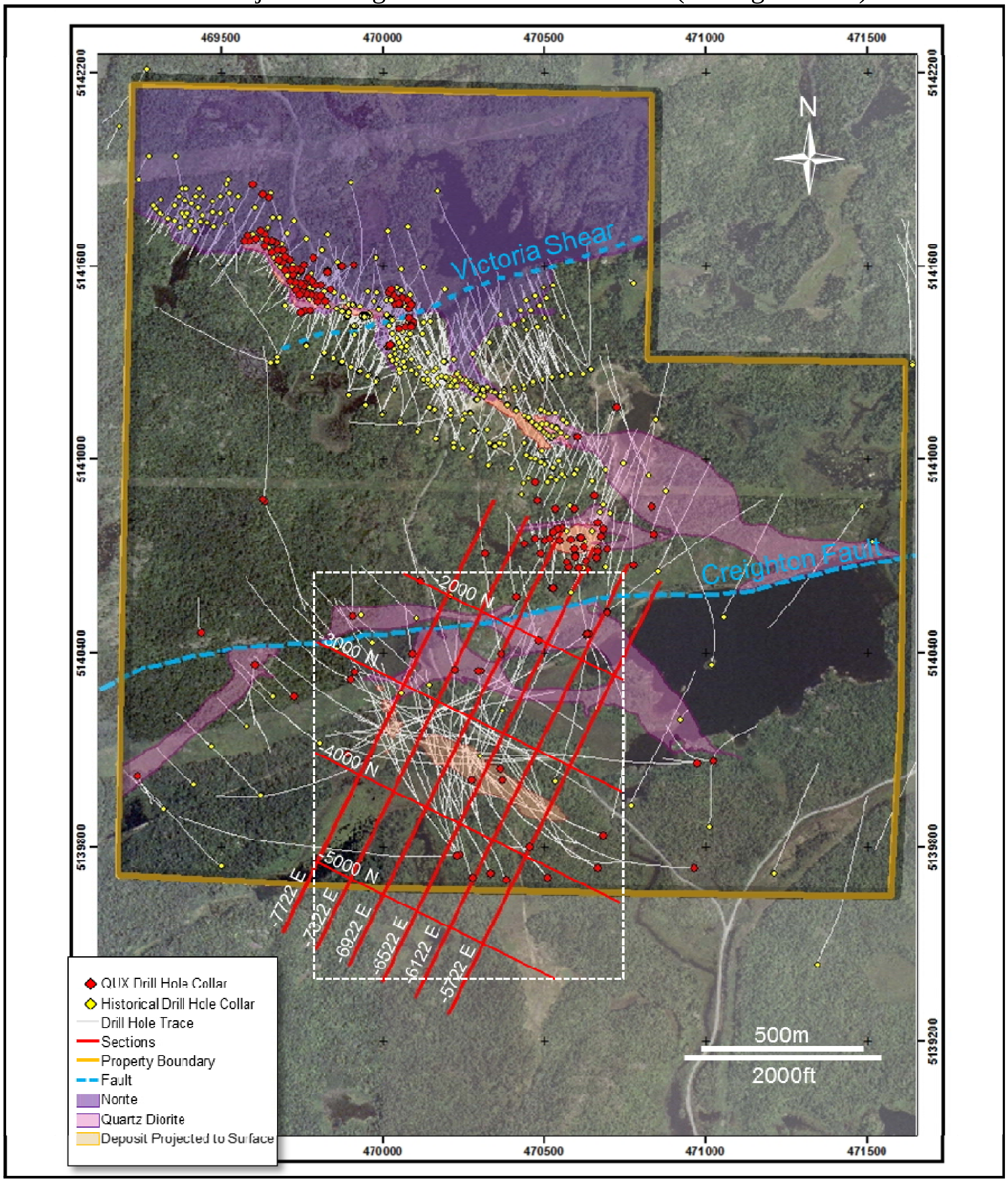


Figure 11-2: Surface diamond drillhole traces in, or in the vicinity of, zones 2, 4 and Mini. Grid identifies sections that are illustrated in figures 11-3 to 11-8.

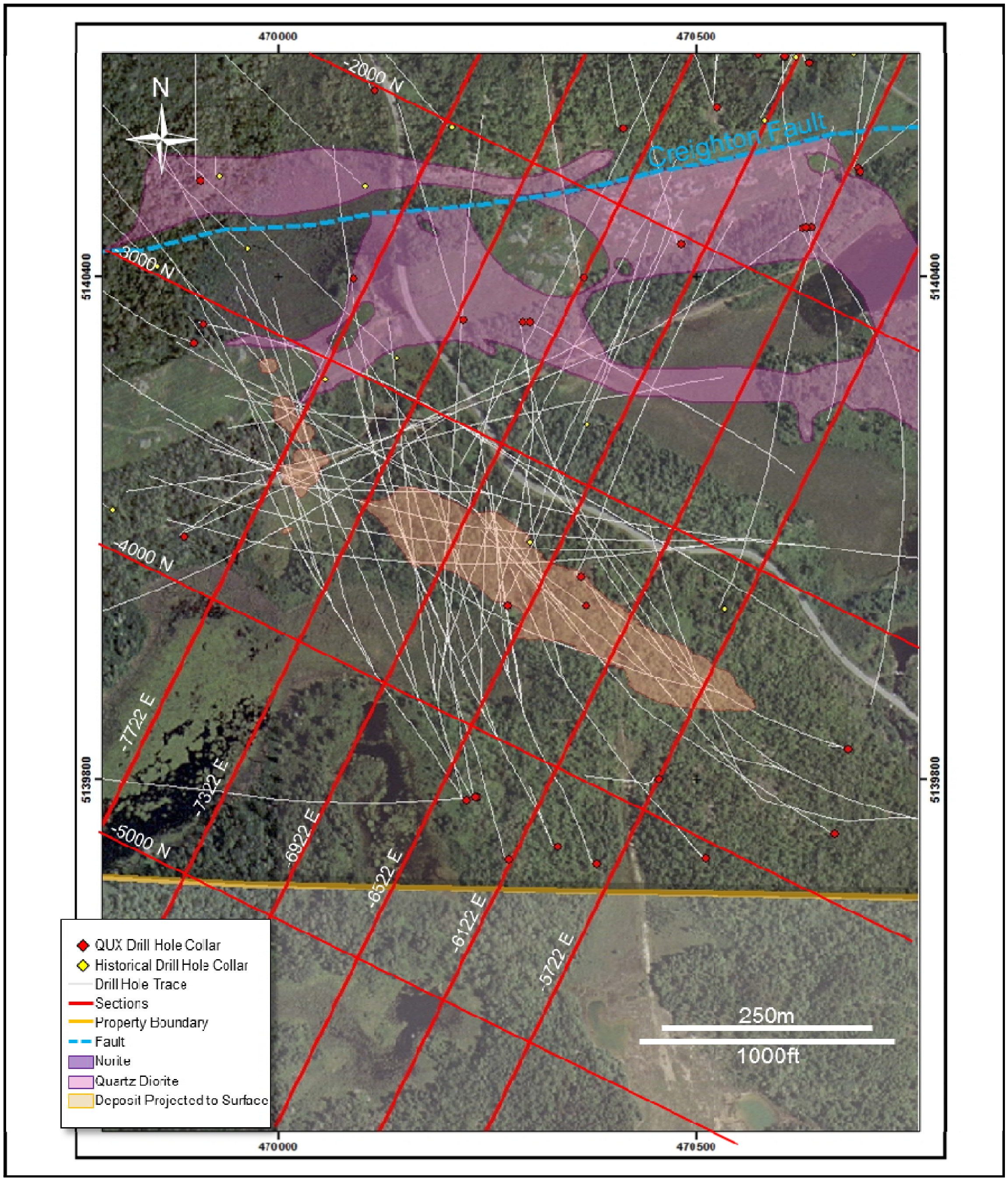


Figure 11-3: Victoria Project drillhole traces (zones 2, 4 and Mini) -section - 5722 E (local grid 67; +/- 200 foot clipping).

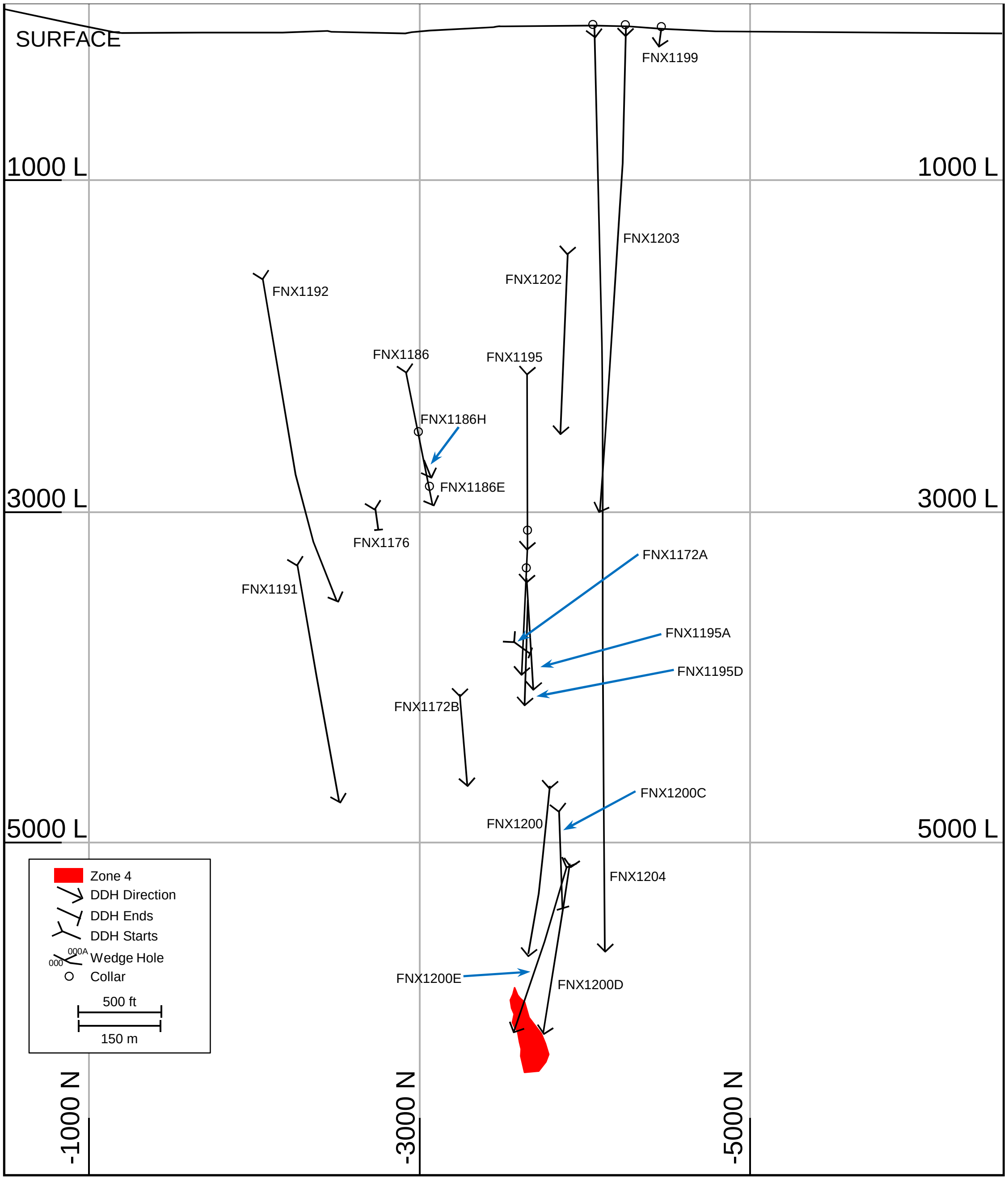


Figure 11-4: Victoria Project drillhole traces (zones 2, 4 and Mini) - section -6122 E (local grid 67; +/- 200 foot clipping).

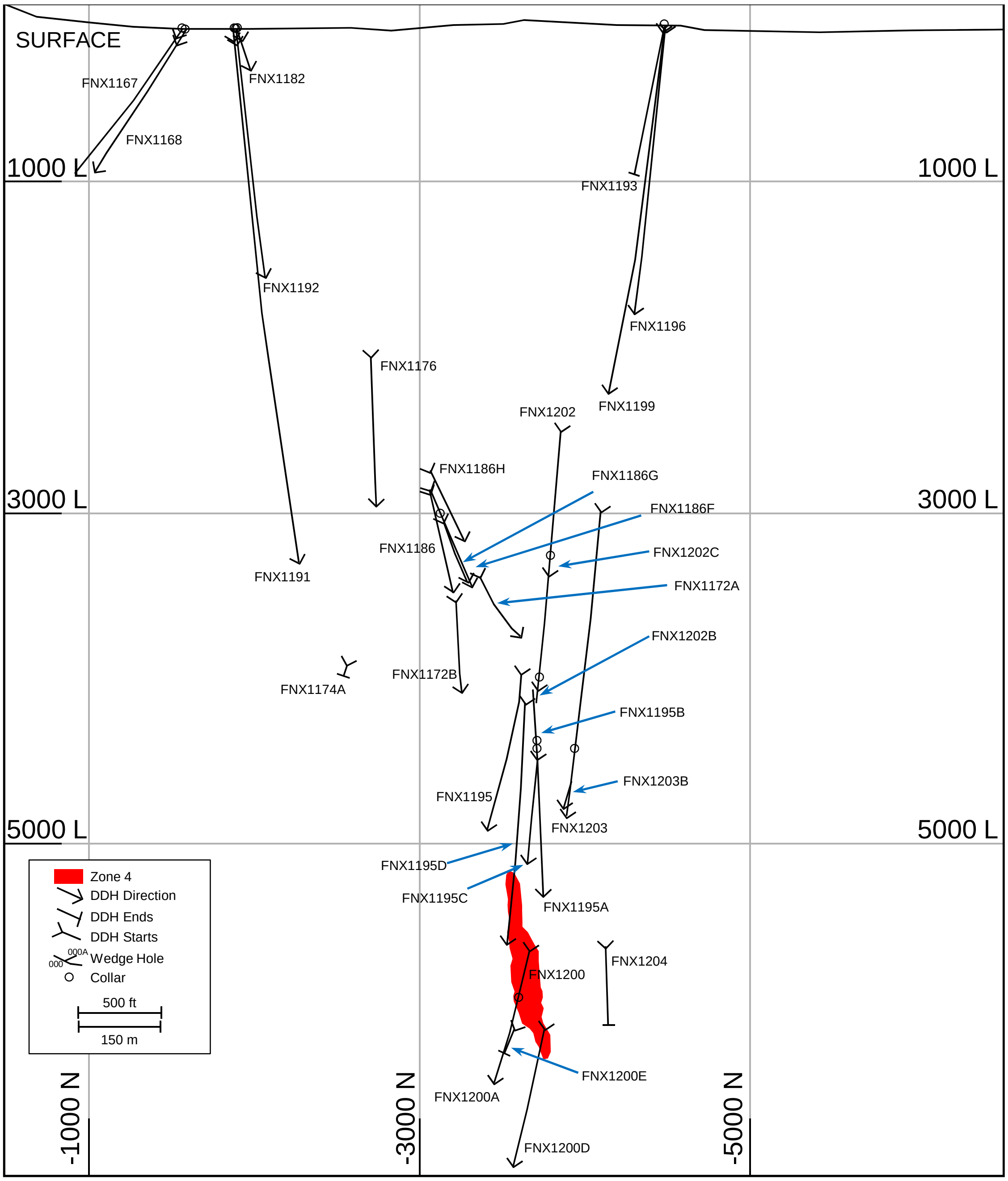


Figure 11-5: Victoria Project drillhole traces (zones 2, 4 and Mini) - section -6522 E (local grid 67; +/- 200 foot clipping).

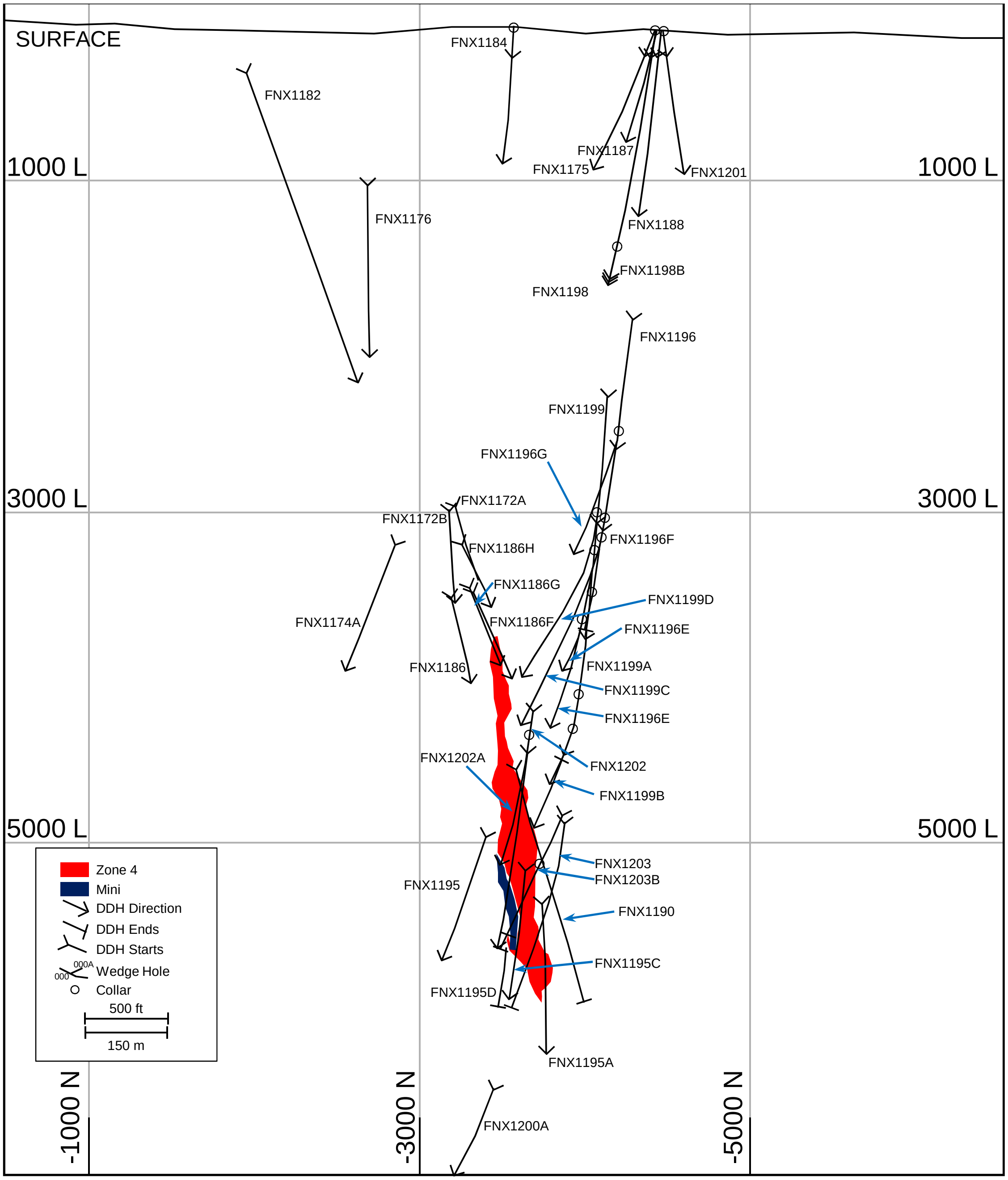


Figure 11- 6: Victoria Project drillhole traces (zones 2, 4 and Mini) - section -6922 E (local grid 67; +/- 200 foot clipping).

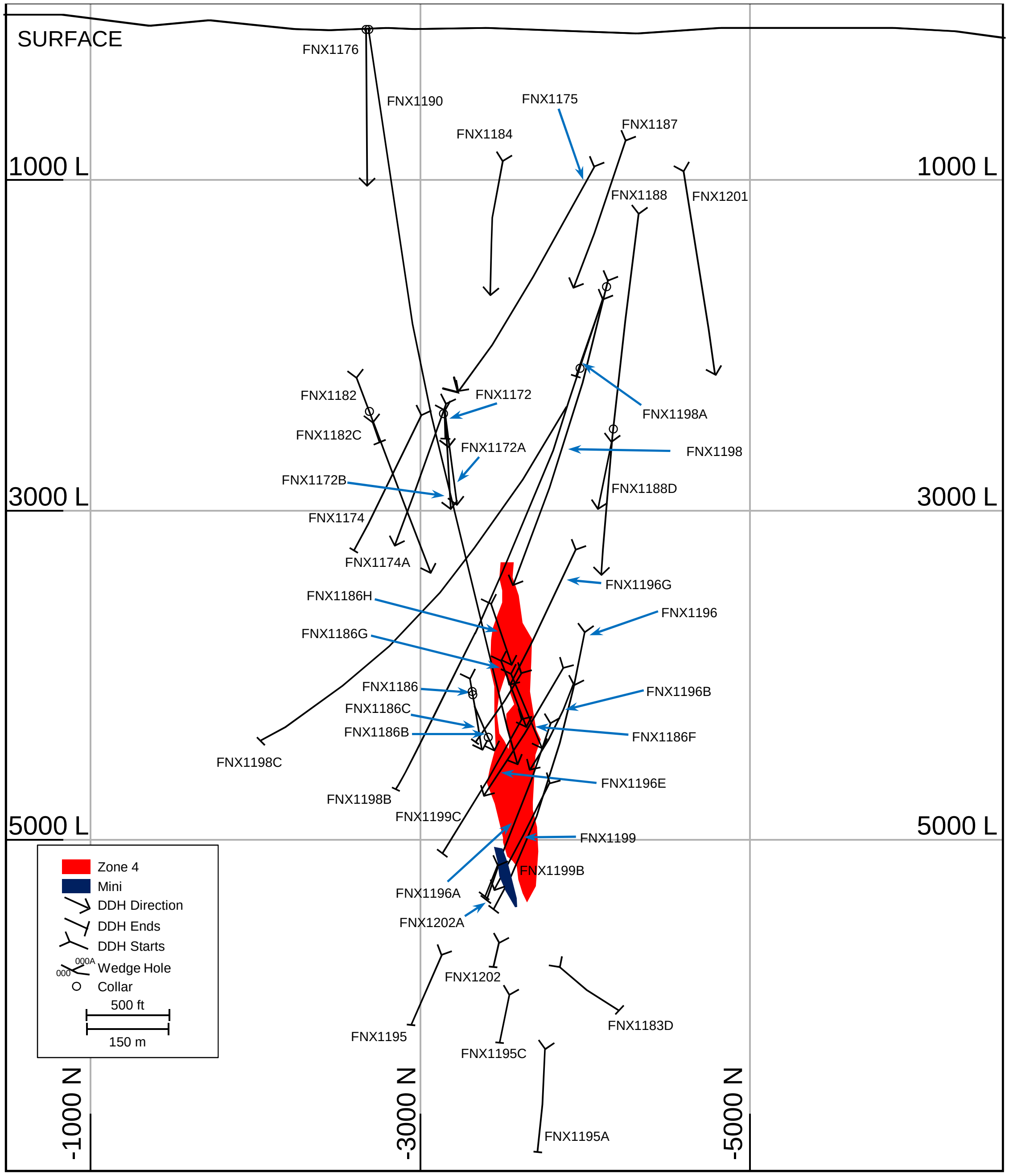


Figure 11- 7: Victoria Project drillhole traces (zones 2, 4 and Mini) - section -7322 E (local grid 67; +/- 200 foot clipping).

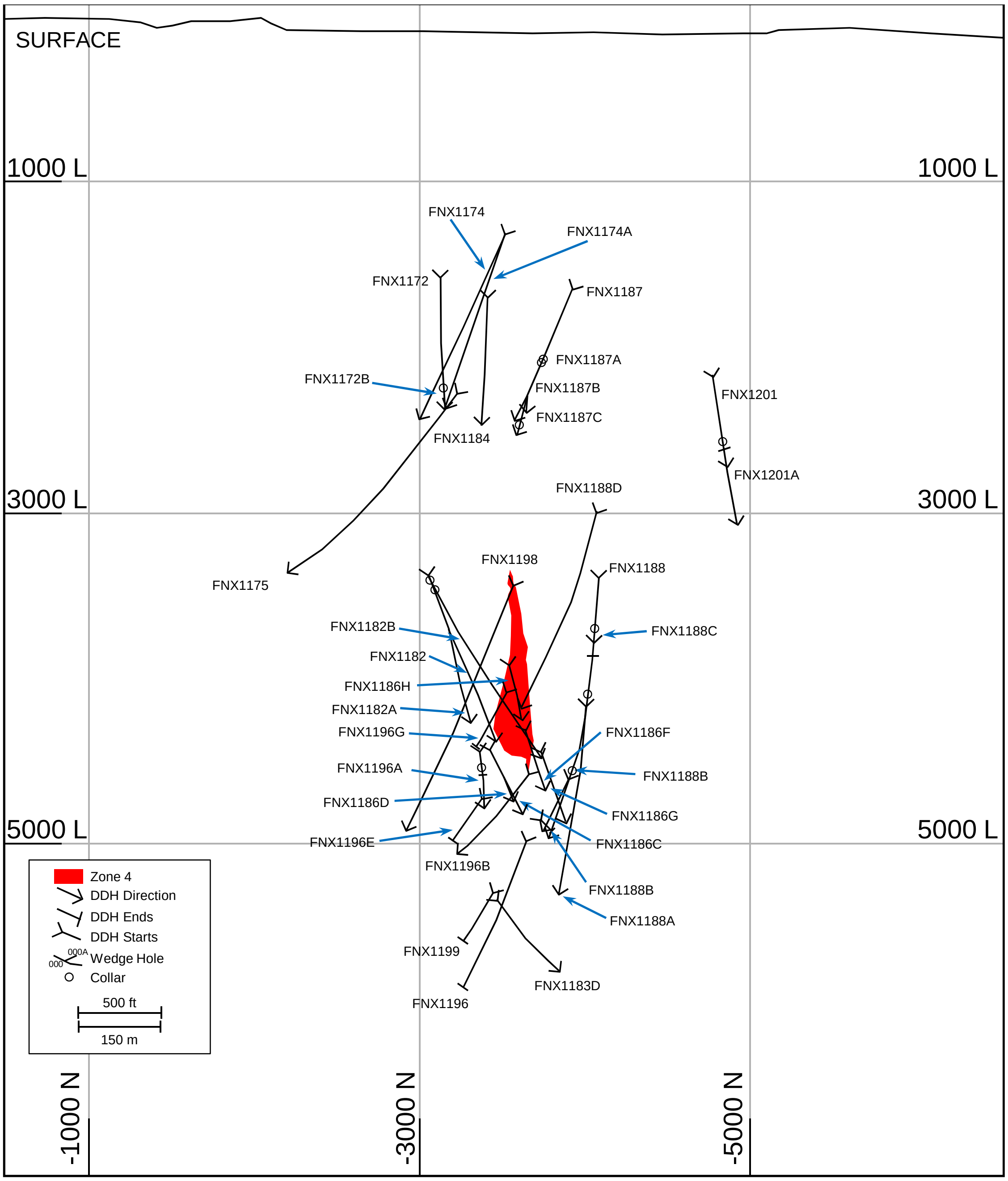


Figure 11- 8: Victoria Project drillhole traces (zones 2, 4 and Mini) - section -7722 E (local grid 67; +/- 200 foot clipping).

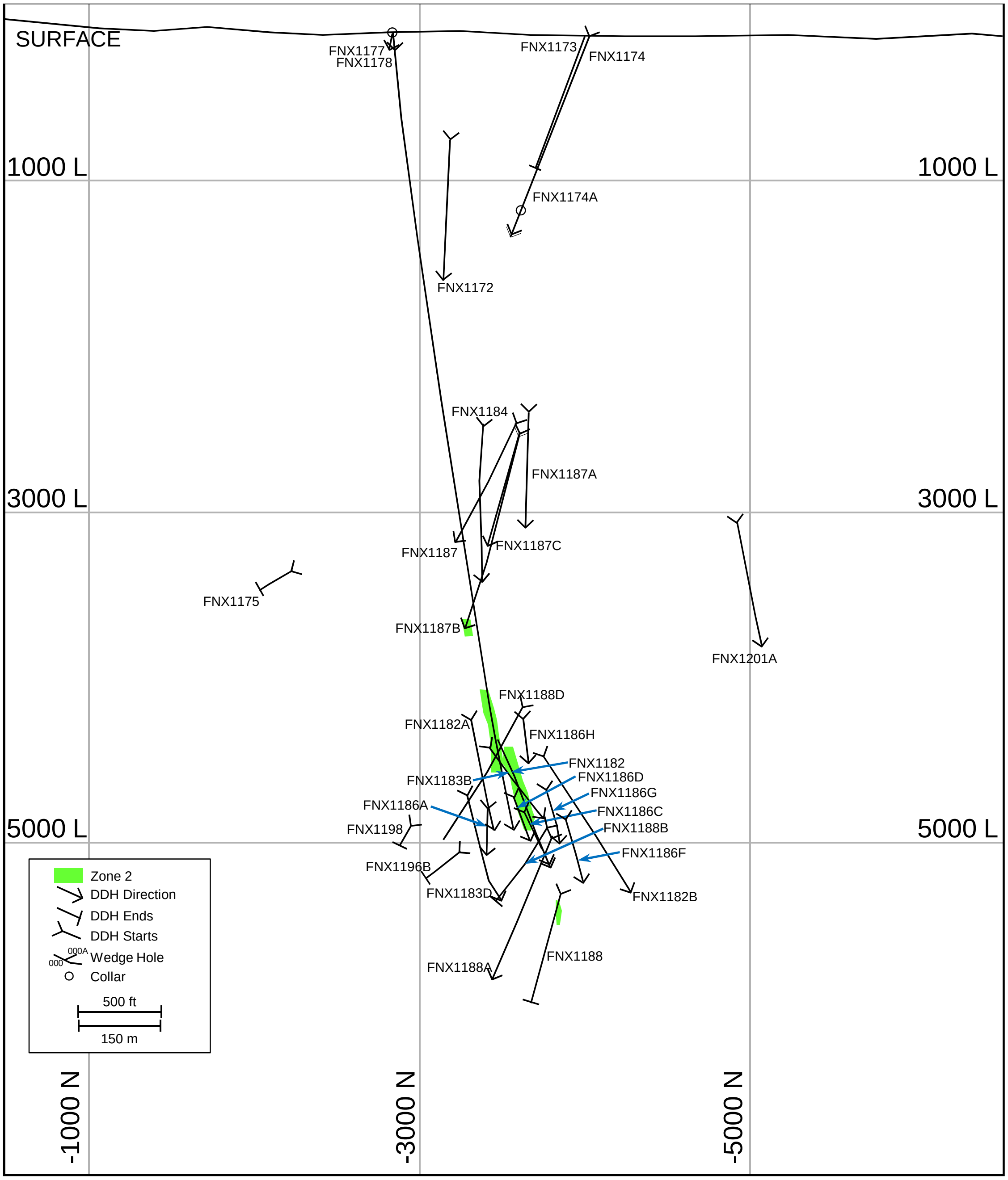


Figure 11- 9: Victoria Project drillhole traces (zones 2, 4 and Mini) - plan -3400 L (3400 feet below surface - local grid 67; +/- 250 foot clipping).

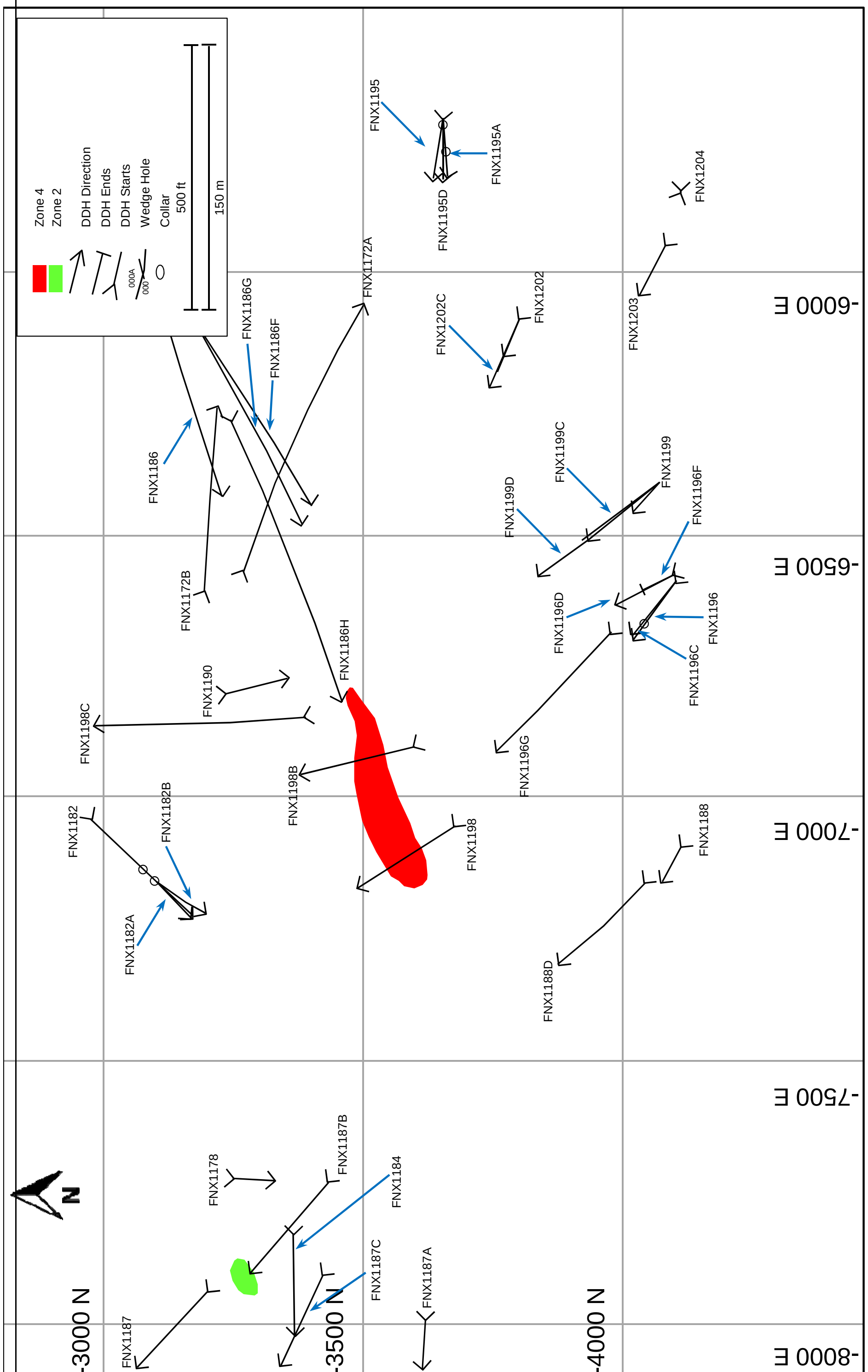


Figure 11- 10: Victoria Project drillhole traces (zones 2, 4 and Mini) - plan -3900 L (3900 feet below surface - local grid 67; +/- 250 foot clipping).

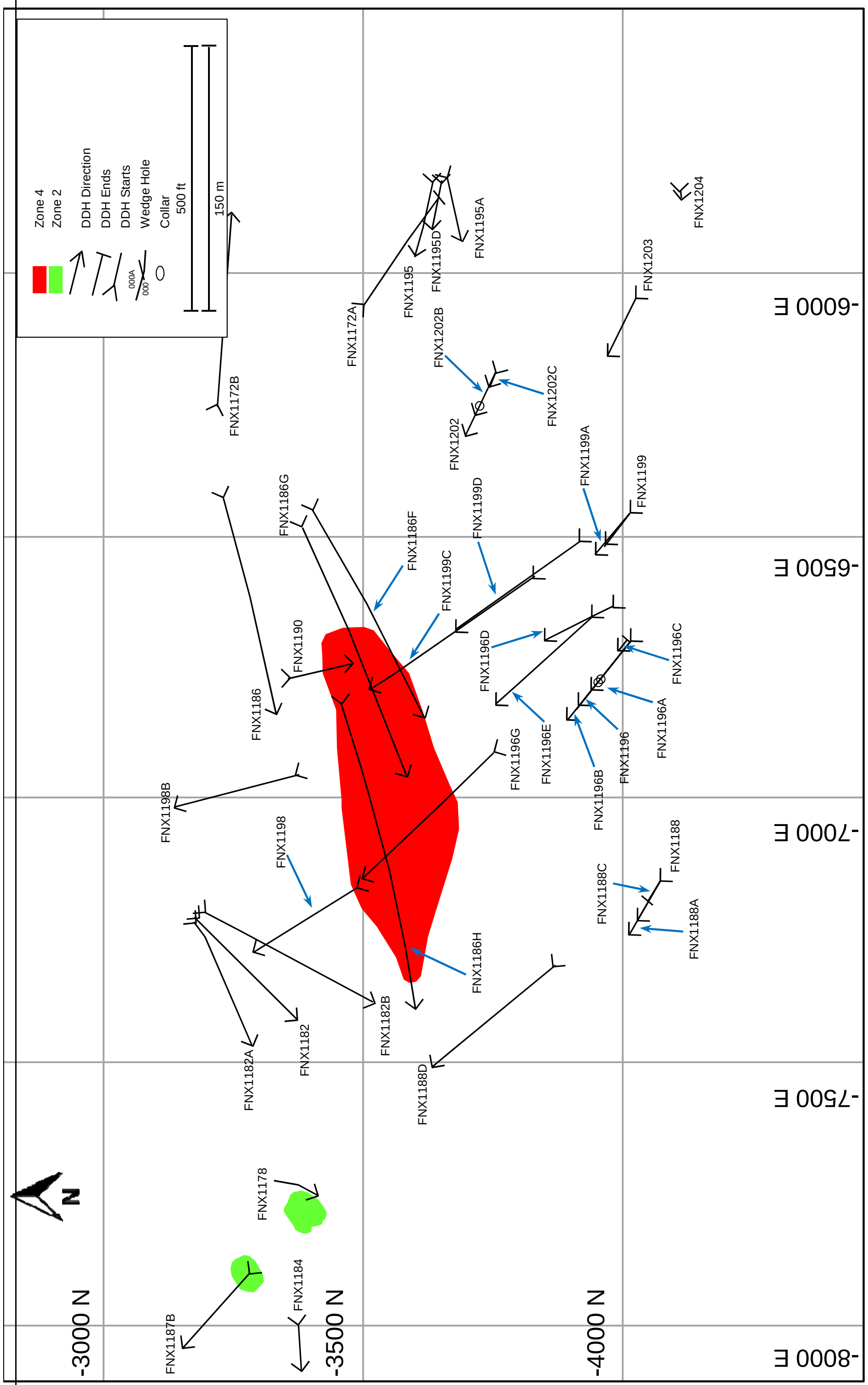


Figure 11- 11: Victoria Project drillhole traces (zones 2, 4 and Mini) - plan -4400 L (4400 feet below surface - local grid 67; +/- 250 foot clipping).

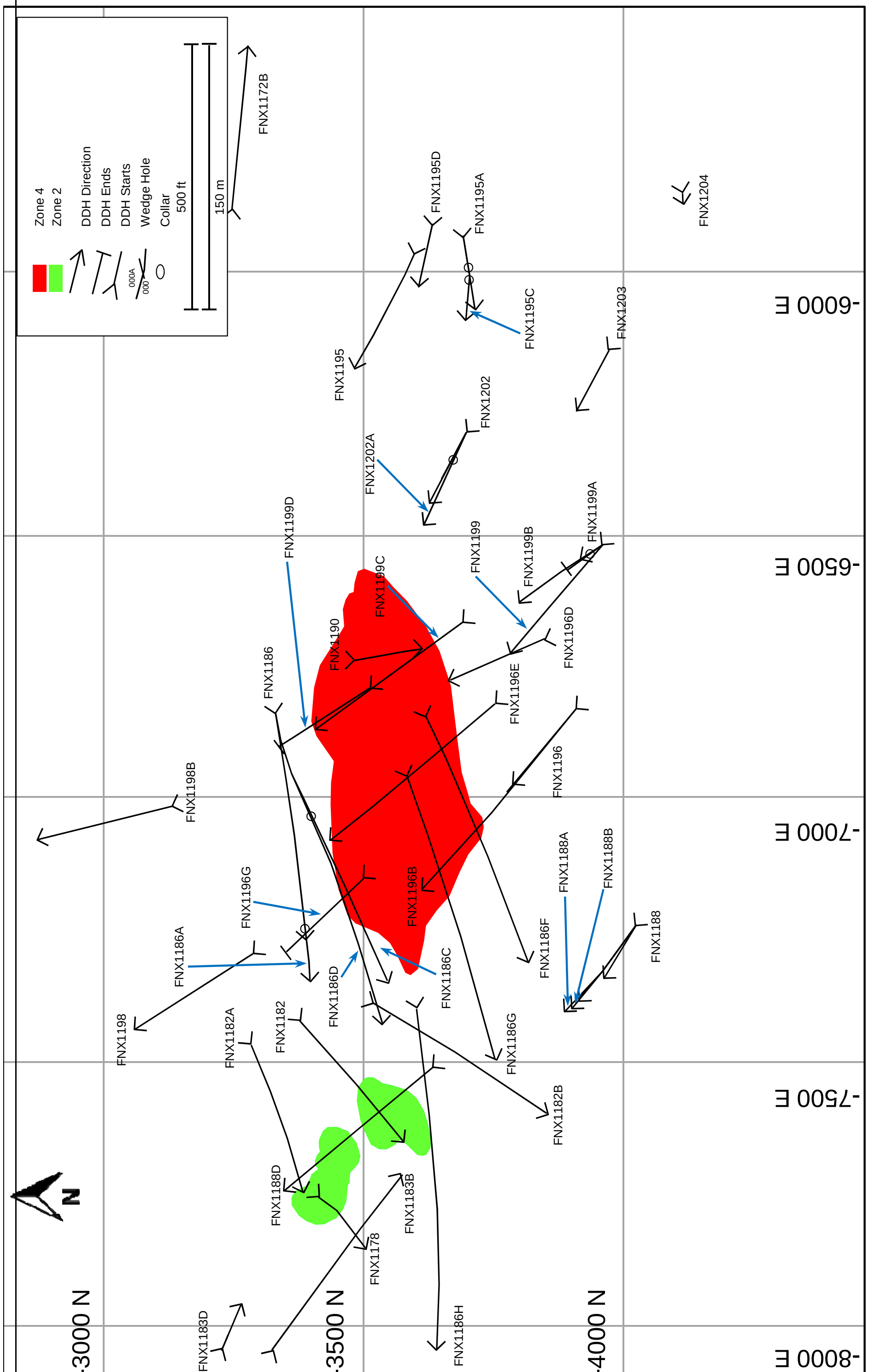


Figure 11- 12: Victoria Project drillhole traces (zones 2, 4 and Mini) - plan -4900 L (4900 feet below surface - local grid 67; +/- 250 foot clipping).

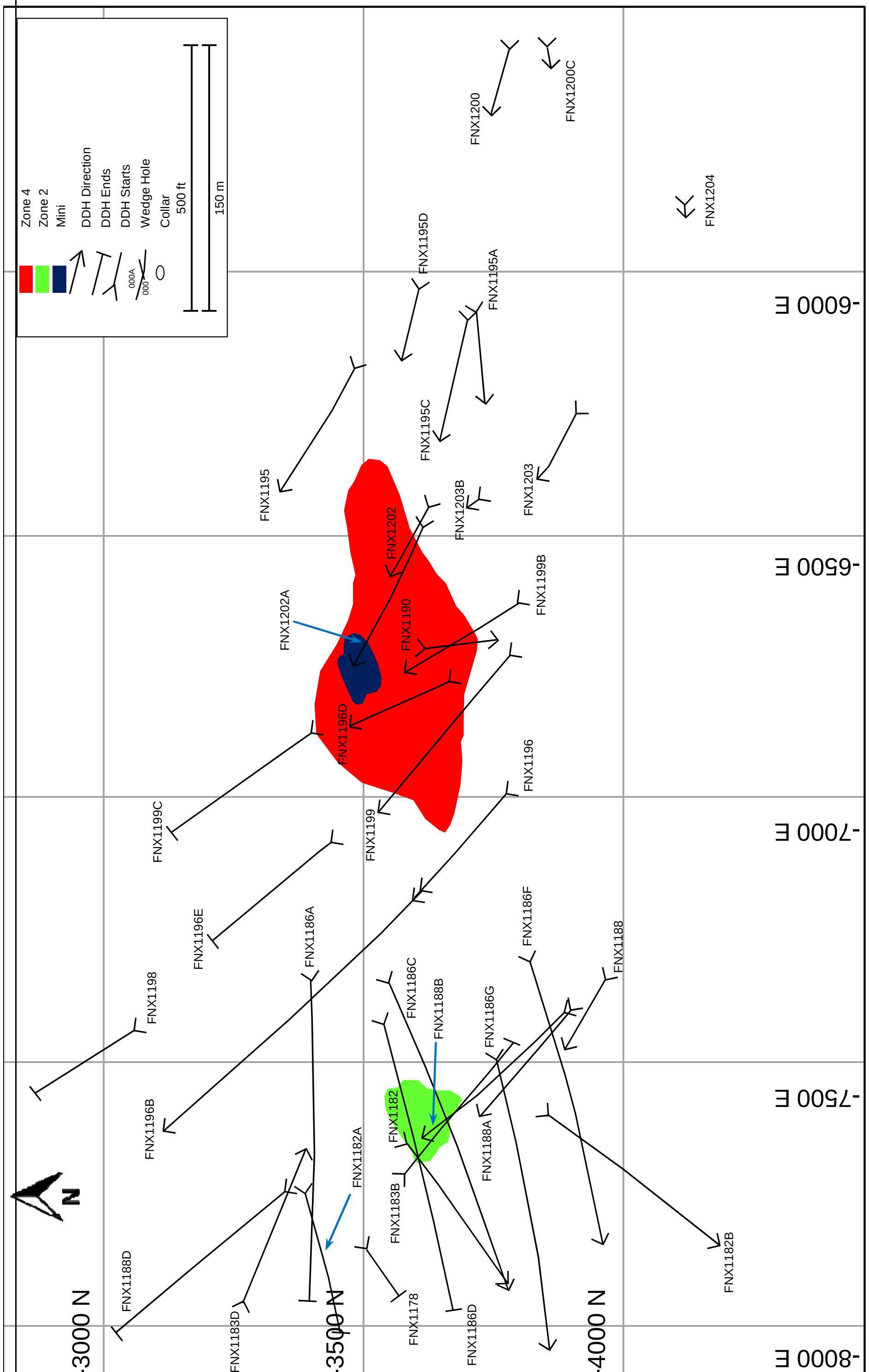


Figure 11- 13: Victoria Project drillhole traces (zones 2, 4 and Mini) - plan -5400 L (5400 feet below surface - local grid 67; +/- 250 foot clipping).

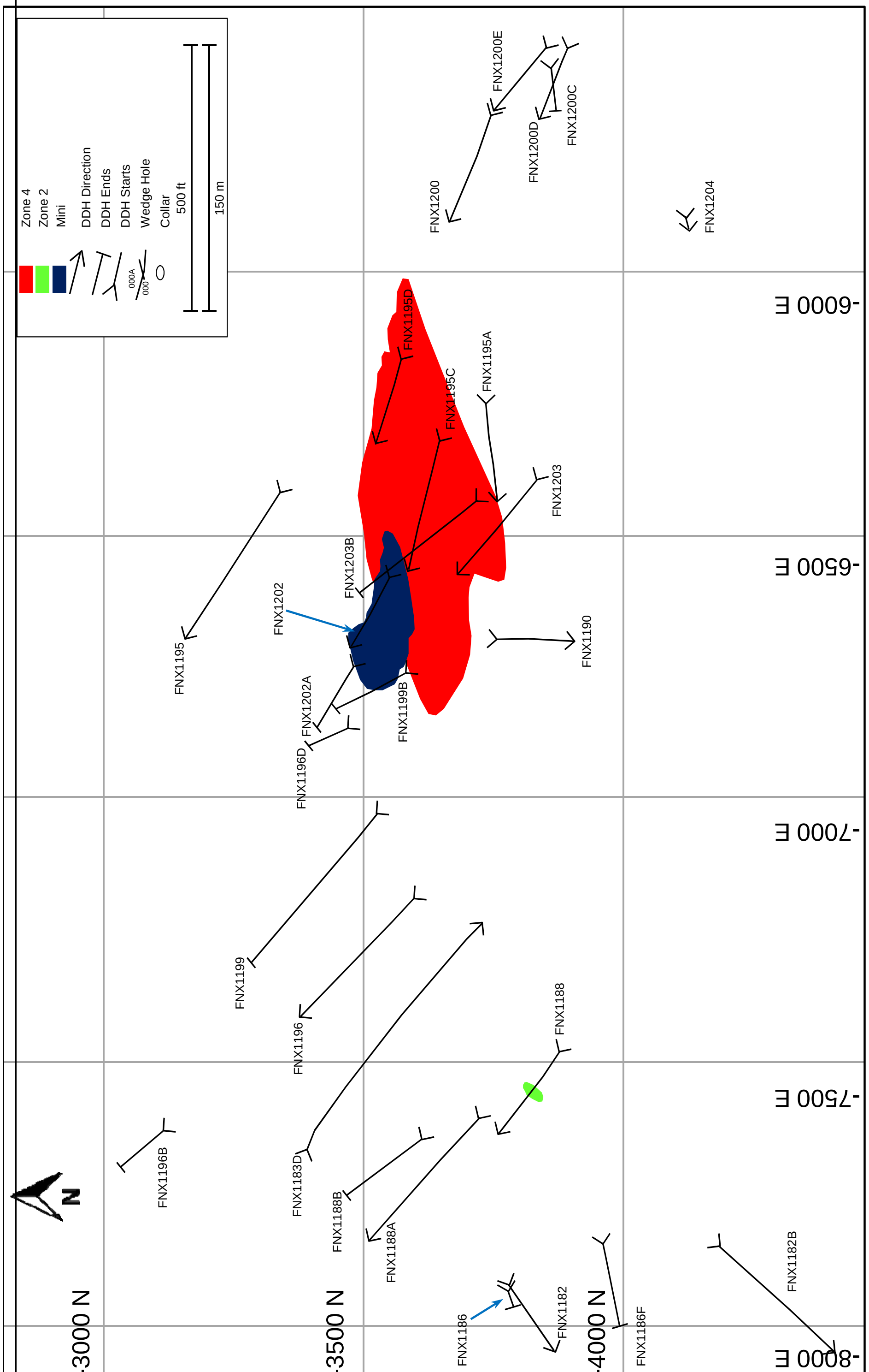


Figure 11- 14: Victoria Project drillhole traces (zones 2, 4 and Mini) - plan -5900 L (5900 feet below surface - local grid 67; +/- 250 foot clipping).

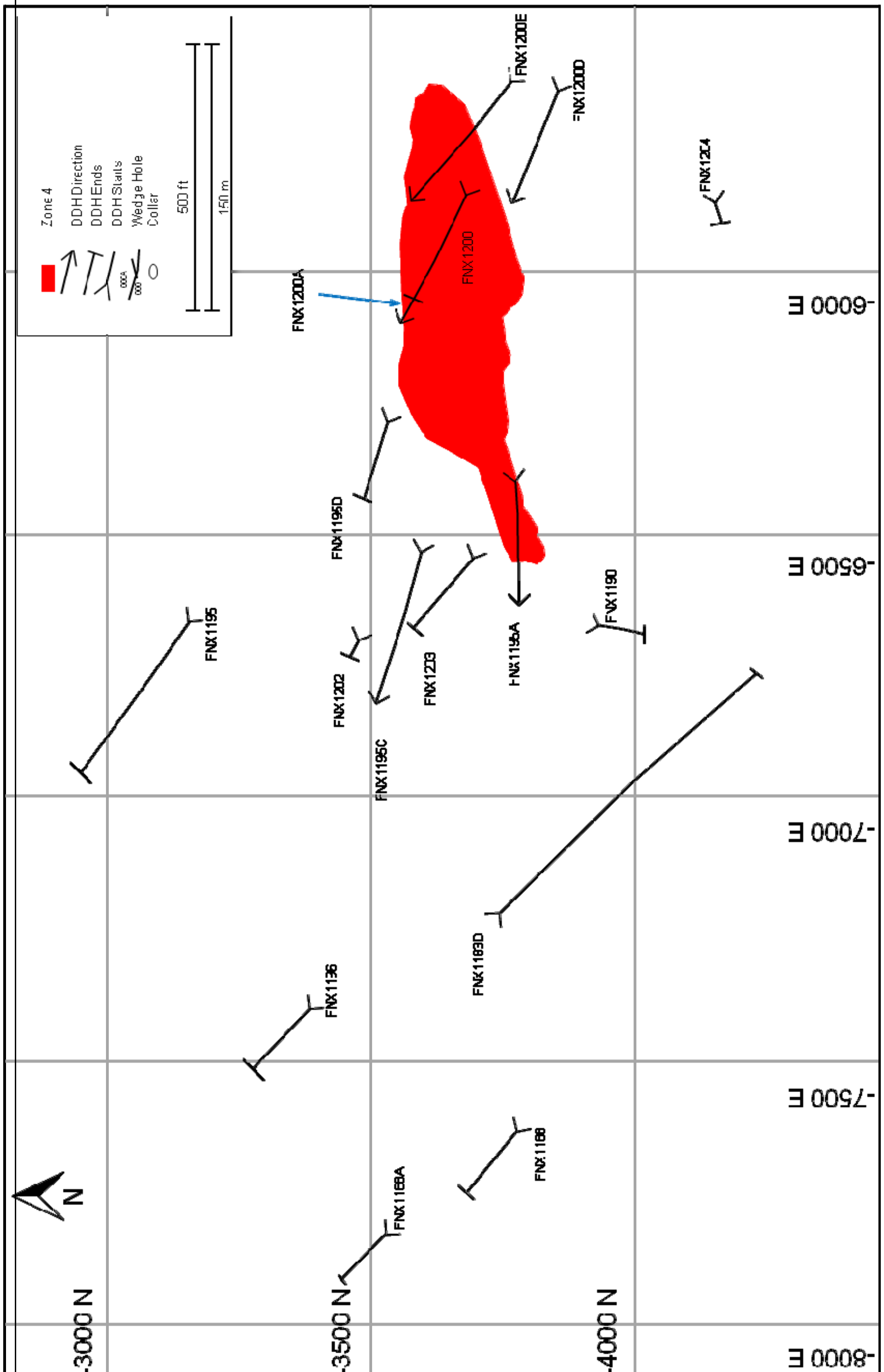
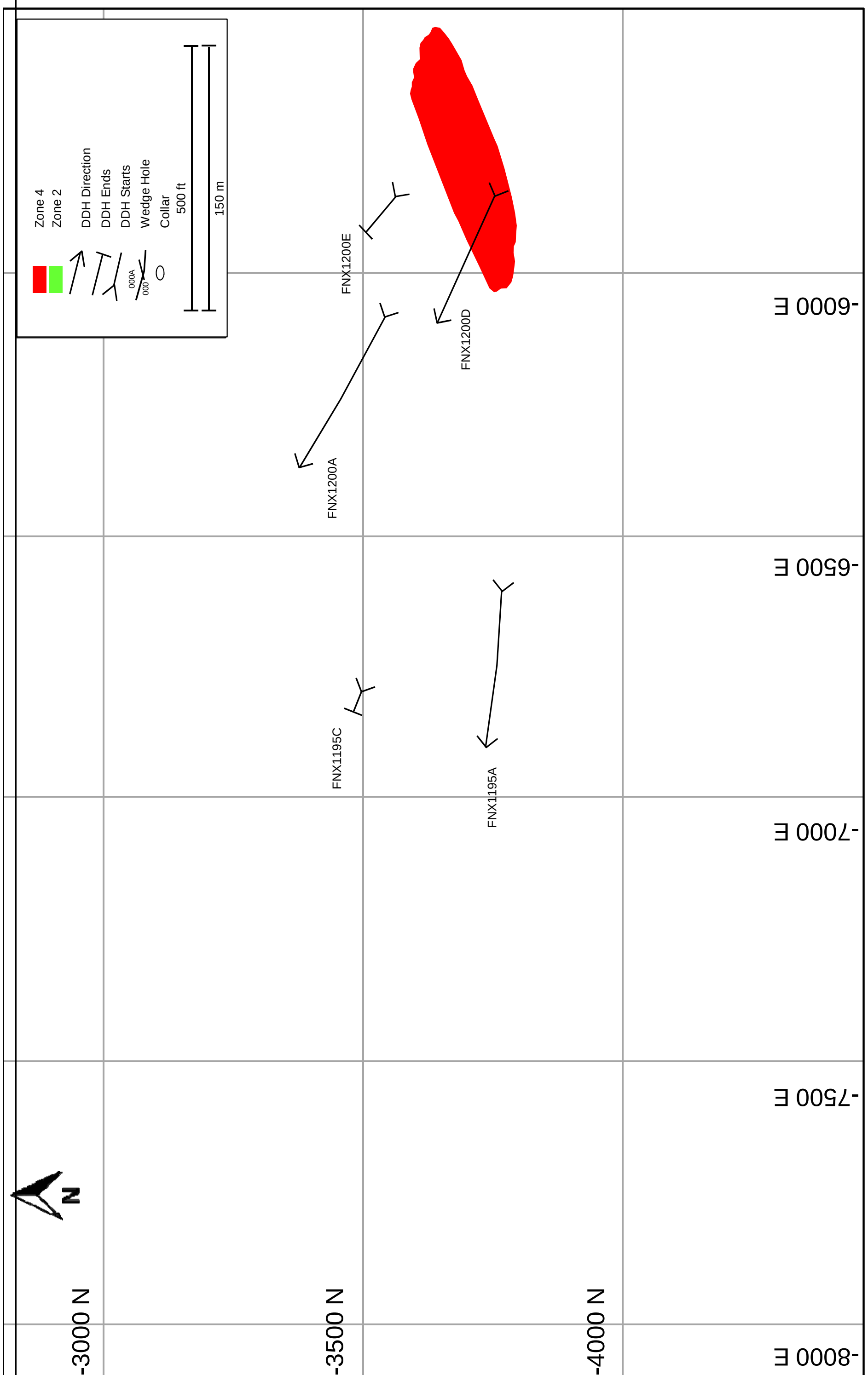


Figure 11- 15: Victoria Project drillhole traces (zones 2, 4 and Mini) - plan -6400 L (6400 feet below surface - local grid 67; +/- 250 foot clipping).



A bullnose bit, which grinds away the rock for approximately 15 feet (4.5 m), was then used to redirect the new hole off the steel wedge. A wedge/taper bit was then used to drill approximately 100 feet (30 m) past the steel wedge to provide an additional roll adjustment . The amount of deviation achieved by the wedge can generally be related to the dip of the parent hole at the wedge placement location. The steeper the parent hole, the greater deviation in the new wedge hole. If further deviation was required after completion of the steel wedge, then the NAVI motor was utilized.

The NAVI motor was used on approximately 95% of all directional cuts after the steel wedge was emplaced, and occasionally at the bottom of a parent drillhole to help direct the hole into the target area. After the motor was properly oriented by the IDS technician, it was lowered into the NQ size drillhole on BQ size drill rods. Once on bottom, high pressure water was pumped into the BQ rods, which forced the drill bit to spin. Surveys were taken every three meters by the IDS technicians as the deviation was monitored. Once the cut had reached its desired azimuth and dip, the NAVI motor was removed from the drillhole, the cut was reamed, and NQ size drilling resumed.

Table 11- 1: Summary of Victoria Property diamond drilling since 2008.

Year	Number of Holes	Length (ft)	Length (m)	Drilling Company
2008	16	43,637	13,301	Major Drilling Ltd.
2009	20	66,383	20,234	Major Drilling Ltd.
2010	54	143,994	43,889	Major Drilling Ltd.
2011*	7	20,324	6,195	Major Drilling Ltd.
Total	**97**	**274,338**	**83,618**	

*2011 only includes drillholes completed to a cut-off date of March 29th, 2011 for the purposes of this report.

11.2 Drillhole Collar Surveying

All drillhole collar locations that are part of the Mineral Resource reported here are spotted with a Trimble Total Station 5700 portable global positioning system (GPS) with base station. Each of the Quadra FNX Sudbury properties is calibrated to an existing data base created and currently used by Vale. This calibration is in the Modified Basin System (MBS) which is unique to the Sudbury area. All GPS data are imported, acquired and exported in MBS to avoid any errors. Permanent bases have been established on all Sudbury properties to further eliminate any errors.

Once the collar co-ordinate is located on the ground with a picket, another picket is placed 4 feet away from this picket, in a direction orthogonal to that which the drill will be facing. This picket is used for aligning the side of the drill with front-sites that are also set 4 feet (1.2 m) off-line of the drill collar. A minimum of three front-sites are used for this procedure. In the event that front-sites are impractical, back-sites are established. The collar picket is then flagged and the drillhole information is written on it. Once the drill is set up on site, the dip is checked with a Reflex® instrument on the casing in the head of the drill.

Upon completion of the drillhole and once the drill has been removed from the collar location, a final MBS co-ordinate is taken at the top dead center (TDC) of the drill casing. The co-ordinates are exported, provided to the project geologist and entered into the main database.

11.3 Downhole Surveying

Downhole surveys were completed by individual drillers using a Reflex EZ-Shot® (Reflex®) tool at regular intervals of 150 feet (46 m) to 250 feet (76 m) down the drillhole. The Reflex® tool uses the Earth's magnetic field to calculate an azimuth while simultaneously recording the dip of the drillhole. The magnetic field strength is checked for possible magnetic interference either from surrounding magnetic rock or objects close to the tool. The normal magnetic field strength in rock free of local magnetic influence ranges from 5,500 nT to 5,800 nT. To ensure proper functioning of the unit, the Reflex® instrument is checked by an exploration technician every month within a calibration unit located away from all local magnetic interference. The project geologist reviews the survey results and will accept or reject the azimuth readings based upon a deviation of the magnetic field strength from the normal for the area being tested.

After the drillhole is terminated, a north-seeking gyroscopic (gyro) downhole survey is completed by Sperry Drilling Services (a unit of Halliburton Company). Once oriented with respect to north at the collar of the drillhole, the gyro is then sent down the hole where it provides constant measurements of the dip and the deviation of the azimuth from the initial reading at the collar. The north-seeking gyro is unaffected by the surrounding magnetic influences and therefore provides a higher degree of confidence in borehole trace over the Reflex® measurements. At the end of each survey day, Sperry Drilling Services checks their gyro tool within their calibration set-up to ensure that the tool is performing within their strict guidelines.

12 SAMPLING

12.1 Data Sources

NQ size drill core is logged by Quadra FNX geologists and information is digitally recorded using Century Systems DH Logger® software on individual laptop computers. At the end of each day, this information is uploaded to the Quadra FNX Central Database and the drill log on the laptop remains the editable version. When a hole is finished and logging is completed, the drill log is “checked in” to the Central Database and the version on the Central Database becomes the editable version. This system allows a duplicate copy of the log to be stored separately, while ensuring that only one of these copies remains editable. Geological data that are recorded include lithology, sulphide minerals and percentage of each, alteration minerals and abundance, vein type and orientation, structures and assay sample intervals.

Assay sample intervals are defined by the geologist under the following conditions: (i) the hole cuts a previously defined mineralized envelope, (ii) the core contains notable sulphide mineralization, and/or (iii) favourable conditions exist for mineralization (i.e., alteration, rock type, etc., based on previous drilling and assaying in similar environments. Sample lengths do not exceed 5 feet (1.5 m) and are predominantly within the 2 foot (0.6 m) to 5 foot (1.5 m) range. The sample length minimum is 1 foot, (0.3 m) with rare samples below this allowable size. Wherever possible, individual assay samples are defined by geological boundaries and/or mineralization styles.

Individual, unique sample numbers are assigned to sample intervals in sequence with sample numbers independent of drillhole numbers. Certified Reference Materials (CRM) and blank samples are inserted in the sample sequence at predefined intervals. Sample numbers are marked on the core with a china marker at the start of each sample interval. Standards are inserted at a frequency of 1 in every 40 samples; the name of the standard is written in the tag book and entered into the Central Database, but remains “blind” to the lab. Blank samples are composed of barren and unaltered felsic norite which has been collected from previous diamond drilling on the Levack or McCreedy West properties. The blanks are inserted in the sample sequence at a frequency of 1 per 100 samples, typically within or immediately after well mineralized intervals. This is done to monitor “carry over” within the sample preparation procedure. The samples, CRM’s and blanks are recorded in the sample book and digitally, using the DH Logger® software. The entire length of the drillhole is digitally photographed; both wet and dry, with the photographs stored on Quadra FNX’s secure server and filed by drillhole number.

Core from surface holes (NQ size), which has been marked for sampling, is sawn in half by using a rotary diamond blade rock saw at the Quadra FNX core facility at 1275 Kelly Lake Road, Sudbury, Ontario. After cutting, the core is rinsed to prevent sample contamination. One half of the core is returned to the core box and retained, the other half is placed in sample bags labeled with the assigned sample number. The retained half of the core is then labeled with the corresponding sample number. The same half of the core is consistently sampled throughout a continuous sample interval. Sample tags are removed from the sample tag book, one is placed with the assay sample in the shipping bag and the other is stapled inside the core box at the beginning of the sample interval. The saw and sampling area are hosed down after each hole is processed, and thoroughly cleaned daily. The saw blade is sharpened/cleaned periodically (several times a day) with a masonry brick. This reduces the effect of carry-over of metals between samples.

The samples are then shipped for preparation and assay at SGS Minerals in Sudbury and Toronto, Ontario.

It is the opinion of the authors that the Quadra FNX sampling method and approach is industry standard. There are no drilling, sampling or recovery factors that could materially impact the accuracy and reliability of the results.

13 SAMPLE PREPARATION, ANALYSES AND SECURITY

The Victoria Project samples were prepared by SGS Minerals in Sudbury and analysed at SGS Minerals in Toronto, Ontario. As part of Quadra FNX QA/QC procedures, pulp duplicates are sent to ALS Global in Vancouver, British Columbia for comparison and verification purposes. SGS Minerals and ALS Global are accredited by the Standards Council of Canada (SCC) for specific mineral tests listed on the scope of accreditation to the ISO/IEC 17025 standard.

13.1 Sample Preparation

On arrival at the SGS Minerals preparation facility in Sudbury, Ontario, samples are received, checked against the submittal forms and weighed. Samples are entered and progress is monitored with the SGS Laboratory Information Management System (LIMS).

The entire sample is crushed in a Rhino Jaw crusher to 75% passing -10 mesh (2 mm screen size). Sieve tests are completed periodically to monitor grain size variations. Samples are split in a riffle splitter to achieve a 200-225 gram split. The sample splits are pulverized using a ring mill for approximately two minutes to achieve 85% passing -200 mesh. Cleaning sand is used in the ring mill at the beginning of every batch and after massive sulphide intervals have been processed. Crusher and pulverizer sieve tests are completed on every 50th sample to ensure the crush and pulverize sizes are consistent with specifications. The pulps are sealed in paper envelopes with an affixed digital label and shipped via courier to the SGS Minerals laboratory in Toronto, Ontario. A confirmation of shipping, including submittal form number, number of samples, and waybill number is e-mailed from the sample preparation laboratory to the Quadra FNX QA/QC geologist.

Upon arrival at the SGS Minerals laboratory in Toronto, the pulps are once again checked against the submittal form, and logged-in as received into the SGS LIMS. Samples are then posted to the laboratory's secure website where their progress can be monitored by select Quadra FNX staff with secure access permission. Once the assays are finalized, a digital copy of the certificate is e-mailed to Quadra FNX. The geologist responsible for QA/QC loads the assays into the Central Database. All final certificates are archived digitally on Quadra FNX's secure server and filed by drillhole number.

13.2 Sample Analyses

Once in the SGS Minerals analytical facility in Toronto, Ontario, the samples are analysed for copper, nickel, cobalt, lead, zinc, arsenic, iron and magnesium oxide by fusing 0.2 g of the pulp with 2.6 g of sodium peroxide at 650ºC. The resulting melt is cooled and dissolved in dilute nitric acid. The solution is analyzed by inductively coupled plasma – atomic emission spectrometry (ICP-AES) and the results corrected for spectral interference. Calibration solutions for the ICP-AES must be prepared in a similar fashion to achieve matrix matching. Detection limits are 0.005% for Ni and Cu, and 0.002% for Co.

For Pt, Pd and Au determinations, a 30 g (1 assay ton) pulp is fused by fire assay to produce a lead button and then cupelled to yield a precious metal bead. The bead is digested in a 1:1 solution of nitric acid and hydrochloric acid and the solution is analyzed by ICP - atomic emission spectrometry (ICP-AES). The resulting detection limits are 0.03 g/t (0.00003 oz/ton) for Pt, Pd and Au.

For Ag determinations, the pulp is treated using aqua regia, which involves the dissolution of a sample with a 3:1 mixture of hydrochloric and nitric acids. The dissolved sample is then analyzed by atomic absorption (AA). The detection limit for Ag is 0.3 g/t.

For As determinations, the pulp is fused by sodium peroxide and then dissolved by hydrochloric acid. The dissolved sample is then analyzed by atomic absorption.

Table 13- 1: SGS Minerals assay detection limits, Victoria Project.

Element	Detection Limit
Ag	0.3 ppm
As	0.01 %
As	0.5 ppm
Au	0.03 g/t
Co	0.002 %
Cu	0.005 %
Fe	0.05 %
Ni	0.005 %
Pb	0.01 %
Pd	0.03 g/t
Pt	0.03 g/t
S	0.01 %
Zn	0.01 %

13.2.1 Specific Gravity

Specific gravity (SG) measurements were completed on 99% of all assay samples taken inside the Mineral Resource modeled zones for the Victoria Project. SGS Minerals analyzes for SG using a pycnometer. The analyses are performed on the sample pulps.

13.3 Sample Security

The filled sample bags are stored in Quadra FNX's secure core facility prior to shipping to the SGS Minerals sample preparation facility in Sudbury. The bags are shipped, in sequence, including standards and core blanks, in large plastic shipping crates which are secured prior to shipment and either delivered to the sample preparation facility once or twice weekly by a core technician or shipped by commercial carrier. Any discrepancies in received materials or security devices are promptly reported. For each shipped batch of samples, a laboratory submittal form is completed. One copy is e-mailed to the laboratory prior to shipping and a copy remains in the Central Database on the Quadra FNX server for reconciliation. The submittal form identifies the Company's name, samples and project name. Each sequential sample series is entered on a single line with the first and last sample as well as the total number of samples together with assaying and any special instructions (i.e., instructions to store samples which may be required for metallurgical test purposes in refrigerated/frozen storage).

Drillcore boxes are clearly labeled with “Dymo Tape” on the front end, with drillhole number, box number and depths of the core contained in each box clearly displayed. Kept core is stored in a secure enclosure on the logging facility property pending assay results. After assays are received and checked, the core is sent to a more permanent core storage facility.

Sample pulps are kept in secure storage for 90 days after the analyses are finalized or until all checks have been performed, after which they are then discarded. The sample rejects are kept in barrels and refrigerated to prevent oxidation for as long as deemed necessary. Custody of the samples remains the responsibility of the analytical laboratory.

It is the opinion of the authors that the sample analysis and preparation QA/QC protocols for the Victoria Project are well documented and consistent with industry practice.

14 DATA VERIFICATION

14.1 Drill Database Management

Quadra FNX uses CAE Mining's Fusion borehole data management system to collect and manage all of its borehole and related data. Fusion is based on a SQL relational database management system (RDBMS) with a check-in and check-out methodology for data entry and editing. The Fusion SQL server database, called the Central Database, resides at Quadra FNX's corporate data centre located in Toronto where it is managed by an IT outsourcing contractor (Quiettouch Inc.). The database is backed-up on a daily basis with incremental back-ups every hour. In addition, a full back-up occurs weekly on Friday with a retention period of 4 weeks, along with differential back-ups from Monday to Thursday with a retention period of 2 weeks. A monthly back-up is also archived to tape, and stored offsite.

Drillhole data are logged digitally into a local Fusion database which is then checked into the Central Database. The Fusion system does not allow overlapping intervals or duplicate sample numbers. Once all the data are entered and the assays returned, the drillhole data are reviewed by the logging geologist and the project geologist before being Authorized. Once a drillhole has been Authorized, no edits can be made by geologists unless they follow the Quadra FNX Change Management Policy. An edit to an Authorized drillhole is initiated by a Change Request Form which is then reviewed by the Database Administrator. Once approval has been received by a senior level geologist, the original data are backed up and archived for future reference, the change is performed within a test environment. The change must then be approved by the requestor before it can be promoted to the production Central Database.

14.2 Assay Quality Assurance/Quality Control

The Quadra FNX, Victoria Project, Assay Quality Assurance program consists of the following types of quality control samples: reference materials, sample blanks, and check assays. The analytical laboratory also runs its own set of quality control samples including reference materials, sample blanks and laboratory duplicates.

The Quadra FNX quality control samples and procedures monitor accuracy, precision and contamination. Accuracy is the degree to which an analysis approaches a true concentration. Precision refers to the percent relative variation of a set of replicate analyses at the two standard deviation level. Contamination is the introduction of any substance to a geological sample that is not part of the original in-situ concentration of that sample.

A reference material (RM) refers to a sample for which the "expected" value is known; these samples are typically certified by round-robin. These samples monitor laboratory performance and test the accuracy of the analyses. They are inserted, in sequence, at a rate of 1 in 40 samples. Quadra FNX has developed a suite of reference materials from local Sudbury ore. These RM's were prepared by CDN Resource Laboratories, certified by a third party consultant (Barry Smee), and verified by AMEC.

A sample blank is a sample known to contain very low or non-detectable concentrations of the element being sought. The purpose of these samples is to monitor carry-over during sample preparation and analysis. They are inserted in sequence every 100 samples and can also be inserted at the geologists discretion within a mineralized zone. Sample blanks typically consist of visibly unmineralized felsic norite from previous diamond drilling in the Sudbury area.

A reference material is said to have failed when 1 or more of the elements of the analysis is greater than 2 standard deviations (SD) from the expected value. A Quadra FNX blank sample is said to have failed when the analyses for Cu or Ni are greater than 0.1%, Pt, Pd, or Au are greater than 0.1 g/tonne, Ag is greater than 1 ppm, or S is greater than 1%. A field failure occurs when all elements fail for a given reference material but match a different known reference material. In this case, the logger would have selected the wrong reference material name in the log.

Check assays are selected at random at the end of each month, at the rate of 2%, from the analyzed samples from that month. These selected samples are analyzed at ALS Global in Vancouver to help monitor laboratory performance.

The Quadra FNX QA/QC geologist compiles and issues monthly and annual QA/QC reports. The annual report is revised by a third party consultant from AMEC.

A total of 10,043 samples from 40 holes and 59 wedges have been sawn and submitted for assay from the Victoria Project discoveries to March 29th, 2011. In addition to these samples, 250 reference materials and 97 blanks have been submitted for analysis, representing 3% of the total submitted samples. Laboratory pulp duplicates were run on 680 of the submitted samples and 189 samples have been sent for check assay.

14.2.1 Blanks

A total of 97 unmineralized felsic norite samples were submitted as part of the QA/QC program for the Victoria Project to March 29th, 2011. Of the 97 blanks, all the values for Cu and Ni are below 0.1%, and all values for Pt, Pd and Au are below detection limit.

14.2.2 Standards

The RM data are summarized in Table 14-1 as a percentage relative to expected values (PRE) for each element. A PRE value greater than 100% indicates that on average the reported assays were higher than expected and a value less than 100% indicates that the reported assays were lower than expected. Mean values within 100±5% are acceptable. The number of cases where the PRE is greater than 100% should be similar to the number of cases where the PRE is less than 100%.

Table 14- 1: Summary of PRE's for reference materials, Victoria Project.

Element	No of Results	Mean	Median	< 100%	= 100%	> 100%
Cu	249	99.5	99.6	135	8	106
Ni	249	100.1	100.4	113	8	128
Pt	249	102.1	102.5	84	1	164
Pd	249	98.8	99.3	133	0	116
Au	168	101.3	100.4	78	0	90
Ag	127	109.9	110.0	29	3	95

S	131	98.3	98.1	84	3	44

The reference materials show good accuracy for all elements. With the exception of Pt, Ag and S, all are well distributed above and below 100 PRE. In the case of Pt, twice as many samples reported higher than expected values, however the calculated mean value falls within the defined acceptable range. Comparison to other Quadra FNX datasets show that this trend is not consistent and changes over time.

Table 14- 2: Reference material – certified best value, Victoria Project.

Name	**Best Values**						
	Cu	**Ni**	**Pt**	**Pd**	**Au**	**Ag**	**S**
FNXQC-1	25.4	1.6	2.9	7.1	1	-	-
FNXQC-2	1.6	2.7	1	1.6	0.2	-	-
FNXQC-3	7.4	0.7	3.3	4.1	0.8	-	-
FNXQC-4	1.1	0.4	3.6	3.9	0.6	-	-
FNXQC-5	1.1	1.8	0.3	0.4	0.03	2.9	15.2
FNXQC-7	6.1	0.4	2.2	1.9	0.8	28.6	6.8
FNXQC-9	1	0.2	2.1	3.4	0.5	9.4	1.4
FNXQC-10	1	1.5	0.3	0.6	0.03	2	9

14.2.3 Laboratory Duplicates

SGS Minerals analyzes samples in duplicate at a rate of approximately 7% of all assayed samples by analytical method . Figures 14-1 through 14-4 compare the original assay to the duplicate assay for copper, nickel, platinum and palladium, respectively. All 4 elements show good reproducibility with R^2 values of 0.996 to 0.999. Table 14-3 shows the calculated precision for each element of interest that is 30 times their detection limit.

Table 14- 3: SGS Minerals – precision calculation, Victoria Project.

Element	**N**	**N>30*dtl**	**Failures**	**Precision**
Ag	730	44	0	3.34%
Au	673	16	5	33.69%
Co	679	28	0	5.59%
Cu	682	196	1	2.96%
Ni	679	142	4	4.46%
Pt	671	32	3	12.15%
Pd	670	50	3	5.91%
S	689	397	16	8.54%

Figure 14- 1: SGS pulp duplicates for copper, Victoria Project.

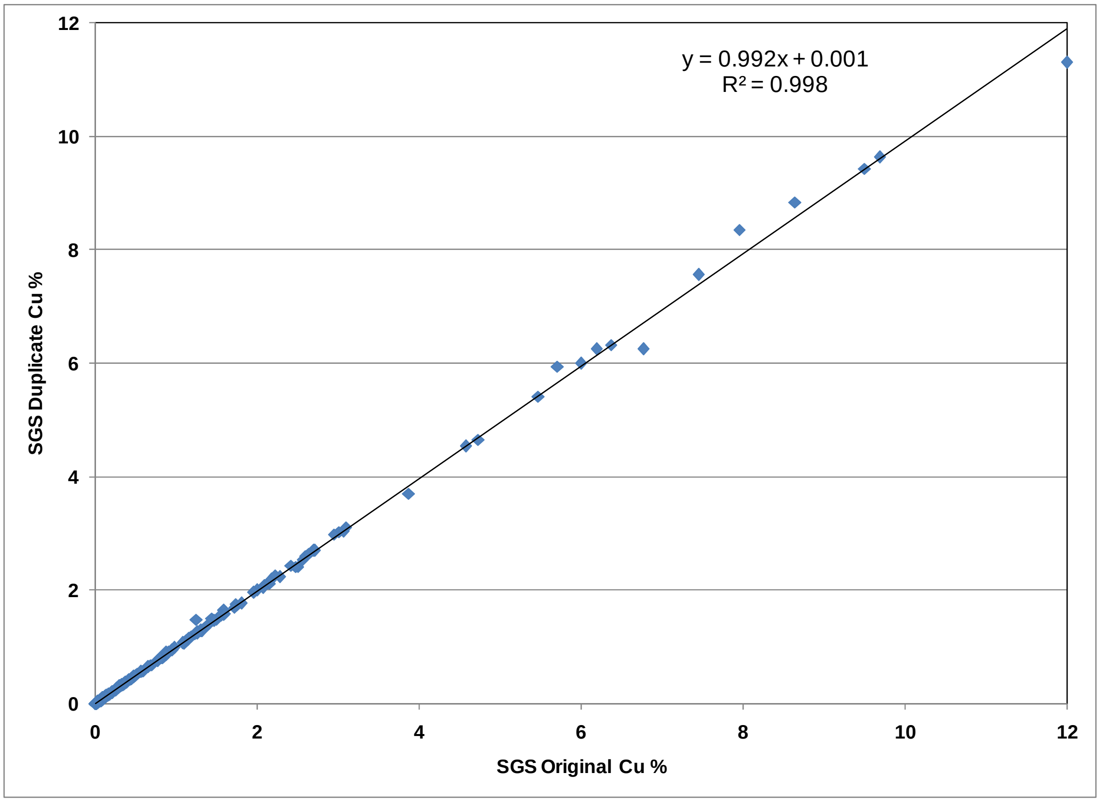


Figure 14- 2: SGS pulp duplicates for nickel, Victoria Project.

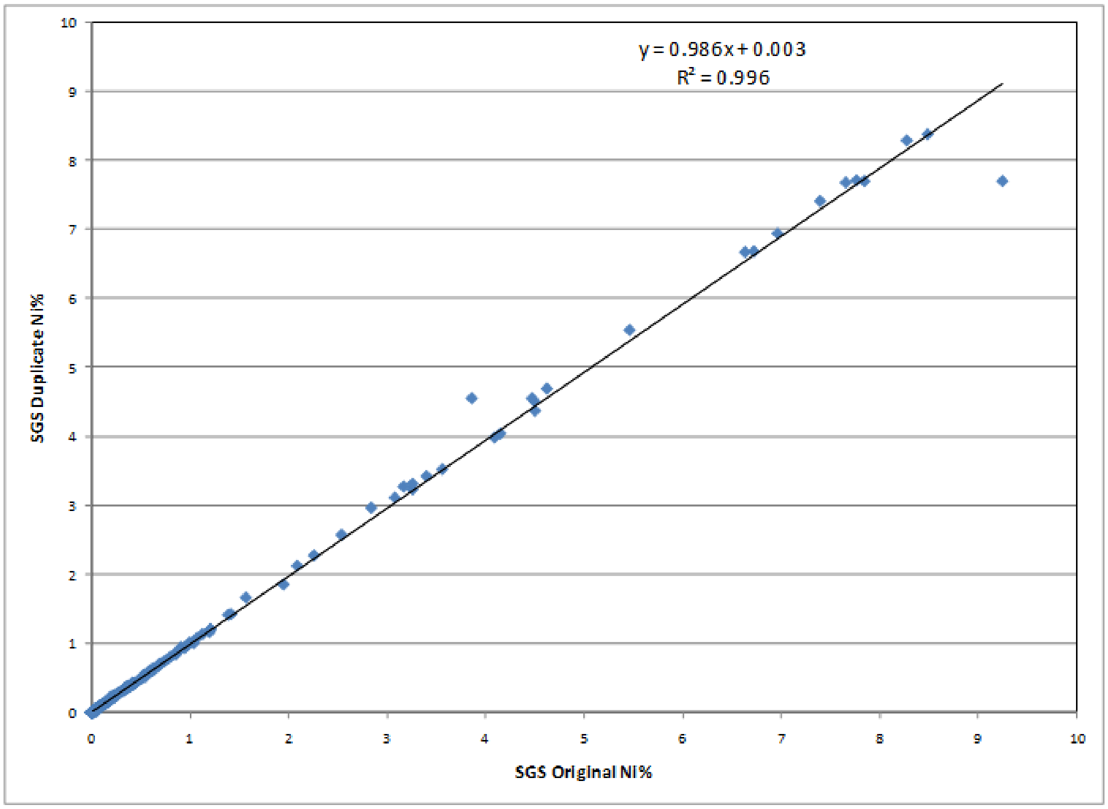

y = 0.986x + 0.003
R² = 0.996
SGS Duplicate Ni%
SGS Original Ni%
0
1
2
3
4
5
6
7
8
9
10

Figure 14- 3: SGS pulp duplicates for platinum, Victoria Project.

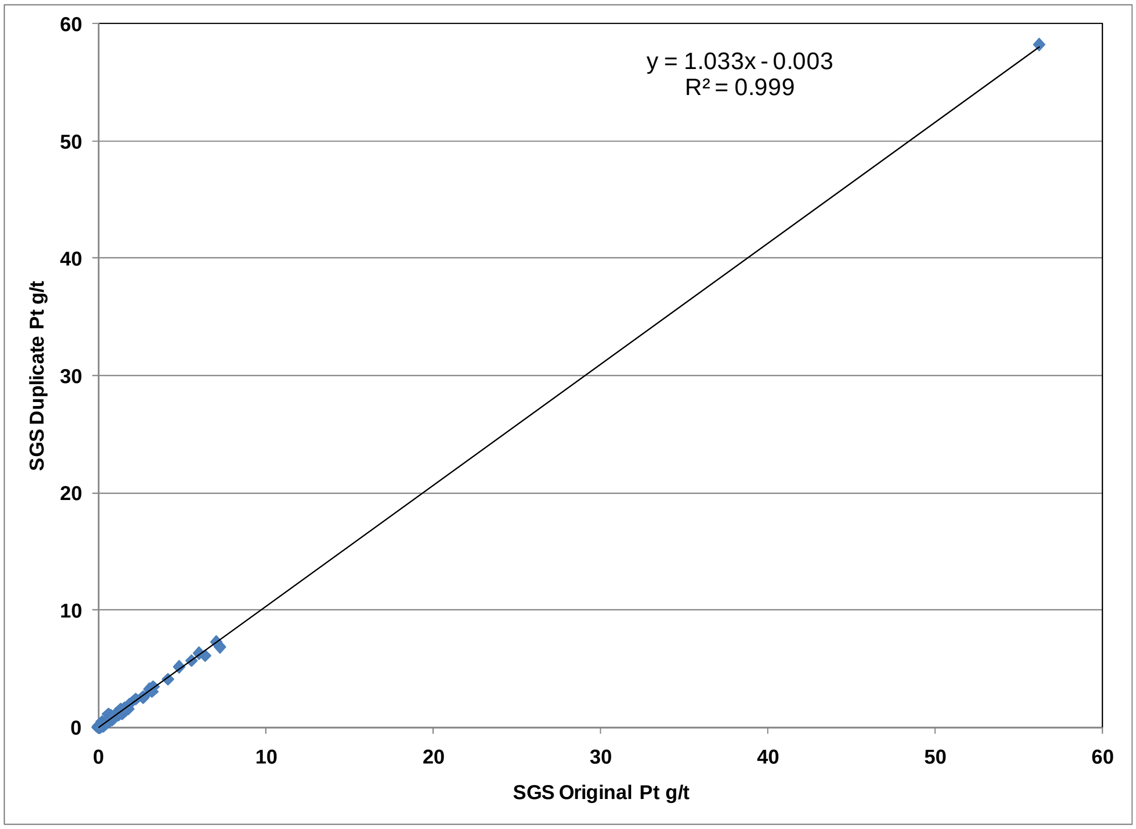
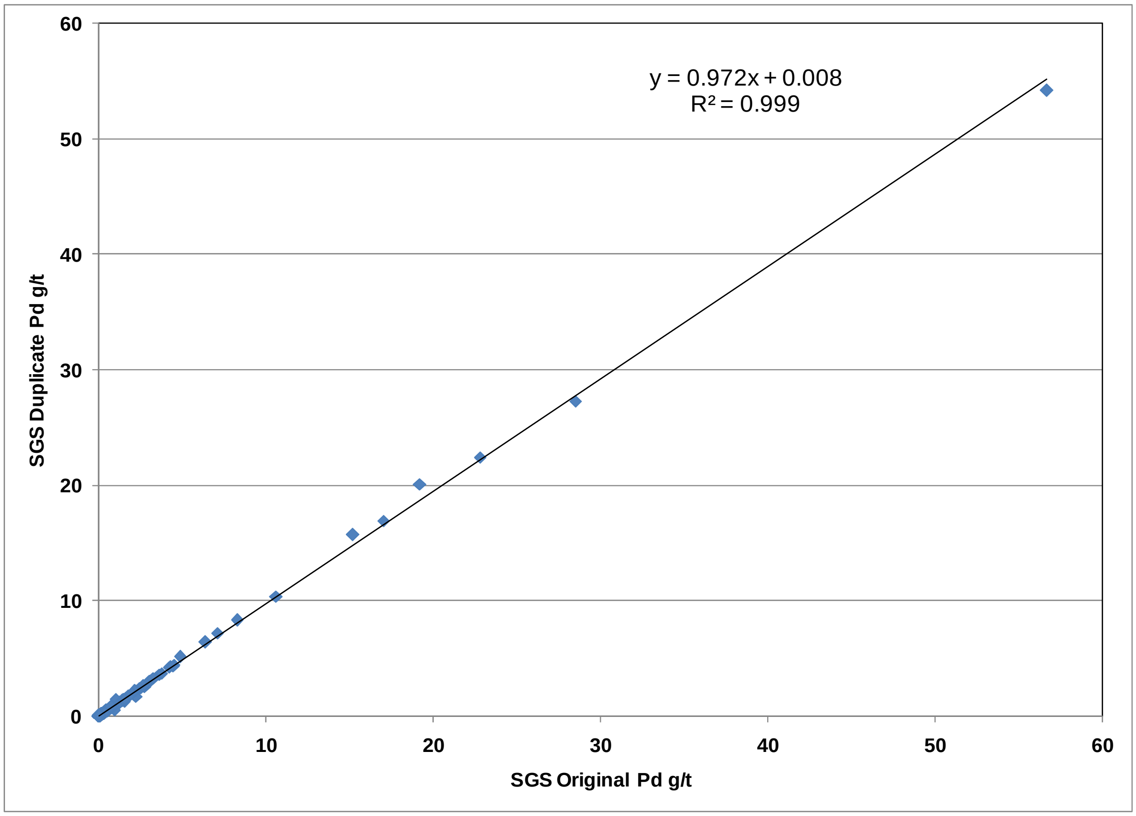


Figure 14- 4: SGS pulp duplicates for palladium, Victoria Project.


y = 0.972x + 0.008
R² = 0.999
SGS Duplicate Pd g/t
SGS Original Pd g/t
0
10
20
30
40
50
60

14.2.4 Check Assays

At the end of every month, 2% of all analysed master pulps are randomly selected for check assaying at ALS Global in Vancouver. Table 14-3 summarizes the differences between the two datasets for samples with concentrations greater than 10 times the detection limit of each element. The relative percent difference (RPD) was calculated as the original value less the check value divided by the mean of the two labs, so that, in cases where the original lab assays are higher than the check lab assays, the RPD values are positive. Figures 14-5 through 14-8 compare the original assay to the check assay for copper, nickel, platinum and palladium from the Victoria Project assays. All 4 elements show good reproducibility with R^2 values between 0.985 and 0.998.

Table 14- 4: SGS Minerals - ALS Global – check assay summary, Victoria Project.

Cases included if	**>0.05%**		**>0.02%**	**>0.1%**	**>0.3 g/t**			**>3 ppm**
	Cu	**Ni**	**Co**	**S**	**Pt**	**Pd**	**Au**	**Ag**
Count	129	121	46	178	70	76	36	77
RPD>0	107	91	13	95	35	39	16	50
RPD<0	18	24	26	71	31	31	16	23
RPD=0	4	6	7	12	4	6	4	4
Mean RPD	3.48	3.35	-0.68	3.55	1.30	-0.94	0.59	3.90
Slope of line	1.03	1.06	1.00	0.98	0.98	0.87	1.51	0.99
% of samples when within								
10%	92	88	89	79	44	75	47	75
25%	99	100	100	93	81	91	81	95
50%	100	100	100	97	97	97	92	100

Figure 14- 5: SGS Minerals - ALS Global checks for copper, Victoria Project.

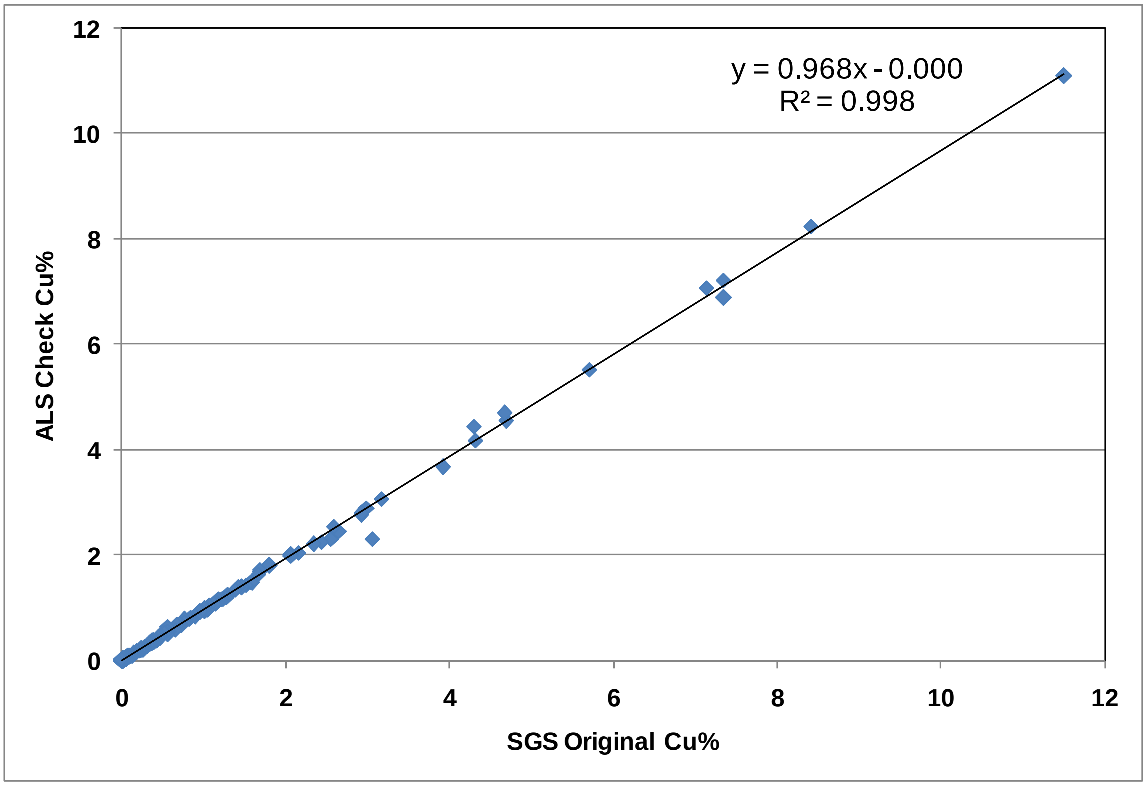


Figure 14- 6: SGS Minerals - ALS Global checks for nickel, Victoria Project.

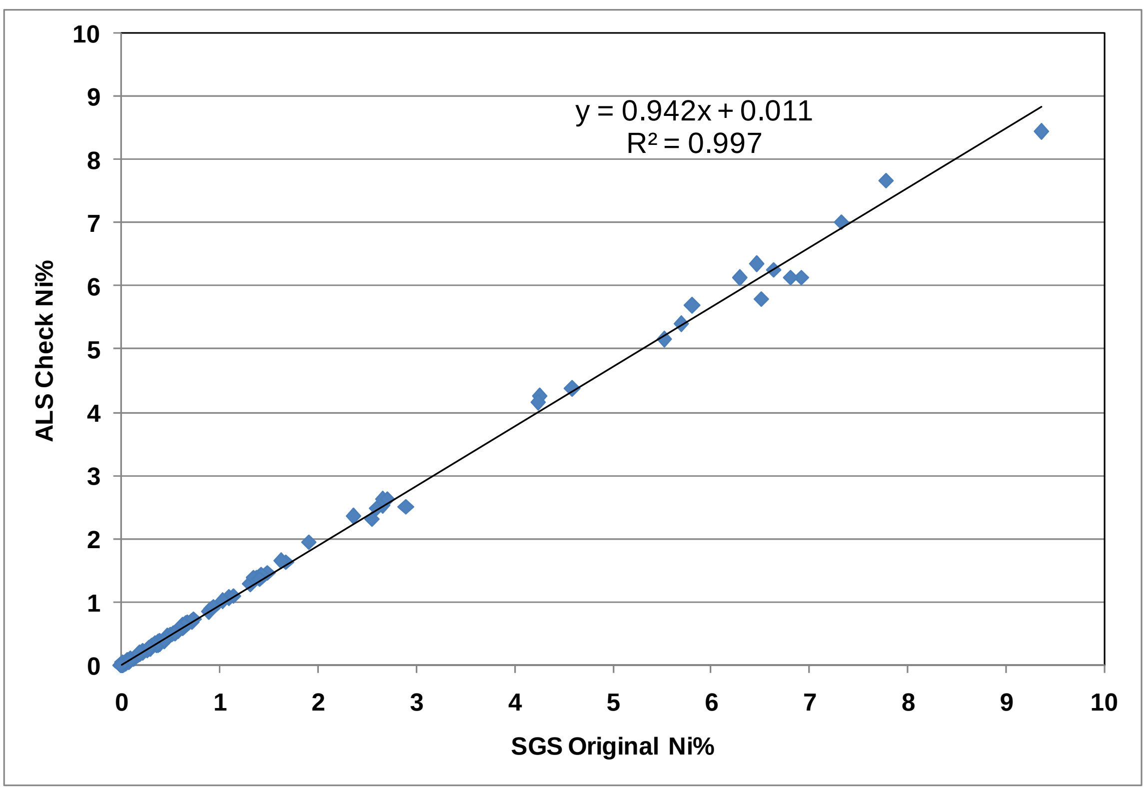


Figure 14- 7: SGS Minerals - ALS Global checks for platinum, Victoria Project.

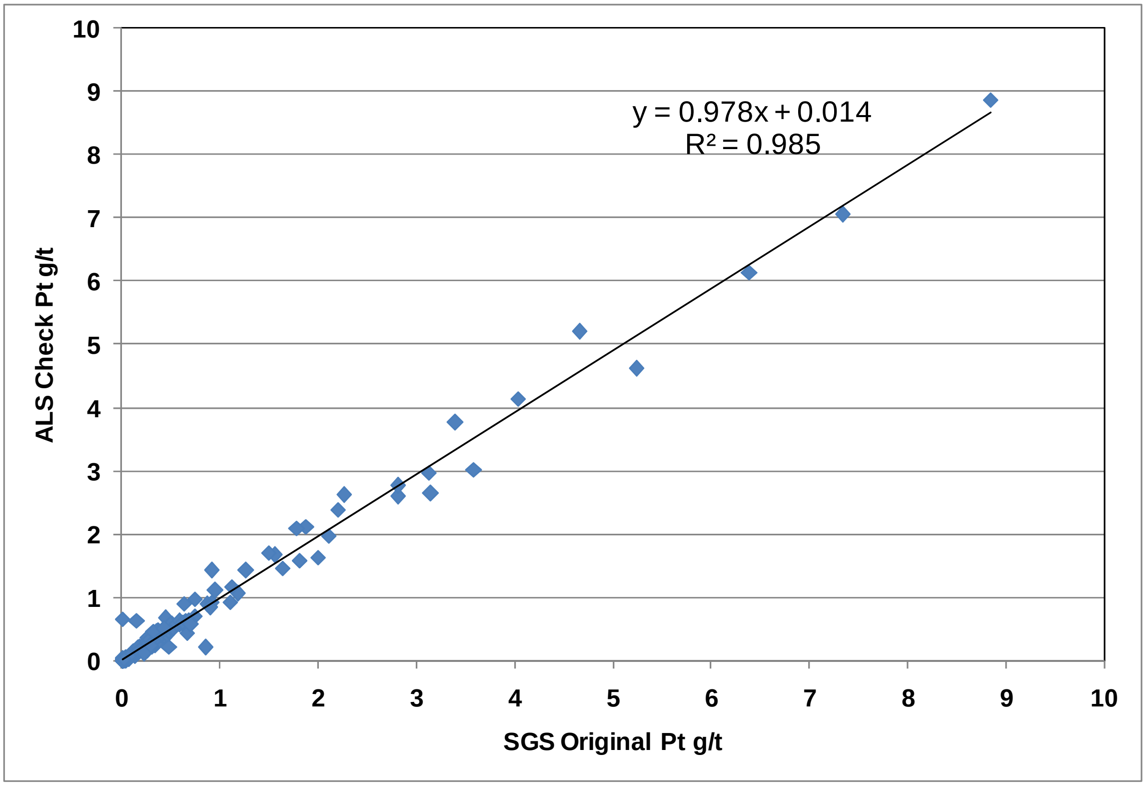
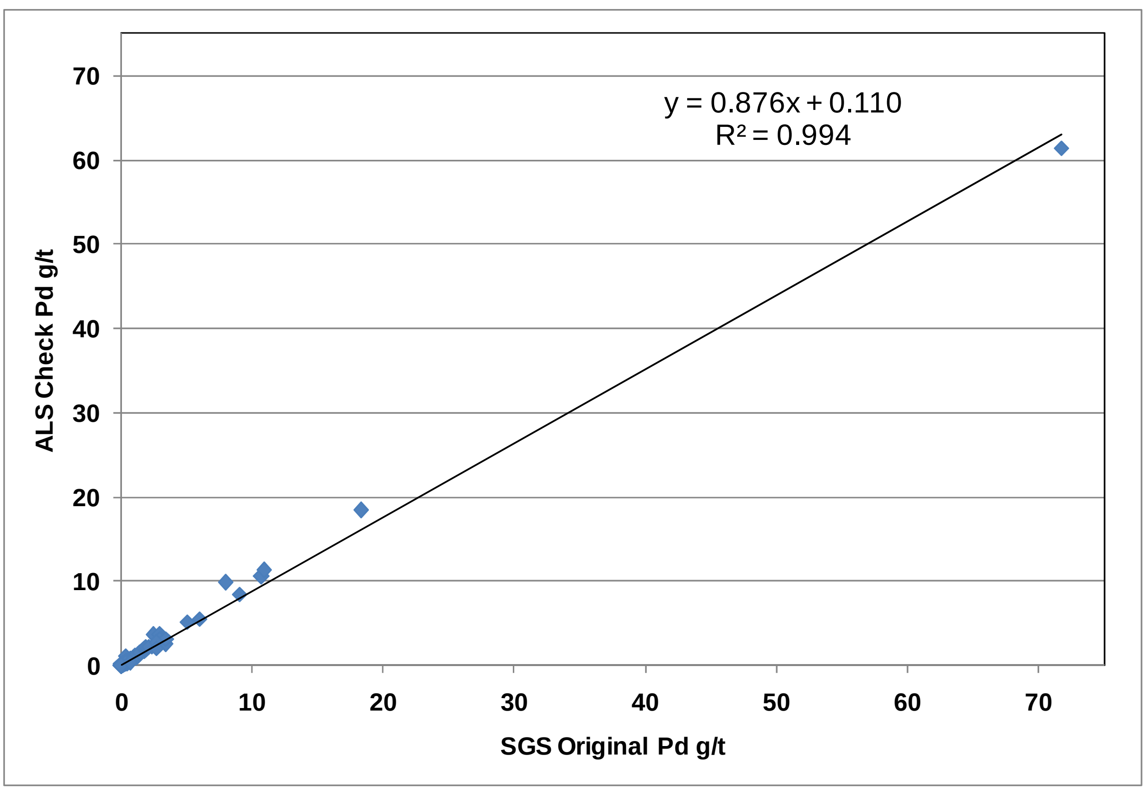


Figure 14- 8: SGS Minerals - ALS Global checks for palladium, Victoria Project.



14.3 Data Validation

As part of the data verification process, the authors re-examined results of Quality Assurance/Quality Control (QA/QC) completed by Quadra FNX and the analytical laboratories.

An internal validation of the drillhole database was completed on all holes included in the resource modeling component of this report. The validation was carried out by the Quadra FNX Victoria Project geologists, and included all drillhole collar location co-ordinates, azimuth, dip, and length. All downhole survey data, lithology intervals and type, sample intervals and assay values were also reviewed. Some minor errors were found and were corrected. Quadra FNX found that no significant discrepancies existed within the database and believes it to be accurate. The extracted files of the collar, survey, lithology, mineralization, alterationfrom the Central Database were then loaded into Datamine Studio 3®.

In the author's opinion, that the digital drillhole and assay database is acceptable for resource estimation.

15 ADJACENT PROPERTIES

Exploration programs have been carried out on properties along the basal contact of the SIC to the east and west of the Victoria Property, and along the Worthington Offset to the southwest.

The adjacent McIntyre property and the AER/Kidd Copper property, located 3 km southwest of the Victoria Property, were the objects of very small historic mining operations. Both are hosted within the Worthington Offset and are characteristic of classic Offset-styles of sulphide mineralization.

The most significant of the adjacent properties is that to the east of the Victoria Property, currently owned by Vale, on which the historical Vermilion Mine is located. The Vermilion Deposit was exposed at surface, and is hosted by a domain of intensely brecciated Huronian metasedimentary rocks and discontinuous segments of Quartz Diorite. It was the first precious metal-rich deposit to be mined in the Sudbury camp, is the site of the discovery of the mineral sperrylite (PtAs2), and is interpreted to be the basal portion of a South Range Breccia Belt-style deposit (Farrow & Lightfoot, 2002). The grades of Vermillion ore mined in 1910 were reported as 11.2% Cu, 11.6% Ni, 5.8 g/t Au, 74 g/t Ag, 21 g/t Pt, and 54 g/t Pd (Farrow & Lightfoot, 2002). The style of deposit and very high tenor base and precious metal sulphides at Vermilion bear a striking resemblance to the deepest drill intersections through Zone 4 at the Victoria Project.

16 MINERAL PROCESSING AND METALLURGICAL TESTING

16.1 'Off-Take Agreement'

An agreement between Quadra FNX and Vale, the 'Off-Take Agreement', defines the payment terms for Vale purchase of Quadra FNX ore from the McCreedy West, Levack, Victoria, Podolsky and Kirkwood properties. Quadra FNX is responsible for the cost of delivery of ores to Vale's Clarabelle Mill. Current terms include payment to Quadra FNX by Vale for copper, nickel, cobalt, platinum, palladium, gold and silver for McCreedy West, Levack and Podolsky ores. The Quadra FNX accountable metals are based on the metallurgical response of the Quadra FNX ores during a variety of tests performed by Vale. All Quadra FNX ores are tested for amenability to processing at the Clarabelle Mill. Final accountabilities reflect Vale mill, smelting and refining recoveries to which processing costs are applied, in addition to LME metal prices. The details of the 'Off-Take' terms are considered proprietary.

16.2 Metallurgical Testwork

Any future production from Quadra FNX's Victoria Project is subject to the terms of the original 'Option to Purchase' agreement between Quadra FNX and Vale as defined in section 4.5 of this report. All of Quadra FNX's current production in Sudbury is shipped directly to the Vale Clarabelle Mill facility in Sudbury, Ontario. Vale completes routine testwork on Quadra FNX orebodies that are currently in production, including bench-scale flotation studies, detailed quantitative mineralogy using Mineral Liberation Analyser (MLA) instrumentation, bulk sample testing and batch recovery testing to the mill. The results of these studies are treated as proprietary to Vale.

At the time of writing, Quadra FNX had constructed and shipped to Vale two metallurgical composites, one representative of the Quartz Diorite hosted, and one of Metabreccia hosted, Zone 4 sulphide mineralization for testwork. These composites have been constructed from drill core and have been stage-crushed as part of the preparation process. Target grades and waste rock compositions have been derived from modeling associated with Quadra FNX internal scoping studies on future mine development and production at the Victoria Project. In order to supplement this work and populate an internal metallurgical dataset, Quadra FNX has initiated flotation and mineralogical testwork and analyses with a third party analytical facility, Xstrata Process Support (XPS) in Falconbridge, Ontario. This testwork is being completed on similar, and in some cases the same, composites as were provided to Vale.

The geological and mineralogical observations from drilling at the Victoria Project at the time of writing support the interpretation that the Victoria sulphide mineralization is consistent with the range of ores routinely processed in Sudbury, and those processed from Victoria Mine production in the 1970s. As a result, unusual metallurgical characteristics are not anticipated for the Victoria Project. Nevertheless, further testwork is warranted.

17 MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

17.1 Introduction

The Victoria Project Mineral Resource estimate has been prepared by the authors, with support by a number of other professionals at Quadra FNX (as identified in Section 2). The Independent Firm has provided an independent review of this estimate and have reported that no issues were identified that could be considered a fatal flaw in the estimate (Greenough & Warren, 2011).

Table 17- 1: Summary of new Victoria Project Mineral Resources as of April 19th, 2011 (data presented in both Imperial tons and metric tonnes).

Imperial

Area	Category	Deposit or Zone	Tons	Cu	Ni	Pt	Pd	Au	TPM
				%	%	oz/ton	oz/ton	oz/ton	oz/ton
Victoria	Inferred	No. 2	300,000	1.4	0.9	0.04	0.07	0.02	0.13
	Inferred	No. 4 - QD	4,900,000	1.5	1.1	0.03	0.04	0.01	0.08
	Inferred	No. 4 - MTBX	8,400,000	2.8	3.0	0.13	0.18	0.04	0.35
	Inferred	Mini	200,000	1.2	0.6	0.03	0.01	0.01	0.04
	Inferred	**TOTAL**	**13,700,000**	**2.3**	**2.2**	**0.09**	**0.13**	**0.03**	**0.25**

Metric

Area	Category	Deposit or Zone	Tonnes	Cu	Ni	Pt	Pd	Au	TPM
				%	%	g/t	g/t	g/t	g/t
Victoria	Inferred	No. 2	300,000	1.4	0.9	1.4	2.3	0.6	4.3
	Inferred	No. 4 - QD	4,400,000	1.5	1.1	0.9	1.3	0.4	2.7
	Inferred	No. 4 - MTBX	7,600,000	2.8	3.0	4.6	6.2	1.4	12.1
	Inferred	Mini	100,000	1.2	0.6	0.9	0.5	0.2	1.5
	Inferred	**TOTAL**	**12,500,000**	**2.3**	**2.2**	**3.2**	**4.3**	**1.0**	**8.5**

Totals may not add due to rounding. Tons are short tons. TPM (Total Precious Metals) = Pt + Pd + Au.

Quadra FNX's Mineral Resources for the Victoria Project have been estimated by geostatistical three-dimensional block modeling techniques using Datamine Studio 3® software. The block model is constrained within 3D wireframes of the mineralized zones, as defined by detailed geological interpretation. Block model grade estimates include Cu, Ni, Co, Pt, Pd, Au, Ag, As, Pb, Zn, Fe, S, Fe, MgO, and SG (Specific Gravity), using ID^2 interpolation. Quadra FNX's long range metal prices of US$2.50/lb Cu, US$7.00/lb Ni, US$14.00/lb Co, US$1500/oz Pt, US$400/oz Pd and US$1000/oz Au were used in the estimate. The Canadian dollar exchange rate applied was US$1.00. The resource estimate for the Victoria Project (Table 17-1) is based on $115 direct costs (based on Quadra FNX's production experience in Sudbury), and Clarabelle Mill recoveries to bulk concentrate as reported in the public document "External Audit of Mineral Reserves", for Vale Inco Limited, Ontario Operations, by Golder Associates, effective June 30, 2010 (Beauchamp & Greenough, 2010).

All work for the Victoria Project Mineral Resource estimate is based on Local Mine Grid "67" (historical Imperial Vale – INCO mine grid system). Although resource estimates have been calculated in Imperial units, the Company plans to shift to metric for the life of the project.

17.2 Resource Modeling Methodology

Estimation techniques begin with data validation, geological interpretation and sample selection. The geostatistical modeling methodology consists of a series of subsequent steps including: sample selection within geologically defined domains, sample compositing, top-cutting of outlier composites, sample unfolding, variography, grade interpolation, model validation, consideration of mining method, minimum mining width, and reasonable potential for economic extraction (Tables 17.2 and 17.3).

Table 17- 2: Resource modeling methodology.

Block Modeling Method			
Composite length	Density Weighting	Block Size	Interpolation method
5ft	yes	30ft x 20ft x 50ft	ID^2 - Datamine Studio 3® "Dynamic Anisotropy"

Table 17- 3: Zone specific details for block models constructed with geostatistical methods (Dyn. Aniso. = Dynamic Anisotropy).

Zone	**Maximum variogram ranges (ft)**	**No. of samples in zone**	**Average no. of samples used in interpolation**	**Use of unfolding**	**Resource reporting method**
Zone 2	250 x 250 x 50	119	18	Dyn. Aniso.	ID^2 Block Model - $115 Recovered In-situ Value Cut off
Zone 4 QD	250 x 250 x 50	583	19	Dyn. Aniso.	ID^2 Block Model - $115 Recovered In-situ Value Cut off
Zone 4 MTBX	250 x 250 x 50	458	19	Dyn. Aniso.	ID^2 Block Model - $115 Recovered In-situ Value Cut off
Mini	250 x 250 x 50	25	17	Dyn. Aniso.	ID^2 Block Model - $115 Recovered In-situ Value Cut off

17.3 Block Modeled Mineral Resource Estimates

17.3.1 Data Validation and Software

All block model estimates were created using Datamine® Studio 3 software version 3.19.4135.0.

After importing into Datamine® software, the drillhole database is inspected to ensure QA/QC is complete and all assays are returned and validated. All samples were assayed for Cu, Ni, Pt, Pd, Au, Co, Fe, S, Ag, As, Pb, Zn and MgO. Specific gravity (SG) measurements were completed on all drill core assay samples by pycnometer at the analytical laboratory.

17.3.2 Geological Interpretation

The geological modeling is prepared by Quadra FNX geological staff. The modeling methodology is based on the style of sulphide mineralization, diamond drill data, mapping, and information available from both historical and recent nearby mining. The geological modeling is completed in both two-dimensional (sections and plans) and 3D space, in order to capture the complexity of the host rocks. The interpreted geological mineralization envelopes (wireframes) are ‘snapped’ in three-dimensional space to the actual location of the drillhole intercepts. Resulting 3D geological wireframes are systematically peer-reviewed by senior geologists.

For zones 2 and 4, geological interpretation and subsequent 3D modeling of mineralized zones was based on detailed geological interpretation on sections and level maps (Figure 17–1), and resulted in the creation of 3D mineralized envelopes. In total, four main separate and distinct sulphide mineralized zones (domains) were interpreted, including: Zone 2, Zone 4 QD, Zone 4 MTBX, and Mini (Figure 17-2). Wireframe volumes and drilling information are shown in Table 17–4.

The sulphide mineralization associated with each zone was interpreted into three-dimensional wireframes based on the in-situ value of $125 and a minimum 8ft horizontal interval. The interpreted lenses were built by creating 3D strings (polygons) around the mineralization at 25ft vertical intervals. Strings were snapped directly to the influencing drillhole intersections. Strings were linked with tag strings to create three-dimensional wireframe envelopes.

A total of 2044 assay intervals from 31 parent drillholes were selected to define the envelopes (mineral domains) in the Victoria Project. Samples were grouped according to their interpreted constraining wireframe and were assigned domains accordingly.

Overall, Zone 4 QD and Zone 4 MTBX have the largest extent and volume and together represent a continuous zone of sulphide mineralization of over 3300 feet (1005 m) in vertical extent, with a strike length of more than 500 feet (152 m). Although the two zones are contiguous, the boundary between the two is differentiated primarily by the geological contact between host lithologies. Zone 4 plunges 65° to the east.

In addition to the sulphide mineralization wireframes, constraining wireframes were created for quartz diabase dykes and a quartzite waste block that partially occur within the No 4 Zone mineralization wireframes (Figure 17–3).

Figure 17- 1: Long section (Looking NE) showing the underside of the Victoria Property surface map, a 2D N-S-oriented geology section, and red wireframes of sulphide mineralized domains/zones within the Victoria Project. Depth is represented by marked levels (L) in feet below surface. Legend: green = mafic metavolcanic rocks, dark green = metagabbroic rocks, pink = QD, cyan = SUBX/MTBX, yellow = metasedimentary rocks, blue = Creighton Fault.

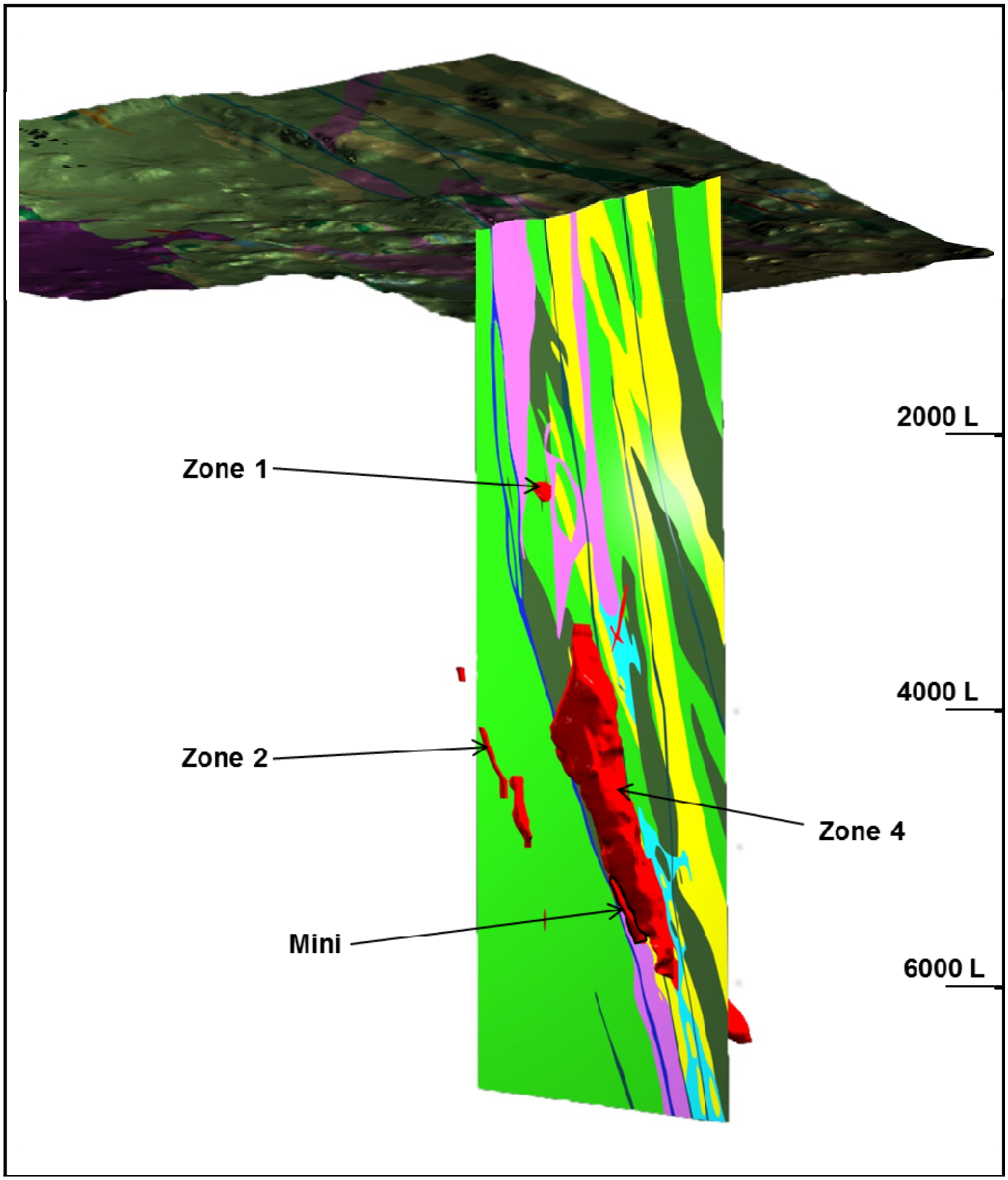


Figure 17- 2: 3D views of sulphide mineralization wireframes used in the Mineral Resource estimates. Depth below surface in feet as levels (L).

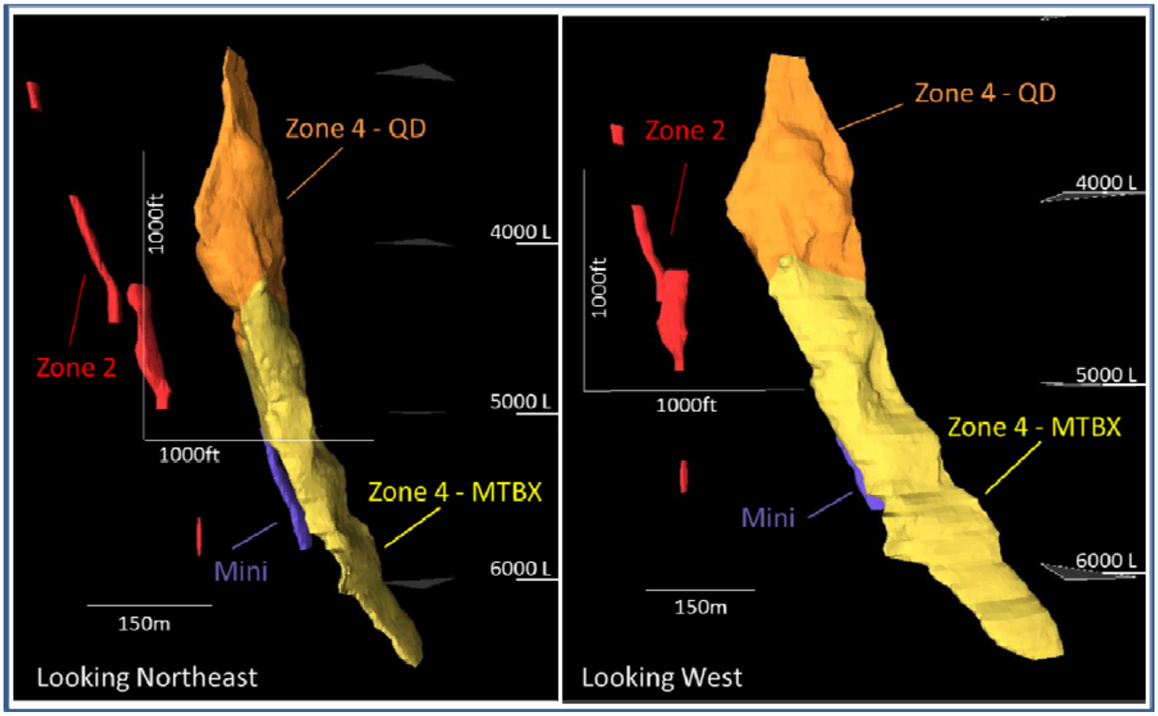
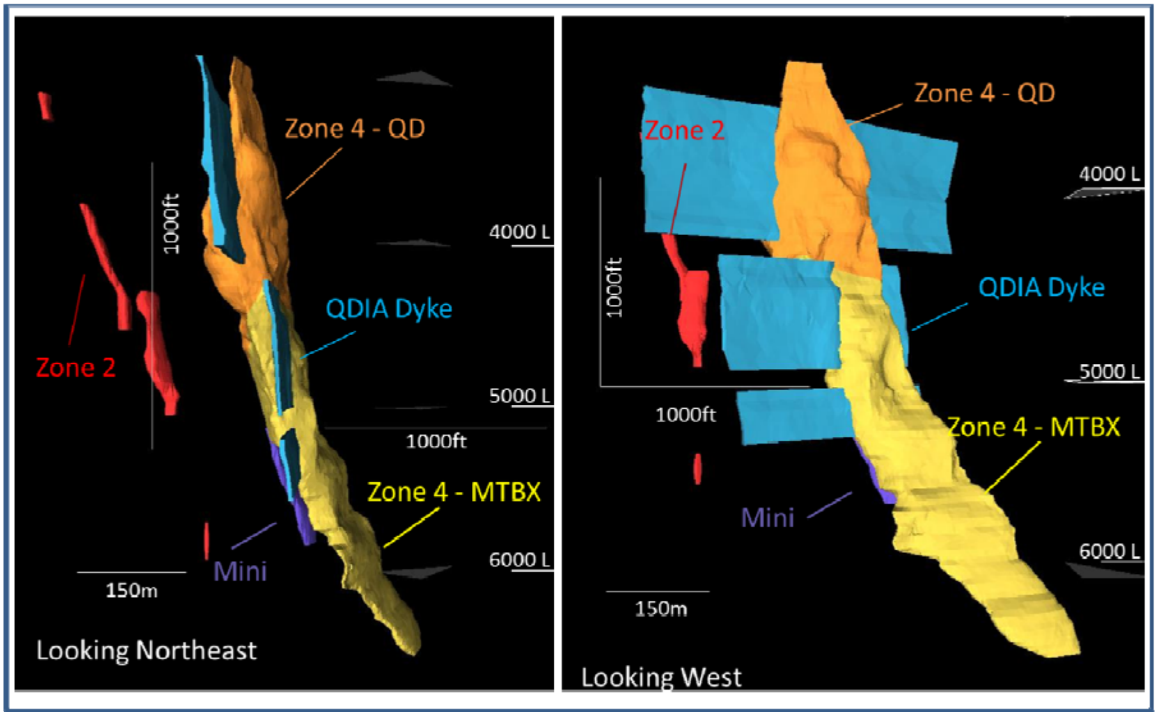


Table 17- 4: Summary of interpreted wireframes – Victoria Project.

Zone	Volume (ft^3)	Average Thickness of Mineralization (ft)	Number of Holes	Assayed Length of Drill Core (ft)	Volume (ft^3)/Number of Drillholes
2	4,277,367	60	8	585.8	534,671
4 QD	67,552,265	175	10	2911.9	6,755,227
4 MTBX	82,576,445	165	15	2300.8	5,505,096
Mini	2,477,243	50	4	128.7	619,311
Total	**156,883,320**		**31**	**5927.2**	**5,060,752**

Figure 17- 3: 3D views of sulphide mineralization wireframes with cross-cutting quartz diabase dyke wireframes in blue (waste block not shown).



17.3.3 Sample Compositing and Statistical Analysis

Samples are weighted by density and composited by mineral domains into equal lengths in order to properly represent the proportion of metal present in the sample relative to the entire sample population. Composite lengths were based upon the most common sample interval for each mineralized zone, as well as the model block size. The mean average length of the samples is 3.2 feet (1.0 m). The composite length chosen for the Victoria zones was 5 feet (1.5 m). Composites were assigned domains as defined by the 4 distinct sulphide mineralization envelopes, as well as the quartz diabase dyke and waste block wireframes.

Descriptive statistics are calculated for all analyzed metals in every mineral domain in order to describe the characteristics of each sample population. Histograms are used to visually check for skewness and outliers within the sample populations. In the Victoria Zone 2 and Zone 4, top cuts for only Pt, Pd, and Au were determined at 50 g/t, 50 g/t, and 30 g/t, respectively. These top cuts were assigned to the composite file, after compositing.

17.3.4 Spatial Description of the Database

The spatial distribution of metal content is controlled by various geological factors, and interpolation using XYZ Cartesian distances would result in improper grade distribution. Quadra FNX used the Datamine® Studio 3 “Dynamic Anisotropy” routine for the Victoria Project block modeling. The Dynamic Anisotropy function uses trend wireframes to calculate ellipse orientations that better honour the geology-controlled shape, dip and orientation of the ore. For the various Victoria Project zones, one single common search ellipse and estimation approach was used for each density-weighted metal (Cu, Ni, Co, Pt, Pd, Au, Ag, Pb, Z, As, S, Fe and MgO), as well as for density (SG). The orientation of the search is ellipse was governed by the orientation of the trend wireframes.

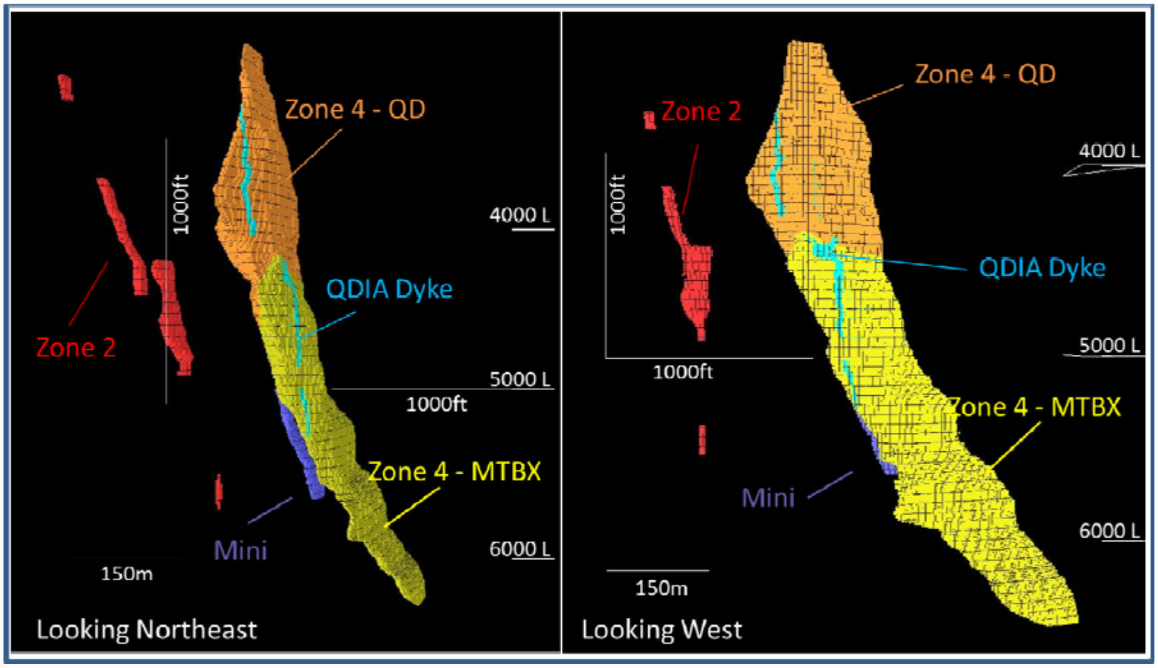
17.3.5 Block Modeling and Grade Interpolation

The three-dimensional block model was constructed for all mineral domains with Datamine Studio® using an origin at -7950 east, -4160 north, and 4600 elevation, using Imperial local mine grid “67”, based on the historical Vale mine grid system. Geological and mineralization wireframes are filled with tetrahedral cells. The dimensions of the cells (X Dimension: 30 feet (9.1 m), Y Dimension: 20 feet (6.1 m), Z Dimension: 50 feet (15.2 m)) in the model are selected by taking into account sample spacing and the anticipated Selective Mining Units (SMU), in this case the smallest blast size for a bulk mining method. Quartz diabase dykes’ and the waste block’s cells were merged over top of the sulphide mineralized domains’ cells, thereby ensuring that internal waste is modeled properly. The block model geometry and parameters are provided in Table 17–5. Block model cells were split to a minimum 10 foot (3 m) size in 3 dimensions along wireframe boundaries. Block models cells were assigned domains from constraining wireframes (Figures 17–4 and 17-5).

Table 17- 5: Block model geometries.

			Model Limits (Local Grid 67)	
Coordinate	**Number of Blocks**	**Block Size (ft)**	**Minimum**	**Maximum**
X - Easting	80	30	-7935	-5615
Y - Northing	76	20	-3835	-3245
Z - Elevation	62	50	4630	7665

Figure 17- 4: Block model showing cells with assigned domains by constraining envelopes.



Nearest neighbour models were first created in order to generate de-clustered global statistics and also to validate grade distribution obtained from trend surfaces prior to ID^2 interpolation. Search volume dimensions were selected through consideration of drillhole spacing and rudimentary variogram models, based on the maximum range in each direction.

Inverse Distance Squared (ID^2) was the grade interpolation method used. Density was interpolated for each block as defined by mineral domains and search criteria. Limits are set for the minimum and maximum number of samples used per estimate and includes a restriction on the maximum number of samples per drillhole located in the search strategy. For both Zones 2 and 4, a minimum of 6 samples and a maximum of 30 samples were used, including a restriction of 6 samples per hole. Primary and secondary searches required the selection of 2 or more holes. In the third and largest search, the limit on the number of required holes was reduced to 1. The initial search size was 250ft x 250ft x 50ft, filling 56% of the block model cells The second search was two times larger than the first, filling 42% of the block model and the third was four times larger, filling the remaing 2% of the block model cells. Upon completion of the third search, all block model cells were filled in the interpolation. Search orientations, defined by the Dynamic Anisotropy function within Datamine Studio® software, are controlled by interpreted trend wireframes, created along the main axis of the constraining mineral envelopes. Uniquely oriented trend wireframes are used for each mineral zone, as well as auartz diabase dykes and waste blocks, ensuring searches are controlled by mineral domains.

Visual results of the grade interpolation for Cu (%), Ni (%), and Pt, Pd and Au (g/t) are shown in level plans in Figures 17–6 to 17–8.

Figure 17- 5: Level maps (horizontal slices) through block model showing cells domained by constraining envelopes at 4100 L, 4500 L, 5400 L and 6100 L. Levels (L) are depth below surface in feet.

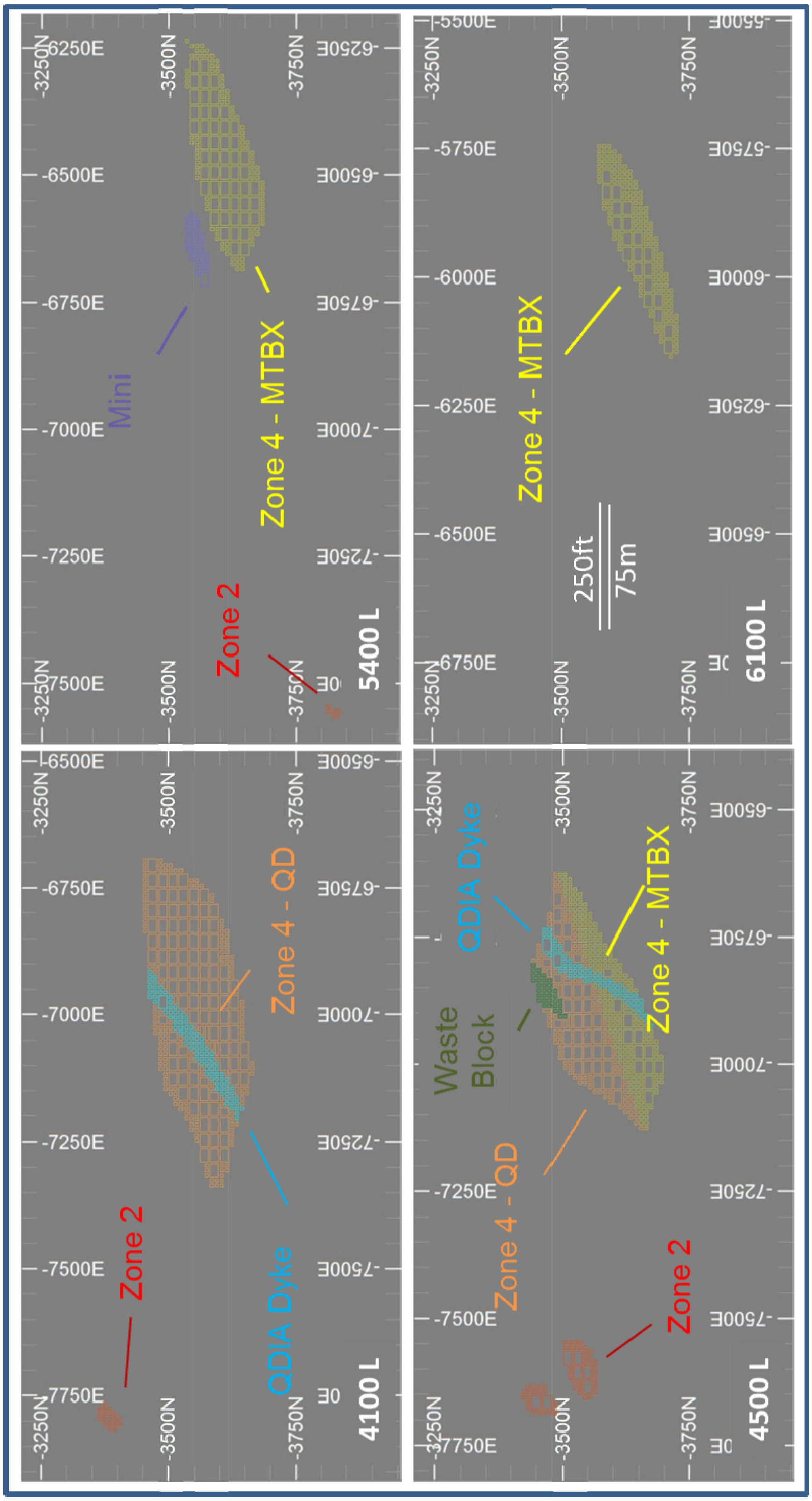


Figure 17- 6: Level plans (horizontal slices) through block model showing cells with %Cu grade on the 4100 L, 4500 L, 5400 L and 6100 L. Levels are depth below surface in feet. The legend units are %Cu.

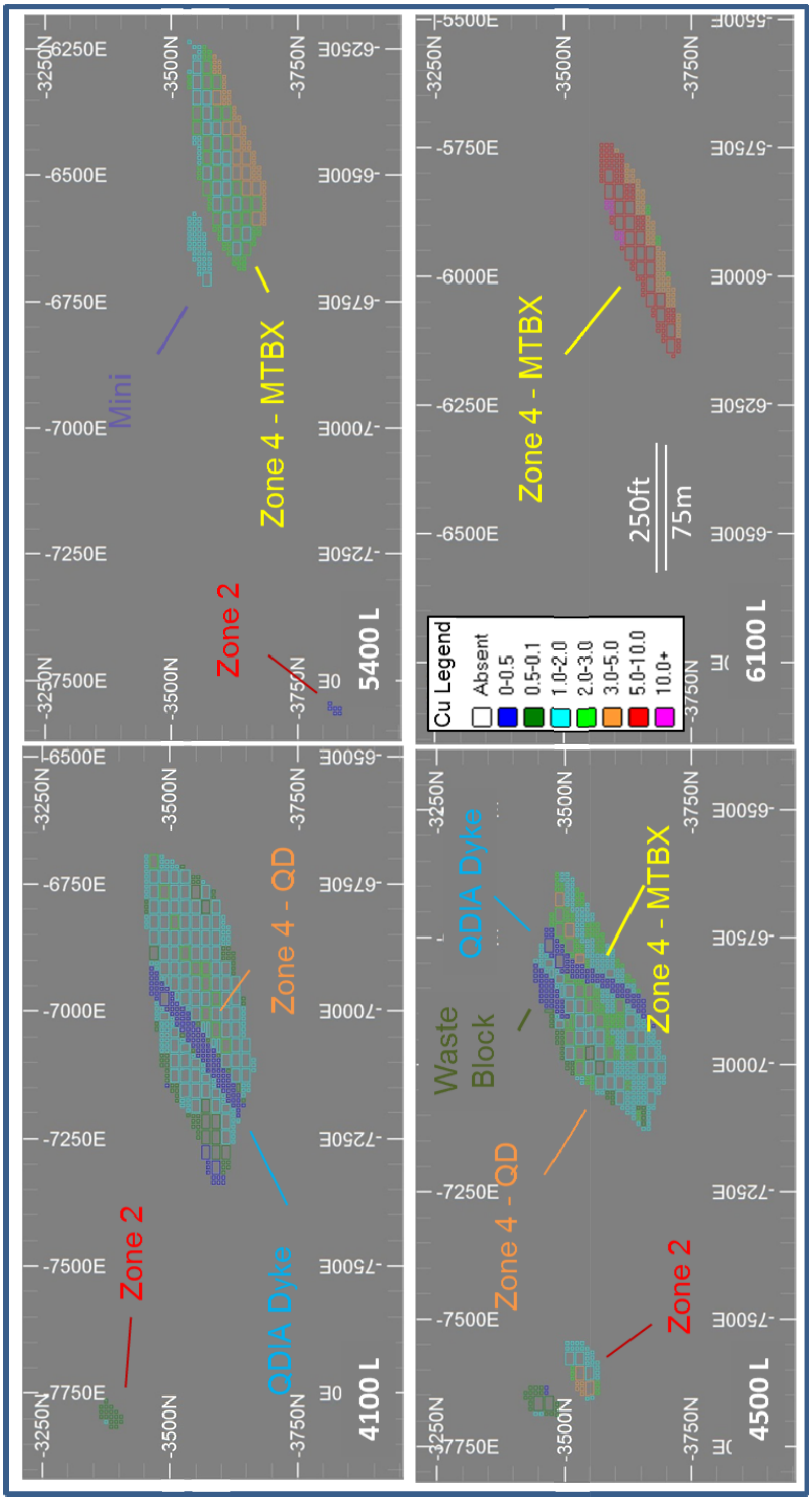


Figure 17- 7: Level maps (horizontal slices) through block model showing cells with %Ni grade on the 4100 L, 4500 L, 5400 L and 6100 L. Levels are depth below surface in feet. The legend units are %NI.

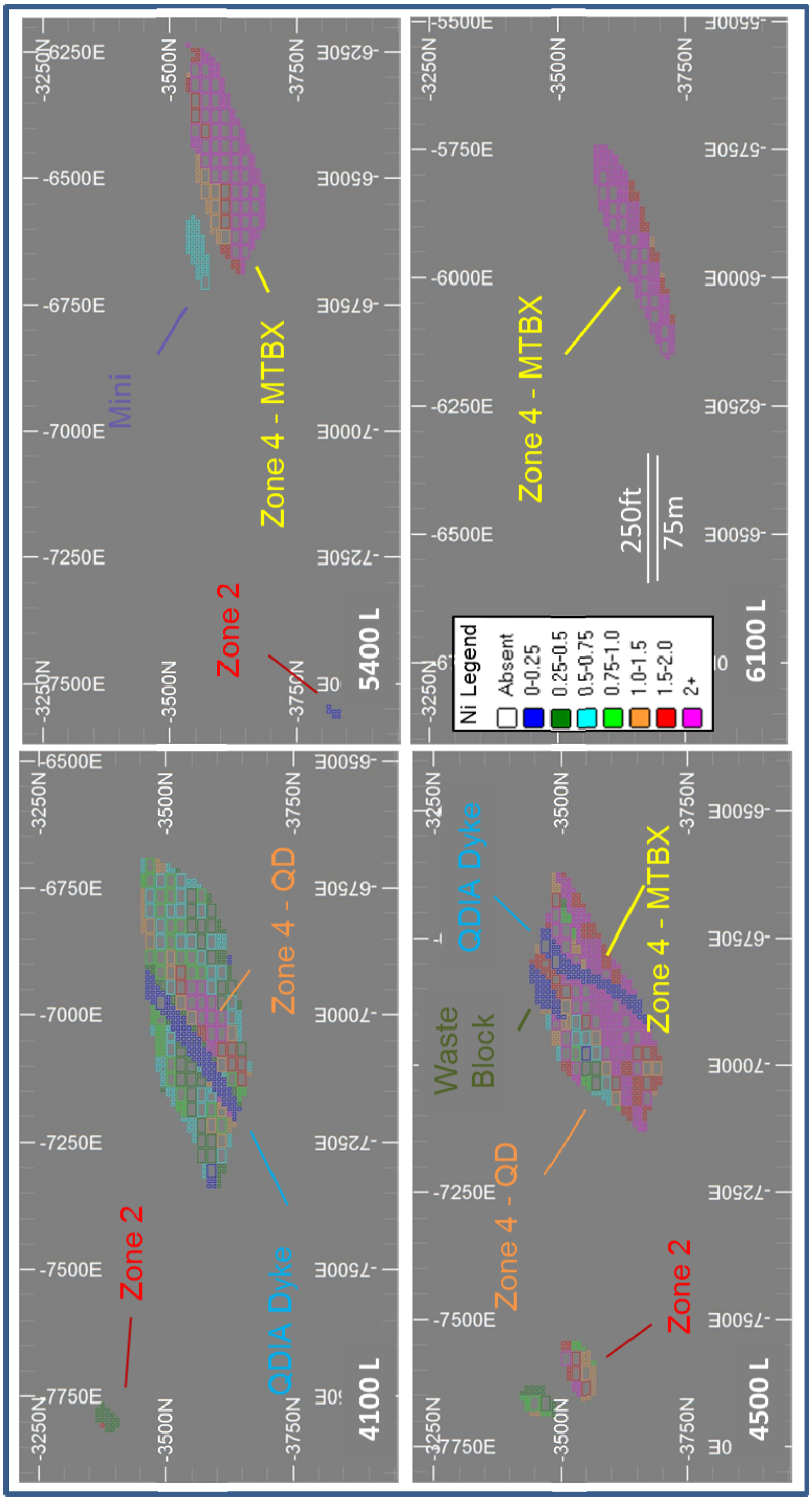
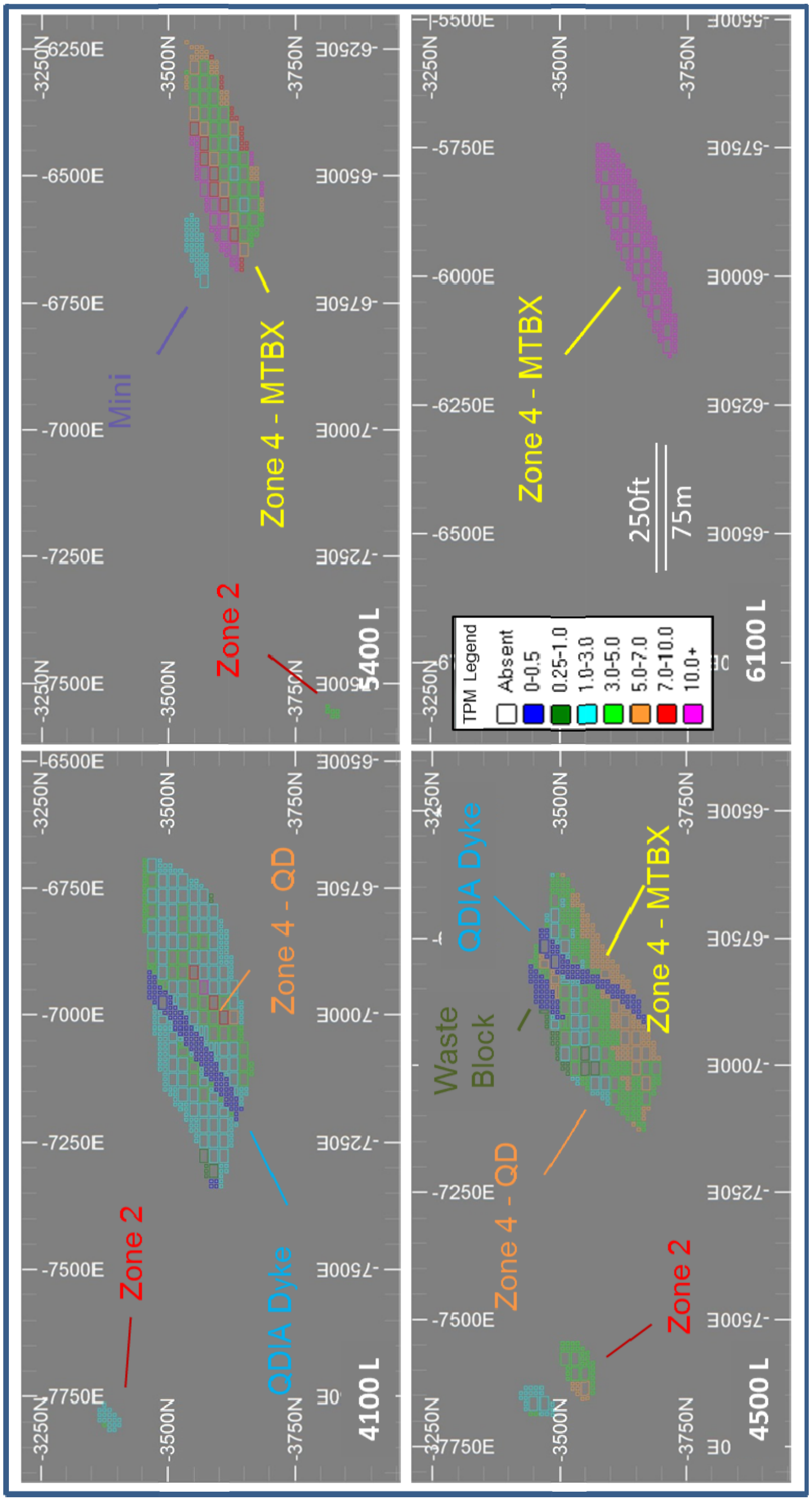


Figure 17- 8: Level maps (horizontal slices) through block model showing cells with TPM (Pt + Pd + Au) grade g/t on the 4100 L, 4500 L, 5400 L and 6100 L. Levels are depth below surface in feet. The legend units are g/t TPM.



17.3.6 Block Modeling Validation

Block model validation involved the following:

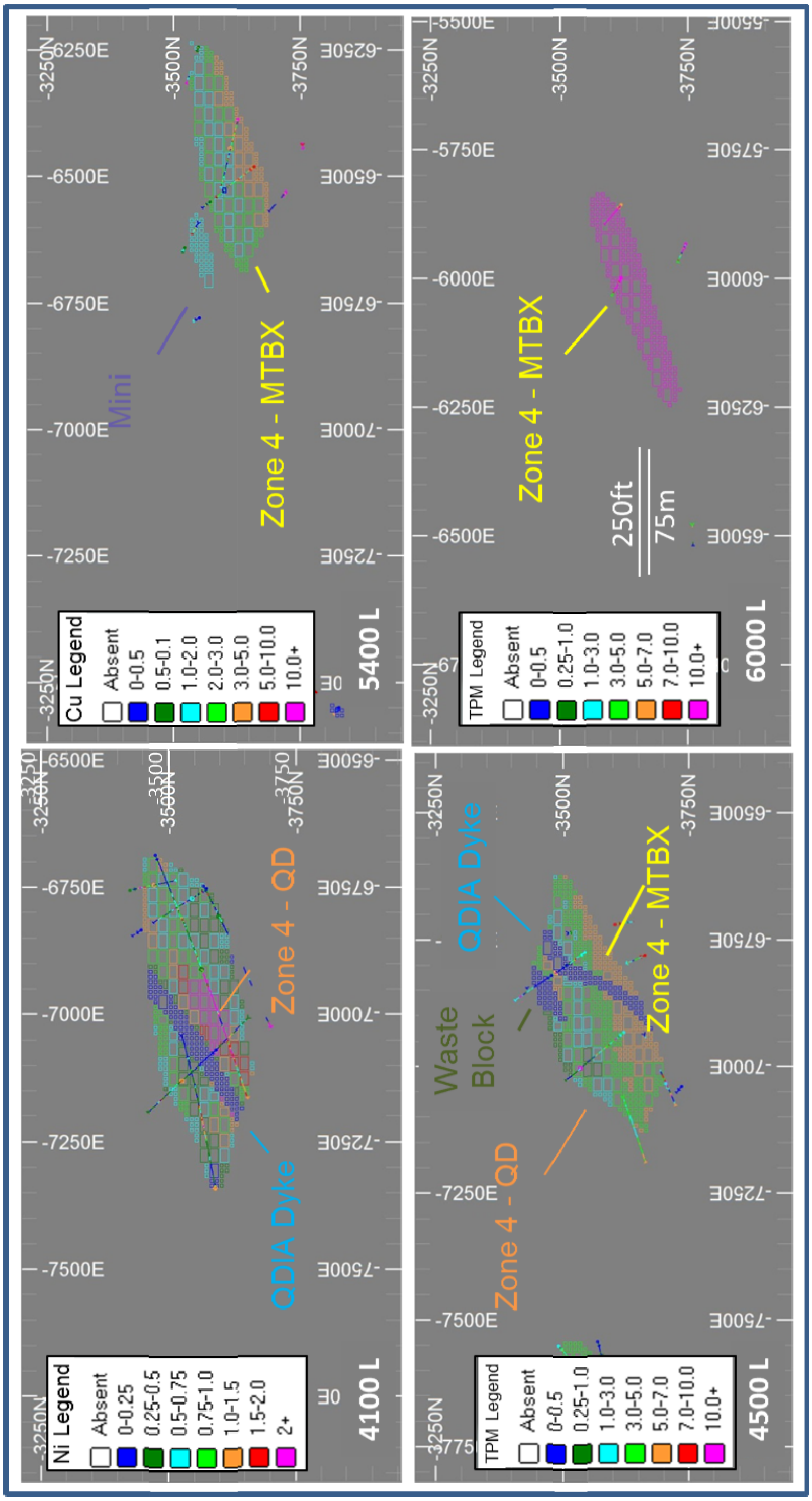
- Comparison of global statistics for samples, nearest neighbor and ID^2 estimates to confirm the absence of global/local biases (Table 17-6),
- visual inspection of block model sections and plans against drillhole assay grades (Figure 17-9),
- Assessment of the level of smoothing based on visual inspection of block model cell grades versus drill assays,
- Assessment for global bias using swath plots of composite assays versus block model grades (Figures 17-10 to 17-12).

In addition, peer reviews were routinely conducted for every step during the modeling process.

Table 17- 6: Global statistical comparison by estimation method and zone.

Zone 2							
Method	Tons	Cu (%)	Ni (%)	Pt(gpt)	Pd (gpt)	Au (gpt)	SG
Composites	403,289	1.38	0.86	1.35	2.01	0.58	3.02
NN	407,310	1.54	0.95	1.23	2.66	0.63	3.06
ID2	404,451	1.31	0.82	1.26	2.02	0.58	3.04
Zone 4 - QD							
Method	Tons	Cu (%)	Ni (%)	Pt(gpt)	Pd (gpt)	Au (gpt)	SG
Composites	6,664,382	1.34	1.06	0.94	1.2	0.38	3.16
NN	6,038,161	1.24	0.95	0.78	1.37	0.33	3.12
ID2	6,085,839	1.33	0.98	0.85	1.21	0.36	3.14
Zone 4 - MTBX							
Method	Tons	Cu (%)	Ni (%)	Pt(gpt)	Pd (gpt)	Au (gpt)	SG
Composites	8,791,105	3.05	2.88	3.76	5.34	1.25	3.41
NN	8,488,075	2.51	3.38	4.72	6.34	1.29	3.47
ID2	8,490,671	2.79	2.94	4.52	6.17	1.36	3.47
Mini							
Method	Tons	Cu (%)	Ni (%)	Pt(gpt)	Pd (gpt)	Au (gpt)	SG
Composites	229,698	0.99	0.5	0.73	0.49	0.18	2.97
NN	231,484	0.92	0.47	0.55	0.49	0.14	2.98
ID2	232,210	1.04	0.55	0.77	0.48	0.18	2.99

Figure 17- 9: Level plans (horizontal slices) through block model showing cells with %Ni, %Cu, and g/t TPM (PT + Pd + Au) grades, with drillhole composites included (visual inspection examples) on the 4100 L, 4500 L, 5400 L and 6000 L. Levels are depth below surface in feet. The legend units are % Ni, % Cu, and g/t TPM.



4100 L
Ni Legend
Absent
0-0.25
0.25-0.5
0.5-0.75
0.75-1.0
1.0-1.5
1.5-2.0
2+
Zone 4 - QD
QDIA Dyke
5400 L
Cu Legend
Absent
0-0.5
0.5-0.1
1.0-2.0
2.0-3.0
3.0-5.0
5.0-10.0
10.0+
Zone 4 - MTBX
Mini
4500 L
TPM Legend
Absent
0-0.5
0.25-1.0
1.0-3.0
3.0-5.0
5.0-7.0
7.0-10.0
10.0+
Waste Block
QDIA Dyke
Zone 4 - MTBX
Zone 4 - QD
6000 L
TPM Legend
Absent
0-0.5
0.25-1.0
1.0-3.0
3.0-5.0
5.0-7.0
7.0-10.0
10.0+
Zone 4 - MTBX
250ft
75m

Figure 17- 10: Elevation swath plot – %Ni.

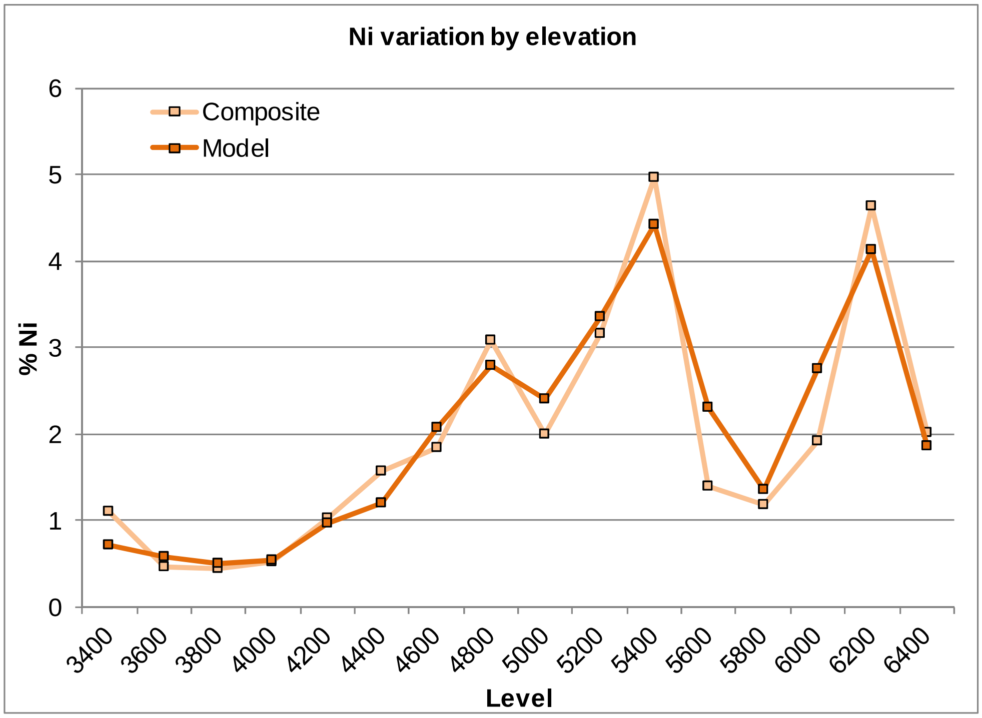


Figure 17- 11: Elevation swath plot – %Cu.

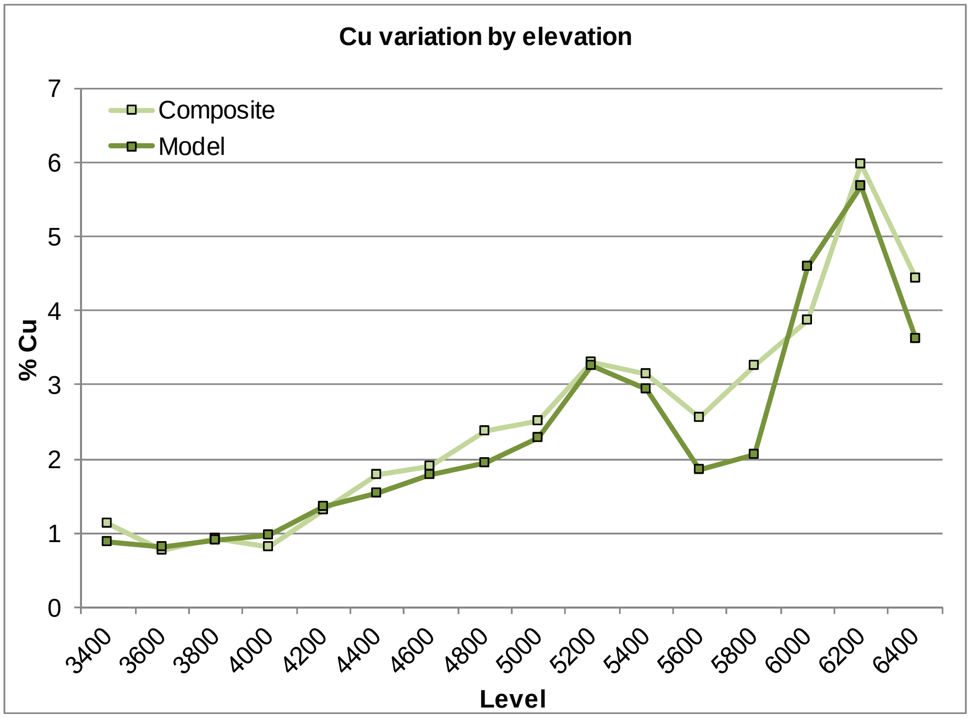
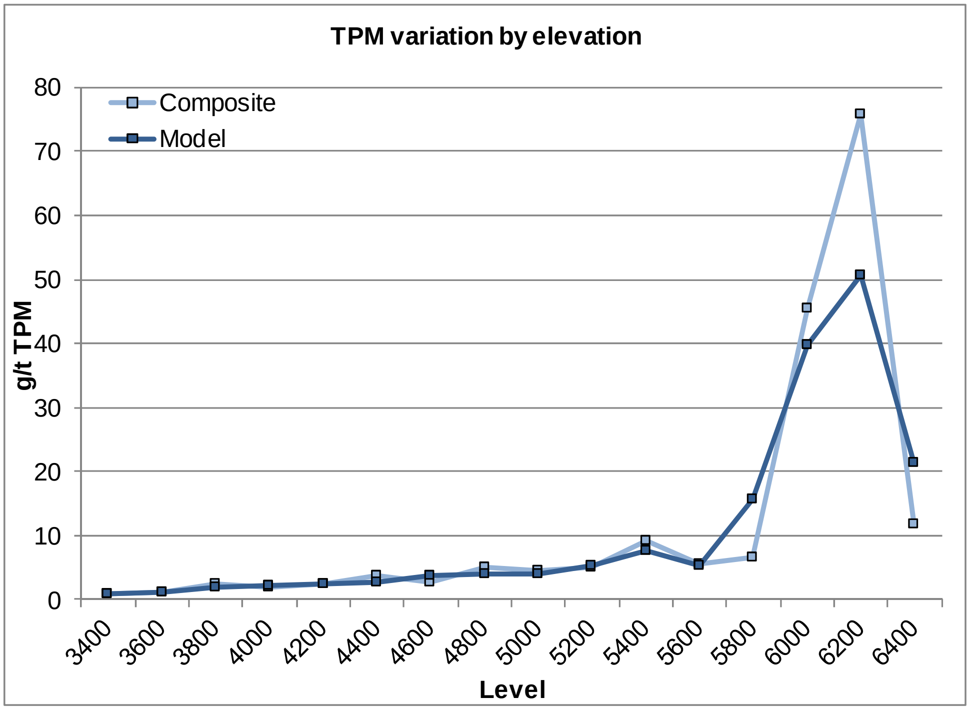


Figure 17- 12: Elevation swath plot – TPM g/t.



17.4 Resource Classification

The criteria used in the classification of the Mineral Resource estimates include a combination of sampling density, style of mineralization, search strategy achieved in interpolating grade in block models, cut-off and block dimensions. These criteria were selected in order to ensure alignment with the CIM Best Practice Guidelines as per NI43-101 requirements. The calculation of the Mineral Resource estimate for the Victoria Project was built upon a sound understanding by Quadra FNX geological staff of the geological and geophysical environment that hosts the sulphide mineralization. Based on this, and the nature of drillhole intersections to date (their number, spacing and depth below surface), geological evidence is sufficient to assume but not verify reasonable geological and grade continuity. As such, the resources fit the Inferred Resource category, but lack sufficient detail or confidence to be classified as Indicated or Measured Resources. All resources for the Victoria Project are reported as Inferred Mineral Resources.

17.5 Mineral Resource Statement

Economic cut-offs and minimum mining widths were established by mineralization grade and value, the style of suphide mineralization, and the assumed mining method. Due to the poly-metallic nature of the Victoria Project sulphide mineralization, a formula was derived on metal price and metal recovery assumptions to determine cutoffs (Table 17-7). The calculation of the in-situ value used the following formulae:

> *INSITU_VALUE=CU*20*2.50+NI*20*7.00+CO*20*14.00+PT/34.2857*1500.00+PD/34.2857*400.00+AU/34.2857*1000.00*

Table 17- 7: Metal price (long term Quadra FNX price deck) and metal recovery assumptions (Beauchamp & Greenough, 2010).

Product	Metal Price (US$)	Metal Recovery (%)
Cu	2.50/lb	95.7
Ni	7.00/lb	82.9
Co	14.00/lb	81.8
Pt	1500/oz	81.6
Pd	400/oz	81.8
Au	1000/oz	79.3
Ag	13.50/oz	77.6

For the purposes of defining mineralization constraining envelopes (wireframes) an in-situ value cut-off of $125 was used.

However, for the purposes of eliminating the inclusion of low grade zones internal to the mineralization envelope, an internal cut-off of a recovered in-situ value of $115 was used. Recovery factors for the Clarabelle Mill that were used in the recovered in-situ value are listed in Table 17-7, as reported in the public document "External Audit of Mineral Reserves", for Vale Inco Limited, Ontario Operations, by Golder Associates, effective June 30, 2010 (Beauchamp & Greenough, 2010).

The calculation of the recovered in-situ value used the following formula:

*REC_INSITU_VALUE=CUrcd*2.50+NIrcd*7.00+COrcd*14.00+PTrcd/34.2857*1500.00+PDrcd/34.2857*400.00+AUrcd/34.2857*1000.00+AGrcd/34.2857*13.50*

Where,

*CUrcd=CU*20*0.957*
*NIrcd=NI*20*0.829*
*COrcd=CO*20*0.818*
*PTrcd=PT*0.816*
*PDrcd=PD*0.818*
*AUrcd=AU*0.793*
*AGrcd=AG*0.776*

All Mineral Resource estimates are based on long-term metal prices of (US$): Cu = US$2.50/lb, Ni = US$7.00/lb, Co = US$14.00/lb, Pt = US$1500/oz, Pd = US$400/oz, Au = US$1000/oz, Ag = US$13.50/oz and a Canadian dollar exchange rate = US$1.00.

The Victoria Project Mineral Resource estimate, by zone, is listed in Table 17-8.

Table 17- 8: Victoria Project Mineral Resources as of April 19th, 2011

Imperial

Area	Category	Deposit or Zone	Tons	Cu	Ni	Pt	Pd	Au	TPM
				%	%	oz/ton	oz/ton	oz/ton	oz/ton
Victoria	Inferred	No. 2	300,000	1.4	0.9	0.04	0.07	0.02	0.13
	Inferred	No. 4 - QD	4,900,000	1.5	1.1	0.03	0.04	0.01	0.08
	Inferred	No. 4 - MTBX	8,400,000	2.8	3.0	0.13	0.18	0.04	0.35
	Inferred	Mini	200,000	1.2	0.6	0.03	0.01	0.01	0.04
	Inferred	**TOTAL**	**13,700,000**	**2.3**	**2.2**	**0.09**	**0.13**	**0.03**	**0.25**

Metric

Area	Category	Deposit or Zone	Tonnes	Cu	Ni	Pt	Pd	Au	TPM
				%	%	g/t	g/t	g/t	g/t
Victoria	Inferred	No. 2	300,000	1.4	0.9	1.4	2.3	0.6	4.3
	Inferred	No. 4 - QD	4,400,000	1.5	1.1	0.9	1.3	0.4	2.7
	Inferred	No. 4 - MTBX	7,600,000	2.8	3.0	4.6	6.2	1.4	12.1
	Inferred	Mini	100,000	1.2	0.6	0.9	0.5	0.2	1.5
	Inferred	**TOTAL**	**12,500,000**	**2.3**	**2.2**	**3.2**	**4.3**	**1.0**	**8.5**

Totals may not add due to rounding, tons are short tons, TPM (Total Precious Metals) = Pt + Pd + Au

17.6 Mineral Resource Estimate Review

The Independent Firm performed a review of the Victoria Project Mineral Resource Estimate at the request of Quadra FNX. The review was completed at the Quadra FNX Kelly Lake Road office in Sudbury on April 5th and 6th, 2011, with the assistance of Quadra FNX geological staff. No issues were identified in this review that could be considered a fatal flaw in the Victoria Mineral Resource estimate for April 2011 (Greenough & Warren, 2011).

It is the opinion of the authors that the reported Inferred Mineral Resources will not be materially affected by known environmental, permitting, legal, title, taxation, socio-economic, marketing, political, mining or metallurgical issues given the Company's mining history and knowledge in the Sudbury area. At the time of writing the reported Inferred Mineral Resources had not been used in an economic analysis.

17.7 Mineral Reserves

As this is the first technical disclosure of Inferred Mineral Resources at the Victoria Project, Quadra FNX has not completed a pre-feasibility or feasibility study that would support the conversion of the Mineral Resources to Mineral Reserves. No Mineral Reserves exist at the Victoria Project at the time of writing.

18 OTHER RELEVANT DATA AND INFORMATION

18.1 Occupational Health & Safety

Quadra FNX recognizes that operating its business to occupational health, safety, and environmental best practices benefits the local community and is essential to its success and continued development. The principle of sustainable development is an integral part of the Quadra FNX operation philosophy in conducting the business of mineral exploration, extraction, processing and eventual decommissioning. In practice Quadra FNX operates to the benefit of its shareholders and local communities using the resources and the environment today without compromising the long-term capacity to support post-mining land uses.

Quadra FNX holds the health and safety of its employees, contractors and visitors as a core value, and a belief that all injuries are preventable. It places a major focus on the development and implementation of strategies and standards designed to minimize occupational health and safety risks and to continually improve performance.

The Sudbury Exploration Group at Quadra FNX maintains a solid exploration success record while ensuring that the Health and Safety of its employees is paramount. In 2009, the Exploration Group recorded a Medically Treated Injury Frequency Rate (MTIFR) of 6 for 100,000 man hours worked with 0 Lost Time Incidents (LTI). This achievement resulted in Quadra FNX Mining Ltd. being presented the prestigious 2009 Safe Day Everyday Gold Award by AME BC and the PDAC. In 2010, the Sudbury Exploration Group continued its successful Health and Safety program, with 0 LTI's and an MTIFR of 2.1 for 187,000 man hours worked.

18.2 Environmental Management

FNX operates under the guidance of its Safety, Health and Environment policy which commits to meeting or exceeding regulatory compliance, preventing pollution and continual improvement. In practice Quadra FNX operates to the benefit of shareholders and local communities using the resources and the environment today without compromising the long-term capacity to support post-mining land uses.

As part of the effort to ensure proper stewardship of the land, water and air at the Victoria Property, Quadra FNX has taken a proactive approach to the environment since 2002 (Table 18-1).

Table 18- 1: Victoria Property environmental assessment work completed from 2002-2009.

Date of Fieldwork	Report
2002	Surface Hydrology Study (Amec, 2003)
2002	Baseline Terrestrial Biological Study Victoria Property (Golder, 2003)
2003	Supplemental Terrestrial and Wetland survey at the Victoria Mine Property (Golder, 2004)
2004	Baseline Aquatic Environmental Assessment, Former Victoria Mine Property (ASI Group Ltd., 2004)
2005	Annual Surface Water Quality Monitoring - Victoria Mine Site
2006	Annual Surface Water Quality Monitoring - Victoria Mine Site (ASI Group Ltd., 2007)
2007	Water Quality Sampling - Victoria Mine Site
2009	Baseline Aquatic Environmental Assessment, Victoria Mine Property (Amec, 2009)

With the discovery of potentially economic mineralization at Zone 2 in 2009 and Zone 4 in 2010, Quadra FNX increased the environmental work program in anticipation that the project would eventually move to an advanced exploration stage (Table 18-2).

Table 18- 2: Victoria Property environmental assessment work completed in 2010-2011.

Environmental Work Completed in 2010-2011
Aquatic Environmental Assessment (Benthic, Water, Sediment, Fish Community; EAG, 2011)
Assessment of Existing Natural Features (Terrestrial, Vegetation, ESA surveys; RiverStone Environmental Solutions Inc., 2011)
Mine Hazard Inventory, Phase II Environmental Assessment (Terrapex Environmental Ltd., 2011)
Cultural Heritage Values Assessment (Stage 1; Archaeological Survey of Laurentian University, 2010)
Ground Water Monitoring Program (20 wells installed; WESA Inc., 2011)
Surface Water Quality Monitoring, Collection of Flow Data for Assimilative Capacity Assessment/mixing zone modeling of potential receivers
Geochemistry Assessment (Phase 1 – Ventilation Shaft Pilot Hole; Chem-Dynamics, 2011)

18.2.1 List of Required Regulatory Approvals: 2011

In order for the Victoria Project to proceed to advanced exploration status, MNDMF requires the following:

- Notice of Project Status
- Advanced Exploration Closure Plan

A Form 6 - Notice of Project Status is required under the Mining Act to advise the Ministry of Quadra FNX's intent to proceed toward Advanced Exploration. This is followed by a Quadra FNX certified Advanced Exploration Closure Plan (as detailed in Schedule 2 of Ont. Reg 240/00 of the Mining Act). The Closure Plan must be submitted to and accepted for filing by MNDMF before proceeding with advanced exploration development. The completion and submission of the Closure Plan will continue for the remainder of 2011.

The MOE requires the following for the Victoria Project to proceed to advanced exploration status:

- Permit To Take Water (PTTW) – to dewater mine workings
- PTTW – Ethel Lake for process water and potable water
- Certificate of Approval (C of A) – Industrial Sewage
- C of A – Septic Sewage
- C of A – Air/Noise
- Permit 172C – Species at Risk. The results of 2011 field surveys will establish whether or not this permit is required.

A critical component of the regulatory approvals is a well-defined project description and detailed engineering for those components of the project that require regulatory approval. Quadra FNX will continue to collect all of the information required to complete the Notice of Project Status, Advanced Exploration Closure Plan and other permit applications in 2011. In addition, Quadra FNX will be holding several pre-application consultation meetings with the various ministries prior to submitting any application.

18.2.2 Near Term Studies

In addition to the completion of the required regulatory approvals, Quadra FNX will also be completing the following near term studies on the Victoria property (environmental sampling stations are shown in Figure 18-1):

1. Monthly surface water sampling at selected locations and flow data collection at all three potential receivers.

2. The ground water monitoring program will continue in 2011. All wells installed in 2010 will be monitored in the spring, summer and fall to assess seasonal shifts in groundwater flow and velocity. They will also be sampled for several parameters in accordance with the Ontario Mine Rehabilitation Code.

3. Three bedrock monitoring wells will be installed in 2011.

4. A fish community assessment of Ethel Lake, Mond Lake, VM8 Beaver Pond and the stream and associated wetland east of the planned waste rock pad.

5. A bathymetric study of a small embayment in Ethel Lake where a pump house and water intake have been proposed for installation.

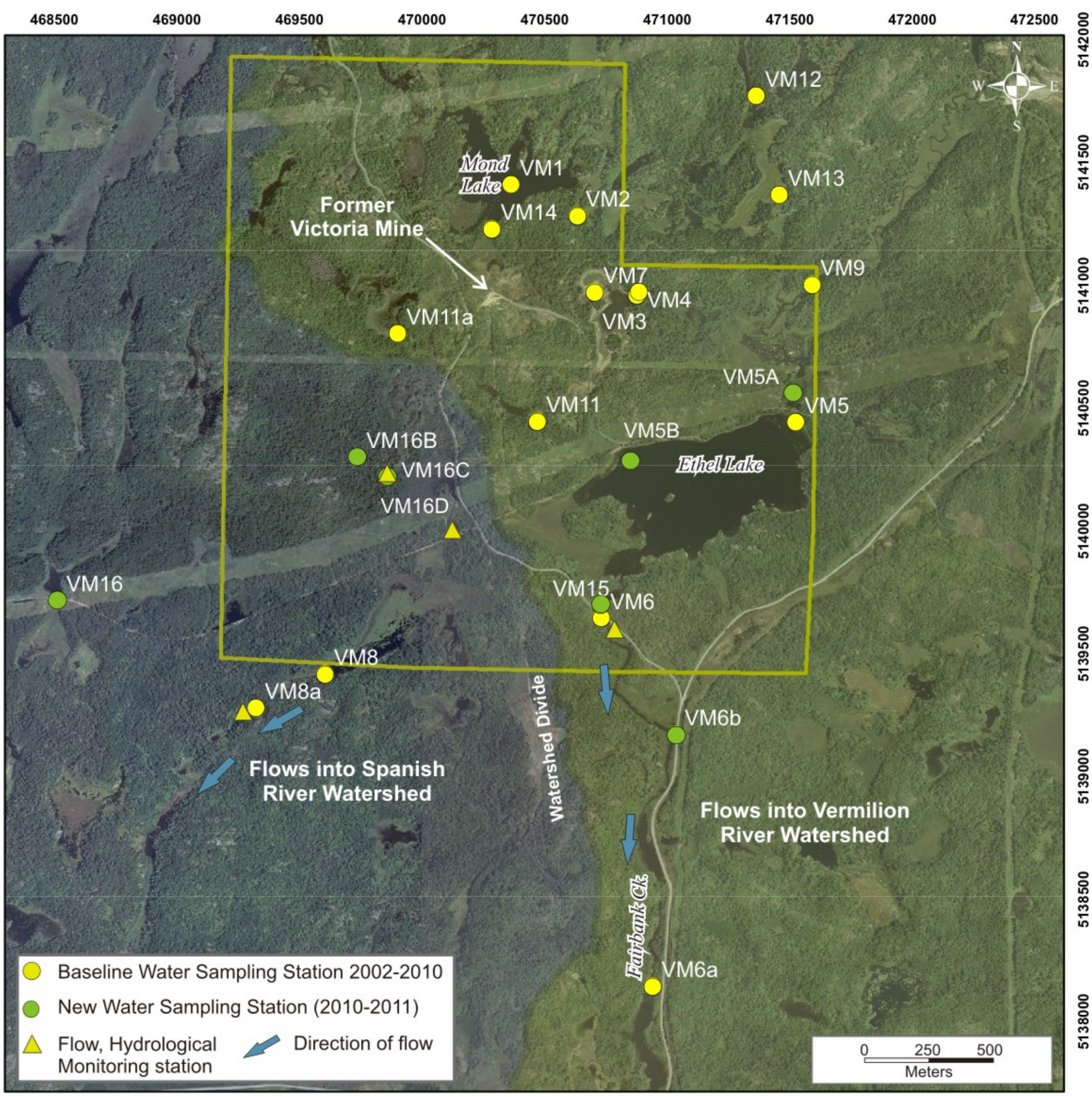
6. Geo-referencing of all groundwater upwellings along the stream near the waste rock pad and completion of a reconnaissance survey of the beaver impoundment at the headwaters.

7. 'Species at Risk' field surveys will be conducted to determine if Whip-poor-will birds are breeding on the property in areas that may be affected by advanced exploration infrastructure development, and if so how many breeding territories exist.

8. Completion of a Stage 2 Cultural Heritage Values Assessment. A Stage 2 survey will involve test pitting of areas with high potential for archaeological value.

9. Drill core ARD sampling.

Figure 18- 1: Environmental sampling stations at Victoria property. Also illustrated is the Spanish and Vermilion River watershed divide and directions of flow.



18.3 First Nations and Community Affairs

The Victoria property spans the divide between the West Vermillion Watershed to the east and the Spanish River Watershed to the west and is situated at the overlapping traditional territory of Atikameksheng Anishnawbek (Whitefish Lake) and Sagamok Anishnawbek First Nations (Figure 18-1). Ongoing dialogue and consultation between Quadra FNX and affected stakeholders, including First Nation and Métis communities, and the Fairbank Lake Cottage Association commenced in mid-2010. These discussions have focused on formalizing an understanding of cooperation and joint participation during the expected advanced exploration and feasibility study stages of the Victoria project.

18.4 Geotechnical Work

Since September, 2010, Quadra FNX has contracted Golder Associates to oversee all aspects of borehole geotechnical requirements for the Victoria Project exploration program leading to the development of resources on zones 2, 4 and Mini. The program designed by Golder Associates established minimum practice guidelines for the collection, recording and compilation of geotechnical data, including:

1. Geotechnical logging of diamond drill core and training.
2. In-hole acoustic televiewer geophysical surveys.
3. Hydrogeological testing programs (packer testing) for proposed shaft pilot holes.
4. Laboratory testing of the unconfined compressive strength (UCS) of the rock.
5. Rock mass classification based on logging information.

19 INTERPRETATION AND CONCLUSIONS

It is the opinion of the authors that the Victoria Project Inferred Mineral Resource estimate is compliant with the regulations and guidelines as defined by NI 43-101. The results of this estimate, which includes three distinct zones of sulphide mineralization, are presented in Table 19-1.

Table 19- 1: Summary of new Victoria Project Mineral Resources as of April 19th, 2011 (data presented in both Imperial tons and metric tonnes).

Imperial

Area	Category	Deposit or Zone	Tons	Cu	Ni	Pt	Pd	Au	TPM
				%	%	oz/ton	oz/ton	oz/ton	oz/ton
Victoria	Inferred	No. 2	300,000	1.4	0.9	0.04	0.07	0.02	0.13
	Inferred	No. 4 - QD	4,900,000	1.5	1.1	0.03	0.04	0.01	0.08
	Inferred	No. 4 - MTBX	8,400,000	2.8	3.0	0.13	0.18	0.04	0.35
	Inferred	Mini	200,000	1.2	0.6	0.03	0.01	0.01	0.04
	Inferred	**TOTAL**	**13,700,000**	**2.3**	**2.2**	**0.09**	**0.13**	**0.03**	**0.25**

Metric

Area	Category	Deposit or Zone	Tonnes	Cu	Ni	Pt	Pd	Au	TPM
				%	%	g/t	g/t	g/t	g/t
Victoria	Inferred	No. 2	300,000	1.4	0.9	1.4	2.3	0.6	4.3
	Inferred	No. 4 - QD	4,400,000	1.5	1.1	0.9	1.3	0.4	2.7
	Inferred	No. 4 - MTBX	7,600,000	2.8	3.0	4.6	6.2	1.4	12.1
	Inferred	Mini	100,000	1.2	0.6	0.9	0.5	0.2	1.5
	Inferred	**TOTAL**	**12,500,000**	**2.3**	**2.2**	**3.2**	**4.3**	**1.0**	**8.5**

Totals may not add due to rounding. Tons are short tons. TPM (Total Precious Metals) = Pt + Pd + Au

The following conclusions are drawn from this report and its supporting work:

- The calculation of an Inferred Resource for the Victoria Project Deposit was built upon a sound understanding by Quadra FNX geological staff of the geological environment that hosts the mineralization. This understanding was facilitated by the geologically-driven drill targeting exercise that was supported by an intense borehole geophysics program. Targeting of each new drillhole was based upon the results of the previous drillholes and incorporated their impact, especially with respect to domain continuity, on the 'then current' geophysical and geological model for the zone of interest.

- Based upon this geological modeling it has been determined that the geological host environment and style of mineralization of the Victoria Project zones 1 to 4 and Mini conforms to the "Frood-style" Sudbury South Range Breccia Belt model. Similar to the Frood deposit, Zone 4 has an upper domain of Quartz Diorite -

hosted, disseminated to semi-massive, pyrrhotite-rich Ni sulphide mineralization. This zone transitions with depth into, higher tenor, massive, pyrrhotite-dominant sulphide hosted by recrystallized Sudbury Breccia or Metabreccia. In the Victoria Zone 4 this transition occurs at a depth of approximately 4,000 feet (1219 m) below surface. With continuing depth in the 'Frood' model, chalcopyrite and precious metals increase relative to pyrrhotite to a point where chalcopyrite is the dominant sulphide within a 'Siliceous Zone' (Zurbrigg et al., 1957; Hawley, 1965; Souch et al., 1969; Fleet, 1977; Naldrett, 1984; Farrow & Lightfoot, 2002), which hosts very high concentrations of PGE. To date, this siliceous zone has not been observed at Zone 4 due to the depth limits of the current drill program. However, borehole UTEM-4 geophysics has revealed that Zone 4 mineralization continues down-plunge.

- With every hole drilled, Quadra FNX has ensured that industry 'best practices' security and QA/QC procedures were followed from initial set-up of the drill at site, until final checks of all collected data had been completed. With this assurance in place, the resource modeling was able to proceed with confidence.

- The geological and mineralogical observations from drilling at the Victoria Project at the time of writing support the interpretation that the Victoria sulphide mineralization is consistent with the range of ores routinely processed in Sudbury, and those processed from Victoria Mine production in the 1970s. As a result, unusual metallurgical characteristics are not anticipated for the Victoria Project. Nevertheless, further testwork is warranted.

- The Mineral Resource estimate took into account the nature of the geological host environment. Zone 4 modeling separated those sections of the deposit that were hosted by Quartz Diorite from sections that were hosted entirely by Metabreccia. Similarly, the Mini was entirely hosted by Quartz Diorite and Zone 2 was hosted within a fractured footwall environment with Metabreccia.

- Victoria Project Mineral Resources have been estimated by geostatistical three-dimensional block modeling techniques using Datamine Studio 3® software. The block model is constrained within 3D wireframes of the mineralized zones, as defined by detailed geological interpretation. Block model grade estimates include Cu, Ni, Co, Pt, Pd, Au, Ag, As, Pb, Zn, Fe, S, MgO, and SG (Specific Gravity), using ID^2 interpolation. Quadra FNX's long range metal prices of US$2.50/lb Cu, US$7.00/lb Ni, US$14.00/lb Co, US$1500/oz Pt, US$400/oz Pd and US$1000/oz Au were used in the estimate. The Canadian dollar exchange rate applied was US$1.00.

- The application of $115 in-situ value cut-off, published Clarabelle Mill recoveries, and a 30 ft x 20 ft x 50 ft cell/block size (to represent bulk, longhole mining method), is considered reasonable given the current understanding of the Victoria Project Mineral Resource and historical mining at depth on the South Range of the Sudbury Structure.

- The criteria used in the classification of the Mineral Resource estimates include a combination of sampling density, style of mineralization, search strategy achieved in interpolating grade in block models, cut-off and block dimensions. All Mineral Resources for the Victoria Project are reported as Inferred.

- Quadra FNX has not completed a pre-feasibility or feasibility study that would support the conversion of the Mineral Resources to Mineral Reserves. No Mineral Reserves exist at the Victoria Project at the time of writing.

- Victoria Project exploration to date has been focused on the discovery and definition (from surface) of sulphide-mineralized zones that are the topic of this report. Excellent surface-based exploration potential at the Victoria project exists in the form of both extending known zones, especially Zone 4, both up- and down-dip, and in the discovery of proximal sulphide mineralization that could be serviced by future underground infrastructure.

20 RECOMMENDATIONS

The authors make the following recommendations to continue the advanced exploration program at the Victoria Project:

- Victoria Project drill programs are completed on a success-driven basis. Each new hole is based upon the results derived from the previous hole and the use of borehole UTEM-4 geophysical surveys. If no targets are derived through the process of completing a sound review of the borehole geology and geophysics, then the exploration focus will move to another area of similar geological interest on the property. It is recommended that this strategy continue to be employed by Quadra FNX at the Victoria Property to ensure the implementation of successful drill programs to expand known zones and explore for new, proximal zones. This will also ensure the conscientious use of exploration budgets.

- Data at the Victoria Project has historically been captured in Imperial units. Quadra FNX has continued to record data in Imperial units since acquiring the property in 2002. As a means of reducing the potential for conversion errors in the future as engineering and development efforts are increased, it is recommended that a full conversion to metric be made for all data collected at the Victoria Project. At the time of writing, conversion of the critical databases had been initiated. Metric units of measurement will be the standard for the Victoria Project going forward.

- A review of the Mineral Resource estimate by the Independent Firm (Greenough and Warren, 2011), identified the following non-critical items in the resource estimation and core handling processes that could be improved:

    - <u>Blanks</u>: Quadra FNX uses felsic norite for blank insertion. The Independent Firm has recommended that consideration be given to selecting blank material from other local barren lithological units other than felsic norite due to the potential for some minor sulphides to exist within this unit. The Independent Firm has suggested that the micropegmatite or quartzite be considered for the blanks.

    - <u>Wireframe modeling</u>: The Independent Firm noted that certain areas of the resource model and lithological model may be prone to over-interpretation, although this problem is not evident to a significant degree. It has been recommended that for comparison purposes, a modeling excercise be completed using primarily the drillhole contact points with as little interpretation as possible.

    - <u>Resource modeling based upon domains</u>: Quadra FNX separated Zone 4 into two lithological domains (Quartz Diorite and Metabreccia) for the purposes of resource modeling. The Independent Firm has stated that the small amount of drillhole data used in this resource makes the definition of the lithological boundary fairly subjective, therefore values attributed to an individual domain may be distributed disproportionately during Mineral Resource modeling. The Independent Firm has recommended a closer examination of this boundary as more data are gathered in the future. In addition, the Independent Firm has recommended a comparative grade estimate on an all-encompassing domain model utilizing the same estimation parameters that were used on the two domain model for Zone 4.

  - <u>Samples used for estimate</u>: Instead of applying restrictions to the number of samples to be used in the resource estimate, the Independent Firm has recommended using Octant restriction to help minimize data clustering problems.

  - <u>Validation checks in Datamine®</u>: Quadra FNX used the Dynamic Search option in Datamine®, which may or may not have been responsible for minor areas in the block model with unexpected grade trends. The Independent Firm recommended that as a validation check estimates be run without it, applying rotations to the search volumes that approximate the orientation of the deposit.

  - <u>Smoothing of model</u>: The Independent Firm has recommended that the Quadra FNX model be further assessed for smoothing.

- Quadra FNX will continue surface drilling at the Victoria Project for the remainder of 2011. The diamond drill program will be partly designed to expand the up- and down-dip extents of Zone 4 to test for significant increases in tonnage. The drill program will also test for proximal, or satellite, sulphide mineralization that could be effectively serviced from future underground infrastructure.

- Due to depth, technical challenges, geometry, and economic perspectives, expansion of Zone 2 and Zone 4 would be most efficiently completed with an underground-based advanced exploration program. Upgrading of the Inferred Mineral Resource reported here to Indicated and ultimately to Mineral Reserve requires an advanced exploration diamond drill program. At the time of writing Quadra FNX had initiated the process of evaluation of shaft sinking and underground development with internal conceptual/scoping studies, had initiated a pre-feasibility study on Victoria Project advanced exploration, and had commenced compilation of a Closure Plan (compliant with MNDMF regulations) to support advanced exploration development.

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22 SIGNATURE PAGE

This report titled "Technical Report on the Victoria Project Deposit Sudbury, Ontario, Canada" dated May 31, 2011, was prepared and signed by the following authors:

Catharine E.G. Farrow, B.Sc. (Hons.), M.Sc., Ph.D., P.Geo.,
Executive Vice President, Technical Services and Project Evaluation
Quadra FNX Mining Ltd.

Signature:________________________________ Date: May 31, 2011

John Everest, B.Sc., M.Sc., P.Geo.,
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Signature:________________________________ Date: May 31, 2011

Stuart Gibbins, B.Sc., M.Sc., P.Geo.,
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Signature:________________________________ Date: May 31, 2011

Chantal Jolette, B.Sc., P.Geo.,
Senior Project Geologist (QA/QC, Special Projects),
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Signature:________________________________ Date: May 31, 2011

CERTIFICATE Farrow

To Accompany the Report dated May 31, 2011 entitled
Technical Report on the Victoria Project Deposit
Sudbury, Ontario, Canada, for Quadra FNX Mining Ltd.

I, **Dr. Catharine E.G. Farrow, B.Sc. (Hons.), M.Sc., Ph.D., P. Geo.,** do hereby certify that:

1. I reside at 1640 Gravel Drive, Hanmer, Ontario, Canada, P3P 1R7**.**
2. I am Senior Vice President – Corporate Development and Technical Services of Quadra FNX Mining Ltd.
3. I am a registered Practicing Member of the Association of Professional Geoscientists of Ontario (Registration No. 0352); Fellow of the Society of Economic Geologists; Member of the Prospectors & Developers Association of Canada; Member of the Canadian Institute of Mining, Metallurgy and Petroleum. I hold a Bachelor of Science (Honours, Geology) Degree from Mount Allison University, Sackville, New Brunswick; a Master of Science (Geology) Degree from Acadia University, Wolfville, Nova Scotia; a Doctor of Philosophy (Earth Sciences) Degree from Carleton University, Ottawa, Ontario. I have practised my profession as a geoscientist for 18 years and have worked primarily in Canada, as well as in the United States, South America, Africa, Europe, Australia and China, for the Ontario Geological Survey (1993-1996), Inco Limited (1996-2003) and Quadra FNX Mining Ltd. (2003-present). I currently hold Adjunct Professor status at Laurentian University, Sudbury, Ontario and formerly at the University of Toronto (2006-2009). I have been involved in university geoscience research, project and Mineral Resource evaluation, mine geology and development, mineral processing and exploration periodically in the Sudbury area since 1989.
4. I am a qualified person for the purposes of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101").
5. Since March 2003, I have been intimately associated with all aspects of the Quadra FNX Mining Ltd. exploration program and estimation of Mineral Resources.
6. I am not independent of Quadra FNX Mining Ltd., as defined in section 1.4 of NI 43-101.
7. I have prepared this Report with Mr. John Everest, B.Sc., M.Sc., P.Geo., Mr. Stuart Gibbins, B.Sc. (Hons.), M.Sc., P. Geo., and Ms. Chantal Jolette, B.Sc. (Hons.), P. Geo., and have drawn on information supplied by Senior Technical Staff in the Company’s Sudbury Operations and on historic exploration and mining records provided by the former property holder.
8. As of the date hereof, to the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.
9. I have read National Instrument 43-101 and Form 43-101F1 and have prepared the Technical Report in compliance with National Instrument 43-101 and Form 43-101F1 and in conformity with generally accepted Canadian mining industry practices.
10. I consent to the filing of the Report with any stock exchange and other regulatory authority and any publication by them, including electronic publication in the public company files on their websites accessible by the public, of the Technical Report.

Dated as of the 31st day of May, 2011.

Dr. Catharine E.G. Farrow, P.Geo (0352)

CERTIFICATE Everest

To Accompany the Report dated May 31, 2011 entitled
Technical Report on the Victoria Project Deposit
Sudbury, Ontario, Canada, for Quadra FNX Mining Ltd.

I, **John Owen Everest, B.Sc., M.Sc., P.Geo.,** do hereby certify that:

1. I reside at 511 Bradbury Court, Kanata, Ontario, Canada, K2W 0A1.
2. I am Manager - Sudbury Exploration of Quadra FNX Mining Ltd.
3. I am a registered Practicing Member of the Association of Professional Geoscientists of Ontario (Registration No. 0887); a Member of the Prospectors & Developers Association of Canada; a Member of the Society of Economic Geologists. I hold a Bachelor of Science (Geology) Degree from Carleton University, Ottawa, Ontario; and a Master of Science (Geology) Degree from Carleton University, Ottawa, Ontario. I have practised my profession as a geoscientist for 16 years and have worked primarily in Canada, as well as Chile while employed with WMC International Ltd. (1995 to 2002) and Quadra FNX Mining Ltd. (2002 to present). I have been involved in base metal exploration in the Sudbury area since 2002.
4. I am a qualified person for the purposes of National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101").
5. Since February, 2002, I have been intimately involved with all aspects of Quadra FNX Mining Ltd. Sudbury exploration programs as well as with the 2D and 3D geological modeling compilations.
6. I am not independent of Quadra FNX Mining Ltd., as defined in section 1.4 of NI 43-101.
7. I have prepared this Report in collaboration with Dr. Catharine E.G. Farrow, B.Sc. (Hons.), M.Sc., Ph.D., P. Geo., Mr. Stuart Gibbins, B.Sc. (Hons.), M.Sc., P. Geo., and Ms. Chantal Jolette, B.Sc.(Hons.), P. Geo., and have drawn on information and input from Senior Project personnel and on historic exploration and mining records provided by the former property holder.
8. As of the date hereof, to the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading
9. I have read National Instrument 43-101 and Form 43-101F1 and have prepared the Report in compliance with National Instrument 43-101 and Form 43-101F1 and in conformity with generally accepted Canadian mining industry practices.
10. I consent to the filing of the Report with any stock exchange and other regulatory authority and any publication by them, including electronic publication in the public company files on their websites accessible by the public, of the Technical Report.

Dated as of the 31st day of May, 2011.

John O. Everest, M.Sc, P.Geo. (0887)

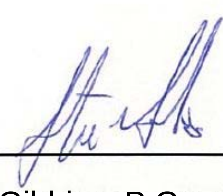
CERTIFICATE Gibbins

To Accompany the Report dated May 31, 2011 entitled
Technical Report on the Victoria Project Deposit
Sudbury, Ontario, Canada, for Quadra FNX Mining Ltd.

I, **Stuart Gibbins, B.Sc. (Hons.), M.Sc., P. Geo.,** do hereby certify that:

1. I reside at 1673 Virginia Drive, Sudbury, Ontario, Canada, P3E 4T7**.**
2. I am Superintendent of Geological Services and Mineral Resources – Technical Services and Project Evaluations Group of Quadra FNX Mining Ltd.
3. I am a registered Practicing Member of the Association of Professional Geoscientists of Ontario (Registration No. 0754); Member of the Prospectors & Developers Association of Canada;. I hold a Bachelor of Science (Honours, Geology) Degree Carleton University, Ottawa, Ontario; a Master of Science (Geology) Degree from Laurentian University, Sudbury, Ontario. I have practiced my profession as a geoscientist for 23 years and have solely worked in Canada for Falconbridge Limited – Xstrata Cu (1988-2008) and Quadra FNX Mining Ltd. (2008-present). I have been involved in base metal exploration, project and Mineral Resource evaluation, mine geology in the Sudbury – Timmins area since 1988.
4. I am a qualified person for the purposes of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101").
5. Since March 2008, I have been intimately associated with aspects of the Quadra FNX Mining Ltd. exploration program and estimation of Mineral Resources.
6. I am not independent of Quadra FNX Mining Ltd., as defined in section 1.4 of NI 43-101.
7. I have prepared this Report with Dr. Catharine E.G. Farrow, B.Sc. (Hons.), M.Sc., Ph.D., P. Geo., Mr. John Everest, B.Sc., M.Sc., P.Geo., and Ms. Chantal Jolette, B.Sc. (Hons.), P. Geo., and have drawn on information supplied by Senior Technical Staff in the Company's Sudbury Operations and on historic exploration and mining records provided by the former property holder.
8. As of the date hereof, to the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.
9. I have read National Instrument 43-101 and Form 43-101F1 and have prepared the Technical Report in compliance with National Instrument 43-101 and Form 43-101F1 and in conformity with generally accepted Canadian mining industry practices.
10. I consent to the filing of the Report with any stock exchange and other regulatory authority and any publication by them, including electronic publication in the public company files on their websites accessible by the public, of the Technical Report.

Dated as of the 31st day of May, 2011.



Stuart Gibbins, P.Geo (0754)

CERTIFICATE Jolette

To Accompany the Report dated May 31, 2011 entitled
Technical Report on the Victoria Project Deposit
Sudbury, Ontario, Canada, for Quadra FNX Mining Ltd.

I, **Chantal Jolette, B.Sc. (Hons.), P. Geo.,** do hereby certify that:

1. I reside at 54 Bayside Crescent, Sudbury, Ontario, Canada, P3B 0B9**.**
2. I am Senior Project Geologist – QAQC, Special Prjoects of Quadra FNX Mining Ltd.
3. I am a registered Practicing Member of the Association of Professional Geoscientists of Ontario (Registration No. 1518); Member of the Prospectors & Developers Association of Canada;. I hold a Bachelor of Science (Honours, Geology) Degree University of Ottawa, Ottawa, Ontario; I have practiced my profession as a geoscientist for 10 years and have solely worked in Canada for the Ontario Geological Survey, Precambrian Section (2001-2002) and Quadra FNX Mining Ltd. (2002-present). I have been involved in quality control and quality assurance and mineral exploration in Sudbury since 2002.
4. I am a qualified person for the purposes of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101").
5. Since 2003, I have been intimately associated with aspects of the Quadra FNX Mining Ltd. Quality assurance program.
6. I am not independent of Quadra FNX Mining Ltd., as defined in section 1.4 of NI 43-101.
7. I have prepared this Report with Dr. Catharine E.G. Farrow, B.Sc. (Hons.), M.Sc., Ph.D., P. Geo., and Mr. John Everest, B.Sc., M.Sc., P.Geo., and have drawn on information supplied by Senior Technical Staff in the Company's Sudbury Operations and on historic exploration and mining records provided by the former property holder.
8. As of the date hereof, to the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.
9. I have read National Instrument 43-101 and Form 43-101F1 and have prepared the Technical Report in compliance with National Instrument 43-101 and Form 43-101F1 and in conformity with generally accepted Canadian mining industry practices.
10. I consent to the filing of the Report with any stock exchange and other regulatory authority and any publication by them, including electronic publication in the public company files on their websites accessible by the public, of the Technical Report.

Dated as of the 31st day of May, 2011.

Chantal Jolette

Chantal Jolette, P.Geo (1518)