September 07, 2010 08:00 ET

Quadra FNX Expands Victoria Zone 4 Discovery

TORONTO, ONTARIO--(Marketwire - Sept. 7, 2010) - Quadra FNX Mining Ltd. (TSX:QUX) is pleased to announce that on-going exploration at the Company's 100% owned Victoria property in the Sudbury Basin, Ontario has expanded and added significant confidence to the Zone 4 sulphide mineralized system which was first discovered in May 2010, when hole FNX1190 intersected 1,367 feet of mineralization grading 1.3% Cu, 0.6% Ni and 2.2g/t TPM (See FNX's Press Release May 10, 2010.)

Since May 2010 the Company has drilled an additional 11 holes and intersected Zone 4 in 10 places along the plunge of the deposit. As a result of subsequent drilling, Zone 4 has now been traced over a vertical length of over 3,000 feet. The grades intersected in Zone 4 have been generally higher than the previously announced results from Zones 1-3 (See FNX's Press Release January 19, 2010), and are significantly higher than typical Sudbury camp grades. In addition, both copper and total precious metal (TPM) grades appear to be increasing with depth.

Downhole geophysics (UTEM) has also demonstrated continuity of Zone 4 above and below the current intersections which highlight the potential for expansion of the mineralized system and may ultimately connect Zone 4 to Zones 1 and 2, potentially resulting in a plunge length of approximately 5,000 feet.

The shallowest drill intersection in Zone 4, located approximately 3,200 feet below surface, is 44 feet grading 1.1% Cu, 1.0% Ni, and 1.2g/t TPM (hole FNX1198B). Approximately 1,000 feet below this intersection the Company intersected **624 feet of 1.9% Cu, 1.7% Ni and 4.1 g/t TPM** (hole FNX1186G), while a further 1,500 feet below this, hole FNX1195C intersected **308 feet of 2.1% Cu, 3.1% Ni and 5.1g/t TPM**. The deepest intersection to date is at approximately 6,200 feet below surface, and returned **71 feet of 4.1% Cu, 2.0% Ni with an impressive 60.1g/t of TPM's** (hole FNX1200).

Key Intersections

Hole Number	*From (ft)*	*To (ft)*	*Width[1] (ft)*	*Cu (%)*	*Ni (%)*	*TPM[2] (g/t)*
FNX1186G	4533	5156	624	1.9	1.7	4.1
incl	4762	4889	127	2.4	3.5	6.7
Incl	4917	5026	109	2.8	2.6	3.5
FNX1195C	5359	5668	308	2.1	3.1	5.1
incl	5383	5557	174	2.5	5.1	4.8
FNX1200	6038	6109	71	4.1	2.0	60.1

[1]Reported are intersected widths, not true widths.

[2]TPM = Total Precious Metals = Platinum + Palladium + Gold

Mr. Paul Blythe, President and CEO of Quadra FNX stated, "These results continue to confirm the potential value of the Victoria project and it is fast becoming an important development asset for the Company. The results from this programme have provided us with a valuable understanding of the geological controls on the sulphide mineralized system, and has put into context the character, high quality, and potential size of the deposit. While there is no assurance yet that this project is commercially viable, results to date demonstrate a deposit of some significance. Our short-term objective will be to continue advancing our exploration efforts and acquire the data necessary to make an informed decision as to whether to sink an exploration shaft within the next six months. The Victoria deposit was not included in the Gold Wheaton agreement thus providing Quadra FNX shareholders with full leverage to the precious metals contained in this discovery."

Characteristics and Significance of Zone 4

The Company has concentrated its exploration efforts with six diamond drill rigs at Zone 4 which was discovered in May 2010. As highlighted in the Figures below, the mineralization in Zone 4 is contained within the Quartz Diorite Ethel Lake segment of the Worthington Offset Dyke and the Sudbury Breccia wallrocks. Figure 2 also demonstrates that in the currently known upper 1,000 feet of Zone 4 (i.e., above a depth of approximately 4,000ft) the sulphides are hosted within the Ethel Lake Quartz Diorite (QD). In this part of Zone 4, the Company intersected 44 feet of 1.1% Cu, 1.0% Ni and 1.2g/t TPM (hole FNX1198B) as well as 624 feet of 1.9% Cu, 1.7% Ni and 4.1g/t TPM (hole FNX1186G).

Below approximately 4,000 feet the mineralization in Zone 4 is hosted in thermally metamorphosed Sudbury Breccia. Massive sulphide concentrations increase from the top of Zone 4 to at least 5,500 feet where hole FNX1195C yielded a spectacular intersection of 308 ft of 2.1% Cu, 3.1% Ni and 5.1g/t TPM, including 174 ft of 2.5% Cu, 5.1% Ni and 4.8g/t TPM. Moreover, both copper and precious metal grades appear to be increasing with depth and, below 6,000 feet, the Company intersected 71 feet grading 4.1% Cu, 2.0% Ni, with significant precious metal grades of 22.6g/t Pt, 20.5g/t Pd and 17.0g/t Au, for a combined 60.1g/t TPM.

Based on downhole geophysics and metal zonation, the Company now believes that the Zone 4 mineralized system may ultimately be connected to the previously discovered Zones 1 and 2. Downhole geophysical data from hole FNX1200 also indicates that it intersected the northeastern edge of the highly conductive mineral system that continues well below the intersection at 6200ft.

The Company now believes that the mineral zonation, including increasing copper and TPM grades with depth combined with the transition of mineralized host rock from Quartz Diorite to Sudbury Breccia is characteristic of Sudbury South Range Breccia Belt deposits (Ames & Farrow, 2007; Farrow & Lightfoot, 2002; Souch & Podolsky, 1969). As a result, management now believes that the mineralized system transitions from an 'Offset' Ni-rich environment in and around Zone 1, 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 high-TPM Vermilion deposit, located adjacent to the Victoria Property.

Victoria Drill Programme

There are currently six diamond drill rigs on the Victoria property that continue to in-fill and expand Zone 4, and to test additional nearby Ni-Cu-PGE targets. In-fill drilling is expected to continue for the remainder of 2010 so that a decision can be made as to whether or not the development of the underground infrastructure necessary to support an advanced exploration/definition drill programme can commence. An internal scoping study and planning is on-going, and Quadra FNX is advancing the permits and the approvals required to begin such a programme.

Quadra FNX has increased its exploration budget for Victoria and now expects to spend US$9 million on the project in the second-half of 2010. The majority of this amount has been allocated for in-fill drilling of Zone 4, but the Company will also continue geotechnical and condemnation drilling as well as environmental and engineering work.

As a result of the depth and variable host rock types, the drilling efforts at Zone 4 are expected to continue to be technically and logistically challenging and require the use of directional drilling. This implies a relatively long time frame between target intersections. The Company expects to add a seventh drill to the property later in September.

Qualified Person Statement

Catharine Farrow Ph.D., P. Geo., Executive Vice President – Exploration and Project Evaluation, and John Everest, M.Sc., P.Geo. , Manager – Sudbury Exploration for Quadra FNX are the designated Qualified Persons pursuant to NI 43-101 of the Canadian Securities Administrators and are responsible for the verification and quality assurance of the technical content of this news release. Diamond drill core samples are prepared at the SGS Minerals Group preparation facility in Sudbury, Ontario. The resulting pulps are subsequently shipped for assay at the SGS laboratory in Toronto. SGS is accredited by the Standards Council of Canada (SCC) for specific mineral tests listed on the scope of accreditation to the ISO/IEC 17025 standard. Please see the Company's most recent technical report, dated March 31, 2009, (filed on SEDAR on April 27, 2010) for the details of Quadra FNX's sample preparation, analyses, security, and assay quality assurance/quality control for all Sudbury operations and exploration.

About Quadra FNX Mining Ltd. (TSX:QUX)

Quadra FNX Mining Ltd. is a leading mid-tier copper mining company with corporate offices in Vancouver, B.C. and Toronto, Ontario. Quadra FNX produces copper, gold, nickel and platinum group metals from its operating mines: the Robinson mine in Nevada, the Carlota mine in Arizona, Franke mine in northern Chile, and the McCreedy West, Levack and Podolsky mines in Sudbury, Ontario. The Company possesses several advanced development projects, including the Morrison Deposit in Sudbury, the Sierra Gorda copper-molybdenum project in Chile and the Malmbjerg molybdenum development project in Greenland. Quadra FNX employs approximately 1,650 people in North and South America.

Forward-Looking Statement

This news release contains certain forward-looking statements. These forward-looking statements are subject to a variety of risks and uncertainties beyond the Company's ability to control or predict, which could cause actual events or results to differ materially from those anticipated in such forward-looking statements. In this news release, statements about the size and grade of any mineralized zone, the potential viability of new deposits and future drilling results are examples of forward-looking statements. There is no guarantee that the initial exploration results will result in a viable mineral deposit. Forward-looking statements speak only as of the date on which they are made. The Company undertakes no obligation to publicly update any such statement or reflect new information or the occurrence of future events or circumstances, except where required by securities regulations. Accordingly, readers should not place undue reliance on forward-looking statements.

Appendices

Table 2

Hole Number	Zone		From (ft)	To (ft)	Width[1] (ft)	Cu (%)	Ni (%)	Pt (g/t)	Pd (g/t)	Au (g/t)	TPM[2] (g/t)
FNX1186G	4		4,533	5,156	624	1.9	1.7	1.6	1.9	0.6	4.1
		incl.	4,762	4,889	127	2.4	3.5	2.1	3.3	1.3	6.7
		incl.	4,917	5,026	109	2.8	2.6	1.7	1.5	0.3	3.5
FNX1186H	4		4,523	4,534	11	1.7	0.6	1.5	1.6	0.7	3.8
	4		4,730	4,792	62	0.7	0.4	0.9	1.0	0.3	2.2
	4	incl.	4,730	4,747	17	1.0	0.5	0.4	0.6	0.4	1.4
	4		4,822	4,934	111	1.0	1.1	0.9	0.7	0.4	1.9
FNX1195	4		Missed Zone - No Significant Intervals								
FNX1195A	4		5,710	5,721	11	14.5	1.9	1.0	19.9	0.6	21.5
	4		5,797	5,813	16	2.0	2.1	0.7	8.6	1.0	10.3
	4		5,912	5,916	4	6.2	2.9	0.1	0.3	0.2	0.6
FNX1195C	4		5,359	5,668	308	2.1	3.1	2.0	1.9	1.2	5.1
		incl.	5,383	5,557	174	2.5	5.1	2.6	1.9	0.4	4.8
FNX1196	4		4,962	4,964	2	14.3	3.8	5.4	1.9	3.4	10.6
FNX1196B	4		4,563	4,570	6	1.6	0.1	0.0	0.0	0.1	0.1
FNX1198	4		3,535	3,545	10	1.2	0.7	0.5	0.3	0.1	0.8
	4		3,577	3,593	16	1.3	0.6	0.3	0.3	0.1	0.7
	4		3,999	4,005	6	3.0	0.8	0.2	0.2	0.2	0.6
FNX1198B			3,456	3,500	44	1.1	1.0	0.6	0.4	0.2	1.2
		incl.	3,456	3,477	20	1.7	1.7	0.4	0.3	0.1	0.7
FNX1199	4		4,979	4,996	17	0.8	2.2	5.5	8.7	1.1	15.4
	4		5,037	5,054	17	3.1	0.3	0.8	5.0	0.2	6.0
	4		5,104	5,159	55	1.5	0.4	0.7	0.8	0.3	1.8
		incl.	5,104	5,118	14	3.5	0.6	2.3	2.1	0.7	5.1
FNX1200A	4		6,038	6,109	71	4.1	2.0	22.6	20.5	17.0	60.1
FNX1200A	4	incl.	6,087	6,109	22	7.9	4.1	26.9	29.7	4.9	61.5

[1] *Reported are intersected widths, not true widths.*

[2] *TPM = Total Precious Metals = Platinum + Palladium + Gold*

To view Figure 1 (Victoria Property Surface Geology), Figure 2 (Victoria A – A' Section (Looking East) Composite Section), Figure 3 (Victoria Long Section (Looking North – Grid A)), Figure 4 (Victoria Level 4200 Mineralization), Figure 5 (Victoria Level 5500 Mineralization) and Figure 6 (Victoria Level 6000 Mineralization), please visit the following link:

http://media3.marketwire.com/docs/quadra_fnx_mining_victoria_zone_sept_7.pdf