

FNX MINING COMPANY INC.

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

FNX MINING COMPANY INC., 145 King Street West, Suite 1500, Toronto, Ontario, M5H 1J8.

Item 2. Date of Material Change

June 12, 2008.

Item 3. News Release

The Press Release was sent on June 12, 2008 via Marketwire—Toronto, Ontario.

Item 4. Summary of Material Change

For further information, attached hereto is a copy of the Press Release.

Item 5. Full Description of Material Change

For further information, attached hereto is a copy of the Press Release.

Item 6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Confidentiality is not requested.

Item 7. Omitted Information

No information has been omitted in respect of the material change.

Item 8. Executive Officer

John Lill, President & Chief Executive Officer [416] 628-5929.

Item 9. Date of Report

June 13, 2008.

NOT FOR DISSEMINATION IN THE UNITED STATES OR FOR
DISTRIBUTION TO U.S. NEWSWIRE SERVICES



GOLD WHEATON AND FNX MINING LAUNCH NEW GOLD STREAM COMPANY

Toronto, Ontario, June 12, 2008 - **FNX Mining Company Inc. (TSX-FNX)** ("FNX") is pleased to announce that the Company and Kadywood Capital Corp. ("Gold Wheaton") (TSX-V: KDC.H) are launching **Gold Wheaton Corp.**, a new gold stream company, and that FNX and Gold Wheaton have entered into a binding agreement whereby Gold Wheaton will purchase, for consideration of cash and securities totaling Cdn.\$400 million, 50% of the contained gold, platinum and palladium metal in ore mined and shipped (the "Production") from: (i) the PM and 700 Deposits at the McCreedy West Mine; (ii) the Levack Footwall Deposit, Rob's Deposit and 1900 Deposit at the Levack Mine; and (iii) the 2000 and North Deposits at the Podolsky Mine. In connection with the transaction, Kadywood intends to change its name to Gold Wheaton Corp.

Gold Wheaton will issue to FNX:

- up-front cash payment of Cdn\$175 million
- 350 million Gold Wheaton common shares valued at Cdn\$175 million representing approximately 43% of Gold Wheaton's basic shares outstanding pro forma its planned financing
- Cdn\$50 million deferred payment in Gold Wheaton warrants, shares or cash six months following closing of the transaction
- the lesser of (a) US\$400 per gold equivalent ounce (subject to an inflationary adjustment three years after the anniversary date) and (b) the then prevailing market price per ounce. The gold equivalent ounces delivered to Gold Wheaton will be calculated based on spot gold, platinum, and palladium prices at the time of delivery.

Prior to or at the closing of the transaction with FNX, the board of directors of Gold Wheaton will be reconstituted and comprised of four directors initially; David Cohen, Frank Giustra, Terry MacGibbon, and Francesco Aquilini. David Cohen, currently Chairman of Eastern Platinum Ltd., will be appointed as Chairman and Chief Executive Officer of Gold Wheaton.

Terry MacGibbon, Executive Chairman of FNX, stated: "For some time we have been looking at ways to monetize and crystallize the value of our growing precious metal stream from our high-grade Sudbury footwall deposits and were delighted when presented with the opportunity to become involved in the launch of Gold Wheaton. In addition to receiving US\$400 per gold equivalent ounce, we will receive a significant upfront cash payment that will allow us to continue our aggressive growth plans in Sudbury. In addition as the largest Gold Wheaton shareholder at approximately 43%, this transaction will also allow us to fully participate in the upside of gold, platinum, and palladium prices through our ownership in Gold Wheaton, the first primarily gold stream purchaser in the world. This new, unique, growth-focused vehicle will aggressively seek out other by-product gold stream opportunities around the world."

“Gold Wheaton will be a pure play on gold and related precious metal by-product production. We will have immediate strong income and cash flow and it is our intent to grow this business aggressively. Upon completion of these initial two transactions and the proposed equity financing, Gold Wheaton will be well positioned for growth with current cash flow and a project pipeline.” commented David Cohen, Chairman and Chief Executive Officer of Gold Wheaton. “We welcome FNX as a major shareholder and look forward to their ongoing contribution as we grow the company”.

John Lill, President and Chief Executive Officer of FNX, added: “This is an excellent transaction for FNX as it provides us with upfront cash proceeds and on-going precious metal revenues to continue our aggressive Sudbury development plans to double our 2007 production by the end of 2010 and to fund the development of our high-value copper-nickel-precious metal deposits with the continued ramp up of production at the Podolsky Mine, which is expected to reach full production by year end and the commencement of production from our high-grade Levack Footwall Deposits in 2009.”

The transaction is conditional on Gold Wheaton financing the cash portion of the purchase price. In connection with the transaction, Gold Wheaton intends to sell, on a best efforts basis, by way of private placement, a minimum of 400 million subscription receipts at a price of Cdn\$0.50 per subscription receipt for gross proceeds of a minimum of Cdn\$200 million with an over allotment option of up to 15% of the issue.

This agreement does not include future precious metals production from new discoveries FNX may make on its Sudbury properties. FNX has agreed to grant Gold Wheaton a right of first refusal on any future gold stream agreements or similar arrangements proposed to be entered into by FNX with respect to its properties in the Sudbury Basin.

FNX will be granted pre-emptive rights for the next 18 months to participate in future Gold Wheaton financings to maintain its pro rata interest in Gold Wheaton as long as the Company holds at least a 10% interest in Gold Wheaton calculated on a non-diluted basis.

Gold Wheaton has completed all technical and operating due diligence. Closing of this transaction is subject to Gold Wheaton completing the required financing as noted above, confirmatory environmental, permitting, and legal due diligence by Gold Wheaton, execution of definitive documentation, receipt of all regulatory approvals, third-party consents and acceptance by the Toronto Stock Exchange. It is expected that the transaction will close in July 2008.

BMO Capital Markets is acting as financial advisor to FNX. The Company’s legal counsel is Cassels, Brock, and Blackwell LLP.

About FNX

FNX operates, develops and explores its mining properties located in the prolific Sudbury mining camp, Ontario, Canada. The Company produces nickel, copper, cobalt, platinum, palladium and gold ores from its McCreedy, Levack and Podolsky Mines, crushes and samples the ore on surface and trucks it to third party facilities to be milled, smelted, refined and marketed. FNX has aggressive plans to significantly increase ore and metal production over the next few years. Well financed and generating strong cash flow, FNX is well positioned to implement its ambitious growth plans.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful. The securities have not been registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements.

Forward-Looking Statement

This news release contains certain forward-looking statements, including statements about the sale by FNX to Gold Wheaton of certain assets, the proposed terms and timing of the transaction and the anticipated benefits of the acquisition to FNX and Gold Wheaton. These forward-looking statements are subject to a variety of risks and uncertainties beyond the ability of FNX and Gold Wheaton to control or predict, which could cause actual events or results to differ materially from those anticipated in such forward-looking statements, including risks relating to the parties' ability to complete the transaction and to obtain the necessary approvals, risks relating to either company's ability to realize the anticipated benefits of the transaction and other risks disclosed in filings with the Canadian securities regulators made by FNX and Gold Wheaton. Accordingly, readers should not place undue reliance on forward-looking statements.

For Further Information, Please Contact:

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John Lill, President and CEO

David Constable, Vice President Investor Relations

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