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

December 10, 2008.

Item 3. News Release

The Press Release was sent on December 10, 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) 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

Terry MacGibbon, Executive Chairman & Chief Executive Officer [416] 628-5929.

Item 9. Date of Report

December 10, 2008.

FNX Mining Suspends Nickel Ore Production and Reduces Workforce in Sudbury

Toronto, Ontario – December 10, 2008 – **FNX Mining Company Inc**. **(TSX–FNX)** ("FNX" or "the Company") announces plans to extend the suspension of nickel ore production at its Levack Mine (see October 21, 2008 News Release) and to also suspend production of nickel ore from its adjoining McCreedy West Mine, effective immediately.

This decisive action is being taken to ensure the Company's business remains viable throughout the current global economic downturn and this period of dramatically falling nickel prices. The suspension of all nickel ore production from the Company's Sudbury operations is indefinite and the Company will closely monitor global commodity markets and make further adjustments as required.

Both the Levack and McCreedy West mines will remain open and active with production from the Company's higher margin copper-nickel-precious metal deposits at the McCreedy West PM Deposit, the Levack Rob's Deposit and at the Podolsky Mine's 2000 Deposit.

The Company will continue its development of the advanced stage, high-grade copper-nickel-precious metal Levack Footwall Deposit, which is expected to provide development ore in late 2009 and to be in production in 2010.

The Company is currently working on its 2009 Plan and Budget and will provide production guidance during the first quarter of 2009.

As a result of the suspension of all nickel ore production, the Company is reducing its work force across its Sudbury mining operations by 307 employees; 59 staff will be terminated and 248 hourly employees will be laid off, effective immediately. All hourly employees at the Sudbury operations are being offered a voluntary severance package which could reduce the number of hourly employees laid off. Employees will be transferred to the Company's on-going copper-nickel-precious metal operations.

Terry MacGibbon, Chairman and CEO of FNX stated that, "Management and the Board acknowledge the tremendous contribution to the Company made by all of our Sudbury employees and it is with great regret that we announce today's terminations and layoffs. However, low global nickel prices have made our nickel operations uneconomic at this time. FNX must now adjust in order to not only retain approximately 375 current jobs at our Sudbury mining operations but to prepare itself to thrive and increase its employee levels when commodity prices recover."

Mr. MacGibbon further added that, "the Company is in an excellent position to weather the current economic downturn with its strong balance sheet ($151 million cash and zero debt as of September 30, 2008) and some $140 million in securities. We will concentrate our efforts on only those ores that produce a positive cash operating margin and limit our sustainable capital expenditures to an absolute minimum. For several years we have stated that the high-grade copper-nickel-precious metal Levack Footwall Deposit represents the future of the Company and we will continue our plans to put this exceptional deposit into production as soon as possible."

About FNX

FNX produces, develops and explores for nickel, copper, cobalt, platinum, palladium, and gold at its mining properties located in the prolific Sudbury mining camp, Ontario, Canada. The Company produces ore from its McCreedy West, 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 a strong balance sheet, zero debt and current growth plans focused on higher margin, copper-precious metal ores.

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 current and future employment levels and the viability of future operations are examples of forward-looking statements. There is no guarantee that copper-precious metal deposits will continue to viable under future commodity price scenarios. Accordingly, readers should not place undue reliance on forward-looking statements.

For further information, please contact:

A. Terrance MacGibbon, Chairman and Chief Executive Officer

David Constable, Vice President Investor Relations

FNX Website: www.fnxmining.com

FNX Email: info@fnxmining.com

FNX Tel: 416-628-5929