

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 – Name and Address of Company

Quadra FNX Mining Ltd. ("Quadra FNX")
Suite 2424, Four Bentall Centre
1055 Dunsmuir Street, P.O. Box 49185
Vancouver, British Columbia V7X 1K8

Item 2 – Date of Material Change

March 5, 2012

Item 3 – News Release

On March 5, 2012, a press release with respect to the material change referred to in this report was issued and distributed through Marketwire and subsequently filed on SEDAR. The press release is attached as Schedule A to this report.

Item 4 – Summary of Material Change

On March 5, 2012, 0929260 B.C. Unlimited Liability Company ("**AcquireCo**"), an indirect wholly-owned subsidiary of KGHM Polska Miedź S.A. ("**KGHM**"), acquired all of the issued and outstanding common shares of Quadra FNX (the "**Common Shares**").

Item 5 – Full Description of Material Change

On March 5, 2012, AcquireCo acquired all of the issued and outstanding Common Shares and all of the outstanding common share purchase warrants of Quadra FNX issued on September 9, 2009 (the "**2009 Warrants**") pursuant to a court-approved plan of arrangement under the *Business Corporations Act* (British Columbia) (the "**Arrangement**") involving Quadra FNX, AcquireCo and Quadra FNX securityholders. All of the common share purchase warrants of Quadra FNX issued on March 1, 2007 expired on March 2, 2012. As a result, Quadra FNX is now a wholly-owned subsidiary of AcquireCo.

The Arrangement was approved by over 78% of Quadra FNX securityholders who voted at a special meeting of securityholders held on February 20, 2012. Final approval for the Arrangement was obtained from the Supreme Court of British Columbia on February 21, 2012. Under the terms of the Arrangement, each former holder of Common Shares will receive C\$15.00 in cash per Common Share. In addition, each former holder of the 2009 Warrants will receive C\$1.68 in cash for each 2009 Warrant held.

It is expected that the Common Shares and the 2009 Warrants will be de-listed from the Toronto Stock Exchange effective at the opening of business on March 8, 2012.

Item 6 – Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 – Omitted Information

Not applicable.

Item 8 – Executive Officer

For further information, please contact:

Paul Blythe, President and CEO
Telephone: (604) 689-8550

Item 9 – Date of Report

March 6, 2012

QUADRA FNX MINING LTD.

by (signed) *Krzysztof Kubacki*

Name: Krzysztof Kubacki

Title: Director

SCHEDULE A



KGHM
POLSKA MIEDŹ S.A.

QUADRA FNX & KGHM COMPLETE ARRANGEMENT

Vancouver, Canada – March 5, 2012 – Quadra FNX Mining Ltd. ("Quadra FNX" or the "Company") (TSX:QUX) and KGHM Polska Miedź S.A. ("KGHM") (WSE:KGH) announced today the completion of the acquisition of all of the issued and outstanding common shares (the "Common Shares") of Quadra FNX and all of the outstanding Quadra FNX warrants (the "2009 Warrants") by 0929260 B.C. Unlimited Liability Company ("AcquireCo"), an indirect, wholly-owned subsidiary of KGHM. The transaction was structured as a court-approved plan of arrangement (the "Arrangement") under *The Business Corporations Act* (British Columbia) between Quadra FNX, AcquireCo and Quadra FNX securityholders. The Company is now a wholly-owned subsidiary of AcquireCo and its name will change to KGHM International Ltd. in due course. The management team will continue to be led by Paul Blythe, the current CEO of Quadra FNX.

It is expected that the Common Shares and the 2009 Warrants will be de-listed from the Toronto Stock Exchange effective at the close of business on March 7, 2012. Securityholders who have not already taken steps to deposit the certificates representing their Common Shares or 2009 Warrants in order to receive the consideration to which they are entitled pursuant to the Arrangement should contact Kingsdale Shareholder Services Inc., the depository for the Arrangement, at 1-888-518-1557 or 1-416-867-2272 outside of North America (collect calls accepted) or by e-mail at contactus@kingsdaleshareholder.com.

Completion of the Arrangement constitutes a "Change of Control" under the indenture governing Quadra FNX's US\$500 million aggregate principal amount 7.75% senior notes (the "Notes") due 2019. In accordance with the indenture, the Company will, within 30 days of the date hereof, make a change of control offer to purchase all of the outstanding Notes at a purchase price in cash equal to 101% of the principal amount of such outstanding Notes, plus accrued and unpaid interest to the date of redemption.

Further details regarding the Arrangement are set out in the Company's Notice of Special Meeting of Securityholders and Information Circular dated January 6, 2012, which has been filed with the applicable securities regulatory authorities and is available on SEDAR at www.sedar.com.

This press release is also a press release of KGHM Polska Miedź SA, M. Skłodowskiej-Curie 48, 59-301, Lubin, Poland, for purposes of the early warning reporting requirements of applicable securities law.

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KGHM
POLSKA MIEDŹ S.A.

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