



MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR AND FOURTH QUARTER ENDED DECEMBER 31, 2009

The following Management Discussion and Analysis (“MD&A”) of Quadra Mining Ltd. and its subsidiaries (“Quadra” or the “Company”) has been prepared as at March 7, 2010 and is intended to be read in conjunction with the accompanying audited consolidated financial statements for the year ended December 31, 2009. This MD&A contains ‘forward looking information’ and reference to the cautionary statement at the end of this MD&A is advised. Additional information relating to the Company, including its Annual Information Form, is available on the SEDAR website at www.sedar.com. The Company is a reporting issuer in all provinces and territories of Canada and its common shares are traded on the Toronto Stock Exchange under the symbol: QUA.

All financial information in this MD&A is prepared in accordance with the Canadian Generally Accepted Accounting Principles and all dollar amounts are expressed in thousands of United States dollars unless otherwise indicated.

DESCRIPTION OF BUSINESS AND NATURE OF OPERATIONS

Quadra is a mining company that owns and operates the Robinson copper mine (“Robinson” or “Robinson Mine”) near Ely, Nevada, which has been in production since 2004, the Carlota mine (“Carlota” or “Carlota Mine”), a heap leach - SX/EW copper operation in Arizona, which commenced operations in 2008 and the Franke mine (“Franke” or “Franke Mine”), a heap leach – SX/EW copper operation in northern Chile, which achieved commercial production in October 2009. The Company also owns the Sierra Gorda project (“Sierra Gorda”), an advanced copper-molybdenum project in northern Chile, and the Malmbjerg molybdenum project (“Malmbjerg”) in Greenland. Quadra’s strategic plan is based on growing to a production rate in excess of 500 million pounds of copper per year from diverse operations and with a pipeline of development projects in place for long term sustainability and growth.

FOURTH QUARTER AND RECENT HIGHLIGHTS:

- For the fourth quarter of 2009, the Company recorded earnings of \$46.4 million or \$0.47 per share (basic) driven by strong copper prices and sales volumes.
- Adjusted earnings* were \$50.9 million or \$0.51 per share (basic) after making adjustments to exclude the loss on derivatives and gains on marketable securities, the tax effects of these items and taxes in respect of prior years.
- Total revenues from the Company’s three operating mines were \$170.5 million for the fourth quarter of 2009 compared to (\$7.1) million for the same period of 2008. All revenues in 2008 were generated by the Robinson Mine.
- The company produced 46.7 million pounds of copper and 25,148 ounces of gold, which slightly exceeded revised guidance.
- Cash flow from operating activities (before working capital changes)* was \$51.7 million or \$0.52 per share (basic) compared to (\$70.9) million or (\$1.09) per share (basic) for the fourth quarter of 2008.
- The Franke Mine achieved commercial production and generated revenues of \$20.8 million from the sale of 6.9 million pounds of copper cathodes.
- The Company executed a memorandum of understanding with State Grid International Development, a wholly owned subsidiary of State Grid Corporation of China, the largest Chinese utility company and a major end user of copper, for the formation of a joint venture (the “Strategic JV”). The Strategic JV will develop and operate Quadra’s Sierra Gorda project and Franke Mine and seek to invest in other prospective copper assets, initially in Chile (see section below “**Subsequent Event**”).

2009 HIGHLIGHTS:

- Earnings for the year ended December 31, 2009 were \$80.5 million or \$0.89 per share (basic) compared to earnings of \$38.6 million or \$0.61 per share (basic) in 2008.
- Adjusted earnings* for 2009 were \$117.5 million or \$1.31 per share (basic) compared to \$13.2 million or \$0.21 per share (basic) in 2008, after making adjustments to exclude the loss on derivatives and gains on marketable securities, the tax effects of these items and taxes in respect of prior years.
- Total revenues from the Company's three operating mines were \$459.5 million for 2009 compared to \$487.5 million for 2008. All revenues in 2008 were generated by the Robinson Mine.
- The Company produced 164.0 million pounds of copper and 98,970 ounces of gold in 2009 compared to 159.7 million pounds of copper and 137,628 ounces of gold in 2008.
- The cash cost per pound of copper produced* at the Robinson Mine was \$1.25 per pound in 2009 compared to \$1.15 per pound in 2008. In 2009, the Carlota and Franke Mines were ramping up production and therefore the cash cost per pound of copper produced number was not comparable.
- Cash flow from operating activities (before working capital changes)* was \$141.9 million or \$1.58 per share (basic) compared to \$155.3 million or \$2.47 per share (basic) for 2008
- Robinson and Carlota continue to sustain excellent safety records with a combined Total Incidence Rate of 1.59 compared to the U.S. average of 3.24.
- In April 2009, the Company completed the acquisition of Centenario Copper Corporation ("Centenario"), and its 100% owned Franke Mine, in exchange for 14,368,563 Quadra common shares and 574,000 Quadra options valued at \$66.9 million.
- In July 2009, the Company announced the completion of a scoping study for the Sierra Gorda project, which included a preliminary economic assessment and an updated mineral resource estimate that recommended proceeding with pre-feasibility and feasibility studies.
- In April 2009, the Company completed a bought-deal equity financing for gross proceeds of \$71.6 million.
- The Company ended 2009 with \$133.2 million of cash on hand.

* See "Non-GAAP Financial Measures" below for additional information.

FINANCIAL PERFORMANCE

Earnings

The Company recorded earnings of \$80.5 million or \$0.89 per share (basic) for the year ended December 31, 2009, compared to earnings of \$38.6 million or \$0.61 per share (basic) in 2008. Earnings in 2009 benefited from a strong recovery in copper prices which increased from \$1.32/lb. to \$3.33/lb. over the course of the year. Earnings in 2009 were also impacted by a \$54.5 million accounting loss on derivatives which was also a result of the increasing copper prices. Although the average copper price in 2008 was higher than the current year, earnings and revenues in 2008 were impacted by the substantial fall in copper prices late in the year, and by a \$95.7 million write down of the Malmbjerg molybdenum project.

Earnings for the fourth quarter of 2009 were \$46.5 million or \$0.47 per share (basic) compared to a loss of \$126.1 million or \$1.94 per share (basic) for the fourth quarter in 2008. The increased earnings in 2009 are primarily due to higher copper prices and to higher metal sales volumes in the fourth quarter of the current year. The fourth quarter earnings in 2008 were also impacted by significant negative provisional pricing adjustments and by a \$95.7 million write down of the Malmbjerg project.

The copper price increased from \$2.79 per pound on September 30, 2009 to \$3.33 per pound on December 31, 2009 resulting in positive adjustments on final settlement of provisionally priced sales recorded in the fourth quarter. Whereas in the fourth quarter of 2008, copper prices fell sharply from \$2.91/lb to \$1.33/lb resulting in significant negative provisional pricing adjustments (see section below "Revenues").

Operating Income

Operating income for the quarter and year ended December 31, 2009 and 2008 was as follows:

	Three months ended December 31, 2009	Three months ended December 31, 2008	Year ended December 31, 2009	Year ended December 31, 2008
Robinson	51,696	(78,173)	142,479	176,524
Carlota	7,192	(15,249)	18,346	(15,249)
Franke	4,469	-	4,469	-
Operating income	<u>63,357</u>	<u>(93,422)</u>	<u>165,294</u>	<u>161,275</u>

Operating income for 2009 was broadly in line with 2008, as the decline in Robinson's operating income was offset by increased operating income from the Carlota Mine and a first contribution from Franke. Robinson's operating income for 2009 declined due to lower revenues (see "Revenues") partially offset by lower royalties and mineral taxes. Carlota's operating income in 2009 included the reversal of a \$15.2 million start-up inventory adjustment which was recorded in the fourth quarter of 2008 due to the significant reduction in copper prices late last year.

Operating income for the fourth quarter of 2009 was significantly higher than fourth quarter of 2008. The increased operating income is primarily due to higher average copper prices and higher sales volumes in 2009 (see "Revenues"). The 2008 fourth quarter operating loss includes negative provisional pricing adjustments of \$65 million related to third quarter sales at Robinson, and a \$15.2 million leach pad inventory write down at Carlota.

Revenues

	Three months ended December 31, 2009				Three months ended December 31, 2008			
	Robinson	Carlota	Franke	Total	Robinson	Carlota	Franke	Total
Copper sales (million pounds)	31.7	6.4	6.9	45.0	29.2	-	-	29.2
Average settlement price per pound	\$ 3.02	\$ 3.01	\$ 3.03	\$ 3.02	\$ 1.83	-	-	\$ 1.83
Gold sales (ozs)	24,057	-	-	24,057	22,844	-	-	22,844
Copper revenues	94,579	19,171	20,406	134,156	62,753	-	-	62,753
Gold revenues	27,319	-	-	27,319	17,866	-	-	17,866
Molybdenum revenues	232	-	-	232	176	-	-	176
Price adjustments	14,001	-	414	14,415	(84,556)	-	-	(84,556)
Refining and treatment charges	(5,630)	-	-	(5,630)	(3,297)	-	-	(3,297)
Total revenues	<u>130,502</u>	<u>19,171</u>	<u>20,820</u>	<u>170,493</u>	<u>(7,058)</u>	<u>-</u>	<u>-</u>	<u>(7,058)</u>
	Year ended December 31, 2009				Year ended December 31, 2008			
	Robinson	Carlota	Franke	Total	Robinson	Carlota	Franke	Total
Copper sales (million pounds)	111.5	26.3	6.9	144.7	147.2	-	-	147.2
Average settlement price per pound	\$ 2.05	\$ 2.32	\$ 3.03	\$ 2.15	\$ 3.27	-	-	\$ 3.27
Gold sales (ozs)	95,735	-	-	95,735	125,712	-	-	125,712
Copper revenues	247,069	61,093	20,406	328,568	501,925	-	-	501,925
Gold revenues	86,960	-	-	86,960	115,406	-	-	115,406
Molybdenum revenues	2,156	-	-	2,156	1,402	-	-	1,402
Price adjustments	60,550	-	414	60,964	(113,836)	-	-	(113,836)
Refining and treatment charges	(19,107)	-	-	(19,107)	(17,396)	-	-	(17,396)
Total revenues	<u>377,628</u>	<u>61,093</u>	<u>20,820</u>	<u>459,541</u>	<u>487,501</u>	<u>-</u>	<u>-</u>	<u>487,501</u>

Robinson revenues

At the Robinson Mine, revenues are generated by the sale of copper from concentrates. Revenues are generally recognized at the time of delivery to a customer based on metal prices at that time, however, under Robinson's current sales contracts, which follow normal industry practice, final pricing for copper sold in concentrate is generally set at least three months after the time of arrival of a shipment at the customer's port of delivery. As a result, Robinson's quarterly revenues include estimated prices for sales, based on forward copper prices at quarter end, as well as pricing adjustments for sales that occurred in previous quarters, based on the actual price received and the price at quarter end for sales from previous quarters that were not settled in the quarter.

In 2009, revenues from Robinson concentrate sales were lower than 2008 due to lower sales volumes and lower average copper prices. The lower sales volumes in 2009 were a result of lower copper and gold production in the current year (see "**Review of Operations and Projects**").

In the quarter ended December 31, 2009, revenues from concentrate sales at the Robinson Mine were significantly higher than the fourth quarter of 2008 due to higher sales volumes, higher copper prices and the impact of provisional price adjustments. Fourth quarter revenues in 2008 included negative provisional price adjustments of \$85 million, which exceeded the initial provisional revenues of \$78 million recorded on fourth quarter shipments, and therefore caused negative net revenues. In the fourth quarter of 2009, copper prices increased resulting in positive pricing adjustments of \$3.7 million related to the third quarter sales. In addition, the Company recorded a positive price adjustment of \$10 million related to the fourth quarter shipments from Robinson which were revalued using a copper price of \$3.34 at December 31, 2009.

At September 30, 2009, receivables included approximately 16.6 million pounds of copper provisionally valued at \$2.79 per pound. During the fourth quarter, these receivables were settled at an average final price of \$3.02 per pound. In the fourth quarter, Robinson shipped approximately 32 million pounds of copper at an average provisional price of \$2.85 per pound, of which 12.5 million pounds was settled during the quarter at an average final price of \$3.06 per pound. At December 31, 2009, receivables include 20 million pounds of copper which has been provisionally valued at \$3.34 per pound.

Carlota revenues

At the Carlota Mine, revenues are generated by the sale of copper cathodes. The pricing of copper cathode sales is generally set in the month of shipment and therefore pricing adjustments in subsequent periods are minimal.

In 2009, Carlota recorded revenues of \$61.1 million from the sale of 26.3 million pounds of copper cathode. For the fourth quarter of 2009, Carlota generated \$19.2 million revenues from the sale of 6.4 million pounds of copper cathode. Carlota commenced cathode production late in the fourth quarter of 2008 but did not sell any product in 2008.

Franke revenues

Revenues are generated by the sale of copper cathodes. Under Franke's current sales contracts, final pricing for copper sold is generally set one month after the time of shipment. As a result, Franke's quarterly revenues include estimated prices for sales, based on forward copper prices at quarter end, as well as pricing adjustments for sales that occurred in previous quarters, based on the actual price received.

In the fourth quarter of 2009, Franke commenced recognizing revenues and recorded revenues of \$20.8 million from the sale of 6.9 million pounds of copper cathode.

Operating expenses

	Three months ended December 31, 2009				Three months ended December 31, 2008			
	Robinson	Carlota	Franke	Total	Robinson	Carlota	Franke	Total
Cost of sales	60,504	9,323	14,264	84,091	59,105	-	-	59,105
Start-up inventory adjustment	-	-	-	-	-	15,249	-	15,249
Amortization, depletion, depreciation and accretion	8,986	1,685	2,087	12,758	6,135	-	-	6,135
Royalties and mineral taxes	9,316	971	-	10,287	5,875	-	-	5,875
Operating expenses	<u>78,806</u>	<u>11,979</u>	<u>16,351</u>	<u>107,136</u>	<u>71,115</u>	<u>15,249</u>	<u>-</u>	<u>86,364</u>

	Year ended December 31, 2009				Year ended December 31, 2008			
	Robinson	Carlota	Franke	Total	Robinson	Carlota	Franke	Total
Cost of sales	190,553	43,877	14,264	248,694	254,511	-	-	254,511
Start-up inventory (reversal) adjustment	-	(9,652)	-	(9,652)	-	15,249	-	15,249
Amortization, depletion, depreciation and accretion	24,444	5,385	2,087	31,916	22,448	-	-	22,448
Royalties and mineral taxes	20,152	3,137	-	23,289	34,018	-	-	34,018
Operating expenses	<u>235,149</u>	<u>42,747</u>	<u>16,351</u>	<u>294,247</u>	<u>310,977</u>	<u>15,249</u>	<u>-</u>	<u>326,226</u>

Robinson

Cost of sales at Robinson were lower in 2009 than 2008 as a result of the lower sales volumes in the current year and the capitalization of \$17.8 million of stripping costs related to the new Ruth pit area. No stripping costs were capitalized in 2008.

Fourth quarter cost of sales at Robinson in 2009 were in line with the same period in 2008 as sales volumes and operating costs were generally in line with the fourth quarter of 2008.

Amortization, depletion, depreciation and accretion were slightly higher in 2009 than in 2008. The increased amortization, depletion, depreciation and accretion in the fourth quarter of 2009 are mainly due to the amortization of stripping costs that were capitalized earlier in 2009.

Royalties and mineral taxes were lower in 2009 than in 2008 primarily due to the lower average copper price and lower sales volumes. Royalties and mineral taxes in for the fourth quarter of 2009 were higher than the same quarter of 2008 mainly due the higher copper prices and higher sales volumes in the fourth quarter of 2009.

Carlota

In 2009, cost of sales at Carlota was \$43.9 million. No cost of sales was recorded at Carlota in 2008.

In the fourth quarter of 2008 Carlota recorded an adjustment of \$15.2 million to reduce the carrying value of its copper cathode and leach pad inventory to net realizable value. During 2009 Carlota recorded reversals of this inventory adjustment in the amount of \$9.7 million due to the increase in copper prices and the resulting increase in the net realizable value of the inventory. The inventory adjustment has been fully reversed as of December 31, 2009.

Amortization, depletion, depreciation and accretion were \$5.4 million in 2009. The Carlota Mine was under construction during 2008 and no sales were recorded and therefore, no amortization, depletion and depreciation was recorded for Carlota in 2008.

Royalties and mineral taxes at Carlota were \$3.1 million in 2009. No royalties and mineral taxes were recorded in 2008 as the Carlota Mine was in a pre-production phase.

The Franke Mine achieved a commercial rate of ore production and commenced recognizing revenues and operating expenses during the fourth quarter of 2009. The Franke Mine recorded cost of sales of \$14.3 million and amortization, depletion and depreciation of \$2.1 million in the fourth quarter of 2009.

General & administrative and other expenses

General and administrative expenses for 2009 were \$18.5 million compared to \$16.5 million in 2008, reflecting the Company's increased activity level. In 2009, stock-based compensation expense was \$6.8 million compared to \$9.1 million in 2008. Stock-based compensation expense includes the amortization of the fair value of the options granted, as calculated on the date of grant, over the two year vesting period and the accrual of the fair value restricted stock units over their vesting period. Options granted in 2009 had a lower initial fair value than 2008 option grants, which resulted in lower amortization in 2009.

During 2009, the Company received cash proceeds of \$23.3 million from the exercise of put options for 35 million pounds of copper (see section below "**Financial Instruments**"). However, the significant increase in the price of copper during 2009 has resulted in a decrease in the fair value of the Company's copper collars, put options and other derivatives, resulting in a loss on derivatives of \$54.5 million in 2009 and \$14.8 million for the fourth quarter of 2009. In 2008, the Company recorded a gain on derivatives of \$31.1 primarily related to an increase in value of copper put options as the copper price decreased in the latter half of 2008.

In 2009, the Company recorded net interest and other income of \$3.6 million compared to \$4.3 million in 2008. Other income in 2009 primarily related to realized and unrealized gains on marketable securities, partially offset by interest and other expenses. In 2008, other income primarily related to interest income and a gain on the sale of marketable securities, partially offset by interest and other expenses.

In the fourth quarter of 2009, net interest and other income increased to \$4.2 million from \$0.6 million in the same period of 2008, primarily due to an unrealized gain on marketable securities of \$5.8 million in the fourth quarter of 2009.

In the fourth quarter of 2008, the Company recorded a \$95.7 million write down related to the impairment of the Malmbjerg mineral property.

In 2008, the Company repaid its Senior Credit Facility and recorded a loss of settlement of debt of \$15.9 million.

The Company recorded an income tax expense of \$11.7 million in 2009, compared to \$17.2 million in 2008. The tax expense in 2009 has been recorded based on an annual effective tax rate of 24% (2008 – 23%). The 2009 income tax expense includes a recovery of \$10.3 million to set up Chilean tax assets not previously recognized. This recovery was recorded in the fourth quarter of 2009. The 2008 income tax expense also includes a future income tax recovery of \$17.8 million related to the write down of the Malmbjerg mineral property.

REVIEW OF OPERATIONS AND PROJECTS

Historical production and forecasted production from the Company's three operating mines is summarized as follows:

	Three months ended		Year ended		FORECAST
	December 31		December 31		
	2009	2008	2009	2008	2010
Copper production (Million lbs)					
Robinson Mine	29.3	34.5	122.5	159.7	135
Carlota Mine	8.0	-	28.0	-	50
Franke Mine	9.4	-	13.5	-	65
	46.7	34.5	164.0	159.7	250
Gold production (ozs)					
Robinson Mine	25,148	26,913	98,970	137,628	80,000

ROBINSON MINE (NEVADA)

	Three months ended December 31		Year ended December 31	
	2009	2008	2009	2008
Copper production (Million lbs)	29.3	34.5	122.5	159.7
Gold production (ozs)	25,148	26,913	98,970	137,628
Waste mined (Tonnes 000's)	13,893	13,527	46,016	57,784
Ore mined (Tonnes 000's)	2,850	3,362	14,478	14,396
Ore milled (Tonnes 000's)	3,422	3,358	13,548	13,842
Copper grade (%)	0.59	0.69	0.64	0.68
Gold grade (g/t)	0.31	0.48	0.31	0.46
Copper recovery	65.9%	68.1%	63.6%	76.7%
Gold recovery	73.1%	52.2%	73.0%	66.8%
Onsite costs	\$ 60,241	\$ 59,659	\$ 206,334	\$ 237,570
Offsite costs	\$ 12,637	\$ 13,089	\$ 46,583	\$ 62,693
Total onsite and offsite costs	\$ 72,878	\$ 72,748	\$ 252,917	\$ 300,263
Cash cost per pound of copper produced	\$ 1.51	\$ 1.58	\$ 1.25	\$ 1.15
Capital expenditure	\$ 7,604	\$ 14,699	\$ 21,370	\$ 49,426

Total ore and waste mined, together with copper produced were all lower in 2009 than in 2008 due to changes required to the mine plan as a result of an MSHA ruling on the operations in the Veteran pit and to the highly variable metallurgical performance of the Wedge pit. Annual production performance for 2009 was in line with the revised guidance of 120-125 million pounds of copper and slightly exceeded revised guidance of 90,000 ounces of gold. Copper recovery declined due to higher soluble copper (non-recoverable) in 2009 while gold production in 2009 decreased compared to 2008, primarily due to declining head grade for the year.

Copper production in the fourth quarter of 2009 was lower than the fourth quarter of 2008. During the fourth quarter of 2009 recoveries from the Ruth pit area continued to be affected by the highly variable metallurgy. Gold production in the fourth quarter of 2009 was also lower than the same quarter of 2008, primarily attributable to lower gold head grades.

Robinson Operating and Capital Costs

Operating costs are comprised of onsite and offsite costs (see “**Non-GAAP Financial Measures**”). Onsite costs include all stripping costs (including those capitalized for accounting purposes) and are primarily driven by the volume of waste and ore moved, payroll costs, supplies and equipment maintenance costs, and royalties. Onsite costs in 2009 were lower than 2008, primarily due to a \$14.8 million reduction in royalty expenses as a result of lower copper revenues; a \$4.7 million reduction in blasting agent consumption; a \$6.4 million reduction in diesel costs due to lower prices; and a \$4.1 million reduction in the Company’s gainshare program payment due to lower production. Onsite costs in the fourth quarter of 2009 were slightly higher than the fourth quarter of 2008, and were significantly higher than the previous quarters in 2009, primarily due to timing of planned component replacements on mining equipment.

Offsite costs are primarily driven by smelting and refining charges, the volume of concentrate transported, and rail and ocean freight rates. Offsite costs in 2009 were lower than 2008 due to lower ocean freight rates and lower concentrate sales volumes in 2009, partially offset by higher charges for smelting and refining.

The cash cost per pound of copper produced was \$1.25 in 2009 as compared to \$1.15 in 2008. The increase in the current year is due to lower copper production and lower gold by-product revenues, partially offset by lower onsite and offsite costs. For the fourth quarter of 2009, the cash cost per pound of copper produced was \$1.51, slightly less than the same period in 2008. The cash cost per pound of copper produced is a non-GAAP term and consists of onsite costs (including all stripping costs), and offsite costs, less by-product revenue, divided by the pounds of copper produced in the period (see “**Non-GAAP Financial Measures**”).

Capital expenditures at Robinson in 2009 were primarily related to development of the Ruth pit and an expansion to the flotation circuit in the mill.

Robinson Outlook

In 2010, mining will continue in both the Veteran Pit and Ruth Pit areas. In order to better define the metallurgical variability of the ore in the upper levels of Ruth, a detailed definition drill program is being carried out to collect samples for metallurgical testing and provide a higher density of drilling for resource estimation.

It is expected that the complex nature of the Robinson ore body will continue to cause metal production variations from quarter to quarter. Additional flotation capacity was installed in the fourth quarter of 2009 and contracts were negotiated with concentrate customers that give Robinson more flexibility with respect to concentrate grade. Both measures are expected to help mitigate metallurgical challenges in 2010.

Onsite costs are expected to increase slightly in 2010 over 2009 primarily as a result of expected increases in tonnage mined and milled. Capital costs are expected to be \$30 million primarily focussed on Ruth Pit development, scheduled replacement of equipment, updated reclamation bonding, and additions to the mining fleet.

CARLOTA MINE (ARIZONA)

	Three months ended December 31, 2009	Year ended December 31, 2009
Copper cathode production (Million lbs)	8.0	28.0
Waste mined (Tonnes 000's)	3,692	17,896
Ore mined (Tonnes 000's)	2,619	7,102
Ore placed (Tonnes 000's)	2,619	7,103
Copper grade (%)	0.37	0.32
Onsite costs	\$ 20,048	\$ 74,695
Capital expenditure	\$ 9,525	\$ 26,716

Total tonnes mined in 2009 at Carlota were in line with expectations; however fewer than scheduled ore tonnes were delivered to the pad as mining equipment had to be allocated to unplanned bench development work above the Pinto Creek diversion. The Pinto Creek diversion channel was completed in the fourth quarter of 2009 allowing the

operation to focus on the planned mining schedule. Loading equipment availability also impacted total material mined and will be resolved by the addition of a new loader to the mining fleet in the first quarter of 2010.

Carlota produced its first copper cathode in December 2008 and in 2009 the mine focused on ramping up production. However 2009 copper production of 28 million pounds was below original mine plan estimates in part because of lower than scheduled ore mined as noted above and in part because of lower than planned leaching rates.

With the completion of the diversion channel, pit expansion into the higher grade, chalcocite enriched ore body underlying the creek bed began during the fourth quarter, as per the mine plan. Steps continue to be taken to improve pad performance and percolation rates and reagent adjustments began to show progress in the fourth quarter of 2009. Fourth quarter copper production of 8.0 million pounds reflected initial recovery of ore stacked during the quarter, and slightly exceeded expectations.

Carlota Operating and Capital Costs

Carlota's onsite operating costs are mainly driven by the volume of waste and ore moved, payroll costs, supplies, process reagents, fuel, electricity, equipment maintenance costs, and royalties. Onsite costs in 2009 were in line with the Company's expectations. Onsite costs in 2008 primarily related to mine construction activities.

Capital expenditures at the Carlota Mine in 2009 were primarily related to construction costs for the Pinto Creek diversion, leach pad construction activities, the purchase of two used haulage trucks and the buyout of a royalty agreement.

Carlota Outlook

The Company continues to evaluate methods of improving percolation rates, including pad construction techniques, material handling strategies and fines agglomeration. Column testing is being conducted on different leach chemistry control methodologies. This testing is being done to improve future metal production. Some of these approaches are longer term projects and are not expected to significantly impact 2010 production.

Rainfall events in 2010 have caused significant upsets to solution chemistry, and have also impacted the mine plan. Although first quarter copper production is expected to be lower than forecast, plans have been revised to maintain the planned metal production for 2010. This assumes more normal rainfall levels for the remainder of the year.

Onsite costs in 2010 are expected to increase compared to 2009 due to increased mine production. Capital expenditures are expected to be \$35 million, primarily related to the planned leach pad expansion and mine equipment purchases. There will be costs incurred to recover from the early 2010 rain events. Current estimates are \$5 million, but these may change once a full picture of actions required has been developed.

FRANKE MINE (CHILE)

On April 8, 2009 the Company completed the acquisition of Centenario Copper Corporation ("Centenario") and its 100% owned Franke Mine ("Franke"), a heap leach – SX/EW copper project in northern Chile. Quadra acquired all the outstanding common shares of Centenario through a plan of arrangement ("Arrangement") under the provisions of the Business Corporations Act. Under the terms of the Arrangement, the Centenario shareholders received 0.28 of a Quadra common share for each common share of Centenario. Outstanding options to acquire Centenario shares were exchanged for options to acquire Quadra shares, based on the same exchange ratio. A total of 14,368,563 common shares and 574,000 stock options of the Company were issued in exchange for all of the outstanding common shares and stock options of Centenario. Based on the closing Quadra share price on April 8, 2009, the fair value of the consideration, including transaction costs, was \$66.9 million.

The Franke processing plant was designed with a capacity of 66 million pounds of copper cathode production per annum over its current nine year mine life. Prior to the acquisition of Centenario by Quadra, construction of the Franke Mine facilities had been substantially completed. Construction was completed by Quadra during the second quarter of 2009 and the operation commenced harvesting copper cathode in July 2009.

	Three months ended December 31, 2009	Year ended December 31, 2009
Copper cathode production (Million lbs)	9.4	13.5
Waste mined (Tonnes 000's)	621	2,149
Ore mined (Tonnes 000's)	832	1,542
Ore placed (Tonnes 000's)	826	1,378
Copper grade (%)	0.85	0.83
Onsite costs	\$ 22,867	\$ 40,277
Capital expenditure	\$ 4,992	\$ 25,741

A total of 13.5 million pounds of copper cathode was produced at Franke during the second half of 2009. Mine production was from the Franke orebody. The plant processed ore from the mine as well as stockpiled material from previous small scale mining operations.

The ramp up schedule for the Franke Mine was impacted by residual design and construction issues, the most significant of which were the solution pond construction quality, performance of the primary crushing system and pad loading system. The pond liner issues were substantially resolved during the second quarter and one of the ponds was re-constructed in the third quarter. The primary crusher feed system was modified in the fourth quarter and is now capable of producing at design levels.

Franke Operating and Capital Costs

Franke's operating costs are mainly driven by the volume of waste and ore moved by the mining contractor, acid costs, payroll costs, fuel, electricity and equipment maintenance costs. Onsite costs in the fourth quarter of 2009 were in line with the Company's expectations. Since the acquisition, the Company has also incurred \$25.7 million of capital expenditures on construction, start-up activities and other project development costs.

Franke Outlook

Franke is still ramping up production. This ramp up will continue to put pressure on the pit and plant systems to perform according to design. As with all heap leach operations it will take time to get enough information to fully evaluate resource/reserve performance and leach pad performance in terms of recovery and acid consumption. Preliminary analysis of leach pad recovery indicates that stockpile material may have negatively impacted copper recovery. Results are not conclusive at this time. These studies will be ongoing during 2010.

The remaining design issues at Franke are the reliability of the pad loading conveyor system and dust control across the crushing plant. Both will be addressed in the first half of 2010. A plant optimization study is being conducted to identify bottlenecks and identify and prioritize opportunities.

The major operating costs components for Franke are labour, acid, power, and fuel. Acid supply has been contracted in advance for 2010 with half of the required quantity contracted for at a price dependent on copper price and the remainder at a fixed price. Average acid costs for 2010 are expected to be in the \$80-\$90 per tonne range based on current copper price. Power costs are also controlled by contract.

There is no cost history for the operation but the Company anticipates total onsite operating costs will be in the range of \$100 million, based on current input costs and exchange rates. Capital expenditures are expected to be \$12 million mainly consisting of plant modifications and dust mitigation measures but excluding optimization opportunities.

SIERRA GORDA (CHILE)

On July 23, 2009 the Company announced the completion of the Sierra Gorda scoping study, including a preliminary economic assessment based on measured and indicated resources and an updated NI 43-101 compliant mineral resource estimate. The scoping study has been filed as a Technical Report on SEDAR.

The study contemplates an open pit and concentrator operation processing 111,000 tonnes of mill feed per day producing between 250 and 400 million pounds of copper per annum over a 25 year mine life at an average cash cost of \$0.79 per pound. The project would also have significant molybdenum production, averaging 33 million pounds per year over the first eight years, and declining thereafter. This high level of molybdenum production results in an average cash cost of \$0.34 per pound produced during these first eight years. Using a long term copper price of \$2.00 per pound, molybdenum price of \$12 per pound and gold price of \$800 per ounce, the project produces an after-tax net present value (10% discount rate) of \$622 million and an internal rate of return of 16%.

During 2009, the Company incurred costs of \$16.4 million for advancement of the Sierra Gorda project. The principal activities were infill and condemnation drilling, metallurgical testwork, and infrastructure studies. Preparation of the Environmental Impact Study (“EIS”) commenced, with an expectation that it would be submitted in the first quarter of 2010.

The infill drilling program is designed to increase the amount of measured and indicated resources to the confidence level required for pre-feasibility and feasibility studies. By year end, six diamond drill rigs were actively drilling. This drilling will also collect samples for metallurgical testwork. The program of condemnation drilling continued to ensure that the waste dump, production facilities and tailings disposal site would not be placed over potential resources. As of year end, the combined programs had completed 15,000 meters of drilling. The project has significant measured and indicated oxide resources that were assumed to be waste for the purposes of the scoping study but will be subject to future economic studies.

The Sierra Gorda project is subject to several lawsuits that have been filed in Chilean courts against the Company’s wholly-owned Chilean subsidiary (see section below “**Contingencies**”). The plaintiffs are minority shareholders in the legal mining companies (SLMs) that previously owned certain of the mining tenements that were optioned to Quadra in 2004. The plaintiffs are alleging that the SLM’s were not authorized to sell the mining tenements. Although Quadra believes that the option agreements are valid and that the legal claims are without merit, the outcome is uncertain. Should the claims not be resolved on a timely basis, the development of the project may be impacted.

Sierra Gorda Outlook

Based on the results of the scoping study, Quadra is advancing the project to pre-feasibility study at a cost of approximately \$40 million excluding any land, water rights and mineral claim acquisition activities. SNC-Lavalin Group Inc. was selected to conduct the pre-feasibility study. That study is on schedule to be completed in December 2010.

It is expected that the EIS application will be submitted at the end of the first quarter of 2010. A historical review of other projects in Chile shows that this process has taken anywhere from 9 to 15 months to complete.

SUBSEQUENT EVENT

In the first quarter of 2010, Quadra executed a memorandum of understanding (“MOU”) with State Grid International Development Limited (“SGID”), a wholly owned subsidiary of State Grid Corporation of China, the largest Chinese utility company and a major end user of copper for the formation of a joint venture (the “Strategic JV”). The Strategic JV will develop and operate Quadra’s Sierra Gorda project and Franke mine and seek to invest in other prospective copper assets, initially in Chile. The parties will be entitled to their proportionate share of the concentrate or cathode production of the Strategic JV on arms-length terms. Quadra shall be responsible for supervising day-to-day operations of the Strategic JV under the oversight and direction of a Board of Directors consisting of an equal number of representatives from both parties. SGID will lead the efforts of the Strategic JV to arrange the necessary project financing with a target of not less than a 60:40 debt equity ratio, subject to a bankable feasibility study and other conditions.

The final detailed structuring of the transaction will be determined before the definitive agreements are signed. Quadra will contribute the Sierra Gorda project and the Franke Mine, representing \$900 million in assets, and SGID

will contribute capital to each gain a 50% equity interest in the Strategic JV. Thereafter each party can contribute 50% of any further equity requirement to maintain its interest.

In addition, as part of the MOU, SGID and Quadra have agreed to undertake a private placement pursuant to which SGID will subscribe for shares representing approximately 9.9% of Quadra's outstanding shares on a post-subscription basis (approximately 10.9 million shares) at a price of \$Cdn 13.91 per share, being the market price of Quadra common shares on the date the Company applied for TSX approval during the course of negotiations. The private placement will be structured as a subscription receipt, with the proceeds to be released to Quadra and the shares to be released to SGID, upon closing of the Strategic JV. Under the MOU, a SGID nominee will be invited to join the Board of Quadra.

The MOU is non-binding except in certain limited respects but establishes the basis for the negotiation of definitive Strategic JV agreements. Execution of definitive agreements is subject to a number of conditions for the benefit of both parties and common to agreements of this nature, including further due diligence and the applicable regulatory and government approvals. Both parties anticipate that the execution of definitive agreements will occur late in the second quarter of 2010.

MALMBJERG MOLYBDENUM PROJECT (GREENLAND)

In May 2009, the Company received the exploitation license for the project. While there have been no significant expenditures at Malmbjerg during 2009, the Company has continued to advance environmental baseline studies and commitments associated with the Environmental Statement Impact Analysis.

Malmbjerg Outlook

Additional development activities at Malmbjerg have been suspended. Quadra is continuing the search for a partner or partners to advance the project through to production.

LIQUIDITY AND CAPITAL RESOURCES

The Company generated cash flow from operating activities of \$67.4 million in 2009 compared to \$150.1 million in 2008. The decrease in operating cash flow is driven by the lower revenues and changes in working capital in 2009. The changes in working capital primarily relates to the inventory balance which increased from \$88.3 million to \$186.8 million during 2009, mainly due to the build up of leach pad inventory at Carlota and Franke.

Capital spending at the Robinson Mine in 2009 was \$21.5 million for mill equipment upgrades and development works for the Ruth pit area. The Company also spent \$17.8 million on deferred stripping at the Ruth pit area and paid \$4.2 million to increase environmental bonding at Robinson. Capital expenditures at the Carlota Mine in 2009 were \$25.2 million primarily for the purchase of equipment and construction of Pinto Creek Diversion. Since its acquisition of Centenario in April 2009, the Company has spent \$34.8 million on the construction and development of the Franke Mine, and an additional \$42.0 million was spent on settlement of pre-acquisition payables that the Company inherited from Centenario. The Company has also spent \$12.4 million at Sierra Gorda for exploration, development and land payments in 2009.

During 2009, the Company sold marketable securities for total proceeds of \$55.4 million. During the fourth quarter of 2009, the Company made an investment of \$9.2 million, representing a 7.9% interest in Far West Mining Ltd., a publicly traded company engaged in the evaluation, acquisition, exploration and development of mining properties, with current operations in Chile and Australia.

On April 16, 2009, the Company completed a bought-deal equity financing with a syndicate of underwriters through which the Company issued 16,200,000 common shares at a price of C\$4.65 per common share for gross proceeds of \$62.3 million (C\$75.3 million). The underwriters also exercised an option to acquire an additional 2,430,000 common shares which increased the gross proceeds of the offering to \$71.6 million (C\$86.6 million).

Centenario's copper derivative positions were closed out immediately after completion of the acquisition in April. The proceeds of \$30.7 million were used to repay a portion of Centenario's existing long-term debt and the remaining loan balance of \$38.3 million was repaid by May 14, 2009.

On May 14, 2009 Quadra signed an agreement with a syndicate of lenders in which the lenders provided a \$37.5 million secured project debt facility to a wholly-owned Chilean subsidiary of the Company. In the first quarter of 2010, the project finance facility was increased by \$12.5 million, to a total of \$50 million, without any additional hedging requirements. The facility now consists of an amortizing \$42.5 million project finance facility and a \$7.5 million working capital facility bearing interest at LIBOR plus 5.75% and 6.75%, respectively. The Company is required to make semi-annual scheduled principal payments commencing in March 2010 and semi-annual principal payments equal to 67% of the Excess Cash Flow from the Franke Mine. Excess Cash Flow is net of scheduled debt repayments and other adjustments as computed under the terms of the facility agreement.

At December 31, 2009, the Company had cash and cash equivalents of \$133.2 million. These amounts are comprised of cash deposits and highly liquid investments that are readily convertible to cash. The counter-parties include banks, governments and government agencies.

At December 31, 2009, the Company had working capital of \$217.3 million as compared to \$196.8 million at December 31, 2008. At December 31, 2009, accounts receivable and revenues include approximately 20.2 million pounds of copper that has been provisionally valued at \$3.34 per pound. The final pricing for these provisionally priced sales is expected to occur between January 2010 and March 2010. Changes in the price of copper from the amounts used to calculate the provisional values will impact the Company's revenues and working capital position in the first quarter of 2010. On March 5, 2009 the copper price was \$3.39/lb.

Liquidity Outlook

The Company's future profitability and cash position is highly dependent on the price of copper and gold. Future changes in the price of copper will also impact the final settlement price of provisionally priced sales. The Company has purchased copper put options to protect a minimum floor price for a portion of its future copper production, and the Company also has copper collar contracts which cap the copper sales price at \$2.16/lb for 19.8 million pounds of copper from the Franke Mine over the first six months of 2010 (see "**Financial Instruments**").

The Company is planning to spend \$40 million before the end of 2010 to complete the Sierra Gorda pre-feasibility study and may incur other expenses at Sierra Gorda including land, water rights and mineral claim acquisitions. In 2010, the Company expects total capital expenditures of approximately \$77 million at its three operating mines. The Franke project loan facility has scheduled principal repayments in 2010 and additional semi-annual payments are required in an amount equal to 67% of Excess Cashflow from the Franke Mine, as defined in the agreement. At current metal prices, the majority of the loan balance would be repaid during 2010.

At current metal prices, the Company expects that it would be able to fund the Sierra Gorda pre-feasibility study and other capital requirements from existing cash on hand and internally generated funds. In the event of a decline in metal prices, the Company may require external financing to complete the Sierra Gorda pre-feasibility study and maintain an appropriate minimum cash balance.

Based on the results of the scoping study, development of the Sierra Gorda project will require a total capital cost in the range of \$1.7 billion and total costs in the range of \$2.0 billion. The Company has been in discussions with potential partners with the objective of putting in place the financing for the project. The Company has executed a memorandum of understanding ("MOU") with State Grid International Development Limited ("SGID") for the formation of a joint venture (the "Strategic JV") (see section above "**Subsequent Event**"). The MOU is non-binding except in certain limited respects but establishes the basis for the negotiation of definitive Strategic JV agreements. The final detailed structuring of the transaction will be determined before the definitive agreements are signed. Quadra will contribute the Sierra Gorda project and the Franke Mine, representing \$900 million in assets, and SGID will contribute capital to each gain a 50% equity interest in the Strategic JV. Thereafter each party can contribute 50% of any further equity requirement to maintain its interest. SGID will lead the efforts of the Strategic JV to arrange the necessary project financing with a target of not less than a 60:40 debt equity ratio, subject to a bankable feasibility study and other conditions.

Commitments and contractual obligations

(\$000's)	Payment Due By Period						Total
	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	After 5 years	
Project debt facility	37,500	12,500	-	-	-	-	50,000
Reclamation liabilities	389	279	1,197	3,164	7,551	90,887	103,467
Franke Mine contracts	26,486	26,764	26,933	21,807	19,575	92,793	214,359
Robinson Mine power supply contract	9,154	9,166	9,179	-	-	-	27,499
Minimum lease payments (capital and operating)	16,737	8,172	2,429	587	-	-	27,926
Total	90,266	56,882	39,738	25,558	27,126	183,680	423,251

Project debt facility

On May 14, 2009 Quadra signed an agreement with a syndicate of lenders in which the lenders provided a \$37.5 million secured project debt facility to a wholly-owned Chilean subsidiary of the Company. In January 2010, the Company drew down an additional \$12.5 million in connection with an increase in the project debt facility from \$37.5 million to \$50.0 million (see “**Liquidity and Capital Resources**”).

Reclamation liabilities

The Company has estimated total future reclamation costs of \$103.5 million (undiscounted), which primarily relate to the closure of the Robinson, Carlota and Franke Mines. The Company has estimated the fair value of this liability to be \$50.3 million at December 31, 2009 based on the estimated discounted future payments. To secure a portion of the closure costs related to the Robinson and Carlota Mines, the Company has posted environmental bonds and held cash in a reclamation trust totalling \$59.7 million as at December 31, 2009. The Company revises the reclamation plan and cost estimate for the Robinson Mine annually as required by US Bureau of Land Management and adjusts the amount of the bond accordingly. The reclamation plan and cost estimate for the Carlota Mine is updated every five years as required by the regulator and the amount of the bond is adjusted accordingly.

Franke Mine contracts

The Company has a long-term supply contract for sulphuric acid for use in the copper extraction process at the Franke Mine. The minimum commitment under the contract is estimated to be \$4.1 million per annum subject to adjustment based on the prevailing copper prices over the term of the contract which expires in 2022. The Company is committed to purchase 150,000 tonnes of sulfuric acid per annum at a base price of \$27/tonne. The base price for acid in the contract is increased by \$2.50/tonne for each \$0.10/lb that the copper price exceeds \$1.10/lb.

The Franke Mine also has a long-term supply contract for industrial water. The minimum commitment under the contract is estimated to be approximately \$1.1 million per annum subject to adjustment based on the prevailing copper prices over the term of the contract which expires in 2020. The copper price adjustment requires, on an annualized basis, that approximately an additional \$120 be paid for each \$0.15/lb that the copper price exceeds a base price of \$1.50/lb.

The Company has also entered into various supply and other contracts for operation and development of the Franke Mine.

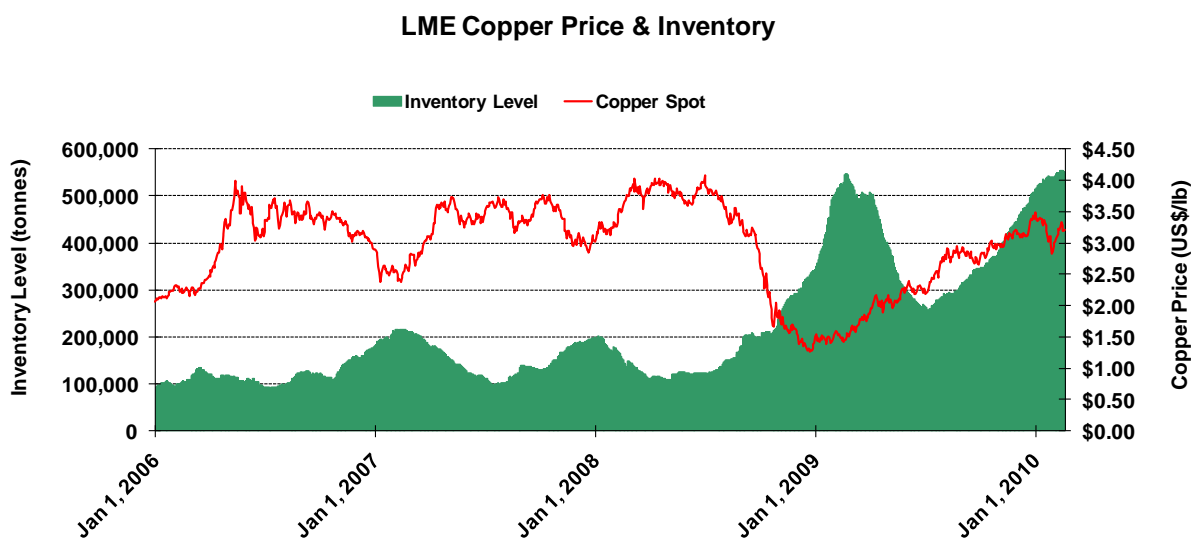
Robinson Mine power supply contract

The Robinson Mine has a three year supply contract for electricity. The minimum commitment under the contract is estimated to \$8.8 million plus service charges per annum over the term of the contract which expires in 2012.

MARKET TRENDS AND FUNDAMENTALS

Between 2006 and mid 2008, the growing demand for copper, particularly in China, coupled with an inability of the copper industry to increase supply due to a lack of immediate development projects, together with a weakening U.S. dollar led to a substantial increase in the copper price. The subsequent global credit and consumer confidence crises and the resulting global economic downturn led to a collapse in the price of copper, which reached a low of \$1.26 per pound in December 2008, before recovering to \$3.33 per pound at the end of 2009. The sharp rebound in the price of copper was due to a significant tightening in the global supply of copper scrap and continued strong Chinese demand. As copper prices have rebounded, scrap availability improved during the third quarter. The Company believes that, copper fundamentals will remain robust as continued growth in Chinese copper demand coupled with increased rest-of-world copper demand arising from the recovery in the global economy, will drive global copper demand ahead of the growth in both scrap and primary mine supply.

The following graph shows the inventory level, as published by the London Metal Exchange (“LME”), of copper and the spot price of copper from 2006 to February 26 2010.



At December 31, 2009 the closing spot price was \$3.33 per pound. At March 5, 2010, the closing spot price was \$3.39 per pound. The reference price of copper metal is determined by trading on the LME, where the price is set in U.S. dollars at the end of each business day.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company’s revenues and cash flows are subject to fluctuations in the market price of copper and gold. In addition, there is a time lag between the time of initial payment on shipment and final pricing, and changes in the price of copper and gold during this period impact the Company’s revenues and working capital position.

During 2008, the Company acquired copper put options to protect a minimum floor price of \$2.50/lb for a portion of its anticipated copper sales. At December 31, 2008, the Company had 35 million pounds of copper put options at a strike price of \$2.50/lb. These put options were exercised during the first six months of 2009, resulting in cash proceeds of \$23.3 million for the Company.

During 2009 the Company purchased additional copper put options at a total cost of \$4.4 million. At December 31, 2009 the Company had 64 million pounds of copper put options at an average strike price of \$1.88. The expiry dates of these puts are between January and June 2010.

Under the terms of the Franke project loan facility, the Company was required to enter into a copper price protection program in order to establish a minimum floor price for a portion of anticipated copper sales from the Franke Mine. In May 2009 the Company entered into copper collar contracts at zero cost for 27.6 million lbs. of copper and also purchased copper put options for 15.0 million lbs at a cost of \$4.9 million. During 2009, 7.8 million copper collar

contracts were settled with cash payments of \$6.2 million to the counterparties. At December 31, 2009 the fair values of put and collar instruments outstanding are as follows:

Expiry	Pounds (millions)	Instrument	Floor price	Cap price	Fair value
January 2010 to June 2010	19.8	Collar	\$ 1.79	\$ 2.16	(24,726)
July 2010 to December 2010	15.0	Put	\$ 1.79		115
Total	34.8				(24,611)

Under the terms of these contracts, if the average LME cash price for the month is less than the strike price of the put option or the floor price of the collar, the Company will receive the difference in price for the contracted number of pounds. If the average LME cash price for the month is higher than the cap price of the collar, the Company will pay the difference in price for the contracted number of pounds. The counter-parties consist of several international financial institutions. The Company monitors its counter-party exposures and does not believe there are any credit or collection issues at the current time. The change in fair value of these instruments is recorded as a derivative gain or loss on the statement of earnings.

The following table summarizes the impact of different copper prices on the Company's cash flows from copper put options and collars in 2010:

Copper price	Cash flows from copper put options and collars for 2010
\$1.50/lb	34,374
\$2.00/lb	-
\$2.50/lb	(6,732)
\$3.00/lb	(16,632)
\$3.50/lb	(26,532)

The Company has entered into NYMEX heating oil futures contracts and collar contracts in order to manage the price risk associated with diesel fuel. In 2009, the Company settled 8.1 million gallons of NYMEX heating oil contracts. These settlements resulted in cash payments of \$6.2 million in 2009, which have been recorded in cost of sales on the statement of earnings. During 2009, the Company had entered into a total of 11.9 million gallons of NYMEX heating oil futures and collars at no cost.

At December 31, 2009 the following NYMEX heating oil futures contracts remain outstanding (December 31, 2008 – 7.2 million gallons):

Expiry	Gallons (millions)	Contract	Fair value
January to December 2010	8.4	Futures, strike price \$2.12/gallon	685
January to April 2010	2.5	Collars, cap \$2.00/gallon; floor \$1.7/gallon	437
Total	10.9		1,122

CONTINGENCIES

The Company has been served with four lawsuits that were filed in Chilean Courts against the Company's wholly-owned Chilean subsidiary, Minera Quadra Chile Limitada. These lawsuits were served on August 13, 2007, April 2, 2008, June 20, 2008 and July 10, 2008 and seek to invalidate certain of the 10 option agreements under which the Company acquired mining tenements that comprise a significant part of the Sierra Gorda project. Based on advice of Chilean counsel, Quadra believes that the option agreements are valid and that the lawsuits are without merit. The Company settled one of the four lawsuits in the second quarter of 2009 for less than \$0.5 million.

The plaintiffs in the remaining three lawsuits are or were shareholders in the "sociedades legales mineras" (SLM) or legal mining companies that owned certain of the mining tenements that were optioned to the Company in 2004. The Company believes it fully complied with the terms of all 10 option agreements and the plaintiffs accepted all

option payments until April 2007. In the first two lawsuits, the plaintiffs are requesting that the option agreements be declared null and void. The plaintiffs in these cases are claiming that the SLMs were not authorized to sell the mining tenements under the option agreements. In the third lawsuit, the plaintiffs argue that if either of the first two lawsuits are successful then further option agreements are invalid by virtue of the fact that the option agreements were intended to be exercised in either all or none of the cases. The Court referred this matter to arbitration and the Company has applied for a declaration from the arbitrator that the third lawsuit is without merit. This arbitration is ongoing.

Although the Company believes, based on advice from Chilean counsel, that the option agreements are valid and that the legal claims are without merit, the outcome is uncertain. These lawsuits are subject to the procedural and substantive laws of Chile and the allegations are based on the actions of the SLM management, in respect of which Quadra has no direct knowledge. The Company is vigorously defending these lawsuits, however, there is no assurance that it will be successful. Furthermore, should the lawsuits not be resolved on a timely basis, the project financing for the Sierra Gorda project could be delayed.

In the unlikely event the Company loses one or both of the first two lawsuits, based on advice from Chilean counsel the precise legal situation is unclear in that:

- The SLMs were dissolved automatically under Chilean law when the mining tenements that are the subject of the lawsuits were sold to the Company. These SLMs would somehow have to be recreated. Based on advice from Chilean counsel, there is no Chilean precedent for this.
- Before the title to the mining tenements that are the subject of the lawsuits are transferred back to the SLMs, Quadra should be entitled to be reimbursed all amounts paid to the plaintiffs and other shareholders under the option agreements.
- The mining tenements that are the subject of the lawsuits comprise an important part of the Company's current plan for the development of the Sierra Gorda project. Given Quadra's other landholdings in the area, the Company believes that it would be very difficult for the plaintiffs in the lawsuits to be able to economically exploit the mining tenements that are the subject of the lawsuits.

In the event the Company loses its application in the third lawsuit for a declaration that the case is without merit, Quadra would retain the mining tenements that are the subject of the lawsuit. The plaintiffs would then have to bring a new lawsuit similar to the first two lawsuits, alleging that the option agreement is invalid.

The Company is aware that the same plaintiffs are attempting to initiate additional lawsuits seeking to declare null and void the option agreements relating to the mineral properties that are already the subject of the first case. However, none of the Company or any of its subsidiaries has of the date hereof been served with any additional legal actions.

TRANSACTIONS WITH RELATED PARTIES

One of the directors of the Company is a partner of an affiliate of Blake, Cassels & Graydon LLP. In 2009, the Company incurred legal fees of \$0.5 million with that entity (2008: \$0.6 million), all of which were at normal business terms.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

In preparing financial statements management has to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Based on historical experience, current conditions and expert advice, management makes assumptions that are believed to be reasonable under the circumstances. These estimates and assumptions form the basis for judgments about the carrying value of assets and liabilities and reported amounts for revenues and expenses. Different assumptions would result in different estimates and actual results may differ materially from results based on these estimates. These estimates and assumptions are also affected by management's application of accounting policies. Critical accounting policies and estimates are those

that affect the consolidated financial statements materially and involve a significant level of judgment by management.

Mineral Properties

Mineral property development costs, including exploration, mine construction, and stripping costs, are capitalized until production is achieved, and are then amortized over the remaining life of the mine based on proven and probable reserves. The determination of the extent of reserves is a complex task in which a number of estimates and assumptions are made. These involve the use of geological sampling and models as well as estimates of future costs. New knowledge derived from further exploration and development of the ore body may also affect reserve estimates. In addition the determination of economic reserves depends on assumptions on long-term commodity prices and in some cases exchange rates.

An impairment loss is recognized for a mineral property if its carrying value exceeds the total undiscounted cash flows expected from its use and disposal. Undiscounted cash flows for mineral properties are estimated based on a number of assumptions including management's view of long-term commodity prices, proven and probable reserves, estimated value beyond proven and probable reserves, and estimates of future operating, capital, and reclamation costs. Based on management's view of future metal prices and cost assumptions, the carrying value of the Company's mineral properties was not impaired at December 31, 2009

Revenue Recognition

Sales are recognized and revenues are recorded at market prices when title transfers and the rights and obligations of ownership pass to the customer. The majority of the Company's product is sold under pricing arrangements where final prices are determined by quoted market prices in a period subsequent to the date of sale. For sales of Robinson's concentrates, final pricing is generally determined three to four months after the date of sale. For the sales of copper cathode, final pricing is generally determined in the month or the subsequent month after the date of sale. The Company estimates provisional pricing for its product based on forward prices for the expected date of the final settlement. Subsequent variations in price are recognized as revenue adjustments as they occur until the price is finalized. As a result, revenues include estimated prices for sales in that period as well as pricing adjustments for sales that occurred in the previous period. These types of adjustments can have a material impact on revenues.

Asset Retirement Obligations, Reclamation and Mine Closure

Due to uncertainties concerning environmental remediation, the ultimate cost to the Company of future site restoration could differ from the amounts provided. In 2009 and in previous years the Company has revised its estimate of the timing and amount of closure costs at its mines, which resulted in adjustments to the liability recorded in the Company's financial statements. The estimate of the total liability for future site restoration costs is subject to change based on cost inflation, amendments to laws and regulations and may also change as new information concerning the Company's operations becomes available. The Company is not able to determine the impact on its financial position, if any, of environmental laws and regulations that may be enacted in the future.

Future Income Tax Assets

Management believes that uncertainty exists regarding the realization of certain future tax assets and therefore a valuation allowance has been recorded as of December 31, 2009. At December 31, 2009 the Company had additional available U.S. Alternative Minimum Tax Credits of \$8.1 million, which have not been recognized due to the uncertainty of realization. The Company also has not recognized the benefit of the tax basis of Carlota and Franke in excess of the acquisition price, and certain non-capital losses. However, the Company has recognized a net current future income tax asset for other temporary differences created between the tax and accounting basis of assets and liabilities in the United States and Chile. Management estimates that, using long term copper prices in line with its mine plan estimates, the future taxable income will be sufficient to utilize the future tax assets which have been recognized.

OUTSTANDING SHARE DATA

The Company had 99,508,530 common shares issued and outstanding common shares at December 31, 2009. As of March 7, 2010 the Company had 99,519,030 common shares issued and outstanding.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

On April 8, 2009, the Company completed the acquisition of Centenario. As a result, Centenario is a business that Quadra has acquired not more than 365 days before the last day of the period covered by the annual filings. Management believes that the internal controls and procedures of Centenario have a material effect on its financial reporting internal controls. Quadra is integrating Centenario's operations and will be expanding its internal control over financial reporting compliance project to include Centenario over the next year. Quadra will exclude Centenario from its disclosure controls and procedures and internal controls over financial reporting assessments for the year ended December 31, 2009, as permitted by NI 52-109 and applicable rules relating to business acquisitions.

The internal controls over financial reporting at the corporate level remain unchanged and will continue to be applied to the additional financial information provided for annual reporting procedures. Management believes that the corporate-level control environment is sufficiently strong and will continue to mitigate risk of material error or fraud.

CONVERSION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”)

Canadian publicly listed companies will be required to prepare financial statements in accordance with IFRS for interim and annual periods beginning on or after January 1, 2011. Quadra's reporting under IFRS will commence in the first quarter of 2011.

The Company has appointed a project manager to lead the conversion to IFRS. The project manager is working with other members of the finance group to execute the implementation plan. The project planning is substantially completed and included an initial diagnostic review of significant IFRS differences that was completed by the Company's external auditors. Based on the work done so far, the Company does not expect that the conversion to IFRS will have a significant impact on its accounting processes and internal controls (including information technology systems). The Company will be updating its disclosure controls and procedures to ensure they are appropriate for reporting under IFRS. In addition, the Company does not expect the conversion to IFRS to have a significant impact on its risk management or other business activities.

Significant accounting impacts of conversion to IFRS

The Company has not yet completed its assessment of all accounting policy differences that may arise on conversion to IFRS. The following is a summary of the key accounting policy differences that have been identified to date. The Company has not yet quantified the impact of these differences on its consolidated financial statements

Property, Plant & Equipment – IFRS requires that the Company identify the different components of its fixed assets and record amortization based on the useful lives of each component. The Company has reviewed the depreciation of its existing property, plant & equipment and does not expect any material differences between IFRS and the Company's current depreciation policies.

In addition, based on the current IFRS guidance, the Company does not expect its current accounting policies for stripping costs and exploration costs to be impacted by the conversion to IFRS.

Business Combinations – IFRS 1 “*First time adoption of International Financial Reporting Standards*” provides an exemption that allows companies transitioning to IFRS not to restate business combinations entered into prior to the date of transition. The Company plans to use this exemption and will not be restating the accounting for any of its previous acquisitions.

Asset Retirement Obligations – IFRS will require the Company to re-measure its asset retirement obligations on a quarterly basis using a current discount rate, which may result in some variability in both the carrying value of the liability and the income statement. The Company plans to use an IFRS 1 exemption and will not to comply with IFRIC 1 “*Changes in Existing Decommissioning, Restoration and Similar Liabilities*” for changes in such liabilities that occurred before the date of transition.

Impairment - International Accounting Standard (IAS) 36, “*Impairment of Assets*”, uses a one-step approach for both testing for and measurement of impairment, with asset carrying values compared directly with the higher of fair value less costs to sell and value in use (which uses discounted future cash flows). This may potentially result in more write-downs where carrying values of assets were previously supported under Canadian GAAP on an undiscounted cash flow basis, but could not be supported on a discounted cash flow basis. IFRS also has the requirement under IAS 36 to reverse any previous impairment losses where circumstances have changed such that the impairments have been reduced. Canadian GAAP prohibits reversal of impairment losses.

A number of other differences between Canadian GAAP and IFRS have been identified, but not yet assessed by the Company, including the accounting for income taxes, financial instruments and disclosure requirements. These differences may have a material impact on the Company’s financial statements. A more detailed review of the impact of IFRS on the Company’s consolidated financial statements is in progress and is expected to be completed during 2010.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes the operating results of the most recent eight quarters (unaudited):

SUMMARY OF QUARTERLY RESULTS								
\$000's	2009				2008			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Statement of Operations								
Revenues - initial provisional price	122,131	66,849	67,465	79,739	80,796	184,719	183,046	170,174
Revenues - price adjustments	14,001	6,822	16,776	22,952	(84,560)	(64,398)	1,550	33,567
Refining and treatment charges	(5,630)	(3,575)	(4,487)	(5,415)	(3,294)	(4,364)	(4,026)	(5,709)
Revenues - Robinson concentrate*	130,502	70,096	79,754	97,276	(7,058)	115,957	180,570	198,032
Revenues - Carlota cathode	19,171	17,070	15,812	9,040	-	-	-	-
Revenues - Franke cathode	20,820	-	-	-	-	-	-	-
Revenues - total	170,493	87,166	95,566	106,316	(7,058)	115,957	180,570	198,032
Operating income (loss)	63,357	31,567	24,126	46,244	(93,422)	34,320	104,001	116,376
Earnings (loss) before income taxes	45,646	21,196	(7,515)	32,823	(159,278)	33,626	81,000	100,501
Earnings (loss)	46,454	14,701	(7,328)	26,655	(126,080)	20,772	65,354	78,563
Basic earnings (loss) per share	\$ 0.47	\$ 0.16	\$ (0.08)	\$ 0.40	\$ (1.94)	\$ 0.32	\$ 1.11	\$ 1.42
Diluted earnings (loss) per share	\$ 0.46	\$ 0.15	\$ (0.08)	\$ 0.40	\$ (1.94)	\$ 0.31	\$ 1.06	\$ 1.39
Financial Position								
Cash and cash equivalents	133,208	85,485	124,515	111,014	107,797	266,384	262,155	305,292
Total Assets	1,247,025	1,157,034	1,104,403	875,423	851,967	1,057,458	981,687	855,961
Total Liabilities	241,665	211,632	186,538	103,030	120,435	179,198	128,735	287,474
Shareholders' equity	1,005,360	945,402	917,865	772,393	731,532	878,260	852,952	568,487
Production Statistics - Robinson mine								
Copper production (million lbs)	29.3	33.6	22.9	36.7	34.5	38.6	44.6	42.0
Copper sales (million lbs)*	31.7	21.1	24.2	34.5	29.2	40.4	38.7	38.9
Average final settlement price per pound	\$ 3.02	\$ 2.42	\$ 2.14	\$ 1.56	\$ 1.83	\$ 3.44	\$ 3.81	\$ 3.64
Gold production (ozs)	25,148	21,142	18,031	34,649	26,913	30,629	42,348	37,738
Copper grade (%)	0.59	0.75	0.58	0.65	0.68	0.64	0.72	0.68
Gold grade (g/t)	0.31	0.26	0.25	0.42	0.44	0.42	0.51	0.45
Copper recovery	65.9%	57.4%	56.3%	75.4%	68.1%	78.7%	81.8%	78.6%
Gold recovery	73.1%	71.4%	70.4%	75.4%	52.2%	65.8%	75.2%	72.6%
Onsite costs	60,241	49,394	51,821	44,878	59,659	61,102	61,229	55,580
Offsite costs	12,637	11,079	10,076	12,791	13,089	16,409	15,303	17,892
Production Statistics - Carlota mine								
Copper production (million lbs)	8.0	6.6	6.8	6.6	0.8	-	-	-
Copper sales (million lbs)	6.4	6.5	7.5	5.9	-	-	-	-
Average realized price per pound	\$ 3.01	\$ 2.63	\$ 2.10	\$ 1.53	-	-	-	-
Copper grade (%)	0.37	0.35	0.29	0.30	0.23	-	-	-
Onsite costs	20,048	17,806	18,809	18,032	21,765	-	-	-
Production Statistics - Franke mine								
Copper production (million lbs)	9.4	4.1	-	-	-	-	-	-
Copper sales (million lbs)	6.9	-	-	-	-	-	-	-
Average realized price per pound	\$ 3.03	-	-	-	-	-	-	-
Copper grade (%)	0.85	-	-	-	-	-	-	-
Onsite costs	22,867	17,410	-	-	-	-	-	-

* Revenues from sales of Robinson's concentrate are recognized at the time of delivery which is generally upon loading of a ship at the port of Vancouver, Washington. Due to the timing of shipments, the amount of product sold in a quarter may differ from quarterly production volumes at the Robinson Mine in Ely, Nevada. Revenues are initially recognized based on metal prices at the time of shipment; however, final pricing is not determined until a future period. Price adjustments are recorded at each quarter-end prior to final settlement. Copper sales volumes are reported based on the volume of pounds actually paid for by the customer (payable pounds). Payable pounds are generally 3-5% lower than the metal volume actually delivered, and the amount of the deduction varies depending on concentrate grade.

The quarterly performance of the Robinson Mine varies as a result of changes in head grade, metal recovery and waste stripping requirements. Due to the complex nature of the Robinson ore body, volatility in metal prices, and industry cost pressures the results have varied from quarter to quarter, and this is expected to continue in the future.

The decline in the cash balance in the fourth quarter of 2008 is due to the decline in copper prices, and the resulting impact of settlement of provisional price adjustments.

In the fourth quarter of 2008, the Company recorded a \$96 million write down related to the impairment of the Malmbjerg mineral property.

In the second quarter of 2009, the Company completed the acquisition of Centenario and, as a result, increased its total assets by \$262 million and its total liabilities by \$195 million.

SELECTED ANNUAL INFORMATION

	2009	2008	2007
Statement of operations (\$000's)			
Revenues	459,541	487,501	493,848
Earnings	80,482	38,609	134,545
Basic earnings per share	\$ 0.89	\$ 0.61	\$ 2.80
Diluted earnings per share	\$ 0.89	\$ 0.60	\$ 2.72
Financial positions (\$000's)			
Total assets	1,247,025	858,634	765,622
Total long-term financial liabilities	78,770	46,442	205,465
Dividends	n/a	n/a	n/a

NON-GAAP FINANCIAL MEASURES

The cash cost per pound of copper produced, and onsite costs and offsite costs are non-GAAP financial measures that do not have a standardized meaning under Canadian Generally Accepted Accounting Principles (“GAAP”), and as a result may not be comparable to similar measures presented by other companies. Management uses these statistics to monitor operating costs and profitability. Onsite costs include mining costs (including all pre-stripping costs), equipment operating lease costs, mill costs, mine site general and administration costs, environmental costs and royalties. Offsite costs include the costs of transportation, smelting and refining of concentrate. For financial statement reporting purposes, smelting and refining costs are netted against revenues. Costs of sales, as reported on the statement of operations, is different that the costs of production because of changes in concentrate inventory levels. The following table shows a reconciliation of these non-GAAP financial measures to the consolidated statements of operations:

	Three months ended		Year ended	
	December 31		December 31	
	2009	2008	2009	2008
Cost of sales	60,504	59,104	190,553	254,511
Adjustment for change in concentrate inventory	459	1,097	13,362	1,434
Refining and treatment charges	5,630	3,294	19,107	17,396
Capitalized stripping costs	1,162	-	17,835	-
Royalties	5,123	9,253	12,060	26,922
Total onsite and offsite costs	72,878	72,748	252,917	300,263
By-product revenues	(28,591)	(18,249)	(99,939)	(116,506)
	44,287	\$54,499	152,978	183,757
Copper production (million lbs.)	29.3	34.5	122.5	159.7
Cash cost per pound of copper produced at the Robinson mine	\$ 1.51	\$ 1.58	\$ 1.25	\$ 1.15

Cashflow from operating activities (before working capital changes) is also not a defined term under GAAP, and consists of cash provided from operating activities less net changes in non-cash working capital.

Adjusted earnings and adjusted earnings per share are non-GAAP measures which determine the performance of the Company, excluding certain impacts which the Company believes are either non-recurring, or recurring, but of a nature which are not reflective of the Company's underlying performance, such as the impact of gain and loss on derivatives, gains and losses from marketable securities and adjustments of prior year taxes. Management believes that these measures provide investors with ability to better evaluate underlying performance. The following table provides a reconciliation of earnings to adjusted earnings for the periods presented:

	Three months ended		Year ended	
	December 31		December 31	
	2009	2008	2009	2008
Net earnings - GAAP	46,454	(126,080)	80,482	38,609
Adjusting items:				
Loss (gain) on derivatives	14,776	(37,343)	54,541	(31,088)
Gains on marketable securities	(5,843)	-	(6,661)	(1,888)
Tax impact of the above items	(2,827)	8,589	(11,395)	7,584
Taxes in respect of prior years	(1,702)	-	543	-
	4,404	(28,754)	37,028	(25,392)
Net earnings - Adjusted	50,858	(154,834)	117,510	13,217
Weighted-average number of shares outstanding -basic	99,391	65,135	89,986	62,931
Earnings per share - adjusted	\$ 0.51	\$ (2.38)	\$ 1.31	\$ 0.21

March 7, 2010

This MD&A contains "forward-looking information" that is based on Quadra's expectations, estimates and projections as of the dates as of which those statements were made. This forward-looking information includes, among other things, statements with respect to Quadra's business strategy, plans, outlook, financing plans, long-term growth in cash flow, earnings per share and shareholder value, projections, targets and expectations as to reserves, resources, results of exploration (including targets) and related expenses, property acquisitions, mine development, mine operations, mine production costs, drilling activity, sampling and other data, estimating grade levels, future recovery levels, future production levels, capital costs, costs savings, cash and total costs of production of copper, gold and other minerals, expenditures for environmental matters, projected life of Quadra's mines, reclamation and other post closure obligations and estimated future expenditures for those matters, completion dates for the various development stages of mines, availability of water for milling and mining, future copper, gold, molybdenum and other mineral prices (including the long-term estimated prices used in calculating Quadra's mineral reserves), end-use demand for copper, currency exchange rates, debt reductions, use of future tax assets, timing of expected sales and final pricing of concentrate sales, the percentage of anticipated production covered by option contracts or agreements, anticipated outcome of litigation, anticipated impact of converting to IFRS and personnel issues. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as "outlook", "anticipate", "project", "target", "believe", "estimate", "expect", "intend", "should", "scheduled", "will", "plan" and similar expressions. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause Quadra's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, and developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to:

- ❖ uncertainties relating to fluctuations copper and other metal prices;
- ❖ uncertainties related to the possible recalculation or reduction in the Company's mineral reserves and resources;
- ❖ uncertainties related to actual capital costs, operating costs and expenditures, production schedules and economic returns from the Company's mining projects;
- ❖ risks associated with the mineralogy at all Mines and projects including in particular the complex mineralogy at the Robinson Mine;

- ❖ uncertainties related to the production ramp-up at the Carlota Mine, including in particular uncertainty relating to the leaching rate and the existence of fines;
- ❖ uncertainties relating to the production ramp-up at the Franke Mine;
- ❖ uncertainties related to the current global financial conditions;
- ❖ uncertainties related to the availability of future financing necessary to undertake mining, processing, development and exploration activities on Quadra's properties;
- ❖ uncertainties related to scoping study assumptions that are based on preliminary testwork;
- ❖ Quadra's substantial reliance on the Robinson Mine for revenues;
- ❖ uncertainties related to Quadra's ability to expand or replace depleted reserves;
- ❖ risks related to the integration of businesses and assets acquired by Quadra, including the recent acquisition of Centenario;
- ❖ inherent hazards and risks associated with mining operations;
- ❖ inherent uncertainties associated with mineral exploration;
- ❖ uncertainties related to the competitiveness of the mining industry;
- ❖ risks associated with Quadra being subject to government regulation, including changes in regulation;
- ❖ risks associated with Quadra being subject to extensive environmental laws and regulations, including change in regulation;
- ❖ risks associated with Quadra's need for governmental license and permits;
- ❖ risks that Quadra's title to its Sierra Gorda property is being challenged pursuant to certain lawsuits currently underway in Chile;
- ❖ risks that Quadra's may not be granted all definitive surface rights necessary for exploitation of Sierra Gorda;
- ❖ risk that Quadra may not find a suitable partner or obtain project financing for Sierra Gorda;
- ❖ uncertainties related to the ability of Quadra and SGID to successfully negotiate a definitive joint venture agreement and whether the conditions to closing the joint venture will be completed;
- ❖ uncertainties relating to the receipt and timing of any necessary government and regulatory approvals required to close the joint venture;
- ❖ uncertainties relating to the receipt of approval of SGID's proposed private placement by the Toronto Stock Exchange;
- ❖ uncertainties relating to the availability of debt and equity financing to Quadra and SGID, including SGID's ability to arrange financing for the proposed joint venture on acceptable terms;
- ❖ political and country risk;
- ❖ risk of water shortages and risks associated with competition for water;
- ❖ Quadra's need to attract and retain qualified personnel;
- ❖ increases in off-site transportation and concentrate processing costs;
- ❖ Quadra's dependence on one railroad and one port to ship copper from the Robinson Mine;
- ❖ risks related to the stability of mine pit walls;
- ❖ risks related to the need for reclamation activities on Quadra's properties, including the nature of reclamation required and uncertainty of costs estimates related thereto;
- ❖ uncertainties related to the amount of funding required to achieve full production levels at the Franke Mine;
- ❖ uncertainties related to the construction quality and structural design at the Franke Mine;
- ❖ risks associated with costs of operating supplies, including sulphuric acid;
- ❖ inherent risks associated with existing and future litigation;
- ❖ risks associated with taxation;
- ❖ risks related to Quadra's shareholder rights plan;
- ❖ risks associated with potential conflicts of interest;
- ❖ risks in the nature of investments; and
- ❖ risks related to hedging contracts and exposure to the credit risk of counterparties.

A discussion of these and other factors that may affect Quadra's actual results, performance, achievements or financial position is contained in the filings by Quadra with the Canadian provincial securities regulatory authorities, including Quadra's Annual Information Form. This list is not exhaustive of the factors that may affect our forward-looking information. These and other factors should be considered carefully and readers should not place undue reliance on such forward-looking information. Quadra disclaims any intent or obligations to update or revise publicly any forward-looking statements whether as a result of new information, estimates or options, future events or results or otherwise, unless required to do so by law.