



MANAGEMENT DISCUSSION AND ANALYSIS FOR THE FIRST QUARTER ENDED MARCH 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 May 11, 2009 and is intended to be read in conjunction with the accompanying unaudited consolidated financial statements for the three month period ended March 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 Mine”) near Ely, Nevada and the Carlota Mine (“Carlota”), a heap leach - SX/EW copper operation in Arizona. The Company also owns the Sierra Gorda project (“Sierra Gorda”), a late stage exploration property in northern Chile, through option agreements that were exercised in the second quarter of 2008, along with a 99% interest in the Malmbjerg molybdenum project (“Malmbjerg”) in Greenland. On April 8, 2009, the Company completed the acquisition of Centenario Copper Corporation (“Centenario”) and its 100% owned Franke project (“Franke”), a heap leach – SX/EW copper project in northern Chile. Franke is currently in the start-up phase. Quadra’s strategic plan includes growth by optimising operations, developing projects, and pursuing merger and acquisition opportunities.

FIRST QUARTER AND RECENT HIGHLIGHTS:

- The Company recorded earnings for the quarter ended March 31, 2009 of \$26,655 or \$0.40 per share (basic) compared to \$78,563 or \$1.42 per share (basic) in the first quarter of 2008.
- The Company generated cash flow from operating activities (before working capital changes)* of \$55,011 for the first quarter compared to \$95,071 in the first quarter of 2008.
- Revenues for the first quarter were \$106,316. The Robinson Mine generated net revenues of \$97,276 from the sale of 34.5 million pounds of copper and 30,258 ounces of gold in concentrates compared to net revenues of \$198,032 generated from the sale of 38.9 million pounds of copper and 32,314 ounces of gold in the first quarter of 2008. The Carlota Mine made its first shipment of copper cathodes in February 2009, and generated revenues of \$9.0 million in the first quarter.
- First quarter production at both operations was in line with expectations. The Robinson Mine produced 36.7 million pounds of copper and 34,649 ounces of gold and the ramp up at Carlota progressed on schedule with 6.6 million pounds of copper cathode harvested in the first quarter.
- The cash cost per pound of copper produced* at the Robinson Mine was \$0.80 per pound in the first quarter of 2009. This unit cost includes all waste stripping costs, and is lower than previous quarters due to the planned reduction in waste tonnes mined associated with the transition to the Ruth pit area.
- Robinson continues to have one of the best safety records in the United States with a Total Recordable Injury Rate of 0.78 compared to the U.S. national average of 3.4.
- The Company ended the first quarter with \$111 million of cash on hand and no debt.
- In April 2009, the Company completed the acquisition of Centenario in exchange for 14,368,563 Quadra common shares and 574,000 Quadra options valued at \$65.3 million.
- In April 2009, the Company completed a bought-deal equity financing for gross proceeds of \$71.6 million

* See “Non-GAAP Financial Measures” for additional information.

FINANCIAL PERFORMANCE

Earnings

Earnings for the quarter ended March 31, 2009 were \$26,655 or \$0.40 per share (basic) compared to \$78,563 or \$1.42 per share (basic) in the first quarter of 2008. This decrease in the first quarter earnings is primarily due to the comparable lower average copper prices in the first quarter of 2009. First quarter earnings in 2009 were also impacted by an \$8,810 loss on derivatives which resulted from the increasing copper price across the quarter (see “Costs of Sales and Expenses”).

The copper price increased from \$1.33 per pound on December 31, 2008 to \$1.83 per pound on March 31, 2009 resulting in positive adjustments to final settlement of provisionally priced sales recorded in 2008 and to the value of provisionally priced sales from 2008 that remained unsettled at March 31, 2009 (see section below “Revenues”).

Operating Income

Operating income for the quarter ended March 31, 2009 and 2008 was comprised as follows:

| | Three months ended | | | Three months ended | | |
|---|--------------------|---------|----------|--------------------|---------|----------|
| | March 31, 2009 | | | March 31, 2008 | | |
| | Robinson | Carlota | Total | Robinson | Carlota | Total |
| Revenues | 97,276 | 9,040 | 106,316 | 198,032 | - | 198,032 |
| Cost of sales | (47,653) | (9,068) | (56,721) | (67,220) | - | (67,220) |
| Reversal of start-up inventory adjustment | - | 5,305 | 5,305 | - | - | - |
| Amortization, depletion, depreciation and accretion | (4,702) | (627) | (5,329) | (5,242) | - | (5,242) |
| Royalties and mineral taxes | (2,917) | (410) | (3,327) | (9,194) | - | (9,194) |
| Operating income | 42,004 | 4,240 | 46,244 | 116,376 | - | 116,376 |

Operating income for the quarter ending March 31, 2009 decreased to \$46,244 compared with \$116,376 in the first quarter 2008, due primarily to lower average copper prices offset by lower royalties and mineral taxes and cost of sales (see “Cost of Sales and Expenses”).

Revenues

Revenues are generated by the sales of copper concentrates from the Robinson Mine and copper cathodes from the Carlota Mine. 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 four months after the time of shipment. As a result, Robinson’s quarterly revenues include estimated prices for sales in the quarter, based on 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. Final pricing for Carlota’s copper cathode sales is generally set in the month of shipment and therefore, no pricing adjustments are required in the subsequent period for Carlota.

In the quarter ended March 31, 2009, revenues from operations were \$106,316, of which \$9,040 were attributable to the sale of Carlota cathodes, compared to \$198,032 for the first quarter 2008. The decrease in revenue is primarily due to lower average copper prices in the current quarter. In the first quarter of 2009, the Company sold a total of 40.4 million pounds of copper and 30,258 ounces of gold, compared to 38.9 million pounds of copper and 32,314 ounces of gold in the first quarter of 2008.

As a result of the increasing copper price across the first quarter of 2009, revenues include positive pricing adjustments of \$14 million related to fourth quarter 2008 sales from Robinson. In addition, the Company recorded a positive price adjustment of \$7 million related to the first quarter shipments from Robinson which were revalued at a price of \$1.83 at March 31, 2009.

At December 31, 2008, receivables included approximately 43.2 million pounds of copper provisionally valued at \$1.33 per pound. During the first quarter, 37.7 million pounds of copper that was provisionally valued at December 31, 2008 was settled at an average final price of \$1.56 per pound. In the first quarter, Robinson shipped approximately 35.2 million pounds of copper at an average provisional price of \$1.53 per pound, of which 13 million pounds was settled during the quarter at a final price of \$1.55 per pound. At March 31, 2009, receivables include 27.7 million pounds of copper which has been provisionally valued at \$1.83 per pound.

Cost of Sales and Expenses

Cost of sales for the quarter ended March 31, 2009 was \$56,721 compared to \$67,220 for the first quarter of 2008. The decrease in cost of sales primarily relates to a decrease in the amount of waste material mined at Robinson (see **“Robinson Operating Costs”**). Cost of sales was also impacted by an accounting adjustment to capitalize \$8.5 million of pre-production stripping costs at Robinson related to the new Ruth pit area.

As a result of the decline in copper prices in the fourth quarter of 2008, the Company recorded a write down of \$15,249 to adjust the value of the Carlota leach pad and cathode inventory to its net realizable value. For the quarter ended March 31, 2009, the Company reversed \$5,305 of this inventory write down due to the increase in copper prices during the period, and the resulting increase in the estimated net realizable value of Carlota’s inventory.

Royalties and mineral taxes for the first quarter of 2009 were \$3,327 compared to \$9,194 for the first quarter of 2008. This decrease in royalties and mineral taxes is primarily due to the lower copper price and lower sales volumes at Robinson for the current quarter.

General and administrative expenses for the first quarter of 2009 were \$3,493 compared to \$4,575 for the first quarter 2008.

Stock-based compensation expense for the first quarter of 2009 was \$1,520 compared to \$1,211 for the first quarter of 2008. Stock-based compensation expense is based on the amortization of the fair value of options granted, as calculated on the date of the grant, over the two years vesting period. Options granted in 2008 had a higher initial fair value than 2007 option grants, resulted to a higher amortization in first quarter of 2009.

In the first quarter of 2009, the Company received cash proceeds of \$16.7 million from the exercise of put options for 17.8 million pounds of copper (see section below **“Financial Instruments”**). However, the Company recognized a loss on derivatives of \$8,810 during the first quarter due to the decrease in the fair value of the copper put options as a result of the increasing copper price. The loss on derivatives for the first quarter of 2008 of \$9,640 also related to a decline in value of copper put options.

The Company recorded an income tax expense of \$6,168 in the three month period ended March 31, 2009, compared to \$21,938 for the first quarter 2008. The tax expense for the first three months of 2009 has been recorded based on an estimated annual effective tax rate of 19% (2008: 23%). The decrease in the forecasted effective tax rate in 2009 is mainly due to the lower estimated effective tax rate at the Carlota Mine.

SUMMARY OF QUARTERLY RESULTS

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

| SUMMARY OF QUARTERLY RESULTS | | | | | | | | |
|--|---------|-----------|-----------|---------|---------|----------|---------|---------|
| | 2009 | | 2008 | | | 2007 | | |
| \$000's | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 |
| Statement of Operations | | | | | | | | |
| Revenues - initial provisional price | 79,739 | 80,796 | 184,719 | 183,046 | 170,174 | 110,012 | 127,985 | 129,832 |
| Revenues - price adjustments | 22,952 | (84,560) | (64,398) | 1,550 | 33,567 | (22,215) | 12,847 | 17,766 |
| Refining and treatment charges | (5,415) | (3,294) | (4,364) | (4,026) | (5,709) | (6,130) | (6,245) | (6,459) |
| Revenues - Robinson concentrate* | 97,276 | (7,058) | 115,957 | 180,570 | 198,032 | 81,667 | 134,587 | 141,139 |
| Revenues - Carlota cathode | 9,040 | - | - | - | - | - | - | - |
| Revenues - total | 106,316 | (7,058) | 115,957 | 180,570 | 198,032 | 81,667 | 134,587 | 141,139 |
| Operating income (loss) | 46,244 | (93,422) | 34,320 | 104,001 | 116,376 | 15,085 | 65,002 | 73,094 |
| Earnings (loss) before income taxes | 32,823 | (159,278) | 33,626 | 81,000 | 100,501 | 6,964 | 64,181 | 51,606 |
| Earnings (loss) | 26,655 | (126,080) | 20,772 | 65,354 | 78,563 | 5,490 | 49,042 | 37,098 |
| Basic earnings (loss) per share | \$ 0.40 | \$ (1.94) | \$ 0.32 | \$ 1.11 | \$ 1.42 | \$ 0.10 | \$ 0.90 | \$ 0.79 |
| Diluted earnings (loss) per share | \$ 0.40 | \$ (1.94) | \$ 0.31 | \$ 1.06 | \$ 1.39 | \$ 0.10 | \$ 0.87 | \$ 0.77 |
| Financial Position | | | | | | | | |
| Cash and cash equivalents | 111,014 | 107,797 | 266,384 | 262,155 | 305,292 | 263,586 | 285,210 | 278,462 |
| Total Assets | 875,423 | 851,967 | 1,057,458 | 981,687 | 855,961 | 789,219 | 758,900 | 687,457 |
| Total Liabilities and non-controlling interest | 103,030 | 120,435 | 179,198 | 128,735 | 287,474 | 290,840 | 270,671 | 263,687 |
| Shareholders' equity | 772,393 | 731,532 | 878,260 | 852,952 | 568,487 | 498,379 | 488,229 | 423,770 |
| Production Statistics - Robinson mine | | | | | | | | |
| Copper production (million lbs) | 36.7 | 34.5 | 38.6 | 44.6 | 42.0 | 32.4 | 30.7 | 32.2 |
| Copper sales (million lbs)* | 34.5 | 29.2 | 40.4 | 38.7 | 38.9 | 28.9 | 32.5 | 32.3 |
| Average final settlement price per pound | \$ 1.56 | \$ 1.83 | \$ 3.44 | \$ 3.81 | \$ 3.64 | \$ 3.24 | \$ 3.52 | \$ 3.37 |
| Gold production (ozs) | 34,649 | 26,913 | 30,629 | 42,348 | 37,738 | 27,048 | 24,138 | 25,893 |
| Copper grade (%) | 0.65 | 0.68 | 0.64 | 0.72 | 0.68 | 0.59 | 0.66 | 0.59 |
| Gold grade (g/t) | 0.42 | 0.44 | 0.42 | 0.51 | 0.45 | 0.38 | 0.39 | 0.36 |
| Copper recovery | 75.4% | 68.1% | 78.7% | 81.8% | 78.6% | 66.1% | 58.1% | 74.1% |
| Gold recovery | 75.4% | 52.2% | 65.8% | 75.2% | 72.6% | 59.2% | 52.5% | 64.0% |
| Onsite costs | 44,878 | 59,659 | 61,102 | 61,229 | 55,580 | 57,273 | 52,656 | 53,716 |
| Offsite costs | 12,791 | 13,089 | 16,409 | 15,303 | 17,892 | 15,891 | 16,248 | 15,681 |
| Production Statistics - Carlota mine | | | | | | | | |
| Copper production (million lbs) | 6.6 | 0.8 | - | - | - | - | - | - |
| Copper sales (million lbs) | 5.9 | - | - | - | - | - | - | - |
| Average realized price per pound | \$ 1.53 | - | - | - | - | - | - | - |
| Copper grade (%) | 0.30 | 0.23 | - | - | - | - | - | - |
| Onsite costs | 18,032 | 21,765 | - | - | - | - | - | - |

* 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.

In the third quarter of 2007, the Company retired its \$50 million second lien facility and recorded a loss on settlement of \$11 million. The \$150 million senior credit facility was retired in the second quarter of 2008, resulting in a loss on settlement of \$16 million.

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.

REVIEW OF OPERATIONS AND PROJECTS

ROBINSON MINE (NEVADA)

| | Three months ended March 31 | |
|---------------------------------|-----------------------------|-----------|
| | 2009 | 2008 |
| Copper production (Million lbs) | 36.7 | 42.0 |
| Gold production (ozs) | 34,649 | 37,738 |
| Waste mined (Tonnes 000's) | 8,379 | 15,532 |
| Ore mined (Tonnes 000's) | 3,493 | 3,360 |
| Ore milled (Tonnes 000's) | 3,407 | 3,541 |
| Onsite costs | \$ 44,878 | \$ 55,580 |
| Offsite costs | \$ 12,791 | \$ 17,892 |
| Total onsite and offsite costs | \$ 57,669 | \$ 73,472 |
| Capital expenditure | \$ 3,136 | \$ 6,889 |
| By product credits | | |
| - Gold and silver | \$ 27,654 | \$ 30,627 |
| - Molybdenum | \$ 561 | \$ 547 |
| Copper grade (%) | 0.65 | 0.68 |
| Gold grade (g/t) | 0.42 | 0.45 |
| Copper recovery | 75.4% | 78.6% |
| Gold recovery | 75.4% | 72.6% |
| Mill Operating Time | 95% | 94% |

During the three month period ended March 31, 2009, a total of 12 million tonnes of ore and waste were mined from the Veteran area of the Tripp-Veteran pit compared to 19 million tonnes in the same period of 2008. The decrease in waste mined was anticipated as part of the new mine plan as the commencement of mining in the Kimbley/Wedge area of the Ruth pit required moving some of the major loading equipment which resulted in lower pit productivity. Copper production in the first quarter of 2009 was 36.7 million pounds, compared to 42.0 million pounds in the first quarter of 2008. The decreased copper production in the first quarter of 2009 is the result of a combination of slightly lower copper ore grade and recovery.

Gold production for the three month period ended March 31, 2009 was 34,649 ounces compared to 37,738 ounces for the first quarter of 2008. The decreased gold production in the first quarter 2009 is due to the lower gold head grade partially offset by slightly higher recovery.

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 for the three month period ended March 31, 2009 were \$44,878 compared to \$55,580 for the first quarter of 2008. This decrease primarily relates to a \$4.1 million reduction in labour and equipment costs as a result of the lower volume of waste moved, \$1.4 million reduction in tire usage due to longer tire life and \$2.7 million reduction in royalty costs as a result of the lower copper price.

Offsite costs are primarily driven by smelting and refining charges, the volume of concentrate transported, and rail and ocean freight rates. Offsite costs for the three month period ended March 31, 2009 were \$12,791 compared to \$17,892 for the first quarter of 2008. The reduction in offsite costs is due to lower ocean freight rates in the current quarter, partially offset by increases in rates for smelting and refining.

The cash cost per pound of copper produced was \$0.80 for the three month period ended March 31, 2009, compared to \$1.01 for the first quarter of 2008. The reduction in cash cost per pound is due to lower operating costs which were lower as a result of the reduction in tonnes mined. 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 the Robinson Mine were \$3,136 in the first quarter of 2009, which primarily related to development of the Ruth pit and tailings dam work. In addition, environmental bonding was increased by \$4,224 in the first quarter of 2009. Capital expenditures in the first quarter of 2009 were lower than the prior year due to the reduced exploration drilling program.

Robinson Production Outlook

In 2009, the Company expects production of 140 million pounds of copper and 100,000 ounces of gold. Due to the continued complex nature of the Robinson ore body, metal production is expected to vary from quarter to quarter. Gold production is expected to be lower in 2009 than in 2008 due to anticipated lower gold grades in the Kimbley and Wedge pits.

Mining activities in the Ruth area began in the first quarter of 2009. Ore deliveries from the Kimbley and Wedge pits are expected to begin in the second quarter of 2009.

Robinson Cost Outlook

Onsite costs (including stripping costs) are expected to be in line with guidance for 2009. The royalty costs are expected to be lower than the costs experienced in 2008 due to lower copper prices.

The Company expects to spend \$24 million on capital expenditures at the Robinson Mine during the remainder of 2009, in line with guidance, primarily related to the development of the Ruth pit areas and upgrades to the flotation circuits in the mill.

CARLOTA MINE (ARIZONA)

| | Three months ended March 31, 2009 |
|---|--------------------------------------|
| Copper cathode production (Million lbs) | 6.6 |
| Waste mined (Tonnes 000's) | 4,518 |
| Ore mined (Tonnes 000's) | 1,731 |
| Ore placed (Tonnes 000's) | 1,732 |
| Onsite costs | \$ 18,032 |
| Capital expenditure | \$ 2,836 |
| Copper grade (%) | 0.30 |

During the three month period ended March 31, 2009, a total of 6.2 million tonnes of ore and waste were mined at Carlota. Activity in the first quarter of 2008 was related to early construction activities and not comparable to 2009. Carlota produced its first copper cathode in December 2008 and production continued to ramp up in early 2009 with 6.6 million pounds of copper produced in the first quarter of the year. Ramp up activities in the first quarter were focussed on balancing plant reagents to handle increased solution flows from the leach pad.

Carlota Operating and Capital Costs

Carlota's operating costs are comprised only of onsite costs which are primarily driven by the volume of waste and ore moved, payroll costs, supplies, process reagents, fuel, equipment maintenance costs, and royalties. Onsite costs for the three month period ended March 31, 2009 were \$18,032 which is in line with the Company's expectations. Onsite costs for the first quarter of 2008 related to mine construction activities.

Capital expenditures at the Carlota mine were \$2,836 in the first quarter of 2009 and primarily related to stripping activities in advance of the development of the Pinto Creek diversion channel.

Carlota Production Outlook

Ramp up activities in the processing plant and leach pad will continue during 2009, balancing increasing solution flows on the pad with reagent strengths and volumes in the plant. Cathode copper production is expected to be approximately 50 million pounds in 2009, with production building through the first half of the year. Stripping

activities along the north and east highwalls of the pit continued in advance of the development of the Pinto Creek diversion channel.

Carlota Cost Outlook

Total cash operating costs at the Carlota Mine are expected to be approximately \$75 million in 2009. These operating cost forecasts exclude royalty payments and assume an acid price of \$200/ton and a diesel price of \$2.80/gallon. To date, pricing for sulphuric acid has been lower than forecast but the impact of lower prices has been partially offset by slightly higher usage of other reagents and continued high prices for leach pad piping. Diesel prices have also been soft but were slowly increasing during the first quarter.

The capital expenditures and bonding at the Carlota Mine for the remainder of 2009 are expected to be \$21 million, mainly related to the diversion of the Pinto Creek and the phase two construction of the leach pad.

SIERRA GORDA (CHILE)

During the three month period ended March 31, 2009, the Company incurred costs of \$1.7 million for advancement of the Sierra Gorda project. The principal activities were metallurgical testwork, geologic modeling for the resource estimate, and engineering studies required for the in progress scoping study. Environmental studies related to monitoring and baseline data collection also continue.

During the quarter, the Company also made land option payments of \$1.0 million.

Sierra Gorda Outlook

The Company is advancing the project towards a scoping study, which is intended to identify the basic project parameters. This study is expected to be completed in the second quarter of 2009. Quadra is seeking a partner, or partners, to advance this project through to production.

MALMBJERG MOLYBDENUM PROJECT (GREENLAND)

In 2008, the Company decided to suspend additional development expenditures at Malmbjerg due to the declining metal prices and metal price outlook. Although there were no significant expenditures at Malmbjerg in the first quarter of 2009, the Company did continue to advance environmental and stakeholder studies and commitments associated with the Environmental Statement Impact Analysis.

Malmbjerg Outlook

The Company expects to receive final approval of its Exploitation License in the near future. However, additional development expenditures at Malmbjerg have been suspended due to the recent declines in metal prices. Quadra is seeking a partner or partners to advance the project through to production.

ACQUISITION OF CENTENARIO COPPER CORPORATION (“CENTENARIO”)

On February 8, 2009, the Company and Centenario entered into a definitive agreement whereby Quadra agreed to acquire all the outstanding common shares of Centenario through a plan of arrangement (“Arrangement”) under provisions of the Business Corporations Act. Under the terms of the Arrangement, the Centenario shareholders would receive 0.28 of a Quadra common share for each common share of Centenario. Outstanding options to acquire Centenario shares would also be exchanged for options to acquire Quadra shares, based on the same exchange ratio. Completion of the Arrangement was subject to certain conditions, including Centenario shareholder approval, the receipt of court and regulatory approvals, the restructuring of Centenario’s long-term debt on terms acceptable to Quadra, the closing of Centenario’s existing copper hedge position and the consent to the Arrangement from Centenario’s existing lenders.

On March 20, 2009 the Company received a signed commitment letter for \$37.5 million from West LB in connection with a syndicated project loan facility to finance the development of Centenario’s Franke mine (see “**Liquidity and Capital Resources**”).

On April 7, 2009 the Company reached an agreement with Centenario's lenders whereby Centenario's copper hedge positions would be closed upon completion of the acquisition, and the proceeds applied against the existing long-term debt with the remaining loan balance to be guaranteed by Quadra (see "**Liquidity Outlook**").

The Arrangement was approved by Centenario shareholders at a special meeting on April 7, 2009 and the Arrangement was completed on April 8, 2009 following court approval. A total of 14,368,563 common shares and 574,000 stock options of the Company were issued in exchange for the acquisition of Centenario. The fair value of the purchase consideration on the closing date was \$65.3 million (excluding transaction costs).

Franke Project Outlook

Centenario's principal asset is the Franke heap leach SX/EW project in northern Chile. Mining is by open pit and the process includes crushing. The Franke processing plant is designed with a plant design capacity of 66 million pounds of copper cathode production per annum over its current 9 year mine life. Prior to the acquisition of Centenario by Quadra, construction of the Franke Mine facilities had been substantially completed. However, Centenario's project funding issues had delayed mechanical completion and commencement of mining at the level required to meet the original schedule. Commissioning has now commenced, including crushing and water testing of the SX/ EW plant. The mining contractor is currently preparing crushed rock overliner for the leach pad and is drilling on the orebody for final definition of underground workings, after which stripping will commence. It is expected that the operation will start ramping up in the middle of the year. A new optimized schedule and mine plan is being developed, as is an exploration programme.

LIQUIDITY AND CAPITAL RESOURCES

The Company generated cash flow from operations (excluding working capital changes) of \$55.0 million for the three month period ended March 31, 2009 compared to \$95.1 million in the first quarter of 2008. Capital expenditures at the Robinson Mine in the first quarter of 2009 were \$3.1 million for mill equipment upgrades and development works for the Ruth pit area. The Company also spent \$8.5 million on pre-production stripping at the Ruth pit area. The Company also paid \$4.2 million in the period to increase environmental bonding related to the Robinson Mine. First quarter capital expenditures at Carlota Mine were \$2.8 million for the purchase of equipment and construction of Pinto Creek diversion. The Company also spent \$2.7 million at Sierra Gorda for exploration, development and land payments.

At March 31, 2009, the Company had cash and cash equivalents of \$111.0 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 March 31, 2009, the Company had working capital of \$224.7 million as compared to \$196.8 million at December 31, 2008. The increase in working capital during the first quarter of 2009 is primarily a result of operating cash flow net of capital expenditures on development projects. At March 31, 2009, accounts receivable and revenues includes approximately 27.7 million pounds of copper that has been provisionally valued at \$1.83 per pound. The final pricing for these provisionally priced sales is expected to occur between April 2009 and June 2009. 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 second quarter of 2009. On May 11, 2009 the copper price was \$2.05/lb.

In April 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 Cdn\$4.65 per share for gross proceeds of \$62.3 million (Cdn\$75.3 million). The underwriters also exercised their over-allotment option to acquire an additional 2,430,000 common shares which increased the gross proceeds of the offering to \$71.6 million (Cdn\$86.6 million).

On March 20, 2009 Quadra received a signed commitment letter from WestLB AG ("WestLB") in which WestLB provided a commitment, subject to the terms and conditions set out therein, to provide up to \$37.5 million senior secured debt facility for Minera Centenario Copper Chile Limitada (the "Borrower"). The proceeds of the debt facility are to be used to fund the development of Centenario's Franke project. The proposed facility consists of an amortizing \$30 million project finance facility and a \$7.5 million working capital facility both with a final maturity date in March 2014. The loan would bear interest at LIBOR plus 5.75% (6.75% for the working capital facility) with semi annual principal repayments commencing in May 2010. The loan also includes a 67% cashflow sweep by

the lender, a parent company guarantee until economic completion, and other terms and conditions customarily associated with project finance facilities including debt service, loan life and reserve life coverage ratios. Under the terms of the loan, Quadra will also be required to hedge 43 million pounds of copper at a minimum price of \$1.75/lb. over 2009 and 2010.

Liquidity Outlook

The Company's future profitability and cash position is highly dependent on the price of copper and gold. The Company's working capital position at March 31, 2009 includes 27.7 million pounds of copper provisionally valued at \$1.83 per pound. Future changes in the price of copper will impact the final settlement price of these sales and the Company's cash position. The Company also holds copper put options of 82.2 million pounds which, at \$2.05/lb. copper (April 30, 2009), would provide cash proceeds of approximately \$7.7 million during the second quarter of 2009 (see "Financial Instruments").

Centenario's copper hedge positions were closed out on April 9, immediately after completion of the acquisition. The hedge proceeds of \$30 million were used to repay a portion of Centenario's existing long-term debt and Quadra made an additional repayment of \$9 million, leaving a remaining loan balance of \$30 million which is required to be repaid by May 14, 2009. In addition to the loan repayment, Quadra expects to spend approximately \$100 million at the Franke project in 2009, in order to settle Centenario's existing accounts payable to construction and operations contractors and others, and to complete development of the project and bring it to a cash flow positive position. These funding requirements will be met by the \$68 million of net proceeds of the equity financing completed in April 2009, the \$37.5 million senior debt facility, and Quadra's existing cash on hand. The Company is continuing to negotiate the final terms of the \$37.5 million loan facility and is also continuing efforts to syndicate an additional \$12.5 million of senior project debt.

The Company requires a copper price in the range of \$1.50/lb. for 2009 to maintain an appropriate cash balance and facilitate continuous production at its operations going forward. In the event of sustained lower metal prices, and in order to maintain an appropriate cash balance, the Company may need to reduce or suspend operations. In addition, if the Company's view of copper prices changes, the Company may elect to suspend mining operations in order to conserve mineral resources and cash.

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 | |
| Reclamation liabilities | - | - | - | - | - | 95,941 | 95,941 |
| Minimum lease payments (capital and operating) | 9,850 | 16,233 | 7,798 | 2,116 | 489 | - | 36,486 |
| Total | 9,850 | 16,233 | 7,798 | 2,116 | 489 | 95,941 | 132,427 |

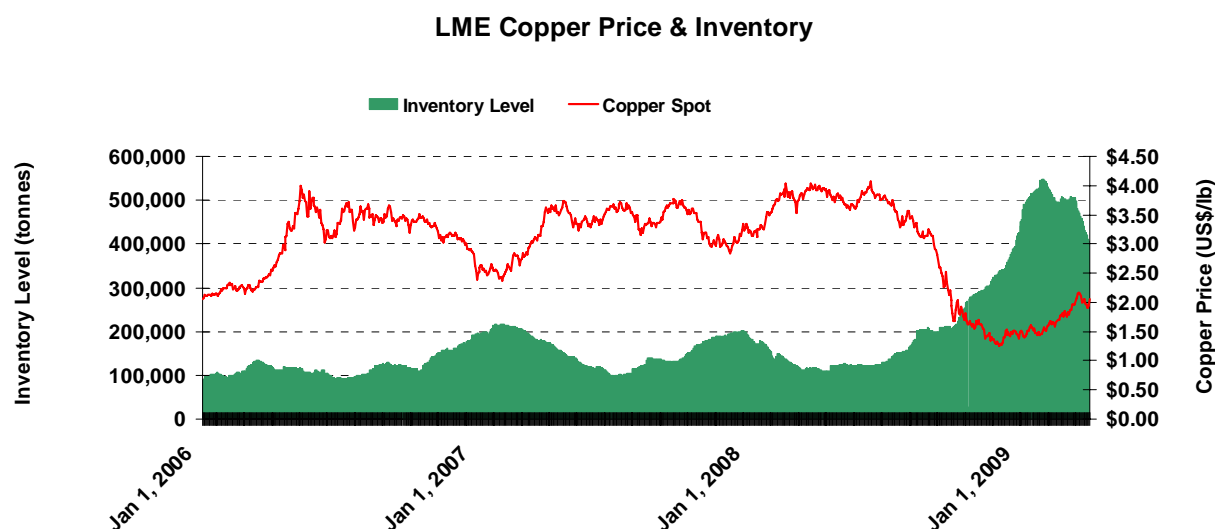
Reclamation liabilities

The Company has estimated total future reclamation costs of \$95.9 million (undiscounted), which primarily relate to the closure of the Robinson and Carlota Mines. The Company has estimated the fair value of this liability to be \$41.0 million at December 31, 2008 based on the estimated discounted future payments. To secure a portion of the closure costs related to the Robinson Mine and Carlota, the Company has posted environmental bonds and held cash in a reclamation trust totalling \$59.7 million as at March 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.

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 somewhat to \$1.83 per pound at the end of the quarter, as a result of Chinese buying. The outlook for copper is dependent on the global economy and Chinese stocking strategies as well as supply side and scrap market response.

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 April 30, 2009.



At March 31, 2009 the closing spot price was \$1.83 per pound. At May 11, 2008, the closing spot price was \$2.05 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.

The following table summarizes the impact of the changes in copper price on the Company’s after tax earnings for 2009, excluding the impact of changes in fair value of copper put options:

| Copper price | Impact on the after tax earnings (excluding put options) |
|--------------|--|
| + \$0.20/lb | 26,950 |
| - \$0.20/lb | (26,950) |

In recognition of the volatility of copper prices the Company has instituted a floor price protection program. Under this program, the Company purchased copper put options at various times during 2007 and 2008. In the first quarter of 2009, the Company received cash proceeds of \$16.7 million from the exercise of put options for 17.8 million pounds of copper. At March 31, 2009 the following copper put options were outstanding:

| Expiry | Pounds (millions) | Strike price | Fair value |
|--------------------|-------------------|--------------|------------|
| April to June 2009 | 17.2 | \$ 2.50 | 11,708 |

In April 2009, the Company acquired an additional 65 million pounds of copper put options with a strike price of \$1.50/lb at a cost of \$2.2 million. The expiry dates of these put options fall between May and October 2009.

Under the terms of the put option contracts, if the average LME cash price for the month is less than the strike price, the Company will receive 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 copper put options is recorded as a derivative gain or loss on the statement of earnings. For the three month ended March 31, 2009, the Company recorded a \$26.8 million loss on derivatives resulting from a decrease in fair value of the put options.

The following table summarizes the Company's 2009 cash flows from copper put options at different copper prices:

| Copper price | Cash flows from copper put options |
|---------------------|---|
| \$1.50/lb | 17,200 |
| \$2.00/lb | 8,600 |
| \$2.50/lb | - |

In October 2008, the Company entered into NYMEX heating oil futures contracts for 7.8 million gallons at a strike price of \$2.51/gallon. The settlement of these contracts occurs between December 2008 and November 2009. The contracts were acquired at no cost but are subject to a margin call. The Company will pay or receive cash based on the difference between the strike price and the actual cost of NYMEX heating oil in the month of settlement. In the quarter ended March 31 2009, the Company settled 650,000 gallons of these futures contracts resulting in cash payments of \$2.3 million which are recorded as cost of sales on the statement of earnings. At March 31, 2009, the fair value of fuel contracts increased to negative (\$5.4 million). As a result, the Company recorded an unrealized gain of \$1.3 million in the first quarter of 2009.

CONTINGENCIES

- (a) The Company is subject to four lawsuits that have been filed in Chilean courts against the Company's wholly-owned Chilean subsidiary, Minera Quadra Chile Limitada. The lawsuits were filed on August 13, 2007, April 2, 2008, June 20, 2008 and July 10, 2008. Based on advice of Chilean counsel, Quadra believes that the option agreements are valid and that the legal claims are without merit.

The plaintiffs are minority shareholders in the "sociedades legales mineras" (SLM) or legal mining companies that owned certain of the mining tenements that were optioned to Quadra in 2004. In three of the cases, the plaintiffs are requesting that the option agreements to purchase the mining tenements be declared null and void. The plaintiffs in these cases are claiming that the SLM's were not authorized to sell the mining tenements. In the fourth case, the plaintiffs argue that if any of the first three cases 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 first three lawsuits relate to three of the ten option agreements that the Company entered into with respect to its Sierra Gorda mineral property. Although Quadra believes that the option agreements are valid and that the legal claims are without merit, the outcome is uncertain. The proceedings are subject to the procedural and substantive laws of Chile, and the allegations are based on the actions of the SLM's, in respect of which Quadra has no direct knowledge. The Company intends to vigorously defend these claims, however there is no assurance that it will be successful. A negative outcome in these proceedings could have a material adverse effect on Quadra.

- (b) The Company is subject to other lawsuits from time to time which are not disclosed on the grounds that they are not believed to be material.

TRANSACTIONS WITH RELATED PARTIES

One of the directors of the Company is a partner of an affiliate of Blake, Cassels & Graydon LLP. During the three month period ended March 31, 2009, the Company incurred legal fees of \$129 with that entity (March 31, 2008 - \$154), 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 March 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. 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 previous years the Company has revised its estimate of the timing and amount of closure costs at the Robinson Mine, which resulted in adjustments to the liability recorded in the Company's financial statements. In 2008, the Company revised its estimate of the amount of closure costs at the Carlota Mine. Accordingly, an adjustment to the liability was 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 March 31, 2009. At March 31, 2009 the Company had additional available U.S. Alternative Minimum Tax Credits of \$18.8 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 in excess of the acquisition price, and 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. 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.

CHANGE IN ACCOUNTING POLICY

In the fourth quarter of 2008, the Company adopted CICA Handbook Section 3064 “Goodwill and Intangible Assets”. Accordingly, the deferred start up costs at the Robinson mine and the increase in value of the deferred gold consideration related to the Carlota mine that were previously capitalized to mineral property, plant and equipment should now be expensed. This change in accounting policy has been applied retroactively and the financial statements for the quarter ended March 31, 2008 have been restated. A summary of the effect of this change is shown below:

Effect on consolidated statements of earnings for the three months ended March 31, 2008:

| | |
|--|--------------|
| Decrease in depreciation, depletion and amortization | (487) |
| Increase in interest and other expense | 2,406 |
| Decrease in future income tax expense | (672) |
| Decrease in earnings | <u>1,247</u> |
| Decrease in earnings per share - basic | \$ 0.02 |
| Decrease in earnings per share - diluted | \$ 0.02 |

OUTSTANDING SHARE DATA

The Company had 66,000,747 common shares issued and outstanding common shares at March 31, 2009. As of May 11, 2009 the Company had 98,999,310 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. There have been no changes in internal control over financial reporting during the quarter ended March 31, 2008 that have materially affected, or are reasonably likely to materially affect internal control over financial reporting.

CONVERSION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”)

Canadian publicly listed companies are required to use IFRS, replacing Canadian GAAP effective fiscal years beginning on or after January 1, 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. An initial diagnostic review of significant IFRS differences has been completed by the Company’s external auditors as part of the project planning. The

project planning is substantially completed. While the effects of IFRS have not yet been fully determined, the Company has identified several key areas where it is likely to be impacted by accounting policy changes, including the accounting for Property, Plant & Equipment, Asset Retirement Obligations, and Business Combinations. Further detailed analysis of these areas is underway, and no decisions have yet been made with regard to accounting policy choices.

A more detailed review of the impact of IFRS on the Company's consolidated financial statements, and other areas of the Company, is in progress and is expected to be completed by the end of 2009. Any changes required to systems and controls will be identified as the project progresses. Draft financial statements and disclosure information will be prepared for each quarter in 2010 and reporting under IFRS will commence in the first quarter of 2011.

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 than 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 March 31 | |
|--|------------------------------------|----------|
| | 2009 | 2008 |
| Cost of sales | 47,653 | 67,220 |
| Adjustment for change in concentrate inventory | (5,771) | (4,171) |
| Refining and treatment charges | 5,415 | 5,709 |
| Capitalized stripping costs | 8,451 | - |
| Royalties | 1,921 | 4,714 |
| Total onsite and offsite costs | 57,669 | 73,472 |
| By-product revenues | (28,215) | (31,175) |
| | 29,454 | \$42,297 |
| | | |
| Copper production (million lbs.) | 36.7 | 42.0 |
| | | |
| Cash cost per pound of copper produced at the Robinson mine | \$ 0.80 | \$ 1.01 |

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.

May 11, 2009

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, 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, 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 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;
- ❖ 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;
- ❖ 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 a change in regulation;
- ❖ risks associated with Quadra's need for governmental license and permits;
- ❖ risks that Quadra's title to its property could be challenged;
- ❖ political and country risk;
- ❖ risk of water shortages and risks associated with competition for water;
- ❖ Quadra's need to attract and retain qualified personnel;
- ❖ risk of shortages of key supplies, including tires;
- ❖ 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 associated with the mineralogy, and particularly complex mineralogy at 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 production ramp-up at the Carlota 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
- ❖ risk 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.