



MANAGEMENT DISCUSSION AND ANALYSIS FOR THE QUARTER ENDED June 30, 2005

The following Management Discussion and Analysis (“MD&A”) of Quadra Mining Ltd. (“Quadra” or the “Company”) has been prepared as of Aug 11, 2005 and is intended to supplement and complement the accompanying unaudited interim financial statements and notes for the six months ended June 30, 2005 and for the quarter ended June 30, 2005 which are included in the Quarterly Report. This discussion includes certain statements that may be deemed ‘forward looking’ and reference to the cautionary statement at the end of this MD&A is advised. Additional information relating to the Company including the Annual Information Form (“AIF”) is available on the SEDAR website at: www.sedar.com.

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.

OVERVIEW

Quadra is a base metal producing Company that owns and operates the Robinson copper mine (“Mine”) in Ely, Nevada. In addition to operating this mine, the Company has an option to purchase the Sierra Gorda Project, a late stage group of contiguous properties near Antofagasta, Chile and an agreement with Inca Pacific Resources Inc (“Inca”) to potentially earn an interest in and develop the advanced Magistral copper-molybdenum project in the Ancash district of Central Peru. The strategic plan of the Company includes growth by optimising operations, developing projects and pursuing merger and acquisition opportunities. The Company is a reporting issuer in all provinces and territories of Canada and trades on the Toronto Stock Exchange under the symbol: QUA.

COMPARABILITY OF RESULTS

The Company became a publicly listed company on April 8, 2004. Activities in the second quarter of 2004 were confined to preparing the Robinson Mine for start up and the planning of exploration activities in Chile. Accordingly, comparative analysis between the financial results in the second quarter of 2005 has only been provided where it is considered meaningful.

OVERALL PERFORMANCE

Financial Highlights

Net revenues were \$55,998 in the second quarter of 2005. Net earnings for the three months ended June 30, 2005 were \$2,879, equal to US\$0.11 per share as compared to a net loss of \$1,674 or US\$0.06 per share in the second quarter in the previous year. Cash flow from operating activities was \$12,592, equal to US\$0.46 per share compared to (\$1,349) or (US\$0.05) per share in the second quarter last year. The Company’s income during the quarter was generated primarily from the sales of 65,686 dry tonnes of copper concentrate. Payable copper and gold were 35.6 million pounds and 18,259 ounces respectively. There were no sales of copper concentrate in the second quarter of 2004. Net revenues during the quarter resulted from a realized average copper price of US\$1.58 per pound of copper sold compared to the LME

average price of US\$1.54 per pound. Cash operating expenditures during the period were \$42,021 and corporate cash costs were \$1,353. Non-cash expenditures of \$11,224 primarily related to amortization, depletion and depreciation charges, accretion of the Asset Retirement Obligation, the cost of stock-based compensation employee options and the unrealized loss on derivatives.

After adjusting for the unrealized loss on derivatives and the related tax effect, the Company's earnings and earning per share for the three months and six months ending June 30, 2005 are \$7,653, \$0.28 per share and \$11,472, or \$0.42 per share respectively.

During the second quarter ending June 30, 2005 the Mine embarked on a short term hedge program to hedge up to one half of 2005 copper and gold production. This decision was made to ensure short term liquidity in anticipation of capital requirements for construction of a molybdenum plant and additional stripping. As at June 30, 2005 the Mine's hedge position was 29,903 tonnes of copper metal and 54,000 ounces of gold, at an average price of US\$1.41 per pound and US\$408 per ounce respectively. This resulted in an unrealized loss before tax of 7,746 during the second quarter of June 30, 2005

RESULT OF OPERATIONS:

Robinson Mine

Production during the second quarter ended June 30, 2005 was lower than expected due to ground control activities at the Tripp Veteran Pit which, coupled with lower than expected mobile equipment availability, resulted in the delay of scheduled waste material being mined. Potential slope stability issues that were to be addressed by "de-weighting" (removing waste from the upper portion of the slope) an identified slide area during the second half of 2005 had to be brought forward to the second quarter of the year. The Company found the rate of slope movement unacceptable as a result of mining activity and unusually wet weather and elected to divert major equipment from production to dewater 2.4 million tonnes of waste from the slide area. As of the end of June, the pit wall movement has slowed and the major equipment returned to production activities. The difficult ground conditions coupled with lower than expected mobile mining equipment availability resulted in the delay of scheduled waste material being mined. As a result, lower than planned ore grades were mined and the effective recovery rate was 76.4%.

The cash cost of copper produced* was \$ 1.25/lb during the second quarter which was higher than expected due to a combination of factors as maintenance costs, fuel prices, tire costs and transportation costs all increased while overall production decreased due to lower feed grade resulting from lower mining rates.

* Cash cost per pound produced includes all onsite operating costs, concentrate transportation, smelting and refining costs less by-product revenue received divided by the pounds of copper produced. Under Canadian Generally Accepted Accounting Principles, unit cash cost of production is not defined.

Key highlights:

- The Mine produced 30.5 million pounds of copper and 19,932 ounces of gold in the quarter ended June 30, 2005. The copper head grade was 0.50% while the gold grade was 0.33 g/tonne and the concentrate grade averaged 25.2% copper.
- Concentrate inventory at June 30, 2005 was 20,073 tonnes.
- The average daily mill throughput rate was 39,231 tonnes and the plant operating time was 92.2%.
- Copper recoveries for the three month period ending June 30, 2005 averaged 76.4% while gold recoveries were 51.3%.
- Direct on site operating costs arising during the second quarter of 2005 were \$35,953 while the offsite costs were \$11,261. Unit mining and milling costs were US\$0.91 per tonne mined and US\$2.98 per tonne milled respectively while unit general and administrative costs were US\$0.60 per tonne milled. The cash operating cost per pound produced was US\$1.25.

The following table is a summary of the operating statistics for the three months ended June 30, 2005 as well as the six months ended June 30, 2005.

	Three months ended June 30, 2005	Six months ended June 30, 2005
Ore + Waste mined (Tonnes 000's)*	17,740	31,324
Ore milled (Tonnes 000's)	3,570	6,866
Stripping ratio	4.2	3.6
Copper grade (%)	0.50	0.52
Gold grade (g/t)	0.33	0.34
Concentrate grade (% Cu)	25.2	25.3
Copper recovery	76.4%	75.9%
Gold recovery	51.3%	42.8%
Copper production (lbs)	30.5 million	58.1 million
Gold production (ozs)	19,932	31,013
Cash cost per pound produced	US\$1.25/lb	US\$1.24
Copper sales (lbs payable 000's)	35,574	59,163

* Includes de-weighting tonnage

Work on the final design procurement and construction planning for the \$7,750 molybdenum recovery circuit at the Mine continued. Construction commenced in early July and first molybdenum production in concentrate form is expected by the end of 2005.

Sierra Gorda:

Quadra expended approximately \$1,030 during the second quarter advancing the Sierra Gorda project with a program that included the re-logging of the entire Sierra Gorda drill core inventory, detailed mapping and the commencement of a 15,000 metre drill program. A total of 7,424m in 36 reverse circulation drill holes were completed by the end of the quarter and 3,559 samples had been shipped to Acme Labs for analysis. An independent NI 43-101 compliant mineral resource estimate, based on all historical drilling and our 2004 drill program, was also completed.

The Indicated sulphide mineral resource was estimated at 215 million tonnes of 0.38% copper and 0.066% molybdenum resulting in a 0.71% copper equivalent grade based on a 0.34% copper equivalent cutoff grade. An additional 182 million tonnes of an Inferred sulphide mineral resource grading 0.34% copper and 0.024% molybdenum, with a copper equivalent grade of 0.46% are also reported at the same cutoff grade. (see below table for copper equivalent calculation)

The Indicated oxide mineral resource is estimated at 181 million tonnes of 0.37% copper based on a 0.20% copper cutoff. An additional Inferred oxide resource of 36 million tonnes at a copper grade of 0.29% is also reported using the same cutoff grade.

The Sierra Gorda copper and molybdenum resource estimate is provided in the tables below: Molybdenum is not recovered from oxide material and therefore is not included in the oxide and supergene resource tabulation.

Estimated Sulphide Resource

Cutoff Grade %CuEq ¹	Tonnes (000's)	Grade CuEq ² %	Grade Cu %	Total Contained Cu (Tonnes)	Cu lbs (000's)	Grade Mo %	Total Contained Mo (Tonnes)	Mo lbs (000's)
Indicated Resource – Sulphide Material								
0.34	215,100	0.71	0.38	810,000	1,789,500	0.066	141,000	311,600
0.40	187,500	0.75	0.39	740,000	1,629,000	0.072	135,000	298,600
0.50	135,500	0.87	0.42	570,000	1,258,000	0.090	123,000	270,200
0.60	96,600	1.00	0.44	430,000	943,600	0.112	109,000	239,500
0.70	72,700	1.13	0.47	340,000	751,100	0.131	95,000	210,200
Inferred Resource – Sulphide Material								
0.34	182,200	0.50	0.38	700,000	1,534,600	0.024	43,000	95,000
0.40	142,000	0.54	0.40	570,000	1,263,500	0.027	38,000	83,500
0.50	67,700	0.64	0.45	300,000	667,800	0.038	26,000	56,200
0.60	30,900	0.76	0.49	150,000	330,800	0.052	16,000	35,500
0.70	14,700	0.87	0.52	80,000	168,900	0.069	10,000	22,200

Estimated Oxide and Supergene Resource

Cutoff Grade % Cu	Tonnes (000's)	Grade Cu %	Total Contained Cu (Tonnes)	Cu lbs (000's)
Indicated Resource – Oxide Material				
0.20	180,770	0.37	660,000	1,464,580
0.30	92,910	0.48	450,000	991,150
0.40	47,890	0.62	300,000	652,110
0.50	28,090	0.74	210,000	459,680
Inferred Resource – Oxide Material				
0.20	36,470	0.29	104,000	229,660
0.30	10,203	0.41	42,000	93,040
0.40	3,669	0.55	20,000	44,280
0.50	1,829	0.66	12,100	26,570

¹ The minimum cutoff grades were determined using the operating costs for similar operations in Chile published by Brook Hunt.

² Copper equivalent calculation is based on long term average copper and molybdenum metal prices to arrive at a ratio of 5 to 1. Copper equivalent calculations reflect gross metal content and have not been adjusted for metallurgical recoveries or relative processing and smelting costs.

This initial resource estimate supported plans for the advancement of the project. During the second quarter ended June 30, 2005 a 15,000-metre RC (reverse circulation) drill program was initiated to expand the oxide resource around defined mineralized zones and to delineate additional economic copper oxide targets in five previously untested areas.

The resource estimate and associated work was prepared in compliance with requirements set out in National Instrument 43-101 by Steven Ristorcelli, P.Geol., Mine Development Associates (“MDA”) of Reno, Nevada, assisted by Peter Ronning, P.Eng. New Caledonian Geological Consulting with the QA/QC work reviewed by Mr. Gary Lustig, P. Geo. The Sierra Gorda project exploration work was conducted under the direction of Brian P. Fowler, P.Geol., the Qualified Person for the project and Manager, Exploration for Quadra Mining Ltd.

The Sierra Gorda project is located in the Atacama desert, 140 km northeast of the port city of Antofagasta, and 4 km north of the town of Sierra Gorda, which lies on the highway and rail line connecting Antofagasta and Calama. The project covers an area of approximately 19 km² in a region that has significant copper

mines and resources including BHP Billiton's Spence project (currently under construction) 10 km to the northeast, Antofagasta Holdings PLC's El Tesoro mine approximately 15 km to the southeast and the Lomas Bayas and Mantos Blancos mines to the southwest.

Quadra has six separate option agreements which entitles the Company to purchase six contiguous properties in Chile. The option agreements have differing terms, conditions and adjustments and the total purchase price of all six properties is \$24,975. The initial amount paid upon entering into the Option Agreements was \$1,675, with an additional \$994 payable to the vendors during the first two years of the Option Agreements. During the six month period ending June 30, 2005 the Company made a \$456 option payment.

Magistral

Quadra expended \$2,872 on the Magistral Project in Peru during the second quarter 2005 on a work program representing the first phase in the preparation of a pre-feasibility study. The program conducted by Quadra included 12,103 metres of infill and metallurgical drilling, acid base accounting test work, geological modeling, a new resource estimate, environmental studies, community relations and the development of infrastructure strategies.

Subsequent to the quarter end, analytical results from the drill program were announced confirming the presence of high copper and molybdenum grades that characterize the Magistral deposit.

Magistral is a late stage development project in Peru. A National Instrument 43-101 compliant measured and indicated resource estimate identifies 76 million tonnes at 0.76% Cu and 0.055% Mo and an inferred resource of 39 million tonnes at 0.71% Cu and 0.039% Mo using a 0.5% Cu cut off.

The independent mineral resource was prepared in compliance with requirements set out in National Instrument 43-101 by AMEC (Peru) S.A. ("AMEC") Armando Simon, Ph.D., MAIG and Doug Reddy, P.Geo., both employees of AMEC, who are the Qualified Persons responsible for the Technical Report. Steve Blower, P.Geo., under the direction and supervision of Dr. Simon and Mr. Reddy, prepared the resource. Doug Reddy provided AMEC's third party opinion as to compliance with National Instrument 43-101 with respect to disclosure of resource estimates at Magistral

Quadra can earn a 50.1% interest in Ancash Cobre S.A., the 100% owner of the Magistral project, by completing a pre-feasibility study for a minimum 15,000 tonnes per day operation by February 28, 2006. Quadra can increase its ownership from 50.1% to 65% by arranging project financing on or before June 30, 2007. Once Quadra has met its obligations with respect to the feasibility study and financing, and has reached 65% ownership, each party will be responsible for its share of the project development costs. On financing, Inca has the right to put the 35% balance of its holdings in Ancash to Quadra on the basis of an NPV calculation.

Operating Results by Segment

Presently, the only significant operating segment of the Company is the Robinson Mine. The Company is also developing projects in South America (the Sierra Gorda Project in Chile and the Magistral Project in Peru). Assets by geographic segments are as follows:

Total Assets	June 30, 2005	December 31, 2004
	\$	\$
Robinson	148,500	123,755
South America Exploration	10,665	3,377
Corporate	8,688	13,685
Total	167,853	140,817

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

SUMMARY OF QUARTERLY RESULTS									
<i>\$ US 000s</i>	2003		2004				2005		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	
Revenue:									
Robinson	-	-	-	-	-	11,932	43,474	55,998	
Total	-	-	-	-	-	11,932	43,474	55,998	
Costs:									
Robinson	-	-	-	-	-	12,153	37,408	54,056	
South America Exploration	-	-	-	39	55	(199)	12	26	
Corporate	43	262	743	1,870	1,863	2,366	1,595	470	
Total	43	262	743	1,909	1,918	14,320	39,015	54,552	
Net interest and other (income) expense:									
Robinson	-	-	-	-	-	91	1,337	1,373	
Corporate	-	19	2,502	148	165	90	(1,386)	(1,327)	
Earnings before tax	(43)	(243)	1,759	(1,761)	(1,753)	(2,207)	4,508	1,400	
Earnings after tax									
Robinson	-	-	-	-	15	1,457	4,009	2,048	
South America Exploration	-	-	-	(39)	(55)	199	(12)	(26)	
Corporate	(43)	(243)	1,672	(1,635)	(1,713)	(2,276)	(209)	857	
Total	(43)	(243)	1,672	(1,674)	(1,753)	(620)	3,788	2,879	
Basic and diluted earnings (loss) (\$ /share)									
	(0.02)	(0.12)	0.55	(0.06)	(0.06)	(0.15)	0.13	0.11	
Cash									
Robinson	-	-	-	160	435	3,567	10,179	10,522	
South America Exploration	-	-	-	120	143	54	615	248	
Corporate	7	-	2,945	53,493	34,134	8,648	12,911	7,657	
Total	7	-	2,945	53,773	34,712	12,269	23,705	18,427	
Total Assets									
Robinson	-	-	-	73,794	94,900	123,756	140,833	148,500	
South America Exploration	-	-	-	2,022	2,483	3,376	7,070	10,665	
Corporate	15	248	4,201	53,945	39,844	13,685	13,788	8,688	
Total	15	248	4,201	129,761	137,227	140,817	161,691	167,853	
Total Liabilities									
Robinson	-	-	-	24,605	32,340	35,046	51,079	55,142	
South America Exploration	-	-	-	-	34	69	93	81	
Corporate	26	503	1,234	399	1,408	2,583	1,821	560	
Total	26	503	1,234	25,004	33,782	37,698	52,993	55,783	

* Certain corporate cost have been reallocated to Robinson mine-site during the second quarter of 2005 whereas in second quarter of 2004 these cost were included in corporate costs

Management Appointments

During the quarter one senior appointment was filled with the appointment of Mr Bruce Kennedy as Vice President, Mining.

LIQUIDITY AND FINANCIAL RESOURCES

At June 30, 2005 the Company had consolidated working capital of \$22,219 and cash on hand of \$18,427 as compared to \$27,360 and \$12,269 respectively at December 31, 2004. The Company had \$6,000 of short term bank indebtedness.

In addition to cash available of \$23,705 at the beginning of the second quarter of 2005, the primary sources and uses of cash during the three months ended June 30, 2005 were as follows:

- Cash flow from operating activities \$12,592
- Increase in security deposits and environmental bond (\$3,200)
- Investment in Sierra Gorda and the Magisterial project (\$3,902)
- Working capital facility repayment (\$6,000)
- Investment in capital projects (\$4,673)
- Other net cash requirements (\$95)

Of the cash remaining at June 30, 2005 of \$18,427, approximately \$7 million will be utilized to finance the cost of the corporate office and exploration activities relating to the Sierra Gorda project, Magistral project and other exploration and development projects. The Company expects that existing cash resources, bank lines of credit and potential equipment lease financing arrangements together with funds generated from mining operations will be sufficient to meet its capital and operating requirements.

The Company's issued and outstanding shares at June 30, 2005 were 27,345,931 and that number remains unchanged at the date of this analysis.

For the period ending June 30, 2005, the Company granted 162,000 stock options to directors, contractors and employees. The stock options have a two-year vesting period and expire after five years. For accounting purposes the Company estimated a value of \$1.51 per stock option for total value of \$245.

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in these assumptions can materially affect the estimated fair value of options granted.

CONTRACTUAL OBLIGATIONS

On September 1, 2004 Robinson Nevada Mining Company ('Robinson') entered into an operating lease agreement with Caterpillar Financial Services Corporation ('Caterpillar') to lease sixteen trucks. Under the terms of the agreement, Robinson is required to pay \$3,915 to Caterpillar. The principal is repayable annually over three years and the interest is payable monthly at an annual interest rate of 6.6% over 39 months with the first payment commencing October 1, 2004. The total lease payment of the sixteen trucks amounts to \$37,672 and is payable over 7 years.

On June 13, 2005 Robinson signed a five year agreement with Snyder Transport, Inc. ("Snyder") to transport copper concentrates from the mine site to a trans-loading facility effective March 3, 2005. Robinson advanced \$200 to Snyder as security deposits for the transportation equipment. According to the agreement, Snyder will return the \$200 security deposit to Robinson in September 2006.

Line of Credit Facility

As a result of inventory build up during the fourth quarter 2004, Quadra arranged a revolving working capital facility and hedge line of credit facility with Macquarie Bank Ltd. (“Macquarie”) during the quarter ended March 31, 2005. Proceeds from the working capital facility are available to provide additional liquidity for the Robinson Mine between the production and final settlement sales of metal concentrate. The Company made an initial drawdown of \$12,000 on March 30, 2005. Inventories reduced during the quarter and the Company repaid \$6,000 of the facility in June. The available working capital facility at June 30, 2005 was \$ 20 million

In addition to the working capital facility Macquarie agreed to provide Robinson with an uncommitted hedge line of credit facility. The current terms of this facility allow Robinson to hedge up to 60,000 tonnes of copper metal and 60,000 oz of gold on a margin free basis. (refer to “Financial Instruments – Hedging” below)

The working capital facility provides low cost financing for the Robinson Mine and increases its flexibility during its initial year of full operations.

CAPITAL RESOURCES

Capital expenditures for the remaining six months will include the cost of de-weighting the pit slope, deferred stripping, construction of the molybdenum plant, raising of the tailings pond and other smaller projects which are estimated to total \$26 million, together with \$4 million of security deposits for equipment leases. This amount excludes any requirements resulting from the transfer of mining operations from the mining contractor to the Robinson mine. The agreement requires Robinson to pay \$4,000 and acquire certain equipment at an aggregate price of approximately \$16,000 by October 31, 2005. In addition, parties are negotiating a final settlement of all outstanding contractual amounts which must be settled by December 31, 2005. It is expected that the equipment will be financed by leasing arrangements.

RELATED PARTY TRANSACTIONS

One of the Directors of the Company is a Partner of an affiliate of Blake, Cassels & Graydon LLP and one is a partner of Chancellor Partners Management Consultants Inc. During the six month period ending June 30, 2005 the Company paid legal fees of \$392 and recruiting and human resources consulting fees of \$139 respectively to those entities [June 30, 2004: \$513 and \$120 respectively].

FINANCIAL INSTRUMENTS – HEDGING

On July 22, 2004 the Company bought gold forward sales contracts for a total of 60,000 oz. The Company settles the contracts from time to time. As at June 30, 2005, the weighted-average price on the forward contracts was US\$408/oz and the quantity was 54,000 oz. The unrealized loss from the mark-to-market adjustment of the contracts as at June 30, 2005 was \$1,621, resulting in an unrealized loss of \$322 in the period.

During the quarter ended June 30, 2005 the Company entered into various short-term copper forward sales contracts with Macquarie to hedge copper price. As at June 30, 2005 the weighted-average price on the forward contracts was US\$1.41/lb for a total of 29,903 tonnes copper metal. The unrealized loss from the mark-to market adjustment as at June 30, 2005 was \$7,424, resulting in an unrealized loss of \$7,424 in the period.

CRITICAL ACCOUNTING ESTIMATES

Revenue recognition and inventory valuation

Metal concentrate production is subject to long-term contracts for sale, and revenue is recognized when title passes and collectibility is reasonably assured. Final metal prices for determining revenue are generally three months after the point of recognition and price changes subsequent to that date/time of sale could have a material impact on final settlement.

Economic life

Management's estimate of the economic life of the Mine is nine years based on the updated resource statement provided in accordance with National Instrument 43-101. Based on Management's view of future metal prices the carrying value of the assets was not impaired at June 30, 2005.

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. The estimate of the total liability for future site restoration costs is subject to change based on amendments to laws and regulations and 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 taxes and resource tax asset and liabilities

The Company has recognized a future tax asset of \$2,413. Management estimates that, using long term copper prices in line with its mine plan estimates, the future taxable income will be sufficient to utilize estimated tax assets.

NEW ACCOUNTING POLICIES

Variable Interest Entities

Effective January 1, 2005, the Company adopted the CICA's Handbook Accounting Guideline 15, "Consolidation of Variable Interest Entities" (AcG-15). Under this new guideline, an enterprise should consolidate a variable interest entity when that enterprise has a variable interest, or combination of variable interests, that will absorb a majority of the entity's expected losses, receive a majority of the entity's expected residual returns, or both. As at June 30, 2005 the Company did not have any material variable interest entities.

Deferred Stripping

The Company accounts for stripping costs in excess of life of mine average using the 'deferred stripping method'. Under this accounting method, mining costs related to waste rock removal in excess of the life-of-pit average waste to ore ratio ('stripping ratio') are deferred and charged to earnings on the basis of the average stripping ratio for the life of the pit.

FUTURE PROSPECTS

Outlook

The copper price has historically been both cyclical and volatile trading within a range of \$0.60 - \$1.60 per pound with an 8 - 10 year cycle through the 1980's and 1990's. The copper industry is expected to remain strong over the near term as current and future demand growth exceeds supply. Smelting and freight costs have increased significantly over the last year. There are signs that smelting and freight costs have peaked and the expectation is that they will reduce slightly over the remainder of the year.

Robinson Mine

The reserves are currently expected to sustain production for the next 9 years and will vary from year to year based upon metal prices and as ore is mined out or added as a result of definition drilling and exploration work.

Mineral reserves in the current mine plan as of January 1, 2005 total 129 million tonnes grading 0.69% copper and 0.3 grams per tonne gold with over 97% of the mineral reserves in the proven category.

The reserves in the Ruth Pit (to be mined in the future) were not recalculated under the current mine plan. The reserve was calculated using a US\$0.90 per pound copper price. Quadra is in the process of reviewing and updating the design parameters of the pit shell. Further changes to the designs of both pits will result from the impact of the molybdenum recovery circuit. In management's opinion there is significant potential for additional reserves and leachable copper and gold resources at the Mine.

Initiatives are being implemented to attain optimal mill performance and optimize throughput, recovery and concentrate grades. In addition, with the completion of the restart at Robinson, Quadra is putting increased emphasis on reducing operating costs.

The construction of a \$7,750 molybdenum recovery circuit at the Mine is ongoing with engineering and equipment procurement activities and construction is scheduled to be complete by the end of this year.

Quadra's wholly owned subsidiary, Robinson Nevada Mining Company ("RNMC") is to take over all direct mining operation responsibilities at the Robinson Mine. As the operation matures, owner management of the mine is likely to provide lower costs and maximizes flexibility going forward.

An orderly transfer of equipment, personnel, duties and responsibilities is ongoing as there are issues that need to be finalized with the acquisition of the Washington owned equipment and Washington leased equipment. RNMC currently pays lease and depreciation costs for this equipment plus a fee to Washington.

While Quadra does not expect the change to owner mining to have any impact on its previous guidance for 2005, going forward in 2006 and beyond, the cash operating costs at the Robinson Mine are expected to decrease.

Exploration and Development

Sierra Gorda

The 2005 Sierra Gorda exploration budget is US\$3.8 million. The current reverse-circulation exploration drill program is expected to be complete by mid-August when the results will be evaluated.

Magistral

Assays for the remaining 22 drillholes of the 2005 infill diamond drill program have been reported on August 11, 2005. The drill holes reported continue to confirm significant copper and molybdenum grades that characterize the Magistral deposit. The results of this program are being evaluated by the Company as it progress towards a pre-feasibility study scheduled for completion by February 2006.

August 11, 2005

The above Management and Discussion analysis may contain forward looking statements that involve risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in the forward looking statements. Such forward looking statements include, among other things, statements regarding targets, estimates and/or assumptions in respect of copper, gold and molybdenum production and/or metal prices, operating costs, strip ratios, expenditures on the property, plant and equipment, increases and decreases in production, reserves and/or resources, life of mine estimates, reclamation cost estimates and anticipated grades and recovery rates and or may be based on assumptions and/or estimates related to future economic, market and other conditions. Factors that could cause actual results, developments or events to differ materially from those anticipated include, among others, the factors described or referred to under “Business of the Company – Risk Factors and Governmental Regulation” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” set forth in the Company’s Annual Information Form and include unanticipated and/or unusual events. Many of such factors are beyond Quadra’s ability to control or predict. Quadra disclaims any intent or obligation to update or revise publicly any forward-looking statements whether as a result of new information, future events or results or otherwise.