



MANAGEMENT DISCUSSION AND ANALYSIS FOR THE QUARTER ENDED JUNE 30, 2006

The following Management Discussion and Analysis (“MD&A”) of Quadra Mining Ltd. and its wholly owned subsidiaries (“Quadra” or the “Company”) has been prepared as of August 11, 2006 and is intended to supplement and complement the accompanying unaudited interim financial statements and notes for the six months ended June 30, 2006. This discussion includes certain statements that may contain ‘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 the Annual Information Form (“AIF”) is available on the SEDAR website at: www.sedar.com. The Company is a reporting issuer in all provinces and territories of Canada and trades its common shares 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 base metal producing company that through its 100% owned subsidiary Robinson Nevada Mining Company (“RNMC”) owns and operates the Robinson copper mine (“Mine”) in Ely, Nevada. In addition, Quadra holds a 100% interest in the Carlota Copper Project (“Carlota”), a development stage SX/EW copper project in Arizona. The Company also has an option to purchase the Sierra Gorda Project, a late stage exploration property near Antofagasta, Chile. The strategic plan of the Company includes growth by optimising operations, developing projects and pursuing merger and acquisition opportunities.

Second Quarter Highlights

- The Mine generated record net revenues of \$142,225 from sales of 61,120 dry metric tonnes of concentrate
- Operating income for the quarter was \$83,208 or \$2.22 per share compared with \$11,049 or \$0.40 per share for the same reporting period of 2005.
- After the realized loss on derivatives of \$64,801, earnings before the unrealized loss on derivatives were \$15,640 or \$0.42 per share.
- After the unrealized loss on derivatives of \$36,559, the loss before income taxes was \$20,919 or \$0.56 per share reflecting the unrealised impact of the copper price increase in the quarter on the hedges associated with copper not yet sold and / or produced.
- Production for the quarter was 27.8 million pounds of copper, 12,532 ounces of gold and 70,000 pounds of molybdenum and the onsite and offsite costs were \$44,879 and \$23,100 respectively*.
- The Company commenced a 25,000 metre drill program at Sierra Gorda to advance the project on to pre-feasibility.
- The Company received total proceeds of CAD\$4,174 and issued 695,694 common shares as a result of the exercise of warrants issued to brokers who participated in the Company’s initial public offering (“IPO”) in April, 2004.

**Under Canadian Generally Accepted Accounting Principles, offsite and onsite cost terms are not defined terms. Onsite costs consist of mining costs, including deferred stripping and equipment operating lease costs, mill costs, mine site general and administration, royalties and environmental costs. For financial statement reporting purposes, royalties are reported separately from cost of goods sold. Offsite costs consist of the costs associated with the transportation, smelting and refining of concentrate.*

OVERALL PERFORMANCE

Financial Results

	Q2 2006	Q1 2006	Q2 2005
Concentrate production (DMT)	48,405	50,229	54,815
Concentrate sales (DMT)	61,120	58,036	65,684
Statement of operations (\$000)			
Net revenues	142,225	83,936	55,998
Cost of sales	49,862	45,067	41,915
Depreciation, amortization and depletion	2,912	2,857	2,433
Accretion	535	524	495
Royalties and mineral taxes	5,708	2,307	106
Operating income	83,208	33,181	11,049
General and administrative	2,205	1,773	1,166
Realized loss on derivatives	64,801	9,985	141
Stock-based compensation	1,026	227	493
Foreign exchange (gain) loss	(533)	276	57
Net interest and other expense	69	812	46
Earnings before unrealized loss on derivatives	15,640	20,108	9,146
Unrealized loss on derivatives	36,559	59,063	7,746
Income tax - current	-	1,870	67
Future income tax benefit	(6,021)	(9,695)	(1,546)
Earnings (loss)	(14,898)	(31,130)	2,879
Earning (loss) per share	\$ (0.40)	\$ (1.02)	0.11
Financial positions (\$000)			
Total assets	370,427	323,615	167,853
Total long-term financial liabilities	47,475	50,230	29,618

Net Revenues

Net revenues are affected by sales volumes and commodity prices. All of the Company's revenues are currently generated by the Robinson Mine.

Net revenues from concentrate sales were \$142,225 for the quarter ended June 30, 2006 compared with \$55,998 in 2005 and \$83,936 in the first quarter of 2006. The increase in net revenue in the second quarter of 2006 over the same period in 2005 was due to higher copper and gold prices. The increase in net revenue compared to the first quarter of 2006 was due to higher copper and gold prices and increased sales volume. The average provisional copper price for the second quarter of 2006 was \$3.13 per pound of copper sold compared to the London Metal Exchange ("LME") average price per pound of \$3.27 resulting in copper revenues of \$104,089. In the same period of 2005 the average copper price was \$1.54 compared to the LME average price per pound of \$1.54 resulting in copper revenues of \$54,845. Other revenue items including gold, molybdenum and unrealized and realized final adjustments totalled \$53,893 for the quarter ended June 30, 2006 compared to \$10,650 for the quarter ended June 30, 2005. Refining and treatment charges were \$15,757 for the quarter and June 30, 2006 compared to \$9,497 for the same quarter in 2005.

Cost of Sales and Expenses

Cost of sales for the quarter ended June 30, 2006 was \$49,862 compared to \$41,915 in 2005 and \$45,067 for the quarter ended March 31, 2006. The increase in cost of sales from the first quarter of 2006 to the second quarter of

2006 reflects increased concentrate sales and higher overall operating costs (**See Robinson Mine Operating Costs.**) Although concentrate sales volumes were lower in the second quarter of 2006 compared to the second quarter of 2005, the cost of sales increased from the second quarter of 2005 to the second quarter of 2006 due to higher operating costs.

Depreciation, amortization and depletion for the quarter ended June 30, 2006 was \$2,912 compared to \$2,433 in 2005 and \$2,857 in the quarter ended March 31, 2006. The increase in depreciable assets at RNMC in 2006 resulted in a higher depreciation, amortization and depletion.

Royalties and mineral taxes for the quarter ended June 30, 2006 were \$5,708 compared to \$106 in the same period of 2005 and \$2,307 in the first quarter of 2006. The Mine is subject to a 3% net smelter return royalty under which the royalty is payable to a reclamation trust until such time that \$20,000 funds are available, at which point the royalty is payable to a third party and accordingly will be expensed. During the quarter ended June 30, 2006, the trust became fully funded and royalty payments expensed to a third party of \$2,476 resulted in an increase to royalty expense. In addition, the Company incurred Nevada net mining proceeds tax of \$3,232 in the second quarter of 2006 compared with \$2,139 in the first quarter of 2006 due to higher copper and gold prices. The Company did not incur any net mining proceeds tax in the second quarter of 2005.

Operating income for the quarter ended June 30, 2006 was \$83,208 or \$2.22 per share, compared with \$11,049 or \$0.40 per share in 2005 and \$33,181 or \$ 1.09 for the quarter ended March 31, 2006. The increase in 2006 over 2005 and the quarter ended March 31, 2006 was mainly due to the higher net revenue generated by increased concentrate sales and higher commodity prices.

General and administrative expenses were \$2,205 in the second quarter of 2006 compared to \$1,166 in 2005 and \$1,773 in the first quarter of 2006. The increase in general and administrative expenses was mainly due to the increase in corporate activities and higher staffing levels.

The realized loss on copper and gold forward sales contracts was \$63,547 and \$1,254 respectively in the second quarter of 2006 compared to a realized loss of \$141 on the gold forward sales contracts in the second quarter of 2005 and \$8,896 and \$1,089 in the first quarter of 2006. The increase in realized losses compared to the second quarter of 2005 reflects the impact of the copper hedging program entered into in the fourth quarter of 2005. The increase in realized losses in the second quarter ended June 30, 2006 compared to the first quarter of 2006 reflects an increase in tonnage subject to final pricing, and increased copper prices.

Net interest and other expenses were \$69 in the second quarter of 2006 compared with net interest and other income of \$46 in 2005 and \$812 in the first quarter of 2006. The decrease in net interest expense in the second quarter of 2006 compared with the first quarter of 2006 was mainly due to the increase in cash balance (higher interest income) and the decrease in bank indebtedness associated with the working capital line of credit.

Earnings before unrealized loss on derivatives in the second quarter of 2006 was \$15,640 or \$0.42 per share compared with \$9,146 or \$0.33 per share in 2005 and \$20,108 or \$0.66 per share in the first quarter of 2006.

As at June 30, 2006, the Company had open derivative positions of 73 million pounds of copper metal and 34,000 ounces of gold at an average price of \$1.64 per pound and \$421 per ounce respectively. Of this open derivative position, 48 million pounds of copper has been shipped or held in inventory and 25 million pounds of copper remains to be produced. The marked to market position of these contracts resulted in an unrealized loss before tax of \$36,559 as at June 30, 2006. As at June 30, 2005 the Company had open derivative positions of 64 million pounds of copper metal and 54,000 ounces of gold at an average price of \$1.41 per pound and \$408 per ounce respectively. The unrealized loss resulting from the marked to market position of these contracts as of June 30, 2005 was \$7,764. As at March 31, 2006, the Company had open derivative positions of 114 million pounds of copper metal and 40,000 ounces of gold at an average price of \$1.69 per pound and \$418 per ounce respectively. The marked to market position of these contracts was an unrealized loss before tax of \$59,063 as at March 31, 2006.

The Company recorded a future income tax benefit of \$6,021 for the quarter ended June 30, 2006 compared with \$1,546 in the same period of 2005 and \$9,695 in the first quarter ended March 31, 2006. The increase in future income tax recovery in 2006 was mainly due to losses on derivatives.

For the quarter ended June 30, 2006, the Company reported a loss of \$14,898 or \$0.40 per share as compared to earnings of \$2,879 or \$0.11 per share for the quarter ended June 30, 2005 and a loss of \$31,130 or \$1.02 per share for the quarter ended March 31, 2006.

Financial Position

Total assets as at June 30, 2006 were \$370,427 compared with \$262,042 at December 31, 2005. The significant increase of assets during the period ended June 30, 2006 was primarily due to the following:

- Increase in cash in connection with the equity financing and exercise of broker warrants (**See Equity Financing**)
- Increase in accounts receivable and prepaid expenses of \$25,249 associated with an increase in the copper price at June 30, 2006 compared to December 31, 2005 and timing of receipt of payments for shipments
- Increase in capitalized waste stripping costs of \$16,379
- Increase in future income tax asset of \$15,716

Total long-term financial liabilities as at June 30, 2006 were \$47,475 compared with \$50,478 as at December 31, 2005.

ROBINSON MINE

Operational Results for the Robinson Mine for the Quarter Ended June 30, 2006

The quarterly performance of the Mine varies as a result of changes in a number of parameters. Significant factors impacting quarterly performance are head grade, metal recovery and waste stripping requirements. Comparative production statistics are as follows:

	2006			2005		
	Q2	Q1	Q4	Q3	Q2	Q1
Waste mined (Tonnes 000's)	16,605	14,218	13,832	16,753	14,325	11,737
Ore mined (Tonnes 000's)	3,274	3,711	2,881	3,855	3,415	4,280
Ore milled (Tonnes 000's)	3,422	3,093	3,426	3,466	3,570	3,296
Copper grade (%)	0.52	0.53	0.57	0.60	0.50	0.51
Gold grade (g/t)	0.24	0.27	0.34	0.39	0.33	0.32
Molybdenum grade (%)	0.008	0.013	-	-	-	-
Copper recovery	70.3%	69.5%	73.5%	79.5%	76.4%	74.2%
Gold recovery	47.5%	54.5%	61.5%	57.3%	51.3%	41.5%
Molybdenum recovery	11.7%	16.7%	-	-	-	-
Mill Operating Time	89%	89%	90%	95%	92%	88%
Copper production (Million lbs)	27.8	25.0	31.6	36.5	30.5	27.6
Gold production (ounces)	12,532	14,471	22,262	24,666	19,932	14,081
Molybdenum production (Thousand lbs)	70	144	-	-	-	-
Onsite costs						
- Operating costs	\$35,016	\$34,426	\$29,224	\$33,946	\$25,456	\$26,565
- Deferred stripping	\$9,863	\$6,120	\$7,511	\$8,084	\$4,700	-
Total onsite costs	\$44,879	\$40,546	\$36,735	\$42,030	\$30,156	\$26,565
Offsite costs	\$23,100	\$22,076	\$15,593	\$16,220	\$19,319	\$12,809
Total costs	\$67,979	\$62,622	\$52,328	\$58,250	\$49,475	\$39,374
Capital expenditure	\$3,074	\$808	\$4,781	\$3,568	\$1,741	\$1,470

Operating Results

Copper production during the quarter ended June 30, 2006 was 27.8 million pounds with copper recovery and mill throughput lower than expected. The head grade was as expected compared to the revised mine plan which deferred higher grade material until later in the year.

Pit operations made good progress stripping waste material in the Veteran pit and achieved a mining rate of 220,000 tonnes per day.

The high levels of iron as pyrite that were encountered in ore from the end of the first quarter continued to a lesser extent on an intermittent basis through the second quarter. Pit productivity improved with having access to multiple ore faces and by the latter part of the second quarter, the operation had developed an effective blending strategy, thereby mitigating the effects of high iron content on recovery and significantly improving copper concentrate grade. Recent drilling and metallurgical test-work confirms that the high iron content ore exists lower in the pit however, it is expected that this material can continue to be managed through blending. Highly oxidized mill feed from old mine workings encountered during the second quarter also resulted in lower recoveries.

Mill production was affected by several maintenance issues during the second quarter resulting in 89% mill availability. During April and May issues with respect to the SAG and ball mill electronics were the main causes of unscheduled downtime. This improved in June as mill availability rose to 95%. Molybdenum production was adversely impacted primarily by low feed grade and although a marketable concentrate grade continued to be produced, the mill produced only 70,000 pounds.

Operating Costs

Onsite costs and offsite costs for the quarter were \$44,879 and \$23,100 respectively as compared to \$40,546 and \$22,076 for the quarter ended March 31, 2006. Operating costs increased from the first quarter to the second quarter in part due to the 10% increase in ore and waste mined but also due to higher mining costs and royalty costs. Mine costs continued to be impacted by higher supply and maintenance costs. As a result of higher copper prices in the first half of 2006, the reclamation trust became fully funded during the second quarter and accordingly royalty payments which had previously been recorded as contributions to the trust now form part of onsite costs. The major drivers of the increase in offsite costs were higher price participation charges included in treatment and refining costs and higher transportation costs as a result of fuel surcharges.

Personnel Issues

Industry wide shortages of experienced engineering, maintenance and operating personnel continue to challenge the operation. The impact of these shortages lessened during the second quarter however as some skilled technicians were recruited and placed and the turnover rate declined. Overall the experience level of available maintenance and operating personnel can still be improved and an aggressive recruiting, retention and training program continues.

Outlook

Mining

Total daily tonnes mined during the second quarter averaged 220,000 tonnes per day, representing an improvement of more than 18,000 tonnes per day from the previous quarter. Stabilization of manpower and training of mine personnel was a positive influence on this increase in daily tonnage and the operation is committed to continue maximizing productivity. By improving the pit stripping rate, mill feed can be produced from several locations to allow the blending of ore and improve mill performance. A rotary and diamond drill program continues to better characterize the nature of the remaining reserves within the Veteran Pit and optimise recovery and mine planning.

The revised mine schedule anticipates a higher head grade through the remainder of the year, particularly during the late third and early fourth quarter.

Processing

Mill performance is expected to continue operating at a normal level of availability going forward and as the higher mill feed grade is expected to produce higher volumes of concentrate, additional drying capacity is being installed.

Based on the recent drilling program recovery rates realised in the second quarter are expected to continue for the rest of the year. Accordingly, copper production for 2006 is expected to be 125 – 130 million pounds or 10% - 15% below the November 29, 2005 guidance of 145-150 million pounds. The expected gold production of 55,000 to 60,000 ounces remains unchanged for the year. The grade of molybdenum in the ore in the Veteran pit has proved variable and unpredictable and there is not enough information to provide revised guidance for the balance of the year. With year to date molybdenum production of 214,000 pounds, there is no expectation that the original production guidance of 1.0 to 1.6 million pounds will be met.

Operating Costs

Onsite costs are expected to continue to be impacted by cost pressures experienced in the first half of the year and accordingly onsite costs for 2006, including royalty payments, are expected to increase by approximately 20% from the November 29, 2005 guidance figure of \$145,000. The actual costs of production are expected to increase by 14% as a result of higher than expected across the board maintenance costs, higher supply costs, particularly blasting costs, tires and fuel, and increasing labour costs. The royalty costs are a function of copper price and at the current forward curve, have increased by \$9,000.

Offsite costs for 2006 are expected to be approximately 20% higher than the \$72,000 previously provided as guidance. Adversely impacting offsite costs are the price participation component of the smelter contracts which is driven by high copper prices and by higher transportation costs due to higher fuel costs, as well as by the impact of having to re-dry concentrate that was contaminated by water in transit earlier in the year. The price participation component of the increased offsite costs is based on copper prices remaining at the levels of the June 30 copper price forward curve.

Robinson Upside

The exploration program to evaluate new copper and molybdenum sulphide resources along with copper and gold leach resources is underway. Key technical personnel have been hired and preliminary exploration targets identified. Diamond and RC drilling will commence in the second half of 2006.

CARLOTA

During the first and second quarters, the Company carried out a review of the engineering studies, cost analyses, project execution plan and permit compliance. A drill program to determine the status of certain material held in the reserves of the Carlota deposit was completed and the results are pending subject to the final Quality Assurance /Quality Control. The project is fully permitted but additional regulatory submissions related to normal course changes and activities have been and are being prepared for comment or approval. Following a review of pit equipment options and availability of new equipment, the Company has determined that the most appropriate route for Carlota is the purchase of new pit equipment. To ensure that this equipment will be available in a timely manner in the event that there is a positive decision to proceed the Company has made non-refundable deposits for a Hitachi EX5500 hydraulic shovel, seven Komatsu 830e haul trucks, four Komatsu 375 Dozers and the rectifier for the SX/EW plant (**See Equipment Purchase**) The Company is pursuing multiple options to sell the used pit equipment owned in Australia.

A confirmatory water well-field capacity program was carried out during the second quarter. The test was positive and confirmed the presence of significant water resources. In addition, discussions are taking place regarding alternative sources of water in the area in order to ensure minimum impacts on the eco-system. Approvals are in place to install air monitoring equipment, a requirement of the permits prior to commencement of construction,

As part of the purchase of Cambior USA Inc. Quadra agreed to pay eight quarterly gold payments commencing in March 31, 2006 of 6,250 ounces of gold, representing in the aggregate \$23,325 based on the average forward gold price of \$520 per ounce on the closing date. The first two gold deliveries were completed March and June 2006.

In order to limit the cost of the gold to be delivered in September 2006 and December 2006, Robinson Holdings USA ("RHUSA") a 100% owned subsidiary of Quadra, purchased gold calls in February and March which give RHUSA the right to buy 6,250 ounces of gold at a price of \$594 per ounce on September 11, 2006 and 6,250 ounces of gold at a price of \$600 per ounce on December 11, 2006. As at June 30, 2006, the fair market value of the call options was \$654, resulting in a gain of \$245 which was capitalized to mineral property costs.

The Arizona Department of Environmental Quality ("ADEQ") announced on April 12th, 2006 that the air quality permit issued by ADEQ for the Carlota project has been upheld by the Arizona Court of Appeals. The appeals court ruled the decision made by ADEQ in February 2003 to renew Carlota's air permit was proper under both the federal Clean Air Act and the state air quality law. The court rejected arguments by the group Friends of Pinto Creek, which had sought to overturn the permits. The appeals court ruling also affirmed a November 2004 decision by the Arizona Superior Court which likewise had upheld the ADEQ permit.

Outlook

The Offer for the acquisition of Equatorial Mining Ltd. (**See Subsequent Event: Potential Acquisition of Equatorial Mining Ltd.**) has deferred the development of a financing plan for Carlota. In view of this delay, although in line with industry trends, capital and operating costs show substantial increases over prior studies. Quadra continues to advance and evaluate the project but expects that a decision to commence construction will be later than previously planned. However, Quadra intends to maintain its position in the line-up for key equipment.

An additional \$4,000 in cash is likely to be payable to Cambior Inc. following the outcome of the recently completed reserve confirmation drilling program. Such additional payment, if any, together with the last four quarterly gold deliveries may be delayed if Quadra's operations at Carlota are delayed in certain circumstances. Quadra has granted a security interest to Cambior over the acquired companies and their assets as security for the payment of the deferred portion of the purchase price. It is expected that Carlota development costs for the remainder of 2006 will be \$8,500.

SIERRA GORDA

Exploration efforts during the first quarter continued to focus on mapping, geologic compilation and data processing to develop near surface, high-grade copper oxide and deep high grade sulphide drill targets. During the second quarter, a reverse circulation drill program commenced to grid drill a portion of the large land package that is under cover at 200 to 400 metre spacing. The holes are predominantly in the 30 to 35 metre length range and are targeting potential oxide resources beneath the alluvium. To date, 125 of the 140 holes have been completed for a total of 4,400 metres. Assay results have been received for only 15 of the holes with nothing of note to report at this time.

Outlook

The 2006 25,000 metre reverse circulation and core drill program is a two-part program and following the completion of the current grid drill program, the potential for a deep high-grade sulphide core area will be tested. Studies are underway to identify viable water sources for any future operations and the related impact of the acquisition of Equatorial Mining Ltd. and its 39% interest in the El Tesoro Mine only 28 kilometres away. (**See Subsequent Event: Potential Acquisition of Equatorial Mining Ltd.**)

Total expenditures on Sierra Gorda for 2006 are expected to be \$4,000.

Market Trends and Fundamentals

Copper Price

Copper prices have historically been both cyclical and volatile, trading within a range of \$0.50-\$1.60 per pound through the 1980s and 1990s. Following development of significant over-capacity during the early to mid-1990s, copper experienced a six year period of depressed prices, which resulted in reduced exploration and development activity. Since 2003, 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, has resulted in decreased inventories of copper. These low inventories, together with a weakening U.S. dollar, have led to a substantial increase in the copper price since 2003.

The copper price increased 35% during the three months ended to \$3.40 on June 30, 2006. Inventories published on the London Metal Exchange declined to a 30 year low of only 25,525 tonnes on July 22, 2005, but they have since rebounded to 93,575 tonnes as of June 30, 2006.

Operating Results by Segment

Presently, the only significant operating segment of the Company is the Robinson Mine. The Company is also developing the Carlota Project in Arizona and the Sierra Gorda Project in Chile

SUMMARY OF QUARTERLY RESULTS

The following table summarizes the operating results of the most recent eight quarters during which the Company re-started and undertook the initial year of operations at the Mine:

SUMMARY OF QUARTERLY RESULTS								
	2006			2005			2004	
<i>\$ US 000s</i>	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Statement of Operations								
Net Revenues	142,225	83,936	65,331	63,432	55,998	43,474	11,932	-
Operating income (loss)	83,208	33,181	41,672	14,827	11,049	6,060	(218)	(2)
Earnings (loss) before								
unrealized (gain) loss on derivatives	15,640	20,108	24,557	2,377	9,146	3,909	(1,054)	(1,009)
Unrealized (gain) loss on derivatives	36,559	59,063	20,788	4,527	7,746	(599)	1,154	745
Earnings (loss) before income taxes	(20,919)	(38,955)	2,933	(12,684)	1,400	4,508	(2,208)	(1,754)
Earnings (loss)	(14,898)	(31,130)	2,200	(10,890)	2,879	3,788	(621)	(1,754)
Basic and diluted earnings (loss) per share	(0.40)	(1.02)	0.08	(0.40)	0.11	0.14	(0.02)	(0.06)
Financial Position								
Cash	50,211	24,421	9,128	9,413	18,427	23,705	12,269	34,712
Total Assets	370,427	323,615	262,042	182,307	167,853	161,691	140,817	137,227
Total Liabilities	259,062	203,468	157,890	80,768	55,783	52,993	37,698	33,782
Shareholders' equity	111,365	120,147	104,152	101,539	112,070	108,698	103,119	103,445

Management Appointments

Mr. Bill Myckatyn retired from his position as CEO as of June 30, 2006 and Mr. Paul Blythe assumed the position of President and CEO effective July 1st 2006.

During the quarter ended June 30, 2006 Mr. Howard Bradley was appointed to the position of Manager, Mining.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2006 the Company had a working capital deficiency of \$88,476 and cash of \$50,211 as compared to a working capital deficiency of \$41,488 and cash of \$9,128 at December 31, 2005. The decrease in working capital is mainly due to an increase in the derivative instrument liability of \$121,646 (**See Financial Instruments and Other Instruments**), offset by increases in accounts receivable and cash (**See Financial Position**.)

Current assets

The total current assets were \$123,111 compared to \$65,924 at December 31, 2005. The increase in current assets was primarily due to an increase in cash associated with the equity offering, and an increase in the accounts receivable due to the timing of final settlement receipts from copper concentrate shipments at quarter end combined with higher metal prices.

Current liabilities

Current liabilities were \$211,587 compared to \$107,412 at December 31, 2005. The increase in current liabilities is mainly due to an increase of \$121,646 in the derivative instrument liability associated with an increase in copper prices relative to the hedged price partially offset by the repayment of the bank indebtedness associated with the Carlota acquisition of \$15,000 and a reduction in bank indebtedness of \$13,300.

Sources and Uses of Cash

Six months ended June 30	2006	2005
Cash received from operations	59,544	13,179
Cash used in investing	(42,042)	(14,438)
Cash provided by financing	23,324	7,503

Operating income was \$116,390 for the six months ended June 30, 2006 compared to \$17,108 for the same period in 2005 reflecting higher prices for copper and gold. The resulting cash from operations was \$59,544 compared to \$13,179 for the six months ended June 30, 2005. Investing activity of \$42,042 for the six months ended June 30, 2006 reflects an increase in deferred stripping, the delivery of the gold to Cambior, increases to the environmental bond arising from an update to the mine reclamation plan, scheduled increases to security deposits for existing mining equipment and increased royalty payments to the environmental trust arising from higher copper prices. This compares to investing activity of \$14,438 for the six months ended June 30, 2005 arising from capitalized deferred stripping, maintenance capital and investments in the Sierra Gorda and Magistral projects. In the first six months of 2006 financing activities primarily consisted of the equity offering (**See Equity Financing**) which raised \$45,544 and repayment of the \$15,000 bridge facility and \$13,300 of bank indebtedness compared with a draw under the Working Capital Facility of \$6,000 for the first six months of 2005.

Equity Financing

In February 2006 the Company completed an equity offering of 7.2 million common shares at a price of CAD\$6.30 per common share. In connection with the equity offering the Company granted the underwriters an option to purchase an additional 1,080,000 common shares at the same price. This option was subsequently exercised and the aggregate net proceeds from the offering were \$42,240. During the six months ended June 30, 2006, 1,449,360 broker warrants from the IPO in April 2004 were exercised for net proceeds of \$7,507.

Outlook

The Company expects that the proceeds from the equity offering, existing cash resources, and bank lines of credit together with funds generated from mining operations will be sufficient to meet its capital and operating requirements for 2006 in the normal course. The Company receives provisional payment for copper contained in concentrate in line with current LME pricing. Final settlements are based on the average LME price for the subsequent quotational period, generally three months after month of arrival of the concentrate at the smelter. If the

LME price for the subsequent quotational period is less than the provisional payment price, the Company is required to repay the difference to the smelter. If the average LME price for future quotational periods should fall below the cost of production plus capital and other requirements such as hedging, the Company would need to take actions to alter the liquidity demands or seek additional funding.

If the decision is made to proceed with construction of the Carlota project or the Company is required to replace the security arrangements expiring on September 30, 2006 (**See Contingencies**) the Company will be required to seek additional funding. Quadra has entered into a commitment letter with UBS Loan Finance LLC and UBS Securities LLC for a loan facility to provide the funds necessary to acquire the Equatorial shares. The secured facility is in the amount of \$350,000 and has a seven year term.

Although copper prices have increased from below \$2.00/lb when guidance was provided to \$3.40 on June 30, 2006, the impact of forward sale contracts, increases in operating and capital costs and reduced production relative to guidance (**See Robinson Outlook**), has reduced projected pre-tax operating cash flow and this is now expected to be 20% to 40% less respectively than previous guidance provided in November 2005 based on the June 30 metal prices and their respective forward curves.

(\$ thousands)	Payment Due By Period						Total
	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	After 5 years	
Short-term debt	6,700						6,700
Deferred gold consideration	14,993	7,248					22,241
Equipment purchase	-	8,790					8,790
Notes payable	890	2,160					3,050
Derivative instrument liability	163,210						163,210
Minimum lease payments	5,726	11,430	11,366	11,302	14,300	6,237	60,361

Short-Term Debt

On March 10th 2005, RNMC arranged a revolving Working Capital Facility and hedge line of credit facility with Macquarie Bank Ltd. ("Macquarie"). The Working Capital Facility and the hedge line of credit are secured by all of the assets of RHUSA, including RNMC and a guarantee from Quadra. Proceeds from the \$20,000 Working Capital Facility are available to provide additional liquidity for the Mine between the production and final sales of metal concentrate. Each drawdown ("Concentrate Advance") under this facility is to be no greater than 90% of the net smelter return based on the hedged value of concentrate available for shipment under current sales contracts. The metal prices used in the estimated value are based on the hedged prices between each drawdown date and the first provisional payment made by customers pursuant to the terms of their individual sales contracts.

By agreements dated December 19, 2005 the Company amended the terms of the Working Capital Facility to enable draw downs under the facility without reference to the hedged value of concentrate available for shipment ("Corporate Advances"). The ability to draw up to \$20,000, in aggregate, in Corporate or Concentrate Advances expired June 30, 2006. During the quarter ended June 30, 2006 the Company amended the terms of the Working Capital Facility to enable the Company to draw up to \$5,000 in Corporate Advances or \$20,000 in Concentrate Advances, subject to the limit that the total of Corporate Advances and Concentrate Advances cannot exceed the Working Capital Facility limit of \$20,000. The ability to draw Corporate Advances of up to \$5,000 expires on September 30, 2006. After September 30, 2006 and until March 31, 2007, only Concentrate Advances can be made under the Working Capital Facility. As at June 30, 2006 the Company had drawn down \$6,700 of Concentrate Advances under the facility.

Concentrate Advances bear interest at LIBOR + 1.35% while Corporate Advances bear interest at LIBOR +2.35%. During the period when Corporate Advances are available the ability of RNMC to make distributions to Quadra is restricted to certain agreed upon amounts.

Deferred Gold Consideration

Deferred gold consideration represents the net present value of the remaining 37,500 oz of gold based on a price of \$646 per ounce to be delivered to Cambior in six equal amounts under the terms of the Carlota acquisition agreement as follows:

- on each of September 30 and December 31, 2006, 6,250 ounces of gold; plus
- on the later of (i) March 30, 2007; and (ii) the earlier of the date on which Quadra is satisfied that certain outstanding litigation matters can no longer be reasonably expected to inhibit development of the Carlota Project, and June 30, 2010 and on the dates which are 90, 180 and 270 days thereafter, 6,250 ounces of gold.

An additional \$4,000 in cash may be payable to Cambior following an agreed-upon drilling program of approximately 3,000 metres to confirm the status of certain material currently included in the resources of the Carlota deposit.

Equipment Purchase

During the second quarter ended June 30, 2006, the Company made non-refundable deposits totalling \$2,105 for the purchase of seven Komatsu haul trucks and four Komatsu Crawler Tractors. Subsequent to June 30, 2006 the Company made non-refundable deposits for the purchase of electrical equipment totalling \$688.

Notes Payable

Notes payable consists of notes due to Caterpillar Financial Services Corporation (“CAT”) in support of leased mine equipment (**See Minimum Lease Payments.**) 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 notes are secured by Security Deposits held by CAT.

Derivative Instrument Liability

In addition to the Working Capital Facility described under the heading Short Term Debt Macquarie has agreed to provide the Company with an uncommitted hedge line of credit facility under which the Company may hedge up to 65,000 tonnes of copper and 60,000 oz of gold on a margin free basis (**See Financial Instruments and Other Instruments.**)

Minimum Lease Payments

In 2004, RNMC entered into an operating lease agreement with CAT to lease sixteen trucks, one electric shovel and a spare dipper. The total lease payments for the sixteen trucks amount to \$37,672 and are payable over seven years and the payments for the electric shovel and spare dippers are \$12,459 payable over six years. In addition, the Mine signed a seven year lease agreement with Wells Fargo Equipment Finance Inc. (“Wells Fargo”) to lease one Hitachi EX55000 electric shovel and one spare dipper. The total lease payments in the amount of \$6,250 are payable over 7 years.

On October 21, 2005 RNMC signed a lease agreement with CAT to lease Washington Group International (“WGI”) equipment. The lease term is 60 months and the total lease payment amounts to \$18,156. The lease has been accounted for as a capital lease. The equipment under capital lease is amortized on a unit-of-production basis over the period of expected use.

On June 9, 2006 RNMC signed a Supplement to the Master Lease Agreement with Ford Motor Credit Company dated August 10, 2004 to lease 12 pick up trucks with a monthly lease payment of \$11. The term of the lease is 24 months. It is accounted for as an operating lease.

Certain of these lease agreements contain cross default provisions with the corporate credit facility.

Capital Expenditures

In November, 2005 the Company provided guidance that capital expenditures at the Robinson mine would be \$6,000 for 2006. Due to additional planned capital expenditures pertaining to additional filtration capacity, purchase of the Wendover concentrate transshipment facility and the planned exploration programmes, capital expenditures are now expected to be approximately \$14,000 for the year.

SUBSEQUENT EVENT

Potential Acquisition of Equatorial Mining (“the Equatorial Bid”)

On July 19, 2006 the Company signed a call option agreement with a subsidiary of AMP Life Limited (“AMP”) and notified shareholders by way of press release in compliance with Australian Stock Exchange rules that it intended to make an offer for all of the issued and outstanding shares of Equatorial Mining Ltd. (“EQM”). The offer was subject to various conditions including minimum acceptance, foreign investment approval and other regulatory approvals. In addition, the Company signed a bank financing commitment letter with UBS Loan Finance LLC and UBS Securities LLC to enter into a seven year loan for \$350,000 to finance the acquisition of EQM. The estimated cost of the acquisition is \$337,000.

EQM’s principal assets include a 39% interest in the El Tesoro Copper mine, water rights from its well field located near Calama and exploration properties rights, located in Region II Chile. In addition, EQM has in excess of \$100,000 Australian as cash and a 7.7% share in Mercator Minerals Limited

The Company is required to file a bidder’s statement within 15 days from the date of announcement. There will follow a 14 day review period by the Australian Securities and Investment Commission (ASIC), after which the bid must remain open for acceptance for not less than 30 days.

CONTINGENCIES

The Company is aware of the following proceedings:

Certain litigation is pending in connection with one key permit for Carlota. There can be no assurance that the outcome of this litigation will be favourable to Carlota. A court may render a decision which may delay or prevent development of Carlota or change the requirements of Carlota to the extent that it is no longer economically viable, which could have a material adverse effect on the Company. There can also be no assurance that, in the event of a favourable ruling, such ruling will not be appealed further to a higher court. There can be no assurance that additional permits required for the development and operation of Carlota will not be challenged in the future.

Pursuant to the Share Purchase Agreement in connection with its acquisition of Carlota, the Company is required to enter into a financial security arrangement with the U.S. Forest Service (“Forest Service”) to provide financial security regarding potential reclamation of the program of works submitted to the Forest Service. The current surety bond with the Forest Service of \$6,800 was previously arranged by Cambior USA, through Cambior, and expires on September 30, 2006. The Company is in the process of submitting a new proposed program of works and agreeing with the Forest Service the necessary financial assurances.

On July 7, 2005, Gerald Metals Inc. (“GML”) declared it would not be accepting delivery on the remaining tonnage of their 2005 allotment of approximately 38,300 tonnes due to a strike at the receiving smelter. The Company sold these materials in the fourth quarter of 2005 in the open market at less favourable terms than the GML contract. The Company is in dispute with the position taken by Gerald Metals Inc. regarding the sales contract and on February 17, 2006 the Company filed a complaint in the Nevada courts to recover its losses. Gerald Metals Inc has yet to file a defence.

On March 16 2006 Katie Davis and LeRoy Davis, on their own behalf and on behalf of their minor daughter Araya Davis, (collectively, the "Davises") filed a lawsuit against RNMC and BHP Copper Inc. (“BHP Copper”) (Collectively, the “Defendants”) in the Seventh Judicial District Court, White Pine County, Nevada. Katie Davis is the daughter and

Araya Davis is the granddaughter of Marilyn and Danny Cooper, with whom similar litigation was settled by the Defendants prior to RNMC's acquisition of the Robinson Mine. The Davises have claimed, among other matters, that the Defendants permitted the Robinson Mine to contaminate well water on the Coopers' property and that the Defendants failed to disclose the existence of the pollutants to the Coopers. As a result, the Davises claim that their daughter ingested contaminated water, suffered a condition known as anoxia and was twice airlifted to hospital where on one occasion she had surgery. The Davises have made a claim for: damages for the personal injury and emotional distress sustained by the Davises as a result of the Defendant's negligence; damages resulting from Defendant's fraudulent or negligent misrepresentation; punitive damages; reimbursement of reasonable attorney fees; and such other relief as the Court deems just and proper in the circumstances.

The Company was not in possession of the Robinson Mine at the time of the events in question. BHP Copper has made a claim of indemnity against the Company claiming that, under the terms of the purchase agreement pursuant to which the Company acquired RNMC, the Company has an obligation to indemnify and hold harmless BHP Copper and its affiliates from any liability arising pursuant to the Davises' lawsuit. The Company has rejected BHP Copper's claim for indemnity. The Company has made a similar claim of indemnity against BHP Copper. BHP Copper has rejected the Company's claim for indemnity. As the Company was not the owner of the Robinson Mine at the time of the occurrence of the events in question and is not currently aware of all of the facts, and because no discovery has been conducted in this litigation, it is impossible at this time for the Company to assess its potential liability in this matter or whether it has an obligation of indemnity to or a right of indemnity from BHP Copper.

TRANSACTIONS WITH RELATED PARTIES

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 three months ending June 30, 2006 the Company incurred legal fees of \$38 and recruiting and human resources consulting fees of \$122. During the six month period ending June 30, 2006 the Company incurred legal fees of \$199 and recruiting and human resources consulting fees of \$214 respectively payable to those entities (Three months ended June 30, 2005: \$346 and \$61 respectively; six months ended June 30, 2005: \$392 and \$139 respectively).

PROPOSED TRANSACTIONS

There are no proposed assets or business acquisitions or dispositions, other than those described regarding the Equatorial transaction (**See Subsequent Events: Potential Acquisition of Equatorial Mining Ltd.**) or the ordinary course, before the Board of Directors for consideration.

CRITICAL ACCOUNTING 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 estimates are those that affect the consolidated financial statements materially and involve a significant level of judgment by management.

Mineral Properties and Deferred Start-up Costs

The Company capitalizes the development costs of mining projects commencing when economically recoverable reserves as shown by an economic study are believed to exist. Upon commencement of commercial production these costs are written off over the 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.

Revenue Recognition and Inventory Valuation

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

Economic Life

Management's estimate of the remaining economic life of the Mine is approximately 10 years based on the updated resource statement provided in accordance with NI 43-101. Based on management's view of future metal prices the carrying value of the assets was not impaired at December 31, 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 net future tax asset of \$19,208 that relates to the timing difference created between tax and accounting basis of assets and liabilities at the Mine to date. 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.

CHANGE IN ACCOUNTING POLICIES

Deferred Stripping

Mining costs related to waste rock removal in excess of the life-of-pit average strip ratio (ratio of waste extracted to ore extracted) are deferred and charged to earnings on the basis of the average stripping ratio. When the waste rock extracted in a given period is less than the life-of-pit average, a charge against earnings for historical stripping is made.

The Emerging Issues Committee of the CICA issued "Stripping Costs Incurred in the Production Phase in a Mining Operation" (EIC 160), which only allows the capitalization of stripping costs which result in a betterment of the asset by providing access to additional sources of ore. EIC 160 also allows pre existing deferred stripping capitalized to be amortized using the unit of production method. This new standard applies to stripping costs incurred in fiscal years beginning on or after July 1, 2006, or it may be applied retroactively. The Company continues to account for stripping costs in 2006 based on the life-of-pit average strip ratio.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's revenues and cash flows are subject to fluctuations in the price of copper and gold. In addition there is a time lag between initial payment on shipment and final pricing which impacts its working capital position. To reduce the volatility in the expected final pricing of shipments the Company has entered into forward sales contracts for copper and gold and may enter into additional hedging contracts from time to time in the future.

At June 30, 2006 the Company's derivative positions and the associated unrealized losses were as follows:

Derivative Liability Positions as at June 30, 2006

Forward Contracts	Metal under contract	Average Forward Price 2006	Spot Price, Forward curve 2006	Marked to Market Loss (Note 1)
Copper	33,180 tonnes	\$1.64/pound	\$3.37 (three month)/pound	\$156,273
Gold	34,000 ounces	\$421/ounce	\$614 /ounce	\$6,937
Total				\$163,210

As at June 30, 2006 the company had outstanding copper forward contracts totalling 73 million pounds (33,180 tonnes) representing 48 million pounds of copper that have been shipped and or produced as at June 30, 2006 but whose final pricing period has not yet occurred and 25 million pounds of copper that have not been shipped and or produced. Final settlement of the 2006 production in excess of the 25 million pounds of hedged copper is expected to occur in 2007, Quadra expects to receive provisional payments in 2006 generally in line with the spot LME price upon shipping.

At June 30, 2006, the Company had forward sales contracts outstanding for 34,000 ounces of gold. The Company plans to settle this amount within the next two years.

The Company monitors the volume of copper and gold subject to final pricing. If the volume subject to final pricing in a given month varies from that previously estimated, the Company will amend the derivative contracts to match the month of final pricing.

Macquarie Bank Limited has provided the Company with a hedge line of credit, free from margin calls, on terms and conditions related to annual production which is agreed upon from time by time. The hedge line of credit is secured as part of the security arrangements in the amended credit agreement dated December 19, 2005.

The Company marks to market the outstanding derivative position at each reporting date in its financial statements. This may result in significant derivative assets or liabilities arising in the Company's balance sheet during 2006 and the first quarter of 2007, as well as the associated significant earnings volatility.

Derivative Liability Positions as at June 30, 2005

Forward Contracts	Metal under contract	Average Forward Price 2006	Spot Price, Forward curve 2006	Marked to Market Loss (Note 1)
Copper	29,903 tonnes	\$1.41/pound	\$1.53 (three month)/pound	\$7,424
Gold	54,000 ounces	\$408/ounce	\$437 /ounce	\$1,621
Total				\$9,045

Note:

- 1) The marked to market gain or loss is computed by computing the difference between the forward contract price and the fair value based on the forward curve for the metal at June 30, 2006.

The volume of copper sold forward increased due to the comprehensive hedge program entered into in 2005 while the volume of gold sold forward decreased due to the settlement of contracts during 2005 and 2006. The marked to market loss increased in 2006 compared to 2005 due to the increase in the price of copper and gold combined with the increase in volume of copper forward sales.

Income Statement Presentation – period ended June 30

Forward Contracts	2006 Realized Loss	2005 Realized Loss	2006 Unrealized Loss/(Gain)	2005 Unrealized Loss/(Gain)
Copper	\$72,443	nil	\$93,841	\$7,424
Gold	\$2,342	\$141	\$1,781	\$(278)
Total	\$74,785	\$141	\$ 95,622	\$7,146

SHARE CAPITAL

The Company's issued and outstanding shares at June 30, 2006 totalled 37,513,958. During the six months ended June 30, 2006 1,449,360 broker warrants issued in connection the Quadra's IPO, were exercised resulting in the issuance of 1,449,360 common shares for proceeds of CAD\$8,696. As of August 11th the issued and outstanding common shares of the Company were 37,515,558.

In February 2006 the Company completed an equity offering of 7,200,000 common shares. In conjunction with the share issuance, the Company granted the underwriters an option to buy additional 1,080,000 common shares. The option was subsequently exercised and the aggregate net proceeds of the offering were \$42,254.

For the quarter ended June 30, 2006, the Company granted 521,100 stock options to directors, employees and contractors. All stock options have a two-year vesting period and expire after five years. For accounting purposes the Company estimated a value of \$3.47 per stock option for total value of \$1,810.

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.

Disclosure Controls

Management accepts responsibility for the reliability and timeliness of the information disclosed and confirms the existence and effectiveness of the systems of internal control that are in place to provide this assurance. The Board of Directors assesses the integrity of the Company's public financial disclosures with the assistance of the Audit Committee.

The Company has a disclosure committee that consists of various employees of the Company including the Chief Executive Officer, the Chief Operating Officer and the Chief Financial Officer. The committee monitors the effectiveness of the Company's disclosure controls and procedures. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were effective as at June 30, 2006 to provide reasonable assurance that material information relating to the Company and its subsidiaries would be made known to them on a timely basis by others within those entities. The disclosure committee operates under the review and guidance of the audit committee.

August 11, 2006

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 and technology, projected life of our 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), the percentage of production derived from mechanized mining, the percentage of production from milling, currency exchange rates, debt reductions, timing of expected sales and the percentage of anticipated production covered by forward sale and other 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, including but not limited to:

- * Uncertainties related to the accuracy of our reserve and resource estimates and our estimates of future production and future cash and total costs of production and the geotechnical or hydrogeological nature of ore deposits, diminishing quantities or grades of reserves and variable metallurgical performance of these reserves.
- * Uncertainties related to expected production rates, timing of production and the cash and total costs of production and milling.
- * Uncertainties relating to copper, gold, molybdenum and other mineral prices, which are beyond the Company's control.
- * The Company sells concentrate material which is subject to provisional payments; uncertainty in the final metal prices used for the computation of final settlement exists such that final settlement could be less than the cost of production plus other liquidity requirements.
- * Uncertainties as to whether the Company will complete the proposed acquisition of Equatorial Mining Ltd. including without limitation whether another party may make a higher offer than the offer made by the Company
- * Operating and technical difficulties in connection with mining development or production activities.
- * Uncertainties with respect to the quantity or quality of molybdenum that may be produced at the Robinson Mine. The decision to proceed with the molybdenum recovery circuit was based on the Company's assessment of molybdenum recovered into copper concentrate since November 2004 and an outside consultant's review of historical data. Kennecott Copper Corporation, a previous owner of the property, had recovered molybdenum from ore from the earlier stages of the Robinson Mine's Tripp Veteran Pit and the Ruth Pit. While the historical data source is extensive, Quadra is presently unable to confirm the size or grade of the molybdenum resource.
- * Uncertainties and costs related to Quadra's exploration and development activities, such as those associated with determining whether copper, gold, molybdenum or other mineral reserves exist on a property.
- * Uncertainties related to feasibility studies and other studies that provide estimates of expected or anticipated costs, expenditures and economic returns from a mining project.
- * Uncertainties relating to the availability of adequate water resources for mining and milling operations
- * Uncertainties related to the ability to obtain and retain necessary licenses, permits, electricity, surface rights and title for development projects and project delays due to third party opposition.
- * Uncertainties in obtaining additional financing that may result in delay, postponement or even a loss of the property interest.
- * Uncertainties related to the future development or implementation of new technologies, research and development and, in each case, related initiatives and the effect of those on our operating performance.
- * Uncertainties related to judicial or regulatory proceedings.
- * Changes in, and the effects of, the laws, regulations and government policies affecting our mining operations, particularly laws, regulations and policies relating to:
 - > mine expansions, environmental protection and associated compliance costs arising from exploration, mine development, mine operations, reclamation and mine closures;
 - > expected effective future tax rates in jurisdictions in which our operations are located;
 - > the protection of the health and safety of mine workers; and
 - > mineral rights ownership in countries where our mineral deposits are located.

- * Changes in general economic conditions, the financial markets and in the demand and market price for copper, gold, molybdenum and other minerals and commodities, such as diesel fuel, petroleum, steel, concrete, electricity and other forms of energy, mining equipment, operating supplies, and fluctuations in exchange rates, particularly with respect to the value of the U.S. dollar and Canadian dollar, concentrate and transportation charges.
- * The effects of forward selling instruments to protect against fluctuations in copper, gold, molybdenum and other metal prices and exchange rate movements and the risks of counterparty defaults, and mark to market risk.
- * Unusual or unexpected formations, seismic activity, cave-ins, flooding, pressures, pit wall failures and other similar incidents (and the risk of inadequate insurance or inability to obtain insurance to cover these risks).
- * Changes in accounting policies and methods we use to report our financial condition, including uncertainties associated with critical accounting assumptions and estimates.
- * Environmental issues and liabilities associated with mining including processing and stock piling ore.
- * Geopolitical uncertainty and political and economic instability in countries which we operate.
- * Labour strikes, work stoppages, or other interruptions to, or difficulties in, the employment of labour in markets in which we operate mines, or extreme weather conditions, environmental hazards, industrial accidents or other events or occurrences, including third party interference that interrupt the production of minerals in our mines.
- * Quadra's reliance on a single producing property.
- * Uncertainties relating to acquisitions, including whether the recently acquired Carlota Project can ever be brought into production.

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 AIF. 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.