



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

The following Management Discussion and Analysis (“MD&A”) of Quadra Mining Ltd. (“Quadra” or the “Company”) has been prepared as of November 8, 2005 and is intended to supplement and complement the accompanying unaudited interim financial statements and notes for the nine months ended September 30, 2005 and for the quarter ended September 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 the Mine, the Company has an option to purchase the Sierra Gorda Project, a late stage group of contiguous properties near Antofagasta, Chile. The strategic plan of the Company includes growth by optimising operations, developing projects and pursuing merger and acquisition opportunities. On October 5, 2005 Quadra and Cambior Inc. entered into a letter agreement under which Quadra agreed to purchase from Cambior all of the shares of Cambior USA Inc., the parent company of Carlota Copper Company which holds the Carlota Project in Arizona. 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 third 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 third quarter of 2005 has only been provided where it is considered meaningful.

OVERALL PERFORMANCE

Financial Results:

Net revenues from concentrate sales were \$63,432 in the third quarter of 2005. Net loss for the three months ended September 30, 2005 was \$10,890, equal to US\$0.40 per share as compared to a net loss of \$1,754 or US\$0.06 per share in the third quarter of the previous year. \$10,534 of this loss is attributable to the termination of the mining contract with Washington Group International (“WGI”) and the Company’s investment in the Magistral Project. Cash flow from operating activities was \$3,095, equal to US\$0.11 per share compared to a loss of \$959 or US\$0.04 per share in the third quarter last year. The Company’s revenue during the quarter was generated primarily from the sale of 64,208 dry tonnes of copper concentrate. Payable copper and gold were 35.9 million pounds and 19,276 ounces respectively. There were no sales of copper concentrate in the third quarter of 2004. After taking into account the realized copper forward sales, adjusted net revenues during the quarter were \$52,724 resulted from a realized average copper price of US\$1.43 per pound of copper sold compared to the LME average price of US\$1.70 per pound. Operating costs during the quarter were adversely affected by higher than usual maintenance costs, and costs associated with the assumption of the responsibilities of the mining contractor.

Cash operating expenditures comprised of cost of sales and royalties during the period were \$45,581 and other cash costs comprised of general and administrative, realized loss on derivatives and net interest expense were \$12,160. Non-cash expenditures of \$7,841 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. During the third quarter ended September 30, 2005, the Company incurred a one time fee of \$4,436 payable to WGI to terminate the mining contract. (See “**Contractual Obligations**”)

A technical study reviewed during September 2005 showed the geological resources of Magistral Project were lower than expectation and the economic value in developing the project might not meet the Company’s investment criteria. On October 26, 2005 the Company made a decision to withdraw from the Investment and Operating Agreement with Inca Pacific Resources Inc. (“**See Outlook – Magistral**”) As a result, the investment and costs incurred on the Magistral project capitalized as mineral properties in the amount of \$6,042 have been written off and charged to income as of September 30, 2005. In addition, the investment in Inca Pacific has been written down to fair market value of \$542 as of September 30, 2005. The total investment loss in the Magistral Project amounted to \$6,098.

During the third quarter ending September 30, 2005, the realized loss on copper forward sales contracts charged against revenues was \$9,194. As at September 30, 2005, concentrate shipments that have future price settlement dates have an associated open hedge position of 13,690 tonnes of copper metal and 50,000 ounces of gold at an average price of US\$1.39 per pound and US\$411 per ounce respectively. This resulted in an unrealized loss before tax of \$4,527 during the third quarter of September 30, 2005.

RESULTS OF OPERATIONS:

Robinson Mine

During the quarter ended September 30, 2005 a consistently higher mining rate resulted in achieving the targeted ore production as well as the targeted waste stripping. Some third quarter highlights were:

De-weighting Program

The mining of waste from the pit wall (the de-weighting program) initiated in the second quarter was substantially completed which allowed for the mining of planned ore blocks rather than having to re-handle stockpiles of lower grade material. A system has been put in place to continuously monitor the pit walls. A secondary fleet of smaller mining equipment was used for the de-weighting project, allowing the main operational fleet to focus on production activities.

Pit and Mill Performance

Availabilities on all of the major pit equipment improved during the quarter and record production of 295,000 tonnes was achieved in one day. In addition, higher grade ore was delivered to the mill and copper recovery and pounds produced were higher than any other quarter in 2005. This is due to the higher head grade and the processing of material that is less oxidized. Mill maintenance has improved to the point that the mill has minimal unscheduled downtime. Studies of rock types versus mill throughput have shown a reasonable correlation, increasing confidence in mill throughput projections.

Gold recoveries are about 10% higher than projected as a result of the performance of the gravity concentrators. Based on this performance, the Company revised its production estimates from 66,000 ounces to 75,000 ounces of gold for the year.

Key Statistics:

- The Mine produced 36.5 million pounds of copper and 24,666 ounces of gold in the quarter ended September 30, 2005. The copper head grade was 0.60% while the gold grade was 0.39 g/tonne and the concentrate grade averaged 26.5% copper.
- Concentrate inventory at September 30, 2005 was 18,391 tonnes.
- The average daily mill throughput rate was 37,674 tonnes and the plant operating time was 95%.
- Copper recoveries for the three month period ending September 30, 2005 averaged 79.5% while gold recoveries were 57.3%.
- The month of September was the highest production month ever in the history of the Robinson Mine where 13.9 million pounds of copper and 9,910 ounces of gold were produced. An average of 39,967 tonnes per day went through the mill and 248,233 tonnes per day were mined from the pit.

	Three months ended September 30, 2005	Three months ended June 30, 2005	Three months ended March 31, 2005	Nine months ended September 30, 2005
Ore + Waste mined (Tonnes 000's)*	20,608	17,740	16,017	54,365
Ore milled (Tonnes 000's)	3,466	3,570	3,296	10,332
Stripping ratio	4.3	4.2	2.7	3.7
Copper grade (%)	0.60	0.50	0.51	0.54
Gold grade (g/t)	0.39	0.33	0.32	0.34
Concentrate grade (% Cu)	26.5	25.2	25.4	25.8
Copper recovery	79.5%	76.4%	74.2%	77.1%
Gold recovery	57.3%	51.3%	41.5%	50.8%
Copper production (Million lbs)	36.5	30.5	27.6	94.6
Gold production (ozs)	24,666	19,932	14,081	58,679
Cash cost per pound produced*	US\$1.19/lb	US\$1.25/lb	US\$1.23/lb	US\$1.22/lb
Copper sales (Million lbs)	35.9	35.6	32.8	104.3

* 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. The cost of waste tonnage over the pit strip ratio is capitalized and not shown in the cash cost per pound. Under Canadian Generally Accepted Accounting Principles, unit cash cost of production is not defined.

Molybdenum Circuit:

Construction of the \$7,750 molybdenum recovery circuit continued during the third quarter and is on schedule for completion before year end.

The decision to proceed with the circuit was based on the Company's assessment of molybdenum recovered into copper concentrate since November 2004 and an external consultant's review of historical data. Kennecott Copper Corporation, a previous owner of the property, had recovered molybdenum from within the Tripp-Veteran Pit and

the Ruth Pit. While the historical data source is comprehensive, Quadra is presently unable to confirm the size or grade of the molybdenum resource.

Shortly after the mine began producing copper concentrate in September 2004, Quadra equipped the assay lab at the Robinson Mine so that molybdenum assays could be performed on mill feed and copper concentrates on a routine basis. Based on the assays produced to date, the measured grade of molybdenum in the plant feed, and the available copper resource at the Robinson Mine, the Company has prepared an internal estimate of future molybdenum production. While the limited results from this past production are not indicative of future production, the Company expects to recover from 1.0 – 1.6 million pounds of molybdenum in 2006. Quadra expects the operating cost of recovering molybdenum in 2006 will be \$2.50 per pound, based on the current cost environment. Quadra will continue to test the copper concentrates recovered for molybdenum. Although Quadra believes that there is sufficient data to proceed with the construction of the molybdenum circuit, due to the nature of the data currently available, Quadra cannot be certain of the quantity of molybdenum it will produce at the Robinson Mine, or that any molybdenum recovered in the future will be of the same grade as that previously recovered or as determined by small scale laboratory testwork.

Sierra Gorda:

Quadra spent approximately \$1,421 on the Sierra Gorda Project during the third quarter primarily on a drilling program that comprised 8,278 meters in 38 reverse circulation drill holes. The focus of the drill program was to define additional copper oxide resources primarily outside the currently defined resource area. Based on these results, the Board made a decision to carry out exploration drilling and a metallurgical test program costing some \$4,000 in 2006.

Magistral

Quadra expended \$ 657 on the Magistral Project during the third quarter 2005 on a work program representing the first phase in the preparation of a pre-feasibility study. An infill and metallurgical diamond drill program comprising 14,350 metres in 59 holes was completed.. All diamond drilling results were integrated into the geological model and provided the basis for a revised mineral resource estimate. Other studies at Magistral included acid base accounting test work, environmental studies, community relations and the development of infrastructure strategies. Quadra was required to notify Ancash Cobre of its intention whether or not to continue with the project and on October 26th, 2005 elected not to proceed. .As of September 30, 2005, Quadra had written off the costs and investment associated with the Magistral project in the amount of \$6,098.(“see **Outlook: Magistral**”.)

Operating Results by Segment

Presently, the only significant operating segment of the Company is the Robinson Mine. The Company is also developing the Sierra Gorda Project in Chile. During the third quarter, the Company conducted work programs on Magistral in Peru but as a subsequent event withdrew from the project.

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

		SUMMARY OF QUARTERLY RESULTS								
		2003	2004				2005			
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
<i>\$ US 000s (except per share data)</i>										
Revenue:										
	Robinson	-	-	-	-	11,932	43,474	55,998	61,496	
	Total	-	-	-	-	11,932	43,474	55,998	61,496	
Costs:										
	Robinson	-	-	-	-	12,153	37,408	54,056	55,626	
	South America Exploration	-	-	39	55	(199)	12	26	6,046	
	Corporate	262	743	1,870	1,863	2,366	1,595	470	1,680	
	Total	- 262	743	1,909	1,918	14,320	39,015	54,552	63,353	
Net interest and other (income) expense:										
	Robinson	-	-	-	-	91	1,337	1373	1,442	
	Corporate	19	2,502	148	165	90	(1,386)	(1,327)	(1,324)	
	Earnings before tax	(243)	1,759	(1,761)	(1,753)	(2,207)	4,508	1,400	(1,974)	
Earnings after tax										
	Robinson	-	-	-	15	1,457	4,009	2,048	(4,487)	
	South America Exploration	-	-	(39)	(55)	199	(12)	(26)	(6,046)	
	Corporate	(243)	1,672	(1,635)	(1,713)	(2,276)	(209)	857	(357)	
	Total	- (243)	1,672	(1,674)	(1,753)	(620)	3,788	2,879	(10,890)	
	Basic and diluted earnings (loss) per share \$	(0.12)	0.55	(0.06)	(0.06)	(0.15)	0.14	0.11	(0.40)	
Cash										
	Robinson	-	-	160	435	3,567	10,179	10,522	4,453	
	South America Exploration	-	-	120	143	54	615	248	99	
	Corporate	-	2,945	53,493	34,134	8,648	12,911	7,657	4,860	
	Total	-	2,945	53,773	34,712	12,269	23,705	18,427	9,413	
Total Assets										
	Robinson	-	-	73,794	94,900	123,756	140,833	148,500	170,225	
	South America Exploration	-	-	2,022	2,483	3,376	7,070	10,665	6,334	
	Corporate	248	4,201	53,945	39,844	13,685	13,788	8,688	5,748	
	Total	- 248	4,201	129,761	137,227	140,817	161,691	167,853	182,307	
Total Liabilities										
	Robinson	-	-	24,605	32,340	35,046	51,079	55,142	79,861	
	South America Exploration	-	-	-	34	69	93	81	83	
	Corporate	503	1,234	399	1,408	2,583	1,821	560	824	
	Total	- 503	1,234	25,004	33,782	37,698	52,993	55,783	80,768	

* 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 Pat Fahey, as Vice President, Exploration.

LIQUIDITY AND FINANCIAL RESOURCES

At September 30, 2005 the Company had consolidated working capital of \$7,059 and cash on hand of \$9,413 as compared to \$27,360 and \$12,269 respectively at December 31, 2004. The decrease of working capital is mainly due to the increase in the derivative instrument liability. The Company had \$7,100 of short term bank indebtedness.

In addition to cash available of \$18,427 at the beginning of the third quarter of 2005, the primary sources and uses of cash during the three months ended September 30, 2005 were as follows:

- Cash flow from operating activities \$3,095
- Increase in security deposits and environmental bond (\$2,989)
- Investment in Sierra Gorda and the Magisterial project (\$2,134)
- Increase in bank indebtedness \$1,100
- Investment in capital projects (\$8,154)
- Other net cash increase \$68

Of the cash remaining at September 30, 2005 of \$9,413, approximately \$5 million will be utilized to finance the cost of the corporate office and exploration activities relating to the Sierra Gorda project and other exploration and development projects to December 31, 2005. 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 for 2005.

Line of Credit Facility

As a result of inventory build up during the fourth quarter 2004, Robinson Nevada Mining Company ("RNMC"), Quadra's 100% owned subsidiary, 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. At the third quarter ended September 30, 2005 the Company had used \$7,100 of the facility and had \$12,900 available.

In addition to the working capital facility Macquarie agreed to provide RNMC with an uncommitted hedge line of credit facility. The current terms of this facility allow RNMC 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.

Current assets

The total current assets were \$57,706 compared to \$37,909 at December 31, 2004. The increase in current assets was primarily due the increase in accounts receivables associated with concentrate sales at the end of September 2005.

Other assets and deferred charges

Total assets and deferred charges were \$25,119 which is principally comprised of Robinson mine deferred start-up costs of \$16,591 (2004: \$17,557), and deferred stripping costs of \$8,288.

Current liabilities

Current liabilities were \$50,647 compared to \$10,549 at December 31, 2004. The increase in current liabilities can be attributed to an increase in accounts payable and accrued liabilities associated with the Robinson Mine and the derivative instrument liability of \$19,864 associated with unrealized loss resulting from the mark-to market of copper and gold forward sales contracts. The Company also has a short-term revolving bank loan of \$7,100 (2004: nil).

Other liabilities

Other liabilities were \$30,121 (2004: \$27,149) comprised of asset retirement obligations of \$26,552 (2004: \$25,067) and notes payable associated with equipment leases with Caterpillar Financial Group of \$3,569 (2004: \$2,082).

The following table summarizes the payment obligations by period:

Payments Due By Period							
(\$thousands)	Less than 1year	1-2 years	2 - 3 years	3 - 4 years	4 - 5 years	After 5 years	Total
Short-term debt	7,100						7,100
Due to mining contractor	11,544						11,544
Security deposits	2,357						2,357
Derivative instrument liability	19,864						19,864
Commitments	2,463	9,323	9,976	9,408	8,352	14,015	53,538

SHARE CAPITAL

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

For the period ending September 30, 2005, the Company granted 75,000 stock options to employees. The stock options have a two-year vesting period and expire after five years. For accounting purposes the Company estimated a value of \$1.79 per stock option for total value of \$134.

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

Mining Contract at the Robinson Mine.

The mine start-up and mining to date has been performed under a mining contract by Washington Group Nevada ("Washington"), a subsidiary of Washington Group International, Inc. During the third quarter ended September 30, 2005 RNMC elected as to take over all direct mining operation responsibilities at the Robinson Mine. This election was consistent with provisions in the mining contract and an orderly transfer of equipment, personnel, duties and responsibilities is to be completed by October 31, 2005.

The agreement requires RNMC to pay a termination fee of \$4,436 and to acquire certain equipment and assume or refinance certain equipment leases (see "Financial Leases".)

CONTINGENCIES

On August 11, 2005, a lawsuit was filed against Robinson Nevada Mining Company (in its former name BHP Nevada Mining Company), BHP Copper Inc., BHP Limited and BHP Billiton (collectively, "BHP") in the United States District Court in Reno Nevada. The plaintiffs have claimed, among other matters, that BHP permitted the Robinson mine to contaminate well water and that BHP and the Robinson mine failed to disclose the existence of pollutants to the plaintiffs. The plaintiffs have claimed for, among other matters, damages for personal injury and emotional distress and punitive damages. The Company was not in possession of the Robinson mine at the time of the events in question. BHP Copper Inc. has made a claim of indemnity against the Company claiming that, under the terms of the purchase agreement pursuant to which the Company acquired Robinson

On July 7, 2005 Gerald Metals Inc. declared it will not be accepting delivery on the remaining tonnage of their 2005 allotment of approximately 40,000 tonnes due to a strike at the receiving smelter. The Company will sell these materials in the open market at less favourable terms in the fourth quarter of 2005. The Company dispute the position taken by Gerald Metals Inc. and will take the dispute to arbitration.

CAPITAL RESOURCES AND SECURITY DEPOSITS

Capital expenditures for the remaining three months of the year will include the cost of de-weighting the pit slope, deferred stripping, construction of the molybdenum plant, rising 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. All amounts due were payable and paid on 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 nine month period ending September 30, 2005 the Company paid legal fees of \$435 and recruiting and human resources consulting fees of \$183 respectively to those entities [September 30, 2004: \$697 and \$174 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 September 30, 2005, the weighted-average price on the forward contracts was \$410.62/oz and the quantity was 50,000 oz. The unrealized loss from the mark-to-market adjustment of the contracts as at September 30, 2005 was \$3,189, resulting in an unrealized loss of \$1,568 for the three months ended September 30, 2005.

During the nine month period ended September 30, 2005 the Company entered into various short-term copper forward sales contracts with Macquarie Bank to hedge the copper price. During the quarter ended September 30, 2005, the realized loss from forward sales contracts was \$10,708, in which \$6,228 will be paid in the fourth quarter ended December 31, 2005. As at September 30, 2005 the weighted-average price on the outstanding forward contracts was \$1.39/lb for a total of 13,960 tonnes copper metal. The unrealized loss from the mark-to-market adjustment as at September 30, 2005 was \$10,447, resulting in an unrealized loss of \$2,959 for the three months ended September 30, 2005.

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 payment 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 September 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 \$4,139 that relates primarily to US tax losses incurred at the Robinson 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.

NEW ACCOUNTING POLICIES

Deferred Stripping

The Company accounts for stripping costs in excess of the pit strip ration 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

Industry Trends and Fundamentals

The copper price has historically been both cyclical and volatile, trading with 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. 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 led to a substantial increase in the copper price, beginning in 2003. On October 10, 2005, the spot price of copper on the LME rose to a year high at \$1.87/lb.

World prices for copper metal are derived from copper prices set at the LME in US dollars. Quadra's cost exposure is essentially 100% US dollar denominated and as a result, Quadra benefits from the weakening of the US dollar versus operators in the other countries which could see margin contraction due to currency appreciation relative to the US dollar.

As a result of the wider commodities boom, operating costs are being impacted with increasing fuel costs, smelting and refining costs and a related shortage of global freight capacity.

Robinson Mine

Cost and Production Guidance for the Robinson Mine

On September 8, 2005, Quadra announced that the cash cost per pound produced guidance for 2005 at the Robinson Mine had been revised to reflect current production and market cost estimates and was now expected to be in the range of US\$1.15-\$1.24 per pound of copper produced. Metal production is expected to be between 120-127 million pounds of copper and approximately 75,000 ounces of gold in 2005. Primary drivers for this increase were a lower head grade, lower recoveries and higher operating costs, particularly related to fuel and tires.

The average mining rate up to the end of July was 182,000 tonnes per day – over the last three months this average has increased to 232,000 tonnes per day. With the revised mine plan higher grade ore that was bypassed in 2005 will be accessed in 2006. Ore in the Veteran pit will begin to be exposed in the first quarter of 2006 as the mining sequence in the Tripp pit is completed. Geotechnical analysis indicates that the pit walls in the Veteran Pit will be more stable than those in the Tripp Pit.

Reserves

The reserves are currently expected to sustain production for the next nine 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 with the assistance of Mine Developers Association, Reno Nevada (“MDA”) is in the process of reviewing and updating the design parameters of the Ruth Pit shell.

Cost Containment and Optimisation Initiatives

Quadra continues to put increased emphasis on reducing operating costs. The Company has assumed all direct mining operation responsibilities at the Robinson Mine. This change is expected to provide enhanced cost control and efficiencies going forward in 2006 and beyond. The order transfer of equipment, personnel, duties and responsibilities is complete with approximately 95% of the former contractor workforce that was offered full time employment agreeing to join the Robinson Nevada Mining Company.

The construction of the \$7,750 molybdenum recovery circuit at the Mine is ongoing and expected to be completed by the end of this year.

Financial Leases

CAT Financial

On October 21, 2005 Robinson signed a lease agreement with Caterpillar Financial Services Corporation (“CAT”) to lease WGI equipment (see “**Contractual Obligations**”). The lease term is 60 months and the total lease payment amounts to \$14,339.

Bridge Loan

On October 5, 2005 Quadra entered into a commitment letter for a bridge loan facility (the “Bridge Facility”) with a Canadian chartered bank in order to provide access to the funds necessary to pay the initial installment of the Carlota purchase price. The Bridge Facility is in the amount of US\$15M, has a six month term, is secured by the assets of the company and will bear interest at LIBOR plus 3.5%. The Company may draw down under the Bridge Facility only upon entering into definitive agreements for the Bridge Facility, closing of the acquisition and on other terms and conditions typical for a transaction of this nature. Quadra intends to refinance this facility in the future, either through a project debt facility, new debt, or equity.

Exploration and Development

Sierra Gorda

Geologic work at Sierra Gorda is concentrating on data compilation and analysis in preparation for next year's drilling and metallurgical test work.

Magistral

On October 26, 2005, Quadra elected to withdraw from the agreement with Inca Pacific Resources Inc. for the development of the Magistral copper-molybdenum project in Peru. Under the terms of the agreement, Inca had the right to repurchase the initial shares for one dollar. As a result, the Company has written off the capitalized investment and costs incurred in developing the Magistral Project. In addition, the investment in Inca has been written down to fair market value.

Carlota Copper Company Acquisition

On October 5, 2005 Quadra and Cambior Inc. ("Cambior") entered into a letter agreement (the "Acquisition Agreement") under which Quadra agreed to purchase from Cambior all of the shares of Cambior USA Inc., the parent company of Carlota Copper Company which holds the Carlota Project, for aggregate consideration of \$37,500,000 subject to adjustment and payable as follows:

- \$15,000,000 in cash at closing of the acquisition; plus
- Eight quarterly payments commencing on March 31, 2006 of 6,250 ounces of gold, representing in the aggregate US\$22.5 million based on a reference gold price of \$450 per ounce

The Carlota Project is a late-stage development copper project located in the Globe-Miami Mining District, one of the most prolific copper mining regions in the world. The project is located among several historic mines and is contiguous with BHP Billiton's Pinto Valley Mine. Over the course of the past 14 years, Cambior reportedly has invested in excess of \$68 million in the Carlota Project for acquisition, exploration and development, progressing the project through the permitting process and assembling mine mobile equipment, water supply wells, and other mining infrastructure.

Independent Mining Consultants, Inc. ("IMC") of Tuscon, Arizona in September 2005 prepared a NI 43-101 Technical Report based on the 2005 Carlota Project Final Feasibility Study which utilizes data from both the 1996 Carlota Final Feasibility Study and the 2003 - 2004 Feasibility Study conducted by Carlota and BHP Copper to consolidate the adjoining Carlota and Pinto Valley mine sites. The study in 1996, determined that an open pit mine and crushed material heap leach operation would be technically and economically feasible. The current technical report on the Carlota Project envisions an 18 month construction and waste pre-stripping period, with leaching commencing in the tenth month and first cathode production three months later. The report considers a truck and shovel open pit operation together with a run of mine heap leach and solvent extraction process, producing cathode copper.

Included in the assets of Cambior USA are one used PH 2800 shovel and 10 used Dresser/Komatsu 190 ton haul trucks. This equipment is located in Australia and will be relocated to the Carlota property. Also at the Carlota property are a solvent extraction plant that was purchased from BHP Billiton's San Manuel property, an MIM cathode stripping machine with stainless steel blanks and other support mobile equipment and some electrical switchgear.

All primary permits related to the Carlota Project have been approved. Additional normal course approvals within the permit system are required in order to commence development. Two of the existing permits are subject to final appeals court litigation and the final four quarterly gold payments may be deferred until 2010 if Quadra can not begin construction by the first quarter of 2007.

Annual SX-EW copper cathode production for the project is estimated to be approximately 30,000 to 34,400 tonnes per annum. Project life is estimated at 11 years. The cathode produced is projected to be high quality and meet LME and COMEX registration requirements. The construction capital cost in the NI 43-101 technical report is \$70 million followed by development and operational start-up costs of approximately \$36 million. This development cost of \$36 million does not include any credit for copper made during the pre-production period. Quadra based the investment decision on a capital cost of \$82 million and operating costs of 10 – 15% higher than the NI 43-101 estimate.

The domestic North American refined copper market supply, which is expected to be the primary sales area due to anticipated freight advantages, is likely to remain in a persistent deficit and US delivered cathode should attract a premium to the LME copper price.

November 8th, 2005

This MD&A contains “forward-looking statements” that were based on Quadra’s expectations, estimates and projections as of the dates as of which those statements were made. These forward-looking statements include, 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, 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, future copper, gold 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, currency exchange rates, debt reductions, and the percentage of anticipated production covered by forward sale and other option contracts or agreements. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “outlook”, “anticipate”, “project”, “target”, “believe”, “estimate”, “expect”, “intend”, “should” and similar expressions. Forward-looking statements are 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 statements, 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 and diminishing quantities or grades of 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.
- * Operating and technical difficulties in connection with mining development activities.
- * Uncertainties with respect to the quantity or quality of molybdenum that may be produced at the Robinson Mine. Based on the assays produced to date, the historical drill database and the life of mine plan, the Company has prepared an internal estimate of future molybdenum production. However, these limited results from this past production are not necessarily determinative of future production and Quadra cannot be certain of the quantity or quality of molybdenum it will produce at the Robinson Mine, or that any molybdenum recovered in the future will be of the same grade as that previously recovered or as determined by small scale laboratory testwork.
- * 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 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 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 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 the uncertainty as to whether the Company will complete the proposed acquisition of the Carlota Project and if it does complete such acquisition, whether the 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 Annual Information Form. This list is not exhaustive of the factors that may affect our forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on such forward-looking statements. Quadra disclaims any intent or obligations to update or revise publicly any forward-looking statements whether as a result of new information, future events or results or otherwise.