QUADRA MINING LTD.

Q4 2006 AND YEAR END 2006

CONFERENCE CALL

February 26th, 2007

Good morning ladies and gentlemen. I'd like to welcome you to this conference call, during which we will discuss Quadra Mining's fourth quarter and 2006 financial results, as well as update you on the Robinson operation, the Carlota project and exploration at our Sierra Gorda project in Chile. With me today on the call is Derek White, Chief Financial Officer. We will be available to answer any questions following my overview.

During the course of this conference call, we may make forward-looking statements that are subject to risks and uncertainties that may cause actual results to differ from those expressed or implied by such statements. Statements relating to production, revenues, growth, profits, and operating expenses depend on future market conditions and risks, and are considered forward-looking, thereby providing no guarantee that they will be realized. In this regard, I also refer you to the cautionary statement relating to forward looking information included in the Press Release and MD&A. Those statements apply to this call as well. Please also note that all monetary amounts are US$ unless otherwise stated.

As previously, our financial results have been very much influenced by our hedge position, which was put in place in the last quarter of 2005. Fourth quarter earnings were $55 million or $1.44 per share. While the decreasing copper price across the quarter and the associated reversal of Quadra's previous mark to market unrealized losses related to our hedge position was a big component of these earnings, which create a somewhat startling price to earnings ratio on an annualized basis, the performance of the Robinson operation also contributed, with the best quarter in the year.

Net revenues for the year, entirely from Robinson, were $393 million from the sale of 118 million pounds of copper and 70 thousand ounces of gold. This, courtesy of the strong copper price, was 72 % higher than the figure for 2005.

Quadra has not hedged any of its 2007 production. The company will settle 67 million of 2006 final settlements in first half of 2007. These settlements are hedged at a price of $2.26 per pound. For emphasis, this material has been shipped and delivered and is now waiting final settlement.

Earnings for the year were $32 million or 88 cents per share and EBITDA was $43 million. If we had not hedged the 2006 settlements, normalized EBITDA would have been $187 million, so we left $143 million on the table as a lost opportunity. All things considered, we are pleased to have generated this level of EBITDA and to have generated $90 million as cash from operations.

A frequently asked question is – "do we intend to hedge in 2007?" Our view on hedging generally is that we don't see it as our job to speculate on the price of copper, but we do see it as our job to protect corporate liquidity, including by hedging. This was a driver in our 2006 decision. We would only consider hedging if we were convinced it was necessary because of liquidity risks associated with for example major capital projects. Based on the current volatility, even then we would be very unlikely to go, as we did in 2006, with a straight forward sale, but would seek instead a solution that provided a floor and access to price upside.

Turning to Robinson, a hard drive by the operation in the fourth quarter allowed us to push beyond our revised guidance for the year and produce 121 million pounds of copper in concentrate. During the quarter itself, Robinson produced 36 million pounds, so that it represented the best quarter of the year and the second best in the history of the mine. By-product gold production for the year was 75,000 ounces, well above our guidance of 55 to 60,000 ounces. This was a result of a combination of better than expected recoveries and head grades. Molybdenum production for the year was 260 thousand pounds as a result of leaving the Tripp pit early and moving into the Veteran pit where molybdenum grades as substantially lower

During the last quarter, we discussed the impact of the complex metallurgy in the Veteran pit on recovery and in particular the presence of non-acid soluble oxide copper or NASOX. To remind you, this is copper mineralization that appears to be recoverable but isn't. The recovery for the quarter averaged 61% as a result of the continuing influence of the NASOX ore. By the end of the quarter we were substantially through this limited ore zone and into regular ore, where we saw recoveries return to more typical levels for Robinson in the high seventies to low eighties range, confirming our earlier predictions. The gain in production over expectations was a result of higher milling rates achieved through continuous improvement strategies by the mill group. A new life of Robinson single day mill throughput record of 54000 metric tons was achieved in December. For reference, the nameplate capacity is 38,000 metric tons per day.

In terms of guidance for 2007, we are expecting to produce 125 million pounds of copper and 60,000 ounces of gold.

We continued to see cost pressures through 2006, although these had leveled off by the fourth quarter. Costs for the quarter were \$1.68 per pound and for the year were \$1.53 per pound excluding deferred stripping. For onsite costs, the biggest component was mining costs. There was no one component, but rather a series of different issues including

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ehandling costs relating to dealing with ore with a high wood content from historical workings and to the need for a complex stockpiling strategy to deal with the various metallurgical issues encountered, particularly NASOX.

- Wage increases to ensure that we remain competitive. The labour market remains tight and one of our biggest issues is retaining people.

– Maintenance costs, and particularly the impact of earlier than we had hoped for major component replacements on our mine fleet running costs
– And of course the by now familiar to you impact of the global shortage of tires. There seems no real relief in sight on this, as there has not yet been any tangible response on the supply side. I would point out that the roll on effect of the tire issue, as it were, goes beyond the 200% increase in prices as we have to use tires that are less than ideal for the application at Robinson. These bias ply tires can require de-rating of our trucks in warmer weather, with an attendant increase in operating costs. On the positive side an aggressive proactive life extension strategy implemented by Robinson is pushing out what is possible in terms of tire life, with radial tires commonly reaching 12 to 13 thousand hours, and one tire over 14 thousand hours. These numbers are approaching double historical tire life numbers.

For offsite costs, the biggest driver in the quarter and in the year has been the high copper price and its impact on the price participation component of the smelter contracts, as well as royalty payments and revenue based Nevada state taxes.

Looking ahead to this year, we do see some of the costs coming back to us a bit. We have locked in our fuel requirements at $2 per gallon, significantly less than the $2.60 averaged last year. The smelting rates have come down and the price participation component has been significantly reduced in recent smelter settlements. These will impact us directly.

Moving on to Carlota ,the Carlota project has been progressed to the point where all of our pre – development activities have been completed so that the project is ready to go once we have put in place the necessary financing, where negotiations are advanced. Activities in the quarter included engineering, contract negotiations, cost refinement, and build up of the development team. As previously discussed, we have on order the necessary mobile equipment which we expect to begin arriving on site in March.

We take the view that this is an appropriate time to move forward with Carlota. Clearly the big issue is the price of copper. We continue to believe that the fundamentals are strong and that the supply side is not nearly elastic enough to respond to demand. We see the recent downward pressure as much a result of restructuring of the copper intermediate and end-user markets, likely including the disappearance of some discretionary uses, as the result of all the much discussed fund activity. Once the restructuring is over, we expect demand to continue for all the reasons that have been said well by others – China, India, electronics product demand and so on. The Carlota project is will provide Quadra with near term additional copper production, diversification from a single mine operation and a lower average cash cost of production for the company as a whole. We see little other commitment on the supply side, which implies, at least to us, that we can expect strong copper prices for some time to come, prices that Carlota can participate in.

We are pleased with the success of our exploration team at Sierra Gorda. Through the year, we spent $5 million to complete an 18,000 m drill programme. The programme comprised three elements – core drilling to test the concept of deep sulphide mineralization, shallow hole grid drilling to evaluate the potential of the large part of the property covered by alluvium and step out drilling to define additional oxide reserves.

In the third quarter, we reported an initial success with the deep drilling programme, having encountered sustained mineralization over 340m at an average grade of 1.05% copper in one hole. Results from the follow up drilling were announced in January and continued to support the idea that there is at least one substantial new zone of classic porphyry copper mineralization and possibly several.

The short hole grid programme was designed to provide the structural and geochemical information required to assess the potential for mineralization under the 20 to 40 metre thick alluvium that covers a substantial portion of the property. Several sizable clusters of holes show favorable alteration and justify a detailed drill evaluation programme. Our inspiration in this programme was BHP Billiton's nearby billion dollar Spence project which is close to Sierra Gorda and was discovered under cover

The results from the deep sulphide drilling have moved the focus from an oxide heap-leach project to looking at a larger project that would encompass both heap leaching and primary sulphide production. We are still assessing options, but it is likely that we will move forward on our own with the project for another year, with a view to completing follow-up drill programmes to the define deep sulphide mineralization at a resource level and to evaluate the targets under cover. We are also on the trail of water but have nothing definitive to report at this time.

Looking forward to 2007, we are now entering our third year of operations at Robinson, have a strong team in place and by definition a lot more experience than when we set out in 2004. As I often make clear to everybody, Robinson as a skarn deposit is a technically challenging operation. We will be encountering it again in the second quarter as we mine through the supergene, but we now understand it and have built it into our guidance. We intend to proceed with Carlota this year with a view to being in production in the second half of 2008. We will continue to add value at Sierra Gorda and we will continue to search for merger and acquisition opportunities that will allow us to grow towards critical mass, to de-risk Quadra and to have in place a pipeline that will deliver sustainable production in the future.

I thank you for listening and we'd be pleased to take any questions that you may have.