QUADRA MINING LTD. ANNOUNCES RECORD FINANCIAL RESULTS FOR THE FIRST QUARTER 2008

(All figures are in $ US thousands unless otherwise stated)

Vancouver, Canada – May 13th, 2008 Quadra Mining Ltd. (the "Company" or "Quadra") (TSX: QUA) is pleased to announce net earnings of $79,811 or $1.44 per share (basic) for the first quarter of 2008 compared to net earnings of $43,111 or $1.13 per share for the first quarter of 2007. Operating cash flow before working capital increased to $95,071 or $1.71 per share from $41,608 or $1.09 per share for the same period in 2007. During the quarter, Quadra generated revenues of $198,032 from the sale of 38.9 million pounds of copper and 32,314 ounces of gold

Operating and Financial Summary *US $ 000s (except per share data and production data)*		**Three months ended March 31, 2008**		**Three months ended March 31, 2007**
Revenues from Concentrate sales		198,032		136,455
Copper produced (million lbs)		42.0		36.6
Gold produced (ounces)		37,738		31,040
EBITDA (1)		117,043		66,716
Earnings for the period		79,811		43,111
Basic earnings per share	$	1.44	$	1.13
Diluted earnings per share	$	1.41	$	1.12
Cash flow from operations before working capital (2)		95,071		41,608
Cash flow from operations before working capital - per share	$	1.71	$	1.09
Net changes in non-cash working capital		(5,390)		(26,703)
Cash flow from operations		89,681		14,905

(1) EBITDA is a non-GAAP financial measure which is defined as operating income less general and administrative costs, and excluding accretion of asset retirement obligations, amortization, depletion and depreciation.
(2) Cash flow from operations before working capital is a non-GAAP financial measure.

Paul Blythe, President and CEO of Quadra comments, "The current metal price environment and strong sales volumes allowed us to deliver net earnings of $79.8 million or $1.44 per share for the first quarter of 2008 - a quarterly record for Quadra. Our EBITDA of $117 million is a 75% increase over the same period in 2007. With record copper production and strong gold by-product revenue, the cash cost per pound produced was $1.01 for the quarter, the lowest quarterly unit cost the mine has recorded since Quadra assumed ownership in 2004."

"The continuing volatility of the copper price and the associated mark to market adjustments to provisionally priced sales again impacted our earnings, this time positively, with the copper price across the quarter rising from $3.04 per pound on December 31st to $3.82 on March 31st, 2008. Of particular note is a positive price adjustment of $24 million related to fourth quarter provisional sales that were finalised during the first quarter."

Mr. Blythe continues, “As previously noted, both copper and gold production were quarterly records for Robinson with 42.0 million pounds of copper and 37,738 ounces of gold produced. The result was due to a combination of a number of factors including blending strategies and the types of mineralogy on the main ore bench. While the nature of the deposit will always produce variable results from quarter to quarter, the operations team is to be congratulated on the initiatives that have allowed us to deliver these results from this complex ore body.”

“Other quarterly activities included the ongoing construction at Carlota. The project is still on schedule with the first production of cathode copper expected in the fourth quarter. Exploration and an infill drill programme continued at Sierra Gorda and yesterday we announced an updated mineral resource estimate that represents a four-fold increase in project resources. We also acquired significant additional water rights that would be used to develop the project. This acquisition gives us in excess of 60% percent of the water that we believe will be necessary for a combined oxide and sulphide operation at Sierra Gorda. We also elected to secure our land position by exercising the options that were put in place in 2004 and are moving forward with an aggressive $37 million development program to advance the project towards pre-feasibility as expeditiously as possible. At Malmbjerg, we moved ahead by submitting an application for an exploitation licence and are continuing to finalize the cost and schedule analyses required to produce a 43-101 compliant reserve estimate.”

“With cash of $305 million on hand at March 31, 2008 the Company’s balance sheet is robust and we are well positioned to pursue further M&A opportunities and continue with the execution of our growth strategy.”

A summary of the financial statements together with the Management Discussion and Analysis (“MD&A”) are provided below. The complete interim financial statements and the MD&A will be available at www.quadramining.com and www.sedar.com.

The following Management Discussion and Analysis (“MD&A”) of Quadra Mining Ltd. and its subsidiaries (“Quadra” or the “Company”) has been prepared as at May 12, 2008 and is intended to be read in conjunction with the accompanying unaudited consolidated financial statements for the three month period ended March 31, 2008. This MD&A contains ‘forward looking information’ and reference to the cautionary statement at the end of this MD&A is advised. Additional information relating to the Company, including its Annual Information Form, is available on the SEDAR website at www.sedar.com. The Company is a reporting issuer in all provinces and territories of Canada and its common shares are traded on the Toronto Stock Exchange under the symbol: QUA.

All financial information in this MD&A is prepared in accordance with the Canadian Generally Accepted Accounting Principles and all dollar amounts are expressed in thousands of United States dollars unless otherwise indicated.

DESCRIPTION OF BUSINESS AND NATURE OF OPERATIONS

Quadra is a mining company that owns and operates the Robinson copper mine (“Robinson Mine”) near Ely, Nevada. In addition, Quadra holds a 100% interest in the Carlota Copper Project (“Carlota”), a heap leach - SX/EW copper project under construction in Arizona. The Company also has a 100% interest in the Sierra Gorda project (“Sierra Gorda”), a late stage exploration property in northern Chile, and an 82% interest in the Malmbjerg molybdenum project (“Malmbjerg”) in Greenland. The strategic plan of the Company includes growth by optimising operations, developing projects, and pursuing merger and acquisition opportunities.

FIRST QUARTER AND RECENT HIGHLIGHTS:

- Earnings for the quarter ended March 31, 2008 were $79,811 or $1.44 per share (basic) compared to earnings of $43,111 or $1.13 per share (basic) in the first quarter of 2007.
- The Robinson Mine generated net revenue of $198,032 in the first quarter from the sale of 38.9 million pounds of copper and 32,314 ounces of gold in concentrates compared to net revenue of $136,455 generated from the sale of 40.5 million pounds of copper and 31,238 ounces of gold in the first quarter of 2007.
- Due to a strong focus on safety and training at Robinson the Total Recordable Injury Rate has been reduced to 0.86 (U.S. National Average is 3.3).
- The Robinson Mine produced 42.0 million pounds of copper and 37,738 ounces of gold in the first quarter of 2008, both of which were quarterly records for the mine.

- The Company generated cash flow from operating activities (before working capital changes)* of $95,071 for the first quarter compared to $41,608 in the first quarter of 2007.
- The cash cost per pound of copper produced* was $1.01 per pound in the first quarter, compared to $1.22 per pound in the first quarter of 2007.
- The Company ended the quarter with $305 million of cash on hand.
- Construction at Carlota continued on schedule with the first production of copper cathode expected in the fourth quarter of 2008.
- The Company announced a significant new mineral resource estimate for the Sierra Gorda project and agreed to pay $22.5 million in accelerated payments in April and May to settle eight of the Sierra Gorda option agreements, and approved a $37 million development program for the project.
- Pumping rights to 319 litres per second of water near the Sierra Gorda project were acquired in exchange for $10 million in cash and 1,231,916 common shares.
- The Company has submitted an application for an exploitation license for the Malmbjerg project.

* See "**Non-GAAP Financial Measures**" for additional information.

FINANCIAL PERFORMANCE

Earnings

Earnings for the quarter ended March 31, 2008 were $79,811 or $1.44 per share (basic) compared to earnings of $43,111 or $1.13 per share (basic) in the first quarter of 2007. The increase in the first quarter earnings is primarily due to higher copper and gold prices in the current year.

The copper price increased from $3.04 per pound at December 31, 2007 to $3.82 per pound on March 31, 2008 resulting in significant positive adjustments to final settlement of provisionally priced sales recorded in 2007 and to the value of provisionally priced sales from 2007 that remained unsettled at March 31, 2008 (see section below "**Revenues**"). Operating income for quarter ending March 31, 2008 increased to $115,889 compared with $64,972 in the first quarter 2007, due primarily to higher average metal prices.

Revenues

All of the Company's revenues are generated by the Robinson Mine. Revenues from sales of concentrate are generally recognized at the time of shipment based on metal prices at that time; however, under the Company's current sales contracts, final pricing for copper sales is generally set at least four months after the time of shipment. As a result, quarterly revenues include estimated prices for sales in the quarter, based on copper prices at quarter-end, as well as pricing adjustments for sales that occurred in previous quarters, based on the actual price received.

In the quarter ended March 31, 2008, revenues from concentrate sales were $198,032 compared to $136,455 for the first quarter 2007. The increase is primarily due to higher metal prices in the current quarter. In the first quarter 2008, the Company sold 38.9 million pounds of copper and 32,314 ounces of gold, compared to 40.5 million pounds of copper and 31,238 ounces of gold in the first quarter 2007. There was a significant increase in the price of copper during the first quarter of 2008, which increased the value of the copper that was sold in 2007, but only provisionally priced.

At December 31, 2007, receivables included approximately 38.2 million pounds of copper provisionally valued at $3.04 per pound. During the first quarter, 33.5 million pounds of copper that was provisionally valued at December 31, 2007 was settled at an average final price of $3.64 per pound. As a result, first quarter revenues in 2008 include positive pricing adjustments of $24 million related to fourth quarter 2007 sales. In the first quarter, the Company shipped approximately 38.9 million pounds of copper at an average provisional price of $3.49 per pound. At March 31, 2008, receivables include 44.4 million pounds of copper which has been provisionally valued at $3.82 per pound.

Cost of Sales and Expenses

Cost of sales for the quarter ended March 31, 2008 was $67,220 compared to $62,234 for the first quarter of 2007. The increase in cost of sales was mainly due to the increase in onsite costs (see **"Robinson Operating Costs"**). Amortization, depletion and depreciation for the first quarter 2008 was $4,922 compared to $3,565 for the first quarter 2007. The increase was primarily driven by the amortization of capital asset additions in 2007.

Royalties and mineral taxes for the first quarter 2008 was $9,194 compared to $5,205 for the first quarter of 2007. This increase in royalties and mineral taxes is primarily due to higher metal prices.

General and administrative expenses for the first quarter 2008 were $4,575 compared to $2,300 for the first quarter 2007, due to increased staff levels and activities at the Company's corporate office.

Stock-based compensation expense for the first quarter 2008 was $1,211 compared to $383 for the first quarter 2007, due to an increase in the number of options granted and an increase in the fair value of each option. The Company realized a foreign exchange loss of $1,548 in the first quarter of 2008 related to its Canadian dollar cash holdings. Net interest and other income totalled $3,325 in the first quarter 2008, which included a gain of $1,889 realized on the sale of marketable securities and net interest income of $1,262.

The Company recorded an income tax expense of $22,609 in the three month period ended March 31, 2008, compared to $16,765 for the first quarter 2007. The tax expense for the first three months of 2008 has been recorded based on an estimated annual effective tax rate of 22% (2007: 28%). The reduction in the forecasted effective tax rate in 2008 is mainly due to the utilization of U.S. Alternative Minimum Tax credits that were earned in prior years, but were not previously recognized as a tax benefit due to the uncertainty of realization.

SUMMARY OF QUARTERLY RESULTS

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

SUMMARY OF QUARTERLY RESULTS

	2008		**2007**				**2006**	
$000's	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**
Statement of Operations								
Revenues - initial provisional price	170,174	110,012	127,985	129,832	127,533	117,300	83,253	115,353
Revenues - price adjustments	33,567	(22,215)	12,847	17,766	19,330	(9,912)	(5,474)	42,629
Refining and treatment charges	(5,709)	(6,130)	(6,245)	(6,459)	(10,408)	(8,215)	(9,856)	(15,757)
Revenues - total*	198,032	81,667	134,587	141,139	136,455	99,173	67,923	142,225
Operating income	115,889	14,649	64,527	72,618	64,972	30,713	24,005	72,431
Earnings (loss) before income taxes	102,420	10,810	63,739	50,772	59,876	56,375	26,960	(31,696)
Earnings (loss)	79,811	7,990	48,755	36,556	43,111	50,960	20,634	(21,997)
Basic earnings (loss) per share	$ 1.44	$ 0.15	$ 0.90	$ 0.78	$ 1.13	$ 1.34	$ 0.55	$ (0.59)
Diluted earnings (loss) per share	$ 1.41	$ 0.14	$ 0.86	$ 0.76	$ 1.12	$ 1.32	$ 0.54	$ (0.59)
Financial Position								
Cash	305,292	263,586	285,210	278,462	224,252	47,774	37,864	50,211
Total Assets	881,478	789,219	758,900	687,457	531,266	335,966	328,426	347,894
Total Liablities and non-controlling interest	296,405	290,840	270,671	263,687	318,461	170,850	214,592	259,062
Shareholders' equity	585,073	498,379	488,229	423,770	212,805	165,116	113,834	88,832
Production Statistics - Robinson mine								
Copper production (million lbs)	42.0	32.4	30.7	32.2	36.6	35.3	33.3	27.8
Copper sales (million lbs)*	38.9	28.9	32.5	32.3	40.5	34.1	19.6	33.1
Average provisional price per pound	$ 3.49	$ 3.21	$ 3.46	$ 3.43	$ 2.66	$ 3.25	$ 3.39	$ 3.14
Gold production (ozs)	37,738	27,048	24,138	25,893	31,040	27,646	20,425	12,532
Copper grade (%)	0.68	0.59	0.66	0.59	0.67	0.67	0.69	0.52
Gold grade (g/t)	0.45	0.38	0.39	0.36	0.46	0.41	0.32	0.24
Copper recovery	78.6%	66.1%	58.1%	74.1%	75.0%	61.0%	63.4%	70.3%
Gold recovery	72.6%	59.2%	52.5%	64.0%	63.1%	53.7%	57.9%	47.5%
Total onsite and offsite costs	73,472	73,164	68,940	69,397	66,090	64,166	67,219	67,979

* Revenues from sales of concentrate are recognized at the time of delivery which is generally upon loading of a ship at the port of Vancouver, Washington. Due to the timing of shipments, the amount of product sold in a quarter may differ from quarterly production volumes at the Robinson Mine in Ely, Nevada. Revenues are initially recognized based on metal prices at the time of shipment; however, final pricing is not determined until a future period. Price adjustments are recorded at each quarter-end prior to final settlement.

The quarterly performance of the Robinson Mine varies as a result of changes in head grade, metal recovery and waste stripping requirements. Due to the complex nature of the Robinson ore body, volatility in metal prices, and industry cost pressures the results have varied from quarter to quarter, and are expected to vary from quarter to quarter in the future.

Quarterly earnings during 2006 and the first two quarters of 2007 were impacted by derivative losses and gains related to outstanding forward sale contracts for copper and gold. There have been no forward sale contracts outstanding since the second quarter of 2007.

In the third quarter of 2006, the Company recorded a net gain of $14 million from a termination fee related to the Company's unsuccessful attempt to acquire Equatorial Mining Limited.

The increase in the cash balance in the first and second quarters of 2007 is related to debt and equity financings that were completed in these periods.

REVIEW OF OPERATIONS AND PROJECTS

ROBINSON MINE (NEVADA)

	Three months ended March 31	
	2008	2007
Copper production (Million lbs)	**42.0**	36.6
Gold production (ozs)	**37,738**	31,040
Waste mined (Tonnes 000's)	**15,532**	16,249
Ore mined (Tonnes 000's)	**3,360**	3,068
Ore milled (Tonnes 000's)	**3,541**	3,302
Onsite costs	**$ 55,580**	$ 45,424
Offsite costs	**$ 17,892**	$ 20,666
Total onsite and offsite costs	**$ 73,472**	$ 66,090
Capital expenditure	**$ 6,889**	$ 4,039
By product credits		
- Gold and silver	**$ 30,627**	$ 21,397
- Molybdenum	**$ 547**	$ -
Copper grade (%)	**0.68**	0.67
Gold grade (g/t)	**0.45**	0.46
Copper recovery	**78.6%**	75.0%
Gold recovery	**72.6%**	63.1%
Mill Operating Time	**94%**	88%

During the three month period ended March 31, 2008, a total of 19 million tonnes of ore and waste were mined from the Veteran area of the Tripp–Veteran pit. Copper production in the first quarter 2008 was 42.0 million pounds, compared to 36.6 million pounds in the first quarter of 2007. The increased copper production in the first quarter 2008 is the result of improved mill throughput, recovery and head grade. Ore blending and reagent strategies developed in 2007 were the main contributors to the improved tonnage and metallurgical results achieved in the first quarter of 2008.

Gold production for the three month period ended March 31, 2008 was 37,738 ounces compared to 31,040 ounces for the first quarter 2007. The increased gold production in the first quarter 2008 is also a result of higher recoveries and mill throughput than in the first quarter of 2007.

Robinson Operating Costs

Operating costs are comprised of onsite and offsite costs (see "**Non-GAAP Financial Measures**"). Onsite costs are primarily driven by the volume of waste and ore moved, payroll costs, supplies and equipment maintenance costs, and royalties. Onsite costs for the three month period ended March 31, 2008 were $55,580 compared to $45,424 for the first quarter of 2007. This increase primarily relates to $4.0 million for mine equipment maintenance activities, $1.9 million for the cost of fuel and mill supplies, and $1.8 million for increased royalty costs which have risen due to higher metal prices in 2008.

Offsite costs are primarily driven by smelting and refining charges, the volume of concentrate transported, and rail and ocean freight rates. Offsite costs for the three month period ended March 31, 2008 were $17,892 compared to $20,666 for the first quarter of 2007. The reduction in offsite costs is due to lower rates for treatment and refining costs and lower volumes of concentrate shipped in the current year, partially offset by increases in ocean freight rates.

The cash cost per pound of copper produced was $1.01 for the three month period ended March 31, 2008, compared to $1.22 for the first quarter of 2007. The reduction in cash cost per pound are primarily due to the increased copper production in the current year, coupled with high by-product revenues. The cash cost per pound of copper produced is a non-GAAP term and consists of onsite and offsite costs, less by-product revenue, divided by the pounds of copper produced in the period (see "**Non-GAAP Financial Measures**").

Robinson Production Outlook

The Company expects annual production of 130 million pounds of copper and 100,000 ounces of gold in 2008. Due to the inherent variable mineralogy of the Robinson ore body, metal production is expected to vary from quarter to quarter.

The global shortage of large off-road tires has been addressed by improvements in operating practices which are extending the useful life of all tires, with tire lives 40-50% greater than historical benchmarks. The situation seems to be moderating as additional production capacity and new producers come on line.

Mill recoveries in 2008 are expected to follow the trends previously observed in the Veteran pit, with higher recoveries from the hypogene material, and lower recoveries but higher grades from the supergene material. Ore is expected to be mined primarily from hypogene sources in the first half of the year, with an increasing proportion of supergene in the second half of the year.

Exploration drilling in 2007 focused on the potential for additional reserves in the Veteran pit. There have been no major negative or positive surprises encountered from this drilling. Some additional drilling will be done in 2008 to follow-up some exploration targets near the Tripp-Veteran pit. Current drilling activity is now focused on collecting metallurgical samples and on development drilling in the Ruth pit, which is expected to be the primary source of ore from 2010 onwards.

Robinson Operating Cost Outlook

Onsite costs in 2008 are expected to be impacted by rising energy costs (oil and natural gas). Based on April prices, Robinson's total fuel costs in 2008 would be approximately $8 million higher than in 2007. All operating supplies will continue to be under upward pressure until energy costs stabilize.

CARLOTA COPPER PROJECT (ARIZONA)

Construction activities at Carlota in the quarter ended March 31, 2008 included the continuation of SX-EW platform concrete work, initiation of mechanical installation activities, pre-production mining and leach pad liner installation. Contracts for all mechanical and electrical installations have been completed. Pre-production mining moved 4.3 million tons of ore and waste in the quarter ended March 31, 2008. Carlota staffing was at 153 of a planned 230 at the end of the quarter.

During the quarter ended March 31, 2008, the Company incurred capital expenditures of $37.9 million for construction, purchase of equipment, and other project development costs. Total capital expenditures on the project to date are $131 million. The Company also incurred capitalized interest and financing costs of $3.9 million during the quarter ended March 31, 2008.

Carlota Outlook

Construction is proceeding on schedule with the first production of copper cathode expected in the fourth quarter of 2008. The original budgeted construction cost was $218 million (including $29 million of working capital). The Company expects actual costs to be not more than 5% over this budget, of which $4.4 million relates to the cost of modifying the design of the mine site with respect to water run-off. Management believes that this modification will obviate the need for a National Pollution Discharge Elimination System (NPDES) permit, which is the subject of litigation (see section below "**Contingencies**").

The Company has a contract for the supply of sulphuric acid at market prices and believes that sufficient quantities will be available to meet its requirements.

As a result of recent inflationary pressures, future operating costs are expected to be higher than forecasted in the October 2006 Technical Report. At current fuel prices, and acid costs of $300/ton, the life of mine cash cost of copper produced is expected to be approximately $1.40 per pound (excluding royalty).

SIERRA GORDA (CHILE)

During the three month period ended March 31, 2008, the Company incurred costs of $4.8 million for exploration of the Sierra Gorda project. Drilling is currently focussed on defining deep sulphide resources in the 281 Zone area and other exploration targets identified by previous exploration.

During the quarter, the Company entered into one new option agreement for a property contiguous to Sierra Gorda. In April and May, 2008 the Company entered into agreements to make accelerated payments totalling $22.5 million to settle eight of the Sierra Gorda option agreements. The Company now has a 100% ownership interest in the Sierra Gorda project, and also has an option agreement pertaining to additional peripheral ground.

During the quarter, the Company also made option payments of $4.9 million to acquire water rights pursuant to option agreements signed in 2007. On May 8, 2008, the Company completed the acquisition of pumping rights to 319 litres per second of water located near Calama, in Region II, northern Chile. These rights were acquired in exchange for a cash payment of $10 million and the issuance of 1,231,916 common shares.

On May 12, 2008 the Company also announced an updated mineral resource estimate for the project. The estimate includes an indicated mineral resource containing 10.6 billion pounds of copper and 474 million pounds of molybdenum and an inferred mineral resource containing an additional 5.5 billion pounds of copper and 211 million pounds of molybdenum. The resource estimate and associated work was prepared in compliance with requirements set out in National Instrument 43-101 by Steven Ristorcelli, P.Geo., Mine Development Associates of Reno, Nevada, assisted by Peter Ronning, P.Eng, New Caledonian Geological Consulting with the QA/QC work reviewed by Mr. Gary Lustig, P. Geo.

Sierra Gorda Outlook

The Company's board has approved a $37 million development program at Sierra Gorda which will include definition drilling along with metallurgical, geotechnical, environmental, infrastructure and engineering studies required for the pre-feasibility and feasibility stages of the project.

MALMBJERG MOLYBDENUM PROJECT (GREENLAND)

In 2007, the Company acquired 82.5% of the outstanding shares of International Molybdenum Plc ("InterMoly") which holds the rights to the Malmbjerg molybdenum project. On site drilling and evaluation activities, together with engineering and cost studies were commenced in 2007 in order to generate the information required to make a development decision for the project, to produce a NI 43-101 compliant mineral reserve estimate and to develop the material required for an exploitation license application, including an EIS. During the quarter ended March 31, 2008, the Company incurred development costs on the project of $1.4 million to advance permitting and engineering studies. In March 2008, the Company submitted an application for an exploitation license to Greenland's Bureau of Minerals and Petroleum ("BMP").

Malmbjerg Outlook

The Company is continuing to finalize the cost and schedule analyses required to produce a NI 43-101 Technical Report. Based on preliminary estimates, the capital cost of the project could be approximately $1 billion (including contingency).

The Company has had recent discussions with the BMP in connection with its application for an exploitation license. If the BMP's review is successfully completed the application will then be forwarded to the Danish-Greenland Joint Committee on Mineral Resources in Greenland.

Quadra's board has approved a $22 million development program for the project in 2008. Execution of this program will depend on the results of the ongoing permitting activities. Quadra may also seek a partner or partners to advance the project through to production.

LIQUIDITY AND CAPITAL RESOURCES

The Company's source of cash flow from operations is the Robinson Mine. The Company generated cash flow from operations (excluding working capital changes) of $95.1 million for the three month period ended March 31, 2008 compared to $41.6 million in the first quarter of 2007.

The Company incurred cash expenditures of $39.4 million at the Carlota project in the three month period ended March 31, 2008, for the purchase of equipment and other project construction costs. Capital expenditures at the Robinson Mine were $6.5 million and related to normal replacement and upgrades, commencement of pre-mining works for the Ruth pit and the development and exploration drilling program. The Company spent a further $11 million on exploration and development of the Sierra Gorda and Malmbjerg projects.

In the three month period ended March 31, 2008, the Company also received proceeds of $9.5 million from the sale of marketable securities, a refund of $8.9 million from security deposit and proceeds of $5.9 million from the exercise of warrants and stock options. The Company paid $5.9 million in deferred gold consideration to the vendors of the Carlota copper project during the period.

Under the terms of its $150 million First Lien Secured Credit Facility, the Company is obligated to make a semi-annual offer to repay a portion of the Credit Facility equal to 50% of "Excess Cash Flow" as defined in the credit agreement. Based on the Excess Cash Flow generated in the last six months of 2007, the lenders had the right to call approximately $41 million of the loan by the end of March 2008.

On March 24, 2008, the Company and the lenders agreed to an amendment of the Credit Facility under which the lenders waived their right to request repayment of the $41 million in exchange for a cash payment of $7.5 million. In addition, Quadra agreed to establish a minimum LIBOR floor of 3.75% for the remaining life of the Credit Facility. The next semi-annual offer will be made in August 2008, based on the Excess Cash Flow generated in the first half of 2008. The semi-annual offers will continue through the remaining life of the Credit Facility which matures in 2012. The Company has the ability to prepay the Credit Facility at a premium of 3% for the next two years, 2% in the third year and 1% in the final year of the loan.

At March 31, 2008, the Company had cash and cash equivalents of $305.3 million. These amounts are comprised of cash deposits and highly liquid investments that are readily convertible to cash. The counter-parties include banks, governments and government agencies.

At March 31, 2008, the Company had working capital of $310.7 million as compared to $287.2 million at December 31, 2007. The increase in working capital during the first quarter of 2008 is primarily a result of operating cash flow from the Robinson mine net of capital expenditures on development projects. At March 31, 2008, accounts receivable and revenues includes approximately 44.4 million pounds of copper that has been provisionally valued at

$3.82 per pound. The final pricing for these provisionally priced sales is expected to occur between April 2008 and July 2008. Changes in the price of copper from the amounts used to calculate the provisional values will impact the Company's revenues and working capital position in the second quarter of 2008.

Liquidity Outlook

The Company has expansion plans, including but not limited to, construction of the Carlota project where the Company expects to incur additional capital expenditures of approximately $94 million to complete construction in the second half of 2008. The Company also expects to spend an additional $48 million on capital expenditures and environmental bonding at the Robinson Mine during the remainder of 2008, primarily related to the development of the Ruth pit, which will become the primary source of ore in 2010, an exploration and development drilling program budgeted at $15 million, and normal replacements and upgrades.

The Company is planning to spend $37 million over the next twelve months on a development program at Sierra Gorda which will include definition drilling along with metallurgical, geotechnical, environmental and other engineering studies. The Company's board has also approved a $22 million development budget for the Malmbjerg project in 2008. This will cover further studies and commencement of some site activities that are intended to remove technical uncertainties.

The next cash flow sweep offer will be made in August 2008, for an amount equal to 50% of the Excess Cash Flow generated in the first six months of 2008. The Company's future profitability and cash position is highly dependent on the price of copper and gold. The Company has implemented a price protection program to guarantee a minimum floor price for a portion of its future copper sales (see **Financial Instruments and Other Instruments**).

Management believes that it will have sufficient cash to complete construction of the Carlota project, regardless of the cashflow sweep described above. The Company also expects to have sufficient cash to advance the planned development programs at Sierra Gorda and Malmbjerg in 2008. Future development of these projects may require additional sources of financing, depending on metal prices and the Company's development plans.

Commitments and contractual obligations

	Payment Due By Period						
($000's)	**Less than 1 year**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**After 5 years**	**Total**
Senior secured credit facility and interest payments (a)	11,531	15,375	15,375	15,375	152,563	-	210,219
Deferred consideration (b)	11,151	-	-	-	-	-	11,151
Reclamation liabilities (c)	-	-	-	-	-	88,315	88,315
Tire supply contract (d)	6,600	6,600	1,650	-	-	-	14,850
Minimum lease payments (capital and operating)	8,261	12,812	15,692	7,381	1,627	-	45,773
Total	37,543	34,787	32,717	22,756	154,190	88,315	370,308

(a) Senior secured credit facility

Interest on the Company's $150 million Credit Facility is payable quarterly based on an annual interest rate of LIBOR + 6.5%. Quadra has agreed to establish a minimum LIBOR floor of 3.75%, therefore, the minimum interest rate will be 10.25% for the remaining life of the Credit Facility. The Company is obligated to make a semi-annual offer to the lenders to repay an amount equal to 50% of Excess Cash Flow, as defined under the terms of the Credit Facility. The Company also has the right to prepay the Credit Facility at a premium of 3% for the first three years, 2% in the fourth year and 1% in the fifth year.

(b) Deferred gold consideration

As at March 31, 2008, 12,500 ounces of gold remained to be paid to the vendor as deferred purchase consideration for the acquisition of the Carlota project in 2005. This gold will be paid in two quarterly instalments during 2008. The deferred gold liability has an estimated fair value of $11.2 million at March 31, 2008, based on the forward prices of gold over the expected payment schedule.

(c) Reclamation liabilities

The Company has estimated total future reclamation costs of $88.3 million (undiscounted), which primarily relate to the closure of the Robinson Mine. The Company has estimated the fair value of this liability to be $38.3 million at March 31, 2008 based on the estimated discounted future payments. To secure a portion of the closure costs related to the Robinson Mine, the Company has posted an environmental bond and held cash in a reclamation trust totalling $46.6 million as at March 31, 2008. The Company revises the reclamation plan and cost estimate for the Robinson Mine annually as required by US Bureau of Land Management and adjusts the amount of the bond accordingly.

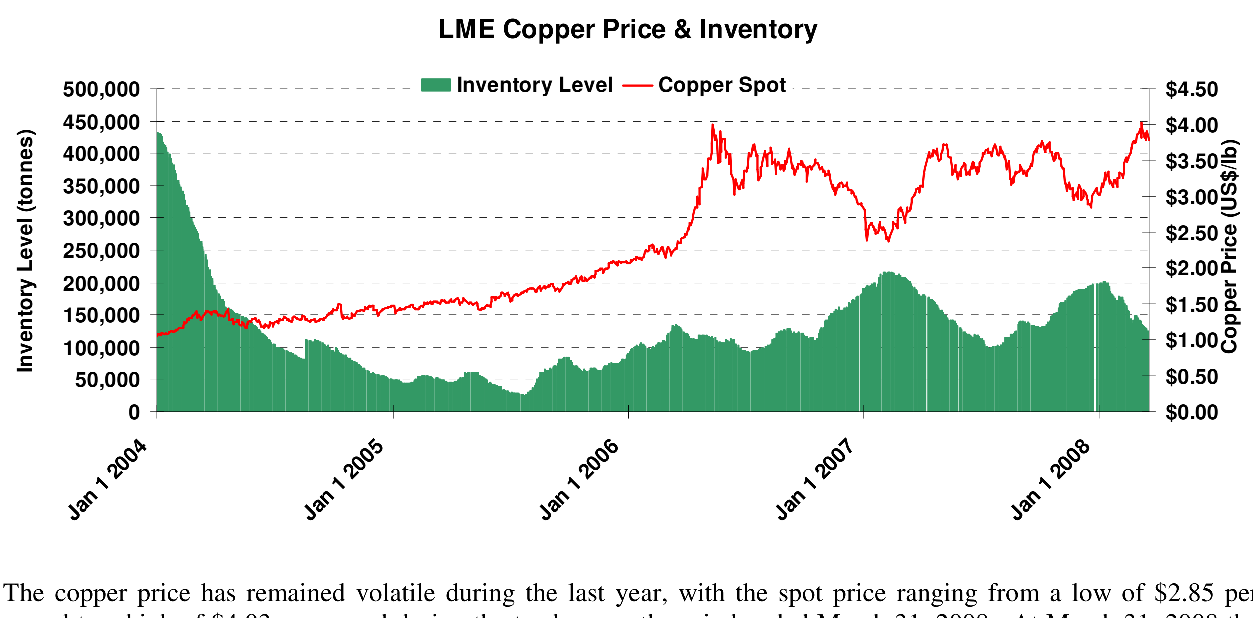
(d) Tire supply contract

The Company has a tire supply contract for a total commitment of approximately $6.6 million per year.

MARKET TRENDS AND FUNDAMENTALS

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.

The following graph shows the inventory level, as published by the London Metal Exchange ("LME"), of copper and the spot price of copper from 2004 to May 8, 2008.



The copper price has remained volatile during the last year, with the spot price ranging from a low of $2.85 per pound to a high of $4.03 per pound during the twelve month period ended March 31, 2008. At March 31, 2008 the closing spot price was $3.86 per pound. At May 8, 2008, the closing spot price was $3.84 per pound.

The reference price of copper metal is determined by trading on the LME, where the price is set in U.S. dollars at the end of each business day.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's revenues and cash flows are subject to fluctuations in the market price of copper and gold. In addition, there is a time lag between the time of initial payment on shipment and final pricing, and changes in the price of copper and gold during this period impact the Company's revenues and working capital position.

In recognition of the volatility of the commodities market and in order to ensure completion of construction at Carlota, the Company has instituted a floor price protection program. Under this program, the Company purchased copper put options at various times during 2007 at a total cost of $11.5 million and in the first quarter of 2008, the Company spent an additional $1.2 million on copper put options. At March 31, 2008 the Company had outstanding put options for approximately 130 million pounds of copper with an average strike price of $2.36 per pound and with maturity dates spread between April and December 2008. The fair value of the outstanding copper put options at March 31, 2008 was $1.1 million. The significant increase in the price of copper during the first quarter of 2008 resulted in a $8.9 million reduction in the fair value of the put options, which has been recognized as a derivative loss on the statement of operations.

In 2007, the Company entered into an agreement to purchase, on a take or pay basis, 504,000 gallons per month of diesel fuel. The contract expired on January 31, 2008, and the Company recorded a related derivative loss of $486 in the first quarter of 2008.

The Company's Credit Facility bears interest at a rate of LIBOR + 6.5%. The loan agreement was amended in March, 2008 to establish a minimum LIBOR floor of 3.75% for the remaining life of the Credit Facility; therefore, the minimum interest rate will be 10.25% for the remaining life of the Credit Facility. The Company also has a separate contract which effectively caps LIBOR at 5.35% for $100 million of debt until June 6, 2010. This contract was entered into as a condition of Credit Facility. The fair value of the interest rate cap was $0.03 million at March 31, 2008 resulting in an unrealized loss of $0.1 million in the first quarter 2008.

CONTINGENCIES

In July 2000, the Environmental Protection Agency (the "EPA") issued National Pollution Discharge Elimination System ("NPDES") Permit AZ0024112 to Carlota Copper Company ("CCC") (now a wholly-owned subsidiary of Quadra), which authorized storm water discharges from waste rock dumps and groundwater discharge for a wellfield mitigation program. In August 2000, project opponents Friends of Pinto Creek, *et al.*, appealed the EPA's issuance of the permit.

On October 4, 2007 the United States Court of Appeals for the 9th Circuit (the "9th Circuit") released its decision in the action. In the decision, the Court ordered the NPDES permit be "vacated" and returned to the United States EPA, who had been defending the permit before the courts, for further processing consistent with the Court's decision. While the lawsuit was not filed against CCC, it intervened in the case and is a party in the litigation. On January 18, 2008, CCC filed a motion for the 9th Circuit to rehear the case. On March 7, 2008, the 9th Circuit denied CCC's petition for rehearing. CCC is now appealing the 9th Circuit's decision to the United States Supreme Court. The permit remains in effect during the appeal process.

The decision of the 9th Circuit is not expected to have any immediate impact, as the primary purpose of the permit is to deal with the situation where, after operations commence, there is a major storm event that gives rise to excess water that requires discharge and does not meet Clean Water Act specifications. The Company is continuing construction of Carlota and is modifying the design of the mine site with respect to run-off, at an additional cost of $4.4 million. Management believes that this modification will obviate the need for a NPDES permit. There are potential implications on operations following such a storm event, including interruptions to production and higher operating costs until accumulated water is disposed of by evaporation and rebalancing of on-site storage. There can be no assurance that permit renewals required for the development and operation of Carlota will not be challenged in the future.

In July 2007 and March 2008 the Company received notice that claims had been filed in Chilean courts against the Company's wholly-owned Chilean subsidiary, Minera Quadra Chile Limitada. The claimant is a minority shareholder of corporations (the "Optionor") with which the Company signed two option agreements in 2004. The claimant is seeking to nullify these option agreements. These agreements are two of the nine option agreements that the Company holds with respect to its Sierra Gorda mineral property. Based on advice received from Chilean counsel the Company believes that the option agreements are valid and that the claims are without merit.

The Company's wholly-owned Chilean subsidiary is subject to one other legal dispute with respect to the validity of its mineral claims for the Sierra Gorda project. Based on advice received from Chilean counsel the Company believes that its mineral claims are valid and that the legal claim against the Company is without merit.

TRANSACTIONS WITH RELATED PARTIES

One of the directors of the Company is a partner of an affiliate of Blake, Cassels & Graydon LLP. During the three month period ended March 31, 2008, the Company incurred legal fees of $154 with that entity (March 31, 2007 - $189), which were at normal business terms.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

In preparing financial statements management has to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Based on historical experience, current conditions and expert advice, management makes assumptions that are believed to be reasonable under the circumstances. These estimates and assumptions form the basis for judgments about the carrying value of assets and liabilities and reported amounts for revenues and expenses. Different assumptions would result in different estimates and actual results may differ materially from results based on these estimates. These estimates and assumptions are also affected by management's application of accounting policies. Critical accounting policies and estimates are those that affect the consolidated financial statements materially and involve a significant level of judgment by management.

Mineral Properties

Mineral property development costs, including exploration, mine construction, and stripping costs, are capitalized until commercial production is achieved, and are then amortized over the remaining life of the mine based on proven and probable reserves. The determination of the extent of reserves is a complex task in which a number of estimates and assumptions are made. These involve the use of geological sampling and models as well as estimates of future costs. New knowledge derived from further exploration and development of the ore body may also affect reserve estimates. In addition the determination of economic reserves depends on assumptions on long-term commodity prices and in some cases exchange rates.

An impairment loss is recognized for a mineral property if its carrying value exceeds the total undiscounted cash flows expected from its use and disposal. Undiscounted cash flows for mineral properties are estimated based on a number of assumptions including long-term commodity prices, proven and probable reserves, estimated value beyond proven and probable reserves, and estimates of future operating, capital, and reclamation costs. Based on management's view of future metal prices and cost assumptions, the carrying value of the Company's mineral properties was not impaired at March 31, 2008.

Revenue Recognition

Sales are recognized and revenues are recorded at market prices when title transfers and the rights and obligations of ownership pass to the customer. The majority of the Company's concentrate is sold under pricing arrangements where final prices are determined by quoted market prices in a period subsequent to the date of sale. The Company estimates provisional pricing for its concentrate based on forward prices for the expected date of the final settlement. Subsequent variations in price are recognized as revenue adjustments as they occur until the price is finalized. As a result, revenues include estimated prices for sales in that period as well as pricing adjustments for sales that occurred in the previous period. These types of adjustments can have a material impact on the revenues.

Currently the Carlota project is in a pre-production phase. When the commercial production is achieved at the project, the Company will begin recognizing revenues from the sale of copper cathodes on the statements of earnings. The proceeds from any sales made prior to commencement of commercial production will be offset against capitalized pre-production costs on the balance sheets.

Asset Retirement Obligations, Reclamation and Mine Closure

Due to uncertainties concerning environmental remediation, the ultimate cost to the Company of future site restoration could differ from the amounts provided. In 2007 the Company revised its estimate of the timing and amount of closure costs at the Robinson Mine, which resulted in adjustments to the liability recorded in the Company's financial statements. 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 Tax Assets

Management believes that uncertainty exists regarding the realization of certain future tax assets and therefore a valuation allowance of $32.9 million has been recorded as of March 31, 2008. Based on a forecast of metal prices, mine production and costs for the remainder of 2008, management believes that it will utilize certain U.S. Alternative Minimum Tax Credits in 2008, and has therefore released valuation allowance of approximately $3.6 million in the three month period ended March 31, 2008. These tax credits were earned in prior years, but the tax benefit was not previously recognized due to the uncertainty of realization. The Company has not recognized the benefit of the tax basis of Carlota in excess of the acquisition price, and non-capital losses. The Company has recognized a net current future income tax asset of $10.7 million and a net non-current future income tax liability of $23 million that relates to the temporary difference created between the tax and accounting basis of assets and liabilities of operations based in the United States. Management estimates that, using long term copper prices in line with its mine plan estimates, the future taxable income will be sufficient to utilize the future tax assets which have been recognized.

CHANGE IN ACCOUNTING POLICIES

Effective January 1, 2008, the Company adopted the following accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA"). These new standards have been adopted on a prospective basis with no restatement to prior period financial statements.

(a) Inventory – Section 3031

This standard requires that inventories be measured at the lower of cost and net realizable value, and includes guidance on the determination of cost, including allocation of overheads and other costs. The standard also requires that similar inventories within a consolidated group be measured using the same method. It also requires the reversal of previous write-downs to net realizable value when there is a subsequent increase in the value of inventories. The adoption of this standard did not have a significant impact on the Company's consolidated financial statements at March 31, 2008.

(b) Capital Disclosures – Section 1535

This standard requires disclosure of an entity's objectives, policies and processes for managing capital, quantitative data about what the entity regards as capital and whether the entity has complied with any capital requirements and, if it has not complied, the consequences of such non-compliance.

(c) Financial Instruments – Disclosure (Section 3862) and Presentation (Section 3863)

These standards replace CICA 3861, Financial Instruments – Disclosure and Presentation. They increase the disclosures currently required to enable users to evaluate the significance of financial instruments for an entity's financial position and performance, including disclosures about fair value. In addition, disclosure is required of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk. The quantitative disclosures must provide information about the extent to which the entity is exposed to risk, based on information provided internally to the entity's key management personnel.

OUTSTANDING SHARE DATA

The Company had 55,782,374 common shares issued and outstanding common shares at March 31, 2008. As of May 12, 2008 the Company had 57,014,290 common shares issued and outstanding.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

There have been no changes in the Company's internal control over financial reporting during the quarter ended March 31, 2008 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

NON-GAAP FINANCIAL MEASURES

The cash cost per pound of copper produced, and onsite costs and offsite costs are non-GAAP financial measures that do not have a standardized meaning under Canadian Generally Accepted Accounting Principles ("GAAP"), and as a result may not be comparable to similar measures presented by other companies. Management uses these statistics to monitor operating costs and profitability. Onsite costs include mining costs, equipment operating lease costs, mill costs, mine site general and administration costs, environmental costs and royalties. Offsite costs include the costs of transportation, smelting and refining of concentrate. For financial statement reporting purposes, smelting and refining costs are netted against revenues. The following table shows a reconciliation of these non-GAAP financial measures to the consolidated statements of operations:

	Three months ended March 31	
	2008	**2007**
Cost of sales	**67,220**	62,234
Adjustment for change in concentrate inventory	**(4,171)**	(9,857)
Refining and treatment charges	**5,709**	10,408
Royalties	**4,714**	2,919
Total onsite and offsite costs	**$ 73,472**	$ 66,090
By-product revenues	**(31,175)**	(21,340)
	$ 42,297	$ 44,750
Copper production (million lbs.)	**42.0**	36.6
Cash cost per pound of copper produced	**$ 1.01**	$ 1.22

Cashflow from operating activities (before working capital changes) is also not a defined term under GAAP, and consists of cash provided from operating activities less net changes in non-cash working capital.

May 13, 2008

This press release, including the 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 Quadra's mines, reclamation and other post closure obligations and estimated future expenditures for those matters, completion dates for the various development stages of mines, availability of water for milling and mining, future copper, gold, molybdenum and other mineral prices (including the long-term estimated prices used in calculating Quadra's mineral reserves), 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 reserve and resource estimates and 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 with respect to the quantity or quality of molybdenum that may be produced at the Robinson Mine.
- Uncertainties relating to copper, gold, molybdenum and other mineral prices, which are beyond the Company's control.
- Provisional payments on concentrate material that the Company sells; 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.
- Operating and technical difficulties in connection with mining development or production activities.
- 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 capital cost estimates for mine construction activities.
- Uncertainties relating to the availability of adequate water resources for mining and milling operations and uncertainties related to whether the Company will be able to pump water in the expected quantities from the properties on which it holds water rights.
- Uncertainties related to the ability to obtain and retain necessary licences, permits, electricity, surface rights, water rights and title for development projects and project delays due to third party opposition.
- Uncertainties in obtaining additional financing that may result in delay or postponement of development projects.
- 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, including whether the permits required for development and operating activities will be obtained and whether existing permits will be challenged.
- Changes in, and the effects of, the laws, regulations and government policies affecting Quadra's 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 Quadra's operations are located;
  - the protection of the health and safety of mine workers; and
  - mineral rights ownership in countries where Quadra's 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, diesel fuel, petroleum, steel, concrete, sulphuric acid, explosives, truck tires and other operating supplies, refining and treatment costs, transportation charges, electricity and other forms of energy, mining equipment, and fluctuations in exchange rates, particularly with respect to the value of the U.S. dollar and Canadian dollar.
- The effects of derivative 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 used to report Quadra's financial condition
- 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 in which Quadra operates.
- Labour strikes, work stoppages, or other interruptions to, or difficulties in, the employment of labour in markets in which Quadra operates 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 Quadra's mines or interrupt the delivery of Quadra's product to customers.
- Quadra's reliance on a single producing property.
- Uncertainties relating to development projects, including whether the Carlota copper project, the Sierra Gorda project and the Malmbjerg molybdenum project can be brought into production.
- Uncertainties related to potential future breaches of covenants and undertakings contained in agreements, by Quadra or its suppliers, that could result in a significant loss to Quadra

A discussion of these and other factors that may affect Quadra's actual results, performance, achievements or financial position is contained in the filings by Quadra with the Canadian provincial securities regulatory authorities, including Quadra's Annual Information Form. This list is not exhaustive of the factors that may affect our forward-looking information. These and other factors should be considered carefully and readers should not place undue reliance on such forward-looking information. Quadra disclaims any intent or obligations to update or revise publicly any forward-looking statements whether as a result of new information, estimates or options, future events or results or otherwise, unless required to do so by law.

ABOUT QUADRA MINING LTD. (TSX: QUA)
Quadra is a British Columbia corporation based in Vancouver and is a mining company whose principal assets are the Robinson Mine in Nevada, producing copper and gold, the Carlota copper leach project under construction in Arizona, the Sierra Gorda advanced exploration copper-molybdenum project in Chile and the Malmbjerg molybdenum development project in Greenland. The Company has the goal of becoming a mid-tier base metals development and operating company with interests in a number of advanced exploration, development and producing properties.

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