



**Exhibit 1: Changes to Estimates**

<b>New Estimates</b>	<b>2007A</b>	<b>2008E</b>	<b>2009E</b>	<b>2010E</b>
Attributable Cu Production (tonnes)	59,448	73,490	76,744	88,238
Attributable Au Production (ounces)	108,019	137,629	124,345	94,610
Copper Cash Cost (C1) (US\$/lb)	1.49	1.22	1.22	1.32
Total Production Cost (US/lb)	1.65	1.42	1.45	1.46
<b>EPS Basic (US\$)</b>	<b>2.80</b>	<b>1.23</b>	<b>4.03</b>	<b>3.73</b>
CEPS (US\$)	3.34	2.17	4.57	4.27
<b>Previous Estimates</b>	<b>2007A</b>	<b>2008E</b>	<b>2009E</b>	<b>2010E</b>
<i>Attributable Cu Production (tonnes)</i>	<i>59,448</i>	<i>73,535</i>	<i>76,744</i>	<i>88,238</i>
<i>Attributable Au Production (ounces)</i>	<i>108,019</i>	<i>129,592</i>	<i>124,345</i>	<i>94,610</i>
<i>Copper Cash Cost (C1) (US\$/lb)</i>	<i>1.49</i>	<i>1.22</i>	<i>1.22</i>	<i>1.32</i>
<i>Total Production Cost (US/lb)</i>	<i>1.65</i>	<i>1.42</i>	<i>1.45</i>	<i>1.46</i>
<i>EPS Basic (US\$)</i>	<i>2.80</i>	<i>1.76</i>	<i>4.04</i>	<i>3.74</i>
<i>CEPS (US\$)</i>	<i>3.34</i>	<i>2.69</i>	<i>4.57</i>	<i>4.28</i>
<b>% Change</b>	<b>2007A</b>	<b>2008E</b>	<b>2009E</b>	<b>2010E</b>
Attributable Cu Production (tonnes)	0%	0%	0%	0%
Attributable Au Production (ounces)	0%	6%	0%	0%
Copper Cash Cost (C1) (US\$/lb)	0%	0%	0%	0%
Total Production Cost (US/lb)	0%	0%	0%	0%
<b>EPS Basic (US\$)</b>	<b>0%</b>	<b>30%</b>	<b>0%</b>	<b>0%</b>
CEPS (US\$)	0%	19%	0%	0%
<b>Copper Price Forecast (US\$/lb)</b>	<b>3.24</b>	<b>3.34</b>	<b>3.70</b>	<b>3.30</b>
<b>Gold Price Forecast (US\$/oz)</b>	<b>697</b>	<b>900</b>	<b>1,100</b>	<b>1,000</b>

Source: Raymond James Ltd.

**2009 production guidance.** Management also reiterated its previous 2009 production guidance of 180 million pounds of copper production and 125,000 ounces of gold at Robinson and Carlota.

#### Highlights of the Investment Case

- § **Unhedged production on upside, protection on the downside.** Quadra shares have full exposure to higher copper and gold prices and downside protection on copper via a put option program of 35 million lbs (~54% of first half 2009 production) at an average strike price of US\$2.50/lb.
- § **No debt.** Quadra does not have debt at this time, which means the company will not have to answer to any debt holders when pursuing its operating strategy. In our opinion, management can operate the mines in the best interests of long term shareholders as opposed to the short term interests of the debt holders.
- § **100% US\$ denominated costs.** In our view, as the long term trend in U.S. dollar weakness resumes, Quadra stands to benefit from possible margin expansion as US\$ denominated metal prices inflate at a faster rate than the company's 100% US\$ denominated cost base.
- § **Important gold by product credit.** The Robinson mine is expected to produce 125,000 ounces of gold in 2009. We estimate that for every US\$100/oz increase in the gold price, the cash cost after by product credits decrease by US\$0.10/lb at Robinson. Using management's guidance on

operating costs, we estimate that cash costs after by product credits at the Robinson mine fall to zero at a gold price of US\$2,256/oz.

- § **Carlota ramp up.** According to management, the company is on track to achieve first cathode from the company's 100% owned Carlota copper project in 4Q08. We expect the production diversification to result in a trading multiple expansion following a successful ramp up. Although costs in the first year of production have been guided to US\$1.50/lb, costs are expected to fall to US\$1.20/lb in 2010 once full production is achieved.
- § **Production growth.** We estimate that Quadra will produce ~88,000 tonnes of copper in 2010 at an average cash cost of US\$1.32/lb. This compares with 2008 production at Robinson of 72,400 tonnes of copper at an average cash cost of US\$1.22/lb.
- § **Sierra Gorda project potential.** Quadra's 100% owned Sierra Gorda copper project is a company making asset, in our view, given its size and favourable location in Chile. Refer to our May 13 2008 INsight titled "*Sierra Gorda Resource Update; Increasing Target Price*" (share price \$26.31) for additional detail.

## Risks

Some of the risk factors that pertain to the projected 6 12 month stock price target for mining companies in our universe are as follows: Mining companies are subject to a range of risks, including, but not limited to: environmental risk, political risk, operational risk, financial risk, hedging risk, commodity price fluctuation risk, and currency risk. Any difference between our metal price forecasts and realized metal prices will likely have an impact on our earnings and valuation estimates for the mining companies in our research coverage universe. The operation of mines and mills is complex and is exposed to a number of risks, most of which are beyond the company's control. These include: environmental compliance issues; personal accidents; metallurgical/ other processing problems; unexpected rock formations; ground or slope failures; flooding or fires; earthquakes; rock bursts; equipment failures; consultant errors and, interruption due to inclement weather conditions, road closures, and/or local protests. Other risks include, but are not limited to: uncertainties surrounding reclamation costs; aging equipment and facilities which could lead to increased costs; strikes; and transportation disruptions.

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