QUIA RESOURCES INC.
Management's Discussion and Analysis
of Financial Condition and Results of Operation
For the year ended December 31, 2011

Management's discussion and analysis (MD&A) is current to April 17, 2012 and is management's assessment of the operations and the financial results together with future prospects of Quia Resources Inc. ("Quia" or the "Company"). This MD&A should be read in conjunction with our audited consolidated financial statements and related notes for the years ended December 31, 2011 and 2010, prepared in accordance with International Financial Reporting Standards. All figures are in Canadian dollars unless stated otherwise. This discussion contains forward-looking statements that are not historical in nature and involves risks and uncertainties. Forward-looking statements are not guarantees as to Quia's future results as there are inherent difficulties in predicting future results. Accordingly, actual results could differ materially from those expressed or implied in the forward looking statements. The Company has adopted National Instrument 51-102F1 as the guideline in presenting the MD&A. This MD&A should be read in conjunction with the most recent Annual Information form ("AIF") on file with the provincial securities regulatory authorities. Additional information relevant to Quia's activities, including Quia's Press Releases can be found on SEDAR at www.sedar.com.
The Company has adopted IFRS on January 1, 2011 with a transition date of January 1, 2010.

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1. Description of Business

Quia Resources Inc. (the "Company" or "Quia") was incorporated under the laws of the Province of Ontario, Canada by Articles of Incorporation dated October 26, 2007. The Company is engaged in the acquisition, exploration and development of the properties for the mining of precious metals in Colombia. The Company's operations in Colombia are affected by Colombia's political and economic environment. Although the environment has been relatively stable in recent years, there is the risk that this situation could deteriorate and adversely affect the Company's operations.

The profitability and operating cash flow of the Company is affected by various factors, including the market price of gold, operating costs, interest rates, regulatory and environmental compliance, general and administrative costs, the level of exploration and development expenditures and other discretionary costs. While Quia seeks to manage the level of risk associated with its business, many of the factors affecting these risks are beyond the Company's control.

As at April 17, 2012, the directors and officers of the Company were:

Yannis Banks	CEO and Director
Dan Noone	Chairman
Adam Szweras	Director and Corporate Secretary
Robert Manning	Director
Richard Brown	Director and VP Business Development
Chris Davie	Director
Paul Lin	Director
Andres Tinajero	Chief Financial Officer
Ian Kelso	VP Exploration

Iain Kelso, P.Geo. is the "Qualified Person" for the Company under the definition of National Instrument 43-101.

2. Recent Developments

Financing Developments

January 6, 2012, the Company closed a non-brokered private placement consisting of 23,333,334 units for aggregate gross proceeds of $3,500,000.

Each Unit consists of one common share of the Company and one half of one warrant. Each full Warrant entitles the holder to acquire one common share of the Company at a price of $0.30 per Common Share for a period of 24 months from the closing date. The term of the Warrants is subject to an acceleration right at the option of the Company, provided that the common shares of the Company trade at or above $0.60 for a full 20 consecutive trading days after May 7, 2012 and the Company has provided Warrant holders with 30 days prior written notice of the accelerated Warrant exercise date.

The securities are subject to a four month hold period expiring May 7, 2012. Canaccord Genuity Corp., Foundation Markets Inc., Union Securities Inc., and Raymond James Inc. acting as finders, received cash commissions of $178,428, $9,835, $3,360, and $1,050 respectively, and Canaccord

Genuity Corp., Union Securities Inc., and Raymond James Inc. acting as finders, received 1,189,517, 22,400, and 23,333 compensation options ("Compensation Options") respectively, each Compensation Option being exercisable into one Unit within 24 months of closing at an exercise price of $0.15.

On December 22, 2010, the Company closed its qualifying transaction (the "Qualifying Transaction") with Onsino Capital Corporation. Pursuant to the Qualifying Transaction, which involved the amalgamation (the "Arrangement") of Quia and a wholly-owned subsidiary of Onsino, 1833668 Ontario Inc. ("Onsino Sub"), under the terms of a statutory plan of arrangement (the "Plan of Arrangement") completed in accordance with the *Business Corporations Act* (Ontario), Onsino acquired all of the issued and outstanding common shares of Quia (the "Quia Shares") in exchange for the issuance of an aggregate of 56,144,628 common shares of Onsino (the "Onsino Shares"). In addition, Onsino issued 22,176,574 common share purchase warrants of the Company in exchange for 22,176,574 common share purchase warrants of Quia (the "Quia Warrants"), 2,905,959 broker's warrants of the Company in exchange for 2,985,959 broker's warrants of Quia (the "Quia Broker's Warrants") and 1,040,000 options of the Company in exchange for 1,040,000 options of Quia . The Arrangement was approved by the shareholders of Quia on December 17, 2010 and the final order from the Ontario Superior Court of Justice (Commercial List) with respect to the Plan of Arrangement was obtained on December 20, 2010. In connection with the Qualifying Transaction and immediately prior to its completion, the Company changed its name to "Quia Resources Inc." and consolidated its common shares on the basis of one (1) post –consolidation share for every 1.5 pre-consolidation shares.

Concurrently with the closing of the Qualifying Transaction, Quia completed a brokered private placement (the " Concurrent Financing") of 7,000,000 units ("Quia Units") at $0.50 per Quia Unit for aggregate gross proceeds of $3,500,000, with each Quia Unit comprised of one (1) Quia Share and one-half of one (1/2) Quia Warrant, with each Quia Warrant exercisable to acquire one (1) additional Quia Share at $0.80 for a period of 24 months from the date of issuance. Canaccord Genuity Corp. ("Canaccord") and Foundation Markets Inc. ("Foundation" and together with Canaccord, the "Agents") acted as co-lead agents in the Concurrent Financing.

The agents received a cash commission equal to 8% of the gross proceeds received pursuant to the Concurrent Financing, and Quia Broker's Warrants to purchase 560,000 Quia Shares exercisable at $0.50 for a period of 24 months from the date of issuance. In addition, Quia has paid Canaccord a corporate finance fee and issued 20,000 Quia Shares.

On November 2, 2010, the Company completed a private placement financing for gross proceeds of $2,000,000 comprised of 5,000,000 units (the "Yamana Units") at $0.40 per Yamana Unit (the "Offering"). Each Yamana Unit consisted of one common share of the Company (a "Quia Share") and three-quarters of one (3/4) Quia Share purchase warrant (each whole purchase warrant, a "Quia Warrant"), each Quia Warrant exercisable into one Quia Share at an exercise price of $0.70 for a period of two years from the date of issuance provided, however, that in the event that the closing price of the Quia Shares (or such other securities issued to the holder in exchange for the Quia Shares as part of a restructuring transaction involving the Company) on the TSX Venture Exchange or the Toronto Stock Exchange is greater than $1.25 for a period of 20 consecutive trading days, the Company may, at its option, accelerate the expiry date of the Quia Warrants by giving notice to the holder and in such case the Quia Warrants will expire on

the date which is the earlier of: (i) the 30th day after the date on which such notice is given by the Company ; and (ii) two years from the date of issuance.

The sole subscriber under the Offering was Yamana Gold Inc. ("Yamana"). Pursuant to the terms of the Offering, the Company has granted Yamana the right, so long as Yamana maintains a minimum ownership of 8% of the issued and outstanding Quia Shares (or such other securities issued to Yamana in exchange for Quia Shares as part of a restructuring transaction involving the Company) on a non-diluted basis, to (a) participate in future financings or issuances of equity securities of the Company by up to 50% of any such individual financing, provided, however, that Yamana shall not exceed ownership of more than 19.9% of the issued and outstanding Quia Shares (or such other securities issued to Yamana in exchange for Quia Shares as part of a restructuring transaction involving the Company; and (b) exercise a right of first refusal in respect of a sale of the San Lucas Property by the Company, either directly or indirectly.

In connection with the Offering, a cash finder's fee of $160,000 has been paid to Canaccord Genuity Corp. ("Canaccord") equal to 8% of the gross proceeds received pursuant to the Offering. In addition, Canaccord has received compensation warrants (the "Finder's Warrants") to purchase 400,000 Quia Shares equal to 8% of the Yamana Units sold pursuant to the offering, exercisable at $0.40 per Quia Share for a period of 24 months from the closing of the Offering.

Exploration Developments

The San Lucas Property (the "San Lucas Property") consists of 17 semi-contiguous concession contracts comprising a total area of approximately 6,980 hectares in the Department of Bolivar, Colombia. Quia, through its wholly owned subsidiary San Lucas Gold Corp., holds 100% interest in San Lucas Property.

On February 21, 2012 San Lucas Gold Corp entered into an agreement to acquire two adjacent concessions totaling 2,158 hectares subject to a 60 day due diligence period. Following the acquisition, the company's total land holdings total approximately 9,138 hectares.

In its Phase 1 surface campaign completed between August 2010 and February 2011, Quia conducted approximately 28 square kilometres of surface soil sampling and geologic mapping over target areas (structural features and geophysical anomalies) identified through the previously completed airborne geophysical survey and satellite image structural interpretation.

In May 2011, subsequent to completion of the first phase of surface work, Quia completed 10 line kilometres of induced polarization and ground magnetic surveys over anomalies identified through the Phase 1 surface campaign.

The 5,000 metre Phase 1 drilling campaign began June 11th with drill hole SL1102 at Platform B. Drilling at hole SL1101 from Platform A began June 29th. At the end of 2011, approximately 3,150 metres had been completed in 14 holes. In January 2012 Quia terminated its drill contractor and has since replaced them with a new contractor with a smaller rig-type better suited to the conditions of the San Lucas property. As of March 20th, the phase one drill program re-started with one drill rig.

The phase 1 drilling program was intended to focus on three initial targets: La Colina, La Rueda and La Durmiente. The majority of drilling to date has focused on the La Colina target which was a gold in soil anomaly that is coincident with the contact between gneissic rocks and quartz diorite porphyry rocks to the east, a strong uranium and thorium anomaly from the airborne survey, and a strong IP chargeability anomaly. The drilling has established the presence of a disseminated gold system hosted in tectonic breccias which is potentially continuous over a strike length of 800 metres. Drilling has now moved to the south-west part of the La Rueda target, also known as Rueda South, which consists of a gold in soil anomaly that is coincident with a granodiorite instrusive body and a cluster of small scale artisanal mines.

The two newly acquired concessions adjoining Quia's current concessions fill in an approximate 4 km by 2 km gap between the current Rueda South and Durmiente target areas and a previously held concession (22023) 2 km to the south. Based on previously completed soil sampling and geophysics, the acquisition appears to consolidate the Durmiente trend over more than 2.5 km from the current area of focus trending south-west across the newly acquired concession and onto concession 22023 to the south. The Durmiente trend is defined by a magnetic high, gold-in-soil anomalies, and a series of artisanal mines that can be traced for more than 3 km. The new acquisition also appears to contain the extension of the Rueda South target. The Company is planning a program of ground geophysics across the Rueda South and Durmiente targets including in the newly acquired concession as well as further soil sampling within the newly acquired area.

The Company has also identified a new target to the west of the Colina anomaly consisting of a multi-element soil geochemical anomaly and magnetic high anomaly. In addition, the company has recently completed initial reconnaissance exploration on the north block of the San Lucas property which consisted of channel, rock chip and soil sampling. The area is believed to host the historic producing Libertad mine. Subject to further analysis, these newly identified targets could increase in priority and be incorporated into the phase 1 drill program.

3. Overall Performance

For the year ended December 31, 2011, the Company's cash position decreased by $5,444,543 to $71,118 from $5,515,661 at December 31, 2010. This decrease is due to exploration and evaluation expenditures and general operating costs, offset by the exercise of options and warrants.

The Company is engaged in the business of preliminary or early stage mineral exploration and mine development. The Company holds no interests in producing or commercial ore deposits. The Company has no production or other revenue. There is no operating history upon which investors may rely. Commercial development of any kind will only occur in the event that sufficient quantities of ore containing economic concentrations of gold or other mineral resources are discovered. If in the future a discovery is made, substantial financial resources will be required to establish ore reserves. Additional substantial financial resources will be required to develop mining and processing for any ore reserves that may be discovered. If the Company is unable to finance the establishment of ore reserves or the development of mining and processing facilities it will be required to sell all or a portion of its interest in such property to one or more parties capable of financing such development.

Results of Operations

Selected Annual Information

	Year Ended December 31, 2011	Year Ended December 31, 2010	Year Ended December 31, 2009 (CDN GAAP)
	$	$	$
Loss before income taxes	7,354,114	3,297,418	1,115,673
Net Loss	7,354,114	3,297,418	1,115,673
Loss per weighted average share – basic and diluted	$0.119	$0.080	$0.023
Total Assets	483,782	5,720,278	2,004,343

Three month period ended December 31, 2011

The Company incurred a net loss of $2,216,964 or $0.035 a share for the three month period ended December 31, 2011, compared with a net loss of $1,308,222 or $0.014 a share for the same period ended December 31, 2010.

For the three month period ended December 31, 2011, management and consulting fees decreased by $(103,206) to $(34,160) from $69,046 in the same period in 2010. Management and Consulting fees remained constant over the period and increased slightly in the last quarter as the Company engaged consultants in Colombia in the areas of community and environmental relations. However, due to reclassifications of certain consulting fees to exploration and evaluation expenditures, the expense decreased overall and resulted in a negative expense for the quarter.

Travel and promotion expenses for the three month period ended December 31, 2011 decreased by $369,803 to $(358,123) from $11,680 in the same period in 2010. The expense increase due to the fact that during the early part of 2010 the Company was still inactive and mainly working towards getting the Company to go public, whereas in the current year, activities on the property in Colombia are commencing thus requiring the increased travel time. However, due to reclassifications of certain travel and promotional costs to exploration and evaluation expenditures, the expense decreased overall and resulted in a negative expense for the quarter.

Total office and general costs decreased in the three month period ended December 31, 2011, by $10,837 to $(72,695) from $(61,858) in 2010. The expense increased due to the fact that the Company reclassified costs between accounts during the fourth quarter of 2011 and also due to the Colombian office being reorganized in order to absorb the increased activity in exploration. However, due to reclassifications of certain office and general costs to exploration and evaluation expenditures, the expense decreased overall and resulted in a negative expense for the quarter.

Total exploration and evaluation costs increased in the three month period ended December 31, 2011, by $1,723,416 to $2,688,260 from $984,844 in 2010. The Company is currently developing its wholly owned San Lucas Gold project. The increase mainly reflects drilling and related exploration work. The increase is also explained by reclassifications of certain consulting

fees, travel fees, office and general expenses and salaries and benefits to exploration and evaluation expenditures for the quarter.

Professional fees decreased by $181,171 to $65,060 during the three month period ended December 31, 2011 compared to $246,231 in the same period in 2010. The decrease is attributable to higher legal fees on general corporate matters during 2010 and the dispute with Federacion which was subsequently settled and higher fees in 2010 due to the conversion to IFRS.

The Company incurred share based payments for the three month period ended December 31 2011 of $20,100 compared to $(21,600) for the same period in 2010. Share based payments are booked based on the valuation of options using the Black-Scholes model and based on other payment of expenses in shares. The decrease is due to revaluations of share based payments in the last quarter of 2010.

Total salaries and benefits costs decreased in the three month period ended December 31, 2011, by $(131,682) to $(131,682) from $nil in 2010. The expense increased due to the hiring of employees in Colombia for office work and work on the property. There were no employees in 2010. However, due to reclassifications of certain salaries and benefits to exploration and evaluation expenditures, the expense decreased overall and resulted in a negative expense for the quarter.

Year ended December 31, 2011

The Company incurred a net loss of $7,354,114 or $0.119 a share for the year ended December 31, 2011, compared with a net loss of $3,297,418 or $0.080 a share for the same period ended December 31, 2010.

For the year ended December 31, 2011, management and consulting fees decreased by $88,102 to $536,392 from $624,494 in the same period in 2010. Management and Consulting fees decreased as the Company incurred increased costs in 2010 for consultants to bring the books and records up to date after years of inactivity.

Travel and promotion expenses for the year ended December 31, 2011 increased by $64,771 to $198,093 from $133,322 in the same period in 2010. The increase is due to the fact that during the early part of 2010 the Company was still inactive and mainly working towards getting the Company to go public, whereas in the current year, activities on the property in Colombia have been active throughout the year and increasing in the second half of the year thus requiring the increased travel time.

Total office and general costs decreased in the year ended December 31, 2011, by $259 to $325,770 from $326,029 in 2010. Office and general expenses remained constant between the comparable periods.

Total exploration and evaluation costs increased in the year ended December 31, 2011, by $3,364,041 to $4,507,364 from $1,143,323 in 2010. The increase in the current period is a product of the Company now being public compared to the early part of 2010. The Company is currently developing its wholly owned San Lucas Gold project.

Professional fees decreased by $64,349 to $374,984 during the year ended December 31, 2011 compared to $439,333 in the same period in 2010. The decrease is attributable to higher legal fees on general corporate matters during 2010 and the dispute with Federacion which was subsequently settled and higher fees in 2010 due to the conversion to IFRS.

The Company incurred share based payments for the year ended December 31, 2011 of $1,299,900 compared to $627,352 for the same period in 2010. Share based payments are booked based on the valuation of options using the Black-Scholes model and based on other payment of expenses in shares.

Total salaries and benefits costs increased in the year ended December 31, 2011, by $65,688 to $65,688 from $nil in 2010. The increase is due to the hiring of employees in Colombia for office work and work on the property. There were no employees in 2010.

4. Summary of Quarterly Results

Selected financial information for the eight quarters as follows:

	December 31, 2011 $	**September 30, 2011** $	**June 30, 2011** $	**March 31, 2011** $
Total Revenue	-	-	-	-
Net Loss	2,216,964	1,674,255	1,417,220	2,045,675
Loss Per Share – basic and diluted	$0.035	$0.027	$0.023	$0.033

	December 31, 2010 $	**September 30, 2010** $	**June 30, 2010** $	**March 31, 2010** $
Total Revenue	-	-	-	-
Net Loss	1,360,109	387,085	827,289	722,935
Loss Per Share– basic and diluted	$0.040	$0.009	$0.019	$0.025

Working Capital
As at December 31, 2011, the Company had a net working capital deficiency of $676,754 compared to working capital of $5,213,508 as at December 31, 2010.

A summary of the Company's cash position and changes in cash for the year ended December 31, 2011and 2010 are provided below:

	Year ended December 31,	
	2011	2010
Cash used in operating activities - net	**(5,743,381)**	(3,539,403)
Cash used in investing activities	**(120,949)**	1,091,032
Cash provided by financing activities	**419,787**	7,863,596
(Decrease) increase in cash	**(5,444,543)**	5,415,225
Cash, beginning of period	**5,515,661**	100,436
Cash, end of period	**71,118**	5,515,661

Liquidity Outlook

Quia had cash of $71,118 available at December 31, 2011, a decrease of $5,444,543 from the balance at December 31, 2010 of $5,515,661. This decrease is mainly due to the increase in exploration and evaluation expenditures in the year.

As noted above, the Company's working capital decreased by $5,890,262 to a working capital deficiency of $676,754 from a working capital of $5,213,508 at December 31, 2010.

The Company believes that between its current cash balances, it has the necessary funds available to meet its financing obligations.

5. Related-party Transactions

Related party transactions and key management compensation are as follows:

During the year ended December 31, 2011, $17,848 (December 31, 2010 - CDN$67,006) was paid as a salary to the former Vice President and Director. Included in loans payable is $nil (December 31, 2010 - $nil, January 1, 2010 - $15,833) owing to the President and Director as well as $nil (December 31, 2009 - $nil, December 31, 2009 - $39,166) which is included in loans receivable owing from the President and Director and Vice President, Corporate Development.

During the year ended December 31, 2011, $nil (December 31, 2010 - $417,831) was paid for consulting fees to Foundation Market Inc. ("FMI"), a company in which the Secretary and Director and CEO and Director of the Company are directors and have an indirect interest. At December 31, 2011 included in due to related parties is $nil (December 31, 2010 - $nil, January 1, 2010 - $108,249). In addition, $1,944 (December 31, 2010 - $nil) was paid for consulting fees to Foundation Opportunities Inc. ("FOI"), a company in which the Secretary and Director and CEO and Director of the Company are directors and have an indirect interest. At December 31, 2011 included in loans and interest payable are $30,132 (December 31, 2010 - $nil, January 1, 2010 - $108,308), and included in due to related parties is $1,944 (December 31, 2010 - $nil, January 1, 2010 - $nil).

During the year ended December 31, 2011, $48,000 (December 31, 2010 - $32,000) was paid for consulting fees to Cavalry Corporate Solutions Inc ("Cavalry"), for accounting, bookkeeping, and record keeping services. ("Cavalry"), a company in which the Secretary and Director and CEO and Director of the Company have an indirect interest and the CEO and Director of the Company is a director. At December 31, 2011 included in due to related parties are $nil (December 31, 2010 - $nil, January 1, 2010 - $nil).

During the year ended December 31, 2011, $76,570 (December 31, 2010 - $256,540) was paid for legal fees to a company in which the Secretary and Director of the Company is a partner. Included in due to related parties is $34,063 (December 31, 2010 - $nil, January 1, 2010 - $93,360) payable to this company.

Included in loans and interest payable are amounts payable to the Secretary and Director of the Company of $nil (December 31, 2010 - $nil, January 1, 2010 - $49,457).

During the year ended December 31, 2011, $144,000 (December 31, 2010 - $144,000) was paid to the VP of Exploration. As at December 31, 2011, $68,747 is included in due to related parties (December 31, 2010, $35,112, January 1, 2010 - $62,010).

During the year ended December 31, 2011, $115,315 (December 31, 2010 - $62,613) was paid to The Vice-President, Business Development and a Director for exploration related costs. As at December 31, 2011, due to related parties included $58,864 (December 31, 2010 - $62,513, January 1, 2010 - $124,035). At December 31, 2011 included in loans and interest payable are $30,140 (December 31, 2010 - $nil, January 1, 2010 - $15,833).

During the year ended December 31, 2011, $56,250 (December 31, 2010 - $nil) was paid for services to the chief executive officer. As at December 31, 2011, $14,125 is included in due to related parties (December 31, 2010, $nil, January 1, 2010 - $nil).

During the year ended December 31, 2011, $44,060 (December 31, 2010 - $109,550) was paid for services to the former chief executive officer and current director.

During the year ended December 31, 2011, $60,000 (December 31, 2010 - $58,000) was paid for services to the chief financial officer. As at December 31, 2011 included in due to related parties is $11,300 (December 31, 2010 - $5,650, January 1, 2010 - $nil) payable to the chief financial officer.

In addition, there were related party loans and interest as disclosed in note 10 of the financial statements.

All transactions with related parties were in the normal course of operations.

Disclosure of Outstanding Share Data April 17, 2012

	Authorized	Outstanding
Voting or equity securities issued and outstanding	Unlimited Common Shares	62,198,164 Common Shares
Securities convertible or exercisable into voting or equity shares		a) Options to acquire up to 4,309,500 common shares b) 25,579,534 Warrants exercisable to acquire common shares of the Company.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Dividends

The Corporation has neither declared nor paid any dividends on its Common Shares. The Corporation intends to retain its earnings, if any, to finance growth and expand its operation and does not anticipate paying any dividends on its Common Shares in the foreseeable future.

Critical Accounting Estimates

Assessment of Recoverability of Future Income Tax Assets

Quia follows the asset and liability method of accounting for income taxes. Under this method, future tax liabilities and assets are recognized for the estimated tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases. Future tax liabilities and assets are measured using enacted tax rates. The effect on the future tax liabilities and assets of a change in tax rates is recognized in the period that the change occurs.

In preparing the consolidated financial statements, the Company is required to estimate its income tax obligations. This process involves estimating the actual tax exposure together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. The Company assesses, based on all available evidence, the likelihood that the future income tax assets will be recovered from future taxable income and, to the extent that recovery cannot be considered "more likely than not," a valuation allowance is established. If the valuation allowance is changed in a period, an expense or benefit must be included within the tax provision on the consolidated income statement.

Estimate of Share Based Payments and Associated Assumptions

Quia uses the fair value method in accounting for share based payments. Under this method, share based payments are measured at the fair value of the equity instruments issued, and are amortized over the vesting period. The offset to the recorded cost is to reserve for share based payments.

The Company recorded share based payments based on an estimate of the fair value on the grant date of stock options issued. This accounting required estimates of interest rate, life of options, stock

price volatility and the application of the Black-Scholes option pricing model. See note 12 of the December 31, 2011 audited consolidated financial statements for a full disclosure.

Assessment of Recoverability of Receivables Including HST
The carrying amount of accounts receivables, and HST are considered representative of their respective values. The Company assesses the likelihood that these receivables will be recovered and, to the extent that recovery is considered doubtful a provision for doubtful accounts is recorded.

Impairment of Long-lived Assets
Quia reviews long lived assets for impairment on a periodic basis or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment losses on long-lived assets are recognized when events or changes in circumstances indicate that the undiscounted cash flows estimated to be generated by such assets are less than their carrying value and, accordingly, all or a portion of such carrying value may not be recoverable. Impairment losses then are measured by comparing the fair value of assets to their carrying amounts.

Asset Retirement Obligations
At December 31, 2011, the Company has made no provision for site restoration costs or potential environmental liabilities as all properties are sill in the exploration stages. Factors such as further exploration, inflation and changes in technology may materially change the cost estimate.

Significant accounting judgments and estimates
The preparation of these financial statements requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. The most significant estimates relate to asset retirement obligations; capital assets, including gold reserves and resources, depreciation and depletion; recoverability of accounts receivable, valuation of deferred income tax amounts, impairment testing and the calculation of share-based payments. The most significant judgements relate to recoverability of capitalized amounts, recognition of deferred tax assets and liabilities, determination of the commencement of commercial production and the determination of the economic viability of a project.

6. Financial Instruments and other Instruments

Net Fair Value of Financial Assets and Liabilities

The Company's financial instruments comprise cash, accounts receivable, accounts payable and accrued liabilities.

Cash has been designated as held-for-trading, which are measured at fair value. Accounts receivable is classified as loans and receivables, which are measured at amortized cost.

Accounts payable and accrued liabilities and are classified as other financial liabilities, which are measured at amortized cost. The Company has no available for sale instruments.

Additional Capital
The exploration activities of the Company may require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration and development of any of the Company's properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financings will be favorable to the Company. In addition, low commodity prices may affect the Company's ability to obtain financing.

Environmental and Permitting
All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations, among other things, mandate the maintenance of air and water quality standards, land reclamation, transportation, storage and disposal of hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Acquisition
The Company uses its best judgment to acquire mining properties for exploration and development in pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including arrangements to finance the acquisitions and development, or integrate such opportunity and their personnel with the Company. The Company can not assure that it can complete any acquisition that it pursues or is currently pursuing, on favorable terms, or that any acquisition completed will ultimately benefit the Company.

Competition
The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself. Competition in the mining business could adversely affect the Company's ability to acquire suitable producing properties or prospectus for mineral exploration in the future.

Financial Risk Factors

Fair Value

The carrying amount of cash, accounts payable and accrued liabilities approximate fair value due to the relatively short term maturity of these financial instruments. The fair value of loans receivable, contingent liabilities and due to related parties cannot be determined with sufficient reliability as there are no fixed terms of repayment. The carrying value of loans and interest payable approximate the fair value based on discounted cash flows. Fair value represents the amount that would be exchanged in the arm's length transaction between willing parties and is best evidenced by a quoted market price if one exist.

Fair value hierarchy and liquidity risk disclosure

The following summarizes the methods and assumptions used in estimating the fair value of the Company's financial instruments where measurement is required. The fair value of short-term financial instruments approximates their carrying amounts due to the relatively short period to maturity. These include cash as at December 31, 2011. Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgment. The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the balance sheet, have been prioritized into three levels as per the fair value hierarchy included in GAAP.

(i) Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities.

(ii) Level two includes inputs that are observable other than quoted prices included in level one.

(ii) Level three includes inputs that are not based on observable market data.

All of the Company's cash is a level one as per the fair value hierarchy included in GAAP.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

A) Credit Risk

The Company's credit risk is primarily attributable to cash and loans receivable. The Company has no significant concentration of credit risk arising from operations. Cash is held with reputable Canadian, United States and Colombian chartered banks which are closely monitored by management. Financial instruments included in loans receivable consist of loans to its President and Director and to the Vice President, Corporate Development. Management believes that the credit risk concentration with respect to financial instruments included in cash and loans receivable is minimal.

B) Market Risk

i.) Interest Rate Risk

The Company has cash balances and no variable interest bearing debt. The Company has fixed rates on its debt, changes in interest rates could result in fair value risk on the Company's fixed rate debt.

ii.) Foreign Currency Risk

The Company's functional currency is the Canadian dollar. The Company operates in Canada, Colombia and the United States, giving rise to market risks from changes in foreign exchange rates. The Company believes that the results of the operations and cash flows would be affected

by a sudden change in foreign exchange rates, but would not impair or enhance its ability to pay its U.S. dollar and Colombian pesos denominated obligations.

iii.) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at December 31, 2011, the Company had a cash balance of $71,118 (December 31, 2010 - $5,515,661, January 1, 2010 - $100,436) to settle current liabilities of $1,034,390 (December 31, 2010 - $484,315, January 1, 2010 - $1,462,030). All of the Company's financial liabilities have contractual maturities of less than 365 days and are subject to normal trade terms.

iv.) Commodity Price Risk

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of precious metals. These metal prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of these metals may be produced in the future, a profitable market will exist for them. As of September 30, 2011, the Company was not a producing entity. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

v.) Political risk

The Company has mining and exploration operations in Colombia and such operations are exposed to various levels of political, economic, and other risks and uncertainties. These risks and uncertainties include, but are not limited to: terrorism; hostage taking; fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes to policies and regulations impacting the mining sector; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls, and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Future political and economic conditions in Colombia may result in this governments adopting different policies with respect to foreign investment, and development and ownership of mineral resources. Any changes in such policies may result in changes in laws affecting ownership of assets, foreign investment, mining exploration and development, taxation, currency exchange rates, gold sales, environmental protection, labour relations, price controls, repatriation of income, and return of capital, which may affect both the ability of Quia to undertake exploration and development activities in respect of future properties in the manner currently contemplated, as well as its ability to continue to explore, develop, and operate those properties to which it has rights relating to exploration, development, and operation.

Sensitivity Analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve month period:

(i) The Company is exposed to foreign currency risk on fluctuations of financial instruments related to cash, loans receivable, accounts payable, due to related parties, loans and interest payable and contingent liability that are denominated in Colombian pesos. As at December 31, 2011, had the Canadian dollar weakened/strengthened by 10% against the Colombian peso with all other variables held constant, the Company's income for the year ended December 31, 2011 would have been approximately $32,000 higher/lower respectively as a result of foreign exchange losses/gains on translation of Canadian dollar denominated financial instruments.

Internal Control over Financial Reporting

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

During the most recent year end there were no changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Proposed Transactions

In the normal course of business, as an ongoing part of the exploration process, the Company investigates mineral properties which are submitted to the Board of Directors for consideration.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Corporation's President and Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. As at the end of the year covered by this management's discussion and analysis, management of the Corporation, with the participation of the President and Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the Corporation's disclosure controls and procedures as required by Canadian securities laws. Based on that evaluation, the President and Chief Executive Officer and the Chief Financial Officer have concluded that, as of the end of the period covered by this management's discussion and analysis, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Corporation's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Corporation, including the President and Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

7. Quia's Transition to International Financial Reporting Standards ("IFRS")

Transition to IFRS from GAAP

In February 2008, the Canadian Accounting Standards Board confirmed that Canadian publicly accountable enterprises will be required to adopt International Financial Reporting Standards ("IFRS") for financial periods beginning on and after January 1, 2011.

The Company has adopted IFRS with an adoption date of January 1, 2011 and a transition date of January 1, 2010.

IFRS Conversion

The Company's IFRS conversion plan was comprehensive and addressed matters including changes in accounting policies, restatement of comparative periods, organizational and internal controls and any required changes to business processes. To facilitate this process and ensure the full impact of the conversion was understood and managed reasonably, the Company hired an IFRS conversion project manager. The accounting staff attended several training courses on the adoption and implementation of IFRS. Through in-depth training and the preparation of reconciliations of historical Canadian GAAP financial statements to IFRS, the Company believes that its accounting personnel have obtained a thorough understanding of IFRS.

In conjunction with the adoption of IFRS the Company has implemented a new accounting system, which will satisfy all the information needs of the Company under IFRS. The Company has also reviewed its current internal and disclosure control processes and believes they will not need significant modification as a result of our conversion to IFRS.

Impact of IFRS

IFRS employs a conceptual framework that is similar to Canadian GAAP; however significant differences exist in certain matters of recognition, measurement and disclosure. While the adoption of IFRS will not change the actual cash flows of the Company, the adoption will result in changes to the reported financial position and results of operations of the Company. In order to allow the users of the financial statements to better understand these changes, we have provided the reconciliations between Canadian GAAP and IFRS for the total assets, total liabilities, shareholders equity and net earnings in Note 3 to the interim consolidated financial statements. The adoption of IFRS has had no significant impact on the net cash flows of the Company. The changes made to the statements of financial position and comprehensive income have resulted in reclassifications of various amounts on the statements of cash flows, however as there has been no change to the net cash flows, no reconciliations have been presented.

In preparing the reconciliations, the Company applied the principles and elections of IFRS 1, with a transition date of January 1, 2010. As the Company has adopted IFRS effective January 1, 2010, it will apply the provisions of IFRS 1 as described under the section entitled "Initial Adoption – IFRS 1", with a January 1, 2010 transition date. The Company will also apply IFRS standards in effect at December 31, 2011 as required by IFRS 1.

Initial Adoption of International Accounting Standards

IFRS 1 ''First Time Adoption of International Accounting Standards'' sets forth guidance for the initial adoption of IFRS. Under IFRS 1 the standards are applied retrospectively at the transitional

date of the statement of financial position with all adjustments to assets and liabilities as stated under GAAP taken to retained earnings unless certain exemptions are applied.

The Company elected to take the following IFRS 1 optional exemptions:

- To apply the requirements of IFRS 3, *Business Combinations,* prospectively from the Transition Date;
- To apply the requirements of IFRS 2, Share-based payments, only to equity instruments granted after November 7, 2002 which had not vested as of the Transition Date.
- To apply the requirements of IAS 21, prospectively from the Transition Date; resulting in currency translation adjustments to be $nil at the date of transition.

The Company applied the following IFRS 1 mandatory exemptions:

- Hindsight was not used to create or revise estimates. The estimates previously made by the Corporation under GAAP were not revised for IFRS except where necessary to reflect differences in accounting policies.

Comparative Information
The Company has restated all prior period figures in accordance with IFRS.

8. Cautionary Note Regarding Forward Looking Statements

This Management's Discussion and Analysis includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Such risks and uncertainties include, but are not limited to, risks associated with the mining industry (including operational risks in exploration development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of the Company to obtain all permits, consents or authorizations required for its operations and activities; and health safety and environmental risks), the risk of commodity price and foreign exchange rate fluctuations, the ability of Quia to fund the capital and operating expenses necessary to achieve the business objectives of Quia, the uncertainty associated with commercial negotiations and negotiating with foreign governments and risks associated with international business activities, as well as those risks described in public disclosure documents filed by the Company. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of the Company should not place undue reliance on these forward-looking statements. Statements in relation to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this press release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-

looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

9. Management's Responsibility for Financial Information

Management is responsible for all information contained in this report. The unaudited consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include amounts based on management's informed judgments and estimates. The financial and operating information included in this report is consistent with that contained in the unaudited consolidated financial statements in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

External auditors, appointed by the shareholders, have examined the audited consolidated financial statements for the years ended December 31, 2011 and 2010.

The Audit Committee has reviewed the audited consolidated financial statements with management. The Board of Directors has approved the audited consolidated financial statements on the recommendation of the Audit Committee.

April 17, 2012

Yannis Banks
Chief Executive Officer