QUIA RESOURCES INC.
Management's Discussion and Analysis
of Financial Condition and Results of Operation
For the three months ended March 31, 2012

Management's discussion and analysis (MD&A) is current to May 29, 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 unaudited interim condensed consolidated financial statements and related notes for the three months ended March 31, 2012 and 2011 and 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.

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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 May 29, 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.

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 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, 3,134 metres had been completed in 14 holes. In January 2012 Quia terminated its drill contractor and 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. In May 2012, the phase 1 drill program was completed, with an additional 1,157 metres drilled in an additional 6 holes, for a total of 4,292 metres in 20 holes.

The phase 1 drilling program was initially intended to focus on three initial targets: La Colina, La Rueda and La Durmiente. The majority of drilling in 2011 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 established the presence of a disseminated gold system hosted in tectonic breccias which is potentially continuous over a strike length of 800 metres.

In 2012, drilling focused on 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. Two vein systems were mapped in the area, one trending north-east, and one north-west. Five holes in total tested the two vein systems. Results are pending. The sixth hole drilled in 2012 tested a shear zone target that was more recently interpreted, north-west of La Colina, which consisted of a 1.5km long multi-element geochemical anomaly coincident with a magnetic high. Results from this hole are pending.

The Company plans to complete additional surface work and ground geophysics prior todrilling the Durmiente target. The Durmiente area is a large geochemical and magnetic anomaly. The anomaly is expressed by a strong Ag-Pb-As-Cu-Mo (+Au) correlation and is also coincident with a topographic high and at least two magnetic anomalies, each of which measure approximately 600 by 600 metres in size. The confluence of the geochemical and magnetic anomalies measures approximately 2800 by 1000 metres; however, further surface work is required over a recently acquired concession to verify the continuity of the anomaly. A number of artisanal vein mines demarcate the west edge of the Durmiente anomaly along a trend of 3 kilometres.

During the quarter, the Company 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. The Libertad structure is a north-south striking, steeply dipping mineralized vein-breccia system that is hosted within black schistose rocks of the Caja Marca Terrane. The Libertad structure is directly associated with the north-south striking Palestina fault system which locally separates the metamorphic rocks of the Caja Marca Terrane from the plutonic rocks of the Norosí batholith to the east. Based on its exposed position in several tunnels, the Libertad structure can be mapped with confidence over a strike length of 600 metres along which its true width was observed to vary between 1 and 3.5 metres. Results of soil sampling indicate the structure has a continuous strike of at least 1 km and open in both directions. Separate underground channel samples returned grades as high as 39 g Au/t and 100 g Ag/t. The company plans to complete additional surface work and ground geophysics prior to drilling the Libertad target.

3. Overall Performance

For the three months ended March 31, 2012, the Company's cash position increased by $1,204,487 to $1,275,605 from $71,118 at December 31, 2011. This increase is primarily due to the private placement for gross proceeds of $3,500,000 closed on January 6, 2012 offset by exploration and evaluation expenditures and general operating costs.

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

	Three Months Ended March 31, 2012	Year Ended December 31, 2011	Year Ended December 31, 2010
	$	$	$
Loss before income taxes	1,441,817	7,354,114	3,297,418
Net Loss	1,441,817	7,354,114	3,297,418
Loss per weighted average share – basic and diluted	$0.017	$0.119	$0.080
Total Assets	1,884,570	483,782	5,720,278

Three month period ended March 31, 2012
The Company incurred a net loss of $1,441,817 or $0.017 a share for the three month period ended March 31, 2012, compared with a net loss of $2,045,675 or $0.033 a share for the same period ended March 31, 2011.

For the three month period ended March 31, 2012, management and consulting fees increased by $24,876 to $173,864 from $148,988 in the same period in 2011. 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 relations and environment.

Travel and promotion expenses for the three month period ended March 31, 2012 decreased by $146,994 to $36,564 from $183,558 in the same period in 2011. The decrease is due to the fact that travel related to the properties was booked separately during the 2011 quarter and later reclassed to exploration expenditures.

Total office and general costs increased in the three month period ended March 31, 2012, by $56,038 to $165,943 from $109,905 in 2011. The expense increased due to the Colombian office being reorganized in order to absorb the increased activity in exploration and the Company opening a second office in Colombia.

Total exploration and evaluation costs increased in the three month period ended March 31, 2012, by $714,530 to $990,294 from $275,764 in 2011. 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 the fact that some costs such as travel were booked separately in the first quarter of 2011.

Professional fees decreased by $111,701 to $14,132 during the three month period ended March 31, 2012 compared to $125,833 in the same period in 2011. The decrease is attributable to higher legal fees on general corporate matters during 2011 and higher fees due to the conversion to IFRS.

The Company incurred share based payments for the three month period ended March 31, 2012 of $14,700 compared to $1,155,000 for the same period in 2011. 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 graded vesting recognizing a higher expense in the earlier part of the vesting period of the options.

Total salaries and benefits costs decreased in the three month period ended March 31, 2012, by $8,036 to $39,492 from $47,528 in 2011. These remained fairly consistent between the comparative quarters.

4. Summary of Quarterly Results

Selected financial information for the eight quarters as follows:

	March 31, 2012	**December 31, 2011**	**September 30, 2011**	**June 30, 2011**
	$	$	$	$
Total Revenue	-	-	-	-
Net Loss	1,441,817	2,216,964	1,674,255	1,417,220
Loss Per Share – basic and diluted	$0.017	$0.035	$0.027	$0.023

	March 31, 2011	**December 31, 2010**	**September 30, 2010**	**June 30, 2010**
	$	$	$	$
Total Revenue	-	-	-	-
Net Loss	2,045,675	1,360,109	387,085	827,289
Loss Per Share– basic and diluted	$0.033	$0.040	$0.009	$0.019

Working Capital

As at March 31, 2012, the Company had net working capital of $1,030,443 compared to a working capital deficiency of $676,754 as at December 31, 2011.

A summary of the Company's cash position and changes in cash for the three month period ended March 31, 2012 and 2011 are provided below:

	Three months ended March 31,	
	2012	2011
Cash used in operating activities - net	**(1,834,425)**	(786,376)
Cash used in investing activities	**(4,546)**	(29,014)
Cash provided by financing activities	**3,043,458**	167,856
Increase (Decrease) in cash	**1,204,487**	(647,534)
Cash, beginning of period	**71,118**	5,515,661
Cash, end of period	**1,275,605**	4,868,127

Liquidity Outlook

Quia had cash of $1,275,605 available at March 31, 2012, an increase of $1,204,487 from the balance at December 31, 2011 of $71,118. This increase is mainly due to the private placement for gross proceeds of $3,500,000 closed on January 6, 2012 offset by exploration and evaluation expenditures and general operating expenses in the period.

As noted above, the Company's working capital increased by $1,707,197 to a working capital of $1,030,443 from a working capital deficiency of $676,754 at December 31, 2011.

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 three months ended March 31, 2012, $nil (2011 - $3,295) was paid as a salary to the former Vice President and Director.

During the three months ended March 31, 2012, $10,135 (2011 - $nil) 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 a directors and have an indirect interest. In addition, $5,000 and $16,200 (2011 - $nil) was paid for consulting fees and rent respectively 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 March 31, 2012 included due to related parties is $nil (December 31, 2011 - $1,944)

During the three months ended March 31, 2012, $12,000 (2011 - $12,000) was paid for consulting fees to Cavalry Corporate Solutions Inc. ("Cavalry"), a company in which the Secretary and Director of the Company has an indirect interest and in which the CEO and Director is a director and has an indirect interest

During the three months ended March 31, 2012, $26,422 (2011 - $34,340) 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 $7,948 (December 31, 2010 - $34,063) payable to this company.

During the three months ended March 31, 2012, $36,000 (2011 - $24,000) was paid to the VP of exploration. As at March 31, 2012, $67,910 is included in due to related parties (December 31, 2011, $48,747).

During the three months ended March 31, 2012, $2,000 (2011 - $nil) was paid to The Vice-President, Business Development and a Director for exploration related costs. As at March 31, 2012, due to related parties included $16,098 (December 31, 2011 - $58,864).

During the three months ended March 31, 2012, $18,750 (2011 - $nil) was paid for services to the chief executive officer. As at March 31, 2012, $14,779 is included in due to related parties (December 31, 2011, $14,125).

During the three months ended March 31, 2012, $nil (2011 - $26,780) was paid for services to the former chief executive officer and current director.

During the three months ended March 31, 2012, $15,000 (2011 - $15,000) was paid for services to the chief financial officer. As at March 31, 2012 included in due to related parties is $5,650 (December 31, 2011 - $11,300) payable to the chief financial officer.

During 2011, the Company received non-secured loans of $30,000 from Foundation Opportunities Inc., a company in which the Secretary and Director and CEO and Director of the Company are directors and have an indirect interest, at the rate of 10% per annum payable the earlier of March 1, 2012 or the closing of the financing. As at March 31, 2012 $nil and $nil (December 31, 2011 - $30,000 and $131) are included as loans and interest payable respectively.

During 2011, the Company received non-secured loans of $30,000 from a director at the rate of 10% per annum payable the earlier of March 1, 2012 or the closing of financing. As at March 31, 2012 $nil and $nil (December 31, 2011 - $30,000 and $140) are included as loan and interest payable respectively.

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

Disclosure of Outstanding Share Data May 29, 2012

	Authorized	Outstanding
Voting or equity securities issued and outstanding	Unlimited Common Shares	85,531,498 Common Shares
Securities convertible or exercisable into voting or equity shares		a) Options to acquire up to 4,309,500 common shares b) 38,465,122 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 8 of the March 31, 2012 unaudited interim condensed 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 March 31, 2012, 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 March 31, 2012. 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 March 31, 2012, the Company had a cash balance of $1,275,605 (December 31, 2011 - $71,118) to settle current liabilities of $727,540 (December 31, 2011 - $1,034,390). 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 March 31, 2012, had the Canadian dollar weakened/strengthened by 10% against the Colombian peso with all other variables held constant, the Company's income for the three month period ended March 31, 2012 would have been approximately $26,000 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. 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.

8. 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 not examined the unaudited interim condensed consolidated financial statements for the three month periods ended March 31, 2012 and 2011.

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.

May 29, 2012

Yannis Banks
Chief Executive Officer