



Management Discussion and Analysis
January 31, 2005

CASCADIA INTERNATIONAL RESOURCES INC. MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis should be read in conjunction with the audited consolidated financial statements for the year ended July 31, 2004 and the related notes thereto.

This MD&A contains statements and other forward-looking information about potential future circumstances, results and developments. Such statements and information are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations generally and may differ materially from the Company's actual future results or events. See "Forward-Looking Statements".

The financial information presented herein has been prepared on the basis of Canadian generally accepted accounting principles ("GAAP"). Throughout this discussion, percentage changes are calculated using numbers rounded to the decimal to which they appear. All dollar amounts are in Canadian dollars.

Corporate History

Cascadia International Resources Inc. ("Cascadia") was incorporated in British Columbia, Canada as Craven Resources Inc. on July 18, 1983 and changed its name to Cascadia on April 7, 1997. Corporate headquarters were relocated to Calgary, Alberta in early 2003 and in January 2004 the registered and records office was transferred to the offices of our legal counsel in Calgary.

Overall Performance

Cascadia is an emerging Canadian mining company dedicated to "grass-roots" exploration of base metals (nickel, copper, cobalt) and precious metals (platinum and palladium) in northern Ontario and Quebec.

Initial investigations in the True North properties within the Raglan belt were conducted late in the 2004 field season and the first arctic snow, fog and strong winds did not allow completion of the geological mapping and prospecting. Results from samples with ultramafic sills and/or magnetic anomalies have provided new targets for detailed prospecting in 2005. (see November 22, 2004 press release at www.SEDAR.com for assay details)

The 2004 drill program in Norton, Ontario was successful in tracing the zone to the 250 meter elevation. The 2005 drill program will commence in mid February and will test the extent of the sulphide zone at the 300 and 400 meter depth. If the zone is intersected it could increase the size of the deposit by four to five times.

Recently an airborne EM survey was flown over prospective uranium claims in Thunder Bay, Ontario that may lead to an additional core area for exploration.

Exploration expenditures during the three months ended January 31, 2005 declined by 8% to \$112,695 compared to \$123,038 for the comparable quarter in 2004. About 91% of this quarter's expenditures were directed toward the Norton Lake and Midway projects situated in Northern Ontario.

The loss incurred for the first six months ended January 31, 2005 was \$399,713, a 56% increase compared to the \$256,486 loss in 2004. This increase was due to performance based bonuses paid to certain officers and consultants in recognition for their accomplishments throughout the 2004 calendar year and the Black Scholes accounting recognition of non-cash stock-based compensation of \$70,954 for options granted during January 2005. During this quarter the Company recorded a cost recovery of \$66,291 from a related company for their share of costs incurred for investor relations and company promotion. The price of Cascadia's shares continued to oscillate within the range from the close price of \$0.47, July 31, 2004 to \$0.285 on January 31, 2005.

New Appointment

On December 22, 2004 the Company appointed Glenn Mullan to the Board of Directors. Mr. Mullan is one of the founders and currently the Chairman of the Board of Canadian Royalties Inc. (TSX symbol: CZZ), and the President and CEO of Golden Valley Mines Ltd. (TSX-V symbol: GZZ). Canadian Royalties Inc. was the recipient of the prospector of the Year award (2003) from the *Association d'Exploration Minerale du Quebec* (AEMQ) for its Ni-Cu-PGE discoveries in the Nunavik Region of Northern Quebec and recently graduated to the Toronto Stock Exchange (TSX). Mr. Mullan was also recipient of the *Pesonalité masculine de l'année* (Businessman of the Year) by the Val-d'Or Chamber of Commerce for 2004. Mr. Mullan holds a B.Sc. (Geology) from Concordia University (Montréal) and has over 25 years of experience in the mining and mineral exploration industry. As a geologist, he has directed exploration programs for precious and base metals across Canada. He is currently a member in good standing of the OGQ (*Ordre des Geologues du Quebec*), and is a director of the *Association Exploration Minerale du Quebec* (AEMQ) and currently the Vice-President, Abitibi region. He is also a member of several other professional associations including the GAC, CIM, PDAC, and SEG. Bringing Mr. Mullan's wealth of exploration experience to Cascadia will enhance success in the future Raglan exploration season.

Results of Operations

Investment income for the first half of 2005 of \$2,086 remained consistent with the \$2,109 recorded for the same period in 2004. Although higher consulting fees due to performance based bonuses were offset by cost recoveries related to investor relation expenses, administrative expenses increased 28% in 2005 to \$328,759 compared to \$256,486 in 2004.

Capital expenditures for the first half of the past three years are summarized in the table below.

For The Six Months Ended	January 2003	January 2004	January 2005
Raglan	-	118,095	346,100
Raglan – True North properties	-	-	76,398
McGarry	-	2,959	-
Norton Lake	-	58,000	97,601
Linsey Bay	-	60,418	-
Midway	-	-	40,565
Total Resource Assets	-	239,472	560,664

Summary of Quarterly Results

The following table sets out, for each of the previous eight quarters, information relating to the Company's revenue, net (loss) and (loss) per Common Share:

	3rd Quarter Apr 2003	4th Quarter Jul 2003	1st Quarter Oct 2003	2nd Quarter Jan 2004
Revenues	-	5,958	2,109	-
Net loss	(31,050)	(139,175)	(105,004)	(151,482)
Net loss per share	(0.005)	(0.02)	(0.004)	(0.006)

	3rd Quarter Apr 2004	4th Quarter Jul 2004	1st Quarter Oct 2004	2nd Quarter Jan 2005
Revenues	10,201	3,877	1,179	907
Net loss	(276,359)	(663,729)	(83,779)	(315,934)
Net loss per share	(0.01)	(0.02)	(0.002)	(0.009)

Related party transactions

During the first half, the Company has a payable to Yangarra Resources Inc. ("Yangarra") of \$41,612 (2004 - \$76,855) for rent, supplies and office services. Yangarra is a public oil and gas company based in Calgary, Alberta. James G. Evaskevich, the President and a director of the Company is also the President, Chief Executive Officer and a director of Yangarra Resources Inc.

During the year, the Company had transactions related to administration and consulting of \$43,840 with companies controlled by certain of the Company's officers and directors.

An aggregate of \$7,321 is payable to Burstall Winger LLP for legal fees and disbursements. A director of the Company is a partner of Burstall Winger LLP.

The transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Liquidity and Capital Resources Operations

At January 31, 2005 the Company had a working capital surplus of \$467,704 compared to a capital surplus of \$3,272,871 at January 31, 2004.

On November 30, 2004 the Company announced that it has accepted the terms and conditions for Credit Facilities as offered by the National Bank of Canada. The revolving term loan has a maximum available credit of \$500,000, bearing interest at prime plus two percent per annum, requiring repayment of interest only. By December 31, 2004 the outstanding amount of this Credit Facility was repaid and the Credit Facility terminated.

On December 31, 2004, the Company completed a non-brokered private placement of 3,262,500 units at \$0.40 per unit for gross proceeds of \$1,305,000. Each unit consists of one common share issued on a "flow-through" basis under the *Income Tax Act* (Canada) and one-half of one common share purchase warrant, with each whole warrant exercisable for a period of 12 months at \$0.60 per share. The flow through shares and warrants are subject to a four month hold period, expiring on May 1, 2005.

Subsequent to the second quarter, on February 4, 2005 the Company announced that its election to participate in the third year of the Raglan Option agreement due February 15, 2005, between Cascadia and Novawest Resources Inc. has been deferred by Cascadia. Cascadia was not in a position to make its election at that time due to default conditions on the part of Novawest on a number of requirements of the Option Agreement.

Under the Option Agreement, Novawest is responsible for all expenditures exceeding 20% of the annual budget as set by the Management Committee. Therefore, Cascadia has demanded that Novawest refund Cascadia \$132,985 immediately and review with Cascadia an additional \$108,176 in expenditures for which Cascadia also demands repayment from Novawest. In addition, Cascadia has advised Novawest that a Joint Operating Agreement remains to be signed by Novawest as prescribed by the Option Agreement. Furthermore, several mining claims appeared to have been lost by Novawest without explanation or remedy. Also, Cascadia is currently conducting an audit of the

first two years' expenditure on Raglan by Novawest. Cascadia has also requested a response from Novawest to queries with respect to the implementation of the 2004 exploration season as planned by the Management Committee. In addition, Cascadia is also mystified by the outstanding invoices totaling \$58,123 mentioned in Novawest's press release dated February 25, 2005 as a review of Cascadia's documents fail to reveal any invoice or prior notification of these amounts by Novawest to Cascadia.

On March 3, 2005 the Company announced that it has made an offer to Novawest Resources Inc. to purchase its interest in the original Raglan property assemblage, the True North property and the Thunder property, all of which are located in Quebec. The offer has been presented to the Board of Directors of Novawest and its President for consideration. Cascadia has offered to purchase the properties for a purchase price of \$4,000,000 to be payable by the issuance of 10,000,000 common shares of Cascadia from treasury with a deemed value of \$0.40 per share. The closing price of the common shares of Cascadia on TSX Venture on March 2, 2005 was \$0.29 per share. A condition of the offer is that the Cascadia Shares be distributed to the shareholders of Novawest on a pro rata basis as a dividend or a return of capital. Novawest's book value for the assets of the Raglan property is less than \$2 million based on publicly filed statements. The offer is open to acceptance until April 16, 2005 and is subject to the receipt of all necessary regulatory approval and the completion of due diligence by Cascadia. Cascadia's management believes that the current impasse between Cascadia and NovaWest over the terms of the option agreement is not in the best interest of either group of shareholders. The offer to Novawest gives the shareholders of both companies the opportunity to have an effective 2005 exploration program in Raglan, Quebec and allows Novawest shareholders to continue to participate in the Raglan through its ownership of Cascadia shares.

Outlook

The Norton area is the current focus for Cascadia. If drilling results can prove-up a 5.0 million tonne plus deposit, then the Company plans to take it to production.

Cascadia continues to have a high degree of confidence in the Raglan exploration play and it is Cascadia's intention, at this time, to have a 2005 exploration program in place in time for a summer project. Cascadia currently owns 25% of the original Raglan assemblage, 35% of the True North block, and 50% of the Thunder Block.

Forward-Looking Statements

This Management's Discussion and Analysis of financial condition and operating results contains forward-looking statements concerning the future prospects of

the Company's exploration, development and production. Forward-looking statements include statements of plans, objectives, strategies and expectations. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

The Company considers the assumptions on which these forward-looking statements are based to be reasonable, but caution the reader that these assumptions regarding future events, many of which are beyond our control, may ultimately prove to be incorrect since they are subject to risks and uncertainties that affect us. There are a number of factors which could cause results or events to differ from current expectations including, among other matters: commodity prices for oil and gas; changes in the cost of exploration and other operating expenses to support future growth; competitive factors; general economic conditions; and the success in finding, drilling and completing oil and gas wells. For additional information with respect to risks and uncertainties which could affect the company's business and operations, reference should be made to the 2004 Annual MD&A and to the Company's continuous disclosure materials filed with Canadian securities regulatory authorities. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.