



Financial Statements

Third Quarter Ended - April 30, 2005

(Unaudited – Prepared by Management)

To the Shareholders:

Cascadia International Resources Inc.

Management has the responsibility for preparing the accompanying interim financial statements. This responsibility includes selecting appropriate accounting principles and making objective judgments and estimates in accordance with Canadian generally accepted accounting principles.

In discharging its responsibilities for the integrity and fairness of the interim financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets safeguarded and proper records maintained.

The Board of Director has appointed an Audit Committee, consisting primarily of Directors who are neither employees nor officers of the Company. The Audit Committee is appointed by the Board to review the interim financial statements in detail with management and to report to the Board prior to their approval of the interim financial statements for publication.

External auditors have not been appointed by management to audit or review the interim financial statements.

“signed”

Jim Evaskevich

“signed”

John Aihoshi

Cascadia International Resources Inc.
Balance Sheet

	<i>April</i> <i>2005</i> <i>(Unaudited)</i>	<i>July</i> <i>2004</i> <i>(audited)</i>
Assets		
Current		
Cash	182,045	394,208
Accounts receivable	173,655	20,845
	355,700	415,053
Property and equipment <i>(Note 3)</i>	48,098	51,128
Mineral properties <i>(Note 4)</i>	8,540,541	7,237,198
	8,944,339	7,703,379
Liabilities		
Current		
Accounts payable and accruals	805,592	319,624
Future income tax liability	2,236,004	1,798,168
	3,041,596	2,117,792
Shareholders' Equity		
Share capital <i>(Note 5)</i>	9,104,565	8,277,645
Contributed surplus	1,028,542	957,588
Deficit	(4,230,364)	(3,649,646)
	5,902,743	5,585,587
	8,944,339	7,703,379

Approved on behalf of the Board:

"signed" Director
Jim Evaskevich

"signed" Director
Gordon Bowerman

Cascadia International Resources Inc.
Statement of Net Loss and Deficit
(unaudited)

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>April 30,</i>		<i>April 30,</i>	
	<i>2005</i>	<i>2004</i>	<i>2005</i>	<i>2004</i>
Interest income	1,828	10,201	3,914	12,310
Expenses				
Bank Charges	86	46	3,540	552
Depreciation	4,364	1,886	11,999	5,156
General corporate	22,264	3,101	64,707	31,708
Investors and shareholder relations	80,679	83,610	109,190	131,656
Professional fees	66,201	29,167	308,363	171,375
Transfer agent and regulatory fees	6,740	5,454	12,359	18,397
Travel and promotion	2,499	5,296	3,520	28,311
	182,833	128,560	513,678	387,155
Net loss from operations	(181,005)	(118,359)	(509,764)	(374,845)
Non-cash stock-based compensation	-	158,000	70,954	158,000
Net loss	(181,005)	(276,359)	(580,718)	(532,845)
Deficit, beginning of period	(4,049,359)	(2,709,558)	(3,649,646)	(2,453,072)
Deficit, end of period	(4,230,364)	(2,985,917)	(4,230,364)	(2,985,917)

Cascadia International Resources Inc.
Statement of Cash Flows
(Unaudited)

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>April 30,</i>		<i>April 30,</i>	
	<i>2005</i>	<i>2004</i>	<i>2005</i>	<i>2004</i>
Cash provided by (used for) the following activities				
Operating				
Net loss	(181,005)	(276,359)	(514,427)	(532,845)
Depreciation	4,364	1,886	11,999	5,156
Non-cash stock-based compensation	-	158,000	70,954	158,000
Changes in working capital				
Accounts receivable	(113,794)	11,177	(152,810)	(24,819)
Marketable securities	-	-	-	300,000
Prepaid expenses and deposits	-	73,145	-	-
Accounts payable	522,886	(10,842)	419,676	(52,020)
	232,451	(42,993)	(164,608)	(146,528)
Financing				
Issue of shares, net of share issuance costs	9,000	379,265	1,264,757	3,823,788
Investing				
Mineral property and equipment purchases	(749,955)	(3,202,892)	(1,312,312)	(3,693,253)
Increase (decrease) in cash	(508,504)	(2,866,620)	(212,163)	(15,993)
Cash, beginning of period	690,549	3,247,318	394,208	396,691
Cash, end of period	182,045	380,698	182,045	380,698

Cascadia International Resources Inc.

Notes to the Financial Statements

*For the nine months ended April 30, 2005
(Unaudited)*

1. Incorporation, nature and continuance of operations

Cascadia International Resources Inc. (“the Company”) was incorporated under the laws of the Province of British Columbia as Craven Resources Inc. on July 18, 1983 and changed its name to Cascadia International Resources Inc. on April 7, 1997. The Company is involved in the acquisition and exploration of mineral properties in Canada.

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

The Company has a history of losses and an accumulated deficit of \$4,230,364. The ability of the Company to continue operating as a going concern is dependent upon, among other things, its ability to attain profitable operations and generate funds therefrom and to continue to obtain capital financing from investors sufficient to meet current and future obligations.

2. Accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The accounting policies followed in preparing these financial statements are those used by the Company as set out in the audited financial statements for the year ended July 31, 2004. Certain information and note disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles are not included. These interim financial statements should be read together with the Company’s audited financial statements for the year ended July 31, 2004.

3. Property and equipment

	<i>Cost</i>	<i>Accumulated Depreciation</i>	<i>April 2005 Net Book Value</i>	<i>July 2004 Net Book Value</i>
Computer equipment	39,486	11,151	28,335	25,940
Leasehold improvements	19,771	7,414	12,357	16,476
Office equipment	9,680	2,275	7,405	8,712
	68,937	20,840	48,097	51,128

4. Mineral properties

	<i>Cost</i>	<i>Accumulated Depletion</i>	<i>April 2005 Net Book Value</i>	<i>July 2004 Net Book Value</i>
Raglan – deferred exploration payments	6,846,295	-	6,846,295	6,458,177
Raglan – Thundermin acquisition	88,65	-	88,651	88,651
Raglan – True North properties	76,39	-	76,398	-
McGarry – deferred exploration payments	54,99	-	54,993	54,993
Norton Lake – deferred exploration payments	1,108,132	-	1,108,132	173,864
Attwood & Ficht Lake – deferred exploration payments	195,804	-	195,804	461,513
Midway – deferred exploration payments	70,37	-	70,374	-
Havoc – deferred exploration payments	99,89	-	99,894	-
	8,540,541	-	8,540,541	7,237,198

During the quarter, mineral property expenditures and acquisitions totaled \$742,679 (2004 - \$3,469,540).

Cascadia International Resources Inc.
Notes to the Financial Statements

For the nine months ended April 30, 2005
(Unaudited)

4. Mineral properties *(continued from previous page)*

a) Raglan, Ungava Bay Properties in Quebec, Canada

During 2003, the Company entered into an Option Agreement (“Agreement”) with NovaWest Resources Inc. (“Novawest”) of Vancouver, Canada, whereby the Company may earn a 50% interest in the NovaWest’s 660 sq. km. (161,500 acre) Raglan Ni-Cu-PGM-Co Assemblage situated in northern Quebec. (the “Raglan Claims”).

Under the Agreement, the Company may earn its 50% interest in the Raglan Claims by paying Novawest \$300,000 in cash and 1,500,000 in common shares of the Company over a three-year term as follows:

Cash payment schedule:

- i) \$50,000 upon execution of the Agreement;
- ii) \$100,000 on or before February 15, 2004; and
- iii) \$150,000 on or before February 15, 2005.

Share payment schedule:

- i) 250,000 shares upon execution of the Agreement;
- ii) 500,000 shares on or before February 15, 2004; and
- iii) 750,000 shares on or before February 15, 2005.

Associated with the completion of the share and cash payments and exploration expenditure advances under the Agreement, the Company will be required to pay a finder’s fee, payable as common shares of the Company, in year two and three of the Agreement. This finder’s fee is calculated as a percentage of the required exploration commitment and the market value of the common share payment based on the common share closing prices at April 30, 2004 and April 30, 2005. The accrual for the finder’s fee for the current year is \$117,000.

The Company has committed to exploration expenditures of \$3.2 million in year one and \$4.3 million in year two, however has deferred its commitment for year three. Cascadia was not in a position to make its election to participate in year three due to default conditions on the part of Novawest on a number of requirements of the Option Agreement. The Company’s interest will vest 25% after meeting the first and second year’s combined commitments and a further 25% after meeting the third year’s commitments.

As part of an agreement for the Company to arrange a private placement for Novawest, the Company’s exploration commitment for year one was reduced by \$1.0 million. The year two commitment of \$4.3 million was reduced by \$857,500 due to the exercise of warrants associated with the private placement.

Under the Agreement, Novawest will be the Operator. A Management Committee has been formed which is made up of five individuals, two from Novawest, two from the Company, and one independent.

Expenses, such as advance royalties, claim renewal fees, etc. incurred to maintain the 660 sq. km. (161,500 acre) Raglan Claims will be shared equally by both the companies. An agreed area of influence will cover the entire Cape Smith/Raglan Belt extending from Ungava Bay to the east and Hudson Bay to the west. The Company has been provided with the right to accelerate its earn-in, at its discretion, any time within the first two years, as well as an additional acceleration provision whereby the Company may accelerate its 50% earn-in immediately upon paying Novawest all unpaid cash, stock and exploration commitments. This second provision is intended to cover the Company should a third party wish to simultaneously buy-out the interests of both parties.

b) Thunder Project, Raglan, Ungava Bay Property in Quebec, Canada

During 2003, the Company and Novawest acquired a 100% interest in the 35-claim Thunder Project situated on the “Main” Raglan Trend just north-northeast of the present Raglan Claims.

The Company’s consideration is comprised of \$25,000 cash and 129,900 common shares at a price of \$0.49 per share for a total of \$63,652 (Note 6). The common share consideration was accrued in accounts payable and accruals in the prior year.

4. Mineral properties *(continued from previous page)*

c) McGarry Township Property, Kirkland Lake, Ontario, Canada

The Company and Consolidated PPM Development Corp. ("CPM") have an option agreement pertaining to the 16 mining claims located in McGarry Township ("the Property") east of Kirkland Lake, Ontario. Under the terms of the option agreement, the Company has agreed to spend not less than \$500,000 on the Property over a period of forty-eight months. CPM completed the Phase 1 drilling program in 2001 and the Company resumed the Phase 2 drilling program and spent \$4,857 during the year. The minimum expenditure requirement for the Phase 2 drilling program is \$50,000. This project may be abandoned in 2005 once the Company completes its evaluation.

d) Norton Lake Property, Thunder Bay, Ontario

In October 2003, the Company optioned a 164 and 152 claim unit group in the Norton Lake area, Thunder Bay from East West Resource Corp. ("East West") and Canadian Golden Dragon Resources Ltd. Under the terms of the option agreement, the Company has agreed to spend a minimum of \$150,000 on drilling within 12 months of the agreement. During the year, the Company spent \$173,864 thereby exceeding this requirement. The Company may earn the following interests in both claims groups:

- 51% by spending \$1.5 million by November 1, 2010;
- 60% by completing a feasibility study to the standards of the Toronto Stock Exchange ("TSX") by November 1, 2011;
- 70% by financing the property to production.

Option payments are to be made in stages, totaling \$125,000 over 7 years commencing November 1, 2004. An option payment of \$25,000 was paid upon the signing of the agreement.

e) Attwood & Ficht Lake Property, Armstrong, Ontario

In October 2003, the Company optioned a 290 claim unit property located 60 miles north of Armstrong, Ontario that covers 10 miles (16 km) of a greenstone belt containing numerous copper nickel-cobalt showings. The property is presently held 100% by East West subject to a 3% NSR to the original prospector vendors. Under the terms of the option agreement, the Company has agreed to spend a minimum of \$100,000 drilling in the winter. During the year, the Company spent \$461,513 thereby exceeding this requirement. The Company may earn the following interests in both groups:

- 51% by spending \$1.0 million by November 1, 2010;
- 60% by completing a feasibility study to the standards of the TSX by November 1, 2011;
- 70% by financing the property to production.

Option payments to East West are to be made in stages, totaling \$95,000 over 7 years. Payments to the underlying vendor, are to be made in stages, totaling \$90,000 over 4 years. During the year, \$30,000 was paid under these arrangements. After reviewing the data obtained during 2004, this property was returned to the vendors and all expenditures that were incurred were transferred to the Norton Earning Agreement.

4. Mineral properties *(continued from previous page)*

f) True North Project, Ungava Bay Properties in Quebec, Canada

In April 2004, the Company acquired a 35% interest in the 30,774 acre True North Project on the north Raglan Trend in partnership with NovaWest Resources Inc. (35% interest). The acquisition of the True North property from Minera Capital is on condition of spending a minimum of \$440,000 over 3 years split 50/50 between Cascadia and NovaWest Resources Inc. As at October 31, 2004, no expenditures have been incurred on this property.

g) Midway Project, Thunder Bay, Ontario, Canada

An airborne EM survey was flown over the entire property which traced a number of basement conductors and the westward extent of conductors that occur on the adjoining Havoc claim group. These conductors form the primary uranium exploration targets that will determine future lease acquisitions. Cascadia intends to participate in this area with 100% ownership.

h) Havoc Project, English Bay, Ontario, Canada

During February 2005, the Company entered into an option agreement to earn an interest in this property by carrying out the following exploration work and option payments. It is understood that this agreement is only an option and the optionee may abandon all or part of the property subject to the terms and conditions set out in the agreement. The Company plans to perform a minimum work program of 1,100m of diamond drilling within 12 months of this agreement and spend a total of \$0.75 million by February 22, 2011 to earn a 51% in all or part of the two claim groups within this area. The optionee may earn a 60% interest in the property by completing a feasibility study to the standards of the TSE (TSX) by February 22, 2012 and may earn a 70% interest by financing the property to production. The optionee will be the operator of the work program. The optionee will keep the claims in good standing and may return all or part of the property at any time with the claims in good standing for 90 days from the time of abandonment. The optionee will provide the optionor copies of all technical reports on work done on the property upon completion of each phase of work and will file all work for assessment credit on the claims with the Ontario Mining Recorder and Assessment office in Sudbury, Ontario. The optionee will comply with regulations of the governing securities authorities in releasing data and will provide the optionor a copy of any proposed news releases 24 hours prior to any release. Parties will enter into a JOA for the property. Option Payments are as follows:

\$ 12,500	February 22, 2006
<u>\$ 12,500</u>	November 1, 2010
<u>\$ 25,000</u>	Total

Cascadia International Resources Inc.

Notes to the Financial Statements

For the nine months ended April 30, 2005

(Unaudited)

5. Share capital

Authorized

Unlimited number of common shares, without nominal or par value
 Unlimited number of non-voting common shares, without nominal or par value
 Unlimited number of preferred shares, without nominal or par value

Issued

Common shares	Number	Value
<hr/>		
<i>Balance ending, July 31, 2003</i>	21,045,387	4,790,159
Flow through shares private placement (i)	4,000,000	2,000,000
Flow through shares private placement (ii)	1,000,000	500,000
Private placement (iii)	833,334	500,000
Warrants exercised	7,555,000	1,654,500
Options exercised	180,000	54,000
Thundermin payment (<i>Note 4b</i>)	129,900	63,653
Raglan Claims option agreement – 2 nd payment (<i>Note 4a</i>)	500,000	270,000
Agent’s commission shares (i)	160,000	80,000
Share issue costs	-	(228,930)
Share issue costs – agent’s commission options	-	(311,575)
Effect of future income taxes on share issue costs	-	144,345
Effect of future income taxes on flow-through expenditures	-	(1,238,507)
<hr/>		
<i>Balance ending, July 31, 2004</i>	35,403,621	8,277,645
Private placement (iv)	3,262,500	1,305,000
Warrants exercised	100,000	10,000
Share issue costs	-	(50,243)
Effect of future income taxes on flow-through expenditures	-	(451,530)
Effect of future income taxes on share issue costs	-	13,693
<hr/>		
<i>Balance ending, April 30, 2005</i>	38,766,121	9,104,565

Cascadia International Resources Inc.

Notes to the Financial Statements

For the nine months ended April 30, 2005

(Unaudited)

5. Share capital *(continued from previous page)*

(i) On September 19, 2003 the Company completed a private placement of 4,000,000 units at a price of \$0.50 per unit for gross proceeds of \$2,000,000 through its agent, First Associates, pursuant to a short-form offering document. Each unit consisted of one common share, issued on a “flow-through” basis under the *Income Tax Act* (Canada) and one share purchase warrant. Each share purchase warrant entitles the holder to acquire one additional common share at a price of \$0.60 per share until September 2005. The Agent received 600,000 unit options at \$0.50 per unit, and commissions of \$80,000 cash and 160,000 common shares valued at \$80,000. The proceeds will be used to incur eligible Canadian Exploration Expenses at Norton and Lindsay Bay in Northern Ontario.

(ii) On December 23, 2003 the Company completed a private placement of 1,000,000 units at a price of \$0.50 per unit for gross proceeds of \$500,000. Each unit consisted of one common share to be issued on a “flow-through” basis under the *Income Tax Act* (Canada) and one common share purchase warrant. Each share purchase warrant entitles the holder to acquire one additional common share at a price of \$0.60 per share until December 2005. The proceeds will be used to incur eligible Canadian Exploration Expenses at Norton and Lindsay Bay in Northern Ontario.

(iii) On June 21, 2004, the Company completed a private placement with SIDEX of 833,334 shares at \$0.60 per unit for gross proceeds of \$500,000. Each unit will consist of one common share and one share purchase warrant. Each share purchase warrant entitles SIDEX to acquire one additional common share at a price of \$0.75 per share until June 2006.

(iv) 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.

Stock options

The Company has a stock option plan under which the Board of Directors may grant options to directors, officers, other employees and key consultants. The purpose of the plan is to advance the interests of the Company by encouraging these individuals to acquire shares in the Company and thereby remain associated with, and seek to maximize the value of the Company. The options expire not more than five years from the date of grant, or earlier if the individual ceases to be associated with the Company.

	<i>Number of Options</i>	<i>Price Range (\$)</i>	<i>Weighted Average Price (\$)</i>	<i>Expiry Date</i>
Balance ending, July 31, 2003	2,069,538	0.30	0.30	2008
Issued	1,573,000	0.50 – 0.59	0.54	2008
Exercised	(180,000)	0.30	0.30	2008
Balance ending, July 31, 2004	3,462,538	0.30 – 0.50	0.34	2008
Issued	407,000	0.29 – 0.40	0.38	2008
Cancelled	(100,000)	0.59	0.59	2008
Balance ending, April 30, 2005	3,769,538	0.29 – 0.59	0.40	2008

Cascadia International Resources Inc.
Notes to the Financial Statements

*For the nine months ended April 30, 2005
(Unaudited)*

5. Share capital *(continued from previous page)*

Agent options

The Company also has a stock option plan under which the Board of Directors may grant options to agents of the Company.

	<i>Number of Options</i>	<i>Price Range (\$)</i>	<i>Weighted Average Price (\$)</i>	<i>Expiry Date</i>
Balance ending July 31, 2002	-	-	-	-
Issued	1,200,000	0.30	0.30	2008
Balance ending, July 31, 2003	1,200,000	0.30	0.30	2008
Issued	600,000	0.50	0.50	2008
Balance ending, July 31, 2004 & April 30, 2005	1,800,000	0.30 – 0.50	0.36	2008

The 1,800,000 agent options outstanding have an estimated fair value of \$311,576, recognized as an increase to share issue costs. The fair value of these options granted was estimated at the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk free interest rate (%)	4.50%
Expected volatility (%)	100.00%
Expected life (years)	1 to 2

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options.

Warrants

In relation to private placements, the Company has the following warrants outstanding:

	<i>Number of Warrants</i>	<i>Price Range(\$)</i>	<i>Weighted Average Price (\$)</i>	<i>Expiry Date</i>
Balance ending, July 31, 2003	13,750,000	0.10 – 0.40	0.26	2004 – 2005
Issued	6,593,334	0.60 – 0.75	0.62	2005 – 2006
Exercised	(7,555,000)	0.10 – 0.40	0.22	
Balance ending, July 31, 2004	12,788,334	0.10 – 0.75	0.51	2004 – 2006
Issued	1,631,250	0.60	0.60	2006
Exercised	(100,000)	0.10	0.10	
Balance ending, April 30, 2005	14,319,584	0.10 – 0.75	0.52	2004 – 2006

6. Stock-Based compensation

The Company accounts for stock options granted to directors, officers, employees and consultants using the “fair value method”, whereby compensation is recorded equal to the fair value of the option granted over the term of vesting. During the fiscal year ended July 31, 2004, 1,573,000 options with an estimated fair value of \$646,012 were granted. The fair value of options granted during 2004 was estimated at the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk free interest rate (%)	4.50%
Expected volatility (%)	100.00%
Expected life (years)	1 to 2

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company’s stock options.

7. Per share amounts

Basic loss per share is calculated using the weighted average number of shares outstanding for the period. For purposes of the calculation, the weighted average number of shares outstanding was 36,869,555 (April 30, 2004 – 27,447,469).

Diluted per common share amounts have not been presented, as any effect is antidilutive.

8. Financial instruments

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 April 14, 2005 the Company 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. The terms include repayment in full upon the earlier of an equity issue, sub debt placement, refinancing, or August 31, 2005.

The Company, as part of its operations, carries a number of financial instruments. It is management's opinion that the Company is not exposed to significant interest, credit or currency risks arising from these financial instruments.

Fair value of financial instruments

The fair value of cash, accounts receivable, accounts payable and accruals approximates their carrying value due to the short-term maturities of these financial instruments.

Cascadia International Resources Inc.
Notes to the Financial Statements

For the nine months ended April 30, 2005
(Unaudited)

9. Related party transactions

During the third quarter, the Company had transactions with Yangarra Resources Inc. (“Yangarra”) totaling \$153,465. Of this total amount, \$95,693 was recorded in accounts receivable with an offset of \$57,772 in accounts payable. 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 \$83,209 with companies controlled by certain of the Company’s officers and directors.

An aggregate of \$16,203 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.

10. Subsequent events

On June 2, 2005 the Company announced its intention to complete a private placement of a minimum of 2,000,000 units and up to a maximum of 4,000,000 units, at \$0.25 per unit. Each unit will be comprised of one common share of the Corporation issued on a flow-through basis under the *Income Tax Act* (Canada) and one common share purchase warrant with each whole warrant exercisable into a flow-through anytime up to December 15, 2006 at \$0.40 per share. Cascadia may pay registered dealers a commission of up to 6 % of the proceeds from the offering. The offering is subject to approval by the TSX Venture Exchange Inc. Management and directors have committed to purchase up to 1,000,000 units of the private placement. The proceeds from the offering will be used to incur eligible Canadian Exploration and Development Expenses.