



MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended July 31, 2005

The following discussion and analysis has been prepared on October 14, 2005 by management and should be read in conjunction with the audited consolidated financial statements for the year ended July 31, 2005 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.

Overall Performance

The geographic locations of the Raglan (northern Quebec) and Norton (northern Ontario) projects are ideal to focus the efforts of our exploration staff, as the weather permits only mid-summer exploration in the Raglan while the Ontario projects allow for year round exploration. The Company has a fiscal year-end of July 31st; therefore, the 1st quarter exploration concentrated primarily on the Raglan while the remaining quarters targeted the exploration in Ontario.

Northern Quebec Properties - The Raglan Assemblage

During the past two years, the 3rd quarter activities also include the planning of logistical requirements and financial disbursements that were crucial to the success of the summer Raglan exploration. Due to default conditions on the part of Novawest on a number of requirements of the Option Agreement, Cascadia elected to defer its participation in the third year of the Raglan project and \$4.3 million option payment that was due in its entirety by April 15, 2005. Pursuant to a press release dated February 24, 2005 Novawest Resources Inc. announced that it had commenced Arbitration proceedings with regard to these disputes with Cascadia as provided for in the Option Agreement. As at October 6, 2005 the arbitrator has issued a partial award, whereby Cascadia and Novawest have mutually agreed upon the following:

- 1) The Option Agreement dated April 10/2003 is terminated as of February 16/2005.
- 2) Cascadia is the owner of an undivided 25% interest in the remaining original Raglan Assemblage.
- 3) Cascadia is the owner of an undivided 50% interest in the Thunder Claim.

- 4) Novawest shall promptly execute and deliver to Cascadia documents transferring the above interests to Cascadia, at Cascadia's cost, except for the sum of \$600 payable by Novawest to the province of Quebec.
- 5) Cascadia's application for a declaration that a joint venture exists between Cascadia and Novawest is dismissed.
- 6) There are no continuing rights, obligations or duties whatsoever arising from any fiduciary relationship, any joint venture relationship, or any contract or any agreement between Novawest and Cascadia, including without limitation, any option rights, rights of first refusal, area of influence obligations, or joint venture obligations.
- 7) Nothing in the Partial Award shall be construed to prejudice the rights or position of either Cascadia or Novawest with respect to the True North property and the Option Agreement between Novawest and Minera Capital Corporation dated for reference March 26, 2004.
- 8) Nothing in the Partial Award shall be construed to prejudice any claim or alleged claim of either Cascadia or Novawest arising prior to the termination of the Option Agreement as of February 16, 2005 for a monetary award, or with respect to the Government of Quebec Incentive programs or for any claim for damages or debt for any breach or alleged breach of the Cascadia Option Agreement committed prior to February 16, 2005.
- 9) Cascadia has irrevocably elected not to seek specific performance of the Cascadia Option Agreement, including without limitation section 10.1 of the Cascadia Option Agreement. Nothing in the Partial Award shall prejudice in any manner whatsoever Cascadia's ability to claim damages for any alleged breach by Novawest of the Cascadia Option Agreement prior to February 16, 2005, including a breach of the alleged obligation to enter into an industry standard operator's agreement as referred to in section 10.1 of the Cascadia Option Agreement and including any argument that Cascadia may make on the measure of damages based on events that post-date February 16, 2005, nor shall anything herein prejudice in any manner whatsoever Novawest's ability to defend any such claims by Cascadia
- 10) The issue of costs was adjourned.

Northern Ontario Properties - Norton Lake, Midway and Havoc

In February 2005, exploration commenced in Norton with seven holes aimed at identifying the extent of the existing massive sulphide deposit. By the end of April 2005, assay results from these holes confirmed that the zone extended to the 400 m elevation, where it is open to depth and along strike. Nickel grades encountered were as high as 2.02%, and new down-hole data suggests that the zone extends west into an untested area beneath the original deposit. Assays from hole number NL05-14 also had the highest PGE value seen to date of 10.7 grams Platinum and Palladium over one meter. The Company has retained CCIC Ltd. in Sudbury, Ontario to conduct a Form 43-101 compliant Resource Report for the Norton Lake Project. These reports are expected to be completed by the end of November 2005. Cascadia has earned a 51% working interest (subject to a 2% NSR) in the property by spending \$1.5 M on the project. Cascadia is the operator of the project with EastWest Resources Corporation and Canadian Golden Dragon owning the remainder of the working interest.

The company acquired two new areas near Thunder Bay, Ontario - Midway and Havoc. An airborne EM survey was flown over these properties covering the Sibley Sediments and the

Sturgeon Greenstone belt. These areas will be the focus of a future uranium / VMS exploration program.

Financial Information

	Three Months Ended July 31,			Twelve Months Ended July 31,		
	2005	2004	%	2005	2004	%
	- \$ -	- \$ -	Change	- \$ -	- \$ -	Change
Interest income	732	3,877	0%	4,646	16,187	-71%
Expenses:						
Bank charges	1,308	269	386%	4,848	821	490%
Depreciation	4,191	3,685		16,190	8,841	83%
General corporate	17,715	54,580	-68%	82,422	86,288	-4%
Interest expense	2,668	-	0%	2,668	-	0%
Investors & shareholders	30,719	36,902	-17%	139,909	168,558	-17%
Professional fees	70,318	160,125	-56%	378,681	331,500	14%
Transfer agent & regulatory fees	1,478	1,227	20%	13,837	19,624	-29%
Travel and promotion	926	(11,700)	-108%	4,446	16,611	-73%
Total expenses	129,323	245,088	-47%	643,001	632,243	2%
Loss from operations	(128,591)	(241,211)	-47%	(638,355)	(616,056)	4%
Loss from operations per share	(0.003)	(0.038)	-91%	(0.017)	(0.097)	-83%
Cash flow	(124,400)	(237,526)	-48%	(622,165)	(607,215)	2%
Write-down of mining property	54,993		0%	54,993	-	0%
Non-cash stock-based compensation	-	488,012	-100%	70,954	646,012	-89%
Future income tax recovery	(49,480)	(65,494)	-24%	(49,480)	(65,494)	-24%
Net loss	(134,104)	(663,729)	-80%	(714,822)	(1,196,574)	-40%
Net loss per share	(0.004)	(0.105)	-97%	(0.019)	(0.189)	-90%
Basic - weighted average	37,425,659	29,095,468	29%	37,425,659	29,905,468	29%
Fully diluted	57,692,243	36,864,925	56%	57,692,243	36,864,925	56%

Exploration expenditures during the fiscal year ended July 31, 2005 declined by 63% to \$1.7 million compared to the \$4.7 million spent in 2004 due primarily to the Company's election to defer participation in the 2005 Raglan program. The loss incurred for the year was \$714,822, a 40% change from the \$1,196,574 loss in 2004. Last year stock options were granted giving rise to a Black-Scholes non-cash expense of \$646,012, which accounted for the main difference between the losses of each year. As at July 31, 2005 the working capital deficit was \$230,158 compared to the surplus of \$95,429 the year before. On April 14, 2005, the Company accepted the terms and conditions for a line of credit offered by the National Bank of Canada for \$500,000. To continue exploration at Norton, a flow-through share financing was completed July 22, 2005 for net proceeds of \$791,500 consisting of 3.2 million privately placed units at \$0.25. Even as nickel prices climb past

\$7.25 US /lb, market interest in base metals continues to lag. Cascadia share price closed at \$0.22 per share on July 31, 2005 down 53% from \$0.47 per share on July 31, 2004.

Selected Annual Information

	July 31, 2005	July 31, 2004	July 31, 2003
Interest income	4,646	16,187	6,262
Total expenses	643,001	632,243	215,869
Loss from operations	(638,355)	(616,056)	(209,607)
Loss from operations per share	(0.017)	(0.097)	(0.033)
Net loss	(714,822)	(1,196,574)	(209,607)
Net loss per share	(0.019)	(0.189)	(0.033)
Total assets	9,328,242	7,703,379	3,242,430
Total liabilities	3,024,233	2,117,792	905,343

Annual Capital Expenditures on Mineral Properties

Annual capital expenditures by property for the past three years are summarized in the table below.

For The Year Ended	July 31, 2005	July 31, 2004	July 31, 2003
Raglan	426,773	4,062,302	2,395,875
Raglan Thundermin properties	-	-	88,651
Raglan – True North properties	76,396	-	-
McGarry	-	4,857	50,136
Norton Lake	1,328,306	173,864	-
Linsey Bay	(265,709)	461,513	-
Midway	74,704	-	-
Havoc	99,895	-	-
Total Resource Assets	1,740,365	4,702,536	2,534,662

Results of Operations - fourth quarter

Investment income for the three months ended July 31, 2005 was \$732 compared to \$3,877 recorded for the same quarter in 2004. General and administrative expenses were \$125,132 for the quarter this year compared to \$241,403 for the quarter last year. The primary reason for the lower cost was directly attributable to the election to not participate in the Raglan properties during this past year, which resulted in significantly lower consulting fees compared to the fourth quarter of 2004. The fourth quarter loss of \$134,104 in 2005 has decreased by 80% when compared to the loss of \$663,729 for the same quarter in 2004. Since changes in revenues are insignificant, the main factor for the

lower loss in this quarter is the reduction of expenses. Higher consulting expenses and the granting of stock options in the fourth quarter 2004 were the main reasons for the difference between the corresponding quarters.

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:

	1st Quarter Oct 2003	2nd Quarter Jan 2004	3rd Quarter Apr 2004	4th Quarter Jul 2004
Revenues	\$ 2,109	-	\$ 10,201	\$ 3,877
Net loss	(105,004)	(151,482)	(276,359)	(663,729)
Net loss per share	(0.004)	(0.006)	(0.01)	(0.02)

	1st Quarter Oct 2004	2nd Quarter Jan 2005	3rd Quarter Apr 2005	4th Quarter Jul 2005
Revenues	\$ 1,179	\$ 907	\$ 1,828	\$ 732
Net loss	(83,779)	(315,934)	(181,005)	(134,104)
Net loss per share	(0.002)	(0.009)	(0.005)	(0.004)

Related party transactions

During the year, the Company had transactions with Yangarra Resources Inc. ("Yangarra") of \$117,725 (2004 - \$144,628) for rent, office services and for its share of leasehold improvements and office equipment. At year-end, included in accounts payable and accruals are \$19,964 (2004 - \$86,517) relating to transactions with Yangarra. 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 \$107,768 (2004 - \$61,070) with companies controlled by certain of the Company's officers and directors. Of this amount, \$29,141 (2004 - \$4,135) is in accounts payable and accruals at year-end.

An aggregate of \$29,141 (2004 - \$2,268) currently in accounts payable will be paid to Burstall Winger LLP for legal fees and disbursements. A director of the Company is a partner of Burstall Winger LLP. Legal fees to Burstall Winger were \$44,809 (2004 - \$52,247).

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 July 31, 2005 the Company had a working capital deficit of \$230,158 compared to a working capital surplus of \$95,429 at July 31, 2004. While in the “grassroots” exploration phase, the Company does not generate cash flow from a mining operation. To fund on-going operations the following financings were completed:

- 1) 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 were subject to a four month hold period, which expired on May 1, 2005.
- 2) On August 12, 2005 the Company completed the second closing of a private placement of units with the sale of 520,000 units at \$0.25 per unit for gross proceeds of \$130,000. After completion of the two closings, an aggregate of 3,166,000 Units were issued at \$0.25 per unit for aggregate gross proceeds of \$791,500. Each unit consisted of one common share of the Corporation issued on a “flow-through” basis and one nontransferable common share purchase warrant. Each Warrant is exercisable into a flow through share on or before December 15, 2006 at \$0.40 per flow through share. The flows through shares are subject to a four month hold period from the respective closing dates.

On July 26, 2005 the Company renewed 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 December 31, 2005.

Share Capital

As of July 31, 2005 there were 41,932,121 basic common shares issued and outstanding; 11,390,584 warrants exercisable into common shares; and agent and stock options to acquire an aggregate of 4,369,538 common shares outstanding.

Outlook

The Norton Lake area remains the principal focus of Cascadia’s exploration program. A Resource Calculation has been commissioned with CCIC of Sudbury, Ontario performing the 43-101 compliant report expected November 30, 2005. Upon completion of the Resource Calculation, Cascadia will determine the follow up exploration program required to position the property for commercial production. The Gabbro host rock has been followed for 10 kilometers along strike and will be further explored to determine whether there are more lenses to be discovered.

Prospecting and Geological mapping are scheduled for Midway and Havoc for late 2005. These prospective properties have Uranium potential as well as Base metal/PGM possibilities. Once the prospecting is complete the information will be integrated with the airborne data to determine a drill program for 2006.

A dispute with our Raglan partner, Novawest Resources Inc., is currently being arbitrated. The proposed schedule indicates that the issues should be resolved prior to the 2006 exploration season in Raglan. The relative merits of both Cascadia and Novawest's arguments remain to be determined by the arbitrator; however, the financial downside risk to Cascadia is relatively minor when compared to Novawest's much greater downside financial risk. Cascadia has commissioned Geovector of Ottawa, Ontario to prepare a 2006 exploration program. That process is complete, with further progress awaiting the arbitration outcome.

Risks and Uncertainties

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks and uncertainties, including but not limited to, environmental, metal prices, political and economical. The industry is capital intensive and subject to fluctuations in metal prices, market sentiment, foreign exchange and interest rates. The source of future funds for further exploration programs, are by the sale of equity capital or the offering by the Company of an interest in its properties to be earned by another party carrying out further exploration or development. The Company is subject to the laws and regulations relating to environmental matters and various licenses and permits in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters.

The Company has no significant source of operating cash flow and no revenues from operations. None of the Company's mineral properties currently have reserves. The property interests the Company has an option to earn an interest are in the exploration stages at this time.

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 2005 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.