



MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Six Months Ended January 31, 2006

The following discussion and analysis has been prepared on March 30, 2006 by management and should be read in conjunction with the unaudited consolidated financial statements for the six months ended January 31, 2006 and the audited 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

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

During the Second Quarter of the current fiscal year, Cascadia primarily focused on the completion of a Resource Calculation for the Norton Lake Project, and searching out new prospective properties. The resource calculation on the Norton project was completed and results were released. The arbitration proceedings with Novawest Resources Inc. continued during the quarter, with final arguments scheduled for April 2006.

NORTON LAKE – Base Metal Project - Northern Ontario Properties

The results of the Form 43-101 compliant report conducted by CCIC Ltd. in Sudbury Ontario were released to the public on December 12, 2005, and SEDAR filed in early January 2006. Cascadia has earned a 51% working interest in the property pursuant to the options agreement signed with East West Resource Corporation and Canadian Golden Dragon Resources Ltd, by spending \$1.5M on drill programs. Together with the Company's partners, they are currently strategically planning a summer/fall drill program within the area of interest to add incremental tonnage and explore new targets of interest.

MIDWAY / HAVOC – Uranium Project - Northern Ontario Properties

Cascadia has a 100% interest in 532 claims (21,280 acres) in Midway and can earn a 51% interest in 274 claims (10,560 acres) in Havoc. The Sibley sediment has significant uranium potential. The area has been flown by Cascadia with several graphite conductors identified on the property. The uranium source is the English Bay Intrusion (same age as the Athabasca basin) with a fluid system at the base of the Sibley sediment, which sits on the Sturgeon Lake Greenstone Belt. Several basement conductors have also been identified that may have VMS potential.

The RAGLAN Assemblage - Northern Quebec Properties

Pursuant to a press release dated February 24, 2005 Novawest Resources Inc. announced that it had commenced arbitration proceedings with Cascadia as provided for in the Option Agreement. Novawest sought an award of \$311,000 as well as termination of the option agreement. Cascadia's counterclaim included a significant portion of its contribution to the project to date. On October 6, 2005 the arbitrator had issued a partial award, whereby Cascadia and Novawest have 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.

During the second quarter, a hearing was held to determine Cascadia's ownership rights related to the Minera Option (True North Property). An award on the True North property was issued by the arbitrator in January 2006, ruling that the Company has an undivided 25% vested interest in and to the option agreement between Novawest and Minera Capital Corporation pursuant to which Novawest and Cascadia may acquire up to a 70% interest in the True North Property.

Cascadia has completed the conversion of all of the Raglan data currently available to a GIS Query based system and has an exploration program in place.

Results of Operation – Second Quarter

Investment income for the six months ended January 31, 2006 was \$412 compared to \$2,086 recorded for the same first half in 2005. General and administrative expenses were \$324,121 for the first half of this year compared to \$176,655 for the same first half of last year. This increase was primarily attributable to \$271,529 of arbitration expenses.

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

For The Six Months Ended	January 2005	January 2005	January 2004
Raglan	5,549	346,100	118,095
Raglan - Thundermin			
Raglan – True North properties		76,398	
McGarry	-	-	2,959
Norton Lake	263,018	97,601	58,000
Linsey Bay	-	-	60,418
Midway	65	40,565	
Havoc	387		
New Prospects	14,293		
Total Resource Expenditures	283,312	560,664	239,472

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:

	2 nd Quarter Jan 2006	1st Quarter Oct 2005	4th Quarter Jul 2005	3rd Quarter Apr 2005
Revenues	\$ 412	\$ 341	\$ 732	\$ 1,828
Net loss	(213,958)	(176,314)	(134,104)	(181,005)
Net loss per share	(0.005)	(0.004)	(0.004)	(0.005)

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

Related party transactions

During the first half, the Company paid Yangarra Resources Ltd. ("Yangarra") \$22,790 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 first half, the Company had transactions related to administration and consulting of \$27,500 to companies controlled by certain of the Company's officers and directors.

The Company paid legal fees in the amount of \$21,743 to a law firm in which a director of the Company is a partner.

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, 2006 the Company had a working capital deficit of \$ 798,689 including bank debt of \$325,000 compared to a working capital surplus of \$467,704 at January 31, 2005. In addition, not included in the working capital deficit indicated, Cascadia has applied for the Quebec mineral tax receivable for their fiscal year end 2004, for an amount of \$1,336,894.

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. Subsequent to the first quarter end, the National Bank of Canada extended the credit facility to March 31, 2006. Management is currently in discussions with the lender regarding financing beyond the end of term.

Share Capital

As of March 30, 2006 there were 41,932,121 basic common shares issued and outstanding; 5,630,584 warrants exercisable into common shares; and stock options to acquire an aggregate of 3,641,038 common shares outstanding.

Outlook

The Thunder Bay Area in Ontario is currently heating up for uranium exploration. Rampart Ventures Ltd. and Gravity West Mining have significant holdings in the area, with Rampart conducting exploration this spring. Cascadia will implement an exploration program on their uranium projects, Midway and Havoc, this summer in Thunder Bay.

The Norton Lake project remains the primary focus of Cascadia's exploration program. A Resource Calculation was delivered with CCIC of Sudbury, Ontario performing the 43-101 compliant report (see Sedar filing). Cascadia has determined a follow up exploration program will be required to position the property for commercial production. The Gabbro host rock has been followed for 10 kilometers along strike and further exploration will determine whether there are more lenses to be discovered.

A dispute with our Raglan partner Novawest is currently being arbitrated, with final arguments scheduled for mid April 2006.

Cascadia will raise funds in the capital markets to satisfy the working capital deficiency, bank debt, and flow-through obligations once the arbitration is resolved.

Subsequent Events

In late February 2006, the corporation received a statement of claim from D. Baker Capital for \$115,000 plus costs for the year two finder's fee on the Raglan project. Cascadia is of the view that the finder's fee was not earned due to essential provisos tied to the fee, and will vigorously defend its' position.

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. All statements other than those of a historical nature are 'forward-looking statements' that may involve a number of unknown risks, uncertainties and other factors. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. 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.