



MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three Months Ended October 31, 2007

The following discussion and analysis for Cascadia International Resources Inc. ("Cascadia" or the "Company") has been prepared on December 28, 2007 by management and should be read in conjunction with the unaudited consolidated financial statements for the three months ended October 31, 2007 and the audited financial statements for the year ended July 31, 2007 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.

Business of Cascadia

Cascadia International Resources Inc. is a publicly traded development stage company engaged in the exploration, acquisition, and development of mineral properties in Canada. The Company's mineral properties consist of projects specifically targeting base metals (copper, nickel, and cobalt), molybdenum, precious metals (platinum, palladium) and uranium exploration.

Overall Performance

During the first quarter of the current fiscal year, the Company was active on its newly acquired exploration projects (Goat Mountain and Baker Lake). The Company also was active in Northern Ontario, completing its summer exploration program in the Norton area, and staking new ground in the Awkward area.

Results of Operation

Goat Mountain Project – Southern British Columbia Property

During the first quarter, the Company gathered further geophysical data on the area and followed with a drill program. The program, consisting of six drill holes, was completed by Christmas and assay results are pending.

Norton Lake Project - Northern Ontario Property

During the first quarter, the Company completed its summer 2007 program with a combination of airborne EM surveys, ground gravity surveys, and staking. Geochem samples were gathered for analysis and the Company is in the process of reviewing all of the data in order to determine the direction of further exploration plans.

Midway Project – Northern Ontario Property

Expenses were incurred to maintain the existing claims and restake the claims previously lost. The Company had signed a Memorandum of Understanding (“MOU”) with an industry partner to exchange reciprocal rights to explore certain mineral properties of each company in the vicinity; however, the partner unilaterally cancelled the MOU. Cascadia is currently reviewing its position with respect to the cancellation. Management is examining further exploration programs for the area.

Awkward Project – Northern Ontario Property

The Company staked approximately 10,000 acres in the Awkward Lake area in Northern Ontario. The project, 100% owned by the Company, is prospective for base metals. An exploration program is currently being reviewed by management.

Baker Lake Project – Nunavut Property

The Company flew an airborne survey in October of 2007 to develop a strategy for further exploration programs for the area, which satisfied the first year commitment of the option agreement. Subsequent to the quarter end, management reviewed the results of the survey, and the Company has decided to return the property to its vendors.

The Raglan Assemblage Project - Northern Quebec Property

On August 17th, 2007, the Company closed the sale of the Raglan property to Goldbrook Ventures Inc. with consideration for the sale as \$2 million cash, 2 million common shares of Goldbrook, 2 million common share purchase warrants to acquire common shares of Goldbrook at \$0.35 per share until August 2012, and a 0.5% net smelter return on certain of the Raglan properties.

In March 2007, the Company appealed the 2006 arbitration decision on various rulings of the arbitration between Novawest and Cascadia and is still waiting on a ruling regarding the granting of its appeal on the arbitration award. The damage award in Novawest’s favour was posted with the BC courts pending the outcome of the appeal.

Results of Operation – First Quarter

Investment income for the three months ended October 31, 2007 was \$9,496 compared to \$5,058 recorded for the same quarter in 2006. General and administrative expenses were (\$162,806) for the quarter this year compared to \$139,066 for the same quarter last year. This decrease was primarily attributable to the investment fair value gain from the Raglan sale proceeds on the date of the mineral property disposition to the end of the first quarter, due the adoption of new financial instruments standards as further described in *Changes in Accounting Procedures*. Overhead, management fees, and stock based compensation also increased during the quarter ended October 31, 2007 due to the Company’s escalating property activity and exploration.

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

For The Three Months Ended	October 2007	October 2006	October 2005
Total Raglan, Quebec	-	431,963	4,451
Norton, Ontario	209,350	14,921	-
Midway, Ontario	27,004	1,250	244,537
Baker Lake, Nunavut	402,764	1,075	-
Goat Mountain, British Columbia	90,430		
Awkward, Ontario	55,226		
Total Resource Expenditures	784,774	449,209	249,375

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 (gain) per Common Share:

	1st Quarter Oct 2007	4th Quarter Jul 2007	3rd Quarter Apr 2007	2nd Quarter Jan 2007
Revenues	\$ 9,496	\$ 931	\$ 4,963	\$ 8,400
Net loss/gain	172,302	(971,630)	(175,852)	(176,347)
Net loss/gain per share	0.003	(0.021)	(0.003)	(0.004)

	1st Quarter Oct 2006	4th Quarter Jul 2006	3rd Quarter Apr 2006	2nd Quarter Jan 2006
Revenues	\$ 5,058	\$ 9,185	\$ 63	\$ 71
Net loss/gain	(134,008)	(119,042)	(271,679)	(213,958)
Net loss/gain per share	(0.003)	(0.003)	(0.006)	(0.005)

Related party transactions

During the first quarter, the Company had a net payable of \$4,500 to Yangarra Resources Ltd. ("Yangarra") for rent and office services. Yangarra is a public oil and gas company based in Calgary, Alberta. James G. Evaskevich, the CEO and Executive Director of the Company is also the President, Chief Executive Officer and a director of Yangarra Resources Ltd.

The Company paid legal fees in the amount of \$1,807 (three months ended October 31, 2006 - \$1,630) to a law firm in which a past director of the Company is a partner. Of this amount, \$1,807 is included in accounts payable at October 31, 2007.

The above 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

On October 31, 2007, the Company completed the first closing of a non-brokered private placement of 2,500,000 units at \$0.20 per unit, for gross proceeds of \$500,000. Subsequent to the quarter end, the Company completed the second closing of 1,250,000 units for aggregate proceeds of \$250,000. Each unit consists of one common share on a flow through basis and one half of a one common share purchase warrant at \$0.25 exercisable anytime up to December 31, 2008.

The Company has adequate financial resources to conduct its activities for the balance of the year and currently does not anticipate any difficulties in raising additional funding if needed. The future funding for exploration will be through the exercise of outstanding warrants, sale of current properties, offering of an interest in its properties to be earned by another party carrying out further exploration or development, or arranging other forms of equity financing.

Share Capital

As of December 28, 2007, the Company has a total of 57,921,659 common shares outstanding on a fully diluted basis.

Common shares

During the first quarter of 2008, the Company issued a total of 2,500,000 common shares from a private placement, and issued 75,000 common shares as first year consideration on its Goat Mountain Project in British Columbia. Subsequent to the quarter end, the Company issued an additional 1,250,000 common shares from a private placement, and had 20,000 warrants exercised into common shares. As at the date of this MD&A, the Company had 49,627,121 common shares issued and outstanding.

Warrants

As of October 31, 2007, the Company had 3,125,000 warrants outstanding. Subsequent to the quarter end, the Company issued an additional 625,000 warrants from a private placement and exercised 20,000 warrants into common shares. As at the date of the MD&A, the Company had a total of 3,730,000 warrants outstanding.

Options

As at October 31, 2007, and the date of the MD&A, the Company had 4,564,538 options outstanding.

Outlook

The Company has focused exploration activity on its Goat Mountain, Norton, and Awkward properties, with assays pending from Goat Mountain.

The Company continues to explore its current properties and continually evaluate new prospects as opportunity arises. Cascadia also will continue to evaluate the current projects it holds and is committed to selling or farming out the projects that do not meet Cascadia's internal goals..

Subsequent Events and Contingency

In November 2007, the Company completed the second closing of a non-brokered unit private placement. The Company issued a total of 1,250,000 units at \$0.20 per unit for gross proceeds of \$250,000. Each unit consists of one common share issued on a "flow-through" basis under the Income Tax Act (Canada) and one-half common share purchase warrant. Each whole share purchase warrant entitles the holder to acquire one additional common share at a price of \$0.25 per share until December 31, 2008.)

In November 2007, the Company returned the Baker Lake property to the vendors and ceased any further exploration earning.

In March 2007, the Company commenced appeal proceedings on various arbitration rulings relating to the Raglan properties; however, the Court's decision to hear the appeal remains outstanding. As the likely outcome of an appeal, should it occur, cannot be determined no further provision has been made in these financial statements.

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.

Changes in Accounting Procedures

On August 1, 2007, the Company adopted the new or revised Canadian accounting standards for accounting changes, financial instruments—recognition and measurement, financial instruments—presentation and disclosures, and comprehensive income. Prior periods have not been restated.

Accounting changes

Voluntary changes in accounting policies are permitted only if they result in financial statements which provide more reliable and relevant information. Accounting policy changes are applied retrospectively unless it is impracticable to determine the period or cumulative impact of the change. Corrections of prior period errors are applied retrospectively and change in accounting estimates are applied prospectively by including the effect of the change in earnings.

Financial instruments—recognition and measurement

This new standard requires all financial instruments within its scope, including all derivatives, to be recognized on the balance sheet initially at fair value. Subsequent measurement of all financial assets and liabilities except those held-for-trading and available for sale are measured at amortized cost determined using the effective interest rate method. Held-for-trading financial assets are measured at fair value with changes in fair value recognized in earnings. Available-for-sale financial assets are measured at fair value with changes in fair value recognized in comprehensive income and reclassified to earnings when derecognized or impaired. There were no changes to the measurement of existing financial assets and liabilities at the date of adoption.

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial statements. The Company had no off-balance sheet arrangements to which the Company is committed.

Derivative instruments

Derivative instruments, including embedded derivatives, are recorded on the balance sheet at fair value. Changes in the fair values of derivative instruments are recognized in net income (loss) with the exception of derivatives designated as cash flow hedges. The Company did not identify any derivatives which require separate recognition and measurement.

Comprehensive income

Comprehensive income is the change in shareholders' equity during a period from transactions and other events and circumstances from non-owner sources and includes unrealized gains and losses on financial assets classified as held available-for-sale. When related amounts are recorded in accordance with this new standard, the Company will report a statement of comprehensive income combined with the statement of income (loss) and a new category, accumulated other comprehensive income, in the shareholders' equity section of the balance sheet.

Other Information

Disclosure Controls and Procedures

Disclosure controls and procedures have been designed to ensure that information required to be disclosed by the Company is accumulated and communicated to our management as appropriate to allow timely decisions regarding required disclosure. The Company's Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation as of October 31, 2007, that the Company's disclosure controls and procedures are effective to provide reasonable assurance that material information related to the Company, is made known to them by others with the entity. It should be noted that while the Company's Chief Executive Officer and Chief Financial Officer believe that our disclosure controls and procedures provide a reasonable level of assurance and that they are effective, they do not expect that the disclosure controls and procedures will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Internal Controls over Financial Reporting

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. Management and the board of directors work to mitigate the risk of material misstatement in financial reporting. In addition, when complex accounting and technical issues arise during preparation of the quarterly financial statements outside consulting expertise is engaged. In spite of management's best efforts, there can be no assurance that this risk can be reduced to less than a remote likelihood of a material misstatement.

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 2007 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.