



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**For the Three and Six Months Ended January 31, 2008**

---

The following discussion and analysis for Cascadia International Resources Inc. ("Cascadia" or the "Company") has been prepared on March 31, 2008 by management and should be read in conjunction with the unaudited consolidated financial statements for the three and six months ended January 31, 2008 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 with its main office based 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 second quarter of the current fiscal year, the Company was active on its Goat Mountain project. The Company completed the first drilling program for the area and announced the assays results subsequent to quarter end. The Company is evaluating the samples from the Norton project, and preparing a program for the Awkward area. In addition, the Company is actively pursuing a South American project to extend the Company into international prospects.

### **Results of Operation**

#### **Goat Mountain Project – Southern British Columbia Property**

During the second quarter, the Company completed a six drill hole program, and announced the assay results subsequent to the quarter ending January 31, 2008.

### **Norton Lake Project - Northern Ontario Property**

During the second quarter, the Company is reviewing the Geochem samples that were gathered for analysis. The Company also conducted a review of all of the data on the Norton property to date in order to determine the direction of further exploration plans.

### **Midway Project – Northern Ontario Property**

Cascadia's 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**

Management reviewed the results of the survey flown in 2007, and the Company has returned the property to its vendors.

### **The Raglan Assemblage Project - Northern Quebec Property**

On August 17<sup>th</sup>, 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 – Second Quarter**

Investment income for the six months ended January 31, 2008 was \$21,521 compared to \$13,458 recorded for the same quarter in 2007. General and administrative expenses were \$458,300 for the quarter this year compared to \$323,812 for the same quarter last year. In the second quarter ending January 31, 2008 there were overhead recoveries of \$41,130, compared to \$nil in the same quarter in 2007. The difference is due to the exploration projects currently ongoing, comparative to no projects occurring in the same quarter in 2007.

There was a loss on the stock investment in the first half of \$519,742 attributable to the investment fair value loss from the Raglan sale proceeds on the date of the mineral property disposition to the end of the second quarter. There was no stock investment in the same quarter ending 2007.

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

For The Six Months Ended	January 2008	January 2007	January 2006
Norton, Ontario	234,560	(12,113)	263,018
Midway, Ontario	30,730	450	(65)
Baker Lake, Nunavut	265,205	-	-
Goat Mountain, British Columbia	473,488	-	-
Awkward, Ontario	55,249	-	-
Havoc, Ontario	-	-	387
Raglan, Quebec	-	447,934	5,549
Peru Prospects	4,666		
<b>Total Resource Expenditures</b>	<b>1,063,898</b>	<b>437,346</b>	<b>269,019</b>

Exploration expenditures during the six months ended January 31, 2008 were up 143% to \$1,063,897 compared to the \$437,346 spent in 2007 due primarily to the expenses relating the Company's addition of new properties. The Company returned the Baker Lake project to its vendors, and wrote down the mineral expenditures in the second quarter ending January 31, 2008.

### 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:

	2nd Quarter Jan 2008	1st Quarter Oct 2007	4th Quarter Jul 2007	3rd Quarter Apr 2007
Revenues	\$ 12,025	\$ 9,496	\$ 931	\$ 4,963
Net loss/gain	(1,486,052)	172,302	(971,630)	(175,852)
Net loss/gain per share	(0.031)	0.003	(0.021)	(0.003)

	2nd Quarter Jan 2007	1st Quarter Oct 2006	4th Quarter Jul 2006	3rd Quarter Apr 2006
Revenues	\$ 8,400	\$ 5,058	\$ 9,185	\$ 63
Net loss/gain	(176,347)	(134,008)	(119,042)	(271,679)
Net loss/gain per share	(0.004)	(0.003)	(0.003)	(0.006)

## **Related party transactions**

During the second 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 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**

In October and November, 2007 the Company completed a non-brokered private placement of 2,500,000 units for gross proceeds of \$750,000. Each unit consists of one common share on a "flow-through" basis under the Income Tax Act (Canada) and one-half of a one common share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share at a price of \$0.25 per share until 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 March 31, 2008, the Company has a total of 56,141,659 common shares outstanding on a fully diluted basis.

### Common shares

During the first half of 2008, the Company issued a total of 3,750,000 common shares from a private placement, and issued 150,000 common shares as consideration on its Goat Mountain Project in British Columbia. In November, the Company had 20,000 warrants exercised into common shares. As at the date of this MD&A, the Company had 49,702,121 common shares issued and outstanding.

### Warrants

As of January 31, 2008, and the date of the MD&A, the Company had 1,875,000 warrants outstanding.

### Options

As at January 31, 2008, and the date of the MD&A, the Company had 4,564,538 options outstanding.

## **Outlook**

The Company has focused its Canadian exploration activity on the Goat Mountain, Norton, and Awkward properties.

The Company has also decided to expand its exploration into international territory, with possible exploration areas of interest in South America.

The Company continues to explore its current properties and continually evaluates 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**

The Company is reviewing projects in South America, and is currently setting up an office in Brazil to head its operations there. The Company will announce to the shareholders and market once a prospective project has been obtained.

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 interest and/or 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.

## 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 January 31, 2008, 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.