



cascadia
international resources inc.
(A Development Stage Company)
Financial Statements
(Unaudited – Prepared by Management)
October 31, 2006, and 2005

Notice to Reader:

Cascadia International Resources Inc.

The attached financial statements have been prepared by Management of Cascadia International Resources Inc. and have not been reviewed or audited by the auditors of Cascadia International Resources Inc.

Cascadia International Resources Inc.
Balance Sheet
(unaudited)

	October 31 2006	July 31 2006
Assets		
Current		
Cash	707,706	805,734
Accounts receivable	61,616	10,863
Prepaid expenses	33,949	-
	803,271	816,597
Property and equipment <i>(Note 3)</i>	6,562	7,023
Mineral properties, plant and equipment <i>(Note 4)</i>	7,262,261	6,990,247
	8,072,094	7,813,867
Liabilities		
Current		
Accounts payable and accruals	544,454	152,219
	544,454	152,219
Future income tax liability	2,013,220	2,013,220
	2,557,674	2,165,439
Shareholders' Equity		
Share capital <i>(Note 5)</i>	9,676,502	9,676,502
Contributed surplus <i>(Note 6)</i>	1,117,387	1,117,387
Deficit	(5,279,469)	(5,145,461)
	5,514,420	5,648,428
	8,072,094	7,813,867

Approved on behalf of the Board:

"signed" Director
 Jim Evaskevich

"signed" Director
 Gordon Bowerman

The accompanying notes are an integral part of these financial statements.

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

	Three months ended October 31	
	2006	2005
Interest income	5,058	341
Expenses		
Arbitration Fees	117,349	140,084
Bank charges	52	1,240
Depreciation	460	485
General corporate	7,020	(86,609)
Investors and shareholder relations	2,958	42,724
Interest expense	3,057	14,780
Professional fees	5,751	14,444
Stock-based compensation	-	44,430
Transfer agent and regulatory fees	2,214	1,874
Travel and promotion	204	3,203
	139,066	176,655
Net loss for the period	(134,007)	(176,314)
Deficit, beginning of period	(5,145,461)	(4,364,468)
Deficit, end of period	(5,279,469)	(4,540,782)
Loss per share – basic	(0.00)	(0.00)
Weighted average number of shares - basic	41,932,121	41,932,121

The accompanying notes are an integral part of these financial statements.

Cascadia International Resources Inc.
Statements of Cash Flows
(unaudited)

	Three months ended October 31	
	2006	2005
Cash provided by (used for) the following activities		
Operating		
Net loss	(134,007)	(176,314)
Depreciation	460	485
Non-cash stock-based compensation	-	44,430
	(133,547)	(131,399)
Changes in non-cash working capital		
Accounts receivable	(50,753)	(50,736)
Prepaid and deposits	(33,949)	-
Accounts payable and accruals	392,236	(176,087)
	173,987	(358,222)
Financing		
Proceeds from revolving term loan	-	250,000
Issue of shares, net of share issue costs	-	-
	-	250,000
Investing		
Proceeds on sale of property and equipment)	120,194	36,229
Purchase of and expenditures on mineral properties	(392,209)	(249,375)
	(272,015)	(213,146)
Increase (decrease) in cash and cash equivalents	(98,028)	(321,368)
Cash, (bank indebtedness) beginning of period	805,734	292,835
Cash and cash equivalents, end of period	707,706	(28,533)

The accompanying notes are an integral part of these financial statements.

Cascadia International Resources Inc.

Notes to the Financial Statements

For the three months ended October 31, 2006
(Unaudited)

1. Basis of presentation and continuance of operations

Cascadia International Resources Inc. (the "Company") was incorporated under the laws of the Province of British Columbia on July 18, 1983. The Company is in the process of acquiring, exploring and developing its mineral properties in Canada and is thus considered to be a development stage company.

These interim financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles and on a basis consistent with the audited July 31, 2006 financial statements except certain disclosures have been condensed or omitted. Accordingly, these interim financial statements should be read in conjunction with the notes contained in the Company's audited July 31, 2006 financial statements. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. Accordingly, actual results could differ from those estimates. The interim financial statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality and within the framework of the significant accounting policies.

These interim 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 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 interim 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, 2006. 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, 2006.

3. Property and equipment

	<i>Cost</i>	<i>Accumulated Depreciation</i>	<i>October 31, 2006 Net Book Value</i>	<i>July 31, 2006 Net Book Value</i>
Computer equipment	7,276	2,548	4,728	5,093
Office equipment	3,350	1,516	1,834	1,930
	10,626	4,064	6,562	7,023

Cascadia International Resources Inc.
Notes to the Financial Statements

*For the three months ended October 31, 2006
(Unaudited)*

4. Mineral properties

	<i>Cost</i>	<i>Accumulated Depreciation</i>	<i>October 31, 2006 Net Book Value</i>	<i>July 31, 2006 Net Book Value</i>
Northern Quebec Properties				
Raglan – Original Property exploration payments	7,151,555		7,151,555	6,797,557
Raglan – Thunder Property	109,615		109,615	88,651
Raglan – True North Property	192,629		192,629	177,708
Investment Tax Credits	(1,987,605)		(1,987,605)	(1,987,605)
Ontario Properties				
Norton Lake – deferred exploration payments	1,814,478		1,814,478	1,813,228
Midway - deferred exploration payments	101,782		101,782	100,707
	7,382,454		7,382,454	6,990,247

During the quarter ended October 31, 2006, mineral property expenditures and acquisitions totaled \$392,209 (2005 - \$249,375).

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 could earn a 50% interest in the Novawest Raglan Ni-Cu-PGM-Co Assemblage 660 sq. km. (161,500 acre) situated in northern Quebec (the “Raglan Claims”).

Year 1 and Year 2 exploration contemplated by the Option Agreement was undertaken by the parties with Cascadia earning a 25% interest in the original Raglan block. The Company paid or arranged committed exploration expenditures of \$3.2 million in year one, and \$4.3 million in year two. On February 7, 2005 the Company deferred its election to participate in the third year of the Raglan Option Agreement. The Company has maintained the 25% interest in the original Raglan block.

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 to earn a 50% interest, subject to a 3% net smelter return, comprised of \$25,000 cash and 129,900 common shares at a price of \$0.49 per share for a total of \$63,652.

True North Project, Ungava Bay Properties in Quebec, Canada

In April 2004, the Company acquired an option to earn 35% interest in the 30,774 acre True North Project on the north Raglan Trend in partnership with NovaWest. The acquisition of the True North property from Coronado Resources Ltd. (formerly Minera Capital Corporation) is on condition of spending a minimum of \$440,000 over 3 years split between the Company and NovaWest.

On January 16, 2006, the arbitrator issued a partial award, and on August 15, 2006 issued a clarification regarding Cascadia’s interest in the project. The arbitrator ruled that the Company has a 25% vested interest, in the 70% option agreement, in the True North Property. Subsequent to year end, Novawest and Coronado have amended the option agreement, extending the time frame by two years to March 2009, within which the Optionees may carry out required exploration programs in order to earn their respective interest.

Cascadia International Resources Inc.
Notes to the Financial Statements

*For the three months ended October 31, 2006
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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 agreed to spend a minimum of \$150,000 on drilling within 12 months of the agreement. 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.

As of July 31, 2006 the Company has spent \$1,813,228 thereby exceeding the requirement, and earning the Company 51% interest. Option payments are to be made in stages, totaling \$125,000 over 7 years commencing November 1, 2004.

Midway Project, Thunder Bay, Ontario, Canada

The Company owns the Midway Project area 100%. An airborne EM survey was flown in early 2005, over the entire property which traced a number of basement conductors and the westward extent of conductors. These conductors form the primary uranium exploration targets that will determine future lease acquisitions. An exploration program for this area is planned for early 2007.

5. Share Capital

a) Issued

Common shares	Number	Value
<i>Balance ending, October 31, 2006 and July 31, 2006</i>	41,932,121	9,676,502

b) Stock options

During the three month period, no stock options were issued.

The following table provides information about the Company's outstanding stock options as of October 31, 2006:

	Number of options	Price Range (\$)	Weighted Average Price (\$)	Expiry Date
Balance, July 31, 2006	3,616,038	0.25-0.59	0.39	2008-2010
Cancelled	137,000	0.25 - 0.50	0.37	-
Balance, October 31, 2006	3,479,038	0.25 - 0.59	0.38	2008-2010

d) Warrants

	Number of Warrants	Price Range (\$)	Weighted Average Price (\$)	Expiry Date
Balance, July 31, 2006	4,797,250	0.40-0.60	0.47	2006
Expired	(1,631,250)	0.60	0.60	2006
Balance, October 31, 2006	3,166,000	0.40	0.40	2006

6. Contributed Surplus

Balance, July 31, 2006 and October 31, 2006	1,117,387
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Cascadia International Resources Inc.

Notes to the Financial Statements

For the three months ended October 31, 2006
(unaudited)

7. Related party transactions

Except as disclosed elsewhere in this financial statement, the Company had the following related party transactions during the first three months ended October 31, 2006:

During the first three months, the Company had a net payable to Yangarra Resources Ltd. ("Yangarra") \$4,500 (2005 - \$124,958 receivable) for rent 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 Ltd.

The Company paid legal fees in the amount of \$1,630 (three months ended October 31, 2005 - \$14,410) to a law firm in which a past director of the Company is a partner. Of this amount, \$1,630 is included in accounts payable at October 31, 2006 (July 13, 2006 - \$6,662).

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.

8. Subsequent events and contingency

Arbitration proceedings have been finalized between the Company and Novawest Resources Inc. ("Novawest") to settle matters relating to the Raglan Option Agreements between the two companies. On December 6, 2006 a final award by the arbitrator was received finalizing the cost and interest award between the companies. Upon review of the arbitration cost ruling award, Cascadia has added an appeal to the cost awards as well.

The legal claim against the Company received from D. Baker Capital for amounts alleged to be owing under a Finders Fee Agreement, has been revised in the Company's accounts payable and accruals to a lesser amount due to management and legal counsel recommendations. Cascadia has filed a counterclaim and will defend its position.