



cascadia
international resources inc.
(A Development Stage Company)
Financial Statements
(Unaudited – Prepared by Management)
January 31, 2007, and 2006

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)

	January 31 2007	July 31 2006
Assets		
Current		
Cash	598,446	805,734
Accounts receivable	39,382	10,863
Prepaid expenses	27,249	-
	665,077	816,597
Property and equipment <i>(Note 3)</i>	6,102	7,023
Mineral properties, plant and equipment <i>(Note 4)</i>	7,307,398	6,990,247
	7,978,577	7,813,867
Liabilities		
Current		
Accounts payable and accruals	627,283	152,219
	627,283	152,219
Future income tax liability	2,013,220	2,013,220
	2,640,503	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	(5,455,816)	(5,145,461)
	5,338,073	5,648,428
	7,978,576	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 January 31		Six months ended January 31	
	2007	2006	2007	2006
Interest income	8,400	71	13,458	412
Expenses				
Bank charges	59	151	111	1,391
Depreciation	461	544	921	1,029
General corporate	4,961	4,895	11,981	(81,714)
Investors and shareholder relations	9,237	25,570	12,195	68,294
Interest expense	14,036	6,323	17,093	21,103
Professional consulting fees	(3,925)	40,066	1,826	54,510
Legal Fees	157,024	131,445	274,373	271,529
Stock-based compensation	-	-	-	44,430
Transfer agent and regulatory fees	2,894	2,711	5,108	4,585
Travel and promotion	-	2,325	204	5,528
	184,747	214,029	323,812	390,684
Net loss for the period	(176,347)	(213,958)	(310,354)	(390,272)
Deficit, beginning of period	(5,279,469)	(4,540,782)	(5,145,461)	(4,364,468)
Deficit, end of period	(5,455,816)	(4,754,740)	(5,455,816)	(4,754,740)
Loss per share – basic	(0.00)	(0.01)	(0.01)	(0.01)
Weighted average number of shares - basic	41,932,121	41,932,121	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 January 31		Six months ended January 31	
	2007	2006	2007	2006
Cash provided by (used for) the following activities				
Operating				
Net loss	(176,347)	(213,958)	(310,354)	(390,272)
Depreciation	461	544	921	1,029
Non-cash stock-based compensation	-	-	-	44,430
	(175,886)	(213,414)	(309,433)	(344,813)
Changes in non-cash working capital				
Accounts receivable	22,234	66,580	(28,518)	15,844
Tax credits recoverable	6,700	1,336,894	(27,249)	1,336,894
Accounts payable and accruals	82,829	114,616	475,064	(61,471)
	(64,123)	1,304,677	109,864	946,455
Financing				
Proceeds from revolving term loan	-	75,000	-	325,000
Issue of shares, net of share issue costs	-	-	-	-
	-	75,000	-	325,000
Investing				
Proceeds on disposal of property and equipment	-	23,364	120,194	59,593
Purchase of and expenditures on mineral properties	(45,137)	(33,937)	(437,346)	(283,312)
	(45,137)	(10,573)	(317,152)	(223,719)
Increase (decrease) in cash and cash equivalents	(109,260)	1,369,104	(207,288)	1,047,736
Cash, (bank indebtedness) beginning of period	707,706	(28,533)	805,734	292,835
Cash and cash equivalents, end of period	598,446	1,340,571	598,446	1,340,571

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

Cascadia International Resources Inc.

Notes to the Financial Statements

For the six months ended January 31, 2007
(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>January 31, 2007 Net Book Value</i>	<i>July 31, 2006 Net Book Value</i>
Computer equipment	7,276	2,911	4,365	5,093
Office equipment	3,350	1,613	1,737	1,930
	10,626	4,524	6,562	7,023

Cascadia International Resources Inc.
Notes to the Financial Statements

*For the six months ended January 31, 2007
(Unaudited)*

4. Mineral properties

	<i>Cost</i>	<i>Accumulated Depreciation</i>	<i>January 31, 2007 Net Book Value</i>	<i>July 31, 2006 Net Book Value</i>
Northern Quebec Properties				
Raglan – Original Property exploration payments	7,209,606		7,209,606	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)
Raglan Property Divestiture	(120,194)		(120,194)	-
Ontario Properties				
Norton Lake – exploration payments	1,801,115		1,801,115	1,813,228
Midway - exploration payments	102,232		102,232	100,707
	7,307,398		7,307,398	6,990,247

During the second quarter ended January 31, 2007, mineral property expenditures and acquisitions totaled \$45,137 (2006 - \$19,644).

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 six months ended January 31, 2007
(unaudited)

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.

On December 15th, 2006 a joint venture agreement had been executed between the interested companies to manage future exploration. The Company has a 51% interest in the property by satisfying the expenditure requirements of \$1.5 million, and fulfilling all the options payments totaling \$125,000.

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, January 31, 2007 and July 31, 2006</i>	41,932,121	9,676,502

b) Stock options

During the six month period, no stock options were issued and stock options were cancelled.

The following table provides information about the Company's outstanding stock options as of January 31, 2007:

	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
Expired / Cancelled	1,626,500	0.40 - 0.59	0.46	-
Balance, January 31, 2007	1,989,538	0.25 - 0.30	0.29	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	(4,797,250)	0.40 - 0.60	0.47	2006
Balance, January 31, 2007	-	-	-	-

6. Contributed Surplus

Balance, July 31, 2006 and January 31, 2007	1,117,387
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Cascadia International Resources Inc.
Notes to the Financial Statements

For the six months ended January 31, 2007
(unaudited)

7. Related party transactions

Except as disclosed elsewhere in this financial statement, the Company had the following related party transactions during the first six months ended January 31, 2007:

During the first six months, the Company paid Yangarra Resources Ltd. (“Yangarra”) \$5,000 (2006 - \$22,790.47) 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 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

The Company announced on the appointment of Steve Balch to its board of directors. Mr. Robert Middleton resigned from the board of directors, and joined the advisory board for the Company. On February 2, 2007 the Company granted a total of 2,200,000 options at a price of \$0.10 per share, vesting over two years.

On March 12, 2007, the Company posted the arbitration funds ruling award with the BC Court to be held until further order of the court, due to the appeal process proceedings.

On March 15, 2007, Cascadia announced it had entered into a letter of intent with Tanqueray Resources Ltd. to earn 50% interest in the Mum claims in the Baker Lake region of Nunavut. Cascadia will issue cash payment of \$50,000 and 100,000 common shares to Tanqueray Resources Ltd. and pledge to spend a minimum of \$200,000 on exploration in the first year. In the second year, Cascadia will issue 200,000 common shares to Tanqueray Resources Ltd., and complete a minimum 1,000 metre drill program.

Cascadia announced its intention to complete a non-brokered private placement of 3,000,000 units at \$0.12 (Cdn funds) per Unit. On March 29, 2007, the Company increased the size of the initial offering by an additional 750,000 units. Each unit will comprise of one common share on a flow through basis and one half of one common share purchase warrant, with each whole warrant being exercisable at \$0.15 (Cdn funds) anytime up to December 31, 2007.