



**cascadia**  
international resources inc.  
**(A Development Stage Company)**  
**Financial Statements**  
(Unaudited – Prepared by Management)  
*April 30 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)*

|  | April 30<br>2007 | July 31<br>2006 |
|--|------------------|-----------------|
| <b>Assets</b>  |                  |                 |
| <b>Current</b>   |                  |                 |
| Cash   | 501,648          | 803,834         |
| Accounts receivable  | 46,984           | 10,863          |
| Prepaid expenses and deposits                                  | 11,167           | -               |
|  | 559,799          | 816,597         |
| <b>Property and equipment</b> <i>(Note 3)</i>                  | 5,642            | 7,023           |
| <b>Mineral properties, plant and equipment</b> <i>(Note 4)</i> | 7,369,334        | 6,990,247       |
|  | 7,934,775        | 7,813,867       |
| <b>Liabilities</b>   |                  |                 |
| <b>Current</b>   |                  |                 |
| Accounts payable and accrued liabilities                       | 222,299          | 152,219         |
|  | 222,299          | 152,219         |
| <b>Future income tax liability</b>                             | 2,013,220        | 2,013,220       |
|  | 2,235,519        | 2,165,439       |
| <b>Shareholders' Equity</b>                                    |                  |                 |
| Share capital <i>(Note 5)</i>                                  | 10,097,402       | 9,676,502       |
| Contributed surplus <i>(Note 6)</i>                            | 1,233,521        | 1,117,387       |
| <b>Deficit</b>   | (5,631,667)      | (5,145,461)     |
|  | 5,669,256        | 5,648,428       |
|  | 7,934,775        | 7,813,867       |

Approved on behalf of the Board:

\_\_\_\_\_  
*"signed"* Director  
 Jim Evaskevich

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*"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 April 30 |             | Nine months ended April 30 |             |
|--|-----------------------------|-------------|----------------------------|-------------|
|  | 2007                        | 2006        | 2007                       | 2006        |
| <b>Interest income</b>                           | <b>4,963</b>                | 63          | <b>18,421</b>              | 412         |
| <b>Expenses</b>                                  |                             |             |                            |             |
| Bank charges                                     | 143                         | 1,062       | 254                        | 1,391       |
| Depreciation                                     | 460                         | 433         | 1,381                      | 1,029       |
| General corporate                                | 16,523                      | 4,908       | 28,504                     | (81,714)    |
| Investors and shareholder relations              | 47,224                      | 4,944       | 59,419                     | 68,294      |
| Interest expense                                 | 619                         | 6,971       | 17,712                     | 21,103      |
| Professional consulting fees                     | 25                          | 11,321      | 1,851                      | 54,510      |
| Legal Fees                                       | (7,028)                     | 238,572     | 267,345                    | 271,529     |
| Stock-based compensation                         | 116,134                     | 0           | 116,134                    | 44,430      |
| Transfer agent and regulatory fees               | 5,421                       | 3,490       | 10,529                     | 4,585       |
| Travel and promotion                             | 1,295                       | 41          | 1,499                      | 5,528       |
|  | <b>180,815</b>              | 271,742     | <b>504,627</b>             | 390,684     |
| <b>Net loss for the period</b>                   | <b>(175,852)</b>            | (271,679)   | <b>(486,206)</b>           | (390,272)   |
| <b>Deficit, beginning of period</b>              | <b>(5,455,815)</b>          | (4,754,740) | <b>(5,145,461)</b>         | (4,364,468) |
| <b>Deficit, end of period</b>                    | <b>(5,631,667)</b>          | (5,026,419) | <b>(5,631,667)</b>         | (4,754,740) |
| <b>Loss per share – basic</b>                    | <b>(0.00)</b>               | (0.01)      | <b>(0.01)</b>              | (0.01)      |
| <b>Weighted average number of shares - basic</b> | <b>45,682,121</b>           | 41,932,121  | <b>45,682,121</b>          | 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 April 30 |                  | Nine months ended April 30 |                  |
|---|-----------------------------|------------------|----------------------------|------------------|
|   | 2007                        | 2006             | 2007                       | 2006             |
| <b>Cash provided by (used for) the following activities</b> |                             |                  |                            |                  |
| <b>Operating</b>  |                             |                  |                            |                  |
| Net loss  | (178,852)                   | (271,679)        | (486,206)                  | (661,951)        |
| Depreciation  | 460                         | 433              | 1,381                      | 1,462            |
| Non-cash stock-based compensation                           | 116,134                     | -                | 116,134                    | 44,430           |
|   | (59,259)                    | (271,246)        | (368,692)                  | (616,059)        |
| Changes in non-cash working capital                         |                             |                  |                            |                  |
| Accounts receivable   | (7,602)                     | 32,203           | (36,121)                   | 1,384,942        |
| Tax credits recoverable                                     | 16,082                      | -                | (11,167)                   | -                |
| Accounts payable and accruals                               | (404,985)                   | 173,486          | 70,080                     | 112,015          |
|   | (455,762)                   | (65,557)         | (345,899)                  | 880,898          |
| <b>Financing</b>  |                             |                  |                            |                  |
| Proceeds from revolving term loan                           | -                           | 75,000           | -                          | 400,000          |
| Issue of shares, net of share issue costs                   | 420,900                     | -                | 420,900                    | -                |
|   | 420,900                     | 75,000           | 420,900                    | 400,000          |
| <b>Investing</b>  |                             |                  |                            |                  |
| Proceeds on disposal of property and equipment              | -                           |                  | 120,194                    | 59,593           |
| Purchase of and expenditures on mineral properties          | (61,936)                    | 15,755           | (499,281)                  | (267,557)        |
|   | (61,936)                    | 15,755           | (379,087)                  | (207,964)        |
| <b>Increase (decrease) in cash and cash equivalents</b>     | <b>(96,798)</b>             | <b>25,198</b>    | <b>(304,086)</b>           | <b>1,072,934</b> |
| <b>Cash, (bank indebtedness) beginning of period</b>        | <b>598,446</b>              | <b>1,340,571</b> | <b>805,734</b>             | <b>292,835</b>   |
| <b>Cash and cash equivalents, end of period</b>             | <b>501,648</b>              | <b>1,365,769</b> | <b>501,648</b>             | <b>1,365,769</b> |

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

# Cascadia International Resources Inc.

## Notes to the Financial Statements

For the nine months ended April 30, 2007  
(Unaudited)

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### 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<br/>Depreciation</i> | <i>April 30, 2007<br/>Net Book Value</i> | <i>July 31, 2006<br/>Net Book Value</i> |
|--------------------|---------------|-------------------------------------|--|---|
| Computer equipment | 7,276         | 3,274                               | <b>4,002</b>                             | 5,093                                   |
| Office equipment   | 3,350         | 1,710                               | <b>1,641</b>                             | 1,930                                   |
|                    | <b>10,626</b> | <b>4,984</b>                        | <b>5,642</b>                             | <b>7,023</b>                            |

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**Cascadia International Resources Inc.**  
**Notes to the Financial Statements**

*For the nine months ended April 30, 2007*  
*(Unaudited)*

**4. Mineral properties**

|                                   | <i>Cost</i>      | <i>Accumulated<br/>Depreciation</i> | <i>April 30, 2007<br/>Net Book<br/>Value</i> | <i>July 31, 2006<br/>Net Book<br/>Value</i> |
|-----------------------------------|------------------|-------------------------------------|--|---|
| <b>Northern Quebec Properties</b> |                  |                                     |  |   |
| Raglan – Original Property        | 7,209,485        |                                     | 7,209,485                                    | 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)                                    | -   |
| <b>Ontario Properties</b>         |                  |                                     |  |   |
| Norton Lake exploration           | 1,804,865        |                                     | 1,804,865                                    | 1,813,228                                   |
| Midway exploration                | 110,539          |                                     | 110,539                                      | 100,707                                     |
| <b>Nunavut Properties</b>         |                  |                                     |  |   |
| Baker Lake exploration            | 50,000           |                                     | 50,000                                       | -   |
|                                   | <b>7,369,334</b> |                                     | <b>7,369,334</b>                             | <b>6,990,247</b>                            |

During the third quarter ended April 30, 2007, mineral property expenditures and acquisitions totaled \$61,936 (2006 - \$12,896).

***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 nine months ended April 30, 2007  
(unaudited)

### *Norton Lake Property, Thunder Bay, Ontario, Canada*

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. 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 15<sup>th</sup>, 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 2007.

### *Baker Lake Project, Nunavut, Canada*

Subsequent to quarter end, the Company signed an option agreement with Tanqueray Resources Ltd. in a property comprised of 22 claims (22,365 ha) located 75 km west of Baker Lake, Nunavut. Under the Agreement, the Company’s may earn its 50% interest in the Baker Lake Claims over a two year term as follows:

Cash Payment - \$50,000 by April 12, 2007  
Share Payment - 100,000 common shares upon TSX Venture Exchange approval  
- 200,000 common shares on or before March 31, 2008

The Company has committed to exploration expenditures of a minimum of \$200,000 by March 31, 2008, and completion a minimum 1,000 metre drill program by March 31, 2009.

## 5. Share Capital

### a) *Issued*

| <b>Common shares</b>                           | <b>Number</b> | <b>Value</b> |
|--|---------------|--------------|
| <i>Balance, July 31, 2006</i>                  | 41,932,121    | 9,676,502    |
| <i>Flow through share private placement(i)</i> | 3,750,000     | 450,000      |
| <i>Share issue costs</i>                       |               | (29,100)     |
| <i>Balance ending April 30, 2007</i>           | 45,682,121    | 10,097,402   |

(i) On March 30, 2007 the Company completed a private placement of 3,750,000 units at a price of \$0.12 per unit for gross proceeds of \$450,000. Each unit consisted of one common share to 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 \$0.15 per share until December 2007. The proceeds will be used to incur eligible Canadian Exploration expenses in Baker Lake, Nunavut.

**Cascadia International Resources Inc.**  
**Notes to the Financial Statements**

*For the nine months ended April 30, 2007*  
*(unaudited)*

**b) Stock options**

The Company has a stock option plan under which the Board of Directors may grant options to directors, officer, other employees and key consultants. The purpose of the plan is to advance the interests of the Company by encouraging these individuals to acquire shares in the Company and thereby remain associated with, and seek to maximize the value of the Company.

The following table provides information about the Company's outstanding stock options as of April 30, 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                        | -           |
| Granted                 | 2,200,000         | 0.10             | 0.10                        | 2012        |
| Granted                 | 375,000           | 0.155            | 0.155                       | 2012        |
| Balance, April 30, 2007 | 4,564,538         | 0.10 - 0.30      | 0.19                        | 2008-2012   |

**d) Warrants**

In relation to private placements, the Company has the following warrants outstanding:

|                         | 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        |
| Granted                 | 1,875,000          | 0.15             | 0.15                        | 2007        |
| Balance, April 30, 2007 | 1,875,000          | 0.15             | 0.15                        | 2007        |

**6. Contributed Surplus**

|                          |           |
|--------------------------|-----------|
| Balance, July 31, 2006   | 1,117,387 |
| Stock based compensation | 116,134   |
| Balance, April 30, 2007  | 1,233,521 |

**7. Related party transactions**

Except as disclosed elsewhere in this financial statement, the Company had the following related party transactions during the first nine months ended April 30, 2007:

During the first nine months, the Company paid Yangarra Resources Ltd. ("Yangarra") \$9,500 (2006 - \$4,500) 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 decision on the leave to appeal, on the rulings from the Raglan arbitration proceedings heard in early March 2007, remains outstanding. Cascadia posted the payable resulting from the award from the arbitration proceedings in BC. In June 2007, Novawest Resources Inc. completed the sale of its interest in the Raglan assets to Goldbrook Ventures Inc. Both Cascadia's and Goldbrook's management are meeting to discuss further exploration plans for the area.

In May 2007, Cascadia signed the option agreement with Tanqueray Resources Ltd. to earn 50% interest in the Mum claims in the Baker Lake region of Nunavut. Cascadia issued to Tanqueray the cash payment of \$50,000 and will issue 100,000 common shares upon TSX Venture approval.