



(A Development Stage Company)

Interim Financial Statements

April 30, 2008, and 2007

(Unaudited – Prepared by Management)

Notice of No Auditor Review of Interim Financial Statements:

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed these unaudited interim financial statements as at and for the three and nine months ended April 30, 2008 and 2007.

Cascadia International Resources Inc.
Interim Balance Sheet
(unaudited)

	April 30 2008	July 31 2007
Assets		
Current		
Cash	1,120,373	172,095
Accounts receivable	51,425	108,408
Prepaid expenses	12,385	4,467
	1,184,183	284,970
Property and equipment <i>(Note 4)</i>	13,976	17,884
Mineral properties <i>(Note 5)</i>	3,016,892	5,520,119
Investment <i>(Note 6)</i>	473,672	–
	4,688,813	5,822,973
Liabilities		
Current		
Accounts payable and accruals	189,923	406,799
Future income tax liability	663,601	672,065
	853,524	1,078,864
Shareholders' Equity		
Share capital <i>(Note 7)</i>	10,535,205	10,005,209
Warrants <i>(Note 8)</i>	221,140	115,410
Contributed surplus <i>(Note 9)</i>	1,395,543	1,168,873
Deficit	(8,316,599)	(6,545,383)
	3,835,289	4,744,109
	4,688,813	5,822,973
Contingency <i>(Note 12)</i>		

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

Cascadia International Resources Inc.
Interim Statements of Net Loss and Deficit

*Three and nine months ended April 30
(unaudited)*

	Three months ended April 30		Nine months ended April 30	
	2008	2007	2008	2007
Interest income	8,166	4,963	29,687	18,421
Expenses				
Bank charges	380	143	1,411	254
Depreciation	1,400	460	3,908	1,381
General corporate	18,369	16,522	40,134	28,503
Investors and shareholder relations	12,370	47,224	43,545	59,419
Interest	2,237	619	2,237	17,712
Legal fees	617	25	20,955	1,851
Professional fees	56,219	(7,028)	397,543	267,345
Transfer agent and regulatory fees	7,776	5,421	14,147	10,529
Travel and promotion	7,971	1,295	17,529	1,499
Stock-based compensation	47,130	116,134	112,490	116,134
Overhead recoveries	(1,928)	–	(43,058)	–
Loss on disposition of mineral properties <i>(Note 5 (a))</i>	–	–	14,330	–
Write-down of mining properties <i>(Note 5 (c))</i>	–	–	342,899	–
Loss on investment <i>(Note 6)</i>	313,091	–	832,833	–
	465,632	180,815	1,800,903	504,627
Loss for the period	(457,466)	(175,852)	(1,771,216)	(486,206)
Deficit, beginning of period	(7,859,133)	(5,455,815)	(6,545,383)	(5,145,461)
Deficit, end of period	(8,316,599)	(5,613,667)	(8,316,599)	(5,631,667)
Loss per share – basic and dilutive <i>(Note 7)</i>	(0.01)	–	(0.04)	(0.01)

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

Cascadia International Resources Inc.
Interim Statements of Cash Flows

*Three and nine months ended April 30
(unaudited)*

	Three months ended April 30		Nine months ended April 30	
	2008	2007	2008	2007
Cash provided by (used for) the following activities				
Operating				
Loss for the period	(457,466)	(175,852)	(1,771,216)	(486,206)
Add back (deduct) non-cash items:				
Depreciation	1,400	460	3,908	1,381
Stock-based compensation	47,130	116,134	112,490	116,134
Loss on disposition of mineral properties	–	–	14,330	–
Write-down of mining properties	–	–	342,899	–
Loss on investment	313,091	–	832,833	–
	(95,845)	(59,258)	(464,756)	(368,691)
Changes in non-cash working capital <i>(Note 10)</i>	58,179	(202,492)	(108,438)	35,040
	(37,666)	(261,750)	(573,194)	(333,651)
Financing				
Issue of shares, net of share issue costs	–	420,900	723,817	420,900
Change in non-cash working capital <i>(Note 10)</i>	–	–	25,000	–
	–	420,900	748,817	420,900
Investing				
Purchase of and expenditures on mineral properties	(82,370)	(61,936)	(1,142,972)	(499,281)
Proceeds on sale of property and equipment	–	–	2,000,000	120,194
Change in non-cash working capital <i>(Note 10)</i>	125,369	(194,012)	(84,373)	(12,248)
	42,999	(255,948)	772,655	(391,335)
Increase (decrease) in cash	5,333	(96,798)	948,278	(304,086)
Cash, beginning of period	1,115,040	598,446	172,095	805,734
Cash, end of period	1,120,373	501,648	1,120,373	501,648

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

Cascadia International Resources Inc.

Notes to the Interim Financial Statements

April 30, 2008
(unaudited)

1. Incorporation, nature and continuance of operations

Cascadia International Resources Inc. (the “Company”) was incorporated under the laws of the Province of British Columbia as Craven Resources Inc. on July 18, 1983 and changed its name to Cascadia International Resources Inc. on April 7, 1997. The Company was continued from British Columbia and registered under the laws of Alberta on March 29, 2004. 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.

The Company is in the process of exploring mineral properties and has not yet determined whether these properties contain deposits that are economically recoverable. The continuing operations of the Company to meet its commitments, as they become payable, including the development of the properties, securing and maintaining title and financing exploration and development of the properties, is dependent upon obtaining necessary financing through public and private share offerings.

The 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. These financial statements do not include any adjustments that would be necessary should the Company be unable to obtain sufficient financing and consequently be unable to continue as a going concern.

2. Basis of presentation

These unaudited 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, 2007 financial statements except certain disclosures have been condensed or omitted. Accordingly, these unaudited interim financial statements should be read in conjunction with the notes contained in the Company’s audited July 31, 2007 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 operating results for the three and nine months ended April 30, 2008 may not be indicative of the results for the year ended July 31, 2008. Certain prior year comparatives have been reclassified to conform with current year presentation.

3. Changes in accounting policies

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.

Cascadia International Resources Inc.
Notes to the Interim Financial Statements

April 30, 2008
(unaudited)

3. Changes in accounting policies (continued from the previous page)

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 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 loss and a new category, accumulated other comprehensive income, in the shareholders' equity section of the balance sheet.

Inventories

In March 2007, Section 3031 Inventories was adopted which aligns Canadian GAAP with IFRS. This standard was effective on January 1, 2008 and has no impact on the Company's financial statements

Pending accounting pronouncements

The Company is currently assessing the impact of these following new standards on its consolidated financial statements:

i) *Capital Disclosures and Financial Instruments – Disclosures and Presentation*

Three new accounting standards have been issued by the CICA: Section 1535 Capital Disclosures, Section 3862 Financial Instruments – Disclosure and Section 3863 Financial Instruments – Presentation. These new standards will be effective for the Company's fiscal year commencing August 1, 2008.

Section 1535 specifies the disclosure of (i) an entity's objectives, policies, and processes for managing capital, (ii) quantitative data about what the entity regards as capital, (iii) whether the entity has complied with any capital requirements, and (iv) if it has not complied, the consequences of such non-compliance.

The new Sections 3862 and 3863 replace Section 3861 Financial Instruments – Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

ii) *International Financial Reporting Standards ("IFRS")*

In 2005, the Accounting Standards Board of Canada ("AcSB") announced that accounting standards in Canada are to converge with IFRS. The AcSB has indicated that Canadian entities will need to begin reporting under IFRS by the first quarter of 2011 with appropriate comparative data from the prior year. Under IFRS, the primary audience is capital markets and as a result, there is significantly more disclosure required, specifically for quarterly reporting. Further, while IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences in accounting policy which must be addressed.

iii) *Goodwill and intangible assets*

In January 2008, Section 3064 Goodwill and Intangible Assets was issued to replace Section 3062 Goodwill and Other Intangible Assets and Section 3450 Research and Development Costs. This standard aligns Canadian GAAP with IFRS and will be effective on October 1, 2008.

Cascadia International Resources Inc.
Notes to the Interim Financial Statements

April 30, 2008
(unaudited)

4. Property and equipment

	<i>Cost</i>	<i>Accumulated Depreciation</i>	<i>April 30, 2008 Net Book Value</i>	<i>July 31, 2007 Net Book Value</i>
Computer equipment	20,428	7,764	12,664	16,340
Office equipment	3,350	2,038	1,312	1,544
	23,778	9,802	13,976	17,884

5. Mineral properties

	<i>Cost</i>	<i>Accumulated Depreciation</i>	<i>April 30, 2008 Net Book Value</i>	<i>July 31, 2007 Net Book Value</i>
Ontario Properties				
Norton Lake	2,215,086	–	2,215,086	1,969,368
Midway	167,980	–	167,980	137,250
Awkward	56,157	–	56,157	–
British Columbia Properties				
Goat Mountain, British Columbia (b)	520,389	–	520,389	29,213
Other Properties				
Baker Lake, Nunavut	342,899	–	342,899	77,693
Baker Lake Write-down	(342,899)	–	(342,899)	
Raglan (a)	–	–	–	3,306,595
International Properties				
Peru Prospects	57,280	–	57,280	–
	3,016,892	–	3,016,892	5,520,119

During the three and nine months ended April 30, 2008, mineral property expenditures and acquisitions totaled \$82,370 and \$1,160,596 respectively of which \$82,370 and \$1,142,972, respectively, were acquired with cash and \$nil and \$17,625, respectively, were acquired through the issue of common shares (Note 7(d)). In November 2007, the Company returned the Baker Lake Property to the vendors and ceased any further exploration.

a) Raglan, Ungava Bay Properties in Quebec, Canada

In August 2007, the Company closed the disposition of all of its mineral properties in the Raglan area to Goldbrook Ventures Inc. (“Goldbrook”). As consideration for the disposition, the Company received \$2 million of cash, 2 million common shares of Goldbrook, 2 million common share purchase warrants to acquire 2 million 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. The total value of consideration received is estimated at \$3,306,595 based on the \$0.33 per share market value Goldbrook’s common shares on the date of closing and the estimated \$646,595 fair value of Goldbrook warrants using the Black-Scholes fair value pricing model. At the date of disposition, the net book value of the properties exceeded the total proceeds resulting in a \$14,330 loss on disposition.

Cascadia International Resources Inc.
Notes to the Interim Financial Statements

April 30, 2008
(unaudited)

5. Mineral properties *(continued from the previous page)*

b) Goat Mountain Project, British Columbia, Canada

In July 2007, the Company signed an option agreement for a molybdenum property comprised of approximately 10,000 acres in southern British Columbia. Under the terms of the option agreement the Company will earn a 100% interest, subject to a 2% net smelter return royalty, in the property through the following:

- i.* A commitment to spend \$500,000 by December 31, 2009;
- ii.* Cash payments totaling \$100,000 by January 31, 2009
- iii.* The issuance of 300,000 common shares of the Company by January 31, 2009

To date the Company has paid \$50,000 in cash options payments and issued 150,000 common shares, of which 75,000 common shares were issued in January 2008 in respect of (iii). These shares were valued at \$6,375, and \$17,625 based on the market price of the Company's shares on the dates of issuance (Note 7). The Company may also acquire a 1% net smelter return royalty at any time for \$1,000,000.

c) Baker Lake Project, Nunavut

In May 2007, the Company signed an option agreement with Tanqueray Resources Ltd. for a property comprised of 22 claims (22,365 ha) located 75 km west of Baker Lake, Nunavut. Under the agreement, the Company may earn a 50% interest in the Baker Lake Claims over a two year term for a cash payment of \$50,000 paid in April 2007, the issue of 100,000 common shares of the Company in July 2007 and an additional 200,000 common shares of the Company on or before March 31, 2008. In addition, the Company has committed to incur a minimum \$200,000 of exploration expenditures by March 31, 2008 and to complete a drill program to a minimum depth of 1,000 metres by March 31, 2009.

In November 2007, the Company suspended exploration on Baker Lake Property, and as a result, all associated expenditures incurred on these properties to January 31, 2008, totaling \$342,899 were written off the second quarter ending January 31, 2008.

6. Investment

As at April 30, 2008, the fair value of the Company's investment (Note 5(a)) was \$473,762. As a consequence of adopting new financial instruments standards as described in note 3, the difference of \$832,833 between the \$1,306,595 estimated fair value recorded on the date of the mineral property disposition and the April 30, 2008 fair value has been recognized as a loss on investment in the statement of net loss.

7. Share Capital

Issued

Common shares	Number	Value
<i>Balance, July 31, 2007</i>	45,782,121	10,005,209
<i>Flow-through private placement (a)</i>	3,750,000	528,860
<i>Exercised warrants (b)</i>	20,000	4,231
<i>Mineral property (Note 5(b))</i>	150,000	17,625
<i>Share issues costs, net of \$8,464 future income tax</i>	—	(20,720)
<i>Balance, April 30, 2008</i>	49,702,121	10,535,205

Cascadia International Resources Inc.
Notes to the Financial Statements

April 30, 2008
(unaudited)

7. Share Capital *(continued from previous page)*

- a) In October and November, 2007 the Company completed a non-brokered private placement for the issuance 3,750,000 units at a price of \$0.20 per unit for gross proceeds of \$750,000. 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. At the time of the private placement, \$221,140 was ascribed to the warrants based on the Black-Scholes fair value pricing model and \$528,860 was ascribed to the common shares.
- b) In November 2007, 20,000 warrants were exercised for cash proceeds of \$3,000 plus the related fair value of \$1,231. The remaining warrants expired unexercised and the \$114,179 of fair value was reclassified from share capital to contributed surplus.

Flow-through shares

The \$275,500 tax effect of the \$450,000 flow-through share proceeds raised in March 2007 and the \$750,000 flow-through share proceeds raised in October/November 2007 was recorded in February 2008 when the tax benefits were filed with the tax authorities and renounced to investors with an effective date of December 31, 2007. All of the \$450,000 qualifying flow-through expenditures in respect of the March 2007 proceeds had been incurred as at December 31, 2007. The Company has until December 31, 2008 to incur \$750,000 of qualifying flow-through expenditures in respect of the October/November 2007 proceeds, of which approximately \$453,075 had been incurred as at April 30, 2008.

Stock options

The following table summarizes information about stock options outstanding at April 30, 2008:

	<i>Number of options</i>	<i>Weighted – average exercise price</i>
Balance, July 31, 2007	4,564,538	\$ 0.19
Granted	250,000	0.10
Balance, April 30, 2008	4,814,538	\$ 0.18

<i>Exercise price</i>	<i>Number outstanding</i>	<i>Weighted-average remaining contractual life (years)</i>	<i>Weighted-average exercise price</i>	<i>Number exercisable</i>
\$ 0.10	2,450,000	3.96	\$ 0.10	1,350,000
\$ 0.155	375,000	3.95	0.155	187,500
\$ 0.25	250,000	2.39	0.25	250,000
\$ 0.30	1,739,538	0.16	0.30	1,739,538
	4,814,538	2.50	\$ 0.18	3,527,038

In April 2008, the Company granted 250,000 options exercisable at \$0.10 per share. The options vest immediately and expire five years from the date of grant. The Black-Scholes pricing model used to estimate the \$14,450 fair value of the options was based on 251% expected volatility, 3.33% risk-free interest rate and 3 year expected life. As the options vest immediately, the entire fair value has been recorded as stock-based compensation expense in the period.

Cascadia International Resources Inc.
Notes to the Interim Financial Statements

April 30, 2008
(unaudited)

7. Share Capital *(continued from previous page)*

Per share amounts

Basic and diluted net loss per share is calculated using the weighted average number of shares outstanding for the three and nine months ended April 30, 2008 of 49,702,121 and 48,750,345 respectively, (three and nine months ended April 30, 2007 – 43,238,301 and 42,357,948). Diluted per common share amounts have not been presented as any effect of options and warrants is anti-dilutive.

8. Warrants

	<i>Number of Warrants</i>	<i>Weighted Average Exercise Price</i>	<i>Value</i>	<i>Expiry Date</i>
<i>Balance, July 31, 2007</i>	1,875,000	\$0.15	\$ 115,410	–
Exercised	(20,000)	\$0.15	(1,230)	–
Expired	(1,855,000)	\$0.15	(114,180)	–
Issued (Note 7)	1,875,000	\$0.25	\$ 221,140	December 31, 2008
<i>Balance, April 30, 2008</i>	1,875,000	\$0.25	\$ 221,140	December 31, 2008

As at April 30, 2008, warrants outstanding have a weighted average remaining life of 0.67 years.

9. Contributed Surplus

<i>Balance, July 31, 2007</i>	1,168,873
Stock-based compensation	112,490
Expiry of warrants (Note 7(b))	114,180
<i>Balance, April 30, 2008</i>	1,395,543

10. Change in non-cash working capital

	<i>Three months ended April 30</i>		<i>Nine months ended April 30</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
Accounts receivable	58,691	(7,602)	56,983	(36,121)
Prepaid expenses and deposits	8,500	16,082	(7,918)	(11,167)
Accounts payable and accrued liabilities	116,357	(404,984)	(216,876)	70,080
	183,548	(396,504)	(167,811)	22,792

The change in non-cash working capital has been allocated to the following activities:

	<i>Three months ended April 30</i>		<i>Nine months ended April 30</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
Operating	58,179	(202,492)	(108,438)	35,040
Financing	–	–	25,000	–
Investing	125,369	(194,012)	(84,373)	(12,248)
	183,548	(396,504)	(167,811)	22,792

Cascadia International Resources Inc.
Notes to the Interim Financial Statements

April 30, 2008
(unaudited)

11. Related party transactions

Except as disclosed elsewhere in these financial statements, the Company had the following related party transactions in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties:

During the three and nine months ended April 30, 2008, the Company was charged \$4,500 and \$13,500, respectively (three and nine months ended April 30, 2007 –\$4,500 and \$9,500) for rent and office services by a company related through a common officer and director, of which \$nil is included in accounts payable and accrued liabilities at April 30, 2008.

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.

12. Contingency

In March 2007, the Company commenced appeal proceedings on various arbitration rulings relating to the Raglan properties (*Note 5(a)*); 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. 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 May 30, 2008, a ruling was received from the Supreme Court of British Columbia in which leave to appeal was granted on one of the five decisions by the arbitrator which Cascadia was seeking leave to appeal. Cascadia has filed a notice of appeal with the Court of Appeal for British Columbia on two of the four decisions.