

EAST WEST RESOURCE CORPORATION

FINANCIAL STATEMENTS

January 31, 2002

DE VISSER GRAY

CHARTERED ACCOUNTANTS

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NOTICE TO READER

We have compiled the balance sheet of East West Resource Corporation as at January 31, 2002 and the statements of operations and deficit, cash flows and mineral property costs for the nine month period then ended from information provided by management. We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information. Readers are cautioned that these statements may not be appropriate for their purposes.

"De Visser Gray"

CHARTERED ACCOUNTANTS

Vancouver, British Columbia
March 25, 2002

EAST WEST RESOURCE CORPORATION

Balance Sheets

As at

(Unaudited - see Notice to Reader)

	January 31, 2002	April 30, 2001
	\$	(Audited) \$
A S S E T S		
Current		
Cash	20,910	214,673
Accounts receivable	16,214	69,486
Prepaid expense	-	4,507
	<u>37,124</u>	<u>288,666</u>
Capital assets	4,676	7,014
Mineral properties	1,810,235	1,528,807
	<u>1,852,035</u>	<u>1,824,487</u>
L I A B I L I T I E S		
Current		
Accounts payable and accrued liabilities	89,399	101,746
Due to related parties (note 3)	93,830	84,534
	<u>183,229</u>	<u>186,280</u>
S H A R E H O L D E R S ' E Q U I T Y		
Share capital	9,227,523	8,241,223
Special warrants (note 4)	-	800,000
Deficit	(7,558,717)	(7,403,016)
	<u>1,668,806</u>	<u>1,638,207</u>
	<u>1,852,035</u>	<u>1,824,487</u>

See notes to the financial statements

EAST WEST RESOURCE CORPORATION

Statements of Operations and Deficit

(Unaudited - see Notice to Reader)

	For the Three Months Ended January 31,		For the Nine Months Ended January 31,	
	2002	2001	2002	2001
	\$	\$	\$	\$
Income				
Gain on sale of equipment	-	-	-	447
Interest	26	351	1,421	1,424
	<u>26</u>	<u>351</u>	<u>1,421</u>	<u>1,871</u>
Expenses				
Advertising	2,300	3,495	2,300	20,195
Amortization	1,511	486	2,338	1,460
Automobile	3,768	3,081	17,658	11,740
Bank charges and interest	130	150	562	741
Consulting	7,424	9,600	11,259	16,318
General exploration	-	4,979	2,713	33,604
Legal, accounting and audit	16,551	15,382	36,615	33,393
Management fees	7,500	7,500	22,500	35,250
Office, postage and printing	3,890	3,286	13,292	20,062
Rent	7,933	10,221	7,933	15,474
Shareholder communication	-	-	3,966	-
Telephone	1,535	2,573	4,048	8,087
Travel and field supervision	5,647	6,187	9,365	27,387
Trust and filing	4,860	7,590	22,573	24,162
	<u>63,049</u>	<u>74,530</u>	<u>157,122</u>	<u>247,873</u>
Net loss for the period	(63,023)	(74,179)	(155,701)	(246,002)
Deficit - beginning of period	<u>(7,495,694)</u>	<u>(6,610,725)</u>	<u>(7,403,016)</u>	<u>(6,438,902)</u>
Deficit - end of period	<u>(7,558,717)</u>	<u>(6,684,904)</u>	<u>(7,558,717)</u>	<u>(6,684,904)</u>
Loss per share	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>

See notes to the financial statements

EAST WEST RESOURCE CORPORATION

Statements of Cash Flows
(Unaudited - see Notice to Reader)

	For the Three Months Ended January 31,		For the Nine Months Ended January 31,	
	2002	2001	2002	2001
	\$	\$	\$	\$
Cash Provided by (Used For):				
Operating Activities				
Net loss for the period	(63,023)	(74,179)	(155,701)	(246,002)
Adjustment for items not involving cash:				
Amortization	1,511	486	2,338	1,460
Gain on sale of capital assets	-	-	-	(447)
	(61,512)	(73,693)	(153,363)	(244,989)
Net changes in non-cash working capital items:				
Prepaid expenses	-	-	4,507	3,731
Accounts receivable	15,398	(94,074)	53,272	(114,610)
Accounts payable	14,643	80,190	(12,347)	40,137
Due from/to related parties	10,178	10,292	9,296	(6,244)
	(21,293)	(77,285)	(98,635)	(321,975)
Investing Activities				
Purchase of capital assets	-	(1,344)	-	(2,492)
Mineral property expenditures	(33,040)	(122,528)	(306,078)	(462,124)
Option payments received	23,000	-	55,950	-
	(10,040)	(123,872)	(250,128)	(464,616)
Financing Activity				
Cash received for common shares	30,000	180,000	155,000	710,175
Net cash used during the period	(1,333)	(21,157)	(193,763)	(76,416)
Cash-beginning of the period	22,243	16,383	214,673	71,642
Cash (bank indebtedness)-end of the period	20,910	(4,774)	20,910	(4,774)

Supplementary disclosure of non-cash investing and financing activities:

- a) During the current year, the Company issued 170,000 common shares at a value of \$31,300 for the acquisition of mineral property interests. The Company also converted the special warrants for 1,466,667 common shares at a value of \$800,000.
- b) During the comparative year, the Company issued 495,000 common shares at a value of \$90,175 for the acquisition of mineral property interests.

EAST WEST RESOURCE CORPORATION

Statement of Mineral Property Costs

(Unaudited - see Notice to Reader)

	April 30, 2001	Net Expenditures/ (Recoveries)	January 31, 2002	January 31, 2001
	\$	\$	\$	\$
ONTARIO				
Seagull and Disraeli				
Acquisition	51,749	4,751	56,500	57,007
Assay	15,224	7,278	22,502	20,857
Camp accommodations and Travel	13,468	1,737	15,205	5,729
Drilling	259,925	46,945	306,870	259,481
Geological and Geophysical	98,312	9,340	107,652	69,337
Field office expenses	10,390	3,156	13,546	373
	<u>449,068</u>	<u>73,207</u>	<u>522,275</u>	<u>412,784</u>
Nighthawk Joint Venture				
Acquisition	144,930	294	145,224	148,133
Assay	7,253	2	7,255	7,239
Camp accommodations and Travel	7,117	36	7,153	7,117
Drilling	27,117	-	27,117	27,117
Geological and Geophysical	86,486	712	87,198	86,468
Field office expenses	22,565	(414)	22,151	19,861
	<u>295,468</u>	<u>630</u>	<u>296,098</u>	<u>295,935</u>
Havoc				
Acquisition	47,191	(17,800)	29,391	71,991
Assay	42,035	-	42,035	42,036
Camp accommodations and Travel	1,845	1,820	3,665	1,681
Geological and Geophysical	66,859	25,330	92,189	46,465
Field office expenses	3,227	5,064	8,291	814
	<u>161,157</u>	<u>14,414</u>	<u>175,571</u>	<u>162,987</u>
Hele				
Acquisition	26,403	(7,500)	18,903	33,645
Assay	1,273	48	1,321	1,273
Camp accommodations and Travel	137	357	494	136
Drilling	14,767	-	14,767	14,768
Geological and Geophysical	5,722	6,951	12,673	4,182
Field office expenses	75	24	99	75
	<u>48,377</u>	<u>(120)</u>	<u>48,257</u>	<u>54,079</u>
Hepburn				
Acquisition	41,420	-	41,420	40,060
Geological and Geophysical	179,687	-	179,687	179,687
Field office expenses	45	-	45	45
	<u>221,152</u>	<u>-</u>	<u>221,152</u>	<u>219,792</u>
Steele and Bonis-Scapa				
Acquisition	7,842	5,048	12,890	4,016
Camp accommodations and Travel	8,551	-	8,551	8,551
Geological and Geophysical	120,264	-	120,264	120,264
Field office expenses	151	64	215	45
	<u>136,808</u>	<u>5,112</u>	<u>141,920</u>	<u>132,876</u>
Rift				
Acquisition	-	16,930	16,930	-
Assay	-	4,796	4,796	-
Camp accommodations and Travel	-	3,468	3,468	-
Geological and Geophysical	364	97,047	97,411	-
Field office expenses	-	729	729	-
	<u>364</u>	<u>122,970</u>	<u>123,334</u>	<u>-</u>

See notes to the financial statements

EAST WEST RESOURCE CORPORATION

Statement of Mineral Property Costs *(continued)*

(Unaudited - see Notice to Reader)

	April 30, 2001	Expenditures/ (Recoveries)	January 31, 2002	January 31, 2001
	\$	\$	\$	\$
ONTARIO <i>(continued)</i>				
Reaume				
Acquisition	8,815	(10,000)	(1,185)	8,815
Assay	16,314	-	16,314	16,314
Geological and Geophysical	14,161	-	14,161	14,161
	<u>39,290</u>	<u>(10,000)</u>	<u>29,290</u>	<u>39,290</u>
Little Sturge				
Acquisition	27,746	18,400	46,146	34,308
Camp accommodations and Travel	-	59	59	-
Geological and Geophysical	301	(49)	252	(22,240)
Field office expenses	-	3	3	-
	<u>28,047</u>	<u>18,413</u>	<u>46,460</u>	<u>12,068</u>
Williamson & Rogers				
Acquisition	19,760	(200)	19,560	16,960
Assay	54	-	54	-
Camp accommodations and Travel	293	-	293	-
	<u>20,107</u>	<u>(200)</u>	<u>19,907</u>	<u>16,960</u>
Norton Lake				
Acquisition	-	45,872	45,872	-
Assay	-	4,192	4,192	-
Camp accommodations and Travel	-	702	702	-
Geological and Geophysical	-	1,525	1,525	-
Field office expenses	-	252	252	-
	<u>-</u>	<u>52,543</u>	<u>52,543</u>	<u>-</u>
Edwards				
Acquisition	-	-	-	38,125
Geological and Geophysical	-	-	-	105,548
	<u>-</u>	<u>-</u>	<u>-</u>	<u>143,673</u>
Timmins				
Acquisition	-	-	-	1,626
Camp accommodations and Travel	-	-	-	2,855
Geological and Geophysical	-	-	-	82,580
	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,061</u>
QUEBEC				
Casa Berardi				
Acquisition	-	-	-	184,652
Assay	-	-	-	3,723
Camp accommodations and Travel	-	-	-	4,133
Drilling	-	-	-	37,017
Geological and Geophysical	-	-	-	135,687
Field office expenses	-	-	-	5,845
	<u>-</u>	<u>-</u>	<u>-</u>	<u>371,057</u>
OTHER				
Acquisition	104,245	2,283	106,528	153,481
Assay	2,592	92	2,684	1,546
Camp accommodations and Travel	5,281	978	6,259	933
Geological and Geophysical	14,392	417	14,809	16,450
Field office expenses	2,459	689	3,148	2,759
	<u>128,969</u>	<u>4,459</u>	<u>133,428</u>	<u>175,169</u>
Total Mineral Property Costs	<u>1,528,807</u>	<u>281,428</u>	<u>1,810,235</u>	<u>2,123,731</u>

See notes to the financial statements

EAST WEST RESOURCE CORPORATION

Notes to the Financial Statements

January 31, 2002

1. NATURE OF OPERATIONS

The Company's major activity is the acquisition and exploration of mineral properties. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves. The Company does not generate sufficient cash flow from operations to adequately fund its exploration activities and has therefore relied principally upon the issuance of securities for financing. The Company intends to continue relying upon the issuance of securities to finance its operations and exploration activities to the extent such instruments are issuable under terms acceptable to the Company. Accordingly, the Company's interim financial statements are presented on a going concern basis, which assumes that the Company will continue to realize its assets and discharge its liabilities in the normal course of operations. If future financing is unavailable, the Company may not be able to meet its ongoing obligations, in which case the realizable values of its assets may decline materially from current estimates.

2. ACCOUNTING PRINCIPLES AND USE OF ESTIMATES

The accompanying unaudited interim financial statements of the Company are prepared in accordance with Canadian generally accepted accounting principles for interim financial statements. These interim financial statements should be read in conjunction with the Company's annual audited financial statements dated April 30, 2001. All material adjustments which, in the opinion of management, are necessary for a fair presentation of the results for the interim periods have been reflected. The results for the nine months ended January 31, 2002 are stated utilizing the same accounting policies and methods of application as the most recent annual financial statements, but are not necessarily indicative of the results to be expected for the full year.

3. RELATED PARTY TRANSACTIONS

All transactions with related parties have occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The year end balances referred to above are non-interest bearing, unsecured, receivable or payable on demand and have arisen from the provision of services, expense reimbursements or advances described.

The Company owes a law firm of which the President is a partner \$47,585 for legal services.

The Company's exploration manager was paid \$52,044 for management services and for certain other expenses incurred on behalf of the Company and was owed \$46,245 at January 31, 2002.

4. SPECIAL WARRANTS

The Company had previously issued 1,333,334 flow-through special warrants at \$0.60 per special warrant, which were converted into 1,466,667 common shares of the Company during the period.

5. SUBSEQUENT EVENTS

Stock options were exercised for 100,000 common shares at \$0.15 per share, 902,000 stock options outstanding were cancelled and 1,120,000 stock options were granted at \$0.14 and \$0.11 per share.

The Company issued 25,000 common shares at \$0.15 per share for a mineral property acquisition.