
EAST WEST RESOURCE CORPORATION
INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
JULY 31, 2007
(UNAUDITED)

Responsibility for Interim Financial Statements

The accompanying unaudited interim financial statements for East West Resource Corporation have been prepared by management in accordance with Canadian Generally Accepted Accounting Principles consistently applied. The most significant of these accounting principles have been set out in the April 30, 2007 audited financial statements. Only changes in accounting information have been disclosed in these unaudited interim financial statements. These unaudited interim statements are presented on the accrual basis of accounting. Accordingly, a precise determination of many assets and liabilities is dependent upon future events. Therefore, estimates and approximations have been made using careful judgment. Recognizing that the Company is responsible for both the integrity and objectivity of the unaudited interim financial statements, management is satisfied that these unaudited interim financial statements have been fairly presented.

Auditor Involvement

The independent auditor of East West Resource Corporation has not performed a review of the unaudited interim financial statements for the three months ended July 31, 2007 and July 31, 2006.

EAST WEST RESOURCE CORPORATION
(An Enterprise in the Development Stage)
Interim Balance Sheets

(Unaudited)	July 31, 2007	April 30, 2007
Assets		
Current		
Cash	\$ 603,817	\$ 109,239
Short term investment	1,200,000	-
Amounts receivable	326,379	242,392
Marketable securities	3,258	-
Prepaid expenses	1,431	1,431
	2,134,885	353,062
Equipment	27,065	14,545
Mineral properties (Note 3)	5,204,658	5,534,129
	\$ 7,366,608	\$ 5,901,736
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued liabilities	\$ 64,934	\$ 76,145
Due to related parties (Note 5)	97,233	88,870
	162,167	165,015
Shareholders' Equity		
Share capital (Note 4(b))	17,328,857	15,192,629
Contributed surplus	1,275,000	1,337,553
Deficit	(11,399,416)	(10,793,461)
	7,204,441	5,736,721
	\$ 7,366,608	\$ 5,901,736

Nature of Operations and Going Concern (Note 1)

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

EAST WEST RESOURCE CORPORATION
(An Enterprise in the Development Stage)
Interim Statements of Operations and Comprehensive Loss

(Unaudited)	Three Months Ended July 31,	
	2007	2006
Expenses		
Amortization	\$ 1,613	\$ 1,388
Consulting	9,000	9,250
Bank charges	610	143
Gain on sale of investments	(165,189)	(27,228)
Loss on disposition of mineral property (Note 3(b))	557,142	-
Interest	(6,215)	(25,835)
Investor and shareholder communications	2,399	-
Legal, accounting and audit	10,977	9,116
Management fees	7,500	1,575
Office, postage and printing	2,962	723
Rent and utilities	3,327	-
Stock-based compensation (Note 6)	152,500	-
Telephone	1,134	1,580
Travel and field supervision	8,097	1,115
Trust and regulatory	4,806	1,415
Truck	15,292	466
	605,955	(26,292)
Net (loss) income and comprehensive (loss) for the period	\$ (605,955)	\$ 26,292
Net (loss) income per share (Note 8)	\$ (0.01)	\$ 0.00
Weighted average shares outstanding	106,351,169	97,366,426

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

EAST WEST RESOURCE CORPORATION
(An Enterprise in the Development Stage)
Interim Statements of Changes in Shareholders' Equity

(Unaudited)	Three Months Ended July 31,	
	2007	2006
Share Capital		
Balance, beginning of period	\$ 15,192,629	\$ 14,758,104
Mineral properties	15,000	24,000
Exercise of warrants	1,906,175	-
Fair value of warrants exercised	215,053	-
	\$ 17,328,857	\$ 14,782,104
Contributed Surplus		
Balance, beginning of period	\$ 1,337,553	\$ 1,263,698
Stock-based compensation (Note 6)	152,500	-
Fair value of warrants exercised	(215,053)	-
	\$ 1,275,000	\$ 1,263,698
Deficit		
Balance, beginning of period	\$ (10,793,461)	\$ (10,071,464)
Net (loss) income and comprehensive (loss) for the period	(605,955)	26,292
	\$ (11,399,416)	\$ (10,045,172)
Total Shareholders' Equity, End of Period	\$ 7,204,441	\$ 6,000,630

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

EAST WEST RESOURCE CORPORATION
(An Enterprise in the Development Stage)
Interim Statements of Cash Flows

(Unaudited)	Three Months Ended July 31,	
	2007	2006
Cash provided by (used in):		
OPERATING ACTIVITIES		
Net (loss) income for the period	\$ (605,955)	\$ 26,292
Adjusted for items which do not affect cash:		
Amortization	1,613	1,388
Gain on sale of investment	(165,189)	(27,228)
Loss on disposition of mineral property (Note 3(b))	557,142	-
Stock-based compensation expense (Note 6)	152,500	-
Net changes in non-cash working capital items:		
Amounts receivable	(83,987)	53,220
Accounts payable and accrued liabilities	(11,211)	2,116
Due from/to related parties	8,363	(12,239)
	(146,724)	43,549
INVESTING ACTIVITIES		
Proceeds on sale of investments	181,610	33,978
Purchase of short term investment	(1,200,000)	-
Purchase of equipment	(14,133)	-
Mineral property costs, net of recoveries	(232,350)	(358,225)
	(1,264,873)	(324,247)
FINANCING ACTIVITIES		
Proceeds received on exercise of warrants	1,906,175	-
	1,906,175	-
Net cash provided (used) during the period	494,578	(280,698)
Cash, beginning of period	109,239	974,874
Cash, end of period	\$ 603,817	\$ 694,176

Supplementary Cash Flow Information

During the period, the Company received interest of \$4,781 (July 31, 2006 - \$25,835), and issued 100,000 common shares valued at \$15,000 for mineral properties (July 31, 2006 - 200,000 common shares valued at \$24,000)

EAST WEST RESOURCE CORPORATION
(An Enterprise in the Development Stage)
Interim Schedule of Mineral Properties

(Unaudited)	Three Months Ended July 31,	
	2007	2006
Norton Lake**		
Beginning balance	\$ 536,582	\$ 492,354
Camp accommodations and travel	3,441	-
Field office expense	68	-
	3,509	-
Ending balance	\$ 540,091	\$ 492,354
Seagull and Disraeli**		
Beginning balance	\$ 724,593	\$ 585,186
Acquisition	-	765
Assay	-	8,755
Camp accommodations and travel	-	53
Drilling	-	108,470
Geological and geophysical	-	8,414
	-	126,457
Ending balance	\$ 724,593	\$ 711,643
Nighthawk Joint Venture**		
Beginning balance	\$ 239,036	\$ 238,917
Field office expense	-	116
Ending balance	\$ 239,036	\$ 239,033

***For a description of these properties, refer to Note 3 of the audited financial statements as at April 30, 2007.*

EAST WEST RESOURCE CORPORATION
(An Enterprise in the Development Stage)
Interim Schedule of Mineral Properties

(Unaudited)	Three Months Ended July 31,	
	2007	2006
Havoc** (Note 3(a))		
Beginning balance	\$ 310,024	\$ 235,763
Camp accommodations and travel	147	-
Field office expense	23	-
Recovery of expenditures	(15,000)	-
	(14,830)	-
Ending balance	\$ 295,194	\$ 235,763
Armstrong**		
Beginning balance	\$ 560,490	\$ 547,850
Field office expense	-	1,350
Sale of mineral property interests (Note 3(b))	(560,490)	-
	(560,490)	1,350
Ending balance	\$ -	\$ 549,200
Hamlin**		
Beginning balance	\$ 1,093,522	\$ 1,039,839
Acquisition	-	2,192
Assay	-	192
Camp accommodations and travel	61	6,912
Drilling	-	1,257
Geological and geophysical	1,337	22,129
Field office expense	-	434
	1,398	33,116
Ending balance	\$ 1,094,920	\$ 1,072,955

***For a description of these properties, refer to Note 3 of the audited financial statements as at April 30, 2007.*

EAST WEST RESOURCE CORPORATION
(An Enterprise in the Development Stage)
Interim Schedule of Mineral Properties

(Unaudited)	Three Months Ended July 31,	
	2007	2006
Burchell		
Beginning balance	\$ 92,818	\$ 91,316
Geological and geophysical	-	758
Ending balance	\$ 92,818	\$ 92,074
Deaty**		
Beginning balance	\$ 424,526	\$ 406,412
Assay	-	75
Camp accommodations and travel	-	518
Drilling	-	(1,709)
Geological and geophysical	1,298	12,517
Field office expense	-	120
	1,298	11,521
Ending balance	\$ 425,824	\$ 417,933
Powell Lake**		
Beginning balance	\$ 501,229	\$ 468,491
Geological and geophysical	-	22,564
Field office expense	-	900
	-	23,464
Ending balance	\$ 501,229	\$ 491,955

***For a description of these properties, refer to Note 3 of the audited financial statements as at April 30, 2007.*

EAST WEST RESOURCE CORPORATION
(An Enterprise in the Development Stage)
Interim Schedule of Mineral Properties

(Unaudited)	Three Months Ended July 31,	
	2007	2006
Ardeen		
Beginning balance	\$ -	\$ 231,237
Assay	-	5
Geological and geophysical	-	24,538
	-	24,543
Ending balance	\$ -	\$ 255,780
Adair		
Beginning balance	\$ -	\$ 129,195
Acquisition	-	12,000
Camp accommodations and travel	-	50
Drilling	-	8,542
Geological and geophysical	-	2,944
	-	23,536
Ending balance	\$ -	\$ 152,731
Eva Kitto		
Beginning balance	\$ 108,609	\$ 75,390
Acquisition	-	3,233
Drilling	1,947	-
Geological and geophysical	-	1,775
	1,947	5,008
Ending balance	\$ 110,556	\$ 80,398
Obadinaw		
Beginning and Ending balance	\$ -	\$ 61,589

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

EAST WEST RESOURCE CORPORATION
(An Enterprise in the Development Stage)
Interim Schedule of Mineral Properties

(Unaudited)	Three Months Ended July 31,	
	2007	2006
Marshall Lake**		
Beginning balance	\$ 603,893	\$ -
Acquisition	40,000	-
Assay	14,694	-
Camp accommodations and travel	38,774	-
Drilling, line-cutting and trenching	134,003	-
Geological and geophysical	211,673	-
Field office expense	3,347	-
Recovery of expenditures	(210,000)	-
	232,491	-
Ending balance	\$ 836,384	\$ -
Other		
Beginning balance	\$ 338,807	\$ 283,004
Acquisition	-	41,181
Assay	-	7,083
Camp accommodations and travel	-	7,914
Drilling and line-cutting	-	46,203
Geological and geophysical	5,105	29,948
Field office expense	101	27
	5,206	132,356
Ending balance	\$ 344,013	\$ 415,360
Total Mineral Properties, End of Period	\$ 5,204,658	\$ 5,268,768

***For a description of these properties, refer to Note 3 of the audited financial statements as at April 30, 2007.*

EAST WEST RESOURCE CORPORATION

(An Enterprise in the Development Stage)

Condensed Notes to Interim Financial Statements

Three Months Ended July 31, 2007

(Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

East West Resource Corporation ("East West" or the "Company") was incorporated in the Province of British Columbia and was continued under the laws of the Province of Ontario on December 11, 2005. Its principal activity is the acquisition and exploration of resource properties. The Company is currently in the exploration stage of developing its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable.

These unaudited interim financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and has an accumulated operating deficit of \$11,399,416 at July 31, 2007 (April 30, 2007 - \$10,793,461). The ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise additional financing.

There can be no assurance that the Company will be able to continue to raise funds in the future in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the balance sheet.

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The unaudited interim financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles for interim financial information. Accordingly, they do not include all of the information and notes to the financial statements required by Canadian Generally Accepted Accounting Principles for annual financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended July 31, 2007 may not necessarily be indicative of the results that may be expected for the year ending April 30, 2008.

The balance sheet at April 30, 2007 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by Canadian Generally Accepted Accounting Principles for complete financial statements. The interim financial statements have been prepared by management in accordance with the accounting policies described in the Company's annual financial statements for the year ended April 30, 2007. For further information, refer to the financial statements and notes thereto included in the Company's annual financial statements for the year ended April 30, 2007.

Accounting Changes

Section 1506, "Accounting Changes". This section prescribes the criteria for changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates and corrections of errors. The Company has adopted these accounting standards effective May 1, 2007.

EAST WEST RESOURCE CORPORATION
(An Enterprise in the Development Stage)
Condensed Notes to Interim Financial Statements
Three Months Ended July 31, 2007
(Unaudited)

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES (Continued)

Financial Instruments, Comprehensive Income (Loss) and Hedges

In January 2005, the Canadian Institute of Chartered Accountants ("CICA") issued Handbook Sections 3855, "Financial Instruments – Recognition and Measurement", 1530, "Comprehensive Income", and 3865, "Hedges". These new standards are effective for interim and annual financial statements relating to fiscal years commencing on or after October 1, 2006 on a prospective basis; accordingly, comparative amounts for prior periods have not been restated. The Company has adopted these new standards effective May 1, 2007.

(a) Financial Instruments - Recognition and Measurement

Section 3855 prescribes when a financial instrument is to be recognized on the balance sheet and at what amount. It also specifies how financial instrument gains and losses are to be presented. This Section requires that:

- All financial assets be measured at fair value on initial recognition and certain financial assets to be measured at fair value subsequent to initial recognition;
- All financial liabilities be measured at fair value if they are classified as held for trading purposes. Other financial liabilities are measured at amortized cost using the effective interest method; and
- All derivative financial instruments be measured at fair value on the balance sheet, even when they are part of an effective hedging relationship.

(b) Comprehensive Income (Loss)

Section 1530 introduces a new requirement to temporarily present certain gains and losses from changes in fair value outside net income. It includes unrealized gains and losses, such as: changes in the currency translation adjustment relating to self-sustaining foreign operations; unrealized gains or losses on available-for-sale investments; and the effective portion of gains or losses on derivatives designated as cash flow hedges or hedges of the net investment in self-sustaining foreign operations.

(c) Hedges

Section 3865 provides alternative treatments to Section 3855 for entities which choose to designate qualifying transactions as hedges for accounting purposes. It replaces and expands on Accounting Guideline 13 "Hedging Relationships", and the hedging guidance in Section 1650 "Foreign Currency Translation" by specifying how hedge accounting is applied and what disclosures are necessary when it is applied.

(d) Impact upon adoption of Sections 1530, 3855 and 3865

Under adoption of these new standards, the Company designated its cash, short term investment, and marketable securities as held-for-trading, which are measured at fair value. Amounts receivable and prepaid expenses are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities and due to related parties are classified as other financial liabilities, which are measured at amortized cost. The Company's investments in marketable securities that do not have a quoted market price in an active market are measured at cost.

The Company has evaluated the impact of these new standards on its financial statements and has determined that no adjustments are currently required.

EAST WEST RESOURCE CORPORATION
(An Enterprise in the Development Stage)
Condensed Notes to Interim Financial Statements
Three Months Ended July 31, 2007
(Unaudited)

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES (Continued)

Future accounting changes

Capital Disclosures and Financial Instruments – Disclosures and Presentation

On December 1, 2006, the CICA issued three new accounting standards: Handbook Section 1535, Capital Disclosures, Handbook Section 3862, Financial Instruments – Disclosures, and Handbook Section 3863, Financial Instruments – Presentation. These new standards are effective for interim and annual financial statements for the Company's reporting period beginning on May 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 Handbook 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.

The Company is currently assessing the impact of these new accounting standards on its financial statements.

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3. MINERAL PROPERTIES

For a description of the mineral properties owned by the Company, refer to Note 3 of the audited financial statements as at April 30, 2007. On a quarterly basis, management of the Company review exploration costs to ensure deferred expenditures include only costs and projects that are eligible for capitalization. Specific changes to mineral properties that occurred from April 30, 2007 to July 31, 2007 are as follows:

(a) **Havoc**

On May 1, 2007, East West has entered into an option agreement with Universal Exploration Corp. "Universal". The agreement allows Universal to earn up to a 60% interest in the Havoc 217 claim units property by spending \$1,500,000 on the properties in stages over 5 years, with a minimum of \$100,000 spend in the first year.

(b) **Armstrong**

On July 16, 2007, East West sold its interest in its Armstrong property for consideration totaling 9,261 common shares of Treslow Limited, a private company registered in England and Wales. In accordance with the asset purchase agreement, the above noted shares were assigned a total fair value of \$19,680, resulting in an aggregate loss on disposition of \$557,142. Accordingly, the loss on disposition has been recognized in the statement of operations.

EAST WEST RESOURCE CORPORATION
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Condensed Notes to Interim Financial Statements
Three Months Ended July 31, 2007
(Unaudited)

4. SHARE CAPITAL

- (a) **Authorized**
Unlimited number of common shares without par value
- (b) **Issued**

	Shares	Amount
Balance, April 30, 2007	100,291,426	\$ 15,192,629
Exercise of warrants	12,979,665	1,906,175
Fair value of warrants exercised	-	215,053
Mineral properties	100,000	15,000
Balance, July 31, 2007	113,371,091	\$ 17,328,857

During the period, the Company issued an aggregate of 100,000 common shares valued at \$15,000 to satisfy the terms of the Marshall Lake option agreements.

5. RELATED PARTY TRANSACTIONS

All transactions with related parties have occurred in the normal course of operations and are recorded at fair value as determined by management.

The Company's exploration manager was paid management fees for the three months ended July 31, 2007 in the amount of \$7,500 (2007 - \$10,888), \$9,038 in geological fees (2007 - \$2,500), and \$50,527 (2007 - \$6,044) in other miscellaneous fees incurred on behalf of the company. At July 31, 2007, the Company owes \$97,233 (2006 - \$17,057).

6. STOCK OPTIONS

The following table reflects the continuity of stock options granted under the Company's stock option plan.

	Number of Options	Weighted Average Exercise Price \$
Balance, April 30, 2007	8,200,000	0.14
Options granted	950,000	0.17
Options cancelled/expired	(750,000)	(0.15)
Balance, July 31, 2007	8,400,000	0.14

On May 14, 2007, 200,000 stock options were granted to a consultant of the company. The options are exercisable at \$0.17 and expire within a period of 5 years. The fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; risk-free interest rate of 4.19%; expected life of five years; and volatility of 153.9%. The stock options vest immediately. The impact on earnings was \$34,000.

On July 5, 2007, 750,000 stock options were granted to an officer of the company. The options are exercisable at \$0.17 and expire within a period of 5 years. The fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; risk-free interest rate of 4.65%; expected life of five years; and volatility of 153.4%. The stock options vest immediately. The impact on earnings was \$118,500.

EAST WEST RESOURCE CORPORATION
(An Enterprise in the Development Stage)
Condensed Notes to Interim Financial Statements
Three Months Ended July 31, 2007
(Unaudited)

7. WARRANTS

As of July 31, 2007, the following warrants were outstanding:

Expiry Date	Exercise Price	April 30, 2007 Balance	Issued	Exercised	Expired	July 31, 2007 Balance
June 2, 2007	\$0.15	8,333,333	-	-	(8,333,333)	-
June 21, 2007	\$0.15	14,003,832	1,359,166	(12,979,655)	(2,383,343)	-
December 15, 2008	\$0.13	250,000	-	-	-	250,000
February 5, 2008	\$0.20	2,000,000	-	-	-	2,000,000
		24,587,165	1,359,166	(12,979,655)	(10,716,676)	2,250,000

During the period, 1,359,166 warrants were issued pursuant to a step up provision accompanying the June 21, 2007 warrants issued with a \$0.12 exercise price. These warrants are issued on a one to one basis upon exercise of the original grant.

8. LOSS PER SHARE (LPS)

Basic loss per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Diluted loss per share is not presented as it is anti-dilutive to the loss per share figures.