Cotton & Western Mining, Inc.
Quarterly Balance Sheet 09.30.2009

ASSETS		
Cash in banks		61.00
Subscription Receivables		-0-
	Total Current Assets	61.00
Fixed Mineral Assets		
[1]Iron Ore Mineral Rights *(iron mineral deposits)*		525,000.00
Pre-paid Mineral Rights		
	Total Fixed Mineral Assets	525,000.00
Other Assets		
Mining Machinery		133,500.00
Geological Electronic Equipment		15,435.00
Vehicles		32,600.00
Accumulated Depreciation		-33,051.00
	Total Other Assets	148,484.00
Total Assets		673,545.00
LIABILITIES & EQUITY		
Accounts Payable *(Pre-paid & Monthly)*		59,670.00
	Total Accounts Payable	59,670.00
Long Term Liabilities		
[2]Loan Payable – Robert L. Cotton		1.800,000.00
Interest Accrued (2006 to date)		415,000.00
	Total Long Term Liabilities	2,215,000.00
Total Liabilities		2,274,670.00
Equity		
[3]Paid-in Capital		-3,498,801.00
Capital Stock		5,289,502.00
Retained Earnings		-3,378,320.00
Net Income		-13,506.00
Total Liabilities & Equity		673,545.00

Accompanying notes are an integral part of the financial statements.

[1]Iron ore mineral rights 2008, Baja Pacific No. 4, 5, 7, 8 and 14 Located near Ensenada, Baja California, Mexico. Iron ore mineral rights 2006, Colima, Rio Fox and Los Pozos, 2006, Pacific Pearl, Philippines.

[2]Operating Capital Loan to the Company by Robert L. Cotton for the start-up and operations of the Rio Fox iron ore mine, Colima, Mexico, 2006.

[3]Outstanding and Issued Shares 5,289,501,980 as of September 30th, 2009. CWRN Total Authorized Shares 6,000,000,000 at par value 0.001.

Cotton & Western Mining, Inc.
Quarterly Profit & Lost Statement 09.30.2009

REVENUES	
Iron Ore Sales	-0-
Subscription Sales	-0-
Other Revenues	-0-
Total Revenue	-0-
OPERATING COST	-0-
Equipment Cost	-0-
Equipment Depreciation	-0-
Fuel	-0-
Equipment Maintenance	-0-
Equipment Parts	-0-
Labor & Security Cost	-0-
Payroll Burdens (Mexico)	-0-
IVA Taxes (Mexico)	-0-
Sub-contract Trucking	-0-
Material Storage (Port of Ensenada)	-0-
Ship Loading (Port of Ensenada)	-0-
Total Operating Cost	-0-
NON-OPERATING COST	
Office & Lay-down Yard Rents (Mexico)	-0-
Office Rent (Houston)	-0-
Utilities	-0-
Telephones & Internet Services	608.00
Office Supplies	87.00
Postage	9.00
Payrolls Staff & Management (Mexico)	-0-
Payroll Burdens	-0-
Vehicle Expense	-0-
Fuel & Maintenance Autos	-0-
Insurance (Mexico)	-0-
Insurance (U.S.A.)	289.00
Contract Labor	-0-
Dues, Fees & Subscriptions	1,500.00
Environmental Permit Fees (Mexico)	-0-
Water Usage Fees (Mexico)	-0-
Land usage Fees (Mexico Land-owners)	-0-
Mineral Royalty Fees (Mexico)	-0-
IVA Taxes (Non-operating Mexico)	-0-
Profesional & Legal Fees	3,000.00
Mineral Taxes (Mexico)	-0-
Travel, Meals & Entertainment Expenses	1,700.00
Bank Service Charges	60.00
Web Hosting	-0-
Port Agent Fees (Mexico)	-0-
Press Releases	1,870.00
Export Agent Fees (Mexico)	-0-
Accounting Fees	750.00
Equipment Amortization Expense	2,833.00
Mineral Rights Acquisitions (Mexico)	-0-
Miscellaneous Expenses	800.00
Total Non-operating Cost	13,506.00
Net Income from Operations before Taxation	-13,506.00