

BCSC

British Columbia Securities Commission

QUARTERLY AND YEAR END REPORTBC FORM 51-901F
(previously Form 61)

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INSTRUCTIONS

This report is to be filed by Exchange Issuers within 60 days of the end of their first, second and third fiscal quarters and within 140 days of their year end. "Exchange Issuer" means an issuer whose securities are listed and posted for trading on the Canadian Venture Exchange and are not listed and posted on any other exchange or quoted on a trading or quotation system in Canada.

ISSUER DETAILS

NAME OF ISSUER		FOR QUARTER ENDED	DATE OF REPORT YYYY / MM / DD	
PACIFIC COMOX RESOURCES LTD.		JULY 31/01	2001/09/27	
ISSUER ADDRESS				
ONE DUNDAS STREET WEST, SUITE 2402				
CITY	PROVINCE	POSTAL CODE	ISSUER FAX #	ISSUER TELEPHONE #
TORONTO	ONTARIO	M5G 1Z3	416-977-8335	416-977-4653
CONTACT PERSON		CONTACT'S POSITION		CONTACT TELEPHONE #
DONALD EMPEY		PRESIDENT		416-977-4653
CONTACT EMAIL ADDRESS		WEB SITE ADDRESS		
DONALD EMPEY		DAEMPEY@ATTCANADA.NET		

CERTIFICATE

The three schedules required to complete this Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Report will be provided to any shareholder who requests it.

DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED YYYY / MM / DD
"DONALD EMPEY"	DONALD EMPEY	2001/09/27
DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED YYYY / MM / DD
"MARVIN WOLFF"	MARVIN WOLFF	2001/09/27

PACIFIC COMOX RESOURCES LTD.

Quarterly Report - Form 51 for the Third Quarter ended July 31, 2001

Schedule B:

1. Please refer to the attached schedules containing the breakdowns for administrative expenses, deferred expenditures and expenditures made to related parties.

2. (a) Authorized Capital

As at the end of the period the authorized capital consisted of 200,000,000 common shares without par value.

As at July 31, 2001, 45,467,547 common shares were outstanding with additional common shares currently reserved for issuance as follows:

- (i) 100,000 common shares issuable upon the exercise of incentive stock options at \$0.25 per share until April 20, 2000;
 - (ii) 450,000 common shares issuable upon the exercise of incentive stock options at \$0.24 per share until January 18, 2001;
 - (v) 45,000 common shares issuable upon the exercise of incentive stock options at \$0.60 per share until May 17, 2001; and
 - (vi) 100,000 common shares issuable upon the exercise of incentive stock options at \$0.48 per share until December 5, 2001;
- (b) No shares are in escrow or subject to any pooling agreement.
- (c) The directors and officers of the Corporation are:

Donald Empey
Brent H. Johnson
Terrence Podolsky
Marvin Wolff

Pacific Comox Resources Ltd.
Administration expenses

Nine months ended July 31, 2001

	Total
Legal Fees	\$ 17,767
Audit & Accounting Fees	600
Consulting Fees	35,000
Transfer Agents Fees	3,182
Annual and Interim reports	809
Stock exchange / filing fees	5,790
Bank interest charges	201
Rent	13,600
Insurance	27
Office services and supplies	69
Proxy and report mailing	433
Postage	91
Telephone and Fax	1026
Guinea - expenses	110
Office help	13,500
Administration Expenses	4,820
	<u>\$ 97,025</u>

Pacific Comox Resources Ltd.
Mineral Properties and Deferred
Exploration Expenditures

As at July 31, 2001

Properties	Cost	Deferred Expenditures
African Star		-
Guinea		-
Total	\$	\$ -

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Pacific Comox Resources Ltd.
Expenditures made to related parties

Nine months ended July 31, 2001

Directors' fees & expenses		
Consulting and directors' fees	\$35,000	
	<u> </u>	
Office expenses		
Rent	13,600	
Office help	<u>13,600</u>	
		\$ 27,200
		<u> </u>

PACIFIC COMOX RESOURCES LTD.

**Quarterly Report - Form 51
for the Third Quarter ended July 31, 2001**

Schedule C:

1. Legal Proceedings

The Corporation is not a party to any material legal proceedings.

2. Exploration Activities

(a) Guinea Property

The Company is a party to a joint venture agreement in respect of a mineral exploration property in the Republic of Guinea. Subject to a 15% free carried interest in the property retained by the Republic of Guinea, the Company and Mountain West Resources Inc. ("Mountain West") each held an undivided 50% interest in the property and were required to fund future exploration and development activities on the property in proportion to these interests.

During 1997, the Company and Mountain West signed an option agreement to sell this property to a third party. Under the terms of this agreement, the Company and Mountain West have received cash proceeds of U.S. \$80,000 and 100,000 common shares of the buyer's capital stock and would receive up to 200,000 additional shares upon the exercise of the option agreement. Provided that the buyer met all the conditions stipulated in the agreement, the Company and Mountain West would be entitled to a 2% net smelter return royalty up to an aggregate amount of U.S. \$2,000,000. The option agreement was terminated in 1998 as the buyer did not satisfy the necessary conditions.

To date, the Company has funded and capitalized over 50% of the joint venture expenditures. Mountain West has defaulted on its obligation to fund its full share of the joint venture expenditures and has therefore, in the opinion of the Company as operator of the joint venture, converted its joint venture interest to a 5% net profits royalty in accordance with the joint venture agreement.

The government of the Republic of Guinea did not renew the Company's exploration permit during 2000 and the Company's interests were written off.

(b) African Star Properties

The Company, through its 94% owned Ghanaian subsidiary, African Star, entered into the following agreements to acquire interests in gold properties located in Ghana, Africa:

(i) "Adansi Asaasi" option agreement:

The Company has an option to acquire a 70% share interest in Adansi Asaasi Mining Company Limited ("AAMCoL") which holds the prospecting rights for a property situated at Fomena, Ashati Region upon making staged cash payments and issuing common shares to the Company. African Star also has a separate option to purchase a further 15% of the shares of AAMCoL upon payment of U.S. \$500,000 over six years subsequent to signing a joint venture agreement with a major mining company to place the property into commercial production. During 1998, the Company suspended exploration activities on this property and deferred exploration costs

associated with this property were written down to \$1.

(ii) “Sadjafi option agreement:

The Company had an option to acquire an 80% interest in Sadjafi Mining Company Ltd., which held the property rights to certain land to Nobeso, Eastern Region, upon making staged payments totalling U.S. \$160,000 and issuing 75,000 shares of the Company. However, subsequent to October 31, 1997, the Company decided to cease all exploration activities on this property and had taken steps to relinquish its interest in this property. All the deferred exploration costs associated with this property were written off in 1997.

(iii) Subin:

The Company and Anglo American Prospecting Services (Proprietary) Limited (“Anglo Ameircan”) of Johannesburg, South Africa, are parties to an agreement dated November 23, 1994 in respect of certain projects identified by the Company insouthwestern Ghana during 1995. Under the terms of the agreement, Anglo American and the Company agreed to explore and develop selected projects on a joint venture basis. The Company abandoned this property and all deferred development costs associated with this property were written off in 1998.

3. Management Discussion and Analysis

Pacific Comox Resources Ltd. (Comox) and Papex Inc. (Papex) signed definitive agreements in November 2000. The terms of the proposed transaction as set out in the November agreements were revised as reported on February 21, 2001 as follows: Comox will now acquire a 30% equity interest in exchange for cash payments of C\$500,000 and the issuance of 3,004,000 common shares of Comox. Comox will also have an option, exercisable during late 2002, to acquire an additional 19% equity interest in Papex for a cash price of five times Papex’s annualized revenue during the February 1, 2002 to July 31, 2002 period. If Comox exercises the option the minimum payment would be C\$600,000 and the maximum payment would be \$11,200,000.

Papex also undertakes to use its best efforts to complete a going public transaction during the late 2002 to late 2003 period.

Papex Inc. is a private Ontario corporation, based in Mississauga, Ontario. The business plan of Papex is based on the implementation of on-line transaction networks for pulp and paper transactions and integration of the transaction systems with the corporate inventory management systems of the buyers and sellers, on a global basis. Papex is now marketing its systems to publishing groups and newsprint producers. Papex will derive its revenue through fees and commissions on the transactions completed through its facilities, implementation and system management fees and from fees for other information generated by Papex and provided to clients.

Pacific Comox raised C\$700,000 through a number of private placements to fund the cash component of acquiring the interest in Papex, and for working capital purposes. During December 13, 2000 to June 19, 2001 Comox advanced C\$400,000 to Papex against the above mentioned commitment under a loan agreement. Under the loan agreement Comox may demand repayment of the funds advanced, with interest, when it is established that the Comox-Papex transaction will not be completed, with repayment due one year from that date. At July 31, 2001 Pacific Comox had a cash position of \$66,409 after advancing Papex Inc. \$400,000 and repaying a \$55,000 interest-free demand loan from a shareholder which may be renewed on demand by the Company.

Upon receipt of Papex’s audited and unaudited financial statements the Management Infomation Circular will be prepared, in collaboration with Papex, which after review by the CDNX, will be sent to Comox’s shareholders in preparation for a shareholders meeting to be called to approve the Papex transaction. Although Comox may retain interests in gold mining properties, this transaction will constitute a change of business, as the Company plans to devote a high proportion of its future expenditures to non-mining interests. Comox is proposing to change its line of business to on-line application services and information technology projects. Final documents required in support of the Company’s “Change Of Business” review by the CDNX will also be submitted.