

PACIFIC COMOX RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED OCTOBER 31, 2004 (Form 51-102F1)

General

The following discussion and analysis of Pacific Comox Resources Ltd. ("Comox" or the "Company") should be read in conjunction with the Company's Audited Consolidated Financial Statements for the fiscal years ended October 31, 2004 and 2003 and notes thereto. Unless otherwise indicated, the following discussion is based in Canadian dollars and presented in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP"). The information contained in this Management's Discussion and Analysis is dated March 1, 2005.

The Company's public filings can be accessed and viewed through the Company's website www.pacificcomox.com. A link to the Company's Canadian Securities Commissions filings can be viewed via the System for Electronic Data Analysis and Retrieval (SEDAR) at www.sedar.com.

Description of Business

Pacific Comox is engaged in mineral exploration and development and the present focus of its operations is mineral exploration in Mexico and Chile. The Company's principal property is the "Mabel Property" located in northern Sonora State, Mexico. There are no mineral resources or reserves on the Mabel Property nor are there any surface or underground mine workings on the property. The Company is also the owner of one other property in Mexico, the "Famosa Property" also located in northern Sonora State.

Subsequent to the year-end the Company acquired an option on the "Pepa de Oro Property" in northern Chile. The Pepa de Oro property has old workings where small scale mining is reported to have occurred over many years. The property also has a small heap leach pad which was constructed a few years ago and has never been used.

During 2004 the Company directed the majority of its exploration efforts on the Mabel Property.

The Company is in the process of determining whether these properties contain mineral resources that may be economically recoverable. As a result the Company has no current sources of revenue other than interest earned on cash which is derived from the issuance of common shares in the Company.

Selected Financial Data

The following table provides selected consolidated financial information that should be read in conjunction with the audited consolidated financial statement of the Company.

	October 31, 2004	October 31, 2003	October 31, 2002
Total Revenue	Nil	Nil	Nil
Loss for the Year	243,011	(175,022)	57,840
Loss per Share	0.00	0.00	0.00
Total Assets	1,711,219	967,162	192,947
Dividends per Share	Nil	Nil	Nil
Total Long-term Debt	Nil	Nil	Nil
Cash Dividends	Nil	Nil	Nil

Results of Operations:

October 31, 2004-2003

The Company's net loss for the year ended October 31, 2004 was \$243,011 compared to a net income of \$175,022 for the previous year when a \$380,000 recovery of a receivable previously written off was recorded.

Administrative expenses accounted for the major share of operating expenses for the year ended October 31, 2004 and increased to \$239,767 for the 2004 period compared to \$202,447 in 2003. The major increase in costs was the investor's relations expenses incurred to communicate with shareholders.

October 31, 2003-2002

The Company reported net income of \$175,022 in 2003 when a \$380,000 recovery of a receivable previously written off was recorded, compared to a loss of \$57,840 in 2002.

Excluding the recovery of the receivable, administrative expenses accounted for the major share of operating expenses for the year and more than doubled from 2002 when the Company was inactive. Expenses increased in almost all categories in order to acquire the Mabel property and begin exploration activities.

Subsequent Events

An Option Agreement to explore and possibly acquire the Pepa de Oro gold property in Chile was announced on November 11, 2004. Under this Agreement the Company had one month for due diligence and then had the option of paying US\$20,000, which was paid, to have the right to explore the property for the following year.

Summary Of Quarterly Results

The following table gives the summary of quarterly results during the periods indicated. The loss for the fourth quarter of 2004 was \$88,979 reflecting increased expenses incurred to review properties.

Quarter (ending)	2004 Oct. 31	2004 July 31	2004 April 30	2004 Jan. 31	2003 Oct. 31	2003 July 31	2003 April 30	2003 Jan. 31
Revenue	-	-	-	-	-	-	-	-
Income (Loss) from continuing operations	(88,979)	(54,244)	(56,433)	(43,355)	(66,124)	(43,097)	(63,335)	347,578
Income (Loss) per common share basic and diluted	(0.00)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	0.007
Net Income (Loss)	(88,979)	(54,244)	(56,433)	(43,355)	(66,124)	(43,097)	(63,335)	347,578
Net Income (Loss) per common share basic and diluted	(0.00)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	0.007

Mineral Exploration Activities

During 2004, the Company incurred deferred exploration expenditures of \$626,043 compared to \$692,274 in 2003. Almost all the expenditures in both years were on the Mabel Property in Mexico. The Mabel Option terms are given in Note 5 to the financial statements.

Liquidity and Capital Resources

At October 31, 2004 the Company had a cash position of \$62,915 compared with \$45,809 at the same period in 2003.

On February 10, 2004 the Company received TSXV approval for a \$500,000 financing of 4,166,666 units priced at \$0.12 per unit consisting of one common share and one warrant to purchase one common share at \$0.20 to February 2, 2005. A finder's fee of 80,500 units was paid as part of the financing.

On November 28, 2004 the Company received TSXV approval for a \$100,000 financing consisting of 1,250,000 unit priced at \$0.08 per unit and consisting of one common share and one warrant priced at \$0.12 to purchase one common share until November 28, 2006. A finder's fee of 72,250 units was paid on the transaction.

On February 22, 2005 the Company completed a \$200,000 financing consisting of units priced at \$0.06 per unit and consisting of one common share and one common share warrant to purchase one common share at \$0.10 until February 22, 2007. TSXV approval has not been received at this date.

The Company does not have adequate cash or working capital to complete work programs on its exploration properties. Additional funding is required for the Company to delineate resources and/or reserves on its properties.

The Company has been successful in accessing the equity markets in the past and while there is no guarantee that this will continue to be available, management has no reason to expect that this capability will diminish in the near term.

Off-Balance Sheet Arrangements

The Company has no material off-balance sheet arrangements, no material capital lease arrangements and no long-term debt obligations.

Transactions With Related Parties

During the year the Company paid \$60,00 consulting fees to an officer of the Company. At October 31, 2004 the Company reported \$118,213 due to a shareholder and officer of the Company compared to \$7,504 due in the previous year. During the year, rent of \$10,103 was paid to a corporation under common management.

Pacific Comox is owed \$138,367 by a Company which has one person of common management, compared to \$82,471 at the same period of 2003.

Fourth Quarter

The loss for the fourth quarter of \$88,979 reflects the expenses of evaluating additional exploration properties.

Critical Accounting Estimates

The Company's accounting estimates used in the preparation of the financial statements include the Company's estimate of recoverable value on its mineral properties and from a Company with some common management. Both of these estimates involve considerable judgment and are, or could be affected by significantly factors that are out of the Company's control.

Future Income Taxes

The Company uses the asset and liability method in accounting for income taxes. Under this method of tax allocation, future income and mining tax assets and liabilities are

determined based on differences between the financial statement carrying values and their respective income tax basis (temporary differences). Future income tax assets and liabilities are measured using the enacted tax rates expected to be in effect when the temporary differences are likely to reverse. The effect on future income tax assets and liabilities of a change in tax rates is included in income in the year in which the change is enacted or substantively enacted. The amount of future income tax assets recognized is limited to the amount that is more likely than not to be realized.

Foreign Currency Translation

The accounts of the Company's foreign operations are considered to be integrated and are translated into Canadian dollars using the temporal method. Foreign currency transactions of the Company and its integrated subsidiaries are translated into Canadian dollars at the rates prevailing on the dates of the transactions. Realized and unrealized exchange gains and losses resulting from foreign currency transactions are included in current earnings. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the end of the accounting period and any gains or losses are included in current earnings. Non-monetary assets are translated at the rates of exchange prevailing when the assets were acquired.

Changes In Accounting Policy

No Changes.

Other MD & A Requirements

The Company's authorized share capital consists of 200,000,000 common shares without par value. At October 31, 2004 63,552,892 common shares were outstanding. At October 31, 2004 the Company had 5,729,167 warrants outstanding with an average exercise price of \$0.18. The Company also had 3,300,000 options outstanding with an exercise price of \$0.12.

Trends

The market conditions for resource explorations companies have been in a negative cycle over the past five years. Consequently, it has been difficult for such companies to raise funding for the acquisition of exploration properties, exploration programs on properties and for general administration costs. There is no certainty that these conditions will improve over the next fiscal year. However, with higher gold and base metal prices there is renewed optimism that conditions will improve for the industry.

Higher gold and base metal prices, combined with a slowly reviving world economy and investment climate, will have a positive effect on our future efforts to raise money for future exploration on our properties.

Risk Factors

If exploration and development programs are successful, additional funds will be required for further exploration and development work to identify an economic ore body or to bring any such ore body to production. The only source of future funds available to the Company is through the sale of additional equity capital or borrowing the funds. There is no assurance that such funds will be available to the Company. Even if such financing is successfully completed, there can be no assurance that it will be obtained on terms favorable to the Company or providing the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial condition.

Outlook

During 2005 the Company will continue to focus its exploration efforts on the properties in Mexico, the gold property in Chile and examining other properties which may be available to be optioned by the Company. The funds required to explore the properties and fund the Company's general and administrative expenses are expected to be raised through the exercise of existing warrants, private placements and public financings.

Forward Looking Statements

The above comments contain forward looking statements that are subject to a number of known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially from those anticipated in our forward looking statements. Factors that could cause such differences include: changes in world gold and base metal markets, equity markets, costs and supply of materials relevant to the mining industry, changes in government policy, and changes to regulations affecting the mining industry. Although we believe the expectations reflected in our forward looking statements are reasonable, results may vary, and we cannot guarantee future results, levels of activity, performance or achievements. The Company is not obligated to update or revise there "forward-looking" statements to reflect new events or circumstances.