

PACIFIC COMOX RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS TWELVE MONTH PERIOD ENDED OCTOBER 31, 2005 (Form 51-102F1)

General

The following discussion (the "MD&A") of the financial condition and results of operations of Pacific Comox Resources Ltd. (the "Company" or "Pacific Comox") constitutes management's review of the factors that affected the Company's financial and operating performance for the 12 months ended October 31, 2005. The MD&A was prepared as of February 20, 2006 and should be read in conjunction with the Audited Consolidated Financial Statements for the fiscal year ended October 31, 2005, and with the Company's Audited Consolidated Financial Statements for the fiscal year ended October 31, 2004 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 February 20, 2006.

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 Canada.

MABEL PROPERTY

The Company's principal property has been 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 but very little exploration has been done on the Famosa property.

During 2004 the Company directed the majority of its exploration efforts on the Mabel Property. Limited work was completed on Mabel during 2005.

PEPA De ORO PROPERTY

On November 10, 2004 the Company entered into a Letter Of Intent to option the "Pepa de Oro" property in Chile. In February, 2005 the Company paid US\$20,000 to the Vendor and had the right to explore the property to November 10, 2005.

The Pepa de Oro property had old workings where small scale mining was reported to have occurred over many years. The property also had a small heap leach pad which was constructed a few years ago and had never been used.

During the first half of 2005 the Company did a limited amount of exploration on the Pepa de Oro property at a cost of \$25,724 to assess its potential and to design a larger program for a subsequent period. The exploration was inconclusive and funding for more work was not available as a result the Company's one year option was terminated when it expired and the Company's expenditures of \$51,372 on the property were written off at year end.

RYAN LAKE PROPERTY

On March 16, 2005 the Company acquired a two year option to acquire the Ryan Lake copper-molybdenum property located near Matachewan, Ontario. The property consists of 10 claims totaling 513 acres. Ryan Lake Mines Ltd. staked the property in 1947 and put it into production in 1950 at a 150 ton/day rate with a shaft sunk to 459 feet with development on 4 levels. The development extended for 1,000 feet on an east-west direction and about 500 feet north-south. The J. F. Ariz report dated October 20, 1978 gave the production during the 1950-1957 period as 163,490 tons grading 1.5% copper, 0.008 oz of gold and 0.21 oz of silver. A successor Company was also reported to have mined 6,000 tons grading 1.3% copper and 0.4% molybdenite in 1964. No production or significant exploration is reported on the property since 1966.

To acquire a 100% interest in the mining rights of the property, Pacific Comox over the two year period would make cash payments of C\$600,000, issue 2,000,000 shares to the Vendors and fulfill a \$300,000 work commitment. The Vendors retain a 1% NSR and Pacific Comox may purchase 50% of the NSR for \$1,000,000 in the period expiring two years after commercial production is attained. Pacific Comox has a two year option to acquire the mill building located on the property and certain equipment for C\$100,000.

Drilling results available from the 1947-1966 period include the following two holes on Section 10073E which was prepared by Pax International Ltd., and dated March 1964:

For Hole #12, assays were reported for several intervals totaling 105 feet of a 589 feet core length giving an average grade of 1.5% copper. Molybdenum assays were reported for 3 samples totaling 5.5 feet of core length with an average grade of 1.0% molybdenite (MoS₂).

For Hole #21, assays were reported for several intervals totaling 89 feet of a 447 feet core length giving an average grade of 1.3% copper. Molybdenum assays were reported for one sample totaling 1.0 feet of core length with an average grade of 3.6% molybdenite.

The M. D. Kierans report dated May 1964 reported a channel sample on the third level of the mine on Section 10080E of 275 feet grading 0.7% copper and 0.10% molybdenite.

The historical production, drilling and sampling results given above were collected prior to 1967 and therefore are not in compliance with N.I. 43-101.

On March 21 the Company reported assays for the samples taken on the walls of the molybdenum open pit at the Ryan Lake property for due diligence and to assist in planning the exploration program. A series of two meter chip samples were taken on sections of the west and north walls of the molybdenum open pit.

Chip samples totaling 24 meters in the syenite porphyry west and north walls of the pit averaged 0.15% molybdenum plus 0.05% copper, 0.01 g/tonne gold and 1.2 g/tonne silver.

No production or exploration has taken place in the pit area since the 1960's. This molybdenum open pit is approximately 1,000 feet north of the underground mine which was in production during the 1950-1964 period.

The assays are summarized below.

SUMMARY OF ASSAY RESULTS					
Sample length (meters)	Comment	Molybdenum (%)	Copper (%)	Gold (g/tonne)	Silver (g/tonne)
8	west wall in andesite	0.004	0.04	Nil	0.3
18	west wall in syenite porphyry	0.123	0.05	0.01	0.7
6	north wall in syenite porphyry	0.245	0.04	0.01	2.4
Average for 24 meters in syenite porphyry		0.153	0.05	0.01	1.2
Sample from waste dump on east side of open pit		0.83	0.79	0.03	8.8

Pacific Comox's geologist, James Janzen has reviewed the above mentioned reports and supervised this sampling program. Robert Hill P. Eng. served as the qualified person (QP) for the sampling and exploration program under the definitions of National Instrument 43-101. The samples were assayed by Swastika Laboratories Ltd. at Swastika, Ontario.

Pacific Comox on September 19 reported the assays for the 5 hole diamond drill program which tested the open pit, bulk-tonnage potential of the northern part of the area mined from underground during the 1950-64 period. The assays for the five holes are summarized below in Table 1.

The results demonstrate the potential to extend the mineralized zone east and west on strike with the former underground workings and at depth.

Hole PC-05-02 returned an intersection of 52ft from 95.7ft, grading 0.44% copper, 0.030% (0.6 lbs/ton) molybdenum, 0.05g/tonne gold and 0.08g/tonne silver.

Hole PC-05-03 intersected the underground workings before reaching the targeted depth. The hole returned a 29.1ft intersection from 199.5ft, grading 0.61% copper, 0.074% (1.5 lbs/ton) molybdenum, 0.06g/tonne gold and 4.87g/tonne silver.

Hole PC-05-05 returned an intersection of 61.1ft from 194.7ft, grading 0.56% copper, 0.052% (1.0 lbs/ton) molybdenum, 0.11g/tonne gold and 4.60g/tonne silver.

Comox also has an option to acquire the mill on the property which is currently processing barite. The mill has crushing and grinding capacity of several hundred tonnes per day and would be a major asset going forward to facilitate the resumption of copper/molybdenum production on the property.

Robert Hill P. Eng. serves as the qualified person (QP) for the sampling and exploration program under the definitions of National Instrument 43-101, reviewed the above mentioned reports, and supervised the drilling program. The geologist on the program was Murray McGill P. Geo.. The samples were assayed by Swastika Laboratories Ltd. at Swastika, Ontario.

PACIFIC COMOX RESOURCES LTD.								
Table 1: Diamond Drill Assays From Ryan Lake Property								
Former Underground Mine Area								
Hole #	From	To	Length	Copper	Mo	Mo	Gold	Silver
	(ft)	(ft)	(ft)	(%)	(%)	(lbs/ton)	(g/tonne)	(g/tonne)
PC-05-01	Section 9973E, Northing 10127, Length 655.1 ft., Azimuth 0°, Dip -45°							
	101.6	507.5	405.9	0.18	0.013	0.26	0.03	0.15
Including	109.4	118.7	9.3	0.42	0.011	0.22	0.08	0.07
Including	177.5	198.8	21.3	0.51	0.036	0.72	0.08	0.10
Including	270.0	278.5	8.5	0.28	0.022	0.44	0.07	0.11
Including	291.0	300.5	9.5	0.38	0.019	0.38	0.06	0.07
Including	389.6	430.7	41.1	0.42	0.039	0.78	0.02	0.09
Including	489.0	504.2	15.2	0.48	0.105	2.09	0.04	2.99
PC-05-02	Section 10088E, Northing 10221, Length 408.6 ft., Azimuth 0°, Dip -47°							
	95.7	147.7	52.0	0.44	0.030	0.60	0.05	0.08
and	281.0	338.9	57.9	0.44	0.024	0.48	0.02	2.53
PC-05-03	Section 10098E, Northing 10104, Length 228.6 ft., Azimuth 0°, Dip -51°							
	199.5	228.6	29.1	0.61	0.074	1.48	0.06	4.87
	Hole intersected stope or drift at 228.6 ft.							
PC-05-04	Section 10196E, Northing 10162, Length 257.7 ft., Azimuth 0°, Dip -48°							
	35.0	47.0	12.0	0.26	0.020	0.40	0.04	4.00
PC-05-05	Section 10196E, Northing 10065, Length 426.2 ft., Azimuth 0°, Dip -51°							
	169.9	357.6	187.7	0.29	0.026	0.52	0.05	2.21
Including	194.7	255.8	61.1	0.56	0.052	1.04	0.11	4.60

Pacific Comox, on September 21, reported the assays for the two diamond drill holes made from one setup on the floor of the past producing molybdenum open pit which is located about 1,000 feet north of the past producing underground copper/molybdenum mine on the Ryan Lake property. The two holes tested for mineralization in the southwest and northwest pit wall areas. The assays for the two holes are summarized below in Table 2.

The results demonstrate that the mineralized zone does extend to the southwest and the northwest. The potential remains open in all directions and at depth.

Hole PC-05-06 returned an intersection of 149ft from 3ft, grading 0.04% copper and 0.060% (1.2 lbs/ton) molybdenum. The hole ended in mineralization.

Hole PC-05-07 returned an intersection of 105ft from 25ft, grading 0.08% copper and 0.079% (1.5 lbs/ton) molybdenum. The hole intersected weakly mineralized andesite at 130ft.

With these results in the past producing open pit molybdenum mine area and the previously reported 5 holes drilled in the area of the former underground copper/molybdenum mine, Pacific Comox has confirmed mineralization in both areas. Pacific Comox plans further work on both areas. The zone of approximately 1,000 feet between the open pit molybdenum mine area and the underground copper/molybdenum mine area is also highly prospective.

The historical production data given above is not in compliance with N.I. 43-101. Robert Hill P. Eng. Served as the qualified person (QP) for the sampling and exploration program under the definitions of National Instrument 43-101, reviewed the above mentioned reports, and supervised the drilling program. The geologist on this program was James Janzen V.P. exploration for Pacific Comox. The samples were assayed by Swastika Laboratories Ltd. at Swastika, Ontario.

Pacific Comox reported on February 6, 2006 the assays for two diamond drill holes testing the zone exposed in the floor of the past producing molybdenum open pit at its optioned Ryan Lake copper/molybdenum property. The two holes were collared on the floor of the pit drilling a scissors section with hole PC-05-15 drilling towards the southwest and hole PC-05-16 drilling towards the northeast to test for mineralization in the floor of the pit. The assays for the two new holes and the nine holes previously reported are given below in Table 1. Assays have not been received for three additional holes in this area and two holes which tested a separate anomaly about one mile north.

In addition to the higher grade intersections noted above both holes also reported other mineralized intersections. Hole PC-05-15 also returned an intersection of 29 meters (93 feet) from 27 meters, grading 1.77 lbs/ton molybdenum (0.09%) and 0.8 lbs/ton copper (0.04%) including 14 meters (44 feet) from 27 meters grading 3.2 lbs/ton (0.16%) molybdenum plus copper. Hole PC-05-16 also returned 8 meters (26 feet) from 54 meters grading 0.85 lbs/ton (0.04%) molybdenum plus copper.

The above results augment the assays reported on January 26, 2006 where 6 holes intersected near surface mineralization with an average grade of 2.0 lbs/ton (0.10%) molybdenum and 2.7 lbs/ton (0.14%) copper over an average length of 14 meters (47 feet) starting from 4.5 meters (15 feet) from surface.

The results to-date indicate the drill intersected mineralization extends 100m NE-SW, 65m NW-SE and to a depth of at least 80m in the area of the open pit. The potential remains open in all directions and at depth. With these results in the past producing open pit molybdenum mine area and the previously reported 5 holes drilled in the area of the former underground copper/molybdenum mine, Pacific Comox has reported drill intersected mineralization in both areas. Pacific Comox plans further work on both areas. The zones extending 1,000 feet south from the molybdenum open pit to the underground copper/molybdenum mine area and 1,000 feet north from the molybdenum open pit are both highly prospective. A previous operator reported significant drill intersected molybdenum mineralization about 300 feet north of the molybdenum open pit.

Robert Hill P. Eng. serves as the qualified person (QP) for the sampling and exploration program under the definitions of National Instrument 43-101 and supervised the drilling program. The geologist on this program was James Janzen V.P. exploration for Pacific Comox. The samples were assayed by Swastika Laboratories Ltd. at Swastika, Ontario.

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Table 1:SUMMARY OF NORTH ZONE DRILLING RESULTS

Drill Hole	From	To	Length	Length	Cu	Cu	Mo	Mo
PC-05-	(m)	(m)	(m)	(feet)	(%)	(lbs/ton)	(%)	(lbs/ton)
6	UTM 17TO522526, 5313673, Length 46.5m (153 ft), Azimuth 315°, Dip -50°							
	4.0	16.0	12	39	0.03	0.7	0.10	1.97
	20.5	46.5	26	85	0.05	1.0	0.06	1.15
7	UTM 17TO522526, 5313613, Length 46.6m (153 ft), Azimuth 225°, Dip -50°							
	7.5	25.5	18	59	0.06	1.3	0.07	1.32
	25.5	30.5	5	16	0.04	0.8	0.02	0.34
	30.5	39.5	9	30	0.12	2.3	0.14	2.70
9	UTM 17TO522512, 5313680, Length 94.9m (311 ft), Azimuth 320°, Dip -50°							
	4.5	28.5	24	79	0.02	0.4	0.08	1.60
	49.5	70.5	21	69	0.02	0.5	0.08	1.62
10	UTM 17TO522531, 5313695, Length 66.9m (219 ft), Azimuth 320°, Dip -50°							
	1.5	62.0	61	198	0.04	0.9	0.04	0.89
Including	3.0	12.0	9	30	0.14	2.9	0.15	2.92
	12.0	27.0	15	49	0.03	0.7	0.04	0.84
	31.5	39.0	8	25	0.01	0.3	0.03	0.51
	45.0	49.5	5	15	0.02	0.5	0.09	1.78
11	UTM 17TO522506, 5313702, Length 103.0m (338 ft), Azimuth 320°, Dip -70°							
	6.0	16.5	11	34	0.18	3.6	0.09	1.72
	16.5	48.5	32	105	0.08	1.7	0.03	0.54
	70.5	93.0	23	74	0.01	0.2	0.04	0.72
12	UTM 17TO522500, 5313706, Length 82.9m (272 ft), Azimuth 140°, Dip -50°							
	2.1	14.5	12	41	0.37	7.4	0.11	2.19
	23.5	56.5	33	108	0.04	0.8	0.03	0.60
13	UTM 17TO522500, 5313706, Length 115.9m (380 ft), Azimuth 220°, Dip -50°							
	35.0	98.0	63	207	0.05	1.1	0.03	0.69
14	UTM 17TO522500, 5313706, Length 82.9m (272 ft), Azimuth 40°, Dip -50°							
	14.0	53.5	40	130	0.06	1.2	0.03	0.53
15	UTM 17TO522531, 5313695, Length 88.9m (291 ft), Azimuth 220°, Dip -50°							
	1.5	18.0	17	54	0.11	2.1	0.30	6.04
Including	9.0	16.5	8	25	0.19	3.8	0.60	11.92
	27.0	55.5	29	93	0.04	0.8	0.09	1.77
Including	27.0	40.5	14	44	0.05	1.0	0.16	3.20
16	UTM 17TO522517, 5313689, Length 88.9m (291 ft), Azimuth 40°, Dip -50°							
	1.5	21.0	20	64	0.33	6.7	0.33	6.57
Including	9.0	18.0	9	30	0.52	10.3	0.58	11.62
	54.0	62.0	8	26	0.06	1.2	0.04	0.85
No gold and silver values were returned								
Hole # 8 did not return significant values.								
Holes # 6 & #7 were previously reported on September 21, 2005.								
Holes #8 to #14 were previously reported on January 26, 2006								
February 6, 2006								

The Company is in the process of determining whether these properties contain mineral resources that may be economically recoverable. Pending the availability of funding the Company plans to further explore the properties to determine their economic merit. 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, 2005	October 31, 2004	October 31, 2003	October 31, 2002
Total Revenue	Nil	Nil	Nil	Nil
Loss for the Year	1,088,091	243,011	(175,022)	57,840
Loss per Share	0.02	0.00	0.00	0.00
Total Assets	1,262,178	1,711,219	967,162	192,947
Dividends per Share	Nil	Nil	Nil	Nil
Total Long-term Debt	Nil	Nil	Nil	Nil
Cash Dividends	Nil	Nil	Nil	Nil

Results of Operations:

October 31, 2005-2004

The Company's net loss for the year ended October 31, 2005 was \$1,088,091 substantially larger than the \$243,011 reported in 2004 as a result of a 50% write off of the carrying value of the Mabel property and all the Pepa de Oro property in Chile for a total of \$906,194.

Administrative expenses accounted for the major share of operating expenses for the year ended October 31, 2005 and declined to \$180,880 from \$239,767 for the 2004 period as a result of the lower level of exploration activity.

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

On December 23, 2005, the Company completed and received approval from the TSX, on a private placement for \$351,000 comprised of \$321,000 Flow-Through Units and \$30,000 Common Share Units. Each Flow-Through Unit consist of one flow-through common share and one-half of one common share purchase warrant exercisable at \$0.10 per common share to June 23, 2007. A director of the Company subscribed for 600,000 Common Share Units.

On December 23, 2005, the Company granted 2,000,000 stock options to its Directors, officers and consultants with an exercise price of \$0.12 per share to December 23, 2010.

Summary Of Quarterly Results

The following table gives the summary of quarterly results during the periods indicated. The loss for the fourth quarter of 2005 was \$47,941 before the property writeoff compared to a loss of \$88,979 during the same period of 2004. The smaller loss during 2005 reflects the lower level of exploration on the properties of the Company during the period.

Quarter (ending)	2005 Oct. 31	2005 July 31	2005 April 30	2005 Jan. 31	2004 Oct. 31	2004 July 31	2004 April 30	2004 Jan. 31	2003 Oct. 31	2003 July 31
Revenue	-	-	-	-	-	-	-	-	-	-
Income (Loss) from continuing operations	(65,845)	(36,897)	(47,941)	(31,214)	(88,979)	(54,244)	(56,433)	(43,355)	(66,124)	(43,097)
Income (Loss) per common share	(0.002)	(0.001)	(0.001)	(0.00)	(0.00)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)

basic and diluted										
Net Income (Loss)	(65,845)	(37,061)	(47,941)	(31,214)	(88,979)	(54,244)	(56,433)	(43,355)	(66,124)	(43,097)
Net Income (Loss) per common share basic and diluted	(0.002)	(0.001)	(0.001)	(0.00)	(0.00)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)

Mineral Exploration Activities

During 2005 the Company incurred deferred exploration expenditures of \$27,448 on the Mabel property in Mexico, \$25,724 on the Pepa de Oro property in Chile, and \$116,864 on the Ryan Lake property in Ontario. The 2004 expenditures were much larger with \$508,170 expended on Mabel with nil on the other two properties as they had not yet been acquired.

During 2005, the Company incurred acquisition costs of \$185,945 on Mabel compared to \$157,873 in 2004. Acquisition costs in 2005 for Pepa de Oro were \$25,648 and nil in 2004. Acquisition costs in 2005 were \$105,000 for Ryan Lake and nil in 2004. Cumulative deferred expenditures on mineral properties were \$1,496,251 at October 31, 2004 and declined to \$1,076,686 at the same date in 2005 due the total write off of the Pepa de Oro property when the option agreement was terminated and the 50% write off of the Mabel property. The Mabel, Pepa de Oro and Ryan Lake Option terms are given in Note 5 to the financial statements. As the Company did not make the option payments on Mabel for the last three quarters of the year, the Company reduced the carrying value by 50%. Part of the Ryan Lake option payment due had not been made February 20, 2006.

DEFERRED EXPENDITURES – MINERAL PROPERTIES

Pacific Comox Resources Ltd.
Mineral Properties
October 31, 2005

Expenditures Relating to The Mabel Property

Acquisition Costs

Balance - beginning of period
Incurring during the period
Balance - end of period

Year ended **Year ended**
Oct. 31, 2005 Oct. 31, 2004

\$301,491.00	\$143,618.00
\$185,945.00	\$157,873.00
<u>\$487,436.00</u>	<u>\$301,491.00</u>

Exploration Expenditures

Assaying	\$0.00	\$51,213.00
Drilling	\$0.00	\$205,715.00
Equipment	\$0.00	\$18,632.00
Geological Consulting	\$9,106.00	\$169,773.00
IVA Tax Recovery	\$0.00	(\$45,419.00)
Labour	\$0.00	\$34,979.00
Mining Taxes	\$13,472.00	\$7,703.00
Road Construction	\$0.00	\$0.00
Support Services	\$2,863.00	\$55,566.00
Supplies	\$2,007.00	\$10,008.00
Surveying	\$0.00	\$0.00
<i>Incurring during the period</i>	<u>\$27,448.00</u>	<u>\$508,170.00</u>
Balance - Beginning of Period	<u>\$1,194,760.00</u>	<u>\$686,590.00</u>
Balance - End of Period	<u>\$1,222,208.00</u>	<u>\$1,194,760.00</u>
	\$1,709,644.00	\$1,496,251.00
Writedown of mineral property (50%)	(\$854,822.00)	\$0.00
Cumulative Deferred Expenditures on Mabel Property	<u>\$854,822.00</u>	<u>\$1,496,251.00</u>

Expenditures Relating to Pepa de Oro, Chile Property

	Year ended Oct. 31, 2005	Year ended Oct. 31, 2004
<u>Acquisition Costs</u>		
Balance - beginning of period	\$0.00	\$0.00
Incurring during the period	\$25,648.00	\$0.00
Balance - end of period	<u>\$25,648.00</u>	<u>\$0.00</u>
<u>Exploration Expenditures</u>		
Geological Consulting	\$25,724.00	\$0.00
Balance - Beginning of Period	\$0.00	\$0.00
Balance - End of Period	<u>\$25,724.00</u>	<u>\$0.00</u>
	\$51,372.00	\$0.00
Writedown of mineral property (100%)	(\$51,372.00)	\$0.00
Cumulative Deferred Expenditures on Pepa de Oro Mineral Property	<u>\$0.00</u>	<u>\$0.00</u>

Expenditures Relating to Ryan Lake/Log Lake, Matachewan.

Ontario Property

Acquisition Costs

Balance - beginning of period	\$0.00	\$0.00
Incurred during the period	\$105,000.00	\$0.00
Balance - end of period	<u>\$105,000.00</u>	<u>\$0.00</u>

Exploration Expenditures

Assaying	\$9,009.00	\$0.00
Geological Consulting	\$27,098.00	
Mining Leases	\$80,757.00	\$0.00
Balance - Beginning of Period	<u>\$0.00</u>	<u>\$0.00</u>
Balance - End of Period	<u>\$116,864.00</u>	<u>\$0.00</u>

Cumulative Deferred Expenditures on Ryan Lake/ Log Lake Mineral Properties	<u>\$221,864.00</u>	<u>\$0.00</u>
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Total Cumulative Deferred Expenditures on Mineral Properties

\$1,076,686.00 \$1,496,251.00

Liquidity and Capital Resources

At October 31, 2005 the Company had a cash position of \$1,233 compared to \$62,915 at October 31, 2004.

On November 28, 2004 the Company received TSX-Venture 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 March 17, 2005 the Company completed and received TSX-Venture approval on a private placement of \$200,000. The financing is in the form of units, with a total of 3,333,333 units priced at \$0.06 per unit consisting of one common share and one common share purchase warrant exercisable at \$0.10 to February 22, 2007. A director of the Company is subscribing for \$116,550. The common shares and common share purchase warrants were issued in March, 2005.

On May 11, 2005 the Company announced a brokered private placement offering, on a "best efforts" basis of up to 10.0 million units ("Units") of the Company at a price of C\$0.06 per Unit (the "Offering"). The Offering will consist of both Flow-Through Units and Common Share Units. Each Flow-Through Unit consists of one flow-through common share and one-half of one common share purchase warrant (a "Warrant"), with a full Warrant entitling the holder to purchase one additional common share of the Company ("Warrant Shares") at an exercise price of C\$0.10 per Warrant Share for a

period of eighteen months from the Closing of the Offering. Each Common Share Unit consists of one common share and one common share purchase warrant (a “Warrant”), with a Warrant entitling the holder to purchase one additional common share of the Company (“Warrant Shares”) at an exercise price of C\$0.10 per Warrant Share for a period of eighteen months from the Closing of the Offering.

Pacific Comox announced its brokered private placement offering closed on July 28, 2005, with gross proceeds of \$316,641. The closing is for \$223,956 of Flow-Through units and \$92,685 of Common Share units. Completion of the Offering was subject to receipt by the Company of all necessary regulatory approvals. The securities issued under the Offering were subject to a four month hold period.

Integral Wealth Securities Limited (the “Agent”) acted as agent for the Offering. The Agent receives a cash commission equal to 8% of the gross proceeds raised under the Offering. In addition, the Company issued to the Agent at Closing, Broker Warrants entitling the Agent for a period of 18 months from the Closing of the Offering, to acquire that number of Common Share Units of the Offering that is equal to 10% of the number of Units sold under the Offering at a price of C\$0.10 per Unit.

The Company used the net proceeds of the Offering to diamond drill and explore its Ryan Lake copper-molybdenum property near Matachewan, Ontario and working capital.

The Company does not have adequate cash or working capital to complete work programs on its exploration properties or to meet its option obligations to maintain its interest in the properties under option. At October 31, 2005 the Company had not made the March option payments on the Mabel property. The March option payment was made in January 2006 but the July and October had not been made as of February 20, 2006. As a result of the option payments not being made the carrying value of the Mabel property was reduced by 50% at October 31, 2005. Additional funding is also 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 2005 the Company paid \$60,000 consulting fees to an officer of the Company. At October 31, 2005 the Company reported \$70,133 due to a shareholder and officer of the Company compared to \$118,213 due at the same date in 2004. During 2005 rent of

\$10,793 was paid to a corporation under common management compared to \$10,103 during the same period or 2004.

Pacific Comox at October 31, 2005 was owed \$169,738 by a Company which has one person of common management, compared to \$138,367 at the same date in 2004.

Administration Expenses In 2005 and 2004

The administration expenses in 2005 were \$180,880 compared to \$239,767 during 2004. The lower expenses during 2005 reflects the lower level of exploration on the properties of the Company, lower costs of communicating with shareholders, less travel and lower office expenditures. Consulting fees paid were \$66,962 in 2005 compared to \$82,494 in 2004 when a larger exploration program required more geological and other consultants.

Pacific Comox Administration Expenses Summary

	Year Ended <u>October 31</u> <u>2005</u>	Year Ended <u>October 31</u> <u>2004</u>
<u>Administration</u>		
Audit and accounting fees	\$21,430.00	\$31,050.00
Amortization	\$1,217.00	\$1,740.00
Consulting fees	\$66,962.00	\$82,494.00
Foreign exchange gain/loss	(\$1,100.00)	(\$2,436.00)
Investor relations	\$22,780.00	\$41,566.00
Legal fees	\$12,570.00	\$838.00
Office supplies and services	\$17,517.00	\$20,401.00
Press and news releases	\$5,389.00	\$4,416.00
Proxy report and mailing	\$3,761.00	\$11,028.00
Rent	\$10,793.00	\$10,103.00
Stock exchange and filing fees	\$11,905.00	\$10,430.00
Transfer agent fees	\$5,550.00	\$6,386.00
Telephone	\$903.00	\$860.00
Travel	\$1,203.00	\$14,417.00
Other	\$0.00	\$6,474.00
	<u>\$180,880.00</u>	<u>\$239,767.00</u>

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

See note 2 for change in adopted standards for asset retirement obligations which have no significant current effect on the Company.

Other MD & A Requirements

The Company's authorized share capital is an unlimited number of common shares at October 31, 2005. On June 17, 2005 the Company filed new Articles under the B. C. Business Corporations Act. The authorized share structure was changed at that time to no maximum number of common shares.

At October 31, 2005 73,691,257 common shares were outstanding compared to 63,552,892 common shares outstanding on October 31, 2004. At October 31, 2005 the Company had 9,556,899 warrants outstanding with exercise prices of \$0.10 to \$0.12 compared to 5,729,167 warrants outstanding on October 31, 2004 with an average exercise price of \$0.18. The Company also had 2,300,000 options outstanding with an exercise price of \$0.12 on October 31, 2005 compared to 3,300,000 at October 31, 2004 as 1,000,000 expired during the year.

Trends

The market conditions for resource explorations companies have been difficult for many periods during the past five years. Consequently, it has at times 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 which have improved in late 2005 will remain favorable over the next fiscal year. However, with higher gold and base metal prices there is renewed optimism that conditions will remain favorable for the industry.

Higher gold and base metal prices, combined with a favorable 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 2006 the Company will focus its exploration efforts on the Mabel property in Mexico, the Ryan Lake copper-molybdenum property in Ontario and will examine 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 other 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.