

# **PACIFIC COMOX RESOURCES LTD.**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS NINE MONTH PERIOD ENDED July 31, 2007 (Form 51-102F2)**

### **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 nine month period ended July 31, 2007. The MD&A was prepared as of September 20, 2007 and should be read in conjunction with the Audited Consolidated Financial Statements for the fiscal years ended October 31, 2006, and the Company's Audited Consolidated Financial Statements for the fiscal year ended October 31, 2005 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 September 20, 2007.

The Company's public filings can be accessed and viewed through the Company's website [www.pacificcomox.com](http://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](http://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 Canada and in Mexico.

### **RYAN LAKE PROPERTY**

On March 16, 2005 the Company acquired a two year option to acquire the Ryan Lake copper-molybdenum property and mill 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. Under the Option Agreement Pacific Comox could also acquire the mill building located on the property and certain equipment for C\$100,000.

On November 17, 2006 Pacific Comox exercised its option to accelerate the fulfillment of the terms of the March 2005 Option Agreement to acquire the Ryan Lake property and mill. In addition to the work commitment on the Ryan Lake claims, which had been satisfied, Comox paid the vendors the remainder of the Option payments of about \$262,000.00, issued 1,500,000 common shares to the vendors and is working to satisfy arrangements with the Ministry of Northern Development and Mines concerning the property to transfer the claims to Pacific Comox.

The mill which is currently processing barite is expected to be a major asset going forward to facilitate the resumption of copper/molybdenum production on the property.

Pacific Comox's diamond drilling and sampling on the Ryan Lake property has started to outline 3 areas of drill intersected mineralization. A number of other showings on the claims have not been tested to-date.

The **South Zone**, the area of the former underground copper mine.

The **North Zone**, the area of the former producing molybdenum open pit which is located about 1,000 feet north of the former underground copper mine.

The **CLT Zone**, area is about 300 feet north of the North Zone.

#### CLT ZONE

Three of the six holes Pacific Comox drilled on the zone in 2006 reported drill intersected mineralization averaging 0.135% molybdenum (Mo) or 2.70 lbs/ton over 19 metres or 63 feet starting at 9 metres or 28 feet from the collar of the holes. The assay results are given below in Table 1. Further drilling is planned to test and define this zone of drill intersected mineralization.

PACIFIC COMOX RESOURCES LTD								
Table 1:SUMMARY OF2006 CLT ZONE DRILLING RESULTS								
Drill Hole	From	To	Length	Length	Cu	Cu	Mo	Mo
PC-06-	(m)	(m)	(m)	(feet)	(%)	(lbs/ton)	(%)	(lbs/ton)
30	UTM 17T 522483, 5313841, Length 98m (321 ft), Azimuth 300°, Dip -44°							
	7	54	47	153	0.01	0.1	0.07	1.30
Including	9	19	11	34	0.02	0.4	0.18	3.56
	82	85	3	10	0.01	0.1	0.06	1.14
31	UTM 17T 522484, 5313838, Length 50m (164 ft), Azimuth 280°, Dip -43°							
	1	25	23	76	0.02	0.4	0.13	2.68
Including	5	23	18	59	0.02	0.4	0.16	3.28
32	UTM 17T 522488, 5313826, Length 50m (164 ft), Azimuth 280°, Dip -45°							
	37	49	12	39	0.04	0.9	0.02	0.32
33	UTM 17T 522491, 5313819, Length 102m (334 ft), Azimuth 340°, Dip -45°							
	46	70	24	77	0.02	0.4	0.05	0.90
Including	56	65	9	30	0.01	0.1	0.07	1.46
34	UTM 17T 522455, 5313844, Length 71m (233 ft), Azimuth 90°, Dip -50°							
	16	40	24	79	0.01	0.1	0.12	2.34
Including	24	30	6	20	0.01	0.1	0.43	8.66
35	UTM 17T 522451, 5313856, Length 86m (282 ft), Azimuth 90°, Dip -50°							
	9	22	13	44	0.01	0.0	0.02	0.38
Including	9	16	7	24	0.02	0.4	0.03	0.62
Gold and silver values returned not significant.								
November 7, 2006								

#### NORTH ZONE

The former producing molybdenum open pit (the North Zone) is approximately 1,000 feet north of the underground mine which was in production during the 1950-1964 period. No production or exploration has taken place in this pit area since the 1960's. On March 21, 2005 the Company reported assays for the samples taken on the walls of the former producing 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. 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

Of the 20 holes completed in the North Zone by Pacific Comox during 2005-06, 12 holes have reported a total of 15 intervals with an average grade of 3.3 lbs/ton or 0.16 % molybdenum. The average length of the intervals was 11 metres or 37 feet starting at 16 metres or 52 feet in the core. The average copper grade in the intervals was 0.12%.

Holes #15 & 16 reported higher grade intervals.

- Hole PC-05-15 returned an intersection of 8 meters (25 feet) grading 11.9 lbs/ton (0.60%) molybdenum & 3.8 lbs/ton (0.19%) copper starting at 9 meters (30 feet).
- Hole PC-05-16 returned an intersection of 9 meters (30 feet) grading 11.6 lbs/ton (0.58%) molybdenum & 10.3 lbs/ton (0.52%) copper starting at 9 meters (30 feet).

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. 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.

Hole #17 was mineralized for almost its entire length returning an intersection of 120 meters (393 feet) from 5 meters (16 feet) grading 0.04% (0.82 lbs/ton) molybdenum and including an intersection of 8 meters (25 feet) from 17 meters, grading 0.13% (2.63 lbs/ton) molybdenum and 0.07% (1.3 lbs/ton copper).

The results to-date indicate the drill intersected mineralization in the North Zone extends 100 meters NE-SW, 65 meters NW-SE and to a depth of at least 80 meters in the area of the open pit. The potential remains open in all directions and at depth.

Further drilling to test & define the zone is planned for 2007. The assay results for holes 6 to 29 are summarized in Table 2 below.

James Janzen and Dan Crossley P. Eng. 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.

Table 2  
PACIFIC COMOX RESOURCES LTD.  
NORTH ZONE ASSAY RESULTS

Drill Hole	From (m)	To (m)	Length (m)	Length (feet)	Cu (%)	Cu (lbs/ton)	Mo (%)	Mo (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, 5313673, 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
17	UTM 17TO522531, 5313659, Length 124.9m (410 ft), Azimuth 320°, Dip -50°							
	5.0	124.9	119.9	393	0.03	0.6	0.04	0.82
Including	5.0	17.0	12	39	0.04	0.8	0.04	0.84
	17.0	24.5	8	25	0.07	1.3	0.13	2.63
	24.5	69.5	45	148	0.03	0.7	0.04	0.89
	101.0	119.0	18	59	0.01	0.2	0.06	1.17
18	UTM 17TO522552, 5313688, Length 100.9m (331 ft), Azimuth 220°, Dip -50°							
	52.5	73.5	21	69	0.02	0.5	0.04	0.89
19	UTM 17TO522532, 5313652, Length 100.9m (331 ft), Azimuth 320°, Dip -50°							
	13.5	33.0	20	64	0.05	0.9	0.03	0.66
No gold and silver values were returned								
Hole # 8 did not return significant values.								
Holes # 6 to #16 were previously reported.								
March 20, 2006								

Drill Hole	From	To	Length	Length	Cu	Cu	Mo	Mo
PC-06-	(m)	(m)	(m)	(feet)	(%)	(lbs/ton)	(%)	(lbs/ton)
20	UTM 17T 522514, 5313671, Length 125m (410 ft), Azimuth 300°, Dip -50°							
	4.0	37.9	34	111	0.04	0.7	0.06	1.20
Including	13.0	19.0	6	20	0.02	0.5	0.10	1.96
Including	28.0	37.0	9	30	0.07	1.3	0.11	2.10
	41.5	64.5	23	75	0.03	0.6	0.06	1.14
Including	50.5	62.5	12	39	0.01	0.3	0.08	1.56
21	UTM 17T 522548, 5313650, Length 92m (302 ft), Azimuth 300°, Dip -50°							
	31.4	38.0	7	22	0.01	0.1	0.02	0.36
	50.0	70.5	21	67	0.01	0.2	0.08	1.56
Including	53.0	69.5	17	54	0.01	0.2	0.10	1.96
22	UTM 17T 522502, 5313677, Length 76m (249 ft), Azimuth 300°, Dip -50°							
	1.0	7.0	6	20	0.01	0.2	0.02	0.34
	12.5	17.4	5	16	0.06	1.2	0.02	0.45
23	UTM 17T 522499, 5313683, Length 101m (331 ft), Azimuth 220°, Dip -50°							
	2.1	8.8	7	22	0.02	0.4	0.01	0.18
	17.0	45.7	29	94	0.02	0.4	0.01	0.28
24	UTM 17T 522500, 5313685, Length 104m (341 ft), Azimuth 40°, Dip -50°							
	32.5	34.2	2	6	0.56	11.1	0.03	0.54
	44.0	66.5	23	74	0.06	1.1	0.04	0.84
25	UTM 17T 522507, 5313717, Length 101m (331 ft), Azimuth 40°, Dip -50°							
	9.2	12.0	3	9	1.08	21.6	0.07	1.44
	42.0	48.0	6	20	0.04	0.8	0.03	0.58
26	UTM 17T 522519, 5313679, Length 94m (308 ft), Azimuth 220°, Dip -50°							
	1.8	30.8	29	95	0.03	0.6	0.04	0.88
Including	1.8	8.0	6	20	0.05	1.0	0.11	2.18
27	UTM 17T 522517, 5313676, Length 81m (266 ft), Azimuth 40°, Dip -50°							
	1.8	50.0	48	158	0.04	0.7	0.072	1.44
Including	1.8	14.8	13	43	0.06	1.2	0.101	2.02
Including	27.5	39.5	12	39	0.04	0.9	0.136	2.72
	53.0	75.5	23	74	0.01	0.3	0.02	0.34
28	UTM 17T 522522, 5313672, Length 49m (161 ft), Azimuth 300°, Dip -50°							
	9.5	30.0	21	67	0.06	1.1	0.08	1.68
Including	24.4	30.0	6	18	0.11	2.1	0.17	3.42
29	UTM 17T 522531, 5313682, Length 96m (315 ft), Azimuth 300°, Dip -50°							
	1.8	23.1	21	70	0.03	0.5	0.02	0.44
Including	10.5	16.5	6	20	0.06	1.2	0.08	1.50
	45.0	57.0	12	39	0.03	0.6	0.04	0.70
	64.4	71.0	7	22	0.01	0.2	0.02	0.48
Gold and silver values returned not significant.								
October 6, 2006								

## **SOUTH ZONE**

To September 20, 2007 Pacific Comox has reported the assays for 38 diamond drill holes on the South Zone testing the open pit, bulk-tonnage potential of the of the area mined from underground during the 1950-64 period. The results demonstrated the potential to extend the mineralized zone east and west on strike with the former underground workings and at depth. The 38 diamond drill holes drilled by Pacific Comox to-date encompass an area over 694 feet on the East-West strike of the former underground copper mine from Hole 69 on the East to Holes 01 and 54 on the West and extend over an area 700 feet from the former underground mine to the North. The zone is considered to be open in all directions:

- Two holes have been completed on Section 9973E the most westerly section drilled to date. Hole PC-05-01 returned a mineralized interval of 395 feet starting at 109 feet grading 0.19% copper and 0.014% molybdenum which included a 41 foot interval starting at 390 feet grading 0.42% copper and 0.039% molybdenum. PC-06-54 is on the same Section and collared 50 feet north of the above mentioned hole PC-05-01 reported a mineralized interval of 364 feet starting at 26 feet grading 0.33% copper and 0.015% molybdenum which included a 139 foot interval starting at 115 feet grading 0.76% copper and 0.03% molybdenum, including a 42 foot interval grading 2.1% copper and 0.07% molybdenum.
- The most easterly hole drilled, PC-07-69 on Section 10667E, reported a mineralized interval of 400 feet starting at 10 feet grading 0.06% copper and 0.037% molybdenum including an interval of 27 feet starting at 299 feet grading 0.16% copper and 0.270% molybdenum or 5.4 lbs/ton.

In the current program additional holes will be drilled both north and south of the completed holes on many of the sections to extend the North-South dimension of the drill tested areas and the 694 feet East-West length of the current drill tested area will be extended both to the East and West. Most of the 38 completed holes do not exceed a vertical depth of 300 feet. The next program will test the indicated mineralized zones to a depth of about 500 feet. A resource estimate is being prepared on the South Zone but has not been completed. All assays have been reported for the drilling completed during the second quarter.

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 programs and reports, and supervised the drilling program. The geologist on the programs were Murray McGill P. Geo., Dan Crossley P. Eng. and Robert Van Ingen P. Eng.. The split NQ core samples were assayed by AA at Swastika Laboratories Ltd. Swastika Ontario, an accredited laboratory.

Table 1: Diamond Drill Assays From Ryan Lake Property								
South Zone - Former Underground Mine Area								
Hole #	From (ft)	To (ft)	Length (ft)	Copper (%)	Mo (%)	Mo (lbs/ton)	Gold (g/tonne)	Silver (g/tonne)
<b>PC-05-01</b>	Section 9973E, Northing 10127, Length 655 ft., Azimuth 0°, Dip -45°							
	109	504	<b>395</b>	0.19	0.014	0.28	0.03	0.15
Including	109	119	<b>9</b>	0.42	0.011	0.22	0.08	0.07
Including	178	199	<b>21</b>	0.51	0.036	0.72	0.08	0.10
Including	270	337	<b>67</b>	0.23	0.008	0.16	0.04	0.05
Including	390	431	<b>41</b>	0.42	0.039	0.78	0.02	0.09
Including	489	504	<b>15</b>	0.48	0.105	2.10	0.04	2.99
<b>PC-05-02</b>	Section 10088E, Northing 10221, Length 409 ft., Azimuth 0°, Dip -45°							
	96	179	<b>83</b>	0.38	0.020	0.40	0.04	0.07
Including	96	148	<b>52</b>	0.44	0.030	0.60	0.05	0.08
	281	339	<b>58</b>	0.44	0.024	0.48	0.02	2.53
<b>PC-05-03</b>	Section 10098E, Northing 10104, Length 229 ft., Azimuth 0°, Dip -51°							
	136	229	<b>136</b>	0.30	0.025	0.50	0.05	2.16
Including	200	229	<b>29</b>	0.61	0.074	1.48	0.06	4.87
	Hole intersected workings at 229 ft.							
<b>PC-05-04</b>	Section 10196E, Northing 10162, Length 258 ft., Azimuth 0°, Dip -52°							
	26	47	<b>21</b>	0.20	0.013	0.26	0.04	4.00
<b>PC-05-05</b>	Section 10196E, Northing 10065, Length 426 ft., Azimuth 0°, Dip -54°							
	170	358	<b>188</b>	0.29	0.026	0.52	0.05	2.21
Including	195	256	<b>61</b>	0.56	0.052	1.04	0.11	4.60
<b>PC-06-38</b>	Section 10416E, Northing 9831, Length 334 ft., Azimuth 0°, Dip -45°							
	10	27	<b>16</b>	0.22	0.007	0.14	0.07	1.30
	149	243	<b>94</b>	0.27	0.012	0.24	0.09	1.80
Including	149	166	<b>17</b>	0.89	0.009	0.18	0.16	3.50
Including	226	243	<b>17</b>	0.42	0.058	1.16	0.05	2.80
<b>PC-06-39</b>	Section 10416E, Northing 9778, Length 348 ft., Azimuth 0°, Dip -45°							
	82	94	<b>12</b>	0.67	0.004	0.08	0.17	5.52
	238	250	<b>12</b>	0.59	0.002	0.04	0.31	2.60
	279	316	<b>37</b>	0.14	0.247	4.94	0.04	1.53
<b>PC-06-40</b>	Section 10416E, Northing 9727, Length 390 ft., Azimuth 0°, Dip -45°							
	107	125	<b>18</b>	0.17	0.001	0.02	0.06	2.50
	134	170	<b>36</b>	0.16	0.003	0.06	0.02	1.24
	267	286	<b>19</b>	0.10	0.001	0.02	0.06	0.80
	295	330	<b>35</b>	0.19	0.001	0.02	0.10	0.71
	338	357	<b>19</b>	0.34	0.211	4.22	0.19	2.85

Hole #	From (ft)	To (ft)	Length (ft)	Copper (%)	Mo (%)	Mo (lbs/ton)	Gold (g/tonne)	Silver (g/tonne)
<b>PC-06-41</b>	Section 10523E, Northing 9802, Length 390 ft, , Azimuth 0°, Dip -45°							
	40	82	<b>42</b>	0.10	0.003	0.06	0.01	0.84
	174	376	<b>202</b>	0.31	0.038	0.76	0.14	1.48
Including	174	193	<b>19</b>	0.58	0.010	0.20	0.23	1.60
	207	256	<b>49</b>	0.51	0.002	0.04	0.37	2.00
	272	312	<b>40</b>	0.42	0.027	0.54	0.11	2.25
	321	336	<b>15</b>	0.26	0.204	4.08	0.02	1.80
	350	376	<b>26</b>	0.24	0.126	2.52	0.02	2.05
<b>PC-06-42</b>	Section 10088E, Northing 10155, Length 472 ft, , Azimuth 0°, Dip -45°							
	105	174	<b>69</b>	0.13	0.012	0.24	0.03	1.00
	185	457	<b>272</b>	0.29	0.013	0.26	0.04	2.16
Including	185	223	<b>38</b>	0.47	0.046	0.92	0.06	3.73
Including	305	400	<b>95</b>	0.44	0.014	0.24	0.05	2.07
<b>PC-06-43</b>	Section 10088E, Northing 10055, Length 239 ft, , Azimuth 0°, Dip -45°							
	93	239	<b>146</b>	0.12	0.005	0.02	0.04	1.05
Including	197	235	<b>38</b>	0.22	0.013	0.26	0.08	1.88
	Hole intersected workings at 239 feet.							
<b>PC-06-44</b>	Section 10088E, Northing 10008, Length 305 ft, , Azimuth 0°, Dip -45°							
	5	305	<b>300</b>	0.17	0.008	0.16	0.06	1.22
Including	171	305	<b>134</b>	0.30	0.016	0.32	0.07	2.03
	Hole intersected workings at 305 feet.							
<b>PC-06-45B</b>	Section 10033E, Northing 10188, Length 449 ft, , Azimuth 0°, Dip -45°							
	27	446	<b>419</b>	0.24	0.012	0.24	0.04	1.80
Including	82	159	<b>77</b>	0.70	0.035	0.70	0.07	3.99
Including	231	349	<b>118</b>	0.27	0.016	0.32	0.04	1.57
<b>PC-06-46</b>	Section 10073E, Northing 10261, Length 331 ft., Azimuth 0°, Dip -45°							
	25	272	<b>247</b>	0.38	0.025	0.50	0.05	2.79
Including	25	66	<b>41</b>	0.53	0.079	1.58	0.15	4.04
Including	164	258	<b>94</b>	0.66	0.026	0.52	0.06	4.60
<b>PC-06-47</b>	Section 10150E, Northing 10210, Length 420 ft., Azimuth 0°, Dip -45°							
	12	420	<b>408</b>	0.28	0.025	0.50	0.04	1.95
Including	51	274	<b>223</b>	0.38	0.038	0.76	0.04	2.27
Including	184	243	<b>59</b>	0.63	0.106	2.12	0.08	4.37
<b>PC-06-48</b>	Section 10155E, Northing 10260, Length 390 ft., Azimuth 0°, Dip -45°							
	12	262	<b>250</b>	0.35	0.023	0.46	0.03	2.04
Including	48	208	<b>160</b>	0.47	0.035	0.70	0.04	2.77
Including	149	208	<b>59</b>	0.66	0.050	1.00	0.05	4.38
	311	365	<b>54</b>	0.56	0.019	0.38	0.05	3.58

Hole #	From (ft)	To (ft)	Length (ft)	Copper (%)	Mo (%)	Mo (lbs/ton)	Gold (g/tonne)	Silver (g/tonne)
<b>PC-06-49</b>	Section 10245E, Northing 10260, Length 170 ft., Azimuth 0°, Dip -45°							
	No significant mineralization							
<b>PC-06-50</b>	Section 10511E, Northing 10030, Length 413 ft., Azimuth 0°, Dip -45°							
	30	408	<b>378</b>	0.08	0.025	0.50	0.03	0.85
Including	279	317	<b>38</b>	0.23	0.032	0.64	0.04	3.38
Including	342	393	<b>51</b>	0.13	0.124	2.48	0.00	1.64
<b>PC-06-51</b>	Section 10516E, Northing 10130, Length 495 ft., Azimuth 0°, Dip -45°							
	30	495	<b>465</b>	0.11	0.015	0.30	0.05	1.12
Including	30	79	<b>49</b>	0.10	0.016	0.32	0.01	0.53
Including	157	192	<b>35</b>	0.40	0.019	0.38	0.14	4.26
Including	236	266	<b>30</b>	0.17	0.025	0.50	0.07	1.45
Including	328	361	<b>33</b>	0.37	0.039	0.78	0.13	4.62
<b>PC-06-52</b>	Section 10501E, Northing 10230, Length 374 ft., Azimuth 0°, Dip -45°							
	17	374	<b>357</b>	0.11	0.008	0.16	0.03	0.84
Including	36	144	<b>108</b>	0.26	0.019	0.38	0.05	2.15
<b>PC-06-53</b>	Section 10376E, Northing 10113, Length 344 ft., Azimuth 0°, Dip -45°							
	12	300	<b>288</b>	0.52	0.053	1.06	0.10	6.20
Including	174	236	<b>62</b>	1.95	0.215	4.30	0.35	25.10
Including	203	223	<b>20</b>	5.27	0.542	10.84	0.76	66.03
<b>PC-06-54</b>	Section 9973E, Northing 10177, Length 390 ft., Azimuth 0°, Dip -45°							
	26	390	<b>364</b>	0.33	0.015	0.30	0.07	3.01
Including	115	254	<b>139</b>	0.76	0.028	0.56	0.16	4.70
Including	119	161	<b>42</b>	2.13	0.069	1.38	0.37	11.31
<b>PC-06-55</b>	Section 10033E, Northing 10238, Length 325 ft., Azimuth 0°, Dip -45°							
	20	325	<b>305</b>	0.13	0.008	0.16	0.03	0.87
Including	51	93	<b>42</b>	0.32	0.018	0.32	0.08	1.89
Including	187	266	<b>79</b>	0.17	0.011	0.22	0.02	1.04
<b>PC-06-56</b>	COM Zone, Length 331 ft., Azimuth 295°, Dip -45°							
<b>PC-06-57</b>	Section 10504E, Northing 10244, Length 331 ft., Azimuth 295°, Dip -45°							
	10	295	<b>285</b>	0.19	0.011	0.22	0.03	2.18
Including	85	184	<b>99</b>	0.21	0.016	0.32	0.04	1.59
Including	252	270	<b>18</b>	1.14	0.038	0.76	0.03	21.7
<b>PC-06-58</b>	Section 10611E, Northing 10203, Length 331 ft., Azimuth 0°, Dip -50°							
	30	331	<b>301</b>	0.09	0.014	0.28	0.04	1.12
Including	95	144	<b>49</b>	0.21	0.023	0.46	0.09	3.24

Hole #	From (ft)	To (ft)	Length (ft)	Copper (%)	Mo (%)	Mo (lbs/ton)	Gold (g/tonne)	Silver (g/tonne)
<b>PC-06-59</b>	Section 10456E, Northing 10213, Length 331 ft., Azimuth 0°, Dip -45°							
	10	331	<b>321</b>	0.15	0.017	0.34	0.05	1.53
Including	93	143	<b>50</b>	0.29	0.049	0.98	0.09	2.12
Including	198	225	<b>27</b>	0.26	0.031	0.62	0.24	2.24
Including	265	321	<b>56</b>	0.32	0.024	0.48	0.06	4.71
<b>PC-06-60</b>	Section 10456E, Northing 10321, Length 341 ft., Azimuth 0°, Dip -50°							
	27	341	<b>314</b>	0.17	0.012	0.24	0.18	1.24
Including	108	147	<b>39</b>	0.56	0.049	0.98	0.32	5.55
Including	234	287	<b>53</b>	0.40	0.022	0.44	0.05	1.64
	262	287	<b>25</b>	0.67	0.045	0.90	0.08	1.65
<b>PC-06-61</b>	Section 10150E, Northing 10135, Length 430 ft., Azimuth 0°, Dip -45°							
	7	428	<b>421</b>	0.22	0.011	0.22	0.04	1.42
Including	180	405	<b>225</b>	0.36	0.017	0.34	0.06	2.25
Including	370	405	<b>35</b>	0.60	0.022	0.44	0.11	4.36
<b>PC-07-62</b>	Section 10376E, Northing 10063, Length 410 ft., Azimuth 350°, Dip -45°							
	15	410	<b>395</b>	0.12	0.008	0.16	0.04	1.58
Including	87	107	<b>20</b>	0.26	0.045	0.90	0.14	3.52
Including	197	221	<b>24</b>	0.29	0.017	0.34	0.03	2.34
Including	282	292	<b>10</b>	0.57	0.036	0.72	0.03	2.40
<b>PC-07-63</b>	Section 10387E, Northing 10161, Length 370 ft., Azimuth 0°, Dip -45°							
	71	138	<b>67</b>	0.18	0.042	0.84	0.02	2.80
<b>PC-07-64</b>	Section 10326E, Northing 10113, Length 341 ft., Azimuth 0°, Dip -45°							
	16	341	<b>325</b>	0.17	0.012	0.24	0.03	0.68
Including	38	67	<b>29</b>	0.07	0.054	1.08	0.04	0.65
Including	130	193	<b>63</b>	0.43	0.022	0.44	0.05	1.80
<b>PC-07-65</b>	Section 10276E, Northing 10389, Length 489 ft., Azimuth 113°, Dip -45°							
	105	143	<b>38</b>	0.35	0.021	0.42	0.02	1.60
	256	281	<b>25</b>	0.36	0.023	0.46	0.10	2.95
	370	448	<b>78</b>	0.07	0.041	0.82	0.02	0.92
<b>PC-07-66B</b>	Section 10376E, Northing 10000, Length 538 ft., Azimuth 0°, Dip -50°							
	122	190	<b>68</b>	0.17	0.133	2.66	0.08	3.73
Including	161	180	<b>19</b>	0.26	0.375	7.50	0.22	8.38
	277	303	<b>26</b>	0.19	0.073	1.46	0.06	3.14
	392	474	<b>82</b>	0.23	0.005	0.10	0.03	0.97
Including	411	439	<b>28</b>	0.35	0.003	0.06	0.05	0.80

Hole #	From (ft)	To (ft)	Length (ft)	Copper (%)	Mo (%)	Mo (lbs/ton)	Gold (g/tonne)	Silver (g/tonne)
<b>PC-07-67</b>	Section 10526E, Northing 9938, Length 482 ft, , Azimuth 0°, Dip -56°							
	124	471	<b>347</b>	0.08	0.023	0.46	0.02	0.74
	124	148	<b>24</b>	0.27	0.185	3.70	0.12	3.34
<b>PC-07-68</b>	Section 10607E, Northing 9938, Length 430 ft, , Azimuth 0°, Dip -45°							
	118	430	<b>312</b>	0.18	0.050	1.00	0.06	1.78
Including	118	190	<b>72</b>	0.34	0.137	2.74	0.15	2.16
Including	179	190	<b>11</b>	0.47	0.370	7.40	0.11	2.74
	306	353	<b>47</b>	0.20	0.014	0.28	0.01	1.19
	386	425	<b>39</b>	0.14	0.063	1.26	0.12	5.00
<b>PC-07-69</b>	Section 10667E, Northing 9938, Length 410 ft, , Azimuth 0°, Dip -45°							
	10	410	<b>400</b>	0.06	0.037	0.74	0.07	0.59
Including	101	149	<b>48</b>	0.09	0.074	1.48	0.08	0.61
Including	270	379	<b>109</b>	0.10	0.091	1.82	0.14	1.24
Including	299	326	<b>27</b>	0.16	0.270	5.40	0.54	2.98
<b>PC-07-70</b>	Section 10607E, Northing 9888, Length 397 ft, , Azimuth 0°, Dip -55°							
	13	397	<b>384</b>	0.09	0.010	0.20	0.02	0.62
Including	13	41	<b>27</b>	0.25	0.008	0.16	0.06	1.57
Including	283	351	<b>68</b>	0.16	0.047	0.98	0.04	1.01

### MABEL PROPERTY

Pacific Comox optioned the Mabel claims in northern Sonora State, Mexico in 2002 and has now completed the acquisition of the property. Very little exploration work was done on the property during 2006 but exploration and drilling resumed on the property during the second quarter of 2007. 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.

On May 24, 2007 the assay results were reported from the 24 hole infill drilling program on the Carmelitas North Zone of the Carmelitas area on the Mabel property in northern Sonora State Mexico. Three widely spaced holes on the zone had previously reported averages of 0.9 g/tonne gold and 24 g/tonne silver over 3 meters. In this program 20 of the 24 holes returned an average of 1.1 g/tonne gold and 40 g/tonne silver over a 4.4 meter interval starting at 3.7 meters from surface (see Table 2 below for all assays).

Drilling is continuing on the Carmelitas Central and Carmelitas West areas. This infill drilling program will provide the drill hole data for a resource estimate on the Carmelitas and other areas of at/near surface gold-silver mineralization on the Mabel property.

In the Micho area Comox previously reported in hole RC-62, 6 meters of 1.5g/tonne gold, and 51g/tonne silver followed by 23 meters of 1.1% oxide copper and 10g/tonne silver. Further drilling is planned to test the gold-silver anomaly previously reported to the west of the Micho drilling as well as more shallow and deeper drilling in the Micho zone area.

<b>Table 2: Mabel Property Mexico</b>					
<b>Carmelitas North Zone Infill Drilling</b>					
Hole	From	To	Interval	Gold	Silver
Number	(m)	(m)	(m)	(g/tonne)	(g/tonne)
CTD-07-001	1	5	4	2.1	42
-002	2	6	4	1.5	82
-003	2	7	5	1.2	23
-004	11	15	4	0.9	17
-005	7	11	4	0.6	20
-006	8	12	4	0.6	29
-007	4	10	6	0.2	17
-008	1	4	3	1.4	74
-009	4	9	5	0.5	21
-010	1	8	7	0.6	19
-011	11	15	4	0.3	8
-012	2	7	5	0.9	18
-013	2	6	4	2.8	34
-014	8	11	3	0.6	13
-016	1	5	4	0.3	21
-017	2	7	5	3.4	102
-018	3	7	4	0.7	36
-019	3	8	5	2.4	85
-020	0	4	4	0.6	47
-021	1	4	3	1.8	143
	<b>3.7</b>		<b>4.4</b>	<b>1.1</b>	<b>40</b>
Holes 015, 022, 023, and 024 returned insignificant mineralization.					
May 23, 2007					

The Mabel property is about a 2 hour drive south from Tucson. Robert Hill P. Eng. serves as the qualified person (QP) for the sampling and exploration programs under the definitions of National Instrument 43-101, reviewed this release and supervises the drilling programs. The geologist on the Mabel program is Cesar Lemas. In the 4.5 inch percussion drill program the product from the cyclone is bagged separately for each meter of drill advance. A split sample is shipped by Company personnel to the ALS Chemex laboratory in Vancouver B.C., an accredited laboratory.

On September 19, 2007 the assay results were reported for the RC infill drilling program of 56 holes on the Carmelitas and Carmelitas South Zones. Including all holes previously reported Comox has 73 mineralized holes in the Carmelitas North, Carmelitas, and Carmelitas South Zones averaging 1.7 g/tonne & 61 g/tonne silver over average intervals of 5 meters starting at/near surface in many holes. The Carmelitas Zones encompass an area approximately 330 meters on a northwest-southeast trend and averages about 75 meters wide (see Table 3 below for current reported holes). Additional infill drilling is planned for the Carmelitas South Zone to further test areas where previous drilling has reported encouraging results.

Additional infill drilling will also test the Gate-1910 Zones where as indicated in Table 1 below previous drilling has reported significant mineralization. The infill drilling programs will provide the drill hole data for a resource estimate on the Carmelitas and other areas of at/near surface gold-silver mineralization on the Mabel property. A summary of previous drilling on the major areas except the Micho copper/gold/silver zone is given in Table 1.

Area	Number Of Holes	Thickness (meters)	Gold (g/tonne)	Silver (g/tonne)
Carmelitas Area	73	5	1.7	61
Gate-1910 Zone	14	4	1.3	70
Ridge Zone	10	3	1.7	35
<b>Average</b>		<b>5</b>	<b>1.7</b>	<b>60</b>

In the RC drill program the product is bagged separately for each meter of drill advance. A split sample is shipped by Company personnel to the ALS Chemex laboratory in Vancouver B.C., an accredited laboratory.

<b>PACIFIC COMOX RESOURCES LTD.</b>										
<b>MABEL PROJECT</b>										
<b>Table 3: SUMMARY OF CALCULATED MINERALIZED INTERVALS</b>										
<b>FOR RC PROGRAM COMPLETED AUGUST 2007</b>										
Hole No	Hole UTM Coordinates		Hole Azimuth	Hole Dip	Hole Length (m)	Interval From (m)	Interval To (m)	Interval Length (m)	Gold (g/tonne)	Silver (g/tonne)
RC-143	454881	3444779	0°	-90°	33.00	18.00	22.00	3.00	0.80	24.00
RC-144	454867	3444770	0°	-90°	31.00	20.00	27.00	7.00	0.99	36.00
RC-147	454885	3444756	0°	-90°	31.00	19.00	25.00	6.00	0.94	18.00
RC-149	454897	3444754	0°	-90°	28.00	19.00	25.00	6.00	3.94	70.00
RC-150	454889	3444743	0°	-90°	32.00	26.00	29.00	3.00	0.28	13.00
RC-154	454916	3444755	0°	-90°	19.00	10.00	15.00	5.00	0.55	18.00
RC-155	454928	3444731	0°	-90°	22.00	14.00	17.00	3.00	0.50	34.00
RC-158	454923	3444714	0°	-90°	25.00	18.00	22.00	4.00	0.73	21.00
RC-161	454943	3444708	0°	-90°	22.00	15.00	19.00	4.00	0.15	8.00
RC-168	454953	3444626	0°	-90°	10.00	3.00	4.00	1.00	0.94	27.00
RC-169	454981	3444695	0°	-90°	13.00	4.00	8.00	4.00	1.32	11.00
RC-170	454975	3444681	0°	-90°	13.00	5.00	8.00	3.00	0.97	30.00
RC-171	454968	3444671	0°	-90°	10.00	10.00	13.00	3.00	0.18	12.00
RC-183	455022	3444657	0°	-90°	13.00	1.00	5.00	4.00	7.81	318.00
RC-184	455013	3444649	200°	-45°	19.00	2.00	5.00	3.00	0.43	14.00
RC-185	455017	3444638	0°	-90°	19.00	0.00	3.00	3.00	0.22	12.00
RC-186	455019	3444638	79°	-45°	10.00	0.00	7.00	7.00	1.51	17.00
RC-187	455027	3444631	0°	-90°	7.00	0.00	2.00	2.00	0.69	30.00
RC-188	455029	3444633	35°	-45°	10.00	0.00	2.00	2.00	1.46	31.00
RC-189	455036	3444631	0°	-90°	7.00	0.00	4.00	4.00	0.71	18.00
RC-190	455034	3444629	0°	-90°	10.00	0.00	4.00	4.00	1.55	62.00
RC-192	455043	3444624	45°	-45°	10.00	0.00	5.00	5.00	0.86	44.00

PC-193	454981	3444624	0°	-90°	10.00	0.00	8.00	8.00	0.43	32.00
RC-195	455001	3444609	0°	-90°	13.00	4.00	10.00	6.00	0.15	14.00
RC-196	455008	3444604	0°	-90°	13.00	3.00	11.00	8.00	0.77	56.00
RC-197	455017	3444600	0°	-90°	13.00	3.00	7.00	4.00	0.68	33.00
RC-198	455010	3444619	0°	-90°	13.00	1.00	8.00	7.00	2.80	95.00
RC-199	455025	3444599	0°	-90°	13.00	8.00	10.00	2.00	0.76	31.00
RC-200	455030	3444579	196°	-45°	18.00	0.00	17.00	17.00	0.58	35.00
RC-201	454978	3444606	209°	-45°	60.00	10.00	47.00	37.00	5.70	193.00
Including						28.00	47.00	19.00	10.25	339.00
RC-202	455021	3444610	0°	-90°	7.00	0.00	4.00	4.00	1.50	24.00
RC-203	455033	3444602	0°	-90°	13.00	1.00	11.00	10.00	0.22	74.00
RC-204	455042	3444596	0°	-90°	16.00	8.00	14.00	6.00	0.54	25.00
RC-207	455072	3444574	45°	-45°	9.00	2.00	5.00	3.00	0.74	20.00
							Avg.	6.00		
August 2007										

#### **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 exploration work on the property 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 property expenditures of \$51,372 were written off in 2005 and \$140,000 of property acquisition costs were written off in 2006.

#### **Log Lake Claims Option Agreement**

Pacific Comox has signed a preliminary Option Agreement on the “Log Lake Claims” totaling about 3,400 acres contiguous to the northern boundary of the Ryan Lake claims at Matachewan, Ontario. To exercise the 36 month option, the Company will make total cash payments of \$180,000, issue 850,000 common shares and fulfill a \$235,000 work commitment. The Vendor retains a 2% NSR on all minerals mined or processed. The Company may buy back 1% of the 2% NSR for \$1,000,000 at any time. The royalty on precious stone production is 1% of gross sales. Previous exploration on the claims has indicated anomalous copper/molybdenum zones.

The Company is in the process of determining whether its exploration 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. The results of all field work during the quarter have been reported.

#### **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, 2006	October 31, 2005	October 31, 2004	October 31, 2003	October 31, 2002
Total Revenue	Nil	Nil	Nil	Nil	Nil
Loss (Income) for the Year	435,150	1,088,091	243,011	(175,022)	57,840
Loss per Share	0.005	0.02	0.00	0.00	0.00
Total Assets	4,533,548	1,262,178	1,711,219	967,162	192,947
Dividends per Share	Nil	Nil	Nil	Nil	Nil
Total Long-term Debt	Nil	Nil	Nil	Nil	Nil
Cash Dividends	Nil	Nil	Nil	Nil	Nil

**Results of Operations:  
October 31, 2006-2005**

The Company's net loss for the year ended October 31, 2006 was \$435,150 substantially smaller than the \$1,088,091 reported in the previous year as a result of the smaller property write-downs during the period. During the previous year 50% of the carrying value of the Mabel property was written off and all the Pepa de Oro property in Chile for a total write-down of \$906,194 compared to \$281,707 in 2006.

Administrative expenses accounted for the major share of operating expenses for the year ended October 31, 2006 and increased to \$257,586 compared to \$180,880 in 2005 and \$239,767 for the 2004 period as a result of the higher level of exploration activity and larger financings.

**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.

**Summary Of Quarterly Results**

The following table gives the summary of quarterly results during the periods indicated. The loss for the third quarter was \$68,676, less than the loss in the third quarter of 2006 due to lower consulting and legal fees mainly related to the financing in the 2006 period. The third quarter loss was smaller than the loss during the second quarter due to the payment of capital taxes in the period and about the same level as during the first quarter of 2007.

Quarter (ending)	2007 July 31	2007 April 30	2007 Jan. 31	2006 Oct. 31	2006 July 31	2006 April 30	2006 Jan. 31	2005 Oct. 31	2005 July 31
Revenue	-	-	-	-	-	-	-	-	-
Income (Loss) from continuing operations	(68,676)	(110,996)	(63,587)	(239,981) Before Inc. Tax Rec. of \$105,000	(238,781)	(27,039)	(34,349)	(971,825)	(36,897)
Income (Loss) per common share basic and diluted	(0.001)	(0.001)	(0.001)	(0.002)	(0.002)	(0.001)	(0.001)	(0.01)	(0.001)
Net Income (Loss)	(68,676)	(110,996)	(63,587)	(134,981)	(238,781)	(27,039)	(34,349)	(971,825)	(37,061)
Net Income (Loss) per common share basic and diluted	(0.001)	(0.001)	(0.000)	(0.001)	(0.002)	(0.001)	(0.001)	(0.01)	(0.001)

On December 23, 2005, the Company granted 1,900,000 stock options to its Directors, officers and consultants with an exercise price of \$0.12 per share to December 23, 2010.

**Mineral Exploration Activities**

During the first nine months of 2007 the Company's largest efforts were on the Ryan Lake claims with exploration expenditures of \$1,033,521 and acquisition costs of \$387,000 on the property. The claims were purchased during the period and all cash and other obligations have been satisfied. During the same period of 2006 exploration expenditures were \$88,330 and acquisition costs were \$13,966.

In 2006 Pepa de Oro acquisition and exploration expenditures of \$51,372 were written off. There were no expenditures related to the property during the 2007 period.

During the first nine months of 2007 the Company expended \$178,963 on exploration for the Mabel property and \$58,996 on acquisition costs compared to nil for both during the 2006 period.

As a result of the large expenditures on the Ryan Lake claims in addition to the expenditures on Mabel during the period cumulative deferred expenditures on mineral properties rose to \$3,673,441 compared to \$1,178,982 at July 31, 2006.

**Deferred Expenditures - Mineral Properties  
31-Jul-07**

**Expenditures Relating to Mabel and LaFamosa, Mexico Property**

**Acquisition Costs**

Balance - beginning of period	\$704,246.00	\$487,436.00	\$734,236.00	\$487,436.00
Incurred during the period	\$58,996.00	\$0.00	\$29,006.00	\$0.00
Balance - end of period	\$763,242.00	\$487,436.00	\$763,242.00	\$487,436.00

**Exploration Expenditures**

Assaying	\$35,168.00	\$0.00	\$28,875.00	\$0.00
Drilling	\$41,898.00	\$0.00	\$41,898.00	\$0.00
Equipment	\$0.00	\$0.00	\$0.00	\$0.00
Geological Consulting	\$37,427.00	\$0.00	\$20,206.00	\$0.00
Labour	\$23,505.00	\$0.00	\$7,590.00	\$0.00
Mining Taxes	\$7,974.00	\$0.00	\$0.00	\$0.00
Road Construction	\$0.00	\$0.00	\$0.00	\$0.00
Support Services	\$15,669.00	\$0.00	\$10,669.00	\$0.00
Supplies	\$8,511.00	\$0.00	\$3,587.00	\$0.00
Surveying	\$8,811.00	\$0.00	\$8,811.00	\$0.00
	\$178,963.00	\$0.00	\$121,636.00	\$0.00
Balance - Beginning of Period	\$1,288,811.00	\$1,222,208.00	\$1,346,138.00	\$1,222,208.00
Balance - End of Period	\$1,467,774.00	\$1,222,208.00	\$1,467,774.00	\$1,222,208.00

Cumulative Deferred Expenditures on Mineral Properties (Bef	\$2,231,016.00	\$1,709,644.00	\$2,231,016.00	\$1,709,644.00
Cumulative Writedown - Beginning of Period	(\$996,528.00)	(\$854,822.00)	(\$1,054,690.00)	(\$854,822.00)
Writedowns during the period	(\$133,980.00)	\$0.00	(\$75,818.00)	\$0.00
Cumulative Writedown - End of Period	(\$1,130,508.00)	(\$854,822.00)	(\$1,130,508.00)	(\$854,822.00)
Cumulative Deferred Expenditures on Mineral Properties	\$1,100,508.00	\$854,822.00	\$1,100,508.00	\$854,822.00

**Expenditures Relating to Pepa Doro, Chile Property**

**Acquisition Costs**

Balance - beginning of period	\$165,648.00	\$25,648.00	\$165,648.00	\$25,648.00
Incurred during the period	\$0.00	\$0.00	\$0.00	\$0.00
Balance - end of period	\$165,648.00	\$25,648.00	\$165,648.00	\$25,648.00

**Exploration Expenditures**

Consulting	\$0.00	\$0.00	\$0.00	\$12,391.00
Balance - Beginning of Period	\$25,724.00	\$25,724.00	\$25,724.00	\$13,333.00
Balance - End of Period	\$25,724.00	\$25,724.00	\$25,724.00	\$25,724.00
Cumulative Deferred Expenditures on Mineral Properties	\$191,372.00	\$51,372.00	\$191,372.00	\$51,372.00
Cumulative Writedown - Beginning of Year	(\$191,372.00)	(\$51,372.00)	(\$191,372.00)	(\$51,372.00)
Writedowns during the period	\$0.00	\$0.00	\$0.00	\$0.00
Cumulative Deferred Expenditures on Mineral Properties	\$0.00	\$0.00	\$0.00	\$0.00

**Expenditures Relating to Ryan Lake, Matachewan, Ontario Property**

**Acquisition Costs**

Balance - beginning of period	\$588,000.00	\$105,000.00	\$955,000.00	\$113,966.00
Incurred during the period	\$387,000.00	\$13,966.00	\$20,000.00	\$5,000.00
Balance - end of period	\$975,000.00	\$118,966.00	\$975,000.00	\$118,966.00

**Exploration Expenditures**

Assaying	\$84,058.00	\$2,380.00	\$47,360.00	\$0.00
Geological Consulting	\$170,501.00	\$6,036.00	\$84,916.00	\$5,467.00
Travel/Hotel/Meals/Miscellaneous	\$44,880.00	\$79,914.00	\$37,139.00	\$0.00
Drilling	\$594,469.00	\$0.00	\$274,088.00	\$0.00
Surveying	\$13,293.00	\$0.00	\$13,293.00	\$0.00
Closure Plan	\$36,713.00	\$0.00	\$13,296.00	\$0.00
Property taxes	\$18,346.00	\$0.00	\$0.00	\$0.00
Equipment	\$71,261.00	\$0.00	\$57,177.00	\$0.00
Balance - Beginning of Period	\$564,412.00	\$116,864.00	\$1,070,664.00	\$199,727.00
Balance - End of Period	\$1,597,933.00	\$205,194.00	\$1,597,933.00	\$205,194.00

Cumulative Deferred Expenditures on Mineral Properties	\$2,572,933.00	\$324,160.00	\$2,572,933.00	\$324,160.00
	\$3,673,441.00	\$1,178,982.00	\$3,673,441.00	\$1,178,982.00

### **Liquidity and Capital Resources**

The Company's cash position at the end of the third quarter was \$1,401,558 compared to \$2,023,417 at October 31, 2006.

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.

The March 2005 option payment on Mabel was made in January 2006 and the July and October payments were made in July 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. Mabel property obligations are current except for a deficit on the work commitment which is expected to be rectified by October 31, 2007.

Pacific Comox reported on June 14, 2006 the closing of a brokered private placement of approximately 37.2 million common share units ("CS Units") of the Company at a price of C\$0.07 per CS Unit for proceeds of approximately \$2.6 million and approximately 11.8 million 'flow through' units ("FT Units") at a price of C\$0.09 per FT Unit for proceeds of approximately \$1.1 million. Each CS Unit consisted of one common share and one common share purchase warrant (a "Warrant") which entitles the holder to purchase one additional common share of the Company ("Warrant Shares") at an exercise price of C\$0.10 per Warrant Share until June 12, 2008. Each Flow-Through Unit consisted of one 'flow through' common share and one Warrant. Any Warrant Shares issued on exercise of the Warrants will be non 'flow-through' shares. The CS Units and FT Units are, and any Warrant Shares issued under the Offering would be subject to a four month hold period to October 13, 2006.

The agent for the financing was Dominick & Dominick Securities Inc. (the "Agent"). The Agent received a commission equal to 8% of the gross proceeds raised. In addition, the Company issued to the Agent Broker Warrants entitling the Agent to purchase, for C\$0.10 per CS Unit until June 12, 2008, a total of 4,894,256 CS Units (being 10% of the number of all Units in the financing). Any Common Shares, Warrants and Warrant Shares issued on the exercise of the Broker Warrants would be subject to a four month hold period to October 13, 2006.

Pacific Comox announced the Closing of non-brokered private placements of C\$300,000 on December 21, 2006. The financing was in the form of units consisting of one flow-through share and one-half share purchase warrant. A warrant is exercisable for one common share at C\$0.12 for one year from closing. Each unit was priced at C\$0.10. The securities will be subject to a four month hold period from the date of closing. A finder's fee of 8% was payable on \$155,000 of the Units. Directors of the Company subscribed for C\$112,500 of the financing.

The Company is using the net proceeds of the financings to diamond drill and develop its Ryan Lake copper-molybdenum properties near Matachewan, Ontario and working capital.

Additional funding is required for the Company to delineate resources and/or reserves on its properties, complete scoping/feasibility studies and move the properties into production.

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 2007 first nine months the Company paid consulting fees of \$36,000 to an officer of the Company and in the 2006 period the Company paid \$22,500 consulting fees to an officer of the Company. At July 31, 2007 the Company reported \$3,282 due to a shareholder and officer compared to \$20,952 at October 31, 2006. During the 2007 period rent of \$7,382 was paid to a corporation under common management compared to \$8,341 during 2006.

Pacific Comox at July 31, 2007 was owed \$280,969 by a company which has one person in common management compared to \$222,571 at October 31, 2006.

### Administration Expenses In 2007 And In 2006

The administration expenses in the 2007 period were \$164,892 compared to \$157,305 during the 2006 period. Lower legal, and filing fees were offset by the payment of capital taxes, higher accounting and travel charges. Investor relations declined to \$7,950 in 2007 compared to \$17,500 in 2006. Other expenditures were relatively unchanged except consulting fees which declined to \$40,500 in 2007 compared to \$55,111 in 2006 largely as a result of the timing differences in the exploration programs.

#### Administration Expense Summary 31-Jul-07

	9 months ended 31-Jul-07	9 months ended 31-Jul-06	3 months ended 31-Jul-07	3 months ended 31-Jul-06
<b>Administration</b>				
Accounting and audit	\$13,625.00	\$0.00	\$4,475.00	\$0.00
Amortization	\$470.00	\$639.00	\$157.00	\$213.00
Consulting fees	\$40,500.00	\$55,111.00	\$13,500.00	\$40,111.00
Foreign exchange gain/loss	\$733.00	(\$6,717.00)	(\$5,565.00)	(\$2,922.00)
Investor relations	\$7,950.00	\$17,500.00	\$0.00	\$0.00
Legal fees	\$14,127.00	\$30,223.00	\$8,936.00	\$29,073.00
Office supplies and services	\$28,031.00	\$11,560.00	\$5,323.00	\$3,027.00
Press and news releases	\$5,818.00	\$3,438.00	\$1,912.00	\$633.00
Proxy report and mailing	\$0.00	\$1,413.00	\$0.00	\$1,413.00
Printing expense	\$643.00	\$1,992.00	\$0.00	\$933.00
Rent	\$7,383.00	\$8,341.00	\$2,376.00	\$2,763.00
Stock exchange and filing fees	\$9,494.00	\$28,924.00	\$0.00	\$18,907.00
Transfer agent fees	\$5,916.00	\$4,401.00	\$2,423.00	\$2,124.00
Telephone	\$631.00	\$480.00	\$181.00	\$164.00
Travel	\$9,824.00	\$0.00	\$0.00	\$0.00
Capital taxes	\$19,747.00	\$0.00	\$0.00	\$0.00
	<u>\$164,892.00</u>	<u>\$157,305.00</u>	<u>\$33,718.00</u>	<u>\$96,439.00</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.

### **Evaluation of Disclosure Controls**

As required by Multilateral Instrument 52-109, management carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of October 31, 2006. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the company's disclosure controls and procedures are effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by the Company to satisfy its continuous disclosure obligations, and are effective in ensuring that information required to be disclosed in reports that the Company files is accumulated and communicated to management as appropriate to allow for timely decisions regarding required disclosure.

### **Other MD & A Requirements**

The Company's authorized share capital is an unlimited number of common shares at July 31, 2007 and at October 31, 2006. 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 July 31, 2007 148,343,828 shares were outstanding compared to 133,233,818 at October 31, 2006. At July 31, 2007 the Company had 50,748,474 warrants outstanding with exercise prices of \$0.10 to \$0.12. The Company had 4,200,000 options outstanding with an exercise price of \$0.12.

### **Directors & Officers**

Donald Empey – Director, President and CFO,  
James Janzen – Director, V-P Exploration,  
Marvin Wolff – Director  
Brent Johnson – Director

### **Trends**

The market conditions for resource explorations companies have been difficult for many periods during the past ten 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 greatly during 2005 to 2007 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 2007 the Company will focus its exploration efforts on the Ryan Lake copper-molybdenum property in Ontario, the Mabel property in Mexico, 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.

**Subsequent Events**

None

**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.