

PACIFIC COMOX RESOURCES LTD.  
(A Development Stage Enterprise)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED  
April 30, 2008 and April 30, 2007

Responsibility for Consolidated Financial Statements

The accompanying consolidated financial statements for Pacific Comox Resources Ltd. have been prepared by management in accordance with Canadian generally accepted accounting principles consistently applied. The most significant of these accounting principles have been set out in the October 31, 2007 audited consolidated financial statements. Only changes in accounting information have been disclosed in these consolidated financial statements. These statements are presented on the accrual basis of accounting. Accordingly, a precise determination of many assets and liabilities is dependent upon future events. Therefore, estimates and approximations have been made using careful judgment. Recognizing that the Corporation is responsible for both the integrity and objectivity of the consolidated financial statements, management is satisfied that these consolidated financial statements have been fairly presented.

Disclosure Required Under National Instrument 51-102 - "Continuous Disclosure Obligations" - Part 4.3(3)(a)

The auditor of Pacific Comox Resources Ltd. has not performed a review of the unaudited consolidated financial statements for the six months ended April 30, 2008 and April 30, 2007.

PACIFIC COMOX RESOURCES LTD.  
(A Development Stage Enterprise)

CONSOLIDATED BALANCE SHEETS

As at

	ASSETS	April 30 2008 (unaudited)	October 31 2007 (audited)
<b>CURRENT</b>			
Cash and cash equivalents		\$ 2,006,607	\$ 759,318
Accounts receivable		42,942	63,683
Advances and prepaid expenses		<u>108,775</u>	<u>186,972</u>
		2,158,324	1,009,973
INVESTMENT IN RELATED PARTY (note 3)		310,767	290,845
MINERAL PROPERTIES AND INTANGIBLE ASSETS (note 5)		5,498,012	4,536,478
CAPITAL ASSETS (note 4)		<u>1,184</u>	<u>1,392</u>
		<u>\$ 7,968,287</u>	<u>\$ 5,838,688</u>
<b>LIABILITIES</b>			
<b>CURRENT</b>			
Accounts payable and accrued liabilities		\$ 165,433	\$ 358,444
Due to a shareholder and officer (note 3)		<u>416</u>	<u>1,103</u>
		165,849	359,547
FUTURE TAX LIABILITIES (note 6)		206,000	-
<b>SHAREHOLDERS' EQUITY</b>			
SHARE CAPITAL (note 8)		19,594,205	18,395,604
CONTRIBUTED SURPLUS (note 9)		848,352	531,352
DEFICIT		<u>( 12,846,119)</u>	<u>(13,447,815)</u>
		<u>7,596,438</u>	<u>5,479,141</u>
COMMITMENTS (note 5)		<u>\$ 7,968,287</u>	<u>\$ 5,838,688</u>
Approved by the Board:			
_____ signed "Marvin Wolff" _____, Director			
_____ signed "Donald Empey" _____, Director			

The accompanying notes are an integral part of these financial statements.

PACIFIC COMOX RESOURCES LTD.  
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CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT

(Unaudited)	6 Months to April 30 2008	6 Months to April 30 2007	3 Months to April 30 2008	3 Months to April 30 2007
Expenses				
Administrative	92,111	131,174	36,099	78,632
Interest (net)	(807)	(14,753)	535	(9,272)
Write-down of mineral properties	22,000	58,162	22,000	41,636
Net loss before tax provision	(113,304)	(174,583)	(58,634)	(110,996)
Future income tax recovery	(715,000)	-	-	-
Net income (loss) for the period	601,696	(174,583)	(58,634)	(110,996)
Deficit, beginning of period	(13,447,815)	(13,477,007)	(12,787,485)	(13,540,594)
Deficit, end of period	(12,846,119)	(13,651,590)	\$(12,846,119)	\$(13,651,590)
Basis and diluted loss per share	\$0.003	\$(0.001)	\$(0.001)	\$(0.001)

The accompanying notes are an integral part of these financial statements.

PACIFIC COMOX RESOURCES LTD.  
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CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	6 Months to April 30 2008	6 Months to April 30 2007	3 Months to April 30 2008	3 Months to April 30 2007
Cash provided by (used in)				
Operating activities:				
Net income (loss) for the period	\$ 601,696	\$ (174,583)	\$ (58,634)	\$ (110,996)
Items not affecting cash:				
Amortization	209	313	105	156
Future tax recovery	(715,000)	-	-	-
Write-down of resource property	0	58,162	-	41,636
	(113,095)	(116,108)	(58,529)	(69,204)
Change in non-cash components of working capital	(94,074)	(261,494)	2,497	(241,099)
	(207,169)	(377,602)	(56,032)	(310,303)
Financing activities:				
Proceeds on issue of common shares (net of cash issue costs)	2,429,101	586,527	-	298,927
Proceeds on exercise of warrants	7,500	-	7,500	-
Due to shareholder and officer	(687)	(20,952)	(81)	(2,791)
	2,435,914	565,575	7,419	296,136
Investing activities:				
Deferred exploration expenditures	(961,534)	(759,075)	(537,358)	(164,108)
Due from related party	(19,922)	(39,198)	(9,960)	(6,010)
	(981,456)	(798,273)	(547,318)	(170,118)
Increase(decrease) in cash	1,247,289	(610,300)	(595,931)	(184,285)
Cash, beginning of period	759,318	2,023,417	2,602,538	1,597,402
Cash, end of period	\$ 2,006,607	\$ 1,413,117	\$ 2,006,607	\$ 1,413,117

The accompanying notes are an integral part of these financial statements.

PACIFIC COMOX RESOURCES LTD.  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED APRIL 30, 2008 AND 2007

1 - NATURE OF OPERATIONS:

Pacific Comox Resources Ltd. (the "Company") was incorporated to seek mineral exploration and development opportunities. To date, the Company has not earned significant revenue from any of its activities and is considered to be in the development stage. The ability of the Company to pursue future exploration and development is dependant on its ability to raise equity or other sources of financing.

2 - SIGNIFICANT ACCOUNTING POLICIES:

The unaudited consolidated financial statements of the Company have been prepared by management in accordance with Canadian generally accepted accounting principles. These unaudited consolidated financial statements have been prepared following the same accounting policies and methods of computation as the audited financial statements for the fiscal year ended October 31, 2007. The disclosures provided below are incremental to those included with the audited annual consolidated financial statements. These unaudited consolidated financial statements should be read in conjunction with the Company's audited financial statements and notes for the year ended October 31, 2007

BASIS OF CONSOLIDATION

The consolidated financial statements include the accounts of the Company's wholly owned subsidiary in Mexico, Pacific Comox S.A. de C.V. All intercompany balances and transactions have been eliminated.

PACIFIC COMOX RESOURCES LTD.  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED APRIL 30, 2008 AND 2007

3 - RELATED PARTY TRANSACTIONS:

Amounts due to/from related parties are as follows:

	April 30 2008	October 31 2007
Due to a shareholder and officer	\$ 416	\$ 1,103
Investment in a corporation under common management	\$ 310,767	\$ 290,845

The amount due to a shareholder and officer represents amounts advanced which are non-interest bearing and due on demand.

The investment in a corporation under common management represents amounts advanced that are repayable on demand. The Company does not intend on seeking repayment in the next year.

The following related party transactions occurred and were expensed to general, office and administration in the consolidated financial statements during the six months ended April 30, 2008 and 2007 as follows:

	2008	2007
Rent paid to a corporation under common management	\$ 4,942	\$ 5,006
Consulting fees to an officer of the Company	\$ 27,000	\$ 27,000

Accounts payable at April 30, 2008 includes \$Nil (October 31, 2007-\$Nil) owing to officers and directors.

Transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

4 - CAPITAL ASSETS:

	April 30, 2008			October 31, 2007
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE	NET BOOK VALUE
Computer equipment	<u>\$ 6,823</u>	<u>\$ 5,639</u>	<u>\$ 1,184</u>	<u>\$ 1,392</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED APRIL 30, 2008 AND 2007

5 - MINERAL PROPERTIES, INTANGIBLE ASSETS AND COMMITMENTS:

Mineral property expenditures are summarized as follows:

	April 30 2008	October 31 2007
Balance, Beginning of the period	\$4,536,478	\$ 2,148,941
Acquisition costs	-	437,497
Deferred exploration costs	961,534	1,950,040
Write-down of mineral properties	<u>-</u>	<u>-</u>
Balance, End of the period	<u>\$5,498,012</u>	<u>\$ 4,536,478</u>

The accumulated costs are represented by the expenditures relating to the companies Mabel, Ryan Lake, Log Lake and Pepa De Oro properties.

MABEL

- i) On July 1, 2002, the Company entered into an agreement with respect to certain exploration properties in Mexico, whereby the Company will acquire a 100% interest in the properties over a five-year period, for an aggregate price payable as follows:
- (b) A total cash payment of U.S. \$386,000 payable: year one – U.S. \$20,000, which has been paid; year two – U.S. \$60,000, which has been paid; years three, four and five – U.S. \$102,000 per year, which has been paid. As at April 30, 2008, the Company has satisfied the cash payments to be made under the agreement.
  - (c) Subject to regulatory approval and conditions, issue a total of 3,500,000 shares of the Company to the vendors, in a five-year period; respectively, 250,000 shares in each of years one and two, 500,000 shares in year three, 1,000,000 shares in year four and 1,500,000 shares in year five. The Company was in arrears at October 31, 2006, regarding the issuance of 1,500,000 common shares, which under the terms of the agreement, were due for issuance on July 1, 2006. These shares were issued in the year ending October 31, 2007. No notice of default had been received by the Company by the holder of this property and the 1,500,000 common shares were issued in the year ending October 31, 2007 satisfying the share issuance obligations under the agreement as at April 30, 2008.
  - (c) A total work commitment of U.S. \$2,300,000, to be spent on the properties in the five-year period; respectively, U.S. \$75,000 in year one, U.S. \$200,000 in year two, U.S. \$500,000 in each of the years three and four and U.S. \$1,000,000 in year five. As of January 31, 2008, the Company met its work commitments for its five-year period work commitments with total exploration and claim expenditures of Cdn \$2,712,757 (approx. US\$2,676,000) at April 30, 2008.

The properties are also subject to a net smelter royalty of 3% rising to 3.5% for periods in which the gold price exceeds U.S. \$350 per ounce and to 4% for periods in which the gold price exceeds U.S. \$400 per ounce. The Company has the right to purchase (during the term of the agreement and for two years after the commencement of the commercial production) 50% of the net smelter royalty for U.S. \$4,500,000.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED APRIL 30, 2008 AND 2007

5 - MINERAL PROPERTIES, INTANGIBLE ASSETS AND COMMITMENTS (continued):

Expenditures relating to the Mexican properties are as follows:

Balance, October 31, 2006	\$ 996,529
Acquisition costs	81,497
Deferred exploration costs	<u>265,256</u>
Balance, October 31, 2007	\$ 1,343,282
Deferred exploration costs	<u>372,947</u>
Balance, April 30, 2008	<u>\$1,716,229</u>

(d) Write-down of mineral properties

At October 31, 2006, management reviewed the carrying values of these properties and determined that, as a result of the uncertainty at that time of raising financing to move the project towards an economically viable resource, the exploration and acquisition costs expended during the 2006 year should be written down by 50% or \$141,706.

RYAN LAKE

- ii) On March 8, 2005, the Company entered into an agreement to acquire a 100% interest in the Ryan Lake copper-molybdenum property which consists of 10 claims totalling 513 acres, located near Matachewan, Ontario. The aggregate price payable, over a two year period, is as follows:
- (a) A total cash payment of \$600,000 payable: year one – \$225,000 and year two – \$375,000. The Company has made total cash payments totalling \$600,000 as at April 30, 2008 to satisfy the obligation under the agreement.
  - (b) Subject to regulatory approval and conditions, issue a total of 2,000,000 common shares of the Company to the vendors, in a two year period; respectively, 500,000 shares in year one and 1,500,000 shares in year two. The 500,000 shares in respect of year one and the 1,500,000 shares in respect of year two have been issued as at April 30, 2008 to the vendor to satisfy obligations under the agreement;
  - (d) A total work commitment of \$300,000, to be spent on the property in the two-year period; respectively, \$100,000 in year one and \$200,000 in year two. The Company has satisfied these work commitment obligations as at April 30, 2008; and
  - (e) The Property is also subject to a net smelter royalty of 1%. The Company will have the right to purchase 50% of the net smelter royalty (0.5%) for \$1,000,000 during the two-year term of the agreement and for two years after the commencement of commercial production.

On November 17, 2006, the Company exercised its option to purchase the Ryan Lake claims. In addition to the cash payment and common share obligations and work commitment, all of which have been satisfied, the Company paid \$100,000 for the mill on the property.

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FOR THE SIX MONTHS ENDED APRIL 30, 2008 AND 2007

5 - MINERAL PROPERTIES, INTANGIBLE ASSETS AND COMMITMENTS (continued):

LOG LAKE

- iii) On September 25, 2005, the Company entered into a preliminary option agreement to acquire claims totalling approximately 3,400 acres contiguous to the northern and western boundaries of the Ryan Lake claims in Matachewan, Ontario. To exercise the three year option the Company has assumed the following commitments:
- (a) A total cash payment of \$180,000 payable: year one – \$80,000; year two – \$50,000 and \$50,000 for year three; As at April 30, 2008, the Company has paid the \$80,000 year one and \$50,000 year two obligations.
  - (b) Subject to regulatory approval and conditions, issue a total of 850,000 common shares of the Company to the vendors, in a three year period; respectively, 400,000 shares in year one, 200,000 shares in year two and 250,000 in year three; The Company issued the 400,000 shares in respect of year one and 200,000 in respect of year two as at April 30, 2008.
  - (c) A total work commitment of \$235,000, to be spent on the property in the three-year period; respectively, \$60,000 in year one, \$75,000 in year two and \$100,000 in year three. The Company was in default in meeting its work commitments, as of the second anniversary date of the agreement, in the amount of approximately \$69,000 as at April 30, 2008.
  - (d) The Property is also subject to a net smelter royalty of 2%. The Company will have the right to purchase 50% of the net smelter royalty (1%) for \$1,000,000 during the three year term of the agreement and for two years after the commencement of commercial production.

As indicated above, the Company is currently in arrears in meeting certain property commitments. However, in order for the property vendor to exercise default mechanisms, the vendor must issue a default notice in writing, the date from which the Company has six months to satisfy the commitments that are in arrears. To date, the property vendor has not issued a default notice.

Expenditures relating to the Ryan Lake and Log Lake, Matachewan, Ontario properties are as follows:

	Ryan Lake	Log Lake	Total
Balance, October 31, 2006	\$1,030,436	\$ 121,976	\$ 1,152,412
Acquisition costs	382,000	74,000	456,000
Deferred exploration costs	<u>1,525,660</u>	<u>59,124</u>	<u>1,584,784</u>
Balance, October 31, 2007	\$2,938,096	\$ 255,100	\$ 3,193,196
Deferred exploration costs	<u>588,587</u>	<u>-</u>	<u>588,587</u>
Balance, April 30, 2008	<u>\$3,526,683</u>	<u>\$ 255,100</u>	<u>3,781,783</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED APRIL 30, 2008 AND 2007

5 - MINERAL PROPERTIES, INTANGIBLE ASSETS AND COMMITMENTS (continued):

PEPA DE ORO

- iv) On November 1, 2004, the Company entered into an option agreement to option the Pepa de Oro gold property in Chile. Under the option agreement, the Company paid U.S. \$20,000 which will entitle the Company to explore the property for one year. The exploration period may be extended for an additional six months by paying U.S. \$40,000. After twelve or eighteen months of exploration the Company must either abandon the property or agree to pay the Vendor U.S. \$1,000,000 in three instalments during the following year. At October 31, 2006, the Property was abandoned.
- v) During the period ended April 30, 2008, the Company entered into an option agreement to option a property in Thunder Bay, Ontario. The Company made an initial option payment of \$10,000 and incurred exploration costs of \$12,000. After this due diligence exploration, it was decided that the option agreement would not be pursued and the \$22,000 was written off in the period.

6 - INCOME TAXES:

At April 30, 2008, the Company has non-capital loss carry forwards of approximately \$1,400,000 available to reduce taxable income in future years. These losses expire through 2028. The benefit of these non-capital loss carry forwards has not been recognized in the financial statements.

As at April 30, 2008 the tax effects of temporary timing differences that give rise to significant components of the future tax asset and liabilities computed at current rates, were as follows:

Future tax asset:	
Capital assets	\$ 15,000
Non-capital losses carry forward	479,000
Unrealized capital losses	<u>739,000</u>
	1,233,000
Future tax liabilities:	
Resource pools	<u>(1,439,000)</u>
	(206,000)
Less: Valuation allowance	<u>-</u>
Net asset (liabilities)	<u>\$ (206,000)</u>

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FOR THE SIX MONTHS ENDED APRIL 30, 2008 AND 2007

6 – INCOME TAXES (continued):

The Company's provision for income taxes differ from the amounts computed by applying the basic current rates to loss for the year before taxes, as shown in the following table:

	April 30 2008	April 30 2007
Statutory rate applied to loss for the year before income taxes	(\$ 41,000)	(\$23,000)
Write-off of mineral properties	-	6,000
Tax benefit not recognized on current year's losses	41,000	17,000
Tax benefit renounced to flow-through shareholders	<u>(715,000)</u>	<u>-</u>
Future income tax recovery	<u>(\$715,000)</u>	<u>-</u>

7 - FINANCIAL INSTRUMENTS:

a) Fair value

The Company has determined the estimated fair value of its financial instruments based on estimates and assumptions. The actual results may differ from those estimates and the use of different assumptions or methodologies may have a material effect on the estimated fair value amounts.

The fair value of cash and equivalents, accounts receivable, accounts payable and accrued liabilities and due to a shareholder are comparable to their carrying value due to the relatively short period to maturity of these instruments. The fair value of advances to a related company has not been fixed because they are with a related party and they did not reflect terms and conditions which would have been negotiated with arm's length parties.

b) Credit risk

The Company does not have any material risk exposure to any single debtor or group of debtors.

c) Commodity price risk

The ability of the Company to develop its properties and the future profitability of the Company is directly related to the market price of certain minerals.

d) Foreign exchange risk

Certain of the Company's expenses are incurred in foreign currencies and are therefore subject to gains or losses due to fluctuations in these currencies.

PACIFIC COMOX RESOURCES LTD.  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED APRIL 30, 2008 AND 2007

8 - SHARE CAPITAL:

a) Authorized

Unlimited number of common shares

b) Issued

Common shares

	April 30, 2008		October 31, 2007	
	Shares	Amount	Shares	Amount
Balance, beginning of the period	148,343,828	\$ 18,395,604	133,233,818	\$ 17,055,057
Issued on completion of private Placement	23,191,827	2,551,101	3,000,000	300,000
Issued to acquire mineral claims	-	-	3,600,000	292,000
Issued on exercise of warrants	75,000	7,500	8,510,010	851,001
Warrant cost transferred to common shares on exercise	-	-	-	43,206
Fair value of warrants attributable to private placement	-	(317,000)	-	(24,900)
Tax effect of flow-through shares	-	(921,000)	-	(108,360)
Issue costs	-	(122,000)	-	(12,400)
Balance, end of the period	171,610,655	\$ 19,594,205	148,343,828	\$ 18,395,604

- c) On June 14, 2006, the Company completed and received approval from the TSX, for a number of private placements and raised \$3,661,546. The financing consists of 11,778,333 Flow-Through Units and 37,164,228 Common Share Units. Each Flow-Through Unit consists of one flow-through 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 expiring June 12, 2008. 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 Share") at an exercise price of C\$0.10 per Warrant Share expiring June 12, 2008. The Agent to the private placement received a cash commission of \$292,924 equal to 8% of the gross proceeds and 4,894,256 Broker Warrants entitling the Agent to acquire Common Share Units at a price of C\$0.10 per Unit expiring June 12, 2008. In addition the Company incurred legal costs in the amount of \$45,071. A total of \$428,732 (\$0.01 per warrant) was assigned to the warrants.
- d) On December 21, 2006, the Company completed a non-brokered flow-through private placement for aggregate proceeds of \$300,000. Each common share unit is comprised of one common share, issued at \$0.10 per share, and one-half of one common share purchase warrant exercisable at \$0.12 per common share to December 21, 2007. Directors of the Company subscribed for 1,125,000 common share units. A finder's fee of \$12,400 was paid in connection with the financing. A total of \$24,900 (\$0.02 per warrant) was assigned to the warrants. The following assumptions were used under Black Scholes: dividend yield of 0.00; expected volatility of 100%; risk free rate of 3.5% and expected term of one year.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED APRIL 30, 2008 AND 2007

8 - SHARE CAPITAL (continued):

- e) On November 30, 2007, the Company closed a private placement of \$2,551,101. The financing is in the form of units consisting of a flow-through share and one-half of one share purchase warrant and was at \$0.11 per unit. One full purchase warrant entitles the buyer to purchase one common share at \$0.15 until November 30, 2008. A finder's fee of \$122,000 was payable on the units. Directors of the Company subscribed for \$275,000 of the financing. The funds raised will be used to advance the exploration program at Ryan Lake copper-molybdenum properties near Matachewan, Ontario. A total of \$317,000 (\$0.027 per share) was assigned to the warrants. The following assumptions were used under Black Scholes: dividend yield of 0.00%; expected volatility of 100%; risk free rate of 3.5% and expected term of one year.

f) Stock-option plan

Under the Employee Stock Option Plan, approved in April 10, 2003, the Company may grant options for up to 10% of the outstanding shares of common stock. Options may be granted to any director, officer, employee or consultant of the Company or any of its subsidiaries. Options granted to directors, officers and employees vest immediately. If the optionee is a consultant or providing investor relations services to the Company, the options must vest in stages over 12 months, with no more than one quarter of the options vesting in any three-month period. The number of shares reserved for issuance to any one optionee pursuant to options cannot exceed 5% (2% if the optionee is engaged in providing investor relation services to the Company or is a consultant) of the issued and outstanding common shares of the Company at the date of grant of such options. The exercise price of each option cannot be less than the fair market value of the shares on the last trading date preceding the date of the grant. The maximum term of an option is 5 years.

A summary of the status of the Company's stock option plan and changes during the period is presented below:

	April 30, 2008		October 31, 2007	
	Shares	Weighted average exercise price	Shares	Weighted average exercise price
Outstanding at beginning of the period	4,200,000	0.11	4,200,000	0.11
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Granted during the year	-	-	-	-
Outstanding at end of the period	<u>4,200,000</u>	0.11	<u>4,200,000</u>	0.11

The options outstanding at April 30, 2008 expire as follows: 2,300,000 on May 27, 2008 and 1,900,000 on December 23, 2010.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED APRIL 30, 2008 AND 2007

8 - SHARE CAPITAL (continued):

g) Warrants

The following summarizes warrants that have been issued:

	<u>Number of Warrants</u>	
	April 30 2008	October 31 2007
Balance, beginning of period	50,576,807	65,821,216
Warrants issued on private placements	11,595,914	1,500,000
Warrants expired during the period	(1,500,000)	(8,234,399)
Warrants exercised during the period	<u>-</u>	<u>(8,510,010)</u>
Balance, end of period	<u>60,672,721</u>	<u>50,576,807</u>

At April 30, 2008, the following warrants were outstanding. The warrants entitle the holders to purchase the stated number of common shares at the exercise price on or before the expiry date:

Number of shares	Exercise price	Expiry date
49,076,807	\$ 0.10	June 12, 2008
<u>11,595,914</u>	\$ 0.15	November 30, 2008
<u>60,672,721</u>		

9- CONTRIBUTED SURPLUS:

Contributed surplus is comprised of the following:

	April 30 2008	October 31 2007
Balance, beginning of the period	\$ 531,352	\$ 549,658
Fair value of warrants	317,000	24,900
Fair value of warrants exercised	<u>-</u>	<u>(43,206)</u>
Balance, end of the period	<u>\$ 848,352</u>	<u>\$ 531,352</u>

10 - COMPARATIVE FIGURES:

Certain figures shown for comparative purposes have been reclassified to conform to the classifications adopted in the current period.