

PACIFIC COMOX RESOURCES LTD.

NEWS RELEASE

- **COMOX HAS SUBMITTED DOCUMENTS TO THE CDNX FOR “CHANGE OF BUSINESS” REGULATORY APPROVAL AND EXPECTS TO RESUME TRADING TUESDAY AUGUST 8.**
- **COMOX PLANS TO DIVERSIFY INTO WEB BASED BUSINESSES**
- **COMOX TO INVEST IN PAPEX INC.**
- **PROPOSED FINANCING OF C\$700,000 TO \$1,000,000**

Stock Listing: PCM on CDNX

August 3, 2000, Toronto, Canada: Pacific Comox Resources announces that all documents required in support of the Company's efforts for a "Change Of Business" review and to resume trading of its shares have been submitted to the CDNX for review. The Company expects to resume trading Tuesday August 8.

Comox is proposing to change its line of business to internet related B2B and information technology projects. Comox's first project will involve acquiring a 25% equity interest in Papex in exchange for an equity investment of C\$400,000 and the issuance of 2,670,000 common shares of Pacific Comox. Papex is a private Ontario corporation, based in Mississauga, Ontario which has completed a major portion of the development of its on-line transaction network for pulp and paper transactions.

Pacific Comox will also have an option to acquire an additional 24% equity interest in Papex exercisable one year from the closing of the initial transaction. The cost of the additional 24% interest will be three times Papex's revenue during the July 1, 2001 to December 31, 2001 period on a proportional, annualized basis. The purchase price will be paid in cash or equivalent value at Comox's option in Pacific Comox's stock with the price averaged over the same period.

Although Pacific Comox retains interests in gold mining properties, this transaction will constitute a change of business, as the Company plans to devote a high proportion of its expenditures to non-mining interests during 2000.

Pacific Comox and Papex are continuing the final negotiation of the terms of the transaction and are proceeding with the preparation of definitive legal documentation. Comox is proceeding with the preparation of an information circular for presentation at an annual and special meeting of shareholders to be called for the purpose of obtaining shareholder approval for the proposed transaction.

Pacific Comox is raising between C\$700,000 and C\$1,000,000 to fund the cash component of acquiring the interest in Papex, to evaluate other information technology projects and for working capital purposes. The funds will be raised by the sale of 5,830,000 to 8,333,000 units at C\$0.12 per unit. Each unit consists of one share and one share purchase warrant exercisable at C\$0.28 per share during the next year. A commission will be paid on part of the funding. The transaction is subject to Pacific Comox obtaining satisfactory financing.

At June 1, 2000 Pacific Comox had 38,467,546 shares outstanding.

The business plan of Papex Inc. is based on the implementation of an on-line transaction network for pulp and paper transactions on a global basis. Papex presently expects beta testing to begin this fall with selected users.

Papex will derive its revenue through fees and commissions on the transactions completed through its facilities and from fees for other information generated by Papex and provided to clients.

Ms Ijen Huang, of Mississauga, Ontario, is the President and controlling shareholder (over 80% of shares) of Papex, has had many years' experience in the marketing of pulp and paper industry products on the staff of major producers and also as a consultant to the industry. No related parties of Pacific Comox have any interest in the assets, business, or properties of Papex. Pacific Comox estimates that at April 30, 2000, Papex had approximate unaudited assets of C\$50,000 and no liabilities.

Pacific Comox is pleased to be entering into this arrangement with Papex and expects to make more investments of varying interests with partners who bring specific industry knowledge and experience which can be utilized to create economically attractive web based solutions for industry and governments.

The documents submitted to the CDNX include a draft of the sponsorship letter to be provided by Goepel McDermid Inc. This sponsorship was required following the announcement of the Company's intended change of business.

"Goepel McDermid, subject to completion of satisfactory due diligence, has agreed to act as sponsor to Pacific Comox in connection with the transaction. An agreement to sponsor should not be construed as any assurance with respect to the merits of the transaction or the likelihood of completion".

"Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and disinterested shareholder approval. The transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the Management Information Circular to be prepared in connection with the transaction, any information released or received with respect to the Change Of Business may not be accurate or complete and should not be relied upon. Trading in the securities of Pacific Comox Resources Ltd. should be considered highly speculative.

The Canadian Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release"

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