

PACIFIC COMOX RESOURCES LTD.

UPDATE

- **COMOX AND PAPEX INC. HAVE COMPLETED THE REVISED FINAL AGREEMENTS FOR COMOX TO ACQUIRE A 30% EQUITY INTEREST IN PAPEX WITH AN OPTION TO ACQUIRE UP TO A 49% INTEREST**
- **PAPEX IS COMPLETING BETA TESTS OF ITS NEWSPRINT TRANSACTION NETWORK WITH A MAJOR PUBLISHING GROUP AND A LARGE NORTH AMERICAN NEWSPRINT PRODUCER**
- **COMOX HAS RECEIVED PRIVATE PLACEMENTS TOTALING C\$700,000 TO COMPLETE THE PROPOSED FINANCING**

Stock Listing: PCM on CDNX

February 21, 2001, Toronto, Canada: Pacific Comox Resources Ltd. (Comox) announces that one clause in the definitive agreements for the proposed transaction with Papex Inc. (Papex) reported in the November 22, 2000 news release has been revised. Comox will now acquire a 30% equity interest in Papex (approximately 19% as treasury shares from Papex and 11% through purchase of secondary shares) in exchange for cash payments of C\$500,000 rather than C\$620,400 and the issuance of 3,004,000 common shares of Pacific Comox rather than 1,800,000 common shares of Pacific Comox. The following terms are unchanged. Comox will also have an option, exercisable during late 2002, to acquire an additional 19% equity interest in Papex for a cash price of five times Papex's annualized revenue during the February 1, 2002 to July 31, 2002 period. If Comox exercises the option the minimum payment would be C\$600,000 and the maximum payment would be \$11,200,000.

Papex also undertakes to use its best efforts to complete a going public transaction during the late 2002 to late 2003 period.

Papex Inc. is a private Ontario corporation, based in Mississauga, Ontario. The business plan of Papex is based on the implementation of on-line transaction networks for pulp and paper transactions and integration of the transaction systems with the corporate inventory management systems of the buyers and sellers, on a global basis. Papex is now completing beta testing of its systems with a major U.S. publishing group and a large North American newsprint producer. Papex will derive its revenue through fees and commissions on the transactions completed through its facilities, implementation and system management fees and from fees for other information generated by Papex and provided to clients.

Comox is now proceeding with the preparation of the Management Information Circular, which after review by the CDNX, will be sent to Comox's shareholders in preparation for a shareholders meeting which is expected to be held on April 30, 2001. Although Comox may retain interests in gold mining properties, this transaction will constitute a change of business, as the Company plans to devote a high proportion of its future expenditures to non-mining interests. Comox is proposing to change its line of business to on-line application services and information technology projects. Final documents required in support of the Company's "Change Of Business" review by the CDNX will also be submitted. A finders fee is payable to an unrelated party when the Papex transaction closes.

Pacific Comox has raised C\$700,000 through a number of private placements to fund the cash component of acquiring the interest in Papex, and for working capital purposes. The funds were raised by the sale of 7,000,000 units at C\$0.10 per unit. Each unit consists of one share and one share purchase warrant exercisable at C\$0.20 per share during the next year. Of the private placements, all are with unrelated parties except one for C\$218,000 with Donald Empey, President of Pacific Comox. A commission will be

paid on several of the private placements, which are with unrelated parties. At October 31, 2000, Pacific Comox had 38,467,546 shares outstanding.

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 earlier 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"

For further information please contact Donald Empey, President of Pacific Comox at tel. (416) 977-4653, at fax (416) 977-8335, or e-mail daempey@attcanada.net .

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