

PACIFIC COMOX RESOURCES LTD.

NEWS RELEASE

Listed: TSX Venture Exchange – PCM.T

Toronto, Ontario, Canada, December 20, 2002. In contemplation of the closing of its acquisition of a 30% interest in Papex Inc. (Papex) in accordance with a share purchase agreement entered into in November 2000 between Pacific Comox Resources Ltd. (Comox), Ijen Huang and Papex, Comox advanced C\$400,000 to Papex pursuant to the terms of a loan agreement. Comox terminated the proposed acquisition of the Papex interest in accordance with the share purchase agreement as of December 20, 2001 and under the loan agreement Papex was required to repay the funds advanced with 6% interest for a total of C\$424,000 on December 20, 2002.

Comox and Papex have agreed to settle the amount owing under the loan agreement for C\$380,000 and this sum has now been received by Comox. In general, the parties will have no further obligations under the share purchase agreement signed in November 2000 (other than the maintenance of certain confidentiality restrictions) or the loan agreement.

James Janzen
President

The TSX Venture Exchange has in no way passed on the merits of the proposed transaction and has neither approved nor disapproved the contents of this news release.

For further information please contact James Janzen or Donald Empey at tel: 416 977 4653, fax: 416 977 8335 or email at daempey@attcanada.net.

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