

This is the form of material change report required under the Securities Act.

FORM 27

Securities Act

MATERIAL CHANGE REPORT UNDER THE SECURITIES ACT

Item 1. Reporting Issuer

Pacific Comox Resources Ltd.
2402, One Dundas Street West
Toronto, Ontario
M5G 1Z3

Item 2. Date of Material Change

March 22, 2000

Item 3. Press Release

A news release dated April 26, 2000 was issued in Toronto, Ontario on April 26, 2000.

Item 4. Summary of Material Change

Pacific Comox Resources Ltd. ("Pacific Comox") and Papex Inc. ("Papex") of Toronto, Ontario, have signed a Letter of Intent whereby Pacific Comox will acquire a 25% equity interest in Papex in exchange for the investment of CDN\$ 400,000 and the issuance of 2,670,000 common shares of Pacific Comox.

Item 5. Full Description of Material Change

Pacific Comox and Papex have signed a Letter of Intent dated as of March 18, 2000 whereby Pacific Comox will acquire a 25% equity interest in Papex in exchange for the investment of CDN\$ 400,000 and the issuance of 2,670,000 common shares of Pacific Comox. Papex is a private corporation which has completed a major portion of the development of an 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, at Pacific Comox's option, the equivalent value in its stock with the price averaged over the same period.

Pacific Comox will pay a finder's fee of 6% in cash (\$20,000) and common shares of Pacific Comox (200,000 shares) to an arm's length finder in consideration of the finder's efforts in introducing Pacific Comox to Papex and facilitating the acquisition.

The acquisition and payment of the finders fee is subject to regulatory and shareholder approvals.

Although Pacific Comox retains interests in gold mining properties, this transaction will constitute a change of business as the Company does not plan to make significant mining expenditures during 2000.

Pacific Comox and Papex are proceeding with the due diligence process, the preparation of definitive legal documentation and 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. The transaction is subject to Pacific Comox obtaining satisfactory financing, the approval of the Canadian Venture Exchange, and the approvals of the regulatory authorities having jurisdiction.

Pacific Comox is raising between CDN\$ 700,000 and CDN\$ 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 CDN\$ 0.12 per unit. Each unit consists of one share and one share purchase warrant exercisable at CDN\$ 0.28 per share during the next year.

A 7% commission will be paid in cash on part of the funding.

At April 26, 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 has completed a functional prototype of the network and will use the cash financing from Pacific Comox to complete the development of the user interface and the reporting functions. The company estimates that it will take Papex management and a small team of developers three months to have a beta version of the network available for testing and an additional month to have it fully operational. Papex has the in-house capability to develop and manage the technical features of its network which will be very different from most other transaction sites. The network will have limited information or data available to viewers who are not members of the network and the membership will be strictly limited at the discretion Papex.

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 is the President of Papex and 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.

Pacific Comox 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.

Item 6. Reliance on Sections 85(2) (BC) and 118(2) (Alberta) of the Act

N/A

Item 7. Omitted Information

None

Item 8. Senior Officer

Donald A. Empey, President and Chief Executive Officer
Pacific Comox Resources Ltd.
Telephone: (416) 977-4653

Item 9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

May 5, 2000
Date

(signed) Donald A. Empey
(signature)

Donald A. Empey
Name of Signatory

President and Chief Executive Officer
Position

2402, One Dundas Street West
Place of Declaration

Toronto, Ontario M5G 1Z3

INSTRUCTIONS

1. This form is intended as a guideline. A letter or other document may be used if the substantive requirements of this form are complied with.
2. Every report required to be filed under the *Securities Act* (BC: section 85(1), Alberta: section 118(1) and Ontario: section 75(2)) shall be sent to the British Columbia Securities Commission, Chief of Securities Administration, Alberta Securities Commission or Ontario Securities Commission, as the case may be.
3. WHERE THIS REPORT IS FILED ON A CONFIDENTIAL BASIS PUT AT THE BEGINNING OF THE REPORT IN BLOCK CAPITALS “CONFIDENTIAL - SECTION 85 (BC), 118 (Alberta) or 75 (Ontario)”.

IT IS AN OFFENCE UNDER THE *SECURITIES ACT*, *SECURITIES REGULATION* AND *SECURITIES RULES* FOR A PERSON OR COMPANY TO MAKE A STATEMENT IN A DOCUMENT REQUIRED TO BE FILED OR FURNISHED UNDER THE ACT, REGULATION AND RULES THAT, AT THE TIME AND IN THE LIGHT OF THE CIRCUMSTANCES UNDER WHICH IT IS MADE, IS A MISREPRESENTATION.