



New Independent Resource Estimate Significantly Increases Gold Resources at Pacific Minerals' 217 Project in China

Beijing, China — Pacific Minerals announced today that a new, independent resource estimate prepared by Westervelt Engineering Ltd. of Vancouver, Canada, has expanded the inferred in-pit gold resources at the 217 Project, Inner Mongolia, China. Westervelt's new estimate indicates that the Southwest Zone, which lies 1,800 metres south of the project's main deposit the Northwest Zone, contains inferred resources of 14.79 million tonnes grading 1.25 grams per tonne (g/t) gold. These resources are estimated using a 2-to-1 strip ratio.

"The new estimation has significantly enhanced the size, grade and scope of the 217 Project," said Daniel Kunz, Pacific Minerals' President. "Of particular economic significance, the gold grade of the inferred resources in the Southwest Zone is 28% higher than the grade of the in-pit resources delineated to date in the Northwest Zone. Since this deposit outcrops along its strike length, it lends itself to efficient open-pit mining."

The new resource estimate is being incorporated into an independent scoping study that is scheduled to be released later this year. The scoping study will provide Pacific Minerals with various development scenarios to take advantage of low Chinese development and mining costs. The study will determine the economic viability of the 217 Project and provide a development strategy to achieve early production from planned near-surface open pits in the Northeast and Southwest zones. The newly defined mineralization in the Southwest Zone is expected to greatly enhance the economic viability of the project.

In-Pit Resource – Southwest Zone, January 21, 2004			
	Tonnes	Gold grade (g/t)	Ounces of gold
Inferred	14,788,645	1.25	594,925

The resources at the Southwest Zone are in addition to the in-pit resources in the Northeast Zone, details of which are available on the company website at www.pacific-minerals.com

In-Pit Resource – Northeast Zone, November 17, 2003			
	Tonnes	Gold grade (g/t)	Ounces of gold
Measured & Indicated	29,170,356	0.95	889,899
Inferred	6,774,410	0.98	213,407

With the addition of the inferred resources at the Southwest Zone, the total in-pit resources for the 217 Project are:

Total In-Pit Resources, January 21, 2004			
	Tonnes	Gold grade (g/t)	Ounces of gold
Measured & Indicated	29,170,356	0.95	889,899
Inferred	21,563,055	1.17	808,332

The independent estimate was prepared according to standards in National Instrument 43-101 by Westervelt Engineering Ltd., under the direction of R. Westervelt, P.Eng., an independent qualified person. Measured and indicated resources are that part of a mineral resource for which quantity and grade can be estimated with a level of confidence sufficient to allow the application of technical and economic parameters to support mine planning and evaluation of the economic viability of the deposit. Inferred resources do not have the same degree of verification.

Mineralization at the 217 property extends over a strike length of 4.5 kilometres. The property can be divided along strike into three separate zones of mineralization. The Southwest Zone is where the majority of the small-scale mining activities have occurred on the property and the company believes that this zone offers important potential for expansion of the open-pit resources.

The 217 Project consists of a licensed area of 36 square kilometres in the western part of Inner Mongolia, northern China. The project is approximately 650 kilometres northwest of Beijing and 120 kilometres south of Ivanhoe Mines' copper and gold discovery at Turquoise Hill (Oyu Tolgoi), in southern Mongolia. Pacific Minerals, through its subsidiary, holds the right to earn a 96.5% interest in the property. The project is being developed under a 50/50 joint-venture agreement with Ivanhoe Mines. Details of the joint venture can be found on Pacific Minerals' website.

Pacific Minerals is a Canadian company focused on the exploration and development of precious and base metals (gold, copper and platinum group metals) in the People's Republic of China and Mongolia.

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The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements: Statements in this release that are forward-looking statements, including the possible development of the 217 Project, are subject to various risks and uncertainties concerning the specific factors disclosed under the heading "Risk Factors" and elsewhere in the company's periodic filings with Canadian securities regulators. Such information contained herein represents management's best judgment as of the date hereof based on information currently available. The company does not assume the obligation to update any forward-looking statement.