



PACIFIC IMPERIAL MINES INC.

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PPM-TSX Venture

NEWS RELEASE

Pacific Imperial Mines Inc. (the Company) has signed a Letter of Intent with Hubei Jiayu Shewushan Gold Mine Co. (Shewushan) to establish an Equity Joint Venture Company for gold exploration on licenses held by Shewushan. The licenses cover an area of 120 square kilometers in the vicinity of the Shewushan gold mine located in Hubei province, China.

The Joint Venture would also include rights to any gold in sulphide mineralization situated at depth below the gold oxide ore currently being mined by open-pit and recovered by heap leaching.

The Company would hold a 70% interest and Shewushan would hold a 30% interest in the Joint Venture. The Company would contribute the first US\$5 million of expenditures and Shewushan would contribute the exploration rights to the property. Any additional expenditures would be made on a pro rata basis. The Company has 60 days to carry out due diligence to determine if it wishes to proceed and if so to then finalize a contract.

Shewushan is a well established gold mining company producing in the order of 30,000 oz gold per annum from a heap-leach, open pit operation in Hubei province.

The Company also wishes to announce that it's board has approved an exploration program estimated at \$360,000 on its wholly owned properties situated in Yunnan Province, China.

The two properties, Tangshang and Salachong, are located within the Dian-Qian-Gui Triangle known as the Golden Triangle. Sediment-hosted, oxide gold mineralization occurs in several zones on the properties that have been partially outlined by trenching, tunneling and limited diamond drilling.

The approved exploration work on the Tangshang property will consist of a program of trenching and geological mapping to extend the known zones of mineralization. To date, detailed work has focused on a few specific targets where programs of trenching, tunneling and limited diamond drilling have outlined several zones of oxide gold mineralization. The widest intersection obtained to date is from Zone 3 on the Tangshang property where a tunnel driven across the zone averaged 1.12 grams/tonne gold over 56.7 meters. Other significant results from trenching include 1.56 grams/tonne gold over a trench length of 52.6 meters located about 100 meters to the north of the tunnel.

On the Salachong property, exploration work will consist of geological mapping, trenching of multi-element soil geochemical anomalies as well as a soil sampling survey to fill in areas of potential.

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

This News Release was prepared by Leo King, P. Geo., the Qualified Person in accordance with National Instrument 43-101 who is the supervisor for the Company's projects.

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On behalf of the board of Directors
PACIFIC IMPERIAL MINES INC.

“Leo King”

Leo King, *President*