

## PINE VALLEY ANNOUNCES REVISED COST ESTIMATES FOR COAL PREPARATION PLANT

VANCOUVER, BRITISH COLUMBIA, February 23, 2005 – Pine Valley Mining Corporation (TSX-VE: PVM; OTC: PVMCF) (the “Company” or “Pine Valley”) announces updated estimates concerning the costs associated with construction of its coal preparation plant. The Company previously announced that these costs would exceed its earlier CDN\$6 million estimate. As discussed in more detail below, the Company now estimates these costs at approximately CDN\$11.7 million. The revised cost estimates reflect proposals received from the Company’s general contractor for the project and do not reflect binding contractual commitments. Accordingly, the estimates remain subject to further revision as the project proceeds.

The coal preparation plant is targeted for completion in autumn of this year. The current estimated budget for the project is outlined in the table below.

Item	Cost (\$CDN, million) <sup>1</sup>	Cost (\$US, million)
Coal Preparation Plant	9.8	8.1
Ancillary equipment and tailings pond	1.3	1.1
Contingency	0.6	0.5
<b>Total</b>	<b>11.7</b>	<b>9.7</b>

1. Based on \$CDN to \$US exchange rate of 1.21

Pine Valley is installing coal mining, crushing, preparation and handling facilities that will support annual mine production capacity of 2.2 million tonnes of product coal or greater. The coal preparation plant will have an output capacity above that level and be designed so further increases can be achieved if appropriate. Management intends to file a permit amendment application with provincial government regulators in March to increase authorized annual production levels from 0.9 million to 2.2 million tonnes. However, there is no guarantee that this permit or others that may be applied for in connection with any future expansion will be granted, and, if permission is delayed, the Company will be unable to increase production above current permitted levels until the new permit(s) are received.

The coal preparation plant will provide the Willow Creek Coal Mine with the capability of producing coking coal in addition to the pulverized coal injection (“PCI”) coal it currently produces. Pine Valley anticipates producing approximately 1.20 million tonnes of PCI coal and 0.35 million tonnes of coking coal during the year beginning April 1, 2005. In subsequent years the Company anticipates that production at the Willow Creek Coal Mine will comprise of approximately 65% PCI coal and 35% coking coal products.

This news release contains certain “forward looking statements”, as defined in the United States Private Securities Litigation Reform Act of 1995, that involve a number of risks and uncertainties including but not limited to economic, competitive, governmental and geological factors effecting the Company’s operations, markets, products and prices and other risk factors. There can be no assurances that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Factors that could cause future results to differ materially from those anticipated in these forward-looking statements include the Company’s dependence on the steel industry,

volatility in coal prices, accidents and other risks associated with mining operations, the Company's need for and availability of additional financing, the restrictions imposed under the Company's existing debt arrangements and its debt service requirements and the other risk factors discussed in greater detail in the Company's various filings with the Securities and Exchange Commission and Canadian securities regulators, including the Company's Form 20-F dated September 30, 2004.

PINE VALLEY MINING CORPORATION

"Graham Mackenzie"

Graham Mackenzie

President and Chief Executive Officer

***Contacts:***

Graham Mackenzie

President & CEO

(604) 682-4678

Vancouver, British Columbia, Canada

gmackenzie@pinevalleycoal.com

Mark Fields

Executive Vice President

(604) 682-4678

Vancouver, British Columbia, Canada

mfields@pinevalleycoal.com

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