



**I V A N H O E**  
**M I N E S**

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## **Ivanhoe Mines to increase stake in Pacific Minerals**

SINGAPORE - Ivanhoe Mines' Chairman Robert Friedland announced today that the company has agreed to acquire an additional 8.6 million shares in Pacific Minerals Inc., a Canadian company that is exploring important precious and base metals projects in China. Ivanhoe will own 38.4% of the issued and outstanding shares of Pacific Minerals, and 42.2% on a fully-diluted basis.

"Pacific Minerals is one of the leading exploration and development companies in China," Mr. Friedland said. "Ivanhoe intends to be a significant player in what will be a tremendous future for the mining industry in China, and this is the right time for us to assume a larger role in determining the future direction of Pacific Minerals."

The agreement announced today will involve two transactions, which remain subject to regulatory approvals:

1. Ivanhoe will invest CDN\$2.0 million in Pacific Minerals through a private placement of two million units at a price of CDN\$1.00 per unit. Each unit will be comprised of one common share and one share-purchase warrant exercisable for a period of two years at CDN\$1.10 per share.
2. Ivanhoe will acquire 6.6 million Pacific Minerals shares from five shareholders in Pacific Minerals in exchange for the issuance of 2.4 million Ivanhoe shares.

Ivanhoe first entered into an option agreement with Pacific Minerals last June that gave Ivanhoe the right to acquire a majority interest in Pacific's 217 Gold Project in Inner Mongolia and its JBS platinum-palladium-nickel project in Yunnan Province. Ivanhoe, which currently owns approximately 15% of Pacific Minerals, also holds a right of first refusal to acquire a majority interest in any new project in China (excluding Anhui Province) undertaken by Pacific during the next 10 years.

As part of the June option agreement, Ivanhoe invested US\$3 million in Pacific through a private placement of 5.1 million units at a price of CDN\$0.90 per unit. Each unit was comprised of one common share and one share-purchase warrant exercisable for a period of two years at CDN\$1.15 per share.

Pacific Minerals has used its early presence in China to acquire advanced-stage minerals properties that have potential to become strategic suppliers of metals that are in demand by industries and businesses serving China's expanding domestic economy. Pacific Minerals' 217 Gold Project is 160 kilometres south of Ivanhoe Mines' gold-copper discovery at Turquoise Hill, Mongolia. Pacific Minerals also has recently entered into three letter agreements to earn interests of 70% and 75% over areas totalling approximately 4,500 square kilometres in Yunnan and Guizhou provinces. The areas will be explored for copper/silver deposits. The acquisitions are subject to further due diligence, the creation of Sino-foreign cooperative joint venture companies and approvals of securities regulators and the Chinese government.

Details of Pacific Minerals' exploration activities in China can be accessed at <http://www.pacific-minerals.com>.

Ivanhoe's shares trade on the Toronto and Australian stock exchanges under the symbol IVN.

Forward-Looking Statements: Statements in this release that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed under the heading "Risk Factors" and elsewhere in the corporation'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.

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