



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

For Immediate Release

July 03, 2002

This press release is issued pursuant to Section 111 of the *Securities Act* (British Columbia) and Section 141 of the *Securities Act* (Alberta) with respect to Pacific Minerals Inc. (the "Issuer").

Ivanhoe Mines Ltd. ("Ivanhoe") has acquired 5,100,000 common shares ("Common Shares") of the Issuer and 5,100,000 share purchase warrants ("Warrants") of the Issuer. Each Warrant entitles the holder to acquire one Common Share of the Issuer at an exercise price of Cdn.\$1.15 until July 2, 2004. The 5,100,000 Common Shares currently owned by Ivanhoe represents approximately 16.5% of the Issuer's issued and outstanding share capital. For the purposes of applicable securities legislation, Ivanhoe is deemed to beneficially own the Common Shares issuable upon exercise of the Warrants. Assuming full exercise of the Warrants, Ivanhoe will be deemed to beneficially own or have control or direction over an aggregate of 10,200,000 Common Shares, representing approximately 28.4% of the Issuer's issued and outstanding share capital.

Ivanhoe acquired the securities pursuant to a private placement in connection with a letter agreement (the "Agreement") between Ivanhoe and the Issuer dated May 31, 2002. Pursuant to the Agreement, Ivanhoe agreed to subscribe for the securities as units consisting of one Common Share and one Warrant at a price of Cdn.\$0.90 per unit, for an aggregate acquisition cost of Cdn.\$4,590,000 (approximately US\$3,000,000). In connection with the Agreement, the Issuer further granted to Ivanhoe the right to appoint two nominees to the Board of Directors of the Issuer. Prior to this transaction Ivanhoe neither owned nor controlled any securities of the Issuer, either alone or together with any joint actor.

Ivanhoe acquired these securities for investment purposes. Depending on economic or market conditions or matters relating to the Issuer, Ivanhoe may choose to either acquire additional securities or dispose of securities of the Issuer.

Ivanhoe shares are traded on the Toronto and Australian stock exchanges under the symbol IVN.

Information contacts

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