



Ivernia West Inc.
44 Victoria Street, Suite 400
Toronto, Ontario, Canada
M5C 1Y2

Notice of Annual and Special Meeting of Shareholders

Notice is hereby given that the annual and special meeting of shareholders (the "Meeting") of Ivernia West Inc. (the "Company") will be held at The National Club, 303 Bay Street, Toronto, Ontario, Canada on Wednesday, June 30, 2004 at 10:00 a.m. (Toronto time) for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Company for the year ended December 31, 2003 together with the report of the auditors thereon;
2. to elect directors;
3. to appoint auditors and authorize the board of directors of the Company to fix their remuneration;
4. to consider and, if deemed advisable, pass, with or without variation, a special resolution in the form set out in Schedule "A" to the management information circular of the Company dated May 11, 2004 (the "Circular") approving an amendment to the Company's articles to change the name of the Company to "Ivernia Inc.", as more particularly described in the Circular;
5. to consider and, if deemed advisable, pass, with or without variation, a resolution in the form set out in Schedule "B" to the Circular approving an amendment to the Company's 2000 Employee Stock Option Plan increasing the maximum number of Common Shares reserved for issuance thereunder from 14,400,000 to 29,800,000, as more particularly described in the Circular;
6. to consider and, if deemed advisable, pass, with or without variation, a resolution in the form set out in Schedule "C" to the Circular approving the issuance of a number of common shares of the Company by private placement that exceeds 25% of the Company's issued and outstanding share capital, as more particularly described in the Circular;
7. to consider and, if deemed advisable, pass, with or without variation, a special resolution in the form set out in Schedule "D" to the Circular approving the consolidation of the issued and outstanding common shares of the Company on the basis of one consolidated common share for each five old common shares, as more particularly described in the Circular; and
8. to transact such other business as may properly come before the Meeting or any adjournment thereof.

Accompanying this notice are the Company's 2003 Annual Report containing the audited consolidated financial statements of the Company for the year ended December 31, 2003, the Circular containing details of the matters to be dealt with at the Meeting, and a form of proxy.

Shareholders who are unable to attend the Meeting in person are requested to complete and sign the enclosed form of proxy and return it by mail in the enclosed return envelope or by facsimile. To be effective, proxies must be received by the Company's transfer agent, Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, Ontario, Canada M5J 2Y1 (facsimile number (001) 416 263 9524 or, in North America, toll-free facsimile 1 866 249 7775), prior to 5:00 p.m. (Toronto time) on the last business day prior to the date on which the Meeting or any adjournment thereof is to be held, or may be deposited with the Chairman of the Meeting at any time prior to the commencement of the Meeting or any adjournment thereof.

DATED at Toronto, Ontario, Canada this 11th day of May, 2004.

By Order of the Board of Directors

A handwritten signature in black ink, appearing to read 'A. M. De'ATH', is written over a horizontal line. The signature is stylized and somewhat cursive.

ALAN M. DE'ATH
President and Chief Executive Officer



**IVERNIA WEST INC.
MANAGEMENT INFORMATION CIRCULAR**

May 11, 2004

Solicitation of Proxies

This management information circular (the "Circular") is furnished in connection with the solicitation of proxies by the management of Ivernia West Inc. (the "Company") for use at the annual and special meeting of shareholders of the Company (the "Meeting") to be held on Wednesday, June 30, 2004 at 10:00 a.m. (Toronto time) at The National Club, 303 Bay Street, Toronto, Ontario, Canada and at any adjournment thereof for the purposes set forth in the accompanying notice of meeting.

The solicitation will be primarily by mail. However, proxies may be solicited by telephone or in writing by directors, officers or designated agents of the Company. The cost of solicitation will be borne by the Company.

Appointment of Proxyholders

The persons named in the accompanying form of proxy are directors or officers of the Company. A registered holder of common shares of the Company ("Common Shares") has the right to appoint a person, who need not be a shareholder of the Company, other than the persons designated in the accompanying form of proxy, to attend and act on behalf of the shareholder at the Meeting. To exercise this right, a shareholder may either insert such other person's name in the blank space provided in the accompanying form of proxy or complete another appropriate form of proxy.

To be valid, a proxy must be dated and signed by the shareholder or his or her attorney authorized in writing or, if the shareholder is a corporation, by a duly authorized officer or attorney. All proxies must be received by the Company's transfer agent, Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, Ontario, Canada M5J 2Y1 (facsimile number (001) 416 263 9524 or, in North America, toll-free facsimile 1 866 249 7775), prior to 5:00 p.m. (Toronto time) on the last business day prior to the date on which the Meeting or any adjournment thereof is to be held, or may be deposited with the Chairman of the Meeting at any time prior to the commencement of the Meeting or any adjournment thereof.

Non-Registered Holders

Only registered holders of Common Shares or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a "Non-Registered Holder") are registered either (i) in the name of an intermediary (an "Intermediary") that the Non-Registered Holder deals with in respect of the Common Shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans, or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Company has distributed copies of the notice of the Meeting, this Circular and the enclosed form of proxy (collectively, the "meeting materials") to Intermediaries and clearing agencies for onward distribution to Non-Registered Holders of Common Shares.

Intermediaries are required to forward the meeting materials to Non-Registered Holders unless a Non-Registered Holder has waived his or her right to receive them. Intermediaries often use service companies to forward the meeting materials to Non-Registered Holders. A Non-Registered Holder who has not waived the right to receive meeting materials will receive from his or her Intermediary a voting instruction form which must be

completed and signed by the Non-Registered Holder and returned in accordance with the directions of the Intermediary. The purpose of this procedure is to permit the Non-Registered Holder to direct the voting of the Common Shares he or she beneficially owns.

Should a Non-Registered Holder wish to attend and vote at the Meeting in person, the Non-Registered Holder should write his or her name in the space provided for that purpose on the voting instruction form and return it in accordance with the directions of the Intermediary. The Intermediary will send the Non-Registered Holder a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder and which names the Non-Registered Holder as proxyholder. This form of proxy need not be signed by the Non-Registered Holder. In this case, the Non-Registered Holder should deposit this form of proxy with the Company's transfer agent, Computershare Trust Company of Canada, in accordance with the instructions set out above.

Non-Registered Holders should carefully follow the instructions of their Intermediaries, including those regarding when and where the voting instruction or form of proxy is to be delivered.

Revocation of Proxies

A registered shareholder who has given a proxy may revoke it by depositing an instrument in writing (including another proxy of later date) executed by the shareholder or by the shareholder's attorney authorized in writing at the Company's registered office at any time up to and including the last business day prior to the day of the Meeting or any adjournment thereof, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law including attending the Meeting in person. Any such revocation will have effect only in respect of those matters upon which a vote has not already been cast pursuant to the authority conferred by a previously deposited proxy.

A Non-Registered Holder who wishes to revoke a voting instruction form or a waiver of the right to receive meeting materials should contact his or her Intermediary for instructions.

Voting by Proxy

The Common Shares represented by the accompanying form of proxy will be voted or withheld from voting on any ballot that may be called for at the Meeting in accordance with the shareholder's instructions and, if such shareholder has specified a choice with respect to any matter to be acted on at the Meeting, the shares will be voted accordingly. **In the absence of such instructions, Common Shares represented by such proxies will be voted: (i) FOR the election as directors of the Company of the nominees named in this Circular; (ii) FOR the appointment of PricewaterhouseCoopers LLP, Chartered Accountants, as auditors of the Company and the authorization of the board of directors of the Company to fix their remuneration; and (iii) FOR each of the resolutions set out in Schedules "A", "B", "C" and "D" to this Circular and more particularly described elsewhere in this Circular.**

The *Business Corporations Act* (New Brunswick) (the "NBBCA") provides for cumulative voting for the election of directors so that each shareholder entitled to vote for the election of directors has the right to cast a number of votes equal to the number of votes attached to the Common Shares held by such shareholder multiplied by the number of directors to be elected, and may cast all such votes in favour of one nominee or distribute them among the nominees in any manner. If a shareholder does not specify the manner in which votes are to be distributed among the nominees, they are deemed to be distributed equally among all nominees voted for. The NBBCA further provides that a separate vote of shareholders shall be taken with respect to each nominee for director unless a resolution is unanimously passed by the Meeting permitting two or more persons to be elected by a single resolution. If no further nominees for director are proposed for election at the Meeting, management of the Company currently intends to propose such a resolution at the Meeting, and the persons named in the enclosed form of proxy intend to vote the Common Shares represented thereby in favour of such resolution.

The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the accompanying notice of meeting, and with respect to

any other matter which may properly come before the Meeting. As of the date of this Circular, management is not aware of any such amendment, variation or other matter proposed or likely to come before the Meeting. However, if any such amendment, variation or other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the Common Shares represented thereby in accordance with their judgment.

Voting Shares And Principal Holders

The Company is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares issuable in series. As of May 11, 2004, the record date for the Meeting, there were 298,994,195 Common Shares and no preferred shares issued and outstanding. All of the outstanding Common Shares are entitled to be voted at the Meeting and, unless otherwise stated herein, each resolution identified in the accompanying notice of meeting will be an ordinary resolution requiring for its approval a majority of the votes cast in respect of the resolution.

Except as described under “Voting by Proxy” above, each holder of Common Shares is entitled to one vote for each Common Share shown as registered in such holder’s name on the list of shareholders prepared as of the close of business on May 11, 2004 with respect to all matters to be voted on at the Meeting. However, in the event of any transfer of Common Shares by any such holder after such date, the transferee is entitled to vote those Common Shares if such transferee produces a certificate in his or her name or properly endorsed share certificates or otherwise establishes that such transferee owns the Common Shares, and requests, not later than ten days before the Meeting, that the Company’s transfer agent, Computershare Trust Company of Canada, include the transferee’s name in the list of shareholders entitled to vote at the Meeting.

To the knowledge of the directors and senior officers of the Company, no person beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the Common Shares except as follows:

Name	Number of Common Shares	Percentage of Outstanding Common Shares
Cambrian Mining plc	34,939,615	11.69%

EXCHANGE RATE INFORMATION

Certain financial information relating to the Company contained in this Circular is expressed in US dollars (“US\$”). The following table sets out the rates of exchange for Canadian dollars (“C\$”) per US dollar in effect at the end of the periods indicated and the average rates of exchange during such periods based on the noon spot rate quoted by the Bank of Canada:

	12 months ended December 31		
	2003	2002	2001
Rate at end of period (C\$/US\$)	1.2924	1.5796	1.5926
Average rate for period (C\$/US\$)	1.4010	1.5703	1.5489

PARTICULARS OF MATTERS TO BE ACTED UPON

Election of Directors

The articles of the Company provide that the board of directors of the Company (the “Board”) shall consist of a minimum of two and a maximum of twelve directors, the number of which may be fixed from time to time by a resolution of the Board. The Company currently has five directors. The number of directors of the Company proposed to be elected at the Meeting is five. Each nominee for election as a director is currently a director of the Company.

The following table lists certain information concerning the nominees for election as directors of the Company. The information as to principal occupations and the number of Common Shares beneficially owned or over which control or direction is exercised by each nominee has been furnished by the respective nominees individually.

Name	Position with Company and Principal Occupation Within the Past Five Years	Period(s) of Service as a Director	Common Shares Beneficially Owned or Subject to Control or Direction
J. Trevor Eyton ⁽¹⁾⁽²⁾⁽³⁾	Chairman of the Company. Member of the Senate of Canada and company director.	2000 – present	594,191
Alan De'ath ⁽⁴⁾	President and Chief Executive Officer of the Company; from June 2000 to July 2003, was a Vice-President of the Company; from October 1999 to June 2000, was initially a consultant to, and later an executive officer of, Ivernia West plc ⁽⁵⁾ ; prior to August 1999, was Chief Financial Officer of TVX Gold Inc.	2000 – 2002 ⁽⁶⁾ ; 2003 – present	1,197,000
Kenneth Sangster	Executive Vice-Chairman and Chief Operating Officer of the Company; from May 1999 until the 2000 Reorganization, was technical director of Ivernia West plc; prior to March 1999, was a Senior Vice President of TVX Gold Inc.	2000 – 2002 ⁽⁶⁾ ; 2003 – present	654,000
David Armstrong ⁽¹⁾⁽²⁾⁽³⁾	Director of the Company. Partner, McCarthy Tétrault LLP (law firm).	2000 – present	Nil
Walter Murray ⁽¹⁾⁽²⁾⁽³⁾	Director of the Company. Vice-Chairman, RBC Capital Markets Inc. (investment banking firm); prior to February 2000, was Senior Vice-President of the Royal Bank of Canada (Canadian chartered bank).	2000 – present	Nil

(1) Member of the Audit Committee.

(2) Member of the Compensation Committee.

(3) Member of the Corporate Governance Committee.

(4) Mr. De'ath was appointed President and Chief Executive Officer and a director of the Company in July 2003 upon the resignation of David Hough from each of these positions.

(5) Ivernia West plc, an Irish public company, was the Company's predecessor. On December 15, 2000, pursuant to a scheme of arrangement under Irish law (the "2000 Reorganization"), Ivernia West plc became a wholly-owned subsidiary of the Company and the ordinary shares of Ivernia West plc were exchanged on a one-for-one basis for Common Shares of the Company.

(6) Each of Mr. De'ath and Mr. Sangster was a director of the Company from the time of the 2000 Reorganization until their respective resignations in January 2002 in connection with a reduction in the size of the Board.

Management of the Company does not anticipate that any of the nominees for election as directors will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Each director elected will

hold office until the next annual meeting of shareholders of the Company or until his successor is elected or appointed.

Appointment of Auditors

At the Meeting, it is proposed to re-appoint PricewaterhouseCoopers LLP as auditors of the Company to hold office until the next annual meeting of shareholders at a remuneration to be fixed by the Board. PricewaterhouseCoopers LLP and its affiliates and predecessors have been the auditors of the Company and, prior to the 2000 Reorganization, Ivernia West plc, since 1988.

The aggregate fees billed by PricewaterhouseCoopers LLP for audit and audit-related services in relation to the Company during the financial year ended December 31, 2003 were C\$55,000. The aggregate fees billed by PricewaterhouseCoopers LLP for all non-audit services (consisting primarily of tax services) rendered in relation to the Company during the year were C\$30,365. The Audit Committee has determined that the nature of the non-audit services rendered during 2003, and the aggregate fees billed in respect of those services, were consistent with maintaining the auditors' independence.

Change of Corporate Name

Management is proposing that the Company's articles be amended to change the name of the Company to "Ivernia Inc." The Company's current name was adopted in connection with the 2000 Reorganization, pursuant to which Ivernia West plc, an Irish public company, became a wholly-owned subsidiary of the Company and the ordinary shares of Ivernia West plc were exchanged on a one-for-one basis for Common Shares of the Company. At the time of the 2000 Reorganization, the Company's principal asset was a 50% joint venture interest in the Lisheen zinc/lead mine in the Republic of Ireland (the "Lisheen Mine").

The Company sold its interest in the Lisheen Mine to its joint venture partner, Anglo American plc, in September 2003. Its principal asset is currently a 51% interest in Magellan Metals Pty Ltd., which has a 100% interest in the Magellan lead project under development in Western Australia (the "Magellan Project"). Management of the Company believes that the proposed change of the Company's name to "Ivernia Inc." is appropriate to reflect this change in the Company's geographic and strategic focus.

The incremental cost to the Company of the proposed name change is expected to be minimal, since the Company would be required to issue new share certificates to shareholders in any event in connection with the Share Consolidation (as defined below), if approved by shareholders, and no other significant costs to the Company are expected to arise from the name change.

Under the provisions of the NBBCA, the proposal to amend the Company's articles to change the Company's name must be approved by a special resolution, which requires the approval of not less than two-thirds of the votes cast by holders of Common Shares present in person or by proxy at the Meeting.

The Board has determined that the proposed amendment to the Company's articles to change its name is in the best interests of the Company and its shareholders. The Board recommends that shareholders vote "FOR" the special resolution set out in Schedule "A" to this Circular. In the absence of contrary instructions, the persons named in the accompanying form of proxy intend to vote any Common Shares represented by proxies held by them FOR this special resolution.

Amendment of Option Plan

The Board has approved, subject to approval by the Company's shareholders and any necessary regulatory approval, an amendment to the Company's 2000 Employee Stock Option Plan (the "Option Plan"). The principal terms of the Option Plan are set out under the heading "Executive Compensation – Stock Options". The amendment to the Option Plan would, upon approval by shareholders, increase the maximum number of Common Shares reserved for issuance under the Option Plan from 14,400,000 to 29,800,000 Common Shares. This maximum number of Common Shares, the number of Common Shares issuable under any outstanding stock options granted

under the Option Plan, and the exercise price of any such outstanding stock options will be proportionately adjusted if the proposed one-for-five consolidation of the issued and outstanding Common Shares is effected as set out below under the heading "Share Consolidation".

The Option Plan is designed to advance the interests of the Company by providing directors, officers, employees and consultants with a financial incentive tied to the financial performance of the Company and continued service or employment with the Company. The proposed amendment to the Option Plan would increase the number of Common Shares reserved for issuance under the Plan from 4.82% to 9.97% of the number of currently outstanding Common Shares, which has nearly doubled from approximately 150 million to approximately 300 million since November 2003 as a result of (i) the conversion of US\$1.95 million aggregate principal amount of convertible notes into 30 million common shares, (ii) the exercise of 39,134,017 common share purchase warrants of the Company from December 2003 through February 2004, and (iii) the issuance of 80 million additional Common Shares by private placement on March 25, 2004. Management of the Company believes that the proposed increase in the number of Common Shares reserved for issuance under the Option Plan will provide management and the Board with a greater ability to attract and retain key personnel. Management anticipates that both the Company and its subsidiaries may need to grow their management teams in the near future as the Magellan Project becomes operational and other opportunities are presented to the Company, and that the availability of additional options under the Option Plan will assist in attracting qualified candidates.

On March 5, 2004, the Compensation Committee of the Board granted 2,500,000 options to each of Alan De'ath (the President and Chief Executive Officer of the Company) and Kenneth Sangster (the Executive Vice-Chairman and Chief Operating Officer of the Company) at an exercise price of C\$0.25 per Common Share. Subsequently, on May 7, 2004, the Board granted an aggregate of 3,900,000 additional options, also at an exercise price of C\$0.25 per Common Share, to certain other officers of the Company and its subsidiaries, the three non-executive directors of the Company, and consultants. These option grants are subject to the proposed amendment to the Option Plan being approved by the Company's shareholders.

In accordance with the rules of the Toronto Stock Exchange (the "TSX"), the resolution approving the proposed amendment to the Option Plan must be approved by a majority of the votes cast by holders of Common Shares present in person or by proxy at the Meeting.

The Board has determined that the proposed amendment to the Option Plan is in the best interests of the Company and its shareholders. The Board recommends that shareholders vote "FOR" the resolution set out in Schedule "B" to this Circular. In the absence of contrary instructions, the persons named in the accompanying form of proxy intend to vote any Common Shares represented by proxies held by them FOR this resolution.

Advance Shareholder Approval for the Issuance of a Number of Shares by Private Placement that Exceeds 25% of the Company's Issued and Outstanding Share Capital

Under the rules of the TSX, the aggregate number of shares of a listed company that are issued or made subject to issuance (i.e. issuable under a share purchase warrant or option or other convertible security) by way of one or more private placement transactions during any particular six month period must not exceed 25% of the number of shares outstanding (on a non-diluted basis) prior to giving effect to such transactions (the "TSX 25% Rule"), unless there has been shareholder approval of such transactions.

The application of the TSX 25% Rule may restrict the availability to the Company of such strategic relationships or of funds that it may wish to raise in the future by private placement of its securities.

The TSX has a working practice that it will accept advance approval by shareholders in anticipation of private placements that may exceed the TSX 25% Rule, provided such private placements are completed within 12 months of the date such advance shareholder approval is given.

The Company's issued and outstanding share capital is currently 298,994,195 Common Shares. The Company proposes that the maximum number of Common Shares that would either be issued or made subject to

issuance under one or more private placements in the twelve month period commencing on June 30, 2004 (or the date of any adjourned meeting, as applicable) would not exceed 298,994,195 Common Shares in the aggregate, or 100% of the Company's issued and outstanding Common Shares as at May 11, 2004. This number of Common Shares will be proportionately adjusted if the proposed one-for-five consolidation of the issued and outstanding Common Shares is effected as set out below under the heading "Share Consolidation".

Any private placement proceeded with by the Company under the advance approval being sought at the Meeting will be subject to the following additional restrictions: (i) it must be substantially with parties at arm's length to the Company; (ii) it cannot materially affect control of the Company; (iii) it must be completed within a twelve month period following the date the shareholder approval is given; and (iv) it must comply with the private placement pricing rules of the TSX, which currently require that the issue price per Common Share must not be lower than the closing market price of the Common Shares on the TSX on the trading day prior to the date notice of the private placement is given to the TSX (the "Market Price"), less the applicable discount, as follows:

<u>Market Price</u>	<u>Maximum Discount</u>
C\$0.50 or less	25%
C\$0.51 to C\$2.00	20%
Above C\$2.00	15%

(For these purposes, a private placement of unlisted convertible securities is deemed to be a private placement of the underlying listed securities at an issue price equal to the lowest possible price at which the securities are convertible by the holders thereof.)

In any event, the TSX retains the discretion to decide whether or not a particular placement is "substantially" at arm's length or will materially affect control in which case specific shareholder approval may be required.

In anticipation that the Company may wish to enter into one or more private placements in the next 12 months that will result in it issuing and/or making issuable such number of Common Shares, taking into account any shares that may be issued upon exercise of any warrants, options or other rights granted in connection with the private placements, that will exceed the TSX 25% Rule, the Company requests that Shareholders pass an ordinary resolution, the text of which is attached hereto as Schedule "C". In order to pass the resolution, a majority of greater than 50% of the votes cast by holders of Common Shares present in person or by proxy at the Meeting must be voted in favour of the resolution.

The Board has determined that the proposed resolution is in the best interests of the Company and its shareholders. The Board recommends that shareholders vote "FOR" the resolution set out in Schedule "C" to this Circular. In the absence of contrary instructions, the persons named in the accompanying form of proxy intend to vote any Common Shares represented by proxies held by them FOR this resolution.

Share Consolidation

As of May 11, 2004, the Company had 298,994,195 Common Shares issued and outstanding. In order to reduce the number of issued and outstanding Common Shares, the Company proposes that, subject to regulatory approval, the Company's issued and outstanding share capital be consolidated on the basis of one consolidated Common Share for each five old Common Shares (the "Share Consolidation"). Upon the completion of the Share Consolidation, the total number of issued and outstanding Common Shares will be reduced to approximately 59,798,839 Common Shares, assuming no new Common Shares are issued prior to the effective date of the Share Consolidation.

The exercise or conversion price and the number of Common Shares issuable under any outstanding convertible securities of the Company, including stock options granted under the Option Plan and common share purchase warrants, will be proportionately adjusted if the Share Consolidation is effected.

As soon as practicable after the Share Consolidation has been effected, the Company will send letters of transmittal to holders of Common Shares for use in transmitting their share certificates to the Company's registrar and transfer agent, Computershare Trust Company of Canada, in exchange for new certificates representing the number of Common Shares to which such shareholder is entitled as a result of the consolidation. No delivery of a new certificate to a shareholder will be made until the shareholder has surrendered his, her or its current issued certificates. Until surrendered, each share certificate representing old Common Shares will be deemed for all purposes to represent the number of new Common Shares (being one-fifth of the number represented on the old share certificate) to which the holder is entitled as a result of the consolidation.

No fractional shares will be issued if, as a result of the Share Consolidation, the holder becomes entitled to a fractional share. In such case, any fraction will be rounded down to the nearest whole number.

Under the provisions of the NBBCA, the Share Consolidation must be approved by a special resolution, which requires the approval of not less than two-thirds of the votes cast by holders of Common Shares present in person or by proxy at the Meeting.

The Board has determined that the proposed Share Consolidation is in the best interests of the Company and its shareholders. The Board recommends that shareholders vote in favour of the special resolution set out in Schedule "D" to this Circular. In the absence of contrary instructions, the persons named in the accompanying form of proxy intend to vote any Common Shares represented by proxies held by them FOR this special resolution.

EXECUTIVE COMPENSATION

Compensation of Executive Officers

The following table sets forth the compensation paid by the Company during its three most recently completed financial years to each person who served as Chief Executive Officer of the Company during 2003 and any other executive officers of the Company as at December 31, 2003 (collectively, the "Named Executive Officers").

Summary Compensation Table

Name and Principal Position During the 2003 Financial Year. ⁽¹⁾	Year	Annual Compensation			Long-term Compensation	All Other Compensation ⁽⁴⁾ (US\$)
		Salary ⁽²⁾ (US\$)	Bonus (US\$)	Other Annual Compensation ⁽³⁾ (US\$)	Securities Under Options Granted (#)	
Alan De'ath President and Chief Executive Officer	2003	160,000	25,000	–	1,500,000	23,333
	2002	146,667	–	–	750,000	4,258
	2001	146,667	–	–	800,000	28,000
David Hough Former President and Chief Executive Officer	2003	57,657	–	–	–	316,226 ⁽⁵⁾
	2002	191,181	–	–	1,500,000	75,244
	2001	229,164	–	–	1,600,000	123,103
Kenneth Sangster Executive Vice-Chairman and Chief Operating Officer	2003	138,533	–	–	1,500,000	20,531
	2002	109,867	–	–	750,000	4,666
	2001	143,293	–	–	800,000	26,288

(1) The positions of each Named Executive Officer set out in this table are those held as of December 31, 2003. Effective July 28, 2003, David Hough resigned as President and Chief Executive Officer of the Company. He was succeeded by Alan De'ath, who previously held the offices of Vice-President, Chief Financial Officer and Secretary.

- (2) Amounts in this column represent the cash salary paid to the Named Executive Officers during the 2001, 2002 and 2003 financial years. In addition, the Named Executive Officers were granted options in March 2002 as compensation for agreeing to forego the following cash salary amounts in respect of the 2001 and 2002 financial years: Alan De'ath – 450,000 options in lieu of US\$13,332 in each of 2001 and 2002; David Hough – 700,000 options in lieu of US\$20,832 in each of 2001 and 2002; and Kenneth Sangster – 450,000 options in lieu of US\$13,332 in each of 2001 and 2002. All of these options were exercisable immediately upon issuance at an exercise price of C\$0.10 (which exercise was at a premium to the market price of the Common Shares on the date of grant).
- (3) The value of perquisites and other personal benefits, securities or property received by the Named Executive Officer in each financial year was no greater than the lesser of C\$50,000 and 10% of the total annual salary and bonus paid to the Named Executive Officer for the financial year.
- (4) With the exception of the 2003 amount for David Hough discussed in footnote (5) below, amounts shown in this column represent accrued and paid contributions to pension plans maintained by or for the benefit of the Named Executive Officers.
- (5) This amount includes: (i) US\$15,674 in accrued and paid contributions to a pension plan maintained for the benefit of Mr. Hough; (ii) cash payments in the aggregate amount of US\$226,500 made to Mr. Hough during 2003 pursuant to a severance agreement dated July 28, 2003 (the "Severance Agreement") between the Company and Mr. Hough, among others, in connection with Mr. Hough's resignation as a director and officer of the Company and certain of its subsidiaries; and (iii) an amount of C\$100,000 (US\$74,052) representing the notional value of 1,000,000 Common Shares issued to Mr. Hough on October 1, 2003 pursuant to the Severance Agreement at a notional price of C\$0.10 per share in lieu of a further cash amount. During the one year period ended February 28, 2003, Mr. Hough agreed to forego any contributions to his pension plan required under his service agreement with the Company. In consideration of this and a change in his pension plan from a defined benefit plan to a defined contribution plan, in March 2002 Mr. Hough was granted 800,000 options under the Option Plan.

Stock Options

The Company has adopted the 2000 Employee Stock Option Plan (the "Option Plan") in order to advance the interests of the Company by providing directors, officers, employees and consultants with a financial incentive tied to the financial performance of the Company and continued service or employment with the Company.

The Company has currently reserved 14,400,000 Common Shares for the purposes of the Option Plan. This number will be increased to 29,800,000 Common Shares, subject to the approval of shareholders at the Meeting as described under "Particulars of Matters to be Acted Upon – Amendment of Option Plan". The number of shares reserved is subject to adjustment if the Common Shares are subdivided, consolidated (including pursuant to the proposed Share Consolidation), converted or reclassified or the number of Common Shares varies as a result of a stock dividend or an increase or a reduction in the share capital of the Company.

Under the Option Plan, options may be granted to all directors, officers, employees and consultants of the Company. The maximum number of Common Shares that may be reserved for issuance to any one person under the Option Plan is 5% of the number of Common Shares outstanding at the time of reservation. The exercise price for Common Shares subject to an option may not be less than the market price of the Common Shares at the time the option is granted. An option may be for a term of up to ten years and may not be assigned.

The Board may permit an option holder who exercises an option to select one of two methods of exercise. Under the first method, the purchase method, the option holder will receive the Common Shares subject to the option upon payment to the Company of the exercise price for the Common Shares. If an option holder selects the second method, the market growth method, the option holder will receive a number of Common Shares equal to the growth amount (i.e., the in-the-money amount), which is determined by multiplying the number of Common Shares subject to the option by the amount by which the market price for the Common Shares at the time the option is exercised exceeds the exercise price for the Common Shares. The number of whole Common Shares to be received is determined by dividing the growth amount by the market price at the time of exercise. No fractional shares will be issued under the Option Plan.

As at May 11, 2004, options to purchase an aggregate of 14,205,000 Common Shares were outstanding under the Option Plan. In addition, the Compensation Committee of the Board has granted an aggregate of 8,900,000 options subject to shareholder approval of the proposed amendment to the Option Plan.

The following table sets forth information concerning options granted by the Company to each of the Named Executive Officers during the financial year ended December 31, 2003.

Option Grants During the Financial Year Ended December 31, 2003

Name	Securities Under Options Granted ⁽¹⁾	% of Total Options Granted to Employees and Directors in Financial Year	Exercise or Base Price (C\$/Security)	Market Value of Securities Underlying Options on Date of Grant (C\$/Security)	Expiration Date
Alan De'ath	1,500,000	27.9%	\$0.10	\$135,000	October 15, 2008
David Hough	–	–	–	–	–
Kenneth Sangster	1,500,000	27.9%	\$0.10	\$135,000	October 15, 2008

(1) Options are exercisable as to 25% on or after October 15, 2003, the date of grant, with an additional 25% becoming exercisable on or after each of the first, second and third anniversaries of the date of grant.

The following table sets forth information concerning the exercise of options during the most recently completed financial year by each of the Named Executive Officers and the financial year-end value of unexercised options, on an aggregated basis.

Aggregated Option Exercises During the Financial Year Ended December 31, 2003 and Financial Year-End Option Values

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (C\$)	Unexercised Options at December 31, 2003 (Exercisable/Unexercisable)	Value of Unexercised in-the-Money Options at Financial Year-End (C\$) (Exercisable/Unexercisable)
Alan De'ath	–	–	1,825,000/1,325,000	\$129,375/\$129,375
David Hough	–	–	3,500,000/Nil	\$172,500/Nil
Kenneth Sangster	–	–	1,925,000/1,325,000	\$129,375/\$129,375

Employment Contracts

Alan De'ath has entered into a service agreement with the Company dated November 1, 2000 pursuant to which he is currently President and Chief Executive Officer of the Company. His period of employment will continue until terminated in accordance with the service agreement. Mr. De'ath's current salary is US\$225,000 per annum and the Company is required to make annual contributions of 17.5% of Mr. De'ath's annual base salary to his personal pension plan.

Kenneth Sangster has entered into a service agreement with the Company dated November 1, 2000 pursuant to which he is currently Executive Vice-Chairman and Chief Operating Officer of the Company. His period of employment will continue until terminated in accordance with the service agreement. Mr. Sangster's current salary is US\$200,000 per annum and the Company is required to make annual contributions of 17.5% of his annual base salary to his personal pension plan. By arrangement with the Company, Mr. Sangster may accept outside consulting engagements provided that his entitlement to salary from the Company shall be reduced *pro rata* based on his time actually spent in service to the Company.

During the one year period ended February 28, 2003, each of Mr. De'ath and Mr. Sangster agreed to forego any contributions to their pension plans required under their respective service agreements. In consideration of these changes, in March 2002 each of Mr. De'ath and Mr. Sangster was granted 300,000 options under the Option Plan.

The Company has negotiated key employee termination benefits agreements with each of Mr. De'ath and Mr. Sangster. The negotiated terms include provisions for the payment of termination benefits equivalent to twice the employee's contractual annual salary and benefits payable if there has been a change of control of the Company and the employment of the employee with the Company has been terminated by an involuntary termination.

Composition of the Compensation Committee

The Compensation Committee of the Board is composed of J. Trevor Eyton (Chairman), Walter Murray and David Armstrong.

Report on Executive Compensation

The Compensation Committee reviews and makes recommendations to the Board with respect to all matters pertaining to the appointment, compensation and benefits of senior management of the Company. The Company's compensation policies are designed to attract and retain talented senior management, reward individual performance, provide a competitive level of compensation and benefits, reinforce business strategies and corporate priorities, and link the interests of senior management with those of the Company's shareholders.

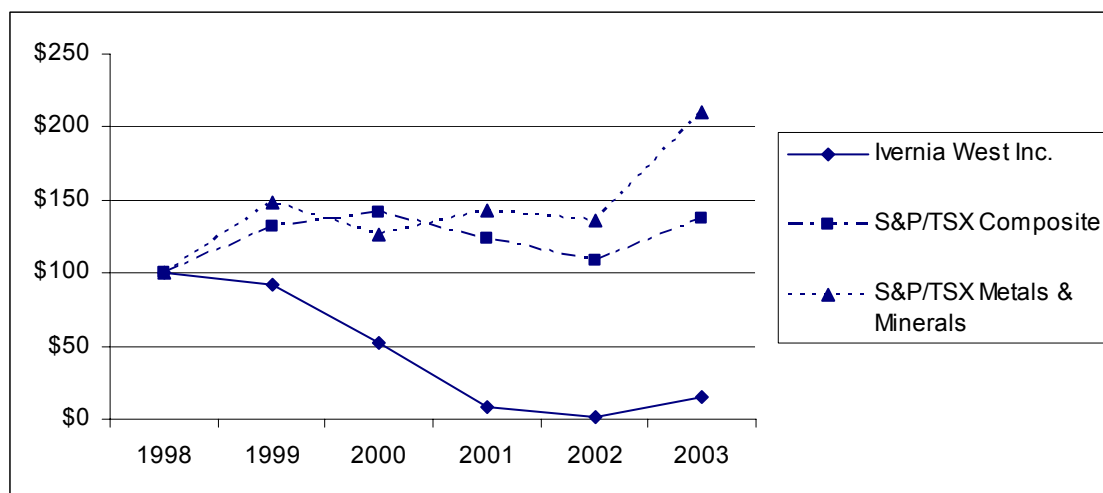
The Company's executive compensation program may include base salary, bonus and participation in the Company's Option Plan. To date, no specific formula has been developed to assign relative weightings to each of these components. Base salary ranges are determined based upon appropriate information regarding compensation policies for Canadian companies of comparable size operating in similar industries. Individual levels are reviewed periodically and are dependent upon the executive's experience level, his particular responsibilities related to the position and his overall performance. Bonuses for executives may be paid in the discretion of the Board. The Compensation Committee considers and, if thought fit, approves the issuance of options in accordance with the Company's Option Plan. Such option grants are dependent upon individual performance and competitive conditions. See "Stock Options".

The base salary of the Company's Chief Executive Officer is targeted at a level consistent with base salaries paid to chief executive officers of comparable Canadian companies. In addition, the Chief Executive Officer is entitled to receive a bonus and stock option awards as part of his compensation. In the financial year ended December 31, 2003, David Hough, who held the office of President and Chief Executive Officer until his resignation on July 28, 2003, received his salary during such period without bonus or option awards. Alan De'ath, who held the offices of Vice-President, Chief Financial Officer and Secretary until July 28, 2003 and the offices of President and Chief Executive Officer thereafter, received, in addition to his salary, (i) a grant of 1,500,000 options, and (ii) a bonus of US\$25,000 in respect of the financial year ended December 31, 2003 in recognition of his efforts during the year in reorganizing the Company's business operations, completing the sale of the Company's interest in the Lisheen Mine, and negotiating the Company's joint venture with Sentient Global Resources Fund to develop the Magellan Project.

Submitted on behalf of the Compensation Committee as at May 11, 2004: J. Trevor Eyton (Chairman), Walter Murray and David Armstrong.

Performance Graph

The following graph illustrates, over the past five financial years of the Company, the cumulative shareholder return of an investment in Common Shares of the Company compared to the cumulative shareholder return of an investment in the S&P/TSX Composite Index and the S&P/TSX Metals and Minerals Index, assuming that C\$100 was invested on December 31, 1998 and, where applicable, reinvestment of dividends.



	Dec. 31, 1998	Dec. 31, 1999	Dec. 31, 2000	Dec. 31, 2001	Dec. 31, 2002	Dec. 31, 2003
Ivernia West Inc. ⁽¹⁾	\$100	\$92	\$52	\$8	\$1	\$15
S&P/TSX Composite	\$100	\$132	\$141	\$124	\$108	\$137
S&P/TSX Metals & Minerals	\$100	\$148	\$127	\$143	\$136	\$211

- (1) Share price information relating to the Company for December 31, 1998 and 1999, being prior to the 2000 Reorganization, is based on the closing price of the ordinary shares of Ivernia West plc on the ESM of the ISE and has been converted from Euros to Canadian dollars based on the prevailing rates of exchange on the relevant dates. The information relating to the Company for December 31, 2000, 2001, 2002 and 2003 is based on the closing price of the Common Shares on the TSX on those dates

Indebtedness of Directors, Executive Officers and Senior Officers

At no time since the beginning of the Company's last financial year was any director, executive officer, senior officer, proposed nominee for election as a director, or any of their respective associates, indebted to the Company or any of its subsidiaries, nor was the indebtedness of any such person to another entity the subject of any guarantee, support agreement or similar arrangement provided by the Company or any of its subsidiaries.

Compensation of Directors

The Company has adopted a policy for the compensation of its directors who are not full-time employees of the Company. Each such director is remunerated at the rate of C\$25,000 per annum, with the exception of the Chairman of the Company who is entitled to receive C\$50,000 per annum. All directors are reimbursed for payments on account of travelling and other out-of-pocket expenses incurred in attending Board meetings. In addition, each director is eligible to receive stock options of the Company under the Option Plan.

The Company has engaged McCarthy Tétrault LLP, of which David Armstrong is a partner, to provide legal services to the Company from time to time.

Directors' and Officers' Liability Insurance

The Company has entered into a directors and officers liability insurance policy for the benefit of the directors and officers of the Company and its subsidiaries. The annual limit for all claims under the policy is C\$10 million, subject to a per claim deductible of C\$50,000. The annual premium payable by the Company under the policy is C\$40,500. The Company's current coverage under the policy continues until October 2004.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The TSX has issued a series of guidelines (as such guidelines are in effect on the date of this Circular, the "TSX Guidelines") for effective corporate governance. These guidelines deal with matters such as the constitution and independence of corporate boards, their functions, the effectiveness and education of board members and other items dealing with sound corporate governance. The TSX requires that each listed corporation disclose on an annual basis its approach to corporate governance. The Company's approach to corporate governance is described below.

The Board has considered the guidelines for corporate governance adopted by the TSX and believes that its approach to corporate governance is appropriate and effective for the Company and its shareholders.

Mandate of the Board (TSX Guideline 1)

The Board is responsible for managing the business and affairs of the Company. Under applicable law, the Board is required to carry out its duties with a view to the best interests of the Company. Toward this end, the Board has specifically recognized its responsibility for the following areas:

- (i) adoption of a strategic planning process and approval of a strategic plan that takes into account, among other things, the opportunities and risks of the business;
- (ii) the identification of the principal risks of the Company's business and monitoring the implementation of appropriate systems to manage these risks;
- (iii) succession planning and monitoring senior management;
- (iv) the implementation of a communications policy to facilitate effective communications between the Company, its shareholders and the public; and
- (v) the integrity of the Company's internal control and management information systems.

The frequency of the meetings of the Board and the nature of agenda items depend upon the state of the Company's affairs and the opportunities or risks which the Company faces from time to time. The Board holds a minimum of four meetings each financial year. In addition, communications between the Board and senior management regularly occur apart from scheduled Board and committee meetings.

Composition of the Board (TSX Guidelines 2, 3, 6 & 7)

The TSX Guidelines recommend that a board of directors be constituted with a majority of individuals who qualify as "unrelated directors". An "unrelated director" is defined in the TSX Guidelines as a director who is independent of management and free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with that director's ability to act with a view to the best interests of the corporation, other than interests and relationships arising from shareholding. The TSX Guidelines also recommend that, in circumstances where a corporation has a "significant shareholder" (a shareholder with the ability to exercise a majority of votes for the election of directors), the board of directors should include a number of directors who do not have interests in or relationships with either the corporation or the significant shareholder.

The directors of the Company have determined, on the basis of these definitions, that three of the Board's five current members and three of the five nominees for election at the Meeting are unrelated within the meaning of

the TSX Guidelines. Each of Alan De'ath and Kenneth Sangster is related by virtue of being a member of management. The Company does not have a significant shareholder (as defined above). The Board considers its current size of five directors to be appropriate at this time.

The Board currently has no orientation or education program in place for new directors. The Board will consider what orientation or education is appropriate as and when new directors are elected or appointed.

In addition to those matters which must by law be approved by the Board, management seeks Board approval for any transaction which is out of the ordinary course of business or could be considered to be material to the business of the Company.

Committees (TSX Guideline 9)

The Board has established three committees: the Audit Committee, the Compensation Committee and the Corporate Governance Committee. Each of these committees is composed entirely of unrelated directors within the meaning of the TSX Guidelines. The Company does not have an executive committee.

Audit Committee (TSX Guideline 13)

The Audit Committee is responsible for assisting the Board in fulfilling its responsibilities for the oversight of the quality and integrity of the accounting, auditing, internal control and financial reporting practices of the Company. The Committee is also responsible for ensuring that management of the Company has designed and implemented appropriate accounting systems, policies and practices as well as an effective internal control system. Among other things, the Committee is charged with reviewing the Company's annual and interim financial statements and certain other financial disclosure and making recommendations to the Board relating thereto; reviewing the Company's accounting policies and any changes thereto; assessing the steps management has taken to minimize financial and other risks facing the Company; and working with the Company's auditors in a number of areas relating to the Company's accounting systems, internal controls and annual audit plan. In addition, the Board may refer appropriate questions relating to the financial position of the Company and its subsidiaries to the Committee for its consideration. The Committee meets at least four times per year. The current members of the Committee are J. Trevor Eyton, Walter Murray (Chairman) and David Armstrong.

Compensation Committee

The Compensation Committee is responsible for reviewing and making recommendations to the Board with respect to all matters pertaining to the appointment, compensation and benefits of senior management of the Company, as well as any other significant human resource or organizational policies generally impacting employees of the Company. The Committee reviews the performance of the Chief Executive Officer and other officers and senior employees of the Company and management's succession planning. The report of this Committee for the last financial year is set out in this Circular under "Executive Compensation - Report on Executive Compensation". In addition, the Compensation Committee is empowered to grant stock options under the Company's Option Plan in accordance with the terms of such plan. The current members of the Committee are J. Trevor Eyton (Chairman), Walter Murray and David Armstrong.

Corporate Governance Committee (TSX Guidelines 4, 5, 8 & 10)

The Corporate Governance Committee is responsible for reviewing and making recommendations to the Board with respect to all matters pertaining to the Company's corporate governance policy, including structure, organization and compensation (other than Board membership), and the development of appropriate systems and procedures to enable the board to exercise and discharge its responsibilities. The Committee is also responsible for recommending suitable candidates for election or appointment to the Board from time to time. In addition, it is the Committee's responsibility to review and recommend appropriate changes from time to time in the Company's approach to corporate governance matters, including terms of reference for Board committees; membership of Board committees; retirement ages for directors; the relationship between the Board and senior management; procedures for Board and committee meetings; and compensation of directors for service on the Board and committees thereof.

The current members of the Corporate Governance Committee are J. Trevor Eyton (Chairman), Walter Murray and David Armstrong.

Shareholder Communication

The Company communicates regularly with its shareholders. While management is available to shareholders to respond to questions and concerns on a prompt basis, the Chief Executive Officer is primarily responsible for investor relations. The Board believes that management's communications with shareholders and the avenues available for shareholders and others interested in the Company to have their inquiries about the Company answered are responsive and effective.

Relationship with Management (TSX Guidelines 11, 12 & 14)

The Board's access to information relating to the operations of the Company, through the membership on the Board of the Chief Executive Officer and, as necessary, the attendance by other members of management at the request of the Board, are key elements to the effective and informed functioning of the Board. The Board expects the Company's management to take the initiative in identifying opportunities and risks affecting the Company's business and finding ways to deal with these opportunities and risks for the benefit of the Company.

The Board believes that appropriate structures and procedures are in place to ensure that the Board can function independently of management, including (i) the appointment of a Chairman who is independent of management and is charged with ensuring that the Board discharges its responsibilities, (ii) periodic meetings of the Board without management present, and (iii) the Corporate Governance Committee whose responsibilities include monitoring the relationship between the Board and senior management.

The Board approves and develops, on an ongoing basis in conjunction with management, the scope of management's responsibilities and the corporate objectives for which management, and the Chief Executive Officer in particular, are responsible for meeting. The Board has not adopted a formal charter or a position description for the Chief Executive Officer.

The Board has adopted no formal procedure for enabling individual directors to engage outside advisers at the expense of the Company. Any such proposed engagement would be considered by the Corporate Governance Committee under its general mandate to develop appropriate systems and procedures to enable the Board to exercise and discharge its responsibilities.

INTERESTS OF INSIDERS IN MATERIAL TRANSACTIONS

On July 18, 2003, the Company signed a definitive agreement (the "Lisheen Sale Agreement") for the sale of all of the shares of its subsidiary Ivernia West Limited (formerly Ivernia West plc) and certain other subsidiaries holding the Company's interest in the Lisheen Mine to its joint venture partner, Anglo American plc ("Anglo"), a mining company based in the United Kingdom. At the time the Lisheen Sale Agreement was entered into, Anglo beneficially owned, through its subsidiary Linden Investments Limited, approximately 18.33% of the Common Shares of the Company. The sale was completed on September 29, 2003 for consideration consisting of an aggregate cash purchase price of US\$1.8 million (of which US\$0.5 million was advanced by Anglo to the Company prior to the completion of the sale) and the assumption by Anglo of all the Company's existing debt and other obligations relating to the Lisheen Mine, including outstanding project loans in the amount of US\$73.19 million.

On August 22, 2003, Cambrian Mining plc ("Cambrian"), a mining investment company based in the United Kingdom, announced that it had acquired 22,555,000 Common Shares, representing approximately 15.57% of the outstanding Common Shares. Subsequently, on August 29, 2003, the Company issued US\$0.5 million aggregate principal amount of 10% convertible notes and 7,692,308 common share purchase warrants to Cambrian in connection with a larger private placement of US\$1.95 million aggregate principal amount of convertible notes and 30 million common share purchase warrants (the "2003 Private Placement").

In connection with the 2003 Private Placement, Sentient Global Resources Fund, a private resource equity fund based in the Cayman Islands (together with its affiliates, "Sentient"), purchased US\$0.9 million aggregate principal amount of convertible notes and 13,846,154 common shares purchase warrants, all of which were converted into or exercised for an aggregate of 27,692,308 Common Shares from December 2003 to February 2004. The Company has entered into a joint venture with Sentient to develop the Magellan Project (the "Magellan Joint Venture") pursuant to definitive agreements entered into between the Company and certain of its subsidiaries and certain affiliates of Sentient on June 19, 2003.

On March 25, 2004, the Company completed a further private placement of 80 million Common Shares and 40 million common share purchase warrants for gross proceeds of C\$20 million (the "2004 Private Placement"). Of the securities issued in the 2004 Private Placement, (i) 372,000 Common Shares and 186,000 warrants were issued to Alan De'ath of Oakville, Ontario, the President and Chief Executive Officer of the Company, for aggregate proceeds of C\$93,000, (ii) 200,000 Common Shares and 100,000 warrants were issued to Kenneth Sangster of Bristol, England, the Executive Vice-Chairman and Chief Operating Officer of the Company, for aggregate proceeds of C\$50,000, and (iii) a further 178,000 Common Shares and 89,000 warrants were issued to other senior officers of the Company and its subsidiaries for aggregate proceeds of C\$44,500.

On March 31, 2004, in connection with a restructuring of the Magellan Joint Venture funding arrangements, Sentient increased its equity interest in the Magellan Project from 40% to 49%, with the Company holding the remaining 51%. The Company and Sentient also agreed that all obligations of the Company under an interim funding arrangement, pursuant to which Sentient had advanced certain funds to the Magellan Project on the Company's behalf, will be repaid by the Company out of the proceeds of the 2004 Private Placement and such facility will be terminated with effect from March 31, 2004. Definitive documentation providing for the termination of this facility and certain consequential amendments to the other joint venture agreements is to be entered into not later than June 30, 2004.

On May 4, 2004, Ivernia and Sentient further amended the Magellan Joint Venture funding arrangements to increase their loan commitments from an aggregate of US\$10 million to US\$33.7 million (inclusive of US\$7.2 million previously funded by them), in proportion to their respective joint venture interests. They also created a contingency facility under which, if Ivernia is for any reason unable to fund its share of its commitment to the on-going funding of the Magellan Project beyond US\$14.7 million (inclusive of US\$3.7 million previously funded), then at Ivernia's request Sentient will provide up to an additional US\$5 million in loans to the Magellan Project to cover Ivernia's and Sentient's respective portions of the required on-going funding.

Except as otherwise disclosed in this Circular, no insider of the Company or proposed nominee for election as a director of the Company, nor any of their respective associates or affiliates, has had any material interest, direct or indirect, in any transaction since the commencement of the Company's last financial year or in any proposed transaction which has materially affected or will materially affect the Company or any of its subsidiaries.

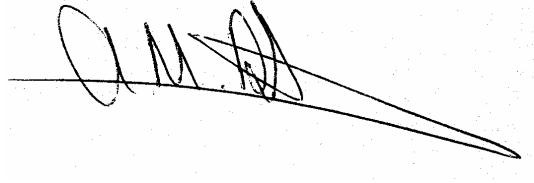
Except as otherwise disclosed in this Circular, no person who has been a director or senior officer of the Company since the commencement of the Company's last financial year, nor any proposed nominee for election as a director of the Company, nor any of their respective associates or affiliates, has any material interest, direct or indirect, in any matter to be acted upon at the Meeting.

APPROVAL BY BOARD OF DIRECTORS

The contents and the sending of this Circular have been approved by the board of directors of the Company.

DATED at Toronto, Ontario, Canada, this 11th day of May, 2004.

By Order of the Board of Directors

A handwritten signature in black ink, appearing to read "A.M. De'ATH", written over a horizontal line. The signature is stylized and somewhat cursive.

ALAN M. DE'ATH
President and Chief Executive Officer

SCHEDULE "A"

CHANGE OF NAME TO "IVERNIA INC."

RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The articles of the Company be amended to change the name of the Company to "Ivernia Inc."
2. Any director or officer of the Company is hereby authorized and directed to execute and deliver all documents and instruments and to take such other actions as such director or officer may determine to be necessary or desirable to carry out the intent of the foregoing resolution, such determination to be conclusively evidenced by the execution and delivery of any such documents and instruments and the taking of any such actions.
3. Notwithstanding the approval of this special resolution by the shareholders of the Company, the board of directors of the Company is hereby authorized to revoke this special resolution at any time prior to the issuance by the Director appointed under the *Business Corporations Act* (New Brunswick) of a certificate of amendment giving effect to the amendment to the articles of the Company approved hereby without the further approval of the shareholders of the Company if it determines in its discretion that it would be in the best interests of the Company to do so.

SCHEDULE "B"

AMENDMENT TO 2000 EMPLOYEE STOCK OPTION PLAN

RESOLVED THAT:

1. An amendment to the 2000 Employee Stock Option Plan of the Company, as amended (the "Option Plan"), to increase the maximum number of Common Shares reserved for the issuance pursuant to options granted under the Option Plan from 14,400,000 to 29,800,000, is hereby approved, subject to regulatory approval.
2. Any director or officer of the Company is hereby authorized and directed to execute and deliver all documents and instruments and to take such other actions as such director or officer may determine to be necessary or desirable to carry out the intent of the foregoing resolution, such determination to be conclusively evidenced by the execution and delivery of any such documents and instruments and the taking of any such actions.

SCHEDULE "C"

ISSUE OF ADDITIONAL COMMON SHARES

RESOLVED THAT:

1. The issuance by the Company in one or more private placements during the 12 month period commencing on June 30, 2004 (or the date of any adjournment of the annual and special meeting of the shareholders of the Company to be held on such date, as applicable) of such number of securities that would result in the Company issuing or making issuable up to 298,994,195 Common Shares, all as more particularly described in the management information circular of the Company dated May 11, 2004, is hereby authorized and approved.
2. Any director or officer of the Company is hereby authorized and directed to execute and deliver all documents and instruments and to take such other actions as such director or officer may determine to be necessary or desirable to carry out the intent of the foregoing resolution, such determination to be conclusively evidenced by the execution and delivery of any such documents and instruments and the taking of any such actions.

SCHEDULE “D”

SHARE CONSOLIDATION

RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The articles of the Company be amended to provide that the issued and outstanding common shares in the capital of the Company are consolidated by changing every issued and outstanding 5 common shares into 1 common share, provided that no fractional shares shall be issued as a result of such consolidation.
2. Any director or officer of the Company is hereby authorized and directed to execute and deliver all documents and instruments and to take such other actions as such director or officer may determine to be necessary or desirable to carry out the intent of the foregoing resolution, such determination to be conclusively evidenced by the execution and delivery of any such documents and instruments and the taking of any such actions.
3. Notwithstanding the approval of this special resolution by the shareholders of the Company, the board of directors of the Company is hereby authorized to revoke this special resolution at any time prior to the issuance by the Director appointed under the *Business Corporations Act* (New Brunswick) of a certificate of amendment giving effect to the amendment to the articles of the Company approved hereby without the further approval of the shareholders of the Company if it determines in its discretion that it would be in the best interests of the Company to do so.