



## NEWS RELEASE

**Ivernia West reports positive results from its recent drill program at the Magellan Lead Project, Western Australia.**

### Highlights:

- Drill intersections containing attractive lead grades over significant widths encountered on the Cano, Gama and Pinzon Prospects proximal to the planned Magellan Project open pit and mine site.
- Geological resource at the Cano Prospect to be calculated prior to year end.

**TORONTO, CANADA and DUBLIN, IRELAND (October 18, 2001)** – A program of reverse circulation (RC), rotary air blast (RAB) and air core hammer drilling was conducted on the Cano, Coronado, Cortez, Cortez South, Gama, Pinzon and Pizzarro prospects plus various regional targets within the Magellan tenement package near Wiluna, Western Australia on which Ivernia has a 91.6% interest during the second quarter of 2001.

Drilling on the Cano, Gama and Pinzon Prospects successfully intersected attractive lead grades over significant widths helping to better define the resource potential of the mineralized areas proximal to the planned Magellan Project open pit and mine site. It is expected that a geological resource will be calculated at the Cano Prospect prior to year end.

Drilling at the Coronado, Cortez, Cortez South, Pizzaro and at various regional targets was aimed at gaining knowledge of lithologies and structures and testing various targets for lead mineralization with the results of such drilling to assist in planning future exploration activities and/or assist in upcoming tenement reduction decisions.

Regarding the intersections at the Cano, Gama and Pinzon Prospects, President and CEO of Ivernia West Inc., David Hough commented: "We are encouraged by the continued intersection of attractive lead grades and widths within these Prospects, especially given their proximity to the planned Magellan Project open pit and mine site. We believe that the lead mineralization hosted within these Prospects has the potential to add to the mineral resource already defined at the Magellan Project and could significantly enhance the already robust economic potential of the Project."

### Resource Definition Drilling At Cano

Seven vertical RC and RAB hammer drill holes totalling 190 metres were completed at the Cano Prospect, located less than one kilometre northwest of the planned Magellan pit. This drill program was aimed at better defining the limits of economic mineralization of the Cano Prospect. [Results from the recent 2001 Cano drilling program plus those of the 2000 program are illustrated in the attached table, Table 1.](#)

Activities to assist in calculating the geological resource of the Cano Prospect are in progress, including surveying of drill hole collars, the receipt of additional assays from re-sampled intervals and the creation of geological sections. A composite sample of the Cano mineralization was collected from the remaining drill samples for bench metallurgical testing. Intervals were selected based on a 3% Pb cut-off grade and a minimum two-metre intersection. A total of 109 samples were selected for a total of approximately 100 kilograms of material. The sample has a composite grade of 8.31% Pb (based on

the average of sub-sample assays) and has been sent to Adelaide for testwork. It is expected that a geological resource will be available for the Cano Prospect prior to year end. Given the Cano Prospect's proximity to the planned Magellan pit, it is envisioned that the Cano resource will add to the mineable reserves at the Magellan Project.

### **Gama Prospect**

Seventeen vertical RC drill holes totalling 598 metres (includes 41 metres re-drill of cemented, abandoned holes) were completed at the Gama prospect located to the northeast of the proposed Magellan Project pit, extending from the southeast margin of the pit along a northeast trend over an area of approximately 1,500 metres x 300 metres. The drilling was aimed at assessing the resource potential of the area by drilling across the main trend of mineralization on a 200 metre grid spacing. Prior to this 2001 drill program only ten drill holes had been completed at an average hole spacing of between 250 to 300 metres. [Results from the recent 2001 Gama drilling program plus previous drill holes on the Gama Prospect are illustrated in the attached table, Table 2.](#)

Based on the results obtained from this program, future work will include:

- re-drilling the southern portion of the Gama Prospect prior to attempting to extend the zone beyond the currently understood limit,
- an assessment of the economic parameters specific for development of mineral resources,
- investigating the application of geophysical prospecting methods (surface or downhole) for delineating potential areas of mineralization, and
- infill RC drilling (including targeted angled drill holes across areas of high-grade mineralization).

### **Drilling At Pinzon Prospect**

Six vertical drill holes (MMRH080-085) totalling 231 metres were completed at the Pinzon Prospect to test the extent of mineralization within the Magellan Hill at approximately 200 metre spacings. [Results from this drilling are illustrated in the attached table, Table 3.](#)

### **Drilling At Regional Prospects**

A short program of RAB hammer drilling was completed at a number of areas within the Cortez and Pizarro tenements during late June 2001. The drilling was completed to assist with upcoming tenement reduction decisions and was completed in conjunction with the Cano, Gama and Pinzon drill programs to reduce costs. The drilling comprised:

- 9 holes at the Cortez prospect for a total of 295 metres;
- 4 holes at the Cortez South prospect for a total of 84 metres;
- 9 holes at the Pizarro Prospect for a total of 162 metres; and
- 2 holes over a regional geochemical target for a total of 30 metres.

No significant results were obtained from this drilling, however a detailed interpretation of the results has not yet been completed due to the priority of other Magellan related activities. Several holes intersected low-grade mineralization (Pizarro and Cortez prospects) and since the regional drilling was targeting the coincidence of soil geochemistry anomalies and interpreted structural zones, the low-grade mineralization may represent a halo anomaly around potentially higher-grade zones.

### **Magellan Project Feasibility Study**

In February 2001, the Magellan Project Final Feasibility Study (FFS) indicated that the capital cost required to develop the Magellan project would be US\$26.1 million. Once in production, approximately one million tonnes per annum of oxidized lead ore will be extracted via an open pit during an

approximate nine-year mine life with ore to be processed on-site through a process of conventional milling and flotation concentration. Lead recoveries are expected to average 83% to produce a concentrate averaging 70% lead with the concentrate undergoing on-site batch refining to produce approximately 55,000 tonnes per annum of marketable soft lead metal of 99.97% purity. Operating costs, including mining, processing, refining, transport (ex Geraldton), royalties and overhead charges are estimated to be US\$19 per tonne of ore or US\$329 per tonne of marketable lead metal. Based on a 7.5% discount rate, the Magellan Project has before tax and after tax (assuming a 30% corporate tax rate) net present values of US\$31.6 million and US\$21.4 million, respectively. The FFS envisions that the project would be financed through a 70:30 combination of debt and equity. The FFS assumes a US\$525 per tonne lead price and a US\$:Australian\$ exchange rate of 0.55 : 1. Proven and probable reserves total 8.5 million tonnes grading 7.12% lead. The Project is expected to require an approximate 12-month construction period prior to beginning production. All pre-requisite statutory approvals have been granted by governing bodies.

The Magellan Project, located 30 kilometres west of the town of Wiluna in the East Murchison Mineral Field, Western Australia is controlled and managed by Magellan Metals Pty. Ltd. ("MM"). Ivernia owns 91.6% of MM and plans to increase its interest to 100%. The total cost to Ivernia to acquire the outstanding 8.4% ownership interest is A\$4.0 million (US\$2.0 million), deferred in two equal tranches, the first due in early 2002 and the second upon first production.

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*Certain statements included in this press release constitute forward looking statements which involve known and unknown risks, uncertainties and other factors that may cause the actual results of the Company to be materially different from future results expressed or implied by those forward looking statements.*

**Notes**

In compliance with Canadian securities instrument, National Instrument 43-101 numerous qualified persons were engaged in the 2001 and 2000 drill programs on the Magellan tenements. Drill programs were directed by Mr. J. Elliott of CSA Australia Pty. Ltd. Geological Consultants. Mr. Elliott has his BSc. Degree in Geology and has 10 years experience in a variety of base and precious metal environments employing a variety of exploration techniques including the supervision of RAB and RC drilling, drill mapping and sampling. Some employees of CSA own shares in Ivernia West Inc. None of the contracted employees nor other contract firms associated with this drilling own shares in Ivernia West Inc.

The 2001 drilling was completed using Meekatharra-based contractor Drillpower, local pastoralists were contracted to clear access tracks and prepare drill sites. All holes were drilled vertically and the supervising geologist determined end-of-hole depth. Four metre composite samples were collected over the entire length of the hole with individual samples collected as appropriate based on the results of field chemical tests. All samples were dispatched to Genalysis Laboratories in Perth for lead analysis using the Flame Atomic Absorption Spectrometry method. Results under 1% lead were considered insignificant for the purposes of reporting lead grades and as such are reported as "no significant results" for the purposes of this press release. It should be noted however that although insignificant lead grades were encountered the information gained from such drilling may be significant in planning future exploration activities.

Table 1

**2000 Drilling  
Cano Prospect**

Drill Hole Number	Date Drilled	Drill Type	Drill Collar			Depth of Drilling (m)	From (m)	To (m)	Interval (m)	Grade Pb (%)
			East	North	Dip					
MMR C159	12/8/00	RC	792045	7063656	-90	15			no significant results	
MMR C160	12/8/00	RC	792043	7063653	-90	31	14	16	2	8.17
MMR C161	12/8/00	RC	792045	7064053	-90	34	26	29	3	11.68
MMR C162	12/10/00	RC	792048	7064256	-90	35	29	30	1	11.82
MMR C163	12/11/00	RC	792140	7063753	-90	32	8	10	2	20.45
MMR C164	12/11/00	RC	792137	7063658	-90	31	14	20	6	7.68
MMR C165	12/11/00	RC	792138	7063958	-90	12				no significant results
MMR C166	12/11/00	RC	792139	7063961	-90	35	18	22	4	2.96
MMR C167	12/11/00	RC	791940	7063756	-90	20	4	10	6	6.60
MMR C168	12/11/00	RC	791942	7063656	-90	29	6	16	10	7.50
MMR C169	12/12/00	RC	791941	7063955	-90	29	26	27	1	5.95
MMR C170	12/12/00	RC	791948	7064058	-90	32	23	32	9	9.13
MMR C171	12/12/00	RC	791938	7064157	-90	33	24	33	9	3.45
MMR C172	12/12/00	RC	791841	7063864	-90	28	7	8	1	3.96
MMR C173	12/12/00	RC	791841	7064054	-90	29	14	17	3	19.16
MMR C174	12/13/00	RC	791841	7064254	-90	33	24	28	4	4.87
MMR C175	12/13/00	RC	791842	7064455	-90	30	26	28	2	6.20
MMR C176	12/13/00	RC	791738	7064055	-90	28	10	11	1	3.98
MMR C177	12/13/00	RC	791742	7064155	-90	30	14	18	4	1.08
MMR C178	12/13/00	RC	791742	7064256	-90	26	11	14	3	9.68
MMR C179	12/13/00	RC	791739	7064353	-90	24	17	22	5	1.67
MMR C180	12/14/00	RC	791939	7064262	-90	34	32	33	1	10.49
MMR C181	12/14/00	RC	791941	7064357	-90	31	27	31	4	9.20
MMR C182	12/14/00	RC	792137	7064061	-90	36	26	27	1	5.30
MMR C183	12/14/00	RC	792238	7063661	-90	32	14	16	2	5.54
<b>Total</b>					25	729				

**2001 Drilling  
Cano Prospect**

Drill Hole Number	Date Drilled	Drill Type	Drill Collar			Depth of Drilling (m)	From (m)	To (m)	Interval (m)	Grade Pb (%)
			East	North	Dip					
MMRC184	4/29/01	RC	792142	7063653	-90	25	6	7	1	1.40
MMRC185	4/29/01	RC	792238	7063656	-90	25				no significant results
MMRC186	4/29/01	RC	792136	7064161	-90	31	29	30	1	2.78
MMRH076	4/30/01	RAB	792137	7064261	-90	35	28	29	1	7.43
MMRH077	4/30/01	RAB	791943	7064449	-90	33	30	31	1	4.49
MMRH078	4/30/01	RAB	791940	7063651	-90	20				no significant results
MMRH079	4/30/01	RAB	791643	7064252	-90	20	5	10	5	3.51
<b>Total</b>					7	189				

**Table 2**

**2000 Drilling  
Gama Prospect**

Drill Hole Number	Date Drilled	Drill Type	Drill Collar			Depth of Drilling (m)	From (m)	To (m)	Interval (m)	Grade Pb (%)
			East	North	Dip					
MMRC057	4/7/99	RC	793892	7063303.2	-90	22			no significant results	
MMRC143	5/7/99	RC	794342	7064103.2	-90	41	24	29	5	7.10
including							24	27	3	10.70
MMRC144	5/7/99	RC	794742	7064503.2	-90	32	6	11	5	6.82
including							6	7	1	22.50
MMRC145	5/7/99	RC	793891	7063599.9	-90	54	33	36	3	5.20
MRC012	pre 00	RC	794171	7063894.2	-90	56	16	40	24	2.24
including							18	22	4	3.75
MRC013	pre 00	RC	794143	7063503.2	-90	60	30	32	2	2.60
MRC018	pre 00	RC	794529	7064287.2	-90	150	20	28	8	4.70
including							22	28	6	5.21
MRC031	pre 00	RC	793920	7063798.2	-90	60				no significant results
MRC038	pre 00	RC	794542	7063853.2	-90	46				no significant results
MRC039	pre 00	RC	794192	7064253.2	-90	50	22	26	4	5.34
<b>Total</b>					<b>10</b>	<b>571</b>				

**2001 Drilling  
Gama Prospect**

Drill Hole Number	Date Drilled	Drill Type	Drill Collar			Depth of Drilling (m)	From (m)	To (m)	Interval (m)	Grade Pb (%)
			East	North	Dip					
MMRC187	6/30/01	RC	794042	7063553	-90	42	24	30	6	12.25
MMRC188	6/30/01	RC	794242	7063653	-90	35	20	30	10	3.91
MMRC189	7/1/01	RC	794442	7064753	-90	33				no significant results
MMRC190	7/1/01	RC	794442	7064553	-90	40	17	24	7	11.65
MMRC191	7/1/01	RC	794442	7064353	-90	34				no significant results
MMRC192	7/2/01	RC	794642	7064653	-90	29	20	22	2	1.91
MMRC193	7/2/01	RC	794642	7064453	-90	37	28	31	3	3.69
MMRC194	7/2/01	RC	794642	7064253	-90	35	18	23	5	5.86
MMRC195	7/3/01	RC	794642	7064353	-90	30	24	25	1	3.02
MMRC196	7/7/01	RC	794442	7063953	-90	18				abandoned before target depth
MMRC197	7/5/01	RC	794442	7064153	-90	34	9	10	1	8.30
MMRC198	7/7/01	RC	794242	7064053	-90	15				abandoned before target depth
MMRC199	7/7/01	RC	794242	7064453	-90	36	12	13	1	7.40
MMRC200	7/5/01	RC	794042	7064153	-90	43	26	27	1	2.29
MMRC201	7/6/01	RC	794042	7063953	-90	47				no significant results
MMRC202	7/7/01	RC	794042	7063753	-90	18				abandoned before target depth
MMRC203	7/7/01	RC	794642	7064053	-90	31				no significant results
<b>Total</b>					<b>17</b>	<b>557</b>				