



NEWS RELEASE

IVERNIA WEST PLC INTERIM RESULTS ANNOUNCEMENT for the six months ended 30 June 1999

27 October 1999...The commencement of concentrate production at Lisheen in September was a major milestone in the development of the Lisheen Project and marked the transition of Lisheen from a Project to a working Mine. The first shipment of concentrates from Lisheen is scheduled for November and this will complete the construction cycle.

Staff recruitment for the concentrator plant is almost complete and for mining operations is ongoing. When the mine is in full production approximately 300 people will be employed on site in permanent jobs.

In his Chairman's statement Mr. Clayton Love Jnr. noted that Lisheen is coming into production at a time when zinc prices have begun to increase.

Considerable progress was reported on the Magellan Project for which a feasibility study will be completed by the first quarter of next year. Exploration activities were carried out on all prospecting licence areas during the reporting period.

The Group Operating Statement for the half year to 30 June 1999 shows net expenditures of IR£26.5 million, which mainly represent Ivernia's 50% share of the construction expenditures in the Lisheen Mine Project and its investment in the Magellan Project.

The Group Balance Sheet at 30 June 1999 shows fixed assets of IR£84.9 million and net current assets of IR£14.9 million, which were funded by Shareholders' Funds of IR£50.2 million and long term project borrowings of IR£49.6 million.

Ivernia West plc Group Operating Statement For the six months ended 30 June 1999

| | Half-Year Ended | | Year to |
|---------------------------------------|------------------------|---------------|----------------|
| | 30/06/99 | 30/06/98 | 31/12/98 |
| | (Unaudited) | (Unaudited) | (Audited) |
| | | (as restated) | (as restated) |
| | IR£'000 | IR£'000 | IR£'000 |
| Development & exploration expenditure | 25,123 | 13,158 | 28,000 |
| General & administration expenses | 400 | 349 | 729 |
| Interest expense | 1,262 | 257 | 974 |
| Interest income | -295 | -643 | -1,211 |
| Currency (gain)/loss | -16 | -4 | 3 |
| | <u>26,474</u> | <u>13,117</u> | <u>28,495</u> |

Transferred to:

| | | | |
|-------------------------------|---------------|--------|--------|
| Investments in joint ventures | 25,237 | 13,414 | 28,938 |
| Deferred expenditure | 1,237 | -297 | -443 |
| | 26,474 | 13,117 | 28,495 |

**Group Profit & Loss Account
For the six months ended 30
June 1999**

| | Half-Year Ended | | Year To |
|-------------------------------------|------------------------|--------------|----------------|
| | 30/06/99 | 30/06/98 | 31/12/98 |
| | (Unaudited) | (Unaudited) | (Audited) |
| | IR£'000 | IR£'000 | IR£'000 |
| Operating results | - | - | - |
| Exploration expenditure written-off | - | - | -77 |
| Investments write-down | - | - | -60 |
| Profit/(loss) for period | - | - | -137 |
| Balance at 1 January 1999 | -3,457 | -3,320 | -3,320 |
| | -3,457 | -3,320 | -3,457 |
| Balance at 30 June 1999 | ===== | ===== | ===== |
| (Loss) per share - pence | - | - | (0.1p) |

**Summarised Group Balance
Sheet
At 30 June 1999**

| | 30/06/99 | 30/06/98 | 31/12/98 |
|-------------------------------|--------------------|---------------|---------------|
| | (Unaudited) | (Unaudited) | (Audited) |
| | | (as restated) | (as restated) |
| | IR£'000 | IR£'000 | IR£'000 |
| Fixed Assets | | | |
| Investments in joint ventures | | | |
| share of gross assets | 84,447 | 41,683 | 58,541 |
| share of gross liabilities | -5,639 | -1,928 | -5,709 |
| | 78,808 | 39,755 | 52,832 |
| Deferred expenditure | 6,006 | 4,915 | 4,769 |
| Other fixed assets | 148 | 238 | 162 |
| | 84,962 | 44,908 | 57,763 |
| Current Assets | 16,285 | 21,950 | 21,779 |
| Current Liabilities | -1,392 | -686 | -943 |

| | | | |
|--|----------------|---------|---------|
| Net Current Assets | 14,893 | 21,264 | 20,836 |
| | _____ | _____ | _____ |
| Creditors (amounts falling due after more than one year) | -49,606 | -15,771 | -28,350 |
| | _____ | _____ | _____ |
| Net Assets | 50,249 | 50,401 | 50,249 |
| | ===== | ===== | ===== |
| Shareholders' Funds | 50,249 | 50,401 | 50,249 |

ENDS

For Reference:

Ivernia West plc
Mr. David Hough,
Managing Director
Tel: 061 319922

Murray Consultants Ltd.
Joe Murray
Tel: (01) 661 4666