



**Ivernia West Completes Magellan Final Feasibility Study;**  
**Confirms Robust Returns from Lead Project**

**Magellan Highlights**

- High-grade, low-impurity oxide ore body, grading approximately 7% lead
- Currently estimated 12-year mine life producing on average 70,000 tonnes lead per year
- Identified targets with strong potential to increase resources
- Mining friendly Western Australia – all permits required at this stage in place
- Easy access to infrastructure – roads, port, water, natural gas, workforce
- Simple, low-cost mining and recovery process – 3.3:1 mining strip ratio, standard flotation recovery
- Two-phase approach to development defers nearly 40% of capital expenditures for the lead refinery – reduces project risk and initial financing
- Major portion of required equipment already purchased and 70% of detailed engineering completed
- Strong interest by commercial banks in project financing
- Fundamentally strong lead market with severe shortage of lead concentrates
- Robust returns – US\$65 million NPV at 7.5% discount rate, 43% IRR, and payback approximately three years
- Cano resource update expected within 2 weeks

**Toronto, Canada November 14, 2003:** Ivernia West Inc. (TSX: IVW) is pleased to announce the successful completion of its final feasibility study of the Company's 60%-owned (reducing to 51%) lead project, Magellan, in Western Australia. The study confirms the robust returns of the project at current lead prices and exchange rates, with the impact of the increases in lead prices to a large extent offset by the stronger Australian dollar (approximately US\$0.70 to A\$1.00). The 2001 Feasibility Study was evaluated at a 55 cents exchange rate. Ivernia's partner in Magellan is the Sentient Global Resources Fund, which currently owns 40% and has the right to increase its share to 49% on conversion of debt at the project level.

**Strong Bank Interest Expressed in Project Financing**

Alan De'ath, President and CEO of Ivernia, commenting on the announcement, said, "We have had ample time to do significant testing and to prepare the final feasibility study, such that all areas were completed at recognized test facilities and by well known consultants. Consequently, there is a high level of confidence in the results. The study has now been presented to a shortlist of commercial banks with the objective of raising approximately US\$16 million in project financing. Several banks have expressed strong interest in participating."

**Two-Phase Development Reduces Initial Funding Requirements**

Ken Sangster, Ivernia's Executive Vice-Chairman responsible for Magellan's development, commented, "We have taken a two-phase approach to development and

as a result Ivernia anticipates it can finance Phase 2 from cash flow and further bank financing after the operation is proven. This approach does not slow our production schedule – we still expect to produce and ship lead concentrate in 2005, followed in 2008 by refining of concentrate to metal on site and shipping lead metal.”

Magellan is expected to be in production in the first quarter of 2005 at an average annualized rate of 70,000 tonnes of lead during its estimated 12-year life based on current resources, with known opportunities which have the potential to substantially increase mine life. Approximately US\$4 million has already been spent and funded on Phase 1. At current exchange rates, future capital costs are estimated at US\$17 million in Phase 1 and US\$13 million in Phase 2, with operating costs forecast to average US\$380 per tonne of lead produced. (Lead is currently trading at about US\$625 per tonne, or US\$0.28 per pound.) Payback for the project is expected to be approximately three years.

### A Robust Return

“The combination of high grade with low capital and operating costs indicated a robust rate of return even before the recent rise in lead prices, which to a large extent has been offset by the stronger Australian dollar,” said CEO Alan De’ath. “At current lead prices of US\$625 a tonne, even with a strong Australian dollar of US\$0.70, the after-tax internal rate of return is expected to be about 43%, calculated on an all equity financing basis.”

### Magellan: a Unique Property

Nature and human development of Western Australia have created unique circumstances for the property. Nature deposited the mineralization near surface in a flat lying area and, during millions of years of heavy rains, removed other minerals commonly associated with lead deposits, such as arsenic, antimony and bismuth. The purified lead remained in situ as lead carbonate, an oxide of lead. Consequently, mining and metal recovery are simple and low cost. Open pit mining of Magellan and the nearby Cano deposit will be to a depth of 50 m and 30 m, respectively, with an average mining ratio of 3.3:1 of other material to ore. Minimal blasting will be required due to the friability of the rock. Metallurgical processing will also be simple and low cost due to the oxide nature of the mineralization. Straightforward flotation will recover an estimated 84.5% of the lead in concentrate. In Phase 2, a refinery will be constructed to process the concentrate on site for shipment of greater than 99.95% lead metal, which will command a premium on world markets because of its purity.

### Western Australia Welcomes Responsible Mining

Magellan is located in an area that knows mining and welcomes responsible development, both by the people and businesses in the region through to the state and federal departments involved in permitting. As a result, all the permits, licenses and agreements that are required at this stage of development have been received, including Native Title Agreements, and no obstacles are foreseen for the issue of future permits when required.

### An Abundance of Nearby Infrastructure

Development in the region has provided most of the infrastructure needed to operate the mine: the camp is 2 km from the road to the town of Wiluna, 30 km away; Wiluna has an airport giving regular access to Perth, 750 km to the southwest; Geraldton port is 700 km by road to the west for shipment of lead concentrate and later lead bullion; the Goldfields natural gas pipeline is within striking distance; and artesian well water of low salinity is readily available. Also available is an experienced workforce, drawing from people in the area and from Perth.

### Low Capital Costs

As mentioned, the project will be developed in two phases, with the mine and concentrator plant being developed in Phase 1. Shipment of concentrate is expected in the first quarter of 2005. The on-site refinery will be constructed in Phase 2, with soft lead metal expected to be produced at or near the mine in 2008.

Approximately US\$4 million has already been spent and funded in Phase 1. Future capital costs of Phases 1 and 2 are budgeted at US\$17 million and US\$13 million, respectively. The benefits of a two-phase approach are: the capital cost of the refinery is deferred; Chinese smelters are currently offering better prices for concentrate because of considerable shortages; and the additional time will allow for optimizing the location of the refinery in relation to natural gas facilities.

Another reason for the relatively low capital costs is that Magellan has been able to take advantage of an abundance of redundant mining and processing equipment in Australia. For example, the accommodation camp, primary crusher and feed conveyor, primary ball mill, flotation cells and concentrate filters have all been acquired from other mines at substantial discounts to the equivalent new equipment prices.

### Low Operating Costs, Too

Operating costs, inclusive of freight and smelting charges, are estimated to average A\$540 per tonne, which at current exchange rates is equivalent to US\$380 per tonne (US\$0.17 per pound) of payable lead produced during the initial 12-year mine life. These low costs result from open pit mining with only a 3.3:1 mining strip ratio, simple recovery of oxide lead by flotation, and high-grade ore.

### Reserves and Resources

The following table sets out the reserves and resources for the Magellan and Cano oxide lead deposits as of December 31, 2002. A new resource statement factoring in additional drill information, mainly relating to infill drilling at Cano, will be published within the next two weeks. Based on information to date, resource grade at Cano is expected to increase from 5.5% to approximately 6.7% due to the kriging method of calculating reserves, which lowered the grade estimation for the previously wide-spaced holes.

Reserves and Resources <sup>1, 2</sup> December 31, 2002	Tonnes Ore <u>(millions)</u>	Grade <u>(%)</u>	Tonnes Lead <u>(thousands)</u>
Proven and probable reserves			
Cano	2.6	5.7	151
Magellan	<u>8.5</u>	<u>7.1</u>	<u>606</u>
Total reserves	<u>11.1</u>	<u>6.8</u>	<u>757</u>
Total measured and indicated resources (including reserves, above)	<u>14.2</u>	<u>6.5</u>	<u>918</u>
Estimated mine life	12 years		

1. The mineral resources and ore reserves for the Magellan and Cano deposits are reported in accordance with the 1999 update of the JORC Code.
2. Refer to Ivernia's Annual Information Form dated June 30, 2003, pages 6 and 7, for full note-disclosure on reserves and resources as at December 31, 2002.

#### Additional Resource Potential Identified

Exploration at the nearby Pinzon and Gama and the more outlying Drake, Cortez and Pizarro targets has indicated the probability of further resources in these mineralized areas. But of more immediate significance is that drill results indicate that Cano extends to the north and Magellan to both east and west, with the early potential to increase reserves and resources. Further information will be available in about two weeks when an updated resource calculation has been completed for Cano.

In addition, an exploration license covering about 21,500 hectares has been applied for in the Yandil area, 20 km northwest of Magellan, which has a similar geological setting.

Based on recent exploration successes, a new exploration program is being planned with the objective of providing sufficient information to update the stated resources and reserves for the Magellan deposit and further defining the other targets. Geophysical work will commence on the recently acquired Yandil area early in the new year on the completion of a native title agreement.

Alan De'ath concluded, "In Magellan we have a low cost project with a robust return and one whose life can be significantly extended beyond its initial 12 years. I look forward to reporting progress as we proceed with its development."

Ivernia West is an international base metals mining and exploration company whose principal asset is a 60% interest (reducing to 51%) in the low-cost Magellan lead project in Western Australia. The project is expected to be in production in the first quarter of 2005, producing an average of 70,000 tonnes of lead a year. Ivernia's shares are traded on the Toronto Stock Exchange under the symbol IVW.

## Forward Looking Information

*This news release contains certain “forward-looking statements”. All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “believe”, “plan”, “estimate”, “expect”, and “intend” and statements that an event or result “may”, “will”, “can”, “should”, “could” or “might” occur or be achieved and other similar expressions. These forward-looking statements reflect the current internal projections, expectations or beliefs of the Company based on information currently available to the Company. Forward-looking statements are subject to a number of risks and uncertainties, including those detailed from time to time in filings made by the Company with securities regulatory authorities, that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. The Company expressly disclaims any obligation to update or revise any such forward-looking statements.*

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[Magellan Project Summary attached](#)

## Magellan Project Summary

Location	Western Australia, 750 km northeast of Perth
Area of Property	28,025 hectares, comprised of mining and exploration licenses
Mineralization	The mineralization is thought to represent an ancient carbonate-hosted, base-metal sulphide deposit which has become enriched and purified in secondary lead minerals through prolonged and extensive weathering. This weathering is believed to have caused dissolution and volume reduction of the precursor carbonate rocks and oxidation of primary base-metal sulphide minerals.
Feasibility Study	Original, February 2001. Final, November, 2003
Infrastructure	Nearby: natural gas, water, roads, the town of Wiluna. Geraldton port, 700 km by road; Perth, 90 minutes by air. Readily available workforce.
Capital Costs	US\$20.5 million Phase 1 (of which US\$4 million already spent and funded in 2003), US\$13.1 million Phase 2.
Development Period	12 months
Permitting	All pre-development approvals have been granted. No time delays are expected for future permits in this mining friendly region.
Operating Rate	1.2 million tonnes per year, or 3,500 tonnes per day
Mining Method	Shallow open pit; mining strip ratio between 2 and 5.5:1 of other material to ore, average 3.3:1. Friable material requiring minimal drilling and blasting.
Recovery Process	Conventional milling and flotation concentration, followed in 2008 by refining to 99.95+% lead blocks.
Recovery Rate	83-87%, depending on ore type, average 84.5%.
Lead Production	62,000-95,000 tonnes annually, average 70,000 tonnes.
Smelter Penalties	None, other metals below penalty levels.
Production Date	Q1 2005 to ship concentrate, 2008 to ship bullion
Operating Costs	Current life-of-mine average A\$540/tonne of lead, equivalent at current exchange rates to US\$380/tonne (US\$0.17 per pound) inclusive of freight and smelting charges.

## Reserves and Resources <sup>1, 2</sup>

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