



IVERNIA WEST INC. REPORTS THIRD QUARTER 2002 RESULTS

(all dollar amounts are in United States dollars)

Overview

- The Company reported a net loss of \$21.1 million or \$0.15 per share for quarter ended September 30, 2002, after taking a \$19.4 million writedown in its Lisheen investment.
- Lisheen completion achieved during quarter resulted in the termination of Ivernia's guarantee of its share of the Lisheen project debt of \$73.2 million.
- Lisheen mine in discussions with the project debt banking group on the restructuring of Lisheen debt.
- Production at the Lisheen mine exceeded 400,000 tonnes for the second consecutive quarter.
- Lisheen developed ore reserves sustained at 1.2 million tonnes, total water make reduced to 68 mega-litres/day.
- Discussions continue with potential partners towards financing the development of the Magellan lead project in Western Australia.
- Magellan lead project enhanced by planned increased throughput rates from the integration of Cano and Magellan pit designs.
- Magellan refinery design progressing with supplier capable of providing performance guarantees.
- The zinc metal price on the LME continued to trade close to historical lows during the quarter.

TORONTO, CANADA (November 29, 2002) - Ivernia West Inc ("Ivernia" or the "Company") today reported its unaudited operating results for the third quarter ended September 30, 2002.

The Company reported a net loss of \$21.1 million or \$0.15 per share for the quarter and \$23.7million for the nine month period ended September 30, 2002, compared with a restated loss of \$2.1 million or \$0.02 per share for the third quarter of 2001 and \$13.6 million for the first nine months of 2001.

The primary reasons for the increased net loss during the third quarter of 2002 and the first nine months of 2002 compared to the same periods in 2001, were a writedown of \$19.4 million in the Company's investment in the Lisheen mine following a review of an updated life of mine plan prepared by Lisheen management (see note 2 to the accompanying financial statements), partially offset by a reduction in interest charges expensed during the period due to lower interest rates and reduced debt and a significant reduction in G&A costs.

Net cash generated from investing activities during the third quarter of 2002 was \$1.1 million of which a receipt for \$1.0 million related to a repayment of shareholder and partner loans by the Lisheen Joint Venture. This repayment was funded by Anglo American plc under the terms of the Anglo Funding Agreement to enable Ivornia to pay interest due (\$1 million) during the quarter. Proceeds of \$0.3 million were received on the sale of short term investments (see note 3 to the accompanying financial statements). An amount of \$0.1 million was utilised during the quarter on expenditures related to the Magellan Project. This net cash generated from investing activities compared to net cash generated of \$6.6 million in the same period of 2001.

Net cash utilized in financing activities during the third quarter of 2002 was \$nil compared to net cash utilized of \$7.1 million in the same period of 2001.

As at September 30, 2002 Ivornia had a working capital deficiency of \$2.7 million compared to a working capital deficiency of \$13.6 million as at December 31, 2001.

Ivornia announced on 1st October 2002 that management of the Lisheen Mine had delivered to the mine's syndicate of project lenders all of the certificates necessary to establish that Completion at the mine has occurred. As of Completion, all of Ivornia's obligations pursuant to a completion agreement with the project lenders were terminated, including, among other things, Ivornia's indirect guarantee of the portion of the project debt incurred by its subsidiary, Ivornia Lisheen Finance Limited, as well as provisions limiting secured and unsecured borrowings by Ivornia's Irish subsidiaries to an aggregate of IR£5 million without the consent of the project lenders.

Following the release of Ivornia's indirect guarantee the Lisheen project loans are now secured only on the assets of the Lisheen mine and the legal entities directly related to the mine. Repayment of those loans is now wholly dependent on cash flows deriving from the Lisheen mine. Accordingly management consider that it is no longer appropriate to recognise the gross investment and related liabilities as separate assets and obligations on the consolidated balance sheet of Ivornia West Inc. Effective from September 30, 2002 the consolidated financial statements show the investment and related liabilities on a net basis only (see note 2 to the accompanying financial statements).

Following termination of the completion agreement, management of the Lisheen mine are in discussions with the mine's syndicate of project lenders on the restructuring of the Lisheen mine debt.

In August 2002 Ivernia announced that it has entered into an agreement with one of its major shareholders, Resources Investment Trust plc (“RIT”), whereby RIT will underwrite the issue of convertible notes to raise up to US\$1,950,000 (see note 7(a) to the accompanying financial statements). It is anticipated that this transaction will close during the fourth quarter, 2002. The transaction received approval at a meeting of Ivernia’s shareholders held on October 10, 2002.

METAL PRICES

London Metal Exchange (LME) prices for zinc and lead metals produced by the Lisheen Mine for the third quarter and the first nine months of 2002 compared with the same periods in 2001 were as follows:

Average LME Prices	Three months to September 30,		Nine months to September 30,	
	2002	2001	2002	2001
Zinc \$/lb	0.35	0.37	0.35	0.42
Lead \$/lb	0.20	0.21	0.21	0.22

During the quarter the price of zinc, the Lisheen Mine’s primary metal, continued to trade at or around the historically low levels seen in the previous four quarters.

OPERATIONS REVIEW

Lisheen Mine (Ivernia – 50% equity interest)

Performance at the Lisheen Mine was consistent with the previous three quarters bringing the year to date throughput to 1,188,719 tonnes at average head grades of 11.37% Zn and 2.16% Pb. Average recovery levels for Zinc improved to 89.9% for the quarter with recoveries for August and September exceeding 90% in each month.

Poor ground areas were encountered during the quarter particularly in the west of the main zone associated with the F7 feature. These have now been crossed giving access to improved ground conditions. Improvements have been made to the ventilation system due to the commissioning of vent raise 3 which resulted in above expectation levels of efficiency.

All the main production areas yielded additional ore over the planned levels and all development waste was utilized as base fill to improve extraction. Developed ore reserves available for mining remained constant during the quarter at 1.2 million tonnes.

Milling operations were satisfactory with availability being above plan despite a SAG mill reline in July requiring a 72-hour shutdown. Concentrate grades also improved slightly from the previous quarter with the zinc concentrate grade exceeding 55% Zn in August.

Raising the tailings dam is progressing within budget. This work is scheduled to be completed by January 2003 although recent poor weather conditions may cause a minor delay in its completion.

Lisheen Mine Production Summary

	2002			2001	
	<u>YTD</u>	<u>Q3</u>	<u>October</u>	<u>YTD</u>	<u>Q3</u>
Tonnes Milled	1,188,719	404,527	131,956	815,120	260,496
Grade - Zn	11.37%	11.92%	11.04%	11.19%	8.98%
Grade - Pb	2.16%	2.38%	1.82%	2.24%	1.36%
Recoveries - Zn	88.16%	89.86%	88.08%	81.79%	84.99%
Recoveries - Pb	68.70%	70.03%	70.05%	71.89%	68.06%
Zn Concentrate tonnes	219,053	78,945	23,125	138,196	36,104
Pb Concentrate tonnes	28,513	10,717	2,779	20,379	3,794
Zn Concentrate Grade	54.39%	54.87%	55.51%	53.97%	55.09%
Pb Concentrate Grade	61.98%	63.03%	60.66%	64.29%	63.54%
Recovered Zn tonnes	119,148	43,314	12,837	74,581	19,890
Recovered Pb tonnes	17,671	6,755	1,686	13,101	2,411
Cash Production Cost ⁽¹⁾	\$0.34	\$0.31	\$0.32	\$0.46	\$0.48

⁽¹⁾ US\$ per pound payable zinc sold including smelter charges.

Magellan Project, Western Australia (Ivernina - 95.8% equity interest)

Preliminary reserve calculations were conducted on the Cano deposit adjacent to the proposed site for the Magellan pit. Based on these calculations, much lower pre and overall strip ratios are expected to result in a larger increase in reserves than previously estimated. This study used equivalent economic block values to those used on the Magellan pit design. Some final cross checking and internal auditing has yet to be completed on the results of these calculations. Following this work, a new composite Cano/Magellan mine plan will be derived. Final test work on thickening and filtering of concentrate has simplified the design compared to the Feasibility Study completed in February, 2001.

Our anticipated furnace suppliers, BJ Industries of France, have carried out mass and energy balances and new layout drawings and costings are being finalised by them.

Discussions continue with potential equity and financing partners.

EXPLORATION

Exploration activities remain at a very low level with expenditure mainly limited to the legal and contractual minimum levels. Selective retirement of our Kentucky (U.S.A.) licenses has been done on a technical basis. The moratorium on activity commitments on the Irish licences (reported last quarter) has been duly utilized. The only direct exploration work conducted was adjacent to the Lisheen mine on licences held in joint venture with Anglo American where one test hole in a large TEM anomaly did intersect sub economic mineralised material.

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.

For further information, please contact:

In Ireland:

David Hough
President and Chief Executive Officer

Tel: +353 61 319922

In Canada:

Alan De'ath
Chief Financial Officer

Tel: 1 416 867 9298

Website: www.iverynia.com **E-mail:** info@iverynia.ca **TSE stock symbol:** IVW

CONSOLIDATED FINANCIAL STATEMENTS TO FOLLOW

IVERNIA WEST INC.
CONSOLIDATED STATEMENTS OF INCOME AND DEFICIT

(in thousands of United States dollars, except per share amounts)

	Three-month period ended September 30,		Nine-month period Ended September 30,	
	2002	2001	2002	2001
	\$	\$	\$	\$
	(Unaudited)	(Unaudited) (Restated)	(Unaudited)	(Unaudited) (Restated)
Gross revenue	-	-	-	27,461
Smelter costs	-	-	-	14,480
Net revenue	-	-	-	12,981
Mine operating costs				
Cost of sales	-	-	-	14,340
Depreciation and amortisation	-	-	-	4,549
	-	-	-	18,889
Loss from mining operations	-	-	-	(5,908)
Other expenses (income)				
General and administrative	343	677	929	1,688
Foreign exchange loss (gain)	133	(219)	(78)	82
Exploration	2	106	47	277
Interest expense	1,081	1,539	3,389	5,886
Interest income	(33)	(59)	(75)	(247)
Writedown of investments (note 2)	19,411	48	19,411	48
Other expenses, net (note 3)	141	-	51	-
	21,078	2,092	23,674	7,734
Loss for the period	(21,078)	(2,092)	(23,674)	(13,642)
Deficit - beginning of period	(60,621)	(54,121)	(58,025)	(42,571)
Deficit - end of period	(81,699)	(56,213)	(81,699)	(56,213)
Loss per share	(0.15)	(0.02)	(0.17)	(0.12)
Weighted average number of common shares outstanding (000s)	144,868	117,466	139,451	117,466

IVERNIA WEST INC.
CONSOLIDATED BALANCE SHEETS

(in thousands of United States dollars)

	September 30,	December 31,
	2002	2001
	\$	\$
	(Unaudited)	
Assets		
Current assets		
Cash and cash equivalents	262	630
Short-term investments (note 3)	-	-
Accounts receivable	73	185
Other current assets	-	129
	335	944
Investment in Lisheen joint venture (note 2)	-	100,798
Other investments	16	16
Property, plant and equipment	8,176	6,779
Restricted cash and cash equivalents	-	1,798
Deferred charges	41	38
	8,568	110,373
Liabilities		
Current liabilities		
Current portion of long term debt (note 2 and 5)	2,600	13,308
Accounts payable and accrued liabilities	448	1,276
	3,048	14,584
Long-term debt (note 2 and 5)	-	68,884
Minority interest	52	103
	3,100	83,571
Shareholders' Equity		
Share capital (note 6)	80,359	78,019
Deficit	(81,699)	(58,025)
Cumulative translation adjustments	6,808	6,808
	5,468	26,802
	8,568	110,373

IVERNIA WEST INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of United States dollars)

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2002	2001	2002	2001
	\$	\$	\$	\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(Restated)		(Restated)
Cash provided by (used in)				
Operating activities				
Loss for the period	(21,078)	(2,092)	(23 674)	(13 642)
Non-cash items:				
Depreciation and amortization	-	-	-	4,549
Writedown of investments	19 411	48	19,411	48
Other	133	61	355	185
Changes in non-cash working capital:				
Accounts receivable, inventories and other current assets	139	5	250	(165)
Accounts payable and accrued liabilities	133	(1,822)	47	(1,657)
Change in restricted cash and cash equivalents	(47)	-	(1,120)	(160)
	(1,309)	(3,800)	(4,731)	(10,842)
Investing activities				
Additions to property, plant and equipment	(129)	(185)	(1,330)	(7,219)
Proceeds on sale of short term investment	264	-	797	-
Decrease in equity investment	963	6,750	10,614	6,750
	1,098	6,565	10,081	(469)
Financing activities				
Net cash proceeds on issue of shares	-	-	1,257	-
Working capital facility repaid	-	(3,750)	-	(3,750)
(Decrease)increase in long-term debt, net	-	(3,389)	(6,654)	9,319
	-	(7,139)	(5,397)	5,569
Cash deconsolidated	-	(2,808)	-	(2,808)
Effect of exchange rate changes on cash and cash equivalents	(3)	228	(321)	(220)
Net decrease in cash and cash equivalents	(214)	(6,954)	(368)	(8,770)
Cash and cash equivalents - Beginning of period	476	8,280	630	10,096
Cash and cash equivalents - End of period	262	1,326	262	1,326

IVERNIA WEST INC.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month periods ended September 30, 2002 and 2001

(in thousands of United States dollars, except number of shares and per share amount)
(unaudited)

1. Significant accounting policies

The interim consolidated financial statements of Ivernia West Inc. and its subsidiaries (the "Company") have been prepared in accordance with Canadian generally accepted accounting principles, using the same accounting policies and basis as those disclosed in note 1 (Going concern), note 2 (Nature of operations) and note 3 (summary of significant accounting policies) to the Company's audited consolidated financial statements for the year ended December 31, 2001.

These interim consolidated financial statements should be read in conjunction with the Company's audited annual consolidated financial statements included in the Company's Annual Report for the year 2001.

Comparative figures for the 3 month and 9 month period ended September 30, 2001 have been restated to reflect the accounting treatment adopted in the audited annual consolidated financial statements included in the Company's Annual Report for 2001.

2. Investment in Lisheen joint venture

Refer to note 4 to the Financial Statements in the Company's Annual Report for the year 2001.

Since October 2000, Anglo has funded the Company's 50% share of contributions for the Lisheen Mine under the terms of the Anglo Funding Agreement (refer to note 5 to the Financial Statements in the Company's Annual Report for the year 2001).

Any amounts funded by Anglo under the terms of the Anglo Funding Agreement are to be repaid, together with interest calculated to derive a 10% annual real rate of return from the first available Lisheen Mine cash flow. As of September 30, 2002, there has been no available Lisheen Mine cash flow to date to make such repayments to Anglo.

As at September 30, 2002 \$57.30 million (December 31, 2001 - \$40.25 million) had been funded by Anglo under the terms of the Anglo Funding Agreement.

As of September 30, 2002 management of the Lisheen Mine had delivered to the mine's syndicate of project lenders all of the certificates necessary to establish that Completion at the mine has occurred. As of completion, all of Ivernia's obligations pursuant to a completion agreement with the project lenders were terminated, including among other things, Ivernia's indirect guarantee of the portion of the project debt incurred by its subsidiary Ivernia Lisheen Finance Limited, as well as provisions limiting secured and unsecured borrowings by Ivernia's Irish subsidiaries to an aggregate of IR£ 5 million without the consent of the project lenders.

Following release of the guarantee the loans to the banks are now secured only on the assets of the Lisheen Mine and the legal entities directly related to the mine. Repayments of loans to the banking syndicate are now wholly dependent on cash flows deriving from the Lisheen mine. Accordingly management consider that it is no longer appropriate to recognize the gross investment and related liabilities as separate assets and obligations on the consolidated balance sheet of Ivernia West Inc. Effective from September 30, 2002, the consolidated financial statements show the investment and related liabilities on a net basis only.

Following termination of the completion agreement, management of the Lisheen Mine are in discussions with the mine's syndicate of project lenders on the restructuring of the Lisheen Mine debt.

During the quarter the Company reviewed the recoverability of the carrying value of the net investment in the Lisheen Mine. As a result of this review, a writedown of \$16.99 million was made and charged to income.

The investment in the Lisheen Joint Venture is summarized as follows:

	Sept 30, 2002
	<u>\$</u>
Balance as at June 30, 2002	
- shareholder and partner loans	91,147
- equity investment	<u>-</u>
	91,147
Writedown of investment	(16,992)
Shareholder and partner loans repaid	<u>(963)</u>
Balance at September 30, 2002	73,192
Project Loan	<u>(73,192)</u>
	<u>Nil</u>

The charge of \$19.41 million comprises of \$16.99 million for the writedown of the investment as shown above and \$2.42 million for the writedown of other net assets relating to the Lisheen mine.

3. Short-term investments

In January 2002 a subsidiary of Ivernia West Inc. acquired 65,632 ordinary shares in Resources Investment Trust plc under the terms of a Private Placement (note 6(i)) valued at C\$1.54 million (\$961,000). In May 2002, a total of 400,000 of these shares were sold for proceeds of \$533,000 resulting in a loss of US\$38,000 being recorded against other expenses during the three month period ended June 30, 2002. In August 2002, the remaining 285,632 of these shares were sold for proceeds of \$264,000 resulting in a loss of US\$ 145,000 being recorded against other expenses during the three month period ended September 30, 2002.

4. Magellan Project

Refer to note 7 to the Financial Statements in the Company's Annual Report for the year 2001.

In January 2002 the Company exercised a primary call option to increase its direct and indirect equity interest in the Magellan Project from 91.6% to 95.8%. Payment for the exercise of this option was made during February 2002 and included A\$1.76 million (\$894,000) and the issue of 1.4 million shares (\$122,000) in the Company as part of a Private Placement (note 6(i)). The Company has given notice of exercise of a secondary call option whereby it intends to increase its direct and indirect equity interest in the Magellan Project to 100% following the payment of a further A\$2.0 million in 2003. Following the exercise of the primary and secondary call options, the tertiary options have lapsed.

Deferred expenditure on the Magellan project during the three month and nine month period ended September 30, 2002 was \$129,000 and \$436,000 respectively.

5. Long-term debt

Refer to note 10 to the Financial Statements in the Company's Annual Report for the year 2001, and note 2 above.

	September 30, 2002	December 31, 2001
	\$	\$
Project loan	-	79,846
Standby facility	2,600	2,346
	2,600	82,192
Less current portion:		
Project loan	-	13,308
Standby facility	2,600	-
	-	68,884

6. Share capital

(a) Issued and outstanding shares

	Number of common shares	Amount \$
Outstanding as at December 31, 2001	117,466,126	78,019
Issued in connection with private placement (i)	27,402,053	2,340
Outstanding as at September 30, 2002	144,868,179	80,359

(i) Private placement

During January, February and April 2002 the Company completed a private placement of 27,402,053 units, each consisting of one common share and one-third of a common share purchase warrant, for an aggregate purchase price of C\$3.84 million (\$2.40 million). The Company issued 15.7 million of the units to Resources Investment Trust plc ("RIT"), a London Stock Exchange listed special purpose investment company, who satisfied the purchase price for 11 million of these units by issuing 685,632 of its ordinary shares to a subsidiary of Ivernia West Inc. The Company issued 1.4 million of the units as part of the payment made on the exercise of a primary call option to increase its direct and indirect equity interest in the Magellan Project (note 4). The remaining units were issued for aggregate cash proceeds of C\$2.10 million (\$1.32 million). Legal and listing fees were C\$96,000 (\$60,000).

Each full warrant is exercisable into one common share of the Company at an exercise price of C\$0.20 per share until December 31, 2002. The issue of common shares upon the exercise of these warrants ("Existing Warrants") was approved by shareholders at a general meeting held on May 30, 2002 (see note 7b)).

(b) Employee stock options

At September 30, 2002 there were outstanding options to purchase 10,150,00,000 common shares of the Company, of which 8,062,500 were exercisable at that date.

7. Subsequent events

(a) Private Placement of convertible notes

In August 2002, the Company entered into an agreement with one of its major shareholders RIT whereby RIT will underwrite the issue of convertible notes to raise up to \$1,950,000. The proceeds of the funding will be used for general corporate purposes and the convertible notes will mature 36 months after closing. Closing is anticipated during the fourth quarter, 2002. The notes are convertible into common shares of Ivernia at a conversion price of \$0.065 per share (approximately C\$0.10) at any time on or before maturity. Each \$0.065 principal amount of the convertible notes carries one warrant for one common share exercisable at \$0.065 up to December 31, 2003. Exercise of the warrants would raise up to a further \$1.95 million. Up to 30 million shares would be issued on conversion of all the notes and up to 30 million shares would be issued on exercise of all the warrants.

The convertible notes are interest bearing at the rate of 10% per annum payable semi-annually through an interest payment fund to be established by Ivernia out of proceeds of the funding. RIT shall be entitled to receive on closing a fee equal to 5% of the gross proceeds of the convertible notes, such fee to be payable in newly issued common shares of Ivernia valued at \$0.065 per share.

The private placement was approved by Ivernia's shareholders at a special meeting held on October 10, 2002.

(b) Amendment to terms of Existing Warrants

At a special meeting held on October 10, 2002 shareholders approved a reduction in the exercise price of the Existing Warrants (note 6(a)(i)) from C\$0.20 to US\$0.065 and to extend the expiry date thereof from December 31, 2002 to December 31, 2003. These amendments to the terms of the Existing Warrants are expected to become effective during the fourth quarter, 2002.