



IVERNIA WEST INC. REPORTS THIRD QUARTER 2000 RESULTS

Toronto, Canada, December 27, 2000 --- Ivernia West Inc (“Ivernia”) today reported a loss of \$659,000 (\$0.01 per share) in the third quarter of 2000 compared with a loss of \$363,000 (\$0.00 per share) for the same period in 1999.

During the third quarter the build-up to full production continued at the Lisheen Mine in which Ivernia has a 50% interest. The Lisheen Mine is anticipated to reach commercial production levels during first quarter 2001, and to achieve its full annual production rate of 1.5 million tonnes by mid-year 2001. The net cost of Lisheen operations is expected to be capitalised as development expenditure until December 31, 2000.

In November 2000, Ivernia finalised arrangements with Anglo American plc (“Anglo”) whereby Anglo will fund Ivernia’s 50% share of certain overrun cost contributions to the Lisheen Mine payable after November 1, 2000.

Ivernia increased its voting interest in the Magellan lead project in Western Australia from 15.7% to 91.6% during the third quarter, and work continued throughout the quarter towards completion of the feasibility study for the project, which is expected to be finalised by year-end.

During the third quarter the shareholders of Ivernia West plc approved the Scheme of Arrangement whereby Ivernia West Inc became the new Canadian holding company for the Ivernia group on December 15, 2000. The Ivernia West plc shareholders were allotted one Ivernia West Inc share in exchange for each Ivernia West plc share held on that date. Ivernia West Inc shares were listed on the Toronto Stock Exchange (TSE) and the Exploration Securities Market of the Irish Stock Exchange (ESM) on December 18, 2000.

Lisheen Mine (Ivernia – 50% interest)

Concentrate production at the Lisheen Mine commenced in October 1999. Accordingly there are no 1999 production comparatives for the third quarter and the first nine months of 1999.

During the third quarter the build-up in production levels at Lisheen was materially affected by the Lisheen management’s decision to allocate significant resources towards the completion of the underground infrastructure. As a result ore mined during the third quarter at 201,805 tonnes was only marginally above the 196,078 tonnes mined during the second quarter. Ore mined during the first nine months of 2000 was 621,858 tonnes. The full production rate is scheduled to be 1.5 million tonnes mined per annum. The third quarter production rate represented 54% of the full production rate.



Lisheen is anticipated to reach commercial production levels during first quarter 2001, and to achieve its full annual production rate of 1.5 million tonnes by mid-year 2001. The net cost of operations is being capitalised as development expenditure and this is expected to continue until December 31, 2000. The amount so capitalised as development expenditure in the third quarter was \$3.6 million (\$8.6 million in the first nine months).

Ore Processed :

	Tonnes	Grade		Recoveries	
		Zn	Pb	Zn	Pb
1 st Quarter	205,901	11.51%	5.17%	66.07%	72.51%
2 nd Quarter	180,296	10.65%	3.21%	87.24%	76.21%
July	54,179	10.79%	4.29%	72.82%	55.98%
August	87,187	10.50%	4.66%	57.20%	51.87%
September	62,189	11.65%	3.46%	66.24%	61.50%
3 rd Quarter	203,555	10.93%	4.20%	64.26%	55.41%
Nine Months	589,752	11.04%	4.24%	71.69%	67.52%
October	68,911	13.26%	3.89%	74.64%	68.82%
November	60,210	12.72%	2.84%	87.53%	73.10%
Eleven months	718,873	11.40%	4.09%	73.50%	67.96%

Seven surface drill rigs were employed during the quarter on the planned infill drilling programme to close in the drill centres to 30 metres in order to enhance the resource and reserve categories and provide additional medium term mine planning layout information.

By the end of the third quarter substantial progress had been made in completing the underground workshops, garages and phase 2 of the water treatment facilities. The underground workshops will be commissioned during December 2000.

The installation of additional concentrate cleaning capacity commenced during the third quarter and was commissioned in the fourth quarter to provide improved operability in terms of concentrate grades and metal recoveries. Flotation cells originally purchased by Ivernia for the Magellan project have been installed at Lisheen as a pre-cleaner to the column cells permitting much better control of both rougher concentrate grade and column feed grade resulting in significant improvement in metal recoveries during the month of November. Cell capacity will be further enhanced during 2001 to ensure effective pre-cleaning of the column feed at full production.

Magellan Project (Ivernia – 91.6% voting interest)

At the Magellan lead deposit near Wiluna, Western Australia, additional infill and exploration drilling was carried out during the third quarter. The results of both programmes are being used to complete the ore resource and reserve calculations for the feasibility study, which is scheduled to be completed by the year-end. The computation is being calculated by independent consultants, Snowden Pty Ltd.



During September, metallurgical testwork was conducted by Amdel Laboratories in Adelaide on the new composite samples taken from the current year's drilling programme.

Ivernia has a 15.7% direct interest in Magellan Metals Pty Limited ("Magellan Metals"), which has the right to earn a 100% interest in the Magellan Project. During September Ivernia closed on agreements whereby Ivernia acquired a 90% voting interest in Polymetals Pty Ltd ("Polymetals") and has the option to acquire the remaining 10%. Polymetals is an Australian mining company which holds the remaining 84.3% interest in Magellan Metals. Following this transaction, Ivernia now holds a 91.6% direct and indirect equity interest in Magellan Metals with currently exercisable options to increase such interest to 100%. The initial consideration for the Polymetals transaction of AUS\$4 million was satisfied on closing by the issue of 3,277,551 new ordinary shares in Ivernia West plc at a price of Sterling 49 pence per share. Ivernia currently expects to exercise its options for consideration of AUS\$4 million in two tranches during 2002, at which point Ivernia would then have a 100% interest in Magellan Metals.

Exploration

During the third quarter, Ivernia continued its Irish exploration programmes on all its licences including the Rio Algom and Anglo American joint venture areas. No significant mineralisation was encountered but additional structural information was derived from drilling at Ballinalack and Rathdowney North. Work is also ongoing on Ivernia's Kentucky, USA and Northern Territory, Australia, exploration license areas.

Unaudited Third Quarter 2000 Results and Financial Position

Ivernia's unaudited consolidated net loss for the third quarter of 2000 was \$659,000 (\$0.01 per share), compared to a net loss of \$363,000 (\$0.00 per share) for the corresponding period in 1999. Ivernia's net loss for the first nine months of 2000 was \$3.9 million (\$0.04 per share), compared to a net loss of \$708,000 (\$0.01 per share) for the corresponding period in 1999.

Cash utilised in investing activities during the third quarter was \$6.6 million, compared to \$11.7 million in the corresponding period in 1999. Additions to property, plant and equipment during the third quarter of \$6.6 million was incurred on the Lisheen Mine (\$5.7 million) and on the Magellan Project (\$0.9 million).

Cash generated from financing activities during the third quarter was \$8.9 million, compared to \$6.0 million in the corresponding period in 1999.

Ivernia's consolidated cash and cash equivalents including amounts restricted for use on the Lisheen Mine project were \$11.8 million at September 30, 2000. At the same date, Ivernia had total debt of \$95.1 million, the main components of which were the Lisheen Mine Project Loan (\$86.5 million), the Standby Facility (\$5.6 million) and the Lisheen Working Capital Facility which was arranged in July 2000 (\$3.0 million). Details of these loans and facilities are



disclosed in the Ivernia Prospectus which was filed with the Ontario Securities Commission on December 15, 2000.

In November 2000, the Company finalised arrangements with Anglo to provide for the funding of certain cost overrun contributions for the Lisheen Mine (the "Funding Agreement") as permitted under the terms of the Lisheen Joint Venture Agreements. Pursuant to the Funding Agreement, Anglo has agreed to fund Ivernia's 50% share of such overrun cost contributions payable after November 1, 2000 including, if required, the repayment of the Working Capital Facility on December 31, 2000. As at December 20, 2000 \$4.5 million has been funded by Anglo under the Funding Agreement. Ivernia does not expect to make any direct cash contributions to the Lisheen Mine during fourth quarter 2000. Ivernia currently expects that its 50% share of any expenditures in relation to the Lisheen Mine post-year 2000 which are not funded by project cash flow will be funded through Ivernia's cash resources and by Anglo under the terms of the Funding Agreement. Further details are disclosed in the Ivernia Prospectus which was filed with the Ontario Securities Commission on December 15, 2000.

As at December 21, 2000 Ivernia West Inc. has 117,466,126 common shares issued and outstanding, as well as outstanding options exercisable for a further 2,535,000 common shares.

All dollar amounts herein are stated in United States dollars.

Some statements in this news release contain forward looking statements. These statements address future events and conditions which involve inherent risks and uncertainties. Actual results may be significantly different from those currently projected.

For further information, please contact:

In Ireland:
David Hough
President and Chief Executive Officer
Tel: +353 61 319922

In Canada:
Alan De'ath
Vice President
Tel: +1 416 867 9298

Website: www.ivernia.com

E-mail: info@ivernia.ca

TSE stock symbol : IVW

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,	
	2000	1999	2000	1999
	\$	\$	\$	\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue				
Interest income	133	118	272	494
Costs and expenses				
General and administrative	375	266	1,149	737
Redomiciling costs	382	-	1,448	-
Foreign exchange (gain) loss	(159)	-	787	-
Exploration	184	208	786	438
Depreciation and amortization	10	7	32	26
Interest expense	-	-	-	1
	792	481	4,202	1,202
Net Loss	(659)	(363)	(3,930)	(708)
Deficit - Beginning of period	(15,160)	(10,938)	(11,889)	(10,593)
Deficit - End of period	(15,819)	(11,301)	(15,819)	(11,301)
Loss per share	(0.01)	0.00	(0.04)	(0.01)
Weighted average number of common share outstanding (000s)	114,812	103,014	109,542	103,014

IVERNIA WEST INC.
CONSOLIDATED BALANCE SHEETS

(in thousands of United States dollars)

	September 30,	December 31,
	2000	1999
	\$	\$
	(Unaudited)	(Unaudited)
Assets		
Current assets		
Cash and cash equivalents	10,307	14,927
Accounts receivable	2,386	2,138
Inventories	2,221	1,844
Other current assets	255	124
	15,169	19,033
Investments	83	83

Property, plant and equipment	155,752	133,758
Restricted cash and cash equivalents	1,479	1,246
Deferred charges	<u>1,732</u>	<u>1,558</u>
	<u>174,215</u>	<u>155,678</u>
Liabilities		
Current liabilities		
Short term debt	3,000	-
Accounts payable and accrued liabilities	<u>10,072</u>	<u>9,750</u>
	13,072	9,750
Long-term debt	92,103	82,782
Reclamation and mine closure costs	<u>198</u>	<u>46</u>
	<u>105,373</u>	<u>92,578</u>
Shareholders' Equity		
Share Capital	77,879	68,146
Deficit	(15,819)	(11,889)
Cumulative translation adjustments	6,808	6,881
Capital stock held by subsidiaries - at cost	<u>(26)</u>	<u>(38)</u>
	<u>68,842</u>	<u>63,100</u>
	<u>174,215</u>	<u>155,678</u>

IVERNIA WEST INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of United States dollars)

	<u>Three-month period</u>		<u>Nine-month period</u>	
	<u>ended September 30,</u>		<u>ended September 30,</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	\$	\$	\$	\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cash provided by (used in)				
Operating activities				
Net income (loss) for the period	(659)	(363)	(3,930)	(708)
Non-cash items:				
Depreciation and amortization	10	7	32	26
Changes in non-cash working capital:				
Accounts receivable, inventories and other current assets	(1,209)	1,442	(736)	2,826
Accounts payable and accrued liabilities	(443)	(2,862)	434	(3,751)
Change in restricted cash and cash equivalents	<u>266</u>	<u>-</u>	<u>(233)</u>	<u>(622)</u>
	<u>(2,035)</u>	<u>(1,776)</u>	<u>(4,433)</u>	<u>(2,229)</u>
Investing activities				
Additions to property, plant and equipment	(6,648)	(11,652)	(19,652)	(38,889)
Short-term investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,923</u>
	<u>(6,648)</u>	<u>(11,652)</u>	<u>(19,652)</u>	<u>(24,966)</u>

Financing activities

Net cash proceeds on issue of shares	-	-	7,378	-
Long-term debt raised	5,942	6,104	9,660	27,619
Short-term debt raised	3,000	-	3,000	-
Increase in deferred charges	-	(143)	-	(454)
Proceeds on the sale of capital stock held by subsidiaries	-	-	97	-
	<u>8,942</u>	<u>5,961</u>	<u>20,135</u>	<u>27,165</u>

Effect of exchange rate changes on cash and cash equivalents

	<u>(669)</u>	<u>(573)</u>	<u>(670)</u>	<u>598</u>
--	--------------	--------------	--------------	------------

Net increase (decrease) in cash and cash equivalents

	(410)	(8,040)	(4,620)	568
--	-------	---------	---------	-----

Cash and cash equivalents - Beginning of period

	<u>10,717</u>	<u>23,680</u>	<u>14,927</u>	<u>15,072</u>
--	---------------	---------------	---------------	---------------

Cash and cash equivalents - End of period

	<u>10,307</u>	<u>15,640</u>	<u>10,307</u>	<u>15,640</u>
--	---------------	---------------	---------------	---------------