



NEWS RELEASE

Lisheen Mine, Ireland - update on operating performance, revision to geological resources and adjustment to carry value of Lisheen Mine.

TORONTO, CANADA and DUBLIN, IRELAND (March 12, 2001) – Ivernia West Inc. (“Ivernia,” the “Company”) is pleased to report on activities implemented during the second half of 2000 to improve the operating performance at its 50% owned Lisheen Mine and provide an update on production to the end of February 2001. As a result of additional capitalized costs associated with the delayed ramp-up of the mine during 2000 and a revision to the life-of-mine plan, Ivernia has reduced the carrying value of its interest in the Lisheen Mine by US\$25 million.

Activities to Improve Operating Performance

Activities during the third and fourth quarters of 2000 were primarily focused on stabilizing underground mining operations and improving the rate of underground production and metallurgical recoveries. These activities included:

- advancing the development of underground infrastructure including, construction of the first underground service bays and stores with the objective of enhancing fleet availability through improved fleet maintenance and service;
- implementing a water management programme with the objective of improving the ability to predict the behaviour of water sources so that water inflows can be addressed in a more controlled manner, and installing additional pumping capacity with the objective of lowering the underground water reservoir below the elevation of mining activities and providing additional standby pumping capacity; and
- commencing an action plan within the Lisheen Mine concentrator to improve zinc recoveries, concentrate quality and recovery efficiencies by adding an additional stage of cleaning within the zinc circuit.

An additional 12 experienced underground operators have been contracted to assist in meeting the mine’s short-term objective of completing some of the outstanding development work and assisting in the ramp-up to full production. The contract miners will also assist in the mine’s longer-term objective of training the Lisheen Mine’s recently recruited underground operators.

As much of this work took place during the fourth quarter, production figures for the quarter are lower than those reported for the third quarter 2000. During January, ore production was about 76,500 tonnes, 13% above plan while during February 2001 the mine produced about 90,200 tonnes of ore, 10% above plan. These improvements in production were a result primarily of reduced water make in the orebody, declining from an average of over 100 million litres per day prior to January 2001 to about 75 million litres per day in late February. Final numbers are not yet available for plant production during February. The following table summarizes the monthly production results for 2000 and during January 2001.

Summary of Monthly Production Figures

2000	Tonnage		Grade		Recoveries		Recoverable Metal	
	Mined	Processed	Zinc	Lead	Zinc	Lead	Zinc	Lead
January	64,808	66,056	12.06%	5.55%	58.07%	78.60%	4,625	2,879
February	85,002	80,210	11.76%	5.38%	66.57%	70.15%	6,280	3,029
March	74,165	59,635	10.61%	4.48%	75.06%	68.00%	4,748	1,817
First Quarter	223,975	205,901	11.51%	5.17%	66.30%	72.51%	15,653	7,724
April	82,429	78,086	12.41%	3.04%	71.77%	80.50%	6,957	1,911
May	51,275	42,996	12.32%	2.80%	73.57%	77.33%	3,897	931
June	62,374	59,214	12.93%	3.35%	72.85%	73.06%	5,578	1,448
Second Quarter	196,078	180,296	12.56%	3.08%	72.55%	77.16%	16,432	4,290
July	70,014	54,179	12.49%	4.32%	62.93%	59.68%	4,258	1,397
August	71,360	87,187	11.85%	4.20%	50.63%	70.43%	5,229	2,580
September	60,431	62,189	12.06%	3.34%	63.95%	63.64%	4,798	1,323
Third Quarter	201,805	203,555	12.07%	3.97%	57.97%	65.60%	14,285	5,300
October	58,113	68,911	13.26%	3.89%	74.64%	68.82%	6,822	1,845
November	68,424	60,210	12.72%	2.84%	87.53%	73.10%	6,704	1,250
December	36,454	43,849	10.77%	2.87%	90.41%	80.08%	4,270	1,009
Fourth Quarter	162,991	172,970	12.44%	3.27%	82.69%	72.62%	17,796	4,104
2001								
January	76,526	66,702	12.95%	3.90%	80.22%	80.66%	6,929	2,098

Note: In some cases the tonnage processed and grades are higher than what had previously been stated. The revised numbers reflect improvements in sampling procedures and measurement techniques since the commencement of production at the Lisheen Mine.

Based on the successes to date, particularly regarding reduced water inflow rates and pressures, the joint venture partners are confident that the water reservoir effect has been significantly drawn down thereby allowing more aggressive underground mining and development. This improved performance should permit the mine to attain its target of full production capacity by mid 2001. At full production Lisheen will operate at the rate of 1.5 million tonnes of ore per annum to produce approximately 160,000 tonnes of contained zinc in concentrates.

Geological Resources

Throughout 2000 an in-fill drilling program was conducted from surface with the objective of enhancing the accuracy of the mineral resource. In addition to the in-fill drilling program a study to create a new mineral resource model was initiated in the third quarter 2000. This new model, "Lisheen/MinRed Y2000" replaces the updated feasibility mineral resource model, "MinRed 1996-97." Upon completion of the Lisheen/MinRed Y2000 estimate, Ivernia contracted Giroux Consultants Limited to independently evaluate the Lisheen/MinRed Y2000 mineral resource. The Giroux Consultants Limited resource study ("Giroux Y2001") employed a slightly different methodology and grade interpolation procedure, which yielded a zinc grade 0.4% higher than that of the Lisheen/MinRed Y2000 Study plus an additional 1.67 million tonnes of measured and indicated resource material. This would equate to an additional 304,960 tonnes of contained zinc (refer to the attachment to this release for additional information on the resources and reserves studies).

The revised Lisheen/MinRed Y2000 ore reserves have the effect of smoothing the reserve grade over the life of the mine. However, mined zinc grades during the past 13 months (refer to Summary of Monthly Production Figures, above) have exceeded the ore reserve grade suggested in the Lisheen/MinRed Y2000 study for all but two of the thirteen months. Throughout the thirteen month period lead grades have been consistently higher than plan. The Giroux Y2001 study methodology is currently being reviewed by the authors of the Lisheen/MinRed Y2000 study for potential application to the Lisheen Mine resource model. During 2001, a strong effort will be applied towards reconciling the Lisheen/MinRed Y2000 block model with mine production to determine the best methodology to predict resources and reserves for future production planning. At this time Lisheen Mine management has

chosen to use the mineral resource and ore reserve numbers from the Lisheen/MinRed Y2000 block model.

Adjustment to Carrying Value

In keeping with a conservative approach, Ivernia has decided to reduce the carrying value of its investment in the Lisheen Mine due to additional capitalised costs incurred in the delayed commissioning of the Lisheen Mine during 2000 and reflect changes to the life-of-mine plan. This adjustment, accounted for under Canadian GAAP rules, totals US\$25.0 million and will be reflected in the Company's December 31, 2000 financial statements.

With respect to the progress in stabilizing the mine's performance during 2000 and the revision to the mine's resources, reserves and carrying value, Ivernia's President and CEO David Hough remarked: "The past year has been a challenging period in Ivernia's history. We have worked closely with our partner Anglo American to ensure that the Lisheen Mine advances towards design performance in a quick, yet reasonable timeframe. During 2000, we saw a significant improvement in the ability of the Lisheen mine management and personnel to adapt to the challenges of the mine and improve its overall output and performance. Although it is still early in the ramp-up period following the second half 2000 stabilization program, we are encouraged by the production results to date and the significant reduction in water make in the ore body. We look forward to the mine's continued success towards attaining full production levels during the first half of this year."

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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.

Attachment

Resource Study

Throughout 2000 an in-fill drilling program was conducted from surface with the objective of enhancing the accuracy of the mineral resource. A total of 97 holes were completed prior to year end for a total of 19,488 metres. This brings the total number of resource definition drill holes drilled at Lisheen to the end of 2000 to 773, totalling 159,434 metres. An additional six holes were in progress at year end. During 2001 an additional 125 in-fill holes are planned to be drilled from surface.

A study to create a new mineral resource model was initiated in the third quarter 2000. This study began with a full review of the methodology used to generate the Minred 1996-97 study. This review determined that the Minred 1996-97 study was not supported by a geological model as: (i) it failed to accurately distinguish between the massive sulphide ore, the disseminated sulphides and waste, and (ii) the shape of the ore body derived from underground workings demonstrated that the two dimensional approach used to model certain portions of the ore body was inappropriate. As a result of these findings, a new mineral resource model was created under the following guidelines.

- A three-dimensional (3-D) block model of the entire deposit was created using separate 3-D geological models and sub-blocks to fit the geometry of zones of massive sulphide, disseminated sulphide and waste.
- One metre assay composites restricted by hard geological boundaries were used.
- Separate variogram analysis of massive sulphide and disseminated sulphide were conducted, with the data flattened to a two-dimensional (2-D) plane.
- Vulcan Tetra modelling technique was used to compensate for folding.
- Grade and specific gravity were interpolated by ordinary kriging.
- More stringent definitions for mineral resource classification following the Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code) were used.

The Giroux Y2001 study employed a slightly different methodology and grade interpolation procedures, including:

- Ordinary kriging was completed in three passes using search ellipses equal to one quarter, three quarters and twice the range of the semi-variograms, respectively.
- A minimum of 4 composites were required and a maximum of 12 were allowed within the search ellipse. This differs from the Lisheen/Minred Y2000 estimate that required 20 composites to estimate a block and allowed up to 50 within larger search ellipses.

Analysis was completed on massive sulphide and disseminated sulphide mineralization with estimated blocks being classified as measured, indicated or inferred based on their proximity to data points within the relative search ellipse. The following table summarizes the results of the, Minred 1996-97, Lisheen/Minred Y2000 and Giroux Y2001 studies.

Comparison of Resource / Reserve Studies

Classification	Minred 1996-97 ⁽¹⁾			Lisheen/Minred Y2000 ⁽²⁾			Giroux Y2001 ⁽³⁾		
	Tonnes (millions)	Zinc (%)	Lead (%)	Tonnes (millions)	Zinc (%)	Lead (%)	Tonnes (millions)	Zinc (%)	Lead (%)
Resources⁽⁴⁾									
Measured & Indicated	15.04	13.56	2.48	14.45	14.40	2.55	16.12	14.80	2.41
Reserves⁽⁴⁾									
Proven & Probable	13.44	13.34	2.43	15.38	11.76	2.05			

Note: (1) The Minred 1996-97 study employed a 4.5% Zn equivalent cutoff grade plus a dilution calculation to determine a "mineable resource" for feasibility mine planning purposes.

(2) The Lisheen/Minred Y2000 study is a global resource without having any cut off grade assigned.

(3) The Giroux Y2001 resource number is at a 6% cut off grade.

(4) The exact split between resource and reserve categories either does not exist or has not yet been determined.

Note:

In compliance with Canadian securities instrument, National Instrument 43-101 numerous geoscientists, geostatisticians and mining engineers were engaged in the study of the mineral resources and ore reserves as discussed in this press release, including those of Anglo American plc, the Lisheen Mine, Wade Stephenson - Technical Services Engineer and Giroux Consultants Limited. Numerous of these individuals meet the requirements to act as "Qualified Persons" as specified under the guidelines of National Instrument 43-101. All samples supporting these studies were analysed at either the Lisheen Mine's analytical laboratory or the analytical laboratory of Omac Laboratories, Ireland (member of the Alex Stewart laboratory group) following rigid sampling and analysis procedures. Samples undergo a regular quality assurance confirmation procedure consisting of frequent, random duplicate sample analysis performed at Omac Laboratories, Ireland.