



NEWS RELEASE

IVERNIA WEST PLC

**PRELIMINARY RESULTS ANNOUNCEMENT
For year ended 31 December 1999**

LISHEEN PROJECT

The commencement of concentrate shipments from the Lisheen Project in December 1999 was a defining moment in Ivernia's corporate history and marked its transition from an exploration company to a mining company and a significant producer of zinc and lead concentrates. It is a unique achievement for a small Irish exploration company to make this transition from discovery to production in a world class mine without diluting its 50% interest.

A total of 158,000 tonnes of ore was mined during the last four months of 1999. Ore production from commencement to end February amounted to 310,000 tonnes.

The build up to full production is increasing monthly as more areas of the mine are accessed. It is anticipated that full production will be achieved in the second half of the current year and that the project development will be completed within the US\$280.5 million budget.

There are currently 480 people employed on site in construction and operating activities. When the contractors have completed their work, however, the employment level will drop to approximately 300 people, which is the predicted long term employment level at the mine. Management has a stated policy of employing local people at Lisheen and ultimately between 80% and 90% of those employed will be from the locality.

MAGELLAN PROJECT

Ivernia's investment in the Magellan Project, near Wiluna, Western Australia is proceeding to plan and the feasibility study will be finalised shortly.

EXPLORATION ACTIVITIES

In Ireland an active exploration programme was carried out on all Ivernia's joint venture and individual licence holdings. Ivernia's international exploration and development activities have been considerably enhanced through exploration programmes in Australia and the USA.

In Australia the Company and its partner Polymetals Australia Pty Ltd had success when an initial exploration programme along strike from the Woodcutters lead/zinc mine, near Darwin, intersected significant lead and silver mineralisation. Follow-up exploration in this area will commence in the second quarter of this year.

In the USA the Company is accumulating a significant number of exploration leases in an area in western Kentucky where sizeable tonnages of fluorspar have been produced historically but where the

potential for zinc deposits has never been fully tested. An exploration programme will commence in this area in the near future.

FINANCIAL

The Group Operating Statement shows Ivernia's capital expenditure in 1999 of IR£45.4 million on additions to mine development, property, plant and equipment in the Lisheen Project. Development expenditure on the Magellan Project and other projects amounted to IR£1.35 million. Exploration expenditures in Ireland, Australia and the USA amounted to IR£0.54 million

Changes in accounting policies for exploration expenditure and general and administrative expenditures resulted in a net charge of IR£1.02 million and a corresponding net loss in the Group Profit and Loss Account in 1999.

The Group Balance Sheet at 31 December 1999 shows fixed assets of IR£110.6 million, of which IR£108 million relates to the Lisheen Project, and net current assets of IR£7 million which were funded by shareholders' funds of IR£52.7 million and long term borrowings of IR£64.9 million.

CORPORATE AFFAIRS

The Board is investigating the possibility of a primary listing for Ivernia's shares on the Toronto Stock Exchange, which is one of the world's leading stock exchanges for mining equities.

Copies of the Report and Financial Statements will be posted to shareholders on the register of members at 20th March 2000 and copies of the Preliminary Results Announcement are available to the public from the Company's registered office at Ivernia Hall, 97 Henry Street, Limerick.

ENDS

For Reference:

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Ivernia West plc
Group Operating Statement
for the year ended 31 December 1999

	1999 IR£	1998 IR£ [as restated]
	43,464,550	27,723,892
Development & acquisition expenditure	3,284,679	971,645
Interest expense	46,749,229	28,695,537
	=====	=====
Transferred to:	45,400,497	28,718,406
Investment in joint venture	1,348,732	(22,869)
Development expenditure	46,749,229	28,695,537
	=====	=====

Group Profit and Loss Account
for the year ended 31 December
1999

	1999 IR£	1998 IR£ [as restated]
Operating results	-	-
Exploration expenditure written-off	(542,506)	(352,870)
Investments write down	-	(59,608)
Operating expenses	(935,220)	(734,495)
Interest Income	461,845	1,210,675
(Loss)/profit for year attributable to ordinary shareholders	(1,015,881)	63,702
	=====	=====
(Loss)/profit per share – basic and fully diluted – pence	(0.98p)	0.06p
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Ivernia West plc
Group Balance Sheet at 31
December 1999

	1999 IR£	1998 IR£ [as restated]
Fixed Assets		
Investment in joint venture		
- Share of gross assets	114,684,067	57,049,960

- Share of gross liabilities	(6,597,105)	(5,708,718)
	108,086,962	51,341,242
Development expenditure	2,353,251	1,004,519
Tangible assets	39,703	67,148
Financial assets	95,399	95,399
	110,575,315	52,508,308
Current Assets		
Debtors: amounts falling due within one year	160,364	229,203
Cash at bank and in hand	9,110,992	21,549,731
	9,271,356	21,778,934
Creditors		
Amounts falling due within one year	(2,270,305)	(943,305)
Net Current Assets	7,001,051	20,835,629
Total Assets Less Current Liabilities	117,576,366	73,343,937
Creditors		
Amounts falling due after more than one year	(64,896,475)	(28,349,646)
Net Assets	52,679,891	44,994,291
	=====	=====
Capital and Reserves		
Called up share capital	10,380,780	10,340,780
Share premium	43,450,246	43,290,246
Foreign currency translation reserve	8,577,089	75,608
Profit and loss account	(9,728,224)	(8,712,343)
Equity Shareholders' Funds	52,679,891	44,994,291
	=====	=====

Ivernia West plc
Group Cash Flow Statement
for the year ended 31 December 1999

	1999	1998
	IR£	IR£
Cash (outflow) from operating activities	(45,031)	[as restated] (1,006,545)

Returns on Investments and Servicing of Finance		
Interest received	461,845	1,210,675
Bank interest paid	(2,332,717)	(349,875)
Finance lease interest paid	(703)	(-2,813)
	<u>(1,871,575)</u>	<u>857,987</u>
Capital Expenditure and Financial Investment		
Investment in joint venture	(45,911,522)	(27,892,519)
Deferred expenditure	(1,348,732)	22,869
Purchase of tangible fixed assets	(2,346)	-
	<u>(47,262,600)</u>	<u>(27,869,650)</u>
Cash (outflow) before financing	(49,179,206)	(28,018,208)
Financing		
New loans in year	36,546,829	28,349,646
Issue of share capital	200,000	-
Capital element of finance lease payments	(6,362)	(25,646)
	<u>36,740,467</u>	<u>28,324,000</u>
(Decrease)/Increase in Cash in the Year	(12,438,739)	305,792