



## Ivernia Announces Restructuring of Magellan Joint Venture Funding Arrangements

**TORONTO, Ontario, April 1, 2004:** Ivernia West Inc. (TSX: IVW) announced today that the Sentient Global Resources Fund (together with its affiliates, "Sentient"), Ivernia's joint venture partner in the Magellan lead project in Western Australia, has increased its interest in the Magellan project from 40% to 49% as anticipated. Sentient has exercised its option to convert US\$0.4 million aggregate principal amount of convertible notes of Magellan Metals Pty Ltd. ("Magellan Metals") held by Sentient into an additional 9% of the shares of Magellan Metals. Magellan Metals is the subsidiary of Ivernia that owns a 100% interest in the Magellan project. Ivernia holds the remaining 51% of the shares of Magellan Metals and is the operator of the project.

In connection with the conversion, the remaining US\$0.1 million aggregate principal amount of convertible notes of Magellan Metals held by Sentient, which were convertible under certain circumstances into an additional 2% of the shares of Magellan Metals, have been cancelled. The US\$0.1 million outstanding under these notes has been replaced with an equivalent amount of secured debt of Magellan Metals to Sentient.

Ivernia and Sentient have also agreed that all obligations of Ivernia and its subsidiaries under an interim funding arrangement (the "Cash Flow Note"), pursuant to which Sentient has advanced certain funds to Magellan Metals on Ivernia's behalf to finance the development of the Magellan project, will be repaid by Ivernia and the Cash Flow Note terminated with effect from March 31, 2004. Ivernia has deposited with Sentient approximately US\$4.1 million, representing the aggregate amount outstanding on the Cash Flow Note as of March 31, 2004 after giving retroactive effect to the increase in Sentient's equity interest in the Magellan project. The parties have committed to enter into definitive documentation providing for the repayment of the Cash Flow Note and amending the remaining agreements between Ivernia and Sentient accordingly. This documentation is to be entered into not later than June 30, 2004, failing which all of Sentient's rights arising out of the Cash Flow Note will be extinguished in any event on such date in consideration of the release of the US\$4.1 million deposit to Sentient. The definitive documentation will also terminate certain equitable mortgages held by Sentient over Ivernia's 51% equity interest in Magellan Metals, provided that these equitable mortgages will terminate with effect from March 31, 2004 in any event if such documentation is not entered into by June 30, 2004.

Commenting on today's news, Alan De'ath, President and CEO of Ivernia, said, "Our successful Cdn\$20 million private placement, which closed on March 25, has allowed us to simplify the Magellan funding arrangements with our joint venture partner, Sentient. We have now eliminated the US\$4.1 million high coupon Cash Flow Note and its associated

security over our Magellan shareholding. This debt represented Magellan funding that Sentient had provided on behalf of Ivernia over the past 9 months. Sentient had prior to this restructuring funded 100% of the Magellan project cash calls since early 2003. From this point forward, Ivernia now intends to fund from the remaining proceeds of the private placement its 51% share of future cash calls on the joint venture partners. The willingness of Sentient to make early conversion to a 49% stake in Magellan, waive their right to acquire a controlling interest in the project under certain circumstances, and also allow Ivernia to cancel the high coupon debt, demonstrates their confidence in the project and Ivernia as operator.”

Mr. De’ath continued, “Following the successful private placement and this important restructuring, Ivernia and Sentient are now focused on the final stages of the detailed discussions with two major international banks on the appropriate debt/equity structure and term sheets for the Magellan project construction and development. The independent technical engineers have delivered their report to the banks, and we are in the final stages of detailed negotiation with the three companies that tendered for the Magellan construction contract.”

Ivernia is an international base metals mining and exploration company whose principal asset is a 51% interest in the low-cost Magellan lead project in Western Australia. The project is expected to commence construction in the second quarter of 2004 and to be in production in the first quarter of 2005, initially producing approximately 70,000 tonnes per annum of lead in concentrates following the Phase 1 mine start-up, increasing to approximately 90,000 tonnes of lead metal per annum following completion of the proposed Phase 2 furnaces and refinery. Ivernia’s shares are traded on the TSX under the symbol IVW.

### Forward-Looking Information

*This document contains certain “forward-looking statements”. All statements, other than statements of historical fact, that address activities, events or developments that Ivernia 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 Ivernia based on information currently available to Ivernia. Forward-looking statements are subject to a number of risks and uncertainties, including those detailed from time to time in filings made by Ivernia with securities regulatory authorities, that may cause the actual results of Ivernia 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, Ivernia. Ivernia expressly disclaims any obligation to update or revise any such forward-looking statements.*

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