



NEWS RELEASE

IVERNIA TO INVEST IN AUSTRALIAN LEAD PROJECT

20th April 1999...The Board of Ivernia West plc is pleased to announce that the Company has agreed to invest in the Magellan Lead Project situated near Wiluna in Western Australia. The Magellan Lead resource, on which a pre-feasibility study has already been completed, is an unique base metal deposit which is flat lying, shallow, completely oxidised and virtually free of impurities. Although the resource remains open, an initial mineable tonnage of 8.2 million tonnes containing 7.75% lead has been defined. This is sufficient to establish a nine year mining operation.

Ivernia will initially invest A\$3 million for a 20% interest in the project. This will cover the costs of purchasing existing shares, funding additional infill and exploration drilling, completing a full feasibility study, securing planning approval and producing an information memorandum for the purposes of project financing. All the initial payments for its Megallan investment can be funded out of Ivernia's existing financial resources. Following the completion of a positive feasibility study Ivernia has the right but not the obligation to acquire up to a further 40% of the project.

The feasibility study, which is underway, will determine the level of bank debt that the project can sustain. The capital cost estimate in the prefeasibility study for the establishment of mining and concentration facilities is A\$22 million based on an average ore processing rate of 930,000 tonnes per annum. This rate of mining would result in 92,000 tonnes of concentrate containing the equivalent of 60,000 tonnes of lead metal being produced annually.

To date the Project has been managed by Polymetals Pty. Ltd., a company specialising in the development of medium sized ore resources. It is owned by David Sproule who was Ivernia's mine manager at its Double A gold deposit in 1989-90. Rupert Crowe, a former director of Ivernia, has also been heavily involved in Magellan. Both of these experienced consultants will continue to manage the Project throughout the feasibility study stage.

Due to the exceptionally high quality of the Magellan lead smelter feed it is anticipated that it will generate a substantial premium over the LME lead metal price in the market place. A memorandum of understanding has been signed with a major far eastern lead producer seeking to purchase all the project output under a long term contract.

Commenting on the Board's decision, David Hough, Ivernia's Managing Director said: "The investment in the Magellan Lead Project is an exciting and important step forward for the Company as it will broaden Ivernia's production portfolio and once developed will add significantly to the revenues of the Company. This project will compliment Ivernia's zinc and lead production from the Lisheen Mine which is scheduled to commence in the last quarter of the year".

ENDS

FOR REFERENCE:

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