



NEWS RELEASE

IVERNIA WEST PLC

IVERNIA WEST PLC PRELIMINARY RESULTS ANNOUNCEMENT

For the year ended December 31, 1998

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LISHEEN MINE PROJECT

26th April 1999...Significant progress was made during the year in the construction of the Lisheen Mine. By year end the initial civil works, site infrastructure, permanent magazine, tailings management facility, and part of the process plant building had been completed. The fresh air shaft had been sunk and concrete lined to a depth of 222 metres. The unanticipated difficulties encountered with a water feature in the path of the main access decline were successfully overcome.

In November Cork was selected as the port for the export of Lisheen's zinc and lead concentrates. Work is progressing on the construction of the storage and handling facility at Tivoli. Water discharge quality, air quality and noise levels at Lisheen are being monitored continuously to ensure compliance with the planning and integrated pollution control licence conditions.

A total of 460 people are currently employed in development and construction work on site, of which over 400 are Irish nationals. Staff recruitment for operating staff for the mine and process plant will commence in July 1999.

Lisheen is a world class zinc deposit in size, grade and quality with a mining reserve of 18.94 million tonnes grading 12.75% zinc and 2.18% lead. The potential to increase the mining reserve by utilising mining methods with enhanced extraction rates is being examined. The operating costs at Lisheen are being reviewed to ensure that these costs are competitive and in the lowest cost quartile worldwide. Currently the commercial fundamentals for zinc appear to be the best of all the base metals and smelter treatment charges are more favourable to concentrate producers. Sales agreements are in place for over 70% of the initial five years of production.

A major milestone in Ivernia's history will be achieved in the last quarter of 1999 when the production of concentrates from Lisheen is scheduled to commence. Over 250,000 tonnes of ore will be mined and 30,000 tonnes of concentrates will be shipped by year end.

EXPLORATION ACTIVITIES

Ivernia's exploration programme, under its joint venture agreements with Minorco and Rio Algom, progressed actively throughout the year and encouraging results were achieved. A successful programme was carried out on the Company's wholly owned Clogher Valley licences in Northern Ireland. The Company recently concluded an agreement with Celtic Resources plc in respect of the Ballinalack licences in Co. Westmeath.

FINANCIAL

The Group Operating Statement for the year to 31 December 1998 shows net expenditures of IR£27.8 million which are comprised of Ivernia's 50% share of the construction expenditures and bank interest on the Lisheen Project, expenditures on exploration activities and Ivernia's operating costs and interest income.

The Group fixed assets at 31 December 1998 amounted to IR£57.8 million and net current assets amounted to IR£20.8 million. These amounts were funded by shareholders' funds of IR£50.2 million and long term borrowings of IR£28.4 million.

Project expenditures on the Lisheen Mine in 1998 amounted to US\$87.5 million which were mainly funded from cash drawdowns by Ivernia and Minorco under the US\$173 million Project loan facility. Total Project expenditures since commencement amount to US\$140.4 million. The final estimated cost to complete the Project is now US\$280.5 million, which is an increase of US\$14.1 million on the previous estimate of US\$266.4 million.

Ivernia has put in place a loan facility of IR£5 million with AIB Bank, which, in addition to its own resources, will ensure that it has adequate funding to meet its 50% share of the above increase in Project costs as well as funding its exploration programmes, other investments and ongoing operating costs.

MAGELLAN PROJECT

Ivernia recently announced that it has agreed to invest in the Magellan Lead Project near Wiluna, Western Australia. The Magellan Lead resource is a unique base metal deposit which is flat lying, relatively shallow 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. Ivernia will initially invest A\$3 million for a 20% interest.

Copies of the Report and Accounts will be posted to shareholders on the register of members at 23rd April 1999 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.

GROUP OPERATING STATEMENT For the year ended 31 December 1998

1998	1997
12 Months	9 Months
IR£	IR£
	(as restated)

Development and exploration expenditure	27,262,918	8,747,115
General and administrative expenses	728,587	592,794
Interest expense and related costs	974,458	2,110
Interest income	(1,210,675)	(883,010)
Currency loss/(gain)	3,095	(16,786)
Convertible debt issue costs	-	675,000
	27,758,383	9,117,223
	=====	=====
Transferred to		
Investments in joint ventures	28,201,067	8,459,203
Group		
- Deferred expenditure	(442,684)	(16,980)
- Share premium	-	675,000
	27,758,383	9,117,223
	=====	=====

GROUP PROFIT AND LOSS ACCOUNT
For the year ended 31 December 1998

	1998 12 Months IR£	1997 9 Months IR£
Operating results	-	-
Exploration expenditure written off	(77,111)	-
Investment write down	(59,608)	(179,140)
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(Loss) for year attributable to ordinary shareholders	(136,719)	(179,140)
	=====	=====
(Loss) per share: basic and fully diluted – pence	(00.1p)	(00.2p)
	=====	=====

ENDS

FOR REFERENCE:

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