



News Release

IVERNIA WEST INC. ANNOUNCES DELAY IN FILING ANNUAL CONSOLIDATED FINANCIAL STATEMENTS AND US\$0.5 MILLION LOAN FROM ANGLO AMERICAN PLC; NEGOTIATIONS IN PROGRESS FOR SENTIENT FUNDING FOR MAGELLAN AND SALE OF LISHEEN INTEREST TO ANGLO

Toronto, Canada (May 20, 2003) – Ivernia West Inc. ("Ivernia" or the "Company") announced that it is delaying the filing of its audited annual consolidated financial statements for the year ended December 31, 2002, which were due to have been filed with Canadian securities regulators by today. The delay results from continuing negotiations to obtain financing for Ivernia. The outcome of the negotiations will impact the presentation of the Company's financial statements. Unless such additional financing is obtained, the Company will not be able to present its financial results on a going concern basis. Negotiations for convertible debt financing for Ivernia have been in progress since the second half of 2002 and are continuing. Ivernia intends to continue these negotiations and will monitor the situation during the next two weeks with a view to finalizing and filing its financial statements, together with management's discussion and analysis and the Company's annual information form (collectively, the "Disclosure Documents").

Until the Disclosure Documents are filed, Ivernia intends to satisfy the alternative disclosure requirements prescribed by Ontario Securities Commission Policy 57-603. That policy describes certain procedures to be followed where an issuer is delayed in filing its financial statements in a variety of circumstances, including those currently facing the Company.

Pursuant to the policy, each of Ivernia's directors and officers has voluntarily consented to a temporary "Management and Insider Cease Trade Order" which prohibits trading by them and certain other insiders in securities of the Company until the Company files its financial statements with securities regulators. In the event that these filings are not completed by July 20, 2003, a general cease trade order could follow under the policy.

Delay in Completing Offering of Convertible Notes and Warrants

In August 2002, the Company entered into an agreement with one of its major shareholders, Resources Investment Trust plc ("RIT"), whereby RIT committed to underwrite the issue of convertible notes and warrants of Ivernia to raise up to US\$1.95 million. The issuance of the shares resulting from conversion of the notes and exercise of the warrants was approved by Ivernia's shareholders in October 2002. The Company has delayed issuing any of the notes and warrants until the full

amount of the offering has been subscribed. The Company has received aggregate advance subscription proceeds of US\$1.05 million.

A further US\$0.90 million aggregate principal amount of notes and associated warrants remains unsubscribed. Ivernia has been working to place these remaining notes and warrants, and discussions with several potential purchasers have been pursued. Currently, the most likely subscriber is The Sentient Global Resources Fund ("Sentient"), a private resource equity fund based in the Cayman Islands. The Company and Sentient are working together in negotiations for a proposed purchase by Sentient of the unsubscribed notes and warrants. Under the parties' current timetable, advance proceeds of US\$0.90 million would be received by the Company on or before May 30, 2003. The closing of the purchase of the entire issue of convertible notes and warrants would follow. Although Ivernia has no reason to believe that the negotiations will not be concluded within the currently anticipated time frame, in light of the complexity of the negotiations as set out below, there can be no assurance of the result or that the timing will be as currently contemplated.

The negotiations with Sentient regarding its purchase of the remaining notes and warrants form part of a larger set of negotiations concerning a potential equity investment by Sentient in the Company's Magellan Project in Western Australia to permit the development of that property. These negotiations have been ongoing since 2002 and, while progress is being made, to date they have not resulted in definitive binding agreements between the parties with respect to the terms of such equity investment. Nonetheless, Ivernia's financial statements will refer to certain aspects of the negotiations to date between Sentient and Ivernia, and the current state of these negotiations is therefore summarized below.

Additional Background Information Concerning Magellan

In February 2003, the Company entered into non-binding heads of agreement with Sentient for Sentient to purchase a significant minority interest in Ivernia's subsidiary Magellan Metals Pty. Limited ("Magellan Metals") by making a series of payments during 2003 (the "Magellan Transaction"). Funds received by the Company or its subsidiaries under these arrangements would be used, among other things, to repay a US\$2.1 million twelve month interest free interim loan (the "First Sentient Loan") provided by Sentient to the Company's subsidiary Ivernia Australian Holdings Limited ("IAHL"). Under the terms of this proposed arrangement, the Company and Sentient would be responsible for funding Magellan Metals in proportion to their respective shareholdings with effect from January 1, 2003. In the event that the Company was not in a position to provide its share of any portion of the funding requirements, then Sentient was to provide a facility for such funding on behalf of the Company on terms to be set out in definitive agreements between the parties.

The arrangements envisaged by the heads of agreement are being renegotiated in connection with the proposed subscription by Sentient for Ivernia's remaining unsubscribed US\$0.90 million aggregate principal amount of convertible notes. Sentient has advised Ivernia that the successful renegotiation of the terms of these arrangements is a condition of its subscription for the notes.

Also in February 2003, IAHL entered into a loan agreement with Sentient and obtained the First Sentient Loan in the amount of US\$2.1 million. Of this amount, US\$2.08 million was applied in March 2003 to settle in full Ivornia's obligations in the amount of US\$2.85 million under the Company's standby facility with an Irish financial institution. The standby facility was originally established to meet the Company's share of certain funding requirements for the Lisheen Mine. At the time of repayment, the standby facility represented less than 4% of the Company's overall indebtedness associated with the Lisheen project.

As security for any advances made under the loan agreement, Sentient was granted an equitable share mortgage over Polymetals' 84.3% interest in Magellan Metals. Under the terms of the loan agreement, Sentient holds a call option over IAHL's 15.7% interest in Magellan Metals. In the event that no definitive agreements are executed with Sentient in respect of the Magellan Transaction by January 17, 2004, Sentient may either elect to exercise the call option on February 17, 2004 in full settlement of the outstanding loan amount, or instead seek repayment of the loan on or after such date. Pursuant to a March 2003 amendment to the loan agreement, Sentient has advanced by way of loan an additional US\$2.15 million (the "Second Sentient Loan") to Magellan Metals. Proceeds from the Second Sentient Loan are intended to fund feasibility study and detailed engineering work on the project, and were also applied in May 2003 by Magellan Metals to terminate an existing royalty on the project held by Renison Limited. Both the First and Second Sentient Loans remain outstanding.

Negotiations with respect to the Magellan Transaction are in progress. No definitive agreements have been entered into concerning the terms on which Sentient will purchase an equity interest in the Magellan Project.

Negotiations With Anglo Concerning the Lisheen Mine

As a result of high debt levels at the Lisheen Mine in Ireland and low cash flow from the mine due to depressed zinc metal prices, the Company has been engaged in protracted discussions with Anglo American plc ("Anglo"), Ivornia's joint venture partner in the mine, concerning the terms on which Ivornia would be prepared to exit the Lisheen joint venture. The Company has accepted in principle the concept of a purchase by Anglo, for an aggregate price of US\$1.8 million, of the Company's subsidiary Ivornia West Limited ("IWL") and its other subsidiaries holding the Company's 50% participating interest in the Lisheen Mine, and the assumption by Anglo of all Ivornia's related debt obligations including outstanding project loans to Ivornia Lisheen Finance Limited in the amount of US\$73.19 million plus accrued interest (the "Lisheen Sale"). No definitive binding agreements have been entered into with respect to the Lisheen Sale, and any such sale would be subject, among other things, to obtaining all required regulatory and shareholder approvals. According to the parties' current timetable for negotiations, definitive agreements could be finalised during the second quarter of 2003 and could be submitted for Ivornia shareholder approval in August 2003, but in light of the complexity and length of the negotiations to date, there can be no assurance that this timetable will be achieved.

In order to provide Ivornia with necessary short term funding, pursuant to an agreement dated May 16, 2003, Anglo has provided to the Company through IWL a

short term interest free loan (the "Anglo Loan") in the amount of US\$500,000. This amount represents an advance by Anglo against the aggregate purchase price for IWL, but will be repayable on demand if, among other things, definitive agreements for the Lisheen Sale are not signed on or before June 30, 2003. A further advance of US\$250,000 may be drawn by Ivernia upon the satisfaction of certain conditions relating to the Lisheen Sale and the granting by the Company to Anglo of security over all of the shares of IWL.

Before the closing of the Lisheen Sale, it is anticipated that the Company will reorganize its subsidiaries so that, on closing, the only subsidiaries which are owned directly by IWL before being acquired by Anglo will be those which are connected with the Lisheen joint venture. None of Magellan Metals, Polymetals or IAHL will be included in the Lisheen Sale.

Anglo is considered an interested party of Ivernia for purposes of Ontario securities laws in connection with the Anglo Loan, which was approved unanimously by Ivernia's board of directors. Since February 2003, Anglo has also effectively become the lender under the Ivernia Lisheen project and the holder of the related security since, at such time, the Lisheen project lenders transferred all of the outstanding project loans of both Ivernia and Anglo to a single financial institution, and a subsidiary of Anglo entered into a sub-participation agreement with such financial institution.

Approximately US\$400,000 of the proceeds from the Anglo Loan and the issuance of the remaining unsubscribed convertible notes and warrants will be applied by Ivernia to pay existing obligations to its creditors, including amounts owed to certain of its legal and accounting service providers for work done in connection with the Company's negotiations to date with Sentient and Anglo. In addition, Ivernia may in the short term be required to pay compensation of C\$300,000 to a financial adviser for services provided in connection with the Sentient and Anglo negotiations, and an additional C\$100,000 would be payable upon the conclusion of the Lisheen Sale. The payments to Ivernia's financial adviser may be made, at the Company's option, in cash or, subject to regulatory approval, in common shares of Ivernia valued at the greater of C\$0.10 per share and the prevailing market price.

Annual Shareholders Meeting

If definitive agreements with respect to the Lisheen Sale are entered into on the current timetable, Ivernia anticipates that regulatory requirements or other considerations will cause Ivernia to seek shareholder approval of the Lisheen Sale prior to the end of August 2003. The Company's plan is to hold its annual meeting in August so that all matters requiring shareholder approval can be dealt with at such time.

Ivernia West Inc. is a Canadian-based international base metals mining and exploration company whose common shares are traded on The Toronto Stock Exchange under the symbol "IVW". Ivernia's principal assets include a 95.8% interest in the Magellan lead project in Western Australia, a 50% participating interest with partner Anglo American plc in a joint venture which owns and operates the Lisheen zinc/lead mine in the Republic of Ireland, and interests in a number of exploration properties in Ireland, Australia and the United States.

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This news release 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 that may cause the actual results of Ivernia to differ materially from those discussed in the forward-looking statements, and even if realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, Ivernia. including those detailed from time to time in filings made by Ivernia with securities regulatory authorities, and Ivernia expressly disclaims any obligation to update or revise any such forward-looking statements.