



NEWS RELEASE

IVERNIA WEST INC. REPORTS FIRST QUARTER 2001 RESULTS

(All dollar amounts are in United States dollars)

Overview

- Record mine production achieved during the month of March at the Lisheen Mine, Ireland; production during the entire first quarter averaged 9% above plan.
- Commercial production for reporting purposes commenced at Lisheen Mine effective January 1, 2001.
- New, expanded conventional zinc circuit cleaner cells, designed to increase zinc recoveries at the Lisheen Mine arrived on site in May and are being installed in the concentrator plant for operation in late June.
- Final feasibility study completed at Magellan Project, Western Australia; financing to develop the Project is being sought.

TORONTO, CANADA and DUBLIN, IRELAND (May 23, 2001) – Ivernia West Inc. ("Ivernia," the "Company") today reported its operating results for the first quarter ended March 31, 2001.

Effective January 1, 2001 the Company began reporting operating results for the Lisheen Mine, Ireland in which it has a 50% interest with partner Anglo American plc. ("Anglo"). The operating loss for the first quarter 2001 totaled \$2.9 million and compares with an operating loss of nil for the first quarter of 2000.

The Company reported a net loss (after general and administrative, exploration, reorganization and net financing and foreign exchange charges/income) of \$5.6 million or \$0.05 per share for the quarter ended March 31, 2001, compared with a net loss of \$2.6 million or \$0.02 per share for the first quarter of 2000.

The primary reasons for the increase in the net loss during the first quarter of 2001 compared to the same quarter in 2000 were initial operating losses from the Lisheen Mine and an increase in net financial charges expensed during the quarter, partially offset by reduced foreign exchange losses, reduced exploration expenses and no further charges associated with the corporate reorganization and redomiciling of the Company to Canada (the "Reorganization"). Commercial production for reporting purposes commenced at the Lisheen Mine on January 1, 2001. Interest charges prior to the commencement of commercial production at Lisheen were capitalized. The Reorganization included the redomiciling of the Company to Canada and the listing of Ivernia's common shares on The Toronto Stock Exchange and on the Exploration Securities Market of the Irish Stock Exchange. Reorganization and redomiciling expenses were non-recurring in nature and were for professional fees and costs associated with the Reorganization.

Operating results during the first quarter 2001 at the Lisheen Mine were adversely affected by low metal prices and costs associated with the ramp-up in production at the Mine. Operating results at the Mine are highly levered to changes in the price of zinc. It is estimated that during 2001, a \$0.10 change in the price per pound of zinc would result in an approximate \$9 million change in the Company's operating income. The Lisheen Mine is expected to attain design levels of production by mid 2001 at an average production rate of 1.5 million tonnes per annum.

At March 31, 2001 Ivernia West Inc. had 117,466,126 common shares issued and outstanding, as well as outstanding options for a further 7,535,000 common shares of which 3,685,000 were exercisable at March 31, 2001.

Cash utilized in investing activities during the first quarter of 2001 was \$3.1 million (of which \$2.8 million related to the Lisheen Mine and \$0.3 million related to the Magellan Project), compared to \$5.9 million (of which \$5.6 million related to the Lisheen Mine and \$0.3 million related to the Magellan Project) in the same period of 2000.

Cash generated from financing activities during the first quarter of 2001 was \$7.5 million compared to \$1.5 million in the same period of 2000. In November 2000, Ivernia finalised arrangements with Anglo to provide for the funding of certain overrun contributions for the Lisheen Mine (the "Anglo Funding Agreement") as permitted under the terms of the Lisheen Joint Venture agreements. In March 2001, Anglo proposed an amendment to the terms of the Anglo Funding Agreement providing for the funding of the Company's 50% share of certain overrun and other contributions for the Lisheen Mine. Under the proposal, the date by which Ivernia must elect to resume funding of certain overrun and other contributions or be potentially subject to applicable penalty provisions under the Lisheen Joint Venture agreements will be extended to September 30, 2001. Ivernia has agreed to Anglo's proposal, which is subject to the execution of a definitive amending agreement. As at March 31, 2001, \$12 million had been funded by Anglo under the Anglo Funding Agreement.

As at March 31, 2001 Ivernia had a working capital deficiency of \$8.8 million compared to a working capital deficiency of \$9.4 million as at December 31, 2000. The principal reasons for the working capital deficiency are the amounts owing as current portions of debt and the working capital facility in addition to trade related payables associated with the development of the Lisheen Mine.

Ivernia has appointed a financial advisor and is exploring a number of financial options which could enhance the Company's ability to retain its valuable 50% interest in the Lisheen Mine and benefit from its future cash flow generating potential.

METAL PRICES, CURRENCIES AND INTEREST RATES

In addition to the normal operating and geological risks associated with mining activities, Ivernia's profitability is largely dependent on metal prices, smelter treatment charges, foreign exchange rates, interest rates and its interest in the Lisheen Mine.

Metal Prices and Smelter Treatment Charges

Over 70% of the estimated zinc and lead concentrate production from the Lisheen Mine through to 2003 is sold under concentrate sales agreements which ensure that a substantial portion of the production in the initial years is pre-placed. These sales agreements are in place with a number of major European and North American smelters with sales prices and smelter treatment charges determined by prevailing market conditions. No metal price hedges have been put in place.

Prices for the metals produced by the Company as reported by the London Metal Exchange (LME) for the first quarter 2001 compared with the same quarter of 2000 were as follows:

Average LME Prices	Three months ended March 31,	
	2001	2000
Zinc \$/lb	0.46	0.51
Lead \$/lb	0.22	0.21
Silver \$/oz	4.54	5.17

Foreign Exchange Rates

Substantially all operating costs incurred by Ivernia in connection with the Lisheen Mine are denominated in Irish pounds or Euros, while its revenues are earned in US dollars. Accordingly, changes in exchange rates between the Irish pounds and the US dollar will affect Ivernia's operating income. In order to reduce its exposure to currency fluctuations, Ivernia has hedged a portion of its Irish pound exposure against currency fluctuations. As at March 31, 2001 Ivernia has forward foreign exchange contracts to sell \$22.63 million during 2001-2003 at an average rate of IR £1.00 to US \$1.35.

Interest Rates

Ivernia's Project Loan for the Lisheen Mine of \$86.5 million bears interest at US dollar LIBOR plus 1% per annum. Ivernia currently hedges a portion of its exposure to variations in interest rates by the use of interest rate swaps. As at March 31, 2001, Ivernia had entered into interest rate swaps on \$47.0 million, or 54% of the Lisheen Mine Project Loan, for an average period of 2 years at rates, including margin, ranging from 6.6% to 7.5% per annum. Interest on the IR£5 million Standby Facility is payable at the rate of 2.0% per annum (which may be increased to 2.5% per annum in certain circumstances) over the cost of funds to the lender on the relevant interbank market.

OPERATIONS REVIEW

Lisheen Mine (Ivernia – 50% interest)

Performance at the Lisheen Mine improved significantly during the quarter compared to the same quarter 2000. During Q1 2001, mine production was 9% above plan with record production for the quarter and record mine production in excess of 100,000 tonnes during the month of March. Production during the month of March was approximately 86% of design capacity. Improved performance was the result of remedial activities implemented at the mine during the fourth quarter 2000 to improve mine production and plant throughput and recoveries. Operating results for the first three months of 2001, the first quarter ended March 31, 2001 and first quarter ended March 31, 2000 were as follows:

Lisheen Mine Production Summary

			2001			2000
	Apr	Q1	Mar	Feb	Jan	Q1
Tonnes Mined	92,564	274,100	107,368	90,206	76,526	223,975
Tonnes Milled	102,006	259,363	104,199	88,462	66,702	205,901
Grade - Zn	11.56%	12.57%	12.43%	12.44%	12.95%	11.51%
Grade - Pb	2.18%	3.27%	2.55%	3.65%	3.90%	5.17%
Recoveries - Zn	79.62%	77.55%	80.67%	71.80%	80.22%	66.30%
Recoveries - Pb	70.64%	75.13%	69.30%	75.47%	80.66%	72.51%
Concentrate - Zn	17,360	47,852	19,848	14,963	13,041	28,635
Concentrate - Pb	2,450	9,960	2,848	3,794	3,318	11,735
Concentrate Grade - Zn	54.08%	52.82%	52.64%	52.80%	53.13%	54.67%
Concentrate Grade - Pb	64.12%	64.05%	64.75%	64.23%	63.23%	65.82%
Recoverable Zn	9,389	25,277	10,448	7,900	6,929	15,653
Recoverable Pb	1,571	6,379	1,844	2,437	2,098	7,724

Concentrate production totaled 47,800 dry tonnes of zinc concentrates and 10,000 dry tonnes of lead concentrates. A total of 43,800 dry tonnes of zinc concentrates and 8,300 dry tonnes of lead concentrates were shipped during the quarter and net smelter revenues from these shipments totaled \$12.51 million. The average realized price for zinc and lead were \$0.45/lb and \$0.21/lb, respectively during the quarter.

Mine production during April 2001 totaled 92,564 tonnes or 2% above plan. The April 2001 production number is lower than that of March 2001 due to a scheduled maintenance stop which included the rerouting of some of the water lines from the decline ramp to the fresh air shaft. Mill production during April 2001 totaled 102,006 tonnes or 12% above plan.

The new and expanded conventional style zinc circuit cleaner cells arrived on site in early May and have been assembled and are in the process of being hoisted and erected onto the steel structures of the mill building. Once in place piping, pumps and electrical motors and services will be connected. It is expected that the cells will be in operation prior to the end of the second quarter. Once operational it is envisioned that zinc recoveries will increase significantly approaching design levels during the second half of the year.

Magellan Project (Ivernia – 91.6% interest)

As earlier reported, in February 2001 the final feasibility study ("FFS") for the development of the Magellan lead deposit near Wiluna, Western Australia was completed. This comprehensive study illustrated that the project will deliver a robust 57% after tax rate of return at a \$525 per tonne lead price and assuming a 70:30 debt to equity ratio and \$26.1 million in capital development costs.

Proven and probable reserves at the Magellan Project total 8.5 million tonnes grading 7.12% lead. Excellent exploration potential exists for expanding this reserve in a number of satellite pits proximal to the currently planned mine site. Once in production, approximately one million tonnes per annum of oxidized lead ore will be extracted via an open pit during an approximate nine-year mine life. Ore will be processed on-site through a process of conventional milling and flotation concentration with lead recoveries expected to average approximately 85% to produce a concentrate grading approximately 70% lead. The concentrate will undergo on-site batch refining to produce approximately 55,000 tonnes per annum of marketable lead metal of about 99.97% purity. Operating costs, including mining, processing, refining, transport, royalties and overhead charges are estimated to be US\$329 per tonne of marketable lead metal. Based on a 7.5% discount rate, the Magellan Project has an after tax (assuming a 30% corporate tax rate) net present value of US\$17.4 million.

Ivernia holds a 91.6% direct and indirect equity interest in the Magellan Project with currently exercisable options to increase such interest to 100%. A total of \$0.3 million was spent on the project during the first quarter 2001 to install the recently acquired Peak Hill Mine camp facilities at the Magellan Project camp site and further advance the project towards development. The Company is currently seeking financing to develop the project.

EXPLORATION AND DEVELOPMENT

Early stage exploration activities (mapping, sampling, geochemical analysis plus some minor lithological and anomaly drilling) continued during the quarter on the Company's various joint venture and independently held exploration concessions in Ireland, Australia and the USA. Activities funded by the Company have been reduced in light of the weak metal prices and the focus on the successful ramp-up of the Lisheen Mine. It is planned that Company funded exploration activities will increase once metal prices strengthen and the Company's cash flow situation improves.

Certain statements included in this press release constitute forward looking statements which involve known and unknown risks, uncertainties and other factors that may cause the actual results of the

Company to be materially different from future results expressed or implied by those forward looking statements.

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**IVERNIA WEST
INC.**

CONSOLIDATED STATEMENTS OF INCOME AND DEFICIT

(in thousands of United States dollars, except per share amounts)

	Three month period ended March 31,	
	2001	2000
	\$	\$
	(unaudited)	(unaudited)
Revenue	12,903	-
Mine operating costs		
Cost of sales	13,764	-
Depreciation and amortisation	2,039	-
	15,803	-
Loss from mining operations	(2,900)	-
Other expenses (income)		
General and administrative	425	405
Reorganization and redomiciling costs	-	558
Foreign exchange loss	230	1,372
Exploration	112	286
Interest expense	2,071	-
Interest income	(98)	(64)
	2,740	2,557
Loss for the period	(5,640)	(2,557)
Deficit – Beginning of period	(42,571)	(11,889)
Deficit – End of period	(48,211)	(14,446)
Loss per share Weighted	(0.05)	(0.02)

average number of Common shares outstanding (000s)	117,466	103,414
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IVERNIA WEST INC.
CONSOLIDATED BALANCE SHEET
(in thousands of United States dollars)

	March 31, 2001 \$ (unaudited)	December 31, 2000 \$
Assets		
Current assets		
Cash and cash equivalents	9,017	10,096
Accounts receivable	2,433	2,824
Inventories	3,729	2,839
Other current assets	444	441
	15,623	16,200
Investments	64	64
Property, plant and equipment	139,484	138,341
Restricted cash and cash equivalents	1,836	1,676
Deferred charges	1,113	1,481
	158,120	157,762
Liabilities		
Current liabilities		
Working capital facility	3,750	3,750
Current portion of long term debt	7,768	7,847
Accounts payable and accrued liabilities	12,857	14,021
	24,375	25,618
Long-term debt	96,302	89,117
Reclamation and mine closure costs	330	274
Minority interest	497	497
	121,504	115,506
Shareholders' Equity		
Share capital	78,019	78,019
Deficit	(48,211)	(42,571)
Cumulative translation adjustments	6,808	6,808
	36,616	42,256
	158,120	157,762

IVERNIA WEST INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands of United States dollars)

	Three month period ended March 31, 2001 \$	2000 \$
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	(unaudited)	(unaudited)
Cash provided by (used in)		
Operating activities		
Loss for the period	(5,640)	(2,557)
Non-cash items:		
Depreciation and amortisation	2,039	11
Other	(16)	-
Changes in non-cash working capital		
Accounts receivable, inventories and other current assets	(534)	223
Accounts payable and accrued liabilities	(1,213)	(458)
Change in restricted cash and cash equivalents	(160)	(435)
	(5,524)	(3,216)
Investing activities		
Additions to property, plant and equipment	(3,064)	(5,934)
	(3,064)	(5,934)
Financing activities		
Long-term debt raised	7,500	1,521
	7,500	1,521
Effect of exchange rate changes on cash equivalents	9	(69)
Net decrease in cash and cash equivalents	(1,079)	(7,698)
Cash and cash equivalents – Beginning of period	10,096	14,927
Cash and cash equivalents – End of period	9,017	7,229

IVERNIA WEST INC.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month periods ended March 31, 2001 and 2000

(in thousands of United States dollars, except number of shares and per share amount)

(unaudited)

1. Significant accounting policies

The interim consolidated financial statements of Ivernia West Inc. and its subsidiaries (the "Company") have been prepared in accordance with Canadian generally accepted accounting principles, using the same accounting policies as those disclosed in notes 1 and 3 to the Company's audited consolidated financial statements for the year ended December 31, 2000 except for earnings per share. Effective January 1, 2001, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants with respect to interim financial reporting and earnings per share. The new recommendations have been applied on a retroactive basis. The adoption of these recommendations had no significant impact.

These interim consolidated financial statements should be read in conjunction with the Company's

audited annual consolidated financial statements included in the Company's Annual Report for the year 2000.

2. Lisheen joint venture

The Lisheen Mine commenced commercial production for reporting purposes on January 1, 2001.

3. Anglo funding agreement

Refer to note 9(c) to the Financial Statements in the Company's Annual Report for the year 2000.

In March 2001, Anglo proposed an amendment to the terms of the Anglo Funding Agreement providing for the funding of the Company's 50% share of certain overrun contributions and other contributions for the Lisheen Mine. Under the proposal, the date by which the Company must elect to resume funding of certain overrun contributions and other contributions or be potentially subject to applicable penalty provisions under the Lisheen Joint Venture agreement will be extended to September 30, 2001. The Company has agreed to Anglo's proposal, which is subject to the execution of a definitive amending agreement. As at March 31, 2001, \$12 million had been funded by Anglo under the Anglo Funding Agreement (December 31, 2000 - \$4.5 million).

4. Share capital

The number of common shares outstanding at March 31, 2001 and December 31, 2000 was 117,466,126.

At March 31, 2001 there were outstanding options to purchase 7,535,000 common shares of the Company, of which 3,685,000 were exercisable at that date.