



IVERNIA WEST INC. REPORTS FIRST QUARTER 2002 RESULTS

(All dollar amounts are in United States dollars)

Overview

- The Company reported a net loss of \$1.4 million or \$0.01 per share for the quarter ended March 31, 2002.
- During the quarter production at the Lisheen Mine continued at design levels.
- During the quarter the Magellan project was partially redesigned to allow for expanded production.
- In January 2002 the Company exercised a primary call option to increase its direct and indirect equity interest in the Magellan Project and surrounding tenements from 91.6% to 95.8%.
- During January and February 2002 the Company completed a private placement of 27,044,910 million units, each consisting of one common share and one-third of a common share purchase warrant, for an aggregate purchase price of C\$3.79 million (\$2.37 million).
- The zinc metal price on the LME continued to trade at historical lows during the quarter.

TORONTO, CANADA (May 29, 2002) – Ivernia West Inc. (“Ivernia,” the “Company”) today reported its unaudited operating results for the first quarter ended March 31, 2002.

The Company reported a net loss of \$1.4 million or \$0.01 per share for the quarter compared with a loss of \$5.6 million or \$0.05 per share for the first quarter of 2001.

The primary reasons for the reduced net loss during the first quarter of 2002 compared to the same period in 2001 were a reduction in interest charges expensed during the period due to lower interest rates and reduced debt, reduced G&A costs and reduced foreign exchange losses. First quarter 2001 also included Ivernia’s share of the initial Lisheen losses from mining operations.

Net cash generated from investing activities during the first quarter of 2002 was \$572,000 of which a receipt for \$1.6 million related to a repayment of shareholder and partner loans by the Lisheen Joint Venture. This repayment was funded by Anglo under the terms of the Anglo Funding Agreement to enable Ivernia to place \$1.0 million with the Project Bonds issuing financial institution in accordance with the terms of the Project Bond plus pay interest due during the quarter of \$577,000. An amount of \$1.05 million related to the Magellan Project, being project expenditures (\$157,000) and the consideration paid on exercise of the primary call option in the period (\$894,000). This compared to cash utilized of \$3.1 million in the same period of 2001.

Net cash generated from financing activities during the first quarter of 2002 was \$1.2 million compared to net cash generated of \$7.5 million in the same period of 2001. The \$1.2 million

generated in financing activities was in respect of the cash proceeds from the Private Placement during the quarter.

As at March 31, 2002 Ivernia had a working capital deficiency of \$13.4 million compared to a working capital deficiency of \$13.6 million as at December 31, 2001. The current portion of long term debt plus accrued interest in respect of the Lisheen project loan represents \$14.3 million of a working capital deficiency at March 31, 2002 which is scheduled to be paid under the terms of the Anglo funding agreement.

During January and February 2002, the Company completed a private placement of 27,044,910 units each consisting of one common share and one-third of a common share purchase warrant, for an aggregate purchase price of C\$3.79 million (refer to note 6(i) to the Consolidated Financial Statements).

In January 2002 the Company exercised a primary call option to increase its direct and indirect equity interest in the Magellan Project and the surrounding tenements (including the Cano Prospect) from 91.6% to 95.8%. Payment for the exercise of this option was made during February 2002 and included A\$1.76 million and the issuance of 1.4 million Ivernia shares, as part of the above mentioned Private Placement. The Company has given notice of exercise of a secondary call option whereby it intends to increase its direct and indirect equity interest in the Magellan Project to 100% following the payment of a further A\$2.0 million in 2003. The former controlling shareholders of the Magellan project no longer have the right to clawback a 40% interest in the project.

METAL PRICES

London Metal Exchange (LME) prices for zinc and lead metals produced by the Lisheen Mine for the first quarter of 2002 compared with the same period in 2001 were as follows:

Average LME Prices	Three months ended March 31,	
	2001	2000
Zinc \$/lb	0.36	0.46
Lead \$/lb	0.22	0.22

During the quarter the price of zinc, the Lisheen Mine's primary metal, continued to trade at historical lows. The decline in LME zinc metal prices during the past year has resulted in operating losses for many of the world's zinc mining companies. Conversely, due to the weakness in the metal prices, negotiations on zinc concentrate treatment and refining charges for the coming year have been settled at rates of between US\$20 - \$30 per tonne below the rates charged last year. The decline in zinc smelter treatment and refining charges partially offsets the reduction in the net smelter return received by zinc mining companies due to the weakness in the zinc price.

OPERATIONS REVIEW

Lisheen Mine, Ireland (Ivornia – 50% equity interest)

During the first quarter 2002 production at the Lisheen Mine maintained the levels achieved during the fourth quarter of 2001. Preparation work commenced during the quarter for the physical test period for financial completion on the Project Loan.

During the first quarter the Lisheen Mine continued its focus on accelerated development mining to open up available reserves for future mining. Developed ore ahead of current mining increased from approximately 800,000 tonnes at end December 2001 to 1.14 million tonnes by end March 2002 and further increased to approximately 1.18 million tonnes by the end of April 2002. The mine is targeting to increase this to 1.5 million tonnes during the remainder of 2002, giving 12 months of developed reserves available for mining. This accelerated advance development, particularly of long term main haulage routes, resulted in excessive dilution during the fourth quarter 2001 and first quarter 2002.

The milling rate during the quarter was marginally above the design annualized rate but with the reduced head grade from the accelerated development mentioned above the actual metal production was marginally below the planned levels. The recovery levels were some 5% below the planned number which was principally due to the effect of the lower head grades and some process interruptions and control problems within the milling circuits.

Concentrate grades were generally at the planned levels and all production was sold at favourable terms including a significant reduction on base treatment terms which was in line with general market conditions.

In April 2002 additional costs were incurred as the result of rescheduling a major plant maintenance shut down to service the feeders in the coarse ore stockpile.

Operating results for the three month period ended March 31, 2002 compared to the corresponding period in 2001 and for April 2002 were as follows:

Lisheen Mine Production Summary

	2002 April	2002 Q1	2001 Q1
Tonnes Mined	121,208	383,036	274,100
Tonnes Milled	125,146	376,823	259,363
Grade – Zn	10.14%	9.94%	12.57%
Grade – Pb	2.15%	1.59%	3.27%
Recoveries – Zn	88.13%	85.83%	77.55%
Recoveries – Pb	70.80%	66.24%	75.13%
Concentrate – Zn	20,730	59,342	47,852
Concentrate- Pb	3,049	6,515	9,960
Concentrate Grade – Zn	53.96%	54.18%	52.82%
Concentrate Grade – Pb	62.58%	60.84%	64.05%
Recovered Zn	11,185	32,149	25,277
Recovered Pb	1,908	3,964	6,379
Cash Production Cost ⁽¹⁾	\$0.41	\$0.38	n/a

(1) US\$ per pound payable zinc sold including smelter charges.

Magellan Project, Western Australia (Ivornia – 95.8% equity interest)

Following the previously reported increased resources, a partial redesign of the mining and process facilities was completed during the quarter to optimize the use of already purchased equipment to effect an increased throughput. An alternative furnace supplier was contacted and

along with a revised quotation which will be completed in the second quarter, this company is able to offer some process based guarantees which should assist in the financing of the project.

Exploration drilling work was advanced on the Drake prospect and detailed results will be available in the 2nd quarter. A total of 14 holes to relatively wide spacing of between 100 and 200 metres were drilled and 9 of these intercepted ore grade mineralisation.

A total of \$157,000 was spent on the project during the first quarter 2002 to further advance the project towards development.

The Company increased its interest in the Magellan Project from 91.6% to 95.8% during the quarter.

EXPLORATION AND DEVELOPMENT

Exploration activities funded by the Company have been significantly reduced in light of weak metal prices, with the focus being on improving the performance of the Lisheen Mine and the financing and development of the Magellan Project.

ANNUAL GENERAL MEETING

The Company will hold its annual general meeting on Thursday, May 30, 2002 at the National Club, Toronto, Canada at 11:00 a.m. Eastern Standard Time.

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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