

Ivernia Announces Financing and Development
of the Magellan High-Grade Lead Project

Highlights

- Partners approve commencement of Magellan development
- Phase 1 fully financed with up to US\$26.6 million of new partner loans
 - Ivernia to provide initial funding of US\$11 million from cash balances
 - Sentient to provide initial funding of US\$10.6 million
 - Ivernia and Sentient to provide up to US\$5 million additional contingency funding, initially underwritten by Sentient
- Pechiney World Trade appointed exclusive sales agent
 - Providing US\$10 million inventory/trade financing
- Department of Environment works approval received
- Construction contract being finalised
 - Work to commence later this quarter

Toronto, Ontario, May 5, 2004: Ivernia West Inc. (TSX: IVW) today announced the decision, together with joint venture partner Sentient Global Resources Fund, to commence the development of the Magellan lead project in Western Australia. The joint venture partners have committed up to US\$26.6 million of new funding to Phase 1 of the project. This funding will cover the remaining estimated capital expenditures of A\$25.9 million (US\$18.6 million) and startup costs estimated at A\$7.5 million (US\$5.4 million). Working capital for lead concentrate inventory and shipments will be funded through an inventory/trade financing facility of up to US\$10 million, which has been provided by Pechiney World Trade as part of a new exclusive sales agency agreement for Magellan's lead concentrates.

Ivernia is the joint venture operating partner with a 51% equity interest in the high-grade, low-cost Magellan lead project. Magellan is being developed in two phases. Phase 1, involving an open pit mining operation, a processing plant, tailings storage and other mine facilities, will commence construction this quarter with production scheduled for the first quarter of 2005. During Phase 1 Magellan is expected to build up production to an annual rate of 70,000 tonnes of payable lead in concentrates. Following the Phase 2 refinery construction and startup, expected in mid 2006, production will be increased during 2007 to an annual rate of 90,000 tonnes of lead metal.

Phase 1 is being fully financed by loans which are being provided by the joint venture partners. Phase 2 is expected to be financed from a combination of partner loans, project debt and operating cash flow.

Finance Raised by Ivernia to Develop Magellan

As previously announced, on March 25 Ivernia closed a C\$20 million (US\$14.6 million) private placement of common shares and common share purchase warrants. Immediately prior to closing the private placement Ivernia held corporate cash balances of US\$3.8 million. On April 1 Ivernia announced that it had used part of the private placement proceeds to deposit with Sentient US\$4.1 million on March 31, 2004 representing the total amount outstanding on an interim funding facility provided to Ivernia by Sentient .

Under this new agreement with Sentient, Ivernia has initially committed a further US\$11 million of new funding to Magellan's total financing. This will leave Ivernia with approximately US\$2 million for corporate treasury purposes after settlement of all the expenses and commissions of the private placement.

If fully exercised by the March 25, 2006 expiry date, the outstanding warrants issued to purchasers and broker compensation warrants issued to Ivernia's agents as part of the private placement will increase Ivernia's treasury by C\$11.8 million (US\$8.6 million).

Partners Agree Financing Package for Magellan Development

Ivernia and Sentient have agreed to fund the construction and development of the Magellan project by up to a further US\$26.6 million of new partner loans ("Progress Loans") in addition to the US\$7.2 million of Progress Loans already provided for work done to date.

The funding is intended to finance the remaining estimated capital expenditure program of A\$25.9 million (US\$18.6 million) and the startup costs, including initial mining, project commissioning and production build-up, estimated at A\$7.5 million (US\$5.4 million) for a total of A\$33.4 million (US\$24.0 million). The US\$2.6 million balance of the funding is intended to ensure an adequate contingency is in place.

Ivernia and Sentient will fund Magellan in proportion to their respective shareholdings of 51% and 49%. Consequently, in the event that the total new funding package including contingency was required, Ivernia' share of that new funding would be US\$13.6 million and Sentient's US\$13.0 million. As mentioned above, Ivernia has committed US\$11.0 million towards its 51% share of this new funding. In the event that additional funding from Ivernia is required and not otherwise available in excess of its US\$11 million commitment, then Sentient has agreed to underwrite a further contingency up to the next US\$5 million of total funding required of which Ivernia's 51% share would be US\$2.6 million and Sentient's 49% share would be US\$2.4 million. Ivernia would have the right to subsequently replace such funding with an Ivernia Progress Loan.

Pechiney Appointed Sales Agent, Provides US\$10 million Facility

Pechiney World Trade (USA) Inc., part of the Alcan group, has been appointed exclusive sales agent for Magellan's lead concentrate sales. As part of this agreement, Pechiney will provide to Magellan a US\$10 million inventory/trade financing facility to substantially finance concentrates in inventory and while in shipment to smelters. This facility will finance the most significant element of Magellan's ongoing working capital requirements.

Alan De'ath, Ivernia's President and CEO, commenting on the release, said, "Today's announcements are a defining moment for the new Ivernia. Our successful private placement provided the key building block for the joint venture partners to agree to this new financing package. We can now commence construction of the exciting Magellan project. With the strong fundamentals of the lead market, we believe Magellan is coming on stream at an opportune time."

Department of Environment Works Approval Received

Ivernia is also pleased to announce that the West Australian Government Department of Environment has given the requisite works approval to commence the Magellan Project. The works comprise an open pit mining operation, a flotation processing plant and a tailings storage facility, among others.

Construction Contract Being Awarded

Ken Sangster, Ivernia's Executive Vice Chairman responsible for Magellan's development, commented, "While we have been busy raising funds, the team in Australia has been focused on the project while achieving many milestones. Another building block is shortly to be put in place with the awarding of the construction contract to a well-established Australian mining services company to build the Magellan facilities."

Ken Sangster continued, "Detailed engineering is substantially complete, the camp and much of the processing plant has already been acquired, longer-lead-time items were previously ordered so as expedite startup and much of the other equipment is now on order. The contractor is prepared for early mobilization and work will start during this quarter. As a result, the project is on schedule."

Alan De'ath in his concluding remarks said, "Today is a major step in Magellan's evolution into becoming one of the world's major lead producers. As you can see, we have had some very productive months at Magellan and the team must be congratulated on maintaining such strong focus. Through their efforts we are on target to bring Magellan into production in the first quarter of 2005. I look forward to reporting progress as the year unfolds."

Ivernia is an international base metals mining and exploration company whose principal asset is a 51% interest in the low-cost Magellan lead project in Western Australia. The project is expected to commence production in the first quarter of 2005. Phase 1 is estimated to produce an annual average of 70,000 tonnes of lead in concentrates, increasing to 90,000 tonnes of lead metal in 2007 in conjunction with completing the Phase 2 refinery.

The exchange rates used in this release are as of May 3 and are US\$0.72/A\$1.00 and US\$0.73/C\$1.00.

Forward-Looking Information

This document contains certain "forward-looking statements". All statements, other than statements of historical fact, that address activities, events or developments that the Company 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 the Company based on information currently available to the Company. Forward-looking statements are subject to a number of risks and uncertainties, including those detailed from time to time in filings made by the Company with securities regulatory authorities, that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. The Company expressly disclaims any obligation to update or revise any such forward-looking statements.

#

For further information, please contact:

Alan De'ath

President & CEO

Tel: 416 867 9298

E-mail: info@ivernia.ca

Website: www.ivernia.com