



## NEWS RELEASE

### **IVERNIA WEST INC. ANNOUNCES JOINT VENTURE WITH SENTIENT TO DEVELOP THE MAGELLAN PROJECT AND SUBSCRIPTION FOR US\$0.9M CONVERTIBLE NOTES AND WARRANTS**

**Toronto, Canada (June 19, 2003)** -- Ivernia West Inc. ("Ivernia" or the "Company") is pleased to announce that definitive agreements have been signed with The Sentient Global Resources Fund (together with its affiliates, "Sentient") for a joint venture to develop the Company's Magellan Project in Western Australia (the "Magellan Transaction") and the purchase by Sentient of US\$0.9 million aggregate principal amount of convertible notes and warrants of the Company. These transactions are the product of negotiations with Sentient undertaken since 2002 which have previously been disclosed by the Company.

#### **Magellan Transaction**

Pursuant to the Magellan Transaction, Sentient has provided US\$4.6 million in financing to Magellan Metals Pty. Limited ("Magellan Metals"), the Company's subsidiary which owns its interest in the Magellan Project. This amount was advanced by way of a US\$1.7 million subscription for 40% of the shares of Magellan Metals, US\$2.4 million in secured loans (the "Magellan Loans") and US\$0.5 million in notes (the "Magellan Notes") which are convertible into shares of Magellan Metals. The total amount provided by Sentient under these arrangements was used to extinguish the existing secured loans by Sentient to Ivernia Australian Holdings Limited ("IAHL"), another subsidiary of the Company.

On an ongoing basis, 40% of the funding for the Magellan Project will be provided by Sentient, with 60% to be funded by or on behalf of Ivernia. If Sentient acquires additional Magellan Metals shares upon the conversion of Magellan Notes as described below, Sentient's share of the funding requirement will be increased, with retroactive effect from June 19, 2003, to reflect its percentage share ownership following such conversion.

In the event that the Company is unable to fund its share of contributions to the Magellan Project, Sentient will contribute on the Company's behalf under an interim funding arrangement (the "Cash Flow Note"). Such contributions will be repaid by Magellan Metals to Sentient out of project cash flow with interest at a rate that provides Sentient with a 30% internal rate of return.

Of the US\$0.5 million principal amount of the Magellan Notes, US\$0.4 million is convertible at Sentient's option into an additional 9% of the shares of Magellan Metals. If certain default events occur, then the final US\$0.1 million of Magellan Notes will become convertible into a further 2% of the shares of Magellan Metals. These default events include the inability of the Company to arrange, by January 31, 2004, project financing for Magellan Metals from a financial institution. The Company is in negotiations with a financial institution regarding the terms on which it would be prepared to provide this project financing. The Magellan Transaction and the reorganization described below are expected to facilitate these negotiations.

The obligations of Magellan Metals under the Magellan Loans, the Magellan Notes and the Cash Flow Note are secured by a charge over the assets of Magellan Metals. In addition, the Company's

subsidiaries IAHL and Polymetals Pty. Ltd. ("Polymetals") have guaranteed Magellan Metals' obligations under these facilities. The guarantees are secured by equitable mortgages over the Company's shares of IAHL, Magellan Metals and Polymetals. The events of default which would entitle Sentient to increase its ownership of Magellan Metals to 51% would also entitle Sentient to exercise its security. The Magellan Transaction agreements also provide Sentient with pre-emptive rights in the event of a sale by the Company of its interest in the Magellan Project.

Prior to the Magellan Transaction, the Company completed a reorganization of its subsidiaries with the result that the Company's interests in the Magellan Project and the Lisheen Mine in Ireland are held through separate wholly-owned subsidiaries.

### **Convertible Notes and Warrants**

Sentient has paid US\$0.9 million to subscribe for the Company's convertible notes and warrants. The convertible notes and warrants subscribed for by Sentient represent the balance of a total offering of US\$1.95 million aggregate principal amount of convertible notes and related warrants which was approved by the Company's shareholders in October 2002. Upon full conversion or exercise of all the convertible notes and warrants issued under such offering and certain other warrants previously issued by the Company, Sentient would hold approximately 12.9% of the Company's common shares.

### **Filing of Financial Statements**

The signing of agreements for the Magellan Transaction, and the Company's entitlement to receive the advance proceeds for the convertible notes and warrants to be issued to Sentient, will enable the Company to finalize and file its 2002 annual and first quarter 2003 financial statements.

Ivornia 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". Ivornia's principal assets include a 57.47% interest in the Magellan lead project in Western Australia and 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.

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**TSE stock symbol: IVW**

*This news release contains certain "forward-looking statements". All statements, other than statements of historical fact, that address activities, events or developments that Ivornia 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 Ivornia based on information currently available to Ivornia. Forward-looking statements are subject to a number of risks and uncertainties, including those detailed from time to time in filings made by Ivornia with securities regulatory authorities, that may cause the actual results of Ivornia 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, Ivornia. Ivornia expressly disclaims any obligation to update or revise any such forward-looking statements.*