



IVERNIA WEST INC. REPORTS FIRST QUARTER 2003 RESULTS

(all dollar amounts are in United States dollars)

TORONTO, CANADA (July 18, 2003) - Ivernia West Inc. ("Ivernia" or the "Company") reported a net loss of \$560,000 or nil per share for the quarter, compared with a loss of \$1.41 million or \$0.01 per share for the first quarter of 2002.

The primary reasons for the reduced net loss during the first quarter of 2003 compared to the same period in 2002, were a gain of \$768,000 on a settlement of the Company's Standby Facility with an Irish financial institution, and a reduction in interest charges expensed during the period due to lower interest rates and reduced debt, partially offset by an increase in general and administrative costs due to an increase in legal costs principally associated with the Lisheen Sale and Magellan Transaction (see note 6 to the accompanying financial statements).

Net cash generated from investing activities during the first quarter of 2003 was \$774,000 of which a receipt for \$935,000 related to a repayment of shareholder and partner loans by the Lisheen Joint Venture. This repayment was funded by Anglo American plc (together with its subsidiaries, "Anglo") under the terms of the Anglo Funding Agreement to enable Ivernia to pay interest due (\$571,000) on the Lisheen project loan during the quarter and to enable Ivernia to place \$364,000 with the Project Bonds issuing financial institution in accordance with the terms of the Project Bond. An amount of \$161,000 was utilised during the quarter on expenditures related to the Magellan project. This net cash generated from investing activities compared to net cash generated of \$572,000 in the same period in 2002.

Net cash generated from financing activities during the first quarter of 2003 was \$604,000 of which the main components were \$2.20 million of loans from The Sentient Global Resources Fund (together with its affiliates, "Sentient") (note 4(b)), \$400,000 of advance proceeds against the issue of convertible notes and warrants of the Company (note 4(d)), less a \$2.00 million settlement with an Irish financial institution for early repayment of the Standby Facility (note 4(c)). This net cash generated from financing activities compared to net cash generated of \$1.23 million in the same period of 2002.

As at March 31, 2003 the Company had a working capital deficiency of \$24.61 million compared with a working capital deficiency of \$24.74 million as at December 31, 2002. As at March 31, 2003, Ivernia had cash and cash equivalents of \$89,000 compared to \$191,000 as at December 31, 2002. However, as a result of the subsequent events referred to below, Ivernia's corporate cash balance had increased to \$1.25 million as at June 30, 2003. As at March 31, 2003 restricted cash and cash equivalents of \$3.97 million represented a cash collateral deposit in respect of the Project Bonds compared to \$3.47 million at December 31, 2002.

On July 4, 2003 the Company announced that it had mailed to shareholders, and filed with applicable securities regulators, its audited annual consolidated financial statements for the year ended December 31, 2002. A copy of those statements is available on Ivernia's website. The subsequent events notes to those statements (note 13) provide a detailed update of certain events as at June 27, 2003 including the following (which events, as summarized below, have not changed as of the date hereof):

(a) Magellan Transaction

On June 19, 2003, Ivernia signed definitive agreements with Sentient for a joint venture to develop the Magellan Project (the "Magellan Transaction"). Pursuant to the Magellan Transaction, Sentient agreed to provide \$4.6 million in financing to Magellan Metals. This amount was advanced by way of a \$1.7 million subscription for 40% of the shares of Magellan Metals, \$2.4 million in secured loans, and \$0.5 million in notes which are convertible into shares of Magellan Metals. The total amount provided by Sentient under these arrangements was used to refinance certain secured loans granted by Sentient to IAHL since February 2003.

(b) Private Placement of convertible notes and warrants

In connection with the Magellan Transaction on June 19, 2003, Sentient signed subscription agreements and paid advance proceeds in full for the purchase of \$0.90 million aggregate principal amount of convertible notes and warrants of Ivernia. This brought to \$1.95 million the total amount of advance proceeds received by the Company under the private placement, approved by Ivernia West Inc.'s shareholders in October 2002. None of the convertible notes or warrants have been issued as at the date hereof.

Following, among other things, the Magellan Transaction and the receipt of the Sentient advance proceeds for the Ivernia convertible notes, Ivernia's corporate cash balance at June 30, 2003 was \$1.25 million.

On July 18, 2003, Ivernia signed a definitive agreement with Anglo for the purchase by Anglo of the Company's 50% participating interest in the Lisheen Mine (the "Lisheen Sale").

Pursuant to the Lisheen Sale, Anglo has agreed to purchase all of the shares of the Company's subsidiary Ivernia West Limited ("IWL") and its other subsidiaries holding the Company's interest in the Lisheen Mine for consideration consisting of an aggregate cash purchase price of \$1.8 million and the assumption by Anglo of all the Company's existing debt obligations relating to the Lisheen Mine, including outstanding loans from the project's lenders to IWL's subsidiary Ivernia Lisheen Finance Limited in the amount of \$73.19 million.

Of the \$1.8 million purchase price, \$0.5 million has already been advanced to the Company by Anglo. A portion of the remaining \$1.3 million will represent the repayment by IWL of certain outstanding indebtedness to the Company, which repayment will be funded by Anglo on or after closing of the Lisheen Sale.

As a result of the signing of the definitive agreement for the Lisheen Sale, the Company does not consider it appropriate to provide further operations review reports on the Lisheen Mine.

As previously announced by the Company, in the course of preparing its annual financial statements, the Company, in consultation with its independent auditor PricewaterhouseCoopers LLP ("PWC"), has also determined that its third quarter 2002 financial statements should be restated to more fully represent on the balance sheet the Company's interest in the Lisheen Mine. With the concurrence of PWC, the third quarter financial statements originally filed by the company netted the Company's investment in the Lisheen Mine against its portion of the Lisheen project loans, with the result that the balance sheet showed the investment in Lisheen as having a nil book value and the related project loans were referred to in the notes. As a result of its review of the Company's 2002 annual financial statements, PWC has recommended a more comprehensive balance sheet presentation. Accordingly, the Company has filed revised third quarter 2002 financial statements which have been revised to show both the book value of the investment in Lisheen (\$73.19 million) and the related project loans (\$73.19 million, of which the current portion was \$13.31 million) on the face of the balance sheet. The above revision also incorporates a partial reversal of \$2.42 million in the writedown of other net assets relating to the Lisheen Mine, with \$3.23 million of restricted cash and an increase of \$0.81 million in accrued interest liabilities being shown on the face of the balance sheet. The revision results in a reduction of the Company's loss during the third quarter 2002 by \$2.42 million, or \$0.02 per share.

Metal Prices

London Metal Exchange (LME) settlement prices for lead metal for the first quarter compared with the same period in 2002 were as follows:

Average LME Prices	Three months to March 31,	
	2003	2002
Lead \$/lb	0.21	0.22

Operations Review

Magellan Project, Western Australia

Significant progress was made on the Magellan Lead Project during the first quarter.

The Cano satellite resource was subjected to detailed mine planning by external consultants (Snowdens Ltd) and a proven and probable ore reserve determined at 2.6 million tonnes at 5.7%Pb to be added to the Magellan pit reserve of 8.5 million tonnes at 7.1%Pb. The Cano deposit sits at the edge of a plateau and hosts much less overburden than is the situation at the Magellan pit. Mining operations at Cano will also be at a lower strip ratio.

A Design Engineer, Proteus Ltd, was engaged at the end of March 2003 to complete the engineering design to a bankable standard. They will undertake significant work on detailed design and specification through the third quarter.

The successful completion of a series of smelting pilot tests at BJ Industries in France facilitated the definition of operating criteria for the lead producing furnaces and subsequent handling facilities.

Further drilling work was commissioned to infill the Cano orebody to suit detailed mine planning and it is anticipated that this will enhance the reserve grade as occurred on the Magellan orebody. This upgrading is a function of data density as conventional geostatistics tends to under estimate the grade continuity in this case as the deposit is a collapsed structure and therefore already subject to considerable mixing.

Additional drilling work has also been commissioned on the adjacent Gama area to establish the possibility of further economic resources and reserves at low stripping ratios which could further defer the stripping of the main Magellan orebody.

A new production plan has been adopted to update the Feasibility Study of 2001. This incorporates commencing operations at the Cano pit with much lower pre-strip and mining strip ratio. The Cano material contains less residual quartz than does Magellan ore and is easier to grind.

The pre stripping of the Magellan pit will be deferred for 2 to 3 years until the Cano deposit is close to exhaustion.

The analysis of the results from the pilot scale smelting testwork has resulted in considerable upgrading of the projected furnace capacity. The rate of smelting was determined to be extremely rapid and the redesign of the slagging system to a lower melting point composition has greatly reduced the batch cycle time. There is a reagent cost penalty to move to the lower melting point Sodium based slag but it

seems to be outweighed by the overall improvement in productivity and lower energy requirements.

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.

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Consolidated Financial Statements to follow.

IVERNIA WEST INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

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

	Three month period ended	
	March 31,	
	<u>2003</u>	<u>2002</u>
	\$	\$
	(Unaudited)	(Unaudited)
Revenue		
Interest income	23	16
Expenses (income)		
General and administrative	423	252
Foreign exchange (gain) loss	(42)	14
Exploration	-	32
Interest expense	970	1,126
Gain on loan settlement (note 4 (c))	(768)	-
	<u>583</u>	<u>1,424</u>
Loss for the period	(560)	(1,408)
Deficit – beginning of period	<u>(80,772)</u>	<u>(58,025)</u>
Deficit – end of period	<u>(81,332)</u>	<u>(59,433)</u>
Basic loss per share	<u>(0.00)</u>	<u>(0.01)</u>
Weighted average number of Common share outstanding (000s)	<u>144,868</u>	<u>135,855</u>

**IVERNIA WEST INC.
CONSOLIDATED BALANCE SHEET**

(in thousands of United States dollars)

	March 31, 2003	December 31, 2002
	\$	\$
	(Unaudited)	(Unaudited)
Assets		
Current assets		
Cash and cash equivalents	89	191
Accounts receivable	96	65
	185	256
Investment in Lisheen joint venture (note 2)	72,257	73,192
Other investments	16	16
Property, plant and equipment	8,343	8,184
Restricted cash and cash equivalents	3,970	3,474
Deferred charges	42	51
	84,813	85,173
Liabilities		
Current liabilities		
Current portion of long term debt (note 4)	22,161	22,723
Accounts payable and accrued liabilities	2,637	2,275
	24,798	24,998
Long-term debt (note 4)	54,031	53,631
Minority interest	52	52
	78,881	78,681
Shareholders' Equity		
Share capital (note 5(a))	80,359	80,359
Contributed Surplus	97	97
Deficit	(81,332)	(80,772)
Cumulative translation adjustments	6,808	6,808
	5,932	6,492
	84,813	85,173

IVERNIA WEST INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of United States dollars)

	Three month period ended March 31,	
	2003	2002
	\$	\$
	(Unaudited)	(Unaudited)
Cash provided by (used in)		
Operating activities		
Loss for the period	(560)	(1,408)
Non-cash items:		
Depreciation amortisation	-	-
Gain on loan settlement (note 4(c))	(848)	-
Other	105	6
Changes in non-cash working capital:		
Accounts receivable, inventories and other current assets	(27)	23
Accounts payable and accrued liabilities	340	425
Change in restricted cash and cash equivalents	(364)	(1,073)
	(1,354)	(2,027)
Investing activities		
Additions to property, plant and equipment	(161)	(1,051)
Decrease in equity investments	935	1,623
	774	572
Financing activities		
Net cash proceeds on issue of shares	-	1,228
Increase in long-term debt, net	604	-
	604	1,228
Effect of exchange rate changes on cash and cash equivalents held in foreign currency	(126)	(10)
	(102)	(237)
Net decrease in cash and cash equivalents		
Cash and cash equivalents – Beginning of period	191	630
Cash and cash equivalents – End of period	89	393

IVERNIA WEST INC.
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three month periods ended March 31, 2003 and 2002

(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 (collectively the "Company" or "Ivernia") have been prepared in accordance with Canadian generally accepted accounting principles, using the same accounting policies and basis as those disclosed in note 1 (Going concern), note 2 (Nature of operations) and note 3 (Summary of significant accounting policies) to the Company's audited consolidated financial statements for the year-ended December 31, 2002.

These interim consolidated financial statements should be read in conjunction with the Company's audited annual consolidated financial statements for the year-ended December 31, 2002.

2. Investment in Lisheen joint venture

Refer to note 4 and 13(c) to the Company's audited consolidated financial statements for the year-ended December 31, 2002.

(a) The investment in the Lisheen joint venture is summarized as follows:

	March 31,
	2003
	<u> </u>
	\$
Shareholder and partner loans	73,192
Equity investment	<u> -</u>
Balance as at December 31, 2002	73,192
Shareholder and partner loans repaid	<u> (935)</u>
Balance at March 31, 2003	<u> 72,257</u>

The shareholder and partner loans are non-interest bearing.

As at March 31, 2003 \$59.05 million (December 31, 2002 - \$57.30 million) had been funded on behalf of Ivernia by Anglo under the terms of the Anglo Funding Agreement.

3. Magellan project

Refer to notes 5 and 13(b) to the Company's audited consolidated financial statements for the year-ended December 31, 2002.

Deferred expenditure on the Magellan project during the three month period ended March 31, 2003 was \$161,000.

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4. Long-term debt

Refer to notes 4(c), 7, 13(a), 13(b), 13(c) and 13(d) to the Company's audited consolidated financial statements for the year-ended December 31, 2002.

	March 31, 2003	December 31, 2002
	\$	\$
Project Loan (note 4(a))	73,192	73,192
Sentient Loans (note 4(b))	2,200	-
Standby Facility (note 4(c))	-	2,762
Advance proceeds against convertible notes (note 4(d))	800	400
	76,192	76,354
Less current portion		
Project loan (note 4(a))	19,961	19,961
Standby facility	-	2,762
Sentient loans	2,200	-
	54,031	53,631

(a) Non-recourse project loan within Lisheen joint venture

Refer to notes 4(c) and 13(c) to the Company's audited consolidated financial statements for the year-ended December 31, 2002.

In February 2003, the Company was advised that (i) the Project Lenders had transferred all of the outstanding Project Loan, together with the Anglo Project Loan, to a single financial institution which was one of the Project Lenders, and (ii) a subsidiary of Anglo had entered into a sub-participation agreement with such financial institution with the result that Anglo had effectively become the lender under the Project Loan and the holder of the related security.

(b) Sentient loans

Refer to note 13(b) to the Company's audited consolidated financial statements for the year-ended December 31, 2002.

In February 2003, the Company's subsidiary Ivernia Australian Holdings Ltd. ("IAHL") entered into a loan agreement with The Sentient Global Resources Fund (together with its related entities "Sentient") for a \$2.10 million twelve month interest free secured loan to IAHL (the "First Sentient Loan"). Of this amount, \$2.08 million was applied in March 2003 to settle in full Ivernia's

obligations in the amount of \$2.85 million under the Company's Standby Facility with an Irish financial institution (note 4(c)). Pursuant to a March 2003 amendment to the loan agreement, Sentient committed to advance by way of secured loan an additional \$2.50 million (the "Second Sentient Loan") to IAHL from March through June 2003. Proceeds from the

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Second Sentient Loan are to be used to fund feasibility study and detailed engineering work on the Magellan Project, and are also to be applied in May 2003 by Magellan Metals to terminate an existing royalty on the project held by an Australian mining company. As at March 31, 2003, \$100,000 of the Second Sentient Loan had been drawn by IAHL (see note 6(b)).

(c) Standby facility

Refer to notes 7(a) and 13(d) to the Company's audited consolidated financial statements for the year-ended December 31, 2002.

In February 2003 the Company entered into a settlement agreement with an Irish financial institution for the early repayment of a Euro 2.64 million (\$2.85 million; December 31, 2002 - \$2.76 million) Standby Facility which would have matured on June 30, 2003. The Standby Facility was settled on payment of Euro 1.92 million (\$2.08 million) in March 2003 giving rise to a \$0.77 million gain on settlement. The settlement was funded out of the proceeds of the First Sentient Loan (note 4(b)).

(d) Private Placement of convertible notes

Refer to notes 7(b) and 13(a) to the Company's audited consolidated financial statements for the year-ended December 31, 2002.

In January 2003 and February 2003, the Company received further advance subscription proceeds from Resources Investment Trust plc ("RIT") and an associated company of RIT of \$400,000. As at March 31, 2003 total advance subscription proceeds of \$800,000 had been received. (see note 6(a)).

5. Share Capital

Refer to note 8 to the Company's audited consolidated financial statements for the year-ended December 31, 2002.

(a) Issued and outstanding shares

Details of issued and outstanding shares are as follows:

	Number of common shares (000)	Amount \$
Outstanding as at December 31, 2002 and March 31, 2003	144,868	80,359

(b) Employee stock options

At March 31, 2003, there were outstanding options to purchase 9,250,000 common shares of the Company, of which 8,112,500 were exercisable at that date. During the quarter 100,000 options expired, and no new options were granted.

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(c) Share Warrants

As at March 31, 2003, the Company has outstanding 9,134,017 share purchase warrants (December 31, 2002 – 9,134,017) which can be converted into 9,134,017 common shares of the Company.

6. Subsequent events

(a) Private placement of convertible notes and warrants

Refer to note 13(a) to the Company's audited consolidated financial statements for the year-ended December 31, 2002.

(b) Sentient Loans and Magellan transaction

Refer to note 13(b) to the Company's audited consolidated financial statements for the year-ended December 31, 2002.

(c) Lisheen Mine

Refer to note 13(c) to the Company's audited consolidated financial statements for the year-ended December 31, 2002.

On July 18, 2003, the Company signed a definitive agreement with Anglo for the purchase by Anglo of the Company's 50% participating interest in the Lisheen Mine (the "Lisheen Sale").

Pursuant to the Lisheen Sale, Anglo has agreed to purchase all of the shares of the Company's subsidiary Ivernia West Limited ("IWL") and its other subsidiaries holding the Company's interest in the Lisheen Mine for consideration consisting of an aggregate cash purchase price of \$1.8 million and the assumption by Anglo of all the Company's existing debt obligations relating to the Lisheen Mine, including outstanding loans from the project's lenders to IWL's subsidiary Ivernia Lisheen Finance Limited in the amount of \$73.19 million.

Of the \$1.8 million purchase price, \$0.5 million has already been advanced to the Company by Anglo. A portion of the remaining \$1.3 million will represent the repayment by IWL of certain outstanding indebtedness to the Company, which repayment will be funded by Anglo on or after closing of the Lisheen Sale.

The Lisheen Sale is conditional upon, amongst other things, obtaining certain required consents and regulatory approvals, including the consent of the Toronto Stock Exchange, on or before September 30, 2003. The Lisheen Sale is also subject to the approval of the Company's shareholders to be sought at the Company's annual and special shareholders meeting to be held on August 28, 2003.

In order to facilitate the Lisheen Sale, prior to closing the Company will complete a reorganization of certain of its non-operating subsidiaries with the result that its only subsidiaries which will be acquired by Anglo upon closing of the Lisheen Sale will be those which are connected with the

Lisheen joint venture. Following the closing of the Lisheen Sale, the Company will close its office in Limerick, Ireland as part of its previously announced cost reduction program.

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(d) Buyout of Magellan Metals third party royalty

Refer to note 13(e) to the Company's audited consolidated financial statements for the year-ended December 31, 2002.

(e) Compensation to Financial Advisor

Refer to note 13(f) to the Company's audited consolidated financial statements for the year-ended December 31, 2002.