



NEWS RELEASE

IVERNIA WEST INC ANNOUNCES CONVERTIBLE NOTE ISSUE

Toronto, Canada (August 20, 2002) -- Ivernia West Inc ("Ivernia") is pleased to announce that it has entered into an agreement with one of its major shareholders Resources Investment Trust plc ("RIT") whereby RIT will underwrite the issue of convertible notes to raise up to US\$1,950,000. The proceeds of the funding will be used for general corporate purposes and the convertible note will mature 36 months after closing. Closing is anticipated during October, 2002 subject to shareholder, regulatory and Toronto Stock Exchange approval. The notes are convertible into common shares of Ivernia at a conversion price of US\$0.065 per share (approximately CAD\$0.10) at any time on or before maturity. Each US\$0.065 principal amount of the convertible notes carries one warrant for one common share exercisable at US\$0.065 up to 31 December, 2003. Exercise of the warrants would raise up to a further US\$1.95 million. Up to 30 million shares would be issued on conversion of all the notes and up to 30 million shares would be issued on exercise of all the warrants.

The convertible notes are interest bearing at the rate of 10% per annum payable semi annually through a sinking fund to be established by Ivernia out of proceeds of the funding. RIT shall be entitled to receive on closing a fee equal to 5% of the gross proceeds of the convertible notes, such fee to be payable in newly issued common shares of Ivernia valued at US\$0.065 per share.

David Hough (Ivernia President and CEO) commented, "Ivernia is very pleased to have the support of one of its major shareholders in underwriting these notes which are convertible at a level significantly above the current share price. RIT will be working with Ivernia to attract new shareholders into the Company and other major shareholders in Ivernia will be offered participation in the issue".

David Hough further reported that "on the business front there is good news from Lisheen as all production aspects of the Completion Test have been satisfied and the project partners and mine management are currently going through due process with the syndicate banks".

The following are the key Lisheen production statistics for the 60 day Completion Test period from 10th May to 9th July 2002:

Tonnes Milled: 288049 tonnes total or 4801 tonnes per day is 106.7% of the Completion Test target.
Zinc Head Grade: 13.43% which is 101.2% of the Completion Test target.
Zinc Recovery: 88% which is 95.6% of the Completion Test target

In order to pass the Completion Test at least 90% of target had to be achieved in each category. During this period explosive and grinding media consumption figures, labour figures and the power consumption numbers show that our efficiency certificate percentage is under 100% with the maximum allowable being 110%. Consequently, Lisheen management advise that they have met the physical Completion Test parameters.

Micon International Ltd., technical advisers to the Lisheen Project banking syndicate, are currently verifying the above production statistics in advance of issuing the formal production and efficiency completion certificates.

The test was run for an additional 15 days with similar results. On the 23rd July the plant was shutdown as planned to allow for relining of the SAG mill. This was a three day operation and since restart the plant has been operating at full capacity.

Operating at the rates achieved during the past 3 months is equivalent to processing over 1.65 million tonnes per annum - a 10% increase over the original design capacity of the mine of 1.5 million tonnes per annum.

Mr. Hough added that "there is also positive news from the Magellan project about which the Company is having discussions with a number of parties concerning the financing of the development of the Project. Good progress is being made in these discussions."

David Hough concluded "I am delighted with the faith shown in the Company by our major shareholder Resources Investment Trust in agreeing to underwrite these convertible notes. I also believe that we have arrived at a key turning point for Ivornia. Having had to report many setbacks and disappointments at Lisheen over the past 3 years it is a remarkable turn around that the Completion Test parameters have been satisfied so emphatically. The Lisheen mine continues to run at levels in excess of design capacity without difficulty and even at today's low zinc price the Lisheen mine is making a modest operating profit. Great credit is due to the Lisheen management and employees for their perseverance and their performance has been reflected by the excellent results now being achieved."

For further information, please contact:

In Ireland: In Canada:

David Hough
President and Chief Executive Officer
Tel: +353 61 319922

Alan De'ath
Chief Financial Officer
Tel: 1 416 867 9298

TSE stock symbol: IVW