NEWS RELEASE

IVERNIA WEST INC. REPORTS SECOND QUARTER 2001 RESULTS
(All dollar amounts are in United States dollars)

Overview

- Zinc metal price falls to ten-year low during the quarter.
- Loss from mining operations of $3.0 million for the quarter; lower zinc metal prices account for $2.1 million of the loss relative to the comparative 2000 period.
- The Company reported a net loss of $5.9 million or $0.05 per share for the quarter ended June 30, 2001.
- Record quarterly mine production achieved at the Lisheen Mine, Ireland.
- Additional zinc cleaner cells installed in the Lisheen Mine concentrator plant during the quarter were commissioned early in the third quarter resulting in increased zinc recoveries and improved zinc concentrate grade.
- Expanded pump capacity installed in the Lisheen Mine giving 100% additional capacity above current average daily water pumping requirements.
- Additional drilling within potential satellite pit areas proximal to the projected Magellan Project pit, intersect encouraging grades and widths of lead mineralization.
- Discussions progressed during the quarter towards financing the development of the Magellan Lead Project, Western Australia.

TORONTO, CANADA and DUBLIN, IRELAND (August 29, 2001) – Ivernia West Inc. ("Ivernia," the "Company") today reported its operating results for the second quarter ended June 30, 2001.

The Company reported a net loss of $5.9 million or $0.05 per share for the quarter and $11.6 million for the six month period ended June 30, 2001, compared with a loss of $0.7 million or $0.01 per share for the second quarter of 2000 and $3.3 million for the first six months of 2000.

The primary reasons for the net loss during the second quarter of 2001 and the first six months of 2001 compared to the same periods in 2000 were initial operating losses from the Lisheen Mine and an increase in interest charges expensed during the quarter. Commercial production for reporting purposes commenced at the Lisheen Mine on January 1, 2001. Interest charges prior to the commencement of commercial production at Lisheen were capitalized.

Operating results at the Mine are highly levered to changes in the price of zinc. Toward the end of the quarter the price of zinc on the LME declined to ten-year lows. It is estimated that during the second quarter and the first six months of 2001, respectively, $2.1 million and $2.6 million of the Company's operating loss can be attributed to the reduction in the zinc metal price relative to the previous year periods. It is estimated that a $0.10 change in the price per pound of zinc will result in an approximate $9 million change in the Company's annual operating income.

Cash utilized in investing activities during the second quarter of 2001 was $4.0 million (of which $3.8 million related to the Lisheen Mine and $0.2 million related to the Magellan Project), compared to $7.1 million (of which $6.7 million related to the Lisheen Mine and $0.4 million related to the Magellan Project) in the same period of 2000.

Cash generated from financing activities during the second quarter of 2001 was $5.2 million compared to $9.7 million in the same period of 2000. In June 2001, Ivernia completed an amendment to the terms of the Anglo Funding Agreement to provide for the funding by Anglo until further notice of the Company's 50% share of certain overrun contributions and other contributions for the Lisheen Mine. The amending agreement provides that all contributions made by Anglo shall not result in the dilution of Ivernia's 50% participating interest in the Lisheen Mine and shall be repaid together with interest from the first available Lisheen Mine cashflow. As at June 30, 2001, $17.2 million inclusive of interest has been funded by Anglo under the Anglo Funding Agreement.

As at June 30, 2001 Ivernia had a working capital deficiency of $19.7 million compared to a working capital deficiency of $9.4 million as at December 31, 2000. The principal reason for the increase in the working capital deficiency was an increase in the amount owing as the current portion of long-term debt for the Lisheen Mine. In July, approximately $3.2 million (IR£2.9 million) of the current portion of the Standby Facility was repaid. It is anticipated that the remaining $13.3 million current portion of long-term debt and the $3.75 million Working Capital Facility will be financed under the terms of the Anglo Funding Agreement.

METAL PRICES, CURRENCIES AND INTEREST RATES

In addition to the normal operating and geological risks associated with mining activities, Ivernia's profitability is largely dependent on metal prices, smelter treatment charges, foreign exchange rates, interest rates and its 50% interest in the Lisheen Mine.

Metal Prices and Smelter Treatment Charges

London Metal Exchange (LME) prices for zinc and lead metals produced by the Company for the second quarter and first six months of 2001 compared with the same periods in 2000 were as follows:

Average LME Prices	Three months ended June 30, 2001	Three months ended June 30, 2000	Six months ended June 30, 2001	Six months ended June 30, 2000
Zinc $/lb	0.42	0.51	0.44	0.51
Lead $/lb	0.21	0.19	0.22	0.20

Towards the end of the quarter the price of zinc, the Company's primary metal, declined to US$0.39 per pound and by August 2001 had fallen further to 13 year low levels of $0.36 per pound. 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.

Foreign Exchange Rates

Substantially all operating costs incurred by the Lisheen Joint Venture in connection with the Lisheen Mine are denominated in Irish pounds or Euros, while its revenues are earned in US dollars. Accordingly, changes in exchange rates between the Irish pound and the US dollar will affect Ivernia's operating income. In order to reduce its exposure to currency fluctuations, Ivernia has hedged a portion of its Irish pound exposure against currency fluctuations. Refer to note 5 to the attached Financial Statements.

Interest Rates

Ivernia's Project Loan for the Lisheen Mine of $86.5 million bears interest at US dollar LIBOR plus 1% per annum. The Company has also entered into interest rate swap contracts with various financial institutions to manage its interest rate risk exposure arising from changes in the market interest rates on its floating rate long-term debt. Refer to note 5 to the attached Financial Statements.

OPERATIONS REVIEW

Lisheen Mine (Ivernia – 50% interest)

Performance at the Lisheen Mine improved significantly during the second quarter 2001 compared to the second quarter 2000. During the second quarter 2001 the Lisheen Mine mined and processed more ore than during any previous quarter. Improved performance was the result of remedial activities implemented at the mine during the fourth quarter 2000 to improve mine production and plant throughput and recoveries. Operating results for the three month period ended June 30, 2001 and the first six months of 2001 and corresponding periods in 2000 were as follows:

	2001		2000	
	YTD	Q2	YTD	Q2
Tonnes Mined	581,431	307,331	420,053	196,078
Tonnes Milled	554,624	295,261	386,197	180,296
Grade - Zn	12.22%	11.92%	12.00%	12.55%
Grade - Pb	2.65%	2.10%	4.20%	3.05%
Recoveries - Zn	80.68%	83.58%	69.24%	72.81%
Recoveries - Pb	72.82%	69.65%	74.10%	77.16%
Concentrate - Zn	102,094	54,242	59,118	30,484
Concentrate - Pb	16,585	6,625	18,645	6,910
Concentrate Grade - Zn	53.57%	54.23%	54.27%	53.90%
Concentrate Grade - Pb	64.46%	65.09%	64.44%	62.08%
Recoverable Zn	54,691	29,414	32,085	16,432
Recoverable Pb	10,691	4,312	12,014	4,290

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

Mine production during June and July fell below plan as poor ground requiring additional remedial ground support was encountered along development headings in the Derryville zone in late June and along development headings in the Main Zone East in July. The intersection of this poor ground and the resultant delay in underground development due to remedial ground support activities resulted in delayed development and underground ore production falling below plan. The Mine operator estimates that access to a total of approximately 100,000 tonnes of ore was delayed as a result of the intersection of this poor ground and the resultant remedial ground support activities and that underground mine production is unlikely to exceed 80% of plan production levels (plan production is 1.5 million tonnes per annum) until the end of the third quarter when remedial ground support activities will have been completed and the underground development will have been advanced thereby providing access to ore in and around this development.

All seven of the new zinc circuit cleaner cells arrived on site with the first five installed prior to the end of the quarter. These five cells were successfully commissioned on July 16th and Mine management are encouraged by the initial increase in recoveries of zinc and improved zinc concentrate grades. Since commissioning, zinc recoveries have been in the high 80% to low 90% range and zinc concentrates grade approximately 55% zinc. Mill production and performance during July was below plan due to shortages of ore as a result of the aforementioned poor ground conditions.

During the second quarter additional water pumping capacity was installed in the Lisheen Mine bringing total capacity to 130 million litres per day. This compares to underground water make during the month of June of 76.3 million litres per day.

Magellan Project (Ivernia – 91.6% interest)

During the quarter a program of resource definition and condemnation reverse circulation (RC) drilling was conducted on the Gama, Cano and Pinzon Prospects, located adjacent to the proposed Magellan Project pit. Exploration RC drilling on the Coronado, Cortez and Pizarro Prospects located within 10 kilometres of the proposed Magellan Project site were also conducted during the quarter.

The drilling comprised:

- 17 holes at the Gama Prospect for a total of 598m;
- 7 holes at the Cano Prospect for a total of 190m;
- 6 holes at the Pinzon Prospect for a total of 231m;
- 30 holes at the Coronado Prospect for a total of 717m;
- 9 holes at the Cortez Prospect for a total of 295m;
- 4 holes at the Cortez South Prospect for a total of 84m;
- 9 holes at the Pizarro Prospect for a total of 162m; and
- 2 holes over a regional geochemical target for 30m.

The drilling was completed using Meekatharra-based contractor Drillpower. All holes were drilled vertically. Four metre composite samples were collected over the entire length of the hole with individual one metre composite samples collected as appropriate based on the results of the field lead analysis. All samples were dispatched to Genalysis Laboratories in Perth for atomic absorption lead analysis. Final results from this drilling are pending.

Current proven and probable reserves at the Magellan Project total 8.5 million tonnes grading 7.12% lead. The Company believes that the results from the current drilling program further confirm the excellent potential for expanding the Magellan Project resource in those areas proximal to the Magellan Project pit. This should provide additional lead mineralized resources for the potential expansion of the production rate of the Magellan Project and/or an extension to the Project mine life.

The Magellan Project Final Feasibility Study (the "FFS"), completed in February 2001 envisages lead ore being processed on-site through a process of conventional milling and flotation concentration with lead recoveries expected to average approximately 85% to produce a concentrate grading approximately 70% lead. The concentrate will undergo on-site batch refining to produce approximately 55,000 tonnes per annum of marketable lead metal of about 99.97% purity. Based on the FFS, operating costs, including mining, processing, refining, transport, royalties and overhead charges are estimated to be US$329 per tonne of marketable lead metal.

Ivernia holds a 91.6% direct and indirect equity interest in the Magellan Project with currently exercisable options to increase such interest to 100%. A total of $0.2 million was spent on the project during the second quarter 2001 to complete the aforementioned drilling program and further advance the project towards development.

EXPLORATION AND DEVELOPMENT

Early stage exploration activities (mapping, sampling, geochemical analysis plus some minor lithological and anomaly drilling) continued during the quarter on the Company's various joint venture and independently held exploration concessions in Ireland, Australia and the USA. Activities funded by the Company have been reduced in light of the weak metal prices and the focus on the ramp-up of the Lisheen Mine.

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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IVERNIA WEST INC.
CONSOLIDATED STATEMENTS OF INCOME AND DEFICIT
(in thousands of United States dollars, except per share amounts)

	Three-month period ended June 30,		Six-month period ended June 30,	
	2001	2000	2001	2000
	$	$	$	$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Gross revenue	14,558	0	27,461	0
Smelter costs	7,833	0	14,480	0
Net revenue	6,725	0	12,981	0
Mine operating costs				
Cost of sales	7,223	0	14,340	0
Depreciation and amortisation	2,510	0	4,549	0
	9,733	0	18,889	0
Loss from mining operations	(3,008)	0	(5,908)	0
Other expenses (income)				
General and administrative	586	391	1,011	796
Reorganisation costs	-	508	-	1,066
Foreign exchange loss (gain)	71	(426)	301	946
Exploration	59	316	171	602
Interest expense	2,276	-	4,347	-
Interest income	(90)	(75)	(188)	(139)
	2,902	714	5,642	3,271
Loss for the period	(5,910)	(714)	(11,550)	(3,271)
Deficit - beginning of period	(48,211)	(14,446)	(42,571)	(11,889)
Deficit - end of period	(54,121)	(15,160)	(54,121)	(15,160)
Loss per share (note 1)	(0.05)	(0.01)	(0.10)	(0.03)
Weighted average number of common shares outstanding (000s)	117,466	110,198	117,466	106,874

IVERNIA WEST INC.
CONSOLIDATED BALANCE SHEET
(in thousands of United States dollars)

	June 30, 2001 $ (Unaudited)	December 31, 2000 $
Assets		
Current assets		
Cash and cash equivalents	8,280	10,096
Accounts receivable	2,695	2,824
Inventories	3,221	2,839
Other current assets	317	441
	14,513	16,200
Investments	64	64
Property, plant and equipment	140,983	138,341
Restricted cash and cash equivalents	1,836	1,676
Deferred charges	928	1,481
	158,324	157,762
Liabilities		
Current liabilities		
Working capital facility	3,750	3,750
Current portion of long term debt (note 3)	16,538	7,847
Accounts payable and accrued liabilities	13,879	14,021
	34,167	25,618
Long-term debt (note 3)	92,554	89,117
Reclamation and mine closure costs	400	274
Minority interest	497	497
	127,618	115,506
Shareholders' Equity		
Share capital (note 4)	78,019	78,019
Deficit	(54,121)	(42,571)
Cumulative translation adjustments	6,808	6,808
	30,706	42,256
	158,324	157,762

IVERNIA WEST INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of United States dollars)

	Three-month period ended June 30,		Six-month period ended June 30,	
	2001	2000	2001	2000
	$	$	$	$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cash provided by (used in)				
Operating activities				
Loss for the period	(5,910)	(714)	(11,550)	(3,271)
Non-cash items:				
Depreciation and amortization	2,510	11	4,549	22
Other	140	-	124	-
Changes in non-cash working capital:				
Accounts receivable, inventories and other current assets	364	250	(170)	473
Accounts payable and accrued liabilities	1,378	1,335	165	877
Change in restricted cash and cash equivalents	-	(64)	(160)	(499)
	(1,518)	818	(7,042)	(2,398)
Investing activities				
Additions to property, plant and equipment	(3,970)	(7,070)	(7,034)	(13,004)
	(3,970)	(7,070)	(7,034)	(13,004)
Financing activities				
Net cash proceeds on issue of shares	-	7,378	-	7,378
Long-term debt raised	5,208	2,197	12,708	3,718
Proceeds on the sale of capital stock held by subsidiaries	-	97	-	97
	5,208	9,672	12,708	11,193
Effect of exchange rate changes on cash equivalents	(457)	68	(448)	(1)
Net increase (decrease) in cash and cash equivalents	(737)	3,488	(1,816)	(4,210)
Cash and cash equivalents - Beginning of period	9,017	7,229	10,096	14,927
Cash and cash equivalents - End of period	8,280	10,717	8,280	10,717

IVERNIA WEST INC.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month periods ended June 30, 2001 and 2000

(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 (the "Company") have been prepared in accordance with Canadian generally accepted accounting principles, using the same accounting policies and basis as those disclosed in notes 1, 2 and 3 to the Company's audited consolidated financial statements for the year ended December 31, 2000 except for earnings per share. Effective January 1, 2001, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants with respect to interim financial reporting and earnings per share. The new recommendations have been applied on a retroactive basis. The adoption of these recommendations had no significant impact.

These interim consolidated financial statements should be read in conjunction with the Company's audited annual consolidated financial statements included in the Company's Annual Report for the year 2000.

2. Lisheen joint venture

The Lisheen Mine commenced commercial production for reporting purposes on January 1, 2001.

3. Long-term debt

Refer to note 9 to the Financial Statements in the Company's Annual Report for the year 2000.

	June 30, 2001	**December 31, 2000**
	$	$
Project loan	86,500	86,500
Anglo funding agreement (a)	17,208	4,500
Standby facility (b)	5,384	5,964
	109,092	**96,964**
Less current portion:		
Project loan	13,308	6,654
Standby facility	3,230	1,193
	92,554	**89,117**

(a) Anglo funding agreement

Refer to note 9(c) to the Financial Statements in the Company's Annual Report for the year 2000.

In June 2001, the Company completed an amendment to the terms of the Anglo Funding Agreement providing for the funding by Anglo until further notice of the Company's 50% share of certain overrun contributions and other contributions for the Lisheen Mine. Under the amending agreement, the date by which the Company must elect to resume funding of certain overrun contributions and other contributions or be potentially subject to applicable penalty provisions under the Lisheen Joint Venture agreement (such penalty provisions being the loss of the Company's voting entitlement at meetings of the Lisheen Mine Management Committee and the suspension of the Company's right to order and direct the marketing and sale of its share of concentrates) was extended to September 30, 2001. The amending agreement also provides that all contributions made by Anglo shall not result in any dilution of the Company's 50% participating interest and shall be repaid together with interest calculated to derive a 10% annual real rate of return from the first available Lisheen Mine cashflow. As at June 30, 2001, $17.21 million including interest had been funded by Anglo under the Anglo Funding Agreement

(December 31, 2000 - $4.5 million).

(b) Standby facility

Refer to note 9(b) to the Financial Statements in the Company's Annual Report for the year 2000.

In July 2000 the Company drew down in full the IR £5 million (approximately $5.4 million) Standby facility from an Irish financial institution. The purpose of the Standby facility was to meet the Company's share of cost overrun funding requirements for the Lisheen Mine. In August 2000 the Company utilized IR £1.69 million (approximately $1.99 million) of the Standby facility draw down to meet a funding call from the Lisheen Mine. In November 2000 the Company finalised arrangements with Anglo for the ongoing funding of the Company's 50% share of certain overrun contributions for the Lisheen Mine under the terms of the Anglo Funding Agreement and subsequently did not utilize the Standby facility to meet Lisheen funding calls. In June 2001 the Anglo Funding Agreement was extended to cover the ongoing funding of the company's 50% share of other contributions for the Lisheen Mine. The Anglo Funding Agreement replaced the need to use the balance of the Standby facility for Lisheen funding calls and accordingly in July 2001 the Company reached agreement with the Irish financial institution to repay on July 23, 2001 IR £2.92 million (approximately $3.14 million) of the IR £5 million draw down. The IR £2.08 million balance on the Standby facility is repayable on June 30, 2003. Interest on the Standby facility is payable at the rate of 2% per annum over the cost of funds to the lender on the relevant interbank market. The Standby facility is secured pursuant to a security deed by a charge over all of the Company's cash flow from the Lisheen Joint Venture and the shares of its subsidiary, Ivernia Lisheen Holdings Limited.

4. Share capital

The number of common shares outstanding at June 30, 2001 and December 31, 2000 was 117,466,126.

At June 30, 2001 there were outstanding options to purchase 7,700,000 common shares of the Company, of which 3,650,000 were exercisable at that date. During the quarter 235,000 options expired, and 400,000 new options were granted.

5. Hedge program

The Company's currency hedge program consists of forward contracts to sell $24.75 million as at June 30, 2001 (December 31, 2000 - $28.23 million) during 2001 – 2003 (December 31, 2000 – during 2001-2003) at an average rate of IR £1.00 to US$1.26 (December 31, 2000 - $1.35). The unrealized loss on the currency hedge program was $3.63 million as at June 30, 2001 (December 31, 2000 – unrealized loss of $3.20 million).

The Company also entered into interest rate swap contracts with various financial institutions to manage its interest rate risk exposure arising from changes in the market interest rates on its floating rate long-term debt. Under the terms of the interest rate swap contracts, the Company pays fixed rate interest payments in exchange for floating rate interest payments. The term to maturity of the contracts outstanding ranges from three years to five years and are due to mature on dates between August 2002 and June 2003. The total notional amount outstanding as at June 30, 2001 is $ 47.0 million (December 31, 2000 - $47.0 million). As at June 30, 2001, the unrealized loss on the interest rate swaps was $1.23 million based on prevailing interest rates (December 31, 2000 – unrealised loss of $219,000).