IVERNIA WEST INC. REPORTS SECOND QUARTER 2002 RESULTS

(all dollar amounts are in United States dollars)

Overview

- The Company reported a net loss of $1.2 million or $0.01 per share for quarter ended June 30, 2002.
- Record quarterly mine production achieved at the Lisheen Mine, Ireland.
- All production aspects of the Lisheen project loan Completion Test satisfied by mid July – due process with the syndicate banks underway.
- Developed ore reserves available for mining increased to 1.2 million tonnes, total water make reduced to 70ml/day.
- Assessment of the Cano discovery adjacent to the Magellan pit completed. Cano expected to add at least 20% to the Magellan reserves at similar grade to the main Magellan pit.
- Discussions continue with a number of parties towards financing the development of the Magellan Lead Project in Western Australia.
- The zinc metal price on the LME continued to trade at very low levels during the quarter.

TORONTO, CANADA (AUGUST 29, 2002) - Ivernia West Inc ("Ivernia" the "Company") today reported its unaudited operating results for the second quarter ended June 30, 2002.

The Company reported a net loss of $1.2 million or $0.01 per share for the quarter and $2.6 million for the six month period ended June 30, 2002, compared with a loss of $5.9 million or $0.05 per share for the second quarter of 2001 and $11.6 million for the first six months of 2001.

The primary reasons for the reduced net loss during the second quarter of 2002 and the first six months of 2002 compared to the same periods in 2001, were a reduction in interest charges expensed during the period due to lower interest rates and reduced debt, reduced G & A costs and foreign exchange gains principally related to the euro based cash deposits. Second quarter 2001 also included Ivernia's share of the initial Lisheen losses from mining operations.

Net cash generated from investing activities during the second quarter of 2002 was $8.4 million of which a receipt for $8.0 million related to a repayment of shareholder and partner loans by the Lisheen Joint Venture. This repayment was funded by Anglo under the terms of the Anglo Funding Agreement to enable Ivernia to repay the second instalment on the Lisheen project loan ($6.6 million) plus interest due ($1.4 million) during the quarter. Proceeds of $0.5 million were received on the sale of short term investments (see note 3). An amount of $0.2 million was utilised during the quarter on expenditures related to the Magellan Project. This net cash generated from investing activities compared to cash utilized of $4.0 million in the same period of 2001.

Net cash utilized in financing activities during the second quarter of 2002 was $6.6 million compared to net cash generated of $5.2 million in the same period of 2001. The $6.6 million utilized in financing activities was principally in respect of the repayment of the second instalment on the Lisheen project loan on June 28, 2002.

As at June 30, 2002 Ivernia had a working capital deficiency of $16.0 million compared to a working capital deficiency of $13.6 million as December 31, 2001. The current portion of long term debt plus accrued interest in respect of the Lisheen project loan represents $14.1 million of a working capital deficiency at June 30, 2002 which is scheduled to be paid under the terms of the Anglo funding agreement.

On August 20, 2002 Ivernia announced 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 (see note 7).

Metal Prices

London Metal Exchange (LME) prices for zinc and lead metals produced by the Lisheen Mine for the second quarter and the first six months for 2002 compared with the same periods in 2001 were as follows:

Average LME Prices	Three months ended June 30, 2002	2001	Six months ended June 30, 2002	2001
Zinc $/lb	0.35	0.42	0.36	0.44
Lead $/lb	0.21	0.21	0.22	0.22

During the quarter the price of zinc, the Lisheen Mine’s primary metal, continued to trade at or around the historically low levels seen in the previous two quarters.

OPERATIONS REVIEW

Lisheen Mine (Ivernia – 50% equity interest)

Performance at the Lisheen Mine improved significantly during the second quarter 2002 compared to the second quarter 2001. During the second quarter 2002 the Lisheen Mine mined and processed more ore than any previous quarter. Improved performance was the result of remedial activities implemented at the mine in particular in the area of predevelopment underground operations. The success of this work has resulted in substantially more faces and tonnages available for mining. Developed ore reserves available for mining increased from approximately 1.14 million tonnes at the end of March 2002 to approximately 1.20 million tonnes by the end on June 2002. This work is ongoing with a target level of 1.5 million tonnes available for mining by the end of 2002 when operating costs should reduce as development reaches equilibrium. The commencement of backfilling will also provide additional readily accessible ore supply. Operating results for the three month period ended June 30, 2002, the first six months of 2002 and corresponding periods in 2001 were as follows:

Lisheen Mine Production Summary

	2002			2001	
	YTD	**Q2**	**July**	**YTD**	**Q2**
Tonnes Mined	783,940	400,904	135,767	581,431	307,331
Tonnes Milled	784,192	407,369	138,015	554,624	295,261
Grade – Zn	11.09%	12.15%	12.13%	12.22%	11.92%
Grade – Pb	2.05%	2.48%	2.73%	2.65%	2.10%
Recoveries – Zn	87.21%	88.3%	88.3%	80.68%	83.58%
Recoveries – Pb	67.91%	68.9%	69.6%	72.82%	69.65%
Zn Concentrate tonnes	140,108	80,766	27,213	102,094	54,242
Pb Concentrate tonnes	17,796	11,281	4,118	16,585	6,625
Zn Concentrate Grade	54.13%	54.09%	54.28%	53.57%	54.23%
Pb Concentrate Grade	61.34%	61.63%	63.68%	64.46%	65.09%
Recovered Zn tonnes	75,834	43,684	14,770	54,691	29,414
Recoverred Pb tonnes	10,916	6,953	2,622	10,691	4,312
Cash Production Cost (1)	**$0.35**	**$0.33**	**$0.34**	**$0.45**	**$0.42**

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

During the second quarter production levels out of both the mine and mill set new records. The milled tonnage at 407,369 tonnes is equivalent to an annual production level of 1.63 million tonnes or approximately 10% over the design capacity of the mill. Significant improvements have been made in utilising the installed power on the milling circuit and further throughput rate improvements are planned.

The Project Completion Test production run began on the 10th May and ran for 75 days until 23rd July. In order for the test percentages to be satisfied it was necessary to achieve at least 90% of target levels in each of the categories below for a consecutive 60 days within the test period.

The following are the Lisheen production statistics for the chosen consecutive 60 day period from 10th May to 9th July:

Tonnes Milled:	288,049 tonnes total or 4,801 tonnes per day which 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 the Completion Test period explosive and grinding media consumption figures, labour figures and power consumption numbers show that our efficiency certificate percentage is under 100% with the maximum allowable being 110%. Consequently, Lisheen management have advised Ivernia that they have met the physical Completion Test parameters.

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

The uplift of the walls of the Tailings Management Facility (TMF) began during the quarter. This work is being undertaken to raise the TMF to its final design height and is expected to be completed by January 2003 at a total cost of approximately $10 million. Although not strictly required in the near term the additional storage capacity will give considerable flexibility on the timing and placement rate of mine backfill.

Magellan Project, Western Australia (Ivernia - 95.8% equity interest)

Work progressed on the Magellan project during the quarter and a pit optimisation programme on the previously reported Cano resources has shown that at least 20% can be added to the existing Magellan reserves (8.5 million @ 7.1% Pb) at the adjacent Cano pit at similar strip ratios and grades. The pre stripping requirement is however considerably smaller and this may be possible to use to advantage.

Thickening testworks on concentrate samples has given excellent results and it appears that this part of the process can be more efficiently executed than was assumed in the Feasibility Study.

Design work with a furnace and smelting process supplier has been progressed to a level whereby improved layouts and process parameters have been identified compared to the feasibility study assumptions and many of the potentially problematic areas have now been resolved. This affords a much more robust and efficient operation which can accommodate expansion more readily and is simpler to commission.

Work is ongoing to update the feasibility study parameters and refine data estimates, and as it appears that the additional feedstock which will be available from Cano may actually justify a new mining schedule, further work may be required to update the feasibility study for an expanded operation.

Exploration

Exploration activities have been at a very low level as a result of the very weak metal prices. Joint Venture partners are being sought on our Irish midland licences in conjunction with Billiton and also on our wholly owned Kentucky leases. During August a moratorium on required exploration expenditure was announced by Mr. John Browne TD, the Minister of State at the Department of Communications, Marine and Natural Resources. This moratorium will allow companies to maintain their licence holdings up to the end of 2003 without having to meet the required exploration expenditure in the interim. The only area that is currently being explored is adjacent to the Lisheen Mine on licences held in joint venture with Anglo American.

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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CONSOLIDATED FINANCIAL STATEMENTS TO FOLLOW

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,	
	2002	**2001**	**2002**	**2001**
	$	**$**	**$**	**$**
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Gross revenue	-	14,558		27,461
Smelter costs	-	7,833		14,480
Net revenue	-	6,725		12,981
Mine operating costs				
Cost of sales	-	7,223		14,340
Depreciation and amortisation	-	2,510		4,549
	-	9,733		18,889
Loss from mining operations	-	(3,008)		(5,908)
Other expenses (income)				
General and administrative	334	586	586	1,011
Foreign exchange (gain)/loss	(225)	71	(211)	301
Exploration	13	59	45	171
Interest expense	1,182	2,276	2,308	4,347
Interest income	(26)	(90)	(42)	(188)
Other income, net	(90)	-	(90)	-
	1,188	2,902	2,596	5,642
Loss for the period	(1,188)	(5,910)	(2,596)	(11,550)
Deficit - beginning of period	(59,433)	(48,211)	(58,025)	(42,571)
Deficit - end of period	(60,621)	(54,121)	(60,621)	(54,121)
Loss per share	(0.01)	(0.05)	(0.02)	(0.10)
Weighted average number of common shares outstanding (000s)	144,712	117,466	137,089	117,466

IVERNIA WEST INC.

CONSOLIDATED BALANCE SHEETS

(in thousands of United States dollars)

	June 30, 2002 $ (Unaudited)	December 31, 2001 $
Assets		
Current assets		
Cash and cash equivalents	476	630
Short-term investments (note 3)	400	-
Accounts receivable	84	185
Other current assets	125	129
	1,085	944
Investments (note 2)	91,163	100,814
Property, plant and equipment	8,050	6,779
Restricted cash and cash equivalents	3,215	1,798
Deferred charges	26	38
	103,539	110,373
Liabilities		
Current liabilities		
Current portion of long term debt (note 5)	15,931	13,308
Accounts payable and accrued liabilities	1,126	1,276
	17,057	14,584
Long-term debt (note 5)	59,884	68,884
Minority interest	52	103
	76,993	83,571
Shareholders' Equity		
Share capital (note 6)	80,359	78,019
Deficit	(60,621)	(58,025)
Cumulative translation adjustments	6,808	6,808
	26,546	26,802
	103,539	110,373

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,	
	2002	**2001**	**2002**	**2001**
	$	**$**	**$**	**$**
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cash provided by (used in)				
Operating activities				
Loss for the period	(1,188)	(5,910)	(2,596)	(11,550)
Non-cash items:				
Depreciation and amortization	-	2,510	-	4,549
Other	216	140	222	124
Changes in non-cash working capital:				
Accounts receivable, inventories and other current assets	88	364	111	(170)
Accounts payable and accrued liabilities	(511)	1,378	(86)	165
Change in restricted cash and cash equivalents	-	-	(1,065)	(160)
	(1,395)	(1,518)	(3,422)	(7,042)
Investing activities				
Additions to property, plant and equipment	(150)	(3,970)	(1,201)	(7,034)
Proceeds on sale of short term investment	533	-	533	-
Decrease in equity investment	8,028	-	9,651	-
	8,411	(3,970)	8,983	(7,034)
Financing activities				
Net cash proceeds on issue of shares	29	-	1,257	-
(Decrease)increase in long-term debt, net	(6,654)	5,208	(6,654)	12,708
	(6,625)	5,208	(5,397)	12,708
Effect of exchange rate changes on cash and cash equivalents	(308)	(457)	(318)	(448)
Net increase (decrease) in cash and cash equivalents	83	(737)	(154)	(1,816)
Cash and cash equivalents - Beginning of period	393	9,017	630	10,096
Cash and cash equivalents - End of period	476	8,280	476	8,280

IVERNIA WEST INC.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three month periods ended June 30, 2002 and 2001

(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 note 1 (Going concern), note 2 (Nature of operations) and note 3 to the Company's audited consolidated financial statements for the year ended December 31, 2001.

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 2001.

2. Investments

Refer to note 4 to the Financial Statements in the Company's Annual Report for the year 2001.

	June 30, 2002
Lisheen Joint Venture:	$
Balance as at March 31, 2002	
- shareholder and partner loans	99,175
- equity investment	-
	99,175
Shareholder and partner loans repaid	(8,028)
Balance at June 30, 2002	91,147
Other Investments	16
	91,163

(a) Lisheen joint venture

Since October 2000, Anglo has funded the Company's 50% share of contributions for the Lisheen Mine under the terms of the Anglo Funding Agreement (refer to note 5 to the Financial Statements in the Company's Annual Report for the year 2001). The Company's consolidated balance sheet as of June 30, 2002 includes a $13.31 million current portion of the Project Loan and $0.77 million of accrued Project Loan interest, the funding for which falls within this Anglo Funding arrangement.

The Company's 50% share of the funding of the operating loss from its Lisheen equity investment is summarized as follows:

	Three month period ended June 30, 2002	Six month period ended June 30, 2002
	$	$
Net Revenue	9,077	16,429
Cost of Sales	(8,335)	(16,619)
Operating profit/(loss)	742	(190)
Funded by Anglo under the Anglo Funding Agreement	Nil	190
Ivernia funding of operating losses from Lisheen equity investment	Nil	Nil

As at June 30, 2002 $52.25 million (December 31, 2001 - $40.25 million) had been funded by Anglo under the terms of the Anglo Funding Agreement.

3. Short – term investments

In January 2002 a subsidiary of Ivernia West Inc. acquired 685,632 ordinary shares in Resources Investment Trust plc under the terms of a Private Placement (note 6(i)) valued at C$1.54 million

($961,000). In May 2002, a total of 400,000 of these shares were sold for proceeds of $536,000 resulting in a loss of US$38,000 being recorded against other income during the quarter.

4. Magellan Project

Refer to note 7 to the Financial Statements in the Company's Annual Report for the year 2001.

In January 2002 the Company exercised a primary call option to increase its direct and indirect equity interest in the Magellan Project from 91.6% to 95.8%. Payment for the exercise of this option was made during February 2002 and included A$1.76 million ($894,000) and the issue of 1.4 million shares in the Company as part of a Private Placement (note 5(a)). The Company has given notice of exercise of a secondary call option whereby it intends to increase its direct and indirect equity interest in the Magellan Project to 100% following the payment of a further A$2.0 million in 2003. Following the exercise of the primary and secondary call options, the tertiary options have lapsed.

Deferred expenditure on the Magellan project during the three month and six month period ended June 30, 2002 was $150,000 and $307,000 respectively.

5. Long-term debt

Refer to note 10 to the Financial Statements in the Company's Annual Report for the year 2001.

	June 30, 2002	**December 31, 2001**
	$	$
Project loan	73,192	79,846
Standby facility	2,623	2,346
	75,815	82,192
Less current portion:		
Project loan	13,308	13,308
Standby facility	2,623	-
	59,884	68,884

6. Share capital

(a) Issued and outstanding shares

	Number of common shares	Amount $
Outstanding as at December 31, 2001	117,466,126	78,019
Issued in connection with private placement (i)	27,402,053	2,340
Outstanding as at June 30, 2002	144,868,179	80,359

(i) Private placement

During January, February and April 2002 the Company completed a private placement of 27,402,053 units, each consisting of one common share and one-third of a common share purchase warrant, for an aggregate purchase price of C$3.84 million ($2.40 million). The Company issued 11 million of the units to Resources Investment Trust plc, a London Stock Exchange listed special purpose investment company, who satisfied the purchase price for these units by issuing 685,632 of its ordinary shares to a subsidiary of

Ivernia West Inc. The Company issued 1.4 million of the units as part of the payment made on the exercise of a primary call option to increase its direct and indirect equity interest in the Magellan Project (note 4). The remaining units were issued for aggregate cash proceeds of C$2.10 million ($1.32 million). Legal and listing fees were C$96,000 ($60,000).

Each full warrant will be exercisable into one common share of the Company at an exercise price of C$0.20 per share until December 31, 2002. The issue of common shares upon the exercise of these warrants was approved by shareholders at a general meeting held on May 30, 2002.

(b) Employee stock options

At June 30, 2002 there were outstanding options to purchase 10,500,000 common shares of the Company, of which 8,412,500 were exercisable at that date. During the quarter 250,000 new options were granted at an exercisable price of C$0.10 per share.

7. Subsequent event

In August 2002, the Company 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 $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 $0.065 per share (approximately C$0.10) at any time on or before maturity. Each $0.065 principal amount of the convertible notes carries one warrant for one common share exercisable at $0.065 up to December 31, 2003. Exercise of the warrants would raise up to a further $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 $0.065 per share.