



NEWS RELEASE

IVERNIA WEST PLC BUYS-OUT MAGELLAN LEAD PROJECT

September 5, 2000...

Ivernia West plc ("Ivernia") is pleased to announce that it has signed legally binding agreements to acquire Polymetals Pty Limited ("Polymetals") for AUS\$8 million. The transaction is expected to close within two weeks.

Polymetals holds 84.3% and Ivernia holds 15.7% of the issued shares of Magellan Metals Pty Limited ("Magellan") which controls the Magellan Lead Project near Wiluna in central Western Australia.

The initial consideration of AUS\$4 million is to be satisfied by the issue of 3,277,551 new ordinary shares in Ivernia at a price of Sterling 49 pence per share. The balance will be satisfied by cash payments of AUS\$2 million in January 2002 and AUS\$2 million on the earlier of first shipment of Magellan lead or the third anniversary of this agreement. Further details on the Polymetals acquisition agreements are included in the ESM particulars dated 29th August 2000, which have been circulated to Ivernia shareholders.

Ivernia has been contributing to the Magellan Feasibility Study expenditures to earn its 15.7% interest in Magellan. The Study, which was near completion in February 2000, was suspended following the discovery of additional mineralisation in the immediate vicinity of the planned pit. A follow-up drilling programme has been undertaken and new ore reserves are being calculated. It is anticipated that the Feasibility Study will be completed during fourth quarter 2000.

The Magellan pre-feasibility study showed production at 60,000 tonnes per annum of 99.9% block lead.

Commenting on the acquisition, Ivernia's Managing Director David Hough said: "I am delighted with this acquisition which will enable Ivernia to become a substantial producer of lead metal. We are currently negotiating offtake agreements with two end users, both of whom wish to sign contracts for the entire output of Magellan for the life of the mine".

ENDS

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