



## NEWS RELEASE

*All Dollar Amounts are in U.S. Dollars Unless Otherwise Indicated*

### IVERNIA REPORTS THIRD QUARTER 2009 FINANCIAL RESULTS

**TORONTO, ONTARIO – November 12, 2009** – Ivernica Inc. (TSX: IVW) today reported an operating loss of \$261,000 for the third quarter of 2009 compared with an operating loss of \$2.6 million for the same period last year. For the nine months ended September 30, 2009 operating income totaled \$737,000 compared with an operating loss of \$7.3 million for the same period last year. The net loss of \$4.6 million, or \$0.03 per share for the third quarter of 2009 compared with a net loss of \$3.4 million, or \$0.02 per share for the same period last year. Revenue for the third quarter of 2009 was \$207,000 which resulted from the first shipment and sale of 440 dry metric tonnes of lead carbonate concentrate from the mine site inventory stockpile through the Port of Fremantle. The Company did not record revenue in the third quarter of 2008 as the Magellan Mine remained on temporary care and maintenance during that period.

	Three months ended September 30		Nine months ended September 30	
	2009	2008	2009	2008
(in thousands of United States dollars, unless otherwise indicated and per share amounts)	\$	\$	\$	\$
<b>Financial Highlights</b>				
Revenue <sup>(1)</sup>	207	-	8,268	-
Operating costs <sup>(1)</sup>	(289)	(2,232)	(7,031)	(6,446)
Amortization	(179)	(347)	(500)	(876)
Income (loss) from operations	(261)	(2,579)	737	(7,322)
General and administrative	(1,597)	(1,601)	(5,093)	(4,511)
Esperance/Fremantle and related costs <sup>(2)</sup>	(1,057)	(163)	(1,278)	(729)
Net interest expense	(1,500)	(1,849)	(5,421)	(8,523)
Stock option costs	(28)	(44)	(38)	(195)
Inventory recovery (write-down)	40	(794)	4,188	(794)
Debt settlement expense	-	-	(753)	-
Other income (expenses)	120	(84)	(369)	(164)
	(4,022)	(4,535)	(8,764)	(14,916)
Loss before income taxes	(4,283)	(7,114)	(8,027)	(22,328)
Income tax (expense) recovery	(268)	3,696	(1,190)	6,789
Net loss	(4,551)	(3,418)	(9,217)	(15,449)
Basic and fully diluted loss per share <sup>(3)</sup>	(0.03)	(0.02)	(0.05)	(0.09)
Weighted average shares outstanding – thousands	180,153	180,153	180,153	167,757
Fully diluted shares outstanding – thousands	538,559	207,859	538,559	207,859
Unrealized loss on investment	-	(163)	(4)	(494)
Comprehensive loss	(4,551)	(3,581)	(9,221)	(15,943)
Cash used in operations before changes in non-cash working capital	(4,011)	(4,278)	(8,817)	(13,754)
Cash flow used in operating activities	(3,633)	(5,498)	(8,984)	(18,408)

- (1) Shipments of lead carbonate concentrate from the Magellan Mine were curtailed by the suspension of lead shipments through the Port of Esperance on March 12, 2007. This suspension was lifted in December 2008, following which a first shipment of 590 dry metric tonnes was made in March 2009 and a second shipment of 7,680 dry metric tonnes in May 2009. The final reconciliation of the Esperance stockpile led to an inventory gain of approximately 300 dry metric tonnes of lead carbonate concentrate. Following receipt of Ministerial approval on August 13, 2009 to commence shipments through the Port of Fremantle, the first shipment of 440 dry metric tonnes was completed in September 2009. Concentrate revenue for the third quarter of 2009 was \$0.6 million, less \$0.4 million related to the revaluation of provisionally priced lead carbonate concentrate previously shipped in the second quarter of 2009 and realized losses on the settlement of forward contracts.
- (2) Costs incurred in the advancement of the application for regulated shipping approvals through the Port of Fremantle, the removal of the stranded lead carbonate concentrate stockpile at the Port of Esperance and other related activities.
- (3) Basic and fully diluted loss per share was calculated on the basis of the weighted average shares outstanding for the relevant period.

## THIRD QUARTER 2009 HIGHLIGHTS

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- On August 13, 2009, received formal sign off from the Western Australian Minister for Environment on final management plans and clearance to commence containerized shipments through the Port of Fremantle
- Magellan Mine taken off of care and maintenance and sealed shipments from mine site stockpile commenced on a regular basis
- First vessel departed the Port of Fremantle in September
- Magellan Mine restart planning process well underway – targeting early 2010 restart
- Cash position at quarter end \$13.6 million

Alan De'ath, President and Chief Executive Officer, commented, "We have made significant progress at Magellan since receiving the August 13, 2009 Ministerial approval to commence sealed shipments through the Port of Fremantle. The Magellan management team promptly mobilized the transport and shipping logistics plan and the first vessel set sail from Fremantle within seven weeks of the approval date bound for China. We are now shipping on a regular weekly basis and for the next three months Magellan will be shipping the concentrate stockpiles currently held on site. We then plan to smoothly transition into shipping new production from the restart of the Magellan processing plant in early 2010. Restart planning for the Magellan processing plant and mining operations is well advanced -- we have recruited the key members of the management team and recruitment of the remaining workforce for restart is progressing to plan. With a healthy balance sheet and, at current lead prices, strong cash flow from the sale of the site stockpiles -- we are well positioned for the 12 months ahead including the restart of Magellan operations."

### Lead Market Outlook

Global demand for lead increased during the third quarter of 2009 compared to the first two quarters of 2009. This growth in demand was driven by continued robust demand from China and increased lead consumption in Europe and North America. Chinese lead demand is forecast to grow around 25% in 2009 driven by tax cuts on selected new vehicle purchases and continued growth in motorized transport, including electric bikes. However, it is a widely-held view that a portion of this growth in demand is currently held as stockpiled lead. For 2010, the International Lead Zinc Study Group ("ILZSG") is forecasting that Chinese lead consumption will increase by 7.8%. China has become the biggest consumer of lead, now representing approximately 45% of total world demand.

China has also become the world's largest manufacturer of passenger cars and light trucks. For the first nine months of the year, China's vehicle sales increased 34.2% year on year to 9.66 million units. According to the China Association of Automobile Manufacturers, auto sales in the country are expected to surpass 12 million vehicles for the full year of 2009. United States vehicle sales, by comparison, are expected to be between 10 and 11 million units in 2009. Chinese production of E-bike lead acid batteries continues to grow, mainly from the replacement battery sector. Lead use in E-bike batteries represents nearly 25% of Chinese lead demand.

European lead consumption in the third quarter of 2009 was up 15 to 20% compared to the second quarter according to a recent Reuters report. Increased European lead demand is being driven by new vehicle sales, seasonal increase in replacement battery production in preparation for anticipated winter demand and an increase in fork lift truck battery sales in response to increased overall economic activity. ILZSG is forecasting European lead demand to increase year on year by 8.8% in 2010.

The North American situation is similar to that in Europe where lead consumption has increased in the third quarter due to increased new vehicle sales from the "Cash for Clunkers" program, continued strength in the replacement battery sector and increased spending in data storage and telecommunications. Lead acid batteries provide uninterruptible power for large and small data centers and represent around 10% of North American lead consumption. Automotive replacement battery sales through August 2009 are up nearly 3% year over year compared to 2008.

In October 2009, ILZSG forecast global usage of refined lead metal to increase by 3% to 8.91 million tonnes in 2009 and a further 7.2% to 9.55 million tonnes in 2010.

Since the beginning of the year LME lead inventories have climbed steadily from 53,700 tonnes to approximately 131,000 tonnes on November 11, 2009. To put this number into perspective, it represents less than one week of consumption, and is well below inventories for other base metals (copper – 1.8 weeks, nickel – 8.7 weeks, zinc – 3.6 weeks). The lead metal price has also increased steadily from the beginning of the year despite the modest increase in inventory.

In 2010, ILZSG is forecasting that lead supply will outpace demand by around 100,000 metric tonnes, an increase of less than four days in global inventory. Historically, new lead production, particularly mine production has come on-stream slower than planned or anticipated. A slight increase in demand or further supply disruption could easily turn the lead market from surplus to deficit.

Longer term, we anticipate a continued tightening of supply as there is very little new mine production coming on stream post 2010. Once the economy shows signs of sustainable recovery, it is likely that lead supply will be unable to keep pace with demand – resulting in higher prices for lead.

### **Financial Outlook**

Management anticipates that the Company's existing cash balance at September 30, 2009 of \$13.6 million will be increased by proceeds from the shipment of the remaining approximately 20,600 dry metric tonne lead carbonate stockpile at the mine site. Based on the closing three month forward LME lead settlement price at September 30, 2009 of \$2,283 per tonne, approximately \$16.0 million in net proceeds will be realized on the sale of the stockpile. Assuming exchange rates and transportation costs remain constant, each \$100 per tonne change in the lead price above and below \$2,283 per tonne will impact net proceeds by approximately \$1.0 million.

Management's current focus is on the shipping of the existing mine concentrate stockpiles and on the extensive mine restart planning and implementation process. The restart of the Magellan Mine is currently expected early in 2010 with targeted full production levels anticipated within a five to six month ramp-up period.

Management anticipates that at current metal price levels the Company will utilize approximately \$10 million from its treasury (being current cash balances plus net proceeds from the sale of the mine site stockpiles) to fund the restart of the Magellan Mine during the first half of 2010 in addition to normal corporate expenditures.

### **Fremantle Ministerial Approvals**

On August 13, 2009 the Minister for Environment formally approved the final management plans, thereby permitting export of lead carbonate concentrate from the Magellan Mine through Fremantle to commence.

### **Health, Safety, Environment and Compliance Update**

In August 2009, an inspection of the Magellan mine site was conducted by four members of the Department of Mines and Petroleum (DMP). The inspection was a routine annual inspection and was used as a training/update opportunity for all four members of the Department.

The Maritime Union of Australia (MUA) visited the mine site in September 2009 as part of a general due diligence program prior to the commencement of container handling at the Port of Fremantle. A series of presentations was provided and a site inspection of the bagging and container activities was undertaken at the mine site and at Leonora. The MUA subsequently endorsed the process and commenced handling containers within Fremantle Port.

During the quarter, a pre-start audit was undertaken by Inspectorate Australia (Assay) Pty Ltd ("Inspectorate"), the independent auditor appointed pursuant to Ministerial Statement 783. The audit was

undertaken over three days and involved review of various documentation and an inspection of bagging and container activities at the mine site and Leonora. No significant non-compliance issues were identified that prevented the commencement of transport through the Port of Fremantle. The report is expected to be made available in November 2009.

The independent inspector has published monthly compliance reports for September and October 2009 confirming Magellan Metals' full compliance with Ministerial Statement 783 and the Implementation of Condition 10 document – specifically, that all bags, containers and trucks have departed the Magellan mine site without lead carbonate concentrate dust on the outside of the sealed bags, containers or trucks. These reports were published on the Magellan Metals website under “Compliance – Reporting”.

All site environmental monitoring and reporting requirements are being undertaken to ensure compliance with license conditions. During the third quarter of 2009 transport route sampling was completed, results received and the data posted at [www.magellanmetals.com.au](http://www.magellanmetals.com.au). The Company is committed to publicly reporting monitoring results as soon as they become available in compliance with Ministerial conditions.

### **Shipping and Logistics Update**

Following the receipt of approvals permitting the export of lead carbonate concentrate through the Port of Fremantle, the Company immediately turned its focus to progressing the first containerized shipments through its logistics chain in a safe and efficient manner. The major activities included:

- Selecting and mobilizing a container handler to load and unload empty and full containers
- Negotiating a road and rail haulage contract covering the entire stockpile shipment
- Appointing and mobilizing Inspectorate as the independent auditor at site
- Posting the A\$5 million bond prior to commencing shipping lead carbonate concentrate through the Port of Fremantle
- Arranging the delivery of containers to site and booking vessel space with a number of shipping lines.

Shipments through the Port of Fremantle of the existing mine stockpile (approximately 21,000 dry metric tonnes) commenced during the third quarter of 2009. In September 2009 the first 20 containers containing 440 dry metric tonnes of lead carbonate concentrate were exported without incident and in full compliance with Ministerial conditions. Subsequent to quarter end, shipments have steadily progressed with a continuous flow of containers delivered to mine site, filled with sealed bags and returned to the Port of Fremantle for regular shipment. As at November 11, 2009 a total of 204 containers containing 4,400 dry metric tonnes of lead carbonate concentrate have been exported leaving approximately 16,600 dry metric tonnes still stockpiled. Management expects that it will complete the remaining stockpile shipments in early 2010 dependent on availability of containers and shipping vessels.

### **Restart Planning Update**

With the Fremantle shipping process well in hand, the restart of the Magellan Mine is management's principal priority.

An operations management team with the required expertise to successfully implement the restart plan is now in place at Magellan Metals with the recent additions of Mining, Processing and Contract and Logistics managers. Ivernia expects to announce shortly the appointment of the new Executive Vice President, Operations who will oversee the restart of the Magellan Mine and its progress into a steady state operation during 2010. The restart of the Magellan Mine is currently expected early in 2010 with targeted full production levels anticipated within a five to six month ramp-up period. To achieve these objectives

management has a number of key tasks to be completed. The majority of these tasks are well underway and expected to be completed early in 2010, including:

- Recruitment and training of a full complement of operational and administration employees
- Major capital projects including development and construction of permanent bagging and storage facilities, commissioning the gas pipeline and pressure filter and converting the power station from diesel to dual fuel
- Securing permanent container handling solutions
- Maintenance projects on the plant and other equipment
- Reagent and consumables management.

Although the labour market in Western Australia is providing high quality candidates, recruitment has a significant lead time due to required notice periods, employee's physicals, interviews, background checks, etc.

The main reagents in the flotation process at the Magellan Mine, Sodium Hydrosulphide and Sodium Isobutyl Xanthate, have a significant delivery lead time currently estimated at 10 weeks. In October 2009 Magellan Metals made an initial order covering the first two months of production to avoid any delivery delays.

Maintenance projects have been performed at the plant during October 2009 and November 2009 with maintenance projects scheduled to continue up until the restart.

### **Exploration Update**

The Company's exploration activities target two general areas – the immediate vicinity of or adjacent to the Magellan deposit and farther afield in the region to identify potential projects which would utilize the Magellan Metals plant and take advantage of existing infrastructure.

Exploration work surrounding the Magellan deposit has continued to highlight areas for drill testing. Low cost soil sampling coupled with detailed interpretation of previous data has ranked the planned drill targets to be tested after resumption of production. A geochemical survey has been completed over the full Magellan Hill region. The data has assisted in targeting new areas, providing understanding on the deposit signatures and defining a background for the closure planning on natural lead levels in the soils. Exploration in the region beyond the immediate vicinity of the Magellan Mine is in the preliminary stage; however, the plant, power, communications, camp, tailing facility and workforce comprising Magellan Metals plant is a major advantage to exploring in the region within 50 kilometres. Exploration in this area is not restricted to lead as the existing plant could be modified to treat other ores.

### **Conference Call**

Management will host a conference call to discuss the Company's results at 10:00 a.m. (Eastern Time) on Friday, November 13, 2009. Dial-in information for the call follows:

Phone: 1 866 202 4683 (Canada and USA) or +1 617 213 8846 (International)

\* The participant passcode is: 43046048

Live Webcast: [www.ivernia.com](http://www.ivernia.com)

For those unable to participate in the conference call or webcast at the scheduled time, a telephone replay will be available until November 20, 2009 by dialing:

Phone: 1 888 286 8010 (Canada and USA) or +1 617 801 6888 (International)

\* The playback passcode is: 40100801

A webcast replay will remain available on the investor relations section of the Company's website at [www.ivernia.com](http://www.ivernia.com).

Complete Financial Statements and Management's Discussion and Analysis for the period ended September 30, 2009 were filed today and are available on the Ivernia website at [www.ivernia.com](http://www.ivernia.com) or SEDAR at: [www.sedar.com](http://www.sedar.com).

## **About Ivernia**

Ivornia is an international base metals mining, exploration and development company. The Company is the sole owner and operator of the Magellan lead mine in Western Australia. When operations resume and target production levels are achieved the mine is expected to be a significant pure lead producer accounting for approximately 2% of the total world lead mine production.

Ivornia trades under the symbol "IVW" on the Toronto Stock Exchange.

## **Forward-Looking Statements**

*Certain statements contained in this press release constitute forward-looking information within the meaning of securities laws. All statements included herein (other than statements of historical facts) which address activities, events or developments that management anticipates will or may occur in the future are forward-looking statements, including statements as to the following: the duration of the suspension of the Company's mining and milling operations, the possibility of legal or regulatory action (and any resulting costs or liabilities) which may be taken in connection with the matters investigated by the government of Western Australia relating to the suspension of mining operations, the estimated timing to recommence lead shipments from the Magellan Mine, future targets and estimates for production, capital expenditures, operating costs, cash costs, mineral resources and ore reserves, recovery rates, grades and prices; business strategies and measures to implement such strategies; competitive strengths; estimated goals and plans for Ivornia's future business operations; and other such matters. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "contemplate", "target", "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 statements are based upon certain reasonable factors, assumptions and analyses made by management in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. However, whether actual results and developments will conform with management's expectations is subject to a number of risks and uncertainties, including factors underlying management's assumptions such as the duration of the suspension of mining and milling operations, metal price volatility, lead carbonate concentrate treatment charges, exchange rates, regulatory proceeding and litigation, single mineral property, resources and reserves, health and safety, environmental factors, mining risks, metallurgy, labour and employment regulations, government regulations, insurance, refinancing risk, dependence on key personnel, constraints on cash flow and nature of mineral exploration and development. Additional factors and considerations are described in the Company's Annual Information Form dated as of March 31, 2009 under "Description of the Business of the Company – Doing Business in Australia" and elsewhere in this press release and in other documents filed from time to time by Ivornia with Canadian securities regulatory authorities. While Ivornia considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. These factors may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements, and there can be no assurance that the actual results or developments anticipated by management will be realized or, even if substantially realized, that they will have the expected results on the Company. Undue importance should not be placed on forward-looking information nor should reliance be placed upon this information as of any other date. Except as required by law, while it may elect to, Ivornia is under no obligation and does not undertake to update this information at any particular time.*

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**For further information please contact:**

### **Ivornia Inc.**

Ann Candelario

Director, Investor Relations & Corporate Communications

Tel: (416) 867-9298

Fax: (416) 867-9384

E-mail: [ann@ivernia.ca](mailto:ann@ivernia.ca)