



## NEWS RELEASE

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

### IVERNIA REPORTS FIRST QUARTER 2009 FINANCIAL RESULTS

**TORONTO, ONTARIO – May 14, 2009** – Ivernia Inc. (TSX: IVW) today reported a net loss of \$3.3 million, or \$0.02 per common share for the first quarter of 2009 compared with a net loss of \$6.9 million, or \$0.05 per share for the same period last year. Revenue for the first quarter 2009 was \$456,000 which resulted from the first trial shipment and sale of 590 dry metric tonnes of lead carbonate concentrate from the Esperance inventory stockpile. The remaining 7,400 dry metric tonne Esperance stockpile was shipped in the second quarter of 2009. The Company did not record revenue in the first quarter of 2008 as the Magellan Mine remained on temporary care and maintenance during the period.

Three months ended March 31 (in thousands of United States dollars, unless otherwise indicated and per share amounts)	2009 \$	2008 \$
<b>Financial Highlights</b>		
Revenue <sup>(1)</sup>	456	-
Operating costs	(405)	-
Care and maintenance	(222)	(2,043)
	(171)	(2,043)
General and administrative	(1,239)	(1,485)
Esperance/Fremantle and related costs <sup>(2)</sup>	(94)	(213)
Net interest expense	(2,581)	(4,358)
Stock option costs	(32)	(80)
Inventory recovery	1,650	-
Amortization	(152)	(231)
Debt settlement expense	(753)	-
Other income (expenses)	250	(232)
	(2,951)	(6,599)
Loss before income taxes	(3,122)	(8,642)
Income tax (expense) recovery	(177)	1,713
Net loss	(3,299)	(6,929)
Basic and fully diluted loss per share <sup>(3)</sup>	(0.02)	(0.05)
Weighted average shares outstanding – thousands	180,153	146,925
Unrealized gain (loss) on investment	15	(373)
Comprehensive loss	(3,284)	(7,302)
Cash used in operations before changes in non-cash working capital	(2,197)	(5,044)
Cash flow used in operating activities	(3,880)	(4,892)

- (1) Shipments of lead carbonate concentrate from the Magellan Mine ceased following the suspension of lead shipments through the Port of Esperance on March 12, 2007. The suspension was lifted in December 2008. A total of 590 dry metric tonnes of concentrate was shipped in March 2009.
- (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) Per share data was calculated on the basis of the weighted average shares outstanding (basic and diluted) for the relevant period.

## **FIRST QUARTER 2009 HIGHLIGHTS**

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- Approval to export lead carbonate concentrate through Fremantle granted by Minister for Environment
- Consultation with regulatory authorities and local governments on the conditions of the Fremantle approval
- Amendment and restatement of Secured Facility completed with the issue of Convertible Notes
- Obtained initial \$5 million in new funding following issuance of new Convertible Notes
- First shipment of 590 dry metric tonnes from Esperance under the lead removal plan was completed March 27, 2009, contributing \$456,000 in revenue for the first quarter 2009
- Restart planning process commenced
- Applications for first year (2009) Esperance community fund project received and assessed by Committee

### ***Events subsequent to quarter end***

- Remaining Esperance stockpile of approximately 7,400 dry metric tonnes was shipped May 4, 2009
- Obtaining \$10 million in additional new funding in April and May 2009

Alan De'ath, President and Chief Executive Officer commented, "This was a watershed quarter for the Company that saw us move from seeking to receiving Government approvals for shipping through Fremantle Port – to testing our sealed shipment process and shipping product from Esperance – to looking forward and initiating the planning process for a restart at Magellan. Shipment of the stockpile from Esperance is complete, approvals to commence export through the Port of Fremantle are well in hand and going through final process, and our recently announced financing arrangements provide us with sufficient capital in these uncertain times to undertake our planning process and work toward the eventual restart of the Magellan Mine operations."

Mr. De'ath continued, "Looking ahead, our immediate focus is building upon the successful lead removal operation at Esperance by continuing to demonstrate the high safety standards of our sealed shipment process beginning with trial mine-site stockpile shipments through Fremantle. We expect to commence these shipments in the third quarter of 2009. In tandem, the restart planning process has begun and in the months ahead we will focus amongst other things on operations and mine planning, contract negotiations for contractors, supplies, logistics, etc. together with the recruitment and training programs that are all key to the restart planning process."

### **Financing arrangements**

In March 2009 the Company completed an agreement with the holders of its then existing secured facility with a principal amount of \$20 million to extend the maturity date and amend certain other terms. In addition, Sentient Global Resources Fund II purchased an additional \$5 million of Convertible Notes. As at March 31, 2009 Convertible Notes in the aggregate principal amount of \$28.4 million were outstanding.

Subsequent to quarter end, on April 2, 2009, OppenheimerFunds Inc. purchased \$5 million principal amount of Convertible Notes. On April 23, 2009, Rosspart Metals and Mining Fund LP purchased \$1 million principal amount of Convertible Notes resulting in \$34.4 million of Convertible Notes currently outstanding. On May 8, 2009 Sentient Executive GP III, Limited committed to purchase \$4 million of Convertible Notes with closing expected to take place May 29, 2009. This transaction completes the refinancing and will result in a total of \$38.4 million of Convertible Notes outstanding.

### **Outlook**

The Company's existing cash balances at March 31, 2009 of \$11.1 million will be increased by the \$10 million proceeds from the additional Convertible Notes issued and to be issued in April and May 2009, and will be further increased through the Company's expectation that the shipment and monetization of the

lead carbonate stockpiles will generate approximately \$8.8 million in net proceeds based on the average daily LME lead settlement price for March 2009 of \$1,239 per tonne. The Company believes that these sources will be sufficient to fund operating costs associated with the containerization of the 21,000 dry metric tonne stockpile currently at the Magellan Mine for export through the Port of Fremantle (which will require the posting of an A\$5 million bond) as well as advance the Magellan Mine restart planning process and fund the ongoing care and maintenance costs of the Magellan Mine and company general and administration costs.

The Company currently anticipates that first shipments through Fremantle will commence during the third quarter of 2009 and that it will take approximately six months to ship the 21,000 dry metric tonne stockpile currently on mine site. As the containerized shipping through Fremantle progresses, the Company will advance the mine operations restart planning process and review timing for the re-commencement of production at the Magellan Mine, taking into consideration general economic conditions and other factors including metal prices and exchange rates as well as transport, shipping, treatment charges and other input costs.

Once a mine restart decision has been made, it is anticipated that it will take up to six months before full production levels are achieved. Given the time necessary to complete shipping of the stockpile at the mine site, 2009 operations will likely involve shipments of the existing stockpile only, with actual restart of mining operations not currently anticipated to occur before 2010, based on the factors described above.

#### **Update on the Removal of the Lead Concentrate Stockpile at the Port of Esperance**

The Company's principal activities in the first quarter of 2009 focused on bagging, containerizing and preparing for shipment of the existing approximate 8,000 dry metric tonne stockpile at the Port of Esperance, including an initial trial shipment in March.

In January, the bagging machine and other equipment were dispatched from the Magellan Mine site to the Port of Esperance. During the quarter, contract employee recruitment and training was completed, equipment installed and the lead shed prepared for bagging machine operations.

To ensure minimal dusting occurred as a result of the lead removal operations, a sprinkler system was installed over the stockpiled concentrate within the lead shed. Conditioning of product was ongoing during the quarter using the sprinkler system and hand-held hoses. Regular moisture testing and blending of stockpiles were also undertaken as additional dust control measures.

The first shipment of stockpiled lead carbonate concentrate containing 590 dry metric tonnes occurred on March 27, 2009, and subsequent to quarter end on May 4, 2009 the remainder of the stockpile carrying approximately 7,400 dry metric tonnes was exported.

The safe removal and export of the Esperance stockpile is now complete, and was achieved in full compliance with stringent conditions. Bagging of lead carbonate concentrate was completed prior to the May 4, 2009 shipment, and subsequent activities are focused on the safe demobilization and cleaning of equipment and materials ready for transport back to the Magellan Mine site. All full shipping containers were removed from the dedicated dangerous goods storage area and transported without incident to the outgoing vessel on May 4, 2009.

The lead removal operation was overseen by an Independent Auditor who had responsibility for auditing the process for the bagging, containerizing, storage and transport of lead carbonate concentrate from the lead shed through to export from the Port. The Auditor confirmed that the Company complied with the Lead Removal Plan throughout the lead removal operation, as documented in weekly Auditor reports to the Department of Environment and Conservation, the EsPA, the Lead Removal Plan Audit Committee and the local Community.

The Department of Environment and Conservation and the Department of Mines and Petroleum inspected the lead removal operation multiple times throughout the quarter. These inspections did not identify any non-compliance with the Lead Removal Plan.

Magellan Metals and the Esperance Port Authority have assisted each other throughout the stockpile removal operation and will continue to work closely together to ensure the final completion of Lead Removal Plan.

The old shed, in which the material had been stored, is enclosed within a new fully sealed shed and is being cleaned by Magellan Metals to standards agreed with the Department of Environment and Conservation and the Esperance Port Authority. The shed will then be handed back to the Esperance Port Authority for preparation for demolition and disposal. Cleaning, demolition and disposal activities will be conducted under strictly managed conditions.

### **Esperance Community Fund Update**

Pursuant to an agreement executed in February 2009 with the Shire of Esperance, Magellan Metals committed to an A\$1 million obligation to community-based projects in Esperance distributed evenly over the next three years. This program is administered by the Shire, and funds are disbursed by a five-person committee comprised of one Magellan Metals representative, one Shire representative and three representatives of the local community at large.

Applications for the first year program were called for in early February 2009 and closed on March 16, 2009. In this period, the committee received 49 applications for first year funding totaling A\$1.2 million. Applications were collated by the Shire and a copy of each application was sent individually to each committee member for individual assessment and scoring. The committee evaluated all applications keeping within the A\$300,000 first year funding threshold, and for 2009, selected 10 projects totaling A\$298,000. Announcement of successful applicants for 2009 will be posted to the Magellan Metals website [www.magellanmetals.com.au](http://www.magellanmetals.com.au).

### **Fremantle Ministerial Approvals and Conditions Update**

On February 2, 2009, the Minister for Environment in Western Australia, issued Statement 783 which had the effect of granting final approval for Magellan Metals to commence sealed shipments of lead carbonate concentrate through the Port of Fremantle, subject to a number of conditions including the development of monitoring and management plans.

During the quarter, Magellan Metals undertook extensive consultation on its monitoring and management plans with the Department of Environment and Conservation, Department of Mines and Petroleum, Department of Health, Fire and Emergency Services Authority, and local governments along the transport route. This work has included consultation on the dedicated Emergency Response Plan with every local government along the transport route from the mine site to the Port of Fremantle. These plans have been reviewed by all relevant authorities, and are with the Department of Environment and Conservation for approval for final review and sign-off by the Minister for Environment which is expected to occur in the second quarter of 2009.

As a commitment to transparency, Magellan Metals will be placing the final versions of all monitoring and management plans on its website, and will be providing regular reports to the Community Reference Group. The full text of Statement 783 is available at [www.ivernia.com](http://www.ivernia.com) and [www.magellanmetals.com.au](http://www.magellanmetals.com.au).

### **Shipping of the Lead Concentrate Stockpile at the Mine Site**

Following the completion of the Esperance Lead Removal Plan during the second quarter, the Magellan Metals' work force in Esperance will be redeployed back to the mine site to prepare for the export of the approximate 21,000 dry metric tonne stockpile currently at the Magellan Mine site via the Port of

Fremantle. It is expected that initial shipments through the Port of Fremantle will commence with small trial shipments, all in accordance with stringent environmental health and safety regulations. It is anticipated that export of the mine site stockpile will take place during the third and fourth quarters of 2009.

### **Operations Update**

In the first quarter 2009, there were no major activities performed at the mine-site during the bagging operations in Esperance.

The baseline sampling program from the Magellan Mine site to the Port of Fremantle along the transport route was completed during the quarter, and the high-volume air quality sampling was completed in April. The program involved soil sampling, rainwater tank sampling, static-dust monitoring, benthic sediment sampling and sampling of drainage sumps at the Port.

Magellan Metals' Annual Environmental Report (AER) has been completed and submitted to the Western Australia Government Departments. The AER is the main reporting and compliance document for Magellan Metals in regards to environmental management, monitoring and performance during the reporting year. No comments have been received to date from the various Government Departments.

A tendering process for selection of the independent inspector/auditor was completed during the quarter. The final selection has been made and the successful company is one of the world's leading inspection, auditing and testing organizations. They have a demonstrated history of carrying out work in a professional, independent and impartial manner.

### **Restart Planning**

The Company has initiated during the second quarter an extensive Magellan Mine restart planning process. This process is expected to continue until year-end with the objective of working towards restart of operations in early 2010, subject to the then general economic conditions and other factors including metal prices and exchange rates as well as transport, shipping, treatment charges and other input costs.

### **Conference Call**

Management will host a conference call to discuss the Company's results at 10:00 a.m. (Eastern Time) on Friday, May 15, 2009. To participate in the conference call, please call five minutes prior to the scheduled start time. Dial-in information for the call follows:

Canada Toll Free: 1-800-501-6064

U.S. Toll Free: 1-877-737-1669

International Toll: 1-302-709-8008

\* Passcode: VC54008

For those unable to participate in the conference call at the scheduled time, a telephone replay will be available until May 22, 2009 by dialing:

Canada Toll Free: 1-888-204-0094

U.S. Toll Free: 1-800-355-2355

International Toll: 1-402-220-2946

\* The playback passcode is: 54008#

A webcast replay will remain available on the investor relations section of the Company's website.

## About Ivernia

Ivernia 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.

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

## Forward-Looking Statements

*Certain statements contained in this MD&A 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 Ivernia'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 MD&A and in other documents filed from time to time by Ivernia with Canadian securities regulatory authorities. While Ivernia 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, Ivernia is under no obligation and does not undertake to update this information at any particular time.*

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