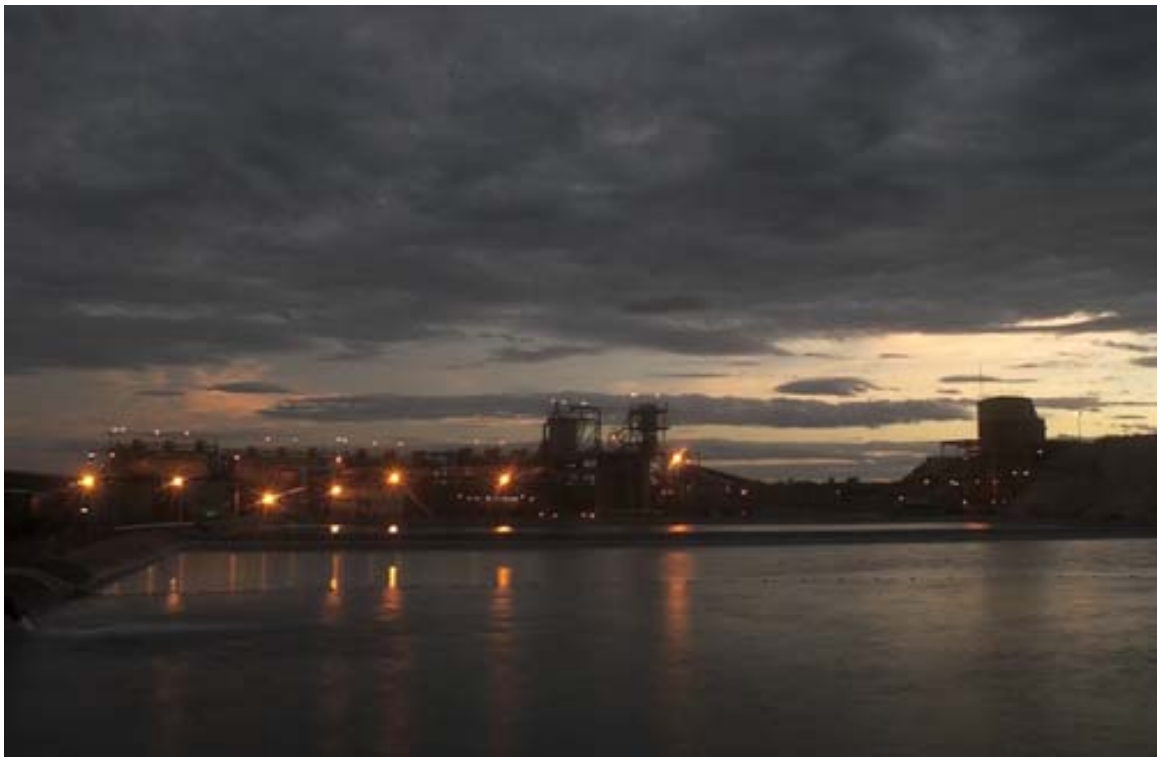




INSIDER TRADING, REPORTING AND BLACKOUT POLICY

OCTOBER 17, 2005



**IVERNIA INC.
INSIDER TRADING, REPORTING & BLACKOUT POLICY**

Introduction

The purpose of this Insider Trading, Reporting & Blackout Policy (the “**Insider Trading Policy**”), is to explain certain legal concepts with respect to trading in the securities of Ivernia Inc. (the “Company” or “Ivernia”) by certain individuals who are either employed by or in a particular relationship with the Company.

It is illegal for any director, officer or employee of the Company or any subsidiary of the Company to trade in the securities of the Company while in the possession of material non-public information concerning the Company. It is also illegal for any director, officer or employee of the Company to give material non-public information to others who may trade on the basis of that information. In order to comply with applicable securities laws governing (i) trading in Company securities while in the possession of material non-public information concerning the Company and (ii) tipping or disclosing material non-public information to outsiders, and in order to prevent the appearance of improper trading or tipping, the Company has adopted this Insider Trading Policy for all of its directors, officers and employees, members of their families and others living in their households, and investment partnerships and other entities (such as trusts and corporations) over which such directors, officers or employees have or share voting or investment control.

Directors, officers and employees are responsible for ensuring compliance by their families and other members of their households and entities over which they exercise voting or investment control.

This Insider Trading Policy applies to any and all transactions in the Company’s securities, including its common shares and options to purchase common shares, warrants and any other type of securities that the Company may issue in the future or derivative instruments in such securities.

Any breach of the Insider Trading Policy is a serious offense which may lead to discipline by appropriate regulatory authorities, including possible fines and imprisonment. Any failure to adhere to the requirements specified herein also constitute grounds for immediate dismissal with cause from Ivernia.

This memorandum provides a general explanation of the corporate governance requirements of a public company as well as the insider trading rules and insider reporting requirements under the *Securities Act* (Ontario). Each director, officer and employee is expected to review the enclosed materials and agrees to comply with the terms of this policy. Any questions on this policy should be directed to the **Chief Financial Officer**.

Overview of Insider Trading Provisions of Canadian Securities Laws

Canadian securities laws prohibit persons “**in a special relationship**” with Ivernia from (i) trading in securities with the knowledge of a material fact or change concerning Ivernia which is not generally disclosed, or (ii) informing another, except in the necessary course of business, of a material fact or change concerning the reporting issuer before it is generally disclosed.

Persons in a special relationship to Ivernia include (but are not limited to):

- (i) members of the board of directors of the Company (“Directors”), officers and employees of Ivernia;
- (ii) directors and officers of corporations which have a significant investment (more than 10%) in Ivernia securities;
- (iii) a family member who lives in the same house as a person referred to above; and
- (iv) any person who learns of a material fact or material change from any person referred to above.

A “**material fact**” is a piece of information which significantly affects or would reasonably be expected to have a significant effect on the market price or value of Ivernia securities.

“**Securities**” is broadly defined and includes common shares, debentures, puts, calls, options, derivatives (or any security the market price of which varies with the market price of the Ivernia common shares) or other right or obligation to purchase or sell securities.

Canadian securities laws also provide that every person or company in a special relationship with Ivernia who purchases or sells securities of Ivernia with the knowledge of a material fact that has not been generally disclosed, and every person who communicates knowledge of the material fact to another person or company (other than in the necessary course of business) who thereafter purchases or sells securities of Ivernia, is liable to a fine based on profits made or losses avoided. This fine is in addition to any other remedy sought, which could include a term of imprisonment imposed for a general breach of securities law.

Insider Trading Policy

Who Is an Insider of Ivernia?

Every person who holds the office of manager or higher and every member of Ivernia’s Board of Directors is an insider for the purposes of the insider trading rules and any employee or other person who becomes privy to a material fact which has not been generally disclosed would, for the purposes of that information, be an insider (“Insider”). Any Insider is precluded from trading in shares of Ivernia until the material fact has been publicly disclosed.

What is Insider Information?

As discussed above, insider information includes material facts which have not been publicly disclosed. Material facts would include (but not be limited to):

- (i) information about a significant transaction (such as the purchase or sale of a division or a new financing);
- (ii) financial information such as the results from the previous quarter which have not been released, to the investment community;

- (iii) information about a significant event (such as the release of a resource or reserve update); and
- (iv) other information which a reasonable person may conclude would have an impact on the price of Ivernia securities.

Black-Out Periods

There is a mandatory 2 week blackout period for all employees of the Company prior to the release of quarterly and annual financial statements which shall continue until two trading days after the time such information has been released to the public.

No Insider should trade in shares of Ivernia until two trading days after the Issuance of any news release in which material information is conveyed. The Company will notify all Insiders if a blackout is in effect due to a material news release.

From time to time due to specific or anticipated events, the Company may feel it necessary to issue a general blackout period for a specific or indefinite period covering Insiders and all or some of its employees. The Company will notify Insiders and specific employees affected by a general blackout period.

Additionally, an employee who is working on a particular transaction may be prohibited from selling securities of the Company for an indefinite period. You will be advised if the Company believes that you should not trade in securities of the Company as a result of your involvement in a particular transaction.

General

There are instances where, unexpectedly, important issues will arise that may not be disseminated to an Insider at the precise time when they occur. In such circumstances, what the Company must avoid is the real potential that an insider may be trading in the Company's stock during a period when the Company is involved in either considering or attempting to resolve such issue(s). Unfortunately, the Insider's lack of specific knowledge of such issues does not preclude personal embarrassment and/or potential liability to the insider and the Company.

Accordingly, Insiders must inform either the **Chief Executive Officer** or the **Chief Financial Officer** in advance to any trading activity so that a determination may be made as to whether there is any corporate reason to prevent such trading.

Insider Trading Reports

All persons required to certify trading activities may not trade without the prior approval of the **Chief Executive Officer** or **Chief Financial Officer**. If you are required to certify trading activity, an Insider Report must be filed within the last 10 days immediately following any trade of securities of Ivernia (including the purchase or sale of common shares of Ivernia or the exercise of options of Ivernia). This includes securities of Ivernia which you directly or indirectly acquire (i.e. including through a holding company) or over which you exercise control or discretion (i.e. shares acquired by a family trust that you control).

All persons deemed to be insiders by the Company for securities law purposes will be notified of their status.

If you are an insider under securities law and make an approved trade you must contact the Company's **Chief Financial Officer** and provide him with the following information within 5 days of the trade. An Insider Report will be prepared and filed electronically for you:

- (i) your full name, address and business telephone number;
- (ii) the number of securities purchased or sold or the number of options you exercised;
- (iii) the date of the trade or exercise;
- (iv) the price of the securities bought and sold in each transaction or the exercise price of the options and the currency (if other than Canadian dollars);
- (v) if the securities were indirectly acquired or are securities acquired over which you have control or discretion, the name of the registered holder of such securities;
- (vi) if the securities were acquired or disposed other than in the open market, the nature of the transaction; and
- (vii) the number of all Ivernia securities (including options) you own after the trade.

Insiders of Ivernia are also required to update the **Chief Financial Officer** of Ivernia of any change of name, address, relationship with Ivernia or other change in personal information so that their SEDI profile can be updated.