



NEWS RELEASE

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

IVERNIA INC. REPORTS SECOND QUARTER 2007 RESULTS

TORONTO, ONTARIO – August 13, 2007 – Ivernia Inc. (“Ivernia” or the “Company”) (TSX:IVW) today reported an operating loss of \$4.0 million and a net loss of \$8.5 million, or \$(0.06) per common share for the second quarter of 2007. Results for the quarter were adversely impacted by the temporary suspension of lead concentrate shipments from the Magellan mine pending regulatory approval for containerized shipments through the Port of Fremantle in Western Australia and non-recurring costs to transition the mine to care and maintenance. During the quarter, costs associated with the care and maintenance program were \$2.6 million and costs related to the Parliamentary Inquiry were \$1 million.

SECOND QUARTER HIGHLIGHTS

- Placed Magellan operations on care and maintenance
- Advanced proposal for containerized shipments of lead concentrate from the Magellan mine site through the Port of Fremantle for export
- Advanced proposal for the shipment in sealed bags of the 8,000 dry tonnes of stranded lead concentrate at the Port of Esperance
- Restructured the balance sheet with a \$50 million secured convertible debt facility (“Secured Facility”) to refinance existing debt and provide funding during the temporary suspension of shipments
- Lead concentrate inventory, of 27,000 dry tonnes, with an approximate sales value of \$50 million, at current lead prices, currently stockpiled at the Magellan mine site and a storage shed at the Port of Esperance

Events subsequent to June 30, 2007

- Initiated a comprehensive consultation and information program on containerized shipments with the communities along the proposed transport route to the Port of Fremantle and in the Fremantle area (ongoing)
 - Delivered closing submission to the Western Australian Parliamentary Committee Inquiry into the cause and extent of lead contamination in Esperance (July 31)
 - Secured additional financing through a C\$20 million equity issue (Closed August 1)
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Commentary

“We made good progress towards completing the proposal for containerized shipments of lead concentrate through the Port of Fremantle. The finalization of the proposal, which incorporates feedback from discussions with various regulators, is near completion. The fact that this is a benchmark proposal means that it is a learning experience for all parties and therefore the process is somewhat more protracted than normal. Nevertheless, we are determined to create new best practices in the standard of lead concentrate handling and transport going forward and take control of critical aspects in the handling of our product,” commented Alan De’ath, Ivernia’s Chief Executive Officer.

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“We await the Parliamentary Inquiry’s report in the hope that its recommendations will lead to improved systems and processes for the handling of metal concentrates which will have the confidence of all stakeholders and provide a clear path forward.”

“Our proposal for containerized shipment shows that Magellan has taken the initiative – we have moved away from bulk handling and incorporated double containment measures and an independent certification mechanism. This is a thorough, safe and practical proposal for the transport of lead concentrate and our team is confident of its integrity.”

“With the new financial arrangements and the core management team in place, Magellan is well positioned for an orderly restart of operations once the approvals are received,” he concluded.

Suspension of lead concentrate shipments

Effective April 6, 2007, the Company’s Magellan operation was placed on temporary care and maintenance following the March 12, 2007 suspension of lead concentrate shipments through the Port of Esperance.

Update on progress toward the resumption of lead concentrate shipments

Proposal for containerized shipments through the Port of Fremantle for export

During the quarter, the Company advanced its proposal for future containerized lead concentrate shipments through the Port of Fremantle for export. A draft proposal was submitted to the government regulators for comment in mid-June, 2007 as a preliminary step prior to the formal submission of the final proposal.

The Company believes that its proposal raises the bar and creates new best practice in the standard of lead concentrate handling and transport going forward. It is a complete departure from the current industry standard of bulk transport with a move to sealed and containerized transport.

Under the proposal, lead concentrate would be loaded into UN-approved bulk bags which will be sealed then loaded into steel shipping containers at the Magellan mine. The shipping containers will then be bolt sealed and independently inspected before departing the mine site. From the mine site, the containers would be trucked approximately 400 kilometres to a designated secure holding area in Leonora, Western Australia. The containers would then be transported by train to the Port of Fremantle for export to customers overseas. The proposal includes a number of risk identification, minimization and avoidance measures to ensure that the concentrate is handled and transported in a safe, efficient manner at every stage of the process.

Containerization gives the Company control over critical aspects of the handling system, for which it previously relied on contractors, and ensures a clear line of responsibility for the handling and transport of its lead concentrate.

The finalization of the proposal, incorporating comments received from stakeholders on the draft submission and feedback from the consultation process, is near completion. Final submission, expected in the next few weeks, will follow a further round of draft review with the regulators. In recent discussions with Western Australian government officials, the Company was advised that the review and approval process could take approximately three to four months from the date of the final submission before Ministerial consent. However, there is no fixed or guaranteed timeline.

Consultation program

On July 7, 2007, the Company initiated a consultation and information program with communities along the proposed transport route to the Port of Fremantle and in the Fremantle area. The program’s objective is to

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explain and seek comment on its proposal to export lead concentrate in sealed shipping containers through the Port of Fremantle. To date, the Company has contacted, or delivered information to a number of individuals and groups including elected representatives, local government officials, businesses and residents in the communities along the transport route.

The program is part of the Company's submission to the Western Australian government for approval to ship its product through the Port of Fremantle.

Shipment of lead concentrate stockpile at the Port of Esperance

In mid-May, 2007, Magellan submitted a written proposal to the Department of Environment and Conservation ("DEC") and the Esperance Port Authority for the removal of the approximately 8,000 dry tonnes of Magellan's lead concentrate currently being held in a storage shed at the port.

This proposal has been developed with, and will form part of, the Esperance Port Authority's application to the DEC for authorization to proceed with the shipment. To date, the Esperance Port Authority has not submitted its application. As the application to resume shipment of lead through the Port of Esperance is not within Magellan's control, the anticipated timing for and costs involved in that operation cannot be determined at this time.

A full community consultation and information program regarding the proposal has been conducted by Magellan in the Esperance community. Management believes that all stakeholders, including the Esperance Port Authority, the community of Esperance and the Company will benefit from the timely and safe removal of the stranded lead concentrate. Going forward, Ivernia does not intend to seek (other than the removal of the stranded lead) approval for any further shipments through the Port of Esperance.

Western Australian Parliamentary Inquiry

On June 7, 2007, members of Magellan's management appeared, for a second time, before the Committee to assist in their Inquiry into the cause and extent of lead pollution in Esperance. In addition, the Company provided relevant documents and a written submission to the Committee. The key areas of clarification were summarized in a news release issued by Ivernia on June 7, 2007. Magellan first appeared before the Committee on May 2, 2007.

On June 29, 2007, Magellan provided a series of written answers to written questions posed by the Committee following management's second appearance at the Inquiry.

In a closing submission to the Committee on July 31, 2007, the Company reiterated that its proposal for future shipments of lead concentrate raises the bar and creates new best practice in the standard of lead concentrate handling and transport going forward. The submission summarized the key issues covered in the Inquiry which pertained to Magellan.

Copies of the above-mentioned submissions are available on the Ivernia website at www.ivernia.com. Additional Information relating to the Inquiry can also be obtained from the Parliament of Western Australia's website at www.parliament.wa.gov.au.

The Committee is currently scheduled to table its report to the Western Australian government on August 16, 2007. There is a possibility that the tabling of the report will be delayed, however any extension of time for the delivery of the report is a decision to be made by the Western Australian Parliament and is likely to be considered during the resumption of parliamentary sittings on August 14 2007. The Company awaits the report in the hope that its recommendations will lead to improved systems and processes for the handling of metal concentrates which will have the confidence of all stakeholders and provide a clear path forward.

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Other developments

On July 5, 2007, the Department of Industry and Resources submitted its report from two environmental inspections of the Magellan site conducted on February 14, 2007 and June 27, 2007. While the report did not contain any major deficiencies, the storage and containment of stockpiled lead concentrate on mine site was identified as an actionable item. This has since been addressed with the use of tarpaulin covers.

On July 30, 2007, Magellan was advised by the DEC that it will initially be issuing a three-month, short-term environmental license to replace the previous two-year license which expired on August 7, 2007. The DEC advised that it would be issuing this short-term license to allow for its completion of the necessary review process. This will involve the DEC liaising with other decision-making authorities, and addressing any community concerns. The DEC further advised that the review is currently underway and that it will ensure the regulatory license delivered to Magellan takes into consideration the various concerns of lead mining and export.

Financial and Operating Summary

	Three months ended June 30, 2007	Six months ended June 30, 2007
<i>(\$ millions, except earnings per share)</i>		
	(unaudited)	
Revenue	-	20.0
Operating loss	(4.0)	(1.8)
Net loss	(8.5)	(8.7)
Basic loss per share	(0.06)	(0.06)
Cash used in operating activities before changes in working capital	(10.1)	(7.2)
Changes in working capital	(7.1)	(14.8)
Ore mined – 000's dry tonnes	82	413
Ore milled – 000's dry tonnes	25	393
Average head grade – % lead	6.4%	7.3%
Recovery – % lead	75.5%	74.6%
Concentrate produced – 000's dry tonnes	1.9	32.8
Lead metal in concentrate produced – 000's tonnes	1.2	21.4
Concentrate sold – 000's dry tonnes	-	18.8
Lead metal in concentrate sold – 000's tonnes	-	12.0
Concentrate inventory – 000's dry tonnes	27.0	27.0

Prior to the temporary suspension of operations effective April 6, 2007, the mill recorded its highest single day throughput of 6,128 tonnes.

Financial Results

The Company recorded a net loss of \$8.5 million or \$(0.06) per common share for the second quarter. Results for the quarter were adversely impacted by the temporary suspension of lead concentrate shipments from the Magellan mine pending regulatory approval for containerized shipments through the Port of Fremantle in Western Australia and non-recurring costs to transition the mine to care and maintenance. During the quarter, costs associated with the care and maintenance program were \$2.6 million and costs related to the Parliamentary Inquiry were \$1 million.

Restructuring the balance sheet

On April 27, 2007, the Company closed a one-year, \$50 million Secured Facility with a syndicate of lenders. The terms of the arrangement provide for the conversion of the principal drawn to be converted into common shares of the Company at US\$1.08 per share. These terms and the grant of the Conversion Rights were approved by independent shareholders at the Company's Annual and Special Meeting of Shareholders held on June 28, 2007. To date, a total of \$40 million has been drawn principally for

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repayment of the BNP credit facility and Sentient Promissory Note and other working capital requirements.

On August 1, 2007, the Company's cash resources and liquidity were further strengthened with proceeds from the closing of a C\$20 million bought deal financing. The Underwriters of the financing purchased 12,125,000 common shares ("Common Shares") of the Company at a price of C\$1.65 per Common Share for gross proceeds of C\$20 million. Ivernia has granted the Underwriters an over-allotment option to purchase up to an additional 15% of the purchased Common Shares at the same price, exercisable by the Underwriters for a period of 30 days from Closing. The increasingly positive outlook for the lead market provided good conditions for the financing to be undertaken. Ivernia is expected to be one of the world's leading suppliers of lead concentrate following the resumption of operations.

Lead market fundamentals

The record-breaking trend for the lead price continues as the long-term fundamentals become increasingly evident. The lead price has been the best performer among the base metals in 2007, increasing over 250% in the first six months of the year. On the supply side, the lead market is experiencing several disruptions at various mines, smelters and refineries, including Ivernia's Magellan mine. Such disruptions usually have an immediate impact on the market balance since there are few suppliers of mined lead. On a longer term basis, there is limited new lead mine supply in the production pipeline which further strengthens the fundamentals.

On the demand side, world-wide consumption continues to rise mainly as a result of the growing vehicle sales - particularly in China where vehicle output has grown by over 20% annually for the past five years. All indications point to this trend continuing for some time yet as disposable incomes rise and car ownership becomes more affordable with better access to credit financing and lower entry-level car prices. In one market analyst's estimate, China's lead consumption is projected to double from current levels to 4.2 million tonnes per annum by 2011 assuming a conservative annual 14% growth in vehicle output.

The 3-month lead price averaged \$0.99 per pound in the second quarter - including a high of \$1.22 per pound. This level has since been exceeded with transactions at \$1.58 per pound on July 23, 2007. The average for the first six months of 2007 was \$0.89. This compares to \$0.53 in 2006 - an increase of almost 70%.

About Ivernia

Ivernia is an international base metals operating, development and exploration company. The Company is the sole owner and operator of the Magellan lead mine in Western Australia. Upon recommencement of production Magellan will be the world's largest pure lead mine accounting for approximately 3% of total world lead mine production.

Ivernia trades under the symbol "IVW" on the Toronto Stock Exchange. Additional information on Ivernia is available on the Company's website at www.ivernia.com and at SEDAR at www.sedar.com.

Forward-Looking Statements

This document contains certain "forward-looking statements". All statements included in this document (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 proposal to ship lead concentrate through the Port of Fremantle, the results of the government of Western Australia's continuing investigations into the matters resulting in the suspension of mining operations, the possibility of legal or regulatory action (and any resulting costs or liabilities) which may be taken in connection with the matters being investigated, the estimated timing of the receipt of required regulatory approvals to resume shipment of the stranded lead concentrate at the Port of Esperance and further lead shipments from the Magellan Mine (such approvals will not be received until well after the presentation of the Parliamentary Inquiry report has been delivered, the timing of which is uncertain), future targets and estimates for production, capital expenditures, operating costs, cash costs,

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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 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 such as the resources and reserves, metal price volatility, lead concentrate treatment charges, exchange rates, single mineral property, metallurgy, environmental factors, mining risks, insurance, labour and employment regulations, health and safety, government regulations, dependence on key personnel, constraints on cash flow and nature of mineral exploration and development. 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 Ivernia. The reader should not place undue reliance on them. Other risks and factors that could cause actual results to differ are described in Management's Discussion and Analysis ("MD&A") for the quarter ended June 30, 2007 and for the year ended December 31, 2006 under the heading "Risks and Uncertainties" and in the Company's final Short Form Prospectus filed on July 25, 2007 ("Short Form Prospectus") under the heading "Risk Factors". Our MD&A, Short Form Prospectus and additional information on Ivernia are available on the Company's website at www.ivernia.com and on Ivernia's SEDAR profile at www.sedar.com. All of the forward-looking statements made in this document are qualified by the foregoing cautionary statements. The Company expressly disclaims any obligation to update or revise any such forward-looking statements.

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CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT AND COMPREHENSIVE LOSS

(unaudited)

(in thousands of United States dollars, except per share amounts)	Three months ended June 30		Six months ended June 30	
	2007	2006	2007	2006
	\$	\$	\$	\$
Revenue	-	12,983	20,014	30,111
Treatment charges and freight	-	(3,240)	(3,089)	(6,389)
Mining and processing costs	-	(9,344)	(7,742)	(16,845)
Care and maintenance (note 13)	(2,628)	-	(2,628)	-
Royalties	-	(519)	(1,047)	(1,191)
Loss on derivatives (note 10)	(1,286)	-	(4,679)	-
Amortization	(134)	(1,720)	(2,654)	(3,545)
	(4,048)	(1,840)	(1,825)	2,141
General and administrative	(1,775)	(1,565)	(3,306)	(2,641)
Parliamentary Inquiry	(1,006)	-	(1,106)	-
Stock option costs (note 9(b))	(152)	(146)	(326)	(298)
Foreign exchange loss	(769)	(409)	(661)	(433)
Net interest expense	(2,880)	(900)	(3,813)	(1,376)
Other	-	(223)	-	(349)
	(6,582)	(3,243)	(9,212)	(5,097)
Loss before income taxes	(10,630)	(5,083)	(11,037)	(2,956)
Income tax recovery	2,094	1,322	2,336	769
Net loss	(8,536)	(3,761)	(8,701)	(2,187)
Deficit - Beginning of period (note 12)	(74,960)	(77,737)	(74,795)	(79,311)
Deficit - End of period	(83,496)	(81,498)	(83,496)	(81,498)
Basic and diluted loss per share	(0.06)	(0.03)	(0.06)	(0.02)
Weighted average number of common shares outstanding (000's)	134,758	133,816	134,644	130,354
Net loss	(8,536)	(3,761)	(8,701)	(2,187)
Unrealized gain/(loss) on investments (note 11)	242	-	(85)	-
Comprehensive loss	(8,294)	(3,761)	(8,786)	(2,187)

IVERNIA INC.
CONSOLIDATED BALANCE SHEETS

(unaudited)

(in thousands of United States dollars)	June 30, 2007 \$	December 31, 2006 \$
Assets		
Current assets		
Cash and cash equivalents	6,696	17,062
Accounts receivable and other current assets	2,833	12,795
Inventory (note 3)	19,499	8,865
	29,028	38,722
Property, plant and equipment (note 4)	146,754	146,647
Restricted cash and cash equivalents (note 5)	2,746	5
Deferred charges and other assets	-	725
	178,528	186,099
Liabilities		
Current liabilities		
Accounts payable and other current liabilities	11,412	27,327
Credit facility (note 6(a))	-	5,000
Secured facility (note 6(c))	29,858	-
Short-term note payable (note 6(b))	-	15,971
	41,270	48,298
Long-term debt (note 7)	2,235	2,316
Reclamation provision (note 8)	2,610	2,396
Future income tax	19,008	21,372
	65,123	74,382
Shareholders' Equity		
Share capital (note 9(a))	182,381	182,215
Share warrants (note 9(c))	1,600	1,600
Equity component of secured facility (note 6(c))	10,343	-
Contributed surplus (note 9(d))	2,662	2,375
	196,986	186,190
Deficit (note 12)	(83,496)	(74,473)
Accumulated other comprehensive loss (note 11)	(85)	-
	113,405	111,717
	178,528	186,099

IVERNIA INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

	Three months ended June 30		Six months ended June 30	
	2007	2006	2007	2006
(in thousands of United States dollars)	\$	\$	\$	\$
Cash (used in)/provided by				
Operating activities				
Net loss for the period	(8,536)	(3,761)	(8,701)	(2,187)
Non-cash items:				
Stock option costs	152	146	326	298
Amortization	134	1,720	2,654	3,545
Future income tax	(2,094)	(1,322)	(2,336)	(769)
Other	252	1,367	885	1,434
Changes in non-cash working capital:				
Accounts receivable and other current assets	8,873	(2,919)	9,852	(886)
Inventory	(1,927)	(344)	(8,278)	(1,046)
Accounts payable and other current liabilities	(14,062)	3,467	(16,328)	1,975
	(17,208)	(1,646)	(21,926)	2,364
Investing activities				
Additions to property, plant and equipment	(3,009)	(6,495)	(5,086)	(10,304)
Change in restricted cash	(2,741)	30	(2,741)	30
Sale of investments	-	-	-	106
	(5,750)	(6,465)	(7,827)	(10,168)
Financing activities				
Net cash proceeds on issue of shares and warrants	-	89	39	8,744
Decrease in debt	-	(369)	-	(369)
Payment of credit facility (note 6(a))	(5,000)	-	(5,000)	-
Decrease in long-term debt (note 7)	(17)	(69)	(81)	(317)
Secured facility (notes 6(b) and 6(c))	24,378	-	24,378	-
	19,361	(349)	19,336	8,058
Effect of exchange rate changes on cash and cash equivalents held in foreign currency	80	13	51	(21)
Net (decrease)/increase in cash and cash equivalents	(3,517)	(8,447)	(10,366)	233
Cash and cash equivalents – Beginning of period	10,213	15,700	17,062	7,020
Cash and cash equivalents – End of period	6,696	7,253	6,696	7,253

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NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six month periods ended June 30, 2007 and 2006

(all dollar amounts are in United States dollars unless otherwise stated)
(unaudited)

1. Significant accounting policies

The interim consolidated financial statements of Ivernia Inc. ("Ivernia") and its subsidiaries (collectively, 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 (Nature of operations) and note 2 (Summary of significant accounting policies) to the Company's audited consolidated financial statements for the year ended December 31, 2006, except for changes as described in note 2.

These interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2006. Capitalized terms used in these notes to the interim consolidated financial statements and not otherwise defined herein have the meanings given to them in the Company's audited consolidated financial statements for the year ended December 31, 2006.

Certain comparative figures have been reclassified to conform to the presentation adopted in 2007.

2. Changes in accounting policies

On January 1, 2007 the Company adopted two new accounting standards that were issued by the Canadian Institute of Chartered Accountants ("CICA"):

Handbook Section 1530 – Comprehensive Income, and Handbook Section 3855 – Financial Instruments – Recognition and Measurement. The Company has not restated prior periods and included comparative amounts, as the standards have been applied prospectively, but the transitional effects have been recorded as an adjustment to deficit as at January 1, 2007

The Company has not made any voluntary changes in accounting policies since these standards were adopted.

Section 3855 – Financial instruments – recognition and measurement

This section establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. It requires that financial assets and liabilities including derivatives be recognized on the balance sheet when the Company becomes a party to the contractual provisions of the financial instrument or a non-financial derivative contract. All financial instruments should be measured at fair value on initial recognition except for certain related party transactions. Fair value is the amount at which an item could be exchanged between willing parties. Measurement in subsequent periods depends on whether the financial instruments have been classified as held-for-trading, available-for-sale, held-to-maturity, loans and receivables, or other liabilities.

The Company designated certain financial assets and liabilities and adopted the following new accounting policies:

Cash and cash equivalents, account receivable, restricted cash and accounts payable and accrued liabilities

These assets and liabilities are classified as held-for-trading. They are recorded at fair value and any changes in their fair value are recorded in net income. Fair value is calculated using published price quotations in an active market, where applicable. December 31, 2006 carrying values for these assets and liabilities already approximated fair value because of their short terms of maturity; no adjustments were made to the opening values.

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NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six month periods ended June 30, 2007 and 2006

(all dollar amounts are in United States dollars unless otherwise stated)
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Most of the Company's contracts set prices on a specified future date based upon market commodity prices. Variations between the prices recorded on the date of revenue recognition and the actual final price due that are subject to changes in market prices result in the existence of an embedded derivative in accounts receivable. Accounts receivable are adjusted every period to reflect the change in the value of the contract based on the market price in the period, and then record the change in fair value in revenue once the contract has settled.

Investments

Investments are classified as available-for-sale and recorded at fair value. Changes in their fair value net of tax is recorded in other comprehensive income. The change in fair value of an investment appears in net income only when it is sold or impaired. Fair value is calculated using the closing price of the investment as quoted in an active market.

1530 – Comprehensive income

This section calls for a statement of comprehensive income and its components. Other comprehensive income includes unrealized gains and losses on investments.

EIC 160 – Deferred Stripping

Effective January 1, 2007 the Company adopted, on a prospective basis, the new recommendations of the CICA with respect to stripping charges, EIC 160 Stripping Costs Incurred in the Production Phase of a Mining Operation ("EIC 160"). The new recommendations require the costs associated with the removal of overburden and other mine waste materials that are incurred in the production phase of mining operations to be charged to income in the period in which they are incurred, except when the costs represent a betterment to the mineral property. Costs represent a betterment when the stripping activity provides access to reserves that would not have been accessible in the absence of the stripping activity. When costs are deferred in relation to a betterment, the costs are amortized over the reserves accessed by the stripping activity using the units of production method.

The standard has been applied prospectively from January 1, 2007 and prior years' financial statements have not been restated. Application of this new accounting policy did not have a material impact on the financial position or results of operations as at or for the year ended December 31, 2006.

As at June 30, 2007 the balance of deferred stripping costs was \$8.9 million. In accordance with EIC 160, the carrying value of the deferred stripping costs (December 31, 2006 - \$9.2 million) will be amortized over the life of the related mining assets on a units of production basis. During the quarter, the deferred stripping balance decreased slightly due to the placement of the mine on care and maintenance effective April 6, 2007.

Convertible instruments

Convertible instruments are classified separately on the balance sheet as a liability and as equity on initial recognition in accordance with CICA Handbook Section 3861. The value of the conversion option is determined by using the Black-Scholes option-pricing model. The debt component, representing the difference between proceeds received (net of pro-rated costs) and the equity component is recorded as a liability. The equity component (net of pro-rated costs) is recorded in equity. Over the term of the instrument, the debt component is accreted to the face value by the recording of additional interest expense. The pro-rated costs of financing in the debt portion are expensed over the life of the instrument by the recording of additional interest expense.

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NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six month periods ended June 30, 2007 and 2006

(all dollar amounts are in United States dollars unless otherwise stated)
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3. Inventory

Refer to note 4 to the Company's audited consolidated financial statements for the year ended December 31, 2006.

	June 30, 2007	December 31, 2006
	(\$000's)	(\$000's)
Concentrate	14,350	5,950
Ore stockpiles	1,239	868
Consumables and other	3,910	2,047
	19,499	8,865

4. Property, plant and equipment

	June 30, 2007			December 31, 2006
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
		(\$000's)		(\$000's)
Magellan Mine:				
Plant and equipment	35,954	(4,775)	31,179	31,882
Leasehold improvements	74	(35)	39	47
Office equipment	486	(276)	210	257
Leased assets	4,155	(731)	3,424	3,573
Deferred stripping	9,192	(284)	8,908	9,192
Development costs and other	111,186	(8,192)	102,994	101,696
	161,047	(14,293)	146,754	146,647

5. Restricted cash

As at June 30, 2007 Magellan Metals had restricted cash deposited with a financial institution of \$2.7 million. These deposits principally relate to unconditional performance bonds in favour of the State of Western Australia as security for the due and proper performance of the terms and conditions of Magellan Metals mining leases. These bonds had been secured by part of the credit facility with BNP Paribas which was repaid during the quarter. See notes 6(a) and 8.

6. Current liabilities

(a) Inventory and credit facilities

Magellan had a credit facility and inventory facility with BNP Paribas. See note 6(a) to the Company's audited consolidated financial statements for the year ended December 31, 2006.

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NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six month periods ended June 30, 2007 and 2006

(all dollar amounts are in United States dollars unless otherwise stated)
(unaudited)

The average interest rate was 6.3% for the quarter.

On April 27, 2007 the Company completed a \$50 million secured facility (see note 6(c)). The credit facility in the amount of \$5 million and inventory facility in the amount of approximately \$3.5 million were repaid using this new facility.

(b) Short-term note payable

On April 29, 2005 the Company issued a C\$20 million (\$17.12 million) secured promissory note to Sentient (the "Sentient Note"). See note 6(b) to the Company's audited consolidated financial statements for the year ended December 31, 2006.

With the exercise of the Extension Option, interest on the Sentient Note accrued at a rate of 9.25% per annum payable on the maturity date of April 29, 2007. The security for the Sentient Note remained unchanged. Ivernia could prepay the principal amount of the Sentient Note and any interest, in whole or in part, at any time prior to maturity without premium or penalty.

A total of 14,345 shares were issued to Sentient during the quarter.

On April 27, 2007 the Company completed a \$50 million secured facility (see note 6(c)). The short-term note payable and interest was paid using this new facility, consisting of C\$17.4 million (\$15.6 million) principal and C\$1.7 million (\$1.5 million) interest.

(c) Secured facility

On April 27, 2007 the Company completed the closing of a \$50 million secured facility (the "Secured Facility") with a syndicate of lenders.

Part of the Secured Facility was used for the repayment of the Sentient Note (see note 6(b)) and for the repayment in full of the outstanding BNP Paribas credit facility (see note 6(a)). As at June 30, 2007 \$40 million of the Secured Facility had been drawn down.

The Secured Facility has a one year term, will bear interest at 9.25% per annum which will accrue and be payable at maturity or earlier repayment. The Secured Facility grants first ranking security interests over all the Company's assets.

Drawdowns under the Secured Facility entitle the lenders to conversion rights, providing for the conversion of principal into Ivernia common shares at a price of C\$1.20 per share (based on exchange rates in effect on April 26, 2007, equating to a US\$1.08 share price). If Ivernia repays drawn balances before maturity the lenders will be issued warrants for the pro rata amount at a C\$1.20 (US\$1.08) strike price that will expire concurrent with the maturity of the Secured Facility. These conversion rights were approved by the shareholders at the Company's 2007 annual and special meeting. Balances repaid before maturity may not be redrawn by Ivernia.

The Secured Facility is accounted for in accordance with CICA Section 3861, whereby debt securities which have interest payable in cash and give the holder the right to convert the principal amount into common shares are split into a liability and an equity component on the date of issuance. The debt component, is recorded as Secured Facility. The remaining component, representing the value ascribed to the holders' option to convert the principal balance into common shares, is classified in shareholders' equity

IVERNIA INC.

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as "equity component of Secured Facility". Over the term of the Secured Facility, the debt component will be accreted to the face value of the Secured Facility by the recording of additional interest expense.

The balances for the Secured Facility are analyzed as follows:

	(\$000's)
Amount drawn on Secured Facility	40,000
Equity value of conversion option	(11,054)
Pro-rated costs of financing	(1,865)
Amortization of costs as at June 30, 2007	310
Accretion of equity as at June 30, 2007	1,842
Accrued interest as at June 30, 2007	625
	29,858

The balances for the equity component of Secured Facility are analyzed as follows:

	(\$000's)
Equity value of conversion option	11,054
Pro-rated costs of financing	(711)
	10,343

7. Long-term debt

	June 30, 2007	December 31, 2006
	(\$000's)	(\$000's)
Lease liabilities	2,809	2,879
Less current portion:	574	563
	2,235	2,316

Magellan Metals has entered into a five-year power supply contract, and has various equipment and vehicle leases in place as at June 30, 2007. The equipment and vehicle leases range in length from three to five years.

8. Reclamation provision

As at June 30, 2007 the reclamation provision relating to Magellan Metals asset retirement obligations was \$2.61 million (December 31, 2006 - \$2.40 million).

The following assumptions were used to estimate the fair values of the obligations as at June 30, 2007:

Total undiscounted amount of estimated cash flows	\$3,830,000
Expected year of payment of cash flows	2016
Discount rate	7.5%

The estimate of the total liability for future asset retirement obligations is subject to change based on amendments to laws and regulations and as new information concerning the Company's operations become available. Future changes, if any, to the estimated total liability as a result of amended requirements, laws, regulations and operating assumptions may be significant and would be recognized prospectively as a change in estimate, when applicable.

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9. Share capital

Refer to note 9 to the Company's audited consolidated financial statements for the year ended December 31, 2006.

(a) Issued and outstanding shares

Details of issued and outstanding shares are as follows:

	Number of common shares	Amount
	(000's)	(\$000's)
Outstanding as at December 31, 2006	134,452	182,215
Issued in connection with exercise of options	239	87
Issued in connection with short-term debt (note 6(b))	43	57
Outstanding as at March 31, 2007	134,734	182,359
Issued in connection with exercise of options	31	6
Issued in connection with short-term debt (note 6(b))	14	16
Outstanding as at June 30, 2007	134,779	182,381

(b) Employee stock options

At June 30, 2007 there were outstanding options to purchase 5,536,250 common shares of the Company, of which 3,395,000 were exercisable at that date. During the quarter 61,250 options expired, no new options were granted and 50,000 options were exercised for 30,620 shares.

The compensation expense has been calculated using the Black-Scholes option-pricing model. A total of \$152,000 has been expensed in the quarter in respect of both new stock options for the portion vesting in 2007 and stock options which were granted in 2004, 2005, 2006 and 2007 but for which a portion vests in 2007 (second quarter 2006 – \$146,000). The pricing assumes a five-year term, expected common stock price volatility of 40% (2006 – 40%), a weighted average risk-free interest rate of 4% and an assumption that dividends are reinvested in the Company.

As at June 30, 2007 the aggregate unexpensed fair value of invested stock options granted amounted to \$605,000.

IVERNIA INC.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six month periods ended June 30, 2007 and 2006

(all dollar amounts are in United States dollars unless otherwise stated)
(unaudited)

(c) Share warrants

As at June 30, 2007 the Company has outstanding instruments, comprising common share purchase warrants and broker warrants, which are ultimately exercisable in one or more steps for 3,953,000 common shares of the Company (December 31, 2006 – 3,953,000).

	Outstanding Warrants	Applicable Shares	Fair Value of Warrants
	(000's)	(000's)	(\$000's)
Outstanding as at January 1, 2007 and June 30, 2007	3,953	3,953	1,600

The fair value of the warrants was calculated using the Black-Scholes option-pricing model. The pricing model assumed a common stock price volatility of 67%, a weighted average risk-free interest rate of 4%, and used the expiry dates of the warrants for the term.

On November 18, 2004 the Company issued 8 million units (the “November Private Placement”), each consisting of one common share and one-half of one common share purchase warrant at a price of C\$1.25 per unit for total gross proceeds of C\$10 million. Each whole warrant entitles the holder to purchase an additional common share at a price of C\$1.40 per whole common share until November 18, 2009.

(d) Contributed surplus

Details of the movement in contributed surplus are as follows:

	2007	2006
	(\$000's)	(\$000's)
Balance as at January 1,	2,375	1,892
Option compensation recognized	174	152
Options exercised	(29)	(51)
Balance as at March 31,	2,520	1,993
Option compensation recognized	152	146
Options exercised	(10)	-
Balance as at June 30,	2,662	2,139

10. Loss on derivatives

The Company had entered into various short-term lead sales contracts to fix the price of its future shipments. The suspension of future shipments through the Port of Esperance (see note 13), the forward sales contracts were bought back to reduce the Company’s exposure to rising commodity prices. As at June 30, 2007 the Company had no further commodity or foreign exchange hedges. The loss on derivatives in the quarter was \$1.3 million and \$4.7 million for the year.

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For the three and six month periods ended June 30, 2007 and 2006

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11. Comprehensive loss

The Company holds shares in a publicly traded company. This investment is classified as available for sale. The changes in fair value are detailed below:

	Increase/(decrease) in fair value (\$000's)
Balance as at January 1, 2007	-
March 31, 2007	(327)
June 30, 2007	242
Accumulated other comprehensive loss	(85)

12. Deficit

The Company has adopted CICA Section 3855 - Financial instruments – recognition and measurements (see note 2), and under this standard, debt issue costs are not deferred and presented as separate assets, but are added to the carrying value of the debt. These fees are amortized over the term of the debt using the effective interest rate method. This treatment was adopted prospectively but calculated retrospectively, and as a result, the Company recorded an adjustment to the opening deficit as at January 1, 2007 as detailed below:

	(\$000's)
Opening deficit January 1, 2007	74,473
Retroactive effect of debt issue costs	322
Deficit January 1, 2007	74,795

13. Temporary closure

On March 12, 2007 shipments of lead concentrate through the Port of Esperance were suspended pending an investigation into the cause and extent of contamination in the community of Esperance. Normal mine operations were maintained at Magellan until April 6, 2007 when the mine was placed on care and maintenance. As a consequence, approximately three-quarters of the Company's workforce were laid off. A core team of employees was retained to carry out care and maintenance of the facility until the resumption of operations.

14. Subsequent events

On August 1, 2007 the Company closed a bought deal financing agreement with BMO Nesbitt Burns Inc. and Paradigm Capital Inc. (the "Underwriters"). The Underwriters purchased 12,125,000 common shares of the Company at a price of C\$1.65 (\$1.56) per common share for gross proceeds of C\$20 million (\$18.9 million). Ivernia has granted the Underwriters an over-allotment option to purchase additional common shares up to 15% of the purchased common shares at the same price, exercisable by the Underwriters for a period of 30 days from closing.



Second Quarter 2007 Management's Discussion and Analysis

The following discussion of the financial condition and operating results of Ivernia Inc. ("Ivernia" or the "Company") should be read in conjunction with the unaudited consolidated interim financial statements of the Company for the three and six months ended June 30, 2007 as well as the audited consolidated financial statements for the year ended December 31, 2006 and the related Management's Discussion and Analysis ("MD&A"), both of which are available on Ivernia's website at www.ivernia.com and on SEDAR at www.sedar.com. The Company's financial statements and the financial data presented in this document have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP").

This discussion contains forward-looking statements within the meaning of Canadian securities law. These forward-looking statements reflect the current internal projections, expectations or beliefs of Ivernia based on information currently available to the Company. Forward-looking statements are subject to a number of risks and uncertainties, including those detailed from time to time in filings made by Ivernia with securities regulatory authorities, that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. The reader should not place undue reliance on them. For more detail on the risks and uncertainties, please refer to the sections titled "Risks and Uncertainties" and "Forward-Looking Statements" contained in this MD&A, the section titled "Risks and Uncertainties" in the Company's MD&A for the year ending December 31, 2006 and the section titled ("Risk Factors") in the Company's final Short Form Prospectus filed on July 25, 2007. All of the forward-looking statements made in this document are qualified by the foregoing cautionary statements. Ivernia undertakes no obligation to publicly update or revise any forward-looking statements or information whether as a result of new information, future events or otherwise.

All dollar amounts are expressed in United States dollars, except as otherwise indicated.

This information is presented as at August 13, 2007.

IVERNIA INC.

FINANCIAL REVIEW

Summary Financial Information

The following table is a summary of Ivernia's financial and operating highlights for the periods ended June 30:

(\$ thousands, unless otherwise indicated and per share amounts)	Three months ended		Six months ended	
	June 30 (Unaudited)		June 30 (Unaudited)	
	2007	2006	2007	2006
Financial Highlights				
Revenue	-	12,983	20,014	30,111
Treatment charges and freight	-	(3,240)	(3,089)	(6,389)
Mining and processing costs	-	(9,344)	(7,742)	(16,845)
Care and maintenance	(2,628)	-	(2,628)	-
Royalties	-	(519)	(1,047)	(1,191)
Loss on derivatives	(1,286)	-	(4,679)	-
Amortization	(134)	(1,720)	(2,654)	(3,545)
Operating (loss)/income ¹	(4,048)	(1,840)	(1,825)	2,141
General and administrative	(1,775)	(1,565)	(3,306)	(2,641)
Parliamentary Inquiry	(1,006)	-	(1,106)	-
Net interest expense	(2,880)	(900)	(3,813)	(1,376)
Stock option costs	(152)	(146)	(326)	(298)
Other expenses ²	(769)	(632)	(661)	(782)
Loss before income taxes	(10,630)	(5,083)	(11,037)	(2,956)
Income tax recovery	2,094	1,322	2,336	769
Net loss	(8,536)	(3,761)	(8,701)	(2,187)
Basic loss per share	(0.06)	(0.03)	(0.06)	(0.02)
Weighted average shares outstanding – thousands	134,758	133,816	134,644	130,354
Unrealized gain/(loss) on investment	242	-	(85)	-
Comprehensive loss	(8,294)	(3,761)	(8,786)	(2,187)
Cash (used in)/generated from operations before changes in non-cash working capital	(10,092)	(1,850)	(7,172)	2,321
Cash flow (used in)/provided by operating activities	(17,208)	(1,646)	(21,926)	2,364
Operating Highlights				
Ore milled – (000's tonnes)	25.6	225.7	393.4	436.9
Average head grade – (% lead)	6.4%	7.7%	7.3%	8.2%
Recovery – (%)	75.5%	74.2%	74.6%	76.5%
Concentrate produced – (000's dry tonnes)	1.9	20.3	32.8	43.1
Concentrate sold – (000's dry tonnes)	-	21.0	18.8	42.6
Lead metal in concentrate produced – (000's tonnes)	1.2	13.0	21.4	27.5
Lead metal in concentrate sold – (000's tonnes)	-	13.5	12.0	27.7
Concentrate inventory – (000's of dry tonnes)	27.0	12.2	27.0	12.2
Average lead price – LME 3-month – (cents per pound)	99	50	89	53
Ivernia's average lead sale price – (cents per pound)	N/A	46	80	52
Cash cost per pound sold – (cents) ³	N/A	40	41	38

Note: Per share data was calculated on the basis of the weighted average shares outstanding (basic and diluted) for the relevant period.

¹ Operating (loss)/income is a non-GAAP term.

² Other expenses consist mainly of foreign exchange losses in 2007, and a write-off of the bag filter plant in 2006.

³ Cash cost per pound sold is a non-GAAP measure. See the "Cash cost of lead sold" section of this document.

IVERNIA INC.

FINANCIAL RESULTS

Ivernia Inc. ("Ivernia" or the "Company") is an international base metals, operating, exploration and development company. It is the sole owner and operator of the Magellan lead mine in Western Australia and controls a number of exploration properties in the vicinity of the Magellan mine. Quarter to quarter and year to year comparisons may not be relevant as effective April 6, 2007, the Company's Magellan operation was placed on care and maintenance following the temporary suspension of lead concentrate shipments from the Magellan mine.

Revenue

The Company did not record revenue for the second quarter due to the March 12, 2007 temporary suspension of lead concentrate shipments. The shipping suspension resulted in year to date revenue of \$20 million decreasing 33% from the \$30 million recorded in 2007. Year to date the Company sold a total of 12,000 tonnes of lead metal in concentrate compared with 27,700 tonnes of lead metal in concentrate in 2006.

The London Metal Exchange ("LME") average 3-month price of lead for the second quarter was 99 cents per pound, a 98% increase from the average for the second quarter of 2006.

(cents per pound of lead)	Average	
	2007	2006
LME 3-month official		
Second quarter	99	50
Ivernia's average lead sale price		
Second quarter	N/A	46

Expenses

General and administrative costs in the quarter were \$1.8 million compared to \$1.6 million in the 2006 comparative quarter. Costs incurred in the quarter for the care and maintenance of Magellan, advancement of the proposals to ship lead concentrates and participation in the Parliamentary Inquiry amounted to approximately \$3 million. One-time costs, non-cash and deferred costs in quarter were \$5.6 million. The one-time costs include losses on derivatives of \$1.3 million, foreign exchange losses of \$0.8 million and restructuring and related costs of \$0.7 million.

(\$ thousands, unless otherwise indicated)	Three months ended
	June 30, 2007
Continuing ongoing cash expenditures	
Care and maintenance	1,978
General and administrative	1,775
Professional fees - Parliamentary Inquiry	1,006
Net cash interest expense	235
Total continuing ongoing cash expenditures	4,994
One-time costs or non-cash or deferred cash costs	
Amortization	134
Restructuring costs	650
Interest expense (payable on maturity) and accretion	2,645
Stock option costs	152
Loss on derivatives	1,286
Foreign exchange loss	769
Total	5,636

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Cash cost of lead sold

The Company did not record lead concentrate sales during the quarter. Year to date total cash costs for lead sold including treatment charges, freight, mining and processing costs, but excluding royalty payments was \$10.8 million. On a per pound basis this equated to 40 cents, an increase of 2 cents per pound over year to date 2006.

Royalty payments on production are based on Magellan's net sales revenue and therefore fluctuate with the market price for lead. For instance, if the average market price for a pound of lead were \$0.50, \$0.70 and \$0.90, royalties payments per pound of production of \$0.02, \$0.03 and \$0.04, respectively would be payable.

The following table demonstrates how the Company calculates its cash cost per pound of lead sold. Ivernia believes that this information enables investors to better assess its performance and understand changes in production costs, which in turn affect profitability and the Company's ability to generate operating cash flow. The disclosure here of "cash cost" is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with Canadian GAAP. The measures are not necessarily indicative of operating profit or cash flow from operations as determined under Canadian GAAP. "Cash costs" have no standard meaning under Canadian GAAP and therefore is unlikely to be comparable to measures used and disclosed by other issuers.

Cash cost of lead sold	Three months ended		Six months ended	
	June 30		June 30	
(\$ thousands, unless otherwise indicated)	2007	2006	2007	2006
Lead metal in concentrate sold – (000's tonnes)	–	13.5	12.0	27.7
Treatment charges and freight	–	3,240	3,089	6,389
Mining and processing costs	–	9,344	7,742	16,845
Total cash costs – excluding royalties	–	12,584	10,831	23,234
Cash costs – (cents per pound of lead)	N/A	40	40	38

Amortization

Amortization expense totaled \$2.7 million year to date and \$0.1 million for the second quarter. In 2006, the amortization expense totaled \$1.7 million for the second quarter and \$3.5 million for the first six months. Amortization is impacted by the Company adopting the new recommendations, on a prospective basis, the CICA EIC 160 Stripping Costs Incurred in the Production Phase of a Mining Operation ("EIC 160"). The new recommendations require the costs associated with the removal of overburden and other mine waste materials that are incurred in the production phase of mining operations to be charged to income in the period in which they are incurred, except when the costs represent a betterment to the mineral property. Costs represent a betterment when the stripping activity provides access to reserves that would not have been accessible in the absence of the stripping activity. When costs are deferred in relation to a betterment, the costs are amortized over the reserves accessed by the stripping activity using the units of production method. A total of \$8.9 million remains to be amortized.

General and administrative

General and administrative expenses totaled \$1.8 million in the quarter. This was an increase of approximately \$0.2 million from the amount incurred in the second quarter of 2006. Year to date general and administration costs increased \$0.7 million principally due to higher compensation related costs.

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Net interest expense

Net interest expense of \$2.9 million is primarily comprised of interest expense on the Sentient Note (now repaid) of approximately \$0.1 million and interest payable on the Secured Facility of \$0.6 million which accrues at a 9.25% rate. Interest expense also includes a non-cash charge related to the amortization of the equity component of the Secured Facility and related fees of approximately \$2.4 million during the quarter. Year to date net interest expense is \$3.8 million compared to \$1.4 million in 2006. The increase is mainly due to the interest charged on the accretion of the Secured Facility.

Stock option costs

The stock option cost of \$0.2 million for the second quarter is essentially unchanged compared to the same period of 2006. The stock-based compensation expense has been calculated using the Black-Scholes option pricing model.

Other expenses

Other expenses in the second quarter of \$0.8 million mostly relates to a foreign exchange loss on the Sentient Note which was repaid in April 2007. In the second quarter of 2006 the other expenses included a write-off of \$0.4 million related to two bag filter plants purchased in 2006 and a foreign exchange loss of \$0.4 million.

Income tax

Income tax recovery for the year-to-date was calculated at an estimated annual accounting tax rate of 21% due to the mine being placed on care and maintenance, compared to a rate of 26% used in the first half of 2006. The Company was not cash taxable in 2006 and does not expect to be cash taxable in 2007.

Derivative losses

The Company maintained a strategy of short term forward pricing to reduce exposure on lead prices during the pricing period which is two months after month of shipment. As a consequence of the March 12, 2007 suspension of lead shipments at the Port of Esperance and the uncertainty of when shipments would recommence, the Company purchased back its forward sales during the first and second quarters to eliminate the exposure to rising lead prices and the Company's inability to match concentrate sales against the forward sales. Year to date derivative losses are \$4.7 million. The Company does not have any further commodity or foreign exchange hedges outstanding.

Net loss

The net loss was \$8.5 million or \$0.06 per share for the second quarter. This compares to a net loss of \$3.8 million or \$0.03 per share in the second quarter of 2006.

IVERNIA INC.

LIQUIDITY AND FINANCIAL CONDITION

Statement of Cash Flows (\$ thousands, unless otherwise indicated)	Three months ended		Six months ended	
	June 30		June 30	
	2007	2006	2007	2006
Cash (used in)/generated from operations before changes in working capital	(10,092)	(1,850)	(7,172)	2,321
Changes in working capital	(7,116)	204	(14,754)	43
Cash (used in)/provided by operating activities	(17,208)	(1,646)	(21,926)	2,364
Cash used in investing activities	(5,750)	(6,465)	(7,827)	(10,168)
Cash provided by/(used in) financing activities	19,361	(349)	19,336	8,058
(Decrease)/increase in cash	(3,517)	(8,447)	(10,366)	233

Operating activities

In the second quarter, Ivernia used \$10.1 million from operations before changes in working capital. Cash used in operating activities after working capital changes amounted to \$17.2 million. In the second quarter of 2006, the Company used \$1.6 million of cash from operations.

Investing activities

Net cash used for investing activities during the quarter was \$5.8 million, mainly consisting of expenditures for the construction of the gas pipeline and pressure filter and commissioning of the pipeline as well as \$2.7 million in restricted cash related to posting of bonds previously secured by the BNP Paribas credit facility. In the second quarter of 2006, Ivernia invested \$6.5 million which included construction and installation of the secondary ball mill, second concentrate thickener and deferred stripping.

Financing activities

On April 27, 2007 the Company completed the closing of a \$50 million secured facility (the "Secured Facility") with a syndicate of lenders.

Part of the Secured Facility was used for the repayment of the Sentient Note and for the repayment in full of the outstanding BNP Paribas credit facility. As at June 30, 2007 \$40 million of the Secured Facility had been drawn down.

The Secured Facility has a one year term and will bear interest at 9.25% per annum which will accrue and be payable at maturity or earlier repayment. The Secured Facility grants first ranking security interests over all the Company's assets.

Drawdowns under the Secured Facility entitle the lenders to conversion rights, providing for the conversion of principal into Ivernia common shares at a price of C\$1.20 per share (based on exchange rates in effect on April 26, 2007, equating to a US\$1.08 share price). If Ivernia repays drawn balances before maturity the lenders will be issued warrants for the pro rata amount at a C\$1.20 (US\$1.08) strike price that will expire concurrent with the maturity of the Secured Facility. These conversion rights received independent shareholder approval at the Company's 2007 annual and special meeting. Balances repaid before maturity may not be redrawn by Ivernia.

On August 1, 2007 the Company closed a bought deal financing agreement with BMO Nesbitt Burns Inc. and Paradigm Capital Inc. (the "Underwriters"). The Underwriters purchased 12,125,000 common shares of the Company at a price of C\$1.65 per common share for gross proceeds of C\$20 million (\$18.9 million). Ivernia has granted the Underwriters an over-allotment option to purchase additional common shares up to 15% of the purchased common shares at the same price, exercisable by the Underwriters for a period of 30 days from closing.

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Working capital surplus ⁴

At June 30, 2007, the Company's working capital surplus amounted to \$17.6 million, up from \$6.4 million at December 31, 2006.

Restricted cash

As at June 30, 2007 Magellan Metals had restricted cash deposited with a financial institution of \$2.7 million compared to \$5,000 the prior quarter. These deposits relate principally to unconditional performance bonds in favour of the State of Western Australia as security for the due and proper performance of the terms and conditions of Magellan Metals mining leases which had previously been secured with part of the BNP Paribas credit facility.

Short-term debt

The Secured Facility replaced the \$10 million credit facility, and the \$15 million inventory and export finance facility with BNP Paribas that were finalized in July 2006. Further, the Secured Facility replaces the C\$20 million secured promissory note (the "Sentient Note") payable to Sentient Global Resources Fund. As part of the exercise of the Extension Option on the note in 2006, the Company issued a total of 373,957 shares during May 2006 to April 2007 out of a maximum of 374,000 issuable shares.

Long-term debt

Long-term debt includes a five-year finance lease for power generating equipment at the Magellan mine site (see note 7 to the Company's consolidated financial statements).

Shares issued and outstanding

	Common Shares	Preference Shares
June 30, 2007	134,779,386	-
August 13, 2007	146,924,880	-

Common share warrants

The table below summarizes the number of common shares issuable upon the full exercise of the common share purchase warrants and broker warrants issued pursuant to the November 2004 Private Placement as at August 13, 2007:

	Common Shares issuable if all warrants fully exercised	Common Shares issued pursuant to warrants exercised to date	Common Shares issuable upon exercise of remaining warrants	Proceeds C\$	Received US\$ ⁵
November 2004 Private Placement:					
Common share purchase warrants	4,240,000	288,000	3,953,000	403,000	344,000
November broker warrants	480,000	480,000	-	600,000	510,000
Total	4,720,000	768,000	3,953,000	1,003,000	854,000

⁴ Working capital surplus is defined as cash, inventory, accounts receivable and other current assets less accounts payable, other current liabilities and credit facility.

⁵ All proceeds were received in Canadian dollars. This column is the US dollar equivalent.

IVERNIA INC.

Stock options

	Granted	Exercised	Shares issued	Expired
Second quarter 2007	-	50,000	30,620	61,250

As at June 30, 2007 there were outstanding options to purchase 5,536,250 common shares of the Company, of which 3,395,000 were exercisable.

OPERATIONS REVIEW – MAGELLAN LEAD MINE, WESTERN AUSTRALIA

The Magellan lead mine, commissioned on October 1, 2005, is located in the mineral-rich East Murchison Mineral Field in Western Australia, approximately 30 kilometres west of Wiluna and 900 kilometres northeast of Perth. The operation is easily accessible by road and air transportation and is close to high-demand, high-growth Asian markets.

Suspension of lead concentrate shipments

Effective April 6, 2007, the Company's Magellan operation was placed on temporary care and maintenance following the March 12, 2007 suspension of lead concentrate shipments through the Port of Esperance.

Update on progress toward the resumption of lead concentrate shipments

Proposal for containerized shipments through the Port of Fremantle for export

During the quarter, the Company advanced its proposal for future containerized lead concentrate shipments through the Port of Fremantle for export. A draft proposal was submitted to the government regulators for comment in mid-June, 2007 as a preliminary step prior to the formal submission of the final proposal.

The Company believes that its proposal raises the bar and creates new best practice in the standard of lead concentrate handling and transport going forward. It is a complete departure from the current industry standard of bulk transport with a move to sealed and containerized transport.

Under the proposal, lead concentrate would be loaded into UN-approved bulk bags which will be sealed then loaded into steel shipping containers at the Magellan mine. The shipping containers will then be bolt sealed and independently inspected before departing the mine site. From the mine site, the containers would be trucked approximately 400 kilometres to a designated secure holding area in Leonora, Western Australia. The containers would then be transported by train to the Port of Fremantle for export to customers overseas. The proposal includes a number of risk identification, minimization and avoidance measures to ensure that the concentrate is handled and transported in a safe, efficient manner at every stage of the process.

Containerization gives the Company control over critical aspects of the handling system, for which it previously relied on contractors, and ensures a clear line of responsibility for the handling and transport of its lead concentrate.

The finalization of the proposal, incorporating comments received from stakeholders on the draft submission and feedback from the consultation process, is near completion. Final submission, expected in the next few weeks, will follow a further round of draft review with the regulators. In recent discussions with Western Australian government officials, the Company was advised that the review and approval process could take approximately three to four months from the date of the final submission before Ministerial consent. However, there is no fixed or guaranteed timeline.

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Consultation program

On July 7, 2007, the Company initiated a consultation and information program with communities along the proposed transport route to the Port of Fremantle and in the Fremantle area. The program's objective is to explain and seek comment on its proposal to export lead concentrate in sealed shipping containers through the Port of Fremantle. To date, the Company has contacted, or delivered information to a number of individuals and groups including elected representatives, local government officials, businesses and residents in the communities along the transport route.

The program is part of the Company's submission to the Western Australian Government for approval to ship its product through the Port of Fremantle.

Shipment of lead concentrate stockpile at the Port of Esperance

In mid-May, 2007, Magellan submitted a written proposal to the Department of Environment and Conservation ("DEC") and the Esperance Port Authority for the removal of the approximately 8,000 dry tonnes of Magellan's lead concentrate currently being held in a storage shed at the port.

This proposal has been developed with, and will form part of, the Esperance Port Authority's application to the DEC for authorization to proceed with the shipment. To date, the Esperance Port Authority has not submitted its application. As the application to resume shipment of lead through the Port of Esperance is not within Magellan's control, the anticipated timing for and costs involved in that operation cannot be determined at this time.

A full community consultation and information program regarding the proposal has been conducted by Magellan in the Esperance community. Management believes that all stakeholders, including the Esperance Port Authority, the community of Esperance and the Company will benefit from the timely and safe removal of the stranded lead concentrate. Going forward, Ivernia does not intend to seek (other than the removal of the stranded lead) approval for any further shipments through the Port of Esperance.

Western Australian Parliamentary Inquiry

On April 4, 2007, the Western Australian Government initiated a Parliamentary Inquiry into the "cause and extent of lead pollution in the Esperance Area". The terms of reference for the Parliamentary Inquiry are generally directed at reviewing the regulation of licensing and monitoring of the Esperance Port Authority's activities with respect to the export of lead, the responsibility of the Esperance Port Authority for the high levels of lead detected at the Port of Esperance and the way the relevant government departments exercised their responsibility with regards to the export of lead from the Port of Esperance. Further information relating to the lead testing undertaken in the Esperance Area by the Western Australian Department of Health can be obtained from that Department's website www.health.wa.gov.au. Magellan's involvement in the licensing process for the transport of lead and any contribution to the alleged lead pollution is necessarily being considered as a part of the review. The Company believes that its transport and storage of lead concentrate was in compliance with applicable environmental approvals, although there can be no assurance that Magellan will not be found to be in breach of these approvals.

The Committee appointed to conduct the Parliamentary Inquiry (the "Committee") requested that Magellan provide it with any documents held by it relevant to the terms of reference and appear before a public hearing. Magellan appeared at public hearings on May 2 and June 7, 2007, and provided relevant documents, a written submission to the Committee and written answers to a series of written questions posed by the Committee. In addition, the Committee conducted a site visit to the Magellan mine and the Esperance port facility on May 1, 2007.

Update

On June 29, 2007, Magellan provided a series of written answers to written questions posed by the Committee following management's second appearance at the Inquiry.

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In a closing submission to the Committee on July 31, 2007, the Company reiterated that its proposal for future shipments of lead concentrate raises the bar and creates new best practice in the standard of lead concentrate handling and transport going forward. The submission summarized the key issues covered in the Inquiry which pertained to Magellan.

Copies of the above-mentioned submissions are available on the Ivernia website at www.ivernia.com. Additional Information relating to the Inquiry can also be obtained from the Parliament of Western Australia's website at www.parliament.wa.gov.au.

The Committee is currently scheduled to table its report to the Western Australian Government on August 16, 2007. There is a possibility that the tabling of the report will be delayed, however any extension of time for the delivery of the report is a decision to be made by the Western Australian Parliament and is likely to be considered during the resumption of parliamentary sittings on August 14 2007. The Company awaits the report in the hope that its recommendations will lead to improved systems and processes for the handling of metal concentrates which will have the confidence of all stakeholders and provide a clear path forward.

Other developments

On July 5, 2007, the Department of Industry and Resources submitted its report from two environmental inspections of the Magellan site conducted on February 14, 2007 and June 27, 2007. While the report did not contain any major deficiencies, the storage and containment of stockpiled lead concentrate on mine site was identified as an actionable item. This has since been addressed with the use of tarpaulin covers.

On July 30, 2007, Magellan was advised by the DEC that it will initially be issuing a three-month, short-term environmental license to replace the previous two-year license which expired on August 7, 2007. The DEC advised that it would be issuing this short-term license to allow for its completion of the necessary review process. This will involve the DEC liaising with other decision-making authorities, and addressing any community concerns. The DEC further advised that the review is currently underway and that it will ensure the regulatory license delivered to Magellan takes into consideration the various concerns of lead mining and export.

Operating Summary

Mining

Mining operations produced a total of 82,500 tonnes of ore mined in the quarter prior to the temporary suspension of operation.

The following table summarizes mine production for the second quarter and first six months:

	Three months ended June 30, 2007	Six months ended June 30, 2007
Mining		
Ore mined – 000's tonnes	82.5	413.4
Low-grade (<3%) ore mined – 000's tonnes	–	–
Total ore and waste mined – 000's bcm	47.5	729.0

Note: BCM = bulk cubic metres

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Processing

Prior to the temporary suspension of operations, the mill recorded its highest single day throughput of 6,128 tonnes.

The table below summarizes process production in the second quarter and first six months:

	Three months ended June 30, 2007	Six months ended June 30, 2007
Processing		
Ore milled – 000's tonnes	25.6	393.4
Head grade – % lead	6.4%	7.3%
Recovery – %	75.5%	74.6%
Concentrate produced – 000's dry tonnes	1.9	32.8
Lead metal in concentrate produced – 000's tonnes	1.2	21.4

The table below states the shipments and inventories at the end of the second quarter and first six months:

	Three months ended June 30, 2007	Six months ended June 30, 2007
Sales and inventories		
Concentrate sold – 000's dry tonnes	–	18.8
Lead metal in concentrate sold – 000's tonnes	–	12.0
Concentrate inventory – 000's dry tonnes	27.0	27.0

LEAD MARKET FUNDAMENTALS

The record-breaking trend for the lead price continues as the long-term fundamentals become increasingly evident. The lead price has been the best performer among the base metals in 2007, increasing over 250% in the first six months of the year. On the supply side, the lead market is experiencing several disruptions at various mines, smelters and refineries, including Ivernia's Magellan mine. Such disruptions usually have an immediate impact on the market balance since there are few suppliers of mined lead. On a longer term basis, there is limited new lead mine supply in the production pipeline which further strengthens the fundamentals.

On the demand side, world-wide consumption continues to rise mainly as a result of the growing vehicle sales - particularly in China where vehicle output has grown by over 20% annually for the past five years. All indications point to this trend continuing for some time yet as disposable incomes rise and car ownership becomes more affordable with better access to credit financing and lower entry-level car prices. In one market analyst's estimate, China's lead consumption is projected to double from current levels to 4.2 million tonnes per annum by 2011 assuming a conservative annual 14% growth in vehicle output.

The 3-month lead price averaged \$0.99 per pound in the second quarter - including a high of \$1.22 per pound. This level has since been exceeded with transactions at \$1.58 per pound on July 23, 2007. The average for the first six months of 2007 was \$0.89. This compares to \$0.53 in 2006 - an increase of almost 70%.

RISKS AND UNCERTAINTIES

The business of the Company is subject to a variety of risks, including those described below.

Operations Temporarily Suspended

The Company announced on April 2, 2007 that it would be placing the Magellan Mine operation under temporary care and maintenance and had suspending operations at the Magellan Mine due to the suspension

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of shipments at Esperance until such time as it received approval to ship concentrate out of a port in Western Australia and declared "force majeure" under many of its contracts, including all of its concentrate sales contracts. If and when the company receives necessary approvals, the Company will initiate the process to restart operations. There can be no assurances as to the date of the resumption of operations at the Magellan Mine or that the Company will be able to secure additional financing in the event of any delay in the restart of operations.

Matters Relating to Shipping Product

General

The risks arising out of the events following the alleged lead pollution at Esperance, the suspension of shipping of lead through Esperance and developing alternative shipping proposals can be categorised as being one or more of the following: (i) the risk that shipments of lead may not be able to be resumed (although the Company has no evidence that this will be the case); (ii) risk of delay in resumption of shipping and mining (with respect to obtaining necessary approvals both in Australia and China, renegotiating contracts for transportation and sales of lead and recommencing mining); and (iii) the risk of litigation (with respect to allegations that the Company erroneously invoked "force majeure" under its supply contracts and other contracts, potential suit, imposition of fines or prosecution by regulators with respect to alleged breaches of license conditions or relevant legislation (which may cause further delays in grant of approvals to recommence shipping), amendment or revocation of existing consents, permits, licenses or approvals, claims for compensation by the general public by way of class action or otherwise, including claims in connection with personal injury or illness, property damage and damage to local industry, or claims by the Esperance Port Authority or other affected entities). Each of these is discussed in more detail below.

Esperance

Currently, the government of Western Australia has placed a prevention notice on the Esperance Port Authority, temporarily suspending its ability to accept imports or exports of lead concentrate. Magellan Metals has submitted its proposal for moving its lead that remains within the Port of Esperance by bulk bags to the Esperance Port Authority on May 11, 2007. That proposal will form part of the Esperance Port Authority's application to resume shipment of lead through its port. As the application to resume shipment of lead through the Port of Esperance is not within Magellan Metals' control, the anticipated timing for, and costs involved in, that operation cannot be determined and there can be no assurances that the application will be approved. Management believes that the Esperance Port Authority, the people of Esperance and the regulators (based upon meetings with the Company and press releases) have indicated they want the removal of lead concentrate from the Port of Esperance expedited. In addition, until the terms and conditions that will be placed on Magellan Metals' shipment of lead are known, Magellan Metals' costs associated with the handling, shipping and clean up cannot be determined.

Fremantle

Magellan Metals has also sought amendment to the Environmental License to permit shipment of lead using shipping containers through the Port of Fremantle. Based upon conversations with government officials and the normal course timelines for such applications, that such approvals will likely require three to four months to obtain from the date the application is submitted. This time frame will be extended if the Minister refers the proposal to the EPA for formal assessment. There has been some opposition from the community and elected officials to the proposals reported in the media. There can be no assurance that the necessary amendment to the Environmental License to permit shipments through the Port of Fremantle will be granted within a reasonable time, or at all.

China

Prior to the current care and maintenance period, Magellan's concentrate was produced for sale to third-party smelters, primarily in China and Southeast Asia. The proposed change in the method of shipping the concentrate and the reclassification of the concentrate to D.G.6.1 means that additional approvals for the importation of the product into China are required. These are in the process of being obtained. There is no

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expectation that these approvals will not be obtained in a timely manner, but there can be no assurance that these approvals will be granted within a reasonable time, or at all.

In addition, the supply contracts will require some re-negotiation to accommodate the change in shipping processes. Accordingly, there is no guarantee that all of the Company's existing customers will accept the concentrate in future, either on the existing contractual terms or on modified terms with a higher treatment cost to reflect the additional costs of handling the product in bagged form, and the reclassification to a D.G.6.1 dangerous good.

Government Regulation

On April 4, 2007, the Western Australian Government initiated a Parliamentary Inquiry into the "cause and extent of lead pollution in the Esperance Area". The terms of reference for the Parliamentary Inquiry are generally directed at reviewing the regulation of licensing and monitoring of the Port of Esperance's activities with respect to the export of lead, the responsibility of the Esperance Port Authority for the high levels of lead detected at the Port of Esperance and the way the relevant government departments exercised their responsibility with regards to the export of lead from the Port of Esperance. Magellan's involvement in the licensing process for the transport of lead and any contribution to the alleged lead pollution is necessarily being considered as part of the review. Although the terms of reference for the Parliamentary Inquiry are limited in scope, the findings of that Inquiry may prompt a range of further actions by the Western Australian Government or others, including pursuing alleged breaches of license conditions or relevant legislation by the Esperance Port Authority and, possibly, Magellan Metals, claims for compensation by affected residents of Esperance (by class action or through the establishment of a statutory compensation scheme), requirements to alter transportation and handling practices for lead concentrate, revocation of existing consents, permits, licenses or approvals issued for the Magellan Mine, or further investigations into the adequacy of regulatory oversight of port activities and adequacy of rural port infrastructure in Western Australia. In addition, the findings of the Inquiry may also adversely affect the timing and/or receipt of approvals necessary to resume shipping of lead concentrates through the Port of Esperance or to permit shipping of lead concentrates through the Port of Fremantle. Whether or not any of these may eventuate, and their potential impact upon the Company is impossible to ascertain based on information that is currently available to the Company. In particular, it should be noted that it is presently impossible to determine whether or not allegations of breach of license or legislation have any substance (as no specific breach has been alleged or substantiated) or to determine the implications, if any, if action is taken by the relevant regulatory authority. However, actions taken by regulatory authorities may delay the approvals necessary for a resumption of shipping and/or impose significant costs.

Recent statements in the media that the Western Australian government is investigating the status of 7 of its ports for heavy lead contamination may, in the short term, delay the report from the Parliamentary Inquiry or introduce greater delays in obtaining approval to recommence shipping. However, any industry wide investigation (which is not simply focused on Magellan Metals and the Esperance Port Authority) is viewed by the Company as ultimately being to the benefit of the mining industry and, in the long term, will give the Company greater certainty as to the regulators' requirements for the handling and shipping of heavy metals. It may also hasten decisions by the regulators in respect of resumption of shipping for Magellan Metals as it is anticipated that the mining industry will not accept extended stoppages or delays in shipping product.

Restart of Mining and Milling Operations

The Company's expected normal care and maintenance costs during the shutdown period are approximately \$1 million to \$1.5 million per month until such time as the Magellan Mine resumes commercial production. There can be no assurances as to the actual costs incurred or the date of the resumption of operations at the Magellan Mine. Recruiting, retaining and training qualified personnel in connection with the restart of mining and milling operations will be critical to the Company's success. The unemployment rate in Western Australia is currently at historical lows and the competition for persons skilled in the mining industry is intense. Although the Company believes it will be successful in attracting, training and retaining qualified personnel, there can be no assurance of such success, and the efficiency of the Company's operations may be affected.

Additional events which may impact the Company's ability to resume commercial production may include, among others; shortages, delays or difficulties in obtaining equipment and materials, adverse weather

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conditions or natural disasters, unanticipated increases in costs of labour, supplies and equipment; accidents; and unforeseen engineering, design, environmental or geological problems.

Regulatory Proceedings and Litigation

The Company may be subject to civil claims (including class action claims), based on heads of damages including negligence, breach of statutory duty, public nuisance or private nuisance in connection with the alleged lead pollution at Esperance or investigations relating thereto. While the Company is presently unable to quantify its potential liability under any of the above heads of damage, such liability may be material to the Company and may adversely affect its ability to continue operations.

In addition, the Company may be subject to actions by governmental or regulatory authorities in connection with the alleged lead pollution at Esperance or investigations relating thereto. Such actions may include prosecution for breach of relevant legislation or failure to comply with the terms of the Company's licenses and permits and may result in liability for pollution, other fines or penalties, revocations of consents, permits, approvals or licenses or similar actions which could be material and which would not be anticipated in respect of similar breaches by other companies which are not subject to the scrutiny facing the Company and Magellan Metals. While the Company is presently unable to quantify its potential liability in connection with such actions, such liability may be material to the Company and may adversely affect its ability to continue operations.

In the process of putting the Magellan Mine into temporary care and maintenance, Magellan Metals claimed "force majeure" for a number of its agreements. Two of the counterparties have disputed Magellan Metals' ability to claim "force majeure". Magellan Metals may be required to pay damages for breach of the relevant agreements if it is held that it could not claim "force majeure".

FORWARD-LOOKING STATEMENTS

This document contains certain "forward-looking statements". All statements included in this document (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 proposal to ship lead concentrate through the Port of Fremantle, the results of the government of Western Australia's continuing investigations into the matters resulting in the suspension of mining operations, the possibility of legal or regulatory action (and any resulting costs or liabilities) which may be taken in connection with the matters being investigated, the estimated timing of the receipt of required regulatory approvals to resume shipment of the stranded lead concentrate at the Port of Esperance and further lead shipments from the Magellan Mine (such approvals will not be received until well after the presentation of the Parliamentary Inquiry report has been delivered, the timing of which is uncertain), 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 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 such as the resources and reserves, metal price volatility, lead concentrate treatment charges, exchange rates, single mineral property, metallurgy, environmental factors, mining risks, insurance, labour and employment regulations, health and safety, government regulations, dependence on key personnel, constraints on cash flow and nature of mineral exploration and development. 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 Ivernia. The reader should not place undue reliance on them. Other risks and factors that could cause actual results to differ are described herein under the heading "Risks and Uncertainties, in Management's Discussion and Analysis ("MD&A") for the year ended December 31, 2006 under the heading "Risks and Uncertainties" and in the

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Company's final Short Form Prospectus filed on July 25, 2007 ("Short Form Prospectus") under the head "Risk Factors". Our MD&A, Short Form Prospectus and additional information on Ivernia are available on the Company's website at www.ivernia.com and on Ivernia's SEDAR profile at www.sedar.com. All of the forward-looking statements made in this document are qualified by the foregoing cautionary statements. The Company expressly disclaims any obligation to update or revise any such forward-looking statements.

August 13, 2007