IVERNIA INC.

NEWS RELEASE

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

IVERNIA INC. REPORTS THIRD QUARTER 2007 RESULTS

TORONTO, ONTARIO – November 14, 2007 – Ivernia Inc. ("Ivernia" or the "Company") (TSX:IVW) today reported an operating loss[(1)] of $2.1 million and a net loss of $5.8 million, or $(0.04) per common share for the third quarter of 2007. Results for the quarter were adversely impacted by the suspension of lead concentrate bulk shipments through the Port of Esperance on March 12, 2007, which resulted in the temporary suspension of operations at the Magellan mine effective April 6, 2007. Resumption of operations is pending regulatory approval for containerized lead concentrate shipments through the Port of Fremantle in Western Australia. During the quarter, costs associated with maintaining the Magellan mine during the temporary suspension of operations were $1.8 million.

THIRD QUARTER HIGHLIGHTS

- Submitted formal application to the Western Australian Environmental Protection Authority ("EPA") for approval to ship lead concentrate in containers through the Port of Fremantle
- Started 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
- Closed C$20 million equity issue; provided additional financial resources and flexibility for the planning and implementation of changes at the mine site and on the proposed transport route to facilitate the new containerized shipping and to implement a phased restart and ramp-up of operations
- Started detailed planning for phased restart and ramp-up of operations following receipt of the requisite approvals:
  - preparing the mine site to accommodate containerized lead concentrate shipments – current
  - test and commission recently-ordered bagging equipment and commence bagging of mine site stockpile – anticipated late fourth quarter 2007
  - shipment of mine site stockpile over a three to four month period as Company optimizes the logistics processes – post receipt of approvals
  - employee recruitment and training program to support production restart and ramp-up over a three to four month period towards full production – by the middle part of 2008
- Lead concentrate inventory of 27,000 dry tonnes ("dmt"), with net realizable value of approximately $45 million using a lead price of $1.50 per pound; currently stockpiled at the Magellan mine site (19,000 dmt) and a storage shed at the Port of Esperance (8,000 dmt)
- Further advanced the proposal for the shipment in sealed bags of the stranded lead concentrate at the Port of Esperance
- Parliamentary Inquiry report on the cause and extent of lead contamination in Esperance tabled and released; Company commented on the report in a news release dated September 7, 2007

Events subsequent to September 30, 2007

- Received results from independent consultant's tests of the transport route from the Magellan mine site to the Port of Esperance; confirmed no meaningful increase in lead levels in the soil sampled compared to previous tests in 1999 and 2005 (October 19)

(1) *Operating loss is comprised of care and maintenance costs and amortization*

- Public comment phase in formal EPA review of application to ship lead concentrate in containers through the Port of Fremantle completed (November 5); Magellan is preparing responses to comments received
- Announced appointment of Dr. John Yeates as General Manager – Corporate and Social Responsibility, with primary responsibility for overall management of all health, safety, environmental, regulatory and community matters for Ivernia and Magellan (November 7)

Commentary

"Good progress was made in several areas during the quarter," commented Alan De'ath, Ivernia's President and Chief Executive Officer.

"The most important was the formal submission of the proposal for containerized shipments of lead concentrate through the Port of Fremantle. This submission put in motion the process that we are confident will lead to the resumption of operations. We base this on the quality of the proposal – its many levels of safeguards make it a safe, prudent and feasible method to transport lead concentrate in Western Australia or any other part of the world."

"We also started detailed planning for the implementation of changes in equipment, logistics and procedures necessary at the mine site to accommodate containerized shipment. Our intention is to be prepared for an orderly and efficient restart and ramp-up as soon as the necessary approvals are granted. Orders for the key bagging equipment have already been placed and delivery is expected in late fourth quarter 2007. Our plan is to commission the bagging equipment on site and bag the stockpiled lead concentrate so we will be ready to begin shipment once requisite approvals are received. We expect the shipment of the stockpiled material to occur over a three to four month period as we optimize the logistics processes. The recruitment and training program for new employees is planned to be launched immediately following receipt of requisite approvals to enable a phased ramp-up to full production over a three to four month period while generating cash inflow for the Company."

"The independent confirmation of no meaningful increase in lead levels in the soil tested along the transport route previously used from the mine site to the Port of Esperance is a significant reassurance to the Company and the communities along the route. Our commitment to implementing and maintaining best environmental practice, and continuously improving our environmental performance through review, assessment and reporting is unwavering," 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. A core team of employees has been retained to carry out site care and maintenance until requisite approvals are received, and to plan and implement the on-site and transportation route changes for containerized shipment and execute the phased restart of operations.

Update on progress toward the resumption of lead concentrate shipments

Proposal for containerized shipments through the Port of Fremantle for export

The formal submission of the proposal for future containerized lead concentrate shipments through the Port of Fremantle for export was made to the EPA on September 14, 2007. The proposal includes recommendations from the Parliamentary Inquiry report on the cause and extent of lead pollution in Esperance, where appropriate. Under the proposal, lead concentrate will be loaded into two tonne UN-approved bulk bags which will be sealed then loaded into steel shipping containers at the Magellan mine site. The shipping containers will in turn be bolt sealed, washed down and independently inspected before departing the mine site. From the mine site, the containers will be trucked approximately 400 kilometres to a designated secure holding area in Leonora, Western Australia where they will then be transported by train directly into 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.

The proposal is available on Ivernia's website at www.ivernia.com and Magellan's website at www.magellanmine.com.

The Company believes that its proposal, developed by leading Australian environmental consultants Coffey Natural Systems (formerly Enesar), in partnership with the Magellan operations management team, raises the bar and creates new standards of industry best practices for the handling and transport of lead concentrate going forward. The move to sealed and containerized transport is a complete departure from the current industry standard of bulk transport.

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 EPA assessment process included an initial four-week public comment period, which finished on November 5, 2007. According to updated guidance received from senior regulators and government officials, the Company anticipates the Ministerial decision on the proposal to be issued during the first quarter 2008. However, there is no fixed or guaranteed timeline and no certainty on the outcome.

Consultation program

A comprehensive consultation and information program with communities along the proposed transport route to the Port of Fremantle and in the Fremantle area was started on July 7, 2007 and continues to date. The program's objective is to explain and seek comments on the proposal to export lead concentrate in sealed shipping containers through the Port of Fremantle. 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 proposed transport route.

Details of the program were included in the Company's proposal and formal submission of September 14, 2007.

Plan for initiation of shipping and phased restart and ramp-up of operations

Planning and initiation of the preparation of the mine site to facilitate containerized shipments and an orderly and efficient restart and ramp-up of operations, as soon as the requisite approvals are received, was started during the quarter. Orders have been placed for the UN-approved bulk bags and an automated bagging machine. Commissioning of the machine is planned to begin shortly after delivery, which is expected in late fourth quarter 2007. Negotiations with road and rail haulage operators for the transport of containers from the mine site to the Port of Fremantle are underway.

The Company anticipates shipment of the current lead concentrate stockpile at mine site will take between three to four months to complete. The recruitment and training program for new employees will commence immediately following receipt of the requisite approvals. This arrangement is expected to generate more than sufficient cash flow to fund the phased restart and ramp-up of operations over a three to four month period as the Company achieves full production levels by the middle part of next year.

Shipment of lead concentrate stockpile at the Port of Esperance

The proposal for the removal of approximately 8,000 dry tonnes of Magellan's lead concentrate currently being held in a storage shed at the port is being finalized following several meetings between the Esperance Port Authority, regulators and Magellan during the third and fourth quarters.

The proposal will form part of the Esperance Port Authority's application to the Department of Environment and Conservation ("DEC") for authorization to proceed with the shipment. 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.

The proposal is available on Ivernia's website at www.ivernia.com.

Western Australian Parliamentary Inquiry

The Parliamentary Committee commissioned to inquire into the cause and extent of lead pollution in the Esperance area tabled its report on September 6, 2007. The Company subsequently issued a news release commenting on the report on September 7, 2007.

Inquiries by the Parliamentary Committees are conducted as Parliamentary proceedings, as opposed to judicial processes, without formal rules of evidence, sworn testimony or the opportunity for evidence to be tested by way of cross-examination.

The report itself does not have binding effect, but serves to inform the Parliament of the Committee's view of what happened at Esperance, who may be responsible and recommended action for the Government to take.

The Government has three months from the tabling of the report to respond to the recommendations – which it can accept, reject, modify or adapt.

Copies of Magellan's submissions during the Inquiry, the tabled report and the Company's subsequent news release 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.

Transport route sampling results

Subsequent to the end of the third quarter, the Company received the results of sampling conducted along the transport route from the Magellan mine site to the Port of Esperance. The sampling was undertaken by CSA Australia on behalf of Magellan in August, 2007. The results indicate that the levels of lead recorded along the route are well under the Department of Environment guideline level of 300 milligrams per kilogram and that there was no meaningful increase in lead levels in the soil sampled compared to previous tests conducted in 1999 and 2005.

Other developments

In November, 2007, the Company appointed Dr. John Yeates as General Manager – Corporate and Social Responsibility. Dr. Yeates will join the Company in mid-December and will be based at the operating office in Perth, Australia. He will be a key member of the senior management team with primary responsibility for overall management of all health, safety, environmental, regulatory and community matters for Ivernia and Magellan.

Dr. Yeates has over 35 years of experience in all aspects of environmental management across a wide range of industries within Australia and in the Asia-Pacific region.

Prior to joining Ivernia, he was a senior executive at LandCorp, the Western Australian Government's land and property developer, where he provided corporate leadership and managed environmental risk assessment, compliance and management for all the company's projects. He led the development and implementation of environmental due diligence and risk management procedures and programs.

An infill drilling program on the Pinzon and Magellan East areas was commenced during the quarter and continued into the fourth quarter. The data is being analyzed and the results will be included in the next reserve and resources statement expected late in the first quarter of 2008.

A new 10-month environmental license was issued by the DEC for the Magellan operation. This license replaces the three-month, short-term license noted in the Company's second quarter report.

Financial Summary

($ millions, unless otherwise indicated and per share amounts)	**Three months ended September 30, 2007**	**Nine months ended September 30, 2007**
	(unaudited)	
Revenue	-	20.0
Operating loss	(2.1)	(3.9)
Net loss	(5.8)	(14.5)
Basic loss per share	(0.04)	(0.11)
Cash used in operating activities before changes in working capital	(4.3)	(11.4)
Changes in working capital	1.0	(13.8)
Concentrate inventory – 000's dry tonnes	27.0	27.0

Strengthening the balance sheet

On August 1, 2007, the Company closed a C$20 million bought deal financing which provided additional financial resources and flexibility for the planning and implementation of changes at the mine site and on the transport route to facilitate the new containerized shipping and to implement a restart and phased ramp-up of operations after the requisite approvals are received. 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. The 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 lead price continued its record-breaking run in the third quarter underpinned by tight market conditions. Supply has been impacted by disruptions at several producers, including Ivernia's Magellan mine and lower year-over-year exports from China following export restrictions imposed by the Chinese government.

Demand nevertheless continues to grow strongly. Compared to the same period in 2006, refined consumption in China and the rest of Asia is estimated to have increased 22% and 9% respectively, according to data available up to August. Each 1% change in world demand equates to approximately 84,000 tonnes of lead – the equivalent of a major mine the size of Magellan.

The 3-month lead price averaged $1.40 per pound in the third quarter - including a high of $1.57 per pound. This level was exceeded with transactions over $1.70 per pound in October 2007. The average for the first nine months of 2007 was $1.07 - a 100% increase over the $0.53 recorded for the same period in 2006.

Conference call and webcast

The Company will host a conference call and webcast at 9:00 a.m. Eastern time on Wednesday, November 14, 2007.

Toronto area and overseas participants may access the call at **416-340-8010**. Other North American participants should dial the toll-free number **1-866-540-8136**. The call will also be broadcast live on the internet at www.ivernia.com.
If you are unable to participate during the live webcast, the call will be archived on Ivernia's website at www.ivernia.com and will also be available via telephone until midnight on Wednesday, November 21, 2007 by calling **416-695-5800** or **1-800-408-3058** and using the passcode **3240850**.

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 implications 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 Magellan (such approvals are not anticipated to be received until, at the earliest, during the first quarter of 2008), the Company's ability to repay the Secured Facility should the lenders elect not to convert the debt into equity, 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 in Management's Discussion and Analysis ("MD&A") for the quarter ended September 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.

IVERNIA INC.

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IVERNIA INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT AND COMPREHENSIVE LOSS

(unaudited)

	Three months ended September 30		**Nine months ended September 30**	
	2007	2006	**2007**	2006
(in thousands of United States dollars, except per share amounts)	**$**	$	**$**	**$**
Revenue	**-**	20,018	**20,014**	50,129
Treatment charges and freight	**-**	(3,031)	**(3,089)**	(9,420)
Mining and processing costs	**-**	(9,278)	**(7,742)**	(26,123)
Care and maintenance (note 13)	**(1,844)**	-	**(4,472)**	-
Royalties	**-**	(805)	**(1,047)**	(1,996)
Loss on derivatives (note 10)	**-**	-	**(4,679)**	-
Amortization	**(215)**	(2,311)	**(2,869)**	(5,856)
	(2,059)	4,593	**(3,884)**	6,734
General and administrative	**(1,361)**	(1,662)	**(4,666)**	(4,303)
Parliamentary Inquiry and shipping approval	**(725)**	-	**(1,831)**	-
Stock option costs (note 9(b))	**(141)**	(145)	**(467)**	(443)
Foreign exchange gain/(loss)	**623**	(48)	**(38)**	(481)
Net interest expense	**(4,325)**	(816)	**(8,138)**	(1,885)
Other	**13**	(281)	**12**	(937)
	(5,916)	(2,952)	**(15,128)**	(8,049)
(Loss)/income before income taxes	**(7,975)**	1,641	**(19,012)**	(1,315)
Income tax recovery/(expense)	**2,155**	(427)	**4,491**	342
Net (loss)/income	**(5,820)**	1,214	**(14,521)**	(973)
Deficit - Beginning of period (note 12)	**(83,496)**	(81,498)	**(74,795)**	(79,311)
Deficit - End of period	**(89,316)**	(80,284)	**(89,316)**	(80,284)
Basic and diluted (loss)/income per share	**(0.04)**	0.01	**(0.11)**	(0.01)
Weighted average number of common shares outstanding (000's)	**142,881**	134,077	**137,360**	131,609
Net (loss)/income	**(5,820)**	1,214	**(14,521)**	(973)
Unrealized gain/(loss) on investments (note 11)	**(430)**	-	**(515)**	**-**
Comprehensive (loss)/income	**(6,250)**	1,214	**(15,036)**	(973)

IVERNIA INC.

CONSOLIDATED BALANCE SHEETS

(unaudited)

(in thousands of United States dollars)	September 30, 2007 $	December 31, 2006 $
Assets		
Current assets		
Cash and cash equivalents	**19,833**	17,062
Accounts receivable and other current assets	**1,608**	12,795
Inventory (note 3)	**18,781**	8,865
	40,222	38,722
Property, plant and equipment (note 4)	**147,350**	146,647
Restricted cash and cash equivalents (note 5)	**2,919**	5
Deferred charges and other assets	**-**	725
	190,491	186,099
Liabilities		
Current liabilities		
Accounts payable and other current liabilities	**9,754**	27,327
Credit facility (note 6(a))	**-**	5,000
Secured facility (note 6(c))	**34,020**	-
Short-term note payable (note 6(b))	**-**	15,971
	43,774	48,298
Long-term debt (note 7)	**2,200**	2,316
Reclamation provision (note 8)	**2,847**	2,396
Future income tax	**16,853**	21,372
	65,674	74,382
Shareholders' Equity		
Share capital (note 9(a))	**199,940**	182,215
Share warrants (note 9(c))	**1,600**	1,600
Equity component of secured facility (note 6(c))	**10,342**	-
Contributed surplus (note 9(d))	**2,766**	2,375
	214,648	186,190
Deficit (note 12)	**(89,316)**	(74,473)
Accumulated other comprehensive loss (note 11)	**(515)**	-
	124,817	111,717
	190,491	186,099

IVERNIA INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

	Three months ended September 30		Nine months ended September 30	
	2007	2006	**2007**	2006
(in thousands of United States dollars)	**$**	$	**$**	**$**
Cash (used in)/provided by				
Operating activities				
Net (loss)/income for the period	**(5,820)**	1,214	**(14,521)**	(973)
Non-cash items:				
Stock option costs	**141**	145	**467**	443
Amortization	**215**	2,311	**2,869**	5,856
Future income tax	**(2,155)**	427	**(4,491)**	(342)
Other	**3,352**	296	**4,237**	1,730
Changes in non-cash working capital:				
Accounts receivable and other current assets	**973**	(368)	**10,825**	(1,254)
Inventory	**718**	(1,893)	**(7,560)**	(2,939)
Accounts payable and other current liabilities	**(725)**	(2,625)	**(17,053)**	(650)
	(3,301)	(493)	**(25,227)**	1,871
Investing activities				
Additions to property, plant and equipment	**(841)**	(3,078)	**(5,927)**	(13,382)
Change in restricted cash	**(55)**	1,021	**(2,796)**	1,051
Sale of investments	**-**	-	**-**	106
	(896)	(2,057)	**(8,723)**	(12,225)
Financing activities				
Net cash proceeds on issue of shares and warrants	**17,522**	40	**17,561**	8,784
Drawdown/(payment) of credit facility (note 6(a))	**-**	4,934	**(5,000)**	4,565
Decrease in long-term debt (note 7)	**(35)**	(170)	**(116)**	(487)
Secured facility (notes 6(b) and 6(c))	**-**	-	**24,378**	-
	17,487	4,804	**36,823**	12,862
Effect of exchange rate changes on cash and cash equivalents held in foreign currency	**(153)**	(49)	**(102)**	(70)
Net increase in cash and cash equivalents	**13,137**	2,205	**2,771**	2,438
Cash and cash equivalents – Beginning of period	**6,696**	7,253	**17,062**	7,020
Cash and cash equivalents – End of period	**19,833**	9,458	**19,833**	9,458
Supplementary information:				
Net interest (received)/paid	**(17)**	247	**1,587**	436

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three and nine month periods ended September 30, 2007 and 2006

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

1. Nature of operations

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.

The Company currently has no operating revenue due to the placement of its Magellan mine under temporary care and maintenance pending requisite approvals to ship containerized lead concentrate through the Port of Fremantle. Based on discussions with regulators and government, the Company anticipates the requisite approvals to recommence shipping and operations will be issued during the first quarter of 2008. However, there is no fixed or guaranteed timeline and no certainty on the outcome. The Company has a working capital deficit, primarily due to the secured facility (note 6(c)) which, if not converted into common shares of the Company, refinanced or extended, will require repayment on maturity on April 27, 2008. Management believes the secured facility, which is held by major shareholders of the Company, will be converted into common shares however there is no certainty of such conversion. The Company is confident an extension to the maturity date of the secured facility would be obtained (however, there is no guarantee) in the event of a delay in the requisite approvals to ship containerized lead concentrate through the Port of Fremantle.

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

2. Future accounting changes and changes in accounting policies

In July 2006, the Accounting Standards Board issued a replacement of The Canadian Institute of Chartered Accountants' ("CICA") Handbook Section 1506, Accounting Changes. The new standard allows for voluntary changes in accounting policy only when they result in the financial statements providing reliable and more relevant information, requires changes in accounting policy to be applied retrospectively unless doing so is impracticable, requires prior period errors to be corrected retrospectively and calls for enhanced disclosures about the effects of changes in accounting policies, estimates and errors on the financial statements. The impact that the adoption of Section 1506 will have on the Company's results of operations and financial condition will depend on the nature of future accounting changes.

In December 2006, Section 3862, Financial Instruments -Disclosures; Section 3863, Financial Instruments - Presentation; and Section 1535, Capital Disclosures were issued. All three Sections will be applicable for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007. Section 3862 on financial instrument disclosures places an increased emphasis on disclosures about risks associated with both recognized and unrecognized financial instruments and how these risks are managed and is consistent with Section 3861. The new Section removes duplicative disclosures and simplifies the disclosures relating to concentrations of risk, credit risk, liquidity risk and price risk currently found in Section 3861. Section 3863 on the presentation of financial instruments is unchanged from the presentation requirements included in Section 3861. Section 1535 on capital disclosures requires the disclosure of information about an entity's objectives, policies and processes for managing capital.

In June 2007, a replacement section for inventories, Section 3031 "Inventories" was issued and provides guidance on the determination of cost and its subsequent recognition as an expense, including any write-down to net realizable value. It also provides guidance on the cost formulas that are used to assign costs to inventories and eliminates the use of the “last-in, first-out” method of accounting and is effective for the fiscal years beginning on or after January 1, 2008.

The Company has not yet determined the impact of adopting the above accounting standards.

On January 1, 2007 the Company adopted two new accounting standards that were issued by the 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.

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 September 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 remained unchanged due to the placement of the mine on care and maintenance effective April 6, 2007.

Revenue recognition

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 during the quotational period based on settlement of final weights and assays. Any variations in the price, weights or assays are offset by an increase or decrease in revenue.

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.

3. Inventory

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

	September 30, 2007	December 31, 2006
	($000's)	($000's)
Concentrate	**14,350**	5,950
Ore stockpiles	**1,239**	868
Consumables and other	**3,192**	2,047
	18,781	8,865

4. Property, plant and equipment

	September 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**	**(4,872)**	**31,082**	31,882
Leasehold improvements	**74**	**(39)**	**35**	47
Office equipment	**703**	**(308)**	**395**	257
Leased assets	**4,155**	**(808)**	**3,347**	3,573
Deferred stripping	**9,192**	**(284)**	**8,908**	9,192
Development costs and other	**111,775**	**(8,192)**	**103,583**	101,696
	161,853	**(14,503)**	**147,350**	146,647

5. Restricted cash

As at September 30, 2007 Magellan Metals had restricted cash deposited with a financial institution of $2.9 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 second 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.

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. 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 September 30, 2007 $40 million of the Secured Facility had been drawn down.

The Secured Facility has a one-year term which matures on April 27, 2008 and bears 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 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	**(11,055)**
Pro-rated costs of financing	**(1,867)**
Amortization of costs as at September 30, 2007	**778**
Accretion of debt as at September 30, 2007	**4,606**
Accrued interest as at September 30, 2007	**1,558**
	34,020

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

	($000's)
Equity value of conversion option	**11,055**
Pro-rated costs of financing	**(713)**
	10,342

7. Long-term debt

	September 30, 2007	December 31, 2006
	($000's)	($000's)
Lease liabilities	**2,773**	2,879
Less current portion:	**573**	563
	2,200	2,316

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

8. Reclamation provision

As at September 30, 2007 the reclamation provision relating to Magellan Metals asset retirement obligations was $2.85 million (December 31, 2006 - $2.40 million).

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

Total undiscounted amount of estimated cash flows	**$4,190,000**
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.

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	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	14	16
Outstanding as at June 30, 2007	**134,779**	**182,381**
Issued in connection with exercise of options	21	37
Public offering [i]	12,125	17,522
Outstanding as at September 30, 2007	**146,925**	**199,940**

[i] On August 1, 2007 the Company closed a bought deal financing agreement. Under the terms of the agreement, the underwriters purchased 12,125,000 common shares of the Company at a price of C$1.65 for gross proceeds of C$20 million ($18.9 million) and net proceeds of C$18.5 million ($17.5 million) after share issuance costs.

(b) Employee stock options

The Company's Employee Stock Option Plan provides for cash and cashless exercise of options. At September 30, 2007 there were outstanding options to purchase 5,461,250 common shares of the Company, of which 3,478,333 were exercisable at that date. During the quarter no options expired, no new options were granted and 75,000 options were exercised for 20,494 shares.

The compensation expense has been calculated using the Black-Scholes option-pricing model. A total of $141,000 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 2005, 2006 and 2007 but for which a portion vests in 2007 (third quarter 2007 – $145,000). 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 September 30, 2007 the aggregate unexpensed fair value of stock options granted amounted to $464,000.

(c) Share warrants

As at September 30, 2007 the Company has outstanding instruments, comprising common share purchase warrants and broker warrants, which are exercisable 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 September 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
Option compensation recognized	**141**	145
Options exercised	**(37)**	(20)
Balance as at September 30,	**2,766**	2,264

10. Loss on derivatives

The Company had entered into various short-term lead sales contracts to fix the price of its future shipments. Subsequent to 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 September 30, 2007 the Company had no further commodity or foreign exchange hedges. The loss on derivatives was $4.7 million for the year.

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
September 30, 2007	(430)
Accumulated other comprehensive loss	(515)

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. Care and maintenance

On March 12, 2007 bulk 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. The Company anticipates that the requisite approvals to commence shipping in containers and thereby restart operations will be issued during the first quarter 2008. However, there is no fixed or guaranteed timeline and no certainty on the outcome.

Third 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 nine months ended September 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") and the Company's Annual Information Form, all 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 November 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 September 30:

	Three months ended September 30 (Unaudited)		Nine months ended September 30 (Unaudited)	
($ thousands, unless otherwise indicated and per share amounts)	**2007**	2006	**2007**	2006
Financial Highlights				
Revenue	**-**	20,018	**20,014**	50,129
Treatment charges and freight	**-**	(3,031)	**(3,089)**	(9,420)
Mining and processing costs	**-**	(9,278)	**(7,742)**	(26,123)
Care and maintenance	**(1,844)**	-	**(4,472)**	-
Royalties	**-**	(805)	**(1,047)**	(1,996)
Loss on derivatives	**-**	-	**(4,679)**	-
Amortization	**(215)**	(2,311)	**(2,869)**	(5,856)
	(2,059)	4,593	**(3,884)**	6,734
General and administrative	**(1,361)**	(1,662)	**(4,666)**	(4,303)
Parliamentary Inquiry and shipping approval	**(725)**	-	**(1,831)**	-
Net interest expense	**(4,325)**	(816)	**(8,138)**	(1,885)
Stock option costs	**(141)**	(145)	**(467)**	(443)
Other income/(expenses) [1]	**636**	(329)	**(26)**	(1,418)
	(5,916)	(2,952)	**(15,128)**	(8,049)
(Loss)/income before income taxes	**(7,975)**	1,641	**(19,012)**	(1,315)
Income tax recovery/(expense)	**2,155**	(427)	**4,491**	342
Net (loss)/income	**(5,820)**	1,214	**(14,521)**	(973)
Basic (loss)/income per share	**(0.04)**	0.01	**(0.11)**	(0.01)
Weighted average shares outstanding – thousands	**142,881**	134,077	**137,360**	131,609
Unrealized loss on investment	**(430)**	-	**(515)**	-
Comprehensive (loss)/income	**(6,250)**	1,214	**(15,036)**	(973)
Cash (used in)/generated from operations before changes in non-cash working capital	**(4,267)**	4,393	**(11,439)**	6,714
Cash flow (used in)/provided by operating activities	**(3,301)**	(493)	**(25,227)**	1,871
Operating Highlights				
Ore milled – (000's tones)	**-**	301.8	**393.4**	738.8
Average head grade – (% lead)	**N/A**	7.6%	**7.3%**	8.0%
Recovery – (%)	**N/A**	74.9%	**74.6%**	75.9%
Concentrate produced – (000's dry tonnes)	**-**	27.1	**32.8**	70.1
Concentrate sold – (000's dry tonnes)	**-**	22.0	**18.8**	64.6
Lead metal in concentrate produced – (000's tonnes)	**-**	17.2	**21.4**	44.7
Lead metal in concentrate sold – (000's tonnes)	**-**	14.0	**12.0**	41.2
Concentrate inventory – (000's of dry tonnes)	**27.0**	17.4	**27.0**	17.4
Average lead price – LME 3-month – (cents per pound)	**140**	54	**107**	53
Ivernia's average lead sale price – (cents per pound)	**N/A**	68	**80**	58
Cash cost per pound sold – (cents) [2]	**N/A**	40	**41**	39

Notes: a) Per share data was calculated on the basis of the weighted average shares outstanding (basic and diluted) for the relevant period.
b) Effective April 6, 2007, the Magellan operation was placed on temporary care and maintenance following the March 12, 2007 suspension of lead concentrate shipments through the Port of Esperance.

[1] Other income/(expenses) consist mainly of foreign exchange gains and losses in 2007, and a write-off of the bag filter plant in 2006.
[2] Cash cost per pound sold is a non-GAAP measure. See the "Cash cost of lead sold" section of this document.

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

Revenue is recognized when the title and risk of ownership of concentrates have passed and collection is reasonably assured. Title and risk of ownership typically pass to the customer on shipment of concentrate. Revenue from the sale of metal contained in concentrate is provisionally priced based on a future quotational period. Revenue is adjusted during the quotational period for any variations in the forward price recognized on shipment until settlement. Final revenue is adjusted based on settlement of final weights and assays. Any variations in the price, weights or assays are offset by an increase or decrease in accounts receivable.

No revenue was recognized for the third quarter due to the March 12, 2007 temporary suspension of lead concentrate shipments. For the first nine months, revenue of $20 million was recognized on sales of 12,000 tonnes of lead metal in concentrate. This compared with revenue of $50 million and sales of 41,200 tonnes of lead metal in concentrate in the same period of 2006.

The London Metal Exchange (“LME”) average 3-month price of lead for the third quarter was 140 cents per pound, an increase of almost 160% from the average for the third quarter of 2006.

	Average	
(cents per pound of lead)	**2007**	2006
LME 3-month official		
Third quarter	**140**	54
Ivernia's average lead sale price		
Third quarter	**N/A**	58

Expenses

The table below identifies the Company’s expenses while under care and maintenance pending requisite approvals to ship containerized lead concentrate through the Port of Fremantle. Canadian GAAP does not recognize segregating cash and non-cash interest expenses; however, management feels that separate disclosure of these amounts assists investors with better understanding the Company’s cash and non-cash expenses.

The Company incurred $1.8 million in care and maintenance costs in the quarter to maintain operations in good working order in anticipation of restart of operations. Year to date care and maintenance costs of $4.5 million include costs associated with the temporary shutdown of operations. General and administrative costs in the quarter were $1.4 million compared to $1.7 million in the 2006 comparative quarter. The reduction in costs is associated with the temporary suspension of lead concentrate shipments. Costs incurred for advancement of the proposals to ship lead concentrates and participation in the Parliamentary Inquiry amounted to $0.7 million for the quarter and $1.8 million for the year. The Company expects its care and maintenance, general and administration, and costs associated for the advancement of the proposals to ship lead concentrates to approximate $4.5 million per quarter. Additional costs in the quarter included a $0.6 million foreign exchange gain which resulted from the strengthening Canadian and Australian dollars relative to the U.S. dollar as the majority of the Company’s cash is held in Canadian and Australian dollars. Net interest expenses of $4.3 million for the quarter relate primarily to the Secured Facility on which the associated interest expense is deferred until maturity.

Expenses	Non-GAAP		Relevant GAAP measure	
	Three months ended	Six months ended	Three months ended	Six months ended
($ thousands, unless otherwise indicated)	September 30, 2007		September 30, 2007	
Continuing ongoing cash expenditures [3]				
Care and maintenance	1,844	3,822	1,844	3,822
General and administrative	1,361	3,136	1,361	3,136
Professional fees – Parliamentary Inquiry and shipping approval	725	1,731	725	1,731
Net cash interest (income)/expense	(17)	218		
Total continuing ongoing cash expenditures	3,913	8,907		
One-time costs, non-cash and deferred cash costs [4]				
Amortization	215	349	215	349
Restructuring costs	-	650	-	650
Interest expense (payable on maturity) and accretion	4,342	6,987		
Stock option costs	141	293	141	293
Loss on derivatives	-	1,286	-	1,286
Foreign exchange (gain)/loss and other	(636)	133	(636)	133
Total one-time costs, non-cash and deferred cash costs	4,062	9,698		
Net interest expense			4,325	7,205
	7,975	18,605	7,975	18,605

Cost of lead sold – non GAAP measure

The Company did not record lead concentrate sales during the quarter. Year to date total 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 41 cents, relatively unchanged from the comparable period in 2006. The Company's year to date treatment charges, freight, royalties and mining and processing costs decreased compared to 2006 due to Magellan being place on care and maintenance during the first quarter of 2007.

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 $1.00, $1.25 and $1.50, royalties payments per pound of production of $0.05, $0.06 and $0.07, 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.

[3] Continuing ongoing cash expenditures is a non-GAAP measurement. Management feels that separate disclosure of these amounts assists investors in better understanding the Company's ongoing cash commitments while the Magellan mine is under care and maintenance.

[4] One-time costs, non-cash and deferred cash costs are non-GAAP measurements. Management feels that separate disclosure of these amounts assists investors in better understanding the Company's ongoing non-cash commitments while the Magellan mine is under care and maintenance.

Cash cost of lead sold	Three months ended September 30		Nine months ended September 30	
($ thousands, unless otherwise indicated)	**2007**	2006	**2007**	2006
Lead metal in concentrate sold – (000's tonnes)	**-**	14.0	**12.0**	41.2
Treatment charges and freight	-	3,031	**3,089**	9,420
Mining and processing costs	-	9,278	**7,742**	26,123
Total cash costs – excluding royalties	-	12,309	**10,831**	35,543
Cash costs – (cents per pound of lead)	**N/A**	40	**41**	39

Amortization

Amortization expense totaled $0.2 million for the third quarter and $2.9 million for the first nine months. The reduction in amortization expense in the quarter is due to the temporary suspension of lead concentrate shipments. In 2006, the amortization expense totaled $2.3 million for the third quarter and $5.9 million for the first nine months. When operating, amortization will be 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 $1.4 million in the quarter. This was a decrease of approximately $0.3 million from the amount incurred in the third quarter of 2006 reflecting a full quarter of care and maintenance at the Magellan mine. Year to date general and administration costs increased $0.3 million due to payment of variable compensation for achievement of Company performance targets in 2006.

Net interest expense

Net interest expense of $4.3 million is primarily comprised of interest expense on the Secured Facility which accrues at 9.25% per annum. 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 $3.1 million during the quarter. Year to date net interest expense is $8.1 million compared to $1.9 million in 2006. The increase is mainly due to the interest charged on the accretion of the Secured Facility and a higher debt level in 2007 compared to 2006. Interest payments on the Secured Facility are deferred until its maturity in April 2008.

Stock option costs

The stock option cost of $0.1 million for the third 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. The aggregate unexpensed fair value of stock options granted amounted to $464,000 as at September 30, 2007.

Other income

Other income in the third quarter included a foreign exchange gain of $0.6 million derived mainly from the cash balances held in Canadian and Australian dollars.

Other income for the year includes a foreign exchange loss recognized on the repayment of Sentient Note in April 2007. The 2006 comparative includes a net foreign exchange loss, and a write-off of the bag filter plant.

Income tax

Income tax recovery for the year-to-date was calculated at an estimated annual accounting tax rate of 23% due to the mine being place on care and maintenance, compared to a rate of 26% used in the first three quarters 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 the 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 $5.8 million or $(0.04) per share for the third quarter. This compares to net income of $1.2 million or $0.01 per share in the third quarter of 2006.

LIQUIDITY AND FINANCIAL CONDITION

Statement of Cash Flows	**Three months ended September 30**		**Nine months ended September 30**	
($ thousands, unless otherwise indicated)	**2007**	2006	**2007**	2006
Cash (used in)/generated from operations before changes in working capital	**(4,267)**	4,393	**(11,439)**	6,714
Changes in working capital	**966**	(4,886)	**(13,788)**	(4,843)
Cash (used in)/provided by operating activities	**(3,301)**	(493)	**(25,277)**	1,871
Cash used in investing activities	**(896)**	(2,057)	**(8,723)**	(12,225)
Cash provided by financing activities	**17,487**	4,804	**36,823**	12,862
Increase in cash	**13,137**	2,205	**2,771**	2,438

Operating activities

In the third quarter, Ivernia used $4.3 million from operations before changes in working capital. Cash requirements in the quarter were financed with funds drawn during the second quarter on the Company's Secured Facility. Future cash requirements to fund operating activities will be provided from the $17.5 million in net proceeds from the August 1, 2007 bought deal financing. Cash used in operating activities after working capital changes amounted to $3.3 million. In the third quarter of 2006, the Company used $0.5 million of cash from operations.

Accounts receivable and other current assets

Accounts receivable and other current assets decreased approximately $11.2 million from December 31, 2006. This is a direct result of the suspension of shipments.

Accounts receivable are adjusted in every period for provisional payments to reflect the market fluctuations in the commodity prices. Accounts receivable adjustments are derived from the revenue adjustment; therefore, a change in receivables will be offset to a change in revenue.

Inventory

Inventory increased $9.9 million from December 31, 2006. While shipments of lead concentrate were suspended on March 12, 2007, production continued until operations were temporarily suspended effective April 6, 2007. Inventories are expected to remain at current levels until the requisite approvals are received to ship containerized lead concentrate through the Port of Fremantle thereby enabling the Company to ship its 19,000 dry tonnes ("dmt") of concentrate currently held at the minesite. The Company is also awaiting Port of Esperance approval to ship approximately 8,000 dmt of concentrate currently held at the Port of Esperance.

Accounts payable and other current liabilities

Accounts payable and other current liabilities decreased $17.6 million from December 31, 2006 to $9.8 million after the Company paid its major suppliers following the suspension of activities at the Magellan mine.

Short-term debt

Secured facility

On April 27, 2007 the Company closed 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. See notes 6(a) and 6(b) to the Company's consolidated financial statements for the period ended September 30, 2007. As at September 30, 2007 $40 million of the Secured Facility had been drawn.

The Secured Facility has a one-year term which matures on April 27, 2008 and bears interest at 9.25% per annum, which will accrue and be payable at maturity or earlier at the Company's option. 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 the 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 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 as additional interest expense is recorded.

The balances for the Secured Facility are analyzed as follows:

	($000's)
Amount drawn on Secured Facility	40,000
Equity value of conversion option	(11,055)
Pro-rated costs of financing	(1,867)
Amortization of costs as at September 30, 2007	778
Accretion of debt as at September 30, 2007	4,606
Accrued interest as at September 30, 2007	1,558
	34,020

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

	($000's)
Equity value of conversion option	11,055
Pro-rated costs of financing	(713)
	10,342

The Secured Facility is held by major shareholders of the Company. The Company believes that the holders will convert the Secured Facility into common shares of the Company in order to maximize their return on investment.

Liquidity

The Company had $19.8 million in cash from which its on-going obligations will be funded and a further $10 million available on the Secured Facility. Management believes the Company has sufficient cash and available facilities to fund operations, the planning and implementation of changes at the mine site and on the transport route to facilitate the new containerized shipping and the implementation of a restart and phased ramp-up of operations after the requisite approvals are received (which is not anticipated until, at the earliest, during the first quarter of 2008). The expected quarterly cash requirement to fund the previously mentioned activities is approximately $4.5 million. The Company also has lead concentrate inventory held in its shed at the Port of Esperance which management estimates has a net realizable value of approximately $15 million and lead concentrate inventory at the mine site with a net realizable value of approximately $30 million at LME lead prices of approximately $1.50 per pound.

The Company currently has no operating revenue due to the placement of the Company's Magellan mine under temporary care and maintenance pending requisite approvals to ship containerized lead concentrate through the Port of Fremantle. These approvals are not anticipated until, at the earliest, during the first quarter 2008. However, there is no fixed or guaranteed timeline and no certainty on the outcome. The Secured Facility which, if not converted into common shares of the Company, refinanced or extended, will require repayment on maturity on April 27, 2008. The Secured Facility is held by significant shareholders of the Company. The Company believes these shareholders will convert the debt into equity by the maturity date in order to maximize the rate of return of their investment and crystallize the current premium, although there can be no assurance they will do so. In the event of an extended delay in receiving the requisite approvals to ship concentrate through the Port of Fremantle, management believes it will be able to extend the maturity date of the Secured Facility with the holders.

Foreign Exchange

As at September 30, 2007 the Australian$/US$ rate was 0.8855. The U.S. dollar has weakened more than 10% against the Australian dollar during the year. The market expects this trend to continue to the end of the year, with the Reserve Bank of Australia expected to increase interest rates and the U.S. Reserve expected to reduce interest rates, and, high demand for commodities continuing to support the Australian dollar. This weakness in the U.S. dollar is expected to continue into 2008. Since the majority of the Company's expenses are in Australian dollars while under care and maintenance, the expenses will continue to be negatively impacted for financial reporting purposes.

The majority of the Company's cash is held in Canadian dollars. The Canadian$/Australian$ exchange rate is expected to remain stable thereby having a neutral impact on cash expenses.

Future Accounting Changes

In July 2006, the Accounting Standards Board issued a replacement of The Canadian Institute of Chartered Accountants' ("CICA") Handbook Section 1506, Accounting Changes. The new standard allows for voluntary changes in accounting policy only when they result in the financial statements providing reliable and more relevant information, requires changes in accounting policy to be applied retrospectively unless doing so is impracticable, requires prior period errors to be corrected retrospectively and calls for enhanced disclosures about the effects of changes in accounting policies, estimates and errors on the financial statements. The impact that the adoption of Section 1506 will have on the Company's results of operations and financial condition will depend on the nature of future accounting changes.

In December 2006, Section 3862, Financial Instruments -Disclosures; Section 3863, Financial Instruments - Presentation; and Section 1535, Capital Disclosures were issued. All three Sections will be applicable for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007. Section 3862 on financial instrument disclosures, places an increased emphasis on disclosures about risks associated with both recognized and unrecognized financial instruments and how these risks are managed and is consistent with Section 3861. The new Section removes duplicative disclosures and simplifies the disclosures relating to concentrations of risk, credit risk, liquidity risk and price risk currently found in Section 3861. Section 3863 on the presentation of financial instruments is unchanged from the presentation requirements included in Section 3861. Section 1535 on capital disclosures requires the disclosure of information about an entity's objectives, policies and processes for managing capital.

In June 2007, a replacement section for inventories, Section 3031 "Inventories" was issued and provides guidance on the determination of cost and its subsequent recognition as an expense, including any write-down to net realizable value. It also provides guidance on the cost formulas that are used to assign costs to inventories and eliminates the use of the "last-in, first-out" method of accounting and is effective for the fiscal years beginning on or after January 1, 2008.

The Company has not yet determined the impact of adopting the above accounting standards.

Deferred Charges

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. 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.

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, accounts receivable, 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.

Deficit

The Company has adopted CICA Section 3855 - Financial instruments – recognition and measurements (see note 2 to the Company's consolidated financial statements for the quarter ended September 30, 2007), 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**

Financial Instruments

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. When the investment is disposed of or impaired, the changes in fair value are removed from accumulated other comprehensive income and recognized in the consolidated statement of operations and deficit.

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**
September 30, 2007	**(430)**
Accumulated other comprehensive loss	**(515)**

Investing activities

Net cash used for investing activities during the quarter was $0.9 million, mainly consisting of expenditures for the construction of the gas pipeline and exploration activities as well as $0.1 million in restricted cash related to posting of bonds previously secured by the BNP Paribas credit facility. In the third quarter of 2006, Ivernia invested $3.1 million which included construction and installation of the secondary ball mill, second concentrate thickener, deferred stripping, and released $1.0 million in restricted cash as the performance bonds were secured utilizing the BNP Paribas facility.

Net cash used for investing activities year to date totaled $8.7 million. This consisted of $5.9 million for the construction and commissioning of the gas pipeline and pressure filter, and $2.8 million in restricted cash related to posting of bonds previously secured by the BNP Paribas credit facility.

Net cash used for investing activities in the first three quarters of 2006 was $12.2 million, mainly consisting of construction and installation of the secondary ball mill and concentrate thickener and pre-construction work on the gas pipeline and costs for deferred stripping.

Financing activities

On August 1, 2007 the Company closed a bought deal financing agreement. Under the terms of the agreement, the underwriters purchased 12,125,000 common shares of the Company at a price of C$1.65 for gross proceeds of C$20 million ($18.9 million) and net proceeds of C$18.5 million ($17.5 million) after share issuance costs.

These funds will be used during the Magellan mine care and maintenance period primarily as an alternative source of financing to the $50 million Secured Facility. A portion of the proceeds will be used to provide working capital for resumption of operations at the Magellan mine and to facilitate containerized lead concentrate shipments. The proceeds will also be used to further the Company's exploration and development activities. Any remaining proceeds will be retained by the Company for corporate development and general corporate purposes.

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 September 30, 2007 $40 million of the Secured Facility had been drawn down.

The Secured Facility has a one year term which matures on April 27, 2008 and bears 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.

Draws 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.

Working capital deficit

The Company has a working capital deficit including the Secured Facility of $3.6 million. However, the Company's concentrate inventory has a net realizable value of approximately $45 million at $1.50 per pound lead compared to a carrying value of $14.4 million. As discussed previously, management believes that the holders will convert the Secured Facility into common shares of the Company in order to maximize their investment.

Restricted cash

As at September 30, 2007 Magellan Metals had restricted cash deposited with a financial institution of $2.9 million compared to $5,000 at December 31, 2006. 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. These 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 for the period ended September 30, 2007).

Shares issued and outstanding

	Common Shares	Preference Shares
September 1, 2007	**146,924,880**	-
November 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 issued pursuant to the November 2004 Private Placement as at November 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

Stock options

	Granted	Expired	Exercised	Shares Issued	Proceeds (C$)[6]
First quarter 2007	50,000	-	310,000	239,285	45,000
Second quarter 2007	-	61,250	50,000	30,620	-
Third quarter 2007	-	-	75,000	20,494	-
Total	50,000	61,250	435,000	290,399	45,000

[5] All proceeds were received in Canadian dollars. This column is the US dollar equivalent.
[6] The Company’s employee stock option plan provides for both cash and cashless exercise of options.

As at September 30, 2007 there were outstanding options to purchase 5,461,250 common shares of the Company, of which 3,478,333 were exercisable.

Dilution

The table below summarizes the shares on a fully diluted basis, as at November 13, 2007:

Issued and outstanding	146,924,880
Conversion of Secured Facility	37,037,037
Warrants	4,720,000
Options	5,461,250
	194,143,167

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. A core team of employees has been retained to carry out site care and maintenance until requisite approvals are received, and to plan and implement the on-site and transportation route changes for containerized shipment and execute the phased restart of operations.

Update on progress toward the resumption of lead concentrate shipments

Proposal for containerized shipments through the Port of Fremantle for export

The formal submission of the proposal for future containerized lead concentrate shipments through the Port of Fremantle for export was made to the Western Australian Environmental Protection Authority ("EPA") on September 14, 2007. The proposal includes recommendations from the Parliamentary Inquiry report on the cause and extent of lead pollution in Esperance, where appropriate. Under the proposal, lead concentrate will be loaded into two tonne UN-approved bulk bags which will be sealed then loaded into steel shipping containers at the Magellan mine site. The shipping containers will in turn be bolt sealed, washed down and independently inspected before departing the mine site. From the mine site, the containers will be trucked approximately 400 kilometres to a designated secure holding area in Leonora, Western Australia where they will then be transported by train directly into 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.

The proposal is available on Ivernia's website at www.ivernia.com and Magellan's website at www.magellanmine.com.

The Company believes that its proposal, developed by leading Australian environmental consultants Coffey Natural Systems (formerly Enesar), in partnership with the Magellan operations management team, raises the bar and creates new standards of industry best practices for the handling and transport of lead concentrate going forward. The move to sealed and containerized transport is a complete departure from the current industry standard of bulk transport.

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 EPA assessment process included an initial four-week public comment period, which finished on November 5, 2007. According to updated guidance received from senior regulators and government officials, the Company anticipates the Ministerial decision on the proposal to be issued during the first quarter 2008. However, there is no fixed or guaranteed timeline and no certainty on the outcome.

Consultation program

A comprehensive consultation and information program with communities along the proposed transport route to the Port of Fremantle and in the Fremantle area was started on July 7, 2007 and continues to date. The program's objective is to explain and seek comments on the proposal to export lead concentrate in sealed shipping containers through the Port of Fremantle. 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 proposed transport route.

Details of the program were included in the Company's proposal and formal submission of September 14, 2007.

Plan for initiation of shipping and phased restart and ramp-up of operations

Planning and initiation of the preparation of the mine site to facilitate containerized shipments and an orderly and efficient restart and ramp-up of operations, as soon as the requisite approvals are received, was started during the quarter. Orders have been placed for the UN-approved bulk bags and an automated bagging machine. Commissioning of the machine is planned to begin shortly after delivery, which is expected in late fourth quarter 2007. Negotiations with road and rail haulage operators for the transport of containers from the mine site to the Port of Fremantle are underway.

The Company anticipates shipment of the current lead concentrate stockpile at mine site will take between three to four months to complete. The recruitment and training program for new employees will commence immediately following receipt of the requisite approvals. This arrangement is expected to generate more than sufficient cash flow to fund the phased restart and ramp-up of operations over a three to four month period as the Company achieves full production levels by the middle part of next year.

Shipment of lead concentrate stockpile at the Port of Esperance

The proposal for the removal of approximately 8,000 dry tonnes of Magellan's lead concentrate currently being held in a storage shed at the port is being finalized following several meetings between the Esperance Port Authority, regulators and Magellan during the third and fourth quarters.

The proposal will form part of the Esperance Port Authority's application to the Department of Environment and Conservation ("DEC") for authorization to proceed with the shipment. 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.

The proposal is available on Ivernia's website at www.ivernia.com.

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 were 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.

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

The Committee tabled its report on September 6, 2007. The Company subsequently issued a news release commenting on the report on September 7, 2007.

Inquiries by the Parliamentary Committees are conducted as Parliamentary proceedings, as opposed to judicial processes, without formal rules of evidence, sworn testimony or the opportunity for evidence to be tested by way of cross-examination.

The report itself does not have binding effect, but serves to inform the Parliament of the Committee's view of what happened at Esperance, who may be responsible and recommended action for the Government to take.

The Government has three months from the tabling of the report to respond to the recommendations – which it can accept, reject, modify or adapt.

Copies of Magellan's submissions during the Inquiry, the tabled report and the Company's subsequent news release 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.

Transport route sampling results

Subsequent to the end of the third quarter, the Company received the results of sampling conducted along the transport route from the Magellan mine site to the Port of Esperance. The sampling was undertaken by CSA Australia on behalf of Magellan in August, 2007. The results indicate that the levels of lead recorded along the route are well under the Department of Environment guideline level of 300 milligrams per kilogram and that there was no meaningful increase in lead levels in the soil sampled compared to previous tests conducted in 1999 and 2005.

Other developments

In November, 2007, the Company appointed Dr. John Yeates as General Manager – Corporate and Social Responsibility. Dr. Yeates will join the Company in mid-December and will be based at the operating office in Perth, Australia. He will be a key member of the senior management team with primary responsibility for overall management of all health, safety, environmental, regulatory and community matters for Ivernia and Magellan.

Dr. Yeates has over 35 years of experience in all aspects of environmental management across a wide range of industries within Australia and in the Asia-Pacific region.

Prior to joining Ivernia, he was a senior executive at LandCorp, the Western Australian Government's land and property developer, where he provided corporate leadership and managed environmental risk assessment, compliance and management for all the company's projects. He led the development and implementation of environmental due diligence and risk management procedures and programs.

An infill drilling program on the Pinzon and Magellan East areas was commenced during the quarter and continued into the fourth quarter. The data is being analyzed and the results will be included in the next reserve and resources statement expected late in the first quarter of 2008.

A new 10-month environmental license was issued by the DEC for the Magellan operation. This license replaces the three-month, short-term license noted in the Company's second quarter report.

LEAD MARKET FUNDAMENTALS

The lead price continued its record-breaking run in the third quarter underpinned by tight market conditions. Supply has been impacted by disruptions at several producers, including Ivernia's Magellan mine and lower year-over-year exports from China following export restrictions imposed by the Chinese government.

Demand nevertheless continues to grow. Compared to the same period in 2006, refined consumption in China and the rest of Asia is estimated to have increased 22% and 9% respectively, according to data available up to August. Each 1% change in demand equates to approximately 84,000 tonnes of lead – the equivalent of a major mine the size of Magellan.

The 3-month lead price averaged $1.40 per pound in the third quarter - including a high of $1.57 per pound. This level was exceeded with transactions over $1.70 per pound in October, 2007. The average for the first nine months of 2007 was $1.07 - a 100% increase over the $0.53 recorded for the same period in 2006.

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 suspended operations at the Magellan Mine due to the suspension 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. The Company submitted its application for future containerized shipments through the Port of Fremantle to the EPA on September 14, 2007.

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. According to updated guidance received from senior regulators and government officers, the Company anticipates the Ministerial decision on the proposal to be issued during the first quarter 2008. However, there is no fixed or guaranteed timeline and no certainty on the outcome. This time frame will be extended if the Minister refers the proposal to the EPA for formal assessment. There continues to be 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 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.

As a result of placing the Magellan mine on temporary care and maintenance, the Company called "force majeure" under each of its concentrate sales contracts with its customers. Customers may not accept the Company's decision and may seek to terminate their contracts on the grounds of breach of contract by the Company. The Company is confident in its ability to call "force majeure" under its concentrate sales contracts in the current circumstances. The concentrate sales contracts may be terminated by either party if "force majeure" is not lifted within nine months of its declaration.

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 was necessarily considered as part of the review. Although the terms of reference for the Parliamentary Inquiry were 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.

As mentioned previously, the Committee tabled its report on September 6, 2007. The report itself does not have binding effect, but serves to inform the Parliament of the Committee's view of what happened at Esperance, who may be responsible and recommended action for the Government to take. The Government has three months from the tabling of the report to respond to the recommendations – which it can accept, reject, modify or adapt.

Copies of Magellan's submissions during the Inquiry, the tabled report and the Company's following news release 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 Company is not able to ascertain whether or not any of the recommendations of the report will be adopted by the Government or acted upon by any regulatory authority. 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 addition, any 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, 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 $1.5 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 historic 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 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". The two counterparties who have disputed Magellan Metals' ability to claim "force majeure" have not taken any steps to progress or agitate those disputes for a number of months.

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 implications 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 Magellan (such approvals are not anticipated to be received until, at the earliest, during the first quarter of 2008), the Company's ability to repay the Secured Facility should the lenders elect not to convert the debt into equity, 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 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.

November 13, 2007