

# Ivernia Resumes Production at Top Producing Magellan Lead Mine

Booth # 2507  
www.ivernia.com  
416.867.9298

## Ivernia



### Alan De'ath President and CEO

Ivernia Inc. is an international base metals mining, exploration and development company. It is the sole owner and operator of the Magellan lead mine in Western Australia. At full production, Magellan is expected to be one of the top five lead-producing mines in the world, accounting for approximately 2% of the world's total mined lead supply. The Magellan lead mine has returned to production and the company is well positioned to benefit in 2010 and beyond from continued improvement in lead market fundamentals. 2010 demand drivers for the lead market include robust demand in China driven by strong vehicle production growth.

Alan De'ath has over 30 years of experience in senior management positions in the mining industry, including a 20-year career with Rio Tinto in Europe and southern Africa and two years as CFO with TVX Gold. He joined Ivernia in 2000 and was appointed President and CEO and Director in July 2003.

**Resource Intelligence:** Congratulations on completing your obligations at Esperance. You must be excited to restart operations at your Magellan Mine. Particularly considering that the price of lead jumped 134% in 2009 - more than any other metal. What are the main uses of lead today?

**Alan De'ath:** Thank you and yes it is very exciting to see Magellan returning to production at a time in the market where we are seeing higher prices and strong lead fundamentals principally driven by the continued phenomenal growth in demand in China. China overtook the USA in 2009 as the largest vehicle market in the world selling 13.6 million vehicles. The primary use for lead is in the production of lead-acid batteries for automotive and industrial uses - which represents about 80% of global lead consumption. It is also important in applications such as backup emergency power for hospitals, cell phone networks and emergency services as well as a cost-effective storage technology for renewable energy sources such as solar cell and wind turbines.

We believe that in terms of basic supply/demand fundamentals, lead is the best positioned of all the base metals and that once the global economy shows signs of a sustainable recovery - supply will be unable to keep pace with the uptick in demand - and that means higher prices for lead. I believe we have an exciting few years ahead in lead markets and Ivernia is the only significant pure lead play in the world equity markets.

**RI:** What remains to be done to move the Magellan Mine to operating status?

**AD:** Following receipt of the Western Australian Government approvals in August 2009 to re-commence shipments through the Port of Fremantle, the Company focused on the setup and implementation of the logistics chain surrounding the shipment of the 23,000 wmt mine site concentrate stockpile. These shipments commenced in September 2009 and allowed us to trial and fully test our newly developed sealed shipment process - which is widely recognized as achieving a new level of industry best practice. Shipments of lead concentrate from the mine have progressed smoothly and we will shortly complete shipping the large 23,000 wmt stockpile that has been on site since 2007. We are now looking to smoothly transition into shipping new production from the restart of the Magellan processing plant.

During late 2009 and early 2010 our Magellan team developed the restart plan and worked through the maintenance and other projects and procurement necessary for restart including the recruitment of the workforce. It was a key milestone for Ivernia and Magellan to see the culmination of all those efforts lead to the restart of the Magellan processing plant in late February.

**RI:** At full production, you can produce 2% of the world's lead production. Are you still targeting this level of production? How many tonnes per year?

**AD:** Yes, Magellan is the only significant pure lead mine in the world and at full production run rates will produce on average approximately 85,000 tonnes (or 190 million pounds) of lead in concentrate per year over the mine life.

**RI:** Mine life?

**AD:** Current mine reserves support about an eight year mine life at current metal prices and exchange rates.

**RI:** Do you presently have contracts signed with buyers for the lead concentrate?

**AD:** Yes, we have an off-take agreement in place with Yunnan Metallurgical Group in China for 50% of Magellan production for the life of the mine. We also have contracts with other customers in Asia, Africa and Europe and have commenced shipments to those customers.

**RI:** You are neighbours with China. How important are the Chinese as buyers for Ivernia concentrates? What are the supply/demand fundamentals for lead over the next 2-3 years?

**AD:** Chinese lead consumption has grown from 11% of total world consumption in 2001 to an impressive 45% today. China is now the world's largest auto market with total 2009 vehicle sales totaling 13.6 million units. This is in addition to the 100 million E-bikes on the road in China - all of which carry a lead acid battery.

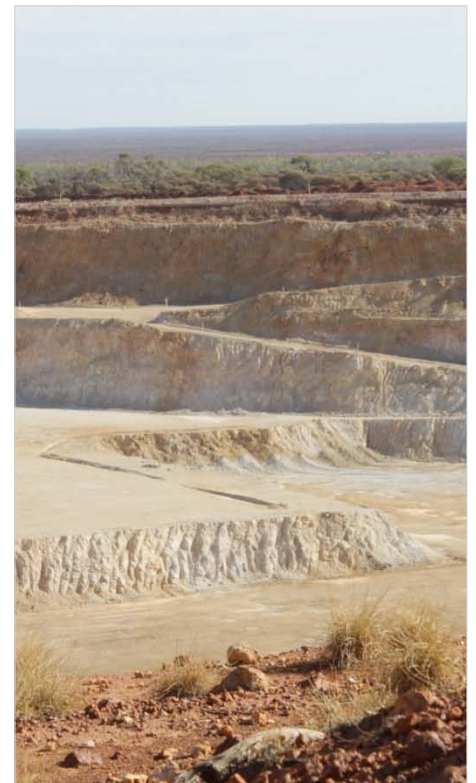
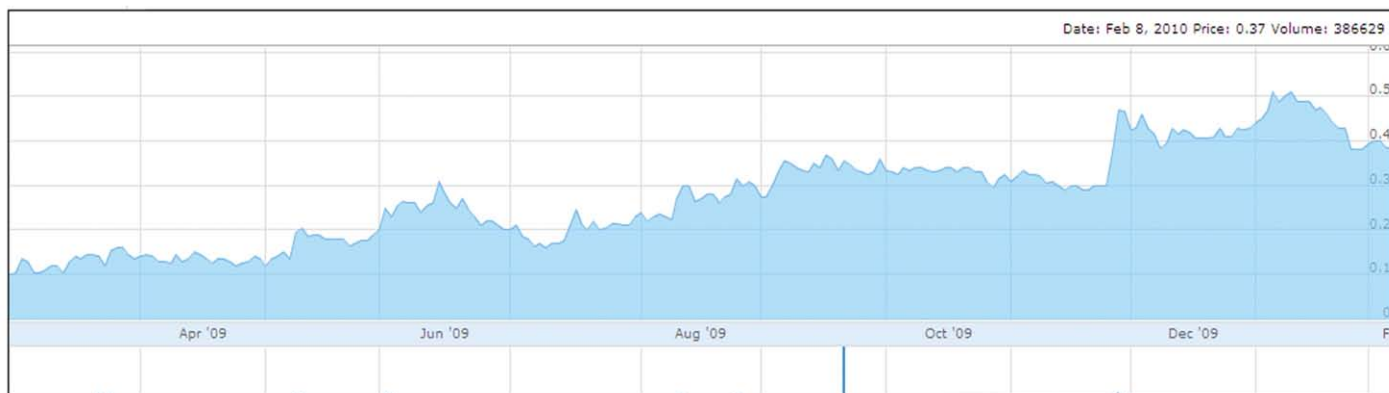


Photo: Magellan Open Pit Mining 2010



The Independent Lead Zinc Study Group (ILZSG) forecasts global usage of refined lead metal will increase to 9.55 million tonnes in 2010 and are also forecasting a global lead market surplus of just over 100,000 tonnes in 2010.

There is very little new mine supply currently slated to come on stream post 2009 (Magellan and Penasquito) and significant supply is expected to come off stream (Brunswick, Lisheen, Century and production declines at Cannington) over the next five or six years.

All of this bodes very well for lead prices when the market experiences the anticipated uptick in demand.

**RI:** You have hired some new people in the last few months, including Rob Scargill as Executive Vice President, Operations of Ivernia. Does this signal a new direction for the company, or just a move to production?

**AD:** We began our restart planning process in anticipation of approvals around mid 2009. Rob's appointment in December 2009 further strengthened our senior management team and provided the necessary leadership abilities to oversee the restart of Magellan through to an efficient steady

state operation. Restart plans assumed a similar workforce as in the past which meant hiring about 160 employees and contractors.

**RI:** What about exploration - are you actively drilling or exploring on any of your projects?

**AD:** Now that Magellan is returning to production and expected to generate cash for the Company, one of the first priorities in terms of corporate development is to reinvest in our exploration programs with a view toward extending the life of the Magellan Mine. We expect to make announcements on our 2010 exploration and drilling activities in the weeks ahead.

**RI:** Your last financing was completed in May of 2009 and you raised US\$15 million in new cash in addition to restructuring the convertible notes. How has this impacted your cash position? What is your burn rate, and when do you expect to be cash flow positive again?

**AD:** Our last publicly reported quarter was the third quarter of 2009 - at that time we reported cash balances of \$13.6 million and expected net proceeds from stockpile shipments of \$16 million to add to our cash balances. We also then reported that at current metal price levels we will utilize approximately \$10 million from our treasury to fund the restart of Magellan. At current metal prices we anticipate achieving positive cash flow from Magellan around mid-year following a period of production ramp-up.

Results for the fourth quarter of 2009 will be published on March 30, 2010 after the close of market.

**RI:** Who are Ivernia's main institutional investors? Does management hold a significant portion of the float?

**AD:** Our top shareholders include The Sentient Group, OppenheimerFunds Inc., Ingalls & Snyder LLP, Chihong International Mining (YMG) and Amundi Asset Management. Management currently holds less than 5%.

**RI:** Where do you see Ivernia in two years time, and what are you doing to get there?

**AD:** In two years time, I would like to see Magellan operating as an efficient steady state operation delivering good performance and cash flow. I would like to see the Magellan mine life and reserves further defined through the exploration and drilling programs we are embarking on, and I would like to see another accretive project or two realized - or in the pipeline.

**RI:** You have made some commitments to social responsibility in the Esperance area. What were those commitments and how have the local citizens reacted?

**AD:** Yes, the Company committed A\$1 million in funding for community-based projects in Esperance, with approximately A\$300,000 being made available annually over three years to community groups for projects delivering a sustainable benefit to a broad range of Esperance residents. 2010 is the second year of funding being made available.

We believe that we have created a good deal of goodwill with the local community in Esperance as well as with Western Australian Government.

**RI:** What are the opportunities for Ivernia investors right now?

**AD:**

1. Ivernia and Magellan are back in production.
2. Operational profitability and regaining financial strength.
3. Ivernia is well positioned for the next upswing in metal prices and investors stand to benefit from attractive lead market supply/demand fundamentals and exposure to the China growth story.
4. Ivernia is the only pure lead play in world equity markets.



Photo: Magellan Returns to Production 2010