

Magellan – 2010/11 learnings



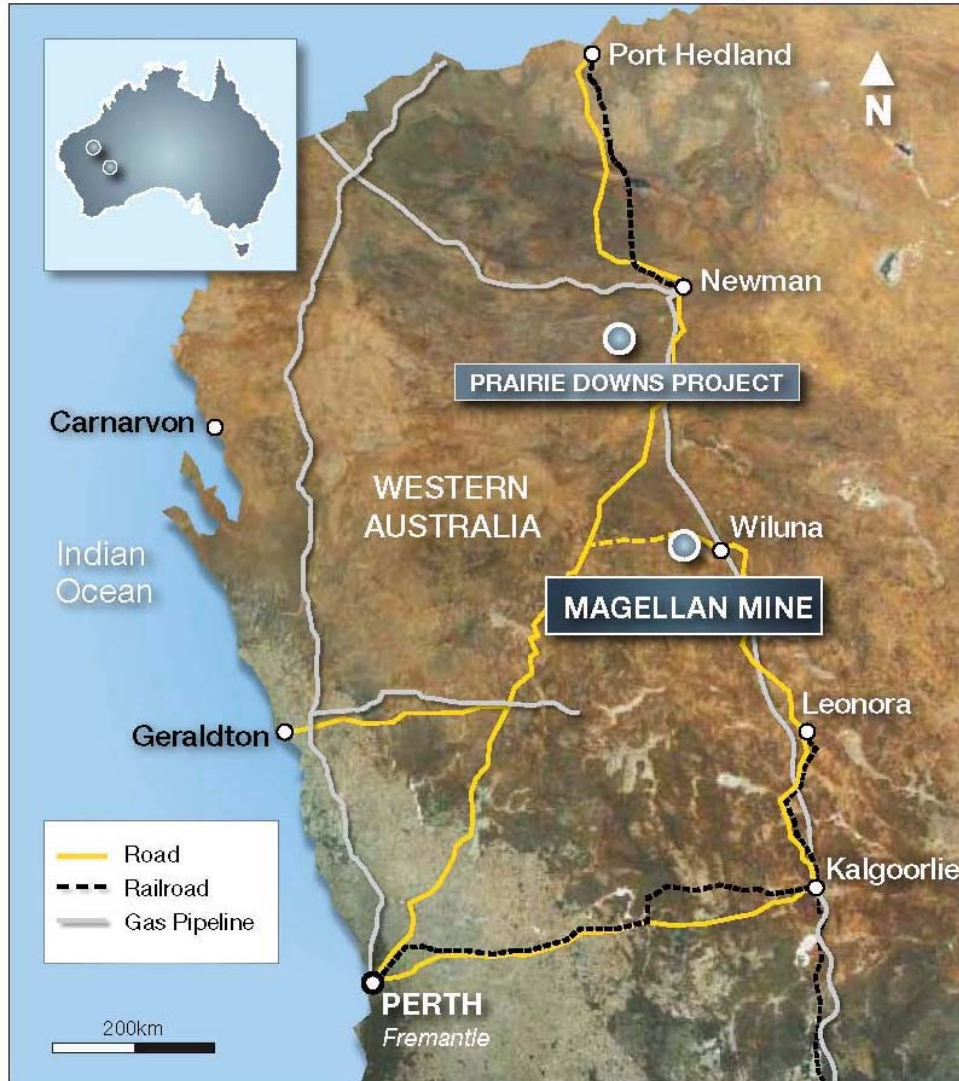
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Exec Vice President – Operations

Pb2011 conference
Lisbon
September, 2011

Forward looking statements

- Certain statements contained in this Presentation constitute forward-looking information within the meaning of securities laws. All statements included herein (other than statements of historical facts) which address activities, events or developments that management anticipates will or may occur in the future are forward-looking statements, including statements as to the following: the duration of the suspension of the Company's transportation of lead carbonate from the Magellan Mine, the duration of the period of care and maintenance commenced in April 2011, future targets and estimates for production, capital expenditures, operating costs, cash costs, mineral resources, mineral reserves, life of mine, recovery rates, grades and prices, business strategies and measures to implement such strategies, competitive strengths, estimated goals and plans for Ivernia's future business operations and other such matters. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "contemplate", "target", "believe", "plan", "estimate", "expect", and "intend" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. These statements are based upon certain reasonable factors, assumptions and analyses made by management in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. However, whether actual results and developments will conform with management's expectations is subject to a number of risks and uncertainties, including factors underlying management's assumptions such as, the duration of the suspension of the Company's transportation of lead carbonate from the Magellan Mine, the duration of the period of care and maintenance commenced in April 2011, risks relating to the operations being placed on care and maintenance, the need for additional financing, matters relating the restart of mining and milling operations, matters relating to ramping up mining and milling throughput and operations, regulatory compliance and approvals, metal price volatility, lead carbonate concentrate treatment charges, exchange rates, regulatory proceedings and litigation, the fact that the Company has a single mineral property, resources and reserves, health and safety, environmental factors, mining risks, metallurgy, labour and employment regulations, government regulations, insurance, dependence on key personnel, constraints on cash flow, the nature of mineral exploration and development, matters related to the order to cease transport of lead concentrate and matters relating generally to the transportation of lead carbonate; matters related to the Esperance settlement and shipments through the Port of Fremantle; implications stemming from the Esperance inquiry; and common share price volatility and the dilution of the Company's Common Shares. Additional factors and considerations are discussed in the Company's MD&A for the period ended June 30, 2011 and in other documents filed from time to time by Ivernia with Canadian securities regulatory authorities. While Ivernia considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. These factors may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements, and there can be no assurance that the actual results or developments anticipated by management will be realized or, even if substantially realized, that they will have the expected results on the Company. Undue importance should not be placed on forward-looking information nor should reliance be placed upon this information as of any other date. Except as required by law, while it may elect to, Ivernia is under no obligation and does not undertake to update this information at any particular time.*

Magellan Operations



The Magellan Mine

- **100% owned** – through Magellan Metals Pty Ltd
- **Located in Wiluna in central Western Australia** – FIFO operation ~750km northeast of Perth
- **A Unique Mine** – The world's largest pure lead mine
- **Operations on Care & Maintenance** since April 2011
- **A Pure & Unique Product** – Lead carbonate concentrate produced from Magellan is very low in impurities and, unlike lead sulphide concentrates, can be used in both primary and secondary smelters

Magellan – a significant resource

Updated Mineral Resources & Reserves for the Magellan Mine announced March 30, 2011

Mineral Resources ^(1-3, 6-10)	Tonnage (Mt)	Pb (%)	Contained Pb (‘000 t)
Measured & Indicated	40.4	4.5	1,810
Inferred	12.1	4.0	480

Mineral Reserves ^(1-2, 4-8, 10)	Tonnage (Mt)	Pb (%)	Contained Pb (‘000 t)
Proven & Probable	19.9	5.7	1,130



+10 years mine life ⁽¹¹⁾

(1) As at December 31, 2010.

(2) Mineral reserves are a subset of mineral resources. Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, marketing, or other relevant issues.

(3) Mineral resources are reported in accordance with the JORC Code, which is consistent with the CIM Code. All mineral reserves are reported in accordance with the JORC Code. The JORC Code uses the term “ore reserve” which is equivalent to the term “mineral reserve”, as defined in NI43-101. Mineral resources are estimated based on a cut-off grade of 2.1% Pb. Mineral resources are based on a Technical Report prepared by SRK Consulting with an effective date of March 30, 2011.

(4) All mineral reserves are reported in accordance with the JORC Code. The JORC Code uses the term “ore reserve” which is equivalent to the term “mineral reserve”, as defined in NI43-101. Mineral reserves have been reported based on a cut-off grade of 2.1% Pb, an exchange rate of US\$0.95/A\$1.00, a lead price of US\$2,200 per tonne (approx. A\$2,316 per tonne) and estimated operating costs. Mineral reserves are based upon mineral resource estimates set out above, which, in turn, are based on the 2011 Technical Report prepared by SRK.

(5) Mineral reserves have a waste to ore ratio of 2.4 to 1.

(6) Contained lead is total lead mined, planned plant recovery is over 75% as per the life of mine plan and 95% payable contained lead.

(7) Table entries other than totals are rounded to the second significant figure.

(8) For additional information see Ivernia’s current Technical Report for the Magellan Mine and the Company’s current Annual Information Form, both dated March 30, 2011, at www.ivernia.com or www.sedar.com

(9) The mineral resources are depleted by mining surfaces as at December 31, 2010 and based on the Technical Report on the Magellan Lead Carbonate Mine, Wiluna, Western Australia dated March 30, 2011 prepared by SRK Consulting (Australasia) Pty Ltd. for Ivernia Inc. (“Technical Report”).

(10) Mr. Daniel Guibal, a Fellow of the Australasian Institute of Mining and Metallurgy and a Corporate Consultant to SRK Consulting, is responsible for the mineral resources and has reviewed and verified the above mineral resource figures and the underlying sampling and analytical data. Mr. Roger Pooley, a Member of the Australasian Institute of Mining and Metallurgy and a Senior Mining Consultant with SRK, is responsible for the mineral reserves and has reviewed and verified the above mineral reserve figures. Messrs. Guibal and Pooley are independent of Ivernia and are “Qualified Persons” within the meaning of NI 43-101.

(11) Based on production rates of 1.7 to 2.0 million tonnes of ore processed per annum; such increase in production rates is subject to regulatory approval.

- Magellan Metals has implemented a best practice concentrate transport system
 - Concentrate is placed in waterproof and sift proof bags and sealed
 - The bags are loaded into cleaned containers which are then locked
 - Containers are trucked to Leonora and then railed to Fremantle for export
 - Over 3,000 samples taken at over 300 sample points along the transport route have shown no evidence of concentrate escaping from the bags or containers
 - The trigger levels for some sites are less than 100th of the national health standards
 - The process eliminates potential dust-generating transfer points in the transport process

Bags contain up to 2,000kg, and are water proof, sift proof and sealed



Bags as arriving at the smelter



Inner seal



Outer seal



Container as opened at the arrival port

Eliminating potential dust generation points

Traditional concentrate transport system

Load road transport at mine site

Discharge road transport

Load rail transport

Discharge rail transport

Conveyor(s)

Shiploader



Discharge ship

Load road transport

Discharge road transport at smelter



Magellan concentrate transport system

Load & seal bags at filter discharge at mine site
(35km from nearest residence)



Split & discharge bags at smelter

Whilst the amount of dust at each transfer point may be small it can be significant over the life of a project

Bags being loaded at Magellan Mine



Bags being vacuum cleaned



Bags being loaded into containers



Truck being washed before leaving site

Responsibly Lead

- April 2011, Mud found on the outside of a container at the Port of Fremantle contained lead from the Magellan orebody
- **The Board and Management of Ivernia and Magellan Metals felt that this was unacceptable and immediately ceased operations**
- We took the hard decision in April to put our only operation on Care & Maintenance and reduce our employee and contractor workforce from 235 to 30
- The mud was disposed of in accordance with processes approved by the Western Australian Regulators and **did not pose any risk to public health or the environment**
- We are using this down time to upgrade our compliance and risk management systems as well as improve our capabilities in a number of different areas
- We are working with the WA Government to address their concerns and those of the community to restore our social licence to operate

What have we learnt?

Doing a good job in protecting the environment and the community from harm is not enough

- Magellan Metals is developing a new business model that seeks to be;
 - **Robust** – able to meet all challenges (Environmental, Safety, Health, Community, Operational, Commercial and Compliance)
 - **Sustainable** – have the systems, processes, relationships and culture to enable robust operation year in year out for the life of the mine
 - **Financially viable** – able to deliver a return for all its stakeholders
 - Based on **solid trusting relationships**
 - With community stakeholders
 - With employees
 - With Government and Regulators
 - With customers and suppliers

What can the lead industry learn from Magellan's issues?

- Like Magellan, lead continues to have reputation issues and is suffering from uninformed mythologies;
 - “why do we need lead in the future?”
 - “lead is an old metal and not a metal of the digital age”
 - “a tax on CO₂ emissions will significantly reduce our reliance on the internal combustion engine”
 - “lead is toxic, that’s why we took it out of petrol and paint”
 - “electric vehicles will mean no lead batteries”
- The mythologies are supported by symbols;
 - **Unleaded** petrol
 - **UPS** – when is a battery not called a battery

What can the lead industry learn from Magellan's issues?

- If the community does not see the value of lead then they will not be willing to accept the perceived risk
- We need to challenge the mythologies by creating new messages around the real value of lead to a digital future, and to a low carbon future
- Community education is our collective responsibility as a lead industry

Contact us

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