



## NEWS RELEASE

### **Ivernia Reports Magellan on Schedule for Year-End Plant Handover**

**Toronto, Ontario, October 13, 2004:** Ivernia Inc. (TSX: IVW) reported today that construction of the Magellan lead mine in Western Australia is on schedule for commencing production in the first quarter of 2005. Ivernia has a 51% interest in the Magellan mine with operating control.

#### Summary

- Construction of process facilities is on schedule for year-end handover by the contractor and Q1 2005 production
- All major operations contracts have been awarded
- Optimization of the mining schedule for the increased reserves is in progress
- Study commenced to assess impact of higher lead prices on cutoff grade to increase reserves
- Updated life of mine plan indicates average cash operating cost of US\$0.20 per pound in the first five years
- Mine estimated to produce 410,000 tonnes in first five-year period
- Lead price finds a solid base near its 10-year high

#### All Major Contracts Awarded

Kevin Ross, newly appointed Chief Operating Officer and currently resident in Western Australia, commenting on progress said, “Plant construction by Roche JR is proceeding on schedule for a year-end handover to allow commissioning of the processing facilities early in the first quarter of 2005. Photographs of this progress can be seen on our website at ivernia.com. We have selected Mining and Civil Australia as the mining contractor, and mobilization commenced mid-September. Clearing and initial pre-stripping will begin later this month to provide material for construction of the tailings storage facility.”

“We have selected Kalgoorlie Power Systems for on-site power generation,” Kevin Ross added. “The generators will be initially fueled by diesel; however, they can be converted to combined diesel and natural gas if that becomes more economic. Coogee Chemicals has been awarded the contract to provide pre-mixed bulk reagents for the flotation process and these will be trucked to site from Perth in Western Australia.”

### Positive Impact of Higher Lead Prices

The reserves published on July 12 were based on a lead price of A\$1,000 (US\$700) per tonne and showed a 22% increase in contained lead over year-end 2003 reserves. The new reserves totaled 16.2 million tonnes grading 6.2% lead (at a cut-off grade of 3%), sufficient for a mine life of 12 years. However, with the current lead price of approximately A\$1,350 (US\$1,000) per tonne, the impact on reserves of a lower cutoff grade using a higher lead price is being assessed.

In addition, there are 13.0 million tonnes of inferred resources that will be drilled over the next 12-18 months to further increase reserves. Three highly prospective mineralized targets were identified in previous exploration programs and these will also be drilled in 2005.

### Operating Costs Now Reflect Initial Contracted Amounts

Operating costs are estimated to have increased by 10% to US\$0.20 per pound, using contracted costs and the new mine plan versus feasibility study estimates. The impact of a buoyant mining sector and the world-wide increase in fuel costs are the major components in this small cost increase.

Future operating costs will be reduced by an estimated market premium of US\$0.05 per pound that will be received when high-quality lead metal is produced from the Magellan refinery in late 2006. (For the first two years, the mine will produce lead concentrates, which will be shipped to smelters until the Phase 2 refinery is completed.) Additionally, potential increases in production levels would also reduce operating costs due to volume efficiencies.

### Five-Year Production Estimate Remains on Track

Mine modeling based on the significantly increased reserves of 16.2 million tonnes continues to be optimized, using the feasibility study's planned mining rate of 1.4 million tonnes of ore per year. The new model confirms earlier projections of approximately 410,000 tonnes of payable lead production (51% for Ivernia's account) in the first five years of operation. The optimization is partly aimed at maximizing the life of mine net present value.

With such a strong resource base at Magellan, it is likely that mine life will be extended well beyond the current 12 years.

### Lead Production at an Opportune Time

Alan De'ath, President and CEO of Ivernia, said, "We are bringing Magellan into production at an opportune time, with lead appearing to have found a solid base near its ten-year high, reflecting strong demand for electrical battery storage and under-investment in mine production over an extended period. The US\$0.02 increase in operating costs is mainly market driven as a result of the worldwide increase in oil prices and is insignificant in relation to the increase in the lead price. A major positive is the

prospect of increasing production based on our excellent opportunities to increase reserves. Higher production would result in lower operating costs.”

“When we come into production in the first quarter of 2005, our shareholders are well positioned to benefit from the forecast lead supply deficit and the resultant strong metal price. Our current mine plan indicates producing about 60,000 tonnes of lead in 2005,” said Alan De’ath.

Lead cash settlement prices were US\$0.45 per pound, or US\$1,000 per tonne on the London Metal Exchange on October 12, compared to US\$0.28 per pound and US\$615 per tonne 12 months earlier, and US\$0.20 and US\$440, respectively, at the beginning of 2003.

### Technical Report Filed

On October 8, Ivernia filed its NI 43-101 Technical Report in support of Magellan’s reserves and resources update, announced July 12. The report can be found on the SEDAR database at [sedar.com](http://sedar.com).

### Toronto Presentation

Ivernia also announced that Alan De’ath and Executive Vice Chairman Ken Sangster will give a presentation on the Magellan project in Toronto on October 14 at the Canaccord conference: “Base Metal Miners – The Next Generation.” The slides will be posted on the Ivernia website following the presentation.

Ivernia is an international base metals mining and exploration company whose principal asset is a 51% interest with operating control in the low-cost Magellan lead project in Western Australia. The project is on schedule to commence production in the first quarter of 2005, producing an estimated 410,000 tonnes in the first five years of operation.

### Forward-Looking Statements

*This document contains certain forward-looking statements. All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future are forward-looking statements. 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. However, whether actual results and developments will conform with management’s expectations is subject to a number of risks and uncertainties, including the considerations discussed herein and in the Company’s annual information form and in other documents filed from time to time by the Company with Canadian securities regulatory authorities, general economic,*

*market or business conditions, the opportunities (or lack thereof) that may be presented to and pursued by management, competitive actions by other companies, changes in laws or regulations and other factors, many of which are beyond the Company's control. 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. All of the forward-looking statements made herein are qualified by the foregoing cautionary statements. The Company expressly disclaims any obligation to update or revise any such forward-looking statements.*

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For further information, please contact:

Alan De'ath  
President & CEO  
Tel: 416 867 9298  
E-mail: [info@ivernia.ca](mailto:info@ivernia.ca) Website: [www.ivernia.com](http://www.ivernia.com)