



NEWS RELEASE

IVERNIA SECURES 12 MONTH EXTENSION OPTION FOR C\$20 MILLION SENTIENT NOTE

TORONTO, ONTARIO – December 28, 2005 – Ivernia Inc. (“Ivernia”) (TSX:IVW) today announced that it has successfully negotiated an agreement with Sentient Global Resources Fund (“Sentient”) that grants Ivernia an irrevocable option (the “Extension Option”) to extend the maturity date of its secured promissory note (the “Note”) payable to Sentient by one year from April 29, 2006 to April 29, 2007. The Extension Option may be exercised between today and April 29, 2006. The agreement is subject to the approval of the Toronto Stock Exchange.

The Note, which has a principal amount of approximately C\$20 million was originally issued by the Company with a term of twelve months as part of the C\$86.1 million in consideration paid to Sentient on April 29, 2005 to acquire its 49 percent interest in Magellan Metals Pty Ltd. This acquisition enabled Ivernia to fully consolidate its 100 percent ownership interest in Australia’s Magellan lead mine – expected to be one of the top four lead-producing mines in the world when in full production in mid-2006.

“The Extension Option gives Ivernia the advantage of a very broad window within which to consider alternative long-term capital structures for the Company that will meet our identified needs on the most favourable terms for our shareholders,” noted Alan De’ath, Ivernia’s President and Chief Executive Officer. “It also provides additional flexibility to address the optimum financing approach for our high return capital projects planned for the first half of 2006, which comprise approximately C\$12 million for certain plant enhancements including the addition of a secondary ball mill and the 38 kilometre gas pipeline. With a strong balance sheet and lead prices at record levels, Ivernia is well positioned as we ramp-up Magellan to the planned production of 100,000 tonnes per annum of lead in concentrate by the second half of 2006.”

If Ivernia exercises the Extension Option, the ultimate maturity of the Note on April 29, 2007 may be financed, in whole or in part, by internally generated cash flow depending on, among other things, lead prices and the manner in which the above noted capital projects are financed. Ivernia also anticipates up to C\$9.8 million in proceeds from the exercise of 7.8 million outstanding C\$1.25 common share purchase warrants expiring March 25, 2006.

Under the existing Note, interest accrues at 8% per annum, payable at maturity. If the Extension Option is exercised, the interest rate will increase for the extension period from April 29, 2006 to April 29, 2007 to 9.25%. The security for the Note remains unchanged. Ivernia may prepay the principal amount of the Note and any interest, in whole or in part, at any time prior to maturity without premium or penalty.

“During the past several weeks, Ivernia has looked at a number of financing alternatives,” noted Mario Stifano, Ivernia’s Chief Financial Officer. “Based on this review, we believe that time will work in our favour in negotiating the most appropriate capital structure for Ivernia. This Extension Option gives us a longer time-frame to explore further financing opportunities that may become available at the same time that it allows us to extend the term of the Sentient note at a competitive cost of capital and with very minimal encumbrances.”

Ivernia has agreed to pay Sentient a commitment fee amounting to 450,000 common shares of Ivernia for the grant of the Extension Option. If Ivernia exercises the Extension Option, it will pay Sentient an extension fee amounting to a further 400,000 common shares of Ivernia. If the Extension Option is exercised, Ivernia may at its option issue additional common shares of Ivernia to defer payment of all or part of the accrued interest payable of approximately C\$1.6 million on April 29, 2006 for one full year to April 29, 2007. If the interest is deferred, Ivernia will pay to Sentient 65,000 common shares, or a pro rata amount if less than all is deferred, and the deferred interest will be added to the outstanding principal for purposes of calculating interest during the extension period. If earned, all of the fees payable to Sentient in the form of common shares of Ivernia under this Extension Option will result in Sentient's equity interest in Ivernia increasing from 18.8 percent (16.5 percent fully diluted) to 19.4 percent (17.0 percent fully diluted).

About Ivernia

Ivernia is an international base-metals mining and exploration company whose principal asset is a 100% interest in the low-cost, long-life Magellan lead mine in Western Australia. The mine achieved commercial production on October 1, 2005 and is expected to reach full production levels in mid-2006. When in full production it should be one of the top four lead-producing mines in the world, yielding about 100,000 tonnes of lead in concentrate per year, close to 3% of total world mine production. The inferred resources and considerable regional exploration opportunities offer significant potential to extend the mine's current long reserve life.

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 Ivernia 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", "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 forward-looking statements reflect the current internal projections, expectations or beliefs of Ivernia based on information currently available to Ivernia. 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 Ivernia to differ materially from those discussed in the forward-looking statements, and even if such actual results are realised or substantially realised, there can be no assurance that they will have the expected consequences to, or effects on, Ivernia. Ivernia expressly disclaims any obligation to update or revise any such forward-looking statements.

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