



## NEWS RELEASE

*All dollar amounts in this release are expressed in United States Dollars*

### **IVERNIA PROVIDES UPDATE ON FINANCING ARRANGEMENTS**

***Extends maturity of existing US\$20 million of notes to 2013***

***Secures commitment for US\$10 million in new funding***

***Announces intention to seek up to US\$5 million additional new funding***

Toronto – March 20, 2009 - **Ivernia Inc. (TSX: IVW)** (“Ivernia” or the “Company”) today announced that it has entered into an agreement with the holders of its existing secured convertible notes with a total principal amount of US\$20 million to extend the maturity date and amend certain other terms. In addition, Ivernia has secured a commitment from one of the holders of such notes to purchase an additional US\$10 million of the amended convertible notes. In connection with this purchase commitment, Ivernia will also be offering, on a best efforts basis, US\$10 million of amended convertible notes directly to investors, of which up to US\$5 million will be used to reduce the US\$10 million commitment from the note holder. The proceeds of the offering of up to US\$15 million will be used for general corporate purposes and to fund the restart of the Magellan mine, the timing of which is dependent upon general economic conditions and other factors including metal prices and exchange rates, as well as transport, shipping, treatment charges and other input costs. The transaction is subject to regulatory requirements including those of the Toronto Stock Exchange.

#### Amended and Restated Convertible Notes (the “Notes”)

The existing convertible notes will be amended and restated, with the following changes, effective from the closing date:

- Maturity will be extended from April 27, 2009 to April 27, 2013, and current interest and fees payable on the existing notes of US\$3.0 million will be added to the principal amount due on the revised maturity date
- Conversion price will be changed from US\$1.08 to US\$0.11 per share
- Interest coupon will be changed from 6% to 8% per annum, payable annually
- 50% of coupon interest payable may, at the Company’s option, be payable in kind in the form of Notes
- The Notes will not be redeemable by the Company prior to maturity, and are subject to standard anti-dilution provisions
- The Notes continue to be secured by a first charge interest on Ivernia’s assets
- Issue of the Notes is expected to take place on March 27, 2009

#### Concurrent Offering of New Notes

Sentient Global Resources Fund II, L.P. (“Sentient”), holder of US\$10 million of the existing convertible secured notes and 35.0 million shares of the Company, has entered into an agreement to purchase an additional US\$10 million in Notes with the same amended terms as indicated above (the “Sentient Commitment”). An additional US\$400,000 of Notes will be issued to Sentient as a backstop fee. US\$5 million in Notes of the Sentient Commitment will close on March 27, 2009 with the Amendment and Restatement. The Company shall use its best efforts to enter into binding commitments with additional investors to purchase up to US\$5 million of the remaining Sentient Commitment, potentially reducing the Sentient Commitment to US\$5 million. In addition, the Company may issue up to an additional US\$5 million of Notes (the “Additional Notes”) in the event that investor demand exceeds the Sentient Commitment. The Additional Notes will have the same terms as the Notes, and may be issued on closing or following closing, provided that binding commitments to purchase additional Notes are received

no later than May 8, 2009. The timing of any subsequent closings may be dependent upon the receipt of any required regulatory approvals. As a result of these commitments, and assuming full conversion of the Notes, one or more existing investors may increase their holdings to greater than 10% of issued and outstanding shares, although the identities of, and therefore the percentage ownership by, such investors are not known or determinable at this time. In connection with the transaction, the Company will also grant to Sentient and Ingalls & Snyder registration rights in respect of the Common Shares underlying the Notes, and pre-emptive rights to allow them to maintain their percentage share ownership in Ivernia. Sentient will also be entitled to nominate a director to the Magellan board pursuant to the terms of a governance agreement.

#### Resulting Dilution and Ownership

The change to the conversion price of the US\$23.0 million of Notes and the issuance of an additional US\$10.4 million in Notes with the same conversion price will result in the issue of 303.6 million shares if converted. The total number of fully diluted shares issued and issuable, including other existing dilutive items, will therefore increase to 495.1 million. The 303.6 million shares issuable under the Convertible Notes represents 169% of Ivernia's currently issued and outstanding shares. To the best of the Company's knowledge, on completion, assuming Sentient purchases the full US\$10.4 million in new Notes, assuming no Additional Notes are issued and assuming full conversion of the Notes, Sentient and Ingalls & Snyder share ownership in Ivernia would be approximately 234.1 million (47.3%) and 109.2 million (22.1%) of fully diluted outstanding common shares, respectively.

If the Company is successful in placing the US\$5 million of Additional Notes, thereby achieving the maximum US\$15 million in total proceeds, a total of 349.1 million shares would be issued if converted, representing 194% of Ivernia's currently issued and outstanding shares. The total number of fully diluted shares issued and issuable, including other existing dilutive items, would therefore increase to 540.6 million. On that basis, Sentient and Ingalls & Snyder share ownership in Ivernia would be approximately 234.1 million (43.3%) and 109.2 million (20.2%) of fully diluted outstanding common shares, respectively.

The Sentient Group is currently an insider of Ivernia. Additionally, a Principal of The Sentient Group is also a director of Ivernia and therefore considered an insider of the Company. Prior to giving effect to the transaction, Sentient currently holds 35 million shares, or 19.5% of the outstanding common shares.

#### Exemption from Shareholder Vote

The Company has made application to The Toronto Stock Exchange (the "TSX") under the provisions of Section 604(e) of the Company Manual for an exemption from its requirement for shareholder approval on the basis that the Company is in serious financial difficulty. A committee of independent directors, and the Company's board of directors has determined that the Company meets the applicable TSX and National Instrument 61-101 financial hardship requirements, that the financing is reasonable in the circumstances and is designed to improve the Company's financial situation. As a consequence of relying upon the TSX financial hardship exemption, the TSX has informed the Company that it will, in the ordinary course, commence a de-listing review. The Company believes that, upon completion of the transactions described above, it will be in compliance with TSX listing requirements.

#### 2008 Unaudited Financial Results – Asset Impairment

As part of the preparation of its annual financial statements, the Company has reviewed the carrying value of its assets, as required under relevant accounting standards. This review indicates an impairment of the value of the Magellan mine of approximately US\$73.0 million and an inventory write-down of US\$7.5 million which is expected to be recorded in the Company's financial statements for 2008.

Full audited financial results for 2008 will be reported on or prior to March 31, 2009.

## Advisors

RBC Capital Markets and Stikeman Elliott are Ivernia's financial and legal advisors, respectively, regarding the transactions.

## 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. When operations resume and target production levels are achieved, the mine is expected to be a significant pure lead producer accounting for approximately 2% of the total world lead mine production.

Ivernia trades under the symbol "IVW" on the Toronto Stock Exchange.

## **Forward-Looking Statements**

*Certain statements contained in this document constitute forward-looking information within the meaning of securities laws. 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 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 to recommence lead shipments from the Magellan mine, 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 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 results of the Australian government's continuing investigations into lead contamination at the Port of Esperance, the duration of the suspension of mining and milling operations, metal price volatility, lead concentrate treatment charges, exchange rates, regulatory proceeding and litigation, single mineral property, resources and reserves, health and safety, environmental factors, mining risks, metallurgy, labour and employment regulations, government regulations, insurance, refinancing risk, dependence on key personnel, constraints on cash flow and nature of mineral exploration and development. While we consider these assumptions to be reasonable based on information currently available to us, 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. Other risks and factors that could cause actual results to differ are described in Management's Discussion and Analysis ("MD&A") for the year ended December 31, 2007 under the heading "Risks and Uncertainties", and in the Company's most recently filed Annual Information Form under the heading "Risk Factors". Our MD&A, Annual Information Form and additional information on Ivernia are available on the Company's website at [www.ivernia.com](http://www.ivernia.com) and on Ivernia's SEDAR profile at [www.sedar.com](http://www.sedar.com). All of the forward-looking statements made in this document are based on our current estimates, expectations and projections, which we believe are reasonable as of the current date. You should not place undue importance on forward-looking information and should not rely upon this information as of any other date. Except as required by law, while we may elect to, we are under no obligation and do not undertake to update this information at any particular time.*

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