



## NEWS RELEASE

### IVERNIA ANNOUNCES AGREEMENT TO ACQUIRE MINORITY STAKE TO CONSOLIDATE 100% OWNERSHIP OF MAGELLAN MINE

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**Toronto, Ontario, March 28, 2005:** Ivernia Inc. (TSX: IVW), which has a 51% interest with operating control in the Magellan lead mine in Western Australia, announced today that it has entered into a definitive agreement with Sentient Global Resources Fund to acquire its 49% interest in order to consolidate in Ivernia 100% ownership of the mine.

The purchase price for Sentient's equity and loan interest will be approximately C\$100 million, such consideration to consist of a combination of cash and common shares of Ivernia as follows:

- i. C\$55 million in cash;
- ii. The issuance of 16.625 million Ivernia common shares to Sentient; and
- iii. At Ivernia's option, either an additional C\$12.5 million in cash or 6.875 million Ivernia common shares, or any proportionate combination thereof.

Sentient will not however be issued in the aggregate more than 19.9% of the outstanding common shares of Ivernia. In addition, Sentient will reimburse Ivernia for the reasonably expected expenses associated with this transaction.

Included in the consideration detailed above, Ivernia is acquiring Sentient's 49% share of the US\$36.0 million Progress Loans that the partners contributed as part of the development of the Magellan mine, and Sentient's US\$3.8 million First Ranking Loan, of which US\$2.8 million was listed as a liability on Ivernia's December 31, 2004 consolidated balance sheet. Upon completion of the transaction, the only third party debt reflected on the December 31, 2004 balance sheet that will remain outstanding will be approximately US\$1.1 million of lease liabilities.

Following completion of the acquisition of the additional 49% interest in the Magellan mine, Ivernia will have 100% ownership of the Magellan mine's 2.2 billion pounds of in situ lead reserves (1.6 billion pounds of proven lead reserves and 0.6 billion pounds of probable lead reserves). As per the Company's January 20, 2005 press release, Ivernia forecasts 2006 production of approximately 220 million pounds of lead in concentrate.

## Accretive Transaction to Ivernia Shareholders

Based on the March 24, 2005 closing share price of C\$2.02/share, and approximately 69.2 million shares outstanding, Ivernia currently has a market capitalization of approximately C\$140 million. Ivernia's significant assets are its 51% ownership in the Magellan mine as well as Ivernia's current cash balance, which is approximately C\$9.5 million. The purchase price of approximately C\$100 million to virtually double the mining asset base of the Company compares favourably with the current market capitalization of Ivernia.

On quantity metrics of reserves, resources or production per share, management believes this transaction will be approximately 10-15% accretive to Ivernia shareholders on a per share basis. As the economic metrics of the mining assets acquired are the same as that which is currently owned, accretion to quantity metrics is expected to approximate accretion to value metrics such as cash flow per share.

Ivernia expects the transaction to close no later than April 29, 2005. Closing of the transaction will be subject to Ivernia financing the cash portion of the consideration, regulatory approvals, and other customary conditions for such a transaction.

Alan De'ath, President and CEO, commenting on today's announcement, said, "We are very pleased to deliver this transaction to our shareholders, as this acquisition increases our exposure to one of the world's few high quality primary lead assets as it comes into production and at a time when the outlook for lead price fundamentals is positive. Our joint venture partner Sentient has provided tremendous support to the financing and development of the Magellan mine, particularly during times of depressed metals prices through 2003, and we now look forward to their continued support as a significant Ivernia common shareholder following this important transaction which consolidates 100% ownership of the Magellan mine in Ivernia."

BMO Nesbitt Burns Inc. has acted as financial advisor to Ivernia in connection with this transaction.

### *Forward-Looking Information*

*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", "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 the Company based on information currently available to the Company. Forward-looking statements are subject to a number of risks and uncertainties, including those detailed from time to time in filings made by the Company with securities regulatory authorities, that may cause the actual results of the Company to differ materially from those discussed in the*

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