



## NEWS RELEASE

### **IVERNIA'S MAGELLAN METALS APPEARS BEFORE WA PARLIAMENTARY COMMITTEE ESPERANCE LEAD INQUIRY**

**TORONTO, ONTARIO – May 1, 2007** – Ivernia Inc.'s (TSX:IVW) wholly-owned subsidiary, Magellan Metals, today appeared before the Western Australian Parliamentary Committee inquiry into the cause and extent of lead pollution in Esperance.

The full release from Magellan Metals is as follows:

**May 2, 2007** –Magellan Metals today appeared before the Western Australian Parliamentary Committee inquiry into the cause and extent of lead pollution in Esperance. The company was represented by the Managing Director, Patrick Scott, and the General Manager, Strategic Development, Trevor Watters.

The company has made a formal submission to the inquiry which addresses four key areas::

**1) The form of product permitted to be transported to and exported through the Port of Esperance:**

Magellan made no representation to licensing authorities that it would be exporting lead in a pelleted form.

The company did say it would be exporting lead concentrates as moist agglomerates. This process was implemented by Magellan but the subsequent agglomerates produced were not in a form sufficient to withstand transport from the mine to the Esperance port. The agglomerates were broken down by travel and the concentrate reverted to its original form by the time the lead concentrate reached the port. Magellan decided to discontinue use of the equipment for forming agglomerates and informed the Esperance Port Authority of this in writing on 7 April 2005, prior to entry into its agreement with the Esperance Port Authority (dated 30 June 2005).

**2) The effect of moisture content on the characteristics of the company's lead concentrate:**

The most relevant factor facing Magellan in the transport of its lead concentrate is moisture content. This factor, not the physical form of the lead concentrate, determines the potential for lead concentrate to become airborne as dust.

The Esperance Port Authority gave directions to Magellan that the range of moisture content was to be "somewhere between 7% to around 9% plus or minus 0.5%". The Esperance Port Authority's direction regarding the upper limit of the moisture range was to ensure that the moisture content would:

- fall below the Transportable Moisture Limit (TML) which is the allowable moisture level for safe shipment of concentrate. If moisture levels exceed the TML, there is a risk that the product will become liquid and move within the hold of a ship which may cause it to capsize; and
- allow the lead concentrate to be more easily handled by the Port.

It was necessary for Magellan to reduce the moisture content to under the TML and, further, to comply with the requests of the Port to keep the moisture within certain limits. It was for the Port to decide whether the moisture content was in the correct range and if necessary reject any particular shipment of concentrate if it thought it was too dry or too wet.

**3) The reason Magellan decided not to proceed with the proposal to ship its lead concentrate through the Port of Geraldton:**

The Geraldton Port Authority proposed that Magellan store its product “off-site” as the Geraldton Port Authority did not have an available facility within the boundaries of the port. Magellan considered this to be undesirable due to a number of factors including environmental considerations associated with:

- The proposed configuration of product conveyors which would be prone to wind and consequent dusting; and
- The high volume of truck movements through built-up areas on the days ships were being loaded.

**4) The company’s Ministerial approval for the transport of lead concentrate to, and export from, the Esperance Port**

Magellan investigated all commercial options for the export of its concentrate and entered into negotiations with the Esperance Port Authority as a replacement for the Geraldton Port. Magellan met with Esperance Port Authority representatives and inspected the Esperance Port facility and concluded that the Esperance Port Authority had the necessary expertise and experience to store and handle the Magellan lead concentrate.

Magellan welcomes the opportunity to present publicly at the inquiry on these topics in a complete and factual manner. Magellan recognises there has been an escape of the product beyond the port environment resulting from the handling of its material at the Esperance port. However, Magellan believes that its product can be handled safely and in an environmentally appropriate manner. Any escape into the environment is totally unacceptable. Magellan maintains that its product has been transported and handled in accordance with the terms and conditions imposed by its authority to mine, the Port’s Licence and Magellan’s agreement with the Port.

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