



NEWS RELEASE

Ivernia Announces Contained Lead in Reserves Increase by 22% ; Discovered Significant New Inferred Resources at Magellan and Pinzon Deposits

Toronto, Ontario, July 12, 2004: Ivernia Inc. (TSX: IVW) today announced the results of its resource and reserve update following the Q1 2004 drilling program on the Company's 51% owned high-grade Magellan lead project in Western Australia. Compared to year-end 2003, the program results have increased contained lead in reserves by 22% to 1.00 million tonnes, and identified significant new inferred resources with contained lead of 0.57 million tonnes. The A\$0.7 million drilling program increased the drilling data to 659 drill holes for this resource and reserve update compared to the 2003 estimates which were based on 281 drill holes. The drilling data incorporates 318 drill holes on the Magellan deposit, 232 drill holes on the Cano deposit and 109 drill holes on the Pinzon deposit.

“The prime purpose of the latest drilling program was to adequately define the initial mining plan and so it was restricted to the plateau containing the Magellan and Cano deposits and the Pinzon deposit to the southeast of Magellan,” said Ken Sangster, Ivernia's Executive Vice Chairman responsible for Magellan's development. “For the first time we have established an Inferred Resource at the Pinzon deposit of 6.9 million tonnes at 4.4% lead grade and this area is still open. The best news is at the Magellan deposit where reserves of contained lead have increased 26% to 0.77 million tonnes plus we have identified new Inferred Resources of 6 million tonnes at 4.2% lead grade. Our earlier projection of a 12-year mine life was very conservative and we can now see the potential for a 20 year mine life at the current planned annual throughput rate of 1.4 million tonnes of ore.”

Ken Sangster continued, “although these additional reserves in the Magellan orebody are at a lower grade than the very high grades seen in the centre of the orebody, this is still high grade material overall. Importantly we now have a significantly larger Magellan orebody where the waste-to-ore strip ratio has improved by 25% from 3.6:1 to 2.7:1. This significantly reduces the mining costs per tonne of ore produced”. The Cano orebody has a strip ratio of 2.1:1.

Ken Sangster concluded, “over the next 18 months we are planning to conduct more comprehensive drilling in the adjacent Pizarro, Drake and Cortez prospects together with further drilling in the areas categorized as inferred resources at Magellan and Pinzon”.

Detailed results are as follows. In the tables below, Resources are reported inclusive of Reserves:

Lead Mineral Resources (inclusive of Reserves)

Magellan Deposit (@ 3% lead cut-off)

| Resource Category | 31-Dec-03 | | | 9-Jul-04 | | |
|--------------------|------------------------|----------|-----------------------|------------------|----------|-----------------------|
| | Tonnes(t) (million) | Lead (%) | Contained Lead (000t) | Tonnes (million) | Lead (%) | Contained Lead (000t) |
| Measured (M) | 5.4 | 8.1 | 435 | 6.7 | 7.9 | 524 |
| Indicated (I) | 5.0 | 5.5 | 274 | 7.6 | 4.5 | 341 |
| Total – M+I | 10.4 | 6.8 | 709 | 14.3 | 6.1 | 865 |
| Inferred | - | - | - | 6.0 | 4.2 | 257 |

Cano Deposit (@ 3% lead cut-off)

| Resource Category | 31-Dec-03 | | | 9-Jul-04 | | |
|--------------------|------------------------|----------|-----------------------|------------------|----------|-----------------------|
| | Tonnes(t) (million) | Lead (%) | Contained Lead (000t) | Tonnes (million) | Lead (%) | Contained Lead (000t) |
| Measured (M) | 3.1 | 6.0 | 186 | 3.9 | 5.6 | 216 |
| Indicated (I) | 1.6 | 4.5 | 72 | 0.4 | 4.0 | 17 |
| Total – M+I | 4.7 | 5.5 | 258 | 4.3 | 5.5 | 233 |
| Inferred | - | - | - | 0.1 | 4.4 | 5 |

Pinzon Deposit (@ 3% lead cut-off)

| Resource Category | 31-Dec-03 | | | 9-Jul-04 | | |
|--------------------|------------------------|----------|-----------------------|------------------|----------|-----------------------|
| | Tonnes(t) (million) | Lead (%) | Contained Lead (000t) | Tonnes (million) | Lead (%) | Contained Lead (000t) |
| Measured (M) | - | - | - | - | - | - |
| Indicated (I) | - | - | - | - | - | - |
| Total – M+I | - | - | - | - | - | - |
| Inferred | - | - | - | 6.9 | 4.4 | 303 |

Total Resources (@ 3% lead cut-off)

| Resource Category | 31-Dec-03 | | | 9-Jul-04 | | |
|--------------------|------------------------|----------|-----------------------|------------------|----------|-----------------------|
| | Tonnes(t) (million) | Lead (%) | Contained Lead (000t) | Tonnes (million) | Lead (%) | Contained Lead (000t) |
| Measured (M) | 8.5 | 7.3 | 621 | 10.6 | 7.1 | 740 |
| Indicated (I) | 6.6 | 5.3 | 346 | 8.0 | 4.5 | 358 |
| Total – M+I | 15.1 | 6.4 | 967 | 18.6 | 5.9 | 1098 |
| Inferred | - | - | - | 13.0 | 4.3 | 565 |

Lead Ore Reserves

Magellan Deposit (@ 3% lead cut-off)

| Reserve Category | 31-Dec-03 | | | 9-Jul-04 | | |
|------------------|------------------------|----------|-----------------------|------------------|----------|-----------------------|
| | Tonnes(t) (million) | Lead (%) | Contained Lead (000t) | Tonnes (million) | Lead (%) | Contained Lead (000t) |
| Proven | 5.1 | 8.1 | 413 | 6.4 | 8.0 | 516 |
| Probable | 3.4 | 5.7 | 199 | 5.6 | 4.6 | 256 |
| Total | 8.5 | 7.1 | 612 | 12.0 | 6.4 | 772 |
| Increase | | | | 3.5 [+41%] | | 160 [+26%] |

Cano Deposit (@ 3% lead cut-off)

| Reserve Category | 31-Dec-03 | | | 9-Jul-04 | | |
|------------------|------------------------|----------|-----------------------|------------------|----------|-----------------------|
| | Tonnes(t) (million) | Lead (%) | Contained Lead (000t) | Tonnes (million) | Lead (%) | Contained Lead (000t) |
| Proven | 2.8 | 6.2 | 174 | 3.9 | 5.6 | 216 |
| Probable | 0.7 | 5.3 | 38 | 0.4 | 4.1 | 14 |
| Total | 3.5 | 6.0 | 211 | 4.2 | 5.5 | 230 |
| Increase | | | | 0.7 [+20%] | | 19 [+9%] |

Total Reserves (@ 3% lead cut-off)

| Reserve Category | 31-Dec-03 | | | 9-Jul-04 | | |
|------------------|------------------------|----------|-----------------------|------------------|----------|-----------------------|
| | Tonnes(t) (million) | Lead (%) | Contained Lead (000t) | Tonnes (million) | Lead (%) | Contained Lead (000t) |
| Proven | 7.9 | 7.4 | 586 | 10.3 | 7.1 | 732 |
| Probable | 4.1 | 5.6 | 237 | 5.9 | 4.6 | 270 |
| Total | 12.0 | 6.8 | 823 | 16.2 | 6.2 | 1002 |
| Increase | | | | 4.2 [+35%] | | 179 [+22%] |

Reserves and resources as at July 9, 2004 have been reported based on a cut-off grade of 3.0% lead, an exchange rate of US\$0.70/A\$1.00, a lead price of US\$700 per tonne (A\$1,000 per tonne) and estimated operating costs. Resources are based upon studies prepared by CSA Australia Pty Ltd (“CSA”) under the supervision of Jeffrey Elliot of CSA with some assistance and limited review by Snowden Mining Industry Consultants Pty Ltd (“Snowden”) under the supervision of Vivienne Snowden of Snowden. Reserves are based upon studies prepared by Snowden under the supervision of Allan Blair. Table entries (other than contained lead) are rounded to two significant figures.

All reserves and resources are reported in accordance with the 1999 update of the JORC Code. Qualified persons for purposes of National Instrument 43-101 have verified the above reserve and resource figures and the underlying sampling and analytical data. Jeffrey Elliot and Lorry Hughes of CSA and Allan Blair of Snowden are the qualified persons for the purpose of National Instrument 43-101.

Additional information concerning the Magellan Project reserves and resources is contained under the heading “Determination of Mineral Resources and Ore Reserves” in Ivernia’s annual information form filed with Canadian securities regulators.

The December 2003 reserves and resources were reported based on a cut-off grade of 3.0% lead. In 2003 the Magellan deposit was reported on the basis of an exchange rate of US\$0.55/A\$1.00, a lead price of US\$500 per tonne (A\$910 per tonne) and estimated operating costs. In 2003 the Cano deposit was reported on the basis of an exchange rate of US\$0.70/A\$1.00, a lead price of US\$625 per tonne (A\$895) and estimated operating costs.

On July 9, 2004 the exchange rate was US\$0.72/A\$1.00 and the London Metal Exchange cash settlement price for lead was US\$926 per tonne (A\$1,286 per tonne).

Alan De’ath, President and CEO, commenting on the improvements, said “This latest drilling program and resource and reserve update clearly indicates that we have a significantly larger Magellan deposit and a new Pinzon deposit to the south-east of Magellan. Our immediate task is to re-evaluate the life-of-mine development plan including the mining sequence for the Cano and Magellan pits based on this latest data. This is very positive news. This work will run in parallel with the construction of the processing plant and related infrastructure, which started as planned in May and is on schedule. We remain on target for first production of lead concentrates in Q1, 2005.”

Ivernia is an international base metals mining and exploration company whose principal asset is a 51% interest in the low-cost Magellan lead project in Western Australia. The project is expected to commence production in the first quarter of 2005. Phase 1, which is fully financed, is estimated to produce an annual average of 70,000 tonnes of lead in concentrates, increasing to 90,000 tonnes of lead metal in 2007 in conjunction with completing the Phase 2 refinery.

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 forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. The Company expressly disclaims any obligation to update or revise any such forward-looking statements.

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