



NEWS RELEASE

IVERNIA REPORTS SECOND QUARTER 2005 RESULTS; Magellan Mine Commissioning on Track to Reach Full Production Throughput Levels by Year-End

(all dollar amounts are in United States dollars unless otherwise stated)

Company Highlights

- Closed C\$48.9 million public offering of common shares during the quarter
- Consolidated 100% ownership of Magellan lead mine in Western Australia by acquiring joint venture partner's 49% interest in April
- The Honourable Alan Carpenter MLA, Minister for State Development; Energy in Western Australia will officially open the Magellan mine on September 30, 2005
- Trial shipments of concentrate shipped in April to a Malaysian smelter for logistical testwork, and to France for furnace pilot-plant test work
- Malaysian smelter poured Magellan's first lead metal on May 4
- First bulk shipment of 5,000 tonnes of concentrates made on July 4 to an Asian smelter
- Commissioning of Magellan mine and plant facilities continued throughout second quarter – ramp-up to full throughput levels targeted by year-end
- In July throughput rate approaching 85% of full production rate; by mid-August plant recoveries of lead were approaching 75%; concentrate moisture levels now less than 9% using solar drying
- Production estimate revised downwards to 43,000 tonnes of lead in concentrates during the 2005 ramp-up period. No change to 2006 production estimate of 100,000 tonnes of lead in concentrate
- Resource drilling of the Pinzon and Magellan deposits was completed in May, with updated resource estimates and reserve estimates due later in Q3 followed by new life of mine plan in Q4
- Regional exploration of the Pizarro, Drake and Cortez tenements commenced in May
- Management team strengthened by the July appointment of an experienced CFO

Toronto, Ontario, August 12, 2005: Ivernia Inc. (TSX: IVW) today reported a loss of \$503,000, or \$0.00 per share, for the second quarter of 2005, compared with loss of \$239,000, or \$0.00 per share, for the second quarter of 2004.

Ivernia's investment in its principle asset, the high-grade Magellan lead mine in Western Australia, was increased to a 100% interest on April 29, following the acquisition of its former joint venture partner's 49% interest.

Acquired Balance of Ownership in Magellan in Second Quarter

On April 29, Ivernia closed its acquisition from Sentient Global Resources Fund (together with its affiliates, associates and nominees, "Sentient") of Sentient's 49% interest in the Magellan mine in order to consolidate 100% ownership of the mine within Ivernia (the "Magellan Acquisition"). The final consideration for Sentient's 49% interest comprised:

- C\$29.8 million in cash, financed from a C\$48.9 million public equity offering;
- 23.5 million common shares of Ivernia (valued at C\$1.55 per share); and
- C\$19.9 million by delivery of a 12-month, secured promissory note.

Under the terms of the acquisition, Sentient reimbursed Ivernia for expenses and certain other costs of the transaction and the public equity offering, including the underwriters' fees and commissions amounting to C\$5.3 million. The final consideration paid to Sentient was C\$86.1 million (\$68.5 million).

Following this transaction, Ivernia now has 100% ownership of the Magellan mine and its exploration properties.

Equity Offering in Second Quarter Part Financed Magellan Acquisition

Concurrent with the closing of the Magellan Acquisition, the Company completed a public offering on April 29 of 29.05 million common shares at a price of C\$1.55 per share for aggregate gross proceeds of C\$45 million (\$35.8 million). Of these proceeds, C\$29.8 million (\$23.7 million) was used to pay the cash portion of the acquisition price for Sentient's 49% interest in Magellan, C\$5.3 million to settle commissions and expenses of the public offering and Magellan Acquisition and the balance will be used for general corporate purposes. On May 27, the Company's underwriters exercised an over-allotment option of 2.49 million common shares at C\$1.55 per share for gross proceeds of C\$3.9 million (\$3.1 million). Consequently, including the exercise of the over-allotment option, a total of 31.54 million common shares were issued for total gross proceeds of C\$48.9 million (\$38.9 million).

Magellan Mine Official Opening – September 30, 2005

Ivernia is pleased to announce that the Honourable Alan Carpenter MLA, Minister for State Development; Energy for Western Australia will officially open the Magellan mine on September 30, 2005.

Summary of Operations – Magellan Lead Mine, Western Australia

Mining

A total of 128,600 tonnes of ore was mined from the Cano open pit during the second quarter as compared to 159,900 tonnes in the first quarter, when mining commenced. Ore mining is controlled to maintain adequate stockpiles for the mill. The lower level of ore mining required in the second quarter enabled the mining fleet to be utilised on an increased rate of pre-stripping of the Magellan open pit in the quarter. This will now enable access to the Magellan deposit's high-grade core by the end of the third quarter of 2005.

The table below summarises mine production for first half 2005:

	First Quarter 2005	Second Quarter 2005	Year to Date 2005
Ore Mined ('000 tonnes)	159.9	128.6	288.5
Waste Mined ('000 bcm)	448	735	1,183
Total Mined ('000 bcm)	516	800	1,316

(bcm = bank cubic metres)

Commissioning of Processing Plant

- The planned ramp-up of the processing plant to full throughput levels by the end of fourth quarter is well advanced.
- Permits have been granted allowing solar drying of the concentrate.
- The first bulk shipment of 5,000 tonnes was loaded on the vessel Albany Sound on July 4 for shipment to an Asian smelter.

The table below summarises process production during the first half 2005 commissioning period:

	First Quarter 2005	Second Quarter 2005	Year to Date 2005
Ore Milled (t)	71,744	158,361	230,105
Head Grade (Pb)	6.4%	5.3%	5.7%
Recovery	72.9%	54.5%	61.0%
Concentrate Produced (t)	5,200	7,399	12,599
Contained Pb (t)	3,358	4,598	7,956

The relatively long 12 month ramp-up period was planned to allow for the forecast variations in ore type during the early periods of pit development as the ore in the upper parts of the orebodies is significantly harder than the ore in the lower parts of the orebodies which reduces throughput rates. As access to the lower parts of the

orebodies increases then mining will provide a more representative long term blend of ore type.

Lower than planned concentrate production levels during the second quarter is associated with:

- Lower than planned recoveries – the higher pulp viscosity arising from the treatment of Cano ore has resulted in difficulties aerating the pulp in the flotation cells and poor reagent efficiency. During August the rotor speeds on the flotation cells have been increased to improve aeration in the cells and staged addition of reagents is improving recoveries.
- Concentrate moisture levels have been higher than anticipated from the design test work, exceeding the 9% level required for handling. Higher concentrate moisture levels constrained throughput rates during the quarter and the plant was shutdown for two weeks to implement an interim drying solution involving solar drying of the concentrate on an open pad. Permits for the drying pad were received during the quarter. A review of alternative concentrate drying methods is underway.
- Operation of the plant was intermittent during the quarter as throughput is being built up to design capacity and minor plant modifications are required during commissioning.

The commissioning program in the third quarter will focus on increasing throughput to 85% of design capacity, improving recoveries and reducing concentrate moisture levels.

Through to mid August, the commissioning status included:

- Throughput in July was approaching 85% of the full production rate.
- Recoveries in mid August were significantly improved and were approaching 75% following the increased aeration in the flotation cells.
- Concentrate moisture levels are now less than 9% using solar drying. A review of alternative concentrate drying methods is underway.

It is still anticipated that the annualised throughput rate of 1.4 million tonnes ore per annum will be achieved during the fourth quarter. However, due to a slower than planned build-up of concentrate production levels, production for 2005 is now forecast at 43,000 tonnes of lead in concentrate versus the previous forecast of 60,000 tonnes. All operating costs net of concentrate sales receipts will continue to be capitalised until commercial production is reached, which is anticipated by the end of the third quarter.

The 2006 production forecast remains unchanged at 100,000 tonnes of lead in concentrate.

Fast-Tracking of Gas Pipeline Being Studied

Electricity is generated on site using increasingly higher-cost diesel fuel, which is delivered to site by road train. Natural gas is available from the Goldfields gas pipeline, 38 kilometers from the mine site. As a result, fast-tracking the construction of a spur pipeline is being studied. Concurrently, a heritage survey is underway to establish the

pipeline's route, which would enable a planning application to be submitted to the regulatory authorities.

Once gas is made available, generators will be converted to run on a mixture of 68% natural gas and 32% diesel.

Concentrate Transport and Shipping

In April, trial shipments of concentrate were shipped to Metal Reclamation (Industries) Sdn Bhd's ("MRI") smelter in Malaysia for logistical trials and to France for refinery pilot-plant test work. The first lead metal from Magellan concentrate was produced at MRI in May and was of high quality, reflecting the minimal impurities in Magellan's ore and concentrate.

Concentrates are transported in bulk by road and rail from the minesite to Esperance Port, where it is stored in a dedicated warehouse. On July 4, Magellan's first bulk shipment of 5,000 tonnes was shipped to an Asian smelter.

Exploration Program

Upgrading Inferred Resources

An A\$1.2 million exploration drilling program was largely completed in May. Its objective was to upgrade the core of the 13 million tonnes of inferred resources in the Pinzon and Magellan deposits. The high demand for assay services in Western Australia delayed final assay results, in turn delaying completion of an updated resource and reserve estimates. Geological modeling is underway. The updated resource estimate and reserve estimates are now expected later in the third quarter.

Seeking to Upgrade Mineralised Targets to Inferred Resources

Drilling on the Cortez, Drake and Pizarro mineralisation prospects commenced in May with the objective of establishing an estimate of inferred resources.

At Pizarro, rotary air blast (RAB) drilling continues on areas of previously identified mineralisation. At Cortez, soil geochemistry and mapping data was compiled and targets were identified for future drill testing. Sites have been selected for testing by rotary hammer (RH) drilling in the third quarter. Data entry has been completed for Drake and geological interpretation has commenced. Additional RC drilling may be completed to allow better definition of the mineralisation. Resource modeling will commence towards the end of the third quarter.

Preliminary Exploration at Yandil

The Yandil property to the northwest of the minesite covers prospective geology similar to the Magellan deposit. Data from the first quarter's regional mapping and geochemistry program have been evaluated and targets selected for drilling following receipt of Native Title clearance.

Life of Mine Plan

Following the completion of the updated resource and reserve estimate, the life-of-mine plan is expected to be completed in the fourth quarter. The plan will be based on constant concentrate production of approximately 100,000 tonnes of lead per year. In later years this will require an increase in mill throughput to compensate for lower ore grades.

Phase 2 Refinery Project

Phase 2 of the Magellan mine's development is to construct a refinery to produce soft lead metal from the concentrate. Initial scoping work was conducted during the quarter on the key operating parameters which materially affect layout and overall design. Roche Mining JR and BJ Industries have been commissioned to undertake a design and costing study for the on-site plant so that the final detailed engineering design phase can be committed to. The initial engineering study is expected to be completed during the fourth quarter. Key to this work was the furnace trials conducted by BJ Industries in France in June and July in order to determine design parameters, energy requirements and cycle times to enable final design work. These tests confirmed previous small-scale trials.

The cost of the proposed refinery is estimated between A\$25 million to A\$40 million, depending on the final decision on scale of operations and selection of owned versus contracted facilities including an oxygen plant. It is anticipated that the refinery will be funded from a combination of treasury (including the anticipated exercise of warrants expiring in March 2006), operating cash flow and a debt facility.

Appointment of Chief Financial Officer

Mario Stifano joined the management team in July 2005 as Vice President and CFO. He qualified as a Chartered Accountant with Ernst & Young and his experience encompasses four years of corporate finance and business development at Coopers & Lybrand and Newcourt. He subsequently spent five years with Noranda, initially in controller functions before being promoted to Director, Financial Planning. Before joining Ivernia, Mario was with IA Sciences Inc., where he was Vice President, Finance.

Lead Prices

London Metal Exchange Average Cash Lead Prices	Three Months Ended June 30		Six Months Ended June 30	
	2005	2004	2005	2004
US\$/lb	0.45	0.37	0.45	0.38

Results of Operations

Selected Financial and Operating Highlights

Statement of Operations

<i>(in thousands of US dollars except per share data)</i>	Three months ended		Six months ended	
	June 30		June 30	
	2005	2004	2005	2004
Net revenues – interest income	59	70	87	83
Loss for the period	(503)	(239)	(727)	(637)
Basic loss per share	(0.00)	(0.00)	(0.01)	(0.01)

The following table identifies the sources of changes in net loss between the three and six month periods ended June 30, 2005 and 2004:

Changes in 2005 Net Loss to Date Compared to 2004

<i>(thousands of US dollars)</i>	Change in Second Quarter	Change in Six months
(Decreased) increased interest income	(11)	4
Increased general and administrative	(323)	(358)
Increased stock options costs	(234)	(6)
Increased foreign exchange gain	538	474
Increased interest costs	(234)	(204)
Increase in net loss compared to 2004	(264)	(90)

The primary reasons for the increased net loss compared to the same period in 2004 were increased stock option costs from new stock options granted in the period and increased general and administrative costs as the Company added management positions in preparation for operations and incurred additional administrative costs due to the increased level of corporate activity on acquiring 100% ownership of the Magellan mine. Interest expense increased following the delivery of the C\$19.9 million promissory note to Sentient (the "Sentient Note") as part of the consideration of the Magellan Acquisition. Cost increases were partially offset by an increase in the foreign exchange gain over the same periods.

Liquidity and Financial Condition

Statement of Cash Flows

<i>(thousands of US dollars)</i>	Three months ended June 30		Six months ended June 30	
	2005	2004	2005	2004
Cash provided by operating activities	2,058	1,003	2,195	653
Cash used in investing activities	(52,631)	(2,345)	(57,462)	(3,162)
Cash provided by (used in) financing activities	54,866	(38)	56,099	11,985
Increase (decrease) in cash	4,237	(1,446)	772	9,324

Net cash utilised in investing activities during the quarter was \$52.63 million, of which \$40.01 million relates to the purchase of Sentient's 49% interest in the Magellan mine, and \$12.62 million represents costs in commissioning the mine, leased generating equipment for power supply, continuing capital expenditures and commencement of exploration and drilling programs. Concentrate inventory at the end of the second quarter, which has been capitalised for accounting purposes, was 12,001 tonnes at a net realisable value of \$4.5 million, of which \$2.4 million was drawn down from the Ocean Partners (USA) Inc. inventory facility. \$2.35 million was utilised in the same period in 2004, primarily representing additions to property, plant and equipment at the Magellan mine.

Net cash generated by financing activities during the quarter was \$54.87 million, of which \$32.82 million related to 29,050,000 shares issued concurrent with the Magellan Acquisition, \$2.88 million related to 2,493,100 shares issued in the over-allotment, and \$146,000 was received from the exercise of warrants. A further C\$19.88 million (\$16.22 million) was generated by the issue of the Sentient Note. Long-term debt includes a five-year finance lease with Kalgoorlie Power Systems for generating equipment to supply power at the Magellan mine site (see note 7 to the Company's unaudited interim financial statements).

Net cash of \$54.87 million generated from financing activities compares to net cash used of \$38,000 in the same period in 2004.

In April 2005, certain share purchase warrants issued in connection with the Company's March 2004 private placement of the equivalent of 16 million post-consolidation common shares were exercised for an aggregate of 142,400 common shares in the Company for cash proceeds of C\$178,000 (\$146,000). In the November 2004 private placement, a further 8 million common shares were issued. No share purchase warrants were exercised in the quarter in connection with this private placement.

Balance Sheet

<i>(thousands of US dollars)</i>	June 30, 2005	December 31, 2004
Cash and cash equivalents	11,148	10,376
Working capital	4,152	8,423
Total assets	147,248	35,973
Total short-term financial liabilities	16,447	-
Total long-term financial liabilities	3,745	3,323
Total liabilities	52,266	6,855

As at June 30, 2005 the Company had a working capital surplus, excluding the Sentient Note, of \$4.15 million, including cash of \$11.15 million, compared to a working capital surplus at December 31, 2004 of \$8.42 million, which included cash of \$10.38 million. Short-term financial liabilities is the Sentient Note issued to Sentient for the Magellan Acquisition plus accrued interest.

Outstanding Share Data

On June 16, 2005 at the Company's annual and special meeting, the shareholders approved an ordinary resolution to amend the 2000 Employee Stock Option Plan of the Company to increase the maximum number of common shares of the Company reserved for issuance thereunder from 5,660,000 to 9,800,000.

During the quarter and year-to-date 1,487,222 options were granted and no options were exercised and 10,000 options expired. At June 30, 2005 there were outstanding options to purchase 6,033,222 common shares of the Company.

As at August 12, 2005 there were outstanding options to purchase 6,283,222 common shares of the Company.

As at August 12, 2005 the Company had 124,558,216 common shares and no preference shares issued and outstanding.

The table below summarises the number of common shares issuable upon the full exercise of the common share purchase warrants and broker warrants issued pursuant to the March private placement and the November private placement.

Common Shares Issued or Issuable Upon Exercise of Warrants

As at August 12, 2005

	Common Shares Issuable if All Warrants Fully Exercised	Common Shares Issued Pursuant to Warrants Exercised to Date	Common Shares Issuable upon Exercise of Remaining Warrants	Proceeds Received	
				C\$	US\$ ⁽¹⁾
March 2004 private placement:					
Common share purchase warrants	8,000,000	354,000	7,646,000	443,000	364,000
March broker warrants	936,000	526,836	409,164	659,000	540,000
Common share purchase warrants issuable upon exercise of March broker warrants	468,000	210,600	257,400	263,000	216,000
Subtotal	9,404,000	1,091,436	8,312,564	1,365,000	1,120,000
November 2004 private placement:					
Common share purchase warrants	4,000,000	-	4,000,000	-	-
November broker warrants	480,000	216,900	263,100	271,000	223,000
Common share purchase warrants issuable upon exercise of November broker warrants	240,000	108,000	132,000	151,000	125,000
Subtotal	4,720,000	324,900	4,395,100	422,000	348,000
Total	14,124,000	1,416,336	12,707,664	1,787,000	1,468,000

⁽¹⁾ All proceeds were received in Canadian dollars. This column is the US dollar equivalent.

Risks and Uncertainties

Please refer to management's discussion and analysis for the year-ended December 31, 2004.

About Ivernia

Ivornia 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 is now being commissioned and the first bulk shipment of concentrate was made July 4, 2005. Magellan is expected to reach full production levels in the fourth quarter. By 2006, it should be one of the top five lead-producing mines in the world, producing about 100,000 tonnes of lead 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.

The complete quarterly report and financial statements are available on the Company's website at www.ivernia.com and on Sedar at www.sedar.com.

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 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 realised or substantially realised, 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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For further information, please contact:

Alan De’ath
President & CEO
Tel: +1 416 867 9298
E-mail: info@ivernia.ca
Website: www.ivernia.com

Jonathan Buick
Bay Street Connect
Tel: +1 416 569 7092
E-mail: jbuick@baystreetconnect.com