



NEWS RELEASE

All Dollar Amounts are in U.S. Dollars Unless Otherwise Indicated

IVERNIA REPORTS SECOND QUARTER 2010 FINANCIAL RESULTS

TORONTO, ONTARIO – August 16, 2010 – Ivernia Inc. (TSX: IVW) today reported revenue of \$14.5 million for the second quarter of 2010, compared to \$7.6 million for the same period last year. Revenue for the first six months of 2010 totaled \$25.6 million, compared to \$8.1 million for the same period last year. The increase in revenue reflects the restart and ramp-up of processing and mining operations at the Magellan Mine in 2010.

The net loss of \$4.5 million, or \$0.02 per common share for the second quarter of 2010 compared with a net loss of \$1.4 million, or \$0.01 per share for the same period last year.

SECOND QUARTER 2010 HIGHLIGHTS

Financial

- Recorded revenue for the second quarter of 2010 of \$14.5 million from the sale of 8,600 tonnes of contained lead in concentrate
- Second quarter 2010 loss after operating costs and amortization was \$4.4 million
- Second quarter 2010 net loss was \$4.5 million
- Cash balances at quarter end were \$8.8 million

Operational

- Progressed production ramp-up at the Magellan Mine producing 11,400 tonnes of contained lead in concentrate in the second quarter
- Processing plant lead recoveries in the second quarter averaged 69%; in the period July 17 to August 14 the lead recoveries have significantly improved averaging approximately 78% over that period
- Concentrate bagging performance improved markedly during the second quarter with bagging rates rising to the desired full production rate by the end of May
- 2010 production guidance revised to a range of 50,000 – 55,000 tonnes of contained lead in concentrate
- Completed A\$1.4 million exploration drilling program during second quarter 2010 and work on mine scheduling optimization and new life of mine plan has commenced
- Established an exploration joint venture with Prairie Downs Pty Ltd whereby Ivernia has the right to acquire up to an 80% interest in the Prairie Downs lead-zinc project in Western Australia

Alan De'ath, President and Chief Executive Officer commented, "Following the February restart of operations the ramp-up of the Magellan Mine continued during the second quarter with the current objective of being at target full production levels by the end of 2010. During the second quarter we experienced a number of challenges meeting lead recovery and overall production ramp-up targets – principally due to plant instability issues in June. The Magellan team has been addressing these challenges in a disciplined and focused manner including implementing a number of minor modifications to the plant and operating practices. This has resulted in a more stable operating environment over the past four weeks including increased lead recoveries averaging approximately 78% over that period – a significant step up from the average 69% lead recoveries achieved in the second quarter. Second and third quarter of 2010 were anticipated to be the key quarters in the Magellan production ramp-up and I am pleased to report that at current metal price levels we are on track to move into positive operating cash flow in September and continuing thereafter."

Financial and Operating Highlights

	Three months ended June 30		Six months ended June 30	
	2010	2009	2010	2009
(in thousands of United States dollars, unless otherwise indicated and per share amounts)	\$	\$	\$	\$
Financial Highlights				
Revenue ⁽¹⁾	14,544	7,605	25,565	8,061
Operating costs	(18,401)	(6,115)	(34,576)	(6,742)
Amortization	(561)	(169)	(844)	(321)
	(4,418)	1,321	(9,855)	998
General and administrative	(2,146)	(2,257)	(3,973)	(3,496)
Net interest expense	(594)	(812)	(1,328)	(1,133)
Stock option costs	(41)	22	(81)	(10)
Inventory recovery	278	2,498	1,164	4,148
Accretion	(1,059)	(528)	(1,847)	(2,788)
Esperance/Fremantle and related costs	–	(127)	–	(221)
Debt settlement expense	–	–	–	(753)
Foreign exchange gain (loss)	1,031	(739)	1,432	(489)
	(2,531)	(1,943)	(4,633)	(4,742)
Loss before income taxes	(6,949)	(622)	(14,488)	(3,744)
Income tax recovery (expense)	2,454	(745)	4,130	(922)
Net loss	(4,495)	(1,367)	(10,358)	(4,666)
Basic and fully diluted loss per share ⁽²⁾	(0.02)	(0.01)	(0.05)	(0.03)
Weighted average shares outstanding (000's)	189,243	180,153	188,892	180,153
Unrealized gain (loss) on investment	(31)	(19)	(31)	(4)
Comprehensive loss	(4,526)	(1,386)	(10,389)	(4,670)
Cash (used in) provided by operations before changes in non-cash working capital	(4,550)	121	(10,266)	(426)
Cash flow used in operating activities	(1,951)	(1,471)	(734)	(5,351)
Operating Highlights				
Ore milled – (000's dry tonnes)	268.0	–	300.0	–
Average head grade – (% lead)	6.2	–	6.3	–
Recovery – (%)	68.9	–	67.1	–
Concentrate produced – (000's dry tonnes)	17.5	–	19.5	–
Concentrate sold – (000's dry tonnes)	13.3	7.7	21.8	8.3
Lead metal in concentrate produced – (000's tonnes)	11.4	–	12.6	–
Lead metal in concentrate sold – (000's tonnes)	8.6	4.8	14.0	5.2
Concentrate inventory – (000's of dry tonnes)	6.3	21.0	6.3	21.0
Average lead price – LME cash settlement– (\$ per pound)	\$0.88	\$0.68	\$0.95	\$0.61
Ivernia's average lead sale price – (\$ per pound)	\$0.81	\$0.73	\$0.87	\$0.72

(1) Shipments of lead carbonate concentrate from the Magellan Mine were curtailed by the suspension of lead shipments through the Port of Esperance on March 12, 2007. The suspension was lifted in December 2008, following which two shipments were made in March and May 2009 to remove the stockpile. Following the receipt of Ministerial approval on August 13, 2009 to commence shipments through the Port of Fremantle, the Company exported all of the mine site inventory stockpile and in first quarter 2010 recommenced production and shipment of lead carbonate concentrate.

(2) Per share data was calculated on the basis of the weighted average shares outstanding (basic and diluted) for the relevant period.

Outlook

Magellan Metals is ramping-up production of lead carbonate concentrate over the course of 2010. Production restart commenced late February 2010 and during the second quarter of 2010 produced 11,400 tonnes of contained lead in concentrate. The staged ramp-up of production will continue during the third and fourth quarters of 2010 with planned full production levels forecast to be reached towards the end of 2010.

Production during the second quarter of 2010 of 11,400 tonnes of contained lead in concentrate was 1,600 tonnes (or 12%) below prior guidance due to plant instability issues in June causing plant recoveries to fall as production

rates were increased. A number of minor modifications have subsequently been made to the plant and operating practices to address these issues. This work is ongoing. At the end of the second quarter the main outstanding issue was the interaction between the concentrate thickening and pressure filtration processes. Operator training and further improvements to the plant were undertaken in July with steadier production rates being achieved in the second half of the month and through the first half of August. From July 17 to August 14 the processing plant ran at an improved lead recovery rate averaging approximately 78% over that period. Recovery issues at higher production rates are still being investigated by the Company's metallurgical team with a number of areas identified for improvement over the months ahead. A more conservative staged approach is now being taken to increasing mill throughput over the next few months, with the plant allowed to stabilize at a particular throughput rate and recovery rate before proceeding to the next incremental increase. This approach is reflected in the revised guidance below. The Company currently expects to achieve targeted full plant throughput capacity during the course of the fourth quarter of 2010. Magellan Metals plans to process 1.9 million tonnes per annum of ore from 2011 onwards which is expected to produce on average approximately 85,000 tonnes per annum of contained lead in concentrate for the mine life.

While the production performance at Magellan Metals continues to improve, management aims to ensure recoveries are maintained at each incremental step change as production levels are increased. As a result the production guidance for the full-year 2010 has been revised to reflect a range of production outcomes dependent on the level of success in the number of weeks required to complete the ramp-up period.

Revised quarterly production guidance:

('000 tonnes)	1Q 2010 Actual	2Q 2010 Actual	3Q 2010 Forecast	4Q 2010 Forecast	2010 Forecast
Ore Mined	15	267	370 - 420	450 - 500	1,102 - 1,202
Ore Milled	32	268	340 - 370	435 - 465	1,075 - 1,135
Contained Lead in Concentrate	1	12	16 - 19	21 - 23	50 - 55

As at August 13, 2010 Ivernia held unrestricted cash balances of \$5.2 million. At current lead price and production levels, management anticipates that cash flow from operations will be positive commencing in September 2010 and that from now onwards Magellan Metals anticipates that no further funding will be required from Ivernia treasury to fund the continuing ramp-up of operations. Management believes that current treasury and cash flow from operating activities will be sufficient to fund cash required for non-operating activities going forward. Ongoing cash flow from operating activities continues to be exposed to fluctuations in metal prices, production rates and the Australian dollar US dollar exchange rates.

During the latter part of 2010 and early 2011 the Company will be increasingly focused on operational optimization as Magellan moves into a steady state operating environment at targeted full production levels. Following the completion of the 2010 drilling program during the second quarter, Magellan is now focused on mine scheduling optimization and a new life of mine plan and plans to issue updated Resource and Reserve statements by year-end.

Magellan Production Ramp-up

The table below summarizes quarterly mine production, process production and shipments and inventories in the first six months and year-to-date ended June 30, 2010:

	Three months ended March 31, 2010	Three months ended June 30, 2010	Six months ended June 30, 2010
Mining			
Ore mined - 000's tonnes	-	182	182
Low-grade (<3%) ore mined - 000's tonnes	15	85	100
Total ore and waste mined - 000's bcm	118	729	847
Processing			
Ore milled - 000's tonnes	32	268	300
Average head grade - % lead	6.9	6.2	6.3
Average recovery - %	54.0	68.9	67.1
Concentrate produced - 000's dry tonnes	2.0	17.5	19.5
Lead metal in concentrate produced - 000's tonnes	1.2	11.4	12.6
Sales and inventories			
Concentrate sold - 000's dry tonnes	8.4	13.3	21.7
Lead metal in concentrate sold - 000's tonnes	5.4	8.6	14.0
Concentrate inventory - 000's dry tonnes	2.0	6.3	6.3

While the production performance at Magellan Metals is continuing to improve, issues with recoveries at higher production rates resulted in lower than planned lead metal in concentrate production for the second quarter of 2010.

During the second quarter of 2010, the mill treated 268,000 dry metric tonnes of ore with an average head grade of 6.2% lead. The plant recovered an average of 69% of the lead, to produce approximately 17,500 dry metric tonnes of concentrate with an average grade of 65% contained lead. While ore milled was less than planned for the second quarter, plant throughput and recovery for April and May were consistent with the planned plant restart.

During June, mill throughput was increased to 250 tonnes per hour (equivalent to the target 1.9 million tonnes per annum rate). At these higher rates, the process plant became metallurgically unstable resulting in a number of plant stoppages and poor lead recoveries. The issues were caused by a number of factors including: over-coarse grinding; poor sulphidization; changes in flocculent; concentrate thickening issues; and operator inexperience. By the end of July many of these issues had been addressed, with the concentrate thickening and the ongoing upgrade of operator capability being the main focus. The thickeners are now being run in parallel to increase capacity and the mill is being run to smooth grade fluctuations by changing throughput to reduce any overloading of the circuit with lead.

Concentrate bagging performance improved markedly during the quarter with rates rising to the desired full production rates by the end of May. In recent months, bagging performance has matched concentrate production. The introduction of a fit-for-purpose loader into the concentrate shed and the appointment of dedicated supervisors for the area have improved productivity. A design company has been commissioned to identify potential future developments of the process to improve working conditions, improve reliability and consistency and reduce manual labour in this area. A decision to proceed to an upgrade will be made in the second half of 2010 for planned implementation in 2011.

Mining is performing well with the primary limitation being the performance of the mill. Drill and excavator productivities have increased steadily in line with the planned production ramp-up and at the end of the quarter there were significant uncovered stocks in the base of each pit.

As the throughput ramps-up and processing stabilizes, plant performance is expected to improve towards target levels. In July, the plant treated 91,000 dry metric tonnes of ore with an average grade of 6.6% lead. The plant

recovered 69% of the lead to produce 6,300 dry metric tonnes of concentrate with an average grade of 66% contained lead, i.e. 4,173 tonnes of contained lead in concentrate. August performance month-to-date (as at August 14, 2010) is continuing the improvement in plant performance with recoveries averaging approximately 78% and concentrate grades averaging 64% contained lead.

In May 2010 Magellan Metals completed the purchase from Sept Pty Ltd. and Pacific Energy (KPS) Pty Ltd. (the "Vendor") of the on-site power station for a purchase price of A\$1.6 million. The 3.2 megawatt power station, which had been leased to Magellan and operated by the Vendors prior to the purchase, comprises seven diesel generators with related equipment, systems and control room. The power station is now owned and operated by Magellan. Capital projects planned for the Magellan Mine over the second half of 2010 include: expansion of the tailings storage facility; installation of a fibre optic communication and data transfer link; converting the power station to use more cost-efficient natural gas; a program of further reductions in bottlenecks in the process plant; and upgrading the dust extraction around the concentrate bagging shed.

Magellan has now recruited its full complement of personnel supplemented by contract labour for the bagging operations. The booming resources sector in Western Australia is putting pressure on wages and Magellan will need to react appropriately to maintain a capable workforce and build the necessary experience to effectively run the operations.

Operational Optimization

Work has commenced on mine scheduling optimization for the life-of-mine planning. The aim of this work is to improve the mining program to deliver lower mining and processing costs through: blend optimization; reduced double handling; reduced non-productive equipment moves; and, identify locations for in-pit waste dumping. Improved blasting practises are being implemented to reduce downstream crushing and grinding costs as well as minimizing costly crusher blockages. These improvements are already being realized through a reduction in the number of plant stoppages due to blockages.

Close spaced grade control drilling and grade sampling of blast holes is expected to deliver improved mining grade control and reconciliation. This is expected to give greater ore grade predictability and therefore improve the mill feed blending.

Following the purchase of the Magellan power station, plans are being developed to convert the generator sets from diesel fuel to dual fuel diesel-natural gas. The gas pipeline has been installed to the power station and future gas supplies have been secured on long term contract at competitive prices. The conversion to dual fuel is expected to significantly reduce the site's power costs and reduce Magellan Metals' carbon emissions.

Magellan Metals has implemented a best practice concentrate handling system utilizing two tonne plastic bulk bags and shipping containers. The Company is now investigating ways to reduce the cost and improve the efficiency of the bagging process as well as exploit the opportunities that selling concentrate in this form offer.

Corporate Development and Exploration

Drilling Program

The drilling program commenced in the first quarter of 2010 was completed successfully with a total of 213 holes drilled and 7,784 metres completed by the RC drill rig and 10 holes and 446 metres completed by the diamond drill rig. All results have been received from the RC drilling and are being incorporated into a new resource model. The current Mineral Resource Estimate for the Magellan, Cano, Pinzon, Drake and Pizarro deposits as at December 31, 2009 is reported in the 2009 AIF and refers to the Company's NI 43-101 Technical Report dated September 30, 2004.

The diamond drill core was targeted for geological, mineralogical, density, geotechnical and metallurgical confidence at Pinzon, Pizarro and Drake. The core has been logged and is being prepared for mineralogical and metallurgical sampling.

The drilling was completed at the Pinzon, Gama and Balboa projects on the main Magellan hill region and at Pizarro, Columbus and Drake to the south. The drilling has achieved:

- *Pinzon*: Resource infill RC drilling was targeted on the margins of the known mineralization to increase the resource confidence and significant new intercepts have been reported from the south-western and north-eastern extensions of the deposits. These results will be incorporated with the previous results and a new model generated. The diamond drill core has encountered very similar lithological and mineralogical material as is currently mined in the Magellan and Cano pits and has increased management's understanding of the deposit, especially at the basal contacts, where high grade mineralization lies on the basal weathered contact.
- *Gama*: Resource infill drilling has encountered variable results with difficult drilling conditions resulting in a number of abandoned holes. A small high grade pod has been defined at the northeast of the prospect. A new resource will be generated over the prospect.
- *Balboa*: A widespread exploration program was completed on an offset approximate 150 metre grid. Two holes in the southeastern corner of the prospect have encountered reasonable intersections over 300 metres from any previous drilling with narrow intercepts above the cut-off grade at the Magellan Mine. Detailed infill drilling will be required in this area to define a possible resource.
- *Pizarro*: Resource infill drilling has successfully repeated the previous open hole percussion drill results and further defined the mineralization. The deposit has a narrow high grade centre which is consistent over a kilometre strike extent and splays at the northern end. The results are being incorporated into a new geological model and a resource model is being constructed.
- *Columbus*: Drill testing of the geochemical targets defined has intersected lead on the eastern edge of the prospect. Drill holes on a roughly 100 metres spacing has reported intercepts at shallow depth above the cut-off grade at the Magellan Mine. Detailed infill drilling will be required in this area to define a possible resource.
- *Drake*: Two diamond holes were completed at the prospect to understand the geology and provide metallurgical samples. Further infill drilling is required to increase the confidence of the resource.

Completion of the new resource model is expected in the third quarter of 2010 and a revised life of mine plan and reserves are expected in the fourth quarter of 2010.

Prairie Downs

Ivernia has signed a binding heads of agreement in respect of the formation of a joint venture arrangement with Prairie Downs Pty Ltd ("Prairie Downs") to acquire up to 80% of the Prairie Downs lead-zinc project in Western Australia (the "Joint Venture").

The highlights are:

- Part of Ivernia's growth strategy to create a portfolio of base metal projects
- Opportunity to explore and establish a significant lead-zinc project
- Synergies with Ivernia's nearby (within 250 kilometres) flagship Magellan lead mine in Western Australia
- A\$2 million exploration program focused on a range of defined prospective targets.
- Option to acquire a 60% interest for A\$10 million after completion of an exploration expenditure of A\$3 million with a right to increase to 80% following further exploration expenditure.

Field work has commenced on the Joint Venture with a program of soil sampling using a portable XRF machine. The survey commenced on the high priority Wolf region and close spaced sampling is defining a number of important targets for analysis and follow up drilling. The survey will be continued over a number of high priority targets.

An exploration workshop was held on-site to assist in ranking the anomalies considered to have the highest potential for a significant base metal deposit. The workshop has confirmed the priorities at the main resource and Wolf prospects for secondary splays on the southern margin of the main structure. Detailed, mapping, geochemical sampling and geophysical evaluation is underway to assist targeting the first drill program planned for later this year.

Regional programs to assess the potential for base metals, gold, iron ore and uranium are also underway with interpretation of satellite Aster imagery.

Conference Call and Webcast

Ivernia invites you to join its second quarter 2010 conference call on Tuesday, August 17 at 10:00 am (ET). Participants may access the call by dialing: 1 866 831 5605 (Canada and USA) or +1 617 213 8851 (International). The participant passcode is: 98533848. The call will also be broadcast live on the internet at www.ivernia.com.

For those unable to participate in the conference call or webcast at the scheduled time, a telephone replay will be available until August 24, 2010 by dialing: 1 888 286 8010 (Canada and USA) or +1 617 801 6888 (International). The playback passcode is: 49127768.

A webcast replay will remain available on the investor relations section of the Company's website at www.ivernia.com.

Management's Discussion and Analysis and Consolidated Financial Statements

Ivernia's Financial Statements and Management's Discussion and Analysis for the quarter ended June 30, 2010 were filed today and are available on the Ivernia website at www.ivernia.com or SEDAR at www.sedar.com.

About Ivernia

Ivernia is an international base metals mining, exploration and development company. The Company is the sole owner and operator of the Magellan lead mine in Western Australia. At full production, Magellan is expected to be one of the top 10 lead producing mines in the world 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 release constitute forward-looking information within the meaning of securities laws. All statements included herein (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: 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 metal price volatility, lead carbonate concentrate treatment charges, exchange rates, regulatory proceeding and litigation, single mineral property, Mineral Resources and Ore 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. Additional factors and considerations are described in the Company's 2009 AIF under "Description of the Business of the Company – Doing Business in Australia" and elsewhere in this release and in other documents filed from time to time by Ivernia with Canadian securities regulatory authorities. While Ivernia considers these assumptions to be reasonable based on information currently available to it, 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. Undue importance should not be placed on forward-looking information nor should reliance be placed upon this information as of any other date. Except as required by law, while it may elect to, Ivernia is under no obligation and does not undertake to update this information at any particular time.

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