NEWS RELEASE

All Dollar Amounts are in U.S. Dollars ("US$") Unless Otherwise Indicated

IVERNIA REPORTS THIRD QUARTER 2012 FINANCIAL RESULTS

TORONTO, ONTARIO – November 13, 2012 – Ivernia Inc. (collectively with its subsidiaries "Ivernia" or the "Company") (TSX: IVW) today reported its third quarter 2012 financial results. The Company's lead mine (the "Mine") continued the planning process for a restart throughout the third quarter of 2012. As announced on October 11, 2012, plans are well advanced to restart operations in the second quarter of 2013.

The Company recorded net income after tax of $0.3 million or $0.00 per common share for the third quarter of 2012, compared to a net loss after tax of $10.8 million or $0.01 per common share for the same period last year.

THIRD QUARTER 2012 HIGHLIGHTS

Financial

- Gross loss of $1.1 million for the third quarter of 2012 including a $1.3 million reversal to the prior write-down to inventory net realizable value mainly as a consequence of the lead price increasing from $1,811 per tonne at June 30, 2012 to $2,300 per tonne at September 30, 2012.
- Net income after tax of $0.3 million for the third quarter of 2012. Net income after tax for the third quarter of 2012 includes a foreign exchange gain of $2.9 million. The foreign exchange gain was as a consequence of the A$ strengthening against the US$ in the third quarter of 2012 with the US$/A$ rate increasing from 1.0236 on June 30, 2012 to 1.0388 on September 30, 2012. Of this foreign exchange gain, approximately $1.4 million is related to unrealized gains on intercompany loans in the Company's Australian subsidiaries, denominated in US$ and C$. These intercompany loans are with wholly owned subsidiaries of the Company and are eliminated from the Statement of Financial Position on consolidation. The Company's Australian subsidiaries functional currency is A$ while Ivernia's reporting currency is US$.
- On October 17, 2012, Ivernia announced that Enirgi Group Corporation ("Enirgi Group"), the Company's majority shareholder, had approved the Company's request to extend the maturity date of the C$6 million secured loan facility with Enirgi Group (the "Facility") from June 28, 2013 to June 28, 2014.
- As at November 7, 2012, the Company had approximately $2.4 million in cash and had fully drawn down the C$6 million Facility to fund restart planning and other activities at the Mine. The Company expects to receive the release of A$5 million in cash from current restricted cash balances in November which will provide short term funding for restart activities but will be required to be replaced as restricted cash for shipping bonds prior to the restart of shipments.
- The Company will require additional financing to underwrite the restart of operations, in excess of current cash balances and the proceeds it will receive from the shipment of lead carbonate concentrate stockpiles at the Mine. The quantum of the total funding requirement cannot be finally estimated at this time and will be contingent on the actual net proceeds received from the sale of lead carbonate concentrate stockpiles, as well as expected general market conditions at the time, including but not limited to lead prices, foreign exchange and capital markets.
- Initial estimates indicate immediate start-up funding requirements in the range of approximately $15 to $20 million, which includes the replacement of A$5 million of restricted cash for shipping bonds. Ivernia continues to explore a number of financing options to meet these funding requirements and is aiming to complete a financing in December 2012 or January 2013. The Company is focused on completing a financing solution that minimizes equity dilution and is well progressed on discussions with parties on debt solutions.
- The Company holds approximately 10,100 tonnes of lead carbonate concentrate inventory with a carrying value of $8.3 million as of September 30, 2012.

Operational

- On July 27, 2012, the Company received the Operating Conditions for the Mine. The Operating Conditions replace and supersede the Interim Implementation Conditions which were issued on February 23, 2011 and previous Ministerial Conditions Statements 559 and 783. In general, the Operating Conditions preserve and, in some cases, enhance the already strict auditing, monitoring, management and reporting requirements previously imposed in the Interim Implementation Conditions, particularly in respect of product transportation.
- Plans are well advanced to restart operations at the Mine during the second quarter of 2013.
- During the fourth quarter of 2012, the Company will commence ordering long lead time items and consumables as well as commence required capital projects to restart sustainable operations.
- It is estimated that the Company will spend approximately $5 to $6 million on capital projects over the course of the next 9 months.
- Recruitment of key personnel is well progressed and the more general recruitment planning will continue in the fourth quarter of 2012 with the recruitment of remaining employees expected to occur in the first quarter of 2013.
- During the third quarter of 2012, the Company completed its internal planning process for a restart of operations in the second quarter of 2013, which includes critical path planning, capital expenditure requirements and the identification of key recruitment milestones. The plan was initiated at the end of the third quarter of 2012.
- The Chairman of Ivernia's principal Australian subsidiary has recommended to the Ivernia Board of Directors a proposal that day to day management for the Company's Australian operations (the "Management Services Proposal") should be provided by Enirgi Metal Group Pty Ltd. ("EMG") under a management services agreement, which once fully implemented, is expected to lead to direct cost savings in the range of approximately $3 million to $4 million per annum. Ivernia would retain full ownership of the Mine.
- Under the Management Services Proposal, EMG would take the leading role in managing the restart of operations at the Mine with full production levels targeted by the end of 2013.

FINANCIAL AND OPERATING HIGHLIGHTS

The following table is a summary of Ivernia's financial and operating highlights for the three months and six months ended September 30, 2012 and 2011.

(in thousands of United States dollars, unless otherwise indicated and per share amounts) (unaudited)	Three months ended September 30		Six months ended September 30	
	2012 **$**	2011 $	**2012** **$**	2011 $
Financial Highlights				
Revenue	**-**	(37)	**-**	11,272
Operating costs	**(1,111)**	(5,165)	**(6,173)**	(31,176)
Gross loss	**(1,111)**	(5,202)	**(6,173)**	(19,904)
General and administrative	**(2,172)**	(2,245)	**(7,508)**	(7,183)
Severance costs	**-**	-	**-**	(1,127)
Write off of exploration expenditure	**(5)**	-	**(3,431)**	-
Share based compensation	**(212)**	(315)	**(624)**	(351)
Foreign exchange	**2,931**	(21,732)	**2,839**	(11,598)
Other income (expenses)	**-**	(14)	**-**	371
Net interest income (expense)	**52**	166	**255**	457
Accretion	**(129)**	(160)	**(386)**	(526)
	465	(24,300)	**(8,855)**	19,957
Loss before tax	**(646)**	(29,502)	**(15,028)**	(39,861)
Deferred income tax recovery	**956**	7,554	**4,185**	10,359
Net loss	**310**	(21,948)	**(10,843)**	(29,502)
Unrealized loss on investments	**(11)**	(4)	**(47)**	(77)
Foreign currency translation differences	**(1,227)**	8,556	**(1,022)**	5,533
Comprehensive loss	**(928)**	(13,396)	**(11,912)**	(24,046)
Basic and fully diluted loss per share(2)	**0.00**	(0.03)	**(0.01)**	(0.05)
Weighted average shares outstanding – thousands	**745,131**	675,745	**745,131**	622,848
Cash used in operations before changes in non-cash working capital	**(4,817)**	(7,661)	**(14,419)**	(23,490)
Cash flow used in operating activities	**(4,969)**	(8,711)	**(14,662)**	(32,866)
Operating Highlights				
Ore milled – (000's tonnes)	**–**	-	**–**	161
Average head grade – (% lead)	**–**	N/A	**–**	6.9%
Recovery – (%)	**–**	N/A	**–**	73%
Concentrate produced – (000's dry tonnes)	**–**	-	**–**	12.7
Concentrate sold – (000's dry tonnes) (1)	**–**	-	**–**	7.6
Lead metal in concentrate produced – (000's tonnes)	**–**	-	**–**	8.1
Lead metal in concentrate sold – (000's tonnes) (1)	**–**	-	**–**	4.9
Concentrate inventory – (000's of dry tonnes)	**10.1**	10.1	**10.1**	10.1
Average lead price – LME cash settlement– ($ per pound)	**0.90**	1.12	**0.91**	1.15
Ivernia's average lead sale price – ($ per pound)	**–**	-	**–**	1.13
Cash cost per pound sold – ($ per pound)(3)	**N/A**	N/A	**N/A**	N/A

(1) Ivernia restarted operations at the Mine in late February, 2010. A ramp-up of operations took place throughout 2010. On April 5, 2011, the Company voluntarily ceased transportation and operations as a result of the detection of lead bearing mud on one of its shipping containers. With the uncertainty surrounding these results and what was the third transportation disruption since December 31, 2010 the decision was made to undertake a comprehensive review of its business practices before the recommencement of transportation would resume. As such, the Mine's workforce commenced an orderly shutdown of operations and the Mine was placed on full care and maintenance in April 2011. The operations remain on care and maintenance as at November 13, 2012.

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

(3) Cash cost per pound sold is a non-IFRS measure. Cash cost of lead sold is not currently meaningful as the Mine worked through the issues surrounding transportation and then care and maintenance during 2011 and 2012. Upon the restart of operations and once the Mine achieves steady state production run rates information about the cash cost of lead sold will be reintroduced.

OPERATIONS REVIEW

Ivernia restarted operations at the Mine in late February, 2010. A ramp-up of operations took place throughout 2010. On December 31, 2010, a stop order was received from the Acting Minister for Environment of Western Australia (the “Stop Order”) relating to the transport of lead carbonate concentrate from the Mine. Transportation operations from the Mine were immediately halted upon receipt of the Stop Order. The Stop Order was replaced by a subsequent order issued on January 3, 2011, from the Minister (the “Order”) with respect to cessation of transportation of lead carbonate concentrate. Mining and processing operations, were stopped commencing January 5, 2011 until February 23, 2011 when the Minister announced the lifting of the Order. Following the lifting of the Order, the Company commenced a ramp up of operations. In April 2011, the Company announced that it was voluntarily placing the operations on care and maintenance following the detection of a small amount of lead bearing mud on the outside of a small number of shipping containers.

The operations remained on care and maintenance in the third quarter of 2012. Consequently, there was no production or sales of lead carbonate concentrate in the third quarter of 2012. At the time that the transport operations were stopped in April 2011, there were approximately 10,100 tonnes of lead concentrate on site at an estimated average concentrate grade of 64% lead, containing approximately 6,450 tonnes of lead. This concentrate remains stored in sealed bags and protected from the weather. Prior to the recommencement of any shipping operations, the cleanliness and integrity of all bags will be verified.

Principal activities during the third quarter of 2012 focused on discussions and other exchanges with the Western Australian government and regulators in relation to finalizing the issuance of the Operating Conditions for the Mine and the implementation of the initial steps required to move towards a restart of operations in the second quarter of 2013.

On July 27, 2012, the Company received the Operating Conditions from the Minister which, in general were consistent with the draft recommended conditions (“Draft Recommended Conditions”) for the Mine that were released by the Environmental Protection Authority of Western Australia (“EPA”). The Operating Conditions replace and supersede the Interim Implementation Conditions, which were issued on February 23, 2011 and the previous Ministerial Statements 559 and 783. See “New Operating Conditions” below.

A full discussion of the events for the three year period to March 29, 2012, is contained in the 2011 AIF under the heading “Three-Year History - Operations”, and is incorporated herein by reference. The 2011 AIF is available on the Ivernia web site at www.ivernia.com and on SEDAR at www.sedar.com.

New Operating Conditions

On July 27, 2012, the Company received Ministerial Statement 905 which contains the Operating Conditions. The Operating Conditions replace and supersede the Interim Implementation Conditions which were issued on February 23, 2011 and previous Ministerial Statements 559 and 783.

Pursuant to the Operating Conditions, the Company can ship lead carbonate concentrate through the Port of Fremantle for only five years from the date of issuance of the Operating Conditions. The Company is strongly committed throughout this five year period to demonstrating that containerized shipping of the Company’s product is both safe and appropriate. As with its other regulatory compliance and approval processes, including maintaining current operating licences and permits and obtaining approvals to significantly expand or alter the Mine’s operations, the Company will need to demonstrate its sound environmental performance to maintain current licenses and permits or obtain approvals for new licenses or renewals for existing licenses. See “Risk Factors – Regulatory Compliance and Approvals” in the 2011 AIF.

In addition, the Operating Conditions require that certain actions be undertaken by the Company prior to the re-commencement of transportation of any lead carbonate concentrate from the mine site. In particular, prior to the re-commencement of transportation of shipping containers containing lead carbonate concentrate, the Company must:

- carry out a risk assessment ("Environmental Risk Assessment") of all key aspects of the operations regarding the potential pathways for lead carbonate concentrate contamination and report on such findings to the Chief Executive Officer ("CEO") of the of the Office of the EPA ("OEPA");
- prepare and submit to the CEO of the OEPA for approval (and on advice of the Department of Mines and Petroleum ("DMP") of Western Australia), an environmental management program ("EMP") which among other things, must document standards, guidelines and codes of practice relating to management of lead carbonate concentrate and detail procedures relating to mining, processing, storing, packaging and transport of lead carbonate concentrate;
- engage a third party expert approved by the CEO of the OEPA to carry out an evaluation of the sampling methodology and analysis methodology ("Sampling Evaluation") for all water, dust, air, soil, drainage sump and benthic sediment sampling. The Company must also demonstrate that the recommendations in the third party evaluation have been implemented or provide the reasons why the recommendations cannot be implemented to the CEO of the OEPA prior to removing shipping containers containing lead carbonate concentrate from the mine site; and
- engage the services of an independent inspector approved by the CEO of the OEPA to, among other things, visually inspect all sealed bags containing lead carbonate concentrate and establish and document the detailed roles and responsibilities of the inspector to the satisfaction of the CEO of the OEPA, in consultation with the Department of Environment and Conservation (the "DEC") and DMP ("Inspector Report").

The Company is well progressed on completing the EMP, Sampling Evaluation, Inspector Report and Environmental Risk Assessment and expects to have these matters submitted to the CEO of the OEPA by early in the first quarter of 2013.

The Operating Conditions also require that shipping containers be free of all visible mud potentially containing lead carbonate concentrate prior to being removed from the mine site and prior to being loaded onto trains at the Leonora rail yard. The Company expects to complete the design of a significant hardstanding area in the fourth quarter of 2012 and complete construction in the first quarter of 2013, to store containers in mud free locations and to upgrade its facilities to wash and inspect containers prior to their removal from the mine site. The Company is working with the owners of the Leonora rail yard to define improvements and changes to the operation of the facility to reduce the exposure of containers to mud and to ensure that containers are inspected prior to being loaded onto the rail wagons.

The Operating Conditions also require that the Mine provide to the CEO of the OEPA, by January 31, 2013, a report detailing options for downstream processing of lead carbonate concentrate that, among other things, details the available options against best environmental practice (the "Downstream Processing Report"). The Downstream Processing Report must be peer reviewed by an independent expert acceptable to the CEO of the OEPA. In 2011, the Company commissioned and received a process selection study from an independent third party engineering firm. In January 2012, the Company delivered its preliminary findings to the OEPA and the Minister. The findings are preliminary as they require further studying of the environmental impact of a downstream processing facility by the Company. The preliminary findings of such study were that at current lead prices and exchanges rates, downstream processing of lead produced from the Mine remains uneconomic. The Company anticipates that the current study will form the basis for the Downstream Processing Report, however, further work is required to study the environmental impacts of a facility as required by the Operating Conditions.

Mine Update and Restart Planning

During the current care and maintenance period, the mine and processing plant have been maintained in a state of readiness for a restart of operations and on the basis of minimizing the amount of time required for a ramp-up of operations to full production levels. All process vessels have been drained, flushed and inspected with minor repairs conducted and the process vessels then refilled with water to prevent corrosion. All major equipment including mills, motors, pumps and agitators are operated on a routine basis to ensure that they are in good working order. The power supply has been rationalized in line with reduced power requirements. At the start of the care and maintenance period, all haul roads were secured. Access to the open pits has been limited to authorised personnel and regular inspections indicate that the pits have remained in geotechnically stable condition throughout the care and maintenance period.

During the third quarter of 2012, the Company completed its internal planning process for a planned restart of operations in the second quarter of 2013, which includes critical path planning, capital expenditure requirements and the identification of key recruitment milestones. The plan was initiated at the end of the third quarter of 2012.

A successful restart will be dependent on ensuring key personnel are in place. The care and maintenance team was carefully selected to ensure core skills were retained to allow for an efficient restart and the care and maintenance personnel are expected to fill key managerial, supervisory and staff roles in processing, maintenance, OHS&E, contracts, HR, finance and logistics. A restructured organization chart has been designed to meet the increased compliance and assurance programs upon a restart. Recruitment of key personnel is well progressed and the more general recruitment planning will continue in the fourth quarter of 2012 with the recruitment of remaining employees expected to occur in the first quarter of 2013.

During the fourth quarter of 2012, the Company will continue the recruitment of key personnel and continue to implement the detailed restart planning required to restart operations. The Company is well progressed to commence operations in the second quarter of 2013.

The Chairman of Ivernia's principal Australia subsidiary has recommended to the Ivernia Board of Directors the Management Services Proposal. Under the Management Services Proposal, Enirgi Group would assume responsibility for Ivernia's leased office space in Toronto and for employing Ivernia's officers. Ivernia would reimburse Enirgi Group the pro rated costs for the officers' salaries and applicable expenditures incurred on its behalf. In addition, the day to day management for the Mine is proposed to be provided by EMG. Under the Management Services Proposal Ivernia would retain full ownership of the Mine.

EMG is the largest secondary lead smelting group in Australia with its two secondary lead smelters in Eastern Australia and has a wealth of knowledge and experience in the lead industry.

Under the Management Services Proposal, EMG expects to deliver increased technical and operating experience, executive management and economies of scale from being part of a larger group. The restructuring of operations under EMG management is expected to deliver significant cost savings. Management estimates that this restructuring, once fully implemented will lead to direct cost savings in the range of approximately $3 million to $4 million per annum, predominately from the benefit of shared resources and the elimination of duplicated functions and will provide further significant indirect value that cannot be financially measured at this time.

Under the Management Services Proposal, EMG would take the leading role in managing the restart of operations, with a restart of operations planned in stages during the second quarter of 2013 with full production targeted by year end. While the Company anticipates finalizing the Management Services Proposal in the fourth quarter of 2012 with Enirgi Group, it remains subject to the negotiation of definitive agreements, Ivernia Board approval and the receipt of any other required approvals.

Capital Resources and Working Capital Requirements

As at November 7, 2012 the Company had approximately $2.4 million in cash to fund restart planning activities and any costs associated with the restart of the Mine. The Company expects to receive the release of A$5 million in cash from current restricted cash balances in November which will provide short term funding for restart activities but will be required to be replaced as restricted cash for shipping bonds prior to the restart of shipments. The Company expects to continue to have negative cash flows until the Company has restarted the Mine and has positive cashflow from operations. Plans are well advanced to restart operations during the second quarter of 2013. It is estimated that the Company will spend approximately $5 to $6 million on capital projects over the course of the next nine months. Recruitment of key personnel is well progressed and the more general recruitment planning will continue in the fourth quarter of 2012 with the recruitment of remaining employees expected to occur in the first quarter of 2013.

The Company will require additional financing to underwrite the restart in excess of current cash balances and the proceeds it will receive from the shipment of lead carbonate concentrate stockpiles at the mine site. The quantum of the total funding requirement cannot be finally estimated at this time and will be contingent on the actual net proceeds received from the sale of lead carbonate concentrate stockpiles as well as expected general market conditions at the time, including but not limited to lead prices, foreign exchange and capital markets. However, initial estimates now indicate immediate start-up funding requirements in the range of approximately $15 to $20 million, which includes the replacement of A$5 million of restricted cash for shipping bonds. Ivernia continues to explore a number of financing options to meet these funding requirements and is aiming to complete a financing in December 2012 or January 2013. The Company is focused on completing a financing solution that minimizes equity dilution and is well progressed on discussions with parties on debt solutions.

Conference Call

Management will host a conference call to discuss the Company's results at 10:00 a.m. (Eastern Time) on Wednesday November 14, 2012. The call will be webcast live on the Ivernia website at www.ivernia.com.

Dial-in information for the call is as follows:

Phone: 1 866 202 4367 (Canada and USA) or +1 617 213 8845 (International)
* Participant passcode is 60990070

For those unable to participate in the conference call or webcast at the scheduled time, a telephone replay will be available until November 21, 2012 by dialing:

Phone: 1 888 286 8010 (Canada and USA) or +1 617 801 6888 (International)
* The playback passcode is: 99917929

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

Management's Discussion and Analysis and Consolidated Financial Statements

Ivernia's unaudited financial statements and management's discussion and analysis for the three months and nine months ended September 30, 2012 were filed today and will be available on the Ivernia website at www.ivernia.com or SEDAR at www.sedar.com.

About Ivernia

Ivernia is an international base metal mining company which, through its wholly-owned subsidiary, Rosslyn Hill Mining Pty Ltd. (formerly called Magellan Metals Pty Ltd.), is the sole owner and operator of the Paroo Station lead mine (formerly called the Magellan Mine) (the "Mine") in Western Australia, which is the Company's principal asset.

Ivernia trades under the symbol "IVW" on the Toronto Stock Exchange. Additional information on Ivernia is available on the Company's website at www.ivernia.com and at SEDAR at www.sedar.com.

For further information please contact:

Ivernia Inc.
Brent Omland
Vice President, Finance & Chief Financial Officer
Suite 3303, 130 Adelaide Street West
Toronto, Ontario M5H 3P5
(416) 867-9298
Email: investor@ivernia.ca

Forward-Looking Statements

Certain statements contained in this news 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: the Ivernia Board's approval, the execution of a definitive agreement and receipt of any other necessary approvals with respect to the Management Services Proposal with Enirgi Group, the direct and indirect cost savings from the Management Services Proposal from Enirgi Group, the decision to restart and timing of the restart of operations, the financing requirements to restart the Mine, the cost and timing for completion of capital projects prior to restart, the timing of any steps required under the Operating Conditions before the end of the suspension of the Company's transportation of lead carbonate from the Mine, the Company's ability to comply with the new Operating Conditions, the duration of the period of care and maintenance commenced in April 2011 and the commencement of transportation of lead carbonate concentrate from the Mine, future targets and estimates for production, capital expenditures, operating costs, cash costs, mineral resources, mineral reserves, life of mine, 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, lead market outlook 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, the duration of the suspension of the Company's transportation of lead carbonate from the Mine, the duration of the period of care and maintenance commenced in April 2011, the timing, need and ability to raise additional financing, risks relating to the operations being placed on care and maintenance, matters relating the restart of mining and milling operations, matters relating to ramping up mining and milling throughput and operations, regulatory compliance and approvals, metal price volatility, lead carbonate concentrate treatment charges, exchange rates, regulatory proceedings and litigation, the fact that the Company has a single mineral property, resources and reserves, health and safety, environmental factors, mining risks, metallurgy, labour and employment regulations, government regulations, insurance, dependence on key personnel, constraints on cash flow, the nature of mineral exploration and development, matters relating generally to the transportation of lead carbonate, presence of a majority shareholder, matters related to public opinion, matters related to the Esperance settlement and shipments through the Port of Fremantle, and common share price volatility and the dilution of the Company's common shares. Additional factors and considerations are discussed in the Company's 2011 AIF under "Description of the Business of the Company – Risk Factors" and elsewhere in 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.

IVERNIA INC.
CONDENSED INTERIM CONSOLIDATED STATEMENT OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

		Three months ended September 30		Nine months ended September 30	
(in thousands of United States dollars, except per share amounts) (unaudited)	Note	**2012 $**	2011 $	**2012 $**	2011 $
Revenue	16	**–**	(37)	**–**	11,272
Operating costs	13	**(1,111)**	(5,165)	**(6,173)**	(31,176)
Gross loss		**(1,111)**	(5,202)	**(6,173)**	(19,904)
General and administrative	11(c), 13	**(2,384)**	(2,560)	**(8,132)**	(7,534)
Severance costs	13	**–**	–	**–**	(1,127)
Foreign exchange gain (loss)		**2,931**	(21,732)	**2,839**	(11,598)
Write off of exploration expenditures	7	**(5)**	–	**(3,431)**	–
Other (expenses) income	12(c)	**–**	(14)	**–**	371
Operating loss		**(569)**	(29,508)	**(14,897)**	(39,792)
Interest income	14	**89**	145	**290**	471
Interest expense	14	**(166)**	(139)	**(421)**	(540)
Loss before tax		**(646)**	(29,502)	**(15,028)**	(39,861)
Deferred tax recovery	15	**956**	7,554	**4,185**	10,359
Net income (loss)		**310**	(21,948)	**(10,843)**	(29,502)
Unrealized loss on investments, net of tax		**(11)**	(4)	**(47)**	(77)
Foreign currency translation differences, net of tax		**(1,227)**	8,556	**(1,022)**	5,533
Comprehensive loss		**(928)**	(13,396)	**(11,912)**	(24,046)
Basic earnings (loss) per share		**0.00**	(0.03)	**(0.01)**	(0.05)
Diluted earnings (loss) per share		**0.00**	(0.03)	**(0.01)**	(0.05)
Weighted average shares outstanding (000's)		**745,131**	675,745	**745,131**	622,848

The corresponding notes form an integral part of these condensed interim consolidated financial statements.

IVERNIA INC.
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of United States dollars) (unaudited)	Note	**September 30, 2012** **$**	December 31, 2011 $
ASSETS			
Current assets			
Cash and cash equivalents	4(a)	**2,772**	11,839
Accounts receivable and other current assets	5	**558**	1,067
Inventory	6,9	**14,674**	8,053
Available-for-sale investments	12(a)	**71**	118
		18,075	21,077
Non−current assets			
Inventory	6	**–**	6,277
Property, plant and equipment	7	**111,453**	113,448
Restricted cash and cash equivalents	4(b)	**9,175**	9,053
Deferred tax assets	15	**67,985**	63,018
		206,688	212,873
LIABILITIES			
Current liabilities			
Accounts payable and other current liabilities	8(a)	**3,124**	4,480
Current portion of non-current liabilities	8(b)	**1,387**	790
Secured facility	9	**4,099**	–
Current portion of decommissioning liability	10	**144**	129
		8,754	5,399
Non−current liabilities			
Non−current liabilities	8(b)	**3,509**	3,103
Decommissioning liability	10	**14,219**	13,661
Deferred tax liabilities	15	**10,656**	9,872
		37,138	32,035
SHAREHOLDERS' EQUITY			
Share capital	11(b)	**329,955**	329,955
Accumulated other comprehensive income		**5**	52
Contributed surplus		**11,484**	10,860
Cumulative translation adjustments		**(10,633)**	(9,611)
Retained deficit		**(161,261)**	(150,418)
		169,550	180,838
		206,688	212,873

The corresponding Notes form an integral part of these consolidated interim financial statements.
General Information and Going Concern (Note 1)
Commitments and contingent liabilities (Note 22)

IVERNIA INC.
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in thousands of United States dollars) (unaudited)	Share capital $	Equity component of convertible instruments $	Accumulated other comprehensive income $	Contributed surplus $	Cumulative translation adjustment $	Retained deficit $	Total $
Balance, January 1, 2012	329,955	–	52	10,860	(9,611)	(150,418)	180,838
Net loss for the period	–	–	–	–	–	(10,843)	(10,843)
Foreign currency translation differences – foreign operations	–	–	–	–	(1,022)	–	(1,022)
Net change in fair value of available-for-sale financial assets	–	–	(47)	–	–	–	(47)
Total other comprehensive loss	–	–	(47)	–	(1,022)	(10,843)	(11,912)
Net proceeds on issuance of shares (Note 11(b))	–	–	–	–	–	–	–
Share based compensation:							
expense (Note 11(c))	–	–	–	624	–	–	624
Balance, September 30, 2012	329,955	–	5	11,484	(10,633)	(161,261)	169,550

(in thousands of United States dollars) (unaudited)	Share capital $	Equity component of convertible instruments $	Accumulated other comprehensive income $	Contributed surplus $	Cumulative translation adjustment $	Retained deficit $	Total $
Balance, January 1, 2011	287,581	–	129	10,037	(10,333)	(141,858)	145,556
Net loss for the period	–	–	–	–	–	(29,502)	(29,502)
Foreign currency translation differences – foreign operations	–	–	–	–	5,533	–	5,533
Net change in fair value of available-for-sale financial assets	–	–	(77)	–	–	–	(77)
Total other comprehensive loss	–	–	(77)	–	5,533	(29,502)	(24,046)
Net proceeds on issuance of shares (Note 11(b))	36,572	–	–	–	–	–	36,572
Share based compensation:							
Proceeds from exercise	23	–	–	(3)	–	–	20
expense (note 11(c))	–	–	–	351	–	–	351
Balance, September 30, 2011	324,176	–	52	10,072	(4,800)	(171,360)	158,453

The corresponding Notes form an integral part of these consolidated interim financial statements.

IVERNIA INC.
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Three months ended September 30		Nine months ended September 30	
	2012	**2011**	**2012**	**2011**
(in thousands of United States dollars) (unaudited)	**$**	$	**$**	$
CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES				
Net (loss) income for the period	**310**	(21,948)	**(10,843)**	(29,502)
Non-cash items:				
Depreciation	**185**	191	**556**	1,448
Stock-based compensation	**212**	315	**624**	351
Deferred income tax	**(956)**	(7,554)	**(4,185)**	(10,359)
Inventory writedown (recovery)	**(1,268)**	2,015	**(948)**	2,015
Write off of exploration expenses	**5**	(8,556)	**3,431**	(5,533)
Foreign exchange and other	**(3,305)**	27,876	**(3,054)**	18,091
Change in reclamation provision	–	–	**–**	(1)
Changes in non-cash working capital:				
Accounts receivable and other current assets	**154**	1,991	**509**	7,879
Net forward contracts marked to market	**–**	165	**–**	(3)
Inventory	**(199)**	1,434	**(181)**	(878)
Accounts payable and other current liabilities	**(107)**	(4,640)	**(571)**	(16,374)
	(4,969)	(8,711)	**(14,662)**	(32,866)
INVESTING ACTIVITIES				
Additions to property, plant and equipment	**(38)**	(825)	**(299)**	(3,250)
Change in restricted cash	**–**	–	**–**	(19)
	(38)	(825)	**(299)**	(3,269)
FINANCING ACTIVITIES				
Net cash proceeds on issue of shares	**–**	16	**–**	36,595
Increase in secured facility	**4,099**	–	**4,099**	–
Increase (decrease) in long-term liabilities	**(168)**	(322)	**1,003**	(3,759)
	3,931	(306)	**5,102**	32,836
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCY	**468**	559	**792**	(575)
NET DECREASE IN CASH	**(608)**	(9,283)	**(9,067)**	(3,874)
CASH – BEGINNING OF PERIOD	**3,380**	19,837	**11,839**	14,428
CASH – END OF PERIOD	**2,772**	10,554	**2,772**	10,554

The corresponding notes form an integral part of these condensed interim consolidated financial statements.

1. GENERAL INFORMATION AND GOING CONCERN

Ivernia Inc. and its subsidiaries (together with its subsidiaries referred to as (”Ivernia” or the “Company”) is an international base metal mining company, which, through its wholly-owned subsidiary, Rosslyn Hill Mining Pty Ltd. (“Rosslyn” - formerly known as Magellan Metals Pty Ltd.) is the sole owner and operator of the Paroo Station lead mine (the “Mine”) in Western Australia (formerly known as the Magellan Mine). The Company mines lead carbonate and produces lead carbonate concentrate, which is then sold to customers overseas. Ivernia is incorporated and domiciled in Canada. The address of its registered office is 130 Adelaide Street West, Suite 3303, Toronto, Ontario M5H 3P5.

Enirgi Group Corporation (“Enirgi Group”) and its affiliates hold 58.90% of the issued and outstanding shares of Ivernia. Enirgi Group is 100% held by The Sentient Group of Global Resource Funds (together with its affiliates, collectively referred to as “Sentient”), the ultimate controlling parent of Ivernia.

The Company’s major subsidiaries are: Rosslyn; Ivernia Australia Pty Ltd.; Ivernia Australia Exploration Pty Ltd.; Resource Finance One Ltd.; Resource Finance Two Ltd.; Ivernia Australian Holdings Ltd.; Ivernia (Barbados) Ltd.; and Redback Pipelines Pty Ltd.

On April 5, 2011, the Company voluntarily ceased operations as result of the detection of lead bearing mud on one of its shipping containers. With the uncertainty surrounding these results and what would be the third transportation disruption since December 31, 2010, the decision was made to undertake an end-to-end review of its risk management and compliance systems before the recommencement of transportation would resume. As such, the Mine’s workforce commenced an orderly shutdown of operations and the Mine was placed on full care and maintenance in April 2011.

On July 27, 2012, the Company received Ministerial Statement 905, which contains the majority of the Company’s new transportation and operating conditions for the Mine (the “Operating Conditions”). The Operating Conditions are dated July 26, 2012 replace and supersede the interim implementation conditions which were issued on February 23, 2011. The Company anticipates commencing operations and shipments in the second quarter of 2013.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future. Different basis of measurement may be appropriate when a company is not expected to continue operations for the foreseeable future.

For the quarter ended September 30, 2012, the Company reported net income of $0.3 million and an accumulated deficit of $161.3 million. The Company’s historical sources of funding have been the issuance of equity and debt securities for cash. In 2011, the Company issued 215.6 million common shares in three separate private placement financings for total net proceeds of C$42.0 million of which 213.8 million of those common shares were issued to Enirgi Group. In 2012, the Company completed a C$6 million debt facility described in more detail below (see note 9). The Company’s cash balance at September 30, 2012 was $2.8 million and it has no sources of operating cash flows until it either sells its lead carbonate concentrate inventory or the Mine is in operation again.

On an ongoing basis, the Company examines various financing alternatives to address future funding requirements. The Company’s ability to continue as a going concern is dependent on the Company raising additional funds. On March 29, 2012, the Company received a comfort letter from Sentient Executive GP IV, Limited confirming its commitment to provide funding to Enirgi Group, to allow Enirgi Group, in turn, to provide financing to Ivernia up to an aggregate of $10 million, if, as and when needed, during the period ending March 31, 2013 (the "Enirgi Commitment").

On June 29, 2012, pursuant to the Enirgi Commitment, the Company announced it had closed a C$6 million (the "Principal Sum") secured loan facility (the "Facility") for a term of one year ("Maturity Date"). On October 17, 2012, the Company announced the expiry date of the Facility had been extended by one year to June 28, 2014 (the "Final Maturity Date"). Any interest accrued as of the Maturity Date will be payable on that date with remaining accrued interest payable in arrears upon the earlier of the pre-payment of principal or the Final Maturity Date. See note 23.

The Company will require additional financing to underwrite the restart of operations at the Mine, in excess of current cash balances, the remaining Facility and the proceeds it will receive from the shipment of lead carbonate concentrate stockpiles at the Mine. The quantum of the total funding requirement cannot be finally estimated at this time and will be contingent on the actual net proceeds received from the sale of lead carbonate concentrate stockpiles, as well as expected general market conditions at the time, including but not limited to lead prices, foreign exchange and capital markets. Ivernia continues to explore a number of financing options to meet these funding requirements including a combination of debt and equity. If the Company was unable to secure this additional financing, the Company may be unable to restart the Mine which, in turn, could affect its future ability to continue as a going concern. Notwithstanding the Facility currently in place and that the Company has been successful in the past in securing financing; there can be no assurance that the steps management is taking will be successful.

These material uncertainties may lend significant doubt as to the Company's ability to continue as a going concern and accordingly, the ultimate use of accounting principles applicable to a going concern. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary should the going concern assumption be inappropriate, and those adjustments could be material.

2. BASIS OF PREPARATION AND ADOPTION OF IFRS

These interim consolidated financial statements have been prepared in accordance with international Accounting Standard 34 Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). The unaudited condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2011, which have been prepared in accordance with IFRS as issued by the IASB.

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. In management's opinion, all adjustments considered necessary for fair presentation have been included in these financial statements. Interim results are not necessarily indicative of the results expected for the financial year. Actual annual results may differ from interim estimates.

The Audit Committee of the Board of Directors approved the statements on November 13, 2012.

3. SIGNIFICANT ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATION UNCERTANTIES

(a) Summary of significant accounting policies and critical accounting judgements

These unaudited consolidated interim financial statements contain the same accounting policies and methods of computation as the annual financial statements for the year ended December 31, 2011 except where as noted and should be read in conjunction with the annual financial statements for the year ended December 31, 2011.

4. CASH

(a) Cash and cash equivalents

Cash equivalents are comprised of highly liquid investments with a maturity of three months or less. The Company does not hold any asset-backed commercial paper. The cash and cash equivalents were comprised of the following:

(in thousands of United States dollars)	**September 30, 2012** **$**	December 31, 2011 $
Cash	**2,772**	11,839
	2,772	11,839

(b) Restricted cash and cash equivalents

As at September 30, 2012, the Company had restricted cash equivalents deposited with a financial institution of $9.2 million (December 31, 2011 − $9.1 million). Most of the restricted cash relates to unconditional performance bonds in favour of the State of Western Australia as security for the due and proper performance of the terms and conditions of the Company’s mining leases. All of the September 30, 2012 and December 31, 2011 balances are held in restricted cash equivalents.

5. ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

(in thousands of United States dollars)	**September 30, 2012** **$**	December 31, 2011 $
Accounts receivable	**452**	800
Prepaid expenses	**106**	267
	558	1,067
Less: Accounts receivable from related parties (Note 21)	**(146)**	(204)
Accounts receivable and other current assets from unrelated parties	**412**	863

6. INVENTORY

(in thousands of United States dollars)	**September 30, 2012** **$**	December 31, 2011 $
Concentrate – mine site and in transit	**8,281**	7,920
Medium and high grade ore stockpiles	**1,655**	−
Low grade ore stockpiles	**12**	−
Consumables and other	**4,726**	133
Total current inventory	**14,674**	8,053
Medium and high grade ore stockpiles	−	1,633
Low grade ore stockpiles	−	8
Consumables and other	−	4,636
Total long-term inventory	−	6,277
	14,674	14,330

The cost of inventories recognized as an expense and included in cost of sales during the third quarter of 2012 and nine months ended September 30, 2012 was nil (Third quarter of 2011 − nil) (nine months ended September 30, 2011 − $9.7 million).

Concentrate inventory is used as security for the Secured Facility. See Note 9.

During the third quarter of 2012, $1.3 million of inventory recovery was recorded due to the writeback of the previously written down net realizable value of concentrate and ore stockpile inventories. Inventory recovery for the first nine months of 2012 was $1.0 million. There was an inventory write-down of $2.0 million for the third quarter and first nine months of 2011.

Inventory that is not expected to be used within a year is classified as long-term.

7. PROPERTY, PLANT AND EQUIPMENT

(in thousands of United States dollars)	Plant and Equipment	Leaseholds	Office Equipment	Deferred Stripping	Work-in-progress	Develop. & Other	Total
At December 31, 2011							
Cost	70,989	102	1,526	14,991	5,858	44,988	138,454
Accumulated depreciation	(14,293)	(94)	(1,114)	(1,390)	–	(8,115)	(25,006)
Net book value	**56,696**	**8**	**412**	**13,601**	**5,858**	**36,873**	**113,448**

(in thousands of United States dollars)	Plant and Equipment	Leaseholds	Office Equipment	Deferred Stripping	Work-in-progress	Develop. & Other	Total
Nine months ended September 30, 2012							
Opening net book value	**56,696**	**8**	**412**	**13,601**	**5,858**	**36,873**	**113,448**
Additions	2	–	12	–	81	206	301
Depreciation	(450)	–	(106)	–	–	–	(556)
Transfer	–	–	4	–	(4)	–	–
Write off of assets	–	–	–	–	–	(3,431)	(3,431)
Exchange differences	763	(1)	9	183	95	642	1,691
Closing net book value	**57,011**	**7**	**331**	**13,784**	**6,030**	**34,290**	**111,453**

(in thousands of United States dollars)	Plant and Equipment	Leaseholds	Office Equipment	Deferred Stripping	Work-in-progress	Develop. & Other	Total
At September 30, 2012							
Cost	71,948	103	1,570	17,147	6,030	42,519	139,317
Accumulated depreciation	(14,937)	(96)	(1,239)	(3,363)	–	(8,229)	(27,864)
Net Book Value	**57,011**	**7**	**331**	**13,784**	**6,030**	**34,290**	**111,453**

Substantially all of the Company's property, plant and equipment are located in Australia.

As at September 30, 2012, none of the property, plant and equipment assets were pledged as security.

Included in operating costs for the nine months ended September 30, 2012, is $0.6 million (nine months ended September 30, 2011 – $1.7 million) for depreciation.

On June 12, 2012, Ivernia withdrew from the Prairie Downs base metals project near Newman in Western Australia (the "Prairie Downs Project"), $3.4 million in expenditures related to the Prairie Downs Project which were previously capitalized in development cost and other have been written off.

8. CURRENT AND LONG-TERM LIABILITIES

(a) Current liabilities

(in thousands of United States dollars)	**September 30, 2012** **$**	December 31, 2011 $
Accounts payable	**3,124**	4,480
Less: Accounts payable to related parties (Note 21)	**(57)**	(50)
Accounts payable and other current liabilities to unrelated parties	**3,067**	4,430

(b) Non-current liabilities

(in thousands of United States dollars)	September 30, 2012 $	December 31, 2011 $
Esperance settlement (Note 17(a))	**3,116**	3,075
Esperance community fund (Note 17(b))	**203**	299
Less current portion	**(203)**	(299)
Other	**1,577**	519
Less current portion	**(1,184)**	(491)
	3,509	3,103

Other non-current liabilities includes a $0.9 million amount (September 30, 2011 – nil) for compensation to a senior executive of the Company of which $0.6 million has been included in current amounts.

9. SECURED LOAN FACILITY

On June 29, 2012, pursuant to the Enirgi Commitment, the Company announced it had closed the Facility.

Under the terms of the Facility, Ivernia will have the right to draw down on the Facility up to the Principal Sum of C$6 million, if and as required, and to pre-pay at its option any outstanding amount of the Principal Sum with accrued interest. Amounts drawn down on the Facility will bear interest at an annual simple rate of 8.3%, with interest payable in arrears upon the earlier of the pre-payment of principal or the Maturity Date. Any outstanding principal and unpaid interest will be due and payable on the Maturity Date and no interest or fees will be charged on unused portions of the Facility.

The Facility is secured by a first priority perfected security interest granted by the Company over the stockpile of approximately 10,100 dry metric tonnes of lead carbonate concentrate held at the Mine. Subject to the payment of accrued and outstanding interest on the Maturity Date, the Company may request an extension of the Facility for an additional period of up to one year from the Maturity Date on the same terms. Any such extension will remain subject to Enirgi Group's approval, at its sole discretion.

Enirgi Group has a one-time right to purchase up to 5,000 dry metric tonnes of lead carbonate concentrate until December 31, 2013 at prevailing commercial market terms and conditions, at the time such right is exercised. The prevailing market terms are not to exceed the combined average treatment charge and average ocean freight cost per dry metric tonne for all concentrate shipped by the Company to third parties during 2013, with all other sales terms and conditions to be in accordance with ordinary commercial practice.

As at September 30, 2012, the Company had drawn down C$4.0 million under the Facility.

See Note 23.

(in thousands of United States dollars)	September 30, 2012 $	December 31, 2011 $
Principal outstanding	**4,066**	–
Interest accrued	**33**	–
	4,099	–

10. DECOMMISSIONING LIABILITIES

As at September 30, 2012, the decommissioning liabilities relating to the Company's asset retirement obligations were $14.4 million (December 31, 2011 − $13.8 million) of which $144,000 (December 31, 2011 − $129,000) is current.

Decommissioning liabilities are recorded at present value of estimated costs, assuming an adjusted nominal risk-free discount rate of 3.67% (December 31, 2011 – 3.67%), and an inflation rate of 3.10% (December 31, 2011 – 3.10%). The total undiscounted amount of estimated cash flows is A$14.3 million ($14.9 million) (December 31, 2011 – A$14.3 million ($14.7 million)). The accretion expense for the third quarter of 2012 was $0.1 million (Third quarter of 2011 − $0.2 million).

(in thousands of United States dollars)	2012 $
As at January 1	**13,790**
Changes in cash flow estimates	**–**
Foreign exchange movements and other	**187**
Payment	**–**
Accretion expense	**386**
Less current portion	**(144)**
As at September 30	**14,219**

11. SHARE CAPITAL

(a) Authorized share capital

Authorized share capital of the Company is comprised of an unlimited number of common shares and an unlimited number of preference shares issuable in one or more series.

(b) Issued and outstanding shares

Details of issued and outstanding shares are as follows:

	Number of common shares (000's)	Amount ($000's)
Outstanding as at September 30, 2012 and December 31, 2011	745,131	329,955

(c) Share based compensation

The Company has in place a share based compensation plan as amended on June 16, 2010 (the "Plan") under which certain directors, officers, employees and consultants may be granted options to purchase up to 10% of the issued and outstanding common shares, being 74,513,081 common shares as at September 30, 2012 (December 31, 2011 – 74,513,081 common shares). As at September 30, 2012, options to purchase 53,359,748 common shares (December 31, 2011 – 51,088,081 common shares) remain available for grant. The exercise price of each option may not be less than the market price of the common shares at the time the option is granted. An option may be for a term up to five years and may not be assigned under the Plan. Unless the board of directors or the board committee responsible for the Plan determine otherwise, one third of the options granted become exercisable at any time after the first anniversary date, one third at any time after the second anniversary date and the balance at any time after the third anniversary date.

	(000's)
Options outstanding December 31, 2011	23,425
Forfeited	(500)
Expired	(50)
Options outstanding March 31, 2012	22,875
Expired	(80)
Options outstanding June 30, 2012	22,795
Forfeited	(1,500)
Expired	(142)
Options outstanding September 30, 2012	21,153

The share based compensation for the third quarter of 2012 was $212,000 (third quarter 2011 − $315,000) and for the nine months ended September 30, 2012 was $624,000 (nine months ended September 30, 2011 - $351,000). The aggregate unexpensed fair value of options granted as at September 30, 2012, was $0.9 million (December 31, 2011 − $1.4 million).

12. FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities

The Company's financial assets consist of cash and cash equivalents, accounts receivable and other current assets, available-for-sale investments, restricted cash and cash equivalents and forward sales derivatives. The Company's financial liabilities consist of accounts payable and other current liabilities, forward purchase derivatives and non-current liabilities.

The cash and cash equivalents, restricted cash and cash equivalents and non-current liabilities are recorded at amortized cost. The Company estimates the cash and cash equivalents and restricted cash and cash equivalents have fair values which approximate their carrying values on September 30, 2012 and December 31, 2011.

The following tables illustrate the classification of the Company's financial instruments within the fair value hierarchy as at September 30, 2012 and December 31, 2011.

Financial assets and liabilities at fair value as at September 30, 2012

(in thousands of United States dollars)	Level 1 $	Level 2 $	Level 3 $	Total $
Available-for-sale investments[(1)]	71	–	–	71
	71	–	–	71

Financial assets and liabilities at fair value as at December 31, 2011

(in thousands of United States dollars)	Level 1 $	Level 2 $	Level 3 $	Total $
Available-for-sale investments[(1)]	118	–	–	118
	118	–	–	118

(1) These equity securities are traded in an active stock market.

The Company has investments designated as available for sale. The carrying value is marked to market based on the quoted value of the investments. Any gains or losses are included in other comprehensive loss.

(b) Financial risk factors

In the normal course of its operations, the Company is exposed to credit, currency, interest and commodity price risks. In order to manage these risks, the Company may enter into transactions which make use of off-balance sheet financial instruments. The Company does not acquire, hold or issue these instruments for trading purposes.

Credit risk

The Company's credit risk is primarily attributable to cash and cash equivalents, accounts receivable and other current assets and restricted cash and restricted cash equivalents. Cash and cash equivalents include cash and short-term deposits that have been invested with reputable financial institutions with an investment grade rating at the time of purchase. Financial instruments included in cash and cash equivalents, accounts receivable and other current assets consist mainly of receivables from unrelated parties, and security deposits. Financial instruments included in restricted cash and restricted cash equivalents include low interest restricted savings accounts. Management reviews credit risk by reviewing the ongoing credit rating of its financial institutions and through standard accounts receivable aging analysis. The credit risk concentration with respect to financial instruments in cash and cash equivalents, accounts receivable restricted cash and restricted cash equivalents is negligible due to the credit-worthiness of the financial institutions and debtors.

The Company's maximum exposure to credit risk at the statement of financial position date is as follows:

(in thousands of United States dollars)	**September 30, 2012** **$**	December 31, 2011 $
Cash and cash equivalents	**2,772**	11,839
Accounts receivable and other current assets	**558**	1,067
Investments available-for-sale	**71**	118
Restricted cash and restricted cash equivalents	**9,175**	9,053
	12,576	22,077

Liquidity risk

The Company manages its liquidity to ensure it will be able to meet current and expected liabilities when due. As of September 30, 2012, the Company had a cash balance of $2.8 million (December 31, 2011 – $11.8 million) to settle current liabilities of $8.8 million (December 31, 2011 − $5.4 million). See Note 1.

The contractual maturities of the Company's financial liabilities are as follows:

	September 30, 2012			December 31, 2011
(in thousands of United States dollars)	**Within 1 year** **$**	**1 to 4 years** **$**	**Total** **$**	Total $
Accounts payable and other current liabilities	**3,124**	**–**	**3,124**	4,480
Secured Facility	**4,099**	**–**	**4,099**	–
Non-current liabilities	**1,387**	**3,509**	**4,896**	3,893
	8,610	**3,509**	**12,119**	8,373

These amounts represent actual cash payments to be made on the due date of the liabilities.

Market risk

(i) Interest rate risk

The Company has cash balances and no variable interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by reputable financial institutions. The Company continuously monitors the investments and is satisfied with the credit rating of its banks.

(ii) Foreign currency risk

The Company's presentation currency is the United States dollar. The Company funds operating, capital and exploration expenditures through its wholly-owned subsidiary Magellan Metals. These costs are paid on a cash call basis using Australian dollars converted from its Canadian and US dollar bank accounts held in Canada. In addition, the Company funds administration costs related to its Toronto office in Canadian dollars from its Canadian dollar cash reserves.

The Company currently does not hedge its foreign exchange exposure. It is at management's discretion as to the amount and tenure of hedging that may be utilized to reduce the Company's foreign exchange exposure, within Board approved limits.

At the statement of financial position date, the following financial assets and liabilities were denominated in Canadian and Australian dollars:

	September 30, 2012		December 31, 2011	
(in thousands of United States dollars)	**A$**	**C$**	**A$**	C$
Cash and cash equivalents	**1,625**	**932**	394	11,224
Accounts receivable and other current assets	**375**	**183**	421	315
Investments available for sale	**71**	**–**	118	–
Restricted cash and cash equivalents	**9,175**	**–**	9,053	–
Accounts payable and other current liabilities	**2,207**	**917**	2,989	1,136
Non-current liabilities	**3,883**	**1,013**	3,893	–

(iii) Price risk

The Company is exposed to price risk with respect to commodity prices, including the price of lead and cost inputs.

In the long-term, the Company aims to provide metal price exposure to its shareholders. The Company may consider opportunities to create an element of greater certainty for future cash flow streams. If management considers hedging appropriate it may use call options, put options, futures, and forwards, within Board approved limits, to meet these objectives.

Sensitivity analysis

The Company has designated its cash and cash equivalents, accounts receivable and other current assets, restricted cash and cash equivalents, forward purchase and sales contracts and accounts payable and accrued liabilities and non-current liabilities as financial assets and liabilities at fair value through profit and loss. Investments are classified as available for sale and recorded at fair market value.

As at September 30, 2012 and December 31, 2011 the carrying value and fair market value of the Company's current financial assets and current financial liabilities are the same.

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve month period:

- The Company's investments are comprised of an $71,000 equity investment in a publicly traded company classified as available-for-sale. Sensitivity to a 10% change in the equity investment's current market price would affect comprehensive income (loss) by $7,100.
- The Company holds balances in Australian dollar and Canadian dollar currencies. A US$0.10/A$1 movement would affect net income (loss) before taxes and comprehensive income (loss) before

taxes by $15.7 million. A US$0.10/C$1 movement would affect net income (loss) before taxes and comprehensive income (loss) before taxes by $0.05 million. A C$0.10/A$1 movement would affect net income (loss) before taxes and comprehensive income (loss) before taxes by $5.4 million.

- Interest rate risk is negligible as the Company has no variable rate financial instruments.
- A decrease in lead prices of $300 per tonne will decrease net income (loss) by $0.5 million, whereas an increase in lead prices of $300 per tonne will increase net income (loss) by $0.2 million.

(c) Forward sales and purchase contracts

The Company is not currently selling lead carbonate concentrate; however, when selling lead carbonate concentrate, the Company enters into sales contracts with customers, whereas the price is settled at a future date typically the average monthly LME settlement price two to three months after shipment.

After shipment, the Company employs a pricing strategy that attempts to obtain cash flow certainty while meeting the average market price over the provisional pricing period by typically entering into forward lead sales contracts.

In some cases, the customer has the opportunity to set the price on all or a portion of the shipment based on prevailing market prices at any time prior to the quotational period. To ensure the Company is free to pursue its intended pricing strategy, the Company may enter into forward lead purchase contracts to offset the set price sales contracts.

Forward purchases and forward sales contracts of lead are recorded as derivatives and included in other income (expenses). A total of $nil realized settlements and unrealized fair value adjustments has been included in other income (expenses) for the third quarter of 2012 and the nine months ended September 30, 2012 (third quarter of 2011 – ($0.0) million) (nine months ended September 30, 2011 – $0.4 million).

13. EXPENSES BY NATURE

Included in operating costs are all costs incurred by the Company in relation to the sale of lead carbonate concentrate and operations at the Mine including cost of goods sold, treatment charges, transportation, royalties and other operating expenses, less net gas revenue, excluding amortization.

	Three months ended September 30		**Nine months ended September 30**	
(in thousands of United States dollars)	**2012 $**	2011 $	**2012 $**	2011 $
Mining	**195**	95	**367**	6,831
Processing	**490**	1,100	**1,018**	7,226
Power	**111**	4	**253**	1,131
Maintenance	**272**	441	**798**	2,169
Site administration	**1,260**	1,543	**3,668**	4,434
Product realization	**64**	300	**198**	5,604
Royalties	**6**	7	**19**	543
Depreciation	**185**	191	**556**	1,448
Severance	**-**	-	**-**	1,127
Stockpile movements and other	**(1,472)**	1,484	**(704)**	1,790
Toronto and Perth office	**2,172**	2,245	**7,508**	7,183
Share based compensation	**212**	315	**624**	351
	3,495	7,725	**14,305**	39,837

14. FINANCE COSTS

(in thousands of United States dollars)	Three months ended September 30		Nine months ended September 30	
	2012 **$**	2011 $	**2012** **$**	2011 $
Interest income	**(89)**	(145)	**(290)**	(471)
Interest expense	**37**	(21)	**35**	526
Accretion	**129**	160	**386**	13
	77	(6)	**131**	68

15. TAXES

During the third quarter of 2012 and the first nine months of 2012, the Company recovered $1.0 million and $4.2 million of income taxes respectively (recovery of $7.6 million and $10.4 million of income taxes for the third quarter of 2011 and the first nine months of 2011 respectively).

The Company paid nil cash taxes in the third quarter or first nine month ended 2012 and 2011.

16. SEGMENT REPORTING

As revenue is a function of prevailing market prices at any given point, the breakdown has been provided on the basis of physical sales volumes rather than actual revenue, as this is the most accurate depiction of the Company's sales profile.

The Company has the following breakdown of its revenue by segments:

Breakdown by Product Type	**% of Sales Volume by Product for the Three months ended September 30**		% of Sales Volume by Product for the Nine months ended September 30	
	2012	2011	**2012**	2011
Lead Carbonate Concentrate	**-**	-	**-**	100%
Total	**-**	-	**-**	100%

The Company's only operation is its Mine in Western Australia which produces one product which is a clean high grade lead carbonate concentrate for sale to primary and secondary smelters around the world.

Breakdown by Customer Location	**% of Sales Volume by Region for the Three months ended September 30**		% of Sales Volume by Region for the Nine months ended September 30	
	2012	2011	**2012**	2011
China	**-**	-	**-**	69%
Europe	**-**	-	**-**	31%
Total	**-**	-	**-**	100%

(All dollar amounts are expressed in United States dollars, except as otherwise indicated) (unaudited)

Breakdown by Major Customer	**% of Sales Volume by Product for the Three months ended September 30**		% of Sales Volume by Product for the Nine months ended September 30	
	2012	2011	**2012**	2011
Major Customer A	**-**	-	**-**	26%
Major Customer B	**-**	-	**-**	43%
Major Customer C	**-**	-	**-**	27%
Other Customers	**-**	-	**-**	4%
Total	**-**	-	**-**	100%

The Company's sales mix fluctuates from year to year and is comprised of both spot and annual frame contracts. There were no sales during the first nine months of 2012. The sales mix for the third quarter of 2011 and first nine months of 2011 was especially concentrated amongst a smaller amount of customers due to the disruption of operations at the Mine during 2011. See Note 18.

17. ESPERANCE SETTLEMENT

(a) Esperance contribution agreement

The Company has agreed with the State of Western Australia (the "State") and the Esperance Port Authority ("EsPA") to make a financial contribution toward the resolution of outstanding lead issues at Esperance.

The agreement, dated December 23, 2008 (the "Esperance Agreement"), provides for a financial contribution by the Company of A$9 million toward comprehensive clean-up activities at the Port and within the town. The agreement has been formally approved and signed by the State, EsPA, Magellan Metals and Ivernia and mutually releases the parties from claims against each other in respect of lead pollution in and around the Port and town of Esperance.

The clean-up activities to be undertaken by the State and EsPA include testing rainwater tanks and ceiling voids, and clean-up where lead is present; plus demolition and disposal of the existing lead shed and clean-up within the Port and surrounding area.

After the clean-up had been completed in accordance with the terms of the Esperance Agreement, a validation report was issued by a qualified third party consultant. The Company's contribution comprises three equal payments of A$3 million on December 31, 2009, December 31, 2010 and the later of June 30, 2011 or the date on which the validation report was issued, whichever is later, subject to the Company achieving set cumulative earnings targets beginning January 1, 2009. The cumulative earnings targets are A$6 million, A$12 million and A$18 million respectively by the three repayment dates. In the event that such earnings targets before interest, taxation, depreciation, amortization, historic production costs and unrealized foreign exchange gains and losses have not been met by the respective due dates, then the payment dates will be extended until such targets are met.

The State or EsPA have retained the right to seek to claim from the Company a future contribution to seabed remediation in the harbour adjacent to the port area to remove lead carbonate concentrate should this work be required in the future. the Company's maximum exposure to such a claim is A$3 million; however the Company may defend such a claim as it sees fit.

The Company made the first A$3 million payment in the first quarter of 2010 after achieving the first A$6 million cumulative earnings target and the second A$3 million payment in the first quarter of 2011 after achieving the A$12 million cumulative earnings target. As a result of the Mine being in care and maintenance since April 2011, the Company has neither reached the third earnings target nor made the third and final payment to the State. With the Company having satisfied the condition to pay A$6 million of the total contribution prior to June 30, 2012, the provision in the Esperance Agreement that it will automatically terminate on such date is no longer of force and effect.

(b) Esperance community fund

In 2009, the Company committed to an A$1 million fund for community-based projects in Esperance to be funded over a three year period ending December 31, 2011. This fund, to be administered by the Shire of Esperance, is not part of the agreement with the State and will be jointly dispersed by the Company and the Shire. A total of A$0.2 million (December 31, 2011—A$0.3 million) remains to be paid as at September 30, 2012.

18. CARE AND MAINTENANCE AT THE MINE

In April 2011, management made the decision to place the mine on care and maintenance and undertake an end-to-end review of the Company's risk management and compliance practices before the recommencement of transportation and operations would resume.

The Mine remains on care and maintenance as at September 30, 2012.

19. COMPENSATION OF KEY MANAGEMENT

	Three months ended September 30		**Nine months ended September 30**	
(in thousands of United States dollars)	**2012** **$**	2011 $	**2012** **$**	2011 $
Salaries and short-term employee benefits	**908**	515	**2,025**	2,012
Post-employment benefits	**108**	52	**221**	187
Other long-term employee benefits	**12**	10	**42**	24
Share-based payments	**156**	232	**456**	268
	1,184	809	**2,744**	2,491

Key management includes the Board of Directors, Chief Executive Officer and three Ivernia Vice Presidents reporting directly to the Chief Executive Officer. All compensation other than share based payments are included on a paid basis.

20. COMPENSATION OF EMPLOYEES

	Three months ended September 30		**Nine months ended September 30**	
(in thousands of United States dollars)	**2012** **$**	2011 $	**2012** **$**	2011 $
Salaries and short-term employee benefits	**1,024**	1,355	**3,269**	6,404
Post-employment benefits	**153**	229	**494**	652
Share-based payments	**56**	83	**168**	83
	1,233	1,667	**3,931**	7,139

In the second quarter of 2011, included in compensation of employees is $1.1 million in severance and related costs to the Mine being placed on care and maintenance.

21. RELATED PARTY TRANSACTIONS

Sentient, Enirgi Group and its affiliates are a "related party" by virtue of its shareholding in Ivernia (Enirgi Group holding 58.90% of the issued and outstanding shares of Ivernia). Some Ivernia management and directors perform management functions for Enirgi Group and/or serve on the board of directors of Enirgi Group. The Enirgi Group has been a supportive majority shareholder in the third quarter of 2012 with a wealth of experience in the lead industry in Australia. Enirgi Group has stated that it views the Company as an integral part of its broader energy strategy.

On June 29, 2012, the Company announced it had closed the Facility with Enirgi Group. See Note 9.

Enirgi Group (formerly known as Green SEA Resources Inc.) is considered a related party due to its ownership by Sentient and Enirgi Group's significant shareholdings in Ivernia. Ivernia incurs expenses and provides various corporate and administrative services to Enirgi Group, which are billed to Enirgi Group. The total billed during the third quarter of 2012 was C$0.1 million (third quarter of 2011 – C$0.2 million). The balance owed by Enirgi Group at September 30, 2012 was C$0.1 million (December 31, 2011 – C$0.2 million).

From time to time, Enirgi Group and its subsidiaries incur expenses and provides various corporate and administrative services to a subsidiary of the Company, and the subsidiary incurs expenses and provides various corporate and administrative services to Enirgi Group. The total billed during the third quarter of 2012 was $0.06 million (third quarter 2011 – $nil). The balance owed to Enirgi Group on September 30, 2012 was $0.06 million (December 31, 2011 – $0.05 million − owed by the Company's subsidiary).

22. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Prairie Downs

On June 12, 2012, the Company elected to withdraw from the Prairie Downs Project. The Company wrote off $3.4 million of exploration costs capitalized in development costs and other. The Company has no further contractual obligations in relations to the project.

(b) Contractual and other obligations

The following table summarizes the Company's contractual and other obligations including principal payments and interest as at September 30, 2012:

Payments due by period[1] (in thousands of United States dollars)	Less than 1 year $	1–5 years $	More than 5 years $	Total $
Rental agreements and operating leases[2]	**365**	722	-	1,087
Employee benefits	**1,162**	289	22	1,473
Reclamation[3]	**144**	-	14,219	14,363
Exploration licenses[4]	**168**	-	-	168
Mining leases[5]	**255**	-	-	255
Esperance settlement[5]	**-**	3,116	-	3,116
Esperance community fund[6]	**203**	-	-	203
Purchase obligation[7]	**2,287**	6,860	381	9,528
Total	**4,584**	10,987	14,622	30,193

(1) These amounts are presented on an undiscounted basis.
(2) The Company has various office and office equipment leases expiring September 2015.
(3) The Company has reclamation provisions for the due and proper performance of mining leases. These obligations are supported in part by an unconditional performance bond with an Australian financial institution.
(4) Under the terms of its exploration licenses, the Company is required to meet certain minimum expenditure requirements for a 12-month period commencing on the date of issue or renewal of the license or lease. These obligations are expected to be fulfilled in the normal course of operations. Commitments beyond September 30, 2013, are dependent upon whether the Company chooses to retain its current tenements.
(5) The Company's contribution towards the cost of clean-up being undertaken by the State and EsPA originally comprised three equal payments of A$3 million on December 31, 2009, December 31, 2010 and June 30, 2011 dependent on certain cumulative earnings targets. the Company has neither reached the third earnings target nor made the third and final payment to the State. See Note 17(a).
(6) Pursuant to an agreement executed in December, 2008, the Company committed to an A$1 million obligation to community-based projects in Esperance over a three year period.
(7) Gas supply contract until November 30, 2016.

(c) Environmental

The Company's mining development and exploration activities are subject to various governmental laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

(d) Exploration licenses and mining leases

The Company holds a number of exploration licenses and mining leases in Western Australia. The Company does not consider that it has any material outstanding commitments in respect of these licenses or leases. Under the terms of its exploration and mining leases, the Company is required to meet certain minimum expenditure requirements for a 12-month period commencing on the date of issue or renewal of the license or lease. These obligations are expected to be fulfilled in the normal course of operations. Commitments beyond September 30, 2013, are dependent upon whether the Company chooses to retain its current tenements.

(e) Royalty payments

The Company is required to make royalty payments in accordance with the provisions of the Mining Act 1978 (Western Australia) and Mining Regulations 1981 (Western Australia) at the prescribed rate for lead carbonate concentrates sold of 5% of the royalty value.

In accordance with the terms of the Wiluna Land Access Agreement of 2006 (which superseded the Heritage Agreement dated September 25, 1998, between the Company and the Milangka Native Title Claimant Group), the Company is required to make a royalty payment of A$0.04 per tonne of all ore milled from the mine into the Wiluna Claimant Trust Fund. Another land use agreement, dated December 16, 1998, between the Company and the now unregistered Wanmulla Group, provides for a further A$0.04 per tonne of all ore milled from the mine, which is payable if a descendent claim from the Wanmulla Group claim is registered. A second agreement with the Wiluna claimants, over the Company's gas pipeline route, requires an annual compensation payment into the Wiluna trust for use of the gas pipeline tenement area.

23. SUBSEQUENT EVENTS

On October 17, 2012, the Company announced a one year extension of the expiry of the Facility from June 28, 2013 to June 28, 2014 on the same terms. On October 23, 2012, the Company drew down the remaining C$2 million from the Facility.

Ivernia

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

For the Three Months and Nine Months Ended September 30, 2012

Table of Contents

November 13, 2012

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") is a review of the activities, results of operations and financial condition of Ivernia Inc. and its subsidiaries ("Ivernia" or the "Company") for the quarter ended September 30, 2012 together with certain trends and factors that are expected to impact on future operations and financial results. The information contained herein is presented as at November 13, 2012 except as otherwise noted. This discussion should be read in conjunction with the unaudited consolidated interim financial statements and notes thereto of the Company for the three and nine months ended September 30, 2012 (the "Third Quarter 2012 Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS") and should be read in conjunction with the audited consolidated financial statements and notes thereto of the Company as at and for the year ended December 31, 2011 (the "2011 Financial Statements").

This MD&A contains certain forward-looking statements regarding Ivernia's businesses and operations. Actual results may differ materially from these statements as a result of a number of factors, many of which are beyond the control of Ivernia. For more detail on these factors, please refer to the section titled "Forward-Looking Statements" contained in this MD&A. All of the forward-looking statements made in this document are qualified by the cautionary statements contained above and therein. The business of Ivernia is subject to a variety of risks as described in the Company's Annual Information Form dated March 29, 2012 ("2011 AIF") and other continuous disclosure documents filed from time to time with the Canadian Securities Administrators and available at www.sedar.com and www.ivernia.com.

Unless the context otherwise requires, references herein to "Ivernia" or the "Company" include Ivernia Inc. and its consolidated subsidiaries.

All dollar amounts are expressed in United States dollars ("US$"), except as otherwise indicated where C$ = Canadian dollars and A$ = Australian dollars.

Additional information relating to the Company, including the 2011 AIF, is available at www.sedar.com and www.ivernia.com.

OUR BUSINESS

Ivernia is an international base metal mining company which, through its wholly-owned subsidiary, Rosslyn Hill Mining Pty Ltd. (formerly called Magellan Metals Pty Ltd.), is the sole owner and operator of the Paroo Station lead mine (formerly called the Magellan Mine) (the "Mine") in Western Australia, which is the Company's principal asset. The Company changed the name of this subsidiary and the Mine effective on the date hereof.

The Mine comprises of a shallow open pit and froth flotation processing plant producing a relatively unique lead carbonate concentrate that can be treated in both primary and secondary smelters around the world. The operations remain on care and maintenance as at November 13, 2012. For full details on the events leading to the Mine being put on care and maintenance, see the 2011 AIF.

On July 27, 2012, the Company received Ministerial Statement 905, which contains the majority of the Company's new transportation and operating conditions for the Mine (the "Operating Conditions") which replace and supersede the interim implementation conditions ("Interim Implementation Conditions") that were issued February 23, 2011 and previous Ministerial Statements 559 and 783. In general, the Operating Conditions preserve and, in some cases, enhance the already strict auditing, monitoring, management and reporting requirements previously imposed on the Mine in the Interim Implementation Conditions, particularly in respect of product transportation. A summary of the notable changes to the Interim

Implementation Conditions contained in the Operating Conditions is disclosed below and the full text of the Operating Conditions is posted on the Ivernia website at www.ivernia.com.

As announced on October 11, 2012, plans are well advanced to restart operations in the second quarter of 2013. Ivernia has stated previously the need to undertake a number of activities at the Mine, including to recruit and train a significant workforce and mobilize contractors before a restart of operations can occur.

FINANCIAL AND OPERATING HIGHLIGHTS

The following table is a summary of Ivernia's financial and operating highlights for the three and nine months ended September 30, 2012 and 2011:

(in thousands of United States dollars, unless otherwise indicated and per share amounts) (unaudited)	Three months ended September 30 **2012** **$**	2011 $	Nine months ended September 30 **2012** **$**	2011 $
Financial Highlights				
Revenue	**-**	(37)	**-**	11,272
Operating costs	**(1,111)**	(5,165)	**(6,173)**	(31,176)
Gross loss	**(1,111)**	(5,202)	**(6,173)**	(19,904)
General and administrative	**(2,172)**	(2,245)	**(7,508)**	(7,183)
Severance costs	**-**	-	**-**	(1,127)
Write off of exploration expenditure	**(5)**	-	**(3,431)**	-
Share based compensation	**(212)**	(315)	**(624)**	(351)
Foreign exchange	**2,931**	(21,732)	**2,839**	(11,598)
Other income (expenses)	**-**	(14)	**-**	371
Net interest income (expense)	**52**	166	**255**	457
Accretion	**(129)**	(160)	**(386)**	(526)
	465	(24,300)	**(8,855)**	19,957
Loss before tax	**(646)**	(29,502)	**(15,028)**	(39,861)
Deferred income tax recovery	**956**	7,554	**4,185**	10,359
Net income (loss)	**310**	(21,948)	**(10,843)**	(29,502)
Unrealized loss on investments	**(11)**	(4)	**(47)**	(77)
Foreign currency translation differences	**(1,227)**	8,556	**(1,022)**	5,533
Comprehensive loss	**(928)**	(13,396)	**(11,912)**	(24,046)
Basic and fully diluted income (loss) per share[(2)]	**0.00**	(0.03)	**(0.01)**	(0.05)
Weighted average shares outstanding – thousands	**745,131**	675,745	**745,131**	622,848
Cash used in operations before changes in non-cash working capital	**(4,817)**	(7,661)	**(14,419)**	(23,490)
Cash flow used in operating activities	**(4,969)**	(8,711)	**(14,662)**	(32,866)
Operating Highlights				
Ore milled – (000's tonnes)	**–**	-	**–**	161
Average head grade – (% lead)	**–**	N/A	**–**	6.9%
Recovery – (%)	**–**	N/A	**–**	73%
Concentrate produced – (000's dry tonnes)	**–**	-	**–**	12.7
Concentrate sold – (000's dry tonnes) [(1)]	**–**	-	**–**	7.6
Lead metal in concentrate produced – (000's tonnes)	**–**	-	**–**	8.1
Lead metal in concentrate sold – (000's tonnes) [(1)]	**–**	-	**–**	4.9
Concentrate inventory – (000's of dry tonnes)	**10.1**	10.1	**10.1**	10.1
Average lead price – LME cash settlement– ($ per pound)	**0.90**	1.12	**0.91**	1.15
Ivernia's average lead sale price – ($ per pound)	**–**	-	**–**	1.13
Cash cost per pound sold – ($ per pound)[(3)]	**N/A**	N/A	**N/A**	N/A

(1) Ivernia restarted operations at the Mine in late February, 2010. A ramp-up of operations took place throughout 2010. On April 5, 2011, the Company voluntarily ceased transportation and operations as a result of the detection of lead bearing mud on one of its shipping containers. With the uncertainty surrounding these results and what was the third transportation disruption since December 31, 2010 the decision was made to undertake a comprehensive review of its business practices before the recommencement of transportation would resume. As such, the Mine's workforce commenced an orderly shutdown of operations and the Mine was placed on full care and maintenance in April 2011. The operations remain on care and maintenance as at November 13, 2012.

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

(3) Cash cost per pound sold is a non-IFRS measure. Cash cost of lead sold is not currently meaningful as the Mine worked through the issues surrounding transportation and then care and maintenance during 2011 and 2012. Upon the restart of operations and once the Mine achieves steady state production run rates information about the cash cost of lead sold will be reintroduced.

THIRD QUARTER 2012 HIGHLIGHTS

Financial

- Gross loss of $1.1 million for the third quarter of 2012 including a $1.3 million reversal to the prior write-down to inventory net realizable value mainly as a consequence of the lead price increasing from $1,811 per tonne at June 30, 2012 to $2,300 per tonne at September 30, 2012.
- Net income after tax of $0.3 million for the third quarter of 2012. Net income after tax for the third quarter of 2012 includes a foreign exchange gain of $2.9 million. The foreign exchange gain was as a consequence of the A$ strengthening against the US$ in the third quarter of 2012 with the US$/A$ rate increasing from 1.0236 on June 30, 2012 to 1.0388 on September 30, 2012. Of this foreign exchange gain, approximately $1.4 million is related to unrealized gains on intercompany loans in the Company's Australian subsidiaries, denominated in US$ and C$. These intercompany loans are with wholly owned subsidiaries of the Company and are eliminated from the Statement of Financial Position on consolidation. The Company's Australian subsidiaries functional currency is A$ while Ivernia's reporting currency is US$.
- On October 17, 2012, Ivernia announced that Enirgi Group Corporation ("Enirgi Group"), the Company's majority shareholder, had approved the Company's request to extend the maturity date of the C$6 million secured loan facility with Enirgi Group (the "Facility") from June 28, 2013 to June 28, 2014.
- As at November 7, 2012, the Company had approximately $2.4 million in cash and had fully drawn down the C$6 million Facility to fund restart planning and other activities at the Mine. The Company expects to receive the release of A$5 million in cash from current restricted cash balances in November which will provide short term funding for restart activities but will be required to be replaced as restricted cash for shipping bonds prior to the restart of shipments.
- The Company will require additional financing to underwrite the restart of operations, in excess of current cash balances and the proceeds it will receive from the shipment of lead carbonate concentrate stockpiles at the Mine. The quantum of the total funding requirement cannot be finally estimated at this time and will be contingent on the actual net proceeds received from the sale of lead carbonate concentrate stockpiles, as well as expected general market conditions at the time, including but not limited to lead prices, foreign exchange and capital markets.
- Initial estimates indicate immediate start-up funding requirements in the range of approximately $15 to $20 million, which includes the replacement of A$5 million of restricted cash for shipping bonds. Ivernia continues to explore a number of financing options to meet these funding requirements and is aiming to complete a financing in December 2012 or January 2013. The Company is focussed on completing a financing solution that minimizes equity dilution and is well progressed on discussions with parties on debt solutions.
- The Company holds approximately 10,100 tonnes of lead carbonate concentrate inventory with a carrying value of $8.3 million as of September 30, 2012.

Operational

- On July 27, 2012, the Company received the Operating Conditions for the Mine. The Operating Conditions replace and supersede the Interim Implementation Conditions which were issued on February 23, 2011 and previous Ministerial Conditions Statements 559 and 783. In general, the Operating Conditions preserve and, in some cases, enhance the already strict auditing, monitoring, management and reporting requirements previously imposed in the Interim Implementation Conditions, particularly in respect of product transportation.
- Plans are well advanced to restart operations at the Mine during the second quarter of 2013.
- During the fourth quarter of 2012, the Company will commence ordering long lead time items and consumables as well as commence required capital projects to restart sustainable operations.

- It is estimated that the Company will spend approximately $5 to $6 million on capital projects over the course of the next 9 months.
- Recruitment of key personnel is well progressed and the more general recruitment planning will continue in the fourth quarter of 2012 with the recruitment of remaining employees expected to occur in the first quarter of 2013.
- During the third quarter of 2012, the Company completed its internal planning process for a restart of operations in the second quarter of 2013, which includes critical path planning, capital expenditure requirements and the identification of key recruitment milestones. The plan was initiated at the end of the third quarter of 2012.
- The Chairman of Ivernia's principal Australian subsidiary has recommended to the Ivernia Board of Directors a proposal that day to day management for the Company's Australian operations (the "Management Services Proposal") should be provided by Enirgi Metal Group Pty Ltd. ("EMG") under a management services agreement, which once fully implemented, is expected to lead to direct cost savings in the range of approximately $3 million to $4 million per annum. Ivernia would retain full ownership of the Mine.
- Under the Management Services Proposal, EMG would take the leading role in managing the restart of operations at the Mine with full production levels targeted by the end of 2013.

OPERATIONS REVIEW

Ivernia restarted operations at the Mine in late February, 2010. A ramp-up of operations took place throughout 2010. On December 31, 2010, a stop order was received from the Acting Minister for Environment of Western Australia (the "Stop Order") relating to the transport of lead carbonate concentrate from the Mine. Transportation operations from the Mine were immediately halted upon receipt of the Stop Order. The Stop Order was replaced by a subsequent order issued on January 3, 2011, from the Minister (the "Order") with respect to cessation of transportation of lead carbonate concentrate. Mining and processing operations, were stopped commencing January 5, 2011 until February 23, 2011 when the Minister announced the lifting of the Order. Following the lifting of the Order, the Company commenced a ramp up of operations. In April 2011, the Company announced that it was voluntarily placing the operations on care and maintenance following the detection of a small amount of lead bearing mud on the outside of a small number of shipping containers.

The operations remained on care and maintenance in the third quarter of 2012. Consequently, there was no production or sales of lead carbonate concentrate in the third quarter of 2012. At the time that the transport operations were stopped in April 2011, there were approximately 10,100 tonnes of lead concentrate on site at an estimated average concentrate grade of 64% lead, containing approximately 6,450 tonnes of lead. This concentrate remains stored in sealed bags and protected from the weather. Prior to the recommencement of any shipping operations, the cleanliness and integrity of all bags will be verified.

Principal activities during the third quarter of 2012 focused on discussions and other exchanges with the Western Australian government and regulators in relation to finalizing the issuance of the Operating Conditions for the Mine and the implementation of the initial steps required to move towards a restart of operations in the second quarter of 2013.

On July 27, 2012, the Company received the Operating Conditions from the Minister which, in general were consistent with the draft recommended conditions ("Draft Recommended Conditions") for the Mine that were released by the Environmental Protection Authority of Western Australia ("EPA"). The Operating Conditions replace and supersede the Interim Implementation Conditions, which were issued on February 23, 2011 and the previous Ministerial Statements 559 and 783. See "New Operating Conditions" below.

A full discussion of the events for the three year period to March 29, 2012, is contained in the 2011 AIF under the heading "Three-Year History - Operations", and is incorporated herein by reference. The 2011 AIF is available on the Ivernia web site at www.ivernia.com and on SEDAR at www.sedar.com.

The table below summarizes quarterly mine production, process production, shipments and inventories for the three and nine months ended September 30, 2012:

	Three months ended September 30, 2012	Three months ended September 30, 2011	Nine months ended September 30, 2012	Nine months ended September 30, 2011
Mining				
Ore mined – 000's tonnes(1)	–	–	–	174
Low grade ore mined – 000's tonnes(2)	–	–	–	42
Total ore and waste mined – 000's bcm	–	–	–	316
Processing				
Ore milled – 000's tonnes	–	–	–	161
Average head grade – % lead	–	–	–	6.9
Average recovery – %	–	–	–	73
Concentrate produced – 000's dry tonnes	–	–	–	12.7
Concentrate grade – % lead	–	–	–	65
Lead metal in concentrate produced – 000's tonnes	–	–	–	8.1
Sales and inventories				
Concentrate sold – 000's dry tonnes	–	–	–	7.6
Concentrate grade – % lead	–	–	–	65
Lead metal in concentrate sold – 000's tonnes	–	–	–	4.9
Concentrate inventory – 000's dry tonnes	10.1	10.1	10.1	10.1

(1) Ore mined does not include low grade ore
(2) Low grade ore is 1.5 to 2.5% lead

New Operating Conditions

On July 27, 2012, the Company received Ministerial Statement 905 which contains the Operating Conditions. The Operating Conditions replace and supersede the Interim Implementation Conditions which were issued on February 23, 2011 and previous Ministerial Statements 559 and 783.

Pursuant to the Operating Conditions, the Company can ship lead carbonate concentrate through the Port of Fremantle for only five years from the date of issuance of the Operating Conditions. The Company is strongly committed throughout this five year period to demonstrating that containerized shipping of the Company's product is both safe and appropriate. As with its other regulatory compliance and approval processes, including maintaining current operating licences and permits and obtaining approvals to significantly expand or alter the Mine's operations, the Company will need to demonstrate its sound environmental performance to maintain current licenses and permits or obtain approvals for new licenses or renewals for existing licenses. See "Risk Factors – Regulatory Compliance and Approvals" in the 2011 AIF.

In addition, the Operating Conditions require that certain actions be undertaken by the Company prior to the re-commencement of transportation of any lead carbonate concentrate from the mine site. In particular, prior to the re-commencement of transportation of shipping containers containing lead carbonate concentrate, the Company must:

- carry out a risk assessment ("Environmental Risk Assessment") of all key aspects of the operations regarding the potential pathways for lead carbonate concentrate contamination and report on such findings to the Chief Executive Officer ("CEO") of the of the Office of the EPA ("OEPA");

- prepare and submit to the CEO of the OEPA for approval (and on advice of the Department of Mines and Petroleum ("DMP") of Western Australia), an environmental management program ("EMP") which among other things, must document standards, guidelines and codes of practice relating to management of lead carbonate concentrate and detail procedures relating to mining, processing, storing, packaging and transport of lead carbonate concentrate;
- engage a third party expert approved by the CEO of the OEPA to carry out an evaluation of the sampling methodology and analysis methodology ("Sampling Evaluation") for all water, dust, air, soil, drainage sump and benthic sediment sampling. The Company must also demonstrate that the recommendations in the third party evaluation have been implemented or provide the reasons why the recommendations cannot be implemented to the CEO of the OEPA prior to removing shipping containers containing lead carbonate concentrate from the mine site; and
- engage the services of an independent inspector approved by the CEO of the OEPA to, among other things, visually inspect all sealed bags containing lead carbonate concentrate and establish and document the detailed roles and responsibilities of the inspector to the satisfaction of the CEO of the OEPA, in consultation with the Department of Environment and Conservation (the "DEC") and DMP ("Inspector Report").

The Company is well progressed on completing the EMP, Sampling Evaluation, Inspector Report and Environmental Risk Assessment and expects to have these matters submitted to the CEO of the OEPA by early in the first quarter of 2013.

The Operating Conditions also require that shipping containers be free of all visible mud potentially containing lead carbonate concentrate prior to being removed from the mine site and prior to being loaded onto trains at the Leonora rail yard. The Company expects to complete the design of a significant hardstanding area in the fourth quarter of 2012 and complete construction in the first quarter of 2013, to store containers in mud free locations and to upgrade its facilities to wash and inspect containers prior to their removal from the mine site. The Company is working with the owners of the Leonora rail yard to define improvements and changes to the operation of the facility to reduce the exposure of containers to mud and to ensure that containers are inspected prior to being loaded onto the rail wagons.

The Operating Conditions also require that the Mine provide to the CEO of the OEPA, by January 31, 2013, a report detailing options for downstream processing of lead carbonate concentrate that, among other things, details the available options against best environmental practice (the "Downstream Processing Report"). The Downstream Processing Report must be peer reviewed by an independent expert acceptable to the CEO of the OEPA. In 2011, the Company commissioned and received a process selection study from an independent third party engineering firm. In January 2012, the Company delivered its preliminary findings to the OEPA and the Minister. The findings are preliminary as they require further studying of the environmental impact of a downstream processing facility by the Company. The preliminary findings of such study were that at current lead prices and exchanges rates, downstream processing of lead produced from the Mine remains uneconomic. The Company anticipates that the current study will form the basis for the Downstream Processing Report, however, further work is required to study the environmental impacts of a facility as required by the Operating Conditions.

Mine Update and Restart Planning

During the current care and maintenance period, the mine and processing plant have been maintained in a state of readiness for a restart of operations and on the basis of minimizing the amount of time required for a ramp-up of operations to full production levels. All process vessels have been drained, flushed and inspected with minor repairs conducted and the process vessels then refilled with water to prevent corrosion. All major equipment including mills, motors, pumps and agitators are operated on a routine basis to ensure that they are in good working order. The power supply has been rationalized in line with reduced power requirements. At the start of the care and maintenance period, all haul roads were secured. Access to the open pits has been limited to authorised personnel and regular inspections indicate that the pits have remained in geotechnically stable condition throughout the care and maintenance period.

During the third quarter of 2012, the Company completed its internal planning process for a planned restart of operations in the second quarter of 2013, which includes critical path planning, capital expenditure requirements and the identification of key recruitment milestones. The plan was initiated at the end of the third quarter of 2012.

A successful restart will be dependent on ensuring key personnel are in place. The care and maintenance team was carefully selected to ensure core skills were retained to allow for an efficient restart and the care and maintenance personnel are expected to fill key managerial, supervisory and staff roles in processing, maintenance, OHS&E, contracts, HR, finance and logistics. A restructured organization chart has been designed to meet the increased compliance and assurance programs upon a restart. Recruitment of key personnel is well progressed and the more general recruitment planning will continue in the fourth quarter of 2012 with the recruitment of remaining employees expected to occur in the first quarter of 2013.

During the fourth quarter of 2012, the Company will continue the recruitment of key personnel and continue to implement the detailed restart planning required to restart operations. The Company is well progressed to commence operations in the second quarter of 2013.

The Chairman of Ivernia's principal Australia subsidiary has recommended to the Ivernia Board of Directors the Management Services Proposal. Under the Management Services Proposal, Enirgi Group would assume responsibility for Ivernia's leased office space in Toronto and for employing Ivernia's officers. Ivernia would reimburse Enirgi Group the *pro rated* costs for the officers' salaries and applicable expenditures incurred on its behalf. In addition, the day to day management for the Mine is proposed to be provided by EMG. Under the Management Services Proposal Ivernia would retain full ownership of the Mine.

EMG is the largest secondary lead smelting group in Australia with its two secondary lead smelters in Eastern Australia and has a wealth of knowledge and experience in the lead industry.

Under the Management Services Proposal, EMG expects to deliver increased technical and operating experience, executive management and economies of scale from being part of a larger group. The restructuring of operations under EMG management is expected to deliver significant cost savings. Management estimates that this restructuring, once fully implemented will lead to direct cost savings in the range of approximately $3 million to $4 million per annum, predominately from the benefit of shared resources and the elimination of duplicated functions and will provide further significant indirect value that cannot be financially measured at this time.

Under the Management Services Proposal, EMG would take the leading role in managing the restart of operations, with a restart of operations planned in stages during the second quarter of 2013 with full production targeted by year end. While the Company anticipates finalizing the Management Services Proposal in the fourth quarter of 2012 with Enirgi Group, it remains subject to the negotiation of definitive agreements, Ivernia Board approval and the receipt of any other required approvals.

Health, Safety, Environment and Compliance

Health and Safety

The Company places the utmost importance on the health and safety of its employees, contractors, visitors, and the community, and is committed to continue to improve its health and safety performance, where necessary, through engaging with our employees and stakeholders and applying appropriate risk management techniques.

During the third quarter of 2012, there were no lost time or reportable injuries.

The Company recognizes the importance of lead management to protect its workforce, its stakeholders and the environment. The Mine has a comprehensive occupational health and safety program designed to minimize the exposure of personnel to hazards, which is periodically reviewed and improved.

Environment

The Company recognizes the importance of environmental management; it is committed to implementing and maintaining best environmental practice and continuously improving where necessary, its environmental performance through review, assessment and reporting.

On February 22, 2012, the Company filed a new decommissioning and rehabilitation plan (the "Closure Plan") with the CEO of the OEPA as required under its Interim Implementation Conditions. The Company also filed a copy of the Closure Plan with the DMP on March 29, 2012. The Closure Plan was developed in accordance with the 2011 *Guidelines for Preparing Mine Closure Plans* issued by the EPA and DMP. The Closure Plan is to be renewed every three years and the 2012 plan reflects the expected disturbances as highlighted in the life of mine plan contained in the 2011 Technical Report (as defined below).

Compliance

Since entering the care and maintenance period, the Company, working closely with third party contractors, has commenced the development of an internal compliance and assurance system to better manage, track and audit the significant number of compliance obligations it currently has and expects it will continue to have in the future. The process of identifying obligations, ranking them by consequence and nominating parties responsible for ensuring compliance with the obligation is substantially complete. Significant obligations will be entered into an appropriate data based software package to provide visibility by position, by operating aspect and by time. Tasks required to meet the obligations will be flagged to responsible parties, tracked to completion with relevant records being maintained to effectively demonstrate compliance.

A key outcome of the internal comprehensive review is that the Company's known compliance obligations and those identified from the Operating Conditions will be then managed through a third party software solution. The obligation compliance monitoring software program will be available by the end of 2012 and will be loaded with data, tested and implemented prior to the restart of operations.

Third party audits of key service suppliers have been received and reviewed as the first stage of the Company's ongoing audit program.

Stakeholder Engagement and Indigenous Relations

Fostering good relationships with all stakeholders is an essential part of the Company's emphasis on sustainable operations and developments. The Company has been actively involved in the communities of Wiluna and Esperance in a variety of ways, including a A$1.0 million community fund ("Community Fund") in Esperance and the Wiluna Regional Partnership Agreement (the "WRPA").

The WRPA, is aimed at improving the socio-economic status of the largely indigenous Wiluna community. The WRPA brings some 50 partners together from the Aboriginal community, all levels of government, industry (with an emphasis on the mining industry) and the wider community of the Shire of Wiluna. The Company is one of six mining company industry partners working collaboratively to demonstrate good corporate social responsibility practices to the wider community.

A major focus of the Industry Partners Group of the WRPA is development of employment and small business opportunities for the largely indigenous populations, via a 'pathways to employment' strategy. This strategy involves the mining companies in the region, the Western Australian Government through local education and training providers, the Federal Government through job service providers, non-government organizations and the local community in identifying opportunities within the mining industry, and providing training, and, where appropriate, support small business loans to community members.

The Company recognizes and meets its legal and moral obligations to traditional land owners. The mine operations lie within the Wiluna and Tarlpa registered native title claim areas. Land use agreements with the Wiluna claimants were finalized in 2006 for three of the Company's tenements and for access to land on which the Company's gas pipeline is constructed. The Company however, has no current mining agreements with the Tarlpa claimants as the Company's mining tenements were granted prior to the Tarlpa claim being legally recognized.

In 2010, the Company signed agreements in relation to newly granted exploration tenement areas within the Tarlpa claim area. In the first quarter of 2012, the Company entered into two exploration and prospecting deed agreements with the Wiluna and Tarlpa claimants.

In 2011, the Company formalized a negotiation protocol with the combined Wiluna and Tarlpa claimants to develop a broader agreement over the whole of the mine, which will replace existing agreements. An initial negotiation meeting took place in July 2012 with the negotiations expected to take an extended period of time to complete.

Additional information on current initiatives may be found at www.rosslynhillmining.com.au.

Esperance Settlement Agreement

For additional information with respect to the terms of the Esperance Settlement Agreement (the "ESA") see the Company's 2011 AIF.

The Company has contributed A$6 million of the total agreed amount of A$9 million under the ESA. As a result of the Company being in care and maintenance since April 2011 the Company has neither reached the third earnings target nor made the third and final payment to the State. With the Company having satisfied the condition to pay A$6 million of the total contribution prior to June 30, 2012, the provision in the ESA that it will automatically terminate on such date is no longer of force and effect.

The Community Fund was established in 2008 as part of the negotiations which concluded with the signing of the ESA. It provided approximately A$0.3 million annually over three years to community groups for projects delivering a sustainable benefit to a broad range of Esperance residents. As of September 30, 2012, the final commitments of the Community Fund have been made and remaining funding for already committed projects is being completed.

Mineral Resources and Mineral Reserves

On March 29, 2012, the Company released updated estimates of mineral resources and mineral reserves in its 2011 AIF. The mineral resources and mineral reserves represent the same resources and reserves from the technical report dated and effective March 30, 2011 (the "2011 Technical Report") prepared by SRK Consulting (Australasia) Pty Ltd ("SRK") depleted by mining activities in 2011. A copy of the 2011 Technical Report and the 2011 AIF are filed on SEDAR and are available at www.sedar.com.

LEAD MARKET FUNDAMENTALS

Price of Lead

The most significant factor in determining profitability and cash flow from the Company's operations, when shipping lead carbonate concentrate, is the price of lead. During the third quarter of 2012, the London Metal Exchange ("LME") cash settlement lead price averaged $1,975 per tonne ($0.90 per pound), including a high of $2,300 per tonne ($1.04 per pound) and a low of $1,817 per tonne ($0.82 per pound).

Lead prices	Average		
	2012[2]	2011[2]	2010[1]
(United States dollars per pound of lead)	**$**	$	$
LME Cash Settlement Price			
First quarter	**0.95**	1.18	1.01
Second quarter	**0.89**	1.16	0.88
Third quarter	**0.90**	1.12	0.92
Fourth quarter	**–**	0.90	1.08
Year	**0.91**	1.09	0.97
Ivernia's average lead sale price[1][2]			
First quarter	**–**	1.19	0.97
Second quarter	**–**	1.06	0.81
Third quarter	**–**	–	1.05
Fourth quarter	**–**	–	1.19
Year	**–**	1.13	1.04

(1) Ivernia restarted operations in late February, 2010. A ramp-up of operations took place throughout 2010.

(2) On April 5, 2011 the Company voluntarily ceased transportation and operations as result of the detection of lead bearing mud on one of its shipping containers. With the uncertainty surrounding these results and what would be the third transportation disruption since December 31, 2010 the decision was made to undertake a comprehensive review of its risk management and compliance systems before the recommencement of transportation would resume. As such, the Mine workforce commenced an orderly shutdown of operations and the mine was placed on full care and maintenance in April 2011. The operations remain on care and maintenance as at November 13, 2012.

Lead Market Outlook

The average LME lead price for the first nine months of 2012 was $2,016 per tonne compared to an average LME lead price $2,542 per tonne for the comparable period in 2011. For all of 2011, the average LME lead price was $2,402 per tonne. In the October 15, 2012, Thomson Reuters poll of metals analysts, the median lead price forecast for 2013 was $2,275 per tonne. In October 2012, Wood Mackenzie, a noted base metals researcher, forecast average lead prices for 2013, 2014 and 2015 of $2,688, $3,172 and $3,510 per tonne respectively.

LME lead inventories declined by 82,000 tonnes in the third calendar quarter of 2012. However, 55,000 tonnes went back into LME warehouses in October 2012. Most of the LME lead metal inventory is concentrated in a few warehouses. In Europe, two warehouses out of the fourteen containing lead inventory, Antwerp and Vlissingen, contain over 87% of the 147,025 tonnes of lead in European LME warehouses. In the United States, one warehouse out of nine containing lead inventory, Detroit, also holds 87% of the 53,775 tonnes of lead in US LME warehouses. Reportedly, there are 4 to 11 month queues to remove lead metal in the above mentioned warehouses.

The International Lead Zinc Study Group ("ILZSG") reported a global lead metal surplus of 80,000 tonnes for the period January 1, 2012 through August 31, 2012. The October 15, 2012, Thomson Reuters poll of metals analysts forecast a mean lead metal surplus of 67,000 tonnes for the 2012 year and 4,000 tonnes for 2013.

ILZSG reports global lead usage year on year through August up 204,000 tonnes or 3.0% with most of that growth occurring in China. Chinese lead demand through August is up 170,000 tonnes or 5.8% year on year while North American demand is up 30,000 tonnes or 2.5%. This growth in the two largest regions of lead demand is somewhat offset by a decline in European lead consumption of 27,000 tonnes (-2.5%). ILZSG, in its October Statistical and Forecasting meeting, forecast 2013 Chinese lead metal consumption growth of 4.7%, US growth of 0.6% and European growth of 1.2%.

The consolidation of the Chinese lead acid battery and lead smelting industry continues. The China Battery Industry Association reports that in early 2011, there were around 2,000 licensed lead acid battery plants in China. Today, 400 to 500 licensed battery plants operate in China. Similarly, small secondary lead facilities and outdated primary lead smelters have been replaced by larger and more technologically advanced facilities. Environmental and health concerns have driven the consolidation in both the smelter and battery industry. Despite the consolidation, both battery manufacturing and lead smelting capacity have increased in China as newer, cleaner and larger facilities have been built to replace the closed operations.

Thomson Reuters reported that European lead metal premiums are at four year highs and North American lead metal premiums are at all-time record highs, mainly driven by an increase in used lead acid battery ("ULAB") prices. European premiums are reportedly $100 to $140 per tonne ex works. Reuters and Platt's Metals Week both reported that North American spot lead metal premiums are $330 to $440 per tonne. delivered compared to 2011/2012's average contract premiums of $110 to $150 per tonne. North American ULAB prices have been driven by a 20% increase in lead acid battery recycling capacity over the past two to three years in a market where ULAB availability is only growing at 1 to 2%.

Lead metal premiums in North America are expected to remain at high levels. The announced 2013 year end closure of Doe Run's Herculaneum smelter is expected to create a continued North American market deficit that would require higher premiums to attract off-shore lead metal to the North American market.

The information contained in "Lead Market Outlook" has been prepared for the Company by a third party and while the Company does not have reason to believe such information is inaccurate, market information has not been independently verified by the Company. See "Forward Looking Statements".

FINANCIAL RESULTS

Basis of Preparation and Adoption of IFRS

The Company prepares its financial statements in accordance with IFRS principles as set out in the Handbook of the Canadian Institute of Chartered Accountants. The Third Quarter 2012 Financial Statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting as issued by the International Accounting Standards Board. The MD&A should be read in conjunction with Third Quarter 2012 Financial Statements and the 2011 Financial Statements.

Critical accounting estimates

The Third Quarter 2012 Financial Statements contain the same accounting policies and methods of computation as the 2011 Financial Statements except where as noted. The MD&A should be read in conjunction with the Third Quarter 2012 Financial Statements and the 2011 Financial Statements. Other than as disclosed herein, there have been no changes to the critical accounting estimates disclosed in the MD&A dated March 29, 2012 for the year ended December 31, 2011 ("2011 MD&A"). For a discussion of critical accounting estimates see "Critical Accounting Estimates" and "Critical Accounting Judgements" in the 2011 MD&A available on SEDAR at www.sedar.com or the Company's website at www.ivernia.ca.

Accounting standards issued but not yet applied

Other than as disclosed herein, there have been no changes to the Company's accounting policies, subsequent to December 31, 2011, nor any update on the new accounting standards to be adopted by the Company in the future as disclosed in the 2011 MD&A. For more information, see "Accounting Standards issued but not yet applied" in the 2011 MD&A.

Revenue

Concentrate revenue for the third quarter of 2012 was $nil, compared to negative concentrate revenue of $37,000 in the third quarter of 2011, resulting from final revenue adjustments from previously shipped concentrate. Concentrate revenue for the first nine months of 2011 was $11.3 million, resulting from the shipment and sale of 7,600 tonnes of lead carbonate concentrate. No shipments took place in the first nine months of 2012.

Revenue is recognized when the risk of ownership of concentrates has passed and collection is reasonably assured. Risk of ownership passes to the customer upon container delivery to the carrier. Revenue from the sale of metal contained in concentrate is provisionally priced based on a future quotational period. Revenue is adjusted until the completion of the quotational period for any variations in the forward price recognized on shipment at each measurement date. Final revenue is adjusted based on settlement of final weights and assays. Any variations in the price, weights or assays are offset by an increase or decrease in accounts receivable. Gains and losses on derivative commodity price contracts are not included in revenue but are included in other income (expenses).

Other income (expenses) relates to net realized and unrealized gains and losses from LME lead forward sales and purchase contracts. Other income (expenses) for the third quarter of 2012 and the first nine months of 2012 were $nil because the Company did not have any forward contracts in place. Other income (expenses) for the third quarter of 2011 and the first nine months of 2011 were $(14,000) and $0.4 million, respectively, as a result of movements in LME lead prices that caused losses and gains on lead forward sales and purchase contracts.

Cash cost of lead sold – non-IFRS measure

Cash cost of lead sold is not currently meaningful for 2011 and 2012 as the Company worked through the issues surrounding the Order and transportation delays and subsequently went on care and maintenance during 2011 and 2012.

Upon the restart of operations and once the operations achieve steady state production run rates information about the cash cost of lead sold will be reintroduced.

Operating Costs

Operating costs (including depreciation) were $1.1 million for the third quarter of 2012, compared to $5.2 million for the third quarter of 2011. Operating costs were significantly lower in the third quarter of 2012 compared to the third quarter of 2011 as the Company incurred a $1.3 million inventory write-down reversal in the third quarter of 2012 compared to a $1.7 million inventory write-down for the third quarter of 2011. Operating costs (including depreciation) were $6.2 million for the first nine months of 2012 compared to $31.2 million for the first nine months of 2011. Operating costs for the first nine months of 2012 were significantly lower than the comparative period in 2011 as a result of the Company being in operations for just over one month of the first six months of 2011 and incurring additional costs relating to the placing the Mine on care and maintenance in the second quarter of 2011. Operating costs include mine site operating costs, including mining, processing, site administration, power, royalties, freight, depreciation and treatment charges as well as all costs related to putting the operations on care and maintenance. Operating costs were within expectations during the third quarter of 2012 as the Mine remains on care and maintenance.

Depreciation

Depreciation expense was $0.2 million for the third quarter of 2012, compared with $0.2 million for the third quarter of 2011. Depreciation expense was $0.6 million for the first nine months of 2012, compared with $1.4 million for the first nine months of 2011. Depreciation expense was lower in the first nine months of 2012 because the Company had no sales, production and mining activity in 2012. Depreciation expense will increase with the restart of operations as the Company depreciates the plant and equipment, mineral properties and deferred costs, calculated on a units-of-production basis, contained metal, or proven and probable ore reserves where appropriate. Depreciation expense fluctuates depending on the levels of sales, production and mining activity during the period.

Inventory (write-down) recovery

Reversal of inventory write-down was $1.3 million for the third quarter of 2012, compared with an inventory write-down of $2.0 million for the third quarter of 2011. The reversal of inventory write-down in the first nine months of 2012 was $0.9 million, compared with an inventory write-down of $2.0 million for the first nine months of 2011. The inventory write-down for the first nine months of 2012, consists of the reversal of an accrual of $0.8 million related to expected reagent disposal costs which were less than expected, the reversal of a write-down of $0.3 million due to the increase of the net realisable value of concentrate and ore stockpiles in the third quarter of 2012 and a $0.2 million write-down of gas inventory.

General and administrative

General and administrative expenses consist primarily of corporate office costs for the Perth and Toronto offices and exclude stock based compensation in the MD&A. General and administrative expenses were $2.2 million for the third quarter of 2012, compared with $2.2 million for the third quarter of 2011. For the first nine months of 2012, general and administrative expenses were $7.5 million - an increase of $0.3 million from the amount incurred in first nine months of 2011. The general and administrative expenses were higher than expected in the first nine months of 2012 due to a $1.2 million expense (first nine months of 2011 - $nil) for a compensation adjustment to a senior executive of the Company for the period 2007 to 2011. The general and administrative expenses in the first nine months of 2011 were higher than expected due to the increased professional fees incurred as a result of matters surrounding the Stop Order and the Order and the implementation of IFRS. General and administrative expenses have been reduced by $0.1 million for the third quarter of 2012 (third quarter of 2011 – $0.2 million) due to cost recoveries from Enirgi Group.

Foreign exchange

The foreign exchange gain was $2.9 million for the third quarter of 2012 compared with a loss of $21.7 million for the third quarter of 2011. Of the foreign exchange gain in the third quarter of 2012, approximately $1.4 million is related to unrealized gains on the Company's intercompany loans denominated in US$ and C$.

The US$/A$ rates increased from 1.0236 on June 30, 2012 to 1.0388 on September 30, 2012; the C$/US$ rates decreased from 1.0191 on June 30, 2012 to 0.9837 on September 30, 2012.

The Company has significant intercompany loan balances within its wholly owned subsidiaries denominated in US$ and C$. The Company's Australian subsidiaries use the A$ as their functional currency so currency movements give rise to significant foreign exchange gains and losses. While these loans are eliminated on consolidation and largely unrealized, any foreign exchange gains and losses are not fully eliminated due to the differences in functional currency treatments.

The Company will continue to be exposed to foreign exchange movements notably in the A$ to US$, US$ to C$, and A$ to the C$. See "Financial Instruments" for a discussion of sensitivities.

Net interest (expense) income and accretion

Net interest expense of $52,000 for the third quarter of 2012 is comprised primarily of interest accrued on the Facility less interest earned on the cash and restricted cash balances. Net interest income was $166,000 for the third quarter of 2011.

Accretion expense for the third quarter of 2012 is $129,000, primarily on the decommissioning liability. Accretion expense in the third quarter of 2011 was $160,000.

Share based compensation

The share based compensation was $212,000 for the third quarter of 2012 compared with $315,000 for the third quarter of 2011. During the third quarter of 2012, no options were granted (third quarter 2011– 20.5 million), no options were exercised (third quarter 2011 – 133,333), 141,667 options expired (third quarter 2011 – 46,666) and 1,500,000 options were forfeited (third quarter 2011 – 116,667). See "Balance Sheet – Stock Options".

Expenses by nature

Included in operating costs are all costs incurred by the Company in relation to the sale of lead carbonate concentrate and operations at the Mine including cost of goods sold, treatment charges, transportation, royalties and other operating expenses, less net gas revenue, excluding amortization.

	Three months ended September 30		**Nine months ended September 30**	
(in thousands of United States dollars)	**2012** **$**	2011 $	**2012** **$**	2011 $
Mining	**195**	95	**367**	6,831
Processing	**490**	1,100	**1,018**	7,226
Power	**111**	4	**253**	1,131
Maintenance	**272**	441	**798**	2,169
Site administration	**1,260**	1,543	**3668**	4,434
Product realization	**64**	300	**198**	5,604
Royalties	**6**	7	**19**	543
Depreciation	**185**	191	**556**	1,448
Severance	**-**	-	**-**	1,127
Stockpile movements and other	**(1,472)**	1,484	**(704)**	1,790
Toronto and Perth office	**2,172**	2,245	**7,508**	7,183
Share based compensation	**212**	315	**624**	351
	3,495	7,725	**14,305**	39,837

Finance costs

(in thousands of United States dollars)	Three months ended September 30		Nine months ended September 30	
	2012	2011	**2012**	2011
	$	$	**$**	$
Interest income	**(89)**	(145)	**(290)**	(471)
Interest expense	**37**	(21)	**35**	13
Accretion	**129**	160	**386**	526
	77	(6)	**131**	68

Income tax

During the third quarter of 2012 and the first nine months of 2012, the Company recovered $1.0 million and $4.2 million of income taxes respectively compared to a recovery of $7.6 million and $10.4 million of income taxes for the third quarter of 2011 and the first nine months of 2011 respectively.

The Company paid nil cash taxes in the first nine months of 2012 and 2011.

Net loss

The net income for the third quarter of 2012 was $0.3 million or $0.00 per share, compared to a net loss of $21.9 million or $0.03 per share for the third quarter of 2011. In both of these quarters, foreign exchange gains and losses had a significant effect on net income and net loss. Net income and net loss will continue to be exposed to foreign exchange movements notably in the A$ to US$, US$ to C$, and A$ to the C$. The Company has significant intercompany loan balances within its wholly owned subsidiaries denominated in US$ and C$. The Company's Australian subsidiaries use the A$ as their functional currency so currency movements give rise to significant foreign exchange gains and losses. While these loans are eliminated on consolidation and largely unrealized, any foreign exchange gains and losses are not fully eliminated due to the differences in functional currency treatments.

Quarterly financial results

	2012			2011				2010
(in thousands of United States dollars, except per share amounts) (1) (2)	**Third** **$**	**Second** **$**	**First** **$**	Fourth $	Third $	Second $	First $	Fourth $
Revenue	**–**	**–**	**–**	–	(37)	5,713	5,596	36,969
Foreign exchange gain (loss)	**2,931**	**(2,627)**	**2,535**	11,164	(21,732)	7,109	3,025	14,757
Net income (loss)	**310**	**(9,288)**	**(1,865)**	10,862	(21,948)	(2,938)	(4,616)	29,806
Comprehensive income (loss)	**(928)**	**(8,194)**	**(2,790)**	6,051	(13,396)	(5,431)	(5,219)	23,914
Basic income (loss) per share	**0.00**	**(0.01)**	**(0.00)**	0.02	(0.03)	(0.00)	(0.01)	0.10
Fully diluted income (loss) per share	**0.00**	**(0.01)**	**(0.00)**	0.02	(0.03)	(0.00)	(0.01)	0.10
Cash provided by (used in) operations before changes in non-cash working capital	**(4,817)**	**(3,648)**	**(5,954)**	(5,110)	(7,661)	(9,096)	(6,893)	8,079

(1) Ivernia restarted operations in late February, 2010. A ramp-up of operations took place throughout 2010.

(2) On April 5, 2011, the Company voluntarily ceased transportation and operations as result of the detection of lead bearing mud on one of its shipping containers. With the uncertainty surrounding these results and what would be the third transportation disruption since December 31, 2010 the decision was made to undertake a comprehensive review of its business practices before the recommencement of transportation would resume. As such, the Mine's workforce commenced an orderly shutdown of operations and the mine was placed on full care and maintenance in April 2011. The operations remain on care and maintenance as at November 13, 2012.

Other comprehensive income (loss)

The Company holds shares in publicly traded companies which are classified as available-for-sale and were marked-to-market. The Company has recorded an unrealized loss of $47,000 in accumulated other comprehensive income for the first nine months of 2012. The carrying value of its remaining investments at September 30, 2012 is $71,000.

	Increase (decrease) in fair value	
	2012	2011
(in thousands of United States dollars)	**$**	$
Balance as at January 1	**52**	129
Unrealized gain on investments, March 31	**(5)**	2
Unrealized loss on investments, June 30	**(31)**	(75)
Unrealized loss on investments, September 30	**(11)**	(4)
Accumulated other comprehensive gain (loss), September 30	**5**	52

The changes in fair value are detailed below:

The financial statements of entities that have a functional currency different from that of Ivernia are translated into US$ as follows: assets and liabilities—at the closing rate at the date of the statement of financial position, income and expenses—at the average rate of the period (if this is considered a reasonable approximation to actual rates) or at the rate on the date of transaction. All resulting changes are recognized in other comprehensive income as cumulative translation adjustments.

The changes in the cumulative translation adjustment are detailed below:

	Increase (decrease)	
	2012	2011
(in thousands of United States dollars)	**$**	$
Balance as at January 1	**(9,611)**	(10,333)
Foreign currency translation differences – foreign operations	**(1,022)**	5,533
Cumulative translation adjustments balance at September 30	**(10,633)**	(4,800)

LIQUIDITY AND FINANCIAL CONDITION

Statement of Cash Flows

	Three months ended September 30		**Nine months ended September 30**	
	2012	2011	**2012**	2011
(in thousands of United States dollars)	**$**	$	**$**	$
Cash used in operations before changes in non-cash working capital	**(4,817)**	(7,661)	**(14,419)**	(23,490)
Changes in working capital	**(152)**	(1,050)	**(243)**	(9,376)
Cash (used in) provided by operating activities	**(4,969)**	(8,711)	**(14,662)**	(32,866)
Cash used in investing activities	**(38)**	(825)	**(299)**	(3,269)
Cash provided by (used in) financing activities	**3,931**	(306)	**5,102**	32,836
Effect of exchange rate changes on cash and cash equivalents held in foreign currency	**468**	559	**792**	(575)
Increase (decrease) in cash and cash equivalents	**(608)**	(9,283)	**(9,067)**	(3,874)

Operating activities

A total of $5.0 million was used in operating activities during the third quarter of 2012 (third quarter 2011 – $8.7 million) as the Company was in care and maintenance in the third quarter of 2012 and continued to unwind operations into care and maintenance in the third quarter of 2011.

In the third quarter of 2012, the Mine remained on care and maintenance.

Investing activities

For the third quarter of 2012, net cash used for investing activities totaled $38,000; $nil was used for the Prairie Downs base metals project near Newman in Western Australia (the "Prairie Downs Project"). For the first nine months of 2012, net cash used for investing activities totaled $0.3 million; a total of $0.3 million was used for the Prairie Downs Project.

For the third quarter of 2011, net cash used for investing activities totaled $0.8 million. Cash used in investing activities for the third quarter included $0.8 million in capital projects, exploration and deferred development costs, including $0.4 million for the Prairie Downs Project. Cash used in investing activities for the first nine months included $3.3 million in capital projects, exploration and deferred development costs, including $1.6 million for the Prairie Downs Project.

Financing activities

Secured Loan Facility

On June 29, 2012, the Company announced it had entered into the Facility and on October 24, 2012 the Company drew down the final C$2 million under the Facility for an aggregate drawdown of C$6 million.

Under the terms of the Facility, Ivernia has the right to pre-pay at its option any outstanding amount of the C$6 million principal sum (the "Principal Sum") with accrued interest. Amounts drawn down on the Facility bear interest at an annual simple rate of 8.3%, with interest payable in arrears upon the earlier of the pre-payment of the principal or the maturity date of June 28, 2013 (the "Maturity Date"). Any outstanding principal and unpaid interest will be due and payable on the Maturity Date and no interest or fees will be charged on unused portions of the Facility.

On October 17, 2012, Ivernia announced that Enirgi Group had approved its previously announced request to extend the Maturity Date of the Facility by one year pursuant to the terms and conditions of the Facility. The Facility will now expire on June 28, 2014 (the "Final Maturity Date"). Any interest accrued as of the Maturity Date will be payable on that date with remaining accrued interest payable in arrears upon the earlier of the pre-payment of principal or the Final Maturity Date. The Facility is secured by a first priority perfected security interest granted by the Company over the stockpile of approximately 10,100 dry metric tonnes of lead carbonate concentrate held at the mine site.

Enirgi Group has a one-time right to purchase up to 5,000 dry metric tonnes of lead carbonate concentrate until December 31, 2013 at prevailing commercial market terms and conditions, at the time such right is exercised. The prevailing market terms are not to exceed the combined average treatment charge and average ocean freight cost per dry metric tonne for all concentrate shipped by the Company to third parties during 2013, with all other sales terms and conditions to be in accordance with ordinary commercial practice.

The Facility was made available by Enirgi Group pursuant to the Enirgi commitment to fund Ivernia up to an aggregate of US$10 million (the "Enirgi Commitment"), if, as and when needed, during the period ending

March 31, 2013. Accordingly, approximately $4 million in additional funding could be received from Enirgi Group before March 31, 2013 pursuant to the Enirgi Commitment.

Capital Resources and Working Capital Requirements

As at November 7, 2012 the Company had approximately $2.4 million in cash to fund restart planning activities and any costs associated with the restart of the Mine. The Company expects to receive the release of A$5 million in cash from current restricted cash balances in November which will provide short term funding for restart activities but will be required to be replaced as restricted cash for shipping bonds prior to the restart of shipments. The Company expects to continue to have negative cash flows until the Company has restarted the Mine and has positive cashflow from operations. Plans are well advanced to restart operations during the second quarter of 2013. It is estimated that the Company will spend approximately $5 to $6 million on capital projects over the course of the next nine months. Recruitment of key personnel is well progressed and the more general recruitment planning will continue in the fourth quarter of 2012 with the recruitment of remaining employees expected to occur in the first quarter of 2013.

The Company will require additional financing to underwrite the restart in excess of current cash balances and the proceeds it will receive from the shipment of lead carbonate concentrate stockpiles at the mine site. The quantum of the total funding requirement cannot be finally estimated at this time and will be contingent on the actual net proceeds received from the sale of lead carbonate concentrate stockpiles as well as expected general market conditions at the time, including but not limited to lead prices, foreign exchange and capital markets. However, initial estimates now indicate immediate start-up funding requirements in the range of approximately $15 to $20 million, which includes the replacement of A$5 million of restricted cash for shipping bonds. Ivernia continues to explore a number of financing options to meet these funding requirements and is aiming to complete a financing in December 2012 or January 2013. The Company is focussed on completing a financing solution that minimizes equity dilution and is well progressed on discussions with parties on debt solutions. If the Company was unable to secure this additional financing, the Company may be unable to restart the Mine which, in turn, could affect its future ability to continue as a going concern. Notwithstanding the Facility currently in place and that the Company has been successful in the past in securing financing; there can be no assurance that the steps management is taking will be successful.

These material uncertainties may lend significant doubt as to the Company's ability to continue as a going concern and accordingly, the ultimate use of accounting principles applicable to a going concern. The Company's Third Quarter 2012 Financial Statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary should the going concern assumption be inappropriate, and those adjustments could be material.

BALANCE SHEET

(in thousands of United States dollars)	**September 30, 2012** **$**	December 31, 2011 $
Cash and cash equivalents	**2,772**	11,839
Working capital surplus [1]	**9,321**	15,678
Deferred tax assets	**67,985**	63,018
Total assets	**206,688**	212,873
Accounts payable and other current liabilities	**3,124**	4,480
Secured facility	**4,099**	-
Current portion of non-current financial liabilities	**1,387**	790
Current portion of decommissioning liability	**144**	129
Non-current financial liabilities	**3,509**	3,103
Decommissioning liability	**14,219**	13,661

(1) Working capital surplus is defined as current assets less current liabilities.

Factors affecting comparability of financial information

The comparability of the selected consolidated financial information including balance sheet amounts set out in this document is affected by the material factors described below:

(a) Care and maintenance - 2011

On April 5, 2011, the Company announced that it had voluntarily ceased transportation and operations as result of the detection of lead bearing mud on one of its shipping containers. With the uncertainty surrounding these results and what would be the third transportation disruption since December 31, 2010 the decision was made to undertake a comprehensive review of its business practices before the recommencement of transportation would resume. As such, the Company's workforce commenced an orderly shutdown of operations and the Mine was placed on full care and maintenance in April 2011. The Mine remains on care and maintenance as at November 13, 2012.

Cash and cash equivalents

Cash equivalents are comprised of highly liquid investments with an original maturity of three months or less. The Company does not hold any asset-backed commercial paper. The cash and cash equivalents were comprised of the following:

in thousands of United States dollars)	**September 30, 2012** **$**	December 31, 2011 $
Cash	**2,772**	11,839
	2,772	11,839

Working capital

Working capital is defined as current assets less current liabilities. As at September 30, 2012, the Company had a working capital surplus of $9.3 million. During the first nine months, cash decreased by $9.1 million, accounts receivable and other current assets decreased $0.5 million, inventory increased $6.6 million and current liabilities increased $3.4 million. Inventory increased due to the reclassification of certain inventory from non-current to current. Current liabilities increased as the Company drew down $4.1 million off of the Facility. Working capital surplus decreased by $6.4 million over the first nine months of 2012 although this reduction was lessened by the reclassification of $6.2 million of inventory from non-current to current in the second quarter of 2012. The decrease in working capital surplus over this period is primarily a result of the Company continuing in care and maintenance and not generating positive cashflow from operations.

See "Capital resources and working capital requirements" for further details on working capital requirements.

Accounts receivable and other current assets

As at September 30, 2012 the Company had accounts receivable of $0.6 million of which $0.1 million was for prepaid expenses and $0.1 million due from related parties; $nil was for accounts receivable from lead carbonate concentrate sales. Accounts receivable and other current assets decreased $0.5 million from December 31, 2011 as a result of decreased receivables from gas purchasers.

During periods when shipping takes place, accounts receivable are adjusted each reporting date for the changes in value to provisionally priced shipments from prior periods. Accounts receivable adjustments are derived from the revenue adjustment; therefore, a change in receivables will be offset to a change in revenue.

Inventory

As of September 30, 2012, the Company had lead carbonate concentrate inventory of approximately 10,100 tonnes at a carrying value of $8.3 million. As at December 31, 2011 the Company had lead carbonate concentrate inventory of 10,100 tonnes at a carrying value of $7.9 million.

During the third quarter of 2012, $1.3 million of previous inventory write-downs were reversed due to the increase in the net realizable value of concentrate and ore stockpile inventories. In the third quarter of 2011, there was an inventory write-down of $2.0 million due to the decrease in the net realizeable value of concentrate and ore stockpile inventories and the write-off of gas inventories.

Inventory that is not expected to be consumed within a year is classified as non-current.

Following is a summary of inventory values:

Inventory (unaudited) (in thousands of United States dollars)	**September 30, 2012** **$**	December 31, 2011 $
Concentrate – mine site and in transit (1) (2)	**8,281**	7,920
Medium and high grade ore stockpiles	**1,655**	–
Low grade ore stockpiles	**12**	–
Consumables and other	**4,726**	133
Total current inventory	**14,674**	8,053
Medium and high grade ore stockpiles	–	1,633
Low grade ore stockpiles	–	8
Consumables and other	–	4,636
Total non-current inventory	–	6,277
	14,674	14,330

(1) September 30, 2012: 10,100 tonnes – mine site
(2) December 31, 2011: 10,100 tonnes – mine site

Concentrate inventory is used as security for the Secured Facility.

Property, plant and equipment

(in thousands of United States dollars)	Plant and Equipment	Leaseholds	Office Equipment	Deferred Stripping	Work-in-progress	Develop. & Other	Total
At December 31, 2011							
Cost	70,989	102	1,526	14,991	5,858	44,988	138,454
Accumulated depreciation	(14,293)	(94)	(1,114)	(1,390)	–	(8,115)	(25,006)
Net book value	**56,696**	**8**	**412**	**13,601**	**5,858**	**36,873**	**113,448**

(in thousands of United States dollars)	Plant and Equipment	Leaseholds	Office Equipment	Deferred Stripping	Work-in-progress	Develop. & Other	Total
Nine months ended September 30, 2012							
Opening net book value	**56,696**	**8**	**412**	**13,601**	**5,858**	**36,873**	**113,448**
Additions	2	–	12	–	81	206	301
Depreciation	(450)	–	(106)	–	–	–	(556)
Transfer	–	–	4	–	(4)	–	–
Write off of assets	–	–	–	–	–	(3,431)	(3,431)
Exchange differences	763	(1)	9	183	95	642	1,691
Closing net book value	**57,011**	**7**	**331**	**13,784**	**6,030**	**34,290**	**111,453**

(in thousands of United States dollars)	Plant and Equipment	Leaseholds	Office Equipment	Deferred Stripping	Work-in-progress	Develop. & Other	Total
At September 30, 2012							
Cost	71,948	103	1,570	17,147	6,030	42,519	139,317
Accumulated depreciation	(14,937)	(96)	(1,239)	(3,363)	–	(8,229)	(27,864)
Net Book Value	**57,011**	**7**	**331**	**13,784**	**6,030**	**34,290**	**111,453**

Substantially all of the Company's property, plant and equipment are located in Australia.

As at September 30, 2012, none of the property, plant and equipment assets were pledged as security.

On June 12, 2012, Ivernia withdrew from the Prairie Downs Project $3.4 million in expenditures related to the Prairie Downs Project which were previously capitalized in development cost and other have been written off.

Accounts payable and other current liabilities

As at September 30, 2012 the Company had $3.1 million in accounts payable and other current liabilities (December 31, 2011 - $4.5 million) of which $57,000 (December 31, 2011 - $50,000) was due to related parties.

Contractual and other obligations

The following table summarizes the Company's contractual and other obligations including principal payments and interest as at September 30, 2012:

Payments due by period[1] (in thousands of United States dollars)	Less than 1 year $	1-4 years $	More than 4 years $	Total $
Rental agreements and operating leases[2]	**365**	722	-	1,087
Employee benefits	**1,162**	289	22	1,473
Reclamation[3]	**144**	-	14,219	14,363
Exploration licenses[4]	**168**	-	-	168
Mining leases[4]	**255**	-	-	255
Esperance settlement[5]	**-**	3,116	-	3,116
Esperance community fund[6]	**203**	-	-	203
Purchase obligation[7]	**2,287**	6,860	381	9,528
Total	**4,584**	10,987	14,622	30,193

(1) These amounts are presented on an undiscounted basis.
(2) The Company has various office and office equipment leases expiring September 2015.
(3) The Company has reclamation provisions for the due and proper performance of mining leases. These obligations are supported in part by an unconditional performance bond with an Australian financial institution.
(4) Under the terms of its exploration licenses, the Company is required to meet certain minimum expenditure requirements for a 12-month period commencing on the date of issue or renewal of the license or lease. These obligations are expected to be fulfilled in the normal course of operations. Commitments beyond September 30, 2013 are dependent upon whether the Company chooses to retain its current tenements.
(5) The Company's contribution towards the cost of clean-up being undertaken by the State and the Esperance Port Authority originally comprised three equal payments of A$3 million on December 31, 2009, December 31, 2010 and June 30, 2011 dependent on certain cumulative earnings targets. The Company has neither reached the third earnings target nor made the third and final payment to the State.
(6) Pursuant to an agreement executed in December, 2008, the Company committed to an A$1 million obligation to community-based projects in Esperance over a three year period.
(7) Gas supply contract until November 30, 2016.

Restricted cash

As at September 30, 2012, the Company had restricted cash equivalents deposited with a financial institution of $9.2 million (December 31, 2011 - $9.1 million). Most of the restricted cash relates to security for unconditional performance bonds in favour of the State of Western Australia as security for the due and proper performance of the terms and conditions of the Company's mining leases. All of the September 30, 2012 and December 31, 2011 balances are held in restricted cash equivalents.

As a result of the termination of an A$5 million shipping bond expected to be terminated in November 2012, the Company expects to transfer A$5 million from restricted cash into unrestricted cash balances in November 2012. The bond would need to be replaced prior to a resumption of shipments and therefore this A$5 million would be expected to be moved back to restricted cash balances prior to the resumption of any shipments.

Long-term financial liabilities

(in thousands of United States dollars)	**September 30, 2012 $**	December 31, 2011 $
Esperance settlement	**3,116**	3,075
Less current portion	**–**	–
Esperance community fund	**203**	299
Less current portion	**(203)**	(299)
Other	**1,577**	519
Less current portion	**(1,184)**	(491)
	3,509	3,103

The third installment of the ESA is not expected to be paid until after September 30, 2013.

Other long term financial liabilities as at September 30, 2012 includes a $0.9 million amount (September 30, 2011 – Nil) for compensation to a senior executive of the Company of which $0.6 million is included in the current portion.

Decommissioning liabilities

The Company filed the Closure Plan with the OEPA in February 2012, which included an updated decommissioning and rehabilitation plan as at December 31, 2011 reflecting the increased mineral reserves and resources from the 2011 Technical Report and updated guidance on mine closure plans from the DMP. As a result, the Company also updated its decommissioning liability in 2011 to reflect the decommissioning liability associated with current disturbances to date. This resulted in an A$2.2 million change in cash flow estimates as at December 31, 2011.

The decommissioning liability only reflects actual areas disturbed to date.

(in thousands of United States dollars)	**2012** **$**
As at January 1	**13,790**
Changes in cash flow estimates	**–**
Foreign exchange movements and other	**187**
Payment	**–**
Accretion expense	**386**
Less current portion	**(144)**
As at September 30	**14,219**

Decommissioning liabilities are recorded at present value of estimated costs, assuming an adjusted nominal risk-free discount rate of 3.67% and an inflation rate of 3.10%. The total undiscounted amount of estimated cash flows as of September 30, 2012 is A$14.3 million ($14.9 million) (December 31, 2011 – A$14.3 million ($14.7 million). The accretion expense was $0.1 million for the quarter ended September 30, 2012 ($0.2 million – quarter ended September 30, 2011).

Deferred income taxes

As at December 31, 2011, a wholly owned subsidiary of the Company has a total of approximately A$122 million ($127 million) of loss carry-forwards from the Mine that have no expiry date and could be used to shelter future taxable income. These losses have been fully recognized because management believes it is probable that future taxable profit will be available against which the unused tax losses can be utilized.

Deferred benefits for losses and share issue costs in Canada in the amount of C$3.0 million have not been recognized because management believes it is not probable that future taxable profit will be available against which the unused tax losses can be utilized. These losses expire in 2031.

Deferred benefits for losses in the Netherlands in the amount of $6.6 million have not been recognized because management believes that it is not probable that future taxable profit will be available against which the unused tax losses can be utilized. These losses expire in 2014 through 2020.

Contingencies and commitments

Commitments

The Company's mining development and exploration activities are subject to various governmental laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and has made, and expects to make in the future, expenditures to help ensure compliance with applicable laws and regulations.

The Company holds a number of exploration licenses and mining leases in Western Australia. The Company does not consider that it has any material outstanding commitments in respect of these licenses or leases. Under the terms of its exploration and mining leases, the Company is required to meet certain minimum expenditure requirements for a 12-month period commencing on the date of issue or renewal of the license or lease. These obligations are expected to be fulfilled in the normal course of operations. Commitments beyond September 30, 2013, are dependent upon whether the Company chooses to retain its current tenements.

The Company is required to make royalty payments in accordance with the provisions of the Mining Act 1978 (Western Australia) and Mining Regulations 1981 (Western Australia) at the prescribed rate for lead carbonate concentrates sold of 5% of the royalty value.

In accordance with the terms of the Wiluna Land Access Agreement of 2006 (which superseded the Heritage Agreement dated September 25, 1998 between the Mine and the Milangka Native Title Claimant Group), the Company is required to make a payment of A$0.04 per tonne of all ore milled from the mine into the Wiluna Claimant Trust Fund. Another Land Use Agreement, dated December 16, 1998, between the Company and the now unregistered Wanmulla Group, provides for a further A$0.04 per tonne of all ore milled from the Mine, which is payable if a descendent claim from the Wanmulla claim is registered. A second agreement with the Wiluna claimants, over the Company's gas pipeline route, requires an annual compensation payment into the Wiluna Claimant Trust Fund for use of the gas pipeline tenement area.

Shares issued and outstanding

Fully diluted shares

	November 13, 2012	September 30, 2012	December 31, 2011
Shares issued	745,130,812	745,130,812	745,130,812
Options	20,995,000	21,153,333	23,425,000
Total	766,125,812	766,284,145	768,555,812

Shares issued and outstanding

	As at November 13, 2012	As at September 30, 2012	As at December 31, 2011
Common Shares	745,130,812	745,130,812	745,130,812
Preference Shares	–	–	–

Stock options

Under the stock option plan as amended on June 16, 2010 (the "Plan"), certain directors, officers, employees and consultants may be granted options to purchase up to 10% of the issued and outstanding Common Shares, being 74,513,081 Common Shares as at September 30, 2012 (December 31, 2011 – 74,513,081). As at

September 30, 2012, options to purchase 53,359,748 Common Shares (December 31, 2011 – 51,088,081 Common Shares) remain available for grant. The exercise price of each option may not be less than the market price of the Common Shares at the time the option is granted. An option may be for a term up to five years and may not be assigned under the Plan. Unless the board of directors or the board committee responsible for the Plan determine otherwise, one third of the options granted become exercisable at any time after the first anniversary date, one third at any time after the second anniversary date and the balance at any time after the third anniversary date.

	(000's)
Options outstanding December 31, 2011	23,425
Forfeited	(500)
Expired	(50)
Options outstanding March 31, 2012	22,875
Expired	(80)
Options outstanding June 30, 2012	22,795
Forfeited	(1,500)
Expired	(142)
Options outstanding September 30, 2012	21,153

The share based compensation for the third quarter of 2012 was $212,000 (third quarter 2011 - $315,000). The aggregate unexpensed fair value of options granted as at September 30, 2012 was $0.9 million (December 31, 2011 - $1.4 million). As at November 13, 2012, no additional options had been granted, 158,333 additional options had expired, and no options had been exercised.

FINANCIAL INSTRUMENTS

Financial assets and liabilities

The Company's financial assets consist of cash and cash equivalents, accounts receivable and other current assets, available-for-sale investments, restricted cash and cash equivalents and forward sales derivatives. The Company's financial liabilities consist of accounts payable and other current liabilities, forward purchase derivatives and non-current liabilities.

The cash and cash equivalents, restricted cash and cash equivalents and non-current liabilities are recorded at amortized cost. The Company estimates the cash and cash equivalents and restricted cash and cash equivalents have fair values which approximate their carrying values on September 30, 2012 and December 31, 2011.

The following tables illustrate the classification of the Company's financial instruments within the fair value hierarchy as at September 30, 2012 and December 31, 2011.

Financial assets and liabilities at fair value as at September 30, 2012

(in thousands of United States dollars)	Level 1 $	Level 2 $	Level 3 $	Total $
Available-for-sale investments[(1)]	71	–	–	71
	71	–	–	71

Financial assets and liabilities at fair value as at December 31, 2011

(in thousands of United States dollars)	Level 1 $	Level 2 $	Level 3 $	Total $
Available-for-sale investments[(1)]	118	–	–	118
	118	–	–	118

(1) These equity securities are traded in an active stock market.

The Company has investments designated as available for sale. The carrying value is marked to market based on the quoted value of the investments. Any gains or losses are included in other comprehensive loss.

Financial risk factors

In the normal course of its operations, the Company is exposed to credit, currency, interest and commodity price risks. In order to manage these risks, the Company may enter into transactions which make use of off-balance sheet financial instruments. The Company does not acquire, hold or issue these instruments for trading purposes.

Credit risk

The Company's credit risk is primarily attributable to cash and cash equivalents, accounts receivable and other current assets and restricted cash and restricted cash equivalents. Cash and cash equivalents include cash and short-term deposits that have been invested with reputable financial institutions with an investment grade rating at the time of purchase. Financial instruments included in cash and cash equivalents, accounts receivable and other current assets consist mainly of receivables from unrelated parties, and security deposits. Financial instruments included in restricted cash and restricted cash equivalents include low interest restricted savings accounts. Management reviews credit risk by reviewing the ongoing credit rating of its financial institutions and through standard accounts receivable aging analysis. The credit risk concentration with respect to financial instruments in cash and cash equivalents, accounts receivable restricted cash and restricted cash equivalents is negligible due to the credit-worthiness of the financial institutions and debtors.

The Company's maximum exposure to credit risk at the statement of financial position date is as follows:

(in thousands of United States dollars)	**September 30, 2012** **$**	December 31, 2011 $
Cash and cash equivalents	**2,772**	11,839
Accounts receivable and other current assets	**558**	1,067
Investments available for sale	**71**	118
Restricted cash and restricted cash equivalents	**9,175**	9,053
	12,576	22,077

Liquidity risk

The Company manages its liquidity to ensure it will be able to meet current and expected liabilities when due. As of September 30, 2012, the Company had a cash balance of $2.8 million (December 31, 2011 – $11.8 million) to settle current liabilities of $8.8 million (December 31, 2011 - $5.4 million). The Company will require financing to restart operations. See "Capital resources and working capital requirements".

The contractual maturities of the Company's financial liabilities are as follows:

	September 30, 2012			December 31, 2011
(in thousands of United States dollars)	**Within 1 year** **$**	**1 to 4 years** **$**	**Total** **$**	Total $
Accounts payable and other current liabilities	**3,124**	**–**	**3,124**	4,480
Secured Facility	**4,099**	**–**	**4,099**	-
Non-current liabilities	**1,387**	**3,509**	**4,896**	3,893
	8,610	**3,509**	**12,119**	8,373

These amounts represent actual cash payments to be made on the due date of the liabilities.

Market risk

(i) Interest rate risk

The Company has cash balances and no variable interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by reputable financial institutions. The Company continuously monitors the investments and is satisfied with the credit rating of its banks.

(ii) Foreign currency risk

The Company's presentation currency is the United States dollar. The Company funds operating, capital and exploration expenditures for the Mine. These costs are paid on a cash call basis using Australian dollars converted from its Canadian and US dollar bank accounts held in Canada. In addition, the Company funds administration costs related to its Toronto office in Canadian dollars from its Canadian dollar cash reserves.

The Company currently does not hedge its foreign exchange exposure. It is at management's discretion as to the amount and tenure of hedging that may be utilized to reduce the Company's foreign exchange exposure, within Board approved limits.

At the statement of financial position date, the following financial assets and liabilities were denominated in Canadian and Australian dollars:

	September 30, 2012		December 31, 2011	
(in thousands of United States dollars)	**A$**	**C$**	**A$**	C$
Cash and cash equivalents	**1,625**	**932**	394	11,224
Accounts receivable and other current assets	**375**	**183**	421	315
Investments available for sale	**71**	–	118	–
Restricted cash and cash equivalents	**9,175**	–	9,053	–
Accounts payable and other current liabilities	**2,207**	**917**	2,989	1,136
Non-current liabilities	**3,883**	**1,013**	3,893	–

(iii) Price risk

The Company is exposed to price risk with respect to commodity prices, including the price of lead and cost inputs.

In the long-term, the Company aims to provide metal price exposure to its shareholders. The Company may consider opportunities to create an element of greater certainty for future cash flow streams. If management considers hedging appropriate, it may use call options, put options, futures, and forwards, within Board approved limits, to meet these objectives.

Sensitivity analysis

The Company has designated its cash and cash equivalents, accounts receivable and other current assets, restricted cash and cash equivalents, forward purchase and sales contracts and accounts payable and accrued liabilities and non-current liabilities as financial assets and liabilities at fair value through profit and loss. Investments are classified as available for sale and recorded at fair market value.

As at September 30, 2012 and December 31, 2011 the carrying value and fair market value of the Company's current financial assets and current financial liabilities are the same.

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve month period:

- The Company's investments are comprised of an $71,000 equity investment in a publicly traded company classified as available-for-sale. Sensitivity to a 10% change in the equity investment's current market price would affect comprehensive income (loss) by $7,100.
- The Company holds balances in Australian dollar and Canadian dollar currencies. A US$0.10/A$1 movement would affect net income (loss) before taxes and comprehensive income (loss) before taxes by $15.7 million. A US$0.10/C$1 movement would affect net income (loss) before taxes and comprehensive income (loss) before taxes by $0.05 million. A C$0.10/A$1 movement would affect net income (loss) before taxes and comprehensive income (loss) before taxes by $5.4 million.
- Interest rate risk is negligible as the Company has no variable rate financial instruments.
- A decrease in lead prices of $300 per tonne will decrease net income (loss) by $0.5 million, whereas an increase in lead prices of $300 per tonne will increase net income (loss) by $0.2 million.

Forward sales and purchase contracts

The Company is not currently selling lead carbonate concentrate; however, when selling lead carbonate concentrate, the Company enters into sales contracts with customers, whereas the price is settled at a future date typically the average monthly LME settlement price two to three months after shipment.

After shipment, the Company employs a pricing strategy that attempts to obtain cash flow certainty while meeting the average market price over the provisional pricing period by typically entering into forward lead sales contracts.

In some cases, the customer has the opportunity to set the price on all or a portion of the shipment based on prevailing market prices at any time prior to the quotational period. To ensure the Company is free to pursue its intended pricing strategy, the Company may enter into forward lead purchase contracts to offset the set price sales contracts.

Forward purchases and forward sales contracts of lead are recorded as derivatives and included in other income (expenses). A total of $nil realized settlements and unrealized fair value adjustments has been included in other income (expenses) for the third quarter of 2012 and the nine months ended September 30, 2012 (third quarter of 2011 – ($0.0) million) (nine months ended September 30, 2011 – $0.4 million).

RELATED PARTY TRANSACTIONS

Sentient, Enirgi Group and its affiliates are a "related party" by virtue of its shareholding in Ivernia (Enirgi Group is holding 58.90% of the issued and outstanding shares of Ivernia). Some Ivernia management and directors perform management functions for Enirgi Group and/or serve on the board of directors of Enirgi

Group or its subsidiaries. The Enirgi Group has been a supportive majority shareholder in 2012 with a wealth of experience in the lead industry in Australia. Enirgi Group has stated that it views the Company as an integral part of its broader energy strategy.

On June 29, 2012, the Company announced it had entered into the Facility and on October 24, 2012 the Company had fully drawn down the C$6 million available from the Facility. Under the terms of the Facility, Ivernia has the right to pre-pay any outstanding amount of the Principal Sum with accrued interest.

The Facility was made available by Enirgi Group pursuant to the Enirgi Commitment to fund Ivernia up to an aggregate of US$10 million, if, as and when needed, during the period ending March 31, 2013. Accordingly, approximately $4 million in additional funding could be received from Enirgi Group before March 31, 2013 pursuant to the Enirgi Commitment.

Enirgi Group is considered a related party due to its ownership by Sentient and Enirgi Group's significant shareholdings in Ivernia. Ivernia incurs expenses and provides various corporate and administrative services to Enirgi Group, which are billed to Enirgi Group. The total billed during the third quarter of 2012 was C$0.1 million (third quarter of 2011 – C$0.2 million). The balance owed by Enirgi Group at September 30, 2012 was C$0.1 million (December 31, 2011 – C$0.2 million).

From time to time, Enirgi Group and its subsidiaries incur expenses and provides various corporate and administrative services to a subsidiary of the Company, and the subsidiary incurs expenses and provides various corporate and administrative services to Enirgi Group. The total billed during the third quarter of 2012 was $60,000 (third quarter 2011 – $nil). The balance owed to Enirgi Group on September 30, 2012 was $60,000 (December 31, 2011 – $50,000 − owed by the Company's subsidiary).

DISCLOSURE CONTROLS AND INTERNAL CONTROL OVER FINANCIAL REPORTING

National Instrument 52-109 requires Canadian public companies to disclose in their MD&A any change in internal control over financial reporting during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, disclosure controls and/or internal control over financial reporting.

There has been no change in the Company's disclosure controls or internal control over financial reporting during the quarter ended September 30, 2012 that has materially affected or are reasonably likely to have a material effect on the Company's disclosure controls or internal control over financial reporting.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A 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: the Ivernia Board's approval, the execution of a definitive agreement and receipt of any other necessary approvals with respect to the Management Services Proposal with Enirgi Group, the direct and indirect cost savings from the Management Services Proposal from Enirgi Group, the decision to restart and timing of the restart of operations, the financing requirements to restart the Mine, the cost and timing for completion of capital projects prior to restart, the timing of any steps required under the Operating Conditions before the end of the suspension of the Company's transportation of lead carbonate from the Mine, the Company's ability to comply with the new Operating Conditions, the duration of the period of care and maintenance commenced in April 2011 and the commencement of transportation of lead carbonate concentrate from the Mine, future targets and estimates for production, capital expenditures, operating costs, cash costs, mineral resources, mineral reserves, life of mine, 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, lead market outlook 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, the duration of the suspension of the Company's transportation of lead carbonate from the Mine, the duration of the period of care and maintenance commenced in April 2011, the timing, need and ability to raise additional financing, risks relating to the operations being placed on care and maintenance, matters relating the restart of mining and milling operations, matters relating to ramping up mining and milling throughput and operations, regulatory compliance and approvals, metal price volatility, lead carbonate concentrate treatment charges, exchange rates, regulatory proceedings and litigation, the fact that the Company has a single mineral property, resources and reserves, health and safety, environmental factors, mining risks, metallurgy, labour and employment regulations, government regulations, insurance, dependence on key personnel, constraints on cash flow, the nature of mineral exploration and development, matters relating generally to the transportation of lead carbonate, presence of a majority shareholder, matters related to public opinion, matters related to the Esperance settlement and shipments through the Port of Fremantle, and common share price volatility and the dilution of the Company's common shares. Additional factors and considerations are discussed in the Company's 2011 AIF under "Description of the Business of the Company – Risk Factors" and elsewhere in this MD&A 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.