



NEWS RELEASE

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

IVERNIA REPORTS SECOND QUARTER 2012 FINANCIAL RESULTS

TORONTO, ONTARIO – August 13, 2012 – Ivernia Inc. ("Ivernia" or the "Company") (TSX: IVW) today reported its second quarter 2012 financial results. The Magellan Mine continued in care and maintenance throughout the second quarter of 2012 and did not ship any concentrate.

On July 27, 2012, the Company received Ministerial Statement 905, which contains the Company's new transportation and operating conditions for the Magellan Mine (the "Operating Conditions"). Ivernia has stated previously the need to undertake a number of activities at the Magellan Mine, recruit and train a significant workforce and mobilize contractors before a restart of operations can occur. As announced on July 27, 2012, while a number of factors still need to be considered before making the decision to restart, the Company does not anticipate commencing any shipments before the second quarter of 2013.

The Company recorded net loss after tax of \$9.3 million or \$0.01 per common share for the second quarter of 2012, compared to a net loss after tax of \$2.9 million or \$0.00 per common share for the same period last year.

SECOND QUARTER 2012 HIGHLIGHTS

Financial

- Gross loss of \$3.1 million for the second quarter of 2012 including a \$0.9 million writedown to inventory net realizable value mainly as a consequence of the lead price falling from \$2,021 per tonne at March 31, 2012 to \$1,811 per tonne at June 30, 2012.
- Net loss after tax of \$9.3 million for the second quarter of 2012. Net loss after tax for the second quarter of 2012 includes a write-off of exploration expenditures at the Prairie Downs Project (as defined below) of \$3.4 million and a foreign exchange loss of \$2.6 million mainly related to Magellan Metals' functional currency being the Australian dollar ("A\$") while Ivernia's reporting currency is the US\$. The foreign exchange loss was as a consequence of the A\$ weakening against the US\$ in the second quarter of 2012 with the US\$/A\$ rate decreasing from 1.0367 on March 31, 2012 to 1.0236 on June 30, 2012. Of this foreign exchange loss, approximately \$1.7 million is related to unrealized losses on Magellan Metals' intercompany loans 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.
- On March 29, 2012, the Company received a comfort letter from Sentient Executive GP IV, Limited (together with its affiliates, collectively referred to as "Sentient") confirming its commitment to provide funding to the Company's major shareholder, Enirgi Group Corporation ("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 ("Enirgi Commitment").
- On June 29, 2012, the Company closed a C\$6 million secured loan facility (the "Facility"), with Enirgi Group, bearing an annual simple interest rate of 8.3%, for a term of one year. The Facility represents the first C\$6 million portion of the total \$10 million Enirgi Commitment.
- As at August 8, 2012, the Company had approximately \$3.6 million in cash and C\$4 million remaining to be drawn down on the Facility to fund restart planning and other activities at the Magellan Mine. The Company will require further financing to fund a restart of the Magellan Mine. The amount of funding required will be dependent on the finalization of a restart plan as well as prevailing market economic conditions at that time.
- The Company holds approximately 10,100 tonnes of lead carbonate concentrate inventory with a carrying value of \$6.9 million as of June 30, 2012.

Operational

- On July 27, 2012, the Company received Operating Conditions for the Magellan Mine. The Operating Conditions replace and supersede the previous Ministerial Statements 559 and 783 and the Interim Implementation Conditions which had governed Magellan Metals' operations since February 23, 2011. In general, the Operating Conditions preserve and, in some cases, enhance the already strict auditing, monitoring, management and reporting requirements previously imposed on Magellan Metals in the Interim Implementation Conditions, particularly in respect of product transportation. The Company is strongly committed to meeting the obligations outlined in the Operating Conditions and demonstrating that the containerized shipping of the Company's product is both safe and appropriate.
- While a number of factors still need to be considered before making the decision to restart, the Company does not anticipate commencing any shipments before the second quarter of 2013.
- Magellan Metals management continued to develop their detailed operational and financial plans for a restart of Magellan operations including recruitment planning, systems and training modules.
- The Company is considering a proposal to transfer the day-to-day management of the Magellan Mine's operation to a "shared services" model under the management of the Enirgi Metal Group. Ownership of Magellan Metals and the Magellan Mine would remain with Ivernia. The Enirgi Metal Group is a wholly owned Australian-based subsidiary of Enirgi Group that is currently focused on the lead industry in Australia. Management anticipates that this change could deliver material cost savings from the elimination of duplicated functions, access to economies of scale, as well as sharing key experience in the lead industry across Enirgi Group's business units.
- On June 12, 2012, the Company withdrew from the earn-in and joint venture agreement ("Earn-In Agreement") relating to the Prairie Downs base metals project located near Newman in Western Australia (the "Prairie Downs Project"). The Prairie Downs Project did not meet the Company's internal investment criteria to continue exploring the Prairie Downs Project.

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 June 30, 2012 and 2011.

	Three months ended June 30		Six months ended June 30	
(in thousands of United States dollars, unless otherwise indicated and per share amounts) (unaudited)	2012 \$	2011 \$	2012 \$	2011 \$
Financial Highlights				
Revenue	-	5,713	-	11,309
Operating costs	(3,110)	(12,183)	(5,062)	(24,884)
Gross loss	(3,110)	(6,470)	(5,062)	(13,575)
General and administrative	(2,092)	(3,116)	(5,336)	(6,065)
Severance costs	-	(1,127)	-	(1,127)
Write off of exploration expenditure	(3,426)	-	(3,426)	-
Share based compensation	(208)	(18)	(412)	(36)
Foreign exchange	(2,627)	7,109	(92)	10,134
Other income (expenses)	-	(357)	-	385
Net interest income (expense)	92	349	201	293
Accretion	(125)	(192)	(255)	(368)
	(8,386)	2,648	(9,320)	3,216
Loss before tax	(11,496)	(3,822)	(14,382)	(10,359)
Deferred income tax recovery	2,208	884	3,229	2,805
Net loss	(9,288)	(2,938)	(11,153)	(7,554)
Unrealized loss on investments	(31)	(75)	(36)	(73)
Foreign currency translation differences	1,125	(2,418)	205	(3,023)
Comprehensive loss	(8,194)	(5,431)	(10,984)	(10,650)
Basic and fully diluted loss per share ⁽²⁾	(0.01)	(0.00)	(0.01)	(0.01)
Weighted average shares outstanding – thousands	745,131	617,139	745,131	613,339
Cash used in operations before changes in non-cash working capital	(3,648)	(8,936)	(9,602)	(15,829)
Cash flow used in operating activities	(3,446)	(12,773)	(8,495)	(24,155)
Operating Highlights				
Ore milled – (000's tonnes)	-	16	-	161
Average head grade – (% lead)	-	7.1	-	6.9
Recovery – (%)	-	71	-	73
Concentrate produced – (000's dry tonnes)	-	1.3	-	12.7
Concentrate sold – (000's dry tonnes) ⁽¹⁾	-	3.7	-	7.6
Lead metal in concentrate produced – (000's tonnes)	-	0.8	-	8.1
Lead metal in concentrate sold – (000's tonnes) ⁽¹⁾	-	2.4	-	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)	0.89	\$1.16	0.92	\$1.17
Ivernia's average lead sale price – (\$ per pound)	-	\$1.06	-	\$1.13
Cash cost per pound sold – (\$ per pound) ⁽³⁾	N/A	N/A	N/A	N/A

(1) Ivernia restarted operations at the Magellan Mine in late February, 2010. A ramp-up of operations took place throughout 2010. On April 5, 2011 Magellan Metals 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 Magellan Metals workforce commenced an orderly shutdown of operations and the mine was placed on full care and maintenance in April 2011. The Magellan Mine remains on care and maintenance as at August 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 Magellan Mine worked through the issues surrounding transportation and then care and maintenance during 2011 and 2012. Upon the restart of operations of the Magellan Mine and once the Magellan Mine achieves steady state production run rates information about the cash cost of lead sold will be reintroduced.

OPERATIONS REVIEW – MAGELLAN MINE

Ivernia restarted operations at the Magellan Mine in late February, 2010. A ramp-up of operations took place throughout 2010. On December 31, 2010, Magellan Metals received a stop order from the Acting Minister for Environment of Western Australia (the “Stop Order”) relating to the transport of lead carbonate concentrate from the Magellan Mine. Transportation operations from the Magellan 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 from the Magellan Mine. Magellan Metals stopped mining and processing operations at the Magellan Mine commencing January 5, 2011 until February 23, 2011 when the Minister announced the lifting of the Order. Following the lifting of the Order, Magellan Metals commenced a ramp up of operations. In April 2011, the Company announced that it was voluntarily placing the Magellan Mine 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 Magellan Mine remained on care and maintenance in the second quarter of 2012. Consequently, there was no production or sales of lead carbonate concentrate in the second 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 second quarter of 2012, focused on discussions and other exchanges with the Western Australia government and regulators in relation to progressing the issuance of the Operating Conditions for Magellan Metals and continuing to develop detailed operating and financial plans for a restart of Magellan Mine operations.

On October 3, 2011, the Environmental Protection Authority of Western Australia (“EPA”) released its report to the Minister entitled *Section 46 Report and Recommendation of the Environmental Protection Authority* (the “Section 46 Report”) to the Minister detailing its draft recommended conditions (the “Draft Recommended Conditions”). In the Section 46 Report the EPA stated: “...*that the current transport and handling methods are more than sufficient to protect human health and the environment*” and that “[t]he transportation of the bulk bags in shipping containers is over and above what is required and is best practice”.

On July 27, 2012, the Company received the Operating Conditions from the Minister which, in general were consistent with the Draft Recommended Conditions of the EPA. The Operating Conditions supersede the Interim Implementation Conditions, which had governed Magellan Metals’ operations since February 23, 2011. 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 Annual Information form dated March 30, 2012 (the “2011 AIF”) under the heading “Three-Year History - Operations”. 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 previous Ministerial Statements 559 and 783 and the interim implementation conditions (the “Interim Implementation Conditions”) which had governed Magellan Metals’ operations since February 23, 2011.

Pursuant to the Operating Conditions, the Company can ship lead carbonate concentrate through the Port of Fremantle for five (5) 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 Magellan'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 Magellan Mine. In particular, prior to the re-commencement of transportation of shipping containers containing lead carbonate concentrate from the Magellan Mine, the Company must:

- carry out a risk assessment ("Environmental Risk Assessment") of all key aspects of the Magellan Mine regarding the potential pathways for lead carbonate concentrate contamination and report on such findings to the CEO 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 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 Magellan Mine; 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 currently reviewing the time and cost for completing the EMP, Sampling Evaluation, Inspector Report and Environmental Risk Assessment.

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 Magellan Mine and prior to being loaded onto trains at the Leonora rail yard. The Company is currently considering arrangements to expand the hardstanding area to store containers in mud free locations and to upgrade its facilities to wash and inspect containers prior to their removal from Magellan Mine.

The Operating Conditions also require that Magellan Metals 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 a study were that at current lead prices and exchanges rates, downstream processing of lead produced from the Magellan 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.

Magellan 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. 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 Magellan and Cano pits have been limited to authorised personnel and regular inspections indicate that the Magellan and Cano pits have remained in geotechnically stable condition throughout the care and maintenance period.

Since entering the care and maintenance period, Magellan Metals has substantially completed its internal comprehensive review of all its compliance activities and response systems related to the Magellan Mine, including the mining, processing, transporting and management of lead carbonate production and export functions with the final review planned to be completed in the second half of 2012 against the Operating Conditions received on July 27, 2012. A compliance register cataloguing legal obligations and Magellan Metals' commitments has been completed. The objective of the comprehensive review is to prevent an ongoing pattern of temporary disruptions to operations and to further reduce risks associated with the wide range of potential events that can impact on compliance with what the Company believes are the most stringent transport conditions placed on any Western Australian mining operation.

Magellan Metals has implemented a new risk management policy (the "RMP") designed to provide overall guidance to the identification and mitigation of risk to all aspects of the business. The RMP is supported by associated procedures and processes upon the identification of certain risks across the business including through sessions held with each of our key contractors. An updated risk register has been developed and complementary mitigation plans are being prepared. A key Magellan Mine risk mitigation initiative is a comprehensive permit-to-work system which was commissioned in the second quarter of 2012. The permit-to-work system assists in controlling high risk work activities on-site by requiring a permit containing hazard controls, that must be implemented before an activity can commence, to allow high risk work activities to be conducted in a safe manner.

During the second quarter of 2012, the Company continued its internal planning process for a restart of operations and the shipment of lead carbonate concentrate stockpiles which included planning work on process, health and hygiene improvement projects to support a restart of operations and a resumption of shipments. Plans and costings have been prepared for a rapid roll-out of restart capital projects based on the EPA's Draft Recommended Conditions. With the Operating Conditions in hand, during the second half of 2012, the Company will finalize and in some cases commence implementation of these capital projects in advance of a restart of operations.

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 strategies are being developed to deliver the desired organisational culture.

With the Operating Conditions in hand, during the third quarter of 2012, the Company will commence the recruitment of key personnel and continue to advance and refine the detailed restart planning required to restart operations. While the Company will need to consider a number of factors before making the decision to restart, the Company does not anticipate commencing any shipments before the second quarter of 2013.

The Company is considering a proposal to transfer the day to day management of the Magellan Mine's operation to a "shared services" model under the management of the Enirgi Metal Group. Ownership of Magellan Metals and the Magellan Mine would remain with Ivernia. The Enirgi Metal Group is a wholly owned Australian-based subsidiary of Enirgi Group that is currently focused on the lead industry in Australia. Management anticipates that this change could deliver material cost savings from the elimination of duplicated functions, access to economies of scale, as well as sharing key experience in the lead industry across Enirgi Group's business units.

Capital Resources and Working Capital Requirements

As at August 8, 2012 the Company had approximately \$3.6 million in cash and approximately \$4 million remaining to be used on the Facility to fund restart planning activities and any costs associated with the restart of the Magellan Mine, if and when a restart decision is made. The Company expects to continue to have negative cash flows until the Company has restarted the Magellan Mine and has positive cashflow from operations. While the Company must consider a number of factors before making a decision to restart the Magellan Mine, the Company does not anticipate recommencing any shipments prior to the second quarter of 2013.

The Company expects that it will require additional financing to restart the Magellan Mine, in excess of current cash balances, the remaining Facility, the remaining Enirgi Commitment and any proceeds it may receive from the shipment of lead carbonate concentrate stockpiles. The quantum of this funding requirement cannot be estimated at this time and will be contingent on the finalization of a detailed restart plan and ramp-up profile, net proceeds expected to be 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.

Conference Call

Management will host a conference call to discuss the Company's results at 10:00 a.m. (Eastern Time) on Tuesday August 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: 1 800 599 9816 (Canada and USA) or +1 617 847 8705 (International)

* Participant passcode is 93263370

For those unable to participate in the conference call or webcast at the scheduled time, a telephone replay will be available until August 28, 2012 by dialing:

Phone: 1 888 286 8010 (Canada and USA) or +1 617 801 6888 (International)

* The playback passcode is: 13945908

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

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

About Ivornia

Ivornia is an international base metal mining company and the owner of the Magellan Mine, located in Western Australia.

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

For further information please contact:

Ivornia 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 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 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 Magellan 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 Magellan 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 Magellan Mine, the duration of the period of care and maintenance commenced in April 2011, the timing and need for additional financing, risks relating to the operations being placed on care and maintenance, matters relating to 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.