



NEWS RELEASE

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

IVERNIA PROVIDES BUSINESS UPDATE

TORONTO, ONTARIO – October 11, 2012 – Ivernia Inc. ("Ivernia" or the "Company") (TSX: IVW) today announced that plans are well advanced to restart operations during the second quarter of 2013 at its world class, 100% owned, Magellan lead mining operations (the "Mine") located in Western Australia. The Chairman of Ivernia's Mine subsidiary, who has taken the leadership role in the restart planning process, has also recommended to the Ivernia Board of Directors that day to day management for the operation should be provided by Enirgi Metals Group Pty Ltd. ("EMG") under a management services agreement, following board approval, the negotiation of definitive agreements and the receipt of any other required approvals. EMG is a wholly owned subsidiary of the Company's majority shareholder, Enirgi Group Corporation ("Enirgi Group"). Under this 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 a management services agreement, 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 agreement, EMG would take the leading role in managing the restart of operations at the Mine with a restart of operations planned in stages during the second quarter of 2013 with full production targeted by year end.

Ivernia has previously advised the need to undertake a number of activities at the Mine, recruiting and training a significant new workforce and mobilization of contractors before a restart of operations can occur. The Company expects to sell the lead carbonate concentrate stockpiles, currently at the Mine during the ramp-up of operations in the second quarter of 2013.

Since the receipt of the new transportation and operating conditions received on July 27, 2012 ("Operating Conditions"), the operations team has focused on restart planning and, during the fourth quarter of 2012, it is planned to order and commit to long lead time items and consumables as well as commencing 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.

As at October 5, 2012 the Company had approximately \$2.0 million in cash and approximately \$2.0 million remaining to be drawn down on a secured loan facility with Enirgi Group (the "Enirgi Facility") to fund activities and any costs associated with the restart.

As previously disclosed, the Company will require additional financing to underwrite the restart, in excess of current cash balances, the remaining Enirgi 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, repayment date of the Enirgi Facility, 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 indicate funding requirements in the range of approximately \$20 to \$25 million which includes the repayment of the fully drawn down \$6 million Enirgi Facility in June 2013. Ivernia continues to explore a number of financing options to meet these funding requirements

including a combination of debt and equity. Ivernia has also requested that the Enirgi Group consider an extension to the scheduled repayment date for the Enirgi Facility in an effort to reduce the overall funding requirements during restart, however any such repayment extension remains at the sole discretion of Enirgi Group.

Wayne Richardson, Chairman of Ivernia's Mine subsidiary, a Director of Ivernia and CEO of Enirgi Group, commented "I am delighted with the progress the team has made on restart planning and the strong contribution made by the EMG management which is demonstrating the value EMG will add to Ivernia going forward."

The Company expects to release its Q3 2012 financial results on November 12, 2012 after the close of the market. Management will host a conference call to discuss the Company's results at 10:00 a.m. (Eastern Time) on Tuesday November 13, 2012. Details for the conference call will be published on the Ivernia website at www.ivernia.com and the call will also be webcast live on the Ivernia website

About Ivernia

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

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.

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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 necessary regulatory approvals with respect to the management services agreement with Enirgi Group, the direct and indirect cost savings from the service agreement with 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 news release and in other documents filed from time to time by Ivernia with Canadian securities regulatory authorities. While Ivernia considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. These factors may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements, and there can be no assurance that the actual results or developments anticipated by management will be realized or, even if substantially realized, that they will have the expected results on the Company. Undue importance should not be placed on forward-looking information nor should reliance be placed upon this information as of any other date. Except as required by law, while it may elect to, Ivernia is under no obligation and does not undertake to update this information at any particular time.