



## NEWS RELEASE

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

### **IVERNIA ENTERS INTO MANAGEMENT SERVICES AGREEMENTS WITH ENIRGI GROUP CORPORATION**

**TORONTO, ONTARIO – December 17, 2012** – Ivernia Inc. ("Ivernia" or the "Company") (TSX: IVW) today announced that following review and recommendation by a committee of its independent directors and approval by the board of directors, it has entered into the management services agreement (the "Enirgi Agreement") with Enirgi Group Corporation ("Enirgi Group") referred to in its October 11, 2012 press release. Under the Enirgi Agreement, it is proposed that Ivernia's officers will be employed by Enirgi Group, and will, as employees of Enirgi Group, manage the business and affairs of Ivernia. As well, day to day management for the operation of Ivernia's, 100% owned, lead mining operations located in Western Australia will be provided by Enirgi Metal Group Pty Ltd. ("EMG") under a management services agreement between EMG and Ivernia's wholly-owned subsidiary Rosslyn Hill Mining Pty Ltd. ("RHM", the "EMG Agreement", and together with the Enirgi Agreement, the "Agreements"). EMG is a wholly owned subsidiary of the Company's majority shareholder, Enirgi Group.

Under the Agreements, Ivernia retains full ownership of the mine. The entering into of the Agreements will have no impact on Ivernia's status as a reporting issuer, or its TSX listing. The boards of directors of each of Ivernia and RHM will be responsible for the direction and supervision of the duties of Enirgi Group and EMG, respectively, under the Agreements.

The Agreements provide for payments in respect of the services provided on a cost-recovery only basis, with no mark-up, and are terminable by either party on 90 days' notice.

Pursuant to the Enirgi Agreement, Enirgi Group will be responsible for providing the necessary officers responsible for (among other things) general management and executive services for Ivernia, including strategic and business planning functions, accounting, treasury and other day-to-day matters. Enirgi Group will report and be accountable to Ivernia's board of directors.

Under the EMG Agreement, EMG will take the leading role in managing the restart of operations at the mine, including the design of the organizational structure, with a restart of operations planned in stages during the second quarter of 2013 with full production levels targeted by the end of 2013. Certain RHM employees may either transfer or be seconded to EMG in order to perform similar services for EMG. EMG will report and be accountable to RHM's board of directors, which is directly accountable to Ivernia's board of directors.

EMG, lead by Managing Director, Todd Vains, is the largest secondary lead smelting group in Australia with its two secondary lead smelters and used lead acid battery collection business in Eastern Australia and has a wealth of knowledge and experience in the lead industry. Under the EMG 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 the Agreements is expected to deliver significant cost savings to Ivernia and RHM. 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

#### **About Ivernia**

Ivernia is an international base metal mining company and the owner of the Paroo Station 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](http://www.ivernia.com) and at SEDAR at [www.sedar.com](http://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 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 Paroo Station mine (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.*