



Magellan Metals – A Bright Future

Friends of Mining Luncheon
Parliament House, Canberra
October 28, 2009

Dr John Yeates
Vice President, Corporate Social Responsibility

on behalf of the Ivernia and Magellan teams

An international base metals mining, exploration and development company

Certain statements contained in this document constitute forward-looking information within the meaning of securities laws. All statements included in this document (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 duration of the suspension of the Company's mining and milling operations, the possibility of legal or regulatory action (and any resulting costs or liabilities) which may be taken in connection with the matters which resulted in the suspension of mining operations, the estimated timing to recommence lead shipments from the Magellan mine, future targets and estimates for production, capital expenditures, operating costs, cash costs, mineral resources and ore reserves, recovery rates, grades and prices; business strategies and measures to implement such strategies; competitive strengths; estimated goals and plans for Ivernica's future business operations; and other such matters. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "contemplate", "target", "believe", "plan", "estimate", "expect", and "intend" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. These statements are based upon certain reasonable factors, assumptions and analyses made by management in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. However, whether actual results and developments will conform with management's expectations is subject to a number of risks and uncertainties, including factors underlying management's assumptions such as the duration of the suspension of mining and milling operations, metal price volatility, lead concentrate treatment charges, exchange rates, regulatory proceeding and litigation, single mineral property, resources and reserves, health and safety, environmental factors, mining risks, metallurgy, labour and employment regulations, government regulations, insurance, refinancing risk, dependence on key personnel, constraints on cash flow and nature of mineral exploration and development. While we consider these assumptions to be reasonable based on information currently available to us, 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. Other risks and factors that could cause actual results to differ are described in Management's Discussion and Analysis ("MD&A") for the most recently completed year end under the heading "Risks and Uncertainties", and in the Company's most recently filed Annual Information Form under the heading "Risk Factors". Our MD&A, Annual Information Form and additional information on Ivernica are available on the Company's website at www.ivernica.com and on Ivernica's SEDAR profile at www.sedar.com. All of the forward-looking statements made in this document are based on our current estimates, expectations and projections, which we believe are reasonable as of the current date. You should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While we may elect to, we are under no obligation and do not undertake to update this information at any particular time.

- Ivernia is sole owner and operator of the Magellan lead mine:
 - Located in Western Australia
 - Only significant pure lead mine in the world: ~2% of world mine supply
 - One of the world's top 10 lead mines when at full production
 - Significant by scale and purity
- Open cut lead carbonate mine and processing (concentrate) facility
- Located 30 km west of Wiluna in WA Goldfields mid-West region



- Sole owner and operator of the Magellan lead mine
 - located in Western Australia
 - only significant pure lead mine in the world, ~2% world supply
 - one of the world's top 10 lead mines when at full production
 - significant by scale and purity
- Took Magellan from exploration project through feasibility, financing and construction into an operating mine in 5 years – 2002 to 2006
- Shipments suspended April 2007 to August 2009 as worked through issues related to the Esperance shipping “incident” and final permitting to transport through Fremantle
- Sealed shipping process approved and signed-off by Government in August 2009 – now shipping mine concentrate stockpiles through Fremantle
- An extensive mine restart planning process is underway and is expected to continue until year-end with the objective of restarting operations in early 2010
- Pursuing growth opportunities to grow the company in the base metals sector beyond Magellan spreading both operational and commodity risk

TSX: IVW

December 31, 2008

October 21, 2009

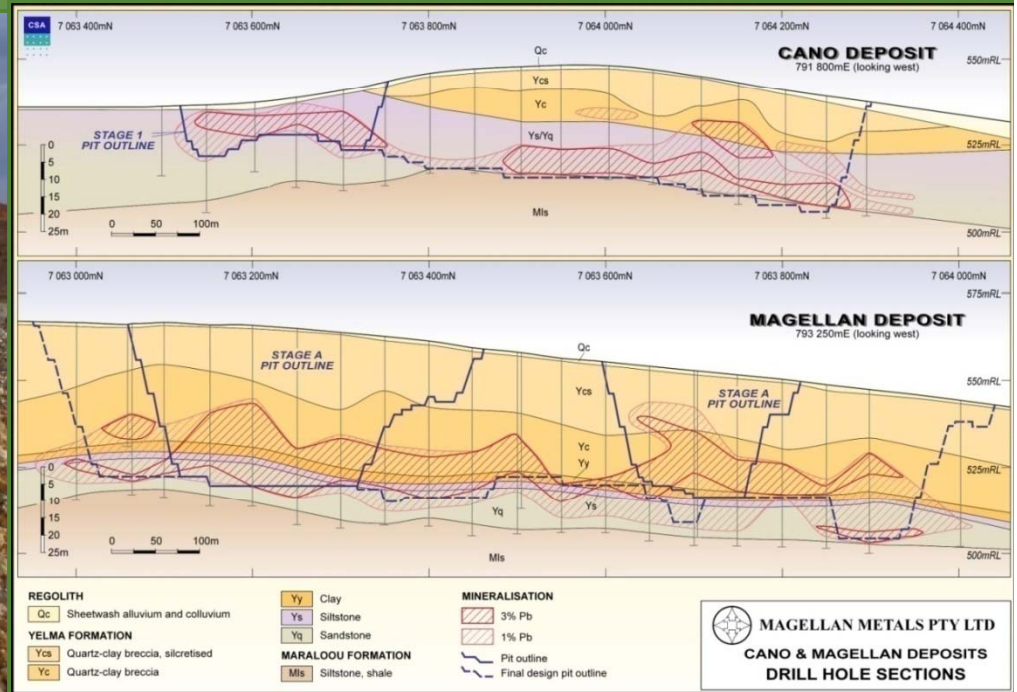
Shares outstanding - millions	180	180
Fully diluted - millions	210	538 *
Market capitalization – C\$ millions Basic	C\$13	C\$61
Market capitalization – C\$ millions Fully diluted	C\$15	C\$183
Share price	C\$0.07	C\$0.34
52-week range		C\$0.04 – C\$0.385

•Includes 349 million shares issuable upon convertible note conversion and 8.9 million outstanding options and warrants (of which 6.5 million are unlikely to be converted into common shares).

- Finalized agreements with Government and regulators on Esperance lead removal and clean-up. Successfully exported Esperance stockpiles in March and May using the new sealed shipment method. Completed lead shed clean-up and exited Esperance
- Received Minister of Environment final sign-off on Fremantle sealed shipping process in August – shipments commenced 29 September
- Currently moving mine-site stockpiles over the next few months
- Restart planning team working on an early 2010 restart of operations
- Ivernia maintains a unique position in the industry and we are re-emerging from the experience of the past two years as a stronger organization

The Magellan Mine





- Secondary horizontal layers
- Low cost mining (partly free dig)
- Strip ratio - 3:1 overall
- Large open pit floors

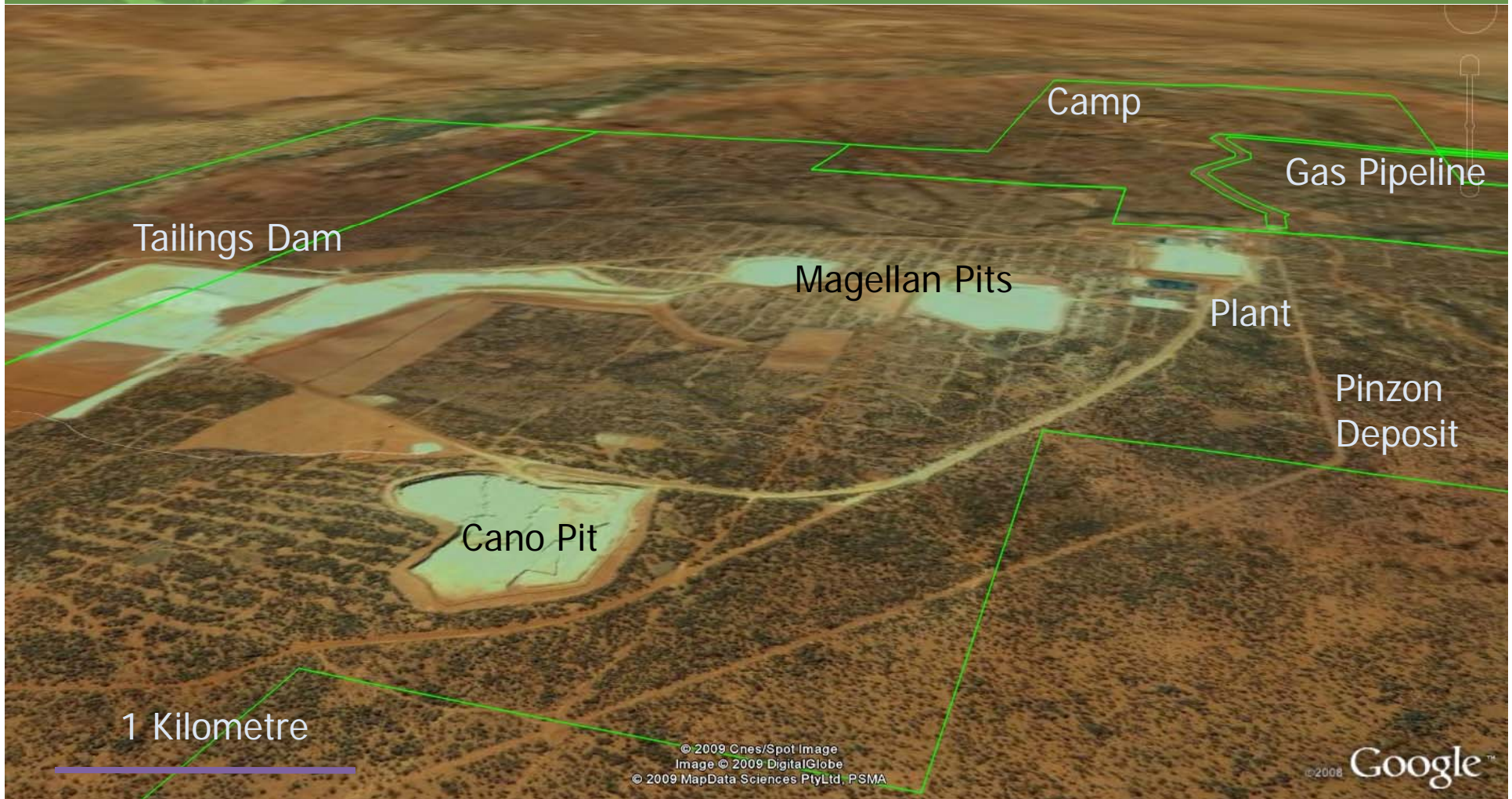
- Predominantly Cerrusite ($PbCO_3$)
- Minor Anglesite ($PbSO_4$)
- ROM pad full (1-2 months mill feed)
- Ore blocks marked up



Ivernica

Magellan Metals

Magellan Hill Looking East



- Mining: 1.9 million tonnes per annum
- Mine life: 6.5 years
- Reserves: US\$1,500 per tonne lead
- Exchange rate: US\$0.65:A\$

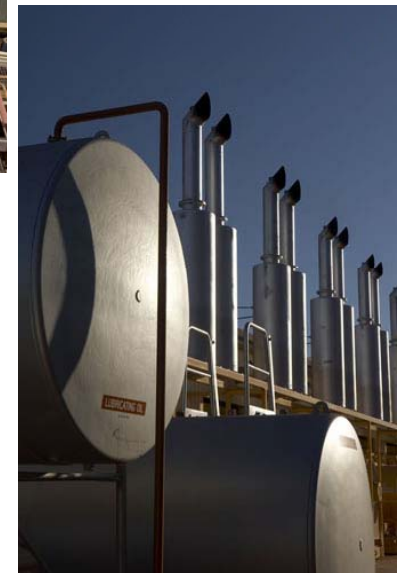
Pit	Pb Cut Off	Ore Volume	Ore Tonnes	Pb Grade	Waste Volume	Total Volume	Strip Ratio
	%	Mbcm	Mt	%	Mbcm	Mbcm	
Magellan	2.5	3.6	7.3	6.3	12.4	16.0	3.4
Cano	2.5	0.8	1.7	5.8	1.0	1.9	1.2
Pinzon	2.5	1.1	2.1	5.6	3.8	4.8	3.5
Total	2.5	5.5	11.1	6.1	17.1	22.7	3.1

- Significant resources at 2.1% Pb cutoff
 - Measured 10.7 Mt at 5.2% Pb
 - Indicated 11.4 Mt at 4.5% Pb
 - Inferred 10.2 Mt at 4% Pb
- Drilling program planned
- Mining lease application

- Fly in - fly out: 170 person camp
- 50% off-take sales agreement with Yunnan Metallurgical Group (YMG)
- Good product acceptance
- At full production ~85,000 tonnes of lead in concentrate per year
- Proven plant and operation



- Plant produced at 1.5 million tonnes per annum equivalent, expected to increase to 1.9 million tonnes upon restart
- Single stage primary crushing, secondary ball mill
- Plant operated at 90% availability prior to shutdown
- Sulphidize by froth flotation (NaHS)
- Typical sulphide concentrator
- New concentrate pressure filter to be commissioned. Will replace prior belt filters and solar drying pad.
- Gas pipeline to be commissioned at site and provide major power source
- Lead recoveries of 75% to 80%
- Lead carbonate concentrate 63% to 65% contained lead



Operations 2009 and beyond



- Successfully partnered with Western Australian Government , Esperance Port Authority and community to resolve issues at Esperance 2008-09
- 8,000 dmt stockpile sealed shipment completed May 4, 2009
- Company has committed an A\$9 million contribution toward final clean-up of Port and town to be completed by the State Government, payable based on future earnings targets over the next 22 months





Sealed shipment process A new level of industry best practice

- Final Government approval granted in August 2009
- Rigorous Occupational Health, Safety & Environment (OHS&E) standards for handling and transport
- Lead concentrate packaged in Government and UN approved two tonne bags
- Exteriors of bags are vacuumed
- Loaded inside shipping containers
- Containers bolt locked
- Containers loaded onto trucks
- Containers and trucks washed and containers delivered by rail to the Port of Fremantle
- Shipped to customers on regular container vessels
- Potential for product escape is minimized
- Avoids re-handling of product



Sealed shipment process Raising the bar

Over the past 2 years we have created and are currently implementing a new worldwide standard for the safe handling and transport of lead concentrate using a sealed process which is recognized as setting a new level of industry best practice

- Independent inspection for every bag and container
- Independent auditing and reporting
- Public compliance reporting and consultation
- A\$5 million environmental bond in place
- Top level emergency response program
 - Consultation with all 22 local Governments along transport route.
- Performance review
- Improved corporate and social responsibility
- Rigorous occupational health, safety and environment standards
- Extensive baseline and operational monitoring of transport route and the Port
- Monitoring includes soil, water, benthic sediment, dust and air quality
- Public reporting of results



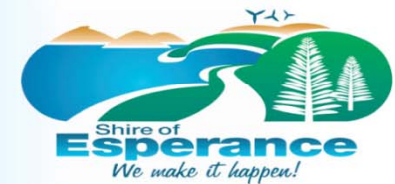


Magellan Community Fund Esperance

- Fostering good relationships with all stakeholders is an essential part of Ivernia/Magellan's emphasis on sustainable operations
- A\$1 million committed over the next three years in support of not-for-profit and local community groups within Esperance that focus on projects that will provide sustainable benefits to the broad community
- Excellent response in 2009 – 10 projects selected from 49 applications, for total funding of \$292,000



Magellan METALS
Community Fund



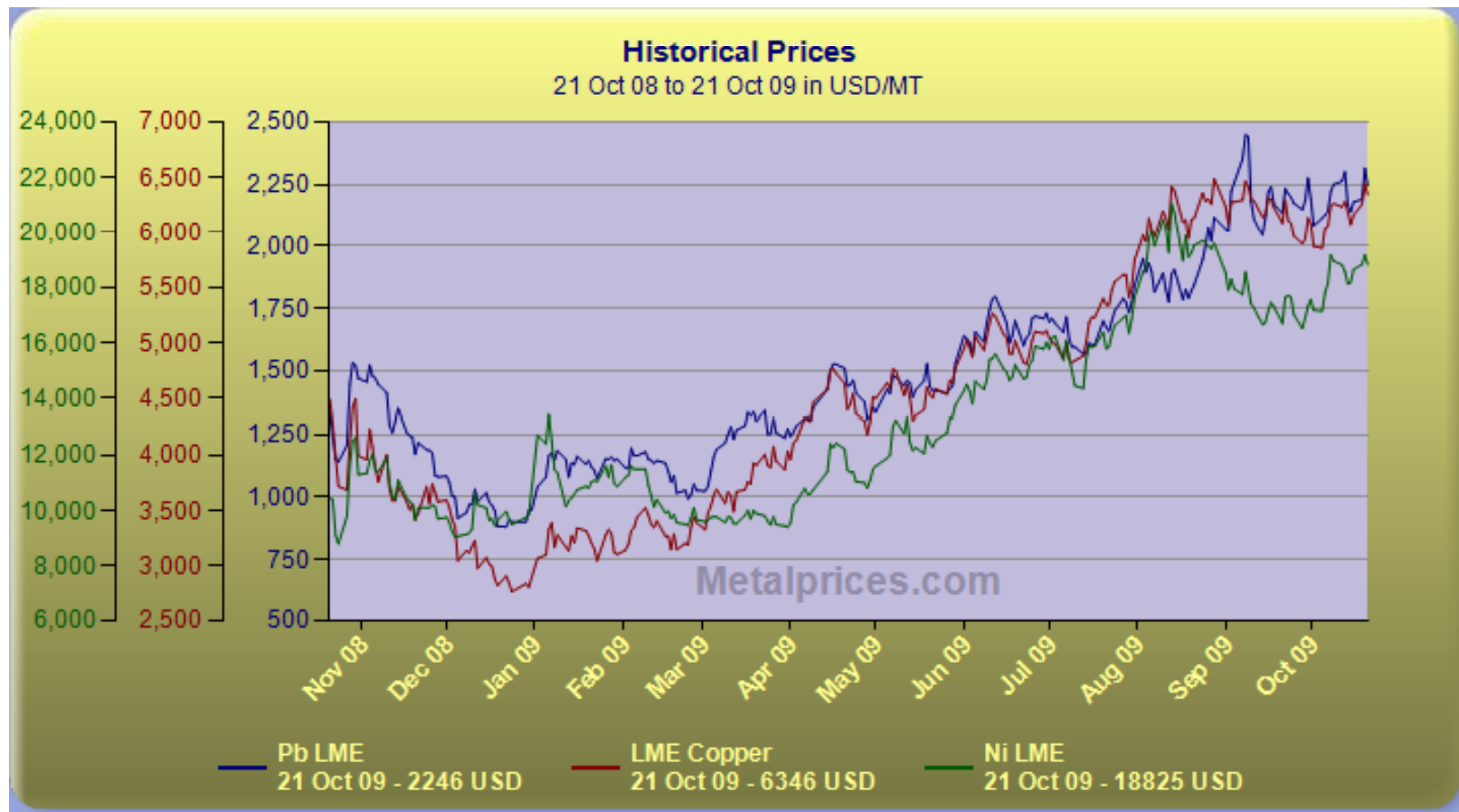
- In partnership with other miners and Government, Ivernia/Magellan is engaging to assist the local Wiluna community (95% indigenous) through the Regional Partnership Agreement, (RPA) to assist in capacity building and opportunity creation
- Assisting in a range of other community activities



Lead Markets



An international base metals mining, exploration and development company



- Fundamentals for lead are strong
 - LME lead inventories at less than one week, the lowest of the LME metals
 - September to December is peak demand period for lead in Northern hemisphere and coupled with issues in China should support future growth in lead price
 - ILZSG forecasts (October 2009) that global usage of refined lead metal will increase by 3% to 8.91 million tonnes in 2009 and a further 7.2% to 9.55 million tonnes in 2010
 - ILZSG are forecasting a global lead market surplus of 80,000 tonnes for 2009 and just over 100,000 tonnes in 2010
 - Chinese lead consumption was roughly 40% of total world consumption in 2008 and is forecast to grow around 6% in 2009 driven by tax cuts on selected new vehicle purchases and continued healthy growth in motorized transport, including electric bikes
 - Once global economy shows sign of sustainable recovery, lead supply will be unable to keep pace with demand – resulting in higher prices for lead



Lead Market Commentary

"Though the recent phenomenal growth in e-bike sales has been dented by the recession, anecdotal evidence by the China Battery Association suggests that demand for lead-acid batteries from e-bike makers is already equal to demand from car makers. All in all the outlook for Chinese lead demand looks very promising and is strongly supportive of further long-term price gains, in our view."

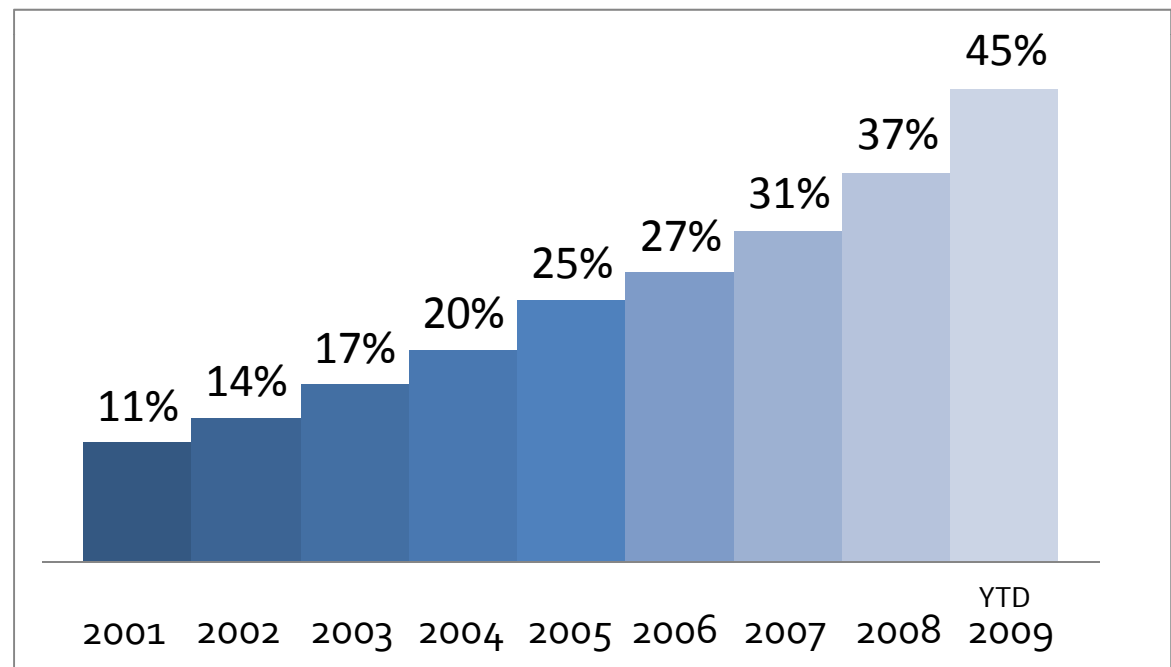
Capital (August 21, 2009)

"Lead smelters in Henan, Hunan, Shaanxi and Guangxi are reportedly undergoing emissions tests following studies which found that hundreds of Chinese children have high levels of lead in their blood. We believe the central Chinese government is serious about lead pollution and inspections to evaluate all lead smelters could be done by the central government, meaning that provincial and local governments will not be able to protect the smelters. This could have a large impact on small to medium-sized lead smelters in China (mainly sintering and blast furnace operators), and as a result, we expect lead prices will be strongly supported by this news."

Macquarie Research (September 1, 2009)



Growth in China's lead demand as a percentage of total world demand



Source: ILZSG



- Lead is best positioned in terms of fundamentals of all base metals
- Chinese consumption driving market - up 25% year over year, representing approximately 45% of world wide consumption in 2009
- Western world consumption has stabilized and is expected to recover from here, particularly in the last four months of 2009 as automotive battery production increases to prepare for the winter replacement season



- Ivernia maintains a unique position in the industry and we are re-emerging from the experience of the past two years as a stronger organization
 - Company is now on sound financial footing and focused on planning for the restart of the Magellan Mine in early 2010
 - Priority is to export ~21,000 tonne mine-site stockpile via Port of Fremantle beginning this quarter
 - With a steadfast commitment to community, health and safety and the environment, Ivernia is poised to reopen the Magellan Mine with newly developed transport methods that lead the industry in environmental health and safety



TSX: IVW

www.ivernia.com

www.magellanmetals.com.au