



NEWS RELEASE

IVERNIA ANNOUNCES RELEASE OF EPA REPORT ON DRAFT RECOMMENDED CONDITIONS AND PROVIDES BUSINESS UPDATE

TORONTO, ONTARIO – October 3, 2011 – Ivernia Inc. (“Ivernia” or the “Company”) (TSX: IVW) today reported that the Environmental Protection Authority (“EPA”) of Western Australia released its report (“Section 46 Report”) to the Minister for Environment of Western Australia (“Minister”) detailing its recommendations on the operating conditions for the Magellan Mine (the “Draft Recommended Conditions”). The Draft Recommended Conditions were also publically released by the EPA as an appendix to the Section 46 Report. The Company received the Section 46 Report and Draft Recommended Conditions today at the same time they were released by the EPA and is currently reviewing and considering the impact and implications on the Magellan Mine operations. Once the Minister has decided the final content of the operating conditions and has issued them, the Company will make a further announcement on the final operating conditions’ impact on the timing for a decision to restart the Magellan Mine.

As previously announced, pursuant to Section 46A of the *Environmental Protection Act 1986* of Western Australia (the “EP Act”), the interim implementation conditions relating to the Company’s operations issued by the Minister on February 23, 2011 were issued pending a full inquiry by the EPA into the existing operating conditions and finalization of operating conditions to be approved and issued by the Minister. The Section 46 Report provides EPA recommendations on the Draft Recommended Conditions for the Minister’s consideration. The Minister will now consider the Section 46 Report and decide on the final content of the operating conditions. The Company’s wholly-owned subsidiary, Magellan Metals Pty Ltd. (“Magellan Metals”), provided submissions to the Office of the Environmental Protection Authority (“OEPA”) on the Draft Recommended Conditions. The Company cannot provide any guidance on the content or timing for the finalization of the Minister’s review and issuance of the final operating conditions.

The Section 46 Report is available on the EPA website. A link to the Section 46 Report, which includes the Draft Recommended Conditions, can be found on the Magellan Metals’ website at: www.magellanmetals.com.au/compliance/ministerial-conditions.aspx

Business Update

As previously disclosed, the Company believes that Magellan Metals must complete its internal end-to-end review and the Minister must issue the final operating conditions before the Company will be in a position to provide guidance on the expected timing for a decision to restart the Magellan Mine. As per the Company’s previous guidance, the Company expects to complete its internal end-to-end review by the end of October 2011 but cannot provide any guidance as to the timing for the issuance by the Minister of the final operating conditions.

The Draft Recommended Conditions released today contain certain conditions that would need to be satisfied prior to the resumption of the transportation of lead carbonate concentrate from the Magellan Mine. If the operating conditions are adopted as they are currently drafted, the Company expects that it will not be able to make a decision with respect to the restart of the Magellan Mine until it is satisfied that any requirements to commence the transportation of lead carbonate concentrate from the Magellan Mine have been or will be met to the satisfaction of the OEPA. Upon making the decision to restart the Magellan Mine, the Company expects that it would take greater than three months for a ramp-up of operations to be completed.

As at September 30, 2011, the Company had approximately US\$10.5 million in cash to fund the care and maintenance activities at the Magellan Mine including the completion of the end-to-end review. The Company expects to continue to have negative cash flows during the care and maintenance period. Until the final operating conditions are issued, the Company does not expect to be in a position to assess when

it will be able to commence shipments of the existing stockpile of 10,100 tonnes of lead carbonate concentrate currently held at the mine site. Until the Company is in a position to assess when it will be able to recommence shipments of lead carbonate concentrate from the Magellan Mine, the Company cannot make any assurances that it will have sufficient working capital on hand to fund the care and maintenance period and/or restarting the Magellan Mine, if and when a restart decision is made. Due to such uncertainty, the Company now anticipates that it will require additional financing prior to the restart of the Magellan Mine and is pursuing financing alternatives.

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 press 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 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, any future financings, the timing for issuance and the final form of the operating conditions 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 for issuance and the final form of the operating conditions, risks relating to the operations being placed on care and maintenance, the need for additional financing, 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 related to the order to cease transport of lead concentrate and matters relating generally to the transportation of lead carbonate; presence of a majority shareholder; matters related to the Esperance settlement and shipments through the Port of Fremantle; implications stemming from the Esperance inquiry; and common share price volatility and the dilution of the Company's Common Shares. Additional factors and considerations are discussed in the Company's MD&A for the interim period ended June 30, 2011 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.