

Ivernia Provides Update on Care and Maintenance and Temporary Debt Repayment Moratorium From Lenders

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TORONTO, Feb. 13, 2015 (GLOBE NEWSWIRE) -- [Ivernia Inc.](#) ("Ivernia" or, collectively with its subsidiaries, the "Company") (TSX:IVW) today provided a business and financial update. The transition to care and maintenance has progressed expeditiously in light of a sustained depressed LME lead metal price environment since the end of 2014. A Special Committee of the Board has been in discussions with Ivernia's lenders and has reached an agreement with Ivernia's principal lenders for a five month moratorium on interest and principal repayments while the Special Committee conducts a financial and strategic review of the Company.

Key points:

- Lead metal prices have remained depressed since December 2014
- Mining and milling operations have ceased with final shipments of lead concentrate expected to be completed by the end of the month
- The process of reducing the workforce is nearly complete with the Mine and Perth office now operating at care and maintenance staffing levels
- The Company has obtained a suspension on principal and interest payments under the Sprott Facility until July 31, 2015 (as further described below)
- The Company has obtained a supporting letter of forbearance from Enirgi Group with respect to amounts that Ivernia owes to Enirgi Group under the
- The Company has obtained a suspension on making payments to Enirgi Group under the management services agreements for services performed for
- A Special Committee of the Board of Directors is now conducting a financial and strategic review of the Company's operations

Care and Maintenance

The transition to care and maintenance has progressed as planned with mining operations and milling operations having ceased in the middle of January and early February, respectively. Shipments of remaining inventories of lead concentrate are expected to be completed by the end of the month. The process of reducing the workforce to Care and Maintenance levels is ongoing with the expectation that this process will be completed by the end of March. Once complete, a qualified Care and Maintenance team will remain on site.

Special Committee

In light of the current circumstances, the Board of Directors has appointed a Special Committee of directors comprised of Robert Metcalfe (Chair) and David Warner to formally review the strategic alternatives for the Company and to report to the Board. The members of the Committee are independent of management and the Company's majority shareholder, Enirgi Group Corporation ("**Enirgi Group**").

"We are grateful for the continued support of our lenders and our shareholders amid these difficult market conditions," said Robert Metcalfe, Chairman of the Special Committee. "Postponing repayments will allow us time to wind down our operations in an orderly manner, complete a successful transition to care and maintenance and examine options for the future."

Forbearance under Sprott Facility

Ivernia entered into a Credit Agreement with Sprott Resource Lending Partnership ("**Sprott**") dated January 29, 2013, as amended on March 31, 2014 (the "**Credit Agreement**") and other related agreements (collectively, the "**Sprott Facility**"). The Sprott Facility is secured by all of the Company's assets, including the Mine, and contains a number of events of default that, if triggered and called by Sprott, would grant Sprott certain rights and remedies, including rights to accelerate the payment of principal and/or to realize on its security. There is currently CAD\$13,333,333.33 of principal outstanding under the Sprott Facility. The events of default include, but are not limited to, the Mine ceasing operations for more than a short period of

time and failing to maintain a minimum working capital ratio. A copy of the Credit Agreement has been filed on SEDAR at www.sedar.com.

Pursuant to a letter dated February 12, 2015 (the "**Sprott Forbearance Letter**"), Sprott has acknowledged that the recent events in the commodity markets have caused Ivernica to place the Paroo Station Mine (the "**Mine**") into care and maintenance and have resulted in negative cash flow and an expected working capital ratio to be below the required ratio in the Sprott Facility (collectively, the "**Existing Defaults**").

Pursuant to the Sprott Forbearance Letter, Sprott has agreed:

(a) that it will not exercise its rights under the Sprott Facility which it is entitled to exercise by reason of the Existing Defaults until the earliest to occur of the following: (i) the date on which an event of default (other than the Existing Defaults) occurs under the Credit Agreement; (ii) the date on which Ivernica defaults under the Sprott Forbearance Letter; or (iii) June 30, 2015, (the "**Forbearance Date**"),

(b) to suspend the requirement for payments of interest by Ivernica to Sprott under the Sprott Facility until the Forbearance Date (with such interest accruing and being treated as unpaid interest under the Credit Agreement); and

(c) to suspend the requirement for payments of principal instalments by Ivernica to Sprott under the Sprott Facility until the Forbearance Date.

The Sprott Forbearance Letter is conditional upon receipt of the Enirgi Forbearance Letter (as described below).

Payments of principal and interest under the Sprott Facility will resume on July 31, 2015, by principal re-payments in the amount of CAD\$1,273,087.47 per month, together with interest as provided under the Credit Agreement, until the maturity date. All other terms and conditions of the Sprott Facility, including the maturity date of May 31, 2016, will remain the same.

In consideration for providing the Sprott Forbearance Letter, Ivernica has agreed to pay Sprott a forbearance fee of CAD\$150,000, with such fee payable on the maturity date of the Sprott Facility and secured by the Sprott Facility.

Forbearance under Enirgi Facility and Management Services Agreements

Ivernica issued a CAD\$6 million promissory note dated June 29, 2012 to Enirgi Group, as amended on October 17, 2012, January 29, 2013 and March 31, 2014 and other related agreements (collectively, the "**Enirgi Facility**"). The full amount of the principal of the Enirgi Facility remains outstanding as of the date hereof. Pursuant to a letter dated February 13, 2015 ("**Enirgi Forbearance Letter**"), Enirgi Group has agreed to:

(a) forbear from exercising any of Enirgi Group's rights or remedies arising from any event of default under the Enirgi Facility that has occurred as of the date of the Enirgi Forbearance Letter or that may occur prior to the Forbearance Date;

(b) suspend the payment of interest payable by Ivernica to Enirgi Group under the Enirgi Facility until the Forbearance Date (with interest accruing and being treated as unpaid interest under the Enirgi Facility);

(c) confirm the suspension of the re-payment of principal to Enirgi Group under the Enirgi Facility until the Sprott Facility is repaid in full;

(d) confirm the suspension of the payment of interest under the Enirgi Facility while there is an event of default under the Sprott Facility; and

(e) suspend payments by Ivernia and its subsidiaries to Enirgi Group under the management services agreements with Ivernia and RHM for services performed with respect to the period between the date of the Enirgi Forbearance Letter and the Forbearance Date.

Subject to the foregoing, interest under the Enirgi Facility will become payable in accordance with the terms of the Enirgi Facility on the later of (i) June 28, 2015, and (ii) the Forbearance Date. All other terms and conditions of the Enirgi Facility, including the maturity date of June 30, 2016, will remain the same.

Under the management services agreements, the Company reimburses Enirgi Group for payments made by Enirgi Group in respect of costs incurred and services (such as labour, office and insurance costs) provided on behalf of the Company on a cost-recovery only basis, with no mark-up.

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. Ivernia and the Mining Operations operate under a management services arrangement with Enirgi Group Corporation, Ivernia's majority shareholder.

Additional information on Ivernia is available on the Company's website at www.ivernia.com and at SEDAR at www.sedar.com.

Forward-Looking Statements

Certain statements contained in this news release are 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 and length of care and maintenance and future sales, any results or outcomes of the strategic review, future targets and estimates for production and sales, the Company's ability to meet its working capital needs and debt repayments in the near term, projections with respect to cash flows and working capital, any additional financing requirements to operate the Mine, the cost and timing for completion of capital projects necessary for ongoing operations, the Company's ability to comply with the transportation and operating conditions for the Mine, 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, expected concentrate sales, the costs and other capital expenditures required to maintain operations and transportation, the timing, need and ability to raise any additional financing and the risks relating to ramping up mining and milling throughput and operations, funding requirements, operations being placed on care and maintenance, matters relating to regulatory compliance and approvals, shareholder dilution, matters relating to public opinion, presence of a majority shareholder and Management Services Agreements, matters related to the Esperance settlement and shipments through the Port of Fremantle, regulatory proceedings and litigation and general operating risks such as metal price volatility, lead carbonate concentrate treatment charges, exchange rates, the fact that the Company has a single mineral property, health and safety, environmental factors, mining risks, metallurgy, labour and employment regulations, government regulations, insurance, dependence on key personnel, constraints on cash distribution from the Mine, the nature of mineral exploration and development and common share price volatility. Additional factors and considerations are discussed in the 2013 AIF and elsewhere 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, Ivernica is under no obligation and does not undertake to update this information at any particular time.

Contact

For further information please contact:

[Ivernica Inc.](#)
Jessica Helm
VP, Corporate Communications
Suite 3001, 1 Adelaide Street East
Toronto, Ontario M5C 2V9
(416) 867 9298
Email: investor@ivernica.ca

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