

Ivernia Provides Business Update in Light of Recent Market Conditions

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TORONTO, Dec. 23, 2014 (GLOBE NEWSWIRE) -- [Ivernia Inc.](#) ("Ivernia" or, collectively with its subsidiaries, the "Company") (TSX:IVW) today provided an operations and finance update in light of recent market conditions. Management anticipates meeting its production guidance range this year with approximately 80,000 tonnes of lead metal contained in concentrate expected to be produced in 2014. Sales are expected to fall between 77,000 and 78,000 tonnes of lead metal contained. Demand for lead concentrate remains steady with the inventory accumulated in the third quarter of 2014 being largely drawn down in the fourth quarter with a small further draw down expected in Q1 2015.

While production, sales and operations continue to meet management expectations, the price of lead remains the most significant factor affecting profitability and cash flow from the Company's operations and, in recent weeks, the LME lead price has declined to levels not seen since mid-August 2012. During the third quarter of 2014, the LME cash settlement lead price averaged \$2181 per tonne (\$0.99 per pound), however, as of December 19, 2014 the LME cash settlement lead price was \$1870 per tonne (\$0.85 per pound). This represents a 14% decline in the LME lead metal price from the average achieved for the third quarter of 2014.

In line with a general downturn in commodity prices, the Company is experiencing a drop in realized sales prices for lead concentrate as a result of the decline in LME lead metal prices. The Company's cost saving measures (such as the switch from diesel to natural gas at the Mine power station) and the fall in the A\$/US\$ exchange rate in recent weeks have not been enough to offset the impact of the decline in lead metal prices on the Company's cash flows, resulting in operations currently not generating positive cash flow. The Company's current cash balances are approximately \$11.5 million. At a board meeting held on December 22, 2014, the Board appointed a Finance Committee to oversee a strategic review of the Company's operations by management with regard to current LME lead metal prices, the Company's ongoing resource optimization and life of mine planning, operating costs and debt repayment obligations. The Finance Committee expects to report to the Board of Directors in the next 30 days with recommendations from the review on how the Company should respond to current market conditions.

The Company continues to progress its updated life-of-mine plan which will revise its resource and reserve estimates and estimated mine life in the context of various factors including depletion from mining activities, data from the in-fill drill program, revised assumptions and methodologies for the geological model such as cut-off grade, a revised cost structure taking into account external cost drivers such as higher treatment charges and a lower lead price environment. This work, once completed, will form part of a new independent NI 43-101 technical report to be filed in the first quarter of 2015.

About Ivernia

Ivernia is an international base metal mining company and the owner of the Paroo Station Mine (the "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 herein 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 without limitation statements as to the following: the 2014 production and sales guidance or other 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, the completion of a new technical report, 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 (the "Operating Conditions"), 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 Ivernica'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 annual information form and elsewhere in other documents filed from time to time by Ivernica with Canadian securities regulatory authorities. While Ivernica 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.

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