

Ivernia Announces Move to Care & Maintenance Amid Difficult Market Conditions

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TORONTO, Jan. 16, 2015 (GLOBE NEWSWIRE) -- [Ivernia Inc.](#) ("Ivernia" or, collectively with its subsidiaries, the "Company") (TSX:IVW) today provided an operations update for the Paroo Station Mine (the "Mine"). After review with the Finance Committee and support of the Board of Directors, management today authorized the wind-down of the Mine's operations to care and maintenance until further notice in light of weak LME lead prices that have seen a significant decline in recent weeks.

Key points:

- The LME cash settlement price of lead has fallen sharply over the fourth quarter of 2014 and is trading at 30 month lows.
- The Company's cost saving measures and mine optimization plan have not been enough to offset the impact of the decline in lead metal prices.
- The Company will initiate a safe and orderly scaling back of operations as soon as possible and revert the operation to care and maintenance.
- This action has been taken in order to preserve and protect shareholder value.
- The operation remains in compliance with all operating permits and will be poised to return to full production once price conditions improve.

After reaching a high of \$2269 per tonne on July 28th 2014 the LME lead price has since deteriorated 23% trading at levels not seen since June 2012. The Mine was not in operation during 2012.

"Despite record production and sales in 2014 and the progress we have made to reduce costs and improve efficiencies at the Mine, the current LME lead price has dropped well below sustainable levels and cannot support profitable ongoing operations. In order to protect shareholder value and conserve the viable deposits of our ore body, the decision has been made to place the Mine on care and maintenance until further notice," said Wayne Richardson, President and CEO.

Management has commenced discussions with its lenders, employees, customers, mining contractor, suppliers and other key stakeholders in regards to the change in operations. Management and the Board will re-evaluate the status of the Mine as market conditions warrant. Management is awaiting the outcomes from its new independent technical report on its deposits to help it assess at which lead price it could sustainably resume operations. As a result of market conditions, the Company will not be providing guidance on its expected remaining production and sales of lead contained in concentrate prior to completing a scale back of operations to care & maintenance.

Further updates will be provided as warranted.

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 Mine 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 & maintenance, 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, Ivernia is under no obligation and does not undertake to update this information at any particular time.

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