

TORONTO, ON--(Marketwired - August 31, 2015) - [Ivernia Inc.](#) (collectively, with its subsidiaries "Ivernia" or the "Company") (TSX: IVW) today announced that, on the recommendation of an independent special committee ("Special Committee") of the board of directors ("Board") of the Company and the approval of the Board, the Company has entered into a merger agreement ("Merger Agreement") with Geo Zone Exploration Limited ("Geo Zone") whereby Ivernia will acquire 100% of the common shares of Geo Zone (the "Geo Zone Shares") for an aggregate purchase price of US\$30 million (the "Merger"). In connection with the Merger, Enirgi Group Corporation ("Enirgi Group") will convert approximately C\$12.464 million of outstanding debt owed by Ivernia to Enirgi Group into Ivernia common shares (the "Conversion" and, together with the Merger, the "Proposed Transaction"). Following completion of the Proposed Transaction, Ivernia plans to change its name to "Leadfx Inc." (the "Name Change") and to effect a share consolidation of the issued and outstanding common shares of Ivernia ("Ivernia Shares") at a ratio of at least 50:1 (the "Consolidation").

Highlights of the Proposed Transaction:

- Ivernia to acquire 100% of the Geo Zone Shares for US\$30 million, by issuing approximately 1,569,360,000 Ivernia Shares to Geo Zone shareholders using an Ivernia Share price of C\$0.025.
- Enirgi Group to convert approximately C\$12.464 million of debt owed to it by Ivernia into approximately 498,550,466 Ivernia Shares using an Ivernia Share price of C\$0.025.
- RPA Inc. ("RPA") carried out an independent valuation of Geo Zone.
- Proposed Transaction, Name Change and Consolidation subject to Ivernia shareholder approval at a special meeting of shareholders expected to be held in late October 2015 (the "Meeting").
- Proposed Transaction subject to Toronto Stock Exchange ("TSX") approval, approval of Ivernia's secured lender and Geo Zone shareholder approval.
- Closing of the Proposed Transaction is expected to be no later than November 15, 2015.
- Enirgi Group will own approximately 85.1% of Ivernia Shares following closing of the Proposed Transaction.

Reasons for the Proposed Transaction

The Proposed Transaction is designed to improve the financial condition of Ivernia by eliminating approximately C\$12.464 million of debt owing to Enirgi Group pursuant to the Conversion. In addition, Geo Zone's two new mineral properties creates new optionality for the Company including planning for the future development of new base metal projects beyond the Paroo Station Mine. Moreover, the acquisition of Geo Zone's assets, while currently non-producing, offers the future potential for revenue streams through industrial mineral production.

"The Proposed Transaction allows the Company to more uniquely position itself as a base metal mining, exploration and development company with a focus on lead metal," noted Mr. Robert Metcalfe, Chair of the Special Committee. "Furthermore, the Proposed Transaction allows Ivernia's minority shareholders to maintain a meaningful equity stake in the Company while the Company continues to examine additional options to further improve its financial condition."

About Geo Zone

Geo Zone is a private mineral exploration company whose primary business is the exploration and development of mineral properties. Through its wholly-owned subsidiaries, Geo Zone's primary assets consist of: (a) an approximate 83.5% interest in Chief Consolidated Mining Company ("Chief"), an Arizona company with an interest in mineral properties in Utah; (b) an intercompany loan owed by Chief in the principal amount of US\$2,394,810; and (c) a 100% interest in North 67 Inc. ("North 67"), an Alaskan company with an interest in mineral properties in Alaska. Prior to 2015, these assets were held by [Andover Mining Corp.](#)

Based on title work conducted to date, Chief (and its subsidiary) owns or has a legal interest in approximately 14,112 acres of land in the East Tintic Mining District in Utah County and Juab County, Utah, USA. These lands are comprised of approximately 13,166 acres of patented mining claims, 495 acres of unpatented mining claims and 449 acres of fee simple land (collectively, the "Chief Properties"). The Chief Properties include patented and unpatented mining claims that hold prospective base and precious metal deposits (lead, silver, zinc, copper and gold) and prospective industrial minerals (namely, silica, limestone, clays, calcium carbonate and iron ore) and aggregates deposits (namely, sand and gravel). Chief currently has no active mining operations. Chief's near-term commercial focus is to develop the at-surface industrial minerals and aggregates deposits potential of its properties with a medium to longer term focus on developing base and precious metal mining from its other properties.

The Chief Properties contain three potential primary mineral projects, being: (a) prospective mining or quarrying of industrial minerals and aggregates ("Industrial Minerals") in conjunction with Ophir Minerals LLC ("Ophir"), a third-party mining operator; (b) prospective lead, silver, gold and zinc deposits and related infrastructure surrounding Chief's former operating Burgin Mine; and (c) a prospective gold and silver deposit and related infrastructure surrounding Chief's former operating Trixie Mine.

On August 18, 2015, Chief and Ophir entered into a ten year lease agreement pursuant to which Chief agreed to lease the Chief Properties to Ophir for the purpose of extracting, developing, producing and selling the Industrial Minerals, which, subject to early termination, has the potential to create a constant royalty revenue stream for Chief.

The Burgin Mine is located in the East Tintic Mining District, Utah, about 60 miles southwest of Salt Lake City, Utah. The Burgin

Mine has not been in operation since 1978. Among other things, any plan to re-start the Burgin Mine would be subject to a feasibility study, significant capital investment and regulatory approvals, including regulatory permission to dewater the Burgin Mine. The Trixie Mine is located approximately 1.5 miles from the Burgin Mine's concentrating mill. The Trixie Mine is a gold-silver mine and was in production from late 2001 until closure in March 2002 due to unstable mining conditions. The Trixie Mine has not operated since 2002.

North 67 currently owns 230 contiguous mining claims covering approximately 36,800 acres in a remote area at the eastern end of the Ambler Mineral Belt in Brooks Range, Alaska, referred to as the "Sun Project". In addition, North 67 currently owns an additional 57 mining claims covering approximately 9,100 acres in the northwest region of the Ambler Mineral Belt. The Ambler Mineral Belt is considered one of the world's largest undeveloped copper-zinc mineral belts. The area has been explored for decades, but development of the mineral resources has been limited due to a lack of transportation infrastructure for mine construction and operation. North 67 currently has no active exploration or mining operations.

Additional information regarding Geo Zone and its assets will be included in Ivernica's management information circular, which is expected to be mailed to Ivernica's shareholders by late September in connection with the Meeting.

About Enirgi Group

Enirgi Group is a private diversified industrial and chemical company which currently owns 57.8% of the outstanding Ivernica Shares. Ivernica and its wholly-owned subsidiary, Rosslyn Hill Mining Pty Ltd, have each operated under a management services agreement ("Management Services Agreement") with Enirgi Group and Enirgi Metal Group Pty Ltd ("EMG"), respectively, since December 2012. As part of the Conversion, Enirgi will convert approximately C\$12.464 million of debt into 498,550,466 Ivernica Shares using a conversion price of C\$0.025 per Ivernica Share. The approximate C\$12.464 million of debt is comprised of: (a) C\$6,560,761.64 in outstanding principal and accrued interest owing to Enirgi Group pursuant to the subordinated loan facility with Enirgi Group, as of August 15, 2015; (b) approximately C\$3,549,000 owing to Enirgi Group and EMG under the Management Services Agreements, as of August 15, 2015; and (c) a non-interest bearing advance of approximately C\$2,354,000 to be made by Enirgi Group to Ivernica to fund Ivernica's working capital requirements through to the expected closing date of the Proposed Transaction.

Further Information Regarding the Proposed Transaction

The Special Committee retained RPA to complete a valuation and valuation report on Geo Zone (the "Valuation Report"). RPA concluded that, based upon and subject to certain assumptions, limitations and qualifications, Geo Zone had a value between US\$26 million and US\$40 million as at August 25, 2015. Having received the oral Valuation Report and based on advice received from its legal advisors, the Special Committee unanimously determined that the Proposed Transaction is in the best interests of the Company and recommended that the Board approve the Proposed Transaction. The Board, with the exception of Messrs. J. Trevor Eyton, Wayne Richardson and Peter Robson who declared their interests in the Proposed Transaction as a result of being directors of Enirgi Group or its subsidiaries, and did not participate in the vote, unanimously resolved to approve the Proposed Transaction.

The Proposed Transaction is subject to certain conditions precedent including, among others: (a) the approval of the TSX; (b) the availability of the "Financial Hardship" exemption under *Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions* ("MI 61-101") in respect of the requirement to obtain a formal valuation; (c) the approval of the shareholders of each of Geo Zone and Ivernica; and (d) the entering into the Assignment Agreement, Geo Zone Conversion Agreement, and Ivernica Conversion Agreement (each as defined below and collectively, the "Definitive Agreements"). The main steps of the Proposed Transaction are as follows:

1. immediately prior to the Amalgamation (defined below): (A) pursuant to the terms of an assignment agreement to be entered into ("Assignment Agreement"), Enirgi Group will assign a US\$455,650 secured promissory note owing to it by Chief to a wholly-owned subsidiary of Geo Zone in consideration for 7,594,167 Geo Zone Shares (the "Assignment"); and (B) pursuant to the terms of a conversion agreement to be entered into ("Geo Zone Conversion Agreement"), Enirgi Group will convert an aggregate of US\$9,191,736.04, consisting of: (i) US\$9,119,473.67 in convertible secured promissory notes issued by Geo Zone to Enirgi Group, (ii) US\$53,488.59 owing to Enirgi Group under a management services agreement dated June 1, 2015 between Geo Zone and Enirgi Group, as of August 15, 2015; and (iii) US\$18,773.77 owed by Geo Zone to Enirgi Group relating to a non-interest bearing advance made by Enirgi Group to Geo Zone to pay certain legal fees, into 457,178,056 Geo Zone Shares (the "Geo Zone Conversion");
1. pursuant to the terms of the Merger Agreement and corresponding amalgamation agreement, Ivernica will acquire all of the outstanding Geo Zone Shares through an amalgamation (the "Amalgamation") of Geo Zone with a wholly-owned subsidiary of Ivernica for aggregate consideration of approximately 1,569,360,000 Ivernica Shares at a deemed price of C\$0.025 per Ivernica Share; and
1. immediately following the Amalgamation, pursuant to the terms of a conversion agreement to be entered into (the "Ivernica Conversion Agreement"), Enirgi Group will convert an aggregate of approximately C\$12.464 million of debt owed by Ivernica or its subsidiaries to Enirgi Group into approximately 498,550,466 Ivernica Shares (the "Ivernica Conversion") at a deemed price of C\$0.025 per Ivernica Share.

After completion of the Assignment and the Geo Zone Conversion, Enirgi Group will own 94.28% of the issued and outstanding Geo Zone Shares. After completion of the Proposed Transaction, Ivernia will own 100% of the issued and outstanding Geo Zone Shares, with the former Geo Zone Shareholders (other than Enirgi Group) holding approximately 3.1% of the Ivernia Shares, current Ivernia Shareholders (other than Enirgi Group) holding approximately 11.8% of the Ivernia Shares, and Enirgi Group holding approximately 85.1% of the Ivernia Shares.

The Proposed Transaction is a "related party transaction" within the meaning of MI 61-101 as Enirgi Group, will, as a consequence of the Proposed Transaction, directly or indirectly: (a) sell, transfer or dispose of an asset to Ivernia, through its ownership of 94.28% of the issued and outstanding Geo Zone Shares following completion of the Assignment and the Geo Zone Conversion; and (b) receive Ivernia Shares in connection with the Amalgamation and the Conversion. Accordingly, the Proposed Transaction will be subject to disinterested shareholder approval at the Meeting, with the votes attaching to the Ivernia Shares held by Enirgi Group and any other person required to be excluded pursuant to the provisions of MI 61-101 being excluded from the vote. Certain disinterested shareholders of Ivernia that hold approximately 22% of the issued and outstanding Ivernia Shares have entered into, or are expected to enter into, voting and support agreements with Ivernia and have agreed, or are expected to agree, among other things, to vote in favour of the Proposed Transaction at the Meeting.

Ivernia is relying on the "Financial Hardship" exemption from the formal valuation requirement contained in MI 61-101 on the basis that: (a) Ivernia is in serious financial difficulty; (b) the Proposed Transaction is designed to improve its financial position; (c) the Proposed Transaction is not subject to court approval under bankruptcy or insolvency law or section 191 of the *Canada Business Corporations Act*; and (d) the Special Committee considered the Proposed Transaction and each of the Board and the Special Committee, acting in good faith, has unanimously determined that (a) and (b) above apply and that the terms of the Proposed Transaction are reasonable in the circumstances of Ivernia.

Name Change and Share Consolidation

Following the completion of the Proposed Transaction, the Company intends to complete the Name Change and Consolidation. The Name Change to "Leadfx Inc." is intended to modernize the Company's name and emphasize the Company's unique interest in lead deposits as a key base metal. Following the issuance of approximately 1,569,360,000 Ivernia Shares in connection with the Proposed Transaction, the Board believes that it is in the best interests of Ivernia to reduce the number of outstanding Ivernia Shares by way of the Consolidation.

"The Consolidation will create a more attractive share price for the Company and will allow for the Company to raise additional capital through the sale of additional Ivernia Shares at a higher price per Ivernia Share than would be possible in the absence of the Consolidation," said Mr. Metcalfe.

Both the Name Change and Consolidation will be subject to the approval of the TSX and Ivernia shareholders. Details of the Meeting will be provided in the upcoming weeks.

About Ivernia

Ivernia is an international lead metal mining company and the owner of the Paroo Station Mine, located in Western Australia. Ivernia trades under the symbol "IVW" on the TSX. Ivernia and the Paroo Station Mine operate under a management services arrangement with Enirgi Group, Ivernia's majority shareholder.

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

Forward-Looking Statements

Certain statements contained in this news release are "forward-looking statement" within the meaning of applicable Canadian securities laws that are based on expectations, estimates and projections as at the date of this news release. This forward-looking information includes but is not limited to statements and information concerning: the Proposed Transaction; the Definitive Agreements; the timing for the implementation of the Amalgamation and the Conversion and the potential benefits of the Proposed Transaction; the likelihood of the Proposed Transaction being completed; principal steps of the Amalgamation and the Conversion; statements relating to the business and future activities of, and developments related to, Ivernia and Geo Zone after the date of this news release and before and after the completion of the Proposed Transaction; Ivernia shareholder approval of the Proposed Transaction and Geo Zone shareholder approval of the Amalgamation; TSX approval of the Proposed Transaction; the Company's intention to complete the Name Change; the Company's intention to complete the Consolidation; the market position and future financial or operating performance of Ivernia; and the price and liquidity of the Ivernia Shares following the Proposed Transaction and the Consolidation.

Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or states that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking information by its nature requires assumptions and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future

results, performance or achievements expressed or implied by the forward-looking information, and readers are cautioned not to place undue reliance on such information.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking information contained in this news release. Such forward-looking information is based on a number of assumptions which may prove to be incorrect, including, but not limited to: the ability of Ivernia to complete the Proposed Transaction; the ability of Ivernia to satisfy conditions under the Merger Agreement; the ability of Ivernia to satisfy the requirements of the TSX such that it will issue the final TSX bulletin; the ability of Ivernia to successfully integrate Ivernia and Geo Zone and manage risks; the economy generally; current and future stock prices; results of operations and development of expansion opportunities; fluctuations in market conditions; fluctuations in foreign currency exchange rates; the existence of undetected or unregistered interests or claims over the property of Geo Zone; arbitrary changes in law; and anticipated and unanticipated costs.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results, performance or achievement may vary materially from those expressed or implied by the forward-looking information contained in this news release. These risk factors should be carefully considered and readers are cautioned not to place undue reliance on forward-looking information, which is current only as of the date of this news release. All subsequent forward-looking information attributable to Ivernia or Geo Zone herein is expressly qualified in its entirety by the cautionary statements contained in or referred to herein. Ivernia and Geo Zone do not undertake any obligation to release publicly any revisions to this forward-looking information to reflect events or circumstances that occur after the date of this news release or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

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