

Joint Venture Announcement

Prairie Downs Metals Ltd and Ivernia Inc sign Heads of Agreement to advance the Prairie Downs Base Metal Project

- **Binding Heads of Agreement signed relating to significant exploration expenditure to advance the Prairie Downs Base Metal Project (“the Project”);**
- **Ivernia Inc (TSX:IVW) (“Ivernia”), an international base metal mining and exploration company, has agreed to invest a minimum of \$2 million in exploration within 12 months;**
- **Ivernia will have the option to acquire a 60% interest in the Project for a payment to Prairie Downs Metals Ltd (ASX:PDZ) (“Prairie” or “the Company”) of \$10 million in cash or shares of Ivernia by investing a minimum of \$3 million dollars in exploration over the next 18 months;**
- **Upon Ivernia acquiring a 60% interest in the Project, Ivernia and Prairie would then form an unincorporated Joint Venture with Ivernia having the right to invest a further \$5 million to earn an 80% interest in the Project; and**
- **The exploration program and expenditure by Ivernia has the potential to rapidly advance the exploration and development of the Project and deliver significant value for Prairie’s shareholders.**

Prairie is pleased to announce the signing of a binding Heads of Agreement with Ivernia designed to accelerate exploration and development of the Company’s flagship Prairie Downs Base Metals Project.

Listed on the Toronto Stock Exchange, Ivernia is an international base metals exploration, development and mining company with a particular interest and expertise in zinc-lead deposits. Ivernia’s commitment to the project endorses the Company’s view of the potential for the discovery of a significant zinc-lead deposit. Ivernia owns existing lead mining operations in Western Australia that at full production could produce approximately 2% of the total world lead mine supply.

Under the terms of the Heads of Agreement, Ivernia will immediately commence an aggressive exploration program designed to test the enormous exploration potential of the Project. This program will target high priority geochemical and geophysical targets in the vicinity of the existing known mineralisation and a number of high priority geochemical targets along strike of the regional structure.

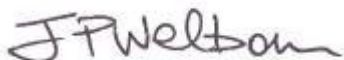
Key terms of the Heads of Agreement are as follows:

- Prairie to retain 100% ownership of the Project prior to Ivernia exercising any option to acquire an interest;
- Ivernia to invest a minimum of \$2 million in exploration within 12 months;
- Ivernia earns the right to acquire a 60% interest in the Project by funding exploration expenditure of \$3 million within 18 months;
- At the conclusion of this 18 month period, Ivernia can elect to:
 - Complete its acquisition of a 60% interest by payment to Prairie of \$10 million in cash or Ivernia shares (at Ivernia's election); or
 - Undertake a further 18 months of exploration, with a minimum expenditure of a further \$2 million, at the conclusion of which Ivernia will have a final opportunity to complete its acquisition of 60% by payment of \$10 million in cash or Ivernia shares.
- Ivernia to have the option to earn an extra 20% interest (to attain 80% interest) in the Project by sole funding expenditure of an additional \$5 million over the following two years subsequent to exercising Ivernia's rights to acquire a 60% interest.
- Ivernia will act as the manager of any farm-in and Joint Venture activities.

Prairie is enthusiastic about the opportunity the agreement with Ivernia provides to accelerate the Project. Ivernia's commitment recognises the potential of the Project and endorses the Company's recent initiatives.

The Joint Venture contemplated by the binding Heads of Agreement will result in a fully funded and expertly managed exploration program designed to expand existing resources and discover new world class zinc-lead deposits. This will support and enhance the project feasibility work already conducted by the Company. A successful Joint Venture will result in the development of the Project and in Prairie retaining a significant interest in a new base metal mine.

The agreement with Ivernia will also allow Prairie to focus on new opportunities. The Company has developed an efficient project identification and due diligence capability and is continually reviewing new investment opportunities designed to complement existing assets and deliver long-term growth to shareholders. The Company is considering assets in a number of commodities and jurisdictions and is confident that its disciplined approach will continue to deliver positive outcomes for shareholders.



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