ASX RELEASE **13 June 2012**

Ivernia withdraws from Prairie Downs Base Metals Joint Venture

Prairie Downs Metals Limited (**“Prairie” or “the Company”**) advises that it has received a notice from Ivernia Australia Exploration Pty Ltd (**“Ivernia”**), a wholly-owned subsidiary of Ivernia Inc. (TSX: IVW), electing to withdraw from the earn-in and joint venture agreement for the Prairie Downs base metals project (**“the Project”**) effective immediately.

The Project will now continue to be 100% owned by Prairie and is comprised of two tenements covering an area of 550km^2, located approximately 60 kilometres southwest of Newman in the Pilbara region of Western Australia (see Figure 1).

The Joint Venture Agreement (“**JVA**”) was entered into by Prairie and Ivernia in June 2010. Since that time, Ivernia has funded drilling programs in two phases at the Project. These drilling programs were in addition to extensive geochemical sampling carried out across the Project.

As Ivernia did not earn any interest in the Project, the associated tenements remain wholly owned by Prairie.

The Board will now assess the best options for the Project, including undertaking additional exploration activities and/or entering into other joint venture arrangements. With approximately $12 million in cash and listed securities, the Company is well placed to add value to this Project as well as pursue other resource opportunities.

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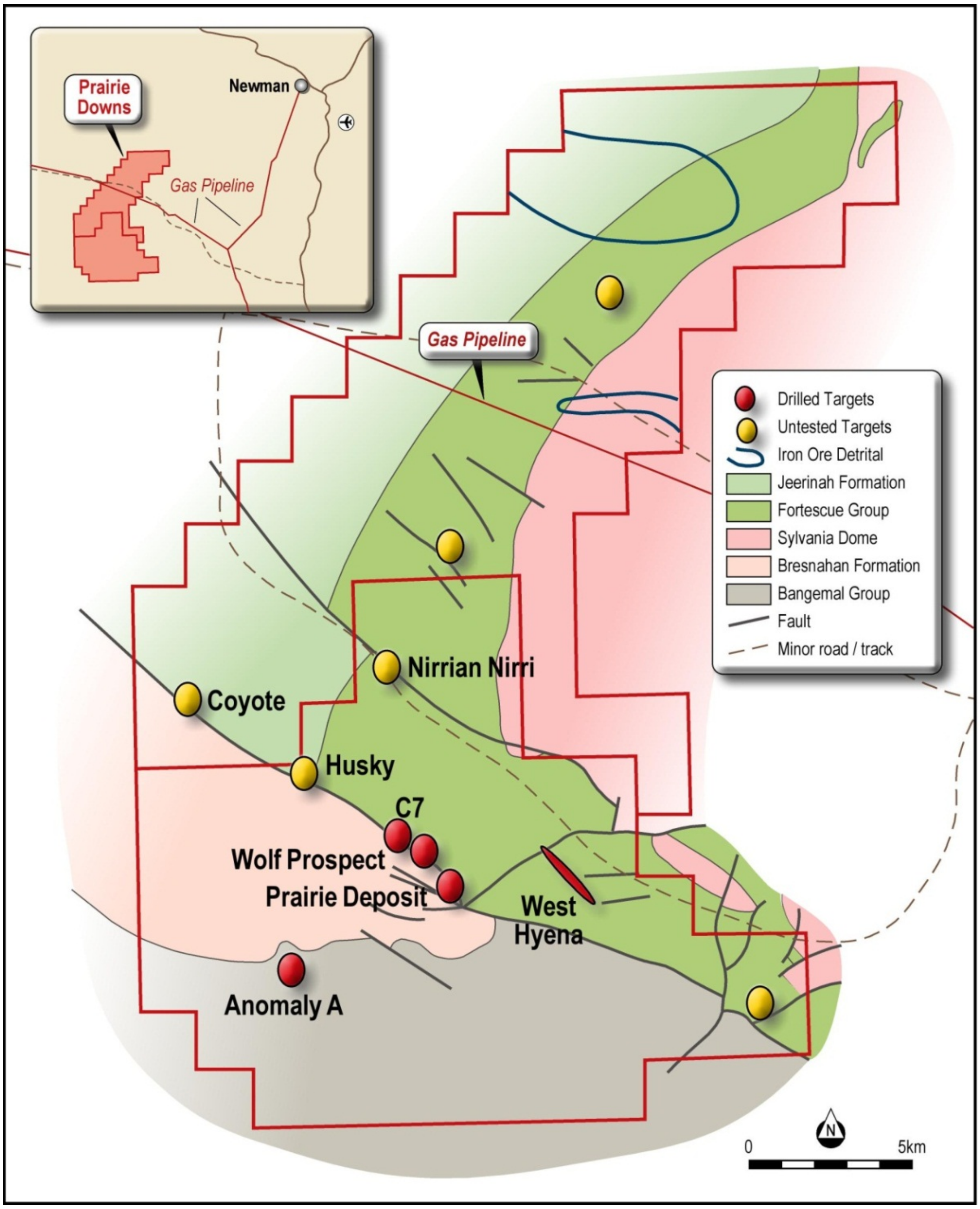

Figure 1: Location map of the Prairie Downs Base Metal Project with prospect locations.