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Good Prospects to Improve the Potential of the Rönnbäcken Nickel Project

IGE Nordic AB, a subsidiary of International Gold Exploration IGE AB, is pleased to announce good prospects for improving the economics of the Rönnbäcken Nickel Project. Studies conducted as part of the Preliminary Assessment (PA), now being finalized, have identified opportunities in exploration, metallurgy and operating costs which can further enhance the project.

Highlights:

- A Preliminary Assessment is expected to be finalized before the end of October 2009.
- Under the current resource of 248 million tonnes, the mine life is approximately 10-15 years at an anticipated annual throughput rate of 20 million tonnes.
- There is good potential for increasing the current resource size by 40-60% given the large areas of exposed serpentinite with nickel mineralization, which remain untested.
- The mineralogy of the Rönnbäcken deposits favours not only the production of a very high grade concentrate, but also of a very low environmental impact tailings product.
- Based on metallurgical testwork conducted by Outotec Minerals Oy, it is expected that an exceptionally high-grade concentrate with 28% nickel can be produced with an average recovery of 75% from nickel in sulphides, using conventional milling and flotation
- Through further optimisation testwork, IGE Nordic is targeting an increase in recovery from nickel in sulphides from 75% to 80%.
- The initial capital expenditure for the project is estimated to be US\$625 million.
- The estimated operating C1 cash cost, estimated to be between US\$5.00-6.00/lb, is well below current nickel prices

IGE Nordic's CEO Fredric Bratt comments, "The impact of an expanded resource and higher metal recoveries would be significant for the project. For marginal investment, the project's economics could improve substantially. Moreover, these targets are feasible having been identified through the work conducted to-date."

A Preliminary Assessment, also referred to as a Scoping Study, is being prepared by mining engineering consultant Scott Wilson Roscoe Postle Associates Inc. ("Scott Wilson RPA"), Canada, and is due to be released before the end of October. It incorporates results from several important studies recently completed, including:

- NI 43-101 Compliant Resource Estimate prepared by Scott Wilson Roscoe Postle Associates Inc. ("Scott Wilson RPA"), Canada,
- Mineral Processing testwork by Outotec Minerals Oy, Finland
- Studies on the Processing Plant and Infrastructure Capital Costs by Outotec AB, Sweden.

The NI 43-101 Compliant Resource Estimate, completed earlier in April 2009, provided an indicated resource estimate of 54.9 million tonnes with an average total nickel content of 0.187%, of which 0.137% is nickel in sulphide at the Vinberget deposit, and an inferred resource estimate of 192.9 million tonnes with an average total nickel content of 0.178%, of which 0.107% is nickel in sulphide at



the Rönnbäcksnäset deposit. The estimated total contained nickel for Vinberget is 102 thousand tonnes, including 75 thousand tonnes in sulphides, and for Rönnbäcksnäset 343 thousand tonnes, including 206 thousand tonnes in sulphides. The resource estimate exceeded the exploration target at the time by approximately 20%.

Based on the current resource, the company anticipates a mine life of 10-15 years, at a proposed annual throughput rate of 20 million tonnes. The company believes there is potential for increasing the resource, given the large areas of exposed serpentinite with nickel mineralization which remain untested nearby at the Vinberget and Rönnbäcksnäset deposits. The company has set a target for increasing the current resource size by 40-60%, which it is anticipated would increase the mine life by a further 5-10 years. A field geology program initiated during the past summer has identified new drill targets for a second drilling program of 15-20,000 metres. The current resource was realized from drilling of only 16,000 metres.

The mineralogy of the Rönnbäcken deposits favours the production of a very high grade concentrate, but also of a tailings product with a very low environmental impact. This is due to:

- the presence of very high grade nickel sulphide minerals
- the absence of low grade nickel-iron sulphides
- the presence of acid buffering gangue minerals

The first two factors contribute to the production of high grade concentrate, while the latter two contribute toward negligible risk of acid drainage from tailings and waste. Hence, the ores are distinctive from typical sulphide ores, and allow for a simple sulphide-gangue separation resulting in a simple processing flowsheet.

Based on metallurgical testwork to-date conducted by Outotec Minerals Oy on composite samples from the Vinberget deposit, it is expected that an exceptionally high-grade concentrate with 28% nickel can be produced with an average recovery of 75% from nickel in sulphides using conventional milling and flotation. The optimisation tests in laboratory scale have confirmed the exceptionally high concentrate grades (25-35% Ni) achieved in large pilot scale beneficiation tests carried out by Boliden in the 1970's, and verified the results obtained more recently, at Minpro in Sweden in early November 2007, where a high grade concentrate with 26% nickel and 1.1% cobalt was produced in bench scale.

Outotec Minerals Oy, from its testwork, has identified parameters for further process optimization and recovery enhancement including dispersant, pulp density, grinding fineness, conditioning and flotation times, collector and pH. With further optimization testwork, IGE Nordic is targeting to increase the nickel recovery from 75% to 80%.

Based on the studies and recommendations of Outotec (Sweden) AB, the initial capital expenditure for the project, assuming a contractor mining operation, is estimated to be US\$625 million, including a contingency of 25% and an exchange rate of 1 US\$ = 8.00 SEK.

The Rönnbäcken deposits are characterized by a minimal layer of overburden, providing an exceptionally low strip ratio of 0.7:1. For this reason, the project's mining costs are comparable to those of other projects, despite a low head grade of only 0.2% nickel. Based on in-house IGE Nordic analyses, the operating C1 cash cost is estimated to be in the range of US\$5.00-6.00/lb. The C1 cash cost, includes direct cash costs incurred at each processing stage, from mining through to refined nickel, less net by-product credits. Based on the current resource, annual production is targeted at 15,000 - 20,000 tonnes of nickel over the life-of-mine. An increase in the resource size, together with an improved nickel recovery, and a decrease in operating cost are anticipated to reduce the average life-of-mine C1 cash cost by 10-15%.

These estimates may differ from those modelled by Scott Wilson RPA, who is in the process of reviewing all of the project parameters as part of the Preliminary Assessment.

**Forward-Looking Statement**

This press release contains or refers to forward-looking information, including statements regarding estimates and/or assumptions about potential mineralization, potential mineral resources and reserves and is based on current expectations that involve a number of business risks and uncertainties. Actual results may vary from the forward-looking information contained herein.

The Company provides this information to shareholders and analysts because they are the key drivers of the business. Readers are cautioned that this information may not be appropriate for other reasons. The Company updates its Forward-looking Information as material information becomes available.

Factors that could cause actual results to differ materially from any forward-looking information include, but are not limited to, the possibility that actual circumstances will differ from the estimates and assumptions used in the potential of the Rönnbäcken Nickel Project (there is no certainty that the concentrate grade or recoveries proposed will be achieved), the environmental and social cost of proceeding with any of the projects, uncertainty relating to the availability and costs of financing needed in the future, general business and economic conditions, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects, changes in legislation governing emissions into the air and water, waste, and the impact of future legislation and regulations on expenses, capital expenditures and taxation and other risks involved in the mineral exploration and development industry. When used in this press release, words such as "schedule", "could", "plan", "anticipate", "estimate", "expect", "believe", "intend", "may" and similar expressions are forward-looking information.

This forward-looking Information represents the views as of the date of this press release. The company anticipates that subsequent events and developments may cause its views to change.

For additional information, please contact:

Tomas Fellbom
CEO International Gold Exploration IGE AB
Phone: +46 8 20 46 09 / Mobile : +46 73 322 57 86
E-mail: tomas.fellbom@ige.se

Fredric Bratt
CEO IGE Nordic AB
Phone: +46 8 402 28 00 / Mobile: +46 762 35 32 60
E-mail: fredric.bratt@igenordic.se

International Gold Exploration IGE AB (publ), is a Swedish exploration and mining group focused on diamonds, nickel and gold. The Company started production of alluvial diamonds in Angola and gold in Kenya in the beginning of 2009. IGE has a portfolio of projects in Angola, Kenya, Sweden and Norway. Its shares are listed on the Oslo Stock Exchange. IGE has its headquarter in Stockholm. For more information, visit www.ige.se