

30 March 2011

Updated Preliminary Economic Assessment adds resources and value to the Rönnebäcken Nickel Project

IGE Resources AB (OSE: IGE) today announced the completion of an updated Preliminary Economic Assessment for the Rönnebäcken Nickel Project, Sweden, which is wholly owned by its subsidiary Nickel Mountain Resources AB.

The Preliminary Economic Assessment (PEA) was prepared by SRK Consulting (Sweden) AB of Skellefteå, Sweden ("SRK") on behalf of Nickel Mountain Resources AB (the "Company"). The Preliminary Economic Assessment ("PEA") is considered by SRK to conform to the Canadian regulations of National Instrument 43-101 Standards of Disclosure for Mineral Projects.

HIGHLIGHTS:

- Average annualized production of 26,000 tonnes of nickel and 760 tonnes of cobalt in concentrate based on an annual feed throughput of 30 million tonnes
- A Life of Mine ("LOM") of 19 years with a potential for this to increase following the delineation of further resources by ongoing exploration.
- Low stripping ratio of 0.72:1 (waste tonnes:ore tonnes)
- High grade sulphide concentrate containing 28% nickel
- Average LOM Mine Gate Operating Cost of US\$4.16/lb (US\$9,171/t) of nickel recovered to concentrate
- Average LOM C1 Cash Operating Cost of US\$5.55/lb (US\$12,200/t) of payable nickel net of by-product credits
- Estimated Start-up Capital Cost of US\$1,161 million, including working capital.
- Pre-tax NPV_{8%} ranges from US\$316 million to US\$1,572 million between nickel prices of US\$9.00/lb and US\$12.00/lb generating an Internal Rate of Return ("IRR") and cashflow range from 12.4% to 26.6% and from US\$1,701 million to US\$4,498million respectively.
- Further assessment of technical viability and economics of recovering magnetite from flotation tailings has the potential to further improve the economics of the Project.
- Excellent infrastructure with close access to hydropower, power grid, roads, seaport and airport.
- Application of conventional mining and processing technology provides for low technical risk
- Low sulphide content and presence of buffering minerals reduce risks of environmental impact
- Sweden has a long established mining industry fostered by low royalties (0.2%)
- The Company is aiming to complete a Pre-Feasibility Study on the Project by mid-2012.

LOCATION & REGIONAL INFRASTRUCTURE

The Rönnebäcken Nickel Project is located in the northwest part of Sweden, about 30 km to the south of Tärnaby, Västerbotten County. The Project currently comprises three discrete deposits: Rönnebäcksnäset, Vinberget and Sundsberget.

The local resources and regional infrastructure include a connection point to the Swedish national grid less than 4 km away and the Ajaure hydro power plant, rated for 85 MW, located upstream of Lake Gardiken and approximately 12 km from the Project site by gravel road. European route E12 is 14 km from the Project site, running in a southeast-northwest direction connecting Storuman to the port of Mo i Rana in Norway, 148 km from Project site. The nearest rail access is at the town of Storuman, 127 km to the southeast. Finally, there is an airport at Tärnaby, 40km to the northwest, with daily scheduled flight service from Stockholm.

OPERATIONS

The PEA assumes that mining will take place concurrently from two open pits with the full production rate of 30 million tonnes per annum (Mtpa) being achieved in Year 2. Ore production commences at Rönnbäcksnäset and Vinberget while the Sundsberget deposit is scheduled to commence in Year 5 and is in full production by the time the Vinberget deposit is depleted. This will ensure a consistent supply of ore to the processing plant. Mining will be a conventional open pit drilling, blasting, shovel, and truck operation and will most likely be contracted out.

The currently proposed processing flow sheet comprises crushing, grinding, flotation, and dewatering typical of concentrator operations in Sweden and Finland. The conceptual concentrator design, together with associated capital and operating cost estimates, has been prepared by Outotec AB (Sweden). The mill will have a capacity of 30 million tpa or 3,750 tonnes per hour, and will produce approximately 95,000 tonnes per year of nickel concentrate at a mean grade of 28% Ni which will be transported from site to port via road.

ECONOMIC ANALYSIS

SRK has constructed a pre-tax, pre-finance Technical Economic Model (TEM) to derive a Net Present Value (NPV) for the Rönnbäcken Nickel Project. The economic analysis has been undertaken using US Dollar (US\$) as the base currency. Any Swedish Krona (SEK) or Euro (EUR) derived costs have been converted at the exchange rates indicated in Table 1 below, which summarises all of the key financial assumptions made. Table 2 to Table 5 similarly summarise the technical and cost assumptions made and derived by SRK.

SRK notes in the PEA that its analysis is partially based on inferred resources and is therefore preliminary in nature. Notably, inferred resources are considered too geologically speculative to be categorized as mineral reserves and there is no certainty that these will be converted to mineral reserves in due course or that the development, production, and economic forecasts on which the PEA is based will be realized.

Table 1: Economic assumptions

Description	Unit	Value
SEK:US\$ exchange rate	(unit)	8:1
US\$:EUR exchange rate	(unit)	1.125:1
Base case discount rate	(%)	8
Base case nickel price	(US\$/lb)	9
Base case cobalt price	(US\$/lb)	15
LoM	(years)	19

Table 2: Physical assumptions

Description	Unit	Value
Total ore mined	(ktonnes)	528,030
Total waste mined	(ktonnes)	379,943
Stripping ratio	(w:o)	0.72

Table 3: Process, smelting and refining assumptions

Description	Unit	Value
Sulphide Ni recovery	(%)	80
Ni grade in concentrate	(%)	28
Contained Ni in concentrate	(M lb)	1,018
Total treatment, refining & penalty charges	(US\$/t)	2.15

Table 4: Operating Cost Assumptions

	US\$/t moved	US\$/t milled	US\$/lb contained Ni	US\$/lb payable Ni
Mining	1.79	3.10	1.61	1.73
General & Administration	0.22	0.38	0.20	0.21
Processing	2.54	4.41	2.29	2.46
On-going rehabilitation	0.07	0.13	0.07	0.07
Operating Cost at Mine Gate¹	4.62	8.02	4.16	4.47
Concentrate Transport				0.13
TC/RC's				1.20
By-product Credits				-0.25
C1 Cash Cost²				5.55

¹ Mine gate operating costs per pound of nickel recovered to concentrate

² C1 costs include mining, processing, site admin, transportation, smelting and refining, net of by-product credits.

Table 5: Capital Cost Estimate

Item	US\$ million
Process Plant	962
Infrastructure	150
Working Capital	49
Start-up Capital	1,161
Infrastructure Ongoing	156
Sustaining	231
Life of Mine Total	1,548

No capital costs have been assumed for mining equipment as mining is assumed to be undertaken by a contractor. The estimate provides a summary level of the pre-production capital required for a 30 million t/a nickel concentrator, and includes the costs for the concentrator building, ancillary buildings, tailings dam, and the infrastructure including access roads and power line.

CASH FLOW PROJECTION AND SENSITIVITY ANALYSIS

SRK's NPV has been derived by the application of Discounted Cash Flow (DCF) techniques to the pre-tax, pre-finance cash flow.

A sensitivity analysis of the Project is included in SRK's report to reflect various alternative scenarios. Table 6 below presents the Project valuation sensitivity under various nickel price scenarios

Table 6: Project valuation sensitivity under different nickel price scenarios

		Nickel Price (US\$/lb)						
		Base Case						
	Unit	7	8	9	10	11	12	13
Net pre-tax cash flow	(US\$M)	(189)	756	1,701	2,627	3,572	4,498	5,442
NPV (@ 8% discount rate)	(US\$M)	(534)	(109)	316	732	1,157	1,572	1,997
IRR	(%)			12.4	17.5	22.3	26.6	30.7
Payback	(years)			5.5	4	3.5	3	2.5

MINERAL RESOURCES

Table 7 below presents an updated Mineral Resource Statement for the Project as a whole, combining the SRK statement for Rönnebacksnäset and Vinberget, and an estimate produced by the Mitchell River Group for Sundsberget, which SRK has audited. As is typical of ultramafic-hosted disseminated nickel sulphide deposits, nickel is contained both in nickel sulphides and in silicates such as olivine and pyroxene. Conventionally with these deposits the reported nickel grades and recoveries are "Total Ni" which incorporates both the nickel in sulphides and silicates. For Rönnebacken however, an analysis of the nickel in sulphide has been carried out through the use of an analytical technique utilising a weak acid digest (hence the term Ni-AC). This has enabled evaluation of the project based on the metallurgical performance of the nickel in sulphides only, rather than considering the deportment of nickel in both sulphides and silicates. The rationale is that a high proportion of the sulphide nickel is recovered in the flotation process whereas the non-sulphide nickel reports predominantly to tailings. The Ni-AC results here are referred to in this Executive Summary report as "Sulphide Ni" grades and recoveries.

Table 8 presents the iron resource for the Project. This has been classified as Inferred to reflect the current preliminary status of the mineralogical work. Specifically, in SRK's opinion, more information is required to be collected to enable the proportion of the total Fe that has potential to be recoverable in a concentrate to be determined to the level of confidence required by a higher category.

Both are presented according to CIM Guidelines for the reporting of Mineral Resources.

Table 7: Combined SRK-MRG Mineral Resource Statement, Ni & Co

DEPOSIT	CLASSIFICATION	TONNES (Mt)	Ni-Total %	Sulphide Ni %	Sulphide Co %	Ni-Total ktonnes	Sulphide Ni ktonnes	LOM Strip Ratio
Rönnbäcksnäset	Measured							0.72:1
	Indicated	225.4	0.176	0.101	0.003	397	227	
	Measured + Indicated	225.4	0.176	0.101	0.003	397	227	
	Inferred	86.5	0.177	0.100	0.003	153	86	
Vinberget	Measured	28.3	0.188	0.132	0.006	53	37	
	Indicated	23.3	0.183	0.133	0.006	43	31	
	Measured + Indicated	51.5	0.186	0.133	0.006	96	68	
	Inferred	6.8	0.183	0.138	0.007	12	9	
Sundsberget	Inferred	185.7	0.176	0.104		327	193	
TOTAL (Measured & Indicated)	Measured	28.3	0.188	0.132	0.006	53	37	
	Indicated	248.7	0.177	0.104	0.003	440	258	
	Measured + Indicated	277.0	0.178	0.107	0.004	493	295	
TOTAL (Inferred)	Inferred	279.0	0.176	0.104	0.003	491	288	

Table 8: Combined SRK-MRG Mineral Resource Statement, Fe

DEPOSIT	CLASSIFICATION	TONNES (Mt)	Fe %	MAGNETITE Fe ktonnes
Rönnbäcksnäset	Inferred	311.9	5.46	11,410
Vinberget	Inferred	58.3	5.17	2,019
Sundsberget	Inferred	185.7	5.95	7,071
TOTAL	Inferred	555.9	5.59	20,501

(1) The effective date of the Mineral Resource Statement for Rönnbäcksnäset and Vinberget is February 25, 2011. The effective date of the Mineral Resource Statement for Sundsberget is October 27, 2010.

(2) The Mineral Resource reported for Rönnbäcksnäset and Vinberget was constrained within a Lerchs-Grossman pit shell defined by a marginal cut-off-grade of 0.031% Ni-AC, a metal price of US\$11/lb; slope angles of 50 and 48° respectively; a mining recovery of 95%; a mining dilution of 2.5%; a base mining cost of US\$1.35/tonne and an incremental mine operating costs of US\$0.07/tonne/10 m below the 450m reference RL and US\$0.05/tonne/10m above the 450m reference RL); process operating costs of US\$4.96/tonne ore; an effective charge per lb Ni in smelter feed of US\$1.14, G&A costs of US\$0.40/tonne ore and concentrate transport cost US\$0.10/tonne.

(3) The Mineral Resource Estimate for Sundsberget was constrained within a Lerchs-Grossman pit shell defined by a marginal cut-off-grade of 0.05% Ni-AC, a metal price of US\$9/lb; a slope angle of 52°; a mining recovery of 95%; a mining dilution of 2.5%; a base mining cost of US\$1.0/tonne and an incremental mine operating costs of US\$0.07/tonne/10 m below the 450 m reference RL and US\$0.05/tonne/10m above the 450 m reference RL); process operating costs of US\$4.24/tonne ore; an effective charge per lb Ni in smelter feed of US\$2.26, G&A costs of US\$1.0/tonne ore and concentrate transport costs of US\$0.35/tonne.

ENVIRONMENTAL CONSIDERATIONS

There are four types of permits necessary to develop a deposit from the exploration stage to the development stage in Sweden. These are: exploration permits, exploitation concessions, environmental permits and building permits. The Company holds exploration permits for all three deposits. Exploitation concessions have been granted over the Vinberget and Rönnbäcksnäset deposits, supported by environmental impact assessment studies. An application for exploitation concession for the Sundsberget deposit is expected to be filed in second quarter of 2011 and applications for environmental and building permits, are planned to be submitted to the regulatory authorities in third quarter of 2012 and first quarter 2014, respectively, supported by the appropriate studies in each case.

NEXT STEPS

The Company is now proposing to undertake a Pre-Feasibility Study on the Project, with targeted completion by mid-2012 at a budgeted cost of US\$23.4 million.

Subject to the results of the Pre-Feasibility Study, the Company then expects to commence a full feasibility study in the second half of 2012 for completion towards the end of 2013 and has developed a preliminary budget for this work of US\$68 million.

SRK CONCLUSIONS AND RECOMMENDATIONS

SRK has recommended that:

- Further assessment of the technical viability and economics of recovering of magnetite from the flotation tailings be undertaken as this has the potential to significantly improve the economics of the Project.
- Exploration drilling be continued to evaluate the potential that still exists within the existing exploration permit areas. Notably, in addition to target areas which are separate from the three currently identified resource areas, the Rönnbäcksnäset and Sundsberget deposits remain open at depth.

SRK also concluded that the Pre-Feasibility Study is justified by the potential of the Project and that the timing and budgets proposed for this by the Company are reasonable given the work planned to be undertaken. Further, whilst the justification for a full Feasibility Study following this will be dependent upon the results of the Pre-Feasibility Study, SRK noted that the preliminary budget proposed for this is of the correct order of magnitude for a Project of this nature and location.

QUALIFIED PERSONS

The PEA is based, for the Rönnbäcksnäset and Vinberget deposits, on the Mineral Resource Estimates prepared and signed off by Howard Baker, MSc., MAusIMM, Principal Mining Geologist and a qualified person under NI 43-101 for this Mineral Resource Estimation; and Johan Bradley, MSc., CGeol FGS, EurGeol, Senior Geologist and a qualified person under NI 43-101 for the geology and style of mineralisation under investigation, and was reviewed by Dr. Mike Armitage, CGeol FGS, CEng MIoM3, Principal Mining Geologist. Messrs Baker and Armitage are employees of SRK Consulting (UK) Ltd while Mr Bradley is an employee of SRK Consulting (Sweden) AB. All are consultants to Nickel Mountain Resources AB. Messrs Baker, Bradley and Armitage are each a Qualified Person in accordance with Canadian National Instrument 43-101 (NI43-101) and consent to the inclusion in the presentation of the matters based on their information in the form and context in which it appears.

Dr Armitage has also reviewed and approved the content of this press release that relates to work undertaken and results produced by SRK.

The PEA is based, for the Sundsberget deposit, on the Mineral Resource Estimate prepared by Mitchell River Group which is based on information compiled by Mr. Lauritz Barnes and Mr. Lachlan Reynolds, who are both Members of The Australasian Institute of Mining and Metallurgy. Mr. Barnes and Mr. Reynolds are consultants to Nickel Mountain Resources AB. Mr. Barnes and Mr. Reynolds have sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which they are undertaking and are each a Qualified Person in accordance with Canadian National Instrument 43-101 (NI43-101). Mr. Barnes and Mr. Reynolds consent to the inclusion in the presentation of the matters based on their information in the form and context in which it appears.

The report "Preliminary Economic Assessment for the Rönnebäcken Nickel Project, Sweden" will be made available in the first half of April 2011 at IGE Resource's website at www.ige.se.

Forward-Looking Statement

Some of the statements contained in this news release are forward-looking statements, such as statements that describe IGE Resources' future plans, intentions, objectives or goals, and specifically include but are not limited to statements regarding resource estimates, potential mineralization, future financial or operating performance, nickel prices, estimated future production, future costs, timing of pre-feasibility study and economic analysis.

Actual results and developments may differ materially from those contemplated by such forward-looking statements depending on, among others, such key factors as the possibility that actual circumstances will differ from the estimates and assumptions used in the potential of the Rönnebäcken Nickel Project, the environmental and social cost of proceeding with the project, 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 the project, 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, changes in project parameters, variation in ore grade or recovery rates, delays in obtaining government approvals and necessary permitting, impurities in products and other risks involved in the mineral exploration and development industry.

The forward-looking statements included in this document represent IGE Resources' views as of the date of this news release and subsequent events and developments may cause IGE Resources' views to change. IGE Resources' disclaims any obligation to update forward-looking information except as required by law. Readers should not place undue reliance on any forward-looking statements.

For additional information, please contact:

Thomas Carlsson
CFO and acting CEO, IGE Resources AB
Phone: +46 8 402 28 00 / Mobile: +46 70 552 26 22
E-mail: thomas.carlsson@ige.se

Fredric Bratt
CEO Nickel Mountain Resources AB
Phone: +46 8 402 28 00 / Mobile: +46 762 35 32 60
E-mail: fredric.bratt@nickelmountain.se

IGE Resources AB (publ), is a Scandinavian company mainly focusing on diamond exploration and production in Southern Africa. IGE's portfolio also includes one of Scandinavia's largest nickel projects and gold exploration projects in Kenya. IGE is headquartered in Stockholm, and its shares are listed on the Oslo Stock Exchange (ticker: IGE). Please refer to www.ige.se for more detailed information!