

31 October 2011

## **Sundsberget resource increased 60% to 297 million tonnes and upgraded to Indicated category.**

IGE Resources AB (OSE: IGE) is pleased to announce an upgrade of the resources of the Sundsberget nickel deposit at the Rönnebäcken Nickel Project (the Project) from Inferred to Indicated category. In addition, the Sundsberget resource has been increased by a further 111 million tonnes, from 186 million tonnes to 297 million tonnes. SRK Consulting (Sweden) AB carried out a review of available geological data from the Rönnebäcken Nickel Project, which is wholly owned by IGE's subsidiary Nickel Mountain Resources AB (publ). For the Project as a whole, this latest update increases the proportion of Measured and Indicated resources to 86%. This is an important step in the development of the Project; providing the basis for conversion of existing resources to reserves as part of the forthcoming Prefeasibility Study (PFS), and significantly reducing the cost of planned infill drilling.

### **HIGHLIGHTS:**

- The Mineral Resource of the Sundsberget deposit has been upgraded from Inferred to Indicated category.
- The resource estimate for the Sundsberget deposit has been increased by 111 million tonnes (Mt) to 296.9 Mt with an average total nickel content of 0.170% of which 0.088% is nickel in sulphide (Ni-AC).
- The entire Mineral Resource for the Project as a whole now includes a total of Measured and Indicated Mineral Resources of 573.9 Mt with an average total nickel content of 0.174% of which 0.097% is nickel in sulphide (Ni-AC); and Inferred Mineral Resources of 93.2 Mt with an average total nickel content of 0.177% of which 0.103% is nickel in sulphide (Ni-AC).
- Measured and Indicated resources now account for 86% of the resource estimate for the Project as a whole.
- The Project's low strip ratio is very favourable and remains unchanged at 0.72:1 (waste tonnes:ore tonnes) based on the existing Life of Mine plan as presented in the PEA dated April 2011.
- The upgrade in category of the Sundsberget resource to Indicated further raises the level of geological confidence in the Project's overall resource base.
- The planned PFS budget has been reduced to \$8.5 million (excluding overheads) due to a significant reduction of infill drilling costs.
- Furthermore, the update provides the basis for the conversion of the majority of the existing resources into reserves during the PFS; NI 43-101 stipulates that only Indicated and Measured category Mineral Resources may be converted to Mineral Reserves.
- As a result of this upgrade to Sundsberget's resource statement, there may be a delay in completing the application for Exploitation Concession for the Sundsberget deposit to the end of December.

The updated Mineral Resource Statement for the Sundsberget nickel deposit, utilising all available and valid data as of October 28, 2011 was prepared by SRK Consulting (Sweden) AB (SRK). The geological contacts of the serpentinite body that hosts nickel mineralisation were remodelled by SRK, and the resource model was extended at depth to enable the evaluation of the down dip potential of the deposit. SRK assumed a nickel price of USD11.00/lb in a Whittle open pit optimisation to limit the reported resource estimate to material that SRK considers has reasonable prospects for eventual economic extraction. A cut off grade of 0.031% Ni-AC was applied, representing the calculated marginal cut off grade for the deposits. SRK considered that the low geological complexity, very homogenous nature of the Ni-AC distribution, robust variograms, detailed Quantitative Kriging Neighbourhood Analysis results and a drill spacing within the geostatistical ranges observed were adequate to support the reporting of Indicated Mineral Resources for Sundsberget. The Mineral

Resource Statement has been classified in accordance with the Guidelines of National Instrument 43-101, and accompanying documents 43-101.F1 and 43-101.CP.

The Mineral Resource Statement presented in Table 1 below updates the previous NI 43-101 compliant Mineral Resource Estimate of 27 October, 2010 prepared by the Mitchell River Group. SRK's Mineral Resource Estimate will be presented in an updated PEA, which will be made available by the middle of November 2011 at Nickel Mountain Resource's website at <http://www.nickelmountain.se>. Detailed background information on the Sundsberget deposit is also posted the Company's website.

**Table 1: Mineral Resource Statement**

DEPOSIT	CLASSIFICATION	TONNES (Mt)	Ni-Total %	Sulphide Ni % (Ni-AC)	Sulphide Co % (Co-AC)	Fe-Total %	Ni-Total ktonnes	Sulphide Ni ktonnes
Rönnbäcksnäset	Measured							
	Indicated	225.4	0.176	0.101	0.003	5.41	397	227
	Measured + Indicated	225.4	0.176	0.101	0.003	5.41	397	227
	Inferred	86.5	0.177	0.100	0.003	5.58	153	86
Vinberget	Measured	28.3	0.188	0.132	0.006	5.19	53	37
	Indicated	23.3	0.183	0.133	0.006	5.14	43	31
	Measured + Indicated	51.5	0.186	0.133	0.006	5.17	96	68
	Inferred	6.8	0.183	0.138	0.007	5.17	12	9
Sundsberget	Measured							
	Indicated	296.9	0.170	0.088	0.003	5.93	505	260
	Measured + Indicated	296.9	0.170	0.088	0.003	5.93	505	260
	Inferred							
<b>TOTAL (Measured &amp; Indicated)</b>	<b>Measured</b>	<b>28.3</b>	<b>0.188</b>	<b>0.132</b>	<b>0.006</b>	<b>5.19</b>	<b>53</b>	<b>37</b>
	<b>Indicated</b>	<b>545.6</b>	<b>0.173</b>	<b>0.095</b>	<b>0.003</b>	<b>5.68</b>	<b>945</b>	<b>519</b>
	<b>Measured + Indicated</b>	<b>573.9</b>	<b>0.174</b>	<b>0.097</b>	<b>0.003</b>	<b>5.66</b>	<b>998</b>	<b>556</b>
<b>TOTAL (Inferred)</b>	<b>Inferred</b>	<b>93.2</b>	<b>0.177</b>	<b>0.103</b>	<b>0.003</b>	<b>5.55</b>	<b>166</b>	<b>96</b>

(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 28 October 2011.

(2) The Mineral Resource reported for Rönnbäcksnäset, Vinberget and Sundsberget was constrained within a Lerchs-Grossman pit shell defined by a marginal cut-off-grade of 0.031% Ni-AC, a metal price of USD11/lb; slope angles of 50, 48° and 49° respectively; a mining recovery of 95%; a mining dilution of 2.5%; a base mining cost of USD1.35/tonne and an incremental mine operating costs of USD0.07/tonne/10 m below the 450m reference RL and USD0.05/tonne/10m above the 450m reference RL); process operating costs of USD4.96/tonne ore; an effective charge per lb Ni in smelter feed of USD1.14, G&A costs of USD0.40/tonne ore and concentrate transport cost USD0.10/tonne.

## QUALIFIED PERSONS

The Mineral Resource section of the updated PEA report has been prepared and signed by Howard Baker, MSc., MAusIMM (CP), 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.

## 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 as well as assumptions on operational and permit

conditions. This information 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, 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 more specific information with regard to Nickel Mountain and this press-release, please contact:**

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](mailto:fredric.bratt@nickelmountain.se)

**For general information with regard to IGE Resources, 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](mailto:thomas.carlsson@ige.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](http://www.ige.se) for more detailed information!*