IGE

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## Scheduling underway on the prefeasibility study for the Rönnbäcken Nickel Project.

**The Underwritten Rights Issue of IGE Resources AB (publ) (OSE:IGE) subscription period is approaching completion and planning is underway on the implementation and scheduling of work required for completing the prefeasibility study ("PFS") for the Rönnbäcken Nickel project ("the Project"), held by IGE Resources' subsidiary Nickel Mountain Resources AB ("Nickel Mountain"). A fully financed PFS anticipates no further fundraises in Nickel Mountain until one can experience results from the PFS. It is the Board of IGE's intention to propose a distribution of IGE's shares in Nickel Mountain to IGE's shareholders and to seek a separate listing for Nickel Mountain shares on the Oslo Stock Exchange or Oslo Axess during 2012.**

**HIGHLIGHTS:**

- Management of Nickel Mountain has begun scheduling the activities to be undertaken for completing the PFS.
- The PFS will be structured in a phased approach with several milestones for confirming the progress of the Project's development.
- The PFS is normally one of the most value-adding phases in the development of a mine project; the major drivers of value are determined and optimized in this stage, as well, further de-risking of the project occurs.
- Through mitigation of the risk factors facing the Project, and confirmation of the economic assumptions which are the basis for determining the Project's value, the inherent value of the Project is captured.
- With completion of the PFS, Nickel Mountain will have a more defined and substantiated asset which is 100% owned; potentially adding to the value of the Project.
- The PFS is an important stage in project development leading to the establishment of an operating mine; the value of the project is expected to increase as the project progresses forwards towards commercialization.
- In the Preliminary Economic Assessment for the Rönnbäcken Nickel Project dated December 2011, the pre-tax $NPV_{8\%}$ derived by SRK Consulting (Sweden) AB ("SRK") ranges from US$1,045 million to US$2,301 million between nickel prices of US$9.00/lb (US$19,800/tonne) to US$12.00/lb (US$26,500/tonne).
- The PFS has a preliminary budget of approximately USD 8.5 million (NOK 50 million), according to independent consultants SRK. This excludes overheads and additional costs to complete an application for an Environmental Permit.
- The Rights Issue will result in gross cash proceeds to IGE of approximately NOK 97 million, and around 90% of the net proceeds will be invested in Nickel Mountain through an equity issue. A fully financed PFS anticipates no further fundraises in Nickel Mountain until significant results and development from the PFS can be examined and presented.
- It is the Board of IGE's intention to propose a distribution of IGE's shares in Nickel Mountain to IGE's shareholders and to seek a separate listing for Nickel Mountain shares on the Oslo Stock Exchange or Oslo Axess during 2012.

"With the rights issue approaching completion, we are now planning and preparing schedules of the numerous activities involved with a PFS. With financing secured, we will be in a position to launch into full PFS activities without further delay", said Fredric Bratt, CEO of Nickel Mountain.

"Through the PFS, IGE Resources continues its progress towards the realization of the value that we are convinced is embedded in the Rönnbäcken Nickel Project  We expect the gap between IGE's current market value and the estimated NPV of the Project will be reduced.", stated Thomas Carlsson, CEO of IGE Resources.

The purpose of a PFS is to select the preferred operating options for project development. The study examines a number of options for the different aspects of the project before selecting the optimal solution.  De-risking of the technical aspects of the project take place in this phase and thus increase the confidence levels for the project. This optimal solution is then developed in sufficient detail to support decisions to commit additional funds to carry out a final project definitive feasibility study ("DFS"), and successfully complete the required project permitting efforts. A PFS saves time and money because issues are identified early in the project process allowing for these to be analyzed and addressed before moving into the much more rigorous DFS.  When a decision is made to proceed with a PFS, a preliminary resource report (usually NI 43-101 compliant) has been completed and an orebody model showing the orebody shape, tonnes, and grade is available. Initial geotechnical, mineralogical, and metallurgical assessments have been carried out. By the time a project has progressed to the PFS stage, there will be some level of expectation that the project will proceed through to construction and operation.

In the Preliminary Economic Assessment for the Rönnbäcken Nickel Project, prepared by SRK in December 2011, it was recommended that work on the Project continue to prefeasibility stage. Notably, SRK recommended that the following work be undertaken as part of this study:

- Targeted resource delineation drilling to improve confidence in some areas of the deposits
- Hydrogeological drilling around the pit and around the project site generally to characterise hydrogeological regimes.  Data analysis and predictive modelling, where appropriate.
- Geotechnical drilling to provide additional information for the mine rock mass models, to select locations for surface infrastructure and to characterise stability of pit walls and tailings dam locations.
- Comminution drilling to provide large diameter core for comminution domaining characterisation, variability and autogenous grinding testwork.
- Lab-scale metallurgical work to optimise nickel and magnetite byproduct flowsheet development for designated ore blends and to characterise variability across the resource, including mineralogy.
- Further geometallurgical domaining of the resource, based on geochemistry, mineralogy and metallurgical testing to feed into mining and metallurgical planning activities.
- Scheduling and sequencing of construction (tailings dams, pit dams, infrastructure) relative to the mine plan to confirm availability of mobile mining equipment, material quantity/quality and appropriate costing.
- Testwork to further characterise tailings and mine waste rock.
- Laboratory scale revegetation studies on mine waste products.
- Further work to define a decommissioning and closure plan.
- Continued collection of baseline data for the project environmental permit application
- Completion of the preliminary social impact assessment.
- Addition of multiple certified standards in the sample stream to improve QA/QC protocol.
- Further development of the mine block model, pit shells, mine production plan, operations and infrastructure requirements.
- Modelling and determination of the tailings dam design options.
- Minipiloting of nickel and byproduct flowsheets.
- Lab and mini-pilot scale dewatering and handling testwork to further characterise product preparation and transport.
- Engineering and preliminary design of mine and process plant with associated site and external infrastructure.
- Assessment of environmental impact of mining and mineral processing activities on the environment, for example water and air emissions, noise, vibration and dusting
- Further development of the health and safety risk register.
- Assessment of operations development requirements, such as human resources, operations management, information management.
- Further development of major contracted activities positions, for example mining, power, transport, land ownership/water rights.
- Further work on project development and product marketing strategies.

The study is expected to require 18 months for completion.

**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, 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

### 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

***IGE Resources AB** (publ) is a Scandinavian asset management and development company within natural resources. IGE's portfolio currently consists of several diamond exploration and production assets in Southern Africa and Nickel Mountain Resources AB (publ) owning Scandinavia's largest nickel deposit. 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.*