



Press release No 45 - 2009

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Preliminary Assessment for the Rönnbäcken Nickel Project completed: Confirms viability of the project and is a key milestone for IGE

International Gold Exploration IGE AB (OSE: IGE) today announced the completion of the NI 43-101 Technical Report on the Preliminary Assessment (PA) of the Rönnbäcken Nickel Project in northern Sweden. The PA is a milestone in the development of IGE, and provides an independent evaluation of the project. Net present value of the project is estimated at US\$142 million. According to the PA, the project has potential to outline additional mineral resources. IGE believes there are additional opportunities to further improve project economics.

“The Preliminary Assessment is decidedly encouraging. It confirms the potential to increase resources presented by the large untested areas of mineralization at Rönnbäcken. IGE now has a solid platform for moving forward. We will begin negotiations with established industry partners, with the intent of securing a strong partnership to fund the remaining stages towards production, including the Pre-Feasibility Study and the subsequent Bankable Feasibility Study”, said Tomas Fellbom, CEO of IGE.

The Preliminary Assessment was conducted by Scott Wilson Roscoe Postle Associates Inc. of Toronto, Canada (Scott Wilson RPA). Base case cash flow analysis of the project provides a net present value (NPV) of US\$142 million.

Following upon the recommendations of the Preliminary Assessment, IGE will commence work towards the next step, which is a Pre-Feasibility Study (PFS) of the Rönnbäcken Nickel Project.

“The Preliminary Assessment demonstrates the potential to commercially produce a very high grade nickel concentrate using open-pit mining and conventional technology. We have assembled a strong team of industry specialists, and look forward to the increased pace of activity leading to a Pre-Feasibility Study”, said Fredric Bratt, CEO of IGE Nordic.

The PA is based on an initial 13 year mining plan with mill throughput of 20 million tonnes of ore per annum, and a projected recovery of 74.5% of nickel in sulphides. The resultant concentrate, averaging 28% nickel content, is expected to supply 17,000 tonnes of nickel in concentrate annually.

The PA affords the first opportunity to present the project economics according to National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101). Refer to the attached pdf file for details from the PA. The entire Preliminary Assessment will also be posted on the Company's website.

The initial capital cost of the project has been estimated at US\$698 million. At a nickel price of US\$9.00 per pound (US\$19,800 per tonne), the internal rate of return (IRR) of the project is 12.4% and it generates a NPV of US\$142 million using an 8% discount rate, according to the base case cash flow analysis. The C1 cash operating cost will average US\$5.55 per pound (US\$12,200 per tonne) of nickel payable. The C1 cash operating cost is net of byproduct credits, but includes freight, smelting, and refining charges. The operating cost to produce the nickel concentrate at the mine gate will average US\$4.04 per pound (US\$8,900 per tonne) of nickel contained in concentrate (excluding the benefit of byproduct credits).

The PA noted that the project has potential to outline additional mineral resources based on the favourable geology of the area and recent exploration work. There are large areas of exposed serpentinite with nickel mineralization, which remain untested near the Vinberget and Rönnbäcksnäset



deposits. Geological mapping and magnetic surveying of these untested areas has generated new drill targets. The program also resulted in the discovery of a new area with nickel mineralization, Sundsberget, for which an application for exploration license was granted. The company has set a target for increasing the current 248 million tonne resource by 100-150 million tonnes, grading 0.10 – 0.15% nickel in sulphide. This is the focus of the next round of drilling planned to commence this month.

Over the coming months, in addition to the above mentioned drilling activity, IGE has launched further process optimization test work at Outotec Minerals Oy aimed at raising nickel in sulphide recoveries from 74.5% to 80%, as well as reducing operating costs by 5%.

Separate scenario analysis carried out in-house by IGE indicates that net present value could be increased by up to US\$437 million by adding 150 million tonnes to resources, improving nickel recovery to 80% and by reducing operating costs by 5%. The US\$437 million would be an addition to the base case NPV of US\$142 million. A secondary benefit of these value-add programs would be a decrease in the C1 cash cost of about 11%. A breakdown of the cumulative effect of these programs on project NPV is provided in the table below. All of these measures are considered feasible, based on work carried out to-date.

Table: IGE's Potential Improvement in NPV of Value-Add Activities

Item	Activity	Potential Improvement
Resource	add 150 Mt	+\$217 million NPV
Ni Recovery = 74.5%	improve to 80%	+\$159 million NPV
Opex	reduce 5%	+\$61 million NPV
		+\$437 million NPV

The economic analyses contained in the PA and in this press-release are based on inferred resources, and are preliminary in nature. Inferred resources are considered too geologically speculative to have mining and economic considerations applied to them and to be categorized as mineral reserves. There is no certainty that the reserves development, production, and economic forecasts on which the PA and this press-release are based will be realized.

In addition, there is scope to reduce capital cost by 5–10%, as evidenced by the capital cost estimate prepared by Outotec Sweden AB for IGE. Outotec Sweden estimated the initial capital cost at US\$644 million for the Rönnebäcken Nickel Project, which is US\$54 million lower than the initial capital cost estimated in the PA by Scott Wilson RPA. Further definition of the project with a focus on value improvement engineering could provide opportunity for lowering these costs.

The value-add work detailed above will proceed in 2009, and is intended to progress into a full Pre-Feasibility Study. The company plans to formally launch work on a PFS in 2010, which is expected to cost US\$14 million. The PFS is targeted for completion in 2011. The company plans to follow with a Bankable Feasibility Study (BFS), at an estimated total cost of US\$21.4 million, and has completion targeted for 2012. A production decision is anticipated before the end of 2012 with commissioning targeted for early 2015.

IGE's main commodities of focus are diamonds and nickel. The Rönnebäcken Nickel Project is central to developing a presence in nickel. Nickel is perceived to be a commodity upon which to build long-term value for the company. Moreover, IGE considers the project as the foundation for establishing a greater mining business in the Nordic region.

The company will hold a conference call to discuss the Preliminary Assessment results at 15:00 CET, on Wednesday, November 11, 2009. Conference call dial-in at +46 8 23 04 91, and



enter meeting code 803244. Supporting presentation slides will be available at IGE's website at www.ige.se.

A live audio webcast of the conference call, together with supporting presentation slides, will be available at International Gold Exploration's website at www.ige.se. The webcast will be archived at www.ige.se.

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 Rönnebäcken 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.

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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, Sweden

For more information, visit www.ige.se