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Diamond record for IGE

IGE Resources AB (OSE: IGE) today announced its third quarter 2010 results. In its second quarter as a diamond producing company, IGE sold more than 13,600 carats of rough diamonds from its two mines in Angola. In the third quarter IGE also moved considerably closer to realising the Rönnbäcken nickel project in Sweden.

The record high diamond volume sold in the third quarter includes 6,000 carats of diamond recovered during exploration at IGEs partly owned Luxinge mine. The Company is currently evaluating the future of this mine, where project economics have proven less attractive than previously anticipated.

IGE is now focusing its diamond mining investments on the Cassanguidi mine, where production is expected to triple from today's levels to 9,000 carats per month in second half next year.

"We are focusing our near term efforts in the diamond sector on Cassanguidi, in order to generate revenue and build shareholder value as early as possible," said IGE CEO Tomas Fellbom.

The Rönnbäcken nickel project, which is Scandinavia's largest documented nickel resource, is moving steadily forward in increasing the value of the project. Based on encouraging drilling results in the third quarter, the mineral resource target for the project was raised by 50 per cent to 600-650 million tonnes. After the end of the quarter an updated resource estimate increased the Rönnbäcken resource base by 185 million tonnes.

"Rönnbäcken demonstrates project value growing month by month as data is being collected and analysed. We are extremely pleased with the development in this project," said CEO Tomas Fellbom.

IGE is now moving forward with the Pre-Feasibility Study for Rönnbäcken and is also evaluating alternatives for additional financing in the project. An update of the Rönnbäcken project economics is expected in the first quarter 2011.

IGE had total sales of SEK 10.4 million in the third quarter, while IGE had no revenue in the same period last year, being a pure exploration company in that period. The group's net result came in at SEK -101.0 million, against SEK -19.4 million in last year's third quarter. SEK 60.1 of the deficit in the third quarter was caused by currency effects on intercompany loans and write downs of non-core mineral assets, none of these items representing cash effects for the company.

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IGE Resources AB (publ) is a Scandinavian company mainly focusing on diamonds exploration and production in Southern Africa. IGE's portfolio also includes one of Northern Europe's largest nickel deposits 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.