

8 June, 2010

IGE secures favourable financing

IGE Resources AB today announced that the Company has strengthened its financial flexibility through a NOK 150 million standby equity facility. The facility will be utilised if and when needed to secure further financing of IGE's diamond projects in Southern Africa and its nickel project in Sweden.

IGE has entered into an agreement with YA Global Master SPV, Ltd. an investment fund managed by US based Yorkville Advisors, for a NOK 150 million Standby Equity Distribution Agreement (SEDA). The SEDA is an equity financing mechanism that has previously been implemented by a number of companies listed on the London AIM market and was introduced to companies listed on the Oslo Stock Exchange earlier this year.

Under the terms of the SEDA, IGE has the right, but no obligation to draw down funds in tranches in exchange for issuing new shares to Yorkville over the next 30 months. Should the Company decide to utilise this facility, the new shares will be issued at a price equal to a five per cent discount compared to the average of the five lowest daily volume weighted average share prices over a period covering the ten trading days after the date when a draw down is requested. However, IGE has the right to set a minimum acceptable share price for each draw down. The maximum size of each tranche is limited to NOK 40 million.

IGE is currently preparing an increase in its rough diamond production in Southern Africa with three diamond mines expected to be operational within the next ten months. The Company is also in the midst of Pre-Feasibility preparations for its Rönnebäcken nickel project in Sweden. The standby equity facility provides IGE with sufficient financial flexibility and also secures availability to funds if and when needed in order to move the projects forward.

"We are pleased to have concluded on this facility as we are facing a period of significant investments. In order to move forward with our diamond projects, we need to invest in machinery and plant equipment. Also the process of developing the Rönnebäcken nickel resource requires capital. The flexible financing capacity now established clearly underpins IGE's development strategy. It represents an additional source of financing to traditional ways of raising capital as share issues towards existing shareholders and bank loans, all of which may become relevant to secure proper financing and at the same time ensure the best interest of our shareholders" said IGE's CEO Tomas Fellbom.

"The SEDA from Yorkville is attractive to us both in its flexibility and with regards to the terms of the agreement. We regard this facility as a novel and interesting capital instrument for a company like IGE and well adapted to our financing strategy," Mr Fellbom added.

The NOK 150 million limit of the facility can be increased later, providing both parties find such an increase desirable.

The SEDA enables Yorkville to execute Share Lending Agreements with individual IGE shareholders in order to control Yorkville's risk and ensure efficient delivery of tradable shares.

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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.*