

20 July, 2010

IGE secures additional equity

IGE Resources AB (OSE: IGE) today announced that the Company has secured NOK 16.6 million of new equity by utilizing its Standby Equity Distribution Agreement (SEDA).

IGE Resources has issued 53,675,699 new IGE shares to the provider of the SEDA facility, YA Global Master SPV Ltd, an investment fund managed by Yorkville Advisors. The shares were issued at a price of NOK 0.31, while the IGE share closed at NOK 0.32 on the Oslo Stock Exchange the previous trading day, 16 July 2010. The share price reflects the pricing mechanism established in the facility. After completion of the transaction, the new shares will represent approximately 3.8 per cent of total outstanding shares in IGE Resources AB.

Under the terms of the NOK 150 million SEDA, IGE has the right, but no obligation to draw down funds in tranches in exchange for issuing new shares to Yorkville. Including the share issue announced today, IGE has utilized NOK 21.6 million of the facility.

"The SEDA represents one of several financing options available to the Company. Going forward, IGE will consider all alternative sources of financing when needed. We are, however, very pleased with the benefits of the SEDA facility. Over the last four weeks the facility has provided IGE with NOK 21.6 million of new equity. In a highly challenging stock market we have succeeded in improving the Company's financial basis at a marginal share price discount and with limited dilution of existing shareholders," said IGE CEO Tomas Fellbom.

IGE is currently preparing an increase in its rough diamond production in Southern Africa, with two diamond mines having reached commercial phase and a third diamond mine expected to come on-stream in the first half of 2011. The Company is also in the midst of Pre-Feasibility preparations for its Rönnbäcken nickel project in Sweden.

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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.