

21 March, 2011

IGE postpones EGM and proposes fully guaranteed rights issue

IGE Resources AB (OSE: IGE) today announced that the Company's Board proposes a 100% guaranteed rights issue amounting to NOK 36.1 million. The share issue will be directed towards existing shareholders in IGE.

The previously announced Extra General Meeting (EGM) scheduled for the 29 March 2011 is cancelled. The Board will tomorrow announce a new EGM to be held on 19 April 2011 that shall decide on the proposed rights issue as well as on other items.

According to the Board's proposal the subscription price for the shares to be issued will be NOK 0.02 per share. As a result IGE will issue approximately 1.8 billion new shares, representing about 50 per cent of all outstanding IGE shares after completion of the issue.

Furthermore, the new EGM is proposed, subject to that the rights issue will be oversubscribed, to decide on an additional share issue of approximately up to 900 million shares at a subscription price of NOK 0.02. This issue will be directed to participants in the proposed rights issue that have not been allotted all the subscribed shares (so called oversubscription issue). If the oversubscription issue will be fully subscribed, IGE will receive additional funding of NOK 18 million. The total amount of new shares, including the shares potentially issued in accordance with the oversubscription issue, will represent approximately 60 per cent of outstanding shares following the issues.

The rights issue, as well as all details of the offer to the shareholders, will be further described in the prospectus that the Board will prepare and file with the Oslo Stock Exchange before the subscription period begins.

IGE's Board of Directors has initiated a cost reduction programme aiming to reduce IGE's operational costs significantly. The Board has also initiated a review of the Company's business plan, adjusting operations towards early stage exploration, development and trading in commodity licenses. IGE will actively seek to divest or include investors in current diamond projects.

The Board will also propose the upcoming Annual General Meeting (AGM) 2011, to decide on the distribution of shares in Nickel Mountain Resources AB (NMR) to IGE's shareholders. The Board's proposal will include approximately 50 per cent of the NMR shares held by IGE Resources (i.e. approximately 13 million shares in NMR). In doing so, the Board offers IGE shareholders an opportunity to participate also directly in the nickel resource project now being prepared for a listing on the Toronto Stock Exchange. The distribution of NMR shares will be scheduled so that the record day for the distribution will be after the rights issue has been registered and the new shares have been transferred to the subscribers. This enables the subscribers participating in the rights issue to participate in the distribution of NMR shares.

In addition the Board will also propose the upcoming AGM 2011 to approve on a reversed split of the IGE share. The proposed split ratio will be determined after completion of the rights issue.

As a consequence of the above, the Board has also decided to postpone the AGM that was scheduled for May 12, 2011, to be held on June 9, 2011.



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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.*