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IGE accepts settlement in Kilimapesa Gold sale

IGE Resources AB (OSE: IGE) today announced that the Company has accepted a USD 800,000 cash payment as final settlement for the 2009 sale of IGE's 50 per cent interest in Kilimapesa Gold (Pty), Kenya. The final settlement represent a USD 700,000 discount on the original sales price.

IGE's interest in the Kenyan gold company was sold to IGE's partner in the project, Goldplat in September 2009. The agreed consideration at the time was USD 2.7 million, of which USD 1.2 million was paid upon signing of the contract.

Payment of the remaining USD 1.5 million was conditional of Goldplat receiving relevant Government approvals for the Kilimapesa project. The company announced in July 2010 that all documentation had been approved by Kenyan authorities and that issuance of a mining right number was imminent.

Final government approval has not yet been issued, consequently Goldplat has not been in a position to pay the remaining amount. IGE's assessment is that further payment remains uncertain, and the Company has therefore decided to secure its interest to the extent possible under the circumstances. The USD 800,000 payment has been received.

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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.