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IGE puts Cassanguidi diamond project on hold

IGE Resources AB (OSE: IGE) today announced that the Company, following recent inconclusive negotiations with a third party, has decided to put further financing of the Cassanguidi diamond mine in Angola on hold.

Insufficient financing for major equipment replacement has caused persistent operational interruptions, which have had a significant adverse effect on revenue generation from the Cassanguidi project. IGE is not prepared to increase its financial exposure in the project and has actively sought alternatives for the Cassanguidi mine. Such alternatives include bringing a partner into the project, a full sale or a termination of the project. The latter alternative would represent approximately a SEK 140 million impairment loss for IGE Resources and result in closure of the company's remaining operations in Angola.

IGE's focus within its diamond business is now on optimising cost structures and establishing a sound financial platform, enabling the company to progress its other diamond projects with reduced risk.

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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.