23 August, 2011

IGE divests DRC diamond project

IGE Resources AB (OSE: IGE) today announced that the Company has agreed to divest its wholly owned Longatshimo River diamond project in the Democratic Republic of Congo (DRC).

The agreement is conditional of local approvals. Details of the sale will be announced after closing of the transaction. The agreed consideration for the Longatshimo project is relatively modest, however IGE will earn a royalty from future diamond sales when the new owners commence production.

"The sale of Longatshimo further enables us to meet our financial obligations and focus on other diamond projects in our portfolio. The sale also supports our efforts to reduce operating costs throughout the company" said IGE's acting CEO Thomas Carlsson.

The Longatshimo River project has been one of two DRC diamond projects in IGE's portfolio. After having pulled out of Angola and divested Longatshimo, IGE will in the near term focus its diamond activities primarily around the Bakerville project in South Africa. Harts River in South Africa and the Tshikapa project in DRC remain the two other diamond projects in IGE's portfolio. The Company will secure additional financing on a project basis for all these projects before further developing the resources.

The three remaining IGE diamond projects combined hold more than six million carats of rough diamond (verified and additional resources) at attractive sizes and grades.

For additional information, please contact:

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