

5 March 2012

## **IGE: IGE to realise the value of Nickel Mountain Resources – Fully underwritten rights issue secured by the Company**

**IGE Resources AB (OSE: IGE) ("IGE"/"the Company") announced today that the Board has decided to carry out a fully underwritten rights issue in IGE of 129,820,875 shares with preferential rights. The share issue will result in gross cash proceeds to IGE of approximately NOK 97 million. The Board considers the rights issue to be the optimum way for existing shareholders to preserve their share of the future development and potential value increase of the Group.**

The rights issue is fully underwritten by Waterton Global Value, L.P. Waterton Global Value, L.P. is part of Waterton Global Resource Management, a Toronto-based family fund focused on strategic investments in multiple business segments. Waterton Global invests in mining companies with high-quality assets operating in safe and stable jurisdictions by providing a wide range of funding, including debt facilities, equity placements, rights offerings and joint venture partnerships. Waterton Global leverages its experience as a leader in resource investing in Canada, one of the largest mining nations in the world.

IGE's present share capital amounts to SEK 12,928,087.50 distributed on 51,928,350 shares. The share capital will be increased by SEK 32,455,218.75 through the rights issue of 129,820,875 new shares (quota value SEK 0.25), representing approximately 71 per cent of the outstanding shares in IGE after completion of the share issue. The new shares will be offered at a subscription price of NOK 0.75 per share. Shareholders in IGE will receive 1 subscription right for each 2 shares held by the shareholder in the register of shareholders on the record date, 12 March 2012. Please note that for being able to have a share registered in the register of shareholders on 12 March 2012, it has to be purchased in the market on 7 March 2012 at the latest (see below for more information regarding key dates of the rights issue). Each subscription right entitles the subscription of 5 new shares in IGE. An application has been made to list the subscription rights on the Oslo Stock Exchange (Oslo Børs). Such listing is a condition for Waterton Global's underwriting commitment. The underwriting commitment is further subject to certain customary conditions, including no material adverse effect occurring with respect to the Company. The subscription period is 16 -30 March 2012. Oversubscription is allowed. Subscription may also be carried out without the exercise of subscription rights. The underwriting fee to be paid by IGE is 7%.

"We are very pleased with this solution for the shareholders and the future development of the Group. To achieve the rights issue underwritten by a professional and well reputed fund as Waterton, who combine serious industrial insight, activity and connections with well documented financial competence and execution, is a milestone for IGE when it comes to financial and industrial acceptance and awareness. The subscription price is set at around 30% TERP (see note at the end for definition) discount, which we firmly regard as being competitive for a capital raise of this size compared to IGE's market capitalization under today's market conditions. The proceeds enable us to fully finance the prefeasibility study at large in Nickel Mountain. We are convinced that IGE now will benefit of a larger focus on the industrial merits of our projects and a valuation more in line with our peers from the financial market, partners and industrial players, which will be in our shareholders highest interest," commented IGE's acting CEO, Thomas Carlsson.

The Board has decided that approximately 90% of the net proceeds from this share issue will be used to fund the completion of the prefeasibility study ("**PFS**") for the Rönnebäcken Nickel project ("**the Project**"), held by IGE Resources' subsidiary Nickel Mountain Resources AB ("**Nickel Mountain**") through an equity issue in Nickel Mountain. The Board believes that it is in the best interest of current shareholders to complete the PFS and thereby capture the value (including further de-risking of the Project), before a partner solution is targeted. The PFS is normally one of the most value-adding phases in the development of a mine project. The comprehensively planned PFS is effectively structured with several milestones and checkpoints to avoid any unnecessary use of capital, time and resources.

The remaining portion of the net proceeds will be used to finance structure development for IGE (ex Nickel Mountain) and the modest overhead and burn rate. Subject to shareholders' and authorities' approval, it is the Board's intention to propose a distribution of IGE Resources' shares in Nickel Mountain to the shareholders of IGE Resources and to seek a separate listing of the Nickel Mountain shares on the Oslo Stock Exchange or Oslo Axess during 2012.

IGE has previously informed the market of an updated Preliminary Economic Assessment for the Rönnebäcken Nickel Project, incorporating a high-grade magnetite iron concentrate by-product from nickel flotation tailings. A magnetite recovery of 90% along with further reduced magnetite processing, concluded with an estimated pre-tax Net Present Value of the Project of US\$1,045 million at SRK Consulting (Sweden) AB's base case nickel price of a \$9.00/lb (US\$19,800/tonne), and reduced the C1 cash cost from \$4.10/lb (US\$9,034/tonne) to \$3.55/lb (US\$7,826/tonne) of nickel. Reference is made to the press release by the Company of 14 November 2011.

IGE has furthermore informed the market that the latest Mineral Resource Estimate prepared by SRK Consulting (Sweden) AB, incorporated down-dip extension drilling at the Rönnebäcknåset deposit resulting in a conversion of 86.5 million tonnes (Mt) from the Inferred to the Indicated category. An additional 8 Mt of Indicated plus 12 Mt of Inferred resources were defined at Rönnebäcknåset as a result of this drilling campaign. Currently 97% of Mineral Resources lie in the Measured and Indicated categories. This is an important milestone and Nickel Mountain aims to convert these Mineral Resource to Reserves, as part of the planned PFS. The entire Mineral Resource for the Project as a whole now includes a total of 668.3 Mt in the Measured and Indicated categories. Reference is made to the press release by the Company of 24 January 2012.

Detailed terms of the rights issue will be described in the prospectus which will be prepared in accordance with chapter 7 of the Norwegian Securities Trading Act. The prospectus will be made public on the Company website no later than the first day of the subscription period.

***The time schedule for the rights issue is as follows:***

- 7 March 2012: Last day of trading in the shares including preferential right to participate in the rights issue
- 8 March 2012: First day of trading in the shares excluding preferential rights to participate in the rights issue
- 12 March 2012: Record date for participation in the rights issue
- 16 – 27 March 2012: Trading in subscription rights on the Oslo Stock Exchange (Oslo Børs)
- 16 – 30 March 2012: Subscription period
- 2 April 2012: Announcement of preliminary outcome of the rights issue

Further details regarding timing, including payment and delivery of shares, will be set out in the prospectus.

**TERP:** "Theoretical Ex-Rights Price" is a calculated price for a company's shares after issuing new rights-shares with the assumption that all these newly-issued shares are taken up by the existing shareholders.

1. Determine the portion of the company's final shares that exist pre-offering.
2. Subtract this answer from 1.
3. Multiply the shares' portion by the share price before the rights issue.
4. Calculate the price of the newly issued shares.
5. Multiply this price by the decimal value from Step 2.
6. Add together the prices from Steps 2 and Step 5.

**For additional information, please contact:**

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*IGE Resources AB (publ) is a Scandinavian asset management and development company within natural resources. IGE's portfolio currently consists of diamond exploration and production assets in Southern Africa and Nickel Mountain Resources AB (publ) owning Scandinavia's largest nickel deposit. IGE is headquartered in Stockholm and its shares are listed on the Oslo Stock Exchange (ticker: IGE). Please refer to [www.ige.se](http://www.ige.se) for more detailed information.*