

27 March, 2013

## **IGE Resources – Details regarding the agreement for the acquisition of Ghana Gold AB**

Reference is made to the press release dated 25<sup>th</sup> of March regarding the agreement for the contemplated acquisition of Ghana Gold AB ("Ghana Gold") from Alluvia Mining Ltd. ("Alluvia Mining") (the "Agreement").

### **About the transaction**

IGE Resources has entered into an agreement with Alluvia Mining to purchase Ghana Gold, including the right to purchase six recovery lines to be delivered by AuVert Recovery System Ltd for production of alluvial diamonds and gold. The full purchase price of these recovery lines amounts to USD 15 million per recovery line, of which USD 2 million per recovery line has been paid (in total USD 12 million) by Ghana Gold. The acquired rights and obligations are held under a purchase order dated 31 May 2012 according to an exclusive master purchase and sale agreement for gold recovery lines.

The Agreement was conditional on the outcome of an Extraordinary General Meeting held in the Mineral Invest International MII AB (publ), which thereby divested Ghana Gold to Alluvia Mining for SEK 150 million. Mineral Invest held its Extraordinary General Meeting on the 22nd of March 2013 where the general meeting approved the divestment of Ghana Gold. The shareholder approval was the last condition precedent for the transaction between Alluvia Mining and Mineral Invest which is now scheduled to be completed shortly. Consequently, once Alluvia Mining's acquisition of Ghana Gold is completed, Alluvia Mining and IGE will work on closing IGE's acquisition of Ghana Gold. IGE's acquisition of Ghana Gold is, however, still conditional upon approval of IGE shareholders' meeting and IGE will thus call for an Extraordinary General Meeting to be held on the 25th of April 2013 to authorize the transaction. Subject to the authorization of the shareholders of IGE, it is expected that the transaction will be completed in May 2013.

In addition, as a part of the transaction, as soon as Alluvia Mining's acquisition of Ghana Gold has been completed, Alluvia Mining has agreed to transfer its partner agreement with Mineral Invest regarding the exploitation of the alluvial gold license Wanga and the exploitation activities under the Moyale license in Ethiopia to Ghana Gold.

### **Purchase price**

The purchase price for 100 percent of the shares in Ghana Gold will be split as follows:

- 1) SEK 50 million in cash (the "Cash Component") was paid by IGE in connection with the execution of the Agreement on the 23<sup>rd</sup> of January 2013.
- 2) 50 million new issued shares of IGE, to be subscribed for by Alluvia Mining in a directed share issue at the subscription price of SEK 2 per share. The preferential rights of the shareholders are set aside for purposes of IGE to complete the transaction of Ghana Gold.
- 3) 10 percent of the net smelter royalty, the gross revenue (total revenue minus production costs) from the Purchaser's sale of metals from its the alluvial projects included in the Agreement.

Subject to the approval from the IGE shareholders' meeting, the board of directors will be authorized to issue 50 million new shares to Alluvia Mining to be subscribed for as soon as possible after the Extraordinary General Meeting.

No agreements have been entered into, or are expected to be entered into, as to the special benefit of the management or board members of Ghana Gold AB in connection with the transaction.

## Loan facility agreement

Amarant Finance Ltd, an affiliate to Amarant Mining, IGE's largest shareholder, has agreed to make available a loan to IGE of USD 5 million. The loan runs with an annual interest rate of eight (8) percent to be paid on a quarterly basis. The duration of the loan is three (3) years; all outstanding amounts including accrued interest shall be repaid by IGE on the termination date of the loan, no later than 23<sup>rd</sup> of January 2016. The purpose of the loan is to ensure that IGE has sufficient working capital until production is initiated.

## Pledge provided with respect to the Cash Component

The Cash Component has been secured by a pledge issued by Conventus Limited, an entity owned by Alluvia Mining. Conventus Limited has irrevocably and unconditionally pledged, as a first ranking pledge, all its rights to its 36,098,989 shares of common stock in the company Advanced Mineral Technologies, Inc. The shares have a book value of SEK 180 million. In case IGE's acquisition of Ghana Gold is not completed, the Cash Component will immediately be repaid with the shares of Advanced Mineral Technologies, Inc. constituting the security for the due and punctual payment hereof.

## Significance and impact of the transaction for IGE

The right to the AuVert Recovery lines in which Ghana Gold has an pre-paid interest will provide a significant capacity to produce alluvial diamonds and gold for IGE. With the support of the machinery which will be included in fully financed recovery lines, IGE will be well prepared to start production with a relatively short ramp up period. Based on the improved technology, IGE expects significant alluvial recovery on new prospects and old tailings of both gold and diamonds.

"The Board's main focus is to act in our shareholders' best interest and to create value for our shareholders. The proposed acquisition of Ghana Gold, including the state-of-the-art recovery lines from AuVert Systems, will significantly improve recovery rates compared to current industry standards. The proposed acquisition adds significant resources to our existing assets and our view is that the acquisition of Ghana Gold will be an important step to get into production and thereby generate positive cash flow. It is important to note that the recent year's strong development in the gold price gives IGE an excellent opportunity to expand our operations in a profitable way", says Ulrik Jansson, Chairman of the IGE Board.

## About Ghana Gold

Ghana Gold is a company incorporated under the laws of Sweden with corporate registration number 556894-8870. The board consists of Andreas Hammerich and deputy member Carl-Johan Eldh (CEO and CFO of Mineral Invest) and the management consists of none. The company has no employees.

## Key figures from Ghana Gold AB balance sheet and income statement by 25<sup>th</sup> March 2013:

Income	MSEK	-
Operating expenses	MSEK	-
Total Assets	MSEK	81 601
Net Equity	MSEK	81 601

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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 several 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.*