

**International Gold Exploration IGE AB** ("IGE" or the "Company") announces results for the fourth quarter and full year 2009, ended December 31, 2009.

### Summary fourth quarter:

- For the fourth quarter IGE reports a net loss of MSEK -8.9 or SEK -0.02 per share, compared to a loss of MSEK -30.9 in the fourth quarter of 2008. For the full year ended December 31<sup>st</sup> 2009 IGE reports a loss of MSEK -65.8 (56.8) including a non cash effecting currency loss referable to intercompany debts amounting to MSEK -20.4.
- IGE submitted the EVTE (Estudode Viabilidade Tecnico-Economico, a technical and financial feasibility report) for Luxinge Diamond project in Angola on the 30<sup>th</sup> of October 2009 to Endiama, the state diamond mining company of Angola. Once the EVTE is approved it enables IGE to move forward with the commercialisation of the project and to initiate sales of diamonds. The approval is pending.
- Preliminary Assessment (PA) for the Rönnebäcken Nickel Project was completed and confirmed the viability of the project. The NI 43-101 Technical Report on the Preliminary Assessment of the Rönnebäcken Nickel Project in northern Sweden provides an independent evaluation and estimates the net present value of the project to be MUS\$142. According to the PA, the project has potential to outline additional mineral resources and the company has set a target for increasing the current resource size by 100-150 million tonnes grading 0.10 – 0.15% nickel in sulphide. Based on these estimates and the potential to reduce operating costs, IGE believes there is scope to further improve project economics.
- IGE confirmed the discovery of a new area of nickel mineralization and good prospects to improve the potential of the Rönnebäcken nickel project. IGE presented assay results from its 2009 summer geological mapping and sampling program. The program focused on geological mapping and magnetic surveying of untested areas near current resources. Sampling and assaying of outcrops have identified several new targets for drilling. The program has also resulted in the discovery of a new area with nickel mineralization north of Rönnebäcksnäset and north of the lake.
- An Extraordinary General Meeting in IGE held on 5 October 2009 approved the previously finalised Private Placement as well as a conversion of a debt of MSEK 20. The Private Placement was structured as a directed share issue of MNOK 55.5 corresponding to 221,800,000 new shares. In addition the EGM decided to convert outstanding loans amounting to MSEK 20 into equity through issuing of 68,000,000 new shares. The price for the new shares was set to NOK 0.25 per share.
- In addition, the EGM authorised the board to execute a repair issue of up to MNOK 17.4 corresponding to 70,000,000 new shares directed to the existing shareholders as per September the 15<sup>th</sup>, 2009.

### Financial Summary

(TSEK, except per share data)	Q4 2009	Twelve months ended December 31, 2009	Q4 2008	Twelve months ended December 31, 2008
Other revenues	15,169	15,169	26,185	49,916
Operating result	-11,218	-66,859	-25,460	-49,800
Net result	-8,894	-65,782	-30,950	-56,787
Investments	18,767	35,463	50,868	159,096
Cash at the end of the period	40,807	40,807	39,639	39,639
Interest bearing loans at the end of the period	12,065	12,065	24,929	24,929
Result per share before and after dilution	-0.02	-0.12	-0.08	-0.16

“IGE reached a major milestone during the fourth quarter of 2009 with the completion of the NI 43-101 compliant Preliminary Assessment for the Rönnebäcken Nickel Project. The result of the assessment is very encouraging as it confirms the viability of the project at present and includes the potential to outline additional mineral resources. Based on a careful analysis of the PA, IGE sees scope to further improve project economics and will take this further in the ongoing dialogue with all stakeholders and potential industrial partners.

Our operations in Angola are progressing with some delays. IGE has applied for the Luxinge Mining license in Angola by submitting the EVTE (Estudode Viabilidade Tecnico-Economico, financial feasibility report). We have received a positive preliminary notification from Endiama, the Angolan diamond mining authority, but still await the approval of the application. The granting of the license is an important step for the IGE Group as it will allow us to execute the first sale of diamonds and start a full scale production of the Luxinge Diamond mine.

The financial climate and the commodity markets in general have improved significantly during 2009. The supply of capital willing to fund commodity projects has improved and IGE is convinced of the strength of the long term markets both for Nickel and for Diamonds. The Diamond market is facing a decreasing global supply, and the depletion of several major mines within the next five years is expected to reduce supply further.

The Group now has a sound financial platform. IGE has been able to pursue its business plan despite constantly stretched budgets and weaker markets for both commodities and venture capital. As the macro economy has started to improve I am confident that we are facing an exciting period ahead with focus on the development of the core assets of the Group” said Tomas Fellbom the CEO of IGE.

#### **Other important events and events after the expiration of the reporting period:**

- IGE and Pangea DiamondFields creates strong African diamonds exploration and production company IGE announced on the 22<sup>nd</sup> of February that the company has entered into a conditional sales and purchase agreement whereby IGE acquires all assets and activities of Pangea DiamondFields plc (AIM:PDF) through purchase of the entire issued share capital of Pangea's subsidiary Efidium Ltd. This effective merger creates a significant diamond exploration and mining company with resources spread across three Southern African countries. For more information please see press release no 7 that was released on the 22<sup>nd</sup> of February 2010.
- IGE reached new milestone in Angola with Endiama announcing that IGE has fulfilled the obligations required to move closer to the commercialisation of the Luxinge project. Endiama stated that IGE has fulfilled the requirements set out in the executive decree 49/2008 in the joint venture Luxinge which implies that IGE is one step closer to the commercialisation of the project.
- IGE announces encouraging results from exploration trenching in Kenyan gold license. The preliminary results of a reconnaissance trenching and drilling program at the Atieli target (Kisii Special License 209) in Kenya, fully owned by IGE, are encouraging as they suggest a potential high-tonnage, low-grade mineralized system that could be exploited open-cast. The results indicate the presence of a gold-mineralized system, including both high-grade narrow mineralization and low-grade wider mineralization.
- IGE submitted its applications for Exploitation Concessions for the Rönnebäcken Nickel Project to the Mining Inspectorate of Sweden (“Bergsstaten”). The applications for Exploitation Concessions, including Environmental Impact Assessments were submitted on February 12, 2010. The application process is estimated to take three to six months. An Exploitation Concession is granted if there is a probability for an economic exploitation of the deposit and if the site is considered appropriate from an environmental point of view. The latter requirement calls for an Environmental Impact Assessment (EIA) to be included in the application. The Exploitation Concession grants the right to carry out mineral exploitation for a 25 year period.
- IGE announced the sale of its 100% interest in the exploration licences comprising the Bidjovagge Gold Copper Project in the Finnmark plain, northern Norway. The licences were sold to Arctic Gold AB which will focus on developing the Bidjovagge project. Under the terms of the agreement, IGE's subsidiary IGE Nordic AB will receive MSEK 2.4 in cash in addition to shares in Arctic Gold AB constituting 20% of the company at the time of the agreement. IGE's book value of the Bidjovagge project amounts to MSEK

12.8 at the end of the reporting period. Depending on the value of the 20% payment in shares in Arctic Gold AB there might be a need of write downs which will be appraised during the first quarter of 2010.

## **Update on the 2009 work program:**

### ***Angola:***

#### **Luxinge Project**

During the final quarter of 2009, the state Diamond Mining Company; Endiama, made changes to the Board of Administrators, which have effectively delayed all decisions for some time. The new President of the Council of Administrators (PCA), Mr Carlos Antonio Sumbula, is fully aware of the issues outstanding with IGE Angola. His team, headed by Dr. Andre Moises, well known to the management of IGE, is currently working on the approval of the Luxinge EVTE.

The PCA has expressed his full support in granting the approval for the Luxinge Project, and has issued an instruction to the Geological team investigating the EVTE to finalise the feasibility Study as soon as possible. It has been indicated, that the Luxinge project will receive an authorisation to form a commercial company shortly. Once this authorisation has been granted, the Luxinge project will be able to produce and sell diamonds through the State enterprise Sodiam.

The production of diamonds in the Luxinge area is in progress. IGE is continuously recovering diamonds from a one shift, five days a week, working schedule. When the EVTE is approved enabling IGE to sell the Luxinge diamonds, the production will run a three shift working programme, increasing the amount of carats recovered significantly. Logistics is a challenge in these areas. Obtaining spare parts and consumables to the mining site may take several months and breakdowns and shortage of supply of fuel and lubricants will impact the production. But with the strengthening of the Group's financial situation and improved management experience and routines, IGE is better equipped to handle these challenges.

Following the management changes within Endiama, IGE has acquired management control of the Luxinge Project. IGE was asked to participate in Endiama's quest to further expand the Diamond Mining opportunities, and the Managing Director of the Luxinge Project, Kiame Matadidi, has been requested to assist Dr. Andre Moises in the expansion of the Production and Prospecting mandate issued by Mr. Carlos Antonio Sumbula.

#### **Cariango, Lacage and Luanguinga Projects**

Changes in the Endiama management also included a number of changes within the board and changes to the Council of Associates within the IGE projects. The meetings that have taken place so far, indicate that no changes will be made to the minutes of the previous council meetings.

At present IGE is not involved in exploration on Luanguinga, Cariango and Lacage concessions. Endiama is informed that IGE will remain passive until the contracts has been finally ratified. Since 8 February, a new Minister of Mines and Geology has been appointed, IGE have requested a meeting to ensure a smooth transition and a fast ratification of the contracts.

### ***Scandinavia:***

#### **Highlights during the fourth quarter:**

1. A NI 43-101 Technical Report on the Preliminary Assessment (PA) of the Rönnebäcken Nickel Project was completed in November 2009 by Scott Wilson Roscoe Postle Associates Inc. of Toronto, Canada (Scott Wilson RPA). Base case cash flow analysis of the project provides a net present value (NPV) of US\$142 million
2. Following the recommendations of the PA, IGE commenced work towards a Pre-Feasibility Study (PFS) of the Rönnebäcken Nickel Project.
3. IGE Nordic launched a new round of drilling in December to investigate new drill targets generated from a summer geological mapping and sampling program.

4. In addition, the company has engaged Outotec Minerals Oy to conduct further process optimization test work aimed at raising nickel in sulphide recoveries from 74.5% to 80%, as well as reducing operating and/or capital costs.
5. Work progressed on finalizing the Environmental Impact Assessment, which will form part of the application for the Exploitation Concession.

The PA conducted by Scott Wilson RPA is a milestone in the development of the Rönnebäcken Nickel Project, and provides an independent evaluation of the project. NPV of the project is estimated at US\$142 million. The PA is based on an initial 13 year mining plan with mill throughput of 20 million tonnes of ore per annum, and a projected recovery of 74.5% of nickel in sulphides. The resultant concentrate, averaging 28% nickel content, is expected to supply 17,000 tonnes of nickel in concentrate annually.

The PA follows upon receipt in April of an independent NI 43-101 compliant mineral resource estimate for the Rönnebäcken Nickel Project, prepared by Scott Wilson Roscoe Postle Associates Inc. ("Scott Wilson RPA"). The current resource of 248 million tonnes encompasses an indicated resource estimate of 54.9 million tonnes with an average total nickel content of 0.187%, and an inferred resource estimate of 192.9 million tonnes with an average total nickel content of 0.178%.

According to the PA, the project has potential to outline additional mineral resources. The 2009 summer field program generated new drill targets in the areas around the two main deposits of Vinberget and Rönnebäcksnäset. In addition, a new area with mineralization, Sundsberget, was discovered to the north of Rönnebäcksnäset and north of the lake, for which an exploration license, Rönnebäcksjön nr 7, was granted on October 1 2009. IGE Nordic secured two drilling rigs from Bergteamet AB and a new round of drilling commenced in December 2009.

Based on positive assay results from sampling carried out in the field program, the company believes there is potential for increasing the current resource further. There are large areas of exposed serpentinite with nickel mineralization, which remain untested nearby at the Vinberget and Rönnebäcksnäset deposits. The company has set a target for increasing the current resource size by 100-150 million tonnes grading 0.10 – 0.15% nickel in sulphide. The current round of drilling is intended to work towards this goal.

IGE believes there are additional opportunities to further improve project economics. In addition to the drilling activity, IGE Nordic engaged Outotec Minerals Oy to conduct further process optimization test work aimed at raising nickel in sulphide recoveries from 74.5% to 80%, as well as reducing operating and/or capital costs. A comprehensive optimisation test program commenced at the Outotec Research Center in Finland in October 2009, focused on improving the nickel recovery, as well as the process economy, by carrying out a systematic test of key parameters. Mini-pilot testwork is planned upon completion of the lab optimisation testwork, in order to more accurately assess steady-state closed circuit performance. This last step will facilitate an update of the metallurgical performance in the PA during Q2 2010.

During 2009, geological field work was carried out at the Solvik gold-copper project, (IGE Nordic 50%, Archelon Mineral AB 50%). Samples of soil were taken to delineate the gold anomaly, while samples of bedrock were taken to assay for gold in the quartz vein system found in outcrops. These samples were sent for laboratory analysis. The field program, together with earlier work, indicated several areas of gold mineralization in a 17 km long zone. Furthermore, gold mineralization at the Egenäs zone is more extensive than expected.

Energy Ventures Limited ([www.energyventures.com.au](http://www.energyventures.com.au)), the joint venture partner with IGE Nordic (49%) in Norrsken Energy Limited (UK) raised \$1.1 million to advance exploration on its Swedish assets; a portion of the funds will be utilised to advance exploration Norrsken Energy uranium projects.

#### Highlights after the expiration of the interim period:

1. Applications for Exploitation Concessions for the Rönnebäcken Nickel Project were submitted on February 12, 2010.
2. A series of consultative meetings were held with local communities in January, to update on exploration activities and review detailed development plans for the Rönnebäcken nickel project.
3. IGE Nordic sold its interest in the licenses of the Bidjovagge Gold Copper Project in northern Norway to Arctic Gold AB for 2.4 million SEK and a 20% interest in Arctic Gold.

The applications for Exploitation Concessions, including Environmental Impact Assessments were submitted to the Mining Inspectorate of Sweden ("Bergsstaten") on February 12, 2010. The application process is estimated to take three to six months. An Exploitation Concession is granted if there is a probability for an economic exploitation of the deposit and if the site is considered appropriate from an environmental point of view. The latter requirement calls for an Environmental Impact Assessment (EIA) to be included in the application. The Exploitation Concession grants the right to carry out mineral exploitation for a 25 year period.

In January, a series of separate meetings were held with the following stakeholder groups: the Vapsten Sami village, the County Administrative Board of Västerbotten, representatives from the Storuman Municipality, and local landowners. A meeting open to the general public held in the village of Tärnaby in Västerbotten County was well attended. The meetings were convened to present in detail the layout of the project and proposed alternatives, as well as to review the development plans for the project. These meetings were part of IGE Nordic's efforts at maintaining on-going dialogue with local communities.

IGE Nordic AB entered into an agreement to sell its 100% interest in the exploration licences comprising the Bidjovagge Gold Copper Project in the Finnmark plain in northern Norway to Arctic Gold AB, which will focus on development of the Bidjovagge project. Under the terms of the agreement, IGE Nordic will receive from Arctic Gold 2.4 million SEK in cash payable over the duration of 2010, plus common shares of Arctic Gold which will constitute 20% of issued and outstanding shares as at the time of entering this agreement.

The divestment of the Bidjovagge licenses follows upon the sale of the Gladhammar Project in July 2009, and is consistent with IGE Nordic's strategic focus on the development of the Rönnbäcken Nickel Project. IGE Nordic will apply the net cash proceeds from this transaction towards progressing Pre-Feasibility work on the Rönnbäcken Nickel Project.

Drilling and optimisation work currently underway is intended to progress into a full PFS. The company plans to formally launch work on a PFS in 2010, which is expected to cost US\$14 million. The PFS is targeted for completion in 2011.

## Kenya:

IGE Kenya's activities during the last quarter of 2009 were geared towards supporting Kilimapesa Gold (Pty) Ltd's mining license application, and continuing exploration activities on the South-West Kenya licenses at a low cost, using IGE Kenya Ltd's own drilling and trenching equipment. Significant progress was made towards obtaining the mining license for Kilimapesa Gold (Pty) Ltd. In addition, the National Environmental and Management Agency has issued the license for the Environmental Impact Assessment and the local authority has set aside the land for mining purpose. The balance of the payment of MUSD 2.7 for the sale of IGE's share in the company is payable in instalments commencing when the mining license is issued by the authorities.

Exploration results from both the Akala and Atieli licenses were encouraging and warrant further work. Both licenses are located close to each other (about 40 minutes drive) and have good access to water, electricity and road infrastructure.

Assay results from the 417 m trenching program undertaken during the 3rd quarter on the Atieli target were received. These were announced in a press release on January 8<sup>th</sup>. Results are promising as they indicate the presence of a gold-mineralized system including both high-grade narrow mineralization and low-grade wider mineralization. These include 12 m at 0.64 g/t, 9 m at 2.10 g/t and 5 m at 1.23 g/t. Individual one-meter intervals reach up to 6.94 g/t. The area is mainly underlain by sandstones, and gold grades have been encountered in quartz veins, quartz stock works and silicified shear zones. The brittle and porous nature of the sandstones is thought to be favourable to gold deposition. So far the mineralized system covers an area of about 500 x 200 m, but saprolite sampling results suggest that it could have a significantly bigger extension. The prospect warrants further exploration. One thousand meters of trenching and 300 meters of core drilling have been planned to this effect for the first quarter of 2010.

A core drilling program was started at the Kogumbo target (Akala license). The Kogumbo target consists of a set of several quartz veins hosted in basalts. By the end of the quarter 4 holes had been completed for a total of 306 m and several mineralized zones had been intersected, with grades up to 1.89 g/t over 2.1 m. This information, combined with results from earlier trenching that were received only recently (including an interval of 1 m at 5.98 g/t)



g/t on trench KT07), confirms the presence of a set of quartz veins extending along a strike length of 600 m. An update on this target will be published once all assay results have been received.

Additional results from the trenching program done at the School House target (Akala license) were received. Trench SHT04 proved the most interesting, with intervals of 2m at 5,19 g/t, 5m at 1.55 g/t and 2 m at 2.07 g/t. These results are encouraging, but more exploration work is required to assess the actual extent of the mineralization.

During this period, the company continued its strategic review of possible opportunities for short term gold mine development in Africa. Several projects in Tanzania and Ghana were reviewed in detail, but did not meet IGE's selection criteria. This review of opportunities will continue during the beginning of 2010.

**Highlights after the expiration of the interim period:**

- The grant of the mining license to Kilimapesa Gold (Pty) Ltd was approved by the Government's Licensing Committee and is now awaiting final ratification. As soon as the licence is finally ratified IGE will receive the remaining MUSD 1.5 of the consideration referable to the sale of the project
- Atieli program: A one thousand meters of trenching and 300 meters of core drilling have been planned in order to test the horizontal and vertical continuity of the mineralized zones, the extension of the mineralized system towards the north and the south, and to improve the understanding of the mineralization's structural controls. At the date of writing this report, trenching has started and the core drilling rig has arrived on site. Additional quartz veins have already been exposed, which increases the strike length of the mineralized zone from 500 to 700 m. Samples have been sent to ALS Chemex for assay. Given positive results, RAB and RC drilling will be necessary to start defining a resource.
- Kogumbo target: A 5<sup>th</sup> drill hole was completed in January. Samples have been sent to ALS Chemex for assay.
- Northern licenses: IGE Kenya Ltd undertook a review of its northern licenses (Sekerr and Turkana) based on field work done in late 2009. Following this review, it was decided to return the Sekerr license to the Kenya Government, in light of its low potential. The return of the licence results in a write down amounting to about TSEK 0.6. However, results of preliminary sampling and magnetometer surveys on the Turkana license showed a marked potential for grass root exploration for gold, and additional low-cost work will be done during the course of 2010 on this license, including geological mapping and geochemical sampling.

The Administration of International Gold Exploration IGE AB (publ) hereby submit the interim report for the period January 1<sup>st</sup> to December 31<sup>st</sup> 2009, with comparable figures from the corresponding period of the previous year and the most recent annual report.

### Business description

The Company's activities consist of exploration for mineral deposits and mining. The Company operates in Scandinavia and Africa.

### Investments during the period

Net investments during the period amount to MSEK 35.5 (159.1). The investments during the period mainly refers to the operations in the Luxinge diamond project and expenditures related to the advancement of the Rönnbäcken nickel project.

### Financial position

Cash flow during the period was MSEK 1.4 (-88.4). Cash and cash equivalents at period end amounted to MSEK 40.8 (39.6). Shareholders Equity amounted to MSEK 306.2 (243.7) at the end of the reporting period, resulting in an equity ratio of 93.6 percent (84.7).

The long-term liabilities of the Group are related to a loan given by Svenska Handelsbanken AB for the purchase of equipment to the production site in Luxinge from Volvo. The remaining amount to be paid is MSEK 12. The loan is guaranteed by the Swedish Credit Exports Guarantee Board (EKN) and has a duration of 3 years. The loan was raised in June 2008.

### Parent Company

Result before tax amounted during 2009 to MSEK -23.6 (-26.8) and cash and cash equivalents amounted to MSEK 1.2 (5.2). Investments in the Parent Company during the reporting period amounted to MSEK 0 (24.4).

### Pledged assets and contingent liabilities

Pledged assets are MSEK 0.1 (5.7) and contingent liabilities are MSEK 0 (0).

### IGE's share

The IGE shares are listed on the Oslo Stock Exchange (OB Match). The ticker symbol of the share is IGE.

### Upcoming reports:

Q1 2010:	7 May 2010
Q2 and 6 months interim report 2010:	26 August 2010
Q3 and 9 months interim report 2010:	18 November 2010
Q4 and Year End report 2010:	18 February 2011

This Interim report has not been subject to special examination by the Company's auditors.

Stockholm February 19<sup>th</sup>, 2010



Tomas Fellbom  
Chief Executive Officer  
International Gold Exploration IGE AB (publ)

## Income statement – Group

(TSEK)	Note	Q4 2009	Q4 2008	2009	2008
Other revenues	4	-	26,185	15,169	49,916
Other external expenses	5	-2,339	-6,885	-51,918	-31,883
Personnel expenses		-6,299	-8,590	-23,110	-28,225
Other operating expenses	6	-	-	-1,069	-
Depreciations and writedowns		-2,580	-36,170	-5,931	-39,608
<b>Operating result</b>		<b>-11,218</b>	<b>-25,460</b>	<b>-66,859</b>	<b>-49,800</b>
Financial revenue	7	2,324	956	6,136	8,249
Financial expenses	7	-	-6,446	-5,059	-15,236
Total financial items		2,324	-5,490	1,077	-6,987
<b>Result before tax</b>		<b>-8,894</b>	<b>-30,950</b>	<b>-65,782</b>	<b>-56,787</b>
Income tax		0	0	0	0
<b>Result for the period</b>		<b>-8,894</b>	<b>-30,950</b>	<b>-65,782</b>	<b>-56,787</b>
Result for the period attributable to: Equity holders of the Parent Company		-8,894	-21,433	-65,782	-46,351
Minority interest		-	-9,517	-	-10,436
<b>Result for the period</b>		<b>-8,894</b>	<b>-30,950</b>	<b>-65,782</b>	<b>-56,787</b>
Result per share before dilution		-0.02	-0.08	-0.12	-0.17
Result per share after dilution		-0.02	-0.08	-0.12	-0.17

## Group – Statement of comprehensive income Summary

TSEK	Q4 2009	Q4 2008	2009	2008
Net result for the period	-8,894	-30,950	-65,782	-56,787
Exchange differences during the period	-1,731	-7,177	6,798	-8,502
Total comprehensive income	-10,625	-38,127	-58,984	-65,289
<i>Total comprehensive income attributable to:</i>				
Equity holders of the Parent Company	-10,625	-38,127	-58,984	-65,289

Result per share are attributable to shareholders of the Parent Company.



## Balance sheet – Group

(TSEK)	Note	2009	2008
<b>ASSETS</b>			
<b>Tangible fixed assets</b>			
Mineral interests	14	154,257	112,938
Plant and machinery		47,700	52,933
<i>Long-term financial assets</i>			
Shares in associated companies		25,593	25,731
Receivables on associated companies		-	3,090
Long-term receivables		40,370	43,695
<b>Total fixed assets</b>		<b>267,920</b>	<b>238,387</b>
<b>Current Assets</b>			
Account receivables		262	196
Other receivables		17,249	4,965
Prepaid expenses and accrued income		1,038	4,374
Cash and cash equivalents		40,807	39,639
<b>Total current assets</b>		<b>59,356</b>	<b>49,174</b>
<b>TOTAL ASSETS</b>		<b>327,276</b>	<b>287,561</b>
<b>EQUITY</b>	8, 9, 10, 11, 12		
<i>Equity attributable to equityholders of the parent company</i>			
Share capital		39,785	19,600
Unincorporated share capital		-	1,308
Other capital-contribution		451,041	348,277
Reserves		845	-5,954
Retained earnings and profit for the period		-185,506	-119,507
<b>Total equity</b>		<b>306,165</b>	<b>243,724</b>
<b>Long term liabilities</b>			
Convertible loan	8		5,500
Interest bearing long term liabilities	13	11,974	19,429
Other long term liabilities		91	-
<b>Total long term liabilities</b>		<b>12,065</b>	<b>24,929</b>
<b>Current liabilities</b>			
Account payables		2,297	10,391
Other liabilities		2,386	1,372
Accrued expenses and prepaid income		4,363	7,145
<b>Total current liabilities</b>		<b>9,046</b>	<b>18,908</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>327,276</b>	<b>287,561</b>

## Changes in Equity – Group

(TSEK)	Equity related to the shareholders of the parent company						
2008	Share capital	Other capital contribution	Exchange differences	Retained earnings and profit for the year	Total	Minority interest	Total Equity
Balance at 1 January 2008	17,050	268,102	2,548	-75,685	212,015	32,884	244,899
Disposal of subsidiary to minority interest company					0	348	348
Exchange differences			-8,502		-8,502		-8,502
Net result for the period				-46,351	-46,351	-10,436	-56,787
Total income and expenses for the period			-8,502	-46,351	-54,853	-10,088	-64,941
<b>Transactions with shareholders:</b>							
New share issue	2,550	62,440			64,990		64,990
Non registered share issue	1,308	17,345			18,653		18,653
Acquisition of minority interest in subsidiary				2,529	2,529	-22,796	-20,267
Issued call options		390			390		390
<b>Closing balance at 31 December 2008</b>	<b>20,908</b>	<b>348,277</b>	<b>-8,502</b>	<b>-119,507</b>	<b>243,724</b>	<b>0</b>	<b>243,724</b>
Balance at 1 January 2009	20,908	348,277	-5,954	-119,507	243,724		243,724
Exchange differences			6,799		6,799		6,799
Net result for the period				-65,782	-65,782		-65,782
Total income and expenses for the period			845	-185,289	184,741		184,741
<b>Transactions with shareholders:</b>							
New share issue	18,877	108,628			127,505		127,505
Acquisition of minority interest in subsidiary				-217	-217		-217
Issued call options		120			120		120
Costs referable to fundraising		-5,984			-5,984		-5,984
<b>Closing balance at 31 December 2009</b>	<b>39,785</b>	<b>451,041</b>	<b>845</b>	<b>-185,506</b>	<b>306,165</b>	<b>0</b>	<b>306,165</b>

Total number of shares amounts to 795,709,953 as per 2009-12-31.

## Cash flow statement – Group

(TSEK)	2009	2008
<b>Cash flow from operations</b>		
Result after financial items	-65,782	-56,787
Adjustments for items not included in cash flow*	11,644	-15,928
Income tax paid	-	-
<b>Total cash flow from operations before change in working capital</b>	<b>-54,138</b>	<b>-72,715</b>
<b>Change in working capital</b>		
Increase/decrease in inventories	-	16
Increase/decrease receivables	689	-4,874
Increase/decrease in liabilities	-8,098	-363
<b>Total cash flow from operations</b>	<b>-61,547</b>	<b>-77,936</b>
<b>Cash flow used for investments</b>		
Cash holdings in acquired associated company	-	-1,617
Sale of associated company	7,829	-
Acquisition of intangible assets	-56,227	-46,842
Sale of intangible assets	2,000	-
Acquisition of tangible assets	-223	-40,902
Sale of tangible assets	226	-
Acquisition of shares in associated companies	-	-2,575
Acquisition of financial assets	-	-10,812
Sale of financial assets	-	6,078
<b>Total cash flow used for investments</b>	<b>-46,396</b>	<b>-96,670</b>
<b>Financial activities</b>		
New share issue	115,681	65,380
Raised credits	91	20,800
Amortization of debt	-6,387	-
<b>Total cash flow from financial activities</b>	<b>109,385</b>	<b>86,180</b>
Change in cash and bank	1,443	-88,426
Cash and bank at 1 January	39,639	127,827
Currency exchange difference	-275	238
<b>Cash and bank at the end of reporting period</b>	<b>40,807</b>	<b>39,639</b>
<b>*Adjustments for items not included in cash flow</b>		
Depreciations and write downs on intangible assets	4,123	37,583
Depreciations and write downs of tangible assets	1,480	2,024
Exchange gain	-	-29,732
Exchange loss	19,134	-
Capital gain	-13,843	-
Change of interest receivable	-	5,010
Profit from sale of intangible fixed asset	-	-16,228
Change of equity due to issue in kind	461	-14,884
Others	290	299
<b>Total</b>	<b>11,644</b>	<b>-15,928</b>

# Income statement – Parent company

(TSEK)	Q4 2009	Q4 2008	2009	2008
Revenue	-	-	10,646	-
Other external expenses	-4,955	-3,847	-15,182	-9,137
Personnel expenses	-3,011	-2,196	-8,250	-7,517
Depreciations	-	-33	-110	-131
<b>Operating result</b>	<b>-7,966</b>	<b>-6,076</b>	<b>-12,896</b>	<b>-16,785</b>
Financial revenue	975	190	1,159	2,849
Financial expenses	-4,252	-8,794	-11,825	-12,907
Total financial items	-3,277	-8,604	-10,666	-10,058
<b>Result before tax</b>	<b>-11,243</b>	<b>-14,680</b>	<b>-23,562</b>	<b>-26,843</b>
Income tax	0	0	0	0
<b>Result for the period</b>	<b>-11,243</b>	<b>-14,680</b>	<b>-23,562</b>	<b>-26,843</b>

## Balance Sheet – Parent company

(TSEK)	Note	2009	2008
<b>ASSETS</b>			
<b>Tangible fixed assets</b>			
Plant and machinery		112	236
<i>Long-term financial assets</i>			
Shares in subsidiaries		85,635	90,474
Receivables related to subsidiaries		276,261	190,234
Receivables on associated companies		-	5,447
<b>Total fixed assets</b>		<b>362,008</b>	<b>286,391</b>
<b>Current Assets</b>			
Account receivables		14	-
Other receivables		11,353	781
Prepaid expenses and accrued income		248	314
Cash and cash equivalents		1,207	5,227
<b>Total current assets</b>		<b>12,822</b>	<b>6,322</b>
<b>TOTAL ASSETS</b>		<b>374,830</b>	<b>292,713</b>
<b>SHAREHOLDERS EQUITY</b>	8,9,10, 11,12		
<i>Restricted equity</i>			
Share capital		39,785	19,600
Non registered share capital		-	1,308
Statutory reserve		111,345	111,345
<i>Total restricted equity</i>		<i>151,130</i>	<i>132,253</i>
<i>Non restricted equity</i>			
Share premium reserve		315,656	212,891
Retained earnings and profit for the period		-119,109	-95,547
<i>Total non restricted equity</i>		<i>196,547</i>	<i>117,344</i>
<b>Total shareholders equity</b>		<b>347,677</b>	<b>249,597</b>
<b>Long term liabilities</b>			
Convertible loan	8	-	5,500
Interest bearing long term liabilities	13	11,974	19,429
Long term intercompany liabilities		9,678	10,000
<b>Total long term liabilities</b>		<b>21,652</b>	<b>34,929</b>
<b>Current liabilities</b>			
Account payables		2,063	4,749
Other liabilities		640	95
Accrued expenses and prepaid income		2,798	3,343
<b>Total current liabilities</b>		<b>5,501</b>	<b>8,187</b>
<b>TOTAL SHAREHOLDERS EQUITY AND LIABILITIES</b>		<b>374,830</b>	<b>292,713</b>

## Changes in Equity – Parent Company

(TSEK)	Restricted Equity		Non restricted Equity		
	Share capital	Statutory reserve	Share premium reserves	Retained earnings and result for the year	Total Equity
<b>2008</b>					
Balance as at 1 January 2008	17,050	111,345	132,716	-68,704	192,407
Result for the year				-26,843	-26,843
Total income and expenses for the period			132,716	-95,547	165,564
<b>Transactions with shareholders:</b>					
Payment of call options			390		390
New share issue	2,550		62,440		64,990
Non registered share capital	1,308		17,345		18,653
<b>Closing balance at 31 Dec 2008</b>	<b>20,908</b>	<b>111,345</b>	<b>212,891</b>	<b>-95,547</b>	<b>249,597</b>
<b>2009</b>					
Balance as at 1 January 2009	20,908	111,345	212,891	-95,547	249,597
Result for the year				-23,562	-23,562
Total income and expenses for the period				-23,562	-23,562
<b>Transactions with shareholders:</b>					
Payment of call options			120		120
Costs referable to fundraising			-5,984		-5,984
New share issue	18,877		108,629		127,506
<b>Closing balance at December 31 2009</b>	<b>39,785</b>	<b>111,345</b>	<b>315,656</b>	<b>-119,109</b>	<b>347,677</b>

## Key ratios and shares data

		2009	2008	2007	2006	2005
Number of outstanding shares at beginning of reporting period	Number	418,161,828	341,000,000	341,000,000	311,000,000	198,200,000
New share issue	Number	377,548,125	77,161,828	-	30,000,000	112,800,000
Number of outstanding shares at the end of reporting period	Number	795,709,953	418,161,828	341,000,000	341,000,000	311,000,000
Average number of shares	Number	538,509,297	364,988,889	341,000,000	313,000,000	266,692,778
Operating result	TSEK	-67,473	-49,800	-66,023	-29,393	-16,724
Result after tax	TSEK	-65,782	-56,787	-62,529	-36,404	-23,207
Operating result per share	SEK	-0.125	-0.136	-0.194	-0.094	-0.063
Result after financial items per share	SEK	-0.122	-0.156	-0.181	-0.116	-0.087
Result per share after tax	SEK	-0.122	-0.156	-0.181	-0.116	-0.087
Shareholders equity per share before dilution	SEK	0.385	0.668	0.718	0.640	0.393
Dividend	TSEK	-	-	-	-	25,308
Price per share at the end of reporting period	SEK	0.58	0.65	2.34	5.05	2.17

In calculating income and cash flow per share the average number of shares has been used, whereas in calculating shareholders' equity the number of outstanding shares has been used.

IGE possesses none of its own shares at the end of the reporting period.

Further information regarding key ratio definitions can be obtained from the annual report for the financial year 2008.

Total number of outstanding shares in IGE are 795,709,953.



**NOTES TO THE FINANCIAL REPORTS****1. Accounting principles**

This interim report has been performed according to Annual Accounts Act and IAS 34 Interim Reporting. The interim report has also been performed in accordance with the rules in the Swedish Financial Accounting Standard RFR2. During 2009, the same accounting principles have been applied in this report as in the annual report prepared for the financial year 2008 with the following exceptions (see below) referred to new or revised standards, interpretations and changes adopted by the European Union (EU) which shall apply from 1 January, 2009. Only the new or revised standards which have had an impact on the Group are described below. The Interim report does not contain all the information and disclosures available in the annual report and the interim report should be read together with the annual report for 2008.

The interim report has been prepared in accordance with prevailing IFRS/IAS standards applied by the EU Commission at 1 January 2005. Further description of accounting principles and how the transition to IFRS has affected the Group accounting can be found in the latest annual report of the Group (2008).

**New or revised standards***IFRS 8 - Operating Segments*

The Group has from first of January, 2009 implemented IFRS 8 Operating Segments, which replace IAS 14 Segment reporting. The new standard require that a company provide extended financial and describing disclosures about its reportable operating segments and that segment information is presented from managements perspective, which means that the information is presented in the way it is used within the internal reporting. Reportable segments are lines of businesses or aggregated lines of businesses which fulfil certain specific criteria's. The starting point for identification of reportable segments is the internal reporting as it is reported and is followed up by the Chief Operating Decision Maker (CODM). The Group has identified Group Management as CODM. The Group has identified three reportable segments according to IFRS 8 which are Gold, Diamonds, Nickel and Other.

The implementation of this standard has not had any effect on the Groups total financial position compared to the figures presented in the annual report for 2008. The information about the Groups reportable operating segments is shown in Note "Segment reporting" and comparative figures for prior periods have been adjusted.

*Revised IAS 1 - Presentation of financial statements*

The revised standard divide changes in shareholders equity based on transactions with shareholders and other changes. The statement of changes in shareholders equity will only include information regarding shareholder transactions. In addition to this the standard introduce the concept "Group statement of comprehensive income" which show all items referred to revenue and expenses which earlier have been shown in "Group statement of changes in shareholders equity in summary", either in an individual statement or in two coherent statements. The Group has chosen to present the statement of comprehensive income in two statements, "Income statement – Group" and "Statement of comprehensive income summary".

**2. Risks and Uncertainties**

The operations of IGE involve certain significant risks, including but not limited to credit risk, foreign exchange risk, and political risk. For a complete discussion of the aforementioned risks, refer to the Company's 2008 annual report, available on the IGE website, [www.ige.se](http://www.ige.se). The management of IGE does not consider that any additional risk has become current since the expiration of the previous year of operation.

### 3. Segment reporting

(TSEK)	2009				
	Gold	Diamonds	Nickel	Other	Total
Other revenues	15,169	-	-	-	<b>15,169</b>
Depreciation of concessions	-614	-	-1,978	-1,859	<b>-4,451</b>
Depreciation according to plan	-302	-197	-871	-110	<b>-1,480</b>
Operating result	-5,291	-16,520	-15,034	-30,628	<b>-67,473</b>
Result before tax	-6,869	-15,164	-14,211	-29,538	<b>-65,782</b>
Fixed assets	30,005	173,684	54,428	9,802	<b>267,919</b>
Current assets	2,284	35,802	8,449	12,821	<b>59,356</b>
Long term liabilities	91	11,974	-	-	<b>12,065</b>
Short term liabilities	140	2,130	1,275	5,501	<b>9,046</b>
Investments (gross amounts)	14,607	24,013	-14,141	10,984	<b>35,463</b>
(TSEK)	2008				
	Gold	Diamonds	Nickel	Other	Total
Other revenues	-	-	-	49,916	<b>49,916</b>
Depreciation of concessions	-	-	-	-37,583	<b>-37,583</b>
Depreciation according to plan	-632	-626	-634	-132	<b>-2,024</b>
Operating result	-5,278	-14,608	-22,288	-7,626	<b>-49,800</b>
Result before tax	-2,749	-19,391	-21,060	-13,587	<b>-56,787</b>
Fixed assets	16,314	149,868	71,418	787	<b>238,387</b>
Current assets	5,612	2,630	36,578	4,354	<b>49,174</b>
Long term liabilities	-	19,429	-	5,500	<b>24,929</b>
Current liabilities	1,070	1,405	8,247	8,186	<b>18,908</b>
Investments (gross amounts)	7,028	102,660	28,067	21,341	<b>159,096</b>

### 4. Other revenues – sale of Kilimapesa Gold

IGE has sold its 50% share of the JV gold project in Kenya, Kilimapesa Gold Pty. The buyer was the JV partner in the project and holder of the outstanding 50%, Goldplat PLC. The consideration for the acquisition was MUS\$ 2.7. The net proceeds from the sales amounts to MSEK 14.9 after deduction of IGE's invested capital in the Company until the date of disposal. MSEK 0.3 is referable to sales of services in Kenya.

The net proceeds from the sales referable to the parent company amounts to MSEK 10.6 after deduction of the Parent company's invested capital in the Kilimapesa until the date of disposal.

### 5. Other external expenses – exchange losses

The weakening of the US dollar has significantly contributed to the Group loss during the period. The effect on the income statement from changes in value of the Group's assets and liabilities are to be seen as not realized and may change significantly between the quarters. The weaker dollar raised the amount of intercompany debts. While this does not affect cash, it nonetheless increased the loss of the Group during the period by MSEK -20.4 (33.5).

### 6. Other operating expenses

Other operating expenses are referable to a capital loss from sales of an exploration permit in IGE Nordic.

## 7. Financial items

Financial revenue (TSEK)	Group	
	31/12/2009	31/12/2008
Received payment for issued share warrants	-	1,500
Income from interest	80	3,609
Exchange rate gains	6,056	2,718
Other financial revenues	-	422
<b>Total financial revenue</b>	<b>6,136</b>	<b>8,249</b>

Financial expenses (TSEK)	Group	
	31/12/2009	31/12/2008
Valuation of MinMet Plc	-	-5,074
Valuation of other short term investments	-	-660
Loss from shares in associated companies	-	-987
Loss from interest	-1,932	-864
Exchange rate losses	-3,068	-7,651
Other financial costs	-59	-
<b>Total financial expenses</b>	<b>-5,059</b>	<b>-15,236</b>

The adjustments as result of revaluation of all short term investments are accounted for in gross amounts.

## 8. Convertible loan

### *Convertible loan I (November 2008)*

The convertible loan that was issued in November 2008 has during the reporting period been fully converted to shares. This has resulted in that additional 11,000,000 shares has been issued during the reporting period.

Total amount of outstanding shares after the above conversion was 429,161,828.

### *Convertible loan II (March 2009)*

The convertible loan that was issued in March 2009 has during the reporting period been fully converted to shares. This has resulted in that additional 50,000,000 shares has been issued during the reporting period.

## 9. Bridge loan for further funding of the operations within the IGE Group

The Board of IGE decided on, May 27, 2009, to issue a bridge loan of totally MSEK 20. The loan was given by a restricted number of creditors in Sweden. The maturity date of the loan is December 31, 2009 and the loan runs with a fixed annual interest rate of 12%. As a part of the compensation for lending the money, the creditors received a total of 15,000,000 newly issued warrants to subscribe for new shares in the company.

12,000,000 of the above warrants were exercised on the 6<sup>th</sup> of July 2009 resulting in an issue of 12,000,000 new shares in IGE. The subscription price amounted to 0.38 SEK per share resulting in that the Company was provided with MSEK 4.5 in cash.

3,000,000 of the above warrants are still outstanding. See note 15.

The bridge loan has been fully converted to shares during the fourth quarter, resulting in 68,000,000 new shares converted at a price per share of SEK 0,29 (approx NOK 0.25 per share).

## 10. Acquisition of IGE Nordic AB

IGE made, during the fourth quarter of 2008, a voluntary offer to acquire all outstanding shares in IGE Nordic AB (publ) ("IGE Nordic"). The acquisition was made through an all share offer, giving the shareholders in IGE Nordic 4 new shares in IGE for each share held in IGE Nordic.

By the end of 2008, IGE had received acceptances amounting to about 99% of the outstanding shares, including the 20,000,000 shares that it already owned. IGE aims to acquire the remaining shares resulting in that IGE Nordic will be held to 100 percent by IGE. The total number of additional IGE shares registered in connection to the purchase of IGE Nordic amounted to 26,161,828.

Additional acceptances has been received year to date 2009, resulting in that IGE has purchased 169,834 shares in IGE Nordic during the period. IGE has issued in total 679,336 shares during the period in order to pay for the acquired shares.

As per the end of the reporting period 105,751 shares were held by external owners, which corresponds to 0.4%.

## 11. Private Placement

The Company completed a Private Placement on the 15<sup>th</sup> of September 2009. The total number of issued shares amounted to 289.8 million. 68 million shares was used to convert an outstanding debt of MSEK 20. 221,8 million shares was issued for cash, which resulted in that IGE was provided about MSEK 68 (NOK 0,25/share) before deduction of transaction costs.

## 12. Subsequent "repair issue" directed to the existing shareholders of the Company

IGE completed a share issue directed to existing shareholders during the fourth quarter of 2009. The repair issue was carried out as a subsequent offer to existing shareholders due to a Private Placement that was executed on the 15<sup>th</sup> of September 2009 and approved by the Extra General Meeting on October 5<sup>th</sup> 2009. The existing shareholders were given the right to subscribe for shares to the same price as in the above Private Placement, NOK 0,25 per share. As of the expiry of the offer period on the 28<sup>th</sup> of October, 14.1 million shares were subscribed for in the share issue.

The proceeds from the subsequent share issues above amounted to SEK 4,3 million before deduction of transaction costs.

## 13. Interest bearing long-term liabilities

Interest bearing long-term liabilities refer to a loan given by Svenska Handelsbanken AB for the purchase of equipment from Volvo to the production site in Luxinge, Angola. The loan is guaranteed by the Swedish Credit Exports Guarantee Board (EKN) and has a duration of 3 years. The loan was raised in June 2008.

## 14. Mineral interests

IGE announced, after the expiration of the reporting period, the sale of its 100% interest in the exploration licences comprising the Bidjovagge Gold Copper Project in the Finnmark plain, northern Norway. The licences were sold to Arctic Gold AB which will focus on developing the Bidjovagge project. Under the terms of the agreement, IGE's subsidiary IGE Nordic AB will receive MSEK 2.4 in cash in addition to shares in Arctic Gold AB constituting 20% of the company at the time of the agreement. IGE's book value of the Bidjovagge project amounts to MSEK 12,8 at the end of the reporting period. Depending on the value of the received part payment of 20% of shares in Arctic Gold AB there might be a need of a write down which will be considered during the first quarter of 2010.

## 15. Share warrants – incentive programs

For information about currently outstanding share warrants and call options, other than the 3,000,000 described in note 9, the Company refers to the latest annual report of the Group (2008). The 3 million warrants are "in the money" at present which results in a potential dilution of 3,000,000 new issued shares if the warrants are

exercised.

#### **16. Related party transactions**

Mace Consulting has invoiced IGE TSEK 498 during the reporting period for services related to fund raising and market communication. Mace Consulting is a related party on behalf of its Managing Director, Magne Aaby who is a member of the board in IGE. No other related party transactions exists other than what was decided by the annual general meeting.