

IGE



First Quarter 2011 Report IGE Resources AB

First quarter highlights

- Updated Rönnebäcken assessment suggests increased project value
 - *Commercially viable, high grade nickel output, 19 years lifetime*
 - *Nickel Mountain Resources preparing for IPO*
 - *Highly experienced Board of Directors appointed*
- Full review of diamond strategy initiated
 - *Bakerville granted mining right in January*
 - *Luxinge mine discontinued, Cassanguidi mine under evaluation*
- Rights issue initiated
 - *Completed on 30 May 2011; NOK 36.1 million raised in then main rights issue. Additional NOK 10.7 million conditional of Board decision to utilize oversubscription issue.*
- Change of CEO
 - *Tomas Fellbom stepped down in March*

Key figures

SEK million	Q1 2011	Q1 2010	2010
Sales	4.9	-	20.9
Other income	-	-	0.2
Total revenues	4.9	-	21.1
EBITDA	-24.3	-23.4	-150
Impairment losses and depreciation	-144.9	-0.2	-401.8
Net result attributable to shareholders of parent company	-119.2	-23.6	-465.6
Investments in period	10.2	455.0	630.0
Cash at end of period	7.4	16.3	40.2
Interest bearing long term debt at end of period	5.3	22.5	5.3

Financial results

IGE Resources had sales of SEK 4.9 million in the first quarter. The Company had no sales in the corresponding quarter the previous year. All sales are attributable to diamond sales from the Cassanguidi, Angola mine.

EBITDA for the first quarter amounted to SEK -24.3 million, compared to SEK -23.4 million for the same period in 2010.

Operating expenses in the first quarter were at par with the 2010 first quarter and significantly reduced from the previous quarter. A cost cutting programme initiated in the first quarter is expected to further reduce operating costs in the coming months.

Progress at the Cassanguidi diamond mine was delayed by constant machinery

breakdowns, having a significant adverse effect on IGE's revenues in the period. Based on the uncertainty surrounding IGE's continued exposure in the Cassanguidi mine and its need for further financing, the Board of Directors has decided an extraordinary write down of the Cassanguidi project of SEK 92 million (net of tax) as a precautionary measure. The value of the assets in the balance sheet is now more in line with current market cap of the Company. The management and the Board have adapted a conservative approach with regard to the value of the assets in the balance sheet in order to avoid additional needs of impairments and to create an improved basis for value development going forward.

IGE Resources' total assets as per 31 March 2011 were SEK 365.6 million, compared to SEK 541.3 million at the end of 2010.

Net investments during the first quarter amounted to SEK 10.2 million (SEK 455.0 million in 2010's first quarter). The investments in the first three months of 2011 are mainly related to the advancement of the Rönnebäcken nickel project.

Cash flow during the first quarter was SEK -32.4 million (SEK -24.5 million in Q1 2010). Cash and cash equivalents at the end of the first quarter was SEK 7.4 million.

A share issue in the form of a rights issue directed towards existing shareholders was initiated in the period, strengthening the Company's financial position and cash reserve (see below).

Operations; nickel

IGE's subsidiary IGE Nordic AB was restructured and renamed Nickel Mountain Resources AB ("Nickel Mountain"), with the Rönnebäcken Nickel Project as its primary mineral asset. Haywood Securities Inc. of Canada has been retained to act as financial adviser and lead agent for a contemplated initial public offering, which is expected to take place in the second quarter of 2011.

An updated preliminary economic assessment with respect to the Rönnebäcken Nickel Project was completed by SRK Consulting (Sweden) AB ("SRK") in April 2011. The updated preliminary economic assessment provides an independent evaluation of the Project in accordance with National Instrument 43-101 — Standards of Disclosure for Mineral Projects ("NI 43-101") and was reported in a technical report entitled "Preliminary Economic Assessment for the Rönnebäcken Nickel Project, Sweden" dated as of April 7, 2011 (the "Technical Report") prepared by SRK. The Technical Report demonstrates the potential to commercially produce a very high grade nickel concentrate using open-pit mining and conventional technology.

A copy of the Technical Report is available on IGE Resources's website. The current resource estimate includes measured and indicated mineral resources of 277 million tonnes with an average total nickel content of 0.178% of which 0.107% is nickel in sulphide (Ni-AC) and inferred mineral resources of 279 million tonnes with an average total nickel content of 0.176% of which 0.104% is nickel in sulphide (Ni-AC).

The base-case pre-tax net present value ("NPV") of the project is estimated at USD 316 million using a long-term nickel price of USD 9.00 per pound (USD 19,841 per tonne) at a discount rate of 8% and a long-term SEK/USD exchange rate of 8.00. The pre-tax NPV at a discount rate of 8% ranges from USD 316 million to USD 1,572 million between nickel prices of USD 9.00/lb (USD 19,841 per tonne) and USD 12.00/lb (USD 26,455 per tonne), generating an Internal Rate of Return ("IRR") and undiscounted cash flow ranging from 12.4% to 26.6% and from USD 1,701 million to USD 4,498 million, respectively.

The preliminary economic assessment is based on an initial 19 year life of mine with mill throughput capacity of 30 million tonnes of ore per annum, total capital costs of USD 1,548 million of which initial capital costs are USD 1,161 million, and a projected recovery of 80% of nickel in sulphides. The resultant concentrate, averaging 28% nickel content, is expected to supply an average annualized production of 26,000 tonnes (57.3 million lbs) of nickel and 760 tonnes (1.675 million lbs) of cobalt in concentrate.

The C1 cash operating cost will average USD 5.55 per pound (USD 12,235 per tonne) of payable nickel, as reported in the Technical Report. The C1 cash operating cost is net of byproduct credits, but includes freight, smelting, and refining charges. The cost to produce the concentrate "at mine gate" is USD4.16 per pound (USD 9,171 per tonne) of nickel contained.

Nickel Mountain continued preparing for an application for an exploitation concession on the Sundsberget deposit, including an Environmental Impact Assessment ("EIA").

Since December 2010, Nickel Mountain has been studying the possibility of marketing a magnetite concentrate, a common feed in the steel industry. Testing to date has achieved production of a 62.4% Fe concentrate grade concentrate at a 70% magnetite recovery. Further work is required to determine the marketability and economic feasibility of production.

On January 10, 2011, Nickel Mountain Resources sold 1,000 shares of Nordic Iron Ore AB for a cash payment of SEK 500,000, reducing its interest to approximately 4%.

On February 23, 2011, Nickel Mountain Resources signed a purchase agreement with

Northfield Exploration AB, whereby 90% of the Company's interest in the three exploration permits comprising the Stekenjokk project was transferred to Northfield Exploration AB with Nickel Mountain Resources retaining a 10% interest, and receiving a cash payment of SEK 500,000. Upon completion of a feasibility study by Northfield, Nickel Mountain Resources has the option to participate in project funding commensurate with its remaining 10% interest in the project, or convert its remaining interests to a 1.5% net smelter return royalty.

On March 31, 2011, Agnico Eagle advised Nickel Mountain Resources that it has elected to continue with the staged earn-in process regarding the Company's 50% holding in the Solvik copper-gold project, as detailed in the Letter of Understanding of October 7, 2010. On May 2, 2011, an Earn-In Agreement was signed with Agnico Eagle. Subject to a number of conditions, Agnico-Eagle can earn up to 80% of Nickel Mountain Resources' interest (equivalent to a 40% interest in the Solvik project) by funding further exploration work and completing a feasibility study on the Solvik project. In the event that a feasibility study is completed, Nickel Mountain Resources has the option to participate in project funding commensurate with its remaining 10% interest in the project, or convert its remaining interests to a 1.25% net smelter return royalty.

Operations; diamonds

Insufficient financing and a number of difficulties on site have created an array of challenges for IGE Diamond, primarily in Angola.

After announcing its withdrawal from the Luxinge diamond project and the subsequent write-off of this project in the 2010 accounts, IGE has negotiated a release of its fully owned machinery and equipment on the mining site. To date, these efforts have proven fruitless.

The technical difficulties in the Cassanguidi mine, primarily caused by insufficient financing in 2010, have continued also in the first quarter. This has halted production and revenue generation in the mine. Diamonds representing SEK 4.9 million of revenues for IGE were sold in the quarter. In the first sale 1,407 carats were sold at an average price of USD 310 per carat. In the second sale 1,646 carats were sold, fetching an average price of USD 255 per carat.

The need for further financing in order to develop the Cassanguidi operation properly has made IGE decide that the Company, in its current state, will not progress the development of Cassanguidi as a sole investor. Consequently, discussions with potential partners have been initiated and are ongoing. As a precautionary measure, the Board has decided a SEK 141.7 million write-off (net impairment loss after tax effect is SEK 92.0 million) on the Cassanguidi project.

The Bakerville, South Africa, diamond project was awarded mining right in January 2011. Separate financing of the project is a prerequisite for progressing with the development of this diamond asset. Discussions with potential Bakerville partners are initiated.

The Group considers Bakerville to be an attractive asset. The risks involved are significantly lower than in the Angolan projects. The diamonds identified and recovered so far demonstrate attractive sizes and grades. The license is also in an area with potential potholes, which if discovered, are likely to significantly increase project value.

The Harts River, South Africa and Democratic Republic of Congo (DRC) licenses are currently in a low cost/ slow progress mode.

IGE's diamond portfolio will not represent a significant cash outflow going forward. The cash draining projects seen in 2010 have been terminated or put on hold, awaiting financing decisions.

Initiatives are taken in order to improve operational efficiency and further reduce costs in IGE's diamond business area.

A full review of IGE's diamond strategy has been initiated and will be completed by the Board of Directors elected on the upcoming Annual General Meeting.

Financial position

Cash and cash equivalents at the end of the first quarter 2011 amounted to SEK 7.4 million, compared to SEK 16.4 million at the end of first quarter 2011. Total equity amounted to SEK 274.6 million (SEK 709.8 million) at the end of the reporting period, representing an equity ratio of 75 per cent (72 per cent the corresponding period of the previous year).

The Company's interest bearing long term debt is limited to SEK 5.2 million, of which SEK 5 million is a convertible loan, at end of the reporting period (SEK 22.6 million the corresponding period of the previous year)

IGE's net cash run rate during first quarter 2011 was just over SEK 10 million per month, which is a slight decline from 2010 run rate.

The negative cash flow is expected to be significantly reduced going forward. The contributing factors are the termination of Luxinge, Cassanguidi being put on hold and Nickel Mountain Resources being floated as a separate entity. Furthermore, adjustments in IGE's organisation and management resources at all levels will contribute to reduced operational expenditures.

IGE has decided not to carry the cash effects of developing mineral or diamond projects on a stand-alone basis in the future. None of the Company's current projects will be commissioned before they are fully financed by a partner, financial investor or lender.

In the first quarter IGE initiated a share offering in the form of a rights issue directed towards existing shareholders. The offering was fully guaranteed by a consortium of shareholders.

The subscription period ended on 30 May 2011, at which time new shares corresponding to gross proceeds of NOK 36.1 million were subscribed for. Additional proceeds of NOK 10.7 million are conditional of Board decision. The equity issue establishes a sufficient financial platform for IGE going forward.

The shares of IGE Resources AB (publ.) are listed on the Oslo Stock Exchange, ticker symbol IGE. This Interim report has not been subject to review by the Company's auditors.

Stockholm, 31st of May 2011



Thomas Carlsson
CFO and acting CEO
IGE Resources AB (publ)

Group outlook

IGE's cost base has, as described above, been significantly reduced and is expected to be further reduced in the near future.

Furthermore, the cost reduction programme initiated is expected to provide additional reduction of the Company's cash outflow.

The Board has also initiated a review of the Company's business strategy, adjusting operations towards early stage exploration, development and trading in commodity licenses. The aim is to reduce operational and financial risk while maintaining the value creation potential of the projects. IGE will actively seek to include investors in or divest current diamond projects.

In line with the partly revised strategy and in order to restore confidence in the company, the Board of Directors and Mr Tomas Fellbom in March agreed that Mr Fellbom should resign from his position as CEO. The Company's CFO Thomas Carlsson was appointed temporary CEO until a new permanent CEO for IGE Resources has been appointed.

Parent Company

The Parent Company's business activity is to manage the Group's operations. Result before tax during the first quarter of 2011 amounted to SEK – 118.3 million (-2.1). Cash and cash equivalents amounted to SEK 2.9 million (2.2). Investments in the Parent Company during the reporting period amounted to SEK 0 million (0).

Consolidated Statement of comprehensive income

(TSEK)	Note	Q1 2011	Q1 2010	2010
Revenue from sales	6	4,944	-	20,909
Other income		-	-	143
Capitalized development expenditure		188	4,795	18,331
Other external expenses		-17,415	-18,815	-61,644
Personnel expenses		-11,971	-9,401	-61,841
Results from equity accounted participations		-67	-	-15,887
Other operating expenses	8	-	-	-49,998
Operating result before depreciation and impairment losses		-24,321	-23,421	-149,987
Depreciation/amortization and impairment loss on property, plant and equipment, intangible assets	3	-144,923	-220	-401,753
Financial revenue	4	514	251	3,255
Financial expenses	4	-914	-250	-4,741
Total financial items		-400	1	-1,486
Result before tax		-169,644	-23,640	-553,226
Income tax	9	49,630	0	75,896
Result for the period		-120,014	-23,640	-477,330
Result for the period attributable to:				
Equity holders of the Parent Company		-119,242	-23,640	-465,565
Non controlling interest		-772	-	-11,765
Result for the period		-120,014	-23,640	-477,330
Result per share before and after dilution		-0.07	-0.03	-0.35

Statement of comprehensive income

TSEK	Q1 2011	Q1 2010	2010
Result for the period	-120,014	-23,640	-477,330
Other comprehensive income			
Exchange differences during the period	-754	9,614	-9,059
Total other comprehensive income	-120,768	-14,026	-486,389
Total comprehensive income for the period attributable to:			
Equity holders of the Parent Company	-119,996	-14,026	-474,625
Non controlling interest	-772	-	-11,765

Consolidated Statement of financial position

(TSEK)	Note	31/03/2011	31/03/2010	31/12/2010
ASSETS				
Fixed assets				
<i>Intangible fixed assets</i>				
Mineral interests		264,313	721,115	399,317
<i>Tangible fixed assets</i>				
Plant and machinery		20,453	85,466	22,369
Mine and other development assets		55,048	59,597	55,218
<i>Long-term financial assets</i>				
Participation in equity accounted companies	15	1,273	17,517	1,840
Long-term receivables		112	40,774	112
Total fixed assets		341,199	924,469	478,856
Current Assets				
Inventory		1,342	2,155	1,437
Other receivables		14,964	23,420	20,318
Prepaid expenses		666	2,518	564
Short-term investments		-	5,678	-
Cash and cash equivalents		7,407	16,388	40,157
Total current assets		24,379	50,159	62,476
TOTAL ASSETS		365,578	974,628	541,332
EQUITY				
<i>Equity attributable to equity holders of the parent company</i>				
Share capital		90,281	64,555	90,281
Other paid in capital		984,120	851,868	984,120
Reserves	15	-1,495	17,932	-741
Retained earnings and profit for the period		-785,722	-232,555	-666,480
		287,184	701,800	407,180
Non controlling interest		-12,537	-	-11,765
Total equity		274,647	701,800	395,415
Liabilities				
Deferred tax liabilities	9	63,119	215,259	112,750
Other provisions	10	1,978	5,000	1,884
<i>Long term liabilities</i>				
Convertible loan	12	5,000	-	5,000
Interest bearing loans and borrowings		212	22,479	284
Other long term liabilities		-	73	-
Total long term liabilities		70,309	242,811	119,918
<i>Current liabilities</i>				
Accounts payable		7,605	5,585	7,537
Interest bearing loans and borrowings	13	2,640	3,203	5,672
Other liabilities		185	1,941	3,643
Accrued expenses and prepaid income		10,192	19,288	9,147
Total current liabilities		20,622	30,017	25,999
TOTAL EQUITY AND LIABILITIES		365,578	974,628	541,332

Consolidated Statement of changes in equity

(TSEK)	Equity related to the shareholders of the parent company					Non controlling interest	Total Equity
	Share capital	Other paid in capital	Exchange differences	Retained earnings and profit for the year	Total		
Balance at 1 January 2010	39,785	451,041	8,318	-208,915	290,229	0	290,229
Net result for the period				-23,640	-23,640		-23,640
<i>Other comprehensive income:</i>							
Exchange differences			9,614		9,614		9,614
Transactions with shareholders:							
New share issue	24,770	400,827			425,597		425,597
Closing balance at 31 March 2010	64,555	851,868	17,932	-232,555	701,800	0	701,800
Balance at 1 April 2010	64,555	851,868	17,932	-232,555	701,800		701,800
Net result for the period April - December 2010				-433,925	-433,925	-11,765	-445,690
<i>Other comprehensive income:</i>							
Exchange differences			-18,673		-18,673		-18,673
Transactions with shareholders:							
Costs referable to fundraising		-7,678			-7,678		-7,678
New share issue	25,726	139,930			165,656		165,656
Closing balance at 31 December 2010	90,281	984,120	-741	-666,480	407,180	-11,765	395,415
Balance at 1 January 2011	90,281	984,120	-741	-666,480	407,180		395,415
Net result for the period				-119,242	-119,242	-772	-120,014
<i>Other comprehensive income:</i>							
Exchange differences			-754		-754		-754
Closing balance at 31 March 2011	90,281	984,120	-1,495	-785,722	287,184	-12,537	274,647

Total number of shares amounts to 1,805,618,810 as per March 31st 2011.

Consolidated Statement of cash flow

(TSEK)	Jan-March 2011	Jan-March 2010	Jan-Dec 2010
Cash flow from operations			
Result after financial items	-169,644	-23,640	-553,226
Adjustments for non cash items*	149,517	5,218	467,406
Income tax paid	-	-	-
Total cash flow from operations before change in working capital	-20,127	-18,422	-85,820
Change in working capital			
Increase/decrease in inventories	-	-	718
Increase/decrease receivables	237	1,712	-4,274
Increase/decrease in short term liabilities	-279	9,980	7,862
Total cash flow from operations	-20,169	-6,730	-81,514
Cash flow used for investments			
Acquisition of subsidiary, net of cash acquired	-	1,922	1,922
Sale of associated company	500	0	-
Purchase of intangible assets	-7,428	-16,898	-59,250
Sale of intangible assets	500	376	2,076
Purchase of tangible assets	-2,741	-5	-2,146
Sale of tangible assets	-	-	36
Acquisition of shares in associated companies	-	-	-51
Total cash flow used for investments	-9,169	-14,605	-57,414
Financial activities			
New share issue net of transaction costs	-	-	139,428
Convertible loan	-	-	5,000
Amortization of debt	-3,103	-3,116	-6,109
Total cash flow from financial activities	-3,103	-3,116	138,318
Change in cash and bank	-32,441	-24,451	-609
Cash and bank at 1 January	40,157	40,807	40,807
Currency exchange difference	-309	31	-41
Cash and bank at the end of reporting period	7,407	16,387	40,157
*Adjustments for non cash items			
Depreciations and impairment losses on intangible assets	141,594	-	335,311
Depreciations and impairment losses of tangible assets	3,371	220	66,207
Capital loss	-	4,923	-
Writedown of long term financial asset	4,433	-	-
Share of loss on equity accounted companies	25	75	15,888
Other operating expenses	-	-	50,000
Liability increase due to discounting of value of other provisions	94	-	-
Total	149,517	5,218	467,406

Income statement Parent company

(TSEK)	Note	Q1 2011	Q1 2010	2010
Other income		-	-	-
Other external expenses		-9,312	-1,434	-13,137
Personnel expenses		-4,306	-799	-8,575
Depreciation/amortization tangible assets		-14	-16	-63
Operating result		-13,632	-2,249	-21,775
<i>Result from financial items</i>				
Result from participations in group companies	7	-104,000	-	-481,336
Financial revenue		74	119	2,136
Financial expenses		-715	-14	-2,493
Total financial items		-104,641	105	-481,693
Result before tax		-118,273	-2,144	-503,468
Income tax		0	0	0
Result for the period		-118,273	-2,144	-503,468

Statement of comprehensive income

TSEK	Q1 2011	Q1 2010	2010
Result for the period	-118,273	-2,144	-503,468
Other comprehensive income	-	-	-
Total other comprehensive income	-118,273	-2,144	-503,468

Balance sheet Parent company

(TSEK)	Note	31/03/2011	31/03/2010	31/12/2010
ASSETS				
Tangible fixed assets				
Plant and machinery		34	96	48
<i>Long-term financial assets</i>				
Shares in subsidiaries		100,635	522,105	100,635
Receivables from subsidiaries		214,567	265,374	299,997
Total fixed assets		315,236	787,575	400,680
Current Assets				
Other receivables		5,485	11,900	10,505
Prepaid expenses		409	415	297
Cash and cash equivalents		2,914	2,201	32,362
Total current assets		8,808	14,516	43,164
TOTAL ASSETS		324,044	802,091	443,844
SHAREHOLDERS EQUITY				
<i>Restricted equity</i>				
Share capital		90,281	64,555	90,281
Statutory reserve		111,345	111,345	111,345
<i>Total restricted equity</i>		<i>201,626</i>	<i>175,900</i>	<i>201,626</i>
<i>Non restricted equity</i>				
Share premium reserve		848,910	716,658	848,910
Retained earnings		-622,515	-119,047	-119,047
Result for the period		-118,273	-2,144	-503,468
<i>Total non restricted equity</i>		<i>108,122</i>	<i>595,467</i>	<i>226,395</i>
Total shareholders equity		309,748	771,367	428,021
Long term liabilities				
Convertible loan	12	5,000	-	5,000
Interest bearing long term liabilities		-	5,672	-
Liabilities to subsidiaries		-	8,678	-
Total long term liabilities		5,000	14,350	5,000
Current liabilities				
Accounts payable		1,217	1,143	1,633
Interest bearing loans and borrowings	13	2,640	3,203	5,672
Other liabilities		111	91	446
Accrued expenses		5,328	11,937	3,072
Total current liabilities		9,296	16,374	10,823
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES		324,044	802,091	443,844

Changes in equity Parent Company

(TSEK)	Restricted Equity		Non restricted Equity		
2010	Share capital	Statutory reserve	Share premium reserves	Retained earnings and result for the year	Total Equity
Balance at 1 January 2010	39,785	111,345	315,830	-119,047	347,913
Result for the period				-2,144	-2,144
Transactions with shareholders:					
Acquisition of subsidiary	24,770		400,828		425,598
Balance at 31 March 2010	64,555	111,345	716,658	-121,191	771,367
Balance at 1 April 2010	64,555	111,345	716,658	-121,191	771,367
Result for the period April - December 2010				-501,324	-501,324
Transactions with shareholders:					
Costs referable to fundraising			-7,677		-7,677
New share issue	25,726		139,929		165,655
Balance at 31 December 2010	90,281	111,345	848,910	-622,515	428,021
Balance at 1 January 2011	90,281	111,345	848,910	-622,515	428,021
Result for the year				-118,273	-118,273
Balance at 31 March 2011	90,281	111,345	848,910	-740,788	309,748

Key ratios and share data

		31/03/2011	31/03/2010	2010	2009	2008
Number of outstanding shares at beginning of reporting period	Number	1,805,618,810	795,709,953	795,709,953	418,161,828	341,000,000
New share issue	Number	-	495,399,057	1,009,908,857	377,548,125	77,161,828
Number of outstanding shares at the end of reporting period	Number	1,805,618,810	1,291,109,010	1,805,618,810	795,709,953	418,161,828
Average number of shares	Number	1,805,618,810	795,709,953	1,346,291,141	538,509,297	364,988,889
Operating result	TSEK	-24,321	-23,421	-149,987	-39,190	-92,573
Result after tax	TSEK	-120,014	-23,640	-477,330	-44,858	-98,311
Operating result per share	SEK	-0.01	-0.03	-0.11	-0.07	-0.25
Result after financial items per share	SEK	-0.07	-0.03	-0.41	-0.08	-0.27
Result per share after tax	SEK	-0.07	-0.03	-0.35	-0.08	-0.27
Shareholders equity per share before dilution	SEK	0.15	0.55	0.22	0.37	0.56
Price per share at the end of reporting period	SEK	0.05	0.86	0.23	0.58	0.65

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 2010.

Total number of shares amounts to 1,805,618,810 as per March 31st 2011.

Notes to the financial report

1. Accounting principles

This interim report has been prepared according to Annual Accounts Act and IAS 34 Interim Reporting. The interim report has also been prepared in accordance with the rules in the Swedish Financial Accounting Standard RFR2.

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 2010.

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

2010 annual report, available on the IGE website, 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. Depreciations and impairments

IGE has decided to put further financing of the alluvial diamond project, Cassanguidi, in Angola on hold. The company has pending discussions potential partners and buyers of the project. Insufficient financing for major equipment replacement has caused persistent operational interruptions, having significant adverse effect on revenue generation from the Cassanguidi project. IGE is currently not prepared to increase its financial exposure in the project and has actively sought alternatives for the Cassanguidi mine.

4. Financial items

Financial revenue (TSEK)	Group		
	31/03/2011	31/03/2010	31/12/2010
Interests	67	251	84
Exchange gains	447	-	3,171
Total financial revenue	514	251	3,255
Financial expenses (TSEK)	Group		
	31/03/2011	31/03/2010	31/12/2010
Share of loss on equity accounted companies	-	-76	-
Interests	-164	-66	-1,773
Exchange losses	-750	-108	-2,968
Total financial expenses	-914	-250	-4,741

5. Segment reporting

(TSEK)	Jan - March 2011				
	Gold	Diamonds	Nickel	Other	Total
Revenue from sales	-	4,944	-	-	4,944
Operating result before depreciation and impairment losses	-161	-7,670	-2,803	-13,687	-24,321
Depreciation of concessions	-	-143,246	-	-	-143,246
Depreciation according to plan	-	-1,621	-	-56	-1,677
Result before tax	-158	-151,864	-2,803	-14,819	-169,644
Fixed assets	2,278	259,377	77,513	2,031	341,199
Current assets	6,452	10,238	-	7,689	24,379
Long term liabilities	212	65,097	5,000	-	70,309
Short term liabilities	-	3,647	7,679	9,296	20,622
Investments (gross amounts)	-	-	10,008	161	10,169

(TSEK)	Jan - March 2010				
	Gold	Diamonds	Nickel	Other	Total
Other revenues	-	-	-	-	0
Operating result before depreciation and impairment losses	-600	-3,911	-6,013	-12,897	-23,421
Depreciation of concessions	-	-	-	-	0
Depreciation according to plan	-72	-80	-	-68	-220
Result before tax	-648	-4,048	-6,013	-12,931	-23,640
Fixed assets	17,602	832,819	45,649	28,399	924,469
Current assets	2,060	22,675	-	25,424	50,159
Long term liabilities	73	233,862	-	8,876	242,811
Short term liabilities	156	11,387	5,303	13,171	30,017
Investments (gross amounts)	488	445,112	9,381	-	454,981

6. Revenue from sales

Revenue from sales is related to sales of rough diamonds recovered from IGE projects.

7. Result from participations in group companies

Result from participations in group companies during first quarter 2011 constitutes of a write down related to receivables held on the subsidiary IGE Diamond AB. The write down is a result of the impairment of the Cassanguidi project during the quarter.

8. Other operating expenses

Other operating expenses are referable to a capital loss from sales of exploration permits in Nickel Mountain Resources AB (former IGE Nordic AB) and a write down of investment guarantees related to the diamond licenses held in Angola.

9. Tax

The positive amount reported is a reversal of a provision related to deferred tax liabilities. The reversal occurs as a result of impairments of the assets that the provision is related to.

The deferred tax liabilities are calculated as the local tax rate of each project times the surplus value referable to each acquired project.

The reversal of the deferred tax is a result of the impairment of the Cassanguidi project that has been made during the first quarter. The positive tax effect of the impairment amounts to SEK 49.6 million.

10. Provisions

Other Provisions are related to an estimated cost of mine site restoration.

11. Share warrants – incentive programs

For information about currently outstanding share warrants and call options the Company refers to the latest annual report of the Group (2010).

12. Convertible loan to Norrlandsfonden

In June 2010, IGE issued a convertible loan that provided the Company with an amount of totally SEK 5 million to Norrlandsfonden. The convertible loan was issued based on the following conditions:

- The maturity date of the convertible loan was set to August 31, 2018.
- The loan runs with an annual interest rate of STIBOR 90 (Stockholm Interbank Offering Rate) plus an interest surcharge of 4% to be paid quarterly.
- In case of conversion, the conversion rate per share will be SEK 0.70.
- IGE has got the right to repay the loan in cash in advance at any time during the duration of the loan. IGE will then be forced to pay a compensation for the lost interest to Norrlandsfonden of 15% (on an annual basis) on the loan amount during the period that it has been utilised by IGE.

If fully converted the convertible loan will result in that an additional 7,142,857 shares will be issued (a dilution of about 0.4%)

13. Interest bearing short-term liabilities

Interest bearing short-term liabilities refers 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) with 3 years duration.

The loan was raised in June 2008. The final instalment will fall due in August 2011.

14. Related party transactions

Mace Consulting has invoiced IGE SEK 71 thousand during the first quarter for services related to management assistance 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.

15. Correction of errors in accounting

Incorrect accounting related to previously reported results from share of profit/loss from equity accounted companies has been corrected in this report. This has affected the result and balance sheet stated in this report for the comparative period during the previous year. The previously reported results from equity accounted companies held by Nickel Mountain Resources have been corrected. In addition the foreign exchange rate differences arising from intercompany lending, previously reported as other external expenses, are from the Year End report 2010 and onwards recorded in exchange differences, as a separate component of equity. Further information can be obtained from the annual report of IGE for the financial year 2010.

IGE RESOURCES AB (Publ)
Kungsgatan 44
SE-111 35 Stockholm
Sweden
Telephone +46 8 402 28 00
Org. Reg. No 556227-8043