



Second Quarter 2011 Report

IGE Resources AB

Second quarter highlights

- **Withdrawal from Nickel Mountain IPO**
 - *Unfavourable market conditions*
- **Rönnbäcken PFS process continues with most essential activities**
 - *Revised budget, funded by IGE for the time being*
- **NOK 46.9 million raised in equity issues (gross proceeds)**
- **Withdrawal from the Cassanguidi diamond project**
 - *Conditions still under discussion*
- **Small scale exploration and drilling initiated in Bakerville**
 - *Hope of making significant discoveries*
 - *Partner discussions ongoing*

Key figures

SEK million					
	Q2 2011	First half 2011	Q2 2010	First half 2010	2010
Sales	0.9	5.8	6.3	6.3	20.9
Other income	-	-	-	-	0.2
Total revenues	0.9	5.8	6.3	6.3	21.1
EBITDA	-21.5	-45.8	-17.1	-40.5	-150.0
Impairment losses and depreciation	-23.2	-168.2	-4.2	-4.4	-401.8
Net result	-41.8	-161.1	-28.4	-52.0	-465.6
Investments in period	6.3	16.5	38.7	493.7	630.0
Cash at end of period	56.2	56.2	26.2	26.2	40.2
Interest bearing long term debt at end of period	6.6	6.6	32.6	32.6	5.3

Financial results

IGE Resources had sales of SEK 0.9 million in the second quarter of 2011, compared to SEK 6.3 million in the same quarter last year. All sales are attributable to diamond sales from the Cassanguidi, Angola mine.

EBITDA for the second quarter amounted to SEK -21.5 million, compared to SEK -17.1 million for the same period in 2010.

Operating expenses in the second quarter were significantly lower than in the corresponding period in 2010. A cost cutting programme initiated early 2011 is expected to further reduce operating costs in the coming months.

At the end of the second quarter, all cash outflow related to the Angolan diamond operations has been stopped. Furthermore, overhead expenses have been significantly reduced, at corporate level as well as in the nickel and diamonds business areas.

The Company withdrew its IPO of Nickel Mountain Resources AB in June. The IPO preparations and the decision to withdraw had an adverse effect on Group results in the second quarter.

The decision to withdraw from the diamond mining operations related to the Cassanguidi project in Angola resulted in extraordinary write-downs of SEK 23.2 million in the second quarter, mainly related to retired equipment in the Cassanguidi mine.

IGE Resources' total assets per 30 June 2011 were SEK 389.5 million, compared to SEK 1,002.0 at the end of second quarter 2010.

Net investments during the second quarter amounted to SEK 6.3 million (SEK 38.7 million in 2010's second quarter). The investments in the first six months of 2011 are mainly related to the advancement of the Rönnbäcken nickel project.

Cash flow during the second quarter was SEK -6.4 million (SEK -9.8 million in Q2 2010). Proceeds from the May rights issue were not available to IGE until early July, delaying payment of short term debt to be paid after the expiration of the second quarter. This has reduced the negative cash flow during the second quarter significantly. Cash and cash equivalents at the end of the second quarter was SEK 56.2 million.

The mentioned equity issue, in the form of a rights issue directed towards existing shareholders in combination with an oversubscription issue, was carried out in May. The proceeds from the rights issue were used to strengthen the Company's financial position and cash reserve. The share issue provided gross proceeds of SEK 55.1 million. 2,348,649,150 new shares were subscribed for and issued at a price of NOK 0.02 per share.

Operations; nickel

The contemplated Initial Public Offering of IGE's subsidiary Nickel Mountain Resources AB was withdrawn due to unfavourable market conditions. IGE Resources is currently exploring alternative financing options for the Rönnebäcken Nickel Project, both for the shorter and the longer term. An IPO, when financial markets have recovered, remains an option for Nickel Mountain Resources (NMR).

In the interim, the project schedule has been revised until further financing is secured.

In the interim, the project schedule will be subject to revisions until further financing is secured.

Work is in progress to finalize the application for an Exploitation Concession for the Sundsberget deposit. The application is expected to be submitted to the Mining Inspectorate of Sweden in the fourth quarter of 2011. Water sampling baseline studies, required for the Environmental Permit, are on-going.

The next phase of laboratory testwork to study the feasibility of producing a magnetite concentrate by-product from the tails of the nickel flotation circuit is planned to start in mid-September, 2011. Separation tests will be carried out at the Geological Survey of Finland (GTK) in collaboration with Outotec. The planned testwork will aim to improve the iron grade and reduce impurities. Tests performed

in the first quarter of 2011 achieved magnetite concentrate grades of 62% Fe.

The budget to complete the Prefeasibility Study (PFS) for the Rönnebäcken Nickel Project has been revised to approximately USD 8.5 million by SRK Consulting (Sweden) AB, based on the assumption that most of the in-fill drilling and geotechnical drilling can be deferred to the Definitive Feasibility Study (DFS). Also, the PFS budget estimate does not include the costs to complete the application for an environmental permit.

At NMR's Annual General Meeting on July 25, 2011, a new Board of Directors was elected for the subsidiary. IGE Resources' Chairman, Tim George, is now also Chairman of NMR. Board members are Thomas Carlsson, Olle Johansson and Paul Sagberg.

Operations; diamonds

During the second quarter IGE terminated all costs related to the Cassanguidi diamond mine. This move concluded IGE's involvement in Angola diamond mining. After the end of the quarter, IGE has also negotiated a sale of its Longatshimo diamond mine in the Democratic Republic of Congo (DRC)

These initiatives enable IGE to focus on the three remaining diamond projects in its portfolio: Bakerville and Harts River in South Africa and Tshikapa in DRC.

While the Harts River and Tshikapa licenses are on hold for the moment, IGE is cautiously moving forward with the Bakerville project while holding discussion with potential partners for a build-up to full commercial production in the mine.

Earlier exploration in Bakerville was concentrated primarily on the top 50cm of the surface material. Exploration confirmed the presence of an extensive diamond gravel deposit in the surface layer, which has a verified resource base of 454,000 carats and an additional potential resource of 579,000 carats.

The diamonds previously recovered were sold at an average price of USD 369/Ct. since then there has been a considerable increase in the prices attained for rough diamonds.

An economic viability study concluded that the volume and value of the contained and

potential additional resource is sufficient to support a profitable mine.

An additional component to the Bakerville property has the potential to further increase the project's value. A dolomite base underlies the area within which are vertical fissures developed along joints. Within the fissures deep holes, commonly referred to as potholes, formed which were filled with diamond bearing gravels.. In the area surrounding the Bakerville property, a series of different operators have had significant successes mining a number of these potholes.

During the surface sampling program, a number of these structures were uncovered and limited testing carried out on them. The results from these tests produced grades that were multiples of the surface gravels. The impact of these higher-grade areas have not been quantified nor included in any of the projections.

To strengthen the financial parameters of the Bakerville project, IGE is now carrying out limited testing of an identified pothole. This will quantify the grade and value of the diamonds contained in these structures, and provides valuable information for inclusion in the mining and processing designs.

Financial position

Cash and cash equivalents at the end of the second quarter 2011 amounted to SEK 56.2 million, compared to SEK 26.2 million at the end of second quarter 2010. Total equity amounted to SEK 275.3 million (SEK 730.3 million) at the end of the reporting period, representing an equity ratio of 71 per cent (73 per cent the corresponding period of the previous year).

The Company's interest bearing long term debt is limited to SEK 6.6 million, of which SEK 5 million is a convertible loan, at end of the reporting period (SEK 32.6 million the corresponding period of the previous year).

IGE's net cash run rate during the second quarter 2011 was just over SEK 2 million per month, which is a significant reduction from

2010 run rate. This is caused by the cost cutting programme along with the deferment of payments due to the late availability of funds from the rights issue.

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 creditor.

Group outlook

IGE's cost base has, as described above, been significantly reduced during the first half year of 2011 and is expected to be further reduced.

The main priorities for IGE are now to continue the efforts to secure adequate financing for the completion of the Prefeasibility Study (PFS) of Rönnebäcken Nickel project. Several alternatives are being evaluated. Based on the current market conditions and the valuation of the Group, the Board will seek to avoid a significant dilution of IGE's existing shareholders, as the Board remains convinced that the completion of the PFS will add considerable value to the project.

The activities with the diamond business area will in the next months be focused on the Bakerville project. The drill program on potential potholes will be completed in the next months, providing additional information on the Bakerville resource and preparing for mine and processing planning.

In parallel, IGE is continuing its discussions with potential partners for the Bakerville diamond project.

Parent Company

The Parent Company's business activity is to manage the Group's operations. Result before tax during the second quarter of 2011 amounted to SEK -3.7 million (-4.2). Cash and cash equivalents amounted to SEK 54.8 million (12.0). Investments in the Parent Company during the reporting period amounted to SEK 0 million (0).

*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, 25th of August 2011



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

Consolidated Statement of comprehensive income

(TSEK)	Note	Q2 2011	Q2 2010	Jan-June 2011	Jan-June 2010	2010
Revenue from sales	6	904	6,291	5,848	6,291	20,909
Other income		-	-	-	-	143
Capitalized development expenditure		168	10,161	356	14,956	18,331
Other external expenses		-15,222	-6,205	-32,637	-25,019	-61,644
Personnel expenses		-7,294	-22,446	-19,265	-31,848	-61,841
Results from equity accounted participations		-45	-	-112	-	-15,887
Other operating expenses	8	-	-4,923	-	-4,923	-49,998
Operating result before depreciation and impairment losses		-21,489	-17,122	-45,810	-40,543	-149,987
Depreciation/amortization and impairment loss on property, plant and equipment, intangible assets	3	-23,238	-4,191	-168,161	-4,411	-401,753
Financial revenue	4	-11	1,296	503	1,547	3,255
Financial expenses	4	-395	-8,499	-1,309	-8,749	-4,741
Total financial items		-406	-7,203	-806	-7,202	-1,486
Result before tax		-45,133	-28,516	-214,777	-52,156	-553,226
Income tax		0	135	49,631	135	75,896
Result for the period		-45,133	-28,381	-165,146	-52,021	-477,330
Result for the period attributable to:						
Equity holders of the Parent Company		-41,844	-28,381	-161,085	-52,021	-465,565
Non controlling interest		-3,289	-	-4,061	-	-11,765
Result for the period		-45,133	-28,381	-165,146	-52,021	-477,330

Statement of comprehensive income

TSEK	Q2 2011	Q2 2010	Jan-June 2011	Jan-June 2010	2010
Result for the period	-45,133	-28,381	-165,146	-52,021	-477,330
<i>Other comprehensive income</i>					
Exchange differences during the period	317	14,853	-437	16,531	-9,059
Total other comprehensive income	-44,816	-13,528	-165,583	-35,490	-486,389
<i>Total comprehensive income for the period attributable to:</i>					
Equity holders of the Parent Company	-41,526	-13,528	-161,522	-35,490	-474,625
Non controlling interest	-3,290	-	-4,061	-	-11,765

Consolidated Statement of financial position

(TSEK)	Note	30/06/2011	30/06/2010	31/12/2010
ASSETS				
Fixed assets				
<i>Intangible fixed assets</i>				
Mineral interests		323,844	742,563	399,317
<i>Tangible fixed assets</i>				
Plant and machinery		1,908	87,466	22,369
Mine and other development assets		-	56,097	55,218
<i>Long-term financial assets</i>				
Participation in equity accounted companies	15	1,229	17,480	1,840
Long-term receivables		112	39,763	112
Total fixed assets		327,093	943,369	478,856
Current Assets				
Inventory		-	1,655	1,437
Other receivables		5,667	26,874	20,318
Prepaid expenses		588	1,296	564
Short-term investments		-	2,630	-
Cash and cash equivalents		56,160	26,223	40,157
Total current assets		62,415	58,678	62,476
TOTAL ASSETS		389,508	1,002,047	541,332
EQUITY				
<i>Equity attributable to equity holders of the parent company</i>				
Share capital	16	207,713	68,327	90,281
Other paid in capital	16	912,146	890,122	984,120
Reserves	15	-1,178	32,785	-741
Retained earnings and profit for the period		-827,565	-260,936	-666,480
		291,116	730,298	407,180
Non controlling interest		-15,826	-	-11,765
Total equity		275,290	730,298	395,415
Liabilities				
Deferred tax liabilities	9	63,119	215,125	112,750
Other provisions	10	1,979	1,884	1,884
<i>Long term liabilities</i>				
Convertible loan	12	5,000	5,000	5,000
Interest bearing loans and borrowings		212	27,517	284
Other long term liabilities		1,396	57	-
Total long term liabilities		71,706	249,583	119,918
<i>Current liabilities</i>				
Accounts payable		19,382	7,564	7,537
Interest bearing loans and borrowings	13	2,640	2,616	5,672
Other liabilities		210	11,986	3,643
Accrued expenses and prepaid income		20,280	-	9,147
Total current liabilities		42,512	22,166	25,999
TOTAL EQUITY AND LIABILITIES		389,508	1,002,047	541,332
<i>Pledged assets</i>	17	8,173	50,336	97,357

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		290,229
Net result for the period				-52,021	-52,021		-52,021
<i>Other comprehensive income:</i>							
Exchange differences			24,467		24,467		24,467
Transactions with shareholders:							
Costs referable to fundraising		-2,073			-2,073		-2,073
New share issue	28,542	441,154			469,696		469,696
Closing balance at 30 June 2010	68,327	890,122	32,785	-260,936	730,298	0	730,298
Balance at 1 July 2010	68,327	890,122	32,785	-260,936	730,298		730,298
Net result for the period July - December 2010				-405,544	-405,544	-11,765	-417,309
<i>Other comprehensive income:</i>							
Exchange differences			-33,526		-33,526		-33,526
Transactions with shareholders:							
Costs referable to fundraising		-5,605			-5,605		-5,605
New share issue	21,954	99,603			121,557		121,557
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				-161,085	-161,085	-4,061	-165,146
<i>Other comprehensive income:</i>							
Exchange differences			-437		-437		-437
Transactions with shareholders:							
Costs referable to fundraising		-9,665			-9,665		-9,665
New share issue	117,432				117,432		117,432
Reallocation of equity from share premium reserve to share capital		-62,309			-62,309		-62,309
Closing balance at 30 June 2011	207,713	912,146	-1,178	-827,565	291,116	-15,826	275,290

Total number of shares amounts to 4,154,267,960 as per June 30th 2011.

Consolidated Statement of cash flow

(TSEK)	Jan-June 2011	Jan-June 2010	Jan-Dec 2010
Cash flow from operations			
Result after financial items	-214,777	-52,021	-553,226
Adjustments for non cash items*	172,799	18,598	467,406
Income tax paid	-	-	-
Total cash flow from operations before change in working capital	-41,977	-33,423	-85,820
Change in working capital			
Increase/decrease in inventories	1,350	500	718
Increase/decrease receivables	9,539	-6,075	-4,274
Increase/decrease in short term liabilities	12,215	7,079	7,862
Total cash flow from operations	-18,873	-31,919	-81,514
Cash flow used for investments			
Acquisition of subsidiary, net of cash acquired	-	1,922	1,922
Sale of associated company	500	-	-
Purchase of intangible assets	-13,965	-30,762	-59,250
Sale of intangible assets	500	4,329	2,076
Purchase of tangible assets	-5,270	-2,332	-2,146
Sale of tangible assets	-	-	36
Acquisition of shares in associated companies	-	-51	-51
Total cash flow used for investments	-18,235	-26,894	-57,414
Financial activities			
New share issue net of transaction costs	55,123	42,025	139,428
Convertible loan	1,396	5,000	5,000
Amortization of debt	-3,103	-3,116	-6,109
Total cash flow from financial activities	53,416	43,909	138,318
Change in cash and bank	16,307	-14,904	-609
Cash and bank at 1 January	40,157	40,807	40,807
Currency exchange difference	-304	320	-41
Cash and bank at the end of reporting period	56,161	26,223	40,157
*Adjustments for non cash items			
Depreciations and impairment losses on intangible assets	143,649	-	335,311
Depreciations and impairment losses of tangible assets	24,554	4,411	66,207
Exchange loss	-	1,988	-
Capital loss	-	4,923	-
Write-down of long term financial asset	4,433	3,048	-
Share of loss on equity accounted companies	-	164	15,888
Other operating expenses	-	-	50,000
Change in value of shares in associated companies	69	-	-
Liability increase due to discounting of value of other provisions	94	4,064	-
Total	172,799	18,598	467,406

Income statement Parent company

(TSEK)	Note	Q2 2011	Q2 2010	Jan-June 2011	Jan-June 2010	2010
Other income		-	-	-	-	-
Other external expenses		-1,618	-3,045	-10,930	-4,479	-13,137
Personnel expenses		-1,791	-2,179	-6,097	-2,978	-8,575
Depreciation/amortization tangible assets		-9	-16	-23	-32	-63
Operating result		-3,418	-5,240	-17,050	-7,489	-21,775
<i>Result from financial items</i>						
Result from participations in group companies	7	-	-	-104,000	-	-481,336
Financial revenue		-	1,129	69	1,248	2,136
Financial expenses		-296	-56	-1,006	-70	-2,493
Total financial items		-296	1,073	-104,937	1,178	-481,693
Result before tax		-3,714	-4,167	-121,987	-6,311	-503,468
Income tax		0	0	0	0	0
Result for the period		-3,714	-4,167	-121,987	-6,311	-503,468

Statement of comprehensive income

TSEK	Q2 2011	Q2 2010	Jan-June 2011	Jan-June 2010	2010
Result for the period	-3,714	-4,167	-121,987	-6,311	-503,468
Other comprehensive income	-	-	-	-	-
Total other comprehensive income	-3,714	-4,167	-121,987	-6,311	-503,468

Balance sheet Parent company

(TSEK)	Note	30/06/2011	30/06/2010	31/12/2010
ASSETS				
Tangible fixed assets				
Plant and machinery		26	80	48
<i>Long-term financial assets</i>				
Shares in subsidiaries		100,635	536,945	100,635
Receivables from subsidiaries		218,702	280,319	299,997
Total fixed assets		319,363	817,344	400,680
Current Assets				
Other receivables		540	12,541	10,505
Prepaid expenses		294	-	297
Cash and cash equivalents		54,828	12,029	32,362
Total current assets		55,662	24,570	43,164
TOTAL ASSETS		375,025	841,914	443,844
SHAREHOLDERS EQUITY				
<i>Restricted equity</i>				
Share capital	16	207,713	68,327	90,281
Statutory reserve	16	49,036	111,345	111,345
<i>Total restricted equity</i>		<i>256,749</i>	<i>179,672</i>	<i>201,626</i>
<i>Non restricted equity</i>				
Share premium reserve		839,245	754,912	848,910
Retained earnings		-622,515	-119,047	-119,047
Result for the period		-121,987	-6,311	-503,468
<i>Total non restricted equity</i>		<i>94,743</i>	<i>629,554</i>	<i>226,395</i>
Total shareholders equity		351,492	809,226	428,021
Long term liabilities				
Convertible loan	12	5,000	5,000	5,000
Interest bearing long term liabilities		-	9,188	-
Liabilities to subsidiaries		-	9,526	-
Total long term liabilities		5,000	23,714	5,000
Current liabilities				
Accounts payable		2,939	6,738	1,633
Interest bearing loans and borrowings	13	2,640	-	5,672
Other liabilities		136	518	446
Accrued expenses		12,818	1,718	3,072
Total current liabilities		18,533	8,974	10,823
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES		375,025	841,914	443,844

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
2010					
Balance at 1 January 2010	39,785	111,345	315,830	-119,047	347,913
Result for the period				-6,311	-6,311
Transactions with shareholders:					
Costs referable to fundraising					-2,073
Acquisition of subsidiary	28,542		441,155		469,697
Closing balance at 30 June 2010	68,327	111,345	754,912	-125,358	809,226
Balance at 1 July 2010	68,327	111,345	754,912	-125,358	809,226
Net result for the period July - December 2010				-497,157	-497,157
Transactions with shareholders:					
Costs referable to fundraising			-5,607		-5,607
New share issue	21,954		99,605		121,559
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				-121,987	-121,987
Transactions with shareholders:					
Costs referable to fundraising			-9,665		-9,665
New share issue	117,432				117,432
Reallocation of equity from share premium reserve to share capital		-62,309			-62,309
Closing balance at 30 June 2011	207,713	49,036	839,245	-744,502	351,492

Key ratios and share data

		30/06/2011	30/06/2010	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	-	570,834,259	1,009,908,857	377,548,125	77,161,828
Number of outstanding shares at the end of reporting period	Number	4,154,267,960	1,366,544,212	1,805,618,810	795,709,953	418,161,828
Average number of shares	Number	2,210,108,386	1,063,876,174	1,346,291,141	538,509,297	364,988,889
Operating result	TSEK	-45,810	-24,078	-149,987	-39,190	-92,573
Result after tax	TSEK	-165,146	-31,145	-477,330	-44,858	-98,311
Operating result per share	SEK	-0.02	-0.02	-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	0.07	0.54	0.22	0.37	0.56
Dividend	TSEK	-	-	-	-	-
Price per share at the end of reporting period	SEK	0.03	0.43	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 4,154,267,960 as per June 30th 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		
	30/06/2011	30/06/2010	31/12/2010
Interests	63	1	84
Exchange gains	440	1,546	3,171
Total financial revenue	503	1,547	3,255
Financial expenses (TSEK)	Group		
	30/06/2011	30/06/2010	31/12/2010
Valuation of short term investment		-3,048	
Discounting of future claims to its present value		-4,064	
Share of loss on equity accounted companies	-	-164	-
Interest	-254	-971	-1,773
Exchange losses	-1,055	-502	-2,968
Total financial expenses	-1,309	-8,749	-4,741

5. Segment reporting

(TSEK)	Jan - June 2011				
	Gold	Diamonds	Nickel	Other	Total
Revenue from sales	-	5,848	-	-	5,848
Operating result before depreciation and impairment losses	-313	-17,879	-10,590	-17,028	-45,810
Depreciation of mineral interests	-	-165,422	-	-	-165,422
Depreciation according to plan	-	-2,631	-85	-23	-2,739
Result before tax	-310	-185,620	-10,859	-17,988	-214,777
Fixed assets	-	240,853	86,214	26	327,093
Current assets	1,297	3,737	1,720	55,661	62,415
Long term liabilities	-	66,706	-	5,000	71,706
Short term liabilities	-	8,595	18,024	15,893	42,512
Investments (gross amounts)	-	5,653	10,856	-	16,509

(TSEK)	Jan - June 2010				
	Gold	Diamonds	Nickel	Other	Total
Other revenues	-	6,291	-	-	6,291
Operating result before depreciation and impairment losses	-1,208	-24,654	-7,224	-7,457	-40,543
Depreciation of mineral interests	-	-3,640	-	-	-3,640
Depreciation according to plan	-142	-437	-161	-31	-771
Result before tax	-5,109	-29,872	-10,699	-6,476	-52,156
Fixed assets	15,958	854,664	72,667	80	943,369
Current assets	2,331	31,352	14,783	10,212	58,678
Long term liabilities	58	244,525	5,000	-	249,583
Short term liabilities	267	11,007	1,918	8,974	22,166
Investments (gross amounts)	1,157	462,948	29,580	31	493,716

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 the period constitutes of write downs 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 first and second 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 0.2%)

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 loan is now fully repaid as the final instalment was made after the expiration of the reporting period (August 2011).

14. Related party transactions

Tim George has invoiced the SEK 115 thousand during the second quarter for management assistance and consultancy services related to fundraising. Tim is the Chairman of IGE. Mace Consult has invoiced IGE SEK 65.4 thousand during the second quarter for administrative support. Mace Consult 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.

16. New share issue

A share issue in the form of a rights issue directed towards existing shareholders in combination with an oversubscription part was carried out during the period, with a subscription period ended on 30 May 2011. The proceeds from the rights issue will be used to strengthen the Company's financial position and cash reserve. The share issue provided the Company with SEK 55.1 gross of transaction costs. 2,348,649,150 new shares were subscribed for and issued at a price of NOK 0.02 per share.

The total amount of outstanding shares after the rights issue amounts to 4,154,267,960. The share capital increased to SEK 207,713,398. As the subscription price of the shares (SEK 0.023) was lower than the face value of the IGE share (SEK 0.05) the difference between the subscription price and the face value was covered by transfer from the company's share premium account according to the regulations of the Swedish Companies Act in order for the share capital, by the rights issue and the transfer from the share premium account, to increase with SEK 0.05 per subscribed, allocated and paid share.

17. Pledged assets

Nickel Mountain Resources AB entered into an agreement with Mitchell River Group Pty Ltd. ("MRG") of Australia to form a strategic partnership with MRG of Australia. Pursuant to the MRG Agreement, MRG agreed to provide experienced personnel, systems and technical resources for the development of the Rönnebäcken Nickel Project for a term of 18 months, commencing June 2010. MRG provides funding and management for early stage resource projects, and has a strong value development track record in nickel projects. MRG will absorb the majority of its own costs, thereby accepting project risk and having an incentive to build value in the project. In return, MRG has secured an option for 10 per cent of the Rönnebäcken project for an agreed upon cash payment. Overall control of the Rönnebäcken Nickel Project remains with

the IGE. To secure this loan, the Company agreed to grant MRG a fixed and floating charge over all the assets of the Company of 10 %. This agreement has not yet resulted in a formal pledge. The agreement was re-negotiated during second quarter 2011. Prior to this re-negotiation, MRG held a 100% pledge over all the assets of Nickel Mountain Resources AB. That is the explanation to the

substantially higher amount reported as pledged assets during the comparative periods stated in this report.

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