


Annual Report 2010 IGE Resources AB

IGE Resources AB (Publ) Annual Report 2010-01-01 - 2010-12-31

Contents

All figures are presented in (TSEK) SEK Thousand unless otherwise specified.

Administrative Report

The Board of Directors and the Chief Executive Director of IGE Resources AB (publ) (IGE or the Company), Swedish corporate identification number 556227-8043, domiciled in Stockholm, hereby submit the annual accounts and the Parent Company accounts for the financial year January 1st 2010 to December 31st 2010. The Company changed its name to IGE Resources (publ) as per the 8th of April 2010. The former name was International Gold Exploration IGE AB.

Activities

IGE Resources AB (publ) is a company listed on the Oslo Stock Exchange. Its activities are mineral exploration and mining, the Company holds concessions, shares and parts of other exploration companies. The Parent Company and its subsidiaries are active in Angola, Congo (DRC), South Africa, Kenya and Sweden.

Group relationship

IGE has six wholly-owned subsidiaries. These are:

IGE Diamond AB, corp. id no: 556668-1630, domiciled in Stockholm
IGE Ltd, corp. id no: 20034, domiciled in British Virgin Islands
IGE Kenya Ltd, corp. id no: 27481, domiciled in Nairobi, Kenya.

In addition IGE has 3 dormant subsidiaries.

IGE has one partly-owned subsidiary, which is:

Nickel Mountain Resources AB (publ) (former IGE Nordic AB), corp. id no: 556493-3199, domiciled in Stockholm (99.6 percent held by IGE). See also note 34 regarding IGE's indirect holdings.

Summary of operations 2010

The Group

- IGE announced on the 22nd of February 2010, that it has entered into a conditional sales and purchase agreement whereby IGE acquires all assets and activities of Pangea DiamondFields plc (AIM:PDF) through the 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.

- IGE concluded a Private Placement of NOK 31 million during the second quarter.

- The company has, as per April 8th 2010, changed the company's name to IGE Resources AB after a decision at an extra general meeting held on the 26th of March 2010.

- IGE announced that the Company has accepted a SEK 5 million convertible loan for its Rönnbäcken nickel project from Sweden's Norrlandsfonden.

- IGE raised a net amount of NOK 90 million (SEK 104 million) in the third quarter by use of the Company's standby equity facility and through a private placement.

Diamond

- IGE completed its first diamond sale of 3,407 carats on the 29th of April, marking a significant milestone in the Company's development as a diamond exploration and production company in Africa.

- IGE sold during its second quarter as a diamond producing company, more than 13,600 carats of rough diamonds from its two mines in Angola. During the 6 months period, April to October, IGE sold more than 24 000 Cts of diamonds from its diamond mining operations.

- IGE reached a new milestone in Angola, with Endiama announcing that IGE has fulfilled the obligations required to move towards commercialisation of the Luxinge project.

- IGE announced that the Company is holding discussions with its partners in the Luxinge diamond project with the purpose of withdrawing from the project. The diamond recoveries and grades since the June 2010 granting of the Luxinge mining permit have not matched the expectations established by the earlier bulk sampling results. A recent external audit initiated by IGE, has identified on-site operational inefficiencies and procedural shortcomings which would require significant restructuring and thus add further complexity to any decision to continue subsidising operations.

Nickel

- IGE submitted its applications for Exploitation Concessions for the 100% owned Rönnbäcken Nickel Project to the Mining Inspectorate of Sweden (“Bergsstaten”). The applications for Exploitation Concessions, including Environmental Impact Assessments were submitted on the 12th of February 2010. The Exploitation Concession grants the right to carry out mineral exploitation for a twenty-five year period.

- IGE announced that the Company has been granted Exploitation Concessions for its Rönnbäcken nickel project by the Mining Inspectorate of Sweden (Bergsstaten).

- IGE announced that the Company has entered into a strategic partnership with Mitchell River Group (MRG) of Australia for its Rönnbäcken nickel project in Sweden.

- IGE reported positive drill results from the 2010 winter drill program at its Rönnbäcken nickel project in Sweden, reinforcing the Company’s confidence in increasing the projects’ resource significantly.

- The exploration target for the Rönnbäcken Nickel Project has been increased to 600-650 million tonnes.

- IGE presented assay results from the recent drilling of new exploration targets, as well as the remainder of the assay results from previous drilling of the Sundsberget area. Positive results from two of the three, newly-tested areas justify further drilling to gain a better knowledge of the size and quality of the mineralization.

Five-year summary

	Unit	**2010**	**2009**	**2008**	**2007**	**2006**
Revenue from sales	*TSEK*	20,909	-	-	-	-
Other income	*TSEK*	143	16,042	8,404	-	-
Operating result	*TSEK*	-149,987	-39,190	-92,573	-55,730	-27,744
Result for the period after tax	*TSEK*	-477,330	-44,858	-98,311	-58,986	-34,755
Result per share before and after dilution	*SEK*	-0.35	-0.08	-0.27	-0.18	-0.12
Balance sheet total	*TSEK*	541,332	319,648	279,275	263,699	223,450
Equity per share before and after dilution	*SEK*	0.22	0.37	0.56	0.72	0.64
Equity ratio	*%*	73.0	93.3	84.3	92.9	97.6
Price per share at the end of reporting period	*SEK*	0.22	0.58	0.65	2.34	5.05

Net result amounted to SEK -477.3 (-44.9) million and was mainly affected by impairment losses from shares in associated companies and impairment losses on intangible assets. On December 31, 2010 cash and bank amounted to 40.2 MSEK (40.8) and shareholders' equity to 395.4 MSEK (298.2).

During the fourth quarter, the company wrote down assets mainly related to the group's diamond portfolio in Angola. The impairment losses during the year have affected the result negative by approximately 402 MSEK. See note 13 for more information.

Incorrect accounting related to previously reported results from share of profit/loss from equity accounted companies and exchange rate differences has been corrected in this annual report (see note 40).

With the acquisition of Efidium Ltd during the year the company received a new type of tangible fixed asset, Mine and development assets.

The summaries for 2007 and 2006 have been prepared according to Swedish GAAP.

Environment

The company follows a policy of efficient, environmentally friendly energy, land and material utilization within all of the company's areas of operation. The primary effects on the environment of IGE's operations are land and energy utilization, as well as waste management. The company does currently not conduct operations that require environmental permits. However, there is a broad scope of environmental legislation and regulations in Sweden that the company must adhere to.

Going Concern

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that planned exploration and development programs will result in profitable mining operations. The recoverability of amounts shown for mineral property interests is dependant upon completion of the acquisition of the mineral property interests, the discovery of economically recoverable resources and reserves, confirmation of the Company's interest in the underlying mineral claims (exploration permits and exploitation concessions), the ability of the Company to obtain necessary financing to complete the development and future profitable production or, alternatively, upon disposition of such property at a profit.

Changes in future conditions could require material write-downs of the carrying values of mineral properties. Although the Company has taken steps to verify title to the property on which it is conducting exploration and in which it is acquiring an interest, in accordance with industry standards for the current stage of exploration of such property, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, native claims, and noncompliance with regulatory requirements. The accompanying financial statements have been prepared using accounting principles applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period. Management is aware in making its assessment of material uncertainties related to events and conditions that lend a significant doubt upon the Company's ability to continue as a going concern as described in the following paragraph, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These financial statements do not reflect the adjustment to the carrying values of assets and liabilities, expenses and balance sheet classifications that would be necessary were the going concern assumption not appropriate. These adjustments could be material.

In addition to ongoing working capital requirements, the Company must secure sufficient funding to meet its existing commitments for exploration and development programs and pay general and administration costs. Any funding shortfall may be met in the future in a number of ways including but not limited to, the issuance of new debt or equity instruments, expenditures reductions and/or the introduction of joint venture partners and/or business combinations. While management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available for the Company or that they will be available on terms which are acceptable to the Company. If management is unable to obtain new funding, the Company may be unable to continue its operations, and amounts realized for assets might be less than amounts reflected in these financial statements.

IGE Resources' future development will depend on access to long term funding. There is no assurance that the Company may not experience net cash flow shortfalls exceeding the Company's available funding sources, nor can it be assured that the Company will be able to raise new equity or arrange borrowing facilities on favourable terms and in the amount necessary to conduct its ongoing and future operations, should this be required.

Other risks

There are several potential risks within this industry and the company's area of operations that could significantly impact the company's ability to achieve its stated goals regarding development and production of its mineral assets. The most significant risks and uncertainties are described in note 2 to these financial statements.

Personnel

Average number of employees amounted to 188 during 2010 (previous year 144). For more information about personnel, see note 6.

Investments

Gross investments during 2010 amounted to 636,512 TSEK (35,463 TSEK). The investments are mainly attributable to the purchase of the diamond portfolio from Pangea DiamondFields Ltd and capitalized expenses related to the development of the group's mineral assets.

Events after the reporting date

- The company announced in the beginning of January 2011 that it is pursuing a listing of its subsidiary Nickel Mountain Resources AB (previously IGE Nordic AB) at the Toronto Stock Exchange (TSX). Nickel Mountain Resources AB has been restructured with the Rönnbäcken Nickel Project as its sole mineral interest. The planned initial public offering is expected to take place in the second quarter of 2011.

- IGE announced that the Company was granted the mining right for its Bakerville diamond project in South Africa. When operational, Bakerville will become IGE's second diamond producing mine in the Southern African Development Community (SADC). The design of the mining and processing plan for Bakerville is well advanced and IGE will determine the optimal time for start-up of production based on an assessment of both the diamond market and the currency exchange rate in South Africa.

- The Company held an extra general meeting on the 3rd of March. Below follows the most important decisions in summary:

  -The company changed category to a public company

  -The EGM approved the proposed listing of the company's shares on Toronto stock exchange in Canada.

  -A new board was appointed consisting of the following directors: Oyvind Hushovd, Olle Johansson, Tomas Fellbom, Ted Mayers, Jeff Snow, Mel Williams and Fredric Bratt

  -The meeting authorized the board to issue a maximum of 70 million new shares in conjunction with the planned IPO.

  -The meeting decided to issue 5,000,000 options to be vested to the Board, management and key persons working with the development of the Rönnbäcken Nickel project. 700,000 of the 5,000,000 options are reserved for the directors of the Board and 4,300,000 are to be allocated to management and key persons in accordance with decision taken by the Board. The exercise price is set at 1.15 times the subscription price per share in the upcoming IPO during the second quarter of 2011. The duration of the options are 5 years, last day for exercising the options is 30th of April 2016. The issuance of the options is conditional by the completion of the IPO, and will be approved at IGE Resources' AGM.

- IGE announced on the 21st of March 2011 that the company's CEO Thomas Fellbom resigns.

- IGE held an extra general meeting on the 19th of April where it was decided that:

  -The company will carry out a share issue with preferential rights for the Company's shareholders. The subscription period is 16 -30 May 2011. The new shares will be offered at a subscription price of NOK 0.02 per share. Each share entitles the subscription of one new share, resulting in maximum 1,805,618,810 shares will be added after completion of the transaction.

  -The EGM also decided on a new share issue of a maximum of 902,809,405 new shares increasing the share capital with a maximum of SEK 45,140,470.25 directed to participants in the rights issue who have not been allocated all subscribed shares. The issue is conditioned by the rights issue of 1,805,618,810 new shares above being over-subscribed.

-IGE's Board of Directors has initiated a cost reduction programme aiming to reduce IGE's operational costs significantly. The Board has also initiated a review of the Company's business plan, adjusting operations towards early stage exploration, development and trading in commodity licenses. IGE will actively seek to divest or include investors in current diamond projects.

-The Board will also propose the upcoming Annual General Meeting (AGM) on June 9th 2011, to decide on the distribution of shares in Nickel Mountain Resources AB (NMR) to IGE's shareholders. The Board's proposal will include approximately 50 per cent of the NMR shares held by IGE Resources (i.e. approximately 13 million shares in NMR). The proposed distribution is conditional by the listing at the Toronto Stock Exchange (TSX) which is planned to take place during the spring of 2011.

-The Board also intends to propose a reverse split of the IGE share on the AGM. The conditions for the reverse split will be determined upcoming share issue with preferential rights which is planned to take place at the end of May 2011.

AGM's resolution on remuneration guidelines for management personnel

At the AGM held on the 6th of May 2010, the following resolution was made regarding guidelines for the remuneration of those in management personnel. The below guidelines are in force until the AGM of 2011.

General

IGE shall have a level of remuneration and employment benefits necessary to recruit and retain a management of high competence and sufficient capacity to reach its set goals, and shall also consider the level of competence of the individual manager. Market value, in other words, is the guiding principle in setting salary and other remuneration for management personnel in IGE.

Fixed salary

The basic remuneration of management personnel is a fixed salary based on the market, which is determined on an individual basis according to the criteria above, and the special skills of the person.

Retirement benefits

Retirement benefits for management shall be determined based on the market for equivalent positions, and are adjusted according to the special skills of the person. The retirement benefits shall, if possible, be a defined contribution retirement plan.

Non-monetary benefits

Non-monetary benefits (e.g. cell phone and computer) for management personnel shall assist in the work performance, and shall be consistent with customary benefits in the market.

Termination compensation and severance salary

Termination compensation and severance salary shall in no case exceed twelve months' salary.

Non-fixed salary

Non-fixed salary arrangements shall be available, in addition to fixed-salary arrangements, in certain situations. This type of compensation shall be clearly related to specific set goals, based on simple and transparent constructions.

In those cases where non-fixed salary to key management personnel is agreed, the salary shall be determined based on (a) achieving previously set goals on a group and individual level which are related to management and production results, as well as the financial development of the Company, and (b) taking into consideration the individual's personal development.

The non-fixed salary shall always be limited to a certain maximum which is a specified part of the individual's annual salary.

All matters relating to share benefit programs shall be decided upon by the Annual General Meeting.

Positions covered under these guidelines

The guidelines shall cover the Managing Director and other positions which are part of the group management.

Exception from the guidelines in special cases

The Board has the right to make exceptions from the guidelines in individual cases where there are special reasons to do so. The Board of Directors proposes that the guidelines remain unchanged until the AGM that will be held in 2012. For more information about remunerations of the year see note 6.

Parent Company's result and financial position

Net result amounted to SEK -503.5 (-23.5) million and was mainly affected by impairment losses from shares in associated companies. On December 31, 2010 cash and bank amounted to 32.3 MSEK (1.2) and shareholders' equity to 428.0 MSEK (347.9).

Proposed allocation of the company's result (SEK)

At the disposal of the annual general meeting is:

Share premium reserve	848,910,337
Retained earnings	-119,046,642
Result for the year	-503,468,265
Total non restricted equity	226,395,430

The Board of Directors and the Chief Executive Officer recommend the following allocation:

Retained earnings brought forward: 226,395,430

Regarding the company's result and overall financial position, please refer to the statement of comprehensive income and statement of financial position that are included in this report.

Consolidated statement of comprehensive loss

(In Thousands of Swedish Kronor)	Notes	2010	2009
Revenue from sales	4	20,909	-
Other income	5	143	16,042
Capitalized development expenditure	6	18,331	29,462
Other external expenses	8,9	-61,644	-30,626
Personnel expenses	6,7	-61,841	-52,571
Results from equity accounted participations	11	-15,887	-428
Other operating expenses	12	-49,998	-1,069
Operating result before depreciation and impairment losses		**-149,987**	**-39,190**
Depreciation/amortization and impairment loss on property, plant and equipment, intangible assets	13	-401,753	-5,931
Financial revenue	16	3,255	5 142
Financial expenses	16	-4 741	-4,879
Total financial items		-1,486	263
Result before tax		**-553,226**	**-44,858**
Income tax	17	75,896	-
Result for the period		**-477,330**	**-44,858**
Result for the period attributable to:			
Equity holders of the Parent Company		-465,565	-44,858
Non controlling interest		-11,765	-
Result for the period		**-477,330**	**-44,858**
Result per share before and after dilution SEK		-0.35	-0.08
Average number of shares (Millions)		1,346	539

Consolidated – Statement of comprehensive income

TSEK	2010	2009
Result for the period	-477,330	-44,858
Other comprehensive income		
Exchange differences during the year	-9,059	-14,048
Total other comprehensive income	**-486,389**	**-58,906**
Total comprehensive income for the year attributable to:		
Equity holders of the Parent Company	-474,625	-58,906
Non controlling interest	-11,765	-

Consolidated statement of financial position

(TSEK)	Notes	2010-12-31	2009-12-31
ASSETS			
Fixed assets			
Intangible fixed assets			
Mineral interests	13	399,317	154,257
Tangible fixed assets			
Plant and machinery	13	22,369	47,700
Mine and other development assets	13	55,218	-
Long-term financial assets			
Participation in equity accounted companies	11	1,840	17,658
Long-term receivables	19	112	40,370
Total fixed assets		**478,856**	**259,985**
Current Assets			
Inventory	20	1,437	-
Other receivables	21	20,318	17,520
Prepaid expenses	22	564	1,336
Cash and cash equivalents	23	40,157	40,807
Total current assets		**62,476**	**59,663**
TOTAL ASSETS		**541,332**	**319,648**
EQUITY	24,39		
Equity attributable to equityholders of the parent company			
Share capital		90,281	39,785
Other paid in capital		984,120	451,041
Reserves		-741	8,318
Retained earnings and profit for the period		-666,480	-200,915
		407,180	*298,229*
Non controlling interest		-11,765	-
Total equity		**395,415**	**298,229**
Liabilities			
Deferred tax liabilities	26	112,750	-
Other provisions	27	1,884	-
Long term liabilities			
Convertible loan	28	5,000	-
Interest bearing loans and borrowings		284	5,672
Other long term liabilities		-	91
Total long term liabilities		**119,918**	**5,763**
Current liabilities			
Accounts payable	29	7,537	2,606
Interest bearing loans and borrowings	30	5,672	6,302
Other liabilities	31	3,643	2,386
Accrued expenses	32	9,147	4,362
Total current liabilities		**25,999**	**15,656**
TOTAL EQUITY AND LIABILITIES		**541,332**	**319,648**
PLEDGED ASSETS	33	**97,357**	**710**
CONTINGENT LIABILITIES	33	**-**	**-**

Consolidated statement of changes in equity

(TSEK)	Equity related to the shareholders of the parent company						
	Share capital	Other paid in capital	Reserves Exchange differences	Retained earnings and profit for the year	Total	Non controlling interest	Total Equity
Opening balance 1st of January 2009 according to previously audited statement	*20,908*	*348,278*	*-5,954*	*-119,507*	*243,725*	-	*243,725*
Effects of corrections (see note 40)	-	-	*28,320*	*-36,333*	*-8,013*	-	*-8,013*
Corrected opening balance 1st of January 2009	**20,908**	**348,278**	**22,366**	**-155,840**	**235,712**	**-**	**235,712**
Net result for the period	-	-	-	-44,858	-44,858	-	-44,858
Other comprehensive income:							
Exchange differences	-	-	-14,048	-	-14,048	-	-14,048
Transactions with shareholders:							
Acquisition of minority interest in subsidiary	-	-	-	-217	-217	-	-217
Expenditures referable to fundraising	-	-6,706	-	-	-6,706	-	-6,706
Issued call options	-	120	-	-	120	-	120
New share issue	18,877	109,349	-	-	128,226	-	128,226
Closing balance at 31 December 2009	**39,785**	**451,041**	**8,318**	**-200,915**	**298,229**	**-**	**298,229**
Balance at 1 January 2010	39,785	451,041	8,318	-200,915	298,229	-	298,229
Net result for the period	-	-	-	-465,565	-465,565	-11,765	-477,330
Other comprehensive income:							
Exchange differences	-	-	-9,059	-	-9,059	-	-9,059
Transactions with shareholders:							
Expenditures referable to fundraising	-	-7,678	-	-	-7,678	-	-7,678
New share issue	50,496	540,757	-	-	591,253	-	591,253
Closing balance at 31 December 2010	**90,281**	**984, 120**	**-741**	**-666,480**	**407,180**	**-11,765**	**395,415**

As of the 31st of December 2010 the total number of shares outstanding in the Company amounted to 1,805,618,810 with a nominal value of 0.05 SEK. Each share represents one vote at the General meetings of shareholders. See note 24 and 39 for additional information related to the Equity of the Company.

A correction of previously adopted income statements and balance sheets has affected the opening balances related to exchange rate differences and retained earnings (see note 40 for more information). The statement above shows opening balances as of January 1, 2009 according to previously adopted statements, as well as new opening balances by the same date according to the new corrected versions.

Consolidated statement of cash flow

(TSEK)	Note	2010	2009
Cash flow from operations			
Result after financial items		-553,226	-44,858
Adjustments for items not included in cash flow*		467,406	-9,281
Total cash flow from operations before change in working capital		**-85,820**	**-54,139**
Change in working capital			
Change in inventories		718	-
Change in receivables		-4,274	383
Change in short term liabilities		7,862	-7,791
Total cash flow from operations		**-81,514**	**-61,547**
Cash flow used for investments			
Cash holdings in acquired subsidiary		1,922	-
Purchase of intangible assets	13	-59,250	-56,227
Sale of intangible assets	13	2,076	2,000
Purchase of tangible assets	13	-2,146	-223
Sale of tangible assets	13	36	226
Acquisition of shares in associated companies		-51	7,829
Total cash flow used for investments		**-57,414**	**-46,395**
Financing activities			
New share issue		147,106	122,387
Expenditure referring to fundraising		-7,678	-6,706
Raised credits		5,000	91
Amortization of debt		-6,109	-6,387
Total cash flow from financing activities		**138,318**	**109,385**
Change in cash and bank		-609	1,443
Cash and bank at 1 January		40,807	39,639
Currency exchange difference		-41	-275
Cash and bank at the end of reporting period		**40,157**	**40,807**

***Adjustments for items not included in cash flow**		
Depreciations and write-downs of intangible assets	*335,546*	*4,451*
Depreciations and write-downs of tangible assets	*66,207*	*1,480*
Exchange gain	*-232*	*-512*
Share of loss on equity accounted companies	*15,887*	*428*
Other operating expenses	*49,998*	*-14,911*
Others	*-*	*-217*
Total	***467,406***	***-9,281***

**** Financial items**		
Interest income	3,255	5,142
Interest charges	-4,741	-4,879
Total financial items	-1,486	263

Income statement – Parent Company

(TSEK)	Note	2010	2009
Other income	5	-	10,646
Other external expenses	8,9	-13,137	-25,298
Personnel expenses	6,7	-8,575	-8,250
Depreciation/amortization tangible assets	13	-63	-110
Operating result		**-21,775**	**-23,012**
Result from financial items			
Results from participations in group companies	14	-481,336	-
Financial revenue	16	2,136	1,159
Financial expenses	16	-2,493	-1,709
Total financial items		-481,693	-550
Result before tax		**-503,468**	**-23,562**
Income tax	17	0	62
Result for the period		**-503,468**	**-23,500**

Statement of comprehensive income

	2010	2009
Result for the period	-503,468	-23,500
Other comprehensive income	-	-
Total other comprehensive income	-503,468	-23,500

Balance sheet – Parent company

(TSEK)	Note	2010-12-31	2009-12-31
ASSETS			
Tangible fixed assets			
Plant and machinery	13	48	112
Long-term financial assets			
Shares in subsidiaries	34	100,635	85,635
Receivables from subsidiaries	35	299,997	276,497
Total fixed assets		**400,680**	**362,244**
Current Assets			
Other receivables	21	10,505	11,367
Prepaid expenses	22	297	248
Cash and cash equivalents	23	32,362	1,207
Total current assets		**43,164**	**12,822**
TOTAL ASSETS		**443,844**	**375,066**
SHAREHOLDERS EQUITY	24,39		
Restricted equity			
Share capital		90,281	39,785
Statutory reserve		111,345	111,345
Total restricted equity		*201,626*	*151,130*
Non restricted equity			
Share premium reserve		848,910	315,830
Retained earnings		-119,047	-95,547
Result for the year		*-503,468*	*-23,500*
Total non restricted equity		*226,395*	*196,783*
Total shareholders equity		**428,021**	**347,913**
Long term liabilities			
Convertible loan	28	5,000	-
Interest bearing long term liabilities		-	5,672
Liabilities to subsidiaries	36	-	9,678
Total long term liabilities		**5,000**	**15,350**
Current liabilities			
Accounts payable	29	1,633	2,063
Interest bearing loans and borrowings	30	5,672	6,302
Other liabilities	31	446	640
Accrued expenses	32	3,072	2,798
Total current liabilities		**10,823**	**11,803**
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES		**443,844**	**375,066**
PLEDGED ASSETS	33	**-**	**599**
CONTINGENT LIABILITIES	33	**-**	**-**

Changes in Equity – Parent company

(TSEK)	Restricted Equity		Non restricted Equity		
2009	**Share capital**	**Statutory reserve**	**Share premium reserves**	**Retained earnings and result for the year**	**Total Equity**
Balance as at 1 January 2009	20,908	111,345	212,891	-95,547	249,597
Result for the year				-23,500	-23,500
Group contribution received			176		176
Transactions with shareholders:					
Expenditure referring to fundraising			-6,706		-6,706
Payment of call options			120		120
New share issue	18,877		109,349		128,226
Balance at 1 January 2010	**39,785**	**111,345**	**315,830**	**-119,047**	**347,913**
Balance as at 1 January 2010	39,785	111,345	315,830	-119,047	347,913
Result for the year				-503,468	-503,468
Transactions with shareholders:					
Expenditure referring to fundraising			-7,677		-7,677
New share issue	50,496		540,757		591,253
Balance at 31 December 2010	**90,281**	**111,345**	**848,910**	**-622,515**	**428,021**

See note 24 and 39 for additional information related to the Equity of the Company.

Cash flow statement – Parent company

(TSEK)	Jan-Dec 2010	Jan-Dec 2009
Cash flow from operations		
Result after financial items**	-503,468	-23,562
Adjustments for items not included in cash flow*	483,129	-1,043
Total cash flow from operations before change in working capital	**-20,339**	**-24,605**
Change in working capital		
Change in receivables	-61,604	-86,037
Change in short-term liabilities	-350	-2,686
Total cash flow from operations	**-82,293**	**-113,328**
Cash flow used for investments		
Sale of tangible assets	-	14
Total cash flow used for investments	**-**	**14**
Financing activities		
Shareholders´ contribution	-15,000	-
New share issue	147,106	122,387
Expenditure referring to fundraising	-7,678	-6,706
Raised credits	5,000	-
Amortization of debt	-15,980	-6,387
Total cash flow from financing activities	**113,448**	**109,294**
Change in cash and bank	31,155	-4,020
Cash and bank at 1 January	1,207	5,227
Cash and bank at the end of reporting period	**32,362**	**1,207**
***Adjustments for items not included in cash flow**		
Depreciations and write-downs of tangible assets	*63*	*-*
Impairment loss on receivables subsidiaries	*483,066*	*-*
Exchange rate differences	*-*	*-1,280*
Other	*-*	*237*
Total	***483,129***	***-1,043***
**** Financial items**		
Interest income	2,136	1,159
Interest charges	-2,493	-1,709
Total financial items	-357	-550

Notes

Note 1. Accounting Principles

General Information

The Parent Company IGE Resources AB (publ), Swedish corporate identity number 556227-8043 is a joint stock corporation, domiciled in Stockholm. The corporation's activities consist of mining and mineral prospecting. The Annual Report and Parent Company Report for IGE Resources AB (publ) were prepared by the board on the 29th of April 2011 and will be submitted to the Annual General Meeting for approval in June 2011.

Statement of conformity with regulations applied

The Group's Reports have been prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Boards (IASB), and the interpretation of the International Financial Reporting Interpretations Committee (IFRIC) which was approved by the EU-commission for use within the EU. The Group's Reports has also been prepared according to Swedish laws and apply the RFR 1 "Kompletterande redovisningsregler för koncerner", published by Rådet för finansiell rapportering. The Parent Company's Annual Report was also prepared according to the Swedish laws, and applies the "RFR 2, "Redovisning för juridiska personer", which is published by Rådet för finansiell rapportering. This financial Group Report is the fourth to be based according to IFRS.

Standards and principles issued but not yet effective

The following standards, amendments and interpretations of existing standards which comes into effect, may affect future financial reports of IGE.

IAS 24: Related party disclosures. The revised version of IAS 24 Related Party Disclosures simplifies the disclosure requirements for government-related entities and clarifies the definition of a related party. The revised standard is effective for annual periods beginning on or after 1 January 2011, with earlier application permitted. IAS 24 requires entities to disclose in their financial statements information about transactions with related parties. In broad terms, two parties are related to each other if one party controls, or significantly influences, the other party. The IASB has revised IAS 24 in response to concerns that the previous disclosure requirements and the definition of a 'related party' were too complex and difficult to apply in practice, especially in environments where government control is pervasive.

IAS 32: Financial Instruments. The definition of what is considered as debt is changed resulting in that, for instance, warrants in which the subscription price is denominated in a currency that deviates from the functional currency of the Company is treated as an equity instrument if they are issued pro rata to the existing shareholders.

IFRS 3R: Business combinations and IAS 27R, consolidated and separate financial statements.

IFRS 7; Financial Instruments: Emphasises the interaction between quantitative and qualitative disclosures and the nature and extent of risks associated with financial instruments. It clarifies those only financial assets whose carrying amount does not reflect the maximum exposure to credit risk need to provide further disclosure of the amount that represents the maximum exposure to such risk.

IFRS 9; Financial Instruments: Classification and Measurement. IFRS 9 as issued reflects part of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2013. In subsequent phases, the IASB will address impairment, hedge accounting and derecognition. The completion of this project is expected in 2011. The adoption of the first phase of IFRS 9 will not have an effect on the classification and measurement of the Group's financial assets. The Group will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

IFRIC19; This Interpretation addresses the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability. It does not address the accounting by the creditor.

The application of new standards and principles is deemed not to have any effect on the result or the equity.

Consolidation principles

Subsidiaries are the companies in which the Parent Company has control, which is indicated by ownership of more than 50 percent of votes by the Parent Company. The balance sheets of the subsidiaries located outside Sweden are converted using the current exchange rates of the last day of the reporting period. The currency rate used in the income statements is the average rate for the entire reporting period. All group transactions and group unsettled matters, and profit and losses for transactions between group companies that are put into effect, are eliminated at the consolidation.

A subsidiary is included in the Group accountings from the date of the acquisition, which is the day when the Group obtains control of the Company. The company is consolidated until such ceases to exist. Control is considered to exist when the Group has the right to form the future strategies of a subsidiary, in order to achieve economic advantages.

A non controlling interest is the part of a subsidiary's result and net assets that is not, directly or indirectly, owned by the parent company. The non controlling interest's part of the result is included in the consolidated result after tax. The non controlling interest's part of the equity is included in the consolidated equity, but is accounted for separately from the equity that is related to the shareholders of the parent company.

Basis for preparation

The consolidated accounts and the parent company accounts are based on historical acquisition values except for financial instruments which are valued at fair value. All amounts are in Swedish crowns thousands (TSEK), unless otherwise noted.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non controlling interest (minority interest) in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through profit or loss. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IAS 39 either in profit or loss or as change to other comprehensive income. If the contingent consideration is classified as equity it shall not be remeasured. Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the fair value of the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Interest in a joint venture

The Group has an interest in a joint venture which is a jointly controlled entity, whereby the venturers have a contractual arrangement that establishes joint control over the economic activities of the entity. The agreement requires unanimous agreement for financial and operating decisions among the venturers. The Group recognises its interest in the joint venture using the equity method. Under the equity method, the investment in the joint venture is carried in the statement of financial position at cost plus acquisition changes in the Group's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. The financial statements of the joint venture are prepared for the same reporting period as the Group. Adjustments are made where necessary to bring the accounting policies in line with those of the Group.

Adjustments are made in the Group's consolidated financial statements to eliminate the Group's share of unrealised gains and losses on transactions between the Group and its jointly controlled entity. Losses on transactions are recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss. The joint venture is equity accounted for until the date on which the Group ceases to have joint control over the joint venture.

Upon loss of joint control the Group measures and recognises its remaining investment at its fair value. Any difference between the carrying amount of the former joint controlled entity upon loss of joint control and the fair value of the remaining investment and proceeds from disposal are recognised in profit or loss. When the remaining investment constitutes significant influence, it is accounted for as investment in an associate.

Investment in an associate

The Group's investment in its associate is accounted for using the equity method. An associate is an entity in which the Group has significant influence. Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The income statement reflects the share of the results of operations of the associate. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The share of profit of an associate is shown on the face of the statement of comprehensive income. This is the profit attributable to equity holders of the associate and therefore is profit after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate, the Group measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognised in profit or loss.

Important estimates and assumptions for accounting purposes

The Board of Directors and senior management have together identified certain areas (described below) that could have a significant impact on estimating the Company's profit and financial position. Senior management and the Board of Directors continuously monitor developments within each of these areas.

Recovery of the value of development expenditure

The Company has invested significant amounts in its exploration licenses. The reported amounts are primarily related to exploration licenses in which the Company has made qualified efforts in such areas as geology, geophysics, drilling, aerial surveys, etc. Capitalized mineral interests amount to SEK 399.3 million. The value is assessed at least once a year. Depreciation of capitalized mineral interests is in accordance with the information provided under the heading,"Intangible assets". See section "impairment losses" below for additional information regarding impairments. This principle may need to be re-examined at a later date, which could lead to additional impairment losses.

Estimates and assumptions of mineral resources

Accounting for discoveries of a mineral resource is subject to accounting rules which are unique to the exploration and mining industry. The accounting principles and areas requiring most estimation and assumptions when preparing the consolidated accounts are related to exploration and mining accounting, including the estimation and assumption of resources.

The valuation of mineral resources is based on estimates and assumptions of both proven and probable resources at the time of acquisition, or in the case of the identification of a potential deposit, valuation is based on the expected volume of minerals that can be produced on a yearly basis. Estimates and assumptions of proven and probable resources are performed with the help of third-party valuations, and are based on annual adjustments of the resources in relation to the volume of minerals produced, as well as new discoveries made during the year. There will always be uncertainties of the valuations performed. Should there be any new estimates and assumptions reflecting a decrease of resources, or if production does not encounter profitable quantities, there is a significant risk that the recorded assets relative to a specific concession have to be written down. This is evaluated through impairment tests.

Changes in proven resources also affect discounted cash flows, depreciations and write-downs, amortizations and provisions, and are an important factor of the capital market's assessment of the company and its share. Based on the performed third-party valuations, Management is required to assess the results. In those cases where the valuations show a discrepancy between estimated proven and probable resources compared with valuations performed within the Group, Management has to analyze the differences and assess which valuation is the more correct.

Estimation and assumptions of provisions for restoration expenses

The provisions for restoration are based on estimates of expected future obligations, and requirements for dismounting, removal, clearing and like actions, around the drilling sites within the Group's exploration permits. The estimates are based on legal requirements established from the authorities' assessments of mine closure expenses. Due to changes to these factors, future real cash outflow may differ from the provisions for restoration. In order to take any such changes into account, there is a continuous review of the recorded values of the provisions for restorations. When calculating the provisions for future restoration, Management must perform its assessments with regards to future investments and development within the exploration permits of the Group; any changes in the requirements of the local authorities concerning restoration obligations; as well as other factors which may significantly affect the provision.

Going Concern

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that planned exploration and development programs will result in profitable mining operations. The recoverability of amounts shown for mineral property interests is dependant upon completion of the acquisition of the mineral property interests, the discovery of economically recoverable resources and reserves, confirmation of the Company's interest in the underlying mineral claims (exploration permits and exploitation concessions), the ability of the Company to obtain necessary financing to complete the development and future profitable production or, alternatively, upon disposition of such property at a profit.

Changes in future conditions could require material write-downs of the carrying values of mineral properties. Although the Company has taken steps to verify title to the property on which it is conducting exploration and in which it is acquiring an interest, in accordance with industry standards for the current stage of exploration of such property, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, native Saami claims, and noncompliance with regulatory requirements. The accompanying financial statements have been prepared using accounting principles applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period. Management is aware in making its assessment of material uncertainties related to events and conditions that lend a significant doubt upon the Company's ability to continue as a going concern as described in the following paragraph, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These financial statements do not reflect the adjustment to the carrying values of assets and liabilities, expenses and balance sheet classifications that would be necessary were the going concern assumption not appropriate. These adjustments could be material.

In addition to ongoing working capital requirements, the Company must secure sufficient funding to meet its existing commitments for exploration and development programs and pay general and administration costs. Any funding shortfall may be met in the future in a number of ways including but not limited to, the issuance of new debt or equity instruments, expenditures reductions and/or the introduction of joint venture partners and/or business combinations. While management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available for the Company or that they will be available on terms which are acceptable to the Company. If management is unable to obtain new funding, the Company may be unable to continue its operations, and amounts realized for assets might be less than amounts reflected in these financial statements.

Impairment of assets

The Group assesses each cash generating unit annually to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Fair value for mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account. Cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Cash generating units correspond to the segments of the group.

Impairment test for tangible and intangible assets and participations in subsidiaries
If there is an indication that an asset is impaired, the recoverable amount of the asset is calculated. For goodwill, other intangible assets with indefinite useful lives and intangible assets not yet ready for use, the recoverable amount is assessed annually. If it is not possible to establish significantly independent cash flows for an individual asset, and its fair value minus selling costs cannot be used, the assets are grouped for assessment of impairment at the lowest level at which it is possible to identify significantly independent cash flows (a so-called cash-generating unit). An impairment loss is recognised when an asset's or cash generating unit's (or group of units') carrying value is higher than the recoverable amount. An impairment loss is charged to the profit/loss account. An impairment loss for a cash-generating unit (group of units) is allocated to reduce the carrying amount of the assets of the unit, firstly to goodwill and then to other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset. The recoverable amount is the higher of the fair value minus selling costs and utilisation value. When calculating the utilisation value, future cash flows are discounted using a discount factor based on risk-free interest and the risk associated with the specific asset.

Intangible assets

Intangible assets consist of capitalized development costs related to the Company's licenses for mineral exploitation. IGE Resources has more exploration licenses than has been recorded as intangible assets. However, whenever prospecting has not yet begun, all project-related costs are reported directly in the income statement.

Mineral interests – accounting principles

IGE Resources reports the costs associated with prospecting and development of mines as follows:

Direct costs are entered by project and are reported under the item ”Mineral interests” in these financial statements. Indirect costs are reported directly in the income statement during the period in which they arise. Depreciation of mineral assets begins in conjunction with the start of production at mining facilities and continues over the estimated useful life of the mining facility.

For accounting purposes, projects conducted within IGE Resources are defined as mineral interests for which the Company has started to capitalize costs in the balance sheet. Mineral interests are reported in accordance with the full cost method, which means that all of the costs related to the acquisition of concessions, licenses, prospecting, drilling and the development of such interests are fully capitalized. However, this is allowed under the assumption that it is expected that the amounts can be reclaimed in the future through a successful development of the project, by selling the project, or if the project is still in an early phase and it is not possible for IGE Resources to reliably estimate the value of the project or determine if the project contains commercially mineable deposits.

Capitalized expenses in the form of mineral interests are entirely written-off as soon as the exploration license is returned to the issuer.

The carrying amount for all projects that is included as part of the item ”Mineral interests” is revalued by the senior management team of IGE Resources whenever it’s determined that the carrying amount is significantly higher than the estimated fair value. When it has been determined that the carrying amount is higher than the estimated fair value an impairment loss is recognised.

For projects in which IGE Resources is only a partner, direct project costs are reported as mineral interests in accordance with the terms of the partnership agreement.

Tangible fixed assets

Plant and equipment consists of machinery and equipment. Machinery and equipment is reported at cost in the balance sheet, with a deduction for accumulated depreciation. Depreciation is made on a straight-line basis over the asset’s estimated useful life, which is assessed on an individual basis, ranging from 3 to 10 years.

Technical installations and equipment are depreciated linear over the assets’ expected useful life. The estimated useful life is ten years for technical installations and five years for equipment.

Mines and development assets

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation expenditure (intangible) to mines and development assets (tangible).

The carried amounts of mine properties and development (including initial and any subsequent capital expenditure) are depreciated to their estimated residual value over the estimated useful lives of the specific assets concerned, or the estimated life of the associated mine or mineral lease, if shorter.

Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and sales taxes or duty. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred, which is considered to occur when title passes to the customer. This generally occurs when product is physically transferred onto a vessel, train, conveyor or other delivery mechanisms. Revenue is measured at the fair value of the consideration received or receivable.

Interest income

For all financial instruments measured at amortized cost and interest bearing financial assets classified as available for sale, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument.

Dividends

Revenue is recognized when the Group's right to receive the payment is established.

Capitalized development expenditure

Work performed by the entity and capitalized is attributable to costs for own personnel that has carried out work directly referable to the development of tangible and intangible assets of the Company.

Cash flow statement

The cash flow statement shows cash receipts and cash payments and the indirect method has been used. In addition to cash and bank balances, short-term deposits with an original term of less than three months are classified as cash and cash equivalents.

Provisions

Provisions, such as restoration of mining sites, are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

Contingent liabilities

A contingent liability, on behalf of IGE, could be for example, damage to the environment, which the company's operations have caused within the concession area. IGE is obligated to restore the environment to its initial condition before returning the permit. This may result in costs that IGE is charged for. Examples of damages are; wheel track in the terrain, lumbered trees, etc. The company considers these contingent liabilities to be negligible, with the result that the balance sheet item regarding contingent liabilities amounts to nil.

Classification of assets and liabilities

Current assets and current liabilities are comprised of amounts that are expected to be recovered or paid respectively, within twelve months of the reporting date. Other assets and liabilities are reported as non-current assets or long-term liabilities, respectively.

Financial assets and liabilities and other financial instruments

Financial instruments reported as assets in the balance sheet include: Long term receivables, other receivables, prepaid expenses and accrued income, liquid funds, accounts receivable, and short-term investments. All financial assets are classified as loans and receivables, and are reported at amortized cost. The liabilities consist of long term liabilities, convertible loans, other liabilities, accrued expenses and prepaid income and accounts payable. The liabilities are classified as other financial liabilities and are reported as amortized cost. Financial instruments are initially recorded at acquisition value corresponding to the instrument's fair value. A financial asset or liability is reported in the balance sheet as soon as the Company has a contractual commitment regarding such instrument. IGE Resources does not have any derivatives and does not engage in hedging.

Pension plans

There are only defined contribution retirement plans within the Group. Defined contribution retirement plans comprise plans of which the company's liability in terms of retirement payments are limited to the fees that already has been undertaken. The retirement of the individual employee is dependant on the fees paid to the retirement plan or an insurance company by the employer and the return of capital invested in the retirement insurance. Consequently it is the employee that holds the risk of return (that the return will be lower than expected) and the risk of the investment (the risk that the invested pension provision will not be sufficient to cover expected retirement compensation in the future). The obligations of the Company referable to payments of defined contribution retirement plans are expensed in the income statement as they are earned by the employee for services conducted on behalf of the employer during the period.

Leases

Leases are classified in the Group accounts as either finance leases or operating leases. Finance leases exist when the economic risks and the benefits associated with ownership in all essential points are transferred to the lessee; all other leases are classified as operating leases. Within the Group, there are no finance leases. Operating leases are accounted for as an expense linearly over the duration of the lease, beginning from the time of utilization. See note 9 for more information.

Segment reporting

Within IGE Resources, segmentation is according to the different minerals that the company is operating within. See note 3 for more information.

Taxes

Current tax and deferred tax is reported in the financial statements. Current tax is the tax that will be paid or refunded based on the current year, using the tax rates that were in effect/decided upon on the closing date applied to taxable income. An adjustment is also made for current tax related to prior periods. Deferred tax is calculated using the balance sheet approach. This involves determining the tax base of assets and liabilities in order to calculate temporary differences. Deferred tax assets are reported for deductible temporary differences, unused loss carry forwards/backs to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. No deferred tax asset is currently recorded for loss carried forward, since it is difficult to determine whether utilization will be possible in the future.

Conversion of foreign currency

The financial statements are presented in SEK, which is IGE Resources AB´s functional currency, as well as being the presentation currency. Transactions in foreign currency are accounted for in the functional currency, at the current rate of exchange of the transaction date. Monetary assets and liabilities are converted per the balance sheet date, at the day's current exchange rate. Currency differences which arise during conversion are accounted for in profit or loss. Assets and liabilities in foreign subsidiaries are valued at the closing currency rates at the end of the reporting period. Income statements are converted to the average of currency rates for the entire reporting period. Exchange differences that may occur at conversion are reported under other comprehensive income.

Differences between accounting principles of the Group and of the Parent Company

According to the Swedish Financial Reporting Board's standard RFR 2, Accounting for Legal Entities, legal entities with securities listed on a Swedish stock exchange or authorised market on the balance sheet date shall as a general rule apply those IFRS standards that are applied in the consolidated financial statements. There are however certain exceptions from and additions to this rule depending on legal provisions – principally those in the Annual Accounts Act – and the relationship between accounting and taxation.

For IGE Resources AB (the Parent Company) this means that IFRS measurement and disclosure rules are applied, but the format differs from the Group's financial reports since the Parent Company's financial reports follow the Annual Accounts Act.

In the Parent Company, shares in subsidiaries, associated companies and joint ventures are reported at cost (full consolidation and the equity method is used in the Group).

Note 2. Risks and uncertainties

The business of exploration and mining of minerals involves a high degree of risk. Few prospects that are explored are ultimately developed into producing mines. Significant expenditure is required to establish the extent of mineral resources through geophysical surveys and drilling and there is no certainty that viable mineral resources will be found. The exploration and development of mineral resources may be curtailed, delayed or cancelled by unusual or unexpected geological formation pressures, hazardous weather conditions or other factors. There are numerous risks inherent in exploration and operating mines, many of which are beyond the Company's control. The Company's operations may be curtailed, delayed or cancelled as a result of environmental hazards, industrial accidents, occupational and health hazards, technical failures, shortage or delays in the delivery of equipment, labour disputes and compliance with governmental requirements.

Exploration activities may involve unprofitable efforts, not only with respect to empty drill core results, but also with respect to drill results which, though yielding some mineralization, are not sufficiently productive to justify commercial development or cover operating and other costs. The Company may, as a result of its participation and/or operations, be further subjected to third part liabilities, including environmental remediation, fines, penalties and claims. The resources data included in this document are estimates and are subject to change, possibly material, as more information is acquired. The nature of resource quantification studies means that there is no guarantee that estimates of quantity and quality of mineral resources disclosed will be available for extraction. Therefore actual production, revenues, cash flows, royalties and development and operating expenditures may vary from these estimates. Such variances may be material.

In addition, a large part of the resources are categorized as Inferred resources, which are considered too geologically speculative to have mining and economic considerations applied to them and to be categorized as mineral reserves. There is no certainty that the reserves development, production, and economic forecasts on which this economic analysis is based will be realized.

Reliance on key persons

The Company's development and prospecting activities are dependent upon the continued services and performance of its senior management and other key personnel. The loss of the services of any of the senior management or key personnel may have an adverse impact on the Company.

Market risk

The company is subjected to the general risk factors pertaining to the mining and metal industry, such as (i) volatility of metal prices, (ii) uncertainty pertaining to estimated mineral reserves, (iii) uncertainties linked to the company's ability to acquire, develop and exploit new reserves, (iv) operational risks.

Potential dilution of shareholders

The company may issue additional shares in the future. Shareholders of the Company may suffer from dilution in connection with future issuances of shares.

Price volatility of publicly traded securities

In recent years, the security markets in Europe have experienced a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying assets values or prospects of such companies. There is no assurance that continual fluctuations in price will not occur. It is likely that the quoted market price, if any, for the new shares will be subjected to market trends generally, notwithstanding the financial and operational performance of the Company.

Fluctuating commodity prices

IGE Resources' future earnings are affected by fluctuations in the prices of the metals the Company is exploring for and may produce. The prices are subjected to volatile price movements over short periods of time. Market prices can be affected by numerous factors beyond the Company's control, including expectations for inflation, speculative activities, relative exchange rates to the US Dollar, production activities of other companies, global and regional demand and supply, political and economic conditions including availability of subsidies and tax incentives to competitors and production costs in major producing regions. The prices for nickel and other metals explored by IGE Resources may decline significantly from current levels. A reduction in the prices of one or more of these metals could adversely affect the value of the Company's ore reserves, mineral resources and business, financial condition, liquidity and operating results.

Interest rate risk

Interest rate risk is related to the risk the group is exposed to from changes on the market's interest rate which can affect the net profit. The Board of directors and the management have made an assessment that IGE Resources AB´s risk exposure is small, since the majority of its liquid assets are placed in bank accounts in SEK.

Currency risks

Most metal prices are quoted in US Dollars, which means that the income will, to a large degree, be a function of the SEK/USD exchange rate.

Political risks

Political risk is defined as the business risk that may occur as a result of different political decisions. Examples are uncertainty of the validity of the group's agreements, uncertainty of a new political majority or changes in local finance and fiscal policies. Another example may be changes in the legislation concerning the mineral and mining "line of business", in terms of tax rates, environmental fees and changes in the situation concerning the governmental opinions regarding monopoly. These types of risks are more difficult to predict, and consequently, are more difficult to hedge. IGE has therefore decided to carry out active coverage of the political situations within the countries of its operations. IGE also has established close relationships with the governments and decision makers in all relevant markets. The management of IGE considers this risk within each country of activity, to be manageable.

Environmental risks

Compliance with environmental legislation can require significant expenditures, including expenditures for clean-up costs and damages arising out of contaminated properties. In addition to current requirements, IGE Resources expects that additional environmental regulations will likely be implemented to protect the environment and quality of life, given issues of sustainable development and other similar requirements which governmental and supra-governmental organizations and other bodies have been pursuing. Some of the issues currently under review by environmental regulatory agencies include reducing or stabilizing various emissions, including sulphurdioxide and greenhouse gas emissions, mine reclamation and restoration as well as water, air and soil quality and absolute liability for spills and trespassing of borders.

Failure to comply with environmental legislation may result in the imposition of fines and penalties, liability for clean-up costs, damages and the loss of important licenses or permits. There is no assurance that IGE Resources will at all times be in compliance with all environmental regulations or that steps required to bring the Company into compliance would not affect adversely IGE Resources' business, financial condition, liquidity or operating results.

Additional financing

IGE Resources' future development will depend on access to long term funding. There is no assurance that the Company may not experience net cash flow shortfalls exceeding the Company's available funding sources, nor can be assured that the Company will be able to raise new equity or arrange borrowing facilities on favourable terms and in the amount necessary to conduct its ongoing and future operations, should this be required.

Note 3. Segment reporting

For management purposes, the group is organised into business units based on the type of mineral and has four reportable operating segments as follows:

- The gold segment refers to the exploration and project development activities focused on gold licenses.
- The diamond segment refers to the exploration and project development activities focused on diamond licenses.
- The nickel segment refers to the exploration and project development activities focused on the nickel project Rönnbäcken within the group.
- Others refer to projects and joint ventures involving other minerals and costs for administration and others that are difficult to attribute to a specific mineral.

Management monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, the Group's financing (including finance costs and finance income) and income taxes are managed on a group basis and are not allocated to operating segments. The operating segment "others" has very limited activities.

			2010		
(TSEK)	**Gold**	**Diamonds**	**Nickel**	**Other**	**Total**
Other income	-	20 909	-	-	**20 909**
Depreciation of concessions	-11 685	-388 146	-	-1 225	**-401 056**
Depreciation according to plan	-199	-435	-	-63	**-697**
Operating result before depreciation and impairment losses	-1 588	-96 728	-32 566	-19 105	**-149 987**
Result before tax	-14 561	-416 111	-15 324	-107 230	**-553 226**
Fixed assets	-	403 254	69 479	6 123	**478 856**
Current assets	1 694	11 196	6 433	43 153	**62 476**
Long term liabilities	284	114 634	5 000	-	**119 918**
Short term liabilities	-	10 225	10 623	5 151	**25 999**
Investments (gross amounts)	-	605 423	31 089	-	**636 512**
			2009		
(TSEK)	**Gold**	**Diamonds**	**Nickel**	**Other**	**Total**
Other income	15 169	-	873		**16,042**
Depreciation of concessions	-614	-	-1 978	-1 859	**-4,451**
Depreciation according to plan	-302	-197	-871	-110	**-1,480**
Operating result before depreciation and impairment losses	-3 761	-16 323	-12 185	-6 921	**-39,190**

Result before tax	-6 869	-15 164	-14 211	-8 614	**-44,858**
Fixed assets	30 005	173 684	54 428	1 868	**259,985**
Current assets	2 284	35 802	8 449	13 128	**59,663**
Long term liabilities	91	5 672	-	-	**5,763**
Current liabilities	140	8 434	1 275	5 807	**15,656**
Investments (gross amounts)	14 607	24 013	-14 141	10 984	**35,463**

In the segment reporting, IFRS is applied in each segment.

Note 4. Revenue from sales

Revenue from sales is related to diamonds which have been extracted from the Group's alluvial diamond mines in Angola, Cassanguidi and Luxinge.

Note 5. Other income

Other income during 2010 constitutes of a sale of an option related to a mineral interest. During 2009 the main part of the item is related to a sale of IGE's 50% ownership of Kilimapesa Gold in Kenya.

Note 6. Employees, salaries and other compensations

	2010		**2009**	
	Average number of employees	Of which men	Average number of employees	Of which men
Parent Company	3	67 %	4	67 %
Subsidiaries	185	88 %	140	85 %
Group Total	**188**		**144**	**85 %**
Of which Sweden	7	95 %	13	85 %
Of which Angola	172	99 %	83	87 %
Of which South Africa	4	83 %	-	-
Of which Congo, DRC	3	100 %	-	-
Of which Burundi	-	-	17	82 %
Of which Kenya	2	-	31	68 %

	2010			**2009**		
	Salaries and other compensations	Of which pension costs	Of which social contribution costs	Salaries and other compensations	Of which pension costs	Of which social contribution costs
Parent Company						
Sweden	8,575	608	1,630	8,250	578	1,877
Subsidiaries						
Sweden	5,772	585	1,167	7,475	599	1,618
Angola	40,699	-	171	34,208	449	105
South Africa	4,484	-	-	-	-	-
Congo, DRC	1,594	-	-	-	-	-
Burundi	-	-	-	551	-	95
Kenya	717	36	3	2,087	62	7
Total	**61,841**	**1,229**	**2,971**	**52,571**	**1,688**	**3,701**

Salaries and other remuneration broken down for Directors, CEO and other employees.

(TSEK)	2010 Board of Directors and CEO	2010 Other employees	2009 Board of Directors and CEO	2009 Other employees
Parent Company				
Sweden	5,488*	3,087	5,511	2,739
Subsidiaries				
Sweden	2,545**	3,227	2,309	5,166
Angola	-	40,699	1,627	32,581
South Africa	-	4,484	-	-
Congo, DRC	-	1,594	-	-
Burundi	-	-	332	219
Kenya	-	717	494	1,593
Total	**8,033**	**53,808**	**10,274**	**42,297**

*Of which bonus 326 TSEK (1,268)

** Of which bonus 400 TSEK (188)

Pension costs and other similar benefits broken down for Board of Directors and President

	2010 Board of Directors	2010 CEO	2009 Board of Directors	2009 CEO
Parent Company				
Sweden	-	380	-	379
Subsidiaries				
Sweden	-	397	-	296
Angola	-	-	-	-
Kenya	-	-	-	22
Burundi	-	-	-	-
Total	**-**	**777**	**-**	**697**

Information on absence due to illness has not been provided. The Board of Directors had 6 members during 2010, all of whom are men.

AGM's resolution on remuneration guidelines for management personnel

At the 2009 AGM held on the 6th of May 2010, the following resolution was made regarding guidelines for the remuneration of those in management personnel. The below guidelines are in force until the AGM of 2011.

General

IGE shall have a level of remuneration and employment benefits necessary to recruit and retain a management of high competence and sufficient capacity to reach its set goals, and shall also consider the level of competence of the individual manager. Market value, in other words, is the guiding principle in setting pay and other remuneration for management personnel in IGE.

Fixed salary

The basic remuneration of management personnel is a fixed salary based on the market, which is determined on an individual basis according to the criteria above, and the special skills of the person.

Retirement benefits

Retirement benefits for management shall be determined based on the market for equivalent positions, and are adjusted according to the special skills of the person. The retirement benefits shall, if possible, be a defined contribution retirement plan solutions.

Non-monetary benefits

Non-monetary benefits (e.g. cell phone and computer) for management personnel shall assist in the work performance, and shall be consistent with customary benefits in the market.

Termination compensation and severance salary

Termination compensation and severance salary shall in no case exceed twelve months' pay.

Non-fixed salary

Non-fixed salary arrangements shall be available, in addition to fixed-salary arrangements, in certain situations. This type of compensation shall be clearly related to specific set goals, based on simple and transparent constructions.

In those cases where non-fixed salary to key management is agreed, the salary shall be determined based on (a) achieving previously set goals on a group and individual level which are related to management and production results, as well as the financial development of the Company, and (b) taking into consideration the individual's personal development.

The non-fixed salary shall always be limited to a certain maximum which is a specified part of the individual's annual pay.

All matters relating to share benefit programs shall be decided upon by the Annual General Meeting.

Positions covered under these guidelines

The guidelines shall cover the Managing Director and other positions which are part of the group management.

Exception from the guidelines in special cases

The Board has the right to make exceptions from the guidelines in individual cases where there are special reasons to do so.

Incentive programmes – warrants and options

A description of the outstanding options within the IGE Group as per the end of 2010 follows.

The EGM held on May 28 2008 resolved to launch a new incentive program for the management and Board of Directors with the following conditions in summary:

- Strike price: SEK 2.68
- Duration: 31st of May 2011

Management and key personnel were assigned 8 million of the above 12 million warrants. The remaining 4 million were assigned to the Board of Directors of IGE.

As per the end of 2010 the warrants were allocated according to the table below:

Holder	Number
Tomas Fellbom	4,500,000
Thomas Carlsson	1,000,000
Lars Olof Nilsson	1,000,000
Carl Ameln	1,000,000
Industriutvikling AS	1,000,000
Ole Jörgen Fredriksen	1,000,000
Total	9,500,000

The holders of the warrants have paid a market price determined by the Black & Scholes option pricing formula based on the assumptions below. The price was 0.20 SEK per warrant. Tax law in Norway differs from Swedish tax law concerning taxation of warrants (if warrants are considered a benefit or a capital instrument), why the Norwegian holders have not paid for their warrants.

In data	**Assumptions 2008**
Exercise price (SEK)	2,68
Estimated volatility (%)	30
Estimated duration (years)	3
Risk free rate	4,5

Call options

At the EGM held on the 28th of May 2008, a resolution was passed to issue 525,000 call options which give the holder the right to buy existing shares in Nickel Mountain Resources AB from IGE's holdings at price of SEK 11.36. The holder of the call options has the right to exercise the options during the period between the 1st of October 2011 and the 31st of December 2011.

Buyer:	**Number**
Fredric Bratt	100,000
Benny Mattsson	25,000
Tomas Fellbom	100,000
Curt Järnfeldt	100,000
Lars Olof Nilsson	100,000
Erling Stensholt	100,000
Total	**525,000**

The holders of the warrants have paid a market price determined by the Black & Scholes option pricing formula. The price was 1.20 SEK per call option.

Note 7. Compensations and other benefits: Board, CEO and management officials

	2010			2009		
(TSEK)	Director fee (according to resolution from general meeting)	Salary	Other Benefits	Director fee (according to resolution from general meeting)	Salary	Other Benefits
Board						
Tim George	300	-	-	250	-	-
Anton Esterhuizen	300	-	-	-	-	-
John Afseth	500	-	-	400	-	-
Rob George Still	300	-	-	-	-	-
Magne Aaby	300	-	-	250	-	-
Sven Olof Johansson	300	-	-	-	-	-
Tony Saetre	-	-	-	32	-	-
Lars Olof Nilsson	-	-	-	250	-	-
Ole Jörgen Fredriksen	-	-	-	250	-	-
Management						
Tomas Fellbom	-	2,519	472	-	2,514	1,344

Board members that are not employees of any of the Group's companies or related companies, receive a fee, resolved by the AGM, of SEK 300 thousand per year. The Chairman of the Board receives SEK 500 thousand annually. See note 10 for more information.

The Managing Director receives a fixed salary. Between the Company and the Managing Director, there is a termination agreement of twelve months' notice on behalf of the Company, and six months' notice on behalf of the Chief Executive Officer. No other obligations of the Group, with regard to the CEO contract, exist.

Swedish personnel have pension insurance which gives them the right to receive future pension payments. The latter are dependent on how the amounts contributed have been administrated by the insurance company.

Note 8. Other external expenses

	Group		Parent	
(TSEK)	2010	2009	2010	2009
Financial expenses	-3,209	-1,730	-1,730	-10,116
Financial advisory	-11,693	-	-	-
Repairs and Maintenance of mining equipment	-10,061	-	-	-
Rent	-4,873	-3,682	-460	-495
Fuel	-3,953	-	-	-
Travel	-7,308	-2,503	-2,129	-1,314
Legal counselling	-2,944	-2,184	-1,609	-442
Administrative costs related to listing	-4,861	-2,276	-1,977	-2,131
Food and Subsistence	-1,264	-	-	-
Auditing	-1,857	-1,217	-1,211	-1,038
Other consulting fees	-747	-3,410	-241	-3,410
Other	-8,874	-13,624	-3,780	-6,352
Total	**-61,644**	**-30,626**	**-13,137**	**-25,298**

Auditing comprises review of the annual report and review of the accounting and the management carried out by the board and the CEO. It also includes other assignments that are related to the work carried out by the auditor as well as a need of advisory or other assistance that occurs as a result of the ordinary work carried out by the auditor. Audit-related fees means different types of services for assurance. Review of tax forms is considered as tax consultancy. Other assignments are, for instance, legal consultancy in excess of auditing related to other than taxes.

	Group		**Parent**	
(TSEK)	**2010**	**2009**	**2010**	**2009**
Ernst & Young				
Audit fees	897	1 151	847	1 017
Audit-related fees	-	-	-	-
Tax fees	-	-	-	-
Other fees	364	66	364	21
KPMG				
Audit fees	597	-	-	-
Audit-related fees	-	-	-	-
Tax fees	-	-	-	-
Other fees	-	-	-	-
Total	**1,858**	**1,217**	**1,211**	**1,038**

Note 9. Leases

(TSEK)	**Premises**
Matures 2011	1,913
Matures 2012-2014	2,058
Matures 2014 <	-

The Group has entered lease agreements related to leases for rented premises which have been entered on normal market conditions. For 2010, the cost for rent/leasing amounts to 4,872 TSEK (3,682 TSEK). Future rental expenses are shown in the table above.

Note 10. Transactions with related parties

(TSEK)	**2010**	**2009**
Repayment of a loan to a trust of which the former board member Rob Still is a trustee	6,700	-
Mace AS, related party through its managing director (Magne Aaby) who is a board member of IGE, for work related to market communication and support to the company's management in addition to board duties.	433	498
John Afseth for work carried out in relation the financing of the Group. John Afseth resigned as Chairman of IGE Resources AB in November 2010	400	-
Total	**7,533**	**498**

The transactions above have been carried out, by the board of directors, at market prices.

See note 7 for more information.

Note 11. Participation/Shares in associated companies

(TSEK)

Associated companies to Nickel Mountain Resources AB (owned by IGE to 99.6%)

Shares (Group)	CIN	Registered office	Share (%)	Book value	Equity	Result 2010
Shares in Nordic Iron Ore AB (Associated company)	556756-0940	Stockholm, Sweden	7.4%	1,840	16,165	(1,384)
Shares in Norrsken Energy Ltd (Joint venture)	5488110	Bicester, United kingdom	49%	-	3,176	(813)
				1,840	**19,341**	**(2,197)**

The Nickel Mountain Resources' share of the 2010 result of Nordic Iron Ore AB amounts to (102) TSEK. The book value for the shares in Nordic Iron Ore AB amounted to 1,942 TSEK (previous year 1,891 TSEK).

The result has reduced the amount in the balance sheet for the group (Participation in associated companies). The closing balance for the group is therefore 1,840 TSEK. The book value of the shares held in Norrsken Energy Limited were impaired by the end of the third quarter. The result was that a need of a write down occurred amounting to 15,785 TSEK in the group. The book value of the shares amounts to 0 after the impairment test.

Note 12. Other operating expenses

Other operating expenses are referable to a capital loss from sales of exploration permits in Nickel Mountain Resources AB (formerly IGE Nordic AB) 9.6 MSEK (previous year 1.1 MSEK) and a write down of investment guarantees related to the diamond licenses held in Angola 40.4 MSEK.

Note 13. Fixed assets

(TSEK) **Tangible assets**	**Group**		**Parent**	
Equipment and furnishings	**2010-12-31**	**2009-12-31**	**2010-12-31**	**2009-12-31**
Acquisition value at opening of period	52,303	56,310	327	553
Acquisition during the reporting period (year)	1,895	1,689	-	-
Acquisition by business combinations	35,660	-	-	-
Discardment	-43,955	-924	-27	-155
Disposal during the period	-1,788	-886	-	-71
Exchange differences of the year	-2,804	-3,886	-	-
Acquisition value at year-end of existing equipment	**41,311**	**52,303**	**300**	**327**
Accumulated depreciation according to plan at beginning of period	-4,603	-3,377	-215	-317
Discardment	43,822	195	27	155
Disposal during the period	618	48	-	48
Depreciation and impairment losses of the year	-61,570	-1,469	-63	-100
Accumulated depreciation and impairment losses at year end	-21,733	-4,603	-252	-215
Exchange differences of the year	2,791	-	-	-
Book value at year-end of equipment and furnishings	**22,369**	**47,700**	**48**	**112**

Tangible assets	**Group**		**Parent**	
Mine and development assets	**2010-12-31**	**2009-12-31**	**2010-12-31**	**2009-12-31**
Acquisition value at opening of period	-	-	-	-
Acquisition during the reporting period (year)	-	-	-	-
Acquisition by business combinations	56,481	-	-	-
Acquisition value at year-end	**56,481**	**0**	**0**	**0**
Accumulated impairment losses at beginning of period	-	-	-	-
Depreciation of the year	-1,263	-	-	-
Discardment	-	-	-	-
Accumulated depreciation at year end according to plan	-	-	-	-
Exchange differences of the year	-	-	-	-
Book value at year-end	**55,218**	**0**	**0**	**0**

Intangible assets	**Group**		**Parent**	
Mineral interests	**2010-12-31**	**2009-12-31**	**2010-12-31**	**2009-12-31**
Acquisition value at opening of period	161,779	119,729	-	-
Acquisition during the reporting period (year)	63,018	59,778	-	-
Acquisition by business combinations	535,398	-	-	-
Discardment	-127,078	-11,455	-	-
Disposal during the period	-13,001	-2,000	-	-
Exchange differences of the year	455	-4,273	-	-
Acquisition value at year-end	**620,571**	**161,779**	**0**	**0**
Accumulated impairment losses beginning of period	-7,522	-6,971	-	-
Impairment losses of the year	-211,842	-4,664	-	-
Disposal during the period	-	11,455	-	-
Accumulated impairment losses at year end	-219,364	-7,522	-	-
Exchange differences of the year	-1,890	-	-	-
Book value at year-end	**399,317**	**154,257**	**0**	**0**

Depreciation and impairment loss on tangible and intangible assets

(TSEK)	**Group**		**Parent**	
	2010	**2009**	**2010**	**2009**
Impairment loss related to concessions in Kenya	-11,685	-614	-	-
Impairment loss related to Nickel Mountain Resources projects	-1,221	-1,859	-	-
Impairment loss related to projects in Burundi	-	-1,978	-	-
Impairment loss related to projects in Efidium	-14,113	-	-	-
Impairment loss related to purchase price of Efidium Ltd	-196,771	-	-	-
Impairment loss related to projects in Luxinge	-74,215	-	-	-
Impairment loss related to projects in Lacage	-18,445	-	-	-
Impairment loss related to projects in Cariango	-11,172	-	-	-
Impairment loss related to projects in Luanguinga	-11,557	-	-	-
Impairment loss of plant and equipment Efidium	-17,226	-	-	-
Impairment loss of plant and equipment Angola	-43,125	-	-	-
Depreciation of plant and equipment others	-2,223	-1,480	-63	-110
Total impairment losses	**-401,753**	**-5,931**	**-63**	**-110**

The depreciation and impairment losses above are referable to the segment as follows:

Gold	-11,884
Diamonds	-388,581
Others	-1,288
Total	**-401,753**

Impairment test of mineral interests

An impairment test of the book values related to the mineral interests in the balance sheet was prepared in connection to the completion of the Annual report for 2010.

A recoverable amount for a cash-generating unit is based on calculations of value in use. These calculations are based on financial budgets and forecasts produced on a regular basis by management. The rate of growth does not exceed the long-term rate of growth for the market on which these cash-generating units operate.

Significant assumptions used in calculations of use value are shown in the table below

(MSEK)

Project	Book value	Tax	WACC	NPV
Cassanguidi	40	35%	20%	140
Bakerville	50	28%	20%	78
Hartsriver	26	28%	20%	5
Tshikapa	132	30%	35%	37
Longatshimo	140	30%	35%	38
Total	**388**			**298**

The management has prepared the budgeted and forecast margin based on historical results and expectations regarding market trends and the cash generating unit. The discount rate used is stated before tax and reflects specific risks applicable to the different cash-generating units.

Calculations conducted using the above assumptions have indicated a need for write downs amounting to SEK 90 million as per December 31, which forms the basis of the impairment losses reported in this Annual report.

Note 14. Results from participations in group companies

	Group		Parent	
	2010	2009	2010	2009
Write down of receivable related to subsidiaries	-	-	-113,336	-
Write down of shares in subsidiaries	-	-	-368,000	-
Totalt	**0**	**0**	**-481,336**	**0**

Note 15. Purchase of Efidium Ltd

IGE concluded a purchase of 100% of the shares in Efidium Ltd on March 31st. The purchase price amounted to 495,399,057 shares, which corresponds to a value of SEK 426 million as per the last trade at Oslo Stock Exchange on March 31 2010.

Efidium Ltd is a Group with assets and operations within the diamond sector in Angola, South Africa and the DRC (Democratic Republic of Congo). The Directors and management of IGE consider this purchase to be of great value to IGE, it strengthens the position of the Group significantly within the industry of diamond production and exploration in Africa.

Efidium has got independently verified, SAMREC compliant, diamond resources of about 8.4 million carat.

Below follows a summary of the balance sheet effects for the consolidated IGE Group that the purchase of Efidium gave rise to as per the purchase date of March 31st 2010.

(TSEK)	Efidium according to IFRS	Acquisition adjustment	Preliminary acquisition balance established March 31st 2010	Adjustments due to the result of the final acquisition analysis	Final acquisition balance established
Tangible fixed assets	37,544	54,597	92,141	-	92,141
Intangible fixed assets	18,306	543,706	562,012	-26,614	535,398
Current Assets	9,576	-	9,576	-	9,576
Liabilities	-427,585	404,712	-22,873	-	-22,873
Deferred tax liabilities	-	-215,259	-215,259	26,614	-188,645
Purchase price	-	-	425,597	-	425,597

Above table shows the preliminary acquisition analysis established by the closing of the purchase, 31st of March 2010. The final acquisition analysis established in conjunction with the Year end reporting of the IGE Group 31st of December 2010 resulted in a need of adjustment. The adjustment is shown in above table. The adjustment is a result of a lower corporate tax rate in Congo DRC compared to the rate used in the initial analysis. Costs related to the purchase amounts to 10.6 MSEK. The purchase price was based on a combination of the market cap of Pangea Diamondfields at the London AIM-stock Exchange at the time of the transaction and the number of carats verified within the different licences of Pangea's diamond portfolio that was included in the deal. The verified number of carats is based on the National Instrument 43-101 Technical Report on diamonds projects of IGE prepared for prepared for Pangea Diamondfields Plc by Venmyn Rand (Pty) Ltd.

Venmyn is an independent advisory company. Its consultants have extensive experience in preparing competent persons', technical advisers' and valuation reports for mining and exploration companies. Venmyn's advisors have, collectively, more than 100 years of experience in the assessment and evaluation of mining projects and are members in good standing of appropriate professional institutions. The signatories to the technical report prepared for IGE/Pangea are qualified to express their professional opinions on the values of the mineral assets described.

Costs related to the acquisition of Efidium Ltd have been expensed in the income statement. Efidium Ltd has since it was acquired on the 31st of March 2010 contributed with 15.1 MSEK in turnover related to revenue from sales of diamonds and increased the group's loss during the year by 68.8 MSEK.

Note 16. Financial items

Financial revenue	**Group**		**Parent Company**	
(TSEK)	**2010**	**2009**	**2010**	**2009**
Exchange gains	84	82	2,032	1,135
Interests	3,171	5,060	104	24
Total financial revenue	**3,255**	**5,142**	**2,136**	**1,159**

Financial expenses

	Group		**Parent Company**	
(TSEK)	**2010**	**2009**	**2010**	**2009**
Exchange losses	-2,968	-2,947	-2,412	-701
Interests	-1,773	-1,932	-81	-1,008
Total financial expenses	**-4,741**	**-4,879**	**-2,493**	**-1,709**

Note 17. Income tax

	Group		**Parent**	
(TSEK)	**2010**	**2009**	**2010**	**2009**
Actual tax	-	-	-	-
Deferred tax	75,896	-	-	62
Actual tax reported in the income statement	75,896	-	-	62
Profit before tax	-553,226	-44,858	-503,468	- 23,562
Adjustment for costs accounted for in equity	-7,678	-5,984	-7,678	-5,984
Expected tax according to Swedish tax rate (26.3%)	147,518	13,371	134,431	7,771
Adjustment for tax rates in other countries	16,911	1,698	-	-
Other non-taxable/non-deductible	-33,829	-261	-96,787	-2,685
Deferred taxes in theory from earlier losses that has not been used	-130,600	-14,810	-37,644	-5,086
Total tax costs/reversal of tax provision	**75,896**	**0**	**0**	**62**

Accumulated tax related deficit of the Group amounts to SEK 624,707 thousand (SEK 200,108 thousand), which gives a deferred tax that can be recuperated of SEK 164,298 thousand (SEK 52,628 thousand).

Accumulated tax related deficit of the Parent Company amounts to SEK 233,849 thousand (SEK 98,329 thousand) which gives a deferred tax that can be recuperated of SEK 61,502 thousand (SEK 25,861 thousand).

No current or deferred tax claims or tax liabilities exist. In the Group exists deferred tax liability, i.e. tax related to taxable temporary differences and that will be paid in the future, amounting to total 112.7 MSEK. Deferred tax claims were not accounted as deductions of loss because their realization is difficult to estimate. Deficit deduction can be used without any time limit, except for deficits in Angola, which can be used, during a limited period of three years after their occurrence.

Note 18. Earnings per share

(TSEK)	**2010**	**2009**
Result related to Parent company's shareholders (TSEK)	-465,565	-44,858
Average number of shares during the reporting period	1,346,291,141	538,509,297
Result per share (SEK)	-0.35	-0.08

Note 19. Long term receivables

(TSEK)	Group 2010	Group 2009	Parent 2010	Parent 2009
Investment guarantee Endiama	-	40,259	-	-
Deposition Bergsstaten	112	111	-	-
Total	**112**	**40,370**	**0**	**0**

Note 20. Inventory and work in progress

Group	2010	2009
Inventory	1,437	-

Inventory relates to the subsidiary in Angola and consists of diamonds. The inventory is valued at market value based on received average prices from the three latest sales of diamonds.

Note 21. Other short term receivables

(TSEK)	Group 2010	Group 2009	Parent 2010	Parent 2009
V A T receivables	1,902	968	345	216
Receivables related to partners in Angola	4,032	-	-	-
Receivable related to sale of Kilimapesa Gold	10,160	10,770	10,160	-
Receivables related to forwarded costs	152	262	-	14
Other receivables not subjected to interests*	4,072	5,519	-	11,137
Total	**20,318**	**17,520**	**10,505**	**11,367**

There is no provision for doubtful receivables.

As of 31 December 2010, the analysis of other short term receivables that were past due but not impaired is as follows:

	Total	Neither past due nor impaired	Past due but not impaired <30 days	30-60 days	60-90 days	90-120 days	>120 days
2010	20,318	16,094	2,057	2,167			

Note 22. Prepaid expenses and accrued income

(TSEK)	Group 2010	Group 2009	Parent 2010	Parent 2009
Prepaid insurance fees	196	295	145	162
Prepaid costs	51	-6	28	-6
Prepaid rentals	255	901	124	92
Prepaid leasing fees	62	-	-	-
Others	-	146	-	-
Year-end balance	**564**	**1,336**	**297**	**248**

Note 23. Cash and cash equivalents

As of 2010-12-31, cash and cash equivalents for the group were SEK 40,157 thousand and as of 2009-12-31 SEK 40,807 consisting entirely of bank deposits. The Parent Company's cash and cash equivalents as of 2010-12-31 were SEK 32,362 thousand and as of 2009-12-31 SEK 1,207 thousand.

Note 24. Development of share capital

Share capital amounts to SEK 90,280,941 (SEK 39,785,498) and consists of 1,805,618,810 (795,709,953) shares.

Date	Transaction	Increase of number of shares	Increase of share capital	Total number of shares	Total share capital	Face value (SEK)
1983-04-18	Foundation	500	50,000	500	50,000	100
1983-09-20	Split 50:1	24,500	-	25,000	50,000	2
1989-09-22	New share issue	5,000	10,000	30,000	60,000	2
1989-10-10	New share issue	200,000	400,000	230,000	460,000	2
1989-11-22	New share issue	560,000	1,120,000	790,000	1,580,000	2
1997-01-01	Split 40:1	30,810,000	-	31,600,000	1,580,000	0.05
1997-11-18	New share issue	25,000,000	1,250,000	56,600,000	2,830,000	0.05
2000-07-18	New share issue	21,120,000	1,056,000	77,720,000	3,886,000	0.05
2001-11-19	New share issue	77,560,000	3,878,000	155,280,000	7,764,000	0.05
2002-10-02	New share issue	37,920,000	1,896,000	193,200,000	9,660,000	0.05
2004-05-12	New share issue	5,000,000	250,000	198,200,000	9,910,000	0.05
2005-03-16	Exercised warrant	50,000,000	2,500,000	248,200,000	12,410,000	0.05
2005-05-24	New share issue	19,000,000	950,000	267,200,000	13,360,000	0.05
2005-07-05	New share issue	25,000,000	1,250,000	292,200,000	14,610,000	0.05
2005-10-19	New share issue	18,000,000	900,000	310,200,000	15,510,000	0.05
2005-12-12	New share issue	800,000	40,000	311,000,000	15,550,000	0.05
2006-12-07	New share issue	30,000,000	1,500,000	341,000,000	17,050,000	0.05
2008-04-16	New share issue	34,000,000	1,700,000	375,000,000	18,750,000	0.05
2008-12-12	Conversion loan	9,000,000	450,000	384,000,000	19,200,000	0.05
2008-12-29	Conversion loan	8,000,000	400,000	392,000,000	19,600,000	0.05
2009-01-20	Issue in kind	26,161,828	1,308,091	418,161,828	20,908,091	0.05
2009-02-11	Conversion loan	11,000,000	550,000	429,161,828	21,458,091	0.05
2009-03-31	Issue in kind	312,000	15,600	78,032,000	3,901,600	0.05
2009-04-01	Conversion loan	35,600,000	1,780,000	465,073,828	23,253,691	0.05
2009-04-03	Conversion loan	4,400,000	220,000	469,473,828	23,473,691	0.05
2009-04-16	Conversion loan	10,000,000	500,000	479,473,828	23,973,691	0.05
2009-07-06	Exercised warrant	12,000,000	600,000	491,473,828	24,573,691	0.05
2009-07-07	Issue in kind	367,336	18,367	491,841,164	24,592,058	0.05
2009-10-09	Conversion loan	68,000,000	3,400,000	559,841,164	27,992,058	0.05
2009-10-09	New share issue	221,800,000	11,090,000	781,641,164	39,082,058	0.05
2009-11-26	New share issue	14,068,789	703,439	795,709,953	39,785,498	0.05
2010-03-31	Issue in kind	495,399,057	24,769,953	1,291,109,010	64,555,451	0.05
2010-05-12	New share issue	64,632,664	3,231,633	1,355,741,674	67,787,084	0.05
2010-06-28	New share issue	10,802,538	540,127	1,366,544,212	68,327,211	0.05
2010-07-22	New share issue	53,675,699	2,683,785	1,420,219,911	71,010,996	0.05
2010-09-30	New share issue	385,398,899	19,269,945	1,805,618,810	90,280,941	0.05

The suggested dividend of the Group result to the shareholders amounted to SEK 0 (SEK 0) per share. The Group aims to have a low or zero-debt ratio.

Note 25. Owners as of 2010-12-31

Name	Country	Holdings (number of shares)	Holdings %
Capital Inernational Private	USA	132,916,636	7.36%
PDF unclaimed shares	ZAF	37,768,417	2.09%
Avanza bank nominee	SWE	33,887,755	1.88%
HT Investments Ltd	MUS	27,233,485	1.51%
Clearstream banking SA	LUX	24,658,146	1.37%
Danske Bank A/S	DNK	20,703,296	1.15%
Nordnet Bank AB	SWE	20,422,015	1.13%
Capilan Invest AS	NOR	15,192,000	0.84%
Africa Middle East Capital	FRA	13,230,683	0.73%
Wall Monica Kim	NOR	12,251,171	0.68%
Brown Brothers Harriman & Co	GGY	11,588,198	0.64%
Nordnet Pensjonsförsäkring	NOR	10,578,200	0.59%
Six Sis AG 25PCT	CHE	10,114,434	0.56%
SHB Stockholm Clients Account	SWE	9,626,755	0.53%
Swedbank	SWE	9,160,517	0.51%
AS Bogstadveiens Skotoforretning	NOR	9,058,000	0.50%
Skandinaviska Enskilda Banken	SWE	8,351,033	0.46%
Flatås Karl Martin	NOR	8,046,000	0.45%
Citibank N A (London Branch)	SGP	8,010,705	0.44%
Bank Julius Baer & Co AG	CHE	7,603,626	0.42%
Others		1,375,217,738	76.16%
Total		**1,805,618,810**	**100%**

Source: VPC AB in Sweden and VPS AS in Norway.

Note 26. Deferred tax liabilities

It is inherent in the recognition of an asset that its carrying amount will be recovered in the form of economic benefits that flow to the entity in future periods. When the carrying amount of the asset exceeds its tax base, the amount of taxable economic benefits will exceed the amount that will be allowed as a deduction for tax purposes. This difference is a temporary difference and the obligation to pay the resulting income taxes in future periods is a deferred tax liability. As the entity recovers the carrying amount of the asset, the taxable temporary difference will reverse and the entity will have taxable profit. This makes it probable that economic benefits will flow from the entity in the form of tax payments.

The positive amount of MSEK 75.9 is related to a reversal of deferred tax that occurred as a result of the purchase of Efidium in March 2010. 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 deferred tax that occurred as a result of the purchase of Efidium amounts to SEK 188.6 MSEK.

	Group		Parent	
(TSEK)	**2010**	**2009**	**2010**	**2009**
Deferred tax at beginning of the year	-	-	-	-
Deferred tax related to the purchase of Efidium Ltd	-188,646	-	-	-
Reversal of tax provision resulting from impairments	75,896	-	-	-
Totalt	**-112,750**	**0**	**0**	**0**

Note 27. Other provisions

Other provisions are related to cost of mine site restoration.

Note 28. Convertible loan

Norrlandsfonden provided a SEK 5 million convertible loan during 2010 to be used unconditionally as working capital for the Rönnbäcken Nickel Project. Norrlandsfonden provides risk capital loans for small and medium-sized companies in Sweden’s five northernmost counties.

The convertible loan was issued based mainly 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.

Note 29. Accounts payable

	Group		**Parent**	
(TSEK)	**2010**	**2009**	**2010**	**2009**
Account payables	7,537	2,606	1,633	2,063
Total	**7,537**	**2,606**	**1,633**	**2,063**

Accounts payable are non interest-bearing amounts and typically fall due within 30 days.

Note 30. Short-term interest bearing liabilities

Short-term liabilities refer to a loan given by Svenska Handelsbanken AB for the purchase of equipment from Volvo. The loan is guaranteed by the Swedish Credit Exports Guarantee Board (EKN), and has duration of three years. The loan was raised in USD and runs with an interest rate of LIBOR plus 2 percent. Each interest period is of a six-month duration.

Note 31. Other liabilities

	Group		**Parent**	
(TSEK)	**2010**	**2009**	**2010**	**2009**
Personnel related liabilities	2,890	2,386	446	640
Other short term liabilities	753	-	-	-
Total	**3,643**	**2,386**	**446**	**640**

Other current liabilities are non interest-bearing amounts that typically fall due within one year.

Note 32. Accrued expenses

	Group		Parent	
(TSEK)	**2010**	**2009**	**2010**	**2009**
Accrued personnel vacations costs	526	716	338	372
Accrued social security charges	1,726	570	274	461
Calculated accrued social security charges	636	618	577	478
Special remuneration taxes	440	436	44	201
Accrued salaries	1,928	111	-	-
Accrued remuneration of the board	1,500	1,375	1,500	1,275
Accrued consultant fees	1,006	-	253	-
Accrued costs related to suppliers	595	-	-	-
Other accrued costs	789	537	86	10
Year-end balance	**9,147**	**4,362**	**3,072**	**2,798**

Note 33. Pledged assets and contingent liabilities

	Group		Parent	
(TSEK)	**2010**	**2009**	**2010**	**2009**
Deposition Bergsstaten	112	111	-	-
Pledged liquid funds related to EKN credit to Angola	-	599	-	599
Pledged Rönnbäcken exploration license	97,245	-	-	-
Total	**97,357**	**710**	**0**	**599**

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 Rönnbäcken 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 Rönnbäcken project for an agreed upon cash payment. Overall control of the Rönnbäcken 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 is re-negotiated, after the reporting date, in order to enable a listing of the company's shares. If the company will be listed, the Company will no longer grant MRG a fixed and floating charge over all the assets of the Company.

Contingent Liabilities

In conjunction with its exploration activities, the Company is obligated to reimburse any damages or encroachment caused by such activities. Historically, the Company has not been encumbered by such costs. For that reason, it has not calculated the present value of any such estimated future costs (considered being insignificant) and accordingly, no such amounts have been reported.

Note 34. Shares and participations in subsidiaries and associated companies

2010

Parent Company

Company	Corporate id no	Seat	No of shares	Share	Currency	Book value (SEK)	Equity (SEK)	Result (SEK)
IGE Kenya Ltd	27481	Nairobi	10,000	100%	KES	2,635,900	neg	-14,561,460
Nickel Mountain Resources AB	556493-3199	Stockholm	26,816,042	99.6%	SEK	97,247,101	70,273,002	-49,001,904
IGE Diamond AB	556668-1630	Stockholm	1,000	100%	SEK	750,000	438,482	-368,305,588
Tanganyika Exp	52 816	Belize City	1	100%	USD	720	720	0
Tanganyika Res	52 848	Belize City	1	100%	USD	720	720	0
Tanganyika Min	52 849	Belize City	1	100%	USD	720	720	0
Total						100,635,161		
Subsidiary to IGE Diamond AB								
Efidium Ltd	102307C	Isle of Man	1,000	100%	USD	298,469,740	neg	-68,771,401
IGE Ltd	20034	B V I	3	100%	USD	22	neg	-7,794,281
Subsidiary to Nickel Mountain Resources AB								
Nickel Mountain AB	556819-1596	Stockholm	10 100 000	100%	SEK	57,050,991	57,046,098	-4,893

Indirect ownership

Subsidiary to Efidium Ltd (owned 100 % by IGE Diamond AB)

Company	Seat	Share
Sub Sahara Investimentos e Consultoria Lda	Angola	90%
Effidium DRC Exploration SPRL	DRC	100%
Nanzambi Mining SPRL	DRC	100%

Pangea Diamonds (Pty) (owned 74% by Efidium Ltd

Company	Seat	Share
Tranter Pangea Diamonds Investments (Pty) Ltd	South Africa	49%
Upward Spiral 10 (Pty) Ltd	South Africa	49%
Innovage Resources (Pty) Ltd	South Africa	49%
La Bamba Holdings 4 (Pty) Ltd	South Africa	49%
Ostiprop Exploration (Pty) Ltd	South Africa	100%

Ostiprop Exploration (Pty) Ltd (owned 100% by Pangea Diamonds (Pty)

Company	Seat	Share
Bluedust 23 (Pty) Ltd	South Africa	49%
Crestwave 68 (Pty) Ltd	South Africa	49%

Book value shares in subsidiaries

(TSEK)	**2010**	**2009**
Acquisition value at opening of period	85,635	90,475
Acquisition during the reporting period (year)	383,000	1,110
Write down on shares in subsidiary	-368,000	-5,950
Acquisition value at year-end	**100,635**	**85,635**

Note 35. Receivables on group companies

	Parent Company	
(TSEK)	**2010**	**2009**
Claim on Nickel Mountain Resources AB by year end	1,187	-
Claim on IGE Angola Ltd by year end	-	80,088
Claim on IGE Kenya Ltd by year end	-	30,623
Claim on IGE Diamond AB by year end*	298,810	165,787
Total	299,997	276,497

* For more information, see note 13.

Note 36. Liabilities to subsidiaries

	Parent Company	
(TSEK)	**2010**	**2009**
Parent company's liability to Nikckel Mountain Resources AB	-	9,678

The liabilities are due within 1-5 years.

Note 37. Financial instruments

Financial assets within the IGE Group mainly consist of other receivables, short-term investments, other receivables and cash. All financial assets are classified as loans and receivables, and are reported at amortized cost. Financial liabilities are mainly referable to long-term liabilities, accounts payable and other payables. Financial liabilities are valued at amortized cost. The Group's financial assets and debts are classified according to below table:

(TSEK)	**2010**		**2009**	
Group	**Total**	**Market value**	**Total**	**Market value**
Long-term financial assets				
Non-current financial assets				
Long-term receivables	112	112	40,370	40,370
Total	**112**	**112**	**40,370**	**40,370**
Current Assets				
Other receivables	20,318	20,318	17,520	17,520
Prepaid expenses	564	564	1,336	1,336
Cash	40,157	40,157	40,807	40,807
Total	**61,039**	**61,039**	**59,663**	**59,663**
Financial liabilities				
Long term liabilities				
Interest bearing long term liabilities	5,284	5,284	5,763	5,763
Total	**5,284**	**5,284**	**5,763**	**5,763**
Current liabilities				
Account payables	7,537	7,537	2,606	2,606
Interest bearing liabilities	5,672	5,672	6,302	6,302
Other liabilities	3,643	3,643	2,386	2,386
Prepaid expenses	9,147	9,147	4,362	4,362
Total	**25,999**	**25,999**	**15,656**	**15,656**

(TSEK)	2010		2009	
Parent Company	**Total**	**Market value**	**Total**	**Market value**
Long-term financial assets				
Non-current financial assets				
Receivables related to subsidiaries	299,997	299,997	276,497	276,497
Total	**299,997**	**299,997**	**276,497**	**276,497**
Long-term financial assets				
Current Assets				
Other receivables	10,505	10,505	11,367	11,367
Prepaid expenses	297	297	248	248
Cash	32,362	32,362	1,207	1,207
Total	**43,164**	**43,164**	**12,822**	**12,822**
Financial liabilities				
Long term liabilities				
Convertible loan	5,000	5,000	-	-
Liabilities to intergroup companies	-	-	9,678	9,678
Interest bearing long term liabilities	-	-	5,672	5,672
Total	**5,000**	**5,000**	**15,350**	**15,350**
Current liabilities				
Account payables	1,633	1,633	2,063	2,063
Interest bearing short term liabilities	5,672	5,672	6,302	6,302
Other liabilities	446	446	640	640
Prepaid expenses and accrued income	3,072	3,072	2,798	2,798
Total	**10,823**	**10,823**	**11,803**	**11,803**

Note 38. Related party disclosures

The consolidated financial statements include the financial statements of IGE Resources AB and the subsidiaries listed in the following table:

Company	Seat	Share (%)
IGE Kenya Ltd	Nairobi	100%
Nickel Mountain Resources AB	Stockholm	99.6%
IGE Diamond AB	Stockholm	100%
Tanganyika Exp	Belize City	100%
Tanganyika Res	Belize City	100%
Tanganyika Min	Belize City	100%

Board and management of IGE Resources AB
Tim George (Chairman)
Magne Aaby (Member of the board)
Anton Esterhuizen (Member of the board)
Olle Johansson (Member of the board)
Tomas Fellbom (Resigned as CEO March 2011)
Thomas Carlsson (Acting CEO from March 2011 and CFO)
Fredric Bratt (CEO Nickel Mountain Resources AB)

During the year John Afseth and Rob Still have resigned from the board at their own request.

Compensation of key management personnel in the Group

See note 7 for information about compensation to management personnel and directors of the Board.

Balances with the parent company, subsidiaries and associates are shown in the balance sheet and in the notes 35 and 36.The parent company IGE Resources AB has provided administrative services free of charge. There are no other related party transactions.

Note 39. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes during the years ended 31 December 2010 and 31 December 2009.

The Group monitors capital using a gearing ratio, which is net debt divided by equity plus net debt. The Group includes within net debt, interest-bearing loans and borrowings, trade and other payables, less cash and short term deposits.

(TSEK)	**2010**	**2009**
Interest-bearing loans and borrowings (note 27,28)	5,284	5,672
Trade and other payables (note 29,30,31,32)	25,999	15,656
Less: cash and short-term deposits (note23)	-40,157	-40,807
Net debt	-8,874	-19,479
Equity	395,415	298,229
Capital and net debt	386,541	278,750
Gearing ratio	-2.3%	-7.0%

Note. 40 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. In addition the foreign exchange rate differences arising from intercompany lending, previously reported as other external expenses, are from the transition date onwards recorded in exchange differences, as a separate component of equity. In addition the previously reported results from equity accounted companies held by Nickel Mountain Resources have been corrected. Below follows simplified pro forma income statement, balance sheet and changes in equity showing the effects of the above corrections.

The company's adopted statements in summary are shown below for 2008 and 2009. In addition the statements for 2010 are shown as if they were prepared according to previous adopted accounting principle.

Consolidated statement of comprehensive income (condensed)

TSEK	2008	2009	2010
Revenue	49,916	15,169	21,052
Other external expenses	-31,884	-51,918	-84,080
Personnel expenses	-28,225	-23,110	-43,510
Results equity accounted participations	-	-	-23,887
Other operating expenses	-	-1,069	-49,998
Depreciations and impairments	-39,607	-5,931	-401,753
Operating result	**-49,800**	**-66,859**	**-582,176**
Financial revenue	8,249	6,136	3,255
Financial expenses	-15,236	-5,059	-4,741
Total financial items	-6,987	1,077	-1,486
Result before tax	**-56,787**	**-65,782**	**-583,662**
Income tax	0	0	75,896
Result for the period	**-56,787**	**-65,782**	**-507,766**

Consolidated statement of financial position (condensed)

(TSEK)	2008	2009	2010
ASSETS			
Total fixed assets	**238,387**	**267,920**	**478,856**
Total current assets	**49,174**	**59,356**	**62,476**
TOTAL ASSETS	**287,561**	**327,276**	**541,332**
EQUITY			
Equity attributable to equity holders of the parent company			
Share capital	20,908	39,785	90,281
Other capital-contribution	348,277	451,041	984,120
Reserves	-5,954	845	21,695
Retained earnings and profit for the period	-119,507	-185,506	-688,916
	243,724	*306,165*	*407,180*
Non controlling interest	-	-	-11,765
Total equity	**243,724**	**306,165**	**395,415**
Total long term liabilities	**24,929**	**12,065**	**125,590**
Total current liabilities	**18,908**	**9,046**	**20,327**
TOTAL EQUITY AND LIABILITIES	**287,561**	**327,276**	**541,332**

Consolidated statement of comprehensive income (condensed)

TSEK	Audited income Statement 2009	Correction of errors in accounting	Statement after correction of errors in accounting 2009	Statement after correction of errors in accounting 2010
Revenue from sales	-		-	20,909
Other income	15,169	873	16,042	143
Work performed by the entity and capitalized	29,462		29,462	18,331
Other external expenses	-51,918	21,292	-30,626	-61,644
Personnel expenses	-52,571		-52,571	-61,841
Share of loss in equity accounted companies	-507	79	-428	-15,887
Other operating expenses	-1,069		-1,069	-49,998
Depreciations and impairments	-5,931		-5,931	-401,753
Operating result	**-67,365**	**22,244**	**-45,121**	**-551,740**
Financial revenue	6,136	-994	5,142	3,255
Financial expenses	-4,553	-326	-4,879	-4,741
Total financial items	1,583	*-1,320*	*263*	*-1,486*
Result before tax	**-65,782**	**20,924**	**-44,858**	**-553,226**
Income tax	0		0	75,896
Result for the period	**-65,782**	**20,924**	**-44,858**	**-477,330**

Consolidated statement of financial position (condensed)

TSEK	Statement of financial position 2009	Correction of errors in accounting	Statement after correction of errors in accounting 2009	Statement after correction of errors in accounting 2010
ASSETS				
Total fixed assets	**267,920**	**-7,935**	**259,985**	**478,856**
Total current assets	**59,356**	**307**	**59,663**	**62,476**
TOTAL ASSETS	**327,276**	**-7,628**	**319,648**	**541,332**
EQUITY				
Equity attributable to equity holders of the parent company				
Share capital	39,785		39,785	90,281
Other capital-contribution	451,041		451,041	984,120
Reserves	845	7,473	8,318	-741
Retained earnings and profit for the period	-185,506	-15,409	-200,915	-666,480
	306,165	*-7,936*	298,229	*407,180*
Non controlling interest	-		-	-11,765
Total equity	**306,165**	**-7,936**	**298,229**	**395,415**
Total long term liabilities	**12,065**	**-6,302**	**5,763**	**119,918**
Total current liabilities	**9,046**	**6,610**	**15,656**	**25,999**
TOTAL EQUITY AND LIABILITIES	**327,276**	**-7,628**	**319,648**	**541,332**

The change affects other external expenses in the income statement as well as exchange differences within equity. The amounts arising from differences between the receivables held by the intergroup lender and the liabilities held by the lendee during the most recent 3 year period amounts to:

(TSEK)

2008: -33,511
2009: -20,845
2010: 22,436

The change arising form the corrections of errors related to accounting for share of loss in equity accounted companies within the Group amounts to:

2008: -8,013
2009: -79
2010: 8,000

Note 41. Events after the reporting date

- The company announced in the beginning of January 2011 that it is pursuing a listing of its subsidiary Nickel Mountain Resources AB (previous IGE Nordic AB) at the Toronto Stock Exchange (TSX). Nickel Mountain Resources AB has been restructured with the Rönnbäcken Nickel Project as its sole mineral interest. The planned initial public offering is expected to take place in the second quarter of 2011.

- IGE announced that the Company was granted the mining right for its Bakerville diamond project in South Africa. When operational, Bakerville will become IGE's second diamond producing mine in the Southern African Development Community (SADC). The design of the mining and processing plan for Bakerville is well advanced and IGE will determine the optimal time for start-up of production based on an assessment of both the diamond market and the currency exchange rate in South Africa.

- The Company held an extra general meeting on the 3rd of March. Below follows the most important decisions in summary:

  -The company changed category to a public company

  -The EGM approved the proposed listing of the company's shares on Toronto stock exchange in Canada.

  -A new board was appointed consisting of the following directors: Oyvind Hushovd, Olle Johansson, Tomas Fellbom, Ted Mayers, Jeff Snow, Mel Williams and Fredric Bratt

  -The meeting authorized the board to issue a maximum of 70 million new shares in conjunction with the planned IPO.

  -The meeting decided to issue 5,000,000 options to be vested to the Board, management and key persons working with the development of the Rönnbäcken Nickel project. 700,000 of the 5,000,000 options are reserved for the directors of the Board and 4,300,000 are to be allocated to management and key persons in accordance with decision taken by the Board. The exercise price is decided to 1.15 times the subscription price per share in the upcoming IPO during the second quarter of 2011. The duration of the options are 5 years, last day for exercising the options is 30th of April 2016. The issuance of the options is conditional by the implementation of the IPO, and will be approved at IGE Resources' AGM.

- IGE announced on the 21st of March 2011 that the company's CEO Thomas Fellbom resigns.

- IGE held an extra general meeting on the 19th of April where it was decided that:

  -The company will carry out a share issue with preferential rights for the Company's shareholders. The subscription period is 16 -30 May 2011. The new shares will be offered at a subscription price of NOK 0.02 per share. Each share entitles the subscription of one new share, resulting in maximum 1,805,618,810 shares will be added after completion of the transaction.

  -The EGM also decided on a new share issue of a maximum of 902,809,405 new shares increasing the share capital with a maximum of SEK 45,140,470.25 directed to participants in the rights issue who have not been allocated all subscribed shares. The issue is conditioned by the rights issue of 1,805,618,810 new shares above being over-subscribed.

-IGE's Board of Directors has initiated a cost reduction programme aiming to reduce IGE's operational costs significantly. The Board has also initiated a review of the Company's business plan, adjusting operations towards early stage exploration, development and trading in commodity licenses. IGE will actively seek to divest or include investors in current diamond projects.

-The Board will also propose the upcoming Annual General Meeting (AGM) on June 9th 2011, to decide on the distribution of shares in Nickel Mountain Resources AB (NMR) to IGE's shareholders. The Board's proposal will include approximately 50 per cent of the NMR shares held by IGE Resources (i.e. approximately 13 million shares in NMR). The proposed distribution is conditional by the listing at the Toronto Stock Exchange (TSX) which is planned to take place during the spring of 2011.

-The Board also intends to propose a reverse split of the IGE share on the AGM. The conditions for the reverse split will be determined upcoming share issue with preferential rights which is planned to take place at the end of May 2011.

Definitions of key ratios

- Profit margin is calculated as profit after financial items as a percentage of income.
- The equity ratio is calculated as a percentage of total capital employed.
- The average number of shares is calculated as the beginning balance of the actual number of shares plus any new issues that are made during the year, adjusted by the number of days that such shares were in existence.
- The average number of shares is also adjusted for new issues at a discount, i.e., issued at a price that is lower than the market price in effect on the issue date. An adjustment factor is calculated, which increases the average number of shares during previous periods.

Assurance by the Board of Directors and CEO

The Board of Directors and CEO hereby declare that the consolidated accounts and the annual report have been prepared in accordance with International Financial Reporting Standards, (IFRS), such they have been adopted by EU, and generally accepted accounting principles in Sweden and give a true and fair view of the group's and the parent company's financial position and results. The administrative report gives a true and fair overview of the development of the company's operations, financial position and results, and describes the significant risks and factors of uncertainty facing the companies within the group.

Stockholm, 29th of April 2011

Timothy George Chairman	Olle Johansson Director	Anton Esterhuizen Director

Magne Aaby
Director

Thomas Carlsson
Acting Chief Executive Officer

Our auditor's report differs from the standard form and has been submitted on April 29th, 2011.

Ernst & Young AB

Per Hedström

Authorized Public Accountant

Auditors' report on pro forma financial information

To the Board of Directors in IGE Resources AB (publ)

Corp. reg. 556227-8043

We have examined the pro forma financial information presented in section 9 of the Prospectus of IGE Resources AB's (publ) dated May 13, 2011 (the prospectus).

The unaudited pro forma financial information has been prepared for illustrative purposes only to provide information about how the acquisition of all shares in Efidium Limited might have affected the audited condensed consolidated income statement for IGE Resources AB (publ) for the period 1 January – 31 December, 2010.

Responsibility of the Board of Directors and the Chief Executive Officer

It is the responsibility of the Board of Directors and the Chief Executive Officer to prepare the pro forma financial information in accordance with the requirements of the Prospectus Regulation 809/2004/EC.

The Auditor's responsibility

It is our responsibility to provide an opinion pursuant to Annex II Item 7 of the Prospectus Regulation 809/2004/EC, as to the proper compilation of the pro forma. We are not obligated to express any other opinion on the pro forma financial information or any parts thereof. We do not assume any responsibility for the financial information used in compilation of the pro forma financial information beyond that owed to those to whom any reports on that financial information were addressed by us at the date of their issue.

Work performed

We have conducted our work in accordance with Far's recommendation RevR 5 Examination of Prospectuses. Our work, which did not include an independent review of the underlying financial information, the adjustments to conform the accounting policies of Efidium Limited to the accounting policies of IGE Resources AB (publ) or the assumptions summarized in the accompanying notes - have mainly consisted of comparing the unadjusted financial information with the source documents as described in section 9, assessing the evidence supporting the pro forma adjustments and discussing the pro forma financial information with the management of the Company.

We have planned and performed our work in an effort to obtain the information and explanations that we believed necessary in order to achieve reasonable assurance that the pro forma financial information has been compiled in accordance with the basis stated in section 9 of the prospectus and that this basis complies with the accounting policies applied by IGE Resources AB (publ).

Opinion

In our opinion,

a) the unaudited pro forma financial information has been properly compiled on the basis stated in section 9 of the prospectus; and

b) that basis is consistent with the accounting policies of IGE Resources AB (publ).

Stockholm, May 13, 2011

Ernst & Young AB

Per Hedström

Authorized Public Accountant

Corporate Governance report

IGE is a Swedish limited company listed on the Oslo Stock Exchange. IGE's corporate governance is based on the Swedish Companies Act and the regulations of the Oslo Stock Exchange. The Corporate Governance Report has not been subjected to review by the company's Auditors. IGE has otherwise not deviated from the Code.

Governance of the IGE Group

Corporate Governance is designed to ensure that IGE is governed in line with the owners' interests. Increased transparency gives different groups of owners a good insight into the company's operations, thereby contributing to efficient governance. The shareholders exercise their right of decision at the Annual General Meeting (and at any Extraordinary General Meeting), which is the company's supreme decision-making body. The Board of Directors is appointed at the Annual General Meeting and the company's CEO is appointed by the Board of Directors. The company's accounting and the administration of the company by the Board of Directors and the CEO are reviewed by auditors appointed by the Annual General Meeting. The Chairman of the Board is also appointed as chairman in a nomination committee, which is authorised to appoint two additional members for the committee to be representatives of the two biggest shareholders. The Nomination Committee drafts proposals that are put to the Annual General Meeting with regard to elections of the Board of Directors and auditors.

Shareholders

IGE has a share capital of SEK 90,280,940 divided between 1,805,618,810 shares. There were a total of about 8,000 shareholders at the end of 2010. The individually largest owner at the turn of the year was Capital International Private. For further information on the shareholder structure within IGE, see note 25 of the Annual Report.

Annual General Meeting

The assignment of the Annual General Meeting include the election of Members of the Board and the Chairman of the Board, the adoption of the Income Statement and Balance Sheet, resolutions on allocation of the company's result and discharge from liability for the Members of the Board and the CEO of the company, the determination of fees payable to the auditors and the principles governing conditions of employment and remuneration for the CEO and senior executives and, where relevant, the adoption of Articles of Association, the election of auditors, and resolutions on matters relating to the Nomination Committee. The 2010 Annual General Meeting was held on 5th of May in Stockholm. 500,480,880 shares were represented at the Meeting by 7 shareholders, either in person or through their proxies. The shares represented comprised 39 per cent of the total number of shares in IGE. The Meeting resolved to re-elect Board Members John Afseth, Magne Aaby, Tim George, Rob Still and Anton Esterhuizen and to new elect Olle Johansson. John Afseth was re-elected as the Chairman of the Board.

The Meeting further resolved:

Discharge from liability: The Meeting discharged the members of the Board and the CEO from liability.

Fees: The fees to be paid to the Board of Directors were set by the Meeting at a total of SEK 2 million (preceding year: SEK 1.4 million), with SEK 500 thousand to the chairman and SEK 300 thousand to each of the other members of the Board. It was resolved that the fees to the auditors would be paid according to reasonable, and by the Company approved, invoices.

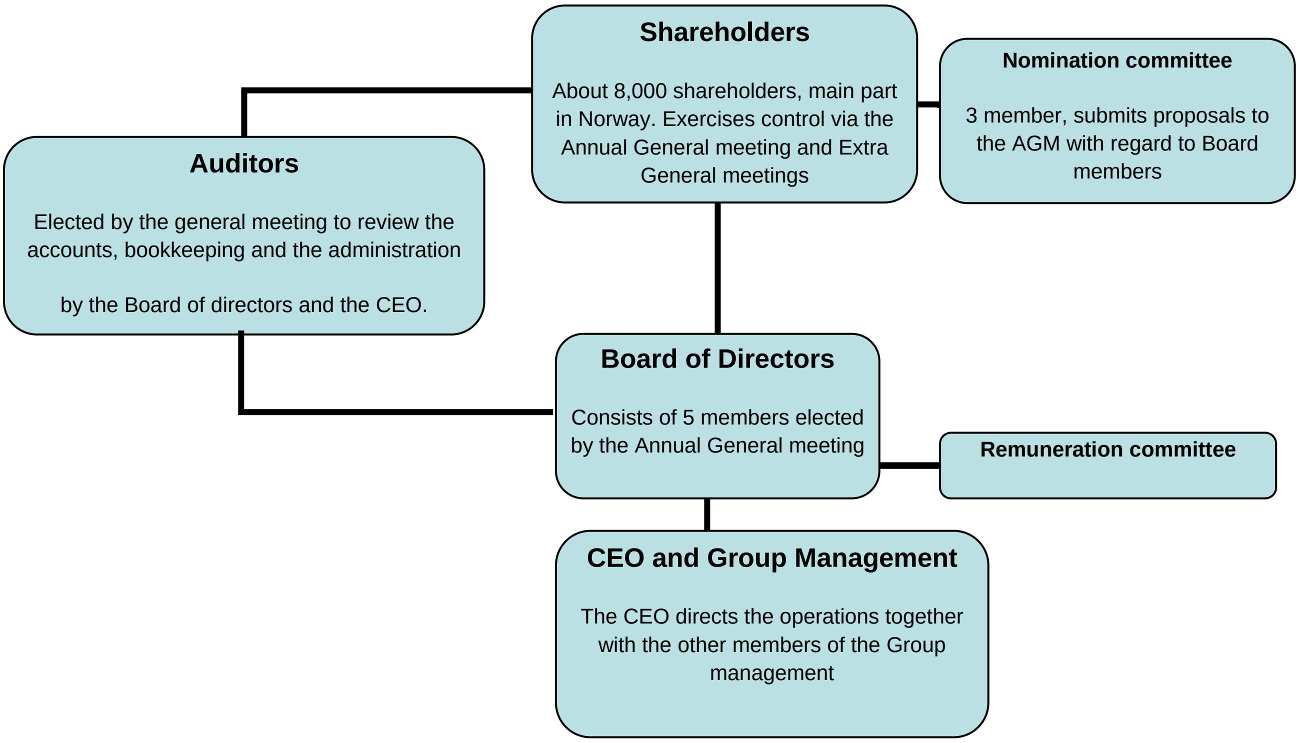
Nomination Committee: The Meeting resolved to establish a Nomination Committee for the next Annual General Meeting whereby the two largest shareholders in the Company as per September 30, 2010, will appoint one representative each who together with the Chairman of the Board shall comprise the Nomination Committee.

Guidelines for remuneration of the senior management: The Meeting approved the guidelines proposed by the Board regarding remuneration to the CEO and other leading officials in the senior management.

Conditional amendment of the Articles of Association: The Meeting decided, as proposed by the Board, to adjust the Articles of Association as regards notices of general meetings to new regulations expected to come into force before the AGM 2011. The adjustment is however conditioned by such legislation taking effect. According to the new rules, notice of general meeting can be advertised in Post och Inrikes Tidningar and on the Company's web site.

Authorization to decide on new issues: The Meeting resolved to authorize the Board for the period until the next Annual General Meeting, at one or more occasions, with or without preferential rights for the shareholders to decide on new issues of shares, convertibles and/or warrants encompassing a share capital increase of up to SEK 25,000,000 corresponding to up to 500,000,000 new shares.

IGE's corporate governance structure



Duties of the Nomination Committee

The Nomination Committee is tasked with drafting proposals for resolution by IGE's Annual General Meeting. The proposals relate to the election of Members of the Board, the Chairman of the Board and fees payable to the Board and its committees. The focus of the Nomination Committee's work is on ensuring that the company's Board of Directors comprises Members who, collectively, possess the knowledge and experience that corresponds to the requirements made of the company's most senior governing body by the shareholders. Information on the way in which shareholders can submit proposals to the Nomination Committee has been published on IGE's website. Full details of the Nomination Committee's proposals will be presented in the Notice convening the Annual General Meeting and in information provided on the company's website.

Name	Elected	Present	Committee work	Remuneration (SEK)	Independent of major shareholders
John Afseth	2009	17 of 17	Remuneration and nomination committee	500,000	Yes
Magne Aaby	2009	18 of 18	Nomination committee,	300,000	Yes
Tim George	2009	17 of 18	-	300,000	Yes
Rob Still	2010	13 of 13	-	300,000	Yes
Anton Esterhuizen	2010	13 of 14	-	300,000	Yes
Olle Johansson	2010	9 of 10	-	300,000	Yes

The Board of Directors

IGE's Board of Directors shall, under the provisions of the Articles of Association, comprise a minimum of three and a maximum of 6 Members, with no Deputy Members, elected by the Annual General Meeting.

The composition of the Board

The Board of Directors has comprised of 6 Members elected by the Annual General Meeting since the 2010 Annual General Meeting. The Board Meetings are attended both by the ordinary Members and by the CEO and CFO that attends the meetings on behalf of the Group management. Other members of the Group management and other executives also attend and present reports on individual issues as required. The Board Members elected by the Annual General Meeting are all to be regarded as independent in relation to major shareholders. The Members of the Board are presented on page X in this annual report and on IGE's website. For more detailed information on attendance at the Meetings and independence, see the table above.

The responsibilities of the Board of Directors and the Chairman

The Board of Directors is appointed by IGE's owners to bear the utmost responsibility for the organisation and management of the company's affairs. The Board adopts a Work Plan every year at the Board Meeting following the election, held after the Annual General Meeting. An Audit Committee has not yet been appointed, the board of directors intend to find a solution for an Audit Committee during 2011. The entire board intends to form the Audit Committee. The Chairman of the Board guides the work of the Board and monitors IGE's operations through an ongoing dialogue with the CEO. The Board receives information on IGE's economic and financial position through monthly updates and at Board Meetings. Prior to every Board Meeting, the Chairman and the CEO review the agenda to be discussed at the Meeting and the supporting documents for the Board's discussion of the issues is sent to the Members approximately one week before each Board Meeting (at lease one weekend is targeted to be in between the reception of the supporting documents and the actual meeting).

The Board of Directors' work in 2010

The Board of Directors held four ordinary Board Meetings in 2009. 13 extra Board Meetings was held due to extraordinary issues that occurred during the year which needed to be addressed by the Board. The agenda for the main part of the extra ordinary meetings that was held was mainly related to evaluation and discussion related to different financing alternatives for the operations going forward.

Evaluation of the Board's work

The Chairman ensures that the Board and its work are evaluated annually and that the results of the evaluation are conveyed to the Nomination Committee. The evaluation is carried out by the Board itself under the guidance of the Chairman. The 2010 evaluation was a self-evaluation during which the Members answered a number of questions in writing on a range of different subjects and discussions with the Chairman of the Board.

Remuneration Committee

The Remuneration Committee submits proposals for resolution by the Board regarding salaries and other terms of e employment for the CEO. The Committee also approves proposals regarding salaries and other terms of employment for the Group management, as proposed by the CEO. The Remuneration Committee works on the basis of a set of Instructions for the Remuneration Committee adopted every year by the Annual General meeting. The Remuneration Committee comprised John Afseth and Lars Olof Nilsson. Both of these directors have resigned during 2010 and no without any successors being appointed. The remuneration committee has, since their resignation, comprised the whole Board. A new remuneration committee will be appointed after the Annual General meeting of 2011.

Business management

Management by the Board goes through a chain of command from the CEO to the operating units. IGE has an organisation in which responsibilities and authority are delegated within clear frameworks.

These frameworks are defined by an annual budget which is broken down by unit, a strategic plan, and IGE's steering documents.

The CEO and the Group's management

IGE's Group management comprises the CEO, the MD's of the Group's two Business Areas, Nickel and Diamonds and the CFO of the Group. The Group management prepares proposals regarding strategic plans, business plans and budgets, which are submitted to the Board for approval. The CEO leads the work of the Group management, which holds regular meetings to review operations.

Auditors

The accounting firm of Ernst & Young AB was elected at the 2009 Annual General Meeting to serve as the company's auditors until the conclusion of the 2013 Annual General Meeting. Authorised Public Accountant Per Hedström is the senior auditor. Per Hedström's audit engagements, in addition to IGE, include AllTele Svenska Telefonaktiebolaget, Kopylovskoye and Shelton Petrolium AB. Remuneration is paid to the company's auditors in accordance with invoices received as agreed. See note 8 for information on remuneration disbursed in 2010.

Control environment

The control environment within IGE is characterised by the fact that the Group has relatively few but operating units that have carried out their operations for many years, using well-established processes and control activities. A structure of steering documents in the form of binding policies and guidelines for the organisation's delegated responsibilities has been established to ensure a collective attitude and methodology within the Group.

Control activities

Various types of control activities are carried out within the Group and within every different aspect of the accounting and reporting process on an ongoing basis. The control activities are carried out in order to manage known risks and to detect and rectify any errors and discrepancies in the financial reporting. With regard to the financial control within the IGE Group, almost the entire cash balance within the Group is held on accounts owned by the Parent Company of the Group, IGE Resources AB in Stockholm. The subsidiaries submit cash requirements on a two weeks or monthly basis which is reviewed by the management in the Parent company and discussed with the MD for each subsidiary respectively. If a cash request for a period deviates from the current budgets the request it is reviewed, discussed and explained before it is approved by the CEO (if the deviation is below SEK 500 thousand) or the Board (if the deviation exceeds SEK 500 thousand).

Information and communication

External information is provided and communication conducted in accordance with the Oslo Stock Exchange regulations. All information must be communicated in a discerning, open and transparent manner.

Follow-ups

Systems, processes and controls within the Group are followed up, improved and developed continuously. Areas where scope for improvement is identified in conjunction with audits are documented, analysed and executed.

Board of Directors

Timothy George

Interim Chairman and member of the board

Director since 2009

Born 1965

George has extensive experience of diamond production and of the industry in general from his former employment as CEO and Chairman of the Board of Xceldiam Limited, with operations in Angola and South Africa. Timothy was responsible for the startup- and investments decision which among others, resulted in the listing of the Company on Alternative Investment Market (AIM) in London in 2005. His experience also includes the execution of the sale of Xceldiam's assets to Petra Diamonds in 2007. George has worked as Special Projects Officer within Anglo American and De Beers Corporations, as Divisional Metallurgist within diamond services division at Anglo American Corporations and with business development of Grinaker LTA Limiteds concessions, mining and infrastructure.

Other board positions include iPower Renewable Energy Systems (Pty) Limited, 3 Laws CapitalSouth Africa (Pty) Limited and Oubokskraal Ltd.

George has a degree within B. Eng. (Honours) Mineral Engineering (class II) from University of Leeds, England. Timothy George is an English citizen (residence in RSA).

Shareholdings in IGE: 0

Warrants/call options in IGE: 0

Olle Johansson

Member of the Board

Director since 2010

Born 1958

Olle Johansson has 25 years of mining industry experience, in the marketing and trading of metals. He is co-founder of Rockstream Capital LLP, a Money Management company with an investment focus in metals. Prior to this, he held a number of executive positions in Falconbridge Limited responsible for global marketing and sales of nickel, copper and PGMs; corporate strategic trading; and commodity risk management. Between 1991-99 Olle Johansson worked as President of Falconbridge Europe SA, Brussels, the marketing and sales subsidiary of Falconbridge Ltd. In 1999, he moved to Toronto to assume the position of Director of Commodity Risk Management, responsible for the development of sustainable strategies and policies regarding the corporate hedging and trading activities. Between 2002 and 2004 he was Vice President of Marketing & Sales, Falconbridge Ltd, responsible for global marketing and sales, distribution and market research. In 2004, he moved back to Brussels and worked as Vice President of corporate trading, accountable for the development and implementation of the strategies for all of the corporate metal trading activities. In 2007, he left Falconbridge (Xstrata Nickel) and became a partner of Rockstream Capital LLP. Between 1984 and 1991 Olle Johansson worked for Boliden AB, managing the corporate (Trelleborg AB) price exposure regarding metals by recommending and implementing strategic metals trading on the London Metal Exchange in close liaison with the senior management. Olle Johansson is a Swedish citizen.

Shareholdings in IGE: 1,000,000

Warrants in IGE: 0

Magne Aaby

Member of the board

Director since 2009

Born 1948

Aaby's educational background is in marketing. He has developed and owned companies within business development, marketing and design in Norway and Sweden. He has professional experience from the press and public relations sector and as marketing director within manufacturing and commercial trade. Aaby currently works as an investor and consultant. He has followed the mining sector for several years and has been a shareholder in IGE for the last five years. He is a board member of Mace Invest AS, Mace Consult AS, Colosseum Eiendom ANS and Inventarum AS. Magne Aaby is a Norwegian citizen.

Shareholdings in IGE: 1,500,000

Warrants/call options in IGE: 0

Anton Esterhuizen

Member of the board

Director since 2010

Born 1951

BSc (Hons) Geol, MSc (Mineral Exploration), FGSSA

Anton is an experienced geologist with more than 30 years exploration experience. Among his career highlights, he is credited with the discovery and evaluation of the Xstrata Group's high-grade Rhovan vanadium deposit, the Taaiboschspruit colliery and contributed to the re-evaluation of the large Burnstone gold deposit, all in South Africa. In Tanzania, he was responsible for the discovery of a number of Barrick's gold deposits and his activities attracted major players into that country.

Anton was responsible for the discovery of five titanium-zircon sand deposits including the Corridor Sands deposit in Mozambique and the Kwale deposit in Kenya. He is based in Johannesburg and has managed the exploration activities of Pangea DiamondFields PLC throughout Africa. Anton is a director of Tanzanian Royalty Exploration Corporation (TSE) and of NWT Uranium Corporation (TSE). He was the first recipient of the Des Pretorius Memorial Award for outstanding work in economic geology in Africa and received the Dreyer Award from the Society for Mining and Metallurgy and Exploration Inc (USA) for outstanding achievements in applied economic geology. Anton Esterhuizen is a South African citizen.

Shareholdings in IGE: 0

Warrants/call options in IGE: 0

Management

Thomas Carlsson

Acting Chief executive officer (CEO) and Chief Financial Officer (CFO)

Since 2006

Born 1974

Carlsson has previous to his position with IGE worked as manager within ISS Facility Services, Fischer Partners FK AB (Corporate Finance) and Nordea. Carlsson has thorough experience from working with corporate finance were he handled public offerings, private placements and company listings, as well as controlling, auditing and financial reports for listed companies. Carlsson holds a Master's Degree in Finance from Stockholm University. Thomas Carlsson is a Swedish citizen.

Shareholdings in IGE: 430,000

Warrants in IGE: 3,000,000

Other personnel in the parent company

Valeria Gomez

Economy and Administration

Born: 1976

Shareholdings in the company: 0

Options in IGE: 0

Nickel Mountain Resources AB

Fredric Bratt

CEO Nickel Mountain Resources AB

Since 2007

Born 1966

Bratt has more than 15 years of international and commercial experience from the mining and metals industry (mainly nickel, copper, cobalt, lead, zinc, precious and platinum group metals). Fredric worked over eight years for Falconbridge International in Brussels, initially as Manager Raw Materials and later as Director Raw Materials, where he was responsible for acquiring nickel, copper, cobalt and PGM bearing raw materials for the smelter in Sudbury, Canada and the Falconbridge Nikkelverk A/S refinery in Kristiansand, Norway. He was previously employed by Boliden over five years as General Manager for the joint Boliden, Trelleborg and Falconbridge office in Moscow. He has held directorships on the board of Falconbridge International Limited, Barbados (1998-2006) and Falconbridge East Limited, Cyprus (1998-2006). Fredric Bratt is a Swedish citizen.

Shareholdings in IGE: 100,000

IGE Diamond

Boris Kamstra

Managing Director IGE Diamond AB

Since 2010

Born: 1963

Mr Kamstra is a Professional Engineer with many years of project and financial experience. Over the last four years he has been establishing and managing diamond projects over most of Africa. In some instances this has required pioneering new logistical routes to gain access for the heavy equipment required. He qualified cum laude from the University of Cape Town with a Civil Engineering degree in 1989. He then commenced his career at Grinaker Concrete Construction becoming a director of that company in 1999. During his tenure there he completed a number of large infrastructure projects throughout Africa including a few South African firsts. After which he completed an MBA at University of Witwatersrand. He has undertaken projects for the Landbank of South Africa, the National Union of Mineworkers and a number of private companies primarily in the role of Managing Director or CEO tasked with returning companies to profitability or assisting with the establishment of new ventures. Prior to IGE Diamond he was the CEO of Pangea DiamondFields PLC, which he successfully merged with IGE Resources in March 2010. Boris Kamstra is a South African citizen.

Shareholdings in IGE: 0

Warrants/call options in IGE: 0

IGE Africa

Cedric Simonet

Contracted Manager for Region Africa

Since 2007

Born 1973

Simonet is a Doctor in Geology and a trained Lean 6 Sigma Black Belt. He is European Geologist number 739. He has been working in geology and management in the mineral industry for the last 10 years. His professional experience encompasses a variety of minerals including gemstones, gold, fluorspar and bauxite. At Rockland Kenya Ltd, Simonet was general manager of the John Saul Ruby Mine. He worked several years with Alcan as mine manager and senior geologist of SOGEREM's fluorspar mines in France, and as Black Belt at the Gardanne alumina refinery in France. Cedric Simonet is a French citizen (residens in Nairobi, Kenya).

Shareholdings in IGE: 0

Warrants/call options in IGE: 0

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