



Fourth Quarter 2011 Report

IGE Resources AB

Fourth quarter highlights

- **Rönnebäcken NPV above 1 billion USD**
 - *Magnetite by-product;*
-adds US\$729 M in pre-tax NPV (8%)
-reduces operating cost estimate by 36 per cent to US\$3.55/lb (US\$7,826/tonne) of nickel
 - *Resource increased and upgraded; 97 per cent of resource now measured and indicated (668 Mt)*
 - *PFS preparations continues*
- **IGE's Bakerville diamond mine starts production**
 - *Mine and plant commissioned, production started at Year End*
 - *Upper layers of pothole material processed during the initial phase have proved to be diamondiferous*
 - *Reduced cost base with closure of Jo'burg office*
- **Refinancing and restructuring plan moves forward**

Key figures

SEK million	Q4 2011	2011	Q4 2010	2010
Sales	-	5.8	4.3	20.9
Other income	-	-	0.1	0.2
Total revenues	-	5.8	4.4	21.1
EBITDA	-8.6	-62.5	-87.9	-150.0
Impairment losses and depreciation	-0.3	-168.9	-356.6	-401.8
Net result attributable to shareholders of parent company	-8.5	-181.2	-369.5	-465.6
Investments in period	2.1	21.6	17.7	630.0
Cash at end of period	11.0	11.0	40.2	40.2
Interest bearing long term debt at end of period	6.3	6.3	5.3	5.3

Results

The fourth quarter was marked by continued minimal development of the Rönnebäcken Nickel Project and the commissioning of the Bakerville Alluvial Diamond mine in combination with additional cost reduction measures.

The negative cash flow has been significantly reduced throughout the group; compared to the fourth quarter last year, the negative cash flow was reduced almost 90 per cent last quarter.

IGE Resources had no sales during the fourth quarter of 2011. Sales in the same quarter last year amounted to SEK 4.3, entirely attributable to diamond sales from the Cassanguidi, Angola mine

EBITDA for the fourth quarter amounted to SEK -8.6 million, compared to SEK -87.9 million for the same period in 2010.

Operating expenses in the fourth quarter were reduced from SEK 92.3 million in the fourth quarter of last year to SEK 8.6 million for 2011, a reduction of more than 90 per cent. A large part of the cost reductions were related to overheads and organization and have been executed during the fourth quarter. The main part of the benefits are shown in the results for Q4 2011, the full effect will appear during end of Q1 2012.

For the full year, accumulated sales were SEK 6.0 million, against SEK 16.7 million last year. EBITDA for the full year was -62.5 million against SEK -150.0 million last year.

Cash flow during the fourth quarter amounted to SEK -7.1 million (SEK 57.5 in the fourth quarter last year).

Cash and cash equivalents at the end of the fourth quarter was SEK 11.0 million.

A reverse split of IGE's outstanding shares as conducted in December, following an EGM resolution in November. The new number of outstanding shares in the Company amounts to 51.9 million.

The EGM also mandated the Board of Directors to issue 150 million new IGE shares in a contemplated equity offering directed towards existing shareholders. The new equity will provide financing of the Rönnebäcken Prefeasibility Study (PFS).

IGE Resources' total assets per the 31st of December 2011 amounted to SEK 345.7 million, compared to SEK 478.9 million at the end of 2010.

Net investments during the fourth quarter amounted to SEK 2.1 million (SEK 17.7 million in fourth quarter last year). The investments made during the fourth quarter and the entire 2011 were mainly related to the advancement of the Rönnebäcken nickel project.

Operations; nickel

The completion of an updated Preliminary Economic Assessment established significant value growth for the Rönnebäcken Nickel project. The updated Preliminary Economic Assessment incorporated the production of high-grade magnetite iron concentrate by-product from nickel flotation tailings. In addition, an increase in tonnage and the upgrade of the Sundsberget resource to an Indicated category placed the majority of the Rönnebäcken project's resources in the Measured and Indicated category.

Following a review of available geological data from the Rönnebäcken Nickel Project, SRK Consulting (Sweden) AB of Skellefteå, Sweden (SRK) updated the Mineral Resource Statement of the project's deposits in October 2011. The Mineral Resource of the Sundsberget deposit was upgraded from the Inferred to the Indicated category. In addition, the resource estimate for the Sundsberget deposit was increased by 111 million tonnes (Mt) to 296.9 Mt with an average total nickel content of 0.170% of which 0.088% is nickel in sulphide (Ni-AC). The ensuing Mineral

Resource for the Project as a whole included a total of Measured and Indicated Mineral Resources of 573.9 Mt with an average total nickel content of 0.174% of which 0.097% is nickel in sulphide (Ni-AC) and 5.66% iron (Fe); and Inferred Mineral Resources of 93.2 Mt with an average total nickel content of 0.177% of which 0.103% is nickel in sulphide (Ni-AC) and 5.55% Fe. With the Sundsberget resource upgrade, Measured and Indicated resources accounted for 86% of the resource estimate for the Project.

Nickel Mountain Resources engaged SRK to update the economic analysis presented in the Preliminary Economic Assessment (PEA) dated April 2011 to include production of a magnetite concentrate along with the updated Minerals Resources Statement.

Metallurgical test-work by Outotec in collaboration with the Geological Survey of Finland achieved a magnetite concentrate grade of 66.4% iron with a recovery of 90%. The test-work aimed at the recovery of magnetite from the Rönnebäcken nickel flotation tailings, was performed on tailings samples from mini-pilot plant test-work in March 2010, and demonstrated that a high grade concentrate can be produced using low intensity magnetic separation and concentrate regrinding.

In the Preliminary Economic Assessment (PEA) dated December 2011, SRK confirmed the positive economics of recovering a magnetite concentrate from the tailings of nickel sulphide concentrate production. Approximately 1.6 million tonnes per annum of magnetite iron concentrate are planned to be produced for the life-of mine (LOM). The impact of the magnetite iron concentrate by-product revenues, is to reduce the Project's C1 cash cost from US\$5.55/lb (US\$12,236/tonne) to US\$3.55/lb (US\$7,826/tonne) of payable nickel net of by-product credits (mainly from the magnetite iron concentrate and cobalt).

Pre-tax NPV ranges from US\$1,045 million to US\$2,301 million between nickel prices of US\$9.00/lb (US\$19,800/tonne) to US\$12.00/lb (US\$26,500/tonne), generating an Internal Rate of Return (IRR) and cash flow ranges from 19.9% to 31.6% and from US\$3,467 million to US\$6,264 million, respectively.

The estimated start-up capital cost for the Project is US\$1,260 million, including working capital, of which \$87 million is for the magnetite concentrate circuit.

The updated Preliminary Economic Assessment has been posted on Nickel Mountain Resources' website (www.nickelmountain.se). Further test-work is planned during the Prefeasibility Study (PFS) to optimize the process flow sheet, to improve the metallurgical performance, and to further reduce the net operating costs. Specific areas requiring further study with regard to the magnetite concentrate include dewatering; optimization of the particle size (currently less than 20 micron) from a handling and transportation point of view; and further reduction of impurities, in particular chrome which will be evaluated as to the potential for producing a chrome by-product. The need for a pelletizing facility will be part of the evaluation and could further add to operating and capital expenditures. Further market research is also planned to be undertaken.

Nickel Mountain Resources submitted to the Mining Inspectorate of Sweden its application for Exploitation Concession for the Sundsberget deposit at the Rönnebäcken Nickel Project. The application for Exploitation Concession for the Sundsberget deposit, named Rönnebäcken K nr 3, including Environmental Impact Assessment was submitted on December 23, 2011; the application review process is estimated to take four to nine months. An Exploitation Concession is granted if there is a probability for economic exploitation of the deposit and if the site is considered appropriate from an environmental point of view, and it grants the right to carry out mineral exploitation for a 25 year period. In June 2010, the Swedish Chief Mining Inspector granted Exploitation Concessions Rönnebäcken K nr 1 and K nr 2, covering the Vinberget and Rönnebäcknåset deposits.

Events after the reporting period:

A further update of the resource estimate incorporated results from drilling of the down dip extension of the Rönnebäcknåset deposit, raising the amount of resources in the Measured and Indicated categories to 97%.

In the Preliminary Economic Assessment produced in April 2010, SRK Consulting (Sweden) AB (SRK) noted that the Rönnebäcknåset deposit was open down dip of existing drill data. Pit optimization studies undertaken by SRK, at the time, identified the potential to add to resources from this direction. The Company therefore drilled six drill holes according to a plan recommended by SRK, five of which were drilled on the down

dip extension of the Rönnebäcknåset South mineralisation. This extension drilling was completed in March 2011. Assaying of these results was carried out in the latter part of 2011. Positive results from the five down dip drill holes confirmed the continuation of the mineralization in the down dip extension which remains open at depth

Based on these assay results, SRK prepared a Mineral Resource Statement which resulted in a conversion of 86.5 Mt from the Inferred to the Indicated category. Further, an additional 8 Mt of Indicated plus 12 Mt of Inferred were defined at Rönnebäcknåset as a result of this drilling campaign. The entire Mineral Resource for the Project as a whole now includes a total of 668.3 Mt in the Measured and Indicated categories, with an average total nickel content of 0.176% of which 0.099% is nickel in sulphide (Ni-AC); and Inferred Mineral Resources of 19.0 Mt with an average total nickel content of 0.172% of which 0.104% is nickel in sulphide (Ni-AC).

The entire Mineral Resource for the Project as a whole now includes a total of 668.3 Mt in the Measured and Indicated categories containing 1,174,000 tonnes of total nickel, of which 657,000 tonnes of nickel is in sulphide (Ni-AC), and account for 97% of Mineral Resources. This is an important milestone for the Company which plans to convert these Mineral Resources to Reserves, as part of the forthcoming Prefeasibility Study (PFS).

At the beginning of February, Nickel Mountain Resources sold its remaining interest in the Solvik Gold Project to Agnico-Eagle Sweden AB for a cash payment of USD 300,000.

Operations; Diamonds

In line with IGE's cost cutting programme the IGE Diamond's office in Johannesburg was closed down at the end of the quarter. The remaining members of IGE's diamond team will from January 2012 contribute on a consultancy basis as and when required.

South Africa

At the Bakerville diamond mine in South Africa the mining contractor, Frontier Mining Projects, progressed satisfactorily with start-up preparations following the agreement signed in Q3 2011. During plant equipment trials in November, recovery tailings from the surface deposits bulk sampling conducted in 2008/9 were re-processed.

Commissioning of the initial plant was completed ahead of schedule in December. The 120 tons per hour processing capacity now installed at Bakerville is primarily focussed on processing material from the potholes (vertical geological structures) found on the Bakerville license through scrubbing, pre-concentration pans, dense medium separation (DMS) and X-ray sorting.

During late December, 32.5 carats valued at an average of \$355/carats were recovered from the upper layers of the initial pothole target ahead of the Christmas operational shutdown. This included an attractive gemstone quality diamond of 4.4 carats valued at \$1,700/carats. The upper 3 meter layers mined thus far and excavations to date indicate the pothole extends further than previously established by the drilling program. Initial activity has been focussed on the early months of production in 2012

In the next phase, further processing plants totalling 250,000 tons per month in capacity will be erected to treat surface deposits at an expected grade of three carats per hundred tons with one plant remaining dedicated to pothole processing (which have a potential for significantly higher grades) based on results from the first phase. with full capacity expected in April 2013 At this treatment rate, revenue projections from the surface deposits alone stand at USD 3.75 million per month at a current average diamond price of USD 500 per carat.

No significant work or activity was undertaken on the Harts River project.

An option for IGE to purchase the 19 per cent shareholdings in Bakerville and Harts River, bringing IGE's ownership in these two projects to 74 per cent, has been extended until end of September 2012. The option enables IGE to buy these Bakerville and Harts Rivers shares for a total consideration of USD 2.5 million.

DRC

Both the Longatshimo and Tshikapa concessions have continued on care and maintenance during the quarter, pending availability of development capital.

A sale agreement for the Longatshimo project to Jindal DRC, a subsidiary of Indian multinational conglomerate Jindal Steel and Power Ltd, was signed in August 2011. In accordance with the agreement, all on-site

equipment was inspected and re-enabled and the cession of control of the project negotiated with the local partners. Jindal DRC fulfilled the first part of the contract by initially paying a non refundable deposit of USD 100 thousand. After failing to perform in accordance with the remaining payment schedule stipulated in the contract, Jindal was served with notice of breach of contract at the end of Q4.

Events after the reporting period:

At Bakerville, excavation and processing of an additional pothole has also yielded diamondiferous material in the upper layers. Both potholes are now at a depth of approximately 10m (of the 45m depths indicated by drill holes) but are still in the upper layers which contain significant dilution by sand and clay lenses within the ore body. As a consequence, grades have fluctuated significantly during January.

Production for the month ending 31st January 2012:

- Tonnes treated: 25,048
- Carats recovered: 169.22
- Average Grade: 0.68cpht
- Largest stone size: 6.17 carats
- Average stone size: 0.29 carats
- Total diamonds: 584

No Bakerville diamond parcels have been sold pending processing of sufficient material to establish representative grades and optimise diamond valuations.

Jindal DRC failed to remedy the default situation under the agreement for the sale of the Longatshimo project and IGE has terminated the purchase agreement. IGE will now resume discussions with alternative parties who have expressed interest in the project area alongside Tshikapa which have undergone an extensive bulk sampling exercises to verify indicated and inferred resources of over 3.5m carats on each project.

Operations: gold

In 2011, IGE Kenya Ltd focused on realizing value from its Kenyan portfolio without investing further in the country.

- Special License 91 - IGE accepted the sum of US\$ 800,000 as final settlement of the sale of the Kilimapesa project to Goldplat Plc. Steps were taken to transfer

the part of Special License 91 covering the project to Kilimapesa Gold (Pty) Ltd.

- Special License 209 - IGE Kenya Ltd entered into a Joint Venture agreement with Pinsapo Group SA to develop the license. The final shareholder's and joint venture agreement was signed on November 22nd 2011 and endorsed by the Commissioner of Mines and Geology on December 23rd 2011. Under the agreement, which has an earn-in structure, Pinsapo Group will invest US\$ 2 Million in exploration, will commission a feasibility study, and undertake the construction of a mine. This will be done without any cash contribution from IGE. IGE Kenya Ltd will remain with a 10% interest at commencement of production. Field work started on the Atieli block of the License with an Ionic Leach soil sampling program aimed at precisely delineating drilling targets.
- Special License 221 (Turkana) - a sale of the License was completed in January 2011, for a cash sum of US\$ 100,000, and the transfer of the license was initiated. IGE remains with no further interest in this project.

Financial position

Cash and cash equivalents at the end of 2011 amounted to SEK 11.0 million, compared to SEK 40.2 million at the end of 2010. Total equity amounted to SEK 265.4 million (SEK 395.4 million 31st of December 2010) at the end of the reporting period, representing an equity ratio of 77 per cent (73 per cent at the end of previous year).

The shares of IGE Resources AB (publ.) are listed on the Oslo Stock Exchange, ticker symbol IGE.

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

Stockholm, 16th of February 2012



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

The Company's interest bearing long term debt is limited to SEK 6.3 million at end of the reporting period, of which SEK 5 million is a convertible loan granted by Norrlandsfonden for the development of Rönnbäcken (interest bearing long term was SEK 5.3 million at the end of 2010).

Group outlook

The situation of the Group has continued to improve during the latest quarter. The reduction of the negative cash flow has continued during the latest quarter and management feels that the financial situation of the Group is under control.

The main priorities for IGE are now to secure adequate financing for the completion of the Rönnbäcken Prefeasibility Study. Based on the recent improvements in the project's value, IGE feels confident that the funding of the completion of the PFS will be solved in a beneficial way for the shareholders. The financing of the Rönnbäcken PFS will be announced as soon as the Board has made a decision.

Parent Company

The Parent Company's business activity is to manage the Group's operations. The result before tax during the fourth quarter of 2011 amounted to SEK -3.7 million (-491.4). Cash and cash equivalents amounted to SEK 9.3 million (32.4). Investments in the Parent Company during the reporting period amounted to SEK 0 million (0).

Consolidated Statement of income

(TSEK)	Note	Q4 2011	Q4 2010	2011	2010
Revenue from sales	6	-	4,229	5,848	20,909
Other operating income		-	143	-	143
Work performed by the entity and capitalized		273	4,850	629	18,331
Other external expenses		-4,416	-16,194	-43,176	-61,644
Personnel expenses		-4,339	-20,304	-25,559	-61,841
Results from equity accounted participations	7	-107	-15,564	-273	-15,887
Other operating expenses	8	-	-45,075	-	-49,998
Operating result before depreciation and impairment losses		-8,589	-87,915	-62,531	-149,987
Depreciation/amortization and impairment loss on property, plant and equipment, intangible assets	3	-306	-356,567	-168,850	-401,753
Financial revenue	5	100	159	900	3,255
Financial expenses	5	80	-755	-5,094	-4,741
Total financial items		180	-596	-4,194	-1,486
Result before tax		-8,715	-445,078	-235,575	-553,226
Income tax	9	0	75,594	49,631	75,896
Result for the period		-8,715	-369,484	-185,944	-477,330
Result for the period attributable to:					
Equity holders of the Parent Company		-8,487	-357,719	-181,197	-465,565
Non controlling interest		-228	-11,765	-4,747	-11,765
Result for the period		-8,715	-369,484	-185,944	-477,330
Result per share before and after dilution		-0.003	-0.27	-0.06	-0.35

Statement of comprehensive income

TSEK	Q4 2011	Q4 2010	2011	2010
Result for the period	-8,715	-369,484	-185,944	-477,330
<i>Other comprehensive income</i>				
Exchange differences during the period	5,874	18,729	10,315	-9,060
Total other comprehensive income	-2,841	-350,755	-175,629	-486,390
<i>Total comprehensive income for the period attributable to:</i>				
Equity holders of the Parent Company	-2,613	-338,990	-170,882	-474,625
Non controlling interest	-228	-11,765	-4,747	-11,765

Consolidated Statement of financial position

(TSEK)	Note	31/12/2011	31/12/2010
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Mineral interests		326,991	399,317
<i>Tangible fixed assets</i>			
Plant and machinery		1,335	22,369
Mine and other development assets		-	55,218
<i>Long-term financial assets</i>			
Participation in equity accounted companies		1,433	1,840
Long-term receivables		31	112
Total fixed assets		329,790	478,856
Current Assets			
Inventory		-	1,437
Other receivables		4,433	20,318
Prepaid expenses		452	564
Cash and cash equivalents		10,977	40,157
Total current assets		15,862	62,476
TOTAL ASSETS		345,652	541,332
EQUITY	11, 16, 17, 18		
<i>Equity attributable to equity holders of the parent company</i>			
Share capital		12,982	90,281
Other paid in capital		1,107,044	984,120
Reserves		9,574	-741
Retained earnings and profit for the period		-848,462	-666,480
		281,138	407,180
Non controlling interest		-15,727	-11,765
Total equity		265,411	395,415
Liabilities			
Deferred tax liabilities	9	63,119	112,750
Other provisions	10	2,996	1,884
<i>Long term liabilities</i>			
Convertible loan	12	5,000	5,000
Interest bearing loans and borrowings		-	284
Other long term liabilities		1,276	-
Total long term liabilities		72,391	119,918
<i>Current liabilities</i>			
Accounts payable		3,984	7,537
Interest bearing loans and borrowings		-	5,672
Other liabilities		352	3,643
Accrued expenses and prepaid income		3,514	9,147
Total current liabilities		7,850	25,999
TOTAL EQUITY AND LIABILITIES		345,652	541,332
<i>Pledged assets</i>	17	8,431	97,357

Consolidated Statement of changes in equity

(TSEK)	Equity related to the shareholders of the parent company						
	Share capital	Other paid in capital	Exchange differences	Retained earnings and profit for the year	Total	Non controlling interest	Total Equity
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
<i>Other comprehensive income:</i>							
Exchange differences			-9,059		-9,059		-9,059
Transactions with shareholders:							
Costs 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
Balance at 1 January 2011	90,281	984,120	-741	-666,480	407,180	-11,765	395,415
Net result for the period				-181,708	-181,708	-4,236	-185,944
Bonus issue	46,736	-46,736			0		0
Reduction of share capital without redemption of shares	-241,467	241,467			0		0
<i>Other comprehensive income:</i>							
Exchange differences			10,315		10,315		10,315
Transactions with shareholders:							
Correction of non controlling interest				-274	-274	274	0
Costs referable to fundraising		-9,498			-9,498		-9,498
New share issue	55,123				55,123		55,123
Reallocation of equity from share premium reserve to share capital	62,309	-62,309			0		0
Closing balance at 31 December 2011	12,982	1,107,044	9,574	-848,462	281,138	-15,727	265,411

A reversed split was executed on the 8th of December 2011 (1:80), 80 old shares gave right to one new share. The total number of outstanding shares amounts to 51,928,350 as per December 31st 2011.

Consolidated Statement of cash flow

(TSEK)	Jan-Dec 2011	Jan-Dec 2010
Cash flow from operations		
Result after financial items	-235,575	-553,226
Adjustments for non cash items*	191,106	467,406
Income tax paid	-	-
Total cash flow from operations before change in working capital	-44,469	-85,820
Change in working capital		
Increase/decrease in inventories	1,375	718
Increase/decrease receivables	11,448	-4,274
Increase/decrease in short term liabilities	-17,914	7,862
Total cash flow from operations	-49,560	-81,514
Cash flow used for investments		
Acquisition of subsidiary, net of cash acquired	-	1,922
Sale of associated company	500	-
Purchase of intangible assets	-21,580	-59,250
Sale of intangible assets	500	2,076
Purchase of tangible assets	-	-2,146
Sale of tangible assets	-	36
Acquisition of shares in associated companies	-	-51
Total cash flow used for investments	-20,580	-57,414
Financial activities		
New share issue net of transaction costs	45,625	139,428
Convertible loan	-	5,000
Raised credits	1,276	-
Amortization of debt	-5,956	-6,109
Total cash flow from financial activities	40,945	138,318
Change in cash and bank	-29,195	-609
Cash and bank at 1 January	40,157	40,807
Currency exchange difference	15	-41
Cash and bank at the end of reporting period	10,977	40,157
*Adjustments for non cash items		
Depreciations and impairment losses on intangible assets	148,565	335,311
Depreciations and impairment losses of tangible assets	20,327	66,207
Exchange loss	16,805	-
Capital gain	-366	-
Writedown of long term financial asset	4,433	-
Other operating expenses	-	50,000
Share of loss on equity accounted companies	231	15,888
Liability increase due to discounting of value of other provisions	1,112	-
Total	191,106	467,406

Income statement Parent company

(TSEK)	Note	Q4 2011	Q4 2010	2011	2010
Other operating income		-	-	-	-
Other external expenses		-2,937	-6,494	-15,879	-13,137
Personnel expenses		-827	-3,509	-6,527	-8,575
Depreciation/amortization tangible assets	3	-8	-17	-38	-63
Operating result		-3,772	-10,020	-22,444	-21,775
<i>Result from financial items</i>					
Result from participations in group companies		-	-481,333	-104,000	-481,336
Financial revenue		90	218	470	2,136
Financial expenses		-4	-234	-1,047	-2,493
Total financial items		86	-481,349	-104,577	-481,693
Result before tax		-3,686	-491,369	-127,021	-503,468
Income tax	9	0	0	0	0
Result for the period		-3,686	-491,369	-127,021	-503,468

Statement of comprehensive income

TSEK	Q4 2011	Q4 2010	2,011	2,010
Result for the period	-3,686	-491,369	-127,021	-503,468
Other comprehensive income	-	-	-	-
Total other comprehensive income	-3,686	-491,369	-127,021	-503,468

Balance sheet Parent company

(TSEK)	Note	31/12/2011	31/12/2010
ASSETS			
Tangible fixed assets			
Plant and machinery		10	48
<i>Long-term financial assets</i>			
Shares in subsidiaries		102,635	100,635
Receivables from subsidiaries		241,357	299,997
Total fixed assets		344,002	400,680
Current Assets			
Other receivables		149	10,505
Prepaid expenses		203	297
Cash and cash equivalents		9,315	32,362
Total current assets		9,667	43,164
TOTAL ASSETS		353,669	443,844
SHAREHOLDERS EQUITY	11, 16, 17, 18		
<i>Restricted equity</i>			
Share capital		12,982	90,281
Statutory reserve		243,767	111,345
<i>Total restricted equity</i>		<i>256,749</i>	<i>201,626</i>
<i>Non restricted equity</i>			
Share premium reserve		839,412	848,910
Retained earnings		-622,515	-119,047
Result for the period		-127,021	-503,468
<i>Total non restricted equity</i>		<i>89,876</i>	<i>226,395</i>
Total shareholders equity		346,625	428,021
Long term liabilities			
Convertible loan	12	5,000	5,000
Total long term liabilities		5,000	5,000
Current liabilities			
Accounts payable		100	1,633
Interest bearing loans and borrowings		47	5,672
Other liabilities		-	446
Accrued expenses		1,897	3,072
Total current liabilities		2,044	10,823
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES		353,669	443,844

Changes in equity Parent Company

(TSEK)	Restricted Equity		Non restricted Equity		
	Share capital	Statutory reserve	Share premium reserves	Retained earnings and result for the year	Total Equity
2010					
Balance at 1 January 2010	39,785	111,345	315,831	-119,047	347,914
Result for the period				-503,468	-503,468
Transactions with shareholders:					
Costs referable to fundraising					-7,678
Acquisition of subsidiary	50,496		540,757		591,253
Closing balance at 31 December 2010	90,281	111,345	848,910	-622,515	428,021
Balance at 1 January 2011	90,281	111,345	848,910	-622,515	428,021
Result for the year				-127,021	-127,021
Bonus issue	46,736	-46,736			0
Reduction of share capital without redemption of shares	-241,467	241,467			0
Transactions with shareholders:					
Costs referable to fundraising			-9,498		-9,498
New share issue	55,123				55,123
Reallocation of equity from share premium reserve to share capital	62,309	-62,309			0
Closing balance at 31 December 2011	12,982	243,767	839,412	-749,536	346,625

Key ratios and share data

		2011	2010	2009	2008	2007
Number of outstanding shares at beginning of reporting period	Number	1,805,618,810	795,709,953	418,161,828	341,000,000	341,000,000
New share issue	Number	2,348,649,150	1,009,908,857	377,548,125	77,161,828	-
Number of outstanding shares at the end of reporting period*	Number	51,928,350	1,805,618,810	795,709,953	418,161,828	341,000,000
Average number of shares	Number	2,930,566,085	1,346,291,141	538,509,297	364,988,889	341,000,000
Operating result	TSEK	-62,531	-149,987	-39,190	-92,573	-55,730
Result after tax	TSEK	-185,944	-477,330	-44,858	-98,311	-58,986
Operating result per share	SEK	-0.02	-0.11	-0.07	-0.25	-0.16
Result after financial items per share	SEK	-0.08	-0.41	-0.08	-0.27	-0.17
Result per share after tax	SEK	-0.06	-0.35	-0.08	-0.27	-0.18
Shareholders equity per share before dilution*	SEK	5.11	0.22	0.37	0.56	0.72
Dividend	TSEK	-	-	-	-	-
Price per share at the end of reporting period	SEK	1.66*	0.23	0.58	0.65	2.34

* A reversed split of 1:80 was executed on the 7th of December 2011

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

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

Further information regarding key ratio definitions can be obtained from the annual report for the financial year 2010.

Total number of shares amounts to 51,928,350 as per December 31st 2011.

Notes to the financial report

1. Accounting principles

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

The Interim report does not contain all the information and disclosures available in the annual report and the interim report should be read together with the annual report for 2010.

2. Risks and Uncertainties

The operations of IGE involve certain significant risks, including but not limited to credit risk, foreign exchange risk, and political risk. For a complete discussion of the aforementioned risks, refer to the Company's

2010 annual report, available on the IGE website, www.ige.se. The management of IGE does not consider that any additional risk has become current since the expiration of the previous year of operation.

3. Depreciations and impairments

IGE decided during second quarter 2011 to put further financing of the alluvial diamond project, Cassanguidi, in Angola on hold. Insufficient financing for major equipment replacement caused persistent operational interruptions, having significant adverse effect on revenue generation from the Cassanguidi project. The main part of the impairment losses reported in the income statement of the IGE Group during 2011 is related to the withdrawal of the Cassanguidi project in Angola.

4. Financial items

Financial revenue (TSEK)	Group	
	31/12/2011	31/12/2010
Interests	269	84
Exchange gains	631	3,171
Total financial revenue	900	3,255
Financial expenses (TSEK)	31/12/2011	31/12/2010
Interest	-52	-1,773
Exchange losses	-5,042	-2,968
Total financial expenses	-5,094	-4,741

5. Segment reporting

(TSEK)	Jan - Dec 2011				
	Gold	Diamonds	Nickel	Other	Total
Revenue from sales	-	5,848	-	-	5,848
Operating result before depreciation and impairment losses	-304	-26,547	-13,258	-22,422	-62,531
Depreciation of mineral interests	-	-165,267	-	-	-165,267
Depreciation according to plan	-	-3,382	-163	-38	-3,583
Result before tax	-301	-198,600	-13,637	-23,037	-235,575
Fixed assets	-	239,909	89,881	-	329,790
Current assets	1,498	4,245	453	9,666	15,862
Long term liabilities	-	1,276	5,000	-	6,276
Short term liabilities	-	1,430	4,375	2,045	7,850
Investments (gross amounts)	-	6,828	14,752	-	21,580

(TSEK)	Jan - Dec 2010				
	Gold	Diamonds	Nickel	Other	Total
Other revenues	-	20,909	-	-	20,909
Operating result before depreciation and impairment losses	-11,685	-388,146	-	-1,225	-401,056
Depreciation of mineral interests	-199	-435	-	-63	-697
Depreciation according to plan	-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

6. Revenue from sales

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

7. Result from participations in group companies

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

8. Other operating expenses

Other operating expenses are referable to a capital loss from sales of exploration permits in Nickel Mountain Resources AB (former IGE Nordic AB)

9. Tax

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

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

10. Provisions

Other Provisions are related to an estimated cost of mine site restoration and accrued costs related to the MRG option. If MRG decides to exercise the option, a provision of SEK 1.02 million will be deducted from the price they are paying for the shares. If they waive their right to exercise the option, the above provision will be set to zero and removed from the balance sheet of Nickel Mountain Resources.

11. Share warrants – incentive programs

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

12. Convertible loan to Norrlandsfonden

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

- The maturity date of the convertible loan was set to August 31, 2018.
- The loan runs with an annual interest rate of STIBOR 90 (Stockholm Interbank Offering Rate) plus an interest surcharge of 4% to be paid quarterly.
- In case of conversion, the conversion rate per share will be SEK 56.
- IGE has got the right to repay the loan in cash in advance at any time during the duration of the loan. IGE will then be forced to pay a compensation for the lost interest to Norrlandsfonden of 15% (on an annual basis) on the loan amount during the period that it has been utilised by IGE.

If fully converted the convertible loan will result in an additional 89,286 shares will be issued (a dilution of about 0.2%).

13. Other long term liabilities

Other long term liabilities are referable to outstanding accounts with the statutory Black Economic Empowerment partner for Bakerville, Tranter. Tranter initially owed IGE about SEK 8 million. At present SEK 1.3 of this amount has been paid. The amount reported in the Balance Sheet of IGE has been entered as duty of care. If the BEE partner fails to fulfil its obligations according to the contract, and thereby fails to pay the remaining SEK 6.7 million, IGE could end up in a situation where Tranter claim their first part payment refunded.

14. Related party transactions

- Tim George has invoiced IGE SEK 651 thousands during 2011 for services related to management assistance and market communication. Tim is the Chairman of the Board of IGE.
- Nickel Mountain Resources AB has since 1st of October 2011, engaged ECPS to assist the Board and Management on strategy and business development. ECPS is a related party

by way of its owner Paul Sagberg. Paul is a member of the Board of Nickel Mountain Resources AB since July 2011. ECPS has invoiced IGE SEK 227 thousands during 2011.

- Nickel Mountain Resources AB has, since 1st of October 2011, engaged Intellectuals AS as a strategic advisor to be involved and assist in the planned fundraising during Q4 2011/Q1 2012. Intellectuals AS is a related party by way of its owner Magnus B Lindseth. Magnus is a member of the Board of IGE Resources AB since July 2011. As consideration for the Consultancy. Intellectuals AS has invoiced IGE SEK 211 thousands during 2011.
- Mace Consulting has invoiced IGE SEK 258 thousands during 2011 for services related to management assistance and market communication. Mace Consulting is a related party on behalf of its Managing Director, Magne Aaby who is a member of the board in IGE.

15. Correction of errors in accounting

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

16. New share issue

A share issue in the form of a rights issue directed towards existing shareholders in combination with an oversubscription part was carried out during second quarter of 2011. The share issue provided the Company with SEK 55.1 gross of

transaction costs. 2,348,649,150 new shares were subscribed for and issued at a price of NOK 0.02 per share.

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

17. Reversed split

The Extra General Meeting held on the 22nd of November decided to do a reverse split of the company's shares at a ratio of 1:80. The first day of trading with the new number of shares was the 8th of December 2011. As a result of the reversed split the number of shares was reduced from 4,154,267,960 to 51,928,350.

18. Reduction of share capital without redemption of shares

The November EGM also resolved to reduce the company share capital with SEK 241,466,827.50 by allocation to a non-restricted reserve to be used in accordance with the shareholders' decision. The reduction of the share capital was made without redemption of shares by changing the share quota value from SEK 4.9 to SEK 0.25 per share. After the share capital reduction, the share capital amounts to SEK 12,982,087.50 distributed on 51,928,350 shares with a quota value of SEK 0.25 per share.

The decision was taken to increase the flexibility between non-restricted and restricted capital in the company.

Upcoming reports:

- Q1 2012: 3 May 2012
- Q2 and 6 months interim report 2012: 23 August 2012
- Q3 and 9 months interim report 2012: 15 November 2012
- Q4 and Year End report 2012: 21 February 2013

19. Pledged assets

Nickel Mountain Resources AB entered into an agreement with Mitchell River Group Pty Ltd. ("MRG") of Australia to form a strategic partnership with MRG of Australia. Pursuant to the MRG Agreement, MRG agreed to provide experienced personnel, systems and technical resources for the development of the Rönnebäcken Nickel Project for a term of 18 months, commencing June 2010. MRG will absorb the majority of its own costs, thereby accepting project risk and having an incentive to build value in the project. As a result of the agreement, MRG was entitled to accrue costs incurred during the term of the MRG Agreement and offset such costs against the cash payment. Such costs not paid by NMR would accrue as a loan to the Company to a maximum amount of USD 500,000 and would either be offset against the cash payment to exercise the option or be repaid by NMR.

To secure this loan, NMR agreed to grant MRG a fixed and floating charge of 10% over the mineral licences related to Rönnebäcken held by its subsidiary Nickel Mountain AB. This agreement has not yet resulted in a formal pledge. The agreement was re-negotiated during second quarter 2011. Prior to this re-negotiation, MRG held a 100% pledge over all the assets of Nickel Mountain Resources AB: This is the explanation to the substantially higher amount reported as pledged assets during the comparative periods stated in this report.

As a part of the above agreement, MRG has secured an option with a 24 month duration, which vested on the 2nd of December 2011, for 10 per cent of the Rönnebäcken project in exchange for a USD 3 million cash payment.

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