
First Quarter 2012 Report
IGE Resources AB

First quarter highlights

- *PFS study for Rönnbäcken underway*
  - *PFS fully financed*
  - *97 per cent of resource now measured and indicated (668 Mt)*
- *Current Bakerville Diamond production unable to support operating costs*
- *NOK 97 million raised in equity issue*
  - *Waterton new main shareholder (approx 30 per cent)*
  - *Expected to influence IGE's strategic development after AGM*

Key figures

SEK million	***Q1 2012***	***Q1 2011***	***2011***
Sales	0.0	4.9	5.8
Other operating income	2.1	-	-
Total revenues	2.1	4.9	5.8
EBITDA	-4.5	-24.3	-62.5
Impairment losses and depreciation	-1.4	-144.9	-168.9
Net result attributable to shareholders of parent company	-5.6	-119.2	-181.2
Investments in period	0.3	10.2	21.6
Cash at end of period	8.3	7.4	11.0
Interest bearing long term debt at end of period	5.0	5.3	6.3

Results

In term of operations, the first quarter of 2012 was marked by continued low cost development of the Rönnbäcken Nickel Project, along with preparational activities for the project's Prefeasibility Study (PFS).

The Company's main focus in the quarter has been to conclude the NOK 97 million equity issue carried out in March. Through the transaction, Canada based commodity specialist fund Waterton Global Value L.P became IGE's main shareholder with close to 30 per cent of the shares.

IGE's negative cash flow has been significantly reduced. Compared to last year's fourth quarter, the negative cash flow was further reduced by almost 90 per cent, after significant improvements also the previous quarters.

The Group sold its remaining interest in the Solvik gold exploration project during the quarter for SEK 2.1 million.

EBITDA for the first quarter amounted to SEK -4.5 million, compared to SEK -24.3 million for the same period in 2011.

Operating expenses in the first quarter were reduced from SEK 29.5 million in the first quarter last year to SEK 6.5 million in this year's first quarter, a reduction of almost 80 per cent. Reduced overhead costs implemented throughout 2011 were the main element behind the massive cost reduction.

Cash flow during the fourth quarter amounted to SEK -2.7 million (SEK -32.4 during the same period last year).

Cash and cash equivalents at the end of the first quarter was SEK 8.3 million.

IGE Resources' total assets at the end of March 2012 amounted to SEK 339.5 million, compared to SEK 365.6 million at the end of first quarter 2011.

Net investments during the first quarter amounted to SEK 0.3 million (SEK 10.2 million in first quarter last year). The investments made during the first were mainly related to the advancement of the Rönnbäcken nickel project.

Operations; nickel

A significant upgrade of the Rönnbäcken Mineral Resources was realized through the incorporation of results from drilling of the down dip extension at the Rönnbäcknäset deposit.

In the Preliminary Economic Assessment produced in April 2010, SRK Consulting (Sweden) AB (SRK) noted that the Rönnbäcknäset 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 Rönnbäcknäset 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 Rönnbäcknäset 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).

For the Project as a whole, 97% of Mineral Resources now lie in the Measured and Indicated categories and contain 1,174,000 tonnes of total nickel, of which 657,000 tonnes of nickel is in sulphide (Ni-AC). 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).

Planning commenced on the prefeasibility study (PFS) for the Rönnbäcken Nickel Project. Management of Nickel Mountain have begun scheduling the activities to be undertaken for completing the PFS.
The PFS will be structured in a phased approach with several milestones for confirming the progress of project development. The PFS is normally one of the most value-adding phases in the development of a mine project; the major drivers of value are determined and optimized in this stage, as well further de-risking of the project occurs. Through mitigation of the risk factors facing the project, and confirmation of the economic assumptions which are the basis for determining the project’s value, the inherent value of the Project is captured.

With completion of the PFS, Nickel Mountain will have a more defined and substantiated asset which is 100% owned; potentially adding to the value of the project. The PFS is an important stage in project development leading to the establishment of an operating mine; the value of the project is expected to increase as the project progresses forwards towards commercialization.

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 SEK 2.1 million.

Operations; diamonds

South Africa

At the Bakerville diamond mine, excavation and processing of the two potholes continued to yield diamondiferous material in layers down to 11m. However, grade fluctuation between the various types of pothole material and small diamond sizes recovered prompted the contractor, Frontier Mining to thoroughly consider incurring further expenditure, pending recovered diamond valuation to establish the ongoing viability against operational overheads.

The diamonds recovered from December 2011 to February 2012 were consolidated into one parcel of 350 carats, which was sold on tender in March 2012. Although individual stones fetched good prices, an average price of USD 120/ct was achieved which was well below the expected average value of USD 350/ct. No proceeds from the diamond sale were realized by IGE, as they were exceeded by Frontier's operational costs.

The average stone size recovered by Frontier Mining (0.27 ct) was almost 34 per cent smaller than the stone size recovered by Pangea Diamond Fields (PDF) (0.41 ct) during previous bulk sampling operations. The absence of the larger stone sizes in the current production is the main reason for the lower average price per carat realised in the sale.

The combination of grade and price has caused Frontier to reduce their current pothole operations at Bakerville, as they are unable to support ongoing operational losses. IGE is currently in discussions with Frontier as to whether the contract should be terminated or a further stage of bulk sampling be undertaken to try to achieve improved economics pending investigation into alternative areas on the property.

It is IGE's opinion that Frontier has not processed sufficient material at depth in the potholes to conclude their overall non-viability. Frontier contends that continuing to mine the potholes at the current loss rate presents too high a risk of expenses not being recovered versus the potential reward once grades improve at depth.

Frontier undertook periodic sampling during the quarter to verify previous results on the surface deposits assessed by the previous bulk sampling under PDF. Grades and diamond quality were below expectation from this exercise, although the material volumes processed are not considered to be a representative sample.

By way of comparison, the PDF sampling exercise recovered 5,431 stones yielding 2,226 cts, whereas Frontier recovered 1,192 stones yielding 327.15 cts. The largest stone recovered by PDF was 18.85 ct whereas Frontier's largest stone recovered was 6.18 cts.

Production at Bakerville for the quarter is summarised as follows:

	Jan	*Feb*	*Total*
Tonnes treated	25,048	15,686	40,734
Carats recovered	169.2	78.6	247.8
Average grade	0.68	0.5	0.61
Largest stone size	6.18	2.91	6.18
Average stone size	0.29	0.25	0.27
Total diamonds	584	318	902

The establishment of the current equipment processing capacity at Bakerville represents a significant investment by Frontier and it is in the interests of both parties to find a solution allowing ongoing use of the plant, rather than remove it and further delaying operations in the mine. Alternative areas for the operations and investment options by other parties are being evaluated by Frontier and IGE. A decision in this regard will be taken in the second quarter.

Various audit exercises were undertaken to evaluate Frontier's plant performance. No indications of irregularities have been found.

At this point, IGE does not expect to achieve the previously anticipated revenue projections for Bakerville. However, the Company has not incurred any losses as a consequence of Frontier’s operations in the mine.

No further exploration work has been undertaken at the Harts River project. Discussions with several interested parties remain ongoing.

The Democratic Republic of Congo
In the DRC, discussions with interested parties have not yet yielded a satisfactory partner to proceed to production on either of the assets in Tshikapa or Longatshimo, which continued on care and maintenance.

It is worth noting that few formal alluvial diamond operations currently are underway in the DRC, compared to the past few years. Most of the licenses previously held by junior mining companies have been relinquished or abandoned due to the lack of capital available for development beyond exploration. Consequently, there are multiple opportunities available to new entrants and this limits securing partners with favorable terms to IGE to those seeking existing infrastructure as well as probable reserves.

Discussions have been held at the end of the quarter with the local partner at Tshikapa to investigate the opportunity for a river diversion to recover diamonds from a known pothole which has been the subject of artisanal diving and dredging operations and yielded reasonable quantities of diamonds. IGE's contribution to this exercise would be in the form of equipment currently located at the Longatshimo concession. A decision on this is expected in May once the feasibility has been concluded.

Financial position

Cash and cash equivalents at the end of first quarter 2012 amounted to SEK 8.3 million, compared to SEK 7.4 million at the end of first quarter 2011. Total equity amounted to SEK 259.2 million (SEK 274.6 million on the 31st of March 2011) at the end of the reporting period, representing an equity ratio of 76 per cent (75 per cent at the end of first quarter the previous year).

A 100 per cent guaranteed rights issue of 129,820,875 new shares was concluded on the 30th of March 2012. The gross proceeds from the rights issue amounted to about SEK 113 million in new equity. The share issue was registered after the expiration of the reporting period and resulted in a total number of outstanding shares amounting to 181,749,225.

The Company's interest bearing long term debt is limited to SEK 5 million at end of the reporting period, which is referable to a SEK 5 million convertible loan granted by Norrlandsfonden for the development of Rönnbäcken (interest bearing long term was SEK 5.2 million at the end of first quarter 2011).

Group outlook

The Group's financial position, cost structure and flexibility have continued to improve during the latest quarter. The target communicated a year ago of reducing the cash out flow to a level below SEK 1 million per month has been achieved. The Group now maintains control of its operating costs.

The limited cost base, in combination with the recently concluded equity issue providing gross proceeds of SEK 113 has placed the Group in a more financially stable position than ever before.

IGE's main priority in the recent months, secure adequate financing for the completion of the Rönnbäcken Prefeasibility Study, is successfully accomplished and the PFS work has now commenced. The process will be incremental and the management will together with the Board consider every PFS initiative carefully in order to maximise the outcome of the study, de-risk the project and further improve project economics.

The securing of funds to finance the PFS enables the Group to implement its long-term growth plan and eliminate short-term cash challenges. With a new strategic and financially strong major shareholder, the Group has secured the basis for its growth strategy and focus on creating shareholder value."

Waterton Global Value is advised by Waterton Global Resource Management, a Toronto-based family office focused on resource investments. Waterton Global invests in resource companies with strong management teams, and high-quality assets in safe and stable jurisdictions in the mining, precious and base metals, and bulk commodities industries. Waterton Global leverages its experience as a leader in resource investing in Canada, one of the largest mining nations in the world. Waterton Global's position in Canada and extensive network in key geographic regions around the world enables IGE to execute effectively across the globe.

Parent Company

The Parent Company's business activity is to manage the Group's operations. The result before tax during the first quarter of 2012 amounted to SEK -1.7 million (-118.3). Cash and cash equivalents amounted to SEK 7.0 million (2.9). Investments in the Parent Company during the reporting period amounted to SEK 0 million (0).

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

Stockholm, 3rd of May 2012

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

Consolidated Statement of income

(TSEK)	Note	Q1 2012	Q1 2011	2011
Revenue from sales	6	-	4,944	5,849
Other operating income	7	2,072	-	-
Work performed by the entity and capitalized		-	188	629
Other external expenses		-1,682	-17,415	-43,176
Personnel expenses		-2,484	-11,971	-25,559
Results from equity accounted participations	8	-76	-67	-273
Other operating expenses	9	-2,283	-	-
Operating result before depreciation and impairment losses		**-4,453**	**-24,321**	**-62,531**
Depreciation/amortization and impairment loss on property, plant and equipment, intangible assets	3	-1,396	-144,923	-168,850
Financial revenue	4	83	514	900
Financial expenses	4	-22	-914	-5,094
Total financial items		61	-400	-4,194
Result before tax		**-5,788**	**-169,644**	**-235,57**
Income tax	9	0	49,630	49,630
Result for the period		**-5,788**	**-120,014**	**-185,944**
Result for the period attributable to:				
Equity holders of the Parent Company		-5,595	-119,242	-181,197
Non controlling interest		-193	-772	-4,747
Result for the period		**-5,788**	**-120,014**	**-185,944**
Result per share before and after dilution		-0.11	-0.07	-0.06
Average number of shares (Millions)		52	1,806	2,868

Statement of comprehensive income

TSEK	Q1 2012	Q1 2011	2011
Result for the period	-5,788	-120,014	-185,944
Other comprehensive income			
Exchange differences during the period	47	-754	11,069
Total other comprehensive income	-5,741	-120,768	-174,875
Total comprehensive income for the period attributable to:			
Equity holders of the Parent Company	-5,549	-119,996	-170,128
Non controlling interest	-192	-772	-4,747

Consolidated Statement of financial position

(TSEK)	Note	31/03/2012	31/03/2011	31/12/2011
ASSETS				
Fixed assets				
Intangible fixed assets				
Mineral interests		325,146	264,313	326,991
Tangible fixed assets				
Plant and machinery		1,078	20,453	1,335
Mine and other development assets		-	55,048	-
Long-term financial assets				
Participation in equity accounted companies		1,357	1,273	1,433
Long-term receivables		31	112	31
Total fixed assets		**327,612**	**341,199**	**329,790**
Current Assets				
Inventory		-	1,342	-
Other receivables		2,952	14,964	4,433
Prepaid expenses		620	666	452
Cash and cash equivalents		8,272	7,407	10,977
Total current assets		**11,844**	**24,379**	**15,862**
TOTAL ASSETS		**339,456**	**365,578**	**345,652**
EQUITY	15			
Equity attributable to equity holders of the parent company				
Share capital		12,982	90,281	12,982
Other paid in capital		1,106,534	984,120	1,107,044
Reserves		9,621	-1,495	9,574
Retained earnings and profit for the period		-854,057	-785,722	-848,462
		275,080	*287,184*	*281,138*
Non controlling interest		-15,920	-12,537	-15,727
Total equity		**259,160**	**274,647**	**265,411**
Liabilities				
Deferred tax liabilities	11	63,119	63,119	63,119
Other provisions	11	2,996	1,978	2,996
Long term liabilities				
Convertible loan	12	5,000	5,000	5,000
Interest bearing loans and borrowings		-	212	-
Other long term liabilities	13	1,312	-	1,276
Total long term liabilities		**72,427**	**70,309**	**72,391**
Current liabilities				
Accounts payable		4,324	7,605	3,984
Interest bearing loans and borrowings		-	2,640	-
Other liabilities		337	185	352
Accrued expenses and prepaid income		3,208	10,192	3,514
Total current liabilities		**7,869**	**20,622**	**7,850**
TOTAL EQUITY AND LIABILITIES		**339,456**	**365,578**	**345,652**

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 2011	90,281	984,120	-741	-666,480	407,180	-11,765	395,415
Net result for the period				-119,242	-119,242	-772	-120,014
Closing balance at 31 March 2011	**90,281**	**984,120**	**-1,495**	**-785,722**	**287,184**	**-12,537**	**274,647**
Balance at 1 April 2011	90,281	984,120	-1,495	-785,722	287,184	-12,537	274,647
Net result for the period				-62,466	-62,466	-3,464	-65,930
Bonus issue	46,736	-46,736			0		0
Reduction of share capital without redemption of shares	-241,467	241,467			0		0
Other comprehensive income:							
Exchange differences			11,069		11,069		11,069
Transactions with shareholders:							
Change of accounting principle, 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	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**
Balance at 1 January 2012	12,982	1,107,044	9,574	-848,462	281,138	-15,727	265,411
Net result for the period				-5,595	-5,595	-193	-5,788
Transfer of paid premium related to warrants		-510			-510		-510
Other comprehensive income:							
Exchange differences			47				47
Closing balance at 31 March 2012	**12,982**	**1,106,534**	**9,621**	**-854,057**	**275,080**	**-15,920**	**259,160**

A reversed split was of 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 March 31st 2012.

Consolidated Statement of cash flow

(TSEK)	Jan-March 2012	Jan-March 2011	Jan-Dec 2011
Cash flow from operations			
Result after financial items	-5,787	-169,644	-235,575
Adjustments for non cash items*	1,814	149,517	191,106
Income tax paid	-	-	-
Total cash flow from operations before change in working capital	**-3,973**	**-20,127**	**-44,469**
Change in working capital			
Increase/decrease in inventories	-	-	1,375
Increase/decrease receivables	-38	237	11,448
Increase/decrease in short term liabilities	18	-279	-17,914
Total cash flow from operations	**-3,994**	**-20,169**	**-49,560**
Cash flow used for investments			
Sale of associated company	-	500	500
Purchase of intangible assets	-273	-7,428	-21,580
Sale of intangible assets	2,072	500	500
Purchase of tangible assets	-	-2,741	-
Total cash flow used for investments	**1,799**	**-9,169**	**-20,580**
Financial activities			
New share issue net of transaction costs	-	-	45,625
Transfer of paid premium related to warrants issue by the company	-510	-	-
Raised credits	-	-	1,276
Amortization of debt	-	-3,103	-5,956
Total cash flow from financial activities	**-510**	**-3,103**	**40,945**
Change in cash and bank	-2,704	-32,441	-29,195
Cash and bank at 1 January	10,977	40,157	40,157
Currency exchange difference	0	-309	15
Cash and bank at the end of reporting period	**8,272**	**7,407**	**10,977**
***Adjustments for non cash items**			
Depreciations and impairment losses on intangible assets	*1,351*	*141,594*	*148,565*
Depreciations and impairment losses of tangible assets	*45*	*3,371*	*20,327*
Exchange loss	*131*	*-*	*16,805*
Capital gain	*-*	*-*	*-366*
Loss on sale of exploration permit	*212*	*-*	*-*
Write-down of long term financial asset	*-*	*4,433*	*4,433*
Share of loss on equity accounted companies	*76*	*25*	*231*
Liability increase due to discounting of value of other provisions	*-*	*94*	*1,112*
Total	***1,814***	***149,517***	***191,106***

Income statement Parent company

(TSEK)	Note	Q1 2012	Q1 2011	2011
Other operating income		-	-	-
Other external expenses		-503	-9,312	-15,879
Personnel expenses		-1,161	-4,306	-6,527
Depreciation/amortization tangible assets	3	-8	-14	-38
Operating result		**-1,672**	**-13,632**	**-22,444**
Result from financial items				
Result from participations in group companies		-	-104,000	-104,000
Financial revenue		4	74	470
Financial expenses		-22	-715	-1,047
Total financial items		**-18**	**-104,641**	**-104,577**
Result before tax		**-1,690**	**-118,273**	**-127,021**
Income tax	10	0	0	0
Result for the period		**-1,690**	**-118,273**	**-127,021**

Statement of comprehensive income

TSEK	Q1 2012	Q1 2011	2011
Result for the period	-1,690	-118,273	-127,021
Other comprehensive income	-	-	-
Total other comprehensive income	-1,690	-118,273	-127,021

Balance sheet Parent company

(TSEK)	Note	31/03/2012	31/03/2011	31/12/2011
ASSETS				
Tangible fixed assets				
Plant and machinery		3	34	10
Long-term financial assets				
Shares in subsidiaries		102,635	100,635	102,635
Receivables from subsidiaries		241,637	214,567	241,357
Total fixed assets		**344,275**	**315,236**	**344,002**
Current Assets				
Other receivables		139	5,485	149
Prepaid expenses		318	409	203
Cash and cash equivalents		6,972	2,914	9,315
Total current assets		**7,429**	**8,808**	**9,667**
TOTAL ASSETS		**351,704**	**324,044**	**353,669**
SHAREHOLDERS EQUITY	15			
Restricted equity				
Share capital		12,982	90,281	12,982
Statutory reserve		243,767	111,345	243,767
Total restricted equity		*256,749*	*201,626*	*256,749*
Non restricted equity				
Share premium reserve		838,902	848,910	839,412
Retained earnings		-749,536	-622,515	-622,515
Result for the period		-1,690	-118,273	-127,021
Total non restricted equity		*87,676*	*108,122*	*89,876*
Total shareholder's equity		**344,425**	**309,748**	**346,625**
Long term liabilities				
Convertible loan	12	5,000	5,000	5,000
Total long term liabilities		**5,000**	**5,000**	**5,000**
Current liabilities				
Accounts payable		536	1,217	100
Interest bearing loans and borrowings		-	2,640	47
Other liabilities		44	111	-
Accrued expenses		1,699	5,328	1,897
Total current liabilities		**2,279**	**9,296**	**2,044**
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES		**351,704**	**324,044**	**353,669**

Changes in equity Parent Company

(TSEK)	Restricted Equity		Non restricted Equity			
2011	Share capital	Statutory reserve	Share premium reserves	Retained earnings	Result for the year	Total Equity
Balance at 1 January 2011	90,281	111,345	848,910	-119,047	-503,468	428,021
Result for the period					-118,273	-118,273
Closing balance at 31 March 2011	**90,281**	**111,345**	**848,910**	**-119,047**	**-621,741**	**309,748**
Balance at 1 April 2011	90,281	111,345	848,910	-119,047	-621,741	309,748
Transfer of prior year's net result				-503,468	503,468	0
Result for the period					-8,748	-8,748
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**	**-622,515**	**-127,021**	**346,625**
Balance at 1 January 2012	12,982	243,767	839,412	-622,515	-127,021	346,625
Transfer of prior year's net result				-127,021	127,021	0
Result for the period					-1,690	-1,690
Transferl of paid premium relted to warrants issue by the company			-510			-510
Closing balance at 31 March 2012	**12,982**	**243,767**	**838,902**	**-749,536**	**-1,690**	**344,425**

Key ratios and share data

		31/03/2012	31/03/2011	2011	2010	2009
Number of outstanding shares at beginning of reporting period	Number	51,928,350	1,805,618,810	1,805,618,810	795,709,953	418,161,828
New share issue	Number	-	-	2,348,649,150	1,009,908,857	377,548,125
Number of outstanding shares at the end of reporting period*	Number	51,928,350	1,805,618,810	51,928,350	1,805,618,810	795,709,953
Average number of shares	Number	51,928,350	1,805,618,810	2,930,566,085	1,346,291,141	538,509,297
Operating result	TSEK	-4,453	-24,321	-62,531	-149,987	-39,190
Result after tax	TSEK	-5,788	-120,014	-185,944	-477,330	-44,858
Operating result per share	SEK	-0.09	-0.01	-0.02	-0.11	-0.07
Result after financial items per share	SEK	-0.11	-0.07	-0.08	-0.41	-0.08
Result per share after tax	SEK	-0.11	-0.07	-0.06	-0.35	-0.08
Shareholder’s equity per share before dilution*	SEK	4.99	0.15	21.57	0.22	0.37
Dividend	TSEK	-	-	-	-	-
Price per share at the end of reporting period	SEK	0.95	0.05	1.66*	0.23	0.58

* 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 during the reporting period 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 2011.

Total number of shares amounts to 51,928,350 as per March 31st 2012.

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 2011.

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 2011 annual report is 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

Impairments during the quarter are related to a claim on a drilling contractor assigned for a drilling programme in Kenya that never was delivered. After a litigation process the contractor has now been declared in bankruptcy resulting in a need of an impairment of IGE's claim.

Impairments during the comparative periods are mainly related to the Group's withdrawal from the Angolan diamond projects.

4. Financial items

Financial revenue		Group	
(TSEK)	31/03/2012	31/03/2011	31/12/2011
Interest	-	67	269
Exchange gains	83	447	631
Total financial revenue	**83**	**514**	**900**

Financial expenses (TSEK)	31/03/2012	31/03/2011	31/12/2011
Interest	-	-164	-52
Exchange losses	-22	-750	-5,042
Total financial expenses	**-22**	**-914**	**-5,094**

5. Segment reporting

(TSEK)	Gold	Diamonds	Nickel	Other	Total
			Jan - March 2012		
Other income	2,072	-	-	-	**2,072**
Operating result before depreciation and impairment losses	-213	-761	-1,852	-1,627	**-4,453**
Depreciation of mineral interests	-1,352	-	-	-	**-1,352**
Depreciation according to plan	-	-	-37	-7	**-44**
Result before tax	-1,565	-761	-1,771	-1,691	**-5,788**
Fixed assets	-	239,862	85,600	2,150	**327,612**
Current assets	146	3,723	546	7,429	**11,844**
Long term liabilities	-	1,312	5,000	-	**6,312**
Short term liabilities	-	1,018	4,570	2,281	**7,869**
Investments (gross amounts)	-	-	273	-	**273**

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

6. Revenue from sales

Revenue from sales during 2011 is related to sales of rough diamonds recovered from IGE projects.

7. Other operating income

Other operating income is attributable to a sale of the Group's remaining interest in the Solvik gold exploration project.

8. Results from equity accounted participations

Result from participations in group companies during the period is attributable to the Group's interest in Nordic Iron Ore and Tasman Metals.

9. 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)

10. 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 reversals of the deferred tax reported in the comparative periods are a result of the impairment of the Cassanguidi project that has been made historically.

11. Provisions

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

Other provisions
Other Provisions are related to an estimated cost of mine site restoration in Angola 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 to be paid 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.

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% based on 51,928,350 shares outstanding).

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

- 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 278.2 thousands during the first quarter 2012.
- 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 who is a member of the Board of IGE Resources. As consideration for the consultancy. Intellectuals AS has invoiced IGE SEK 210.9 thousands during the first quarter 2012.
- Mace Consult AS has invoiced IGE SEK 115.9 thousands during the first quarter 2012 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. 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.

16. 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 Rönnbäcken 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 to be offset against the cash payment to exercise the option. If MRG waives their right to exercise the option, the above accrued expenses/loan will be set to zero and removed from the balance sheet of Nickel Mountain Resources.

To secure this loan, NMR agreed to grant MRG a fixed and floating charge of 10% over the mineral licences related to Rönnbäcken 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 part of the above agreement, MRG has secured an option with a 24 month duration, which was vested on the 2nd of December 2011, for 10 per cent of the Rönnbäcken project in exchange for a USD 3 million cash payment.

Upcoming reports:

- 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

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