



**Second Quarter 2013 Report**  
**IGE Resources AB**



## Highlights

- The Extraordinary General Meeting held April 25<sup>th</sup> authorized the board to issue 50 million new shares in connection with the proposed acquisition of Ghana Gold. Subsequent to a minority shareholder objection, the Stockholm District Court declared the decision invalid.
- Nickel Mountain carried out a number of activities based on a reduced budget aimed at gaining a better definition of technical aspects of the Rönnbäcken Nickel Project

Key figures, IGE Resources Group:

SEK million	Q2 2013	First half 2013	Q2 2012	First half 2012	2012
Total revenues	-	-	-	2.1	-
EBITDA	-8.7	-14.6	-9.5	-13.9	-24.6
Impairment losses and depreciation	-109.6	-109.7	-0.3	-1.7	-126.2
Net result attributable to shareholders of parent company	-84.3	-90.3	-9.6	-15.2	-121.5
Investments in period	0.4	1.7	3.3	3.6	18.5
Cash at end of period	0.8	0.8	92.9	92.9	69.2
Interest bearing long term debt at end of period	9.0	9.0	5.0	5.0	5.0

## Results

IGE had no income in the second quarter 2013, EBITDA for the quarter amounted to SEK -8.7 million, compared to SEK -9.5 million for the same period in 2012.

IGE has a negative cash flow of SEK 68.4 million during the first half of 2013, mainly referable to the purchase of Ghana Gold. Cash flow in first half 2012 was positive and amounted to SEK 82.0 million.

Cash and cash equivalents at the end of the period were SEK 0.8 million, compared to SEK 92.3 million end of second quarter 2012.

IGE Resources' total assets at the end of second quarter 2013 were SEK 165.6 million, compared to SEK 428.0 million at the end of the same period 2012.

Net investments during the first quarter amounted to SEK 1.7 million (SEK 3.6 million in second quarter last year), reflecting mainly the current activity level in the Rönnbäcken Nickel project.

## Corporate

Following a default to repay a loan by the main shareholder, Amarant Mining Ltd, Altro Invest AB became the new main shareholder of the Group. Altro called for the pledge held on the IGE shares in July as the creditor, Amarant, never repaid the loan. A new Board was elected on the Annual General Meeting held after the expiration of the reporting period on the 2<sup>nd</sup> of August 2013. The meeting decided not to discharge the former Board from responsibility for the transfer of the SEK 50 million in conjunction to the proposed purchase of Ghana Gold AB.

The new board members elected on the AGM was Björn Rohdin, Stefan Persson, Svein Breivik, Ole Weiss and as deputy board member Erlend Dunér Henriksen. Stefan Persson was appointed as Chairman by the Board and Björn Rohdin was appointed as new interim CEO.

## Events after the reporting period:

- The Swedish Government dismisses appeals against the Exploitation Concessions Rönnebäcken K nr 1-3 on August 22<sup>nd</sup>.
- The Annual General Meeting (AGM) held on August 2<sup>nd</sup> 2013 voted against the proposed purchase of Ghana Gold
- The meeting decided not to grant discharge to the former Board of Directors constituted by Ulrik Jansson, Hans Lindroth, Jukka Kallio and Terje E Lien for its financial management of the company in conjunction with the proposed purchase of Ghana Gold AB.
- A new Board was elected constituted by Stefan Persson, Björn Rohdin, Svein Breivik and Ole Weiss. Erlend Dunér Henriksen was appointed deputy board member.
- The CEO Terje E Lien was dismissed with immediate effect after the AGM on the 2<sup>nd</sup> of August
- The former board will be held financially responsible, by the existing board, for the damage they have caused the company and its shareholders.
- The new board is initiating procedures to recover the 50 million SEK plus consequential damages from Alluvia and/or the former board of IGE
- The Board initiated the work towards restructuring of the Group aiming at separating its nickel operation and the African diamond projects.

## Proposed purchase of Ghana Gold AB

The former board decided to purchase a company called Ghana Gold AB on the 23<sup>rd</sup> of January 2013 from a close related party to the main shareholder and of the Board members. The price for Ghana Gold AB amounted to SEK 50 million in cash and an additional SEK 100 million in shares. Although the purchase was subject to an approval by an extra general meeting the Board decided to transfer the SEK 50 million at on the 23<sup>rd</sup> of January without shareholder approval.

The Board was reported to the Swedish Economic Crime Authority by the company

auditors, KPMG, on the 23<sup>rd</sup> of March. A pre investigation by the police is on-going and is expected to be finalized during autumn 2013.

The Board proposed to an extra general meeting, held on the 25<sup>th</sup> of April, to authorize the Board to decide upon a share issue directed towards Alluvia Mining for the remaining part of the purchase price of Ghana Gold. Amarant Mining Ltd, at the time the main shareholder of both IGE and Alluvia Mining, voted in favour of the proposal, which was adopted.

A group of minority shareholders contested the decision in the district court in Stockholm and the decisions related to the purchase of Ghana Gold was declared invalid. According to the contract signed by the former board the payment of SEK 50 million should be repaid immediately by Alluvia Mining if the purchase was stopped at a General Meeting. As per the expiration of August 2013 the cash payment of SEK 50 million has not been returned.

## Operations; nickel

Despite the delayed launch of a full scale PFS and the extensive studies required to complete an EP application, Nickel Mountain has carried out a number of activities aimed at gaining a better definition of technical aspects of the Rönnebäcken Nickel Project (RNP), some of these activities have been on-going for the last twelve months.

At the end of April 2013, Nickel Mountain received the results of an initial program of thin section mineralogy and petrography by Vancouver GeoTech Labs, Canada, limited to 80 thin sections. The results of this initial program confirmed earlier findings, but also identified the presence of weathering related clays and different rock-textural features that distinguish different geological units within the deposits. The presence of clays in some of the mineralized material could possibly affect flotation recovery and further investigation will need to be undertaken. This study highlighted the need for additional thin section mineralogy covering all of the deposits.

At the end of June 2013, Nickel Mountain received the results of an extensive geological-metallurgical domaining testwork program, which began in July 2012, carried out by Outotec (Finland) OY in collaboration with Eurus Mineral Consultants ("EMC") at a cost of approx SEK 7 million. The reports are in the

process of being finalized during August-September 2013. The results of this geological-metallurgical domaining test work, together with the findings of the other studies, will be used to assist in planning future development work.

#### **Events after the reporting period:**

In a decision on 22 August 2013, the Government dismissed appeals from among others Vapsten Reindeer Herding Co-operative regarding the Chief Mine Inspector's decision to grant the three exploitation concessions Rönnbäcken K nr 1-3 to Nickel Mountain AB, a wholly owned subsidiary of Nickel Mountain Resources AB.

The appellants had inter alia referred to the impact of the planned mining activities on reindeer husbandry and nature and culture values in the area. The area is of national interest for both valuable materials and reindeer husbandry, and these interests were considered incompatible. The Government therefore needed to assess which of these interests would best promote a long-term use of the land, water and other aspects of the physical environment.

The Government found in its decision that the national interest for valuable materials should take precedence over the national interest for reindeer husbandry. The Government considered that the planned mining activities will give rise to significant national economic gains during the time they are conducted. Thereafter the land will be reclaimed and will be able to again be used for reindeer husbandry. The Government also mentioned that the area of national interest for reindeer husbandry is significantly larger than the area concerned in its decision. The Government further considered that the activities will not significantly harm the nature and culture values in the area.

The company may now focus on the preparations for a permit application under the Environmental Code. The studies and preparation work for the permit application are estimated to take at least 18 months. This application will be tried by the Environmental Court and the company will conduct the investigations necessary for the Court's assessment. The drafting of an environmental impact assessment will require consultations to be held with affected authorities and stakeholders.

Three exploration permits are about to expire at the end of 2013: Rönnbäcksjön nr 3, nr 4 and nr 8. Nickel Mountain AB intends to apply for an extension of these three exploration permits with the Swedish Mining Inspectorate Bergsstaten.

#### **Operations; diamonds**

As a consequence of the former board's decisions, the entire diamond portfolio of IGE is currently in default. IGE has during the spring failed to fulfil its contractual obligations towards the governments and the local partners resulting in the current defaulted contract situation.

The new board has appointed a committee to find a solution for IGE's subsidiary, IGE Diamond, targeting to recover the rights of possession of the various African diamond projects. Once the board has a better understanding of the current status of the African concessions it will aim to separate the African business from the Nickel.

#### **Financial position**

Cash and cash equivalents at the end of the second quarter 2013 amounted to SEK 0.8 million, compared to SEK 92.9 million at the end of second quarter 2012. Total equity at the end of the reporting period amounted to SEK 150.3 million (SEK 351.4 million at end of the corresponding period 2012), representing an equity ratio of 91 per cent (82 per cent at the end of second quarter the previous year).

The Company's interest bearing long term debt amounts to SEK 9.0 million, which is constituted by a convertible loan, granted by Norrlandsfonden for the development of Rönnbäcken and a loan from the former Chairman Ulrik Jansson for the funding of the Group during spring 2013.

#### **Group outlook**

The current financial situation of the Group is strained. At present the Group is in need of additional funding to be able settle the matured invoices left by the former management. In order to solve the most urgent payments the main shareholder, Altro Invest AB, has offered a temporary loan of 4 million SEK with an annual interest of 7.5%. The loan was granted after the reporting period.

The new Board is currently working on a medium term funding solution. This work is running in parallel with the process of

reclaiming the funds transferred to Alluvia Mining Ltd and consequential damages in connection with the proposed Ghana Gold transaction.

## Parent company

The Parent Company's business activity is to manage the Group's operations. The result before tax during the second quarter of 2013 amounted to SEK -8.6 million (-3.8). Cash and cash equivalents amounted to SEK 0.7 million (91.2). 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 a special review by the Company's auditors.*

Stockholm, 30<sup>th</sup> of August 2013  
Björn Rohdin, CEO, IGE Resources AB (publ)

## Consolidated Statement of income

(TSEK)	Note	Q2 2013	Q2 2012	Jan-June 2013	Jan-June 2012	2012
Other operating income		-	-	-	2,072	-
Other external expenses	12	-6,205	-7,224	-8,582	-8,906	-13,624
Personnel expenses		-2,455	-2,236	-5,975	-4,720	-10,022
Results from equity accounted participations	7	-	-	-75	-76	-999
Other operating expenses		-	-	-	-2,283	-
<b>Operating result before depreciation and impairment losses</b>		<b>-8,660</b>	<b>-9,460</b>	<b>-14,632</b>	<b>-13,913</b>	<b>-24,645</b>
Depreciation/amortization and impairment loss on property, plant and equipment, intangible assets	3	-109,620	-315	-109,701	-1,711	-126,229
Financial revenue	4	47	141	54	224	605
Financial expenses	4	-126	-175	-131	-197	-252
Total financial items		-79	-34	-77	27	353
<b>Result before tax</b>		<b>-118,359</b>	<b>-9,809</b>	<b>-124,410</b>	<b>-15,597</b>	<b>-150,521</b>
Income tax	8	34,087	0	34,087	0	29,031
<b>Result for the period</b>		<b>-84,272</b>	<b>-9,809</b>	<b>-90,323</b>	<b>-15,597</b>	<b>-121,490</b>
<i>Result for the period attributable to:</i>						
Equity holders of the Parent Company		-84,266	-9,644	-90,317	-15,239	-121,450
Non controlling interest		-6	-165	-6	-358	-40
<b>Result for the period</b>		<b>-84,272</b>	<b>-9,809</b>	<b>-90,323</b>	<b>-15,597</b>	<b>-121,490</b>
Result per share before and after dilution		-0.46	-0.10	-0.50	-0.16	-0.86
Average number of shares (Millions)		181.7	99.0	181.7	99.0	140.8

## Statement of comprehensive income

TSEK	Q2 2013	Q2 2012	Jan-June 2013	Jan-June 2012	2012
Result for the period	-84,272	-9,809	-90,323	-15,597	-121,490
<i>Other comprehensive income</i>					
Foreign currency translation differences	2,386	119	5,168	166	-1,637
Total other comprehensive income	-81,886	-9,690	-85,155	-15,431	-123,127
<i>Total comprehensive income for the period attributable to:</i>					
Equity holders of the Parent Company	-81,886	-9,525	-85,149	-15,073	-123,087
Non controlling interest	-	-165	-6	-358	-40

## Consolidated Statement of financial position

(TSEK)	Note	30/06/2013	30/06/2012	31/12/2012
<b>ASSETS</b>				
<b>Fixed assets</b>				
<i>Intangible fixed assets</i>				
Mineral interests		110,201	328,360	218,489
<i>Tangible fixed assets</i>				
Plant and machinery		487	982	605
<i>Long-term financial assets</i>				
Participation in equity accounted companies		359	1,357	434
Long-term receivables		31	31	31
<b>Total fixed assets</b>		<b>111,078</b>	<b>330,730</b>	<b>219,559</b>
<b>Current Assets</b>				
Other receivables		3,089	3,403	3,461
Prepaid expenses		619	916	591
Receivable Alluvia Mining Ltd	6	50,000	-	-
Cash and cash equivalents		825	92,929	69,193
<b>Total current assets</b>		<b>54,533</b>	<b>97,248</b>	<b>73,245</b>
<b>TOTAL ASSETS</b>		<b>165,611</b>	<b>427,978</b>	<b>292,804</b>
<b>EQUITY</b>	13			
<i>Equity attributable to equity holders of the parent company</i>				
Share capital		45,437	45,437	45,437
Other paid in capital		1,175,737	1,176,004	1,175,737
Reserves		5,168	9,740	7,937
Retained earnings and profit for the period		-1,076,189	-863,701	-985,860
		150,153	367,480	243,251
Non controlling interest		175	-16,085	181
<b>Total equity</b>		<b>150,328</b>	<b>351,395</b>	<b>243,432</b>
<b>Liabilities</b>				
Deferred tax liabilities	9	-	63,119	34,087
Other provisions	9	1,018	2,996	1,018
<i>Long term liabilities</i>				
Convertible loan	10	5,000	5,000	5,000
Other long term liabilities	11	5,059	1,277	1,155
<b>Total long term liabilities</b>		<b>11,077</b>	<b>72,392</b>	<b>41,260</b>
<i>Current liabilities</i>				
Accounts payable		1,502	1,794	6,261
Other liabilities		1,742	231	189
Accrued expenses and prepaid income		962	2,166	1,662
<b>Total current liabilities</b>		<b>4,206</b>	<b>4,191</b>	<b>8,112</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>165,611</b>	<b>427,978</b>	<b>292,804</b>



## Consolidated Statement of changes in equity

(TSEK)	Equity related to the shareholders of the parent company					Non controlling interest	Total Equity
	Share capital	Other paid in capital	Exchange differences	Retained earnings and profit for the year	Total		
Balance at 1 January 2012	12,982	1,107,044	9,574	-848,462	281,138	-15,727	265,411
Net result for the period				-15,239	-15,239	-358	-15,597
<b>Transfer of paid premium related to previously issued and expired warrants</b>		<b>-510</b>			<b>-510</b>		<b>-510</b>
<i>Other comprehensive income:</i>							
Translation reserve			166		166		166
<b>Transactions with shareholders:</b>							
Costs referable to fund-raising		-12,533			-12,533		-12,533
New share issue	32,455				114,458		
<b>Closing balance at 30 June 2012</b>	<b>45,437</b>	<b>1,176,004</b>	<b>9,740</b>	<b>-863,701</b>	<b>367,480</b>	<b>-16,085</b>	<b>351,395</b>
Net result for the period				-106,211	-106,211	318	-105,893
<i>Other comprehensive income:</i>							
Translation reserve			-1,803		-1,803		-1,803
<b>Transactions with shareholders:</b>							
Majority's takeover of minority's commitment					-15,948	15,948	0
Costs referable to fund-raising		-267			-267		-267
<b>Closing balance at 31 December 2012</b>	<b>45,437</b>	<b>1,175,737</b>	<b>7,937</b>	<b>-985,860</b>	<b>243,251</b>	<b>181</b>	<b>243,432</b>
Balance at 1 January 2013	45,437	1,175,737	7,937	-985,860	243,251	181	243,432
Net result for the period				-90,329	-90,329	-6	-90,335
<i>Other comprehensive income:</i>							
Translation reserve			-2,769		-2,769		-2,769
<b>Closing balance at 30 June 2013</b>	<b>45,437</b>	<b>1,175,737</b>	<b>5,168</b>	<b>-1,076,189</b>	<b>150,153</b>	<b>175</b>	<b>150,328</b>

The total number of outstanding shares amounts to 181,749,225 as per June 30<sup>th</sup> 2013.

## Consolidated Statement of cash flow

(TSEK)	Jan-June 2013	Jan-June 2012	Jan-Dec 2012
<b>Cash flow from operations</b>			
Result after financial items	-124,411	-15,597	-150,521
Adjustments for non cash items*	106,620	2,158	122,521
Income tax paid	-	-	-
<b>Total cash flow from operations before change in working capital</b>	<b>-17,791</b>	<b>-13,439</b>	<b>-28,000</b>
<b>Change in working capital</b>			
Increase/decrease receivables	-49,431	568	865
Increase/decrease in short term liabilities	-3,905	-5,014	261
<b>Total cash flow from operations</b>	<b>-71,128</b>	<b>-17,885</b>	<b>-26,874</b>
<b>Cash flow used for investments</b>			
Purchase of intangible assets	-1,302	-3,650	-18,460
Sale of intangible assets	37	2,072	2,072
Purchase of tangible assets	-	-	63
<b>Total cash flow used for investments</b>	<b>-1,264</b>	<b>-1,578</b>	<b>-16,325</b>
<b>Financial activities</b>			
New share issue net of transaction costs	-	101,925	101,925
Transfer of paid premium related to warrants issue by the company	-	-510	-510
Raised credits	4,121	-	-
Amortization of debt	-96	-	-
<b>Total cash flow from financial activities</b>	<b>4,025</b>	<b>101,415</b>	<b>101,415</b>
Change in cash and bank	-68,367	81,952	58,216
Cash and bank at 1 January	69,193	10,977	10,977
<b>Cash and bank at the end of reporting period</b>	<b>826</b>	<b>92,929</b>	<b>69,193</b>
<b>*Adjustments for non cash items</b>			
Depreciations and impairment losses on intangible assets	109,233	1,352	125,563
Depreciations and impairment losses of tangible assets	81	360	666
Exchange gain	-	-19	-1,697
Exchange loss	-2,770	195	-
Capital gain	-	-	212
Write-down of long term financial asset	-	76	999
Share of loss on equity accounted companies	75	-	-1,979
Others	-	-18	-1,243
<b>Total</b>	<b>106,620</b>	<b>1,946</b>	<b>122,521</b>

## Income statement Parent company

(TSEK)	Note	Q2 2013	Q2 2012	Jan-June 2013	Jan-June 2012	2012
Other external expenses	12	-6,042	-2,787	-7,962	-3,290	-7,114
Personnel expenses		-2,454	-1,204	-4,727	-2,365	-5,117
Depreciation/amortization tangible assets	3	-	-2	-	-10	-10
<b>Operating result</b>		<b>-8,496</b>	<b>-3,993</b>	<b>-12,689</b>	<b>-5,665</b>	<b>-12,241</b>
<i>Result from financial items</i>						
Result from participations in group companies		-	-		-	-149,848
Financial revenue		46	-	53	222	596
Financial expenses		-127	-69	-129	-91	-135
<b>Total financial items</b>		<b>-81</b>	<b>149</b>	<b>-76</b>	<b>131</b>	<b>-149,387</b>
<b>Result before tax</b>		<b>-8,577</b>	<b>-3,844</b>	<b>-12,765</b>	<b>-5,534</b>	<b>-161,628</b>
Income tax	8	0	0	0	0	0
<b>Result for the period</b>		<b>-8,577</b>	<b>-3,844</b>	<b>-12,765</b>	<b>-5,534</b>	<b>-161,628</b>

## Statement of comprehensive income

TSEK	Q2 2013	Q2 2012	Jan-June 2013	Jan-June 2012	2012
Result for the period	-8,577	-3,844	-12,765	-5,534	-161,628
Other comprehensive income	-	-		-	-
Total other comprehensive income	-8,577	-3,844	-12,765	-5,534	-161,628

## Balance sheet Parent company

(TSEK)	Note	30/06/2013	30/06/2012	31/12/2012
<b>ASSETS</b>				
<b>Tangible fixed assets</b>				
<i>Long-term financial assets</i>				
Shares in subsidiaries		102,635	102,635	102,635
Receivables from subsidiaries		130,616	254,769	121,120
<b>Total fixed assets</b>		<b>233,251</b>	<b>357,404</b>	<b>223,755</b>
<b>Current Assets</b>				
Other receivables		239	151	277
Receivable Alluvia Mining Ltd		50,000	-	-
Prepaid expenses		296	501	210
Cash and cash equivalents		682	91,201	68,562
<b>Total current assets</b>		<b>51,217</b>	<b>91,853</b>	<b>69,049</b>
<b>TOTAL ASSETS</b>		<b>284,468</b>	<b>449,257</b>	<b>292,804</b>
<b>SHAREHOLDERS EQUITY</b>	13			
<i>Restricted equity</i>				
Share capital		45,437	45,437	45,437
Statutory reserve		2,300	2,300	2,300
<i>Total restricted equity</i>		<i>47,737</i>	<i>47,737</i>	<i>47,737</i>
<i>Non restricted equity</i>				
Share premium reserve		1,149,572	1,149,839	1,149,572
Retained earnings		-911,164	-749,536	-749,536
Result for the period		-12,765	-5,534	-161,628
<i>Total non restricted equity</i>		<i>225,643</i>	<i>394,769</i>	<i>238,408</i>
<b>Total shareholders equity</b>		<b>273,380</b>	<b>442,506</b>	<b>286,145</b>
<b>Long term liabilities</b>				
Convertible loan	10	5,000	5,000	5,000
Other long term liabilities	11	4,000	-	-
<b>Total long term liabilities</b>		<b>9,000</b>	<b>5,000</b>	<b>5,000</b>
<b>Current liabilities</b>				
Accounts payable		385	201	572
Other liabilities		1,582	44	48
Accrued expenses		121	1,506	1,039
<b>Total current liabilities</b>		<b>2,088</b>	<b>1,751</b>	<b>1,659</b>
<b>TOTAL SHAREHOLDERS EQUITY AND LIABILITIES</b>		<b>284,468</b>	<b>449,257</b>	<b>292,804</b>

## Changes in equity Parent Company

(TSEK)	Restricted Equity		Non restricted Equity			
	Share capital	Statutory reserve	Share premium reserves	Retained earnings	Result for the period	Total Equity
<b>2012</b>						
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					-5,534	-5,534
Transfer of paid premium related to previously issued and expired warrants			-510			-510
Reallocation of equity from share premium reserve to share capital		-241,467	241,467			0
<b>Transactions with shareholders:</b>						
Costs referable to fund-raising			-12,533			-12,533
New share issue	32,455					114,458
<b>Closing balance at 30 June 2012</b>	<b>45,437</b>	<b>2,300</b>	<b>1,149,839</b>	<b>-749,536</b>	<b>-5,534</b>	<b>442,506</b>
Result for the period					-156,094	-156,094
<b>Transactions with shareholders:</b>						
Costs referable to fund-raising			-267			-267
<b>Closing balance at 31 December 2012</b>	<b>45,437</b>	<b>2,300</b>	<b>1,149,572</b>	<b>-749,536</b>	<b>-161,628</b>	<b>286,145</b>
Balance at 1 January 2013	45,437	2,300	1,149,572	-749,536	-161,628	286,145
Transfer of prior year's net result				-161,628	161,628	0
Result for the period					-12,765	-12,765
<b>Closing balance at 30 June 2013</b>	<b>45,437</b>	<b>2,300</b>	<b>1,149,572</b>	<b>-911,164</b>	<b>-12,765</b>	<b>273,380</b>

## Key ratios and share data

		30/06/2013	30/06/2012	2012	2011	2010
Number of outstanding shares at beginning of reporting period	Number	181,749,225	51,928,350	51,928,350	1,805,618,810	795,709,953
New share issue	Number	-	129,820,875	129,820,875	2,348,649,150	1,009,908,857
Number of outstanding shares at the end of reporting period*	Number	181,749,225	181,749,225	181,749,225	51,928,350	1,805,618,810
Average number of shares	Number	181,749,225	99,266,349	140,846,758	2,930,566,085	1,346,291,141
Operating result	TSEK	-14,632	-13,913	-13,913	-149,987	-149,987
Result after tax	TSEK	-90,323	-15,597	-15,597	-477,330	-477,330
Operating result per share	SEK	-0.08	-0.14	-0.27	-0.05	-0.11
Result after financial items per share	SEK	-0.50	-0.30	-0.30	-0.19	-0.41
Result per share after tax	SEK	-0.50	-0.16	-0.30	-0.16	-0.35
Shareholders equity per share before dilution*	SEK	0.83	1.93	1.93	7.61	0.22
Dividend	TSEK	-	-	-	-	-
Price per share at the end of reporting period	SEK	0.30	0.53	0.45	1.66*	0.23

\* A reversed split of 1:80 was executed on the 7<sup>th</sup> 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 2012.

Total number of shares amounts to 181,749,225 as per June 30<sup>th</sup> 2013.

## 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 2012.

### 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 2012 annual report is available on the IGE website, [www.ige.se](http://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. Financial items

Financial revenue (TSEK)	Group		
	30/06/2013	30/06/2012	31/12/2012
Interests	54	205	556
Exchange gains	-	19	49
<b>Total financial revenue</b>	<b>54</b>	<b>224</b>	<b>605</b>

Financial expenses (TSEK)			
	30/06/2013	30/06/2012	31/12/2012
Interest	-131	-2	-3
Exchange losses	-	-195	-249
<b>Total financial expenses</b>	<b>-131</b>	<b>-197</b>	<b>-252</b>

### 4. Depreciations and impairments

Impairments during the quarter are related to the diamond concessions in DRC. During the second quarter the company did not fulfil the contractual obligations related to the diamond concessions in DRC resulting in that these contracts at present are in default. The situation in DRC has resulted in an impairment of the diamond portfolio of SEK 75.5 million.

In addition a claim on a drilling contractor assigned for a drilling programme in Kenya that never was delivered has been impaired during the year. 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 project.

## Segment reporting

### Jan - June 2013

<b>(TSEK)</b>	<b>Gold</b>	<b>Diamonds</b>	<b>Nickel</b>	<b>Other</b>	<b>Total</b>
Operating result before depreciation and impairment losses	-	-434	-1,589	-12,609	<b>-14,632</b>
Depreciation of mineral interests	-	-103,841	-1,591	-4,188	<b>-109,620</b>
Depreciation according to plan	-	-67	-14	-	<b>-81</b>
Result before tax	-	-109,891	-1,591	-12,928	<b>-124,410</b>
Fixed assets	-	4,535	106,153	390	<b>111,078</b>
Current assets	50,000	2,591	1,231	711	<b>54,533</b>
Long term liabilities	-	1,059	5,000	4,000	<b>10,059</b>
Short term liabilities	-	82	910	3,214	<b>4,206</b>
Investments (gross amounts)	-	-	1,703	-	<b>1,703</b>

### Jan-June 2012

<b>(TSEK)</b>	<b>Gold</b>	<b>Diamonds</b>	<b>Nickel</b>	<b>Other</b>	<b>Total</b>
Operating result before depreciation and impairment losses	-	-2,590	-5,592	-5,731	<b>-13,913</b>
Depreciation of mineral interests	-1,352	-	-	-	<b>-1,352</b>
Depreciation according to plan	-	-275	-74	-10	<b>-359</b>
Result before tax	-1,352	-2,864	-5,847	-5,534	<b>-15,597</b>
Fixed assets	-	239,644	90,474	612	<b>330,730</b>
Current assets	197	3,311	1,888	91,852	<b>97,248</b>
Long term liabilities	-	1,277	5,000	-	<b>6,277</b>
Short term liabilities	-	54	2,385	1,752	<b>4,191</b>
Investments (gross amounts)	-	-	3,649	-	<b>3,649</b>

## 6. Receivable Alluvia Mining Ltd

Receivable Alluvia Mining is related to a proposed purchase of Ghana Gold. A prepayment of SEK 50 million was made on the 23<sup>rd</sup> of January, subject to an approval of an upcoming General Meeting which was held during the second quarter 2013. The decision on the Extra General Meeting was declared invalid as a result of an appeal by a minority shareholder group. The Board, at the time, made a second attempt to pass the proposed purchase on the Annual General Meeting held on the 2<sup>nd</sup> of August 2013 but the meeting voted against the proposal. According to the purchase agreement the pre-payment of SEK 50 million shall be repaid immediately if a General Meeting voted against the proposed purchase, resulting in that IGE now has a claim on the seller Alluvia Mining Ltd amounting to SEK 50 million. The Board is currently working on getting the money refunded by Alluvia.

## 7. 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.

## 8. 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.

## 9. Provisions

### *Deferred tax liabilities*

The recognition of carrying amount of an asset 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 constituted by an accrued cost related to an option vested to Mitchell River Group (MRG). 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.

Other provisions have historically included even a provision for mine site rehabilitation related to the former mining operations in Angola. As a consequence of the Group's withdrawal from the projects and loss of its rights to these licenses the provision has been dissolved during the year improving the Group result with SEK 2.0 million.

## 10. 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 0.05% based on 181,749,225 shares outstanding).



## **11. Other long term liabilities**

The former Board member Ulrik Jansson lent SEK 4 million to IGE at the end of May 2013 in order to finance the day to day operations of the Group. As a consequence of the SEK 50 million payment Alluvia Mining in January 2013, the Group was drained of cash at the end of May and needed external funding. The loan runs with an interest of 12 per cent per annum. The loan has duration of three years.

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 1.1 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 6.9 million, IGE could end up in a situation where Tranter claim their first part payment refunded.

## **12. Related party transactions**

### **Upcoming reports:**

- Q3 and 9 months interim report 2013: 14<sup>th</sup> November 2013
- Q4 and Year End report 2013: 20<sup>th</sup> February 2014

IGE Resources transferred SEK 50 million as a part payment in advance referable to a proposed purchase of a company called Ghana Gold AB from Alluvia Mining Ltd. Alluvia Mining is a related party through its director of the Board, Terje E Lien, which also was a director of the IGE board at time of the transfer.

## **13. Result from participations in-group companies – Parent company**

The Parent Company, IGE Resources AB, finances its subsidiaries by way of lending money on current bases. As a result of the impairment of the mineral interests held by the subsidiaries IGE Resources has decided to align its receivables to be more in line the value of the assets in the balance sheet of the subsidiaries. This resulted in impairment in the parent company of the IGE Group of SEK 124.2 million during the first quarter of 2013.

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