

IGE Nordic AB (publ)

[www.igenordic.se](http://www.igenordic.se)

TICKER OSLO AXESS (OAX): IGENOR

## IGE Nordic AB 2007 Fourth Quarter and Year-end results

February 25, 2008

(all amounts are in SEK (Swedish Kronor) unless otherwise stated)

### Highlights during the fourth quarter 2007

- Significant new gold and copper discovery at Bidjovagge, Norway announced in October 2007.
- Board changes add experience to the IGE team. In October 2007, experienced mining industry personnel Erling Stensholt and Curt Järnfeldt joined the Board of IGE Nordic AB.
- In November 2007, IGE Nordic reported positive results from new bench scale beneficiation tests, which confirm the possibility of obtaining a very high grade nickel concentrate (26% Ni), and a conceptual study for a 15 million tonnes per year mine and mill operation at Rönnbäcken, Sweden.
- Rights issue and Initial Public Offering (IPO) concluded during December 2007 for a total amount of 88 MSEK after deduction of costs related to the IPO.
- The IGE Nordic AB share was listed on Oslo Axess Stock Exchange in December 2007.

### Financial Summary

TSEK, except per share data	Three months ended Dec 31, 2007	Three months ended Dec 31, 2006	Twelve months ended Dec 31, 2007	Twelve months ended Dec 31, 2006
Net sales	-	-	-	-
EBITDA	-4,428	-1	-5,710	-20
Net result	-3,545	31	-4,452	381
Basic earnings per share	-0.17	0.01	-0.57	0.11
Cash flow from operating activities	9,679	31	3,536	399

### Company Comments

*Fredric Bratt, CEO of IGE Nordic comments on the achievements in 2007 and the priorities for 2008:*

“In a transformational year for the company, IGE Nordic AB has been formed by spinning off the Scandinavian Projects of International Gold Exploration IGE AB on September 30, 2007. It has added experienced new management and board members, and completed a successful IPO raising over 88 MSEK at yearend. It is now listed on the Oslo Axess Stock Exchange

under the ticker symbol IGENOR. We have a large and diversified portfolio of gold, nickel and copper-zinc-silver exploration projects in Sweden and Norway, which are low risk countries with a long tradition of mining. With our new team, financing and project portfolio IGE Nordic AB is well positioned to achieve its long term objective of becoming a leading exploration and mining company in the Nordic Countries, delivering value to its shareholders and the communities where it operates.”

In preparing the business plan for 2008 our aim has been to prioritize our activities and resources on the most advanced projects with the best resource potential and the highest probability of being successfully brought into profitable mine production. On the basis of currently available information, we have decided to focus on advancing Rönnbäcken and Bidjovagge to the next stage. The objective of each proposed work program is to establish through drilling and metallurgical testwork a mineral resource of sufficient size and grade to support a viable mining operation and warrant further exploration and development work.

In order not to leave other projects unattended, plans will be prepared in parallel to carry out further exploration work on less advanced projects such as Mjölkfjället and Solvik.

Other projects, which have a development potential but where we lack expertise, will be joint-ventured (e.g. uranium properties).

We will also continue to work to create strategic partnerships.

### **Highlights after the end of the reporting period**

The highlights below have all been sent out as pressreleases during 2008 and the entire pressreleases is available on [www.igenordic.se](http://www.igenordic.se).

#### *IGE Nordic appoints new CFO:*

IGE Nordic appointed Joakim Lindén as new Chief Financial Officer as of January 1, 2008. Joakim Lindén has extensive experience in accounting, reporting, financing, general administration and project management.

#### *Two drill rigs secured for the Rönnbäcken Nickel Project:*

IGE Nordic has secured two drill rigs from the Swedish-based company RATE Diamantborring AB until the end of 2008. IGE Nordic plans to commence a phase 1 drilling campaign at Rönnbäcken in March-April 2008. IGE Nordic is launching this major phase 1 drill program of about 8,000 metres to test the concept that a very large low grade nickel deposit amenable to open pit mining can be delineated at Rönnbäcken. If successful IGE Nordic has the option to continue with a phase 2 program using up to 10,000 metres of more drilling under the same contract.

#### *Two drill rigs secured for the Bidjovagge Gold-Copper Project:*

Two drill rigs have been secured from the Norway-based company Diamantboring Nord A/S. IGE Nordic plans to commence a drilling campaign at its 90% owned Bidjovagge Project towards the end of June 2008. IGE Nordic, in collaboration with its partner Geologiske Tjenester a.s., is launching a major drill program of about 5,000 metres to test the concept that a large gold-copper deposit can be delineated at Bidjovagge. If successful IGE Nordic has the option to continue with an extended drill program for an additional 5,000 metres under the same contract.

*IGE Nordic AB concludes agreement with Energy Ventures Limited to enter into Joint Venture for uranium exploration in Sweden:*

IGE Nordic AB (IGENOR) has entered into an agreement with Energy Ventures Limited (EVE), an Australian Stock Exchange listed investment company, to incorporate a joint venture company to explore their combined Swedish exploration licence areas considered to be prospective for uranium mineralisation. EVE will manage the joint venture exploration programs and will commit SEK 5 million (approximately AUD \$0.87 million) to fund the exploration expenditure in the first 18 months. For more information about Energy Ventures, see [www.energyventures.com.au](http://www.energyventures.com.au).

### **Project highlights in 2007**

#### ***Rönnbäcken Nickel Project***

Rönnbäcken is a high potential open pit nickel sulphide project situated about 25 km south of Tärnaby, Västerbotten County in northern Sweden. The exploration licenses are owned 100% by IGE Nordic AB. In November 2007, IGE Nordic reported positive results from new bench scale beneficiation tests, which confirmed the possibility of obtaining a very high grade nickel concentrate (26% Ni), and of a conceptual study for a mine and mill operation. Previous work identified extensive nickel mineralization at Rönnbäcken. Although the rock contains a low grade of nickel, the sulphides in this rock contain an unusually high nickel content, making it possible to produce a high grade concentrate. Test mining (4,000 tonnes) and large scale pilot tests by Boliden in the 1970's produced exceptionally high grade nickel concentrates of 25-35% Ni with by-product cobalt, gold, silver and platinum group metals. Recent bench scale beneficiation tests at Minpro, Sweden achieved a concentrate with 26% nickel, which is higher than all current operations worldwide. Conceptual economic studies suggest a target deposit of 130-170 million tonnes of ore at a grade of 0.20-0.35% nickel (of which about half is expected to be recoverable in the form of sulphide nickel) would potentially be viable using conventional and proven technology. No mineral resource can be estimated with currently available data. However, the known mineralization would be amenable to open pit mining with a low stripping ratio and previous studies indicate a large tonnage potential. Therefore, an extensive, phased drill program is planned to commence in early 2008 to establish a mineral resource, followed by a scoping study and pilot tests.

#### ***Bidjovagge Copper-Gold Project***

In October, 2007, IGE Nordic announced a new discovery of gold and copper mineralization at the Bidjovagge mine property (owned 90% by IGE Nordic and 10% by Geologiske Tjenester a.s.) in northern Norway from a 2,747m core drilling program. The Bidjovagge Goldfield is situated in Finnmark, 40 kilometers north of Kautokeino, Norway. Previous mining produced over two million tonnes of copper-gold ore and was the largest historical gold producer in Norway. The remaining historically estimated mineral resources (neither 43-101 nor JORC compliant) are 1.16 million tonnes grading 1.09% copper and 3.72 g/t gold, which corresponds to nearly 140,000 oz of gold. The new discovery is located about 350m north of the B and K open pits of the old mining area. The intersection, 27m with 5.59 g/t gold and 1.54% copper, was found at about 260m below surface and indicates that the prospective mineralised structure continues towards the north. This section includes 8m at 10.81 g/t gold and 2.35% copper. Hole B06-7, collared 200m south and 93m east of B07-4, intersected 0.64g/t gold and 0.94% copper over 16m. Only one hole has been completed since B07-4 and it deviated from the target, which remains open to the north and to depth. Some of the other known mineralized zones and mined orebodies have not been explored to depth. The recent drilling results are very encouraging and drilling is planned to continue in 2008. In the

last decade geologists recognized the style of mineralization and alteration at Bidjovagge as belonging to the Iron-Oxide Copper Gold Deposit type, which includes significant deposits worldwide. Elsewhere in the district, areas of geochemical copper anomalies, combined magnetic/ electromagnetic anomalies and copper-gold mineralization, similar to Bidjovagge have been claimed by IGE Nordic and will also be explored.

#### ***Norra Norrliden Zinc-Copper Project***

At the advanced zinc-copper Norrliden project in the Skellefte District (IGE Nordic 10%, Lundin Mining Corp 90%), an application for test mining was made to local authorities in the Västerbotten County at the end of the second quarter 2007. The test mining, when the application is granted, will amount to approximately 60,000 tonnes of ore and 165,000 tonnes of waste rock. The test mining period will be approximately four to six months. Lundin Mining is the operator of the project.

#### ***Mjölkfället Nickel Project***

At Mjölkfället (Sweden & Norway), a large helicopter-borne magnetic-electromagnetic survey was completed in September 2007 over the license area to assist exploring for nickel sulphide deposits in an intrusive complex. The survey shows no strong electromagnetic conductors in the intrusion, but one of several weaker conductors lies directly over the best nickel showing (1.89% nickel and 0.4% copper in grab samples). The magnetic survey gives a much clearer picture of the geology of this unexplored area. Field work to follow-up the survey will comprise geological mapping and sampling and will further support planning for a core drilling program to be carried out later in 2008 if warranted.

#### ***Solvik Gold Project***

At the Solvik Project (50% IGE Nordic AB, 50% Archelon Mineral AB), in central Sweden the first ever drilling was completed in May, 2007 with a total of 737 meters and has located the bedrock source of gold bearing boulders with assays in core up to 3.9 g/t Au over 5.8 metres. The gold discovered at Solvik shows that the quartzite of the Dal formation is highly prospective and is mineralized over wide zones with interesting gold, copper and silver contents. Further drilling is under consideration for the 2<sup>nd</sup>-3<sup>rd</sup> quarter 2008.

#### ***Stekenjokk Zinc-Copper Project***

The JORC and 43-101 Canadian compliant resource estimates reported in March, 2007 for the Stekenjokk and Levi deposits were 7.4 million tonnes of measured and indicated resources at a grade of 1.17% copper, 3.01% zinc, 0.45% lead and 47 grams per tonne silver, plus inferred resources of 2.7 million tonnes grading 0.94% copper, 2.95% zinc, 0.39% lead and 43 grams per tonne silver. In addition to the above resources, extensive other historical resources and mining remnants have been recognized on IGE Nordic held property within the wider Stekenjokk-Grong region.

The project work has in 2007 focused on work required for an application for an exploitation concession for the Stekenjokk-Levi mineralization. The application consists of two parts, (a) a mineral resource estimate (tonnages and grades) with basic data together with a calculation supporting the statement that the deposits could probably be exploited economically, and (b) an Environmental Impact Assessment ("EIA"), in which the land use is assessed from an environmental perspective.

Due to the focus on the high priority projects Rönnbäcken and Bidjovagge, IGE Nordic has decided to postpone the filing of an application for exploitation concession regarding the Stekenjokk and Levi mineralizations, which was originally planned to be submitted by the end of 2007.

**Reporting period**

The reporting period for IGE Nordic is calendar year. This interim statement comprises the period from 1 January to 31 December 2007 and figures for the fourth quarter 2007 compared with the same period 2006.

**Business description**

IGE Nordic is presently an exploration company currently operating in Sweden and Norway. The Company has a large and well diversified exploration portfolio in combination with an experienced team of geologists and field technicians with core competences and a unique expertise in evaluating opportunities in the geological conditions specific to Sweden and Norway.

**Investments during the period**

Net investments during the year amounts to 36,076 TSEK (-1 TSEK).

**Financial position**

Net cash flow for the year amounted to 93,811 TSEK (400 TSEK) and the balance sheet amounted to 140,754 TSEK (7,343 TSEK) at year end. Cash and cash equivalents at period-end amounted to 94,270 TSEK (459). Shareholders equity amounted to 128,782 TSEK (6,883) at the reporting date i.e. a solvency ratio of 91.5 % (93.7 %).

**Assets pledged and contingent liabilities**

Assets pledged are 106 TSEK (0) and contingent liabilities are 0 TSEK (0).

**Personnel**

Average number of employees during the interim period was 2 (0), of which 0 (0) were women.

**Coming reports**

Ordinary shareholders meeting	May 5, 2008
Interim report Jan-March, 2008	May 7, 2008
Interim report Jan-June, 2008	August 27, 2008
Interim report Jan-September, 2008	November 20, 2008
Interim report 2008	February 20, 2009

This interim report has not been the subject of special examination by the company's auditors.

Stockholm February 25, 2008

Fredric Bratt  
Chief Executive Officer  
IGE Nordic AB (publ)

IGE Nordic AB (publ)  
Reg. no. 556493-3199

## FINANCIAL REPORT

### INCOME STATEMENT

<b>TSEK</b>	<b><u>Q4 2007</u></b>	<b><u>Q4 2006</u></b>	<b><u>Jan-Dec 2007</u></b>	<b><u>Jan- Dec 2006</u></b>
Net sales	-	-	-	-
Other external expenses	-1,644	-1	-1,741	-20
Personnel expenses	-2,785	-	-3,969	-
Depreciations and write downs	-59	-	-99	-
<b>Operating result</b>	<b>-4,488</b>	<b>-1</b>	<b>-5,809</b>	<b>-20</b>
Other financial revenues and similar revenues	950	32	1,368	401
Financial expenses and similar expenses	-7	-	-11	-
<i>Total financial items</i>	<i>943</i>	<i>32</i>	<i>1,357</i>	<i>401</i>
<b>Result before tax</b>	<b>-3,545</b>	<b>31</b>	<b>-4,452</b>	<b>381</b>
Income tax	-	-	-	-
<b>Result for the period</b>	<b>-3,545</b>	<b>31</b>	<b>-4,452</b>	<b>381</b>
Result per share before and after dilution	-0.17	0.01	-0.57	0.11

**BALANCE SHEET**

<b>TSEK</b>	<b><u>2007-12-31</u></b>	<b><u>2006-12-31</u></b>
<b>ASSETS</b>		
Exploration and Evaluation Expenditure	41,940	34
Tangible fixed assets	815	-
Financial assets	106	6,850
<b>Total fixed assets</b>	<b>42,861</b>	<b>6,884</b>
Other receivables	1,851	-
Prepaid expenses and accrued income	1,772	-
Cash and cash equivalents	94,270	459
<b>Total current assets</b>	<b>97,893</b>	<b>459</b>
<b>TOTAL ASSETS</b>	<b>140,754</b>	<b>7,343</b>
<b>SHAREHOLDERS EQUITY</b>		
Share capital	2,682	350
Statutory reserve	6,110	6,110
Other capital-contribution	124,019	-
Retained earnings and result for the period	-4,029	423
<b>Total shareholders equity</b>	<b>128,782</b>	<b>6,883</b>
<b>Long term liabilities</b>		
Liabilities to parent company	-	435
<b>Current liabilities</b>		
Accounts payable	3,772	-
Liabilities to parent company	5,321	15
Other liabilities	387	-
Accrued expenses and prepaid income	2,492	10
<b>Total current liabilities</b>	<b>11,972</b>	<b>25</b>
<b>TOTAL SHAREHOLDERS EQUITY AND LIABILITIES</b>	<b>140,754</b>	<b>7,343</b>
Pledged assets	106	0
Contingent liabilities	0	0

## CHANGES IN EQUITY

## 2006

TSEK	Restricted Equity		Non restricted Equity			
	Share capital	Statutory reserve	Other capital contribution	Retained Earnings	Net result	Total
Balance as at 1 january 2006	350	6,110	0	46	-4	6,502
Transfer of prior year net result				-4	4	-
Profit for the year					381	381
Total income and expenses 2006					381	381
<b>Closing balance at 31 December 2006</b>	<b>350</b>	<b>6,110</b>	<b>0</b>	<b>42</b>	<b>381</b>	<b>6,883</b>

## 2007

TSEK	Restricted Equity		Non restricted Equity			
	Share capital	Statutory reserve	Other capital contribution	Retained Earnings	Net result	Total
Balance as at 1 january 2007	350	6,110		42	381	6,883
Transfer of prior year net result				381	-381	-
Net result for the period					-4,452	-4,452
Total income and expenses 2007					-4,452	-4,452
<i>Transactions with shareholders</i>						
Shareholders contribution			36,587			36,587
New issue of shares	2,332		87,432			89,764
<b>Closing balance at 31 December 2007</b>	<b>2,682</b>	<b>6,110</b>	<b>124,019</b>	<b>423</b>	<b>-4,452</b>	<b>128,782</b>

Total number of outstanding shares amounts to 26,816,042 ordinary shares as at December 31, 2007.

**CASH FLOW STATEMENT**

<b>TSEK</b>	<b><u>Jan-Dec 2007</u></b>	<b><u>Jan-Dec 2006</u></b>
<b>Cash flow from operations</b>		
Result after financial items */	-4,452	381
Adjustments for items not included in cash flow **/	99	-
Income tax paid	-	-
<b>Total cash flow from operations before change in working capital</b>	<b>-4,353</b>	<b>381</b>
<b>Change in working capital</b>		
Increase/decrease in receivables	-3,623	-
Increase/ decrease in liabilities	6,626	-
Increase/ decrease payables to parent company	4,886	18
<b>Total cash flow from operations</b>	<b>3,536</b>	<b>399</b>
<b>Cash flow from investing activities</b>		
Acquisition of intangible fixed assets	-41,946	-
Disposal of shares in subsidiaries	6,850	1
Cash deposit with Bergstaten	-106	-
Acquisition of tangible fixed assets	-874	-
<b>Total cash flow from investing activities</b>	<b>-36,076</b>	<b>1</b>
<b>Financial activities</b>		
Shareholders contribution	36,587	-
New issue of shares	89,764	-
<b>Total cash flow from financial activities</b>	<b>126,351</b>	<b>-</b>
<b>Net cash flow for the period</b>	<b>93,811</b>	<b>400</b>
<b>Cash and bank as at January 1</b>	<b>459</b>	<b>59</b>
<b>Cash and bank as at December 31</b>	<b>94,270</b>	<b>459</b>
<b>*/ Financial items</b>	<b><u>2007</u></b>	<b><u>2006</u></b>
Interest income	116	-
Currency exchange gain	838	-
Currency exchange loss	-12	-
Other financial income	<u>415</u>	<u>401</u>
<b>Total financial items</b>	<b>1,357</b>	<b>401</b>
<b>**/ Adjustments for items not included in cash flow</b>		
Write off of intangible fixed assets	40	-
Depreciation of tangible fixed assets	59	-
<b>Total adjustments</b>	<b>99</b>	<b>-</b>

**Currency exchange rates**

The following currency exchange rates have been used for the interim report:

	Closing day rate (average)	Average (period)
1 CAD in SEK	6.53	6.31
1 EUR in SEK	9.44	9.24
1 NOK in SEK	1.18	1.16
1 USD in SEK	6.40	6.76

**Key ratios and shares data**

		2007	2006	2005	2004	2003
Number of outstanding shares at the beginning of the reporting period */	Number	3,500	3,500	3,500	3,500	3,500
Split of shares	Number	3,496,500	-	-	-	-
New issue of shares	Number	16,500,000	-	-	-	-
New issue of shares	Number	6,816,042	-	-	-	-
Number of shares at the end of the reporting period */	Number	26,816,042	3,500,000	3,500,000	3,500,000	3,500,000
Average number of shares */	Number	7,833,146	3,500,000	3,500,000	3,500,000	3,500,000
Average number of shares Q4 */	Number	20,823,583	3,500,000	3,500,000	3,500,000	3,500,000
Operating profit	TSEK	-5,809	-20	-5	-183	-24
Profit after tax	TSEK	-4,452	381	-4	-5	163
Operating result per share	SEK	-0.74	-0.01	0.00	-0.05	-0.01
Result after financial items per share	SEK	-0.57	0.11	0.00	-0.00	0.05
Result per share after tax	SEK	-0.57	0.11	0.00	-0.00	0.05
Shareholders equity per share	SEK	4.80	1.97	1.86	1.86	1.85
Price per share at the end of the reporting period	NOK	12.00	N.A.	N.A.	N.A.	N.A.

IGE Nordic AB (publ) possesses no own shares at the end of the reporting period.

\*/ Before and after dilution.

## NOTES TO THE FINANCIAL REPORT

### 1. General information

IGE Nordic AB (publ), (reg no. 556493-7199) is a company incorporated in Sweden and with its head office at Kungsgatan 44, 111 35 Stockholm, Sweden. The company's share is publicly listed on Oslo Axess since December, 2007.

As per year end IGE Nordic AB (publ) has no subsidiaries. This means that the company's interim statement does not include consolidated accounts and subsequently the report is not prepared in accordance with International Financial Reporting Standards (IFRS).

### 2. Accounting principles

The interim report has been performed according to the Swedish Annual Accounts Act and IAS 34 Interim Reporting which is in accordance with the rules in the Swedish Financial Accounting Standard RR 31 Interim Financial Reporting. The interim report has also been performed in accordance with the rules in the Swedish Financial Accounting Standard RR32. The change in accounting principles from the annual report for the financial year 2006 reflects the new scope of business in the Company and does not in any material way effect the figures in the 2006 annual report or the comparison figures in this interim report.

The interim statement for the period January-December 2007 has been prepared in accordance with prevailing IAS standards applied by the EG Commission at 1 January, 2005. Any future changes in the IAS regulations and interpretations could cause possible changes in the accounting principles used within IGE Nordic AB (publ).

Deferred income tax assets is not booked as an asset in the balance sheet of IGE Nordic AB (publ). This is due to the fact that the development period for the Company's exploration licenses is deemed to be longer than 2-3 years. The deferred income tax asset will be revaluated at every yearend based upon the ability to use these assets in the foreseeable future, i.e. 2-3 years.

#### 2.1. Risks and uncertainties

##### Operational

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

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

**Reliance on key persons**

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

**Market / industry risk**

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

**Potential Dilution of Shareholders**

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

**Price Volatility of Publicly Traded Securities**

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

**Fluctuating Metal Prices**

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

**Currency Risks**

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

**Political Risks**

Mining and prospecting activities are closely monitored by authorities, based on applicable mining laws and environmental regulations, for instance in Sweden "gruvlagen" (the mining law), "naturvårdslagen" (law for care of nature)," miljöskyddslagen" (environmental protection law) and "lagen om förfarandet vid miljökonsekvensbedömning" (law of procedures for evaluating environmental impact). The road from finding a deposit to active mining is often long and arduous. There are many applications and approvals that have to be obtained during the process, and these can complicate, delay or stop the mining.

**Environmental Risk**

Compliance with environmental legislation can require significant expenditures, including expenditures for clean-up costs and damages arising out of contaminated properties. In addition to current requirements, IGE Nordic expects that additional environmental regulations will likely be implemented to protect the environment and quality of life, given issues of sustainable development and other similar requirements which governmental and supra-governmental organizations and other

bodies have been pursuing. Some of the issues currently under review by environmental regulatory agencies include reducing or stabilizing various emissions, including sulphur dioxide and greenhouse gas emissions, mine reclamation and restoration, and water, air and soil quality and absolute liability for spills and exceedences.

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

### **Additional Financing**

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

## **2.2. Exploration and Evaluation Expenditure**

### *Costs carried forward*

Costs arising from the exploration evaluation activities are carried forward provided such costs are expected to be recouped through successful development or by sale, or where exploration and evaluation activities have not, at reporting date, reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves.

Costs carried forward in respect of an area of interest that is abandoned are written off in the year in which the decision to abandon is made.

### *Impairment and risks in valuation of intangible fixed assets*

Exploration and Evaluation Expenditure is monitored by the company and is assessed for impairment when facts and circumstances suggest that the carrying amount of Exploration and Evaluation Expenditure may exceed its recoverable amount.

## **2.3. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

## **2.4. Contributed equity**

Issued and paid up capital is recognized at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognized directly in equity as a reduction of the share proceeds received.

## **3. Segment reporting**

IGE Nordic operates in two geographical areas, namely Sweden (head office) and Norway and in one area of activity, namely mineral exploration.

**Geographical segments 12 months to  
31 december 2007**

	<u>Sweden</u>	<u>Norway</u>	<u>Total</u>
<b>Net sales</b>			
Other	-	-	-
<b>Result</b>			
Segment operating result	-5,809	-	-5,809
Result before taxes	-4,452	-	-4,452
Net result	-4,452	-	-4,452
<b>Assets and liabilities</b>			
Fixed assets	36,767	6,094	42,861
Current assets	97,893	-	97,893
Current liabilities	11,972	-	11,972
Investments (gross amount)	36,726	6,094	42,820

**Geographical segments 12 months to  
31 december 2006**

	<u>Sweden</u>	<u>Norway</u>	<u>Total</u>
<b>Net sales</b>			
Other	-	-	-
<b>Result</b>			
Segment operating result	-20	-	-20
Result before taxes	381	-	381
Net result	381	-	381
<b>Assets and liabilities</b>			
Fixed assets	10,394	-	10,394
Current assets	550	-	550
Current liabilities	4,071	-	4,071
Investments (gross amount)	-	-	-

**4. Transactions with related party**

<b>TSEK</b>	<u>2007</u>	<u>2006</u>
Purchase of assets from parent company	40,349	-
Other external expenses	95	-
Sale of assets to the parent company	-6,850	-
Liability to the parent company	5,321	450

IGE Nordic has on September 30, 2007 purchased assets and taken over certain liabilities from the parent company International Gold Exploration IGE AB (publ) (IGE). The debt that occurred in IGE Nordic in connection with the purchase of the assets has been converted to equity in IGE Nordic by a shareholders contribution from IGE.

No transactions with related parties, other than the above described, has taken place during the interim period except for approved transactions at the shareholders meeting as well as normal salary to the CEO.

## 5. Split of shares

An extraordinary shareholders meeting held on the 24<sup>th</sup> September 2007 resolved a split of the shares in IGE Nordic AB (publ) whereby 1 ordinary share was split into 1,000 ordinary shares. The par value of the share according to the articles of association was changed from SEK 100 to SEK 0.10. The total number of outstanding shares after the split amounts to 3,500,000 ordinary shares.

## 6. New share issues

According to a resolution by the shareholder on the 24<sup>th</sup> September 2007 IGE Nordic has issued 16,500,000 new shares. The company's share capital increased by SEK 1,650,000:- to SEK 2,000,000:- through this new issue of shares. The total number of outstanding shares after the issue of new shares amounts to 20,000,000 ordinary shares.

IGE Nordic has on the 20<sup>th</sup> December 2007 completed a new issue of shares of 6,816,042 shares (NOK 85,200,525,-before deduction of expenses related to the share issue). The company's share capital increased by SEK 681,604:- to SEK 2,681,604:- through this new issue of shares. The total number of shares outstanding after the new issue is 26,816,042 shares.

## 7. Options

IGE Nordic has during the fiscal year been the holder of options which gives the right to subscribe for shares in the parent company, International Gold Exploration IGE AB. As a result of the program IGE Nordic has received compensation for the sold options during the reporting period. The payments are accounted for as "financial revenues". The total fee for options sold is 415 TSEK for 2007.

In connection to the separation of the Nordic activities to the wholly owned subsidiary IGE Nordic the holding of the options was transferred to the parent company. As per the end of the reporting period, IGE Nordic holds no options with right to buy shares in International Gold Exploration IGE AB.

## 8. Fixed assets

(TSEK)	2007-12-31	2006-12-31
<b>Tangible fixed assets</b>		
Acquisition value at opening of period	-	-
Acquisition during the report period (year)	874	-
<b>Acquisition value at year-end tangible fixed assets</b>	<b>874</b>	-
Accumulated depreciation at opening of period according to plan	-	-
Depreciation according to plan	59	-
<b>Accumulated depreciation at year end according to plan</b>	<b>59</b>	-
<b>Book value at year-end</b>	<b>815</b>	-
<b>Exploration and evaluation expenditures</b>		
Acquisition value at opening of period	34	34
Disposal during the period	-	-
Acquisition during the report period	41,946	-
<b>Acquisition value at period-end</b>	<b>41,980</b>	<b>34</b>
Accumulated depreciation at opening of period	-	-
Write-downs during the reporting period	40	-
<b>Accumulated write-downs at end of reporting period</b>	<b>40</b>	-
<b>Book-value at year-end</b>	<b>41,940</b>	<b>34</b>