

IGE Nordic AB (publ)

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TICKER OSLO AXESS (OAAX): IGENOR

Third quarter and first nine months 2008 report for IGE Nordic AB

November 20, 2008

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

IGE Nordic AB (“IGE Nordic” or the “Company”) announced today results for third quarter ended September 30, 2008. For the quarter, IGE Nordic reported a net result of SEK -3,645 thousand or SEK -0.14 per share. Since the Company was founded in the fourth quarter of 2007, there are no meaningful results for the same period in 2007. Exploration expenditures during the third quarter of 2008 totalled SEK 12,751 thousand. At September 30, 2008 the Company had cash and cash equivalents of SEK 59,588 thousand, and no interest-bearing debt.

For the period ending September 30, 2008, the Company reported a net result of SEK -1,647 thousand or SEK -0.06 per share. Exploration expenditures in the first nine months of 2008 totalled SEK 18,584 thousand.

Financial Summary

TSEK, except per share data	Q3 2008	Nine months ended Sept 30, 2008	Q3 2007	Nine months ended Sept 30, 2007	Twelve months ended Dec 31, 2007
Net sales	-	-	-	-	-
Operating expenses	-4,152	-13,651	-1,245	-1,282	-5,720
Net result	-3,645	-1,647	-871	-908	-4,462
Exploration expenditures (incl. acquisition of licenses)	12,751	18,584	39,738	40,039	41,946
Cash at the end of the period	59,588	59,588	2,104	2,104	94,270
Interest bearing loans at the end of the period	Nil	Nil	Nil	Nil	Nil
Basic earnings per share	-0.14	-0.06	-0.25	-0.26	-0.57

International Gold Exploration IGE AB offers to acquire all outstanding shares in IGE Nordic

On October 30, 2008 International Gold Exploration IGE AB (publ.) (“IGE”), which currently holds 20,000,000 shares or 74.6 percent of the outstanding shares in IGE Nordic, declared its intention to make a voluntary offer to acquire all the outstanding shares in IGE Nordic. The acquisition will be made through an all share offer, giving the shareholders in IGE Nordic 4 new shares in IGE for each share held in IGE Nordic (“Offer”). The Offer is for the 6,816,042 shares held by other investors.

Following the announcement, the Board of IGE Nordic decided to establish an independent Committee. The Committee will evaluate all aspects of IGE's offer and make such decisions that the situation may require. The Committee has retained EVLI BANK PLC as financial advisor to provide a fairness opinion and Eversheds Law Firm as legal advisor.

Update on the 2008 work program

During the third quarter, based on the encouraging drill results, IGE Nordic refocused its exploration program on Rönnebäcken and as a consequence, exploration at the other properties has been scaled back.

In 2008, the Company is expecting to complete approximately 23,000 metres of diamond drilling costing SEK 28 million. In the first nine months of 2008, roughly SEK 18.6 million was spent.

Please note that some of the activities described below have occurred after 30 September 2008.

Rönnebäcken nickel project (IGE Nordic 100%)

As a result of the current drilling program, IGE Nordic has substantially increased the exploration target from 130 – 170 million tonnes to 180 – 220 million tonnes at a grade of 0.10 to 0.15% nickel in sulphide. These are preliminary numbers and further work needs to be carried out before the mineral resource can be estimated.

Highlights of the Rönnebäcken Project and from the additional drill results reported on 19 November 2008:

1. IGE Nordic now has complete assay results from 33 out of 88 holes. Another 22 holes are partly analysed and the results will be released soon.
2. The results to date are encouraging as they are consistent with the assays from the surface sampling program that was done previously. The drilling shows that the mineralization extends at depth and along strike.
3. The drilling at the southern part of Rönnebäcksnäset indicates a sub-horizontal structure of nickel-bearing serpentinite that is at least 150 m thick and is open down dip and along strike.
4. IGE Nordic increased its exploration target to 180 – 220 million tonnes grading 0.10 to 0.15% nickel in sulphide from the previous target of 130 -170 million tonnes.
5. Several outcropping serpentinite lenses, with similar proportion of nickel in sulfides to total nickel, require drill testing.
6. The current drill program indicates that the nickel in sulphides are homogenous over wide intervals with values of 0.10-0.15% and a total nickel content of 0.17-0.20%.
7. The analytical results for nickel in sulphide correlate well between the primary and secondary laboratories.
8. Scott Wilson Roscoe Postle Associates Inc (“Scott Wilson RPA”) has been retained to provide a NI 43-101 mineral resource estimate and prepare a Scoping Study, which is expected to be completed by the second quarter of 2009.
9. Previous metallurgical large scale pilot tests by Boliden in the mid seventies has shown that a 25-35% nickel in concentrate can be produced
10. The project has well established nearby infrastructure; a stable economic and political environment and well defined legal framework; potential future capital costs could be low relative to laterites; conventional mining and milling methods could be used; and it should not have any significant acid mine drainage from the pits, waste rock or tailings.

- By early November, a total of 88 holes were drilled for a total of 13,543 metres. The initial drilling program, which was for 8,000 metres, was completed in August. Approval was given for the second phase of diamond drilling. The additional 8,000 metres is expected to cost SEK 9.2 million and be completed by yearend.
- During the quarter, a number of important contracts were signed to support Rönnbäcken's development. They included:
 - Scott Wilson Roscoe Postle Associates Inc. ("Scott Wilson") has agreed to prepare a NI 43-101 resources estimate and a Preliminary Assessment, including a preliminary open pit mine design, a variography analysis, and an economic estimate. This report is expected in the second quarter of 2009.
 - Xstrata Process Support (Canada) has agreed to and has started mineralogical tests using a combination of QEMSCAN and EPMA.
 - Outotec Minerals Oy of Finland has been hired and has started metallurgical test work including bench scale rough flotation tests.
 - Studies for the location of the tailings pond and the industrial infrastructure have commenced.
- Overall Project Schedule:
 - The Company has sufficient capital to complete the Scoping Study which includes the Resource Report and Preliminary Assessment.
 - Ni 43-101 Resource Report and Preliminary Assessment is scheduled to be completed in the 2nd quarter of 2009.
 - The application for an exploitation concession for Rönnbäcken, including an Environmental Impact Assessment is expected to be submitted by the end of 2009.
 - The Company is targeting mid 2011 for the application for an Environmental Permit.
 - At the same time, a final bankable feasibility study is expected to be finalized by mid-2011 and project financing by mid 2013.
 - With a two and one-half year expected construction period, commissioning is expected at the end of 2014.

Other Exploration Projects

- At the Bidjovagge gold-copper project (IGE Nordic 100%), drilling started at the end of June with two rigs. By the end of September, 4,827 metres out of a 5,000 metre program were completed. The results of the 2008 drilling program demonstrate the possible extension of gold-copper mineralization in the historical mining areas.
 - Follow up on area just north of old mine where previous drilling intersected 5.59 g/t Au and 1.54 % Cu over 27 m in 2007 (Drill hole B07-04)
 - 11 of 14 holes intersected gold/copper mineralization
 - B08-01 intersected 24 m grading 2.69 g/t Au and 0.32% Cu
 - B08-10 intersected 17m grading 0.11 g/t Au and 0.86% Cu
 - B08-11 intersected 5m grading 3.52 g/t Au and 0.43% Cu
 - IGE Nordic holds extensive property with exploration property in the area. However, further exploration work has been deferred in order to focus on Rönnbäcken.
- At the Solvik gold (IGE Nordic 50%, Archelon Mineral AB 50%) and Västansjö nickel (IGE Nordic 100%) projects, exploration work has been deferred in order to focus on Rönnbäcken .

Jointly-owned companies*Uranium: Norrsken Energy Limited*

Norrsken Energy Limited is owned by IGE Nordic 49% and Energy Ventures Limited ("EVE") 51%. EVE is the manager and has committed SEK 5 million to fund the initial exploration programs. The new entity comprises 100% ownership of 16 exploration permits, and comprises an area of about 1,200 km² in Sweden.

During the quarter, EVE advanced exploration with preliminary field visits to most of the northern project areas. Areas thought to be unprospective were relinquished application fees and application fees were recouped from the Swedish Mining Inspectorate.

Radon cup surveys were planned for the Björkråmyran and Nammejaure projects, where known uranium deposits occur adjacent to the exploration permits and where the trends of the mineralised structures can be reasonably inferred. Work programs have been submitted to the Swedish Mining Inspectorate and work will commence once these programs are approved

Exploration was also progressed on Ardnapuouda, Olserum, Sännsjölandet, Pålänge and Seper projects; primarily at a desk-top compilation and planning stage.

Other Developments

Fred Mellberg joined IGE Nordic as Manager of Mineral Processing and Environment. Fred holds a Masters of Science in Mining Metallurgy from the Royal Institute of Technology in Stockholm, Sweden. He has extensive experience spread over 36 years, working in environmental management, processing and production positions at Zinkgruvan Mining AB under ownership of Vieille Montagne, Union Minière, North Limited and Rio Tinto Plc. International experience was also gained from participating in Rio Tinto's Safety Auditing Team as Safety Auditor. He was a member of Swedish Mining Association Environment Committee 1978-2003 and was a Board Member of the LakeVättern Society of Water Conservation 1975 – 2006.

Dialogue and exchange of views continues with local communities in Northern Sweden with regard to the Rönnbäcken Nickel Project

To raise local awareness and support for the Rönnbäcken nickel project, IGE Nordic has continued its efforts to provide an information update and to consult with all stakeholders in the Storuman area. In early November, several meetings were held.

1. Storuman Municipality

IGE Nordic met with Storuman Municipality to provide an update on exploration and potential development plans for the Rönnbäcken nickel project. This was the third meeting with the Municipality this year where there was an opportunity for dialogue and exchange of views. Of particular interest to IGE Nordic is information on municipal planning, infrastructure, the local employment and the availability of local contractors.

"Mining is one of our strategic areas for the creation of new jobs in the municipality and we welcome projects which can be realized with due consideration to other vital interests, like reindeer herding, environmental protection and tourism. Based on the information received at meetings with IGE Nordic, it is our impression that the Company is working responsibly and is seeking a constructive dialogue with local stakeholders. Therefore, we regard the process positively which the Company is presently following to establish a viable mining operation at Rönnbäcken. If the Company proceeds with permit applications, then we will give our views on the concrete proposals put forward" said Mayor Gunilla Lundgren, Chairman of the Storuman municipal council at the latest meeting.

2. Vapsten Sámi village

IGE Nordic and the Vapsten Sámi village (“Vapsten”) held two days of consultations in Tärnaby as part of a strategy to develop an open and candid relationship.

The parties exchanged views and ideas on the project and discussed alternative solutions to minimize the negative impact of a potential mining operation on the Vapsten’s reindeer herding activities. IGE Nordic and Vapsten have agreed to conduct a study, to be performed by Hifab AB, on how the project might impact reindeer herding. This study will also contain an analysis of its impact on social aspects.

“We appreciate that IGE Nordic has initiated consultations with us at such an early stage. This has provided us with the opportunity to take part in the project from the very beginning and participate in the planning process. IGE Nordic has shown its commitment to maintaining an open and transparent dialogue with us and we regard their initiative as a recommended way of managing mining projects in a Sámi territory”, said Jon Mikael Labba, Chairman of Vapsten.

3. The general public

A public information meeting was held in Tärnaby on 5 November 2008. IGE Nordic management gave an update about the ongoing exploration work and development plans for the mining project. The meeting attracted some 60 participants, including the media. The information was well received.

The above-mentioned meetings with stakeholders are not the only ones taking place. Discussions with others in the area are also being arranged to develop a broad understanding of the potential impact of a mining project at Rönnbäcken.

Reporting period January-September 2008

The reporting period for IGE Nordic is calendar year. This interim statement comprises the period from 1 January to 30 September 2008 and compared with the same period 2007.

Business description

IGE Nordic is 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 January-September 2008

Net investments during the period amounted to 19,107 TSEK (34,166 TSEK).

Financial position

Net cash flow for the period January-September 2008 amounted to -34,682 TSEK (1,644 TSEK) and the balance sheet amounted to 135,964 TSEK (45,237 TSEK) at the end of the reporting period. Cash and cash equivalents at period-end amounted to 59,588 TSEK (2,104). Shareholders equity amounted to 127,125 TSEK (44,213) at the reporting date i.e. a solvency ratio of 93.5 % (97.7 %).

Assets pledged and contingent liabilities

Assets pledged are 197 TSEK (104) and contingent liabilities are 0 TSEK (0).

Coming reports

Interim report 2008

February 20, 2009

This interim report has not been audited by the company's auditors.

Stockholm November 20, 2008

Fredric Bratt

Chief Executive Officer

IGE Nordic AB (publ)

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

FINANCIAL REPORT

INCOME STATEMENT

TSEK	<u>Note</u>	<u>Q3 2008</u>	<u>Q3 2007</u>	<u>Jan-Sept 2008</u>	<u>Jan-Sept 2007</u>	<u>Jan-Dec 2007</u>
Net sales		-	-	-	-	-
Other revenues	3	-	-	16,250	-	-
Other external expenses		-1,725	-60	-6,234	-97	-1,665
Personnel expenses		-2,427	-1,185	-7,417	-1,185	-4,055
Other operating expenses	7	-	-	-3,854	-	-
Depreciations and write-downs of tangible and intangible fixed assets	7	-76	-40	-2,471	-40	-99
Operating result		-4,228	-1,285	-3,726	-1,322	-5,819
Other financial revenues and similar revenues	9	939	418	4,481	418	1,368
Financial expenses and similar expenses	9	-356	-4	-2,402	-4	-11
<i>Total financial items</i>		<i>583</i>	<i>414</i>	<i>2,079</i>	<i>414</i>	<i>1,357</i>
Result before tax		-3,645	-871	-1,647	-908	-4,462
Income tax	4	-	-	-	-	-
Result for the period		-3,645	-871	-1,647	-908	-4,462
Result per share before and after dilution		-0.14	-0.25	-0.06	-0.26	-0.57

BALANCE SHEET

TSEK	Note	2008-09-30	2007-09-30	2007-12-31
ASSETS				
Exploration and Evaluation Expenditure	7	44,352	40,033	41,940
Tangible fixed assets	7	941	873	815
Shares in affiliated companies	8	26,381	0	0
Deposits with suppliers		197	104	106
Total fixed assets		71,871	41,010	42,861
Other receivables		1,729	885	1,649
Other receivables parent company	6	0	0	166
Prepaid expenses and accrued income		2,776	1,238	1,773
Cash and cash equivalents		59,588	2,104	94,270
Total current assets		64,099	4,227	97,858
TOTAL ASSETS		135,964	45,237	140,719
SHAREHOLDERS EQUITY				
Share capital		2,682	350	2,682
Non registered share capital		0	1,650	0
Statutory reserve		6,110	6,110	6,110
Other capital-contribution		87,432	0	87,432
Retained earnings and result for the period		30,901	36,103	32,548
Total shareholders equity		127,125	44,213	128,772
Long term liabilities				
Liabilities to parent company	6	0	0	0
Current liabilities				
Accounts payable		6,526	434	3,772
Liabilities to parent company	6	0	0	5,321
Other liabilities		244	78	435
Accrued expenses and prepaid income		2,069	512	2,419
Total current liabilities		8,839	1,024	11,947
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES		135,964	45,237	140,719
Pledged assets		197	104	106
Contingent liabilities		0	0	0

CHANGES IN EQUITY

TSEK	Restricted Equity			Non restricted Equity			
	Share capital	Share premium reserve	Statutory reserve	Share premium reserve	Retained earnings	Profit (loss) for the period	Total equity
2007							
Opening balance as at 1 January 2007	350	6,100	10	-	42	381	6,883
Transfer of prior year net result					381	-381	-
Profit (loss) for the period						-4,462	-4,462
Total income and expenses 2007						-4,462	-4,462
<i>Transactions with shareholders</i>							
Shareholders contribution					36,587		36,587
New issue of shares	2,332			87,432			89,764
Total transactions with shareholders	2,332			87,432	36,587		126,351
Closing balance at 31 December 2007	2,682	6,100	10	87,432	37,010	-4,462	128,772
<i>Nine months report 2008</i>							
Opening balance at 1 January 2008	2,682	6,100	10	87,432	37,010	-4,462	128,772
Transfer of prior year net result					-4,462	4,462	-
Net result for the period						-1,647	-1,647
Closing balance at 30 Sept. 2008	2,682	6,100	10	87,432	32,548	-1,647	127,125

Total number of outstanding shares amounts to 26,816,042 ordinary shares as at September 30, 2008.

CASH FLOW STATEMENT

TSEK	<u>Note</u>	<u>Jan-Sept</u> <u>2008</u>	<u>Jan-Sept</u> <u>2007</u>	<u>Jan-Dec</u> <u>2007</u>
Cash flow from operations				
Result after financial items	9	-1,647	-908	-4,462
Adjustments for items not included in cash flow **/		-9,903	40	99
Income tax paid		0	0	0
Total cash flow from operations before change in working capital		-11,550	-868	-4,363
Change in working capital				
Increase/decrease in receivables		-1,083	-2,123	-3,422
Increase/ decrease receivables parent company		166	0	-166
Increase/ decrease in liabilities		2,213	1,015	6,616
Increase/ decrease payables to parent company		-5,321	-450	4,871
Total cash flow from operations		-15,575	-2,426	3,536
Cash flow from investing activities				
Acquisition of intangible fixed assets	7	-18,584	-40,039	-41,946
Cash acquisition/ sale of shares		-100	6,850	6,850
Cash deposits		-91	-104	-106
Acquisition of tangible fixed assets		-332	-873	-874
Total cash flow from investing activities		-19,107	-34,166	-36,076
Financial activities				
Shareholders contribution		0	36,587	36,587
New issue of shares under registration */		0	1,650	0
New issue of shares		0	0	89,764
Total cash flow from financial activities		0	38,237	126,351
Net cash flow for the period		-34,682	1,645	93,811
Cash and bank as at January 1		94,270	459	459
Cash and bank as at end of period		59,588	2,104	94,270
*/ This new issue of shares was paid in by the parent company but was not registered.				
**/ Adjustments for items not included in cash flow				
Profit from sale of intangible fixed assets		-16,228	0	0
Other operating costs		3,854		
Depreciation and write off of intangible fixed assets		2,265	40	40
Depreciation of tangible fixed assets		206	0	59
Total adjustments		-9,903	40	99

Key ratios and shares data

		<u>Nine months</u> <u>2008</u>	<u>Nine months</u> <u>2007</u>	<u>Year 2007</u>	<u>Year</u> <u>2006</u>	<u>Year 2005</u>
Number of outstanding shares at the beginning of the reporting period */	Number	26,816,042	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	26,816,042	3,500,000	3,500,000
Average number of shares */	Number	26,816,042	3,500,000	7,833,146	3,500,000	3,500,000
Operating result	TSEK	-3,726	-1,322	-5,819	-20	-5
Result after tax	TSEK	-1,647	-908	-4,462	381	-4
Operating result per share	SEK	-0.14	-0.38	-0.74	-0.01	0.00
Result after financial items per share	SEK	-0.06	-0.26	-0.57	0.11	0.00
Result per share after tax	SEK	-0.06	-0.26	-0.57	0.11	0.00
Shareholders equity per share	SEK	4.74	12.63	4.80	1.97	1.86
Price per share at the end of the reporting period	NOK	3.10	N.A.	12.00	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. 556493-3199) 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 the end of the reporting period 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. The interim report has also been performed in accordance with the rules in the Swedish Financial Accounting Standard RFR2. More information about accounting principles is available in the annual report for 2007.

The interim statement for the period January-September 2008 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).

Effective as of July 1, 2008 the Company has granted the employees a bonus program based on the development of the share price in the Company. The bonus program has a duration of 3.5 years and is limited to a maximum salary corresponding to 42 monthly salaries for each employee. The accrual under the bonus program including social security taxes at the end of the reporting period is TSEK 0, this is based on the current share price.

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. Other revenues

Other revenues in principal consist of revenues attributable to the sale of exploration permits.

4. Tax losses

Tax loss carried forward at year end amounts to 6,566 TSEK.

5. 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 9 months to 30 September 2008

	<u>Sweden</u>	<u>Norway</u>	<u>Total</u>
Net sales			
Other	-	-	-
Result			
Segment operating result	-3,726	-	-3,726
Result before taxes	-1,647	-	-1,647
Net result	-1,647	-	-1,647
Assets and liabilities			
Fixed assets	59,405	12,466	71,871
Current assets	64,099	-	64,099
Current liabilities	7,259	1,580	8,839
Investments (gross amount)	12,544	6,372	18,916

Geographical segments 9 months to 30 September 2007

	<u>Sweden</u>	<u>Norway</u>	<u>Total</u>
Net sales			
Other	-	-	-
Result			
Segment operating result	-1,322	-	-1,322
Result before taxes	-908	-	-908
Net result	-908	-	-908
Assets and liabilities			
Fixed assets	35,854	5,156	41,010
Current assets	4,227	-	4,227
Current liabilities	1,024	-	1,024
Investments (gross amount)	35,756	5,156	40,912

6. Transactions with related party

TSEK	<u>Jan-Sept</u> <u>2008</u>	<u>Jan-Sept</u> <u>2007</u>	<u>2007</u>
Purchase of assets from parent company	0	40,349	40,349
Other external expenses	0	95	95
Sale of assets to the parent company	0	-6,850	-6,850
Receivable from parent company	0	0	166
Liability to the parent company	0	0	5,321

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.

**7. Fixed assets
(TSEK)**

Tangible fixed assets	2008-09-30	2007-09-30	2007-12-31
Acquisition value at opening of period	874	0	0
Acquisition during the report period	332	873	874
Acquisition value at period-end tangible fixed assets	1,206	873	874
Accumulated depreciation at opening of period according to plan	-59	0	0
Depreciation according to plan	-206	0	-59
Accumulated depreciation at period-end according to plan	-265	0	-59
Book value at the end of reporting period	941	873	815
Exploration and evaluation expenditures			
Acquisition value at opening of period	41,980	34	34
Acquisition during the reporting period	18,584	40,039	41,946
Sale of assets	-10,053	0	0
Disposals during the reporting period	-3,894	0	0
Acquisition value at period-end	46,617	40,073	41,980
Accumulated write downs at opening of period	-40	0	0
Disposals during the reporting period	40	0	0
Write downs during the reporting period	-2,265	-40	-40
Accumulated write downs at end of period	-2,265	-40	-40
Book-value at the end of reporting period	44,352	40,033	41,940

8 Shares in affiliated companies

<u>Shareholdings</u>	<u>Ownership</u>	<u>Book value</u>	<u>Equity</u>	<u>Profit/ loss</u>
Norrskens Energy LTD (UK)	49 %	24,500	12,626	-153
Nordic Iron Ore AB	32 %	1,881	1,768	-37

9. Financial items

Financial items	<u>Jan-Sept</u> <u>2008</u>	<u>Jan-Sept</u> <u>2007</u>	<u>2007</u>
Interest income	2,406	3	116
Currency exchange gain	2,075	0	837
Currency exchange loss	-2,402	-4	-11
Other financial income	<u>0</u>	<u>415</u>	<u>415</u>
Total financial items	2,079	414	1,357