IDAHO GENERAL MINES INC
Form 10QSB
November 20, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

x QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2006

o TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Idaho General Mines, Inc.
(Name of small business issuer in its charter)

IDAHO	**000-50539**	**91-0232000**
(State or other jurisdiction of incorporation or organization)	Commission File Number	(I.R.S. Employer Identification No.)

10 North Post St., Suite 610
Spokane, WA 99201
Telephone: (509) 838-1213
(Address and telephone number of principal executive offices)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for at least the past 90 days. **YES x NO o**

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). **YES o NO x**

The number of shares outstanding of registrant s common stock as of October 30, 2006 was 41,481,102.

Transitional Small Business Disclosure Format (check one): **YES o NO x**

PART I

FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

IDAHO GENERAL MINES, INC.

(AN EXPLORATION STAGE COMPANY)

BALANCE SHEETS

	September 30, 2006 (Unaudited)	December 31, 2005
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 19,355,778	$ 256,773
Tax refund receivable		29,514
Employee receivable	100,500	9,000
Deposits	179,350	
Prepaid Expense	79,957	4,113
Total Current Assets	19,715,585	299,400
PROPERTY AND EQUIPMENT, net	283,643	53,333
LAND AND MINING CLAIMS	6,823,932	496,913
TOTAL ASSETS	$ 26,823,160	$ 849,646
LIABILITIES AND STOCKHOLDERS EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 741,942	$ 815,753
Total Current Liabilities	741,942	815,753
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS EQUITY		
Preferred stock, Series A, $0.001 par value; 10,000,000 shares authorized, no shares issued and outstanding		
Common stock, $0.001 par value; 200,000,000 shares authorized, 40,640,271 and 16,571,312 shares issued and outstanding, respectively	40,627	16,571
Additional paid-in capital	42,554,747	7,174,266
Accumulated deficit before exploration stage	(212,576)	(212,576)
Accumulated deficit during exploration stage	(16,301,579)	(6,944,368)
Total Stockholders Equity	26,081,218	33,893
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	$ 26,823,160	$ 849,646

The accompanying condensed notes are an integral part of these interim financial statements.

IDAHO GENERAL MINES, INC.

(AN EXPLORATION STAGE COMPANY)

STATEMENTS OF OPERATIONS

	Three Months Ended September 30, 2006 (Unaudited)	September 30, 2005 (Unaudited)	Nine Months Ended September 30, 2006 (Unaudited)	September 30, 2005 (Unaudited)	January 1, 2002 Inception of Exploration Stage) to September 30, 2006 (Unaudited)
REVENUES					
OPERATING EXPENSES:					
Property research, exploration and development	1,784,973	449,536	4,600,584	1,477,494	8,594,044
General and administrative expense	1,031,965	309,617	5,444,829	1,147,322	8,480,031
TOTAL OPERATING EXPENSES	2,816,938	759,153	10,045,413	2,624,816	17,074,075
LOSS FROM OPERATIONS	(2,816,938)	(759,153)	(10,045,413)	(2,624,816)	(17,074,075)
OTHER INCOME					
Interest and dividend income	358,480	1,872	688,200	3,967	707,642
Realized gain on marketable securities					5,089
Realized income from timber sales					59,764
TOTAL OTHER INCOME	358,480	1,872	688,200	3,967	772,495
LOSS BEFORE TAXES	(2,458,458)	(757,281)	(9,357,212)	(2,620,848)	(16,301,579)
INCOME TAXES					
NET LOSS	$ (2,458,458)	$ (757,281)	$ (9,357,212)	$ (2,620,848)	$ (16,301,579)
BASIC AND DILUTED NET LOSS PER SHARE OF COMMON STOCK	$ (0.06)	$ (0.05)	$ (0.26)	$ (0.19)	
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND DILUTED	40,227,439	15,560,990	35,753,793	13,947,703	

The accompanying condensed notes are an integral part of these interim financial statements.

IDAHO GENERAL MINES, INC.

(AN EXPLORATION STAGE COMPANY)

STATEMENTS OF CASH FLOWS

	Nine Months Ended September 30, 2006 (Unaudited)	Nine Months Ended September 30, 2005 (Unaudited)	1-Jan-02 (Inception of Exploration Stage to September 30, 2006 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (9,357,212)	$ (2,620,849)	$ (16,301,579)
Adjustments to reconcile net loss to net cash used by operating activities:			
Services and expenses paid with common stock	214,428	142,875	1,436,735
Depreciation and amortization	32,065	8,344	47,509
Gain on sale of investments			(9,245)
Management and administrative fees paid with common stock options	1,707,710	144,500	2,166,485
Decrease (increase) in employee advances	9,000		
Decrease (increase) in prepaid expenses and deposits	(225,679)	(6,169)	(259,306)
Increase (decrease) in accounts payable and accrued expenses	(174,311)	66,587	641,442
Unrealized loss on securities			4,157
Net cash used by operating activities	(7,794,000)	(2,264,712)	(12,273,803)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for the purchase of equipment	(262,376)	(8,234)	(320,353)
Purchase of securities			(136,987)
Purchase of mining property, claims, options	(6,327,019)	(15,690)	(6,367,481)
Cash provided by sale of marketable securities			246,840
Net cash provided (used) by investing activities	(6,589,395)	(23,924)	(6,577,981)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of stock	33,482,399	2,248,448	38,161,348
Net cash provided by financing activities:	33,482,399	2,248,448	38,161,348
Net increase (decrease) in cash and cash equivalents	19,099,005	(40,188)	19,309,565
Cash and cash equivalents, beginning of period	256,773	700,498	46,213
Cash and cash equivalents, end of period	19,355,778	$ 660,310	$ 19,355,778
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Income taxes paid	$	$	$
Interest paid	$	$	$
NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Common stock issued for equipment	$	$ 10,800	$ 10,800
Common stock and warrants issued for property	$	$	$ 375,000

The accompanying condensed notes are an integral part of these interim financial statements.

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IDAHO GENERAL MINES, INC.

(AN EXPLORATION STAGE COMPANY)

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2006

NOTE 1 - DESCRIPTION OF BUSINESS

Idaho General Mines, Inc. (the Company   or   IGMI) is an Idaho corporation originally incorporated as General Mines Corporation on November 23, 1925. In 1966, the Company amended its articles of incorporation to change its name to Idaho General Petroleum and Mines Corporation, and amended its articles again in 1967 changing its name to Idaho General Mines, Inc. The Company s activities originally consisted of the exploration for nonferrous and precious metals in and around Shoshone County, Idaho. However, for many years prior to 2002, the Company s sole business consisted of periodic timber sales. The Company entered a new exploration stage in early January 2002 when it shifted its focus to minerals exploration. With the listing of the Company on the Over-the-Counter Bulletin Board in May 2004, the Company began a search for substantive mineral properties with a focus on metals such as copper, zinc, silver, gold and specialty metals. IGMI entered into an option to lease the Mount Hope molybdenum property located in Nevada in November 2004 and exercised that option in October 2005 after several phases of feasibility studies and project design studies, which indicated the attractiveness of the project. IGMI similarly optioned the Hall Tonopah molybdenum-copper property, also in Nevada, in 2005 and exercised that option to purchase the Hall Tonopah property in March 2006 with the intent of assessing economic feasibility by exploring and assessing the property s potential. Accordingly, IGMI has assumed the role of exploring, and as warranted, developing major mineral deposits which are at a relatively advanced stage and are worthy of economic consideration. IGMI obtained substantial funding in 2004 though the first quarter of 2006 to carry out the above objectives.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Company s management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles in the United States for complete financial statements. The accompanying financial statements should be read in conjunction with the audited financial statements of the Company included in the Company s Annual Report for the year ended December 31, 2005, as amended. In the opinion of the Company s management, all adjustments considered necessary for a fair presentation have been included. The results of the nine months ended September 30, 2006 are not necessarily indicative of the results of operations expected at the year ending December 31, 2006.

Accounting Pronouncements-Recent

In March 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 156,   Accounting for Servicing of Financial Assets an amendment of FASB Statement No. 140.   This statement requires an entity to recognize a servicing asset or servicing liability each time it undertakes an obligation to service a financial asset by entering into a servicing contract in any of the following situations: a transfer of the servicer s financial assets that meets the requirements for sale accounting; a transfer of the servicer s financial assets to a qualifying special-purpose entity in a guaranteed mortgage securitization in which the transferor retains all of the resulting securities and classifies them as either available-for-sale securities or trading securities; or an acquisition or assumption of an obligation to service a financial asset that does not relate to financial assets of the servicer or its consolidated affiliates. The statement also requires all separately recognized servicing assets and servicing liabilities to be initially measured at fair value, if practicable and permits an entity to choose either the amortization or fair value method for subsequent measurement of each class of servicing assets and liabilities. The statement further permits, at its initial adoption, a one-time reclassification of available for sale securities to trading

securities by entities with recognized servicing rights, without calling into question the treatment of other available for sale securities under Statement 115, provided that the available for sale securities are identified in some manner as offsetting the entity s exposure to changes in fair value of servicing assets or servicing liabilities that a servicer elects to subsequently measure at fair value and requires separate presentation of servicing assets and servicing liabilities subsequently measured at fair value in the statement of financial position and additional disclosures for all separately recognized servicing assets and servicing liabilities. This statement is effective for fiscal years beginning after September 15, 2006, with early adoption permitted as of the beginning of an entity s fiscal year. Management believes the adoption of this statement will have no immediate impact on the Company s financial condition or results of operations at September 30, 2006.

In February 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 155, Accounting for Certain Hybrid Financial Instruments, an Amendment of FASB Standards No. 133 and 140 (hereinafter SFAS No. 155). This statement established the accounting for certain derivatives embedded in other instruments. It simplifies accounting for certain hybrid financial instruments by permitting fair value remeasurement for any hybrid instrument that contains an embedded derivative that otherwise would require bifurcation under SFAS No. 133 as well as eliminating a restriction on the passive derivative instruments that a qualifying special-purpose entity (SPE) may hold under SFAS No. 140. This statement allows a public entity to irrevocably elect to initially and subsequently measure a hybrid instrument that would be required to be separated into a host contract and derivative in its entirety at fair value (with changes in fair value recognized in earnings) so long as that instrument is not designated as a hedging instrument pursuant to the statement. SFAS No. 140 previously prohibited a qualifying special-purpose entity from holding a derivative financial instrument that pertains to a beneficial interest other than another derivative financial instrument. This statement is effective for fiscal years beginning after September 15, 2006, with early adoption permitted as of the beginning of an entity s fiscal year. Management believes the adoption of this statement will have no immediate impact on the Company s financial condition or results of operations at September 30, 2006.

In May 2005, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 154, Accounting Changes and Error Corrections, (hereinafter SFAS No. 154) which replaces Accounting Principles Board Opinion No. 20, Accounting Changes, and SFAS No. 3, Reporting Accounting Changes in Interim Financial Statements An Amendment of APB Opinion No. 28. SFAS No. 154 provides guidance on accounting for and reporting changes in accounting principle and error corrections. SFAS No. 154 requires that changes in accounting principle be applied retrospectively to prior period financial statements and is effective for fiscal years beginning after December 15, 2005. The Company does not expect SFAS No. 154 to have a material impact on its financial position, results of operations, or cash flows.

In March 2005, the Financial Accounting Standards Board issued FASB Interpretation No. 47 (FIN 47), Accounting for Conditional Asset Retirement Obligations. FIN 47 clarifies that the term conditional asset retirement obligation, which as used in SFAS No. 143, Accounting for Asset Retirement Obligations, refers to a legal obligation to perform an asset retirement activity in which the timing and (or) method of settlement are conditional on a future event that may or may not be within the control of the entity. The entity must record a liability for a conditional asset retirement obligation if the fair value of the obligation can be reasonably estimated. FIN 47 also clarifies when an entity would have sufficient information to reasonably estimate the fair value of an asset retirement obligation. FIN 47 is effective no later than the end of fiscal years ending after December 15, 2005. The Company does not expect SFAS No. 154 to have a material impact on its financial position, results of operations, or cash flows.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

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Derivative Instruments

The Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133 (hereinafter SFAS No. 133), Accounting for Derivative Instruments and Hedging Activities, as amended by SFAS No. 137, Accounting for Derivative instruments and Hedging Activities-Deferral of the Effective Date of FASB No. 133, and SFAS No. 138, Accounting for Certain Derivative Instruments and Certain Hedging Activities, and SFAS No. 149, Amendment of Statement No. 133 on Derivative Instruments and Hedging Activities, the last of which is effective June 30, 2003. These statements establish and clarify accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. They require that an entity recognize all derivatives as either assets or liabilities in the balance sheet and measure those instruments at fair value.

If certain conditions are met, a derivative may be specifically designated as a hedge, the objective of which is to match the timing of gain or loss recognition on the hedging derivative with the recognition of (i) the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk or (ii) the earnings effect of the hedged forecasted transaction. For a derivative not designated as a hedging instrument, the gain or loss is recognized in income in the period of change.

Historically, the Company has not entered into derivatives contracts to hedge existing risks or for speculative purposes.

Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Exploration Stage Activities

The Company has been in the exploration stage since January 2002 and has not realized any revenue from operations. It will be primarily engaged in minerals exploration until it enters a development or operations stage.

Fair Value of Financial Instruments

The Company s financial instruments as defined by Statement of Financial Accounting Standards No. 107, Disclosures about Fair Value of Financial Instruments, include cash, accounts payable and accrued liabilities. All instruments are accounted for on a historical cost basis, which, due to the short maturity of these financial instruments, approximates fair value at September 30, 2006 and December 31, 2005.

Basic and Diluted Net Loss Per Share

Net loss per share was computed by dividing the net loss by the weighted average number of shares outstanding during the period. The weighted average number of shares was calculated by taking the number of shares outstanding and weighting them by the amount of time that they were outstanding. Diluted net loss per share for IGMI is the same as basic net loss per share, as the inclusion of common stock equivalents would be antidilutive.

Mineral Exploration and Development Costs

All exploration expenditures are expensed as incurred. Significant property acquisition payments for active exploration properties are capitalized. If no minable ore body is discovered, previously capitalized costs are expensed in the period the property is abandoned. Expenditures to develop new mines, to define further mineralization in existing ore bodies, and to expand the capacity of operating mines, are capitalized and amortized on a units-of-production basis over proven and probable reserves.

Should a property be abandoned, its capitalized costs are charged to operations. The Company charges to operations the allocable portion of capitalized costs attributable to properties sold. Capitalized costs are

allocated to properties sold based on the proportion of claims sold to the claims remaining within the project area.

Mining Claims and Land

Costs of acquiring and developing mineral properties are capitalized as appropriate by project area. Exploration and related costs and costs to maintain mineral rights and leases are expensed as incurred. When a property reaches the production stage, the related capitalized costs are amortized using the units-of-production method on the basis of periodic estimates of ore reserves. Mineral properties are periodically assessed for impairment of value, and any subsequent losses are charged to operations at the time of impairment. If a property is abandoned or sold, its capitalized costs are charged to operations.

Provision for Taxes

Income taxes are provided based upon the liability method of accounting pursuant to Statement of Financial Accounting Standards No. 109, Accounting for Income Taxes (hereinafter SFAS No. 109). Under this approach, deferred income taxes are recorded to reflect the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end. A valuation allowance is recorded against the deferred tax asset if management does not believe the Company has met the more likely than not standard imposed by SFAS No. 109 to allow recognition of such an asset.

Property and Equipment

During the nine months ended September 30, 2006 the Company purchased vehicles for $125,305 and the Company purchased computers and related equipment for $137,071. The vehicles will be depreciated over useful lives of five years using straight line depreciation.

During the year ended December 31, 2005, the Company purchased equipment costing $16,873 and computer equipment for $7,589. The equipment and computer will be depreciated over useful lives of three to seven years using a straight-line depreciation method. Depreciation expense for the nine months was $32,065.

Reclamation and Remediation

Expenditures for ongoing compliance with environmental regulations that relate to current operations are expensed or capitalized as appropriate. Expenditures resulting from the remediation of existing conditions caused by past operations that do not contribute to future revenue generations are expensed. Liabilities are recognized when environmental assessments indicate that remediation efforts are probable and the costs can be reasonably estimated.

Estimates of such liabilities are based upon currently available facts, existing technology and presently enacted laws and regulations taking into consideration the likely effects of inflation and other societal and economic factors, and include estimates of associated legal costs. These amounts also reflect prior experience in remediating contaminated sites, other companies clean-up experience and data released by The Environmental Protection Agency or other organizations. Such estimates are by their nature imprecise and can be expected to be revised over time because of changes in government regulations, operations, technology and inflation. Recoveries are evaluated separately from the liability and, when recovery is assured, the Company records and reports an asset separately from the associated liability. At September 30, 2006, the Company had no accrued liabilities for compliance with environmental regulations.

Reclassification

Certain amounts from prior periods have been reclassified to conform to the current period presentation. This reclassification has resulted in no changes to the Company s accumulated deficit or net losses presented. Previously, directors fees paid by issuing common stock were not disclosed separately in the Company s statement of cash flows. These fees were part of services and expenses paid with common stock.

NOTE 3 - INVESTMENTS

The Company accounts for its investments in debt and equity securities in accordance with the provisions of Statement of Financial Accounting Standards No. 115, Accounting for Certain Investments in Debt and Equity Securities, and reports its investments in available for sale securities at their fair value, with unrealized gains and losses excluded from income or loss and included in other comprehensive income or loss. The Company s investment securities are classified as available for sale securities which are recorded at fair value on the balance sheet as marketable securities and classified as current assets.

At September 30, 2006 and December 31, 2005, the Company had no marketable securities.

NOTE 4 - LAND AND MINING CLAIMS

In April 2006, the Company entered into a Letter of Intent to purchase certain patented lode mining claims referred to as the Liberty Claims on property adjacent to Hall Tonopah property for cash of $75,000 and 150,000 shares of restricted common stock. The Company has paid the $75,000 cash portion of the purchase price and will issue the shares of restricted stock upon completion of the purchase agreement.

The Company s mining claims and land consist in part of approximately 107 acres of fee simple land in the Pine Creek area of Shoshone County, Idaho, six patented mining claims known as Chicago-London group, located near the town of Murray in Shoshone County, Idaho and 265 acres of private land 3 unpatented claims in Josephine County, Oregon, known as the Turner Gold project, a ten square mile property including water rights, certain mineral rights and surface rights known as the Hall Tonopah Property and 1,503 acres of deeded land, 70,000 acres of BLM grazing rights and certain water rights together known as the Gale Ranch. The carrying value of these properties at September 30, 2006 and December 31, 2005 is as follows:

	September 30, 2006	**December 31, 2005**
Pine Creek Land	$ 1,450	$ 1,450
Hall Tonopah	4,459,826	
Chicago-London Group	80,001	80,000
Turner Gold Land	415,462	415,462
Gale Ranch	1,867,193	
	$ 6,823,932	$ 496,912

The Company reviews the carrying value of its assets annually and whenever events or circumstances indicate that an asset s fair value may not be at least equal to its carrying value.

On November 12, 2004, IGMI entered into an option to lease all property and assets of the Mount Hope Molybdenum Property from Mt. Hope Mines, Inc. Exercise of the option in October 2005 allows IGMI to proceed for the next 30 years with permitting, developing and mining the deposit and for so long thereafter as IGMI maintains an active operation. At December 31, 2004, the Company had paid $456,286 on the Mount Hope option and issued 500,000 shares of common stock with warrants to purchase 500,000 shares of common stock for the Mount Hope option.

Pursuant to the terms of the lease, the underlying total royalty on production payable to Mt. Hope Mines, Inc., less certain deductions, is 3 percent for a molybdenum price up to $12 per pound, 4 percent for a molybdenum price up to $15 per pound, and 5 percent for a molybdenum price above $15 per pound. IGMI is subject to certain periodic payments totaling $1,550,000 to be paid as per schedule between January 2006 and October 2010. IGMI has a best efforts obligation, by the third anniversary of the lease, to pay Mt. Hope Mines, Inc. a recoverable periodic payment (advance royalty) of 3 percent of the estimated capital cost of the project. This obligation to pay 3 percent of the construction capital is subject to certain extension provisions through October 2013. Minimum royalty payment after the mine commences operations is $0.27 a pound of molybdenum if produced and $500,000 per year if the plant is idle. Additionally, IGMI is obligated to pay Exxon Mineral Company a one percent net smelter royalty on all production.

On June 30, 2005, the Company entered into a two-year option to purchase land and water rights on property located near the Mt. Hope property in Nevada. The option was paid for with cash of $152,000 and 30,000 shares of restricted common stock. This property and related water rights were purchased on July 19, 2006 for $1,867,193 including closing costs.

During the year ended December 31, 2005, the Company purchased acreage at the Turner Gold project for $415,462. The Company also entered into an option agreement with High Desert Winds LLC (High Desert) for High Desert s approximately ten square mile property in Nye County, Nevada, including water rights, mineral and surface rights, buildings and certain equipment (the Hall Tonopah Property). Pursuant to the terms of this agreement, the Company was granted a nine-month option to purchase the Hall Tonopah Property. The Company extended the option agreement with High Desert with payments of $75,000 in June and $100,000 in August of 2005. The option was subsequently extended to March 17, 2006 with an $80,000 payment paid on January 17, 2006. On March 17, 2006, the Company entered into a purchase agreement with High Desert whereby it purchased a substantial portion of the Hall Tonopah Property. At closing, the Company paid High Desert a cash payment of $4.5 million for the portion of the Hall Tonopah Property that it purchased and agreed to make a deferred payment of up to an additional $1,000,000 in purchase price for the remaining portion of this property which is payable, if at all on or before March 17, 2008 depending on the outcome of activities at the property. The Hall Tonopah Property is also subject to a 12% royalty payable with respect to the net revenues generated from the molybdenum or copper minerals removed from the properties purchased.

NOTE 5 - RELATED PARTY TRANSACTIONS

The Company had paid professional service fees of $63,106 during the nine months ended September 30, 2006 to the Company s legal counsel, who is a shareholder and also serves as the Company s secretary/treasurer. Also, the Company paid $49,253 Surradial which is a company owned by Charles Russell the President and CEO s son, for technical services during the nine months ended September 30, 2006.

On October 11, 2006, the former COO and son of the CEO exercised 100,000 Incentive Stock Options (ISOs) for cash and 100,000 Non-Qualified Stock Options (NSOs) for cash. At that same time, he exercised 275,000 NSOs in a cashless exchange for 183,000 shares of common stock.

On August 16, 2006 the Company entered into an employment agreement effective August 14, 2006 with Andrew J. Russell, a son of our President and CEO, for the services as Senior Manager Permitting and Technical. Under this agreement, Andrew J. Russell is paid $150,000 per year and was granted a stock option to purchase 60,000 shares at $2.10 per share, the closing price of the Company s stock on August 15, 2006.

At December 31, 2005, the Company had an employee receivable in the amount of $9,000 for cash advances to a corporate officer for expenses and salary. This amount was fully repaid during the three months ended March 31, 2006.

The Company paid professional service fees of $35,319 during the year ended December 31, 2005, to the Company s legal counsel, who is a shareholder and also serves as the Company s secretary/treasurer.

Additional related party transactions are included as part of Notes 6 and 8.

NOTE 6 - COMMON STOCK

During the nine months ended September 30, 2006, the Company issued 18,021,936 shares of common stock and warrants for cash of $33,324,130 less placement agent and finder s fees of $2,470,304. The

Company issued 170,550 shares of common stock for finder s fees valued at $187,605. The Company issued upon cashless exercise of warrants 1,482,147 shares of common stock and issued 50,000 shares of common stock for services valued at $120,250. During the nine months ended September 30, 2006, warrants were exercised in the amount of 3,349,667 shares of common stock, for cash in the amount of $2,417,323. During this same period, options were exercised in the amount of 125,000 shares of common stock for cash in the amount of $21,875.

During the year ended December 31, 2005, the Company issued 3,853,932 shares of common stock for cash of $3,059,198, issued 89,611 shares of common stock for services valued at $90,875, issued 20,000 shares of common stock for management valued at $23,500, 15,000 shares of common stock for property valued at $10,800, and issued 30,000 shares of stock for property valued at $28,500. Additionally, upon the cashless exercise of options, the Company issued 979,830 shares of common stock. In April 2005, the Company, in connection with the adoption of a shareholder rights agreement, declared a dividend of one right for every common stock share held. The right is exercisable at $1.03 until December 31, 2007. The exercise price of the right is subject to adjustment.

During 2004, the board of directors and shareholders adopted amended and restated articles of incorporation, which authorized the Company s issuance of 200,000,000 shares of common stock with a $0.001 par value. Prior to 2004, the Company was authorized to issue 25,000,000 shares of common stock with a par value of $0.10.

NOTE 7 - PREFERRED STOCK

On October 28, 2004, shareholders of the Company authorized 10,000,000 shares of no par value preferred stock. The authorized but unissued shares of preferred stock may be issued in designated series from time to time by one or more resolutions adopted by the board of directors. The directors have the power to determine the preferences, limitations and relative rights of each series of preferred stock.

On November 16, 2004, the board of directors unanimously consented to amend the articles of incorporation of the Company. The amendment reclassified 10,000,000 shares of the Company s no par value preferred stock into 10,000,000 shares of $0.001 par value Series A preferred stock. At December 31, 2004 and 2005, and September 30, 2006, no shares of $0.001 par value Series A preferred stock were issued or outstanding.

NOTE 8 - COMMON STOCK OPTIONS

The board of directors and shareholders adopted the Idaho General Mines, Inc. 2003 Stock Option Plan (Plan) during 2004. The purpose of the Plan is to give the Company greater ability to attract, retain, and motivate its officers and key employees and is intended to provide the Company with ability to provide incentives more directly linked to the success of the Company s business and increases in shareholder value.

The board of directors has determined that options issuable pursuant to the Plan will be utilized solely for the purpose of granting ISOs for employees (pursuant to Internal Revenue Code 422). The maximum number of shares available for issuance under the Plan is currently 3,000,000 shares. Although the Plan permits the issuance of both ISOs and non-qualified stock options, the board of directors has opted to issue only ISOs under the Plan.

During the nine months ending September 30, 2006 the Company granted 1,665,000 non-qualified stock options outside of the Plan with an exercise price ranging from $2.25 to $3.68 with vesting at various dates through 2008. These options were granted to members of the Board of Directors, officers, and employees of the Company. In addition, the Company issued 60,000 of ISOs within the Plan with an exercise price of $2.10 with vesting at various dates through 2008. The fair value of each option is estimated on the issue date using the Black-Scholes Option Price Calculation. The following assumptions were made in estimating the fair value: risk free interest of 4%; volatility of 132%; dividend rate of 0% and expected life of 2 years. The total value was calculated at $3,424,445. Expense was recorded of $220,160 for the options which vested in the third quarter of 2006.

During the year ended December 31, 2005, the Company granted 950,000 ISOs under the Plan with an exercise price of $0.72 and vesting at various dates through 2007 with expirations at various dates through 2012. These options were granted to officers and employees. The fair value of each option is estimated on the issue date using the Black-Scholes Option Price Calculation. The following assumptions were made in estimating fair value: risk free interest of 4%; volatility of 73%; dividend rate of 0%; and expected life of 2 years. The total value was calculated at $307,800. Expense was recorded of $113,400 for the ISOs, which vested in first quarter of 2005.

The following is a summary of the Company s stock option plans as of September 30, 2006:

	Number of securities to be issued upon exercise of outstanding options	**Weighted average excise price of outstanding options**	**Number of securities remaining available for future issuance under equity compensation plans**
Equity compensation plans not approved by security holders		$	
Equity compensation plans approved by security holders:			
2003 Stock Option Plan	760,000	0.55	245,000
Other equity compensation	3,720,000	1.59	n/a
Total	4,480,000	$ 1.42	245,000

The following is a summary of stock option activity in 2005 and the first none months of 2006:

	Number of Shares Under Options	**Weighted Average Exercise Price**
Outstanding January 1, 2005	4,285,000	$ 0.33
Granted	950,000	$ 0.72
Exercised	1,195,000	
Forfeited		
Expired		
Outstanding December 31, 2005	4,040,000	$ 0.43
Exercisable at December 31, 2005	2,880,000	
Weighted Average Fair Value Granted During 2005	$ 0.32	
Outstanding January 1, 2006	4,040,000	$ 0.43
Granted	1,725,000	
Exercised	1,105,000	
Forfeited	180,000	
Expired		
Outstanding September 30, 2006	4,480,000	$ 1.42
Exercisable at September 30, 2006	3,235,000	
Weighted Average Fair Value Granted During 2006	$ 3.01	

NOTE 4 - LAND AND MINING CLAIMS

The following table gives information about the Company s common stock that may be issued upon the exercise of options under the Company s 2003 Stock Option Plan and upon the exercise of options outside of the Company s existing stock option plan as of September 30, 2006.

Exercise Prices	**Number of Shares Issuable Upon Options Exercises**	**Weighted Average Exercise Price**	**Weighted Average Remaining contractual Life (in years)**	**Number Currently Exercisable**	**Weighted Average Exercise Price**
$ 0.11	690,000	$ 0.11	2.22	690,000	$ 0.11
0.15	350,000	0.15	4.46	350,000	0.15
0.30	100,000	0.30	2.81	100,000	0.30
0.44	600,000	0.44	2.99	600,000	0.44
0.44	30,000	0.44	4.99	30,000	0.44
0.70	220,000	0.70	3.19	220,000	0.70
0.75	465,000	0.75	3.12	465,000	0.75
2.80	450,000	2.80	4.51	450,000	2.80
3.32	200,000	3.32	4.55	200,000	3.32
3.32	200,000	3.32	5.55		
3.32	200,000	3.32	5.56		
3.68	40,000	3.68	5.59		
3.68	60,000	3.68	6.59		
3.14	40,000	3.14	5.59		
3.14	25,000	3.14	6.59		
3.20	50,000	3.20	4.56	50,000	3.20
3.20	200,000	3.20	6.57		
2.10	30,000	2.10	5.87		
2.10	30,000	2.10	6.87		
2.25	80,000	2.25	4.86	80,000	2.25
2.25	60,000	2.25	5.86		
2.25	60,000	2.25	6.86		
	4,480,000	$ 1.13	2.75	3,235,000	$ 0.60
Weighted average remaining life of non-vested options			6.06		

NOTE 9 - COMMON STOCK WARRANTS

During the nine months ended September 30, 2006, the Company granted 1,596,243 common stock warrants (attached to common stock) with an exercise price of $1.75 and 8,300,000 common stock warrants were issued with an exercise price of $3.75 with expirations at various dates through 2012. The Company issued 75,000 warrants in exchange for services in the third quarter. The fair value of each warrant was estimated using the Black-Scholes Option Price Calculation. The following assumptions were made in estimating fair value: risk free interest rate of 4%; volatility of 127.6%; dividend rate of 0%; and expected life of 2 years. The total value of the warrants issued in the third quarter is estimated at $94,178.

During the nine months ended September 30, 2005, the Company granted 2,998,932 common stock warrants (attached to common stock) with an exercise price of $1.00 per share and an expiration date of two years. The fair value of each option is estimated using the Black-Scholes Option Price Calculation. The following assumptions were made in estimating fair value: risk free interest of 4%; volatility of 73%; dividend rate of 0%; and expected life of two years. The total value of these warrants was estimated at $758,148.

During the last quarter of the year ended December 31, 2005, the Company granted 210,000 common stock warrants with an exercise price of $1.75 per share and an expiration date of two years. The fair value of each warrant is estimated using the Block-Scholes option Price Calculation. The following assumptions were made in estimating fair value: risk interest rate of 4%; dividend rate of 0%; volatility of 82% and expected life of two years. The total value of these warrants was estimated at $64,767.

NOTE 10 INCOME TAXES

At September 30, 2006 and December 31, 2005, the Company had deferred tax assets of approximately $1,704,000 and $1,040,000, respectively, principally arising from net operating loss carryforwards for income tax purposes multiplied by an expected rate of 34%. As management of the Company cannot determine that it is more likely than not that the Company will realize the benefit of the deferred tax assets, a valuation allowance equal to the deferred tax asset has been established at September 30, 2006 and December 31, 2005. The significant components of the deferred tax asset at September 30, 2006 and December 31, 2005 were as follows:

	September 30, 2006	**December 31, 2005**
Net operating loss carryforward	$ 8,153,000	$ 3,061,000
Deferred tax asset	$ 2,772,000	$ 1,040,000
Deferred tax asset valuation allowance	(2,772,000)	(1,040,000)
Net deferred tax asset	$	$

At September 30, 2006 and December 31, 2005, the Company has net operating loss carryforwards of approximately $6,338,000 and $3,061,000, respectively, which expire in the years 2022 through 2026. The change in the allowance account from September 30, 2006 to December 31, 2005 was $1,732,000.

NOTE 11 - COMMITMENTS AND CONTINGENCIES

The Company owns and has owned mineral property interests on certain public and private lands in Shoshone County, Idaho. The Company s mineral property holdings include lands contained in mining districts that have been designated as Superfund sites pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). The Company and its properties have been and are subject to a variety of federal and state regulations governing land use and environmental matters. The Company believes it has been in substantial compliance with all such regulations, and is unaware of any pending action or proceeding action relating to regulatory matters that would affect the financial position of the Company. The Company s management acknowledges, however, that the possibility exists that the Company may be subject to environmental liabilities associated with its properties in the future, and that the amount and nature of any liabilities the Company may be held responsible for is impossible to estimate.

IDAHO GENERAL MINES, INC.

(AN EXPLORATION STAGE COMPANY)

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2006

On June 16, 2005, the Company entered into an agreement to secure the services of a contractor. The terms of the agreement include the issuance of 100,000 restricted shares of common stock to the contractor, vesting in batches of 25,000 through March 1, 2006, and the issuance of an additional 35,000 restricted shares of common stock if a successful deal is consummated.

On September 2, 2005, the Company entered into an agreement with Canaccord Capital Corporation as its financial advisor for proposed Canadian equity financing agreements.

NOTE 12 - SUBSEQUENT EVENTS

On July 17, 2006 the Company entered into a letter of intent to purchase the water rights and stock in Atlas Mining Company for cash of $400,000. The Company has provided Atlas Mining Company with a refundable deposit of $100,000 with the letter of intent. The transaction closed on November 7, 2006.

On October 25, 2006 the Company entered into an Earnest Money Agreement for the purchase of the Risi water rights. The Company has provided the seller with a nonrefundable deposit of $40,000 with the earnest money agreement.

On October 11, 2006 the Company was notified that the Bureau of Land Management (BLM) had completed its review of the Plan of Operation for the Mount Hope Project.

On October 11, 2006, the former COO and son of the CEO exercised 100,000 ISOs for cash and 100,000 NSOs for cash. At that same time, he exercised 275,000 NSOs in a cashless exchange for 183,000 shares of common stock.

On November 13, 2006, the Company purchased the remainder of the Hall Tonopah property for an additional payment of $1,000,000.

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ITEM 2. MANAGEMENT S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

The following discussion of our financial condition and plan of operations constitutes management s review of the factors that affected our financial and operating performance for the nine months ended September 30, 2006 and 2005. This discussion should be read in conjunction with the financial statements and notes thereto contained elsewhere in this report and in our Form 10-KSB, as amended, for the year ended December 31, 2005.

Overview

We are in the business of exploration, development and, if warranted, the mining of properties containing molybdenum, as well as silver, gold, base metals and other specialty metals. We have an interest in properties on which we intend to conduct mineral exploration. Our principal asset is the Mount Hope Project (which we hold under lease with Mount Hope Mines, Inc. (**MHMI**)), a primary molybdenum deposit located in Eureka County, Nevada, United States.

Based on the positive results of our feasibility study, we intend to proceed with the permitting and development of the Mount Hope Project. The project will include the development of an open pit mine, construction of a concentrator plant, construction of a roaster plant, and construction of all related infrastructure to produce TMO.

We began a feasibility study in November 2004 for the purpose of determining our interest in exercising the long term option to lease the Mount Hope Project. This study, principally accomplished by mining industry consulting firms, was completed in October 2005 and provides a definitive mining and processing plan. Based on the results of the feasibility study, we exercised our option to lease in October 2005 and entered into the Mount Hope Lease. We plan to begin permitting, environmental impact studies, and intermediate stage engineering based upon a tentative two-year permitting schedule. We indicated our intent to proceed with permitting of the project in meetings with the principal regulatory agency, the BLM, and various regulatory agencies of the State of Nevada in the second quarter of 2005. On June 6, 2006, we submitted a Plan of Operations with respect to the Mount Hope Project to the United States Bureau of Land Management (the **BLM**), the lead agency reviewing our applications for mining permits. Various environmental data and study tasks are ongoing and are expected to assist with the permitting process. On October 11, 2006, the BLM notified us that it had completed its review of the Plan of Operations. We believe that permitting will require approximately 20-30 months from the date of filing of the Plan of Operations, but the timing is dependent on the timing of agency actions over which we have no control. We expect that a feasibility study will be finalized upon the completion of the permitting process. We believe that, based upon the feasibility studies completed to date, once we have completed the permitting process and the feasibility study, construction of the planned facilities would take approximately 20-24 months.

We also currently own several other properties located in the western United States. These properties include additional advanced-stage molybdenum deposits as well as copper and gold deposits.

Critical Accounting Estimates

Estimates

The process of preparing financial statements in conformity with US GAAP requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, we consider all highly liquid investments with original maturities of three months or less to be cash equivalents.

Basic and Diluted Net Loss Per Share

Net loss per share was computed by dividing the net loss by the weighted average number of shares outstanding during the period. The weighted average number of shares was calculated by taking the number of shares outstanding and weighting them by the amount of time that they were outstanding.

Mineral Exploration and Development Costs

All exploration expenditures are expensed as incurred. Significant property acquisition payments for active exploration properties are capitalized. If no mineable orebody is discovered, previously capitalized costs are expensed in the period the property is abandoned. Expenditures to develop new mines, to define further mineralization in existing mineral deposits, and, in the future, to expand the capacity of operating mines, will be capitalized and amortized on a units of production basis over the economically demonstrated proven and probable reserves.

Should a property be abandoned, its capitalized costs are charged to operations. We charge to operations the allocable portion of capitalized costs attributable to properties sold. Capitalized costs are allocated to properties sold based on the proportion of claims sold to the claims remaining within the project area.

Mining Claims and Land

Costs of acquiring and developing mineral properties are capitalized as appropriate by project area. Exploration and related costs and costs to maintain mineral rights and leases are expensed as incurred. When a property reaches the production stage, the related capitalized costs are amortized using the units-of-production method on the basis of periodic estimates of ore reserves. Mineral properties are periodically assessed for impairment of value, and any subsequent losses are charged to operations at the time of impairment. If a property is abandoned or sold, its capitalized costs are charged to operations.

Provision for Taxes

Income taxes are provided based upon the liability method of accounting pursuant to the Statement of Financial Accounting Standards No. 109, Accounting for Income Taxes (**SFAS No. 109**). Under this approach, deferred income taxes are recorded to reflect the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end. A valuation allowance is recorded against the deferred tax asset if management does not believe we have met the more likely than not standard imposed by SFAS No. 109 to allow recognition of such an asset.

Property and Equipment

Property and equipment are being depreciated over useful lives of three to seven years using straight-line depreciation.

Results of Operations for the Nine Months Ended September 30, 2006

Compared to Nine Months Ended September 30, 2005

We are classified as an exploration stage company with no producing mines and, accordingly, we do not produce income. Our net loss for the nine months ended September 30, 2006 was $(9,357,212) as compared to a net loss of $(2,620,848) for the nine months ended September 30, 2005. The increase of $6,736,364 is attributable primarily to increased exploration and documentation studies required to complete our Plan of Operations, our Environmental Impact Statement and our bankable feasibility study significantly contributed to additional operating expenses. We also incurred higher corporate and administrative costs in a number of areas consistent with our substantially increased activity levels. These costs include employee compensation expenses, expansion of corporate personnel and associated costs, marketing and investor relations expenses, general legal expenses, and accounting and compliance issues reflecting the greater complexity of our operations.

Exploration and development expenditures of $4,600,584 were incurred at the Mount Hope Project and the Hall Tonopah Project during the nine months ended September 30, 2006 as exploration and development activity proceeded at a very aggressive pace. This is consistent with our stated objective to complete our Mount Hope Project plans and to focus on the permitting required to bring the project to commercial production. All of the expenditures during the nine months ended September 30, 2006 were related to this objective, and associated feasibility study costs represent the majority of expenditures at the Mount Hope Project.

Liquidity and Capital Resources

We have limited capital resources and thus have to rely upon the sale of equity and debt securities for the cash required for exploration and development purposes, for acquisitions and to fund our administration. Since we do not expect to generate any revenues in the near future, we must continue to rely upon the sale of our equity and debt securities to raise capital. There can be no assurance that financing, whether debt or equity, will always be available to us in the amount required at any particular time or for any period or, if available, that it can be obtained on terms satisfactory to us.

Our cash balance as at September 30, 2006 was $19,355,778 compared to $660,311 as at September 30, 2005. Total assets as at September 30, 2006 were $26,823,160 compared to $1,214,168 as at September 30, 2005.These increases were due receipt of proceeds from to the private placements of our securities that were completed on January 10, 2006 and February 15, 2006, offset by the expenditures for purchase of the Hall Tonopah Property and the purchase of the Gale Ranch and water rights. Liabilities as at September 30, 2006 were $741,942 compared to $92,854 as at September 30, 2005. This increase in payables reflects our increase in activity over the past year.

On April 27, 2005, we concluded a private placement of 2,998,932 units at a price of $0.75 per unit. Each unit consisted of one share of our common stock and one warrant to purchase one share of our common stock. Each warrant is exercisable for 24 months from the date of issuance and carries an exercise price of $1.00 per share. The gross proceeds of this offering were $2,249,200 and, after payment of sales commissions and finder s fees, we received net proceeds of $2,108,150.

On January 10, 2006, we concluded a private placement of 3,441,936 units at a price of $1.10 per unit. Each unit consisted of one share of our common stock and one-half of one warrant to purchase one share of our common stock. Each whole warrant is exercisable for 24 months from the date of issuance and carries an exercise price of $1.75 per whole share. The gross proceeds of this offering were $3,786,129.40 and, after payment of sales commissions and finder s fees, we received net proceeds of $3,620,730.54.

On February 15, 2006, we concluded a private placement of 15,000,000 units at a price of $2.00 per unit. Each unit consisted of one share of our common stock and a warrant to purchase one-half of a share of our common stock. Each whole warrant is exercisable for five years from the date of issuance and carries an exercise price of $3.75 per whole share. The gross proceeds of this offering were $30,000,000.00 and, after payment of sales commissions and finder s fees, we received net proceeds of $27,875,000. In the aggregate, we issued 15 million shares of common stock and warrants to purchase an additional 8.3 million shares, including warrants issued as compensation to the placement agent.

We do not have any contractual obligations for future payments under any long-term debt arrangements or capital lease arrangements. Set forth below is a schedule of our contractual obligations for payments under the Mount Hope lease agreement:

Date	Fixed Payment		Project Financing Received by Date Indicated		Project Financing Not Received and Deferral Elected
October 19, 2006	$ 125,000				
April 19, 2007	$ 125,000				
October 19, 2007	$ 350,000				
October 19, 2008			Greater of 3% of Construction Capital Cost Estimate (4) or $2,500,000	(1)	Greater of $350,000 or 3% of Construction Capital Cost Estimate
October 19, 2009			$ 500,000	(2)(4)	Greater of $350,000 or 3% of Construction Capital Cost Estimate
October 19, 2010			$ 500,000	(2)(4)	Greater of $2,500,000 or 3% of Construction Capital Cost Estimate (4)
October 19, 2011			$ 500,000	(2)(4)	3% of Construction Capital Cost Estimate minus $2,500,000 (if a positive number) (4)
October 19, 2012			$ 500,000	(2)(4)	3% of Construction Capital Cost Estimate minus $2,500,000 (if a positive number) (4)
October 19, 2013 and each year thereafter (3)	$ 500,000	(2)(4)			

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(1) If Project Financing is not received by October 19, 2008, we may elect to defer this payment and proceed to make the payments under the column labeled Project Financing Not Received and Deferral Elected. If prior to making all of the payments under the column Project Financing Not Received and Deferral Elected we obtain project financing, we would be required to make this payment and to pay $500,000 each year thereafter.

(2) Each of these payments is an advance royalty pursuant to the terms of the lease.

(3) In addition to the payments above, we are required to pay to MHMI a production royalty after the commencement of Commercial Production of the greater of (i) $.20/lb of molybdenum metal (or the equivalent thereof if another Product is sold) sold from the property (not to exceed the amount of Net Returns we receive for those products) or (ii) 3% of the Net Returns, subject to certain adjustments as set forth in the lease.

(4) To be offset from the production royalty described in (3) above. We may recover the aggregate of these payments by retaining 50% of each production royalty payment due to MHMI.

The Hall Tonopah Property is also subject to a 12% royalty payable with respect to the net revenues generated from the molybdenum or copper minerals removed from the properties purchased.

Changes in Accounting Policies

We did not change our accounting policies during the nine months ended September 30, 2006.

Special Note Regarding Forward-Looking Statements

Certain statements in this report may constitute forward-looking statements, which involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements of our company, the Mount Hope Project and our other projects, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. We use the words may , will , believe , expect , anticipate , intend , future , plan , estimate , potential and other similar identify forward-looking statements. Forward-looking statements may include, but are not limited to, statements with respect to the following:

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- the timing and possible outcome of pending regulatory and permitting matters;
- the parameters and design of our planned initial mining facilities at the Mount Hope Project;
- future financial or operating performances of our company and our projects;
- the estimation and realization of mineral reserves, if any;
- the timing of exploration, development and production activities and estimated future production, if any;
- estimates related to costs of production, capital, operating and exploration expenditures;
- requirements for additional capital;
- government regulation of mining operations, environmental conditions and risks, reclamation and rehabilitation expenses;
- title disputes or claims;
- limitations of insurance coverage; and
- the future price of molybdenum, gold, silver or other metals.

You should not place undue reliance on these forward-looking statements, which speak only as of the date of this report. These forward-looking statements are based on our current expectations and are subject to a number of risks and uncertainties, including those set forth below. Although we believe that the expectations reflected in these forward-looking statements are reasonable, our actual results could differ materially from those expressed in these forward-looking statements, and any events anticipated in the forward-looking statements may not actually occur. Except as required by law, we undertake no duty to update any forward-looking statements after the date of this report to conform those statements to actual results or to reflect the occurrence of unanticipated events. We qualify all forward-looking statements contained in this report by the foregoing cautionary statements.

ITEM 3. CONTROLS AND PROCEDURES

An evaluation was performed under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this Quarterly Report on Form 10-QSB. In connection with the evaluation,, our Board of Directors and management, including our principal executive officer and principal financial officer, adopted a policy formalizing the Company s disclosure controls and procedures. Pursuant to this action, our management formed a Disclosure Committee that is committed to the fair and consistent disclosure of information to our shareholders, the investment community and the public. The Disclosure Committee assists management in fulfilling their responsibility for oversight of the accuracy and timeliness of the disclosures made by the Company in each periodic report that is filed with the Securities and Exchange Commission.

Based on the foregoing, our management concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms and such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

There was no change in our internal control over financial reporting that occurred during the quarter ended September 30, 2006 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

NOTE 4 - LAND AND MINING CLAIMS

PART II

OTHER INFORMATION

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

In August 2006, we issued a warrant to purchase 75,000 shares of common stock at $2.75 to O&M Partners, LLC for consulting services provided to the Company. The warrant was issued pursuant to an exemption from registration under Section 4(2) of the Securities Act of 1933, as amended, as a transaction not involving any public offering.

Also in August 2006, we granted a stock option to purchase 60,000 shares of common stock at $2.10 per share to Andrew J. Russell under an employment agreement between the Company and Andrew J. Russell, effective as of August 14, 2006.

ITEM 6. EXHIBITS

Exhibit Number		**Description of Exhibit**
31.1		Certification of CEO pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act
31.2		Certification of CFO pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act
32.1		Certification of CEO pursuant to 18 U.S.C. Section 1350
32.2		Certification of CFO pursuant to 18 U.S.C. Section 1350

SIGNATURES

In accordance with the requirements of the Exchange Act, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

IDAHO GENERAL MINES, INC.
By:

/s/ Robert L. Russell
Robert L. Russell
President and Chief Executive Officer
(Principal Executive Officer)

Dated: November 20, 2006

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