30th August 2007

ASX Announcement

Option Agreement to acquire 100% of the Lionel Diggings gold project in North Queensland.

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Integrated Investment Group Ltd (ASX:IIG) is pleased to announce that the company has executed an Option and Purchase Agreement giving it the right to acquire 100% of the Lionel Diggings (Mining Lease 10232) near Ravenswood, North Queensland. This Agreement gives the company potential exposure to an open pittable high grade gold resource similar to other major epithermal and porphyry / breccia related gold deposits in the Charters Towers region such as Pajingo, Mt Leyshon and Ravenswood.

Lionel Diggings is located 25km east of Ravenswood in the highly mineralized Pajingo-Charters Towers-Ravenswood structural corridors. Gold was first discovered in the 1890's with over 1000 oz of gold produced from a series of high grade gold veins within a highly serecitized / kaolinized altered Palaeozoic granite. The shallow high grade workings cover an area of 770m x 385m (29.64 hectares) and significantly there has been no modern exploration and the property remains undrilled to date.

Lionel Diggings is covered by granted Mining Lease ML 10232 with an approved Plan of Operations. Under the Option and Purchase Agreement, IIG has been granted a 3 year option to exclusively explore and, if it so elects, to acquire the project. Payments required to maintain the option are:

1. Payment of $50,000 within ten days of IIG holding a caveat under the Mining Act, in respect of Mining Lease 10232.
2. Payment of $100,000 prior to the first anniversary of the Agreement.
3. Payment of $200,000 prior to the second anniversary of the Agreement.

The option may be exercised at any time during the 3 year option period by payment of $500,000 including $2.50 per ounce of gold contained in any JORC compliant resource delineated on ML 10232 as of the exercise date to the extent that the relevant resource exceeds 150,000 ounces of gold together with any of option payments 2 and 3 above which have not been previously paid .

The company intends to conduct a multiphased program involving geological mapping, geochemical sampling, trenching, ground magnetics and preliminary metallurgy followed by a 1000m RC / diamond drilling program.

IIG's Chairman, Mr Tim Moore commented:

"Since IIG's capital raising and reinstatement in February this year, we have reviewed many resource opportunities. We consider the Lionel Diggings a superior project and an exciting opportunity for the company to enter the resource sector. Given the high calibre of developed gold projects in the vicinity of Lionel Diggings we see the project as having a potentially very positive future for IIG and its shareholders. With our cash resources our goal is to advance the project as soon as possible"

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