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Companies Announcements Office
Australian Securities Exchange
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Update on Lionel Diggings

As previously announced on December 21st 2007 a contract has been signed with a drilling contractor for the planned 1,080m reverse circulation seven-hole program to fully test the high grade gold vein system at depth at Lionel Diggings. It was our intention to commence drilling in the second week of January 2008 subject to favourable weather conditions.

Unfortunately over the past several weeks, cyclonic conditions producing heavy rain in the area has made the ground inaccessible for any heavy machinery and as a result drilling has not commenced. The drilling rig is still situated within proximity of the tenement and is immediately available should whether conditions improve. The drilling contractor has assured us that as soon as access to the site is available drilling will commence. IIG will inform the market when this occurs.

Background : Lionel Diggings is located 25 km east of the Ravenswood gold field which has a gold endowment of over 5 million ounces. It lies on the eastern side of the Pajingo-Charters Towers-Ravenswood structural corridors. Gold was first discovered at Lionel Diggings in 1879 and worked through to the mid-1880's with approximately 1,000 ounces of gold recovered from a series of shallow, high grade workings over an area of 773m x 375m. Some further chip sampling was undertaken in the 1980's and 1990's when the lease was held by other companies, but the property has never been drilled to properly assess the potential of the tenement.

Geological mapping and chip sampling was completed at Lionel Diggings in October with the full results and Geological Report released on 29 November. Assays from mineralised quartz veins yielded up to 28.8g/t gold and 39.5g/t silver whilst alteration envelopes in host granites up to 0.5m thick around the quartz veins carry up to 73.3g/t gold and 12.7g/t silver in grab samples. The report and sampling results are available at www.iiglimited.com.au

Yours sincerely

Integrated Investment Group Limited



John Smith
Company Secretary

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