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25 February 2009

The Manager
Company Announcements
Australian Stock Exchange Limited
Level 10, 20 Bond Street
SYDNEY NSW 2000

SUBJECT: ENVIROGOLD'S PERSEVERANCE MOVES LAS LAGUNAS GOLD PROJECT CLOSER TO COMMENCEMENT

EnviroGold Limited (ASX Code "EVG") advises that it is actively pursuing joint venture partners for its Las Lagunas Gold Tailings Project in the Dominican Republic.

In addition to the US$20.0 million the EnviroGold Group will have advanced to the project by commencement of construction in October 2009 for acquisition costs, feasibility study, detailed engineering, equipment purchases, earthworks, project management, administration, and capitalised interest, the project requires an additional US$20 million of equity.

In the normal course the outstanding equity would have been raised through share issues but with a particularly weak share price and little investor interest in the equities market, EnviroGold has no option other than to attract third party participation and reduce its interest in the project to around 50%, plus management fees of 2.5% of gold and silver sales.

Macquarie Bank is expected to take up US$5 million of the equity on offer in addition to providing a project financing facility of US$35 million.

The financial model for the project remains robust based on a US$825 per ounce gold price, construction commencement in October 2009, and commissioning over the first three months of 2011.

With a strong gold price, project finance in place, and only US$15 million of equity outstanding, the Company is confident the Dominican project will attract participants as proposed and proceed as planned.

An offer to participate in the project is now with potential investors in Australia, Canada, and the Middle East.

Recoveries from the 5.14 million tonnes of high grade tailings are expected to be in the order of 434,000 ounces of gold and 3.97 million ounces of silver over a 6.5 year project life.

Work on the acquisition of prospective exploration areas in the vicinity of Las Lagunas and the Trujillo gold project in Peru has been suspended pending commencement of construction of the Dominican project, but will be reactivated as soon as practicable.

Yours sincerely
EnviroGold Limited

Brian Johnson
Executive Chairman

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