EUROGOLD
LIMITED
(ACN 009 070 384)

05 August 2005 **ASX & AIM Symbol "EUG"**

Eurogold Limited ("Eurogold") advises that the following letter, together with a Share Retention Form, was released to shareholders with less than a marketable parcel of shares on the 4th August 2004.

P Collinson
Company Secretary

EUROGOLD LIMITED

ACN 009 070 384

3 August 2005

Dear Shareholder

Re: NOTICE OF INTENTION TO SELL SHAREHOLDING THAT IS LESS THAN A MARKETABLE PARCEL OF SHARES

This Notice is provided to members of Eurogold Limited ACN 009 070 384 ("the Company") who hold shares that are less than a Marketable Parcel. Our records show that you have a holding of a number of the Company's shares that is equal to or less than 3571 shares, equating to a market value of less than $500 at the date of this Notice. This is less than a Marketable Parcel, defined in the Australian Stock Exchange ("ASX") Business Rules as a parcel of securities with a market value of less than $500.

The cost to the Company in administering these shareholdings of less than a Marketable Parcel and in providing annual reports, notices of meetings and other information to its shareholders is considerable. In many cases these expenses are often greater than the value of the underlying shares.

In order to reduce these costs, the Company hereby gives Notice in terms of Clause 33 of its Constitution that, if your shareholding in the Company has a market value less than $500 at the close of trading of the ASX on the Effective Date, being 3 August 2005, your shares will be sold.

However, if you do not wish to have your shareholding sold in accordance with the above procedure, you need to sign and return a Retention Notice prior to 15th September 2005.

HOW IS THIS ACHIEVED?

A Retention Notice that will effect this is attached and can be signed and returned by you to the Company by the Effective Date. You should send your Retention Notice to the Company's share registry at:

Postal Address:	**Hand Deliver**
Computershare Investor Services Pty Ltd	Computershare Investor Services Pty Ltd
GPO Box D182	Level 2, 45 St. George's Terrace
PERTH WA 6840	PERTH WA 6000

The Company intends to offer your shares for sale on ASX at the prevailing price immediately after the effective date, together with the shares held by all other shareholders holding less than a market value of $500 who have not given notice that they wish to retain their shareholding.

However, your shares will not be sold if your holding becomes a Marketable Parcel before agreement is entered into by the Company for the sale of your shares.

All costs associated with the sale of your shares will be borne by the Company. The money received by the Company from the sale of all holdings of less than a market value of $500 will be paid to shareholders within fourteen days of the Company receiving proceeds of the sale.

Please note that this Notice of intention to sell will lapse should a takeover offer be made for the Company's shares before agreement is entered into by the Company for the sale of these shares.

If you wish to retain your unmarketable parcel of shares, please complete and sign the attached Retention Notice and forward it to the Company's share registry at the address shown by 5.00 pm 15 September 2005.

If you have any questions regarding this letter or the process please contact Pauline Collinson on (08) 9481-0572.

Yours faithfully

Pauline Collinson
Company Secretary
Eurogold Limited