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Companies Announcement Office  
Australian Stock Exchange Limited  
20 Bridge Street  
Sydney NSW 2000

**SUBJECT: ENVIROGOLD TO FORM JOINT VENTURE IN CHINA**

EnviroGold Limited (ASX Code "EVG") advises that agreement has been reached with Sinom Resources Limited to establish a 60:40 joint venture company to undertake gold tailings retreatment projects in five of the main gold producing Provinces in China; Shandong, Fujian, Hebei, Hanon and Shaanxi.

Sinom Resources is a member of the Shanghai based Sinom Group which is a 7% shareholder of EnviroGold and whose principle, Mr Zhang Chi, is a director of EnviroGold.

The new company will operate out of Sinom Resources' Beijing office and have access to senior mining, mineral processing, and commercial executives, with international experience in the minerals sector.

EnviroGold, with the assistance of Sinom Resources, will shortly commence negotiations with the five Provincial Governments to reprocess suitable State owned tailings deposits containing precious metals. EnviroGold is in the final stages of negotiating an agreement that will allow it to use Xstrata's Albion Process oxidative leaching technology for these activities.

The aim is to create a land bank of potential projects within the next twelve months which can then be progressively sampled and evaluated prior to metallurgical test work at Xstrata's Albion Process pilot plant in Brisbane.

Mr James Tyers, the Executive Director of EnviroGold who will be responsible for the projects in China, has advised that the reprocessing of sulphide tailings utilising the Albion technology will substantially reduce any acid drainage from the tailings deposits with resultant environmental benefits to the relevant regions.

Mr Brian Johnson, Chairman of EnviroGold, said he was impressed with the Albion Process which utilises ultra fine grinding prior to an oxidative leach, because of its low capital cost when compared to alternate oxidising technologies, and does not require substantial technical skills for operation making it ideal for use in developing countries. The Albion Process is backed by Xstrata's substantial pilot plant facilities in Brisbane.

Mr Johnson said that EnviroGold's first gold recovery project at Las Lagunas in the Dominican Republic was well advanced in the engineering design phase and negotiations had commenced for project finance in anticipation of construction commencement by the end of this year.

The Company's Las Lagunas tailings deposit contains a JORC resource of 5.137mt grading 3.76g/t of gold (621,000 contained ounces) and 38.6g/t of silver (6,375,000 contained ounces), with plans for reprocessing over a seven year period commencing in the second half of 2007.

Yours sincerely,  
ENVIROGOLD LIMITED



**Angela Dent**  
**Company Secretary**

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