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8 September 2009

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

SUBJECT: ENVIROGOLD APPOINTS CIVIL ENGINEERING CONTRACTOR FOR LAS LAGUNAS GOLD TAILINGS PROEJCT, DOMINICAN REPUBLIC

Mr Brian Johnson, Executive Chairman of EnviroGold Limited (ASX Code "EVG"), advises that the contractor for the Civil Works component (concrete foundations) of the Las Lagunas gold tailings project in the Dominican Republic has been selected.

The successful bidder, Ingenieria y Representaciones Internacionales, SA ("IRISA") is an experienced civil engineering contractor and a subsidiary of a large and long established construction group. The contract price of US\$2.70 million is slightly above the most recent budget.

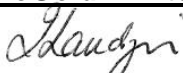
Bids for tankage and structural steel will close on 9 October 2009 and it is expected a contractor will be selected soon after. The major mechanical equipment items (oxygen plant, ball mill, and Isamill) with a collective value of US\$12 million were all ordered and paid for in part some time ago to fix prices and delivery dates.

Prices from preferred suppliers of an additional US\$10 million of other mechanical equipment (cooling tower, floatation cells, thickeners, agitators, pumps, etc) are currently being firmed up after the delay to the project commencement. It is expected any increased costs would be largely offset by reduced shipping costs.

Bids for pipework, electrical and mechanical installation should be received by the end of October 2009 with the total construction price expected to fall within budget which includes contingencies.

In any event, a credit line will be established with a Dominican Bank to accommodate any cost overruns. The financial projections for the Dominican project are extremely robust and not particularly sensitive to capital costs.

Yours sincerely
EnviroGold Limited


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Company Secretary

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