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

**SUBJECT: INCREASED FINANCING FACILITIES FOR ENVIROGOLD'S
LAS LAGUNAS GOLD PROJECT IN THE DOMINICAN REPUBLIC**

Mr Brian Johnson, Executive Chairman of EnviroGold Limited (ASX Code "EVG"), advises that Macquarie Bank Limited ("MBL") has increased its level of support for the Company's Las Lagunas gold project in the Dominican Republic.

The Bank has offered a credit approved four year project loan of US\$37.5 million and will also purchase a 3% gold and silver production royalty for US\$7.5 million.

The royalty advance will reduce the need for additional equity and alleviate the necessity to take on a partner to develop the project. As a consequence, EnviroGold will maintain a 92.5% interest in the project and improve its return on capital.

The Bank will also provide hedging facilities for up to 60% of the project's gold production. The Company and its advisers will determine and fix the level of production to be forward sold within the next few weeks.

Construction of the Albion and CIL process plants has commenced with completion scheduled for December 2010.

Mr Johnson said that fees and charges by the Bank for their facilities were in line with expectations, however MBL also required the Company to issue the Bank 17.5 million share options exercisable on or before 31 December 2011 at 10 cents each, and 17.5 million share options exercisable on or before 31 December 2012 at the greater of 15 cents each, or a 20% premium to the share price immediately prior to the first loan drawdown (March 2010).

These options, together with the 231,453,160 New Options expected to be issued to existing shareholders and option holders on the Company's register on 18 December 2009 (exercisable at 15 cents per share on or before 31 December 2012) will obviously be dilutive but Mr Johnson said that he was confident funds received from the exercise of options would be applied to the expansion of the Company's two small gold mines in Ecuador, in the expectation of increased earnings per share.

Yours sincerely
EnviroGold Limited



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Company Secretary

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