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ASX / Media Release

3 May 2011

ENVIROGOLD REPORTS GOOD PROGRESS ON CONSTRUCTION OF LAS LAGUNAS GOLD/SILVER PROJECT, DOMINICAN REPUBLIC

HIGHLIGHTS

- **Key modular oxygen plant shipped ahead of schedule.**
- **Project on schedule for early 2012 start-up of gold and silver production.**
- **Project to benefit from high gold and silver prices.**

Australian-based mineral resources company, **EnviroGold Limited (ASX: EVG)** (EnviroGold or the "Company") advises that construction on its Las Lagunas gold/silver project in the Dominican Republic is progressing well with the critical modular oxygen plant having been shipped by the supplier ahead of its scheduled requirement.

Mr Brian Johnson, Executive Chairman, said that it was ironic that after substantial delays to the implementation of the project caused by third parties, planned gold and silver production (65,000 oz Au and 600,000 oz Ag per year) should now commence in January 2012 at significantly higher metal prices than originally budgeted.

Shareholders would be interested to know that if current prices prevail for the next two to three years, annual after tax profits from the first two years of production should be in the order of US\$45 million to US\$48 million.

In addition, Macquarie Bank's US\$37.5 million project loan would be repaid within 18 months of commissioning.

Ends

ABOUT ENVIROGOLD

EnviroGold Limited (ASX code: "EVG") is an Australian based mineral resource company using patented next generation technology to extract gold and silver from metallurgically complex mineral resources in Latin America.

EnviroGold has agreements with Xstrata Technology to use its ground-breaking Albion Process Technology which enables EnviroGold to extract gold and silver from refractory ore or mine tailings and eliminate the threat of acid mine drainage, resulting in a net benefit to the environment.

EnviroGold is also applying its expertise to securing gold and silver production from the mining of oxide or sulphidic ore using traditional gravity, carbon-in-leach, or heap-leaching processing.

The Company's key projects are:

DOMINICAN REPUBLIC

Las Lagunas Gold Tailings Project (100%)

- reprocessing of high grade refractory tailings from the Pueblo Viejo gold mine is expected to commence in December 2011, at the annual rate of 65,000 oz of gold and 600,000 oz of silver (JORC Inferred Resource of 5.137 Mt of tailings at 3.8 g/t gold and 38.6 g/t silver) (621,000 oz of gold and 6,400,000 oz of silver).

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Azuay Gold Mining Project (earn-in 65%)

- planned expansion of Pinglio and Papercorp small scale underground mines in 2012-2013 to produce 50,000 oz of gold per year, and to 100,000 oz per year by end 2014.

San Gerardo Gold Mining Prospect (purchase option 100%)

- planned exploration program of highly prospective 2200ha concession in 2011-2013, to establish a resource sufficient to support an open pit mining operation with the potential to produce 100,000 oz of gold equivalent per year.

EnviroGold is also actively pursuing additional gold projects in the Dominican Republic, Ecuador and Peru.

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Competent Person Statements

Ecuador

The technical information in this release relating to the Ecuador gold projects was compiled by Mr Dale Schultz, Managing Director of Buscore Consulting Ltd, who is a consultant to the EnviroGold Group and is a member of the Association of Professional Engineers and Geoscientists of Saskatchewan (APEGS) which is ROPO accepted for the purpose of reporting in accordance with Appendix 5A of the ASX listing rules. Mr Schultz has sufficient experience relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Schultz consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

Las Lagunas, Dominican Republic

The technical information in this release relating to the Dominican project is based on information compiled by Rick Adams, BSc MAusIMM MAIG, Director Geological Resource Services who is a consultant to EnviroGold Limited. Mr Adams is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Adams consents to the inclusion of the matters in the report based on information in the form and context in which it appears.