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ASX / Media Release

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ENVIROGOLD TO UNDERTAKE SMALL SHARE PLACEMENT TO FUND ONGOING PREDEVELOPMENT COSTS FOR AZUAY GOLD PROJECT, ECUADOR

Australian-based mineral resources company, **EnviroGold Limited (ASX: EVG)** (**EnviroGold** or the "**Company**") advises that it will place 15 million shares at 14 cents each to a small number of existing shareholders to raise \$2.1 million.

The Company has also received a commitment from Moonstar Investments Pty Ltd, a trustee company associated with EnviroGold's Chairman, Mr Brian Johnson, that it will progressively convert 10 million listed options at 15 cents each before their expiry date of 31 December 2011.

Funds raised will be applied to ongoing predevelopment costs for the Company's Azuay gold project in Ecuador.

Shareholder approval is not required for the capital raising.

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 January 2012, at the annual rate of 65,000 oz of gold and 600,000 oz of silver for 6.5 years (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).

ECUADOR

Azuay Gold Mining Project (100%)

- planned expansion in 2012-2013 of four small scale underground mines within the San Gerardo lease to produce a total of 300,000 tpa of ore per year, yielding approximately 100,000 oz gold annually from 2014 to 2026.

San Gerardo Gold Mining Prospect (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 to 150,000 oz of gold equivalent per year.

EnviroGold is also actively pursuing additional gold prospects 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.