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20 April 2011

ENVIROGOLD LIMITED QUARTERLY REPORT AND APPENDIX 5B FOR MARCH QUARTER 2011

LAS LAGUNAS GOLD TAILINGS PROJECT – DOMINICAN REPUBLIC

Construction Progress

Civil works (including concrete foundations), and Ball Mill and Isamill installations, are substantially complete.

Plate steel fabrication is well advanced on the Albion tanks and CIL tanks (76% and 68% respectively) as is erection (38% and 57% respectively). Fabrication of small carbon steel tanks in workshops in Santo Domingo is advancing (28%) as is specialty plate works being undertaken in Miami.

Manufacture of the modular oxygen plant is complete with the unit now being prepared for shipment by the end of April 2011. All mechanical and electrical equipment orders have been placed. Piping materials have arrived in the country and been delivered to fabricators workshops.

Construction momentum has accelerated following project financing being made available by Macquarie Bank Limited late last year, with all construction contracts let, and Contractors increasing their workforce in order to fast-track construction.

Approximately US\$27.5 million is yet to be expended on completing construction.

Expenditure is currently running at approximately US\$4 million per month with construction completion scheduled for end November 2011.

Project Finance

The US\$81 million project is fully funded with EnviroGold having provided US\$36 million of equity. Macquarie Bank Limited have provided a US\$7.5 million advance which will be repaid by a 3% gold royalty, and is progressively providing a US\$37.5 million project loan. The loan should be repaid within 24 months of the first gold pour, which is expected in early 2012.

A Dominican Government-owned Bank, BanReservas, will provide standby facilities in the form of a US\$2.5 million four year project loan, and a US\$2.5 million overdraft facility. These loans have been arranged to finance any project cost over-runs if such becomes necessary.

EnviroGold has forward sold 126,000 oz of future gold production (30% of total production) at US\$1,358 per oz, less fees.

Project Potential

The Las Lagunas tailings dam holds a JORC Inferred Resource of 5.12mt of refractory tailings from the Pueblo Viejo mine, grading 3.8 g/t Au and 38.6 g/t Ag (621,000 oz Au and 6,400,000 oz Ag). EnviroGold expects to extract 65,000 oz Au and 600,000 oz Ag per year from the tailings for nearly seven years at an operating cost of approximately US\$313 per oz. The project is being carried out under a profit sharing arrangement with the Dominican Government utilising Xstrata Technology's Albion oxidation process.

Project Images



Figure 1: Overview of Construction Site



Figure 2: IsaMill & Concentrate Regrind Tank



Figure 3: Ballmill



Figure 4: Albion Tanks



Figure 5: CIL Tanks

AZUAY GOLD MINING PROJECT, ECUADOR

The Azuay gold mining project involves the EnviroGold Group farming-in to 65% ownership of two small-scale underground mines in southern Ecuador, by the expenditure of US\$6.5 million on exploration and feasibility studies before August 2012. US\$1.0 million has been expended to 31 March 2011. Exploration and other predevelopment costs for the balance of 2011 are expected to be approximately US\$2.9 million.

The adjoining Pinglio and Papercorp mines are to be expanded to produce 100,000 oz gold per year during 2012-14, subject to the results of a three stage drilling program confirming the Company's geological consultant's expectations of a 4.0mt mining target within the near proximity of the existing mines, with gold grades of 10g/t to 12 g/t.

Activity for Period

The Company has commenced drilling from within the underground workings targeting the near-mine vein extensions. Surface drilling to better define the deeper underground targets will commence once environmental permits are issued. The public review period for the permits finished in late March 2011 and is being followed by an assessment period for public comment. It is anticipated that the permits will be granted in May 2011.

The Company has constructed an exploration camp at the Papercorp mine site, which is accommodating drilling crews, geologists and field assistants, and office facilities for the management of the resource definition drilling.

The Company revised its development plan to a two stage approach so as to reduce the initial capital requirement for the Azuay plant. The first stage will involve the recovery of gold from a gravity circuit, with resulting profits used to partly fund the second stage Albion/CIL plant, which will extract gold contained within the sulphides.

Investigation of suitable plant sites and tailings dam locations is ongoing with a number of options identified.

The ultimate technical and commercial viability of the project is dependent on the results of the 2011-12 drilling program, further metallurgical testwork, detailed mine planning, and final costings.

Project Images



Figure 1: Azuay Project – Underground Drilling



Figure 2: Azuay Exploration Camp



Figure 3: Azuay Exploration Camp - Dining Room



Figure 4: Azuay Exploration Camp - Sleeping Quarters

SAN GERARDO PROJECT ECUADOR

The Company has entered into an Option Agreement to purchase a 2,200 ha Mining Lease near the village of San Gerardo in Azuay Province, Ecuador which adjoins the Company's Pinglio and Papercorp mines (refer ASX Announcement 24 November 2010).

The San Gerardo property can be purchased at EnviroGold's option at any time within three years at a cost of US\$4,300,000. The vendors, the Cincoca Mining Association, have been paid an option fee of US\$300,000 which is deductible from the purchase price.

Geological consultants, Buscore Consulting Limited, have reviewed mapping undertaken in late 2010 and integrated it with historical data that has recently become available for the concession in the gold rich Azuay province of Ecuador.

The consultants have advised they have identified a number of significant targets with potential to support the development of an open pit mining operation:

- five areas of mineralised hydrothermal breccias with lengths between 500m and 750m;
- three extensive areas of anomalous arsenic mineralisation up to 1.2km wide;
- copper-molybdenum mineralisation over an 80ha area;
- widespread near-surface high-grade epithermal veins.

One of the principals of Buscore Consulting, Mr Dale Shultz, has favourably compared the San Gerardo concession with the nearby Tres Chorrerres property on which he worked from 2005 to 2007. Buscore considers the two properties to have a very similar style of mineralisation – copper, molybdenum, and gold bearing breccias associated with high grade epithermal veins. The Tres Chorrerres property has reported NI43-101 (Canadian JORC equivalent) resources (indicated and inferred) of 900,000 oz gold, 10.6 million oz silver, 59 million lbs molybdenum and 135 million lbs of copper.

Mr Shultz was the founder and former President of Atlas Moly S.A., the company which holds the Tres Chorrerres property, and co-author of its qualifying NI43-101 report which established the above resources.

Based on the consultants' recommendations, EnviroGold will commence a six month program in May 2011 to better define drilling targets, which will include:

- soil and rock samples on a 50m grid over identified targets;
- surveying and mapping high-grade vein sets exposed by drives into small scale mine workings;
- magnetic and induced polarisation surveys.

The Company expects to commence a drilling program around September 2011 with the objective of establishing JORC resources in 2012.

The San Gerardo property is at the centre of a proven and highly prospective gold province hosting reported resources (indicated and inferred) to NI43-101 standards of over 15 million oz of gold (refer ASX Announcement 24 November 2010).

Exploration costs in 2011 are expected to be approximately US\$1.5 million.

PERU – TRUJILLO GOLD PROJECT

The Trujillo gold mining project in northern Peru has previously been suspended pending construction of the Las Lagunas project in the Dominican Republic but is being progressed to the extent of environmental approvals for the construction of an Albion process plant and associated facilities on the Company's proposed 500ha plant site near Trujillo.

PLANNED ACTIVITIES FOR JUNE 2011 QUARTER**Las Lagunas Gold Project – Dominican Republic**

- Continue tank fabrication and erection;
- Continue structural steel fabrication and erection;
- Ship oxygen plant to site and commence installation;
- Commence pipe work installation.
- Commence receipt of mechanical equipment items.

Azuay Gold Mining Project – Ecuador

- Continue underground drilling program in Papercorp and Pinglio mines;
- Progress land acquisition for process plant, tailings dam;
- Receive environmental permits
- Commence surface drilling

San Gerardo Gold Mining Prospect – Ecuador

- Geological mapping
- Definition of drilling targets;
- Soil and rock sampling over identified targets

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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.

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Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

EnviroGold Limited

ABN

48 008 031 034

Quarter ended ("current quarter")

31 March 2011

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(126)	(769)
(b) development	(7,410)	(17,499)
(c) production	-	-
(d) administration	(288)	(1,276)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	7	24
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (re-imburement of expenditure)	-	(33)
Net Operating Cash Flows	(7,817)	(19,553)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	(3,029)
(c) other fixed assets	(233)	(234)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(233)	(3,263)
1.13 Total operating and investing cash flows (carried forward)	(8,050)	(22,816)

Notes

- i) Payments made under Item 1.2 (a) "exploration and evaluation" for the quarter were in relation to the Azuay Gold project in Ecuador
- ii) Payments made under Item 1.2 (b) "development" for the quarter were for the Las Lagunas Gold Project in the Dominican Republic

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(8,050)	(22,816)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	7,121
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	4,206	19,752
1.17	Repayment of borrowings	(20)	(815)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)		
	Net financing cash flows	4,186	26,058
	Net increase (decrease) in cash held	(3,864)	3,242
1.20	Cash at beginning of quarter/year to date	7,952	852
1.21	Exchange rate adjustments to item 1.20	(2)	(8)
1.22	Cash at end of quarter	4,086	4,086

**Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	181
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments made to directors and their associates including wages and directors' fees.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available A\$'000	Amount used A\$'000
3.1 Loan facilities	i) A\$2,305 ii) US\$7,500 iii) US\$37,500	A\$2,305 US\$7,500 US\$10,500
3.2 Credit standby arrangements	iv) US\$5,000	-

Notes

- i) Shareholders Loan from Moonstar Investments Pty Ltd, a trustee company associated with the Chairman of EnviroGold Limited –unsecured loan to 31 July 2011
- ii) Advance of US\$7.5 million provided by Macquarie Bank Limited on 22 October 2010 – repaid by 3% gold royalty from the Las Lagunas gold project
- iii) Loan Facility from Macquarie Bank Limited which will be drawn down as required from 30 November 2010 for the Las Lagunas gold project
- iv) Standby facility of US\$2.5 million four year project loan, and US\$2.5 million overdraft to be provided by Dominican Republic Government owned bank, Ban Reservas, if required for the Las Lagunas project

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,000
4.2 Development	14,700
4.3 Production	
4.4 Administration	1,072
Total	\$16,772

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2,145	6,372
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (term deposits)	1,941	1,580
Total: cash at end of quarter (item 1.22)	4,086	7,952

+ See chapter 19 for defined terms.

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities <i>(description)</i>	-	-	-
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-
7.3	*Ordinary securities	503,813,141	503,813,141	-
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-	-
7.5	*Convertible debt securities <i>(description)</i>	-	-	-

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7	Options (description and conversion factor)	206,457,097 2,000,001 833,334 17,500,000 17,500,000	206,457,097	Exercise price 15c 25c 25c 10c 15c	Expiry date 31/12/2011 31/12/2011 31/12/2012 15/10/2012 15/10/2013
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	Debentures (totals only)	--	-		
7.12	Unsecured notes (totals only)	-	-		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.



Sign here:
(Company secretary)

Date: 20 April 2011

Print name: Pamela Bardsley

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the

+ See chapter 19 for defined terms.

reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 Accounting Standards ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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