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HALF-YEAR REPORT
For the half-year ended 31 December 2009



ABN 48 008 031 034

HALF-YEAR FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

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CORPORATE INFORMATION

ABN 48 008 031 034

DIRECTORS

Brian Johnson *Executive Chairman*
James Tyers *Executive Director*
Angela Dent

COMPANY SECRETARY

Pamela Bardsley

REGISTERED OFFICE

Level 2, 12-14 O'Connell Street
SYDNEY NSW 2000
AUSTRALIA

PRINCIPAL PLACE OF BUSINESS

Level 2, 12-14 O'Connell Street
SYDNEY NSW 2000
AUSTRALIA

Phone: +61 2 4801 0685

SHARE REGISTER

Computershare Investor Services Pty Ltd
Level 3, 60 Carrington Street
SYDNEY NSW 2000

Phone: 1300 855 080

EnviroGold Limited shares are listed on the Australian Stock Exchange

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DIRECTORS' REPORT

The Directors submit their report for the half-year ended 31 December 2009.

DIRECTORS

The names of the Company's Directors in office during the half-year and until the date of this report are set out below. Directors were in office for the entire period unless otherwise stated.

Brian Johnson	Executive Chairman
James Tyers	Executive Director
Angela Dent	Non Executive Director

PRINCIPLE ACTIVITIES & REVIEW OF OPERATIONS

EnviroGold Limited's activities during the reporting period have been focused on the development of the Las Lagunas Gold Tailings Project in the Dominican Republic, and the acquisition and commencement of exploration of two small gold mines in Ecuador.

FINANCIAL POSITION & PROSPECTS

The net assets of the consolidated entity at balance date were \$27,851,065 (30 June 2009: \$15,138,403). The net loss for the period was (\$132,642) [2008: profit \$473,775].

REVIEW OF OPERATIONS

LAS LAGUNAS GOLD TAILINGS PROJECT, DOMINICAN REPUBLIC

The Las Lagunas Gold Tailings Project is located approximately 105km to the north of Santo Domingo, the capital of the Dominican Republic. The Dominican Republic occupies the eastern two-thirds of Hispaniola, a Caribbean island of the Greater Antilles arc lying between Cuba to the west and Puerto Rico to the east.

The Las Lagunas tailings were generated between 1992 and 1999 through the processing of refractory ores from the Pueblo Viejo mine, then owned and operated by Rosario Dominicana S.A, a State owned Mining Corporation. The refractory nature and metallurgical complexity of the ore resulted in poor recoveries of gold and silver when treated by conventional carbon in leach/cyanidation methods, resulting in significant tonnages of +3.5g/t Au material reporting to the Las Lagunas tailings storage facility.

The poor recoveries and depressed gold price of US\$260/oz resulted in the operations at Pueblo Viejo shutting down in 1999 and the mine being put on care and maintenance.

The Dominican State put the Las Lagunas project out to international tender for the evaluation and exploitation of the Las Lagunas tailings dam in October 2003 and a consortium of investors, EnviroGold Holdings Pty Ltd (previously Dominicana Gold Pty Ltd), Nanking Holdings Limited, and Grimston World Inc, established EnviroGold (Las Lagunas) Limited (previously Las Lagunas Limited) to bid. The consortium's bid was based on the use of the patented Albion Process Technology to oxidise the refractory tailings prior to conventional cyanide leaching.

EnviroGold (Las Lagunas) Limited was declared the winner of the public tender on 12 March 2004 and a Development Contract was signed with the Government on 28 April 2004.

The Contract with the Dominican State gives EnviroGold (Las Lagunas) Limited the right to retreat the refractory sulphidic tailings contained within the Las Lagunas tailings dam, and retain profits after the payment to the Government of income tax, royalties on metals, and a share of cash flow once the Project has recouped all development costs.

DIRECTORS' REPORT (CONTINUED)

Detailed Engineering

Detailed engineering for the 75,000 oz Au per year Albion process plant was resumed and substantially completed by Lycopodium Minerals QLD Pty Ltd during the half, after being interrupted in December 2008 due to the termination of Internet Engineering as the Project's design and procurement engineer (refer ASX announcements dated 12 November 2008 and 1 December 2008).

Construction

Civil Engineering (concrete foundations) construction commenced in November 2009. The long lead modular oxygen plant was also ordered at the same time. Bids were received and Letters of Intent raised during the period for the supply of mechanical and electrical equipment, and for contracts to undertake the supply and installation of structural steel and tankworks.

Bids for the balance of the construction elements were received subsequent to the end of the period.

Project Funding

During the period, EnviroGold (Las Lagunas) Limited formally accepted a revised credit approved offer from Macquarie Bank Limited for a US\$37.5 million project finance facility and a US\$7.5 million advance on a 3% gold production royalty for the 6.5 year life of the project. The facility documentation was signed by the Bank and the EnviroGold Group on 12 March 2010.

During the period, the EnviroGold Group formalised an arrangement whereby a wholly owned subsidiary will contribute loans totalling US\$22.5 million to EnviroGold (Las Lagunas) Limited to assist in the funding of the project, on the basis of receiving 75% of the after tax profits of the project.

The EnviroGold Group had earlier advanced US\$7.5 million to EnviroGold (Las Lagunas) Limited as is required under a Shareholders Agreement with Grimston World Inc. The result of this financing structure is that EnviroGold (Las Lagunas) Limited will retain 25% of profits from the project and Grimston World Inc will be entitled to 30% of these profits (i.e. 7.5% of project profits).

The EnviroGold Group will be entitled to an effective 92.5% of project profits plus management fees equal to 2.5% of gold and silver sales plus costs which will be reimbursed.

On 27 December 2009 the Company transferred to Grimston World Inc, a 30% shareholding in EnviroGold (Las Lagunas) Limited which it had purchased one year earlier from the minority shareholder with a delayed settlement. The transfer was effected under a put option arrangement as the EnviroGold Group did not have the financial resources which would otherwise have required it to pay US\$6 million for this interest.

AZUAY GOLD MINING PROJECT – ECUADOR

During the period, a binding agreement was signed between the EnviroGold Group and two Ecuadorian gold mining companies, Papercorp SA and Grumintor SA, whereby mining leases covering two adjacent small scale operating mines will be transferred into a new holding company, EnviroGold (Azuay) SA, for the issue of US\$2.0 million and US\$1.5 million of its shares, to the respective vendors.

The EnviroGold Group intends to provide US\$6.5 million of capital to EnviroGold (Azuay) SA progressively through to March 2011 to secure a 65% interest in the Company and its project.

Funds provided by the EnviroGold Group will be utilised for exploration, metallurgical testwork, feasibility costs, preliminary engineering, environmental studies, plant site acquisition, and project management.

Based on the results of previous exploration, and systematic mapping and sampling of 18,000m of old mine workings during the period and since, EnviroGold conceptualises an expansion of the existing mines to a 75,000 to 100,000 oz Au per year operation.

DIRECTORS' REPORT (CONTINUED)

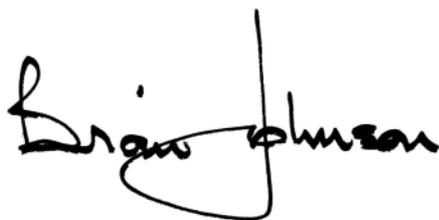
PERU – TRUJILLO GOLD PROJECT - PERU

The Trujillo gold mining project in northern Peru was previously suspended pending construction commencement of the Las Lagunas project in the Dominican Republic, but will now be reactivated.

AUDITORS' INDEPENDENCE DECLARATION

In accordance with the Audit Independence requirements of the Corporations Act 2001, the Directors have received and are satisfied with the "Auditors' Independence Declaration" provided by the Company's external auditors PKF. The Auditors' Independence Declaration has been attached immediately after the Directors' Report.

Signed in accordance with a resolution of the Directors made pursuant to s.298(2) of the *Corporations Act 2001*.

A handwritten signature in black ink that reads "Brian Johnson". The signature is written in a cursive style with a large, sweeping initial 'B'.

Brian Johnson
Executive Chairman
15 March 2010

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STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	NOTE	31 DECEMBER 2009 \$	31 DECEMBER 2008 \$
Operations			
Revenue	2(A)	71,068	131,463
Administrative and operating expenses	2(B)	(305,993)	(269,186)
Occupancy costs		(22,512)	(23,816)
Legal and professional costs		(105,929)	(89,416)
Exploration and evaluation expenditure		(39,638)	(170,862)
Depreciation and amortisation expense		(29,407)	(39,308)
Finance costs		(178,193)	(85,107)
Foreign exchange (loss)/gain		(1,921,262)	1,768,582
Reversal of impairment loss/(impairment loss)	2(C)	2,399,224	(748,575)
(Loss)/Profit before income tax		(132,642)	473,775
Income tax expense		-	-
(Loss)/Profit from continuing operations		(132,642)	473,775
(Loss)/Profit for the period		(132,642)	473,775
Other comprehensive income/(loss)			
Foreign currency translation movement		(1,944,435)	5,049,931
Reverse movement relating to the disposal of 30% interest in a subsidiary		9,403,658	-
Income tax relating to components of other comprehensive income		-	-
Total other comprehensive income for the period, net of tax		7,459,223	5,049,931
Total comprehensive income for the period		7,326,581	5,523,706
		EPS	EPS
Basic (loss)/earnings per share (cents per share)		(0.04)	0.24
Diluted (loss)/earnings per share (cents per share)		(0.04)	0.24

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2009

	NOTE	31 DECEMBER 2009 \$	30 JUNE 2009 \$
CURRENT ASSETS			
Cash and cash equivalents	4	1,266,317	2,402,590
Receivables		252,966	41,563
TOTAL CURRENT ASSETS		1,519,283	2,444,153
NON – CURRENT ASSETS			
Property, plant and equipment		220,435	203,912
Other assets	5	6,403,330	1,720,018
Intangible assets	6	22,556,393	20,194,357
TOTAL NON – CURRENT ASSETS		29,180,158	22,118,287
TOTAL ASSETS		30,699,441	24,562,440
CURRENT LIABILITIES			
Payables and accruals	7	2,775,340	1,892,032
Provisions		73,036	74,245
Convertible note liability		-	7,457,760
TOTAL CURRENT LIABILITIES		2,848,376	9,424,037
TOTAL LIABILITIES		2,848,376	9,424,037
NET ASSETS		27,851,065	15,138,403
EQUITY			
Contributed equity	8	31,962,853	26,628,650
Reserves		(547,730)	(8,058,831)
Accumulated losses		(3,564,058)	(3,431,416)
TOTAL EQUITY		27,851,065	15,138,403

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	Issued Capital	Accumulated Losses	Reserves	Total
	\$	\$	\$	\$
At 1 July 2008	24,685,397	(4,864,802)	(446,547)	19,374,588
Profit for the period	-	473,775	-	473,775
Foreign exchange reserve movement	-	-	5,049,931	5,049,931
Equity reserve movement	-	-	(9,403,658)	(9,403,658)
Option reserve movement	-	-	162,712	162,712
At 31 December 2008	24,685,937	(4,391,027)	(4,637,562)	15,657,348
At 1 July 2009	26,628,650	(3,431,416)	(8,058,831)	15,138,403
Profit/(loss) for the period	-	(132,642)	-	(132,642)
Foreign exchange reserve movement	-	-	(1,944,435)	(1,944,435)
Equity reserve movement	-	-	9,403,658	9,403,658
Option reserve movement	-	-	51,878	51,878
Shares issued	5,600,000	-	-	5,600,000
Share issue costs	(265,797)	-	-	(265,797)
At 31 December 2009	31,962,853	(3,564,058)	(547,730)	27,851,065

The \$9,403,658 movement in equity reserve during the period is as a consequence of the consolidated entity transferring 30% of EnviroGold (Las Lagunas) Limited (previously Las Lagunas Limited) back to Grimston Work Inc. This transaction is a reversal of the acquisition by the consolidated entity in November 2008 for a consideration of US\$6.15m).

In accordance with accounting standards AASB 108 and the principles of the revised AASB 127, the consolidated entity retains control of EnviroGold (Las Lagunas) Limited and has therefore accounted for the decrease in ownership from 100% to 70% as an equity transaction.

The accompanying notes form part of these financial statements

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STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

NOTE	31 DECEMBER 2009 \$	31 DECEMBER 2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Reimbursement of expenditures	-	182
Payments to suppliers and employees	(2,318,787)	(508,018)
Payments for exploration and evaluation activities	(212,329)	(157,341)
Interest received	27,264	131,463
	(2,503,852)	(533,714)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(53,939)	(15,096)
Payments for project development activities	(4,812,686)	(4,439,887)
Purchase of investments	-	(229,358)
	(4,866,625)	(4,684,341)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	5,600,000	-
Payment of share issue costs	(265,797)	-
Proceeds from borrowings	900,000	-
	6,234,203	-
	(1,136,274)	(5,218,055)
Cash at the beginning of the financial period	2,402,591	7,585,356
Effects of exchange rate changes on monetary items	-	1,111,590
CASH AT THE END OF FINANCIAL PERIOD	1,266,317	3,478,891

The accompanying notes of form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2009

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

1. REPORTING ENTITY

EnviroGold Limited (the 'Company') is a public company, listed on the Australian Stock Exchange, incorporated and domiciled in Australia. The address of the Company's registered office is Level 2, 12 O'Connell Street Sydney 2000. This condensed financial report covers the consolidated financial statements of the Company as at and for the half-year ended 31 December 2009 comprising the Company and its subsidiaries (the 'consolidated entity').

(a) Basis of preparation

These general purpose condensed financial statements for the half-year ended 31 December 2009 have been prepared in accordance with the requirements of AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial statements do not include all notes of the type normally included within the annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements.

It is recommended that the half-year financial statements be read in conjunction with the annual report for the year ended 30 June 2009 and considered together with any public announcements made by EnviroGold during the half-year ended 31 December 2009 in accordance with the continuous disclosure obligations of the *ASX Listing Rules*.

(b) Significant accounting policies

The accounting policies applied by the consolidated entity in these consolidated condensed financial statements are the same as those applied by the consolidated entity in its consolidated financial report as at and for the year ended 30 June 2009, except as noted below.

- AASB 8: Operating segments is applicable to annual reporting periods commencing on or after 1 January 2009. The change from the previous standard (AASB 14: Segment Reporting) to this standard has resulted in the changes as outlined in Note 3 to the Financial Statements.
- Revised AASB 101: Presentation of Financial Statements is applicable to annual reporting periods commencing on or after 1 January 2009. This standard results in changes to the financial statements including the addition of a statement of comprehensive income. This standard does not result in any changes to the financial results but affects how these results are presented.

(c) Going concern

The consolidated entity made an operating loss of \$132,642 for the half-year ended 31 December 2009 [2008: \$473,775 profit], and its current liabilities exceeded its current assets by \$1,329,093.

The ongoing viability of the consolidated entity and the recoverability of its non-current assets is dependent on the successful development of the Las Lagunas Project. The Project's successful development is contingent on access to Macquarie Bank's financing which is conditional on satisfaction of a number of conditions precedent.

The Directors believe that these conditions will be satisfied in the near term and the development of the Project will be completed in early 2011.

The non-current assets are included in the Financial Report at less than their recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2009

The Financial Report has been prepared on the basis of a going concern. This basis presumes that funds will be available to finance future operations, project expenditure commitments and to repay liabilities and that the realisation of assets and settlement of liabilities will occur in the normal course of business. The Directors believe that the consolidated entity will be able to fund future operations through debt finance, equity raising and sale or joint venturing of interests held in mineral tenements and projects. At the date of this Report other sources of funds are being sought to fund future working capital requirements of the consolidated entity.

On 8 February 2010 the consolidated entity advised the Australian Securities Exchange that it was its intention to raise an additional \$4 million of capital.

The Directors believe that they will be successful in raising sufficient funds to ensure that the consolidated entity can continue to meet its debts as and when they become due and payable. However, if additional funds are not raised, the going concern basis may not be appropriate with the result that the consolidated entity may have to realise its assets and extinguish its liabilities other than in the ordinary course of business and in amounts different from those stated in the Financial Report. No allowance for such circumstances has been made in the Financial Report.

2. REVENUE AND EXPENSES

	CONSOLIDATED	
	31 DECEMBER 2009	31 DECEMBER 2008
	\$	\$
(A) REVENUE		
Interest received	27,264	131,463
Other income	43,804	-
	71,068	131,463
(B) EXPENSES		
Employee costs	159,736	215,718
Operating lease	19,827	21,015
Others	126,430	32,453
	305,993	269,186
(C) REVERSAL OF IMPAIRMENT LOSS/(IMPAIRMENT LOSS)		
Oxygen plant	1,844,522	-
Prepaid royalty	554,702	(748,575)
	2,399,224	(748,575)

A negative figure for Other Expenses has been generated by the reversal during the current reporting period of two items which had been written off as expense in the prior reporting period and which have been reinstated as assets of the consolidated entity in the current reporting period. Details of these transactions are:

- i) A deposit paid on an Oxygen Plant (US\$1,662,600) had been written off as an Impairment Loss during the year ended 30 June 2008 due to the cancellation of the purchase order, pending the approval of project financing for the Las Lagunas Project. The purchase order, totalling US\$8,500,000 has been reinstated and by agreement with the equipment vendor, the initial payment is recognised as a deposit. A\$1,844,522 has therefore been reinstated as an asset of the consolidated entity with a corresponding offset against the Impairment Loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2009

- ii) A prepayment of US\$500,000 to Grimston World Inc. (“GWI”), the minority shareholder in EnviroGold (Las Lagunas) Limited (“EVGLL”) was written off against consultancy expense during the year ended 30 June 2009 due to the acquisition by the consolidated entity of GWI’s 30% interest in EVGLL. In November 2009, GWI re-acquired its 30% interest in EVGLL and therefore the amount previously written off (A\$554,702) was reinstated as an asset of the consolidated entity (prepaid royalty to GWI) with a corresponding offset against consultancy fees expense.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2009

3. SEGMENT INFORMATION

The primary reporting format for the group is geographical segments. The Company has identified its operating segment based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segment is identified by Management by project - discrete financial information about this operating segment is reported to the executive management team on at least a monthly basis.

Management have identified Las Lagunas project and others as the Group's main operating segments.

Geographical segment

The following table presents revenue and profit information for business segments for the period/year ended 31 December 2009, 31 December 2008 and 30 June 2009.

	Las Lagunas Project		Others		Eliminations		Consolidated	
	31 Dec 2009	31 Dec 2008	31 Dec 2009	31 Dec 2008	31 Dec 2009	31 Dec 2008	31 Dec 2009	31 Dec 2008
Revenue								
External Sales	68	-	43,736	-	-	-	43,804	-
Inter-segment sales	-	-	1,263,600	-	(1,263,600)	-	-	-
Total Revenue	68	-	1,307,336	-	(1,263,600)	-	43,804	-
RESULT								
Segment result	2,610,220	6,553	(1,155,998)	123,845	(1,435,935)	297,020	18,287	427,418
Operating profit							18,287	427,418
Income tax expense							-	-
Interest expense							(178,193)	(85,106)
Interest income							27,264	131,463
Profit/(Loss)							(132,642)	473,775
	31 Dec 2009	30 Jun 2009	31 Dec 2009	30 Jun 2009	31 Dec 2009	30 Jun 2009	31 Dec 2009	30 Jun 2009
OTHER INFORMATION								
Segment Assets	67,083,139	34,030,452	47,410,315	58,035,699	(83,794,013)	(67,503,711)	30,699,441	24,562,440
Consolidated total assets							30,699,441	24,562,440

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2009

4. CASH AND CASH EQUIVALENTS

For the purpose of the half-year statement of cash flows, cash and cash equivalents are comprised of the following:

	CONSOLIDATED	
	31 DECEMBER 2009	30 JUNE 2009
	\$	\$
Cash at bank and in hand	1,266,317	2,402,590

5. OTHER ASSETS

	CONSOLIDATED	
	31 DECEMBER 2009	30 JUNE 2009
	\$	\$
Prepayments and bonds	849,971	71,237
Deposits on equipment	5,553,359	1,648,781
Closing balance	6,403,330	1,720,018

6. INTANGIBLE ASSETS

	CONSOLIDATED	
	31 DECEMBER 2009	30 JUNE 2009
	\$	\$
Development costs – Las Lagunas		
Balance at the beginning of the period/year	20,194,357	13,044,112
FX movement on opening balance	(1,655,107)	1,860,507
Costs written off during the period/year	-	(621,480)
Current period/year costs	4,017,143	5,911,218
Closing balance	22,556,393	20,194,357

The net present value (at a discount rate of 10%), as calculated by the consolidated entity exceeds the carrying amount of the capitalised expenditure. As a consequence, no impairment losses have been recognised in the current period.

Value in use has been calculated using a discounted cash flow forecast. A discounted cash flow forecast to 2017 has been prepared and a discount rate of 10% has been used to determine the net present value of the future cash flows. Other assumptions included in the discounted cash flow forecast were: annual throughput 800,000 tonnes; a gold price of US\$906/oz and a Project loan interest rate of 5.25%. The impairment review assumes successful financing of the Las Lagunas Gold Tailings Project. As a result of the above, no impairment losses were recognised in the current period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2009

7. PAYABLES & ACCRUALS

Included in payables and accruals is a loan from a shareholder, which is a Director-related company, in the amount of \$900,000. This balance is unsecured, interest-free and is repayable on demand.

8. CONTRIBUTED EQUITY

	CONSOLIDATED	
	31 DECEMBER 2009	30 JUNE 2009
(A) PAID UP CAPITAL	\$	\$
Ordinary shares fully paid	31,962,848	26,628,645
Non-redeemable Preference shares	5	5
	31,962,853	26,628,650

	31 DECEMBER 2009		30 JUNE 2009	
	NO. OF SHARES	\$	NO. OF SHARES	\$
(B) MOVEMENTS IN ORDINARY SHARES ON ISSUE				
Beginning of the financial period/year	266,906,325	26,628,650	197,929,744	24,685,937
Issued at 3 cents	-	-	68,976,581	2,069,297
Issued at 5 cents	40,000,000	2,000,000	-	-
Issued at 8 cents	45,000,000	3,600,000	-	-
Capital Raising Costs		(265,797)	-	(126,584)
Balance at the End of Period/Year	351,906,325	31,962,853	266,906,325	26,628,650

(C) TERMS AND CONDITIONS OF CONTRIBUTED EQUITY

Ordinary shares have the right to receive dividends as declared and, in the event of winding up of the Company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote either in person or by proxy, at a meeting of the Company. The five non-redeemable preference shares were issued to Balmoral Corporation Limited following approval by members of an ultimately failed merger proposal. The dividend on these shares is 5% per annum and is cumulative.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2009

9. COMMITMENTS FOR EXPENDITURE

	CONSOLIDATED	
	31 DECEMBER 2009	31 DECEMBER 2008
	\$	\$
(A) RENT EXPENDITURE COMMITMENTS		
Office rent expenditure commitments payable:		
Within one year	114,616	160,945
1 – 2 years	90,822	115,997
Later than two years	7,593	98,415
	213,031	375,357

	CONSOLIDATED	
	31 DECEMBER 2009	31 DECEMBER 2008
	\$	\$
(B) CAPITAL EXPENDITURE COMMITMENTS		
Capital expenditure commitments payable:		
Within one year	12,591,813	3,234,925
Later than one year	4,852,831	-
	17,444,644	3,234,925

(C) DISPUTE WITH INTERNET ENGINEERING PTY LTD

On 1 December 2008, EnviroGold (Las Lagunas) Limited (previously Las Lagunas Limited), a subsidiary of EnviroGold Limited, filed a Statement of Claim ("Claim") in the Federal Court of Australia against Internet Engineering Pty Ltd ("IME"), having previously terminated its contract with IME for the provision of engineering design and procurement services. The Claim alleges breach of contract and misleading and deceptive conduct and seeks damages in the amount of US\$9.094 million and A\$5.509 million respectively. IME is pursuing a counter claim against EnviroGold (Las Lagunas) Limited for A\$1.876 million alleging unpaid fees. The amount of A\$1.876 million is being refuted by EnviroGold (Las Lagunas) Limited, and as such, is not included in current creditors.

EnviroGold Limited has to date provided bank guarantees totalling A\$119,101 in settlement of an application for security of costs with IME provided up to, but not including the first day of trial in relation to an application for damages against IME filed by EnviroGold (Las Lagunas) Limited in the Federal Court in December 2008.

In the view of the directors, the outcome is unknown and they cannot estimate the likelihood of an unfavourable decision. As a result, no provision has been made at 31 December 2009.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2009

10. EVENTS SUBSEQUENT TO REPORTING DATE

SHARE OPTIONS

The Company issued 187,707,097 Share Options on 21 January 2010, under a rights entitlement at a cost of \$0.001 each. The Options are exercisable at 15 cents each on or before 31 December 2011.

Funds raised from the exercise of these Options are earmarked primarily for anticipated development costs associated with the Azuay gold mining project in Ecuador.

SHAREHOLDER'S LOAN

A Shareholder related to the Chairman has increased its unsecured, non interest bearing, on demand loan to the EnviroGold Group to \$3.0 million as at the date of this Report and committed to increase this amount to \$4,000,000 in the near term primarily for the continuing construction of the Las Lagunas gold Project.

PROJECT FUNDING

The loan facility documents for the Las Lagunas Gold Project in the Dominican Republic were finalised and signed by both Macquarie Bank Limited and the Consolidated Entity on 12 March 2010. Under this facility, the Consolidated entity will be provided with project loan facility and gold royalty finance of up to US\$37.5 million and US\$7.5 million respectively.

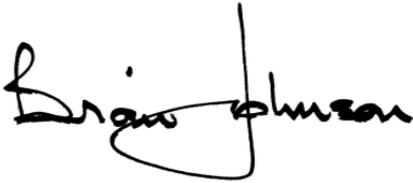
DIRECTOR'S DECLARATION

FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

In accordance with a resolution for the Directors of EnviroGold Limited, I state that:

1. In the opinion of the Directors:
 - a. the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the financial position as at 31 December 2009 and the performance of the half year ending on that date of the consolidated entity; and
 - ii. Complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
 - b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board,



Brian Johnson
Executive Chairman
15 March 2010



Chartered Accountants
& Business Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members EnviroGold Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of EnviroGold Limited, which comprises the statement of financial position as at 31 December 2009, statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a description of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at 31 December 2009 or from time to time during the half year ended on that date.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of EnviroGold Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*

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Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 1(c) in the financial report which indicates that the consolidated entity incurred an operating loss of \$132,642 (2008: Profit \$473,775) and the current liabilities of the consolidated entity exceeded current assets by \$1,329,093 (30 June 2009: \$6,979,884).

These conditions, along with other matters as set forth in Note 1(c), indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern, and therefore whether the consolidated entity may realise their assets and extinguish their liabilities in the ordinary course of business and at the amounts stated in the financial report.

The financial report of the consolidated entity does not include any adjustments in relation to the recoverability and classification of recorded net asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of EnviroGold Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

**PKF**

Bruce Gordon
Partner

15 March 2010
Sydney



Chartered Accountants
& Business Advisers

Auditor's Independence Declaration

As lead auditor for the review of EnviroGold Limited for the half year ended 31 December 2009, I declare that to the best of my knowledge and belief there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of EnviroGold Limited and the entities it controlled during the half year.

PKF

Bruce Gordon
Partner

15 March 2010
Sydney

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