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Emgold Mining Corporation

EMR: TSX.V

Permitting progress at Idaho-Maryland Mine

Emgold Mining Corporation has spent several years advancing the Idaho-Maryland Project with the goal of restoring California's second largest historical gold-producing mine to production. Investors tend to feel that permitting a mine in California, a state known for its high environmental standards, can be challenging. However, investors are discovering that California has clearly defined mine permitting and operations legislation in place that make the State an attractive jurisdiction in which to operate. In 2004, based on data from the National Mining Association, California had 590 operating mines that directly contributed US\$3.7 billion to the state economy. It helps that the project is situated in the Sierra Nevada Foothills, host to the Motherlode Dis-

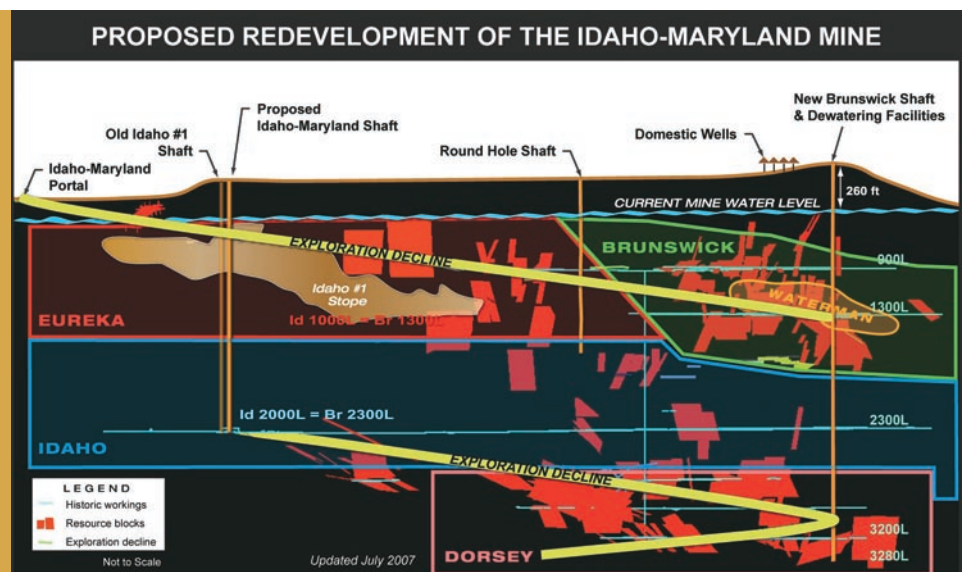
trict that triggered the California Gold Rush. It also helps that the project in Grass Valley has the support of most local businesses, as The Wall Street Journal discovered while researching a feature story, California Town Relives Gold Rush (Nov.9/07). The clincher is a 2006 opinion poll which found that almost 72% of Grass Valley's 13,000 residents support the project, a remarkable result that reflects the mine's historic contribution and potential to deliver significant jobs and related spin-off benefits to the community while operating in an environmentally responsible manner. Emgold continues to conduct a professional community relations program that effectively communicates the benefits of re-opening the Idaho-Maryland in a transparent manner. The City of Grass Valley recently completed The Idaho-Maryland

Mine Project Initial Study that has allowed Emgold to proceed to the preparation of an Environment Impact Report (EIR), the final phase of the permitting process to reopen and operate the mine.

Discovered in 1851, Idaho-Maryland produced 2.38 million ounces of gold from 5.54 million tons at a recovered grade of 0.43 oz. (ounces) gold per ton from 1862 to 1956. Gold mines in the Sierra Nevada Foothills Gold Belt collectively produced about 17 million ounces of gold before a 1950s government policy fixing the gold price at US\$35 per ounce forced their closure.

Mines in the Grass Valley region, including Idaho-Maryland and the Empire Mine (the state's largest historical gold-producing mine with total production of 5.8 million ounces), produced 13 million ounces of gold from 25 million tons at

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a recovered grade of 0.52 oz. gold per ton. The Grass Valley mining district has been likened to the Red Lake gold camp of Ontario, which produced more than 18 million ounces from 27.7 million tons grading an average of 0.65 oz. gold per ton, starting in the 1930s. But unlike the Red Lake camp where exploration has generated new discoveries and given new life to historic mines, the Grass Valley district sat dormant until Emgold “re-discovered” the Idaho-Maryland Mine and revived the district through exploration and development programs. Emgold’s goal is to develop a 2,400-ton-per-day operation with potential to produce 250,000 ounces of gold per year, based on measured and indicated resources of 1.67 million tons grading 0.28 oz. gold per ton, plus another 2.57 million tons at 0.39 oz. gold per ton in the inferred category.

PERMITTING PROGRESS

In mid-2007, Emgold strengthened and reorganized its management team in order to focus on permitting the Idaho-Maryland Mine and securing the financing to develop the mine and generate wealth for shareholders. The company spun-off its wholly owned subsidiary Golden Bear Ceramics, which had developed the trade-marked Ceramext process to convert tailings and waste rock into ceramic stone products. This opportunity will be pursued independently of Emgold by Golden Bear President William Witte, who resigned as President of Emgold in mid-2007 (he remains as a director) to lead Golden Bear forward. David Watkinson, a mining engineer with more than 20 years of international mine development and operations experience, is now the President and COO of Emgold.

Co-Chairmen Sargent Berner, a prominent lawyer, and Chartered Accountant Kenneth Yurichuk have assembled a team specifically focused on pursuing the permitting process for the Idaho-Maryland Mine, including Chief Mining Engineer William Watters, Chief Geologist Robert Pease, and Patricia Nelson, Director of Environmental Permitting.

Emgold has diversified itself by acquiring several mineral projects in eastern British Columbia. Recent drilling at the Stewart/Jazz Properties is testing two mineralized areas; one a historic molybdenum prospect explored in the early

1980s and the other an area of historic tungsten mineralization explored by a major company in the 1940s. The Rozan Project near the town of Ymir covers gold mineralization hosted in quartz veins, sheeted veins and stockwork zones.

PERMITTING PROGRESS

Since 2003, Emgold has spent about US\$7 million directly on permitting, geological studies, digitizing the historical database and resource modeling for the Idaho-Maryland Mine. The Company has also spent US\$1.5 million on drilling programs and land lease and property tax payments.

The mine’s existing resources consist of 216 resource blocks defined in a National Instrument 43-101 Technical Report completed in late 2004, and subsequent geological modeling by company geologists. Current measured and indicated resources contain 472,000 ounces of gold, with inferred resources containing another 1.02 million ounces of gold.

Emgold has developed 754 exploration targets based on historical information covering over 90 years of mine exploration, development and operations and the results from drill programs that the company digitized into a mine-modeling program. These include 26 large targets, any one of which could be a significant discovery, as well as 216 resource blocks, each of which is open in at least two directions. An underground drilling program designed to test the best of these targets will start once the mine is permitted and dewatered. The company has applied for and intends to obtain all necessary permits to de-water, explore, develop and re-open the mine. This “all-at-once” strategy eliminates the need to apply for mine operating permits at a later date to begin production.

Emgold completed the first and longest phase of California’s three-phase permitting process in 2007 by preparing and submitting a Master Environmental Assessment in support of its application to the City of Grass Valley. In early January of 2008, the City of Grass Valley completed its initial project study, marking the successful conclusion of Phase Two of the mine permitting process. The next and final stage is to prepare and complete the final Environmental Impact Report, which is now in progress, and obtain the Conditional Mine Use Permit (CMUP) from the city. Emgold notes that this

“well defined and controlled process” has allowed more than 40 gold mines in California to obtain their CMUPs since the early 1960s.

EMR: TSX-V

EGMCF: OTC Bulletin Board

EML: Frankfurt Stock Exchange

Shares Outstanding: 156.58 Million

Fully Diluted: 271.62 Million

52-Week Trading Range: \$0.105 to \$0.32

DYNAMIC CONCLUSION

Emgold Mining Corporation is at the forefront of efforts to revitalize gold mining in California by restoring its flagship Idaho-Maryland Mine to production. Successful permitting of this historic mine would revive one of America’s most productive gold districts. The structurally controlled mesothermal deposits in the region are famous for large bonanza-grade, greenstone-hosted oreshoots. The Idaho No. 1 vein oreshoot at the Idaho-Maryland produced one million ounces of gold from one million tons (1 opt), ranking it amongst the most famous oreshoots in the world, including Red Lake (1.5 million ounces) and the Kalgoorlie gold camp of Australia (3 million ounces). Similar oreshoots are a prime exploration target at the Idaho-Maryland property, which encompasses 2,800 acres of highly prospective subsurface mineral rights, including 138 acres of surface rights surrounding the New Brunswick and Idaho Shafts.

Emgold has strengthened its corporate and technical teams and its ability to finance ongoing work programs, as evidenced by a recent \$8 million private placement financing that will be used primarily to complete the permitting process for the Idaho-Maryland Mine. Emgold continues to advance the Idaho-Maryland Mine in its quest to produce shareholder value.

FOR FURTHER INFORMATION



Emgold Mining Corporation
www.emgold.com

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