

EMGOLD MINING CORPORATION

**1400 – 570 Granville Street
Vancouver, B.C. Canada V6C 3P1
www.emgold.com**

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Ticker Symbol: **EMR**-TSX Venture Exchange
SEC 12g3-2(b): 82-3003

EMGOLD – SECOND QUARTER REPORT

Emgold Mining Corporation (EMR:TSX Venture Exchange) announces its results for the six months ended June 30, 2004, (“fiscal 2004”). Emgold incurred a loss of US\$1,585,926, or a loss per share of \$0.03 in fiscal 2004, compared to a loss of US\$362,784 or a loss per share of \$0.01 in the six months ended June 30, 2003 (“fiscal 2003”).

Administrative expenditures totalled US\$365,664 in fiscal 2004, and have increased to the present level as exploration activity at the Idaho-Maryland Property has increased and research has commenced on the Ceramext™ Process. Included in administrative expenditures is a foreign exchange loss of US\$64,387, primarily due to maintaining cash and cash equivalents in Canadian dollars.

Emgold has expended US\$350,198 on the licensing, bench-scale model and related research on the Ceramext™ Process during the quarter, with a total expended to date in fiscal 2004 of \$811,414.

During the quarter, Emgold expended US\$865,618 in exploration costs on the Idaho-Maryland Property, with a total to date in fiscal 2004 of \$1,561,465. The property lease commenced on June 1, 2002, and expires on May 31, 2007. Also, the Company has entered into a three-year lease and option to purchase agreement for a 44,750 square foot building located in Grass Valley, commencing April 1, 2004. In addition, the Company entered into a joint venture with a private, non-related company and acquired approximately 45.4 acres adjacent to other properties under option by the Company in Grass Valley, California. The Company’s share of the purchase price was US\$542,500.

At June 30, 2004, Emgold had unrestricted working capital of US\$3,607,397. Unrestricted working capital is defined as unrestricted current assets less current liabilities.

William J. Witte, P.Eng
President and Chief Executive Officer

For further information please contact:
Mark Feeney, Investor Relations: Tel: (604) 687-4622 Fax: (604) 687-4212
Email: info@emgold.com

No regulatory authority has approved or disapproved the information contained in this news release.