

# EMGOLD MINING CORPORATION

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## EMGOLD MINING CORPORATION – IDAHO-MARYLAND PROJECT UPDATE

**Emgold Mining Corporation** (EMR-TSX-V) (“Emgold”) is pleased to report on progress with exploration and development activities at its Idaho-Maryland Project located in Grass Valley, California. Recent activities on the Idaho-Maryland include on-going exploration planning and resource definition, preparation of the Final Application for a Conditional Mine Use Permit and preparation of a new NI 43-101 Technical Report and Preliminary Assessment, as well as the further development and commercialization of the Ceramext™ Process.

### EXPLORATION

Emgold’s geologic team continues to review the results of the Phase 2 surface exploration program including the drill core from the 18,000 feet (5,486 m) of gold exploration drilling and the approximately 3,000 feet (915 m) of geotechnical drilling. The geotechnical drilling was completed to test the possible location of future exploration and production ramps and surface facilities at the Idaho-Maryland property and the suitability of the meta-volcanic rock within the Brunswick Slab using the Ceramext™ Process to produce high quality ceramic products.

Emgold has currently identified up to 26 conceptual exploration targets, each having the potential to host a sizeable gold deposit based on historical and current drill data from the Idaho-Maryland. It is important to note that these conceptual exploration targets may only be further defined by both surface and underground exploration drill programs. The Company’s geologists are currently designing the Phase 3 surface drill program for 2005. An application to conduct the Phase 3 surface drill program will be prepared for submission to the City of Grass Valley. The Phase 3 program is presently expected to consist of approximately 25,000 feet (7,620 m) of core drilling conducted up to 5 sites located within the City. The Company is also planning a future 425,000 ft (130,000 m) underground drill program to test the 26 conceptual exploration targets and 200 resource blocks currently identified by the Idaho-Maryland geologic team. Underground exploration can only be accomplished by successfully obtaining a Conditional Mine Use Permit, and the Company estimates that the permitting process may take between 14 and 24 months, based on the experiences of previous mining operations located in California.

### PERMITTING

Emgold, through its wholly owned subsidiary, Idaho-Maryland Mining Corporation (“IMMC”) continues to prepare the necessary documentation for submission of the Final Application for the required Conditional Mine Use Permit. In July 2004 the Company submitted a Conceptual Application to the City of Grass Valley and Nevada County for preliminary review and comment from appropriate government agencies prior to submission of the Final Application. In September 2004 IMMC received comments from the various government agencies on the Conceptual Application and is using this valuable input for the preparation of the Final Application. The Company has enjoyed a very good working relationship with the local community and governments and has been successful in obtaining all previous permits it has applied for. The Conditional Mine Use Permit will include, but not necessarily be limited to, the dewatering of the existing Idaho-Maryland Mine workings and the construction of a ramp for underground exploration and possible future mine production. The construction of the decline may also enable the production of ceramics from the development rock and further testing of underground exploration targets that are not accessible by surface exploration. The Mine Use Permit application will also include provisions for Emgold to operate a Ceramext™ plant to treat the development rock and mine tailings to produce ceramic building products from both the

development rock and tailings, sales of which are projected to contribute significant revenue that could reduce the cost of the complete mining operation. The Conditional Mine Use Permit Application contemplates the development of a staged gold mining operation on a scale of up to 2,400 tons per day after positive feasibility studies are completed and production decisions can be made.

### **ADVANCEMENT OF THE CERAMEXT™ PROCESS**

Emgold through its wholly owned subsidiary, Golden Bear Ceramics Company (“Golden Bear”) has successfully commissioned the Ceramext™ pilot plant located in Grass Valley, California. Soon after commissioning the pilot plant, Golden Bear’s technical team was able to produce high quality ceramic billets suitable for further processing into a wide range of saleable ceramic products. The Company is primarily focused on the testing and utilization of meta-volcanic rock and tailings from the Idaho-Maryland project using the Ceramext™ Process to produce ceramic materials for both US and foreign markets. Specifically the Company is working to commercialize the patented Ceramext™ Process to process mine development rock and mine tailings from the Idaho-Maryland project into a variety of ceramic products, including ceramic floor, wall, countertop and roof tile, and ceramic brick, pavers, and block.

The Ceramext™ hot extrusion process is able to use a very wide range of silicate materials that would normally be considered waste materials. These include not only mine development rock and mine tailing materials, such as those from the Idaho-Maryland project, but also coal and lignite fly ash, incinerator and wood ash, waste earth materials, and a variety of other silicates. This process can be used to economically manufacture ceramic products with superior properties including materials 3 to 5 times stronger than conventional ceramics and that are impervious to water without glazing. The Ceramext™ Process is capable of producing high quality ceramics at approximately 40% less cost than other conventional ceramic processes because of its efficient use of energy.

Upon completion of the initial pilot plant testing of the Idaho-Maryland materials, the Company is planning the preparation of marketing studies leading to a feasibility study for production. Emgold anticipates completing the marketing and feasibility studies using the Ceramext™ Process for the Idaho-Maryland Mine during 2005.

### **PREPARATION OF A NEW NI 43-101 TECHNICAL REPORT**

Emgold has awarded the preparation of a new NI 43-101 Technical Report and Preliminary Assessment to AMEC E&C Services Limited (“AMEC”), a recognized world leader in specialized environmental, technical and construction services. The Technical Report will be an update to the previous Technical Report prepared by AMEC and announced on November 7, 2002 and will include a revised gold resource and a new industrial minerals resource utilizing meta-volcanic rock from the Idaho-Maryland to produce ceramics using the Ceramext™ Process. The Preliminary Assessment will provide an independent evaluation of the staged development and economics of the Idaho-Maryland Mine using new Measured, Indicated and Inferred Resources developed by Emgold’s in house geologists and engineers. The report will be filed on <http://www.sedar.com/> within 30 days of this announcement.

As of October 1, 2004, the Idaho-Maryland and Golden Bear project teams and have moved into the Company’s 45,000 square foot (4,180 square metres) facility located in Grass Valley, California. This new facility houses all Grass Valley operations including administration, geology and core storage, mining development department and the Ceramext™ Process laboratory and pilot plant operations

For more information about Emgold’s projects, the Idaho-Maryland Project and the Ceramext™ Process, please visit <http://www.emgold.com> or <http://www.sedar.com/>.

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