

# **EMGOLD MINING CORPORATION**

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## **EMGOLD ANNOUNCES UPCOMING 2011 FIELD EXPLORATION AND DRILLING PROGRAM FOR THE STEWART PROPERTY, B.C.**

### **Overview**

Emgold Mining Corporation (“Emgold” or the “Company”) announces its upcoming 2011 field exploration plans for its Stewart Property, B.C. The Stewart Property is located in the Nelson mining district, near Salmo, B.C and is an attractive poly-metallic exploration property. It contains a variety of styles and types of mineralization, with targets identified in different areas within the property. Targets include the Stewart Moly Zone, the Arrow Tungsten Zone, the Craigtown Gold Zone, and the Free Silver Zone.

In December 2010, Emgold raised CDN\$500,000 in flow through funding for exploration work at Stewart in 2011. The Company plans to use these funds to continue drilling of the Stewart Moly Zone, with a goal of ultimately defining a NI 43-101 compliant molybdenum resource. Additional work may be done to further explore the Craigtown Gold Zone, to enhance work on previously identified gold prospects. Currently, the Company is completing permitting activities to allow this exploration work to occur in the summer of 2011. A computer model of the molybdenum deposit is being developed to plan the 2011 exploration drilling program. The model is being developed using Surpac software, to allow better identification of the best location of infill drill holes needed to determine the size and shape of the mineral deposit. Subsequently, details of the exploration program will be finalized and diamond drilling will commence.

### **Stewart Moly Zone**

The Stewart Property has been examined by 14 different companies since 1942 for tungsten, copper, molybdenum, gold and silver. Historic exploration of the Stewart Moly Zone has included geological mapping, soil and rock geochemistry, geophysics, trenching and drilling. The most extensive of those historic programs were conducted by Shell Canada Resources in 1980-1981 and Selco Inc. in 1983. The two companies were searching primarily for molybdenum and drilled 23 holes in the area. In 1981, Shell delineated a narrow, steep dipping podiform breccia resource containing and estimated 204,000 tonnes at a grade of 0.37% MoS<sub>2</sub> (0.22% Mo). These historic drilling results cannot be verified for the purposes of National

Instrument 43-101 (NI 43-101) and therefore this information is not NI 43-101 compliant. This information, however, is a useful guide for future exploration by the Company's geologists.

Emgold acquired the Stewart property in 2001 and continued evaluation of the Stewart Moly Zone in 2005 and 2007. Geochemical sampling, geophysics, trenching, and drilling programs were completed to check historic work and further assess the strong molybdenum mineralization in the area. The Company drilled eight holes in the area, two of which were twin holes adjacent to historic drilling. Some of the more significant assays (including historic holes by Shell and Selco) are shown in Table 1 below:

**Table 1**  
**Stewart Moly Zone**  
**Significant Drilling Results**

Hole Number	From (m)	To (m)	Length (m)	MoS <sub>2</sub> (%)	Mo (%)
05 SM-05	0.00	75.29	75.29	0.314	0.188
Including	37.85	73.76	35.91	0.597	0.358
STW 07-03	54.86	79.25	24.39	0.514	0.308
Including	63.09	66.14	3.05	1.293	0.721
80-3	2.00	20.00	18.00	0.737	0.442
80-3	30.00	54.00	24.00	0.234	0.140
81-9	58.00	128.00	70.00	0.459	0.275

For details on drilling by Emgold, see press releases of Nov. 28 and 29, 2005, and Nov. 28, 2007

### **Craigtown Gold Zone**

The Craigtown Gold Zone is an early stage exploration target identified by previous exploration activity. Several companies conducted gold exploration programs in this area from 1989 through 2001. Initial exploration included soil and rock geochemistry, induced polarization, VLF-EM and ground magnetic geophysical surveys, trenching and diamond drilling. Surface exploration indicated the presence of gold mineralization trending southward toward the historic Arlington Mine, located just south of the Stewart claim block. This mineralization occurred as two separate low grade gold anomalies, plus a zinc-gold anomaly, in narrow veins within volcanic tuffs and diorite.

Cameco Corporation conducted trenching (in 1992) and follow-up drilling (in 1993) at Craigtown and found low-grade gold in the volcanic and dioritic rocks near a feldspar porphyry contact. They interpreted the control on gold mineralization to be the intrusive-country rock contact. Cameco drilled four holes totaling 448.8 meters to test a soil anomaly identified the previous year. The results of the drilling showed anomalous gold values typically up to 200 ppb (0.005 opt) over 1 to 2 meter sample lengths. The highest gold value came from hole DEN-93-4, which assayed 24,854 ppb (0.725 opt) from a one meter interval in a quartz-calcite vein. A check assay also had similar results (19,800 ppb, or 0.578 opt). These historic drilling results

cannot be verified for the purposes of National Instrument 43-101 (NI 43-101) and therefore this information is not NI 43-101 compliant. It is, however, a useful guide for future exploration. The best Cameco drilling results are shown below in Table 2:

**Table 2**  
**Craigtown Gold Zone**  
**Significant Drilling Results**

<b>Hole Number</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Length (m)</b>	<b>Au (opt)</b>
DEN-93-2	21.0	23.0	2.0	0.054
DEN-93-4	38.0	38.5	0.5	0.011
DEN-93-4	<b>39.0</b>	<b>40.0</b>	<b>1.0</b>	<b>0.725</b>

Note: opt means ounce per ton

Emgold acquired the Stewart property in 2001 and completed soil sampling of the Craigtown area that same year. Elevated gold-in-soil values of up to 84 ppb (0.002 opt) were found in the North Craigtown anomaly along with weaker values of 43 ppb (0.001 opt) in the South. In addition, a zinc soil anomaly with values up to 681 ppm was found.

In 2004 Emgold conducted rock and soil geochemical sampling and drilled two holes in the vicinity of the Craigtown gold anomaly. The Company found weak anomalous gold-copper mineralization, with gold values in the 0.26 to 0.43 grams per ton (0.007 to 0.012 opt) range. Exploration may include geochemical sampling, trenching, and possibly limited drilling of the Craigtown gold anomaly, depending on funds available.

### **Stewart Summary**

Upon completion of computer modeling, layout of the drill program, and receipt of necessary permits, Emgold plans to commence exploration activity on the Stewart Property in the summer of 2011.

David Watkinson, President and CEO of Emgold stated, “The Stewart Property represents a highly prospective exploration property with a variety of exciting targets. Emgold’s current strategy is to complete additional diamond drilling with the goal of ultimately defining an NI 43-101 compliant moly resource in the Stewart Moly Zone. This will add value to the Company for our shareholders and improve the value of the property. Given the current high price of gold, we are also interested in further exploring the Craigtown Gold Zone which, while early stage, shows potential for a significant discovery.”

### **Additional Information on Emgold’s Rozan Property, B.C.**

Emgold also has a second exploration property located in B.C., southwest of Nelson, called the Rozan Property. It is currently under a lease and option to purchase agreement by Valterra Resource Corporation. Valterra recently made its 2011 property payment and has commitments to make CDN \$250,000 in cumulative work expenditures on the property in 2011. Valterra controls over 11,000 hectares of exploration properties in B.C., including the Star, Toughnut, and Rozan properties.

Information in this news release that is of a scientific or technical nature was reviewed by Perry Grunenberg, P.Geo, an independent consultant to the Company. He is a Qualified Person as defined in National Instrument 43-101.

For more information about Emgold, the Idaho-Maryland Gold Project and the Buckskin Rawhide, Stewart, and Rozan Properties, please visit [www.emgold.com](http://www.emgold.com).

**On behalf of the Board of Directors**

**David G. Watkinson, P.Eng.**  
President & CEO

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This news release includes certain statements that are "forward-looking statements" within the meaning of applicable Securities regulations including statements regarding the planned work programs, expected results and potential mineralization and resources on the properties. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include exploration results that are different than those anticipated, inability to raise or otherwise secure capital to fund planned programs, changes to metal prices, the price of the company's shares, the costs of labour, equipment and other costs associated with exploration, availability of drilling equipment and operators, development and mining operations, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. For more information on the Company, Investors should review the Company's filings that are available at [www.sedar.com](http://www.sedar.com) or the Company's website at [www.emgold.com](http://www.emgold.com).