

EMGOLD MINING CORPORATION

(AN EXPLORATION STAGE COMPANY)

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE AND THREE MONTHS ENDED 30 SEPTEMBER 2015**

Stated in US Dollars

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements

TABLE OF CONTENTS

Management’s Responsibility.....	i
Condensed Interim Consolidated Statement of Financial Position	1
Condensed Interim Consolidated Statement of Comprehensive Loss	2
Condensed Interim Consolidated Statement of Changes in Equity.....	3
Condensed Interim Consolidated Statement of Cash Flows	4
Notes to the Condensed Interim Consolidated Financial Statements	
1) Nature of operations and going concern.....	5
2) Basis of preparation – Statement of Compliance	5
3) Summary of significant accounting policies	6
4) Financial instruments and risk management.....	6
5) Plant and equipment	8
6) Exploration and evaluation assets.....	9
7) Related party transactions.....	11
8) Share capital	12
9) Segmented disclosure.....	13

MANAGEMENT'S RESPONSIBILITY

To the Shareholders of Emgold Mining Corporation:

Management is responsible for the preparation and presentation of the accompanying unaudited condensed interim consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the unaudited condensed interim consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and the Audit Committee are composed primarily of Directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information presented. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and the external auditors. The Audit Committee has the responsibility of meeting with management, and the external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Board is also responsible for recommending the appointment of the Company's external auditors.

We draw attention to Note 1 in the unaudited condensed interim consolidated financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

The Company's independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements.

23 November 2015

The condensed interim consolidated financial statements were approved by the Board of Directors on 23 November 2015 and were signed on its behalf by:

"David Watkinson"

David Watkinson, President & CEO

"Grant T. Smith"

Grant T. Smith, CFO

US Dollars
(Unaudited)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30 September 2015	As at 31 December 2014
ASSETS			
Current Assets			
Cash and cash equivalents		\$ 6,949	\$ 26,636
Amounts receivable		2,166	1,500
Prepaid amounts and deposits		5,925	5,839
		15,040	33,975
Non-current Assets			
Reclamation bonds		9,332	10,775
Plant and equipment	(5)	810	1,668
Exploration and evaluation assets	(6)	1,367,563	1,337,563
		1,377,705	1,350,006
		\$ 1,392,745	\$ 1,383,981
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities		\$ 121,574	\$ 132,597
Due to related parties	(7)	755,749	628,081
		877,323	760,678
EQUITY (statement 3)			
Share capital		43,975,360	43,935,360
Warrants – contributed surplus		686,349	686,349
Options – contributed surplus		7,062,781	7,062,781
Deficit		(51,209,068)	(51,061,187)
		515,422	623,303
		\$ 1,392,745	\$ 1,383,981

- (1) Nature of operations and going concern
(2) Basis of preparation - Statement of Compliance
(9) Segmented disclosure

The condensed interim consolidated financial statements were approved by the Board of Directors on 23 November 2015 were signed on its behalf by:

“David Watkinson”

David Watkinson, Director

“Andrew MacRitchie”

Andrew MacRitchie, Director

US Dollars
(Unaudited)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

	Note	Nine months Ended 30 September 2015	Nine months ended 30 September 2014	Three months ended 30 September 2015	Three months ended 30 September 2014
CONTINUING OPERATIONS					
EXPENSES					
Exploration and Evaluation					
Resource property expense	(6)	\$ 15,958	\$ 23,219	\$ 10,757	\$ 16,543
General and Administrative					
Management and consulting		94,378	94,273	31,128	25,338
Professional fees		25,464	34,670	10,112	11,933
Listing and filing fees		12,409	18,417	213	6,792
Office and administration		11,147	30,568	3,026	9,766
Insurance		5,048	9,420	1,009	1,422
Shareholder communication		2,861	4,836	268	(895)
Amortization	(5)	858	1,380	199	460
Banking costs		990	535	584	114
Salaries and benefits		-	29,648	-	-
		153,155	223,747	46,539	54,930
Net Loss and Comprehensive Loss Before Other Items		169,113	246,966	57,296	71,473
Other (income)					
Foreign exchange (gain) loss		(17,007)	(1,520)	(8,759)	(3,287)
Gain on sale of equipment		(3,500)	(6,046)	-	-
Write-off of AP		(725)	-	14	-
Unrealized gain on warrant liability		-	2,000	-	2,000
		(21,232)	(5,566)	(8,745)	(1,287)
Net Loss and Comprehensive Loss		\$ 147,881	\$ 241,400	\$ 48,551	\$ 70,186
Basic and Diluted Loss per Common Share		\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted Average Number of Shares Outstanding		78,107,141	74,110,641	78,295,684	76,899,549

US Dollars
(Unaudited)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Shares	Amount	Warrants	Amount	Options	Amount	Deficit	Shareholders' Equity
BALANCE AT 01 JANUARY 2014	72,587,462	\$ 43,687,315	8,985,003	\$ 686,349	7,030,665	\$ 7,062,781	\$ (50,817,049)	\$ 619,396
Comprehensive loss for the period	-	-	-	-	-	-	(100,110)	(100,110)
BALANCE AT 31 MARCH 2014	72,587,462	\$ 43,687,315	8,985,003	\$ 686,349	7,030,665	\$ 7,062,781	\$ (50,917,159)	\$ 519,286
Shares issued for properties	236,000	20,000	-	-	-	-	-	20,000
Comprehensive loss for the period	-	-	-	-	-	-	(71,104)	(71,104)
BALANCE AT 30 JUNE 2014	72,823,462	\$ 43,707,315	8,985,003	\$ 686,349	7,030,665	\$ 7,062,781	\$ (50,988,263)	\$ 468,182
Private placement issuances	5,000,000	230,056	-	-	-	-	-	230,056
Share issuance costs	-	(2,011)	-	-	-	-	-	(2,011)
Options expired	-	-	-	-	(64,000)	-	-	-
Private placement warrants	-	-	2,500,000	-	-	-	-	-
Comprehensive loss for the period	-	-	-	-	-	-	(50,186)	(50,186)
BALANCE AT 30 SEPTEMBER 2014	77,823,462	\$ 43,935,360	11,485,003	\$ 686,349	6,966,665	\$ 7,062,781	\$ (51,038,449)	\$ 646,041
Warrants expired	-	-	(3,321,428)	-	-	-	-	-
Comprehensive loss for the period	-	-	-	-	-	-	(22,738)	(22,738)
BALANCE AT 31 DECEMBER 2014	77,823,462	\$ 43,935,360	8,163,575	\$ 686,349	6,966,665	\$ 7,062,781	\$ (51,061,187)	\$ 623,303
BALANCE AT 01 JANUARY 2015	77,823,462	\$ 43,935,360	8,163,575	\$ 686,349	6,966,665	\$ 7,062,781	\$ (51,061,187)	\$ 623,303
Options expired	-	-	-	-	(466,665)	-	-	-
Warrants expired	-	-	(2,850,000)	-	-	-	-	-
Comprehensive loss for the period	-	-	-	-	-	-	(48,889)	(48,889)
BALANCE AT 31 MARCH 2015	77,823,462	\$ 43,935,360	5,313,575	\$ 686,349	6,500,000	\$ 7,062,781	\$ (51,110,076)	\$ 574,414
Shares issued for properties	472,222	40,000	-	-	-	-	-	40,000
Comprehensive loss for the period	-	-	-	-	-	-	(50,441)	(50,441)
BALANCE AT 30 JUNE 2015	78,295,684	\$ 43,975,360	5,313,575	\$ 686,349	6,500,000	\$ 7,062,781	\$ (51,160,517)	\$ 563,973
Comprehensive loss for the period	-	-	-	-	-	-	(48,551)	(48,551)
BALANCE AT 30 SEPTEMBER 2015	78,295,684	\$ 43,975,360	5,313,575	\$ 686,349	6,500,000	\$ 7,062,781	\$ (51,209,068)	\$ 515,422

US Dollars
(Unaudited)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Nine months ended 30 September 2015	Nine months ended 30 September 2014	Three months ended 30 September 2015	Three months ended 30 September 2014
OPERATING ACTIVITIES					
Loss for the Period		\$ (147,881)	\$ (223,400)	\$ (48,551)	\$ (50,186)
Items not Affecting Cash					
Amortization	(5)	858	1,380	199	460
Effect of currency translation		1,443	600	689	555
(Gain) on sale of equipment		(3,500)	(6,046)	-	-
Unrealized gain on warranty liability		-	2,000	-	2,000
		(149,080)	(233,466)	(47,663)	(47,171)
Net Change in Non-cash Working Capital					
Accounts receivable		(666)	(2,903)	(178)	458
Prepaid expenses and deposits		(86)	(1,758)	694	1,521
Accounts payable and accrued liabilities		(11,023)	(6,085)	(17,894)	(48,945)
Due to related parties		127,668	94,524	62,826	(6,733)
		115,893	83,778	45,448	(53,699)
		(33,187)	(139,688)	(2,215)	(100,870)
INVESTING ACTIVITIES					
Purchase of resource property		-	(110,000)	-	(110,000)
Resource property royalty payments		10,000	-	-	-
Proceeds from sale of equipment		3,500	6,046	-	6,046
		13,500	(103,954)	-	(103,954)
FINANCING ACTIVITIES					
Proceeds from share issuance		-	233,056	-	233,056
Share issuance costs		-	(2,011)	-	(2,011)
		-	231,045	-	231,045
Net Increase (Decrease) in Cash		(19,687)	(12,597)	(2,215)	20,175
Cash position – beginning of period		26,636	38,420	9,164	5,648
Cash Position – End of Period		\$ 6,949	\$ 25,823	\$ 6,949	\$ 25,823
Schedule of Non-cash Investing and Financing Transactions					
Shares issued for mineral property acquisition	(6)	\$ 40,000	\$ 20,000	\$ 40,000	\$ 20,000

EMGOLD MINING CORPORATION

US Dollars

(Unaudited)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1) Nature of operations and going concern

Emgold Mining Corporation (“the Company” or “Emgold”) is incorporated under the British Columbia Corporations Act and the principal place of business is located at 1010 - 789 West Pender Street, Vancouver, British Columbia, V6C 1H2. The Company is in the process of exploring its mineral property interests and has not yet determined whether its mineral property interests contain mineral reserves that are economically recoverable. The Company’s shares are traded on the TSX Venture Exchange (“TSX-V”) and the OTCQB.

These condensed interim consolidated financial statements (“Financial Statements”) have been prepared on the basis of the accounting principles applicable to a going concern, which assumes the Company’s ability to continue in operation for the foreseeable future and to realize its assets and discharge its liabilities in the normal course of operations.

There are several adverse conditions that cast substantial doubt upon the soundness of this assumption. The Company has negative working capital, has incurred operating losses since inception, has no source of revenue, is unable to self-finance operations and has significant on-going cash needs to meet its overhead requirements and maintain its exploration and evaluation assets. Further, the business of mining and exploration involves a high degree of risk and there can be no assurance that current or future exploration programs will result in profitable mining operations. The recoverability of exploration and evaluation assets is dependent upon several factors, which include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of mineral properties.

If the going concern assumption were not appropriate for these financial statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used and such adjustments could be material.

	30 September 2015	31 December 2014
Rounded ('000's)		
Working capital	\$ (862,000)	\$ (727,000)
Accumulated deficit	\$ (51,1209,000)	\$ (51,061,000)

2) Basis of preparation – Statement of Compliance

These Financial Statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting. The Financial Statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these Financial Statements have been prepared using the accrual basis of accounting except for cash flow information.

EMGOLD MINING CORPORATION

US Dollars

(Unaudited)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Since the Condensed Interim Consolidated Financial Statements does not include all requirements in IAS1, "Presentation of Financial Statement" (IAS1), they should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended 31 December 2014.

The preparation of these financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The judgements, estimates and assumptions made by management affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. Critical estimates and judgement are disclosed more fully in the Company's audited annual consolidated financial statements for the year ended 31 December 2014.

The functional and reporting currency of the Company is the United States dollar.

3) Summary of significant accounting policies

The accounting policies and methods of computation followed in preparing these Financial Statements are the same as those followed in preparing the most recent audited annual consolidated financial statements. For a summary of significant accounting policies, please refer to the Company's audited annual consolidated financial statements for the year ended 31 December 2014.

4) Financial instruments and risk management

a) Financial instrument classification and measurement

Financial instruments of the Company carried on the Condensed Interim Consolidated Statement of Financial Position are carried at amortized cost with the exception of cash, which is carried at fair value. There are no significant differences between the carrying value of financial instruments and their estimated fair values as at 30 September 2015 and 31 December 2014.

The fair value of the Company's cash is quoted in active markets. The Company classifies the fair value of these transactions according to the following hierarchy.

- Level 1 – quoted prices in active markets for identical financial instruments.
- Level 2 – quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3 – valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The Company's cash has been assessed on the fair value hierarchy described above and classified as Level 1.

EMGOLD MINING CORPORATION

US Dollars

(Unaudited)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

b) Fair values of financial assets and liabilities

The Company's financial instruments include cash and cash equivalents, amounts receivable, due to/from related parties, deposits, and accounts payable and accrued liabilities. At 30 September 2015 and 31 December 2014, the carrying value of cash and cash equivalents is fair value. Amounts receivable, due to/from related parties deposits and accounts payable and accrued liabilities approximate their fair value due to their short-term nature.

c) Market risk

Market risk is the risk that changes in market prices will affect the Company's earnings or the value of its financial instruments. Market risk is comprised of commodity price risk and interest rate risk. The objective of market risk management is to manage and control exposures within acceptable limits, while maximizing returns. The Company is not exposed to significant market risk.

d) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank accounts. The Company's bank accounts are held with major banks in Canada, accordingly the Company believes it is not exposed to significant credit risk.

e) Interest rate risk

Interest rate risk is the risk of losses that arise as a result of changes in contracted interest rates. The Company is nominally exposed to interest rate risk.

f) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. To manage this risk the Company maintains only the minimum amount of foreign cash required to fund its on-going exploration expenditures. The Company is not exposed to significant foreign currency risk. At 30 September 2015 the Company held currency totalling the following:

	30 September 2015	31 December 2014
Rounded ('000's)		
Canadian dollars	\$ 4,000	\$ 9,000
United States dollars	\$ 4,000	\$ 18,000

g) Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. As the Company has no significant source of cash flows this is a significant risk.

EMGOLD MINING CORPORATION

US Dollars

(Unaudited)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

5) Plant and equipment

	Plant & Equipment	Furniture & Equipment	Computer Hardware	Asset Under Capital Lease	Total
COST OR DEEMED COST					
Balance at 01 January 2014	\$ 18,712	\$ 46,164	\$ 71,945	\$ 38,833	\$ 175,654
Additions	-	-	-	-	-
Balance at 31 December 2014	\$ 18,712	\$ 46,164	\$ 71,945	\$ 38,833	\$ 175,654
Balance at 01 January 2015	\$ 18,712	\$ 46,164	\$ 71,945	\$ 38,833	\$ 175,654
Additions	-	-	-	-	-
Balance at 30 September 2015	\$ 18,712	\$ 46,164	\$ 71,945	\$ 38,833	\$ 175,654
DEPRECIATION					
Balance at 01 January 2014	\$ 16,878	\$ 44,490	\$ 71,945	\$ 38,833	\$ 172,146
Depreciation for the period	611	1,229	-	-	1,840
Balance at 31 December 2014	\$ 17,489	\$ 45,719	\$ 71,945	\$ 38,833	\$ 173,986
Balance at 01 January 2015	\$ 17,489	\$ 45,719	\$ 71,945	\$ 38,833	\$ 173,986
Depreciation for the period	459	399	-	-	858
Balance at 30 September 2015	\$ 17,948	\$ 46,118	\$ 71,945	\$ 38,833	\$ 174,844
CARRYING AMOUNTS					
At 01 January 2014	\$ 1,834	\$ 1,674	\$ -	\$ -	\$ 3,508
At 31 December 2014	\$ 1,223	\$ 445	\$ -	\$ -	\$ 1,668
At 30 September 2015	\$ 764	\$ 46	\$ -	\$ -	\$ 810

EMGOLD MINING CORPORATION

US Dollars

(Unaudited)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

6) Exploration and evaluation assets

PROPERTY ACQUISITION COSTS	Idaho-Maryland	Buckskin Rawhide East	Buckskin Rawhide West	Koegel Property	Stewart Property	Rozan Property	Total
Balance at 01 January 2014	\$ 490,508	\$ 439,052	\$ 20,029	\$ 20,030	\$ 208,719	\$ 49,225	\$ 1,227,563
Acquisitions	-	110,000	10,000	10,000	-	-	130,000
Royalty payments	-	(20,000)	-	-	-	-	(20,000)
Balance at 31 December 2014	\$ 490,508	\$ 529,052	\$ 30,029	\$ 30,030	\$ 208,719	\$ 49,225	\$ 1,337,563
Balance at 01 January 2015	\$ 490,508	\$ 529,052	\$ 30,029	\$ 30,030	\$ 208,719	\$ 49,225	\$ 1,337,563
Acquisitions	-	-	20,000	20,000	-	-	40,000
Royalty payments	-	(10,000)	-	-	-	-	(10,000)
Balance at 30 September 2015	\$ 490,508	\$ 519,052	\$ 50,029	\$ 50,030	\$ 208,719	\$ 49,225	\$ 1,367,563

a) Buckskin Rawhide East Property, Nevada

The Company has a 100% interest in the 52 unpatented mineral claims, totalling 835 acres that make up Buckskin Rawhide East Property, which is located near Fallon, Nevada.

The Buckskin Rawhide Property is leased to Rawhide Mining LLC (RMC), owners of the Denton Rawhide Mine. Under the terms of the lease agreement, RMC must complete \$500,000 in exploration related expenditures on the property by 31 May 2016.

In quarter two, RMC has made the \$10,000 royalty payment to the Company.

b) Buckskin Rawhide West Property, Nevada

Previously, the Company entered a Lease and Option to Purchase Agreement with Jeremy C. Wire to acquire the PC and RH mineral claims, located 0.3 miles west of Emgold's existing Buckskin Rawhide Property, in Mineral County, Nevada. The PC and RH claims, called Buckskin Rawhide West, comprise 21 unpatented lode mining claims totalling 420 acres. Pursuant to the lease agreement, advance royalty payments were paid to Jeremy C. Wire in the amount of \$10,000 per year during years 2013 to 2014 and \$20,000 in 2015. The amount payable escalates to and \$30,000 per year in years 2016 to 2018. Payments were made in cash or shares, based on the discretion of the Company or the owner, depending on the year. The Company has met all commitments on this property as up to date of this report. The Company issued 250,000 common shares during the quarter two for the property payment for the Buckskin Rawhide West property. The Company has met all commitments on this property as up to date of this report.

c) Koegel Rawhide , Nevada

Previously the Company entered a Lease and Option to Purchase Agreement with Jeremy C. Wire to acquire the RHT and GEL claims, located four miles south of the Company's Buckskin Rawhide Claims in Mineral County, Nevada. The RHT and GEL claims, called Koegel Rawhide Property, comprise 19 unpatented lode mining claims totalling 380 acres. Pursuant to the lease agreement, advance royalty payments were paid to Jeremy C. Wire in the amount of \$10,000 per year during years 2013 to 2014 and \$20,000 in 2015. The liability increases to \$30,000 per year in years 2016 to 2018. Payments were made in cash or shares, based on the discretion of the Company or the owner, depending on the year.

EMGOLD MINING CORPORATION

US Dollars

(Unaudited)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The Company has staked an additional 17 unpatented claims to expand this property to 36 unpatented mineral claims totalling 720 acres. The Company has met all commitments on this property up to the date of this report. The Company issued 222,000 common shares during quarter two for the annual property payment for the Koegel Rawhide property. The Company has met all commitments on this property as up to date of this report.

d) Stewart Property, British Columbia

The Company holds the rights to the Stewart mineral claims, a prospect located close to Nelson in south eastern British Columbia. The Company holds a 100% right, title and interest in and to the property, subject only to a 3% NSR payable to the optionors. The Company has the right to purchase 66% of the royalty for the sum of CDN\$1,000,000 and has the first right of refusal to purchase the remaining 33%. The Stewart claims have assessment work completed that holds them in good standing until 31 January, 2023.

e) Rozan Property, British Columbia

The Company holds the rights to the Rozan Property, a prospect located in British Columbia. The Company holds a 100% interest in the property, subject to a 3.0% NSR. The Company has the right to purchase 66% of the royalty for the sum of CDN\$1,000,000 and has the first right of refusal to purchase the remaining 33%. The Rozan claims have assessment work completed that holds them in good standing until 15 March 2023.

f) Idaho-Maryland Property, California

In fiscal 2002, the Company renegotiated a lease and option to purchase agreement (the "BET" agreement) for the with the owners of the Idaho-Maryland Property ("BET properties") and surrounding areas in the Grass Valley Mining District, California, which was extended three times and expired in February 2013. The Lease Option to Purchase Agreement was for 91 acres of surface rights and 2,750 acres of mineral rights associated with the I-M Property ("BET properties"). Permitting activities for the Idaho-Maryland Project remain on hold pending negotiation of a suitable agreement with the BET Trust for a long term lease or purchase of their properties and mineral rights and financing of the project to move it forward through the permitting process.

The BET Trust had advertised the sale of 145 acres of land and 2,750 acres of mineral rights they control in Nevada County, listing the assets with a real estate company with an advertised price of \$2.7 million. This listing was subsequently cancelled. Emgold currently owns 27.2 acres (the Lausman Property) and 7.1 acres (the Round Hole Property) of land in Grass Valley. Emgold has listed its land for sale, as a contingency, in case a suitable agreement cannot be reached with the BET Trust and/or financing cannot be obtained to move the project forward. Emgold also owns 35 acres of subsurface mineral rights in Grass Valley. If an offer made on Emgold's properties prior to a suitable agreement being reached with the BET Trust, it is likely Emgold would sell its assets in Grass Valley and abandon the Idaho-Maryland Project.

EMGOLD MINING CORPORATION

US Dollars

(Unaudited)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

g) Exploration and evaluation expenditures

EXPLORATION EXPENDITURES	Idaho- Maryland	Buckskin Rawhide East	Buckskin Rawhide West	Koegel Property	Stewart Property	Rozan Property	Total
Assaying	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 585	\$ 585
Claim fees	-	400	7,559	5,970	-	-	13,929
Geological	-	-	-	-	(2,489)	(2,489)	(4,978)
General	34,065	-	-	-	-	-	34,065
Year ended 31 December 2014	\$ 34,065	\$ 400	\$ 7,559	\$ 5,970	\$ (2,489)	\$ (1,904)	\$ 43,601
Claim fees	-	2,635	3,492	3,343	-	-	9,470
Carrying costs	6,488	-	-	-	-	-	6,488
Period ended 30 September 2015	\$ 6,488	\$ 2,635	\$ 3,492	\$ 3,343	\$ -	\$ -	\$ 15,958

7) Related party transactions

Related party transactions and balances not disclosed elsewhere in the consolidated financial statements are as follows:

RELATED PARTY DISCLOSURE

Name and Principal Position	Period ⁽ⁱ⁾	Remuneration or fees ⁽ⁱⁱ⁾	Share-based awards
CEO and President - management fees	2015	\$ 69,375	\$ -
	2014	\$ 69,375	\$ -
Clearline CPA Corp., A company of which the CFO is a director – management fees	2015	\$ 21,431	\$ -
	2014	\$ 24,670	\$ -
Clearline CPA Corp., A company of which the CFO is a director – accounting	2015	\$ 5,811	\$ -
	2014	\$ 9,738	\$ -

ⁱ⁾ For the nine month periods ended 30 September 2015 and 2014.

ⁱⁱ⁾ Amounts disclosed were paid or accrued to the related party.

At 30 September 2015, fees of \$681,374 (2014 – \$600,854) were payable to David Watkinson; fees of \$74,375 (2014 – \$44,278) were payable to Clearline CPA Corp. All amounts were included in due to related parties.

Due to related parties includes \$31,000 which bears interest at 12% per annum. Remaining related party balances are non-interest bearing and are due on demand, with no fixed terms of repayment. These transactions occurred in the normal course of operations and are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

EMGOLD MINING CORPORATION

US Dollars

(Unaudited)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

8) Share capital

a) Authorized

Unlimited - Number of common shares without par value.

Unlimited - Number of preference shares without par value.

b) Common shares, issued and fully paid

As at 30 September 2015, the Company had issued 78,295,684 (31 December 2014 – 77,823,462) common shares. On 20 April 2015, the Company issued 472,222 common shares in regards of its previously signed mineral property agreements with a contract value of \$40,000.

c) Stock options

The Company has a rolling stock option plan for its directors and employees to acquire common shares of the Company at a price determined by the fair market value of the shares at the date of grant. The maximum aggregate number of common shares reserved for issuance pursuant to the plan is 10% of the issued and outstanding common shares.

Stock option activity during the period is summarized as follows:

STOCK OPTION ACTIVITY	30 September 2015	Weighted average exercise price	31 December 2014	Weighted average exercise price
Balance – beginning of period	6,966,665	\$ 0.16	7,030,665	\$ 0.16
Granted	-	-	-	-
Expired	(466,665)	0.16	(64,000)	0.175
Balance – end of period	6,500,000	\$ 0.15	6,966,665	\$ 0.16

Details of stock options outstanding as at 30 September 2015 are as follows:

Expiry Date	Exercise Price (CDN\$)	30 September 2015	31 December 2014
17 March 2015	\$ 0.25	-	466,665
08 December 2015	\$ 0.25	1,500,000	1,500,000
07 May 2017	\$ 0.15	1,800,000	1,800,000
22 May 2017	\$ 0.15	200,000	200,000
11 October 2018	\$ 0.10	3,000,000	3,000,000
		6,500,000	6,966,665

The outstanding options have a weighted-average exercise price of \$0.15 (31 December 2014 - \$0.16). The weighted-average remaining life of the options is 1.94 years (31 December 2014 – 2.52) years.

As at 30 September 2015, all 6,500,000 (31 December 2014 – 6,966,665) of these outstanding options had vested. As at 30 September 2015 and 31 December 2014, none of the outstanding options were in the money.

EMGOLD MINING CORPORATION

US Dollars

(Unaudited)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

d) Warrants

Warrant activity during the period is summarized as follows:

WARRANT ACTIVITY	30 September 2015 ⁽ⁱ⁾	Weighted average exercise price	31 December 2014 ⁽ⁱ⁾	Weighted average exercise price
Balance – beginning of period	8,163,575	\$ 0.19	8,985,003	\$ 0.19
Issued	-	-	2,500,000	0.10
Expired	(5,663,575)	0.19	(3,321,428)	0.12
Balance – end of period	2,500,000	\$ 0.10	8,163,575	\$ 0.19

(i) The number of warrants is expressed in equivalent number of common shares, which may be issuable upon exercise of the warrants.

Details of warrants outstanding as at 30 September 2015 are as follows:

Issued	Expiry	Exercise Price	30 September 2015	31 December 2014
09 September 2010	09 September 2015	0.35	-	2,813,575
01 February 2013	01 February 2015	0.12⁽ⁱ⁾	-	2,850,000
18 July 2014	18 July 2016	0.10	2,500,000	2,500,000
			2,500,000	8,163,575

(i) The exercise prices of these warrants are stated in Canadian funds.

e) Stock-based compensation

For the period ended 30 September 2015 and the year ended 31 December 2014, the Company did not issue stock options.

9) Segmented disclosure

The Company operates in one operating segment, which is acquisition, and exploration of mineral properties. The following provides segmented disclosure on assets and liabilities as reviewed by management regularly:

Rounded to 000's	Canada	United States	Total
30 September 2015			
Current assets	\$ 5,000	\$ 10,000	\$ 15,000
Long-term Assets			
Plant and equipment	\$ -	\$ 1,000	\$ 1,000
Resource properties	258,000	1,110,000	1,368,000
Other	9,000	-	9,000
Liabilities			
Current liabilities	\$ (159,000)	\$ (718,000)	\$ (877,000)
31 December 2014			
Current assets	\$ 27,000	\$ 7,000	\$ 34,000
Long-term Assets			
Plant and equipment	\$ -	\$ 2,000	\$ 2,000
Resource properties acquisition costs	867,000	491,000	1,358,000
Other	11,000	-	11,000
Liabilities			
Current liabilities	\$ (138,000)	\$ (623,000)	\$ (761,000)