

Investment Thesis

Emgold Mining presents an opportunity to invest in a world class gold asset whose main property has strong potential to develop a 3-5 million gold resource. The Company's main property, the Idaho-Maryland Project in California, is expected to complete permitting within 12 months and has significant gold resources. The Company plans to develop this mine into a mining operation producing over 200,000 ounces of gold annually. At today's prices, that could translate into long-term potential revenue generation of over \$300 million annually. There are a number of factors that give us confidence that this mine could produce at these levels including a NI 43-101 technical report indicating measured and indicated resources of 472,000 ounces of gold and inferred resources of 1,002,000 ounces of gold. The Idaho-Maryland Mine and mines adjacent to it have considerable historical production of over 15 million ounces of gold. Lastly, the regulatory environment for mining in California seems favorable with increased mining activity over the last several years including reopenings, increased exploration, and permitted plans at 7 different mines.

The Company also has a portfolio of four additional exploration properties in Nevada and British Columbia with strong potential resources for gold, silver, and other metals. The Buckskin Rawhide and Koegel Rawhide properties in Nevada are early stage gold/silver production properties located next to the large and successful Raw Hide Mine which historically produced over 1.5 million ounces of gold and 12.4 million ounces of silver. Two high quality targets have been identified at Buckskin Rawhide with good sampling results in addition to favorable sampling results at the Koegel Rawhide. The Stewart and Rozan properties in British Columbia are middle stage poly-metallic production sites where multiple high quality targets have been identified and there are good prospects for molybdenum, gold, silver, tungsten, rhenium, and other metals. The Company plans to develop these four properties as standalone properties, in synergistic partnerships with adjacent properties, or extract value through a lease/joint venture/sale.

At the current stock price of \$0.10 per share and market capitalization of \$5.9 million the stock seems to be undervalued given its strong gold assets and solid resource base. This valuation would only imply a \$4 value per gold ounce of measured, indicated, and inferred gold resources. Making an aggressive assumption using the current gold price of around \$1,650 per ounce yields a theoretical long term value of \$2.4 billion for the Company's gold resources. Our valuation analysis which applies a steep discount of 66% to management assumptions for value per ounce of gold resource results in a market capitalization of \$19 million and target price of \$0.33. This potential price represents significant upside of over 3 times the current stock price and 2 times the recent high of \$0.15. At the current price of \$0.10, there also seems to be limited downside risk with a 52 week low of \$0.07. Further, there could be additional upside from any future value extracted from the Company's other four properties which is not included in our analysis.