

## **EMGOLD MINING CORPORATION**

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TSX Venture Exchange : **EMR**

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### **EMGOLD OBTAINS EXCHANGE APPROVAL AND MOVES FORWARD WITH THE ACQUISITION OF A 100% INTEREST IN THE GOLDEN ARROW PROPERTY, NV**

**Vancouver, British Columbia - Emgold Mining Corporation (TSX-V: EMR) (“Emgold”)** or the **"Company"**) announces it has received TSX Venture Exchange (the **"Exchange"**) approval for its acquisition of a 51% interest in the Golden Arrow Property (the **"Property"**) in Nevada from Nevada Sunrise Gold Corporation (**"Nevada Sunrise"**, **TSX-V: NEV**), with further option to acquire up to 100% interest in the Property (the **"Transaction"**). Emgold also hereby announces it is further exercising such option to acquire a 100% interest in the Property, subject to the terms of the Definitive Agreement as previously announced by press release on October 2, 2018.

To complete the initial acquisition of a 51% interest in the Property, Emgold has, as of the date of this press release, made CDN\$100,000 in cash payments and will issue to Nevada Sunrise 2.5 million common shares of the Company. To complete the option and acquire a 100% interest in the Property, Emgold will further issue to Nevada Sunrise an additional 2.5 million common shares, the whole totaling an amount of 5.0 million common shares of the Company.

Emgold currently has 21.07 million common shares issued and outstanding. Upon completion of the Transaction, Emgold will have a total of 26.07 million shares issued and outstanding and Nevada Sunrise will own 19.2% of Emgold's issued and outstanding shares post-Transaction. Nevada Sunrise will then become an Insider of the Company.

David Watkinson, President and CEO of Emgold stated, “We are pleased to add the Golden Arrow Property as a core asset to the Company. It has a well-defined mineral resource, an extensive exploration database, and an Environmental Assessment already in place to allow an extensive drilling program to expand resources. It has excellent synergy with our other Nevada assets.”

#### **Golden Arrow Property Details**

The Property is located approximately 40 miles east of Tonopah in Nye County, Nevada. The Property consists of 357 unpatented and 17 patented lode mineral claims covering an area of approximately 7,030 acres (2,845 hectares). It is an advanced-stage exploration property with a comprehensive exploration database including geochemical sampling, geophysics, and over 201,000 feet of reverse circulation and diamond core drilling

To date, two main exploration targets have been drilled on the Property focusing on bulk disseminated mineralization – the Gold Coin and Hidden Hill deposits. Numerous other targets have been identified for exploration. Emgold's management believes there is potential to expand both the Hidden Hill and Gold Coin resources and for discovery of other bulk disseminated mineralization on the Property. In addition, historic underground mine workings lie along the Page Fault and other structures on the Property indicating potential for vein style mineralization that has been subject to limited modern exploration, if any, to evaluate its potential.

## Golden Arrow Technical Report and Mineral Resource Estimate

A Technical Report, entitled “Amended 2018 Updated Technical Report on the Golden Arrow Project, Nye County, Nevada, U.S.A.” (the “**Technical Report**”) was prepared for Emgold and Nevada Sunrise by Mine Development Associates in Reno, Nevada, and has an effective date of August 28, 2018 and a report date of September 24, 2018. The Technical Report was prepared by qualified persons Steven Ristorcelli, CPG, Odin D. Christensen, PhD, CPG, and Jack S. McPartland, MMSA (collectively, the “**Authors**”), in support of the Transaction. The Authors are independent of both Emgold, the optionee, and Nevada Sunrise, the optionor.

The Technical Report discloses a mineral resource, which particulars are set out in Table 1 below. The mineral resource was modeled for the Property and estimated by evaluating the drill data statistically and utilizing a three-dimensional geological solid model. Mineral domains were interpreted on northeast-southwest geological cross sections spaced at approximately 100 foot intervals throughout the extent of the Property mineralization. The mineral domain interpretations were then rectified to east-west cross sections spaced at 20 foot intervals. Estimation was done by inverse-distance. The Authors were certified to make their own independent investigations based on what they deemed necessary, in their professional judgment, to be able to reasonably rely on the provided information to make the conclusions and recommendations presented in the Technical Report.

**Table 1**  
**Golden Arrow Property Mineral Resource<sup>1,2,3,7,8</sup>**

Classification	Cut-Off Grade <sup>4,5</sup>	Tons	Au opt	Ag opt	Au Ounces	Ag Ounces
Measured	Variable	1,850,000	0.028	0.43	52,400	796,000
Indicated	Variable	10,322,000	0.024	0.31	244,100	3,212,000
Measured and Indicated	Variable	12,172,000	0.024	0.33	296,500	4,008,000
Inferred <sup>6</sup>	Variable	3,790,000	0.013	0.33	50,400	1,249,000

1. CIM Standards were followed in reporting the mineral resource estimate.
2. Effective date of the mineral resource is November 28, 2017.
3. Any known legal, political, environmental, or other risks that could materially affect the potential development of the Mineral Reserves are detailed below in the section entitled "Cautionary Note Regarding Forward-Looking Statements".
4. Cut-off grades are 0.01 gold equivalent opt for oxide material and 0.015 gold equivalent opt for sulfide material. Mine Development Associated derived these cut-off grades using mining costs of US\$2.00 per ton, heap-leach costs of US\$4.00 per ton, milling costs of US\$12.00 per ton, and G&A costs of US\$3.50 per ton. Metallurgical recoveries were assumed to range from 70% to 95% for gold, depending upon the oxidation state and sulfide content of the material, and heap-leach or milling scenarios envisioned. Multiple economic evaluations were done including pit optimization that demonstrated the economic viability.
5. Gold equivalent cut-off grade calculated using a 55:1 gold to silver price ratio. No adjustment was made for metallurgical recovery.
6. The quality and grade of inferred resources are uncertain in nature and there has been insufficient exploration to define these inferred resources as measured or indicated resources and it is uncertain whether further exploration will result in upgrading them to measured or indicated resource categories.
7. Mineral resources that are not mineral reserves do not have demonstrated economic viability.
8. The Authors verified the data in the Technical Report through a combination of data audits, where drilling data compiled in the project database was compared to paper logs, maps, assay certificates and other records, and independent verification sampling. There have been no limitations on, or failure to conduct the verification

As outlined in the Technical Report, the Authors have determined that the Property is a property of merit that warrants continued exploration and recommend that Emgold undertake continued systematic exploration to discover additional centers of mineralization within the Property.

The Authors recommend a two-phased approach to advance the Property, with the goal of completing a Preliminary Economic Assessment (“**PEA**”) by the end of Phase 2. They recommend Phase 1 include a comprehensive review of presently available technical data to define potential drilling targets for discovery of new mineral centers and identify locations for drilling within the current resource areas to upgrade mineral resources from Inferred to Indicated classification. Following a review of the technical data, preparation of a new geological map for the project area is recommended for clarification of district volcanic stratigraphy, as well as preparation of several geological cross sections based upon the mapping and drilling information. Rock-chip and soil geochemistry will complement the geological mapping. The proposed budget for Phase 1 recommended work is US\$150,000.

Following the completion of Phase 1, a decision would be made whether or how to proceed with Phase 2. Phase 2 would include drilling and metallurgical test work followed by a scoping study and potentially a PEA, depending on the scoping study results. The budget for Phase 2 could potentially range from \$1,000,000 to \$3,000,000. Exploration drilling is presently warranted even without Phase 1, but Phase 1 will be used to design the drill program for Phase 2.

### **About Emgold**

Emgold is a junior gold exploration and mine development company with several exploration properties located in the Quebec, Nevada, and British Columbia. These include the Troilus North property in Quebec (under option), the Buckskin Rawhide East, Buckskin Rawhide West, and Koegel Rawhide properties in Nevada, and the Stewart and Rozan properties located in British Columbia. The Company is in the process of acquiring a 51% interest in the advanced Golden Arrow Property in Nevada with an option to acquire 100% interest.

Robert Pease, CPG., a qualified person under the NI 43-101 instrument, has reviewed and approved the content of this press release.

### **On behalf of the Board of Directors**

**David G. Watkinson, P.Eng.**

President & CEO

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This release was prepared by the Company's management. Neither TSX Venture Exchange nor its Regulation Services Provider (as the term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. 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).

### ***Cautionary Note on Forward-Looking Statements***

This news release contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian and U.S. securities legislation, including the United States Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, included herein including, without limitation, statements regarding the anticipated business plans and timing of future activities of the Company; the option and acquisition of the Golden Arrow Property, the successful completion of associated financing activities are forward-looking statements. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: "believe", "expect", "anticipate", "intend", "estimate", "postulate" and similar expressions, or are those, which, by their nature, refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future results or

performance, and that actual results may differ materially from those in forward-looking statements as a result of various factors, including, operating and technical difficulties in connection with mineral exploration and development activities, actual results of exploration activities, the estimation or realization of mineral reserves and mineral resources, the timing and amount of estimated future production, the costs of production, capital expenditures, the costs and timing of the development of new deposits, requirements for additional capital, future prices of precious metals, changes in general economic conditions, changes in the financial markets and in the demand and market price for commodities, labour disputes and other risks of the mining industry, delays in obtaining governmental approvals, permits or financing or in the completion of development or construction activities, changes in laws, regulations and policies affecting mining operations, title disputes, the inability of the Company to obtain any necessary permits, consents or authorizations required, including TSX-V acceptance of any current or future property acquisitions or financings and other planned activities, the timing and possible outcome of any pending litigation, environmental issues and liabilities, and risks related to joint venture operations, and other risks and uncertainties disclosed in the Company's latest interim Management's Discussion and Analysis and filed with certain securities commissions in Canada. All of the Company's Canadian public disclosure filings may be accessed via [www.sedar.com](http://www.sedar.com) and readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties.

Readers are cautioned not to place undue reliance on forward-looking statements. The Company undertakes no obligation to update any of the forward-looking statements in this news release or incorporated by reference herein, except as otherwise required by law.