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INSTRUCTIONS

This report must be filed by Exchange Issuers within 60 days of the end of their first, second and third fiscal quarters and within 140 days of their year end. "Exchange Issuer" means an issuer whose securities are listed and posted for trading on the Canadian Venture Exchange and are not listed and posted on any other exchange or quoted on a trading or quotation system in Canada. Three schedules must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements prepared in accordance with generally accepted accounting principles are required as follows:

For the *first, second and third financial quarters*:

Interim financial statements prepared in accordance with section 1751 of the CICA Handbook, including the following: balance sheet, income statement, statement of retained earnings, cash flow statement, and notes to the financial statements.

The periods required to be presented, consistent with CICA Handbook section 1751, are as follows:

- a balance sheet as of the end of the current interim period and a comparative balance sheet as of the end of the immediately preceding fiscal year;
- a statement of retained earnings cumulatively for the current fiscal year-to-date, with a comparative statement for the comparable year-to-date period of the immediately preceding fiscal year; and
- income statements and cash flow statements for the current interim period and cumulatively for the current fiscal year-to-date, with comparative statements for the comparable interim periods (current and year-to-date) of the immediately preceding fiscal year.

For the *financial year end*:

Annual audited financial statements prepared on a comparative basis.

Exchange Issuers with a fiscal year of less than or greater than 12 months should refer to National Policy No. 51 *Changes in the Ending Date of a Financial Year and in Reporting Status* for guidance.

Issuers in the development stage are directed to the guidance provided in CICA Accounting Guideline AcG-11 *Enterprises in the Development Stage* that states "enterprises in the development stage are encouraged to disclose in the income statement and in the cash flow statement cumulative balances from the inception of the development stage."

Issuers that have been involved in a reverse take-over should refer to the guidance found in BCIN #52-701 (previously NIN #91/21) with respect to such transactions including the requirement or disclosure of supplementary information regarding the legal parent's prior financial operations.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. *Analysis of expenses and deferred costs*
Provide a breakdown of amounts presented in the financial statements for the following: deferred or expensed exploration, expensed research, deferred or expensed development, cost of sales, marketing expenses, general and administrative expenses, and any other material expenses reported in the income statement and any other material deferred costs presented in the balance sheet.

The breakdown should separately present, at a minimum, each component that comprises 20% or more of the total amount for a material classification presented on the face of the financial statements. All other components of a material classification may be grouped together under the heading

"miscellaneous" or "other" in the cost breakdown; the total for "miscellaneous" should not exceed 30% of the total for a material classification.

Breakdowns are required for the year-to-date period only. Breakdowns are not required for comparative periods.

Issuers in the development stage are reminded that Section 3(9)(b) of the BC Securities Commission's Rules requires a schedule or note to the financial statements containing an analysis of each of exploration, research, development and administration costs, whether expensed or deferred and if the issuer is a natural resource issuer, that analysis for each material property. Because the analysis required by Rule 3(9)(b) must be included in the financial statements, the information does not have to be repeated in Schedule B. Consistent with CICA Accounting Guidelines AcG-11, staff considers an issuer to be in the development stage when it is devoting substantially all of its efforts to establishing a new business and planned principal operations have not commenced. Further, in staff's view, the lack of significant revenues for the past two years normally indicates that an issuer is in the development stage.

2. *Related party transactions*
Provide disclosure of all related party transactions as specified in Section 3840 of the CICA Handbook.
3. *Summary of securities issued and options granted during the period*
Provide the following information for the year-to-date period:
 - (a) summary of securities issued during the period, including date of issue, type of security (common shares, convertible debentures, etc.), type of issue (private placement, public offering, exercise of warrants, etc.) number, price, total proceeds, type of consideration (cash, property, etc.) and commission paid, and
 - (b) summary of options granted during the period, including date, number, name of optionee for those options granted to insiders, generic description of other optionees (e.g. "employees"), exercise price and expiry date.
4. *Summary of securities as at the end of the reporting period*
Provide the following information as at the end of the reporting period:
 - (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,
 - (b) number and recorded value for shares issued and outstanding,
 - (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and
 - (d) number of shares in each class of shares subject to escrow or pooling agreements.
5. *List the names of the directors and officers as at the date this report is signed and filed.*

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

1. *General Instructions*
 - (a) Management discussion and analysis provides management with the opportunity to discuss an issuer's business, current financial results, position and future prospects.
 - (b) Focus the discussion on material information, including liquidity, capital resources, known trends,

- commitments, events, risks or uncertainties, that is reasonably expected to have a material effect on the issuer.
- (c) For an issuer with active ongoing operations the discussion should be substantive (e.g. generally two to four pages in length); for an issuer with limited operations the discussion may not be as extensive (e.g. one page).
- (d) The discussion must be factual, balanced and non-promotional.
- (e) Where the discussion relates to a mineral project, as defined in National Instrument 43-101 "Standards of Disclosure for Mineral Projects," the disclosure must comply with NI 43-101.
2. **Description of Business**
Provide a brief description of the issuer's business. Where an issuer is inactive and has no business, disclose these facts together with a description of any plans to reactivate and the business the issuer intends to pursue.
3. **Discussion of Operations and Financial Condition**
Provide a meaningful discussion and analysis of the issuer's operations for the current year-to-date period presented in the financial statements. Discuss the issuer's financial condition as at the date of the most recent balance sheet presented in the financial statements.
- The following is a list of items that should be addressed in management's discussion and analysis of the issuer's operations and financial condition. This is not intended to be an exhaustive list of the relevant items.
- (a) expenditures included in the analysis of expenses and deferred costs required under Securities Rule 3(9)(b) and Schedule B;
- (b) acquisition or abandonment of resource properties material to the issuer including material terms of any acquisition or disposition;
- (c) acquisition or disposition of other material capital assets including material terms of the acquisition, or disposition;
- (d) material write-off or write-down of assets;
- (e) transactions with related parties, disclosed in Schedule B or the notes to the financial statements;
- (f) material contracts or commitments;
- (g) material variances between the issuer's financial results and information previously disclosed by the issuer, (for example if the issuer does not achieve revenue and profit estimates previously released, discuss this fact and the reasons for the variance);
- (h) material terms of any existing third party investor relations arrangements or contracts including:
- i. the name of the person;
 - ii. the amount paid during the reporting period; and
- iii. the services provided during the reporting period;
- (i) legal proceedings;
 - (j) contingent liabilities;
 - (k) default under debt or other contractual obligations;
 - (l) a breach of corporate, securities or other laws, or of an issuer's listing agreement with the Canadian Venture Exchange including the nature of the breach, potential ramifications and what is being done to remedy it;
 - (m) regulatory approval requirements for a significant transaction including whether the issuer has obtained the required approval or has applied for the approval;
 - (n) management changes; or
 - (o) special resolutions passed by shareholders.
4. **Subsequent Events**
Discuss any significant events and transactions that occurred during the time from the date of the financial statements up to the date that this report is certified by the issuer.
5. **Financings, Principal Purposes and Milestones**
- (a) In a tabular format, compare any previously disclosed principal purposes from a financing to actual expenditures made during the reporting period.
 - (b) Explain any material variances and the impact, if any, on the issuer's ability to achieve previously disclosed objectives and milestones.
6. **Liquidity and Solvency**
Discuss the issuer's working capital position and its ability to meet its ongoing obligations as they become due.

How to File Under National Instrument 13-101 – System for Electronic Document Analysis and Retrieval (SEDAR)

BC Form 51-901F Quarterly and Year End Reports are filed under Category of Filing: Continuous Disclosure and Filing Type: Interim Financial Statements or Annual Financial Statements. Schedule A (Financial Statements) is filed under Document Type: Interim Financial Statements or Annual Financial Statements. Schedule B (Supplementary Information) and Schedule C (management Discussion) are filed under Document Type: BC Form 51-901F (previously Document Type Form 61(BC)).

Meeting the Form Requirements

BC Form 510-901 consists of three parts: Instructions to schedules A, B and C, issuer details and a certificate. To comply with National instrument 132-101 it is not necessary to reproduce the instructions that are set out in BC Form 51-901F. A cover page to the schedules titled BC Form 51-901F that includes the issuer details and certificate is all that is required to meet the BC Form 51-901F requirements. The form of the certificate should be amended so as to refer to one or two of the three schedules required to complete the report.

ISSUER DETAILS

NAME OF ISSUER		FOR QUARTER ENDED		DATE OF REPORT		
Emgold Mining Corporation.		September 30, 2002		YY	MM	DD
ISSUER ADDRESS				2002	Nov	29
Suite 1400 – 570 Granville Street						
CITY	PROVINCE	POSTAL CODE	ISSUER FAX NO.	ISSUER TELEPHONE NO.		
Vancouver	BC	V6C 3P1	604-687-4212	604-687-4622		
CONTACT NAME		CONTACT POSITION		CONTACT TELEPHONE NO.		
Shannon Ross		Secretary		604-687-4622		
CONTACT EMAIL ADDRESS		WEB SITE ADDRESS				
sross@langmining.com		www.emgoldmining.com				

CERTIFICATE

The three schedules required to complete this Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Report will be provided to any shareholder who requests it.

DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED		
"FRANK A. LANG"	Frank A. Lang	YY	MM	DD
		2002	NOV	29
DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED		
"WILLIAM J. WITTE"	William J. Witte	YY	MM	DD
		2002	NOV	29

EMGOLD MINING CORPORATION
QUARTERLY REPORT
SEPTEMBER 30, 2002

Schedule A:

See unaudited consolidated financial statements.

Schedule B:

1. Analysis of expenses and deferred costs

See unaudited consolidated financial statements attached in Schedule A to the Form 51-901.

2. Related party transactions

See note 3 to the unaudited consolidated financial statements for the nine months ended September 30, 2002.

3. Summary of securities issued and options granted during the period

(a) Securities issued during the three months ended September 30, 2002

Date of Issue	Type of Security	Type of Issue	Number	Price (\$)	Total Proceeds (\$)	Type of Consideration	Commission Paid
July 15, 2002	Common	Stock option exercise	150,000	0.10	15,000	Cash	Nil
July 30, 2002	Common	Stock option exercise	30,000	0.10	3,000	Cash	Nil
August 8, 2002	Common	Property payment	50,000	0.28	14,000	Property payment	Nil
September 20, 2002	Common	Private placement	800,000	0.25	200,000	Cash	18,000
September 27, 2002	Common	Private placement	800,000	0.25	200,000	Cash	18,000
September 29, 2002	Common	Warrants exercised	50,000	0.25	12,500	Cash	Nil

(b) Options granted during the three months ended September 30, 2002

Nil

4. Summary of securities as at the end of the reporting period

(a) Authorized Capital

500,000,000 common shares without par value.

50,000,000 preferred shares.

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(b) **Issued and Outstanding Capital at September 30, 2002**

22,769,319 common shares are issued and outstanding. (See Note 2 to the interim consolidated financial statements.)

(c) (i) **Stock Options Outstanding**

<u># of Shares</u>	<u>Exercise Price (\$)</u>	<u>Expiry Date</u>
165,000	0.30	April 22, 2003
115,000	0.30	September 22, 2003
52,000	0.30	June 16, 2004
13,000	0.30	February 21, 2007
195,000	0.30	April 21, 2007
202,000	0.25	January 15, 2009
150,000	0.25	June 11, 2009
<u>1,077,000</u>	0.10	October 12, 2011
<u>1,969,000</u>		

(ii) **Warrants Outstanding**

<u># of Shares</u>	<u>Exercise Price (\$)</u>	<u>Expiry Date</u>
960,000	0.30	September 20, 2003
<u>960,000</u>	0.30	September 27, 2003
<u>1,920,000</u>		

(d) **Shares in Escrow**

There are 4,558 common shares held in escrow.

5. List of directors and officers

Frank A. Lang –Chairman and Director
William J. Witte –President, Chief Executive Officer and Director
Ron Lang - Director
Sargent H. Berner - Director
Ross Guenther – Director
Arthur G. Troup – Vice President, Exploration
Shannon M. Ross – Chief Financial Officer and Corporate Secretary

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Schedule C: Management Discussion and Analysis For The Nine Months Ended September 30, 2002

Idaho-Maryland Property

The Company has completed a Technical Report as defined in National Instrument 43-101, Standards of Disclosure for Mineral Projects, and in compliance with Form 43-101F1 (the "Technical Report") on its Idaho-Maryland Property located in Grass Valley, California. Emgold engaged AMEC E&C Services Ltd. (AMEC) in September 2002 to provide an independent Qualified Person's review and evaluation of the Idaho-Maryland Project. The primary objective of the Technical Report was the definition of a revised resource for the Idaho-Maryland Property. The independent review by AMEC supports the 2002 Idaho-Maryland project mineral resource estimate and its positive exploration potential for additional gold mineralization. The Technical Report was completed in November 2002.

The Technical Report presents the current Measured and Indicated Mineral Resources for the Idaho-Maryland as 1.575 million tons at 0.21 ounces of gold per ton with an additional Inferred Mineral Resource of 2.413 million tons at 0.26 ounces of gold per ton. Using the historic Idaho-Maryland Mine Call Factor (MCF) of 1.44, the Measured and Indicated Mineral Resource grade is 0.27 ounces of gold per ton containing 423,000 ounces of gold and Inferred Minerals Resources grading 0.37 ounces per ton containing an additional 898,000 ounces of gold. The Technical Report states "The independent review by AMEC supports the 2002 Idaho-Maryland project mineral resources estimate and its positive exploration potential for additional gold mineralization."

The Technical Report includes a thorough review of the historical information available on the Idaho-Maryland Mine up to the time of closure in 1956 as well as recent work completed by Emgold. The primary objective of the Technical Report is to summarize the available data and present revised resources to allow Emgold to move the development of the Idaho-Maryland forward in accordance with National Instrument 43-101.

Concurrently with the preparation of the Technical Report, Emgold and AMEC are completing a scoping study to further define additional work including the necessary permitting requirements to initiate a development plan including surface drilling and underground exploration and development programs. The surface-drilling program will allow Emgold to test the recently developed understanding of the structural complexity of the Idaho-Maryland while exploring additional resource potential above the Id 1000 Level. A preliminary assessment will be completed to evaluate the economics of exploration and development down to the Id 1000 Level and deeper, with ultimate access to the Br 3280 Level.

Emgold had a net recovery of expenditures of \$158,789 on the Idaho-Maryland Property in the nine months ended September 30, 2002. The Idaho-Maryland Property was written down to a nominal carrying value of \$1 in fiscal 1999. All of the costs related to the ongoing maintenance and acquisition of the Idaho-Maryland Property were written off up to June 30, 2002. Negotiations with the vendors of the Idaho-Maryland property were successful, and a new lease and option agreement was signed in the second quarter of fiscal 2002. Effective July 1, 2002, the exploration and development costs on the Idaho-Maryland property will be capitalized. Currently Emgold holds a Use Permit (U94-017) for dewatering and exploration on the property. The Use Permit expires on January 25, 2003. Emgold intends to keep the Idaho-Maryland Property in good standing, but the capital required will have to be raised by private placement or other new financing, and there is no guarantee that such funds will be available.

During the third quarter Emgold completed a private placement through the facilities of Canaccord Capital Corporation ("Canaccord") whereby Canaccord acted as agent for a private placement of 1,600,000 units at a price of \$0.25 per unit, for gross proceeds of \$400,000. Each Unit is comprised of one common share and one non-transferable share purchase warrant. Each warrant will entitle the holder to purchase one

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additional common share for a period of one year from closing at an exercise price of \$0.30. Canaccord received a commission of 9% in cash and 320,000 non-transferable agent's warrants exercisable for a period of one year from closing at an exercise price of \$0.30. Canaccord was also granted a right of first refusal to provide any brokered financing for a period of one year.

Pursuant to its right of first refusal, and subsequent to September 30, 2002, Canaccord has agreed to act as agent on a commercially reasonable efforts basis to carry out a private placement of up to 2,800,000 units at a price of \$0.25 per unit, for gross proceeds of up to \$500,000. Each Unit will be comprised of one common share and one non-transferable share purchase warrant. Each share purchase warrant will entitle the holder to purchase one additional common share of Emgold for a period of one year from closing, at an exercise price of \$0.30. Upon closing Canaccord will receive a commission of 8% of which the agent may elect to be paid up to one half in Units, and will receive an administration fee. Canaccord will also receive non-transferable Agent's Warrants in an amount equal to 20% of the offering exercisable for a period of one year from closing at an exercise price of \$0.30.

Proceeds from the private placement will be used for the further development of the Idaho-Maryland Property in Grass Valley, California including property payments, administrative, legal, accounting and audit costs as well as for general corporate purposes and working capital. Based on the recommendations from the recent Technical Report prepared by AMEC E&C Services Ltd. (AMEC), Emgold will continue to work on geological interpretations in areas where historic information is available that have yet to be reviewed by the project team. Emgold with AMEC are currently completing a scoping study to define a development plan including surface drilling and underground exploration and development programs for the Idaho-Maryland.

Stewart Property

The Stewart property, optioned in 2001, consists of 82 mineral claims, located close to the Gold Mountain gold porphyry discovery on the Kena property held by Sultan Minerals Inc. near Ymir, British Columbia.

Emgold's geological consultant, P&L Geological Services, has compiled all historical information on the Stewart property. The results of this initial exploration program will be combined with the results of previous surveys in order to define target areas for follow-up by trenching and diamond drilling. Further work will be required to select drill sites in these large areas.

Rozan Property

Emgold continues to hold the Rozan Property, a gold prospect, located south of Nelson in southeastern British Columbia. Further work at Rozan is planned to explore the remainder of the 1,450-hectare property, which contains numerous exploration targets.

Holly Gold Property

Emgold has a 20-year lease and option agreement on the Holly Gold Property, consisting of 35 mineral claims situated in the Antelope Springs Mining District, Pershing County, Nevada. Discovered in 1864 the Holly Mine was initially explored for antimony and during World War I produced approximately 512 tons of antimony. Property work completed to date has defined two targets believed to have potential for bulk mineable gold mineralization.

Overview

Emgold's principal business is the exploration and development of mineral properties. Emgold is continually investigating new exploration opportunities, and mineral exploration is carried out on properties identified by management as having favourable exploration potential. Emgold advances its projects to varying degrees by prospecting, mapping, geophysics and drilling until it decides either that the

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property has limited exploration potential and should be abandoned or that work on the property has reached a stage where the expense and risk of further exploration and development dictate that the property should be optioned to a third party. The mineral exploration business is high risk and most exploration projects do not become mines.

Financial Position

The following discussion and analysis should be read in conjunction with the audited consolidated financial statements and related notes for the years ended December 31, 2001 and 2000.

Financing Activities

At September 30, 2002, Emgold had a working capital deficiency of \$131,673. Working capital is defined as current assets less current liabilities.

Investing Activities

During the nine months ended September 30, 2002, Emgold expended \$72,655 in exploration and acquisition costs on the Stewart Property and a total of \$134,398 on exploration and property payments associated with the Rozan property in the first nine months of fiscal 2002. Commencing on July 1, 2002, Emgold has capitalized exploration and development costs relating to the Idaho-Maryland property in Grass Valley, California. Capitalized costs to September 30, 2002, total \$74,343.

Liquidity and Capital Resources

Results of Operations

Emgold's loss for the nine months ended September 30, 2002, was \$11,559 or \$0.00 per share, compared to income of \$576,715 or \$0.03 per share for the nine months ended September 30, 2001, due to the recovery of accruals relating to the Idaho-Maryland property which had previously been written off in fiscal 1999. Emgold's expenditures in 2002 reflect the expenses incurred with respect to the negotiations on the Idaho-Maryland property. Overall the lower level of expenditures reflects the reduced activity level and Emgold's continued efforts to conserve cash flow. Administrative expenditures will likely increase as exploration activity on the Idaho-Maryland property proceeds.

Management fees of \$30,000 were paid to Lang Mining Corporation ("Lang Mining") in the nine months ended September 30, 2001, with no comparative expense in the nine months ended September 30, 2002. The contract with Lang Mining expired on June 30, 2001. Effective August 1, 2001, a private company, LMC Management Services Ltd. ("LMC"), held equally by the public companies sharing the office space at the current office premises, was formed to perform administrative, geological and management functions for the companies. Expenses are allocated on a cost basis based on activity levels, inclusive of salaries and wages, to the various companies sharing office space.

Shareholder communication costs increased from \$24,334 in fiscal 2001 to \$30,767 in fiscal 2002. These costs include shareholder dissemination costs, transfer agent and regulatory and filing fees.

Professional fees, consisting of legal, audit and accounting fees increased from \$22,804 in fiscal 2001 to \$24,698 in fiscal 2002. Annual expenditures will likely remain at approximately the same level for the remainder of fiscal 2002, unless activity increases, with the related legal and other services that will be required.

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During fiscal 2002, \$12,181 was expended on finance expense relating to the promissory notes payable to an officer and director of Emgold as compared to \$23,891 in fiscal 2001. Subsequent to the nine months ended September 30, 2002, Emgold has announced that balances payable to an officer and director of and a private company controlled by the same officer and director totalling \$787,585 and interest accrued to the date of agreement will be converted to Series A First Preference shares. The indebtedness arises from previous advances made by Frank A. Lang and Lang Mining over a prolonged period in providing financial support to Emgold. The debt conversion will be subject to regulatory approval.

The Series A First Preference Shares will rank in priority to Emgold's common shares and will be entitled to fixed cumulative preferential dividends at a rate of 7% per annum. The shares will be redeemable by Emgold at any time at a redemption price of \$0.20 per share, but are redeemable by the holder only out of funds available that are not in the Company's opinion otherwise required for the development of its mineral property interests or to maintain a minimum of \$2 million in working capital.

The Series A First Preference Shares will be convertible into common shares at any time at a ratio of one (1) common share for every four (4) Series A First Preference Shares. The shares also have attached a gold redemption feature by which holders may elect at the time of any proposed redemption to receive gold in specie valued at \$300 (U.S.) per ounce in lieu of cash, provided that Emgold has on hand at the time gold in specie having an aggregate value of not less than the redemption amount.

The Series A First Preference Shares will be non-voting unless and until the Company fails for any period aggregating two years or more to pay dividends, in which case they will carry one (1) vote per share at all annual and special meetings of shareholders thereafter.

Outlook

Emgold's focus over the next few months will be on obtaining additional financing to allow Emgold to explore the Idaho-Maryland gold property in areas above the 1,000 ft level and adjacent to the famous Idaho Number 1 stope, which produced 1 million ounces of gold from 1 million tons. Emgold with AMEC E & C Services Ltd are currently completing a scoping study to define a development plan including surface drilling and underground exploration and development programs for the Idaho-Maryland. The Company is currently designing a surface exploration program consisting of approximately 15,000 to 20,000 feet of diamond drilling from 4 to 6 surface locations. The drill program is intended to test high-grade targets defined during the preparation of the Technical Report. Applications for drill permits will be submitted to the appropriate local government agencies upon completion of the drilling planning process. It is estimated that each concurrent application for drilling permits for up to six locations could take approximately 3 to 6 months. During the permitting process the Company will continue to review historic geologic and mining data in order to expand the existing resource base. Management is continuing to identify cost effective measures to put the Idaho-Maryland back into profitable production for the benefit of the community of Grass Valley and Emgold's shareholders.

Provided sufficient financing can be obtained, Emgold is ready to prepare for submission its mine and mill permit application on the Idaho-Maryland property, which is anticipated to cost approximately US\$500,000, to be reviewed and approved by the appropriate officials and is expected to take twelve to twenty-four months to complete.

Subsequent to September 30, 2002, Canaccord has agreed to act as agent on a commercially reasonable efforts basis to carry out a private placement of up to 2,800,000 units at a price of \$0.25 per unit, for gross proceeds of up to \$500,000. Each Unit is comprised of one common share in the capital of Emgold and one non-transferable share purchase warrant. Each share purchase warrant will entitle the holder to purchase one additional common share of Emgold for a period of one year from closing, at an exercise

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price of \$0.30. Upon closing Canaccord will receive a commission of 8%, of which the agent may elect to be paid up to one half in Units, and will receive an administration fee. Canaccord will also receive 20% non-transferable Agent's Warrants exercisable for a period of one year from closing at an exercise price of \$0.30.

Emgold will also consider further exploration of the Rozan, Stewart and Holly properties if suitable financing can be arranged.

EMGOLD MINING CORPORATION
(an exploration stage company)
CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2002
(unaudited – prepared by management)

EMGOLD MINING CORPORATION

(an exploration stage company)

CONSOLIDATED BALANCE SHEETS

(Unaudited - prepared by management)

	September 30, 2002	December 31, 2001
Assets		
Current assets		
Cash and cash equivalents	\$ 228,726	\$ 7,128
Accounts receivable	15,298	959
	244,024	8,087
Reclamation deposits	3,000	3,000
Equipment	6,035	-
Mineral property interests (see schedule)	286,234	147,459
	\$ 539,293	\$ 158,546
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 79,484	\$ 56,495
Promissory note	160,552	459,894
Due to related parties	135,661	871,666
	375,697	1,388,055
Due to related parties (Note 4(b))	787,585	-
	1,163,282	1,388,055
Shareholders' equity		
Share capital (Note 2)	17,768,876	17,151,797
Deficit	(18,392,865)	(18,381,306)
	(623,989)	(1,229,509)
	\$ 539,293	\$ 158,546

Subsequent events (Note 4)

Approved by the Board

/s/Frank A. Lang
Frank A. Lang
Director

/s/William J. Witte
William J. Witte
Director

EMGOLD MINING CORPORATION

(an exploration stage company)

CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

(Unaudited - prepared by management)

	Three Months Ended		Nine Month Ended	
	September 30,		September 30,	
	2002	2001	2002	2001
Expenses (Income)				
Amortization	\$ 15	\$ 3,589	\$ 15	\$ 10,767
Exchange (gains) losses	1,175	2,066	1,201	2,988
Finance expense	3,403	8,678	12,181	23,891
Legal, accounting and audit	18,089	435	24,698	22,804
Office and administration	1,408	2,233	2,307	46,481
Idaho-Maryland mineral property costs	-	(746,696)	-	(746,696)
Property investigations	14,808	-	24,418	-
Salaries and benefits	31,658	15,724	71,896	33,040
Shareholder communications	5,951	1,389	30,767	24,334
Taxes	1,288	478	2,559	1,701
Travel and conferences	335	-	335	-
Write-down (recovery) of mineral property interests	1	701,821	(158,789)	-
Write-down of fixed assets	-	-	-	4,924
Interest and other income	-	(36)	(29)	(949)
	78,131	(10,319)	11,559	(576,715)
Loss (income) for the period	(78,131)	10,319	(11,559)	576,715
Deficit, beginning of period	(18,314,734)	(17,796,903)	(18,381,306)	(18,363,299)
Deficit, end of period	\$ (18,392,865)	\$ (17,786,584)	\$ (18,392,865)	\$ (17,786,584)
Loss (income) per share, basic and diluted	\$ (0.00)	\$ 0.00	\$ (0.00)	\$ 0.03
Weighted average number of common shares outstanding	21,193,015	18,568,667	19,762,359	18,532,726

EMGOLD MINING CORPORATION

(an exploration stage company)

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited - prepared by management)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2002	2001	2002	2001
Cash provided by (used for)				
Operations				
Loss for the period	\$ (78,131)	\$ 10,319	\$ (11,559)	\$ 576,715
Items not involving cash				
Amortization	15	10,767	15	10,767
Foreign exchange	-	(7,178)	-	-
Idaho-Maryland mineral property costs	-	(44,875)	-	(746,696)
Finance expense	-	8,678	-	23,891
Write-down (recovery) of mineral property interests	-	-	(158,789)	-
Write-down of fixed assets	-	-	-	4,924
	(78,116)	(22,289)	(170,333)	(130,399)
Changes in non-cash working capital				
Accounts receivable	(9,827)	866	(14,339)	3,609
Accounts payable and accrued liabilities	(202,397)	8,655	22,989	9,625
Promissory note, current	(72,174)	-	(72,174)	-
Due to related parties	37,720	38,074	-	170,012
	(324,794)	25,306	(233,857)	52,847
Investments				
Mineral property interests:				
Acquisition costs	(12,065)	(12,616)	(88,241)	(18,581)
Exploration and development costs	(79,991)	(7,390)	(99,913)	(39,644)
Equipment	(6,050)	-	(6,050)	-
	(98,106)	(20,006)	(194,204)	(58,225)
Financing				
Due to related parties	276,581	-	276,581	-
Common shares issued for cash	373,078	-	373,078	-
	649,659	-	649,659	-
Foreign exchange loss on cash held in				
Decrease in cash and cash equivalents during the period	226,759	5,300	221,598	(5,378)
Cash and cash equivalents, beginning of period	1,967	3,406	7,128	14,084
Cash and cash equivalents, end of period	\$ 228,726	\$ 8,706	\$ 228,726	\$ 8,706

EMGOLD MINING CORPORATION

(an exploration stage company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Nine Months Ended September 30, 2002 and 2001

(Unaudited – prepared by management)

The accompanying consolidated financial statements for the interim periods ended September 30, 2002 and 2001, are prepared on the basis of accounting principles generally accepted in Canada and are unaudited, but in the opinion of management, reflect all adjustments (consisting of normal recurring accruals) necessary for fair presentation of the financial position, operations and changes in financial results for the interim periods presented. The consolidated financial statements for the interim periods are not necessarily indicative of the results to be expected for the full year. These financial statements do not contain the detail or footnote disclosure concerning accounting policies and other matters, which would be included in full year financial statements, and therefore should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2001.

1. Going concern assumption

These financial statements are prepared on a going-concern basis, which implies that the Company will continue realizing its assets and discharging its liabilities in the normal course of business. Accordingly, they do not give effect due to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities, contingent obligations and commitments in other than the normal course of business and at amounts different from those in these financial statements.

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 continuing operations and the underlying value and recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the mineral property interests, and on future profitable production or proceeds from the disposition of the mineral property interests.

The Idaho-Maryland Property was written down to a nominal carrying value of \$1 in fiscal 1999. All of the costs related to the ongoing maintenance and acquisition of the Idaho-Maryland Property continue to be written off. Currently the Company holds the exploration permit for exploration on the property. Negotiations with the vendors of the Idaho-Maryland property were successful, and a new lease and option to purchase agreement has been signed. The promissory notes payable to the vendors were renegotiated, and payments required to the end of fiscal 2002 are presented in current liabilities. The accrued payments related to payments capitalized in prior years have been included in the statements of operations and deficit, since they relate to write-downs incurred in prior periods. The Company intends to keep the Idaho-Maryland Property in good standing, but the capital required will have to be raised by private placement or other new financing, and there is no guarantee that such funds will be available. Exploration costs on the Idaho-Maryland property have been capitalized for all expenditures incurred after July 1, 2002, and total \$74,343.

As at September 30, 2002, the Company had a working capital deficiency of \$131,673 and a deficit of \$18,392,865.

The Company has capitalized \$211,891 in acquisition and exploration costs related to the Holly, Rozan, Stewart and other mineral property interests. Under the Holly mineral property lease agreement the Company has an obligation to make a cash payment of \$US 8,000 and issue 100,000 common shares on the first anniversary of the effective date of the agreement. These shares have not been issued and the property has been written down to a carrying value of \$1.

The current obligations in respect of the Holly, Stewart and Rozan mineral properties only guarantee a continuing interest in those properties, for the Company to realise the carrying value of these investments additional funding would be required or a joint venture partner would have to be identified to assist with the funding of these ventures. The Company has staked mineral claims in southeastern British Columbia.

EMGOLD MINING CORPORATION

(an exploration stage company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Nine Months Ended September 30, 2002 and 2001

(Unaudited – prepared by management)

1. Going concern assumption (continued)

These costs, mentioned above, are in addition to ongoing general and administration expenditures and costs on other exploration properties held by the Company.

The Company's ability to continue in operation is dependent on the continuing support of its creditors and funding from related parties, and its ability to secure additional financing. While it has been successful in securing additional financing in the past, there can be no assurance that it will be able to do so in the future. Accordingly, these financial statements do not reflect adjustments to the carrying value of assets and liabilities and balance sheet classifications used that would be necessary if going concern assumptions were not appropriate. Some adjustments could be material. There is significant doubt about the ability of the Company to continue as a going concern.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance regulatory requirements.

2. Share capital

The authorized share capital of the Company consists of 500,000,000 (2001 – 50,000,000) common shares without par value and 50,000,000 preferred shares without par value.

Common shares issued and outstanding are as follows:

	Number of Shares	Amount
Balance, December 31, 2001	18,589,319	\$ 17,151,797
Rozan property payment at \$0.10	50,000	5,000
Debt settlement at \$0.10	2,250,000	225,000
Options exercised at \$0.10	180,000	18,000
Stewart property payment at \$0.28	50,000	14,000
Warrants exercised at \$0.25	50,000	12,500
Private placement at \$0.25, less share issue costs	1,600,000	342,579
Balance, September 30, 2002	22,769,319	\$ 17,768,876

There are 4,558 (2001 – 4,558) common shares held in escrow, which may not be released without the approval of the TSX Venture Exchange.

EMGOLD MINING CORPORATION

(an exploration stage company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Nine Months Ended September 30, 2002 and 2001

(Unaudited – prepared by management)

3. Related party transactions and balances

Services rendered by:	September 30, 2002	September 30, 2001
Lang Mining Corporation	\$ --	\$ 88,161
Director	\$US 19,140	\$US 11,526
LMC Management Services Ltd.	\$ 112,450	\$ 14,469

Balances payable to:	September 30, 2002	December 31, 2001
Lang Mining Corporation	\$ (456,912)	\$ (318,153)
Legal fees	\$ (33,804)	\$ (16,390)
Directors	\$ (343,702)	\$ (446,995)
LMC Management Services Ltd.	\$ (65,710)	\$ (30,168)
Sultan Minerals Inc.	\$ (4,447)	\$ (3,313)
Valerie Gold Resources Ltd.	\$ (3,138)	\$ (2,661)
	\$ (923,246)	\$ (871,666)

During the nine months ended September 30, 2002, 2,250,000 common shares were issued at a price of \$0.10 in settlement of \$225,000 in indebtedness to four creditors related to the Company.

4. Subsequent events

Subsequent to September 30, 2002:

- (a) Canaccord has agreed to act as agent on a commercially reasonable efforts basis to carry out a private placement of up to 2,800,000 units at a price of \$0.25 per unit, for gross proceeds of up to \$500,000. Each Unit is comprised of one common share in the capital of the Company and one non-transferable share purchase warrant. Each share purchase warrant will entitle the holder to purchase one additional common share of the Company for a period of one year from closing, at an exercise price of \$0.30. Upon closing Canaccord will receive a commission of 8%, of which the agent may elect to be paid up to one half in Units, and will receive an administration fee. Canaccord will also receive 20% non-transferable Agent's Warrants exercisable for a period of one year from closing at an exercise price of \$0.30.
- (b) An agreement has been reached with Frank A. Lang and Lang Mining Corporation (collectively, "Lang") by which Lang will accept an estimated total of 3.95 million Series A First Preference Shares in full satisfaction of an estimated aggregate \$790,000 of indebtedness owing to Lang. The indebtedness arises from previous advances made by Lang over a prolonged period in providing financial support to the Company. The debt conversion will be subject to regulatory approval.

The Series A First Preference Shares will rank in priority to the Company's common shares and will be entitled to fixed cumulative preferential dividends at a rate of 7% per annum. The shares will be redeemable by the Company at any time at a redemption price of \$0.20 per share, but are redeemable by the holder only out of funds available that are not in the Company's opinion otherwise required for the development of the Company's mineral property interests or to maintain a minimum of \$2 million in working capital.

EMGOLD MINING CORPORATION

(an exploration stage company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Nine Months Ended September 30, 2002 and 2001

(Unaudited – prepared by management)

4. Subsequent events (continued)

The Series A First Preference Shares will be convertible into common shares at any time at a ratio of one (1) common share for every four (4) Series A First Preference Shares. The shares also have attached a gold redemption feature by which holders may elect at the time of any proposed redemption to receive gold in specie valued at \$300 (U.S.) per ounce in lieu of cash, provided the Company has on hand at the time gold in specie having an aggregate value of not less than the redemption amount.

The Series A First Preference Shares will be non-voting unless and until the Company fails for any period aggregating two years or more to pay dividends, in which case they will carry one (1) vote per share at all annual and special meetings of shareholders thereafter.

EMGOLD MINING CORPORATION

(an exploration stage company)

Consolidated Schedules of Mineral Property Interests

(Unaudited – prepared by management)

	September 30, 2002	December 31, 2001
Mineral property interests		
Idaho-Maryland Mine, California		
Acquisition costs		
Balance, beginning of period	\$ 1	\$ 1
Incurred during the period	(170,508)	33,332
Write-down (recovery) during the period	170,508	(33,332)
Balance, end of period	1	1
Exploration and development costs		
Consulting and engineering studies	80,156	24,326
Site activities	1,922	6,215
Travel and accommodation	3,982	2,098
Incurred during the period	86,060	32,639
Less write-down of exploration and development costs	(11,718)	(32,639)
Balance, end of period	74,342	1
	74,343	
Rozan Property, British Columbia		
Acquisition costs		
Balance, beginning of period	23,990	15,990
Incurred during the period	15,000	8,000
Balance, end of period	38,990	23,990
Exploration and development costs		
Assays	117	346
Geological and geochemical	370	(4,568)
Site activities	173	11,453
Incurred during the period and balance, end of period	660	7,231
Balance, beginning of period	94,748	87,517
Balance, end of period	95,408	94,748
	134,398	118,738
Porph Claim, British Columbia		
Acquisition costs		
Balance, beginning of period	3,324	--
Incurred during the period	1,513	3,324
Balance, end of period	4,837	3,324
Stewart Property, British Columbia		
Acquisition costs		
Balance, beginning of period	9,636	--
Incurred during the period	34,093	9,636
Balance, end of period	43,729	9,636
Exploration and development costs		
Assays and analysis	7,615	11,814
Geological	4,662	3,004
Site activities	843	941
Travel and accommodation	47	--
Incurred during the period	13,167	15,759
Balance, beginning of period	15,759	
Balance, end of period	28,926	15,759
	72,655	25,395
Holly Property, Nevada		
Acquisition costs		
Balance, beginning of period	1	28,996
Incurred during the period	--	5,390
Write-down of mineral property interest	--	(34,385)
Balance, end of period	1	1
Mineral property interests	\$ 286,234	\$ 147,459