



EMGOLD MINING CORPORATION

IDAHO - MARYLAND TECHNICAL REPORT

4.0 PROPERTY DESCRIPTION & LOCATION

4.1 Location of Surface Rights

The Idaho-Maryland project property is located 1.5 miles east of the center of the City of Grass Valley, Nevada County, in the State of California (see Figures 4-1 and 4-2). The property lies primarily between the Idaho-Maryland Road, Brunswick Road, and State Route 174 and consists of

- 37 acres (15 ha) of surface rights centered around the New Brunswick Shaft (New Brunswick site),
- 101 acres (41 ha) of surface rights west of the historic Idaho #1 Shaft (Idaho-Maryland site), and
- 7 acres (3 ha) of surface rights centered around the Round Hole Shaft (also know as the Idaho #2 shaft). This property is currently being purchased.

The 101 acres (14 ha) of surface rights collectively named the Idaho-Maryland site includes a 56 acre (23 ha) parcel and an adjoining 45 acre (18 ha) parcel lying immediately to the east. The 7 acres (3 ha) at the Round Hole site are in the process of being purchased by Idaho-Maryland Mining Corporation while 56 acres (23 ha) at the Idaho-Maryland site are owned by Idaho-Maryland Mining Corporation. The 37 acres (15 ha) at the New Brunswick site and 45 acres (18 ha) at the Idaho-Maryland site are owned by the BET Group and subject to a lease option to purchase agreement between the BET Group and Idaho-Maryland Mining Corporation (see Section 4.2).



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Figure 4-1: Project Location Map

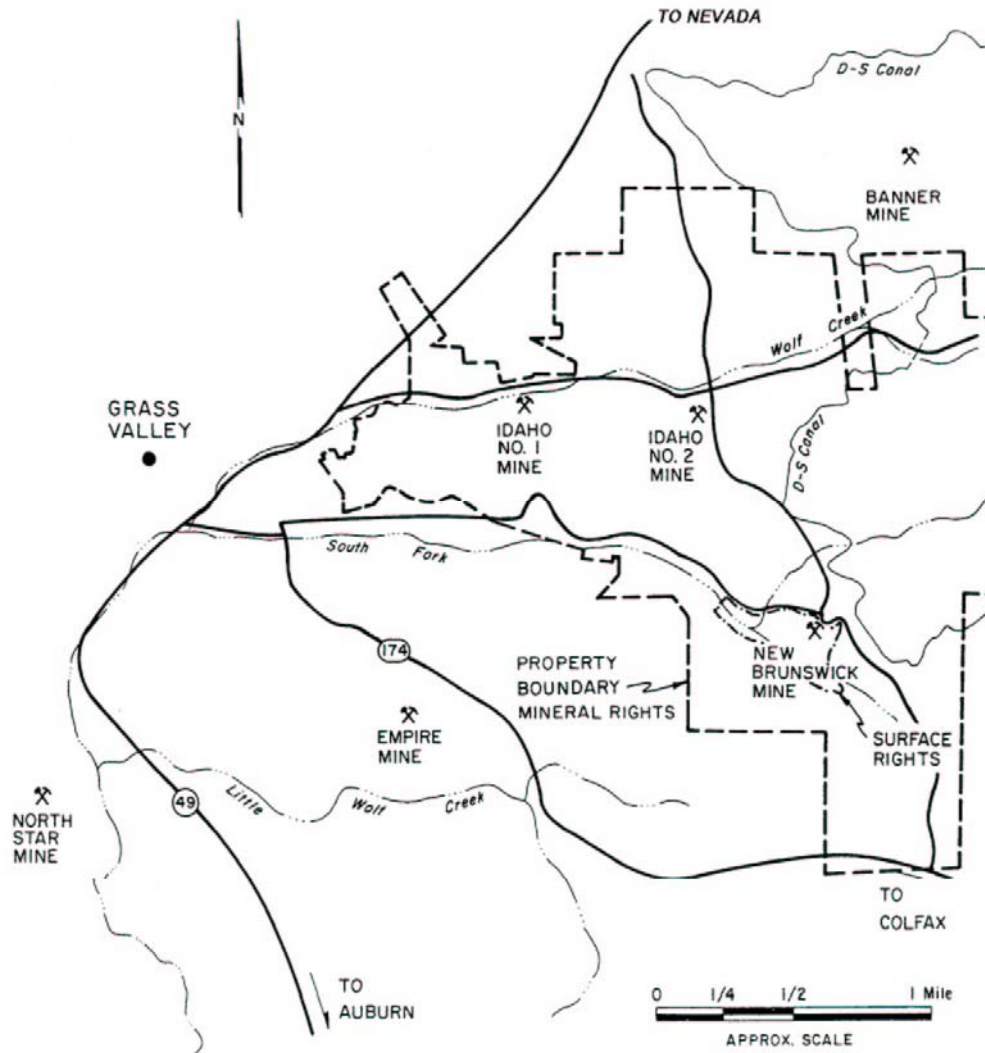




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Figure 4-2 Mine Location Map



The New Brunswick Shaft at $39^{\circ} 12' 42.5''$ N latitude and $121^{\circ} 01' 03''$ W longitude marks the approximate center of the property. The U.T.M. coordinates of the shaft are 4,342,024 m north and 671,144 m east.



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4.2 Mineral Rights

The mineral rights controlled by Emgold comprise portions of Sections 19, 29, 30, and 31 in T16N R9E and portions of Sections 23, 24, 25, 26, 36 in T16N R8E. The majority of the mineral rights are defined as sub-parcels in a Quit Claim Deed and are restricted to a variable depth from surface. In general, the rights are contiguous below 200 ft from surface. Emgold has an agreement with the mineral rights holders (BET Group) that includes a mining lease and option to purchase the 45 and 37 acre surface properties outlined in Section 4.1 and about 2,750 acres of mineral rights.

In 2005, through its subsidiary Idaho-Maryland Mining Corporation, Emgold acquired 100 percent of the 30 acres of underground mineral rights adjacent to the BET Group mineral rights. These properties consist of the Golden Gate West and Golden Gate East claims, and the remaining interests in the Dana and Christopher Columbus Claim that the Company did not already own.

The Idaho-Maryland property thus consists of approximately 2,750 contiguous acres (1,133 ha) of mineral rights. The mineral rights are defined as subparcels in a Quit Claim Deed. The subparcels are listed and described briefly in Table 4.1.

The mineral rights are severed from the surface rights at a variable depth from surface, with all mineral rights being contiguous below 200 ft (60 m) from surface.

The parcels and subparcels have been legally surveyed a number of times since the early 1900s. Emgold plans to resurvey the exterior of the claim boundary as part of the construction activities for the mine.

The lease option to purchase agreement with the BET Group was originally signed in 2002. The agreement was extended by two years in 2007 and by a further 2 years in 2009. The lease portion of the agreement expires in February 2011. At that time, the purchase part of the agreement commences, and the property can be purchased over a four year period. Lease payments in 2009 are US \$30,000 per quarter. Lease payments in 2010 to the end of the lease portion of the agreement in 2011 are US \$60,000 per quarter. The expected purchase price in 2011 is estimated to be approximately US \$5 million.



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Table 4-1 Summary Information From the Quit Claim Deed on Ten Parcels

Source: Exhibit "A", Vol. 337, pp. 175-196 of the Official Records, Nevada County, California, as filed on June 12, 1963.

Parcel No. 1:	Pertains to all minerals, gas, oil and mineral deposits of every kind and nature below a depth of 200 ft (60 m) beneath the surface except where noted.
Reference No.:	QC 1.1 or Quit Claim, Parcel 1, subparcel 1
Name:	J.M. English Quartz Mine, Lot No. 54, SE1/4 Sec. 25, T 16 North, R 8 East, MDB&M
Reference No.:	QC 1.2 (Parcel 1, subparcel 2).
Name:	Lucky or Agnes Quartz Mine, Lot No. 129, Sec. 25 & 36, T 16 North, R 8 East, MDB&M
Reference No.:	QC 1.3 (Parcel 1, subparcel 3).
Name:	Union Hill Quartz Mine, Lot No. 59, Sec. 25 & 36, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.4 (Parcel 1, subparcel 4).
Name:	Centennial Quartz Lode Mining Claim, Lot No. 106, Sec. 25, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.5 (Parcel 1, subparcel 5).
Name:	Halphene Quartz Lode Mining Claim, Lot No. 202, Sec. 25, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.6 (Parcel 1, subparcel 6).
Name:	"Dorothy D" Lode Mining Claim, Survey No. 5628, Sec. 25, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.7 (Parcel 1, subparcel 7).
Name:	Morning Dew Quartz Lode Mining Claim, Lot No. 130, Sec. 25, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.8 (Parcel 1, subparcel 8).
Name:	Howard Hill Lode Mining Claim, survey No. 4613, Sec. 25, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.9 (Parcel 1, subparcel 9).
Name:	(portion of) Hoxie Placer Mining Claim, Lot No. 6, Sec. 25, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.10 (Parcel 1, subparcel 10).
Name:	Cambridge Quartz Mine, Lot No. 128, Sec. 36, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.11 (Parcel 1, subparcel 11).
Name:	Gold Blossom Quartz Mine, Lot No. 3697, Sec. 36, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.12 (Parcel 1, subparcel 12).
Name:	(name not listed), Lots No. 1, 2, 3, 4 and 5. NE1/4 of Sec. 36, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.13 (Parcel 1, subparcel 13).
Name:	(name not listed), Fractional west half of NE1/4 of Sec. 36, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.14 (Parcel 1, subparcel 14).
Name:	(name not listed) NW1/4 of Sec. 31, T 16 N, R 9 E, MDB&M
Reference No.:	QC 1.15 (Parcel 1, subparcel 15).
Name:	(name not listed) SW1/4 of Sec. 31, T 16 N, R 9 E, MDB&M
Reference No.:	QC 1.16 (Parcel 1, subparcel 16).
Name:	Eureka Gold Mining Co.'s Claim, Lot No. 41, Sec. 26, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.17 (Parcel 1, subparcel 17).
Name:	Tracy Quartz Lode Mining Claim, Lot No. 193, Sec. 25, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.18 (Parcel 1, subparcel 18).
Name:	Independence Quartz Lode Mining Claim, Lot No. 120, Sec. 25, T 16 N, R 8 E, MDB&M



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Reference No.:	QC 1.19 (Parcel 1, subparcel 19).
Name:	Alpha Quartz Lode Mining Claim, Lot No. 66, Sec. 25 & 26, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.20 (Parcel 1, subparcel 20).
Name:	Black Hawk Extension Lode Mining Claim, Lot No. 4218 Sec. 25 & 26, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.21 (Parcel 1, subparcel 21).
Name:	A.B.C. Mine, Lot No. 167 and OK Mine, Lot No. 168, Sec. 25 & 26, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.22 (Parcel 1, subparcel 22).
Name:	Gamblers Gold and Silver Lode Mine, Survey No. 4217, Sec. 26, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.23 (Parcel 1, subparcel 23).
Name:	(name not listed) (a) S1/2 of SE1/4; (b) NW1/4 of SE1/4; (c) S1/2 of SW1/4 and (d) NW1/4 of SW1/4 All in Sec. 24, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.24 (Parcel 1, subparcel 24).
Name:	(name not listed) (a) N1/2 of NE1/4; (b) NE1/4 of NW1/4; (c) Lot 1 of NW1/4 of NW1/4 Sec. 25, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.25 (Parcel 1, subparcel 25).
Name:	Kentucky Quartz Mine, Lot No. 133, Sec. 25 & 26, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.26 (Parcel 1, subparcel 26).
Name:	Idaho No. 1, Idaho No. 2, Idaho No. 3, Idaho No. 5, Idaho No. 6, Idaho No. 7, Idaho No. 11, Idaho No. 12, Maryland No. 22, Maryland No. 23, Maryland No. 24, Maryland Fraction, Maryland Extension Fraction, Gold Point Fraction and Gold Point Extension Lode Mining Claims, Survey No. 5514, Sec. 25 & 26, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.27 (Parcel 1, subparcel 27).
Name:	(name not listed) (a) SW1/4 of NE1/4, (b) SE1/4 of NE1/4, Sec. 25, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.28 (Parcel 1, subparcel 28).
Name:	Baby Lode Claim and Pinafore Lode Claim, Survey No. 4216, Sec. 25, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.29 (Parcel 1, subparcel 29).
Name:	Maryland Consolidated Quartz Mining Claim comprising Maryland Lode, Lot No. 144, Maryland Extension Location Lode, Lot No. 145 and Maryland Extension Mill Site Claim, Lot No. 146, Survey No. 2535, Sec. 25, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.30 (Parcel 1, subparcel 30).
Name:	Maryland Extension Quartz Mine Lode, Survey 3679, NE1/4 of SE1/4 of Sec. 25, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.31 (Parcel 1, subparcel 31).
Name:	Gold Point Consolidated Gold and Silver Mining Company's Lode Mining Claim, Lot No. 107, survey No. 1892, Sec. 25, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.32 (Parcel 1, subparcel 32).
Name:	Idaho Mill Site Claim, Lot No. 138, Sec. 26, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.33 (Parcel 1, subparcel 33).
Name:	East Eureka Lode Mining Claim, survey No. 5515, Sec. 25 & 26, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.34 (Parcel 1, subparcel 34).
Name:	Idaho Mining Company's Claim, Lot No. 38, Survey No. 24, Sec. 26, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.35 (Parcel 1, subparcel 35).
Name:	(name not listed), Lot No. 13, Sec. 25, T 16 N, R 8 E, MDB&M



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Reference No.:	QC 1.36 (Parcel 1, subparcel 36).
Name:	Grant Quartz Mine Claim, Lot No. 62, Survey No. 634, Sec. 25 & 26, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.37 (Parcel 1, subparcel 37).
Name:	(portion of) Hoxie Placer Mining Claim, Lot No. 5, SE1/4 of Sec. 25, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.38 (Parcel 1, subparcel 38).
Name:	Roannaise Lode, Lot No. 116, Sec. 23 & 26, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.39 (Parcel 1, subparcel 39).
Name:	Schofield Lode, Lot No. 37, Sec. 25 & 26, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.40 (Parcel 1, subparcel 40).
Name:	Morehouse Quartz Mine, Lot No. 53, Sec. 26, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.41 (Parcel 1, subparcel 41).
Name:	"Lot Numbered Three" in NE1/4 and "Lot Numbered Seventeen" in NW1/4 of Sec. 26, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.42 (Parcel 1, subparcel 42).
Name:	Lots Numbered 5 & 7 in NE1/4 of Sec. 26, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.43 (Parcel 1, subparcel 43).
Name:	(name not listed), Lot No. 9 of NE1/4 of SW1/4 and portion of NW1/4 of SE1/4 of Sec. 26, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.44 (Parcel 1, subparcel 44).
Name:	strip of land 40 ft on either side of centerline of Nevada County Narrow Gauge Railway, NE1/4 of SW1/4 of Sec. 26, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.45 (Parcel 1, subparcel 45).
Name:	(name not listed), area is in NW1/4 of Sec. 25, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.46 (Parcel 1, subparcel 46).
Name:	(name not listed), Lot 3, NW1/4 of Sec. 25, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.47 (Parcel 1, subparcel 47).
Name:	(name not listed), SE1/4 of SE1/4 of NE1/4 of Sec. 26, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.48 (Parcel 1, subparcel 48).
Name:	(name not listed), Lot 1, portions of NE1/4 of NE1/4 and N1/2 of NE1/4 of Sec. 30, T 16 N, R 9 E, MDB&M
Reference No.:	QC 1.49 (Parcel 1, subparcel 49).
Name:	(name not listed), Lot 4 in SW1/4 and SE1/4 of SW1/4 of Sec. 19, T 16 N, R 9 E, MDB&M
Reference No.:	QC 1.50 (Parcel 1, subparcel 50).
Name:	(name not listed), Lot 2 of NW1/4 and SE1/4 of NW1/4; Lots 3 & 4 in SW1/4, NE1/4 of SW1/4 and W1/2 of SE1/4 of SW1/4, N1/2 of SE1/4 and S1/2 of NE1/4, all in Sec. 30, T 16 N, R 9 E, MDB&M
Reference No.:	QC 1.51 (Parcel 1, subparcel 51).
Name:	Reservoir Site, area of SW corner of Sec. 30, T 16 N, R 9 E, MDB&M
Reference No.:	QC 1.52 (Parcel 1, subparcel 52).
Name:	portion of Biggs Placer, Lot No. 46, Survey No. 283, Sec. 36, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.53 (Parcel 1, subparcel 53).
Name:	Champion Lode Mining Claim, Survey No. 4826, in Sec. 1, T 15 N, R 8 E, and Sec. 35, T 16 N, R 8 E, MDB&M



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Reference No.:	QC 1.54 (Parcel 1, subparcel 54).
Name:	Josephine Lode Mining Claim, Survey No. 4638, in Sec. 1, T 15 N, R 8 E, and Sec. 35, T 16 N, R 8 E, MDB&M
Reference No.:	QC 1.55 (Parcel 1, subparcel 55).
Name:	Christopher Columbus Consolidated Quartz Mining Claim, An undivided 3/10 th interest, Lots 224 & 225, Survey No. 3399, Sec. 25 & 26, T 16 N, R 8 E, MDB&M
Parcel No. 2:	Lots 2, 4A and 4B, Block 9, Townsite of East Grass Valley; mineral rights below 100 ft except Lot 4B, Block 9 which has mineral rights below 35 ft from surface.
Parcel No. 3:	Portion of NE1/4 of SW1/4 of Sec. 26, T 16 N, R 8 E, MDB&M; mineral rights below 100 ft from surface.
Parcel No. 4:	W1/2 of SW1/4 of SE1/4 of Sec. 30, T 16 N, R 9 E, MDB&M; mineral rights below 75 ft from surface.
Parcel No. 5:	S1/2 of SW1/4 of Sec. 29, and SE1/4 of SE1/4 of Sec. 30, T 16 N, R 9 E, MDB&M; mineral rights below 75 ft from surface.
Parcel No. 6:	E1/2 of NW1/4 of NE1/4 and E1/2 of N1/2 of SW1/4 of NE1/4 of Sec. 31, T 16 N, R 9 E, MDB&M; mineral rights below 75 ft from surface.
Parcel No. 7:	N1/2 of Lots 7 & 8 and Lots 9 & 10 in Sec. 6, T 15 N, R 9 E, and E1/2 of SE1/4 of Sec. 36, T 16 N, R 8 E, MDB&M; mineral, gas and oil rights below 100 ft from surface.
Parcel No. 8:	Portion of Lot 46 on Survey 283 (Biggs Placer Mining Claim) on portions of Sec. 35 & 36, T 16 N, R 8 E, and on Sec. 1, T 15 N, R 8 E, MDB&M; an undivided 3/5 th interest in mineral rights below 100 ft from surface.
Parcel No. 9:	NW1/4 of SW1/4 of Sec. 36, and NE1/4 of SE1/4 of Sec. 35, T 16 N, R 8 E, MDB&M; an undivided 3/10 th interest in all gold and precious metal rights below 100 ft from surface.
Parcel No. 10:	SE1/4 of SE1/4 and SW1/4 of SE1/4 of Sec. 36, T 16 N, R 8 E, MDB&M; an undivided 9/35 th interest in all gold and precious metal rights below 100 ft from surface.

Note: Variations in the crown pillar for the subparcels of Parcel 1 are not included in the table. They are as follows: 1, 6, 9, 18, 37: surface rights to 75 ft • 1, 6, 9: surface rights to 75 ft • 1, 6, 9, 14, 15, 18, portion of 26: to 75 ft • 1, 6, 9, 12: surface rights to 75 ft • 3, 5, 12: surface rights to 75 ft • 14: not to interfere with agricultural use • 14: surface rights to 75 ft • 15: no mineral rights to Nevada Irrigation Dist • 15, 50: surface rights to 75 ft • 15: surface rights to 75 ft • 15: surface rights to 75 ft • 19, 23, 24, 25: surface rights to 75 ft • 16, 38, 41, 42 (Lot 5): surface rights to 75 ft • 17, 21, part 26, 28: mineral rights to surface • 20, 21, 22, part 26, 39, 42, 43, 44, 46, 47: surface right to 100 ft but with right to mine mineral without disturbing the surface • 22, part 26: mineral rights to surface • 23: surface rights to 75 ft • 23: surface rights to 75 ft without disturbing the surface • 23: surface rights to 75 ft • 24, 25: surface rights to 75 ft • part 26: mineral rights to surface • 33: surface rights to 75 ft • 38: surface rights to 75 ft • 38: surface rights to 75 ft • 40, 42 (Lot 5): mineral rights to surface • 41: mineral rights to surface • 41: change of surface owner • 42: surface rights to 75 ft • 43: mineral rights to surface • 43: change of surface owner • 44: surface rights to 50 ft but with right to mine without disturbing surface • 48: surface rights to 75 ft but with the right to explore and mine with the surface owner's permission • 50: surface rights to 75 ft but with the right to explore and mine with the surface owner's permission • 50: defines a 385.316 acre block • 9, 18, 37: surface rights to 75 ft but with the right to explore and mine with the surface owner's permission • 55: surface rights to 50 ft for (a); 75 ft for (b) and 75 ft for (c) • 55: that portion of Christopher Columbus Treasury Lode Claim No. 225 that may overlap Alpha Quartz Lode Mining Claim, Lot No. 66 • 1, 2, 3, 4, 5, 10, 12, 14, 26: mineral rights to surface.

Note 2: For parcels and subparcels where no name is listed, these are generally patented lands other than mining claims, and no mining claim name has ever been given to them.



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4.3 Key Permitting and Environmental Laws

The following environmental regulations are applicable to the proposed project: the California Environmental Quality Act (CEQA, 1970), Surface Mining and Reclamation Act (SMARA, 1975), Clean Water Act (CWA, 1972), and Clean Air Act (CAA, 1972). These laws, their respective purposes, and their applicability to the project are briefly described below.

California Environmental Quality Act (CEQA)

CEQA is regarded as the foundation of environmental law, regulation and policy in California. Its primary objectives are to disclose to decision-makers and the public the significant environmental effects of a proposed development and identify ways to avoid, reduce or mitigate environmental impacts.

Surface Mining and Reclamation Act (SMARA)

SMARA was enacted to respond to the need for a continuing supply of mineral resources, while preventing damage from mining activities to public health, property, and the environment. The following activities are subject to SMARA: prospecting and exploratory activities, dredging and quarrying, streambed skimming, borrow pitting, and stockpiling of mined materials.

Mining may begin after a lead agency approves the mining permit and a plan for returning the land to a usable condition; this plan is referred to as a *Reclamation Plan* and is required for surface and subsurface mining operations. In addition, a prerequisite to mining activities is the applicant's proof of financial assurances to guarantee costs of reclamation (e.g., surety bonds, irrevocable letters of credit, or trust funds).

Clean Air Act (CAA)

The CAA was first passed to improve the air quality in the United States and has subsequently been amended to set limits on the discharges of certain pollutants. The CAA includes a permit program for larger stationary or point sources that release pollutants into the air. Permits to Construct and Permits to Operate will be required for stationary and point sources of emissions for exploration and mining.



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Clean Water Act (CWA)

CWA was enacted to restore and maintain the quality of US waterways. The General Permit includes provisions for developing a Storm Water Pollution Prevention Plan (SWPPP) to maximize the potential benefits of pollution prevention and sediment and erosion control measures at construction sites. An NPDES (National Pollution Discharge Elimination System) Permit will also be required to allow discharge of treated mine water from the site.

4.4 Permitting History – County Process (1993-1999)

Emgold first became involved in the Idaho-Maryland Project in 1993. The current project is a successor to a project that was originally proposed by Emperor Gold Corporation (Emperor), a publicly listed, Canadian company. Emperor changed its name to Emgold Mining Corporation in August 1997. The prior project included dewatering and gold exploration activities at the Idaho-Maryland Mine which were proposed to occur from the New Brunswick site and use the nearby Sierra Pacific Industries, Inc. property as part of the infrastructure for the project. After completion and certification of the Final Environmental Impact Report for that project in October 1995, the County approved the project and issued to Emperor a Conditional Use Permit (CUP) in January 1996.

Following the issuance of the CUP, Emgold worked to obtain a National Pollution Discharge Elimination System (water discharge) permit and other operating permits required to implement the prior project. During this period the world gold price began to fall as central banks elected to sell their gold reserves and purchase U.S. Treasury bonds. The price of gold fell from around \$400 per ounce in 1996 to a low of about \$260 per ounce in 2001 due to the influx of gold into the world market. As a result, the project was put in care and maintenance for several years hoping gold prices would recover. In 1999, with a continuing decline in the price of gold and the collapse of capital markets, the company dropped its lease option to purchase the property and temporarily abandoned the project until gold prices recovered and a revised option agreement with the BET Group could be renegotiated.

4.5 Permitting History - City Process and DEIR Preparation (2002-2009)

In 2002, with a return of the price of gold, Emgold, through its 100%-owned subsidiary Idaho-Maryland Mining Corporation, acquired a revised lease option to purchase the Idaho-Maryland and New Brunswick sites, including 2,750 acres of subsurface mineral



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rights. In 2003, Emgold initiated a new permit process with the City of Grass Valley ("City") for the Idaho-Maryland project.

In July 2004, after conferring with the City and Nevada County government officials, Emgold submitted a Conceptual Development Review Application with the City so that initial concerns and considerations about the project could be addressed. The following five applications were submitted in April 2005: Formal Development Review, Mineral Project Application (prepared in accordance with the SMARA, General Plan Amendment, Rezone/Prezone, and Annexation. These applications were accepted as complete by the City in May 2005. The acceptance of the applications meant that the City could proceed with the applications' evaluation in accordance with the California Environmental Quality Act (CEQA) and Surface Mining and Reclamation Act (SMARA).

In July 2005, the City approved reimbursement agreements with Emgold to allow independent consultants to be retained by the City to assist and to advise them in the preparation of the EIR and also to reimburse the City's administrative costs associated with EIR development. In November, 2005, Environmental Science Associates (ESA) and other specialized consultants were retained by the City to prepare the EIR under the direction of City staff. The City elected to divide the permitting process into three phases:

- 1) Master Environmental Assessment (MEA)
- 2) Initial Study (IS), and
- 3) EIR

The City and County entered into a Memorandum of Understanding (MOU) in May 2006. Under the MOU, the City is the Lead Agency for CEQA and SMARA compliance and has primary responsibility for completing and certifying the EIR, approving the reclamation plan, issuing the Conditional Mine Use Permit, and approving the entitlements for the project.

The CEQA Guidelines Section 15169 defines the general purpose of an MEA as an informational document which may contain an inventory or database for all or a portion of the territory for which a public agency has control, and which may be used or referenced in EIRs or Negative Declarations. An MEA is typically completed for projects affecting a regional area or area of the State, however, CEQA does not specify requirements for the content, format, or procedures for development of an MEA. The MEA for this project was an additional step required by the City to enable public scoping of potential environmental impacts associated with the project prior to the EIR being prepared.



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The MEA process included identification and gathering of existing information and reports. As the lead consultant, ESA and its sub-consultants conducted an independent peer review of the IMMC permit application documents, 1995 Project EIR and supporting technical information from which data gaps were identified and information was requested from the applicant to address these gaps. During this review phase, an inventory of regulatory requirements and a review of applicable City and County plans and policies were also performed. In addition, local, state, and federal agencies were contacted and requested to participate in the MEA process so their comments could be addressed in the IS and EIR.

The MEA was prepared in the format of an "expanded" IS using the Environmental Checklist found in Appendix G of the CEQA Guidelines. For each resource area, the potential impacts of the proposed project were assessed using the existing application documents and other available data and studies. For some resource areas (e.g., biological resources, cultural resources, noise, etc.), limited field reconnaissance and/or other analyses were conducted to support the IS or to determine if additional studies would be required to support the CEQA process. The MEA, published in June 2006, outlined items to be addressed in the EIR as well areas where additional information was necessary to support development of the EIR.

Upon review of the MEA, Emgold elected to make revisions to its project applications to address community and agency comments received from the Emgold community workshops and lessen or avoid potentially significant impacts identified in the City's MEA process. In May 2007, the revised project applications were submitted to the City and in June 2007, the documents were accepted by the City as complete. In July 2007 the City began developing the IS.

An IS was prepared to focus on analysis of the revised project description and application documents, including additional supporting technical documents. On September 7, 2007, pursuant to the CEQA (Public Resources Code Section 21080.4) and the State CEQA Guidelines (Section 15082(a)), the City provided a Notice of Preparation (NOP) for the proposed project to inform responsible and trustee agencies as well as other interested parties that an EIR would be prepared for the proposed project. The NOP and IS were released concurrently and available for public review and comment for 33-days from September 7, 2007 to October 9, 2007.

The EIR process for the proposed project commenced in October, 2007. During the EIR process, the City conducted four public workshops for the purpose of scoping project issues. On December 12, 2007, the City conducted a public workshop on geology, groundwater, and general project considerations. On January 23, 2008, the City conducted a public workshop on water quality, hazardous materials, public



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services, and general questions. On February 13, 2008, the City conducted a public workshop on reclamation plans, financial assurances, and general questions. Finally, on March 12, 2008, the City conducted a public workshop on traffic, project alternatives, cumulative impacts, and general questions.

In October, 2008, the City approved a new Public Outreach Policy for large projects, such as the proposed project. The Policy outlined a the number and types of meetings to consider large projects to go through the Planning Commission and City Council, which would be in addition to those already conducted for the proposed project, prior to certification of an EIR or approval of entitlements.

The Draft EIR for the project was completed in October, 2008. The public comment period for the Draft EIR commenced October 30, 2008 and was completed January 20, 2009. The public comment period was extended by the City from 45 days to 87 days to ensure adequate time was given for public comment. The extended timeframe took into account the Christmas and New Years holiday and allowed sufficient time for new City Council members and Planning Commissioners to assume their positions and become familiar with the proposed project after the November 4, 2008 election.

As part of the review of the Draft EIR, the Planning Commission completed its second site visit to the Idaho Maryland project on October 12, 2008. The site visit was attended by approximately 75 members of the public and representatives of IMMC.

On November 12, 2008, a joint study session was completed between the Planning Commission and City Council to provide an informal overview of the Draft EIR, summarize key public issues, and discuss public outreach steps. On November 28th, a public workshop/informal open house was conducted. Also on November 28, 2008, a formal public meeting was held to provide a formal presentation on the EIR and answer questions from the public.

On January 6 and January 20, 2009, the Planning Commission conducted formal public meetings to take comment on the Draft EIR. The public comment period was formally closed on January 20, 2009.

4.6 Current Environmental Status (As of August 2009)

The City, its consultants, and Emgold are currently reviewing the comments obtained during the public comment period for the Draft EIR. Meetings are being held with applicable state, local, and federal agencies to address any concerns they expressed in the public comment period. Responses to comments are being generated. Plans



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are to finalize the Draft EIR or alternatively complete a Revised Draft EIR and recirculate it for comment prior to moving forward. Following this, the EIR would eventually be certified and the City would vote on a Conditional Mine Use Permit for the project. If granted, Emgold could then move forward with final accessory permitting and engineering for dewatering, rehabilitation, exploration, and operation of the mine.