

EMGOLD MINING CORPORATION

Suite 1400 – 570 Granville Street
Vancouver, B.C. V6C 3P1
Tel: (604) 687-4622 Fax: (604) 687-4212

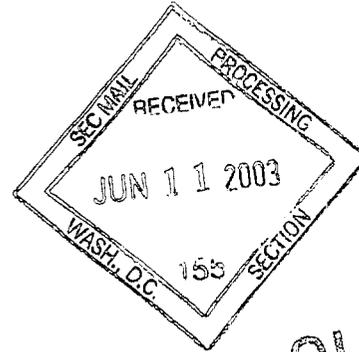
June 10, 2003



03022650

VIA FEDERAL EXPRESS

United States Securities and Exchange Commission
Office of International Corporate Finance
450 5th Street, N.W.
Judiciary Plaza
Washington, D.C. U.S.A. 20549



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JUN 19 2003

THOMSON
FINANCIAL

Dear Sirs/Mesdames:

Re: **Emgold Mining Corporation** (the "Company")
Rule 12(g)3-2(b) Exemptions – File #82-3003
Under the United States Securities Exchange Act of 1934

Please find enclosed for 12(g) Exemption status the documents required to be filed with the British Columbia Securities Commission and the TSX Venture Exchange. Please note that the Company is a foreign issuer and its securities are neither traded in the United States nor quoted on NASDAQ.

We trust that the information included in this package is complete. However, should you have any questions regarding the foregoing, please do not hesitate to contact the writer.

Sincerely,

EMGOLD MINING CORPORATION

Shannon M. Ross
Corporate Secretary

Enclosures

United States Sec Filing
June 10, 2003



**Emgold Mining Corporation
12(g)3-2(b) Exemption Application
Schedule "A"**

PART I – Documents *Required to be Made Public* pursuant to the laws of the Province of British Columbia and the TSX Venture Exchange in connection with:

A. News Releases

1. Emgold First Quarter Results – dated May 30, 2003

B. Correspondence with Securities Commission(s)

1. Report on Securities Distributed in Quebec
2. Form 45-102F2 – dated May 26, 2003 regarding May 23, 2003 distribution of securities
3. Interim Financial Statement for period ended March 31, 2003 – filed May 30, 2003
4. Confirmation of Mailing for March 31, 2003, Interim Financials

C. Proxy Material Distributed to Shareholders and filed with Securities Commissions

1. Annual Return Card (Request for Interim Financial Statements)
2. Notice of Meeting, Information Circular and Annual Report with Audited Consolidated Financial Statements for the period ended December 31, 2002
3. Form of Proxy
4. Confirmation of Mailing



EMGOLD MINING CORPORATION EMR-TSX VENTURE
EMPEROR GOLD (U.S.) CORP.

1400 – 570 Granville Street
Vancouver, B.C. Canada V6C 3P1
Tel: (604) 687-4622 Fax: (604) 687-4212
Toll free: 1-888-267-1400 Email: Investor@langmining.com

May 20, 2003

VIA SEDAR

Commission des valeurs mobilières du Québec

Dear Sirs/Mesdames:

Emgold Mining Corporation – (the “Company”)
Report on the securities distributed in Quebec under the exemptions prescribed by section 52

This letter is in accordance with section 114 of the Regulations

We hereby advise that the Company made no distribution of securities in Quebec under the exceptions prescribed by section 52 for the financial years ended December 31, 2002.

Yours truly,

(signed)
Rodrigo A. Romo
Legal Assistant
for **Emgold Mining Corporation**

ANNUAL RETURN CARD
(REQUEST FOR INTERIM FINANCIAL STATEMENTS)

NOTICE TO SHAREHOLDERS OF EMGOLD MINING CORPORATION

In accordance with National Instrument No. 54-102, registered and non-registered (beneficial) shareholders may request annually to have their names added to a company's supplemental mailing list in order to receive interim financial statements of the company. If you wish to receive such statements, please complete and return this form to:

EMGOLD MINING CORPORATION
1400 – 570 Granville Street
Vancouver, British Columbia, V6C 3P1

TO: EMGOLD MINING CORPORATION

The undersigned certifies that he/she is a registered/non-registered owner of securities (other than debt instruments) of the Emgold Mining Corporation ("Emgold") and requests that he/she be placed on the Emgold's Supplemental Mailing List in order to receive Emgold's interim financial statements.

Name of Registered/Non-Registered Shareholder - Please Print

Address/City/Province/Postal Code

Signature

Date

Fax

E-mail Address

By providing an Email address or fax number, you will be deemed to be consenting to the electronic delivery to you at such E-mail address or fax number of Emgold's interim financial statements, if delivery by electronic means is allowed by applicable regulatory rules and policies.



Computershare Trust Company of Canada

510 Burrard Street, Vancouver, BC V6C 3B9 Tel.: (604) 661-9400 Fax: (604) 683-3694

May 21, 2003

To: All Applicable Commissions and Stock Exchanges

Dear Sirs:

Subject: Emgold Mining Corporation

We confirm that the following material was sent by pre-paid mail on May 20, 2003, to the registered shareholders of the subject Corporation:

1. Notice of Annual General Meeting / Information Circular / 2002 Annual Report / Letter to Shareholders / Consolidated Financial Statements for the Years Ended December 31, 2002 and 2001 / Quarterly and Year End Report - BC Form 51-901F For Quarter Ended December 31, 2002.
2. Proxy
3. Supplemental Mailing List Return Card
4. Return Envelope

We further confirm that copies of the above mentioned material were sent by courier to each intermediary holding shares of the Corporation who responded to the search procedures pursuant to **Canadian Securities Administrators' National Instrument 54-101 regarding communication with Beneficial Owners of Securities of a Reporting Issuer**.

In compliance with regulations made under the Securities Act, we are providing this material to you in our capacity as agent for the subject Corporation.

Yours truly,

COMPUTERSHARE TRUST COMPANY OF CANADA

"Adeline Niccoli"

Assistant Account Manager

Stock Transfer, Client Services

Telephone: (604) 661-0270

Fax: (604) 683-3694

/an

FORM 45-102F2

**Certificate under Subsection 2.7(2) or (3) of
Multilateral Instrument 45-102 Resale of Securities**

Emgold Mining Corporation (the "Company") has distributed securities under a provision listed in Appendix D or E to Multilateral Instrument 45-102 or a provision of securities legislation that specifies that the first trade of the securities is subject to section 2.5 or 2.6 of Multilateral Instrument 45-102 and hereby certifies that in respect of a distribution on May 23, 2003 of 15,000 common shares of the Company, the Company was a qualifying issuer within the meaning of Multilateral Instrument 45-102 Resale of Securities at the distribution date.

DATED at Vancouver this 26th day of May 2003.

EMGOLD MINING CORPORATION

By: "Shannon Ross"
Shannon Ross, Secretary

EMGOLD MINING CORPORATION

**1400 – 570 Granville Street
Vancouver, B.C. Canada V6C 3P1
www.emgold.com**

May 30, 2003

Ticker Symbol: **EMR**-TSX Venture Exchange
SEC 12g3-2(b): 82-3003

EMGOLD - FIRST QUARTER RESULTS

Emgold Mining Corporation (EMR:TSX Venture Exchange) announces its results for the three months ended March 31, 2003, the first quarter of fiscal 2003 ("fiscal 2003"). Emgold incurred a loss of \$477,967, or a loss per share of \$0.02, compared to a loss of \$38,217 or a loss per share of \$0.00 in the three months ended March 31, 2002 ("fiscal 2002").

Administrative expenditures have gradually increased to the present level over a nine-month period as activity on the Idaho-Maryland Property increased and the administrative expenditures have increased throughout the same period, and will likely remain at the present level for the foreseeable future. Office and administration expenses increased from \$375 in fiscal 2002 to \$29,772 in fiscal 2003. Salaries and benefits increased from \$8,143 in fiscal 2002 to \$56,981 in fiscal 2003. These costs reflect the increased administrative time related to the processing of transactions and filing and other fees related to the increased activity by the Company.

Shareholder communication costs have also increased from \$3,296 in fiscal 2002 to \$69,114 in fiscal 2003 due to the increased interest in the Company and the costs related to keeping shareholders informed of the Company's activities. In fiscal 2003 the Company entered into an investor relations contract and \$8,500 was incurred in fiscal 2003, and is included in shareholder communication costs. A media campaign and an advertising program commenced in the first quarter of fiscal 2003. The media campaign and investor relations' costs have increased the shareholder communication costs substantially in order to educate the community surrounding the Idaho-Maryland Property, the investment community and shareholders of new developments and investment opportunities.

During the three months ended March 31, 2003 ("fiscal 2003"), Emgold expended \$276,205 in exploration costs on the Idaho-Maryland Property. There are currently no acquisition costs associated with the Idaho-Maryland Property, as the Company currently has a five-year lease and option to purchase on the property. The current lease commenced on June 1, 2002, and expires on May 31, 2007. At March 31, 2003, Emgold had working capital of \$674,650. Working capital is defined as current assets less current liabilities.

During the three months ended March 31, 2003, Emgold completed a private placement of 2,472,222 units at a price of \$0.45 per unit, for net proceeds of \$1,011,000. During the quarter, 150,000 stock options were exercised at prices from \$0.10 to \$0.30 per share, and 12,500 agent's warrants were exercised at \$0.30 per share to provide \$28,750 to the treasury.

William J. Witte, P.Eng

President and Chief Executive Officer

For further information please contact:

Coal Harbor Communications

Tel: (604) 662-4505 Fax: (604) 662-4547

Toll Free: 1-877-642-6200

No regulatory authority has approved or disapproved the information contained in this news release.



British Columbia Securities Commission

QUARTERLY AND YEAR END REPORT

BC FORM 51-901F
(previously Form 61)

Freedom of Information and Protection of Privacy Act: The personal information requested on this form is collected under the authority of and used for the purpose of administering the *Securities Act*. Questions about the collection or use of this information can be directed to the Supervisor, Financial Reporting (604-899-6729), PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver BC V7Y 1L2. Toll Free in British Columbia 1-800-373-5393

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 the 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 51-901 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		DATE OF REPORT	
NAME OF ISSUER	FOR QUARTER ENDED	YY	MM DD
Emgold Mining Corporation.	March 31, 2003	2003	May 30
ISSUER ADDRESS			
Suite 1400 -- 570 Granville Street			
CITY	PROVINCE	POSTAL CODE	ISSUER TELEPHONE NO.
Vancouver	BC	V6C 3P1	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		
		YY	MM	DD
"SARGENT H. BERNER"	Sargent H. Berner	2003	MAY	30
DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED		
		YY	MM	DD
"WILLIAM J. WITTE"	William J. Witte	2003	MAY	30

EMGOLD MINING CORPORATION
(an exploration stage company)
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2003
(unaudited – prepared by management)

EMGOLD MINING CORPORATION

(an exploration stage company)
CONSOLIDATED BALANCE SHEETS
(Unaudited - prepared by management)

	March 31, 2003	December 31, 2002
Assets		
Current assets		
Cash and cash equivalents	\$ 811,659	\$ 116,584
Due from related parties (note 3)	-	75,557
Prepaid expenses and deposits	3,116	33,348
Accounts receivable	10,960	6,583
	<u>825,735</u>	<u>232,072</u>
Reclamation deposits	3,000	3,000
Equipment	15,144	6,229
Mineral property interests (see schedule)	87,533	87,533
	<u>\$ 931,412</u>	<u>\$ 328,834</u>
Liabilities and Shareholders' Equity (Deficiency)		
Current liabilities		
Accounts payable and accrued liabilities	\$ 87,422	\$ 99,376
Due to related parties (note 3)	63,663	26,932
	<u>151,085</u>	<u>126,308</u>
Notes payable (note 2)	-	791,447
	<u>151,085</u>	<u>917,755</u>
Shareholders' equity (Deficiency)		
Share capital (note 2)	20,140,091	18,292,876
Deficit	(19,359,764)	(18,881,797)
	<u>780,327</u>	<u>(588,921)</u>
	<u>\$ 931,412</u>	<u>\$ 328,834</u>

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	
	March 31	
	2003	2002 (restated)
Expenses (Income)		
Amortization	\$ 949	\$ -
Exploration expenses (see schedule)	276,205	5,186
Exchange (gains) losses	15,273	26
Finance expense	17,018	4,712
Legal, accounting and audit	1,147	936
Office and administration	29,772	375
Property investigations	-	2,509
Management fee (note 3(d))	7,500	-
Salaries and benefits	56,981	8,143
Shareholder communications	69,114	3,296
Travel and conferences	4,282	-
Write-down (recovery) of mineral property interests	-	13,051
Interest and other income	(274)	(17)
	<u>477,967</u>	<u>38,217</u>
Loss for the period	(477,967)	(38,217)
Deficit, beginning of period as restated	(18,881,797)	(18,450,816)
	<u>\$ (19,359,764)</u>	<u>\$ (18,489,033)</u>
Loss per share, basic and diluted	\$ (0.02)	\$ (0.00)
Weighted average number of common shares outstanding	26,908,934	18,589,319

EMGOLD MINING CORPORATION

(an exploration stage company)

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited - prepared by management)

	Three Months Ended	
	March 31	
	2003	2002 (restated)
Cash provided by (used for)		
Operations		
Loss for the period	\$ (477,967)	\$ (38,217)
Items not involving cash		
Amortization	949	-
Finance expense	17,018	-
Write-down (recovery) of mineral property interests	-	13,051
	(460,000)	(25,166)
Changes in non-cash working capital		
Prepaid expenses and deposits	30,232	-
Accounts receivable	(4,377)	44
Accounts payable and accrued liabilities	(11,954)	(259)
Due to related parties	112,288	27,814
	(333,811)	2,433
Investments		
Mineral property interests	-	(5,025)
Equipment	(9,864)	-
	(9,864)	(5,025)
Financing		
Class A preference share issue costs	(1,000)	-
Common shares issued for cash	1,039,750	-
	1,038,750	-
Increase in cash and cash equivalents during the period	695,075	(2,592)
Cash and cash equivalents, beginning of period	116,584	7,128
Cash and cash equivalents, end of period	\$ 811,659	\$ 4,536

EMGOLD MINING CORPORATION

(an exploration stage company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended March 31, 2003 and 2002

(Unaudited – prepared by management)

The accompanying consolidated financial statements for the interim periods ended March 31, 2003 and 2002, 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, 2002.

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.

As at March 31, 2003, the Company had working capital of \$674,650 and a deficit of \$19,359,764.

The Company has capitalized \$87,533 in acquisition costs related to the Rozan and Stewart mineral property interests.

The current obligations in respect of the 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.

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.

EMGOLD MINING CORPORATION

(an exploration stage company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended March 31, 2003 and 2002

(Unaudited – prepared by management)

2. Share capital

Authorized:

500,000,000 (March 31, 2002 – 50,000,000) common shares without par value

50,000,000 first preference shares without par value

Issued and fully paid:

Common Shares	Number of Shares	Amount
Balance, December 31, 2000	18,489,319	\$17,146,797
Shares issued for other:		
Rozan property payment at \$0.04	50,000	2,000
Stewart property payment at \$0.06	50,000	3,000
Balance, December 31, 2001	18,589,319	17,151,797
Shares issued for cash:		
Private placement, less share issue costs	1,600,000	342,579
Private placement, less share issue costs	2,350,000	524,000
Warrants exercised	50,000	12,500
Stock options exercised	180,000	18,000
Shares issued for other:		
Debt settlement at \$0.10	2,250,000	225,000
Rozan property payment at \$0.10	50,000	5,000
Stewart property payment at \$0.28	50,000	14,000
Balance, December 31, 2002	25,119,319	18,292,876
Stock options exercised	150,000	25,000
Agent's warrants exercised	12,500	3,750
Private placement, less share issue costs	2,472,222	1,011,000
Escrow shares cancelled	(4,558)	--
Balance, March 31, 2003	27,749,483	\$19,332,626

Series A First Preference Shares	Number of Shares	Amount
Balance, December 31, 2002	--	\$ --
Shares issued for indebtedness, less issue costs	3,948,428	788,686
Accrued interest at 7%	--	18,779
Balance, March 31, 2003	3,948,428	\$ 807,465

During fiscal 2002, the Company entered into agreements with Mr. Frank A. Lang and Lang Mining Corporation (collectively "Lang") to issue 3,948,428 Series A First Preference shares in full satisfaction of \$769,686 of indebtedness to Lang. The Series A 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 on 30 days written notice at a redemption price of \$0.80 per common 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 interest 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 Three Months Ended March 31, 2003 and 2002

(Unaudited – prepared by management)

2. Share capital (continued)

The Series A First Preference Shares will be convertible into common shares at any time at a ratio of one common share for every four Series A First Preference Shares, which represents an effective conversion price of \$0.80 per common share. The Preference 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 US\$300 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.

Stock options:

The Company has a fixed stock option plan for its directors and employees to acquire common shares of the Company at a price determined by the fair market value of the shares at the date of grant. The maximum aggregate number of common shares reserved for issuance pursuant to the plan is 2,267,580 common shares, of which 118,500 stock options are still available to be issued. There are currently 1,819,000 stock options outstanding exercisable for periods up to ten years.

3. Related party transactions and balances

Services rendered by:	March 31, 2003	March 31, 2002
Lang Mining Corporation (d))	\$ 7,500	\$ --
Director (b)	\$US 22,500	\$ 4,436
Legal fees (a)	\$ 2,287	\$ --
LMC Management Services Ltd. (c)	\$ 116,728	\$ 12,351

Balances receivable from (payable to):	March 31, 2003	December 31, 2002
LMC Management Services Ltd.	\$ (28,495)	\$ 75,557
Legal fees	\$ (18,397)	\$ (11,229)
Directors	\$ (16,772)	\$ (15,566)
ValGold Resources Ltd.	\$ --	\$ (137)
	\$ (63,664)	\$ (26,932)

Related party transactions not disclosed elsewhere in these consolidated financial statements are as follows:

- Legal fees were paid to a law firm of which a director is a partner.
- A director of the Company, who is also project manager at the Idaho-Maryland property, receives project management consulting services.
- Commencing August 1, 2001, management, administrative, geological and other services are provided by LMC Management Services Ltd. ("LMC"), a private company held jointly by the Company and other public companies, to provide services on a full cost recovery basis to the various public entities currently sharing office space with the Company. Currently the Company has a 25% interest in LMC. Three months of estimated working capital is required to be on deposit with LMC under the terms of the services agreement. There is no difference between the cost of \$1 and equity value.

EMGOLD MINING CORPORATION

(an exploration stage company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended March 31, 2003 and 2002

(Unaudited – prepared by management)

3. Related party transactions and balances (continued):

- (d) Commencing January 1, 2003, the Company is paying a management fee of \$2,500 per month to Lang Mining Corporation (“Lang Mining”), a private company controlled by an officer and director of the Company. Lang Mining provides the services of an officer and director of the Company. No other fees are paid to Lang Mining other than for the services of the officer and director.
- (e) The amounts are non-interest bearing and due on demand, with no fixed terms of repayment. (See Note 2 - Series A First Preference shares). Interest on related party transactions were recorded at the exchange amounts, which are measured at fair value.

EMGOLD MINING CORPORATION

CONSOLIDATED SCHEDULES OF EXPLORATION AND DEVELOPMENT COSTS

(Unaudited - prepared by management)

	March 31, 2003	March 31, 2002
Idaho Maryland Mine, California		
Geological	99,855	4,436
Mine planning	92,673	-
Site activities	46,863	277
Land lease and taxes	30,233	-
Travel and accommodation	5,991	-
	275,615	4,713
Rozan Property, British Columbia		
Assays and analysis	100	15
Geological	275	-
	375	15
Porph Claim, British Columbia		
Site activities	-	25
Stewart Property, British Columbia		
Geological	209	433
Site activities	6	-
	215	433
Exploration expenses	\$ 276,205	\$ 5,186

EMGOLD MINING CORPORATION
QUARTERLY REPORT
MARCH 31, 2003

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 three months ended March 31, 2003.

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

(a) Securities issued during the three months ended March 31, 2003

Date of Issue	Type of Security	Type of Issue	Number	Price (\$)	Total Proceeds (\$)	Type of Consideration	Commission Paid
January 3, 2003	Common	Stock options	75,000	0.10	7,500	Cash	Nil
January 7, 2003	Common	Stock options	20,000	0.10	2,000	Cash	Nil
January 20, 2003	Common	Stock options	50,000	0.30	15,000	Cash	Nil
January 23, 2003	Common	Agent's warrants	6,000	0.30	1,800	Cash	Nil
January 31, 2003	Common	Private placement	2,472,222	0.45	1,112,500	Cash	\$89,000
February 14, 2003	Common	Agent's warrants	6,500	0.30	1,950	Cash	Nil
February 21, 2003	Common	Stock options	5,000	0.10	500	Cash	Nil
February 10, 2003	Common	Escrow cancelled	(4,558)	Nil	Nil	Nil	Nil
March 13, 2003	Series A First Preference Shares	Indebtedness	3,948,428	\$0.20	789,686	Indebtedness	Nil

(b) Options granted during the three months ended March 31, 2003

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.

**Quarterly Report
March 31, 2003**

(b) **Issued and Outstanding Capital at March 31, 2003**

27,749,483 common shares are issued and outstanding. (See Note 2 to the unaudited consolidated financial statements.

3,948,428 Series A First Preference shares. (See Note 2 to the unaudited consolidated financial statements.

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

# of Shares	Exercise Price (\$)	Expiry Date
115,000	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
977,000	0.10	October 12, 2011
<u>1,819,000</u>		

(ii) **Warrants Outstanding**

# of Shares	Exercise Price (\$)	Expiry Date
953,750	0.30	September 20, 2003
953,750	0.30	September 27, 2003
2,820,000	0.30	December 20, 2003
2,966,666	0.55	February 3, 2004
<u>4,740,000</u>		

(d) **Shares in Escrow**

During the period, 4,558 common shares held in escrow were cancelled.

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

Quarterly Report March 31, 2003

We are pleased to present the Quarterly Report for Emgold Mining Corporation together with the unaudited interim consolidated financial statements for the three months ended March 31, 2003.

Emgold's leadership and project teams are committed to the safe, effective and profitable development of the Idaho-Maryland Gold Mine in Grass Valley, California and the exploration of our precious metals prospects in British Columbia. We are committed to re-opening the Idaho-Maryland as one of the most modern and environmentally responsible mines in the world. Our objective is to expeditiously become a 265,000 to 400,000 per year gold producer focused primarily on our current assets.

During 2002 Emgold entered into a revised mining lease and option to purchase agreement with the "BET Group" to acquire the Idaho-Maryland Gold Mine. The Agreement includes a mining lease and option to purchase the property, consisting of approximately 2,750 acres of minerals and mineral rights (with no surface rights), approximately 37 acres of land with mineral rights located around the New Brunswick Shaft and an additional parcel of 56 acres of land located west of the Idaho No. 1 Shaft. The term of the lease agreement is five years commencing on June 1, 2002. The revised agreement will cost the company less than half of the previous agreement with a simplified 3% Net Smelter Royalty and includes the additional 56 acre parcel of land necessary for faster and more cost effective development of the mine.

During the three months ended March 31, 2003, Emgold completed a private placement for gross proceeds of \$1,112,500. A debt conversion agreement with all debt holders to accept an aggregate total of 3,948,428 million Series A First Preference Shares in full satisfaction of an aggregate \$789,686 of indebtedness was completed in the first quarter of fiscal 2003. The Series A First Preference Shares are convertible into common shares at any time at a ratio of one (1) common share for every four (4) Series A First Preference Shares, which represents an effective conversion rate equal to \$0.80 per common share. The shares also have attached a gold redemption feature by which in certain circumstances the holders may elect at the time of a proposed redemption to receive gold valued at \$300 (U.S.) per ounce in lieu of cash. Interest of \$18,799 is payable and has been accrued at the rate of 7% per annum on the Series A First Preference Shares.

In 2002, Emgold engaged AMEC E&C Services Ltd. (AMEC) to complete a Technical Report in accordance with National Instrument 43-101. 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 presented Measured and Indicated Mineral Resources for the Idaho-Maryland as 1.575 million tons at 0.21 ounces of gold per ton and 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 also recommends further review of historical data to develop a better understanding of the Idaho-Maryland ore body and define additional resources. Based on this recommendation, our geologists continue to "mine data" and are increasing the knowledge and resources of the mine. In April 2003 we announced increased gold resources for the Idaho-Maryland. The recently updated Measured and Indicated Resources for the Idaho-Maryland Mine are 1.666 million tons at 0.22 ounces of gold per ton and Inferred Mineral Resources are 2.477 million tons at 0.26 ounces of gold per ton. Using the historic Idaho-Maryland Mine Call Factor (MCF) of 1.44 the revised total Measured and Indicated Mineral Resources consist of 1.666 million tons grading 0.28 ounces per ton (opt) containing 472,000 ounces of gold and Inferred Mineral Resources of 2.477 million tons grading 0.38 opt containing an additional 934,000 oz of gold. Additional resources continue to be defined by the project team and Emgold will be announcing increased resources as they are developed from the historical information.

Quarterly Report March 31, 2003

Emgold commissioned AMEC in October 2002 to complete a Scoping Study (Preliminary Assessment Report) to identify the necessary activities, capital and operating costs required to put the Idaho-Maryland Mine back into production. The Scoping Study was completed in January 2003. Our project team worked closely with AMEC to develop numerous plans for the further exploration and development of the Idaho-Maryland project of which two scenarios, A and B were evaluated in detail. Scenario A follows Emgold's intended plan of action while Scenario B is a base case plan without additional exploration and development, using a small portion of the existing resources defined in the Technical Report. The mining and exploration strategy was developed to access and explore the Idaho-Maryland mine by excavating a decline starting at surface from the 56-acre BET property located west of the New Brunswick site. The decline will descend at about -15% grade in a straight line until 290 ft below surface, where it will become a semi-spiral ramp to provide access to both the Idaho and Eureka areas. Neither scenario includes exploration, development or mining in the lower zones below the Brunswick 1500 level.

The Scoping Study completed in January 2003 defines the methodology to construct the Idaho-Maryland Mine processing initially 210,000 tons per year at a total capital cost of US\$45 million. The operating costs have been estimated to be US\$54.40 per ton (US\$ 167 per oz Au) with a Net Present Value of \$257 million (0% Discount) and an Internal Rate of Return of 34.4% based on US\$350 per ounce gold.

To take full advantage of the potential of the Idaho-Maryland our project team is working on a long-term plan for future mine development which includes known resources in the lower New Brunswick shaft area. The plan includes expanding operations from the decline to 420,000 tons per year and ultimately refurbishing the New Brunswick Shaft and extending it possibly to the 5200 level, to bring the total mining throughput to approximately 750,000 to 840,000 tons per year. Depending on the results of further exploration and development work and ultimately the grade of potential ore, management believes it may be possible for the Idaho-Maryland to produce between 265,000 to 400,000 ounces of gold per year with a mine life in excess of 20 years.

Our focus over the next year will be development activities on the Idaho-Maryland gold property in areas above the 1,500 ft level and adjacent to the famous Idaho Number 1 stope, which produced 1 million ounces of gold from 1 million tons between 1863 and 1893. We are implementing 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 the understanding of the structural nature of new areas in the deposit and high-grade targets defined in the Technical Report and the Scoping Study. Applications for drill permits have been submitted to the appropriate local government agencies and we are confident we will receive the permits in a timely manner. We are also preparing the necessary documentation to submit applications to acquire a Use Permit to construct the decline and surface facilities to continue with the underground development of the Idaho-Maryland and ultimately put the mine back into production. It is anticipated that permitting will cost approximately US\$500,000 and is expected to take fifteen to twenty-four months to complete.

Emgold continues to hold the Rozan property, a gold prospect, located south of Nelson in British Columbia and the Stewart property located near Ymir, British Columbia. We are currently planning an airborne geophysical survey for the Stewart property to clarify our understanding of the nature of the gold occurrences and the possible sources of gold in the surrounding areas. In anticipation of successful results, our geologists have submitted applications for four drill sites on the Stewart property.

Quarterly Report March 31, 2003

Management Discussion and Analysis For The Three Months Ended March 31, 2003 and 2002

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, exploration and development drilling and data evaluation until it decides either that the 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, 2002 and 2001.

Financing Activities

At March 31, 2003, Emgold had working capital of \$674,650. Working capital is defined as current assets less current liabilities.

Investing Activities

During the three months ended March 31, 2003 ("fiscal 2003"), Emgold expended \$276,205 in exploration costs on the Idaho-Maryland Property. There are currently no acquisition costs associated with the Idaho-Maryland property, as the Company currently has a five-year lease and option to purchase on the property. The current lease commenced on June 1, 2002, and expires on May 31, 2007.

The term of the amended lease on the Idaho-Maryland property is for a period of five years, commencing on June 1, 2002, and ending on May 31, 2007. The owners have granted Emgold the exclusive right and option to purchase all of the leased property. As consideration for the said option, Emgold paid US\$9,000 on each of the following dates: May 31, 2002, August 1, 2002, and December 1, 2002. Payments of US\$19,500 are due quarterly on the first day of February (paid), May (paid subsequent to March 31, 2003), August and November in 2003, and payments of US\$25,500 quarterly on the first business day of each of the same months during the years from 2004 to 2007. In the event that all payments have been made, the purchase price for 2002 was to be US\$4,350,000. For succeeding lease years in which the option may be exercised, that price shall be increased by 3% each year. All royalty payments shall be applied as a credit on the purchase price, but option payments shall not be so applied.

During the three months ended March 31, 2003, there were no acquisition costs on the Rozan or Stewart properties. Subsequent to March 31, 2003, 50,000 common shares were issued at a deemed value of \$27,500 on the Rozan property. Exploration expenses written off during fiscal 2003 totalled \$215 on the Stewart property and \$375 on the Rozan property. Emgold also expended no funds on the Porph claims during fiscal 2003. The Porph claims are in good standing.

Quarterly Report March 31, 2003

Liquidity and Capital Resources

Results of Operations

Emgold's loss for the three months ended March 31, 2003, was \$477,967, or \$0.02 per share, compared to a loss of \$38,217 or \$0.00 per share for the three months ended March 31, 2002. In 2002 Emgold renegotiated a lease and option to purchase the Idaho-Maryland property. As a result of the renegotiation, expenditures have increased substantially on the Idaho-Maryland property. These expenditures will be substantial over the next year as a drilling program is being planned and is expected to commence in July 2003. Emgold changed its accounting policy in 2002 and now expenses all exploration and development expenditures.

Legal, accounting and audit fees increased from \$936 in fiscal 2002 to \$1,147 in fiscal 2003. Office and administration fees increased from \$375 in fiscal 2002 to \$29,772 in fiscal 2003. Salaries and benefits increased from \$8,143 in fiscal 2002 to \$56,981 in fiscal 2003. These costs reflect the increased administrative time related to the processing of transactions and filing and other fees related to the increased activity by the Company. The fiscal 2002 activity did not increase substantially until the end of the second interim period, and activity on the Idaho-Maryland property increased as financing was obtained and the scoping study and other reports were completed in 2002. Exchange gains have increased from \$26 in fiscal 2002 to \$15,273 in fiscal 2003. The expenditures on the Idaho-Maryland property are primarily incurred in United States dollars with the related currency exchange fluctuations.

Shareholder communication fees have also increased from \$3,296 in fiscal 2002 to \$69,114 in fiscal 2003 due to the increased interest in the Company and the costs related to keeping shareholders informed of the Company's activities. Shareholder communications costs include dissemination costs associated with news releases, transfer agent and regulatory and filing fees of \$14,093 compared with \$3,236 in fiscal 2002. It also includes fees associated with the maintenance of the Company's website. In fiscal 2003 the Company entered into an investor relations contract and \$8,500 was incurred in fiscal 2003, and is included in shareholder communication costs. A media campaign and an advertising program commenced in the first quarter of fiscal 2003. The media campaign and investor relations' costs have increased the shareholder communication costs substantially in order to educate the community surrounding the Idaho-Maryland, the investment community and shareholders of new developments and investment opportunities. There were no investor relations contracts entered into with any company or individual in fiscal 2002.

Administrative expenditures have gradually increased to the present level over a nine-month period as activity on the Idaho-Maryland property increased throughout the same period, and will likely remain at the present level for the foreseeable future.

The Company will be holding its Annual General Meeting on June 18, 2003 at the Four Seasons Hotel in Vancouver, British Columbia at 2:00 p.m.

Management fees of \$7,500 were paid to Lang Mining Corporation ("Lang Mining") in the three months ended March 31, 2003, for the services of an officer and director of the Company. No additional salary or fee is paid for the services of the director and officer by the Company. Lang Mining is a private company controlled by an officer and director of the Company.

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 full overhead cost recovery basis based on activity levels, inclusive of salaries and wages, to the various

Quarterly Report March 31, 2003

companies sharing office space. There are no management or administration fees associated with the recovery of expenses.

Mr. Frank A. Lang and Lang Mining Corporation (collectively "Lang") were major creditors of the Company. As a result of advances made over a prolonged period in providing financial support to the Company. In 2002, the Company entered into an agreement with Lang to issue 3,948,428 Series A First Preference shares in full satisfaction of an aggregate \$789,686 of indebtedness owing to Lang. Terms of the preferred share issuance are described below.

The Series A First Preference Shares 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, of which \$18,779 has been accrued. The shares are redeemable by the company at any time on 30 days of written notice at a redemption price of \$0.80 per common 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.

The Series A First Preference Shares are convertible into common shares at any time at a ratio of one common share for every four Series A First Preference Shares, which represents an effective conversion rate of \$0.80 per common share. The Preference 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 US\$300 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 are 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.

During the three months ended March 31, 2003, Emgold completed a private placement of 2,472,222 units at a price of \$0.45 per unit, for net proceeds of \$1,011,000. Each unit is comprised of one common share and one non-transferable common share purchase warrant. Each whole share purchase warrant will entitle the holder to purchase one additional common share until February 3, 2004, at an exercise price of \$0.55. A cash commission of 8% was paid and a non-transferable broker warrant was issued, exercisable to purchase up to 494,444 common shares until February 3, 2004, at an exercise price of \$0.55 per share. During fiscal 2003, 150,000 stock options were exercised at prices from \$0.10 to \$0.30 per share, and 12,500 agent's warrants were exercised at \$0.30 per share to provide \$28,750 to the treasury.

Subsequent to March 31, 2003, 115,000 stock options were exercised at \$0.30 per share, 15,000 stock options were exercised at \$0.25 per share and 8,600 agent's warrants were exercised at \$0.30 per share to provide \$40,830 to the treasury.

Risks and Uncertainties

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. At present, none of Emgold's properties has a known body of commercial ore. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. Emgold has relied on and may continue to rely upon consultants and others for exploration and development expertise. Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial

Quarterly Report March 31, 2003

benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing gold and other mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Emgold has a history of losses and it has no producing mines at this time.

The operations of the Company will require licenses and permits from various governmental authorities. There can be no assurance that Emgold will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at the Idaho-Maryland Property. If all required permits are not granted, no mining operations can commence. The other properties are at the early exploration stage and to date no significant exploration work has been completed on these properties.

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

Although Emgold has obtained a comprehensive legal opinion with respect to title to the Idaho-Maryland Property, there is no guarantee that its title will not be challenged or impugned. Emgold's mineral property interests may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects.

Factors beyond the control of the Company may affect the marketability of any gold or other minerals discovered. Metal prices have fluctuated widely, particularly in recent years, and are affected by numerous factors beyond the Company's control, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, gold lease rates, global or regional consumption patterns, speculative activities and worldwide production levels. The effect of these factors cannot accurately be predicted.

Emgold has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under any applicable agreements. Its ability to continue in operation is dependent on the continuing support of its creditors, funding from related parties, and ability to secure additional financing. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects or failure to make payments required to acquire its core properties.

The Idaho-Maryland property is located in the State of California. Mineral exploration and mining activities in the state of California may be affected in varying degrees by government regulations relating to the mining industry. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business. The Company monitors California's mining legislation and regulations on a continual basis. Recent changes to the mining legislation are primarily targeting large open pit mining operations for all metals, not specifically gold. The legislation addresses the reclamation and backfilling of large open pit mining operations and specifically the stabilization,

Quarterly Report March 31, 2003

contouring and naturalization of waste and tailings containment sites. This new legislation does not adversely affect the development or operation of the Idaho-Maryland Mine located in Grass Valley, California. The Idaho-Maryland is an underground mine and will employ environmentally responsible waste and tailings management systems. The ore from the Idaho-Maryland Mine is metallurgically very clean and does not contain significant quantities of hazardous minerals. The Idaho-Maryland Mine will backfill existing workings with its mill tailings and is also investigating new technology that will manufacture environmentally sound and saleable products that could enhance the overall profitability of the mine. The new mining legislation does not have any impact on Emgold's ability to develop or operate the Idaho-Maryland Mine as a safe, effective and profitable gold mine. Emgold will make information available to the public as it progresses through the permitting process and when it is appropriate to do so.

The mineral industry is intensely competitive in all its phases. Emgold competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral concessions, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees.

Operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. While environmental legislation in the state of California is well defined, it continues to evolve in a manner which means stricter standards and enforcement, and fines, penalties and closure of operations for non-compliance. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce or eliminate the profitability of operations.

Outlook

Emgold commissioned AMEC E&C Services Limited (AMEC) in October 2002 to complete a Scoping Study (Preliminary Assessment Report) to identify the necessary activities, capital and operating costs required to put the Idaho-Maryland Mine back into production. The Scoping Study was completed in January 2003. The Emgold project team worked closely with AMEC to develop numerous plans for the further exploration and development of the Idaho-Maryland project of which two scenarios, A and B were evaluated. Scenario A follows Emgold's intended plan of action while Scenario B is a base case plan without additional exploration and development, using a small portion of the existing resources defined in the Technical Report. The AMEC report states, "In Scenario A, a mining and exploration strategy was developed to access and explore the Idaho-Maryland mine by excavating a decline starting at surface from the 56-acre BET property located west of the Idaho No. 1 Shaft site. The decline will descend at about -15% grade in a straight line until 290 ft below surface, where it will become a semi-spiral ramp to provide access to both the Idaho and Eureka areas. Neither scenario includes exploration, development or mining in the lower areas below the Brunswick 1500 level. Additional underground exploration would be required to further advance the Dorsey Group and other targets below the 3280 level.

Scenario A evaluates mining the identified resource within the Eureka Group (approximately 190,000 tons) in five stoping areas in the Idaho area near the existing Round Hole shaft, followed by mining the resources that would be discovered and developed in the Eureka/Keel area adjacent and along strike to the east of this shaft. If exploration proves successful, these resources together would provide a mine life of approximately 10 years at an average grade of 0.53 oz/ton. Shrinkage mining would be the selected method for the Idaho area, while a mixture of shrinkage and longhole mining would be used in the Eureka/Keel area. Mining

Quarterly Report
March 31, 2003

would ramp up to a steady state of approximately 600 tons per day or 210,000 tons per year, including development ore. Mine production would come from a combination of development ore, shrinkage stoping in the Idaho and Eureka areas, and longhole stoping in the Keel area, where there appears to be potential for bulk mining. In Scenario B, mine production would come from development ore, shrinkage mining, and longhole mining in the Brunswick area, where there appears to be a small number of stopes that meet the requirements of this method.

The Scoping Study defines the methodology to construct the Idaho-Maryland Mine processing initially 210,000 tons per year at a capital cost of US\$45 million. The operating costs have been estimated to be US\$54.40 per ton (US\$ 167 per oz Au) with a Net Present Value of \$257 million (0% Discount) and an Internal Rate of Return of 34.4% based on US\$350 per ounce gold.

A third scenario ("Scenario C") exists as a long-term plan for future mine development. In Scenario C, known resources in the lower New Brunswick shaft area are accessed. Although the Scoping Study does not include costs associated with this scenario, it is an important developmental progression for the overall life-of-mine plan leading to potentially improved project economics and longer mine life. Management is developing a plan, which includes expanding operations from the decline to 420,000 tons per year and ultimately increasing underground development to the 5200 Level to bring the total mining throughput to 750,000 to 840,000 tons per year. The Company has requested a quote from AMEC to evaluate the plan as an addendum to the January 2003 Scoping Study. The additional study will define the associated capital and operating costs including direct and indirect employment opportunities generated by the further development of the Idaho-Maryland Mine. Emgold and AMEC will continue to work together as a project team to develop a long-term exploration and development program for the Idaho-Maryland. Depending on the results of further exploration and development work and ultimately the grade of potential ore, management has set an objective for the Idaho-Maryland to produce between 265,000 to 400,000 ounces of gold per year with a mine life in excess of 20 years.

Emgold's focus over the next year will be development activities on the Idaho-Maryland gold property in areas above the 1,500 ft level and adjacent to the famous Idaho Number 1 stope, which produced 1 million ounces of gold from 1 million tons. The Company is implementing 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 the understanding of the structural nature of new areas in the deposit and high-grade targets defined in the Technical Report and the Scoping Study. Applications for a surface-drilling permit have been submitted to the appropriate local government agencies. On May 20, 2003, the Planning Commission of the City of Grass Valley unanimously approved Emgold's application to proceed with the drilling program subject to a mandatory 15-day review period required for public comment and the review of any conditions as outlined in the Company's application.

The surface-drilling program will be conducted in stages. The first stage of surface drilling will include approximately 4,000 to 5,000 feet of diamond drilling estimated to cost US\$ 275,500 including a 10 percent contingency. The "all in" estimated unit-drilling costs are US\$ 55.10 per foot or US\$180.75 per metre. The surface-drilling program will be funded from the Company's treasury with additional money from existing shareholders exercising warrants. The budget for the 5,000-foot drill program is presented in the following table:

Quarterly Report
March 31, 2003

ACTIVITY	ESTIMATED COST (US\$)
Direct Diamond Drilling	\$140,000
Assaying	54,000
Geology - Labour	15,400
Data Processing	1,500
Site Preparation	1,500
Land Leases	6,000
Core Storage	4,500
Consumables	5,600
Noise Suppression Equipment	2,000
Reclamation and Abandonment	5,000
Bonding for Reclamation	5,000
Liability Insurance	5,000
Miscellaneous	5,000
Contingency (10%)	25,000
Total	\$275,500

Emgold is preparing the necessary documentation to submit applications to acquire a Use Permit to construct a decline and surface facilities to continue with the underground development of the Idaho-Maryland and ultimately put the mine back into production. It is anticipated that permitting will cost approximately US\$500,000 and is expected to take fifteen to twenty-four months to complete.

The Company continues to review historic geologic and mining data in order to expand the existing resource base. Management is working to identify cost effective measures to put the Idaho-Maryland back into safe, effective and profitable production for the benefit of the community of Grass Valley and Emgold's shareholders. The Company restated an increased Mineral Resource Summary on April 7, 2003, that is presented in this report. As the geologic review continues, the Company anticipates that additional resources will be defined periodically based on the historical information.

Emgold is also planning work programs on the Rozan property, a gold prospect, located south of Nelson in British Columbia and the Stewart property located near Ymir, British Columbia. A previous exploration program tested four areas of the Stewart property - the North gold Zone, the Silver King Porphyry Zone, the QFP Stockwork Zone and the Arrow Tungsten Zone. The program consisted of soil geochemical sampling and geological mapping. Further prospecting and rock chip sampling over two lobes of the Silver King intrusive located on either side of Highway 6 will be needed to fully assess the potential of the property. The Company is currently planning an airborne geophysical survey for the Stewart property to clarify its understanding of the nature of the gold occurrences and the possible sources of gold in the surrounding areas. In anticipation of successful results, the Company's geologists have submitted applications for four drill sites on the Stewart property.

**Quarterly Report
March 31, 2003**

Idaho-Maryland – Mineral Resource Summary, April 7, 2003

	True Thickness (ft)	Tonnage (tons)	Gold Grade (opt)	Gold (oz)	Gold Grade (opt) 1.44 MCF ¹	Gold (oz) 1.44 MCF ¹
<i>Eureka Group</i>						
Measured Mineral Resource	6.5	17,000	0.18	3,000	0.29	5,000
Indicated Mineral Resource	5.7	41,000	0.27	11,000	0.37	15,000
Measured + Indicated Mineral Resources	5.9	58,000	0.24	14,000	0.34	20,000
Inferred Mineral Resource	9.5	393,000	0.21	81,000	0.30	117,000
<i>Idaho Group</i>						
Measured Mineral Resource	17.5	129,000	0.24	31,000	0.34	44,000
Indicated Mineral Resource	10.6	209,000	0.42	88,000	0.60	125,000
Measured + Indicated Mineral Resources	13.3	338,000	0.35	119,000	0.50	169,000
Inferred Mineral Resource	10.0	838,000	0.25	212,000	0.37	307,000
<i>Dorsey Group</i>						
Measured Mineral Resource	11.6	61,000	0.23	14,000	0.33	20,000
Indicated Mineral Resource	6.4	131,000	0.33	43,000	0.46	60,000
Measured + Indicated Mineral Resources	8.0	192,000	0.30	57,000	0.42	80,000
Inferred Mineral Resource	9.5	955,000	0.30	288,000	0.43	413,000
<i>Brunswick Group</i>						
Measured Mineral Resource	8.0	64,000	0.17	11,000	0.25	16,000
Indicated Mineral Resource	6.2	108,000	0.28	30,000	0.40	43,000
Measured + Indicated Mineral Resources	6.9	172,000	0.24	41,000	0.34	59,000
Inferred Mineral Resource	7.3	291,000	0.23	67,000	0.33	97,000
<i>Waterman Group</i>						
Measured Mineral Resource	70.7	831,000	0.15	127,000		
Indicated Mineral Resource	30.5	75,000	0.21	16,000		
Measured + Indicated Mineral Resources	67.3	906,000	0.16	144,000		
<i>Idaho-Maryland Project²</i>						
Measured Mineral Resource 1	13.3	271,000	0.22	59,000	0.31	85,000
Measured Mineral Resource 2	70.7	831,000	0.15	127,000	0.15	127,000
Indicated Mineral Resource	8.1	489,000	0.35	172,000	0.50	243,000
Measured + Indicated Mineral Resources	41.1	1,666,000	0.22	375,000	0.28	472,000
Inferred Mineral Resource	9.4	2,477,000	0.26	648,000	0.38	934,000

1. MCF = Mine Call Factor (not applicable to Waterman group resources). 2. Idaho-Maryland Project measured resources are split into two categories: 1. the Eureka, Idaho, Dorsey, and Brunswick Groups, and 2. the Waterman Group (stockwork / slate type ore).

Mine Call Factor

Historically at the Idaho-Maryland Mine the planned mill feed tonnage and gold grade rarely matched the actual results. This was a result of a variety of factors that could be resolved by adjusting the planned production by a constant number. This number or factor is called the multiplier factor or Mine Call Factor (MCF). Commonly, deposits of this type typically underpredict the gold produced. The MCF is necessary to accurately predict the ultimate gold recovery because sampling of high-grade material causes this

Quarterly Report
March 31, 2003

condition including, inconsistent assaying procedures for the high-grade samples and, in places, the use of too low a bulk density number.

James Askew & Associates ("JAA") conducted a detailed investigation into historic mine-mill reconciliation at the Idaho-Maryland. JAA selected data from later years (1950 to 1952), where the records of mine and mill production were kept in some detail and were traceable to parts of the mine. Two factors were calculated: a "model" (underground sampling) to "mine" (muck car sampling) factor, equal to 1.21, and a "mine" to "mill" factor, calculated to be 1.19. The total Mine Call Factor is equal to 1.44. AMEC reviewed the work done by JAA and agrees with their results. The use of the Mine Call Factor can be used to establish a relationship between the historic underground channel samples and expected production. This factor should only be used on the nuggety vein system data. The more homogeneous slate hosted mineralization should not be factored at any resource category.



**EMGOLD MINING CORPORATION EMR-TSX VENTURE
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May 30, 2003

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PO Box 10142
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Alberta Securities Commission
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Calgary, AB, Canada T2P 3C4

Commission des valeurs mobilières du Québec
Stock Exchange Tower
P.O. Box 246, 22nd Floor
300 Victoria Square
Montreal, PQ H4Z 1G3

Dear Sirs:

Re: Quarterly Report for the Period Ended March 31, 2003

Today, the following material was distributed by Emgold Mining Corporation (“the Company”) to shareholders appearing on the Company’s supplemental mailing list:

1. BC Form 51-901F for the period ended March 31, 2003; and
2. Consolidated Financial Statements for the period ended March 31, 2003.

Sincerely,

EMGOLD MINING CORPORATION

“Rodrigo A. Romo”

Rodrigo A. Romo
Legal Assistant
for **Emgold Mining Corporation**

cc: United States Securities and Exchange Commission – 12g3-2(b) #82-3003