

# **EMGOLD MINING CORPORATION**

Suite 1400 – 570 Granville Street  
Vancouver, B.C. V6C 3P1  
<http://www.emgold.com/>

May 17, 2005

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

## **EMGOLD COMPLETES FIRST CLOSING ON ITS 18.36 MILLION UNIT NON-BROKERED FINANCING**

Emgold Mining Corporation. (EMR-TSX-V) (“Emgold”) is pleased to announce that it has received subscriptions for a total of 18,360,000 Units at \$0.50 per unit, pursuant to the non-brokered private placement financing, previously announced on March 31, 2005, for gross proceeds of \$9,180,000. Each Unit is comprised of one common share in the capital of Emgold and one non-transferable share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share of Emgold at an exercise price of \$0.70 per share for a period of 24 months from the date of issuance.

On May 3, 2005, the Emgold received conditional acceptance from the TSX Venture Exchange to close on and issue 3,480,000 Units of the 18,360,000 Units subscribed for purchase. Each share purchase warrant issued on May 3, 2005, entitles the holder to purchase one additional common share of the Company at an exercise price of \$0.70 per share up to and including May 3, 2007.

14,880,000 of the total Units subscribed for are being purchased by Galaxy Fund, Inc. (“Galaxy”), a well-established mutual fund based in Road Town, British Virgin Islands. Emgold welcomes its participation in the private placement as a significant vote of confidence in its Idaho Maryland Project and the business plan associated with its development. On issuance of the shares subscribed for, Galaxy will hold approximately 23% of the issued and outstanding voting shares of Emgold, and if all of the warrants included in the private placement are exercised, this percentage could increase to approximately 36%. Under the rules and policies of the TSX Venture Exchange, this shareholding would constitute Galaxy a "control person" of Emgold, and accordingly Emgold will be seeking shareholder approval to the private placement to Galaxy at its annual and special general shareholders meeting presently scheduled for June 8, 2005.

All shares, warrants and any shares issued upon exercise of the warrants with respect to the above May 3, 2005 closing are subject to a hold period and may not be traded for a four month period expiring September 4, 2005.

In consideration for introducing Emgold to purchasers for the non-brokered financing, Emgold will issue cash finder’s fees to UCA Ventures Ltd. in an amount equal to 4% of the gross proceeds received from the May 3, 2005, closing.

**The securities offered have not been registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer of securities for sale in the United States or Canada or the solicitation of an offer to buy securities in the United States or Canada, nor shall there be any sale of the securities in any jurisdiction or state in which such offer, solicitation or sale would be unlawful.**

Proceeds from the Offering will be used to fund further exploration and development of the Company's Idaho-Maryland project in Grass Valley, California, on-going development and commercialization of the Ceramext™ process and for general administrative purposes. Expenses for the Idaho-Maryland project include the activities associated with the application for a Conditional Use Permit, on-going geologic investigations and exploration, property acquisitions, mine planning and community relations activities. The further development of the Ceramext™ process includes research and development, operation and expansion of the pilot plant, design of a demonstration plant, marketing studies, feasibility and protection of intellectual property. Additional testing of the Ceramext™ process is being conducted on other feed materials for a wide range of new applications.

For more information about Emgold, the Stewart, Rozan and Jazz Properties in British Columbia, the Idaho-Maryland Project and the Ceramext™ Process, please visit <http://www.emgold.com> or <http://www.sedar.com>.

**William J. Witte, P.Eng.**

President and Chief Executive Officer

For further information please contact:

**Mark Feeney, Investor Relations**

Tel: (604) 687-4622 Fax: (604) 687-4212

Email: [info@emgold.com](mailto:info@emgold.com)

**Not for distribution to U.S. Newswire Service or for Dissemination in the United States**

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

*This news release includes certain statements that may be deemed "forward-looking statements". All statements in this release, other than statements of historical facts, that address future production, reserve potential, exploration drilling, exploitation activities and events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, and continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements. For more information on the Company, Investors should review the Company's filings that are available at [www.sedar.com](http://www.sedar.com) or the Company's website at [www.emgold.com](http://www.emgold.com).*