

EMGOLD MINING CORPORATION

(AN EXPLORATION STAGE COMPANY)

MANAGEMENT'S DISCUSSION AND ANALYSIS

THREE MONTHS ENDED MARCH 31, 2019 and 2018

STATED IN US DOLLARS

DATED: MAY 29, 2019

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To OUR SHAREHOLDERS

The following information, should be read in conjunction with the audited consolidated financial statements of Emgold Mining Corporation (“Emgold” or “the Company”) for the period ended March 31, 2018 and 2017 and the related notes attached thereto which were prepared in accordance with International Financial Reporting Standards (“IFRS”). All amounts are expressed in U.S. dollars unless otherwise indicated.

Certain statements included herein may constitute forward-looking statements, such as estimates and statements that describe our future plans, objectives or goals, including words to the effect that we expect or management expects a stated condition or result to occur. Such forward-looking statements are made pursuant to the safe harbour provisions of the United States Private Securities Litigation Reform Act of 1995. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. The following list of the factors that may affect any of our forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on our forward-looking statements.

Subject to applicable law, the Company expressly disclaims any obligation to revise or update forward-looking statements in the event actual results differ from those currently anticipated. Actual results relating to exploration, mining, processing, manufacturing, and reclamation activities including results of exploration, mineral resource and reserve determination, results of operations, and results of reclamation, as well as associated capital and operating costs could differ materially from those currently anticipated. Actual results could differ materially from those anticipated in such statements by reason of factors such as changes in general economic conditions and conditions in the financial markets, changes in demand, and changes in prices for the products that may be produced. Other factors that may affect actual results include the litigation, legislative, environmental and other judicial, regulatory, political and competitive developments in domestic and foreign areas in which we operate, such as technological and operational difficulties encountered in connection with our activities, productivity of our resource properties, labour relations matters, labour costs, material and equipment costs and changing foreign exchange rates. Further information regarding these and other factors is included in our filings with the US Securities and Exchange Commission (which may be viewed at www.sec.gov) and Canadian provincial securities regulatory authorities (which may be viewed at www.sedar.com).

The table below sets forth the most significant forward-looking information included in this quarterly MD&A:

Forward-Looking Information	Key Assumptions	Most Relevant Risk Factors
Future funding for ongoing operations	The Company will be able to raise these funds	The Company has disclosed that this may be difficult and failure to raise these funds will materially impact the Company's ability to continue as a going concern

OVERVIEW

Emgold is a junior gold exploration company focused on Nevada and Quebec. The Company's strategy is to look for asset acquisitions and divestitures, joint ventures, option, royalty, and other business opportunities to advance the Company and create value for our shareholders. Our properties include the Golden Arrow, Buckskin Rawhide East, Buckskin Rawhide West, and Koegel Rawhide Properties in Nevada and an option to acquire up to a 91% interest in the Casa South Property in Quebec, adjacent to Hecla Mining Corporation's (NYSE: HL) operating Casa Berardi Mine. The Company has a strategic investment of 3.75 million shares of Troilus Gold Corporation (TSX: TLG) which is advancing the Troilus Gold Project in Quebec. For more information on the Company, investors should review the Company's filings that are available at www.sedar.com or the Company's website at www.emgold.com.

3.75 Million Troilus Gold Share Position (Acquisition and Sale of Troilus North Project, Quebec)

The Company owns 3.75 million shares of Troilus Gold Corporation. Troilus Gold is advancing the Troilus Gold Property in Quebec through exploration with the goal of delineating mineral resources and reserves and, if successful, bringing the past producing gold and copper mine back into production. Current indicated resources delineated by Troilus Gold include 121.7 million tonnes at a 1.00 g/t AuEq gold grade containing 3.92 million AuEq ounces. Current inferred resources include 36.1 million tonnes at a 1.01 g/t AuEq gold grade containing 1.17 million ounces (source and details: Technical Report on the Troilus Gold-Copper Mine Mineral Resource Estimate, Quebec, Canada, report date January 1, 2019, available on www.sedar.com under Troilus Gold's corporate filings).

In 2018, Emgold acquired a 100% interest in the Troilus North Property, QC. The Troilus North Property consists of 209 contiguous claims totaling 11,309 ha located 160 km north of the town of Chibougamau in the province of Quebec. On June 27, 2018, the Company and Chimata Gold Corp. ("Chimata") entered into a definitive option, earn-in, and joint venture agreement giving the Company the right to acquire up to a 100% interest in the Troilus North Property (the "Definitive Agreement").

The terms of the Troilus North Agreement provided that the Company would have the exclusive right and first option (the "First Option") to acquire an 80% interest in the Troilus North Property over a two year period (the "Troilus North Transaction") by issuance of 4,000,000 shares and completion of CDN\$750,000 in exploration expenditures to be incurred within two years of closing of the Troilus North Transaction. The share issuance schedule for First Option comprised payment of (i) 2,000,000 shares of the Company issued to Chimata on closing (June 27, 2018), (ii) 1,000,000 shares of the Company to be issued to Chimata at the first anniversary date, and (iii) 1,000,000 shares of the Company to be issued to Chimata at the second anniversary date.

Upon completing the First Option, the Company would have a further option (the "Second Option") to acquire an additional 20% interest (total 100% interest) in the Troilus North Property by issuing Chimata a further 1.0 million shares. Chimata would retain a 1% Net Smelter Royalty for Troilus North, half of which (i.e. 0.5%) could be purchased by the Company at any time for CDN\$500,000.

The Company was assigned Chimata's rights and obligation under the mining property acquisition agreement entered into by Chimata with Greg Exploration Inc. and other vendors (collectively referred to as the "Vendors") on September 18, 2017 along with the amending agreement to such acquisition agreement entered on March 19, 2018 (collectively referred to as the "Acquisition Agreement"), which shall include but not be limited to remaining payments which are left outstanding to the Vendors but also the right by the Company to purchase the NSR that is granted to the Vendors under the Acquisition Agreement in lieu and place of Chimata. The following were the remaining payments outstanding pursuant to the Acquisition Agreement between Chimata and Greg:

- 1) Fifty thousand dollars (\$50,000) to be paid on or prior September 30, 2018;
- 2) Fifty thousand dollars (\$50,000) to be paid on or prior to March 31, 2019;
- 3) Fifty thousand dollars (\$50,000) to be paid on or prior to September 30, 2019; and
- 4) Fifty thousand dollars (\$50,000) to be paid on or prior to March 31, 2020.

Exploration Expenditures would include, but not be limited to, claim fees, property taxes, advance claim or advance royalty payments or other holding costs including property payments to underlying claim owners,

exploration expenditures, permitting expenditures, reclamation expenditures, and reasonable administrative costs. Excess expenditures, made in any given year, would be credited to future years of exploration of the Troilus North Property. Note that the payments outlined above to be paid to the Vendors as part of the Acquisition Agreement would be part of the CDN\$750,000 in exploration expenditures required to complete the First Option.

The Company would be deemed to be the operator of the Troilus North Property during the First Option Period and retain full discretion as to the nature, extent, timing, and scope of all work and exploration expenditures to be undertaken on the Troilus North Property. Two years after the date of closing of the Troilus North Transaction or upon completion of the First Option requirements, whichever occurs first, and should the Company decide not to exercise the Second Option; Chimata and the Company would establish an industry standard Joint Venture Operating Agreement to operate a joint venture entity between them (the "Joint Venture Entity"). The Company would be the initial operator of the Joint Venture Operating Agreement and will retain full discretion as to the nature, extent, timing, and scope of all work on the Troilus North Property. After the Joint Venture Operating Agreement takes effect, Chimata and the Company will be required to contribute to the Joint Venture Entity based on their respective ownership percentages of the Joint Venture Entity, or be diluted. After forming the Joint Venture Operating Agreement, if Chimata does not contribute to the Joint Venture Entity and its interest in the Joint Venture Entity falls below ten percent (10%) ownership at any given time, Chimata's interest in the Property would be converted into a Net Smelter Interest of one percent (1.0%). The Company shall retain the option to purchase 50% of this NSR for CDN\$500,000.

On August 13, 2018, Emgold and Chimata amended the Definitive Agreement. In exchange for CDN\$200,000 in cash and the issuance of 1.0 million additional shares, Chimata agreed to reduce the exploration requirements from CDN\$750,000 to CDN\$300,000.

On October 14, 2018 Emgold completed an Assignment Agreement for the Troilus North Property with Chimata and Greg Exploration et al (the "Vendors"). Emgold made a CDN\$175,000 payment (with a \$25,000 discount for early payment) to the Vendors to acquire the underlying rights to the Property from the Vendors and the ownership of the 209 claims were transferred into Emgold's name.

On November 15, 2018 Emgold announced it has received TSX Venture Exchange approval for the amendment to the Troilus North Definitive Agreement previously announced on August 13, 2018. Since optioning the Troilus North Property, Emgold had completed the CDN\$300,000 requirement in exploration expenditures on the Property and elected to move forward with acquisition of 100% ownership of the Property by accelerating the exercise of the First Option and Second Options together. As such, Emgold closed the 100% acquisition of the Property by completing the remaining requirements of the Definitive Agreement and Amendment, which required Emgold to issue 4.0 million additional common shares, make a cash payment of CDN\$200,000 and grant a 1.0% NSR on the Property to Chimata. Following share issuances by Emgold made subsequent to the Transaction, Chimata owed (at that time) an approximate 16.95% interest in Emgold. The transaction described between the Company and Chimata was not a non-arm's length transaction as Chimata's Chief Financial Officer was also a director of Emgold.

On November 28, 2018, the Company signed a Purchase and Sales Agreement to sell its Troilus North Property, to Troilus Gold Corporation (TSX: TLG) ("Troilus Gold") for 3,750,000 Troilus Gold common shares (the "TLG Shares") and CDN\$250,000 in cash (the "Transaction"). On December 5, 2018 (the "Effective Date") the Transaction closed. The Transaction was arm's length and there was no finder's fee payable in connection with the Transaction. The TLG Shares were subject to a four-month statutory hold period from the date of closing. For a period of two-years from the date of closing, Troilus Gold will have a Right of First Refusal ("ROFR") pursuant to which Troilus Gold shall have the opportunity to find a buyer at equal or superior terms in the event Emgold wishes to dispose of the shares (the "ROFR Period"). During the ROFR Period, provided Emgold holds no less than 5% of Troilus' issued and outstanding shares, Emgold shall have a participation right whereby Emgold shall have the right to maintain its proportional interest in Troilus, subject to certain conditions.

Golden Arrow Property, Nevada

The Golden Arrow Property is located approximately 40 miles east of Tonopah in Nye County, Nevada. The property consists of 357 unpatented and 17 patented lode mineral claims covering an area of approximately 7,030 acres (2,845 hectares). It is an advanced-stage exploration property with a comprehensive exploration database including geochemical sampling, geophysics, and over 200,000 feet of reverse circulation and diamond core drilling.

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

On July 18, 2017, the Company announced by press release a Letter of Intent to option and acquire the property from Nevada Sunrise Gold Corporation ("Nevada Sunrise"; TSX-V: NEV). This was replaced by the First Amended Letter of Intent dated December 27, 2017. Conditional approval from the TSX Venture Exchange for the option and acquisition was announced via press release on January 23, 2018 subject to Emgold completing various requirements to obtain approval for the transaction. This First Amended Letter of Intent was subsequently replaced by a Second Amended Letter of Intent dated July 13, 2018.

The terms of the Second Amended LOI provided that, subject to the satisfaction of certain conditions, including TSX-V acceptance and the entry into a definitive sale and option agreement between Nevada Sunrise and Emgold, Emgold would acquire a 51 percent interest in the Golden Arrow Property by (i) making cash payments to Nevada Sunrise in the aggregate amount of CDN\$100,000; and (ii) issuing to Nevada Sunrise 2,500,000 common shares in the capital of Emgold. The Second Amended LOI further provides that Nevada Sunrise would grant to Emgold (or a wholly owned subsidiary of Emgold) the sole and exclusive right and option (the "Option") to acquire an undivided additional 49 percent (for a total of 100 percent) interest in the property, which would be exercisable by Emgold for a period of 24 months from the Closing Date (the "Option Period") by Emgold issuing to Nevada Sunrise an additional 2,500,000 common shares in the capital of Emgold.

Emgold would be responsible for all exploration expenditures, including claims fees, core and sample storage fees, and all holding costs during the Option Period. Emgold will be the operator of the Property during the Option Period. If the Option is not exercised, the Parties would form a Nevada joint venture (the "Joint Venture"). The Joint Venture would be established as a separate company or using an existing subsidiary of Emgold or Nevada Sunrise, with 51% of the shares of the Joint Venture entity owned by Emgold, 49% owned by Nevada Sunrise and Emgold acting as the Operator of the Joint Venture. After forming the Joint Venture, if either Party elects not to contribute to the Joint Venture and its interest falls below 10% ownership at any time (the "Diluted Party"), the other Party would have the option of purchasing the Diluted Party's remaining interest in the Joint Venture for \$1,000,000.

Emgold completed a "2018 Updated Technical Report on the Golden Arrow Project, Nye County, Nevada, USA" prepared for Emgold Mining Corporation and Nevada Sunrise Gold Corporation by Steven Ristorcelli, C.P.G., Odin D. Christensen, PhD, C.P.G., and Jack McPartland, M.M.S.A with report date of March 2, 2018 and effective date of November 28, 2017, as announced by press release on March 19, 2018. This report is available on the Company's filings at www.sedar.com.

On October 2, 2018, Emgold filed a Technical Report titled "Amended 2018 Updated Technical Report on the Golden Arrow Project, Nye County, Nevada, U.S.A." prepared for Emgold Mining Corporation and Nevada Sunrise Gold Corporation by Steven Ristorcelli, C.P.G., Odin D. Christensen, PhD, C.P.G., and Jack McPartland, M.M.S.A available under the Company's filings on www.sedar.com. The Report was prepared by Mine Development Associates, Reno Nevada and has an effective date of August 28, 2018 and report date of September 24, 2018.

On October 2, 2018, the Company executed a binding Purchase and Option Agreement (the “Definitive Agreement”) with Nevada Sunrise. On October 5, 2018, the Company received TSX Venture Exchange approval for its acquisition and option. Emgold subsequently exercised such option to acquire a 100% interest in the Property and issued Nevada Sunrise a total of 5,000,000 shares (the cash payment of \$100,000 having been previously made) and the transaction closed as announced by press release on October 5, 2018.

During the quarter, Emgold was in the process of transferring the property and associated reclamation permits and bonds from Intor Resources Corporation to one of Emgold’s U.S. subsidiary Golden Arrow Mining Corporation (formerly Idaho-Maryland Mining Corporation).

Buckskin Rawhide East Property, Nevada

The Buckskin Rawhide East Property is situated within the Walker Lane structural zone and gold belt of Western Nevada. The Walker Lane is a regional shear zone of right lateral strike slip faulting and a known gold trend that hosts large and small historic and currently operating gold-silver mines, including mines of the Comstock Lode, Tonopah Mining District and Rawhide Mining District. The geology and mineralization on the property are associated with lithologic units and structures of the Rawhide volcanic center, as well as structures from the Walker Lane and Basin and Range. Exploration results at Buckskin Rawhide East Property indicate the potential for high grade mineralized gold/silver veins and bulk mineable disseminated gold/silver zones.

The Buckskin Rawhide East Property, totaling 52 unpatented mineral claims, is an early stage gold/silver exploration property located adjacent to and bounded on the east and south by the Rawhide Mine, a gold/silver mine that is owned and operated by Rawhide Mining LLC. The Rawhide Mine was formerly operated by Kennecott Rawhide Mining Company, a subsidiary of Rio Tinto Mining Corporation. It is also adjacent to and bounded on the north and west by the Regent gold-silver Property (“Regent Property”), also owned Rawhide Mining LLC. The Regent Property was formerly drilled by Kennecott Rawhide Mining Company, Newmont Exploration Company, and Pilot Gold Corporation. Rawhide Mine is reported to have produced 1.7million ounces of gold and 14.1million ounces of silver between 1990 and 2014 (source: The Nevada Bureau of Mines and Geology, Special Publication, MI-2014). The proximity of Buckskin Rawhide East to other properties such as Rawhide Mine and Regent Property does not guarantee exploration success. However, similar geology, structures, and the presence of historic workings on the Buckskin Rawhide East Property does increase the potential for discovery.

In 2009, Emgold signed a Lease and Option to Purchase Agreement with Nevada Sunrise LLC and leased a 100% interest in 46 claims that made up the original Buckskin Rawhide East Property. Forty of these claims were 75% owned by Nevada Sunrise LLC and 25% owned (but controlled by Nevada Sunrise LLC through a carried interest) by the Castagne Estate. Six claims were owned by Nevada Sunrise LLC. Subsequently, Emgold staked six additional claims increasing the property size to 52 claims.

On November 14 and 19, 2012, the Company announced that it had signed an Agreement with Rawhide Mining LLC (“RMC”) pursuant to which the Company would issue to RMC, on a private placement basis, shares and warrants in an amount of CAD\$1.0 million, part of which would be used to fund the acquisition of 46 claims outlined above owned from Nevada Sunrise LLC and the Castagne Estate. Also, pursuant to the Agreement, upon completion of the title transfer of the 100% of the Buckskin Rawhide East Property to Emgold, the Company would subsequently lease the property to RMC. After completing a Quiet Title process, Emgold acquired 100%interest in the Buckskin Rawhide East Property on July 28, 2014 and leased the property to RMC on August 21, 2014, with the effective date of the lease being June 1, 2013 under the following terms (the “Lease Agreement”):

1. The Lease Term is 20 years (start date of June 1, 2013).
2. Advance royalty payments will be \$10,000 per year, paid by RMC to Emgold, with the first payment due at signing and subsequent payments due on the anniversary of the Lease Agreement.
3. During the Lease Term, RMC will make all underlying claim fees to keep the claims in good standing.

4. RMC will conduct a minimum of US\$250,000 in exploration activities by the end of Year 1.
5. RMC will conduct an additional minimum of US\$250,000 in exploration activities by the end of Year 3, for a total of US\$500,000 in exploration activities by the end of Year 3.
6. RMC will have the option of earning a 100% interest in the property by bringing it into commercial production.
7. Upon bringing the property into commercial production, RMC will make "Bonus Payments" to Emgold. Bonus Payments will be US\$15 per ounce of gold when the price of gold ranges between US\$1,200 per ounce and US\$1,799 per ounce. If the price of gold exceeds US\$1,800 per ounce, the Bonus Payment will increase to US\$20 per ounce.
8. After meeting its exploration requirements, should RMC subsequently elect to drop the property or decide not to advance it, the property will be returned to Emgold. Should Emgold subsequently advance the property into production, RMC shall then be entitled to the same type of Bonus Payments as contemplated in 7 above.

Under the terms of the lease agreement, RMC was required complete \$500,000 in exploration related expenditures on the property by May 31, 2016. As of that date, \$325,000 in exploration related expenditures had been completed by RMC. On June 1, 2016, Emgold announced that Emgold and RMC had mutually agreed to amend the original lease agreement and that RMC would pay Emgold the remaining \$175,000 in exploration related expenditures as cash payments to Emgold, in seven quarterly payments of \$25,000, starting on June 1, 2016. Payments of \$25,000 each were completed for June 1, 2016, September 1, 2016, December 1, 2016, March 1, 2017, June 1, 2017, and September 1, 2017 respectively. In addition, Emgold received the \$10,000 annual advance royalty payment for the Buckskin Rawhide Property from RMC, due June 1, 2018.

Historic RC drilling on the property in the 1980's and 1990's totalled 113 holes and 53,370 feet. RMC conducted exploration on Buckskin Rawhide East in 2013 (22 holes totalling 7,100 feet).

In 2018, RMC completed an Environmental Assessment and Plan of Operations allowing it to expand operations, specifically to mine the Regent satellite pit. These documents also allow RMC to conduct a major drilling on the Buckskin Rawhide Property, subject to certain permitting conditions.

Buckskin Rawhide West Property, Nevada

The Buckskin Rawhide West Property, totaling 21 mineral claims, is an early stage gold/silver exploration property located two miles west of the Rawhide Mine, a gold/silver mine that is owned and operated by Rawhide Mining LLC. The Buckskin Rawhide East Property, totaling 52 mineral claims, is an early stage gold/silver property, also controlled by Emgold, located several thousand feet east but not adjacent to Buckskin Rawhide West.

Exploration results at Buckskin Rawhide West Property indicate the potential for high grade mineralized gold/silver veins and bulk mineable disseminated gold/silver zones. The development alternatives included advancing the Buckskin Rawhide West Property as a standalone gold/silver exploration project or working with Rawhide Mining LLC to explore and develop the property.

Emgold had a lease and option to purchase agreement with Jeremy Wire, an individual, for 21 unpatented mining claims at Buckskin Rawhide West. The terms of this agreement were disclosed in an Emgold news release dated February 6, 2013.

Emgold agreed to lease the property from Jeremy Wire subject to the following payments:

Year	Advance Royalty Payment	
2012	\$ 10,000 (paid)	(1)
2013	\$ 10,000 (paid)	(2)
2014	\$ 10,000 (paid)	(3)
2015	\$ 20,000 (paid)	(3)
2016	\$ 30,000 (paid)	(3)
2017	\$ 30,000 (paid)	(3)
2018	\$ 30,000 (paid)	(3)

Note: (1) An initial lease payment paid 50% in cash and 50% in Emgold common shares. (2) Lease payments may be paid in cash or Emgold common shares, at the discretion of Emgold. (3) Lease payments may be paid in cash or Emgold common shares, at the discretion of the Lessor. Shares will be issued at "market value" which means the volume weighted closing price of the shares on the TSX Venture Exchange or the most senior stock exchange or quotation system on which the shares are then listed or quoted for fifteen (15) trading days ending on the date that is five (5) business days before the applicable payment is due, subject to a minimum price of USD\$0.08 per share.

During the lease period, Emgold could conduct exploration and, if warranted, complete a NI 43-101 Technical Report on the property. On making the above payments, Emgold could acquire 100% ownership of the property. In the event that commercial production occurs, Mr. Wire will be entitled to a two percent Net Smelter Royalty on production from the property. Emgold will retain the right to purchase this royalty for \$1 million, less any advance royalty payments already made.

Jeremy Wire agreed to take a share payment for his 2018 advance royalty payment, which was made in Q1 2018. Emgold exercised its option to acquire 100% of the property, subject to the underlying royalty, and has completed transferring the claims into Emgold (US) Corporation's name. No exploration work was conducted on the property in the period.

Koegel Rawhide Property, Nevada

The Koegel Rawhide Property is an early stage gold/silver exploration property located about four miles south of the Rawhide Mine, a gold/silver mine that is owned and operated by Rawhide Mining LLC. Geologic mapping by Charles P. Watson, a consulting geologist, in the years 1991-1992, indicates the property is covered mostly by Tertiary (Pliocene) age intermediate volcanic rocks including andesitic tuff breccias, sills and dikes. The volcanic units have been folded into minor anticlines and faulted. Faults of several orientations occur on the property with north, northwest and northeast trends. Hydrothermal alteration (clay and silica) is present and is associated with structures and mineralization.

Emgold had a lease and option to purchase agreement with Jeremy Wire, an individual, for 19 unpatented mining claims at Koegel Rawhide. The terms of this agreement were disclosed in an Emgold news release dated February 13, 2013. Emgold had agreed to lease the property from Jeremy Wire subject to the following payments:

Year	Advance Royalty Payment	
2012	\$ 10,000 (paid)	(1)
2013	\$ 10,000 (paid)	(2)
2014	\$ 10,000 (paid)	(3)
2015	\$ 20,000 (paid)	(3)
2016	\$ 30,000 (paid)	(3)
2017	\$ 30,000 (paid)	(3)
2018	\$ 30,000 (paid)	(3)

Note: (1) An initial lease payment paid 50% in cash and 50% in Emgold common shares. (2) Lease payments may be paid in cash or Emgold common shares, at the discretion of Emgold. (3) Lease payments may be paid in cash or Emgold common shares, at the discretion of the Lessor. Shares will be issued at "market value" which means the volume weighted closing price of the shares on the TSX Venture Exchange or the most senior stock exchange or quotation system on which the shares are then listed or quoted for fifteen (15) trading days ending on the date that is five (5) business days before the applicable payment.

During the lease period, Emgold could conduct exploration and, if warranted, complete a NI 43-101 Technical Report on the property. On making the above payments could acquire 100% ownership of the property. In the event that commercial production occurs, Mr. Wire will be entitled to a two percent Net Smelter Royalty on production from the property. Emgold will retain the right to purchase this royalty for \$1 million, less any advance royalty payments already made.

On February 15, 2013, the Company announced that it had staked an additional 17 unpatented mining claims totaling 340 acres. This increased the size of the Koegel Rawhide Property to 36 unpatented mining claims totaling 720 acres.

Jeremy Wire agreed to take a share payment for his 2018 advance royalty payment, which has been made in Q1 2018. Emgold exercised its option to acquire the property 100% of the property and has completed transferring the claims into Emgold (US) Corporation's name. No exploration work was conducted on the property in the period.

Casa South Property, Quebec

The Casa property is located approximately 80 kilometers north of the town of La Sarre, Quebec or 105 kilometers west south-west of Matagami in the Casa Berardi Township, James Bay Municipality. It is located south of the Casa Berardi Mine, owned and operated by Hecla Mining Corporation (NYSE: HL). It is accessible going north from La Sarre via Casa Berardi Mine's all season gravel road. The property consists of 180 active mining titles covering a total of 10,061 hectares. The claims are in one contiguous block. Casa Berardi Mine has produced approximately 2.0 million recovered gold ounces since commencing production in 1988 (source: Hecla Mining Corporation website). Note that the presence of mineral resources and reserves found on the Casa Berardi Mine property do not guarantee discovery or delineation of of mineral resources and reserves at Casa South property.

The property encompasses a lithologic context similar to the adjacent Cass Berardi deposit. Its exploration history followed the same stages of evolution over a period of time from the 1960 to 1990 where exploration focused sulfide rich polymetallic deposits similar to the Kidd Creek, Selbaie, or Mattagami deposits discovered in the northern part of the Abitibi belt. Exploration work on the claims was done by companies such as Newmont, Noranda, and Cambior, among others.

Following the discovery of gold close to the Casa Berardi fault in 1981, various geophysical surveys were done on the property as well as soil and rock chip sampling and drilling looking for similar targets. The historical gold potential appears to be located inside the Kama faults and related anomalies corresponding to a three kilometer by two kilometer area where disseminated pyrite and arsenopyrite concentrations were found in carbonated

andesite along flow contacts. Over a period of 45 years, about 23,000 meters of drilling was done on the property in 47 drill holes.

The property is located immediately south of Hecla’s Casa Berardi Mine operation and extends laterally for 20 kilometers covering different sub-parallel structures corresponding to distinct geophysical signatures and hosting elevated gold values in soil anomalies.

Assignment Agreement

On December 12, 2018, Emgold completed an assignment and assumption agreement (the “Assignment Agreement”) with a third party, a privately held company, (the “Assignor”) granting Emgold (the “Assignee”) its rights, held through a binding Letter of Intent (the “LOI”) with Greg Exploration Inc. and Affiliates (the “Vendors”), to acquire up to a 91% interest in the Casa South property.

Pursuant to the Assignment Agreement, Emgold agreed to acquire the rights, held through the LOI also dated December 12, 2018, executed between the Assignor and the Vendors, in exchange for 2,000,000 common shares of the Company (the “Shares”) to be issued to the Assignor, granting Emgold the option to acquire up to a 91% interest in the Property. The Shares to be issued to the Assignor would be subject to a minimum statutory hold period of 4 months from the date of issue.

As part of the Exchange approval of the Transaction, on March 15, 2019, Emgold and the Assignee completed an amended assignment agreement (the “Amending Agreement”) whereby Emgold agreed to pay the Assignee of 807,692 common shares from its share capital representing \$52,500, at a share price of \$0.065 (based on the Market Price, as defined in Exchange policies, of the common shares at the time of disclosing of the Transaction). In addition, Emgold agreed to pay \$22,500 in Finder’s Fees at the time the Assignee makes future cash payments to the Vendors under the terms of the Option Agreement (and only as to 7.5% of the cash payment actually made at such time) with Shares issued at Market Price, as defined in Exchange Policy 1.1 at such time.

Definitive Agreement

Emgold’s assumption of the rights, held through the LOI and subsequently a definitive agreement (the “Option Agreement” dated January 28, 2019, allows Emgold the option to acquire up to a 91% interest in the Property under the following terms. During the option period (the “Option Period”), Emgold will be required to make cash payments to the Vendors as shown in the following Table.

Payments to the Vendors During the Option Period	
Timing of Cash Payment	Payment \$CDN
Closing of the Transaction	\$75,000 (PAID)
Year 1 Anniversary of the Definitive Agreement	\$75,000
Year 2 Anniversary of the Definitive Agreement	\$75,000
Year 3 Anniversary of the Definitive Agreement	\$75,000
Year 4 Anniversary of the Definitive Agreement	\$75,000
Total	\$375,000

Emgold will be required to complete \$600,000 in exploration expenditures (“Exploration Expenditures”) in Year One of the Option Period. Emgold will be required to make an additional \$1,000,000 in Exploration Expenditures during the course of the Definitive Agreement, without any commitment as to amount and timing of amount to be spent. Exploration Expenditures shall include, but not be limited to, cash payments made to the Vendors, claim fees, property taxes, exploration expenditures, permitting expenditures, reclamation expenditures, payments made to First Nations, holding costs, legal costs, and reasonable administrative costs. Excess expenditures, made in a given year, will be credited to future years of exploration of the Property.

If Emgold completes the contemplated \$1.6 million in Exploration Expenditures during the Option Period, it will be entitled to a 91% interest in the Property. If Emgold completes \$1.1 million but less than \$1.6 million in Exploration Expenditures during the Option Period, it will be entitled to an 86% interest in the Property. If Emgold completes more than \$600,000 but less than \$1.1 million in Exploration Expenditures during the Option Period, it will be entitled to an 81% interest in the Property.

Emgold shall have the right to accelerate the exercise of the Option and consequently reduce the Option Period by concurrently accelerating the aforementioned cash payments to Vendors and Exploration Expenditures. Should Emgold decide to accelerate such cash payments and Exploration Expenditures, Emgold will be entitled to a 20% discount on the contemplated annual cash payments to be made, as described hereinabove.

Once the conditions of the Option have been satisfied, Emgold and Vendors will form a joint venture with Emgold acting as the Manager and an industry standard joint venture agreement will be completed (the "Joint Venture"). As soon as reasonably practicable after the establishment of the Joint Venture, the claims comprising the Property will be transferred into the name of the Joint Venture.

Emgold shall grant to the Vendors a 1.5% Net Smelter Royalty ("NSR") on the Property, being agreed that half a percent (0.5%) of said NSR can be repurchased by the Subsidiary Company, as applicable, for an amount of five hundred thousand dollars (\$500,000).

On March 19, 2019, the Company closed the acquisition of an option to acquire up to a 91% interest in the Property. The Company completed the first option payment of \$75,000 to Vendors as required by the Option Agreement entered into between the Company and Vendors, and initiating the four year Option Period. Concurrently, the Company issued the Assignor an amount of 807,692 common shares from its share capital representing \$52,500, at a share price of \$0.065 (based on the Market Price, as defined in Exchange policies, of the common shares at the time of the transaction).

On March 21, 2019, the Company announced by press release it had initiated a 3,000 meter drill program at Casa South. The drilling will target a high priority area defined as the Kama Trent – a major gold bearing structure approximately 7 km long by 2 km wide located just south of the Casa Berardi Mine.

Stewart Property, British Columbia

In 2001, the Company entered into an option agreement to acquire the rights to the Stewart mineral claims, a polymetallic prospect located close to Nelson in south-eastern British Columbia. The Company has earned a 100% interest in the property, subject to an underlying 3% Net Smelter Royalty interest, two thirds of which can be purchased by Emgold for CDN\$1.0 million.

The Stewart Property is an early stage exploration property. It is located in a region of historic mining activity, and is part of a large geological trend of tungsten, molybdenum and gold mineralization. The Stewart Property contains a number of gold, molybdenum, tungsten and silver-lead-zinc prospects. The property has been assessed by various operators since 1967, each exploring a different type of mineral deposit. Much data is available from those programs as well as work done by Emgold. Five main exploration targets have been identified to date – the Stewart Moly Zone, the Craigtown Creek Gold Zone, the Stewart Creek Gold Zone, the Arrow Tungsten Zone, and the Free Silver Zone.

The property is located southwest and adjacent to the Kena-Daylight Property contolled by Prize Minng. The Kena-Daylight Property hosts a measured and indicated mineral resource of 25.3 million tonnes at 0.60 gram per tonne gold (489,000 ounces) and an inferred resource of 90.4 million tons at 0.48 gram per tonne gold (1,399,000 ounces of gold) (source: Altair Gold Press Release dated April 11, 2013). Proximity of Stewart to the Kena-Daylight Property does not guarantee exploration success. However, similar geology, structures, and the presence of historic workings on the property does increase the potential for discovery.

A total of 31 diamond drill holes were completed by Shell, Cominco, Selco, and Cameco on the property between 1980 and 2000, totaling 4,495.1 meters. To date, Emgold has drilled 72 diamond drill holes totaling 9,242.1 meters with a number of significant intercepts.

No exploration work was conducted on the property in the period. The property is held without additional work requirements until January 2023. The value of this property was fully impaired for financial reporting purpose.

Rozan Property, British Columbia

In 2000, the Company entered into an option agreement to acquire the rights to the Rozan Property, a prospect located south of the community of Nelson in the Red Mountain area of south eastern British Columbia. The Company holds a 100% interest in the property, subject to an underlying 3% Net Smelter Royalty interest, two-thirds of which can be purchased by Emgold for CDN\$1.0 million.

The Rozan Property is an early stage polymetallic exploration property in the same geological trend as the Stewart Property. Exploration by Emgold has included geological mapping, geochemical sampling and geophysical surveys along with small drilling programs, all of which had encouraging results. The Rozan Property has the potential for high-grade gold veins, bulk mineable disseminated gold zones, and possibly other metals.

The property is located west and adjacent to the Kena-Daylight Property. The Kena-Daylight Property hosts a measured and indicated mineral resource of 25.3 million tonnes at 0.60 gram per tonne gold (489,000 ounces) and an inferred resource of 90.4 million tons at 0.48 gram per tonne gold (1,399,000 ounces of gold) (source: Altair Gold Press Release dated April 11, 2013). Proximity of Rozan to the Kena-Daylight Property does not guarantee exploration success. However, similar geology, structures, and the presence of historic workings on the property does increase the potential for discovery.

To date, Emgold has completed 18 diamond drill holes on the property totaling 1,906.8 meters, with a number of significant intercepts.

No exploration work was conducted on the property in the period. The property is held without additional work requirements until March 2023. The value of this property was fully impaired for financial reporting purpose.

Idaho-Maryland Project, California

Between 2003 and 2011, the Company was involved in permitting the reopening of the historic Idaho-Maryland Gold Mine located in Grass Valley, California (the "I-M Project"). The I-M Project was placed on hold on October 26, 2011 due to poor equity market conditions. On September 10, 2013, the Company's permit applications were deemed withdrawn by the City of Grass Valley. On February 1, 2013, the Company announced that the Lease Option to Purchase Agreement (the "BET Agreement") for certain surface and mineral rights associated with the I-M Project (the "BET properties") had expired. Subsequent attempts to obtain financing and negotiate a new BET Agreement or to purchase the BET properties were unsuccessful. In 2016, Emgold management elected to sell the remaining real estate properties it owned in Grass Valley and focus on advancing the other assets the Company currently has in its portfolio and to look for acquisition opportunities to replace the I-M Project. The Company holds one real estate asset in California that was part of its former I-M and has this property listed for sale for \$367,000. This property was sold at the auction on January 26, 2019 for \$56,000 which was applied to settle \$163,856 liability for property taxes including penalty and interest.

RESULTS OF OPERATIONS

Three months Ended March 31, 2019 ("2019 Q1") versus 2018 ("2018 Q1")

The three months ended March 31, 2019 had a net gain of \$200,395 compared to the three months ended March 31, 2018, which had a net loss of \$64,794. The main variances are discussed as follows:

- (i) Increase in resource property expenses from \$10,550 in 2018 Q1 to \$85,974 in 2019 Q1 was mainly due to the \$37,019 and \$48,955 in exploration expenditures on the Golden Arrow Property and Casa South Property respectively. The Company acquired the earn-in option up to 91% of the Casa South Property during 2019 Q1.
- (ii) Increase in management and consulting expenses from \$31,989 in 2018 Q1 to 2019 Q4 of \$252,600. This is a result of the Company engaging several management and consulting firms for assistance in corporate development including acquisition and divestiture of assets and analyzing potential acquisitions, and assistance in obtaining and closing financing for the Company during 2019 Q1.
- (iii) Increase in rent from \$NIL in 2018 Q1 to \$9,410 in 2019 Q1. This was due to the rent for office spaces in Vancouver with transition of CFO and accounting services and an office in Montreal related to the acquisition of the Troilus North and Casa South Projects.
- (iv) Increase in professional fees from \$7,608 in 2018 Q1 to \$31,257 in 2019 Q1. This was due to the new CFO contract entered in the second half of fiscal 2018 with a 24 month term.
- (v) Increase in travel from \$NIL in 2018 Q1 to \$9,817 in 2019 Q1. This was due to the senior management's visits to newly acquired projects during the 2019 Q1 and to evaluate other opportunities for the Company.
- (vi) Decrease in other income related to the unrealized gain on warrant derivative liability from \$NIL in 2018 Q1 to \$115,102 in 2019 Q2. This was due to the revaluation of the fair value of the 17,319,587 share purchase warrants issued to the subscribers of several private placements closed between the final three quarters of FY 2018 and 2019 Q1. The warrant derivative liabilities were recognized initially on the subscribers' warrants grant date. The unrealized loss recognized on March 31, 2019 is the result of the increase in fair value of these warrants at period-end date comparing to fair value on grant dates.
- (vii) Increase in other income related to the gain on disposition of assets from \$NIL in 2018 Q1 to \$9,404 in 2019 Q1. This was due to the sale of the 7.13 acre parcel of land located in Nevada County that was part of the Company's former Idaho- Maryland Project. This property was sold at the auction on January 26, 2019 for \$56,000. The disposition of this property resulted in \$56,000 sale proceeds which was applied to settle \$163,856 liability for property taxes including penalty and interest.
- (viii) Increase in other income related to the fair value adjustment for marketable securities from \$NIL in 2018 Q1 to \$714,703 in 2019 Q1. This was due to the increase in share price of the 3,750,000 common shares of Troilus Gold Corporation held by the Company at March 31, 2019.

FINANCIAL DATA FOR THE LAST EIGHT QUARTERS

The following table sets out selected unaudited quarterly financial information of the Company and is derived from the unaudited condensed interim consolidated financial statements prepared by management. The Company's interim financial statements are prepared in accordance with International Financial Reporting Standards and are expressed in US dollars.

	19-Mar	18-Dec	18-Sep	18-Jun	18-Mar	17-Dec	17-Sep	17-Jun
	\$	\$	\$	\$	\$	\$	\$	\$
Total assets	4,267,351	3,632,890	1,518,954	1,246,580	901,534	850,627	811,303	831,222
Revenue	-	-	-	-	-	-	-	-
Gain (loss) from continuing operations	200,395	996,130	(533,005)	(124,108)	(64,794)	(80,793)	(74,447)	(56,546)
Net Income (loss)	200,395	996,130	(533,005)	(124,108)	(64,794)	(80,793)	(74,447)	(56,546)
Working Capital (Deficit)	1,492,598	1,166,648	(549,501)	(564,484)	(530,664)	(468,846)	(318,877)	(252,462)
Gain (loss) per share (Basic and diluted)	0.01	0.05	(0.03)	(0.01)	(0.01)	0.04	0.00	0.00

EXPLORATION AND EVALUATION EXPENDITURES

The Company's current primary focus is to raise funds to advance Casa South Property in Quebec and Golden Arrow Property in Nevada.

The Company acquired the Golden Arrow Property in Nevada in 2018 which is a core asset with significant measured and indicated resources. The Company has consolidated its ownership in the Buckskin Rawhide East Property and subsequently leased the property to Rawhide Mining LLC, who operates the Rawhide Mine. It has consolidated its interest in the Buckskin Rawhide West and Koegel Rawhide Properties and acquired 100% ownership of both.

The Company acquired and sold the Troilus North Property in Quebec to Troilus Gold in 2018 resulting in Emgold owning 3.75 million shares of Troilus Gold. The Company optioned the Casa South Property in Quebec adjacent to Hecla Mining Corporation's operating Casa Berardi Mine and initiated a 3,000 meter drill program, with results pending.

The Company has no current exploration plans of its Stewart and Rozan Properties in British Columbia, and impairments have been recorded bringing the carrying value of both Stewart and Rozan properties to \$2. Both B.C. properties are held until 2023 without additional exploration work and the Company's goal is to lease them to a third party to advance exploration activities on them.

The Company is also evaluating acquisition opportunities of other assets in the U.S. and Canada, should funding be available.

	Buckskin Rawhide East	Buckskin Rawhide West	Koegel Property	BC Properties	Nevada Golden Arrow Property	Casa South	Total
Property Acquisition Costs							
Balance as at January 1, 2018	324,052	110,029	110,030	2	-	-	544,113
Acquisitions	-	30,000	30,000	-	-	-	60,000
Royalty payments received	(10,000)	-	-	-	-	-	(10,000)
Balance as at March 31, 2018	314,052	140,029	140,030	2	-	-	594,113
Balance as at January 1, 2019	314,052	140,029	140,030	2	537,870	-	1,131,983
Acquisitions	-	-	-	-	25,000	112,677	137,677
Royalty payments received	-	-	-	-	-	-	-
Balance as at March 31, 2019	314,052	140,029	140,030	2	562,870	112,677	1,269,660

	Buckskin Rawhide East	Buckskin Rawhide West	Koegel Property	Other Prospect	Nevada Golden Arrow Property	Casa South	Total
Exploration and Evaluation Expenditures							
Balance as at January 1, 2018	3,515	6,024	-	29,016	-	-	38,555
General property search	-	-	-	10,550	-	-	10,550
Balance as at March 31, 2018	3,515	6,024	-	39,566	-	-	49,105
Balance as at January 1, 2019	-	3,725	5,580	-	59,639	-	68,944
Carrying costs	-	-	-	-	37,019	48,955	85,974
Balance as at March 31, 2019	-	3,725	5,580	-	96,658	48,955	154,918

LIQUIDITY

The Company is an exploration stage company and has not earned revenue from operating activities since inception. Financing of operations has been achieved by equity and debt financing. As at March 31, 2019, the Company had \$17,161 in cash and \$2,776,351 in marketable securities, and working capital of \$1,492,598. The Company has no operations that generate cash inflow.

Management intends to maintain the working capital and to finance its operating costs through a private placement of common shares. While the Company has a history of financing its operations through debt or equity financing in the past, readers are cautioned that there are no guarantees that the Company can do so in the future.

Cash used in operating activities during the three months ended 31 March 2019 totaled \$685,555 (31 March 2018 –\$8,756). The increase in 2019 was due to the increase in exploration in newly acquired Golden Arrow property and Casa South property, consulting, professional and administrative expenditures as a result of successful completion of several tranches of financings in during the first quarter of fiscal 2019.

Cash raised from financing activities during the three months ended 31 March 2019 totaled \$541,856 (31 March 2018 – NIL). The increase in 2019 was due to the successful completion of several tranches of financings in the first quarter of fiscal 2019.

Cash (used) from investing activities during the three months ended 31 March 2019 totaled \$(42,182) (31 March

2018 – \$2,707). The increase in 2019 was due to the cash payments for the newly acquired Golden Arrow and Casa South properties.

The Company is not subject to external capital requirements and does not have any capital commitments as of the date of this MD&A.

BUSINESS UPDATE

Mindora Property, Nevada

On May 21, 2019, the Company signed a Letter of Intent (the “LOI”) with Nevada Sunrise LLC, a private Nevada company, giving it the right to purchase 12 unpatented mining (the “NS Claims”). The Company has also signed a second Letter of Intent with BL Exploration LLC, a second private Nevada company, giving it the right to purchase 18 unpatented mining claims (the “BL Claims”). Together, the 30 unpatented mining NS Claims and BL Claims make up the Mindora Property (the “Property”).

The Property is a gold/silver and base metal property located 20 miles southeast of Hawthorne, Nevada. The gold-silver zone is an epithermal, carbonate-hosted, structurally controlled deposit in the Luning Limestone Formation. The gold-silver zone overlies a porphyry system with molybdenum mineralization. There is also evidence of copper skarn and copper porphyry mineralization on the Property.

Terms of the Nevada Sunrise LLC Transaction

Engold has agreed to purchase a 100 percent interest in the 12 unpatented mining NS Claims from Nevada Sunrise LLC under the following terms:

1. US\$50,000 on closing;
2. US\$25,000 per year on the anniversary date of the closing for a period of four years. Total purchase price of US\$150,000.

Terms of the BL Exploration LLC Transaction

Engold has agreed to purchase a 100 percent interest in 18 unpatented mining BL Claims from BL Exploration LLC for US\$50,000, due at closing. The BL Claims will be subject to a US\$20,000 per year advance royalty. Engold will assign a 2% NSR royalty to BL Exploration. Engold will have the option of acquiring one half of the 2% NSR for US\$200,000 on or before the fifth anniversary of the closing of the transaction. Should Engold not exercise this option, it will have a second option of acquiring ½ of the 2% NSR for US\$500,000 after the fifth anniversary and before the ninth anniversary of the closing of the transaction.

Both the Nevada Sunrise LLC and BL Exploration LLC transactions are subject, amongst other conditions, to completion of a definitive agreement and regulatory approval by the TSX Venture Exchange.

Casa South Property, Quebec

On April 24, 2019, the Company completed 3,021 m of diamond drilling at the Casa South Property. Core logging is underway and initial samples have been sent for assaying, with assays pending. The main objective of the drill program was to test the Kama Trend gold bearing structure located just to the south of the Property boundary with Hecla Mining Corporation’s (NYSE: HL) Casa Berardi Mine. The Kama Trend structure is a 7 km long by 2 km wide east-west gold bearing structure discovered in the 1980’s. It hosts numerous anomalous gold zones with historic assays above 300 ppb gold. The Kama Trend is a carbonatized andesite containing up to 7% arsenopyrite with variable amounts of pyrite. Holes CS-19-01, CS-19-02, CS-19-04, CS-19-05, CS-19-06, CS-19-07, and CS-19-08 all intersected the Kama Trend structure with variable widths from 4.5 m up to 18.3 m. In addition, Hole CS-19-03 shows a volcanic breccia in interval 99 m to 114 m with 10% quartz-carbonate veining hosting 5-10% sulfides and ankerite replacement by arsenopyrite. Moreover, numerous cases of ductile deformation have been observed in most holes indicating that other mineralizing events may have occurred.

New York Canyon Property, Nevada

On May 28, 2019, the Company announced it had signed a Letter of Intent (the “LOI”) with Searchlight Resources Inc. (TSXV: SCLT) (“Searchlight”) giving it the option to acquire a 100% interest in the New York Canyon Property, NV (the “Property”), subject to underlying royalties. The Property includes 21-patented mineral claims and 60-unpatented mining claims, along with a significant database of historic information. Total historic drilling on the Property, to date, is 234 holes totaling 139,056 ft. (43,384 m). The Property has three main exploration targets – Longshot Ridge, Champion, and Copper Queen representing oxide and sulfide skarn and copper/molybdenum porphyry targets. Historic drill-hole MN-42, drilled by the Continental Oil Company (“Conoco”) in 1977, intersected 1,020 ft. (311m) of 0.41% Cu, 0.012% Mo, 4.5 ppm Ag, and 0.1 ppm Au from 560 ft. (171 m) to 1,580 feet (482 m) (true width unknown) at the Copper Queen prospect. A 2010 Technical Report, completed by Searchlight, outlined a National Instrument 43-101 (“NI 43-101”) compliant indicated resource of 16.3 million tons (14.8 million tonnes) of 0.43% Cu and an inferred resource of 2.9 million tons (2.6 million tonnes) at 0.31% Cu, using a cut-off grade of 0.20% Cu, at the Longshot Ridge copper oxide skarn prospect.

The claims are divided into two groups – the North and South Groups. The North Group of claims covers historic past producing copper operations and gold occurrences and is adjacent to the past producing Santa Fe Gold Mine owned by Victoria Gold Corporation (TSX:V: VIT) (“Victoria Gold”). The Santa Fe deposit was discovered in the late 1970’s and mined by Corona Gold in the late 1980’s and early 1990’s. Victoria Gold reports in excess of 350,000 ounces of gold and 700,000 ounces of silver were recovered at the Santa Fe Mine before its closure was initiated in 1994 (source: Victoria Gold website at www.vitgoldcorp.com). Note that the vicinity of the Property to a past producing mine does not guarantee exploration success at the New York Canyon Property.

The South Group of claims hosts the Longshot Ridge, Champion, and Copper Queen deposits, which host copper skarn oxide, copper skarn sulfide, and copper sulfide porphyry mineralization. The discovery of these deposits dates back to 1875 and historic production, by the Wall Street Copper Company during 1906-1929, came from a number of small surface showings in the Longshot Ridge area. Historic production is estimated to be 8.9 million pounds (4.04 million kg) of copper at an average grade of 5.5% (source: Searchlight website at www.searchlightresources.com).

Copper mineralization is hosted primarily within the Triassic-age Gabbs Formation limestone sequence with some within the underlying Triassic-age Luning Formation limestone units and overlying Jurassic-age Sunrise Formations limestone sequence. Mineralization in skarns is adjacent to Cretaceous age felsic intrusive rocks.

Terms of the New York Canyon Transaction

Emgold has agreed to purchase a 100 percent interest in the 21-patented and 60-unpatented mining claims from Searchlight (the “Transaction”) under the following terms:

1. C\$10,000 on signing the LOI;
2. C\$40,000 on closing of the Transaction;
3. C\$500,000 in common shares of the capital of Emgold at the date of closing, with the share price based on the 30-day volume weighted average price of the Company’s share immediately prior to the announcement of the Transaction;
4. C\$100,000 within 6 months of the date of closing;
5. C\$100,000 within 12 months of the date of closing;
6. C\$100,000 within 18 months of the date of closing.

The Transaction is subject, amongst other conditions, to completion of a definitive agreement and regulatory approval by the TSX Venture Exchange.

Financing Activities

On April 26, 2019, the Company completed a third and final tranche of a non-brokered private placement (the "Financing") by the issuance of 1,808,817 units (each a "Unit") issued at a price of CDN\$0.12 per Unit for gross proceeds of CDN\$217,058.04. Together with the first and second tranche of the Financing, closed on March 8 and March 28, 2019 respectively, the Company has raised aggregate gross proceeds of CDN\$948,806.04.

Each Unit consists of one (1) common share (a "Share") of the Company and one (1) non-transferable share purchase warrant (a "Warrant"). Each Warrant will entitle the holder to purchase, for a period of 24 months from the date of issuance, one (1) additional Share of the Company at a price of CDN\$0.17 per Share (each a "Warrant Share"). The Shares to be issued in connection with the Financing, including the Warrant Shares to be issued upon exercise of the Warrants, will be subject to a minimum statutory hold period of four months. The Financing is subject to TSX Venture Exchange (the "Exchange") approval.

Finders' fees (the "Finders' Fees") of \$10,728.00 were paid and 98,800 warrants (the "Finders' Warrants") were issued in conjunction with this tranche of the Financing. As a correction to Emgold's press release dated March 28, 2019, Funder's Fees of \$6,240 were paid and 52,000 Finders' Warrants were issued in conjunction with the second tranche of the Financing. These combined Finders' Warrants will entitle the holder to purchase, for a period of 24 months from the date of issuance, 150,800 shares of the Company at a price of \$0.17 per Share. Funder's Warrants will be subject to a minimum statutory hold period of four months.

Proceeds of the Financing will be used for general working capital purposes, property acquisition, and for exploration of Emgold's properties in Quebec and Nevada.

On May 10, 2019, the Company announces it has completed a second and final tranche of a non-brokered flow-through private placement (the "FT Financing") by the issuance of 1,452,500 units (each a "FT Unit") of the Company issued at a price of CDN\$0.20 per Unit for gross proceeds of \$290,500. Together with the first tranche of the FT Financing, closed on April 5, 2019, the Company has raised aggregate gross proceeds of CDN\$545,500.

Each Unit will consist of one common share issued as a flow-through share (a "FT Share") of the Company and one half non-transferable share purchase warrant (a "FT Warrant"). Each full FT Warrant will entitle the holder to purchase, for a period of 12 months from the date of issuance, one additional common share of the Company at a price of CDN\$0.25 per share (the "FT Financing"). All FT Shares issued in conjunction with the FT Financing and common shares to be issued upon exercise of the FT Warrants will be subject to a statutory four month hold from the date of issuance.

The FT Shares will entitle the holder to receive the applicable tax benefits, in accordance with the provisions of the Income Tax Act (Canada). Proceeds of the FT Financing will be used for qualifying exploration on the Company's Canadian properties including the Casa South Property in Quebec.

Finders' Fees of CDN\$23,690 were paid and 92,500 warrants (the "Finders' Warrants") were issued in conjunction with this tranche of the FT Financing. The Finders' Warrants will entitle the holder to purchase, for a period of 12 months from the date of issuance, 92,500 additional common shares of the Company at a price of \$0.25 per common share..

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have off-balance sheet arrangements.

PROPOSED TRANSACTIONS

Other than the transactions described in the Business Update Section, the Company does not have any proposed transactions that have material impacts to the Company at this time.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company has 46,835,329 shares and 21,101,897 share purchase warrants outstanding. The Company has 4,500,000 options outstanding as at the date of this MD&A.

TRANSACTIONS WITH RELATED PARTIES

Related party transactions and balances not disclosed elsewhere in the consolidated financial statements are as follows:

RELATED PARTY DISCLOSURE

Name and Principal Position	Period ⁽ⁱ⁾	Remuneration or fees ⁽ⁱⁱ⁾
	2019	\$ 37,500
David Watkinson, CEO and President – salary	2018	\$ 23,125
	2019	\$ 12,000
David Watkinson, CEO and President – benefits and allowance	2018	\$ -
	2019	\$ -
David Watkinson, CEO and President – fair value of share-based compensation	2018	\$ -
	2019	\$ 30,000
Robert Rosner, CFO and director – management fees	2018	\$ -
	2019	\$ -
Robert, Rosner, CFO and Director – fair value of share-based compensation	2018	\$ -
	2019	\$ -
Clearline CPA, A company of which Grant Smith, the ex-CFO is a director – management fees	2018	\$ 7,115
	2019	\$ -
Clearline CPA, A company of which Grant Smith, the ex-CFO is a director – bookkeeping	2018	\$ 2,599

(i) For the three months ended 31 March 2019 and 2018.

(ii) Amounts disclosed were paid or accrued to the related party.

As at March 31, 2019, the Company owed Bill Witte, the ex-director for CDN\$5,000. This loan bear interest at 1% per month and are repayable on demand.

The following table reports amounts included in due to related parties.

	31 March 2019	31 December 2018
David Watkinson, the CEO	\$ 365,436	\$ 222,786
Robert Rosner, the CFO	(591)	20,000
Clearline CPA, ex-CFO	-	76,123
Andrew MacRitchie, Director	-	4,704
Bill Witte, ex-Director	4,911	4,704
Sequoia Corporate Service, Corporate Secretary	9,838	-
	\$ 379,594	\$ 263,608

All related party balances are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties. Amounts due to related parties are unsecured, non-interest bearing and due on demand.

CHANGES IN ACCOUNTING POLICIES

Refer to the Note 3 to the Company’s audited financial statements for the year ended December 31, 2018.

FINANCIAL INSTRUMENTS

Refer to the Note 3(b) to the Company's audited financial statements for the year ended December 31, 2018.

RISK FACTORS

Risks of the Company's business include the following:

Financing of Existing and Future Operations

With no source of revenue, the Company has negative cash flow from operations and raises funds for operations through equity financings or through sale or lease of assets. The Company's ability to raise funds for existing and continuing operations and future exploration and development of its properties cannot be guaranteed.

Mining Industry

The exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices which are highly cyclical and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection.

The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. Mining operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of ore, including unusual and unexpected geology formations, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability.

The Company's mineral exploration activities are directed towards the search, evaluation and development of mineral deposits. There is no certainty that the expenditures to be made by the Company as described herein will result in discoveries of commercial quantities of ore. There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will compete with other interests, many of which have greater financial resources than it will have for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production from successful exploration efforts.

Government Regulation

The exploration activities of the Company are subject to various federal, provincial and local laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substance and other matters. Exploration activities are also subject to various federal, provincial and local laws and regulations relating to the protection of the environment. These laws mandate, among other things, the maintenance of air and water quality standards, and land reclamation. These laws also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste.

Although the Company's exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration, mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company.

Permits and Licenses

The exploitation and development of mineral properties may require the Company to obtain regulatory or other permits and licenses from various governmental licensing bodies. There can be no assurance that the Company will be able to obtain all necessary permits and licenses that may be required to carry out exploration, development and mining operations on its properties.

Environmental Risks and Hazards

All phases of the Company's mineral exploration operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees.

There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present, which have been caused, by previous or existing owners or operators of the properties. The Company may become liable for such environmental hazards caused by previous owners and operators of the properties even where it has attempted to contractually limit its liability. Government approvals and permits are currently, and may in the future be, required in connection with the Company's operations. To the extent such approvals are required and not obtained; the Company may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties. Production of mineral properties may involve the use of dangerous and hazardous substances such as sodium cyanide. While all steps will be taken to prevent discharges of pollutants into the ground water the environment, the Company may become subject to liability for hazards that cannot be insured against.

Commodity Prices

The profitability of mining operations is significantly affected by changes in the market price of gold and other minerals. The level of interest rates, the rate of inflation, world supply of these minerals and stability of exchange rates can all cause significant fluctuations in base metal prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments. The price of gold and other minerals has fluctuated widely in recent years, and future serious price declines could cause continued commercial production to be impracticable.

Depending on the price of gold and other minerals, cash flow from mining operations may not be sufficient. Any

figures for reserves presented by the Company will be estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Market fluctuations and the price of gold and other minerals may render reserves uneconomical. Moreover, short-term operating factors relating to the reserves, such as the need for orderly development of the ore bodies or the processing of new or different grades of ore, may cause a mining operation to be unprofitable in any particular accounting period.

Uninsured Risks

The Company may carry insurance to protect against certain risks in such amounts as it considers adequate. Risks not insured against include environmental pollution or other hazards against which such corporations cannot insure or against which they may elect not to insure.

Conflicts of Interest

Certain of the directors of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

Property Title

Although the Company has obtained title opinions with respect to certain of its properties, there may still be undetected title defects affecting such properties. Accordingly, such properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects which could have a material adverse impact on the Company's operations.

FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they make. Investors should be aware that inherent limitations on the ability of the Company's certifying officers to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

In connection with Exemption Orders issued in November 2007 and revised in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificate under National Instrument ("NI 52-109") (Certification of Disclosure in Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

INVESTOR RELATIONS ACTIVITIES

With respect to investor and public relations, the Company provides information from its corporate offices to investors and brokers through its website and SEDAR without the use of an investor relations firm.

APPROVAL

The Board of Directors of Emgold Mining Corporation has approved the disclosure contained in this quarterly MD&A. A copy of this quarterly MD&A will be provided to anyone who requests it and can be located, along with additional information, on the SEDAR website at www.sedar.com.

CAUTION ON FORWARD-LOOKING INFORMATION

This annual MD&A contains "forward-looking statements". These forward-looking statements are made as of the date of this annual MD&A and the Company does not intend, and does not assume any obligation, to update these forward-looking statements.

Forward-looking statements may include, but are not limited to, statements with respect to the ongoing viability of the Company, the Company's ability to raise capital, future remediation and reclamation activities, future mineral exploration, the estimation of mineral reserves and mineral resources, the realization of mineral reserve and mineral resource estimates, the timing of activities and the amount of estimated revenues and expenses, the success of exploration activities, permitting time lines, requirements for additional capital and sources and uses of funds.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of financing activities, exploration activities; actual results of remediation and reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of gold and other commodities; the state of capital markets; possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of exploration and development activities.

Respectfully submitted
On behalf of the Board of Directors

"David Watkinson"

David Watkinson
President & CEO