

Emgold and Rio Tinto PLC (Kennecott Exploration) Sign Earn-In with Option to Joint Venture Agreement for the New York Canyon Property, NV

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VANCOUVER, February 11, 2020 - [Emgold Mining Corp.](#) (TSXV:EMR) (OTC:EGMCF) (FRA:EMLM) ("Emgold" or the "Company") announces it has signed an Earn-In with Option to Joint Venture Agreement (the "Agreement") with Kennecott Exploration Company ("Kennecott"), a subsidiary of Rio Tinto PLC (RIO:L) (RIO.AX) (RIO.N), for the New York Canyon Property, Nevada (the "Property"). The Property hosts both copper oxide skarn and copper-molybdenum-gold-silver sulfide porphyry mineralization in three known targets - Longshot Ridge, Copper Queen, and Champion. Kennecott can earn up to a 75% interest in the Property by completing US\$22.5 million in exploration expenditures.

Key points of the Agreement include:

- Kennecott will have an option (the "First Option") to acquire a 55% undivided interest in the Property by incurring US\$5.0 million in expenditures over a 5 year period, of which US\$1.0 million is a committed expenditure that must be completed prior to the 18 month anniversary of the Agreement.
- Kennecott will have a second option (the "Second Option") to earn an additional 10% undivided interest in the Property (for a total of 65%) by incurring an additional US\$7.5 million in expenditures over a 3 years period.
- Kennecott will have a third option (the "Third Option") to earn an additional 10% undivided interest in the Property (for a total of 75%) by incurring an additional US\$10 million in expenditures over a three year period.
- Any expenditure in excess of an option expenditure requirement in a given time period will be credited against subsequent option expenditure requirements. Kennecott may, at any time or from time to time, accelerate its satisfaction of the First, Second, or Third Option by paying Emgold money in lieu of incurring expenditures.
- While earning in, Kennecott will have the right to make exploration and development decisions.
- Kennecott must maintain the Property in good standing during the option period(s), including payment of BLM and County maintenance fees and any underlying property payments due to Searchlight Resource Corporation (TSXV: SCLT) ("Searchlight"). Emgold currently has an underlying agreement to acquire a 100 percent interest in the New York Canyon Property from Searchlight, which required three payments over an 18 month period totaling CDN\$300,000 (see Emgold's July 16, 2019 press release).
- Kennecott will have the right to elect to form a joint venture (the "Joint Venture") with Emgold upon completion of either the First, Second, or Third Option. Upon establishing a Joint Venture each participant will fund the joint venture according to its participating interest, with Kennecott acting as the Manager of the joint venture. If a party's participating interest falls below 10%, then such parties participating interest will be converted to a 1% Net Smelter Royalty, capped at US\$25 million.

In addition, Kennecott has staked 265 unpatented mineral claims at New York Canyon. This is in addition to Emgold's 152 unpatented mining claims and 21 patented mining claims. The 417 unpatented claims and 21 patented claims, totalling approximately 8,700 acres, are now combined under the Agreement and make up the Property.

David Watkinson, President and CEO of Emgold stated, "The Agreement with Kennecott represents another successful example of Emgold's business strategy of acquiring assets, adding value and monetizing them through sale, option, joint venture or other business transactions. In this case, we are pleased to have Kennecott earn-in and, if successful, become a joint venture partner with Emgold and take the lead to advance New York Canyon."

Qualified Person

Robert Pease, C.P.G., a qualified person under the NI 43-101 instrument, has reviewed and approved the content of this press release.

About Emgold

Emgold is a junior gold and base metal exploration company focused on Nevada and Quebec, the #1 and #4 jurisdictions for mining investment according to the Fraser Institute's Annual Survey of Mining Companies, 2018. The Company's strategy is to look for quality acquisitions, add value to these assets through exploration, and monetize them through sale, joint ventures, option, royalty, and other transactions to create value for our shareholders. Our Nevada properties, owned or under option, include Golden Arrow, New York Canyon, Mindora, Buckskin Rawhide East, Buckskin Rawhide West, and Koegel Rawhide. Our Quebec properties, owned or under option, include Casa South and a 50% interest in the East-West Property (with option to increase ownership to 55%).

The Casa South Property is adjacent to Hecla Mining Corporation's (NYSE: HL) operating Casa Berardi Mine. Buckskin Rawhide East is an inlying property to Rawhide Mining LLC's operating Rawhide Mine. East-West is adjacent to and on strike with Wesdome Gold Mine Ltd.'s (TSX: WDO) Kiena Complex (past producing Kiena Mine) and Osisko Mining Corporation's (TSX: OSK) Marban Block (past producing Marban, Norlartic, and Kierrans Mines). Note that the location of Emgold's properties adjacent to producing or past producing mines does not guarantee exploration success at Emgold's properties. Emgold also has a strategic share investment in 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 website at www.emgold.com or view the Company's filings available at www.sedar.com.

On behalf of the Board of Directors
David G. Watkinson, P.Eng.
President & CEO

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Certain statements made and information contained herein may constitute "forward looking information" and "forward looking statements" within the meaning of applicable Canadian and United States securities legislation. These statements and information are based on facts currently available to the Company and there is no assurance that actual results will meet management's expectations. Forward-looking statements and information may be identified by such terms as "anticipates", "believes", "targets", "estimates", "plans", "expects", "may", "will", "could" or "would". Forward-looking statements and information contained herein are based on certain factors and assumptions regarding, among other things, the estimation of mineral resources and reserves, the realization of resource and reserve estimates, metal prices, taxation, the estimation, timing and amount of future exploration and development, capital and operating costs, the availability of financing, the receipt of regulatory approvals, environmental risks, title disputes and other matters. While the Company considers its assumptions to be reasonable as of the date hereof, forward-looking statements and information are not guarantees of future performance and readers should not place undue importance on such statements as actual events and results may differ materially from those described herein. The Company does not undertake to update any forward-looking statements or information except as may be required by applicable securities laws. The Company's Canadian public disclosure filings may be accessed via www.sedar.com and readers are urged to review these materials, including any technical reports filed with respect to the Company's mineral properties.

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