MANAGEMENT DISCUSSION AND ANALYSIS
SECOND QUARTER ENDED SEPTEMBER 30, 2009

Directors and Officers as at November 13, 2009

Directors:

William Sheriff
William Harris
Steve Vanry
Peter Bosse
Paul Matysek
Art Ettlinger
Robert Eadie
Daniel Wolfus

Officers:

President – Peter Bosse
Chief Operating Officer – Clifford Nelson
Chief Financial Officer – Gary Arca
Chief Technical Officer – Art Ettlinger
Corporate Secretary – Christine Thomson

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MANAGEMENT DISCUSSION AND ANALYSIS
THIRD QUARTER ENDED SEPTEMBER 30, 2009

The following discussion of the operating results, corporate activities and financial condition of EMC Metals Corp. (hereinafter referred to as "EMC", or the "Company") and its subsidiaries is for the three months and nine months ended September 30, 2009. The discussion below should be read in conjunction with unaudited interim consolidated financial statements of EMC for the three and nine months ended September 30, 2009 and with the audited consolidated financial statements and related notes attached thereto for the year ended December 31, 2008.

All dollar figures included in the following Management Discussion and Analysis ("MD&A") are quoted in Canadian dollars unless otherwise indicated. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

This Management's Discussion and Analysis of Financial Condition and Results of Operations contain certain "forward-looking statements". Forward-looking statements include but are not limited to those with respect to the prices of tungsten and gold, the estimation of mineral resources and reserves, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, Government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes" or variations of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of EMC to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, the actual results of current exploration activities, conclusions or economic evaluations, changes in project parameters as plans continue to be refined, possible variations in grade and or recovery rates, failure of plant, equipment or processes to operate as anticipated, accidents, labour disputes or other risks of the mining industry, delays in obtaining government approvals or financing or incompletion of development or construction activities, risks relating to the integration of acquisitions, to international operations, and to the prices of tungsten and other specialty metals. While EMC has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. EMC expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

1.1 <u>Date of Report:</u> November 13, 2009

1.2 Nature of Business and Overall Performance

EMC is a specialty metals and alloys company focusing on tungsten, molybdenum, vanadium, uranium and other specialty metals within North America. Its principal properties are located in the state of Nevada with an additional property located in the province of Ontario.

The company is continuing the advancement of existing projects; specifically the company's flagship property the Springer Tungsten Facility in northwestern Nevada where the General Electric Company built a 1,000 tpd underground mine and mill facility in the early 1980's for its sole domestic supply of tungsten. Springer operated for less than a year when it was shut down due depressed tungsten prices stemming from China's aggressive selling into the market. Since GE placed this operation on care and maintenance in 1982, tungsten has enjoyed an expansive growth in its applications and China has indicated it is receding from its position as the dominant supplier of metal to the world. EMC acquired Springer in late 2006 and has spent approximately $38 million to date on its rehabilitation and expansion.

The Company's focus during the quarter was maintaining the Springer facility, in Pershing County, NV, on a standby mode and continuing metallurgical testing for ongoing process optimization. The company also investigated other unusual metals opportunities.There was no activity on any of the Company's properties other than those described here for Springer.

On August 28, 2009 EMC completed a non-brokered private placement financing of 1,500,000 units of the Company at a price of $0.10 per unit for gross proceeds of $150,000. Each Unit consists of one common share and one half of a non-transferable share purchase warrant. Each full warrant entitles the holder to purchase one common share of the Company at a price of $0.15 per share until August 27, 2010. Net proceeds from the private placement will be used for general working capital.

The Company also appointed Daniel Wolfus as Director during the quarter. Mr. Wolfus joins the Board of EMC with over 28 years of investment banking experience, firstly with E.F. Hutton & Co., where he rose to become a partner and Senior Vice President in charge of the West Coast Corporate Finance Department, responsible for projects which generated over $6 billion in financing for major financial institutions and municipalities. From 1980 to 1997, Mr. Wolfus served as Chairman, CEO and chief organizer of Hancock Savings Bank in Los Angeles. During his term with Hancock Savings, the bank grew to five branches and $225 million in assets before it was sold in 1997.

Mr. Wolfus is currently a director of Evolving Gold Corp., Midway Gold Corp. and Melkior Resources Inc.
"EMC Metals is very fortunate to have Daniel Wolfus join its board. His extensive business and financial background will be invaluable to the Company's ongoing growth and development" said Peter Bosse, the Company's President.

Mr. Wolfus replaces James G.G. Watt, who is retiring from the board of EMC. Mr. Watt has served as a director of the Company since its beginning in 2006 and has been a significant contributor to its growth and development. The Company is pleased to announce that Mr. Watt has agreed to continue to lend his extensive business expertise to the Company as a member of its Advisory Board.

Springer Mine and Mill

During the three and nine months ended September 30, 2009, all equipment to complete the rehabilitation project has been received on site, Metallurgical test work that has proven that the inclusion of a gravity circuit within the current mill flow sheet will facilitate the production of a +65% scheelite product and reduce the mill production costs by about half has been temporarily suspended. In-house and outside laboratory tests on optimizing the gravity circuit design will be restarted when funds are available.

The Company is concentrating its efforts in finding financing to complete the rehabilitation of the Springer mine and mill. Once the financing is in place operations could start within 6 – 8 months. All Federal, State and Local permits have been received.

EMC has received a mineral resource estimate from Dr. Bart Stryhas of SRK Consulting Engineers and Scientists of Lakewood, CO. Dr. Stryhas calculates Indicated and Inferred resources from the Sutton 1 and Sutton 2 historic mines at the Company's Springer Facility as follows:

Resource Category	WO3 % Cut-off	Total Tons(kt)	WO3 %Average Grade	Contained STU's WO3
Indicated	0.30	274	0.619	169,606
Inferred	0.30	1,097	0.562	616,514

This estimate compares favorably with a 1984 historic resource estimate by James Park of the General Electric Company, who estimated 3.59 million tons grading 0.446% WO3 at a 0.2% WO3 cutoff grade for tungsten mineralization at the Sutton 1 and Sutton 2 zones, the O'Byrne mine and a run of mine and mill surge stockpile. The SRK estimate contains fewer resource tons and hence contained STUs of WO3 because the bottom 850 feet of mine workings are flooded, inaccessible and contained less verifiable sampling and drilling than developed levels that are closer to surface. The Company is confident that the SRK recommended program of mine dewatering, additional channel sampling and drilling will deliver additional resource tons that bring the total closer to the historic GE estimates.

Dr. Stryhas is a Principal Resource Geologist with SRK Consulting's Denver Mining Group and a Qualified Person as defined by National Instrument 43-101. He is independent of EMC by all tests of NI 43-101.

Operational Outlook

On March 4, 2009, the Company's shareholders voted in favor of the segregation of its two main business components into separately listed public companies by spinning out its gold and silver focused, precious metals portfolio to a new company Golden Predator Royalty and Development Corp, ("GPD") under a plan of arrangement. On March 6, 2009, the Company received court approval for the arrangement and the Company was renamed to EMC Metals Corp. The Company focuses its efforts as a specialty metals and alloys company targeting primarily tungsten, molybdenum, vanadium and uranium and its primary assets are the fully permitted Springer tungsten mill in Pershing County Nevada, and its portfolio of specialty metals exploration projects.

On February 5, 2009, pursuant to the spin-out a binding memorandum agreement (the "Agreement") was signed between EMC's subsidiary, Great American Minerals, Inc. ("GAM"), and Golden Predator Mines US Inc. (GPUS), a subsidiary of GPD whereby GAM would lease or assign non-core gold mineral properties to GPUS under customary commercial terms. The Agreement was superseded on June 2, 2009.

As a result of the spin-out, the Companies non-core Unproven Mineral Properties were treated as follows:

Gold Properties

Pursuant to the spin-out by memorandum of agreement dated February 5, 2009 between the Company's subsidiary and GPD, all non-core gold mineral properties were leased or assigned to GPD under customary commercial terms as described in definitive agreements dated June 2, 2009 (the "Agreements"). Properties assigned to GPD were as follows:

Phoenix Joint Venture

On December 27, 2007, the parties to the Phoenix JV exercised their option to purchase the Lewis mineral property in Lander County, Nevada by making a cash payment of US$2,000,000 together with the first payment of the advance royalty in the cash amount of US$60,000. These payments were funded by the Company for its 40 per cent stake and by Madison Minerals Inc, the JV partner, for the remaining 60 percent. Pursuant to the Agreement, the Company assigned its 40% interest to GPD for a 4% carried interest in the properties.

High Grade Project

The Company has a lease option agreement on 10 claims located in Modoc County, California. The Company has the option to purchase the property for $500,000, less advanced royalty payments previously paid, and includes a 2% net smelter returns royalty (NSR) retained by the owners. Pursuant to the Agreements, the Company assigned this property to GPD.

Modoc

The Company has a lease and option to purchase two-thirds interest in 12 mineral claims included with the Modoc gold property, located in Lander County, Nevada. The Company owns the remaining one-third interest. In order to maintain the lease interest, the Company paid US$10,000 in March, 2009 and is further required to increase the annual payment by $10,000 up to 2014 and thereafter the annual payment will be $60,000 in addition the Company must incur US$500,000 in work commitments prior to February 1, 2013. The Company may purchase the remaining two-thirds interest in the claims at any time by providing a cash payment of US$2,000,000 and a 0.66% net smelter returns royalty to the vendor, with credit for all payments previously made to vendor. Pursuant to the Agreements, the Company has assigned its 2/3 lease interest of these claims to GPD, and has leased the remaining 1/3 interest to GPD.

Platte River

The Company has a 49% interest in 433 unpatented claims located in Eureka County, Nevada. Pursuant to the Agreements, the Company has assigned its interest to GPD for a 4.9% carried interest in the properties.

Leased Properties

Pursuant to the Agreement, the Company has leased to GPD one property located in White Pine County, Nevada, Treasure Hill, (141 claims), one property located in Lander County, Nevada, Modoc (108 claims) and various properties located in Eureka County, Nevada including: GQ West (24 claims);; Highway (20 claims); JAG (44 claims); Kobeh (18 claims); Trail (30 claims) and UNR Keystone (231 claims) and one property in Modoc Co CA High Grade (150 claims). The lease payment due to the Company (which are detailed for each property separately) totals US$47,500 on the first anniversary; US$95,000 on the second anniversary; US$142,500 on the third anniversary; US$190,000 each year on the fourth to tenth anniversaries; and US$237,500 on each anniversary thereafter. The properties each carry a sliding scale NSR ranging from 2-5% and NSR buyout provisions of US$1-2million each.

Other Properties

Pursuant to the Agreement, the Company has retained over 26 additional properties which it owns and have incurred Acquisition and Deferred development costs of US$975,778.

1.3 Results of Operations for the nine months ended September 30, 2009

As a result of the spin-out transactions, comparative figures shown for prior periods have been restated to reflect only the assets, liabilities and corresponding expenses related to the Company's new business focus.

During the nine months ended September 30, 2009, the Company incurred a loss of $3,338,769 or $0.04 per share as compared to a loss of $8,860,633 or $0.10 per share in the nine months ended September 30, 2008 as follows:

		Nine months ended September 30, 2009		Nine months ended September 30, 2008
EXPENSES				
Accounting and audit	**$**	**201,854**	$	110,324
Advertising and promotion		**45,406**		34,633
Amortization		**495,507**		336,733
Automobile		**28,303**		190,538
Bank charges and interest		**(236,564)**		458,596
Consultants		**274,950**		519,960
Filing and regulatory fees		**86,067**		191,709
Insurance		**281,204**		225,755
Legal fees		**185,906**		625,550
Office, rent and miscellaneous expenses		**181,228**		551,293
Plant supplies and mapping		**36,821**		701,965
Repairs and maintenance		**3,148**		437,293
Salaries and benefits		**817,794**		4,953,563
Stock based compensation		**1,145,562**		951,070
Telephone		**23,417**		50,622
Travel and entertainment		**98,899**		250,004
Utilities		**175,098**		236,725
		(3,844,600)		(10,826,333)
OTHER ITEMS				
Foreign exchange gain (loss)		**667,807**		(476,629)
Other income		**111,868**		323,827
Interest income (Note 4)		**20,366**		197,193
Recovery of expenses (Note 1)		**357,583**		-
Gain on insurance proceeds		**-**		972,761
Loss on sale of marketable securities		**(1,151,725)**		-
Loss on disposal of mineral property		**-**		(31,108)
Write off of exploration expenditures		**(68,325)**		-
		(62,426)		986,044
FUTURE INCOME TAX RECOVERY		**568,257**		979,656
LOSS FOR THE PERIOD	**$**	**(3,338,769)**	$	(8,860,633)

In the prior period ended September 30, 2008, the Company was ramping up the Springer plant facility in Pershing County, Nevada, for operation, which included the processing of ore and mining of the specialty metals tungsten and vanadium. As a result, the Company incurred costs related to the start up of the Springer mine facility which were not incurred in the current period ended September 30, 2009 as the Springer mine operations were halted and placed in a "standby mode" in the 3rd quarter of 2008. These costs in the prior period included: plant supplies and mapping, which decreased by $665,144; repairs and maintenance, which decreased by $434,145; and a large portion of salaries and benefits, which decreased by $4,135,769.

Pursuant to the spin-out, the Company's operations were effectively split out between the Company and GPD as at March, 2009. As a result, there was a decrease in most expenses related to corporate administration and to operating expenses related to exploration and development as compared to the previous quarter and the comparative period in the prior year. In accounting for the spin-out, the statement of operations and deficit reflects an allocation of the Company's general and administrative expenses incurred in each of these periods. The allocation of general and administrative expenses was calculated on the basis of the ratio of the assets transferred to GPD compared to the total assets of the Company as at December 31, 2008. In conjunction with this calculation, certain pre-spin out expenses, by agreement, were allocated to GPD and reimbursed by GPD in the current period. The amount of $357,583 is shown as a recovery of expenses for the period ended September 30, 2009, related to this allocation. While all expenses have been affected by the spin-out, the most significant decreases were reflected in: Office, rent and miscellaneous expenses, a decrease of $370,065; travel and entertainment, a decrease of $151,105; and a component of salaries and benefits, which decreased as stated above.

In addition to the above changes, significant changes from the nine months ended September 30, 2008 in other items occurred due to the following:

- Accounting and audit increased by $91,530 due to the additional costs related to the spin-out and restructuring of the Company;
- Amortization increased by $158,774 due to the amortization of non fixed equipment and assets at the Springer mine and related to the Cosgrave property, which were not at the same level or which did not exist in the prior period;
- Insurance increased by $55,449 due to the full costs of insuring the Springer mine operations and Cosgrave, which are still incurred even in the standby mode;
- Interest expense decreased by $695,160 to a recovery of $236,564 as a result of a recovery of interest of approximately $605,000 (approx. US$502,000). This recovery was due to the renegotiation and settlement of the GAM debenture resulting in the extinguishment of a portion of the accrued interest and penalties;
- Legal fees decreased by $439,644 due to fewer capital transactions and acquisitions in the current period and due to the use of in-house counsel for a large part of the legal requirements in the current period;
- The Company experienced a realized loss on the transfer of the majority of its gold related marketable securities to GPD pursuant to the spin-out, accounting for the majority of the $1,151,725 loss reflected above; and
- Current and future income tax recovery of $568,257 includes non-cash adjustments at the consolidation of the entities to account for differences between the tax and the accounting base of assets and liabilities and additional losses carried forward.

Non-cash stock based compensation expense increased by $194,492 from the prior. This amount reflects the fair value calculated of the stock options granted and vested during the period and the Company experienced an increase in the period due to the accelerated expensing of various options which were granted over the past year and which vest over an 18 month period. The Company uses the Black-Scholes option valuation model to calculate the fair value of share purchase options at the date of grant.

Cash flow deficit from operating activities was $1,039,235 during the period ended September 30, 2009, compared to a deficit of $9,924,618 for the period ended September 30, 2008. Cash flow from operating activities is determined by removing non-cash expenses from the net loss and adjusting for non-cash working capital amounts. Overall cash and equivalents decreased during the period ended September 30, 2009 by $774,080 in the period compared to a decrease of $18,286,457 in the prior year period ended September 30, 2008. In the current period, the Company incurred $956,936 in investing activities, which include the acquisition of property, plant and equipment and exploration and development activities, offset by the net sale of marketable securities of $158,954. The Company received capital through the repayment of the $1,000,000 Midway loan and receipt of $201,892 in advances repaid from related parties.

Financings, Principal Purposes & Milestones

On August 28, 2009, the Company issued 1,500,000 units at a value of $0.10 per unit, pursuant to a non-brokered private placement, for proceeds of $150,000. Each unit consists of one common share and one-half of a share purchase warrant. Each full warrant entitles the holder to purchase an additional share at $0.15 per share until August 27, 2010.

Share Subscriptions received

Subsequent to September 30, 2009, the Company completed a private placement to issue 13,000,000 units at $0.08 per unit for gross proceeds of $1,040,000. Each unit consists of one common share and one-half of a share purchase warrant. Each full warrant entitles the holder to purchase an additional share for $0.15 per share for one year. As of September 30, 2009, the Company had received $571,000 of restricted cash pursuant to this financing.

1.4 Selected Annual Information

Fiscal Year ended December 31	2008	2007
Net Sales	Nil	Nil
Net Loss	$ 5,536,197	$ 2,970,631
Basic and diluted net loss per share	$ 0.11	$ 0.24
Total Assets	$ 65,841,335	$ 50,834,576
Total Long-term liabilities	$ 6,361,434	$ 2,545,451
Cash dividends per common share	N/A	N/A

The Company's recorded net loss for each of the two years has fluctuated, with an increase in the most recently completed fiscal year. This change is directly correlated with the significant increase in business and refurbishment activities undertaken by the Company during 2008.

1.5 Summary of Quarterly Results

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	2009				2008			2007
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Net Sales	-	-	-	-	-	-	-	-
Net Income (Loss)	(548,203)	(701,957)	(2,101,500)	3,451,539	(6,231,231)	(730,063)	(2,026,442)	(903,164)
Basic and diluted Net Income (Loss) per share	(0.01)	(0.01)	(0.03)	0.02	(0.10)	(0.02)	(0.11)	(0.08)

1.6 Liquidity and Capital Resources

At September 30, 2009, the Company had working capital of $739,065 and cash and cash equivalents of $872,494 as compared to working capital deficit of $2,715,842 and cash and cash equivalents of $1,646,574 at

December 31, 2008. Further, at September 30, 2009, the Company held marketable securities with a market value of $160,083 (2008 - $45,000).

At September 30, 2009, the Company has an aggregate 20,545,135 share purchase warrants exercisable, between US$0.30 and $2.68 per share which have the potential upon exercise to convert to $44,878,352 in cash over the next three years. Further, a total of 10,608,617 stock options exercisable between $0.20 and $2.24 have the potential upon exercise to generate a total of $3,756,111 in cash over the next five years. There is no assurance that these securities will be exercised.

The Company's continued development is contingent upon its ability to raise sufficient financing both in the short and long term. There are no guarantees that additional sources of funding will be available to the Company in the amount that the Company requires. Management is committed to pursuing all possible sources of financing in order to execute its business plan. The Company continues its cost cutting measures to conserve cash to meet its operation obligations. (See section 1.3 - *Financings, Principal Purposes & Milestones* for financing activity).

1.7 Outstanding share data

At the date of this report the Company has 77,649,584 issued and outstanding common shares, 9,402,225 outstanding stock options (4,510,551 currently vested) at weighted average exercise price of $0.31, and 21,477,245 outstanding warrants at weighted average exercise price of $2.10.

1.8 Off-Balance Sheet Arrangements

At September 30, 2009, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

1.9 Transactions with Related Parties

The Company entered into management services agreements with corporations controlled by a director and an officer under which the Company paid $129,847 during the first nine months ended September 30, 2009.

As at September 30, 2009, $201,892 (2008 – nil) was due to a related party for expenditures paid by the related party on the Company's behalf. The company and the related party share office facilities and certain staff on an on-going basis. All amounts are billed on a cost-recovery basis.

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

1.10 Proposed Transactions

There is no proposed transaction outstanding other than what has been disclosed.

1.11 Initial Adoption of IFRS

In February 2008, the Accounting Standards Board ("AcSB") confirmed that Canadian GAAP for publicly accountable enterprises will be converged with IFRS effective in calendar year 2011, with early adoption allowed starting in calendar year 2009. IFRS uses a conceptual framework similar to Canadian GAAP, but there are significant differences on recognition, measurement and disclosures. In the period leading up to the changeover, the AcSB will continue to issue accounting standards that are converged with IFRS, thus mitigating the impact of adopting IFRS at the changeover date. The International Accounting Standard Board (IASB) will also continue to issue new accounting standards during the conversion period, and as a result, the final impact of IFRS on the Company's consolidated financial statements will only be measured once all the IFRS applicable at the conversion date are known.

For the Company, the changeover to IFRS will be required for interim and annual financial statements beginning on January 1, 2011. As a result, the Company has developed a plan to convert its Consolidated Financial Statements to IFRS. The Company will be monitoring the impact of the transition on its business practices, systems and internal controls over financial reporting.

A detailed analysis of the difference between IFRS and the Company's accounting policies as well as an assessment of the impact of various alternatives are in progress. Changes in accounting policies are likely and may materially impact the Company's Consolidated Financial Statements.

1.12 Financial Instruments and Other Risks

The Company's financial instruments consist of cash and cash equivalents, short-term investments, receivables, long-term investments, non-refundable deposit, reclamation bond and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. The fair market values of these financial instruments approximate their carrying values, unless otherwise noted.

The financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents. The Company places its cash and cash equivalents with high quality financial institutions, thereby minimizing exposure for deposits in excess of federally insured amounts. The Company believes that credit risk associated with cash is remote.

In conducting business, the principal risks and uncertainties faced by the Company centre on exploration and development, metal and mineral prices and market sentiment.

The prices of metals and minerals fluctuate wildly and are affected by many factors outside of the Company's control. The relative prices of metals and minerals and future expectations for such prices have a significant impact on the market sentiment for investment in mining and mineral exploration companies. The Company relies on equity financing for its working capital requirements and to fund its exploration programs. There is no assurance that such financing will be available to the Company, or that it will be available on acceptable terms.

1.13 Disclosure controls and Procedures

The Chief Executive Officer and Chief Financial Officer, of the Company have evaluated or caused to be evaluated for effectiveness the Company's disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR) which have been designed or caused to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP.

The Company took into consideration the following three characteristics common to companies of a similar size:

- The limited number of personnel in smaller companies, which constrains the Company's ability to fully segregate conflicting duties;
- The Company relies on an active Board and management with open lines of communication to maintain the effectiveness of the Company's disclosure controls and procedures.
- The dynamic and evolving nature of smaller companies, which limits their ability to have static processes that are well-documented.

In addition, management has relied upon certain informal procedures and communication, and upon "hands-on" knowledge of senior management to maintain the effectiveness of disclosure controls and procedures; and also has engaged outside consultants to assist in the continual improvement and upgrading of the design and evaluation of its DC&P and ICFR.

As a result of the evaluation, the Company has concluded that the DC&P and ICFR are effective as required by its current size, and in compliance with the recommendations of National Instrument 52-109. However, there can be no assurance that the risk of a material misstatement in the annual financial statements can be reduced to less than a remote likelihood.

1.14 Internal controls and Procedures over Financial Reporting

Management is also responsible for the design of the Company's internal control over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles. As is common in small companies, the lack of segregation of duties and effective risk assessment are areas where weaknesses may exist. The potential existence of these weaknesses is compensated by senior management monitoring. It should be noted that a control system, no matter how well conceived or operated, can only provide reasonable assurance, not absolute assurance, that the objectives of the control system are met.

1.15 Additional Information – Risk Factors

Prior to making an investment decision investors should consider the investment risks set out below and those described elsewhere in this document, which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of the Company consider the risks set out below to be the most significant to potential investors in the Company, but are not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Directors are currently unaware, or which they consider not to be material in relation to the Group's business, actually occur, the Group's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

EMC Will Require Significant Amounts of Additional Capital in the Future

The Company has limited financial resources. The Company will continue to make substantial capital expenditures related to exploration, development and production. In particular the Company will have further capital requirements as it proceeds to expand its present exploration activities at its tungsten and gold projects, or to take advantage of opportunities for acquisitions, joint ventures or other business opportunities that may be presented to it.

In addition, the Company may incur major unanticipated liabilities or expenses. There can be no assurance that the Company will be able to obtain necessary financing in a timely manner on commercially acceptable terms, if at all.

Volatile demand for tungsten and other specialty metals and the volatile prices for these metals may make it difficult or impossible for the Company to obtain debt financing or equity financing on commercially acceptable terms or at all. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of any of its projects with the possible loss of the rights to such properties. If exploration or the development of any mine is delayed, such delay would have a material and adverse effect on the Company's business, financial condition and results of operation.

Stage of Development

Aside from the Springer Facility, the Company's properties are in the exploration stage and the Company does not have an operating history. Exploration and development of mineral resources involves a high degree of risk and few properties which are explored are ultimately developed into producing properties. The amounts attributed to the Company's interest in its properties as reflected in its financial statements represent acquisition and exploration expenses and should not be taken to represent realizable value. There is no assurance that the Company's exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors such as unusual or unexpected geological formations, and other conditions.

As a result of the Company's lack of operating history, it also faces many of the risks inherent in starting a new business.

Profitability of Operations

The Company is not currently operating profitably and it should be anticipated that it will operate at a loss at least until such time as production is achieved from one of the Company's properties, if production is, in fact, ever achieved. The Company has never earned a profit. Investors also cannot expect to receive any dividends on their investment in the foreseeable future.

Competition in the Tungsten and Specialty Metals Industries is Significant

The international tungsten and other specialty metals industries are highly competitive. The Company will be competing against competitors that may be larger and better capitalized, have state support, have access to more efficient technology, and have access to reserves of tungsten and other specialty metals that are cheaper to extract and process. As such, no assurance can be given that the Company will be able to compete successfully with its industry competitors.

Fluctuations in Metal Prices

Although the Company does not hold any known mineral reserves of any kind, its future revenues, if any, are expected to be in large part derived from the future mining and sale of tungsten and other specialty metals or interests related thereto. The prices of these commodities have fluctuated widely, particularly in recent years, and are affected by numerous factors beyond the Company's control including international economic and political conditions, expectations of inflation, international currency exchange rates, interest rates, global or regional consumption patterns, speculative activities, levels of supply and demand, increased production due to new mine developments and improved mining and production methods, availability and costs of metal substitutes, metal stock levels maintained by producers and others and inventory carrying costs. The effect of these factors on the prices of tungsten and other specialty metals, and therefore the economic viability of the Company's operations, cannot be accurately predicted.

Depending on the price obtained for any minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

EMC's Operations are Subject to Operational Risks and Hazards Inherent in the Mining Industry

The Company's business is subject to a number of inherent risks and hazards, including environmental pollution; accidents; industrial and transportation accidents, which may involve hazardous materials; labour disputes; power disruptions; catastrophic accidents; failure of plant and equipment to function correctly; the inability to obtain suitable or adequate equipment; fires; blockades or other acts of social activism; changes in the regulatory environment; impact of non-compliance with laws and regulations; natural phenomena, such as inclement weather conditions, underground floods, earthquakes, pit wall failures, ground movements, tailings, pipeline and dam failures and cave-ins; and encountering unusual or unexpected geological conditions and technical failure of mining methods.

There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the Company's tungsten and other specialty metals properties, personal injury or death, environmental damage, delays in the Company's exploration or development activities, costs, monetary losses and potential legal liability and adverse governmental action, all of which could have a material and adverse effect on the Company's future cash flows, earnings, results of operations and financial condition.

Mineral Reserve and Resource Estimates are Only Estimates and May Not Reflect the Actual Deposits or the Economic Viability of Tungsten and/or Other Specialty Metal Extraction

Reserve and/or resource figures included here are estimates only and no assurances can be given that the estimated levels of tungsten and gold will actually be produced or that the Company will receive the tungsten and gold prices assumed in determining its reserves. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling and exploration results and industry practices. Estimates made at any given time may significantly change when new information becomes available or when parameters that were used for such estimates change. While the Company believes that the reserve and resource estimates included are well established and reflect management's best estimates, by their nature reserve and resource estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. Furthermore, market price fluctuations in tungsten and gold, as well as increased capital or production costs or reduced recovery rates, may render ore reserves containing lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. The extent to which resources may ultimately be reclassified as proven or probable reserves is dependent upon the demonstration of their profitable recovery. The evaluation of reserves or resources is always influenced by economic and technological factors, which may change over time.

Exploration, Development and Operating Risk

The exploration for and development of tungsten and other specialty metals properties 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 locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. 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; metal prices, which are highly cyclical, drilling and other related costs which appear to be rising; 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.

Currency Risk

Exchange rate fluctuations may affect the costs that the Company incurs in its exploration activities. Tungsten is generally sold in US dollars. Since the Company principally raises funds in Canadian dollars, but since the Company's costs are incurred in US dollars, the appreciation of the US dollar against the Canadian dollar can increase the cost of tungsten and other mineral exploration and production in Canadian dollar terms.

Environmental Risks and Hazards

All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the general, transportation, storage and disposal of solid and hazardous waste. 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 which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties. Reclamation costs are uncertain and planned expenditures estimated by management may differ from the actual expenditures required.

Government Regulation

The Company's mineral exploration and planned development activities are subject to various laws governing prospecting, mining, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. Although the Company believes its exploration and development 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.

Many of the mineral rights and interests of the Company are subject to government approvals, licenses and permits. Such approvals, licenses and permits are, as a practical matter, subject to the discretion of applicable governments or governmental officials. No assurance can be given that the Company will be successful in maintaining any or all of the various approvals, licenses and permits in full force and effect without modification or revocation. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from continuing or proceeding with planned exploration or development of mineral properties. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, 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 or in the exploration or development of mineral properties 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 or applicable laws or regulations.

Amendments to current laws and regulation governing operations or more stringent implementation thereof could have a substantial 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.

EMC has no History of Mineral Production or Mining Operations

The Company has never had tungsten producing properties. There is no assurance that commercial quantities of tungsten and other specialty metals will be discovered at the Properties or other future properties nor is there any assurance that the Company's exploration program thereon will yield positive results. Even if commercial quantities of tungsten and/or other specialty metals are discovered, there can be no assurance that any property of the Company will ever be brought to a stage where tungsten and/or other specialty metals resources can profitably be produced therefrom. Factors which may limit the ability of the Company to produce these metals from its properties include, but are not limited to, the spot prices of tungsten and/or other specialty metals, availability of additional capital and financing and the nature of any mineral deposits.

The Company does not have a history of mining operations and there is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future.

Future Sales of Common Shares by Existing Shareholders

Sales of a large number of Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Common Shares and could impair the Company's ability to raise capital through future sales of Common Shares. Substantially all of the Common Shares can be resold without material restriction in Canada.

No Assurance of Titles or Borders

The acquisition of the right to exploit mineral properties is a very detailed and time consuming process. There can be no guarantee that the Company has acquired title to any such surface or mineral rights or that such rights will be obtained in the future. To the extent they are obtained, titles to the Company's surface or mineral properties may be challenged or impugned and title insurance is generally not available. The Company's surface or mineral properties may be subject to prior unregistered agreements, transfers or claims and title may be affected by, among other things, undetected defects. Such third party claims could have a material adverse impact on the Company's operations.