EMC METALS CORP.
The Specialty Metals Company

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NINE MONTHS AND QUARTER ENDED SEPTEMBER 30, 2014

EMC Metals Corp.

CONDENSED CONSOLIDATED BALANCE SHEETS
(Expressed in US Dollars) (Unaudited)

As at:		September 30, 2014		December 31, 2013
ASSETS				
Current				
Cash	$	1,147,266	$	785,075
Prepaid expenses and receivables		32,670		127,410
Total Current Assets		1,179,936		912,485
Restricted cash (Note 3)		-		149,868
Property, plant and equipment (Note 5)		7,403		10,278
Mineral interests (Note 6)		2,977,234		1,613,203
Total Assets	$	4,164,573	$	2,685,834
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	$	205,654	$	247,613
Convertible debentures (Note 7)		-		650,000
Promissory notes payable (Note 8)		2,500,000		1,204,875
Total Liabilities		2,705,654		2,102,488
Stockholders' Equity				
Capital stock (Note 10) (Authorized: Unlimited number of shares; Issued and outstanding: 198,604,790 (2013 – 165,358,337))		89,186,471		87,310,708
Treasury stock (Note 11)		(1,264,194)		(1,264,194)
Additional paid in capital (Note 10)		2,380,619		2,108,327
Accumulated other comprehensive loss		(853,400)		(853,400)
Deficit		(87,990,577)		(86,718,095)
Total Stockholders' Equity		1,458,919		583,346
Total Liabilities and Stockholders' Equity	$	4,164,573	$	2,685,834

Nature and continuance of operations (Note 1)

The accompanying notes are an integral part of these condensed consolidated financial statements.

EMC Metals Corp.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in US Dollars) (Unaudited)

	Quarter ended September 30, 2014	Quarter ended September 30, 2013	Nine Months ended September 30, 2014	Nine Months ended September 30, 2013
EXPENSES				
Amortization (Note 5)	$ 958	$ 1,075	$ 2,875	$ 3,224
Consulting	17,000	(12,475)	25,500	64,678
Exploration	239,372	18,918	292,763	328,033
General and administrative	(6,009)	52,053	81,101	172,279
Insurance	7,604	7,593	14,052	22,608
Professional fees	36,435	20,457	120,248	99,399
Salaries and benefits	128,273	116,828	315,042	397,177
Stock-based compensation (Note 10)	271,126	1,887	272,292	66,083
Travel and entertainment	11,018	398	23,460	14,116
Loss from continuing operations before other items	(705,777)	(206,734)	(1,147,333)	(1,167,597)
OTHER ITEMS				
Foreign exchange gain (loss)	(50,240)	(6,871)	(46,116)	20,912
Interest expense	(23,367)	(154,089)	(79,033)	(456,795)
	(73,607)	(160,960)	(125,149)	(435,883)
Loss from continuing operations for the period	(779,384)	(367,694)	(1,272,482)	(1,603,480)
Loss from discontinued operations (Note 4)	-	(21,693,164)	-	(21,889,561)
Loss and comprehensive loss for the period	$ (779,384)	$ (22,060,858)	$ (1,272,482)	$ (23,493,041)
Basic and diluted loss per common share				
Loss from continuing operations	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.01)
Loss from discontinued operations	-	$ (0.13)	-	$ (0.13)
Weighted average number of common shares outstanding	196,207,792	165,358,337	179,578,362	165,358,337

The accompanying notes are an integral part of these condensed consolidated financial statements.

EMC Metals Corp.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in US Dollars) (Unaudited)

	Nine month period ended September 30, 2014	Nine month period ended September 30, 2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (1,272,482)	$(23,493,041)
Items not affecting cash:		
Amortization	2,875	17,781
Unrealized foreign exchange	-	5,504
Stock-based compensation	272,292	66,083
Write-off of mineral properties and property, plant & equipment	-	21,436,015
Finance charge	-	207,940
	(997,315)	(1,759,718)
Changes in non-cash working capital items:		
Decrease (increase) in prepaids and receivables	94,740	83,826
Increase (decrease) in accounts payable and accrued liabilities	(41,959)	660,615
	(944,534)	(1,015,277)
CASH FLOWS FROM INVESTING ACTIVITIES		
Restricted cash	149,868	-
Additions to unproven mineral interests	(1,364,031)	(1,108,484)
	(1,214,163)	(1,108,484)
CASH FLOWS FROM FINANCING ACTIVITIES		
Common shares issued	1,909,345	-
Share issuance costs	(33,582)	-
Receipt of promissory note	2,500,000	1,300,000
Convertible debenture	-	649,175
Payment of promissory note and convertible debenture	(1,854,875)	-
	2,520,888	1,949,175
Change in cash during the period	362,191	(174,586)
Cash, beginning of period	785,075	190,215
Cash, end of period	$ 1,147,266	$ 15,629

Supplemental disclosure with respect to cash flows (Note 13)

The accompanying notes are an integral part of these condensed consolidated financial statements.

EMC Metals Corp.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Expressed in US Dollars) (Unaudited)

	Capital Stock						
	Number of Shares	Amount	Additional Paid in Capital	Treasury Stock	Accumulated Other Comprehensive Loss	Deficit	Total
		$	$	$	$	$	$
Balance, December 31, 2012	**165,358,337**	**87,310,708**	**2,033,718**	**(1,264,194)**	**(2,844,668)**	**(61,027,496)**	**24,208,068**
Stock-based compensation	-	-	74,609	-	-	-	74,609
Foreign currency translation adjustment on disposal of Springer Mining Company	-	-			1,991,268	-	1,991,268
Loss for the year	-	-	-	-	-	(25,690,599)	(25,690,599)
Balance, December 31, 2013	**165,358,337**	**87,310,708**	**2,108,327**	**(1,264,194)**	**(853,400)**	**(86,718,095)**	**583,346**
Private placements	33,246,453	1,875,763	-	-	-	-	1,875,763
Stock-based compensation	-	-	272,292	-	-	-	272,292
Loss for the period	-	-	-	-	-	(1,272,482)	(1,272,482)
Balance, September 30, 2014	**198,604,790**	**89,186,471**	**2,380,619**	**(1,264,194)**	**(853,400)**	**(87,990,577)**	**1,458,919**

The accompanying notes are an integral part of these condensed consolidated financial statement

1. NATURE AND CONTINUANCE OF OPERATIONS

EMC Metals Corp. (the "Company") is a specialty metals and alloys company focusing on scandium and other specialty metals. The Company intends to utilize its knowhow and, in certain instances, patented technologies to maximize opportunities in scandium and other specialty metals.

The Company was incorporated under the laws of the Province of British Columbia, Canada in 2006. The Company currently trades on the Toronto Stock Exchange under the symbol "EMC".

Our focus of operations is the exploration and development of our specialty metals assets, including the Nyngan scandium deposit located in New South Wales, Australia and the Tørdal scandium/rare earth minerals deposit in Norway. Prior to January 1, 2014, the Company's principal asset was the Springer Tungsten mine and mill, held by the Springer Mining Company. On September 13, 2013, the Company signed a binding Letter of Intent to sell 100% of the Springer Mining Company entity, its assets and mineral and water rights to America's Bullion Royalty Corp. ("AMB"), for $5 million cash. The transaction was closed on December 31, 2013.

The sale also included the transfer of interests in the Company's Carlin Vanadium property mineral assets and the Copper King property tungsten assets in Nevada to AMB, along with Springer Tungsten.

One of EMC's directors is also a director of the company that purchased Springer. The common director recused himself from director level voting on all board level decisions related to the sale.

With the completion of the sale of the Tungsten asset, the Company's focus is on the exploration and evaluation of its specialty metals assets, specifically the Nyngan scandium deposit located in New South Wales, Australia and the Tørdal scandium/rare earth minerals deposit in Norway. In June 2014, the Company made the final installment payment to acquire the Nyngan property. The Company is an exploration stage company and anticipates incurring significant additional expenditures prior to production at any and all of its properties.

These consolidated financial statements have been prepared on a going concern basis that contemplates the realization of assets and discharge of liabilities at their carrying values in the normal course of business for the foreseeable future. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

The Company currently earns no operating revenues and will require additional capital in order to advance both the Nyngan and Tørdal properties. The Company's ability to continue as a going concern is uncertain and is dependent upon the generation of profits from mineral properties, obtaining additional financing and maintaining continued support from its shareholders and creditors. These are material uncertainties that raise substantial doubt about the Company's ability to continue as a going concern. In the event that additional financial support is not received or operating profits are not generated, the carrying values of the Company's assets may be adversely affected.

2. BASIS OF PRESENTATION

Basis of presentation

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC"). The interim condensed consolidated financial statements include the consolidated accounts of EMC Metals Corp. (the "Company") and its wholly-owned subsidiaries with all significant intercompany transactions eliminated. In the opinion of management, all adjustments necessary for a fair statement of the consolidated financial position, results of operations and cash flows for the interim periods have been made. Certain information and footnote disclosures normally included in the consolidated financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such SEC rules and regulations. These interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2013 and with our Annual Report on Form 10-K filed with the SEC on March 25, 2014. Operating results for the nine-month period ended September 30, 2014 may not necessarily be indicative of the results for the year ending December 31, 2014.

Change in functional and presentation currency

The Company's expenses and overheads are now primarily being incurred in United States Dollars ("USD") and it is anticipated that cash flows will continue to be primarily in USD. Accordingly the Company determined that effective January 1, 2013, the functional currency of the Company would change from the Canadian Dollar to the USD for the parent company and its wholly owned subsidiaries.

Use of estimates

The preparation of interim condensed consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. The Company regularly evaluates estimates and assumptions related to the deferred income tax asset valuations, asset impairment, stock-based compensation and loss contingencies. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making

(Expressed in US Dollars) (Unaudited)

2. BASIS OF PRESENTATION (cont'd…)

judgments about the other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between estimates and the actual results, future results of operations will be affected.

Fair value of financial assets and liabilities

The Company measures the fair value of financial assets and liabilities based on US GAAP guidance which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements.

The Company classifies financial assets and liabilities as held-for-trading, available-for-sale, held-to-maturity, loans and receivables or other financial liabilities depending on their nature. Financial assets and financial liabilities are recognized at fair value on their initial recognition, except for those arising from certain related party transactions which are accounted for at the transferor's carrying amount or exchange amount.

Financial assets and liabilities classified as held-for-trading are measured at fair value, with gains and losses recognized in net income. Financial assets classified as held-to-maturity, loans and receivables, and financial liabilities other than those classified as held-for-trading are measured at amortized cost, using the effective interest method of amortization. Financial assets classified as available-for-sale are measured at fair value, with unrealized gains and losses being recognized as other comprehensive income until realized, or if an unrealized loss is considered other than temporary, the unrealized loss is recorded in income.

Financial instruments, including receivables, accounts payable and accrued liabilities, convertible debentures and promissory notes payable are carried at amortized cost, which management believes approximates fair value due to the short term nature of these instruments.

The following table presents information about the assets that are measured at fair value on a recurring basis as at September 30, 2014, and indicates the fair value hierarchy of the valuation techniques the Company utilized to determine such fair value. In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets. Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset or liability, and included situations where there is little, if any, market activity for the asset:

	September 30, 2014	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Cash	$ 1,147,266	$ 1,147,266	$ —	$ —
Total	$ 1,147,266	$ 1,147,266	$ —	$ —

The fair value of cash is determined through market, observable and corroborated sources.

Recently Adopted Accounting Policies

On June 10, 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2014-10 (ASU 2014-10), Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation. ASU 2014-10 eliminates the requirement to present inception-to-date information about income statement line items, cash flows, and equity transactions, and clarifies how entities should disclosure the risks and uncertainties related to their activities. ASU 2014-10 also eliminates an exception provided to development stage entities in Consolidations (ASC Topic 810) for determining whether an entity is a variable interest entity on the basis of the amount of investment equity that is at risk. The presentation and disclosure requirements in Topic 915 will no longer be required for interim and annual reporting periods beginning after December 15, 2014, and the revised consolidation standards will take effect in annual periods beginning after December 15, 2015. Early adoption is permitted. The Company adopted the provisions of ASU 2014-10 effective for its financial statements for the interim period ended September 30, 2014, and accordingly, is no longer presenting the inception-to-date financial information and disclosures formerly required.

Accounting Standards Update 2013-05 - Foreign Currency Matters (Topic 830) - Parent's Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity. This standard provides guidance with respect to the treatment of the cumulative translation adjustment upon the sale of a foreign subsidiary whereby the cumulative translation adjustment associated with that subsidiary are taken into net income of the parent company.

Accounting Standards Update 2013-11 - Income Taxes (Topic 740) - Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carry forward, a Similar Tax Loss, or a Tax Credit Carry forward Exists. This accounting standard deals with the treatment of tax loss carry forwards. The Company has reviewed this standard and has determined that it has little impact on the presentation of its financial statements.

(Expressed in US Dollars) (Unaudited)

2. BASIS OF PRESENTATION (cont'd…)

Recent Accounting Pronouncements

Accounting Standards Update 2014-15 – Presentation of Financial Statements – Going Concern (Subtopic 205-40). This accounting pronouncement provides guidance in GAAP about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. In doing so, the amendments should reduce diversity in the timing and content of footnote disclosures. The policy is effective December 15, 2016. The Company is evaluating this guidance and believes it will have little impact on the presentation of its financial statements.

Accounting Standards Update 2014-08 - Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360) Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity. This accounting pronouncement provides guidance on the treatment of Property, Plant and Equipment plus the reporting of discontinued operations and disclosure of disposals of components of an entity. The policy is effective December 15, 2014. The Company is evaluating this guidance and believes it will have little impact on the presentation of its financial statements.

3. RESTRICTED CASH

The Company had a Bank of Montreal letter of credit of up to C$159,400 as a security deposit related to a Vancouver office lease obligation. The letter of credit was returned to the Bank of Montreal in July 2014 and funds were released for use by the Company.

4. DISCONTINUED OPERATIONS

During fiscal 2013, the Company identified a buyer for its tungsten properties and related plant and mill held by its subsidiary, Springer Mining Company ("Springer"). On September 13, 2013, the Company signed a binding Letter Of Intent ("LOI") to sell 100% of the Springer Mining Company entity, its assets and mineral and water rights to Americas Bullion Royalty Corp. ("AMB"), for $5 million cash. The transaction was finalized on December 31, 2013.

At the signing of the LOI, AMB paid $3.1 million directly to the existing convertible debt holder to retire a maturing debt plus accumulated interest.

- Cash paid by AMB to the convertible debt holder paid the debt in full and released the security interest in the Springer property and assets,
- The cash advanced by AMB formed a new loan, with AMB as lender, as at September 13, 2013,
- The new loan carries a zero interest rate, and
- AMB agreed to additionally fund all Springer property carrying costs until the final payment and closing date.

The sale also included the transfer of interests in the Company's Carlin Vanadium property mineral assets and the Copper King property tungsten assets in Nevada to AMB, along with Springer Tungsten.

Springer was actively involved in the evaluation and re-start of the Company's tungsten property, located in Pershing County, Nevada. Going forward, the Company has no further assets located in the US or continuing involvement with Springer.

A comparison of the Net Loss results from discontinued operations for the nine month period ended September 30, 2014 and 2013 as well as Q3 of 2013 and 2014 is as follows:

	Quarter ended September 30, 2014	Quarter ended September 30, 2013	Nine month period ended September 30, 2014	Nine month period ended September 30,2013
EXPENSES				
Amortization	$ -	$ 4,852	$ -	$ 14,557
Consulting	-	80,176	-	90,229
General and administrative	-	133,412	-	191,191
Insurance	-	12,601	-	44,777
Professional fees	-	5,096	-	5,596
Salaries and benefits	-	111,068	-	343,714
Travel and entertainment	-	313	-	2,166
OTHER ITEMS				
Interest expense	-	-	-	56,250
Write-off of mineral interests and property, plant and equipment	-	21,436,015	-	21,436,015
Other income	-	(90,369)	-	(294,934)
Net loss from discontinued operations	$ -	$ (21,693,164)	$ -	$ (21,889,561)

(Expressed in US Dollars) (Unaudited)

4. DISCONTINUED OPERATIONS (cont'd…)

	Nine month period ended September 30 ,2014	Nine month period ended September 30 ,2013
Cash flows from discontinued operations		
Net cash used in (from) operating activities	$ -	$ (438,989)
Net cash used in (from) investing activities	-	-
Net cash used in (from) financing activities	-	-
Net cash used in (from) discontinued operations	-	(438,989)
Non-cash transactions from discontinued operations	$ -	$ -

5. PROPERTY, PLANT AND EQUIPMENT

2014 Continuing Operations

	December 31, 2013 Net Book Value	Additions (disposals) (write-offs)	Amortization	September 30, 2014 Net Book Value
Computer equipment	$ 2,375	$ -	$ (509)	$ 1,866
Office equipment	7,903	-	(2,366)	5,537
Property, plant and equipment	$ 10,278	$ -	$ (2,875)	$ 7,403

2013 Continuing Operations

	December 31, 2012 Net Book Value	Additions (disposals) (write-offs)	Amortization	December 31, 2013 Net Book Value
Computer equipment	$ 3,402	$ -	$ (1,027)	$ 2,375
Office equipment	11,058	-	(3,155)	7,903
Property, plant and equipment	$ 14,460	$ -	$ (4,182)	$ 10,278

2013 Discontinued Operations	December 31, 2012 Net Book Value	Additions (disposals) (write-offs)	Amortization	December 31, 2013 Net Book Value
Land and water rights	$ 4,252,146	$ (4,252,146)	$ -	$ -
Plant and equipment	25,749,852	(25,749,852)	-	-
Buildings	165,959	(163,235)	(2,724)	-
Automobiles	11,262	(9,134)	(2,128)	-
Property, plant and equipment	$ 30,179,219	$ (30,174,367)	$ (4,852)	$ -

Land and water rights are in respect of properties in Nevada. The plant and equipment is comprised of the Springer Plant and Mill in Nevada which was sold to AMB as part of the binding LOI signed September 13, 2013.

(Expressed in US Dollars) (Unaudited)

6. MINERAL INTERESTS

September 30, 2014	Scandium and other	Tungsten	Total
Acquisition costs, continuing operations			
Balance, December 31, 2013	$ 1,613,203	$ -	$ 1,613,203
Additions	1,364,031	-	1,364,031
Balance September 30, 2014	**$ 2,977,234**	**$ -**	**$ 2,977,234**

December 31, 2013	Scandium and other	Tungsten	Total
Acquisition costs, continuing operations			
Balance, December 31, 2012	$ 554,719	$ -	$ 554,719
Additions	1,108,484	-	1,108,484
Write-off	(50,000)	-	(50,000)
Balance, December 31, 2013	$ 1,613,203	$ -	$ 1,613,203
Acquisition costs, discontinued operations			
Balance, December 31, 2012	$ -	$ 198,463	$ 198,463
Disposal	-	(198,463)	(198,463)
Balance, December 31, 2013	$ -	$ -	$ -

Title to mineral property interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral property interests. The Company has investigated title to all of its mineral property interests and, to the best of its knowledge, title to all of its properties is in good standing.

SCANDIUM PROPERTIES

Nyngan, New South Wales Property

On February 5, 2010, the Company entered in to an earn-in agreement with Jervois Mining Limited ("Jervois"), whereby it would acquire a 50% interest in the Nyngan Scandium property (the "Nyngan Project") located in New South Wales, Australia. The JV Agreement, as amended, gave the Company the right to earn a 50% interest in a joint venture with Jervois, for the purpose of holding and developing the Nyngan Project. On June 22, 2012, the Company received notice of a lawsuit filed against the Company with regard to the achievement of certain milestones required under the JV Agreement. On February 6, 2013, the Company announced agreement of an out of court settlement to the dispute with Jervois. The terms of the settlement transferred 100% ownership and control of the Nyngan Project to the Company, in return for AUD$2.6 million cash payments and a percentage royalty payable to Jervois on sales of product from the project. A total of $1,108,484 (AUD$1.2 million) was paid in June 2013 as part of the settlement. A total of $1,364,031 (AUD$1.4 million) was paid in June 2014 to fulfill the obligations under the settlement agreement which gives 100% of the property to the Company.

Tørdal and Evje-Iveland properties, Norway

During fiscal 2012 the Company entered into an option agreement with REE Mining AS ("REE") to earn up to a 100% interest in the Tørdal and Evje-Iveland properties pursuant to which the Company paid $130,000 and issued 1,000,000 common shares valued at $40,000. To earn its interest, the original agreement required the Company to pay REE an additional $500,000, incur $250,000 of exploration work and issue 250,000 common shares upon releasing the second of two full feasibility studies on the two properties. The Company subsequently renegotiated the payments required to earn the interest and the Evje-Iveland property was removed from the option agreement. Pursuant to the amendment, the Company earned a 100% interest in the Tørdal property by paying an additional $35,000 and granting a 1% Net Smelter Return ("NSR") payable to REE.

Hogtuva property, Norway

During fiscal 2011 the Company entered into an option agreement with REE to earn a 100% interest in three scandium and beryllium exploration sites in Norway pursuant to which the Company paid $50,000. To earn its interest, the original agreement required the Company to pay REE an additional $100,000 and issue up to 200,000 common shares. During fiscal 2013, the Company renegotiated the payments required to earn the interest and removed two of the exploration sites from the agreement.

Pursuant to the amendment, the Company earned a 100% interest in the Hogtuva property in consideration for the $50,000 original payment and the grant of a 1% NSR payable to REE. In early fiscal 2014 a decision was made by the Company not to renew its interest in the Hogtuva property and $50,000 in acquisition costs were written off during the year ended December 31, 2013.

(Expressed in US Dollars) (Unaudited)

6. MINERAL INTERESTS (cont'd…)

TUNGSTEN PROPERTY

Springer Property

On November 21, 2006, the Company acquired all outstanding and issued shares of Springer Mining Company ("Springer"). Included in the assets of Springer and allocated to property, plant and equipment (Note 5) are the Springer Mine and Mill located in Pershing County, Nevada. The Company agreed to sell Springer Mining Company on September 13, 2013 (see Note 1), for $5 million, along with the Copper King Tungsten property and the Carlin Vanadium property. The transaction was completed and fully funded on December 31, 2013.

7. CONVERTIBLE DEBENTURES

On February 22, 2013, the Company completed a $650,000 loan financing consisting of convertible debentures. The convertible debenture had a maturity date of February 22, 2014 and bore interest at 10% per annum. The lenders had the option to convert the loan into 13,000,000 common shares of the Company. There was no beneficial conversion feature associated with the conversion option. The loan was secured by an interest in the assets of the Company's wholly owned subsidiary, Wolfram Jack Mining Corp. and the Company's interest in the Hogtuva and Tørdal properties in Norway. This financing was repaid in full in February 2014.

On February 17, 2012, the Company completed a $3,000,000 loan financing consisting of a term loan of $1,000,000 (Note 8), a convertible debenture of $2,000,000 and warrants to acquire 3,000,000 common shares. The convertible debenture had a maturity date of August 15, 2013 and bore interest at 7% per annum. The lender had the option to convert a maximum of $2,000,000 of the principal amount of the loan into 10,000,000 common shares of the Company. The loan was secured by an interest in the assets of the Company's subsidiary, Springer Mining Company. There was no beneficial conversion feature associated with the conversion option. The warrants were exercisable at C$0.20 per share expiring February 15, 2014. A relative fair value of $217,267 was assigned to the warrants and recorded in additional paid in capital. The Company paid financing costs of $249,827 and also issued 750,000 purchase warrants exercisable at C$0.20 per share expiring February 15, 2014. These warrants were valued at $58,716 with a volatility of 120%, expected life of 2 years, risk free rate of 1.0% and expected dividend yield of 0.0% and recorded in additional paid in capital. The financing costs were allocated between debt and the equity components. This resulted in a convertible debenture carrying amount of $1,663,681 upon deducting a debt discount of $336,319 from the principal balance of $2,000,000. During fiscal 2013, the Company recognized $138,627 in accretion through interest expense. During fiscal 2012, the Company recognized $197,692 in accretion through interest expense. This financing was repaid in full on September 13, 2013.

8. PROMISSORY NOTES PAYABLE

	September 30, 2014	December 31, 2013
Promissory Note related to discontinued operations Promissory note with a principal balance of $3,750,000, bearing interest at 6% per annum, maturing July 3, 2013 and secured by land and water rights. During fiscal 2008 the Company entered into a promissory note for $6,750,000 as consideration for the acquisition of land and water rights. The Company subsequently made principal payments of $3,000,000 consisting of a cash payment of $1,000,000 and 4,728,000 units of the Company equity valued at $2,000,000. Each unit consisted of one common share and one-half share purchase warrant exercisable at C$0.75 each and exercisable for a period of two years. The note was secured by a First Deed of Trust on the Cosgrave property land and water rights. In June 2013 the Company returned, to the note holder, the Cosgrave Ranch for the value of the promissory note thereby extinguishing this debt. (Note 5)	$ Nil	$ Nil
Promissory Notes related to continuing operations On June 24, 2014, the Company completed a $2,500,000 loan financing which includes a convertible feature. The loan has a maturity date of December 24, 2015 and bears loan interest that increases in quarterly increments from 4% to a maximum of 12%. The full loan can be converted into an effective 20% JV interest in Nyngan and Honeybugle. This conversion features can convert at the lender's option or once EMC raises $3,000,000 million in equity. The 20% JV partner has a carried interest until EMC meets two milestones: (1) filing a feasibility study on SEDAR, and (2) receiving a mining license on either JV property. The JV partner becomes fully participating on development and build costs thereafter. The JV partner holds an option to convert their 20% JV interest into equivalent value of EMC shares, at market prices, rather than participate in construction. The JV partner's option to convert its project interest to EMC shares is a one-time option, at such time the partner becomes fully participating on project costs. If the Company is unable to raise $3,000,000 and repay the loan, the lender may exercise a purchase option wherein the debt will be settled in exchange for 100% interest in the Nyngan mineral rights.	2,500,000	Nil

(Expressed in US Dollars) (Unaudited)

8. PROMISSORY NOTES PAYABLE (cont'd…)

On June 24, 2013 the Company completed a $1,204,875 financing consisting of a series of insider and non-insider loans. The loans had a maturity date in June 2014 and bore interest at 10% per annum. The loans were secured by the ownership interest the Company has or earns in the Nyngan Scandium Project. As an inducement to enter into this loan, the lenders received a royalty of 0.2% of average scandium sales value, produced from the Nyngan property, on the first 100 tonnes of scandium oxide product produced and sold. The royalty was capped at $370,000 and EMC retained a right to buy back the royalty from the lenders or their assigns for $325,000 at any time up to the commencement of first production, or three years from loan date, whichever occurs first. This financing was paid in full of June 2014.	Nil	1,204,875
During the year ended December 31, 2012, the Company completed a $3,000,000 loan financing which included a $1,000,000 note payable bearing interest of 7% per annum maturing August 15, 2013. Presented is this principle balance, less financing and costs, which are amortized over the term of the debt using the effective interest method. This resulted in a carrying costs of $831,841 upon deducting a debt discount of $168,159 from the principal balance of $1,000,000. During fiscal 2013, the Company recognized $69,313 in accretion through interest expense. During fiscal 2012, the Company recognized $98,847 in accretion through interest expense. The note payable was secured by an interest in the Company's subsidiary, Springer Mining Company. The financing was repaid in full on September 13, 2013.	Nil	Nil
Less current portion	(2,500,000)	(1,204,875)
	$ Nil	$ Nil

9. RELATED PARTY TRANSACTIONS

Accounts payable on September 30, 2014 included $32,667 owed to related parties. Accounts payable on December 31, 2013 included $170,000 owed to related parties.

A total of $350,000 from the loan financing completed on February 22, 2013, $579,875 from the loan financing completed on June 24, 2013 and all of the $100,000 financing completed on August 27, 2013, were funded from a combination of Directors, insiders, and independent shareholders. The Company has paid $78,500 in interest to related parties relating to these loans.

The $100,000 loan financing completed in 2013 was from directors and officers. The loan was repaid in full in 2013.

The loan financing completed on February 22, 2013, of which $350,000 was contributed from directors and officers was repaid in the three months ending March 31, 2014.

Of the $79,033 interest expensed in the nine months ending September 30, 2014, $14,375 was payable to a director of the Company.

During the nine months ended September 30, 2013, the Company accrued a consulting fee of $76,500 for one of its directors. There is $25,500 for consulting fees incurred during the nine month period ended September 30, 2014.

10. CAPITAL STOCK AND ADDITIONAL PAID IN CAPITAL

On August 26, 2014, the Company issued 5,534,411 common shares at a value of C$0.085 per common share for total proceeds of C$470,425.

On July 11, 2014, the Company issued 4,641,236 common shares at a value of C$0.085 per common share for total proceeds of C$394,505.

On June 26, 2014, the Company issued 10,415,396 common shares at a value of C$0.085 per common share for total proceeds of C$885,309.

On April 24, 2014, the Company issued 4,122,150 common shares at a value of C$0.025 per common share for total proceeds of C$103,053.

On March 25, 2014, the Company issued 8,533,260 common shares at a value of C$0.025 per common share for total proceeds of $192,000.

10. CAPITAL STOCK AND ADDITIONAL PAID IN CAPITAL (cont'd…)

Stock Options and Warrants

The Company established a stock option plan (the "Plan") under which it is authorized to grant options to executive officers and directors, employees and consultants and the number of options granted under the Plan shall not exceed 15% of the shares outstanding. Under the Plan, the exercise period of the options may not exceed five years from the date of grant and vesting is determined by the Board of Directors.

Stock option and share purchase warrant transactions are summarized as follows:

	Warrants		Stock Options	
	Number	Weighted average exercise price in Canadian $	Number	Weighted average exercise price in Canadian $
Outstanding, December 31, 2012	3,750,000	$ 0.20	13,546,250	$ 0.14
Granted	-	-	2,100,000	0.07
Cancelled	-	-	(1,477,500)	0.34
Exercised	-	-	-	-
Outstanding, December 31, 2013	3,750,000	0.20	14,168,750	0.12
Granted	-	-	3,525,000	0.12
Cancelled	(3,750,000)	0.20	(2,315,000)	0.18
Exercised	-	-	-	-
Outstanding, September 30, 2014	-	$ -	15,378,750	$ 0.11
Number currently exercisable	-	$ -	14,398,750	$ 0.11

As at September 30, 2014, incentive stock options were outstanding as follows:

	Number of options	Exercise Price in Canadian $	Expiry Date
Options			
	200,000	0.105	December 16, 2014
	568,750	0.250	January 4, 2015
	500,000	0.050	May 9, 2015
	4,800,000	0.100	November 5, 2015
	250,000	0.315	May 4, 2016
	500,000	0.250	May 16, 2016
	300,000	0.155	September 15, 2016
	2,335,000	0.080	April 24, 2017
	150,000	0.120	July 25, 2017
	1,400,000	0.070	August 8, 2017
	1,000,000	0.100	May 9, 2018
	3,375,000	0.120	July 25, 2019
	15,378,750		

As at September 30, 2014, there were no warrants outstanding.

Stock-based compensation

During the nine months ended September 30, 2014, the Company recognized stock-based compensation of $272,292 (September 30, 2013 - $66,083) in the statement of operations as a result of incentive stock options granted and vested in the current period. There were 3,525,000 stock options issued during the nine months ended September 30, 2014 (September 30, 2013 – 2,100,000).

The weighted average fair value of the options granted in the period was C$0.11 (2013 - C$0.07).

(Expressed in US Dollars) (Unaudited)

10. CAPITAL STOCK AND ADDITIONAL PAID IN CAPITAL (cont'd…)

The fair value of all compensatory options and warrants granted is estimated on grant date using the Black-Scholes option pricing model. The weighted average assumptions used in calculating the fair values are as follows:

	2014	2013
Risk-free interest rate	0.86%	0.62%
Expected life	4.9 years	5 years
Volatility	148.81%	144.60%
Forfeiture rate	0.00%	0.00%
Dividend rate	0.00%	0.00%

11. TREASURY STOCK

	Number		Amount
Treasury shares, September 30, 2014 and December 31 2013	1,033,333	$	1,264,194
	1,033,333	$	1,264,194

Treasury shares comprise shares of the Company which cannot be sold without the prior approval of the TSX.

12. SEGMENTED INFORMATION

The Company's mineral properties are located in Norway and Australia. The Company's capital assets' geographic information is as follows:

September 30, 2014		Norway		Australia		United States		Total
Property, plant and equipment	$	-	$	-	$	7,403	$	7,403
Mineral interests		203,181		2,774,053		-		2,977,234
	$	203,181	$	2,774,053	$	7,403	$	2,984,637

December 31, 2013		Norway		Australia		United States		Total
Property, plant and equipment	$	-	$	-	$	10,278	$	10,278
Mineral interests		203,181		1,410,022		-		1,613,203
	$	203,181	$	1,410,022	$	10,278	$	1,623,481

13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

		2014		2013
Cash paid during the nine months for interest	$	79,033	$	307,151
		-		
Cash paid during the nine months for income taxes	$	-	$	-

There were no significant non-cash transactions in the nine month periods ending September 30, 2014. For the period ended September 30, 2013, the Company settled promissory notes payable of $3,750,000 by returning the Cosgrave ranch and water rights included in property, plant and equipment with a value of $3,750,000.