



(Formerly Golden Predator Mines Inc.)
(An Exploration Stage Company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2009

Notice of Non-review of Interim Financial Statements

The attached interim consolidated financial statements for the six month period ended June 30, 2009 have been prepared by and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. The Company's independent auditor has not performed a review of these interim financial statements.

EMC Metals Corp. (formerly Golden Predator Mines Inc.)

(An Exploration Stage Company)

INTERIM CONSOLIDATED BALANCE SHEETS

As at June 30, 2009 and December 31, 2008

(Expressed in Canadian Dollars unless otherwise indicated)

(Unaudited)

	June 30, 2009	December 31, 2008
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (Note 3)	\$ 793,280	\$ 1,646,574
Marketable securities (Note 3)	121,875	45,000
Receivables	20,204	181,607
Prepaid expenses and deposits	124,967	179,409
Current loan receivable (Note 4)	-	1,000,000
	<u>1,060,326</u>	<u>3,052,590</u>
AMOUNTS RECEIVABLE (Note 5)	228,861	239,616
PROPERTY, PLANT AND EQUIPMENT (Note 6)	35,118,585	35,321,267
UNPROVEN MINERAL INTERESTS (Note 7)	<u>27,365,706</u>	<u>27,227,862</u>
	<u>\$ 63,773,478</u>	<u>\$ 65,841,335</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 142,922	\$ 2,902,103
Due to related parties (Note 17)	225,326	-
Convertible Debentures (Note 8)	-	2,866,329
	<u>368,248</u>	<u>5,768,432</u>
FUTURE INCOME TAXES	1,338,658	1,769,184
PROMISSORY NOTE PAYABLE (Note 9)	<u>4,359,375</u>	<u>4,592,250</u>
	<u>6,066,281</u>	<u>12,129,866</u>
SHAREHOLDERS' EQUITY		
Share capital (Note 10)	72,543,871	67,361,926
Treasury stock (Note 11)	(2,087,333)	(2,087,333)
Contributed surplus	1,769,532	-
Accumulated other comprehensive loss	(152,292)	-
Deficit	<u>(14,366,581)</u>	<u>(11,563,124)</u>
	<u>57,707,197</u>	<u>53,711,469</u>
	<u>\$ 63,773,478</u>	<u>\$ 65,841,335</u>

BASIS OF PRESENTATION AND PRINCIPLES OF CONSOLIDATION (Note 2)

COMMITMENTS (Note 16)

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

EMC Metals Corp. (formerly Golden Predator Mines Inc.)

(An Exploration Stage Company)

INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICITS

For the three and six month periods ended June 30, 2009 and June 30, 2008

(Expressed in Canadian Dollars unless otherwise indicated)

(Unaudited)

	Three months ended June 30, 2009	Three months ended June 30, 2008	Six months ended June 30, 2009	Six months ended June 30, 2008
EXPENSES				
Accounting and audit	\$ 17,536	\$ 39,915	\$ 189,140	\$ 100,657
Advertising and promotion	241	23,013	40,161	26,551
Amortization	159,117	118,739	339,790	174,803
Automobile	11,153	46,568	21,600	125,423
Bank charges and interest	350,118	75,399	(316,843)	326,452
Consultants	73,213	181,339	223,515	274,643
Filing and regulatory fees	12,939	103,474	71,771	110,770
Insurance	123,654	74,520	254,272	144,588
Legal fees	10,782	343,083	187,279	430,997
Office, rent and miscellaneous expenses	16,902	251,795	147,488	362,318
Plant supplies and mapping	19,106	332,568	25,611	418,639
Repairs and maintenance	10,642	222,003	9,653	250,791
Salaries and benefits	145,003	1,569,395	673,703	2,602,498
Stock based compensation	442,103	34,576	866,232	413,424
Telephone	4,398	19,017	22,357	37,209
Travel and entertainment	41,149	104,804	80,975	161,313
Utilities	45,024	54,366	76,567	136,375
	<u>(1,483,080)</u>	<u>(3,594,574)</u>	<u>(2,913,271)</u>	<u>(6,097,451)</u>
OTHER ITEMS				
Foreign exchange gain (loss)	334,776	(568,936)	361,353	(500,961)
Other income	(2,536)	(124,091)	115,416	178,266
Interest income (Note 4)	-	178,743	17,194	288,264
Recovery of expenses (Note 1)	357,583	-	357,583	-
Gain on insurance proceeds	-	972,761	-	972,761
Loss on sale of marketable securities	-	-	(1,151,725)	-
Loss on disposal of mineral property	-	-	-	(3,419)
Write off of exploration expenditures	-	-	(68,325)	-
	<u>689,823</u>	<u>458,477</u>	<u>(368,504)</u>	<u>934,911</u>
FUTURE INCOME TAX RECOVERY	<u>91,300</u>	<u>979,656</u>	<u>478,318</u>	<u>979,656</u>
LOSS FOR THE PERIOD	<u>(701,957)</u>	<u>(2,156,441)</u>	<u>(2,803,457)</u>	<u>(4,182,884)</u>
Unrealized loss on marketable securities	<u>(23,292)</u>	<u>-</u>	<u>(152,292)</u>	<u>-</u>
COMPREHENSIVE LOSS FOR THE PERIOD	<u>(725,249)</u>	<u>(2,156,441)</u>	<u>(2,955,749)</u>	<u>(4,182,884)</u>
DEFICIT, beginning of period (Note 1)	<u>(13,664,624)</u>	<u>(8,560,617)</u>	<u>(11,563,124)</u>	<u>(6,534,174)</u>
DEFICIT, end of period	<u>\$ (14,366,581)</u>	<u>\$ (10,717,058)</u>	<u>\$ (14,366,581)</u>	<u>\$ (10,717,058)</u>
BASIC AND DILUTED LOSS PER COMMON SHARE	<u>\$ (0.01)</u>	<u>\$ (0.05)</u>	<u>\$ (0.04)</u>	<u>\$ (0.10)</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	<u>76,095,442</u>	<u>41,675,425</u>	<u>73,404,733</u>	<u>40,091,737</u>

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

EMC Metals Corp. (formerly Golden Predator Mines Inc.)

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INTERIM STATEMENTS OF CASH FLOWS

For the three and six month periods ended June 30, 2009 and June 30, 2008

(Expressed in Canadian Dollars unless otherwise indicated)

(Unaudited)

	Three months ended June 30, 2009	Three months ended June 30, 2008	Six months ended June 30, 2009	Six months ended June 30, 2008
CASH FLOWS USED IN OPERATING ACTIVITIES				
Loss for the period	\$ (701,957)	\$ (2,156,441)	\$ (2,803,457)	\$ (4,182,884)
Items not affecting cash:	-	-	-	-
Amortization	159,117	118,739	339,790	174,803
Gain on disposal of fixed assets	2,536	-	2,536	-
Unrealized foreign exchange	(601,319)	(154,089)	189,917	388,253
Stock-based compensation	442,103	34,576	866,232	413,424
Realized loss in marketable securities	-	-	1,151,725	-
Future income taxes recovery	(91,300)	(979,656)	(478,318)	(979,656)
	<u>(790,820)</u>	<u>(3,136,871)</u>	<u>(731,575)</u>	<u>(4,186,060)</u>
Changes in non-cash working capital items:				
Increase (decrease) in receivables	35,696	152,305	161,403	(138,277)
Increase (decrease) in prepaid expenses	(34,047)	502,356	54,441	(431,074)
Increase (decrease) in accounts payable and accrued liabilities	(97,811)	1,858,554	(822,035)	1,227,612
Decrease in asset retirement expenditures	-	-	-	(29,557)
	<u>(886,982)</u>	<u>(623,656)</u>	<u>(1,337,766)</u>	<u>(3,557,356)</u>
CASH FLOWS USED IN INVESTING ACTIVITIES				
Employee loan repayment	615	-	1,249	-
Reclamation bonds	-	566,371	-	544,391
Purchase of property, plant and equipment	(25,873)	(7,182,996)	(167,841)	(8,034,516)
Acquisition of Great American Minerals	-	(1,153,154)	-	(1,153,154)
Proceeds on sale of property, plant and equipment	28,197	-	28,197	-
Purchase of marketable securities, net of proceeds on sale	-	45,000	158,954	69,040
Additions to unproven mineral interests	(227,664)	(3,583,779)	(781,613)	(5,256,607)
	<u>(224,725)</u>	<u>(11,308,558)</u>	<u>(761,054)</u>	<u>(13,830,846)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Common stock issued	-	-	-	5,645,000
Subscription Receipts for private placement	-	5,000,000	-	1,380,000
Share issuance costs	-	(200,000)	-	(261,639)
Option exercised	-	39,500	20,200	39,500
Warrants exercised	-	1,795,500	-	1,795,500
Advances from (to) Related Parties	336,571	(1,851,182)	225,326	(5,739,978)
Loan repayment from Midway	1,000,000	-	1,000,000	-
	<u>1,336,571</u>	<u>4,783,818</u>	<u>1,245,526</u>	<u>2,858,383</u>
CHANGE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD				
	224,864	(7,148,396)	(853,294)	(14,529,819)
CASH AND CASH EQUIVALENTS, beginning of period	568,416	17,202,171	1,646,574	24,583,594
CASH AND CASH EQUIVALENTS, end of period	\$ 793,280	\$ 10,053,775	\$ 793,280	\$ 10,053,775
CASH AND CASH EQUIVALENTS consist of:				
Cash	\$ 793,280	\$ 8,389,114	\$ 793,280	\$ 8,389,114
Banker's Acceptance	-	1,664,661	-	1,664,661

Supplemental disclosure with respect to cash flows (Note 15)

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

EMC Metals Corp. (formerly Golden Predator Mines Inc.)

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2009

(Expressed in Canadian Dollars unless otherwise indicated)

(Unaudited)

1. SPIN-OUT

On December 19, 2008, Golden Predator Mines Inc. ("GP" or the "Company") announced the proposed business reorganization and spin-out of its gold and silver focused, precious metals portfolio to a newly incorporated company named Golden Predator Royalty & Development Corp. ("GPD") described in Note 22 to the audited financial statements for the year ended December 31, 2008 for EMC Metals Corp. (formerly Golden Predator Mines Inc.). On March 4, 2009, the spin-out and all other matters voted on at the GP special shareholders meeting were successfully passed. On March 6, 2009, the Court approved the business reorganization and spin-out. Following the spin-out, GPD's shares were listed on the TSX Venture Exchange. The existing parent company, GP, changed its name to EMC Metals Corp. (trading under the TSX trading symbol "EMC").

The Company focuses its efforts as a specialty metals and alloy 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. The Company's assets are described in Note 6.

On February 5, 2009, pursuant to the spin-out, a binding memorandum agreement (the "Agreement") was signed between 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. The nature of these assignments and leases are described in Note 7.

In accounting for the spin-out, the statement of operations and deficit reflect an allocation of GP'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 GP 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 in the interim consolidated statement of operations for the period ended June 30, 2009.

The spin-out Agreement also outlined the treatment of pre-spin-out intercompany accounts and various other items such as marketable securities, deposits, loans, etc. which have been reflected in these financial statements. The intercompany loans and receivables were largely agreed to be capitalized by the Company (and GPD). The results of this capitalization resulted in significant adjustments to the Company's contributed surplus and share capital accounts. The effect of these adjustments is reflected in Note 10.

Unaudited comparative figures shown for prior periods have been restated to reflect only the assets, liabilities and corresponding expenses related to the Company. Audited December 31, 2008 year end figures for assets, liabilities, and shareholders' equity prior to the spin-out of GP are as follows:

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2009

(Expressed in Canadian Dollars unless otherwise indicated)

(Unaudited)

1. SPIN-OUT (cont'd...)

	December 31, 2008
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 1,722,962
Marketable Securities	1,067,214
Receivables	195,285
Prepaid expenses and deposits	247,492
Current Loan receivable	1,000,000
	4,232,953
LOANS RECEIVABLE	212,675
RECLAMATION BONDS	401,346
PROPERTY, PLANT AND EQUIPMENT	37,855,494
UNPROVEN MINERAL INTERESTS	60,550,876
	\$ 103,253,344
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable and accrued liabilities	\$ 2,940,474
Convertible debenture	2,866,329
Asset retirement obligation	-
	5,806,803
FUTURE INCOME TAXES	8,329,407
PROMISSORY NOTE PAYABLE	4,592,250
	18,728,460
SHAREHOLDERS' EQUITY	
SHARE CAPITAL	93,706,311
TREASURY STOCK	(2,087,333)
SPECIAL WARRANTS	-
SUBSCRIPTIONS RECEIVED IN ADVANCE	-
CONTRIBUTED SURPLUS	11,086,227
DEFICIT	(18,180,321)
	84,524,884
	\$ 103,253,344

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2009

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(Unaudited)

1. SPIN-OUT (cont'd...)

Reconciliation of Deficits:

Deficit, the end of fiscal year 2008	\$	(18,180,321)
Adjustment due to spin out (Note 1)		6,617,197
Performa deficit, beginning balance of fiscal 2009	\$	(11,563,124)

2. BASIS OF PRESENTATION AND PRINCIPLES OF CONSOLIDATION

EMC Metals Corp. (formerly Golden Predator Mines Inc.) (the "Company") is incorporated under the laws of the Province of British Columbia. The Company intends to refit its Springer Tungsten mill with a view to processing ore. To June 30, 2009 the Company has not commenced its planned principal business activities and has generated no revenue. Additionally, the Company's properties are in the exploration or pre-exploration stage and it intends to commence exploration of its unproven mineral interests. As such, the Company is in the exploration stage and anticipates incurring significant expenditures prior to commencement of contract milling operations.

These interim consolidated financial statements include the accounts of EMC Metals Corp. and its subsidiaries and are prepared in accordance with Canadian generally accepted accounting principles. They do not include all the disclosures required for annual financial statements under generally accepted accounting principles. These interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2008 which are available through the Internet on SEDAR at www.sedar.com.

These interim consolidated financial statements reflect the financial position, statements of operations and deficit and cash flows of the related business of the Company. The statement of operations and deficit for the six months ended June 30, 2009 and 2008 reflect an allocation of GP'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 GP as at December 31, 2008. Management cautions readers of these interim consolidated financial statements, that the allocation of expenses does not necessarily reflect future general and administrative expenses.

The Company has working capital of \$692,078 as at June 30, 2009 and has accumulated a deficit of \$14,366,581 since inception. Its ability to continue as a going concern is uncertain and is dependent upon the ability of the Company to obtain the necessary financing to meet its obligations and pay its liabilities arising from normal business operations when they come due. It is anticipated that any additional funding will be through the generation of profits from mineral properties or obtaining additional debt or equity financing, however there is no guarantee that funding from operating profits or such financings will be available in amounts sufficient to meet the commitments of the Company. These financial statements do not give effect to adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities and commitments at amounts different from those reported in the financial statements. 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. Operating results for the six month period ended June 30, 2009 are not necessarily indicative of the results that may be expected for the full fiscal year ending December 31, 2009.

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(An Exploration Stage Company)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2009

(Expressed in Canadian Dollars unless otherwise indicated)

(Unaudited)

2. BASIS OF PRESENTATION AND PRINCIPLES OF CONSOLIDATION (cont'd...)

These interim consolidated financial statements have been prepared on a going concern basis, which 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.

3. CASH AND MARKETABLE SECURITIES

The Company's cash balance includes \$222,206 held as restricted term deposits against guarantees by the Company. Substantially all of the Company's cash is held at two financial institutions and, as such, the Company is exposed to the risks of those financial institutions.

The Company's marketable securities are recorded at fair value at June 30, 2009..

4. CURRENT LOAN RECEIVABLE

	June 30, 2009	December 31, 2008
Loan receivable from Midway Gold Corp. ("Midway"), bearing interest at prime plus 2% per annum, maturing July 16, 2009, unsecured	\$ -	\$ 1,000,000

On August 22, 2008, the Company entered into a loan agreement to provide a loan facility of \$5,000,000 with Midway. \$2 million of the facility was drawn subsequently.

On November 13, 2008, the Company received \$1,000,000 loan repayment and accrued interest from Midway.

In May, 2009, the Company received the balance of \$1,000,000 loan repayments and accrued interest from Midway.

5. AMOUNTS RECEIVABLE

	June 30, 2009	December 31, 2008
Loan receivable from an employee, bearing interest at 5.75% per annum, maturing December 12, 2012, repayable in monthly installments of US\$1,042 including principal and interest, secured by domestic real estate.	\$ 203,286	\$ 212,675
Reclamation Bond – Modoc Property	25,575	26,941
	\$ 228,861	\$ 239,616

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2009

(Expressed in Canadian Dollars unless otherwise indicated)

(Unaudited)

6. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2009			December 31, 2008		
	Cost \$	Accumulated Amortization \$	Net Book Value \$	Cost \$	Accumulated Amortization \$	Net Book Value \$
Land and water rights	7,972,291	-	7,972,291	7,972,291	-	7,972,291
Plant and equipment	25,605,938	-	25,605,938	25,438,097	-	25,438,097
Cosgrave plant and equipment	375,762	117,628	258,134	375,763	75,153	300,610
Building	222,685	18,202	204,483	222,685	11,629	211,056
Automobiles	244,634	152,141	92,493	302,115	139,993	162,122
Computer equipment	642,551	372,741	269,810	642,551	271,324	371,227
Small tools and equipment	958,273	408,255	550,018	958,273	290,588	667,685
Office equipment	276,611	116,897	159,714	276,611	85,962	190,649
Leasehold improvements	13,083	7,379	5,704	13,083	5,553	7,530
	36,311,828	1,193,243	35,118,585	36,201,469	880,202	35,321,267

The plant and equipment is currently not in use and accordingly is not being amortized.

7. UNPROVEN MINERAL INTERESTS

June 30, 2009	Gold and Others	Tungsten	Total
Acquisition costs			
Balance, January 1, 2009	\$ 17,904,075	\$ 199,237	\$ 18,103,312
Additions	66,459	-	66,459
Reclassification	(285,074)	285,074	-
Balance, June 30, 2009	17,685,460	484,311	18,169,771
Deferred exploration costs			
Balance, January 1, 2009	3,778,592	5,345,958	9,124,550
Reclassification	(94,688)	94,688	-
Additions			
Advance Royalty	12,452	-	12,452
BLM/Other	(137,213)	29,384	(107,829)
Consultant	15,122	96,817	111,939
Geochemistry	4,136	10,653	14,789
Permitting	-	25,227	25,227
Property Development	-	3,108	3,108
Reconnaissance	11,699	-	11,699
Balance, June 30, 2009	3,590,100	5,605,835	9,195,935
Total costs	\$ 21,275,560	\$ 6,090,146	\$ 27,365,706

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7. UNPROVEN MINERAL INTERESTS (cont'd...)

December 31, 2008	Gold and Other Metals	Tungsten	Total
Acquisition costs			
Balance, January 1, 2008	\$ 11,460,811	\$ 1,091,820	\$ 12,552,631
Additions	6,586,670	(892,583)	5,694,087
Disposition	(143,406)	-	(143,406)
Balance, December 31, 2008	17,904,075	199,237	18,103,312
Deferred exploration costs			
Balance, January 1, 2008	1,114,040	1,118,337	2,232,377
Additions			
Advance Royalty	465,555	-	465,555
BLM/Other	549,694	93,889	643,583
Consultant	246,845	775,692	1,022,537
Drilling	738,658	2,170,390	2,909,048
Geochemistry	69,420	188,331	257,751
Lease Payments	17,451	-	17,451
Permitting	40,476	149,207	189,683
Property Development	258,867	705,019	963,886
Staking	63,631	-	63,631
Reconnaissance	213,955	-	213,955
Underground	-	145,093	145,093
Balance, December 31, 2008	3,778,592	5,345,958	9,124,550
Total costs	\$ 21,682,667	\$ 5,545,195	\$ 27,227,862

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 are in good standing.

TUNGSTEN PROPERTY

Springer Mine and Mill Facility

On November 21, 2006, the Company acquired all outstanding and issued shares of Springer Mining Company. Included in the assets of Springer are the Springer Mine and Mill located in Pershing County, Nevada. The Company is in the business of mineral development, and where economically feasible, mining of the specialty metals tungsten and vanadium. Its principle properties are located in the state of Nevada. The Company's focus during the quarter was maintaining the Springer facility in Pershing County, NV, on a warm standby mode and continuing metallurgical testing for ongoing process optimization.

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(Unaudited)

7. UNPROVEN MINERAL INTERESTS (cont'd...)

GOLD PROPERTIES

Pursuant to the spin-out (Note 1) 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 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.

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June 30, 2009

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(Unaudited)

7. UNPROVEN MINERAL INTERESTS (cont'd...)

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.

8. CONVERTIBLE DEBENTURES

	June 30, 2009	December 31, 2008
Convertible Debentures	\$ -	\$ 2,886,329

Prior to acquisition by the Company of Great American Minerals Inc. ("GAM") in April, 2008, GAM completed a USD\$2,340,625 convertible secured debenture maturing three years from issuance. The debenture was secured against all assets of GAM and carried an 8% interest expense payable annually. The debenture also contained provisions for additional interests and penalties and was presented as a current liability as a result of a breach of various covenants prior to acquisition by the Company.

The debentures are convertible into GAM shares at \$2.00 per share. Attached to each debenture is a quarter share purchase warrant at an exercise price of \$2.50 each for one GAM share. Under the terms of the Purchase Agreement by the Company, each GAM share is convertible into shares of the Company at the 6.1538 exchange ratio. As stated in the Debenture agreement, GAM's management is obligated to arrange for the conversion of the GAM shares into the acquirer's shares in case of a change in control.

On February 18, 2009, an agreement was reached with holders of the Debentures to settle the Debentures. The holders received 105% of their principal amount plus accrued interest as at February 18, 2009 in common shares of the Company resulting in the issue of 7,336,874 shares at a fair value of \$3,746,208. In addition, the holders of the Debentures received share purchase warrants of the Company exercisable to acquire an aggregate of up to 2,287,414 shares of the Company at US\$0.30 per share for a period of two years. The holders of the debentures also received share purchase warrants to acquire an aggregate of up to 571,854 shares of GPD, exercisable at \$0.57 per share, for a period of one year.

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9. PROMISSORY NOTE PAYABLE

	2009	2008
Promissory note principle US\$ 3,750,000, bearing interest at 6% per annum, maturing July 3, 2013	\$ 4,359,375	\$ 4,592,250

On July 30, 2008, the Company issued a promissory note to Cosgrave Ranch, LLC ("Cosgrave") in connection with the acquisition of water rights and land from Cosgrave for US\$6,750,000. The note bears interest at 6% per annum and matures in 5 years. The interest is payable by cash or the Company's shares. Further, the note was secured by a US\$ 3 million letter of credit and a lien on the land, equipment and a portion of the water rights.

On October 27, 2008, the Company reached an amendment agreement with Cosgrave for the promissory note. Pursuant to the amendment agreement, the US\$3 million cash backed Letter of Credit held in favor of Cosgrave was cancelled and the corresponding cash collateral was released by the financial institution issuing the letter of credit on the Company's behalf. US\$2 million of the proceeds was retained by the Company. The balance of US\$1 million was paid to Cosgrave in addition to 4,728,000 units of the Company. Each unit consists of one common share and one-half share purchase warrant exercisable at CDN\$0.75 each for a period of two years. As a result of the amendment and partial payment of the promissory note, a principal balance of US\$3.75 million remains payable at the same terms with the exception that the interest must be paid in cash quarterly.

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10. SHARE CAPITAL AND CONTRIBUTED SURPLUS

Authorized:

Unlimited number of common shares without par value

	Number of Shares	Share Capital	Contributed Surplus
Issued:			
Balance, December 31, 2007	28,257,500	\$ 43,144,926	\$ 588,562
Issuance of shares – private placement	5,322,500	10,645,000	-
Share issuance costs (Broker's fee)	-	(261,638)	-
Stock based compensation	-	-	2,324,458
Conversion of Special Warrants	7,610,000	7,610,000	-
Acquisition of Gold Standard Royalty Corp	2,050,000	4,100,000	143,017
Acquisition of Great American Minerals Inc.	1,045,775	2,091,550	426,672
Acquisition of Fury Explorations Ltd.	10,595,814	13,774,558	7,787,783
Exercise of share purchase options and warrants	6,592,900	9,939,267	(95,617)
Exercise of cashless options	44,324	88,648	(88,648)
Issuance for mineral properties	110,000	210,000	-
Issuance for repayment of promissory note	4,728,000	2,364,000	-
Balance, December 31, 2008	66,356,813	93,706,311	11,086,227
Issuance for mineral properties	2,213,784	317,509	-
Exercise of share purchase options	101,000	126,185	(105,985)
Stock based compensation	-	-	866,232
Issuance of shares for repayment of convertible debentures (Note 8)	7,336,874	3,746,208	526,105
Issuance for mineral properties	51,859	5,186	-
Issuance for settlement of consulting fees	89,254	9,818	-
Value of assets transferred to Golden Predator Royalty & Development Corp. upon spin-out	-	-	(35,970,363)
Reclassification	-	(25,367,346)	25,367,346
Balance, June 30, 2009	76,149,584	\$ 72,543,871	\$ 1,769,532

During January 2008, the Company completed private placements consisting of 2,822,500 units at \$2.00 per unit for proceeds of \$5,645,000. Each unit consisted of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share at \$3.00 for a period of 12 months following the closing of the placement.

On March 19, 2008, the Company executed the share exchange agreement and issued 2,050,000 common shares in consideration for all the issued and outstanding shares of Gold Standard Royalty Corporation.

During July 2008, the Company completed a private placement consisting of 2,500,000 shares at \$2.00 per share for proceeds of \$5,000,000. In connection with this private placement the Company paid a finder's fee of \$250,000.

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10. SHARE CAPITAL AND CONTRIBUTED SURPLUS (cont'd...)

On October 18, 2008, the Company issued 4,728,000 units to Cosgrave for repayment of a promissory note at a value of US\$2,000,000. Each unit consists of one common share of the Company and one-half common share purchase warrant with a two year life and exercisable at \$0.75.

On January 5, 2009, the Company issued 2,147,000 common shares to Canyon Resources Corporation at a value of US\$250,000 for the Adelaide and Tuscarora projects for Golden Predator Mines US Inc., a wholly owned subsidiary of GP prior to the spin-out.

On January 20, 2009, the Company issued 66,784 common shares to Gillian KM Kearvell at a price of \$0.20 per share for the Guijoso property for Fury Explorations Ltd., wholly owned subsidiary of GP prior to the spin-out.

On March 4, 2009, the Company issued 7,336,874 common shares at a price of US\$0.40 per share to the holders of Convertible Debentures (the "Debentures") to retire GAM share purchase warrants held by holders of the Debentures. In addition, the Company issued 1,787,374 share purchase warrants to the Debenture shareholders and 500,040 share purchase warrants to Westminster Securities as an agent's fee for their services in connection with the retirement of Debentures. These warrants are exercisable at US\$0.30 per share for a period of two years.

On April 21, 2009, the Company issued 51,859 common shares to Columbus Gold Corporation at a value of \$0.10 per share for the Platte River property.

On May 13, 2009, the Company issued 89,254 common shares at a value of \$0.11 per share to a consultant for settlement of consulting fees for Fury Explorations Ltd., a subsidiary of GPD, under the plan of Arrangement of spin-out.

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.

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10. SHARE CAPITAL AND CONTRIBUTED SURPLUS (cont'd...)

Stock Options and warrants (cont'd...)

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

	Warrants		Stock Options	
	Number	Weighted average exercise price \$	Number	Weighted average exercise price \$
Outstanding, December 31, 2007	14,428,750	2.41	2,797,500	1.00
Conversion of Special Warrants	7,610,000	1.50	-	-
Issuance of Warrants (Private Placement)	1,411,250	3.00	-	-
Granted	-	-	6,178,625	1.02
Acquisition of GSR	-	-	168,334	1.63
Acquisition of GAM	258,383	2.12	320,125	USD 2.02
Acquisition of Fury	17,346,821	3.38	963,416	2.24
Issuance for repayment of promissory note	2,364,000	0.75	-	-
Expired or cancelled	(16,990,350)	2.47	(2,275,916)	1.73
Exercised	(6,501,500)	1.51	(91,400)	1.02
Outstanding, December 31, 2008	19,927,354	\$ 2.40	8,060,684	\$ 1.01
Granted	-	-	6,263,100	0.21
Issuance for retirement of convertible debentures	2,287,414	USD 0.30	-	-
Cancelled	(1,669,633)	1.60	(3,614,167)	1.42
Exercised	-	-	(101,000)	0.20
Outstanding, June 30, 2009	20,545,135	\$ 2.18	10,608,617	\$ 0.40
Currently exercisable	20,545,135	\$ 2.18	5,129,293	\$ 0.58

Pursuant to the spin-out, the exercise prices of the warrants were adjusted downward by 20%. The exercise prices of the warrants shown in the above table are adjusted price.

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10. SHARE CAPITAL AND CONTRIBUTED SURPLUS (cont'd...)

Stock Options and warrants (cont'd...)

As at June 30, 2009, incentive stock options and share purchase warrants were outstanding as follows:

	Number of shares	Exercise Price	Expiry Date
Options	115,100	\$0.27	August 15, 2009
	11,666	\$0.90	August 15, 2009
	66,667	\$1.80	August 15, 2009
	66,667	\$2.40	August 15, 2009
	16,667	\$2.40	August 15, 2009
	75,000	\$2.91	August 15, 2009
	40,000	\$0.20	August 20, 2009
	15,000	\$0.20	August 20, 2009
	50,000	\$1.59	August 20, 2009
	65,000	USD\$0.92	March 23, 2010
	92,625	USD\$1.47	March 23, 2010
	66,667	\$1.80	October 31, 2011
	532,500	\$0.20	July 26, 2012
	32,500	\$1.00	July 26, 2012
	12,124	\$2.40	July 26, 2012
	180,000	\$0.20	October 4, 2012
	150,000	\$0.27	October 4, 2012
	242,500	\$0.20	February 25, 2013
	100,000	\$2.00	February 25, 2013
	75,000	\$0.20	March 4, 2013
	7,500	\$0.27	March 4, 2013
	125,000	\$2.00	March 4, 2013
	45,834	USD\$1.10	March 19, 2013
	285,000	\$0.20	May 13, 2013
	20,000	\$0.20	May 13, 2013
	57,500	\$0.20	June 2, 2013
	135,000	\$0.20	August 20, 2013
	50,000	\$0.27	August 20, 2013
	125,000	\$1.59	August 20, 2013
	1,589,000	\$0.20	October 31, 2013
	2,013,100	\$0.30	January 22, 2014
	50,000	\$0.30	February 26, 2014
	100,000	\$0.20	May 20, 2014
	4,000,000	\$0.16	June 16, 2014
	10,608,617		
Warrants	15,893,721	2.68	August 15, 2011
	2,364,000	0.60	October 18, 2010
	2,287,414	USD 0.30	March 4, 2011
	31,153,752		

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10. SHARE CAPITAL AND CONTRIBUTED SURPLUS (cont'd...)

Stock-based compensation (cont'd...)

During the first six months in 2009, the Company recognized stock based compensation of \$866,232 in the statement of operations as a result of vested shares expired and cancelled net of shares for services and incentive stock options granted and vested. The weighted average fair value of options granted was \$0.40 per share.

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:

	2009
Risk-free interest rate	1.55%
Expected life	3 years
Volatility	189%
Dividend rate	0.00%

11. TREASURY STOCK AND WARRANTS

	Number of Shares	Amount
Treasury shares	1,033,333	\$ 1,343,333
Treasury warrants	1,550,000	744,000
	2,583,333	\$ 2,087,333

The Company's holdings of the common shares of Fury were converted to treasury stocks and warrants upon closing of the Fury acquisition on August 15, 2008. These shares and warrants are subject to regulatory restrictions on resale.

12. CAPITAL DISCLOSURES

The Company's objectives when managing capital are:

- to safeguard the Company's ability to continue as a going concern, thereby providing returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products commensurately with the level of risk.

The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through public and/or private placements, sell assets to reduce debt or return capital to shareholders. The Company is not subject to externally imposed capital requirements.

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13. FINANCIAL INSTRUMENTS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash equivalents, receivables, loan receivables, and reclamation bonds. The Company has no significant concentration of credit risk arising from operations. Cash equivalents consist of banker's acceptances issued by major banks and corporations, for which management believes the risk of loss to be minimal. Receivables mainly consist of interest receivable from the banker's acceptances, loan receivables, and goods and services tax refunds due from the Federal Government of Canada. Management believes that the credit risk concentration with respect to receivables is minimal. Loans receivable consist of a second mortgage for an employee and loan to a third party (Notes 4 and 5) and reclamation bonds consist of term deposits and guaranteed investment certificates, which have been invested with reputable financial institutions, from which management believes the risk of loss to be minimal.

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed share capital financings or proceeds from property sales or options.

At December 31, 2008, the Company had a working capital deficiency which was alleviated subsequent to year end. On February 18, 2009, the Company successfully negotiated the conversion of the entire convertible debenture balance and the related interests into shares and warrants of the Company. (Note 8)

Market risk

Market risk is the risk of loss that may arise from changes in market fluctuations such as those listed below. The fluctuations may be significant.

(a) Interest rate risk

The Company has cash balances, banker's acceptances, guaranteed investment certificates, and convertible debenture. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. Further, the Company negotiated to convert the convertible debenture into shares of the Company (Note 8). The Company also annually monitors the investments it makes and is satisfied with the credit ratings of its banks.

(b) Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases and expenditures are transacted in US dollars. The Company funds certain operations, exploration and administrative expenses in US dollar currency from its Canadian dollar bank accounts. Management believes the foreign exchange risk derived from currency conversions and relative exchange rate between Canadian dollars and US dollars is negligible and therefore does not hedge its foreign exchange risk.

(c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

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13. FINANCIAL INSTRUMENTS (cont'd...)

Sensitivity analysis

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

Based on management's knowledge of and experience in the financial markets, management does not believe that the Company's current financial instruments will be affected by interest rate risk, foreign currency risk and price risk within the next six months. In particular, interest rate risk is remote as the Company doesn't hold significant investments earning interest. The Company does not hold significant balances in foreign currencies to give rise to exposure to foreign exchange risk. In addition, price risk is remote since the Company is not a producing entity. However, the Company is exposed to market risk because of the fluctuating values of its publicly traded marketable securities. The Company has no control over these fluctuations.

14. SEGMENTED INFORMATION

The Company's mineral properties are located in Canada and the United States and its capital assets' geographic information is as follows:

	Canada	United States	Total
Fixed assets	\$ 161,781	\$ 34,956,804	\$ 35,118,585
Mineral properties	-	27,365,706	27,365,706
	\$ 161,781	\$ 62,322,510	\$ 62,484,291

15. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non cash transactions during the six months ended June 30, 2009 include:

- a) Issued 2,147,000 common shares to Canyon Resources Corporation for Adelaide and Tuscarora projects.
- b) Issued 66,667 common shares to Gillian KM Kearvell for Guijoso property.
- c) Issued 7,336,874 common shares for retirement of Convertible Debentures.
- d) Issued 2,287,414 share purchase warrants to the Debenture shareholders and Westminster
- e) Securities as an agent's fee for their services in connection with the retirement of Debentures.
- f) Issued 51,859 common shares to Columbus Gold Corporation for the Platte River property.
- g) Issued 89,254 common shares a consultant in settlement of consulting fees for Fury Explorations Ltd., a subsidiary of GPD under the arrangement of spin-out.

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16. COMMITMENTS

The Company has entered into operating lease agreements for automobiles with the following annual lease commitment:

2010	48,141
2011	<u>16,029</u>
	\$ <u>64,170</u>

17. RELATED PARTY RECEIVABLES AND TRANSACTIONS

The Company entered into management services agreements with corporations controlled by a director and an officer under which the Company paid \$87,705 during the first six months ended June 30, 2009.

As at June 30, 2009, \$225,326 (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.