



## MANAGEMENT DISCUSSION AND ANALYSIS FIRST QUARTER ENDED MARCH 31, 2010

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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 month period ended March 31, 2010. The discussion below should be read in conjunction with the unaudited interim consolidated financial statements of EMC for the three month period ended March 31, 2010 and with the Company's audited consolidated financial statements and related notes for the year ended December 31, 2009.

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](http://www.sedar.com).

1.1 Date of Report: May 11, 2010

1.2 Nature of Business and Overall Performance

EMC is a specialty metals and alloys company focusing on tungsten, molybdenum, vanadium, scandium and other specialty metals. Its principal owned properties are located in the state of Nevada, with an additional property located in the province of Ontario, and a joint venture project in New South Wales, Australia.

The Company's properties include the Springer Tungsten Mine ("Springer"), located in Pershing County in northwestern Nevada, where the General Electric Company ("GE") built a 1,000 Tons per day ("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 also acquired various metallurgical patents and know-how as part of the acquisition of The Technology Store ("TTS") during the prior year, which it is utilizing to gain access to a number of specialty metals opportunities.

The Company's focus during the period was maintaining Springer on standby mode pending a sustained improvement in tungsten prices, and continuing metallurgical testing for ongoing process optimization. The Company also investigated other specialty metals opportunities.

In addition, the Company received and filed a National Instrument 43-101 ("NI 43-101") technical report for the Nyngan Gilgai scandium property in New South Wales, Australia, which is available on SEDAR. With the filing, the Company has completed the first phase in the fulfillment of EMC's obligations under the terms of the Nyngan agreement ahead of schedule.

The Company also received a NI 43-101 technical report on a resource estimate of the Carlin Vanadium project which will be filed on SEDAR by June, 2010.

On February 17, 2010, the Company completed a non-brokered private placement financing of 2,275,000 units of the Company at a price of \$0.20 per unit for gross proceeds of \$455,000. Each unit consists of one common share and one half of a share purchase warrant. Each full warrant entitles the holder to purchase one common share of the Company at a price of \$0.25 per share until January 27, 2011. Net proceeds from the private placement will be used for general working capital.

On May 4, 2010, the Company appointed George Putnam as Chief Executive Officer and President, and a director of the Company. Mr. Putnam has extensive mining industry experience, having worked for over 20 years for BHP (now BHP-Billiton) and GE/Utah International. While at BHP, he held division chief financial officer roles in the petroleum refining business, with annual revenues of \$1.1-billion (U.S.), and in BHP Manganese, a mining, alloy smelting and refining business located in Australia, with revenues of \$350-million (U.S.). His previous experience includes acquisition and divestiture work for both BHP and other clients, associated bank financings, and the negotiation and management of alliances involving long-term product sales contracts.

Mr. Putnam has an economics degree from Gettysburg College and a master's degree in business administration from Duke University.

On May 11, 2010, Paul Matysek resigned as a director of the Company.

#### ***Springer Tungsten Mine and Mill***

During the prior year, all equipment to complete the rehabilitation project was received on site. 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, Colorado. The technical report, titled, "NI 43-101 Technical Report on Resources Springer Facility- Sutton Beds, Nevada, USA" is dated May 15, 2009 and was filed on SEDAR on May 26, 2009. Dr. Stryhas calculates Indicated and Inferred resources from the Sutton 1 and Sutton 2 historic mines at the Company's Springer Facility as follows:

<b>Resource Category</b>	<b>WO<sub>3</sub> % Cut-off</b>	<b>Total Tons (kt)</b>	<b>WO<sub>3</sub> % Average Grade</b>	<b>Contained STU's WO<sub>3</sub></b>
Indicated	0.30	274	0.619	169,606
Inferred	0.30	1,097	0.562	616,514

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

#### ***Nyngan Gilgai Scandium Project***

The Nyngan Gilgai Scandium resource is located approximately 500 kilometres northwest of Sydney, Australia and is accessible via a 25 kilometre sealed road from the town of Nyngan. The property consists of part of exploration license EL 6009 and all of EL 6096, controlled by Jervois Mining Limited ("Jervois"), and covers over 9,000 hectares.

EMC has executed an Exploration Joint Venture Agreement (the "JV Agreement") with Jervois, pursuant to which EMC can earn a 50% interest in a joint venture on the Nyngan scandium project ("Nyngan Scandium Project"). EMC will be the operator of the joint venture.

Under the JV Agreement, EMC paid the sum of CAD\$300,000 into escrow, to be released to Jervois upon satisfaction of certain conditions precedent, including verification of title to the Nyngan Gilgai property and approval of the Toronto Stock Exchange.

The JV Agreement requires EMC to incur exploration and metallurgical work of A\$500,000 (CAD\$466,000) within 180 business days of the conditions precedent being satisfied, or pay cash in lieu thereof. In the event that EMC wishes to continue the joint venture, EMC must deliver a bankable feasibility study within 480 business days of the conditions precedent being satisfied, failing which the Agreement will terminate.

Upon EMC delivering the bankable feasibility study to Jervois, EMC must pay to Jervois an additional A\$1,300,000 plus GST at which time it will be granted a 50% interest in the joint venture. The JV Agreement provides for straight-line dilution, with interests diluted below 10% being converted into a 2% Net Smelter Returns Royalty.

The Nyngan Gilgai Scandium resource is hosted within the lateritic zone of the Gilgai Intrusion, one of several Alaskan-type mafic and ultramafic bodies which intrude Cambrian-Ordovician metasediments collectively called the Girilambone Group. The laterite zone, locally up to 40m thick, is layered with hematitic clay at the surface followed by limonitic clay, saprolitic clay, weathered bedrock and finally fresh bedrock. The scandium mineralization is concentrated within the hematitic, limonitic, and saprolitic zones with values up to 350ppm Sc.

In the 1980's, 134 rotary air blast holes (for 6779 metres) and two diamond drill holes (each 250 metres deep) were drilled in the area exploring several of these Alaskan-type pyroxenite bodies for platinum group. Between 1999 and 2001, two traverses of reverse circulation ("RC") drill holes exploring for nickel were drilled across the Gilgai Intrusion. Jervois obtained the sample pulps from these RC holes and analyzed them for scandium; the results indicated there was a significant enrichment of scandium in the Gilgai laterite.

In 2006, Jervois completed a 2,638 metre drill program consisting of 64 RC holes and 5 air core holes at the project. From this drilling, Douglas McKenna and Partners produced a JORC\* (Joint Ore Reserves Committee) compliant resource estimation for Jervois, which is outlined in the table below.

Resource Category	Tonnes	Grade (ppm Sc)	Overburden Ratio
Measured	2,718,000	274	0.81:1
Indicated	9,294,000	258	1.40:1
Total	12,012,000	261	1.10:1

*Nyngan JORC\* Compliant Mineral Resource using 100ppm scandium cutoff.*

On, April 22, 2010 the Company announced that it had filed on SEDAR a NI 43-101 Technical Report titled "NI 43-101 Technical Report on Scandium Project, Jervois, Nyngan, New South Wales, Australia".

In 2009, scandium was primarily used to produce high-strength aluminum-scandium alloys. These lightweight alloys were used in high-end sporting equipment such as baseball and softball bats, bicycle frames, and golf clubs as well as minor components for the aerospace industry. An emerging market for scandium lies within the energy industry with the development of Solid Oxide Fuel Cells ("SOFCs"). SOFCs are devices that produce electricity directly from oxidizing a fuel using a solid oxide, or ceramic, electrolyte.

Currently there are no primary producers of scandium, and the world supply of scandium is produced solely as byproducts from other process streams, mainly from uranium, tungsten, tin and titanium production. The United States Geological Survey in its latest report (January, 2010) quotes a price of US\$1,400 per kilogram of Sc<sub>2</sub>O<sub>3</sub> for the four previous years.

In addition to filing the Technical Report, EMC has completed the Conditions Precedent in its JV Agreement with Jervois, for the development of the Nyngan Scandium property in New South Wales, Australia, allowing EMC to proceed with its planned program for the project. The first phase of the program, which is already in progress, consists of detailed metallurgical testing designed to refine and enhance the flow sheet to extract the scandium from the ore. EMC is committed to spend at least A\$500,000 on this phase of the program and intends to spend the bulk of this money on metallurgical test work. Australia's Commonwealth Scientific and Research Organization ("CSIRO") has developed a workable flow sheet, recovering over 80% of the scandium. This flow sheet will be the basis for EMC's focused test program.

Additionally EMC has engaged Roberts & Schaefer of Salt Lake City, Utah, to develop a preliminary engineering study for the Nyngan Scandium Project, which will guide EMC to those areas where improvements in equipment selection will be most beneficial from the capital expenditure point of view.

*The information provided above that relates to Mineral Resources is based on information compiled by Mr. D.C. Pursell (MAusIMM) and Mr. D. Foster (MAusIMM). D.C. Pursell and D. Foster have sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve'.*

### **Carlin Vanadium Project**

The Carlin Vanadium Project consists of 72 unpatented mineral claims covering ~578 ha, located along the western flank of the Piñon Range within the headwaters of Cole Creek. The property is accessible year round via highway 278 and the Cole Creek Road from the town of Carlin, Nevada.

The Carlin Vanadium Deposit was discovered in the 1960's by Union Carbide Corp. ("UCC") when significantly anomalous vanadium was found in samples collected by UCC Geologists (Galli, 1968, Morgan, 1968). During 1967 and 1968 UCC conducted exploration work including geological mapping, ~15,000 feet of trenching, and ~36,500 feet of drilling in 112 holes outlining a zone of vanadium mineralization within the current claim boundary.

At the Carlin Project, the vanadium mineralization is hosted within 15 metre (50 ft) thick horizon of black shales within the Devonian Woodruff Formation, which consists of dark grey to black siliceous mudstones, and chert with lesser amounts of shale, siltstone, dolomitic siltstone, and calcareous sandstone. The Woodruff formation is unconformably overlain by shallow dipping Permian-Pennsylvanian siltstones, shales, conglomerates, and carbonates of the Chainman and Diamond Peak Formations.

Historical metallurgical test work from the Carlin Vanadium Project, completed by the U.S. Department of Mines (Brooks and Potter, 1974), showed that up to 69% of the vanadium could be recovered from weathered dolomitic shales

containing 1% V<sub>2</sub>O<sub>5</sub>, while preliminary test work on fresh black shales show similar recoveries using a salt roast and acid leaching. EMC is currently working on metallurgical processes to refine the recovery of V<sub>2</sub>O<sub>5</sub> from the Carlin Vanadium Project shales. Future work programs are being developed for the Carlin Vanadium Project, including definition and infill drilling and detailed metallurgical work.

On May 6, 2010, the Company announced the receipt of an NI 43-101 compliant Technical Report and resource estimation for the Carlin Vanadium Project, located approximately 40 km south of Elko, Nevada, USA. The Technical Report will be filed on SEDAR by June, 2010

The technical report, titled "NI 43-101 Technical Report on Resources, Carlin Vanadium Project, Carlin, Nevada", and dated April 30, 2010, outlines a NI 43-101 compliant Inferred Resource of 25.4 million tonnes grading 0.515% V<sub>2</sub>O<sub>5</sub> for a total of 289 million lbs of total contained V<sub>2</sub>O<sub>5</sub>, see table below.

Vanadium Project NI 43-101 Resource Estimation Stryhas (2010) of SRK Consulting				
Resource Category	Cut-off V <sub>2</sub> O <sub>5</sub> (%)	Total (tonnes)	Grade V <sub>2</sub> O <sub>5</sub> (%)	Contained V <sub>2</sub> O <sub>5</sub> (lbs)
Inferred	0.30	25,400,000	0.515	289,000,000

*Notes: This resource estimation was prepared in compliance with the "Best Practices and Reporting Guidelines" set out by CIM and National Instruments 43-101. It was taken from NI 43-101 Technical Report on Resources, EMC, Carlin Vanadium Project, Carlin, Nevada written by Bart Stryhas from SRK Consulting in 2010 for EMC. The resource estimation was calculated using a drillhole database, compiled by EMCs verified by SRK and, containing information from 152 drillholes totaling 11,135m (36,525ft). The drillhole depths range from approximately 6m (20ft) to 150m (500ft) with an average of 73m (240ft). The resource estimation was made using an Inverse Distance Weighting Squared interpolation method (ID<sup>2</sup>). The resource is confined within a 0.1% V<sub>2</sub>O<sub>5</sub> grade shell constructed by generating cross-section polygon outlines at nominal 200ft spacing. A weighted average density of 2.34g/cm<sup>3</sup> was used for the mineralized lithologies. The resource was estimated as short tons and then converted to metric tons for this press release.*

*Technical information above has been reviewed by Gilles R. Dessureau, M.Sc. P.Geo, a Qualified Person for the purposes of NI 43-101. Mr. Dessureau is a Professional Geologist employed with EMC.*

### 1.3 Operating Results

The Company continued its attention to capital preservation in light of current economic conditions, and continued its cost cutting measures at the Springer facility and at its head office. This will delay eventual startup of the Springer mill. All permitting activities and many operational readiness programs will continue, which should better prepare the Company for the return of orderly financial markets and the continuation of pre-startup activities.

The Company has continued to fulfill its commitments in respect of the Jervois Joint Venture and continues to make expenditures on projects where these are likely to yield early benefits.

#### 1.3.1 Results of Operations for the quarter ended March 31, 2010

The net loss for the quarter decreased by \$8,187,301 to \$873,711 from \$9,061,012 in the prior year, mainly as a result of a reduction in foreign exchange loss on consolidation of \$8,112,582 and the prior year's results including a loss on the sale of marketable securities of \$1,151,725. Individual items contributing to this decrease are as follows:

Amortization expense increased by \$145,812 to \$326,485 (2009 - \$180,673) as a result of the amortization of technology patents acquired for the full quarter. The technology patents were acquired in the last quarter of 2009 as part of the TTS acquisition.

Consulting costs decreased by \$100,502 to \$49,800 (2009 - \$150,302), salaries and benefits decreased by \$416,175 to \$112,524 (2009 - \$528,699), and travel and entertainment decreased by \$13,426 to \$36,848 (2009 - \$50,274) as a result of the Company's efforts to reduce operations and preserve capital.

General and administrative costs amounted to \$88,718 (2009 - recovery of \$473,694) which is reflective of the reduced level of operations in the current year. They prior year recovery resulted from a correction in accruals brought forward from the preceding year.

Insurance cost decreased by \$95,756 to \$34,862 (2009 - \$130,618) as a result of a risk survey performed that enabled a reduction in the insured amount of the Springer Mill.

Professional fees decreased by \$291,544 to \$56,558 (2009 - \$348,102) as prior year costs related to the spin-out of GPRD were not incurred in the current quarter.

Rent decreased by \$75,872 to \$15,215 (209 - \$91,087) as a result of the reduced activity caused by cost cutting measures, and the spin out of various operating subsidiaries and mineral properties to GPRD.

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Stock-based compensation amounted to \$161,964 (2009 – recovery of \$1,072,955) reflecting the recognition of the option expense over the period to the next vesting date. The negative amount in the prior year results from an entry processed in the first quarter of the previous year and subsequently reversed at year end.

The foreign exchange gain of \$193,605 (2009 – loss of \$7,918,977) results mainly from the conversion of US monetary item balances to CAD for reporting purposes.

Interest expense amounted to \$117,093 (2009 – income of \$18,346) and is attributable to the Promissory notes in respect of the TTS and Cosgrave Ranch acquisitions.

The unrealized loss on marketable securities amounted to \$67,249 (2009 - \$129,000) as a result of lower market values attributable to the securities at the quarter end than at the year end.

In addition, some income and expenditure items in the prior year did not recur in the current year resulting in net reduction in costs of \$1,098,275. These items were the loss on sale of marketable securities of \$1,151,725, the write off of mineral interests of \$68,325, and other income of \$121,775.

1.4 Summary of Quarterly results

	2010	2009				2008		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Net Sales	-	-	-	-	-	-	-	-
Net Income (Loss)	(873,711)	(7,361,002)	(548,203)	(725,249)	(9,061,012)	1,413,276	(7,631,500)	(3,321,442)
Basic and diluted Net Income (Loss) per share	(0.01)	(0.08)	(0.01)	(0.01)	(0.13)	0.01	(0.12)	(0.08)

The net loss in the fourth quarter of 2009 relates mainly to the write-down of mineral interests. There was a foreign exchange loss in the first quarter of 2009 of \$7,918,977 that reversed itself to a gain of \$809,991 by the end of the fourth quarter. The net income in the fourth quarter 2008 relates to year-end adjustments, primarily from salaries and benefits and capitalizing them to the mineral interests they relate to.

1.5 Discussion of cash flows

*Quarter ended March 31, 2010 compared to the quarter ended March 31, 2009*

The cash outflow from operating activities increased by \$195,795 to \$757,823 (2009 – \$562,028) due to a reduction in other income, and the effect of adjustments booked in the prior year.

Cash outflows from investing activities decreased by \$215,078 to \$321,251 (2009 - \$536,329) due mainly to a decrease in expenditures on property, plant and equipment expenditures and mineral interests which was partly offset by an amount placed in escrow in respect of the Jervois property acquisition.

Cash inflows from financing activities increased by \$834,475 to \$854,675 (2009 - \$20,200) due to a private placement during the quarter and cash received from the exercise of stock options and warrants.

1.6 Financial Position

*Cash*

The decrease in cash of \$224,399 to \$360,037 at March 31, 2010 (December 31, 2009 - \$584,436) results from operating cash outflows and funds placed in escrow for a mineral interest acquisition, offset by proceeds from a private placement and warrant and option exercises in the period as per the "Discussion of cash flows" above.

*Marketable securities*

Marketable securities decreased by \$67,249 to \$137,333 at March 31, 2010 (December 2009 - \$204,582) due to a decrease in fair market value since the year end.

*Deposit*

The Deposit of \$300,000 at March 31, 2010 comprises an amount placed in escrow in compliance with the terms of the JV Agreement with Jervois related to the Nyngan Scandium Project.

*Technology and patents*

Technology and patents decreased by \$199,779 to \$5,063,960 at March 31, 2010 (December 2009 - \$5,263,739) due to amortization of the patents.

*Property, plant and equipment*

Property plant and equipment consists of land and water rights in Nevada, the Springer plant and equipment, and various other items of property plant and equipment. The decrease of \$140,489 to \$34,690,034 at March 31, 2010 (December 2009 - \$34,830,523) is due to amortization and the sale of a software asset in the period.

*Mineral interests*

Mineral interests consist mainly of the Springer property, and also various gold, silver, and vanadium properties. The increase of \$21,251 to \$11,061,679 at March 31, 2010 (December 2009 - \$11,040,428) is due mainly to the payment of property holding costs.

*Current liabilities*

Current liabilities have decreased by \$371,291 to \$592,803 at March 31, 2010 (December 2009 - \$964,094) due to the payment of amounts accrued for the TTS acquisition and a general reduction in activity.

*Future Income tax liability*

The future income tax liability of \$1,789,671 at March 31, 2010 (December 31, 2009 - \$1,789,671) results from the non-deductibility in Canada for tax purposes of the portion of the TTS purchase price allocated to Technology and Patents on consolidation.

*Promissory note payable*

The promissory note payable decreased by \$141,170 to \$4,330,070 at March 31, 2010 (December 31, 2009 - \$4,471,240) and is attributable to a change in foreign exchange on conversion of the USD designated promissory notes to CAD for reporting purposes.

*Shareholders' equity*

Share capital increased by \$890,307 to \$82,871,401 at March 31, 2010 (December 31, 2009 - \$81,981,094) as a result of the completion of a private placement for total proceeds of \$455,000 and the exercise of warrant and stock options for proceeds of \$435,307 as further discussed in "Liquidity and Capital Resources" below.

The contributed surplus increased by \$126,332 to \$1,105,943 at March 31, 2010 (December 31, 2009 - \$979,611) as a result of stock options issued and adjustments due to the exercise of stock options.

1.7 Liquidity and Capital Resources

At March 31, 2010, the Company had working capital of \$122,167 including cash of \$360,037 as compared to a working capital of \$100,684 including cash of \$584,436 at December 31, 2009. Also included in working capital, at March 31, 2010, were marketable securities with a market value of \$137,333 (December 31, 2009 - \$204,582).

During the three month period ended March 31, 2010, the Company received cash of \$455,000 (March 31, 2009 - \$Nil) for stock issuances at \$0.20 per unit. At March 31, 2010, the Company has an aggregate 26,620,135 share purchase warrants exercisable, between \$0.15 and \$2.68 per share which have the potential upon exercise to convert to approximately \$45,724,796 in cash over the next two years. Further, a total of 9,886,250 stock options exercisable between \$0.105 and \$2.15 have the potential upon exercise to generate a total of \$2,365,613 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; however, 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 operational obligations.

1.8 Outstanding share data:

At the date of this report the Company has 117,430,845 issued and outstanding common shares, 9,287,500 outstanding stock options at a weighted average exercise price of \$0.23, and 24,668,759 outstanding warrants at a weighted average exercise price of \$1.84.

#### 1.9 Off-Balance Sheet Arrangements

At March 31, 2010, 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.

#### 1.10 Transactions with Related Parties

During the period, the Company paid or accrued management fees of \$Nil (March 31, 2009 - \$72,855) to a Company controlled by a director of the Company.

During the period, the Company paid or accrued consulting fees of \$46,175 (March 31, 2009 - \$Nil) to a director of the Company.

These transactions were in the normal course of operations and are measured at the amount of consideration established and agreed.

#### 1.11 Proposed Transactions

There are no proposed transactions outstanding other than what has been disclosed.

#### 1.12 Critical Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting policies requires management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are based on past experience, industry trends and known commitments and events. By their nature, these estimates are subject to measurement uncertainty and the effects on the financial statements of changes in such estimates in future periods could be significant. Actual results will likely differ from those estimates.

##### *Carrying value of mineral interests*

The Company has capitalized the cost of acquiring mineral interests and on-going exploration and maintenance costs. Capitalized property costs are expensed in the period in which the Company determines that the mineral interests have no future economic value. Capitalized property costs may also be written down if future cash flow, including potential sales proceeds and option payments, related to the property are estimated to be less than the carrying value of the property. The Company reviews the carrying value of its mineral properties periodically, and whenever events or changes in circumstances indicate the carrying value may not be recoverable, reductions in the carrying value of each property would be recorded to the extent that the carrying value of the investment exceeds the property's estimated fair value. Such events or changes in circumstances involve changes in political risk, economic risk, commodity prices, exchange rates, and interest rates among others.

##### *Stock-based compensation*

The Company uses the Black-Scholes option pricing model to calculate the fair value of stock options and compensatory warrants granted. This model is subject to various assumptions. The assumptions the Company makes will likely change from time to time. At the time the fair value is determined, the methodology the Company uses is based on historical information, as well as anticipated future events. The assumptions with the greatest impact on fair value are those for estimated stock volatility and for the expected life of the instrument.

##### *Future income taxes*

The Company accounts for tax consequences of the differences in the carrying amounts of assets and liabilities and their tax bases using tax rates expected to apply when these temporary differences are expected to be settled. When the future realization of income tax assets does not meet the test of being more likely than not to occur, a valuation allowance in the amount of the potential future benefit is taken and no future income tax asset is recognized. The Company has taken a valuation allowance against all such potential tax assets.

#### 1.13 Changes in Accounting Policies

The following CICA guidelines were adopted by the Company:

##### ***Business Combinations, Non-controlling Interest and Consolidated Financial Statements***

In January 2009, the CICA issued Handbook Sections 1582 "Business Combinations", 1601 "Consolidated Financial Statements" and 1602 "Non-controlling Interests" which replace CICA Handbook Sections 1581 "Business Combinations" and 1600 "Consolidated Financial Statements". Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1582 is applicable for the Company's business combinations with acquisition dates on or after January 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company's interim and annual consolidated financial statements for its fiscal year beginning January 1, 2011. Early adoption of this Section is permitted and all three Sections must be adopted concurrently. The Company is currently evaluating the section to determine the impact on its consolidated financial statements.

##### 1.13.1 IFRS Changeover Plan Disclosure

The Canadian Accounting Standards Board ("AcSB") has announced its decision to replace Canadian generally accepted accounting principles ("GAAP") with International Financial Reporting Standards (IFRS) for all Canadian Publicly Accountable Enterprises ("PAEs"). The effective changeover date is January 1, 2011, at which time Canadian GAAP will cease to apply for EMC and will be replaced by IFRS. Following this timeline, the Company will issue its first set of interim financial statements prepared under IFRS in the first quarter of 2011 including comparative IFRS financial results and an opening balance sheet as at January 1, 2010. The first annual IFRS consolidated financial statements will be prepared for the year ended December 31, 2011 with restated comparatives for the year ended December 31, 2010.

Management has developed a project plan for the conversion to IFRS based on the current nature of operations. The conversion plan is comprised of three phases: 1) Scoping phase which will assess the overall impact and effort required by the Company in order to transition to IFRS; 2) Planning phase which will include a detailed analysis of the conversion process and implementation plan required for disclosure for the Company's first quarter; and, 3) Transition phase which will include the preparation of an IFRS compliant opening balance sheet as at January 1, 2010, any necessary conversion adjustments and reconciliations, preparation of a fully compliant pro forma financial statements including all note disclosures and disclosures required for the MD&A.

Management has completed phase one, IFRS Scoping phase, and is now advancing through phase two, the Planning stage. Management prepared a component evaluation of its existing financial statement line items, comparing Canadian GAAP to the corresponding IFRS guidelines, and has identified a number of differences. Many of the differences identified are not expected to have a material impact on the reported results and financial position.

Most adjustments required on transition to IFRS will be made, retrospectively, against opening retained earnings as of the date of the first comparative balance sheet presented based on standards applicable at that time.

IFRS 1, "First-Time Adoption of International Financial Reporting Standards", provides entities adopting IFRS for the first time with a number of optional exemptions and mandatory exceptions, in certain areas, to the general requirement for full retrospective application of IFRS. During the second quarter of 2010, management will prepare a presentation to the Audit Committee and the Board of Directors which will focus on the key issues and transitional choices under IFRS 1 applicable to the Company.

Set out below are the most significant areas, management has identified to date, where changes in accounting policies may have the highest potential impact on the Company's consolidated financial statements based on the accounting policy choices approved by the Audit Committee and Board of Directors.

In the period leading up to the changeover in 2011, the AcSB has ongoing projects and intends to issue new accounting standards during the conversion period. As a result, the final impact of IFRS on the Company's consolidated financial statements can only be measured once all the IFRS accounting standards at the conversion date are known. Management will continue to review new standards, as well as the impact of the new accounting standards, between now and the conversion date to ensure all relevant changes are addressed.

##### ***Impairment of Assets***

Canadian GAAP generally uses a two-step approach to impairment testing: first comparing asset carrying values with undiscounted future cash flows to determine whether impairment exists; and then measuring any impairment by comparing asset carrying values with discounted cash flows. International Accounting Standard ("IAS") 36, "Impairment of Assets" uses a one-step approach for both testing and measurement of impairment, with asset carrying values compared directly with the higher of fair value less costs to sell and value in use (which uses discounted future cash flows). This may

potentially result in write downs where the carrying value of assets were previously supported under Canadian GAAP on an undiscounted cash flow basis, but could not be supported on a discounted cash flow basis.

#### ***Share Based Payments***

IFRS and Canadian GAAP largely converge on the accounting treatment for share – based transactions with only a few differences.

Canadian GAAP allows either accelerated or straight line method of amortization for the fair value of stock options under graded vesting. Currently, the Company is using the straight line method; however it intends to apply the accelerated amortization method in fiscal 2010 and therefore the adoption of IFRS 2 is not expected to have an impact on the Company's financial statements.

Under IFRS, the estimate for forfeitures must be made when determining the number of equity instruments expected to vest, while under Canadian GAAP forfeitures can be recognized as they occur. The Company is expecting to use an estimate of forfeitures when determining the number of equity instruments expected to vest during fiscal 2010.

Upon adoption of IFRS 2, the Company will be fully compliant with the new standard and the adoption is not expected to have an impact on the financial statements.

#### ***Exploration and Evaluation Assets***

Under the Company's current accounting policy, acquisition costs of mineral properties, together with direct exploration and development expenses incurred thereon are capitalized.

Upon adoption of IFRS, the Company has to determine the accounting policy for exploration and evaluation assets. The Company can decide to apply the International Accounting Standards Board ("IASB") Framework which requires exploration expenditures to be expensed and capitalization of expenditures only after the completion of a feasibility study or disregard the IASB Framework and keep the existing Company policy, if relevant and reliable.

Management has yet to decide on whether or not to fully adopt IFRS 6, "Exploration and Evaluation of Mineral Properties", and apply the IASB framework. If management elects to fully adopt IFRS 6, the result of the application of the IASB Framework at the transition date, mineral properties will decrease by \$9,494,235 together with an increase to accumulated deficit by the same amount reflecting the derecognized exploration costs.

#### ***Property, Plant and Equipment***

Under IFRS, Property, Plant and Equipment ("PP&E") can be measured at fair value or at cost while under Canadian GAAP, the Company has to carry PP&E on a cost basis and the revaluation is prohibited.

Upon adoption of IFRS, the Company has to determine whether to elect a cost model or revaluation model. Management has yet to decide on which model to adopt. The Company is in the process of identifying the potential impact on the property, plant and equipment balance.

In accordance with IAS 16 "Property, Plant and Equipment", upon acquisition of significant assets, the Company will need to allocate an amount initially recognized in respect of an asset to its component parts and accounts for each component separately when the components have different useful lives or the components provide benefits to the entity in a different pattern.

#### ***Foreign Currency***

IFRS requires that the functional currency of each entity in the consolidated group be determined separately in accordance with IAS 21 and the entity's financial results and position should be measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). Currently the functional currency of the consolidated entity is the Canadian dollar ("CAD") which is also the presentation currency of the Company's financial statements.

As events and conditions relevant to the Company change, it will re-consider the primary and secondary indicators, as described in IAS 21, in determining the functional currency for each entity. Going forward under IFRS, management will assess the appropriate functional currency based on existing circumstances which may have a significant impact on the Company's consolidated financial statements prepared under IFRS.

#### ***Future Income Taxes***

Like Canadian GAAP, deferred income taxes under IFRS are determined using the liability method for temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, and by generally applying tax rates applicable to the Company to such temporary differences. Deferred income taxes relating to temporary differences that are in equity are recognized in equity and under IFRS subsequent adjustments thereto are backward traced to equity.

IFRS prohibits recognition where deferred income taxes arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting nor taxable net earnings. The Company expects the impact of implementing IAS 12, Income Taxes to not have an impact on the financial statements. However, as events and circumstances of the Company's operations change that give rise to future income taxes, IAS 12 will be applied.

As the Company elects and approves the IFRS accounting policy for each of the areas above, management will determine and disclose impact of the IFRS adoption at the transition date on our financial statements. The International Accounting Standards Board 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 accounting standards at the conversion date are known.

Based on management assessment of the information system currently used by the Company, all information required to be reported under IFRS will be available with minimal system changes.

One of the more significant impacts identified to date of adopting IFRS is the expanded presentation and disclosures required. Disclosure requirements under IFRS generally contain more breadth and depth than those required under Canadian GAAP and, therefore, will result in more extensive note references. The Company is continuing to assess the level of presentation and disclosures required to its consolidated financial statements.

#### ***Technology and patents***

Like Canadian GAAP, intangible assets under IFRS can be capitalized at cost if it is probable that the expected future economic benefits attributed to the asset will flow to the entity and that the cost of the asset can be measured reliability. The Company then has the option to apply the revaluation model whereby technology and patents can be carried at its fair value amount at the revaluation date.

Technology and patents would continue to be amortized over their useful life; however, IAS 38, Intangible Assets, requires an annual review of residual value estimates and IAS 36, impairment of assets, requires that an impairment loss be recognized when the carrying amount of an asset exceeds the recoverable amount.

The Company is in the process of identifying the impact of the noted differences on the technology and patents balance.

#### **1.14 Financial Instruments and Other Risks**

The Company's financial instruments consist of cash, marketable securities, receivables, loan receivable, reclamation bond, accounts payable and accrued liabilities and due to related party. 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. The Company places its cash 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.

#### **1.15 Disclosure Controls and Procedures and Internal Control over Financial Reporting**

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.

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 financial statements can be reduced to less than a remote likelihood.

#### 1.16 Subsequent Events

Subsequent to the period ended March 31, 2010, the Company filed a NI 43-101 technical report in regards to the Nyngan Gilgai project.

#### 1.17 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 other mineral 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 metals and the volatile prices for tungsten and other 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 its tungsten and other mineral 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***

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.

***Tungsten and other mineral Industries Competition is Significant***

The international tungsten and other mineral 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 mineral 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 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 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 Metals Corp.'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 mineral 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 Minerals Extraction***

Reserve and resource figures are estimates only and no assurances can be given that the estimated levels of minerals will actually be produced or that the Company will receive the metal 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 metals prices, 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 mineral 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***

The Company maintains accounts in Canadian and American currency. The Company's equity financings are sourced in Canadian dollars but for the most part it incurs its expenditures in local currencies or in US dollars. The Company's operations are subject to foreign currency fluctuations and such fluctuations may materially affect the Company's financial position and results. The Company does not engage in currency hedging activities.

### ***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 and other mineral producing properties. There is no assurance that commercial quantities of tungsten and other minerals 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 other minerals are discovered, there can be no assurance that any property of the Company will ever be brought to a stage where tungsten and other mineral resources can profitably be produced therefrom. Factors which may limit the ability of the Company to produce tungsten and other mineral resources from its properties include, but are not limited to, the spot prices of tungsten and other 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.

1.18 Information Regarding Forward-Looking Statements

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 other metals, 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 incompleteness of development or construction activities, risks relating to the integration of acquisitions, to international operations, and to the prices of tungsten and other 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.