(An Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders of
EMC Metals Corp.

We have audited the accompanying consolidated balance sheets of EMC Metals Corp. as of December 31, 2012 and 2011, and the related consolidated statements of operations and comprehensive loss, cash flows and changes in stockholders' equity for the years ended December 31, 2012 and 2011 and the for the period from incorporation on July 17, 2006 to December 31, 2012. EMC Metals Corp.'s management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of EMC Metals Corp. as of December 31, 2012 and 2011, and the results of its operations and its cash flows for the years ended December 31, 2012 and 2011 and for the period from incorporation on July 17, 2006 to December 31, 2012 in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming EMC Metals Corp. will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, EMC Metals Corp. generated negative cash flows from operating activities during the past year and has an accumulated deficit of $61,027,496 for the year ended December 31, 2012. This raises substantial doubt about EMC Metals Corp.'s ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Accountants

March 25, 2013

EMC Metals Corp.
(An Exploration Stage Company)
CONSOLIDATED BALANCE SHEETS
(Expressed in US Dollars)

As at:	December 31, 2012	December 31, 2011
ASSETS		
Current		
Cash	$ 190,215	$ 791,438
Investments in trading securities, at fair value (Note 3)	-	2,212
Prepaid expenses and receivables	109,335	188,946
Total Current Assets	299,550	982,596
Restricted cash (Note 4)	160,217	156,735
Property, plant and equipment (Note 5)	30,193,679	30,163,644
Mineral interests (Note 6)	753,182	668,349
Total Assets	$ 31,406,628	$ 31,971,324
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 656,499	$ 540,886
Convertible debenture (Note 10)	1,861,373	-
Current portion of promissory notes payable (Note 9)	4,680,688	500,000
Total Current Liabilities	7,198,560	1,040,886
Promissory notes payable (Note 9)	-	3,750,000
Total Liabilities	7,198,560	4,790,886
Stockholders' Equity		
Capital stock (Note 11) (Authorized: Unlimited number of shares; Issued and outstanding: 165,358,337 (2011 – 150,678,713))	87,310,708	86,479,995
Treasury stock (Note 12)	(1,264,194)	(1,264,194)
Additional paid in capital (Note 11)	2,033,718	1,449,168
Accumulated other comprehensive loss	(2,844,668)	(3,422,332)
Deficit accumulated during the exploration stage	(61,027,496)	(56,062,199)
Total Stockholders' Equity	24,208,068	27,180,438
Total Liabilities and Stockholders' Equity	$ 31,406,628	$ 31,971,324

Nature and continuance of operations (Note 1)
Subsequent events (Note 16)

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

EMC Metals Corp.
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in US Dollars)

	Cumulative amounts from incorporation on July 17, 2006 to December 31, 2012	Year ended December 31, 2012	Year ended December 31, 2011
EXPENSES			
Amortization (Note 5)	$ 2,337,369	$ 196,695	$ 331,568
Consulting	2,367,573	249,070	97,680
Exploration	14,735,227	1,088,384	2,102,918
General and administrative	7,351,422	521,314	641,080
Insurance	973,934	84,801	67,840
Professional fees	3,073,465	218,449	216,575
Research and development	3,042,091	-	-
Salaries and benefits	7,295,538	999,427	849,548
Stock-based compensation (Note 11)	5,340,376	331,800	296,127
Travel and entertainment	1,589,248	73,365	188,245
Loss before other items	(48,106,243)	(3,763,305)	(4,791,581)
OTHER ITEMS			
Foreign exchange gain (loss)	426,888	(19,274)	(58,165)
Gain on transfer of marketable securities	181,238	-	-
Gain on settlement of convertible debentures	1,268,246	-	-
Gain (loss) on sale of marketable securities	1,720,016	(1,411)	-
Write-off of mineral interests	(15,965,169)	(4,910)	-
Write-off of land and water rights (Note 5)	(3,243,685)	(443,685)	(2,800,000)
Gain on insurance proceeds	912,534	-	-
Interest expense	(534,060)	(732,712)	(225,466)
Other income	466,463	-	-
Gain on disposition of assets (Note 6)	933,075	-	487,917
Change in fair value of derivative liability (Note 8)	453,790	-	231,262
Unrealized loss on marketable securities	(3,070,425)	-	-
	(16,451,089)	(1,201,992)	(2,364,452)
Loss before income taxes	(64,557,332)	(4,965,297)	(7,156,033)
Deferred income tax recovery	6,020,527	-	-
Loss for the period	(58,536,805)	(4,965,297)	(7,156,033)
Foreign currency translation adjustment	(2,844,668)	577,664	(984,896)
Comprehensive loss for the period	$ (61,381,473)	$ (4,387,633)	$ (8,140,929)
Basic and diluted loss per common share		$ (0.03)	$ (0.05)
Weighted average number of common shares outstanding		155,653,130	150,404,210

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

EMC Metals Corp.
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in US Dollars)

	Cumulative amounts from incorporation on July 17, 2006 to December 31, 2012	Year ended December 31, 2012	Year ended December 31, 2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the period	$ (58,536,805)	$ (4,965,297)	$ (7,156,033)
Items not affecting cash:			
Amortization	2,337,369	196,695	331,568
Research and development	3,042,091	-	-
Consulting paid with common shares	9,379	-	-
Gain on disposal of assets	(933,075)	-	(487,917)
Convertible debenture costs	(1,149,630)	-	-
Unrealized foreign exchange	783,891	-	18,647
Stock-based compensation	5,340,376	331,800	296,127
Unrealized gain on marketable securities	(46,707)	-	-
Realized gain on marketable securities	(1,720,016)	1,411	-
Write-off of mineral properties	15,965,169	4,910	-
Write-off of land and water rights	3,243,685	443,685	2,800,000
Realized loss on transfer of marketable securities	2,935,895	-	-
Change in fair value of derivative liability	(453,790)	-	(231,262)
Deferred income tax recovery	(6,020,527)	-	-
Finance charge	296,539	296,539	-
	(34,906,156)	(3,690,257)	(4,428,870)
Changes in non-cash working capital items:			
Decrease (increase) in prepaids and receivables	(75,809)	83,416	(56,889)
Increase (decrease) in accounts payable and accrued liabilities	(240,769)	103,111	339,273
Increase in due to related parties	1,091,043	-	-
Asset retirement obligations	(999,176)	-	-
	(35,130,867)	(3,503,730)	(4,146,486)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash acquired from subsidiary	4,543,435	-	-
Cash paid for Subsidiary	(10,602,498)	-	-
Spin-out of Golden Predator Corp.	(66,890)	-	-
Restricted cash	(161,161)	-	(161,161)
Reclamation bonds	747,862	-	-
Proceeds from sale of marketable securities, net	(3,881,287)	2,251	-
Proceeds from sale of property, plant and equipment	633,294	-	16,000
Purchase of property, plant and equipment	(19,920,751)	(3,338)	(40,945)
Proceeds from sale of mineral interests	517,550	-	517,550
Additions to unproven mineral interests	(3,115,904)	(35,000)	(184,014)
	(31,306,350)	(36,087)	147,430
CASH FLOWS FROM FINANCING ACTIVITIES			
Common shares issued	52,484,603	790,508	211,391
Share issuance costs	(1,190,801)	-	-
Special warrants	12,095,274	-	-
Options exercised	370,812	-	43,769
Warrants exercised	10,534,109	-	325,360
Notes payable	(9,272,423)	-	-
Receipt of promissory note	1,000,000	1,000,000	-
Convertible debenture	2,000,000	2,000,000	-
Debt issuance costs	(249,827)	(249,827)	-
Payment of promissory note	(1,685,228)	(502,583)	-
Advances from related party	191,508	-	-
Loans advanced to Midway	(1,822,651)	-	-
Loan repayment from Midway	1,760,221	-	-
	66,215,597	3,038,098	580,520
Effect of foreign exchange on cash flows	411,835	(99,504)	61,146
Change in cash during the period	190,215	(601,223)	(3,357,390)
Cash, beginning of period	-	791,438	4,148,828
Cash, end of period	$ 190,215	$ 190,215	$ 791,438

Supplemental disclosure with respect to cash flows (Note 14)

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

EMC Metals Corp.
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Expressed in US Dollars)

	Capital Stock						
	Number of Shares	Amount	Additional Paid in Capital	Treasury Stock	Accumulated Other Comprehensive Loss	Deficit Accumulated During the Exploration Stage	Total
		$	$	$	$	$	$
Balance, July 17, 2006	-	-	-	-	-	-	-
Private placements	5,000,000	3,017,350	-	-	-	-	3,017,350
Excess of exchange amount over carrying amount of Springer Mining Company	-	-	-	-	-	(2,490,691)	(2,490,691)
Loss for the period	-	-	-	-	-	(316,382)	(316,382)
Balance, December 31, 2006	5,000,000	3,017,350	-	-	-	(2,807,073)	210,277
Private placements	17,577,500	35,598,475	-	-	-	-	35,598,475
Conversion of special warrants	5,390,000	5,590,529	-	-	-	-	5,590,529
Exercise of warrants	50,000	74,235	-	-	-	-	74,235
Share issuance costs – broker's fees	-	(1,202,721)	97,565	-	-	-	(1,105,156)
Share issuance costs – shares issued	100,000	99,910	-	-	-	-	99,910
Shares issued for mineral properties	100,000	95,822	-	-	-	-	95,822
Stock-based compensation	40,000	38,314	472,489	-	-	-	510,803
Loss for the year	-	-	-	-	-	(5,579,477)	(5,579,477)
Balance, December 31, 2007	28,257,500	43,311,914	570,054	-	-	(8,386,550)	35,495,418
Private placements	5,322,500	10,543,442	-	-	-	-	10,543,442
Conversion of special warrants	7,610,000	7,484,629	-	-	-	-	7,484,629
Share issuance costs – broker's fees	-	(263,169)	-	-	-	-	(263,169)
Shares issued for mineral properties	110,000	206,229	-	-	-	-	206,229
Acquisition of Gold Standard Royalty Corp.	2,050,000	4,088,552	138,529	-	-	-	4,227,081
Acquisition of Great American Minerals Inc.	1,045,775	2,065,059	419,891	-	-	-	2,484,950
Acquisition of Fury Explorations Ltd.	10,595,814	12,963,070	7,343,879	(1,964,364)	-	-	18,342,585
Exercise of stock options	6,637,224	9,690,543	(178,482)	-	-	-	9,512,061
Shares issued for repayment of promissory note	4,728,000	2,017,257	-	-	-	-	2,017,257
Stock-based compensation	-	-	2,251,500	-	-	-	2,251,500
Loss for the year	-	-	-	-	-	(16,979,874)	(16,979,874)
Balance, December 31, 2008	66,356,813	92,107,527	10,545,371	(1,964,364)	-	(25,366,423)	75,322,111
Private placements	14,500,000	1,123,489	-	-	-	-	1,123,489
Exercise of stock options	101,000	110,689	(92,970)	-	-	-	17,719
Shares issued for mineral properties	2,765,643	311,606	-	-	-	-	311,606
Settlement of convertible debentures	7,336,874	2,299,061	49,278	-	-	-	2,348,339
Shares issued for consulting	89,254	9,168	-	-	-	-	9,168
Shares issued for acquisition of TTS	19,037,386	1,976,697	-	-	-	-	1,976,697
Stock-based compensation before spin-out	-	-	799,008	-	-	-	799,008
Spin-out of GPD	-	(18,044,538)	(11,300,687)	-	-	-	(29,345,225)
Stock-based compensation after spin-out	-	-	935,595	-	-	-	935,595
Foreign currency translation adjustment	-	-	-	-	(2,536,527)	-	(2,536,527)
Loss for the year	-	-	-	-	-	(18,954,099)	(18,954,099)
Balance, December 31, 2009	110,186,970	79,893,700	935,595	(1,964,364)	(2,536,527)	(44,320,522)	32,008,281
Private placements	30,252,442	4,563,680	441,565	-	-	-	5,005,245
Exercise of stock options	1,320,000	443,329	(219,732)	-	-	-	223,597
Exercise of warrants	7,300,000	1,060,257	-	-	-	-	1,060,257
Stock-based compensation	-	-	772,179	-	-	-	772,179
Foreign currency translation adjustment	-	-	-	-	99,091	-	99,091
Loss for the year	-	-	-	-	-	(4,585,644)	(4,585,644)
Balance, December 31, 2010	149,059,412	85,960,966	1,930,007	(1,964,364)	(2,437,436)	(48,906,166)	34,583,007
Exercise of stock options	250,000	140,466	(76,796)	-	-	-	63,670
Exercise/expiry of warrants	1,369,301	378,563	(700,170)	700,170	-	-	378,563
Stock-based compensation	-	-	296,127	-	-	-	296,127
Foreign currency translation adjustment	-	-	-	-	(984,896)	-	(984,896)
Loss for the year	-	-	-	-	-	(7,156,033)	(7,156,033)
Balance, December 31, 2011	150,678,713	86,479,995	1,449,168	(1,264,194)	(3,422,332)	(56,062,199)	27,180,438
Private placements	13,679,624	790,508	-	-	-	-	790,508
Stock-based compensation	-	-	331,794	-	-	-	331,794
Shares issued for mineral properties	1,000,000	40,205	-	-	-	-	40,205
Issue of convertible debenture warrants	-	-	252,756	-	-	-	252,756
Foreign currency translation adjustment	-	-	-	-	577,664	-	577,664
Loss for the year	-	-	-	-	-	(4,965,297)	(4,965,297)
Balance, December 31, 2012	165,358,337	87,310,708	2,033,718	(1,264,194)	(2,844,668)	(61,027,496)	24,208,068

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

1. NATURE AND CONTINUANCE OF OPERATIONS

EMC Metals Corp. (the "Company") is incorporated under the laws of the Province of British Columbia. The Company is focused on specialty metals exploration and production and has recently acquired various metallurgical technologies and licenses that it is utilizing to gain access to a number of specialty metals opportunities.

The Company's principal properties are located in the United States, Australia, and Norway. The Company's principal asset, the Springer Tungsten mine and mill, is currently not operating, and the Company is now working to restart mine operations with a partner or sell the assets outright. To December 31, 2012, the Company has not commenced production and has generated no revenue. The Company's remaining properties are in the exploration stage. As such, the Company is an exploration stage company and anticipates incurring significant additional expenditures prior to production at any and all of its properties.

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

The Company currently earns no operating revenues and will require additional capital in order to restart its Springer tungsten mill and advance the Nyngan property. The Company's ability to continue as a going concern is uncertain and is dependent upon the generation of profits from mineral properties, obtaining additional financing and maintaining continued support from its shareholders and creditors. These are material uncertainties that raise substantial doubt about the Company's ability to continue as a going concern. The Company is currently working on securing additional financing to meet its needs and/or restructuring certain obligations; however there is no guarantee that these efforts will be successful. In the event that additional financial support is not received or operating profits are not generated, the carrying values of the Company's assets may be adversely affected.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation

These consolidated financial statements have been prepared in conformity with generally accepted accounting principles of the United States of America ("US GAAP").

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated on consolidation.

b) Change in presentation currency

Effective December 31, 2012, the Company changed its presentation currency from the Canadian dollar to the US dollar. The Company's consolidated financial statements for the year ended December 31, 2012 are the Company's first financial statements that will be presented in U.S. dollars. As a result of changing the presentation currency, all the comparative assets and liabilities were translated using the closing rate at the balance sheet date, comparative equity were translated at the exchange rates at the dates of transaction and the statements of loss were translated at the average exchange rate for the period covered. All resulting change differences are recognized in the accumulated other comprehensive loss in the balance sheets' equity section.

A change in presentation currency is accounted for as a change in accounting policy and is applied retrospectively, as if the new presentation currency had always been the presentation currency. Consequently, the comparatives for the year ended December 31, 2011 and as at December 31, 2011 have been restated to be presented in United States dollars. The exchange rates applied for translation purposes were as follows:

Date or period	Exchange rate
As at December 31, 2011	1 USD = 0.99490 CAD
For the year ended December 31, 2011	1 USD = 0.99958 CAD

c) Use of estimates

The preparation of consolidated financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. The Company regularly evaluates estimates and assumptions related to deferred income tax asset valuations, asset impairment, stock-based compensation and loss contingencies. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between estimates and the actual results, future results of operations will be affected.

d) Investment in trading securities

The Company's trading securities are reported at fair value, with unrealized gains and losses included in earnings.

(Expressed in US Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

e) Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated amortization, calculated as follows:

Plant and equipment	5% straight line
Building	5% straight line
Computer equipment	30% straight line
Small tools and equipment	20% straight line
Office equipment	20% straight line
Automobile	30% straight line
Leasehold improvements	Over life of the lease

f) Mineral properties and exploration and development costs

The costs of acquiring mineral rights are capitalized at the date of acquisition. After acquisition, various factors can affect the recoverability of the capitalized costs. If, after review, management concludes that the carrying amount of a mineral property is impaired, it will be written down to estimated fair value. Exploration costs incurred on mineral properties are expensed as incurred. Development costs incurred on proven and probable reserves will be capitalized. Upon commencement of production, capitalized costs will be amortized using the unit-of-production method over the estimated life of the ore body based on proven and probable reserves (which exclude non-recoverable reserves and anticipated processing losses).

g) Asset retirement obligations

The Company records the fair value of an asset retirement obligation as a liability in the period in which it incurs a legal obligation associated with the retirement of tangible long-lived assets that result from the acquisition, construction, development, and/or normal use of the long-lived assets. The Company also records a corresponding asset which is amortized over the life of the asset. Subsequent to the initial measurement of the asset retirement obligation, the obligation is adjusted at the end of each period to reflect the passage of time (accretion expense) and changes in the estimated future cash flows underlying the obligation (asset retirement cost).

h) Long-lived assets

Long-lived assets held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. For purposes of evaluating the recoverability of long-lived assets, the recoverability test is performed using undiscounted net cash flows related to the long-lived assets. If such assets are considered to be impaired, the impairment recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

i) Income taxes

The Company accounts for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under the asset and liability method the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is recognized if it is more likely than not that some part or all of the deferred tax asset will not be recognized.

j) Loss per share

Basic loss per common share is computed using the weighted average number of common shares outstanding during the year. To calculate diluted loss per share, the Company uses the treasury stock method and the if converted method. As of December 31, 2012, there were 3,750,000 warrants (2011 – Nil) and 13,576,250 options (2011 – 11,848,750) outstanding which have not been included in the weighted average number of common shares outstanding as these were anti-dilutive.

k) Foreign exchange

The Company's functional currency is the Canadian dollar. Any monetary assets and liabilities that are in a currency other than the Canadian dollar are translated at the rate prevailing at year end. Revenue and expenses in a foreign currency are translated at rates that approximate those in effect at the time of translation. Gains and losses from translation of foreign currency transactions into Canadian dollars are included in current results of operations.

(Expressed in US Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

l) Stock-based compensation

The Company accounts for stock-based compensation under the provisions of Accounting Standard Codification ("ASC") 718, "Compensation-Stock Compensation". Under the fair value recognition provisions, stock-based compensation expense is measured at the grant date for all stock-based awards to employees and directors and is recognized as an expense over the requisite service period, which is generally the vesting period. The Black-Scholes option valuation model is used to calculate fair value.

m) Financial instruments

The Company's financial instruments consist of cash, investments in trading securities, receivables, accounts payable, accrued liabilities, convertible debentures and promissory notes payable. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from its financial instruments. The fair values of these financial instruments approximate their carrying values unless otherwise noted. The Company has its cash primarily in one commercial bank in Vancouver, British Columbia, Canada.

n) Concentration of credit risk

The financial instrument which potentially subjects the Company to concentration of credit risk is cash. The Company maintains cash in bank accounts that, at times, may exceed federally insured limits. As of December 31, 2012 and 2011, the Company has exceeded the federally insured limit. The Company has not experienced any losses in such amounts and believes it is not exposed to any significant risks on its cash in bank accounts.

o) Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

p) Fair value of financial assets and liabilities

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

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

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

Financial instruments, including receivables, accounts payable and accrued liabilities, convertible debentures and promissory notes payable are carried at amortized cost, which management believes approximates fair value due to the short term nature of these instruments. Investments in trading securities are classified as held for trading, with unrealized gains and losses being recognized in income.

The following table presents information about the assets that are measured at fair value on a recurring basis as of December 31, 2012, and indicates the fair value hierarchy of the valuation techniques the Company utilized to determine such fair value. In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets. Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset or liability, and included situations where there is little, if any, market activity for the asset:

	December 31, 2012	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Cash and restricted cash	$ 350,432	$ 350,432	$ —	$ —
Total	$ 350,432	$ 350,432	$ —	$ —

The fair values of cash, restricted cash and investments in trading securities are determined through market, observable and corroborated sources.

(Expressed in US Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

q) Recently Adopted and Recently Issued Accounting Standards

The Company reviewed significant newly issued accounting pronouncements and concluded that they are either not applicable to the Company's business or that no material effect is expected on the consolidated financial statements as a result of future adoption.

3. INVESTMENTS IN TRADING SECURITIES

At December 31, 2012, the Company did not hold investments classified as trading securities (December 31, 2011 – $2,212).

4. RESTRICTED CASH

The Company has a Bank of Montreal line of credit of up to C$159,400 as a deposit on the Company's Vancouver office lease and is secured by a short-term investment of C$159,400 bearing interest at prime less 2.05% maturing on May 8, 2014, contemporaneous with the date the office lease expires.

5. PROPERTY, PLANT AND EQUIPMENT

2012

	December 31, 2011 Net Book Value	Additions (disposals) (write-offs)	Amortization	Currency Translation Adjustment	December 31, 2012 Net Book Value
Land and water rights	$ 4,595,829	$ (443,499)	$ -	$ 99,816	$ 4,252,146
Plant and equipment	25,190,293	-	-	559,559	25,749,852
Cosgrave plant and equipment	71,244	-	(72,484)	1,240	-
Buildings	173,301	-	(11,139)	3,797	165,959
Automobiles	19,995	-	(9,138)	405	11,262
Computer equipment	795	3,338	(800)	69	3,402
Small tools and equipment	98,283	-	(99,994)	1,711	-
Office Equipment	13,904	-	(3,140)	294	11,058
	$ 30,163,644	$ (440,161)	$ (196,695)	$ 666,891	$ 30,193,679

2011

	December 31, 2010 Net Book Value	Additions (disposals) (write-offs)	Amortization	Currency Translation Adjustment	December 31, 2011 Net Book Value
Land and water rights	$ 8,015,575	$ (2,800,000)	$ -	$ (619,746)	$ 4,595,829
Plant and equipment	25,757,619	-	-	(567,326)	25,190,293
Cosgrave plant and equipment	148,410	-	(75,981)	(1,185)	71,244
Buildings	188,398	-	(11,279)	(3,818)	173,301
Automobiles	-	24,754	(4,362)	(397)	19,995
Computer equipment	6,749	-	(5,970)	16	795
Small tools and equipment	284,592	-	(185,087)	(1,222)	98,283
Office Equipment	74,701	(12,277)	(48,889)	369	13,904
	$ 34,476,044	$ (2,787,523)	$ (331,568)	$ (1,193,309)	$ 30,163,644

Land and water rights are in respect of properties in Nevada. The plant and equipment is comprised of the Springer Plant and Mill in Nevada which is currently under care and maintenance.

Impairment of land and water rights

During the year ended December 31, 2012, the Company reviewed the carrying value of its land and water rights for impairment and compared the carrying value to the estimated recoverable amount and wrote down its land and water rights by $443,685. During the year ended December 31, 2011, the Company made a similar review and wrote down its land and water rights by $2,800,000.

(Expressed in US Dollars)

6. MINERAL INTERESTS

December 31, 2012		Other		Tungsten		Total
Acquisition costs						
Balance, December 31, 2011	$	474,199	$	194,150	$	668,349
Additions		75,205		-		75,205
Write-off		(4,910)		-		(4,910)
Translation adjustment		10,225		4,313		14,538
Balance, December 31, 2012	$	554,719	$	198,463	$	753,182

December 31, 2011		Other		Tungsten		Total
Acquisition costs						
Balance, December 31, 2010	$	301,711	$	204,040	$	505,751
Additions		177,720		2,471		180,191
Sold		-		(8,145)		(8,145)
Translation adjustment		(5,232)		(4,216)		(9,448)
Balance, December 31, 2011	$	474,199	$	194,150	$	668,349

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

TUNGSTEN PROPERTY

Springer Property

On November 21, 2006, the Company acquired all outstanding and issued shares of Springer Mining Company ("Springer"). Included in the assets of Springer and allocated to property, plant and equipment (Note 5) are the Springer Mine and Mill located in Pershing County, Nevada.

Fostung Property

The Company held a 100% interest in certain mineral claims known as the Fostung Property, Ontario. During the year ended December 31, 2011, the Company sold these claims for C$500,000 and recorded a gain on the sale of $487,917.

SCANDIUM PROPERTIES

Nyngan, New South Wales Property

On February 5, 2010, the Company entered in to an earn-in agreement with Jervois Mining Limited ("Jervois"), whereby it would acquire a 50% interest in the Nyngan Scandium property located in New South Wales, Australia. In order for the Company to earn its 50% interest, which is subject to a 2% Net Smelter Royalty (NSR), the Company paid an initial cash sum of C$300,000 to Jervois, and was additionally required to meet two additional work steps:

a) Incur exploration and metallurgical work expenditures of A$500,000 (US$431,000) within 180 business days of the conditions precedent being satisfied, or pay cash in lieu thereof. The Company received a six month extension to complete its exploration spending commitment, which it met in advance of the extended deadline in the period ended June 30, 2011.

b) Deliver a feasibility study on the Nyngan Scandium Project to Jervois, and pay Jervois an additional cash payment of A$1,300,000 plus GST, by a deadline of February 28, 2012.

On February 6, 2013, the Company announced that it had agreed to an out of court settlement to its dispute with Jervois in relation to the Nyngan Scandium project in NSW, Australia. The terms of the settlement transfer 100% ownership and control of the Nyngan

6. MINERAL INTERESTS (cont'd…)

Scandium project to the Company, in return for cash payments of A$2,600,000 before June 30, 2014 and a percentage royalty payable to Jervois on sales of product from the project.

Tørdal and Evje-Iveland properties, Norway

During fiscal 2012 the Company entered into an option agreement with REE Mining AS ("REE") to earn up to a 100% interest in the Tørdal and Evje-Iveland properties pursuant to which the Company paid $130,000 and issued 1,000,000 common shares valued at $40,000. To earn its interest, the original agreement required the Company to pay REE an additional $500,000, incur $250,000 of exploration work and issue 250,000 common shares upon releasing the second of two full feasibility studies on the two properties. The Company subsequently renegotiated the payments required to earn the interest and the Evje-Iveland property was removed from the option agreement. Pursuant to the amendment, the Company earned a100% interest in the Tørdal property by paying an additional $35,000 and granting a 1% Net Smelter Return ("NSR") payable to REE.

Fairfield property, Utah

In 2011 the Company entered into an earn-in agreement with Mineral Exploration Services LLC, whereby the Company had an option to earn a 100% interest in a patented mining claim and former scandium property known as The Little Green Monster near Fairfield, Utah.

The Company decided to write-off its investment of $4,910 in this project in fiscal 2012.

Hogtuva property, Norway

During fiscal 2011 the Company entered into an option agreement with REE Mining AS ("REE") to earn a 100% interest in three scandium and beryllium exploration sites in Norway pursuant to which the Company paid $50,000. To earn its interest, the original agreement required the Company to pay REE an additional $100,000 and issue up to 200,000 common shares. Subsequent to December 31, 2012 the Company renegotiated the payments required to earn the interest and removed two of the exploration sites from the agreement. Pursuant to the amendment, the Company earned a 100% interest in the Hogtuva property in consideration for the $50,000 original payment and the grant of a 1% NSR payable to REE.

7. RELATED PARTY TRANSACTIONS

A promissory note due to a director of the Company (principal balance of $500,000) matured and was paid during June 2012. The promissory note was issued as part of the purchase of a subsidiary company during November 2009.

During the year ended December 31, 2012, the Company expensed a consulting fee of $68,000 for one of its directors. Of this total $34,000 remains unpaid at year-end. There were no such fees paid in 2011.

8. DERIVATIVE LIABILITY

The Company evaluated the application of SFAS 133 and EITF 00-19 for the settlement of convertible debentures through the issuance of shares and warrants. Based on the guidance in SFAS 133 and EITF 00-19, the Company concluded that the warrants were required to be accounted for as derivatives. The warrants issued pursuant to the settlement were in a functional currency different than that of the Company and therefore met the attributes of a liability. The Company is required to record the fair value of these warrants on its balance sheet at fair value with changes in the values of these derivatives reflected in the statement of operations.

The Company uses the Black-Scholes valuation model for calculation of the fair value of derivative liabilities. The Company uses volatility rates based upon the closing stock price of its common stock. The Company uses a risk-free interest rate which is the bank of Canada rate with a maturity that approximates the estimated expected life of a derivative. The Company uses the closing market price of the common stock on the date of issuance of a derivative or at the end of a quarter when a derivative is valued at fair value.

The volatility was 100%, the risk-free interest rate was 1%, a dividend rate of 0%, and the expected life was 0.17, during the year ending December 31, 2010.

During the year ended December 31, 2011, the warrants expired and the derivative liability was valued at $Nil resulting in a change in fair value of $231,262 realized through the statement of operations.

(Expressed in US Dollars)

9. PROMISSORY NOTES PAYABLE

		December 31, 2012		December 31, 2011
Promissory note with a principal balance of $500,000, bearing interest at prime per annum, maturing June 30, 2012 due to a director of the Company secured by the stock of a subsidiary company.	$	-	$	500,000
Promissory note with a principal balance of $3,750,000, bearing interest at 6% per annum, maturing July 3, 2013 and secured by land and water rights.				
During fiscal 2008 the Company entered into a promissory note for $6,750,000 as consideration for the acquisition of land and water rights. The Company subsequently made principal payments of $3,000,000 consisting of a cash payment of $1,000,000 and 4,728,000 units of the Company equity valued at $2,000,000. Each unit consisted of one common share and one-half share purchase warrant exercisable at C$0.75 each and exercisable for a period of two years. The note is secured by a First Deed of Trust on the Cosgrave property land and water rights.		3,750,000		3,750,000
During the year ended December 31, 2012 the Company completed a $3,000,000 loan financing (Note 10) which included a $1,000,000 note payable bearing interest at 7% per annum maturing August 15, 2013. Presented is this principal balance less financing and costs which are amortized over the term of the debt using the effective interest method. This resulted in a carrying amount of $831,841 upon deducting a debt discount of $168,159 from the principal balance of $1,000,000. During fiscal 2012, the Company recognized $98,847 in accretion through interest expense. The note payable is secured by an interest in the assets of the Company's subsidiary, Springer Mining Company.		930,688		-
		4,680,688		4,250,000
Less: current portion		(4,680,688)		(500,000)
	$	Nil	$	3,750,000

10. CONVERTIBLE DEBENTURE

On February 17, 2012, the Company completed a $3,000,000 loan financing consisting of a term loan of $1,000,000 (Note 9), a convertible debenture of $2,000,000 and warrants to acquire 3,000,000 common shares. The convertible debenture has a maturity date of August 15, 2013 and bears interest at 7% per annum. The lender may convert a maximum of $2,000,000 of the principal amount of the loan into 10,000,000 common shares of the Company. The loan is secured by an interest in the assets of the Company's subsidiary, Springer Mining Company. There was no beneficial conversion feature associated with the conversion option. The warrants are exercisable at C$0.20 per share expiring February 15, 2014. A relative fair value of $217,267 was assigned to the warrants and recorded in additional paid in capital. The Company paid financing costs of $249,827 and also issued 750,000 purchase warrants exercisable at C$0.20 per share expiring February 15, 2014. These warrants were valued at $58,716 with a volatility of 120%, expected life of 2 years, risk free rate of 1.0% and expected dividend yield of 0.0% and recorded in additional paid in capital. The financing costs were allocated between debt and the equity components. This resulted in a convertible debenture carrying amount of $1,663,681 at December 31, 2012 upon deducting a debt discount of $336,319 from the principal balance of $2,000,000. During fiscal 2012, the Company recognized $197,692 in accretion through interest expense.

11. CAPITAL STOCK AND ADDITIONAL PAID IN CAPITAL

On December 20, 2012, the Company issued 1,000,000 common shares at a value of $40,205 for the Tørdal and Hogtuva projects in Norway.

On December 16, 2012, the Company issued 2,000,000 common shares at a value of C$0.05 per common share for total proceeds of C$100,000.

On July 24, 2012, the Company issued 11,679,624 common shares at a value of C$0.06 per common share for total proceeds of C$700,777.

On December 3, 2010, the Company issued 18,929,740 common shares at a value of C$0.19 per common share for total proceeds of C$3,596,651. A total of C$210,249 was received during fiscal 2011.

On November 25, 2010, the Company issued 6,100,000 units at a value of C$0.10 per unit for total proceeds of C$610,000. Each unit consisted of one common share and one-half of one share purchase warrant exercisable at C$0.18 expiring on November 25,

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

2011. The warrants have a calculated total fair value of C$142,358 using the Black-Scholes pricing model with a volatility of 142.52%, risk-free rate of 1.73%, expected life of 1 year, and a dividend rate of 0%.

On June 30, 2010, the Company issued 2,947,702 units at a value of C$0.10 per unit for total proceeds of C$294,770. Each unit consisted of one common share and one-half of one share purchase warrant exercisable at C$0.18 until June 30, 2011. The warrants have a calculated total fair value of C$35,638 using the Black-Scholes pricing model with a volatility of 123.84%, risk-free rate of 1.39%, expected life of 1 year, and a dividend rate of 0%.

On February 17, 2010, the Company issued 2,275,000 units at a value of C$0.20 per unit for total proceeds of C$455,000. Each unit consisted of one common share and one-half of one share purchase warrant exercisable at C$0.25 until February 17, 2011. The warrants have a calculated total fair value of C$78,113 using the Black-Scholes pricing model with a volatility of 131.19%, risk-free rate of 1.34%, expected life of 1 year, and a dividend rate of 0%. All of the warrants were exercised during fiscal 2011.

On November 17, 2009, the Company issued 13,000,000 units at a value of C$0.08 per unit for total proceeds of C$1,040,000. Each unit consisted of one common share and one-half of one share purchase warrant. Each full warrant entitled the holder to purchase an additional share at C$0.15 per share until November 17, 2010.

On October 13, 2009, the Company issued 500,000 common shares at a value of C$45,000 for the Fostung Tungsten project.

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

On May 13, 2009, the Company issued 89,254 common shares at a value of C$0.12 per share to a consultant for settlement of consulting fees for Fury Explorations Ltd. ("Fury"), a subsidiary of GPD, under the plan of Arrangement of spin-out. On April 21, 2009, the Company issued 51,859 common shares at a value of C$0.10 per share for the Platte River property.

On January 21, 2009, the Company issued 66,784 common shares at a value of C$0.20 per share for the Guijoso property for Fury.

On January 6, 2009, the Company issued 2,147,000 common shares at a value of $250,000 for the Adelaide and Tuscarora projects for Golden Predator Mines US Inc., a wholly owned subsidiary of the Company prior to the spin-out.

On November 17, 2008, the Company issued 76,274 common shares in connection with the acquisition of the subsidiary, Great American Minerals Inc.

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

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

In January 2008, the Company completed a private placement consisting of 2,822,500 units at C$2.00 per unit for gross proceeds of C$5,645,000. Included in the proceeds was C$3,620,000 received in advance as of December 31, 2007. Each unit consisted of one common share and one half of one share purchase warrant. Each whole warrant entitled the holder to acquire one additional common share at C$3.00 for a period of 12 months.

In November 2007, the Company completed private placements consisting of 17,577,500 units at C$2.00 per unit for proceeds of C$35,155,000. Each unit consisted of one common share and one half of one common share purchase warrant. Each whole warrant entitled the holder to acquire one additional common share at C$3.00 for a period of 12 months following the closing of the placement.

In December 2007, the Company issued 5,390,000 common shares pursuant to the conversion of special warrants. The Company paid C$1,016,074 and issued 100,000 common shares valued at C$100,000 as issuance costs and finder's fees. The Company also granted warrants to acquire 300,000 common shares exercisable at C$1.50 expiring September 22, 2008. The warrants were valued at C$99,000 with the Black-Scholes option pricing model using an expected volatility of 115%, life of one year, a risk free interest rate of 4% and a dividend yield of 0%.

In December 2006, the Company issued 5,000,000 common shares at C$0.70 per common share for gross proceeds of C$3,500,000.

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.

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

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

	Warrants		Stock Options	
	Number	Weighted average exercise price in Canadian $	Number	Weighted average exercise price in Canadian $
Outstanding, December 31, 2010	23,792,485	$ 1.82	11,473,750	$ 0.18
Granted	-	-	1,470,000	0.28
Cancelled	(22,423,184)	1.97	(845,000)	0.22
Exercised	(1,369,301)	0.24	(250,000)	0.17
Outstanding, December 31, 2011	-	-	11,848,750	0.19
Granted	3,750,000	0.20	3,885,000	0.08
Cancelled	-	-	(2,187,500)	0.28
Exercised	-	-	-	-
Outstanding, December 31, 2012	3,750,000	$ 0.20	13,546,250	$ 0.14
Number currently exercisable	3,750,000	$ 0.20	12,835,250	$ 0.14

As at December 31, 2012, incentive stock options were outstanding as follows:

	Number of options	Exercise Price in Canadian $	Expiry Date
Options	90,000	$ 0.390	January 18, 2013 *
	152,500	0.200	February 25, 2013 *
	65,000	2.000	February 25, 2013 *
	25,000	0.200	March 4, 2013 *
	120,000	0.310	April 27, 2013
	55,000	0.200	May 13, 2013
	645,000	0.200	October 31, 2013
	537,500	0.300	January 23, 2014
	50,000	0.300	February 26, 2014
	1,020,000	0.160	June 16, 2014
	225,000	0.120	August 27, 2014
	200,000	0.105	December 16, 2014
	626,250	0.250	January 4, 2015
	4,800,000	0.100	November 5, 2015
	250,000	0.315	May 4, 2016
	500,000	0.250	May 16, 2016
	300,000	0.155	September 15, 2016
	2,335,000	0.080	April 24, 2017
	1,550,000	0.070	August 8, 2017
	13,546,250		

* These options expired in the first quarter of 2013.

As at December 31, 2012, warrants were outstanding as follows:

Warrants	Number of Warrants	Exercise Price in Canadian $	Expiry Date
	3,750,000	$ 0.20	February 15, 2014

(Expressed in US Dollars)

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

Stock-based compensation

During the year ended December 31, 2012, the Company recognized stock-based compensation of $331,800 (December 31, 2011 - $296,127) in the statement of operations as a result of incentive stock options granted and vested in the current period. There were 3,885,000 stock options issued during the year ended December 31, 2012 (December 31, 2011 – 1,470,000).

The weighted average fair value of the options granted in the period was C$0.08 (2011 - C$0.31).

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:

	2012	2011
Risk-free interest rate	1.56%	2.44%
Expected life	5 years	4.36 years
Volatility	137.03%	127.51%
Forfeiture rate	0.00%	0.00%
Dividend rate	0.00%	0.00%

12. TREASURY STOCK

	Number		Amount
Treasury shares, December 31, 2012 and 2011	1,033,333	$	1,264,194
	1,033,333	$	1,264,194

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

13. SEGMENTED INFORMATION

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

December 31,2012		Norway		Australia		United States		Total
Property, plant and equipment	$	-	$	-	$	30,193,679	$	30,193,679
Mineral interests		253,181		301,538		198,463		753,182
	$	253,181	$	301,538	$	30,392,142	$	30,946,861

December 31,2011		Norway		Australia		United States		Total
Property, plant and equipment	$	-	$	-	$	30,163,644	$	30,163,644
Mineral interests		179,214		294,985		194,150		668,349
	$	179,214	$	294,985	$	30,357,794	$	30,831,993

14. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

		2012		2011
Cash paid during the year for interest	$	310,957	$	129,422
Cash paid during the year for income taxes	$	-	$	-

Significant non-cash transactions for the year ended December 31, 2012 include the Company granting 750,000 share purchase warrants at a value of $58,510 as finder's fees pursuant to the promissory note and convertible debenture financings (Note 10). The Company also issued 1,000,000 common shares at a value of $40,205 in acquisition of mineral interests.

There were no significant non cash transactions for the year ended December 31, 2011.

(Expressed in US Dollars)

15. DEFERRED INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		2012		2011
Loss before income taxes	$	(4,965,297)	$	(7,356,033)
Expected income tax recovery		(1,241,000)		(1,949,000)
Change in statutory, foreign tax, foreign exchange rates and other		(1,120,000)		2,708,000
Permanent difference		78,000		(46,000)
Share issue and financing costs		(5,000)		-
Change in unrecognized deductible temporary differences		2,288,000		(713,000)
Total Income tax recovery	$	-	$	-

The Canadian income tax rate declined during the year due to changes in the law that reduced corporate income tax rates in Canada.

The significant components of the Company's deferred tax assets and liabilities are as follows:

		2012		2011
Deferred Tax Assets (Liabilities)				
Debt with accretion	$	(52,000)	$	-
Non-capital losses		52,000		-
Net deferred tax liability	$	-	$	-

The significant components of the Company's deferred tax assets that have not been set up are as follows;

		2012		2011
Deferred Tax Assets (Liabilities)				
Exploration and evaluation assets	$	3,161,000	$	1,356,000
Property and equipment		149,000		140,000
Share issue costs		50,000		14,000
Marketable securities		18,000		-
Allowable capital losses		1,381,000		1,381,000
Non-capital losses available for future periods		5,067,000		4,647,000
		9,826,000		7,538,000
Unrecognized deferred tax assets		(9,826,000)		(7,538,000)
Net deferred tax assets	$	-	$	-

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

		2012	Expiry Date Range		2011	Expiry Date Range
Temporary Differences						
Exploration and evaluation assets	$	10,138,000	No expiry date	$	4,349,000	No expiry date
Property and equipment		525,000	No expiry date		493,000	No expiry date
Share issue costs		201,000	2033 to 2036		56,000	2032 to 2035
Marketable securities		145,000	No expiry date		3,000	No expiry date
Allowable capital losses		5,523,000	No expiry date		5,523,000	No expiry date
Non-capital losses available for future periods		17,696,000	2016 to 2032		16,105,000	2016 to 2031

16. SUBSEQUENT EVENTS

On February 4, 2013, the Company issued convertible loans for total proceeds of $650,000. The convertible loans have a maturity date of 12 months from the closing date and bear interest at the rate of 10% per annum. The principal amount of the loan may be converted into up to 13,000,000 common shares at a rate of $0.05 per share. The convertible loan will be secured by an interest in the assets of the Company's subsidiary, Wolfram Jack Mining Company (primarily the Carlin Vanadium mineral rights), the Norway exploration rights and a subordinated interest in Springer Mining Company assets. A total of $600,000 of the offering is being subscribed for by insiders of the Company.

16. SUBSEQUENT EVENTS (cont'd…)

On February 6, 2013, the Company announced that it had agreed to an out of court settlement to its dispute with Jervois Mining Limited ("Jervois") in relation to the Nyngan Scandium project in NSW, Australia. The terms of the settlement transfer 100% ownership and control of the Nyngan Scandium project to EMC, in return for cash payments and a percentage royalty payable to Jervois on sales of product from the project.

On March 18, 2013, the Company granted options to purchase 600,000 shares of the Company at $0.05 per share expiring March 18, 2018 subject to certain vesting provisions.