MANAGEMENT DISCUSSION AND ANALYSIS
THIRD QUARTER ENDED SEPTEMBER 30, 2011

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 provides an analysis of the operating and financial results for the three and nine month periods ended September 30, 2011, and should be read in conjunction with our unaudited interim consolidated financial statements for the nine month period ended September 30, 2011, and with the Company's audited consolidated financial statements and the notes thereto for the year ended December 31, 2010. (the "Annual Statements").

The interim statements have been prepared in accordance with US Generally Accepted Accounting Principles ("US GAAP") due to the Company becoming a reporting issuer in accordance with U.S. Securities and Exchange Commission ("SEC") regulations. The 2010 Annual Statements have been restated in accordance with US GAAP and have been filed on SEDAR. The reporting currency is the Canadian Dollar. The Company became a reporting issuer in July 2011.

The information contained within this report is current as of November 8, 2011 unless otherwise noted. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

Overview

EMC is a specialty metals and alloys company focusing on scandium, tungsten, molybdenum, vanadium, and other specialty metals. The Company intends to utilize its patented technologies and know-how to maximize opportunities in these and other specialty metals.

The Company was formed in 2006, under the name Golden Predator Mines Inc. As part of a reorganization and spin-out of the Company's precious metals portfolio in March 2009, the Company changed its name to EMC Metals Corp. The Company currently trades on the Toronto Stock Exchange under the symbol "EMC".

The Company's most advanced asset is the Springer Tungsten Mine, a fully constructed mine and mill asset in Nevada, USA. The Springer mine is currently not operating, and the Company is offering the asset for sale.

The Company holds a 50% interest earn-in right in the Nyngan scandium project in New South Wales, Australia, and it is advancing the project as the manager. EMC also owns four other properties: the recently acquired Fairfield (Utah, USA) and Hogtuva (Norway) scandium properties, the Tordal and Evje-iveland (southern Norway) scandium properties, and the Carlin vanadium property, in Nevada, USA. The company sold its Fostung tungsten property in Ontario, Canada in June, 2011.

The Company acquired rights to metallurgical processing 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 quarter regarding Springer Mine included maintaining that asset on standby mode, and organizing and pursuing a sale process on this asset, underway since September 2010. The Company also advanced the Nyngan scandium project through metallurgical testing, process definition, and optimization work, and completed an initial

soil sampling program at the Tordal scandium property. The Company also investigated other specialty metals opportunities.

Principal Properties

Springer Tungsten: The Springer Tungsten Mine ("Springer"), located in Pershing County in northwestern Nevada, was constructed by Utah International Inc. for the General Electric Company ("GE"), and was completed and commissioned in early 1981. The facility consists of a 1,000 ton per day ("tpd") electro-pneumatic underground rail mine and a mill facility with crushing, grinding and flotation circuits. Springer operated for less than a year before being put on care and maintenance by GE, due to low tungsten prices. Since acquiring Springer in 2006, EMC has spent approximately $38 million on the facility, specifically on rehabilitation, process improvements and mill throughput expansion. The necessary federal, state and local permits are in place, along with an adequate water resource, to re-start the facility.

The latest National Instrument ("NI") 43-101 resource technical report on the Springer property, independently prepared by Dr. Bart Stryhas of SRK Consulting Engineers and Scientists of Lakewood, Colorado, 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 That resource estimate can be summarized as follows:

Springer Tungsten Project NI 43-101 Resource Estimation Stryhas (2010) of SRK Consulting				
Resource Category	**Cut-off % WO_3**	**Total (tonnes)**	**Average Grade % WO_3**	**Contained STU's WO_3**
Indicated	0.30	274,000	0.619	169,606
Inferred	0.30	1,097,000	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 Scandium*:* In February of 2010, the Company entered into a joint venture agreement (the "JV") with Jervois Mining Limited ("Jervois") of Melbourne, Australia (ASX: JRV) to develop the Nyngan scandium property in New South Wales, Australia. The terms of the JV require EMC to earn in to a 50% position through a two stage work program.

- the first stage required EMC to spend a minimum of A$500,000 on project exploration and metallurgical test work by mid December 2010, and
- the second stage requires the delivery of a feasibility study in the first quarter of 2012.

The JV partners agreed to extend the stage I work timeframe into 2011 and those first stage requirements were met during the second quarter of 2011. Feasibility study work is now underway, conducted by SNC-Lavalin of Brisbane, Australia. Upon EMC delivering the feasibility study to Jervois, EMC must pay to Jervois an additional A$1,300,000 plus the applicable Goods and Services tax, at which time it will be granted a 50% interest in the joint venture

The Nyngan scandium resource is located approximately 500 kilometers northwest of Sydney, Australia. The property consists of two exploration licenses, controlled by Jervois, which encompass over 9,000 hectares. The 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 40 meters 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 495 ppm scandium.

In March of 2010, EMC announced receipt of a NI 43-101 resource estimate on the Nyngan scandium property, the results of which were filed on SEDAR in April 2010. That resource estimate can be summarized as follows:

Nyngan Scandium Project NI 43-101 Resource Estimation Rangott, Pursell and Jannink (2010) of Jervois Mining			
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**

Assumes 100 ppm scandium cutoff.

The first work phase of the JV development program consisted of detailed metallurgical bench scale testing, and was intended to refine and enhance the Company's existing material process flow sheet to extract scandium from the resource material. This existing flow sheet, developed by Jervois and external consultants, formed the basis of a preliminary, conceptual engineering study for the processing elements of the project, (press release dated July, 2010), completed by Roberts & Schaefer of Salt Lake City, Utah.

The Roberts & Schaefer report included capital and operating cost estimates, based on process flow sheets and technical reports done for Jervois or EMC on various metallurgical aspects of the resource. These technical/process reports were done by METCON Laboratories of Sydney, Australia, the Commonwealth Scientific and Industrial Organization (CSIRO), Australia's national science agency, or by other research work, proprietary to or sourced by Jervois or EMC. The bulk of the process applied by Roberts & Schaefer in the Report was defined by bench scale as well as small scale pilot plant work results compiled by others, and a preliminary flow sheet complied by the CSIRO.

Highlights of the Report are as follows:

- Capital costs for the laterite processing facility are estimated at US$56 million, including US$15 million for a sulphuric acid plant on site,
- Processing costs are estimated at less than US$300/kg Sc_2O_3,
- The hydrometallurgical plant is designed to process approximately of 250 tpd of resource,
- Production of Sc_2O_3 is estimated at 28,000 kilograms per year, and
- Process assumptions are proprietary, follow earlier work done by METCON Research and the CSIRO of Australia, and include standard and accepted processes for applying ore preparation, leaching, solvent extraction and product preparation methodologies.

Note that mineral resources that are not mineral reserves do not have demonstrated economic viability. The above estimates of capital and operating costs are a component of a number of factors required to complete a preliminary assessment of the economic viability of the project, and there is no guarantee that the company will achieve production from the resource at Nyngan.

In January 2011, EMC announced results of initial lab test work, independently prepared by Hazen Research, Inc., of Golden, Colorado, USA. These results defined general results involving conventional contained acid leach systems and suggested recoveries from resource of up to 75%. No secondary recoveries were considered in these initial bench-scale tests.

The second phase of the Hazen test work program continued through July, and involves continuous pilot plant testing of the acid leach systems, solvent extraction systems and product finish systems identified by earlier CSIRO work. The overall objectives of the test work program are to define and optimize a process or series of processes that achieves an 80% scandium recovery, lowest possible capital and operating costs, and most benign environmental impact, using standard and accepted processes. These updated metallurgical test results are expected to be incorporated into a feasibility study (FS), which EMC plans to complete in Q1 2012.

In February, 2011 EMC announced results of a series of laboratory-scale tests investigating the production of scandium-aluminum ("Sc-Al") alloys directly from aluminum oxide and scandium oxide feed materials, prepared by the CSIRO. The overall objective of this research is to demonstrate and commercialize the production of Sc-Al master alloy using impure scandium oxide as the scandium source, potentially significantly improving the economics of scandium aluminum master alloy production.

In April, 2011 EMC announced a general progress report on the project which outlined a series of environmental work steps designed to advance the Environmental Impact Study ("EIS"). Work steps included both ground and surface water assessments, along with other assessments of Aboriginal, ecology, traffic, noise and air quality matters.

All of this work has subsequently been completed, including 8 water bores with ongoing test monitoring equipment, and reports on the various other targeted assessments, without material issues in any area. An aerial photography and contour mapping program was also completed, to support the feasibility study work regarding location of site facilities.

On June 6, 2011 EMC announced that SNC-Lavalin Pty Ltd ("SNC") has been selected to develop the feasibility study on the Nyngan Scandium Project in New South Wales, Australia. The feasibility work is being conducted from SNC's Brisbane office and is scheduled for completion by year end.

Currently there are no primary producers of scandium oxide products. The world supply of scandium is produced solely from tailings piles formed by prior mining operations, or 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_2O_3 (scandium oxide) for the four previous years, although current indications suggest higher prices are prevalent in the market, and the material is available only in small quantities.

Carlin Vanadium: The Carlin vanadium project consists of 72 unpatented mineral claims covering approximately 578 hectares, located along the western flank of the Piñon Range near the town of Carlin, Nevada.

The Carlin resource was discovered in the 1960s 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.

The vanadium mineralization is hosted within a 15-metre (50-foot) 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_2O_5 (vanadium oxide). Preliminary test work on fresh black shales shows similar recoveries using a salt roast and acid leaching.

In April, 2010, EMC announced receipt of an NI 43-101 compliant technical report and resource estimation for the Carlin vanadium project, located approximately 40 kilometers south of Elko, Nevada, USA. The Technical Report, titled, "NI 43-101 Technical Report on Resources, EMC Metals Corp., Carlin Vanadium Project. Carlin, Nevada", prepared by SRK Consulting US, was subsequently filed on SEDAR in May, 2010. The technical report outlines a NI 43-101 compliant inferred resource of 25.4 million tonnes grading 0.5% V_2O_5 for a total of 289 million pounds of total contained V_2O_5, as outlined below.

Carlin Vanadium Project NI 43-101 Resource Estimation Stryhas (2010) of SRK Consulting				
Resource Category	**Cut-off V_2O_5 (%)**	**Total (tonnes)**	**Grade V_2O_5 (%)**	**Contained V_2O_5 (pounds)**
Inferred	0.30	25,400,000	0.51	289,000,000

Principal Property Updates for the Period July 1, 2011 to November 8, 2011

Norwegian Exploration Program: On July 21, 2011 EMC Metals Corp. announced encouraging assay results from a surface soil sampling program conducted in June on a 3.75 sq. km portion of its Tørdal property, a scandium, rare earth elements, and specialty metals pegmatite project in Telemark county, southern Norway.

Highlights of Initial Surface Soil Sample Program:

- The best sample assay returned a 217 ppm scandium value,
- Eleven soil samples contained +50 ppm scandium, of which five samples exceeded 85 ppm and three exceeded 150 ppm,
- The eleven soil samples were clustered within an area measuring 700 x 100 meters, or approximately 35% of the total sample area,
- A total of 131 soil samples were collected at 100-metre spacing intervals, in more accessible areas that avoided steep terrain,

- The total sample area represented a zone of about 1,500 x 2,500 meters within the Heftetjern pegmatite field, and
- Many previously unmapped pegmatite dykes were noted in the areas traversed, some traceable on surface for several hundred meters.

The results of this initial soil sampling program are, by their nature, preliminary, and not conclusive evidence of the likelihood of a mineral resource.

EMC's acquisition of 100% of the Tørdal property option rights was announced in April 2011. The property, originally encompassing a 40 sq. km area in southern Norway, has since been increased to 140 sq. km.

The soil sampling program focused on a 3.75 sq km area, northwest of the town of Bø, in an area between the communities of Høydalen and Skardsfjell. Known as the Heftetjern region, this location exhibits numerous known pegmatite occurrences, including a locally famous pegmatite quarry associated with several unique scandium, tin, and beryllium mineral types. Steep slopes were generally avoided and sampling was carried out in the most accessible locations. The sampling program of 131 samples was based on soil sampling of 100 x 100 metre grids and covered somewhat less than half of the target area due to terrain impediments. The most promising scandium-bearing zone was observed at the north end of the tested area, and remains open to the north.

The 140 sq km Tørdal property is one of two pegmatite areas in southern Norway being explored by EMC. The other property, Evje-Iveland, located in Aust-Agder county originally encompassed an 80 sq km area, but has been increased in size to 150 sq. km. Evje-Iveland is also prospective for scandium and REE's plus certain base metals, notably nickel.

Fairfield Scandium Exploration Property: On September 13, 2011 EMC Metals Corp. announced that it entered into an option agreement with Mineral Exploration Services LLC of Reno, Nevada, pursuant to which EMC has an option to earn a 100% interest in a patented mining claim and former scandium property, known as The Little Green Monster, near the town of Fairfield, Utah. The property represents a high-grade scandium phosphate exploration target, is the site of a historical small underground scandium mining operation, and has been a popular collecting site with hobbyists seeking rare and semi-precious phosphate minerals, including the scandium phosphate mineral kolbeckite [$ScPO_4 \cdot 2H_2O$], for over a century.

Highlights

- Property is the site of brief scandium resource mining in 1950's,
- EMC has secured an option to acquire 100% of the property,
- EMC has staked 42 mining claims adjacent to the property,
- Access to historic mine workings enables immediate sampling, and
- Option rights were secured with payments totaling US$380,000, over 3 years.

EMC now holds an option to acquire a 100% interest in the Little Green Monster patented claim, and has staked an additional 42 claims in areas of interest surrounding the core property and site of historical activity. The Company has concurrently applied for and been granted an exploration permit by State authorities, and has located and excavated the old mine entrance. Additionally, the mine has been accessed, samples have been collected from various locations inside the mine, samples have been shipped, and await assay by ALS Minerals Laboratory in Vancouver, BC, Canada. Some limited surface trenching work has also been undertaken. Fairfield, Utah has long been recognized by mineral specimen collectors as a source of unusual variscite [$AlPO_4 \cdot 2H_2O$] mineral nodules, which are typically slabbed, polished and displayed in mineral cabinets and museums. The mine producing area was known generally as the Clay Canyon Variscite Mine, and was established as far back as the late 1880's. The site was prospected for variscite nodules for the next 40 years. Scandium bearing minerals were first identified in 1940, in association with variscite nodules, but commercial interest in kolbeckite as a primary source of scandium mineralization did not begin until 1959. At this time, the Kawecki Chemical Company (Boyerstown, Pa.) shipped two samples of phosphate bearing material totaling over 4,300 pounds, to a Kawecki facility at Boyerstown. Kawecki Chemical Company worked for a time on refining techniques, and for reasons unknown, was not sufficiently satisfied with their results to maintain their interest. The property changed hands several more times in the ensuing years and the old mine workings were bulldozed shut in a reclamation effort, sometime in the 1990's

Hogtuva Scandium Exploration Property: On September 1, 2011 EMC entered into an option agreement with REE Mining AS, Norway ("REE") pursuant to which EMC has an option to earn a 100% interest in the exploration rights to three scandium and beryllium exploration sites in Central Norway. To earn 100% of the exploration rights, EMC must pay REE a total of $150,000 over 18 months (including $50,000 paid on the agreement date) and up to 200,000 shares of EMC common stock. The three exploration sites cover a total of approximately 80 square kilometers prospective for scandium, beryllium and other specialty metals.

Other Developments

On September 1, 2011, Mr. Michael O'Brien resigned, and Mr. Edward Dickinson was appointed, as Chief Financial Officer or the Company.

On September 15, 2011 the Company issued 300,000 stock options with an exercise price of $0.155 per share exercisable until May 15, 2015 to an officer of the Company.

EMC Metals Corp. is now a US Filer on EDGAR

On January 1, 2011, the Company was deemed to be a US Domestic Issuer as a result of having lost its' Foreign Private Issuer ("FPI") status during 2010. The Company lost FPI status inter-alia as a result of having over 50% of common shareholders identified as US citizens. The Company applied for registration as a US reporting issuer in May 2011, and became effective July 23, 2011.

Qualified Person

Technical information in this MD&A has been reviewed by Willem Duyvesteyn, a Qualified Person as defined by National Instrument 43-101. Mr. Duyvesteyn is employed by EMC Metals.

Operating results-Revenues and Expenses

The Company continued its tight cost management at the Springer facility. The Company has continued to fulfill its commitments in respect of the Nyngan Joint Venture with Jervois Mining Limited, with most of the development expenditure in the quarter on this project.

Summary of quarterly results

	2011			2010				
	Q3	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**2009 Q4**
Net Sales		-		-	-	-	-	-
Net Income (Loss)	(2,095,615)	(590,022)	(347,450)	(2,381,868)	(496,767)	(1,148,938)	(695,182)	(11,311,117)
Basic and diluted Net Income (Loss) per share	(0.01)	(0.01)	(0.00)	(0.02)	(0.00)	(0.01)	(0.01)	(0.14)

The net loss in the fourth quarter of 2009 relates mainly to the write-down of mineral interests.

Results of Operations for the three months ended September 30, 2011

The net loss for the quarter increased by $1,598,848 to $2,095,615 from $496,767 in the prior year, mainly as a result of increased exploration, consulting and foreign exchange costs. Individual items contributing to this increase are as follows:

Q3 2011 vs. Q3 2010 - Variance Analysis		
Item	**Variance Favourable / (Unfavourable)**	**Explanation**
Foreign exchange loss	($613,245)	The unfavorable variance results mainly from the conversion of US monetary item balances to CAD for reporting purposes. 63% of the current quarter foreign exchange loss relates to the revaluation of the Company's promissory note payable.
Exploration	($434,044)	Increased exploration, as well as metallurgical test work at the Nyngan Project account for the increased spending when compared to the corresponding quarter of the prior year.
Consulting	($168,635)	During the current quarter the Company contracted consultants to work on its projects in Australia, Norway and the USA. Activity levels were much higher than one year

Q3 2011 vs. Q3 2010 - Variance Analysis		
Item	**Variance Favourable / (Unfavourable)**	**Explanation**
		ago.
Professional fees	($123,715)	Primarily relates to costs associated with acquiring new properties and gaining status as a US filer for corporate reporting purposes.
General and administrative	($79,424)	The third quarter saw the company transition from having all support work done by a third party to taking on those tasks. There was an overlap of services provided, hence the higher cost.
Stock-based compensation	($51,447)	Relates to the expensing of options in the current year that vest over a two year period. Expensing occurs as the options vest.
Unrealized gain on marketable securities	($40,583)	In the corresponding period one year ago, a gain was recognized on the valuation of marketable securities. No such provision was required in the current period.
Salaries and benefits	($37,335)	The third quarter saw the company transition from having all support work done by a third party to taking on those tasks. There was an overlap of services provided, hence the higher cost.
Travel and entertainment	($22,568)	Increased travel costs related to office relocation and promotion.
Amortization	($18,538)	The switch to having the statements prepared using US GAAP as opposed to Canadian GAAP resulted in the increase in this non-cash cost item.
Gain on disposition of assets	($11,000)	In the corresponding quarter of the prior year there was a gain on an asset disposal. There were no disposals in the current quarter.
Insurance	($10,407)	In previous quarters of the current year insufficient insurance expense was claimed. The increase in costs reflects the correction made for this.
Interest	$12,093	The higher bank balances maintained resulted in higher interest earned in the current quarter.

Results of Operations for the nine month period ended September 30, 2011

The net loss for the nine month period ended September 30, 2011 increased by $598,164 to $3,033,087 from $2,434,923 in the prior year, mainly as a result of increased exploration, general and administrative, and foreign exchange costs. Individual items contributing to this increase are as follows:

Nine months ended September 30, 2011 vs. Nine months ended September 30, 2010 - Variance Analysis		
Item	**Variance Favourable / (Unfavourable)**	**Explanation**
Exploration	($845,138)	Increased exploration, as well as metallurgical test work at the Nyngan Project account for the increased spending when compared to the corresponding period of the prior year.

Nine months ended September 30, 2011 vs. Nine months ended September 30, 2010 - Variance Analysis		
Item	**Variance Favourable / (Unfavourable)**	**Explanation**
Foreign exchange loss	($413,399)	The unfavorable variance results mainly from the conversion of US monetary item balances to CAD for reporting purposes.
Consulting	($227,686)	During the current nine month period the Company contracted consultants to work on its projects in Australia, Norway and the USA. Activity levels were much higher than one year ago.
Amortization	($64,446)	The switch to having the statements prepared using US GAAP as opposed to Canadian GAAP resulted in the increase in this non-cash cost item.
Travel and entertainment	($49,518)	Increased travel due to exploring new opportunities for the Company.
General and administrative	($42,702)	The third quarter saw the company transition from having all support work done by a third party to taking on those tasks. There was an overlap of services provided, hence the higher cost.
Professional fees	($41,561)	Primarily relates to costs associated with acquiring new properties and gaining status as a US filer for corporate reporting purposes.
Salaries	($18,713)	The third quarter saw the company transition from having all support work done by a third party to taking on those tasks. There was an overlap of services provided, hence the higher cost.
Unrealized loss on marketable securities	$26,666	In the corresponding period one year ago, a loss was recognized on the valuation of marketable securities. No such provision was required in the current nine month period.
Interest	$61,235	Higher bank balances in the current year lead to an increase in interest revenue which offset interest expense.
Insurance	$103,392	The Company commissioned a risk survey, the results of which enabled a reduction in the insured amount of the Springer Mill resulting in lower premiums in the current year.
Change in derivative liability value	$138,880	In the current nine month period warrants that were reclassified as a derivative liability under US GAAP expired. The change in value to $Nil was put through the statement of operations.
Stock based compensation	$293,929	The non-cash cost related to the expensing of options issued was higher in the nine month period last year due to the fact most of the options issued vested immediately meaning that the expense was recognized at time of option issue. The options issued this year are expensed over a two year period based on their vesting schedule.
Gain on disposal of assets	$480,877	The large positive variance this year is due to the sale of the Fostung property.

Cash flow discussion for the nine months ended September 30, 2011 compared to September 30, 2010

The cash outflow from operating activities decreased by $488,139 to $2,849,181 (2010 – $2,361,042) due to smaller decrease in payables as compared to the prior year.

Cash outflows from investing activities increased by $302,998 to $258,791 (2010 – ($44,207)) due mainly to a sale of mineral interests in the current year.

Cash inflows from financing activities decreased by $1,456,324 to $573,848 (2010 - $2,030,172) as in the prior year the Company raised funds from a private placement and exercise of warrants.

Financial Position

Cash

The decrease in cash of $2,016,542 to $2,109,882 (December 31, 2010 - $4,126,424) results from operating cash outflows partially offset by proceeds from Fostung property sale, warrant and option exercises in the nine month period, as per the "Cash flow discussions" above.

Marketable securities

Marketable securities is unchanged at $2,250 (December 31, 2010 - $2,250).

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 $201,626 to $34,088,247 (December 2010 - $34,289,873) is due to amortization net of fixed asset purchases and disposals.

Mineral interests

Mineral interests increased by $176,691 to $679,711 (December 31, 2010 - $503,020) consist mainly of the Springer property as well as scandium, and vanadium properties.

Accounts Payable

Accounts Payable has increased by $360,433 to $733,282 (December 2010 – $412,849) due to a general increase in activity.

Derivative liability

Derivative liability of $Nil (December 2010 – $228,741) was reduced to $Nil as the warrants they related to expired.

Promissory note payable – current portion

The current promissory note payable increased by $24,100 to $524,100 (December 31, 2010 - $500,000) which is attributable to a change in foreign exchange on conversion of the USD designated promissory notes to CAD for reporting purposes.

Promissory note payable – long-term portion

The long-term promissory note payable increased by $166,775 to $3,916,775 (December 31, 2010 - $3,750,000) which is attributable to a change in foreign exchange on conversion of the USD designated promissory notes to CAD for reporting purposes.

Capital Stock

Capital stock increased by $372,807 to $88,511,294 (December 31, 2010 - $88,138,487) as a result of the exercise of warrants and stock options.

Additional paid-in capital decreased by $574,566, to $1,428,779 (December 31, 2010 - $2,003,345) as a result of stock options issued, the expensing of those options and the expiry of treasury warrants.

Liquidity and Capital Resources

At September 30, 2011, the Company had a working capital of $1,031,279 including cash of $2,109,882 as compared to a working capital of $3,330,415 including cash of $4,126,424 at December 31, 2010. Also included in working capital, at September 30, 2011, were marketable securities with a market value of $2,250 (December 31, 2010 - $2,250).

During the nine month period ended September 30, 2011, the Company received cash of $573,848 (2010 - $1,801,945) for stock issuances. At September 30, 2011, the Company had 3,025,000 share purchase warrants exercisable at $0.18 per share which have the potential upon exercise to convert to approximately $544,500 in cash over the next three months. Further, a total of 11,888,750 stock options exercisable between $0.105 and $2.15 have the potential upon

exercise to generate a total of $2,264,262 in cash over the next five years. There is no assurance that these securities will be exercised.

Our major capital requirements in the next 12 months relate mainly to the earning of our 50% joint venture interest in the Nyngan Project by delivering a feasibility study that will cost an estimated AU$583,000 to produce, and paying an additional $1,300,000 to Jervois within 5 days of delivering the feasibility study.

We are also obligated to repay a US$500,000 promissory note in Q4 2011 issued to the vendors of TTS in connection with the acquisition of TTS. Also we have a long-term commitment for approximately $3,916,775 and it is expected that this commitment will be funded from available cash when the note is due in 2013.

The Company will need additional funding to meet the commitments shown above and will seek to raise additional equity financing in the short term.

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.

Outstanding share data

At the date of this report the Company has 150,384,412 issued and outstanding common shares, 11,888,750 outstanding stock options currently outstanding at a weighted average exercise price of $0.19, and 3,025,000 outstanding warrants at a weighted average exercise price of $0.18.

Off-balance sheet arrangements

At September 30, 2011, 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.

Transactions with Related Parties

During the nine months ended September 30, 2011, the Company paid or accrued consulting fees of $Nil (2010 - $46,175) to the former CEO of the Company and paid or accrued consulting fees of $150,000 (2010 - $86,912) to the current CEO and president of the Company.

The above transactions occurred in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Amounts payable to related parties have no specific terms of repayment, are unsecured, and have no interest rate.

Proposed Transactions

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

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.

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.

Mineral properties and exploration and development costs

We capitalize the costs of acquiring mineral rights at the date of acquisition. After acquisition, various factors can affect the recoverability of the capitalized costs. Our recoverability evaluation of our mineral properties and equipment is based on market conditions for minerals, underlying mineral resources associated with the assets and future costs that may be required for ultimate realization through mining operations or by sale. We are in an industry that is exposed to a number of risks and uncertainties, including exploration risk, development risk, commodity price risk, operating risk, ownership and political risk, funding and currency risk, as well as environmental risk. Bearing these risks in mind, we have assumed recent world commodity prices will be achievable. We have considered the mineral resource reports by independent engineers on the Springer and Nyngan projects in considering the recoverability of the carrying costs of the mineral properties. All of these assumptions are potentially subject to change, out of our control, however such changes are not determinable. Accordingly, there is always the potential for a material adjustment to the value assigned to mineral properties and equipment.

Recent Accounting Pronouncements

In April 2010, the Financial Accounting Standards Board ("FASB") issued ASU 2010-13, Compensation – Stock Compensation (Topic 718), amending ASC 718. ASU 2010-13 clarifies that a stock-based payment award with an exercise price denominated in the currency of a market in which the entity's equity securities trade should not be classified as a liability if it otherwise qualifies as equity. ASU 2010-13 also improves US GAAP by improving consistency in financial reporting by eliminating diversity in practice. ASU 2010-13 is effective for interim and annual reporting periods beginning after December 15, 2010 (January 1, 2011 for the Company). The Company is currently evaluating the impact of ASU 2010-09, but does not expect its adoption to have a material impact on the Company's financial reporting disclosures.

In December 2010, the FASB issued ASU 2010-29, which contains updated accounting guidance to clarify the acquisition date that should be used for reporting pro forma financial information when comparative financial statements are issued. This update requires that a company should disclose revenue and earnings of the combined entity as though the business combination(s) that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only. This update also requires disclosure of the nature and amount of material, nonrecurring pro forma adjustments. The provisions of this update, which are to be applied prospectively, are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2010, with early adoption permitted. The impact of this update on the Company's consolidated financial statements will depend on the size and nature of future business combinations.

Financial instruments and other risks

The Company's financial instruments consist of cash, investments in trading securities, subscriptions receivable, receivables, accounts payable and accrued liabilities, due to related parties, 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.

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 United States 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.

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 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; labor 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 Tungsten, Scandium and/or Gold Extraction

Reserve and resource figures included for tungsten and other minerals are estimates only and no assurances can be given that the estimated levels of tungsten and other minerals will actually be produced or that the Company will receive the tungsten and other 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 tungsten and other metals, 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, labor 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.

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, labor disputes or other risks of the mining industry, delays in obtaining government approvals or financing or incompletion of development or construction activities, risks relating to the integration of acquisitions, to international operations, and to the prices of tungsten and other 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.