EMC METALS CORP.
Form 10-12G/A
September 15, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10

(Amendment No. 2)

GENERAL FORM FOR REGISTRATION OF SECURITIES
Pursuant to Section 12(b) or (g) of The Securities Exchange Act of 1934

EMC METALS CORP.

(Exact Name of Registrant as specified in its charter)

British Columbia, Canada	**Not Applicable**
(State or other Jurisdiction of Incorporation or organization)	(I.R.S. Employer Identification No.)

11th Floor 888 Dunsmuir Street
Vancouver, BC, Canada **V6C 3K4**
(Address of Principal Executive Offices) (Zip Code)

Registrant s Telephone Number, including area code: **(604) 648-4653**

Securities registered pursuant to Section 12(b) of the Act: **None**

Securities to be registered pursuant to Section 12(g) of the Act:
Common Shares without par value
(Title of class)

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act (Check one):

Large Accelerated Filer [ ]	Accelerated Filer [ ]
Non-Accelerated Filer [ ]	Smaller Reporting Company[X]

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Note about Forward-Looking Statements

Certain statements contained in this registration statement constitute "forward-looking statements". Forward-looking statements may include, but are not limited to, statements with respect to the future price of commodities, the estimation of mineral resources, the realization of mineral resource 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, the completion of financings and regulatory approvals. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "scheduled", "estimates", "intends", "anticipates" or "believes", or variations of such words and phrases or state 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 our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements. Such factors may include, among others, risks related to our joint venture operations; actual results of current exploration activities or production technologies that we are currently testing; actual results of reclamation activities; future metal prices; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental or regulatory approvals or financing or in the completion of development activities, as well as those factors discussed in the section entitled "Risk Factors" and elsewhere in this registration statement. Although we have 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.

Note on Currency of Financial Information and Exchange Rate Table

We maintain our books of account in Canadian dollars and references to dollar amounts herein are to the lawful currency of Canada unless otherwise indicated.

The following table sets forth, for the periods indicated, certain exchange rates based on the noon buying rate in New York City for cable transfers in Canadian dollars. Such rates are the number of Canadian dollars per one (1) U.S. dollar. The high and low exchange rates for each month during the previous six months were as follows:

	High	Low
June 2011	0.9885	0.9698
May 2011	0.9781	0.9445
April 2011	0.9705	0.9491
March 2011	0.9891	0.9698
February 2011	0.9984	0.9710
January 2011	1.0060	0.9848

The following table sets out the exchange rate (price of one U.S. dollar in Canadian dollars) information as at each of the years ended December 31, 2010 and 2009.

	Year Ended December 31 (Canadian $ per U.S. $)	
	2010	2009
Rate at end of Period	0.9946	1.0510
Average during Period	1.0299	1.1420
Low	0.9931	1.0251
High	1.0848	1.3066

Glossary of Terms

Alteration Usually referring to chemical reactions in a rock mass resulting from the passage of hydrothermal fluids.

Assay An analysis to determine the presence, absence or quantity of one or more components, elements or minerals.

Base metal Any non-precious metal (e.g. copper, lead, zinc, nickel, etc.).

Chalcopyrite A yellow crystalline mineral consisting of a sulphide of copper and iron. It is the principal ore of copper.

Concession A grant of a tract of land made by a government or other controlling authority in return for stipulated services or a promise that the land will be used for a specific purpose.

Core The long cylindrical piece of a rock, up to several inches in diameter, brought to the surface by Diamond drilling.

Diamond drilling A drilling method in which the cutting is done by abrasion using diamonds embedded in a matrix rather than by percussion. The drill cuts a core of rock, which is recovered in long cylindrical sections.

Dip The angle at which a vein, structure or rock bed is inclined from the horizontal as measured at right angles to the Strike; may also apply to the angle of inclination for a drill hole.

Epithermal A hydrothermal mineral deposit formed within about one kilometer of the earth s surface and in the temperature range of 50 200 degrees Celsius. Also used to denote the environment of deposition.

Fractures Breaks in a rock, usually due to intensive folding or faulting.

Grade The concentration of a valuable mineral within an Ore.

Hydrothermal Hot fluids, usually water, which may, or may not carry metals and other compounds in solution to the site of mineral deposition or wall rock alteration.

Igneous A rock formed by the cooling of molten silicate material.

Intrusion A general term for a body of Igneous rock formed below the surface of the earth.

Intrusive	A body of Igneous rock formed by the consolidation of magma intruded into other rocks, in contrast to lavas, which are extruded upon the surface.
Kg	Kilogram which is equivalent to approximately 2.20 pounds.
Km	Kilometer which is equivalent to approximately 0.62 miles.
Kt	Thousand tonnes.
Lode	A deposit of metallic ore filling a fissure in the surrounding rock.
Mineralization	A term used to describe the presence of minerals of possible economic value. Also used to describe the process by which concentration of economic minerals occurs.
Mlbs	Million pounds.
Net Smelter Returns Royalty	A share of the net revenues generated from the sale of metal produced by a mine.
NI 43-101	National Instrument 43-101 *Standards for Disclosure of Mineral Projects*, being the regulation adopted by Canadian securities regulators that governs the public disclosure of technical and scientific information concerning a mineral property.
Ore	A naturally occurring solid material from which a metal or valuable mineral can be profitably extracted.
Outcrop	An exposure of rock at the earth s surface.
Pegmatite	Coarse-grained igneous rocks that often occur as wide veins cutting across other types of rock.
Porphyry	Igneous rock of any composition that contains conspicuous crystals in a fine grained groundmass.
ppb and ppm	Parts per billion and parts per million, respectively.
Pyrite	Iron Sulphide mineral. The most common and abundant Sulphide mineral and often found in association with copper and gold.
Qualified Person	Means a Qualified Person as defined in National Instrument 43-101, including an engineer or geoscientist in good standing with their professional association, with at least five years of relevant experience.
Quartz	The second most common rock forming mineral in the earth s crust. SiO_2.
Resource	Means any of a measured, indicated or inferred resource as used in NI 43-101, and having the following meanings:

measured resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

indicated resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

inferred resource is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

For the purposes of the above a **mineral resource** means a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth s crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.

(Please refer to **Item 3. Property - Cautionary Note To U.S. Investors Regarding Resource Estimates** in regards to the use of the above terms in this registration statement.)

Rhyolite The fine grained equivalent of a granite.

Sulphide A class of minerals characterized by the linkage of sulphur with a metal (such as Pyrite (FeS_2)).

tpd Tonnes per day.

Tonnes A metric ton which is equivalent to approximately 2,204 pounds.

Tuff A Volcanic rock formed through the compaction of volcanic crystals and/or rock fragments generally smaller than 4 mm in diameter.

Sedimentary A rock formed from cemented or compacted Sediments.

Sediments The debris resulting from the weathering and breakup of other rocks that have been deposited by or carried by runoff, streams and rivers, or left over from glacial erosion or sometimes from wind action.

Strike The direction or bearing from true north of a vein, rock formation or structure measured on a horizontal surface.

Vein A geological feature comprised of minerals (usually dominated by quartz) that are found filling openings in rocks created by faults or replacing rocks on either side of faults or Fractures.

Volcanic rock A finely crystalline or glassy Igneous rock resulting from volcanic actions at or near the earth s surface.

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ITEM 1. BUSINESS

General

We were incorporated on July 17, 2006 under the laws of British Columbia, Canada under the name Golden Predator Mines Inc. We were incorporated as a wholly owned subsidiary of Energy Metals Corp. for the purpose of holding the precious metals and certain specialty metals assets. Energy Metals was formerly a company listed on the Toronto Stock Exchange and NYSE Arca, focused on uranium development projects, and was acquired by Uranium One Inc. in August of 2007. Effective March 12, 2009, we changed our name to EMC Metals Corp.

We are a reporting issuer in the Canadian Provinces of British Columbia, Alberta and Ontario and our common shares are listed for trading on the Toronto Stock Exchange under the trading symbol EMC .

Our head office is located at 11th Floor - 888 Dunsmuir Street, Vancouver, British Columbia, Canada, V6C 3K4, which is also the address of our registered and records office.

Loss of Foreign Private Issuer Status under U.S. Securities Laws

Based on our analysis of the number of our shares held by persons resident in the U.S. as of June 30, 2010, as well as the majority of our assets and directors being in the U.S., we do not meet the definition of a foreign private issuer under U.S. securities laws. As a result, effective January 1, 2011, we are subject to U.S. securities laws as applicable to a U.S. domestic company. The loss of foreign private issuer status has several implications to us, including that additional restrictions generally apply to the resale of securities issued by us after January 1, 2011 unless we file an effective registration statement with the U.S. Securities and Exchange Commission in respect of those securities.

Intercorporate Relationships

The chart below illustrates our corporate structure, including our subsidiaries, the jurisdictions of incorporation, and the percentage of voting securities held.

Recent History

Exploration Joint Venture with Jervois Mining Limited

On February 5, 2010, we entered into an Exploration Joint Venture Agreement with Jervois Mining Limited to develop the Nyngan scandium property in New South Wales, Australia, which is commonly referred to as the Nyngan Project. The Exploration Joint Venture Agreement gives us the right to earn a 50% interest in a joint venture with Jervois Mining Limited, for the purpose of holding and developing the Nyngan Project.

Pursuant to the terms of the Exploration Joint Venture Agreement, our right to proceed to form a joint venture with Jervois Mining was conditional on preliminary conditions being met including the following:

1. confirming to our satisfaction that Jervois, subject to prior royalty interests, was the sole and beneficial owner of the Nyngan Project free of encumbrances or claims by third parties and that the Nyngan Project is in good standing under the relevant legislation;

2. paying $300,000 to Jervois;

3. obtaining the approval of the Toronto Stock Exchange of the Exploration Joint Venture Agreement;

4. obtaining the consent of the New South Wales state government to the transactions contemplated in the Exploration Joint Venture Agreement; and

5. obtaining the approval of the Australian Government Foreign Investment Review Board for the Exploration Joint Venture Agreement.

All of the above preliminary conditions were satisfied by March 30, 2010. As a result of the satisfaction of these conditions, we now have the right to earn a 50% interest in a joint venture with Jervois Mining Limited. The Exploration Joint Venture Agreement provides that we may earn our 50% by doing the following:

1. conducting a minimum of AUD$500,000 in exploration and metallurgical test-work on the Nyngan Project within 180 business days of the above conditions precedent being satisfied, or paying cash in lieu thereof. In September of 2010, the deadline was extended to June 15, 2011. The required exploration and metallurgical test-work was completed by us before the deadline and accordingly this condition has been met;

2. delivering a feasibility study within 480 business days of the above conditions precedent being satisfied; and

3. paying to Jervois an additional AUD$1,300,000 plus taxes, within 5 business days of the delivery of the feasibility study.

Once we have acquired a 50% interest in the joint venture, the Exploration Joint Venture Agreement provides for straight-line dilution, with interests diluted below 10% being converted into a 2% Net Smelter Returns Royalty.

Acquisition of The Technology Store, Inc.

We entered into a stock purchase agreement dated November 19, 2009, with Willem P. Duyvesteyn and Irene G. Duyvesteyn, pursuant to which we acquired all of the issued and outstanding common shares of The Technology Store, Inc. (TTS), a Nevada corporation. In exchange, we issued to the shareholders of TTS, 19,037,386 of our common shares, paid USD$802,358 in cash, issued a promissory note in the amount of USD$500,000 with a maturity date of 2 years, and agreed to pay certain U.S. federal income taxes payable in connection with the transaction. The acquisition of TTS completed with an effective date of December 16, 2009.

TTS conducts research and development of commercial extractive metallurgical processes. TTS specializes in the development of specialty metals extractive technologies, with emphasis on improving recoveries in the extraction of scandium, tungsten, boron, lithium, titanium, and nickel and a host of other emerging and unusual metals. As a condition of the stock purchase agreement, Willem D. Duyvesteyn, the principal of TTS, was appointed to our board of directors on December 16, 2009.

Spin-out of Golden Predator Corp.

Pursuant to a reorganization agreement dated February 5, 2009 between us and our then wholly-owned subsidiary Golden Predator Corp., we transferred most of our precious metals assets to Golden Predator in order to focus on our specialty metals assets and pursue additional specialty assets opportunities.

Concurrently with the reorganization, we completed a spin-out of Golden Predator to our shareholders. The spin out was completed on March 6, 2009, at which time we changed our name to EMC Metals Corp. As a result of the spin-out, Golden Predator became a reporting issuer in Canada and subsequently listed on the TSX Venture Exchange and then the Toronto Stock Exchange.

In connection with the reorganization and spin-out, we granted Golden Predator certain participation and acquisition rights to gold projects that were held by our subsidiary Great American Minerals, Inc. We subsequently sold Great American Minerals to Golden Predator in November of 2010 in consideration for a reduction in inter-corporate amounts owing due to adjustments from the spin-out and other adjustments. We however retained our interest in the non-gold properties including the Carlin Vanadium property.

Pursuant to a Mine Facility Agreement dated October 25, 2010, we granted Golden Predator access and use rights to a parcel of property on a corner of the Springer Mill property, a refurbished and permitted mill located in Nevada. The access rights provide Golden Predator with a suitable site to develop an independent gold milling facility.

Fury Explorations Ltd.

In 2008 we acquired Fury Explorations Ltd. in exchange for the issuance of 10,595,814 of our common shares and 18,310,237 common share purchase warrants and options to the shareholders of Fury Explorations. The acquisition of Fury Explorations was completed on August 15, 2008. Fury Explorations held two mineral resource projects in Nevada, including a silver mine and mill, and three mineral resource properties in Mexico. In February of 2009 Fury Explorations was transferred to Golden Predator as part of our reorganization and spin-out transaction.

Gold Standard Royalty Corporation

In 2008 we acquired Gold Standard Royalty Corporation in exchange for 2,050,000 of our common shares and options to acquire a further 168,334 of our common shares. Gold Standard holds a portfolio of gold exploration properties and leases formerly owned by the Lyle Campbell Trust. In February of 2009, Gold Standard was transferred to Golden Predator as part of our reorganization and spin-out transaction.

Great American Minerals, Inc.

In 2008 we acquired Great American Minerals, Inc., a Nevada company with gold, silver, vanadium and molybdenum assets in Nevada and California. Pursuant to the business combination agreement with Great American Minerals, we acquired a 74% equity interest in Great American Minerals for consideration of $7,480,626 in cash by way of private placement. We subsequently acquired the remaining 26% by issuing 1,045,775 of our common shares, issuing 258,383 share purchase warrants, and issuing 320,125 options to securityholders of Great American Minerals.

In 2009 we retired certain convertible debentures issued by Great American Minerals by issuing to the holders of the convertible debentures 7,336,874 of our common shares and 1,787,374 share purchase warrants, exercisable to acquire our common shares at USD$0.30 per share for a period of two years. The holders of the convertible debentures also received share purchase warrants of Golden Predator. We issued 500,040 share purchase warrants as an agent s fee in connection with the proposal to holders of convertible debentures.

In November of 2010 we sold Great American Minerals to Golden Predator in consideration for a reduction in intercorporate amounts owing. We retained certain non-gold properties held by Great American Minerals, namely including the Carlin Vanadium Property.

Tordal and Evje Properties, Norway

In April of 2011, we entered into an option agreement with REE Mining AS of Norway, pursuant to which we acquired the option to earn 100% of the outstanding common shares in the capital of a Norwegian limited liability company which holds the exploration rights to two pegmatite properties, known as the Tordal property and the Evje property. The properties are both prospective for a grouping of specialty metals, and rare earth elements, including scandium, yttrium, tantalum, beryllium, niobium, zirconium, titanium, lithium, nickel and tin.

Under the terms of the REE Option Agreement, we may earn 60% of the Norwegian limited liability company by:

(a) paying to REE Mining an aggregate USD$430,000 as follows:

(i) USD$130,000 on March 31, 2011 (paid); and

(ii) an additional USD$300,000 on or before October 31, 2012; and

If we acquire the initial 60% interest, we can earn the remaining 40% of the Norwegian limited liability company by:

(a) paying to REE Mining USD$200,000 on or before March 31, 2013; and

(b) issuing to REE Mining 1,000,000 of our common shares on or before March 31, 2013.

We are currently conducting the second stage of a surface sampling program on the Tordal property. It is anticipated that similar programs will be initiated at Evje property in 2011.

Business Operations

Company Summary

We are a mineral exploration and development company that is focused on the development of scandium, tungsten, vanadium, rare earth minerals, and other specialty metals, including nickel, cobalt, boron, manganese, tantalum, titanium and zirconium.

Our principal properties and projects include 100% ownership of the Springer Mine and mill complex in Nevada, a right to acquire a joint venture interest on the Nyngan Project in Australia, and 100% ownership of the Carlin Vanadium project in Nevada.

Corporate Objective and Strategy

Our primary corporate focus is to produce and sell scandium and scandium-based products, such as master alloy. None of our current properties has advanced to the development or production stage and we are currently an exploration stage company. In addition we do not currently have reserves on any of our properties. We are however conducting technical and assessment work on the Nyngan scandium property located in Australia, for the purpose of preparing a feasibility study on the development of the scandium resource. Subject to a successful feasibility study, we intend to develop the Nyngan resource for production, with a view to supplying the anticipated future demand for scandium oxide and scandium-content materials. Conceptual development plans of the Nyngan Project include construction of a commercial plant on the property that will process mineralized material extracted from the property. The time-frame for development of the project by us is subject to numerous risks and factors, including a successful feasibility study, however we are targeting 2012 for the commencement of construction of a plant. The commencement of construction is subject to various risks including our ability to earn and maintain a 50% joint venture interest in the Nyngan Project as well as the requirement to obtain project financing. For further information on the Nyngan Project, please refer to *Item 3. Properties -*

Description of Properties Nyngan Scandium Project and Item 1A. Risk Factors .

Concurrently with our analysis of the Nyngan Project, we are developing and testing unique mineral recovery techniques as well as techniques to produce high quality finished scandium metals. If effective at a commercial level, these recovery and finishing techniques will provide increased economic margins and returns on capital on any future scandium production. Presently our recovery and finishing technology is in the testing phase, and there is no guarantee that we will be able to benefit from the commercial application of such techniques or that we will have scandium production in the future.

Global Scandium Production and Market

Scandium is the 31st most abundant element in the earth s crust (average 33 ppm), which makes it more common than lead, mercury and precious metals, but less common than copper. Scandium has characteristics that are similar to rare earth elements, and it is often classified as a member of that group, although it is technically a light transition metal. Scandium rarely occurs in concentrated quantities because it does not selectively combine with the common ore-forming anions, and it is very difficult to reduce to a pure metal state. Scandium is typically produced and sold as scandium oxide (Sc_2O_3).

Global annual production estimates of scandium range from 2 tonnes to 10 tonnes, but accurate statistics are not available due to the lack of public information from countries in which scandium is currently being produced. There are three known production sources globally today: stockpiles from the former Zhovti Voty uranium mine in Ukraine, the rare earth mine at Bayan Obo in China, and the apatite mines on the Kola Peninsula in Russia.

There is no reliable pricing data on scandium oxide trading. The U.S. Geological Survey in its latest report (January 2011) documents the price of scandium oxide at USD$1,400/kg for the four previous years, however small quantities of scandium oxide are currently offered on the internet by traders for multiples of this figure. Scandium oxide prices vary based on purity and quantity. The weight-to-price ratio of scandium metals and compounds is generally much higher for gram quantities than for kilogram purchases. Kilogram prices for scandium metal ingot are typically double the cost of the starting scandium compound, while higher purity distilled or sublimed metal ranges from four to six times the cost of the starting material.

Principal uses for scandium are in high-strength aluminum alloys, high-intensity metal halide lamps, electronics, and laser research. Recently developed applications include welding wire and fuel cells which are expected to be in future demand. Approximately 15 different commercial scandium-aluminum alloys have been developed in Russia, and some of them are used for aerospace applications. In Europe and the U.S., scandium containing alloys have been evaluated for use in structural parts in airplanes. The combination of high strength and lightweight makes scandium-aluminum alloys suitable for a number of applications.

Competitive Conditions

We compete with numerous other companies and individuals in the search for and the acquisition or control of attractive rare earth and specialty metals mineral properties. Our ability to acquire further properties will depend not only on our ability to operate and develop our properties but also on our ability to select and acquire suitable properties or prospects for development or mineral exploration.

In regards to our plan to produce scandium, there are a limited number of scandium producers presently. If we are successful at becoming a producer of scandium, our ability to be competitive with those producers will require that we establish a reliable supply of scandium to the market. In addition, our competitive advantage in delivering a finished metal would only exist if our proprietary scandium recovery and finishing techniques are effective at a commercial level, which currently is unproven.

Employees

As at May 15, 2011, we have 9 full and part time employees and 5 individuals working on a consulting basis. Our operations are managed by our officers with input from our directors. We engage geological, metallurgical, and engineering consultants from time to time as required to assist in evaluating our property interests and recommending and conducting work programs.

ITEM 1A. RISK FACTORS

In addition to the factors discussed elsewhere in this registration statement, the following are certain material risks and uncertainties that are specific to our industry and properties that could materially adversely affect our business, financial condition and results of operations.

Risks Associated with the Springer Project

We may not be able to utilize the Springer Property. The Springer property, which includes an existing mine and refurbished mill facility, constitutes our largest asset. In September of 2008, we suspended work on the Springer property and placed the facility on care and maintenance pending improvement in the global financial markets and strengthening tungsten prices. While tungsten prices have improved, significant additional capital and additional management resources would be required to resume operations. If we make a decision to resume operations on the Springer property such operations will require the location of additional management and additional capital. Our inability to obtain such management and capital will result in the Springer property continuing to be on care and maintenance.

The price of tungsten is subject to significant volatility. If we elect to operate the Springer mine and mill, there is no certainty that economic conditions or tungsten prices will not again deteriorate, and that production at the Springer Mine will need to be again suspended. To the extent tungsten prices may deteriorate after we commence operations, such operations may not be profitable resulting in the closure of the mine and mill, and resulting loss in value of our company to investors.

We may incur a loss if we sell the Springer property. The Springer property has a significant book value on our financial statements. We are currently considering selling the Springer property among other strategic alternatives. There is no assurance that a suitable buyer can be found for the property, or that the terms of such a sale will not result in a financial loss to us. To the extent we cannot find a suitable buyer or other strategic party, we may have to sell the property at a significant loss, resulting in a reduced asset value of the company as a whole, and a reduction in available funds for other corporate purposes. These factors may result in a reduction in the market price of our shares.

Risks Associated with the Nyngan Project

If we are not able to acquire an interest in the Nyngan Project our share price may decline. We are subject to various commitments pursuant to the terms of the Nyngan Exploration Joint Venture Agreement. There is no assurance that we will meet our payment obligations, timing deadlines or otherwise fulfill our commitments under the agreement in order to earn a 50% interest in the Nyngan Joint Venture. If we are unable to meet the requirements to earn a 50% interest, then the project will no longer be available to us. The loss of this project would likely significantly reduce the market price of our shares.

There are technical challenges to scandium production that may render the project not economic.

There is no assurance that we will demonstrate economic viability on the Nyngan resource. The economics of scandium recovery are known to be challenging. There are very few facilities producing scandium and the existing scandium producers are secretive in their techniques for recovery. In addition, the recovery of scandium product from laterite resources, such as at the Nyngan deposit, has not been demonstrated at an operating facility. The Nyngan processing facility design, if constructed, will be the first of its kind for scandium production. These factors increase the possibility that we will encounter unknown or unanticipated production and processing risks. Should any of these risks become actual, they could increase the cost of production thereby reducing margins on the project or rendering the project uneconomic.

There is no guarantee that we will be able to finance the Nyngan Project for production. Any decision to proceed with production on the Nyngan Project will require significant production financing. Scandium projects are very rare, and economic and production uncertainty may limit our ability to attract the required amount of capital to put the project into production. If we are unable to source production financing on commercially viable terms, we may not be able to proceed with the project and may have to write-off our investment in the project.

If we are successful at achieving production, we may have difficulty selling Scandium. Scandium is characterized by unreliable supply, resulting in limited development of markets for scandium oxide. Markets may take longer to develop than anticipated, and Nyngan and other potential scandium producers may have to wait for products and applications to create adequate demand. Certain applications may require lengthy certification processes that could delay usage or acceptance. In addition certain scandium applications require very high purity scandium product, which is much more difficult to produce than lower Grade product. If we commence production, our inability to supply scandium in sufficient quantities, in a reliable and timely manner, and in the correct quality, could reduce the demand for any scandium produced from our projects and possibly render the project uneconomic.

Risks Associated with the Carlin Vanadium Property

There are technical challenges to production of Vanadium from the property that may reduce the value of the property. The Carlin property hosts vanadium contained in a black shale. This vanadium host is known to present challenging processing issues in the separation of vanadium. Techniques to separate vanadium in this environment are complex. As a result, shareholders may never see the property developed due to technical risks, and similarly the value of the property may be greatly reduced if such technical risks present an obstacle to further exploration or development of the property.

Industry requirements may limit market opportunities for vanadium production. New battery technologies are emerging that rely on vanadium, these markets may take longer than expected to develop and increase vanadium demand. These battery technologies require high purity vanadium product, which is difficult and costly to produce. The purity of any vanadium that may in the future be extracted from the Carlin property is unknown and uncertain. The inability to produce vanadium with sufficient purity for market purposes will likely reduce the economic prospects of any proposed development of the property.

General Risks Associated with our Mining Activities and Company

We may not receive permits necessary to proceed with the development of a mining project. The development of any of our properties, including the Nyngan Project, will require numerous local and national government approvals, include environmental permits. Our ability to secure all necessary permits required to develop any of our projects is unknown until we make application for such permits. If we cannot obtain all necessary permits, the project cannot be developed, and our investment in the project will likely be lost. Our future market value will likely be significantly reduced to the extent one or more of our projects cannot proceed to the development or production stage due to an inability to secure all required permits.

Mineral Resource Estimates on our properties are subject to uncertainty and may not reflect what may be economically extracted. Resource estimates included for scandium, tungsten and other minerals on our Nyngan, Springer and Carlin properties are estimates only and no assurances can be given that the estimated levels of tungsten and other minerals will actually be produced or that we will receive the tungsten and other metal prices assumed in determining our resources. 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. By their nature resource estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. Furthermore, market price fluctuations in scandium, tungsten and other metals, as well as increased capital or production costs or reduced recovery rates, may limit our ability to establish reserves on any of our properties. 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. Accordingly, current resource estimates on our material properties may never be converted into reserves, or be economically extracted, and we may have to write-off such properties or incur a loss on sale of our interest on such properties, which will likely reduce the value of our shares.

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Our potential for a competitive advantage in specialty and rare metals production depends entirely on the availability of our Chief Technology Officer. We are dependent upon the personal efforts and commitment of Willem Duyvesteyn, our CTO, a director and significant shareholder of our company, for the continued development of new extractive technologies related to scandium and other rare and specialty metals production. The loss of the services of Mr. Duyvesteyn will likely limit our ability to use or continue the development of such technologies, which would remove the potential competitive and economic benefit of such technologies, which conceivably could render our planned projects uneconomic if prevailing commodity prices are not sufficiently strong or reliable.

Our operations are subject to losses due to exchange rate fluctuation. We maintain accounts in Canadian and U.S. currency. Our equity financings have to date been priced in Canadian dollars, however all of our material projects and non-cash assets are located outside of Canada and require regular currency conversions to local currencies where such projects and assets are located. Our operations are accordingly subject to foreign currency fluctuations and such fluctuations may materially affect our financial position and results. We do not engage in currency hedging activities.

Without additional funding, we will not be able to carry out our business plan, and if we raise additional funding existing securityholders may experience dilution. As an exploration stage mining company, we do not currently earn any revenue from mining operations on our principal properties. In order to continue our exploration activities and to meet our obligations under our joint venture agreement on the Nyngan Scandium Project, we will need to raise additional funds. Recently, we have relied entirely on the sale of our securities to raise funding for operations. Our ability to continue to raise funds from the sale of our securities is subject to significant uncertainty due to volatility in the mineral exploration marketplace. We may also seek to raise funds from the sale of our Springer Property assets, however our ability to sell these assets and the price at which we may sell these assets is subject to similar market volatility, as well as the number and nature of potential buyers. If we are unable to raise funds from the sale of our securities or our Springer assets, then we likely will not be able to carry out our business plan of achieving Scandium production, or continue exploration activities on our current or future exploration properties. If we are able to raise funds from the sale of our securities, existing securityholders may experience significant dilution of their ownership interests and possibly to the value of their existing securities.

ITEM 2. FINANCIAL INFORMATION

Management s Discussion and Analysis of Financial Conditions and Results of Operations

Overview

We are an exploration stage specialty metals and alloys company focusing on scandium, tungsten, molybdenum, vanadium, and other specialty metals.

Our most advanced asset is the Springer Mine Property, a fully constructed tungsten mine and mill asset in Nevada, USA. The Springer Mine Property is currently not operating, and we are considering options for the property, including a sale.

We hold the right to earn-in to a 50% interest in a joint venture with Jervois Mining Limited for the development of the Nyngan Scandium Project in New South Wales, Australia. We are currently advancing the Nyngan Project as the manager under the joint venture agreement.

We also own the Carlin Vanadium Property, in Nevada, and have recently acquired an option to earn a 100% interest in the Tordal and Evje properties in Norway.

We acquired various metallurgical patents and know-how as part of the acquisition of The Technology Store, Inc. during the prior year. These patents and know-how generally relate to mineral extraction and finishing technologies that may provide us with a competitive advantage in reducing extraction and finishing costs, or improving recoveries and finished product qualities, should we be successful at commencing production of rare earth minerals or specialty metals. We are actively developing and testing scandium production and finishing technology using this know-how, that we intend to apply should we be successful at establishing production at the Nyngan Project.

Our focus during the year was maintaining the Springer Mine Property on standby mode, supported by the efforts of a financial advisor firm seeking interest in the markets for the asset sale. We advanced the Nyngan Project through metallurgical testing, process definition, and optimization work. We also investigated other specialty metals opportunities.

During the year we raised $4,956,421 in gross proceeds from private placements in which a total of 30,252,442 shares were issued.

RESULTS FOR THE YEAR ENDED DECEMBER 31, 2010

Liquidity and Capital Resources

At December 31, 2010, we had a working capital of $3,330,415 including cash of $4,126,424 as compared to a working capital deficiency of $105,183 including cash of $584,436 at December 31, 2009. Also included in working capital, at December 31, 2010, were marketable securities with a market value of $2,250 (December 31, 2009 - $204,582).

During the year ended December 31, 2010, we received cash of $6,068,472 (2009 - $2,210,200) for stock issuances. At December 31, 2010, we had an aggregate 23,792,485 share purchase warrants exercisable, between $0.18 and $2.68 per share which have the potential upon exercise to convert to approximately $44,365,064 in cash over the next two years. Further, a total of 11,473,750 stock options exercisable between $0.10 and $2.15 have the potential upon exercise to generate a total of $2,076,063 in cash over the next five years. There is no assurance that these securities will be exercised.

Our continued development is contingent upon our 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 us; however, management is committed to pursuing all possible sources of financing in order to execute our business plan.

Our major capital requirements in the next 12 months relate mainly to the earning 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 $500,000 promissory note issued in to the vendors of TTS in connection with the acquisition of TTS. These commitments total approximately $2,383,000 and it is expected that these commitments will be funded from available cash.

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

Results of Operations

Quarter ended December 31, 2010

The net loss for the quarter decreased by $13,392,110 to $850,504 from $14,242,614 in the prior year, mainly as a result of us having a lower mineral impairment charge in the current year. Individual items contributing to this decrease are as follows:

Q4 2010 vs. Q4 2009 - Variance Analysis

Item	**Variance Favourable / (Unfavourable)**	**Explanation**
Write-off of mineral properties	$16,715,100	We had a lower mineral impairment charge in the current year compared to the prior year. The write down in the current year amounted to a recovery of $5,096 compared to a write off of $16,710,004 in the prior year.
Unrealized income on marketable securities	($1,300,808)	In prior year, we incurred a gain on the unrealized income from marketable securities from adjusting the value of the marketable securities to market. We incurred a loss on disposal of marketable securities in the current year.
Other income	($1,247,928)	We primarily earned sundry revenue in prior year from a gain on transfer of marketable securities occurring from the spin-out of $206,974 and a gain on the settlement of convertible debentures of $1,449,948 partially offset by a recovery of expenses from Golden Predator Corp. in the amount of $357,583, that did not recur.
Future income tax recovery	($1,006,132)	The prior year tax recovery of $1,006,132 resulting from our application of a valuation allowance against future income tax assets not expected to be realized that did not recur in the current year.

General and administrative	$360,391	The favourable variance results from a reduced level of operations in the current year.
Stock-based compensation	$347,592	Recognition of the option expense over the period to the next vesting date. The current expense is lower than in the prior year as a result of fewer options vesting.
Amortization	($288,195)	Amortization of technology patents acquired in the last quarter of 2009 as part of the TTS acquisition. There was no equivalent charge in the same quarter of the prior year, hence the unfavourable variance.

Q4 2010 vs. Q4 2009 - Variance Analysis		
Item	**Variance Favourable / (Unfavourable)**	**Explanation**
Interest expense	($117,185)	Interest expense in the current quarter is attributable to the promissory notes in respect of the TTS and Cosgrave acquisitions. The Cosgrave property interest expense was offset by interest revenue in the same quarter of prior year.
Loss on sale of marketable securities	($70,583)	We incurred a loss on the sale of marketable securities in the current year.
Salaries and benefits	$43,206	The positive variance results from a lower headcount in the current period due to lower levels of activity than in the prior year.
Foreign exchange gain	($30,150)	The gain or loss results mainly from the conversion of US monetary item balances to CAD for reporting purposes.
Disposition of assets	$28,792	We sold a vehicle for a gain.
Consulting	$25,692	The savings compared to the prior year results from our efforts to reduce operations and preserve capital.
Insurance	$10,005	We 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.
Other variances under $5,000	($1,242)	Includes favourable variances on professional fees, offset by unfavourable variances on travel.

Cash flow discussion for the Quarter ended December 31, 2010 compared to December 31, 2009

The cash outflows from operating activities decreased by $1,621,630 to $1,035,906 (2009 $2,657,536) due to a reduction in activity.

Cash outflows from investing activities increased by $720,933 to $793,771 (2009 $72,838) due mainly to cash paid for a subsidiary.

Cash inflows from financing activities increased by $4,460,993 to $5,973,627 (2009 - $1,512,634) due mainly to the completion of two private placements and the exercise of stock options and warrants.

Results of Operations for the Year ended December 31, 2010

The net loss for the year decreased by $16,922,826 to $4,722,755 from $21,645,581 in the prior year, mainly as a result of us having a lower mineral impairment charge than in prior year. Individual items contributing to this decrease are as follows:

2010 vs. 2009 - Variance Analysis		
Item	**Variance Favourable / (Unfavourable)**	**Explanation**
Write-off of mineral properties	$15,639,897	We wrote down our gold and silver properties to fair market value in the prior year.
Stock-based compensation	$1,020,583	Recognition of the option expense over the period to the next vesting date. The current expense is lower than in the prior year as a result of fewer options vesting.
Foreign exchange gain	($604,773)	Results mainly from the conversion of US monetary item balances to CAD for reporting purposes. The current year gain amounts to $205,218 compared to a gain of $809,991 in the prior year.
Salaries and benefits	$413,718	The positive variance results from a lower headcount in the current period due to lower levels of activity than in the prior year.
Interest expense	($366,921)	Interest expense in the current year is attributable to the promissory notes in respect of the TTS and Cosgrave acquisitions. The Cosgrave property interest expense was offset by interest revenue in the same prior year.
General and administrative	$329,622	The favourable variance results from a reduced level of operations in the current year.
Exploration costs	($119,712)	Increased work done on Nyngan Project.
Amortization	$173,468	Amortization of our assets.
Professional fees	$159,188	Prior year s costs related to the spin-out of Golden Predator Corp. that did not recur in the current year.

Consulting	$156,604	The savings compared to the prior year results from our efforts to reduce operations and preserve capital.

2010 vs. 2009 - Variance Analysis		
Item	**Variance Favourable / (Unfavourable)**	**Explanation**
Insurance	$153,684	We 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.
Loss on sale of marketable securities	($70,583)	We incurred a loss on the sale of marketable securities in the current year.
Other income	($60,457)	We earned sundry revenue from the spin-out from Golden Predator Corp. in the prior year that did not recur.
Disposition of assets	$39,792	A gain of $37,256 from the disposition of assets as compared to a loss of $2,536 in the prior year.
Travel and entertainment	$36,725	The favourable variance results from a reduced level of operations in the current year.

Cash flow discussion for the year ended December 31, 2010 compared to December 31, 2009

The cash outflow from operating activities decreased by $1,426,201 to $1,688,506 (2009 $3,114,707) due to a reduction in activity.

Cash outflows from investing activities increased by $603,964 to $837,978 (2009 - $234,014) due mainly funds paid for the acquisition of TTS and an increase in expenditures on mineral interests.

Cash inflows from financing activities increased by $3,858,272 to $6,068,472 (2009 - $2,210,200) as a result of us raising funds from private placements during the year and cash received from the exercise of stock options and warrants.

Summary of quarterly results

	2010				**2009**			
	Q4	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Net Sales	-	-	-	-	-	-	-	-
Net Income (Loss)	(1,341,524)	(1,514,237)	(1,148,938)	(718,056)	(11,311,117)	(548,203)	(725,249)	(9,061,012)
Basic and diluted Net Income (Loss) per share	(0.01)	(0.01)	(0.01)	(0.01)	(0.14)	(0.01)	(0.01)	(0.01)

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The net loss in the third quarter of 2010 and the fourth quarter of 2009 relates mainly to the write-down of mineral interests. There was a foreign exchange loss in the first quarter of 2009 of $7,918,977 that reversed itself to a gain of $809,991 by the end of the fourth quarter.

Financial Position

Cash

The increase in cash of $3,541,988 to $4,126,424 (2009 - $584,436) results from proceeds from private placements and warrant and option exercises.

Marketable securities

Marketable securities decreased by $202,332 to $2,250 (2009 - $204,582) due to us transferring our shares in GPD to GPD as part of a loan repayment.

Subscription receivable

Subscription receivable of $210,249 (2009 - $Nil) is from subscriptions received for the most recent private placement.

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 $540,650 to $34,289,873 at December 31, 2010 (2009 - $34,830,523) is due to amortization and the sale of a software asset and vehicle in the year.

Mineral interests

Mineral interests have decreased by $1,043,173 to $503,020 at December 31, 2010 (2009 - $1,546,193) and consist mainly of the Springer Mine Property, and also gold, silver, and vanadium properties.

Current liabilities

Current liabilities have decreased by $28,371 to $1,141,590 at December 31, 2010 (2009 $1,169,961) due to the payment of amounts accrued for the TTS acquisition and a general reduction in activity which has been partially offset by advances from a related party.

Promissory note payable (current and long-term)

The promissory note payable decreased by $221,240 to $4,250,000 (2009 - $4,471,240) which is attributable to a change in foreign exchange on conversion of the United States dollars designated promissory notes to Canadian dollars for reporting purposes.

Capital Stock

Capital stock increased by $6,248,914 to $88,138,487 (2009 - $81,889,573) as a result of the completion of private placements for aggregate proceeds of $4,746,172 and the exercise of warrants and stock options for total proceeds of $1,322,300.

Additional paid-in capital increased by $1,023,734 to $2,003,345 (2009 - $979,611) as a result of stock options issued and adjustments due to the exercise of stock options.

Liquidity and Capital Resources

At December 31, 2010, we had working capital of $3,330,415 including cash of $4,126,424 as compared to a working capital deficiency of $105,183 including cash of $584,436 at December 31, 2009. Also included in working capital, at December 31, 2010, were marketable securities with a market value of $2,250 (December 31, 2009 - $204,582).

During the year ended December 31, 2010, we received cash of $6,068,472 (2009 - $2,210,200) for stock issua