FORM 51-102F1
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2014

Dated: November 13, 2014

The following Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations for Great Western Minerals Group Ltd. (the "Company" or "GWMG") is dated November 13, 2014 and should be read in conjunction with the Company's condensed consolidated interim financial statements and related notes for the nine month period ended September 30, 2014. GWMG has prepared its financial statements in accordance with International Accounting Standards ("IAS") 34 *Interim Financial Reporting* using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). GWMG's presentation and functional currency is Canadian dollars and the functional currency of its significant foreign subsidiaries includes the UK sterling and the South African rand. All amounts are presented in Canadian dollars unless indicated otherwise.

Additional information regarding the Company and factors that could affect its operations and financial results are included in reports on file with Canadian securities regulatory authorities, including the Company's Annual Information Form, and may be accessed through the SEDAR website at www.sedar.com. Furthermore, the forward-looking statements contained in this MD&A are made as of the date of this MD&A and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws. The Company's forward-looking statements are expressly qualified in their entirety by this cautionary statement. Please also see the section on "*Cautionary Statement on Forward Looking Statements*" in this MD&A.

Overview

GWMG is a Canadian-based company pursuing a vertically-integrated business model predominately through its subsidiaries, Less Common Metals Limited ("LCM") and Rare Earth Extraction Co. Limited ("Rareco").

GWMG has an integrated business model, namely

(i) the proposed underground mining and reprocessing of surface rock dumps and tailings at its Steenkampskraal project (the "SKK Project");

(ii) a proposed processing facility (the "REC Plant") that will produce mixed rare earth carbonate ("REC");

(iii) a proposed solvent extraction separation process that will produce separated rare earth oxides ("REOs") via a tolling agreement; and,

(iv) the proposed expansion of current alloy production and metal making capacity at LCM.

LCM, located in Ellesmere Port, United Kingdom, represents the Company's manufacturing services operations and is currently generating 100% of the Company's revenues now that the Company has sold the redundant assets of Great Western Technologies Inc. ("GWTI") and discontinued the US operations as announced on May 5, 2014. GWTI, located in Troy, Michigan, was part of the manufacturing segment and a producer of specialty alloys, powders and related value added products. The Company decided to discontinue the operations of the GWTI business unit as a

result of continued losses. Accordingly, the results of GWTI and cash flows of GWTI's operations have been separately presented as discontinued operations in the Company's condensed consolidated interim statements of comprehensive loss and condensed consolidated interim statements of cash flows for the nine month periods ended September 30, 2014 and 2013.

The remaining manufacturing segment is made up of alloys produced by LCM including those containing iron, nickel, cobalt and rare earth elements ("REEs") used primarily in the magnet industries. LCM predominately produces neodymium-iron-boron ("NdFeB") and samarium-cobalt ("SmCo") alloys for permanent magnet manufacturers. The automotive industry, and in particular the hybrid vehicle sector, are major consumers of LCM's products.

Rareco is an entity whose primary asset is its interest in the SKK Project, which it holds through its subsidiary Steenkampskraal Monazite Mine (Pty) Ltd. ("SMM"). The SKK Project involves the refurbishment and development of the former producing Steenkampskraal monazite mine, located 350 km north of Cape Town, South Africa. On May 8, 2014, the Company announced the completion of a Feasibility Study (as defined herein) on the SKK Project, the results of which are discussed later in this MD&A under the heading "*Feasibility Study Results*".

As part of the Feasibility Study, the Company has determined that toll separation is presently the appropriate method to achieve separated REO from the mixed rare earth material produced by the SKK Project. This strategy will reduce certain upfront capital costs and shorten timelines to obtain separated REO production, and also remove certain technical risks involved with commissioning a separation plant. Toll separation will require that the mixed rare earth material be shipped in a carbonate form to offshore separation facilities. As announced on September 8, 2014, the Company is currently investigating tolling opportunities with various separating companies in order to achieve separated REOs. The Company may proceed with the GWGQD joint venture previously announced between GWMG and Ganzhou Qiandong Rare Earth Group Ltd. in the future should economic parameters change to justify a capital outlay.

Once separation is achieved, certain of the individual REOs (mainly those used in magnet alloys) would then be shipped to and utilized by LCM for further processing into metals and alloys for its customers. The balance of the REOs produced would then be sold into the spot market or pursuant to off-take agreements the Company may enter into in the future.

In addition, the Company has three other rare earth exploration and development properties in North America. The Company is currently evaluating its long term plans for these properties, including potential sales, joint ventures or spin-offs. In December of 2013, the Company signed an option and joint venture agreement with Star Minerals Group Ltd. in respect of the Hoidas Lake Rare Earth Project as further described in the Company's most recently filed annual MD&A and Annual Information Form found on SEDAR at www.sedar.com.

Overall Performance

Activities in the first nine months and financial condition

During the first nine months of 2014, the Company's focus was on various technical studies and working with its independent consultants to enable the completion of the SKK Project Feasibility Study. The Company also concentrated on reducing spending and divesting of non-core assets. In addition, the Company has been actively pursuing financing options, including negotiating with the Company's bondholders to restructure the Company's debt. Should the Company be successful in securing financing, management intends to develop the SKK Project and complete any necessary expansion of LCM to allow the Company to carry out its business plan of becoming a vertically integrated producer of REE based alloys for the magnet industry.

Feasibility Study Results

As announced on May 8, 2014, the Company completed a feasibility study on its SKK Project (the "Feasibility Study"). The National Instrument 43-101 ("NI 43-101") compliant technical report containing the results of the Feasibility Study and updated mineral resources and reserves was dated effective June 20, 2014 and filed on the SEDAR website that same day. The press release announcing the results of the Feasibility Study indicates the following:

- Economic analysis yields a robust after-tax internal rate of return ("IRR") of 50% and an after-tax net present value ("NPV") of $274 million. The economic model was evaluated with a range of discount rates and a base case of 10%
- 13-year Life of Mine ("LoM") with total revenue of $1,727 million; production of approximately 5,000 tonnes per annum ("tpa") of total rare earth oxides plus Yttrium oxide ("TREO"); however, lanthanum and cerium will not be produced as saleable products unless market conditions are more favorable
- Average annual production of saleable REOs of 1,512 tonnes ("t")
- Initial project capital expenditures ("capex") of $118.8 million with post-commercial production capex of $51.5 million
- Cash operating expenditures ("opex") of $38.67/kilogram ("kg") saleable rare earth oxide product
- The Feasibility Study economic analysis was undertaken at a forecast price for each saleable rare earth oxide resulting in a unit price of US$76.69/kg
- Declaration of Mineral Reserves: Proven in situ Mineral Reserves of 12,800t contained TREO and Probable in situ and surface Mineral Reserves of 56,600t contained TREO

The SKK Project Feasibility Study was undertaken at an accuracy level of ±15%. The study includes an economic assessment of the Measured and Indicated Mineral Resources of the increased resource estimate (the "December 2013 Resource Estimate") on the SKK Project dated effective October 31, 2013 and filed on SEDAR on December 20, 2013 and as further outlined in the section entitled "*SKK Project*" in this MD&A. The fundamental production requirement for the Feasibility Study was 5,000tpa of TREO; however, lanthanum and cerium will not be produced as saleable products, but will be selectively removed and will remain in secure long-term storage on the mine site. If market conditions warrant, lanthanum and cerium could be reprocessed into a saleable product.

The Company used the services of several independent firms during the completion of the Feasibility Study, namely Venmyn Deloitte, ULS Mineral Resource Projects, Sound Mining Solutions (Pty) Ltd., and Middindi Consulting (Pty) Limited for their expertise on specific portions of the study. These firms were also independently monitored and reviewed by MineQuest (Pty) Limited for mine design and costing and Benu Consulting (Pty) Limited for the metallurgical test work and process design.

Now that the Feasibility Study is complete, the Company will focus on its financing efforts and working with its customers to identify sources of raw material to meet their short-term demands until the SKK Project development and production is achieved.

LCM developments

Although the Feasibility Study focuses on the SKK Project, the Company believes it is uniquely positioned within the rare earth sector due to its ownership of LCM. The alloy manufacturing capability of LCM provides the Company with an established customer base and ready access to international markets. The Company's fully integrated business model and the long established business relationships earned by LCM over a 22 year time frame, provide a high level of competitive advantage.

The Company expects demand from its global customer base to increase in the future as investment in the magnet sector, which is dominated by NdFeB magnets, is expected to grow substantially as the world shifts to greener energy sources such as wind turbines and hybrid cars. As such, the Company has begun its expansion plans to keep pace with this anticipated growth. During 2012 and 2013, LCM installed and successfully commissioned two new strip cast furnaces. The two new furnaces have increased the total production capacity of LCM to approximately 2,500 tonnes per annum of rare earth alloys from its previous capacity of approximately 1,100 tonnes per annum and has given LCM the ability to produce alloys using newer technology to meet the growing demands of its

customers. LCM's total expansion plans are anticipated to reach as much as 4,800 tonnes of rare earth alloy production per annum including five strip cast furnaces working at full capacity.

Another key component in the Company's vertical integration strategy is the production of metal from REOs. In 2013, LCM announced that it successfully produced metal from oxides using an electrolytic reduction process. This is one of only a few examples of electrolytic metal production outside of China and provides the Company with the ability to produce metal from REOs versus relying on other sources. LCM currently has two electrolytic cells installed; however, approximately six electrolytic cells are required to provide the metal feedstock for each strip casting furnace operating at full capacity.

Once financing is secured, LCM will evaluate the potential installation of three additional strip cast furnaces and the necessary metal making cells to enable LCM's capacity to keep pace with the raw material generated by the SKK Project.

Financial condition, liquidity and going concern

For the nine-month period ended September 30, 2014, the Company reported a loss of $24,990,459. At September 30, 2014, the Company has an accumulated deficit of $158,094,663, a shareholders' deficit of $29,270,401 and has working capital of $10,703,157. To date, the Company has not generated positive cash flow from operations. The Company also has incurred net cash losses while completing its Feasibility Study on the Steenkampskraal property as well as from its manufacturing operations due to low availability of affordable raw materials. The Company's ability to continue as a going concern is dependent upon the ability of the Company to obtain necessary financing or other satisfactory arrangements for the development of its mineral reserves and to curtail expenditures to fund its operating expenses and interest expense until production allows the Company to be self-sufficient. In addition, the Company is likely to be required to restructure its convertible bonds in order to satisfy its contractual cash requirements as outlined in Note 6(a) to the condensed consolidated interim financial statements for the nine month period ended September 30, 2014.

Management and the Company's financial advisors have been actively targeting sources of additional financing including through alliances with financial, exploration, and mining entities to facilitate the continuation of the Company's operations. To date, the results of this process have not yielded additional financing for the Company. Accordingly, the Company is currently discussing the restructuring of its convertible bonds with various bondholder representatives. However, the outcome of any bondholder negotiations and any effect on the capital structure of the Company or project financing cannot be predicted at this time. The Company is continuing the process of curtailing expenses where possible while keeping its properties in good standing and maintaining its listing requirements.

While the Company has been successful in the past at raising sufficient financing to fund operations and development activities, there is no assurance that it will obtain financing on terms that are satisfactory or at all, or whether any funds raised and/or any restructuring of its convertible bonds will be sufficient to continue operations in the normal course.

Failure by the Company to obtain additional financing on a timely basis and in sufficient amounts to fund operations or to make other satisfactory arrangements and/or the failure to restructure its convertible bonds may cause the Company to delay or indefinitely postpone development activities or may cause the Company to forfeit rights in its properties, reduce or terminate its operations, or default on its debt. The above circumstances cast significant doubt about the Company's ability to continue as a going concern for the next twelve months.

Financial performance

For the nine month period ended September 30, 2014, the Company recorded a net loss of $25.0 million or $0.059 per share versus a net loss of $19.9 million or $0.048 per share for the period ended September 30, 2013. The Company's revenues for the nine month period ended September 30, 2014 and corresponding gross margin

increased by approximately 62% and 11%, respectively, from the corresponding period in 2013. Despite higher revenue and more absolute gross margin, the Company's net loss for the nine month period ended September 30, 2014 compared to the corresponding period in 2013 increased by $5.1 million. The increase in the Company's net loss is primarily due to the accounting treatment of the conversion option embedded in the outstanding convertible bonds. During the first three quarters of 2013, the Company recognized a $6.9 million gain on the conversion option compared to no gain or loss for the nine month period ended September 30, 2014. The change in fair value related to the conversion option is determined using an option pricing model which looks at a variety of inputs at the end of the period. A key component in determining the value of the conversion option is the Company's share price. For the nine month period ended September 30, 2014, the Company's share price decreased from $0.07 to $0.045 while in the nine month period ended September 30, 2013, the Company's share price had fallen from $0.24 to $0.12.

The Company had approximately a $3.7 million reduction in operating expenses from continuing operations from $20.6 million for the first nine months of 2013 to $16.9 million for the first three quarters of 2014. The Company realized significant reductions in spending in areas of general and administration, wages and benefits, and exploration and evaluation expenditures; however, these decreases were offset by foreign exchange losses, as the US dollar has been strengthening, and an increase in occupancy costs related to a change in estimate related to LCM's onerous lease.

Also contributing to a higher loss during the first three quarters of 2014 compared to the same period of 2013 was an increase in financing expense of approximately $2.3 million due to financing costs not being capitalized in the first three quarters of 2014 as a result of the nature of the work currently being performed during the period. Additionally foreign exchange impacts on the US denominated financing costs and general increases in amortization of the convertible bond issue costs due to the discount of the embedded derivative being amortized using the effective interest rate method contributed to the increase in financing expense.

Discontinued operation

Management announced on March 20, 2014 its intention to cease the operation of GWTI, which was part of the manufacturing segment, and sold certain assets of GWTI effective May 9, 2014. Accordingly, the operations and cash flows of GWTI have been separately presented as a discontinued operation in both the current and comparative periods. For more information on the impact on the discontinued operation see Note 5 of the September 30, 2014 condensed consolidated interim financial statements.

Recast of comparative information

In addition to the recast information disclosed in Note 3(d) to the annual consolidated financial statements, the restoration provision recorded of US$1,300,000 related to estimated restoration liabilities that existed at GWTI's manufacturing facility prior to the 2013 period would be revalued at September 30, 2013 for movements in foreign exchange rates. At January 1, 2013, the restoration liability was recorded at $1,293,370; however, due to foreign exchange fluctuations for the nine month period ended September 30, 2013, the provision would have been recorded at $1,337,050 at September 30, 2013. The foreign exchange loss of $43,680 would increase other comprehensive loss and accumulated other comprehensive loss by the same amount. For more information see Note 3 of the September 30, 2014 condensed consolidated interim financial statements.

Cash flows

The Company's overall cash position has decreased by approximately $10.1 million from December 31, 2013. Approximately $5.8 million cash was spent on continuing operations with another $1.2 million incurred on discontinued operations during the first nine months of 2014. Comparatively, the Company spent approximately $19.1 million on continuing operations and another $0.4 million on discontinued operations during the first three quarters of 2013. Reductions in operating expenses such as general and administration, wages and benefits, and exploration and evaluation expenditures, along with significant net working capital changes all contributed to the $12.4 million positive change in cash flows from operating activities compared to the same period in the prior year.

Cashflows for investing activities decreased by approximately $4.9 million to $0.1 million provided by investing activities for the nine months ended September 30, 2014 from $4.8 million used by the Company for the prior period. During the first nine months of 2014, the Company's used approximately $0.5 million on mostly land acquisitions for the SKK Project; however, this was offset by the Company selling certain redundant assets including all the plant and equipment related to GWTI. The Company expects cash outflows from investing activities to be minimal in the short-term as further LCM expansion plans have been deferred and SKK Project development expenditures will not be incurred until the Company secures additional financing. The $4.8 million spent on investing activities during the first three quarters of 2013 was incurred on LCM furnaces and metal making cells as well as land, building and motor vehicle acquisitions at the SKK Project.

The cash flow used in financing activities of $4.0 million during the first nine months of 2014 related to the convertible bond interest that was paid on April 7, 2014.

The Company's cash position in Canadian dollar terms was also positively impacted by $0.9 million due to the strengthening of the US dollar during the first nine month of 2014 as the Company holds the majority of its cash in US currency.

Financial Highlights

Selected Annual Information and Summary of Financial Data

The following table presents consolidated financial data for the three and nine month periods ended September 30, 2014 and 2013.

	Three Months Ended September 30, 2014	Revised – Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Revised – Nine Months Ended September 30, 2013
	$	$	$	$
Revenue from continuing operations	6,116,876	3,967,856	18,836,983	11,602,716
Net loss from continuing operations	9,573,074	7,252,720	24,828,886	19,406,080
Net loss from discontinued operation	3,352	184,950	161,573	503,451
Net loss	9,576,426	7,437,670	24,990,459	19,909,531
Net loss per share from continuing operations [(1)]	0.023	0.018	0.059	0.047
Net loss per share from discontinued operation [(1)]	0.000	0.000	0.000	0.001
Total assets	57,632,369	79,468,933	57,632,369	79,468,933
Total non-current financial liabilities	77,203,151	75,813,768	77,203,151	75,813,768

(1) Basic and diluted

Results of Operations - For the quarter

Overall performance

For the three months ended September 30, 2014, the Company recorded a net loss of $9.6 million or $0.023 per share, compared to a net loss of $7.4 million or $0.018 per share for the three month period ended September 30, 2013. The increase in net loss of $2.2 million from the prior three month period can generally be explained by the Company generating similar margins on its sales to the prior period and decreasing expenses overall offset by a foreign exchange loss. Revenue increased from the manufacturing services segment with a minimal increase to the gross margin, while the Company's operating expenses increased by $1.7 million from $5.3 million for the three month period ended September 30, 2013 compared to $7.0 million for the current three month period. The increase in operating expenses is explained in further detail below. Increased financing charges of $0.6 million also contributed to the overall increase in loss from continuing operations during the quarter.

Manufacturing Services

The manufacturing services revenues increased by $2.1 million or 52.5% for the three months ended September 30, 2014 to $6.1 million compared to $4.0 million for the same period in the prior year while gross margin stayed relatively the same at $1.2 million and $1.1 million for the three month periods ended September 30, 2014 and 2013, respectively. The increase in revenue was in part due to increased volumes of 27% over the prior three month comparative period. Average prices for LCM's products also increased by approximately 7% in local currency terms. Once the realized price is translated into Canadian terms average prices have increased almost 21% compared to the same quarter in the prior year as the pound sterling strengthened significantly against the Canadian dollar. The strengthening of foreign exchange rates against the Canadian dollar has had a similar impact to cost of materials and as a result the exchange rate fluctuations have not impacted gross margins significantly.

For the three month period ended September 30, 2014, LCM sold 95 metric tonnes of NdFeB and SmCo and other alloys compared to 75 metric tonnes of NdFeB and SmCo and other alloys for the same period in 2013. Sales of SmCo increased by approximately 55% during the three month period ended September 30, 2014 compared to the prior period, while sales of NdFeB increased slightly for the period ended September 30, 2014. The sales of specialty alloys, which is traditionally a higher margin business, has decreased slightly for the three month period ended September 30, 2014 versus the same period in the prior year.

Overall, the manufacturing services segment generated a loss of $0.2 million from continuing operations in the third quarter of 2014 compared to a loss of $0.5 million from continuing operations in the third quarter of 2013. The $0.3 million improvement was the result of approximately $0.1 million increase in gross margin as well as $0.3 million increase in foreign exchange gains which were offset by $0.1 million increase in depreciation and other costs.

Expenses

Total operating expenses for the three months ended September 30, 2014 were $7.0 million compared to $5.3 million for the comparable 2013 quarter. The largest change in operating expenses occurred in foreign exchange gains and losses since the third quarter of 2013 had a foreign exchange gain of approximately $0.5 million and the third quarter of 2014 saw a foreign exchange loss of $3.1 million. The $3.6 million dollar change in foreign exchange is predominately due to the impact the US dollar had on the Company's US dollar debt during these periods.

Decreases in exploration and evaluation expenditures helped offset the increase in foreign exchange loss during the three month period ended September 30, 2014. The exploration and evaluation expenses decreased by $1.2 million compared to the same period in the prior year as these expenses went from $1.4 million for the three month period ended September 30, 2013 to $0.2 million for the same period in 2014. The decrease during the current quarter is the result of fewer costs at the SKK Project and virtually no costs on the Company's North America properties. During the third quarter of 2014, the majority of the expenses related to final billings surrounding the SKK Project Feasibility Study and various compliance matters in South Africa whereas the third quarter of 2013 focused on updating the Company's NI 43-101 compliant mineral resource estimate as well as metallurgical test work in preparation for the commencement of the SKK Project Feasibility study.

General and administration expense for the third quarter of 2014 decreased by $0.2 million to $0.6 million compared to $0.8 million for the same period in the prior year. The decrease can be predominately attributed to decreased travel related expenditures. During the third quarter of 2013 the Company incurred additional travel related expenditures surrounding the investigation of certain activities at the SKK Project which lead to claims against its main contractor in 2013. The Company had also been engaged in various corporate development related activities during the third quarter of 2013 that has contributed to the decrease in travel costs for 2014 compared to 2013. Other general administrative expenses such as software licensing, training and office supplies have also decreased as a result of having fewer employees in 2014.

Wages and benefits decreased $0.8 million to $1.3 million from $2.1 million, predominately as a result of the Company's cost reduction strategy which saw fewer personnel at Corporate Office as well as personnel related to the SKK Project now that the Feasibility Study has been complete. The overall wage decrease would have been larger; however, LCM hired additional personnel after the commissioning of their new strip cast furnaces which muted the impact of personnel reductions made elsewhere. In addition the UK pound sterling increased by approximately 13% over the comparative period in 2013 causing the Canadian dollar wage expense to increase for the period compared to the prior period.

Professional fees increased over the prior period from $0.5 million for the three month period ended September 30, 2013 compared to $0.9 million for the three month period ended September 30, 2014. The increase of $0.4 million is predominately the result of an increase in legal and other professional fees and costs associated with legal and financial advisors as the Company has been actively engaged in financing activities including a potential restructuring of its convertible bonds.

Other non-cash items

Other non-cash items not discussed above include depreciation and stock based compensation. Depreciation increased by $0.1 million during the third quarter of 2014 compared to the prior period now that LCM has fully commissioned its new furnaces and partially due to foreign exchange impacts during the third quarter of 2014 compared to the same period in 2013. Stock based compensation expense decreased from the prior period by approximately $0.2 million. The decrease in stock based compensation expense is predominately the result of the number of options granted during this period compared to the prior three month period. During the third quarter of 2014, the Company did not grant any options, while during the third quarter of 2013, the Company granted 750,000 options. The resulting stock-based compensation expense during the third quarter of 2014 is the result of previously granted options being expensed over their vesting period.

Results of Operations – Year to date

Overall performance

For the nine months ended September 30, 2014, the Company recorded a net loss of $25.0 million or $0.059 per share, compared to a net loss of $19.9 million or $0.048 per share for the nine month period ended September 30, 2013. Despite revenue increasing from the manufacturing services segment, the Company's net loss for the period increased by approximately $5.1 million. The Company's operating expenses decreased by approximately $3.7 million for the nine month period ended September 30, 2014 compared to the same period in 2013. Significant decreases in general and administrative costs of $1.6 million and exploration and evaluation expenses of $3.9 million were somewhat offset by a $0.4 million increase in occupancy costs and a $2.5 million increase in foreign currency loss. However, the main reason for the increase in the loss during the nine months ended September 30, 2014 was due to the accounting treatment for the convertible bonds and the related embedded conversion option since the Company recognized a gain of $6.9 million on the conversion option during the first three quarters of 2013 compared to having no impact during the first nine months of 2014. An increase in interest expense and financing costs of $2.3 million over the comparable period in 2013 also caused the loss for the first nine months of 2014 to be larger than the prior year. For more information regarding the accounting treatment for the convertible bonds and the related embedded conversion option, see Note 11 to the condensed consolidated interim financial statements for September 30, 2013.

Manufacturing Services

The manufacturing services revenues increased by $7.2 million or 62.1% for the first nine months of 2014 to $18.8 million compared to $11.6 million for the same period in the prior year while gross margin increased to $3.6 million or 19.1% of sales (2013 – $3.2 million or 27.6% of sales). The increase in revenue was largely due to increased volumes of 47% for the nine month period ended September 30, 2014 compared to the same period in the prior year. The strengthening UK pound sterling caused average realized prices of LCM products in Canadian terms to increase by approximately 10% for the first three quarters of 2014 compared to the first three quarters of 2013.

However, in local currency terms average prices for LCM's products decreased by approximately 4% for the first nine months of 2014 compared to the prices for the first nine months of 2013. Generally, product mix has impacted the Company's margin as higher volume, lower margin sales occurred during the first three quarters of 2014 compared to 2013.

For the first nine months of 2014, LCM sold 293 metric tonnes of NdFeB and SmCo and other alloys compared to 199 metric tonnes of NdFeB and SmCo and other alloys for the same period in 2013. The increase in volume can be attributed to an increase in customer demand for product from the new strip cast furnaces now that they are fully commissioned. Sales of SmCo increased by 29% during the period compared to the prior period, while sales of NdFeB increased significantly for the nine month period ended September 30, 2014 as LCM is producing alloys from its new strip cast furnaces on a more consistent basis. The sale of specialty alloys, which is traditionally a higher margin business, has dropped by approximately 31% for the nine month period ended September 30, 2014 versus the same period in the prior year and also contributed to the overall margins decreasing on a percentage basis of sales.

Overall, the manufacturing services segment generated a loss of $1.6 million from continuing operations in the first nine months of 2014 compared to a loss of $0.9 million from continuing operations for the same period in 2013. The manufacturing services segment's performance, now solely made up of LCM's operations, was impacted by averaged realized prices of the product mix, which ultimately impacted overall margins. In addition, a strengthening UK pound sterling against the Canadian dollar has caused LCM's costs to increase over the prior period in Canadian terms. However, the largest item impacting the results of the manufacturing segment for the nine month period ended September 30, 2014 to the prior period was a change in estimate of $0.6 million related to the provision for LCM's onerous lease for its Birkenhead property.

The Company has seen its manufacturing services sales volumes increase and management expects volumes to increase over the prior years now that the new strip cast furnaces are fully commissioned and customers begin to expand their orders. Assuming a supply of raw material can be sourced at competitive rates, the Company's sales will likely increase while gross margins as a percentage of sales will remain relatively stable. If the Company is unable to source acceptable raw material before production from the Steenkampskraal mine has been achieved, revenues may remain similar to prior years and margins may continue to be impacted. Once the Steenkampskraal mine is developed, it is anticipated that LCM will be able to increase its revenues substantially.

Revenues from the sale of specialty alloys from GWTI have been removed from the manufacturing services revenue and form part of the discontinued operations as disclosed in Note 5 of the condensed consolidated interim financial statements. The sale of certain of GWTI's assets and liabilities during the second quarter of 2014 generated an overall loss due to the recognition of the cumulative translation loss associated with GWTI that had been previously recognized in other comprehensive income (loss).

Expenses

Total operating expenses for the nine months ended September 30, 2014 were $16.9 million compared to $20.6 million for the same period in the previous year. The largest decrease in operating expenses occurred in exploration and evaluation expenditures which went from $6.2 million for the nine month period ended September 30, 2013 to $2.3 million for the same period in 2014. The $3.9 million decrease is the result of fewer costs at the SKK Project and virtually no costs on the Company's North America properties. During the nine month period ended September 30, 2014, the Company completed its Feasibility Study on the SKK Project which the costs were made up of mostly consultant and engineering time, whereas during the first nine months of 2013 the Company was focused on exploration drilling, airborne geophysical surveys, and consulting and engineering in order to complete an NI 43-101 mineral resource estimate and the Company's PEA as well as various metallurgical test work and updating its resources estimate in preparation to commence the SKK Project Feasibility Study.

General and administration expense for the first three quarters of 2014 decreased by $1.6 million or 47% to $1.8 million compared to the same period in the prior year. The decrease can be predominately attributed to decreased travel related expenditures and a decrease in consultants used by the Company. Near the start of 2013 the Company hired a new Chief Executive Officer and accordingly it was necessary for him to incur travel costs to visit the Company's sites and to meet with various stakeholders in the Company. In addition, the Company had incurred additional travel related expenditures surrounding the investigation of certain activities at the SKK Project which lead to claims against its main contractor. The Company had also been engaged in various corporate development related activities during the first nine months of 2013 that has contributed to the decrease in travel costs for 2014 compared to 2013. In the latter part of 2013, management made changes to conserve resources including reducing various consultants the Company had used in the past. The comparability of the general administration expense has been impacted by these efforts. Other general administrative expenses have also decreased as a result of having fewer employees in 2014 such as software licensing, training and office supplies.

Wages and benefits decreased by $0.8 million to $4.5 million from $5.3 million and is due to a concerted effort to reduce staff and conserve cash now that the SKK Project Feasibility Study is complete. However, the impact of these efforts has been somewhat offset due to the hiring of additional personnel at LCM to operate the new strip cast furnaces. In addition, the LCM wage expense has seen an increase in Canadian terms since the UK pound sterling increased by 15% over the comparative period in 2013.

Professional fees stayed relatively constant compared to the prior period with the Company incurring $1.7 million for the nine month period ended September 30, 2013 compared to $1.6 million for the nine month period ended September 30, 2014. The Company had been on pace to reduce its professional fees significantly over the prior nine month period which saw significant legal expenditures related to the investigation of the Company's former project director and former contractor at the SKK Project as well as higher accounting fees for dealing with more complex issues such as impairment of the SKK assets as well as the accounting for the convertible bonds. However, recently the Company has incurred significant professional fees surrounding financing activities which has included discussions with representatives of the Company's bondholders and their legal and financial advisors.

Occupancy costs increased by $0.4 million from the prior period due to a change in estimate surrounding management's expectation in the current UK real estate market to sublease LCM's Birkenhead facility. LCM had moved from that facility during the third quarter of 2012 to its current Hooton Park facility in order to accommodate future growth of its strip cast business once the SKK Project starts production.

Foreign exchange losses were approximately $0.5 million during the nine month period ended September 30, 2013 while the first nine months of 2014 saw a foreign exchange loss of $3.0 million. The $2.5 million dollar variance in foreign exchange is predominately due to the impact the US dollar had on the Company's net US dollar liability during these periods. During the first nine months of 2014, the US dollar strengthened significantly against the Canadian dollar resulting in a higher foreign exchange loss as the Company's convertible bonds are denominated in US dollars. In contrast, during the first nine months of 2013, the US dollar strengthened moderately against the Canadian dollar and the Company's exposure to fluctuations was less as the Company had more US dollars to act as a natural hedge against any changes in the US/CDN exchange rate.

Other non-cash items

Other non-cash items not discussed above include depreciation, stock based compensation, and impairments. Depreciation increased by $0.3 million now that LCM has fully commissioned its new furnaces and partially due to foreign exchange increases during the first nine months of 2014 compared to the same period in 2013. Stock based compensation expense decreased from the prior period by approximately $0.7 million. The decrease in stock based compensation expense is the result of the fair value, as determined by the Black-Scholes option pricing model, being less due to the average share price being less during the first nine months of 2014 compared to 2013 and also due to the number of options granted, since 1.2 million options were granted in the first nine months of 2014 compared to

6.9 million in the same period in 2013. During the first three quarters of 2014, the Company recorded an impairment of property, plant and equipment of $0.4 million which predominately related to certain SKK Project assets which were deemed to have little to no value based on the current plans contained in the Feasibility Study. During the first nine months of 2013, the Company recorded an impairment of property, plant and equipment of $0.2 million related to certain LCM assets after completing the move to its new facility.

Use of Proceeds from Convertible Bonds

The following is a summary of the actual spending as of September 30, 2014 against the proposed use of funds as described in the listing particulars which were filed on SEDAR on October 12, 2012 (the "Listing Particulars").

	Proposed Use of funds [(1)]	Approximate Funds Expended At September 30, 2014	Variance
	US$	**US$**	**US$**
Separation facility	10,000,000	200,000	9,800,000
SKK	49,200,000	20,881,000	28,319,000
LCM	9,600,000	8,799,000	801,000
Debt servicing	10,800,000	14,400,000	(3,600,000)
Bond issue costs	5,400,000	5,993,581	(593,581)
Working capital and other general corporate activities	5,000,000	27,676,602	(22,676,602)
	90,000,000	77,950,183	12,049,817

(1) As disclosed in the Listing Particulars filed on the SEDAR website on October 12, 2012, the above amounts are subject to change and will not be sufficient to cover certain projected expenses to implement the Company's exploration and development plans. Readers are cautioned that while the Company expressed its intent to spend the gross proceeds from the issue of the convertible bonds as set forth above at the time of the filing of the Listing Particulars, the actual amount spent in connection with each of the intended uses of proceeds is based on past and current estimates, including preliminary engineering, procurement and construction costs, all of which may be subject to change as a result of changes to design parameters and the accuracy of such estimates. Actual amounts spent on the proposed activities listed above will vary and may vary significantly from the amounts specified above, and will depend on a number of factors, including, but not limited to, those listed under "Risk Factors" in this MD&A and the Company's Annual Information Form available on the SEDAR website at www.sedar.com.

Mineral Property Updates

SKK Project

The Company owns 100% of the ordinary shares of Rareco, which owns 74% of the outstanding ordinary shares of SMM, with the balance of the SMM shares held by an Employee Share option Scheme Empowerment trust established to comply with South African Broad Based Black Economic Empowerment legislation. The South African government, which owns the surface and mineral rights to the 473.71 hectare Steenkampskraal mine site, issued the New Order Mining Right (the "Mining Right") on June 2, 2010 in respect of the Steenkampskraal mine site. The right has a 20 year term subject to further renewals in accordance with the terms of the Mining Right. The Company has also been granted a five year prospecting right effective to September 17, 2017 over approximately 55,000 hectares surrounding the mine site.

During the first three quarters of 2014, the Company expended $2.3 million on various technical and engineering studies and mine planning activities to assist in the completion of the Feasibility Study released in June of 2014 as well as continued regulatory and compliance requirements. Comparatively, in the first nine months of 2013, the Company expended $6.1 million on various technical studies, mine site exploration and evaluation investigations, including the initiation of the December 2013 Resource Estimate, the completion of the December 2012 Resource Estimate, the finalization of the PEA, the final phase of infill drilling, underground sample collection, an airborne

geophysical survey, the investigation of structural geology, certain metallurgical test work, and the commencement of the Feasibility Study. The December 2013 Resource Estimate formed the basis for the SKK Project Feasibility Study and the conversion of the December 2013 Resources Estimate to Mineral Reserves is discussed below.

The December 2013 Resource Estimate was split between the historic mining area and the contiguous newly defined ore body extensions east and west of the historic mine. The SKK Project Feasibility Study mine design was based on the entire mineral resource and therefore, for the purposes of the SKK Project Feasibility Study, the mineral resource is presented without division into separate resource areas. Historic surface tailings material ('Historic TSF") was also included in the December 2013 Resource Estimate as follows:

Summary of the December 2013 Resource Estimate at a 1% TREO cut-off Grade

Mineral Resource Classification		Resource Tonnage (t)	TREO Grade (%TREO)	Contained TREO (t)
In situ Mineral Resources[(1)]	Measured	85,000	19.54	16,600
	Indicated	474,000	14.12	67,000
	Inferred	60,000	10.46	6,200
Total in situ	**Measured and Indicated**	**559,000**	**14.95**	**83,600**
Historic TSF	Indicated	46,000	7.18	3,300
Total (in situ and TSF)	**Measured and Indicated**	**605,000**	**14.36**	**86,900**

Source: December 2013 Resource Estimate

Notes:

(1) Comprises Snowden Mining Industry Consultants Inc.'s 'Mine Area' and 'Exploration Area'
(2) Mineral Resource estimate reported at 1% TREO cut-off grade
(3) Readers are cautioned that Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The December 2013 Resource Estimate did not disclose Mineral Reserves. However, Mineral Reserves have been defined for the SKK Project as part of the Feasibility Study. Apparent computational inconsistencies are due to rounding
(4) Resource tonnage rounded to nearest 1,000t, and contained metal to three significant figures
(5) Mineral Resources reported over widths of 20cm to 10m

Summary of the Mineral Reserve Estimate for the SKK Project at a 5% cut-off TREO Grade – March 2014

Mineral Reserve Classification		Reserve Tonnage (t)	TREO Grade (% TREO)	Contained TREO (t)
Mine (in situ)	Proven	103,600	12.39	12,800
	Probable	651,000	8.20	53,400
	Sub total	**754,600**	**8.78**	**66,200**
Historic Surface Tailings	Proven	-	-	-
	Probable	45,100	7.10	3,200
	Sub total	**45,100**	**7.10**	**3,200**
Mine and Historic Tailings	Proven	103,600	12.39	12,800
	Probable	696,100	8.13	56,600
Total		**799,700**	**8.68**	**69,400**

The Mineral Resource estimate was based on a specific, physical deposit volume as defined in the geological and mineral resource block model; however, the extraction of that mineralization was based on a mine plan governed by a radiological model and achievable mining widths. The mine plan required dilution of the mineral resources, which accounts for the increase in reserve tonnages, the reduction in grade and expected reduction in metal content when

comparison is made with the mineral resource estimate. The mineral reserves therefore reflect unavoidable mining dilution, as well as mining and processing modifying material recovery factors applied to the resource.

For a complete description of the resource and reserve estimates referred to above, please refer to the SKK Project Feasibility Study, as filed on SEDAR on June 20, 2014, available at www.sedar.com.

Other SKK Project activities

As noted above, the Company performed a radiometric survey in 2013 on the 55,000 hectare prospecting right surrounding the SKK Project which identified several anomalies that may be related to REE mineralization. Now that the Feasibility Study is complete, and as time and resources allow, the Company will prioritize the anomalies identified for further exploration efforts to identify further resources that will enhance the future development plans of the SKK Project.

The Company continues with its legal proceedings with respect to the activities of a contractor that performed the majority of the mine refurbishment, earthworks and certain exploration and evaluation work during 2011 and 2012 at its SKK Project before their contract was terminated. The Company paid approximately $12.2 million out of an invoiced amount of approximately $16.5 million (exclusive of VAT). The Company engaged independent quantity surveyors and engineers to assess the completed and partially completed works and estimated the value of the work to be significantly less than the $12.2 million paid by the Company resulting in the Company taking an impairment charge in the 2012 financial statements of $6.5 million. GWMG is pursuing all available options, including the commencement of civil claims, to recover any damages which may have occurred. The Company has served the particulars of its claim and during the second quarter of 2013 received the First Defendant's Plea and Counterclaim from the contractor for unpaid invoices as well as additional amounts for breach of contract and interest. The Counterclaim totals 53.9 million South African rand or approximately $5.4 million Canadian. The parties had finalized their respective pleadings and the Company is working through the discovery process. The Company believes that it is unlikely that it will be required to pay this amount and accordingly has not recorded any portion of this amount in the financial statements.

Other Exploration Projects

The Company intends to minimize its expenditures on its other exploration properties in an effort to focus its resources on the SKK Project. For the first nine months of 2014, the Company incurred virtually no expenses (2013 - $0.1 million) on non-Steenkampskraal related properties. The Company is currently evaluating its alternatives with respect to these properties given its current focus on the potential development of its South African project. For more information regarding the Company's other exploration properties refer to the Company's Annual MD&A and Annual Information Form filed on the SEDAR website at www.sedar.com.

Summary of Quarterly Results

The following table presents selected financial information for the eight most recently completed quarters:

	2014			2013
	Quarter 3	Quarter 2	Quarter 1	Quarter 4
	$	$	$	$
Total revenues[(1)(4)]	6,116,876	5,566,088	7,154,019	5,193,526
Net income (loss)[(2)(4)]	(9,573,074)	(6,062,387)	(9,193,425)	(9,321,376)
Income (loss) per share[(3)(4)]	(0.023)	(0.014)	(0.022)	(0.023)

	2013			2012
	Quarter 3	Quarter 2	Quarter 1	Quarter 4
	$	$	$	$
Total revenues[(1)(4)]	3,967,856	4,258,826	3,376,034	2,663,870
Net income (loss)[(2)(4)]	(7,252,720)	(9,408,419)	(2,744,941)	1,701,297
Income (loss) per share[(3)(4)]	(0.017)	(0.023)	(0.006)	0.004

(1) Revenues from the manufacturing segment have started to trend up. The first 3 quarters of 2014 and the 4th quarter of 2013 have higher revenues as customer demand has started to accelerate now that LCM has qualified product from its two new strip cast furnaces. With increased capacity at LCM, the Company anticipates revenues to start to increase compared to previous levels; however, the levels are not anticipated to significantly change until the SKK Project is brought on line to provide an expanded source of raw material. The 4th quarter of 2012 had a reduction from normal levels due to customers using up their own inventories in anticipation of REO prices falling and normal customer slowdowns near year end.

(2) The Company is a manufacturer of rare earth element metal alloys and is currently in the process of implementing its business strategy to become a vertically integrated supplier of this material by producing its own raw material. The Company has for the last 8 quarters, and prior thereto, been in the process of exploring and evaluating the SKK Project to provide its manufacturing division the essential raw material to be able to meet demand from its customers. Accordingly, the Company has incurred significant exploration and evaluation expenditures during the last 8 quarters; however, these exploration and evaluation expenditures have declined in 2014 as the Company moved from high cost exploration expenditures to less expensive engineering studies to finish the SKK Project Feasibility Study. Now that the Feasibility Study is complete, the Company anticipates the exploration and evaluation expenditures to be significantly reduced.

Due to a shortage of competitively priced supply, the ability of the Company's manufacturing segment to generate significant revenue or profit has been impacted. In the short-term, the Company's expenses will exceed its revenue until the SKK Project is developed and producing or an alternative source of raw material can be found. Due to the stage of implementing its business strategy, the Company will expect losses in the medium term. The Company's quarterly financial performance can be impacted by many different items such as foreign currency fluctuations impacting the carrying value of the Company's convertible bonds as is the case in the 3rd quarter of 2014 which had a $3.1 million foreign exchange loss, the timing of stock-based compensation expense, the impairment of certain assets as well as fair value fluctuations in the Company's embedded derivative predominately due to changes in the Company's share price.

The 1st quarter of 2013 net loss would have been significantly larger and the net income during the 4th quarter of 2012 would have been a significant loss had it not been for changes in the fair value related to the embedded derivative conversion option relating to the Company's convertible bonds. The fair value gain on the Company's embedded conversion option was much larger in the 1st quarter of 2013 at $5.7 million and the 4th quarter of 2012 at $15.6 million compared to $0.1 million in the 3rd and 4th quarters of 2013, $1.1 million in the 2nd quarter of 2013, a $0.1 million loss in the 1st quarter of 2014, followed by minimal to no impact during the 2nd and 3rd quarters of 2014.

In addition, the Company issued US$90.0 million convertible bonds in the 2nd quarter of 2012 and has incurred between $2.0 and $3.9 million in financing charges per quarter related to interest charges, the amortization of bond issue costs and the accretion related to the value assigned to the embedded conversion option which have all contributed to the Company's losses since the 3rd quarter of 2012.

(3) Basic and diluted.

(4) The Company announced during the 2nd quarter of 2014 that it sold the major assets and liabilities of GWTI resulting in a discontinuance of the US manufacturing operation. Accordingly, the summary of quarterly results has been adjusted to reflect results from continuing operations.

Liquidity and Capital Resources:

The Company had liquid cash and cash equivalents at September 30, 2014 of $13.4 million compared to $23.6 million at December 31, 2013. The Company's cash and cash equivalents are invested in business accounts in various chartered banks and are available on demand for the Company's programs. On October 6, 2014, the Company made its semi-annual interest payment of US$3.6 million to service its convertible bonds from funds available. Subject to the following, management believes that its current financial resources will allow the Company to perform necessary regulatory and compliance work. Without additional financing or other satisfactory arrangements, the Company's financial resources will not be sufficient to develop the SKK mine, to construct the REC Plant, to complete further phases of its planned capacity increases at LCM nor cover overhead, operating expenses, and interest payments prior to production of marketable products from the SKK Project. The above conditions raise significant doubt about the Company's ability to continue as a going concern for the next twelve months. The Company's ability to continue as a going concern is dependent upon the ability of the Company to obtain necessary financing or other satisfactory arrangements to fund its operating expenses and interest expense until development financing is obtained to allow the Company to be self-sufficient. In the near term, the Company is likely to be required to restructure its convertible bonds in order to satisfy its contractual cash requirements as outlined below.

The details of the Company's long-term cash requirements for the development of the SKK Project are included in the Feasibility Study available on the SEDAR website at www.sedar.com.

The following table details the Company's expected remaining contractual cash flow requirements for its financial liabilities with agreed repayment periods as at September 30, 2014. The amounts presented are based on undiscounted cash flows of financial liabilities and, therefore, do not equate to the carrying amounts on the condensed consolidated interim statements of financial position.

	Less than 1 year	2 to 3 years	4 to 5 years	After 5 years	Total contractual cash outflows at September 30, 2014 [1]	Total contractual cash outflows at December 31, 2013
	$	$	$	$	$	$
Accounts payable and accrued liabilities[2]	9,045,821	-	-	-	9,045,821	7,398,668
Provisions (excluding leases)	201,989	-	-	1,233,143	1,435,132	2,919,042
Leases	798,885	1,500,935	1,259,366	4,227,092	7,786,278	9,004,707
Convertible bonds	-	-	100,800,000	-	100,800,000	95,724,000
Interest payable on convertible bonds[2]	4,142,164	16,128,000	-	-	20,270,164	24,972,393
Total	**14,188,859**	**17,628,935**	**102,059,366**	**5,460,234**	**139,337,394**	**140,018,810**

(1) A significant portion of the above commitments are based in US dollars. A 10 percent weakening in the Canadian dollar against the US dollar would increase total contractual liabilities at September 30, 2014 by $12.5 million.

(2) Included in accounts payable and accrued liabilities at September 30, 2014 is $3.9 million for interest related to the convertible bonds.

Contractual obligations relating to the principal amount of the convertible bonds and related interest payments may be settled by the conversion of the convertible bonds into common shares in the future. However, based on the Company's current share price relative to the October 6, 2014 conversion price of $0.55 per share, the likelihood of conversion without any restructuring of the convertible bonds is remote.

The convertible bonds contain certain covenants including that the Company will not grant security over or dispose of its assets, it will not incur financial indebtedness and it will not declare dividends for 3 years from April 5, 2012. The convertible bonds are secured against the shares of the majority of the Company's subsidiaries which hold title to the Company's major assets, but are not secured against the assets of those subsidiaries or the Canadian exploration properties held by the Company.

Due to the restrictions associated with the convertible bonds, the Company's ability to raise additional financings through sources other than equity may be limited. Should the Company issue further equity for future cash requirements at a price below the market, the conversion price of the convertible bonds may be affected. After April 5, 2015, the Company has the right to redeem all of the convertible bonds if the volume weighted average price during a specified period prior to redemption of a common share is at least 130 percent of the original conversion price of $0.66.

The description of the terms and conditions of the convertible bonds in this MD&A are for illustrative purposes only and are qualified in their entirety by the terms and conditions of the convertible bonds as disclosed in listing particulars filed on SEDAR at www.sedar.com on October 12, 2012.

The Company also has outstanding warrants and options which may be a source of potential capital in the future.

Outstanding Share Data

The Company had 418,738,174 shares outstanding at September 30, 2014 as well as 11,805,103 warrants outstanding at September 30, 2014 that have an exercise price of $0.50 and expire between November 6, 2014 and January 25, 2015.

The Company also had 22,710,000 options outstanding at September 30, 2014 with a weighted exercise price of $0.41. The options outstanding at September 30, 2014 have an exercise price in the range of $0.10 to $0.85 and a weighted average contractual life of 2.1 years. The options expire between November 9, 2014 and March 3, 2019.

As at November 13, 2014, the number of shares outstanding remains unchanged from September 30, 2014, while the number of warrants has changed to 8,464,949 with an average exercise price of $0.50 and the number options outstanding has changed to 18,485,000 with an average exercise price of $0.43.

As announced on October 6, 2014, the convertible bonds that the Company issued in April of 2012 are now convertible by the holder into common shares of the Company at a conversion rate of $0.55 per share at a fixed foreign exchange rate of C$1.00 = US$1.0072. The Company did not commission a RE Separation Plant nor produce at least 500 metric tonnes of REOs within 30 months of April 5, 2012 (the "Reset Date"). Accordingly, the conversion rate was reduced from $0.66 per share to the higher of (i) the 20 day volume weighted average price of a common share preceding the Reset Date; and (ii) 83.34 percent of the conversion price on the closing date, provided that such adjusted conversion price would not be greater than the original conversion price. If the holders of the convertible bonds currently converted at $0.55, then the Company would be required to issue 162,466,604 common shares.

Related party transactions

During the nine month period ended September 30, 2014, $85,941 (2013 - $279,084) was incurred for legal services rendered by two law firms that are considered to be related parties. Of these fees, $3,098 was paid to Quinn and Brooks LLP, a law firm in which a director of the Company is a partner and $82,842 was paid to Davis LLP, a law firm in which an officer of the Company is an associate. These transactions are measured at the exchange amount and are established at an amount and agreed to by the related parties. All outstanding balances are settled in cash by their due dates.

During the nine month period ended September 30, 2014, $1,419,230 (2013 - $2,081,166) was paid in salaries and benefits to directors, officers and companies controlled by directors. In addition, 800,000 (2013 - 6,300,000) stock options were issued to new directors (2013 – directors and officers) of the Company during the period. The fair value of stock based compensation that was recognized as an expense in the Company's financial statements for officers and directors during the first three quarters of 2014 was $45,006 (2013 - $524,888). The Company owes Mr. Billingsley, the Company's former Executive Chairman and Mr. Engdahl, the Company's former President and CEO, separation benefits totaling $162,500 at September 30, 2014 (2013 - $422,500). These benefits are being paid at $10,833 per month to each of these former officers. The Company also has included in accounts payable and accrued liabilities fees to directors and other benefits to officers totaling $62,144 as well as $37,130 for amounts due to related party law firms.

Financial Instruments

The Company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and convertible bonds.

The fair value of cash is assumed to be approximately its carrying values. The fair value of this instrument is derived from quoted prices in an active market (Level 1 in the fair value hierarchy).

The fair values of accounts receivable and accounts payable and accrued liabilities approximate their carrying values due to the short-term nature of these instruments.

The convertible bonds are separated into a debt component (carried at amortized cost) and an embedded conversion option (a liability carried at fair value through profit and loss – revalued on a recurring basis). The Company's convertible bonds trade on the Professional Services Market of the London Stock Exchange. The volume of transactions does not take place with sufficient frequency to provide pricing information on an on-going basis, but the convertible bonds do trade periodically in a non-active market (Level 2 of the fair value hierarchy). The Company uses a market approach in determining the fair value to be disclosed related to the debt portion of the convertible bond based on the observable price of the convertible bonds after deducting the fair value of the embedded conversion option.

The fair value of the embedded conversion option is derived from valuation techniques that include inputs for the liability that are not entirely based on observable market data (Level 3 in the fair value hierarchy). However, due to the Company's current share price the fair value of the embedded conversion option approximates $0.

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

a) Credit risk

The Company's credit risk is primarily attributable to cash and accounts receivable. The Company reduces its credit risk by maintaining its bank accounts at large reputable financial institutions. The Company also has credit risk in relation to accounts receivables. The Company has mitigated the credit risk through the sale to large international companies with high credit ratings. Historical levels of receivable defaults and overdue balances over normal credit terms are both negligible, thus the credit risk associated with accounts receivable is also considered to be nominal. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

b) Market risk

Market risk is the risk that changes in market prices, such as commodity prices, foreign currency exchange rates and interest rates will affect the Company's earnings or the fair value of its financial instruments.

i) Interest rate risk

The Company's cash balances bear interest at a variable rate and the Company is therefore exposed to the risk of changes in fair value resulting from interest rate fluctuations. The convertible bonds bear interest at a fixed rate of interest and are not subject to changes in market interest rates. The fair value of the embedded conversion option in the convertible bonds is exposed to interest rate risk, as the valuation technique requires an interest rate as an input into the valuation model. The Company has not entered into any derivative contracts to manage interest rate risk.

ii) Price risk

The Company is exposed to price risk with respect to the market price of REOs. The fluctuation in the price of REOs may have a potential adverse effect on the Company's ability to finance the SKK Project and may influence the course of action taken in developing the project or continued exploration on various other projects.

The Company is also subject to price risk for changes in the fair value of the embedded convertible option in the Company's convertible bonds due to changes in the Company's share price.

iii) Foreign currency risk

The Company has foreign currency risk due to fluctuations in foreign currency rates as it has significant financial assets and liabilities in foreign currencies which are primarily denominated in US dollars. The Company's foreign subsidiaries transact predominately in their functional currency which limits their exposure. The US dollar notional amounts of the Company's foreign currency denominated financial assets and liabilities are as follows:

	Sept 30 2014
	US $
Cash and cash equivalents	11,298,938
Accounts receivables	1,928,252
Accounts payable and accrued liabilities	(3,885,610)
Convertible bonds - debt[(1)]	(66,908,147)
Net financial asset (liability)	(57,566,567)

(1) The amounts presented are based on carrying amounts and therefore do not represent the potential future US dollar outflow of US$90 million.

The impact of currency risk on the Company's statement of loss and comprehensive loss is a result of the retranslation of monetary financial instruments including cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities (including accrued interest on convertible bonds) and convertible bonds. The embedded conversion option in the convertible bonds is not subject to currency risk given that it is fixed at a specified rate.

If the US dollar strengthened or weakened by 10 percent against the Canadian dollar at September 30, 2014, the Company's loss and comprehensive loss would have increased or decreased by $6.4 million, respectively.

Critical Accounting Estimates

The preparation of the Company's financial statements requires management to adopt accounting policies that involve the use of significant estimates and assumptions. They are developed based on the best available information and are believed by management to be reasonable under the existing circumstances. New events or additional information may result in the revision of these estimates over time. The Company's 2013 annual MD&A has identified the critical accounting estimates that reflect the more significant judgments used in the preparation of the Company's financial statements which were reviewed for the preparation of the condensed consolidated interim financial statements. The following discussion outlines the significant estimates that were critical to determining GWMG's financial results for the period ended September 30, 2014.

A critical accounting estimate in determining the Company's financial results relates to the recoverability of the carried amounts of exploration and evaluation assets. Management assesses indicators of impairment each time it issues financial statements. During the first nine months of 2014 the Company did not observe any indicators of impairment in accordance with IFRS 6, *Exploration and Evaluation Expenditures*. The Company has reviewed the results of the Feasibility Study against the carrying value of its mineral properties, assuming different scenarios for price and discount rate and determined that the carrying value of its exploration and evaluation assets were not impaired. Using a 15% discount rate instead of a 10% discount rate used in the Feasibility Study results in an after tax NPV of $197 million versus an after tax NPV of $274 million. Furthermore, a 10% decrease in the price assumptions in the Feasibility Study results in an after tax NPV of $203 million versus an after tax NPV of $274 million.

A second critical accounting estimate used in determining the Company's financial results relates to the assumptions regarding the probability related to the recognition of a potential liability related to its former contractor for unpaid invoices at the SKK Project. The September 30, 2014 financial statements have been prepared based on an assessment that any unpaid invoices between the contractor and the Company and the Counterclaim received are unlikely to require payment based on the facts and circumstances known at this time. However, should the Company receive additional information that could change this assessment, the Company's potential liability could be up to $5.4 million based on information known as of November 13, 2014.

Changes in Accounting Policies

a) New standards and interpretations effective for January 1, 2014

A number of new standards, interpretations and amendments to existing standards have been published and are mandatory for the Company's accounting period beginning on January 1, 2014. None of the new standards had a material impact on the Company's condensed consolidated interim financial statements, but include:

- Amendments to IAS 32, Financial assets and financial liabilities
- Amendments to IAS 36, Recoverable amount disclosures for non-financial assets
- Amendments to IAS 39, Novation of derivatives and continuation of hedge accounting
- IFRIC 21, *Government Levies*

The Company currently does not have any financial assets or financial liabilities that would be impacted by the amendments to IAS 32. In addition, the Company has not had any impairments (or reversals) that were determined based on fair value less costs of disposal in the current period or comparative period that would require disclosure under IAS 36. The Company currently does not have any hedging derivatives to consider under IAS 39 nor is it subject to government imposed levies that are included in the scope of IFRIC 21.

b) New standards and interpretations not yet adopted

I. Financial Instruments

In February 2014, the IASB tentatively decided that IFRS 9, Financial Instruments ("IFRS 9") will be effective commencing January 1, 2018. This standard is part of a wider project to replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value, with limited exceptions. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset or liability. IFRS 9 also has new requirements where an entity chooses to measure a liability at fair value through profit or loss. In these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss. IFRS 9 also introduces a new hedge accounting model to more closely align how entities undertake risk management activities. The Company does not intend to early adopt IFRS 9. The extent of the impact of adoption of IFRS 9 has not yet been determined.

II. Defined Benefit Plans: Employee Contributions

In November 2013, the IASB issued Defined Benefit Plans: Employee Contributions (Amendments to IAS 19, *Employee Benefits*). The amendments clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service. The amendments are effective for annual periods beginning on or after July 2014, with earlier application being permitted. The Company is not impacted by this amendment.

III. Revenue

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers ("IFRS 15"). IFRS 15 is effective for periods beginning on or after January 1, 2017 and is to be applied retrospectively. IFRS 15 clarifies the principles for recognizing revenue from contracts with customers. The Company intends to adopt IFRS 15 in its financial statements for the annual period beginning January 1, 2017. The extent of the impact of adoption of IFRS 15 has not yet been determined.

IV. Accounting for Acquisitions of Interests in Joint Operations

In May 2014, the IASB issued amendments to IFRS 11, *Joint Arrangements*. The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business

and are effective for annual periods beginning on or after January 1, 2016. The Company is not impacted by these amendments.

V. **Clarification of Acceptable Methods of Depreciation and Amortisation**
In May 2014, the IASB issued amendments to IFRS 16, *Property, Plant and Equipment* and IAS 38, *Intangible Assets*. The amendments to IAS 16 and IAS 38 clarify that the use of revenue-based methods to determine the depreciation or amortization of an asset is generally not appropriate. The amendments are effective for annual periods beginning on or after January 1, 2016. The Company is not impacted by these amendments.

VI. **Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**
In September 2014, the IASB issued amendments to IFRS 10, *Consolidated Financial Statements* and IAS 28, *Investments in Associates and Joint Ventures* to clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture. The amendments are effective for annual periods beginning on or after January 1, 2016. The Company currently does not anticipate being impacted by these amendments.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

In accordance with National Instrument 52-109 ("NI 52-109") a non-venture issuer (as defined in NI 52-109) must establish and maintain disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"). DC&P are to provide reasonable assurance that material information required to be disclosed by the Company under securities legislation, particularly during the period in which the filings are being prepared, is recorded, processed, summarized and reported within the applicable time periods and to ensure that required information is gathered and communicated to the Company's management so that decisions can be made about timely disclosure of that information. ICFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's ICFR includes policies and procedures that pertain to the maintenance of records that accurately and fairly reflect the additions to and dispositions of the assets of the Company; provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and the Company's receipts and expenditures are made only in accordance with authorization of management and the Company's directors; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the annual or interim financial statements. Any system of DC&P and ICFR, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

There were no changes in the Company's DC&P and ICFR during the period from July 1, 2014 to September 30, 2014 that have materially affected, or are reasonably likely to affect, the Company's DC&P or ICFR.

Outlook

The Company's main focus for the first nine months of 2014 was the completion of the Feasibility Study of the SKK Project. Now that the study is complete and shows very robust economics for the SKK Project, the Company's focus has shifted to finding project financing alternatives as further described below. As part of the Feasibility Study, the Company investigated alternatives to reduce capital costs, including evaluating toll separation alternatives to reduce certain upfront costs and to shorten timelines for achieving separated REO production. Based on this evaluation the Company is investigating toll REE separation options with potential service providers. As the Company aggressively pursues project financing or other satisfactory arrangements, it will manage its current cash position to best support the progress of the SKK Project, which includes the curtailment of all non-essential services. Without additional sources of financing, the Company expects that it will have approximately $6 to $7 million in cash as at the end of fiscal year 2014.

In light of the events surrounding the quality of the refurbishment work and construction of certain assets performed by the Company's former contractor, management as part of the Feasibility Study has devised a plan to correct these deficiencies as part of the development process. The Company is pursuing all available options, including the commencement of civil claims, to recover any damages which may have occurred in relation to the SKK Project. The Company has assisted when required in all investigations and has conducted a thorough internal investigation to support its claims and protect the Company's interests.

Manufacturing services

The Company has completed its first phase of its capital expansion plans at LCM. The Company plans to defer further phases of metal making and alloy production expansion until additional financing is secured now that final production rates of REO's from the SKK Project have been determined. In the short-term, LCM's focus is on fulfilling current customer orders as efficiently as possible while ensuring it can meet short-term customer demands. Short-term growth of the Company's revenue from its manufacturing services may be limited by its ability to obtain competitively priced raw material necessary to produce alloys at LCM. Once the SKK Project has commenced its anticipated production, the Company expects LCM to have significantly larger orders from its customers as certain REEs become more accessible from the SKK Project than are currently available. The Company anticipates the market for REEs to stay stable in the short-term and remains optimistic that prices of certain REEs will rise in the long term as requirements for these specialty products increase due to global demand for greener energy. Key developments in these areas relate to electric and hybrid vehicle drives and components together with wind turbines and related generator systems where the unique properties of Neodymium, Praseodymium, Terbium and Dysprosium are providing the permanent magnet systems essential to these expanding technologies.

Capital structure and project funding

As noted above, the Company requires additional funding or other satisfactory arrangements to fully develop its integrated business model. The Company has retained CIBC World Markets Inc. to provide assistance reviewing its optimal capital structure and to seek sources of project financing. Management is working diligently with its financial advisor to identify various sources of project financing; however, no additional financing has been secured to date and based on feedback received, additional funding may be difficult to achieve unless the Company's convertible bonds are restructured. Accordingly, the Company has engaged bondholders and their representatives to consider a restructuring of the convertible bonds. The bondholders and their representatives and the Company continue to have discussions; however, the outcome of any negotiations with the bondholders and any effect on the capital structure of the Company or the project financing cannot be predicted at this time.

Risk Factors

Because of the nature of mineral exploration and development, the securities of the Company must be considered speculative. The following should be considered by prospective investors. In addition to the risk factors specified below, readers are advised to read all of the risk factors contained in the Company's current Annual Information Form, which is available under the Company's SEDAR profile at www.sedar.com.

The ability of the Company to realize its goal of becoming a producer of REE products, outside of China, is dependent on its ability to raise capital to finance the evaluation and development of its REE projects. The Company must demonstrate that one or more of the projects will generate the internal rate of return demanded for a positive production decision and then raise the capital required to construct and run the mine until commercial production is achieved.

The viability of any one or more of these rare earth projects very much depends on the ability of the Company to establish markets for its rare earth products. The supply side of the REE industry is currently largely controlled by production from China.

Liquidity Risk and Additional Funding

Liquidity risk is the risk that the Company will be unable to meet its obligations relating to its financial liabilities. The Company's cash flows are currently insufficient to meet the required payment of principal, premium, if any, and interest on the Company's indebtedness including its convertible bonds. In addition, the Company does not currently have sufficient financial resources to undertake all of its planned exploration and capital development programs. The exploration and subsequent development of the Company's properties and other planned capital projects will depend on the Company's ability to obtain required financing through sales revenue or third party sources or to make other satisfactory arrangements. The Company has limited financial resources and there is no assurance that additional funding will be available to allow the Company to fulfill its plans with respect to its activities or to pay the principal, premium, if any, and interest on its debt.

Failure by the Company to obtain additional financing on a timely basis and in sufficient amounts to fund its operations or to make other satisfactory arrangements and/or failure to restructure its convertible bonds may cause the Company to delay or indefinitely postpone development activities or may cause the Company to forfeit or lose rights in its properties, reduce or terminate its operations, or default on its debt. Furthermore, the Company may be forced to reduce or delay capital expenditures, sell material assets, seek additional capital (if available) or seek protection under applicable insolvency legislation. All of the above circumstances cast significant doubt about the Company's ability to continue as a going concern for the next twelve months.

Execution

There is no guarantee that the Company will be able to build and operate the Steenkampskraal mine or the associated REC Plant as planned or on budget. In addition, there is no guarantee that, once constructed, the REC Plant will be able to produce the quantities or the quality of REC that are required to meet the technical specifications of any third party toller engaged by the Company. The timing of the commissioning of the REC Plant is a key milestone in the Company's business model, and failure to meet the targeted deadlines may have a material adverse effect on the Company's business and prospects. The REC Plant also represents the first stage that could produce a marketable product and internal cash flows from sales.

There is also no guarantee that any toll separator engaged by the Company will produce the REO we are anticipating, or that the output of its facility will be able to meet the technical specifications of LCM or any of our intended customers. Furthermore, there is no guarantee that a final agreement with a toll separator that contains commercially acceptable terms will be reached in a timely fashion or at all.

Economics of Developing Mineral Properties

Substantial expenditures are required to establish ore reserves through drilling, to develop the appropriate metallurgical processes to economically extract the metals or elements from the ore and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Even though the Feasibility Study has been completed, no assurance can be given that minerals will be present in sufficient quantities and grades to justify these development expenditures or that the funds required can be obtained in a timely fashion.

The marketability of any minerals discovered may be affected by numerous factors beyond the Company's control and which cannot be predicted, such as commodity prices and market fluctuations, proximity to markets, government regulations including regulations relating to trade and the environment, and competition. Should pricing and operating cost factors move adversely, the Company may determine that it is not commercially feasible to commence or continue commercial production.

Mineral Exploration and Development

Mineral exploration and development involve a high degree of risk, and few properties ever advance to commercial production. There is no assurance that even if a body of commercial ore is discovered on the Company's properties, a mine will be brought into commercial production. The feasibility of developing a mineral deposit, once discovered, is dependent on a number of factors, including the particular attributes of the deposit such as size, grade, and proximity to infrastructure, commodity prices and government regulations.

The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration and development programs, which may be affected by a number of factors which are beyond its control.

Management

Development of the Company will be dependent upon it having the funds necessary to, and being successful in, employing and retaining skilled personnel that have the necessary experience to manage and develop projects of this nature.

Political Risk Factors

The Company has foreign operations in the United Kingdom and South Africa and there is the potential for political and economic risks that are different from comparable risks in Canada. The Company is aware that these potential risks are present and has and will continue to work to stay informed of any circumstances that may impact the value of the international investments.

Government Regulations and Environmental Factors

The exploration, development and mining of the Properties will be affected to varying degrees by: government regulations relating to environmental protection and worker health and safety; mining laws; taxes and tariffs; land use; and aboriginal land claims. All regulations impact the economic viability of carrying out exploration and mining activities and any amendments or changes to existing laws and regulations could have a material adverse affect on the Company's operations and prospects.

Competition

The resource industry is competitive in all of its phases, and the Company competes with many companies possessing far greater financial resources and technical facilities than it has. Competition could adversely affect the Company's ability to acquire, explore and develop properties in the future.

Aboriginal Rights

The Company is not aware of any aboriginal land claims with respect to its properties; however, there is no assurance that such claims will not be asserted in the future. The Company believes in and is supportive of cooperative relationships with indigenous people in conducting exploration and development activities, and recognizes the mutual benefit in such cooperation.

Additional Data

Additional information relating to the Company, including the Company's Annual Information Form for the financial year ended December 31, 2013 can be found on the SEDAR website at www.sedar.com.

Qualified Persons

Victor-Mark Fitzmaurice, Pr. Eng., M. Engineering (Mining), Managing Director of Rare Earth Extraction Co. Limited and Steenkampskraal Monazite Mine (Pty) Ltd. and Brent C. Jellicoe, B.Sc. (Hon.), P.Geo., Consulting Geologist for Steenkampskraal Monazite Mine (Pty) Ltd., are the Qualified Persons (as defined in NI 43-101) responsible for supervising the preparation of the technical content of this MD&A.

Disclaimer

The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. It should be read in conjunction and in context with all other disclosure documents of the Company. The information contained herein is not a substitute for detailed investigation for analysis on any particular issue. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented.

Certain statements contained in this document constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements expressly stated or implied by such forward-looking statements. Such factors

include, among others, financial performance, business prospects, strategies, regulatory developments, exploration, competition, development activities and commitments, and obtaining permits and licenses.

Cautionary Statement on Forward Looking Statements

This MD&A contains certain forward-looking statements including, without limitation, statements relating to anticipated developments in the Company's operations in future periods, planned exploration activities and other events or conditions that may occur in the future. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "appears", "intends", "estimates", "potential", "targeted", "plans", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those referred to in this MD&A under the headings "Risk Factors". Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that could cause results to not be as anticipated, estimated or intended. There can be no assurance that such 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.

In particular, this MD&A contains forward-looking statements pertaining to the following:

- exploration, development and production activities;
- LCM's ability to ramp up production quickly;
- the Company's investing activities;
- increased production;
- processing and alloy making activities;
- proposed transactions, including asset acquisitions;
- projections of market prices and costs;
- capital expenditure programs;
- commodity prices, foreign currency exchange rates and interest rates; and
- treatment under Canadian and foreign governmental regulatory and taxation regimes.

With respect to forward-looking statements contained in this MD&A, the Company has made assumptions regarding, among other things:

- the Company's ability to continue as a going concern;
- the Company's ability to obtain additional financing and/or to restructure its convertible bonds on satisfactory terms or at all;
- the Company's ability to complete its plans for the SKK Project as currently anticipated or at all;
- the availability of feedstock material for LCM's operations;
- Canadian and foreign legislative and regulatory environments; and
- the impact of increasing competition.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this MD&A, including:

- the satisfaction of additional funding requirements;
- the ability to source a toll separator and to successfully negotiate a toll separation contract;
- the high degree of risk involved in the discovery and production of commercial bodies of ore;
- the high degree of risk involved in designing, constructing and developing an underground mine and the related processing facilities;

- the long-term profitability of the Company's operations;
- loss of key employees;
- the ability of the Company to sustain expenditures;
- competition;
- challenges or impairment to titles; and
- the other factors referred to under "Risk Factors" in the Company's current Annual Information Form.

The forward-looking statements and information contained in this MD&A are made as of the date hereof and the Company undertakes no obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise, unless required by applicable securities laws. Readers are cautioned to refer to the Company's Annual Information Form available on the SEDAR website at www.sedar.com for additional risk factors applicable to the Company and its operations.