

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2023

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

000-54416

(Commission File Number)

Scandium International Mining Corp.

(Exact Name of Registrant as specified in its charter)

British Columbia, Canada

(State or other Jurisdiction of Incorporation
or organization)

98-1009717

(I.R.S. Employer
Identification No.)

2011 Phaeton Lane, Reno, Nevada

(Address of Principal Executive Offices)

89521

(Zip Code)

Registrant's Telephone Number, including area code: **(775) 355-9500**

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

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

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

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer

Smaller Reporting Company

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and asked price of such common equity, as of the last business day of the registrant’s most recently completed second fiscal quarter: \$12,097,817 as at June 30, 2023.

Indicate the number of shares outstanding of each of the registrant’s classes of common equity, as of the latest practicable date: **355,860,813** common shares as at March 26, 2024.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement for the Annual Meeting of Stockholders are incorporated by reference into Part III of this Form 10-K, which Proxy Statement is to be filed within 120 days after the end of the registrant's fiscal year ended December 31, 2023.

TABLE OF CONTENTS

Note about Forward-Looking Statements	4
Glossary of Terms.....	4
ITEM 1. BUSINESS.....	7
ITEM 1A. RISK FACTORS.....	11
ITEM 2. PROPERTIES, PROJECTS, AND PATENTS	133
ITEM 3. LEGAL PROCEEDINGS	27
ITEM 4. MINE SAFETY DISCLOSURES.....	28
ITEM 5. MARKET FOR REGISTRANTS' COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES	28
ITEM 6. SELECTED FINANCIAL DATA	30
ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS	30
ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	36
ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.....	36
ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE	37
ITEM 9A. CONTROLS AND PROCEDURES	37
ITEM 9B. OTHER INFORMATION.....	37
ITEM 15. EXHIBITS, FINANCIAL STATEMENTS SCHEDULES	38

PART I

Note about Forward-Looking Statements

Certain statements contained in this annual report on Form 10-K and the documents incorporated by reference herein constitute "forward-looking statements." Forward-looking statements may include, but are not limited to, statements with respect to the future price of commodities, the estimation of mineral resources, the realization of mineral resource estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, our ability to fund property acquisition costs, our ability to reach targeted time frames for establishing feasibility, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, our ability to raise funds necessary for ongoing and planned expenditures and operations, and regulatory approvals. In certain cases, forward-looking statements can be identified by the use of words such as "plans," "expects" or "does not expect," "is expected," "scheduled," "estimates," "intends, "anticipates" or "believes," or variations of such words and phrases or state that certain actions, events or results "may," "could," "would" or "will be taken," "occur" or "be achieved." Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors may include, among others, risks related to our joint venture operations; actual results of current exploration activities or production technologies that we are currently testing; actual results of reclamation activities; future metal prices; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental or regulatory approvals or financing or in the completion of development activities, as well as those factors discussed in the section entitled "Risk Factors" and elsewhere in this Form 10-K. Although we have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Glossary of Terms

"Company," "SCY," "we," "us," "our" and similar words of similar meaning refer to Scandium International Mining Corp.

\$, A\$, C\$	mean respectively, United States dollars, Australian dollars and Canadian dollars.
Assay	An analysis to determine the presence, absence or quantity of one or more components, elements or minerals.
Exploration stage issuer	An issuer that has no material property with mineral reserves disclosed.
Exploration stage property	A property that has no mineral reserves disclosed.
Grade	The concentration of a valuable mineral within an Ore.

hematite	A mineral composed of iron oxide minerals.
Igneous	A rock formed by the cooling of molten silicate material.
Intrusion	A general term for a body of igneous rock formed below the surface of the earth.
Kg	Kilogram which is equivalent to approximately 2.20 pounds.
Km	Kilometer which is equivalent to approximately 0.62 miles.
laterite	Soil layer rich in iron dioxide.
Limonite	an iron ore consisting of a hydrous ferric oxide of variable composition.
Mineralization	A term used to describe the presence of minerals of possible economic value. Also used to describe the process by which concentration of economic minerals occurs.
Mineral reserve	An estimate of tonnage and grade or quality of indicated and measured mineral resources that, in the opinion of the qualified person, can be the basis of an economically viable project. More specifically, it is the economically mineable part of a measured or indicated mineral resource, which includes diluting materials and allowances for losses that may occur when the material is mined or extracted.
Mineral resource	<p>A concentration or occurrence of material of economic interest in or on the Earth's crust in such form, grade or quality, and quantity that there are reasonable prospects for economic extraction. A mineral resource is a reasonable estimate of mineralization, taking into account relevant factors such as cut-off grade, likely mining dimensions, location or continuity, that, with the assumed and justifiable technical and economic conditions, is likely to, in whole or in part, become economically extractable. It is not merely an inventory of all mineralization drilled or sampled. Includes measured, indicated and inferred mineral resources, as defined below:</p> <p>“measured mineral resource” is that part of a mineral resource for which quantity and grade or quality are estimated on the basis of conclusive geological evidence and sampling. The level of geological certainty associated with a measured mineral resource is sufficient to allow a qualified person to apply modifying factors, as defined in this section, in sufficient detail to support detailed mine planning and final evaluation of the economic viability of the deposit. Because a measured mineral resource has a higher level of confidence than the level of confidence of either an indicated mineral resource or an inferred mineral resource, a measured mineral resource may be converted to a proven mineral reserve or to a probable mineral reserve.</p> <p>“indicated mineral resource” is that part of a mineral resource for which quantity and grade or quality are estimated on the basis of adequate geological evidence and sampling. The level of geological certainty</p>

associated with an indicated mineral resource is sufficient to allow a qualified person to apply modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Because an indicated mineral resource has a lower level of confidence than the level of confidence of a measured mineral resource, an indicated mineral resource may only be converted to a probable mineral reserve.

“**inferred mineral resource**” is that part of a mineral resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. The level of geological uncertainty associated with an inferred mineral resource is too high to apply relevant technical and economic factors likely to influence the prospects of economic extraction in a manner useful for evaluation of economic viability. Because an inferred mineral resource has the lowest level of geological confidence of all mineral resources, which prevents the application of the modifying factors in a manner useful for evaluation of economic viability, an inferred mineral resource may not be considered when assessing the economic viability of a mining project, and may not be converted to a mineral reserve.

Net smelter returns royalty	A share of the net revenues generated from the sale of metal produced by a mine.
NI 43-101	National Instrument 43-101 – <i>Standards for Disclosure of Mineral Projects</i> , being the regulation adopted by Canadian securities regulators that governs the public disclosure of technical and scientific information concerning a mineral property.
Ore	A naturally occurring solid material from which a metal or valuable mineral can be profitably extracted.
ppm	Parts per million.
Qualified person	Means a qualified person as defined in S-K 1300, including an engineer or geoscientist in good standing with their professional association, with at least five years of relevant experience.
saprolite	Soft, friable, isovolumetrically weathered bedrock that retains the fabric and structure of the parent rock.
S-K 1300	Item 1300 of Regulation S-K of the 1933 Securities Act.
Tpy	Tonnes per year.
Tonne	A metric ton which is equivalent to approximately 2,204 pounds.

ITEM 1. BUSINESS

General

We were incorporated on July 17, 2006, under the laws of British Columbia, Canada under the name Golden Predator Mines Inc. We were incorporated as a wholly owned subsidiary of Energy Metals Corp. for the purpose of holding precious metals and certain specialty metals assets. In order to focus on specialty metals, during February 2009 we transferred most of our precious mineral assets to our then wholly owned subsidiary Golden Predator Corp., and on March 6, 2009, we completed a spin-out of Golden Predator Corp. to our shareholders. Effective March 12, 2009, we changed our name to EMC Metals Corp. In order to reflect a new emphasis on mining for scandium minerals, effective November 19, 2014, we changed our name to Scandium International Mining Corp (“SCY” or the “Company”).

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

Our head office is located at 2011 Phaeton Lane, Reno, Nevada 89521. The address of our registered office is 1200 - 750 West Pender Street, Vancouver, British Columbia, Canada, V6C 2T8.

Our most advanced project is the Nyngan Scandium Project, located in New South Wales, Australia (the “Nyngan Scandium Project”), on which we hold a mine lease grant and a development consent. We also hold an exploration license on a scandium mineral property located near Nyngan known as the “Honeybugle Scandium property.” We did not renew an exploration license on a scandium mineral property in Finland, known as the “Kiviniemi Scandium property.”

In November 2023 we commenced physical development of the Nyngan Scandium Project following the results of the 2023 Nyngan drilling program which better defined the western boundary of the existing resource. The actions included:

- Survey conducted of the site to establish and peg the boundaries for proposed work in accordance with State Significant Development 5157 (“SSD 5157”).
- Soil management works including the establishment of water exclusion embankments and the stripping of topsoil, with subsequent stockpiling.
- Construction and placement of temporary office quarters at the site for future site development activities.

In the first quarter of 2023, we completed a drilling program at the Honeybugle Scandium Project which discovered a new Scandium enriched laterite formation approx. 2 meters below the surface area at the Woodlong prospect within the Honeybugle Exploration License 7977 area, where 32 vertical air core holes were drilled in an approximately 300m x 400m area.

During the first quarter of 2022, SCY completed an internal review of its portfolio of assets and projects. The purpose of this review was to determine the appropriate allocation of capital between the Company’s scandium activities and the recently announced initiatives on Critical Metals Recovery (CMR) and High Purity Alumina (HPA). The board decided and announced on April 18, 2022, that the best return on invested capital for its shareholders was to prioritize the

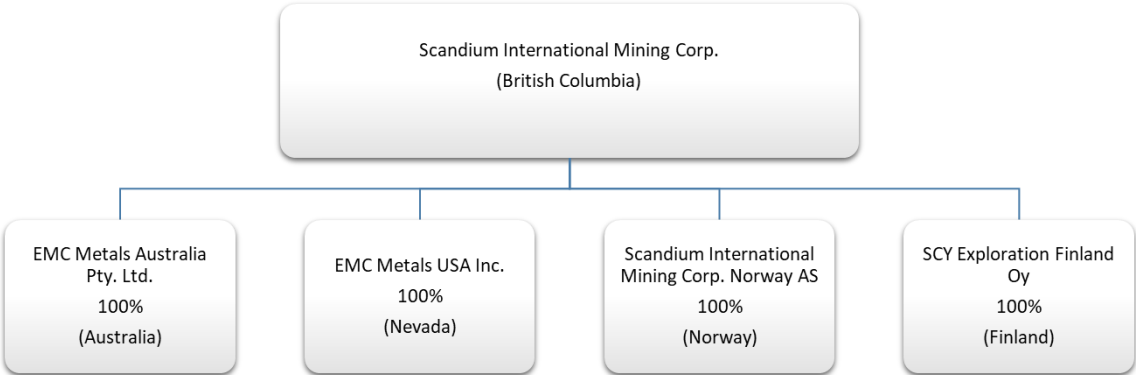
Company’s portfolio of scandium assets including the Nyngan Scandium Project, and to idle its CMR and HPA initiatives. As a result of the review, leadership changes were also made with the appointment of a CEO and CFO and a downsizing of the board to four directors.

As its first priority, the new management completed a C\$3.4 million non-brokered equity private placement which replenished cash balances and eliminated negative working capital. The second priority was to reduce costs, and the Company has been successful in reducing corporate G&A costs, including being able to reverse over \$1 million in accruals during 2022.

Our plan of operation for 2024 is to continue to advance commercial discussions with potential offtake partners. The completion of a sufficient offtake agreements totalling a minimum quantity is the critical factor to enable the Company to be in a position to consider taking a Final Investment Decision to put the Nyngan Scandium Project into production. At the same time, the capital raise in 2022, positive working capital and no debt, and the reduction of operating costs have given the Company time to be in a position to benefit from the growing market adoption of scandium.

Intercorporate Relationships

The chart below illustrates our corporate structure on December 31, 2023, including our subsidiaries, the jurisdictions of incorporation, and the percentage of voting securities held.



Pursuant to a share exchange agreement dated June 30, 2017, the Company acquired the remaining 20% interest in EMC Metals Australia Pty. Ltd. from Scandium Investments LLC (“SIL”). On completion of the share exchange, the Company issued an aggregate of 58,830,645 common shares to SIL and granted to SIL the right to nominate two individuals to the board of the Company for so long as SIL holds at least 15% of SCY’s issued and outstanding shares, and one director for so long as SIL holds at least 5% but less than 15% of SCY’s issued and outstanding shares.

Business Operations

Company, Projects and Markets Summary

We are a mineral exploration and development company that is at an exploration stage. Our most advanced project is the Nyngan Scandium Project, located in New South Wales, Australia (the “Nyngan Scandium Project”), on which we hold a mine lease grant, a development consent, and 100% of the mineral rights. The Company has completed a definitive feasibility study on the Nyngan Scandium Project dated May 4, 2016 (the “Feasibility Study” or “DFS”), which was prepared independently in accordance with NI 43-101. The results of the DFS include a 16.9 million tonne measured and indicated resource (grading 235ppm at a 100ppm cut-off) and a 1.43 million tonne mineral reserve (combined proven and probable), based on economics established in that study.

The Company also holds an exploration license on the Honeybugle Scandium property, located 24 kilometers from the Nyngan Scandium Project, granted in 2014.

Corporate Objectives and Strategy

Our corporate focus is the development of projects that enable the production and sale of scandium and scandium-based products.

The Nyngan Scandium Project remains the most advanced project in the Company portfolio at this time, with permitting largely complete and a published DFS on SEDAR. Subject to successful construction financing and customer sales agreements, we intend to develop the Nyngan Scandium Project for production and supply of scandium oxide and scandium-content products. For further information on the Nyngan Scandium Project, please refer to “*Item 2. Properties - Description of Mineral Projects – Nyngan Scandium Project*” and “*Item 1A. Risk Factors.*”

Product Markets for Scandium

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

Global annual production estimates of scandium range from 15 tonnes to 20 tonnes, but accurate statistics are not available due to the lack of public information from countries in which scandium is currently being produced, specifically China and Russia. Two sources of scandium production outside of China and Russia have commenced production. The Taganito Nickel Mine in the Philippines (Sumitomo Metal Mining Co., Ltd.) reported sales of 16 tonnes of Scandium Oxalate in 2021.

In October 2022, Rio Tinto announced that Rio Tinto Fer et Titane in Quebec plans to quadruple scandium oxide production capacity to 12 tonnes from its current 3 tonne per annum capacity. This C\$30-35 million expansion is expected to produce incremental scandium oxide in 2024. The entrance of Rio Tinto into the production of scandium oxide is considered to be confirmation of the growth of the scandium market.

There is no reliable pricing data on global scandium oxide trading. Scandium oxide is typically traded in small quantities, between private parties, and pricing is not transparent to other buyers or sellers as there is no clearing facility as is more common with commercially traded metals and commodities. The U.S. Geological Survey (“USGS”) in its latest available report (dated January 2022) documents the 2021 price of scandium oxide (99.99% grade) at US\$2,200/kg, indicating a significant reduction from the 2020 price estimate of US\$3,800/kg. They also estimate the global sales of scandium oxide to be between 15-25 tpy, principally from China, Russia and the Philippines.

Prices vary, based on purity and quantity supplied. The USGS pricing generally reflects small volume sales, with larger quantities selling at lower prices, typically under US\$2,000/kg. USGS reporting also acknowledged that ex-works China prices for 99.99% purity oxide were considerably lower than US-observed prices in 2021, based on underutilization of existing Chinese production capacity. Scandium oxide grades of 95-99% are generally considered suitable for manufacturing AlSc 2% master alloy, the form demanded for aluminum alloy applications.

Scandium can also be effectively purchased in the form of aluminum-scandium (Al-Sc) master alloy, typically containing 2% scandium by weight. This product is the preferred form for manufacture of aluminum alloys containing scandium. The current January 2022 USGS report indicates the 2021 price for Al-Sc 2% master alloy at US\$350/kg, slightly higher than the 2020 USGS average. Recent USGS estimated prices fo/r Al-Sc 2% master alloy have also been high relative to commonly available prices ex-works China, which have trended under US\$100/kg and are available in one tonne lots or greater today.

Principal uses for scandium are in high-strength aluminum alloys, solid oxide fuel cells, high-intensity metal halide lamps, electronics, and laser research. Recently developed applications include welding wire. Approximately 15 different commercial aluminum-scandium alloys have been developed, and some of them are used for aerospace applications. In Europe and the U.S., scandium-containing alloys have been evaluated for use in structural parts in commercial airplanes and high stress parts in automobile engines and brake systems. Military and aerospace applications are known to be of interest, although with less specificity. The combination of high strength, weldability and ductility makes aluminum-scandium alloys potentially attractive replacements for existing aluminum alloys in a number of applications where improved alloy properties can add value to final products.

Competitive Conditions

We compete with numerous other companies and individuals in the search for and the acquisition or control of attractive rare earth and specialty metals mineral properties and opportunities. Our ability to profitably build a portfolio of commercial operations in this market segment will depend on our acquisition success in finding and securing attractive positions for development, our ability to operate the plants and facilities we commit to construct, and our success in marketing the products we manufacture against competing producers in the marketplace.

In regard to our plan to produce scandium, there are a limited number of scandium producers presently. If we are successful at becoming a producer of scandium, our ability to be competitive will require that we establish a reliable supply of scandium to the market, delivered at purity levels demanded by various applications, and that our operating costs generate satisfactory margins, recognizing true prices will be set by customers and competitors in a market that is yet to mature.

Governmental Regulations and Environmental Laws

The development of any of our mining properties will require numerous local and national government approvals and environmental permits. For further information about governmental approvals and permitting

requirements, please refer to “*Item 1A. Risk Factors*” and *Nyngan Scandium Project - Environmental Permitting/Development Consent/Mining Lease* below for additional information.

Employees

As at January 1, 2023, we have 5 full and part time employees. Our operations are managed by our officers with input from our directors. We engage geological, metallurgical, and engineering consultants from time to time as required to assist in evaluating our property interests and recommending and conducting work programs.

ITEM 1A. RISK FACTORS

In addition to the factors discussed elsewhere in this Form 10-K, the following are certain material risks and uncertainties that are specific to our industry and properties that could materially adversely affect our business, financial condition and results of operations.

Risks Associated with the Nyngan Scandium Project

There are technical challenges to scandium production that may render the Nyngan Scandium Project not economic. The economics of scandium recovery are known to be challenging. There are very few facilities producing scandium and the existing scandium producers are secretive in their techniques for recovery. In addition, the recovery of scandium product from laterite resources, such as are found on the Nyngan property, has not been demonstrated at an operating facility. The Nyngan processing facility design, if constructed, will be the first of its kind for scandium production. These factors increase the possibility that we will encounter unknown or unanticipated production and processing risks. Should we encounter any of these risks, they could increase the cost of production thereby reducing margins on the Nyngan Scandium Project or rendering it uneconomic.

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

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

General Risks Associated with our Mining Activities and Company

We may not receive permits necessary to proceed with the development of any of our advancing projects. The development of any of our mining properties, including the Nyngan Scandium Project, will require the

acquisition and sustained possession of numerous local and national government approvals and permits. Our ability to secure all necessary permits required to develop any of our projects is unknown until such permits are received. If we cannot obtain or retain all necessary permits, the Nyngan Scandium Project cannot be developed, and our investment in the project potentially will be lost. While the critical permits for the Nyngan Scandium Project have been received, other permits remain outstanding at this time and continuing compliance with the terms of the permits is required.

Mineral Resource Estimates on our properties are subject to uncertainty and may not reflect what may be economically extracted. Resource estimates included for scandium on our Nyngan property are estimates only and no assurances can be given that the estimated levels of scandium minerals will actually be produced or that we will receive the metal prices assumed in determining our resources. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling and exploration results and industry practices. Estimates made at any given time may change significantly when new information becomes available or when parameters that were used for such estimates change. By their nature resource estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. Furthermore, market price fluctuations in scandium, as well as increased capital or production costs or reduced recovery rates, may limit our ability to establish reserves at some future point on Nyngan, or on any of our properties. The extent to which more Nyngan project resources may ultimately be reclassified as proven or probable reserves is dependent upon the demonstration of their profitable recovery. The evaluation of reserves or resources is always influenced by economic and technological factors, which may change over time. Accordingly, further current resource estimates on our material properties may never be converted into reserves, or be economically extracted, and we may have to write off such properties or incur a loss on sale of our interest on such properties, which will likely reduce the value of our shares.

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

We do not currently earn any revenue and without additional funding, we will not be able to carry out our business plan, and if we raise additional funding existing security holders may experience dilution. As an exploration stage mining company, none of our principal properties are in operation and we do not currently earn any revenue. In order to continue our exploration activities and to meet our obligations on the Nyngan Scandium Project, we will need to raise additional funds. Recently, we have relied entirely on the sale of our securities to raise funds for operations. Our ability to continue to raise funds from the sale of our securities is subject to significant uncertainty due to volatility in the mineral exploration marketplace. If we are able to raise funds from the sale of our securities, existing security holders may experience significant dilution of their ownership interests and possibly to the value of their existing securities.

Risks Related to the COVID-19 Pandemic. In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and related adverse public health developments, have adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

ITEM 2. PROPERTIES, PROJECTS AND PATENTS

Cautionary Note to U.S. Investors Regarding Resource Estimates

The Company's technical disclosure in this section uses certain terms which are defined by the Canadian Institute of Mining, Metallurgy and Petroleum, and required to be disclosed in accordance with Canadian National Instrument 43-101 ("NI 43-101"). The disclosure standards in the United States Securities and Exchange Commission's (the "SEC") Subpart 1300 of Regulation S-K contain significant differences from the disclosure requirements of NI 43-101 and information presented in this section may not be comparable with United States standards in documents filed with the SEC. Accordingly, information concerning mineral deposits set forth in this section may not be comparable with information presented by companies using only United States standards in their public disclosures.

Summary Disclosure of Mineral Projects

The Company holds two properties, the Nyngan Scandium Project in Australia, and the Honeybugle Scandium Property in Australia, each of which is an exploration stage property. Only the Nyngan Scandium Project is considered a material mineral property by the Company.

Location of Properties

Figure 1: Location of Properties in Australia



The Nyngan Scandium Project site is located approximately 450 kilometres northwest of Sydney, NSW, Australia, and approximately 20 kilometres due west from the town of Nyngan, a rural town of approximately 2,900 people. The deposit is located 5 kilometres south of Miandetta, off the Barrier Highway that connects the towns of Nyngan and Cobar.

The Honeybugle Scandium property covers part of the Honeybugle geologic complex in New South Wales, NSW, Australia, and is located approximately 24 kilometers west-southwest from the Company's Nyngan Scandium Project.

Type and Amount of Ownership Interests

The Company holds a mine lease grant, a development consent, and 100% of the mineral rights on the Nyngan Scandium Project. The scandium resource is held under one Mining License (ML1792) and three exploration licenses (EL 8448, EL 8316 and EL6096). The exploration licenses allow the license holder to conduct exploration on private land (with landowner consents and signed compensation agreements in place) and public lands not including wildlife reserves, heritage areas or National Parks. The scandium resource is fully enclosed on private agricultural land. The Company's Australian subsidiary holds legal title to specific surface and mineral exploration rights on the Nyngan Scandium Project. The exploration licenses cover 29.25 square kilometers (2,925 hectares). The project surface rights (freehold) total 810 acres (370 hectares).

The Company has a 100% interest in an exploration license (EL 7977) covering the Honeybugle Scandium property. The Honeybugle Scandium property is 34.7 square kilometers.

Key Permit Conditions

The Company previously undertook permitting efforts required to obtain a mine lease grant and a development consent on the Nyngan Scandium Project. In addition to these two key governmental approvals, other required licenses and permits must be acquired for the Nyngan Scandium Project but are considered routine and require only compliance with fixed standards and objective measurements. These remaining approvals include submittal of numerous plans and reports supporting compliance with the Company's development consent and mining lease. In addition, certain water, roads, dam and electrical access reviews and arrangements must be finalized. For additional details, see "Individual Property Disclosure - Nyngan Scandium Project – Mining Lease."

To date, no permitting efforts have been undertaken or are currently planned at the Honeybugle Scandium property.

Mineralization Styles

The Honeybugle Scandium property's mineralization has a high iron content with medium grade scandium, located on or near surface.

Available Facilities

The Nyngan Scandium Project site is accessed from the Barrier Highway, a paved two lane all-weather road connecting the town of Nyngan with Cobar. Adequate water supply is available for the project via raw water supply lines, which are ultimately sourced from Burrendong Dam, located 230 kms to the southeast. Grid electrical power is available in the form of separate 132kV, 66kV and 33kV lines, all run within 5 km of the site.

The Honeybugle Scandium property is all-weather accessible and close to infrastructure.

Nyngan Scandium Project

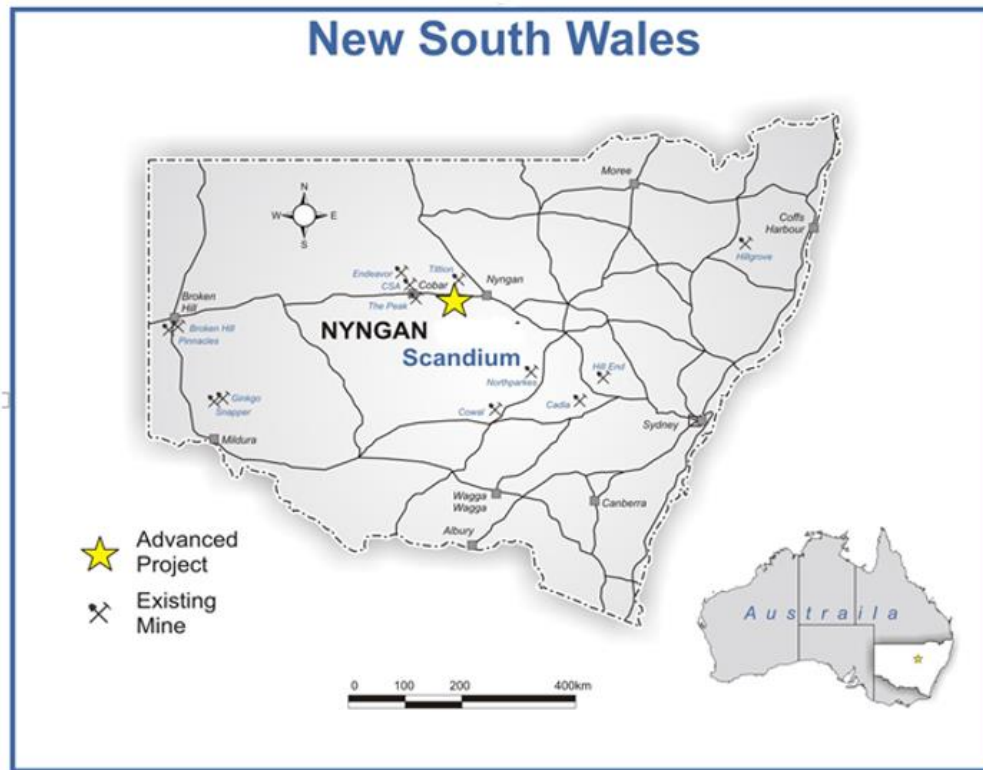
Property Description and Location

The Nyngan Scandium Project site is located approximately 450 kilometres northwest of Sydney, NSW, Australia and approximately 20 kilometres due west from the town of Nyngan, a rural town of approximately 2,900 people. The deposit is located 5 kilometres south of Miandetta, off the Barrier Highway that connects the towns of Nyngan and Cobar. Final license area access is reached by clay farm tracks. The general area can be characterized as flat agricultural land, used predominantly for wheat farming and livestock grazing. Infrastructure in the area is good, including available water and electric power. The property is classified as an Australia Property for financial statement segment information purposes.

The 2019 ML 1792 grant covers 810 acres (370 hectares) of surface area fully owned by the Company, an area adequate to construct and operate a scandium mine of a scale outlined in the DFS. The book value of the Nyngan Scandium Project is \$704,053 and is entirely related to the acquisition cost of the land which is unencumbered. There is no associated plant and equipment. The property has only been used for agricultural purposes and there have been no previous natural resource operations or encumbrances.

The general location of the Nyngan Scandium Project is provided in Figure 1 below.

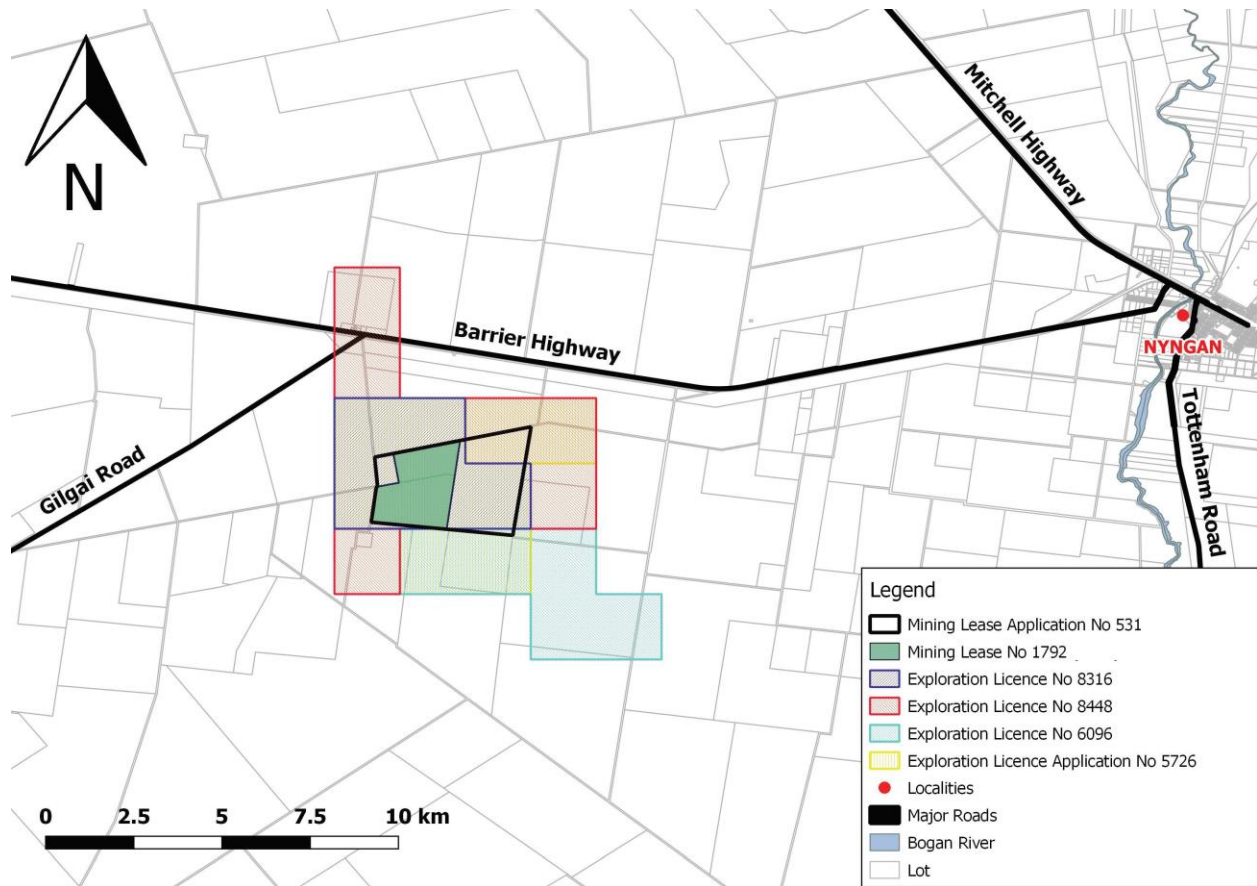
Figure 1: Location of Nyngan Scandium Project



Note: None of the Existing Mines identified in Figure 1 produce scandium.

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

Figure 2: Location of the Exploration Licenses and Mining Lease for the Nyngan Scandium Project



Mineral License Details

The scandium resource is held under Exploration License (EL) 8316 (Block Number 3132, units d, e, j, k and Block no. 3133, unit f) and EL 6096 (Block 3132, unit p, and Block 3133, units l, m, r and s); a total of ten (10) graticular units. The exploration licenses allow the license holder to conduct exploration on private land (with landowner consents and signed compensation agreements in place) and public lands not including wildlife reserves, heritage areas or National Parks. The scandium resource is fully enclosed on private agricultural land.

The Company’s Australian subsidiary holds legal title to specific surface and mineral exploration rights on the Nyngan Scandium Project. During 2017, an additional EL (EL 8448) was granted. Figure 2 provides details of the location of EL 8448 and the locations of Mining Lease 1792 and Mining Lease Application 531, both of which overlay the exploration license area.

The exploration licenses cover 29.25 square kilometers (2,925 hectares). The resource site is located at geographic coordinates MGA zone 55, GDA 94, Lat: - 31.5987, Long: 146.9827, Map Sheets 1:250k – Cobar (SH/55-14) and 1:100k Hermidale (8234).

The project surface rights (freehold) total 810 acres (370 hectares) on the portion of the exploration license area corresponding to the Mine Lease 1792 area. The freehold property boundaries are defined by standard land survey techniques undertaken by the Lands Department and currently presented in the form of Cadastral Deposited Plans (DP) and Lots. The land associated with the project rights is DP 752879, Lots 6 and 7 (Appendix 2, Lots 6 and 7 - Nyngan).

The Company is required to lodge individual A\$10,000 environmental bonds with the NSW Mines Department for each license and must meet total minimum work requirements annually of approximately A\$65,000, covering both licenses.

Royalties attached to the properties include a 1.5% Net Profits Interest royalty to private parties involved with the early exploration on the property, a 1.7% Net Smelter Returns Royalty payable to Jervis for 12 years after production commences, subject to terms in the settlement agreement, and a 0.7% royalty on gross mineral sales to a private investor. Another revenue royalty is payable to private interests of 0.2%, subject to a US\$370k cap. A NSW minerals royalty will also be levied on the project, subject to negotiation, currently 4% on revenue.

Metallurgy Development

The Company has invested in and developed methodology for extracting scandium from the Nyngan property resource since 2010. A portion of the work done over this period has been superseded by work that followed, but subsequent test programs universally benefitted from prior efforts. In summary, the programs have been as follows:

- 2010 – The Company inherited work done on Nyngan from the previous property owner, and applied that work to a quick flowsheet and capital estimate done for management by Roberts & Schaefer of Salt Lake City, Utah;
- 2011 – The Company employed Hazen Research, Inc., of Golden, Colorado, USA (“Hazen”) to test acid baking techniques and solvent extraction (“SX”) processes with Nyngan resource material. The Company also employed SGS-Lakefield (Ontario) to test pressure acid leach techniques on Nyngan resource, as a replacement for or an enhancement to acid bake techniques done earlier in the year by Hazen;
- 2012 – The Company engaged SNC-Lavalin to do an economic study for management, utilizing an acid bake flowsheet and SX work from the Hazen test program;
- 2014 – The Company published a preliminary economic assessment (“PEA”) entitled NI 43-101F1 Technical Report on the Feasibility of the Nyngan Scandium Project, authored by Larpro Pty Ltd, utilizing both Hazen and SGS-Lakefield test work results;
- 2015 – The Company amended and refiled the 2014 PEA Report as the “*Amended Technical Report and Preliminary Economic Analysis on the Nyngan Scandium Project, NSW, Australia.*”
- 2016 – The Company published an independently prepared definitive feasibility study (“DFS”) on the Nyngan Scandium Project.
- 2023 – The Company commenced physical development of the Nyngan Scandium Project following the results of the 2023 Nyngan drilling program which better defined the western boundary of the existing resource.

Nyngan Definitive Feasibility Study

On April 18, 2016, the Company announced the results of an independent definitive feasibility study on the Nyngan Scandium Project. The technical report on the feasibility study entitled “*Feasibility Study – Nyngan Scandium Project, Bogan Shire, NSW, Australia*” is dated May 4, 2016, and was independently compiled pursuant to the requirements of NI 43-101 (the “Feasibility Study” or “DFS”).

Engineering, Procurement and Construction Management Contract

On May 30, 2017, the Company announced that its subsidiary EMC Metals Australia Pty. Ltd. signed an Engineering, Procurement and Construction Management (“EPCM”) contract with Lycopodium Minerals Pty Ltd (“Lycopodium”), to build the Nyngan Scandium Project in New South Wales, Australia. The EPCM contract also provides for start-up and commissioning services. As it has been more than six years since initial signing, a new contract with similar provisions will be required.

The EPCM contract appoints Lycopodium (Brisbane, QLD, Australia) to manage all aspects of project construction. Lycopodium is the principal engineering firm involved with the DFS. Lycopodium's continued involvement in project construction and commissioning ensures valuable technical and management continuity for the project during the construction and start-up of the project.

On October 19, 2017, we announced that Lycopodium has been instructed to initiate critical path engineering for the Nyngan Scandium Project. Lycopodium commenced work on select critical path components for the project, including design and specification engineering on the high-pressure autoclave unit, associated flash and splash vessels and several specialized high-pressure input pumps. The engineering work was completed in 2018 and will enable final supplier selection, firm component pricing and delivery dates for these key process components.

Environmental Permitting/Development Consent/Mining Lease

On May 2, 2016, the Company announced the filing of an Environmental Impact Statement (“EIS”) with the New South Wales, Australia, Department of Planning and Environment, (the “Department”) in support of the planned development of the Nyngan Scandium Project. The EIS was prepared by R.W. Corkery & Co. Pty. Limited, on behalf of the Company’s subsidiary, EMC Metals Australia Pty. Ltd. (“EMC Australia”), to support an application for Development Consent for the Nyngan Scandium Project. The EIS is a complete document, including a Specialist Consultants Study Compendium, and was submitted to the Department on April 29, 2016.

EIS Highlights:

- The EIS finds residual environmental impacts represent negligible risk.
- The proposed development design achieves sustainable environmental outcomes.
- The EIS finds net-positive social and economic outcomes for the community.
- Nine independent environmental consulting groups conducted analysis over five years, and contributed report findings to the EIS.
- The Nyngan project development is estimated to contribute A\$12.4M to the local and regional economies, and A\$39M to the State and Federal economies, annually.
- The EIS is fully aligned with the DFS and with a NSW Mining License Application for the Nyngan project.

Conclusion statement in the EIS: “In light of the conclusions included throughout this *Environmental Impact Statement*, it is assessed that the Proposal could be constructed and operated in a manner that would satisfy all relevant statutory goals and criteria, environmental objectives and reasonable community

expectations.”

EIS Discussion

The EIS is the foundation document submitted by a developer intending to build a mine facility in Australia. The Nyngan Scandium Project is considered a State Significant Project, in that capital cost exceeds A\$30million, which means State agencies are designated to manage the investigation and approval process for granting a Development Consent from the Minister of Planning and Environment. This Department will manage the review of the Proposal through a number of State and local governmental agencies.

The EIS is a self-contained set of documents used to seek a Development Consent. It is however, supported in many ways by the recently completed DFS.

On November 10, 2016, the Company announced that the Development Consent had been granted. This Development Consent represents an approval to develop the Nyngan Scandium Project and is based on the EIS. The Development Consent follows an in-depth review of the EIS, the project plan, community impact studies, public EIS exhibition and commentary, and economic viability, and involved more than 12 specialized governmental agencies and groups.

Mining Lease

During July 2019, EMC Australia received notice of approval for its mining lease (ML) application. The ML (ML 1792) overlays select areas previously covered by exploration licenses and represents the final major development approval required from the NSW Government to begin construction on the project. The ML 1792 grant is issued for a period of 21 years and is based on the development plans and intent submitted in the ML application. The ML can be modified by NSW regulatory agencies, as requested by EMC Australia over time, to reflect changing operating conditions.

In addition to these two key governmental approvals, other required licenses and permits must be acquired but are considered routine and require only compliance with fixed standards and objective measurements. These remaining approvals include submittal of numerous plans and reports supporting compliance with Development Consent and Mining Lease. In addition, the following water, roads, dam and electrical access reviews and arrangements must be finalized:

- Water Supply Works and Use Approval and Water Access License,
- State and local approval for construction of the intersection of the Site Access Road and Gilgai Road,
- An approval from the NSW Dams Safety Committee for the design and construction of the Residue Storage Facility, and
- A high voltage connection agreement with Essential Energy.

The 2019 ML 1792 grant covers 810 acres (370 hectares) of surface area fully owned by the Company, an area adequate to construct and operate a scandium mine of a scale outlined in the definitive Feasibility Study. The Company had originally filed a mining lease application (MLA 531) covering an area of 874 hectares, which was granted in 2017 as a mining lease (ML 1763), and later ruled invalid. At that time, it was unknown, to both the Department and the Company, that a local landowner had filed a prior, timely and valid objection to the granting of that mining lease. The reduction in area between the initial 2017 ML 1763 and the replacement 2019 ML 1792 represented acreage protested in an “Agricultural Land” objection lodged by a local landowner. The landowner holds freehold surface ownership over a portion of the original grant that was previously covered by the 2017 ML 1763.

On September 10, 2020, the Company announced receipt of a final determination letter from the Deputy Secretary, Department of Regional NSW, Division of Mining, Exploration and Geoscience resolving the outstanding objection filed by the landowner in 2016.

Written advice from the Department to the Company makes clear that all required independent investigative processes, and all affected party comment periods, are now completed, and the Department's decision is final. There are further state courts of appeal available to the landowner, but the facts supporting this final decision are confirmed by the NSW Department of Primary Industry and follow governing law.

This Final Determination from the NSW Government will again allow all measured and indicated resource included in the Nyngan Scandium Project DFS to be reinstated in a new mining lease grant, for which the Company has filed an application and which remains pending with the NSW Government.

Honeybugle Scandium Property (NSW, Australia)

On April 2, 2014, the Company announced that it had secured a 100% interest in an exploration license (EL 7977) covering 34.7 square kilometers in New South Wales, Australia. The license area we call the 'Honeybugle Scandium Property' is located approximately 24 kilometers west-southwest from the Company's Nyngan Scandium Project and approximately 36 kilometers southwest from the town of Nyngan, NSW. The application to renew the exploration license for a further six years was approved in November 2022.

Exploration rights for the Honeybugle Scandium Property include certain minimum expenditure requirements. The Company intends to fulfill those minimum expenditure requirements.

The location of the Honeybugle Scandium property is provided below.

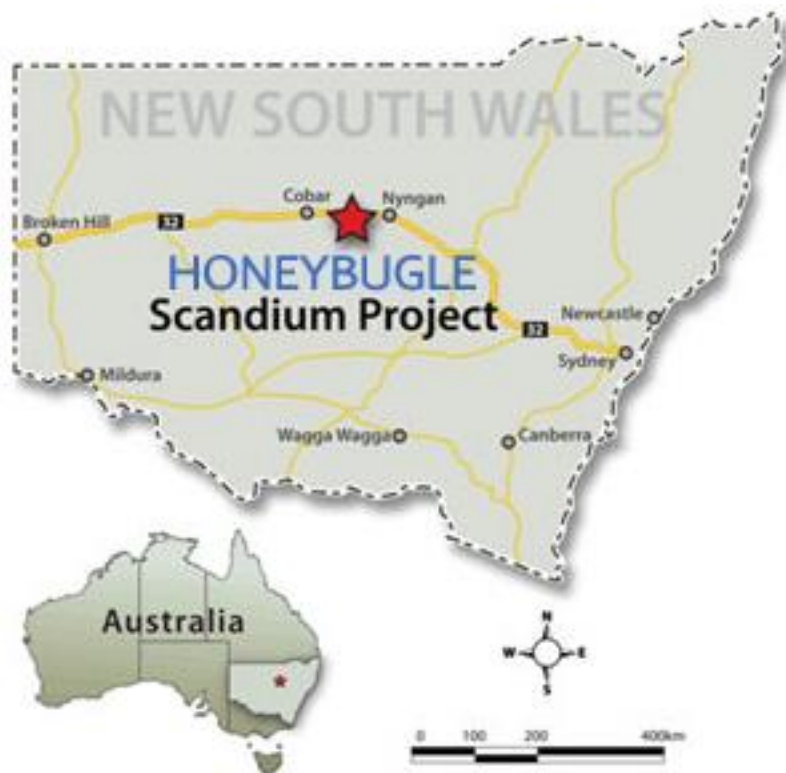


Figure 3. Location of Honeybugle Scandium property

Honeybugle Drill Results

The Honeybugle drill program was completed in the first quarter of 2023. The drill program found Scandium enriched laterite formation defined at Woodlong prospect within the Honeybugle Exploration Licence 7977 area, where 32 vertical air core holes were drilled during first quarter 2023 in an approximately 300m x 400m area.

The laterite mineralization, consisting of both hematite and limonite, lies less than 2 meters below the surface. The laterite zone appears to thicken to both the west and south. Additional metallurgical testing is required on the saprolite mineralization to determine suitability for potential economic extraction.

Downstream Scandium Products

In February 2011, we announced results of a series of laboratory-scale tests investigating the production of aluminum-scandium master alloys directly from aluminum oxide and scandium oxide feed materials. The overall objective of this research was to demonstrate and commercialize the production of aluminum-scandium master alloy using impure scandium oxide as the scandium source, potentially significantly improving the economics of aluminum-scandium master alloy production. In 2014, the Company announced it applied for a US patent on master alloy production, which is still in the application phase.

During the 2015-2017 timeframe, we continued our own internal laboratory-scale investigations into the production of aluminum-scandium master alloys, furthering our understanding of commercial processes and achievable recoveries. We advanced our abilities to make a standard-grade 2% scandium master alloy product typical of commercially available products offered today.

On March 2, 2017, we announced the signing of a Memorandum of Understanding ("MOU") with Weston Aluminium Pty Ltd. ("Weston") of Chatswood, NSW, Australia. The MOU defines a cooperative commercial alliance to jointly develop the capability to manufacture aluminum-scandium master alloy. The intended outcome of this alliance will be to develop the capability to offer Nyngan Scandium Project aluminum alloy customers scandium in form of Al-Sc master alloy, should customers prefer that product form.

The MOU outlines steps to jointly establish the manufacturing parameters, metallurgical processes, and capital requirements to convert Nyngan Scandium Project scandium product into Master Alloy, at Weston's existing production site in NSW. The MOU does not include a binding contract with commercial terms at this stage, although the intent is to pursue the necessary technical elements to arrive at a commercial contract for conversion of scandium oxide to master alloy, and to do so prior to first mine production from the Nyngan Scandium Project.

On March 5, 2018, the Company announced that it had initiated a small-scale pilot program (4kg scale) at the Alcerco Inc. metallurgical research facilities in Kingston, Ontario, to confirm and refine previous lab-scale work on the manufacture of aluminum-scandium 2% master alloy (MA). The program advanced the process understanding for commercial scale upgrade of Nyngan scandium oxide product to master alloy product.

The 2018 pilot program consisted of five separate trials on two MA product types, production of MA in various forms, and gross analysis to ascertain scandium recoveries to product. The mass of master alloy

and product variants produced in the program totaled approximately 20kg and was completed in December of 2018. The results of the program included the successful production of 2% grade MA, with recoveries of scandium to product of 85%.

A second phase of the small-scale pilot program was initiated in the first half of 2019, again at 4kg scale, building on the work done in phase I. The results of this second program included successful production of 2% grade MA, with improvements in form of rapid kinetics, and recoveries of scandium to product of +90%.

On March 5, 2018, the Company also announced that it filed for patent protection on certain process refinements for master alloy manufacture that it believes are novel methods, and also on certain product variants that it believes represent novel forms of introducing scandium more directly into aluminum alloys.

Master Alloy Capability Demonstrated

On February 24, 2020, the Company announced the completion of a three year, three stage program to demonstrate the capability to manufacture aluminum-scandium master alloy (Al-Sc2%), from scandium oxide, using a patent pending melt process involving aluminothermic reactions.

This master alloy capability will allow the Company to offer scandium product from the Nyngan Scandium Project in a form that is used directly by aluminum alloy manufacturers globally, either major integrated manufacturers or smaller wrought or casting alloy consumers.

Research Highlights:

- Program achieved full 2% target product quality requirement,
- Sc recoveries from oxide exceeded target, demonstrated in final tests,
- The microstructure and metal quality meet major alloy producers' specifications,
- Rapid kinetics achieved, important for commercial viability,
- Individual testing batches done at 4kg scale, and
- Successful program testing forms a basis for a larger scale demonstration facility, supporting large scale samples required for industrial aluminum alloy trials.

Focus on Aluminum Alloy Applications for Scandium Products

The Company plans to obtain sales agreements for scandium products produced from our Nyngan Scandium Project. Our focus is on the use of scandium as an alloying ingredient in aluminum-based products. The specific scandium product forms we intend to sell from the Nyngan project include both scandium oxide (Sc₂O₃) and aluminum-scandium master alloys (Al-Sc 2%).

Scandium as an alloying agent in aluminum allows for aluminum metal products that are much stronger, more easily weldable and exhibit improved performance at higher temperatures than current aluminum-based materials. This also means lighter structures, lower manufacturing costs and improved performance in areas that aluminum alloys do not currently compete.

Use Of Scandium in Lithium-Ion Batteries

On September 24, 2020, the Company announced the filing of a provisional patent application with the US Patent Office seeking patent rights on various applications of scandium in lithium-ion batteries. The patent

application covers a number of scandium enhancements, including doping potential for both anodes and cathodes, and for solid electrolytes.

Patent Application Highlights:

- US Patent Application filed for use of scandium in lithium-ion battery applications.
- Scandium doping applications are explained for anodes, cathodes and electrolytes.
- Scandium offers conductivity advantages as a dopant, over other options, and
- Scandium in other aluminum components offers numerous property improvements, including conductivity, strength and corrosion resistance.

Rechargeable lithium-ion batteries (LIBs) are a staple of everyday life. The search for improved performance through design and materials advances is intense today. Considerable effort is being expended in developing next-generation materials for LIBs that will make batteries safer, lighter, more durable, faster to charge, more powerful, and more cost-effective. A sampling of some these efforts are as follows:

- Minimizing or removing cobalt from cathode materials, based on cost, supply and geographic sourcing issues.
- Improving the durability of liquid electrolytes with dopants, or substitution with safer and higher performing liquid or solid electrolyte systems.
- Designing for higher voltage potential by utilizing different anode or cathode materials.
- Determining combinations of metals that can better withstand harsh internal conditions.
- Scandium, along with other specialty metals, has a clear role to play in each of these areas.

One particularly promising area for scandium contributions is in a lithium nickel manganese oxide (LNMO) battery. The cathode in this design substitutes manganese for cobalt and supports a higher nickel content as well. The substitution then delivers higher working potentials (voltage), higher energy densities, and faster charge/discharge rates, all of which offer the promise of improved battery performance.

Delivering on that promise requires a number of improvements, including employing a dopant for stabilization of the manganese in certain cathode compositions, potential stabilization of lithium titanate (LTO) anode materials as well, and use of dopants to improve the conductivity of both these anode and cathode materials. Conventional liquid electrolytes may see improved function and longevity with the improved cathode and anode conductivity. Scandium represents a suitable and effective dopant in each of these applications.

Solid state electrolytes (SSEs) represent another potential break-through improvement in LIBs. They will handle higher voltages, higher temperatures, greater power densities, are potentially easier to package, and are considered safer in use. Scandium represents a suitable and effective dopant in these applications, analogous to the use of scandium to stabilize solid zirconia electrolytes in solid oxide fuel cells. Recently technical papers (available upon request) covering the use of Lithium Super Ion Conductors (LiSICON) for SSEs have indicated that primary compounds containing scandium, such as $\text{Li}_3\text{Sc}_2(\text{PO}_4)_3$, LiScP_2O_7 and $\text{Li}_3\text{Sc}(\text{BO}_3)_2$, LiScO_2 as well as certain doped compounds such as $\text{Li}_{1.33}\text{ScSi}_{0.33}\text{P}_{1.67}\text{O}_7$, $\text{Li}_{3.375}\text{Mg}_{0.375}\text{Sc}_{0.625}(\text{BO}_3)_2$, $\text{Li}_{1.5}\text{Al}_{0.33}\text{Sc}_{0.17}\text{Ge}_{1.5}(\text{PO}_4)_3$, etc. can provide desirable crystal structural frameworks for solid state electrolytes. Non-oxide LiSICON fast conductors have also been identified recently, such as some lithium cryolite types: Li_3ScCl_6 , as well as its fluoride counterpart Li_3ScF_6 .

Lithium-ion batteries employ aluminum in a number of areas, specifically in cathode structure, current connectors, and in general battery structure. Aluminum-scandium alloys represent an enhanced aluminum alloy option, based on their combination of conductivity and strength.

The intent of this SCY patent filing was to advise the battery industry that scandium is a prospective dopant choice for enhanced performance of LIBs, both under existing design parameters and in particular for certain next-gen lithium-ion batteries. We want to ensure that battery research and design groups consider scandium additions, amongst their various materials choices, as they race to build a better lithium-ion battery.

Qualified Person and Quality Assurance/Quality Control

John Thompson, B.E. (Mining); Vice President - Development at SCY is a qualified person as defined in NI 43-101 and has reviewed the technical information on this property. The drilling, sampling, packaging and transport of the 2023 drill samples was carried out to industry standards for QA/QC. SCY employed an independent local geology consulting and drill supervisory team, Rangott Mineral Exploration Pty. Ltd., (RME) of Orange, NSW, Australia, to manage the drill work on-site. Bulk samples of drill returns were collected at one metre intervals from a cyclone mounted on the drilling rig, and a separate three-tier riffle splitter was used on site to obtain 2.0-4.5kg composite samples collected over 3 metre intervals, for assay. Individual sample identifiers were cross-checked during the process. The assay samples were placed in sealed polyweave bags which remained in RME's possession until the completion of the drilling program, at which time they were transported to RME's office in Orange. There, the sequence of sample numbers was validated, and the assay samples were immediately submitted to Australian Laboratory Services' (ALS') laboratory in Orange. The remnant bulk samples, which were collected in sealed polythene bags, were transported by RME to a local storage unit at Orange, for long-term storage. ALS/Orange dried and weighed the samples and pulverized the entire sample to 85% passing 75 microns or better (technique PUL-21). These 50g sample bags of pulps were then sent to the ALS laboratory at Stafford in Brisbane, Queensland for analysis. ALS/Brisbane analyzed the pulps for scandium, nickel, cobalt, chromium, iron and magnesium, using Inductively Coupled Plasma Atomic Emission Spectroscopy (ICP-AES) after a four acid (total) digestion (technique ME-ICP61). The lower detection limit for scandium using this technique is 1ppm. For their internal quality control, ALS/Brisbane added 4 standard samples (for 20 repeat analyses), 10 blank samples and 16 duplicate samples to the batch. Please see news release see news release dated May 7, 2014, and available on www.sedar.com for further information on the Honeybugle drill results.

Patent Program Summary- Applications and Grants

Patent Filings - Summary

The Company is in the process of establishing a significant portfolio of intellectual property through the filing of scandium related patents both in the US and abroad.

On 10/12/2021 the company was granted a patent for the recovery of scandium from nickel laterite ores.

To date, the following nine US patents have been granted to the Company:

11,142,809	Systems and Processes for Recovering Scandium Values from Laterite Ores
10,988,830	Scandium Master Alloy Production
10,988,828	Extraction of Scandium Values from Copper Leach Solutions
10,450,634	Scandium-Containing Master Alloys and Method for Making The Same
10,378,085	Recovery Of Scandium Values Through Selective Precipitation of Hematite and Basic Iron Sulfates from Acid Leachates
10,260,127	Method For Recovering Scandium Values from Leach Solutions
9,982,326	Solvent Extraction of Scandium from Leach Solutions

9,982,325	Systems And Methodologies for Direct Acid Leaching of Scandium-Bearing Ores
8,372,367	System and Method for Recovering Boron Values from Plant Tailings

Below is a list of thirteen US patents that have been filed, but have not been granted yet:

US20210371294-A1	Process for the Preparation of High Purity Alumina*
US202163038873	Recovery of Critical Metals from SX-EW Copper Raffinate and Other Solutions Derived from Leaching Ores with Sulfuric Acid
US20210347651	Counter Current Process for Recovering High Purity Copper Sulfate Values from Low Grade Ores
US20200001407	Control Of Recrystallization In Cold-Rolled AlMn(Mg)ScZr Sheets For Brazing Applications
US20210172041	Byproduct Scandium Recovery from Low Grade Primary Metal Oxide Ores
US20190218645	Direct Scandium Alloying
US20120305452	Dry, Stackable Tailings and Methods for Producing the Same
US20110298270	In Situ Ore Leaching Using Freeze Barriers
US20120055851	Low Carbon Dioxide Footprint for Coal Liquefaction
US20120204680	System and Method for Recovery of Nickel Values from Nickel-Containing Ores
US20120207656	System and Method for Recovery of Scandium Values from Scandium-Containing Ores
Provisional (2)	Titles not yet publicly disclosed

*NOTE: This Final Patent Application was published by the US Patent office on December 2, 2021 (A1)

Patent Applications Discussion

- These patents and patent applications cover novel, unique flowsheet designs, applicable to both scandium extraction and other metals extraction.
- The patented designs on scandium are largely supported by test work done with Nyngan Scandium Project resource material and known design parameters.
- The scandium patents cover HPAL system material flows, solvent extraction (SX), ion exchange systems (“IX”), atmospheric tank and heap leaching systems and techniques, and processes for directly making select master alloys containing scandium; and
- A number of the scandium-focussed designs are incorporated as part of the DFS.
- Recovery of by-product scandium from certain other mineral resources is also covered.
- Recovery of base metals, such as copper, cobalt, nickel, manganese and aluminum from process solutions or waste products is also covered.
- Use of scandium in lithium-ion batteries is addressed.

These patent applications, filed with the US Patent Office, protect the Company’s position and rights to the intellectual property (IP) contained and identified in the applications as of the date filed, within the worldwide jurisdiction limits of the US patent system. Review of patent applications by the US Patent Office takes time, but the initial dates of filing these patents define the basis of IP ownership claims, as is generally afforded U.S. patentholders.

The Company intends to utilize the IP contained in these process patents in the development of process flowsheets for recovery of scandium from its Nyngan Scandium Project, as well as its Honeybugle project

and future by-product opportunities from leach solutions and/or waste products. The Company believes that patent protection of these specific, novel process designs will be granted.

Many of the basic design elements contemplated in the Nyngan Scandium Project flowsheet are commonly applied to other specialty metals, particularly nickel. However, the application of these basic design elements has not been commonly applied to scandium extraction from laterite resources, and there are enough intended and required operational differences in the application to permit the Company to patent-protect IP on those differences.

Our history of work on solution separation technologies using ion exchange and/or solvent extraction has widened our opportunity to pursue recovery of select elements of a growing list of critical metals, as defined by governments, concerned customers and industry groups, specifically prioritising lithium-ion battery metals.

These patent claims are the result of ten years of metallurgical test work with independent resource laboratories and specific design work by Willem Duyvesteyn, the Company's former Chief Technology Officer. This work is ongoing. Patent protection on flowsheet intellectual property will serve to limit or prevent the unauthorized use of that IP by others without the Company's consent. We believe these filings are an important action to protect the ownership of a Company asset, on behalf of all SCY shareholders.

ITEM 3. LEGAL PROCEEDINGS

We are not a party to any pending legal proceedings and, to the best of our knowledge, none of our properties or assets are the subject of any pending legal proceedings.

ITEM 4. MINE SAFETY DISCLOSURES

The Company has no active mining operations or dormant mining assets currently and has no outstanding mine safety violations or other regulatory safety matters to report.

PART II

ITEM 5. MARKET FOR REGISTRANTS' COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Price Range of Common Shares

The principal market on which our common shares are traded is the Toronto Stock Exchange. Our common shares commenced trading on the Toronto Stock Exchange on April 24, 2008, under the symbol "GP." Effective March 11, 2009, the common shares were listed and posted for trading on the Toronto Stock Exchange under the symbol "EMC." Effective November 28, 2014, the common shares were listed and posted for trading on the Toronto Stock Exchange under the symbol "SCY." The following table shows the high and low trading prices of our common shares on the Toronto Stock Exchange for the periods indicated.

Year	High (C\$)	Low (C\$)
Fiscal Year ended December 31, 2023		
First quarter	0.080	0.040
Second quarter	0.060	0.040
Third quarter	0.055	0.030
Fourth quarter	0.035	0.020
Fiscal Year ended December 31, 2022		
First quarter	0.160	0.130
Second quarter	0.140	0.085
Third quarter	0.120	0.060
Fourth quarter	0.095	0.060

Exchange Rates

We maintain our books of account in United States dollars and references to dollar amounts herein are to the lawful currency of the United States except that we are traded on the Toronto Stock Exchange and, accordingly, stock price quotes and sales of stock are conducted in Canadian dollars (C\$). The following table sets forth, for the periods indicated, certain exchange rates based on the noon rate provided by the Bank of Canada. Such rates are the number of Canadian dollars per one (1) U.S. dollar (US\$). The high and low exchange rates for each month during the previous six months were as follows:

	<u>High</u>	<u>Low</u>
February 2024	1.3574	1.3404
January 2024	1.3512	1.3446
December 2023	1.3582	1.3200
November 2023	1.3873	1.3573
October 2023	1.3873	1.3577
September 2023	1.3661	1.3422

The following table sets out the exchange rate (price of one U.S. dollar in Canadian dollars) information as at each of the years ended December 31, 2023, and 2022.

	Year Ended December 31 (Canadian \$ per U.S. \$)	
	<u>2023</u>	<u>2022</u>
Rate at end of Period	1.3247	1.3544
Low	1.3128	1.2470
High	1.3875	1.3856

As of March 26, 2024, there were 104 registered holders of record of the Company's common shares and an undetermined number of beneficial holders.

Dividends

We have not paid any cash dividends on our common shares since our inception and do not anticipate paying any cash dividends in the foreseeable future. We plan to retain our earnings, if any, to provide funds for the expansion of our business.

Securities Authorized for Issuance under Compensation Plans

The following table sets forth information as of December 31, 2023, respecting the compensation plans under which shares of the Company's common stock are authorized to be issued.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	40,015,000	C\$0.010	19,714,122
Equity compensation plans not approved by security holders	37,803,218	C\$0.1075	Nil
Total	77,818,218	C\$0.0980	19,714,122

Purchases of Equity Securities by the Company and Affiliated Purchasers

Neither the Company nor an affiliated purchaser of the Company purchased common shares of the Company in the year ended December 31, 2023.

ITEM 6. SELECTED FINANCIAL DATA

Not applicable.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Overview

Scandium International is a specialty metals company focused on the evaluation and potential development of projects into producing assets. The Company pursues project opportunities from both known geologic resources and existing mine process solutions when it identifies further recovery potential.

The Company is an exploration stage company and anticipates incurring significant additional expenditures prior to production at all its properties. The Company was incorporated under the laws of the Province of British Columbia, Canada in 2006. The Company currently trades on the Toronto Stock Exchange under the symbol "SCY."

These consolidated financial statements have been prepared on a going concern basis that contemplates the realization of assets and discharge of liabilities at their carrying values in the normal course of business for

the foreseeable future. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

The Company currently earns no operating revenues and will require additional capital to advance the Nyngan property. The Company's ability to continue as a going concern is uncertain and is dependent upon the generation of profits from mineral properties, obtaining additional financing and maintaining continued support from its shareholders and creditors. These are material uncertainties that raise substantial doubt about the Company's ability to continue as a going concern. If additional financial support is not received, or operating profits are not generated, the carrying values of the Company's assets may be adversely affected.

The outbreak of COVID-19 and political upheavals in various countries have caused significant volatility in commodity prices. While these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time.

RESULTS FOR THE YEAR ENDED DECEMBER 31, 2023

Liquidity and Capital Resources

On December 31, 2023, we had working capital of \$712,908 including cash of \$1,021,956 and current liabilities of \$349,259 as compared to working capital of \$378,527 including cash of \$1,852,710 at December 31, 2022.

On December 31, 2023, we had a total of 40,015,000 (2022 – 34,665,000) stock options exercisable between C\$0.035 and C\$0.180 (2022 – between C\$0.065 and C\$0.225) which have the potential upon exercise to generate a total of C\$3,833,750 (2022 – C\$4,753,500) in cash over the next four and a half years. On December 31, 2023, we had a total of 37,803,218 (2022 – 37,803,218) warrants exercisable at C\$0.1075 which have the potential upon exercise to generate a total of C\$4,063,846. There is no assurance that these securities will be exercised.

Our continued development is contingent upon our ability to raise sufficient financing both in the short and long term. There are no guarantees that additional sources of funding will be available to us; however, management is committed to pursuing all possible sources of financing to execute our business plan.

Results of Operations

Quarter ended December 31, 2023

The net loss for the quarter decreased by \$362,143 to \$133,772 from a profit of \$228,371 in the quarter ended December 31, 2022. Details of the individual items contributing to the decreased loss are as follows:

Q4 2023 vs. Q4 2022 - Variance Analysis (US\$)		
Item	Variance Favourable / (Unfavourable)	Explanation
Salaries and benefits including stock based compensation	(\$178,023)	This unfavorable variance when comparing Q4 2023 to Q4 2022 is a result of options being issued in Q4 2023 whereas there were no options issued in Q4 2022.

Q4 2023 vs. Q4 2022 - Variance Analysis (US\$)		
Item	Variance Favourable / (Unfavourable)	Explanation
General and administrative	(\$26,863)	In Q4 of 2022 there were very little expenditures. The current quarter costs of \$16,997 are much more indicative or normal activity levels.
Exploration	(\$24,858)	In the current quarter the Company was still incurring costs for the winding up of the exploration programs carried out in Q2 and Q3 of 2023. There was no major exploration carried out in Q4 of 2022.
Professional fees	(\$10,386)	The slightly higher fees in the quarter relate to activities pertaining to share encumbrances being dealt with.
Gain on derivative liability	(\$157,049)	Warrants issued in Q2 2022 are in Canadian funds. As the exchange rate with the Canadian dollar fluctuates, a gain or loss on this is recorded in the financial statements. Also, the value of the warrants is recalculated based on Black-Scholes calculation at the end of the year. Quarter over quarter the gain on the derivative liability is almost the same. This is a non-cash item.
Insurance	\$417	New insurance policies were entered into in Q4 2023. Premiums have increased resulting in this minor favorable variance.
Travel	\$747	There were no travel expenditures incurred in Q4 of 2023 versus Q4 of 2022 when very light travel took place.
Interest income	\$9,771	The company has invested funds received from the financing received in 2022 resulting in this favorable variance.
Foreign exchange loss	\$24,101	In Q4 funds held in foreign currencies increased against the US dollar resulting in this positive variance when compared to the comparable period in 2022.

Results of Operations for the Year ended December 31, 2023

The net profit for the year decreased by \$803,392 to \$47,204 from a profit of \$850,596 in the prior year, Details of the individual items contributing to the decreased net loss are as follows:

2023 vs. 2022 - Variance Analysis (US\$)		
Item	Variance Favourable / (Unfavourable)	Explanation
Accrual reversal	(\$1,032,044)	In the prior year, the Company reversed accrued liabilities for certain staff who are no longer with the Company. No such item was incurred in 2023.
Exploration	(\$245,092)	In Q2 2023, the Company carried out drilling activities on its Australian properties while in 2022, no exploration activities were conducted. To further increase this unfavorable variance, the Company received a refund in 2022 from the Australian government related to over payment of mining license costs.
Salaries benefits and stock-based compensation	(\$31,836)	The stock-based compensation value for 2023 is higher due to the large number of options issued in 2023 when compared to 2022 resulting in this unfavorable variance.
Foreign exchange gain	(\$17,086)	The US dollar strengthened in 2023 against both the Australian and Canadian dollar.
Travel and entertainment	(\$2,990)	With the start of the drilling program at Honeybugle, management visited the property and legal counsel in Australia. No such expenditures were incurred in 2022.
Insurance	(\$134)	Slightly higher premiums for D&O insurance and general liability insurance resulted in this minor variance when comparing the two years.
Amortization	\$2,932	All fixed assets were fully depreciated in Q2 2022, resulting in no expense associated with this item in 2023.
Professional fees	\$8,636	In Q2 2022 advice from our legal firm were required as the Company underwent management changes. No such activities took place in 2023.
Consulting	\$18,363	The resignation of a consultant in 2022 led to this favorable variance in the current year.
Interest income	\$39,851	In 2023, the Company purchased short term secure investments. No similar opportunity existed in 2022.
General and administrative	\$59,901	With the closing of the Sparks, Nevada office and reduced staffing, a favorable variance was realized when compared to 2022 when there was much more activity and staffing.

2023 vs. 2022 - Variance Analysis (US\$)		
Item	Variance Favourable / (Unfavourable)	Explanation
Gain on derivative liability	\$396,107	Warrants issued in Q2 2022 are in Canadian funds. As the exchange rate with the Canadian dollar fluctuates, a gain or loss on this is recorded in the financial statements. Also, the value of the warrants is recalculated based on Black-Scholes calculation at the end of the quarter. Since the warrants were issued, a gain has been calculated. This is a non-cash item.

Cash flow discussion for the year ended December 31, 2023, compared to December 31, 2022

The cash outflow from operating activities decreased by \$116,961 to \$830,754 (2022 – \$947,715) due mainly to payment of accrued salaries in 2022.

Cash inflows from financing activities of \$Nil when compared to the year ended December 30, 2022, in which private placement and options being exercised brought in \$2,706,531.

Summary of quarterly results (US\$)

	2023				2022			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net Sales	-	-	-	-	-	-	-	-
Net Income (Loss)	(133,732)	74,732	(129,756)	236,000	228,371	70,701	28,577	522,946
Basic and diluted Net Income (Loss) per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

Financial Position

Cash

Year-end cash decreased by \$830,754 to \$1,021,956 (2022 - \$1,852,710) due mainly to a reduction in accounts payable and exploration activities carried out in 2023.

Prepaid expenses and receivables

Prepaid expenses and receivables have increased by \$6,670 to \$40,211 (2022 - \$33,541) due to increased activity levels in 2022.

Reclamation bond

A reclamation bond of €10,000 (\$11,037) was purchased for the Kiviniemi property in 2018.

Mineral interests

Mineral interests remained at \$704,053 at December 31, 2023 (2022 - \$704,053).

Accounts Payable, Accounts payable with related parties, Accrued Liabilities and Derivative liability - warrants.

Accounts payable, accounts payable with related parties, accrued liabilities and Derivative liability – warrants have decreased by \$1,158,465 to \$349,259 at December 31, 2023 (2022 – \$1,507,724) due to revaluation of warrant derivative liability and payment of accrued salaries.

Capital Stock

Capital stock did not change in 2023 - \$111,144,603 (2022 - \$111,144,603).

Additional paid-in capital increased by \$287,515 to \$7,306,631 (2022 - \$7,019,116) as a result of stock option expensing.

Treasury shares remained at \$1,264,194 through the 2023 and 2022 fiscal periods.

Off-balance sheet arrangements

At December 31, 2023, we had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to us.

Transactions with related parties

During the year ended December 31, 2023, the Company expensed \$262,294 for stock-based compensation for stock options issued to Company directors. During the year ended December 31, 2022, the Company expensed \$177,745 for stock options issued to Company directors.

During the year ended December 31, 2023, the Company expensed a consulting fee of \$Nil (2022 - \$17,000) to one of its directors.

As at December 31, 2023, the Company owed \$5,104 (2022 - \$185,576) to an officer of the Company.

During the year ended December 31, 2023, the Company reversed \$Nil (2022 - \$669,733) of accruals to related parties, pursuant to settlement agreements.

Additional Information and Accounting Pronouncements

Outstanding share data

At March 26, 2024 we had 355,860,813 issued and outstanding common shares and 40,015,000 outstanding stock options at a weighted average exercise price of C\$0.10. Also, there were 37,803,218 warrants outstanding at C\$10.75 at March 26, 2024.

Critical Accounting Estimates

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

Stock-based compensation

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

Deferred income taxes

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

Mineral properties and exploration and development costs

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

Recent Accounting Pronouncements

Accounting Standards Update 2023-07 – Segment Reporting (Topic 280). This update is to improve the disclosures about a public entity’s reportable segments through enhanced disclosures about significant segment expenses and is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The Company is reviewing this standard but anticipates little impact on its financial statements.

Accounting Standards Update 2023-09 – Income Taxes (Topic 740). This update is to enhance the transparency and decision usefulness of income tax disclosures for fiscal years beginning after December 15, 2024. The Company is reviewing this standard to determine the impact on its financial statements.

Financial instruments and other risks

Our financial instruments consist of cash, receivables, accounts payable and accrued liabilities, accounts payable with related parties, and promissory notes payable. It is management's opinion that we are not exposed to significant interest, currency or credit risks arising from our financial instruments. The fair values of these financial instruments approximate their carrying values unless otherwise noted. The Company has its cash primarily in five commercial banks, one in Vancouver, British Columbia, Canada, one in Hamilton, Ontario, Canada, one in Melbourne, Australia, one in Chicago, Illinois and one in Los Angeles, California.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The Consolidated Financial Statements of the Company and the notes thereto are attached to this report following the signature page and Certifications.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

For the fiscal years ended December 31, 2023, and 2022, we did not have any disagreement with our accountants on any matter of accounting principles, practices, or financial statement disclosure.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure controls and procedures

The Company's management, including our principal executive officer and our principal financial officer, evaluated the effectiveness of disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) as of the end of the period covered by this report. Based on that evaluation, the principal executive officer and principal financial officer concluded that as of the end of the period covered by this report, the Company has maintained effective disclosure controls and procedures in all material respects, including those necessary to ensure that information required to be disclosed in reports filed or submitted with the SEC (i) is recorded, processed, and reported within the time periods specified by the sec, and (ii) is accumulated and communicated to management, including the principal executive officer and principal financial officer, as appropriate to allow for timely decision regarding required disclosure.

Management's report on internal control over financial reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) or 15d-15(f) of the Exchange Act). Management assessed the effectiveness of our internal control over financial reporting as of December 31, 2019, using criteria established in *Internal Control-Integrated Framework* issued in 1992 by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Even an effective internal control system, no matter how well designed, has inherent limitations, including the possibility of human error and circumvention or overriding of controls and therefore can provide only reasonable assurance with respect to reliable financial

reporting. Furthermore, the effectiveness of an internal control system in future periods can change with conditions.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

The Company's management has determined that the internal controls over financial reporting are effective as of December 31, 2023.

Changes in Internal Control

There have been no changes in internal control over financial reporting that occurred during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

Information with respect to Items 10 through 14 is set forth in the definitive Proxy Statement to be filed with the Securities and Exchange Commission on or before April 30, 2024, and is incorporated herein by reference. If the definitive Proxy Statement cannot be filed on or before April 30, 2024, the Company will instead file an amendment to this Form 10-K disclosing the information with respect to Items 10 through 14.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENTS SCHEDULES

Financial Statements

The following Consolidated Financial Statements are filed as part of this report.

Description	Page
Financial statements for the years ended December 31, 2023, and 2022 and audit reports thereon. (DAVIDSON & COMPANY LLP - PCAOB 731)	F-1

Exhibits

The following table sets out the exhibits filed herewith or incorporated herein by reference.

Exhibit	Description
3.1	Certificate of Incorporation, Certificate of Name Change dated March 2009, Notice of Articles dated March 2009 ⁽¹⁾

	Certificate of Name Change dated November 19, 2014 and Notice of Articles dated November 19, 2014 ⁽²⁾
3.2	Corporate Articles ⁽¹⁾ Amendment to Corporate Articles dated November 10, 2014 ⁽²⁾
10.1 ⁽³⁾	2015 Stock Option Plan
10.4 ⁽⁵⁾	Share Exchange Agreement dated June 30, 2017
21.1 ⁽⁶⁾	List of Subsidiaries
23.1 ⁽⁶⁾	Consent of Davidson & Company LLP
31.1 ⁽⁶⁾	Certification Pursuant to Rule 13a-14(a) or 15d-14(a) of the U.S. Securities Exchange Act of 1934 of the Principal Executive Officer
31.2 ⁽⁶⁾	Certification Pursuant to Rule 13a-14(a) or 15d-14(a) of the U.S. Securities Exchange Act of 1934 of the Principal Financial Officer
32.1 ⁽⁶⁾	Section 1350 Certification of the Principal Executive Officer and Principal Financial Officer of the Principal Executive Officer
32.2 ⁽⁶⁾	Section 1350 Certification of the Principal Executive Officer and Principal Financial Officer of the Principal Financial Officer

⁽¹⁾ Previously filed as exhibits to the Form 10 filed May 24, 2011 and incorporated herein by reference.

⁽²⁾ Previously filed as exhibits to the Form 10-K filed February 27, 2015 and incorporated herein by reference.

⁽³⁾ Previously filed as Schedule "A" to the Form DEF 14A filed October 5, 2015 and incorporated herein by reference.

⁽⁴⁾ Previously filed as an exhibit to the Form 10-K/A filed May 1, 2014 and incorporated herein by reference.

⁽⁵⁾ Previously filed as an exhibit to the Form 8-K filed July 26, 2017 and incorporated herein by reference.

⁽⁶⁾ Filed herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SCANDIUM INTERNATIONAL MINING CORP.

By: /s/ Peter Evensen
Peter Evensen
President and Principal Executive Officer

Date: March 26, 2024

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Peter Evensen</u> Peter Evensen	President, Principal Executive Officer, and Director	March 26, 2024
<u>/s/ William Harris</u> William Harris	Chairman and Director	March 26, 2024
<u>/s/ James Rothwell</u> James Rothwell	Director	March 26, 2024
<u>/s/ R. Christian Evensen</u> R. Christian Evensen	Director & Principal Financial Officer	March 26, 2024