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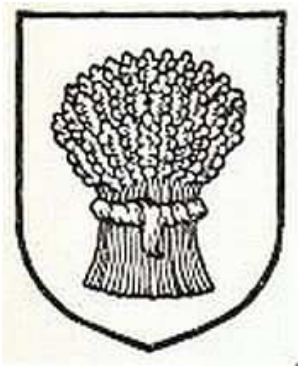

HALLGARTEN & COMPANY

Coverage Update

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Scandium International Mining
(TSX: SCY)
Strategy: LONG

Key Metrics	
Price (CAD)	$0.255
12-Month Target Price (CAD)	$0.75
Upside to Target	194%
High-low (12 mth)	$0.22 - $0.475
Market Cap (CAD mn)	$74.46
Shares Outstanding (millions)	292
Fully diluted shares O/S	315
Management/Insiders	45%

Scandium International

Standing Out From the Pack

- + The Nyngan project is the only primary Scandium mine on the slate at this time and represents the purest exposure to the metal's resurgent interest
- + Definitive Feasibility Study estimates CapEx at a low US$87mn
- + DFS projects NPV (at 10%) of US$177 million and IRR is 33.1%, (NPV at 8% is US$225 million)
- + Cash costs of US$557 per kg of Scandium Oxide (99.9%) , with DFS utilizing US$2,000 per kg
- + The current price is somewhere between US$2,000 and $5,000 per kg depending on lot size
- + Strong potential for expansion of demand based upon increased availability at current or lower prices – applications follow supply
- ✘ Financing environment remains challenging
- ✘ With five Scandium hunters already in the race there is a lot of noise and misinformation but there is also a higher profile for what has hitherto been an obscure metal

Build it and They Will Come

In 2014 when we first highlighted Scandium to investors, almost the only name to conjure with was EMC Metals (then EMC.to) with its mixed basket of assets. Since then the company has sharpened its focus, changing its name to Scandium International Mining (SCY.to) and has advanced its Nyngan Scandium project to Definitive Feasibility stage.

The Nyngan Scandium project (and the neighbouring Honeybugle property) are in Australia. Indeed one might even speak of a "Scandium Triangle" in the laterite clay belt of the central west of the state of New South Wales. Favorable terrain and easy access with prolific infrastructure offer an exceptional production advantage to those in this zone. The Nyngan deposit is large and the grades are impressive. Indeed Nyngan might even be described as the "Bayan Obo of Scandium".

The company also holds a promising Scandium property in Finland (Kiviniemi), which it recently gained control of, having previously explored in Norway for this metal. This will be the second project in SCY's pipeline. In this note we shall give an update on the projects and the evolution of the Scandium space and should be read in the context of the previous note, particularly on the minutiae of processing/metallurgy.

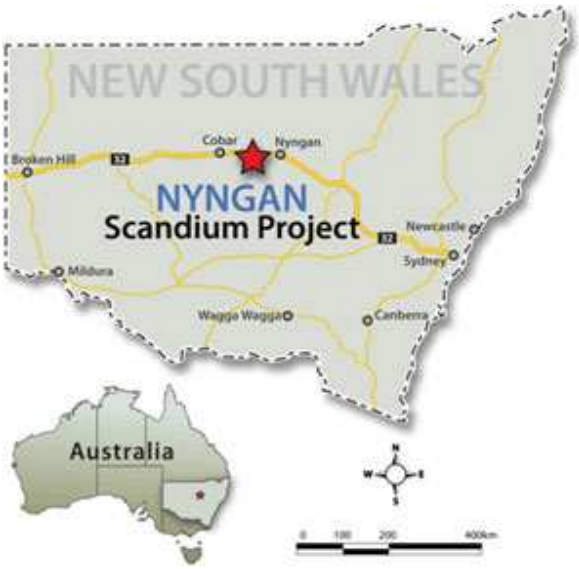
On Scandium

This was, until recently, one of the lesser talked about technology metals. Now it is receiving increased focus and mention, not least because of the peripheral involvement of Robert Friedland in the metal. This interest is despite the fact that the supply situation is severely limited with literally only a few tons of product hitting the market per annum, all of that produced as a by-product of the refining and

processing of other metals. The applications for the element are known, particularly in aluminium alloys, solid oxide fuel cells and lighting but it's just that significant manufacturers will not make significant changes to their production/product lines for the metal if they cannot be guaranteed greater (reliable) supply volumes.

Nyngan Scandium Project

The Nyngan scandium resource is located approximately 500 kilometers northwest of Sydney, Australia. The property consists of three exploration licenses encompassing over 9,000 hectares, and is accessible via a 25km sealed road from the local town of Nyngan.



The Geology

The general area is dominated by Cainozoic alluvium of the Bogan River floodplain (part of the Murray-Darling River Basin) with minor colluvium and outcrop. The Gilgai intrusive complex underlies the Nyngan property, covered by 8m to 40m of alluvial material, and is almost certainly the source of the Scandium, Nickel, Cobalt and precious metals in the regolith. The Gilgai complex is an Alaskan type ultramafic complex and is believed to be of Ordovician age. The intrusives are included within the "Fifield Platinum Province".

The area is very flat and sparsely covered as can be seen from this image.

The Nyngan scandium resource is centred over the more mafic phases of the zoned Gilgai ultramafic complex and is located in a highly weathered zone, where the weathering profile can extend to a depth of more than 65m at the northern margin of the resource. This highly weathered zone exhibits a fairly typical laterite profile is developed at the prospect with:

- Hematitic clay
- Limonitic clay
- Saprolitic clay
- Weathered bedrock
- Fresh bedrock

The bulk of the Nyngan scandium resource is located within a limonitic and saprolitic tertiary age laterite profile, covered by approximately 12m to 25m of Cainozoic alluvium.

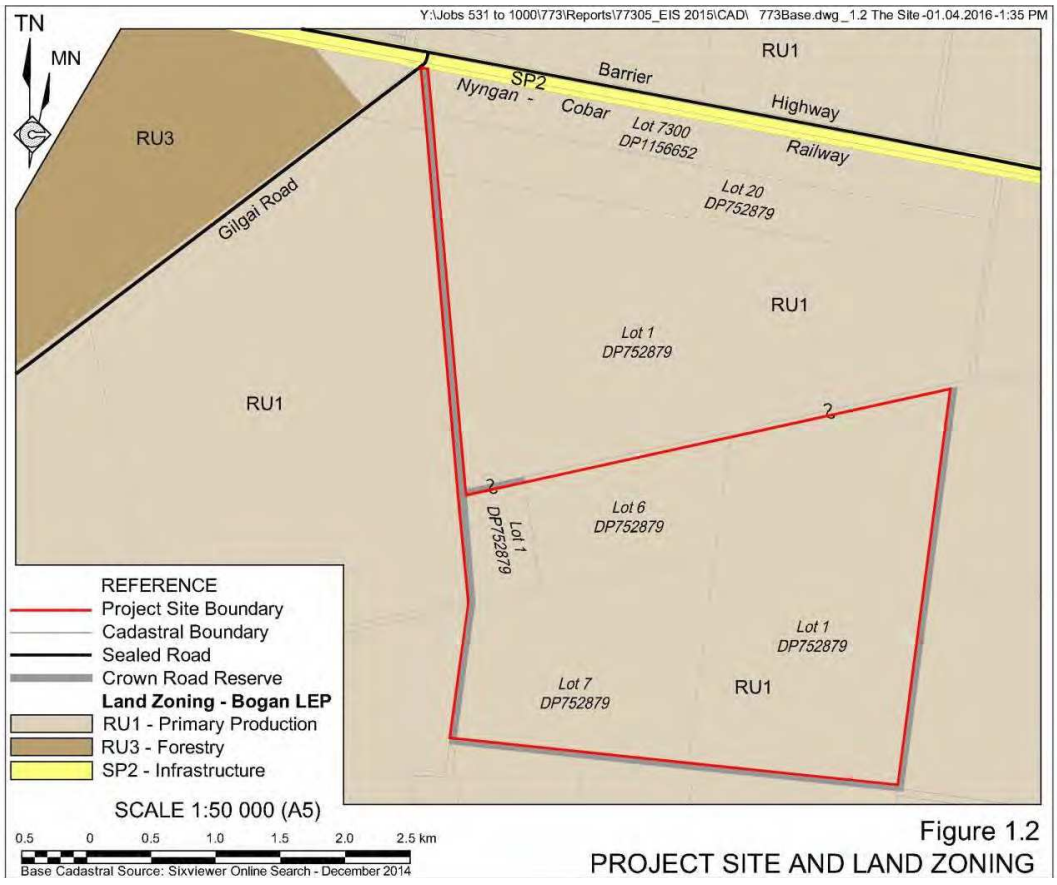


Figure 1.2
PROJECT SITE AND LAND ZONING

Resource & Reserves

The original resource was established on the Nyngan property in 2010. As part of the DFS in 2016, the NI 43-101 Measured and Indicated Scandium resource was revised and now totals 16.9 million tonnes at an average grade of 235ppm Scandium. The updated resource retains the same economic cut-off value of

100ppm as was used in the earlier resource estimate.

Nyngan Scandium Resource

(cut-off of 100 ppm Sc)	Current Resource		Previous Resource	
Category	**Tonnage**	**Grade Sc**	**Tonnage**	**Grade Sc**
Measured Resource	5,690,000	256	2,718,000	274
Indicated Resource	11,230,000	225	9,294,000	258
Total Resource	16,920,000	235	12,012,000	261

Another result of the DFS was the publication of the first Reserve on a portion of the resource, associated specifically with that portion of the limonite resource. The DFS utilizes 1.43 million tonnes of limonite resource over 20 years, almost all in the Measured Resource category, and that portion of the overall resource has generated the Reserve figure.

Nyngan - Mineral Reserve

Category	**Tonnage**	**Grade Sc**
Proven Reserve	794,514	394
Probable Reserve	641,915	429
Total Reserve	1,436,429	409

Preliminary Economic Assessment

In October 2014, the company published its NI 43-101 Technical Report on the Feasibility on the Nyngan Project, prepared by the engineering firm of Larpro Pty Ltd, of Brisbane. The main mining assumptions were that a portion of limonite-only resource, in one particular area of the overall resource, would provide a 20-year mining pit sufficient to supply the processing facility at a rate of 75,000 tpa, at an average grade of 371ppm Scandium. The results of that PEA are shown in a comparative table on the next page. It is important to note that the estimates utilized an AUD/USD foreign exchange rate of US$0.90 even though the rate subsequently dived to nearly US0.70.

The PEA premised a conventional flow sheet, employing high pressure acid leach (HPAL) and solvent extraction (SX) techniques, which were modeled and validated from METSIM modeling and bench scale/pilot scale metallurgical test work, to an accuracy level of +/- 30%.

The Definitive Feasibility Study

In April of 2016, the company published its long awaited DFS. This document, prepared by the well-known Australian consulting firm Lycopodium, was important in that it is the only DFS on a primary

Scandium property that we know of, and thus gave the market an in-depth view of how such a project might evolve, and its implications in costings and potential addition of supply to Scandium Oxide to the global marketplace. The DFS extended the METSIM modeling work, substantially refined the solvent extraction (SX) parameters, included a detailed 20 year mine plan, and was supported by actual product finish test work to a 99.8% oxide grade. The DFS was done to an accuracy level of +15%/-5%.

Nyngan - Project Metrics

	DFS - 2016	PEA
Capital Cost Estimate (US$mn)	$87.10	$77.40
Average Plant Feed Grade (ppm Sc)	409	371
Resource Processed (tpy)	71,820	75,000
Mill Recovery (%)	83.70%	84.30%
Oxide Production (per annum)	37,690 kgs	35,975kgs
Scandium Oxide (Scandia) Product Grade	98-99.9%	97-99.0%
Annual Cash Operating Cost (US$ M)	$21.00	$22.90
Unit Cash Cost (US$/kg Oxide)	$557	$636
Oxide Price Assumption (US$/kg)	$2,000	$2,000
Annual Revenue (US$ millions)	$75.40	$72.00
Annual EBITDA (US$ millions)	$49.50	$47.70
NPV (10%i) (After Tax)	$177.50	$176.60
NPV (8%i) (After Tax)	$225.40	$217.80
IRR (%) (After Tax)	33.10%	40.60%
Payback	3.3 years	2.5 years

The DFS outlines that the likely capex is US$87.14mn, most of which is related to processing costs and infrastructure, as detailed at the right.

Mining & Processing

The Nyngan deposit is surface-mineable, with an overall strip ratio approximating 3.4:1. The mine plan is limited to a 20-year duration, with the plan utilising less than 12% of the total measured and indicated resource contained in the resource model. There will be two pits, with the depths being 50 m and 45 m for the western and eastern pit respectively.

The mine plan targets delivery of only limonite resource to the processing facility. The processing route designed in the DFS is tailored for limonite-only production, at a 75,000 tpa ore feed rate. SCY is quiet about the saprolite resource, and will only say that it appears economic, and while lower grade than the

limonite upper layer, may also be amenable to atmospheric leaching techniques that won't require the autoclave system to recover Scandium.

At a daily process plant feed rate of 240 tpd, the strategy is to campaign mine and stockpile the mined material several times during the year, rather than attempt to maintain and operate an even smaller mining fleet throughout the year. It is envisaged that 25,000 to 30,000 tonnes of scandium-bearing material will be mined during each campaign. The mining strategy will minimise stockpile quantities by only mining the required ore quantities during each mining campaign. On this basis, the required ROM capacity is relatively small, at 50,000 t maximum.

Nyngan - DFS Capex

Mining Capital	
Pre-Stripping Cost	$1.72
Vehicles/Site Equipment	$1.26
Mining Subtotal	$2.98
Processing Plant Capital	
Process Plant Mechanicals	$40.96
Site Infrastructure	$25.95
Construction Costs	$3.91
EPCM Costs	$10.41
Owners Costs	$2.93
Process Plant Subtotal	$84.16
Total Project Capital Cost	$87.14

Once at nameplate capacity, which SCY estimates will take 24 months to reach, the processing plant is forecast to produce between 36,600 and 42,000 kilograms of scandium oxide product per year, averaging 37,690 kgs per annum over the 20-year production period. The DFS plans for oxide product (Sc^2O^3) to be produced on-site, at grades between 98% and 99.9%. The product grade variability is intended to meet varied customer requirements, suitably packaged for direct sales to end users.

Build It and They Will Come?

The absence of reliable, secure, stable and long-term production has limited commercial uptake of Scandium. Despite this low level of use, Scandium offers significant benefits. The potential for substantial expansion in usage and demand clearly exists and to an extent it is one of those "rare" metals stories where the supply could potentially generate the demand, rather than the other way

around. The most obvious areas where this might happen are in lighting systems, Solid Oxide Fuel Cells (SOFCs) and aluminium alloys.

In some ways a good analogy might be Europium. Its application in colour televisions spurred a surge in REE mining (ironically at Mountain Pass) which then made the "rarer" REEs more abundant, lowering the price but moreover accentuating the supply which meant that new applications arose or were employed that spurred the whole evolution of the permanent magnet and laser usages of the other metals in the Lanthanide series.

It is not too difficult to imagine that greater production will firstly spur the master alloy applications, followed by an expansion in the SOFC demand, lighting and then "new" applications. In aircraft alone the aluminium alloy demand might totally consume all the extra product that the Nyngan Scandium Project brings to market.

Competition in the Scandium Space

When we last wrote on this company and this metal SCY was quite clearly a lone voice in the wilderness. Since then a number of other wannabes have appeared touting their Scandium virtues as either byproduct kickers or attempts to make unviable and unsexy projects into viable and sexy propositions to potential investors. In some cases these claimants to being potential Scandium producers have attracted investor attention, but SCY remains, for reasons that are obvious from the shortcomings of the putative competitors, the leader of the pack.

Bizarrely the Scandium space is currently being fought over like some ridge in a First World War battle in Flanders. This might be understandable if the price of the metal was raging higher, but price is one of the most obscure dynamics for this element. We know Scandium is highly valued, but what we don't know is how much of today's value is simply attributed to scarcity. Because deliverable product in any commercial volumes is not available, current prices are highly variable, inconsistent, and reflective of what is on the supplier's shelf at the moment.

There are few metals out there in which economic models and extant production plans would seem to signal a potential fall in the metal's price with a dramatic increase in supply. Making Scandium more affordable and accessible at the same time will enhance industrial uptake of the metal in a wider range of applications. First movers will get the best prices for longest.

However will Scandium's supply become that much more ubiquitous? Like Cobalt at the moment one knows that it exists in many Nickel laterite deposits but even the current high price of Cobalt is not sufficient to tempt holders of such properties to push the button on a production decision as the Nickel component has to be economic. The same holds for the Nickel/Scandium wannabes. If the Nickel doesn't work economically then the Scandium will stay in the ground.

The new wave of players in the Scandium space are concentrated in Australian projects, with only one claimant that we know of presenting a project in North America.

The five are:

- CleanTeq (the Syerston project in NSW)
- Scandium International (the Nyngan project in NSW)
- Platina Resources (the Owendale project in NSW)
- Australian Mines (Flemington project in NSW)
- Niocorp (the Elk Creek project in Nebraska, USA)

The players are summarised in this table:

	Ticker	Location	Project	Mineralisation	Sc Grade ppm	Sc Contained Tonnes
Australian Mines	AUZ.ax	Australia	Flemington	Co/Sc/Ni	404	1,091
CleanTeq	CLQ.ax	Australia	Syerston	Ni/Co/Sc	421	19,240
Niocorp	NB.to	USA	Elk Creek	Nb/REE/Sc	72	2,266
Platina Resources	PGM.ax	Australia	Owendale	PGMs/Sc	395	13,312
Scandium Intl	SCY.to	Australia	Nyngan	Sc	235	3,976

Firstly, we should remove the non-Australian player from contention. Niocorp is a Niobium/REE project with Scandium credits. Niobium is essentially a monopoly with the Brazilian miner CBMM, controlling over 80% of the market and tolerating Niobec (the producer in Quebec that has an 8-10% market share) so that it does not run into anti-trust problems. CBMM can happily tolerate other miners with tiny Niobium credits being added to the global mix because it can then moderate its own production to maintain price discipline. What it will not tolerate is a new primary Niobium mine of size. This kills dead any prospect of a Scandium by-product flow. Move along…

Next we might look at the stock with the highest "chatter" rating and that is the bizarrely-named CleanTeq, which holds the Syerston project, and has a market capitalisation fluctuating around AUD$1bn. In reality this is a laterite Nickel project (which in Australian investment circles inevitably evokes memories of Murrin Murrin) that has low-grade Scandium mixed with the Nickel, and a higher grade (like many other projects) "Scandium halo" outside of the economic Nickel resource. The problem here is that the company has the potential to create a "small"-scale Scandium mine but to justify its massive market cap it needs to make it a nickel mine as well, and that raises the issue of whether the world really needs another mid-size laterite nickel deposit. Of course, Canadian markets worship the ground that Robert Friedland treads upon but less so in Australia. One really needs to ask the question whether this stock would have the market cap that it does if it was run by John Doe instead?

Something has gone very wrong in the investors' thought processes when a 20-year well-known Ni/Co project, with an equivalent 1% Ni/Co grade that is <50% the grade of many of the existing Pacific Basin laterite producers, no capital raised to construct, based on new/novel resin-in-pulp process, no DFS in place and visible to investors (yet) can be worth AUD$1bn. This project is oversized for the Scandium market and would most likely do more damage to the metal's price than it would help it. Fortunately

the questions over the viability of what is essentially a low-grade nickel deposit might keep it in the penalty box for more of the game. It should be noted that CLQ just re-filed their pre-feasibility as a NI 43-101 Technical Report, anticipating a TSX listing, and there are no plans in that document to make a Scandium product----only nickel and cobalt.

Australian Mines is essentially piggybacking on Syerston and claiming "closeology" as its main merit. It is claiming to be the "other half" of the Syerston deposit, which must be mighty annoying to Robert Friedland. In light of the sexiness of Cobalt at the moment it is primarily touting this as a Cobalt deposit despite the grade being only 0.11% (same as Syerston). The project has both a Co/Sc zone and a higher grade Sc zone with infinitesimal Cobalt grades (0.01%). A Scandium-only mine would have a grade of 433ppm, based on the initial (limonite) resource, but only yield 788 tonnes making it only a fraction of the next smallest player. How that would be viable as either a Cobalt or a Scandium mine is beyond our imagination at this point except in some sort of roll-up with Syerston.

We have not met Platina since last decade but at that time it was solely a PGM explorer. At the current time it has morphed into a quasi-Scandium stock with an AUD$50mn market cap. The company has no DFS yet on the Scandium potential and no published process to make PGMs or Scandium. The project is essentially Isoferro platinum at 0.7g/t (+smelter), a less than riveting Nickel grade, Cobalt too small in volume to build a decent size plant and spotty Scandium mineralisation not co-located with the high-grade cobalt or platinum resources. There is no mine plan as yet, so these matters have not been clarified for investors to understand. Still, Owendale is big tonnage with a good Scandium resource, which makes it one to watch.

One thing that has become clear to us is that for end users to tool up for a shift to Aluminium-Scandium alloy use in serious quantities (ergo the aerospace industry) there will need to be at least two producers. One alone will not give them comfort of supply. CleanTeq for instance might start producing, but if Nickel prices tank such a mine would be shuttered for the duration, and the Scandium by-product customers would be hung out to dry. Thus the evolution we would see would be a new (primary) Scandium producer making a meaningful quantity of tonnes per annum, and then escalating, with a by-product producer probably then joining the fray.

There are clearly people with good intentions out there (SCY and Platina), some with serious backers (CleanTeq), some with the smoke-and-mirrors heavily in evidence (Australian Mines) and some with projects that need an alignment of planets that is scarcely imaginable (Niocorp). If we had to rank these in terms of likelihood to production we would say Scandium Intl first, followed by CleanTeq (if Nickel comes to the party) and then Platina.

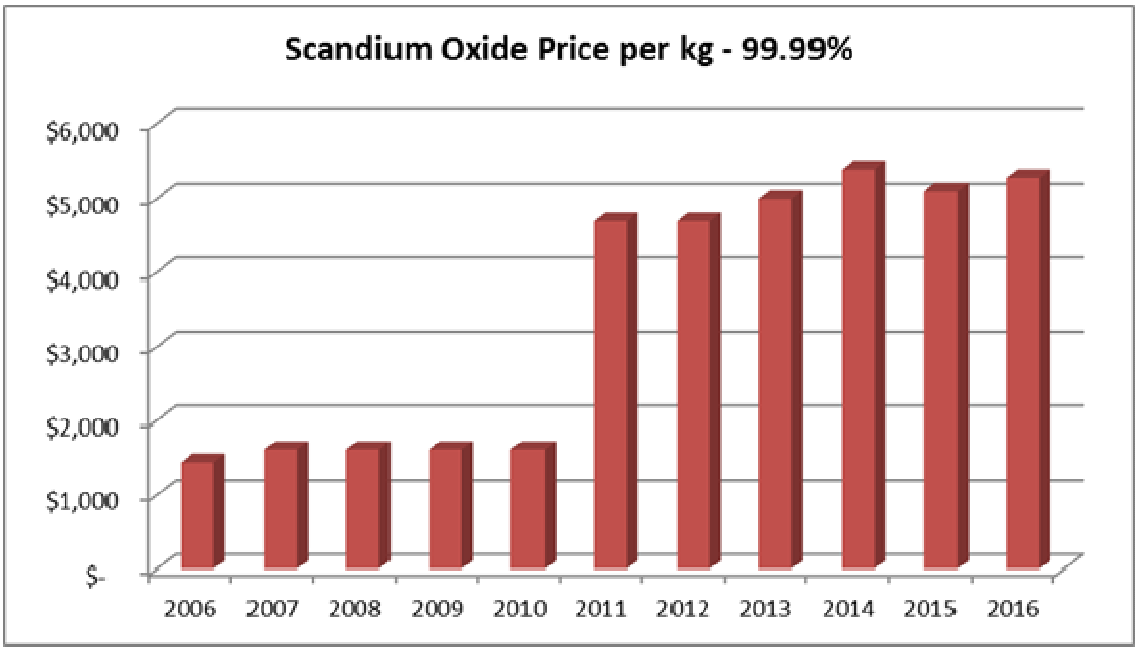
Scandium Volumes – A Relatively Unknown Quantity

The USGS has estimated that global scandium consumption was less than 10 tons per year in 2013. However, as this metal is one of the least intermediated metals around (i.e. most of its trade is directly between end-users and the "producers", one has to wonder how reliable the USGS numbers are. We

have spoken to knowledgeable parties in the Scandium trading space that estimate it at 20-25 tonnes per annum.

Prices & Marketing

The current price of the metal is another murky area (like so many of the minor specialty metals) with indications from USGS data that small batches of Scandium Oxide trade at over US$5,000 per kg. This compares with $1,620 per kg as recently as 2010.



Pricing in the metal is somewhat of a "nod, nod, wink, wink" process. One Scandium watcher we spoke to commented that he thought that "$900/kg was a low-wrong number in 2009, and $5,200/kg is a high-wrong number in 2016".

It is important to note that at $2,000/kg oxide pricing, there is technically US$61.20 of scandium value in one kg of Al-Sc 2% master alloy. Corrected for recovery losses, a good converter is going to see over US$70/kg in metal cost, and that is before flux costs, labor and a return on capital to the converter. Still, at this Scandium input cost, there is quite a profit in the current master alloy market prices at the moment, which can exceed this cost-assumed level considerably. Again though there is the data scarcity/reliability issue influencing potential profit calculations.

Another issue of note is the grade differences in the quotes between 99% and 99.99%. Electrical uses will need 99.9%. Master alloy producers will be content with 98%, and they probably could do with 95% if they adjusted their mixing and dross management techniques. Most material will go into alloys.

Scandium International commissioned an independent marketing study on the ten year supply/demand outlook for scandium, and likely pricing trends over the period 2016 to 2026. While this document is treated as confidential (and it has no intention of releasing the document to the public) it gave Lycopodium access and they reviewed the contained price forecast and supply/demand projections and confirmed that it was consistent with the sales and marketing objectives presented in this DFS.

The big news on pricing is of course that SCY can, and intends to, make master alloy as its preferred product to aluminum customers. Because that is hard for some, and carries an upgrade margin, it is more likely to protect SCY's all-up price, differentiating it from other producers while making it easier to sell to end-use customers.

Alcereco

As noted in our initiation of coverage on SCY the company has an offtake agreement with Alcereco which dates back to March 2015. The goal was to form a strategic alliance to develop markets and applications for aluminum alloys containing scandium. The offtake agreement governs sales terms of the Scandium Oxide product (scandia) to be produced from Nyngan. The offtake agreement outlines standard sale terms on 7,500 kg of scandia per annum, for a term of three years beginning in 2017 (which can be extended) the agreement contains both fixed and variable pricing components, which are subject to confidentiality.

Alcereco is a Canadian private company, based in Kingston, Ontario that was originally founded by Alcan Aluminum in the 1940's. Thus Alcereco has a direct genealogy back to one of the world's major labs for innovations in Aluminium alloying and applications. Its scientists work with a range of materials and processes for the development of aluminum-scandium alloys, specialty ceramics, composites and graphene enhanced materials. The company has a particular focus on lightweight materials capable of delivering greater strength, functionality and exceptional performance. SCY has been working closely with Alcereco on mixing alloy metals for customer samples, and understanding how to sell downstream alloy use customers on the benefits of Scandium, with samples to back up the claimed benefits.

SCY's offtake agreement expires in December 2017, and it is working presently on an extension. The association thus far would appear to be mutually beneficial.

Kiviniemi - The Second Project

Scandium's historical roots are in Scandinavia so it's natural that deposits should exist there. SCY has previously hunted in the region in Norway (as detailed in our previous coverage). Now the focus has switched to Finland and the Kiviniemi property, which had been previously identified for scandium and explored by the Geological Survey of Finland (GTK).

The Kiviniemi property is located in the municipality of Rautalampi, Eastern Finland Province, approximately 350km northeast of Helsinki, by road. The closest major city/airport is Kuopio (pop. 110,000), approximately 70km to the northeast of the property. The exploration target is located on a

small portion of a family farm, partially cleared for farming. Most of the property is wooded, including the area where the mineralization has been located.

Geologically the property is a high-iron content, medium-grade Scandium target, located on surface, with on-site upgrade potential. The early resource upgrade work done for GTK was promising and has been confirmed by work done by SCY. The landscape is fairly flat and the property is all-weather accessible and close to infrastructure.

The target has benefited significantly from valuable early exploration work by the GTK, which has advanced the property to a stage where successful metallurgical investigations may prove value that offsets grade concerns. SCY estimates roughly US$2mn of work value has been directed at this property to date, including field work, drilling programs, assay work, overheads, and metallurgical upgrade studies, but firm numbers are not available.

In June 2017, SCY's wholly-owned subsidiary company, Scandium International Mining Corp., Norway AS, was granted a reservation on the exploration area of approximately 24.6 hectares, identical to the

historic GTK exploration license on the property, which expired in 2015. The mineralized area, as defined on GTK resource modeling maps, is approximately 25% of the total reservation.

It certainly helps that Finland regarded as mining-friendly and ideally suited to EU customer markets. Thus SCY's strategy is to secure the exploration license, then plan a limited drill program to augment the existing GTK data, and provide more sample material for metallurgical test work programs to define economic site upgrade possibilities on the scandium mineralization observed to date.

Risks

It is important to highlight some of the risks in any such venture. At least with its location in the well-known and long-established mining jurisdiction of NSW, it is unlikely that any problems should present themselves on that front. However, one should consider:

- Financing difficulties
- Price fluctuations in what is an opaque market
- Failure of demand to match rising production (i.e. build it and no-one comes)
- Excessive number of competing projects could crowd the scene and hog capital

The chief advantage that Scandium International has in minimizing these risks is that it is so far advanced compared to other potential players regarding Scandium, while its bite-sized capex makes it eminently more buildable than some of the other contenders.

Conclusion

Well may we ask "Will the real Scandium project, please stand up". Excepting this company as the only primary Scandium player, the others are all using Scandium as a by-product prop for projects that either lack economic underpinnings or that lack sex appeal, or both. We would suggest that Scandium International will still be around once these other interlopers have packed up their tents and left the scene.

If this hubbub of arm-wavers has any usefulness, it is in making Scandium the word of the moment amongst the chattering classes of the mining world. Unfortunately, the average (or even the sophisticated) investor finds it difficult to discriminate between the good, bad and the indifferent. The more information that is available on the metal, and the dynamics, then the sooner this fog shall lift. Then it will be clear that Scandium International has found itself an interesting niche in a very rare and yet immensely useful technology metal. In Nyngan it has discovered a truly ideal deposit for the creation of the world's first primary Scandium mine.

The DFS shows that the capex is on the right side of achievable helped by the infrastructure and jurisdictional advantages of being located in central New South Wales. Taking an escalating approach to adding volume that does not "upset the apple cart" is the company's way of dealing with the issue that its ultimate rated production is higher than the perceived global consumption. The dynamic of "build it

and they will come" (tempered by gradualism) seems to have promise here with Scandium having a potential for expanded demand if only end-users could be sure they can get all they need if they tool up for greater production of a lightweight high-performance metal alloy. The perfect Goldilocks scenario is two moderate volume producers evolving to give end-users comfort on both security and diversity of supply.

Certainly Nyngan moving into production might also drive down prices making the metal more accessible to potential users with the possibility of creating a virtuous cycle of affordability and enhanced supply driving widened applications. Beyond all this, the Nyngan Scandium Project creates a market for a specialty metal, in a safe Western jurisdiction, over which the Chinese do not have a stranglehold.

The challenge now will be financing, with the most likely scenario being an offtaker/trader stepping up to ensure that they get first dibs on the product flow from the mine upon completion. We reiterate our view of Scandium International as a **Long** position lifting our 12-month target price from CAD 60cts to **CAD 75cts**.

Important disclosures

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