Scandium International receives mine lease for Nyngan

Scandium International Mining Corp. {TSX.V: SCY}

Has been granted a new mine lease (ML 1792) by the New South Wales Department of Planning, Industry and Environment, pertaining to the Nyngan scandium project.

The new ML is based on a mine lease application filed in April, 2019 (MLA 568), and the company is in receipt of the authorised department notification of the grant.

Scandium Int'l unit receives mine lease for Nyngan

2019-07-24 06:18 ET – News Release

Mr. Edward Dickinson reports

NEW MINE LEASE GRANT RECEIVED FOR SCANDIUM INTERNATIONAL'S NYNGAN PROJECT IN AUSTRALIA

Scandium International Mining Corp.'s Australian subsidiary, EMC Metals Australia Pty. Ltd., has been granted a new mine lease (ML 1792) by the New South Wales Department of Planning, Industry and Environment, pertaining to the Nyngan scandium project. The new ML is based on a mine lease application filed in April, 2019 (MLA 568), and the company is in receipt of the authorised department notification of the grant.

Highlights:

- ML 1792 covers 364.2 hectares of freehold ground fully owned by EMC.
- The company can construct and operate a scandium mine of similar scale to its current plans, within the footprint defined by this new ML.
- The continuing status of the 2016 landowner objection to the earlier mine lease application no longer hinders the development of the Nyngan scandium project.
- The company continues to negotiate with the neighbouring landowner to purchase some or all of the land over which the 2016 objection was lodged.

Discussion

The company has previously filed three news releases on this matter, in January, April and May, 2019, outlining issues that resulted in the company filing a new 2019 application for a mining lease relating to the Nyngan project, as a replacement for a mine lease grant received in 2017.

As previously reported, a formal objection was filed in 2016 by an affected landowner opposing the company’s application for a mine lease (MLA 531) in that same year. The objection was not properly handled by the department, when received, and therefore not properly considered or formally determined prior to the mine lease award in 2017. On that basis and after some attempt by the department to rule on the validity of the objection itself, the department first advised EMC that it was its view that ML 1763 was invalid and later confirmed that invalid status in June, 2019.

With notice from the department on this action regarding ML 1763, the company elected to have EMC file a new MLA (MLA 568) in April, 2019, covering only EMC-owned surface rights related to the project, totalling about 364.2 hectares, and excluding approximately 504 hectares of surface rights owned by the objecting landowner. This action has now resulted in the grant of ML1792, which is unaffected by the prior landowner objection and will remain unaffected by any subsequent decision by the department on the validity of that prior objection.

The validity of the landowner’s agricultural land objection remains under investigation by the department, which is required by law to make a final determination on the matter. Depending on the results of that determination, it remains possible for EMC to receive several mine lease grants covering all surface area (approximately 870 hectares) included in the original 2017 ML grant.

Regardless of how the department rules on the validity of the neighbouring landowner’s objection, the company can also recover mining rights to the adjacent property through purchase, lease, or consent, from the landowner. The company remains in active discussion with the landowner regarding the property rights in question.

Scandium International shareholders, stakeholders and future customers should recognise that the company maintains it can construct and operate a scandium mine, of similar design and scale to its current plans, based on the boundaries defined in its newly granted ML 1792.

George Putnam, chief executive officer of Scandium International, commented:*“This replacement mine lease grant for our Nyngan scandium project represents a successful resolution to a complicated matter that has been a distraction for both the company and for SCY shareholders since the start of 2019. The company has always had confidence in this outcome and has remained focused on the important marketing work at the forefront of our effort to bring Nyngan into production. We continue to make progress with our LOI partners, to court more LOI partners, and to pursue the offtake agreements necessary to finance the Nyngan project and commission the world’s first primary scandium mine.”*

About Scandium International Mining Corp.

Scandium International is focused on developing its Nyngan scandium project, located in New South Wales, Australia, into the world’s first scandium-only producing mine. The project is

100 per cent owned by the company, through its Australian subsidiary, EMC Metals Australia.

The company filed a National Instrument 43-101 technical report in May, 2016. That feasibility study delivered an expanded scandium resource, a first reserve figure and an estimated 33.1-per-cent internal rate of return on the project, supported by extensive metallurgical testwork and an independent, 10-year global marketing outlook for scandium demand.

Willem Duyvesteyn, master of science, American Institute of Mining, Metallurgical and Petroleum, Canadian Institute of Mining, Metallurgy and Petroleum, a director and chief technology officer of the company, is a qualified person for the purposes of NI 43-101 and has reviewed and approved the technical content of this press release on behalf of the company.