SCANDIUM INTERNATIONAL

MINING CORP.

**NEWS RELEASE**
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**www.scandiummining.com**

# SCY ENTERS INTO MOU WITH WESTON ALUMINUM FOR MASTER ALLOY MANUFACTURE

**Reno, Nevada, March 2, 2017 –** Scandium International Mining Corp**.** (**TSX:SCY**) **("Scandium International" or the "Company"**) is pleased to announce it has signed a Memorandum of Understanding ("MOU") with Weston Aluminium Pty Ltd ("Weston") of Chatswood, NSW, Australia. The MOU defines a cooperative commercial alliance ("Alliance") to jointly develop the capability to manufacture aluminum-scandium master alloy ("Master Alloy"). The intended outcome of this Alliance will be to develop the capability to offer Nyngan Project aluminum alloy customers scandium in form of Al-Sc Master Alloy, should customers prefer that product form.

**HIGHLIGHTS:**

- **MOU outlines terms of a commercial alliance with Weston Aluminum,**
- **Represents key steps towards Master Alloy manufacturing agreement,**
- **Allows SCY to quickly apply know-how alongside operating aluminum processor,**
- **Supports a product offer more suitable to many downstream customers, thereby expanding the potential customer base, and**
- **Allows SCY to bring added value to significant potential scandium markets.**

The MOU outlines steps to jointly establish the manufacturing parameters, metallurgical processes, and capital requirements to convert Nyngan Project scandium product into Master Alloy, on 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 Project.

**Discussion:**

SCY has been developing an internal understanding and capability to convert scandium oxide to Master Alloy for some time. In 2014, the Company announced it applied for a US Patent on Master Alloy production, which is still in the application phase. That Patent Application addressed scandium Master Alloys with both aluminum-base and magnesium-base metals. The Company has investigated scandium Master Alloy manufacturing processes previously with the CSIRO, in Australia, and Kingston Process Metallurgy (KPM) in Ontario, Canada. Further, the technical team in SCY has previous relevant experience in this metallurgical area.

Weston Aluminium is a privately-owned, established secondary aluminum and industrial services company with its production facilities located near Kurri Kurri in, NSW, approximately 50km from Newcastle and 400km from the Nyngan Project. Using an environmentally attractive 'non-salt' processing technology from Asahi Seiren in Japan as its core technology, Weston has further developed its application to process all forms of aluminum bearing dross and by-products from the aluminum industry, and manufacturing Aluminum Deoxidant for steel making for BlueScope Steel at Port Kembla NSW and Arrium at Whyalla SA. Weston recycles industrial aluminum scrap, and dross, principally from the Tomago Aluminum Smelter located north of Newcastle, which is an independent joint venture between Rio Tinto Alcan, CSR and Hydro Aluminum. Weston today recycles 20,000 tonnes of aluminum materials annually, and has established capability in recovering valuable metals from metallurgical process dross materials, resulting in zero land fill.

The process for making scandium Master Alloy is generally known, although efficiencies vary widely in practice. While numerous entities make and sell a variety of aluminum master alloys globally, very few have established the capability or the access to scandium, to make Al-Sc Master Alloy product well.

The Company believes that it can establish world-class techniques for manufacture of scandium Master Alloy, and can offer an upgraded product to aluminum alloy customers directly. This approach enables the Company to better control product quality, by consolidating the upgrade step through a trusted downstream processor. The Company will also continue to offer product in scandium oxide form, for customers who prefer or require that product form.

SCY intends to contribute the majority of the intellectual property (“IP”) required to define manufacturing technique and metallurgy, and will retain the IP rights to that process, recipe and know-how, as defined in the MOU.

**George Putnam, CEO of Scandium International Mining Corp. commented:**

“We are excited to team with an experienced aluminum products manufacturer to build a capability in scandium Master Alloy manufacturing. This Alliance allows SCY to apply and expand our know-how in this area immediately, while working with Weston, an innovative local operator. We believe this capability to offer scandium product as Master Alloy has the potential to broaden our customer base and deliver scandium’s promise more effectively to aluminum alloy users.”

## QUALIFIED PERSONS AND NI 43-101 TECHNICAL REPORT

Willem Duyvesteyn, MSc, AIME, CIM, a Director and CTO 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.

## ABOUT SCANDIUM INTERNATIONAL MINING CORP.

The Company is focused on developing the Nyngan Scandium Project into the world’s first scandium-only producing mine. The Company owns an 80% interest in both the Nyngan

Scandium Project, and the adjacent Honeybugle Scandium Property, in New South Wales, Australia, and is manager of both projects. Our joint venture partner, Scandium Investments LLC, owns the remaining 20% in both projects, along with an option to convert those direct project interests into SCY common shares, based on market values, prior to construction.

The Company filed a NI 43-101 technical report in May 2016, titled ***"Feasibility Study – Nyngan Scandium Project"***. That feasibility study delivered an expanded scandium resource, a first reserve figure, and an estimated 33.1% IRR on the project, supported by extensive metallurgical test work and an independent, 10-year global marketing outlook for scandium demand.

***For further information, please contact:***

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*This press release contains forward-looking statements about the Company and its business. Forward looking statements are statements that are not historical facts and include, but are not limited to: reserve and resource estimates, estimated NPV of the project, anticipated IRR, anticipated mining and processing methods for the Project, the estimated economics of the project, anticipated Scandium recoveries, production rates, scandium grades, estimated capital costs, operating cash costs and total production costs, planned additional processing work and environmental permitting. The forward-looking statements in this press release are subject to various risks, uncertainties and other factors that could cause the Company's actual results or achievements to differ materially from those expressed in or implied by forward looking statements. These risks, uncertainties and other factors include, without limitation risks related to uncertainty in the demand for Scandium and pricing assumptions; uncertainties related to raising sufficient financing to fund the project in a timely manner and on acceptable terms; changes in planned work resulting from logistical, technical or other factors; the possibility that results of work will not fulfill expectations and realize the perceived potential of the Company's properties; uncertainties involved in the estimation of Scandium reserves and resources; the possibility that required permits may not be obtained on a timely manner or at all; the possibility that capital and operating costs may be higher than currently estimated and may preclude commercial development or render operations uneconomic; the possibility that the estimated recovery rates may not be achieved; risk of accidents, equipment breakdowns and labor disputes or other unanticipated difficulties or interruptions; the possibility of cost overruns or unanticipated expenses in the work program; risks related to projected project economics, recovery rates, and estimated NPV and anticipated IRR and other factors identified in the Company's SEC filings and its filings with Canadian securities regulatory authorities.*

*Forward-looking statements are based on the beliefs, opinions and expectations of the Company's management at the time they are made, and other than as required by applicable securities laws, the Company does not assume any obligation to update its forward-looking statements if those beliefs, opinions or expectations, or other circumstances, should change.*