

## **HONEYBUGLE SCANDIUM PROJECT**

### **APRIL 2014 DRILLING PROGRAM RESULTS**



#### **Site Overview**

The Honeybugle Scandium Project area is located approximately 24 kilometers west-southwest from Scandium International's Nyngan Scandium Project and approximately 36 kilometers southwest from the town of Nyngan, NSW. The site is secured by an exploration license (EL 7977) covering 34.7 square kilometers. While quite large, the license covers only a part of the Honeybugle geologic complex.

The Honeybugle tenement contains lateritic material common to the region. The property itself is located in semi-arid broad-acre wheat farming country and is routinely planted. Farming is the largest industry in the area, although mining activity is evident, past and present.

The property includes four (4) distinct magnetic anomalies Seaford, Woodlong, Yarran Park and Mallee Valley. First stage drilling focused on Seaford. These areas were previously identified by groups exploring principally for platinum, nickel and cobalt in the 1980's, but scandium was of little interest. Surface soil and rock chip sampling conducted by previous license holders and SCY, on each of the four areas, did detect anomalous scandium values that are well above background levels (20-30 ppm). The results of this previous soil sampling work is what led to our interest in acquiring the Honeybugle exploration tenements.

A first stage drill program focused on the Seaford area and was completed in April 2014.

#### **Initial Drill Program**

Highlights of initial drilling program results:

- The highest 3-meter intercept graded 572 ppm scandium (hole EHAC 11)
- EHAC 11 also generated two additional high grade scandium intercepts, grading 510 ppm and 415 ppm, each over 3 meters,
- The program identified a 13-hole cluster which was of particular interest;
- Intercepts on these 13 holes averaged 270 ppm scandium over a total 273 meters,

- At an average continuous thickness of 21 meters per hole,
- Representing a total of 57% (354 meters) of total initial program drilling.
- The 13 holes produced 29 individual (3-meter) intercepts over 300 ppm, representing 31% of the mineralized intercepts in the 273 meters of interest, and
- This initial 30-hole AC exploratory drill program generated a total of 620 meters of scandium drill/assay results, over approximately 1 square kilometer on the property.

The results of 13 holes in the initial drill program are as follows:

<b>Honeybugle 30 Hole Drill Program - April 2014 Target-Scandium</b>						
<b>Drill Hole Number</b>	<b>Honeybugle Drill Area</b>	<b>Hole Type</b>	<b>From (meter depth)</b>	<b>To (meter depth)</b>	<b>Intercept Length (meters)</b>	<b>Total Scandium Grade (ppm)</b>
<b>EHAC 1</b>	Seaford	<b>Explore (AC)</b>	21	42	21	218
		<i>including</i>	27	36	9	262
<b>EHAC 2</b>	Seaford	<b>Explore (AC)</b>	0	12	12	300
		<i>including</i>	0	9	9	333
<b>EHAC 3</b>	Seaford	<b>Explore (AC)</b>	3	12	9	295
		<i>including</i>	6	9	3	352
<b>EHAC 5</b>	Seaford	<b>Explore (AC)</b>	0	15	15	244
		<i>including</i>	12	15	3	333
<b>EHAC 6</b>	Seaford	<b>Explore (AC)</b>	0	24	24	185
		<i>including</i>	0	9	9	214
		<i>including</i>	18	24	6	214
<b>EHAC 7</b>	Seaford	<b>Explore (AC)</b>	9	51	42	225
		<i>including</i>	15	42	27	220
		<i>including</i>	42	51	9	252
<b>EHAC 9</b>	Seaford	<b>Explore (AC)</b>	6	27	21	272
		<i>including</i>	9	24	15	350
<b>EHAC 10</b>	Seaford	<b>Explore (AC)</b>	0	18	18	251
<b>EHAC 11</b>	Seaford	<b>Explore (AC)</b>	0	30	30	369
		<i>including</i>	9	15	6	461
		<i>including</i>	21	24	3	572
<b>EHAC 12</b>	Seaford	<b>Explore (AC)</b>	0	21	21	177
<b>EHAC 26</b>	Seaford	<b>Explore (AC)</b>	0	21	21	309
	Seaford	<i>including</i>	3	18	15	343
<b>EHAC 28</b>	Seaford	<b>Explore (AC)</b>	0	18	18	344
	Seaford	<i>including</i>	3	15	12	363
<b>EHAC 29</b>	Seaford	<b>Explore (AC)</b>	3	21	18	316
		<i>including</i>	9	18	9	396

Assumes 175 ppm cut-off grade

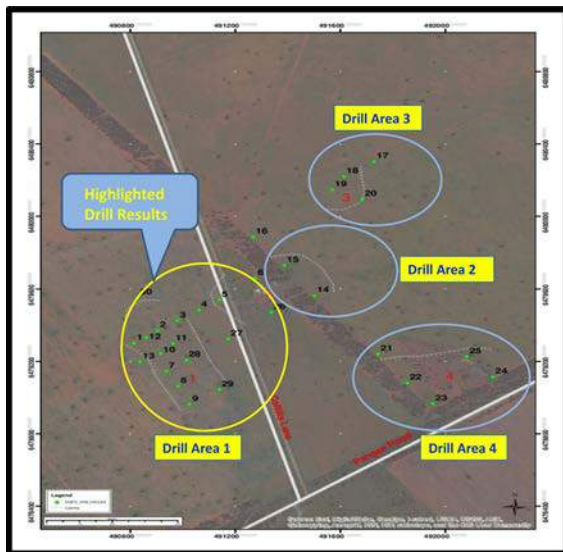
Seaford is characterised by extensive outcrops of dry, iron-rich laterites, allowing for a particularly shallow drill program. Thirty (30) air core (AC) holes on nominal 100-meter spacing were planned, over an area of approximately 1 square kilometer. Four holes were halted in under 10 meters depth, based on thin laterite beds, low scandium grades, and shallow bedrock.

The 13 holes highlighted in the table are grouped together on either side of Coffills Lane, and represent all of the drill locations where meaningful intercept thickness generated scandium grades exceeding 175 ppm. Some of these 13 holes showed significant scandium values on the immediate surface, and alternately, other holes exhibited favorable scandium grades that began at shallow depth. The highest grade Sc sample was found in a 21-24 meter interval (572 ppm), although several holes produced better than 350 ppm Sc intercepts at depths of under 9 meters. The deepest hole (EHAC 7) was drilled to 57 meters, showing good scandium grades over a 12-meter horizon (245 ppm) near the bottom of the hole, from 39 to 51 meters depth. Higher scandium grades were associated with higher iron levels. Holes were drilled to a depth where they contacted the fresh ultramafic bedrock, which generally signaled the end of any scandium enrichment zones.

The drill plan divided Seaford into four sub-areas, 1-4, as highlighted on the map below. Area 1 was relatively higher ground and therefore the least impacted by ground moisture. Consequently this dryer area received the greatest attention, although that had been the general intention in the plan. Area 1 received 17 holes, with 13 presented in detail in the table above. Areas 2-4 were each intended as step-out areas that need to be further examined in the next program. The three step-out areas did not generate results of particular note, although hole locations were not optimal due to ground conditions and access.

- Area 2 received 3 holes, 60 meters total, and generated Sc grades from 45-75 ppm,
- Area 3 received 4 holes, 87 meters total, and generated Sc grades from 47-122 ppm,
- Area 4 received 5 holes, 72 meters total, and generated Sc grades from 60-101 ppm, and
- The average depth of all of these holes was 18 meters, with the deepest 30 meters.

Figure 1: Initial Drill Program Map



This 13-hole cluster (Area 1) was noted to be in a relatively thick laterite zone which was constrained to the west by contact with metasediments, to the east by fresh ultramafic bedrock, and to some extent in the north by a poor intersection result in hole 30. Area 1 remains somewhat open to the south, with the two southern-most holes (EHAC 9 and EHAC 29) generating some of the best scandium grade intercepts in the area.

The surface and near surface mineralization at this property is an advantage, both in locating areas of interest for future exploration work, and also because of extremely low overburden ratios. This particular characteristic for the Honeybugle property is different to our Nyngan property, where mineralization is typically covered by 10-20 meters of barren alluvium.

Scandium International takes the same interpretive view of Honeybugle that we have on our Nyngan resource, in that 100 ppm scandium values represent a good cut-off grade for targeting and ultimately for resource development. Grades between 50 and 100 ppm represent areas where weathering of the bedrock has been effective in upgrading scandium, and should garner exploration interest. Areas indicating 100 to 200 ppm scandium represent potentially attractive locations for soil sampling and targeted investigation, and areas that show 200 to 350 ppm scandium assays represent unusual concentration levels that should receive priority drill work programs.

Further drilling at Seaford is warranted, based on the results of this introductory and modest program, specifically to the north and south of the existing area 1 drill pattern, along with investigation and select drilling at the other three remaining anomalies on the property. The geologic consultants who designed the initial drill program have also recommended that a more complete sample analysis be undertaken, specifically where the 3-meter composite samples gave scandium grades &#8805; 80ppm. The stored bulk samples provide an opportunity to re-measure scandium grades on a 1-meter interval basis, for the same suite of elements.

#### Qualified Person and Quality Assurance/Quality Control

John Thompson, B.E. (Mining); Vice President - Development at EMC Metals Corp is a qualified person as defined in NI 43-101 and has reviewed the technical information in this press release.

The drilling, sampling, packaging and transport of the drill samples was carried out to industry standards for QA/QC. EMC 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 Miandetta, for long-term storage.

ALS/Orange dried and weighed the samples, and pulverised 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 analysed 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.

