



UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2019

Scandium International Mining Corp.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Expressed in US Dollars) (Unaudited)

As at:	March 31, 2019	December 31, 2018
ASSETS		
Current		
Cash	\$ 774,322	\$ 284,757
Prepaid expenses and receivables	30,458	38,951
Total Current Assets	804,780	323,708
Reclamation bond (Note 4)	11,444	11,444
Equipment (Note 3)	8,697	9,274
Mineral property interests (Note 4)	704,053	704,053
Total Assets	\$ 1,528,974	\$ 1,048,479
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 35,178	\$ 146,586
Accounts payable with related parties (Note 5)	15,390	-
Total Liabilities	50,568	146,586
Equity		
Capital stock (Note 6) (Authorized: Unlimited number of common shares; Issued and outstanding: 311,782,595 (2018 – 304,781,294))	109,241,572	108,244,311
Treasury stock (Note 7) (1,033,333 common shares) (2018 – 1,033,333)	(1,264,194)	(1,264,194)
Additional paid in capital (Note 6)	5,587,830	5,675,812
Accumulated other comprehensive loss	(853,400)	(853,400)
Deficit	(111,233,402)	(110,900,636)
Total Equity	1,478,406	901,893
Total Liabilities and Equity	\$ 1,528,974	\$ 1,048,479

Nature and continuance of operations (Note 1)

The accompanying notes are an integral part of these condensed consolidated financial statements.

Scandium International Mining Corp.
CONDENSED CONSOLIDATED STATEMENTS OF
OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in US Dollars) (Unaudited)

3 month period ended	March 31, 2019	March 31, 2018
EXPENSES		
Amortization (Note 3)	\$ 577	\$ 158
Consulting	95,618	68,179
Exploration (recovery)	(26,184)	(16,794)
General and administrative	94,492	100,382
Insurance	7,584	7,345
Professional fees	29,204	54,401
Salaries and benefits	114,109	158,895
Stock-based compensation (Note 6)	13,116	920,558
Travel and entertainment	13,731	26,019
	(342,247)	(1,319,143)
Foreign exchange gain (loss)	9,481	(10,470)
Loss and comprehensive loss for the period	\$ (332,766)	\$ (1,329,613)
Basic and diluted loss per common share	\$ 0.00	\$ 0.01
Weighted average number of common shares outstanding – basic and diluted	305,571,161	292,740,146

The accompanying notes are an integral part of these condensed consolidated financial statements.

Scandium International Mining Corp.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in US Dollars) (Unaudited)

3-month period ended	March 31, 2019	March 31, 2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (332,766)	\$ (1,329,613)
Items not affecting cash:		
Amortization	577	158
Stock-based compensation	13,116	920,558
Changes in non-cash working capital items:		
Decrease (increase) in prepaid expenses and receivables	8,493	(58,951)
(Decrease) increase in accounts payable, accrued liabilities and accounts payable with related parties	(96,018)	318
	<u>(406,598)</u>	<u>(467,530)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Common shares issued	799,483	810,898
Options exercised for common shares	96,680	16,071
	<u>896,163</u>	<u>826,969</u>
Change in cash during the period	489,565	359,439
Cash, beginning of period	<u>284,757</u>	<u>343,434</u>
Cash, end of period	<u>\$ 774,322</u>	<u>\$ 702,873</u>

	2019		2018
Cash paid during the 3 month period for interest	\$	-	\$
Cash paid during the 3 month period for taxes	\$	-	\$

There were no significant non-cash investing and financing activities during the periods ended March 31, 2019 and 2018.

The accompanying notes are an integral part of these condensed consolidated financial statements.

Scandium International Mining Corp.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN
EQUITY
(Expressed in US Dollars) (Unaudited)

	Number of Shares	Capital Stock	Additional Paid in Capital	Treasury Stock	Accumulated Other Comprehensive Loss	Deficit	Total Stockholders' Equity
Balance, December 31, 2018	304,781,294	\$ 108,244,311	\$ 5,675,812	\$ (1,264,194)	\$ (853,400)	\$ (110,900,636)	\$ 901,893
Private placement	5,926,301	799,483	-	-	-	-	799,483
Options exercised	1,075,000	197,778	(101,098)	-	-	-	96,680
Stock-based compensation	-	-	13,116	-	-	-	13,116
Loss for the period	-	-	-	-	-	(332,766)	(332,766)
Balance, March 31, 2019	311,782,595	\$ 109,241,572	\$ 5,587,830	\$ (1,264,194)	\$ (853,400)	\$ (111,233,402)	\$ 1,478,406

	Number of Shares	Capital Stock	Additional Paid in Capital	Treasury Stock	Accumulated Other Comprehensive Loss	Deficit	Total Stockholders' Equity
Balance, December 31, 2017	291,970,239	\$ 106,468,869	\$ 4,617,484	\$ (1,264,194)	\$ (853,400)	\$ (107,939,528)	\$ 1,029,528
Private placement	5,729,167	810,898	-	-	-	-	810,898
Options exercised	200,000	19,964	(3,893)	-	-	-	16,071
Stock-based compensation	-	-	920,558	-	-	-	920,558
Loss for the period	-	-	-	-	-	(332,766)	(332,766)
Balance, March 31, 2018	297,899,406	\$ 107,299,731	\$ 5,534,149	\$ (1,264,194)	\$ (853,400)	\$ (109,269,141)	\$ 1,447,145

The accompanying notes are an integral part of these condensed consolidated financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Scandium International Mining Corp. (the "Company") is a specialty metals and alloys company focusing on scandium and other specialty metals.

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".

The Company's focus is on the exploration and evaluation of its specialty metals assets, specifically the Nyngan scandium deposit located in New South Wales, Australia. The Company is an exploration stage company and anticipates incurring significant additional expenditures prior to production at any and all of its properties.

These condensed 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 in order 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. In the event that additional financial support is not received or operating profits are not generated, the carrying values of the Company's assets may be adversely affected.

2. BASIS OF PRESENTATION

Basis of presentation

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC"). The interim condensed consolidated financial statements include the consolidated accounts of the Company and its wholly-owned subsidiaries with all significant intercompany transactions eliminated. In the opinion of management, all adjustments necessary for a fair statement of the consolidated financial position, results of operations and cash flows for the interim periods have been made. Certain information and footnote disclosures normally included in the consolidated financial statements prepared in accordance with generally accepted accounting principles of the United States of America ("US GAAP") have been condensed or omitted pursuant to such SEC rules and regulations. These interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2018 and with our Annual Report on Form 10-K filed with the SEC on March 4, 2019. Operating results for the three-month period ended March 31, 2019 may not necessarily be indicative of the results for the year ending December 31, 2019.

These unaudited interim condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, EMC Metals USA Inc., Scandium International Mining Corp. Norway AS, SCY Exploration Finland Oy, and EMC Metals Australia Pty Ltd. (EMC-A").

Use of estimates

The preparation of unaudited interim condensed consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. The Company regularly evaluates estimates and assumptions related to the deferred income tax asset valuations, asset impairment, stock-based compensation and loss contingencies. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between estimates and the actual results, future results of operations will be affected.

The Company considers itself to be an exploration stage company and will consider the transition to development stage after it receives funding to begin mine construction, and board approval.

Fair value of financial assets and liabilities

The Company measures the fair value of financial assets and liabilities based on US GAAP guidance which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements.

The Company classifies financial assets and liabilities as held-for-trading, available-for-sale, held-to-maturity, loans and receivables or other financial liabilities depending on their nature. Financial assets and financial liabilities are recognized at fair value on their initial recognition, except for those arising from certain related party transactions which are accounted for at the transferor's carrying amount or exchange amount.

Financial assets and liabilities classified as held-for-trading are measured at fair value, with gains and losses recognized in net income. Financial assets classified as held-to-maturity, loans and receivables, and financial liabilities other than those classified as held-for-trading are measured at amortized cost, using the effective interest method of amortization. Financial assets classified as available-

2. BASIS OF PRESENTATION (cont'd...)

for-sale are measured at fair value, with unrealized gains and losses being recognized as other comprehensive income until realized, or if an unrealized loss is considered other than temporary, the unrealized loss is recorded in income.

Financial instruments, including receivables, accounts payable and accrued liabilities, and accounts payable with related parties are carried at amortized cost, which management believes approximates fair value due to the short-term nature of these instruments.

The Company has no leases with a term of greater than 12 months. Short term lease expenses totaled \$6,966 during the quarter ended March 31, 2019 and \$6,699 during the quarter ended March 31, 2018.

The following table presents information about the assets that are measured at fair value on a recurring basis as at March 31, 2019 and indicates the fair value hierarchy of the valuation techniques the Company utilized to determine such fair value. In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets. Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset or liability, and included situations where there is little, if any, market activity for the asset:

	March 31, 2019	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Cash	\$ 774,322	\$ 774,322	\$ —	\$ —
Total	\$ 774,322	\$ 774,322	\$ —	\$ —

The carrying value of receivables, accounts payable and accrued liabilities, and accounts payable with related parties approximate their fair value due to their short-term nature.

The fair value of cash is determined through market, observable and corroborated sources.

Recently Adopted and Recently Issued Accounting Standards

Accounting Standards Update 2019-01 – Leases (Topic 842) Codification Improvements - Issue 3 Transition Disclosures Related to Topic 250, Accounting Changes and Error Corrections. The amendments in this Update clarify the Board's original intent by explicitly providing an exception to the paragraph 250-10-50-3 interim disclosure requirements in the Topic 842 transition disclosure requirements. The effective date is for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. The Company is currently evaluating the impact this guidance will have on its financial statements.

Accounting Standards Update 2018-13 – Fair Value Measurement (Topic 840) Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement. The amendments in this update apply to all entities that are required, under existing GAAP, to make disclosures about recurring or nonrecurring fair value measurements. This standard is effective for interim and annual reporting periods beginning after December 15, 2019, with early adoption permitted. The Company is currently evaluating the impact this guidance will have on its financial statements.

Accounting Standards Update 2018-11 - Leases (Topic 842) Targeted Update. This accounting pronouncement is an update to Accounting Standard 2016-02 (see below). This standard allows for an additional (and optional) transition method. This standard is effective for interim and annual reporting periods beginning after December 15, 2018, with early adoption permitted. The Company has adopted the election to recognize short-term leases through profit or loss, with no material effect to the consolidated financial statements.

Accounting Standards Update 2018-07 – Compensation – Stock Compensation (Topic 718) Improvements to Nonemployee Share-Based Payment Accounting. This accounting pronouncement deals with simplification of share-based accounting in efforts to maintain or improve the usefulness of the information provided to the users of financial statements while reducing cost and complexity in financial reporting. The areas for simplification in this update involve several aspects of the accounting for nonemployee share-based payment transactions resulting from expanding the scope of Topic 718, Compensation—Stock Compensation, to include share-based payment transactions for acquiring goods and services from nonemployees. The amendments in this update are effective for public business entities for fiscal years beginning after December 15, 2018, including interim periods within that fiscal year. The Company has adopted this policy with no material effect to the consolidated financial statements.

Accounting Standards Update 2016-02 - Leases (Topic 842). This accounting pronouncement allows lessees to make an accounting policy election to not recognize a lease asset and liability for leases with a term of 12 months or less and that do not have a purchase option that is expected to be exercised. This standard is effective for interim and annual reporting periods beginning after December

15, 2018, with early adoption permitted. The Company has adopted this policy which had no material effect to the consolidated financial statements.

3. EQUIPMENT

	December 31, 2018 Net Book Value	Additions (disposals) (write-offs)	Amortization	March 31, 2019 Net Book Value
Computer equipment	\$ 9,274	\$ -	\$ (577)	\$ 8,697

	December 31, 2017 Net Book Value	Additions (disposals) (write-offs)	Amortization	December 31, 2018 Net Book Value
Computer equipment	\$ 1,947	\$ 8,377	\$ (1,050)	\$ 9,274

4. MINERAL PROPERTY INTERESTS

March 31, 2019	Scandium and other
Balance, March 31, 2019, December 31, 2018	\$ 704,053

Title to mineral property interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral property interests. The Company has investigated title to all of its mineral property interests and, to the best of its knowledge, title to all of its properties is in good standing.

SCANDIUM PROPERTIES

Nyngan, New South Wales Property

The Company holds a 100% interest in the Nyngan property in New South Wales, Australia (NSW). A definitive feasibility study was completed on the property in fiscal 2016. During December 2017 the Company revised and renewed a scandium product offtake agreement for delivery of scandium-based product upon availability from mine production.

In April 2019, the Company received notice from the New South Wales Department of Planning and Environment (the "Department") that, due to a procedural issue within the Department, the Company's Mine Lease Grant, ("ML 1763"), pertaining to the Nyngan Scandium Project, previously issued by the Department, is invalid. The Company is seeking resolution to the status of ML 1763 and maintains its lease application in good standing.

Royalties attached to the Nyngan property include, a 0.7% royalty on gross mineral sales on the property, a 1.5% Net Profits Interest royalty to private parties involved with the early exploration on the property, and a 1.7% Net Smelter Returns royalty payable for 12 years after production commences. Another revenue royalty is payable to private interests of 0.2%, subject to a \$370,000 cap. A NSW minerals royalty will also be levied on the project, subject to negotiation, currently 4% on revenue.

Honeybugle property, Australia

The Company holds a 100% interest in the Honeybugle property.

Kiviniemi Scandium Property Finland

In August 2018, the Company was granted an Exploration License for the Kiviniemi Scandium Property in central Finland from the Finnish regulatory body governing mineral exploration and mining in Finland. As of March 31, 2019, no funds have been capitalized for this property. During fiscal 2018, a reclamation bond of \$11,444 (€10,000) was placed.

5. RELATED PARTY TRANSACTIONS

During the 3-month period ended March 31, 2019, the Company expensed \$Nil for stock-based compensation for stock options issued to Company directors. During the 3-month period ended March 31, 2018, the Company expensed \$695,405 for stock-based compensation for stock options issued to Company directors.

Scandium International Mining Corp.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 March 31, 2019
 (Expressed in US Dollars) (Unaudited)

During the 3-month period ended March 31, 2019, the Company paid a consulting fee of \$25,500 to one of its directors. During the 3-month period ended March 31, 2018, the Company paid a consulting fee of \$25,500 to one of its directors.

As at March 31, 2019, the Company owed \$15,390 to various directors and officers of the Company. (December 31, 2018 - \$Nil)

6. CAPITAL STOCK AND ADDITIONAL PAID IN CAPITAL

Private placements

On March 21, 2019, the Company issued 5,926,301 common shares at a value of C\$0.18 per common share for total proceeds of C\$1,066,734 (\$799,483).

On March 2, 2018, the Company issued 5,729,167 common shares at a value of C\$0.18 per common share for total proceeds of C\$1,031,250 (\$810,898).

Stock Options

The Company established a stock option plan (the "Plan") under which it is authorized to grant options to executive officers and directors, employees and consultants and the number of options granted under the Plan shall not exceed 15% of the shares outstanding. Under the Plan, the exercise period of the options may not exceed ten years from the date of grant and vesting is determined by the Board of Directors.

Stock option transactions are summarized as follows:

	Stock Options	
	Number	Weighted average exercise price in Canadian \$
Outstanding, December 31, 2017	23,585,000	\$ 0.18
Granted	6,850,000	0.225
Exercised	(1,010,000)	0.10
Expired	(360,000)	0.27
Outstanding, December 31, 2018	29,065,000	0.194
Exercised	(1,075,000)	0.12
Outstanding, March 31, 2019	27,990,000	\$ 0.197
Number currently exercisable	27,610,000	\$ 0.196

As at March 31, 2019, incentive stock options were outstanding as follows:

	Number of Options Outstanding	Number of Options Exercisable	Exercise Price in Canadian \$	Expiry Date
Options				
	2,300,000	2,300,000	0.120	July 25, 2019
	200,000	200,000	0.100	December 30, 2019
	3,450,000	3,450,000	0.140	April 17, 2020
	250,000	250,000	0.600	May 11, 2020
	400,000	400,000	0.115	August 28, 2020
	4,300,000	4,300,000	0.100	November 5, 2020
	4,850,000	4,850,000	0.130	February 8, 2021
	400,000	400,000	0.200	June 14, 2021
	4,980,000	4,980,000	0.370	February 21, 2022
	250,000	150,000	0.300	October 6, 2022
	6,260,000	5,980,000	0.225	January 19, 2023
	350,000	350,000	0.185	August 30, 2023
	27,990,000	27,610,000		

As at March 31, 2019 the Company's outstanding and exercisable stock options have an aggregate intrinsic value of \$594,500 (December 31, 2018 - \$1,084,994).

6. CAPITAL STOCK AND ADDITIONAL PAID IN CAPITAL (cont'd...)

Stock-based compensation

During the 3-month period ended March 31, 2019, the Company recognized stock-based compensation of \$13,116 (March 31, 2018 - \$920,558) in the statement of operations and comprehensive loss. There were no stock options granted during the 3-month period ended March 31, 2019 (March 31, 2018 – 6,500,000).

The weighted average fair value of the options granted in the quarter was C\$ Nil (2018 - C\$0.192).

The fair value of all compensatory options granted is estimated on grant date using the Black-Scholes option pricing model. The weighted average assumptions used in calculating the fair values of stock options granted in the 3-month period ended March 31 are as follows:

	2019	2018
Risk-free interest rate	N/A	1.96%
Expected life	N/A	5 years
Volatility	N/A	127.81%
Forfeiture rate	N/A	N/A
Dividend rate	N/A	N/A

7. TREASURY STOCK

	Number	Amount
Treasury shares, March 31, 2019 and December 31 2018	1,033,333	\$ 1,264,194
	1,033,333	\$ 1,264,194

Treasury shares comprise shares of the Company which cannot be sold without the prior approval of the TSX.

8. SEGMENTED INFORMATION

The Company's mineral properties are located in Australia. The Company's capital assets' geographic information is as follows:

March 31, 2019	Australia	United States	Total
Equipment	\$ -	\$ 8,697	\$ 8,697
Mineral property interests	704,053	-	704,053
	\$ 704,053	\$ 8,697	\$ 712,750
December 31, 2018	Australia	United States	Total
Equipment	\$ -	\$ 9,274	\$ 9,274
Mineral property interests	704,053	-	704,053
	\$ 704,053	\$ 9,274	\$ 713,327