



UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2024

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

As at:	March 31, 2024	December 31, 2023
ASSETS		
Current		
Cash	\$ 908,298	\$ 1,021,956
Prepaid expenses and receivables	27,785	40,211
Total Current Assets	936,083	1,062,167
Reclamation bond (Note 3)	10,792	11,037
Mineral property interests (Note 3)	704,053	704,053
Total Assets	\$ 1,650,928	\$ 1,777,257
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current		
Accounts payable and accrued liabilities	\$ 42,245	\$ 60,782
Accounts payable with related parties (Note 4)	4,884	5,104
Derivative liability – warrants (Note 5)	326,997	283,373
Total Liabilities	374,126	349,259
Shareholders' equity		
Capital stock (Note 5) (Authorized: Unlimited number of common shares; Issued and outstanding: 355,860,813 (2023 – 355,860,813))	111,144,603	111,144,603
Treasury stock (Note 6) (1,033,333 common shares) (2023 – 1,033,333)	(1,264,194)	(1,264,194)
Additional paid in capital (Note 5)	7,306,631	7,306,631
Accumulated other comprehensive loss	(853,400)	(853,400)
Deficit	(115,056,838)	(114,905,642)
Total Shareholders' Equity	1,276,802	1,427,998
Total Liabilities and Shareholders' Equity	\$ 1,650,928	\$ 1,777,257

Nature and continuance of operations (Note 1)

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

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

3-month period ended	March 31, 2024	March 31, 2023
EXPENSES		
Exploration	15,483	37,224
General and administrative	17,439	29,751
Insurance	7,835	7,832
Professional fees	26,856	33,178
Salaries and benefits	34,952	68,123
Travel and entertainment	-	3,737
	(102,565)	(179,845)
Foreign exchange gain (loss)	(3,052)	(21,340)
Interest income	7,489	7,379
Unrealized gain (loss) on derivative liability – warrants (Note 5)	(53,068)	429,806
	\$ (151,196)	\$ 236,000
Income (loss) and comprehensive income (loss) for the period		
Basic and diluted income (loss) per common share	\$ 0.00	\$ 0.00
Weighted average number of common shares outstanding – basic and diluted	355,860,813	355,860,813

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

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

3-month period ended	March 31, 2024	March 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) for the period	\$ (151,196)	\$ 236,000
Items not affecting cash:		
Stock-based compensation	-	26,949
Unrealized gain (loss) on derivative liability – warrants	53,068	(429,806)
Unrealized loss on foreign exchange	(9,199)	21,952
Changes in non-cash working capital items:		
Decrease (increase) in prepaid expenses and receivables	12,426	(2,691)
Decrease in accounts payable, accrued liabilities and accounts payable with related parties	(18,757)	(159,972)
	<u>(113,658)</u>	<u>(307,568)</u>
Change in cash during the period	(113,658)	(307,568)
Cash, beginning of period	<u>1,021,956</u>	<u>1,852,710</u>
Cash, end of period	<u>\$ 908,298</u>	<u>\$ 1,545,142</u>
	2024	2023
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, 2024, and 2023.

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

Scandium International Mining Corp.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN
SHAREHOLDERS' 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, 2022	355,860,813	\$ 111,144,603	\$ 7,019,116	\$ (1,264,194)	\$ (853,400)	\$ (114,952,846)	\$ 1,093,279
Stock-based compensation	-	-	26,949	-	-	-	26,949
Income for the three months	-	-	-	-	-	236,000	236,000
Balance, March 31, 2023	355,860,813	\$ 111,144,603	\$ 7,046,065	\$ (1,264,194)	\$ (853,400)	\$ (114,716,846)	\$ 1,356,228
Stock-based compensation	-	-	21,684	-	-	-	21,684
Loss for the three months	-	-	-	-	-	(129,756)	(129,756)
Balance, June 30, 2023	355,860,813	\$ 111,144,603	\$ 7,067,749	\$ (1,264,194)	\$ (853,400)	\$ (114,846,602)	\$ 1,248,156
Stock-based compensation	-	-	10,906	-	-	-	10,906
Income for the three months	-	-	-	-	-	74,732	74,732
Balance, September 30, 2023	355,860,813	\$ 111,144,603	\$ 7,078,655	\$ (1,264,194)	\$ (853,400)	\$ (114,771,870)	\$ 1,333,794
Stock-based compensation	-	-	227,976	-	-	-	227,976
Loss for the three months	-	-	-	-	-	(133,772)	(133,772)
Balance, December 31, 2023	355,860,813	\$ 111,144,603	\$ 7,306,631	\$ (1,264,194)	\$ (853,400)	\$ (114,905,642)	\$ 1,427,998
Loss for the three months	-	-	-	-	-	(151,196)	(151,196)
Balance, March 31, 2024	355,860,813	\$ 111,144,603	\$ 7,306,631	\$ (1,264,194)	\$ (853,400)	\$ (115,056,838)	\$ 1,276,802

The accompanying notes are an integral part of these condensed interim 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 interim 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.

The political upheavals in various countries have caused significant volatility in commodity prices. While these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time.

2. BASIS OF PRESENTATION

Basis of presentation

The accompanying unaudited condensed interim consolidated financial statements have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC"). The condensed interim 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 condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2023 and with our Annual Report on Form 10-K filed with the SEC on April 1, 2024. Operating results for the three-month period ended March 31, 2024 may not necessarily be indicative of the results for the year ending December 31, 2024.

These unaudited condensed interim 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 condensed interim 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 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.

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

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-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 cash, receivables, reclamation bond, 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 had no leases in the quarter ending March 31, 2024, or 2023.

The following table presents information about the assets that are measured at fair value on a recurring basis as at March 31, 2024 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 include situations where there is little, if any, market activity for the asset:

	March 31, 2024	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	\$ 902,298	\$ 902,298	\$ -	\$ -
Derivative liability - warrants	\$ (326,997)	\$ -	\$ (326,997)	\$ -

Recently Adopted and Recently Issued Accounting Standards

Accounting Standards Update 2023-07 – Segment Reporting (Topic 280). This update is to improve the disclosures about a public entity's reportable segments through enhanced disclosures about significant segment expenses and is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The Company is reviewing this standard but anticipates little impact on its financial statements.

Accounting Standards Update 2023-09 – Income Taxes (Topic 740). This update is to enhance the transparency and decision usefulness of income tax disclosures for fiscal years beginning after December 15, 2024. The Company is reviewing this standard to determine the impact on its financial statements.

3. MINERAL PROPERTY INTERESTS

March 31, 2024	Scandium and other
Balance, March 31, 2024, December 31, 2023	\$ 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").

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.

3. MINERAL PROPERTY INTERESTS (cont'd...)

Kiviniemi Scandium Property Finland

In December 2023, the Company decided not to renew an Exploration License for the Kiviniemi Scandium Property in central Finland from the Finnish regulatory body governing mineral exploration and mining in Finland. As at March 31, 2024 the Company has a reclamation bond of \$10,792 (€10,000) (December 31, 2023 - \$11,037 (€10,000)) that it is in the process of recovering.

4. RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2024, the Company expensed \$Nil for stock-based compensation for stock options issued to Company directors. During the three months ended March 31, 2023, the Company expensed \$24,585 for stock options issued to Company directors.

As at March 31, 2024, the Company owed \$4,884 to an officer of the Company (December 31, 2023 - \$5,104).

5. CAPITAL STOCK AND ADDITIONAL PAID IN CAPITAL

The holders of common stock are entitled to one vote for each share held. There are no restrictions that limit the Company's ability to pay dividends on its common stock. The Company has not declared any dividends since incorporation. The Company's common stock has no par value per common share.

During the three months ended March 31, 2024, and the year ended December 31, 2023, there were no share issuances pursuant to private placements.

Warrants

A summary of warrant activity for the quarter ended March 31, 2024, is as follows:

	Number of warrants	Exercise price	Expiry date
Outstanding December 31, 2023	37,803,218	CAD\$0.1075	May 20 - June 14, 2027
Outstanding March 31, 2024	37,803,218	CAD\$0.1075	

A fair value of the derivative liability of \$1,781,779 was estimated on the date of the subscription using the Black-Scholes pricing model. A fair value of the derivative liability of \$283,373 was estimated at December 31, 2023, using the Black-Scholes pricing model. For the quarter ended March 31, 2024, there was a non-cash gain on derivative liability – warrants of \$53,068 and an unrealized foreign exchange loss of \$9,443 resulting in a fair value as at March 31, 2024 of \$326,997 with the following weighted average assumptions:

	March 31, 2024	December 31, 2023
Exercise price	CAD\$0.1075	CAD\$0.1075
Stock price	CAD\$0.025	CAD\$0.025
Expected term	3.23 years	3.5 years
Expected dividend yield	-	-
Expected stock price volatility	114.98%	100.02%
Risk-free interest rate	3.63%	3.59%

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. The number of options granted under the Plan shall not exceed 10% 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.

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

Stock option transactions are summarized as follows:

	Stock Options	
	Number	Weighted average exercise price in Canadian \$
Outstanding, December 31, 2022	34,665,000	0.14
Granted	11,400,000	0.035
Expired	(6,050,000)	0.22
Outstanding, December 31, 2023	40,015,000	\$ 0.10
Outstanding, March 31, 2024	40,015,000	\$ 0.10
Number currently exercisable	40,015,000	\$ 0.10

As at March 31, 2024, incentive stock options were outstanding as follows:

	Number of Options Outstanding	Number of Options Exercisable	Exercise Price in Canadian \$	Expiry Date
Options				
	3,240,000	3,240,000	0.150	May 9, 2024*
	50,000	50,000	0.130	June 24, 2024
	7,450,000	7,450,000	0.065	March 19, 2025
	100,000	100,000	0.075	May 22, 2025
	5,900,000	5,900,000	0.140	November 13, 2025
	6,175,000	6,175,000	0.180	May 23, 2026
	5,700,000	5,700,000	0.090	June 24, 2027
	11,400,000	11,400,000	0.350	November 14, 2028
	40,015,000	40,015,000		

* These options expired unexercised subsequent to March 31, 2024.

As at March 31, 2024 the Company's outstanding and exercisable stock options have an aggregate intrinsic value of \$Nil (December 31, 2023 - \$Nil).

6. TREASURY STOCK

	Number	Amount
Treasury shares, March 31, 2024, and December 31, 2023	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.

7. SEGMENTED INFORMATION

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

March 31, 2024	<u>Australia</u>	<u>Total</u>
Mineral property interests	<u>704,053</u>	<u>704,053</u>
	<u>\$ 704,053</u>	<u>\$ 704,053</u>

December 31, 2023	<u>Australia</u>	<u>Total</u>
Mineral property interests	<u>704,053</u>	<u>704,053</u>
	<u>\$ 704,053</u>	<u>\$ 704,053</u>