

SCANDIUM INTERNATIONAL MINING CORP.  
Form DEF 14A  
April 24, 2019

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**SCHEDULE 14A**  
(RULE 14A-101)

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(A) OF  
THE SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant  [X]  
Filed by a party other than the Registrant  [ ]

Check the appropriate box:

- [ ] Preliminary Proxy Statement  
 [ ] Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))  
 [X] Definitive Proxy Statement  
 [ ] Definitive Additional Materials  
 [ ] Soliciting Material under Rule 14a-12

**SCANDIUM INTERNATIONAL MINING CORP.**  
(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- [X] No fee required  
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(1) Title of each class of securities to which transaction applies:

N/A

(2) Aggregate number of securities to which transaction applies:

N/A

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth

the amount on which the filing fee is calculated and state how it was determined):

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(4) Proposed maximum aggregate value of transaction:

N/A

(5) Total fee paid:

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Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

N/A

(2) Form, Schedule or Registration Statement No.:

N/A

(3) Filing Party:

N/A

(4) Date Filed:

N/A

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**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

TAKE NOTICE that the annual general meeting of shareholders (the **Meeting** ) of Scandium International Mining Corp. (the **Company** ) will be held at Suite 1200 750 West Pender Street, Vancouver, British Columbia, V6C 2T8 on **Thursday, June 6, 2019 at 10:00 a.m. (Pacific Standard Time)** for the following purposes:

1. to receive the audited financial statements of the Company for its fiscal year ended December 31, 2018 and the report of the auditors thereon;
2. to fix the number of directors at nine (9);
3. to elect directors of the Company for the ensuing year;
4. to re-appoint Davidson & Company LLP, Chartered Accountants, as auditors of the Company for the ensuing year, and to authorize the directors to fix the auditors' remuneration;
5. to consider an advisory vote on the executive compensation;
6. to consider an advisory vote on the frequency of holding future advisory votes on executive compensation; and

7. to transact any other business which may properly come before the Meeting, or any adjournment thereof. The Board of Directors has fixed April 17, 2019 as the record date for determining shareholders entitled to receive notice of, and to vote at, the Meeting or any adjournment or postponement thereof. Only shareholders of record at the close of business on that date will be entitled to notice of and to vote at the Meeting.

All shareholders are invited to attend the Meeting in person, but even if you expect to be present at the Meeting, you are requested to mark, sign, date and return the enclosed proxy card in accordance with the instructions set out in the notes to the proxy and any accompanying information from your intermediary as promptly as possible to ensure your representation. All proxies must be received by our transfer agent by no later than 48 hours prior to the time of the Meeting in order to be counted.

DATED at Vancouver, British Columbia, this 17th day of April, 2019.

ON BEHALF OF THE BOARD OF DIRECTORS

George Putnam  
PRESIDENT & CEO

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**PROXY STATEMENT AND INFORMATION CIRCULAR**  
**AS AT APRIL 17, 2019**

ANNUAL GENERAL MEETING OF SHAREHOLDERS  
TO BE HELD ON JUNE 6, 2019

*In this Proxy Statement and Information Circular, all references to \$ are references to United States dollars and all references to C\$ are references to Canadian dollars. As at April 17, 2019, one Canadian dollar was equal to approximately \$0.75 in U.S. Currency.*

**GENERAL**

The enclosed proxy is solicited by the Board of Directors (the **Board**) of Scandium International Mining Corp., a British Columbia corporation (the **Company** or **SCY**), for use at the Annual General Meeting of Shareholders (the **Meeting**) of SCY to be held at 10:00 a.m. (Pacific Standard Time) on Thursday, June 6, 2019, at the offices of Morton Law LLP at Suite 1200 - 750 West Pender Street, Vancouver, British Columbia, V6C 2T8, and at any adjournment or postponement thereof.

This Proxy Statement and the accompanying proxy card are being mailed to our shareholders on or about May 9, 2019.

The cost of solicitation will be paid by the Company. The solicitation will be made primarily by mail. Proxies may also be solicited personally or by telephone by certain of the Company's directors, officers and regular employees, who will not receive additional compensation, therefore. In addition, the Company will reimburse brokerage firms, custodians, nominees and fiduciaries for their expenses in forwarding solicitation materials to beneficial owners.

Our administrative offices are located at 1430 Greg Street, Suite 501, Sparks, Nevada, 89431.

**APPOINTMENT OF PROXYHOLDER**

The persons named as proxyholder in the accompanying form of proxy were designated by the management of the Company ( **Management Proxyholder** ). **A shareholder desiring to appoint some other person ( Alternate Proxyholder ) to represent him at the Meeting may do so by inserting such other person's name in the space indicated or by completing another proper form of proxy.** A person appointed as proxyholder need not be a shareholder of the Company. All completed proxy forms must be deposited with Computershare Trust Company of Canada ( **Computershare** ) not less than forty-eight (48) hours, excluding Saturdays, Sundays, and holidays, before the time of the Meeting or any adjournment of it unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

**EXERCISE OF DISCRETION BY PROXYHOLDER**

The proxyholder will vote for or against or withhold from voting the shares, as directed by a shareholder on the proxy, on any ballot that may be called for. **In the absence of any such direction, the Management Proxyholder will vote in favour of matters described in the proxy. In the absence of any direction as to how to vote the shares, an Alternate Proxyholder has discretion to vote them as he or she chooses.**

**The enclosed form of proxy confers discretionary authority upon the proxyholder with respect to amendments or variations to matters identified in the attached Notice of Meeting and other matters which may properly come before the Meeting.** At present, Management of the Company knows of no such amendments, variations or other matters.

**PROXY VOTING**

**Registered Shareholders**

If you are a registered shareholder, you may wish to vote by proxy whether or not you attend the Meeting in person. Registered shareholders electing to submit a proxy may do so by completing the enclosed form of proxy (the **Proxy** ) and returning it to the Company's transfer agent, Computershare, in accordance with the instructions on the Proxy. In all cases you should ensure that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the Proxy is to be used.

## **Beneficial Shareholders**

The following information is of significant importance to shareholders who do not hold shares in their own name (referred to as **Beneficial Shareholders** ). Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of shares).

If shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those shares will not be registered in the shareholder's name on the records of the Company. Such shares will more likely be registered under the names of the shareholder's broker or an agent of that broker (both referred to as intermediaries). In the United States, the vast majority of such shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

### ***If you are a Beneficial Shareholder:***

You should carefully follow the instructions of your broker or intermediary in order to ensure that your shares are voted at the Meeting. The form of proxy supplied to you by your broker will be similar to the Proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communication Services ( **Broadridge** ) in the United States and in Canada. Broadridge mails a voting instruction form in lieu of a Proxy provided by the Company. The voting instruction form will name the same persons as the Company's Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than the persons designated in the voting instruction form, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the voting instruction form. The completed voting instruction form must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **If you receive a voting instruction form from Broadridge, you cannot use it to vote shares directly at the Meeting - the voting instruction form must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have the shares voted.**

Although as a Beneficial Shareholder you may not be recognized directly at the Meeting for the purposes of voting shares registered in the name of your broker, you, or a person designated by you, may attend at the Meeting as proxyholder for your broker and vote your shares in that capacity. If you wish to attend the Meeting and indirectly vote your shares as proxyholder for your broker, or have a person designated by you do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the voting instruction form provided to you and return the same to your broker in accordance with the instructions provided by such broker, well in advance of the Meeting.

Alternatively, you can request in writing that your broker send you a legal proxy which would enable you, or a person designated by you, to attend at the Meeting and vote your shares.

## **REVOCATION OF PROXIES**

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by:

- (a) executing a Proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the Proxy bearing a later date to Computershare at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or



(b) personally attending the Meeting and voting the registered shareholders' shares. A revocation of a Proxy will not affect a matter on which a vote is taken before the revocation.

**Only registered shareholders have the right to revoke a Proxy. Non-Registered Holders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the Proxy on their behalf.**

### VOTING PROCEDURE

A quorum for the transaction of business at the Meeting is, subject to the special rights and restrictions attached to the share of any class or series of shares, one person who is a shareholder, or who is otherwise permitted to vote shares of the Company at a meeting of shareholders pursuant to its articles, present in person or by proxy. Broker non-votes occur when a person holding shares through a bank or brokerage account does not provide instructions as to how his or her shares should be voted, and the broker does not exercise discretion to vote those shares on a particular matter. Abstentions and broker non-votes will be included in determining the presence of a quorum at the Meeting. However, an abstention or broker non-vote will not have any effect on the outcome for the election of directors.

Shares for which proxy cards are properly executed and returned will be voted at the Meeting in accordance with the directions noted thereon or, in the absence of directions, will be voted **FOR** fixing the number of directors at nine (9), **FOR** the election of each of the nominees to the Board named in this Proxy Statement, **FOR** the appointment of Davidson & Company LLP, Chartered Professional Accountants, as independent auditors of the Company for the fiscal year ended December 31, 2018 and to authorize the directors to fix their remuneration, **FOR** the resolution approving the compensation awarded by the Company to the named executive officers and **FOR** the resolution approving the frequency of holding votes to approve the compensation awarded by the Company to the named executive officers. It is not expected that any matters other than those referred to in this Proxy Statement will be brought before the Meeting. If, however, other matters are properly presented, the persons named as proxies will vote in accordance with their discretion with respect to such matters.

To be effective, each matter which is submitted to a vote of shareholders, other than for the election of directors and the approval of auditors, must be approved by a majority of the votes cast by the shareholders voting in person or by proxy at the Meeting.

### VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

On April 17, 2019 (the **Record Date**), there were 311,782,595 shares of common stock in the capital of the Company (**Common Stock**) issued and outstanding, each share carrying the right to one vote. Only shareholders of record at the close of business on the Record Date will be entitled to vote in person or by proxy at the Meeting or any adjournment thereof.

To the knowledge of the directors and executive officers of the Company, the beneficial owners or persons exercising control or direction over Company shares carrying more than 5% of the outstanding voting rights are:

Name and Address	Number of Shares <sup>(1)</sup>	Nature of Ownership	Approximate % of Total Issued and Outstanding
Willem Duyvesteyn Reno, Nevada	18,362,204 <sup>(3)</sup>	Sole voting and investment control	5.89%
	9,518,693 <sup>(2)(3)</sup>	Shared voting and investment control	3.05%
Andrew Greig Teneriffe, QLD, Australia	22,665,956 <sup>(4)</sup>	Sole voting and investment control	7.27%
Scandium Investments LLC Los Angeles, California	66,268,694 <sup>(5)(6)(7)</sup>	Shared voting and investment control	21.25%
Peter Evensen Southport, Connecticut	66,268,694 <sup>(5)(6)</sup>	Shared voting and investment control	21.25%
	3,461,176 <sup>(6)</sup>	Sole voting and investment control	1.11%
R. Christian Evensen La Cañada Flintridge, California	66,268,694 <sup>(5)(7)</sup>	Shared voting and investment control	21.25%

- (1) The information relating to the above share ownership was obtained by the Company from insider reports and beneficial ownership reports on Schedule 13D filed with the SEC or available at [www.sedi.ca](http://www.sedi.ca), or from the shareholder.
- (2) 9,518,693 of these common shares are registered in the name of Irene Duyvesteyn, and Mr. Duyvesteyn has voting and investment control over these common shares.
- (3) This figure does not include 2,800,000 common shares issuable pursuant to exercise of stock options.
- (4) This figure does not include 1,500,000 common shares issuable pursuant to exercise of stock options.
- (5) Peter Evensen and R. Christian Evensen hold voting and investment control of the 66,268,684 common shares registered in the name of Scandium Investments LLC.
- (6) This figure does not include 500,000 common shares issuable to Peter Evensen pursuant to exercise of stock options.
- (7) This figure does not include 400,000 common shares issuable to R. Christian Evensen pursuant to exercise of stock options.

#### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Except as disclosed herein, no Person has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of directors and the appointment of auditors and as set out herein. For the purpose of this paragraph, Person shall include each person: (a) who has been a director, senior officer or insider of the Company at any time since the commencement of the Company's last fiscal year; (b) who is a proposed nominee for election as a director of the Company; or (c) who is an associate or affiliate of a person included in subparagraphs (a) or (b).

#### **PROPOSAL 1 ELECTION OF DIRECTORS**

The Board proposes to fix the number of directors of the Company at nine (9) and that the following nine nominees be elected as directors at the Meeting, each of whom will hold office until the expiration of their term or until his or her successor shall have been duly appointed or elected and qualified: George Putnam, William Harris, Barry Davies,

Willem Duyvesteyn, Warren Davis, James Rothwell, Andrew Greig, Peter Evensen and R. Christian Evensen.

Unless otherwise instructed, it is the intention of the persons named as proxies on the accompanying proxy card to vote shares represented by properly executed proxies for the election of such nominees. Although the Board anticipates that the nine nominees will be available to serve as directors of SCY, if any of them should be unwilling or unable to serve, it is intended that the proxies will be voted for the election of such substitute nominee or nominees as may be designated by the Board.

**THE BOARD RECOMMENDS A VOTE FOR FIXING THE TOTAL NUMBER OF DIRECTORS AT NINE AND FOR THE ELECTION OF EACH OF THE NINE NOMINEES.**

As part of its ongoing review of corporate governance policies, on September 2, 2014, the Board adopted a policy providing that in an uncontested election of directors, any nominee who receives a greater number of votes withheld than votes for will tender his or her resignation to the Chairman of the Board promptly following the shareholders meeting. The Board will consider the offer of resignation and will make a decision whether or not to accept it. In considering whether or not to accept the resignation, the Board will consider all factors deemed relevant by the members of the Board. The Board will be expected to accept the resignation except in situations where the considerations would warrant the applicable director continuing to serve on the Board. The Board will make its final decision and announce it in a press release within 90 days following the shareholders meeting. A director who tenders his or her resignation pursuant to this policy will not participate in any meeting of the Board at which the resignation is considered.

The following table sets out the names of the nominees, their positions and offices in the Company, principal occupations, the period of time that they have been directors of the Company, and the number of shares of the Company which each beneficially owns or over which control or direction is exercised.

Name, Residence and Present Position with the Company	Director Since	# of Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised <sup>(1)</sup>	Principal Occupation <sup>(1)</sup>
<b>George F. Putnam</b> California, USA <i>Director, President and Chief Executive Officer</i>	May 3, 2010	4,775,360 <sup>(5)</sup>	President and Chief Executive Officer of Scandium International Mining Corp.
<b>William B. Harris</b> <sup>(2)(3)</sup> Florida, USA <i>Director (Chairman of the Board)</i>	June 5, 2007	657,778 <sup>(5)</sup>	Partner of Solo Management Group, LLC, an investment management and financial consulting company.
<b>Barry T. Davies</b> Kowloon, Hong Kong <i>Director</i>	January 20, 2010	7,041,778 <sup>(5)</sup>	President of Rudgear Holdings Ltd., a private investment company, since March 2006.
<b>Willem P.C. Duyvesteyn</b> <sup>(4)</sup> Nevada, USA <i>Director, Chief Technology Officer</i>	January 20, 2010	27,880,897 <sup>(5)(6)</sup>	Chief Technology Officer of Scandium International Mining Corp. and President, Technology and Resource Development Inc., a company involved in the development and commercialization of various mineral and energy related processes and projects.
<b>Warren K. Davis</b> <sup>(2)</sup> California, USA <i>Director</i>	May 30, 2012	2,211,307 <sup>(5)</sup>	Consultant to Energy and Power Industry clients who are developing new projects with both conventional and advanced technology.
<b>James R. Rothwell</b> <sup>(2)</sup> Washington, USA <i>Director</i>	July 16, 2014	1,245,682 <sup>(5)</sup>	Consultant to mining and metals industry companies.
<b>Andrew C. Greig</b> <sup>(3)</sup> Queensland, Australia <i>Director</i>	August 21, 2015	22,665,956 <sup>(5)</sup>	Angel Capital Investor; identifying promising opportunities and providing capital, mentoring and advice through business start-up.
<b>Peter B. Evensen</b> <sup>(3)</sup> Connecticut, USA <i>Director</i>	October 10, 2017	69,729,870 <sup>(5)(7)</sup>	CEO of Evensen Enterprises LLC, a shipping management company and CEO and Board Member of General Ore International Corporation, a private shipping

			company.
<b>R. Christian Evensen</b> California, USA <i>Director</i>	October 10, 2017	66,268,694 <sup>(5)(7)</sup>	Managing Partner of Flintridge Capital Investments, LLC.

- (1) The information as to principal occupation, business or employment and shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Unless otherwise stated, any nominees named above have held the principal occupation or employment indicated for at least five years.
- (2) Member of the Audit Committee.
- (3) Member of the Compensation Committee.

- (4) Nominee of Willem Duyvesteyn and Irene Duyvesteyn. In connection with the acquisition of The Technology Store, Inc. by the Company, Willem Duyvesteyn and Irene Duyvesteyn have the right to nominate one director to the Board.
- (5) These figures do not include the number of common shares issuable pursuant to exercise of stock options as follows; 6,000,000 shares issuable to George Putnam, 2,650,000 shares issuable to William Harris, 2,300,000 shares issuable to Barry Davies; 2,800,000 shares issuable to Willem Duyvesteyn, 1,500,000 shares issuable to Warren Davis, 2,100,000 shares issuable to James Rothwell, 1,500,000 shares issuable to Andrew Greig, 500,000 shares issuable to Peter Evensen and 400,000 shares issuable to R. Christian Evensen.
- (6) 9,518,693 of these common shares are registered in the name of Irene Duyvesteyn, and Mr. Duyvesteyn has voting and investment control over these common shares.
- (7) Peter Evensen and R. Christian Evensen hold voting and investment control of the 66,268,694 common shares registered in the name of Scandium Investments LLC.

**George Putnam** has extensive mining industry experience, having worked for over 20 years for BHP (now BHP-Billiton) and GE/Utah International. Mr. Putnam also served for three years as CFO of QGX Ltd., a TSX-listed mineral exploration and development company. Mr. Putnam holds a BA (Economics) from Gettysburg College, and an MBA (Finance) from Duke University. The Board believes that Mr. Putnam's expertise and experience in the mining industry is valuable to the Board.

**William Harris** has more than 35 years of experience in financial and executive management with public companies. Mr. Harris is also a board member of EnCore Energy Corp, Golden Predator Mining Corp, and the former President and CEO of Hoechst Fibers Worldwide, the global acetate and polyester business of Hoechst AG. Mr. Harris holds a BA in English from Harvard College and an MBA in finance from Columbia University Graduate School of Business. Mr. Harris' expertise and experience make him a valuable member of the Board.

**Barry Davies** is a mining engineer with more than 35 years' experience in mineral exploration, mine development, operations and corporate management. During more than 20 years with the BHP Group and predecessor companies he held senior management positions with responsibility for exploration and mine development projects in Australia, Southeast Asia and Southern Africa. Mr Davies is a graduate in mining engineering from the Camborne School of Mines in the United Kingdom. Mr Davies' experience and his independence from management make him a valuable member of the Board.

**Willem Duyvesteyn** has 40 years' experience in the mining, mineral and energy industries. Mr. Duyvesteyn was Vice President and General Manager Minerals Technology for BHP for more than 10 years. Prior to BHP he served with AMAX as Director of Laterite Nickel projects. Mr. Duyvesteyn has an ingenieurs degree in mining engineering and extractive metallurgy from Delft University of Technology. Mr. Duyvesteyn's extensive experience make him a valuable member of the Board.

**Warren Davis** has held numerous senior roles in both minerals and electric power industries, with a focus on energy project development, project marketing and business strategy. Mr. Davis currently provides consulting services for several power plant contractors and electric power technology clients. His previous positions include roles with Black & Veatch (15 years), Bechtel Power Corp (three years), and The General Electric Company (10 years). Mr. Davis worked for Utah International Inc. (seven years) in the minerals industry, specifically in exploration, acquisitions and strategy. He was founder and president of Golden Bear Energy Services, a start-up energy company, and has worked in numerous entrepreneurial energy development roles. Mr. Davis holds a BS in Mechanical Engineering from UC Berkeley and an MBA from Stanford University. Mr. Davis' experience and his independence from management make him a valuable member of the Board.

**James Rothwell** has held numerous senior management roles and board positions in Canadian public mining companies, including Chairman of Shore Gold Inc. and Kensington Resources Ltd., Board Director for Motapa Diamonds Inc. and President, CEO and Director of Inca Pacific Resources and Dia Met Minerals Ltd. Prior to these

Canadian company positions, he served for 27 years with Utah International and BHP in a number of business roles in the US, Canada, Brazil and Australia. With BHP, Mr. Rothwell's operational experience included thermal coal, iron ore, coking coal, manganese, diamonds, and the leadership of the BHP Minerals marketing effort worldwide. He has served on minerals industry associations in Australia, the USA and Canada. Mr. Rothwell has a BA (Economics) and an MBA (Finance/Accounting) from Stanford University. Mr. Rothwell's experience and his independence from management make him a valuable member of the Board.

**Andrew Greig** has 35 years of experience in the mining and natural resource industry with Bechtel Group Inc., a global engineering, construction and project management company. He brings direct experience in developing minerals, resource, power, refining, and chemical projects in 20 countries across six continents. A resident of Australia, Mr. Greig earned a graduate diploma in business from Monash University, Melbourne. Mr. Greig's experience and his independence from management make him a valuable member of the Board.

**Peter Evensen** is a consultant in the international shipping and offshore industry through Evensen Enterprises LLC, an entity he established after he retired as President and Chief Executive Officer of Teekay Corporation in January 2017 after joining Teekay in 2003 as Senior Vice President, Treasurer and Chief Financial Officer. Mr. Evensen has over 30 years of experience in banking and shipping finance. Prior to joining Teekay, Mr. Evensen was Managing Director and Head of Global Shipping at J.P. Morgan Securities Inc. and worked in other senior positions for its predecessor firms for over 20 years. His international industry experience includes positions in Vancouver, New York, London and Oslo. Mr. Evensen holds a B.A. in Economics and Political Science and attended the Tuck Advanced Management Program at Dartmouth. Mr. Evensen's experience and his independence from management make him a valuable member of the Board.

**R. Christian Evensen** is the founding partner of Flintridge Capital Investments. He has spent his career structuring and managing corporate, derivative and real estate investments and their underlying financing of these investments. Prior to the formation of Flintridge in 2006, Mr. Evensen was a founder (in 1990) and Managing Partner of Canyon Capital Advisors LLC and Canyon Capital Reality Advisors LLC both SEC registered investment advisors. He was also President of Canyon Partners Incorporated, a NASD broker-dealer. During the 1980s, Mr. Evensen was a Senior Vice President and Director of the Senior Debt and International Markets Groups in the High Yield Bond Department of Drexel Burnham Lambert. Prior to working for Drexel, Mr. Evensen was a Vice President of the Currency and Interest Rate Derivatives Group at Merrill Lynch. Mr. Evensen began his career at The Bank of New York and First Interstate Bank. Mr. Evensen holds a B.A. in Economics from Williams College. Mr. Evensen's experience and his independence from management make him a valuable member of the Board.

### Executive Officers

The following sets forth certain information regarding executive officers of the Company. Information pertaining to Mr. Putnam and Mr. Duyvesteyn, each of whom are a director and executive officer of the Company, may be found in the section entitled "Directors".

Name	Position with the Company	Age as of the Annual Meeting
Edward Dickinson	Chief Financial Officer	72
John Thompson	Vice President, General Manager - Australia	71

**Edward Dickinson**, Chief Financial Officer, joined the Company in September 2011. Prior to joining the Company Mr. Dickinson was employed by Altair Nanotechnologies Inc. from August 1996 to August 2011 where he held several senior management positions including Chief Financial Officer, Director of Finance, Corporate Secretary and Senior Director Program and Contract management. From 1994 to 1996, Mr. Dickinson was employed by the Southern California Edison Company as a negotiator of non-utility power generation contracts. Mr. Dickinson was Vice President and Director of Geoelectric Power Company during 1993 and 1994, and from 1987 through 1992 was the Director of Finance and Administration for OESI Power Corporation. Prior to 1987, Mr. Dickinson served in various financial and program management positions at the U.S. Department of Energy. Mr. Dickinson, who is a certified public accountant, obtained a Master's degree in Accounting from California State University, Northridge.

**John Thompson**, Vice President, General Manager - Australia, joined the Company in May 2011. Mr. Thompson's mining career spans 41 years in senior management roles with Utah Development Company, BHP (now BHP Billiton), Newcrest Mining and QGX Ltd., managing and developing mineral projects in Australia, New Zealand, Mongolia and the United States. He has held numerous other leadership roles in the mining industry, including four Mine/General Manager roles in coking coal, gold and titanium/iron sands operations and a General Manager position at Newcrest overseeing five operating gold businesses in Australia. Mr. Thompson has a Bachelor of Science degree in Mining and Petroleum Engineering from the University of Queensland and is a Fellow of the Australian Institute of



Mining and Metallurgy.

### **INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS**

During the past ten years, none of the persons currently serving as executive officers and/or directors of the Company has been the subject matter of any of the following legal proceedings that are required to be disclosed pursuant to Item 401(f) of Regulation S-K including: (a) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time; (b) any criminal convictions; (c) any order, judgment, or decree permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities; (d) any finding by a court, the SEC or the CFTC to have violated a federal or state securities or commodities law, any law or regulation respecting financial institutions or insurance companies, or any law or regulation prohibiting mail or wire fraud; (e) any sanction or order of any self-regulatory organization or registered entity or equivalent exchange, association or entity; or (f) any material proceedings in which such person is a party adverse to SCY or any of its subsidiaries or has a material interest adverse to SCY or any of its subsidiaries. Further, no such legal proceedings are believed to be contemplated by governmental authorities against any director, executive officer or affiliate of SCY, any owner of record or beneficially of more than five percent of the Company's Common Stock, or any associate of such director, executive officer, affiliate of SCY, or security holder.

**SECURITY OWNERSHIP OF MANAGEMENT**

The following table sets forth certain information regarding the beneficial ownership of the Company's Common Stock as of April 17, 2019 by:

- (i) each director of SCY;
- (ii) each of the Named Executive Officers of SCY; and
- (iii) all directors and executive officers as a group.

Except as noted below, SCY believes that the beneficial owners of the Common Stock listed below, based on information furnished by such owners, have sole voting and investment power with respect to such shares.

<b>Name of Beneficial Owner</b>	<b>Shares Beneficially Owned<sup>[1]</sup></b>	<b>Percentage of Shares Beneficially Owned<sup>[1]</sup></b>
George Putnam	4,775,360	1.53%
William Harris	657,778	0.21%
Barry Davies	7,041,778	2.26%
Willem Duyvesteyn	27,880,897 <sup>(2)</sup>	8.94%
Warren Davis	2,211,307	0.71%
James Rothwell	1,245,682	0.40%
Andrew Greig	22,665,956	7.27%
Peter Evensen	69,729,870 <sup>(3)</sup>	22.36%
R. Christian Evensen	Nil <sup>(3)</sup>	0.00%
John Thompson	3,886,200	1.25%
Edward Dickinson	640,708	0.21%
<b>All officers and directors (11) persons</b>	<b>140,735,536</b>	<b>45.14%</b>

- (1) These amounts exclude beneficial ownership of securities not currently outstanding but which are reserved for immediate issuance on exercise of stock options as follows; 6,000,000 shares issuable to George Putnam, 2,650,000 shares issuable to William Harris, 2,300,000 shares issuable to Barry Davies; 2,800,000 shares issuable to Willem Duyvesteyn, 1,500,000 shares issuable to Warren Davis, 2,100,000 shares issuable to James Rothwell, 1,500,000 shares issuable to Andrew Greig, 500,000 issuable to Peter Evensen, 400,000 issuable to R. Christian Evensen, 1,480,000 shares issuable to John Thompson, and 1,580,000 shares issuable to Edward Dickinson.
- (2) 9,518,693 of these Common Shares are registered in the name of Irene Duyvesteyn, and Mr. Duyvesteyn has voting and investment control over these Common Shares.
- (3) Peter Evensen and R. Christian Evensen hold voting and investment control of the 66,268,694 Common Shares registered in the name of Scandium Investments LLC. For the purposes of this table, these Common Shares have been allocated to Peter Evensen.

**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Securities Exchange Act of 1934, as amended ( **Exchange Act** ), requires SCY's directors, executive officers and persons who own more than 10% of a registered class of SCY's securities to file with the Securities and Exchange Commission ( **SEC** ) initial reports of ownership and reports of changes in ownership of Common Stock and other equity securities of SCY. Directors, executive officers and greater than 10% shareholders are required by SEC regulation to furnish SCY with copies of all Section 16(a) reports they file.



To SCY's knowledge, based solely on a review of Forms 3 and 4, as amended, furnished to it during its most recent fiscal year, and Form 5, as amended, furnished to it with respect to such year, SCY believes that during the year ended December 31, 2018, its directors, executive officers and greater than 10% shareholders complied with all Section 16(a) filing requirements of the Exchange Act.

### DIRECTORS AND EXECUTIVE OFFICERS

The following table contains information regarding the members and nominees of the Board and the Executive Officers of SCY as of the Record Date:

Name	Age	Position	Position Held Since
George Putnam	65	Director, President, CEO	May 3, 2010
William Harris	72	Director Chairman	June 5, 2007 April 2, 2010
Barry Davies	69	Director	January 20, 2010
Willem Duyvesteyn	74	Director CTO	January 20, 2010 October 28, 2015
Warren Davis	74	Director	May 30, 2012
James Rothwell	69	Director	July 16, 2014
Andrew Greig	62	Director	August 21, 2015
Peter Evensen	60	Director	October 10, 2017
R. Christian Evensen	62	Director	October 10, 2017
Edward Dickinson	72	CFO	August 15, 2011
John Thompson	71	Vice President Project Development	March 8, 2011

All of the officers identified above serve at the discretion of the Board and have consented to act as officers of the Company.

### RELATIONSHIPS AMONG DIRECTORS OR EXECUTIVE OFFICERS

Peter Evensen and R. Christian Evensen are brothers and they both serve as directors of SCY. Other than as disclosed herein, there are no family relationships among any of the existing directors or executive officers of SCY.

### COMPENSATION COMMITTEE

The Company's compensation policies and programs are designed to be competitive with similar mining companies and to recognize and reward executive performance consistent with the success of the Company's business. These policies and programs are intended to attract and retain capable and experienced people. The role and philosophy of the compensation committee ( **Compensation Committee** ) is to ensure that the Company's compensation goals and objectives, as applied to the actual compensation paid to the Company's Chief Executive Officer and other executive officers, are aligned with the Company's overall business objectives and with shareholder interests.

In addition to industry comparables, the Compensation Committee considers a variety of factors when determining both compensation policies and programs and individual compensation levels. These factors include the long-range interests of the Company and its shareholders, overall financial and operating performance of the Company and the

Compensation Committee's assessment of each executive's individual performance and contribution toward meeting corporate objectives.

The current members of the Compensation Committee are Peter Evensen, Andrew Greig and William Harris. Andrew Greig and William Harris are both independent directors. Peter Evensen is relying on a temporary exemption from the requirement to be an independent member of the Compensation Committee. The direct or indirect material relationship between Peter Evensen and the Company is based solely on his shared voting and investment control of over more than 10% of the Company's common shares. The Board determined in its reasonable judgment that (i) Peter Evensen is able to exercise the impartial judgment necessary for Mr. Evensen to fulfill his responsibilities as a Compensation Committee member, and (ii) the appointment of Mr. Evensen is required by the best interests of the Company and its shareholders of the Company.

The function of the Compensation Committee is to assist the Board in fulfilling its responsibilities relating to the compensation practices of the executive officers of the Company. The Compensation Committee has been empowered to review the compensation levels of the executive officers of the Company and to report thereon to the Board; to review the strategic objectives of the stock option and other stock-based compensation plans of the Company and to set stock based compensation; and to consider any other matters which, in the Compensation Committee's judgment, should be taken into account in reaching the recommendation to the Board concerning the compensation levels of the Company's executive officers.

### ***Report on Executive Compensation***

This report on executive compensation has been authorized by the Compensation Committee. The Board assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of the Company although the Compensation Committee guides it in this role. The Board determines the type and amount of compensation for the President and CEO. The Board also reviews the compensation of the Company's senior executives. The Compensation Committee has not considered the implications of the risks associated with the Company's compensation policies and practices.

The Compensation Committee makes the final determination on compensation for directors and senior executives of the Company. The Compensation Committee will take recommendations from the CEO as to what appropriate levels of compensation should be for senior executives. The Compensation Committee does not delegate the authority to determine compensation for directors and senior officers to other persons.

### ***Philosophy and Objectives***

The compensation program for the senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including:

- (a) attracting and retaining talented, qualified and effective executives;
- (b) motivating the short and long-term performance of these executives; and
- (c) better aligning their interests with those of the Company's shareholders.

In compensating its senior management, the Company has employed a combination of base salary and equity participation through its stock option plan. The Company's Named Executive Officers or NEOs, as that term is defined in Form 51-102F6, and directors are not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

### ***Elements of the Compensation Program***

The significant elements of compensation awarded to the Named Executive Officers (as defined below) are a cash salary and stock options. The Company does not presently have a long-term incentive plan for its Named Executive Officers. There is no policy or target regarding allocation between cash and non-cash elements of the Company's compensation program. The Compensation Committee reviews annually the total compensation package of each of the Company's executives on an individual basis, against the backdrop of the compensation goals and objectives described above and makes recommendations to the Board concerning the individual components of their compensation.

### ***Cash Salary***

As a general rule, the Company seeks to offer its Named Executive Officers a compensation package that is in line with that offered by other companies in our industry, and as an immediate means of rewarding the Named Executive Officers for efforts expended on behalf of the Company.

**Equity Participation**

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company's stock option plan. Stock options are granted to senior executives taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. Options are generally granted to senior executives which vest on terms established by the Board.

**Perquisites and Other Personal Benefits**

The Company's Named Executive Officers are not generally entitled to significant perquisites or other personal benefits not offered to the Company's other employees.

**EXECUTIVE COMPENSATION****Summary Compensation Table**

The following table sets forth all information concerning the total compensation of the Company's president, chief executive officer, chief financial officer, and the two other most highly compensated officers during the last fiscal year (the **Named Executive Officers**) during the last two completed fiscal years for services rendered to the Company in all capacities.

<b>Name and Principal Position</b>	<b>Year</b>	<b>Salary (\$)</b>	<b>Bonus (\$)</b>	<b>Stock Awards (\$)</b>	<b>Option Awards<sup>(1)</sup> (\$)</b>	<b>Non-Equity Incentive Plan Compensation (\$)</b>	<b>Nonqualified Deferred Compensation Earnings (\$)</b>	<b>All Other Compensation (\$)</b>
George Putnam, <i>President, CEO and Director</i>	2018	\$200,000	\$Nil	\$Nil	\$154,273	\$Nil	\$Nil	\$Nil
	2017	\$200,000	\$Nil	\$Nil	\$198,127	\$Nil	\$Nil	\$Nil
Edward Dickinson, <i>CFO</i>	2018	\$90,000	\$Nil	\$Nil	\$46,282	\$Nil	\$Nil	\$Nil
	2017	\$90,000	\$Nil	\$Nil	\$74,298	\$Nil	\$Nil	\$Nil
John Thompson, <i>V.P. General Manager, Australia</i>	2018	\$66,991	\$Nil	\$Nil	\$46,282	\$Nil	\$Nil	\$Nil
	2017	\$69,224	\$Nil	\$Nil	\$74,298	\$Nil	\$Nil	\$Nil
Willem Duyvesteyn <i>CTO and Director</i>	2018	\$102,000	\$Nil	\$Nil	\$77,137	\$Nil	\$Nil	\$Nil
	2017	\$102,000	\$Nil	\$Nil	\$123,829	\$Nil	\$Nil	\$Nil

(1) The determination of the value of option awards is based upon the Black-Scholes Option pricing model, details and assumptions of which are set out in Note 6 to the Company's consolidated financial statements for the fiscal year ended December 31, 2018.





**DIRECTOR COMPENSATION**

No cash compensation was paid to any director of the Company for the director's services as a director during the financial year ended December 31, 2018, other than the reimbursement of out-of-pocket expenses.

The Company has no standard arrangement pursuant to which directors are compensated by the Company for their services in their capacity as directors except for the granting from time to time of incentive stock options in accordance with the policies of the Toronto Stock Exchange ( **TSX** ). During the most recently completed financial year, no incentive stock options were granted to directors, including directors who are Named Executive Officers.

**AGGREGATED STOCK OPTION EXERCISES DURING THE MOST RECENTLY COMPLETED FISCAL YEAR AND FISCAL YEAR-END OPTION VALUES**

During the Company's fiscal year ended December 31, 2018, five directors exercised at total of 1,000,000 options to purchase common shares.

**OUTSTANDING EQUITY AWARDS AT THE MOST RECENTLY COMPLETED FISCAL YEAR**

Name	Number of securities underlying unexercised options (#)	Option-based Awards			Share-based Awards	
		Option exercise price (C\$)	Option expiration date	Value of Unexercised in-the-money options(US\$) <sup>(1)(2)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share based awards that have not vested (\$)
William Harris	350,000	\$0.12	July 7, 2019	\$23,145	N/A	N/A
	400,000	\$0.14	Apr. 17, 2020	\$20,573		
	800,000	\$0.10	Nov. 5, 2020	\$64,658		
	300,000	\$0.13	Feb. 8, 2021	\$17,634		
	400,000	\$0.37	Feb. 21, 2022	\$Nil		
	400,000	\$0.225	Jan. 19, 2023	\$Nil		
Barry Davies	300,000	\$0.12	July 7, 2019	\$19,838	N/A	N/A
	400,000	\$0.14	Apr. 17, 2020	\$20,573		
	500,000	\$0.10	Nov. 5, 2020	\$40,411		
	300,000	\$0.13	Feb. 8, 2021	\$17,634		
	400,000	\$0.37	Feb. 21, 2022	\$Nil		
	400,000	\$0.225	Jan. 19, 2023	\$Nil		
Willem Duyvesteyn	400,000	\$0.12	July 7, 2019	\$26,451	N/A	N/A
	400,000	\$0.14	Apr. 17, 2020	\$20,573		
	500,000	\$0.10	Nov. 5, 2020	\$40,411		
	500,000	\$0.13	Feb. 8, 2021	\$29,390		
	500,000	\$0.37	Feb. 21, 2022	\$Nil		
	500,000	\$0.225	Jan. 19, 2023	\$Nil		
George Putnam	550,000	\$0.12	July 7, 2019	\$36,370	N/A	N/A
	400,000	\$0.14	Apr. 17, 2020	\$20,573		
	1,000,000	\$0.10	Nov. 5, 2020	\$202,057		

	750,000	\$0.13	Feb. 8, 2021	\$44,085		
	800,000	\$0.37	Feb. 21, 2022	\$Nil		
	1,000,000	\$0.225	Jan 19, 2023	\$Nil		
Warren Davis	300,000	\$0.12	July 7, 2019	\$19,838 <sup>(3)</sup>	N/A	N/A
	400,000	\$0.14	Apr. 17, 2020	\$20,573		
	300,000	\$0.13	Feb. 8, 2021	\$17,634		

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (C\$)	Option expiration date	Value of Unexercised in-the-money options(US\$) <sup>(1)(2)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share based awards that have not vested (\$)
	400,000	\$0.37	Feb. 21, 2022	\$Nil		
	400,000	\$0.225	Jan. 19, 2023	\$Nil		
James Rothwell	400,000	\$0.12	July 7, 2019	\$26,451	N/A	N/A
	400,000	\$0.14	Apr. 17, 2020	\$20,573		
	300,000	\$0.13	Feb. 8, 2021	\$17,634		
	500,000	\$0.37	Feb. 21, 2022	\$Nil		
	500,000	\$0.225	Jan. 19, 2023	\$Nil		
Andrew Greig	400,000	\$0.115	Aug. 28, 2020	\$27,921	N/A	N/A
	300,000	\$0.13	Feb. 8, 2021	\$17,634		
	400,000	\$0.37	Feb. 21, 2022	\$Nil		
	400,000	\$0.225	Jan. 19, 2023	\$Nil		
Peter Evensen	500,000	\$0.225	Jan. 19, 2023	\$Nil	N/A	N/A
Christian Evensen	400,000	\$0.225	Jan. 19, 2023	\$Nil	N/A	N/A

- (1) Value of unexercised in-the-money options is calculated by determining the difference between the market value of the securities underlying the options at the date referred to and the exercise price of the options and is not necessarily indicative of the value (i.e. loss or gain) that will actually be realized by the directors.
- (2) in-the-money options means the excess of the market value of the Company's shares on December 31, 2018 over the exercise price of the options.
- (3) Options were exercised during the first quarter of 2019.

#### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as of the end of the fiscal year ended December 31, 2018 with respect to compensation plans under which equity securities of the Company are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuances under equity compensation plan [excluding securities reflected in column (a)] (c)
Equity compensation plans approved by security holders	29,065,000	\$0.19	16,652,194

Equity compensation plans not approved by security holders	Nil	Nil	Nil
<b>Total:</b>	<b>29,065,000</b>	<b>\$0.19</b>	<b>16,652,194</b>

**TERMINATION AND CHANGE OF CONTROL BENEFITS**

The following contracts, agreements, plans, and arrangements provide for payments to the applicable Named Executive Officers following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the company or a change in such Named Executive Officers responsibilities:

*George Putnam* - the Company entered into a letter agreement effective May 1, 2010 with George Putnam, pursuant to which Mr. Putnam agreed to act as President and CEO of the Company. Mr. Putnam receives a base salary of \$200,000 per year. The Compensation Committee has discretion to award an annual bonus and will review Mr. Putnam's base salary on an annual basis. Mr. Putnam received an initial grant of 2,000,000 stock options, 25% of which vested immediately, and the remainder of which vested in three equal installments every six months thereafter. Mr. Putnam is entitled to termination payments in the amount of six months' base salary if he is terminated without cause in his first year of employment, and six months' base salary plus one month salary for each year of full service to a maximum of twenty-four months, if terminated after the first year of employment. If Mr. Putnam is terminated pursuant to a change in control, he is entitled to a termination payment equivalent to three times his base salary.

*Edward Dickinson* the Company entered into a letter agreement effective September 1, 2011 with Edward Dickinson, pursuant to which Mr. Dickinson agreed to act as chief financial officer of the Company and its subsidiaries. Mr. Dickinson receives a base salary of \$75,000 per year, reflecting a 50% time commitment to the Company. If the job content and demands exceed a 50% time commitment then the Company may consider expanding Mr. Dickinson's role and adjusting this compensation accordingly to reflect additional time and work commitment. Mr. Dickinson received an initial grant of 300,000 stock options, 20% of which vested immediately, and the remainder of which vested in four equal instalments every six months thereafter. Mr. Dickinson is entitled to participate in the Company's stock option plan. If Mr. Dickinson is terminated pursuant to a change in control, he is entitled to a termination payment equal to one year's base salary.

*John D. Thompson* the Company entered into a letter agreement effective February 8, 2011 with John D. Thompson, pursuant to which Mr. Thompson agreed to act as VP, Project Development of the Company and its subsidiaries. Mr. Thompson receives a base salary of A\$90,000 per year, reflecting his support to the Company on a 50% basis. If the position and job requirements expand to a full time commitment, the Company may discuss with Mr. Thompson on appropriate compensation changes. Mr. Thompson received an initial grant of 500,000 stock options exercisable for a term of 5 years, 20% which vested immediately, and the remainder of which vested in four equal instalments every six months thereafter. Mr. Thompson is entitled to a termination payment equal to six months' base salary plus one additional month of salary for each full year of services, to a maximum of twenty-four months. If Mr. Thompson is terminated pursuant to a change of control, he is entitled to a termination payment equal to two times his base salary. Other than the agreements described above, the Company and its subsidiaries are not parties to any contracts, and have not entered into any plans or arrangements which require compensation to be paid to any of the Named Executive Officers in the event of:

- (a) resignation, retirement or any other termination of employment with the Company or one of its subsidiaries;
- (b) a change of control of the Company or one of its subsidiaries; or
- (c) a change in the director, officer or employee's responsibilities following a change of control of the Company.

#### **BOARD OF DIRECTORS MEETINGS AND COMMITTEES**

During the fiscal year ended December 31, 2018, the Board held four directors' meetings. All other matters which required Board approval were consented to in writing by all of the Company's directors.

The Board has established an Audit Committee and a Compensation Committee. The Board has no standing nominating committee. Each of the Audit Committee and the Compensation Committee is responsible to the full Board. The functions performed by these committees are summarized below:

**Audit Committee.** The Board has an Audit Committee composed of three directors, William Harris (Chair), Warren Davis, and James Rothwell. Prior to October 28, 2015, Barry Davies served on the Audit Committee. All members of the Audit Committee are independent and financially literate in accordance with Multilateral Instrument 52-110 *Audit Committees* ( **NI 52-110** ). The Audit Committee reviews all financial statements of the Company prior to their publication, reviews audits or communications, recommends the appointment of independent auditors, reviews and approves the professional services to be rendered by independent auditors and reviews fees for audit services. The Audit Committee meets both separately with auditors (without management present) as well as with management present. The meetings with the auditors discuss the various aspects of the Company's financial presentation in the areas of audit risk and Canadian generally accepted accounting principles. Specifically, the audit committee has:

- (a) reviewed and discussed the audited financial statements with management;
- (b) discussed with the independent auditors the matters required to be discussed by the statement on Auditing Standards No. 61, as amended; and
- (c) received the written disclosures and the letter from the independent accountant required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence, and has discussed with the independent

accountant the independent accountant s independence.

A copy of the text of the Company's audit committee charter can be found on the Company's website at [www.scandiummining.com](http://www.scandiummining.com).

Based on the foregoing review and discussions, the audit committee recommended to the Board that the audited financial statements should be included in our Annual Report on Form 10-K for the year ended December 31, 2018 filed with the SEC.

Submitted by the Audit Committee.

William Harris, Chair

Warren Davis, Member

James Rothwell, Member

**Compensation Committee.** The Compensation Committee reviews and approves the compensation of SCY's officers, reviews and administers SCY's stock option plan and makes recommendations to the Board regarding such matters. The members of the Compensation Committee are William Harris, Andrew Greig, and Peter Evensen. Andrew Greig and William Harris are both independent directors. Peter Evensen is relying on a temporary exemption from the requirement to be an independent member of the Compensation Committee. The direct or indirect material relationship between Peter Evensen and the Company is based solely on his shared voting and investment control of over more than 10% of the Company's common shares. The Board determined in its reasonable judgment that (i) Peter Evensen is able to exercise the impartial judgment necessary for Mr. Evensen to fulfill his responsibilities as a Compensation Committee member, and (ii) the appointment of Mr. Evensen is required by the best interests of the Company and its shareholders of the Company. The Board has adopted a written charter for the Compensation Committee, a copy of which can be found on the Company's website at [www.scandiummining.com](http://www.scandiummining.com).

**Nominating Committee.** No Nominating Committee has been appointed. Nominations of directors are made by the Board. The Board is of the view that the present management structure does not warrant the appointment of a Nominating Committee.

In its deliberations for selecting candidates for nominees as director, the Board considers the candidate's knowledge of the mineral exploration industry and involvement in community, business and civic affairs. Any nominee for director made by the Board must be highly qualified with regard to some or all these attributes. In searching for qualified director candidates to fill vacancies on the Board, the Board solicits its current Board for names of potentially qualified candidates. The Board would then consider the potential pool of director candidates, select the candidate the Board believes best meets the then-current needs of the Board, and conduct a thorough investigation of the proposed candidate's background to ensure there is no past history, potential conflict of interest or regulatory issue that would cause the candidate not to be qualified to serve as a director of SCY. Additionally, the Board annually reviews the Board's size, structure, composition and functioning, to ensure an appropriate blend and balance of diverse skills and experience.

## MANAGEMENT CONTRACTS

The Company is not a party to a management contract with anyone other than directors or Named Executive Officers of the Company.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the current or former directors, executive officers, employees, and proposed nominees for election as directors or their associates is or has since the beginning of the last completed financial year, been indebted to the Company or any of its subsidiaries or indebted to another entity where such indebtedness is or was the subject of a guarantee, support agreement, letter of credit or other similar instrument or understanding provided by the Company or any of its subsidiaries.



**INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Except as disclosed herein, since the commencement of the Company's most recently completed financial year, no informed person of the Company, nominee for director or any associate or affiliate of an informed person or nominee, had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

An informed person means: (a) a director or executive officer of the Company; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the company or who exercises control or director over voting securities of the Company or a combination of both carrying more than 10% of the voting rights other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its shares.

## REPORT OF CORPORATE GOVERNANCE

The British Columbia Securities Commission has issued guidelines on corporate governance disclosure for non-venture issuers as set out in National Instrument 58-101 (the **Policy**). The Policy addresses matters relating to constitution and independence of directors, the functions to be performed by the directors of a company and their committees and effectiveness and evaluation of proposed corporate governance guidelines and best practices specified by the Canadian securities regulators. The Company's approach to corporate governance in the context of the specific issues outlined in Form 58-101F1 is set out below.

### *Board of Directors*

The Board currently consists of nine directors, and it is proposed that all nine be nominated at the Meeting. Of the nine proposed directors, a majority of individuals qualify as independent directors. A director is independent if he or she has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director's independent judgment. The following table outlines the Company's independent and non-independent directors, and the basis for a determination that a director is non-independent:

Name of Director	Independent/Non-Independent	Reason
George Putnam	Non-Independent	President and CEO of the Company
William Harris	Independent	Chairman of the Company
Barry Davies	Independent	
Willem Duyvesteyn	Non-Independent	CTO of the Company
Warren Davis	Independent	
James Rothwell	Independent	
Andrew Greig	Independent	
Peter Evensen	Non-Independent	Shared voting and investment control over more than 10% of the Company's Common Shares <sup>(1)</sup>
R. Christian Evensen	Non-Independent	Shared voting and investment control over more than 10% of the Company's Common Shares <sup>(1)</sup>

- (1) Peter Evensen and R. Christian Evensen hold voting and investment control of the 66,268,694 Common Shares registered in the name of Scandium Investments LLC.

William Harris, an independent director, is the Chairman of the Board. Mr. Harris' primary roles as Chairman are to chair all meetings of the Board and to manage the affairs of the Board, including ensuring the Board is organized properly, functions effectively and meets its obligations and responsibilities. The Chairman's responsibilities include, among other things, ensuring effective relations and communications among Board members.

The Board holds meetings as considered appropriate to deal with the matters arising from developments in the business and affairs of the Company from time to time. During the fiscal year ended December 31, 2018, the Board held four meetings. In addition to the business conducted at such meetings, various other matters were approved by written resolution signed by all members of the Board.

The attendance record for each director of the Company during the fiscal year ended December 31, 2018 was as follows:

<b>Name of Director</b>	<b>Meetings Attended</b>
George Putnam	4 of 4
William Harris	4 of 4
Barry Davies	4 of 4
James Rothwell	4 of 4
Willem Duyvesteyn	4 of 4
Warren Davis	3 of 4
Andrew Greig	2 of 4
Peter Evensen	4 of 4
R. Christian Evensen	4 of 4

The attendance record for each member of the Audit Committee during the fiscal year ended December 31, 2018 was as follows:

<b>Name of Director</b>	<b>Meetings Attended</b>
William Harris	4 of 4
Warren Davis	3 of 4
James Rothwell	4 of 4

The attendance record for each member of the Compensation Committee during the fiscal year ended December 31, 2018 was as follows:

<b>Name of Director</b>	<b>Meetings Attended</b>
William Harris	1 of 1
Andrew Greig	1 of 1
Peter Evensen	1 of 1

The Board's policy is to hold independent directors' meetings as deemed necessary. At these independent directors' meetings, non-independent and members of management are not in attendance. During the fiscal year ended December 31, 2018, the independent directors held no meetings.

The Board does not have a policy regarding a Board members' attendance at annual meetings of shareholders. One director attended the Company's 2018 annual meeting of shareholders.

Certain directors of the Company are also presently directors of other issuers that are reporting issuers in Canada or elsewhere. Information as to such other directorships is set out below:

<b>Name of Director</b>	<b>Reporting Issuers</b>
George Putnam	None
William Harris	Golden Predator Mining Corp. EnCore Energy Corp.

Barry Davies	None
Willem Duyvesteyn	None
Warren Davis	None
James Rothwell	None
Andrew Greig	None
Peter Evensen	None
R. Christian Evensen	None

### ***Board Mandate***

The Board has not adopted a written mandate but understands that its role is to (i) assume responsibility for the overall stewardship and development of the Company and monitoring of its business decisions, (ii) identify the principal risks and opportunities of the Company's business and ensuring the implementation of appropriate systems to manage these risks, (iii) ethically manage the Company and perform succession planning, including appointing, training and monitoring of senior management and directors, (iv) implement a communication policy for the Company, and (v) ensure the integrity of the Company's internal financial controls and management information systems.

### ***Board Leadership Structure***

The Board does not have an express policy regarding the separation of the roles of the Chairman of the Board and Chief Executive Officer, as the Board believes that it is in the best interests of the Company to make that determination based on the position and direction of the Company and the membership of the Board. The Board has reviewed the Company's current Board leadership structure. George Putnam has been the Company's Chief Executive Officer since May 2010, while William Harris has been the Company's Chairman of the Board since April 2010. In light of the composition of the Board, the Company's size, the nature of the Company's business, the regulatory framework under which the Company operates, the Company's shareholder base, the Company's peer group and other relevant factors, the Board believes that the current leadership structure is appropriate. Mr. Putnam and Mr. Harris bring complimentary attributes to the Company's business operations and strategic plans and generally are focused on somewhat different aspects of the Company's operations.

The Company does not have a lead independent director. Given the size of the Board, the Board believes that the presence of five independent directors out of the nine directors currently on the Board, is sufficient independent oversight of the Chairman of the Board and Chief Executive Officer. The independent directors work well together in the current Board structure and the Board does not believe that selecting a lead independent director would add significant benefits to the Board oversight role.

### ***Board Term Limits***

The Company has not adopted term limits for the directors on the Board or other mechanisms of board renewal because the Company believes that the imposition of term limits for its directors may lead to the exclusion of potentially valuable members of the Board. While there is a benefit to adding new perspectives to the Board from time to time, there are also benefits to having continuity and directors having in-depth knowledge of the Company's business. The Board considers, among other factors, skills, experience, and tenure when identifying potential director nominees.

### ***Gender Diversity***

The Company has not adopted a written policy relating to the identification and nomination of women directors and the Company has not adopted a target regarding the representation of women on the Board or in executive officer positions. The Board identifies, evaluates and recommends candidates to become members of the Board with the goal of creating a Board that, as a whole, consists of individuals with various and relevant career experience, industry knowledge and experience, and financial and other specialized experience, while taking diversity into account. The consideration of the level of representation of women on the Board and in executive officer positions is one factor among many that plays a role in the Board's decision-making process. As at the date hereof, there are no female directors on the Board or serving as executive officers of the Company.

### ***Board's Role in Risk Oversight***

The understanding, identification and management of risk are essential elements for the successful management of the Company. Management is charged with the day-to-day management of the risks the Company faces. However, the Board, directly and indirectly through its committees, is actively involved in the oversight of the Company's risk management policies. The Board is charged with overseeing enterprise risk management, generally, and with reviewing and discussing with management the Company's major risk exposure (whether financial, operating or otherwise) and the steps management has taken to monitor, control and manage these exposures. Additionally, the Compensation Committee oversees the Company's compensation policies generally, in part to determine whether or not they create risks that are reasonably likely to have a material adverse effect on the Company.

### ***Position Descriptions***

To date, the Board has not adopted written position descriptions for the Chairman, the chair of each Committee of the Board, or of the CEO. Currently, William Harris serves as the independent Chairman of the Board. The prime responsibility of the Chairman of the Board is to provide leadership to the Board and to enhance Board effectiveness.

### ***Orientation and Continuing Education***

When new directors are appointed, they receive orientation on the Company's business, current projects and industry and on the responsibilities of directors. With respect to continuing education, Board meetings may include presentations by the Company's management and employees to give the directors additional insight into the Company's business.

### ***Ethical Business Conduct***

The Board has adopted a written code of conduct applicable to officers and directors of the Company, entitled "Code of Ethics, Trading Restrictions and Whistleblowing". A copy of this code of conduct is available on SEDAR at [www.sedar.com](http://www.sedar.com).

Other than adoption of the code of conduct, the Board does not take any formal measures to encourage and promote a culture of ethical business conduct. The Board is of the view that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law, together with the corporate statutory restrictions on an individual director's participation in decisions of the Board in which the director has an interest, are sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

### ***Nomination of Directors***

The Board annually evaluates the size of the Board and persons as nominees for the position of director of the Company. The Board's process for nomination of candidates has been an informal process to date but one in which the entire Board is involved. The Board itself reviews candidates for the Board and its executive officers and reviews succession planning on a regular basis.

### ***Compensation***

The Board has established a Compensation Committee, comprised of William Harris, Andrew Greig, and Peter Evensen. Andrew Greig and William Harris are both independent directors. Peter Evensen is relying on the temporary exemption from the requirement to be an independent member of the Compensation Committee. The function of the Compensation Committee is to review, on an annual basis, the compensation paid to the Company's executive officers and to the directors, and to make recommendations on compensation to the Board. In addition, the Committee reviews the compensation plans for the Company's non-executive staff. The process adopted with respect to the rev