



<b>B #:</b>	20387-24
<b>Date:</b>	06/14/2024
<b>To:</b>	All Participants
<b>Category:</b>	Dividends
<b>From:</b>	Supervisor, Stock Dividend Department
<b>Attention:</b>	Dividend Managers, Cashiers, and Reorganization Managers
<b>Subject:</b>	<b>Rights Distribution:</b> SCANDIUM CDA LTD <b>CUSIP:</b> 80600A103 <b>Rights Unit CUSIP:</b> 80600A111 <b>Rights Expire</b> July 5, 2024, at 4:00 P.M. (Montreal Time) <b>Record Date:</b> 06/10/2024 <b>Payable Date:</b> TBD <b>Rate:</b> 100% <b>Eligibility Notification Cut-Off Date:</b> 06/21/2024

\*\*\*\*\*WARNING TIME CRITICAL\*\*\*\*\*

**Eligible Jurisdictions:** Canada  
**Ineligible Jurisdictions:** All others outside of Canada  
**The Rights will not be made DTC eligible.**

The Rights are offered only to register holders of Common Shares (“**Eligible Holders**”) resident in a province or territory of Canada (“**Qualified Jurisdictions**”). Shareholders will be presumed to be resident in the place of their registered address unless the contrary is shown to our satisfaction. This Notice of Rights Offering and the Rights Offering Circular are not to be construed as an offering of the Rights, or the Unit Shares (as defined below) and Unit Warrants (as defined below) issuable upon exercise of the Rights, for sale in any jurisdiction outside the Qualified Jurisdictions, or to Shareholders who are resident of any jurisdiction other than the Qualified Jurisdictions (“**Ineligible Holders**”), or a solicitation therein of an offer to buy any securities therein or thereto. Rights may not be exercised by or on behalf of an Ineligible Holder, unless such Ineligible Holder satisfies us that it is an Approved Eligible Holder, as provided below.

An Ineligible Holder that: (1) is outside the Eligible Jurisdictions; and (2) satisfies us that such offering to and subscription by such holder or transferee is lawful and in compliance with all applicable securities and other laws (each an “**Approved Eligible Holder**”) may have its Rights DRS issued and forwarded by the Subscription Agent upon direction from us. The Subscription Agent will hold the Rights until June 21, 2024, to give the beneficial holders an opportunity to claim the Rights Subscription Form by satisfying us that they are an Approved Eligible Holder.

**If you do not satisfy the Company of your eligibility to participate in the Rights Offering on or before June 21, 2024, the Subscription Agent will hold the Rights Statements representing the**

DTCC offers enhanced access to all important notices via a Web-based subscription service. The notification system leverages RSS Newsfeeds, providing significant benefits including real-time updates and customizable delivery. To learn more and to set up your own DTCC RSS alerts, visit [http://www.dtcc.com/subscription\\_form.php](http://www.dtcc.com/subscription_form.php)

**Rights of the ineligible Shareholders until the Expiry Time, following which time the Rights will become null and void.**

**PLEASE REVIEW THE BELOW DOCUMENT REGARDING THE DETAILS OF THE OFFERING ALONG WITH RIGHTS SUBSCRIPTION FORM IF NEEDED.**

**Any questions may be directed to Computershare at the following:**

**Tel.: +1-800-564-6253**

**Email: [corporateactions@computershare.com](mailto:corporateactions@computershare.com)**

**Participants may submit instructions using the following methods:**

- **Email: [stockdividendprocessing@dtcc.com](mailto:stockdividendprocessing@dtcc.com)**  
Please also Cc the following email addresses with the instructions: [lhobson@dtcc.com](mailto:lhobson@dtcc.com) and [hgehy@dtcc.com](mailto:hgehy@dtcc.com)
  - **Subject Line:** Rights Instructions for SCANDIUM CDA LTD CUSIP 80600A103

The following **MUST** be included in the written instructions:

- Instructions must be on company letterhead
- Include company brick and mortar address
- DTC-authorized indemnity clause
- Medallion stamp
- DTC participant number

The address stated in the instructions must be in an eligible jurisdiction. Instructions must include an indemnity clause and medallion stamp.

A sample indemnification letter is accompanying this Important Notice.

The instructions will be processed only after acceptance by the subscription agent. **Participants will be responsible for receiving their rights from the subscription agent.**

**RECORD DATE POSITION INFORMATION SHOULD BE CONFIRMED THROUGH CA WEB.**

If there are any questions regarding this Important Notice, please contact DTC's Customer Help Line at (888) 382-2721.

DTCC offers enhanced access to all important notices via a Web-based subscription service. The notification system leverages RSS Newsfeeds, providing significant benefits including real-time updates and customizable delivery. To learn more and to set up your own DTCC RSS alerts, visit [http://www.dtcc.com/subscription\\_form.php](http://www.dtcc.com/subscription_form.php)

YOUR COMPANY LETTERHEAD

Date: \_\_\_\_\_

Depository Trust & Clearing Corp.  
18301 Bermuda Green Drive  
Tampa, Florida 33647

Attn: \_\_\_\_\_

Re: \_\_\_\_\_ Target CUSIP#: \_\_\_\_\_

Entitlement CUSIP #: \_\_\_\_\_

Record date: \_\_\_\_\_ Payable Date: \_\_\_\_\_

Sir/Madam: \_\_\_\_\_

Please accept this letter as our authorization to elect round up shares for our Participant Account Number/Name \_\_\_\_\_. Please elect \_\_\_\_\_ shares of the above referenced CUSIP.

[INSERT INDEMNITOR’S NAME] hereby agrees to jointly and severally indemnify and defend DTC and Cede & Co., and each of their respective subsidiaries and affiliates, officers, directors, employees, agents and attorneys, (the "Indemnitees") against, and hold the Indemnitees harmless from, any Losses<sup>1</sup> and Legal Actions<sup>2</sup> suffered or incurred by the Indemnitees resulting from, relating to, arising out of or in connection with [INSERT THE NATURE OF THE REQUEST] (the “Request”), except as a result of the Indemnitees willful misconduct or gross negligence or fraud. By way of example but not by way of limitation, this indemnity applies to Legal Actions between and/or among [INSERT INDEMNITOR’S NAME] and/or Indemnitees.

[INSERT INDEMNITOR’S NAME] represent and warrant that we are duly authorized to execute this indemnity.

Sincerely,

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Company Name: \_\_\_\_\_

\_\_\_\_\_

Place Medallion Signature Guarantee Stamp Here

<sup>1</sup> “Losses” means and includes all losses, liabilities, damages, judgments, liabilities, payments, obligations, costs and expenses (including, without limitation, any costs of investigation and legal fees and expenses incurred in connection with, resulting from, relating to, arising out of or in connection with the Request), regardless of whether or not any liability, payment, obligation or judgment is ultimately imposed against the Indemnitees.

<sup>2</sup> “Legal Action” means and includes any claim, counterclaim, demand, action, suit, countersuit, arbitration, inquiry, proceeding or investigation before any federal, state or foreign court or other tribunal, or any investigative or regulatory agency or self regulatory organization.

Phone #: \_\_\_\_\_

E-mail: \_\_\_\_\_

## EXEMPT PURCHASER STATUS CERTIFICATE – INELIGIBLE SHAREHOLDERS

Reference is made to the Notice to Ineligible Shareholders dated June 13, 2024, of Scandium Canada Ltd. (the "**Corporation**") Unless otherwise defined herein, all capitalized terms used herein have the meaning ascribed thereto in the Notice to Ineligible Shareholders.

The undersigned hereby represents and warrants to the Company, the Rights Agent and their respective directors, officers, employees, legal counsel and agents as follows:

1. The undersigned is resident at the following address, being a jurisdiction outside of Canada:  

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2. The undersigned understands that, unless it circles 4(a) or 4(b) below, (i) persons in the United States cannot participate, (ii) it was not offered the Units in the United States and is not a U.S. Person (as defined in Regulation S under the U.S. Securities Act of 1933) and does not have an address of record in the United States, (iii) it did not execute or deliver this form and will not exercise the Rights in the United States, (iv) it is not purchasing the Units on behalf of a person in the United States or a U.S. Person and (v) delivery of the underlying Common Shares, Warrants and underlying Common Shares to the Warrants will not be to an address in the United States. Under the laws of the undersigned's place of residence, the undersigned is entitled to receive, own and exercise the Rights.
3. The distribution to, and exercise by, the undersigned of such Rights is not unlawful and is exempt from any prospectus or similar filing requirement under the laws applicable to the undersigned or the laws of the undersigned's place of residence and does not require obtaining any approvals of a regulatory authority in the undersigned's place of residence.
4. With respect to U.S. Persons, persons in the United States or persons with addresses of record in the United States, the undersigned acknowledges that the Rights and the underlying Common Shares, Warrants and the underlying Common Shares to the Warrants have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States, and represents and warrants either (circle one):
  - (a) It is a dealer or other professional fiduciary organized, incorporated or (if an individual) resident in the United States and holding Common Shares on the Record Date pursuant to one or more discretionary accounts or similar accounts (other than an estate or trust) solely for the account or benefit of one or more beneficial owners, none of which was or is a "U.S. Person" (as defined in Regulation S under the U.S. Securities Act), and it is understood that the Company and the Rights Agent may require evidence to verify the foregoing representation.
  - (b) An exemption from registration under the U.S. Securities Act and any applicable state securities law is available for the acquisition of the Rights and purchase of the underlying Common Shares, Warrants and the underlying Common Shares to the Warrants, and the undersigned has duly completed, executed and returned to the Company the Subscription Agreement attached hereto as Appendix I, which is incorporated into and form part of this Exempt Purchaser Status Certificate.

The undersigned acknowledges that the Company and the Rights Agent and their respective directors, officers and employees are relying on the foregoing representations and warranties and are entitled and

requested to do so in forwarding a DRS Advice Statement to the undersigned, accepting the undersigned's subscription and in issuing and distributing the subscribed Common Shares and Warrants.

The undersigned acknowledges that the foregoing representations and warranties are true and accurate as of the date of this Exempt Purchaser Status Certificate and will be true and accurate as of each of the dates of issuance of each of the securities described herein (collectively, the “**Issuance Dates**”). If any such representation or warranty shall not be true and accurate prior to any Issuance Date, the undersigned shall give immediate written notice of such fact to the Company and the Rights Agent.

_____	_____
Dated	Signed
_____	_____
Witness (if Shareholder is an individual)	Print the name of Shareholder
_____	_____
Print Name of Witness	If Shareholder is not an individual, print name and title of authorized signing officer or representative
Signature guaranteed by (if applicable):	
_____	_____
Authorized Signature of Guarantor	Name and Address of Guarantor

**Instructions:**

For the purposes of the representations above “**United States**” and “**U.S. Person**” have the meaning given to such terms under Regulation S of under the U.S. Securities Act. For purposes of Regulation S, “United States” means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia. “U.S. Person” includes, with certain exceptions, (i) any natural person resident in the United States; (ii) any partnership or corporation organized or incorporated under the laws of the United States; (iii) any estate of which any executor or administrator is a U.S. Person; (iv) any trust of which any trustee is a U.S. Person; (v) any agency or branch of a foreign entity located in the United States; (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person; (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated or (if any individual) resident in the United States; and (viii) any partnership or corporation if (a) organized or incorporated under the laws of any jurisdiction other than the United States and (b) formed by a U.S. Person principally for the purposes of investing in securities not registered under the U.S. Securities Act.

The offer of these securities is made in all provinces and territories of Canada where an exemption from the applicable state securities laws is immediately available. See "Who is eligible to receive Rights?" in the Rights Offering Circular (as defined below). The offering is not being made in jurisdictions where Scandium Canada Ltd. is not eligible to make such offer.



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## SCANDIUM CANADA LTD.

### NOTICE TO SECURITYHOLDERS – June 6, 2024

**We currently have sufficient working capital to last 3 months. We require 33% of the Rights Offering to last 12 months.**

The purpose of this notice (the "**Notice**") is to advise holders (the "**Shareholders**") of common shares (the "**Common Shares**") of Scandium Canada Ltd. ("**Scandium**" or the "**Corporation**") of a proposed offering of rights (the "**Rights**") of the Corporation (the "**Rights Offering**") to subscribe for units ("**Rights Units**") of the Corporation on the terms described in the Corporation's rights offering circular dated June 6, 2024 (the "**Rights Offering Circular**"), available for viewing on the Corporation's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

References in this Notice to "we", "our", "us" and similar terms are to the Corporation. References in this Notice to "you", "your" and similar terms are to holders of the Corporation's Common Shares. All amounts herein are presented in Canadian dollars, unless otherwise stated.

#### ***Who can participate in the Offering?***

Each registered holder of Common Shares as at the close of business (Montreal time) on June 10, 2024 (the "**Record Date**"), may participate in the Rights Offering. The Rights expire at 4:00 p.m. (Montréal time) (the "**Expiry Time**") on July 5, 2024 (the "**Expiry Date**") after which time unexercised Rights will be void and of no value.

#### ***Who is eligible to receive Rights?***

The Rights are offered only to registered holders of Common Shares ("**Eligible Holders**") resident in a province or territory of Canada ("**Qualified Jurisdictions**"). Shareholders will be presumed to be resident in the place of their registered address, unless the contrary is shown to our satisfaction. This Notice of Rights Offering and the Rights Offering Circular are not to be construed as an offering of the Rights, or the Unit Shares (as defined below) and Unit Warrants (as defined below) issuable upon exercise of the Rights, for sale in any jurisdiction outside the Qualified Jurisdictions, or to Shareholders who are resident of any jurisdiction other than the Qualified Jurisdictions ("**Ineligible Holders**"), or a solicitation therein of an offer to buy any securities therein or thereto. Rights may not be exercised by or on behalf of an Ineligible Holder, unless such Ineligible Holder satisfies us that it is an Approved Eligible Holder, as provided below.

#### ***How many Rights are we offering?***

We are offering 216,372,826 Rights.

#### ***How many Rights will you receive?***

Each holder of Common Shares on the Record Date who is resident in an Eligible Jurisdiction will receive one Right for each one Common Share held.

#### ***What does one (1) Right entitle you to receive?***

Each whole Right allows the holder to purchase 0.426614 of a Rights Unit at a subscription price of \$0.0325 (the "**Subscription Price**") per Rights Unit (the "**Basic Subscription Privilege**"). Holders will need to exercise 2.344039 Rights to acquire one Rights Unit. Each Rights Unit will consist of one Common Share (a "**Unit Share**") and one Common Share purchase warrant of the Corporation (a "**Unit Warrant**"). The Rights Units will separate into Unit Shares and Unit Warrants immediately upon issue.

Each whole Unit Warrant will entitle the holder to acquire, subject to adjustment in certain circumstances, one Common Share (a "**Warrant Share**") at an exercise price of \$0.05 per Warrant Share until 5:00 p.m. (Montréal time) on the date that is 24 months from the date of issuance. No fractional Common Shares will be issued.

If an Eligible Holder or Approved Eligible Holder exercises all of their Rights under the Basic Subscription Privilege, they will also be entitled to subscribe *pro rata* for Rights Units not otherwise purchased, if any, pursuant to the Basic Subscription Privilege at the Subscription Price (the “**Additional Subscription Privilege**”).

### ***How will you receive your rights?***

Rights will be evidenced by transferable rights DRS Advice(s) (each, a “**Rights DRS**”). Each Eligible Holder as of the Record Date has been provided their applicable Rights DRS along with this Notice of Rights Offering.

You are a beneficial holder of Common Shares if you hold your Common Shares through a securities broker or dealer, bank or trust company or other participant (a “**Participant**”) in the book-based system administered by CDS Clearing and Depository Services Inc. (“**CDS**”) and you are resident in a Qualified Jurisdiction. The total number of Rights to which all beneficial Eligible Holders as at the Record Date are entitled will be issued to and deposited with CDS following the Record Date. We expect you will receive a confirmation of the number of Rights issued to you from the applicable Participant in accordance with the practices and procedures of that Participant. CDS will be responsible for establishing and maintaining book-entry accounts for Participants holding Rights.

Rights DRS in respect of Rights issued to Ineligible Holders will not be issued and forwarded by the Subscription Agent to Ineligible Holders. Ineligible Holders are being sent this Notice of Rights Offering for information purposes only together with a letter advising them that their Rights Certificates will be issued to and held by Computershare Investor Services Inc., as subscription agent (the “**Subscription Agent**”), which will hold such Rights as agent for the benefit of all Ineligible Holders.

### ***How does an Ineligible Holder participate?***

An Ineligible Holder that: (1) is outside the Eligible Jurisdictions; and (2) satisfies us that such offering to and subscription by such holder or transferee is lawful and in compliance with all applicable securities and other laws (each an “**Approved Eligible Holder**”) may have its Rights DRS issued and forwarded by the Subscription Agent upon direction from us. The Subscription Agent will hold the Rights until June 21, 2024, in order to give the beneficial holders an opportunity to claim the Rights Subscription Form by satisfying us that they are an Approved Eligible Holder.

### ***When and how can you exercise your Rights?***

If you are a registered Eligible Holder or Approved Eligible Holder who receives a Rights DRS, you must complete and deliver your Rights DRS, together with the Subscription Price for each Right exercised (including pursuant to your Basic Subscription Privilege and, if applicable, your Additional Subscription Privilege), to the Subscription Agent at the address on the return envelope included with your Rights Certificate on or before the Expiry Time.

If you are a beneficial Eligible Holder and hold your Rights through a Participant and wish to exercise your Rights, the Corporation expects in most cases you will be able to exercise your Rights by: (1) delivering to your Participant a properly completed beneficial owner election form required by your Participant to effect the exercise of your Rights; and (2) forwarding to your Participant the aggregate Subscription Price for the Rights Units that you wish to subscribe for in accordance with the terms of the Rights Offering (including pursuant to your Basic Subscription Privilege and, if applicable, your Additional Subscription Privilege). **Participants will have an earlier deadline for receipt of instructions and payment than the Expiry Date.** Shareholders who are beneficial Eligible Holders should contact their particular Participant for complete details on how to exercise their Basic Subscription Privilege and the Additional Subscription Privilege.

### ***What are the next steps?***

This document contains key information you should know about Scandium. You can find more details in the issuer’s Rights Offering Circular. To obtain a copy, visit Scandium’s profile on the SEDAR+ website, visit [www.scandium-canada.com](http://www.scandium-canada.com), ask your dealer representative for a copy or contact Computershare at [corporateactions@computershare.com](mailto:corporateactions@computershare.com) or by telephone at 1 (800) 564-6253 or outside North America at 1(514) 982-7555. You should read the Rights Offering Circular, along with Scandium’s continuous disclosure record, to make an informed decision.

(s) Guy Bourassa  
Guy Bourassa  
Chief Executive Officer



DATE: June 13, 2024

TO: **Ineligible Holders of Scandium Canada Ltd (“the “Corporation”) common shares (“Common Shares”)**

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Enclosed for your information is a copy of the rights offering circular (the “**Circular**”) of the Corporation dated June 6, 2024. The Corporation is issuing to holders of record of its Common Shares at the close of business on June 10, 2024 subscription rights (“**Rights**”) to subscribe for Units. As described in the Circular under the heading “Who is eligible to receive Rights”, subscriptions will not be accepted from any holder of Rights who is not, or who the Corporation or Computershare Investor Services Inc. (the “**Subscription Agent**”) has reason to believe is not, a resident of a province or territory of Canada or any other jurisdiction in which the issue of Common Shares pursuant to the exercise of Rights would be in violation of applicable securities laws.

If the Common Shares of the Corporation registered in your name are registered with an address other than in a province or territory of Canada, the Rights allocable in respect of the Common Shares registered in your name will be held by the Subscription Agent until 4:30 p.m. (Toronto time) on June 21, 2024 in order to give you the opportunity to claim your Rights upon satisfying the Corporation that (i) you are resident in a province or territory of Canada; or (ii) the exercise of your Rights will not be in violation of securities and other laws applicable in the jurisdiction where you are resident.

You, or any beneficial holder for whom you hold Common Shares of the Corporation, may transfer Rights by providing transfer instructions to the Subscription Agent, provided that the transferee’s address on the transfer instructions must be in a province or territory of Canada. Any such transfer instructions must be received by the Subscription Agent prior to 4:30 p.m. (Toronto time) on June 21, 2024 from and after 9:30 a.m. (Toronto time) on June 21, 2024 and until 5:00 p.m. (Toronto time) on July 5, 2024 in the manner described in the Circular.

For details on the terms and conditions of your Rights, please consult the Circular. If you have further questions, you may contact Computershare Investor Services Inc. at:

Toll Free (North America): 1-800-564-6253  
Overseas: 1-514-982-7555  
E-Mail: [corporateactions@computershare.com](mailto:corporateactions@computershare.com)

Thank you for your continued support of the Corporation.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Guy Bourassa", is written over a light blue horizontal line.

Guy Bourassa  
CEO of the Corporation

**PLEASE READ THIS MATERIAL CAREFULLY AS YOU ARE REQUIRED TO MAKE A DECISION PRIOR TO 4:00 P.M. (MONTRÉAL TIME) ON JULY 5, 2024.**

*This rights offering circular (this “Circular”) is prepared by management of the Corporation. No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Circular. Any representation to the contrary is an offence.*

*This is the Circular we referred to in the June 6, 2024, rights offering notice (the “Notice”), which you should have already received. Your rights certificate and relevant forms were enclosed with the Notice. This Circular should be read in conjunction with the Notice and our continuous disclosure prior to making an investment decision.*

*The offer of these securities is being made in all provinces and territories of Canada (the “Qualified Jurisdictions”). The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States. This Circular does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States, and the securities offered herein may not be offered or sold in or into the United States or to U.S. persons. “United States” and “U.S. persons” are as defined in Regulation S under the U.S. Securities Act.*

**Rights Offering Circular**

June 6, 2024



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**OFFERING OF RIGHTS TO SUBSCRIBE FOR UP TO 92,307,690 UNITS**

**Price: \$0.0325 per Unit**

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**SCANDIUM CANADA LTD.**

**SUMMARY OF THE RIGHTS OFFERING**

***We currently have sufficient working capital to last 3 months. We require 33% of the Rights Offering to last 12 months.***

References in this Circular to “we”, “our”, “us” and similar terms are to Scandium Canada Ltd. (“**Scandium**” or the “**Corporation**”). References in this Circular to “you”, “your” and similar terms are to holders of the Corporation’s Common Shares (as defined below). Unless otherwise indicated, references herein to “\$” or “dollars” are to Canadian dollars.

***Why are you reading this Circular?***

As set forth in the June 6, 2024, Notice, we are issuing to the holders (the “**Shareholders**”) of the outstanding common shares in the capital of the Corporation (the “**Common Shares**”) of record at the close of business (Montreal time) on June 10, 2024 (the “**Record Date**”), and who are resident in the Qualified Jurisdictions, transferable rights (the “**Rights**”) to subscribe for units (the “**Rights Units**”) on the terms described in this Circular (the “**Rights Offering**”). The purpose of this Circular is to provide you with detailed information about your rights and obligations in respect of the Rights Offering. This Circular is referred to in the Notice, which you should have already received by mail, and should be read in conjunction with it.

### ***What is being offered?***

Each Shareholder of Common Shares on the Record Date who is resident in a Qualified Jurisdiction will receive one (1) Right for each Common Share held. Each holder of Common Shares will receive by transferable Rights DRS Advice(s) in registered form (each, a **"Rights DRS"**). No fractional Rights will be issued. Any fractional entitlements to receive Rights described herein will be rounded down to the next lowest whole number of Rights, and no cash or other consideration will be paid in lieu.

### ***What does one Right entitle you to receive?***

Each whole Right allows the holder to purchase 0.426614 of a Rights Unit at the Subscription Price (as defined below) (the **"Basic Subscription Privilege"**). Holders will need to exercise 2.344039 Rights to acquire one Rights Unit. Each Rights Unit will consist of one Common Share (a **"Unit Share"**, collectively the **"Unit Shares"**) and one Common Share purchase warrant of the Corporation (a **"Unit Warrant"**, collectively the **"Unit Warrants"**). The Rights Units will separate into Unit Shares and Unit Warrants immediately upon issue.

Each whole Unit Warrant will entitle the holder thereof to acquire one Common Share (a **"Warrant Share"**, collectively the **"Warrant Shares"**) at an exercise price of \$0.05 per Warrant Share until 5:00 p.m. (Montreal time) for a period of 24 months from the date of issuance of the Rights Units (the **"Warrant Expiry Date"**), the whole subject to the terms and conditions of the Unit Warrant, including the optional conversion clause, which may be elected at the Corporation's sole discretion.

No fractional Unit Shares or Unit Warrants will be issued upon the exercise of Rights Units. Any fractional entitlements to subscribe for Unit Shares or Unit Warrants described herein will be rounded down to the next lowest whole number of the applicable security, and no cash or other consideration will be paid in lieu.

In the event that a Shareholder exercises the Basic Subscription Privilege in full, the Shareholder will also be entitled to subscribe for Rights Units (**"Additional Rights Units"**) not otherwise purchased, if any, on a *pro rata* basis, pursuant to an additional subscription privilege (the **"Additional Subscription Privilege"**). The number of Additional Rights Units available will be the difference, if any, between the total number of Rights that were issued pursuant to the Rights Offering and the total number of Rights exercised pursuant to the Basic Subscription Privilege at the Expiry Time (as defined below) on the Expiry Date (as defined below). Unless the context otherwise requires, all references to "Rights Units" in this Circular shall include Additional Rights Units.

The Additional Subscription Privilege and any pro rata subscription for Additional Rights Units will be in compliance with the requirements of applicable securities laws, including *National Instrument 45-106 – Prospectus Exemptions* (**"NI 45-106"**).

### ***What is the subscription price?***

The subscription price per Rights Unit is \$0.0325 (the **"Subscription Price"**). In accordance with paragraph 2.1(3)(g) of NI 45-106, the Subscription Price is at a discount to our share price on the TSX Venture Exchange (**"TSXV"**). On May 31, 2024, being the last trading day prior to the announcement of the Rights Offering, the closing price of the Common Shares on the TSXV was \$0.045 (the **"Market Price"**). The Subscription Price must be paid in Canadian dollars.

### ***When does the offer expire?***

The offer will expire at 4:00 p.m. (Montréal time) (the **"Expiry Time"**) on July 5, 2024 (the **"Expiry Date"**), after which time unexercised Rights, if any, will be void and of no value.

In accordance with paragraph 2.1(6)(b) of NI 45-106, the prospectus exemption used herein for the Rights Offering is not available where the exercise period for the Rights is less than 21 days or more than 90 days after the day the Notice is sent to Securityholders.

***What are the significant attributes of the Rights issued under the Rights Offering and the securities to be issued upon the exercise of the Rights?***

Each whole Right, as evidenced by transferable Rights Certificates, will entitle the holder thereof to purchase one Rights Unit at the Subscription Price. Each Rights Unit will consist of one Unit Share and one Unit Warrant. The Unit Warrants will be issued pursuant to the terms of a warrant indenture (the “**Warrant Indenture**”) to be entered into on the closing date of the Rights Offering between the Corporation and Computershare Trust Company of Canada, as warrant agent thereunder. Each whole Unit Warrant will entitle the holder thereof to acquire one Warrant Share at an exercise price of \$0.05 per Warrant Share until 5:00 p.m. (Montreal time) on the Warrant Expiry Date. The description of the Unit Warrants in this Rights Offering Circular is a summary only and is subject to the provisions of the Warrant Indenture.

A Right does not entitle the holder thereof to any rights whatsoever as a shareholder of the Corporation other than the right to subscribe for and purchase a Rights Unit on the terms and conditions described herein. Registered holders of Common Shares are entitled to receive notice of and attend all meetings of Shareholders and are entitled to one vote for each Common Share held. In addition, Shareholders are entitled to dividends, if, as and when declared by the board of directors of the Corporation and, upon liquidation or winding-up of the Corporation, to share in the residual assets of the Corporation. The Common Shares do not have any pre-emptive, conversion or redemption rights, and all have equal voting rights. There are no special rights or restrictions of any nature attached to the Common Shares. The Corporation is authorized to issue an unlimited number of Common Share, of which, as at the date hereof, 216,372,826 are issued and outstanding.

***What are the minimum and maximum number or amount of Rights Units that may be issued under the Rights Offering?***

Assuming the exercise of all Rights, a maximum of 92,307,690 Rights Units, consisting of 92,307,690 Unit Shares and 92,307,690 Unit Warrants will be issued under the Rights Offering for maximum aggregate gross proceeds of \$3,000,000. Up to \$1,000,000 of the Rights Offering has been guaranteed by the Standby Purchasers (as defined below) assuming the fulfilment of all closing conditions to the Standby Purchase Agreement (as defined below). See “*Standby Commitment*” for a description of the Standby Commitment (as defined below).

Assuming the Standby Commitment is completed in full to the Standby Maximum in accordance with its terms and conditions, the Corporation will issue a minimum of 30,769,230 Common Shares and 30,769,230 Unit Warrants in connection with the Rights Offering and pursuant to the terms of the Standby Purchase Agreement for minimum aggregate gross proceeds of \$1,000,000.

***Where will the Rights and the securities issuable upon exercise of the Rights be listed for trading?***

The Corporation’s Common Shares are listed on the TSXV under the trading symbol “SCD”. The Unit Shares, Warrant Shares and the Common Shares underlying the Bonus Warrants (as defined below) will be listed on the TSXV under the same trading symbol.

The Rights will trade on the TSXV under the trading symbol “SCD.RT” until 12:00 p.m. (Montréal time) on the Expiry Date and will be fully transferable through the TSXV during this time.

**FORWARD-LOOKING STATEMENTS**

This Circular contains “forward-looking information” and “forward-looking statements” within the meaning of applicable securities legislation (collectively, “**forward-looking statements**”) which relate to future events or future performance and reflect management’s expectations and assumptions regarding the Corporation’s growth, results, performance and business prospects and opportunities. Such forward-looking statements reflect management’s current beliefs and are based on information currently available to it.

In some cases, these forward-looking statements can be identified by words or phrases such as “may”, “would”, “could”, “will”, “should”, “expect”, “intend”, “aim”, “attempt”, “anticipate”, “believe”, “study”, “target”, “estimate”, “forecast”, “predict”, “outlook”, “mission”, “aspire”, “plan”, “schedule”, “potential”, “progress” or the negative of these terms or other similar expressions concerning matters that are not historical facts. The Corporation has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things, statements relating to: (i) the funds to be raised under the Rights Offering; (ii) estimated costs of the Rights Offering; (iii) available funds to the Corporation after expenses of the Rights Offering; (iv) the use of the funds raised under the Rights Offering; (v) the Corporation’s estimate of how long the funds raised in the Rights Offering will last from the

Expiry Date; (vi) the intention and commitment of insiders to exercise their Rights; and (vii) the anticipated dilution to Shareholders who do not participate in the Rights Offering.

The forward-looking statements are based on a number of key expectations and reasonable assumptions made by the Corporation's management relating to the Corporation including, but not limited to: (i) the estimated costs of the Rights Offering; (ii) the estimated amount of funds raised under the Rights Offering; and (iii) the estimated operating expenses of the Corporation following the Expiry Date. These assumptions are subject to risks and uncertainties. Although the Corporation believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect. Forward-looking statements are not guarantees of future performance and accordingly, Shareholders should not place undue reliance on such statements in light of their inherent uncertainty and assumptions, and the risks as set out above, and assumptions. Whether actual results, performance or achievements will conform to the Corporation's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, which include: the uncertainty associated with estimating actual costs incurred in the Rights Offering; delays in obtaining or failure to obtain required approvals to complete the Rights Offering; the actual operating expenses of the Corporation following the Expiry Date; the inability or failure to obtain adequate financing on a timely basis and other risks and uncertainties. These risks, uncertainties, assumptions and other factors could cause the Corporation's actual results, performance, achievements and experience to differ materially from the Corporation's expectations and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Corporation. In light of the significant risks and uncertainties in the forward-looking statements, Shareholders should not place undue reliance on or regard these statements as a representation or warranty by the Corporation or any other person that the Corporation will achieve its objectives, strategies and plans in any specified time frame, if at all.

The forward-looking statements made in this Circular relate only to events or information as of the date on which the statements are made in this Circular and is subject to change. Except as required by law, the Corporation undertakes no obligation to update or revise publicly or otherwise any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. A Shareholder should read this Circular with the understanding that the Corporation's actual future results may be materially different from what it expects. Future-oriented financial information in this Circular relates to the Corporation's view of future events and is not appropriate to use for other purposes.

## USE OF AVAILABLE FUNDS

### ***What will our available funds be upon closing of the Rights Offering?***

Assuming the exercise of all Rights, the maximum net proceeds to the Corporation from the Rights Offering will be approximately \$2,900,000, after deducting estimated expenses of \$100,000 associated with the Rights Offering. The Corporation estimates that it will have the following funds available after giving effect to the Rights Offering:

		Assuming minimum Rights Offering	Assuming completion of 50% of the Rights Offering	Assuming completion of 75% of the Rights Offering	Assuming completion of 100% of the Rights Offering
A.	Amount to be raised by this Rights Offering	\$1,000,000	\$1,500,000	\$2,250,000	\$3,000,000
B.	Selling commissions and fees	\$-	\$-	\$-	\$-
C.	Estimated offering costs	\$100,000	\$100,000	\$100,000	\$100,000
D.	Available funds: D = A – (B+C)	\$900,000	\$1,400,000	\$2,150,000	\$2,900,000
E.	Working capital (deficiency) <sup>(1)</sup>	\$1,141,000	\$1,141,000	\$1,141,000	\$1,141,000
F.	Additional sources of funding <sup>(2)</sup>	\$322,000	\$322,000	\$322,000	\$322,000
<b>G.</b>	<b>Total: G = D+E+F</b>	<b>\$2,363,000</b>	<b>\$2,863,000</b>	<b>\$3,613,000</b>	<b>\$4,363,000</b>

Note:

- (1) Represents the Corporation's estimated working capital as at March 31, 2024.
- (2) The balance of a subsidy granted by *Le Consortium de recherche et d'innovation en transformation métallique* (CRITIM) of a maximum amount of \$500,000, to finance the Corporation's 500 kg metallurgical test expenditures by SGS Canada Inc. described in the section "How will we use the available funds?" below.

### ***How will we use the available funds?***

The net proceeds from the Rights Offering will be used for the purposes set out in the table below, depending on different scenarios of participation in the Rights Offering.

Description of intended use of available funds listed in order of priority	Assuming minimum Rights Offering	Assuming completion of 50% of the Rights Offering	Assuming completion of 75% of the Rights Offering	Assuming completion of 100% of the Rights Offering
Complete 500 kg metallurgical test at SGS Canada Inc.	\$552,000	\$552,000	\$552,000	\$552,000
Baseline environmental studies at Crater Lake	\$757,000	\$757,000	\$757,000	\$757,000
Market development	\$87,000	\$87,000	\$250,000	\$250,000
Administrative costs	\$967,000	\$1,467,000	\$2,054,000	\$2,804,000
<b>Total:</b>	<b>\$2,363,000</b>	<b>\$2,863,000</b>	<b>\$3,613,000</b>	<b>\$4,363,000</b>

The above-noted allocation represents the Corporation's intention with respect to its use of net proceeds from the Rights Offering and other available funds based on current knowledge and planning by management of the Corporation and there may be circumstances where, for sound business reasons, the Corporation may reallocate the use of proceeds.

### ***How long will the available funds last?***

The Corporation anticipates that the funds raised in the Rights Offering will be sufficient to meet its working capital requirements for the 12 months following the date of the Expiry Time.

## **INSIDER PARTICIPATION**

### ***Will insiders be participating?***

Directors and officers who currently beneficially own, directly or indirectly, or who have control or direction over 5,290,594 Common Shares (representing approximately 2.4% of the Corporation's issued and outstanding Common Shares), have indicated that they intend to exercise their subscription privileges to acquire approximately 2,215,384 Rights Units representing total subscription proceeds of approximately \$72,000, which would represent approximately 2.4% of the Rights Offering, assuming the maximum number of 92,307,690 Rights Units is subscribed for.

The Corporation does not expect that Shareholder approval will be required if any new control person is created through the exercise of Rights pursuant to the Rights Offering, given that the Rights will be listed for trading on the TSXV and the Subscription Price is at a "significant discount" to the Market Price.

The foregoing disclosure reflects the intentions of the Corporation's insiders as of the date hereof to the extent such intentions are known to the Corporation after reasonable inquiry; however, such insiders, may alter their intentions before the Expiry Time on the Expiry Date. No assurance can be given that such insiders will or will not exercise their Rights.

### ***Who are the holders of 10% or more of the Common Shares before and after the Rights Offering?***

To the knowledge of the directors and officers of the Corporation, as at the date hereof, no person or company beneficially owns, directly or indirectly, or controls or directs more than 10% of any class of voting securities of the Corporation.

## **DILUTION**

### ***If you do not exercise your Rights, by how much will your security holdings be diluted?***

Assuming the issuance of the maximum number of Rights Units under the Rights Offering and assuming that no Unit Warrant is exercised, Shareholders of outstanding Common Shares that do not exercise Rights will be diluted by 29.60% as at June 6, 2024.

## STANDBY COMMITMENT

### Who are the Standby Purchasers and what are the fees?

On May 31, 2024, the Corporation and Guy Bourassa, Placement Noël Dubé Inc., Fiducie Familiale Maxime Larouche, Blue Water Trust and Alain Roberge (collectively, the “**Standby Purchasers**”) have entered into a standby purchase agreement (the “**Standby Purchase Agreement**”), pursuant to which Standby Purchasers have agreed, subject to certain terms, conditions and limitations, that the Standby Purchasers will provide a standby commitment for the Rights Offering to a maximum of \$1,000,000, being a maximum (the “**Standby Maximum**”) of 30,769,230 additional Right Units (“**Standby Units**”) comprised of one Unit Share and one Unit Warrant.

The Standby Purchasers hereby agree, to the extent that less than the minimum number of Rights Units are subscribed for, taken up and issued, to purchase from the Corporation, and the Corporation hereby agrees to sell to the Standby Purchasers, at the Subscription Price and on the Closing Date, a maximum of 30,769,230 Standby Units that were not otherwise subscribed for and taken up under the minimum Rights Offering by holders of Rights, such that the gross proceeds to the Corporation from the purchase of the Rights, will be a minimum of \$1,000,000.

Assuming the Standby Commitment is completed in full to the Standby Maximum in accordance with its terms and conditions, including receipt of the Minimum Additional Proceeds, the Corporation will issue a minimum of 30,769,230 Common Shares and 30,769,230 Unit Warrants in connection with the Rights Offering and pursuant to the terms of the Standby Purchase Agreement for aggregate gross proceeds of \$1,000,000.

Subject to completion of the Rights Offering and performance by the Standby Purchasers of the Standby Commitment, but irrespective of whether the Standby Purchasers are actually required to purchase any Standby Units, in consideration solely for the Standby Commitment, the Corporation will issue up to 7,692,307 non-transferable bonus warrants of the Corporation (“**Bonus Warrants**”) to the Standby Purchasers, entitling them to purchase up to a total of 7,692,307 Common Shares, being 25% of the total number of Right Units the Standby Purchasers have committed to purchase, at a price of \$0.05 per Common Share for five years after the date on which performance by the Standby Purchasers could be required. Standby Purchasers who receive Rights as a shareholder on the Record Date will not receive Bonus Warrants for exercising their Basic Subscription Privilege or, if applicable, Additional Subscription Privilege.

Mr. Guy Bourassa is a “related party” of the Corporation pursuant to National Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**NI 61-101**”), as Mr. Bourassa is the Chief Executive Officer and a director of the Corporation.

With respect to the Standby Commitment, such transaction is not expected to constitute a “related party transaction” for the purposes of NI 61-101 as the Standby Commitment is a right offering where there is an “interested party” only because a “related party” of the Corporation provides a stand-by commitment for the Rights Offering, and the Standby Commitment complies with NI 45-106.

### Have we confirmed that the Standby Purchasers have the financial ability to carry out the Standby Commitment?

To the knowledge of the Corporation, after reasonable inquiry, the Standby Purchasers have the financial ability to carry out the Standby Commitment.

### What are the security holdings of the Standby Purchasers before and after the Rights Offering?

Shareholders	Holdings before the Rights Offering <sup>(1)</sup>	Holdings after the Rights Offering if Standby Purchasers takes up entire Standby Commitment <sup>(2)</sup>
Guy Bourassa	1,224,500 (0.57%)	5,839,884 (2.36%)
Placement Noël Dubé Inc.	4,000,000 (1.85%)	8,615,384 (3.47%)
Fiducie Familiale Maxime Larouche	nil	6,153,846 (2.49%)
Blue Water Trust	nil	7,692,307 (3.11%)
Alain Roberge	6,891,400 (3.18%)	14,583,707 (5.90%)

Notes:

(1) As of the date hereof, there are 216,372,826 Common Shares issued and outstanding.

(2) Assumes that the Minimum Additional Proceeds are the only subscription proceeds that have been received from holders of Rights other than the Standby Purchasers and the Standby Commitment has been fulfilled to the Standby Maximum. Does not include Common Shares issuable upon exercise of the Warrants.

## MANAGING DEALER, SOLICITING DEALER AND UNDERWRITING CONFLICTS

### ***Who is the managing or soliciting dealer and what are its fees?***

The Corporation has not engaged a managing dealer or soliciting dealer in respect of the Rights Offering.

### HOW TO EXERCISE THE RIGHTS

Subscriptions for Rights Shares made pursuant to the Rights Offering either directly or through a CDS Participant (as defined herein) will be irrevocable.

### ***How does a security holder that is a registered holder participate in the Rights Offering?***

If you are registered holder of Common Shares in the Qualified Jurisdictions, a Rights DRS and Rights Subscription Form representing the number of Rights to which you are entitled as of the Record Date has been included with the Notice. In order to exercise the Rights represented by the Rights DRS, a holder of Rights must complete and deliver the Rights Subscription Form in the manner and upon the terms set out in the Rights DRS.

In order to exercise your Rights, you must:

1. **Complete and sign Box 1 on the Rights Subscription Form to exercise your Rights.** The maximum number of Rights that you may exercise under the Basic Subscription Privilege is shown in the box on the upper left hand corner of the Rights Subscription Form. If you complete Box 1 so as to exercise some but not all of the Rights evidenced by the Rights DRS, you will be deemed to have waived the unexercised balance of such Rights, unless you otherwise specifically advise the Subscription Agent (as defined below) at the time the Rights DRS is surrendered to the Subscription Agent.
2. **Additional Subscription Privilege.** Complete and sign Box 2 on the Rights Subscription Form only if you also wish to participate in the Additional Subscription Privilege. You must exercise the Basic Subscription Privilege in full to be eligible to exercise the Additional Subscription Privilege. See below "*What is the Additional Subscription Privilege and how can you exercise this privilege?*".
3. **Enclose payment in Canadian funds by certified cheque, bank draft or money order payable to the order of the Subscription Agent.** To exercise the Rights, you must pay the Subscription Price per each Right Unit, and you may purchase one Right Unit for every Right you hold. In addition to the amount payable for any Rights Units you wish to purchase under the Basic Subscription Privilege, you must also pay the amount required for any Rights Units subscribed for under the Additional Subscription Privilege, if any. Amounts paid in respect of the Additional Subscription Privilege not ultimately used to acquire Rights will be returned to you. See below "*What is the Additional Subscription Privilege and how can you exercise this privilege?*".
4. **Delivery.** Deliver or mail the completed Rights Subscription Form and payment in the enclosed return envelope addressed to the Subscription Agent at the address below so that it is received before the Expiry Time on the Expiry Date. If you are mailing your documents, registered mail is recommended. Please allow sufficient time to avoid late delivery as the payments together with the Rights Subscription Form and any other applicable forms, must be received by the Expiry Time on the Expiry Date.

#### **By Hand or Courier:**

*Computershare Investor Services Inc.*  
Attn: Corporate Actions  
100 University Ave, 8<sup>th</sup> Floor  
Toronto, ON M5J 2Y1

#### **By Mail:**

*Computershare Investor Services Inc.*  
Attn: Corporate Actions  
31 Adelaide St. E. PO Box 7021  
Toronto, ON M5C 3H2

Rights DRS will expire and be of no value unless they are returned with a properly completed Rights Subscription Form and received with payment for the Rights Units subscribed for, at the office of the Subscription Agent before the Expiry Time on the Expiry Date.

The signature of the Rights Subscription Form holder must correspond in every particular with the name that appears on the face of the Rights DRS. Signatures by a trustee, executor, administrator, guardian, attorney, officer of a company or any person acting in a fiduciary or representative capacity should be accompanied by evidence of authority satisfactory to the Subscription Agent. All questions as to the validity, form, eligibility (including time of receipt) and acceptance of any subscriptions will be determined by the Corporation in its sole discretion, and any determination by the Corporation will be final and binding. All subscriptions for Rights Units made pursuant to the Rights Offering are irrevocable. The Corporation reserves the absolute right to reject any subscription if it is not in proper form or if the acceptance thereof or the issuance of Rights Units pursuant thereto could be deemed unlawful. The Corporation is not and will not be under any duty to give any notice of any defect or irregularity in any subscription, nor will they be liable for the failure to give any such notice.

If a holder of Rights has any questions with respect to the proper exercise of Rights, such holder should contact the Subscription Rights Agent by email at [corporateactions@computershare.com](mailto:corporateactions@computershare.com) or by telephone at 1 (800) 564-6253 or outside North America at 1 (514) 982-7555.

### ***How does a security holder that is not a registered holder participate in the Rights Offering?***

You are a beneficial Eligible Holder (as defined below) if: (1) you hold your Common Shares through a securities broker or dealer, bank or trust Corporation or other participant (each, a “Participant”) in the book-based system administered by CDS Clearing and Depository Services Inc. (“CDS”); and (2) you are resident in a Qualified Jurisdiction. The total number of Rights to which all beneficial Eligible Holders as at the Record Date are entitled will be issued to CDS and will be deposited with CDS following the Record Date. We expect that each beneficial Eligible Holder will receive a confirmation of the number of Rights issued to it from its Participant in accordance with the practices and procedures of that Participant. CDS will be responsible for establishing and maintaining book-entry accounts for Participants holding Rights.

Neither the Corporation nor the Subscription Agent will have any liability for: (1) the records maintained by CDS or Participants relating to the Rights or the book-entry accounts maintained by them; (2) maintaining, supervising or reviewing any records relating to such Rights; or (3) any advice or representations made or given by CDS or Participants with respect to the rules and regulations of CDS or any action to be taken by CDS or Participants. The ability of a person having an interest in Rights held through a Participant to pledge such interest or otherwise take action with respect to such interest (other than through a Participant) may be limited. Holders of Rights that hold such Rights through a Participant must arrange exercises of Rights through their Participant.

If you are a beneficial Eligible Holder and hold your Rights through a Participant and wish to exercise your Rights, the Corporation expects in most cases you will be able to exercise your Rights by: (1) delivering to your Participant a properly completed beneficial owner election form required by your Participant to effect the exercise of your Rights; and (2) forwarding to your Participant the aggregate Subscription Price for the Right Units that you wish to subscribe for in accordance with the terms of the Rights Offering. The exact manner of exercising your Rights will depend on the policies and practices of your Participant and so you should contact your Participant to confirm how your Rights may be exercised.

The Corporation expects you will be able to pay the aggregate Subscription Price for Rights exercised through your Participant by way of wire transfer, cheque or bank draft payable to the Participant, by direct debit from the subscriber's brokerage account or by electronic funds transfer or other similar payment mechanism, in each case payable in Canadian dollars.

Subscriptions for Rights Units made through a Participant will be irrevocable and subscribers will be unable to withdraw their subscriptions for Rights Units once submitted. However, in the event the Rights Offering is terminated prior to the Closing Date, including in the event the Standby Purchase Agreement is terminated, the Subscription Agent will return all subscription funds delivered by subscribers without interest or deduction, whether under the Basic Subscription Privilege or Additional Subscription Privilege.

Participants may not issue Rights to Ineligible Holders.

If a holder of Rights has any questions with respect to the proper exercise of Rights, such holder should contact the Subscription Agent by email at [corporateactions@computershare.com](mailto:corporateactions@computershare.com) or by telephone at 1 (800) 564-6253 or outside North America at 1 (514) 982-7555.

### ***Who is eligible to receive Rights?***

The Rights are only being offered to Shareholders residing in the Qualified Jurisdictions (“Eligible Holders”). Shareholders will be presumed to be resident in the place of their registered address, unless the contrary is shown to the satisfaction of

the Corporation. Neither the Notice nor this Circular is to be construed as an offering of the Rights, or the Rights Units issuable upon exercise of the Rights, for sale in any jurisdiction outside of the Qualified Jurisdictions (the “**Non-Participating Jurisdictions**”) or to Shareholders who are residents in any jurisdictions other than the Qualified Jurisdictions (“**Ineligible Shareholders**”).

The Corporation will not accept subscriptions from any Shareholder or from any transferee of Rights who is or appears to be, or who the Corporation has reason to believe is, resident in a Non-Participating Jurisdiction, except in the circumstances described below. This Circular and/or Rights DRS will not be delivered to any Ineligible Shareholders unless such Ineligible Shareholder satisfies the Corporation that it is an Approved Ineligible Shareholder (as defined below). Rights delivered to brokers, dealers or other intermediaries may not be delivered by those intermediaries to beneficial Shareholders who are resident in Non-Participating Jurisdictions. Ineligible Holders will be presumed to be resident in the place of their registered address.

An Ineligible Shareholder that satisfies the Corporation, in its sole discretion, that the rights offering to and subscription by such Shareholder or transferee is lawful and in compliance with all applicable securities and other laws where such Shareholder or transferee is resident (such Shareholder is referred to herein as an “**Approved Ineligible Shareholder**”) may have its Rights DRS issued and forwarded by the Subscription Agent upon direction from the Corporation. The Subscription Agent will hold the Rights of Ineligible Shareholders until 4:00 p.m. (Montréal time) on June 21, 2024. Ineligible Shareholders must satisfy the Corporation as to their eligibility to participate in the Rights Offering on or before 4:00 p.m. (Montréal time) on June 21, 2024, in order to have the Rights issued to them. The Rights DRS, and any Rights Shares that may be issued upon the exercise of the Rights, may be endorsed with restrictive legends according to applicable securities laws.

Ineligible Shareholders will be sent the Notice, for information purposes only, together with a letter advising them that their Rights will be held by the Subscription Agent (except in the case of an Approved Ineligible Shareholder as set out above) and that the Rights will be issued to and held on their behalf by the Subscription Agent until 4:00 p.m. (Montréal time) on June 21, 2024, after which time and prior to the Expiry Time, the Subscription Agent will attempt to sell the Rights of such Ineligible Shareholders represented by Rights in the possession of the Subscription Agent on such date(s) and at such price(s) as the Subscription Agent determines in its sole discretion.

A registered Ineligible Shareholder whose address of record is outside the Qualified Jurisdictions but who holds Common Shares on behalf of a holder who is eligible to participate in the Rights Offering must notify the Corporation, in writing, on or before the tenth day prior to the Expiry Date if such beneficial holder wishes to participate in the Rights Offering.

No charge will be made for the sale of Rights by the Subscription Agent except for a proportionate share of any brokerage commissions incurred by the Subscription Agent and costs incurred by the Subscription Agent in connection with the sale of the Rights. Ineligible Shareholders will not be entitled to instruct the Subscription Agent in respect of the price or the time at which the Rights are to be sold. The Subscription Agent will endeavour to effect sales of Rights through the TSXV and any proceeds received by the Subscription Agent with respect to the sale of Rights, net of brokerage fees and costs incurred and, if applicable, the Canadian tax required to be withheld, will be divided on a pro rata basis among such Ineligible Shareholders and delivered by mailing cheques (in Canadian funds) of the Subscription Agent therefor as soon as practicable to such Ineligible Shareholders. Amounts of less than \$10.00 will not be remitted. The Subscription Agent will act in its capacity as agent of the Ineligible Shareholder on a best efforts basis only and the Corporation and the Subscription Agent do not accept responsibility for the price obtained on the sale of, or the inability to sell, the Rights on behalf of any Ineligible Shareholder. Neither the Corporation nor the Subscription Agent will be subject to any liability for the failure to sell any Rights of Ineligible Shareholders or as a result of the sale of any Rights at a particular price or on a particular day. There is a risk that the proceeds received from the sale of Rights will not exceed the costs incurred by the Subscription Agent in connection with the sale of such Rights and, if applicable, the Canadian tax required to be withheld. In such event, no proceeds will be remitted.

Holders of Rights who are not resident in Canada should be aware that the purchase and sale of Rights or Rights Units may have tax consequences in the jurisdiction where they reside, which are not described herein. Accordingly, such holders should consult their own tax advisors about the specific tax consequences in the jurisdiction where they reside or acquiring, holding, and disposing of Rights or Common Shares.

***What is the Additional Subscription Privilege and how can you exercise this privilege?***

If you exercise all of your Rights under the Basic Subscription Privilege, you may subscribe for Additional Rights Units that have not been subscribed and paid for under the Basic Subscription Privilege pursuant to the Additional Subscription Privilege.

A holder of a Rights DRS who is not an Ineligible Shareholder and who has exercised all the Rights evidenced by such Rights DRS may subscribe for Additional Rights Units, if available, at a price equal to the Subscription Price. Subscriptions for Additional Rights Units will be received subject to allotment only and the number of Additional Rights Units, if any, that may be allotted to each subscriber will be equal to the lesser of: (i) the number of Additional Rights Units that such subscriber has subscribed for the Additional Subscription Privilege; and (ii) the product (disregarding fractions, if any) obtained by multiplying the number of Additional Rights Units available to be issued by a fraction, the numerator of which is the number of Rights previously exercised by the subscriber pursuant to the Basic Subscription Privilege and the denominator of which is the aggregate number of Rights previously exercised pursuant to the Basic Subscription Privilege by all holders of Rights who have subscribed and paid for Additional Rights Units. If any Rights holder has subscribed for fewer Additional Rights Units than such Rights holder's pro rata allotment, the excess Additional Rights Units will be allotted in a similar manner among the Rights holders who were issued fewer Additional Rights Units than they exercised.

To subscribe for Additional Rights Units under the Additional Subscription Privilege:

1. a registered holder must: (i) complete Box 2 of the Rights Subscription Form, and (ii) deliver the Rights DRS and Rights Subscription Form, together with payment for those Additional Rights Units, to the Subscription Agent at or before the Expiry Time on the Expiry Date as provided above; and
2. a beneficial holder must deliver payment and instructions to the CDS Participant and/or its broker sufficiently in advance of the Expiry Time on the Expiry Date to allow the CDS Participant and/or its broker to properly exercise the Additional Subscription Privilege, in each case in accordance with your instructions to the CDS Participant.

If payment for all Additional Rights Units subscribed for pursuant to the Additional Subscription Privilege does not accompany the subscription, the subscription pursuant to the Additional Subscription Privilege will be invalid.

If the Rights Offering is fully subscribed, the funds included for any subscription pursuant to the Additional Subscription Privilege will be returned by the Subscription Agent to the relevant Shareholders. If the Rights Offering is not fully subscribed, DRS Advice(s) representing Units Shares and Units Warrants to be delivered to Shareholders as a result of a subscription pursuant to the Additional Subscription Privilege will be delivered by the Subscription Agent as soon as practicable, together with the DRS Advice(s) representing Units Shares and Units Warrants due to those Shareholders in accordance with their subscriptions pursuant to the Basic Subscription Privilege. In addition, the Subscription Agent will return to any Shareholder subscribing pursuant to the Additional Subscription Privilege as soon as practicable after the Expiry Date any excess funds paid in respect of a subscription for Additional Rights Units pursuant to the Additional Subscription Privilege where the number of Additional Rights Units available to that Shareholder is less than the number of Additional Rights acquired. No interest will be payable by the Subscription Agent in respect of any excess funds returned to Shareholders.

#### ***How does a Rights holder sell or transfer Rights?***

The Rights will trade on the TSXV under the trading symbol "SCD.RT" until 12:00 p.m. (Montréal time) on the Expiry Date. Holders of Rights DRS not wishing to exercise their Rights may sell or transfer them directly or through their securities broker or dealer at the holder's expense, subject to any applicable resale restrictions. Rights DRS will not be registered in the name of an Ineligible Shareholder. Holders of Rights DRS may elect to exercise only a portion of their Rights and dispose of the remainder or dispose of all of their Rights. Any commission or other fee payable in connection with the exercise or any trade of Rights (other than the fee for services to be performed by the Subscription Agent as described herein) is the responsibility of the holder of such Rights. Depending on the number of Rights a holder may wish to sell, the commission payable in connection with a sale of Rights could exceed the proceeds received from such sale.

If you wish to transfer your rights, follow the provided instructions attached to the Rights DRS, For this purpose, eligible institution means a Canadian Schedule 1 chartered bank, a major trust company in Canada, a member of the Securities Transfer Agents Medallion Program, or a member of the Stock Exchange Medallion Program. Members of these programs are usually members of a recognized stock exchange in Canada or members of the Investment Industry Regulatory Organization of Canada.

If you are a beneficial holder, you must arrange for the transfer of Rights through the CDS Participant.

#### ***When can you trade the Unit Shares issuable upon the exercise of your Rights?***

The Unit Shares will be listed on the TSXV under the trading symbol "SCD" and will be available for trading as soon as practicable after closing of the Rights Offering.

***Are there restrictions on the resale of Rights, Unit Shares and Unit Warrants?***

Rights and the Unit Shares and Unit Warrants issuable upon exercise of such Rights distributed to holders of Common Shares in the Qualified Jurisdictions and the Standby Units issued under the Standby Purchase Agreement may be resold without hold period restrictions under the applicable securities laws of the Qualified Jurisdictions, including through the facilities of the TSXV regarding the Unit Shares, by such holders provided that: (1) the Corporation is and has been a "reporting issuer" in a jurisdiction of Canada for four months immediately preceding the trade; (2) the sale is not by a "control person" of the Corporation; (3) no unusual effort is made to prepare the market or create a demand for the securities being resold; (4) no extraordinary commission or consideration is paid to a person or company in respect of the resale; and (5) if the selling security holder is an insider or officer of the Corporation, the selling security holder has no reasonable grounds to believe that the Corporation is in default of securities legislation. There may be further restrictions on Common Shares acquired by Approved Eligible Holders in Ineligible Jurisdictions, including the United States, subject to the laws of that respective jurisdiction.

The Rights may not be transferred to a person within the United States and may be transferred only in transactions outside of the United States in accordance with Regulation S under the U.S. Securities Act, which will permit the resale of the Rights by persons through the facilities of the TSXV, provided that the offer is not made to a person in the United States, neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States, and no "directed selling efforts", as that term is defined in Regulation S under the U.S. Securities Act, are conducted in the United States in connection with the resale. Certain additional conditions are applicable to the Corporation's "affiliates", as that term is defined under the U.S. Securities Act. In order to enforce this resale restriction, holders thereof will be required to execute a declaration certifying that such sale is being made outside the United States in accordance with Regulation S under the U.S. Securities Act. Any person within the United States that acquires the Rights through the facilities of the TSXV or otherwise, other than pursuant to the initial distribution of Rights by the Corporation, may be unable to exercise such Rights in accordance with the U.S. Securities Act or applicable securities laws of any state of the United States. The Corporation reserves the right to reject any such exercise of the Rights by a person within the United States that subsequently acquires the Rights and the acquisition of the Rights by such person within the United States does not constitute an offer of the underlying Units to such person.

The foregoing is a summary only and is not intended to be exhaustive nor should the foregoing be treated as giving investment advice. Holders of Rights should consult with their advisors concerning restrictions on resale, and should not resell their securities until they have determined that any such resale is in compliance with the requirements of applicable legislation.

See "*Who is eligible to receive Rights?*" for a description of the effect of the Rights Offering on Ineligible Holders.

***Will the Corporation issue fractional underlying Unit Shares or Unit Warrants upon exercise of the Rights?***

No, the Corporation will not issue fractional Unit Shares or fractional Unit Warrants upon the exercise of the Rights. Where the exercise of the Rights would otherwise entitle the holder of Rights to fractional Unit Shares or Unit Warrants, the holder's entitlement will be reduced to the next lowest whole number of Unit Shares or Unit Warrants, as the case may be, and no cash or other consideration will be paid in lieu thereof.

***If the Rights Offering is not completed, will my funds be returned to me?***

Yes. The Subscription Agent will hold all funds it receives in a segregated bank account for the benefit of subscribers until completion of the Rights Offering. If the Rights Offering is not completed for any reason, including in the event the Standby Purchase Agreement is otherwise terminated, all funds received by the Subscription Agent, whether pursuant to the Basic Subscription Privilege or Additional Subscription Privilege, will be returned as soon as practicable, without interest or deduction. If the Rights Offering is completed, the subscription funds will be released to the Corporation on the Closing Date.

## APPOINTMENT OF THE SUBSCRIPTION AGENT

### ***Who is the Rights Agent?***

Computershare Investor Services Inc. (the “**Subscription Agent**”) has been appointed to act as the depository and the Subscription Agent for the Rights Offering and to: (1) receive subscriptions and payments from Rights holders for the Rights Units subscribed for under the Basic Subscription Privilege and, if applicable, the Additional Subscription Privilege; (2) perform the services relating to the exercise and transfer of the Rights, including the issue of Unit Shares and Unit Warrants; and (3) use its commercially reasonable efforts to sell Rights issued to Ineligible Holders and to deliver the proceeds thereof to such Ineligible Holders. The Corporation will pay for all such services of the Subscription Agent. The Subscription Agent will accept subscriptions for Rights Units and payment of the Subscription Price from Rights holders by hand, courier or registered mail at the applicable office of the Subscription Agent:

#### **By Hand or Courier:**

*Computershare Investor Services Inc.*  
Attn: Corporate Actions  
100 University Ave, 8<sup>th</sup> Floor  
Toronto, ON M5J 2Y1

#### **By Mail:**

*Computershare Investor Services Inc.*  
Attn: Corporate Actions  
31 Adelaide St. E. PO Box 7021  
Toronto, ON M5C 3H2

Enquiries related to the Rights Offering should be addressed to the Subscription Agent by telephone at 1 (800) 564-6253 or outside North America at 1 (514) 982-7555 or by email to [corporateactions@computershare.com](mailto:corporateactions@computershare.com).

The method of delivery of Rights DRS and Rights Subscription Form and funds to the Subscription Agent is at the discretion of the Rights holder. Neither the Subscription Agent nor the Corporation will be liable for the failure to deliver or the delivery of Rights DRS, Rights Subscription Form or funds to an address other than the address set out above. Delivery to an address other than the address set out above may result in a subscription for Units or a transfer of Rights not being accepted. If mail is used, registered mail is recommended.

### **What happens if we do not raise the minimum amount or if we do not receive funds from the Stand-by Purchasers?**

In the event that the Rights Offering is not completed, the Subscription Agent will return all funds held by it to holders of Rights that have subscribed for Common Shares under the Rights Offering.

## ADDITIONAL INFORMATION

### ***Where can you find more information about us?***

Further information regarding the Corporation, its activities and its financial results, including copies of the financial statements and other continuous disclosure documents filed by the Corporation with applicable Canadian securities regulatory authorities, may be obtained under the Corporation's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Further information regarding the Corporation may also be found at the corporate website of the Corporation at <https://scandium-canada.com/>.

## MATERIAL FACTS AND MATERIAL CHANGES

**There is no material fact or material change about the Corporation that has not been generally disclosed.**