Sherritt Provides Update on Ambatovy Joint Venture Financing and Funding

TORONTO, June 15, 2016 – Sherritt International Corporation ("Sherritt") (TSX:S) today announces that the Ambatovy Joint Venture Financing lenders (the "Lenders") and Ambatovy have entered into a temporary deferral agreement to defer the June 15, 2016 principal repayment due date to August 5, 2016. An agreement in principle has been reached on future principal payment deferrals. The temporary deferral agreement provides time to complete final documentation and approvals. An interest payment of US$28 million (100% basis) to the Lenders was made today.

Sherritt continues not to fund cash calls, while Sumitomo Corporation and Korea Resources Corporation have provided the necessary funding for the interest payment and ongoing operations . By agreement amongst the partners, Sherritt is not considered to be a defaulting shareholder under the Ambatovy Joint Venture Shareholders Agreement as a consequence of such non-funding to date. Constructive discussions are ongoing; depending on the outcome of these discussions, Sherritt may or may not become a defaulting shareholder in the future (see Risk Factors section of Sherritt's 2015 Annual Information Form).

About Sherritt

Sherritt is the world leader in the mining and refining of nickel from lateritic ores with projects and operations in Canada, Cuba, and Madagascar. The Corporation is the largest independent energy producer in Cuba, with extensive oil and power operations across the island. Sherritt licenses its proprietary technologies and provides metallurgical services to mining and refining operations worldwide. The Corporation's common shares are listed on the Toronto Stock Exchange under the symbol "S".

- 30 -

Source: Sherritt Investor Relations

For further information, please contact:

Investor Relations
Flora Wood, Director Investor Relations
Telephone: 416-935-2451
Toll-Free: 1-800-704-6698
Email: investor@sherritt.com
www.sherritt.com