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Sherritt Announces Ratification of Payment Plan by Cuban Partners

TORONTO, June 13, 2019 – Sherritt International Corporation (“Sherritt” or the “Corporation”) (TSX:S) today announced that its Cuban partners have formally ratified an overdue receivables agreement (the “Agreement”) for repayment of amounts owed to Sherritt from Energas S.A. (“Energas”) of US\$150 million, and have made the first monthly payment of US\$2.6 million to Sherritt in Canada in accordance with the terms of this Agreement. The overdue amounts from Energas relate to Sherritt’s power business in Cuba, and includes a loan provided by Sherritt to fund the expansion of power production facilities at Boca de Jaruco.

“Ratification of the overdue receivables agreement by our Cuban partners is an important step in addressing our Cuban receivables issues,” said David Pathe, President and CEO of Sherritt International. “We would like to thank our Cuban partners and government officials for their efforts in ratifying the agreement in light of recent geopolitical developments that have impacted the country. We continue to work with our Cuban partners to try to ensure that current receivables are paid on a timely basis. Sherritt and our Moa Joint Venture (“Moa JV”) partner will be celebrating 25 years of collaboration later this year, and we look forward to ongoing cooperation, particularly as demand for Class 1 nickel and ethically-sourced cobalt continues to grow in response to surging demand for electric vehicle batteries.”

Under the terms of the Agreement, Sherritt will receive payments averaging US\$2.5 million per month effective May 2019. The May payment of US\$2.6 million was received by Sherritt today and a June payment is expected later this month. The monthly payments will be made by way of a currency exchange involving the Moa JV, which is focused on nickel and cobalt production in which Sherritt is a 50% partner, and Energas, a Cuban joint venture focused on electricity production in which Sherritt holds a one-third interest, with foreign currency that would be used by the Moa JV to pay for specified costs in Cuba instead being provided to Sherritt in exchange for local currency held by Energas.

The Agreement recognizes and acknowledges 100% of amounts owing to Sherritt. In addition, the Agreement provides that Sherritt will receive 100% of available distributions from the Moa JV once each partner has received a minimum amount of distributions. The minimum dividend threshold for 2019 is US\$68 million (100% basis). The minimum dividend threshold for 2020 is currently under discussion and is expected to be finalized in Q4 2019.

About Sherritt

Sherritt is a 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”.

FORWARD-LOOKING STATEMENTS

This press release contains certain forward-looking statements. Forward-looking statements can generally be identified by the use of statements that include such words as “believe”, “expect”, “anticipate”, “intend”, “plan”, “forecast”, “likely”, “may”, “will”, “could”, “should”, “suspect”, “outlook”, “potential”, “projected”, “continue” or other similar words or phrases. Specifically, forward-looking statements in this document include, but are not limited to, statements regarding anticipated payments of outstanding receivables.

Forward looking statements are not based on historical facts, but rather on current expectations, assumptions and projections about future events, including commodity and product prices and demand; the level of liquidity; production results; realized prices for production; earnings and revenues; and certain objectives, goals and plans. By their nature, forward looking statements require the Corporation to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions, forecasts, conclusions or projections will not prove to be accurate, that those assumptions may not be correct and that actual results or payments may differ materially from such predictions, forecasts, conclusions or projections.

The Corporation cautions readers of this press release not to place undue reliance on any forward looking statement as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward looking statements. These risks, uncertainties and other factors include, but are not limited to, changes in the global price for nickel, cobalt, oil and gas, or certain other commodities; level of liquidity; access to capital; access to financing; risks associated with the Corporation's joint venture partners; variability in production at Sherritt's operations in Cuba; risks related to Sherritt's operations in Cuba; risks related to the U.S. government policy toward Cuba, including the U.S. embargo on Cuba and the Helms-Burton legislation; potential interruptions in transportation; uncertainty of gas supply for electrical generation; the possibility of equipment and other failures; risks associated with mining, processing and refining activities; the potential for shortages of equipment and supplies; political, economic and other risks of foreign operations; foreign exchange and pricing risks; credit risks; competition in product markets; uncertainty in the ability of the Corporation to enforce legal rights in foreign jurisdictions and uncertainty regarding the interpretation and/or application of the applicable laws in foreign jurisdictions. Readers are cautioned that the foregoing list of factors is not exhaustive and should be considered in conjunction with the risk factors described in this press release and in the Corporation's other documents filed with the Canadian securities authorities, including without limitation the Annual Information Form of the Corporation dated February 13, 2019 for the period ending December 31, 2018, which is available on SEDAR at www.sedar.com.

The Corporation may, from time to time, make oral forward-looking statements. The Corporation advises that the above paragraph and the risk factors described in this press release and in the Corporation's other documents filed with the Canadian securities authorities should be read for a description of certain factors that could cause the actual results of the Corporation to differ materially from those in the oral forward-looking statements. The forward-looking information and statements contained in this press release are made as of the date hereof and the Corporation undertakes no obligation to update publicly or revise any oral or written forward-looking information or statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. The forward-looking information and statements contained herein are expressly qualified in their entirety by this cautionary statement.

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