For immediate release

Strong Operational Performance Drives Sherritt's Q1 2020 Results

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Toronto – April 30, 2020 – Sherritt International Corporation ("Sherritt", the "Corporation", the "Company") (TSX: S), a world leader in the mining and hydrometallurgical refining of nickel and cobalt from lateritic ores, today reported its financial results for the three months ended March 31, 2020. All amounts are in Canadian currency unless otherwise noted.

CEO COMMENTARY

"In response to the health risks and market uncertainty introduced by COVID-19, we took decisive action in Q1 to protect our employees and maintain production through new health and safety practices and work processes," said David Pathe, President and CEO of Sherritt International. "As a result of these efforts, Sherritt experienced no COVID-19 impacts to production in Q1."

Mr. Pathe added, "Our liquidity was enhanced in Q1 through a number of measures, including collections on Cuban receivables under the agreement we announced in Q1, a nickel sale prepayment of $16 million, other temporary working capital initiatives, and further austerity measures introduced in response to COVID-19. Given that economic uncertainty is expected to persist in the near term, that we experienced a significant decline in Cuban collections in April, and that some of the actions taken in Q1 were one-time measures, we anticipate that our current liquidity position will decline through the end of 2020.

"Q1 was also marked by the launch of a balance sheet initiative aimed at strengthening our capital structure. Discussions with key stakeholders continue and we will provide further updates on our efforts to address our pending debt maturities and provide a resolution to our Ambatovy debt legacy in the coming weeks."

Mr. Pathe concluded, "Despite the disruption in delivery of mixed sulphides to our refinery in Fort Saskatchewan and the softening of nickel prices, Sherritt's performance in Q1 was marked by solid nickel and cobalt production totals and lower unit costs. These positive results are indicative of the benefits that operational excellence initiatives implemented over the past two years continue to deliver."

SUMMARY OF KEY Q1 DEVELOPMENTS

- In response to health risks associated with the spread of COVID-19, Sherritt implemented a number of additional health and safety measures designed to protect employees at its operations around the world. Although the pandemic has had limited impact on nickel, cobalt, power and oil production to date, and while production activities continue, Sherritt has withdrawn its guidance for 2020 due to a number of market and economic uncertainties caused by COVID-19. As a result of this uncertainty and lack of near-term visibility, Sherritt has also implemented a number of austerity measures, identifying opportunities to reduce or defer budgeted expenditures for the Moa Joint Venture (100% basis), Sherritt's Oil and Gas and Power operations, and Corporate Office for 2020 by approximately $90 million.
- Launched a balance sheet initiative aimed at improving the Corporation's liquidity, reducing debt levels and building balance sheet strength. Sherritt is currently in discussions with key stakeholders in respect of the initiative, and believes that it is appropriate and in the best interests of the Corporation to continue to work towards a consensual transaction for the benefit of all stakeholders.
- Sherritt's share of finished nickel and cobalt production at the Moa Joint Venture (Moa JV) in Q1 2020 were 3,836 tonnes and 400 tonnes, respectively. Finished production totals were impacted by the reduced availability of mixed sulphides as a result of heavy rains at Moa in January, and by the disruption of deliveries to the refinery in Fort Saskatchewan caused by rail blockades in Canada and by extended transit times for shipping vessels from Cuba.
- Secured a $16 million prepayment against future nickel deliveries in 2020 as part of efforts to enhance the Corporation's liquidity.
- Excluding $86.2 million of cash and cash equivalents held by Energas, Sherritt ended Q1 2020 with cash and cash equivalents of $107.2 million. Sherritt's consolidated cash position of $193.4 million at the end of Q1 was up from $166.1 million at the end of Q4 2019. The change in Sherritt's liquidity was due to the timing of a number of factors including the receipt of distributions from the Moa JV, a positive change in working capital primarily as a result of higher Cuban energy payments, a $16 million prepayment against future nickel deliveries in 2020, seasonal fertilizer collections, and the deferral of $7.4 million in interest payments as a result of the launch of the balance sheet initiative.
- Received $13.3 million in distributions from the Moa JV despite softening nickel prices in the quarter. The distributions were primarily due to the Moa JV ending 2019 with a higher than required cash balance.

- Sherritt received a commitment from its Cuban partners effective February 1, 2020 for an incremental US$5.0 million per month payment to be used to fund Energas operations and reduce overdue amounts owed to Sherritt. The increment will be added to US$2.5 million per month payment under the overdue receivables agreement first ratified in June 2019. In Q1 2020, Sherritt received US$19.0 million in Cuban energy payments, including US$18.0 million related to the overdue receivables agreement and US$1.0 million attributable to Sherritt's Oil and Gas operations. Payments in March were lower than expected as the spread of COVID-19 reduced Cuba's access to foreign currency.
- Excluding depreciation and share-based compensation, administrative expenses declined by an additional $600,000, or 6%, from $9.3 million in Q1 2019.
- Began preliminary testing on Block 10 following the completion of additional work on the well and recertification of specific pieces of equipment. The onset of COVID-19 and travel restrictions imposed in Cuba have delayed test samples from being analyzed in a lab setting. All Block 10 operations are currently suspended.

DEVELOPMENTS SUBSEQUENT TO THE QUARTER END

- Sherritt agreed to an extension for the maturity of its $70 million credit facility from its senior lenders to August 31, 2020 to allow for completion of the balance sheet initiative launched in Q1. As part of the extension, the lenders agreed to a reduction in the monthly minimum net available cash requirement to $65 million from $70 million starting April 30, 2020.

(1) For additional information see the Non-GAAP measures section of this press release.

Q1 2020 FINANCIAL HIGHLIGHTS(1)

$ millions, except as otherwise noted, for the three months ended March 31		**2020**		2019	Change
Revenue	**$**	**26.7**	$	31.9	(16%)
Combined Revenue(2)		**112.7**		124.6	(10%)
Net loss for the period		**(42.2)**		(61.8)	32%
Adjusted EBITDA(2)		**4.7**		(1.2)	492%
Cash provided (used) by continuing operations		**22.6**		(34.6)	165%
Combined adjusted operating cash flow (2)		**6.9**		(9.9)	170%
Combined free cash flow(2)		**3.0**		(44.0)	107%
Average Exchange Rate (CAD/US$)		**1.345**		1.330	N/A
Net loss from continuing operations per share	**$**	**(0.11)**	$	(0.16)	31%

(1) The financial results for the Ambatovy JV are only discussed as part of Sherritt's share of earnings in associate based on financial statement amounts. All non-GAAP measures exclude the Ambatovy JV performance.

(2) For additional information see the Non-GAAP measures section.

$ millions, as at		**2020 March 31**		2019 December 31	Change
Cash, cash equivalents and short term investments	**$**	**193.4**	$	166.1	16%
Loans and borrowings		**730.1**		713.6	2%

Cash, cash equivalents and short-term investments at March 31, 2020 were $193.4 million, up from $166.1 million at December 31, 2019. The increase was due to a number of factors including, the receipt of $13.3 million in distributions from the Moa JV, $8.9 million in positive working capital changes primarily related to Cuban energy receipts, a $16 million prepayment for nickel sales against future deliveries in 2020, and the deferral of $7.4 million in interest payments as a result of the launch of the balance sheet initiative on February 26. Sherritt anticipates that its current liquidity position will decline through the balance of 2020 given the volatility of commodity prices and the uncertainty of energy payment collections expected in the near term due to the spread of COVID-19.

Cuban energy receipts consisted of US$18.0 million in payments made in accordance with the Energas overdue receivables agreements and US$1.0 million in payments made by CUPET for Oil and Gas receivables.

In Q1 Sherritt received a commitment from its Cuban partners effective February 1, 2020 for an incremental US$5.0 million per month payment related to an overdue receivables agreement ratified in June 2019. The incremental payment, which adds to the US$2.5 million initially agreed to, will be used to fund Energas operations and reduce overdue amounts owed to Sherritt. In March 2020, Sherritt received US$4.7 million of the expected US$7.5 million payments largely as a result of the impact of COVID-19 on Cuba's economy and access to foreign currency. It is anticipated that the timing and amounts of Cuban energy payments will fluctuate in the near term as Cuba's economy and access to foreign currency recover from the impact of COVID-19. Total overdue scheduled receivables at March 31, 2020 were US$154.0 million, down from US$158.4 million at December 31, 2019.

As at March 31, 2020, $86.2 million of Sherritt's cash and cash equivalents was held by Energas in Cuba, up from $79.8 million at the end of Q4 2019.

Adjusted net loss[1]

	2020		2019	
For the three months ended March 31	**$ millions**	**$/share**	$ millions	$/share
Net earnings (loss) from continuing operations	**(42.2)**	**(0.11)**	(61.8)	(0.16)
Adjusting items:				
Unrealized foreign exchange (gain) loss	**(23.5)**	**(0.06)**	5.8	0.01
Other	**18.0**	**0.05**	1.1	0.01
Adjusted net loss from continuing operations	**(47.7)**	**(0.12)**	(54.9)	(0.14)

(1) For additional information see the Non-GAAP measures section.

Net loss from continuing operations for Q1 2020 was $42.2 million, or $0.11 per share, compared to a net loss of $61.8 million, or $0.16 per share, for the same period last year.

Net loss for Q1 2020 includes non-cash adjustments of $17.2 million, related to the revaluation of allowances for expected credit loss ("ACL") on the Moa Joint Venture expansion loans under IFRS 9 and $23.5 million unrealized foreign exchange gains. Sherritt's share of losses from each of the Moa and Ambatovy joint ventures were both lower in Q1 2020 compared to Q1 2019.

Adjusted net loss from continuing operations, which adjusts for ACL's and unrealized changes in foreign exchange, discussed above, was $47.7 million, or $0.12 per share, for the three months ended March 31, 2020 compared to an adjusted net loss from continuing operations of $54.9 million, or $0.14 per share, for Q1 2019.

METALS MARKET

Nickel

Nickel market conditions in the first quarter of 2020 were adversely impacted by the onset and spread of COVID-19. Triggered initially by a slowdown of China's economy and manufacturing activities, nickel prices and demand softened throughout the quarter as uncertainty about the virus' impact on the world's economy and outlook grew. By the end of the period, nickel prices had declined by 20% and nickel inventory grew by 37%.

Nickel prices on the London Metals Exchange (LME) started Q1 at US$6.38/lb and hit a peak of US$6.48/lb on January 16 before beginning a slow descent through end of March, ending the quarter at US$5.10/lb.

The price softness experienced in Q1 was matched by an increase in inventory levels on the London Metals Exchange (LME) and the Shanghai Future Exchange (SHFE). Combined inventory levels at March 31 totaled approximately 257,000 tonnes, up 37% from combined inventory totals of approximately 187,000 tonnes at the start of the year. The increase was largely driven by reduced consumer purchasing in the wake of stainless steel manufacturing interruptions in China related to COVID-19, extended Lunar New Year celebrations in January, and a slow recovery of production activities through March.

Since the start of Q2, nickel prices and combined inventories have stayed relatively flat. In the near term, it is anticipated that nickel prices and inventory levels may be volatile given the economic uncertainty caused by the spread of COVID-19 and related disruption of stainless steel production and mining operations around the world. In light of this uncertainty, a number of industry experts and market watchers have withdrawn their forecasts for nickel demand. Previously, demand for nickel through 2025 was expected to grow by approximately 3% per year to 2.8 million tonnes according to market research by Wood Mackenzie.

Industry experts remain bullish on the longer term market outlook for nickel, however. Over the longer term, demand for nickel is expected to accelerate with the increased adoption of electric vehicles since nickel – along with cobalt – is a key metal needed to manufacture assorted energy storage batteries.

A shortage of nickel is anticipated over the coming years since current market prices are below incentive levels needed to develop new nickel projects. As a result, no new nickel supply is expected to come on stream in the near term.

Cobalt

In contrast to nickel, cobalt prices and demand remained relatively stable in Q1, in large part because electronics and battery manufacturing activities in Japan and South Korea had not yet been significantly affected by the spread of COVID-19.

Cobalt prices, in fact, increased by 5% in Q1, reversing the downward trend experienced in Q4. Standard grade cobalt prices on March 31 closed at US$16.28/lb, up from $15.53/lb at the start of the quarter according to data collected by Fastmarkets MB. Cobalt prices since the start of Q2 have retreated modestly as consumer purchasing has softened.

The near-term outlook for cobalt remains uncertain, however, as the spread of COVID-19 has started to take a toll on consumer purchasing and mining activities around the world.

REVIEW OF OPERATIONS

Moa Joint Venture (50% interest) and Fort Site (100%)

$ millions, except as otherwise noted, for the three months ended March 31	2020	2019	Change
FINANCIAL HIGHLIGHTS			
Revenue	**$ 93.5**	$ 102.3	(9%)
Loss from operations	**(4.7)**	(9.5)	51%
Adjusted EBITDA(1)	**10.1**	4.2	140%
CASH FLOW			
Cash provided (used) by operations	**$ 4.5**	$ (4.1)	210%
Adjusted operating cash flow(1)	**7.2**	2.8	157%
Free cash flow(1)	**(2.1)**	(10.4)	80%
PRODUCTION VOLUMES (tonnes)			
Mixed Sulphides	**4,014**	4,336	(7%)
Finished Nickel	**3,836**	4,397	(13%)
Finished Cobalt	**400**	426	(6%)
Fertilizer	**56,089**	66,962	(16%)
NICKEL RECOVERY (%)	**83%**	84%	(1%)
SALES VOLUMES (tonnes)			
Finished Nickel	**3,773**	4,391	(14%)
Finished Cobalt	**381**	460	(17%)
Fertilizer	**31,140**	26,957	16%
AVERAGE-REFERENCE PRICES (US$ per pound)			
Nickel	**$ 5.77**	$ 5.62	3%
Cobalt(2)	**16.77**	18.53	(9%)
AVERAGE REALIZED PRICE			
Nickel ($ per pound)	**7.60**	7.51	1%
Cobalt ($ per pound)	**19.16**	14.62	31%
Fertilizer ($ per tonne)	**350**	418	(16%)
UNIT OPERATING COSTS(1) (US$ per pound)			
Nickel - net direct cash cost	**4.33**	4.53	(4%)
SPENDING ON CAPITAL(3)			
Sustaining	**6.6**	14.0	(53%)
Expansion	**-**	-	-
	6.6	14.0	(53%)

(1) For additional information see the Non-GAAP measures section.

(2) Average standard grade cobalt published price per Fastmarkets MB.

(3) Spending on capital for the three months ended March 31, 2019 excludes right of use assets recognized on adoption of IFRS 16. Refer to note 4 of the audited consolidated financial statements for the year ended December 31, 2019 for additional information.

Finished nickel production for Q1 2020 was 3,836 tonnes, down 13% from 4,397 tonnes produced in Q1 2019. Finished cobalt production for Q1 2020 was 400 tonnes, down 6% from 426 tonnes produced in Q1 2019. Lower finished production in Q1 2020 was primarily due to reduced availability of mixed sulphides at the refinery in Fort Saskatchewan, driven by a number of factors including heavy rains at Moa in January that adversely impacted mining operations and mixed sulphides production, and by reduced deliveries to the refinery caused by transportation interruptions due to rail blockades in Canada in February and by shipping vessel delays from Cuba.

Mixed sulphides production at Moa in Q1 2020 was 4,014 tonnes down 7% from 4,336 tonnes produced in Q1 2019. The decline was primarily due to heavy rains at Moa in January, which impacted mining operations. Unplanned maintenance activities at the leach plant at Moa, which has since returned to production capacity, also impacted mixed sulphides production in Q1 2020.

Q1 2020 revenue of $93.5 million was down 9% when compared to $102.3 million for Q1 2019. The revenue decline was driven by lower nickel and cobalt sales volumes in connection with reduced finished nickel and cobalt production. Higher cobalt averaged-realized prices in Q1 2020 helped to offset reduced nickel sales volume. Although nickel and cobalt sales volume in Q1 2020 were not impacted by the onset and spread of COVID-19, near-term sales volume through end of year may be affected by the impact that the pandemic is having on the world's economy and market outlook.

Mining, processing and refining (MPR) costs for Q1 2020 were US$5.34/lb, down 4% from US$5.59/lb for Q1 2019, largely as a result of lower sulphur and fuel oil costs, partly offset by the impact of lower production volumes on fixed costs.

NDCC in Q1 2020 was US$4.33/lb, marking an improvement from US$4.53/lb for the same period last year. The improvement was due to lower MPR costs and a higher cobalt credit from increased cobalt realized prices.

Sustaining capital spending in Q1 2020 was $6.6 million, down 53% from $14.0 million in Q1 2019. The year-over-year decrease is due to a number of factors, including the final delivery of new mining equipment in Q1 2019 and the implementation of austerity measures in Q1 2020 in response to the economic uncertainty caused by the spread of COVID-19 around the world.

Sherritt received $13.3 million in distributions from the Moa JV in Q1 2020 compared to $3.3 million in Q1 2019. The growth is reflective of improved commodity prices and the benefits that operational excellence initiatives have delivered to date and as a result of the Moa JV ending 2019 with a higher than required cash balance.

Oil and Gas

$ millions, except as otherwise noted, for the three months ended March 31		**2020**		2019	Change
FINANCIAL HIGHLIGHTS					
Revenue	**$**	**7.1**	$	9.0	(21%)
Loss from operations		**(5.6)**		(5.7)	2%
Adjusted EBITDA[1]		**(3.6)**		(2.7)	(33%)
CASH FLOW					
Cash used by operations		**(7.4)**		(8.0)	8%
Adjusted operating cash flow[1]		**(3.6)**		(2.2)	(64%)
Free cash flow[1]		**(9.1)**		(14.9)	39%
PRODUCTION AND SALES (boepd)					
Gross working-interest (GWI) - Cuba		**3,277**		4,443	(26%)
Total net working-interest (NWI)		**1,751**		1,776	(1%)
AVERAGE-REFERENCE PRICE (US$ per barrel)					
West Texas Intermediate (WTI)	**$**	**45.44**	$	54.79	(17%)
U.S. Gulf Coast High Sulphur Fuel Oil (USGC HSFO)		**37.22**		61.04	(39%)
Brent		**51.03**		62.96	(19%)
AVERAGE-REALIZED PRICE[1] (NWI)					
Cuba ($ per barrel)		**35.26**	$	59.13	(40%)
UNIT OPERATING COSTS[1] (GWI)					
Cuba ($ per barrel)		**27.28**	$	21.19	29%
SPENDING ON CAPITAL[2]					
Development, facilities and other	**$**	**0.1**	$	1.5	(93%)
Exploration		**1.6**		4.2	(62%)
	$	**1.7**	$	5.7	(70%)

(1) For additional information see the Non-GAAP measures section.

(2) Spending on capital for the three months ended March 31, 2019 excludes right of use assets recognized on adoption of IFRS 16. Refer to note 4 of the audited consolidated financial statements for the year ended December 31, 2019 for additional information.

Gross working-interest oil production in Cuba in Q1 2020 was 3,277 barrels of oil per day ("bopd"), down 26% from 4,443 bopd for Q1 2019. Lower production in the current year period was primarily due to natural reservoir declines and the absence of new development drilling.

Total net working-interest oil production for Q1 2020 of 1,751 barrels was flat when compared to Q1 2019 totals.

Revenue in Q1 2020 was $7.1 million, down 21% when compared to Q1 2019 due to lower realized prices in Cuba, but partially offset by a weaker Canadian dollar relative to the U.S. dollar.

While total operating costs were marginally lower for the three months ended March 31, 2020, unit operating costs in Cuba in Q1 2020 were $27.28 per barrel, up 29% when compared to Q1 2019 as a result of lower production and the impact of a weaker Canadian dollar relative to the U.S. dollar. Costs in Cuba are generally denominated in U.S. currency. Spending on equipment has been deferred where possible until the test results of Block 10 can be finalized.

Capital spending in Q1 2020 of $1.7 million was 70% lower as drilling on Block 10 was completed in late 2019. Q1 2020 costs include Block 10 completion and testing costs.

Sherritt began preliminary testing on Block 10 following the completion of additional work on the well and recertification of specific pieces of equipment. The onset of the COVID-19 pandemic and travel restrictions imposed in Cuba have delayed test samples from being analyzed in a lab setting. The Corporation will provide test results once lab access can be restored and samples are analyzed. Block 10 operations are currently suspended.

Power

$ millions (33⅓% basis), except as otherwise noted, for the three months ended March 31		**2020**		2019	Change
FINANCIAL HIGHLIGHTS					
Revenue	**$**	**9.4**	$	10.7	(12%)
Earnings from operations		**1.3**		0.9	44%
Adjusted EBITDA(1)		**6.5**		7.2	(10%)
FINANCIAL HIGHLIGHTS					
Cash provided by operations		**18.4**		3.6	411%
Adjusted operating cash flow(1)		**13.2**		6.3	110%
Free cash flow(1)		**18.4**		3.1	494%
PRODUCTION AND SALES					
Electricity (GWh)		**153**		173	(12%)
AVERAGE-REALIZED PRICE(1)					
Electricity ($/MWh)	**$**	**56.97**	$	55.74	2%
UNIT OPERATING COSTS(1) ($/MWh)					
Base		**14.06**		19.83	(29%)
Non-base(2)		**0.51**		0.45	13%
		14.57		20.28	(28%)
NET CAPACITY FACTOR (%)		**48**		54	(11%)
SPENDING ON CAPITAL(3)					
Sustaining	**$**	**-**	$	0.5	(100%)
	$	**-**	$	0.5	(100%)

(1) For additional information see the Non-GAAP measures section.

(2) Costs incurred at the Boca de Jaruco and Puerto Escondido facilities that otherwise would have been capitalized if these facilities were not accounted or as service concession arrangements.

(3) Spending on capital for the three months ended March 31, 2019 excludes right of use assets recognized on adoption of IFRS 16. Refer to note 4 of the audited consolidated financial statements for the year ended December 31, 2019 for additional information.

Power production in Q1 2020 was 153 gigawatt hours ("GWh") of electricity, down 12% from 173 GWh for the comparable period of 2019 as a result of a decline in gas supply.

Average-realized prices in Q1 2020 were $56.97, up 2% from $55.74 last year. The increase was due to the depreciation of the Canadian dollar relative to the U.S. currency.

Revenue in Q1 2020 totaled $9.4 million, down 12% from $10.7 million for last year. The decrease was primarily due to lower power production.

Unit operating costs in Q1 2020 were $14.57/MWh, down 28% from $20.28/MWh for last year. The decrease was due to the timing of maintenance activities aimed at limiting operational spending and managing within Cuban energy receipts. Unit operating costs for Q1 2020 were also impacted by a lower production and a change in Canadian dollar relative to the U.S. dollar as Power operating costs are generally denominated in U.S. currency.

2020 REVIEW OF STRATEGIC PRIORITIES

The table below lists Sherritt's Strategic Priorities for 2020, and summarizes how the Corporation has performed against those priorities.

Strategic Priorities	2020 Actions	Status
PRESERVE LIQUIDITY AND BUILD BALANCE SHEET STRENGTH	Continue to emphasize de-leveraging of the balance sheet within the context of a low commodity price environment.	Sherritt launched a balance sheet initiative in Q1 2020 aimed at strengthening the Corporation's capital structure. Pending approval from stakeholders, court approval and closing, the transaction will result in the elimination of up to $424.5 million in recourse debt and annual interest savings of up to $19 million. Discussions with key stakeholders are ongoing, and the Corporation believes that working towards a consensual transaction agreement is in the best interest of all stakeholders. Ongoing austerity measures contributed to a 6% reduction in administration expenses (excluding stock-based compensation and depreciation) in Q1 2020 compared to the same period last year. In response to the economic uncertainty caused by the spread of COVID-19, Sherritt has identified opportunities to save or defer approximately $90 million of capital spend, operating and administrative expenses. These austerity measures will be applied against 2020 budgeted expenditures for Sherritt's operations and corporate office as well as the Moa JV (100% basis).
	Optimize working capital and receivables collection	In Q1 2020, Sherritt received a commitment from its Cuban partners for incremental payments of US$5.0 million per month effective February 1, 2020, which will be used to fund Energas operations and apply to overdue amounts. This increment is in addition to the US$2.5 million per month Sherritt is receiving under the overdue receivables agreement ratified in June 2019. Sherritt received a total of US$19 million Cuban energy payments in Q1 2020, including US$1.0 million from Oil and Gas. As part of efforts to enhance liquidity, Sherritt secured a $16 million prepayment against future nickel deliveries in 2020.
	Operate the Metals business to maintain a leadership position as a low-cost producer of finished nickel and cobalt while maximizing Free Cash Flow	The Moa JV and Fort Site generated $7.2 million of adjusted operating cash flow in Q1 2020, up 157% from the same period last year.
UPHOLD GLOBAL OPERATIONAL LEADERSHIP IN FINISHED NICKEL LATERITE PRODUCTION	Further reduce NDCC towards the goal of being consistently in the lowest cost quartile.	NDCC in Q1 2020 improved by 4% to US$4.33/lb from US$4.53 last year, largely as a result of higher realized cobalt prices and lower input costs.
	Maximize production of finished nickel and cobalt and improve predictability over 2019 results	Finished nickel production at the Moa JV in Q1 2020 was 7,672 tonnes (100% basis), while finished cobalt production was 800 tonnes (100% basis). Production was impacted by the reduced availability of mixed sulphides at the refinery in Fort Saskatchewan due to weather and transportation challenges experienced in the quarter.
	Achieve peer leading performance in environmental, health, safety and sustainability	In Q1 2020, Sherritt's operations at Moa, Fort Site, Oil & Gas and Power had two lost time incidents In Q1 2020, Moa/Fort Site had a recordable injury frequency rate of 0.27 and a lost time injury frequency rate of 0.12; the Oil and Gas business had a recordable injury frequency rate of 0.48 and a lost time injury rate of 0.00; and the Power business had recordable injury frequency and lost time injury frequency rates of 0.00. Overall Sherritt had a recordable injury frequency rate of 0.26 and a lost time injury frequency rate of 0.09. Sherritt remains in the lowest quartile of its benchmark peer set of data.
OPTIMIZE OPPORTUNITIES IN CUBAN ENERGY BUSINESS	Successfully execute Block 10 drilling program	Sherritt completed approximately 5,700 meters to reach the target drilling depth. Preliminary testing started in Q1 2020 following the re-certification of specific pieces of equipment and completion of additional work on the well. Testing has been suspended due to restrictions on travel caused by COVID-19, which has prevented samples from being analyzed in a lab environment.

OUTLOOK

2020 Production, unit operating costs and capital spending guidance

In response to health risks associated with the spread of COVID-19, Sherritt has implemented a number of health and safety measures designed to protect employees at its operations around the world. Although nickel, cobalt, power and oil production activities have experienced modest disruption to date, and while production activities continue, Sherritt has withdrawn its guidance for 2020 due to a number of market and economic uncertainties caused by COVID-19.

Production volumes, unit operating costs and spending on capital	Initial 2020 guidance - Total[1]	Year-to-date actuals - Total	Updated 2020 guidance - Withdrawn
Production volumes			
Moa Joint Venture (tonnes, 100% basis)			
Nickel, finished	32,000 - 34,000	7,672	
Cobalt, finished	3,300 - 3,600	800	
Oil – Cuba (gross working-interest, bopd)	3,000 - 3,300	3,277	
Oil and Gas – All operations (net working-interest, boepd)	1,900 - 2,100	1,751	
Electricity (GWh, 33⅓% basis)	500 - 550	153	
Unit operating costs			
Moa Joint Venture - NDCC (US$ per pound)	$4.00 - $4.50	$4.33	
Oil and Gas - Cuba (unit operating costs, $ per barrel)	$28.00 - $29.50	$27.28	
Electricity (unit operating cost, $ per MWh)	$28.00 - $29.50	$14.57	
Spending on capital			
Moa Joint Venture (50% basis), Fort Site (100% basis)[2]	US$34 (CDN$45)	US$5 (CDN$7)	
Oil and Gas	US$6 (CDN$8)	US$1 (CDN$2)	
Power (33⅓% basis)	US$1 (CDN$1.3)	US$0 (CDN$0)	
Spending on capital (excluding Corporate)	US$41 (CDN$54)	US$6 (CDN$9)	

(1) As originally announced January 22, 2020.
(2) Spending is 50% of US$ expenditures for the Moa JV and 100% expenditures for Fort Site fertilizer and utilities.

NON-GAAP MEASURES

The Corporation uses combined results, Adjusted EBITDA, average-realized price, unit operating cost/NDCC, adjusted earnings/loss, adjusted operating cash flow and free cash flow to monitor the performance of the Corporation and its operating divisions. Management believes these measures enable investors and analysts to compare the Corporation's financial performance with its competitors and/or evaluate the results of its underlying business. These measures do not have a standard definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. As these measures do not have a standardized meaning, they may not be comparable to similar measures provided by other companies. See Sherritt's Management's Discussion and Analysis for the three months ended March 31, 2020 for further information and reconciliation of non-GAAP measures to the most directly comparable IFRS measure.

CONFERENCE CALL AND WEBCAST

Sherritt will hold its conference call and webcast May 1, 2020 at 10:00 a.m. Eastern Time to review its Q1 2020 results. Dial-in and webcast details are as follows:

North American callers, please dial:	1-866-521-4909
International callers, please dial:	647-427-2311
Live webcast:	www.sherritt.com

Please dial-in 15 minutes before the start of the call to secure a line. The conference call discussion will include a presentation that will be available from Sherritt's website.

An archive of the webcast and replay of the conference call will also be available on the website.

COMPLETE FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Sherritt's complete condensed consolidated financial statements and MD&A for the three months ended March 31, 2020 are available at www.sherritt.com and should be read in conjunction with this news release. Financial and operating data can also viewed in the investor relations section of Sherritt's website.

ABOUT SHERRITT

Sherritt is a world leader in the mining and refining of nickel and cobalt from lateritic ores with projects, operations, and investments 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 set out in the “Outlook” section of this press release and certain expectations regarding production volumes, operating costs and capital spending; supply, demand and pricing outlook in the nickel and cobalt markets; the impact of the COVID-19; demand in the stainless steel and electric vehicle battery markets; anticipated payments of outstanding receivables; funding of future Ambatovy cash calls; the implementation of the Corporation’s balance sheet initiative (the “Transaction”); strengthening the Corporation’s capital structure and reducing annual interest expenses; drill plans and results on exploration wells; and amounts of certain other commitments.

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 and access to funding; share price volatility; production results; realized prices for production; earnings and revenues; development and exploration wells and enhanced oil recovery in Cuba; environmental rehabilitation provisions; availability of regulatory and creditor approvals and waivers; compliance with applicable environmental laws and regulations; debt repayments; collection of accounts receivable; and certain corporate 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 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, the impact of the COVID-19 pandemic, changes in the global price for nickel, cobalt, oil and gas, fertilizers or certain other commodities; security market fluctuations and price volatility; level of liquidity; access to capital; access to financing; risks related to Sherritt’s investment in the Ambatovy Joint Venture; the risk to Sherritt’s entitlements to future distributions from the Moa and Ambatovy joint ventures; risk of future non-compliance with debt restrictions and covenants and mandatory repayments; uncertainty of exploration results and Sherritt’s ability to replace depleted mineral and oil and gas reserves; 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 Corporation’s reliance on key personnel and skilled workers; the possibility of equipment and other failures; risks associated with mining, processing and refining activities; uncertainty of resources and reserve estimates; the potential for shortages of equipment and supplies, including diesel; supplies quality issues; risks related to environmental liabilities including liability for reclamation costs, tailings facility failures and toxic gas releases; risks related to the Corporation’s corporate structure; political, economic and other risks of foreign operations; risks associated with Sherritt’s operation of large projects generally; risks related to the accuracy of capital and operating cost estimates; foreign exchange and pricing risks; compliance with applicable environment, health and safety legislation and other associated matters; risks associated with governmental regulations regarding climate change and greenhouse gas emissions; risks relating to community relations and maintaining the Corporation’s social license to grow and operate; credit risks; competition in product markets; future market access; interest rate changes; risks in obtaining insurance; uncertainties in labour relations; uncertainty in the ability of the Corporation to enforce legal rights in foreign jurisdictions; uncertainty regarding the interpretation and/or application of the applicable laws in foreign jurisdictions; legal contingencies; risks related to the Corporation’s accounting policies; identification and management of growth opportunities; uncertainty in the ability of the Corporation to obtain government permits; risks to information technologies systems and cybersecurity; failure to comply with, or changes to, applicable government regulations; bribery and corruption risks, including failure to comply with the Corruption of Foreign Public Officials Act or applicable local anti-corruption law; the ability to accomplish corporate objectives, goals and plans for 2020; and the Corporation’s ability to meet other factors listed from time to time in the Corporation’s continuous disclosure documents. Additional risks, uncertainties and other factors include, but are not limited to, risks associated with the ability of the Corporation to receive all necessary regulatory, court, third party and stakeholder approvals in order to complete the Transaction; the ability of the Corporation to achieve its financial goals; the ability of the Corporation to operate in the ordinary course during the CBCA Proceedings, including with respect to satisfying obligations to service providers, suppliers, contractors and employees; the ability of the Corporation to continue as a going concern; the ability of the Corporation to continue to realize its assets and discharge its liabilities and commitments; the Corporation’s future liquidity position, and access to capital, to fund ongoing operations and obligations (including debt obligations); the ability of the Corporation to stabilize its business and financial condition; the ability of the Corporation to implement and successfully achieve its business priorities; and the ability of the Corporation to comply with its contractual obligations, including, without limitation, its obligations under debt arrangements. 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 Management’s Discussion and Analysis for the three months ended March 31, 2020 and the Annual Information Form of the Corporation dated March 19, 2020 for the period ending December 31, 2019, 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.

For further investor information contact:
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