NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES

OR FOR DISSEMINATION IN THE UNITED STATES

Sherritt Finalizes Transformative Five-Year Payment Agreements with its Cuban Partners to Settle $362 million of Outstanding Receivables

TORONTO, October 13, 2022 – Sherritt International Corporation ("Sherritt" or the "Corporation") (TSX:S), a world leader in the mining and hydrometallurgical refining of nickel and cobalt from lateritic ores, announced today it has signed agreements with its Cuban partners to settle its total outstanding Cuban receivables over five years, beginning January 1, 2023. Under the agreements, the Moa Joint Venture (Moa JV) will prioritize payment of dividends in the form of finished cobalt to each partner, up to an annual maximum volume of cobalt, with any additional dividends in a given year to be distributed in cash. All of the Cuban partner's share of these cobalt dividends, and potentially additional cash dividends, will be redirected to Sherritt as payment to settle the receivables until an annual dollar limit, including the collection of any prior year shortfalls, has been reached. All amounts are in Canadian currency unless otherwise noted.

"This agreement represents a testament to the strong working relationship we have with our Cuban partners. We have been able to negotiate agreements that establish an effective schedule for the full repayment of the outstanding receivables by our Cuban partners within five years, and we believe this brings an end to the historical repayment uncertainty. Combined with Sherritt's portion of the dividends, this is expected to provide significant cash flow to deliver on our strategic priorities to reduce debt and aggressively expand our business," said Leon Binedell, President and CEO of Sherritt. "The strong fundamentals for both the nickel and cobalt markets, primarily driven by the strength of the electric vehicle battery market, make this an opportune time for completing these agreements and ensuring that each of the partners benefit from it. We want to thank our Cuban partners for their continued support and we appreciate their efforts in bringing this innovative agreement to completion during these continued difficult times."

Under the terms of the agreements (the cobalt swap), General Nickel Company (GNC), Sherritt's Moa JV partner, has agreed to assume certain liabilities of amounts owed to Sherritt by Union Cubapetroleo (CUPET) and Energas S.A. (Energas) in order to fully repay outstanding amounts over a five-year period.

The irrevocable cobalt swap supports Sherritt's strategic objective of strengthening its balance sheet by reducing reliance on its Cuban partners' ability to access foreign currency to repay amounts owed to Sherritt. For our Cuban partners, no interest will accrue on the Energas conditional sales agreement to ensure repayment within the five-year period, and as a result of the suspension of interest, Sherritt expects to recognize a non-cash loss on revaluation of allowances for expected credit losses on the Cuban receivables during the third quarter of 2022. In the event that the total outstanding receivables are not fully repaid by December 31, 2027, interest will accrue retroactively at 8% from January 1, 2023 on the unpaid principal amount, and the unpaid principal and interest amounts will become due and payable by GNC to Sherritt.

On January 1, 2023, the outstanding receivable amounts owing to Sherritt from Energas and CUPET – estimated to total $361.9 million – will be assumed by GNC, who in turn will enter into payment agreements of an equivalent amount, denominated in local Cuban currency with Energas and CUPET. This amount includes the Energas conditional sales agreement (Energas

CSA) receivable of $332.4 million and trade accounts receivable from CUPET of $29.5 million (collectively, Energas/CUPET liabilities). As a result of the exchange, Sherritt will no longer have the responsibility for collection on the amounts solely from Energas and CUPET. Energas and CUPET will remain liable for payment of the Energas/CUPET liabilities, as applicable, only to the extent not satisfied by GNC. On distribution of any redirected amounts from GNC in cobalt or cash to Sherritt, GNC will receive an equivalent payment from Energas or CUPET denominated in Cuban pesos.

Cobalt Swap

Under the cobalt swap, over the five years beginning January 1, 2023, the Moa JV expects to distribute a maximum of 2,082 tonnes or approximately 60% of current production (100% basis), of finished cobalt annually to the joint venture partners (finished cobalt dividends). Accordingly, Sherritt expects to receive a maximum of 1,041 tonnes of finished cobalt dividends per year in respect of its 50% share of the Moa JV. GNC will redirect its 50% share of the total Moa JV dividends, up to 1,041 tonnes of finished cobalt per year, to Sherritt as repayment towards the outstanding receivables, provided that the total cobalt volume redirected has a value of at least US$57 million, subject to the following:

- if the total annual finished cobalt dividend redirected by GNC has a value of less than US$57 million, GNC's share of any cash distributions from the Moa JV in such year will be redirected to Sherritt until the value of physical cobalt and cash distributions in the aggregate totals US$57 million;
- if the maximum cobalt volume distributed (1,041 tonnes) is not met in a given year, the volume deficit will be added to the threshold in the following year; and
- any shortfall in the annual minimum payment will also be added to the following year, such that the full repayment is expected to be made within five years.

Upon receipt of the finished cobalt dividends, the title to both Sherritt and its partner's redirected share of the finished cobalt will be transferred immediately to Sherritt and the physical product will be moved to a Sherritt warehouse in Fort Saskatchewan, from which Sherritt will sell the finished cobalt in the open market.

Moa Swap

An extension to the Energas Payment Agreement (Moa Swap) will also be executed to fund the operating and maintenance costs of Energas, as well as to cover future payments that would be owed to Sherritt. Sherritt expects to continue to receive approximately US$4.2 million (C$5.6 million) per month under a payment agreement between Sherritt, Moa JV and Energas, whereby Moa JV converts foreign currency to Cuban pesos through Energas to support Moa JV's local Cuban operating activities. These funds are then paid to Sherritt primarily to facilitate foreign currency payments for the Energas operations.

Extension of Energas' Power Generation Contract

In addition to the above, on October 12, 2022, Cuba's Executive Council approved the twenty-year extension of the economically beneficial Energas' power generation contract with the Cuban government to March 2043, which was set to expire in March 2023. The Energas facilities, which have an electrical generating capacity of 506 MW from two combined cycle plants at Varadero and Boca de Jaruco, produce electricity using natural gas and steam generated from the waste heat captured from the gas turbines. This electricity represents a cleaner alternative to electricity produced from the combustion of crude oil, which occurs elsewhere on the island. The extension of this economically beneficial power generation contract supports Sherritt's on-going investments in Cuba, helps facilitate the cobalt and Moa swaps, and supports Cuba's long-term energy security.

Background

In 2008, Sherritt entered into the Energas CSA with Energas (of which Sherritt is a 1/3 joint venture partner) to construct additional electrical energy capacity in Cuba. Under the terms of the transaction, Energas was required to repay amounts advanced under the Energas CSA in accordance with the agreement. Electricity provided by Energas is for local Cuban use and the sale of power is denominated in Cuban pesos.

As a result of a number of events, including periods of low commodity prices, increased sanctions by the United States government, and the COVID-19 pandemic, access to foreign currency in Cuba to make payments on the CSA liability has been significantly restricted.

Similarly, in regards to the trade receivable from CUPET, the lack of access to foreign currency has limited CUPET's ability to pay amounts owing to Sherritt.

The cobalt swap provides a mutually beneficial arrangement to pay down the outstanding receivables in a reasonable timeline without relying on Cuba's ability to access foreign currency.

About Sherritt

Sherritt is a world leader in using hydrometallurgical process to mine and refine nickel and cobalt – metals essential for an electric future. Its Technologies Group creates innovative, proprietary solutions for natural resource-based industries around the world to improve environmental performance and increase economic value. Sherritt has embarked on a multi-pronged growth strategy focused on expanding nickel and cobalt production by up to 20% from 2021 and extending the life of mine at Moa beyond 2040. The Corporation is also the largest independent energy producer in Cuba. Sherritt's common shares are listed on the Toronto Stock Exchange under the symbol "S".

For more information, please contact:

Lucy Chitilian, Investor Relations
Telephone: 416-935-2457
Email: investor@sherritt.com
www.sherritt.com

Sherritt International Corporation
Bay Adelaide Centre, East Tower
22 Adelaide Street West, Suite 4220
Toronto, ON M5H 4E3

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. All statements in this press release, other than those relating to historical information, are forward-looking statements, including, but not limited to statements regarding the liability amounts at the implementation date; the intention to settle outstanding receivables, the anticipated end of historical repayment uncertainty, the anticipated repayment of all outstanding receivables through dividends, including in the form of finished cobalt; and the timing, and amount of cobalt dividend distributions. 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; global demand for electric vehicles and the anticipated corresponding demand for cobalt and nickel; the commercialization of certain proprietary technologies and services; advancements in environmental and greenhouse gas

(GHG) reduction technology; GHG emissions reduction goals and the anticipated timing of achieving such goals, if at all; environmental rehabilitation provisions; environmental risks and liabilities; compliance with applicable environmental laws and regulations risks related to the U.S. government policy toward Cuba; and certain corporate objectives, goals and plans for 2022. 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 the 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 infectious diseases (including the COVID-19 pandemic), the impact of global conflicts, changes in the global price for nickel, cobalt, oil, gas, fertilizers or certain other commodities; price volatility; level of liquidity and the related ability of the Moa JV to pay dividends; access to capital; access to financing; the risk to Sherritt's entitlements to future distributions (including pursuant to the cobalt swap) from the Moa Joint Venture; the fact that the boards of directors of the Moa JV companies are comprised of directors nominated by both Sherritt and GNC and the payment of dividends is therefore not within Sherritt's sole discretion; 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; identification and management of growth opportunities; risk of future non-compliance with debt restrictions and covenants; the ability to replace depleted mineral reserves; risks associated with the Corporation's joint venture partners; variability in production at Sherritt's operations in Cuba; risks associated with mining, processing and refining activities; potential interruptions in transportation; uncertainty of gas supply for electrical generation; reliance on key personnel and skilled workers; growth opportunity risks; the possibility of equipment and other failures; 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 the 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; maintaining social license to grow and operate; risks relating to community relations; credit risks; shortage of equipment and supplies; 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; 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 applicable local anti-corruption law; the ability to accomplish corporate objectives, goals and plans for 2022; and the ability to meet other factors listed from time to time in the Corporation's continuous disclosure documents.

The Corporation, together with its Moa Joint Venture is pursuing a range of growth and expansion opportunities, including without limitation, process technology solutions, development projects, commercial implementation opportunities, life of mine extension opportunities and the conversion of mineral resources to reserves. In addition to the risks noted above, factors that could, alone or in combination, prevent the Corporation from successfully achieving these opportunities may include, without limitation: identifying suitable commercialization and other partners; successfully advancing discussions and successfully concluding applicable agreements with external parties and/or partners; successfully attracting required financing; successfully developing and proving technology required for the potential opportunity; successfully overcoming technical and technological challenges; successful environmental assessment and stakeholder engagement; successfully obtaining intellectual property protection; successfully completing test work and engineering studies, prefeasibility and feasibility studies, piloting, scaling from small scale to large scale production, commissioning, procurement, construction, ramp-up to commercial scale production and completion; and securing regulatory and government approvals. There can be no assurance that any opportunity will be successful, commercially viable, completed on time or on budget, or will generate any meaningful revenues, savings or earnings, as the case may be, for the Corporation. In addition, the Corporation will incur costs in pursuing any particular opportunity, which may be significant.

Readers are cautioned that the foregoing list of factors is not exhaustive and should be considered in conjunction with the risk factors described in the Corporation's other documents filed with the Canadian securities authorities, including without limitation the "Managing Risk" section of the Management's Discussion and Analysis for the three and six months ended June 30, 2022 and the Annual Information Form of the Corporation dated March 24, 2022 for the period ending December 31, 2021, 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.