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Sherritt Announces Cost-Cutting Initiatives and Changes to Executive Management, Reports 2023 Production Results

TORONTO, **January 15, 2024** – Sherritt International Corporation ("Sherritt" or the "Corporation") (TSX:S) today announced that in line with the Corporation's ongoing commitment to cost optimization, the need to improve operations and in response to market conditions, a number of organization-wide cost cutting initiatives and changes to its executive management have been completed resulting in a more cost efficient and adaptable organization anchored in delivering value through its core businesses while retaining expertise and capabilities to pursue future growth opportunities spurred by the energy transition. Further, Sherritt provided an update on its fourth quarter and full year 2023 production results and its expansion program at the Moa Joint Venture (Moa JV).

Corporate Restructuring

During the second half of 2023, the Corporation conducted an in-depth internal review which identified its Metals and Technologies divisions as primary opportunities to optimize through restructuring. Metals has been streamlined to deliver value in the near-term while ensuring safe and effective operations. Technologies has been restructured to a reduced scale in line with a narrower focus to deliver essential support and enhancements to internal operations and business development. Business development will primarily focus on near-term partnerships and development opportunities to expand midstream processing capacity of critical minerals for the electric vehicle supply chain which Sherritt has been working to advance given its differentiated and specialized technical expertise in hydrometallurgical processing. As a result of the changes made, the workforce across the Corporation's Canadian operations is being reduced by approximately 10%, with annual employee cost savings of $13 million expected to be realized.

To align with this restructuring, the Corporation is announcing changes to its executive management team to consolidate operational leadership with the appointment of Elvin Saruk as Chief Operating Officer, responsible for leading both Sherritt's Metals and its Power and Oil and Gas divisions. Mr. Saruk has more than 30 years of experience with Sherritt including at the senior executive level managing large-scale operations, overseeing complex high pressure acid leach (HPAL) mining and processing projects and strengthening partner relations while overseeing operations in Cuba. Prior to this appointment, Mr. Saruk was Senior Vice-President, Oil and Gas and Power and Head of Growth Projects, most recently responsible for leading the Moa Joint Venture's expansion program and growing production at the Corporation's Power division during 2023. Along with this change, Dan Rusnell Senior Vice President, Metals has left the organization.

"We would like to thank Dan for his years of service and valuable contributions to Sherritt. We wish him the very best in the future," said Leon Binedell, President and CEO of Sherritt.

Mr. Binedell continued, "Our comprehensive, organization-wide restructuring and cost-cutting program is the outcome of a robust internal assessment and a necessary endeavour to improve Metals operations following a disappointing 2023 and reduce non-essential expenditures in the currently depressed metal price environment which Sherritt has extensive experience navigating. As a result of our cost-cutting program, we have had to make the difficult decision to reduce headcount across the organization and we would like to express our sincere gratitude to all affected employees for their dedication and the contributions they have made."

(All amounts are in Canadian currency unless otherwise noted.)

Mr. Binedell added, “We are pleased to announce Elvin’s appointment as Chief Operating Officer, expanding his responsibilities and building off the momentum he has achieved in successfully advancing the Moa Joint Venture’s expansion program and significantly increasing electricity production in our Power division. We look forward to the value Elvin will deliver in his expanded role.

Today’s announcement reflects our objectives to respond to market realities and proactively pursue opportunities, including optimizing costs, improving profitability and liquidity and growth opportunities to enhance and diversify our business.”

2023 Production Results

Production volumes	Q4 2023	FY2023	2023 Guidance
Moa Joint Venture (tonnes, 100% basis)			
Nickel, finished	7,488	28,672	29,000 – 30,000
Cobalt, finished	660	2,876	2,900 – 3,100
Electricity (GWh, 33⅓% basis)	225	745	650 – 700

Metals

Full year 2023 finished nickel and finished cobalt production were slightly below their respective revised annual guidance ranges as a result of fourth quarter production being impacted by lower availability of Moa mixed sulphides due to heavier than normal rainfalls requiring processing of lower grade and quality stockpiled materials. Full year 2023 Metals net direct cash costs (NDCC)[1] per pound of nickel sold are expected to be within the previously disclosed guidance range.

Power

Full year 2023 electricity production exceeded revised guidance. Unit operating costs[1] are expected to be within the previously disclosed guidance range.

Sherritt expects to report its full operational and financial results for the fourth quarter and year ended December 31, 2023 on February 7, 2024 after market close. The Corporation’s 2024 guidance for production, NDCC, unit operating costs[1] and spending on capital[1] will also be provided with year-end 2023 results and will incorporate the restructuring changes to the Corporation outlined above.

Expansion Advancing on Budget and on Schedule

Sherritt’s low cost and low capital intensity two-phase Moa JV expansion program remains on budget and on schedule. The Slurry Preparation Plant (SPP) is mechanically complete and pre-commissioning is ongoing with ore feed to the plant expected to commence later in January. Phase one of the expansion is expected to reduce ore haulage distances, lower carbon intensity from mining and increase annual mixed sulphide precipitate (MSP) production of contained nickel and cobalt through increased throughput over the mine’s long life. With the completion of phase two of the Moa expansion, annual MSP production is targeted to increase by 6,500 tonnes of contained nickel and cobalt (100% basis) and is expected to fill the refinery to nameplate capacity to maximize profitability from the joint venture’s own mine feed, displacing lower margin third party feeds and increasing overall finished nickel and cobalt production.

About Sherritt International

Sherritt is a world leader in using hydrometallurgical processes to mine and refine nickel and cobalt – metals deemed critical for the energy transition. Sherritt’s Moa Joint Venture has a current estimated mine life of 25 years and has embarked on an expansion program focused on increasing annual mixed sulphide precipitate production by 20% or 6,500 tonnes of contained nickel and cobalt (100% basis). The Corporation’s Power division, through its ownership in Energas S.A., is the largest independent energy producer in Cuba with installed electrical generating capacity of 506 MW, representing approximately 10% of the national electrical generating capacity in Cuba. The Energas facilities are comprised of two combined cycle plants that produce low-cost electricity from one of the lowest carbon emitting sources of power in Cuba. Sherritt's common shares are listed on the Toronto Stock Exchange under the symbol "S".

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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, cost savings associated with the headcount reductions, expansion project costs and completion schedules, and anticipated benefits arising from Moa Joint Venture expansion projects, including without limitation in relation to cost savings, production increases and lower carbon intensity.

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; statistics and metrics relating to Environmental, Social and Governance (ESG) matters which are based on assumptions or developing standards; 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 2024. 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, uncertainty in the ability to accurately forecast the precise costs associated with headcount reductions, security market fluctuations and price volatility; level of liquidity and the related ability of the Moa Joint Venture 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 impact of infectious diseases, the impact of global conflicts; changes in the global price for nickel, cobalt, oil, gas, fertilizers or certain other commodities; 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; political, economic and other risks of foreign operations; 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; 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; maintaining social license to grow and operate; risks related to environmental liabilities including liability for reclamation costs, tailings facility failures and toxic gas releases; uncertainty about the pace of technological advancements required in relation to achieving ESG targets; risks to information technologies systems and cybersecurity; identification and management of growth opportunities; the ability to replace depleted mineral reserves; risk of future non-compliance with debt restrictions and covenants; 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 the Corporation's corporate structure; 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; 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; legal contingencies; risks related to the Corporation's accounting policies; uncertainty *in the ability of the Corporation to obtain government permits; 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 2023; and the ability to meet other factors listed from time to time in the Corporation's continuous disclosure documents.*

In addition to the risks noted above, factors that could, alone or in combination, prevent the Corporation from successfully achieving the benefits from expansion 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; procurement, construction, commissioning, ramp-up to commercial scale production and completion; unanticipated cost increases; supply chain challenges 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 nine months ended September 30, 2023 and the Annual Information Form of the Corporation dated March 31, 2023 for the period ending December 31, 2022, which is available on SEDAR at www.sedarplus.ca.

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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[1] **Non-GAAP and Other Financial Measures**

Unit operating cost/net direct cash cost (NDCC) and spending on capital are non-GAAP financial measures. Management uses these measures to monitor the financial performance of the Metals, Power and other 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 operations. These measures are intended to provide additional information, not to replace International Financial Reporting Standards (IFRS) measures, and 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.

Unit operating cost is generally calculated by dividing cost of sales as reported in the financial statements, less depreciation, depletion and amortization in cost of sales, the impact of impairment losses, gains and losses on disposal of property, plant, and equipment and exploration and evaluation assets and certain other non-production related costs, by the number of units sold.

Metals' NDCC is calculated by dividing cost of sales, as reported in the financial statements, adjusted for the following: depreciation, depletion, amortization and impairment losses in cost of sales; cobalt by-product, fertilizer and other revenue; cobalt gain/loss; and other costs primarily related to the impact of opening and closing inventory values, by the number of finished nickel pounds sold in the period, expressed in U.S. dollars.

Unit operating costs for nickel and electricity are key measures that management and investors uses to monitor performance. NDCC of nickel is a widely-used performance measure for nickel producers. Management uses unit operating costs/NDCC to assess how well the Corporation's producing mine and power facilities are performing and to assess overall production efficiency and effectiveness internally across periods and compared to its competitors.

Unit operating cost (NDCC) for nickel is expressed in U.S. dollars per pound sold, while electricity is expressed in Canadian dollars per megawatt hour sold.

The Corporation defines spending on capital for each segment as property, plant and equipment and intangible asset expenditures on a cash basis adjusted to the accrual basis in order to account for assets that are available for use by the Corporation and the Moa JV prior to payment and includes adjustments to accruals.