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Sherritt Ends 2024 with Robust Operating Results in Line with Guidance; Received $30 Million from the Cobalt Swap and $13 Million of Dividends from Power

TORONTO, **January 16, 2025** – Sherritt International Corporation ("Sherritt" or the "Corporation") (TSX:S) today announced its fourth quarter and full year 2024 production results. Sherritt also announced it received total distributions of $29.8 million from the Cobalt Swap agreement (including both Sherritt's and GNC's redirected share), composed of $23.7 million in cash and 223 tonnes of finished cobalt with an in-kind value of $6.1 million, and in its Power division, Sherritt received dividends of $7.0 million in Canada during the quarter, bringing the total to $13.0 million for the year.

Leon Binedell, President and CEO of Sherritt commented, "Our operational performance in 2024 was a resounding success in the face of significant headwinds. Our production results at both our Metals and Power divisions were within our respective guidance ranges despite numerous external challenges. We successfully navigated extraordinary hurdles including hurricanes, an earthquake, and nationwide power outages in Cuba, as well as rail and port labour disruptions in Canada. Despite materially lower cobalt by-product credits, our net direct cash cost is also expected to meet our annual guidance thanks in part to the numerous cost reduction initiatives implemented throughout 2024.

Sherritt managed to navigate the multi-year low metal prices and external challenges effectively to maximize the potential for Cobalt Swap distributions and was able to receive a significant $30 million distribution in the quarter. Furthermore, our ongoing efforts to optimize our Power division and access additional gas for electricity production resulted in a six-year high in annual production and materially higher dividends in Canada with $13 million received during the year."

Mr. Binedell added, "The success we achieved despite these challenges faced during 2024 demonstrates Sherritt's ingenuity and resilience. We take pride in the accomplishments we delivered together with our Cuban partners and commend our team for their collective efforts contributing to the notable success of our performance. Looking ahead, we remain committed to driving operational excellence and delivering value through our continued focus on efficiency and cost management and delivering on our growth and other strategic initiatives."

2024 Production Results

Production volumes	Q4 2024 Actual	FY2024 Actual	2024 Guidance
Moa Joint Venture ("Moa JV") (tonnes, 100% basis)			
Nickel, finished	7,705	30,331	30,000 – 32,000
Cobalt, finished	930	3,206	3,100 – 3,400
Electricity (GWh, 33⅓% basis)	171	816	775 – 825

Metals

In 2024, Sherritt's finished nickel and cobalt production were within their respective guidance ranges. The completion of the Slurry Preparation Plant ("SPP") significantly enhanced mixed sulphides production

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

efficiencies, ensuring a consistent feed to the refinery. This helped mitigate challenges encountered during the year, such as the rail labour disruption in Canada, as well as the earthquake, hurricanes and nationwide power outages in Cuba. Full year 2024 net direct cash cost ("NDCC")[1] is expected to be within the previously disclosed guidance range of US$5.50 to US$6.00 per pound of nickel sold, marking a notable year-over-year improvement despite materially lower cobalt by-product credits.

Power

Sherritt's 2024 electricity production was within its guidance range on the strength of additional gas from new gas wells, including the new well that was put into production during the fourth quarter.

During Q4 2024, as a result of the nationwide power outages in Cuba and challenges facing the national power grid, the government agency Unión Eléctrica ("UNE") required Energas S.A. ("Energas") to operate the Varadero facility in frequency control to help support the stability of the grid, which reduced the power generation volume by approximately 25 GWh (Sherritt's share). Energas was fully compensated for this reduction under the same terms and conditions outlined in its contract. Energas expects that the Varadero facility will operate in frequency control throughout 2025 with an estimated reduction in electricity volume of approximately 150 GWh. Energas will continue to be fully compensated for this reduction and therefore Sherritt expects there will be no impact to Power's Adjusted EBITDA[1], earnings from operations or dividends from Energas to Sherritt in Canada. Energas' other facilities are expected to continue operating as usual.

Sherritt expects to report its complete operational and financial results for the fourth quarter and year ended December 31, 2024 on February 5, 2025 after market close. The Corporation's 2025 guidance for production, NDCC[1], unit operating costs[1] and spending on capital[1] will also be provided with year-end 2024 results. Sherritt's guidance for Power will reflect the Varadero facility operating in frequency control during 2025.

Significant Distributions from the Cobalt Swap

In Q4 2024, Sherritt focused efforts to maximize distributions under the Cobalt Swap agreement. In 2024, Sherritt had estimated the Cobalt Swap could have been up to a maximum of $50.0 million (including both Sherritt's share and GNC's redirected share) in Q4 2024 incorporating assumptions, which included first half 2024 average nickel and cobalt reference prices of US$8.00/lb and US$13.50/lb. Despite average nickel and cobalt reference prices in the second half of 2024 being US$7.32/lb and US$11.92/lb or 9% and 12%, respectively, below their first half averages, Sherritt's focused efforts to prudently manage and maximize its cash flows in the Moa JV led to significant distributions of $23.7 million in cash and 223 tonnes of finished cobalt with an in-kind value of $6.1 million (including both Sherritt's and GNC's redirected share).

Increased Power Dividends in Canada

Sherritt received $7.0 million of dividends in Canada from Energas in Q4 2024, bringing the total dividends in Canada to approximately $13.0 million for the year, which was higher than previously estimated due to an updated dividend payment process at Energas, the impact of a weaker Canadian dollar and the deferral on non-essential capital expenditures.

Moa JV Expansion Ramping Up in 2025

Sherritt's low cost and low capital intensity Moa JV expansion program continues to advance. Phase one, the SPP, was completed in early 2024 reducing ore haulage distances, lowering carbon intensity from mining and increasing throughput over the life of mine. Construction on phase two is progressing with piping installation and internal brick lining of vessels underway, along with some pre-commissioning activities. With lower nickel and cobalt prices, Sherritt continues to exercise capital preservation measures and has scheduled certain expenditures for Q1 2025 when construction is expected to be completed and following which, the ramp-up is expected to commence. Concurrent with the Phase two completion and ramp up, the Moa JV is undertaking a series of measures to remove minor processing bottlenecks to support the expected 20% increase in annual mixed sulphide precipitate ("MSP") production. The additional MSP 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

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 JV has an estimated mine life of approximately 25 years and is advancing an expansion program focused on increasing annual MSP production by 20% of contained nickel and cobalt. The Corporation's Power division, through its ownership in Energas, 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, NDCC, unit operating costs and spending on capital for the year ended December 31, 2024, the future impact of frequency control at Energas' Varadero facility, expansion project costs and completion schedules, anticipated benefits arising from Moa JV expansion projects, including without limitation in relation to cost savings, production increases and lower carbon intensity, and expectations regarding future dividend receipts from the Moa JV and Energas.

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 2025. 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, security market fluctuations and 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 JV, 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 2025; 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, 2024 and the Annual Information Form of the Corporation dated March 21, 2024 for the period ending December 31, 2023, 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**

Non-GAAP and Other Financial Measures

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 IFRS® Accounting Standards measures, and do not have a standard definition under IFRS Accounting Standards and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS Accounting Standards. As these measures do not have a standardized meaning, they may not be comparable to similar measures provided by other companies.

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 respective periods, expressed in U.S. dollars.

Metals' NDCC is a key measure that management and investors uses to monitor performance. NDCC of nickel is a widely-used performance measure for nickel producers. Management uses NDCC to assess how well the Corporation's producing mine is performing and to assess overall production efficiency and effectiveness internally across periods and compared to its competitors.

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.