

Sherritt Receives Final 2023 Cobalt Dividend and \$64 Million Cash Top-up Dividend Under its Cobalt Swap Agreement

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[Sherritt International Corp.](#) ("Sherritt" or the "Corporation") (TSX:S) today confirmed that it has received the 2023 annual maximum volume of cobalt dividends and a \$64 million cash top-up dividend, fully satisfying its Cuban partner's current year obligation owed to Sherritt under the Cobalt Swap agreement. In addition, Sherritt intends to pay cash interest on its 10.75% unsecured PIK option notes due 2029 (Junior PIK Notes) in settlement of its July 2023 interest payment. All amounts are in Canadian currency unless otherwise noted.

"We are pleased with the success of the Cobalt Swap agreement, and as a testament to the strong working relationship we have with our Cuban partners, the first year's obligations under the agreement have been met before mid-year," said Leon Binedell, President and CEO of Sherritt International. "The cash received from the ongoing sales of cobalt and the top-up dividend provides significant liquidity to assist in advancing our strategic priorities and supports our intention to pay cash interest on our Junior PIK Notes commencing with our July 2023 payment."

Mr. Binedell continued, "Additionally, this achievement re-enforces our confidence that we will receive the full benefit of the Cobalt Swap over the next four years, providing significant liquidity in excess of our second lien notes maturing in November 2026."

In June 2023, the Moa Joint Venture (Moa JV) approved the final cobalt dividend required to fulfill the 2,082 tonne annual maximum volume of cobalt receivable under the Cobalt Swap agreement. As the total in-kind value of cobalt received under the agreement did not meet the annual dollar minimum of US\$114 million (US\$57 million per partner), the Moa JV also distributed a cash dividend of US\$48.5 million (\$64 million). Sherritt continues to sell the cobalt received under the Cobalt Swap to third parties and expects to sell the remaining cobalt and realize all cash receipts on the sales before the end of the year.

General Nickel Company (GNC) has fulfilled its first year's obligation under the five-year Cobalt Swap agreement with the redirection of its 50% share of the cobalt and cash dividends collectively amounting to US\$57 million (\$76 million) to Sherritt as payment against the GNC receivable.

With receipt of the cash top-up dividend, and cash receipts expected from continuing sales of cobalt, Sherritt intends to make a cash payment of its semi-annual interest on its Junior PIK Notes at the end of July 2023. Satisfying the Junior PIK Notes interest in cash, rather than payment-in-kind, is a key step in providing Sherritt with the ability to provide returns to equity holders.

Sherritt is confident that it will receive its maximum cobalt volume of 2,082 tonnes and any cash top-up dividends required to ensure a total minimum of US\$114 million (100% basis) in each of the next four years. The receipt of the remaining dividends will provide significant cash flow to deliver on strategic priorities, including reducing debt and facilitating returns to equity holders. Sherritt expects to receive three of the four remaining annual total Cobalt Swap dividends (US\$342 million, approximately \$450 million) ahead of the maturity of its second lien notes in November 2026 (\$221.3 million as at March 31, 2023).

With the completion of the current year obligations under the Cobalt Swap, any further dividends from the Moa JV in 2023 will be distributed in cash to each partner equally.

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 26 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. Additionally, its Technologies Group creates innovative, proprietary solutions for natural resource-based industries around the world to improve environmental performance and increase economic value. Sherritt's common shares are listed on the Toronto Stock Exchange under the symbol "S".

Forward-looking statements

This press release contains certain forward-looking statements. Forward-looking statements can generally be identified by the use of statements that include such words as "believe", "expect", "anticipate", "intend", "plan", "forecast", "likely", "may", "will", "could", "should", "suspect", "outlook", "potential", "projected", "continue" or other similar words or phrases. Specifically, forward-looking statements in this document include, but are not limited to, statements regarding Sherritt's intention to pay cash interest on its Junior PIK Notes at the end of July, 2023, anticipated receipt of the full benefit of the Cobalt Swap at a minimum of US\$114 million (100% basis) in each of the next four years with three of the four remaining total Cobalt Swap dividends received ahead of the maturity of Sherritt's second lien notes in November 2026 and the expected sale of remaining cobalt received under the Cobalt Swap before the end of the year.

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;; production results; realized prices for production; earnings and revenues; global demand for electric vehicles and the anticipated corresponding demand for cobalt and nickel 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 2023. 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,; 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 (including the COVID-19 pandemic), the impact of global conflicts; changes in the global price for, cobalt and 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 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;; reliance on key personnel and skilled workers; 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; foreign exchange and pricing risks; credit risks; shortage of equipment and supplies; competition

in product markets; future market access; 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.

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 months ended March 31, 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.sedar.com.

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

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