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Sherritt Announces Agreement on Principal Payment Deferrals with Ambatovy Project Lenders

TORONTO, August 4, 2016 – Sherritt International Corporation (“Sherritt”) (TSX:S) is pleased to announce that the Ambatovy Joint Venture Financing lenders (the “Project Lenders”) have agreed to six principal payment deferrals totaling US\$565 million (100% basis) starting with the semi-annual principal payment due June 15, 2016. This agreement between the Project Lenders, the Ambatovy Joint Venture as borrower, and Ambatovy Joint Venture Partners (Sherritt at 40%, Sumitomo Corporation at 32.5%, and Korea Resources Corporation 27.5%) as sponsors, provides additional time for nickel prices to recover and allows the partners to manage their ongoing funding requirements.

David Pathe, President and CEO of Sherritt commented, “Reaching this agreement goes a long way toward resolving uncertainty around Ambatovy. We are pleased with the cooperation among partners and lenders, and continue to talk constructively.”

Cash interest payments will continue to be made semi-annually, while the six deferred principal payments will carry an additional 2% interest cost to accrue on a Payment in Kind (PIK) basis until their repayment. The deferred principal and PIK interest thereon will be repaid on a schedule starting in 2021, or earlier subject to cash flow generation.

Sherritt continues not to fund. By agreement amongst the partners, Sherritt is not considered to be a defaulting shareholder under the Shareholders Agreement for amounts not funded until October 31, 2016, while discussions continue regarding the partnership structure and future funding arrangements.

About Sherritt

Sherritt is the world leader in the mining and refining of nickel from lateritic ores with projects and operations 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”.

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Source: Sherritt Investor Relations

For further information, please contact:

Investor Relations
Flora Wood, Director Investor Relations

Telephone: 416-935-2451
Toll-Free: 1-800-704-6698
Email: investor@sherritt.com
www.sherritt.com