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Sheritt Successfully Completes Pilot Testing of Innovative Process to Upgrade Alberta Bitumen at Lower Cost

TORONTO, May 7, 2018 – Sheritt International Corporation (“Sheritt”) (TSX:S) today announced that its Alberta-based Technologies division has successfully completed a pilot-scale demonstration of a proprietary process to upgrade bitumen. The process has the ability to eliminate the need for addition of diluent, a high-cost thinning agent that reduces heavy oil viscosity, and improve pipeline capacity.

“Sheritt has identified a new application of our proven processing capabilities that addresses a significant need within Alberta’s oil sands industry to reduce costs and improve pipeline capacity,” said David Pathe, President and CEO of Sheritt International. “The successful pilot-scale demonstration marks an important first step in commercializing this technology, and builds on our unique metals processing expertise to create longer term growth opportunities. Our next testing phase is expected to involve more extensive collaboration with Alberta bitumen producers and include demonstrations of our upgrading process on a larger scale.”

Sheritt’s innovative process to upgrade bitumen is based on more than 60 years of experience developing hydrometallurgical processes and the use of autoclaves, and stems from research previously conducted by Sheritt in the area of coal liquefaction. Sheritt’s process is based on the use of reactor technology that involves combining hydrogen with bitumen under pressure at high temperature in the presence of a proprietary catalyst suspended through mechanical agitation.

Sheritt’s process was first tested in 2015 to upgrade Cuban heavy oil. More recently, Sheritt completed test work on several bitumen products from Alberta. All test work has been completed at Sheritt’s technology facility in Fort Saskatchewan, Alberta.

In recent tests, Sheritt upgraded bitumen with a 10^o American Petroleum Institute (API) gravity, a unit of measurement to gauge the density of oil, to a lighter 24^o API gravity product with no loss of liquid. When blended with raw bitumen, the upgraded bitumen product met pipeline transportation specifications and had lower sulphur, naphthenic acid, heavy metals and micro-carbon residue than the Alberta benchmark diluted bitumen blend, Western Canadian Select.

The addition of diluent to bitumen for transportation through pipelines is estimated to cost Alberta bitumen producers more than US\$6 billion annually. Numerous studies on the partial upgrading of bitumen point to benefits such as eliminating high-cost diluent, alleviating pipeline constraints, and increasing the value of crude oil to refiners, and reducing emissions. According to the University of Calgary’s School of Public Policy, the value uplift of partial upgrading of bitumen is estimated at \$10 to \$15 per barrel of bitumen.

About Sheritt

Sheritt is a world leader in the mining and refining of nickel and cobalt 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. Sheritt 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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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", "projected", "continue" or other similar words or phrases. Specifically, forward-looking statements in this document include, but are not limited to, statements set out in this press release relating to future upgrading demonstrations, potential collaboration and commercialization and the benefits of partial bitumen upgrading.

Forward-looking statements are not based on historic facts, but rather on current expectations, assumptions and projections about future events, including future upgrading demonstrations and results; the potential benefits of partial bitumen upgrading and the ability to achieve various objectives, goals and plans, towards commercialization or otherwise. 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 those 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 risks and uncertainties set out in the Annual Information Form of the Corporation for the period ending December 31, 2017, which is available on SEDAR at www.sedar.com. Readers are cautioned that the foregoing list of factors is not exhaustive and should be considered in conjunction with the risk factors described in this press release and in the Corporation's other documents filed with the Canadian securities authorities.

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.