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Sherritt Renews and Extends its \$70 Million Credit Facility

TORONTO, November 30, 2020 – Sherritt International Corporation (“Sherritt” or “the Corporation”) (TSX:S), a world leader in the mining and refining of nickel and cobalt from lateritic ores, today announced that it has renewed and extended its \$70 million credit facility with its syndicate of lenders to April 30, 2022. The renewal builds on the Corporation’s recently completed balance sheet initiative and related efforts to strengthen its capital structure and improve its liquidity.

“Combined with the recently completed balance sheet initiative and the purchase of put options, renewal of our \$70 million credit facility provides us with increased financial strength and flexibility as we head into 2021,” said David Pathe, President and CEO of Sherritt International. “The renewal for an extended period coupled with more favorable covenants are indicative of our strengthened balance sheet and more encouraging outlook.”

Sherritt successfully maintained the size of the facility while extending the term beyond one year and agreeing to more flexible financial covenants. As at September 30, 2020, Sherritt had drawn approximately \$8 million against the facility.

Interest on the credit facility will be based on bankers’ acceptance plus 400 basis points. The credit facility has a number of financial covenants, including:

- Net available cash being greater than \$25 million. This total is calculated as cash in Canada plus undrawn amounts on the credit facility.
- Senior Secured Net Debt /EBITDA (earnings before interest, depreciation and amortization) of less than 2.0x. Senior secured net debt is calculated as first-lien debt, or amounts drawn on the credit facility, less cash held in Canada up to \$25 million. EBITDA is calculated on a 12-month trailing basis with Energas included on a cash basis.
- EBITDA/ Interest greater than 1.5x. The payment-in-kind (PIK) interest relating to the \$75 million junior note offered as an additional consideration as part of the balance sheet initiative is excluded from this interest calculation.
- Minimum Tangible Net Worth of \$600 million plus 50% of future positive net income. Tangible net worth is total assets less intangible assets less total loans and borrowings.

As at September 30, 2020, Sherritt was in full compliance with the financial covenants of the amended credit facility.

The amended credit facility also includes an accordion feature that allows other lenders to join the syndicate pending appropriate approvals, and increase the size of the facility by \$10 million to \$80 million.

About Sherritt

Sherritt is a world leader in the mining and refining of nickel and cobalt from lateritic ores with projects and operations in Canada and Cuba. 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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