



NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES
OR FOR DISSEMINATION IN THE UNITED STATES

Sherritt Reports Strong 2022 Production Results and Provides 2023 Guidance

TORONTO, January 23, 2023 – Sherritt International Corporation (“Sherritt”) (TSX:S), a world leader in the mining and hydrometallurgical refining of nickel and cobalt from lateritic ores, today announced production results for the fourth quarter and year ended December 31, 2022, and provided guidance for expected production, unit costs and spending on capital in 2023.

“In 2022 we established and strengthened our core pillars to enable success in 2023 and beyond. We continued to focus on improving production efficiencies, investing in production expansion, deleveraging the balance sheet and collecting on receivables from our Cuban partners. This will enable us to take advantage of the strong long-term market fundamentals for nickel and cobalt, primarily on the strength of the electric vehicle battery market. Despite economic challenges in Cuba and global geo-political constraints, Sherritt achieved strong 2022 production results,” said Leon Binedell, President and CEO of Sherritt International Corporation.

Mr. Binedell continued, “We view 2023 as a transition year for the Moa Joint Venture as we continue to deliver our plant capacity expansion and access new mining areas as we implement our updated Life of Mine plan utilizing Economic Cut-Off Grade methodology. The updated Life of Mine plan will be reflected in the revised NI 43-101 report expected in the first quarter and is expected to extend the current operations to beyond 2040.”

Highlights

2022 Actual

- At the Moa Joint Venture (Moa JV) finished nickel production was 32,268 tonnes (100% basis), in line with guidance, representing a 3% increase year-over-year primarily due to increased refinery reliability and higher nickel-to-cobalt ratio, while finished cobalt production of 3,368 tonnes (100% basis) was materially within guidance.
- Power production was 568 gigawatts (GWh) of electricity, beating updated guidance as a result of successful efforts to increase gas availability.

2023 Guidance

- 2023 will be a transition year for the Moa JV. The key priority will be to ensure the expansion plan remains on time and on budget. The final draft of the NI 43-101 report is expected to be released by the end of the first quarter using the latest methodologies for the analysis of the Economic Cut-Off Grade (ECOG) and Life of Mine (LOM), in which the current LOM is expected to extend to beyond 2040. This transition phase of mine expansion will include accessing new mining areas and bringing the new slurry preparation plant (SPP) online in 2024. As a result, finished nickel production is forecast to be 30,000 – 32,000 tonnes (100% basis), while finished cobalt production is forecast to be 3,100 – 3,400 tonnes (100% basis).
- Net direct cash costs (NDCC)¹ at the Moa JV are forecast to be in the range of US\$5.00 - US\$5.50 per pound of finished nickel sold.
- Sherritt's share of spending on capital¹ is forecast to be C\$94.4 million:
 - Sustaining spending on capital of C\$70 million is primarily for infrastructure, the replacement of equipment, and tailings management at the Moa JV.
 - Growth spending on capital of C\$20 million is primarily for the continued construction of the new SPP and leach plant sixth train at the Moa JV.

- Sustaining spending on capital of C\$4.4 million at Power is primarily for maintenance and equipment purchases.

Summary of 2022 Production Results

Production volumes ²	Q4 2022	FY2022	Guidance for 2022
<i>Moa Joint Venture (tonnes, 100% basis)</i>			
Nickel	8,224	32,268	32,000 – 34,000
Cobalt	846	3,368	3,400 – 3,700
<i>Power (GWh, 33^{1/3}% basis)³</i>	159	568	525 – 550

Sherritt expects to report its full operational and financial results for the fourth quarter and year ended December 31, 2022 on February 8, 2023 after market close.

2023 Guidance

Guidance for 2023 is based on a number of assumptions and estimates as of January 23, 2023 including, among other items, assumptions about commodity prices, prevailing currency exchange rates, and anticipated costs and expenditures. Sherritt's guidance for 2023 also includes estimates based on several risks and uncertainties, which may cause actual results to differ materially.

Summary of 2023 Production Forecasts

Production volumes ²	Guidance for 2023
<i>Moa Joint Venture (tonnes, 100% basis)</i>	
Nickel	30,000 – 32,000
Cobalt	3,100 – 3,400
<i>Power (GWh, 33^{1/3}% basis)</i>	575 - 625

Moa JV production guidance is slightly lower in 2023 compared to guidance figures provided in previous years as the Moa JV transitions towards its expansion plan commencing in 2024 and reduces reliance on low margin third-party feed. Additionally, the transition to the new SPP will cause some temporary processing disruptions as Moa JV relies solely on the old SPP.

The Power business is expected to produce between 575 and 625 GWh of electricity in 2023, higher than previous year's guidance, as Sherritt continues to work with its Cuban partners to increase the availability of gas.

Summary of 2023 Unit Operating Cost Forecasts

Unit Operating Costs ¹	Guidance for 2023
<i>Moa Joint Venture – NDCC – (US\$ per lb.)</i>	US\$5.00 - \$5.50
<i>Power (unit operating costs, C\$ per MWh)</i>	C\$28.50 - \$30.00

NDCC at the Moa JV are forecast between US\$5.00 and US\$5.50 per pound of finished nickel sold, above guidance for 2022, due to lower forecast cobalt and net fertilizer by-product credits. NDCC for the year to date Q3 2022 was US\$4.39⁴ per pound of nickel sold. NDCC includes by-product credits and input commodities that are subject to considerable change given the volatility of cobalt, fertilizers, sulphur, diesel and fuel prices. NDCC guidance for 2023 is based on a forecast cobalt reference price of US\$23.50 per pound and a forecast sulphur price of US\$230 per tonne including freight and handling.

Forecasted NDCC will have some quarterly variance due to the seasonality of fertilizer sales, which are typically higher in the second and fourth quarters, and planned maintenance shutdowns.

Unit operating costs for the Power business in 2023 are forecast to be between C\$28.50 and C\$30.00 per MWh. Unit operating costs for 2023 are expected to be above guidance for 2022 due to planned gas and steam turbine maintenance in preparation for additional gas supply in late 2023. Power unit operating costs for the year to date Q3 2022 was C\$18.60⁴.

Summary of 2023 Spending on Capital Cost Forecasts

Spending on capital ⁵ (C\$ millions)	2023 Guidance
Sustaining - <i>Moa Joint Venture</i> (50% basis) and Fort Site (100%)	\$70
Growth - <i>Moa Joint Venture</i> (50% basis)	\$20
Power (33 ^{1/3} % basis)	\$4.4

Sherritt's share of spending on capital at the Moa JV and Fort Site is forecast at C\$90 million in 2023. Sustaining spending on capital of C\$70 million is primarily for infrastructure, the replacement of equipment, and tailings management at the Moa JV. Sustaining spending on capital for the year to date Q3 2022 was C\$44.4 million⁴.

Forecast growth spending on capital for 2023 of C\$20 million is primarily for the continued construction of the new SPP and leach plant sixth train. Growth spending on capital in year-to-date Q3 2022 was C\$3 million⁴.

During 2022, Sherritt approved a two-phase expansion project focused on increasing annual mixed sulphate precipitate (MSP) production by 20% of current production or 6,500 tonnes of additional contained nickel and cobalt (100% basis). The expansion program capitalizes on the growing demand for high purity nickel and cobalt being driven by the accelerated adoption of electric vehicles and builds on the 26-year successful track record of the Moa JV. Total capital cost is estimated to be US\$77.0 million (100% basis) or approximately US\$13,200 per additional annual tonne of contained nickel for the full expansion.

Non-GAAP and Other Financial Measures

Unit operating cost/net direct cash cost (NDCC) and spending on capital are non-GAAP measures. Management uses these measures to monitor the financial performance of the Moa JV, 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 International Financial Reporting Standards (IFRS) measures, and do not have a standard definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. As these measures do not have a standardized meaning, they may not be comparable to similar measures provided by other companies.

Historical unit operating cost/net direct cash cost (NDCC) and spending on capital are incorporated by reference to Sherritt's Q3 2022 Management Discussion and Analysis for the three and nine months ended September 30, 2022, dated November 2, 2022, which is available on Sherritt's website. Unit operating cost and net direct cash cost amounts have been reconciled to their most directly comparable IFRS measures in the Non-GAAP and other financial measures section of the MD&A starting on page 38.

The Q3 2022 Management Discussion and Analysis is also available on SEDAR.

About Sherritt International

Headquartered in Toronto, Sherritt is a world leader in using hydrometallurgical processes to mine and refine nickel and cobalt – metals essential for an electric future. Its Technologies Group creates innovative, proprietary solutions for natural resource-based industries around the world to improve environmental performance and increase economic value. Sherritt has embarked on a multi-pronged growth strategy focused on expanding nickel and cobalt production by up to 20% from 2021 and extending the life of mine at Moa beyond 2040. The Corporation is also the largest independent energy producer in Cuba. Sherritt's common shares are listed on the Toronto Stock Exchange under the symbol "S".

For further information, please contact:
Lucy Chitilian, Director, Investor Relations
Email: Lucy.Chitilian@Sherritt.com
Telephone: (416) 935-2457

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 future guidance and forecasts set forth in this press release and certain expectations regarding production volumes; operating costs and capital spending, as well as regarding the completion and timing of release of a new NI 43-101 report, the length of the extension of the current Life of Mine, expansion plans and costs, forecast commodity prices and sales, capital intensities and estimated production proportions.

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 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, the impact of infectious diseases (including the COVID-19 pandemic), the impact of global conflicts, changes in the global price for nickel, cobalt, oil and gas, fertilizers or certain other commodities; security market fluctuations and price volatility; 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; 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; uncertainty about the pace of technological advancements required in relation to achieving ESG targets; identification and management of growth opportunities; risk of future non-compliance with debt restrictions and covenants; the mandatory repayments; ability to replace depleted mineral reserves; 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 environmental liabilities including liability for reclamation costs, tailings facility failures and toxic gas releases; risks related to the Corporation's corporate structure; political, economic and other risks of foreign operations; 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; compliance with applicable environment, health and safety legislation and other associated matters; risks associated with governmental regulations regarding climate change and greenhouse gas emissions; maintaining social license to grow and operate; risks relating to community relations; 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; 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; legal contingencies; risks related to the Corporation's accounting policies; uncertainty in the ability of the Corporation to obtain government permits; risks to information technologies systems and cybersecurity; 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.

The Corporation, together with its Moa Joint Venture is, pursuing a range of growth and expansion opportunities, including without limitation, process technology solutions, development projects, commercial implementation opportunities, life of mine extension opportunities and the conversion of mineral resources to reserves. In addition to the risks noted above, factors that could, alone or in combination, prevent the Corporation from successfully achieving these 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; 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 this press release and 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, 2022 and the Annual Information Form of the Corporation dated March 24, 2022 for the period ending December 31, 2021, 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.

¹ Non-GAAP measures, See the Non-GAAP and Other Financial Measures section.

² Nickel and cobalt production are presented (100% basis) for Moa JV while Power is presented on a 33^{1/3}% interest based on Sherritt's ownership interest.

³ Sherritt adjusted its Power production guidance for 2022 on November 2, 2022 as a result of higher expected gas availability in the fourth quarter.

⁴ YTD Q3 2022 unit operating cost/NDCC and spending on capital are non-GAAP financial measure and are incorporated by reference to Sherritt's Management Discussion and Analysis (MD&A) for the three and nine months ended September 30, 2022, dated November 2, 2022, which is available on Sherritt's website. These amounts can be found in the Review of Operations section: Moa Joint Venture and Fort Site – page 15, Power – page 22. The Q3 2022 MD&A is also available on SEDAR. The primary determinants impacting unit operating costs are: for Moa Joint Venture – production levels, cobalt price and input commodity prices, primarily sulphur; for Power, the primary determinants are production levels and maintenance costs. The primary determinants impacting spending on capital are timing of expenditures and foreign exchange rates (as most purchases are denominated in U.S. dollars).

⁵ Spending on capital spend is based on Sherritt's ownership interests in the Moa Joint Venture (50%); Fort Site (100%), Power (33^{1/3}%).