

# Sherritt Announces Closing of \$132 Million Unit Offering

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[Sherritt International Corp.](#) ("Sherritt") (TSX:S):

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[Sherritt International Corp.](#) ("Sherritt" or the "Company") (TSX:S) today closed its previously announced unit offering including the full exercise of an over-allotment option granted to its agents. A total of 94,464,400 units (the "Units") of the Company were sold at a price of \$1.40 per Unit for gross proceeds of approximately \$132 million.

Each Unit consists of one Sherritt common share (a "Common Share") and one-half of one common share purchase warrant linked to the price of cobalt (each full warrant, a "Cobalt-Linked Warrant"). Each full Cobalt-Linked Warrant will be exercisable at an exercise price of \$1.95 for a period of 36 months, effective from today.

Paradigm Capital, Eight Capital and National Bank Financial acted as co-lead agents and joint-bookrunners on behalf of a syndicate that included TD Securities (collectively, the "Agents"). The Agents received a cash commission equal to 5.5% of the gross proceeds raised in consideration for their services.

The Cobalt-Linked Warrants are expected to begin trading on the TSX on January 25, 2018 under the symbol S.WT. Each Cobalt-Linked Warrant will be exercisable to acquire between 1.00 and 1.25 Common Shares of Sherritt, determined based on the Applicable Reference Cobalt Price (as defined below), subject to adjustment in accordance with the warrant indenture. The Cobalt-Linked Warrants have been structured to provide investors with increased leverage to upwards movement in the price of cobalt.

Each Cobalt-Linked Warrant will entitle the holder thereof to acquire that number of Common Shares that is equal to the Common Shares per Warrant Ratio. The Common Shares per Warrant Ratio will be determined and published on the fifth business day of each month, based on the Applicable Reference Cobalt Price per Pound in accordance with the following table:

## Applicable Reference Cobalt Price per Pound Common Shares per Warrant Ratio

US\$34.99 or lower	1.00
US\$35.00 &ndash; US\$39.99	1.05
US\$40.00 &ndash; US\$44.99	1.10
US\$45.00 &ndash; US\$49.99	1.15
US\$50.00 &ndash; US\$54.99	1.20
US\$55.00 and higher	1.25

The Applicable Reference Cobalt Price per Pound will be calculated and published by Sherritt monthly, based on a rolling average of the prior three consecutive full calendar months' cobalt price using the midpoint of the Metal Bulletin High Price and the Metal Bulletin Low Price<sup>1</sup>, expressed in US dollars per pound, for each month in such three-month period. The initial Common Shares per Warrant Ratio will be 1.0 based on an initial Applicable Reference Cobalt Price of US\$31.60. The next Applicable Reference Cobalt Price and Common Shares per Warrant Ratio will be published on February 7, 2018.

The net proceeds of the Offering will be used to reduce Sherritt's outstanding indebtedness, for general corporate purposes and to fund future growth initiatives. Sherritt intends to use the proceeds of the Offering and its existing cash balance to repurchase a portion of one or more of each of its senior unsecured debentures (the "Debentures") for a targeted aggregate principal amount of up to \$75 million. The Debentures will be repurchased under the terms of a modified Dutch auction tender offer (the "Tender Offer"). For further details of the Tender Offer, investors are advised to consult Sherritt's press release dated January 16, 2018, entitled Sherritt Announces Dutch Auction to Purchase up to \$75 Million of Outstanding Debentures.

The securities described herein have not been, and will not be, registered under the U.S. Securities Act, or any state securities laws, and accordingly, may not be offered or sold to, or for the account or benefit of, persons in the United States or to U.S. Persons (as such term is defined in Regulation S under the U.S. Securities Act), except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities requirements or pursuant to exemptions therefrom. This press release does not constitute an offer to sell or a solicitation of an offer to buy any of Sherritt's securities to, or for the account or benefit of, persons in the United States or U.S. Persons.

### 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, 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".

### 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 estimated costs and future funding requirements.

Forward-looking statements are not based on historic facts, but rather on current expectations, assumptions and projections about future events, including matters relating to the transaction disclosed herein; availability of governmental, regulatory and third party approvals; and the ability to achieve corporate objectives, goals and plans for 2018. 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 Management's Discussion & Analysis of the Corporation for the period ending September 30, 2017 and the Corporation's Annual Information Form dated March 28, 2017, each of which are available on SEDAR at [www.sedar.com](http://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.

<sup>1</sup> The “Metal Bulletin High Price” means the Cobalt low grade Metal Bulletin free market US\$/lb in warehouse monthly average high; the “Metal Bulletin Low Price” means the Cobalt low grade Metal Bulletin free market US\$/lb in warehouse monthly average low.

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