

# Sherritt Agrees to Purchase \$90 Million of Secured Second Lien and Junior Notes Pursuant to Oversubscribed Offers

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[Sherritt International Corp.](#) ("Sherritt" or the "Corporation") (TSX:S) announced today the results of its offers to purchase (i) its outstanding 8.50% senior second lien secured notes due 2026 (the "Secured Notes") pursuant to a modified Dutch auction process (the "Secured Notes Dutch Auction") and (ii) its outstanding 10.75% unsecured PIK option notes due 2029 (the "Junior Notes", and collectively with the Secured Notes, the "Notes") pursuant to a fixed price tender offer process (the "Junior Notes Fixed Price Tender Offer" and, together with the Secured Notes Dutch Auction, the "Offers" or the "Transaction").

Having reviewed the positive results of the Offers, Sherritt determined it would increase the Maximum Consideration Amount (as defined in the Purchase Offer, defined below) from \$50 million to \$80.4 million and not extend the Offers past the initial expiration date of November 30, 2022. With the increased Maximum Consideration Amount, we have fully satisfied our obligations under the support agreements with the two supporting noteholders as detailed in our press release dated November 14, 2022. As a result, the Transaction is concluded at this time.

"We are delighted by the strong results of our second note purchase transaction in 2022. We have again been able to retire long-term debt at a discount and further reduce our interest expense," said Leon Binedell, President and CEO of Sherritt. "With our initial note purchase transaction completed in June and this subsequent oversubscribed purchase, we will reduce our aggregate principal amount of outstanding notes by approximately \$150 million or 35% from the beginning of the year, and our annual interest expense by approximately \$13 million. These note purchases reinforce our positive outlook on our operations and together with Sherritt's recent swap agreements, will strengthen our balance sheet and continue to generate value for our stakeholders."

The following table sets out the purchase price per \$1,000 of principal amount of Notes, the aggregate purchase price and corresponding principal amount for each series of Notes to be purchased under the Offers.

Notes	CUSIP	Purchase Price per \$1,000 <sup>1</sup>	Aggregate Purchase Price	Corresponding Principal Amount
Secured Notes	823901AM5	\$900	\$79,497,900	\$88,331,000
Junior Notes	823901AN3	\$550	\$870,465	\$1,582,664
Totals		N/A	\$80,368,365	\$89,913,664

1. Includes the Initial Participation Consideration Amount (as defined in the Purchase Offer, defined below) of \$30 per \$1,000 of principal amount of Notes.

In addition, Sherritt will pay an aggregate of \$720,000 in cash to holders whose Secured Notes are purchased by Sherritt pursuant to the Secured Notes Dutch Auction in respect of accrued and unpaid interest from the last interest payment date up to, but not including, the Payment Date (as defined below) in

respect of such purchased Secured Notes.

The detailed terms and conditions of the Offers were set forth in Sherritt's Offer to Purchase dated November 2, 2022, as amended by the notice of variation and extension dated November 14, 2022, (the "Purchase Offer").

All Junior Notes validly tendered and not withdrawn, and all Secured Notes validly tendered at or below the Secured Notes Clearing Price (as defined in the Purchase Offer) and not withdrawn, will be accepted for purchase by Sherritt subject to the terms and conditions set forth in the Purchase Offer. Payment for Notes accepted for purchase pursuant to the Offers will be made by Sherritt on the settlement date of December 5, 2022 (the "Payment Date").

National Bank Financial Markets acted as dealer manager, Kingsdale Advisors acted as depositary and as information agent, and Goodmans LLP acted as Sherritt's legal advisor in connection with the Transaction.

This news release does not constitute a notice of redemption under the redemption provisions of the indentures governing the Notes, nor does it constitute or form part of any offer or invitation to purchase or sell, or any solicitation of any offer to purchase or sell, the Notes or any other securities in any other country, nor shall it or any part of it, or the fact of its release, form the basis of, or be relied on or in connection with, any contract therefor.

#### About Sherritt

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".

#### Forward-Looking Statements

Certain statements and other information included in this press release constitute "forward-looking information" or "forward-looking statements" (collectively, "forward-looking statements") under applicable securities laws (such statements are often accompanied by words such as "anticipate", "forecast", "expect", "believe", "may", "will", "should", "estimate", "intend" or other similar words). All statements in this press release, other than those relating to historical information, are forward-looking statements, including, but not limited to the completion of the Transaction; the principal amount of Notes to be purchased under the Offers; the settlement dates specified herein in regard to the Offers; and the payment of accrued and unpaid interest. Forward-looking statements in this press release are subject to a number of assumptions, risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from such forward-looking statements. The key risks and uncertainties are set forth in the Purchase Offer and in the Corporation's reports filed with the Canadian securities regulatory authorities, including without limitation the "Risk Factors" section of the Annual Information Form of the Corporation dated March 24, 2022 for the year ended December 31, 2021 and the "Managing Risk" sections of the Corporation's Management's Discussion and Analysis for the three and nine months ended September 30, 2022, all of which are available on SEDAR at [www.sedar.com](http://www.sedar.com). As such, undue reliance should not be placed on the forward-looking information.

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.

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