

November 19, 2013

Sherritt International Update on the Release of Process Water from the Obed Mountain Mine

Water testing to date indicates no immediate risk to human health

FOR IMMEDIATE DISTRIBUTION

EDMONTON – Sherritt International Corporation (“Sherritt International”), which owns the Obed Mountain Mine, has been conducting comprehensive daily water quality sampling in the Apetowun and Plante Creeks and the Athabasca River since the release of process water from a mine site pond on October 31, 2013. More than 200 water samples have been collected by independent environmental consultants for analysis.

“We are deeply concerned about what’s happened here and we are committed to making this right. We began our testing the morning after this happened and, to date, these samples have indicated that the sediment travelling downstream in the Athabasca River poses no risk to human health or safety,” said Sean McCaughan, Sherritt’s Senior Vice President, Coal.

On October 31, a breach of an onsite water containment pond occurred at the Obed Mountain Mine near Hinton, Alberta. The release consisted of approximately 670,000 cubic metres of process water, containing water mixed with naturally occurring materials, mainly clay, mud, shale and coal fines.

Water quality in the Athabasca River meets the Alberta water quality guidelines for drinking water and for the protection of aquatic life, livestock, and irrigation. Water tests to date indicate that the levels of suspended sediment in the Athabasca River remain above seasonally normal values for the Athabasca River, but are in keeping with normal levels experienced during spring and summer run-off.

Sherritt today received from Alberta Environment and Sustainable Resource Development (AESRD) an environmental protection order requiring the development and implementation of several recovery, management and assessment plans. Sherritt began the testing of creek and river water immediately after the process water release. Evaluation and assessments of the effects on land and water courses is ongoing. This work, conducted by independent environmental specialists, will guide the development of robust remediation and restoration plans to meet the requirements of the AESRD order.

“We are working with regulators to ensure the restoration of the areas of the Apetowun and Plante Creeks most directly affected by the sediment. We are also continuing to monitor the effects this release has had on the Athabasca River,” McCaughan said.

Sherritt's remediation began as soon as the containment pond was secured and focused on containing the sediment in the creeks. Remediation efforts have continued with the removal of sediment from the junction of Plante Creek and the Athabasca River, as well as the upper portions of Apetowun and Plante Creeks. Crews following the sediment path to ensure it remains safe for downstream communities have reported that sediment is dispersing.

"Further remediation and mitigation measures are being planned in close cooperation with regulators as well as daily water quality monitoring," McCaughan said.

- 30 -

Community inquires can be directed to:

1-855-650-6233
obed@sherrittcoal.com

Media inquiries can be directed to:

1-888-625-3448
communications@sherritt.com