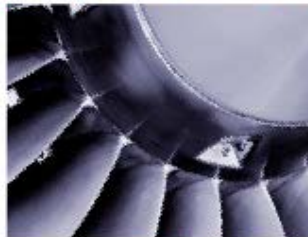




**sherritt**  
THE NAME IN NICKEL



**TD Mining Conference | January 27, 2016**

# Cautionary Statement on Forward-Looking Information

This document 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, the Corporation’s nickel and oil production forecasts; global nickel market supply and demand forecasts; operating cost and expense recovery forecasts in the Corporation’s oil and gas business, and corporate objectives, goals and plans for 2016.

Forward-looking statements are not based on historic facts, but rather on current expectations, assumptions and projections about future events. 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 document 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.

Key factors that may result in material differences between actual results and developments and those contemplated by this document include global economic and market conditions, and business, economic and political conditions in Canada, Cuba, Madagascar, and the principal markets for the Corporation’s products. Other such factors include, but are not limited to, uncertainties in the ramp-up and operation of large mining, processing and refining projects; risks related to the availability of capital to undertake capital initiatives; changes in capital cost estimates in respect of the Corporation’s capital initiatives; risks associated with the Corporation’s joint-venture partners; risk of future non-compliance with financial covenants; potential interruptions in transportation; political, economic and other risks of foreign operations; the Corporation’s reliance on key personnel and skilled workers; the possibility of equipment and other unexpected failures; the potential for shortages of equipment and supplies; risks associated with mining, processing and refining activities; uncertainty of gas supply for electrical generation; uncertainties in oil and gas exploration; risks related to foreign exchange controls on Cuban government enterprises to transact in foreign currency; risks associated with the United States embargo on Cuba and the Helms-Burton legislation; risks related to the Cuban government’s and Malagasy government’s ability to make certain payments to the Corporation; risks related to exploration and development programs; uncertainties in reserve estimates; risks associated with access to reserves and resources; uncertainties in environmental rehabilitation provision estimates; risks related to the Corporation’s reliance on partners and significant customers; risks related to the Corporation’s corporate structure; foreign exchange and pricing risks; uncertainties in commodity pricing; credit risks; competition in product markets; the Corporation’s ability to access markets; 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; risks associated with future acquisitions; uncertainty in the ability of the Corporation to obtain government permits; risks associated with government regulations and environmental, health and safety matters; uncertainties in growth management; interest rate risk; risks related to political or social unrest or change and those in respect of community relations; risks associated with rights and title claims; and the Corporation’s ability to meet other factors listed from time to time in the Corporation’s continuous disclosure documents. Readers are cautioned that the foregoing list of factors is not exhaustive and should be considered in conjunction with the risk factors described 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 document and in the Corporation’s other documents filed with the Canadian securities authorities including, but not limited to, the Corporation’s Annual Information Form for the year ended December 31, 2014 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 document 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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## Non-GAAP Measures

Management uses Combined Results, Adjusted EBITDA, average-realized price, unit operating cost, adjusted earnings, combined adjusted operating cash flow per share and combined free cash flow, to monitor the financial performance of the Corporation and its operating divisions and believes these measures enable investors and analysts to compare the Corporation’s financial performance with its competitors and evaluate the results of its underlying business. These measures 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. For additional information, including a reconciliation of each non-GAAP measures to the most directly comparable GAAP measure, see the Non-GAAP measures section in our Management’s Discussion and Analysis (MD&A) for the three months ended September 30, 2015 available on our website at [www.sherritt.com](http://www.sherritt.com).

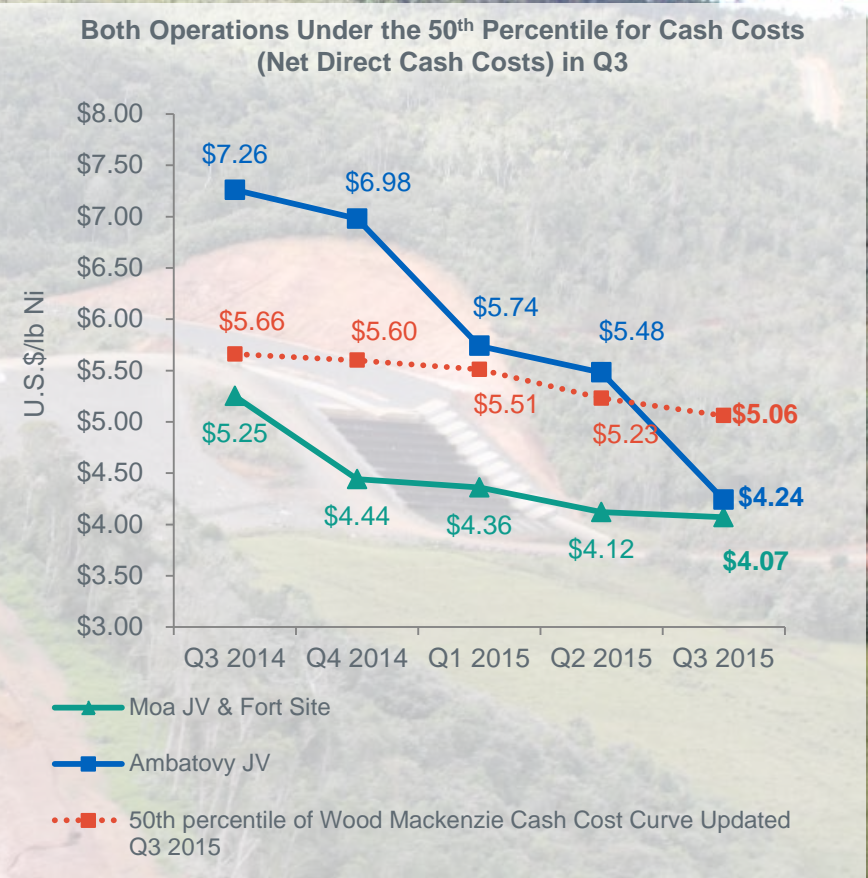


*David Pathe, President & CEO*



# SHERRITT INTERNATIONAL (TSX:S): THE NAME IN NICKEL

- Two fully integrated, LME quality HPAL nickel operations which produced ~81k t finished nickel in 2015
- Cuban oil production 18,257 bopd (GWI) in 2015
- Cuban power generation business generates steady cash flow
- Current market cap ~\$200 million with \$373.8 million cash, ~\$900 million recourse debt at Sept 30, 2015





# Q3 2015 Highlights and 2015 Production

## Financial Results Q3 and 9 mos ended Sept 30

- Adjusted EBITDA \$107 million 9 month period vs. \$222 million 2014, with nickel down 27% and oil down 50% (avg reference prices US\$4.78/lb Ni and US\$38.11/ FO 6 in Q3)
- Ending cash and short-term investments \$373.8 million

## 2015 Production Results Meet Guidance Ranges

- 80,976 tonnes finished nickel (100% basis)
  - Ambatovy Ni up 28% YoY, Moa Ni up 2%
- 18,257 bopd Cuba Gross Working Interest oil production, down 6% YoY; Net Working Interest 11,158 (all ops) up 2%
- 2,707 GWh power production, up 7% YoY

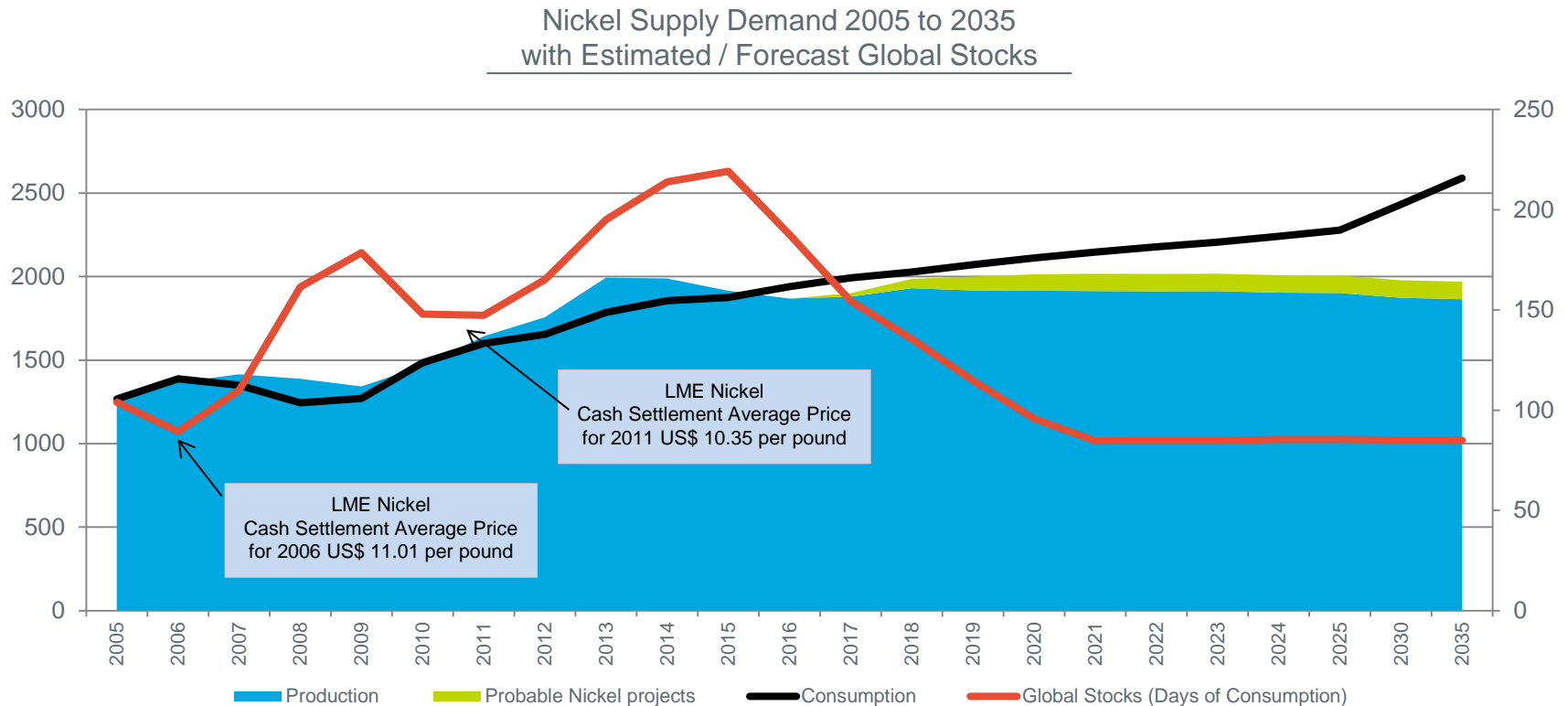
# A Closer Look at the Cash Cost Curve<sup>(1)</sup>



50<sup>th</sup> Percentile of Q2 cash cost curve was US\$5.23

# Nickel Market 2005 – 2035 Projected

- Refined nickel imports into China through November 2015 are up 108%, with ferronickel imports up 146% in the same period (RBC, INSG, Wood Mackenzie)
- Supply gap continues to develop with few new firm nickel projects announced







## OPERATIONS UPDATE



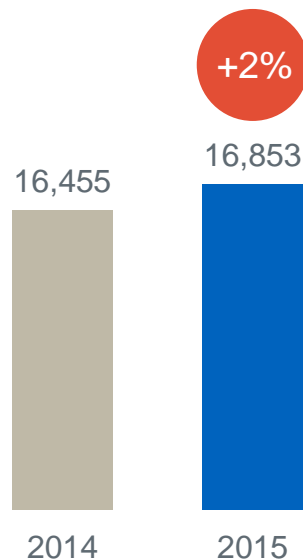
# Moa JV

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- Finished nickel production of 16,853 t Ni + 1,867 t Co (50% basis), up 2% in Ni and 16% Co despite major maintenance shutdown
- Cash costs declined for the third consecutive quarter to US\$4.07/lb Q3
- Nickel recovery 89% on 3 month and 9 month basis
- Cash provided by operations of \$22.3 million in Q3 benefited from fertilizer pre-sales of \$20.5 million

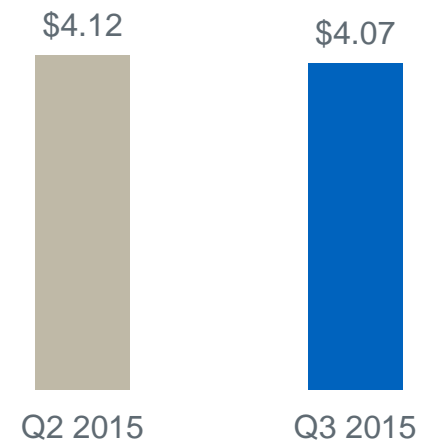
Moa JV Nickel Production (50% basis, tonnes)

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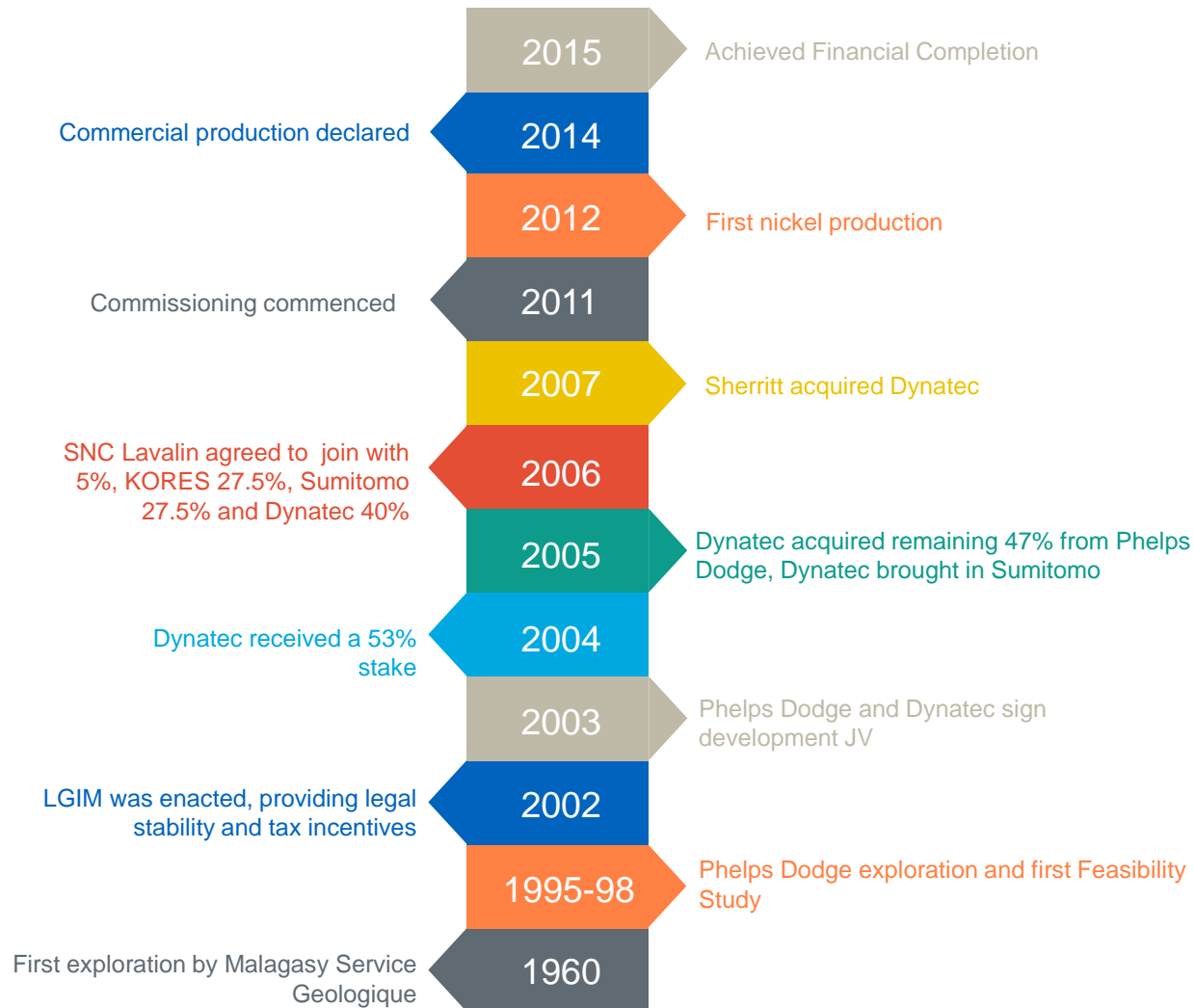


Q3 Net Direct Cash Costs (U.S.\$/lb)

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# Ambatovy History



## Ambatovy JV: NDCC Down to \$4.24/lb, and Project Debt is Non-Recourse

- 2015 production of 47,271 t Ni, 3,464 t Co. (100% basis) – up 28% Ni and 19% Co
- Q3 Adjusted EBITDA of (\$2.5) million
- Q3 Net direct cash costs down to US\$4.24/lb
- Challenge period ended Nov 2015, no challenge to completion

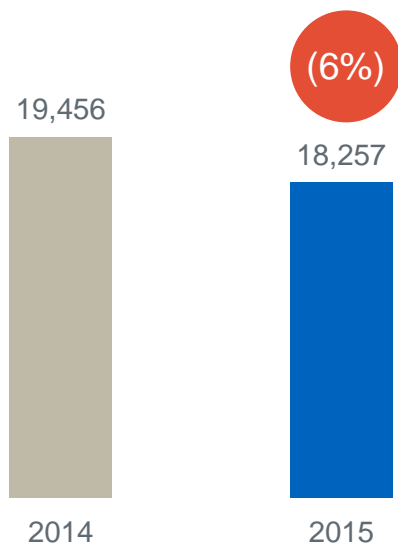




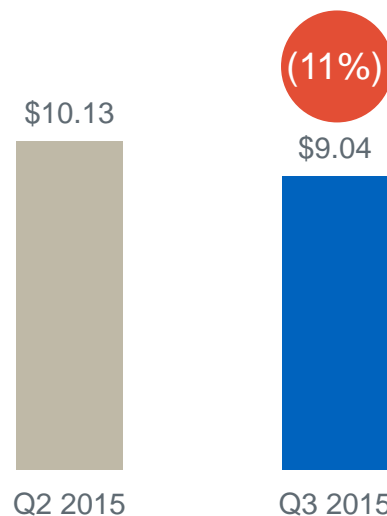
# Oil and Gas

- 18,257 GWI-Cuba production in 2015, down 6% with NWI production—all operations flat at 11,158 bopd, benefiting from higher cost recovery oil
- Free cash flow generation of \$35.7 million vs. (\$13.9 million) Q2 benefitted from collection of overdue receivables and lower capex in the quarter
- Lower unit operating costs in Q3, but expect an increase in Q4 with increased standby costs (no more drilling) and higher well workover costs

Cuba Production – Gross Working-Interest



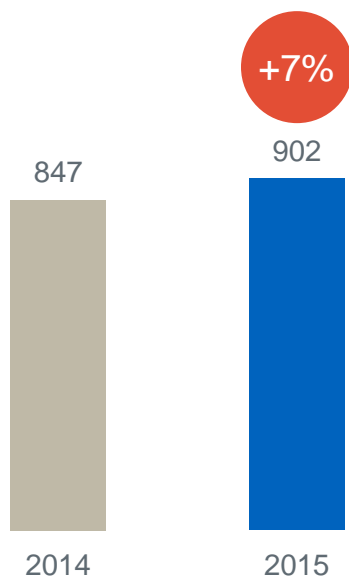
Unit Operating Costs – Cuba (\$ per boe)



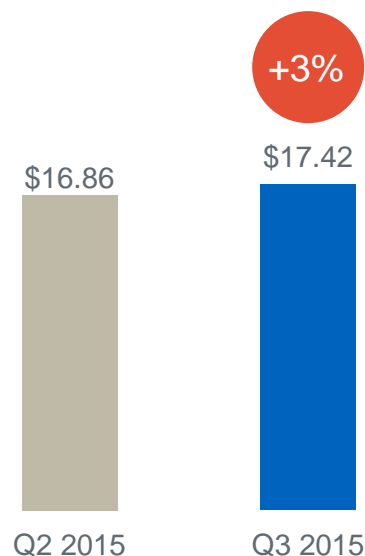
## Power: Robust Production in 2015 and Solid Contribution to EBITDA and Cash Flow

- Electricity generation 902 Gwh 2015 (33 1/3% basis), up 7% YoY on higher gas availability
- Adjusted EBITDA 9 mos 2015 \$24.5 million vs \$19.4 mm same period 2014
- Cash received in the form of CSA repayments of principal and interest ~\$60 million YTD Sept 30 2015 (\$35 mm interest + \$25 mm repayment of CSA loan)

Electricity Generation (MWh, 33 1/3% basis)



Unit Operating Costs (\$/MWh)





## FINANCE UPDATE



# Q3 2015 Recap

## Continued Reduction of NDCC

- Moa: US\$4.07/lb
- Ambatovy: US\$4.24/lb
- Oil Unit Operating Cost: \$9.04/bbl

## Record Nickel Production

- 9,730 tonnes finished LME quality nickel
  - Moa on track for best year in last 5, with 4,521 t (50%)
  - Record quarter at Ambatovy, with 5,209 t (40%)

## Leading Indicators of a Nickel Market Shift

- Overall demand flat but not shrinking
- China increasingly reliant on imports
- No new production coming online



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