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THE NAME IN NICKEL

Third Quarter 2016 Results

October 25, 2016

Forward-Looking Statements

This presentation 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 regarding certain expectations about capital costs and expenditures; production volumes; capital project completion and ramp up dates; future price of key commodities; sales volumes; revenue, costs, and earnings; sufficiency of working capital and capital project funding; results of on-going discussions regarding the partnership structure and future financing arrangements at the Ambatovy Joint Venture; results of discussions regarding timing of ongoing Cuban payments; completion of development and exploration wells; and amounts of certain joint venture commitments; certain Ambatovy Joint Venture loans; completion of development and exploration wells; and amounts of certain joint venture commitments.

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 viewers of this presentation 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 changes in the global price for nickel, cobalt, oil and gas or certain other commodities, share-price volatility, level of liquidity and access to capital resources, access to financing, risk of future non-compliance with debt restrictions and covenants; risks associated with the Corporation's joint venture partners; discrepancies between actual and estimated production; variability in production at Sherritt's operations in Madagascar and Cuba; risks associated with the ramp-up of Moa Joint Venture Acid Plant; potential interruptions in transportation; uncertainty of gas supply for electrical generation; uncertainty of exploration results and Sherritt's ability to replace depleted mineral and oil and gas reserves; the Corporation's reliance on key personnel and skilled workers; the possibility of equipment and other failures; the potential for shortages of equipment and supplies; risks associated with mining, processing and refining activities; uncertainty of resources and reserve estimates; uncertainties in environmental rehabilitation provisions estimates; risks related to the Corporation's corporate structure; political, economic and other risks of foreign operations; risks related to Sherritt's operations in Madagascar and Cuba; risks related to the U.S. government policy toward Cuba, including the U.S. embargo on Cuba and the Helms-Burton legislation; risks related to amounts owed to the Corporation by the Malagasy and Cuban governments; risks related to the accuracy of capital and operating cost estimates; reliance on significant customers; foreign exchange and pricing risks; compliance with applicable environment, health and safety legislation and other associated matters; risks associated with governmental regulations regarding greenhouse gas emissions; maintaining the Corporation's 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; risks associated with future acquisitions; uncertainty in the ability of the Corporation to obtain government permits; 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; uncertainties in growth management; and certain corporate objectives, goals and plans for 2016; 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 this presentation 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 presentation 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 presentation 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.

Non-GAAP Measures

Management uses combined results, Adjusted EBITDA, average-realized price, unit operating cost, adjusted earnings, adjusted operating cash flow per share, free cash flow and Net Investment in Ambatovy 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.



An Active Quarter

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- Bond maturity: extended for 3 years, no maturity before Nov 2021
- Ambatovy project debt: 6 principal payment deferrals
- US\$59.6 million Cuba energy receipts, and ending cash of \$345.2 million
- Moa 3rd acid plant commissioned
- First drilling underway in Block 10
- Nickel, WTI and cobalt prices on the rise (+17%, +37% and +18% so far this year)

Power and Oil have Supported Adj. EBITDA Year-to-Date

Metals

- 24,413 t of finished nickel (Sherritt's share) produced so far in 2016

Oil & Gas

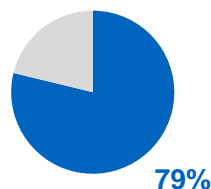
- 9,925 bopd (NWI) / 15,782 (GWI - Cuba) produced on average in 2016 YTD

Power

- 670 GWh generated in 2016 YTD

Revenue and Adj. EBITDA 2016 YTD⁽¹⁾

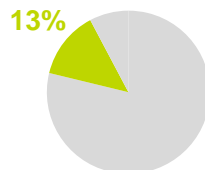
Revenue⁽²⁾



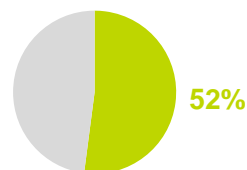
Adj. EBITDA

Moa JV and Fort Site	\$14M
Other	\$1M
Ambatovy	(\$31M)
Metals	(\$17M)

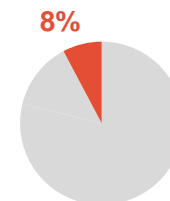
Revenue⁽²⁾



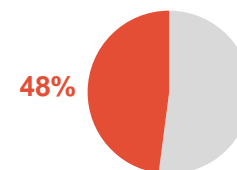
Adj. EBITDA



Revenue⁽²⁾

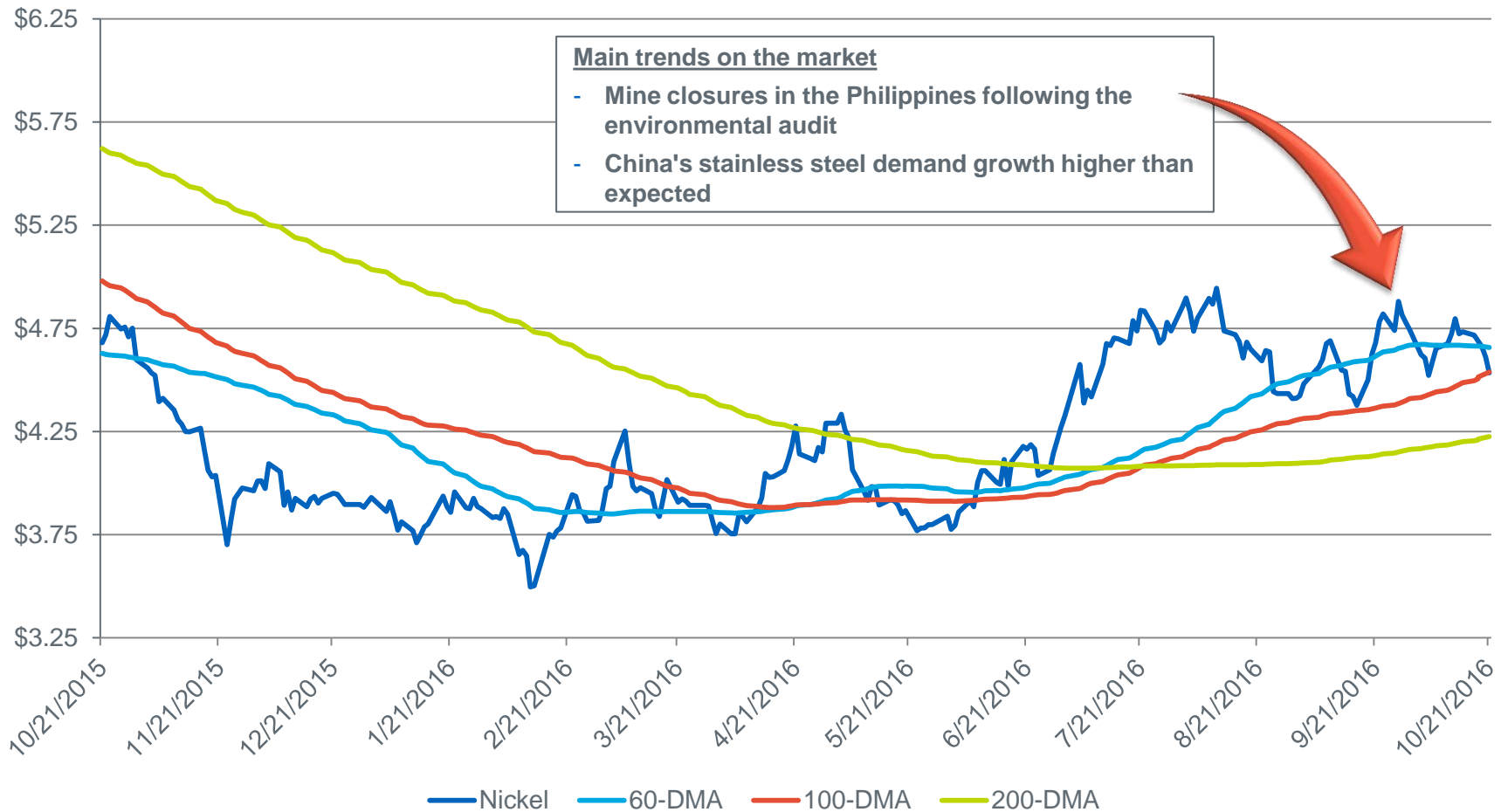


Adj. EBITDA



Nickel +17% so far this year

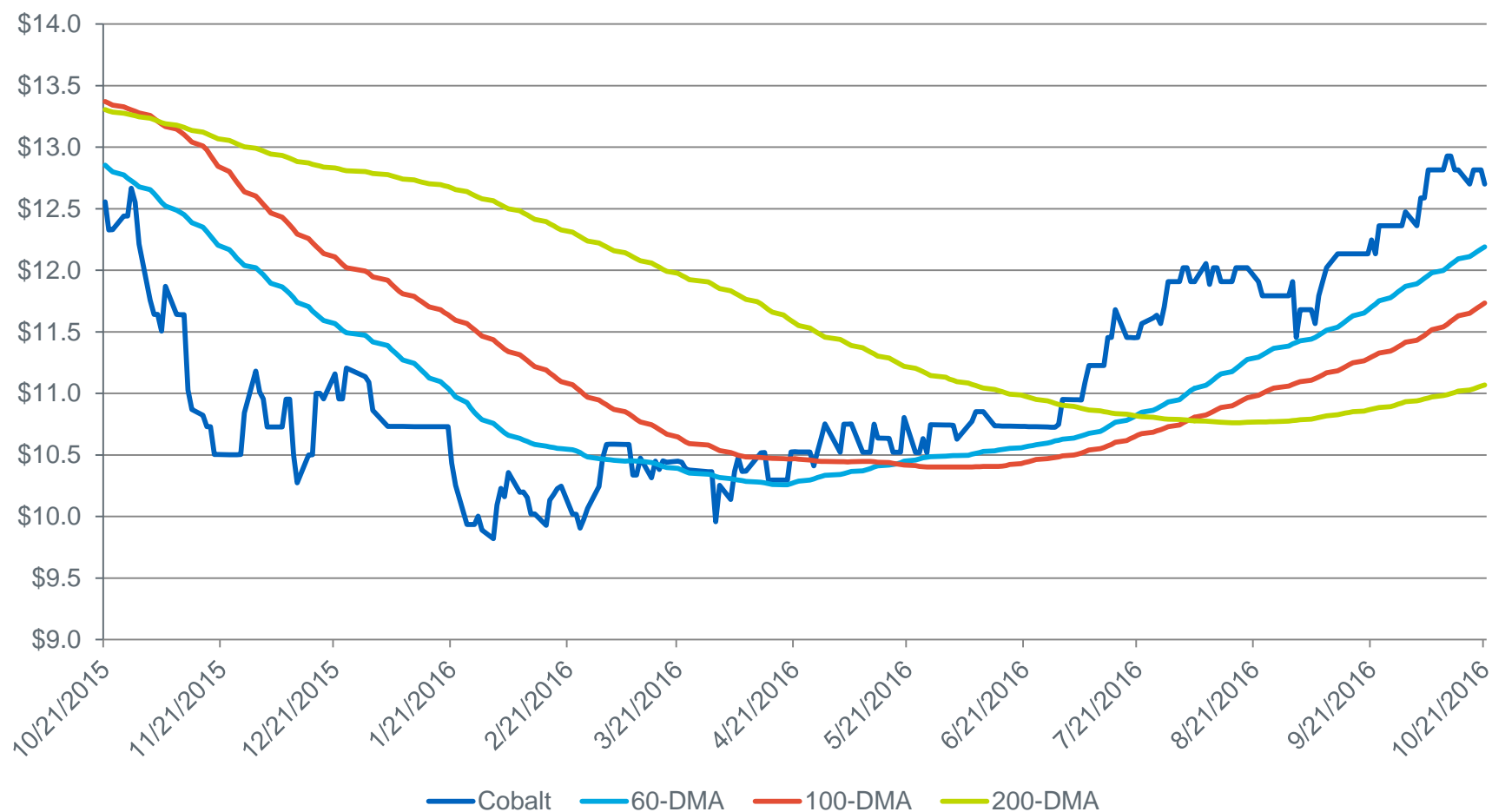
Nickel vs. 60-, 100- and 200-DMA's



Cobalt +18% so far this year

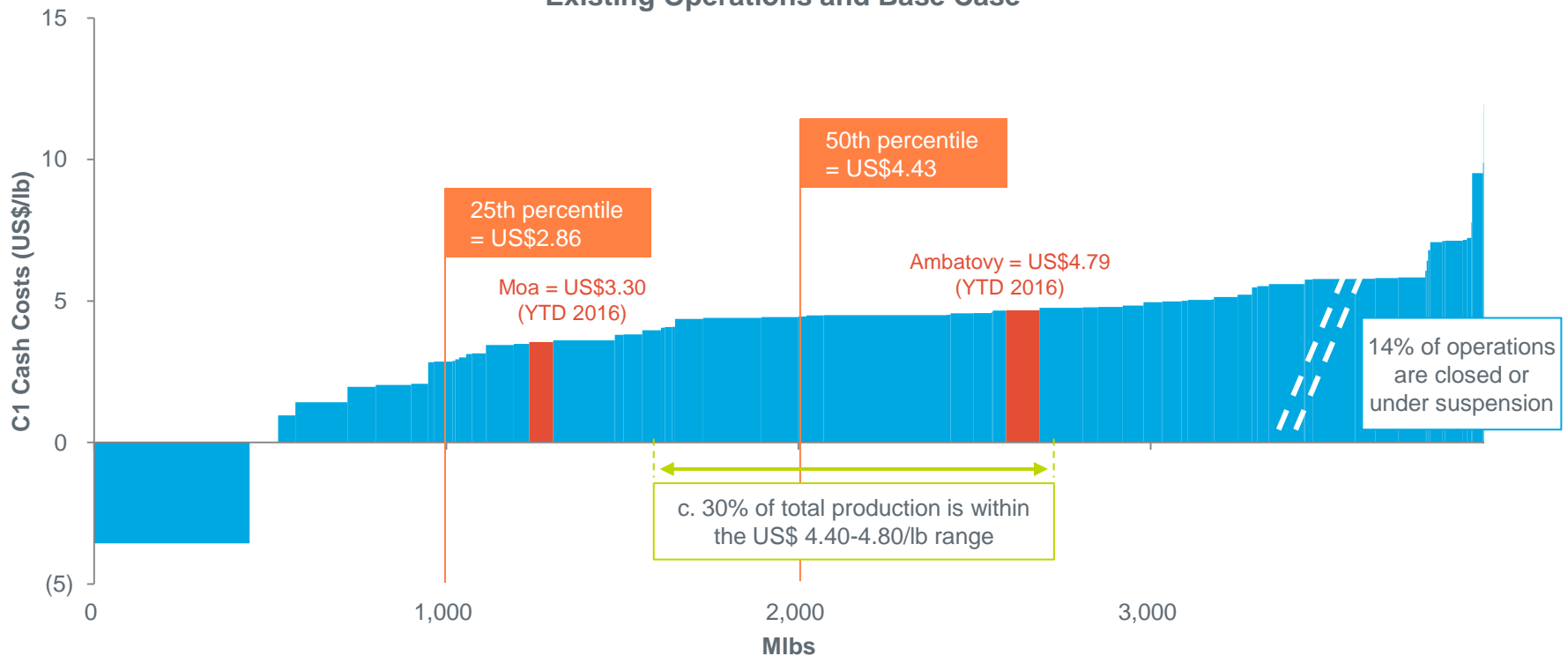
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Cobalt vs. 60-, 100- and 200-DMA's



Nickel Cash Cost Curve

2016 Nickel Industry, Normal C1 Cash Cost Grouped by Operation and Ranked by Cash Cost (C1)
Existing Operations and Base Case



Based on YTD nickel average price⁽¹⁾, 59% of nickel producers are losing money on a C1 basis (39% based on nickel spot price⁽²⁾) which is not sustainable in the long term

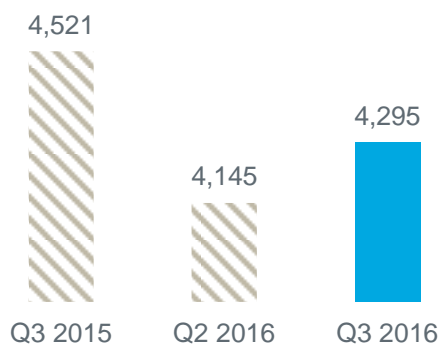
Source: Wood Mackenzie, Dataset: Q3 forecast 2016



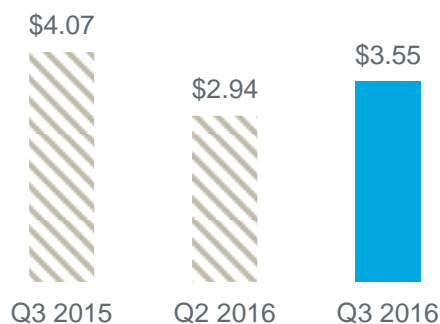
THIRD QUARTER RESULTS

Q3 2016 Nickel Highlights

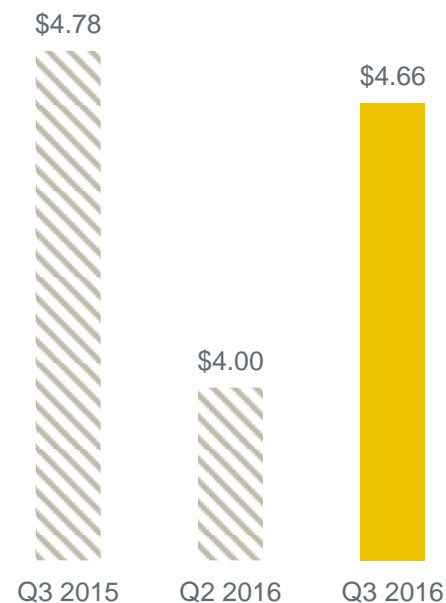
Moa Production (50% basis)



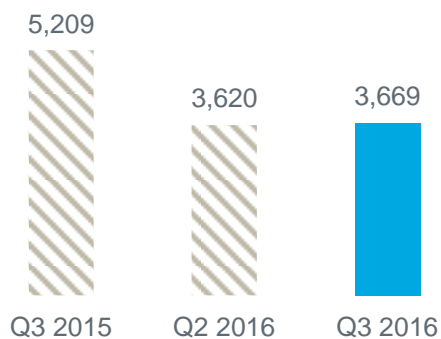
Moa: NDCC



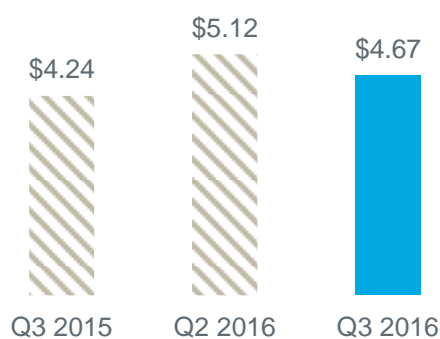
Avg. Reference Price Nickel (US\$)



Ambatovy Production (40% basis)

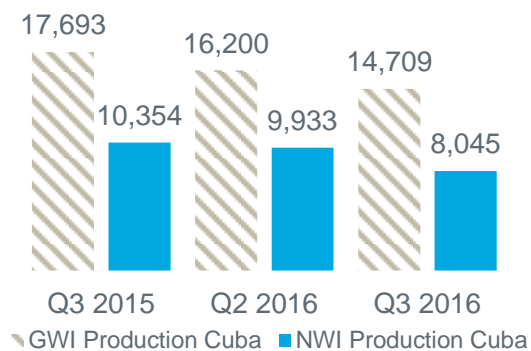


Ambatovy: NDCC

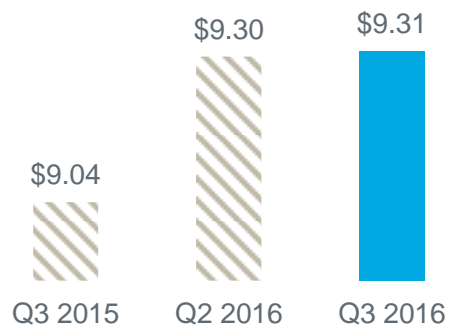


Q3 2016 Oil & Gas and Power Highlights

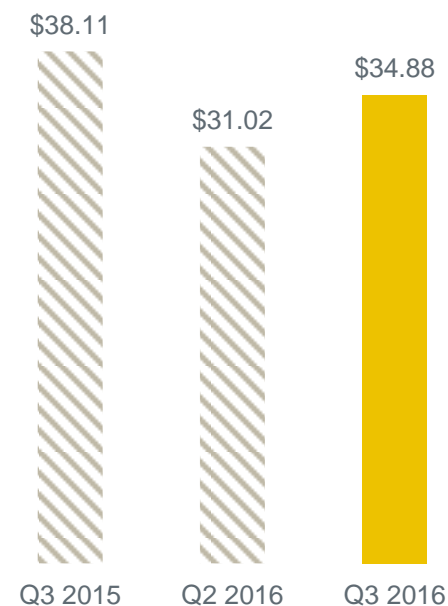
Oil: Cuba GWI and NWI



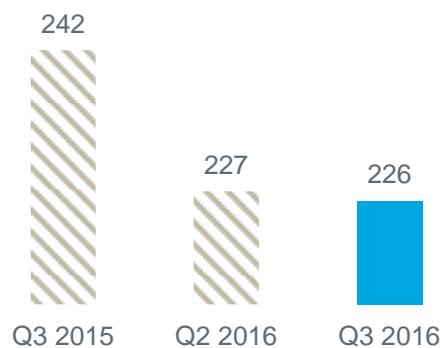
Oil: Cuba Unit Operating Costs



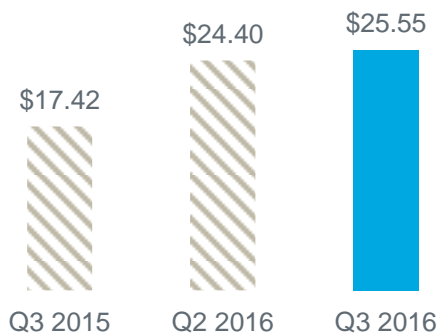
**Avg. Reference Price
Fuel Oil No. 6 (US\$)**



Power (33^{1/3}% basis) GWh



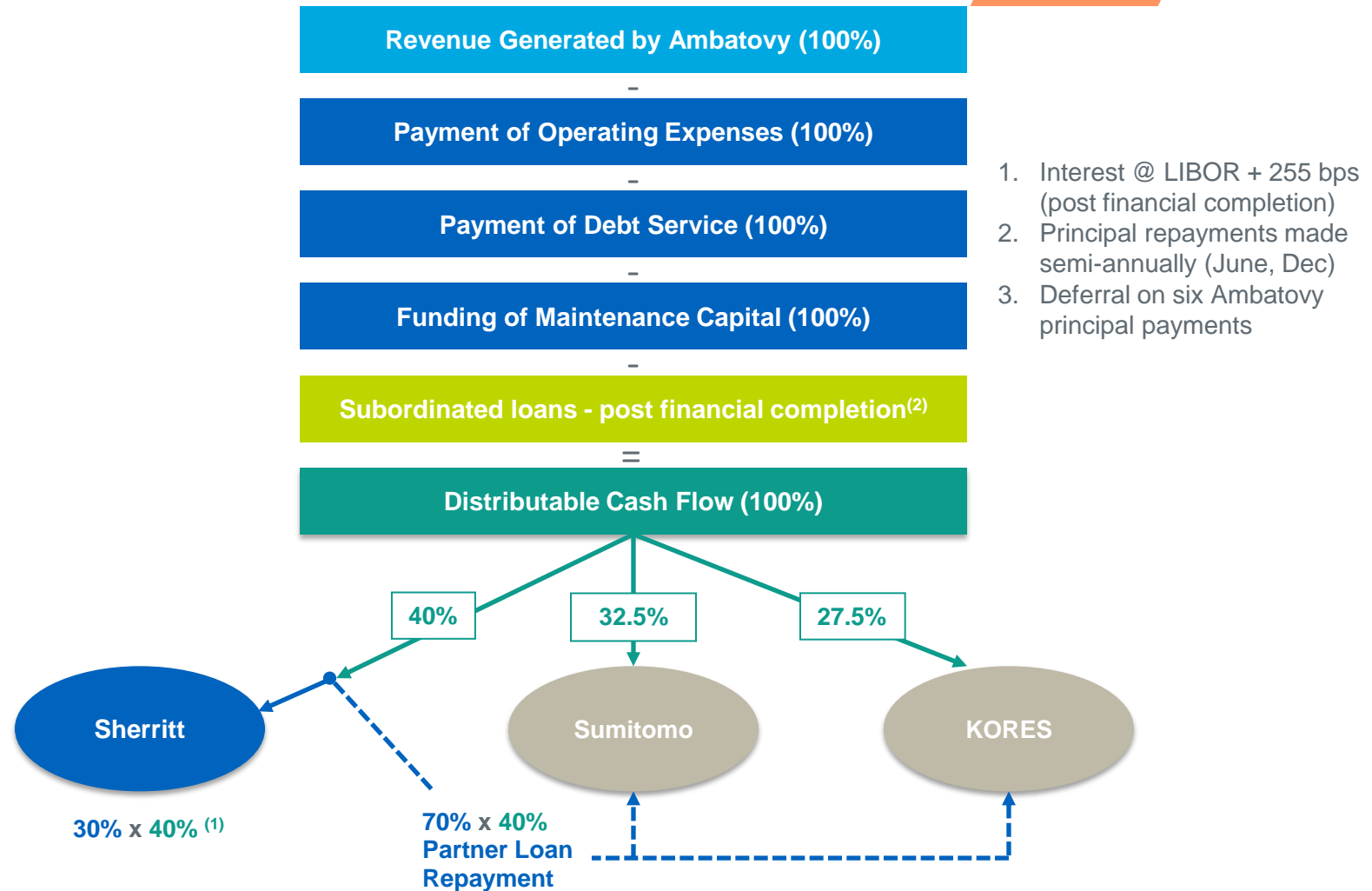
Power: Unit Operating Costs





FINANCIAL HIGHLIGHTS

Ambatovy Distributable Cash Flow



No Maturity Until Q4 2021

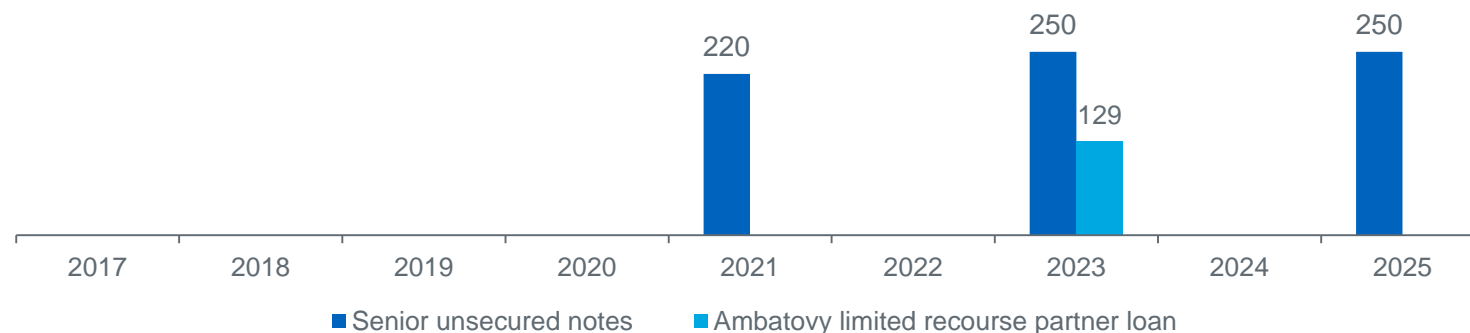
Liquidity Strategy

- Q3 2016 liquidity: \$345 million cash and short -term investments
- Aim for cash flow neutral (post Capex) performance for Moa and Oil & Gas with cash flow generation from Power offsetting some SG&A costs
- Non-funding for Ambatovy due to “40 for 12” issue
- Corporate costs: mostly interest and G&A expenses at approximately \$85-90 million annually

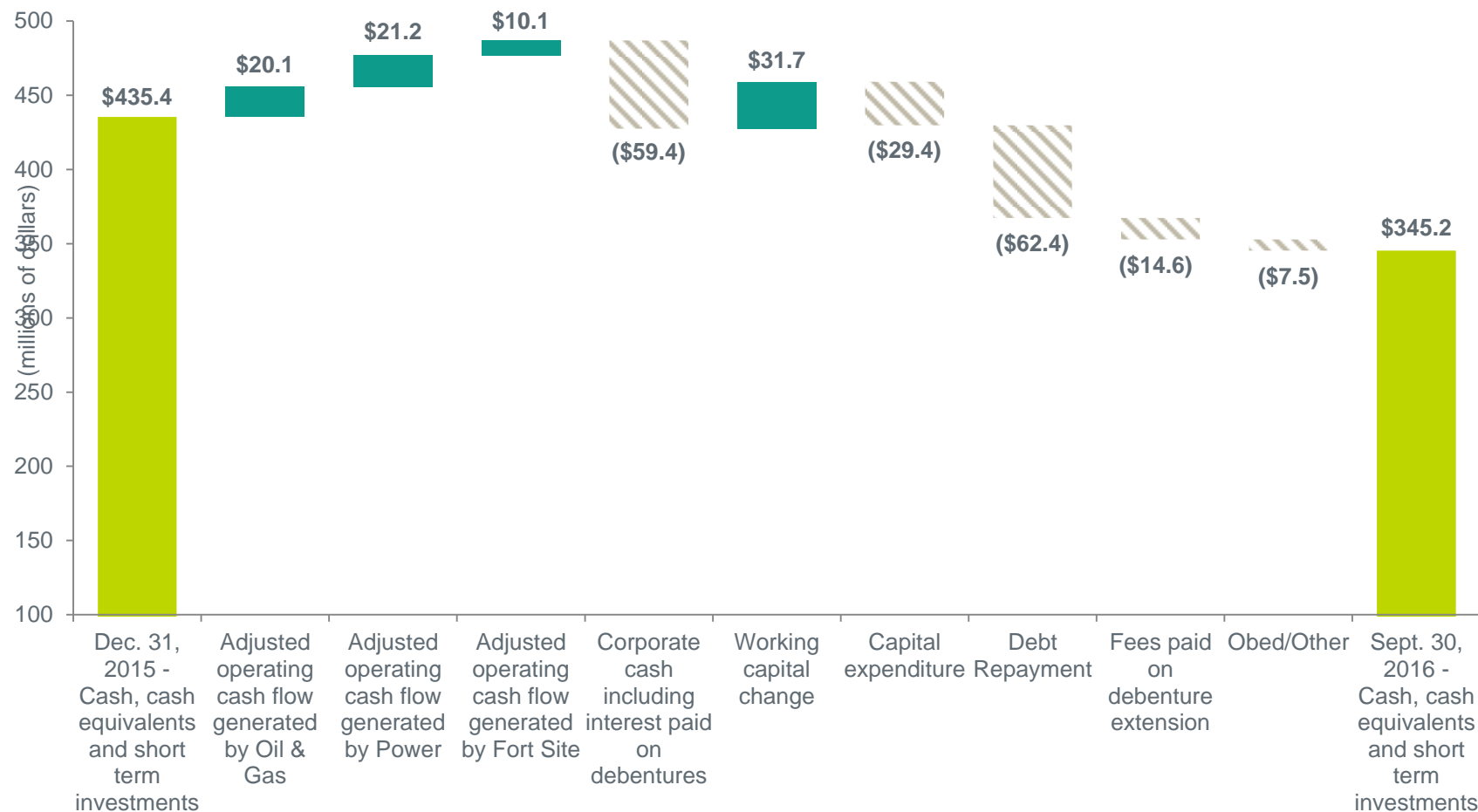
Bond Extension Completed in July

- 3-year extension of the maturity dates regarding \$720 million of outstanding senior unsecured debentures
- 8.00%, November 15, 2021
- 7.50%, September 24, 2023
- 7.875%, October 11, 2025
- No event of default covenants

Debenture/Notes Maturity Schedule (\$ M)



Balance Sheet Cash from Dec. 31, 2015 to Sept. 30, 2016



Reporting on our 2016 Strategic Priorities

2016 Strategic Priorities

Focusing on Core Nickel Business



YTD Delivery

- Year-to-date NDCC of US\$3.30/lb at Moa, and US\$4.79/lb at Ambatovy is a reduction at both divisions
- Moa acid plant in operation, NDCC benefit expected Q4 and 2017 onward
- Ambatovy yearly guidance lowered
- Environmental, Health, Safety & Sustainability performance on track

Extending the Life of Cuban Energy Business



- Oil production better than expected, with yearly guidance increased
- Drilling on Block 10 started in Q3, results will dictate next steps

Maintaining Strong Balance Sheet and Reducing Costs



- Improved cash position at \$345M
- 3-year extension of the maturity on all outstanding Notes
- Deferral on six Ambatovy principal payments
- Non-funding for Ambatovy due to “40 for 12” issue
- Excluding “Corporate and Other”, combined free cash flow is neutral for the nine months ended Sept 30, 2016



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