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THE NAME IN NICKEL

TD Securities Mining Conference

January 18-19, 2017

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.

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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.

Sherritt - A Low Cost Nickel Producer, with a 20 Year Energy Business in Cuba

A Low Cost HPAL Producer of LME Nickel

- Two fully integrated, LME quality HPAL nickel operations, expected to deliver approximately 33,000 tonnes (Sherritt's share) finished nickel and 3,000 tonnes finished cobalt from lateritic ores in 2016⁽¹⁾
- Lowest cost HPAL production (Moa), largest HPAL build globally (Ambatovy) and fastest ramp-up of an HPAL Operation (Ambatovy)
- Moa cash costs near the lowest quartile, with Ambatovy costs trending below the 50th percentile

Cuba's Largest Independent Oil Producer and Most Efficient Power Producer

- The largest independent Cuban oil producer, with 15,000 bopd (GWI) expected in 2016⁽¹⁾
- Power generation a natural evolution from the oil business
- Current power generation capacity of 506MW

Balance Sheet Initiatives Set the Ground to Capture the Turn in Commodity Prices

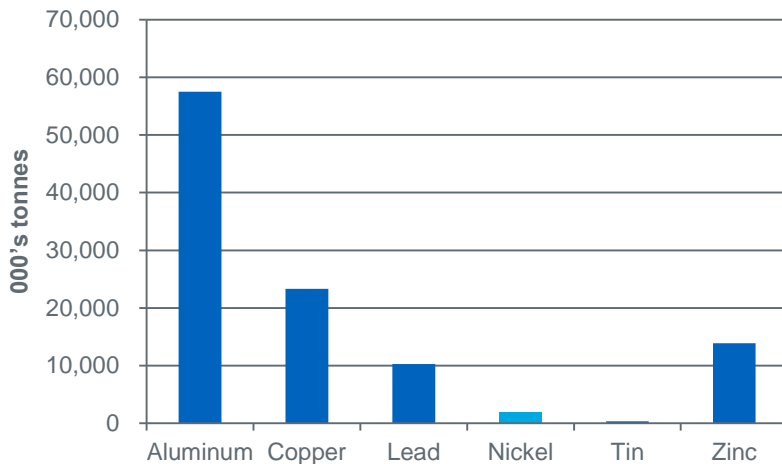
- No debenture maturity before Q4 2021 (significant debt restructuring in July - August)
- Market cap \$440 million with \$345 million cash and short-term investments, and \$857 million recourse debt⁽²⁾
- Resolution of the Ambatovy "40 for 12" issue a catalyst



NICKEL MARKET

A Small Market Where Price Swings can be Significant

Base Metals Market Supply (2015)



10 Year Nickel Performance (US\$/lb)



Why nickel?

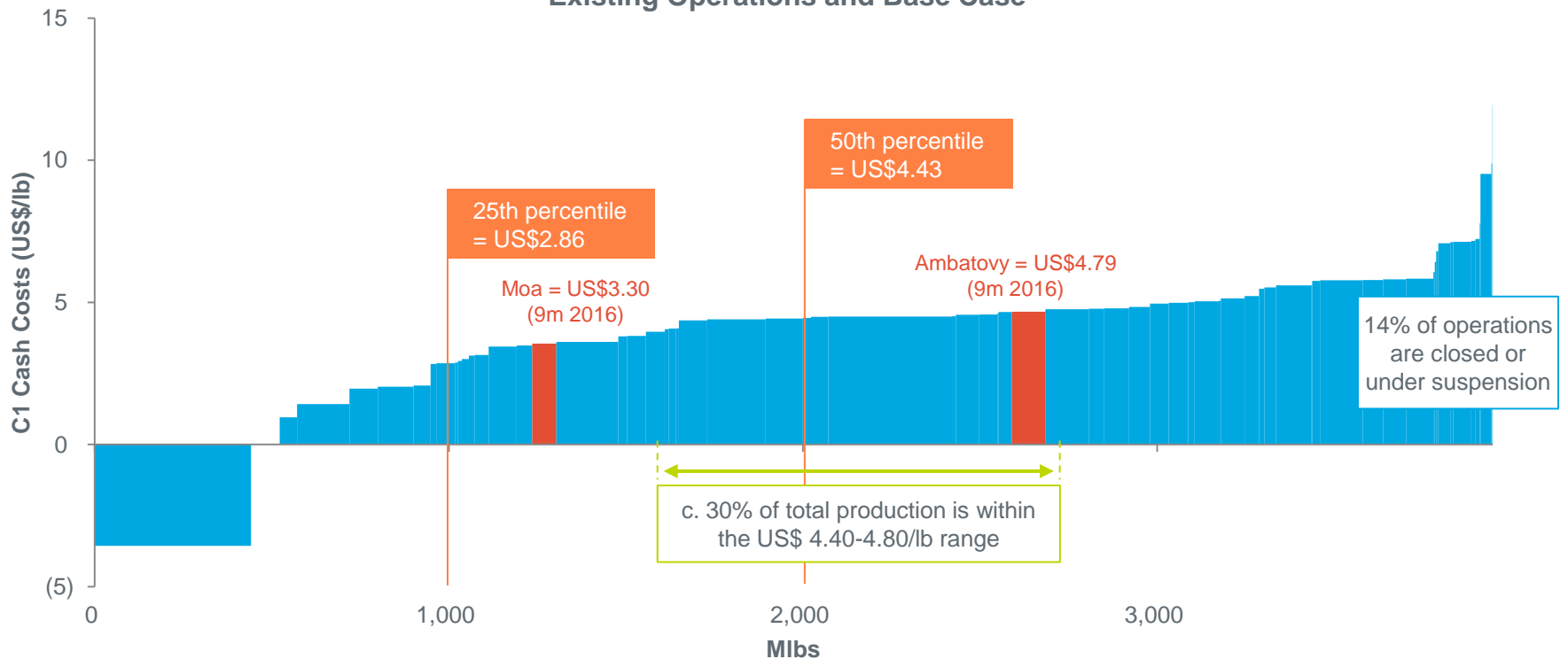
- Few discoveries of significant sulphide deposits, the nickel industry is increasingly dependent upon laterites
- A market where structural supply deficits are forecast for the coming years

Recovering nickel from lateritic ore is our skill: with 61% of the world's nickel resources in laterites, the need is strong and growing

Source: Dundee Capital Partners, Metal Bulletin Research, Wood Mackenzie

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 nickel average price in 2016⁽¹⁾, 39% of nickel producers are losing money on a C1 basis (36% based on nickel spot price⁽²⁾) which is not sustainable in the long term

Source: Wood Mackenzie, Dataset: Q3 forecast 2016

Nickel +18% in 2016

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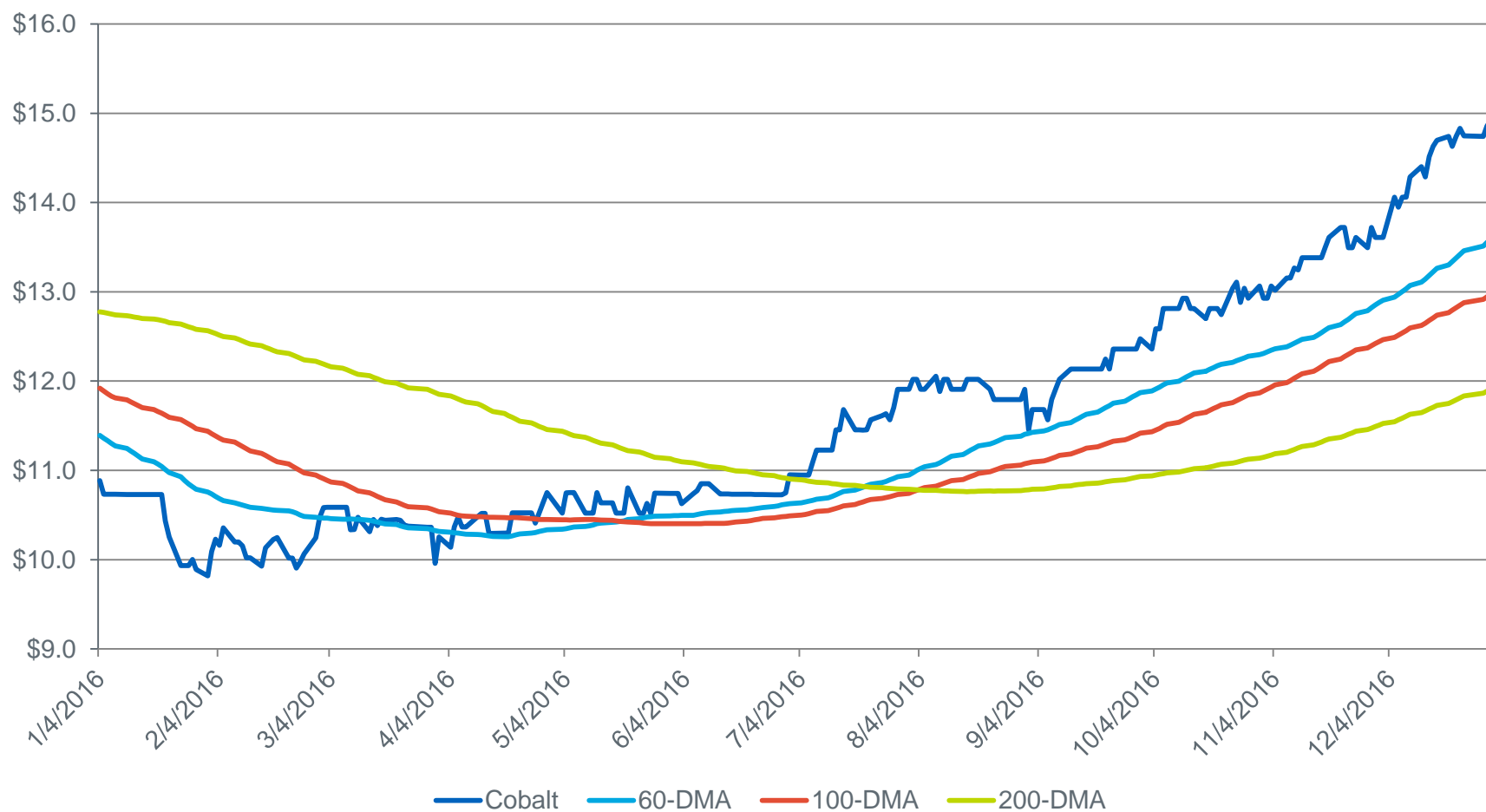
Nickel vs. 60-, 100- and 200-DMA's



Cobalt +37% in 2016

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





OUR OPERATIONS

Power and Oil have Supported Adj. EBITDA as of Sept 30, 2016

Metals

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

Oil & Gas

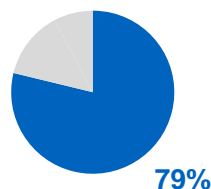
- 9,925 bopd (NWI) / 15,782 (GWI - Cuba) produced on average in the first 9 months of 2016

Power

- 670 GWh generated in 2016 so far this year

Revenue and Adj. EBITDA 2016 as of Sept 30, 2016⁽¹⁾

Revenue⁽²⁾

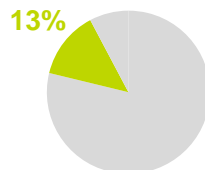


79%

Adj. EBITDA

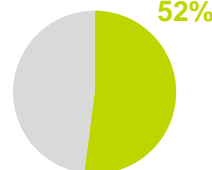
Moa JV and Fort Site	\$14M
Other	\$1M
Ambatovy	(\$31M)
Metals	(\$17M)

Revenue⁽²⁾



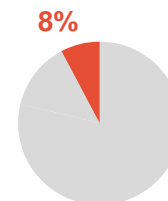
13%

Adj. EBITDA



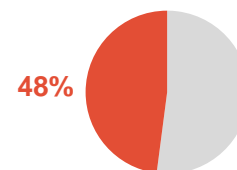
52%

Revenue⁽²⁾



8%

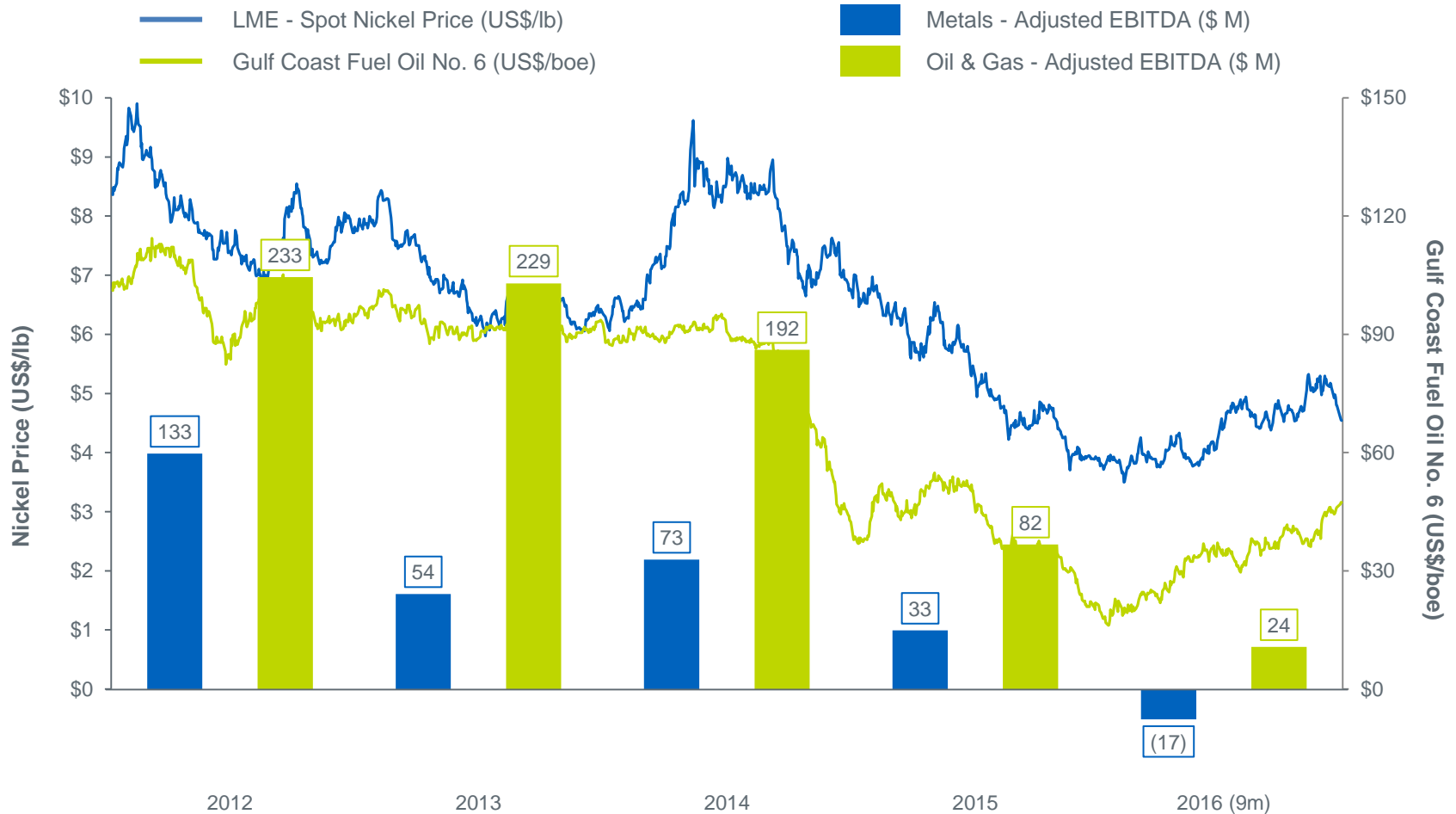
Adj. EBITDA



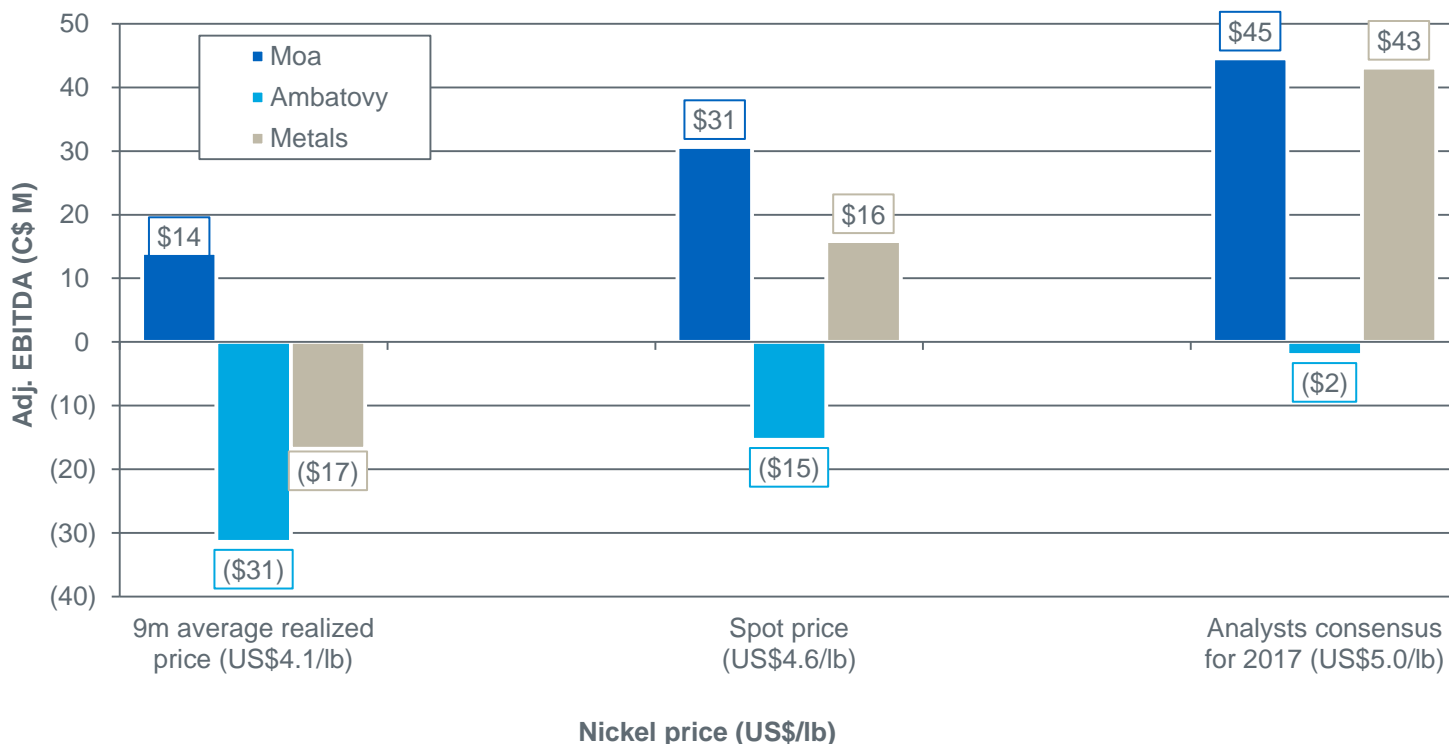
48%



Adj. EBITDA Shows the Sensitivity to Nickel and Oil Prices



Sensitivity to Nickel Prices (9 month basis as of Sept 30, 2016 / Moa + Ambatovy @40%)



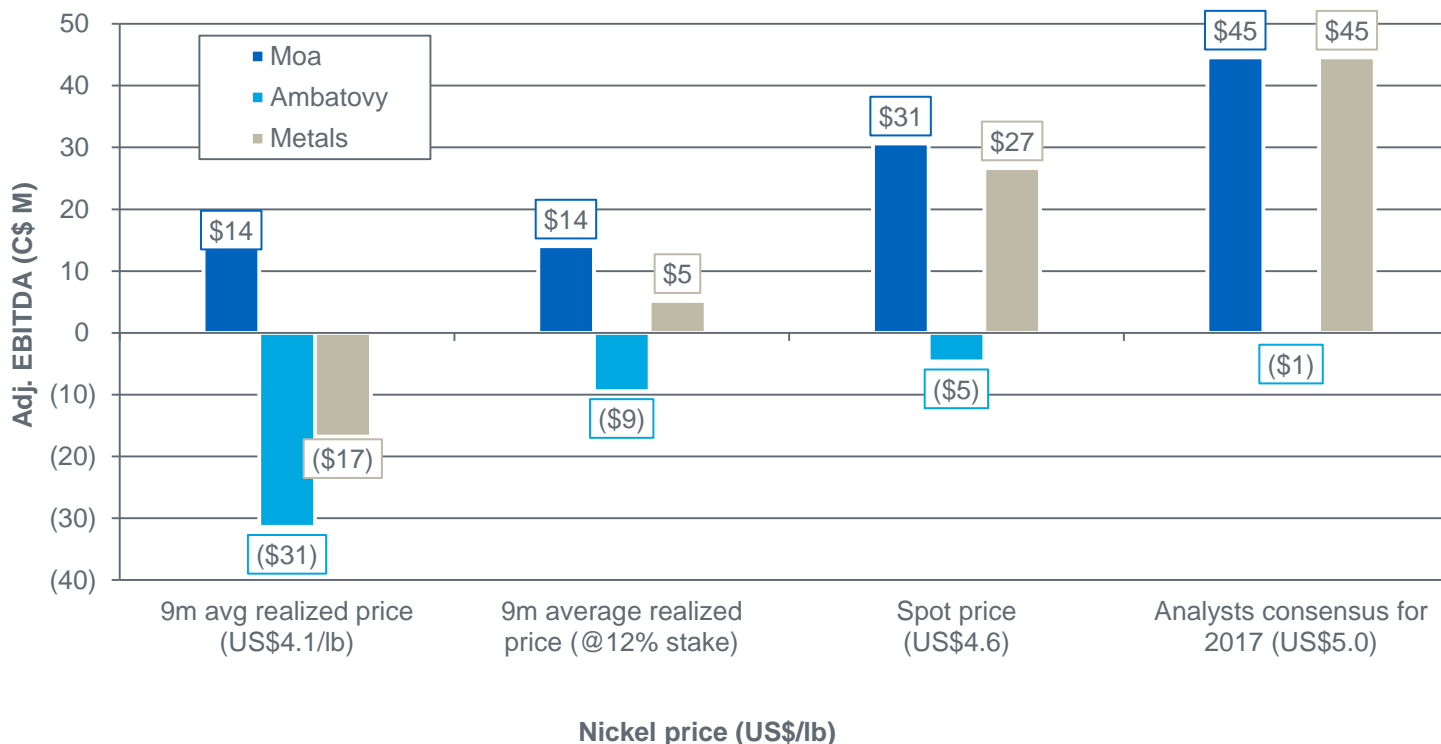
Assumptions:

- Oil prices unchanged
- Metals Adj. EBITDA includes \$0.6M of “Other”
- Historical production of 24,413 tonnes of finished nickel (Sherritt’s share) unchanged
- Operating costs and Capex unchanged, presenting Adj. EBITDA assuming higher nickel scenarios

Note:

- Average US\$/C\$ exchange rate calculated for the period
- Average realized nickel price of C\$ 5.35/lb (c. US\$4.1), spot and consensus as of 01/05/17

Sensitivity to Nickel Prices (9 month basis as of Sept 30, 2016 / Moa + Ambatovy @12%)



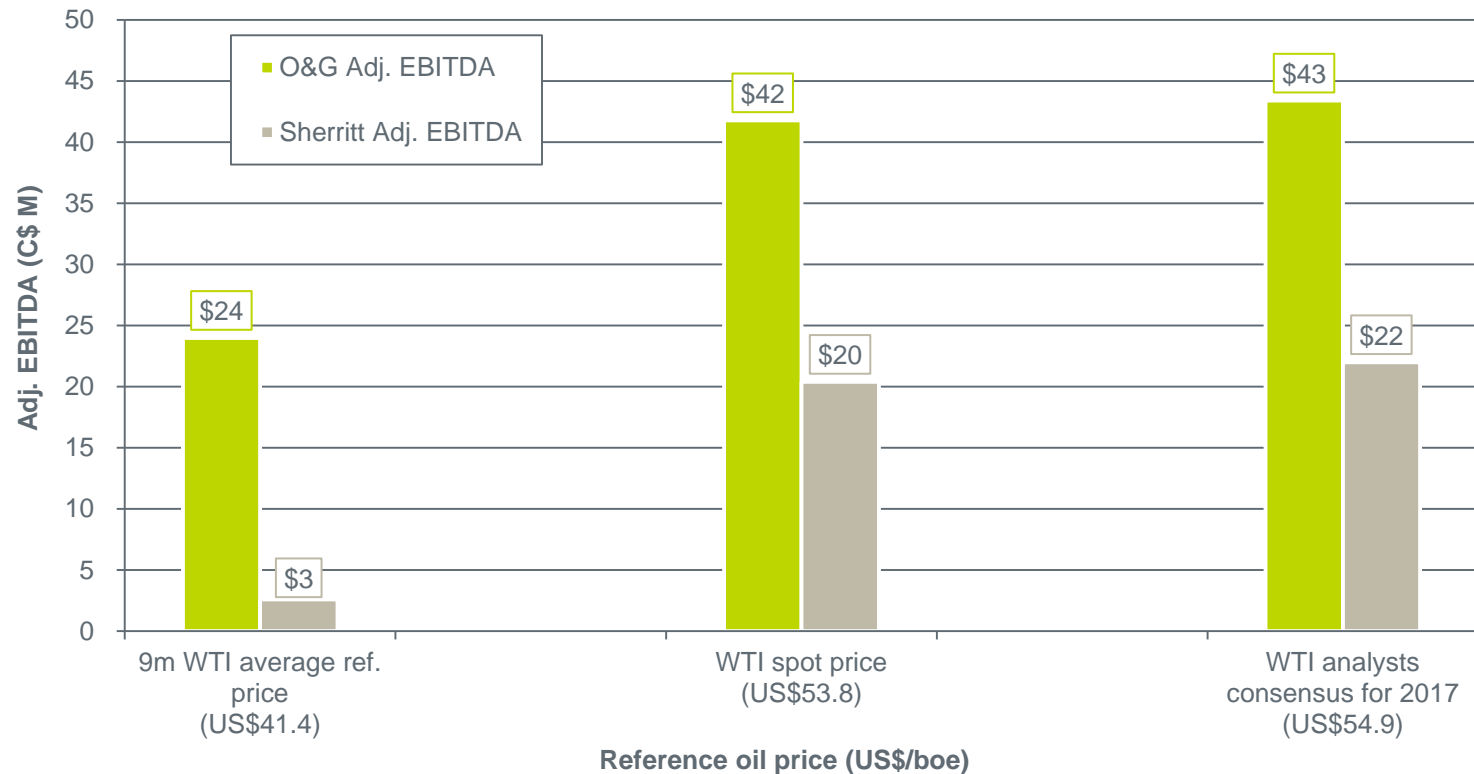
Assumptions:

- Oil prices unchanged
- Metals Adj. EBITDA includes \$0.6M of “Other”
- Historical production of 24,413 tonnes of finished nickel (Sherritt’s share) unchanged
- Operating costs and Capex unchanged, presenting Adj. EBITDA assuming higher nickel scenarios

Note:

- Average US\$/C\$ exchange rate calculated for the period
- Average realized nickel price of C\$ 5.35/lb (c. US\$4.1), spot and consensus as of 01/05/17

Sensitivity to Oil Prices (9 month basis as of Sept 30, 2016 / Cuba only)



Assumptions:

- Nickel prices and historical oil production of 9,925 bopd (NWI) so far this year unchanged
- Other operating costs and Capex unchanged, presenting Adj. EBITDA assuming higher oil scenarios

Note:

- Average US\$/C\$ exchange rate calculated for the period
- Average realized oil price of C\$ 27/boe (c. US\$21), c. 71% of GCF 6 reference price over the period, spot and consensus as of 01/05/17

Metals

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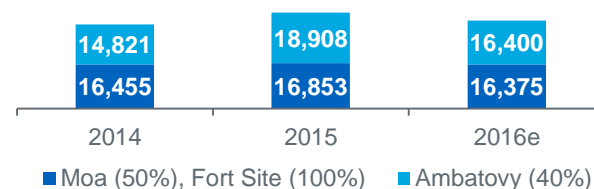
Moa JV (50% WI) and Fort Site (100%)

- The oldest and lowest cost HPAL asset globally
- Over 20 years of profitable operations, Phase I expansion completed in 2008 and >15 more years of proven reserve life
- Cash flow positive on an annual basis at all points in the nickel cycle
- Third acid plant at Moa finished construction on time and on budget in 2016 and now in operation

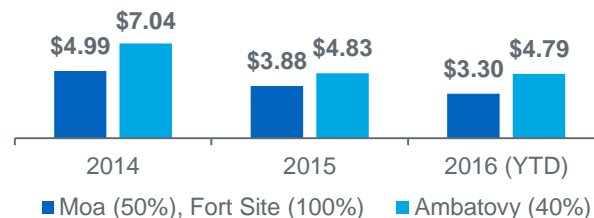
Ambatovy JV (40% WI)

- Met 10 completion tests to achieve Financial Completion in Sept 2015
- The world's largest finished nickel laterite project
- LME-grade nickel
- Deferral on 6 principal payments
- Not funding cash calls due to the "40 for 12" issue

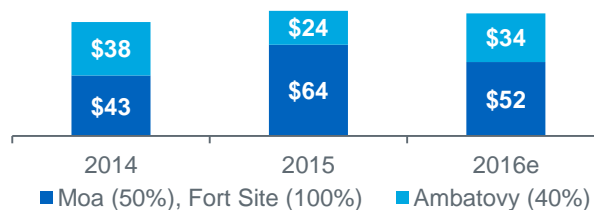
Nickel Production (tonnes)



Unit Operating Costs (US\$/lb)

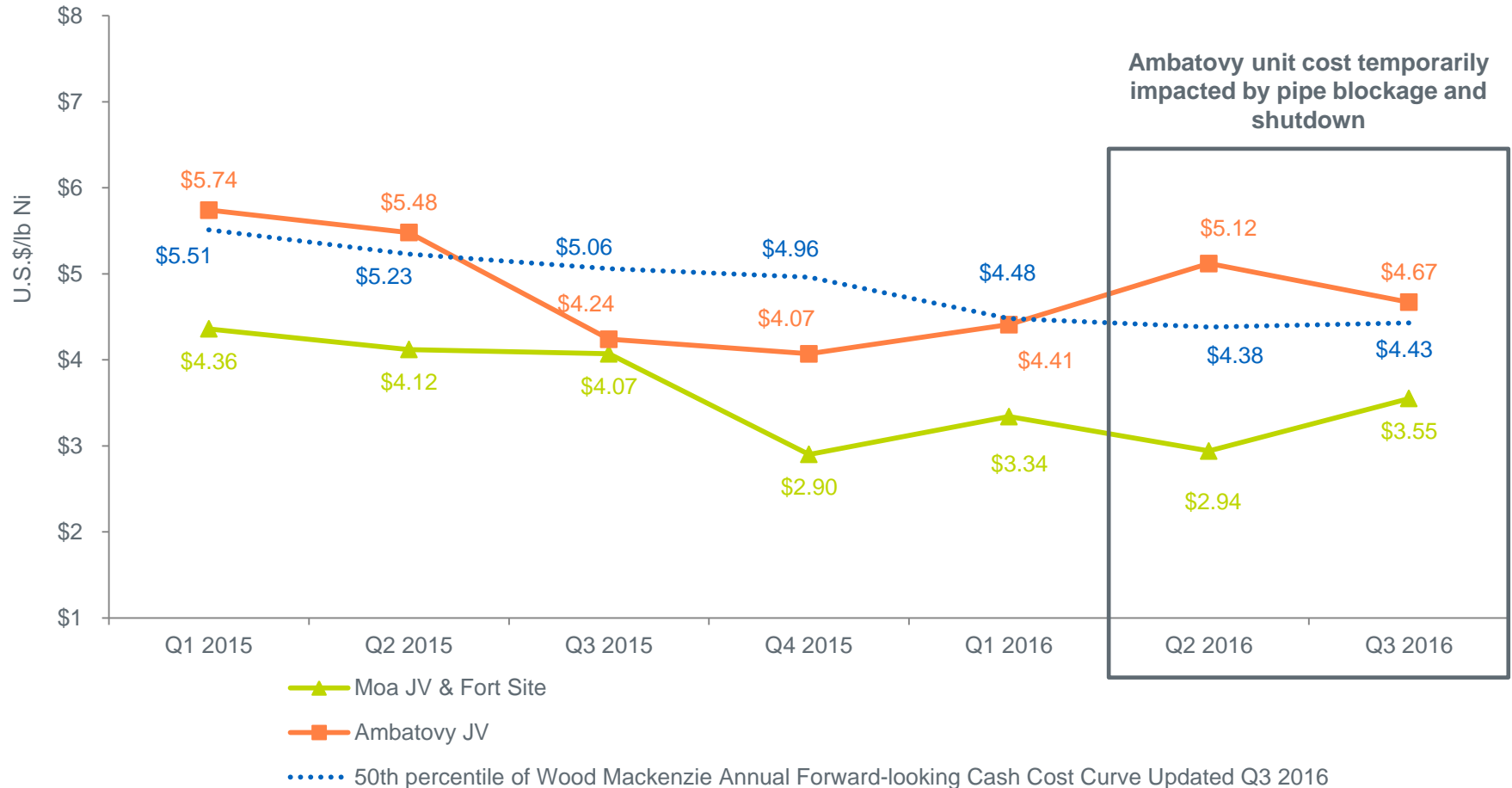


Capital Expenditure (\$ M)



LME quality HPAL nickel and cobalt production

NDCC for Both Operations Since Q1 2015



Note: At Moa, Q2 and Q4 usually benefit from fertilizers

Oil & Gas - A Profitable and Predictable History, with Future Production Dependent on Block 10

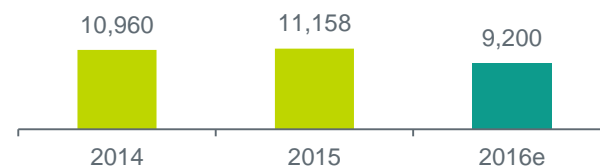
Largest Independent Oil Producer in Cuba

- 20+ year history in the country
- 209 wells drilled since 1992, 86% found oil
- Approximately 676,000 m drilled since 1992
- 213 million barrels produced
- Q3 2016 production of 8,045 bopd (NWI)
- 46 wells still producing
- Vertically integrated, own and operate 2 rigs

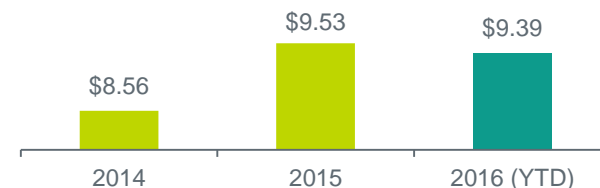
Strong Contribution to Adjusted EBITDA

- Low unit operating costs
- Benchmark realized prices to Gulf Coast Fuel Oil No. 6 Price, with GCF 6 ranging between 65 – 85% of WTI

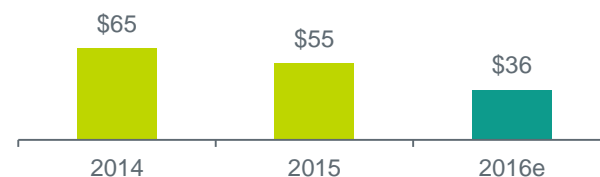
Total Production (NWI, bopd)



Cuba Unit Operating Costs (\$/bopd)



Capital Expenditure (\$ M)⁽¹⁾



New drilling on Block 10 targeting another 20 year reservoir

Power

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Largest Independent Power Producer in Cuba

- Sherritt Power operates in Cuba through its 33^{1/3}% interest in Energas S.A.
- Aggregate net power capacity of 506MW with 3 facilities: Varadero West, Puerto Escondido and Boca de Jaruco
- New pipeline to the Puerto Escondido facility scheduled to be operational in Q4

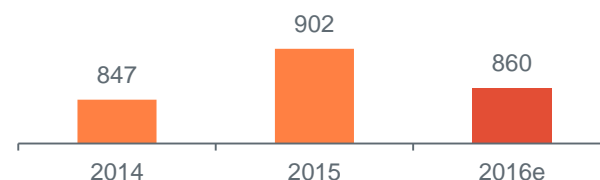
Strong Cash Flow Generation

- Conditional sales agreement: loan to be repaid by Energas (\$189M as of Sept. 30, 2016; 8% annual interest rate)
- Limited capital expenditure

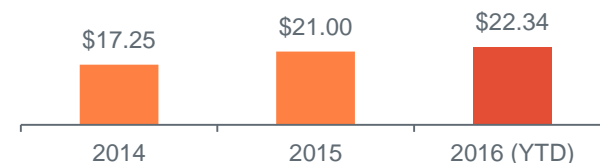
Potential Upside

- Cuba's cleanest power, in a country where power consumption has grown by 4.8% in 2015 and should continue growing in the coming years

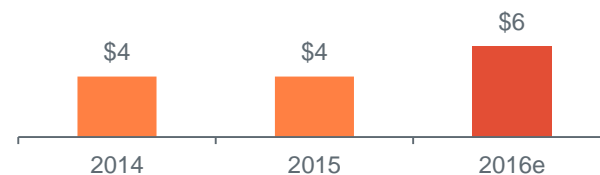
Power Generation (33^{1/3}% basis, GWh)



Unit Operating Costs (\$/MWh)



Capital Expenditure (\$ M)⁽¹⁾



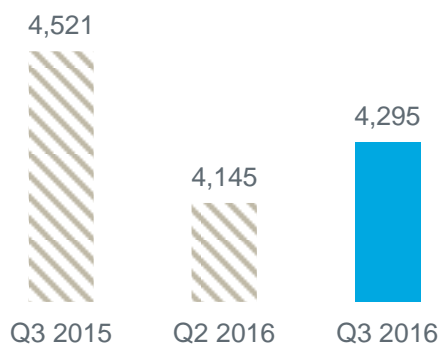
Resilient cash flow generation from operations + loan repayment



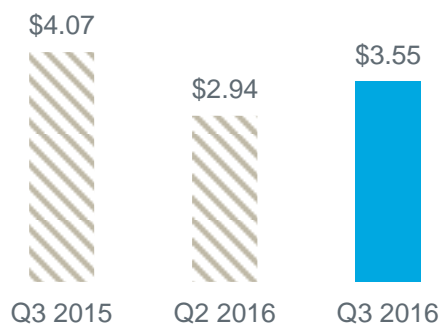
FINANCIAL HIGHLIGHTS

Q3 2016 Nickel Highlights

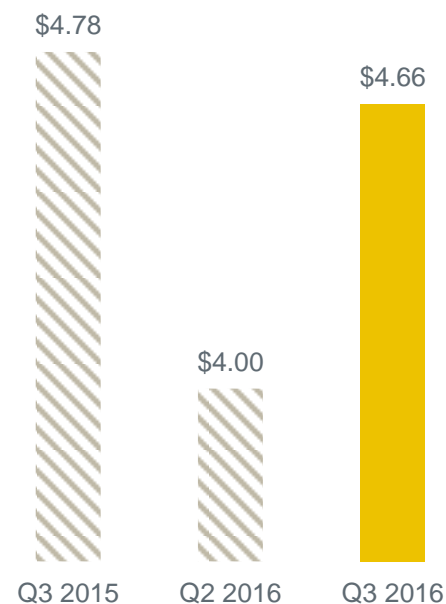
Moa Production (50% basis)



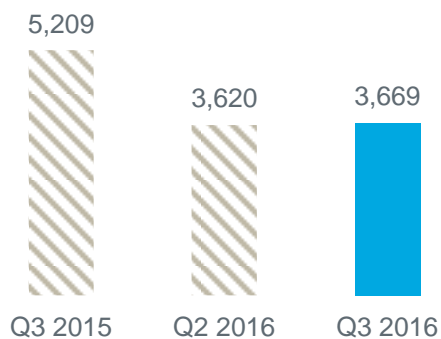
Moa: NDCC



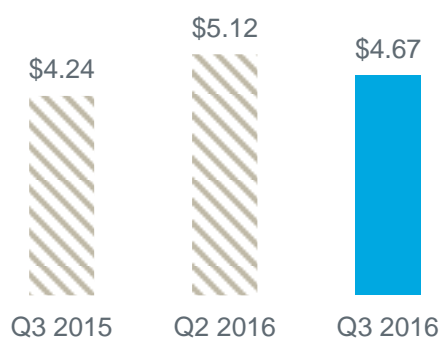
Avg. Reference Price Nickel (US\$)



Ambatovy Production (40% basis)

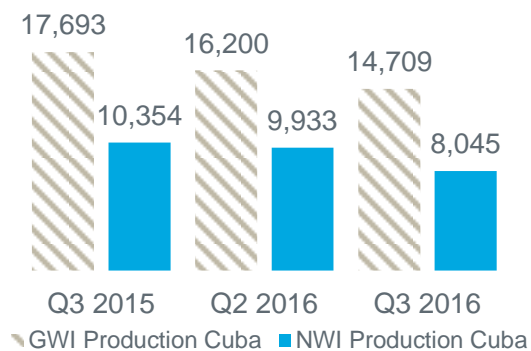


Ambatovy: NDCC

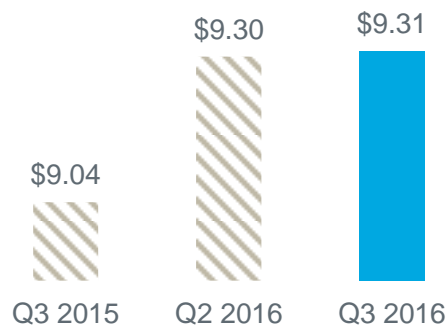


Q3 2016 Oil & Gas and Power Highlights

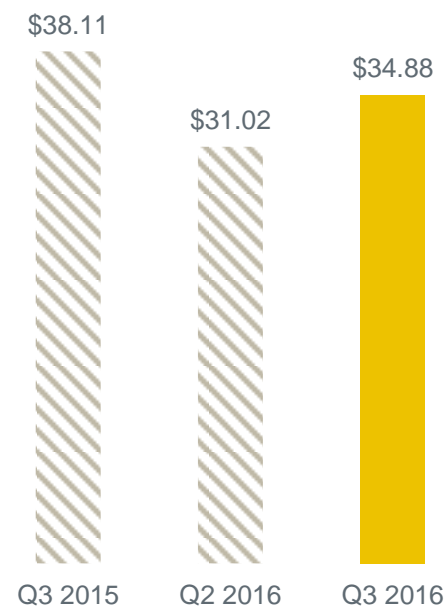
Oil: Cuba GWI and NWI



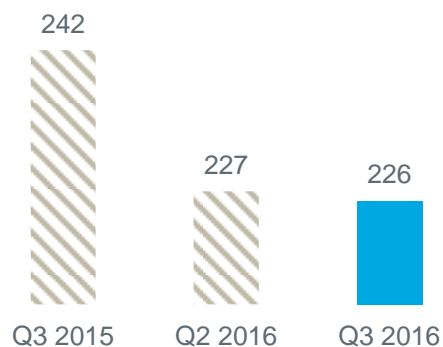
Oil: Cuba Unit Operating Costs



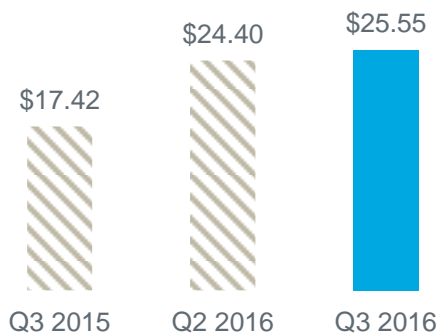
**Avg. Reference Price
Fuel Oil No. 6 (US\$)**



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



Power: Unit Operating Costs



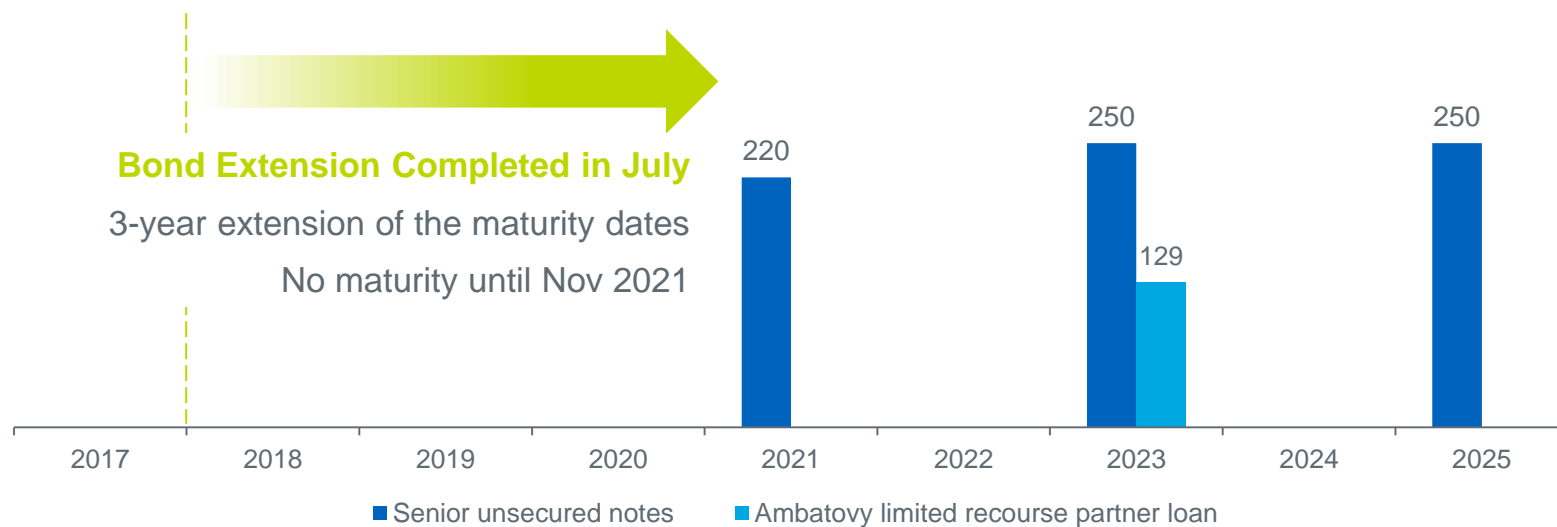
Total Debt vs. Recourse Debt - Most of the Total Debt is Non-recourse

As at September 30, 2016 (\$ millions)	Total	Recourse
Senior unsecured notes (2021, 2023, 2025) ⁽¹⁾	720	720
Ambatovy partner loans	129	129
Ambatovy additional partner loans	1,284	-
Other	45	45
Total debt	2,178	894
Cash and short term investments	345	345
Net debt	1,833	549

(1) At book value as at September 30, 2016

Maintaining Strong Balance Sheet and Reducing Costs: No Maturity Until Q4 2021

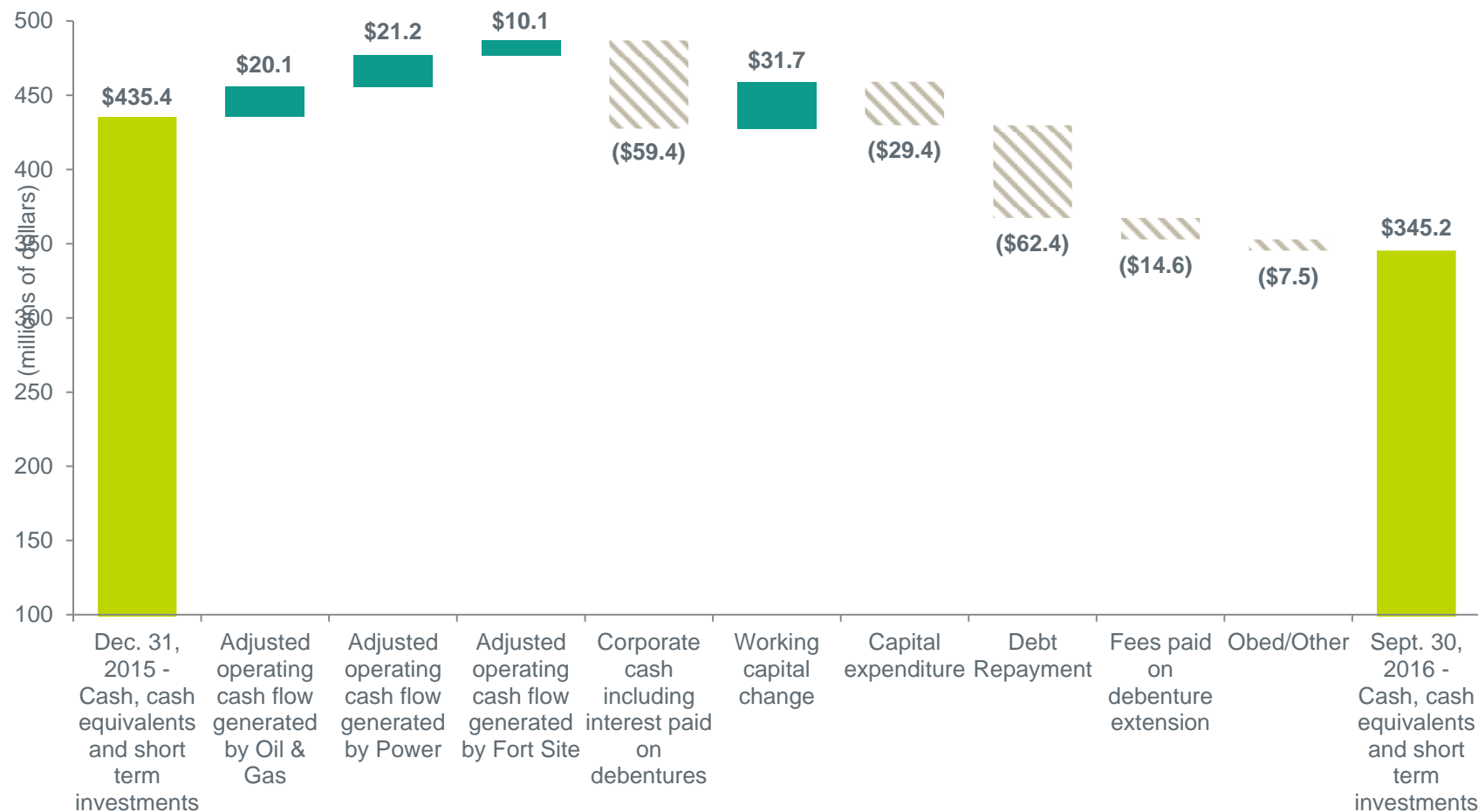
Debenture/Notes Maturity Schedule (\$ M)



Liquidity Strategy

- Q3 2016 liquidity: \$345 million cash and short-term investments
- 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 9m ended Sept 30, 2016

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



Key Takeaways

- > \$345 million in cash and short-term investments, and no debt maturity before Q4 2021
- A long operating track record through all phases of the cycle
- The largest and best established foreign mining and energy business in Cuba

Well positioned to capture the turn in commodity prices



APPENDICES

Reporting on our 2016 Strategic Priorities

2016 Strategic Priorities

Focusing on Core Nickel Business



Delivery so far this year

- 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



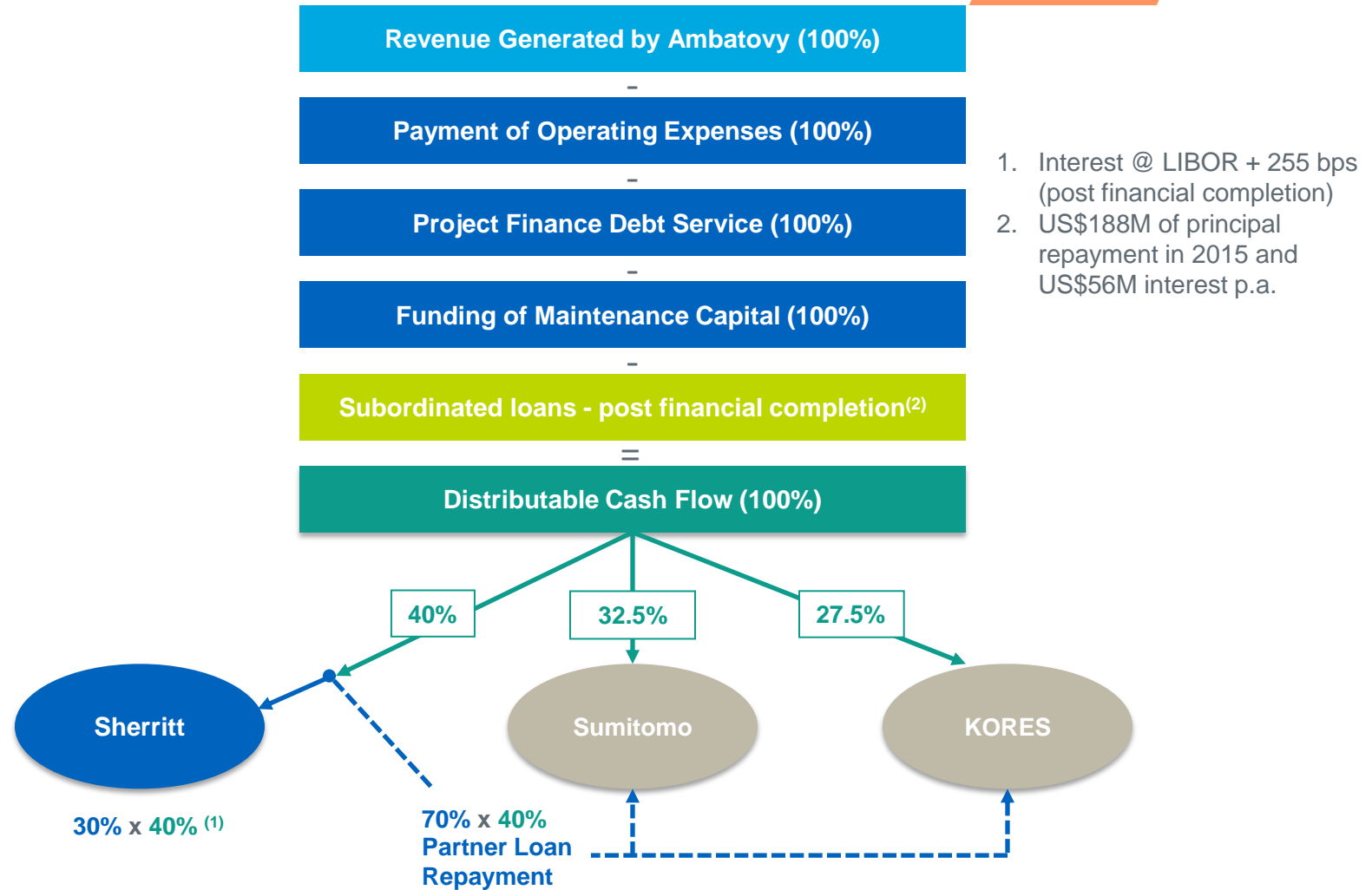
- Oil production better than expected, with yearly guidance increased in Q2
- Drilling on Block 10 started in Q3, results will dictate next steps

Maintaining Strong Balance Sheet and Reducing Costs

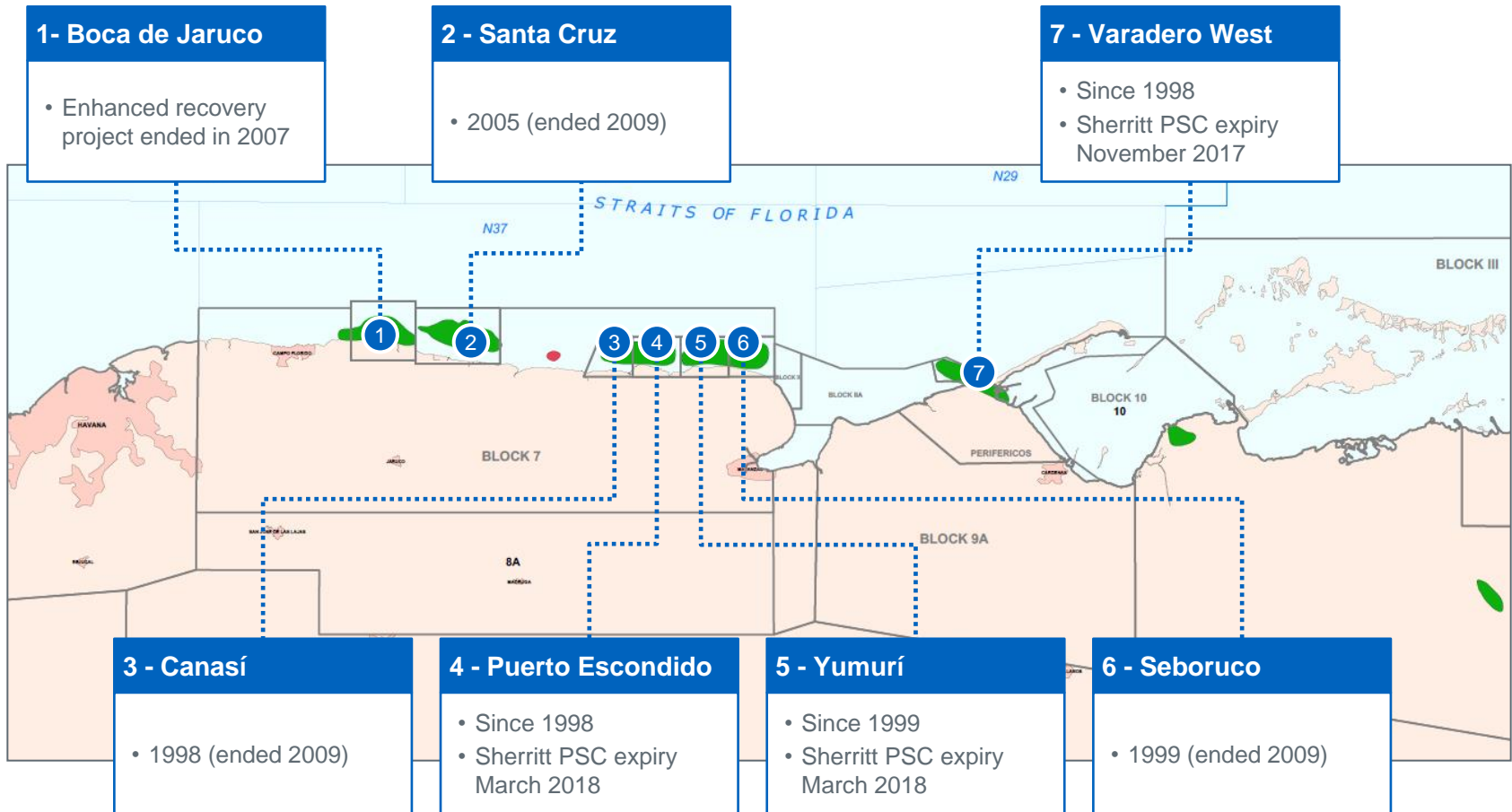


- Improved cash position at \$345M
- 3-year extension of the maturity on all outstanding Notes
- Deferral on six Ambatovy principal payments
- Non-funding for Ambatovy due to “40 for 12” issue
- Excluding “Corporate and Other”, combined free cash flow is neutral for the nine months ended Sept 30, 2016

Ambatovy Distributable Cash Flow



Discovered Pools in Cuba - Sherritt Has Played a Major Role in Most Discoveries





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