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THE NAME IN NICKEL



2017 Annual General Meeting

June 13, 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”, “potential”, “projected”, “continue” or other similar words or phrases. Specifically, forward-looking statements in this document may include, but are not limited to, statements set out in the “Outlook” sections of this presentation and 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.

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 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 and the liability to finalize and close on a revised partnership structure; discrepancies between actual and estimated production; variability in production at Sheritt’s operations in Madagascar and Cuba; potential interruptions in transportation; uncertainty of gas supply for electrical generation; uncertainty of exploration results and Sheritt’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 Sheritt’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; risks related to information technology systems; and certain corporate objectives, goals and plans for 2017; 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.



A low cost nickel and cobalt producer, with a 20 year energy business in Cuba

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Strengthening the balance sheet: extended maturity dates and reduced debt

- Cash position of \$301M as at March 31, 2017
- \$86M expended to repay \$99M of loans and borrowings since January 2016
- First public debt maturity date extended from 2018 to 2021

2

Core nickel business achievements

- Agreement in principle reached on key features of Ambatovy JV restructuring
- Moa JV acid plant construction completed on time and under budget, delivering NDCC savings of US\$0.50/lb

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Extending the life of our Cuban energy business

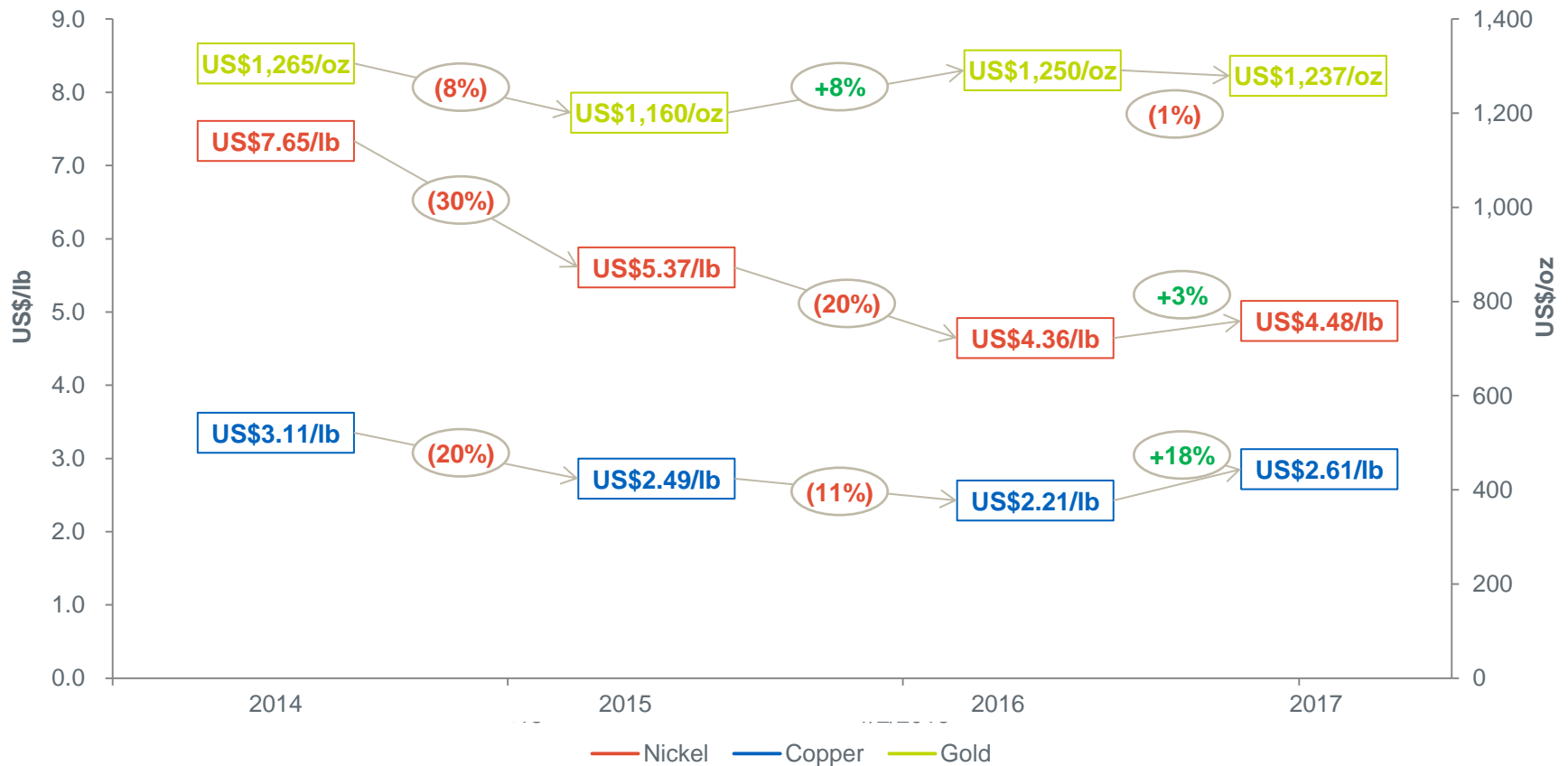
- Extension of the Varadero power facilities until 2023
- Oil production better than expected in 2016 and YTD, strong free cash flow generation
- Block 10 drilling underway

A black and white photograph of several large, irregular metal ingots, likely nickel or cobalt, resting on a dark, textured surface. The ingots have a metallic sheen and some visible surface texture. A teal-colored diagonal banner is overlaid on the right side of the image, containing the title text.

Key trends in the nickel and cobalt markets

The nickel price has suffered more, and recovered less than copper or gold

Average reference prices

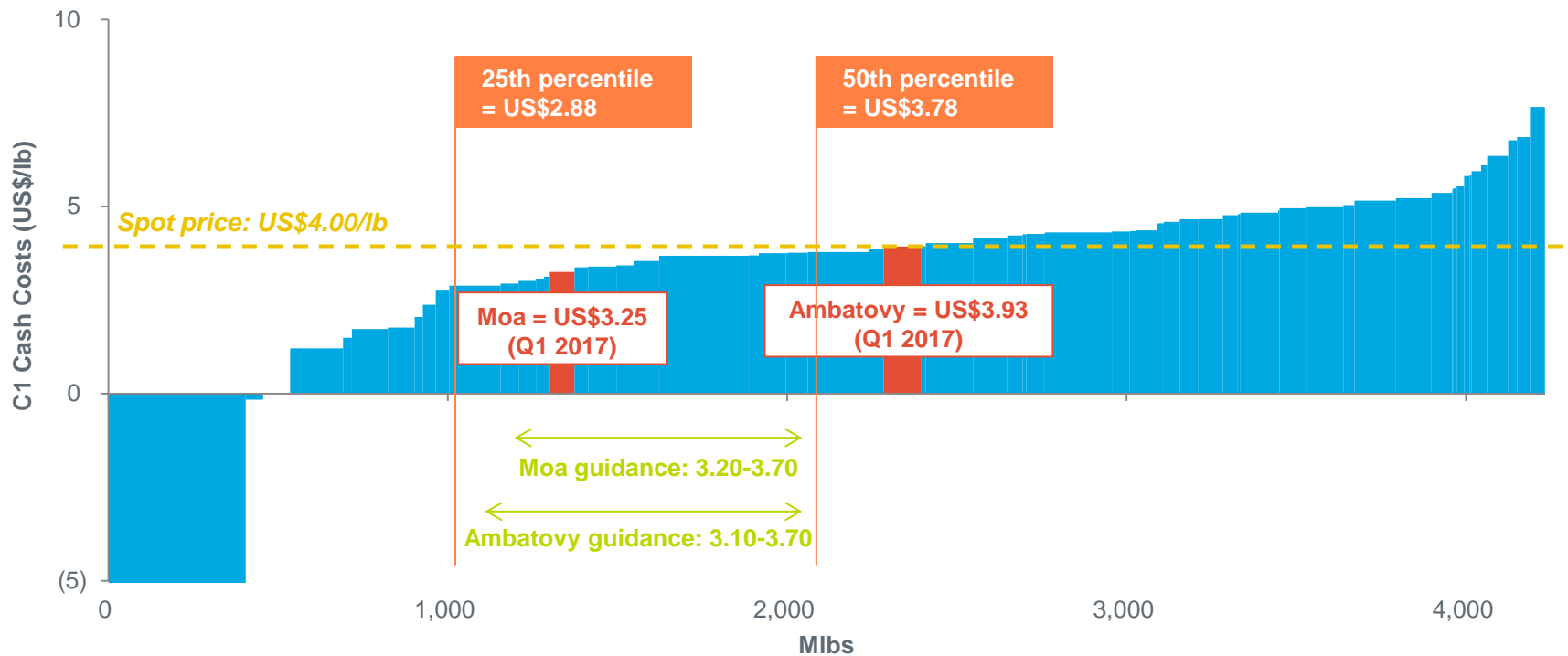


Source: Capital IQ data to June 9, 2017

Nickel cash cost curve and our positioning

40% of the industry is underwater at current price level

2017 Nickel industry, normal C1 cash cost grouped by operation and ranked by cash cost (C1)
existing operations and base case



Source: Wood Mackenzie, Dataset: Q1 2017



A continuing focus on liquidity



No maturity until Q4 2021 and \$1.4bn in debt to be eliminated from Sherritt balance sheet

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Liquidity

- 3-year bond extension completed in July - no maturity until Nov 2021
- Ambatovy JV project debt principal payment deferrals totaling US\$565 million over 3 years
- \$86M expended to repay \$99M of loans and borrowings since January 2016 (as at Q1 2017)
- Ending cash of \$301 million as of March 31, 2017

Ambatovy Agreement in Principle

- \$1.4 billion in debt to be eliminated from Sherritt's balance sheet upon closing
- Sherritt's ownership to be realigned to its 12% economic interest
- Retain exposure to a long life asset with upside potential over its remaining 27 year mine life

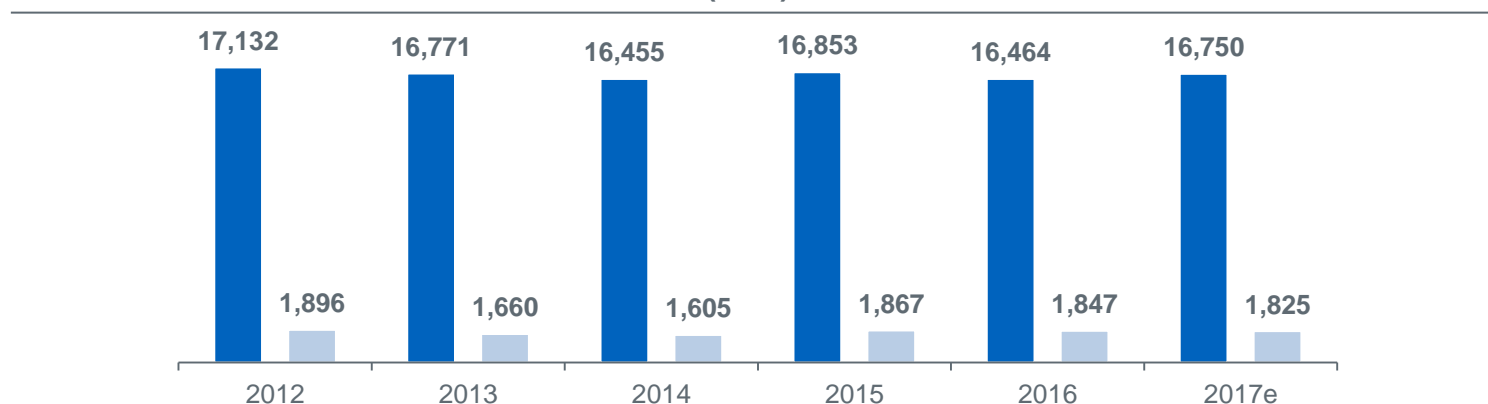


Our operations

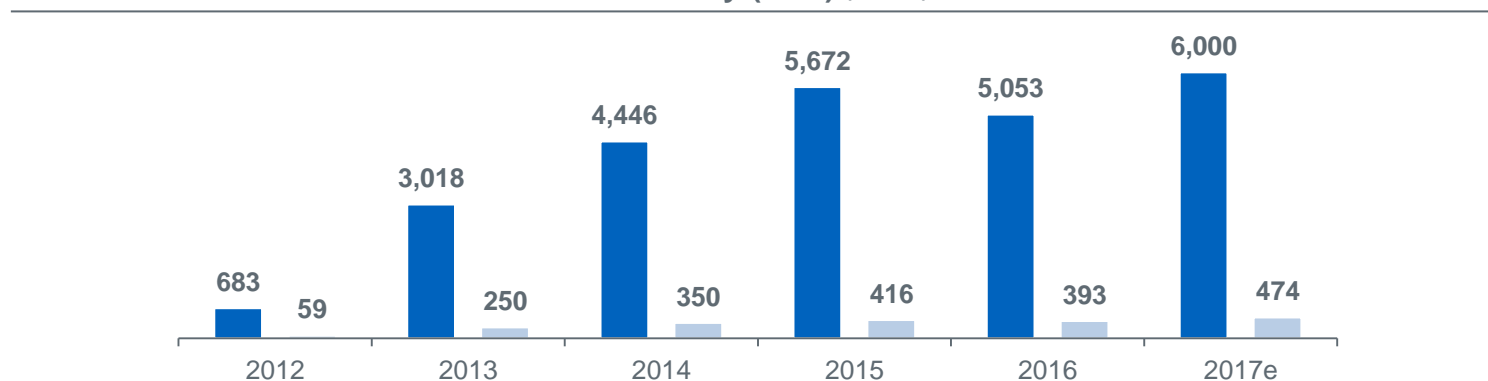
Nickel and Cobalt Production

Steady production at Moa and ramp-up challenges at Ambatovy

Moa (50%) (tonnes)



Ambatovy (12%) (tonnes)

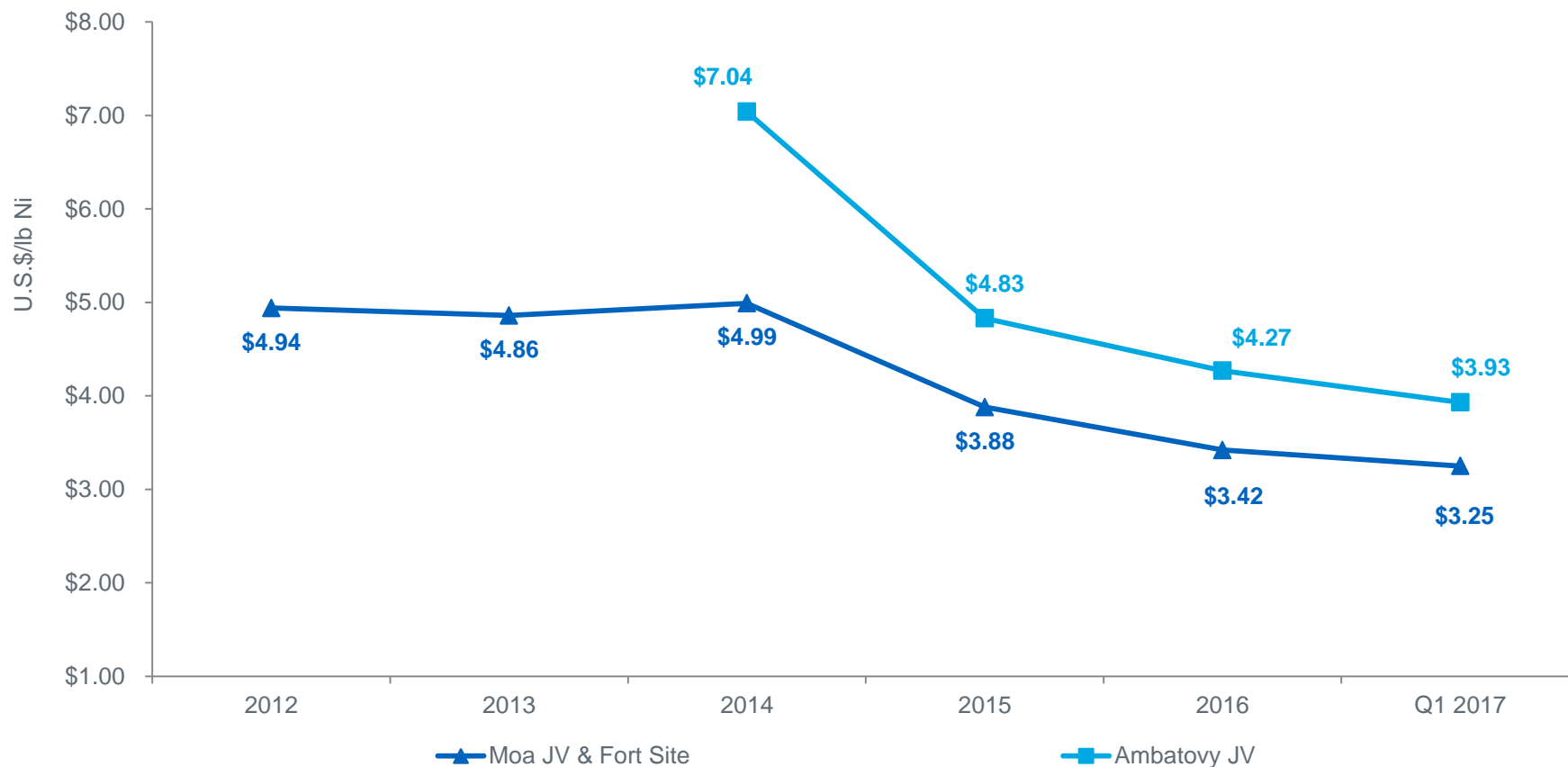


Nickel
 Cobalt

Ambatovy production shown on a 12% basis to reflect proposed revised structure

A steady downward trend in NDCC despite quarterly fluctuations

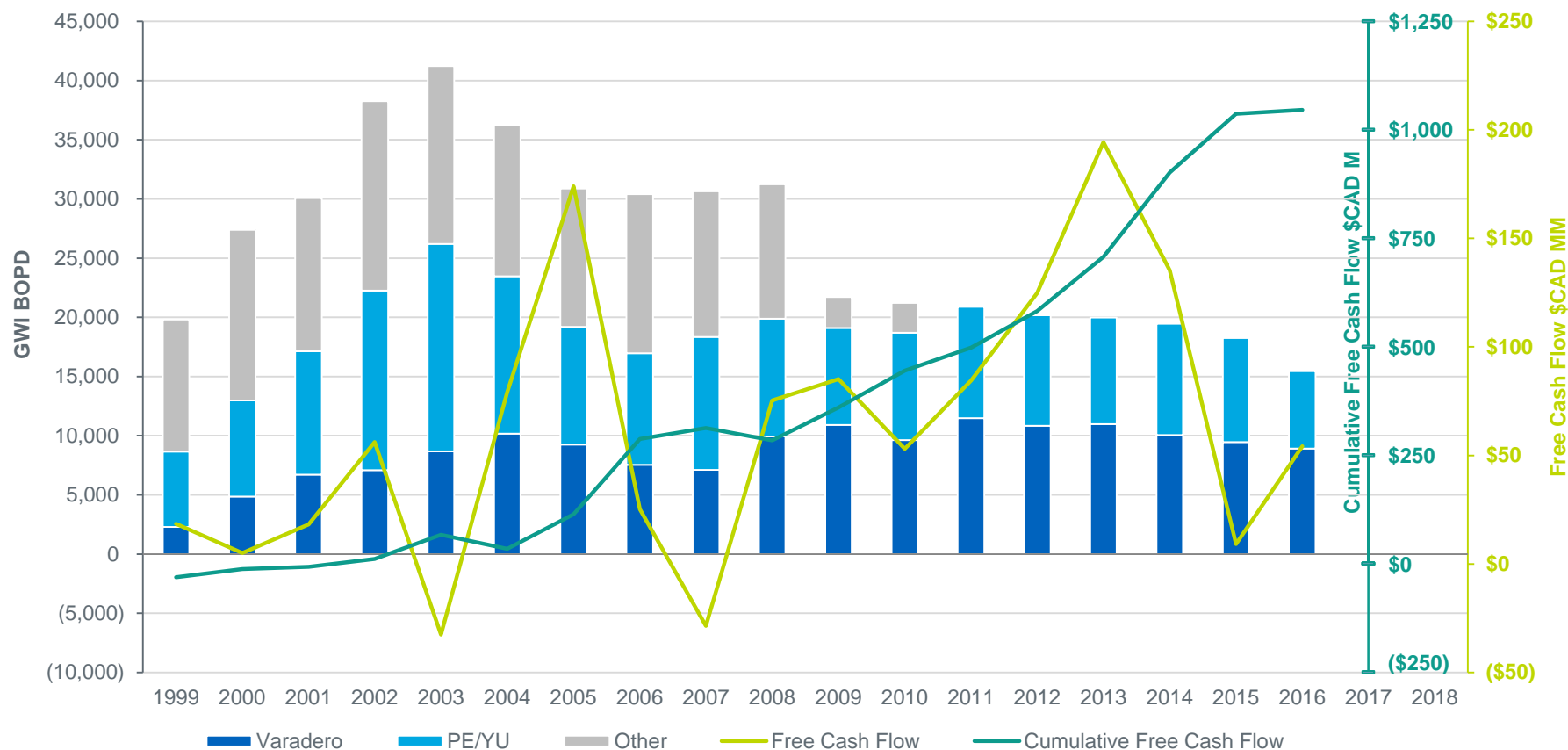
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- Moa JV third acid plant now in operation, with ~US\$0.50/lb improvement for Moa expected in 2017

Cuban oil production has generated over \$1 billion in free cash flow since inception

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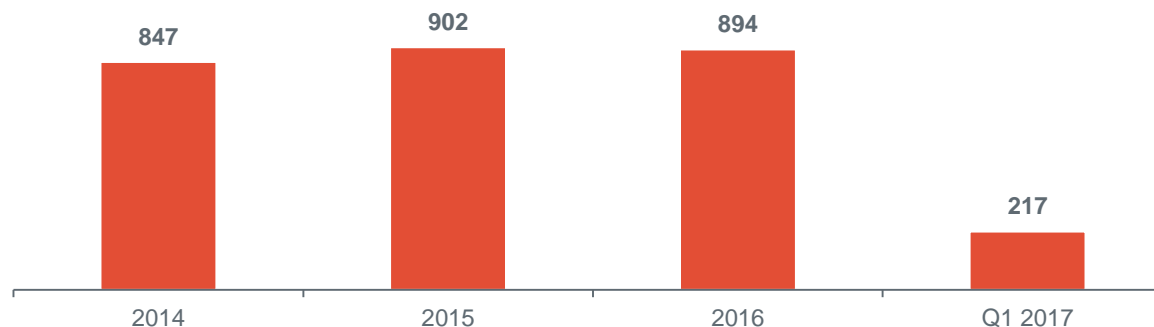


- Very low unit operating costs (in the \$CAD 7-13/bbl range over the past 5 years)
- Second well to be drilled later this year at Block 10

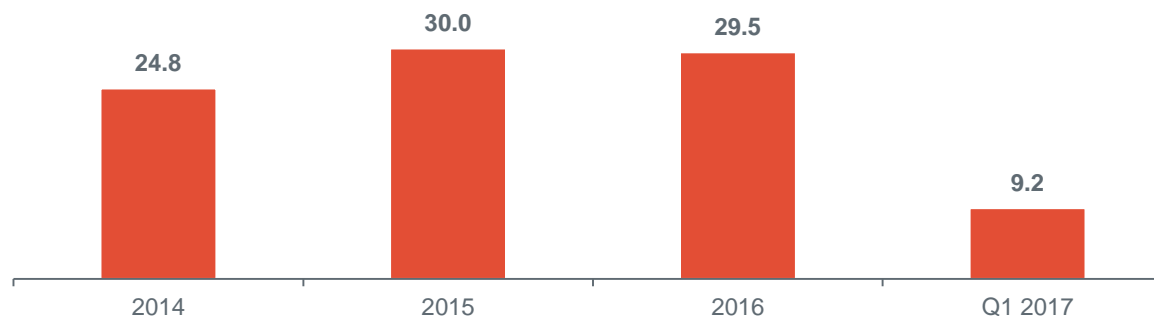
Cuban power generation: steady production and strong EBITDA generation

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



EBITDA (\$M)



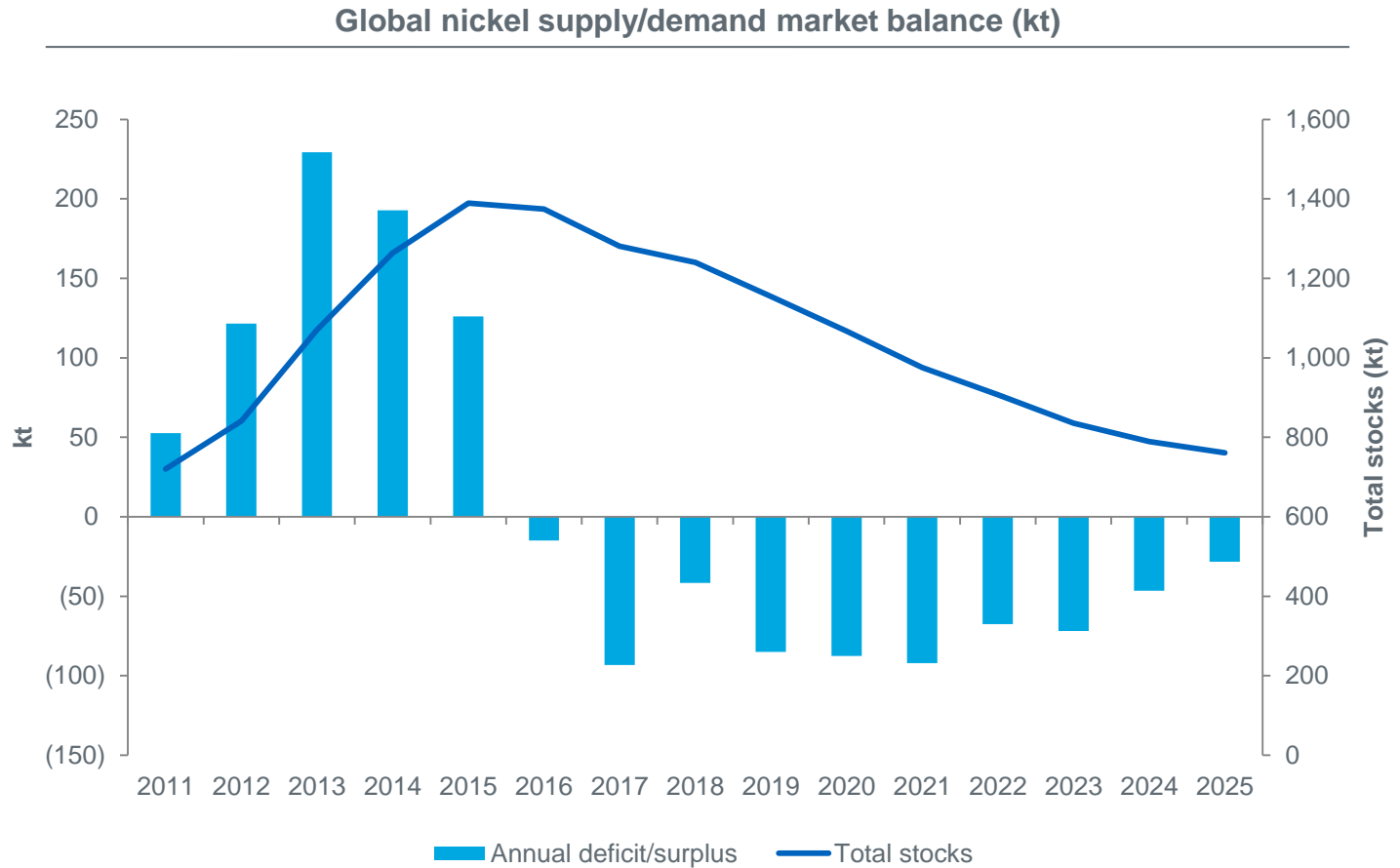
- Extension of the Varadero power facilities until 2023
- Cash also due to Sherritt from CSA payments (Conditional Sales Agreement: loan from Sherritt to Energas \$196M as at March 31, 2017; 8% annual interest rate)



A changing demand source for nickel and cobalt

After 5 years of surplus production, the nickel market is expected to experience multiple years of deficit

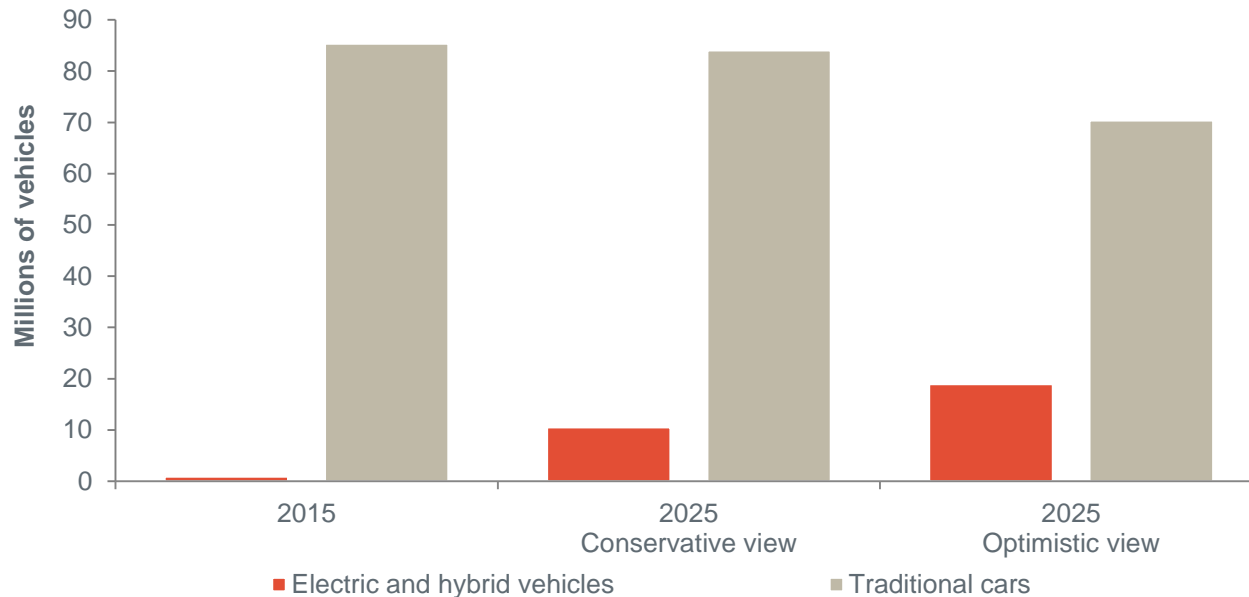
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Source: Wood Mackenzie

Even under conservative assumptions the EV market is expected to grow to >10 million car sales per year by 2025

Increasing EV market penetration (annual vehicle sales)

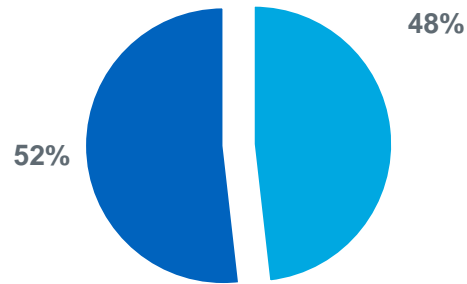


- Conservative vs. optimistic view depends on how fast EVs are adopted in key markets like China, Europe and the US

The EV market is becoming a key part of the automotive industry and will drive the growth in battery demand

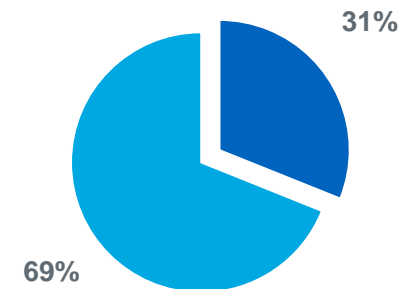
Today the nickel market is driven by stainless steel

Nickel supply



■ NPI and ferronickel ■ High quality nickel

Nickel demand



■ Non-stainless ■ Stainless

- Class I has to compete against NPI and Ferronickel as demand for Class I products is still catching up to supply
- Thus, Class I nickel does not benefit from a full premium compared to lower quality products

Source: CRU



But low grade nickel for stainless has no ability to supply the growing battery market

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- Today stocks of Class I nickel remain high (~380,000 tonnes)
- Strong forecast demand from batteries for Class I units could lead to a shortage of high purity products
- Nickel content is one of the key enablers of the high energy batteries used in most electric vehicles
 - Depending on the technology the nickel content is typically in the 10 kg – 80kg range per electric vehicle
 - Conservative estimate of 10.5 million EVs in 2025 would result in battery demand for Class I nickel of 420,000 tonnes per annum (assuming 40 kg per vehicle)

As new Class I nickel supply is capital intensive and takes time (7-10 years) to bring into full production, this shortage could lead to a premium for Class I nickel products

Source: CRU, LME

The cobalt price response is already well underway

Cobalt price performance (US\$/lb)



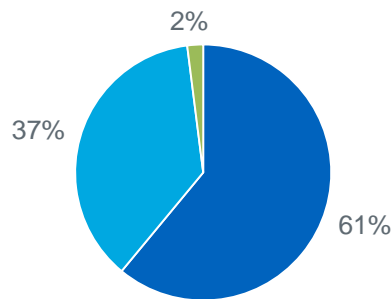
- A limited supply cobalt market (~125,000 tonnes per annum) with no price elasticity has caused a doubling of prices with no sign of slowdown

Source: LME

EVs will also increase the demand for cobalt but the cobalt supply dynamic has its own challenges

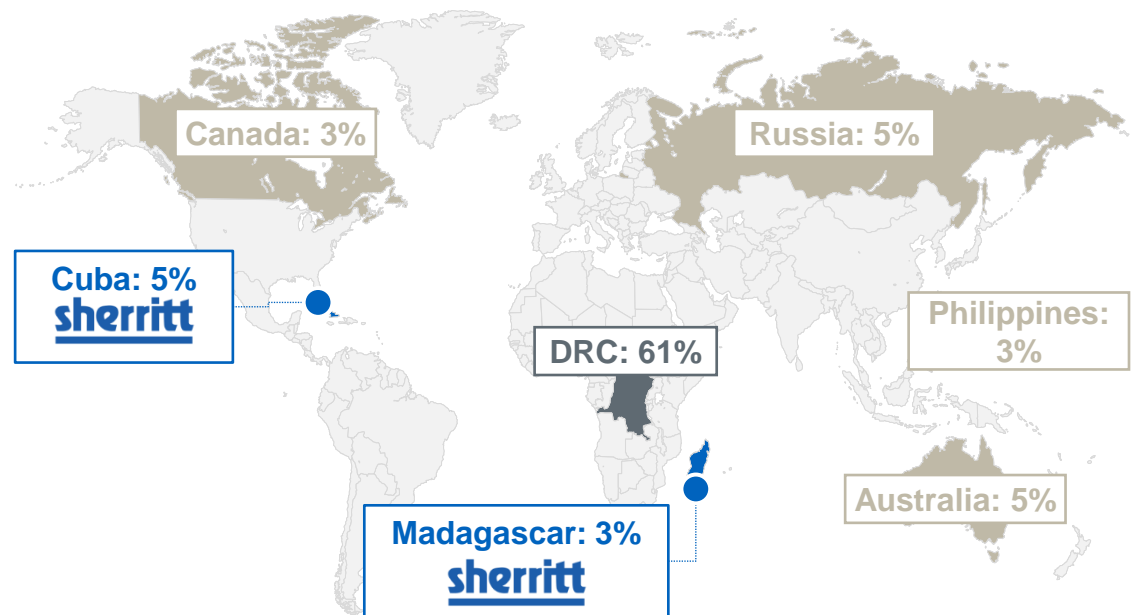
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Cobalt sources



- Copper mines by-product
- Nickel mines by-product
- Primary cobalt mines

Mine production by country (2016)



Most cobalt production is mined as a by-product and 61% of the total supply comes from the Democratic Republic of Congo (DRC), a country with a high geopolitical risk profile

Source: CRU



Sustainability & Strategic Priorities

Demonstrating sustainability leadership

2016 KPIs

- Beat all **injury frequency targets**
- Zero **high-severity environmental incidents**
- **4 worker fatalities** – corrective action underway
- **4% decreased** in GHGs
- **45% drop** in community grievances
- **\$750 million** to host communities and countries



Named to *Corporate Knights' 2017 Future 40 Corporate Leaders in Canada*



Exemplary emergency response to Hurricane Matthew in Cuba:

- No major production losses
- Praise from the UN's Secretary-General

Learn more:
sustainability.sherritt.com

Our 2017 strategic priorities

2017 strategic priorities

Preserve liquidity and build balance sheet strength

Uphold global operational leadership in finished nickel laterite production

Optimize opportunities in Cuban energy business

Q1 2017 status update

- Cuban energy payments received were US\$37.6 million in the first quarter of 2017, an improvement over Q4 2016 payments received of US\$18.3 million
- Free cash flow generation of \$12.6 million from Moa and Fort Site and \$12 million from Power in the first quarter of 2017

- First quarter NDCC of US\$3.25/lb at the Moa JV represents cash costs at the 30th percentile, while Ambatovy NDCC of US\$3.93/lb fell short of its target, due to lower production
- Improvements to EHSS activities continue. The Lost Time Incident rate in Q1 2017 was an improvement over the 2016 average

- First well results provided constructive data to optimize the drilling of the second well, again targeting the Lower Veloz formation
- Future capital allocation will be based on results from this new well



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