



SHERITT

THE NAME IN NICKEL

INVESTOR PRESENTATION

December 2017

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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 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.

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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 investment highlights

1

Well positioned to capitalize on EV battery demand

2

Low cost producer of high purity nickel and cobalt

3

Energy assets add cash flow diversity

4

Ambatovy JV restructuring and Block 10 drill results are near-term catalysts

Balance sheet and liquidity initiatives are transforming Sherritt



**Electric vehicles start
with nickel and cobalt**

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Auto industry is undergoing dramatic changes*

2019

- China begins EV production quotas at 10% of all vehicles
- 100% of Volvo's fleet will be electric or hybrid

2020

- 100% of Jaguar Land Rover's fleet will be electric
- GM will have 10 EV models for Chinese market

2025

- Norway's ban of ICE vehicles take effect
- Ford to release 13 EV models
- 30% of Audi vehicle sales will be electric

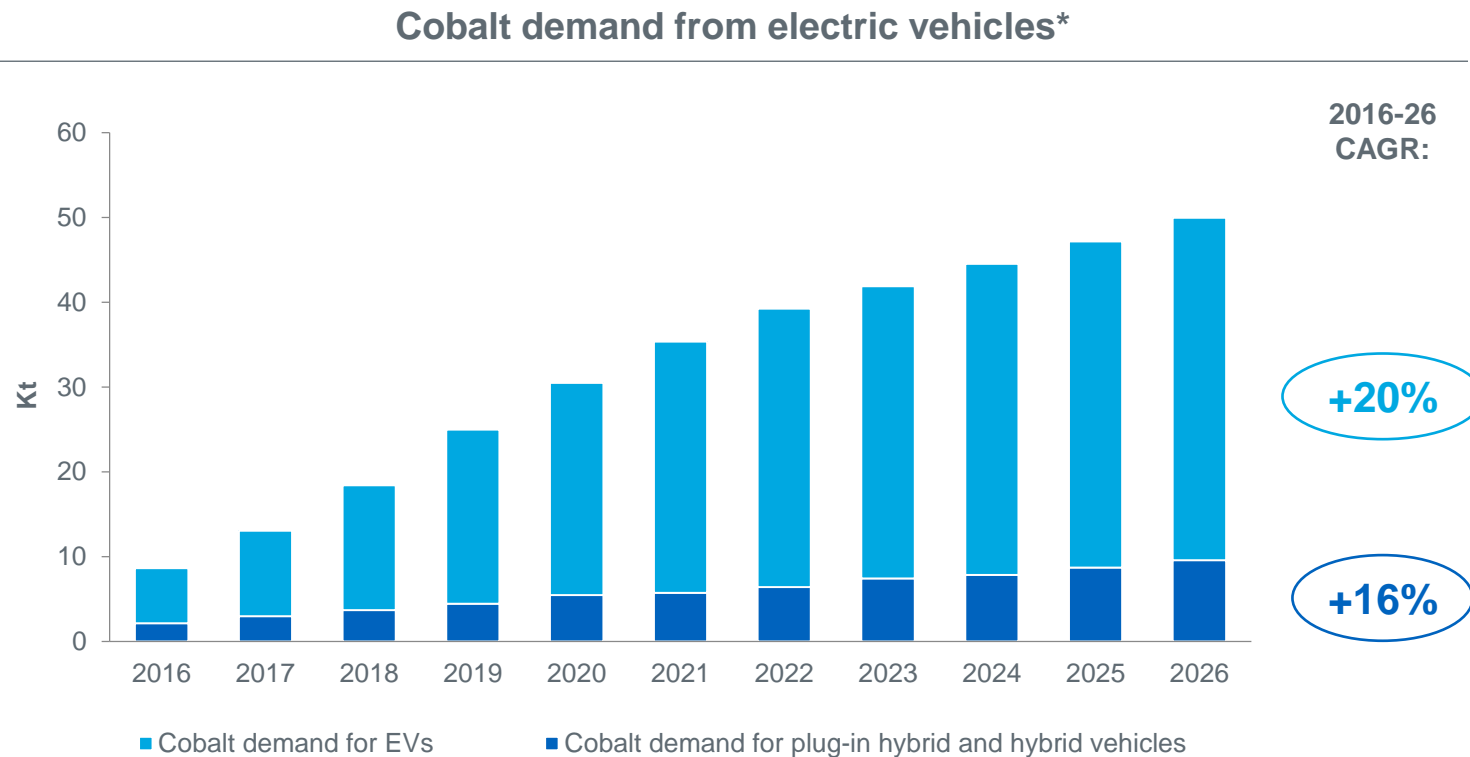
2030

- VW Group will have 80 new EV models
- Paris's ban of ICE vehicles takes effect

Potential of EV revolution driving higher nickel and cobalt prices

*Source: Bloomberg New Energy Finance, UBS

Electric vehicles driving cobalt demand

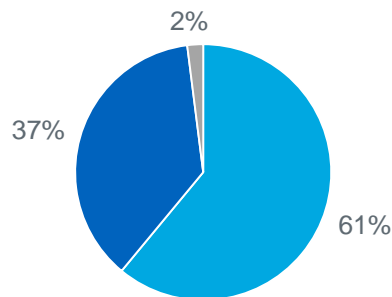


Sherritt ranks in top 10 of finished cobalt producers

*Source: CRU

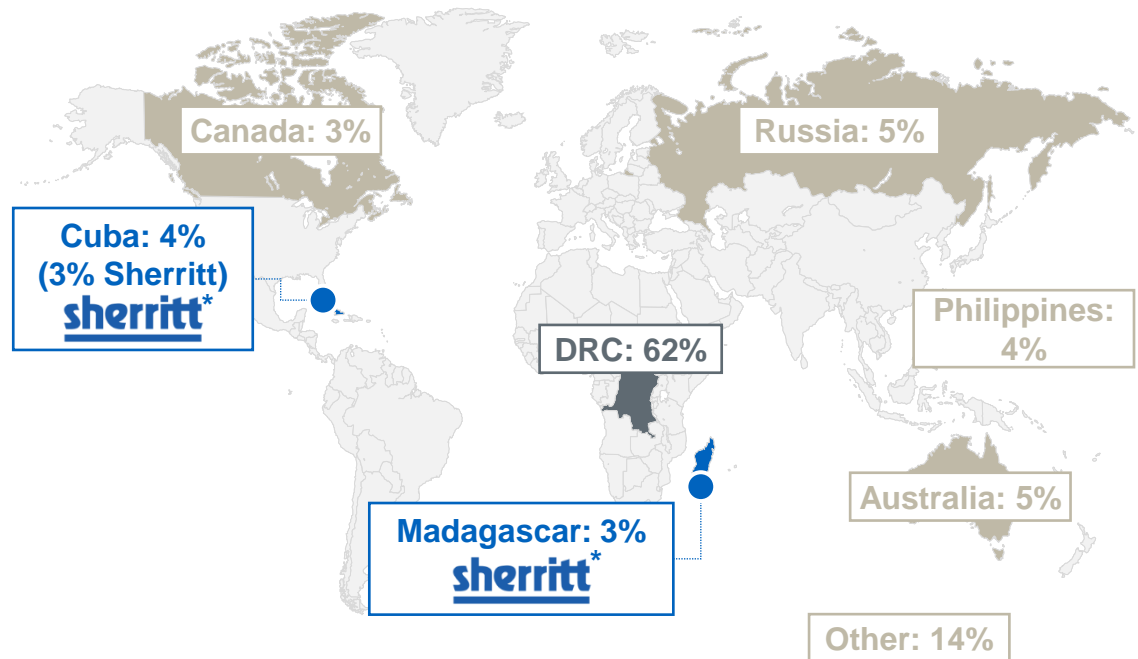
Cobalt supply marked by jurisdictional risk

Cobalt sources



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

Mine production by country (2017): total = 113 kt

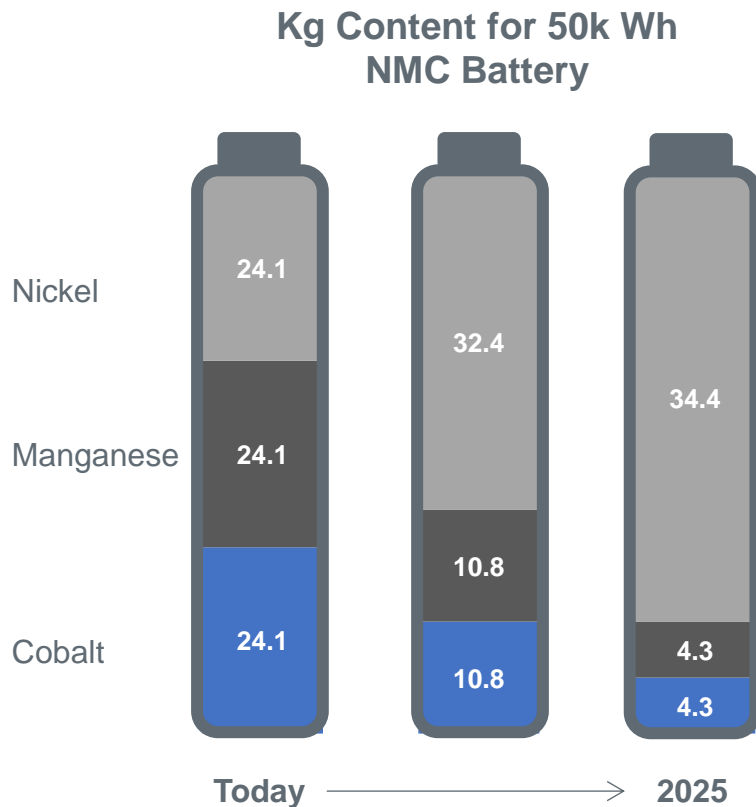


Battery manufacturers are looking for surety of supply

*On a 100% basis

Source: CRU, Sherritt

EV batteries will increasingly rely on nickel

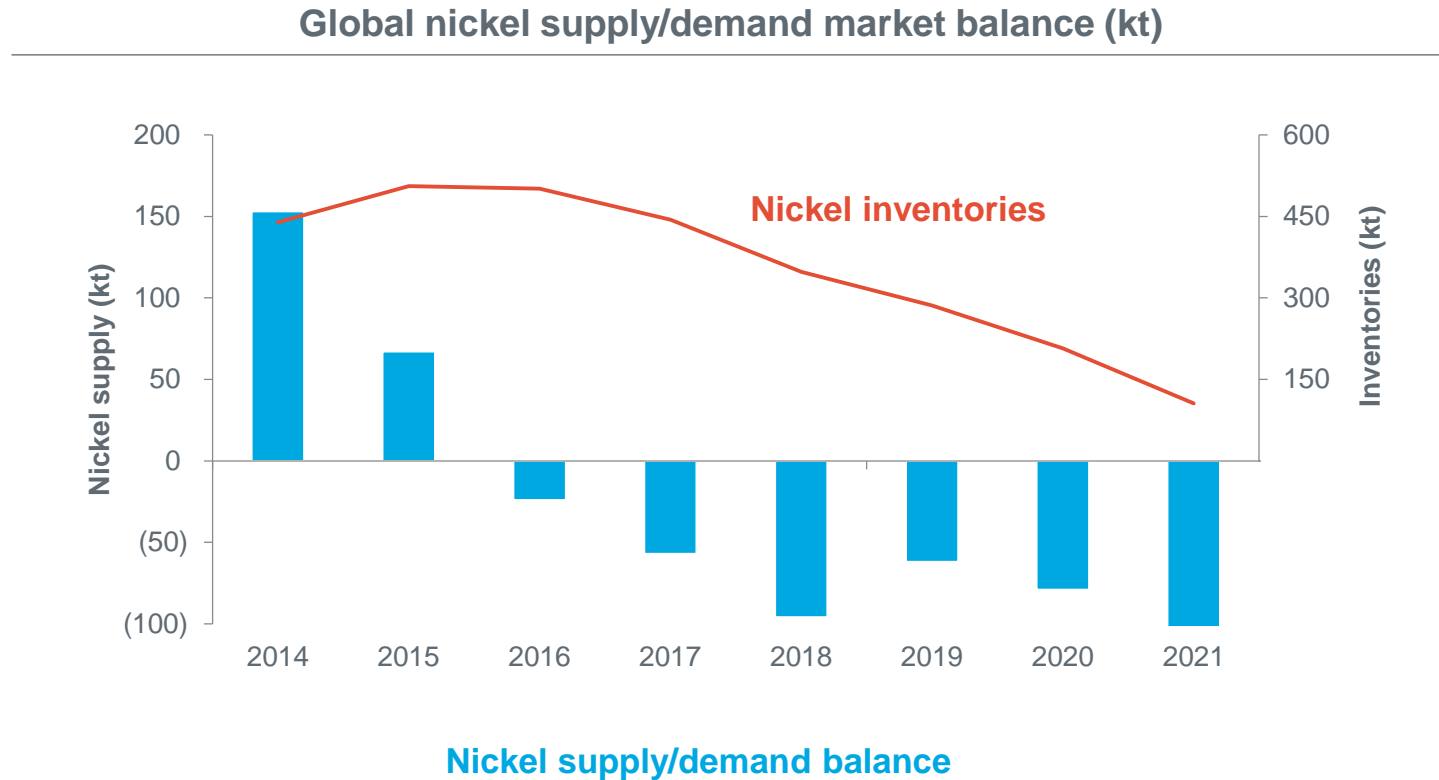


Changes driven by:

- Cobalt supply constraints
- Commodity pricing environment
- Surging end-product demand

Nickel's ability to maintain energy stability/density a key consideration

Nickel supply deficit is looming

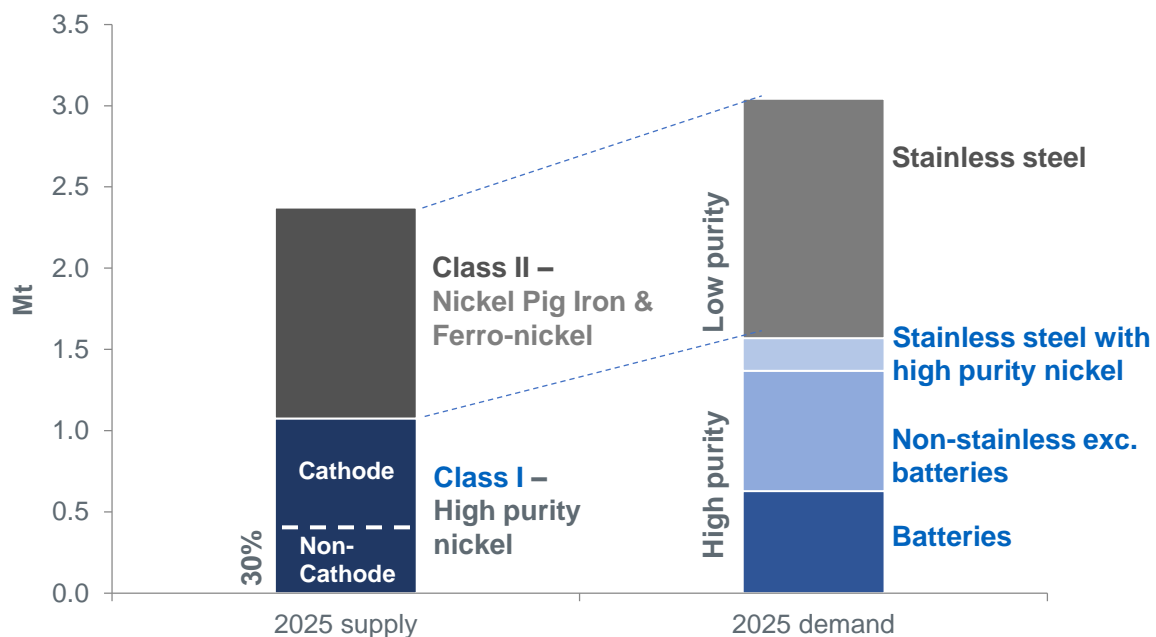


New supply constrained by pricing environment and needed investments

Source: Wood Mackenzie

Not all nickel is the same

Differences in nickel supply and uses



>70%

Of all nickel supply is unsuitable for EV battery market

Sherritt produces 100% Class I nickel in briquette form

Source: Bernstein, CRU, Wood Mackenzie

Sherritt is well positioned to capitalize on strong outlook

1

Low cost; high purity producer of nickel and cobalt

2

High cobalt to nickel production ratio

3

90-year track record of innovative technology & processing

4

Strong relationships with battery manufacturers



Operations

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Moa Joint Venture

Moa JV

Cuba



- 50/50 partnership with Cuba
- Mining and processing of nickel and cobalt from lateritic ore bodies
- 37,000 t/y production capacity

Fort Site

Alberta



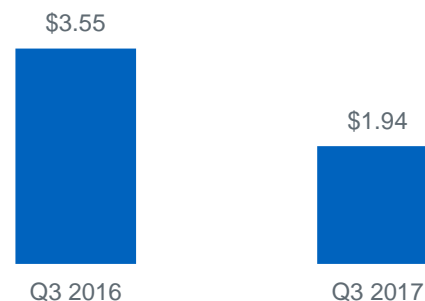
- Refining of Moa and other mixed sulphides completed Includes fertilizer business, utilities and storage facilities
- Produces finished nickel and cobalt in briquette form

25-years of collaborative production

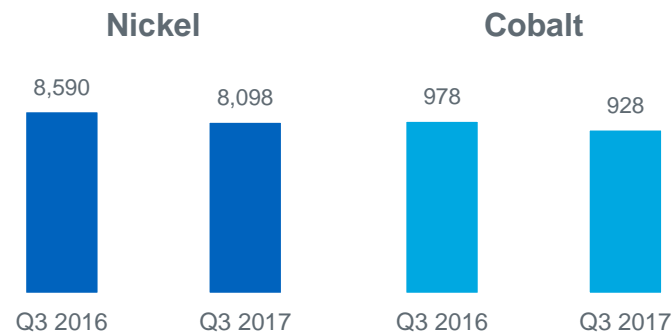
Moa JV and Fort Site - collaborative production

- A vertically integrated mining, processing and refining enterprise:
 - 60+ years HPAL experience at Moa
 - Class I refinery at Fort Site
- Lowest cost HPAL asset globally
- >15 years of proven reserve life
- Cash flow positive on an annual basis at most points in the nickel cycle

NDCC costs (US\$/lb)



Production (100%, tonnes)



Q3 2017 cash cost for nickel was lowest since Q4 2004

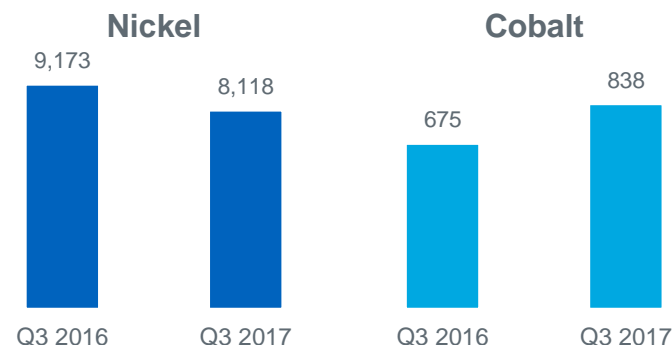
Ambatovy Joint Venture

- Partnership with Sumitomo and Kores
- Integrated mining, processing and refining plant in Madagascar
- 60,000 tonnes/yr production capacity
- Class 1 nickel and high purity cobalt production
- Recent efforts to improve asset plant reliability producing results

NDCC costs (US\$/lb)



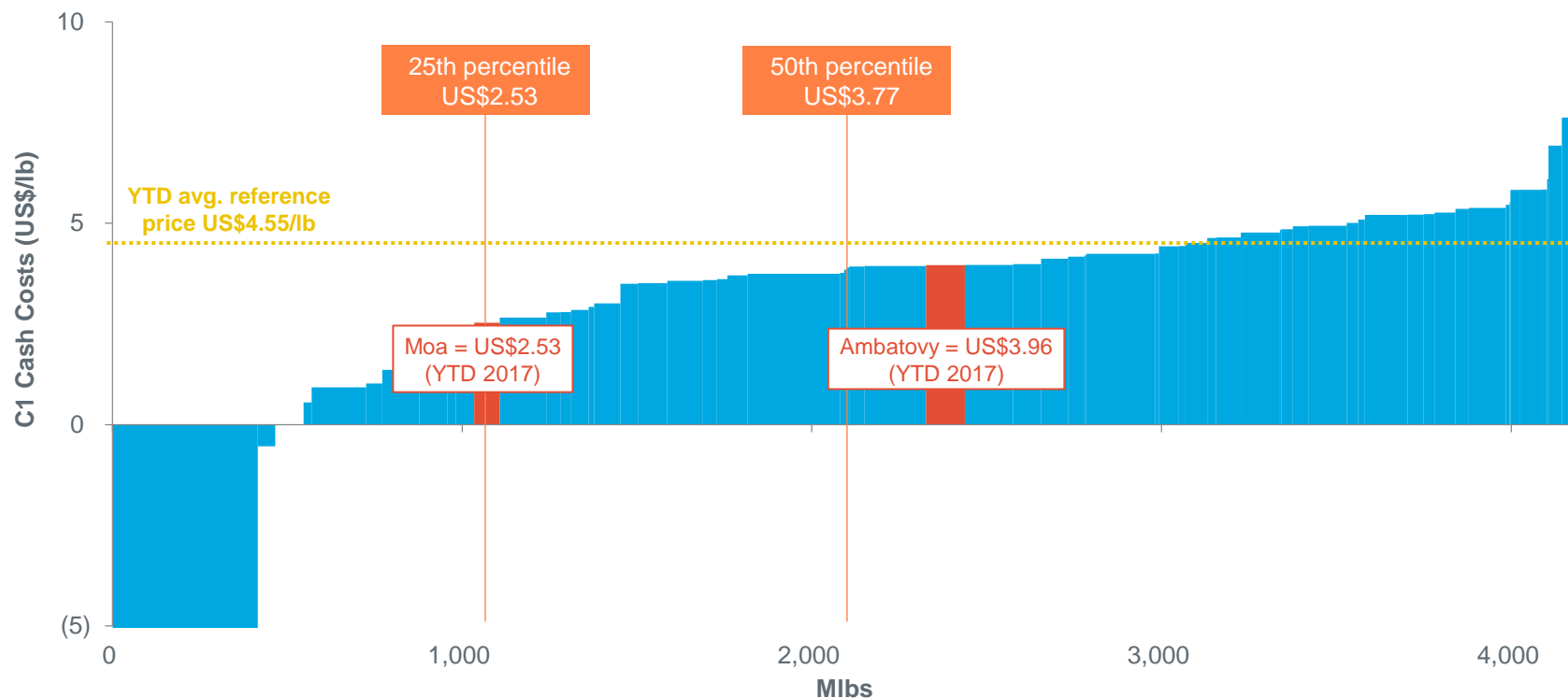
Production (100%, tonnes)



JV restructuring will eliminate \$1.3B in debt from Sherritt's balance sheet

Sherritt is a low cost nickel producer

2017 Nickel industry NDCC (YTD)

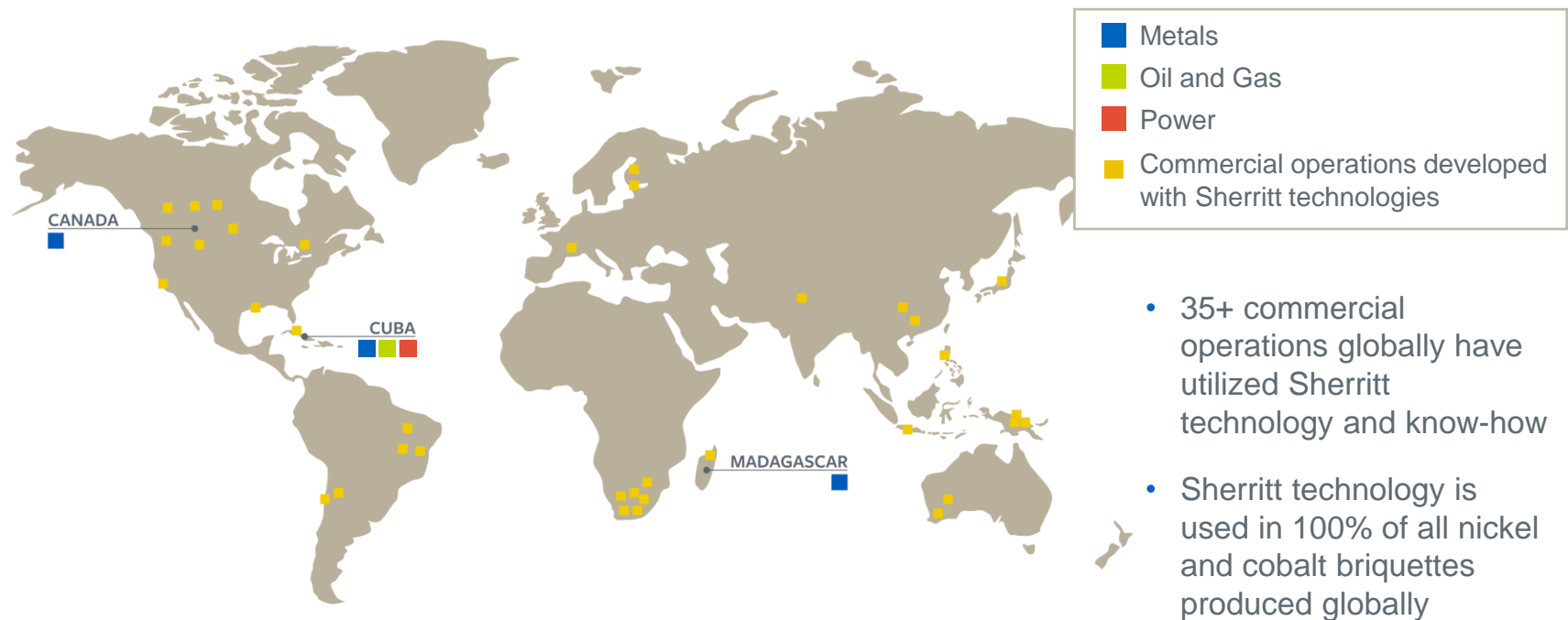


Moa ranked in lowest cost quartile for two consecutive quarters

Source: Wood Mackenzie, Dataset: Q3 2017

Sherritt's global operations

Global operations



Energy assets contribute steady cash flow and expanded Cuban presence

Oil and Gas operations

Largest independent oil producer in Cuba

- 20+ year history in the country
- 209 wells drilled since 1992, 86% found oil
- > 210 million barrels produced
- Vertically integrated, own and operate 2 rigs

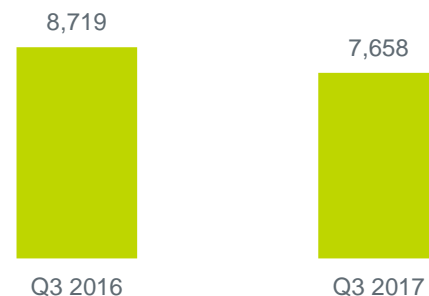
Strong financial contributions

- \$51.4 million YTD in Adjusted EBITDA
- \$33.1 million in cash flow from operations YTD

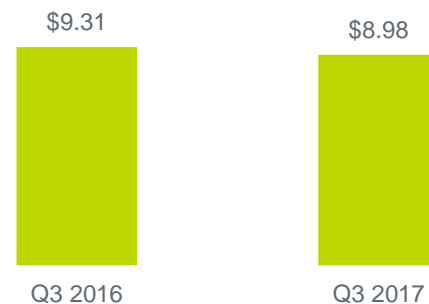
Potential upside

- Block 10 drilling results expected in Q4
- Targeting a new 20-year reservoir

Total production (NWI, boepd)



Cuba unit operating costs (\$/bbl)



Steady financial and operational performance

Power

Largest independent power producer in Cuba

- Operates through a 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

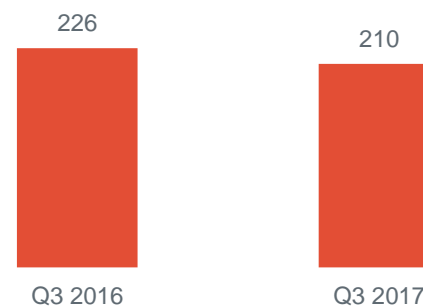
Strong financial contributions

- \$24.6 million YTD in Adjusted EBITDA
- \$39.1 million in cash flow from operations YTD

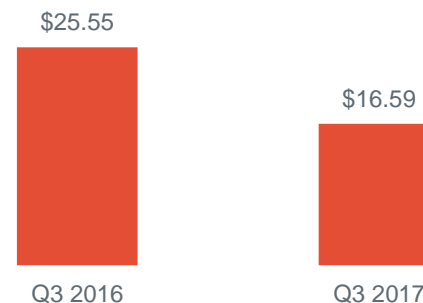
Potential upside

- Cuba's cleanest power producer
- Cuba's power consumption is growing

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



Unit operating costs (\$/MWh)



Consistent cash flow generation



Recent progress & Upcoming catalysts

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Status of debt position



\$1.9B in debt eliminated since Jan. 1 2014*

*Upon close on Ambatovy JV restructuring and based on a comparison of Sherritt's balance sheet at September 30 2017 to December 31, 2013.

**Sherritt has the option to repay the loan in shares or a combination of cash and shares at 105% of the amount then due, or elect to repay in 10 equal semi-annual principal installments (plus interest) commencing in December 2024, at an interest rate of LIBOR +5% applied from the original maturity date.

Q3 highlights

1

Increased cash position to \$291M

2

Reduced NDCC at Moa to \$1.94/lb – lowest since Q4 2004

3

Improving commodity prices and outlook

4

Safety & shutdown procedures limited Hurricane Irma's impact

Sherritt is well positioned for improving market fundamentals

Upcoming catalysts



- Ambatovy JV restructuring expected in Q4
- Block 10 drill results expected by year end

Opportunity to build on recent momentum

Post-Ambatovy JV restructuring impact

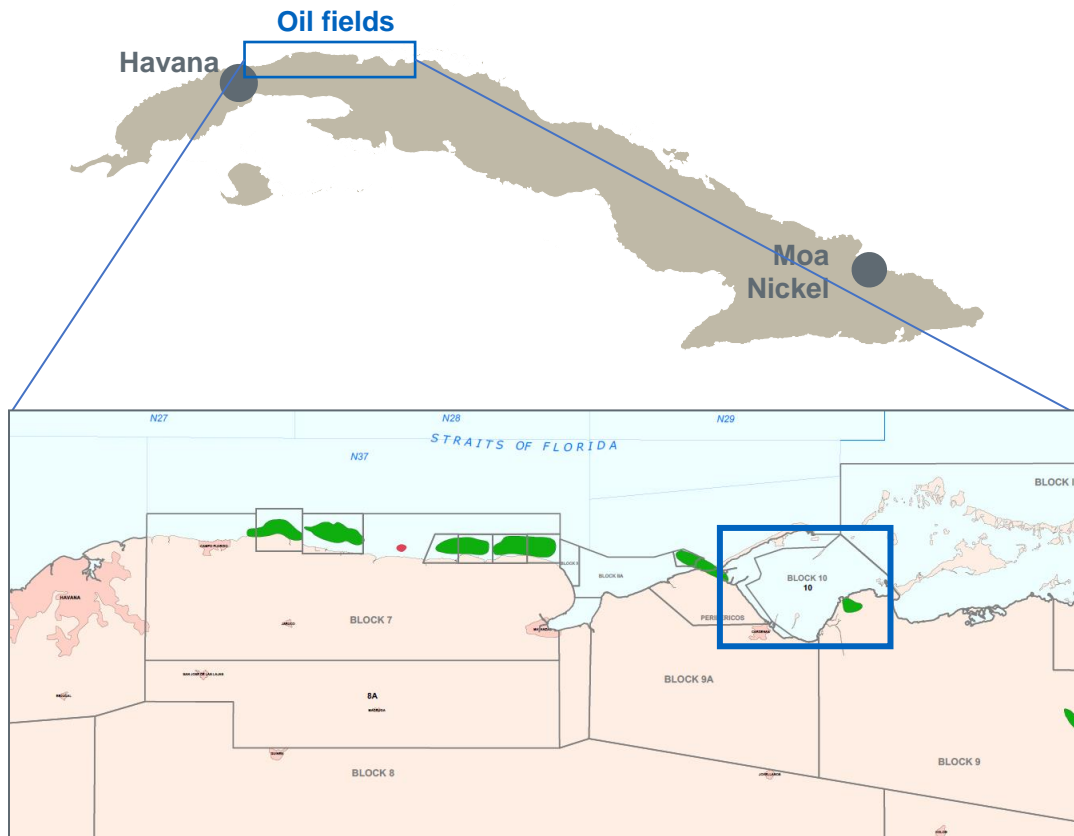
- Sherritt ownership reduced to 12%
- No cash in/out in near term
- Sherritt retains option to repay partner loan in equity
- Sherritt will serve as operator through at least 2024



- JV restructuring will eliminate \$1.3B in debt from Sherritt's balance sheet

Sherritt retains exposure to long-life nickel and cobalt asset

Status of Block 10 drilling



- Drilling at 2nd well underway
- Target based on successful 1994 well
- Results expected by Dec. 31

Sherritt has played a major role in Cuba's oil discoveries

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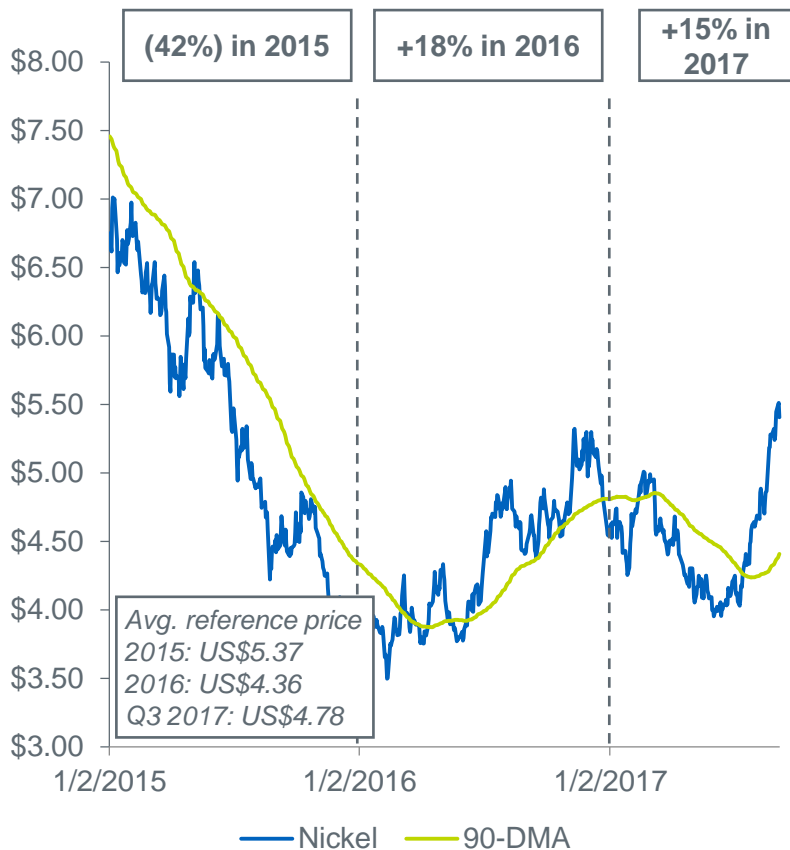


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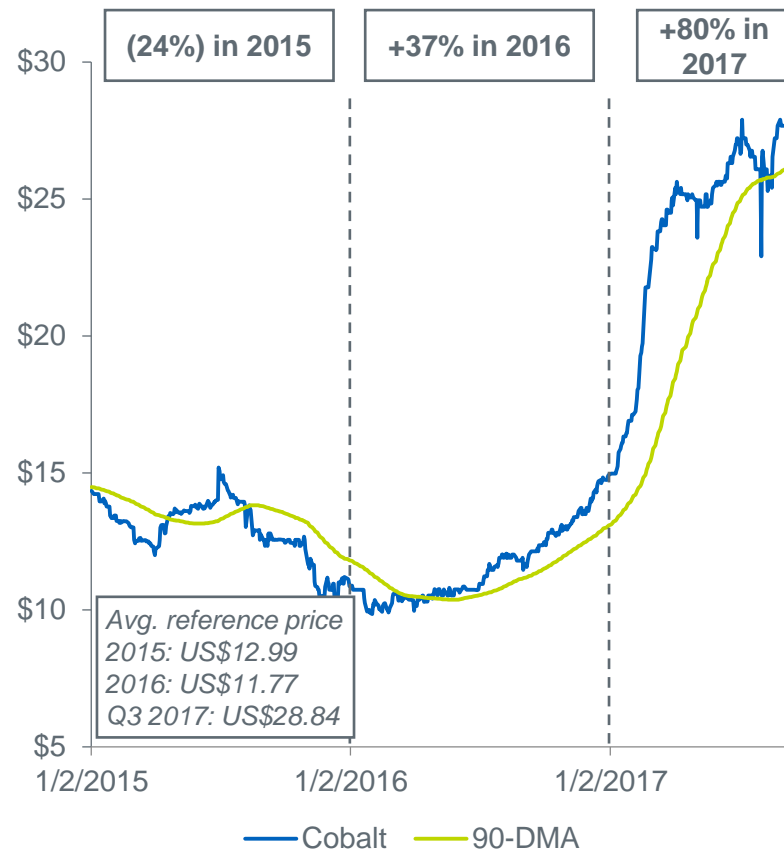
Appendix

Nickel and cobalt price trends from 2015 to date

Nickel vs. 90-Day Moving Average (DMA)

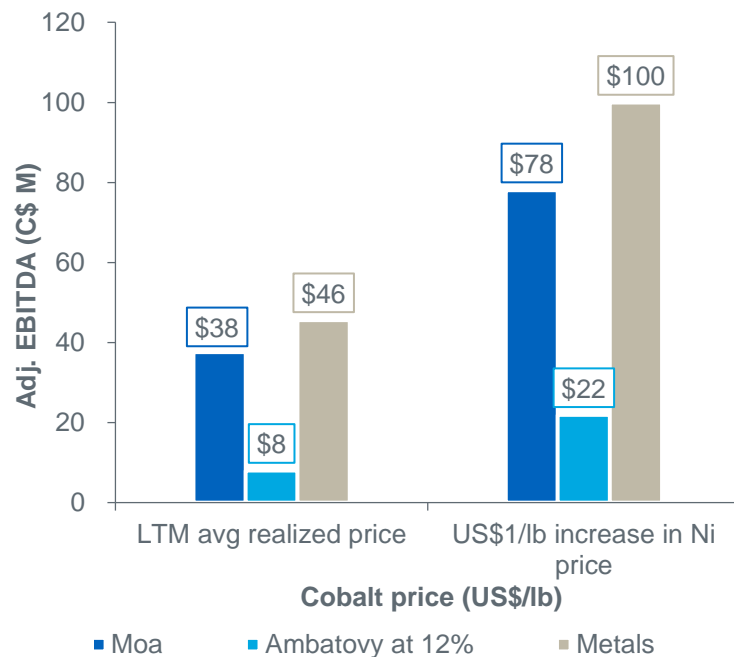


Cobalt vs. 90-Day Moving Average (DMA)

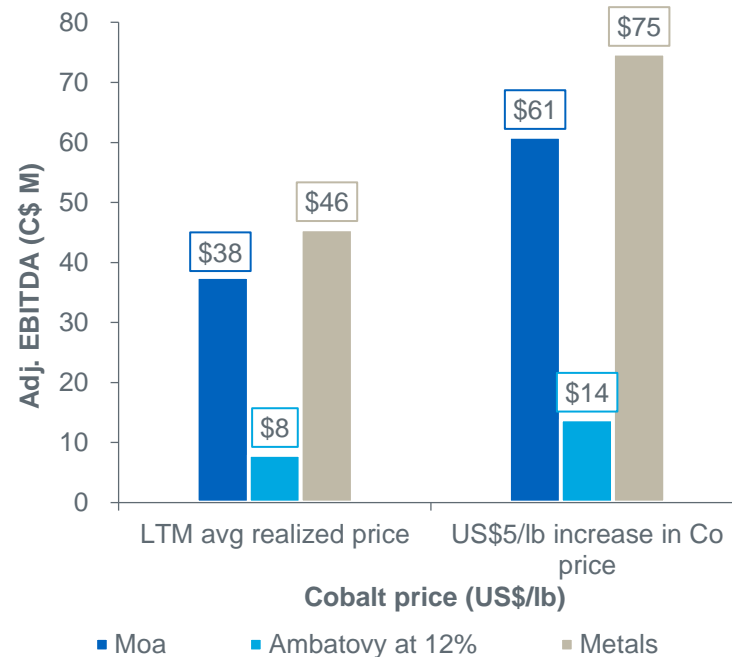


Sensitivity to nickel and cobalt prices

LTM Adj. EBITDA sensitivity to nickel prices⁽¹⁾



LTM Adj. EBITDA sensitivity to cobalt prices⁽²⁾



A US\$1/lb change in the nickel price equals a US\$9/lb cash change in the cobalt price at Moa and a US\$12/lb change at Ambatovy

2017 Targets

	Guidance at 2017 June 30	Actual 2017 September 30	Updated Guidance at 2017 September 30
Production volumes, unit operating costs and spending on capital			
Production volumes			
Nickel, finished (tonnes, 100% basis)			
Moa Joint Venture	31,500-32,500	23,256	Unchanged
Ambatovy Joint Venture	40,000-43,000	26,268	36,000-39,000
Total	71,500-75,500	49,524	67,500-71,500
Cobalt, finished (tonnes, 100% basis)			
Moa Joint Venture	3,500-3,800	2,672	Unchanged
Ambatovy Joint Venture	3,600-3,900	2,320	3,300-3,600
Total	7,100-7,700	4,992	6,800-7,400
Oil – Cuba (gross working-interest, bopd)	11,500-12,500	14,524	13,000 – 14,000
Oil and Gas – All operations (net working-interest, boepd)	6,400-7,000	8,446	7,500 – 8,000
Electricity (GWh, 33⅓% basis)	850-900	647	Unchanged
Unit operating costs			
NDCC (US\$ per pound)			
Moa Joint Venture	2.80-3.30	2.53	2.50-2.75
Ambatovy Joint Venture	3.10-3.70	3.96	Unchanged
Total	2.95-3.35	3.23	2.83-3.26
Oil and Gas - Cuba (unit operating costs, \$ per barrel)	11.00-12.00	9.19	10.00 – 10.50
Electricity (unit operating cost, \$ per MWh)	18.75-19.50	18.00	Unchanged
Spending on capital (US\$ millions)			
Metals – Moa Joint Venture (50% basis), Fort Site (100% basis) ⁽¹⁾	US\$28 (CDN\$38)	US\$10 (CDN\$13)	US\$19 (CDN\$25)
Metals – Ambatovy Joint Venture (40% basis)	US\$45 (CDN\$61)	US\$26 (CDN\$34)	US\$38 (CDN\$50)
Oil and Gas	US\$35 (CDN\$47)	US\$9 (CDN\$12)	Unchanged
Power (33⅓% basis)	US\$1 (CDN\$2)	US\$1 (CDN\$1)	Unchanged
Spending on capital (excluding Corporate)	US\$109 (\$CDN148)	US\$46 (CDN\$60)	US\$93 (CDN\$122)

(1) Spending is 50% of US\$ expenditures for Moa JV and 100% expenditures for Fort Site fertilizer and utilities.



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