



SHERITT

THE NAME IN NICKEL

2019 Annual General Meeting

June 24, 2019

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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.

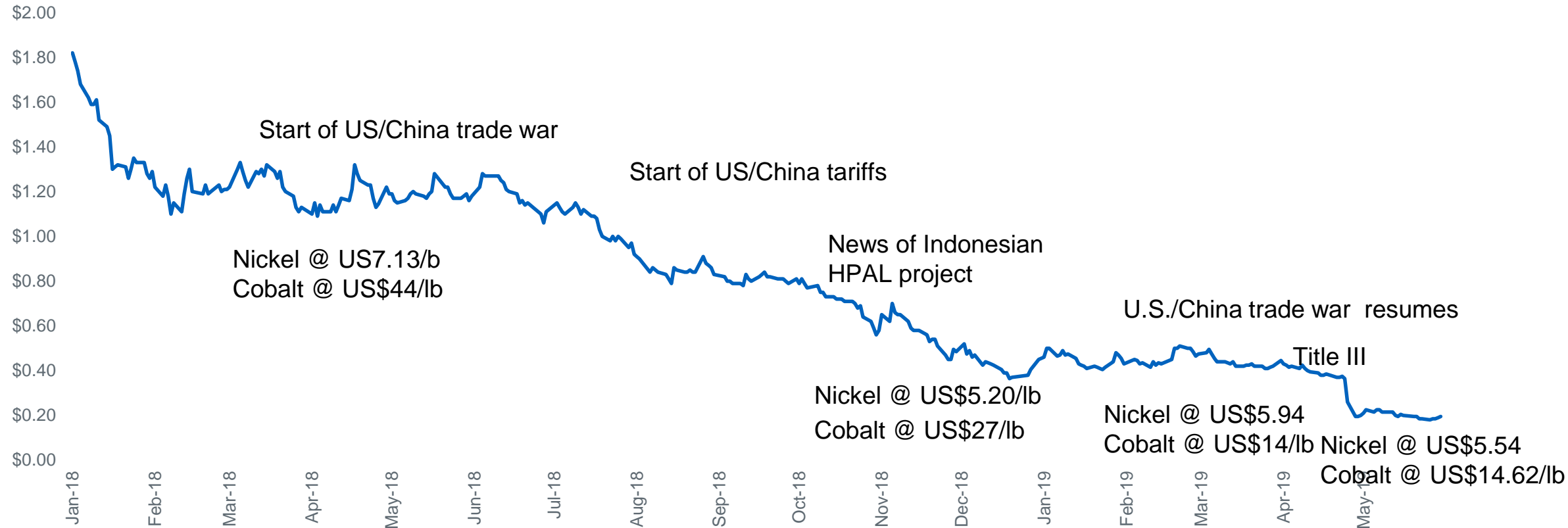
Forward looking statements are not based on historical facts, but rather on current expectations, assumptions and projections about future events, including commodity and product prices and demand; the level of liquidity and access to funding; share price volatility; production results; realized prices for production; earnings and revenues; development and exploration wells and enhanced oil recovery in Cuba; environmental rehabilitation provisions; availability of regulatory approvals; compliance with applicable environmental laws and regulations; debt repayments; collection of accounts receivable; and certain corporate objectives, goals and plans. 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 and attendees at the Corporation's annual general meeting 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, fertilizers or certain other commodities; security market fluctuations and price volatility; level of liquidity; access to capital; access to financing; risks related to the liquidity and funding of the Ambatovy Joint Venture; the risk to Sherritt's entitlements to future distributions from the Moa and Ambatovy joint ventures; risk of future non-compliance with debt restrictions and covenants and mandatory repayments; uncertainty of exploration results and Sherritt's ability to replace depleted mineral and oil and gas reserves; risks associated with the Corporation's joint venture partners; variability in production at Sherritt's operations in Cuba and Madagascar; risks related to Sherritt's operations in Cuba; risks related to the U.S. government policy toward Cuba, including the U.S. embargo on Cuba and the Helms-Burton legislation; potential interruptions in transportation; uncertainty of gas supply for electrical generation; the Corporation's reliance on key personnel and skilled workers; the possibility of equipment and other failures; risks associated with mining, processing and refining activities; uncertainty of resources and reserve estimates; the potential for shortages of equipment and supplies; risks related to environmental liabilities including liability for reclamation costs, tailings facility failures and toxic gas releases; risks related to the Corporation's corporate structure; political, economic and other risks of foreign operations; risks related to Sherritt's operations in Madagascar; risks associated with Sherritt's operation of large projects generally; risks related to the accuracy of capital and operating cost estimates; foreign exchange and pricing risks; compliance with applicable environment, health and safety legislation and other associated matters; risks associated with governmental regulations regarding climate change and greenhouse gas emissions; risks relating to community relations and maintaining the Corporation's social license to grow and operate; credit risks; 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; identification and management of growth opportunities; uncertainty in the ability of the Corporation to obtain government permits; risks to information technologies systems and cybersecurity; 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; the ability to accomplish corporate objectives, goals and plans for 2019; 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, including without limitation the Annual Information Form of the Corporation dated February 13, 2019 for the period ending December 31, 2018, which is available on SEDAR at www.sedar.com. The Corporation may, from time to time, make oral forward-looking statements, including in making this presentation. 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 press release 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.

Share price performance



Valuation not indicative of performance over past year

Share price performance



Valuation impacted by assorted geopolitical and economic developments

Our priorities

1

Preserve liquidity and enhance balance sheet strength

2

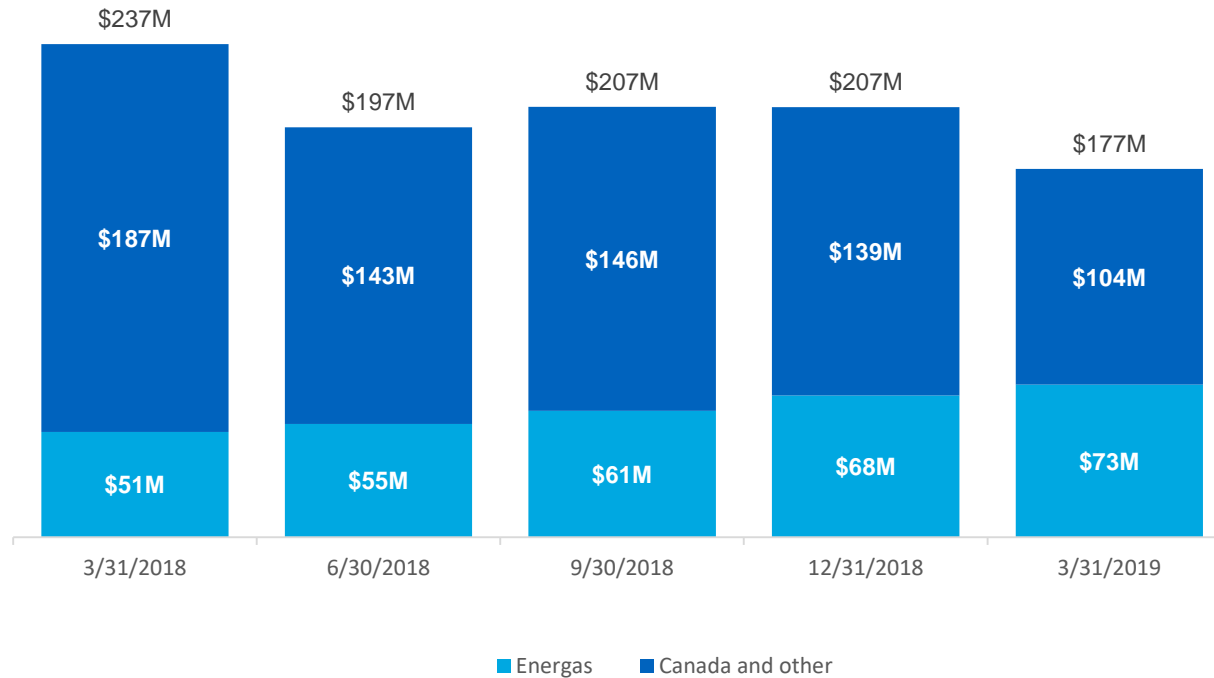
Uphold global leadership in finished nickel laterite production

3

Optimize opportunities in Cuban energy business

Waiting for improved commodity prices is not a strategy

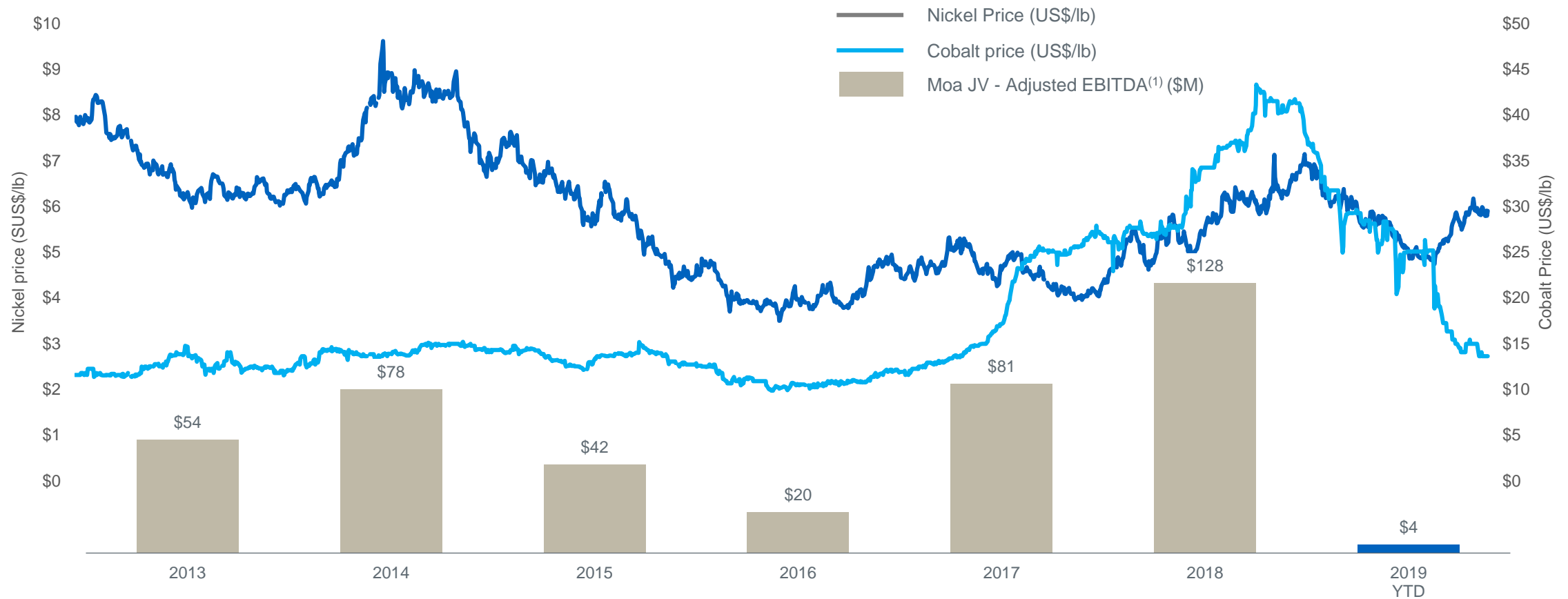
Liquidity position



Decline in total cash position exacerbated by the increase in cash held in Cuba

Liquidity preservation remains a priority

Sensitivity to nickel and cobalt prices



Volatile commodity prices dramatically impacted Q1 2019 results

Liquidity preservation – No more funding of Ambatovy

Immediate impacts

- Loss of voting rights and representation at Board
- Reduced influence at local level

Ownership interest

- Potential for equity ownership dilution
- Triggered if Ambatovy JV shareholders elect to fund Sherritt's share

Economic interest

- New funding provided by Ambatovy JV shareholders repaid in priority
- No change to Sherritt's partner loans maturity or payment options

Operator status

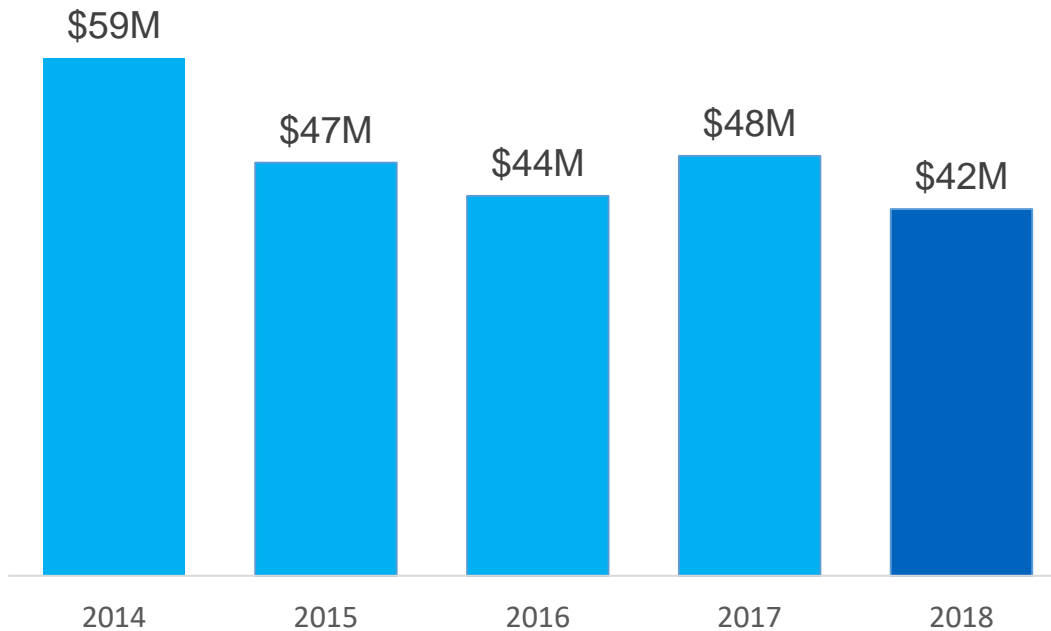
- Sherritt continues to serve as operator through 2024

Disclosure

- Ambatovy is no longer an operating segment
- Reduced financial disclosure in MD&A
- Sherritt's partner loans reclassified as short-term liabilities

No cash in from Sherritt will be continued focus

Liquidity preservation – Reduction of administrative expenses



28%

Decrease since 2014

Continued focus on cost-cutting measures

Liquidity preservation - Ratification of receivables agreement

- Agreement has 2 components – fixed monthly payments and upside payments related to nickel and cobalt prices
- Amount owed under agreement is US\$150M

**US\$2.5M/
month**

- Currency exchange agreement involving Moa JV and Energas
- Foreign currency used by Moa JV to pay for local expenses will be paid by Energas in local currency
- Sherritt to receive foreign currency via monthly payment
- Payments for May and June received

**100% of
available
distributions**

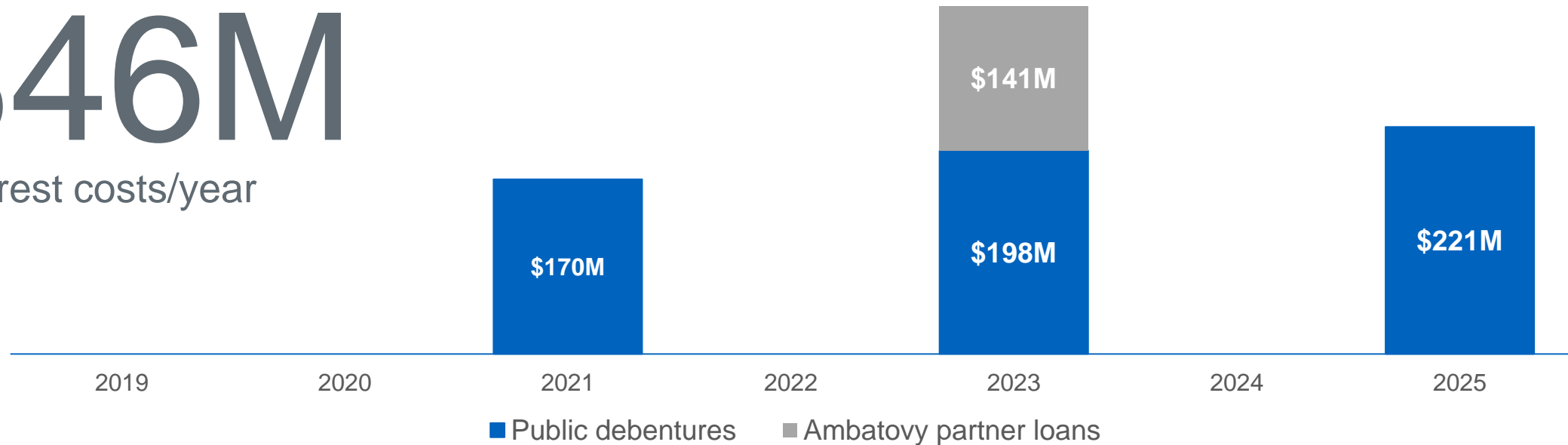
- Minimum threshold for 2019 is \$68M
- Minimum threshold for 2020 under discussion

Sherritt's available cash position in Canada to be positively impacted

Upcoming debt maturities

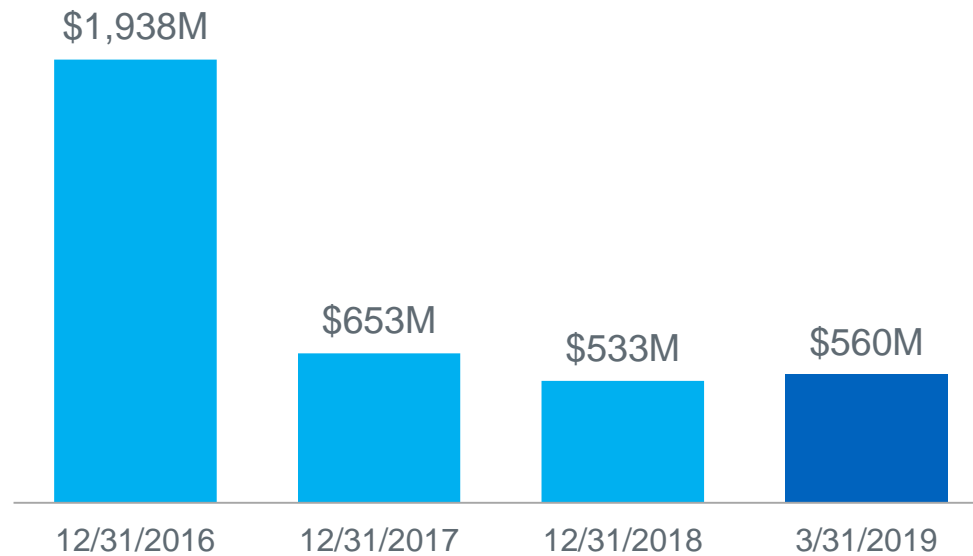
\$46M

Interest costs/year



Reducing our debt¹ will allow Sherritt to capitalize on strong nickel outlook

Debt reduction – Impact of balance sheet initiatives



71%
Decrease in net debt since 2016⁽¹⁾

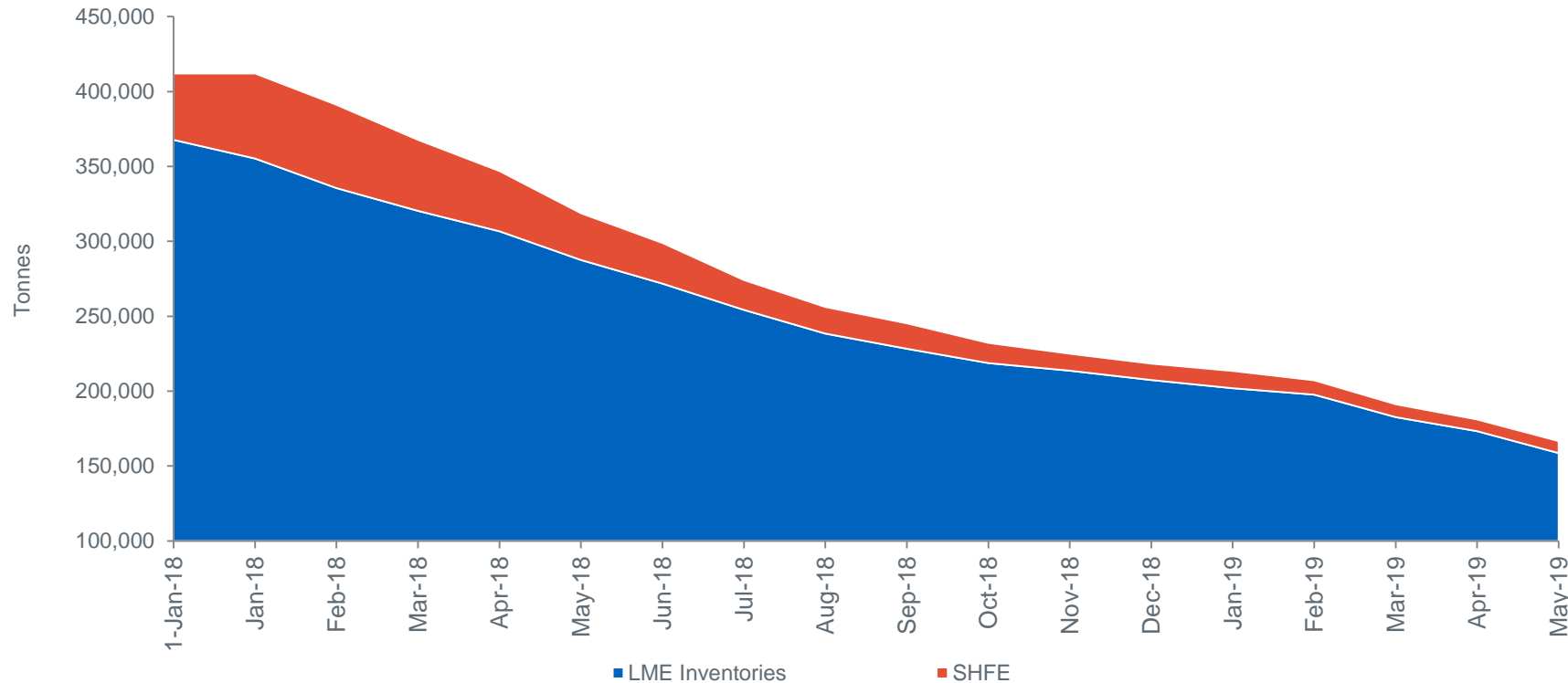
\$2 billion of debt eliminated over past four years



**Uphold global leadership in
finished nickel laterite production**

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Nickel market fundamentals remain strong



60%
Decline in inventory
since Jan 1 2018

Supply deficit for Class 1 nickel is accelerating

Source: LME, SHFE

Nickel market fundamentals remain strong



Stainless steel



Special alloys



EV batteries

+4% growth per year

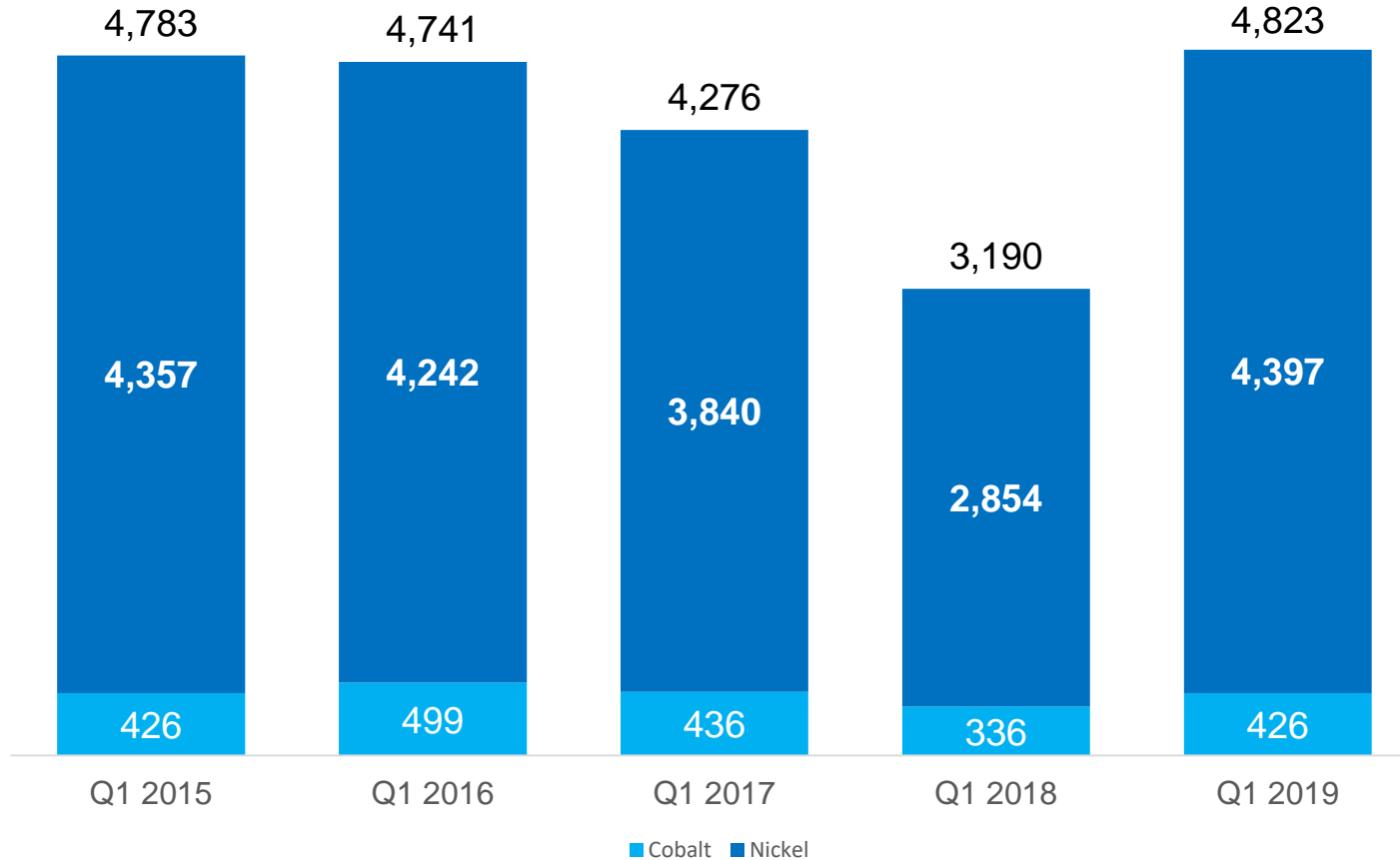
+2% growth per year

+33% growth per year

Nickel consumption to grow to 2.4MT in 2019 and 2.5MT in 2020

Source: LME, SHFE

Higher nickel and cobalt production in Q1



Q1 2019 marked highest ever combined production¹ total for first quarter period

Operational excellence initiatives driving higher production at Moa JV

Optimized performance - Operations

Improved mining equipment availability

- Reduced maintenance and CAPEX costs

Increased ore stockpiles

- Mitigate the impact of the rainy season

Improved mining efficiencies

- “Dump Pocket” commissioned in Q1 2019
- Improved ore throughput and reduced waste haulage



Truck equipment availability is exceeding minimum requirements

Moa was the lowest cost nickel HPAL operation in 2018

Optimized performance – Safety



Improvements driven by training and focus on risk awareness



**Optimize opportunities in
Cuban energy business**

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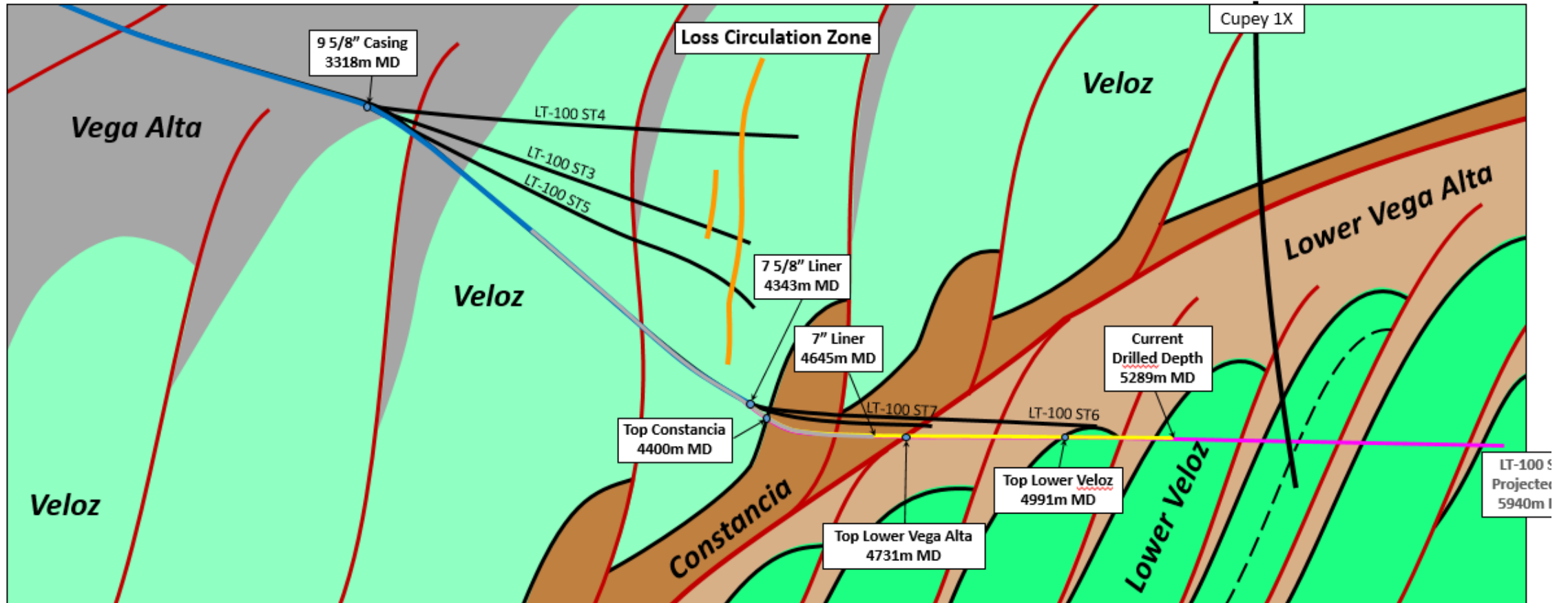
Update on Block 10



- Approximately 5,300 meters of drilling completed
- Lower Veloz zone reached
- Drilling has made use of casing while drilling
- Completion is expected in coming weeks

Prudent drilling and capital spending driven by complex geological formation

Current drilling on Block 10



Drilling is 150 meters from target wellbore intersection

Summary

1

Progress made on items we can control

2

Debt reduction remains key priority

3

Near-term volatility expected until geo-political conditions improve

4

Long-term outlook for nickel and cobalt markets is favorable

Questions?

David Pathe
President and CEO

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Sherritt International Corporation

22 Adelaide West, 42nd Floor

Toronto, Ontario, Canada M5H 4E3

Joe Racanelli

Telephone: (416) 935-2457 Toll-Free: 1 (800) 704-6698

Email: investor@sherritt.com Website: www.sherritt.com