

Sherritt International Corporation

# Annual Meeting of Shareholders

May 9, 2024

**sherritt**

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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 regarding strategies, plans and estimated production amounts resulting from expansion of mining operations at the Moa Joint Venture; growing and increasing nickel and cobalt production; the Moa Joint Venture expansion program update as it relates to the Slurry Preparation Plant and the Processing Plant; statements set out in the “Outlook” section of this presentation; certain expectations regarding production volumes and increases, inventory levels, operating costs, capital spending and intensity; sales volumes; revenue, costs and earnings; the availability of additional gas supplies to be used for power generation; the effect of maintenance challenges at the Moa mine, refinery and fertilizer operations; the timing of repayments of the revolving line of credit by the Moa JV, the amount and timing of dividend distributions from the Moa JV, including in the form of finished cobalt or cash under the Cobalt Swap, sales of finished cobalt and associated receipts related to cobalt received pursuant to the Cobalt Swap; growing shareholder value; expected annualized employee and other Corporate office-related cost savings; sufficiency of working capital management and capital project funding; strengthening the Corporation’s capital structure and amounts of certain other commitments.

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; nickel, cobalt and fertilizer production results and realized prices; current and future demand products produced by Sherritt; global demand for electric vehicles and the anticipated corresponding demand for cobalt and nickel; revenues and net operating results; environmental risks and liabilities; compliance with applicable environmental laws and regulations; advancements in environmental and greenhouse gas (GHG) reduction technology; GHG emissions reduction goals and the anticipated timing of achieving such goals, if at all; statistics and metrics relating to Environmental, Social and Governance (ESG) matters which are based on assumptions or developing standards; environmental rehabilitation provisions; risks related to the U.S. government policy toward Cuba; current and future economic conditions in Cuba; the level of liquidity and access to funding; Sherritt share price volatility; and certain corporate objectives, goals and plans for 2024. 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 the 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. Readers are cautioned that risk factors should be considered in conjunction with the those described in the Corporation’s other documents filed with the Canadian securities authorities, including without limitation the “Managing Risk” section of the Management’s Discussion and Analysis for the three months ended March 31, 2024 and the Annual Information Form of the Corporation dated March 21, 2024 for the period ending December 31, 2023, which is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

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 AND OTHER FINANCIAL MEASURES

Management uses the following non-GAAP and other financial measures in this presentation: combined revenue, net direct cash flow, unit operating cost and free cash flow.

Management uses these and other non-GAAP measures 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/or to evaluate the results of its underlying business. These measures are intended to provide additional information, not to replace International Financial Reporting Standards (IFRS) measures and they do not have a standard definition under IFRS. They 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.

The non-GAAP financial measures are incorporated by reference and are defined and reconciled to the most directly comparable IFRS measures in the Non-GAAP and other financial measures section of the Corporation’s Management’s Discussion and Analysis for the applicable period as described in the Appendix to this presentation.

All figures are in Canadian dollars, unless otherwise noted.

# **Transformation on Track**

**Review of Milestones Delivered**



# Transformation Continues

## Key Milestones Achieved

**June 2021**  
Appoints  
Leon Binedell  
President and CEO

**May 2022**  
Initiates 2022  
debt reduction  
program

**December 2022**  
Completes debt  
reduction of aggregate  
principal of ~C\$150M

**March 2023**  
Releases NI 43-101 Technical  
Report on the Moa JV –  
increasing mine life to 2048

**December 2023**  
Completes phase one of the  
Moa JV expansion on  
schedule and under budget

**December 2023**  
Completes 1<sup>st</sup> year of the  
Cobalt Swap agreement  
receiving ~C\$150M

**November 2021**  
Embarks on Moa  
JV expansion  
strategy

**October 2022**  
Finalizes  
Cobalt Swap  
agreement

**December 2022**  
Energas joint  
venture agreement  
extended to 2043

**July 2023**  
Two new gas wells began  
producing additional gas  
increasing electricity production  
in Power business

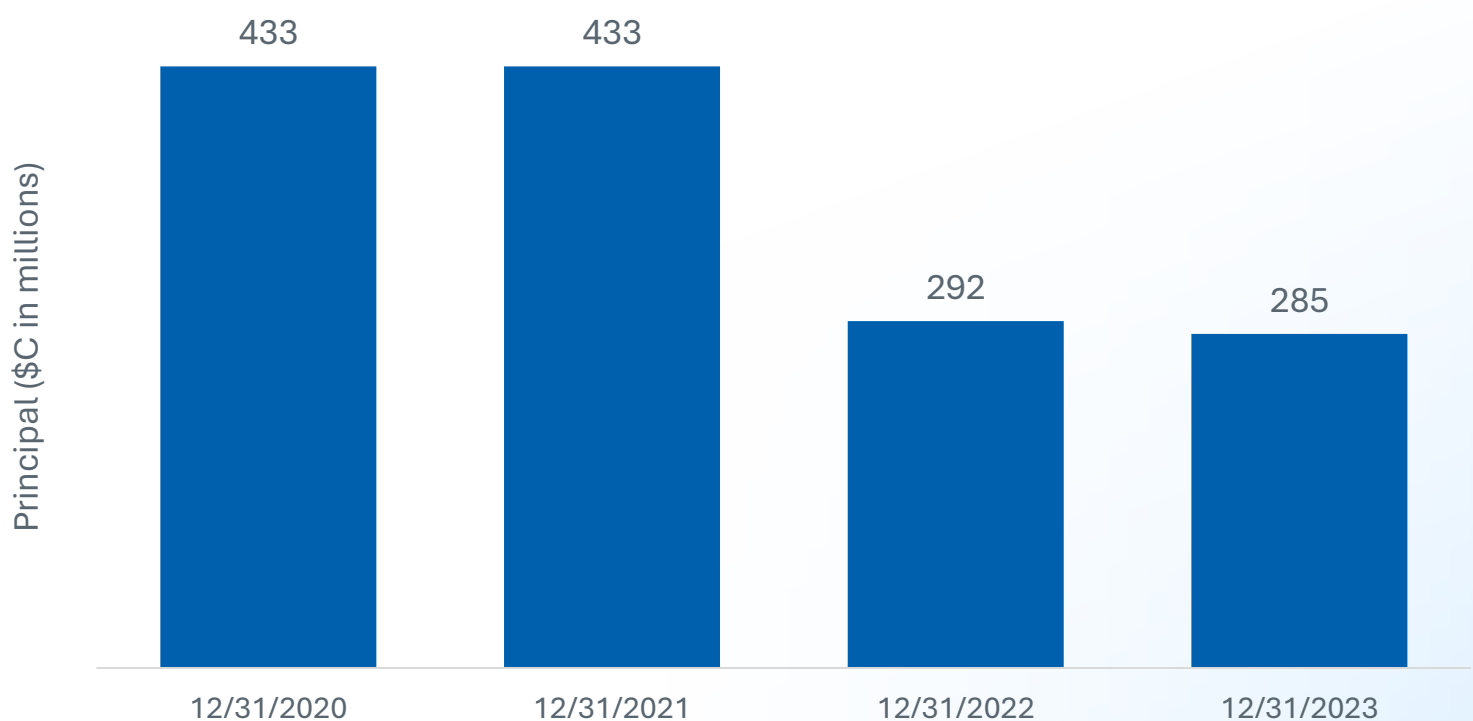
**December 2023**  
Announces 31% increase in  
electricity production in  
Power business



# Balance Sheet

## Significant Improvements

Second Lien Notes and PIK Notes



Since Year End 2021
~\$150M
Reduction in debt
~\$13M
Reduction in annual interest expense

# The Cobalt Swap

## Successfully Completed First Year of the Agreement in 2023

In 2023			
2,082tonnes	\$80M	\$64M	\$76M
Cobalt received from the Moa JV and sold by Sherritt	Realized in cash receipts from cobalt sales	Cash dividend	Reduction in the GNC receivable

Over the Agreement (2023 – 2027)	
US\$114M	\$368M
In annual cash flow	Reduction in GNC receivable

# Moa JV

## 2023 Technical Report

### Moa JV 2023 Technical Report Highlights

- Mineral Reserves increased to 1,182 kt of nickel and 144 kt of cobalt, an increase of 110% and 129%, respectively<sup>(4)</sup>
- Life of mine extended to 2048
- Base case after-tax NPV8% of US\$812 million<sup>(2)</sup>
- Alternative scenario after-tax NPV8% of US\$1,517 million<sup>(2)</sup>

### Attractive economics exclude additional upside from:

- Sherritt's 100% owned fertilizer business
- Third-party feed opportunities
- The Moa JV expansion program

2023 Technical Report Highlights <sup>(1,2,3)</sup>			
100% Basis	Units	Base Case	Alternative Scenario
Life of Mine	Years	26	26
LOM Cash Flow After Tax	US\$ in M	\$1,887	\$3,399
After-tax NPV8%	US\$ in M	\$812	\$1,517
Nickel Reference Price	US\$/lb	\$7.12	\$9.00
Cobalt Reference Price	US\$/lb	\$21.32	\$23.50

Attractive economics with significant upside from the Moa JV expansion





# Metals

## Moa JV Expansion

### Low Capital Intensity Expansion

- Program remains on budget and on schedule
- Phase one, the Slurry Preparation Plant, is currently operating at design capacity
- Phase two, the Processing Plant, is expected to be complete by end of 2024 with the ramp up in 2025

### Additional metal feed will:

- Maximize refinery capacity
- Replace lower margin third-party feed
- Reduce NDCC
- Provide intermediate MSP<sup>(1)</sup> for direct sale into the EV battery supply chain

Expansion expected to increase MSP production by 20%



Slurry Preparation Plant, Moa Cuba



# Operating Portfolio

**Inflection Point Achieved**



Slurry Preparation Plant, Moa Cuba



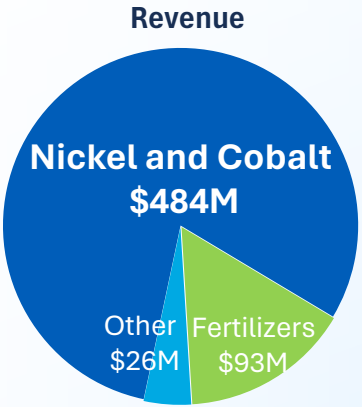
# Metals Overview

## Recent developments

- Completed the first year of the Cobalt Swap agreement
- Beginning to realize benefits from the Slurry Preparation Plant
  - Reducing ore haulage distances, lowering carbon intensity from mining, increasing MSP production
- Streamlined to deliver value, optimize results and reduce NDCC<sup>(1)</sup>



## 2023 Results



## Free Cash Flow<sup>(1)</sup>

\$59 million

## 2024 Guidance<sup>(2)</sup>

30,000 – 32,000 tonnes

Finished Nickel  
Production

3,100 – 3,400 tonnes

Finished Cobalt  
Production

US\$5.50 – \$6.00 per pound  
Net Direct Cash Cost  
(NDCC)<sup>(1)</sup>

Cobalt Swap distributions  
expected in H2 2024

1. Non-GAAP financial measures. These measures are incorporated by reference. For additional information see the Non-GAAP and other financial measures slide in the Appendix of this presentation.  
2. 100% basis.

# Power Overview

## Recent developments

- Increased electricity production on higher gas availability from two wells that went into production in the second quarter of 2023
- Energas JV contract extended to March 2043, ensuring a stable operational environment
- Successful “Moa Swap” ensures necessary liquidity for maintenance and operations management

As a key partner supporting Cuba's plans to increase power production Cuba is prioritizing additional wells to increase gas supply for additional electricity production

**Higher production expected to increase dividends in Canada in 2024**



2023 Results		2024 Guidance
Revenue <sup>(2)</sup>	Free Cash Flow <sup>(1)(2)</sup>	775 - 825 GWh <sup>(2)</sup> Electricity Production
\$47 million	\$14 million	\$32.50 - \$34.00/MWh <sup>(1)</sup> Electricity Unit Operating Costs



# First Quarter 2024 Highlights



Increased liquidity in Canada to \$68 million from \$63 million at end of Q4 2023



Reduced nickel inventory through strong spot sales. Mining, processing and refining (MPR) costs 13% lower year-over-year



Moa JV expansion: Slurry Preparation Plant is operating at design capacity. Processing plant remains on schedule for commissioning and ramp up in 2025



Power sales volume 33% higher year-over-year from increased gas supply

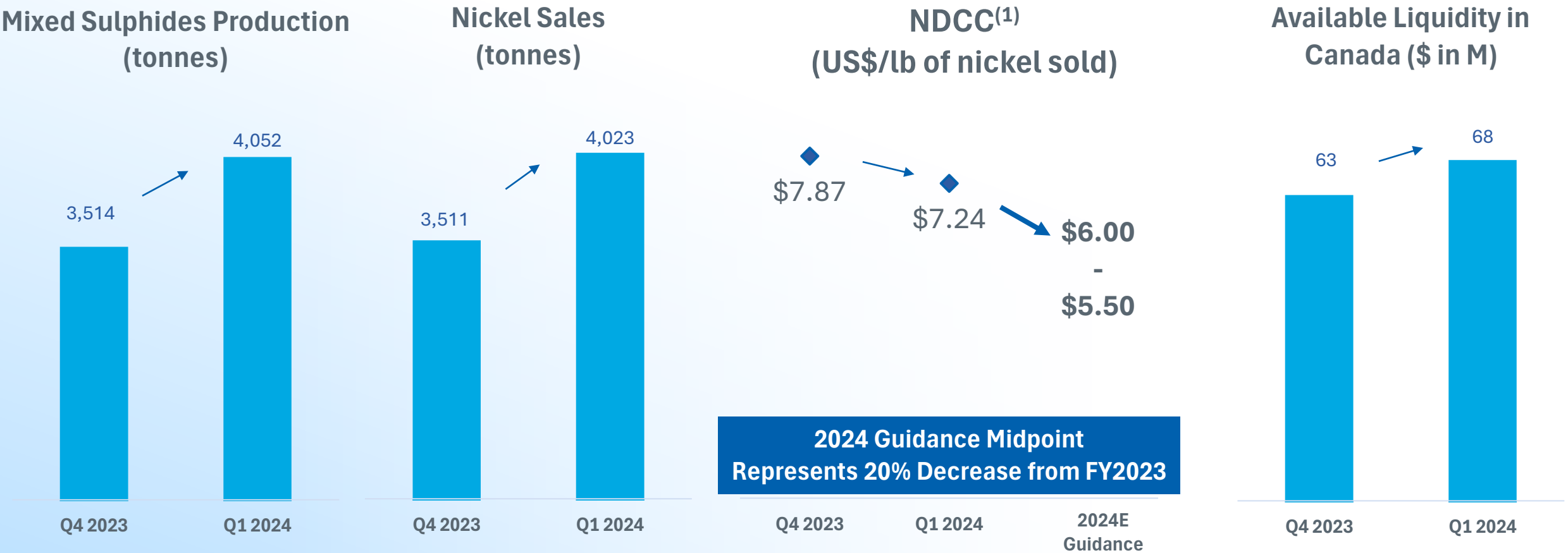


Fort Saskatchewan, Alberta

## Expecting further improvements to operating results with significantly lower NDCC<sup>(1,2)</sup>

# First Quarter 2024

## Improvements in Key Metrics



1. Non-GAAP financial measure. For additional information see the Non-GAAP and other financial measures section in the Appendix to this presentation.

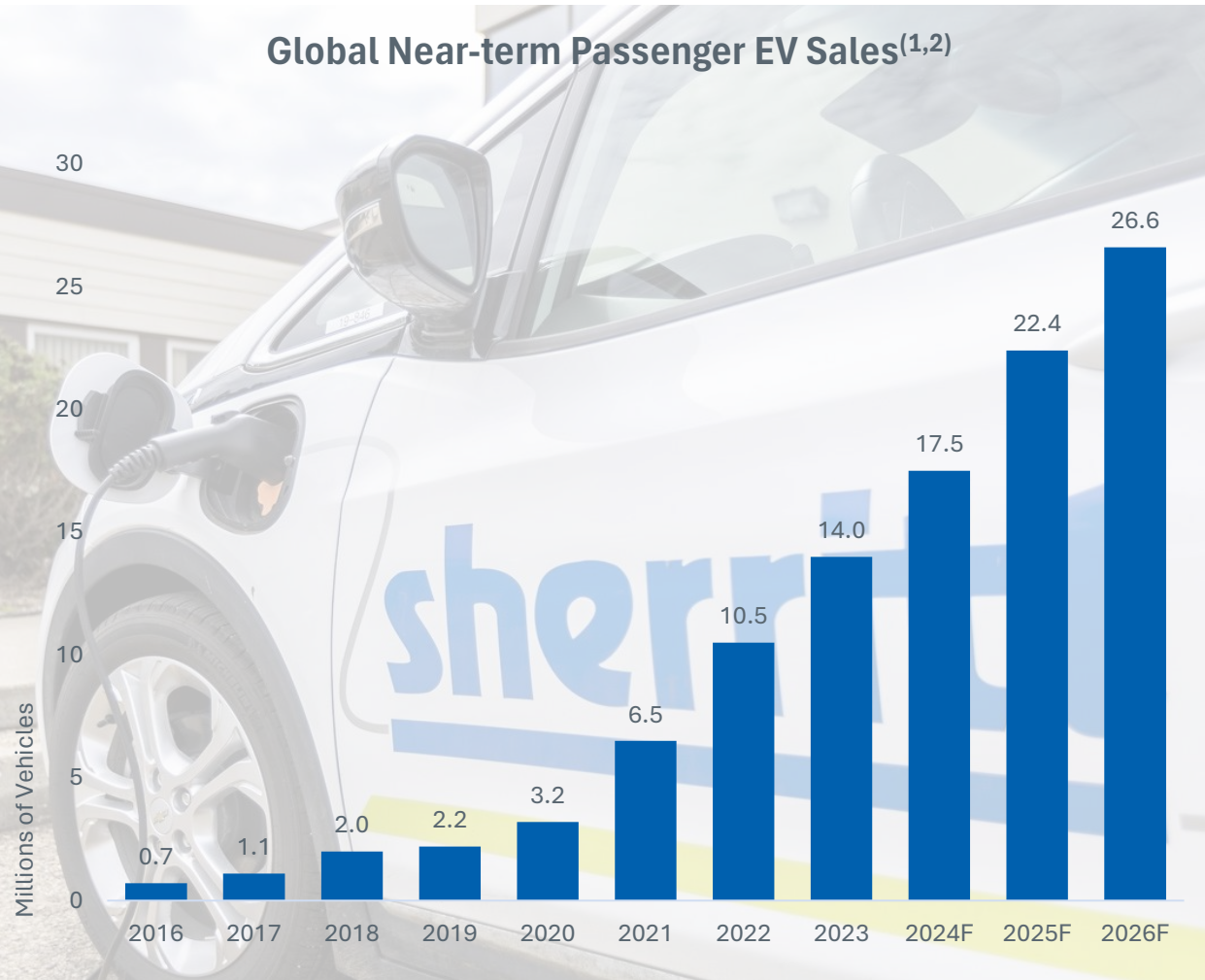
# **Future Outlook & Opportunities**

**Transformation Continues**



# Market Outlook

## EV Sales Continue to Grow

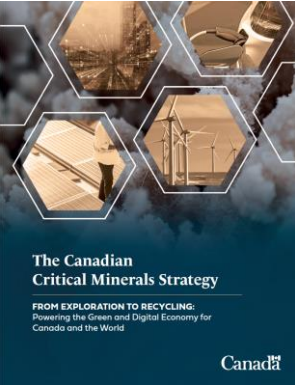


**“EV sales continue to surge in the next few years, rising from 10.5 million in 2022 to almost 27 million in 2026.**

**The EV share of global new passenger vehicle sales jumps from 14% in 2022 to 30% in 2026.”**  
- BloombergNEF

# Market Outlook

## Government Initiatives Advancing the Energy Transition<sup>(1)</sup>



Ford EV battery plant in Bécancour, QC



Honda EV battery plant in Alliston, ON



VW EV battery plant in St. Thomas, ON



Stellantis, LG EV battery plant in Windsor, ON

## Over \$30B in Investments in Ontario and Quebec

### Ottawa, Ontario announce \$15-billion Honda EV deal

AUTOMAKER: HONDA

DATE ANNOUNCED: APRIL, 2024

LOCATION: ALLISTON, ONT.

GOVERNMENT FUNDING: OTTAWA COMMITS AROUND \$2.5-BILLION (THROUGH TAX CREDITS), ONTARIO, \$2.5-BILLION (DIRECTLY AND INDIRECTLY)

### Sweden's Northvolt picks Quebec for multibillion-dollar EV battery factory

AUTOMAKER: NORTHVOLT

DATE ANNOUNCED: SEPTEMBER, 2023

LOCATION: SAINT-BASILE-LE-GRAND, QUE.

GOVERNMENT FUNDING: OTTAWA COMMITS UP TO \$4.4-BILLION; QUEBEC, \$3-BILLION (INCLUDING \$1.37-BILLION IN LOANS)

### Ford, others to build \$1.2-billion EV battery-materials plant in Quebec

AUTOMAKER: FORD

DATE ANNOUNCED: AUGUST, 2023

LOCATION: BÉCANCOUR, QUE.

GOVERNMENT FUNDING: OTTAWA, QUEBEC COMMIT \$322-MILLION EACH (SOME OF WHICH IS A LOAN)

### Ottawa reaches deal with Stellantis, LG over EV battery plant in Windsor

AUTOMAKER: STELLANTIS, LG

DATE ANNOUNCED: JULY, 2023

LOCATION: WINDSOR, ONT.

GOVERNMENT FUNDING: UP TO \$15-BILLION, WITH OTTAWA COVERING TWO-THIRDS, ONTARIO, ONE-THIRD

### Volkswagen to build EV battery plant in southwest Ontario

AUTOMAKER: VOLKSWAGEN

DATE ANNOUNCED: APRIL, 2023

LOCATION: ST. THOMAS, ONT.

GOVERNMENT FUNDING: UP TO \$14.4-BILLION, WITH OTTAWA COVERING ABOUT TWO-THIRDS, ONTARIO, ONE-THIRD

### GM, POSCO to build EV battery-parts plant in Quebec

AUTOMAKER: GENERAL MOTORS

DATE ANNOUNCED: MARCH, 2022

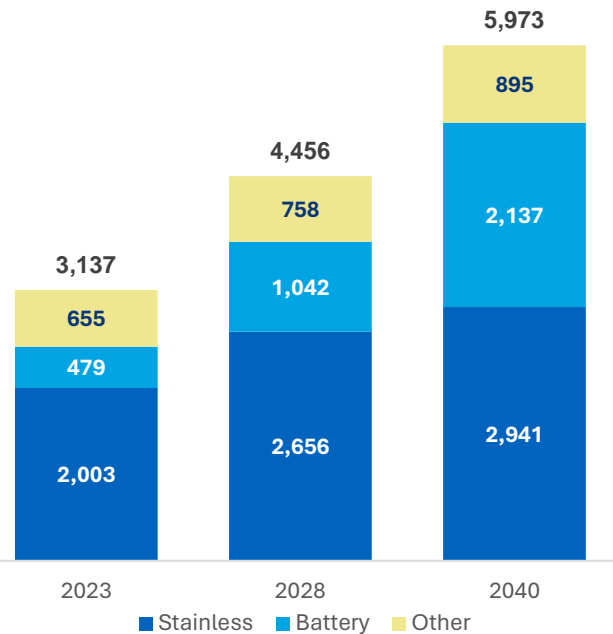
LOCATION: BÉCANCOUR, QUE.

GOVERNMENT FUNDING: OTTAWA COMMITS \$147-MILLION, QUEBEC, \$152-MILLION LOAN

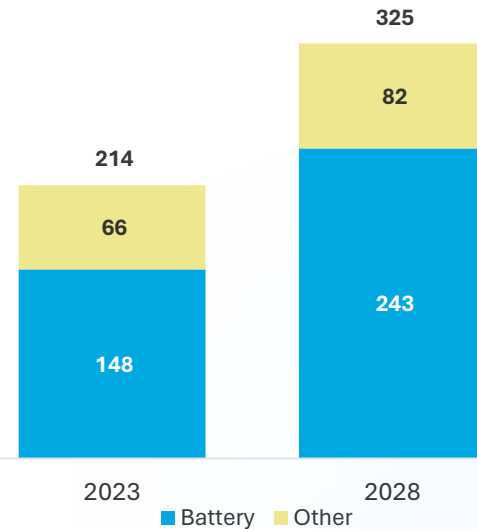
# Market Outlook

## Long-term Demand Remains Strong

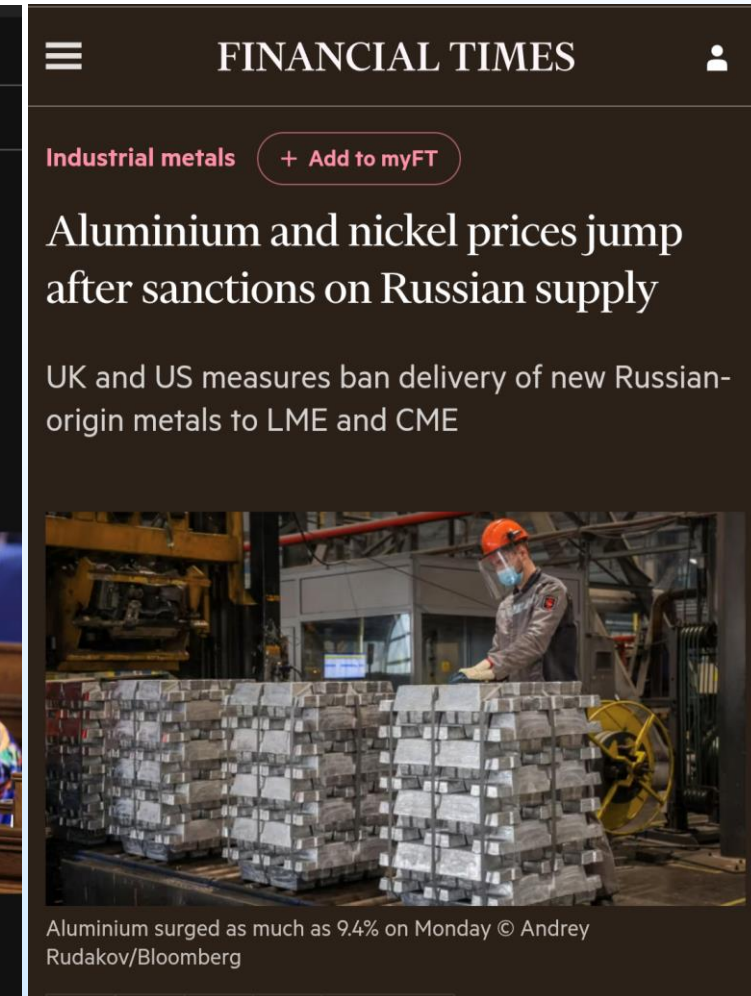
Nickel Demand Growth (kt)<sup>(1)</sup>



Cobalt Demand Growth (kt)<sup>(2)</sup>



**Geopolitics continuing to influence market demand and prices**





# Sherritt International Corporation

## Fort Saskatchewan Refinery - A Strategic Asset



**28,672 tonnes**

Finished Nickel Production<sup>(1)</sup>



Enough Nickel for  
Over 450,000 EVs<sup>(2)</sup>

**2,876 tonnes**

Finished Cobalt Production<sup>(1)</sup>

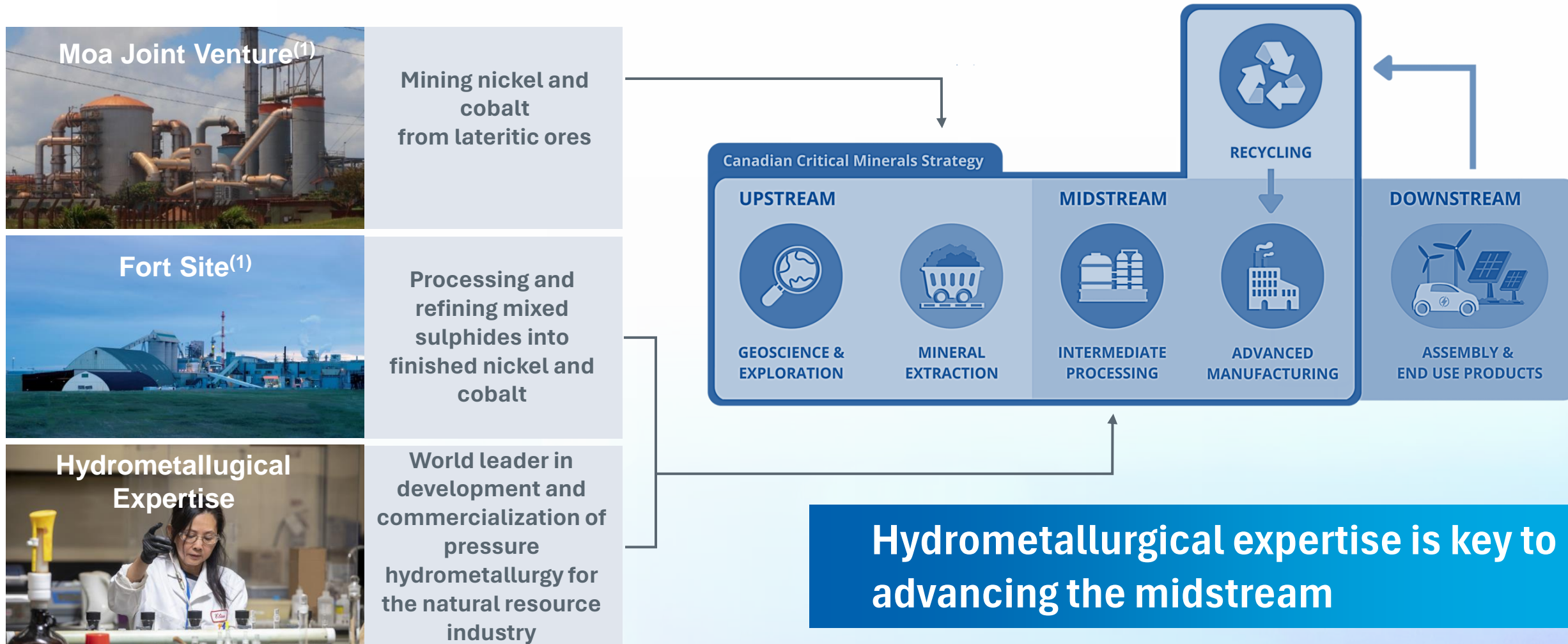
**170,161 tonnes**

Fertilizer Sold<sup>(1)</sup>

**Operating in Fort Saskatchewan  
Since 1954**

# Sherritt International Corporation

## Well Established in the Critical Minerals Value Chain

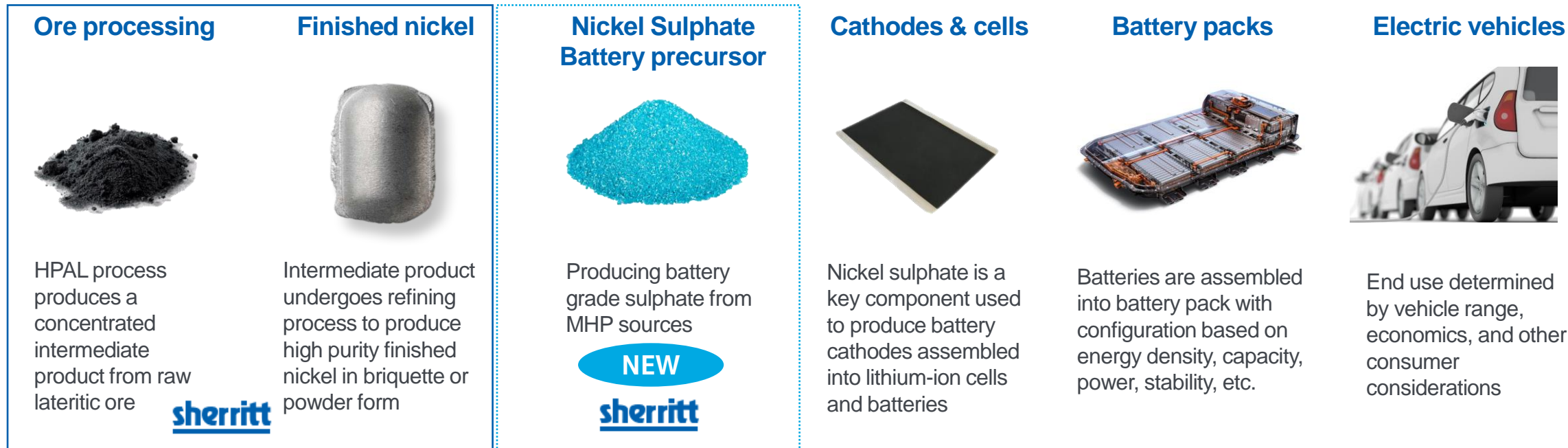


# Strategic Developments

## Midstream Processing

### Midstream processing

- Advanced mixed hydroxide precipitate (MHP) midstream processing flowsheet for production of nickel and cobalt sulphate while also reducing sodium sulphate effluent, a key environmental challenge for the industry
- Project focus in 2024 will be on site identification, customer and partnership arrangements, and further process development and project definition





# Environmental, Social and Governance (ESG)





# ESG Performance

## 15 Years of Sustainability Reporting



### Environment

- Completed baseline energy / GHG assessments at all operations
- Completed TCFD-aligned climate risk assessments at the Fort and Energas sites
- Fort Site ISO 14001 (environmental management system) certified in 2023
- No significant environmental incidents at any site in 2023



### Social

- 23% of employees are women and 43% of Board of Directors are women (50% of non-executive Board members)
- Contributed to local community investment projects
- Fort Site ISO 45001 (health & safety management system) certified in 2023
- Independently verified that mineral supply chain does not interact with any conflict-affected and high-risk areas



### Governance

- Effective management systems embedded across the organization (TSM, ISO, OECD, LME)
- Functional oversight from Board on ESG matters

**Strong ESG credentials is essential for customers and key stakeholders**



# Conclusion



# Foundation Has Been Built

## Significant Opportunities Ahead

Balance Sheet  
Improvements

Cobalt Swap  
Agreement

Moa JV 2023  
Technical Report

Moa JV  
Expansion

### Metals



- Cobalt Swap distributions expected in H2 2024
- 2024 NDCC<sup>(1)</sup> improving to US\$5.50/lb to US\$6.00/lb
- Moa JV expansion Phase 1 complete and Phase 2 to deliver higher production and lower NDCC<sup>(1)</sup>

### Power



- Realizing higher electricity production
- Drilling additional wells to further increase gas supply for additional electricity production
- Higher production expected to deliver increasing dividends in Canada starting in 2024

### Future Opportunities



- MHP midstream processing to produce nickel and cobalt sulphate for the North American EV battery supply chain, while also reducing sodium sulphate effluent, a key environmental challenge for the industry

# APPENDIX

# Moa Joint Venture

## Proven and Probable Mineral Reserves

As of December 31, 2023<sup>(1)</sup> (100% basis)

Reserve classification <sup>(2)</sup>	Tonnage (millions of tonnes)	Ni (%)	Co (%)	Ni (000 t)	Co (000 t)
Proven	81.0	1.02	0.13	825.8	101.8
Probable	33.2	0.98	0.12	325.5	38.5
<b>Total Proven and Probable Mineral Reserves</b>	<b>114.1<sup>(3)</sup></b>	<b>1.01</b>	<b>0.12</b>	<b>1151.3</b>	<b>140.2</b>

Notes:

1. Proven and Probable Mineral Reserve estimate, as at December 31, 2022, was 116.0 million tonnes.
2. Variable cut-off grades applied. All assumptions, parameters, and methods used to estimate the mineral resources and reserves are disclosed in the 2023 Moa JV Technical Report.
3. Depletion date used for reporting these Mineral Reserves is 31st December 2023.



# Moa Joint Venture

## Mineral Resources Inclusive of Mineral Reserves

As of December 31, 2023 (100% basis)<sup>(3)</sup>

Resources classification <sup>(1)</sup>	Tonnage (millions of tonnes)	Ni (%)	Co (%)	Ni (000 t)	Co (000 t)
Measured	95.0	1.05	0.13	993.9	121.6
Indicated	57.7	1.06	0.11	609.9	61.7
<b>Total Measured and Indicated Resources</b>	<b>152.7<sup>(2)</sup></b>	<b>1.05</b>	<b>0.12</b>	<b>1,603.8</b>	<b>183.3</b>
Inferred	42.0	0.99	0.12	417.1	48.8

Notes:

1. All assumptions, parameters, and methods used to estimate the mineral resources and reserves are disclosed in the 2023 Moa JV Technical Report.
2. Depletion date used for reporting these Mineral Reserves is 31st December 2023.
3. Totals may not sum exactly due to each component number being rounded to its nearest decimal.

# Appendix

## Non-GAAP and Other Financial Measures

This presentation references “combined revenue”, “net direct cash cost” (“NDCC”), “unit operating cost” and “free cash flow” which are non-GAAP financial measures. Measures for three months (Q4 2023) and the year ended December 31, 2023 are incorporated by reference to Sherritt’s Management Discussion and Analysis (“MD&A”) for the year ended December 31, 2023, dated February 7, 2024, which is included in Sherritt’s 2023 Financial Results report. The amounts referenced in this presentation and their reconciliation to the most directly comparable IFRS measures are in the Non-GAAP and other financial measures section of the MD&A starting on page 57. Measures for the three months ended March 31 2024 (Q1 2024) are incorporated by reference to Sherritt’s MD&A for the three months ended March 31, 2024, dated May 8, 2024, which is included in Sherritt’s Q1 2024 Financial Results report. The amounts referenced in this presentation and their reconciliation to the most directly comparable IFRS measures are in the Non-GAAP and other financial measures section of the MD&A starting on page 46.

The MD&A’s for the year ended December 31, 2023 and three months ended March 31, 2024 are available on Sherritt’s website ([www.Sherritt.com](http://www.Sherritt.com)) as well as on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca)



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