Sherritt Overview

Sherritt has a 90-year history of growth and innovation. This experience has enabled Sherritt to emerge as a world leader in the mining and refining of nickel and cobalt from lateritic ores and become Cuba’s largest foreign investor through its Moa Joint Venture and as the country’s largest independent energy producer.

As a producer of the highest purity nickel and cobalt and a continued focus on improving production efficiencies at its Moa JV, Sherritt is well positioned to capitalize on the growing demand for battery metals needed for electric vehicles.

Sherritt’s Investment Highlights

- Leader in mining and hydrometallurgical refining of nickel and cobalt from lateritic ores.
- Upside leverage to improving nickel and cobalt prices.
- Well positioned to capitalize on electric vehicle battery demand.
- Low-cost producer of high purity nickel and cobalt.
- Energy assets add cash flow diversity.

Global Operations

- Completion of Block 10 testing is expected in Q1 2020.
- Completion of Balance Sheet Initiative
- Long-term upside potential driven by strong nickel and cobalt market fundamentals.

Market Data*

- Ticker Symbol: S
- Current Price: $0.18
- 52-Week Range: $0.15 - $0.53
- Market Capitalization: $71MM
- Shares Outstanding: 397.3MM
- Average Daily Volume: 1.1MM

Recent Progress

- Sherritt met or exceeded its 2019 production, unit cost and capital spend guidance for its Cuban operations.
- Ended Q4 2019 with $166MM in cash and equivalents.
- Received commitment from Cuban partners to increase monthly payments related to overdue receivables to US$7.5MM
- Balance Sheet Initiative announced to reduce debt and interest costs and address Ambatovy debt legacy.
- Completed drilling on Block 10, reaching target depth of 5,700M

2019 Strategic Direction & Upcoming Catalysts

- Completion of Block 10 testing is expected in Q1 2020.
- Completion of Balance Sheet Initiative
- Long-term upside potential driven by strong nickel and cobalt market fundamentals.

*As of market close February 26, 2020
Strong demand for stainless steel and alloy application has led to significant inventory declines.

Indonesia’s nickel ore export ban takes effect 2020 and will further reduce supply.

The fastest growing market for nickel is electric vehicle batteries.

No significant new nickel supply coming on line in the near term.

Sherritt produces Class 1 nickel, a high purity form of nickel with limited supply and growing demand around the world.

**Why Nickel Supply Deficit is Looming**

- Strong demand for stainless steel and alloy application has led to significant inventory declines.
- Indonesia’s nickel ore export ban takes effect 2020 and will further reduce supply.
- The fastest growing market for nickel is electric vehicle batteries.
- No significant new nickel supply coming on line in the near term.

**Cobalt impact on NDCC**

![Graph showing cobalt impact on NDCC](image)

Sherritt produces Class 1 nickel, a high purity form of nickel with limited supply and growing demand around the world.

**Analyst Coverage**

- T. Robson – Global Mining Research
- Don Demarco – National Bank
- David Davidson – Paradigm Capital
- Orest Wowkodaw – Scotiabank
- Greg Barnes – TD Securities

**Contact Information**

Joe Racanelli
Sherritt International
Bay Adelaide Centre, East Tower
22 Adelaide St. West, Suite 4220
Toronto, ON M5H 4E3
Tel. (416) 935 2451
investor@sherritt.com
www.sherritt.com

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**Recent Financial Highlights**

<table>
<thead>
<tr>
<th></th>
<th>Q4 2019</th>
<th>Q4 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Combined revenue</td>
<td>$143.4MM</td>
<td>$142.6MM</td>
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<tr>
<td>Adjusted EBITDA</td>
<td>$17.9MM</td>
<td>$12.4MM</td>
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<tr>
<td>Adjusted net earnings</td>
<td>$(30.9)MM</td>
<td>$(20.8)MM</td>
</tr>
<tr>
<td>Adjusted EPS</td>
<td>$(0.08)</td>
<td>$(0.05)</td>
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<tr>
<td>Operating cash flow</td>
<td>$7.3MM</td>
<td>$12.6MM</td>
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<tr>
<td>Net debt</td>
<td>$572MM</td>
<td>$533MM</td>
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Sherritt recently announced a balance sheet initiative that addresses its pending debt maturities and Ambatovy debt legacy. The transaction delivers a number of benefits to all key stakeholders, including reducing total debt by approximately $414 million and annual interest expenses by $19 million.

**Operational Highlights**

**Moa JV Production (tonnes)**

<table>
<thead>
<tr>
<th></th>
<th>Q4 2018</th>
<th>Q4 2019</th>
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</thead>
<tbody>
<tr>
<td>Finished Nickel</td>
<td>4,294</td>
<td>4,049</td>
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<tr>
<td>Finished Cobalt</td>
<td>428</td>
<td>411</td>
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**Oil (Total NWI, boepd)**

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<thead>
<tr>
<th></th>
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<th>Q4 2019</th>
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<tr>
<td>Q4 2018</td>
<td>1,597</td>
<td>1,185</td>
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<tr>
<td>Q4 2019</td>
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**Power (Gwh)**

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<thead>
<tr>
<th></th>
<th>Q4 2018</th>
<th>Q4 2019</th>
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</thead>
<tbody>
<tr>
<td>Q4 2018</td>
<td>184</td>
<td>186</td>
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<tr>
<td>Q4 2019</td>
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