SHERRITT
THE NAME IN NICKEL

Investor Presentation

April 2018

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 regarding production volumes, operating costs and capital spending; supply, demand and pricing outlook in the nickel and cobalt markets; results of discussions regarding timing of ongoing Cuban payments; drill results on exploration wells; joint venture environmental rehabilitation costs and amounts of certain other commitments.

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; access to capital; access to financing; risks related to the liquidity of the Ambatovy Joint Venture; volatility in the adoption of electric vehicles and composition of electric vehicle battery materials; the risk to Sherritt’s entitlements to future distributions from the Ambatovy Joint Venture; risk of future non-compliance with debt restrictions and covenants; risks associated with the Corporation’s joint venture partners; variability in production at Sherritt’s operations in Madagascar and Cuba; potential interruptions in transportation; uncertainty of gas supply for electrical generation; uncertainty of exploration results and Sherritt’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 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; risks related to Sherritt’s operations in Madagascar; risks associated with Sherritt’s development, construction and operation of large projects generally; 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; 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; uncertainties in growth management.

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Non-GAAP Measures

Management uses combined results, Adjusted EBITDA, average-realized price, unit operating cost, adjusted earnings, 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.

Agenda

1 The electric vehicle market and outlook for nickel and cobalt

2 Sherritt's operations and recent progress

3 Balance sheet initiatives and elimination of $2B of debt

4 2018 outlook and catalysts

Electric vehicles start with nickel and cobalt

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
- Production of Tesla semi trucks begins

2020
- 100% of Jaguar Land Rover's fleet will be electric
- GM will have 10 EV models for Chinese market

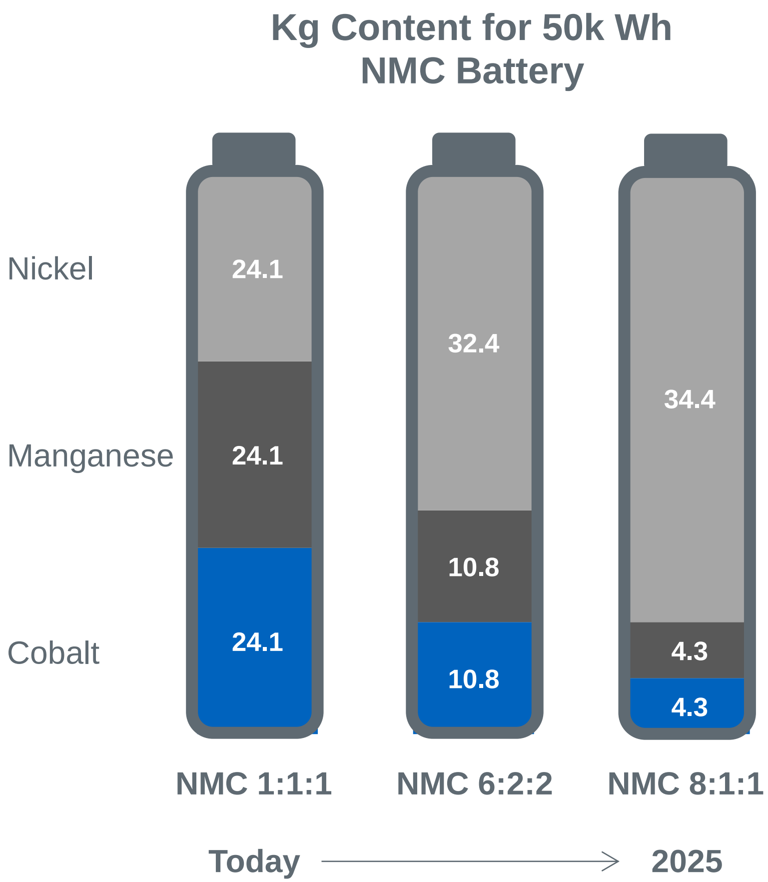
2022
- Ford will launch an all-electric SUV + 24 hybrid and 16 full EVs as a result of $11B investment

2025
- Norway's ban of ICE vehicles take effect
- 30% of Audi vehicle sales will be electric

Pace of EV revolution is driving higher nickel and cobalt prices

*Source: Bloomberg New Energy Finance, UBS

EV batteries will increasingly rely on nickel



Changes driven by:

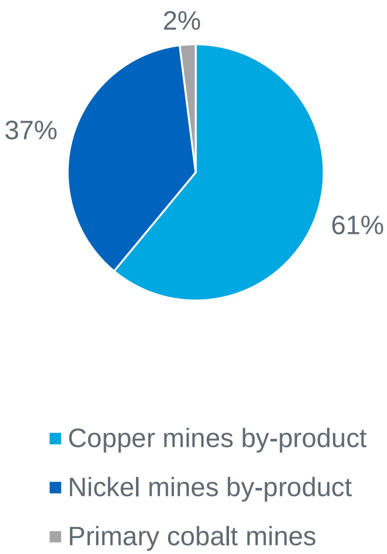
- Cobalt supply constraints
- Commodity pricing environment
- Surging end-product demand

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

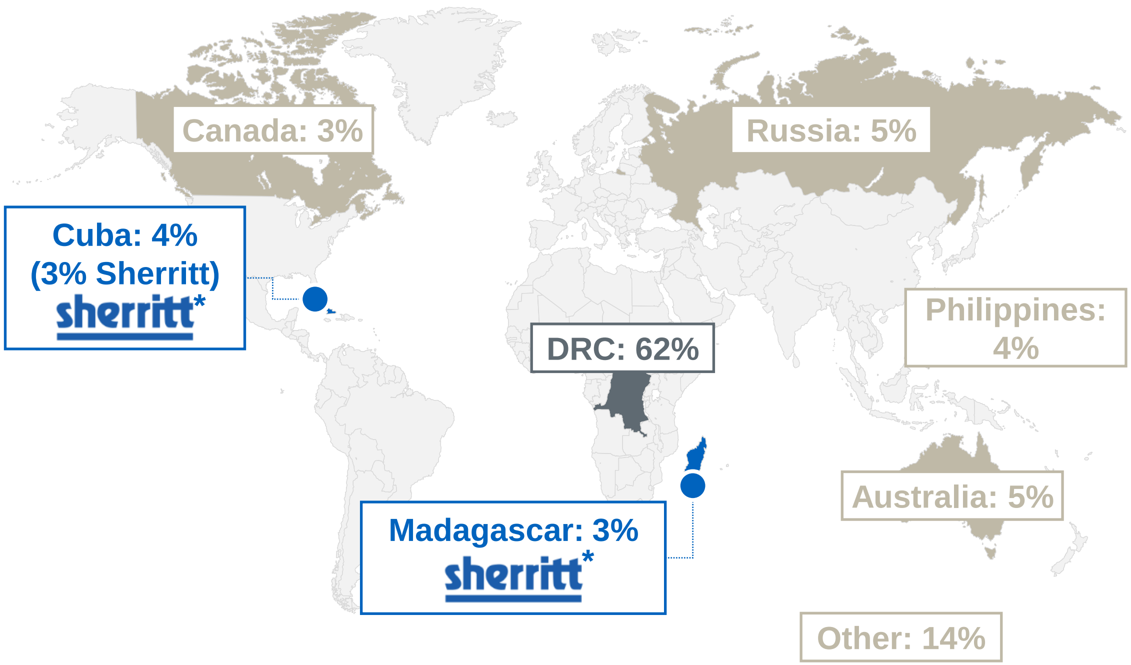
Source: Bernstein Research; CRU Group

Cobalt supply marked by jurisdictional risk

Cobalt sources



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

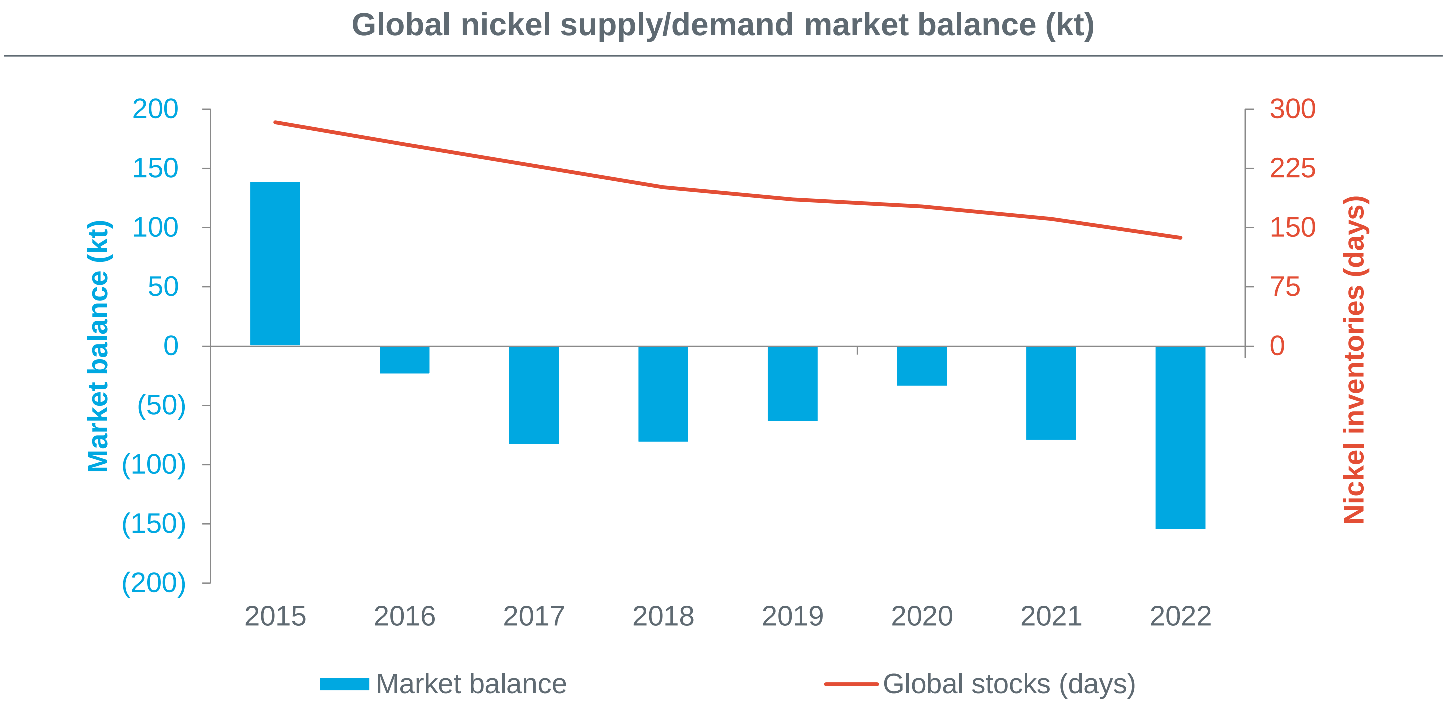


Sherritt produces steady supply from safe jurisdictions

*On a 100% basis

Source: CRU, Sherritt

Nickel supply deficit is looming



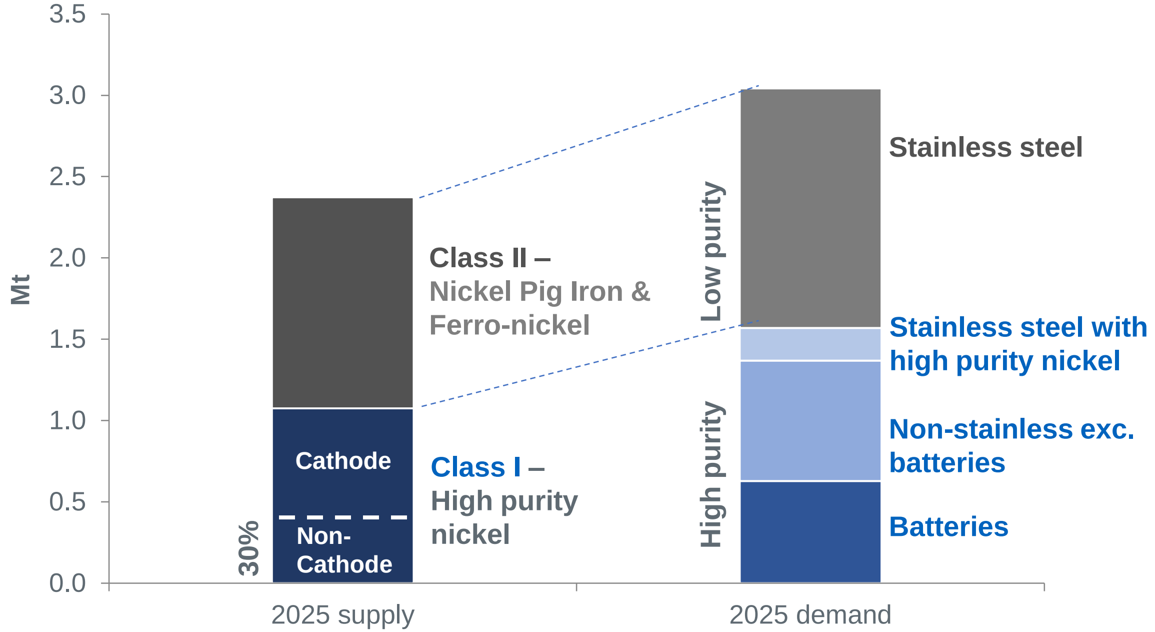
- Demand is tied to EV battery requirements
- Supply deficit expected to grow through 2022

Imbalance will be driven by demand for Class 1 nickel

Source: Wood Mackenzie, Market balance - Base case (Q4 2017)

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

Operations

Moa Joint Venture

Moa

Cuba

- 50/50 partnership with Cuban SOE
- Mining and processing of nickel and cobalt from lateritic ore bodies
- High cobalt-to-nickel production ratio

Refinery

Fort Saskatchewan, Alberta

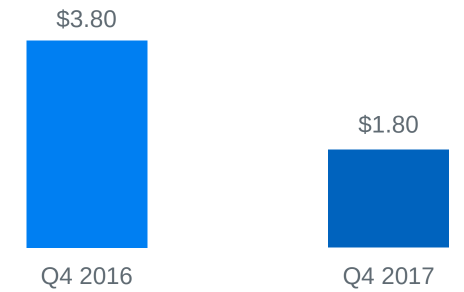
- Refining of Moa JV and 3rd-party mixed sulphides
- Produces finished nickel and cobalt in briquette form
- Includes fertilizer business, utilities and storage facilities
- 25 years of collaborative production

Sherritt's Moa JV is ranked in lowest cash cost quartile

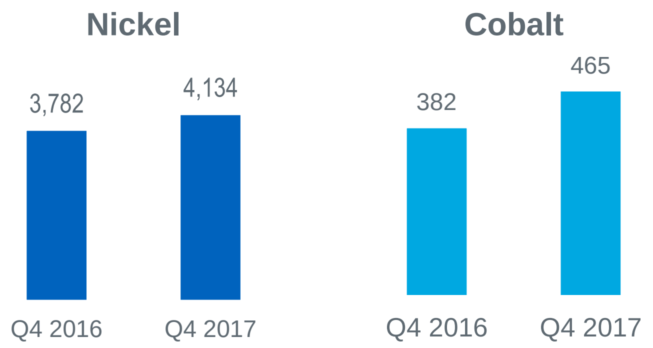
Moa JV and Fort Site - collaborative production

- 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 (50%, tonnes)



Q4 2017 cash cost for nickel was lowest since Q3 2004

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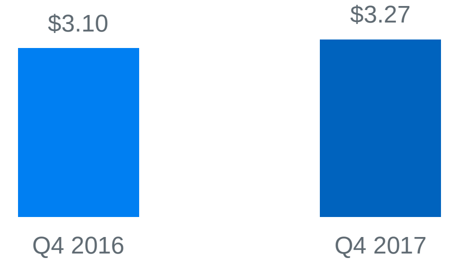
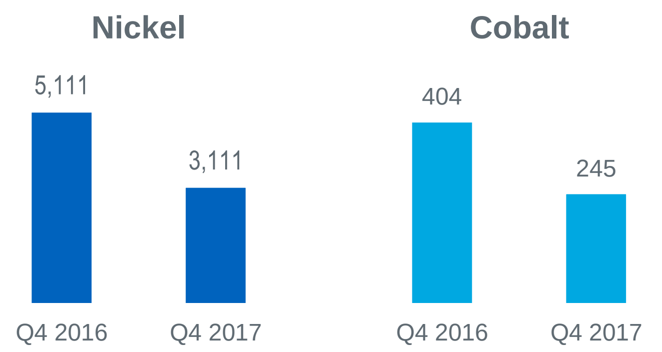
Ambatovy Joint Venture

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

NDCC costs (US$/lb)



Production (40% then 12%[1], tonnes)



JV restructuring eliminated $1.4B in debt from Sherritt's balance sheet

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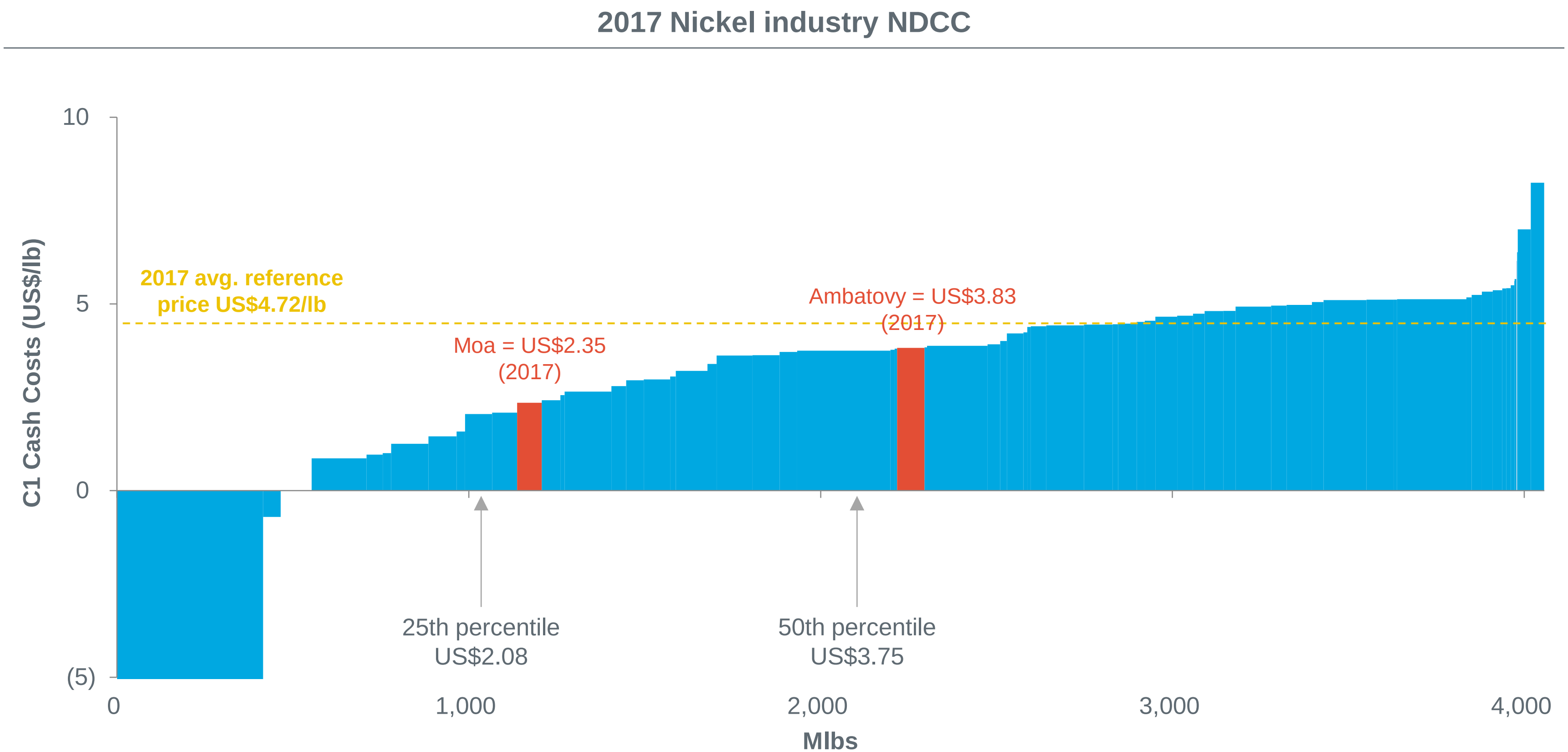
(1) Sherritt's share of Ambatovy reflects its interest at 40% to December 10, 2017 and 12% thereafter

Sherritt is a low cost nickel producer



NDCC at Moa and Ambatovy declined significantly from 2016; Benefitted from high cobalt to nickel ratio

Source: Wood Mackenzie, Q4 2017 dataset

Sherritt's global operations

Global operations

- 35+ commercial operations globally have utilized Sherritt technology and know-how
- Sherritt technology is used in 100% of all nickel and cobalt briquettes produced globally

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

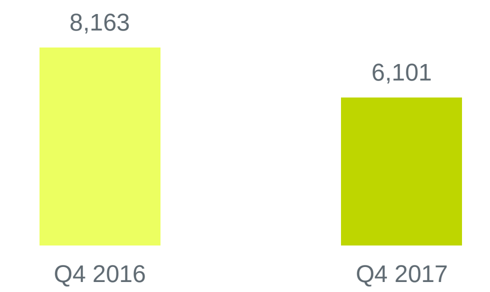
Strong financial contributions in 2017

- $61.9 million in Adjusted EBITDA
- $49.9 million in Adjusted cash flow from operations

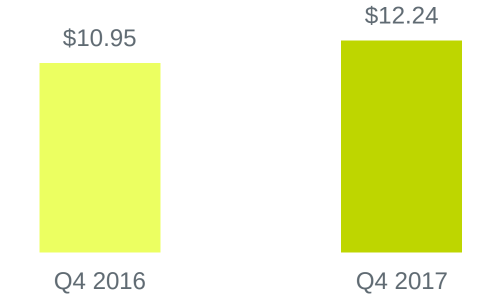
Potential upside

- Block 10 drilling results expected in Q3 2018
- Targeting a new 20-year reservoir

Total production (NWI, boepd)



Cuba unit operating costs ($/bbl)



Puerto Escondido/Yumuri PSC recently extended to 2021

Power operations

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

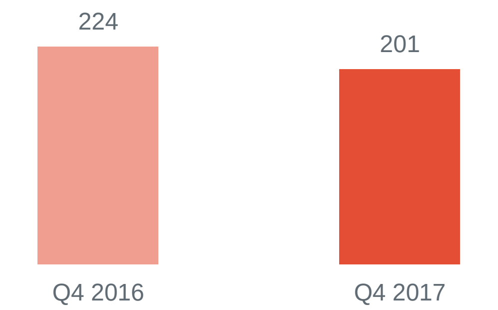
Strong financial contributions in 2017

- $30.1 million in Adjusted EBITDA
- $30.9 million in Adjusted cash flow from operations

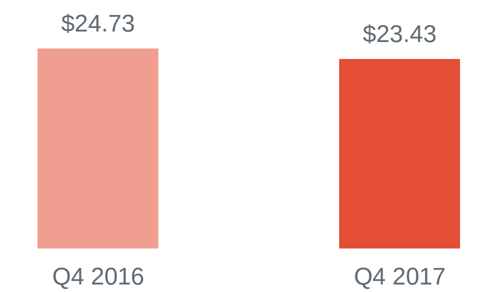
Potential upside

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

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



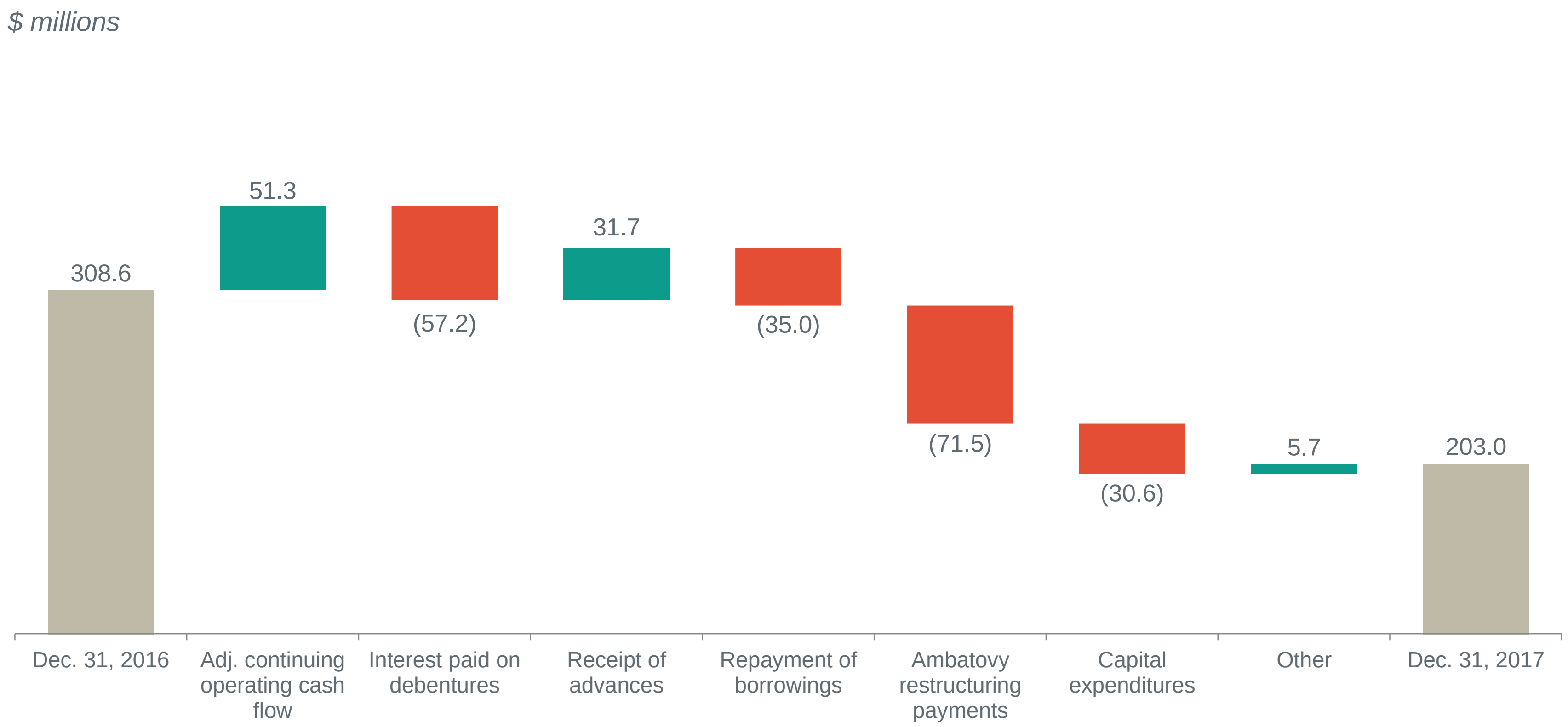
Unit operating costs ($/MWh)



Provides consistent cash flow contributions

Financial highlights

Consolidated cash from Dec. 31, 2016 to Dec. 31, 2017



Liquidity since improved by $15M post equity offer and Dutch auction tender offer for debentures

Status of overdue receivables

US$M	Q4 Progress			
	Q3 Overdue	Expected/Due	Received	Q4 Overdue
Oil & Gas receivables	$28.5	$20.4	($7.5)	$41.4
Power receivables	$72.0	$19.2	-	$91.2
Total Cuban energy Receivables	$100.5	$39.6	($7.5)	$132.6

- Overdue receivables have always fluctuated over the years
- Timing of payments linked to foreign currency availability
- Q4 impacted by Hurricane Irma and related recovery costs

Sherritt has always collected 100% of overdue receivables

Status of debt position

Balance sheet initiatives achieved 2014 - 2018

- Sold non-core coal assets for $946M and repaid $425M in debentures
- Repurchased $30M of debentures at a discount
- Extended each debenture maturity by 3 years with the first maturity now in 2021 (from 2018)
- Restructured Ambatovy JV & eliminated $1.4B of debt
- $120M debt reduction through Dutch Auction on debentures

2021

- $170M in 8.00% debentures due Q4

2023

- $206M in 7.50% debentures due Q3
- US$101M in Ambatovy partner loan due Q3[(1)]

2025

- $223M in 7.875% debentures due Q4

3+ year runway before major liabilities are due

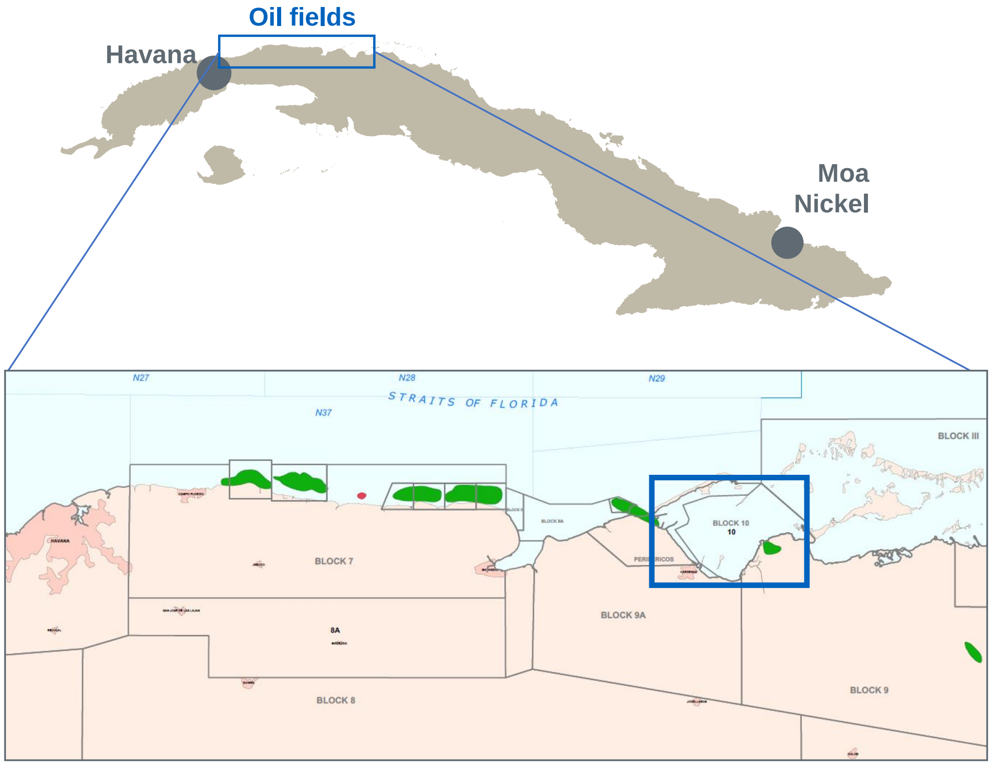
Sherritt's current total net debt is ~$516M[(2)]

(1) 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

(2) Using face value of the outstanding debentures post Dutch Auction, year end cash position and the net proceeds from the equity financing

Recent developments and outlook

Oil and Gas - developments



Puerto Escondido/Yumuri

- Three-year extension of Production Sharing Contract to 2021

Update on Block 10

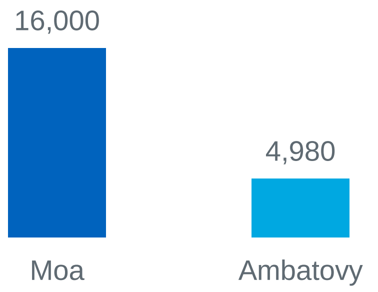
- Extended drilling timeline at 2nd well
- Assessing options to reach target reservoir
- Drilling results expected in Q3
- Target based on successful 1994 well

Capital spending will be linked to rate of receivables collection

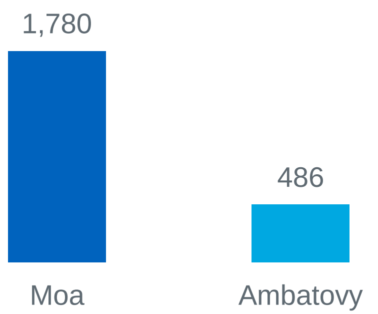
2018 forecast highlights

Production[1]

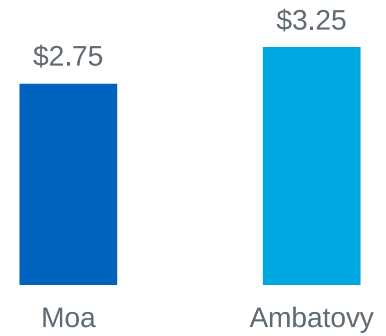
Nickel (tonnes)



Cobalt (tonnes)



NDCC (US$/lb)[1]



Capex[2]

2018 Guidance	US$
Moa	$41M
Ambatovy	$13M
Oil & Gas	$39M
Power	$1M

Spending on Oil and Gas will be tied to rate of collections of overdue receivables

Outlook reflects Q1 developments and conservative assumptions

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(1) Midpoint of guidance based on Sherritt ownership interests in the Moa Joint Venture (50%) and Ambatovy (12%)

(2) Capital spend is based on Sherritt's ownership interests in the Moa Joint Venture (50%); Fort Site (100%), Ambatovy (12%) and Power ($33^{1/3}$%)

Sherritt investment highlights

1 Well positioned to capitalize on electric vehicle battery demand

2 Low cost producer of high purity nickel and cobalt

3 Upside leverage to improving nickel and cobalt prices

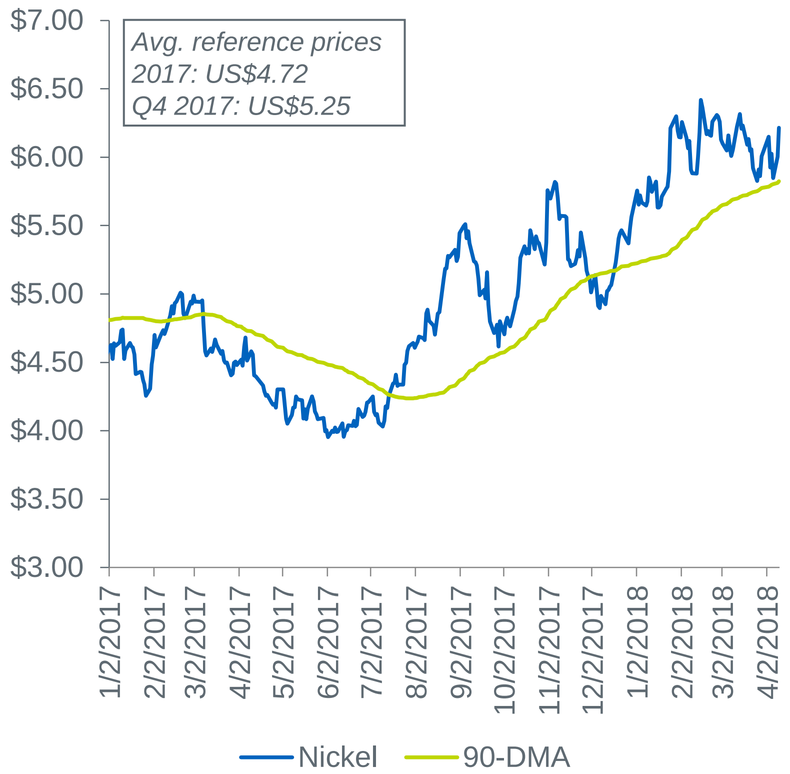
4 Energy assets add cash flow diversity

Balance sheet and liquidity initiatives are transforming Sherritt

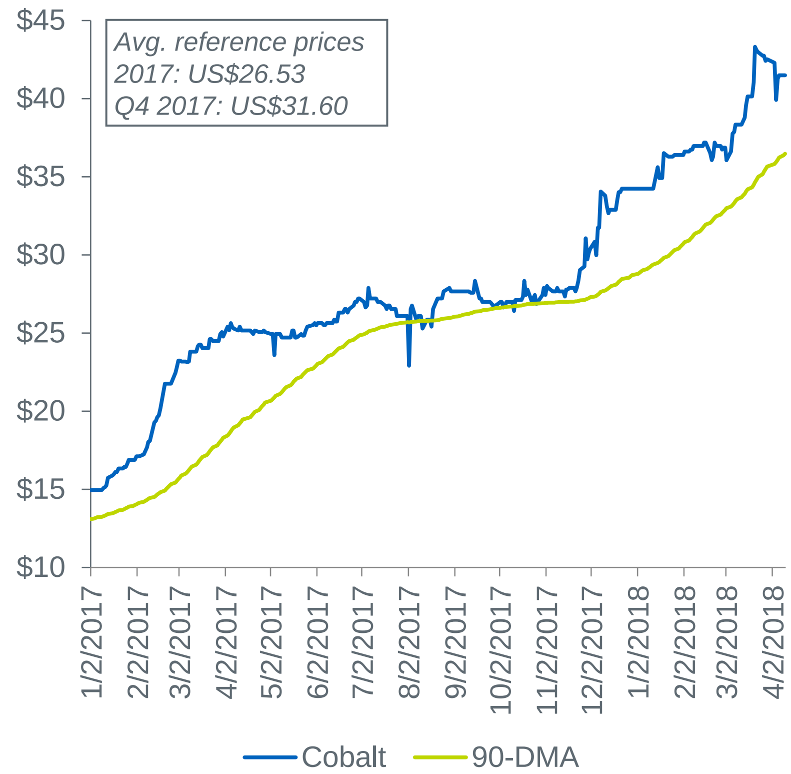
Appendix

Nickel and cobalt price trends

Nickel vs. 90-Day Moving Average (DMA)



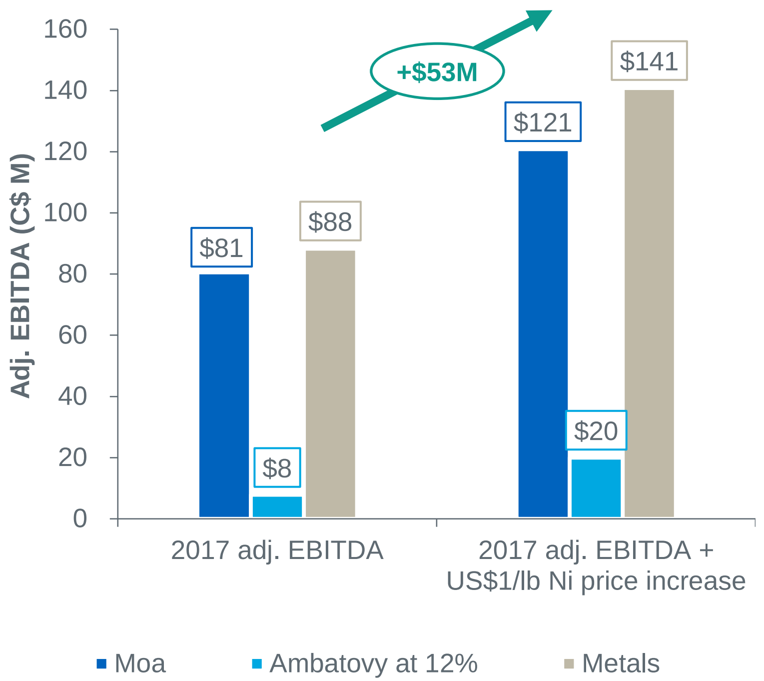
Cobalt vs. 90-Day Moving Average (DMA)



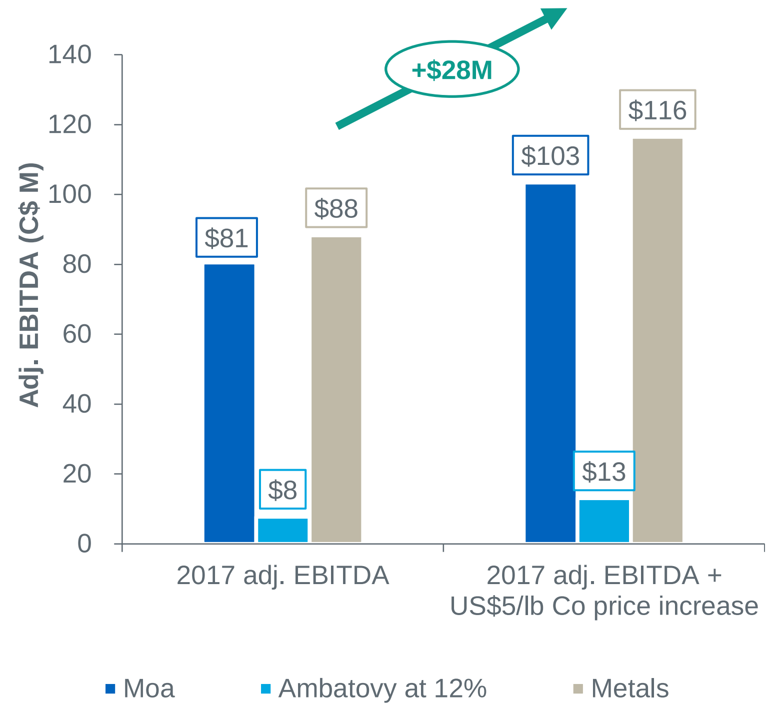
Despite the high volatility, nickel prices are trending upward

Sensitivity to nickel and cobalt prices(1)

EBITDA sensitivity to nickel prices



EBITDA sensitivity to cobalt prices



A US$1/lb nickel price increase = $53M in EBITDA per year
A US$5/lb cobalt price increase = $28M in EBITDA per year

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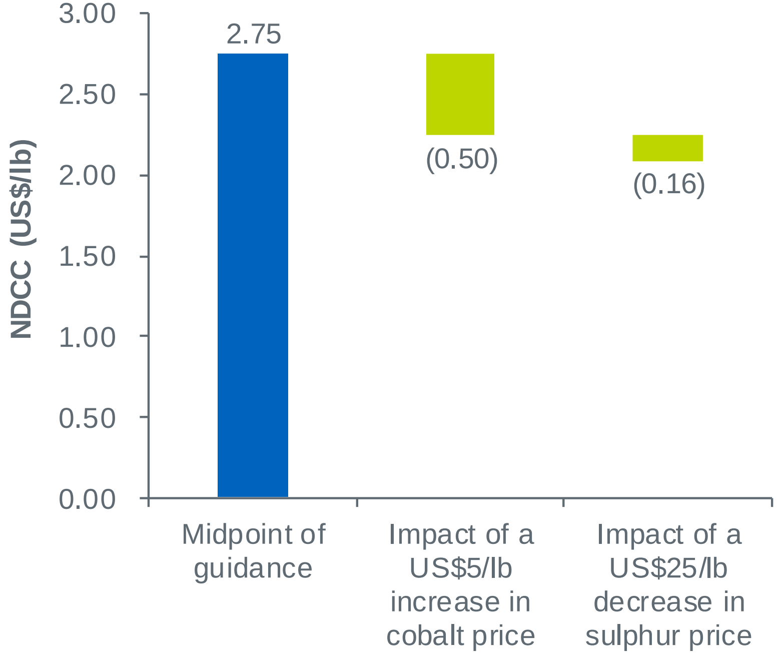
(1) Based on production numbers and other variables unchanged over the last 12 months, including a nickel reference price of US$4.72/lb and cobalt reference price of US$26.53/lb

Moa's NDCC – sensitivity analysis

Impact of a US$5/lb cobalt price increase and US$25/t sulphur price decrease



Key assumptions

- Cobalt price: ~US$30/lb
- Sulphur: total cost: ~US$200/tonne (including freight and handling)

2018 NDCC guidance based on conservative assumptions

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