Q3 Earnings Call

October 31, 2019

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 “Summary of guidance updates” section 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; demand in the stainless steel and electric vehicle markets; anticipated payments of outstanding receivables; future distributions from the Moa Joint Venture; funding of future Ambatovy Joint Venture cash calls; drill plans and results on exploration wells; the impact of Title III of the Helms-Burton Act on operations; 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; 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 and creditor approvals and waivers; 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 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; supply quality issues; 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. The Corporation advises that the above paragraph and the risk factors described in this presentation and in the Corporation’s 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 and unit operating cost 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. See Sherritt’s Management’s Discussion and Analysis for the three and nine months ended September 30, 2019 for further information and reconciliation of non-GAAP measures to the most directly comparable IFRS measure.

Participants

David Pathe

President & CEO

Steve Wood

Executive Vice President & COO

Andrew Snowden

Senior Vice President & CFO

Highlights for Q3

1 Solid finished nickel and cobalt production totals at Moa JV

2 $11.6M in Moa JV distributions driven by solid production and higher commodity prices

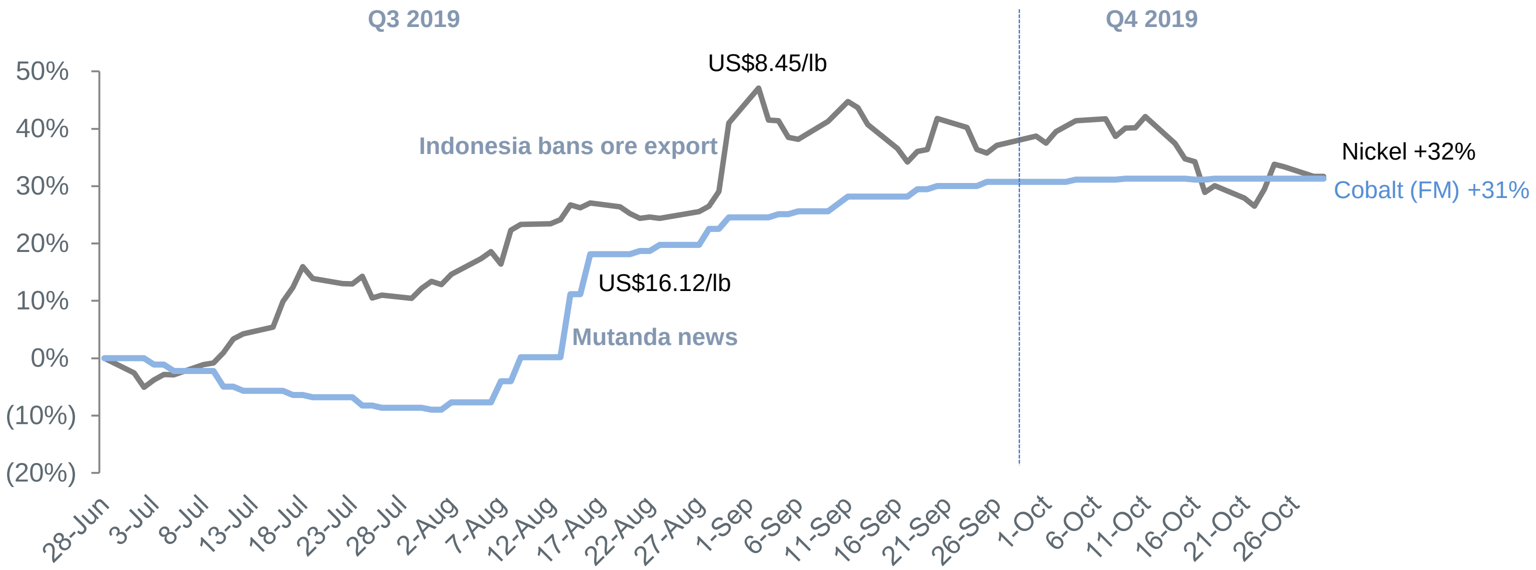
3 Efforts to preserve cash led to lower G&A costs and covenant relief

4 Liquidity impacted by interest payments and timing of energy collections

On track to reach 2019 guidance targets for Cuban operations

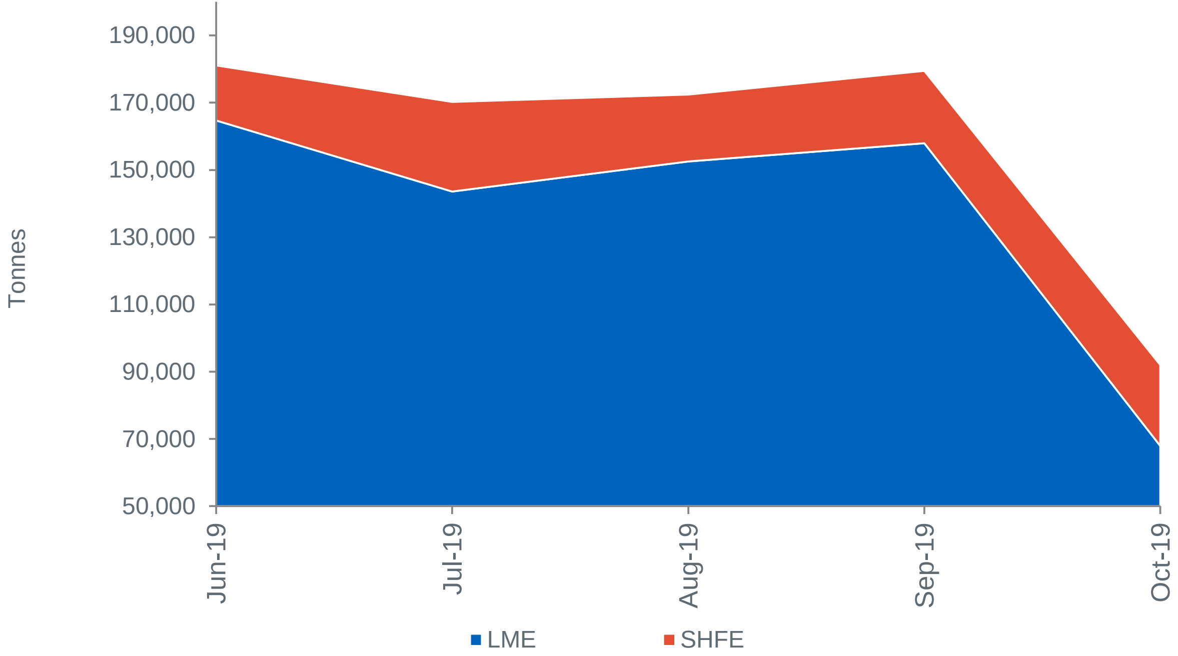
Q3 marked by rising commodity prices and tightening U.S. sanctions

Recent nickel and cobalt prices



Volatility driven by geopolitical and market developments

Nickel inventory continues to decline



49%

Decline in inventory since Sept 30

Decline attributed to stockpiling in advance of Indonesian ore export ban

Source: LME, SHFE

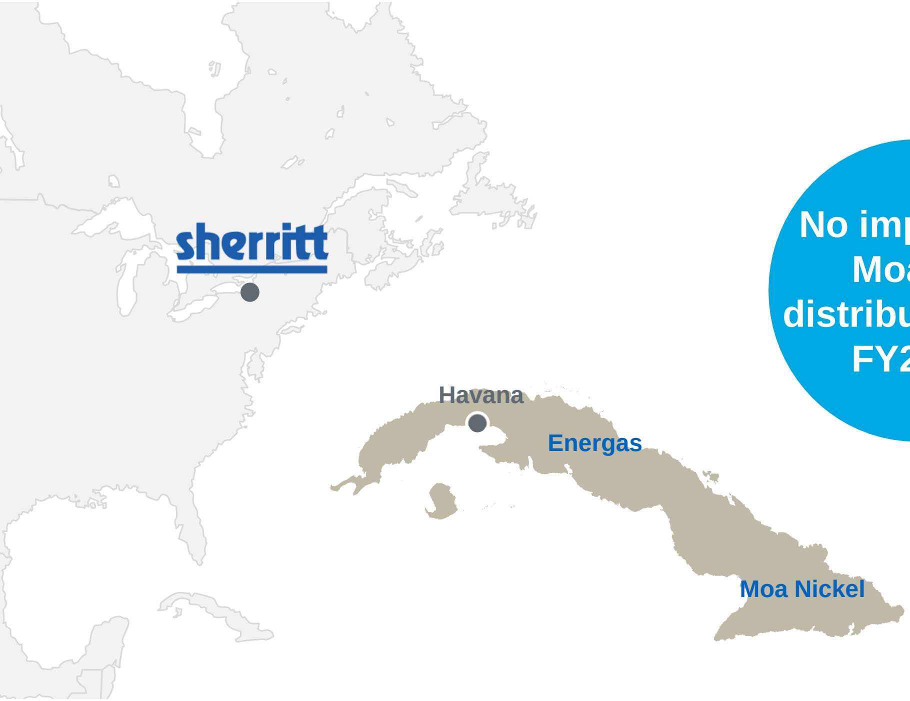
U.S. sanctions against Cuba

Recent sanctions

1. Limits on U.S. travel to Cuba
2. Ban on U.S. cruise ships entering Cuba
3. Limits on family remittances to $1,000/Q
4. Bans on certain banking transactions
5. Limit of U.S. content on certain supplies

Effects

A. Reduced Cuba’s access to foreign currency
B. Limited foreign investment in country
C. Increased scrutiny on financial transactions
D. Compound the effects of Helms-Burton and sanctions against Venezuela
E. Restricted access to supplies & equipment



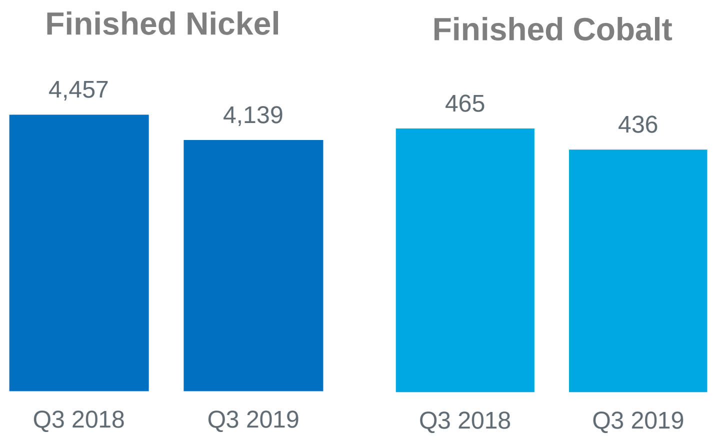
No impact on Moa JV distributions in FY2019

Affects ability to collect receivables and repatriate cash held in Cuba

Review of operations

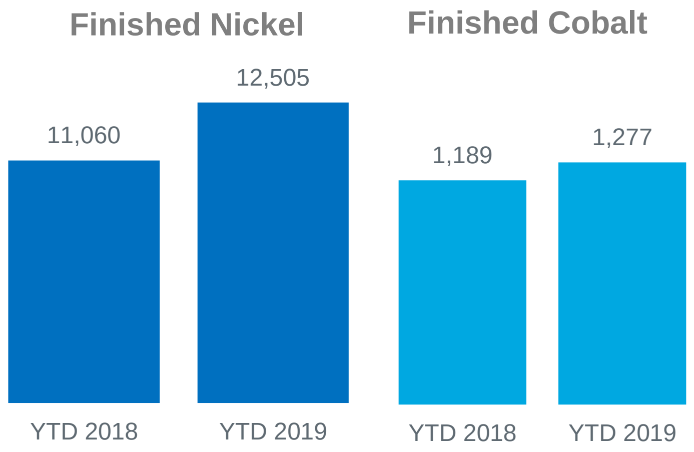
Moa JV highlights

Q3 Production[1] (tonnes)



- Q3 2019 impacted by unplanned maintenance shutdown in August
- Q3 2018 production driven by increased availability of mixed sulphides following rail service interruption in Q1

YTD Production[1] (tonnes)

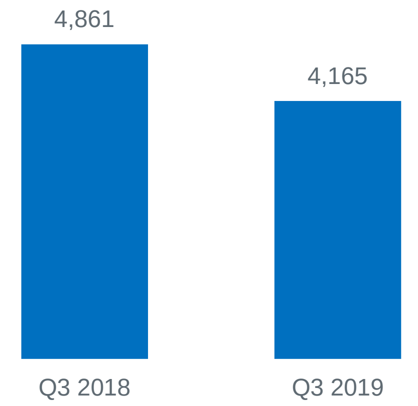


- YTD production gains driven by increased mixed sulphides availability and success of operational excellence initiatives
- Moa is on track to achieve production guidance for 2019

1. Sherritt's share - 50% basis

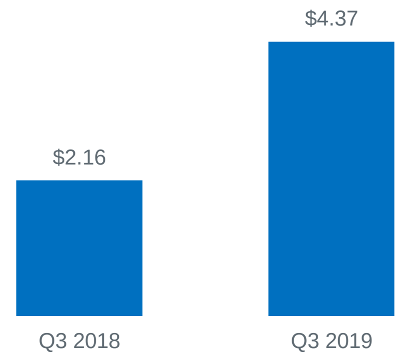
Moa JV highlights

Q3 Mixed sulphides production[1] (tonnes)



- Decline impacted by requirements to preserve fuel
- Fuel supply has returned to normal in Q4 2019
- Mixed sulphides on track for 2019 targets

NDCC (US$/lb)

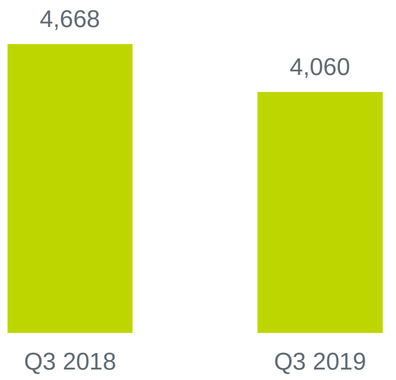


- Q3 2019 NDCC impacted by 61% reduction in realized cobalt prices year-over-year
- Positive impact of higher cobalt prices to be felt in Q4 2019 NDCC

1. Sherritt's share - 50% basis

Oil and Gas highlights

Oil Production (Cuba GWI, bopd)[1]



- Production decrease due to natural reservoir declines

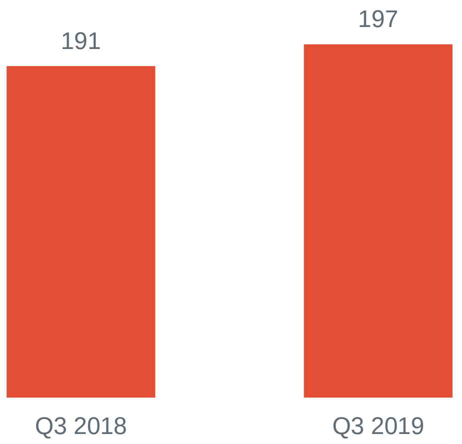
Unit operating costs (Cuba GWI, $/bbl[2])

- Cost increase due to lower production volumes
- Costs also negatively impacted by a stronger $US

1. GWI = Gross working-interest; bopd = Barrels of oil per day
2. bbl = Barrel

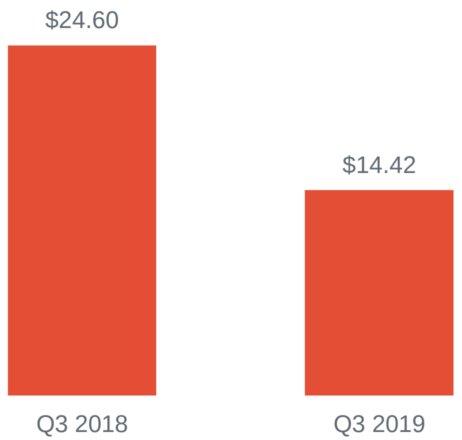
Power highlights

Electricity production (33⅓% GWh[1])



- Higher production is due to deferred timing of maintenance activities and unexpected availability of additional gas supply

Unit operating costs ($/MWh[2])

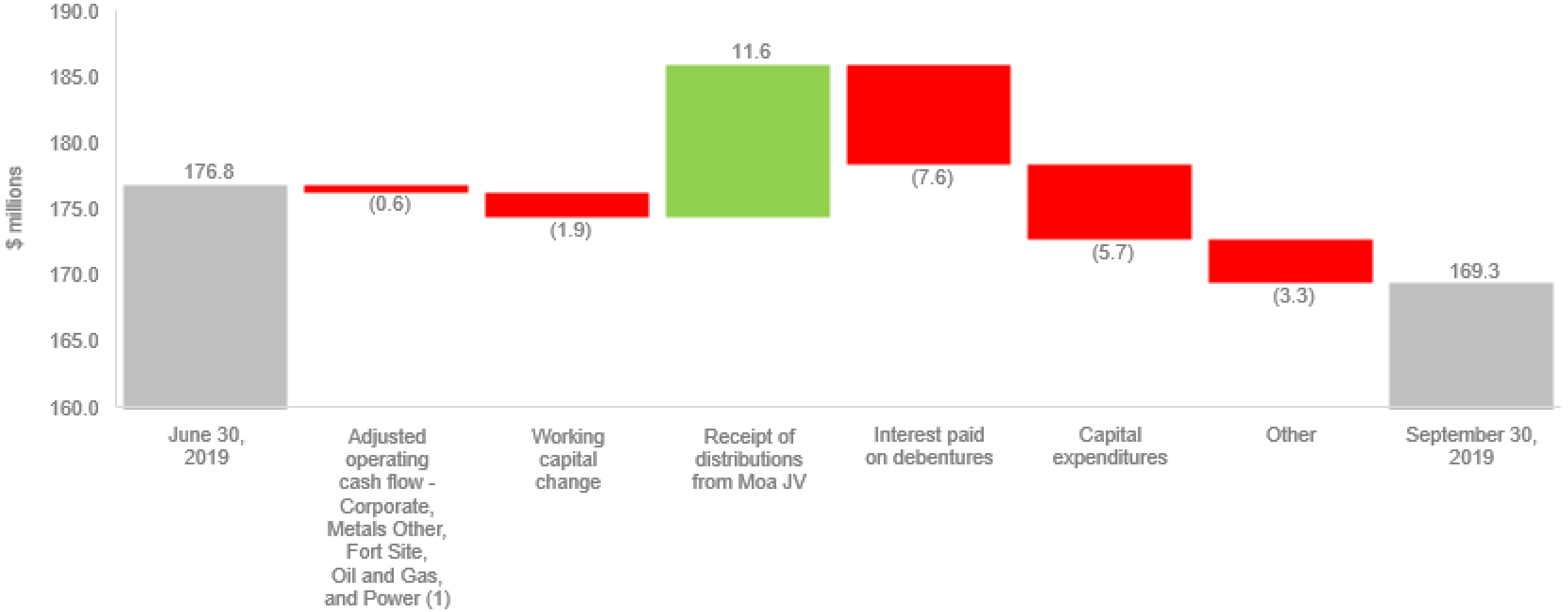


- Unit costs lower due to decision to defer maintenance projects and capital spend

1. GWh = Gigawatt hours
2. MWh = Megawatt hours

Financial highlights

Cash waterfall from Q2 2019 to Q3 2019



Moa distributions offset impact of interest payments and capital spend

1. For additional information see Non-GAAP measures section

Status of scheduled Cuban energy receivables

US$M	Q2 2019 overdue	Expected/due	Received	Received on Receivables Agreement	Q3 2019 overdue
Oil & Gas - Trade receivables	$ 22.7	$ 2.1	$ (1.5)	--	$ 23.3
Power					
Trade receivables/other	$ 13.0	$ 3.6	$ (5.5)[1]	$ (8.5)	$ 2.6
Energas CSA	$121.5	$10.7	$ (2.0)[1]	$ (1.3)	$128.9
Total Cuban energy receivables	$157.2	$ 16.4	$ (9.0)	$ (9.8)	$154.8

- Negotiations are underway with our Cuban partners to:
    - increase the monthly payment from US$2.5M
    - reduce the annual minimum distribution threshold from US$68M

Overdue receivables agreement is working

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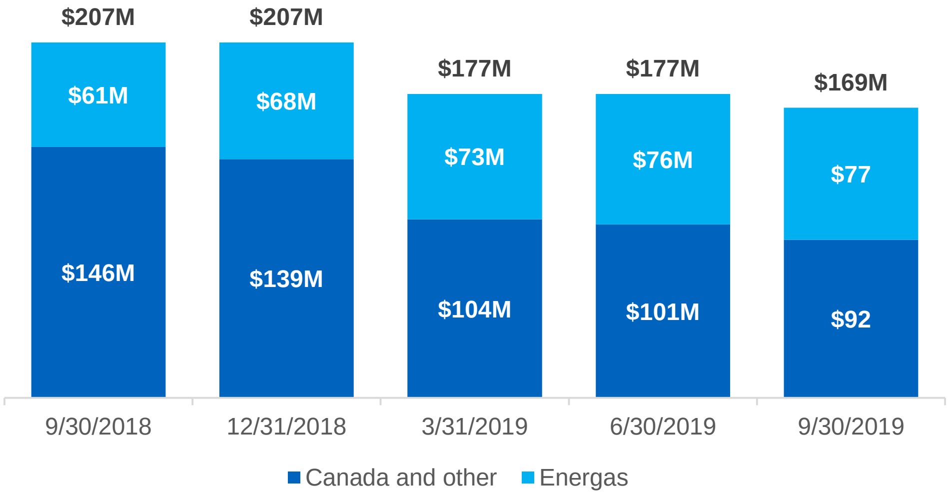
(1) Amount received by Sherritt in Cuba available for use to pay Sherritt's local expenses.

Liquidity position



Cash position impacted by:
- Timing of Cuban energy collections
- $7.6M of interest payments on debentures

Liquidity preservation and meeting debt covenants are key priorities

Covenant relief achieved in Q3

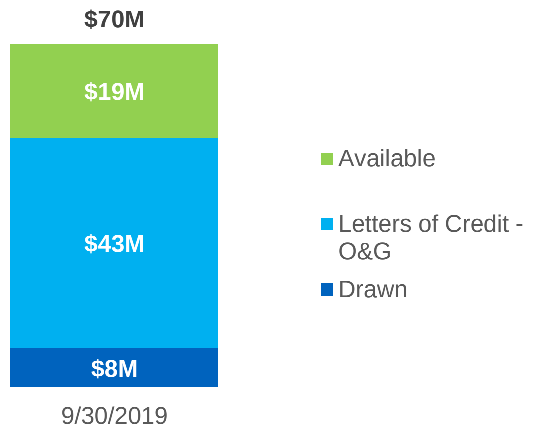
To Dec 30

- $60M cash in Canada less undrawn credit facility
- EBITDA not less than $60M
- EBITDA/interest expense not less than 1.20:1

To April 30

- $70M cash in Canada less undrawn credit facility
- EBITDA not less than $100M
- EBITDA/interest expense not less than 1.75:1

Existing credit facility



Minimum cash requirement reduced from $100M less undrawn credit

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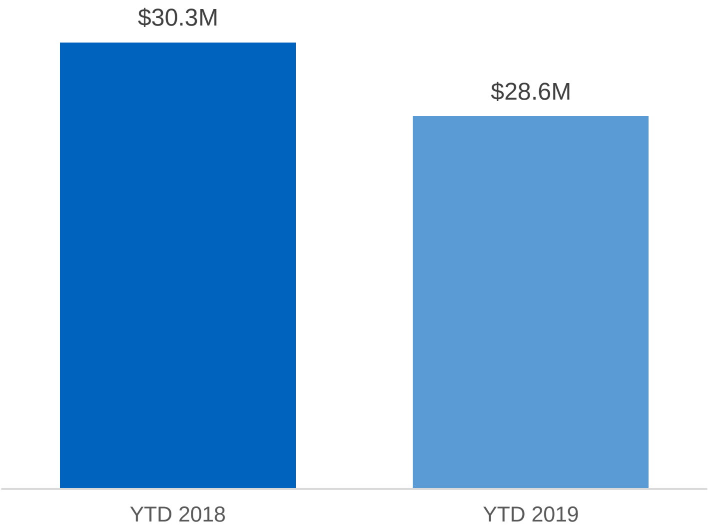
Focus on reducing administrative expenses[1]



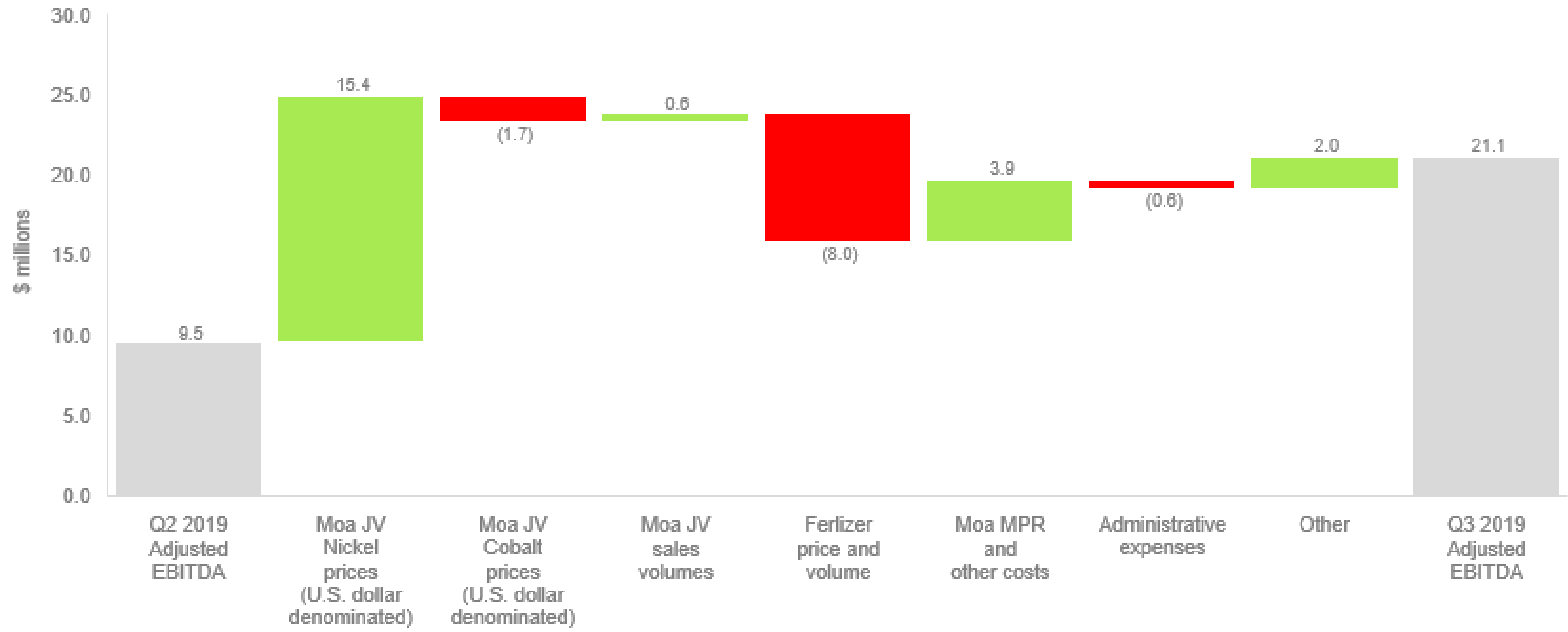
6%

Decrease in administrative expenses

Reducing administrative expenses is consistent with austerity measures

(1) Excluding Stock-based compensation and depreciation

Adjusted EBITDA[1] waterfall from Q2 2019 to Q3 2019



Nickel price improvements driving EBITDA change

1. For additional information see Non-GAAP measures section

Recent developments and outlook

Update on Block 10

- 5,525 meters drilled through October 29
- Drilling has traversed zones where previous technical challenges were encountered
- Drilling resumed following delivery of rental equipment unavailable in Cuba
- Target drilling depth is 5,700 metres
- Completion is expected in coming weeks

Prudent drilling and capital spending driven by complex geological formation

Guidance status

Moa JV	Oil and Gas	Power
▪ On track to produce to 31,000 - 33,000 tonnes of finished nickel ▪ On track to produce 3,300 – 3,600 tonnes of finished cobalt ▪ On track for US$4.00 -$4.50/lb NDCC ▪ On track for US$30M of planned capital spend	▪ On track to produce to 3,800 – 4,100 BOPD – Cuba ▪ On track for $23.00 - $24.50 per barrel unit cost ▪ On track for US$21M of planned capital spend	▪ On track to produce to 650 – 700 GWh of electricty ▪ On track for $20.00 - $23.75 per $MWh unit cost ▪ On track for US$1M of planned capital spend

Cuban operations are on track to meet 2019 guidance

Summary

1 Operational excellence initiatives continue to deliver benefits

2 Near-term volatility is expected until market conditions stabilize

3 Preserving liquidity and managing costs remain priorities

4 Long-term outlook for nickel market is favorable

Q&A Discussion

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Appendix

Important definitions (Non-GAAP measures)

All non-GAAP measures are reconciled to the most directly comparable IFRS measure in the MD&A.

Adjusted EBITDA

- The Corporation defines Adjusted EBITDA as earnings (loss) from operations, joint venture and associate as reported in the financial statements for the period adjusted for share of loss of an associate; depletion, depreciation and amortization; impairment charges for long lived assets, intangible assets, goodwill and investments; gain or loss on disposal of property, plant and equipment of the Corporation or joint venture; and gain or loss on disposition of an interest in investment in associate or joint venture of the Corporation.

Average Realized Prices:

- Calculated by dividing revenue per the financial statements by sales volume for the given product in a given division, typically expressed in Canadian dollars (the Corporation's functional currency):
  - The average-realized price for nickel, cobalt, and fertilizer excludes the impact of by-product revenue.
  - The average-realized price for oil and gas is based on net working-interest oil plus natural gas production stated in barrels of oil equivalent.

Combined results

- The Corporation uses combined revenue (along with other combined measures, not used in this current MD&A) as a measure to help management assess the Corporation's financial performance across its operating divisions. The combined results include the Corporation's consolidated financial results and the results of its 50% share of the Moa Joint Venture, which is accounted for using the equity method for accounting purposes.

Net Direct Cash Cost (NDCC):

- The Moa Joint Venture's and Ambatovy Joint Venture's net direct cash cost is calculated by dividing cost of sales, as reported in the financial statements, adjusted for the following: depreciation, depletion and amortization in cost of sales; cobalt by-product, fertilizer and other revenue; and other costs primarily related to the impact of opening and closing inventory values, by the number of finished nickel pounds sold in the period, and expressed in U.S. dollars.

Unit operating cost:

- Unit operating cost is generally calculated by dividing cost of sales as reported in the financial statements, less depreciation, depletion and amortization in cost of sales, the impact of impairment, gains and losses on property, plant, and equipment and exploration and evaluation assets and certain other non-production related costs by the number of units sold.

Important definitions

Reference Prices:

- Market price upon which price of the Sherritt's products' sales prices are derived:
    - Nickel – LME nickel;
    - Cobalt – Average low-grade cobalt published price per Fastmarkets MB;
    - Cuban Oil - U.S. Gulf Coast High Sulphur Fuel Oil.

Mining, Processing and Refining Cost (MPR):

- Costs related to bringing mix sulphides to finished goods, include fuel, coal, utilities, labour maintenance, sulphur, an other fixed direct variable and fixed costs. Typically expressed as a subset of NDCC on per unit basis (in U.S. dollars).

Gross Working-Interest (GWI):

- Gross Working interest barrels are the total number of barrels pumped during any period (The MD&A generally states production in barrels of oil per day (Bopd)

Net Working-interest (NWI)

- Total of Cost Recovery barrels + Profit Oil Barrels

Cost Recovery Oil (CRO):

For each production-sharing contract, after a declaration of commerciality, Sherritt is allocated cost recovery oil as reimbursement for approved capital and operating costs, including any costs in the cost recovery pools since the inception of the contract.

- Volume of cost recovery oil = balance of approved capital and operating costs divided by the average net selling price per barrel of oil produced in the quarter.
- The amount of cost recovery oil barrels can vary depending on the size of the cost recovery pool (capital and operating costs) and the prevailing market price of oil.

Profit Oil (PO)

- Once CRO's have been allocated (costs have been recovered) Sherritt is entitled to profit barrels
- Barrel entitlement is defined by the PSC agreements
    - PE/Yumuri, entitlement is approximately - 6%.
    - Block 10 - 45%