



Modeling Workshop

Understanding Sherritt's financial reporting

March 2021



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 related to 2021 guidance and certain expectations regarding production volumes, operating costs and capital spending; supply, demand and pricing outlook in the nickel and cobalt markets; the impact of COVID-19; anticipated payments of outstanding receivables; drill plans and results on exploration wells; 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; redemptions and deferrals; collection of accounts receivable; risks related to U.S. Government policy towards Cuba; 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, the impact of the COVID-19 pandemic, 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; the risk to Sherritt's entitlements to future distributions from the Moa Joint Venture; 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 partner; variability in production at Sherritt's operations in Cuba; 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, including diesel; supplies 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 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 2021; and the Corporation's ability to meet other factors listed from time to time in the Corporation's continuous disclosure documents. Additional risks, uncertainties and other factors include, but are not limited to, the ability of the Corporation to achieve its financial goals; the ability of the Corporation to continue to realize its assets and discharge its liabilities and commitments; the Corporation's future liquidity position, and access to capital, to fund ongoing operations and obligations (including debt obligations); the ability of the Corporation to stabilize its business and financial condition; the ability of the Corporation to implement and successfully achieve its business priorities; and the ability of the Corporation to comply with its contractual obligations, including, without limitation, its obligations under debt arrangements. 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 Management's Discussion and Analysis for the three months and year ended December 31, 2020 and the Annual Information Form of the Corporation dated March 19, 2021 for the period ending December 31, 2020, 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 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 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, unit operating cost/NDCC, adjusted earnings/loss, adjusted operating cash flow, and free cash flow, 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 months and year ended December 31, 2020 for further information and reconciliation of non-GAAP measures to the most directly comparable IFRS measure.

Looking at Q4's results....

Key Metric	Q4 2020
Combined revenue	\$135.9M
Adjusted EBITDA	\$10.7M
Cash provided by continuing operations	\$12.7M
Combined free cash flow	(\$11.6)M
Increase in total cash	\$2.3M

1. How were totals determined?
2. What impacted performance?
3. Where can I find specifics?
4. How can I model future results?

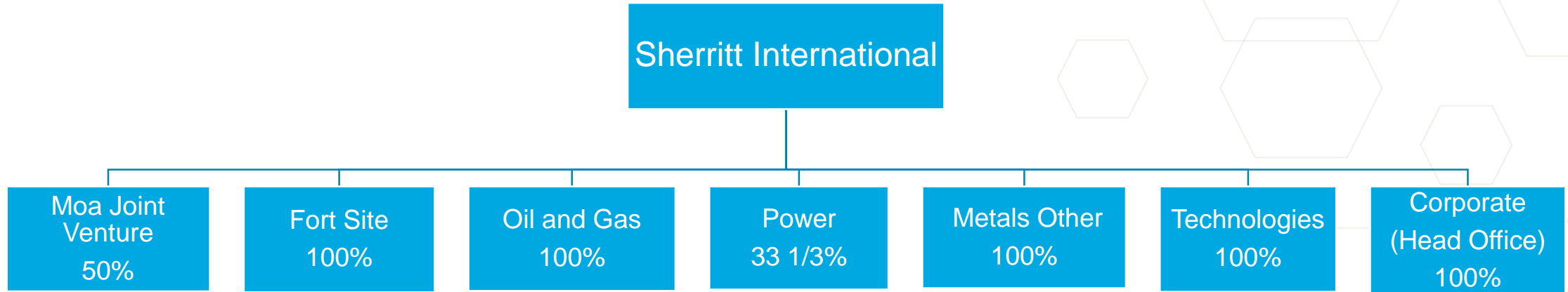
Today's workshop will increase your understanding of Sherritt's reporting and results

Topics for discussion

- 1 **Understanding combined and consolidated results**
- 2 **Review of costs**
- 3 **How Sherritt generates cash**
- 4 **Specific reporting items and sensitivities**
- 5 **Q&A**

Combined & consolidated results

Corporate overview



Sherritt's structure reflects legacy of investments and acquisitions

Combined vs. Consolidated results

	Combined Business Units						
	Moa Joint Venture	Fort Site	Metals Other	Oil and Gas	Power	Technologies	Corporate
Ownership	50% Joint Venture	100% Subsidiary	100% Subsidiaries	100% Subsidiary	33-1/3% Joint Operation	100% Subsidiary	Parent Company
Accounting Treatment	Equity Accounting	Full Consolidation	Full Consolidation	Full Consolidation	Proportionate Consolidation	Full Consolidation	Full Consolidation
		Consolidated Business Units					

Combined revenue and Adjusted EBITDA results are more indicative of performance

Combined and consolidated results at a glance*

	Combined						Consolidated
Canadian \$ millions, for the year ended December 31							2020
	Moa JV and Fort Site	Metals Other	Oil and Gas	Power	Technologies and Corporate	Adjustments for Joint Venture	Total
Revenue	\$ 425.5	\$ 8.2	\$ 24.9	\$ 37.2	\$ 1.2	\$ (377.2)	\$ 119.8
Cost of sales	(411.7)	(10.4)	(39.4)	(31.3)	(10.6)	345.5	(157.9)
Administrative expenses	(9.9)	0.2	(6.3)	(2.1)	(30.7)	6.3	(42.5)
Impairment of Oil assets	-	-	(115.6)	-	-	-	(115.6)
Impairment of Power assets	-	-	-	(9.4)	-	-	(9.4)
Share of earnings of a joint venture, net of tax	-	-	-	-	-	8.5	8.5
Earnings (loss) from operations and JV	3.9	(2.0)	(136.4)	(5.6)	(40.1)	(16.9)	(197.1)

The segmented information note provides additional details and analysis

Arriving at revenue totals*

		For the quarter ended		
		2020	2019	
\$ millions		December 31	December 31	Change
Revenue by operations				
Moa Joint Venture and Fort Site	\$	\$ 118.8	\$ 123.4	(4%)
Oil and Gas		6.2	6.3	(2%)
Power		8.8	11.4	(23%)
Other		2.1	1.9	11%
Combined revenue	\$	\$ 135.9	\$ 143.0	(5%)
Adjust for joint venture		(107.7)	(112.0)	
Financial statement revenue (Consolidated revenue)	\$	\$ 28.2	\$ 31.0	(9%)

- Revenue from Moa JV and Fort Site is combined because of fertilizer by-products
- “Other” includes revenues from Technologies and Corporate

Combined revenue is more indicative of Sherritt’s performance

Arriving at Moa JV and Fort Site revenue*

	For the three months ended	
	2020	2019
\$ millions	December 31	December 31
REVENUE		
Nickel	\$ 84.1	\$ 84.6
Cobalt	17.2	19.0
Fertilizers	14.4	16.2
Other	3.1	3.6
	<u>\$ 118.8</u>	<u>\$ 123.4</u>

1. Revenue is in \$CDN
2. Derived from sales of finished nickel, cobalt, and fertilizers products
3. Sales volumes for nickel and cobalt are impacted by timing of deliveries
4. Fertilizer volumes are impacted by seasonality
5. Reference prices are quoted in \$US
6. Realized prices are quoted in \$CDN

Fluctuations in commodity prices and FOREX will impact revenue contributions

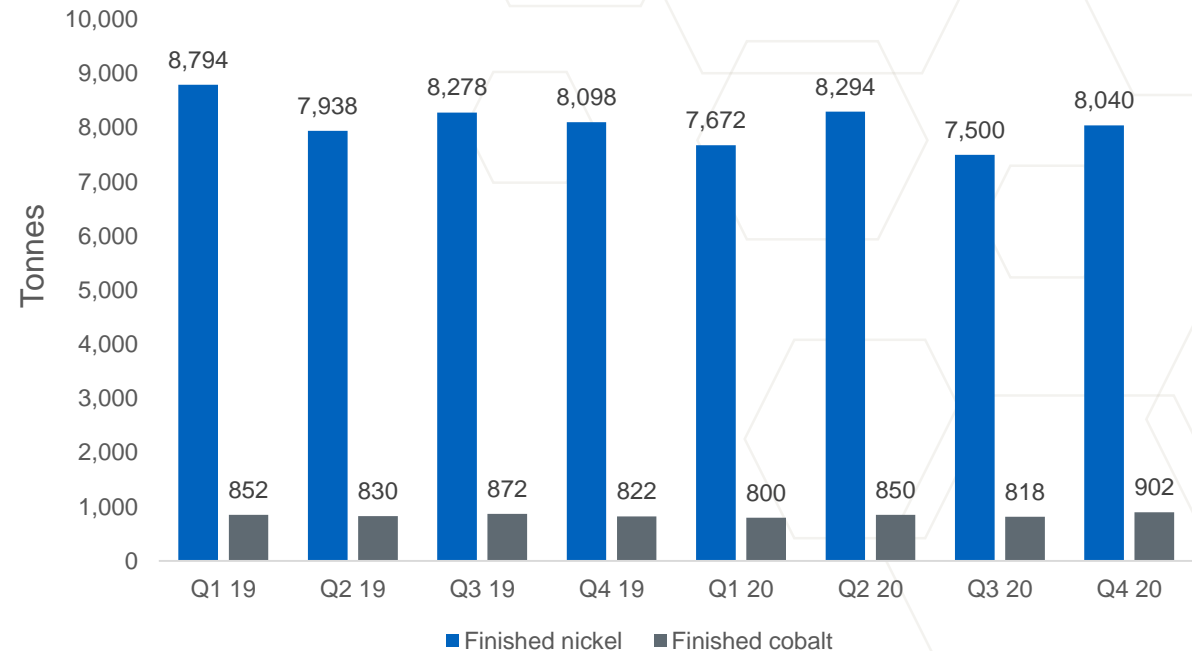
Looking ahead...

2021 Moa JV Production Guidance*

Finish nickel	32,000 – 34,000 tonnes
Finished cobalt	3,300 – 3,600 tonnes

- Guidance is consistent with historical production
- Production guidance reflects ongoing commitment to Operational Excellence
- Quarterly variability is largely due to the timing of annual refinery shutdown

Recent Moa JV Production*



Moa JV is a dependable producer of finished nickel and cobalt

Arriving at Power revenue*

	For the three months ended	
	2020	2019
\$ millions (33⅓% basis)	December 31	December 31
Electricity sales	\$ 8.0	\$ 10.4
By-products and other	0.8	1.0
	\$ 8.8	\$ 11.4

1. Revenue is in \$CDN
2. Determined by sales of gigawatts of power produced against realized price per megawatt
3. By-product revenue determined primarily from sales of natural gas

Contributions from Power Business have been steady over the years

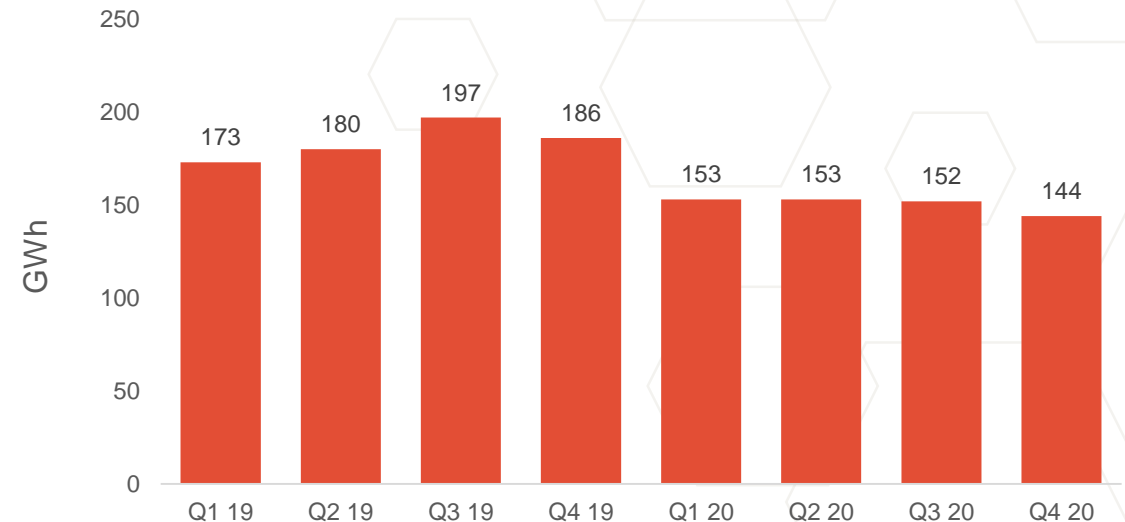
Looking ahead...

2021 Power Production Guidance*

Electricity: 450 – 500 GWh

- Production in 2021 will be impacted by the scheduling of maintenance activities previously deferred
- Power production will not be affected by expiration of PE/Yumori PSC

Recent Power Production Results*



Contributions from Power business have regularly been inline with guidance

Arriving at Oil and Gas revenue*

	For the three months ended			
	2020		2019	
\$ millions	December 31		December 31	
REVENUE				
Cuba	\$	5.1	\$	3.9
Other		0.3		1.4
Processing		0.8		1.0
	\$	6.2	\$	6.3

1. Revenue is in \$CDN
2. Derived based on net working-interest and average realized price per barrel in Cuba
3. Net working-interest is determined as: Total of Cost Recovery barrels + Profit Oil barrels
4. Includes marginal contributions from Spanish assets

Oil and Gas contributions will decline with expiration of PE/Yumuri PSC

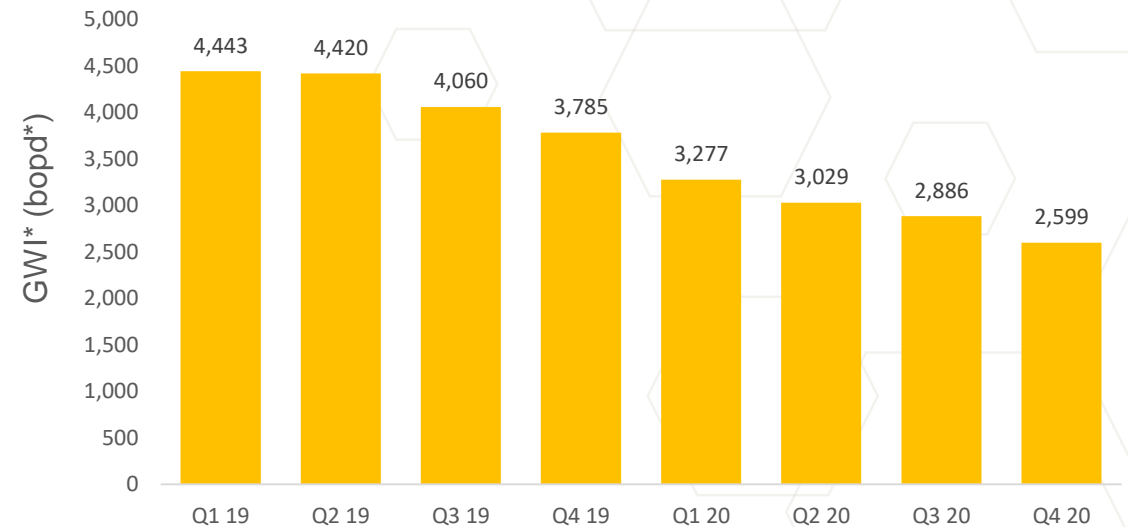
Looking ahead...

2021 Oil Production Guidance

Not provided for 2021

1. PSC at Puerto Escondido/Yumuri expired March 19, 2021
2. Sherritt will continue efforts to secure earn-in partner for drilling and exploration activities on Blocks 10 and 6A

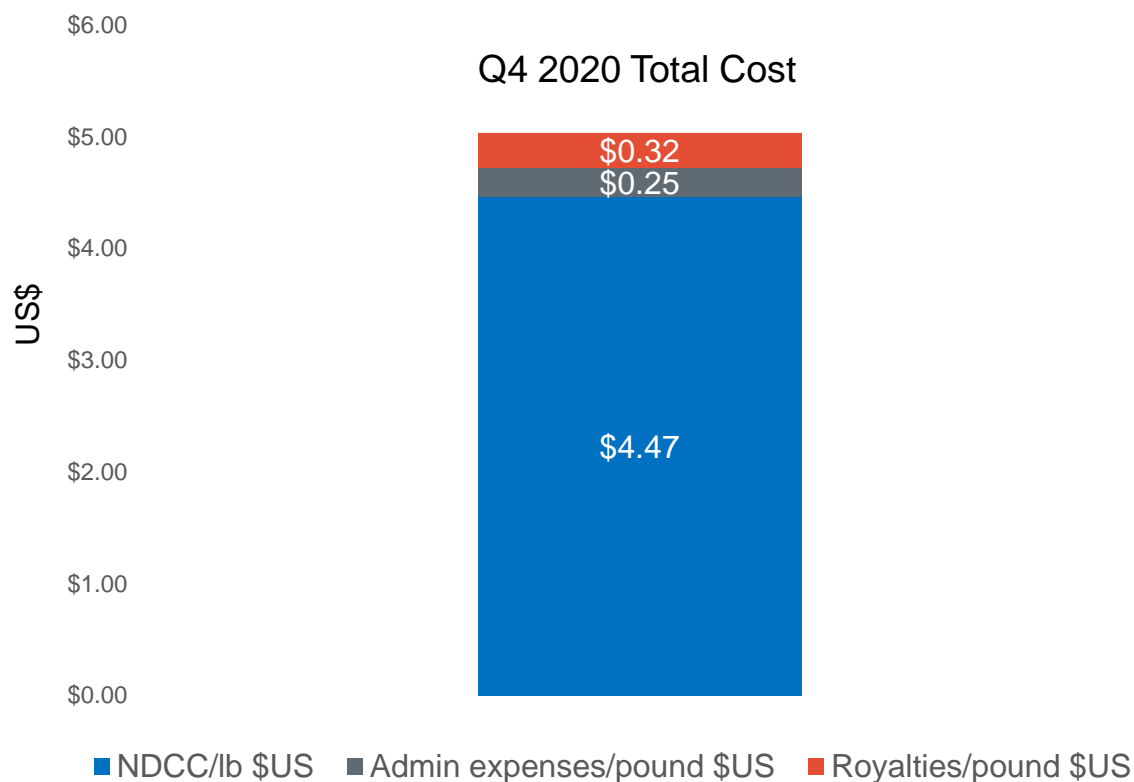
Recent Oil Production Results



Contributions from Oil and Gas will be minimal in 2021

Review of costs & overdue receivables

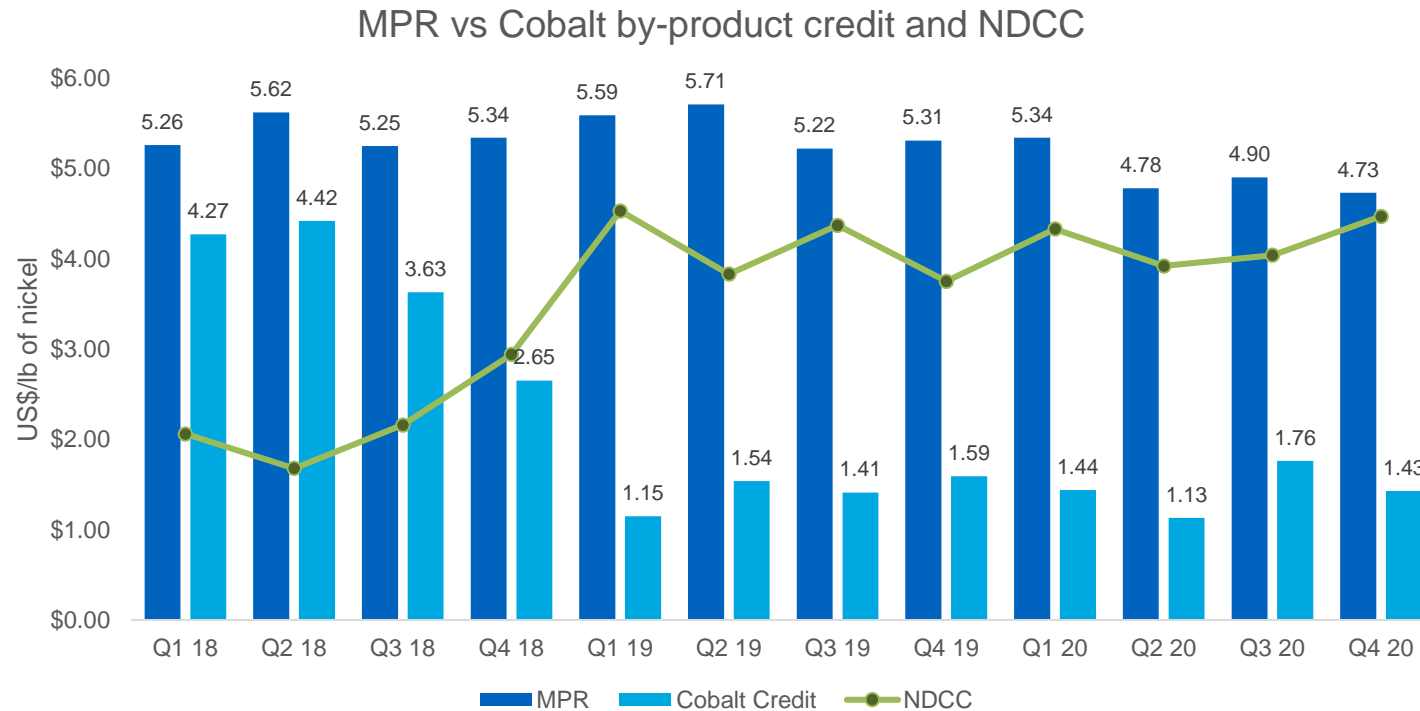
Determining total costs at Moa JV



1. NDCC* is determined by MPR costs per pound sold less by-product credits
2. Excludes Moa admin costs and royalties on mixed sulphides
3. Royalties calculated at 5% of contained nickel and cobalt in mixed sulphides shipped to refinery discounted to reference prices
4. Moa JV/Fort Site admin costs provided in segmented information
5. Total costs per pound of nickel sold provide a basis for determining Adjusted EBITDA

NDCC is a widely-used non-GAAP measure to gauge operating performance

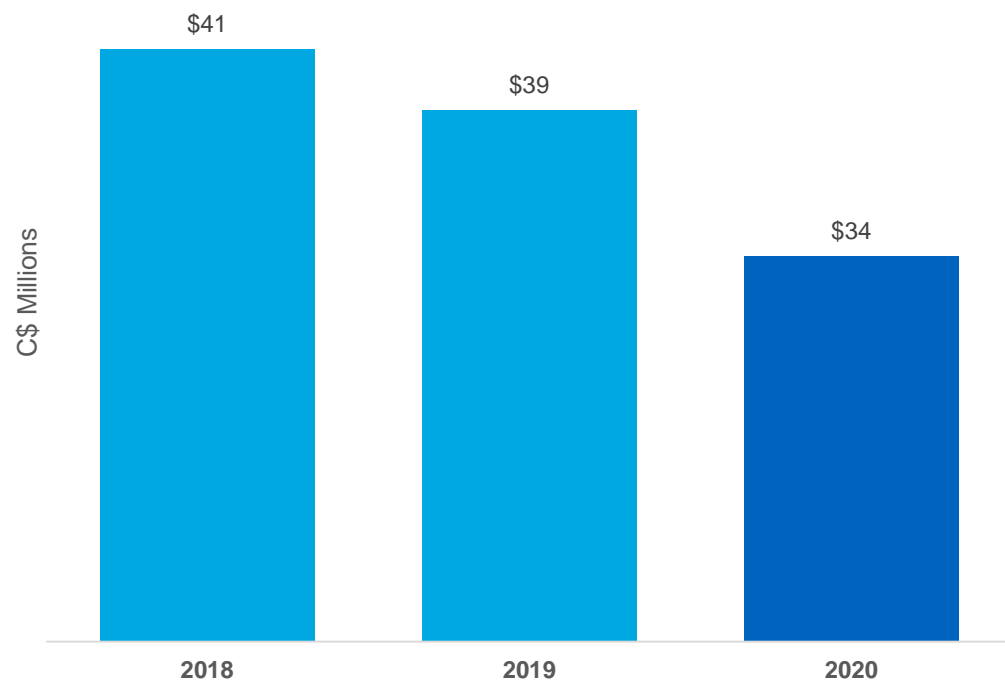
NDCC critical drivers



1. Cobalt credits represent key component of NDCC
2. Moa has a high cobalt to nickel ratio
3. NDCC for 2021 forecasted at US\$4.25 - \$4.75/lb
4. Forecasted NDCC is based on US\$15.58/lb cobalt price
5. Every US\$1/lb increase in cobalt prices contributes to approximately \$0.10 reduction in NDCC

NDCC impacted by volatile cobalt prices over past 3 years

Reducing G&A expenses* remains a priority



1. Declines driven by cost-cutting measures during the past three years
2. G&A costs in 2020 impacted by balance sheet initiative
3. Cost-cutting measures for G&A are ongoing

G&A* costs have declined 13% since 2019

Interest expenses

Secured Second Lien Notes

- \$358M
- Principal interest rate - 8.5%
- Matures in November 2026
- Interest payable semi annually (April and October)

Junior Notes

- \$75M
- Principal interest rate - 10.75%
- Matures in August 2029
- Interest is paid in kind semi-annually (January and July).

\$30M

Annual cash interest payments

Sherritt's interest payments decreased by \$15M with balance sheet initiative

Tax considerations

Moa Joint Venture

- Taxable in Cuba and Canada
- Tax expense is determined at the Joint Venture level and is included in “Share of earnings of a joint venture”

Fort Site, Technologies and Corporate

- Taxable in Canada
- Tax expense is generally sheltered by loss carryforwards

Power

- Taxable in Cuba (and other)
- Tax expense is disclosed on consolidated income statement

Consolidated tax expenses are positively impact by loss carryforwards

Income tax expense – rates and disclosure

Combined Business Units⁽¹⁾

Consolidated Business Units⁽¹⁾

	Moa Joint Venture	Fort Site	Oil and Gas ⁽²⁾	Power	Metals Other ⁽¹⁾	Technologies	Corporate (SIC)
Statutory Tax Rate (2021)	22.5% - 23%	23.5%	22.5%	2% - 15%	N/A	23.5%	23.5%
Jurisdiction	Cuba/Canada	Canada	Cuba	Cuba/Other		Canada	Canada
Taxable Status	Taxable in 2021	Not taxable in 2021 – LCF's (Taxed in SIC)	Taxable in 2021	Taxable in 2021		Not taxable in 2021 – LCF's (Taxed in SIC)	Not taxable in 2021 – LCF's
P&L Accounting in Consolidated Statements	Share of earnings of Joint Venture	Consolidated income tax expense	Consolidated income tax expense	Consolidated income tax expense	N/A	Consolidated income tax expense	Consolidated income tax expense
Other			Taxed based on PSC PO revenue				
Payment timing	Monthly/quarterly	N/A	Quarterly	Quarterly	N/A	N/A	N/A

Status of Cuban energy receivables

<i>US\$M</i>	Q3 2020 overdue	Expected/ due	Received	Received on receivables agreement	Q4 2020 overdue
Oil & Gas - Trade receivables	\$ 23.1	\$ 2.0	\$ –	\$ –	\$ 25.1
Power					
Trade receivables/other	\$ 4.5	\$ 0.9	\$ (2.4) ⁽¹⁾	\$ (0.4)	\$ 2.6
Energas CSA	\$131.5	\$14.0	\$ –	\$ (27.3)	\$118.2
Total Cuban energy receivables	\$159.1	\$16.9	\$ (2.4)	\$ (27.7)	\$145.9

- Decline driven by US\$20M of re-directed distributions by GNC to Sherritt
- Amounts received were pursuant to collections agreement negotiated by Sherritt in 2019

Collections in 2021 expected to fluctuate throughout year

Accounting for overdue receivables – CSA loan

- Amount considered overdue is the principal and interest owing from the other Energas partners on CSA loan against scheduled liquidity plan – not against amounts invoiced
- Cash received in Canada, including redirections of GNC distributions:
 - Increases cash and cash equivalents balance in Canadian banks by the amount of the receipt
 - Reduces the amount of Energas cash by 1/3 of the receipt amount (repatriates cash)
 - Reduces amount of the overdue CSA by 2/3 of the receipt amount
- Cash received is included in “Cash from continuing operations” in Power

Amounts received on the CSA are first applied to interest then principal repayments

Overdue receivables accounting

Impact of minimum payment per quarter (\$US2.5M per month/\$CDN10M per quarter)

	December. 31 2020	\$10M Payment	Post Payment Balance
Cash, cash equivalents and Short-term investments (\$CDN)			
Canada	84	10	94
Cuba - Energas*	75	(3)	72
Cuba - Other	5		5
Other	3		3
Total	167	7	174

December 31, balance breakdown -See page 34 of 2020 Financial Results ; liquidity resources

*Total Energas Cash (100%) = CDN\$225 million, converted (local currency, Cuban pesos)

CSA Balance (\$CDN)

Energas	Principal and interest	295	(10)	285
Sherritt's share (33 1/3%)	Eliminated on consolidation	(98)	3	(95)
Total owed to Sherritt by Energas JV partners		197	(7)	190

CSA Loan details - See Page 105 of 2020 Financial Results (note 15).

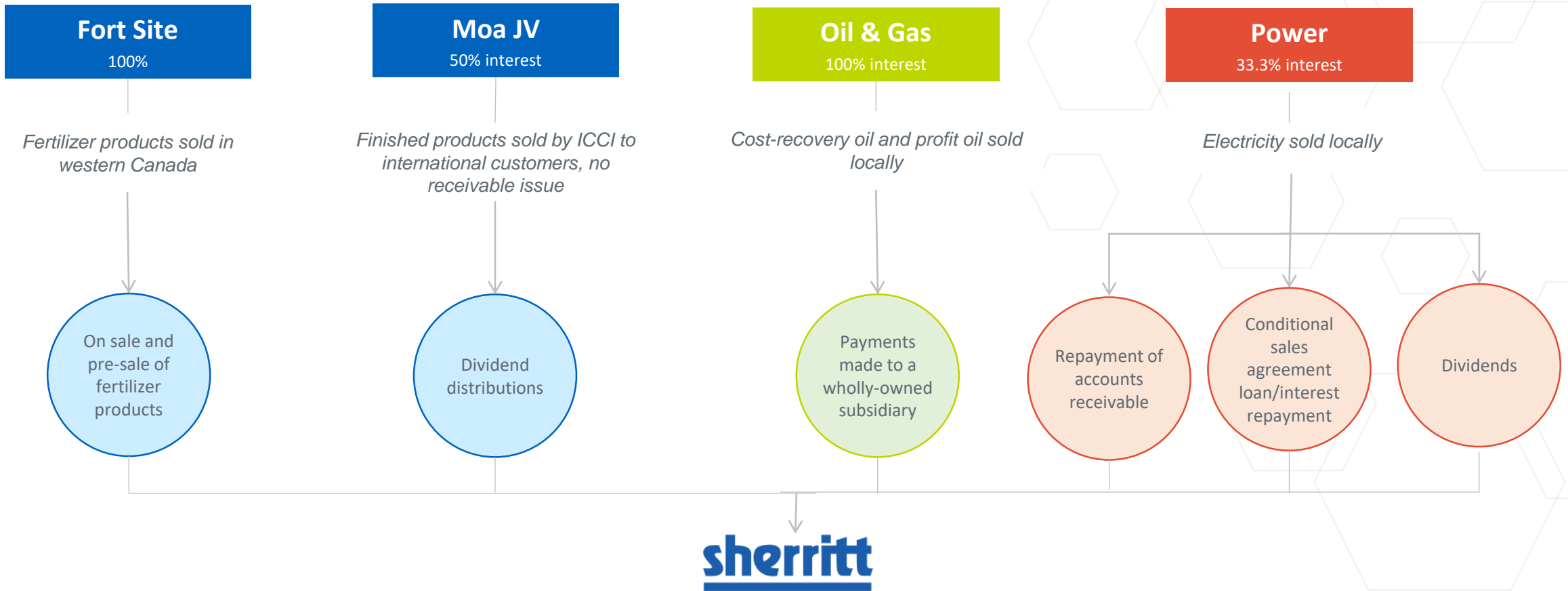
Sherritt's 1/3 share of repayment "repatriates" Cuban cash to Canada

Amounts reported as advances receivable in Sherritt's consolidated Balance Sheet

Balance sheet includes 1-third of Energas cash and 2-thirds of Energas' CSA loan receivable

How Sherritt generates cash

How cash is generated



For Moa JV – only distributions received are included in Consolidated Cash

Sources and uses of cash*

\$ millions	For the three months ended	
	2020 December 31	2019 December 31
Cash provided (used) by operating activities		
Fort Site operating cash flow	\$ 1.0	\$ 3.0
Metals Other operating cash flow	(8.0)	3.1
Oil and Gas operating cash flow	(5.3)	5.2
Power operating cash flow	6.4	5.4
Technologies and Corporate and other operating cash flow	(17.2)	(12.1)
Distributions received from the Moa Joint Venture	26.3	14.9
Interest received on Energas conditional sales agreement	23.8	2.9
Interest paid on notes and debentures	(5.0)	(15.1)
Purchase of commodity put options	(9.3)	-
Cash provided (used) by continuing operations	12.7	7.3
Cash (used) provided by discontinued operations	(1.6)	(1.4)
	\$ 11.1	\$ 5.9
Cash provided (used) by investing and financing activities		
	(8.8)	(9.1)
Increase (decrease) in cash for the period	2.3	(3.2)
Cash, cash equivalents and short-term investments:		
Beginning of the period	165.1	169.3
End of the period	\$ 167.4	\$ 166.1

1. Summary is derived from Sherritt's consolidated cash flow
2. Includes operating cash flow for each segment
3. Distributions and interest shown separately

Equals 2/3 share of
CSA overdue
payment received
(slide 24)
In \$CDN

Snapshot of changes in cash position

Arriving at Combined Free Cash Flow

\$ millions, for the three months ended December 31

	Moa JV and Fort Site	Metals Other	Oil and Gas	Power	Technologies and Corporate	Combined total	Adjustment for joint venture	2020 Total derived from financial statements
Cash provided (used) by continuing operations	\$ 13.4	\$ (8.0)	\$ (5.3)	\$ 30.2	\$ (31.6)	\$ (1.3)	\$ 14.0	\$ 12.7
Less:								
Property, plant and equipment expenditures	(9.3)	-	(0.8)	-	0.1	(10.0)	6.9	(3.1)
Intangible expenditures	-	-	(0.3)	-	-	(0.3)	-	(0.3)
Free cash flow	\$ 4.1	\$ (8.0)	\$ (6.4)	\$ 30.2	\$ (31.5)	\$ (11.6)	\$ 20.9	\$ 9.3

Removes the impact of Moa JV cash and adds back impact of dividend received at Corporate

Moa JV cash provided by continuing operations

Total Adjustment:

(14.0) Add back (reverse sign)

Moa JV Dividend received by Corporate

26.3

12.3

Add back - Amount is disclosed in Consolidated Cash Flow (FS), or Sources and Uses of Cash (MD&A)

Fort Site cash provided by continuing operations 1.1

Cash provided by "Moa JV and Fort Site", less cash provided by Moa JV

Total Cash provided by continuing operations 13.4

Fort Site Cash provided (used) by continuing operations may also be calculated using the following formula:

Total from FS – Corp/other – Power – O&G – Metals Other – Moa JV dividend (eg. from above $12.7 + 31.6 - 30.2 + 5.3 + 8.0 - 26.3 = 1.1$)

Reconciling Free Cash Flow* to change in cash:

\$ millions, for the three months ended December 31

\$ millions, for the three months ended December 31													2020			
	Moa JV and Fort Site		Metals Other		Oil and Gas		Power Technologies and Corporate		Combined total	Adjustment for joint venture		Total derived from financial statements				
Cash provided (used) by continuing operations	\$	13.4	\$	(8.0)	\$	(5.3)	\$	30.2	\$	(31.6)	\$	(1.3)	\$	14.0	\$	12.7
Less:																
Property, plant and equipment expenditures		(9.3)		-		(0.8)		-		0.1		(10.0)		6.9		(3.1)
Intangible expenditures		-		-		(0.3)		-		-		(0.3)		-		(0.3)
Free cash flow	\$	4.1	\$	(8.0)	\$	(6.4)	\$	30.2	\$	(31.5)	\$	(11.6)	\$	20.9	\$	9.3
Cash used by discontinued operations																(1.6)
Effect of change in exchange rate and other																(5.4)
Change in Cash for the Quarter																2.3

Redirections of distributions from GNC are included in Power cash from operations

Arriving at Adjusted EBITDA*

\$ millions, for the year ended December 31

2020

	Moa JV and Fort Site	Metals Other	Oil and Gas	Power	Technologies and Corporate	Adjustment for joint venture	Total
(Loss) earnings from operations and joint venture per financial statements	\$ 3.9	\$ (2.0)	\$ (136.4)	\$ (5.6)	\$ (40.1)	\$ (16.9)	\$ (197.1)
Add (deduct):							
Depletion, depreciation and amortization	16.5	0.2	7.1	20.9	1.1	-	45.8
Impairment of assets	0.2	-	115.6	-	-	-	115.8
Impairment of Power assets	-	-	-	9.4	-	-	9.4
Adjustments for share of joint venture:							
Depletion, depreciation and amortization	48.1	-	-	-	-	-	48.1
Net finance expense	-	-	-	-	-	5.1	5.1
Income tax expense	-	-	-	-	-	11.8	11.8
Adjusted EBITDA	\$ 68.7	\$ (1.8)	\$ (13.7)	\$ 24.7	\$ (39.0)	\$ -	\$ 38.9

1. Adjusted EBITDA is provided on all operating segments
2. Moa JV data is pulled from amounts included in “Share of earnings from a Joint Venture” in the Financial statements

Adjusted EBITDA includes earnings from Moa Joint Venture

Reconciling Adjusted EBITDA* to change in cash:

\$ millions, for the year ended December 31		2020	
Adjusted EBITDA		\$ 38.9	
Add (deduct):			
Moa Joint Venture Adjusted EBITDA	(73.5)		Financing amounts in cash from operations, not in EBITDA
Distributions from the Moa Joint Venture	39.6		
Purchase of commodity put options	(9.4)		
Interest received on Energas conditional sales agreement	44.6		
Interest paid on notes	(5.0)		
Net change in non-cash working capital	4.6		
Share-based compensation expense	8.2		
Cash provided by continuing operations per financial statements	48.0		
Add (deduct):			
Cash used by discontinued operations	(7.3)		
Capital expenditures	(12.1)		
Fees paid on debenture exchange	(24.6)		
Effect of exchange rate changes on cash and cash equivalents	(1.6)		
Other	(1.1)		
Change in cash, cash equivalents and short-term investments	\$ 1.3		

1. Distributions from Moa JV are excluded from EBITDA
2. Adjustments are included in Sources and Uses of Cash in the MD&A
3. Net change in non-cash working capital amount is included in Cash Flow in the FS

Reconciliation is provided on an YTD basis

Sherritt's Cash Balance*

Jurisdiction	Amount (\$CDN millions)	
Canada	\$84	<ul style="list-style-type: none">Primarily held in Canadian financial institutions or Government of Canada T-bills.
Cuba – Energas	\$75	<ul style="list-style-type: none">Held in Cuban financial institutions, equal to Sherritt's one-third interest in total Energas cash balance.
Cuba - Other	\$5	<ul style="list-style-type: none">Held in Cuban financial institutions.
Other	\$3	<ul style="list-style-type: none">Foreign currency accounts held mostly in European financial institutions.
Total	\$167M	

Liquidity excludes credit facility



Looking ahead...

2021 Outlook

Moa JV

Finish nickel	32,000 – 34,000 tonnes
Finished cobalt	3,300 – 3,600 tonnes
Net direct cash cost:	US\$4.25 - \$4.75/lb
Capital Spending:	US\$44M*

Power

Electricity:	450 – 500 GWh
Unit Cost:	\$30.50 – \$32.00
Capital Spending:	US\$1M

- Production guidance at Moa JV consistent with historical production
- Production guidance reflects ongoing commitment to Operational Excellence
- NDCC based on forecasted US\$15.58/lb cobalt and US\$145/tonne of sulphur costs**
- Power production and unit costs impacted by rescheduling of deferred maintenance activities
- Capital spend to be focused on continued replacement of mine and plant equipment

Guidance based on a number of conservative assumptions

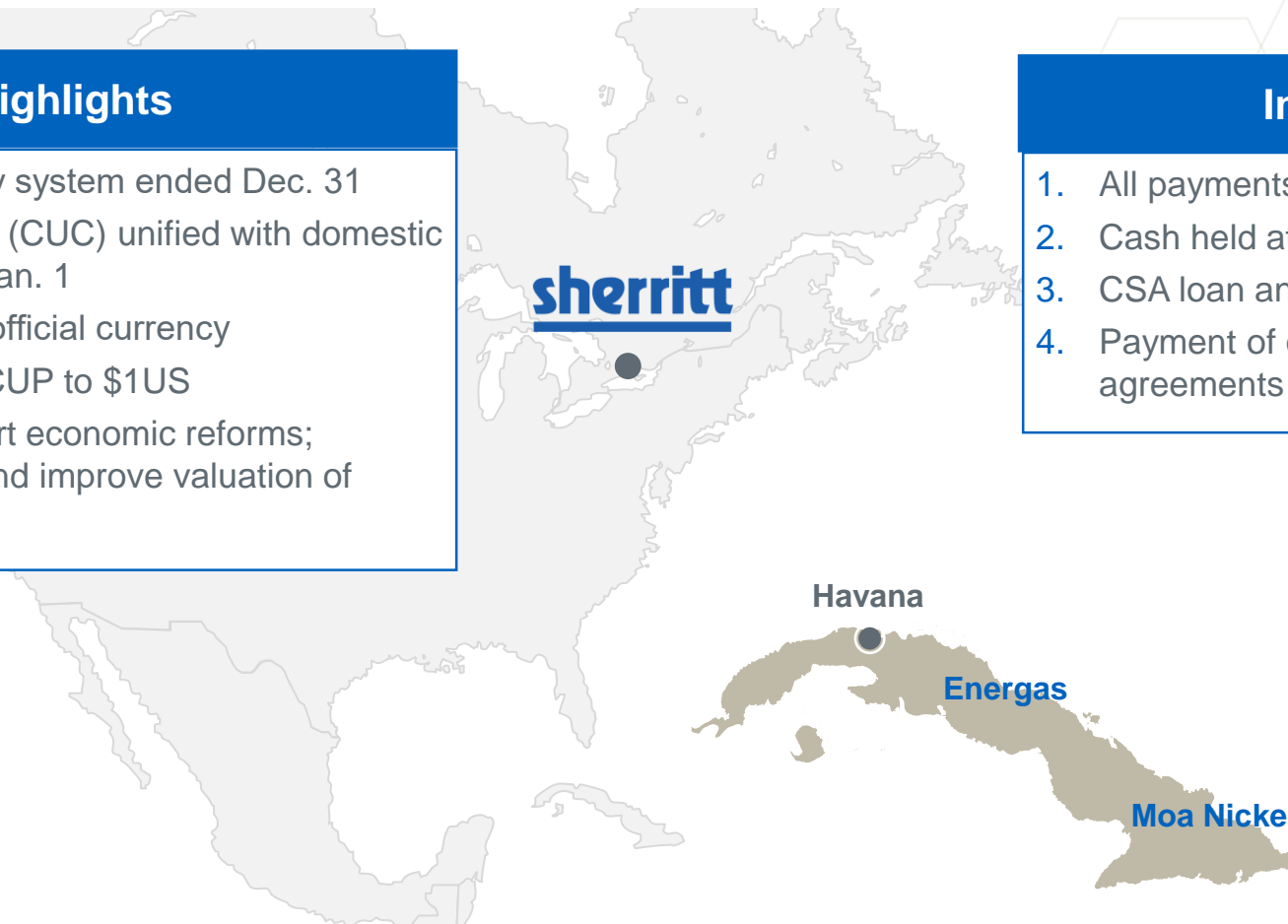
Unification of Cuban currencies

Key highlights

1. Cuba's dual currency system ended Dec. 31
2. Convertible currency (CUC) unified with domestic currency (CUP) on Jan. 1
3. CUP is Cuba's only official currency
4. Exchange rate: 24 CUP to \$1US
5. Objectives: to support economic reforms; harmonize wages; and improve valuation of exports

Impacts to Sherritt

1. All payments made in \$US
2. Cash held at Energas unaffected
3. CSA loan and amounts owed unaffected
4. Payment of overdue amounts against receivables agreements may be delayed temporarily



Current overdue amounts or cash held in Cuba will not be impacted

Looking ahead ...

- Expect variability on collections of overdue receivables due to COVID-19, ongoing impact of U.S. sanctions and unification of Cuban currencies
- Annual plant shutdown of refinery is slated for Q2
- Power contributions will be impacted by timing of maintenance activities
- Disclosure enhancements effective with Q1 results
 - Adjusted EBITDA to Change in Cash reconciliation will include quarter *and* YTD results
 - Adjusted Operating Cash Flow metric will be removed
 - Technologies will be separated from “Technologies and Corporate” in segment reporting

Expect continued enhancement to Sherritt’s financial reporting

Q&A Discussion



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Appendix



Sherritt Reporting for Moa Joint Venture

The following table summarizes key financial metrics from Financial Highlights in the MD&A and whether results from Moa JV are included/excluded.

Key Metric	Accounting consideration
Revenue	Excludes Moa JV revenue
Combined Revenue	Includes Moa JV revenue
Earnings/loss from operations and joint venture	Includes "Share of earnings of a joint venture" (Moa JV)
Net earnings/loss from continuing operations	Includes "Share of earnings of a joint venture" (Moa JV)
Net earnings/loss for the period	Includes "Share of earnings of a joint venture" (Moa JV)
Adjusted net earnings/loss	Includes "Share of earnings of a joint venture" (Moa JV) and Moa JV related adjustments
Adjusted EBITDA	Includes Moa JV related amounts
Earnings per share (continuing operations and net)	Includes "Share of earnings of a joint venture" (Moa JV)
Cash, cash equivalents and short-term investments	Excludes Moa JV cash, cash equivalents and short-term investments
Cash provided by continuing operations	Excludes Moa JV cash from operations, but includes Moa JV distributions received at Corporate
Combined free cash flow	Includes Moa JV cash from operations and capital spending

Important definitions (Non-GAAP measures)

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

Adjusted EBITDA

- Adjusted EBITDA is calculated as earnings (loss) from operations and joint venture, which excludes net finance expense, as reported in the financial statements for the period, adjusted for: depletion, depreciation and amortization; impairment losses for long-lived assets, intangible assets, goodwill and investments; gains or losses on disposal of property, plant and equipment of the Corporation or joint venture; and gains or losses on disposition of an interest in an investment in 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 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

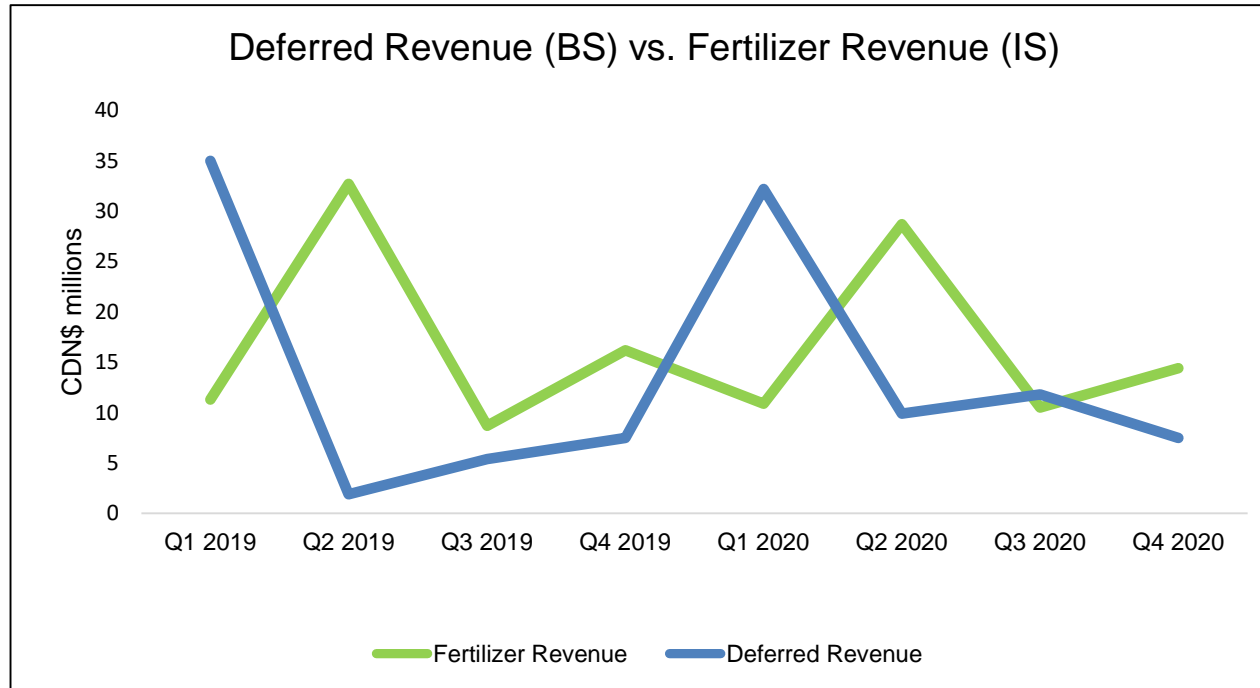
Reference Prices:

- 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).

Fertilizer sales cycle



Fertilizer pre-buying is typical in the industry and based on:

- Expectations about growing season
- Success of current crop season
- Current fertilizer prices vs. future prices

Presales are typically received:

- Nov – Jan (after growing season)
- Aug – Sept (before Winter application)

Deliveries are made:

- April - May (during planting season)
- Sept. – Oct. (during Winter application)

Pre-sales increase deferred revenue; deferred revenue declines when sales are recognized

Fertilizer business cannot operate standalone

Important tools - Interactive data centre – Available on our Website



Interactive Analyst Center™

Operational Highlights (Q)

Last Updated On: 11/1/201

Quarterly			Annual	«	« Description Period Ended On (MM/DD/YYYY)	Q3 17 9/30/2017	Q4 17 12/31/2017	Q1 18 3/31/2018	Q2 18 6/30/2018	Q3 18 9/30/2018
Operational Highlights (Q)					Financial Highlights					
Metals (Q)					C\$ Million	63.3	54.8	39.4	46.5	29.9
Oil and Gas (Q)					C\$ Million	234.7	223.8	146.9	201.1	187.8
Power (Q)					C\$ Million	33.8	49.6	36.4	49.5	40.6
Non-GAAP Data (Q)					C\$ Million	(52.3)	606.5	(5.6)	(3.0)	(8.1)
Income Statement (Q)					C\$ Million	(84.4)	(50.2)	(14.8)	(8.7)	(10.2)
Balance Sheet (Q)										
Cash Flow (Q)					C\$ Actual	(0.29)	(0.17)	(0.04)	(0.02)	(0.03)
Export Financials					Earnings (loss) per share (basic)(\$ per share)					
Build a Chart					C\$ Actual	(0.24)	1.85	-	0.01	(0.03)
Stock Chart					C\$ Actual	(0.24)	1.80	-	0.01	(0.03)
					Earnings (loss) per share (diluted) (\$ per sh...					
					C\$ Actual	(0.24)	1.80	-	0.01	(0.03)
					C\$ Actual	(0.24)	1.75	-	0.01	(0.03)
					C\$ Million	-	(15.1)	-		
					C\$ Million	(69.5)	537.8	(0.6)	2.8	(13.3)
					C\$ Million	203.0	203.0	237.3	197.2	207.1
					C\$ Million	28.7	(33.9)	11.1	(30.4)	14.1
					C\$ Million	7.3	(41.2)	6.1	(16.5)	(3.5)
					C\$ Million	26.1	15.7	5.9	21.0	18.5
					C\$ Million	23.7	25.0	9.4	23.8	22.7

← Ability to view and extract current and historical financial and operational data

← Accessible via IR section of Sherritt.com or

<https://apps.indigotools.com/IR/IAC/?Ticker=S&Exchange=TSX>

