

SHERITT

2018 ANNUAL MEETING

June 12, 2018

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David Pathe
President and CEO

June 12, 2018

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Forward-looking statements

The material and presentations comprising the Sherritt International Corporation (“Sherritt” or the “Corporation”) Annual General Meeting on June 12, 2018 contain 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.

Forward looking statements are not based on historical facts, but rather on current expectations, assumptions and projections about future events, including commodity and product supply, demand and prices; the level of liquidity and access to funding; share price volatility; production results; Net Direct Cash Costs; realized prices for production; earnings and revenues; market potential for electric vehicles and bitumen upgrading;; capital spending; capital projects, costs and timelines; equipment availability; development and exploration wells and enhanced oil recovery in Cuba, including in relation to Block 10; environmental rehabilitation provisions; availability of regulatory approvals; 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 those attending today’s meeting 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; 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; and certain corporate objectives, goals and plans for 2018; 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 the Corporation’s other documents filed with the Canadian securities authorities, including the Corporation’s Annual information Form for the year ended December 31, 2017 dated March 20, 2018..

At today’s meeting, the Corporation may also 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 today’s materials 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 in and presented today’s meeting 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 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.

Supplying a sustainable future



Launch of 2017 sustainability report

Starts with a sustainable Sherritt

2014

- Sold non-core coal assets for \$946M and repaid \$425M in debentures

2016

- Extended debenture maturities by 3 years
- Repurchased \$30M of debentures at a discount - Q2 2016

2017

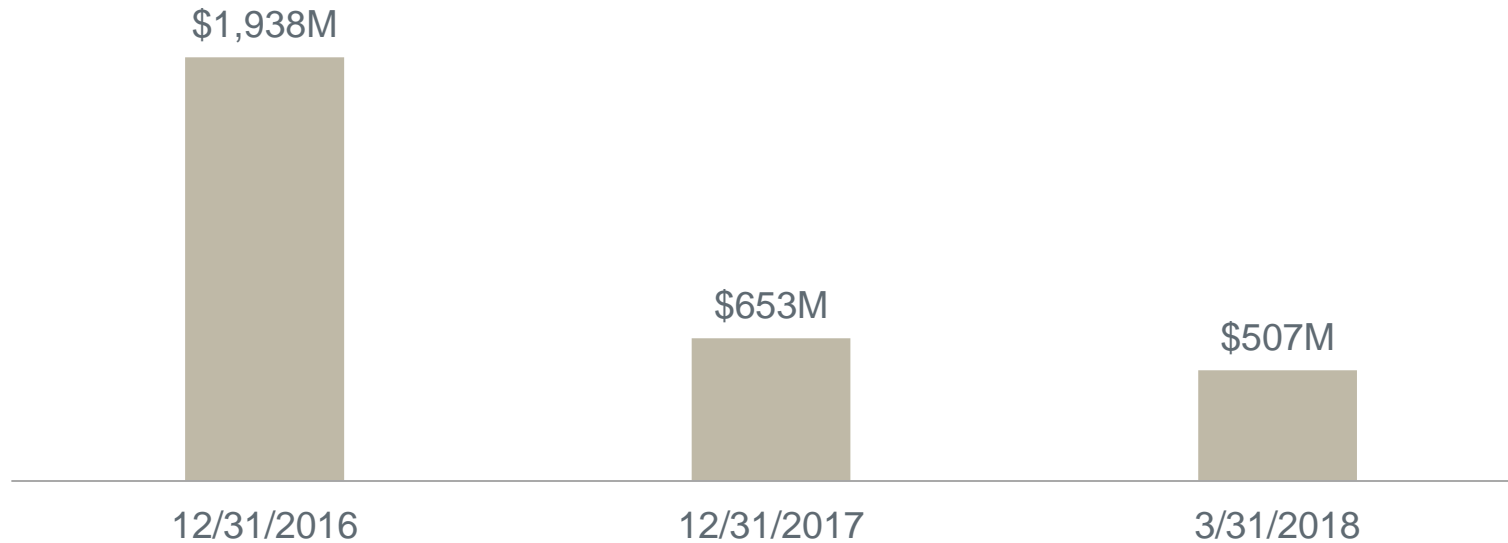
- Restructured Ambatovy JV & eliminated \$1.4B of debt

2018

- Repurchased \$120M of debentures for \$110M
- Additional \$10M repurchased in May

Eliminated \$2 billion of debt over past 4 years

Impact of balance sheet initiatives

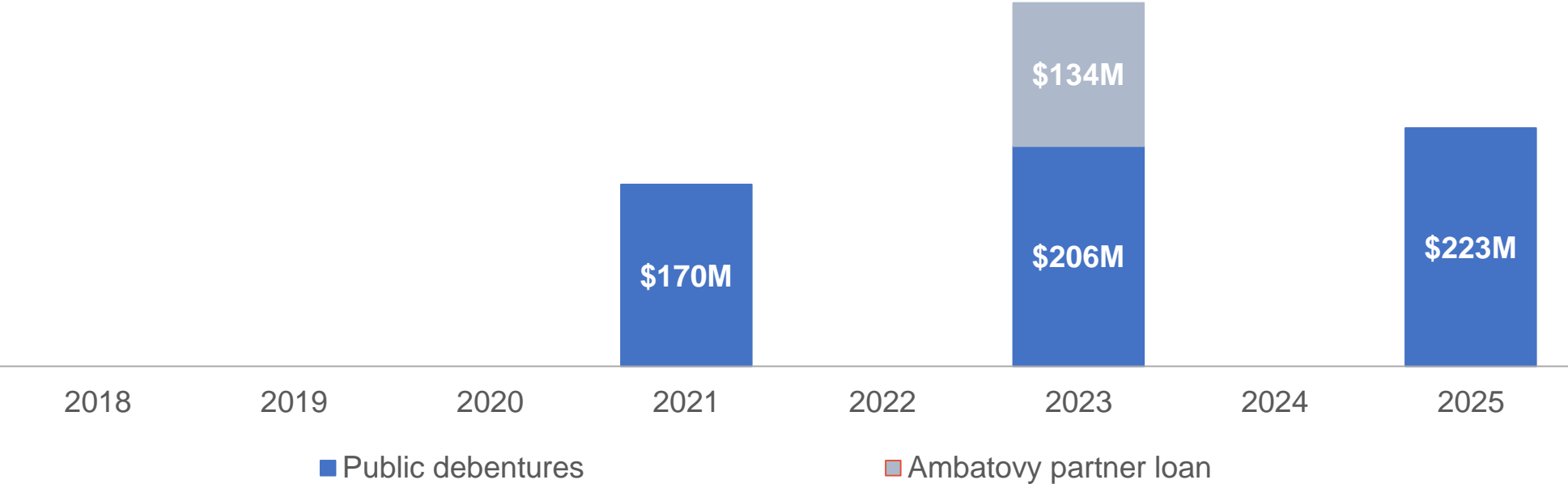


74%

Decrease in net debt since 2016⁽¹⁾

Reducing debt remains a priority

3+ year runway before major liabilities are due⁽¹⁾



No debt maturities until Q4 2021

(1) Includes debentures and outstanding partner loan

Reducing operating and head-office costs

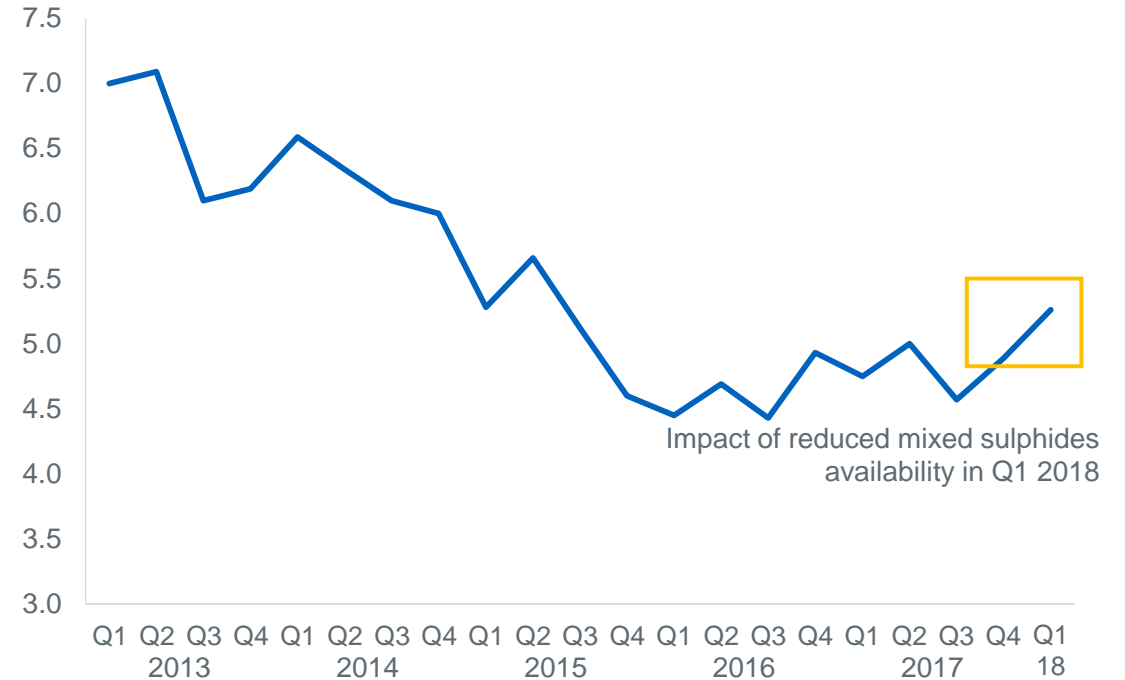
Operations

- Focus on reduction of controllable costs
 - 3rd acid plant reduced operating costs
- Lower NDCC aided by rising cobalt prices

Corporate

- Administrative expenses reduced by 37% between 2013 and 2017
- Annual interest expenses reduced by ~\$10M due to \$120M debenture re-purchase in February

Moa MPR ⁽¹⁾ costs (US\$/lb, excl. by-product credits)



Sherritt is a low-cost, premium quality producer

Focus on safety makes us stronger

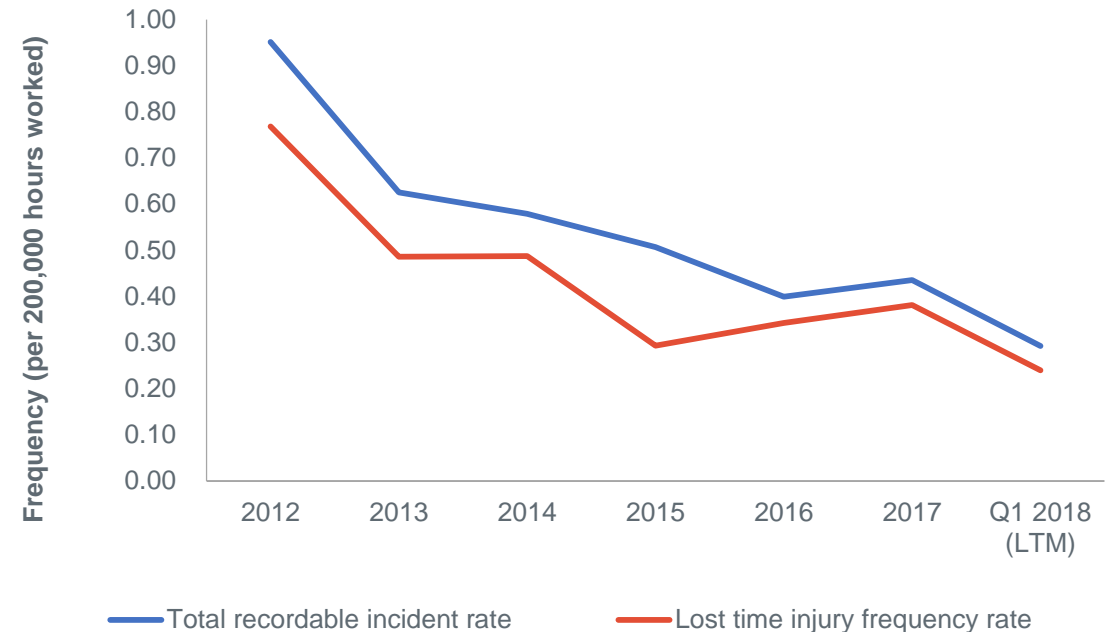
Q1 2018 results

- Zero lost time incidents
- 7 million hours without a lost time incident
- Safest record since Q3 2005

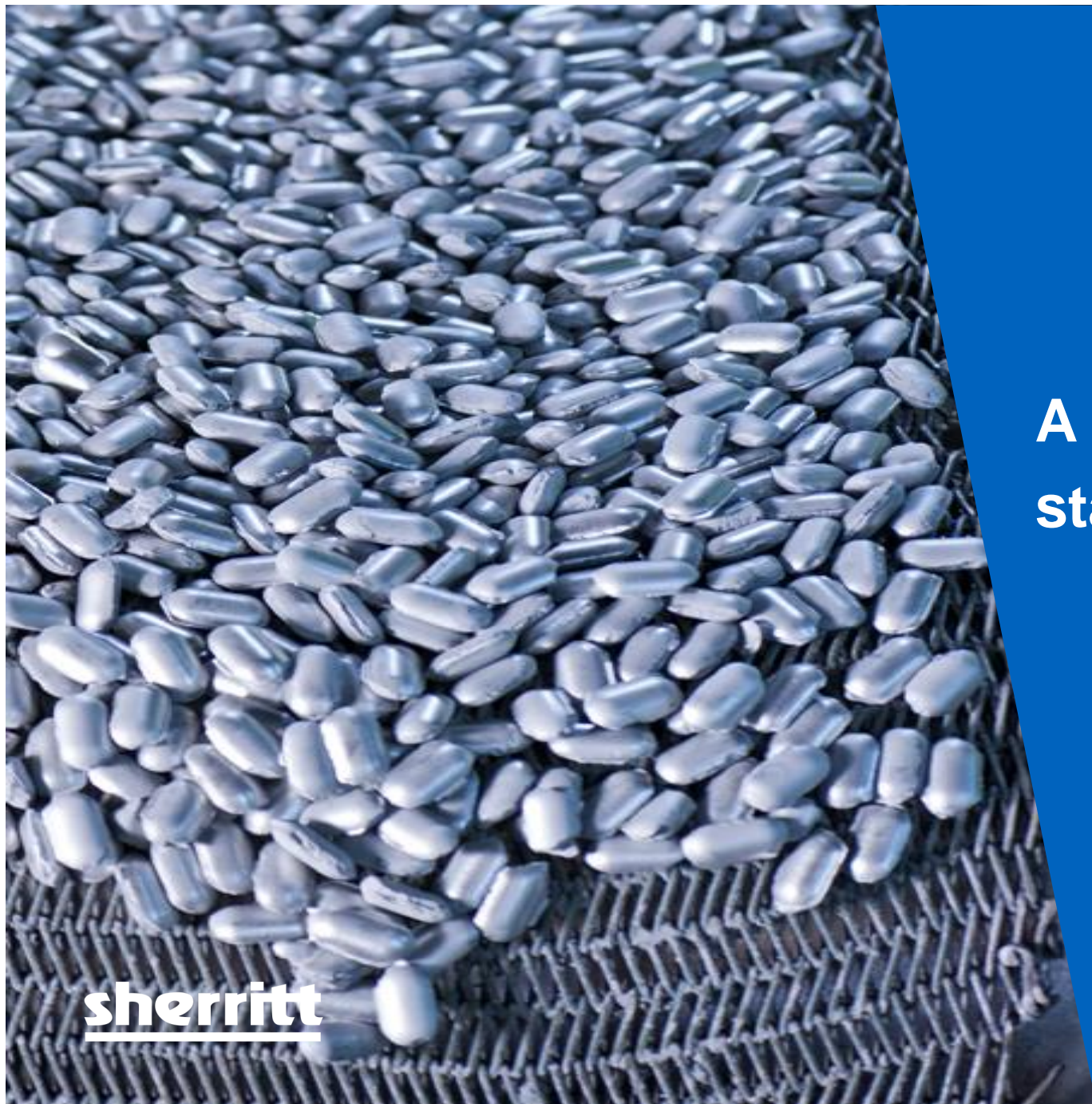
Global commitment

- Implementing Towards Sustainable Mining standards at all operations
- Significant progress made with fatality prevention measures at the Moa JV

Moa JV - Work-related incidents

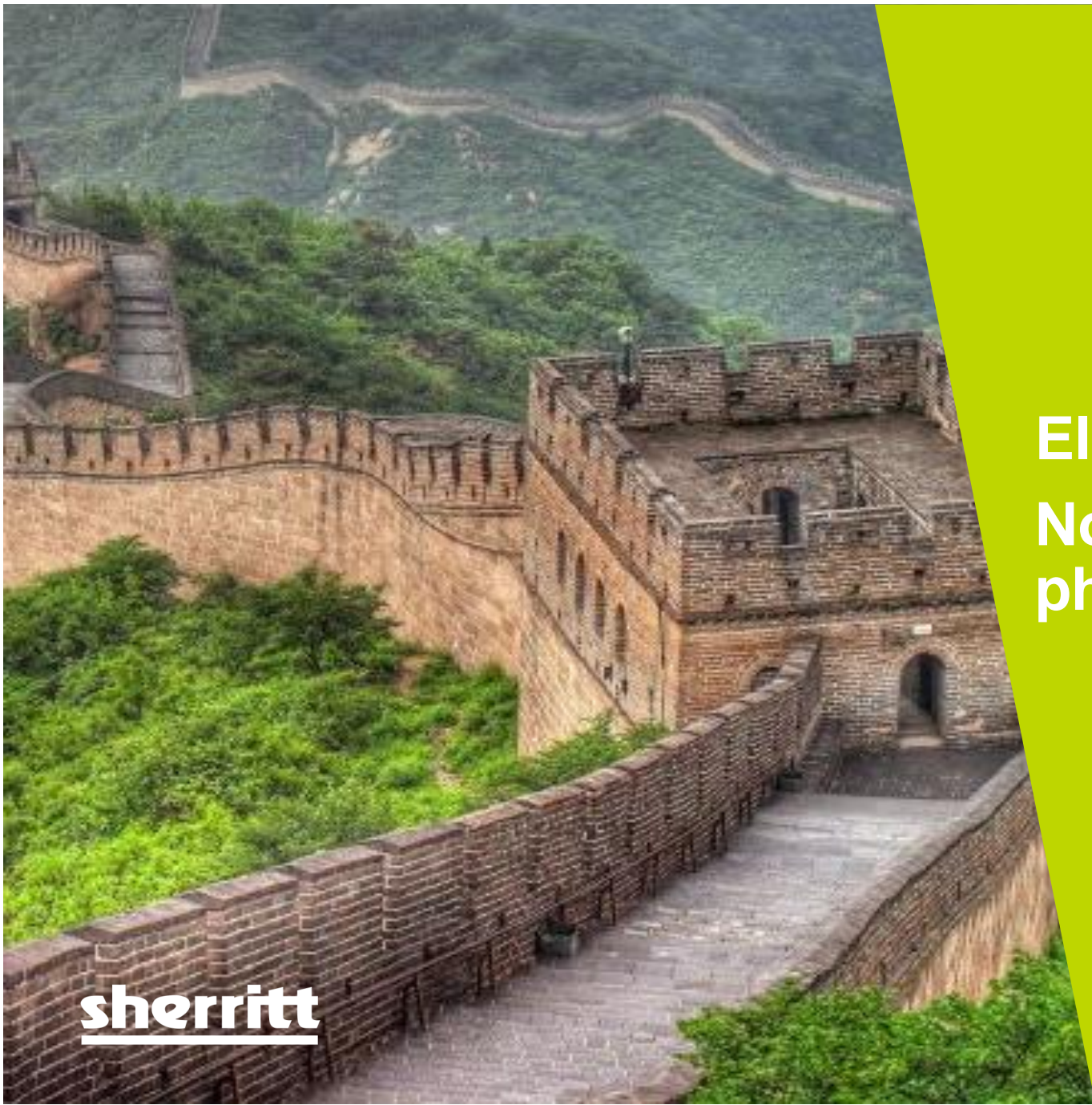


Commitment to safety driving improvements to injury and incident rates



**A sustainable future
starts with nickel and cobalt**








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**Electric vehicles --
No longer just a China
phenomenon**

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Trend is a global phenomenon

		Initiative	Year
China		China targets 5M EVs on the road by 2020 and production of 7M EVs by 2025. EVs with range > 400km see increase in subsidies	2020, 2025
Norway		Change to taxes and incentives to achieve zero or low emission vehicle sales	2025
Holland		Ban all fossil fuel passenger car sales	2025
Germany		Change to taxes and incentives to achieve only zero-emission sales EU-wide	2030
India		Ban on the sale of petrol and diesel cars	2030
France		Ban on the sale of cars emitting greenhouse gases	2040
U.K.		Ban on the sale of all petrol and diesel cars and vans	2040

Regulators in China and Europe are paving the way for electrification

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
- Mercedes will launch 10 new EV models by 2022

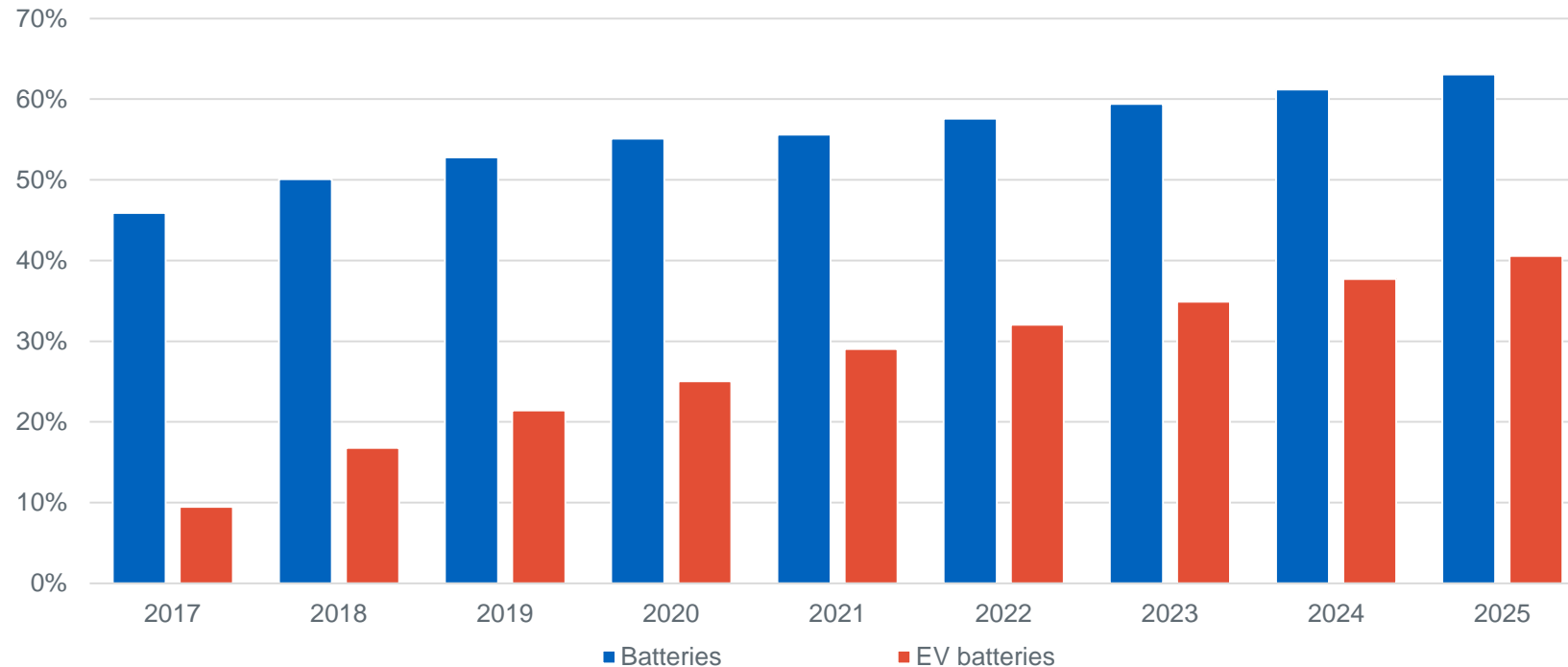
2025

- 30% of Audi vehicle sales will be electric
- Volvo aims for >50% of its sales to be of all-electric models

Pace of EV revolution is driving higher nickel and cobalt prices

Near-term outlook for cobalt is strong

Cobalt demand coming from the battery sector

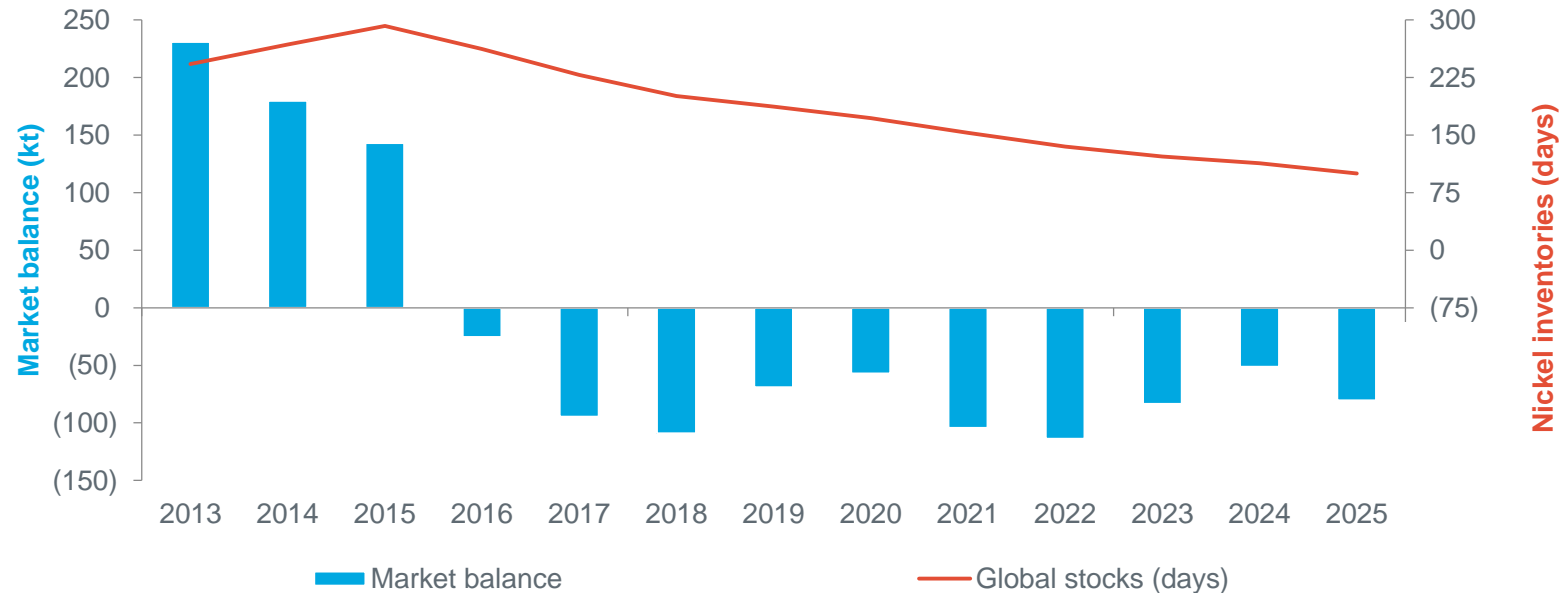


Electric vehicles will consume 40% of the world's cobalt supply by 2025

Source: CRU

Nickel supply deficit is accelerating

Global nickel supply/demand market balance (kt)

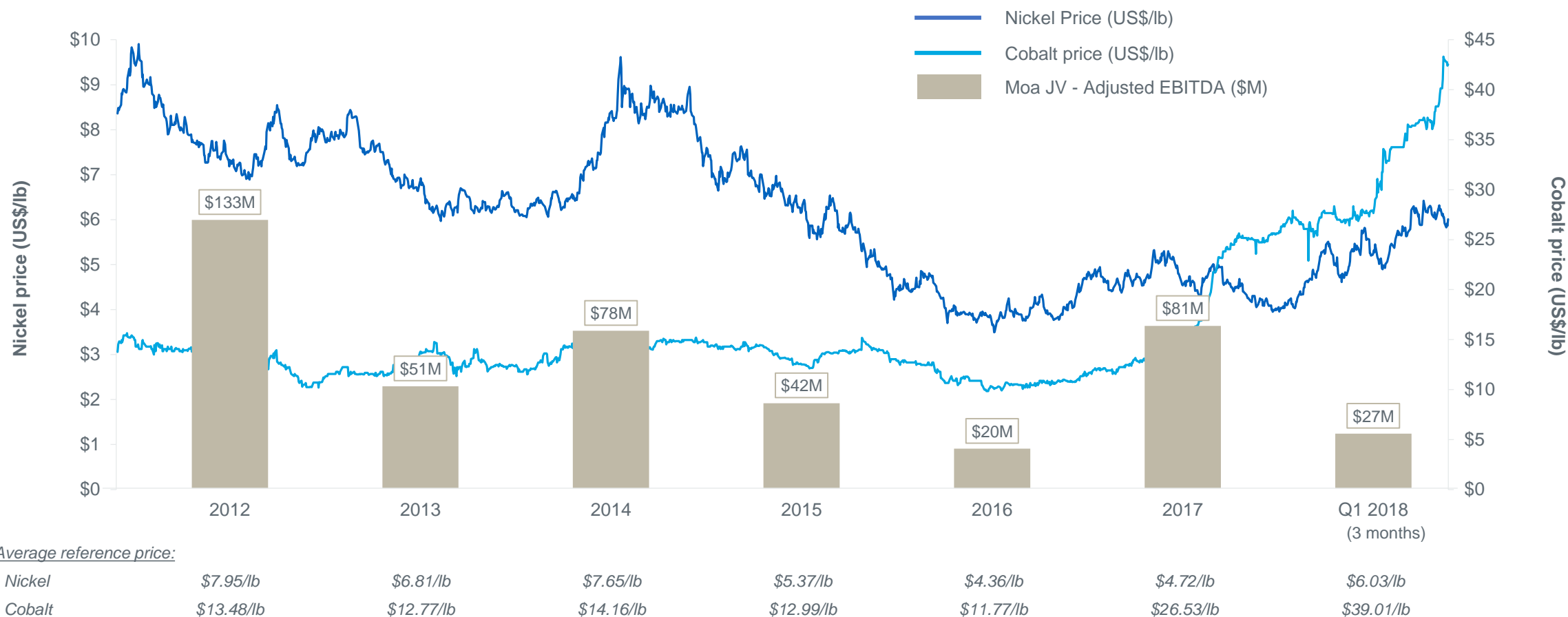


- Supply deficit expected to grow through 2025
- Demand is tied to EV battery requirements
- Current LME inventory is below 300,000 tonnes

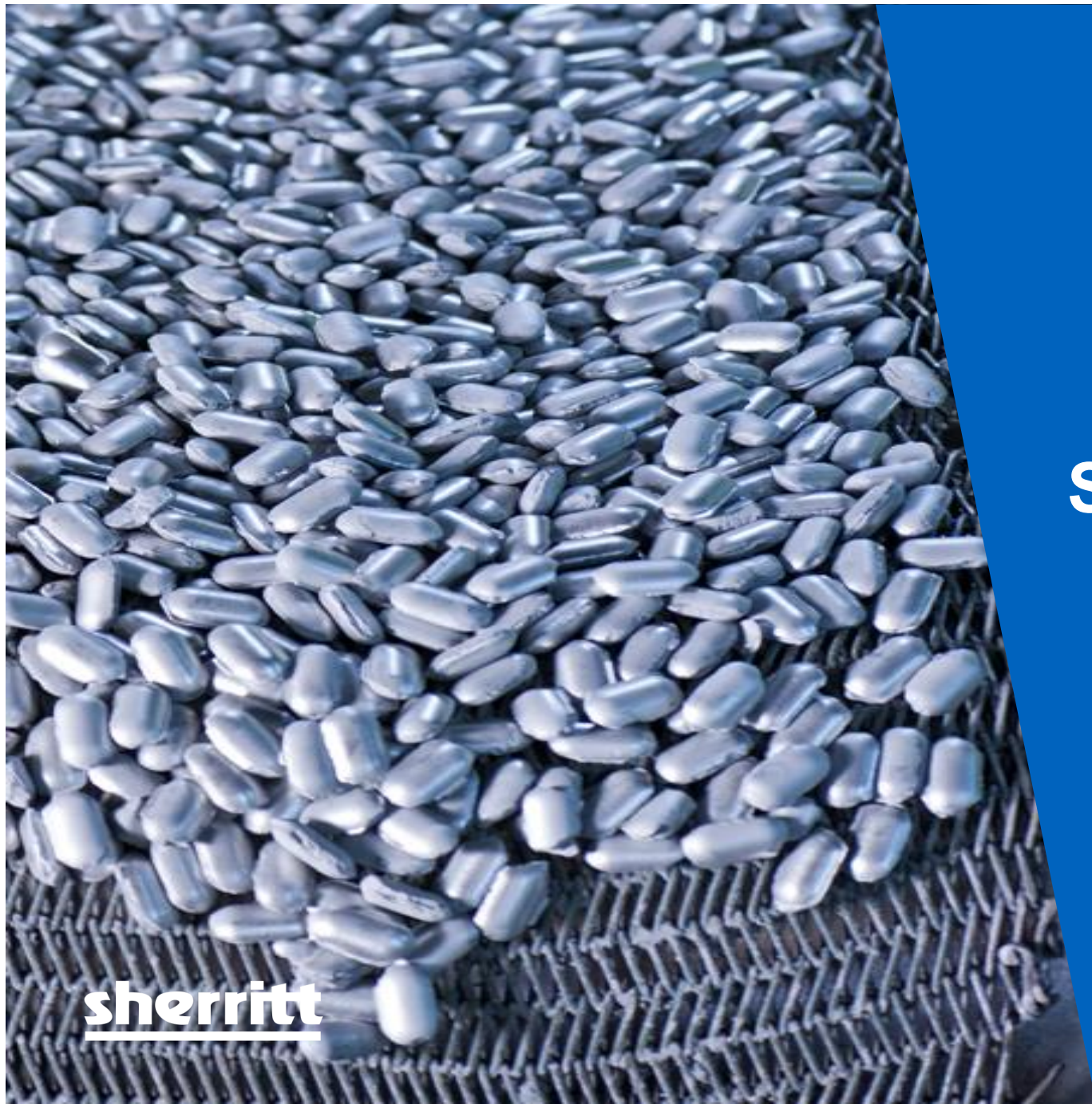
Provides Sherritt with favorable outlook

Sources: Wood Mackenzie, Q1 2018 market balance
Wood Mackenzie Global nickel short-term outlook (April 2018)

Sensitivity to nickel and cobalt prices



Sherritt is benefitting from nickel and cobalt price recoveries



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Sustaining our momentum

2018 priorities

1

Preserve liquidity and enhance balance sheet strength

2

Uphold global leadership in finished nickel laterite production

3

Optimize opportunities in Cuban energy business

Sherritt's priorities have not changed

2018 progress

Strategic Priority	2018 Results YTD
Strengthen balance sheet & preserve liquidity	<ul style="list-style-type: none">• Cash position increased to \$237.3M – Q1• \$121.2M debenture purchased for \$110.3M – Q1• \$10 million debenture purchase – Q2
Uphold leadership position in nickel production	<ul style="list-style-type: none">• Operations at Moa JV and Ambatovy JV had zero lost time incidents – Q1• NDCC at Moa JV was \$2.06/lb; 4th consecutive quarter in the lowest cost quartile – Q1
Optimize Cuban energy business opportunities	<ul style="list-style-type: none">• PSC at PE/Yumori extended to 2021 – Q1• Technology for Block 10 drilling identified – Q1

Sherritt continues to execute on its priorities

Block 10 development potential

- Finalized evaluation of available technology to complete drilling
- Drilling expected to commence soon
- US\$13 million in spend budgeted for drilling
- Potential production:
 - 25,000 bopd GWI
- Preliminary results expected in Q3
- Results will determine development budget



Development plan to be finalized pending drilling results in Q3

Sherritt bitumen upgrade process addresses industry need

Bitumen



- Highly viscous material
- Must be thinned for pipeline transportation
- Thinned through addition of expensive diluent

Sherritt Process

- Eliminates need for diluent addition
- Leverages 60+ years of hydrometallurgical processes and use of autoclaves
- Pilot-scale demonstration successfully completed
- Opportunity to commercialize technology

Traditional processes

- Requires addition of diluent – expensive thinning agent
- Addition of diluent is estimated to cost Alberta industry \$6 billion/year
- Reduces pipeline capacity

Reduces costs and improves pipeline capacity

Summary

1

Balance sheet initiatives have transformed Sherritt

2

Outlook and prospects have never been stronger

3

Sherritt has strong upside leverage to rising nickel and cobalt prices

Questions?

David Pathe
President and CEO

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