

Ambatovy Site Tour | November 22-24

Cautionary Statement on Forward-Looking Information

This document 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”, “projected”, “continue” or other similar words or phrases. Specifically, forward-looking statements in this document include, but are not limited to, certain expectations for achieving financial completion at Ambatovy; securing additional Production Sharing Contracts in Cuba; capital costs and expenditures; global nickel market supply and demand forecasts; Cuban tax rates in the power business; and corporate objectives, goals and plans for 2015.

Forward-looking statements are not based on historic facts, but rather on current expectations, assumptions and projections about future events. 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 document 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.

Key factors that may result in material differences between actual results and developments and those contemplated by this document include global economic and market conditions, and business, economic and political conditions in Canada, Cuba, Madagascar, and the principal markets for the Corporation's products. Other such factors include, but are not limited to, uncertainties in the ramp-up and operation of large mining, processing and refining projects; risks related to the availability of capital to undertake capital initiatives; changes in capital cost estimates in respect of the Corporation's capital initiatives; risks associated with the Corporation's joint-venture partners; risk of future non-compliance with financial covenants; potential interruptions in transportation; political, economic and other risks of foreign operations; the Corporation's reliance on key personnel and skilled workers; the possibility of equipment and other unexpected failures; the potential for shortages of equipment and supplies; risks associated with mining, processing and refining activities; uncertainty of gas supply for electrical generation; uncertainties in oil and gas exploration; risks related to foreign exchange controls on Cuban government enterprises to transact in foreign currency; risks associated with the United States embargo on Cuba and the Helms-Burton legislation; risks related to the Cuban government's and Malagasy government's ability to make certain payments to the Corporation; risks related to exploration and development programs; uncertainties reserve estimates; risks associated with access to reserves and resources; uncertainties in environmental rehabilitation provision estimates; risks related to the Corporation's reliance on partners and significant customers; risks related to the Corporation's corporate structure; foreign exchange and pricing risks; uncertainties in commodity pricing; credit risks; competition in product markets; the Corporation's ability to access markets; 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; risks associated with future acquisitions; uncertainty in the ability of the Corporation to obtain government permits; risks associated with government regulations and environmental, health and safety matters; uncertainties in growth management; interest rate risk; risks related to political or social unrest or change and those in respect of community relations; risks associated with rights and title claims; 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.

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 document and in the Corporation's other documents filed with the Canadian securities authorities including, but not limited to, the Corporation's Annual Information Form for the year ended December 31, 2014 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 document 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, adjusted earnings, combined adjusted operating cash flow per share and combined 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. For additional information, including a reconciliation of each non-GAAP measures to the most directly comparable GAAP measure, see the Non-GAAP measures section in our Management's Discussion and Analysis (MD&A) for the three months ended September 30, 2015 available on our website at www.sherritt.com.



INTRODUCTION

Aerial View, Ambatovy Mine Site, Madagascar

MANAGEMENT LINEUP



TIM DOBSON
President, Ambatovy



STEVE WOOD
EVP and
Chief Operating Officer,
Sherritt Int'l



KIRBY KRYSKI
Vice President
Plant Services



**LOUIS ROLAND-
GOSSELIN**
Vice President
Sustainability



MARK MITCHELL
Vice President
Operations

POLITICAL UPDATE: 2015 EVENTS



President
Hery Rajaonarimampianina



Air Madagascar

Impeachment vote against President

- Impeachment vote against President in May (124/151 parliamentarians)
- Failed subsequent high court process, President remains in power

Mining Code revision

- New draft of proposed mining code issued by Government in October
- Ambatovy extensively involved via Chamber of Mines
- Ambatovy governed by LGIM

Municipal (mayoral) elections

- Held in July without significant incident
- President's party fared well with ~60% of seats won

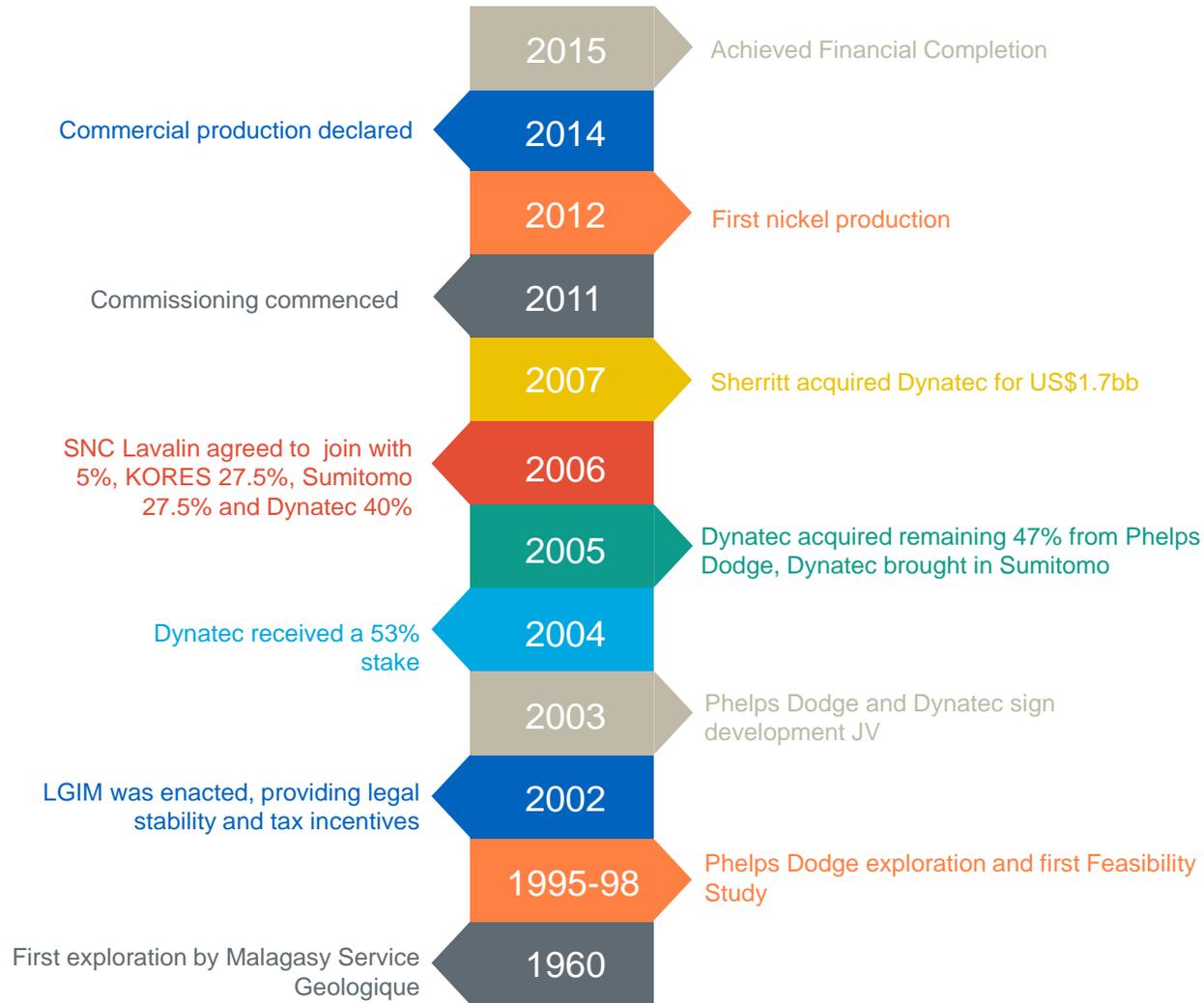
Air Madagascar strike

- Employee strike in June-July lasted several weeks; heavy toll on economy.

IMF Mission

- US\$47.2 million Rapid Credit Facility to be granted end 2015
- Ambatovy seeking further IMF support for payment of VAT

AMBATOVOY HISTORY





Mining & Processing

Ambatovy Mine Site, Madagascar

AMBATOVY OPERATIONAL HIGHLIGHTS

Mine	Commenced operations in July 2010. Mining certificate completed in Q1 2013. ⁽¹⁾ Currently mining ~8.8 million tonnes per annum and processing ~1.5 million tonnes per quarter as of Q3 2015
OPP	Full capacity achieved in Q1 2013; Operated continuously at 90% of nameplate capacity for 90 days to achieve Production certificate in March 2015
Pipeline	Slurry first sent down pipeline to the plant site in Q2 2011; pipeline operated within design parameters the same quarter. Pipeline certificate completed in Q1 2013. ⁽¹⁾ The pipeline continues to operate as per its design and without issues.
PAL	Commercial Production (above 70% of PAL nameplate capacity over 30 days) achieved on January 22, 2014. Production Certificate achieved in March 2015 (90 days continuous operation at 90% of nameplate capacity). Achieved a second time in August.
Refinery	Highest level of nickel briquetted in one day – 196 tonnes (August 13th 2015) against nameplate of 165 tonnes.
Refinery	2015 nickel recovery rate of 99.5% YTD, exceeds the process design criteria (98.5%).
Marketing	LME certification in September 2015
Port	Port operation has met design rates and the capacity certificate ⁽¹⁾ achieved Q2 2013.

2015 HIGHLIGHTS

Transition from Development to Steady State Operations

Milestones

- Financial completion: September 21, 2015
- LME nickel registration: September 29, 2015
- Record quarterly production: Q3 2015 (13,023t Nickel; 979t Cobalt)
- Record low quarterly NDCC: Q3 2015 (US\$4.24/lb or \$9,348/t)
- Significant fixed cost reduction: \$47 million in September 2015 YTD

Awards

- 2015 Syncrude Award for excellence in Sustainable Development
- Nedbank Sustainability Business Award for excellence in biodiversity management
- UN Green Star Award for excellence in environmental protection (Zeren project)

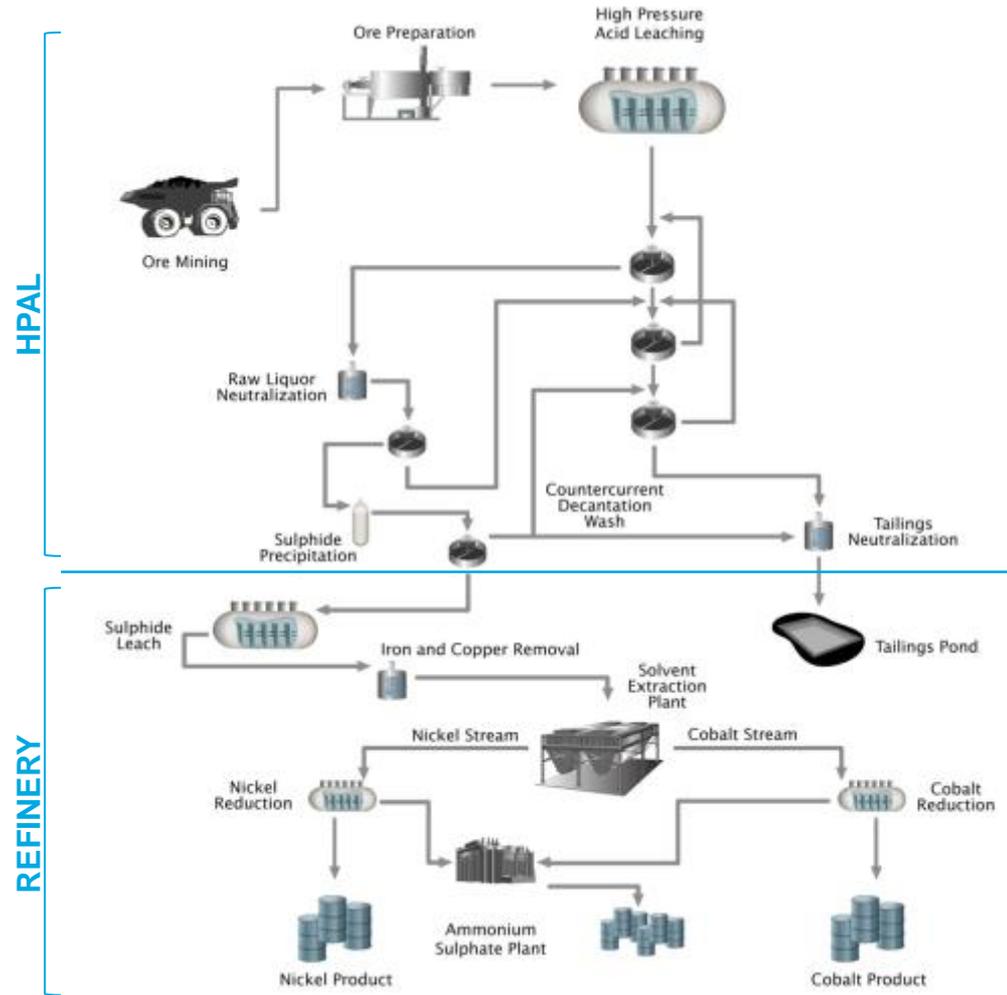
PROCESS FLOWSHEET

PAL

- Emphasizes conservative design and redundancy.
- High Pressure Acid Leaching (HPAL) in titanium lined autoclaves - 5 trains.
- Solid-liquid separation by Counter-Current Decantation (CCD) – 6 stages.
- Mixed Sulphide precipitation - 2 trains.

REFINERY

- Nickel / cobalt separation by solvent extraction (SX).
- Hydrogen reduction of nickel and cobalt metal powders in autoclaves; 7 nickel, 3 cobalt.
- Metal powder is washed, dried and briquetted for sale.



SUPPORTING INFRASTRUCTURE

SLURRY PIPELINE

- 220km long; 600mm diameter; buried.

UTILITIES (ON SITE)

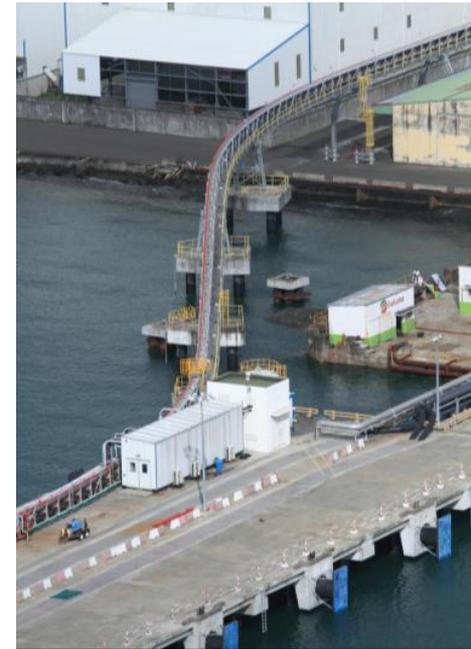
- 120MW coal-fired power station
- 2 x 2,750 tpd sulfuric acid plants
- Air separation, hydrogen and hydrogen sulfide gas plants
- Limestone mill and lime kiln

PORT & RAIL (8KM FROM SITE)

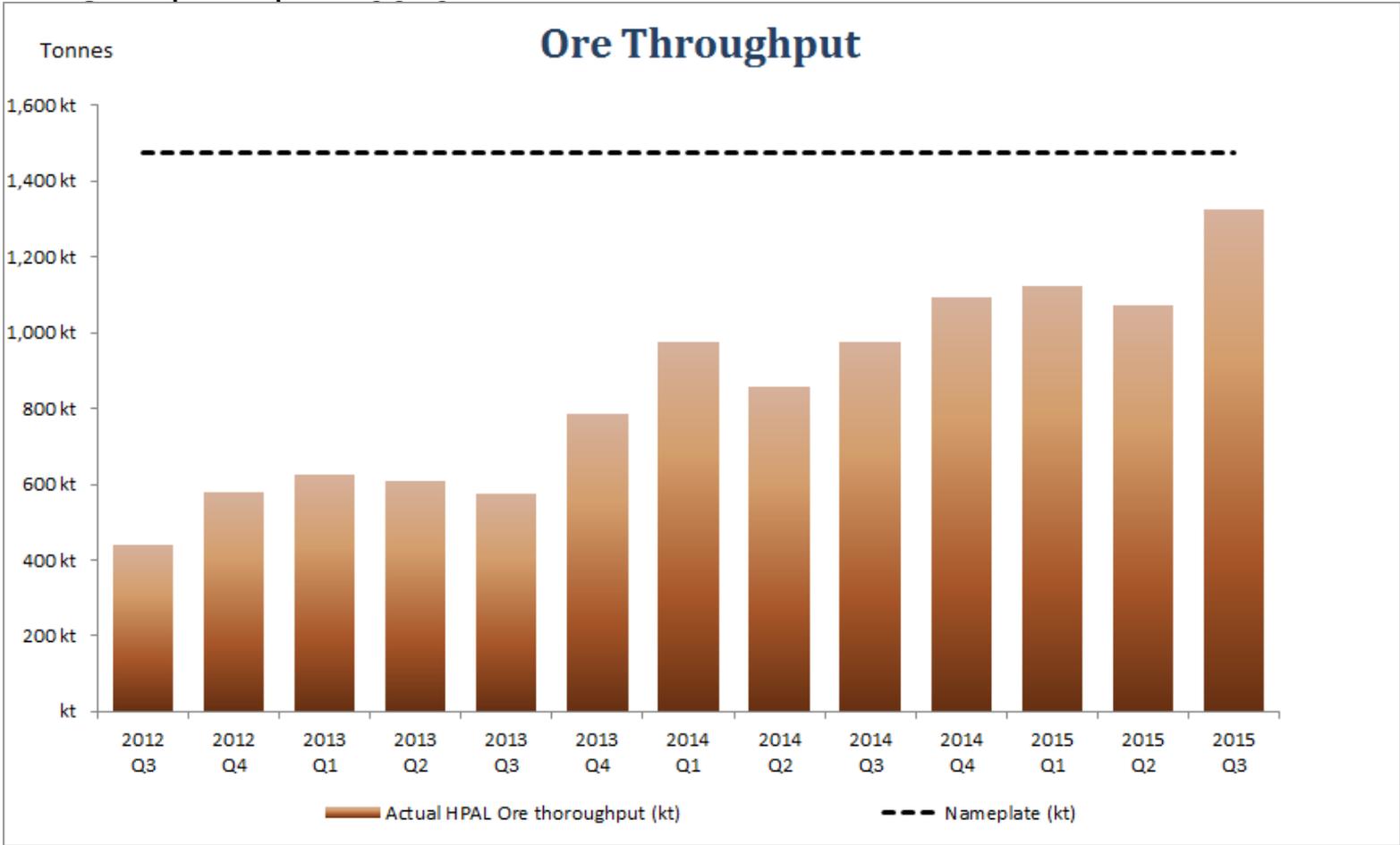
- Dedicated mole: bulk limestone, coal & sulfur unloading.
- Rail to plant.
- Nickel & cobalt product export via container facilities.

TAILINGS MANAGEMENT FACILITY (5KM FROM SITE)

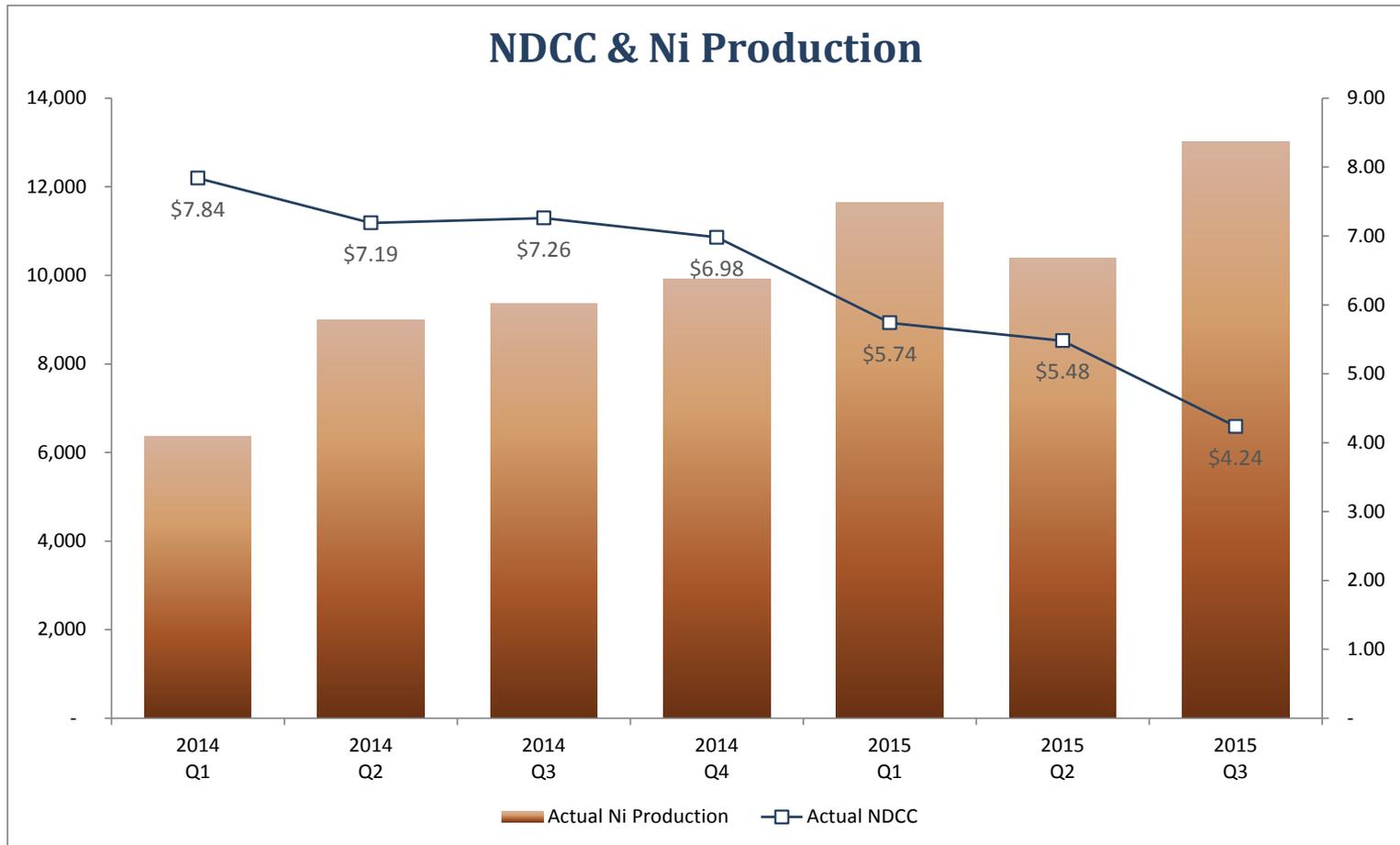
- 3 phase development; 3rd phase construction commences 2016



PRODUCTION: HPAL Ramp Up



COST: NDCC AND NICKEL PRODUCTION

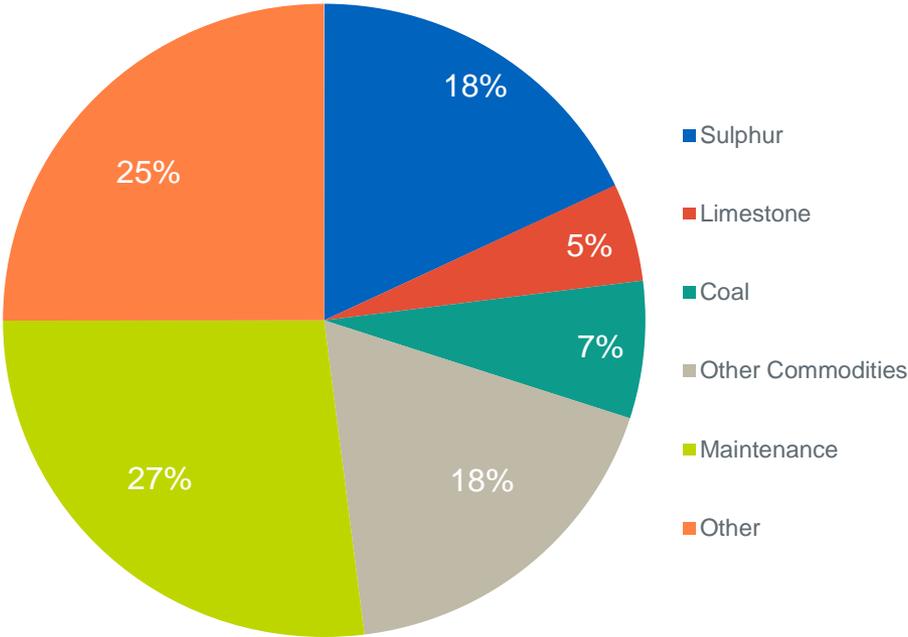


NDCC expected to be at lower end of \$3 - \$5/lb Ni

COST OF SALES BREAKDOWN

- 27% of cost of sales is in maintenance of operating equipment
- Other costs comprise employee costs (14%) ; contractor and consultant costs (11%)

Ambatovy Joint Venture



Ambatovy Briquettes Qualify for LME Registration: One of 12 Producers Worldwide





HEALTH & SAFETY

Mine Site Dispatch Worker, Madagascar

HEALTH & SAFETY

Improvement Focus

Leadership

- Third party safety culture review completed at mine & plant
- New Mine H&S Manager (ex Rio Tinto):
 - Reviewing and setting best practice safety standards
 - Safety leadership during management transition
 - Focus on Contractor Management
- Industrial Hygienist to review programs at mine and plant

Safety improvement

- Translating key SOPs to French for national workforce
- Implementation of rigorous incident investigation methodology
- Implementation of Serious Potential Incident process
- Implementation of Fatality Prevention Standards
- Measurement and reporting of leadership/workforce interactions

Safety training

- 40,240 training man hours in 2015



3 FATALITIES AND OUR RESPONSE

What happened?

1. Contract maintenance worker: H₂S vapour cloud release from Area 3500 PAL Mixed Sulphide Precipitation flash condenser seal tank
2. Mine bulldozer operator: Geotechnical failure of a stockpile caused the dozer to slide down the slope, and a subsequent material landslide buried the operator
3. Contract tree clearing worker: hit on the forehead by a falling tree, resulting in a laceration and coma

What have we done?

- Leadership changes in key positions;
- Re-engineering where required
- Third party safety support;
- Leadership accountability for safety: mandatory interactions;
- Significant potential incidents (SPI) process and ICAM incident investigation methodology;
- Effective pre-start meetings: visual boards and meeting standard;
- Effective 'Take-5' pre-task risk assessments;
- Fatal risk controls, contractor management, process safety;
- Demobilization of vegetation clearing contractor due to poor safety performance



SUSTAINABILITY

Mine Site Industrial Nursery, Moramanga, Madagascar

SUSTAINABILITY: Environment



Biodiversity

- Offset conventions signed with NGO management of 2 of 3 offset areas; 3rd to be merged.
- Flora 'Species of Concern' update 90% complete by Missouri Botanical Garden
- Endemic fish salvage during dam construction at mine highly successful

Environmental Certificate

- Signed June 19th 2015
- Associated Environmental Action Plan, including ABMS, on schedule



Discharge compliance

- Advanced implementation of a tailings management system that complies with the Mining Association of Canada's Towards Sustainable Mining protocol;
- Crisis Management: All crisis management plans and training are up to date.

SUSTAINABILITY: Community

Social Investment Fund (US\$25 million)

- **Zeren ammonia hazard:** successfully completed in Q4 2014; regional industrial risk committee successfully and sustainably established.
- **Toamasina power:** equipment received; scheduled completion 15th Dec
- **Toamasina Market:** completed June 2014
- **Moramanga Market:** construction in progress
- **Brickaville Market:** design completed, construction ready to commence
- **Toamasina Civil Protection Unit:** Construction progressing to plan
- **Ambatodrazaka road construction:** Design accepted by region

Community and social programs

- **Atsinanana & Alaotra Mangoro regions:** adopted responsive approach, less capital-intensive, more needs-focussed; strengthening ties with regional authorities
- **Moramanga:** health authority support during recent plague outbreak
- **University of Toamasina:** coordinating new extractive industries Masters program



SUSTAINABILITY: External Relations



Government relations

- **Engagement** with high-ranking government officials and representatives of international community.
- **VAT**: in negotiation with Government; strong support from IMF
- **Royalties**: draft proposal presented to government; final submission in preparation



Communications

- **Engagement** with wide-ranging stakeholders; e.g. economists, media, Facebook groups, opinion leaders.
- **Focus** on educating and informing media on Ambatovy's economic, environmental and social impacts.
- **Chamber of Mines** collaboration for Madagascar International Forum on Mining and Petroleum (September 2015).
- Successful **“Open Doors”** events including in Antananarivo, October 2015.



INDUSTRIAL RELATIONS: 2015 EVENTS

Strike: mine (16 days; 16 – 31 March 2015)

- **Grievances:** unreasonable and included demand to terminate mine management personnel
- **Politically motivated:** initiated by union associated with opposition party
- **Return to work** agreement included commitment to collective bargaining

Strike: plant (11 days; 13 – 23 April 2015)

- **Grievances:** again unreasonable and included demand to terminate specific management personnel
- **Politically motivated:** initiated by union associated with opposition party
- **Return to work** agreement included commitment to collective bargaining

Collective bargaining

- Facilitator tender completed; progress stalled by workers representatives.

Technical Unemployment

- In response to low Ni price and production impacts of strikes and thickener failures
- Suspension of 447 positions and 561 contractor positions under Labor Code provisions, effective 5th June
- After 6 months, if not reinstated, suspended contracts are terminated (i.e. severance)



MARKETING

Port, Toamasina, Madagascar

MARKETING

Finished Nickel

- Ambatovy sells all of its nickel production to KORES, Sumitomo and Sherritt at market prices under nickel offtake agreements covering full nickel capacity for 15 years.
- The Partners, in a coordinated manner, market directly to end users.
- Realized prices improving as production volumes increase and quality stabilizes.
- Sherritt's nickel marketing is recorded in both the revenue and cost of the Metals Division, but its net impact on EBITDA and earnings is immaterial.

MARKETING

- Customer sales of both finished nickel and finished cobalt are geographically diverse with good penetration into key markets.

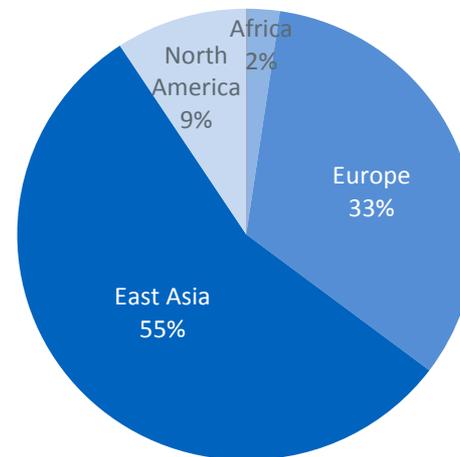
Finished Cobalt

- Ambatovy markets all of its cobalt and utilizes established distribution channel relationships in Europe, India and North America.

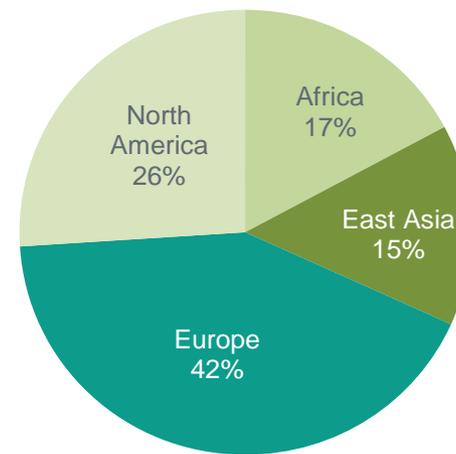
Ammonium Sulphate

- Ammonium sulphate is sold principally in Southeast Asia and East Africa.

Nickel Sales by Region



Cobalt Sales by Region



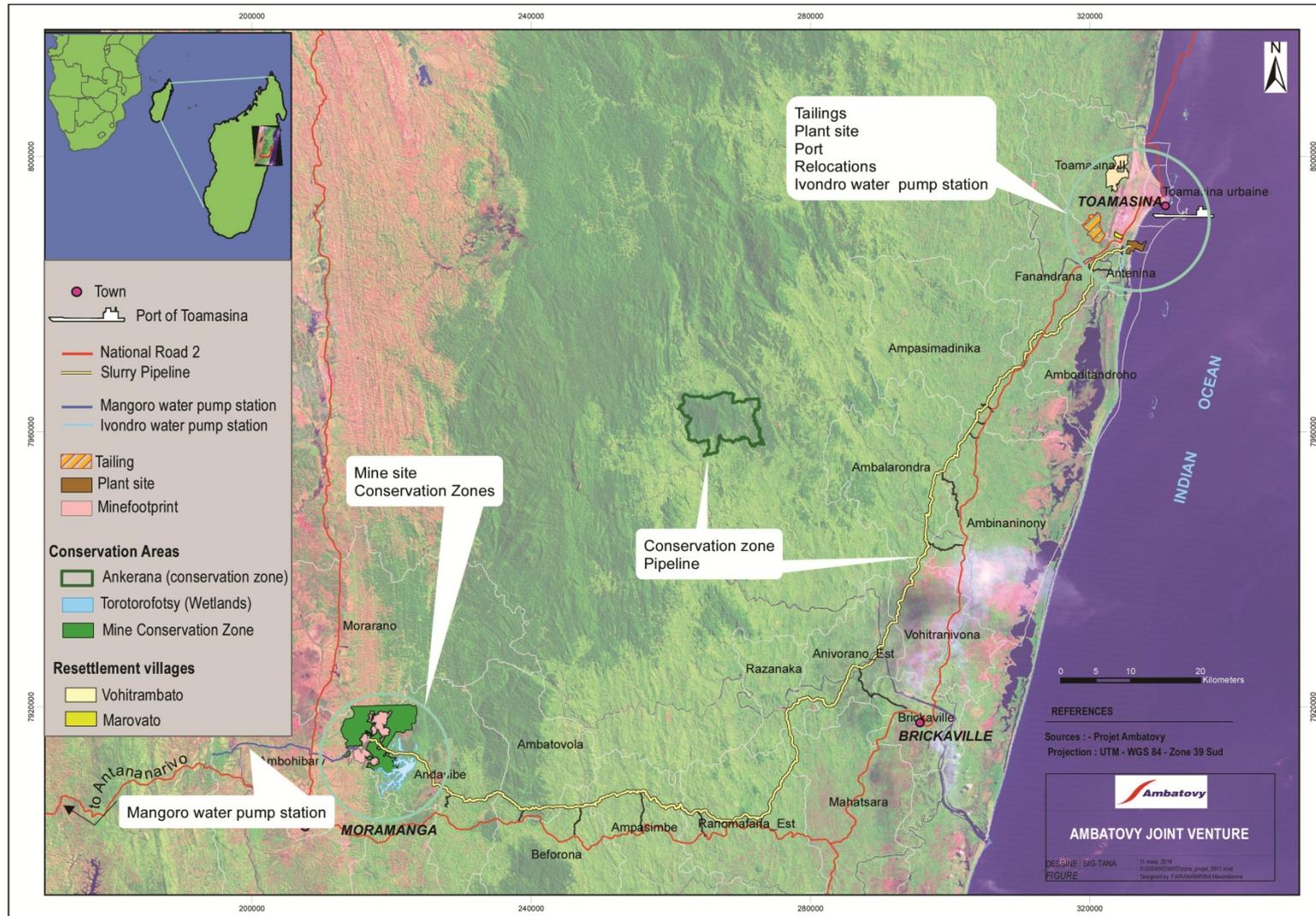


AMBATOVY OVERVIEW

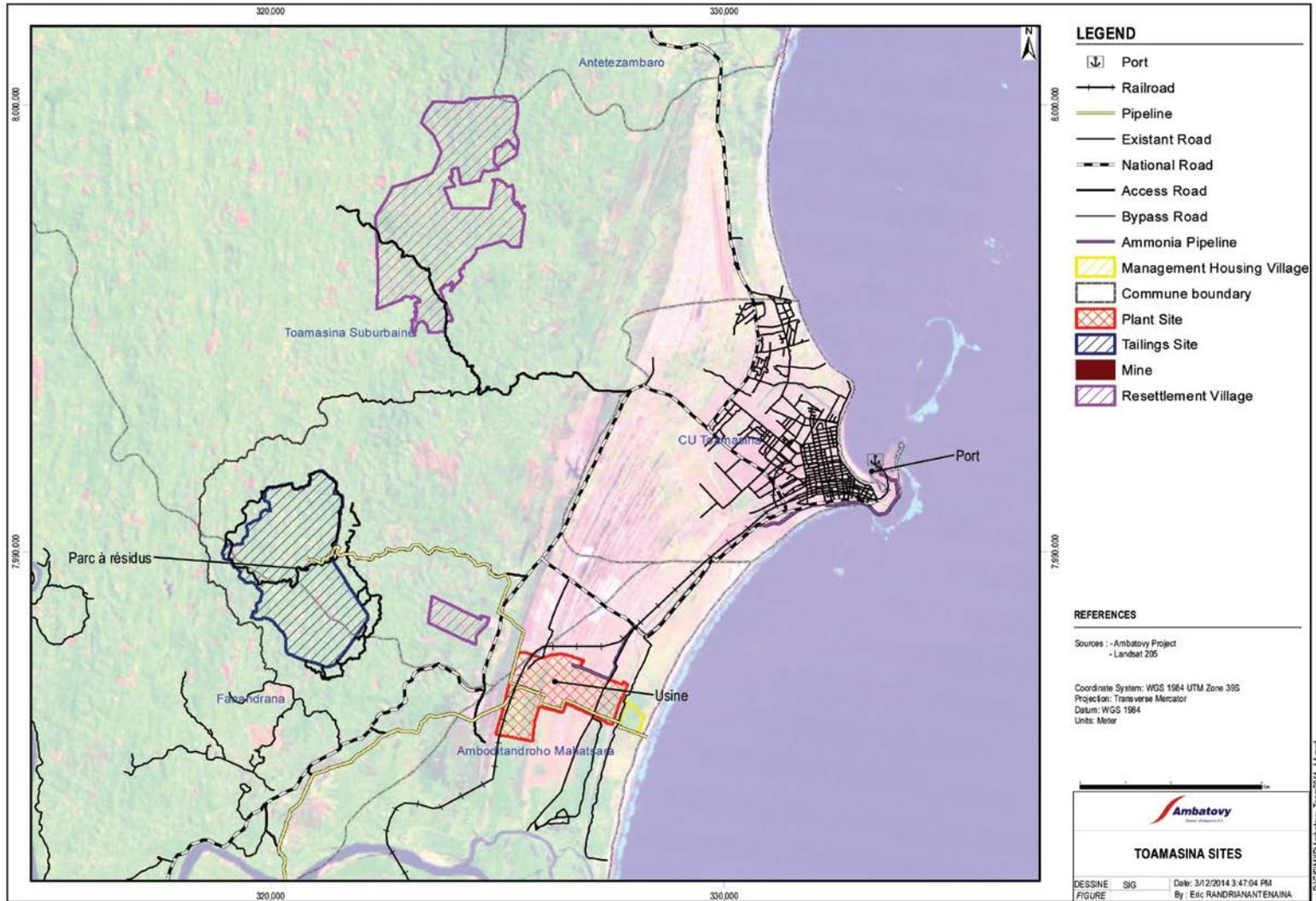
Maps

Ore Truck, Ambatovy Mine Site, Madagascar

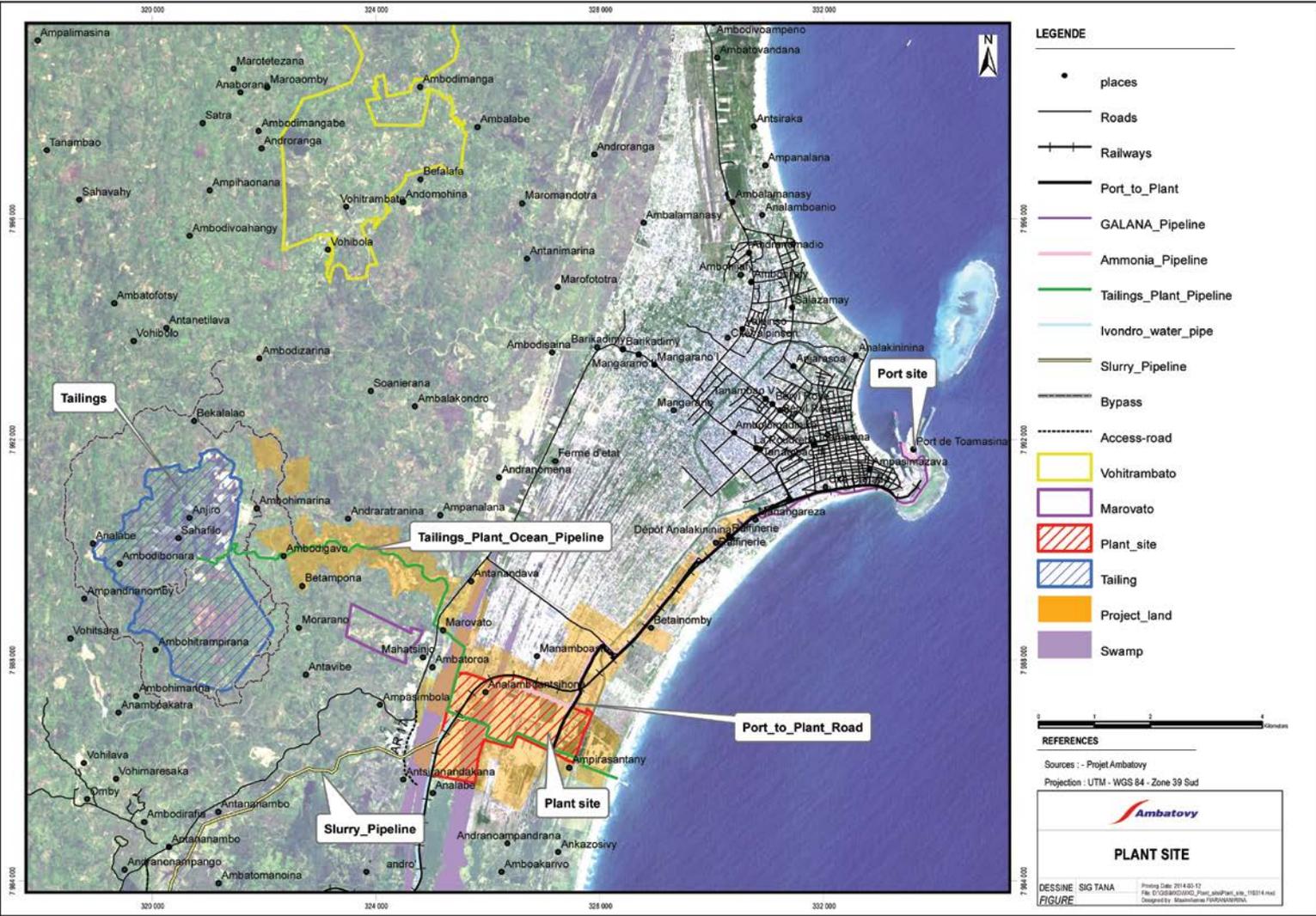
OVERVIEW OF THE AMBATOVOY JOINT VENTURE



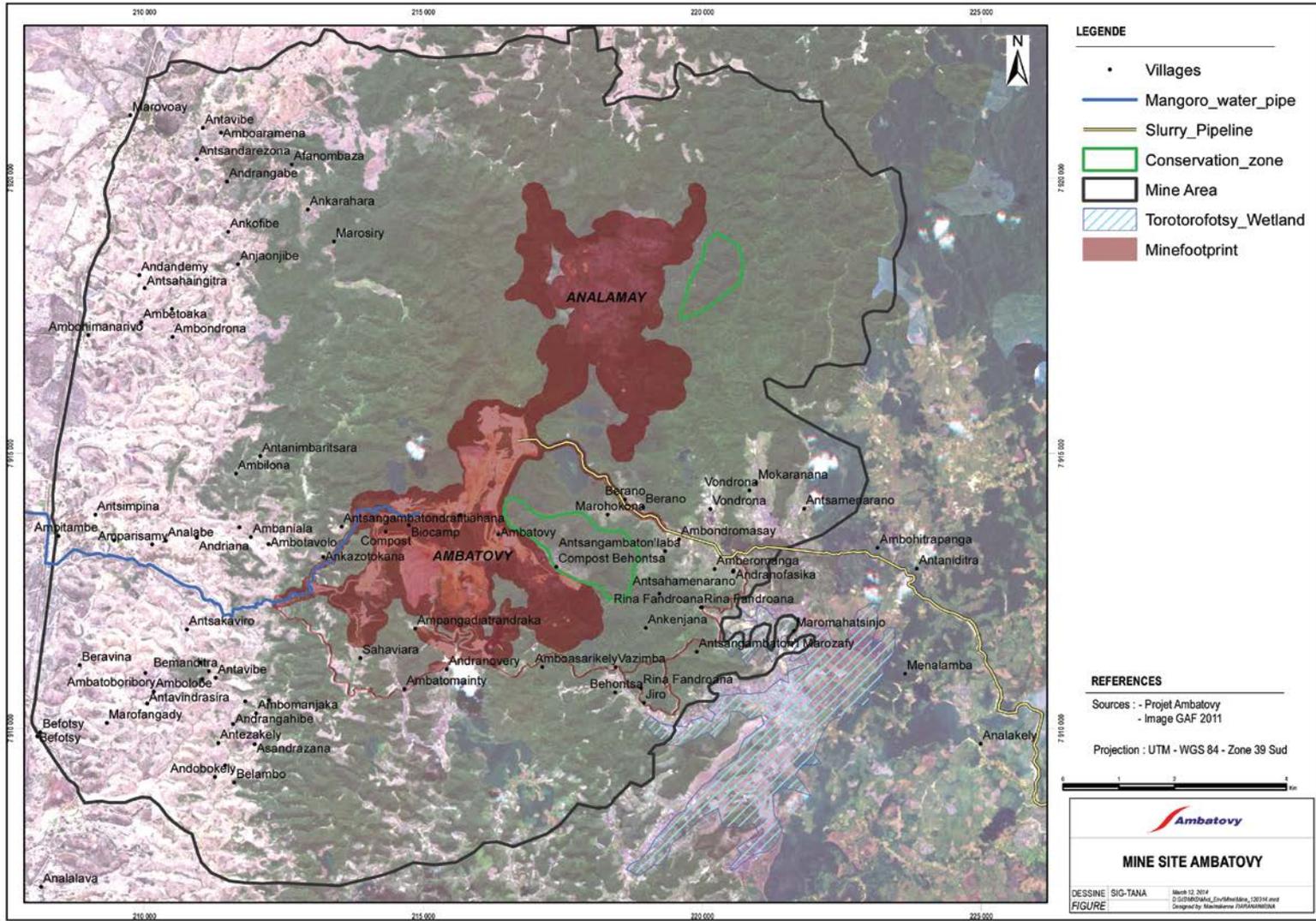
TOMAMASINA AREA SITES



PLANT SITE



MINE OPERATIONS





APPENDIX

Nickel Briquettes

PLANT REFINERY





QUESTIONS?

Aerial View, Ambatovy Plant Site, Madagascar