



Second Quarter 2016 Results

July 26, 2016

Forward-Looking Statements

This presentation may 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”, “projected”, “continue” or other similar words or phrases. Specifically, forward-looking statements in this presentation may include, but are not limited to, statements regarding certain expectations about capital costs and expenditures; capital projects completion dates; sales volumes; revenue, costs and earnings; sufficiency of working capital and capital project funding, completion of development and exploration wells, restructuring plan cost savings and amounts of certain joint venture commitments.

Forward-looking statements are not based on historic facts, but rather on current expectations, assumptions and projections about future events, including commodity and product prices and demand; level of liquidity and access to funding; share-price volatility; realized prices for production; earnings and revenues; development and exploratory wells and enhanced oil recovery in Cuba; environmental rehabilitation provisions; availability of regulatory approvals; compliance with applicable environmental laws and regulations; debt repayments; collection of amounts receivable; and certain corporate objectives, goals and plans for 2016. 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 viewers of this presentation not to place undue reliance on any forward-looking statement as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements. These risks, uncertainties and other factors include, but are not limited to changes in the global price for nickel, cobalt, oil and gas or certain other commodities, share-price volatility, level of liquidity and access to capital; 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; risks associated with the completion of capital projects; 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 Madagascar and 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 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; 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; 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 2016; 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 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 presentation and in the Corporation's documents filed with the Canadian securities authorities including, but not limited to, the Corporation's Annual Information Form for the year ended December 31, 2015 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

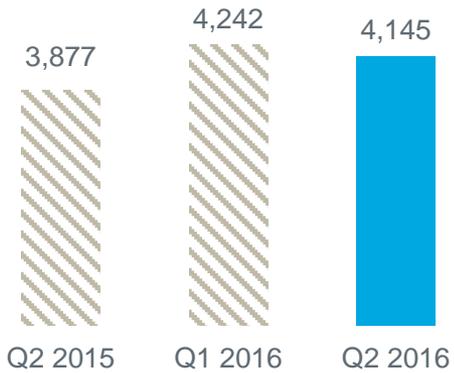
Management uses Combined Results, Adjusted EBITDA, average-realized price, unit operating cost, adjusted earnings, combined adjusted operating cash flow per share and combined free cash flow, to monitor the financial performance of the Corporation and its operating divisions and believes these measures 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 measure 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.

New Sustainability Report Going Live Next Week...

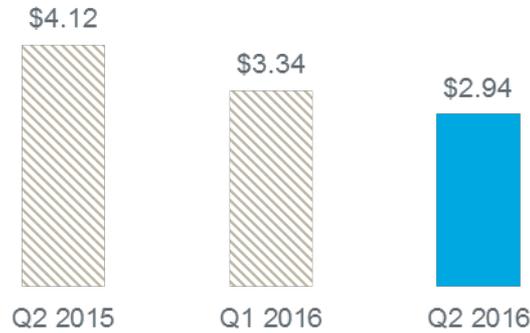


Q2 2016 Nickel Highlights ⁽¹⁾

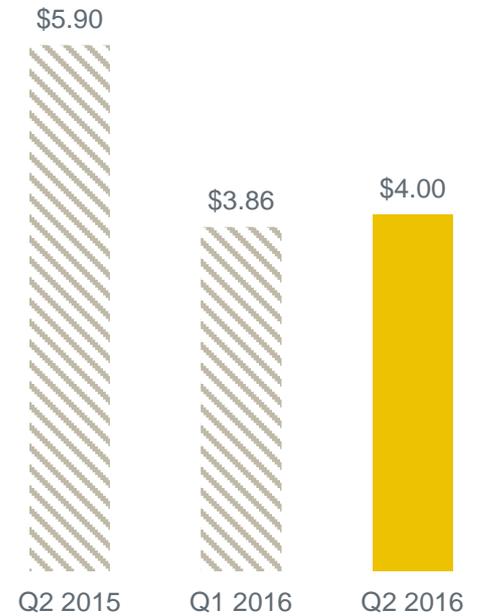
Moa Production (50% basis)



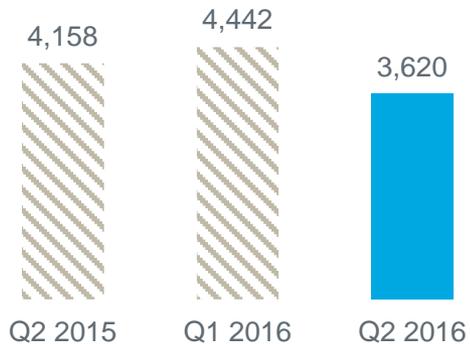
Moa: NDCC



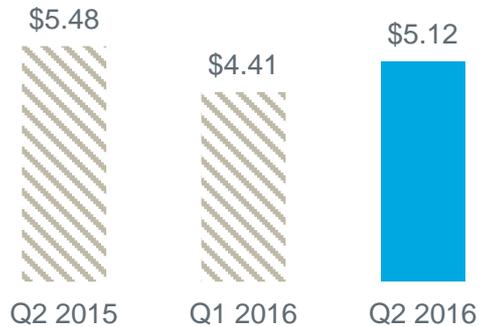
Avg. Reference Price Nickel (USD)



Ambatovy Production (40% basis)



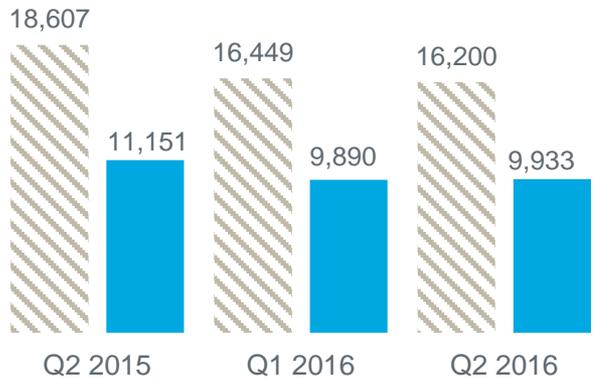
Ambatovy: NDCC



(1) All dollar figures are in (\$ millions)

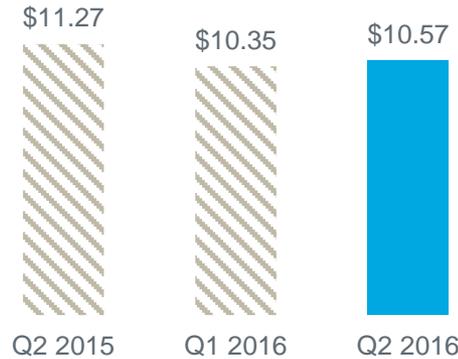
Q2 2016 Oil & Gas and Power Highlights ⁽¹⁾

Oil: Cuba GWI and NWI

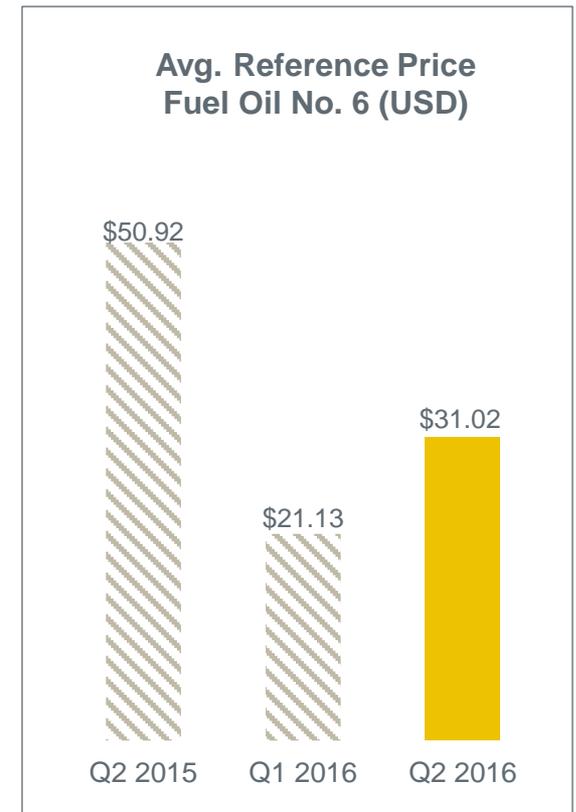


Oil GWI Production Cuba Oil NWI Production Cuba

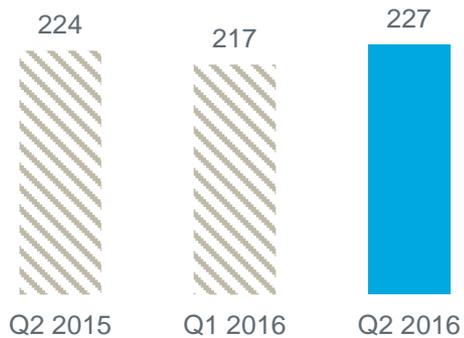
Oil: Unit Operating Costs



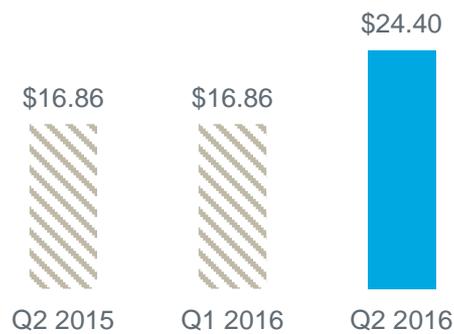
Avg. Reference Price Fuel Oil No. 6 (USD)



Power (33 1/3% basis) GWh



Power: Unit Operating Costs



(1) All dollar figures are in \$ millions



FINANCIAL HIGHLIGHTS

New non-GAAP Disclosure: Net Investment in Ambatovy

Unaudited, Canadian \$ millions, as at	2016 June 30	Investment in Associate	Ambatovy Subordinated Loan Receivable	Non-recourse Ambatovy JV Partner Loans	Adjusted 2016 June 30
ASSETS					
Current assets	\$ 684.0	\$ -	\$ -	\$ -	684.0
Non-current assets					
Advances, loans receivable and other financial	1,359.6	-	(883.0)	-	476.6
Investment in an associate	843.1	(843.1)	-	-	-
Net investment in Ambatovy	-	843.1	883.0	(1,273.3)	452.8
Other non-current assets	817.2	-	-	-	817.2
Total assets	\$ 3,703.9	\$ -	\$ -	(1,273.3)	2,430.6
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities	\$ 140.6	\$ -	\$ -	\$ -	140.6
Non-current liabilities					
Non-recourse loans and borrowings	1,273.3	-	-	(1,273.3)	-
Loans and borrowings	833.4	-	-	-	833.4
Other non-current liabilities	213.9	-	-	-	213.9
Total liabilities	2,461.2	-	-	(1,273.3)	1,187.9
Shareholders' equity	1,242.7	-	-	-	1,242.7
Total liabilities and shareholders' equity	\$ 3,703.9	\$ -	\$ -	(1,273.3)	2,430.6
Total debt-to-capital⁽²⁾	63%				41%

(1) For additional information see the Non-GAAP measures section.

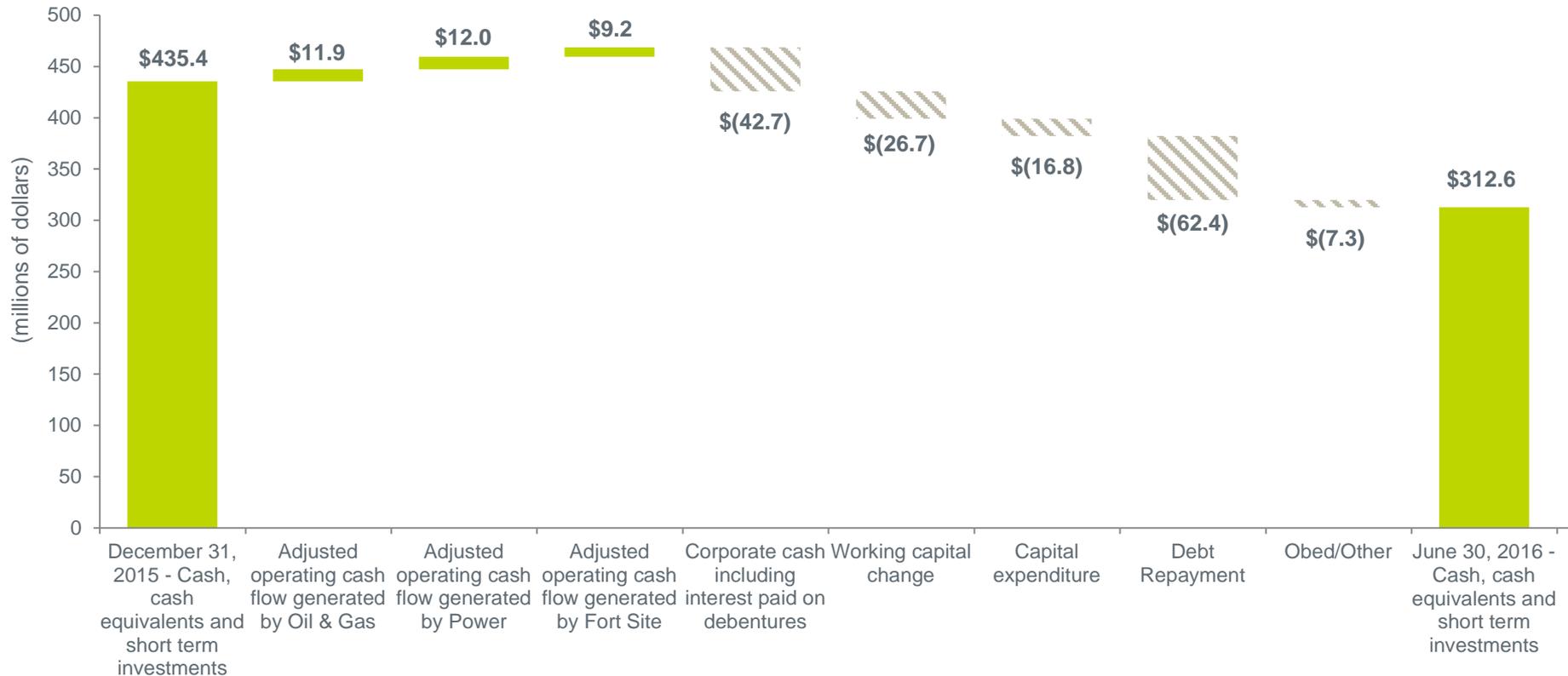
(2) Calculated as total debt divided by the sum of total debt and shareholder's equity.

Q2 2016 Net Loss and Adjusting Items

\$ millions		Per Share
Net (loss) earnings from continuing operations	\$ (103.6)	\$ (0.35)
Adjusting items:		
Gain on repurchase of debentures	(12.6)	(0.04)
Unrealized FX (loss) from continuing operations	1.6	-
Ambatovy VAT adjustment	(6.5)	(0.02)
Deferred consideration for North Sea Oil licenses	(2.7)	(0.01)
Moa JV deferred tax Asset write off	7.7	0.03
Adjusted net (loss) earnings from continuing operations	\$ (116.1)	\$ (0.39)



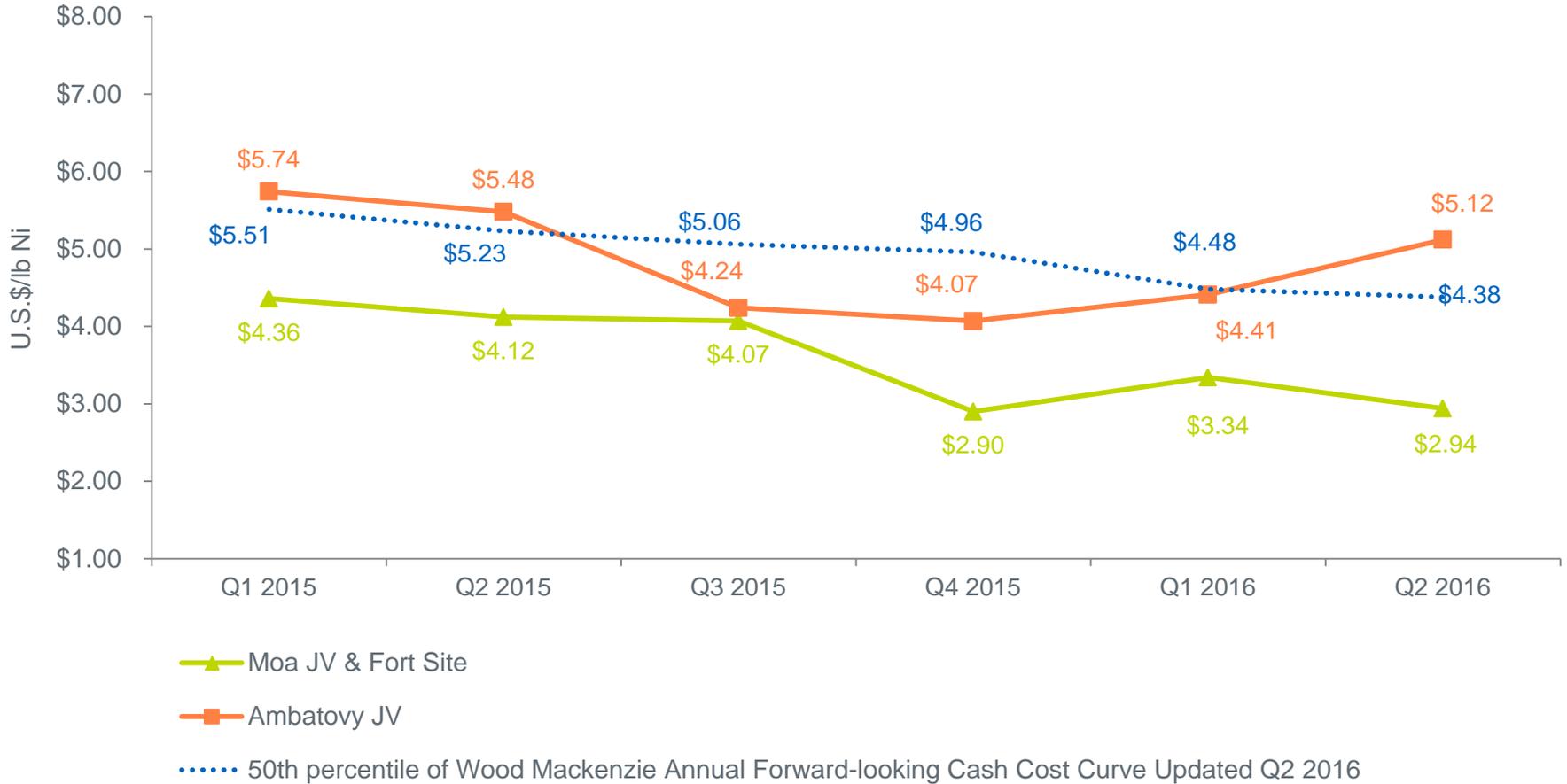
Balance Sheet Cash from Q4 2015 to Q2 2016





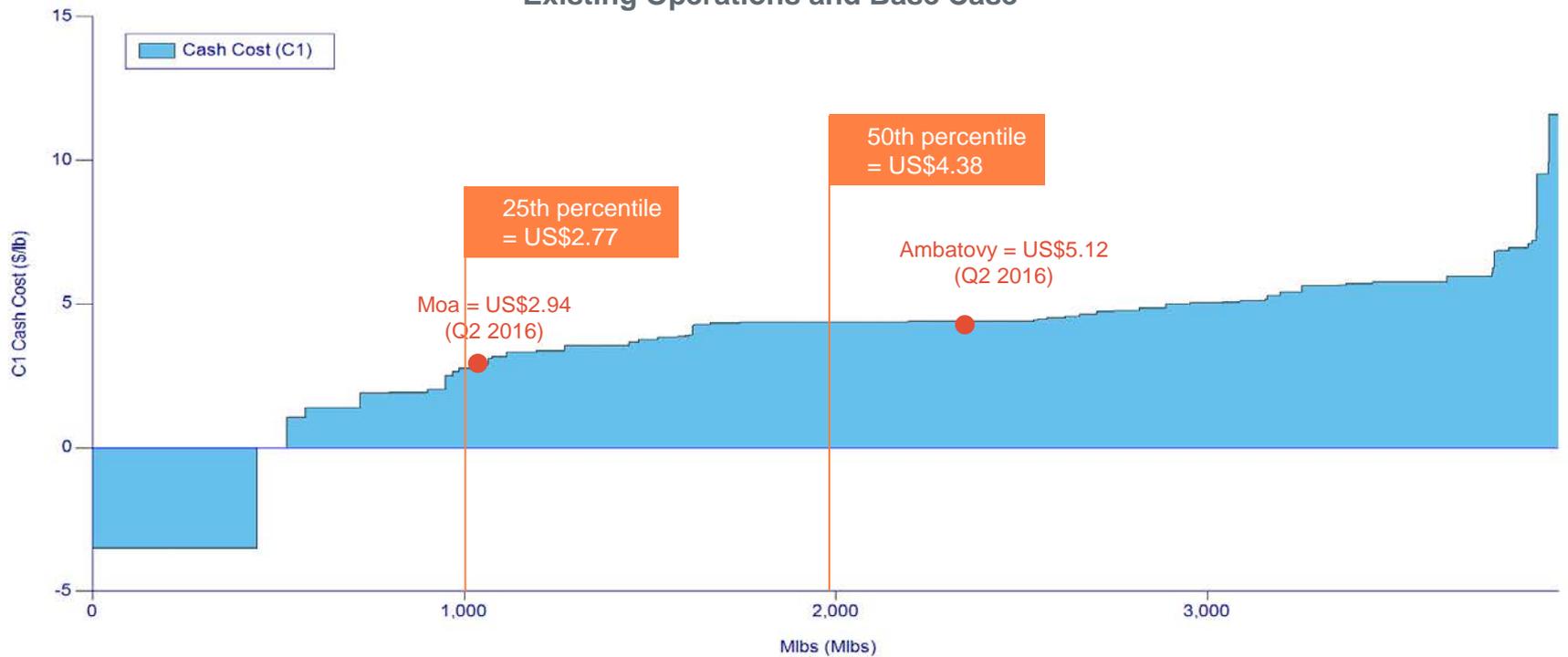
CEO CLOSING RECAP

NDCC for Both Operations Since Q1 2015



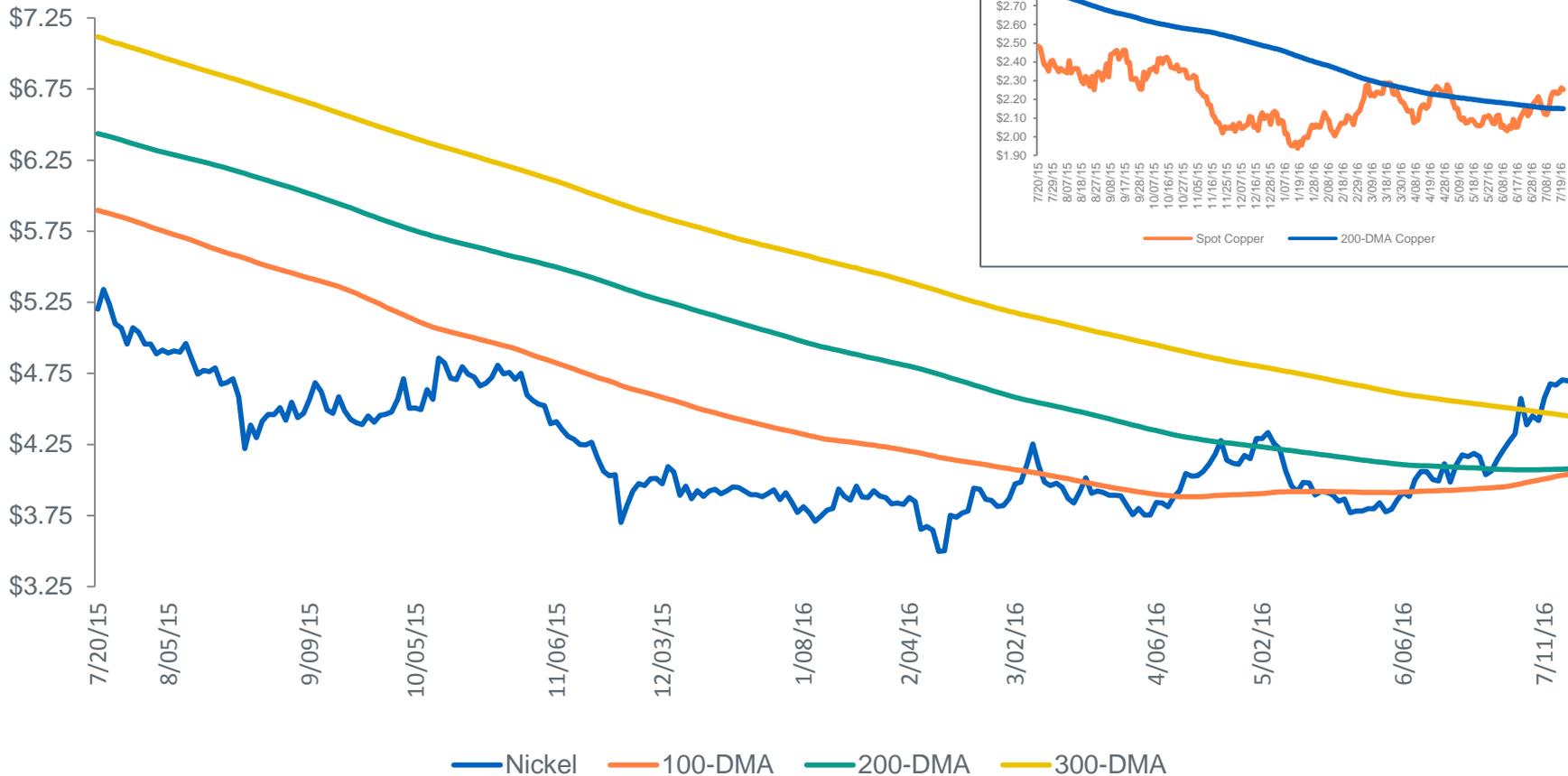
Cash Cost Curve

2016 Nickel Industry, Normal C1 Cash Cost
Grouped by Operation and Ranked by Cash Cost (C1)
Existing Operations and Base Case



1 Year Spot Nickel vs 100, 200 and 300 Day Moving Average

Nickel vs. 100-, 200- and 300-DMA's



Reporting on our 2016 Strategic Priorities



Focusing On Core Nickel Business

Moa acid plant in operation, NDCC benefit expected Q4 and 2017 onward

Ambatovy yearly guidance lowered

Environmental, Health, Safety & Sustainability Performance on track



Extending The Life Of Cuban Energy Business

Oil production better than expected, with yearly guidance increased

Drilling on Block 10 starts this quarter



Maintaining Strong Balance Sheet And Reducing Costs

Cash position of \$312.6M after repurchasing \$30M of 2018 debentures

Strong support from noteholders for bond maturity extension transaction, with over 99% of noteholder votes in favour

Deferral on Ambatovy June principal payment, and agreement in principle on 3 year deferral

Continued non-funding for Ambatovy due to "40 for 12" issue



QUESTIONS