Q3 Earnings Call

Review of Financial and Operational Results

November 4, 2021

Participants

Leon Binedell *President & CEO*	
Steve Wood *Executive Vice President & COO*	
Yasmin Gabriel *CFO*	

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 regarding strategies, plans and estimated production amounts resulting from expansion of mining operations at the Moa JV, growing and increasing nickel and cobalt production, extending the Moa life of mine, conversion of mineral resources to reserves; commercializing Technologies' projects, growing shareholder value, updating technical reports and optimizing mine planning and performance; statements set out in the "Outlook" section of this presentation and certain expectations regarding production volumes, operating costs and capital spending; supply, demand and pricing outlook in the nickel, cobalt and electric vehicle markets; the impact of COVID-19; Sherritt's strategy, plans, targets and goals in respect of environmental and social governance issues, including climate change and greenhouse gas emissions reduction targets; anticipated payments of outstanding receivables, including re-directed distributions from the Corporation's Moa Joint Venture partner; the impact of U.S. sanctions on Cuba; anticipated economic conditions in Cuba; the anticipated renewal of a joint venture agreement; 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; global demand for electric vehicles; the commercialization of certain proprietary technologies and services; advancements in environmental and greenhouse gas reduction technology; environmental rehabilitation provisions; availability of regulatory and creditor approvals and waivers; compliance with applicable environmental laws and regulations; debt repayments; redemptions and interest deferrals; 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, 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; uncertainty about the pace of technological advancements required in relation to achieving ESG targets; risk of future non-compliance with debt restrictions and covenants and mandatory repayments; Sherritt's ability to replace depleted mineral reserves; risks associated with the Corporation's joint venture partners; 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; growth opportunity risks; 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. The Corporation, together with its Moa Joint Venture and Fort Site and Technologies segments, are pursuing a range of growth and expansion opportunities, including without limitation, process technology solutions, development projects, commercial implementation opportunities, life of mine extension opportunities and the conversion of mineral resources to reserves. In addition to the risks noted above, factors that could, alone or in combination, prevent us from successfully achieving these opportunities may include, without limitation: identifying suitable commercialization and other partners; successfully advancing discussions and successfully concluding applicable agreements with external parties and/or partners; successfully attracting required financing; successfully developing and proving technology required for the potential opportunity; successfully overcoming technical and technological challenges; successful environmental assessment and stakeholder engagement; successfully obtaining intellectual property protection; successfully completing test work and engineering studies, prefeasibility and feasibility studies, piloting, scaling from small scale to large scale production, commissioning, procurement, construction, commissioning, ramp-up to commercial scale production and completion; and securing regulatory and government approvals. There can be no assurance that any opportunity will be successful, commercially viable, or will generate any meaningful revenues, savings or earnings, as the case may be, for the Corporation. In addition, the Corporation will incur costs in pursuing any particular opportunity, which may be significant. 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 "Managing Risk" section of the Management's Discussion and Analysis for the three and nine months ended September 30, 2021 and the Annual Information Form of the Corporation dated March 17, 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 AND OTHER FINANCIAL MEASURES

Management uses the following non-GAAP and other financial measures in this presentation release and other documents: combined revenue, Adjusted EBITDA, average-realized price, unit operating cost/net direct cash cost (NDCC), adjusted net earnings/loss from continuing operations, adjusted earnings/loss from continuing operations per share and combined free cash flow.

Management uses these measures 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/or evaluate the results of its underlying business. These measures are intended to provide additional information, not to replace International Financial Reporting Standards (IFRS) measures, and 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.

The non-GAAP and other financial measures are reconciled to their most directly comparable IFRS measures in the non-GAAP and other financial measures section of Sherritt's Management's Discussion and Analysis for the three and nine months ended September 30, 2021.

Q3 Highlights

1. Production impacted by spread of Delta variant and unplanned maintenance
2. NDCC affected by rising input costs
3. Favourable market dynamics for nickel and cobalt
4. Received US$10M in distributions
5. Sustainability Report with upgraded ESG targets released
6. Made progress on expansion strategy and credit facility extension

Long-term outlook and fundamentals are strong

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Review of operating results

Commitment to ESG

Heath and Safety

- Achieve level A in TSM Safety & Health Protocol in all operations by 2024

Climate and Environment

- Achieve net zero GHG emissions by 2050
- Obtain overall 15% of energy from renewable sources by 2030
- Reduce nitrogen oxides (No_x) emissions intensity by 10% by 2024

Diversity and Inclusion

- Increase women in the workforce to 36% by 2030

Responsible Sourcing

- Be fully compliant with all material responsible sourcing frameworks (OECD, LME and RMI) by 2024

Upgraded targets reflect ESG momentum Sherritt is developing

Greening of light vehicles at Moa and Fort Site

- Initiative launched in 2020 to increase use of renewable energy at Moa and Fort sites
- Initiative includes electrification of light vehicles
- 8 electric vans delivered to date at Moa
- First EV delivered at Fort Site in Q3
- Opportunities to replace diesel-powered land cruisers in 2021 under review

Initiatives to reduce carbon emissions are underway

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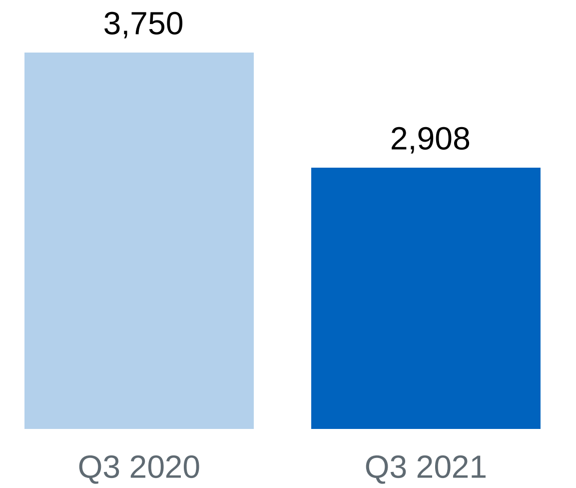
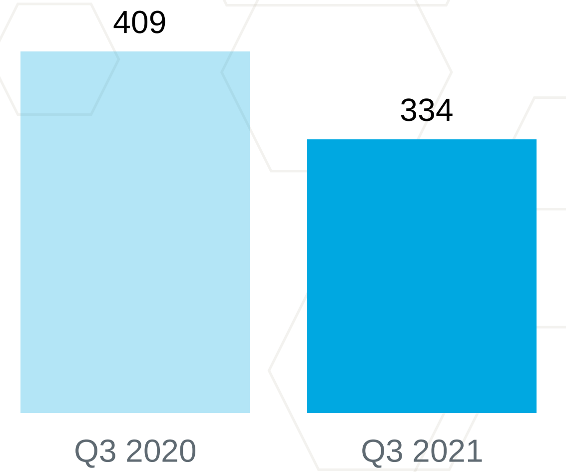
Moa JV highlights – Q3 Production

Finished Nickel[(1)] (tonnes)



- Decrease driven by spread of Delta variant, deferral and extension of facility shutdown, and unplanned maintenance
- Production has resumed to normal

Finished Cobalt[(1)] (tonnes)

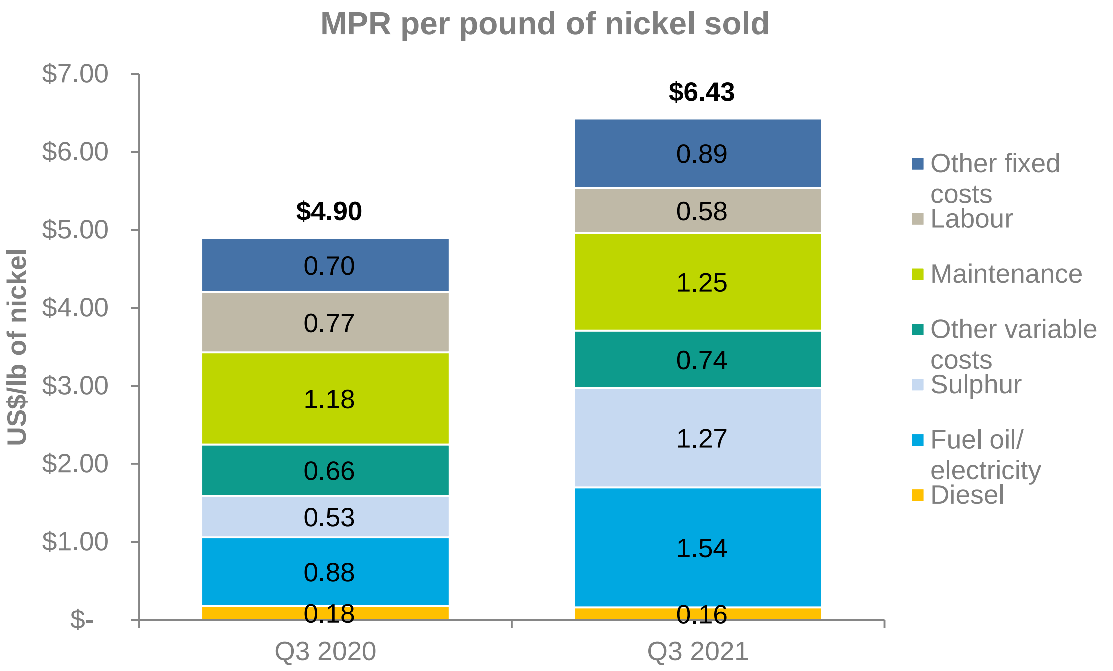


- Cobalt production decline due to comparable factors affecting nickel production
- Decline partially offset by higher cobalt to nickel ratio

1. Sherritt's share - 50% basis

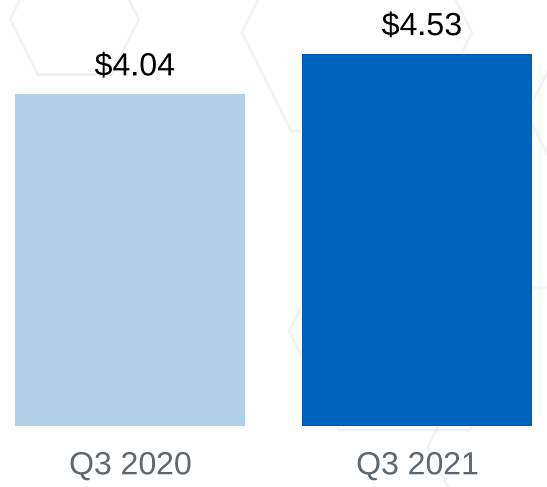
Moa JV highlights – Costs

Mining, Processing and Refining Costs[1] (US$/lb)



- MPR impacted by inflationary cost pressures:
  - +126% higher sulphur prices
  - +69% fuel oil prices
  - +59% higher natural gas prices
- Lower labour costs driven by Cuba's currency unification

Net Direct Cash Cost[1] (US$/lb)

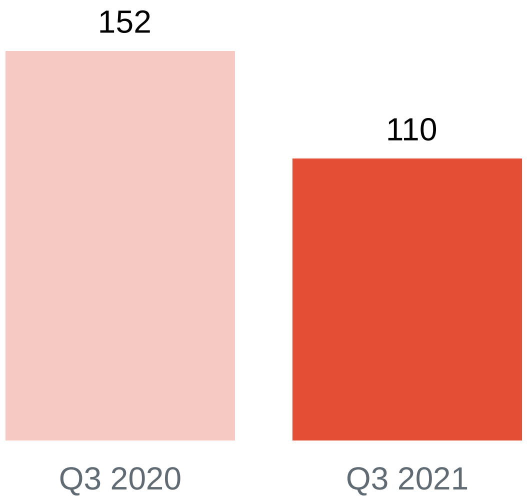


- Higher MPR costs offset the 52% increase in cobalt by-product credits
- Sales volume impacted by 13-day full-facility shutdown

1. Non-GAAP measure – see MD&A for details

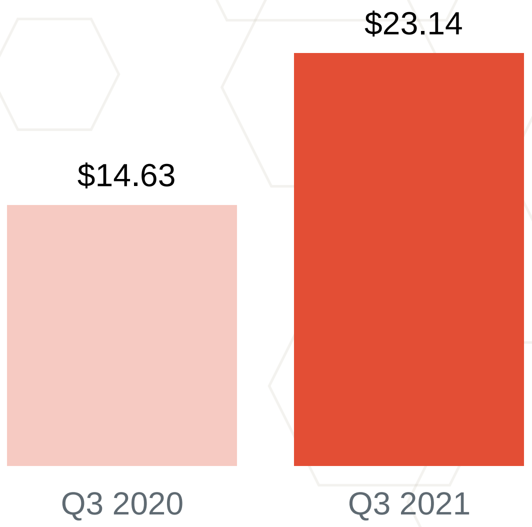
Power highlights

Electricity production (33⅓% GWh[1])



- Decline due to deferral of maintenance activities
- Discussions underway to extend existing agreement
- Guidance unchanged for 2021

Unit operating costs[2] ($/MWh[3])



- Higher unit costs driven by maintenance activities, strengthened $CDN and lower production/sales volume
- Lower labour costs driven by Cuba's currency unification
- Guidance unchanged for 2021

1. GWh = Gigawatt hours
2. Non-GAAP measure – see MD&A for details
3. MWh = Megawatt hours

2021 Guidance Update

Moa JV – Initial Guidance	
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**

Moa JV – Update Guidance	
Finish nickel	31,000 – 32,000 tonnes
Finished cobalt	No change
Net direct cash cost:	No change
Capital Spending:	US$35M**

- Key updates
  - Revised production targets due to unplanned maintenance and longer full-facility shutdown in Q3
  - No change to NDCC as rise in input costs is offset by rise in cobalt and fertilizer prices
  - Reduction in capital spend reflects operational challenges through September 30

Updates driven by impact of COVID-19 and unplanned maintenance

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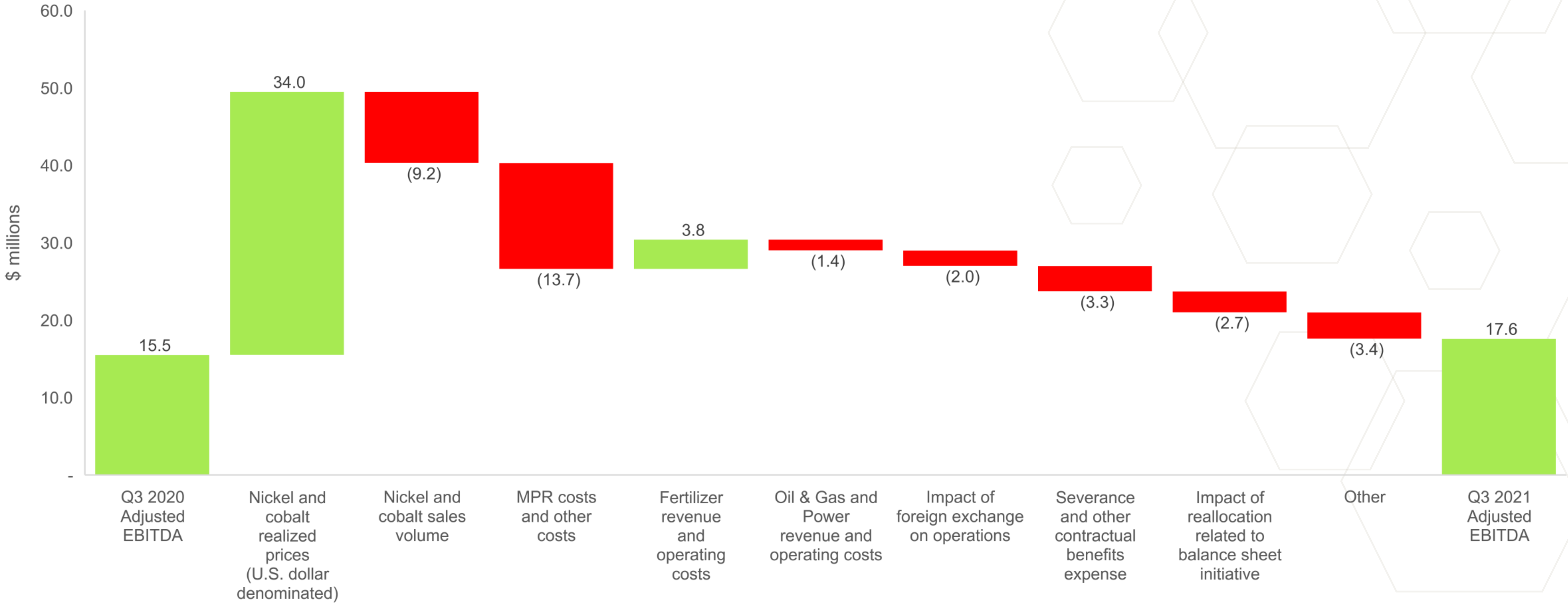
*Includes freight and handling

**Capital spend is 50% of US$ expenditures at Moa JV and 100% expenditures for Fort Site fertilizers and utilities

Financial Highlights

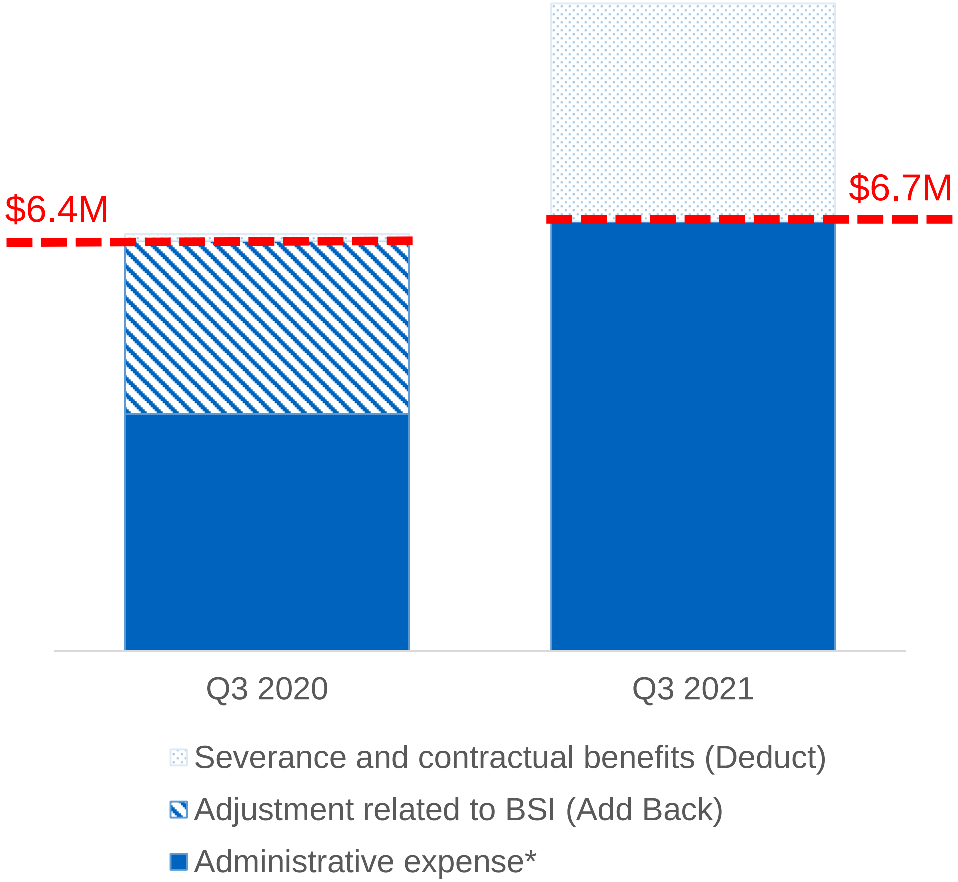
Adjusted EBITDA[1] - Q3 2020 to Q3 2021



Extended full-facility shutdown resulted in lower sales volume and higher MPR costs

1. Non-GAAP measure – see Non-GAAP and other financial measures in the most recent MD&A for details

Context for administrative expenses*



- Q3 2021 includes $3.4M in severance and other contractual benefits ($0.1M in Q3 2020)
- Corporate office reductions and executive departures will lead to $1.3M in annual savings
- Q3 2020 includes $2.7M adjustment related to balance sheet initiative
- Excluding share-based compensation, depreciation and adjustments:
  - Q3 2021 expense = $6.7M
  - Q3 2020 expense = $6.4M

Reducing administrative expenses remains key priority

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* Administrative expenses less depreciation and share-based compensation and adjustments

Sensitivity analysis* – Moa JV

At midpoint of production guidance				
Factor		Increase		Approximate change in annual net earnings (CAD$ millions) Increase/(decrease)
Prices				
Nickel - LME price per pound	US$	1.00	$	35
Cobalt - Fastmarkets MB price per pound	US$	5.00		20
Exchange rate				
Strengthening of the Canadian dollar relative to the U.S. dollar	$	0.05		(7)
Operating costs				
Natural gas - per gigajoule (Moa JV and Fort Site)	$	1.00		(3)
Fuel oil - cost per tonne (Moa JV and Fort Site)	US$	50.00		(4)
Sulphur - per tonne (Moa JV and Fort Site)	US$	25.00		(4)

Using mid-point of guidance provides better indication of how fluctuations in commodity prices would impact financial results

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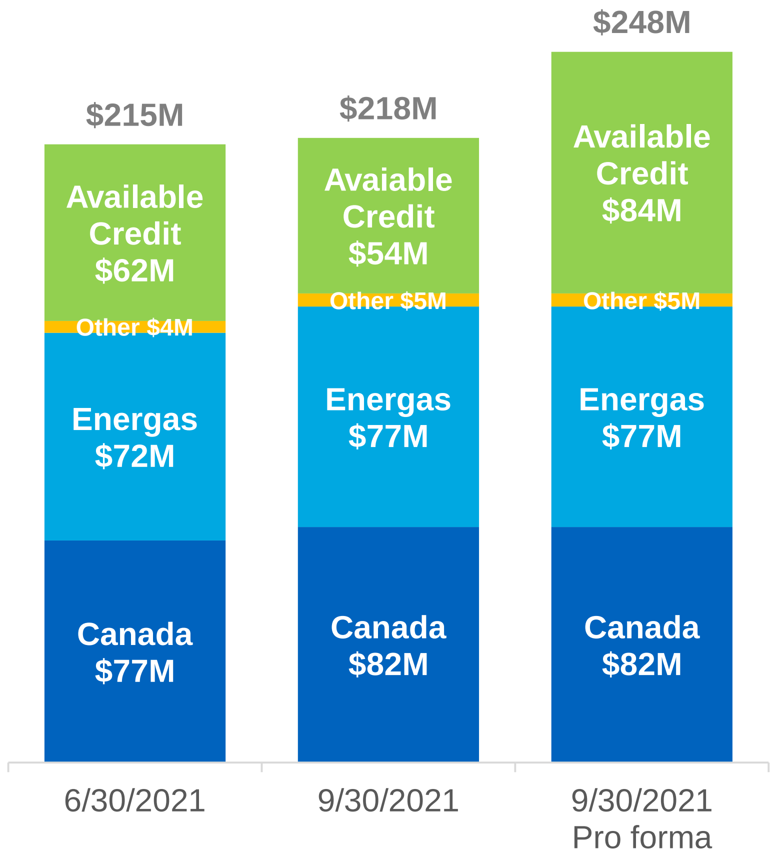
*Approximate impact on the Corporation's net earnings for the year ended December 31, 2021 from a change in the factor applied at the operating level with the change representing the Corporation's 50% interest in the Moa Joint Venture. The impact is measured changing one variable at a time and may not necessarily be indicative of sensitivities on future results.

Strengthened liquidity



Liquidity at end of Q3 increased due to:

- Moa JV dividends of $12.7M
- Fertilizer pre-buys of $13.9M

Credit facility amended subsequent to Q3:

- Available credit increased to $100M from $70M
- Facility can be used to fund capital expenditures and for working capital purposes
- Maturity extended to April 2024

Credit facility expansion will help to fund growth opportunities

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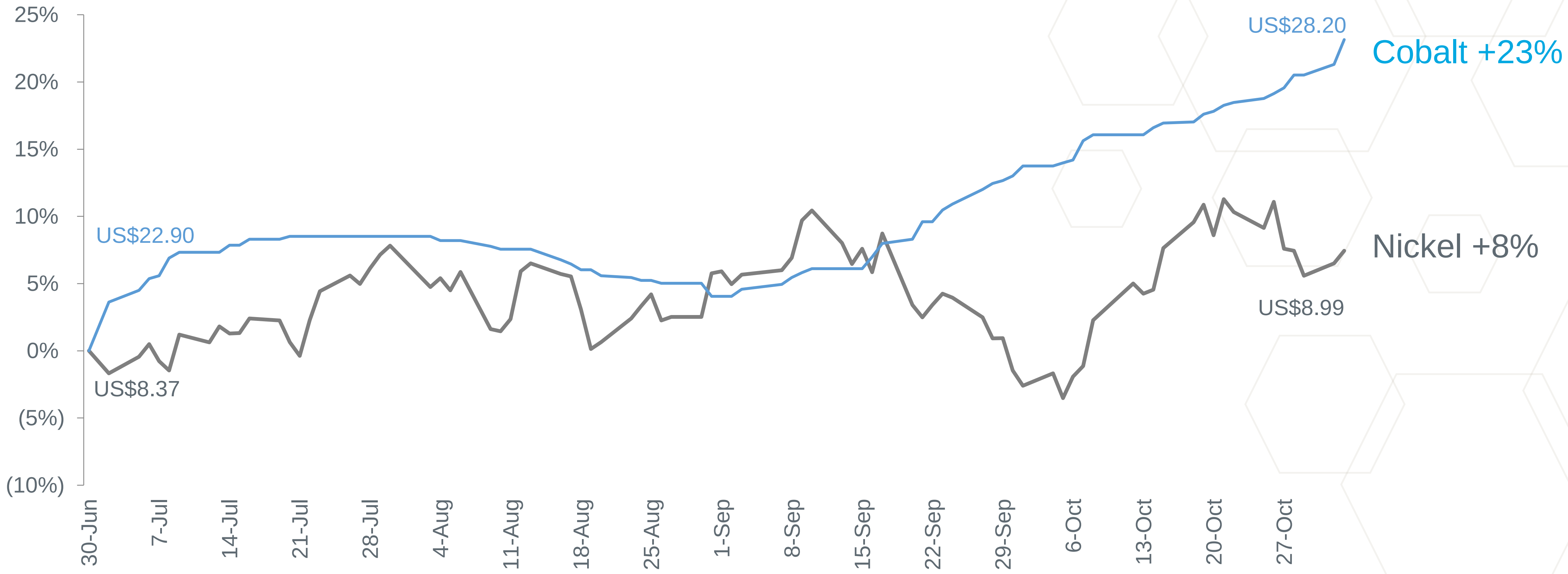
Outlook

Backdrop to expansion strategy

1. Strong demand forecasts for nickel and cobalt
2. Significant nickel supply deficit anticipated beginning 2025
3. Nickel prices are below incentive prices for new mine development
4. First in-person meetings with new CEO and Cuban partners held in Oct.
5. Cuban partners at all levels support production growth

Nickel and cobalt prices since start of Q3



Strong prices anticipated through end of year

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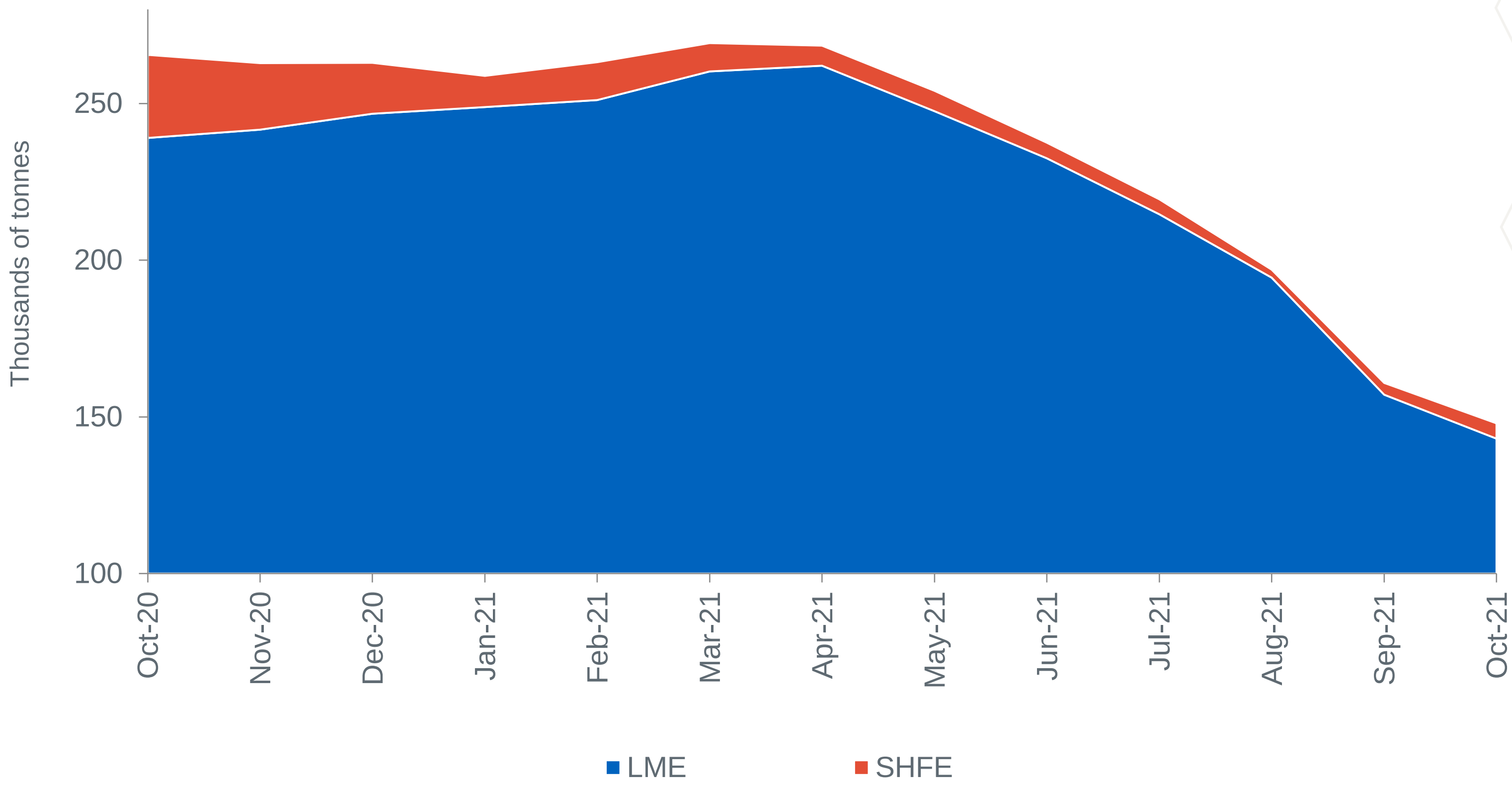
Source: CIQ, Fastmarkets MB

Nickel inventories continue to decline



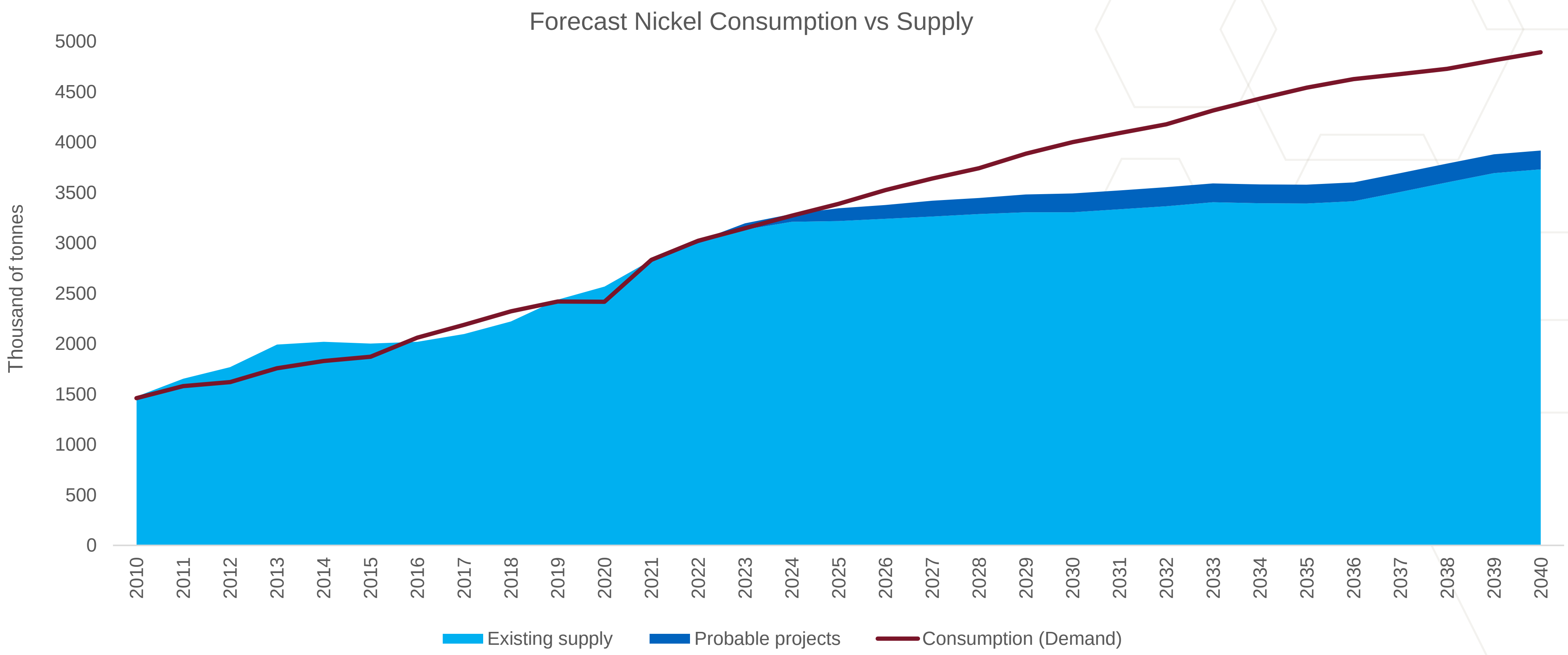
44%

Decline in inventory over 12 months

Growing nickel demand and consumer stockpiling are driving lower inventories

Source: LME. SHFE

Significant nickel supply deficit expected in near term



Growing EV battery demand for nickel will cause a deficit of supply by 2025

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*Source: Wood Mackenzie September 2021

Advancing with an accelerated expansion strategy

- Multi-phased approach
- Increase finished production to 15 to 20% from 2020 totals
  - Complete slurry prep plant
  - Complete expansion circuits
  - Install and upgrade equipment
- Extend life of mine at Moa beyond 2040
  - Convert resources to reserves
  - Use economic cutoff grade
  - Update 43-101 Technical Report
  - Utilize Technologies' expertise

Brownfield expansion strategy offers significant ROI with low capital intensity

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Summary

- Worst of COVID-19 is behind us
- Updates to guidance driven by COVID-19 and unplanned maintenance
- Nickel market outlook is favourable
- Relations with Cuban partners are strong
- Expansion strategy delivers potential for high ROI with low capital intensity
- Expansion strategy details to be finalized in Q1 2022

Sherritt is well positioned to capitalize on growing EV battery demand

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Q&A Discussion

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