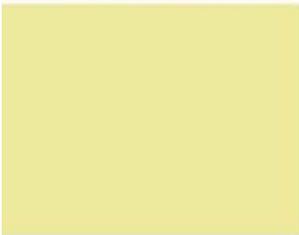
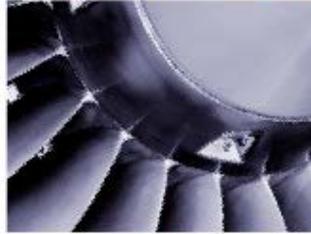




**sherritt**  
THE NAME IN NICKEL



**TD Bondholder Marketing December 7, 2015**

# Cautionary Statement on Forward-Looking Information

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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, the Corporation’s nickel and oil production forecasts; global nickel market supply and demand forecasts; operating cost and expense recovery forecasts in the Corporation’s oil and gas 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.

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## 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](http://www.sherritt.com).

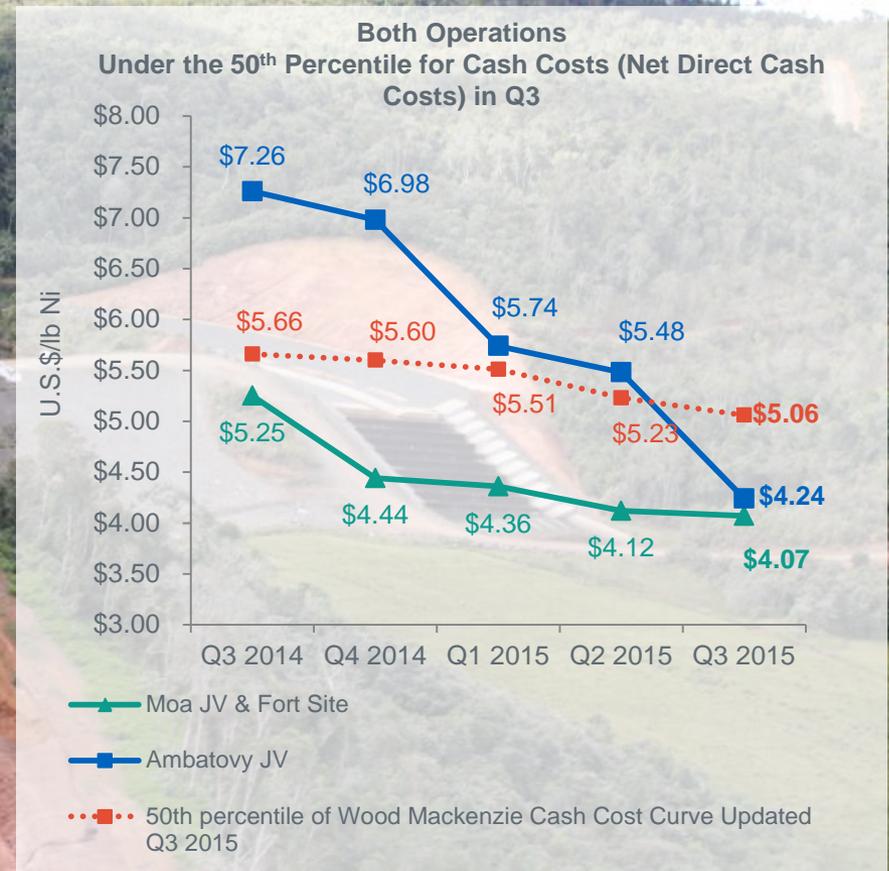


*Dean Chambers, Executive VP  
and CFO*

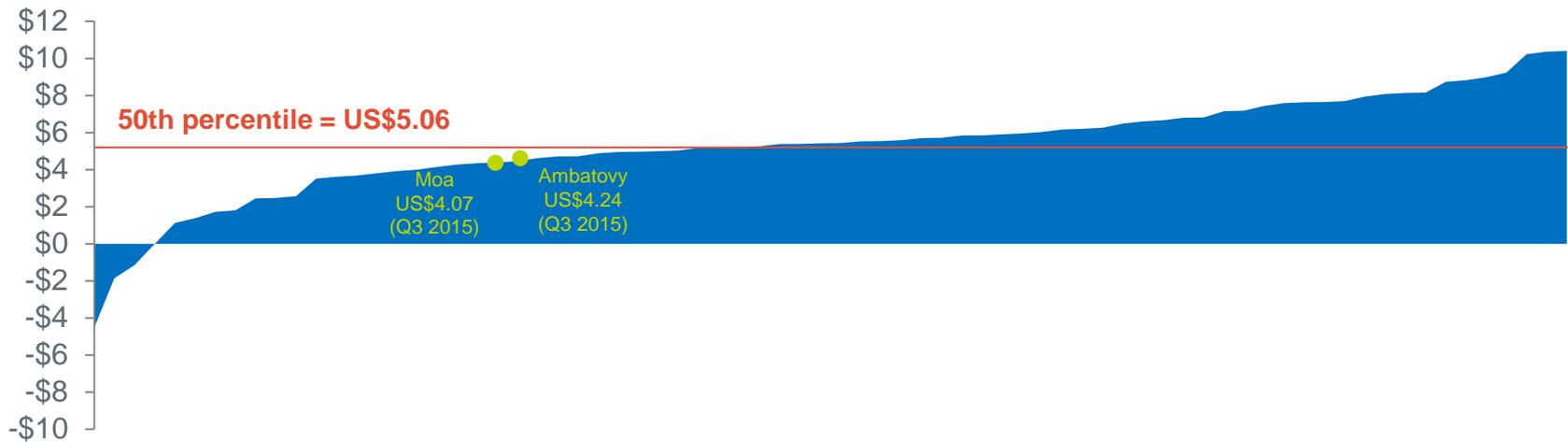
# SHERRITT INTERNATIONAL (TSX:S): THE NAME IN NICKEL

- Two fully integrated, LME quality HPAL nickel operations, expected to deliver ~80k t finished nickel in 2015 <sup>(1)</sup>
- Cuban oil production expected ~18,500 bopd (GWI) in 2015
- Cuban power generation business generates steady cash flow
- Current market cap ~\$230 million with \$373.8 million cash, ~\$900 million recourse debt

(1) midpoint of production range disclosed in Outlook at Sept 30, 2015

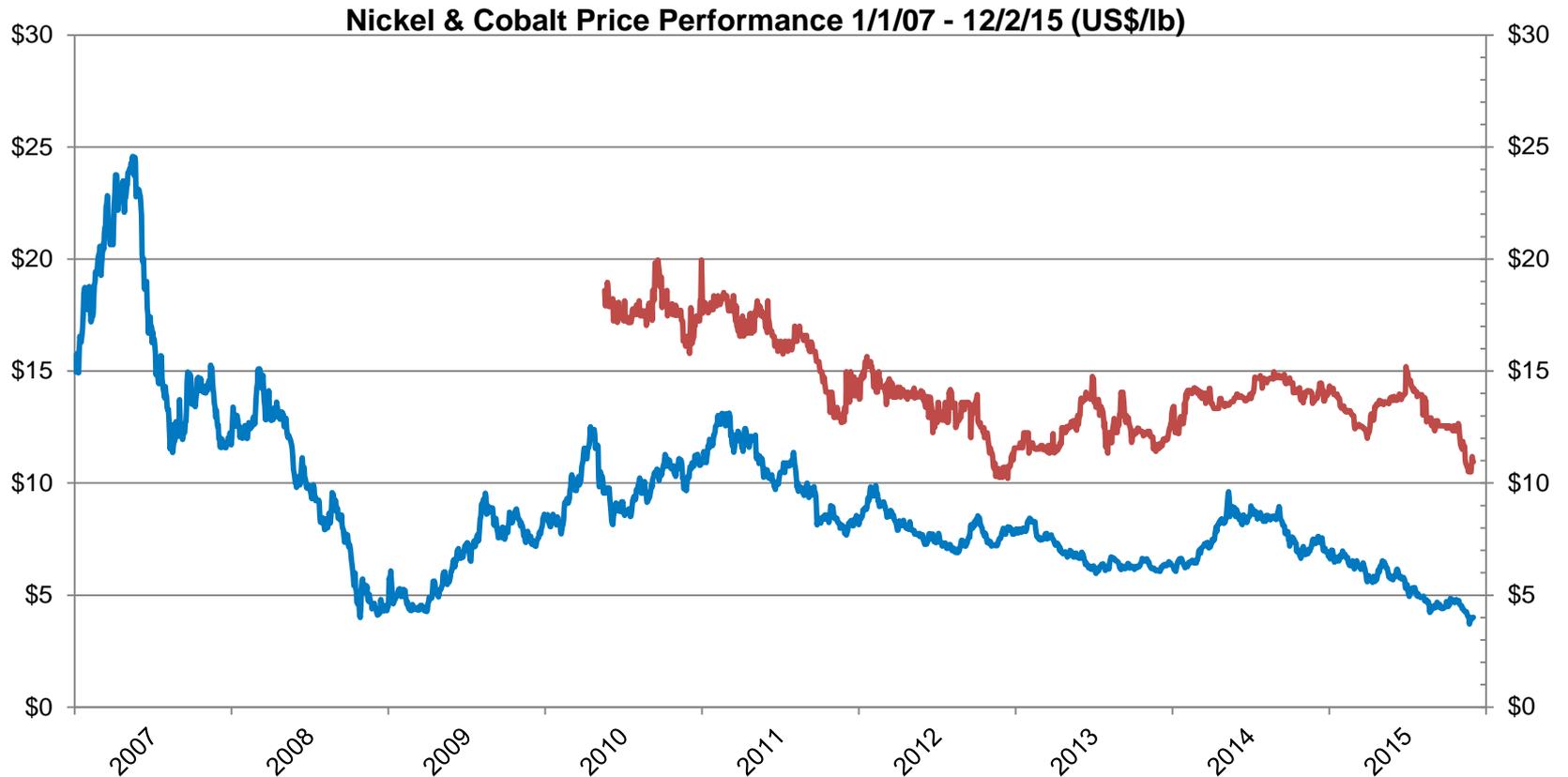


# A Closer Look at the Cash Cost Curve<sup>(1)</sup>



Cash cost curve has been declining, with 50<sup>th</sup> Percentile of Q2 cash cost curve was US\$5.23

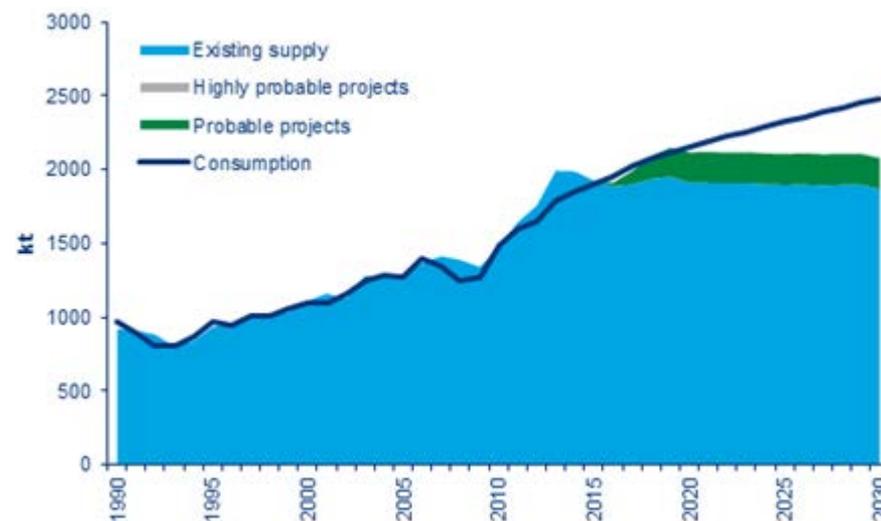
# Nickel and cobalt prices from 2007 to current



# Nickel Market 1990 – 2030 Projected

- LME warehouse stocks peaked at 470,376 t, now at 396,672 t (Dec 4/15) down 19% from peak
- Chinese nickel consumption showing increasing reliance on imports: up 115% August 2015 vs 2014 (CRU Nickel Monitor, October 2015)
- Refined nickel imports into China for the first 8 months of 2015 have doubled vs the same period in 2014 (SMM China Nickel Monthly Oct 16, 2015)
- Supply gap developing with few new firm nickel projects announced

World Supply/Demand



Source: Wood Mackenzie



# OPERATIONS UPDATE

# Q3 2015

## Financial Results<sup>(2)</sup>

- Adjusted EBITDA \$22.6 million Q3 and \$107 million YTD (vs \$91.7 million Q3 2014 and \$222 million 9 mos 2014)
- Ending cash and short-term investments \$373.8 million

## Operational Results Q3

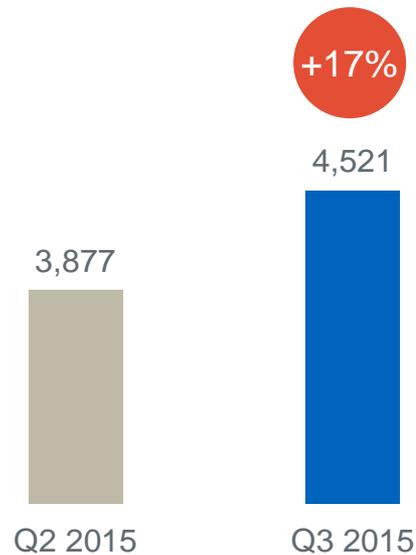
- 9,730 tonnes finished nickel
  - Moa on track for best year in last 5, with 4,521 t in Q (50%)
  - Record quarter at Ambatovy, with 5,209 t (40%)
- Sustained the trend in improving cash costs, to US\$4.07/lb at Moa and US\$4.24/lb at Ambatovy

# Moa JV Highlights

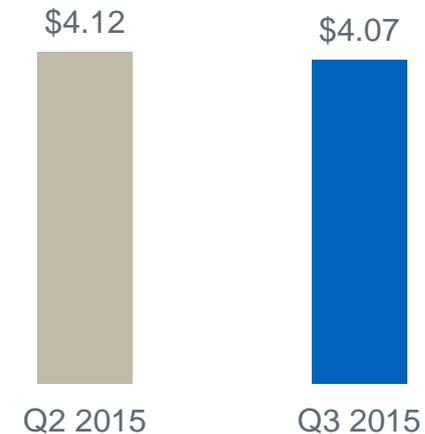
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- Finished nickel production of 4,521 tonnes (50% basis) in Q3, and 12,755 t YTD; guidance for year 33,000 – 34,000 t (100% basis/ 16,500 – 17,000 t 50% basis)
- Cash costs declined for the third consecutive quarter to US\$4.07/lb
- Nickel recovery 89% on 3 month and 9 month basis
- Cash provided by operations of \$22.3 million benefited from fertilizer pre-sales of \$20.5 million

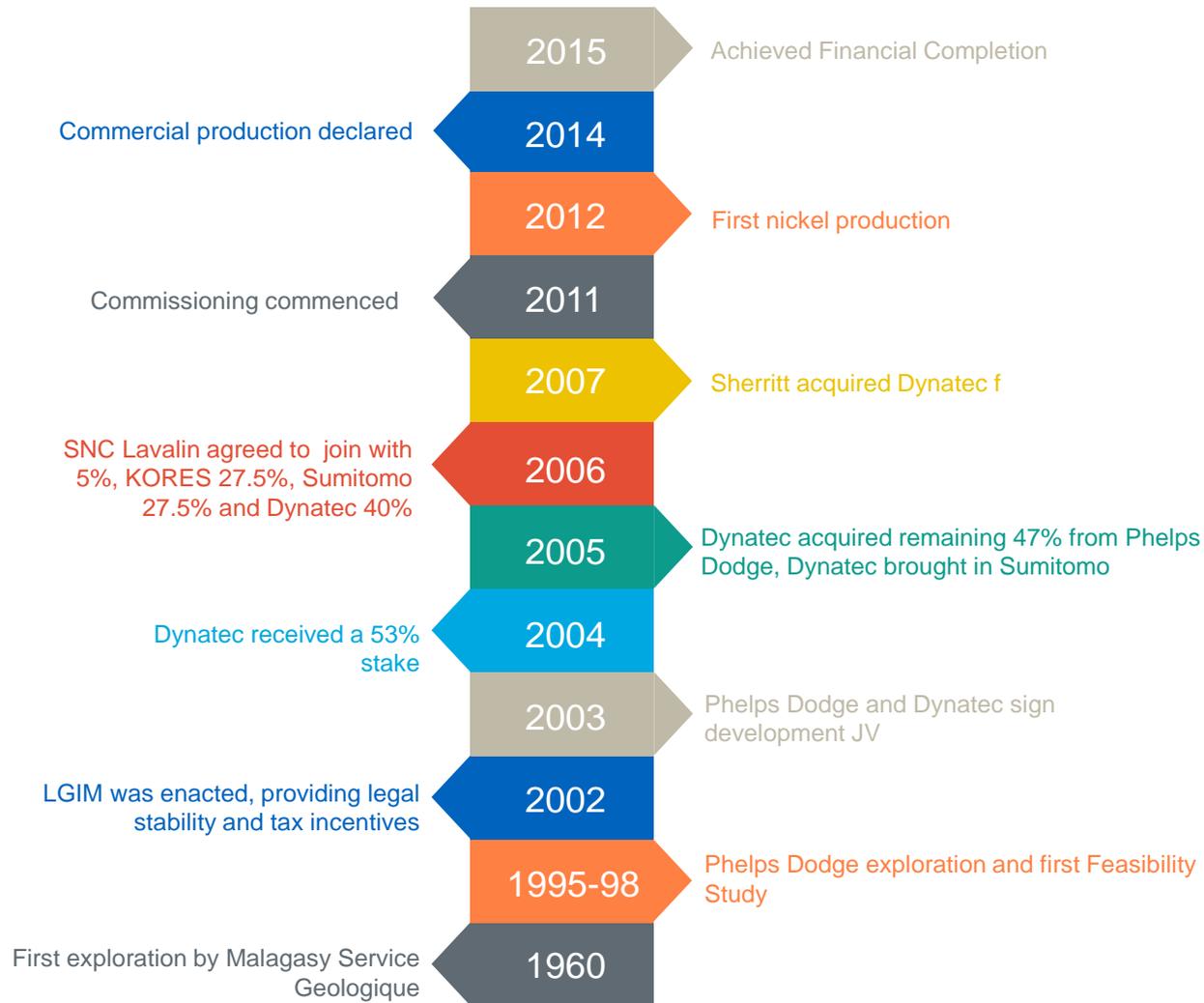
Moa JV Nickel Production (50% basis, tonnes)



Net Direct Cash Costs (U.S.\$/lb)



# Ambatovy History



# Ambatovy Approaching or Exceeding Design Metrics

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Mine	Commenced operations in July 2010. Mining certificate completed in Q1 2013. <sup>(1)</sup> 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. <sup>(1)</sup> 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).
Refinery	Production certificate achieved in March 2015; highest level of nickel briquetted in one day – 196 tonnes (August 13th 2015) against nameplate of 165 tonnes.
Recovery	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 <sup>(1)</sup> achieved Q2 2013.

# Ambatovy NDCC Down to \$4.24/lb, Senior Debt Reserve Account is Funded and Project Debt is Non-Recourse

- Q3 record production of 5,209 tonnes (40% basis), YTD 14,023 t; guidance for year 45,000 – 48,000 t nickel (100% basis/ 18,000 – 19,200 t 40%)
- Adjusted EBITDA of (\$2.5) million
- Net direct cash costs down to US\$4.24/lb
- Completed Autoclave train turnarounds in September, October and November
- Challenge period ended Nov 2015, no challenge to completion



# Ambatovy Briquettes Qualify for LME Registration: Only 12 Producers Worldwide



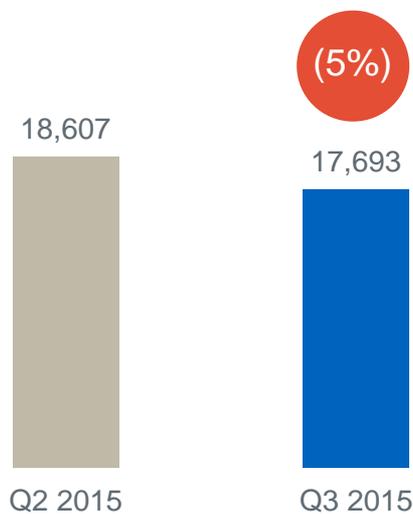
## Oil and Gas

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- Adjusted EBITDA of \$20.8 million Q3 and \$72.2 million YTD (vs \$47.7 million Q3/14 and \$165.6 million 9 mos 2014)
- Free cash flow generation of \$35.7 million Q3 and (\$1.8 million) YTD (vs \$26.8 mm Q3/14 and 489.5 million 9 mos 2014)
- Expected production guidance 18,500 bopd GWI, 11,300 bopd NWI
- Lower unit operating costs this Q, but expect an increase next quarter with increased standby costs (no more drilling) and higher well workover costs

Cuba Production – Gross Working-Interest

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Unit Operating Costs – Cuba (\$ per boe)

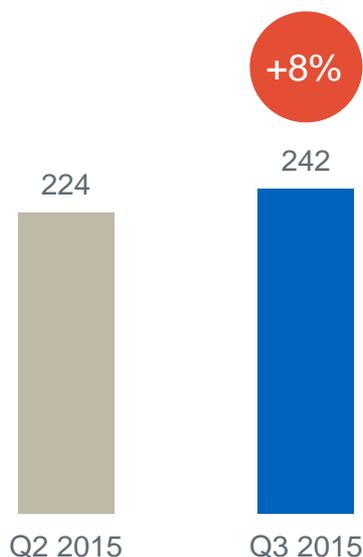
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## Power: Stable Adjusted EBITDA and Continued Repayments of the Conditional Sales Agreement

- Electricity generation up on higher gas availability
- Adjusted EBITDA of \$9.6 million Q3, \$24.5 million YTD (vs \$8.0 million Q3/14 and \$19.4 million 9 mos 2014) in Q2
- Free cash flow \$14.7 mm in Q3 and \$52.7 million YTD benefits from continued repayments of principal and interest on CSA Receivable

Electricity Generation (GWh)



Unit Operating Costs (\$/MWh)





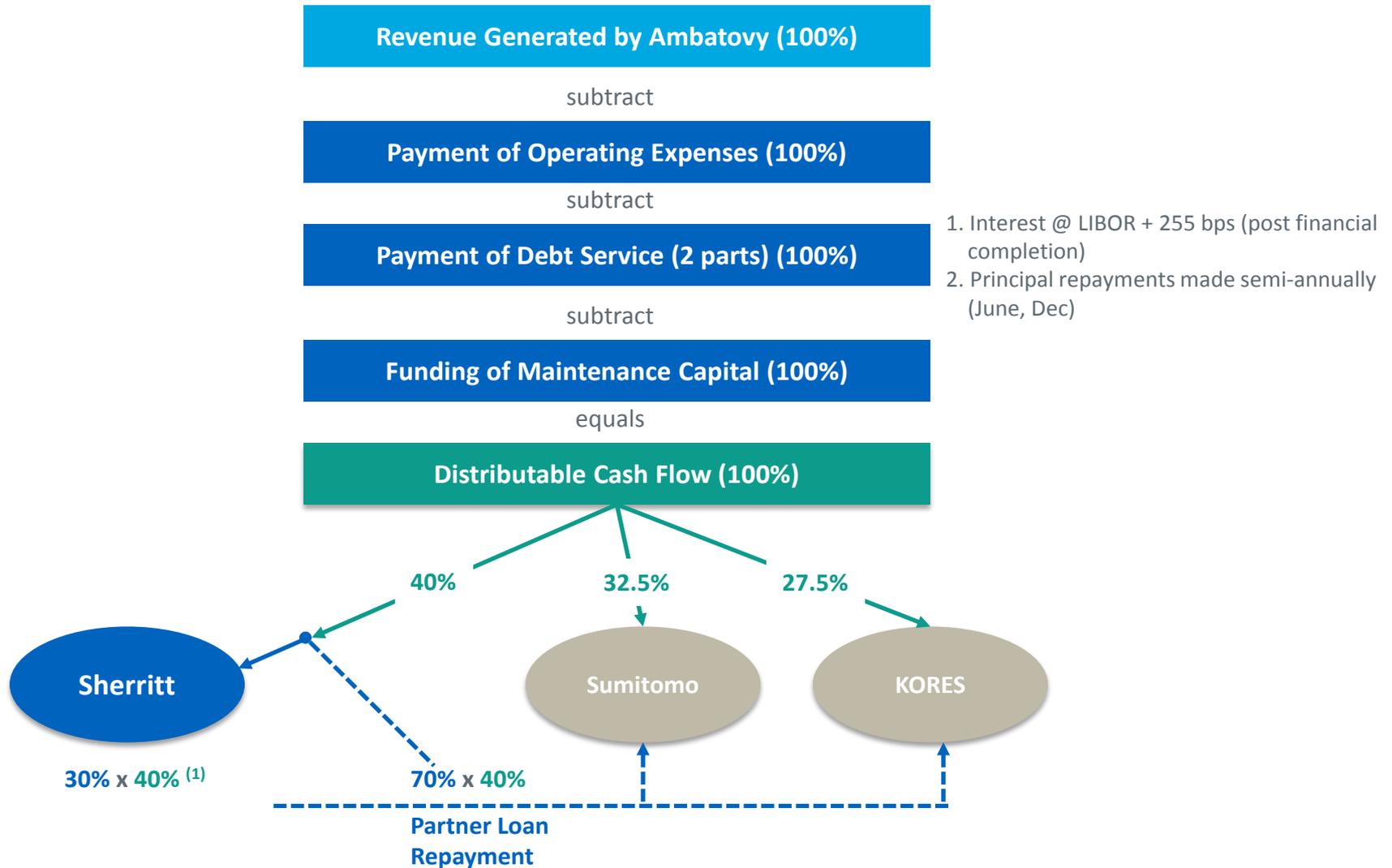
**FINANCE**

# Total Debt vs. Recourse Debt

As at Sept 30, 2015 (\$ millions)	Total	Recourse
Senior unsecured notes (2018, 2020, 2022)	\$750	\$750
Ambatovy partner loans	129	129
Ambatovy additional partner loans	1,215	-
Other (incl \$25 mm revolver)	27	27
Total debt	2,121	906
Cash and short term investments	374	
Net debt	1,747	

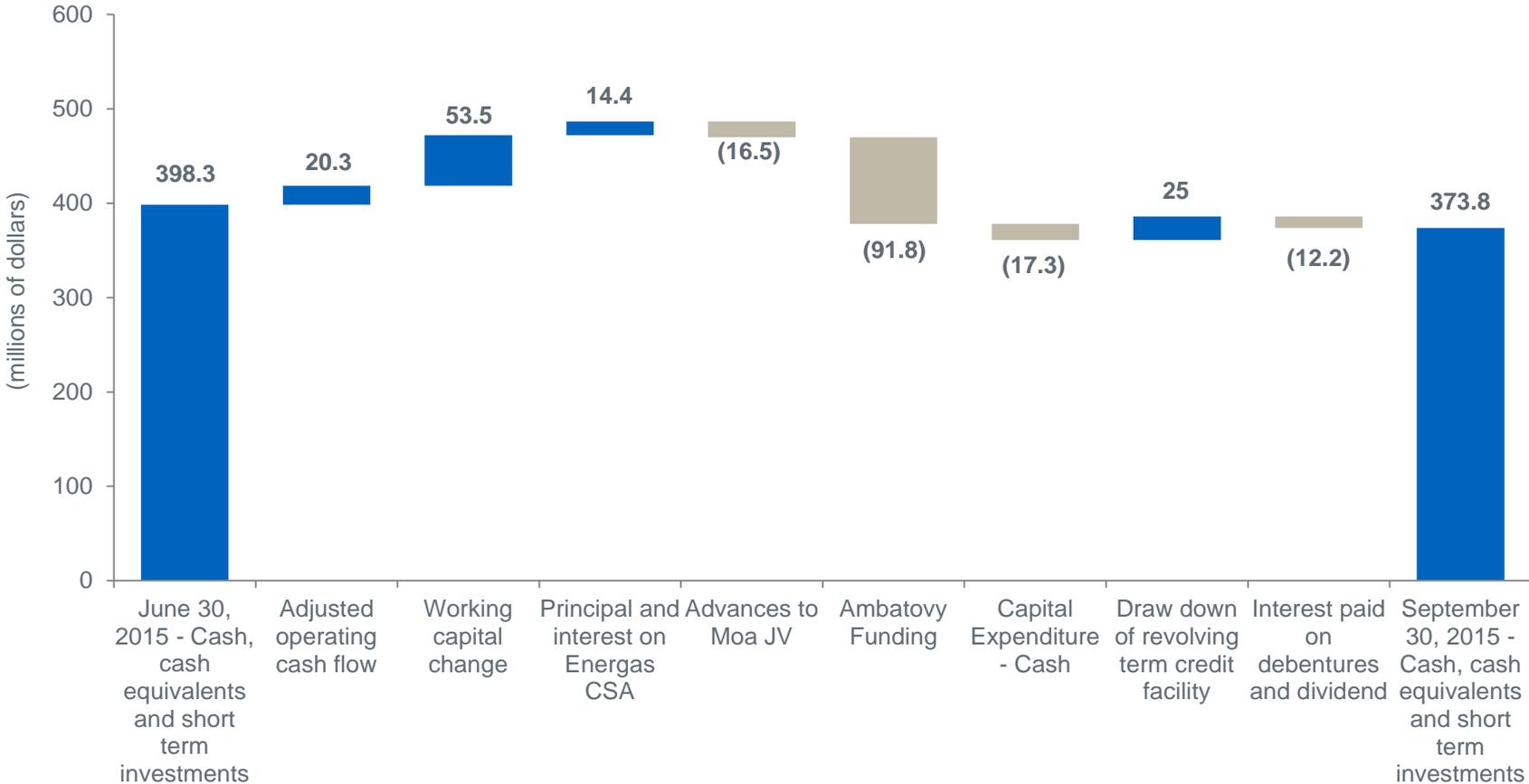
- Sherritt share of Ambatovy Project financing (now non-recourse) not consolidated on balance sheet due to equity accounting (US\$678.1 million Sherritt share as of 09/30/15)

# Ambatovy Distributable Cash Flow

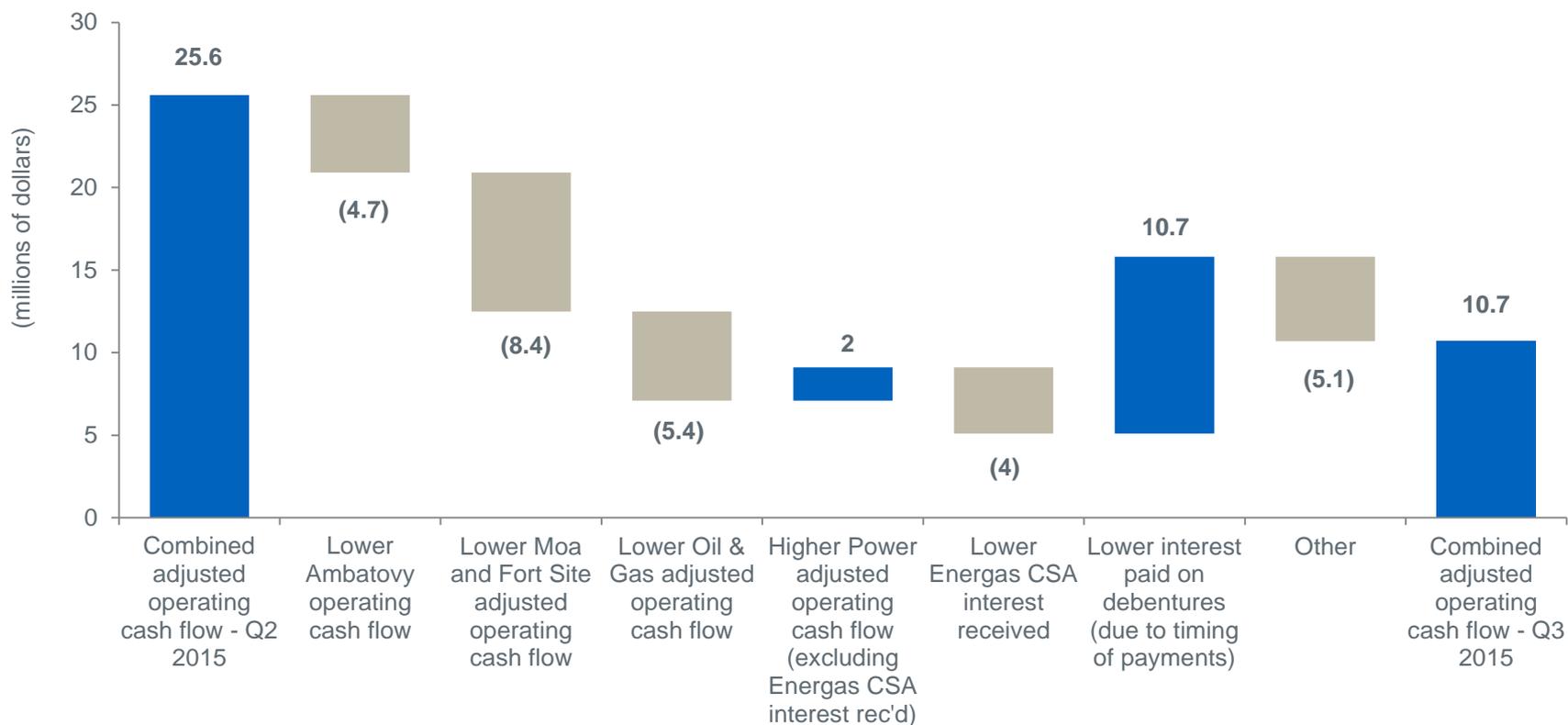


1. Interest @ LIBOR + 255 bps (post financial completion)
2. Principal repayments made semi-annually (June, Dec)

# Balance Sheet Cash from Q2 to Q3 2015



# Combined Adjusted Operating Cash Flow Reconciliation from Q2 2015 to Q3 2015





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