For immediate release

Sherritt Announces Q3 2015 Results

Nickel Net Direct Cash Costs Decline for the Third Consecutive Quarter

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Toronto, Ontario – October 27, 2015 – Sherritt International Corporation ("Sherritt" or the "Corporation") (TSX: S), a world leader in the mining and refining of nickel from lateritic ores, today reported its financial results for the three and nine months ended September 30, 2015.

"Operational performance, cost discipline and collecting overdue receivables all played a role this quarter in minimizing our use of cash," said David Pathe, President and CEO, Sherritt. "We continue to operate in a severely depressed commodity pricing environment, with nickel and oil prices declining further during the quarter. In response to this reality, we have executed on further cost-cutting measures, including cutting our dividend and reducing expected capital spending for this year and next. In this environment, achieving financial completion at Ambatovy was a pivotal achievement, making the Ambatovy project debt non-recourse to us and our partners."

"We are working hard to position ourselves for long-term success when the commodity cycle turns favourable," continued Pathe. "Operationally, we had record nickel production at Ambatovy, where we saw cash costs drop more than 20% from Q2, down to US$4.24 per pound. At Moa, our cash costs are bordering on first quartile, and I am confident we will get there with the addition of the third acid plant. In total, our two integrated operations now produce around 83,000 tonnes a year of Class 1 nickel."

Q3 HIGHLIGHTS(1)(2)(3)

- Nickel prices during the quarter hit a low closing price of US$4.22 per pound on August 24, 2015, a level not seen since 2008, and averaged US$4.78 in the quarter. Crude oil prices also declined since Q2 2015, with WTI crude prices closing at a low of US$38.24 per barrel on the same day and averaging US$46.56 in the quarter. Since quarter end, nickel prices have rebounded modestly from their lows to US$4.75 per pound and WTI is trading at US$44.46 per barrel (both prices at Oct. 26, 2015).
- Preserving cash was the Corporation's highest priority in the quarter, and cost discipline across all operations mitigated cash funding requirements outside Ambatovy.
- Total available liquidity at September 30, 2015 was $454.5 million, benefiting from a $40 million increase in available credit, after renewing and increasing the size of the syndicated 364-day revolver to $115 million (from $90 million last quarter) and the line of credit to $35 million (from $20 million last quarter). Cash, cash equivalents and short-term investments were $373.8 million at September 30, 2015.
- Finished nickel production in the quarter was up 16% year over year at 9,730 tonnes (Sherritt's Share), driven by Ambatovy's strong performance.
- Net direct cash costs fell for the third consecutive quarter this year, to US$4.07 per pound at the Moa JV and US$4.24 per pound at Ambatovy. This demonstrates the longer term potential for Ambatovy's cash costs to be equal or better than the Moa JV cash costs, as production ramps up to full capacity and maintenance costs continue to decline.
- Ambatovy Financial Completion was announced by press release September 21, 2015. Ten certificates were filed to meet the criteria, covering a range of construction, operational, environmental, financial and legal obligations. With financial completion achieved, the project financing that was put in place for construction is now non-recourse to all of the partners.

All amounts are Canadian dollars unless otherwise indicated.
(1) For additional information see the Non-GAAP measures section of this press release.
(2) Compared to the same period in the prior year.
(3) Shown on Sherritt's attributable share ownership basis.

- Reducing combined administrative expenses has been a priority this year, with year to date combined administrative expenses down 25% over the nine month period last year. This quarter's combined administrative expenses of $18.6 million are down 10% from last year, although higher than their levels in Q2, due to $4.5 million in Ambatovy arbitration award legal costs discussed in Note 6 to the Interim Condensed Consolidated Financial Statements (Financial Statements), and related to the close-out of construction contracts that were in dispute. No other income statement impact was recorded from these awards.

OUTLOOK AND SIGNIFICANT ITEMS

- During the quarter, the Corporation recorded an impairment expense of $80.6 million ($0.27 per share) on its oil assets in Cuba and Spain. This impairment arises mainly from lower oil price forecasts impacting future cash flows, with lower production from the Production Sharing Contract (PSC) Extension wells being a contributing factor.
- Oil production guidance was reduced to 18,500 barrels of oil per day (bopd) on a Gross Working Interest (GWI) basis, and 11,300 bopd on a Net Working Interest basis (NWI) for the year ending December 31, 2015 from the previously forecast level of 19,000 bopd reflecting the results this year from the PSC Extension drilling. Drilling activity on the PSC Extension has ended, and capital expenditures have been reduced with new guidance of $71 million expected for the full year.
- During the quarter, SNC-Lavalin exercised their put option to divest their 5% equity interest in the Ambatovy JV, selling their equity stake and share of partner loans to existing partner Sumitomo Corporation for approximately $600 million. Sherritt had the right to acquire this equity stake along with Sumitomo, but declined. As a result, the Ambatovy call option expired, resulting in a $13.7 million loss (non-cash) within the net finance expense this quarter. Sumitomo now owns 32.5% of Ambatovy, with Sherritt at 40% and Korea Resources at 27.5%.
- Sherritt also announces that Dean Chambers has agreed to continue in his current role as Executive Vice President and CFO, and will adjust his planned retirement timing. Given Mr. Chambers' long executive tenure and critical role with the Ambatovy partner and lender groups, Dean is particularly well suited to his current role at this time. David Bacon has confirmed his intention to return to his former employer in an expanded role.

Q3 2015 FINANCIAL HIGHLIGHTS

$ millions, except per share amount		For the three months ended 2015 September 30	2014 September 30	Change		For the nine months ended 2015 September 30		2014 September 30	Change
Combined Revenue[1]	$	**246.5**	302.7	(19%)	$	**793.2**	$	858.0	(8%)
Adjusted EBITDA[1]		**22.6**	91.7	(75%)		**107.0**		222.0	(52%)
Combined free cash flow [1]		**(7.5)**	28.0	(127%)		**(74.2)**		(66.9)	(11%)
Net loss from continuing operations per share		**(0.72)**	(0.17)	(324%)		**(1.07)**		(0.57)	(88%)
Combined adjusted operating cash flow per share [1]		**0.04**	0.28	(86%)		**0.31**		0.46	(33%)

(1) For additional information, see the Non-GAAP measures section of this release.

$ millions, except as noted, as at		2015 September 30	2014 December	Change
Cash, cash equivalents and short term investments	$	**373.8**	476.2	(22%)
Total loans and borrowings		**2,104.7**	1,859.9	13%

Adjusted earnings (loss) from continuing operations[1]

	For the three months ended 2015 September 30 $ millions	$/share	2014 September 30 $ millions	$/share
Net loss from continuing operations	**(210.0)**	(0.71)	**(51.3)**	(0.17)
Adjusting Items, net of tax	**118.6**	0.40	**(0.6)**	(0.00)
Adjusted net loss from continuing operations	**(91.4)**	(0.31)	**(51.9)**	(0.17)

	For the nine months ended 2015 September 30 $ millions	$/share	2014 September 30 $ millions	$/share
Net loss from continuing operations	**(314.4)**	**(1.07)**	(170.8)	(0.57)
Adjusting Items, net of tax	**76.8**	**0.26**	4.3	0.01
Adjusted net loss from continuing operations	**(237.6)**	**(0.81)**	(166.5)	(0.56)

(1) For additional information, see the Non-GAAP measures section of this release.

During the third quarter, $118.6 million ($0.40 per share) in adjusting items occurred that mainly included the Oil & Gas impairment described earlier, a $13.7 million adjustment for the expiry of the call option associated with the SNC-Lavalin put exercise, and an unrealized $10.2 million foreign exchange loss. Other less material adjustments of $7.5 million in aggregate represent Ambatovy inventory impairment and legal costs on unfavourable Ambatovy arbitration awards relating to construction contracts that have now been closed out, and are described in Note 6 to the Financial Statements. Subsequent to the quarter end, a third arbitration award was received, which was in Sherritt's favour and will have a positive cash flow impact if and when collected.

REVIEW OF OPERATIONS

METALS

$ millions except as otherwise noted, for the three months ended September 30	2015				2014				
	Moa JV & Fort Site[1] (50%)	**Ambatovy JV (40%)**	**Other[2]**	**Total**	Moa JV and Fort Site[1] (50%)	Ambatovy JV (40%)	Other[2]	Total	Change
FINANCIAL HIGHLIGHTS									
Revenue	**$ 97.6**	**$ 80.8**	**$ 15.0**	**$ 193.4**	$ 116.8	$ 89.8	$ 14.6	$ 221.2	(13%)
Adjusted EBITDA[3]	**2.2**	**(2.5)**	**0.3**	**-**	27.9	4.3	0.0	32.2	(100%)
Cash provided (used) by operations	**22.3**	**(21.8)**	**0.4**	**0.9**	14.4	20.9	(2.4)	32.9	(97%)
Spending on capital	**19.6**	**3.3**	**-**	**22.9**	10.9	12.8	-	23.7	(3%)
Free cash flow[3]	**3.1**	**(38.0)**	**0.4**	**(34.5)**	4.0	8.1	(2.4)	9.7	(456%)
PRODUCTION VOLUMES (tonnes)									
Mixed Sulphides	**4,596**	**5,625**	**-**	**10,221**	4,733	4,187	-	8,920	15%
Finished Nickel	**4,521**	**5,209**	**-**	**9,730**	4,614	3,743	-	8,357	16%
Finished Cobalt	**491**	**392**	**-**	**883**	438	327	-	765	15%
Fertilizer	**66,744**	**16,071**	**-**	**82,815**	64,670	9,961	-	74,631	11%
NICKEL RECOVERY (%)	**89%**	**88%**			86%	88%			
SALES VOLUMES (tonnes)									
Finished Nickel	**4,549**	**4,976**	**-**	**9,525**	4,588	3,813	-	8,401	13%
Finished Cobalt	**506**	**332**	**-**	**838**	433	361	-	794	6%
Fertilizer	**32,892**	**15,832**	**-**	**48,724**	17,325	12,412	-	29,737	64%
AVERAGE REFERENCE PRICES (US$ per pound)									
Nickel				**$ 4.78**				$ 8.43	(43%)
Cobalt				**13.32**				14.74	(10%)
AVERAGE-REALIZED PRICES[3]									
Nickel ($ per pound)	**$ 6.31**	**$ 6.02**		**$ 6.16**	$ 9.03	$ 8.94		$ 8.99	(31%)
Cobalt ($ per pound)	**16.44**	**15.55**		**16.08**	15.66	15.56		15.60	3%
Fertilizer ($ per tonne)	**359**	**201**		**308**	353	158		269	14%
UNIT OPERATING COSTS[3] (US$ per pound)									
Nickel - net direct cash cost	**$ 4.07**	**$ 4.24**			$ 5.25	$ 7.26			

(1) Includes results for certain 100% owned assets at Fort Saskatchewan plant.
(2) Includes results for Sherritt's marketing organization for certain Ambatovy sales.
(3) For additional information, see the Non-GAAP measures section of this release.

$ millions unless otherwise noted, for the nine months ended September 30	**2015**				2014				
	Moa JV and Fort Site[(1)] (50%)	**Ambatovy JV (40%)**	**Other[(2)]**	**Total**	Moa JV and Fort Site[(1)] (50%)	Ambatovy JV[(3)] (40%)	Other[(2)]	Total	Change
FINANCIAL HIGHLIGHTS									
Revenue	**$ 311.5**	**$ 262.1**	**$ 47.7**	**$ 621.3**	$ 330.1	$ 218.4	$ 48.8	$ 597.3	4%
Adjusted EBITDA[(4)]	**34.6**	**0.1**	**0.5**	**35.2**	56.9	2.0	0.8	59.7	(41%)
Cash provided (used) by operations	**32.3**	**(2.0)**	**2.7**	**33.0**	4.5	(35.8)	(1.5)	(32.8)	201%
Spending on Capital	**43.6**	**18.8**	**-**	**62.4**	21.2	25.1	-	46.3	35%
Free cash flow[(4)]	**(10.3)**	**(33.8)**	**2.7**	**(41.4)**	(15.9)	(73.8)	(1.5)	(91.2)	55%
PRODUCTION VOLUMES (tonnes)									
Mixed Sulphides	**14,174**	**14,556**	**-**	**28,730**	13,616	11,795	-	25,411	13%
Finished Nickel	**12,755**	**14,023**	**-**	**26,778**	12,123	10,857	-	22,980	17%
Finished Cobalt	**1,346**	**1,000**	**-**	**2,346**	1,169	889	-	2,058	14%
Fertilizer	**186,250**	**39,761**	**-**	**226,011**	193,427	28,170	-	221,597	2%
NICKEL RECOVERY (%)	**89%**	**86%**			88%	85%			
SALES VOLUMES (tonnes)									
Finished Nickel	**12,743**	**14,192**	**-**	**26,935**	12,203	9,901	-	22,104	22%
Finished Cobalt	**1,326**	**952**	**-**	**2,278**	1,188	814	-	2,002	14%
Fertilizer	**121,604**	**41,219**	**-**	**162,823**	136,137	27,761	-	163,898	(1%)
AVERAGE REFERENCE PRICES (US$ per pound)									
Nickel				**$ 5.73**				$ 7.81	(27%)
Cobalt				**13.55**				14.20	(5%)
AVERAGE-REALIZED PRICES[(4)]									
Nickel ($ per pound)	**$ 7.11**	**$ 7.02**		**$ 7.06**	$ 8.34	$ 8.56		$ 8.44	(16%)
Cobalt ($ per pound)	**16.36**	**15.88**		**16.17**	15.10	14.93		15.02	8%
Fertilizer ($ per tonne)	**431**	**196**		**372**	392	162		353	5%
UNIT OPERATING COSTS[(4)] (US$ per pound)									
Nickel - net direct cash cost	**$ 4.22**	**$ 5.08**			$ 5.18	$ 7.11			

(1) Includes results for certain 100% owned assets at Fort Saskatchewan plant.
(2) Includes results for Sherritt's marketing organization for certain Ambatovy sales.
(3) Represents the post-commercial production period except for production volumes and nickel recovery.
(4) For additional information, see the Non-GAAP measures section of this release.

METAL MARKETS

Nickel spot prices hit a multi-year low of US$4.22 per pound on August 24, 2015, a day of commodity and broader equity market panic after Chinese stock market indices fell by 9%, and the Dow Jones Industrial Average opened down 1,000 points. Since that time, nickel prices have rebounded to some degree, trading in a range of US$4.50 - $4.75 per pound in recent weeks. Average realized prices of nickel at the Moa Joint Venture and the Ambatovy Joint Venture were $6.31 and $6.02 per pound, respectively, following the reference price decline, but benefitting from foreign exchange translation as the Canadian dollar weakened by approximately eight cents from the second quarter to the third quarter this year.

The average cobalt reference price of US$13.32 per pound in the third quarter was also down from its year ago comparable of US$14.74, and close to the Q2 2015 average reference price of US$13.61 per pound. Average realized prices of cobalt this quarter were up marginally from their year ago levels, as the decline in the reference price was offset by the weaker Canadian dollar. The cobalt market remains fairly well balanced with continued strong demand in the aerospace and rechargeable battery sectors and lower than forecast production in Zambia.

Moa Joint Venture (50% interest) and Fort Site

Adjusted EBITDA of $2.2 million continued to follow commodity price declines, despite a third consecutive quarter of improved Net Direct Cash Costs.

Finished nickel production of 4,521 tonnes (50% basis) for the third quarter of 2015 was marginally lower than the prior year quarter, but up 17% from production in Q2 of 3,877 tonnes (50% basis) when the annual refinery shutdown occurred.

Finished cobalt production of 491 tonnes (50% basis) for the third quarter of 2015 was higher than the prior year quarter, and higher than Q2 2015 cobalt production of 429 tonnes (50% basis), again reflecting the shutdown, and a higher cobalt ratio in the mined ore year to date.

The nickel recovery at Moa of 89% in the quarter was up from the 86% recovery in Q3 of last year, and consistent with Q2 2015 nickel recovery levels.

The net direct cash cost of US$4.07 per pound of nickel was an improvement of 22% (US$1.18 per pound) from the third quarter of 2014, and the lowest reported year to date. Lower fuel oil and energy prices and lower third party feed costs have been significant drivers to improved cash costs, and the effort to focus on controllable costs has paid off. Cobalt by-product credits of US$1.39 per pound are fairly consistent each quarter, ranging from US$1.25 to US$1.40 over the last six quarters.

Fertilizer revenues this quarter of $11.8 million were lower than costs of $12.7 million. Costs were impacted by higher maintenance expenses (shutdown-related) that were carried through inventory and impacted third quarter fertilizer costs due to the timing of sales. This quarter included deferred revenue of $20.5 million of cash received on pre-sales of fertilizer to be delivered primarily in Q4 and the spring season of 2016, at which time their revenue will be recognized.

Capital spending of $19.6 million in the quarter and $43.6 million year to date is higher than its comparison periods, due to the once in 10 year maintenance shutdown at Fort Saskatchewan last quarter, and a weaker Canadian dollar, with expansion capital as budgeted for the construction of the 2,000 tonne per day acid plant on track for the second half of 2016.

Ambatovy Joint Venture (40% interest)

Adjusted EBITDA in the third quarter was negative $2.5 million during the quarter compared to Adjusted EBITDA of $4.3 million in the same quarter last year. For the nine month period ended September 30, 2015, Adjusted EBITDA of $0.1 million compares with $2 million in the same period last year.

During the quarter, finished nickel production was 5,209 tonnes (40% basis), a record production quarter and an improvement of 39 % over last year. Finished cobalt production of 392 tonnes (40% basis) was also up 20% year over year and up 48% from production levels in the second quarter. As announced October 6, 2015, Sherritt received confirmation that finished nickel briquettes from Ambatovy now meet the standards to qualify for delivery to London Metal Exchange (LME) warehouses. This recognition demonstrates the technical and metallurgical capabilities that Sherritt has contributed as operator during Ambatovy's ramp-up. LME delivery status allows Ambatovy or its customers the flexibility and commercial advantage of delivering nickel product to LME warehouses where logistics benefits exist or to mitigate short term variance in customer demand.

Robust third quarter production of both nickel and cobalt is attributable to process control enhancements and improved operational stability, continuing the ramp-up of production to nameplate capacity. During the quarter, the second ore thickener returned to production. A planned autoclave train turnaround was executed in September, with further turnarounds scheduled in October and November. The Q3 nickel recovery was 88% compared to 86% in Q2, primarily due to efficiency improvements in the mixed sulphide precipitation circuit.

The net direct cash cost (NDCC) of nickel was US$4.24 per pound in the third quarter of 2015, and has been coming down sharply each quarter this year, from US$5.74 per pound in Q1 and US$5.48 per pound in Q2. Net direct cash costs at Ambatovy are now in line with the Moa JV, reflecting increased production, lower maintenance and labour costs, and lower commodity input costs.

In September this year, Ambatovy achieved financial completion (see "Highlights", page 1). Under the terms of the Ambatovy Joint Venture Financing, a supermajority group of the lenders may, within 45 days of achieving financial completion, initiate a challenge to reinstate the completion guarantees. In order for any challenge to succeed, the lenders would need to prove that one or more of the completion certificates is false in a materially adverse way to the lenders' interest. During a challenge, if one occurs, Sherritt's proportionate share of the outstanding project debt would remain non-recourse to Sherritt until a final ruling or settlement occurs.

Filing of the *Financial Certificate* required the deposit of US$115 million (100% basis) to fund the Senior Debt Reserve Account (SDRA), from which payments of semi-annual principal and interest can be made on the Ambatovy Joint Venture Financing. In the third quarter, the Ambatovy partners provided US$174 million in funding. From this funding and the opening cash balance, the SDRA was funded, and US$65 million was paid out to settle arbitration rulings as described in Note 6 to the Financial Statements.

On a year to date basis, Ambatovy partners have funded US$264 million, with Sherritt's share being 40% or US$105.6 million. With submission of the final certificates, the US$1.7 billion Ambatovy Joint Venture Financing (100% basis, balance at September 30, 2015) has become non-recourse to the Ambatovy partners, and the interest rate has increased from LIBOR plus 1.4% to LIBOR plus approximately 2.5%. Going into the fourth quarter this year, the Ambatovy cash and cash equivalents position (100% basis) is at $200.5 million as reported in Note 6 to the Financial Statements.

OIL AND GAS

	For the three months ended			For the nine months ended		
	2015	2014		**2015**	2014	
$ millions, except as otherwise noted	**September 30**	September 30	Change	**September 30**	September 30	Change
FINANCIAL HIGHLIGHTS						
Revenue	**$ 38.5**	$ 68.1	(43%)	**$ 132.1**	$ 219.7	(40%)
Adjusted EBITDA[1]	**20.8**	47.7	(56%)	**72.2**	165.6	(56%)
Cash provided by operations	**47.2**	41.3	14%	**50.6**	135.5	(63%)
Spending on Capital	**11.7**	14.0	(16%)	**55.2**	45.2	22%
Free cash Flow[1]	**35.7**	26.8	33%	**(1.8)**	89.5	(102%)
PRODUCTION AND SALES (bopd)						
Gross working-interest (GWI) - Cuba	**17,693**	19,412	(9%)	**18,666**	19,710	(5%)
Total net working-interest (NWI)	**11,026**	10,607	4%	**11,304**	11,160	1%
AVERAGE REFERENCE PRICE (US$ per barrel)						
Gulf Coast Fuel Oil No. 6	**$ 38.11**	$ 87.57	(56%)	**$ 44.42**	$ 89.56	(50%)
Brent	**50.29**	101.86	(51%)	**55.00**	106.99	(49%)
AVERAGE-REALIZED PRICE[1] (NWI)						
Cuba ($ per barrel)	**$ 36.36**	$ 69.18	(47%)	**$ 41.26**	$ 71.31	(42%)
UNIT OPERATING COSTS[1] (GWI)						
Cuba ($ per barrel)	**$ 9.04**	$ 9.98	(9%)	**$ 9.13**	$ 8.12	12%

(1) For additional information, see the Non-GAAP measures section of this release.

Adjusted EBITDA was 56% ($26.9 million) lower in the third quarter compared to the prior year period, with realized oil and gas prices down 47% over the same period. In the Cuban operations, the average-realized price in the third quarter was $36.36 per barrel, as oil prices reached multi-year lows in August this year.

GWI oil production in Cuba of 17,693 bopd decreased by 9% in the third quarter compared to the prior year period, primarily due to natural reservoir declines and lower than expected production from the PSC Extension wells. Counting three wells drilled in 2014 and five drilled this year, a total of eight new wells have now been drilled and completed, which is one more than required to fulfill commitments under the PSC Extension for the Puerto Escondido/Yumuri oil fields. Of the eight, six are currently producing oil, one is suspended and one has been abandoned. Oil production from these new PSC Extension wells is below expectations, with production guidance revised accordingly.

NWI oil production in Cuba of 10,354 bopd increased by 3% over the same quarter in 2014 despite the 9% decrease in Cuban GWI oil production. Cost recovery oil production of 4,349 bopd compared to 2,428 bopd in the same period last year illustrates the higher proportion of cost recovery oil when oil prices are low. The allocation of cost recovery barrels in any particular period is limited to a fixed percentage of GWI volumes within each cost pool. In the first quarter this year, when oil prices were similar to prices in the third quarter, the caps on the applicable cost pools prevented a higher cost recovery allocation. Expenditures above the caps were then carried forward, and were applied for cost recoveries in the second and third quarter. Eligible costs are being carried forward for application in future quarters.

Unit operating costs in Cuba decreased 9% ($0.94 per barrel) to $9.04 (GWI basis) in the third quarter compared to the prior year period, reflecting lower well workover costs.

The robust free cash flow generation of $35.7 million in the quarter benefited from the collection of overdue receivables, and a quarter of comparatively low capital spending, at $11.7 million. Overdue receivables continue to be paid in accordance with the schedule agreed with the Cuban partners, with overdue receivables expected to fall to normal levels by year end.

On a year to date basis, capital spending of $55.2 million is up 22% year over year, consistent with the higher capital expenditures required to drill the PSC Extension. Further evaluation of the wells drilled under the PSC Extension will be carried out this quarter, but drilling results to date and continuing capital and cost discipline have prompted further capital reductions, leading to a revised estimate of $71 million ($68 million sustaining and $3 million exploration) for 2015 compared to the previous guidance of $81 million.

As referenced in the Q3 2015 MD&A and Note 17 to the Financial Statements, an impairment expense of $80.6 million ($0.27 per share) was recorded on Cuban and Spain oil assets in the quarter. The lower oil price forecast, combined with drilling results on the PSC extension that were below expectations, are the reasons for the impairment.

POWER

	For the three months ended			For the nine months ended		
	2015	2014		**2015**	2014	
$ millions (33 1/3% basis), except as otherwise noted	**September 30**	September 30	**Change**	**September 30**	September 30	**Change**
FINANCIAL HIGHLIGHTS						
Revenue	**$ 14.5**	$ 12.7	14%	**$ 39.0**	$ 37.3	5%
Adjusted EBITDA[1]	**9.6**	8.0	20%	**24.5**	19.4	26%
Cash provided by operations	**15.6**	20.7	(25%)	**55.0**	31.3	76%
Spending on Capital[2]	**0.9**	1.0	(10%)	**2.1**	4.2	(50%)
Free cash flow[1]	**14.7**	20.1	(27%)	**52.7**	29.2	81%
PRODUCTION AND SALES						
Electricity (GWh)	**242**	223	9%	**676**	633	7%
AVERAGE-REALIZED PRICE[1]						
Electricity ($/MWh)	**$ 55.46**	$ 46.39	20%	**$ 53.49**	$ 46.28	16%
UNIT OPERATING COSTS[1]						
Electricity ($/MWh)	**17.42**	13.39	30%	**16.68**	15.37	9%
NET CAPACITY FACTOR (%)	**76**	68	12%	**70**	64	9%

(1) For additional information see the Non-GAAP measures section of this release.
(2) Includes service concession arrangements and accruals.

Quarterly Adjusted EBITDA increased by 20% ($1.6 million) year over year with higher production and higher realized prices. Higher gas availability led to higher production, while the average realized price benefitted from the weaker Canadian dollar. The average-realized price of electricity was 20% higher ($9.07 per MWh) in the third quarter compared to the prior year period.

Operating costs increased by 30% ($4.03 per MWh) in the third quarter compared to the prior year period, due to an increase in equipment purchases and processing equipment repairs, as well as the weaker Canadian dollar.

Free cash flow generation of $14.7 million in the quarter included a $4.0 million payment of interest on the Energas conditional sales agreement ($35.1 million year to date). Principal on the Energas conditional sales agreement also continues to be repaid on schedule, with a further $10.4 million received in the quarter ($25.8 million year to date).

STRATEGIC PRIORITIES 2015

Sherritt continues to execute against its stated strategy to focus on its core competencies, improve its liquidity position and streamline its operations, consisting of the following near-term priorities:

Strategic Priorities	2015 Targets	Status
FOCUSING ON OUR CORE NICKEL BUSINESS **1**	Sustaining production and lowering costs at Moa	Moa nickel production is up 5% year to date over last year, and Net Direct Cash Costs have declined each quarter this year
	Advancing the acid plant project at Moa	Acid plant construction continues on track for second half of 2016
CONTINUING TO RAMP UP AMBATOVY **2**	Targeting a production rate of 90% of nameplate capacity over a 90-day period within the first half of 2015	Achieved 90 for 90 in Q1 2015, and again in Q3 2015
	Targeting financial completion by September 30, 2015	Financial completion announced September 21, 2015
EXTENDING THE LIFE OF OUR CUBAN ENERGY BUSINESS **3**	Securing two additional exploration PSCs Commencing drilling on extended Puerto Escondido/Yumuri PSC	Eight wells drilled in the Puerto Escondido/ Yumuri extension area PSCs. Production guidance has been revised down for the second time this year, and capital spending is reduced for the balance of this year
BUILDING BALANCE SHEET STRENGTH **4**	Maintaining a strong balance sheet and liquidity	Cash, cash equivalents and short term investments of $373.8 million at September 30, 2015 and a $40 million upsizing of existing credit facilities contributed to cash and available liquidity of $454.5 million
REDUCING COSTS **5**	Optimizing operating and administrative costs	Net Direct Cash Costs at Moa and Ambatovy have declined for three consecutive quarters this year
		Combined administrative costs for the nine month period down 25% year over year

OUTLOOK

In the current quarter, the changes to expected production and capital spending come from Oil & Gas, where expected production on both a GWI and NWI basis have been reduced to reflect the drilling results on the PSC Extension wells at Puerto Escondido/Yumuri. Drilling activity has ended, and capital spending has also been reduced accordingly.

No other revisions have been made to Power or the two Metals operations. Expected production volumes and spending on capital projected for the full year are as shown below:

Production volumes and spending on capital for the nine months and twelve months ended	Previous Guidance at Q2 2015	Actual 2015 September 30	Revised Projected 2015 December 31
Production volumes			
Mixed sulphides (tonnes, Ni+Co contained, 100% basis)			
Moa Joint Venture	36,500-38,000	28,347	No change
Ambatovy Joint Venture	48,000-51,000	36,390	No change
Total	84,500 - 89,000	64,737	84,500-89,000
Nickel, finished (tonnes, 100% basis)			
Moa Joint Venture	33,000-34,000	25,510	No change
Ambatovy Joint Venture	45,000-48,000	35,058	No change
Total	78,000-82,000	60,568	78,000-82,000
Cobalt, finished (tonnes, 100% basis)			
Moa Joint Venture	3,500-4,000	2,692	No change
Ambatovy Joint Venture	3,300-3,500	2,500	No change
Total	6,800-7,500	5,192	6,800-7,500
Oil – Cuba (gross working-interest, bopd)	19,000	18,666	18,500
Oil and Gas – All operations (net working-interest, boepd)	12,000	11,304	11,300
Electricity (GWh, 100% basis)	2,550	2,028	No change
Spending on capital ($ millions)			
Metals – Moa Joint Venture (50% basis), Fort Site (100% basis)	75	44	No change
Metals – Ambatovy Joint Venture (40% basis)	35	19	No change
Oil and Gas	81	55	71
Power (33⅓% basis)	4	2	No change
Spending on capital (excluding Corporate)	195	120	185

NON-GAAP MEASURES

The Corporation uses combined results, Adjusted EBITDA, average-realized price, unit operating cost, and adjusted operating cash flow to monitor the 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. See Sherritt's Management's Discussion and Analysis for the period ended September 30, 2015 for further information.

CONFERENCE CALL AND WEBCAST

Sherritt will hold its quarterly conference call and webcast tomorrow at 10:00 a.m. Eastern Time.

Conference Call and Webcast:	October 28, 2015, 10:00 a.m. ET
Speakers:	David Pathe, President and CEO
	Dean Chambers, EVP and CFO
	Steve Wood, EVP and COO
North American callers, please dial:	1-866-530-1553
International callers, please dial:	416-847-6330
Live webcast:	www.sherritt.com

An archive of the webcast will also be available on the website. The conference call will be available for replay until November 2, 2015 by calling 647-436-0148 or 1-888-203-1112, access code 263911#.

COMPLETE FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Sherritt's complete interim condensed consolidated financial statements and MD&A for the three and nine months ended September 30, 2015 are available at www.sherritt.com and should be read in conjunction with this news release.

ABOUT SHERRITT

Sherritt is a world leader in the mining and refining of nickel from lateritic ores with operations in Canada, Cuba, and Madagascar. The Corporation is the largest independent energy producer in Cuba, with extensive oil and power operations on the island. Sherritt licenses its proprietary technologies and provides metallurgical services to commercial metals operations worldwide. The Corporation's common shares are listed on the Toronto Stock Exchange under the symbol "S".

FORWARD-LOOKING STATEMENTS

This press release 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, statements set out in the “Outlook” sections of this press release and certain expectations about capital costs and expenditures; capital project completion dates; challenge period associated with completion of financial certificates at Ambatovy; sales volumes; revenue, costs, and earnings; sufficiency of working capital and capital project funding; completion of development and exploration wells; 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; realized prices for production; earnings and revenues; development and exploratory wells in Cuba; environmental rehabilitation provisions; availability of regulatory approvals; compliance with applicable environmental laws and regulations; the impact of regulations related to greenhouse gas emissions and credits; debt repayments; collection of accounts receivable; and certain corporate objectives, goals and plans for 2015. 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 press release 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 press release 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 development, construction, 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; expectations of the timing of financial completion at the Ambatovy Joint Venture; 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 in reserve estimates; risks associated with access to reserves and resources; uncertainties in environmental rehabilitation provisions 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 governmental regulations regarding greenhouse gas emissions; 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 indigenous and community relations; risks associated with rights and title claims; and certain corporate objectives, goals and plans for 2015; 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 press release and 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 press release 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 press release 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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