For immediate release

Sherritt Reports Q3 2017 Results

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Toronto, Ontario – October 24, 2017 – Sherritt International Corporation ("Sherritt" or the "Corporation") (TSX: S), the world leader in the mining and hydrometallurgical refining of nickel from lateritic ores, today reported its financial results for the three and nine months ended September 30, 2017. All amounts are in Canadian currency unless noted.

CEO COMMENTARY

"Q3 was marked by progress across a number of key financial and operating metrics," said David Pathe, President and CEO of Sherritt International. "Against a backdrop of improving commodity prices, we achieved the lowest net direct cash cost(1) at Moa since 2004 with a cost of $1.94 per pound of nickel, produced 799 tonnes of finished cobalt at a realized price of $35.44 per pound and ended the quarter with a higher cash balance totaling $291.3 million."

Mr. Pathe added, "Backed by a strong market outlook for nickel and cobalt, we expect to sustain this momentum through the completion of a number of near-term milestones, including the restructuring of our Ambatovy joint venture, completing the drilling of the second well on Block 10 and achieving our production targets for 2017."

Q3 2017 HIGHLIGHTS

- Sherritt ended the quarter with cash, cash equivalents and short-term investments of $291.3 million, up $17.1 million from June 30, 2017.
- Sherritt and its Ambatovy Joint Venture partners continue to work towards implementation of the previously announced Agreement in Principle that will result in the re-structuring of the Joint Venture and the elimination of approximately $1.3 billion of non-recourse debt. Closing of the transaction is expected to occur in Q4 of this year.
- Sherritt's operations in Cuba incurred minimal damages as a result of Hurricane Irma; nickel, cobalt, power, oil and gas production were only moderately impacted due to hurricane readiness and shutdown procedures.
- Moa JV Net Direct Cash Cost (NDCC) for nickel was US$1.94/lb, representing the lowest total since the fourth quarter of 2004. The decline was driven primarily by high cobalt prices and the US$0.50/lb cost savings achieved with the commissioning of the third acid plant at Moa in 2016.
- Unit operating costs in Cuba were $8.98 per barrel of oil, down 4% from $9.31 in Q3 2016.
- Unit operating costs for power production were $16.59 per megawatt hour, down 35% from $25.55 for last year.
- Sherritt's share of production totals from its operations were: 4,049 tonnes of finished nickel at the Moa JV; 3,247 tonnes of finished nickel at Ambatovy; 464 tonnes of finished cobalt at the Moa JV; 335 tonnes of finished cobalt at Ambatovy; 7,658 net working interest barrels of oil equivalent per day and 210 gigawatt hours of electricity.
- Adjusted EBITDA was $33.8 million, up 194% from $11.5 million in Q3 2016.
- Sherritt received US$32.6 million of Cuban energy payments, including US$15.6 million received by Sherritt's Oil and Gas division and US$17.0 million received by the Power division from Energas.
- Net loss was $69.5 million, or $0.24 per share outstanding, down from a net loss of $120.8 million, or $0.41 per share outstanding, in Q3 2016.

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

Q3 2017 FINANCIAL HIGHLIGHTS

	For the three months ended			For the nine months ended		
	2017	2016		**2017**	2016	
$ millions, except per share amount	**September 30**	September 30	Change	**September 30**	September 30	Change
Revenue	**63.3**	58.5	8%	**$ 212.5**	$ 191.8	11%
Combined Revenue(1)	**234.7**	184.5	27%	**693.7**	579.9	20%
Net loss for the period	**(69.5)**	(120.8)	42%	**(244.0)**	(272.2)	10%
Adjusted EBITDA(1)	**33.8**	11.5	194%	**100.2**	2.6	3,754%
Cash provided (used) by continuing operations	**28.7**	60.3	(52%)	**24.3**	24.2	-
Combined free cash flow (1)	**7.3**	20.3	(64%)	**(20.9)**	(66.4)	69%
Net loss from continuing operations per share	**(0.24)**	(0.41)	41%	**(0.83)**	(0.93)	11%

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

	2017	2016	
$ millions, except as otherwise noted, as at	**September 30**	December 31	Change
Cash, cash equivalents and short term investments	**$ 291.3**	$ 309.6	(6%)
Non-recourse loans and borrowings	**1,324.6**	1,367.5	(3%)
Other loans and borrowings	**828.8**	860.7	(4%)

In Q3 2017, Sherritt generated $28.7 million in cash flow from operations. The consolidated total included $17.6 million in contributions from the Moa JV and Fort Site, $7.9 million from the Oil and Gas division and $18.4 million from the Power division. The consolidated total was partially offset by $9.6 million in interest payments on debentures and $5.2 million in payments relating to the previously-owned Obed mine.

Cash, cash equivalents and short-term investments at the end of the third quarter were $291.3 million, up $17.1 million from their level at June, 2017.

During the quarter, US$32.6 million of Cuban energy payments were received compared to US$28.8 million in the second quarter of 2017. Included in this amount was US$15.6 million received by the Oil and Gas division and US$17.0 million received from Energas in the Power division. Total Cuban overdue receivables were US$100.5 million at September 30, 2017 compared to US$90.2 million at June 30, 2017.

Adjusted earnings (loss) from continuing operations(1)

		2017		2016
For the three months ended September 30	**$ millions**	**$/share**	$ millions	$/share
Net loss from continuing operations	**(69.5)**	**(0.24)**	(120.8)	(0.41)
Adjusting items, net of tax:				
Unrealized foreign exchange (gain) loss	**(13.5)**	**(0.05)**	12.8	0.04
Other	**(1.4)**	**(0.00)**	3.7	0.01
Adjusted net loss from continuing operations	**(84.4)**	**(0.29)**	(104.3)	(0.34)

		2017		2016
For the nine months ended September 30	**$ millions**	**$/share**	$ millions	$/share
Net loss from continuing operations	**(244.0)**	**(0.83)**	(272.2)	(0.93)
Adjusting items, net of tax:				
Impairments	**-**	**-**	8.5	-
Unrealized foreign exchange (gain) loss	**(16.4)**	**(0.06)**	(61.6)	(0.21)
Other	**(6.5)**	**(0.02)**	(22.7)	(0.08)
Adjusted net loss from continuing operations	**(266.9)**	**(0.90)**	(348.0)	(1.21)

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

The adjusted net loss from continuing operations in the third quarter of 2017 was $84.4 million, or $0.29 per share outstanding, and included a $13.5 million unrealized foreign exchange loss. In the same period of 2016, Sherritt incurred an adjusted net loss of $104.3 million or $0.34 per share outstanding. The improvement was largely due to higher realized prices for nickel, cobalt and oil and lower unit operating costs, primarily for nickel and electricity.

REVIEW OF OPERATIONS

METALS

$ millions except as otherwise noted, for the three months ended September 30	2017 Moa JV & Fort Site[1] (50%)	2017 Ambatov JV (40%)	2017 Other[2]	2017 Total	2016 Moa JV and Fort Site[1] (50%)	2016 Ambatovy JV (40%)	2016 Other[2]	2016 Total	Change
FINANCIAL HIGHLIGHTS									
Revenue	$ 100.7	$ 78.0	$ 14.1	$ 192.8	$ 80.6	$ 51.0	$ 11.4	$ 143.0	35%
Earnings (loss) from operations	12.8	(34.2)	0.2	(21.2)	(4.0)	(38.5)	0.3	(42.2)	50%
Adjusted EBITDA[3]	23.9	1.3	0.2	25.4	7.5	(4.5)	0.3	3.3	670%
Cash provided (used) by operations	17.6	(8.9)	(1.7)	7.0	25.6	(11.4)	(5.4)	8.8	(20%)
Free cash flow[3]	14.5	(13.8)	(1.7)	(1.0)	17.3	(21.8)	(5.4)	(9.9)	90%
PRODUCTION VOLUMES (tonnes)									
Mixed Sulphides	4,555	3,406	-	7,961	4,496	3,821	-	8,317	(4%)
Finished Nickel	4,049	3,247	-	7,296	4,295	3,669	-	7,964	(8%)
Finished Cobalt	464	335	-	799	489	270	-	759	5%
Fertilizer	60,033	10,407	-	70,440	66,893	12,106	-	78,999	(11%)
NICKEL RECOVERY (%)	87%	77%			89%	81%			
SALES VOLUMES (tonnes)									
Finished Nickel	4,018	3,817	-	7,835	4,218	3,167	-	7,385	6%
Finished Cobalt	447	344	-	791	418	229	-	647	22%
Fertilizer	32,080	11,120	-	43,200	30,167	9,126	-	39,293	10%
AVERAGE EXCHANGE RATE (CAD/US)				1.253				1.305	(4%)
AVERAGE REFERENCE PRICES (US$ per pound)									
Nickel				$ 4.78				$ 4.66	3%
Cobalt				28.84				12.33	134%
AVERAGE-REALIZED PRICES[3]									
Nickel ($ per pound)	$ 6.02	$ 5.77	$ -	$ 5.90	$ 5.91	$ 5.85	$ -	$ 5.88	-
Cobalt ($ per pound)	34.89	36.16	-	35.44	15.20	17.04	-	15.78	125%
Fertilizer ($ per tonne)	309	160	-	269	288	161	-	260	3%
UNIT OPERATING COSTS[3] (US$ per pound)									
Nickel - net direct cash cost	$ 1.94	$ 4.27	-	3.08	$ 3.55	$ 4.67	-	4.03	(24%)
SPENDING ON CAPITAL									
Sustaining	$ 3.0	$ 13.0	$ -	$ 16.0	$ 6.9	$ 9.5	$ -	$ 16.4	(2%)
Expansion	-	-	-	-	4.3	-	-	4.3	(100%)
	$ 3.0	$ 13.0	$ -	$ 16.0	$ 11.2	$ 9.5	$ -	$ 20.7	(15%)

(1) Includes results for certain 100% owned assets at Fort Saskatchewan plant.

(2) Includes results for Sherritt's marketing organizations for certain Ambatovy and Moa Joint Venture sales.

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

$ millions, except as otherwise noted, for the nine months ended September 30	**2017**				2016				
	Moa JV and 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	$ **294.1**	**$ 221.1**	**$ 40.1**	**$ 555.3**	$ 246.8	$ 176.6	$ 33.1	$ 456.5	22%
Earnings (loss) from operations	**11.4**	**(101.8)**	**0.9**	**(89.5)**	(20.8)	(135.9)	0.6	(156.1)	43%
Adjusted EBITDA(3)	**48.4**	**7.9**	**0.9**	**57.2**	14.0	(31.4)	0.6	(16.8)	440%
Cash provided (used) by operations	**25.8**	**(23.3)**	**3.5**	**6.0**	14.2	(33.8)	(0.2)	(19.8)	130%
Free cash flow(3)	**12.5**	**(34.9)**	**3.5**	**(18.9)**	(13.3)	(45.3)	(0.2)	(58.8)	68%
PRODUCTION VOLUMES (tonnes)									
Mixed Sulphides	**13,207**	**11,507**	**-**	**24,714**	13,249	12,235	-	25,484	(3%)
Finished Nickel	**11,628**	**10,507**	**-**	**22,135**	12,682	11,731	-	24,413	(9%)
Finished Cobalt	**1,336**	**928**	**-**	**2,264**	1,465	905	-	2,370	(4%)
Fertilizer	**181,759**	**33,107**	**-**	**214,866**	195,352	37,258	-	232,610	(8%)
NICKEL RECOVERY (%)	**87%**	**82%**			88%	86%			
SALES VOLUMES (tonnes)									
Finished Nickel	**11,550**	**11,092**	**-**	**22,642**	12,427	11,909	-	24,336	(7%)
Finished Cobalt	**1,303**	**995**	**-**	**2,298**	1,359	921	-	2,280	1%
Fertilizer	**127,350**	**33,902**	**-**	**161,252**	121,827	36,997	-	158,824	2%
AVERAGE EXCHANGE RATE (CAD/USD)				**1.307**				1.322	(1%)
AVERAGE REFERENCE PRICES (US$ per pound)(3)									
Nickel				**$ 4.55**				$ 4.18	9%
Cobalt				**24.84**				11.39	118%
AVERAGE-REALIZED PRICES(3)									
Nickel ($ per pound)	**$ 5.94**	**$ 5.92**	**$ -**	**$ 5.93**	$ 5.38	$ 5.31	$ -	$ 5.35	11%
Cobalt ($ per pound)	**30.85**	**31.89**	**-**	**31.30**	14.09	15.04	**-**	14.47	116%
Fertilizer ($ per tonne)	**367**	**166**	**-**	**324**	397	165	-	343	(6%)
UNIT OPERATING COSTS (US$ per pound)(3)									
Nickel - net direct cash cost	**$ 2.53**	**$ 3.96**	**$ -**	**$ 3.23**	$ 3.30	$ 4.79	$ -	$ 4.03	(20%)
SPENDING ON CAPITAL									
Sustaining	**$ 13.2**	**$ 34.2**	**$ -**	**$ 47.4**	$ 17.9	$ 14.1	$ -	$ 32.0	48%
Expansion	**-**	**-**	**-**	**-**	12.4	-	-	12.4	(100%)
	$ 13.2	**$ 34.2**	**$ -**	**$ 47.4**	$ 30.3	$ 14.1	$ -	$ 44.4	(25%)

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

METAL MARKETS

Nickel

Q3 2017 saw a nickel price rally for much of the quarter. Starting at US$4.25/lb at the beginning of May, nickel prices increased to a peak of US$5.51/lb on September 5th and then began a slow decline for the balance of the month.

Q3's average nickel reference price of US$4.78/lb was up by 14% when compared to the second quarter reference price of US$4.18/lb.

The recent increase in nickel prices has been driven by a number of factors affecting both supply and demand market conditions. Most significant are the strong demand for Chinese stainless steel and growing concerns on the supply side due to the announced shutdown of a major laterite nickel operation in Western Australia.

Global finished nickel stocks continued to slowly contract in Q3 and the refined nickel market is expected to be in deficit in 2017. A consistent decline in both LME and SHFE stocks is needed, however, for a sustained recovery of nickel prices.

In the short-term, uncertain geopolitical conditions in Indonesia and the Philippines may impact short-term supply conditions and result in nickel price volatility. Over the longer term, market fundamentals remain strong, particularly for high quality, LME briquettes and other forms of refined nickel suitable for battery manufacturing given the expected growing demand for electric vehicles.

Cobalt

Cobalt prices experienced continued growth in the third quarter with the Metal Bulletin Low Grade Mean averaging at US$28.84/lb, up 12% from US$25.87/lb in the second quarter.

Tight supply conditions and rising demand for battery materials led by the electric vehicle industry continue to drive cobalt prices upward.

In the short term, the risk of cobalt substitution in battery production is considered low given its unique energy transference properities. While battery manufacturers are exploring alternatives to cobalt, the likely beneficiary of any substitution is expected to be nickel.

The strength in cobalt pricing is further supported by the limited number of copper and nickel projects with significant cobalt by-products and the political risks in the Democratic Republic of Congo, the world's largest country source of cobalt.

Overall, deficits are expected to continue in the cobalt market for next few years. In addition to demand from the industrial end users, financial investors are also driving the bullish trend in cobalt pricing by stockpiling inventory, further impacting the expected supply deficit.

Moa Joint Venture (50% interest) and Fort Site (100%)

The Moa JV produced 4,049 tonnes of finished nickel in Q3 2017, down from 4,295 tonnes produced in Q3 last year even though mixed sulphides production was higher this year by 59 tonnes. The decline was largely due to shipment delays of mixed sulphides to the refinery in Fort Saskatchewan, Alberta that were primarily caused by the impact of Hurricane Irma.

The nickel to cobalt ratio of mixed sulphides produced at Moa in Q3 was strong and comparable to the ratio produced in Q2 of this year. This high ratio is expected to be consistent for the balance of the year based on the current mine plan sequencing.

Q3 2017 revenue for the Moa JV and the Fort Site totaled $100.7 million, up 25% from last year. The growth was driven by higher realized prices for nickel and cobalt. Nickel sales represented 53% of total Q3 2017 revenue while cobalt sales represented 34%. Fertilizer sales in Q3 2017 were up 14% from last year, reflecting stronger demand ahead of the fall harvest season.

Moa's NDCC of US$1.94/lb of nickel produced in Q3 2017 was the lowest experienced since Q4 2004. The cobalt credit of US$3.10/lb reflects Moa's high cobalt to nickel production ratio as well as the 129% growth in realized prices since Q3 2016. NDCC improvement was also due to the benefit from the commissioning of a third sulphuric acid plant at Moa in 2016 that generated approximate savings of US$0.50/lb.

Cash provided by operations in Q3 2017 totaled $17.6 million, down from $25.6 million for Q3 last year. The decline was primarily due to working capital changes, including the impact of reference pricing changes on accounts receivable and the impact of shipping delays on mixed sulphides feed inventory volumes.

Moa's sustaining capital spending in Q3 2017 was $3.0 million, down from $6.9 million in Q3 last year, reflecting the timing of expenditures.

Based on year-to-date performance and near-term visibility, the Moa JV is expected to reach its production targets for 2017 but has lowered its estimated NDCC for nickel to between US$2.50 and US$2.75 per pound of nickel from between US$2.80 and US$3.30 per pound of nickel to reflect higher cobalt prices.

Ambatovy Joint Venture (40% interest)

Finished nickel production at Ambatovy in Q3 2017 was 3,247 tonnes, down 12% from the comparable period of 2016. The decline was due to a number of developments that impacted asset plant reliability. Among these were the poor reliability of the pressure acid leach circuit, an unplanned shutdown to address hydrogen sulphide emissions from the sulphide precipitation circuits and unplanned maintenance of the counter current decantation circuit. Finished nickel production was also impacted by a scheduled full asset plant shutdown in September and lower nickel recoveries initiated by a change in ore composition. Maintenance activities completed in Q3 as well as replacement of equipment, including rubber-lined spools, are expected to improve asset plant reliability and production stability over time.

Finished cobalt production in Q3 2017 was 335 tonnes, up 24% from 270 tonnes for the same period of 2016. The increase was largely due to a higher cobalt to nickel ratio in the ore processed.

Despite lower production volumes, NDCC for nickel at Ambatovy in Q3 2017 declined by 9% to US$4.27/lb from US$4.67/lb for the comparable period of 2016. The decline was largely due to higher cobalt prices.

Spending on sustaining capital in Q3 2017 was $13.0 million, up from $9.5 million for last year. The increase was largely due to scheduled maintenance activities. Capital spending is focused on improving plant reliability and for mining and production equipment, including mine development, tailings management facility construction and the purchase of heavy mine equipment.

Based on production totals on a year to date basis and near-term visibility, Ambatovy has updated its production targets for 2017, and expects to produce between 36,000 and 39,000 tonnes of finished nickel and between 3,300 and 3,600 tonnes of finished cobalt. Its estimated NDCC for nickel remains unchanged at between US$3.10 and US$3.70 per pound of nickel as higher cobalt prices are expected to offset reduced production.

Status of Ambatovy Joint Venture Restructuring

The Ambatovy Joint Venture partners continue to work towards implementation of the previously announced Agreement in Principle, with closing expected to occur in Q4 of this year.

OIL AND GAS

$ millions, except as otherwise noted	For the three months ended 2017 September 30	2016 September 30	Change	For the nine months ended 2017 September 30	2016 September 30	Change
FINANCIAL HIGHLIGHTS						
Revenue	**$ 29.9**	$ 27.3	10%	**$ 99.3**	$ 78.0	27%
Earnings (loss) from operations	**5.8**	(7.4)	178%	**25.7**	(19.1)	235%
Adjusted EBITDA(1)	**14.0**	11.1	26%	**51.4**	24.0	114%
Cash provided by operations	**7.9**	54.5	(86%)	**33.1**	65.0	(49%)
Free cash flow(1)	**0.7**	46.5	(98%)	**18.8**	47.1	(60%)
PRODUCTION AND SALES (bopd)						
Gross working-interest (GWI) - Cuba	**13,831**	14,709	(6%)	**14,524**	15,782	(8%)
Total net working-interest (NWI)	**7,658**	8,719	(12%)	**8,446**	9,925	(15%)
AVERAGE EXCHANGE RATE (CAD/USD)	**1.253**	1.305	(4%)	**1.307**	1.322	(1%)
AVERAGE REFERENCE PRICE (US$ per barrel)						
West Texas Intermediate (WTI)	**$ 48.21**	$ 44.90	7%	**$ 49.29**	$ 41.42	19%
Gulf Coast Fuel Oil No. 6	**46.42**	34.88	33%	**45.10**	29.13	55%
Brent	**52.51**	45.57	15%	**51.66**	41.58	24%
AVERAGE-REALIZED PRICE(1) (NWI)						
Cuba ($ per barrel)	**$ 42.10**	$ 32.88	28%	**$ 42.63**	$ 27.28	56%
UNIT OPERATING COSTS(1) (GWI)						
Cuba ($ per barrel)	**$ 8.98**	$ 9.31	(4%)	**$ 9.19**	$ 9.39	(2%)
SPENDING ON CAPITAL(2)						
Development, facilities and other	**$ 0.9**	$ 0.8	13%	**$ (0.3)**	$ 8.5	(104%)
Exploration	**6.6**	7.3	(10%)	**12.5**	9.2	36%
	$ 7.5	$ 8.1	(7%)	**$ 12.2**	$ 17.7	(31%)

(1) For additional information, see the Non-GAAP measures section of this release.
(2) Spending on capital includes accruals.

Gross working-interest oil production in Q3 2017 was 13,831 barrels of oil per day, down from 14,709 barrels of oil per day (bopd) for the comparable period of 2016. The decrease was primarily due to natural reservoir declines, the absence of new development drilling and the impact of Hurricane Irma, which temporarily curtailed production due to standard storm safety and shutdown procedures.

Revenue in Q3 2017 was $29.9 million, up 10% from $27.3 million for last year. The growth was due to an increase in realized prices of 28% to $42.10 per barrel in Cuba, though partially offset by the negative impact of a stronger Canadian dollar.

Cost-recovery oil production in Cuba for Q3 2017 was lower when compared to the same period of 2016. The decline was due to lower cost-recovery spending and the impact of higher oil prices in the current year period.

Unit operating costs in Q3 2017 in Cuba were $8.98 per barrel, down 4% from $9.31 in Q3 2016, driven largely by lower labour, treatment and transportation costs. Unit operating costs also improved due to the strengthening of the Canadian dollar.

Capital spending in Q3 2017 totaled $7.5 million and was largely focused on Block 10 drilling activities. Drilling of the second development well began in August. Drilling results for the second well on Block 10 are expected in December of 2017.

Given its performance on a year-to-date basis, the Oil and Gas division has increased its production targets for 2017, and expects to produce between 13,000 and 14,000 GWI bopd in Cuba, up from between 11,500 to 12,500 bopd. On a net working basis in all operations, the Oil and Gas division expects to produce between 7,500 and 8,000 barrels of oil equivalent per day (boepd), up from 6,400 and 7,000 boepd. The Oil and Gas division has also lowered its unit costs in Cuba to between $10.00 and $10.50 per barrel.

POWER

	For the three months ended			For the nine months ended		
	2017	2016		**2017**	2016	
$ millions (33 ⅓% basis), except as otherwise noted	**September 30**	September 30	Change	**September 30**	September 30	Change
FINANCIAL HIGHLIGHTS						
Revenue	**$ 12.2**	$ 14.4	(15%)	**$ 39.2**	$ 44.9	(13%)
Earnings (loss) from operations	**1.5**	(2.0)	175%	**5.8**	(4.0)	245%
Adjusted EBITDA(1)	**7.5**	6.6	14%	**24.6**	22.1	11%
Cash provided by operations	**18.4**	5.5	235%	**39.1**	11.3	246%
Free cash flow(1)	**18.2**	5.1	257%	**37.7**	10.7	252%
PRODUCTION AND SALES						
Electricity (GWh)	**210**	226	(7%)	**647**	670	(3%)
AVERAGE-REALIZED PRICE(1)						
Electricity ($/MWh)	**$ 53.10**	$ 55.47	(4%)	**$ 55.50**	$ 56.05	(1%)
UNIT OPERATING COSTS(1) ($/MWh)						
Base	**14.19**	17.86	(21%)	**15.18**	16.13	(6%)
Non-base(2)	**2.40**	7.69	(69%)	**2.82**	6.21	(55%)
	16.59	25.55	(35%)	**18.00**	22.34	(19%)
NET CAPACITY FACTOR (%)	**65**	69	(6%)	**67**	70	(4%)
SPENDING ON CAPITAL AND SERVICE CONCESSION ARRANGEMENTS(3)						
Sustaining	**$ 0.2**	$ 0.3	(33%)	**$ 1.4**	$ 0.6	133%
Service concession arrangements	**-**	0.9	(100%)	**-**	4.5	(100%)
	$ 0.2	$ 1.2	(83%)	**$ 1.4**	$ 5.1	(73%)

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

(2) Costs incurred at the Boca de Jaruco and Puerto Escondido facilities that otherwise would have been capitalized if these facilities were not accounted for as service concession arrangements.

(3) Spending on capital includes accruals.

Power production in Q3 2017 was 210 gigawatt hours (“GWh”) of electricity, down 7% from 226 GWh for the comparable period of 2016. The decline was largely due to reduced gas supply and the impact of Hurricane Irma.

Average realized prices in Q3 2017 declined to $53.10 per MWh of electricity from $55.47 per MWh in Q3 2016. The decline was due to the appreciation of the Canadian dollar relative to the U.S. currency.

Revenue in Q3 2017 totaled $12.2 million, down 15% from $14.4. The decrease is attributable to lower production and lower realized prices.

Cash flow from operations grew by 235% to $18.4 million largely as a result of a $US17.0 million in payments received from Energas in the quarter, compared to US$9.6 million received in Q3 2016.

Unit operating cost in Q3 2017 was $16.59 per MWh of electricity, down 35% from $25.55 per MWh for Q3 2016. The decrease was due principally to reduced maintenance activities at the Boca and Puerto Escondido facilities this year.

Total capital spending in Q3 2017 was $0.2 million, down from $1.2 million for the comparable period of last year. The decline was primarily due to the absence of service concession spending this year.

2017 STRATEGIC PRIORITIES

The table below lists Sherritt's Strategic Priorities for 2017. The 2017 Strategic Priorities reflect the continuing cautious commodity price outlook and the Corporation's responsibility to preserve liquidity, continue to drive down costs, improve organizational effectiveness and execute rational capital allocation plans. Sherritt's purpose, originally communicated in 2014, continues to be ***a low-cost nickel producer that creates sustainable prosperity for our employees, investors and communities***.

Strategic Priorities	2017 Targets	Status
PRESERVE LIQUIDITY AND BUILD BALANCE SHEET STRENGTH	Finalize long-term Ambatovy equity and funding structure	Agreement in principle reached with the Ambatovy project partners, closing of the transaction is expected in Q4 2017.
	Optimize working capital and receivables collection	Timing of working capital changes at the Fort Site fluctuate quarter-to-quarter. Management continues to take action to expedite Cuban energy receipts. In Q3, Sherritt received $32.6 million of Cuban energy payments.
	Operate Metals and Power businesses to be free cash flow neutral or better	On a year-to-date basis, Oil and Gas and Power divisions continued to generate positive free cash flow. The Moa JV has generated sufficient operating cash flow to repay a portion of the working capital facility.
OPTIMIZE OPPORTUNITIES IN CUBAN ENERGY BUSINESS	Determine future capital allocation based on results from first two wells drilled on Block 10	The results from the first well have provided constructive data to optimize the drilling of the second well, again targeting the Lower Veloz formation. Drill results from the second well are expected in Q4 2017.
UPHOLD GLOBAL OPERATIONAL LEADERSHIP IN FINISHED NICKEL LATERITE PRODUCTION	Further reduce NDCC at Moa and Ambatovy towards the goal of achieving or remaining in the lowest quartile of global nickel cash costs	Q3 NDCC of US$1.94/lb at the Moa JV is the lowest since Q4 2004. Moa's NDCC ranked it within the lowest cost quartile for the second consecutive quarter. Ambatovy's Q3 NDCC of US$4.27/lb marked an improvement from last year, but was below expectations due to lower production and higher maintenance costs.
	Increase Ambatovy production and predictability over 2016	Ambatovy year-to-date production has experienced unanticipated challenges. Initiatives, such as replacing certain equipment, are being implemented to improve asset reliability.
	Achieve peer leading performance in environmental, health, safety and sustainability	Sherritt was named as one of *Corporate Knights'* 2017 Future 40 Responsible Corporate Leaders in Canada, based on sustainability disclosures. Sherritt has been supporting ongoing Hurricane Irma recovery efforts in Cuba, and promoting good hygiene in communities suffering from pneumonic plague in Madagascar. Sherritt was also named a finalist for the Canadian Nature Museum's "Nature Inspiration Award," largely for its conservation work in Madagascar, and continues implementing the Mining Association of Canada's *Towards Sustainable Mining* program.

OUTLOOK

2017 PRODUCTION, UNIT OPERATING COST AND CAPITAL SPENDING GUIDANCE

The guidance for 2017 reflects updates announced previously on July 26.

Production volumes, unit operating costs and spending on capital	Guidance at 2017 June 30	Actual 2017 September 30	Updated Guidance at 2017 September 30
Production volumes			
Nickel, finished (tonnes, 100% basis)			
Moa Joint Venture	31,500-32,500	23,256	Unchanged
Ambatovy Joint Venture	40,000-43,000	26,268	36,000-39,000
Total	71,500-75,500	49,524	67,500-71,500
Cobalt, finished (tonnes, 100% basis)			
Moa Joint Venture	3,500-3,800	2,672	Unchanged
Ambatovy Joint Venture	3,600-3,900	2,320	3,300-3,600
Total	7,100-7,700	4,992	6,800-7,400
Oil – Cuba (gross working-interest, bopd)	11,500-12,500	14,524	13,000 – 14,000
Oil and Gas – All operations (net working-interest, boepd)	6,400-7,000	8,446	7,500 – 8,000
Electricity (GWh, 33⅓% basis)	850-900	647	Unchanged
Unit operating costs			
NDCC (US$ per pound)			
Moa Joint Venture	2.80-3.30	2.53	2.50-2.75
Ambatovy Joint Venture	3.10-3.70	3.96	Unchanged
Total	2.95-3.35	3.23	2.83-3.26
Oil and Gas - Cuba (unit operating costs, $ per barrel)	11.00-12.00	9.19	10.00 – 10.50
Electricity (unit operating cost, $ per MWh)	18.75-19.50	18.00	Unchanged
Spending on capital (US$ millions)			
Metals – Moa Joint Venture (50% basis), Fort Site (100% basis) (1)	US$28 (CDN$38)	US$10 (CDN$13)	US$19 (CDN$25)
Metals – Ambatovy Joint Venture (40% basis)	US$45 (CDN$61)	US$26 (CDN$34)	US$38 (CDN$50)
Oil and Gas	US$35 (CDN$47)	US$9 (CDN$12)	Unchanged
Power (33⅓% basis)	US$1 (CDN$2)	US$1 (CDN$1)	Unchanged
Spending on capital (excluding Corporate)	US$109 ($CDN148)	US$46 (CDN$60)	US$93 (CDN$122)

(1) Spending is 50% of US$ expenditures for Moa JV and 100% expenditures for Fort Site fertilizer and utilities.

NON-GAAP MEASURES

The Corporation uses combined results, Adjusted EBITDA, average-realized price, unit operating cost, and adjusted operating cash flow, and free 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, 2017 for further information.

CONFERENCE CALL AND WEBCAST

Sherritt will hold its quarterly conference call and webcast tomorrow at 9:00 a.m. Eastern Time.

Conference Call and Webcast:	October 25, 2017, 9:00 a.m. ET
North American callers, please dial:	1-800-274-0251
International callers, please dial:	416-640-5944
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 October 30, 2017 by calling 647-436-0148 or 1-888-203-1112, access code 3669674#.

COMPLETE FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Sherritt's complete condensed consolidated financial statements and MD&A for the three and nine months ended September 30, 2017 are available at www.sherritt.com and should be read in conjunction with this news release. Financial and operating data can also viewed in the investor relations section of Sherritt's website.

ABOUT SHERRITT

Sherritt, which is celebrating its 90th anniversary in 2017, is the world leader in the mining and refining of nickel from lateritic ores with projects and operations in Canada, Cuba and Madagascar. The Corporation is the largest independent energy producer in Cuba, with extensive oil and power operations across the island. Sherritt licenses its proprietary technologies and provides metallurgical services to mining and refining operations worldwide. The Corporation's common shares are listed on the Toronto Stock Exchange under the symbol "S".

Source: Sherritt Investor Relations

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”, “potential”, “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 regarding production volumes, operating costs and capital spending; supply, demand and pricing outlook in the nickel and cobalt markets; sources of funding for the Moa Joint Venture; restructuring of the Ambatovy Joint Venture shareholder interests and future financing arrangements at the Ambatovy Joint Venture; results of discussions regarding timing of ongoing Cuban payments; drill results on exploration wells; joint venture environmental rehabilitation costs and amounts of certain other commitments.

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 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. 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 resources, access to financing, risk of future non-compliance with debt restrictions and covenants; risks associated with the Corporation’s joint venture partners; discrepancies between actual and estimated production; variability in production at Sherritt’s operations in Madagascar and Cuba; 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 amounts owed to the Corporation by the Malagasy and Cuban governments; 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; shortage of equipment and supplies; 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; risks related to information technology systems; and certain corporate objectives, goals and plans for 2017; 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 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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