FOR IMMEDIATE RELEASE

Sherritt International Reports 2001 Results

Toronto, Ontario. March 1, 2002. Sherritt International Corporation today announced 2001 net earnings of $51.6 million or $0.34 per restricted voting share (share) compared with $115.6 million or $1.38 per share in 2000. Results for the year included a $23.4 million ($18.8 million after tax) write-down of the Corporation's investment in Anaconda Nickel Limited and a $6.8 million ($4.4 million after tax) ceiling test write-down of oil properties in Spain, both in the fourth quarter. Excluding the impact of these adjustments, consolidated net earnings were $74.8 million or $0.60 per share. The reduction in earnings largely reflects a lower contribution from the Metals business due to lower realized prices and lower net financing income, partly offset by operating earnings from the Coal business.

For the fourth quarter, a net loss of $9.2 million or $0.15 per share was sustained compared with net earnings of $19.5 million or $0.21 per share in the fourth quarter of 2000. Excluding the impact of the Anaconda write-down and ceiling test write-down of oil properties in Spain, fourth quarter net earnings were $14.0 million or $0.09 per share.

	Three months ended December 31		Year ended December 31	
(thousands of dollars, except per share amounts)	**2001**	2000	**2001**	2000
Revenue	**$ 188,976**	$ 117,716	**$ 636,618**	$ 480,355
Operating earnings	**13,903**	13,544	**78,455**	120,304
Net earnings (loss)	**(9,222)**	19,509	**51,595**	115,570
Earnings (loss) per share				
Basic	**(0.15)**	0.21	**0.34**	1.38
Diluted	**(0.15)**	0.15	**0.33**	0.84
Weighted average number of shares (thousands)	**97,712**	72,465	**88,412**	72,378
Shareholders' equity	**1,316,858**	1,208,109	**1,316,858**	1,208,109

Sherritt has a 50% indirect interest in Luscar Energy Partnership (LEP), a partnership with a subsidiary of Ontario Teachers' Pension Plan Board. During the second quarter, the partnership acquired Luscar Coal Income Fund and its subsidiaries, Luscar Coal Ltd. (Luscar Coal) and Luscar Ltd., Canada's largest coal producer. Sherritt's share of the total acquisition cost was $236 million, comprising cash consideration of $136 million and the issue of 25 million restricted voting shares. Results include the Corporation's 50% share of the results of Luscar Coal from May 12, 2001.

Results for the year ended December 31, 2001 compared with the year ended December 31, 2000

Consolidated revenue reached a record $636.6 million, a $156.2 million or 33% increase from the $480.4 million achieved in 2000. The Coal business contributed $204.5 million of revenue during the period from May 12 to December 31, 2001. Metals revenue declined by $68.8 million compared with the prior year to $230.3 million due to lower nickel and cobalt realized prices and lower fertilizer sales volumes. Revenue from the Oil and Gas operations increased by $11.5 million to $176.7 million reflecting an 18% increase in sales volume, offset by lower average realized prices.

Operating, selling, general and administrative costs of $431.9 million were $146.6 million or 51% higher than in 2000, primarily due to the inclusion of expenses from the Coal business.

Depletion and amortization expense was $118.8 million compared with $71.2 million in 2000. Approximately $27.4 million of the increase arose from inclusion of the Coal business. The remaining increase primarily comprised higher depletion and amortization in the Oil and Gas business and the $6.8 million ceiling test write-down of oil properties in Spain.

Site restoration and abandonment costs increased by $3.9 million compared with 2000 to $7.5 million primarily due to the inclusion of costs from the Coal business.

Net financing income, which comprised interest income, interest expense and foreign exchange gains, decreased by $24.6 million in 2001 to $4.4 million. Interest income of $15.6 million was $10.6 million lower than the prior year, reflecting lower average cash balances and lower interest rates. Interest expense of $16.8 million was recorded in 2001, largely comprising interest on debt of the Coal business and the Corporation's other working capital facilities. Foreign exchange gains were $5.4 million in 2001 compared with $3.4 million in 2000, reflecting a stronger U.S. dollar.

Sherritt's effective tax rate was 8% compared with 22% in 2000. Excluding the impact of the Anaconda Nickel investment and Spanish oil properties ceiling test write-downs, the Corporation's effective tax rate was 14%. The decrease in the effective tax rate was primarily due to a higher proportion of net earnings generated by the Oil and Gas business, which is taxed at a comparatively low effective rate.

Cash and short-term investments at the end of the year was $147.9 million compared with $261.3 million at the end of 2000. Cash from operating activities before working capital changes was $195.1 million compared with $193.2 million in 2000. Working capital increased by $42.5 million during the year primarily due to an increase in Cuban oil receivables due to a $30 million collection scheduled for December 2001 that was not received until January 2002 and higher sales. The increase in oil receivables was partly offset by lower Metals receivables, reflecting lower commodity prices. Significant uses of cash during 2001 included $136.0 million for Sherritt's share of the Luscar acquisition, capital expenditures of $113.6 million, convertible debenture interest payments of $36.0 million, dividends of $21.8 million and a $7.8 million investment in Anaconda Nickel Ltd. under a rights offering. Excluding debt assumed through the acquisition of the Coal business, the Corporation increased its net debt position by $59.7 million in 2001.

In October 2001, Luscar Coal issued at par, U.S.$275 million of 9¾% Senior Notes, due 2011. Approximately $349 million of the $417 million in net proceeds from the issue were used to repay borrowings under Luscar Coal's previous credit facility, which was then terminated. The total surplus proceeds from this issue of $68 million was retained by LEP to fund the operations of the Coal business. The terms of the 9¾% Senior Notes include restrictions on amounts that LEP can distribute to its partners. Concurrent with the issue of its notes, Luscar Coal obtained a $100 million 364-day secured revolving bank credit facility from three Canadian banks, secured by accounts receivable, coal inventory and a $25 million charge on a dragline. Approximately $64 million of this facility was utilized to support letters of credit issued in order to satisfy Luscar Coal's statutory reclamation obligations. LEP, Luscar Coal Income Fund and Luscar Coal's subsidiaries have guaranteed the principal and interest obligations on the notes and bank credit facility.

The Corporation's total assets at December 31, 2001 were $2.0 billion. Increases in assets and liabilities from December 31, 2000 largely reflect Sherritt's share of net assets of the Coal business acquisition. In addition, short-term advances and loans receivable increased by $37.2 million to $42.2 million, primarily reflecting $19.6 million advanced to Sherritt Power under the Cash Flow Assurances Agreement dated March 1998 and working capital financing provided to joint ventures. Excluding the Luscar acquisition, accounts receivable increased by approximately $35.9 million mainly due to higher oil receivables. A $35.0 million reduction in investments during 2001 to $143.4 million resulted from the Anaconda Nickel investment write-down and a reduction in the Sherritt Power investment as a result of an earlier than scheduled repayment of principal, partly offset by the additional investment in Anaconda Nickel. The increase in the long-term future income taxes asset, from $19.9 million in 2000 to $27.7 million in 2001, primarily comprised the recognition of the benefit of additional tax losses during the year.

Results for the fourth quarter of 2001 compared with the fourth quarter of 2000

Consolidated revenue was $189.0 million compared with $117.7 million for the same period in 2000. The Coal business contributed $80.3 million of the Corporation's total revenue during the quarter. Metals revenue declined by $18.9 million to $55.4 million compared with the prior year period reflecting lower realized nickel and cobalt prices and lower fertilizer sales volumes. Fourth quarter revenue from the Oil and Gas operations increased by $6.0 million to $45.0 million compared with the same period last year, largely due to higher sales volumes, partly offset by lower realized prices.

Operating, selling, general and administrative costs were $135.0 million for the quarter, $48.0 million higher than the same period last year. Most of the increase for the quarter was due to the inclusion of costs from the Coal business, offset by lower operating costs in Metals primarily due to the suspension of urea production.

Depletion and amortization increased by $21.7 million to $37.7 million during the fourth quarter. The inclusion of the results of the Coal business, higher depletion and amortization in the Oil and Gas business and the $6.8 million ceiling test write-down of Spanish oil properties were the primary factors for the increase in depletion and amortization expense.

Higher interest expense from the inclusion of the Luscar Coal's indebtedness and lower interest income due to lower cash balances and lower interest rates resulted in a net financing expense of $3.8 million for the fourth quarter compared with net financing income of $10.1 million for the same period last year.

The Corporation's effective tax rate was 37% for the quarter compared with 16% for the fourth quarter of 2000. Excluding the impact of the Anaconda Nickel and Spain ceiling test write-downs, the Corporation's effective tax rate was 10%. The decrease in the effective rate was primarily due to a higher proportion of net earnings generated by the Oil and Gas business, which is taxed at a comparatively low effective rate.

Cash flow provided by operating activities was $40.7 million compared with a use of $0.7 million for the fourth quarter of 2000. The increase in operating cash flow was due to cash flow from the coal business and lower working capital requirements. Cash used in investing activities during the quarter of $51.0 million primarily comprised capital expenditures and loans and advances to joint venture operations. Cash from financing activities during the quarter of $27.7 million primarily comprised an increase in net debt of $45.7 million, offset by interest on convertible debentures of $18.0 million.

Outlook

The Corporation is focused on implementing efficiencies in every division in order to improve competitiveness and profitability. Coal operations will be included in results for the full year in 2002 and are expected to achieve slightly higher sales volumes in 2002 than in calendar year 2001. Line Creek and Coal Valley mine expansions are expected to be fully operational. Additional sales are being sought for unutilized capacity at Bienfait mine. Capital expenditures of approximately $25 million (Sherritt's share) will focus on replacement of less efficient or worn equipment including a dragline tub at Poplar River mine and new information systems. Production of nickel and cobalt by the Metals division is expected to be similar to 2001 levels. A further erosion of metal prices could require the implementation of contingency plans designed to preserve cash flow and profitability.   Anticipated capital expenditures of approximately $20 million will focus on operational efficiencies and undertaking environmental and safety initiatives.   Oil and Gas capital expenditures of approximately $80 million will be mainly focused on continued development of Cuban properties and facilities. Cuban oil production can be expected to increase accordingly if development drilling proves successful. In addition, Sherritt expects to make modest direct expenditures in its Other Business segment and will continue to seek out investment opportunities in complimentary businesses.

Other matters

In October 2001, the Corporation received a statement of claim setting out a claim against it and Dynatec Corporation, brought in the Supreme Court of Australia, by Fluor Australia Pty. Ltd (Fluor). The claim relates to alleged deficiencies in the facilities of Anaconda Nickel's Murrin Murrin mine development in Australia. The alleged deficiencies are the subject of an ongoing arbitration commenced by Anaconda Nickel against Fluor, which was retained by Anaconda Nickel to provide engineering, procurement and construction services. In the arbitration proceedings, Anaconda Nickel alleges that Fluor breached the services contract between them. The Corporation believes Fluor's claim is without merit and intends to defend it vigorously.

OPERATING HIGHLIGHTS

COAL

	Three months ended December 31, 2001	May 12 to December 31, 2001
Financial (thousands of dollars)		
Revenue	**$ 80,273**	**$ 204,450**
Expenses		
Operating expenses	**56,605**	**148,870**
Site restoration and abandonment	**2,306**	**4,850**
Operating margin	**21,362**	**50,730**
Selling and administrative	**1,149**	**3,152**
Depletion and amortization	**10,877**	**27,425**
Operating earnings	**$ 9,336**	**$ 20,153**
Capital Expenditures (thousands of dollars)	**$ 3,433**	**$ 8,303**
Sales Volumes (thousands of tonnes) (1)		
Domestic coal (2)	**3,945**	**10,030**
Export coal	**564**	**1,479**
	4,509	**11,509**
Average Realized Prices ($ per tonne)		
Domestic coal	**$ 12.25**	**$ 11.99**
Export coal	**56.61**	**56.94**
Export Reference Prices (U.S.$ per tonne)		
Japanese metallurgical coal (3)	**$ 42.15**	**$ 42.15**
Japanese thermal coal (4)	**34.50**	**34.50**

(1) Represents the Corporation's 50% share of LEP.
(2) Primarily comprises sale of thermal coal to domestic power-generating utilities and contract mining operations.
(3) Reference price for Canadian hard coking metallurgical coal sold to Japanese steel mills, free on board vessel at the Port of Vancouver. Prices are from publications of The Tex Report Ltd. for the year beginning April 1, 2001.
(4) Reference price for 12,530 Btu/lb air dried basis, Canadian bituminous thermal coal sold to Japanese utilities free on board vessel at the Port of Vancouver. Prices are from publications of The Tex Report Ltd. for the year beginning April 1, 2001.

The Coal segment includes the production and sale of coal in domestic and export markets primarily for use as fuel to generate electricity and produce coke for use in steel making. For the period from May 12 to December 31, 2001, operating earnings were $20.2 million on revenues of $204.5 million and for the three months ended December 31, 2001, operating earnings were $9.3 million on revenues of $80.3 million.

Domestic revenue of $120.2 million for the year ($48.4 million for the fourth quarter) was primarily derived from the supply of thermal coal to major Canadian electric utilities from mines located at or near power-generating facilities. Prices under these contracts do not fluctuate based on the prices of other coals, competing fuels or electricity and tend to be stable. Prices are generally adjusted annually for inflation and certain other factors. Demand for electricity remained strong in Saskatchewan and Alberta throughout 2001, of which the power-generation facilities supplied by these mines form a significant part of the base load. Domestic revenues were also derived from shorter-term contracts for the sale of coal to industrial customers, other power-generators and contract mining at the Highvale mine. Domestic operating margins were $42.0 million or $4.19 per tonne for the period May 12 to December 31, 2001 and $17.7 million or $4.48 per tonne for the fourth quarter of 2001, primarily reflecting the positive impact of a new coal supply agreement with a major customer.

Export revenue of $84.2 million for the year ($31.9 million for the fourth quarter) was derived from metallurgical and thermal coal sold to customers outside of Canada. Export operating margins were $8.7 million or $5.90 per tonne for the period from May 12 to December 31, 2001 and $3.7 million or $6.52 per tonne for the fourth quarter of 2001. Realized prices from the export market improved significantly during 2001 due to strengthening coal markets and the weak Canadian dollar, after declining in the previous four years. The full benefit of higher prices was partly offset by increased transportation and energy costs incurred by the export mining operations. Operating results for the year were also impacted by lower productivity at the Line Creek mine during the negotiation period prior to the successful labour contract settlement in September 2001.

Capital expenditures of $8.3 million were made during the period May 12 to December 31, 2001, primarily to maintain and upgrade mine operations. During 2001, annualized production capacity at the Coal Valley, Line Creek and Bienfait mines expanded by a total of 1.0 million tonnes (Sherritt's share) and the life of the Luscar mine was extended until the end of 2002.

METALS

	Three months ended December 31		Twelve months ended December 31	
	2001	2000	**2001**	2000
Financial (thousands of dollars)				
Revenue	**$ 55,364**	$ 74,251	**$ 230,253**	$ 299,018
Expenses				
Operating, selling, general and administrative	**54,535**	64,919	**207,016**	219,782
Depletion and amortization	**4,550**	4,218	**18,524**	15,287
Provision for site restoration and abandonment	**(335)**	551	**982**	2,098
Operating earnings (loss)	**$ (3,386)**	$ 4,563	**$ 3,731**	$ 61,851
Capital Expenditures (thousands of dollars)	**$ 9,247**	$ 6,725	**$ 19,264**	$ 24,429
Sales Volumes				
Nickel (thousands of pounds) [(1)]	**9,275**	7,605	**33,125**	29,480
Cobalt (thousands of pounds) [(1)]	**920**	772	**3,295**	3,075
Fertilizers (tonnes)	**52,571**	94,121	**205,240**	330,337
Production Volumes (tonnes)				
Mixed sulphides [(1)] [(2)]	**3,808**	3,806	**16,180**	14,760
Nickel [(1)]	**4,074**	3,829	**14,613**	14,035
Cobalt [(1)]	**404**	359	**1,471**	1,427
Fertilizers [(3)]	**56,493**	52,052	**191,136**	340,309
Average Realized Prices (per pound)				
Nickel	**$ 3.59**	$ 5.14	**$ 4.00**	$ 5.80
Cobalt	**12.19**	19.45	**15.17**	19.65
Average Reference Prices (U.S.$ per pound)				
Nickel – London Metal Exchange	**$ 2.29**	$ 3.38	**$ 2.70**	$ 3.92
Cobalt – Metal Bulletin 99.3%	**7.18**	12.08	**9.56**	13.26

(1) Represents the Corporation's 50% share of the Metals Enterprise and the Corporation's marketing and trading activities in commodity metals.
(2) Nickel and cobalt contained in mixed sulphides.
(3) Gross before internal consumption.

The Metals business generated operating earnings of $3.7 million on revenue of $230.3 million in 2001, compared with operating earnings of $61.9 million on revenue of $299.0 million in 2000. An operating loss of $3.4 million was sustained for the fourth quarter of 2001, compared with operating earnings of $4.6 million for the same period in 2000.

Nickel prices on the London Metal Exchange (LME) opened the year at U.S.$3.17 per pound, reached a high of U.S.$3.42 per pound in May and a low of U.S.$2.00 per pound in October, and closed the year at U.S.$2.58 per pound. The average LME nickel settlement price for 2001 was U.S.$2.70 per pound, 31% lower than the 2000 average of U.S.$3.92 per pound reflecting softening worldwide demand for nickel under weakening economic conditions. The average LME nickel settlement price for the fourth quarter of 2001 was U.S.$2.29 per pound compared with U.S.$3.38 per pound during the same period in 2000.

During 2001, the Metal Bulletin 99.3% free market cobalt price traded in a range between U.S.$6.50 per pound and U.S.$12.35 per pound, averaging U.S.$9.56 per pound for the year, 28% lower than the average price for 2000. The lower cobalt price reflected weak global economic conditions and increased international supply. In the fourth quarter of 2001, the Metal Bulletin 99.3% free market cobalt price averaged U.S.$7.18 per pound compared with U.S.$12.08 per pound for the same period in 2000.

The Moa facility established a production record in 2001 of 32,360 tonnes of nickel plus cobalt contained in mixed sulphides, 10% higher than the previous production record of 29,520 tonnes established in 2000. Moa's record production is a reflection of steady plant operation, higher ore grade and systematic debottlenecking initiatives. Fourth quarter production of 7,616 tonnes was essentially unchanged from the same period in 2000.

The Fort Saskatchewan refinery set records for both nickel and cobalt production. Total finished nickel production for 2001 of 29,225 tonnes exceeded the previous year's production by 4% and the previous record established in 1999 by 2%. A new quarterly nickel production record of 8,147 tonnes was established in the fourth quarter, surpassing the previous record established in the third quarter of 2001 by 5%. Total finished cobalt production of 2,943 tonnes surpassed last year's record by 3%. A new quarterly cobalt production record of 808 tonnes was established in the fourth quarter of 2001, surpassing the previous record established in the third quarter by 8%. A modified leach autoclave configuration and continued operating stability in the refinery contributed to the record nickel and cobalt production.

Fertilizer sales volumes of 205,240 tonnes in 2001 were 38% lower than the 330,337 tonnes sold in 2000. The lower sales volumes largely reflected the full-year suspension of urea production. For the fourth quarter of 2001, fertilizer sales volumes of 52,571 tonnes were 44% lower than the 94,121 tonnes sold during the same period in 2000. An operating loss of $6.4 million was incurred from the sale of fertilizer products in 2001 compared with a loss of $8.2 million in the previous year. For the fourth quarter of 2001, an operating loss of $3.6 million was sustained from the sale of fertilizer products compared with a loss of $5.1 million during the same period in 2000.

Capital expenditures of $9.2 million in the fourth quarter and $19.3 million in 2001 were directed primarily towards efficiency improvements and maintaining and upgrading plant operations.

OIL & GAS

	Three months ended December 31		Twelve months ended December 31	
	2001	2000	**2001**	2000
Financial (thousands of dollars)				
Revenue	**$ 45,037**	$ 39,026	**$ 176,689**	$ 165,183
Expenses				
Operating, general and administrative	**10,947**	14,360	**39,056**	36,889
Depletion and amortization	**19,617**	9,588	**62,016**	47,308
Provision for site restoration and abandonment	**374**	603	**1,630**	1,415
Operating earnings	**$ 14,099**	$ 14,475	**$ 73,987**	$ 79,571
Capital Expenditures (thousands of dollars)	**$ 13,957**	$ 9,953	**$ 78,984**	$ 66,263
Net Sales Volumes (thousands of barrels)				
Cuba[1]	**2,298**	1,453	**7,568**	6,360
Spain	**62**	67	**266**	293
	2,360	1,520	**7,834**	6,653
Gross Operated Production (thousands of barrels)				
Cuba [2]	**3,733**	2,614	**12,369**	10,787
Spain	**62**	67	**266**	293
	3,795	2,681	**12,635**	11,080
Average Realized Prices (per barrel)				
Cuba	**$ 18.63**	$ 23.64	**$ 21.49**	$ 23.35
Spain	**31.94**	46.86	**37.58**	42.29
Average Reference Prices (U.S.$ per barrel)				
U.S. Gulf Coast Fuel Oil No. 6	**$ 14.44**	$ 20.05	**$ 16.92**	$ 20.76

(1) Oil production in Cuba is allocated to the Corporation, its joint venture partner and agencies of the Cuban Government in accordance with participation and production-sharing arrangements. The Corporation's share of production for each production-sharing arrangement comprises profit oil (which is based upon a negotiated percentage) and cost recovery oil (which is based upon the Corporation's development and operating costs). Development and operating costs, upon certification by agencies of the Cuban Government, are accumulated in cost recovery pools by each production-sharing arrangement and reduced by allocation of produced oil to the Corporation.

(2) Cuban oil production before allocation to joint venture partners and agencies of the Cuban Government from all wells operated by the Corporation.

Revenue from the Oil and Gas business increased by $11.5 million or 7% to $176.7 million in 2001, primarily due to record oil production in Cuba. Increased depletion and amortization expense due to the higher volumes, combined with a $6.8 million ceiling test write-down in Spain resulted in operating earnings decreasing by 7% to $74.0 million in 2001. Revenue in the fourth quarter of 2001 increased by 15% to $45.0 million due primarily to increased production levels.

Excluding the impact of the ceiling test write-down, the annual depletion and amortization expense, based on the Corporation's share of oil production, was $7.04 per barrel in 2001 compared with $7.09 per barrel in 2000. For the fourth quarter of 2001, depletion and amortization expense excluding the ceiling test adjustment was $5.44 per barrel compared with $9.34 per barrel for the same period in 2000. The decrease in the depletion and amortization rate during the fourth quarter reflected the positive impact of reserve adjustments.

The Corporation set an oil production record for the fifth consecutive year. Gross operated oil production increased in 2001 to 34,616 barrels per day, up 14% from the 30,356 barrels per day achieved during 2000. Total oil production at the end of 2001 was at a rate of approximately 45,500 barrels per day compared with 30,300 barrels per day at the end of 2000. In Cuba, the 15% increase in total oil production to 33,888 barrels per day in 2001, came from new wells in the Yumuri, Canasi and Seboruco fields. For the fourth quarter, gross oil production in Cuba averaged 40,581 barrels per day, up 41% from the 28,738 barrels per day recorded in the fourth quarter of 2000. The Corporation's net share of oil production from Cuba in 2001 under the production-sharing agreements was 7.6 million barrels compared with 6.4 million barrels in 2000. Natural declines contributed to a 9% decrease in production from Spain.

The average realized oil price decreased by 9% to $22.04 per barrel in 2001 from $24.18 per barrel in 2000. The fourth quarter average realized oil price was $18.98 per barrel, 23% lower than the average realized oil price of $24.66 per barrel for the same period in 2000. The U.S. Gulf Coast Fuel Oil No. 6 reference price averaged U.S.$16.92 per barrel in 2001, compared with U.S.$20.76 per barrel in the previous year. In the fourth quarter, this reference price averaged U.S.$14.44 per barrel compared with U.S.$20.05 per barrel for the same period in 2000.

Oil and Gas capital expenditures were $79.0 million for the year compared with $66.3 million in 2000. Spending was focused on developing known reserves along the north coast of Cuba in order to maximize production. A total of seven successful development wells and two exploratory wells were drilled in Cuba during 2001. Capital expenditures for the fourth quarter of 2001 were $14.0 million compared with $10.0 million for the same period last year. Capital expenditures in the fourth quarter included the drilling of the Faustino-1 exploration well located in Block 7. Drilling of this well was ongoing at the end of the year and oil was discovered early in 2002.

OTHER BUSINESSES

	Three months ended December 31		Twelve months ended December 31	
	2001	2000	**2001**	2000
Financial (thousands of dollars)				
Revenue	**$ 8,302**	$ 4,439	**$ 25,226**	$ 16,154
Expenses				
Operating, selling, general and administrative	**7,132**	1,858	**17,942**	7,475
Depletion and amortization	**1,806**	1,260	**6,864**	4,847
Operating earnings (loss)	**$ (636)**	$ 1,321	**$ 420**	$ 3,832
Share of earnings (loss) of equity investments	**(635)**	127	**(679)**	788
Capital expenditures	**719**	4,389	**5,532**	13,773

An operating loss of $0.6 million was recorded for the fourth quarter of 2001, compared with operating earnings of $1.3 million for the same period in 2000. Operating earnings of $0.4 million were generated on revenues of $25.2 million in 2001 compared with operating earnings of $3.8 million on revenues of $16.2 million in 2000. Results for 2001 included revenue and start-up losses from the soybean-based food processing business.

Capital expenditures of $5.5 million for the year largely comprised expenditures in the communications business to expand and improve network coverage.

This news release contains forward-looking statements. These forward-looking statements are not based on historical facts, but rather on Sherritt International Corporation's current expectations and projections about future events. These forward-looking statements are subject to risks, uncertainties and other factors that are more fully discussed in our continuous disclosure documents such as our annual report, annual information form and annual information circular. These risks, uncertainties and other factors could cause our actual results to differ materially from the future results expressed or implied by the forward-looking statements.

Sherritt International Corporation is a widely held Canadian public company with 97.7 million shares and $600 million convertible debentures, which trade on The Toronto Stock Exchange under the symbols S and S.DB, respectively.

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CONSOLIDATED BALANCE SHEETS - AUDITED

[THOUSANDS OF CANADIAN DOLLARS]	**DECEMBER 31, 2001**	DECEMBER 31, 2000
ASSETS		
Current assets		
Cash and short-term investments	**$ 147,907**	$ 261,343
Advances and loans receivable (note 4)	**42,181**	5,027
Accounts receivable	**257,614**	176,602
Inventories	**111,430**	76,759
Overburden removal costs	**14,113**	-
Prepaid expenses	**9,402**	9,059
Future income taxes	**1,954**	5,938
	584,601	534,728
Capital assets	**1,139,007**	507,406
Investments (note 3)	**143,407**	178,407
Future income taxes	**27,736**	19,896
Other assets (note 4)	**103,663**	101,213
	$ 1,998,414	$ 1,341,650
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Short-term debt (note 10)	**$ 36,027**	$ 8,000
Accounts payable and accrued liabilities	**103,097**	77,419
Current portion of long-term debt (note 5)	**1,607**	-
Site restoration and abandonment	**10,501**	-
Future income taxes	**1,400**	-
Swaps and forward contracts	**2,162**	-
	154,794	85,419
Long-term debt (note 5)	**259,254**	-
Site restoration and abandonment	**44,325**	26,649
Future income taxes	**217,783**	18,608
Swaps and forward contracts	**1,411**	-
Minority interest	**3,989**	2,865
	681,556	133,541
Shareholders' equity		
Convertible debentures (note 6)	**587,314**	587,314
Capital stock (note 7)	**450,716**	349,840
Contributed surplus	**199,787**	199,787
Retained earnings	**79,041**	71,168
	1,316,858	1,208,109
	$ 1,998,414	$ 1,341,650

Increases in balance sheet accounts primarily reflect the impact of the Luscar acquisition (note 2).

CONSOLIDATED STATEMENTS OF OPERATIONS

[THOUSANDS OF CANADIAN DOLLARS EXCEPT PER SHARE AMOUNTS]	UNAUDITED THREE MONTHS ENDED DECEMBER 31		AUDITED TWELVE MONTHS ENDED DECEMBER 31	
	2001	2000	**2001**	2000
Revenue	**$ 188,976**	$ 117,716	**$ 636,618**	$ 480,355
Expenses and other income				
Operating, selling, general and administrative	**135,027**	86,983	**431,933**	285,310
Depletion and amortization	**37,701**	16,035	**118,768**	71,228
Write-down of investment	**23,441**	-	**23,441**	-
Amortization of goodwill	**343**	338	**1,357**	1,286
Provision for site restoration and abandonment	**2,345**	1,154	**7,462**	3,513
Share of loss (earnings) of equity investments	**635**	(127)	**679**	(788)
Financing expense (income)	**3,819**	(10,080)	**(4,437)**	(29,045)
Minority interest	**276**	267	**1,124**	1,130
Earnings (loss) before taxes	**(14,611)**	23,146	**56,291**	147,721
Income taxes				
Current	**792**	3,755	**5,379**	26,594
Future	**(6,181)**	(118)	**(683)**	5,557
Net earnings (loss)	**$ (9,222)**	$ 19,509	**$ 51,595**	$ 115,570
Earnings (loss) per restricted voting share (note 8)				
Basic	**$ (0.15)**	$ 0.21	**$ 0.34**	$ 1.38
Diluted	**(0.15)**	0.15	**0.33**	0.84

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

[THOUSANDS OF CANADIAN DOLLARS]	UNAUDITED THREE MONTHS ENDED DECEMBER 31		AUDITED TWELVE MONTHS ENDED DECEMBER 31	
	2001	2000	**2001**	2000
Beginning of period	**$ 93,793**	$ 64,313	**$ 71,168**	$ (6,899)
Elimination of deficit at December 31, 1999 through a reduction in stated capital	**-**	-	**-**	6,899
Net earnings (loss)	**(9,222)**	19,509	**51,595**	115,570
Interest on convertible debentures (note 6)	**(5,530)**	(5,404)	**(21,938)**	(22,675)
Dividends on restricted voting shares	**-**	(7,250)	**(21,784)**	(21,727)
End of period	**$ 79,041**	$ 71,168	**$ 79,041**	$ 71,168

Results include Sherritt's share of revenue and expenses of the Coal business from May 12, 2001 onwards (note 2).

CONSOLIDATED STATEMENTS OF CASH FLOW

[THOUSANDS OF CANADIAN DOLLARS]	UNAUDITED THREE MONTHS ENDED DECEMBER 31 2001	2000	AUDITED TWELVE MONTHS ENDED DECEMBER 31 2001	2000
Operating activities				
Net earnings	**$ (9,222)**	$ 19,509	**$ 51,595**	$ 115,570
Items not affecting cash				
Depletion and amortization	**37,701**	16,035	**118,768**	71,228
Write-down of investment	**23,441**	-	**23,441**	-
Amortization of goodwill	**343**	338	**1,357**	1,286
Provision for site restoration and abandonment	**(342)**	1,154	**(234)**	3,513
Future income taxes	**(6,181)**	(118)	**(683)**	5,557
Other items	**9,082**	1,661	**824**	(3,940)
Cash provided before working capital changes	**54,822**	38,579	**195,068**	193,214
Decrease (increase) in non-cash working capital				
Accounts receivable	**(1,626)**	(5,651)	**(35,858)**	(49,789)
Inventories	**4,896**	3,802	**(3,468)**	(628)
Overburden removal costs	**397**	-	**433**	-
Prepaid expenses	**(2,603)**	(5,312)	**3,172**	(2,659)
Accounts payable and accrued liabilities	**(15,224)**	(32,068)	**(6,810)**	(10,969)
	(14,160)	(39,229)	**(42,531)**	(64,045)
Cash provided from (used for) operating activities	**40,662**	(650)	**152,537**	129,169
Investing activities				
Capital expenditures	**(28,647)**	(32,681)	**(113,567)**	(116,343)
Net proceeds from sale of capital assets	**-**	-	**7,848**	4,150
Italy site restoration payments	**-**	(103)	**-**	(8,383)
Acquisition of business (note 2)	**-**	-	**(136,039)**	-
Investments	**1,190**	(1,381)	**11,255**	(7,836)
Other assets	**(23,542)**	(5,537)	**(38,299)**	(7,638)
Cash used for investing activities	**(50,999)**	(39,702)	**(268,802)**	(136,050)
Financing activities				
Short-term debt	**(171,481)**	2,500	**(156,821)**	(1,283)
Long-term debt	**217,178**	-	**216,558**	-
Convertible debenture interest payments	**(18,000)**	(18,000)	**(36,000)**	(37,500)
Dividends on restricted voting shares	**-**	(7,250)	**(21,784)**	(21,727)
Issue of restricted voting shares	**-**	370	**876**	843
Repurchase of convertible debentures	**-**	(21,266)	**-**	(58,127)
Cash provided from (used for) financing activities	**27,697**	(43,646)	**2,829**	(117,794)
Decrease in net cash	**17,360**	(83,998)	**(113,436)**	(124,675)
Net cash at beginning of period	**130,547**	345,341	**261,343**	386,018
Net cash at end of period	**$ 147,907**	$ 261,343	**$ 147,907**	$ 261,343

Net cash consists of cash and short-term investments.

For the three month period, the Corporation received interest of $7.2 million (2000 - $5.8 million), paid interest on debt of $12.2 million (2000 - $0.1 million) and paid taxes of $0.7 million (2000 - $6.3 million). For the year, the Corporation received interest of $20.8 million (2000 - $22.4 million), paid interest on debt of $17.5 million (2000 - $0.6 million) and paid taxes of $7.0 million (2000 - $26.2 million).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(All tabular dollar amounts expressed in thousands of Canadian dollars, except per share amounts)

1. Summary of accounting policies

These consolidated financial statements follow the same accounting policies as the consolidated financial statements for the year ended December 31, 2000, except that they do not contain all the information required in annual financial statements. Accordingly, these consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2000. Full consolidated financial statements for the year ended December 31, 2001 will be included in the Corporation's 2001 annual report.

Accounting policies for the Coal business acquired in the second quarter of 2001 (note 2) are consistent with those of the Corporation. Significant accounting policies specific to the Coal business comprise:

a) Revenue recognition

Revenue is recognized upon transfer of title to the customer based on contractual agreements and selling prices. For domestic coal sales to power-generating utilities, this occurs when the coal is delivered to the generating station; for other domestic customers, this generally occurs when the coal is loaded at the mine. Export coal revenue is generally recognized when the coal has been loaded and the vessel has departed the shipping location.

b) Overburden removal costs

Costs incurred for overburden removal related to future coal production are recorded as current assets. Costs of removing overburden are charged to earnings at average cost when the coal is produced.

c) Capital assets

Capital assets are amortized using the straight-line method based on estimated useful lives. Such lives are limited to a maximum of 40 years.

d) Post employment benefits

Defined benefit pension plans are accounted for using the projected benefits method of accounting.

2. Acquisition of business

On May 11, 2001, Sherritt Coal Partnership ("the Partnership"), a partnership between the Corporation and a subsidiary of Ontario Teachers' Pension Plan Board, acquired a majority of the outstanding trust units ("Units") and convertible debentures ("Debentures") of Luscar Coal Income Fund ("the Fund"). By June 29, 2001, the Partnership had acquired the remaining Units and Debentures of the Fund. The Fund is an open-ended trust, which has invested in the securities of Luscar Coal Ltd. ("Luscar Coal") and Luscar Ltd., a coal producer that produced approximately 37 million tonnes of coal this year from mines in western Canada. On September 14, 2001, Sherritt Coal Partnership changed its name to Luscar Energy Partnership. On October 5, 2001, the Corporation transferred its interest in Luscar Energy Partnership to a wholly-owned subsidiary.

Under the terms of the purchase, unitholders of the Fund chose to receive either cash of $4.00 per Unit or one restricted voting share of the Corporation for each Unit, provided that the aggregate number of the Corporation's shares issued was limited to 25 million shares. The Fund's Debentures were acquired for $1,050 cash per $1,000 principal amount of Debentures plus accrued interest. The Corporation's share of the total acquisition cost was $236 million, comprising cash consideration of $136 million and the issue of 25 million restricted voting shares at an assigned value of $4.00 per share.

The acquisition was accounted for by the Partnership using the purchase method of accounting. The Partnership's financial statements include the combined financial statements of the Fund from May 12 to December 31, 2001. The Corporation proportionately consolidates its 50% interest in the results of the Partnership.

The Corporation's share of the net assets acquired at their fair values was:

Assets acquired	
Accounts receivable	$ 45,154
Inventories	31,203
Overburden removal costs	14,546
Other current assets	3,515
Capital assets	640,829
Other long term assets	6,312
	741,559
Liabilities assumed	
Accounts payable and accrued liabilities	(32,643)
Debt	(228,996)
Site restoration and abandonment	(28,411)
Future income taxes	(211,928)
Swaps and forward contracts	(3,542)
Net assets acquired	$ 236,039

3. Investments

	2001	2000
Power-generation [a]	$ 72,638	$ 89,021
Mining [b]	47,234	65,354
Tourism	22,460	21,910
Other	1,075	2,122
	$ 143,407	$ 178,407

[a] On March 21, 2001, Sherritt Power Corporation's noteholders approved an extraordinary resolution to amend the trust indenture governing its $225 million of Senior Unsecured Amortizing Notes ("Notes"), including $75 million held by the Corporation. The amendment resulted in:

(i) an acceleration of the first amortization of $198 per $1,000 principal amount to March 31, 2001 from March 31, 2002;

(ii) a revision to the remaining amortization schedule such that $200 per $1,000 principal amount is amortized on March 31 in each of 2003, 2004 and 2005 and $101 per $1,000 principal amount is amortized on each of March 31, 2006 and 2007. The original terms specified amortization payments of $401 per $1,000 principal amount on each of March 31, 2003 and 2004;

(iii) an increase in the interest rate from 11.50% to 12.125% effective April 1, 2001; and

(iv) the payment of a consent premium of $15 per $1,000 principal amount of the Notes.

As a result of this amendment, the Corporation received approximately $20.3 million from Sherritt Power on April 2, 2001 representing the payment of the first amortization, the consent premium and accrued interest. The Corporation also advanced Sherritt Power $19.6 million on April 2, 2001 under the Cash Flow Assurances Agreement dated March 1998 for the purposes of funding the accelerated amortization. This advance bears interest at LIBOR plus 6% and is included in current advances and loans receivable. The consent premium was deferred and is being amortized over the remaining term of the Notes.

[b] During the third quarter of 2001, the Corporation increased its investment in Anaconda Nickel Limited by $7.8 million pursuant to a rights offering. During the fourth quarter of 2001, this investment was written-down by $23.4 million ($18.8 million after tax) to the Corporation's estimate of its long-term net realizable value based on available information.

4. Other assets

	2001	2000
Advances receivable [a]	$ 30,332	$ 13,868
Loans receivable [b]	37,811	19,355
Cellular telephone concession	24,333	26,509
Goodwill	15,098	16,455
Deposits [c]	-	5,137
Deferred debenture interest	9,401	11,303
Asset held for resale	8,847	8,847
Deferred financing costs [d]	9,345	-
Pension plans asset	3,074	-
Other	7,603	4,766
	145,844	106,240
Current portion of advances and loans receivable	42,181	5,027
	$ 103,663	$ 101,213

[a] Advances receivable comprise a $19.6 million advance to Sherritt Power (note 3(a)) and an advance by a subsidiary of the Corporation to an agency of the Cuban Government to finance construction of facilities for the gathering, storage, treatment and transportation of crude oil from fields in which the Corporation is currently producing oil.

[b] Loan receivables comprise working capital advances to certain joint venture operations and financing agreements for a combined total of U.S. $32 million to Procesadora de Soya S.A., a soybean-based food processing joint venture in which the Corporation has a 49% interest, for the construction of a new soybean-based food processing facility in Cuba and to fund working capital requirements.

[c] During 2001, the term deposit with a Spanish bank to cover estimated abandonment costs in Spain was replaced with a letter of credit.

[d] Deferred financing costs comprise costs incurred by Luscar Coal as a result of the issue of U.S.$275 million, 9¾% Unsecured Senior Notes (note 5).

5. Long-term debt

Senior Notes [a]	**$ 219,038**
Promissory Notes [b]	
12.75% promissory note, due May 18, 2003	**22,500**
less: sinking fund	**(10,607)**
	11,893
9.625% promissory note, due December 30, 2004	**44,650**
less: sinking fund	**(19,079)**
	25,571
Capital lease obligations [c]	**4,359**
	260,861
Current portion of long-term debt	**(1,607)**
	$ 259,254

[a] On October 10, 2001, Luscar Coal issued at par U.S.$275 million of 9¾% Unsecured Senior Notes ("Senior Notes"), due October 15, 2011. Interest on the Senior Notes is payable semi-annually on April 15 and October 15 in each year, beginning April 15, 2002. Approximately $349 million of the $417 million in net proceeds from the issue was used to repay borrowings and terminate the existing credit facility.

Luscar Energy Partnership, the Fund and Luscar Coal's material subsidiaries have guaranteed the principal and interest obligations on the Senior Notes. The terms of the Senior Notes include covenants which restrict the ability of Luscar Coal and the guarantors to incur additional indebtedness, issue equity, make investments, declare or pay distributions, incur payment restrictions that other parties may impose, conduct transactions with affiliates, sell assets or use proceeds from permitted asset sales, incur liens, and consolidate or merge with, or into, or transfer all or substantially all of an entity's assets, to another person.

[b] The promissory notes were issued to finance the acquisition of a dragline and mine in conjunction with long-term coal supply agreements with a Crown corporation. The 12.75% promissory note is secured by a mortgage on the dragline and the 9.625% promissory note is secured by the assets, rights and agreements related to the mine. Amounts paid to Luscar Ltd. under the terms of the coal supply agreements with the Crown corporation include a component intended to substantially reimburse Luscar Ltd. for the interest and sinking fund payments made in respect of the promissory notes. At maturity, Luscar Ltd. is obligated to repay the promissory notes, net of related sinking funds. The coal supply agreements require the Crown corporation to immediately reimburse Luscar Ltd. for any net repayment required above the sinking fund proceeds.

[c] Obligations under capital leases bear interest at fixed rates ranging from 6.17% to 7.25% and mature between 2002 and 2006.

Long-term debt repayments are as follows:

	LONG-TERM DEBT	CAPITAL LEASES
2002	**$ 671**	**$ 1,217**
2003	**12,116**	**1,217**
2004	**24,677**	**1,308**
2005	**-**	**1,039**
2006	**-**	**88**
and thereafter	**219,038**	**-**
	256,502	**4,869**
Interest included therein	**-**	**(510)**
	$ 256,502	**$ 4,359**

6. Convertible debentures

Convertible debentures comprise $600 million principal amount of 6% convertible unsecured subordinated debentures issued in November 1996. The debentures have a maturity date of December 15, 2006.

Interest on the convertible debentures is stated net of tax relief of $16.0 million (2000 - $17.8 million).

7. Capital stock

Issued capital stock comprises 97,711,764 (December 31, 2000 – 72,496,036) restricted voting shares and 100 (December 31, 2000 – 100) multiple voting shares. The increase in capital stock primarily comprised the 25 million restricted voting shares issued as part of the Luscar acquisition. The multiple voting shares are convertible into restricted voting shares on a share-per-share basis upon the occurrence of certain events. If all of the convertible debentures were converted into shares at the option of the holders, up to 68,376,068 additional restricted voting shares may be issued on or before December 14, 2006.

8. Earnings per restricted voting share

The following table presents the calculation of basic and diluted earnings per restricted voting share.

	UNAUDITED THREE MONTHS ENDED DECEMBER 31		AUDITED TWELVE MONTHS ENDED DECEMBER 31	
	2001	2000	**2001**	2000
Net earnings (loss)	**$ (9,222)**	$ 19,509	**$ 51,595**	$ 115,570
Interest on convertible debentures	**(5,530)**	(5,404)	**(21,938)**	(22,675)
Effect of repurchase of convertible debentures	**-**	1,327	**-**	6,685
Net earnings (loss) applicable to shareholders	**(14,752)**	15,432	**29,657**	99,580
Interest on convertible debentures [(a)]	**-**	5,404	**21,938**	22,675
Net earnings (loss) applicable to shareholders plus assumed conversion	**$ (14,752)**	$ 20,836	**$ 51,595**	$ 122,255
Weighted average number of shares – basic	**97,712**	72,465	**88,412**	72,378
Weighted average effect of dilutive securities:				
Employee stock options [(a)]	**-**	217	**229**	203
Convertible debentures [(a)]	**-**	68,996	**68,376**	73,015
Weighted average number of shares for dilution calculation	**97,712**	141,678	**157,017**	145,596
Earnings (loss) per restricted voting share				
Basic	**$ (0.15)**	$ 0.21	**$ 0.34**	$ 1.38
Diluted	**(0.15)**	0.15	**0.33**	0.84

Average number of shares stated in thousands.

(a) For the fourth quarter of 2001, the assumed conversion of the convertible debentures and exercise of stock options would not be dilutive.

9. Segmented information

Business Segments

Reference should be made to note 19 of the Corporation's consolidated financial statements for the year ended December 31, 2000 for a full description of the Corporation's operating segments. During the first quarter of 2001, the Corporation changed its internal reporting of operating segments to include results from its Fertilizer operations as part of the Metals business. Segmented results for the three months and year ended December 31, 2000 have been restated to conform to this new presentation.

The Corporation's new Coal segment represents its 50% indirect proportionate interest in the consolidated financial statements of Luscar Energy Partnership. The Partnership's financial statements include the combined financial statements of Luscar Coal Income Fund from May 12 to December 31, 2001.

Three months ended December 31, 2001 – unaudited

	COAL	METALS	OIL AND GAS	OTHER	CORPORATE	CONSOLIDATED
Revenue from external customers	$ 80,273	$ 55,364	$ 45,037	$ 8,302	$ -	$188,976
Intersegment revenues	-	-	-	285	-	285
Depletion and amortization	10,877	4,550	19,617	1,806	851	37,701
Provision for site restoration and abandonment	2,306	(335)	374	-	-	2,345
Operating earnings (loss)	9,336	(3,386)	14,099	(636)	(5,510)	13,903
Write-down of investment	-	-	-	-	(23,441)	(23,441)
Goodwill amortization	-	-	-	(343)	-	(343)
Share of loss of equity investments	-	-	-	(635)	-	(635)
Financing income (expense)	(11,843)	(194)	4,455	(1,620)	5,383	(3,819)
Minority interest	-	-	-	(276)	-	(276)
Earnings (loss) before taxes	(2,507)	(3,580)	18,554	(3,510)	(23,568)	(14,611)
Capital expenditures	3,433	9,247	13,957	719	1,291	28,647

Three months ended December 31, 2000 – unaudited

	METALS	OIL AND GAS	OTHER	CORPORATE	CONSOLIDATED
Revenue from external customers	$ 74,251	$ 39,026	$ 4,439	$ -	$117,716
Intersegment revenues	-	-	276	-	276
Depletion and amortization	4,218	9,588	1,260	969	16,035
Provision for site restoration and abandonment	551	603	-	-	1,154
Operating earnings (loss)	4,563	14,475	1,321	(6,815)	13,544
Goodwill amortization	-	-	(338)	-	(338)
Share of earnings of equity investments	-	-	127	-	127
Financing income (expense)	390	1,359	1,460	6,871	10,080
Minority interest	-	-	(267)	-	(267)
Earnings (loss) before taxes	4,953	15,834	2,303	56	23,146
Capital expenditures	6,725	9,953	4,389	11,614	32,681

Twelve months ended December 31, 2001 – audited

	COAL	METALS	OIL AND GAS	OTHER	CORPORATE	CONSOLIDATED
Revenue from external customers	$204,450	$230,253	$176,689	$ 25,226	$ -	$636,618
Intersegment revenues	-	-	-	1,118	-	1,118
Depletion and amortization	27,425	18,524	62,016	6,864	3,939	118,768
Provision for site restoration and abandonment	4,850	982	1,630	-	-	7,462
Operating earnings (loss)	20,153	3,731	73,987	420	(19,836)	78,455
Write-down of investment	-	-	-	-	(23,441)	(23,441)
Goodwill amortization	-	-	-	(1,357)	-	(1,357)
Share of loss of equity investments	-	-	-	(679)	-	(679)
Financing income (expense)	(19,941)	1,052	10,264	(5,549)	18,611	4,437
Minority interest	-	-	-	(1,124)	-	(1,124)
Earnings (loss) before taxes	212	4,783	84,251	(8,289)	(24,666)	56,291
Capital expenditures	8,303	19,264	78,984	5,532	1,484	113,567
Assets	769,288	302,623	471,895	223,080	231,528	1,998,414

Twelve months ended December 31, 2000 – audited

	METALS	OIL AND GAS	OTHER	CORPORATE	CONSOLIDATED
Revenue from external customers	$299,018	$165,183	$ 16,154	$ -	$480,355
Intersegment revenues	-	-	1,073	-	1,073
Depletion and amortization	15,287	47,308	4,847	3,786	71,228
Provision for site restoration and abandonment	2,098	1,415	-	-	3,513
Operating earnings (loss)	61,851	79,571	3,832	(24,950)	120,304
Goodwill amortization	-	-	(1,286)	-	(1,286)
Share of earnings of equity investments	-	-	788	-	788
Financing income (expense)	(1,766)	3,120	(2,910)	30,601	29,045
Minority interest	-	-	(1,130)	-	(1,130)
Earnings (loss) before taxes	60,085	82,691	(706)	5,651	147,721
Capital expenditures	24,429	66,263	13,773	11,878	116,343
Assets	309,145	382,205	242,528	407,772	1,341,650

Geographic Segments

Three months ended December 31 – unaudited

	2001		2000	
	REVENUE	CAPITAL ASSETS AND GOODWILL	REVENUE	CAPITALASSETS AND GOODWILL
Canada	$ 62,332	$ 753,767	$ 18,451	$ 140,889
Cuba	51,543	384,539	40,568	354,024
Europe	34,947	9,270	37,333	22,078
Asia	29,542	6,526	19,224	6,857
Other foreign countries	10,612	3	2,140	13
	$ 188,976	$ 1,154,105	$ 117,716	$ 523,861

Twelve months ended December 31 – audited

	2001		2000	
	REVENUE	CAPITAL ASSETS AND GOODWILL	REVENUE	CAPITAL ASSETS AND GOODWILL
Canada	$ 187,212	$ 753,767	$ 84,961	$ 140,889
Cuba	192,968	384,539	168,474	354,024
Europe	146,139	9,270	162,113	22,078
Asia	89,187	6,526	62,494	6,857
Other foreign countries	21,112	3	2,313	13
	$ 636,618	$ 1,154,105	$ 480,355	$ 523,861

10. Financial instruments

Short-term debt comprises unsecured obligations and other obligations secured by receivables and inventory of certain joint venture operations and a charge on a dragline.

Unutilized lines of credit at December 31, 2001 were $43.2 million. At the end of 2001, the Corporation had outstanding letters of credit of approximately $49.4 million.

The Coal business has a number of forward exchange contracts for a portion of its export revenue cash flows. These contracts expire in 2002. The Coal business is obligated under an interest rate swap, which fixes the interest rate of $50 million of floating rate debt at 5.72% plus the applicable interest rate margin. This swap expires in December 2003 and was originally established to hedge Luscar Coal's exposure to its floating interest rate debt, which was repaid in October 2001. The unrealized loss on these contracts at the date of acquisition of $3.5 million was recognized as part of the purchase equation and is being amortized over the remaining term of the respective contracts. The fair market value of the interest rate swap of $2.8 million payable was recognized at December 31, 2001.

11. Contingencies

In May 2000, Deutsche Bank Canada ("DBC") delivered an Application and supporting materials, filed with the Court of Queen's Bench of New Brunswick, seeking a declaration that DBC had been "oppressed" by the Corporation in its capacity as a holder of Sherritt debentures, and seeking a variety of relief. During the third quarter of 2001, DBC discontinued its claim with no settlement, payment by, or admission of wrongdoing by Sherritt. The court order approving the discontinuance also provided that it shall be a complete defence to any subsequent proceeding that might arise out of the same subject matter.

In October 2001, the Corporation received a statement of claim setting out a claim against it and Dynatec Corporation, brought in the Supreme Court of Victoria, Australia, by Fluor Australia Pty. Ltd. ("Fluor"). The claim relates to alleged deficiencies in the facilities of Anaconda Nickel Limited's ("Anaconda Nickel") Murrin Murrin mine development in Australia. The alleged deficiencies are the subject of an ongoing arbitration commenced by Anaconda Nickel against Fluor, which was retained by Anaconda Nickel to provide engineering, procurement and construction services. In the arbitration proceedings, Anaconda Nickel alleges that Fluor breached the services contract between them. The Corporation believes Fluor's claim is without merit and intends to defend it vigorously.

12. Comparative amounts

Certain comparative amounts have been reclassified to conform to the presentation adopted in the current period.