Sherritt International Corporation

Q1 2024 Conference Call

Review of Financial and Operational Results

May 9, 2024

SHERRITT.COM • TSX: S

Presenters

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Forward-Looking Statements

This presentation contains certain forward-looking statements. Forward-looking statements can generally be identified by the use of statements that include such words as “believe”, “expect”, “anticipate”, “intend”, “plan”, “forecast”, “likely”, “may”, “will”, “could”, “should”, “suspect”, “outlook”, “potential”, “projected”, “continue” or other similar words or phrases. Specifically, forward-looking statements in this document include, but are not limited to, statements regarding strategies, plans and estimated production amounts resulting from expansion of mining operations at the Moa Joint Venture; growing and increasing nickel and cobalt production; the Moa Joint Venture expansion program update as it relates to the Slurry Preparation Plant and the Processing Plant; statements set out in the “Outlook” section of this presentation; certain expectations regarding production volumes and increases, inventory levels, operating costs, capital spending and intensity; sales volumes; revenue, costs and earnings; the availability of additional gas supplies to be used for power generation; the effect of maintenance challenges at the Moa mine, refinery and fertilizer operations; the timing of repayments of the revolving line of credit by the Moa JV, the amount and timing of dividend distributions from the Moa JV, including in the form of finished cobalt or cash under the Cobalt Swap, sales of finished cobalt and associated receipts related to cobalt received pursuant to the Cobalt Swap; growing shareholder value; expected annualized employee cost savings on the corporate restructuring and cost cutting measures; sufficiency of working capital management and capital project funding; strengthening the Corporation’s capital structure and amounts of certain other commitments.

Forward-looking statements are not based on historical facts, but rather on current expectations, assumptions and projections about future events, including commodity and product prices and demand; the level of liquidity and access to funding; share price volatility;; nickel, cobalt and fertilizer production results and realized prices; current and future demand products produced by Sherritt; global demand for electric vehicles and the anticipated corresponding demand for cobalt and nickel; revenues and net operating results; environmental risks and liabilities; compliance with applicable environmental laws and regulations; advancements in environmental and greenhouse gas (GHG) reduction technology; GHG emissions reduction goals and the anticipated timing of achieving such goals, if at all; statistics and metrics relating to Environmental, Social and Governance (ESG) matters which are based on assumptions or developing standards; environmental rehabilitation provisions; risks related to the U.S. government policy toward Cuba; current and future economic conditions in Cuba; the level of liquidity and access to funding; Sherritt share price volatility; and certain corporate objectives, goals and plans for 2024. 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 the assumptions may not be correct and that actual results may differ materially from such predictions, forecasts, conclusions or projections.

The Corporation cautions readers of this presentation not to place undue reliance on any forward-looking statement as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements. These risks, uncertainties and other factors include, but are not limited to, commodity risks related to the production and sale of nickel cobalt and fertilizers; security market fluctuations and price volatility; level of liquidity of Sherritt, including access to capital and financing; the ability of the Moa Joint Venture to pay dividends; the risk to Sherritt’s entitlements to future distributions (including pursuant to the Cobalt Swap) from the Moa JV; risks related to Sherritt’s operations in Cuba; risks related to the U.S. government policy toward Cuba, including the U.S. embargo on Cuba and the Helms-Burton legislation; political, economic and other risks of foreign operations, including the impact of geopolitical events on global prices for nickel, cobalt, fertilizers, or certain other commodities; 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; risk of future non-compliance with debt restrictions and covenants; risks related to environmental liabilities including liability for reclamation costs, tailings facility failures and toxic gas releases; compliance with applicable environment, health and safety legislation and other associated matters; risks associated with governmental regulations regarding climate change and greenhouse gas emissions; risks relating to community relations; maintaining social license to grow and operate; uncertainty about the pace of technological advancements required in relation to achieving ESG targets; risks to information technologies systems and cybersecurity; identification and management of growth opportunities; the ability to replace depleted mineral reserves; risks associated with the Corporation’s joint venture partners; variability in production at Sherritt’s operations in Cuba; risks associated with mining, processing and refining activities; risks associated with the operation of large projects generally; risks related to the accuracy of capital and operating cost estimates; the possibility of equipment and other failures; potential interruptions in transportation; uncertainty of gas supply for electrical generation; reliance on key personnel and skilled workers; growth opportunity risks; uncertainty of resources and reserve estimates; the potential for shortages of equipment and supplies, including diesel; supplies quality issues; risks related to the Corporation’s corporate structure; foreign exchange and pricing risks; credit risks; competition in product markets; future market access; interest rate changes; risks in obtaining insurance; uncertainties in labour relations; legal contingencies; risks related to the Corporation’s accounting policies; 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; the ability to accomplish corporate objectives, goals and plans for 2024; and the ability to meet other factors listed from time to time in the Corporation’s continuous disclosure documents.

The Corporation, together with its Moa Joint Venture, is pursuing a range of growth and expansion opportunities, including without limitation, process technology solutions, development projects, commercial implementation opportunities, life of mine extension opportunities and the conversion of mineral resources to reserves. In addition to the risks noted above, factors that could, alone or in combination, prevent the Corporation from successfully achieving these opportunities may include, without limitation: identifying suitable commercialization and other partners; successfully advancing discussions and successfully concluding applicable agreements with external parties and/or partners; successfully attracting required financing; successfully developing and proving technology required for the potential opportunity; successfully overcoming technical and technological challenges; successful environmental assessment and stakeholder engagement; successfully obtaining intellectual property protection; successfully completing test work and engineering studies, prefeasibility and feasibility studies, piloting, scaling from small scale to large scale production, procurement, construction, commissioning, ramp-up to commercial scale production and completion; and securing regulatory and government approvals. There can be no assurance that any opportunity will be successful, commercially viable, completed on time or on budget, or will generate any meaningful revenues, savings or earnings, as the case may be, for the Corporation. In addition, the Corporation will incur costs in pursuing any particular opportunity, which may be significant.

Readers are cautioned that the foregoing list of factors is not exhaustive and should be considered in conjunction with the risk factors described in the Corporation’s other documents filed with the Canadian securities authorities, including without limitation the “Managing Risk” section of the Management’s Discussion and Analysis for the three months ended March 31, 2024 and the Annual Information Form of the Corporation dated March 21, 2024 for the period ending December 31, 2023, which is available on SEDAR+ at www.sedarplus.ca.

The Corporation may, from time to time, make oral forward-looking statements. The Corporation advises that the above paragraph and the risk factors described in this presentation and in the Corporation’s other documents filed with the Canadian securities authorities should be read for a description of certain factors that could cause the actual results of the Corporation to differ materially from those in the oral forward-looking statements. The forward-looking information and statements contained in this presentation are made as of the date hereof and the Corporation undertakes no obligation to update publicly or revise any oral or written forward-looking information or statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. The forward-looking information and statements contained herein are expressly qualified in their entirety by this cautionary statement.

NON-GAAP AND OTHER FINANCIAL MEASURES

Management uses the following non-GAAP and other financial measures in this presentation: combined revenue , adjusted EBITDA, unit operating cost/net direct cash cost (NDCC), average-realized price, and spending on capital.

Management uses these and other non-GAAP measures to monitor the financial performance of the Corporation and its operating divisions, and believes these measures enable investors and analysts to compare the Corporation’s financial performance with its competitors and/or to evaluate the results of its underlying business. These measures are intended to provide additional information, not to replace International Financial Reporting Standards (IFRS) measures and they do not have a standard definition under IFRS. They should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. As these measures do not have a standardized meaning, they may not be comparable to similar measures provided by other companies.

The non-GAAP and other financial measures used in this presentation are reconciled to their most directly comparable IFRS measures in the appendix to this presentation.

First Quarter 2024
Highlights

- Moa JV expansion: Slurry Preparation Plant is operating at design capacity. Processing plant remains on schedule for commissioning and ramp up in 2025
- Increased liquidity in Canada to $68 million from $63 million at end of Q4 2023
- Reduced nickel inventory through strong spot sales. Mining, processing and refining (MPR) costs 13% lower year-over-year
- Power sales volume 33% higher year-over-year from increased gas supply

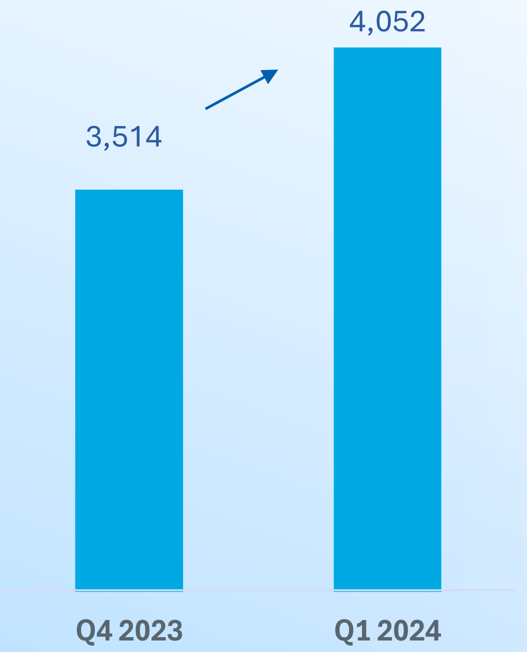
Fort Saskatchewan, Alberta

Expecting further improvements to operating results with significantly lower NDCC[1,2]

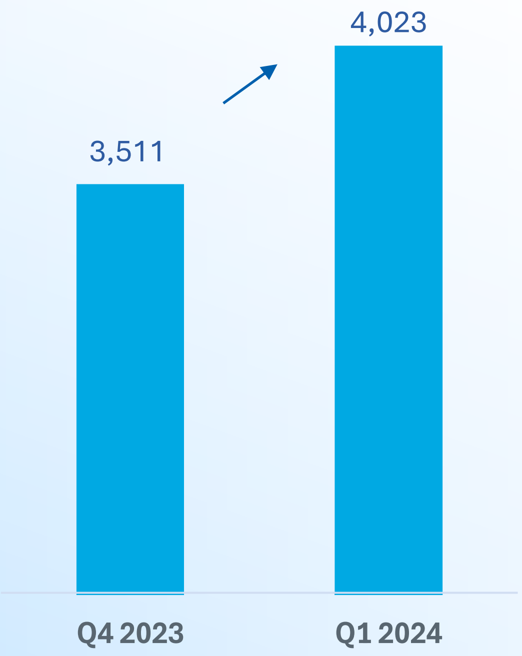
1. Non-GAAP financial measure. For additional information see the Non-GAAP and other financial measures section in the Appendix to this presentation.
2. ("NDCC") Net Direct Cash Cost

First Quarter 2024
Improvements in Key Metrics

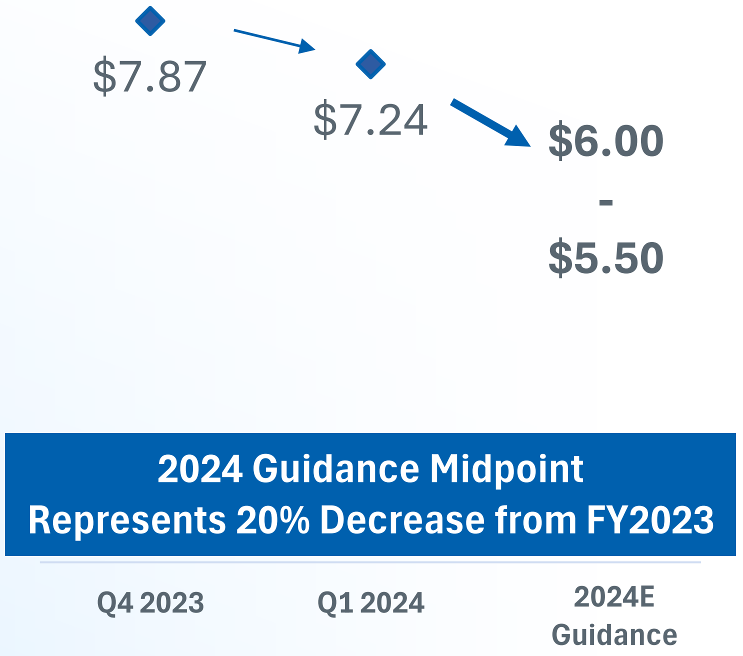
Mixed Sulphides Production (tonnes)



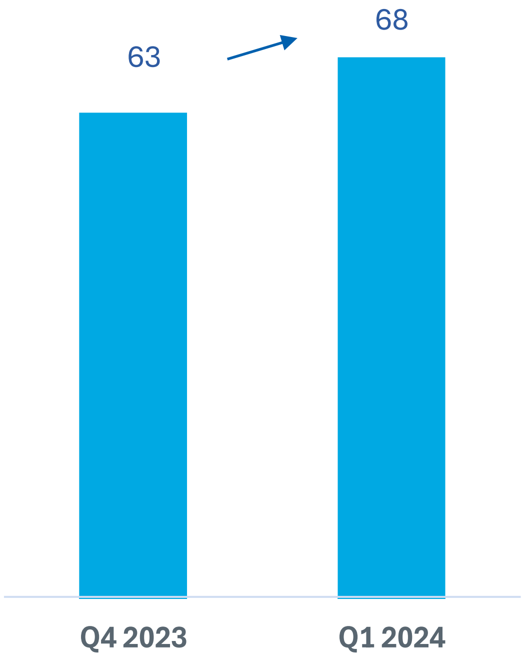
Nickel Sales (tonnes)



NDCC[(1)] (US$/lb of nickel sold)



Available Liquidity in Canada ($ in M)



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1. Non-GAAP financial measure. For additional information see the Non-GAAP and other financial measures section in the Appendix to this presentation.

Review of Operations

New Slurry Preparation Plant, Moa Cuba

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Metals
First Quarter Production

Mixed sulphides

→ Benefitted from higher ore grades and positive impact of Slurry Preparation Plant

Finished nickel and cobalt

→ Higher nickel rich third-party feed offset by lower mixed sulphides feed availability at the refinery due to a delay in shipping which was received in April

→ Higher nickel-to-cobalt ratio drove lower cobalt production

Fertilizer

→ Fertilizer production consistent with prior year period

Production volumes (tonnes)[1]	Q1 2024	Q1 2023
Mixed Sulphides	4,052	3,750
Finished Nickel	3,597	3,483
Finished Cobalt	342	367
Fertilizer	57,064	57,991

New Slurry Preparation Plant and mine plan to drive higher production in 2024

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1. Sherritt's share of production which is on a 50% basis for mixed sulphides, finished nickel and finished cobalt and for fertilizer – 50% basis for Moa JV production and 100% for Fort Site production.

Metals
First Quarter Sales

Finished nickel and cobalt

- Nickel sales: Successful contract renewal and strong spot sales drove progress on reducing opening nickel inventory
- Cobalt sales: Consistent with lower cobalt production due to nickel-to-cobalt ratio and lower Cobalt Swap sales

Fertilizer

- Lower sales due to delayed demand ahead of the spring planting season

Sales volume (tonnes)[1]	Q1 2024	Q1 2023
Finished Nickel	4,023	3,344
Finished Cobalt	362	731
Fertilizer	23,909	29,879

Average-realized price (in CAD)[2]	Q1 2024	Q1 2023
Nickel ($ per pound)	9.90	16.47
Cobalt ($ per pound)	14.51	19.11
Fertilizer ($ per tonne)	412.05	566.93

Expecting to start receiving cobalt from the Cobalt Swap in H2

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1. Sherritt's share of sales: nickel - 50% basis; cobalt - 50% basis for Moa JV sales and 100% for Cobalt Swap sales; fertilizer – 50% basis for Moa JV sales, and 100% for Fort Site sales.
2. Non-GAAP financial measure. For additional information see the Non-GAAP and other financial measures section in the Appendix to this presentation.

Metals
First Quarter Net Direct Cash Costs (NDCC)[1]

Mining, processing and refining (MPR)[2]

→ Lower MPR costs due to lower input commodity prices, lower maintenance costs and the impact of higher nickel sales volumes partly offset by higher opening inventory costs

Cobalt by-product credit[2]

→ Lower average-realized price[1] and sales volumes

Fertilizer by-product credit

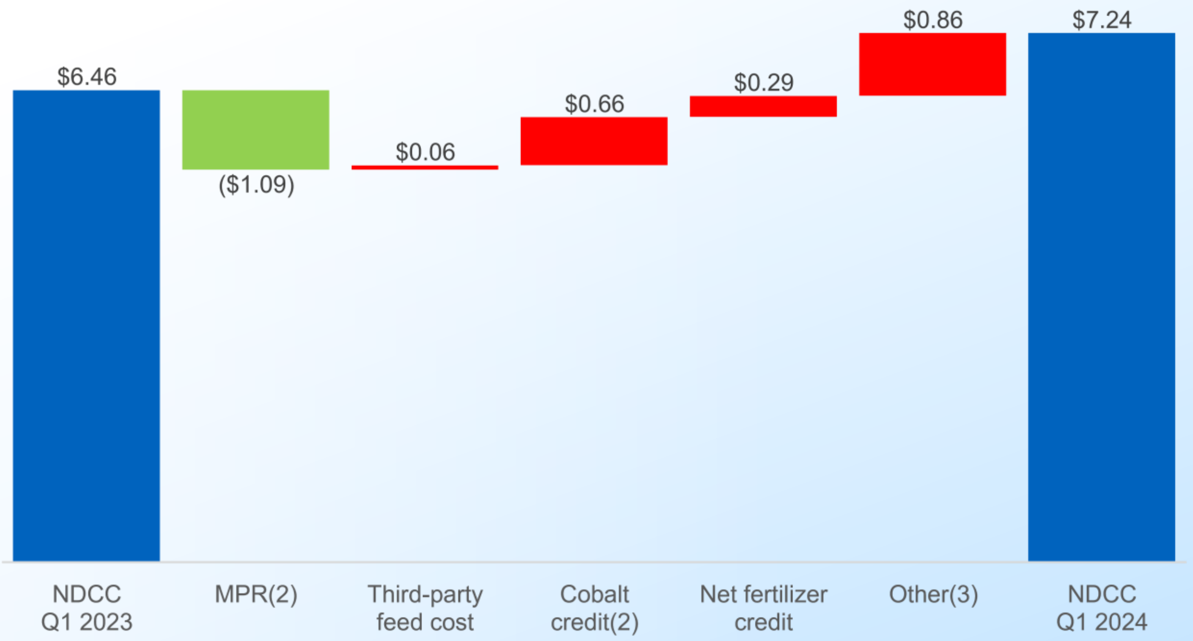
→ Lower average-realized price[1] and sales volumes

Without the impact from higher opening inventory costs, NDCC would have been US$0.70/lb lower

NDCC[1] in March decreased to US$6.82/lb, trending in line with 2024 guidance

First Quarter 2024 Results Year Over Year Change

NDCC[1] (US$/lb of nickel sold)



Expect NDCC[1] to range between US$5.50 to US$6.00/lb in 2024

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1. Non-GAAP financial measures. For additional information see the Non-GAAP and other financial measures section in the Appendix to this presentation.
2. MPR and cobalt by-product credits include the cost and cobalt revenue, respectively, on cobalt sold from Sherritt's 50% share of cobalt received under the Cobalt Swap.
3. Other includes the impact of redirected cobalt which includes the finished cobalt cost less cobalt by-product credits per pound of nickel sold on the cobalt sold from GNC's redirected cobalt received by Sherritt under the Cobalt Swap, marketing costs, discounts, and other by-product credits.

Moa JV
Expansion Update

Slurry Preparation Plant

- → Completed construction in Q4 2023, under budget
- → Began processing ore at design capacity in January 2024

Processing Plant

- → Civil construction and structural erection is nearing completion
- → Taking prudent approach to minimize near-term spending without impacting overall timing to reach target production
- → Expected 2024 completion with 2025 ramp up

New Slurry Preparation Plant, Moa Cuba

The low capital Moa expansion project remains on budget and on schedule

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Power
First Quarter Results

Electricity production

- 33% YoY increase
  - Improved gas availability (since end of Q2 2023)
  - Improved equipment availability

Unit operating cost[1]

- Lower unit cost driven by higher sales volumes and timing of maintenance activities

Continuing to pursue additional gas feed opportunities

Operating Results[2]	Q1 2024	Q1 2023
Electricity Production (GWh[3])	210	158
Unit Operating Costs[1] ($/MWh[3])	17.12	19.37

Higher production expected to increase cash distributions in Canada in 2024

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1. Non-GAAP financial measure. For additional information see the Non-GAAP and other financial measures section in the Appendix to this presentation.
2. Sherritt's share for electricity production is on a 33⅓% basis.
3. GWh = Gigawatt hours, MWh = Megawatt hours.

Financial Highlights

Financial Performance
First Quarter Results

Financial performance notable drivers:

- Lower average-realized prices[2]
  - Nickel ↓40%
  - Cobalt ↓24%
  - Fertilizers ↓27%
- Improved nickel sales volumes
- Lower cobalt sales volume, expect to start receiving cobalt from the Cobalt Swap in H2
- 13% lower MPR costs per pound of nickel sold

Financial Results ($ millions)	Q1 2024	Q1 2023
Revenue[1]	28.8	58.6
Combined revenue[2][3]	127.7	187.4
Net (loss) earnings from continuing operations	(40.9)	13.6
Adjusted net (loss) earnings from continuing operations[2][3]	(24.6)	13.3
Adjusted EBITDA[2][3]	(6.5)	41.2

Higher production and sales and lower costs to drive stronger financial performance

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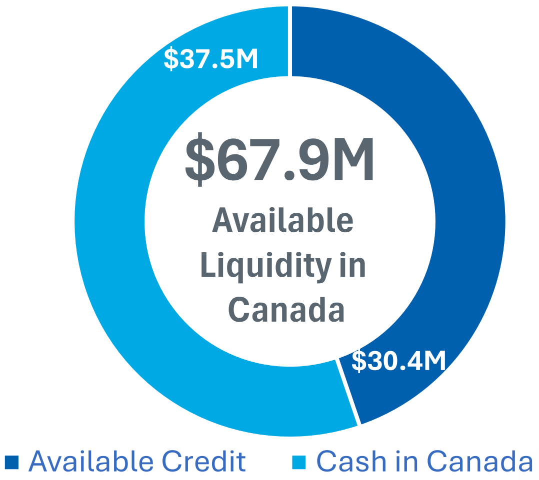
1. Revenue excludes revenue from the Moa JV within the Metals reportable segment on a 50% basis, which is accounted for using the equity method for accounting purposes.
2. Non-GAAP financial measures. For additional information see the Non-GAAP and other financial measures section in the Appendix to this presentation.
3. Combined revenue, adjusted net (loss) earnings from continuing operations and adjusted EBITDA exclude Oil and Gas as it is a non-core operating segment, prior period amounts have been adjusted accordingly.

Available Liquidity in Canada
First Quarter Update



First Quarter changes include

- Fort Site cash provided by operating activities $11.3M on strong fertilizer presales
- Receipt on short-term advance to the Moa JV $3.0M
- Property, plant and equipment spending $(3.7)M
- Rehabilitation and closure costs related to legacy Oil and Gas assets $(7.4)M

Additional Updates

- Received additional $10.0M repayment in April on Moa JV advance which is expected to be fully repaid in H1 2024
- Cobalt Swap distributions expected to commence in H2 2024
- Increased dividends in Canada from Power expected during 2024
- Extended revolving-term credit facility to April 30, 2026
- In Q1, reduced workforce at Canadian operations by ~10% for annualized cost savings of $13.0M
- Subsequent to Q1, reduced Corporate office workforce by 10%. Annualized total Corporate office related costs savings of $2.0M

Summary

Moa, Cuba

Strategic Developments
Midstream Processing

Midstream processing

- Advanced mixed hydroxide precipitate (MHP) midstream processing flowsheet for production of nickel and cobalt sulphate while also reducing sodium sulphate effluent, a key environmental challenge for the industry
- Project focus in 2024 will be on site identification, customer and partnership arrangements, and further process development and project definition

Ore processing

HPAL process produces a concentrated intermediate product from raw lateritic ore

Finished nickel

Intermediate product undergoes refining process to produce high purity finished nickel in briquette or powder form

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Nickel Sulphate Battery precursor

Producing battery grade sulphate from MHP sources

NEW

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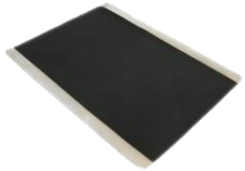
Cathodes & cells



Nickel sulphate is a key component used to produce battery cathodes assembled into lithium-ion cells and batteries

Battery packs

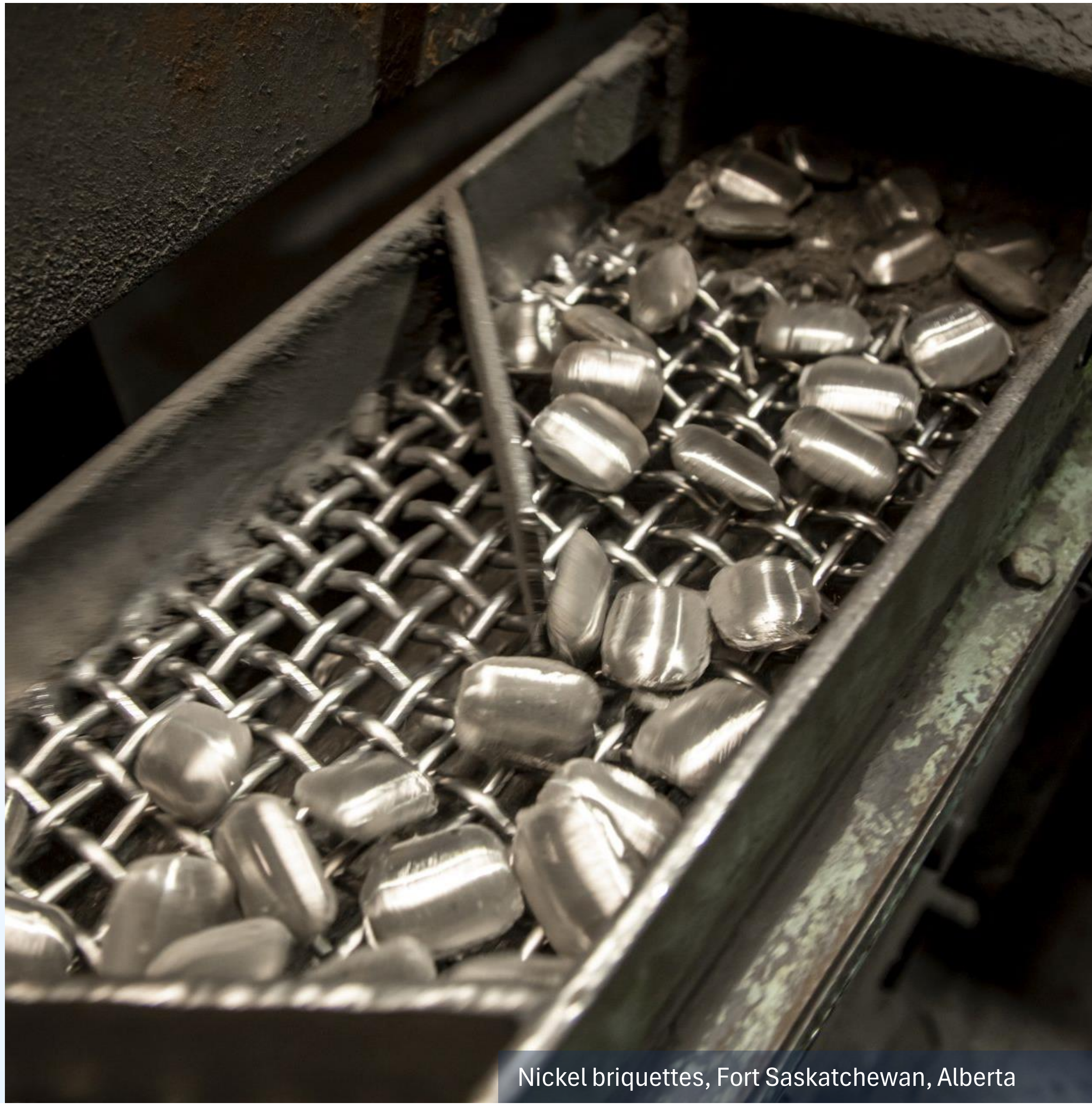
Batteries are assembled into battery pack with configuration based on energy density, capacity, power, stability, etc.

Electric vehicles

End use determined by vehicle range, economics, and other consumer considerations

First Quarter 2024
Summary

- Increased liquidity in Canada
  - Delivered on cost-cutting initiatives
  - Received repayments from Moa JV on advances
- Cobalt Swap distributions expected to commence in H2 2024 following full repayment of the Moa JV advances in H1 2024
- NDCC[1] trending to range between US$5.50/lb to US$6.00/lb in 2024
  - Q1 typically highest NDCC quarter in year with low seasonal fertilizer sales
  - MPR costs decreased 13% year-over-year
- Higher Power production levels expected to drive increased dividends in Canada in 2024
- Strong nickel sales increasing liquidity which is expected to continue throughout the year



Nickel briquettes, Fort Saskatchewan, Alberta

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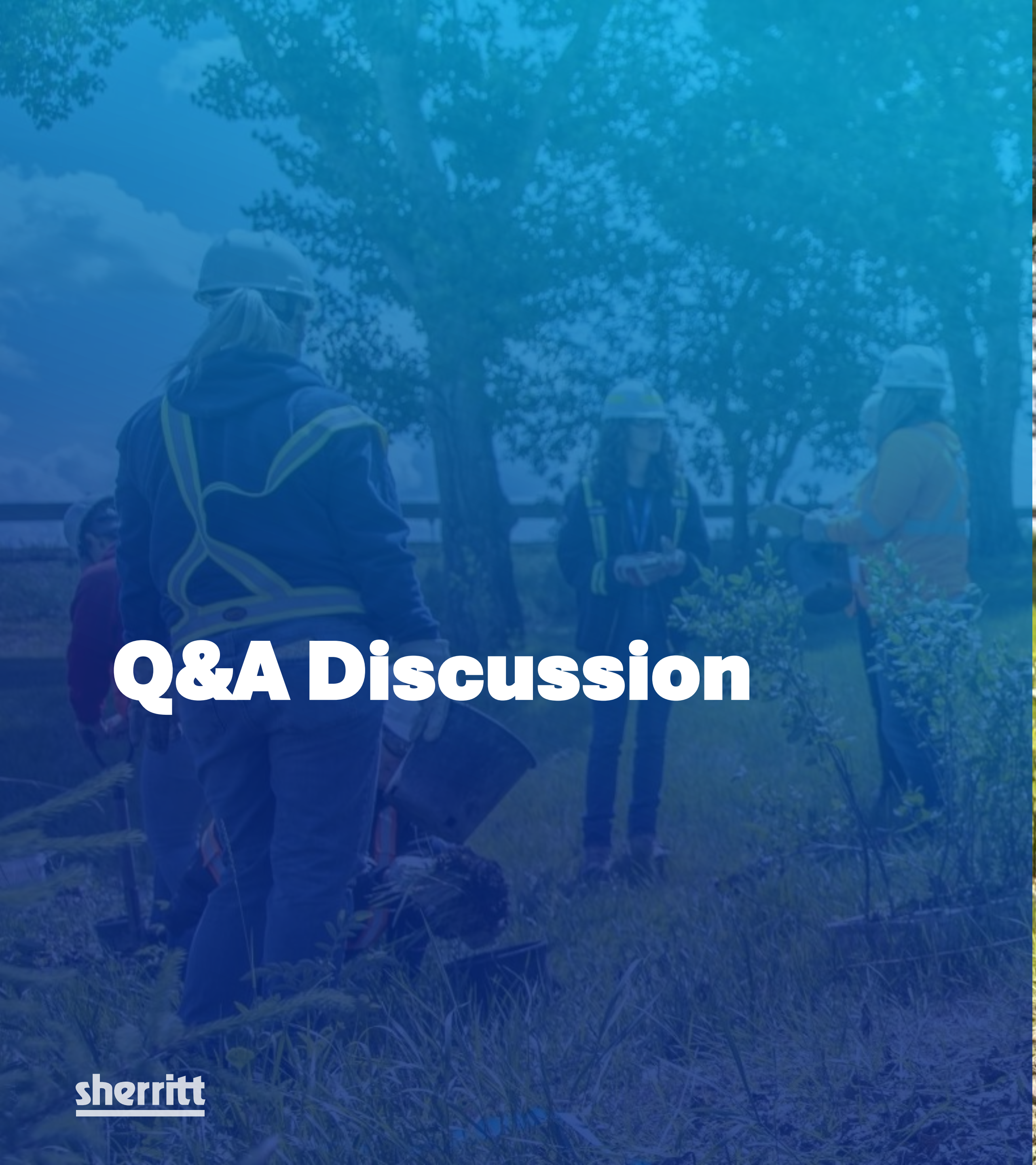
1. Non-GAAP financial measure. For additional information see the Non-GAAP and other financial measures section in the Appendix to this presentation.



Q&A Discussion

Streambank restoration, Fort Saskatchewan, Alberta

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APPENDIX

Non-GAAP and other financial measures

Combined revenue

The Corporation uses combined revenue as a measure to help management assess the Corporation's financial performance across its core operations. Combined revenue includes the Corporation's consolidated revenue, less Oil and Gas revenue, and includes the revenue of the Moa JV within the Metals reportable segment on a 50% basis. Revenue of the Moa JV is included in share of earnings of Moa Joint Venture, net of tax, as a result of the equity method of accounting and excluded from the Corporation's consolidated revenue.

Revenue at Oil and Gas is excluded from Combined revenue as the segment is not currently exploring for or producing oil and gas and its financial results relate to ancillary drilling services, provided to a customer and CUPET, and environmental rehabilitation costs for legacy assets, which are not reflective of the Corporation's core operating activities or revenue generation potential. The exclusion of revenue at Oil and Gas from Combined revenue represented a change in the composition of Combined revenue during the three months ended December 31, 2023 to better reflect the Corporation's core operating activities and revenue generation potential and the prior year measure has been restated for comparative purposes.

Management uses this measure to reflect the Corporation's economic interest in its operations prior to the application of equity accounting to help allocate financial resources and provide investors with information that it believes is useful in understanding the scope of Sherritt's business, based on its economic interest, irrespective of the accounting treatment.

The table below reconciles combined revenue to revenue per the financial statements:

$ millions, for the three months ended March 31		**2024**		2023	Change
Revenue by reportable segment					
Metals[1]	**$**	**115.1**	$	176.5	(35%)
Power		**12.0**		10.3	17%
Corporate and Other		**0.6**		0.6	-
Combined revenue	**$**	**127.7**	$	187.4	(32%)
Adjustment for Moa Joint Venture		**(104.2)**		(130.9)	
Adjustment for Oil and Gas		**5.3**		2.1	152%
Revenue per financial statements	**$**	**28.8**	$	58.6	(51%)

(1) Revenue of Metals for the three months ended March 31, 2024 is composed of revenue recognized by the Moa JV of $104.2 million (50% basis), which is equity-accounted and included in share of earnings of Moa JV, net of tax, coupled with revenue recognized by Fort Site of $8.9 million and revenue recognized by Metals Marketing of $2.0 million, which are included in consolidated revenue (for the three months ended March 31, 2023 - $130.9 million, $15.2 million and $30.4 million, respectively).

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Adjusted EBITDA

The Corporation defines Adjusted EBITDA as (loss) earnings from operations and joint venture, which excludes net finance expense, income tax expense and loss from discontinued operations, net of tax, as reported in the financial statements for the period, adjusted for: depletion, depreciation and amortization; impairment losses on non-current non-financial assets and investments; and gains or losses on disposal of property, plant and equipment of the Corporation and the Moa JV. The exclusion of impairment losses eliminates the non-cash impact of the losses.

Earnings/loss from operations at Oil and Gas (net of depletion, depreciation and amortization, if applicable) is deducted from/added back to Adjusted EBITDA as the segment is not currently exploring for or producing oil and gas and its financial results relate to ancillary drilling services, provided to a customer and CUPET, and environmental rehabilitation costs for legacy assets, which are not reflective of the Corporation's core operating activities or cash generation potential. The adjustment for earnings/loss from operations at Oil and Gas (net of depletion, depreciation and amortization, if applicable) represented a change in the composition of Adjusted EBITDA during the three months ended December 31, 2023 to better reflect the Corporation's core operating activities and cash generation potential and the prior year measure has been restated for comparative purposes.

Management uses Adjusted EBITDA internally to evaluate the cash generation potential of Sherritt's operating divisions on a combined and segment basis as an indicator of ability to fund working capital needs, meet covenant obligations, service debt and fund capital expenditures, as well as provide a level of comparability to similar entities. Management believes that Adjusted EBITDA provides useful information to investors in evaluating the Corporation's operating results in the same manner as management and the Board of Directors.

The tables below reconcile (loss) earnings from operations and joint venture per the financial statements to Adjusted EBITDA:

$ millions, for the three months ended March 31												**2024**
		Metals[1]		Power		Oil and Gas		Corporate and Other		Adjustment for Moa Joint Venture		Total
(Loss) earnings from operations and joint venture per financial statements	$	**(21.0)**	$	**7.1**	$	**(2.3)**	$	**(7.0)**	$	**0.8**	$	**(22.4)**
Add:												
Depletion, depreciation and amortization		**2.4**		**0.5**		**-**		**0.4**		**-**		**3.3**
Oil and Gas loss from operations, net of depletion, depreciation and amortization		**-**		**-**		**2.3**		**-**		**-**		**2.3**
Adjustments for share of earnings of Moa Joint Venture:												
Depletion, depreciation and amortization		**11.1**		**-**		**-**		**-**		**-**		**11.1**
Net finance income		**-**		**-**		**-**		**-**		**(1.2)**		**(1.2)**
Income tax expense		**-**		**-**		**-**		**-**		**0.4**		**0.4**
Adjusted EBITDA	$	**(7.5)**	$	**7.6**	$	**-**	$	**(6.6)**	$	**-**	$	**(6.5)**

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Adjusted EBITDA (continued)

$ millions, for the three months ended March 31												2023 (Restated)
		Metals[1]		Power		Oil and Gas		Corporate and Other		Adjustment for Moa Joint Venture		Total
Earnings (loss) from operations and joint venture per financial statements	$	31.0	$	5.9	$	(1.4)	$	(10.0)	$	(3.9)	$	21.6
Add (deduct):												
Depletion, depreciation and amortization		2.3		0.5		0.1		0.3		-		3.2
Oil and Gas loss from operations, net of depletion, depreciation and amortization		-		-		1.3		-		-		1.3
Adjustments for share of earnings of Moa Joint Venture:												
Depletion, depreciation and amortization		11.2		-		-		-		-		11.2
Net finance expense		-		-		-		-		0.4		0.4
Income tax expense		-		-		-		-		3.5		3.5
Adjusted EBITDA	$	44.5	$	6.4	$	-	$	(9.7)	$	-	$	41.2

(1) Adjusted EBITDA of Metals for the three months ended March 31, 2024 is composed of Adjusted EBITDA at Moa JV of $(2.0) million (50% basis), Adjusted EBITDA at Fort Site of $(4.9) million, and Adjusted EBITDA at Metals Marketing of $(0.6) million (for the three months ended March 31, 2023 - $45.0 million, $3.1 million and $(3.6) million, respectively).

Average-realized price

Average-realized price is generally calculated by dividing revenue by sales volume for the given product in a given segment. The average-realized price for power excludes by-product and other revenue, as this revenue is not earned directly for power generation. Transactions by a Moa JV marketing company, included in other revenue, are excluded.

Management uses this measure, and believes investors use this measure, to compare the relationship between the revenue per unit and direct costs on a per unit basis in each reporting period for nickel, cobalt, fertilizer and power and provide comparability with other similar external operations.

Average-realized price for fertilizer is the weighted-average realized price of ammonia and various ammonium sulphate products.

Average-realized price for nickel and cobalt are expressed in Canadian dollars per pound sold, while fertilizer is expressed in Canadian dollars per tonne sold and electricity is expressed in Canadian dollars per megawatt hour sold.

The tables below reconcile revenue per the financial statements to average-realized price:

$ millions, except average-realized price and sales volume, for the three months ended March 31							2024
	Metals						
	Nickel	Cobalt	Fertilizer	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Revenue per financial statements	$ 87.8	$ 11.6	$ 9.9	$ 12.0	$ 11.7	$ (104.2)	$ 28.8
Adjustments to revenue:							
By-product and other revenue	-	-	-	(1.4)			
Revenue for purposes of average-realized price calculation	87.8	11.6	9.9	10.6			
Sales volume for the period	8.9	0.8	23.9	210			
Volume units	Millions of pounds	Millions of pounds	Thousands of tonnes	Gigawatt hours			
Average-realized price[2][3][4]	$ 9.90	$ 14.51	$ 412.05	$ 51.25			

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Average-realized price (continued)

$ millions, except average-realized price and sales volume, for the three months ended March 31							2023
	Metals						
	Nickel	Cobalt	Fertilizer	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Revenue per financial statements	$ 121.4	$ 30.8	$ 16.9	$ 10.3	$ 10.1	$ (130.9)	$ 58.6
Adjustments to revenue:							
By-product and other revenue	-	-	-	(1.1)			
Revenue for purposes of average-realized price calculation	121.4	30.8	16.9	9.2			
Sales volume for the period	7.4	1.6	29.9	158			
Volume units	Millions of pounds	Millions of pounds	Thousands of tonnes	Gigawatt hours			
Average-realized price[2][3][4]	$ 16.47	$ 19.11	$ 566.93	$ 58.33			

(1) Other revenue includes revenue from the Oil and Gas and Corporate and Other reportable segments.
(2) Average-realized price may not calculate exactly based on amounts presented due to foreign exchange and rounding.
(3) Power, average-realized price per MWh.
(4) Fertilizer, average-realized price per tonne.

Unit operating cost/Net direct cash cost (NDCC)

With the exception of Metals, which uses NDCC, unit operating cost is generally calculated by dividing cost of sales as reported in the financial statements, less depreciation, depletion and amortization in cost of sales, the impact of impairment losses, gains and losses on disposal of property, plant, and equipment and exploration and evaluation assets and certain other non-production related costs, by the number of units sold.

Metals' NDCC is calculated by dividing cost of sales, as reported in the financial statements, adjusted for the following: depreciation, depletion, amortization and impairment losses in cost of sales; cobalt by-product, fertilizer and other revenue; cobalt gain/loss; and other costs primarily related to the impact of opening and closing inventory values, by the number of finished nickel pounds sold in the period.

Unit operating costs for nickel and electricity are key measures that management and investors uses to monitor performance. NDCC of nickel is a widely-used performance measure for nickel producers. Management uses unit operating costs/NDCC to assess how well the Corporation's producing mine and power facilities are performing and to assess overall production efficiency and effectiveness internally across periods and compared to its competitors.

Unit operating cost (NDCC) for nickel is expressed in U.S. dollars per pound sold, while electricity is expressed in Canadian dollars per megawatt hour sold.

The tables below reconcile cost of sales per the financial statements to unit operating cost/NDCC:

$ millions, except unit cost and sales volume, for the three months ended March 31					**2024**
	Metals	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Cost of sales per financial statements	**$ 131.1**	**$ 4.0**	**$ 8.3**	**$ (115.9)**	**$ 27.5**
Less:					
Depletion, depreciation and amortization in cost of sales	**(13.5)**	**(0.5)**			
	117.6	**3.5**			
Adjustments to cost of sales:					
Cobalt by-product, fertilizer and other revenue	**(27.3)**	**-**			
Impact of opening/closing inventory and other[2]	**(3.4)**	**-**			
Cost of sales for purposes of unit cost calculation	**86.9**	**3.5**			
Sales volume for the period	**8.9**	**210**			
Volume units	Millions of pounds	Gigawatt hours			
Unit operating cost[3][4]	**$ 9.80**	**$ 17.12**			
Unit operating cost (US$ per pound) (NDCC)[5]	**$ 7.24**				

Unit operating cost/Net direct cash cost (continued)

$ millions, except unit cost and sales volume, for the three months ended March 31					2023
	Metals	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Cost of sales per financial statements	$ 144.5	$ 3.4	$ 7.7	$ (96.3)	$ 59.3
Less:					
Depletion, depreciation and amortization in cost of sales	(13.5)	(0.5)			
	131.0	2.9			
Adjustments to cost of sales:					
Cobalt by-product, fertilizer and other revenue	(55.1)	-			
Cobalt gain	(0.5)	-			
Impact of opening/closing inventory and other[2]	(11.0)	-			
Cost of sales for purposes of unit cost calculation	64.4	2.9			
Sales volume for the period	7.4	158			
Volume units	Millions of pounds	Gigawatt hours			
Unit operating cost[3][4]	$ 8.74	$ 19.37			
Unit operating cost (US$ per pound) (NDCC)[5]	$ 6.46				

(1) Other is composed of the cost of sales of the Oil and Gas and Corporate and Other reportable segments.
(2) Other is primarily composed of royalties and other contributions, sales discounts, effect of average exchange rate changes and other non-cash items.
(3) Unit operating cost/NDCC may not calculate exactly based on amounts presented due to foreign exchange and rounding.
(4) Power, unit operating cost price per MWh.
(5) Unit operating costs in US$ are converted at the average exchange rate for the period.

Adjusted net earnings/loss from continuing operations and adjusted net earnings/loss from continuing operations per share

The Corporation defines adjusted net earnings/loss from continuing operations as net earnings/loss from continuing operations less items not reflective of the Corporation's current or future operational performance. These adjusting items include, but are not limited to, inventory write-downs/obsolescence, impairment of assets, gains and losses on the acquisition or disposal of assets, unrealized foreign exchange gains and losses, gains and losses on financial assets and liabilities and other one-time adjustments that have not occurred in the past two years and are not expected to recur in the next two years. While some adjustments are recurring (such as unrealized foreign exchange (gain) loss and revaluations of allowances for expected credit losses (ACL)), management believes that they do not reflect the Corporation's current or future operational performance.

Net earnings/loss from continuing operations at Oil and Gas is deducted from/added back to adjusted earnings/loss from continuing operations as the segment is not currently exploring for or producing oil and gas and its financial results relate to ancillary drilling services, provided to a customer and CUPET, and environmental rehabilitation costs for legacy assets, which are not reflective of the Corporation's core operating activities or future operational performance. The adjustment for net earnings/loss from continuing operations at Oil and Gas represented a change in the composition of adjusted net earnings/loss from continuing operations during the three months ended December 31, 2023 to better reflect the Corporation's core operating activities and future operational performance and the prior year measure has been restated for comparative purposes.

Adjusted net earnings/loss from continuing operations per share is defined consistent with the definition above and divided by the Corporation's weighted-average number of common shares outstanding.

Management uses these measures internally and believes that they provide investors with performance measures with which to assess the Corporation's current or future operational performance by adjusting for items or transactions that are not reflective of its current or future operational performance.

The table below reconcile net (loss) earnings from continuing operations and net (loss) earnings from continuing operations per share, both per the financial statements, to adjusted net (loss) earnings from continuing operations and adjusted net (loss) earnings from continuing operations per share, respectively:

Adjusted net earnings/loss from continuing operations and adjusted net earnings/loss from continuing operations per share (continued)

For the three months ended March 31		2024 $ millions		2024 $/share		2023 $ millions		2023 $/share
Net (loss) earnings from continuing operations	$	**(40.9)**	$	**(0.10)**	$	13.6	$	0.03
Adjusting items:								
Sherritt - Unrealized foreign exchange loss - continuing operations		**-**		**-**		0.9		-
Sherritt's share - Severance related to restructuring		**3.5**		**0.01**		-		-
Corporate and Other - Gain on repurchase of notes		**-**		**-**		(1.3)		-
Metals - Moa JV - Inventory write-down/obsolescence		**0.9**		**-**		0.3		-
Metals - Fort Site - Inventory write-down/obsolescence		**0.9**		**-**		-		-
Power - Loss (gain) on revaluation of GNC receivable		**10.5**		**0.02**		(8.5)		(0.02)
Power - (Gain) loss on revaluation of Energas payable		**(1.4)**		**-**		7.6		0.02
Oil and Gas - Net loss from continuing operations, net of unrealized foreign exchange gain/loss		**2.3**		**0.01**		0.9		-
Total adjustments, before tax	$	**16.7**	$	**0.04**	$	(0.1)	$	-
Tax adjustments		**(0.4)**		**-**		(0.2)		-
Adjusted net (loss) earnings from continuing operations	$	**(24.6)**	$	**(0.06)**	$	13.3	$	0.03

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Spending on capital

The Corporation defines spending on capital for each segment as property, plant and equipment and intangible asset expenditures on a cash basis adjusted to the accrual basis in order to account for assets that are available for use by the Corporation and the Moa Joint Venture prior to payment and includes adjustments to accruals. The Metals segment's spending on capital includes the Fort Site's expenditures, plus the Corporation's 50% share of the Moa Joint Venture's expenditures, which is accounted for using the equity method for accounting purposes.

Combined spending on capital is the aggregate of each segment's spending on capital or the Corporation's consolidated property, plant and equipment and intangible asset expenditures and the property, plant and equipment and intangible asset expenditures of the Moa Joint Venture on a 50% basis, all adjusted to the accrual basis.

Combined spending on capital is used by management, and management believes this information is used by investors, to analyze the Corporation and the Moa Joint Venture's investments in non-current assets that are held for use in the production of nickel, cobalt, fertilizers, oil and gas and power generation.

The tables below reconcile property, plant and equipment and intangible asset expenditures per the financial statements to combined spending on capital, expressed in Canadian dollars:

$ millions, for the three months ended March 31						**2024**
	Metals	Power	Other[1]	Combined total	Adjustment for Moa Joint Venture	Total derived from financial statements
Property, plant and equipment expenditures[2]	$ **9.5**	$ **2.6**	$ **-**	$ **12.1**	$ **(8.4)**	$ **3.7**
Intangible asset expenditures[2]	**-**	**-**	**0.2**	**0.2**	**-**	**0.2**
	9.5	**2.6**	**0.2**	**12.3**	$ **(8.4)**	$ **3.9**
Adjustments:						
Accrual adjustment	**(0.1)**	**-**	**(0.1)**	**(0.2)**		
Spending on capital	$ **9.4**	$ **2.6**	$ **0.1**	$ **12.1**		

Spending on capital (continued)

$ millions, for the three months ended March 31											2023
		Metals		Power		Other[1]		Combined total		Adjustment for Moa Joint Venture		Total derived from financial statements
Property, plant and equipment expenditures[2]	$	9.6	$	0.7	$	-	$	10.3	$	(6.7)	$	3.6
Intangible asset expenditures[2]		-		-		0.9		0.9		-		0.9
		9.6		0.7		0.9		11.2	$	(6.7)	$	4.5
Adjustments:												
Accrual adjustment		-		-		(0.7)		(0.7)				
Spending on capital	$	9.6	$	0.7	$	0.2	$	10.5				

(1) Includes property, plant and equipment and intangible asset expenditures of the Oil and Gas and Corporate and Other reportable segments.

(2) Total property, plant and equipment expenditures and total intangible asset expenditures as presented in the Corporation's condensed consolidated statements of cash flow.