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FOR IMMEDIATE RELEASE

Sherritt International Corporation reports first quarter results

Toronto, Ontario. May 1, 2003. Sherritt International Corporation today announced net earnings for the first quarter of 2003 of $34.7 million or $0.26 per restricted voting share (share) compared with net earnings of $22.4 million or $0.17 per share for the same period in 2002. EBITDA for the quarter was $82.2 million compared with $67.2 million in the prior year quarter, primarily reflecting higher earnings from the Oil and Gas business. Strong operating earnings by the Oil and Gas business, due to high oil prices and oil production, were partly offset by lower earnings from the Coal business, due to low operating margins for export metallurgical and thermal coal and suspension of operations at one mine, and higher taxes. Results for the quarter also included a $13.7 million ($6.8 million after tax) gain on the exchange of certain export metallurgical coal assets for Fording Canadian Coal Trust units.

Strategic Developments

The first quarter of 2003 represented a significant transition for Sherritt. The Corporation has expanded and refocused its Coal business to domestic thermal coal production for electricity generation and industrial heating. The Corporation's thermal coal position is one that can be expected to provide a stream of stable earnings as well as growth potential. Sherritt also maintains a substantial portfolio investment in the metallurgical coal business. As well, the generation of electricity has been elevated to one of the Corporation's four major business units, which we will refer to as "Power", and which can be expected to play a more important role.

Effective February 28, 2003, Sherritt Coal Partnership II acquired Fording Inc.'s prairie operations for cash consideration of $225 million. The prairie operations primarily comprise (i) the 50% joint venture interest in the Genesee mine and the contract mining operations at the Highvale and Whitewood mines, all of which supply coal to adjacent power plants near Edmonton, Alberta, (ii) certain coal and potash royalty agreements, and (iii) substantial non-producing coal and mineral reserves and resources. Luscar Ltd. is currently managing these assets and it is intended that they will be transferred to the Luscar Energy Partnership during the second quarter.

Luscar Ltd. has also transferred its metallurgical coal assets and port facilities to the Fording Canadian Coal Trust (Fording Trust). Luscar Ltd. and affiliates of Sherritt and Ontario Teachers' Pension Plan (Teachers'), received 3.2 million units of the Fording Trust in exchange for these assets. Sherritt also invested $100 million in the Fording Trust in exchange for approximately 2.9 million units. Sherritt subsequently sold approximately 900,000 of those units for a net loss of $0.8 million. As a result of these transactions, Sherritt has an effective 7.6% interest in the Fording Trust, which is classified as a long-term investment.

On March 28, 2003, a wholly-owned subsidiary of Sherritt amalgamated with Sherritt Power Corporation. Pursuant to the amalgamation, shareholders of Sherritt Power Corporation received 1.45 Sherritt International shares for each common share of Sherritt Power Corporation, resulting in the issuance of approximately 5.9 million shares. Concurrent with the amalgamation, $15.3 million principal amount of Sherritt Power Corporation's 12.125% notes was repaid and the terms of the remaining $105 million in principal amount of the notes became obligations of Sherritt International. The notes were also amended to, among other things, change the interest rate to 9.875%, postpone any further principal payments until the maturity date and extend the maturity date to March 31, 2010.

Prior to this transaction, Sherritt accounted for its investment in Sherritt Power Corporation using the equity method of accounting. As a result, Sherritt's share of Sherritt Power's net loss for the three months ended March 31, 2003 is included in share of loss of equity investments. Sherritt now owns 100% of the assets previously held by Sherritt Power and accordingly, Sherritt's balance sheet at March 31, 2003 includes 100% of Sherritt Power's assets and liabilities. Going forward, revenue and expenses previously recorded by Sherritt Power Corporation will now be included in Sherritt's statement of operations.

Consolidated Operating Results

(millions of dollars, except per share amounts)	Three months ended March 31 2003	2002
Revenue	$ 207.5	$ 184.2
EBITDA [1]	82.2	67.2
Operating earnings [1]	40.2	31.1
Net earnings	34.7	22.4
Earnings per share		
Basic	0.26	0.17
Diluted	0.21	0.13
Weighted average number of shares (millions)	98.0	97.7

(1) Operating earnings and EBITDA do not have any standardized meaning prescribed by Canadian generally accepted accounting principles and are therefore unlikely to be comparable with similar measures presented by other issuers. Reference should be made to the Supplementary Financial Information at the end of this news release for a description of operating earnings and EBITDA and a reconciliation of operating earnings and EBITDA to earnings before taxes.

Consolidated revenue was $207.5 million for the quarter compared with $184.2 million for the same period in 2002. Oil and Gas revenue was $69.3 million for the quarter, $26.6 million higher than the first quarter of 2002 and reflected a 53% increase in the realized oil price and higher oil production. Metals revenue for the quarter of $64.4 million was $7.8 million higher than the prior year quarter, as higher realized nickel prices more than offset lower nickel sales volumes. Partly offsetting these revenue increases was a $10.6 million decline in revenue of the Coal business to $65.3 million for the quarter, reflecting the absence of the Highvale contract for two months, partly offset by new revenue from thermal coal investments made at the end of February.

Operating, selling, general and administrative costs of $125.3 million for the first quarter of 2003 were $8.3 million higher than the $117.0 million incurred during the first quarter of 2002, primarily due to higher operating costs at the Metals and Oil and Gas businesses. The increased Metals costs were primarily due to higher energy costs and raw material costs and the increased Oil and Gas costs reflected certain one-time items and higher treatment, transportation and facility costs.

Depletion and amortization expense was $39.9 million for the quarter compared with $33.6 million for the same period in 2002, mainly as a result of higher oil production and depletion rates.

Net financing income (expense) was comprised of the following items:

(millions of dollars)	Three months ended March 31	
	2003	2002
Investment income	$ 7.1	$ 2.1
Interest expense	(6.1)	(5.8)
Foreign exchange gains	1.5	1.1
Realized loss on sale of investments	(0.8)	(1.6)
	$ 1.7	$ (4.2)

Investment income during the first quarter included $0.9 million ($0.26 per Fording Trust unit) of cash distributions received from the Fording Trust. An additional $0.74 per unit special distribution received during the quarter was recorded as a reduction of the investment cost.

Sherritt's effective tax rate for the first quarter of 2003 was 32%. The increase in the effective tax rate over the first quarter of 2002 primarily reflected the initiation of income taxes on the Oil and Gas business following recovery of cost recovery pools in all producing blocks and the gain on disposal of the metallurgical assets, which was taxed at an effective rate of 50%. The effective tax rate for the quarter is not indicative of cash taxes paid or expected to be paid by Sherritt. Cash taxes paid during the quarter amounted to $12.8 million and primarily occurred in the Metals and Oil and Gas businesses. The Corporation continues to discuss elements of the methodology of calculating income taxes with Cuban tax authorities. In particular, the procedure for claiming profit reinvestment tax credits allowed under Cuban law, are still under negotiation.

Consolidated Cash Flow

Cash and short-term investments at March 31, 2003 totaled $71.3 million compared with $193.0 million at the end of 2002.

Consolidated net cash from operations, defined as cash from operations less capital expenditures, was $35.2 million for the quarter. Cash from operating activities before working capital changes was $68.2 million for the quarter. Working capital and other items resulted in a net use of cash of $6.9 million, as an increase in accounts payable was more than offset by higher receivables. The increase in accounts payable primarily comprised accrued interest on the Sherritt convertible debentures and Luscar senior notes, deferred revenue related to spring fertilizer sales and the timing of operating and capital expenditures. The increase in accounts receivable primarily comprised higher Oil and Gas and Metals receivables reflecting higher realized prices. Capital expenditures were $26.1 million for the quarter; $2.0 million lower than the prior year period, primarily due to lower expenditures by the Coal and Oil and Gas businesses.

Other investing activities, excluding capital expenditures, resulted in a net cash outflow of $189.6 million and primarily comprised the purchase of Fording's prairie operations, the purchase of Sherritt Power Corporation and the cost of the Fording Trust units acquired by Sherritt.

Cash provided by financing activities of $32.7 million comprised increases in debt.

Consolidated Financial Position

Total assets at March 31, 2003 were $2.3 billion.

Current assets, which primarily consist of cash and short-term investments, accounts receivable and inventory, totaled $581.6 million at March 31, 2003 compared with $640.8 million at the end of 2002. The $59.2 million decrease was primarily due to lower cash balances due to investing activities, partly offset by higher accounts receivable and higher advances and loans receivable. The increase in accounts receivable reflected the consolidation of Sherritt Power's accounts receivable and higher oil and nickel receivables as a result of higher commodity prices. The increase in advances and loans receivable reflected Sherritt Power's recoverable project costs as a result of the acquisition.

Capital assets were $1,337.0 million at the end of March 2003 compared with $1,124.3 million on December 31, 2002. The $212.7 million increase mainly resulted from the inclusion of capital assets of Sherritt Power and the net increase in capital assets of the Coal business following the Fording transactions.

Long-term investments were $134.1 million at March 31, 2003 versus $99.5 million at the end of 2002. The increase in investments reflected the inclusion of Fording Trust units acquired by Sherritt, partly offset by the elimination of the Sherritt Power investment, which is now consolidated following the acquisition.

Accounts payable and accrued liabilities were $195.0 million at March 31, 2003 compared with $130.9 million at the end of 2002. The increase is primarily comprised of accrued interest on the Sherritt convertible debentures and Luscar senior notes, deferred revenue related to spring fertilizer sales and the timing of operating and capital expenditures.

Consolidated long-term debt of $350.3 million at March 31, 2003 increased by $95.1 million during the quarter, primarily reflecting the $105 million of senior debentures assumed as part of the Sherritt Power acquisition.

Outlook

The outlook for earnings for 2003 remains a function of commodity prices and general economic activity. Production volumes are generally expected to remain at the high levels experienced in 2002 or increase in the case of electricity output by Power. The exception is the decline in output of export thermal coal expected by Coal. Management's expectation of strong earnings in 2003 is very much dependent on the continued strength of oil and nickel prices.

Sherritt's share of coal production is expected to be approximately 17 million tonnes in 2003, reflecting the acquisition of the prairie thermal coal operations and the disposition of Sherritt's metallurgical coal assets in February. The net result of these transactions is expected to increase operating earnings of the Coal business in 2003. Sherritt also expects to record approximately $10 million of income anticipated as a reimbursement in connection with the redemption in May 2003 of a Luscar promissory note related to a coal supply agreement. Export thermal coal markets are weak. The indefinite suspension of operations at Obed Mountain mine and reduced production at Coal Valley mine are expected to reduce Sherritt's annual coal production by about 0.5 million tonnes compared with 2002, which can be expected to reduce operating losses from these mines. Luscar's recently announced restructuring and rationalization program to exploit the similarities of each of its mining operations and enhance overall efficiencies, will result in reduced operating costs, enhanced productivity and increased profitability and cash flow. Capital expenditures for the Coal business are expected to be approximately $30 million in 2003 including approximately $12 million attributable to the Highvale mine and Genesee mine expansion, both acquired from Fording.

Production capabilities at the Metals business are expected to be essentially unchanged in 2003, with lower ore grades (more in line with the average reserve ore grade) being offset by incremental process improvements. Nickel and cobalt sales are expected to be comparable to 2002 levels. Sherritt will also review opportunities to minimize the impact of expected continued high energy and raw material costs, which will offset some of the potential gains from the anticipated higher nickel prices. Capital expenditures for the Metals business are expected to be approximately $20 million in 2003.

Current production estimates indicate that Cuban oil production levels experienced during the first quarter will continue for the balance of the year, although net oil production in Cuba is closely dependent on exploration and development drilling. The outlook for oil prices is somewhat uncertain with the apparent cessation of hostilities in Iraq. Capital expenditures by Oil and Gas are expected to be approximately $110 million for 2003, but will be managed throughout the year to reflect cash generation by the unit.

The 75 megawatt combined cycle expansion of the Varadero facility of Power has been connected to the Cuban grid and is ramping up production. The expansion began earning revenue in February 2003. Capital expenditures by Power for the remainder of the year are anticipated to be minimal. The Energas joint venture's electricity production is expected to be up 27% over 2002, with production in 2003 expected to be about 1.4 million megawatt hours. Power continues to examine various expansion opportunities.

Sherritt continues to evaluate the long-term prospects of its soybean-based food processing, cellular telecommunications and tourism businesses in Cuba with a view to enhancing returns for the Corporation's shareholders from these assets.

On May 1, 2003, the Corporation announced that it had filed a preliminary short form prospectus with Canadian securities regulators to qualify a public offering of its restricted voting shares. Sherritt intends to raise approximately $75 million of new equity in the offering subject to an option in favour of the underwriters to purchase an additional $25 million restricted voting shares. The final size of the offering and the price per restricted voting share will be determined upon receipt of all requisite regulatory approvals, at the time of filing the final short form prospectus. The net proceeds of this equity issue will be used by Sherritt to fund the growth requirements of its recently acquired coal operations, associated and related expansion opportunities, and for general corporate purposes.

Operating Review

COAL

	Three months ended March 31 2003	2002
Financial (millions of dollars) [(1)]		
Revenue	$ 65.3	$ 75.9
Operating, selling, general and administrative	51.6	55.4
	13.7	20.5
Depletion and amortization	11.5	10.6
Provision for site restoration and abandonment	1.6	1.8
Operating earnings	$ 0.6	$ 8.1
Capital Expenditures [(1)]	$ 2.4	$ 4.8
Sales Volumes (thousands of tonnes) [(1)]		
Metallurgical operations	237	296
Thermal operations	3,259	4,299
	3,496	4,595
Realized Prices (per tonne)		
Metallurgical operations	$ 61.71	$ 65.59
Thermal operations	15.27	13.13

(1) Represents the Corporation's 50% share of Luscar Energy Partnership and prairie operations owned by Sherritt Coal Partnership II.

Sherritt has initiated a program in its Coal business to exploit the similarities of each of its mining operations and through the use of shared technologies and best-available mining practices, to enhance the efficiency of coal production and service to customers. The restructuring will result in a flatter, more nimble organization that will empower employees and enrich their jobs. The key focus of the initiatives is to improve the safety of employees, increase cash flow and enhance the value of the Coal investment. As part of the value-enhancing program, a number of organizational changes were announced in April 2003 involving staff reductions at Luscar. The estimated pre-tax cost to Sherritt of staff reductions associated with these changes is expected to be $5.0 million and will be expensed in the second quarter.

The Coal business changed its methodology of analyzing revenue and operating results at the end of 2002. Previously, revenue and operating results were split between its export and domestic businesses. As a result of the refocus of the business, the volume of export coal in future years will not be as significant. Accordingly, this discussion reviews results from the perspective of the metallurgical coal assets and thermal coal assets. From March 2003 onwards, the Coal business will comprise only thermal coal assets and a royalty income stream.

Operating earnings were $0.6 million on revenues of $65.3 million for the three months ended March 31, 2003 compared with earnings of $8.1 million on revenues of $75.9 million for the same period last year. Lower average selling prices at the export thermal coal mines and lower margins from the metallurgical operations contributed to the decrease in operating earnings in the first quarter. Operating results also included approximately $3 million of severance primarily related to the Obed Mountain mine. Revenue in the first quarter included $0.9 million of coal and potash royalties from the newly acquired assets.

Revenue from thermal coal operations for the first quarter was $49.7 million compared with $56.4 million for the same period last year. Approximately 70% of thermal coal revenue was derived from mine-mouth operations, which included one month of revenue from the Genesee mine and the Highvale/Whitewood mine contracts. For the quarter, sales from the mine-mouth operations were comparable with the same period last year as additional sales from the assets acquired offset lower sales at the Paintearth and Poplar River mines, where coal deliveries were impacted by scheduled maintenance at the generating stations they supply. Other revenue from thermal coal operations is derived from short-term contracts for the sale of coal to industrial customers and other domestic and overseas electric utilities. For the quarter, other revenue from thermal coal operations was lower than in the same period last year due to lower sales volumes and lower average realized prices in the export thermal coal market where oversupply has led to intense competition among world suppliers. Production at the Obed Mountain mine was suspended in April for an indefinite period as a result of conditions in the export thermal market. The Coal Valley mine has also been affected by weak export thermal coal markets and was temporarily shut down for three weeks in April to reduce coal inventories. Sales volumes from Coal Valley are expected to be higher in the second half of the year, but conditions in the export thermal coal market continue to be monitored and further production cutbacks may be required. Revenue from contract mining operations was $5.5 million lower than in the first quarter of last year due to the absence of the Highvale mining contract in January and February, which was reacquired along with the Whitewood mining contract in late February.

Revenue from metallurgical coal operations for the quarter was $14.7 million compared with $19.5 million for the same period last year. The decrease was a result of the disposition of the metallurgical coal assets on February 28.

The operating margin for the thermal operations (calculated after site restoration and abandonment but before selling and administrative costs and depletion and amortization) was $3.72 per tonne for the first quarter this year compared with $3.97 per tonne for the same period last year. Lower margins from export thermal coal operations this quarter were partly offset by proportionately less contract mining in the sales mix, which typically has low margins.

Excluding the impact of $1.2 million in severance costs related to the Luscar mine operations, the operating margin from metallurgical operations was $5.69 per tonne for the first quarter compared with $9.10 per tonne for the prior year period. The decrease was due to the higher production costs at the Luscar mine where production was from higher cost pits that were added to extend the life of the mine.

Capital expenditures were $2.4 million for the quarter compared with $4.8 million in the same period last year. Spending was primarily to maintain and upgrade mine operations.

METALS

	Three months ended March 31 2003	2002
Financial (millions of dollars) (1)		
Revenue	$ 64.4	$ 56.6
Operating, selling, general and administrative	49.5	40.3
	14.9	16.3
Depletion and amortization	4.6	4.8
Provision for site restoration and abandonment	0.2	0.3
Operating earnings	$ 10.1	$ 11.2
Capital Expenditures (1)	$ 2.6	$ 1.4
Sales Volumes		
Nickel (thousands of pounds) (1)	8,611	9,113
Cobalt (thousands of pounds) (1)	909	860
Fertilizers (tonnes)	26,198	19,743
Production Volumes (tonnes)		
Mixed sulphides containing nickel and cobalt (1)	3,992	4,199
Nickel (1)	3,864	4,061
Cobalt (1)	396	392
Realized Prices (per pound)		
Nickel	$ 5.48	$ 4.56
Cobalt	11.34	11.60
Average Reference Prices (U.S. per pound)		
Nickel	3.79	2.82
Cobalt	7.73	6.95

(1) Represents the Corporation's 50% share of the Metals Enterprise and the Corporation's marketing and trading activities in commodity metals.

The Metals business generated operating earnings of $10.1 million on revenue of $64.4 million during the first quarter of 2003, compared with operating earnings of $11.2 million on revenue of $56.6 million for the same period last year. Revenue for the quarter increased as higher realized nickel prices more than offset lower nickel sales volumes than in the first quarter of 2002. Finished production for the first quarter was lower than the first quarter of 2002, due largely to the timing of maintenance activities and variability in process conditions, which were addressed in the latter part of the first quarter.

Operating, selling, general and administrative costs for the quarter were $49.5 million compared with $40.3 million in the prior year period, due largely to higher energy and raw material costs, and a strengthening of the Canadian dollar.

The London Metal Exchange settlement price for nickel averaged U.S.$3.79 per pound in the first quarter of 2003 compared with U.S.$2.82 per pound in the first quarter of 2002. Continued strong stainless steel production, the largest end use for nickel, combined with tight stainless steel scrap availability and the expectation of a continued strong demand outlook for nickel contributed to the price increase in the quarter. The Metal Bulletin 99.3% free market cobalt price averaged U.S.$7.73 per pound for the first quarter in 2003, compared with U.S.$6.95 per pound during the same period last year. The higher cobalt price was primarily a result of declining availability of high grade cobalt and renewed concerns about cobalt supply from Africa.

The Moa mining and processing facilities produced a total of 7,984 tonnes of nickel plus cobalt contained in mixed sulphides in the first quarter 2003 compared with a total of 8,397 tonnes during the first quarter 2002. The Fort Saskatchewan refinery produced a total of 7,727 tonnes of finished nickel in the first quarter of 2003, compared with a total of 8,121 tonnes in the first quarter of 2002. Total finished cobalt production for the first quarter of 2003 was 792 tonnes compared with 783 tonnes during the same period last year. The lower nickel and mixed sulphide production rates were largely a result of the timing of maintenance activities during the first two months of the quarter and in the case of mixed sulphide production, the impact of lower ore grade. Higher cobalt production reflected higher cobalt content in the feed to the refinery.

An operating loss of $0.9 million was incurred from the sale of fertilizer products during the first quarter of 2003 compared with earnings of $0.3 million during the same period in 2002, due largely to higher energy and raw material costs, partially offset by higher fertilizer prices.

Capital expenditures of $2.6 million in the first quarter of 2003 were primarily directed towards maintaining and upgrading plant operations with the remainder directed towards environmental initiatives.

OIL AND GAS

	Three months ended March 31 2003	2002
Financial (millions of dollars)		
Revenue	$ 69.3	$ 42.7
Operating, selling, general and administrative	13.0	8.9
	56.3	33.8
Depletion and amortization	21.0	15.3
Provision for site restoration and abandonment	0.3	0.4
Operating earnings	$ 35.0	$ 18.1
Capital Expenditures	$ 18.0	$ 21.7
Gross Working Interest Production (thousands of barrels)		
Cuba (1)	4,049	2,987
Spain	48	58
	4,097	3,045
Net Sales Volume (thousands of barrels)		
Cuba (2)	2,054	1,824
Spain	48	58
	2,102	1,882
Realized Prices (per barrel)		
Cuba	$ 32.73	$ 21.07
Spain	41.19	34.02
Average Reference Prices (U.S. per barrel)		
U.S. Gulf Coast Fuel Oil No. 6	26.51	16.02

(1) Gross working interest production refers to oil production after allocation to joint venture partners but before allocation to agencies of the Cuban Government.

(2) Gross working interest production in Cuba is allocated to the Corporation and agencies of the Cuban Government in accordance with participation and production-sharing arrangements. Net working interest production or net sales volumes represents the Corporation’s share of gross working interest production. Net working interest 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 costs within each block). These 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. Production allocated to agencies of the Cuban Government is considered to be a royalty interest.

The Oil and Gas business generated revenue for the first quarter of $69.3 million, $26.6 million higher than the same period last year. The increase in revenue reflected higher realized oil prices and a 12% increase in net oil sales.

Operating, selling, general and administrative costs for the quarter of $13.0 million increased by $4.1 million compared with the prior year period. On a net sales volume basis, operating, selling, general and administrative costs were $6.19 per barrel for the first quarter compared with $4.72 per barrel for the first quarter of 2002. The increase in unit costs primarily comprised certain one-time items, higher treatment and transportation costs and the inclusion of operating costs associated with the Yumuri oil treatment facility, which entered service during the quarter. This facility will eliminate production bottlenecks experienced in the Yumuri and Seboruco oil fields resulting from trucking and fluid disposal. The costs of constructing and operating this facility will be recovered through allocation to cost recovery pools.

Depletion and amortization expense, based on the Corporation's share of oil produced for the first quarter of 2003, was $10.01 per barrel compared with $8.13 per barrel for the first quarter of 2002. The increase over last year reflects a combination of reserve adjustments and higher gross working interest production, on which depletion is based.

Gross working interest oil production in Cuba for the first quarter was 44,987 barrels per day, a 36% increase over the same period last year. The higher production primarily arose from new wells in the Canasi and Yumuri fields in Cuba. The Corporation's net working interest oil production in Cuba during the quarter was 22,821 barrels per day compared with 20,270 barrels per day for the prior year period. The Corporation's net working interest in oil production for the first quarter of 2003 was largely unchanged from the fourth quarter of 2002. Natural declines contributed to a 16% decrease in production from Spain compared with the first quarter in 2002.

The average realized oil price in the first quarter of 2003 was $32.93 per barrel compared with $21.47 per barrel for the first quarter of 2002. The U.S. Gulf Coast Fuel Oil No. 6 average reference price was U.S.$26.51 per barrel for the first quarter of 2003 compared with U.S.$16.02 per barrel for the same period in 2002.

The Corporation participated in the drilling of three development wells in Cuba during the first quarter of 2003. One development well was drilled in each of the Varadero and Canasi fields, and one well commenced in the Puerto Escondido field. In addition, one water disposal well was drilled in Canasi and one well was re-entered to conduct remedial work in the Varadero field. Construction of the Canasi oil treatment facility is expected to be complete by the end of the second quarter.

OTHER BUSINESSES

	Three months ended March 31	
	2003	2002
Financial (millions of dollars)		
Revenue	$ 8.5	$ 9.0
Operating, selling, general and administrative	6.1	7.3
	2.4	1.7
Depletion and amortization	1.9	1.8
Operating earnings (loss)	$ 0.5	$ (0.1)
Share of Loss of Equity Investments	$ 0.4	$ 0.2
Capital Expenditures	1.7	0.1

First quarter operating earnings from Other Businesses were $0.5 million compared with a loss of $0.1 million for the first quarter of 2002, due primarily to higher earnings by the telecommunications business, reflecting strong subscriber growth, and lower losses by the soybean-based food processing business.

The share of loss from equity investments for the quarter included results of Sherritt Power Corporation and the tourism businesses. As a result of the Sherritt Power acquisition, which closed on March 28, 2003, Sherritt will commence consolidating the results of its Power assets and reporting them as a major business unit in the second quarter.

Capital expenditures during the quarter were primarily incurred by the telecommunications business on a new switch to ensure sufficient capacity to handle anticipated future growth. The switch is expected to be operational during the second quarter.

This news release contains forward-looking statements. These forward-looking statements are not based on historical facts, but rather on Sherritt'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 management 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, with assets of $2.3 billion, is a diversified Canadian natural resource company that operates in Canada, Cuba and internationally. Sherritt's 104 million restricted voting shares and $600 million of 6% convertible debentures trade on the Toronto Stock Exchange under the symbols S and S.DB, respectively. Sherritt's $105 million 9.875% senior unsecured debentures trade on the over-the-counter bond market.

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Consolidated Balance Sheets

[millions of Canadian dollars]	March 31 2003 (unaudited)	December 31 2002 (audited)
ASSETS		
Current assets		
Cash and short-term investments	$ 71.3	$ 193.0
Restricted cash	10.1	17.6
Advances and loans receivable	71.1	38.5
Accounts receivable	299.2	251.4
Inventories	110.4	113.0
Overburden removal costs	2.3	14.7
Prepaid expenses	11.9	7.9
Future income taxes	5.3	4.7
	581.6	640.8
Capital assets	1,337.0	1,124.3
Investments	134.1	99.5
Future income taxes	37.8	38.2
Other assets	186.6	122.7
	$ 2,277.1	$ 2,025.5
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Short-term debt	$ 59.8	$ 32.1
Accounts payable and accrued liabilities	195.0	130.9
Current portion of long-term debt	13.1	12.5
Site restoration and abandonment	12.9	8.7
Future income taxes	1.3	1.7
Swaps and forward contracts	0.9	1.5
	283.0	187.4
Long-term debt	337.2	242.7
Site restoration and abandonment	39.7	45.2
Future income taxes	204.7	190.9
Minority interest	5.4	5.0
	870.0	671.2
Shareholders' equity		
Convertible debentures	587.3	587.3
Capital stock	478.4	451.0
Contributed surplus	199.8	199.8
Retained earnings	141.6	116.2
	1,407.1	1,354.3
	$ 2,277.1	$ 2,025.5

Consolidated Statements Of Operations
(unaudited)

[millions of Canadian dollars except per share amounts]	Three months ended March 31 2003	2002
Revenue	$ 207.5	$ 184.2
Operating, selling, general and administrative	125.3	117.0
Earnings before undernoted items	82.2	67.2
Depletion and amortization	39.9	33.6
Write-down of Anaconda Nickel investment	4.0	-
Gain on disposal of metallurgical coal assets	(13.7)	-
Provision for site restoration and abandonment	2.1	2.5
Share of loss of equity investments	0.4	0.3
Financing expense (income)	(1.7)	4.2
Minority interest	0.4	0.2
Earnings before taxes	50.8	26.4
Income taxes		
Current	10.1	5.5
Future	6.0	(1.5)
	16.1	4.0
Net earnings	$ 34.7	$ 22.4
Earnings per restricted voting share		
Basic	$ 0.26	$ 0.17
Diluted	0.21	0.13

Consolidated Statements Of Retained Earnings
(unaudited)

[millions of Canadian dollars]	Three months ended March 31 2003	2002
Beginning of period	$ 116.2	$ 79.0
Net earnings	34.7	22.4
Interest on convertible debentures	(9.3)	(5.4)
End of period	$ 141.6	$ 96.0

Consolidated Statements Of Cash Flow
(unaudited)

[millions of Canadian dollars]	Three months ended March 31 2003	2002
Operating activities		
Net earnings	$ 34.7	$ 22.4
Items not affecting cash		
Depletion and amortization	39.9	33.6
Write-down of investments	4.0	-
Gain on sale of metallurgical assets	(13.7)	-
Site restoration and abandonment	-	0.3
Future income taxes	6.0	(1.5)
Foreign exchange gains	(1.5)	(1.1)
Other items	(1.2)	3.8
Cash provided before working capital changes	68.2	57.5
Decrease (increase) in non-cash working capital		
Accounts receivable	(42.4)	32.0
Inventories	5.8	(7.3)
Overburden removal costs	0.5	(0.4)
Prepaid expenses	(3.6)	(4.8)
Accounts payable and accrued liabilities	32.8	14.3
	(6.9)	33.8
Cash provided from operating activities	61.3	91.3
Investing activities		
Capital expenditures	(26.1)	(28.1)
Proceeds from sale of investments	27.0	-
Investments and acquisition of businesses	(210.4)	3.0
Net proceeds from sale of capital assets	0.6	0.2
Restricted cash	7.5	(2.8)
Other assets	(14.3)	(0.3)
Cash used for investing activities	(215.7)	(28.0)
Financing activities		
Short-term debt	27.6	(1.9)
Long-term debt	5.1	(0.8)
Cash provided by (used for) financing activities	32.7	(2.7)
Increase (decrease) in net cash	(121.7)	60.6
Net cash at beginning of period	193.0	124.1
Net cash at end of period	$ 71.3	$ 184.7

Net cash consists of cash and short-term investments.

Supplementary Consolidated Financial Information
(unaudited)

Reference should be made to Sherritt's consolidated financial statements for a full description of operating segments. Following the acquisition of Sherritt Power, Sherritt will report a new Power segment commencing the second quarter. Total assets of this Power segment were approximately $210 million as at March 31, 2003.

EBITDA is defined as revenue less operating, selling, general and administrative costs. EBITDA has been disclosed in order to provide an indication of revenue less cash operating expenses. Operating earnings is a measure used by Sherritt to evaluate operating performance of its operating businesses as it eliminates interest charges, which are a function of the particular financing structure for the business, and certain other charges.

EBITDA and operating earnings do not have any standardized meaning prescribed by Canadian generally accepted accounting principles and are therefore unlikely to be comparable with similar measures presented by other issuers. The Corporation previously included provision for site restoration and abandonment and share of loss of equity investments as deductions when calculating EBITDA and changed the definition in order to provide a better indication of cash flow by business unit.

A reconciliation of EBITDA and operating earnings to net earnings before tax follows:

Three months ended March 31, 2003

(Millions of Canadian dollars)	Coal	Metals	Oil and Gas	Other	Corporate	Consolidated
Revenue	$ 65.3	$ 64.4	$ 69.3	$ 8.5	-	$ 207.5
Operating, selling, general and administrative	51.6	49.5	13.0	6.1	5.1	125.3
EBITDA	13.7	14.9	56.3	2.4	(5.1)	82.2
Depletion and amortization	11.5	4.6	21.0	1.9	0.9	39.9
Provision for site restoration and abandonment	1.6	0.2	0.3	-	-	2.1
Operating earnings	0.6	10.1	35.0	0.5	(6.0)	40.2
Write-down of Anaconda Nickel investment						(4.0)
Gain on disposal of metallurgical coal assets						13.7
Share of loss of equity investments						(0.4)
Net financing income						1.7
Minority interest						(0.4)
Earnings before income taxes						$ 50.8

Three months ended March 31, 2002

(Millions of Canadian dollars)	Coal	Metals	Oil and Gas	Other	Corporate	Consolidated
Revenue	$ 75.9	$ 56.6	$ 42.7	$ 9.0	-	$ 184.2
Operating, selling, general and administrative	55.4	40.3	8.9	7.3	5.1	117.0
EBITDA	20.5	16.3	33.8	1.7	(5.1)	67.2
Depletion and amortization	10.6	4.8	15.3	1.8	1.1	33.6
Provision for site restoration and abandonment	1.8	0.3	0.4	-	-	2.5
Operating earnings	8.1	11.2	18.1	(0.1)	(6.2)	31.1
Share of loss of equity investments						(0.3)
Net financing expense						(4.2)
Minority interest						(0.2)
Earnings before income taxes						26.4