Q3

2023 THIRD QUARTER REPORT

Sherritt International Corporation

For the three months and nine months ended September 30, 2023

For immediate release

Sherritt Reports Third Quarter 2023 Results

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE U.S.

TORONTO – November 1, 2023 – Sherritt International Corporation ("Sherritt", the "Corporation") (TSX: S), a world leader in using hydrometallurgical processes to mine and refine nickel and cobalt – metals deemed critical for the energy transition, today reported its financial results for the three and nine months ended September 30, 2023. All amounts are in Canadian currency unless otherwise noted.

"We are pleased with the progress of our Moa expansion project. The project remains on track and we expect reliable ore flows to the Moa plant with the completion of phase one early next year. Once the full expansion is complete, we expect to achieve higher production levels from 2025 onwards, benefitting us over a mine life that exceeds 20 years," said Leon Binedell, President and CEO of Sherritt International.

Mr. Binedell continued, "While we were successful advancing our expansion project, the third quarter was one marked by challenges. Market conditions softened, particularly for nickel, and we faced a number of concurrent production challenges related to adverse weather, supply chain logistics and unplanned maintenance. Our team responded effectively to reduce the impacts to our operations and largely resolved the maintenance outages by the end of the quarter. Despite the near-term headwinds in EV adoption and slower than expected supply chain development, we remain encouraged on our long-term outlook with the energy transition set to drive significant demand for the critical minerals we produce which aligns well with the timing of our expansion."

SELECTED Q3 2023 DEVELOPMENTS

- Sold approximately 97% of the total 2,082 tonnes of cobalt received under the Cobalt Swap agreement; remaining cobalt expected to be sold and all cash to be received by end of year.
- Available liquidity in Canada was $104.2 million.
- Sherritt's share of finished nickel and cobalt production at the Moa JV was 3,841 tonnes and 410 tonnes compared to 4,443 tonnes and 419 tonnes in Q3 2022, respectively.
- Finished nickel sales volumes were lower than the prior year period and finished production volumes in the current quarter primarily due to lower demand for nickel from steel mills after summer shutdowns and delayed sales by customers. Higher mixed hydroxide precipitate (MHP) and matte intermediate availability also led to lower metal purchasing in Asia.
- Net direct cash cost (NDCC)[(1)] was US$7.24/lb compared to US$6.76/lb in Q3 2022 primarily due to the impact of lower nickel sales volumes, lower fertilizer by-product credits and higher maintenance costs, partly offset by higher cobalt by-product credits.
- Power production increased by 37% compared to Q3 2022 primarily from the receipt of gas from two wells that went into production in the second quarter and improved equipment availability.
- Net loss from continuing operations was $24.8 million, or $(0.06) per share in Q3 2023, compared to a net loss from continuing operations of $26.9 million, or $(0.07) per share, in Q3 2022.
- Adjusted EBITDA[(1)] was $(9.1) million compared to $37.4 million in Q3 2022 primarily as a result of delayed nickel sales, lower fertilizer sales volumes and lower cobalt and fertilizer average-realized prices[(1)]. Adjusted EBITDA includes an $8.9 million write-down of fertilizer inventory and a $5.8 million increase in environmental rehabilitation obligations (ERO) on legacy Oil and Gas Spanish assets.
- Based on its results to date, Sherritt has provided updates to its 2023 guidance.

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

Q3 2023 FINANCIAL HIGHLIGHTS

	For the three months ended			For the nine months ended		
$ millions, except per share amount	**2023 September 30**	2022 September 30	Change	**2023 September 30**	2022 September 30	Change
Revenue	**$ 36.4**	$ 30.2	21%	**$ 188.5**	$ 130.2	45%
Combined revenue[1]	**132.4**	190.1	(30%)	**523.0**	613.8	(15%)
(Loss) earnings from operations and joint venture	**(23.8)**	21.3	(212%)	**-**	118.8	(100%)
Net (loss) earnings from continuing operations	**(24.8)**	(26.9)	8%	**(10.9)**	71.0	(115%)
Net (loss) earnings for the period	**(24.8)**	(26.3)	6%	**(11.2)**	70.5	(116%)
Adjusted EBITDA[1]	**(9.1)**	37.4	(124%)	**46.5**	197.9	(77%)
Adjusted net (loss) earnings from continuing operations	**(19.3)**	13.9	(239%)	**(6.7)**	95.0	(107%)
Net (loss) earnings from continuing operations ($ per share)	**(0.06)**	(0.07)	14%	**(0.03)**	0.18	(117%)
Cash provided by continuing operations for operating activities	**4.4**	18.8	(77%)	**46.3**	50.0	(7%)
Combined free cash flow[1]	**(11.7)**	0.1	nm[2]	**23.2**	21.9	6%
Average exchange rate (CAD/US$)	**1.341**	1.306	3%	**1.346**	1.283	5%

(1) Non-GAAP financial measures. For additional information see the Non-GAAP and other financial measures section of this press release.
(2) nm = not meaningful

$ millions, as at	**2023 September 30**	2022 December 31	Change
Cash and cash equivalents			
Canada	**$ 22.7**	$ 20.3	12%
Cuba[1]	**96.9**	101.7	(5%)
Other	**0.8**	1.9	(58%)
	120.4	123.9	(3%)
Loans and borrowings	**316.5**	350.9	(10%)
The Corporation's share of cash and cash equivalents in the Moa Joint Venture, not included in the above balances:	**$ 16.1**	$ 21.8	(26%)

(1) As at September 30, 2023, $92.5 million of the Corporation's cash and cash equivalents was held by Energas (December 31, 2022 - $96.7 million).

Cash and cash equivalents as at September 30, 2023 were $120.4 million, compared to $176.0 million as at June 30, 2023. During Q3 2023, Sherritt received $23.7 million in cash from the sale of cobalt to third parties and used $40.0 million to pay down its revolving credit facility, $15.0 million as a short-term advance to the Moa JV under their credit facility, $12.2 million for operating activities at Fort Site including the impact of receipts from fertilizer pre-sales, $6.9 million for property, plant and equipment, and $3.4 million for the interest payment on the 10.75% unsecured PIK option notes (PIK Notes).

As at September 30, 2023, total available liquidity in Canada, which is composed of cash and cash equivalents in Canada and available credit facilities of $81.5 million was $104.2 million compared to $124.8 million at June 30, 2023.

Subsequent to the quarter end, Sherritt received an additional $1.5 million in cash from the sale of cobalt to third parties and paid $9.4 million in interest on its second lien notes. At the interest payment date, the Corporation was not required to make a mandatory redemption of second lien notes as it did not meet the minimum liquidity threshold as defined in the indenture agreement.

REVIEW OF OPERATIONS

Metals

$ millions (Sherritt's share), except as otherwise noted	For the three months ended 2023 September 30	2022 September 30	Change	For the nine months ended 2023 September 30	2022 September 30	Change
FINANCIAL HIGHLIGHTS						
Revenue[1][2]	**$ 115.7**	$ 176.0	(34%)	**$ 477.8**	$ 571.6	(16%)
Cost of Sales[1]	**128.1**	151.0	(15%)	**454.8**	398.3	14%
(Loss) earnings from operations	**(14.9)**	22.5	(166%)	**19.9**	167.4	(88%)
Adjusted EBITDA[2]	**(0.8)**	34.8	(102%)	**62.3**	206.7	(70%)
CASH FLOW						
Cash provided by continuing operations for operating activities	**$ 10.7**	$ 29.3	(63%)	**$ 112.5**	$ 90.0	25%
Free cash flow[2]	**(3.0)**	11.9	(125%)	**73.1**	49.7	47%
PRODUCTION VOLUMES (tonnes)						
Mixed Sulphides	**4,037**	4,216	(4%)	**11,570**	12,248	(6%)
Finished Nickel	**3,841**	4,443	(14%)	**10,592**	12,022	(12%)
Finished Cobalt	**410**	419	(2%)	**1,108**	1,261	(12%)
Fertilizer	**48,400**	62,841	(23%)	**158,615**	187,893	(16%)
NICKEL RECOVERY[3] (%)	**88%**	87%	1%	**87%**	88%	(1%)
SALES VOLUMES (tonnes)						
Finished Nickel	**2,845**	4,487	(37%)	**9,377**	11,393	(18%)
Finished Cobalt	**526**	347	52%	**2,321**	993	134%
Fertilizer	**21,389**	27,373	(22%)	**114,652**	108,763	5%
AVERAGE-REFERENCE PRICE (USD)						
Nickel (US$ per pound)	**$ 9.23**	$ 10.01	(8%)	**$ 10.38**	$ 11.66	(11%)
Cobalt (US$ per pound)[4]	**16.58**	26.26	(37%)	**16.50**	33.35	(51%)
AVERAGE-REALIZED PRICE[2] **(CAD)**						
Nickel ($ per pound)	**$ 12.54**	$ 12.94	(3%)	**$ 14.29**	$ 14.69	(3%)
Cobalt ($ per pound)	**17.64**	28.21	(37%)	**17.51**	37.59	(53%)
Fertilizer ($ per tonne)	**389.43**	531.10	(27%)	**612.73**	823.91	(26%)
UNIT OPERATING COST[2] **(US$ per pound)**						
Nickel - net direct cash cost	**$ 7.24**	$ 6.76	7%	**$ 6.97**	$ 4.39	59%
SPENDING ON CAPITAL[2]**(CAD)**						
Sustaining	**$ 12.8**	$ 16.2	(21%)	**$ 32.3**	$ 44.4	(27%)
Growth	**2.9**	1.9	53%	**9.1**	3.0	203%
	$ 15.7	$ 18.1	(13%)	**$ 41.4**	$ 47.4	(13%)

(1) The Financial Highlights, and cash flow amounts for Metals combine the operations of the Moa JV, Fort Site and Metals Marketing. Breakdowns of revenue, Adjusted EBITDA, and the components of free cash flow (cash provided (used) by continuing operations for operating activities and Property, plant and equipment expenditures) for each of these operations are included in the Combined Revenue, Adjusted EBITDA and Free cash flow reconciliations, respectively, in the Non-GAAP and other financial measures section of this press release.

(2) Non-GAAP financial measures. For additional information see the Non-GAAP and other financial measures section of this press release.

(3) The nickel recovery rate measures the amount of finished nickel that is produced compared to the original nickel content of the ore that was mined.

(4) Average standard-grade cobalt price published per Argus.

Revenue for the three months ended September 30, 2023 was $115.7 million compared to $176.0 million in same period of the prior year.

Finished nickel revenue for the three months ended September 30, 2023 was $78.6 million compared to $128.0 million in the prior year period as result of lower sales volumes and lower average-realized prices[1]. While average nickel reference prices were 8% lower, the average-realized prices were only 3% lower. Average-realized prices are impacted by the timing of deliveries, the timing of settlement against contract terms and the value of the Canadian dollar against the U.S. dollar. Average-realized prices for the three months ended September 30, 2023 were positively impacted by a stronger U.S. dollar relative to the Canadian dollar compared to the prior year period.

Finished nickel sales volumes for the three months ended September 30, 2023 were lower than the prior year period and finished production volumes in the current quarter primarily due to lower demand for nickel from steel mills after summer shutdowns. Higher MHP and matte intermediate availability also led to lower metal purchasing in Asia, with delivery of new China cathodes to the London Metal Exchange (LME) highlighting the lower nickel metal demand in the region. Decreases in nickel prices have delayed some sales to consumers anticipating the bottom of the current nickel price cycle to be realized in the near-term. Sales volumes for the three months ended September 30, 2023 were also lower compared to the same prior year period where Sherritt successfully reduced the inventory build-up from Q2 2022 in part through higher netback sales to other markets and new customers.

Finished cobalt revenue, including cobalt sold by Sherritt under the Cobalt Swap and Sherritt's 50% share of cobalt sold by the Moa JV, for the three months ended September 30, 2023 was $20.4 million compared to $21.5 million in the prior year period. While cobalt sales volumes of 526 tonnes were 52% higher, revenue was impacted by 37% lower average-realized prices. As of September 30, 2023 Sherritt had sold approximately 97% of the cobalt received under the Cobalt Swap and expects to sell the remaining cobalt and receive all remaining cash by end of year.

Based on Sherritt's 50% share, cobalt sales volumes were 401 tonnes compared to 347 tonnes in Q3 2022 primarily due to a general improvement in demand as consumers took advantage of buying at the perceived bottom of the price cycle and took the opportunity to restock inventories. In addition, Sherritt increased its customer base in the current year.

Fertilizer revenue for the three months ended September 30, 2023 was $8.3 million compared to $15.0 million in the prior year period. Sales volumes for the three months ended September 30, 2023 were 22% lower on lower fertilizer production due to maintenance and 27% lower average-realized prices compared to the prior year period.

Mixed sulphides production at the Moa JV for the three months ended September 30, 2023 was 4,037 tonnes, down 4% from the same period in the prior year primarily due to required maintenance on the ore thickener and lower ore grades. Logistical delays in the delivery of purchased sulphuric acid required during planned sulphuric acid plant maintenance resulted in ore processing reductions at the end of the third quarter and into the early part of the fourth quarter.

Finished nickel production for the three months ended September 30, 2023 totaled 3,841 tonnes,14% lower than the prior year period primarily as a result of lower mixed sulphides feed availability at the refinery. The first shipment of additional third-party feed initially expected to be received in the third quarter was temporarily delayed as result of Hurricane Lee. Approximately 650 tonnes (100% basis) of the additional feed is expected to be received and processed in the fourth quarter.

Finished cobalt production for the three months ended September 30, 2023 of 410 tonnes was 2% lower compared to the prior year period for the same reasons as the lower nickel production.

Fertilizer production for the three months ended September 30, 2023 was 23% lower, compared to the prior year period in line with metals production and the impact of reduced ammonia plant availability resulting from unplanned maintenance during the year and planned maintenance in the current year quarter.

Mining, processing and refining (MPR) costs per pound of nickel sold for the three months ended September 30, 2023, which includes Sherritt's share of cost of the Cobalt Swap and Moa JV cobalt sold in the current year period, was up 3% compared to the prior year period. The higher MPR costs were primarily attributable to the impact of lower nickel production and sales volumes, higher maintenance costs, and the cost associated with the significantly higher cobalt sales volumes in the current year period. MPR costs in the three-month period ended September 30, 2023 were positively impacted by lower input commodity prices, including a 65% decrease in sulphur prices, a 29% decrease each of diesel and natural gas prices, and a 19% decrease in fuel oil prices.

NDCC[1] per pound of nickel sold for the three months ended September 30, 2023 increased to US$7.24/lb from US$6.76/lb in the prior year period primarily due to the impact of lower nickel sales volumes and lower fertilizer by-product credits, partly offset by higher cobalt by-product credits[2].

Sustaining spending on capital[1] for the three months ended September 30, 2023 was $12.8 million compared to $16.2 million in the prior year period, primarily due to timing of planned spending at both the Moa JV and Fort Site.

Growth spending on capital for the three months ended September 30, 2023 was $2.9 million, most of which was related to spending on the slurry preparation plant as part of the Moa JV expansion program.

(1) Non-GAAP financial measures. For additional information see the Non-GAAP and other financial measures section of this press release.
(2) Cobalt by-product credits include Sherritt's share of cobalt revenue per pound of nickel sold only.

Moa JV expansion program update

The Moa JV expansion program was specifically designed to minimize the risks of capital overruns and project delays which were anticipated following the COVID-19 pandemic. The low capital intensity of our expansion program, at approximately US$13,200 per additional annual tonne of contained nickel, minimizes risks to our liquidity during volatile market conditions as currently experienced with the slower than anticipated EV supply chain demand.

The Moa JV continued to advance the expansion program at the mine site in Q3 2023. Progress included:

Slurry Preparation Plant (SPP):

- installation of piping was completed and installation of electrical cable tray, electrical cables and instrumentation is progressing on schedule and nearing completion;
- slurry and water return pipelines are complete and pre-commissioning has commenced; and
- the commissioning plan was completed and the pre-commissioning plan has started on project systems that are mechanically complete.

The SPP construction remains on budget and expected to commence operations in early-2024.

Processing Plant:

- 95% of procurement packages, including all long lead-items, for the Sixth Leach Train have been awarded, and remain within budget;
- an effort-hour loaded schedule has been finalized for the Sixth Leach Train with construction scheduled to commence in Q2 2024;
- engineering for the Fifth Sulphide Precipitation Train has been completed and ordering of equipment and materials will commence in 2024; and
- the construction permit has been granted by the Cuban authorities for the acid tanks and the contract is being finalized with the vendor for the supply of the materials and erection of the tanks.

The processing plant expansion remains on budget and on schedule for an expected end of year 2024 completion with commissioning and ramp up in 2025.

Power

$ millions (33 ⅓% basis), except as otherwise noted	For the three months ended 2023 September 30	2022 September 30	Change	For the nine months ended 2023 September 30	2022 September 30	Change
FINANCIAL HIGHLIGHTS						
Revenue	**$ 11.9**	$ 9.0	32%	**$ 33.1**	$ 26.6	24%
Cost of sales	**5.7**	6.8	(16%)	**15.6**	19.3	(19%)
Earnings from operations	**5.6**	1.4	300%	**14.8**	4.2	252%
Adjusted EBITDA(1)	**6.2**	5.5	13%	**16.6**	16.2	2%
CASH FLOW						
Cash provided by continuing operations for operating activities	**$ 2.8**	$ 9.1	(69%)	**$ 9.5**	$ 23.9	(60%)
Free cash flow(1)	**2.2**	6.1	(64%)	**7.6**	20.4	(63%)
PRODUCTION AND SALES						
Electricity (GWh(2))	**190**	139	37%	**520**	409	27%
AVERAGE-REALIZED PRICE(1)						
Electricity ($/MWh(2))	**$ 56.30**	$ 57.02	(1%)	**$ 57.23**	$ 55.67	3%
UNIT OPERATING COSTS(1)						
Electricity ($/MWh)	**27.06**	20.04	35%	**27.07**	18.60	46%
SPENDING ON CAPITAL(1)						
Sustaining	**$ 0.6**	$ 3.0	(80%)	**$ 1.9**	$ 3.5	(46%)

(1) Non-GAAP financial measures. For additional information see the Non-GAAP and other financial measures section of this press release.
(2) Gigawatt hours (GWh), Megawatt hours (MWh).

Revenue for the three months ended September 30, 2023 was $11.9 million, up 32% compared to the prior year period primarily due to higher production.

Electricity production for the three months ended September 30, 2023 was 190 GWh compared to 139 GWh in the prior year period. The increase in electricity production is a result of increased equipment availability and additional gas from two gas wells that went into production in Q2 2023. The gas is provided to Energas free of charge by Union Cubapetroleo for use in power generation. Opportunities to further increase gas supply for additional power production in 2024 continue to be investigated.

Unit operating costs(1) for the three months ended September 30, 2023 were $27.06/MWh compared to $20.04/MWh for the prior year period primarily driven by the timing of planned maintenance activities, partly offset by higher sales volumes.

The Power business unit had $0.6 million spending on capital(1) in Q3 2023 primarily driven by maintenance activities.

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

Technologies

During the three months ended September 30, 2023, Technologies:

- continued to advance development of strategic growth opportunities for Sherritt, provide technical support, process optimization and technology development services to the Moa JV and the Fort Site and support the Moa JV's expansion program;
- continued its MHP test program supported by a funding commitment from Natural Resources Canada (NRCan);
- advanced its flowsheet enhancements on its next-generation laterite (NGL) processing technology and commenced new batch testing on specific laterite opportunities to test NGL's applicability; and
- continued to progress on commercialization activities around proprietary technologies and innovative industry solutions.

OUTLOOK

2023 production volumes, unit operating costs and spending on capital guidance

Production volumes, unit operating costs and spending on capital	Guidance for 2023 - Total	Year-to-date actuals - Total	Updated 2023 guidance - Total
Production volumes			
Moa Joint Venture (tonnes, 100% basis)			
Nickel, finished	30,000 – 32,000	21,184	29,000 – 30,000
Cobalt, finished	3,100 – 3,400	2,216	2,900 – 3,100
Electricity (GWh, 33⅓% basis)	650 – 700	520	No change
Unit operating costs(1)			
Metals – NDCC (US$ per pound)	$6.75 – $7.25	$6.97	No change
Electricity (unit operating cost, $ per MWh)	$27.25 – $28.75	$27.07	No change
Spending on capital(1)($ millions)			
Sustaining			
Metals: Moa Joint Venture (50% basis), Fort Site (100% basis)	$70.0	$32.3	$50.0
Power (33⅓% basis)	$4.4	$1.9	No change
Growth			
Metals: Moa Joint Venture (50% basis)	$20.0	$9.1	$15.0
Spending on capital(2)	$94.4	$43.3	$69.4

(1) Non-GAAP financial measures. For additional information see the Non-GAAP and other financial measures section of this press release.
(2) Excludes spending on capital of the Metals Marketing, Oil and Gas, Technologies and Corporate segments.

Metals

Supply chain logistics challenges resulted in delays receiving equipment replacement parts, sulphuric acid, and additional third-party feed, which impacted production in Q3 2023. Based on nickel and cobalt production for the nine months ended September 30, 2023, of 21,184 tonnes and of 2,216 tonnes (100% basis), respectively, Sherritt has updated its 2023 production guidance to 29,000 – 30,000 tonnes of nickel and 2,900 – 3,100 tonnes of cobalt. NDCC guidance for 2023 of US$6.75/lb – US$7.25/lb remains unchanged.

For sustaining spending on capital, Sherritt has reduced its 2023 guidance from $70.0 million to $50.0 million based on its spending for the nine months ended September 30, 2023. Sherritt continues to manage its capital spending in a prudent manner and has the ability to decrease spending or defer certain capital items due to market conditions.

For growth spending on capital, Sherritt has reduced its 2023 guidance from $20.0 million to $15.0 million based on its spending for the nine months ended September 30, 2023 of $9.1 million. This reduction in spending is related to the timing of spending for non-critical path items whereby the project timing and overall budget remains unchanged.

Power

2023 guidance ranges for electricity production, unit operating cost and spending on capital remain unchanged.

CONFERENCE CALL AND WEBCAST

Sherritt will hold its conference call and webcast November 2, 2023 at 10:00 a.m. Eastern Time to review its Q3 2023 results. Dial-in and webcast details are as follows:

North American callers, please dial:	1 (888) 886-7786 **Passcode: 79249342**
International callers, please dial:	1 (416) 764-8658 **Passcode: 79249342**
Live webcast:	www.sherritt.com

Please dial in 15 minutes before the start of the call to secure a line. Alternatively, listeners can access the conference call and presentation via the webcast available on Sherritt's website.

An archive of the webcast and replay of the conference call will also be available on the website.

FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Sherritt's condensed consolidated financial statements and MD&A for the three and nine months ended September 30, 2023 are available at www.sherritt.com and should be read in conjunction with this news release. Financial and operating data can also viewed in the investor relations section of Sherritt's website on SEDAR at www.sedarplus.ca.

NON-GAAP AND OTHER FINANCIAL MEASURES

Management uses the following non-GAAP and other financial measures in this press release and other documents: combined revenue, adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA), average-realized price, unit operating cost/net direct cash cost (NDCC), adjusted net earnings/loss from continuing operations, adjusted earnings/loss from continuing operations per share, spending on capital and combined free cash flow.

Management uses these 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 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 do not have a standard definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. As these measures do not have a standardized meaning, they may not be comparable to similar measures provided by other companies.

The non-GAAP and other financial measures are reconciled to their most directly comparable IFRS measures in the Appendix below. This press release should be read in conjunction with Sherritt's consolidated financial statements for the three and nine months ended September 30, 2023.

ABOUT SHERRITT INTERNATIONAL CORPORATION

Sherritt is a world leader in using hydrometallurgical processes to mine and refine nickel and cobalt – metals deemed critical for the energy transition. Sherritt's Moa Joint Venture has a current estimated mine life of 26 years and has embarked on an expansion program focused on increasing annual mixed sulphide precipitate production by 20% or 6,500 tonnes of contained nickel and cobalt (100% basis). The Corporation's Power division, through its ownership in Energas S.A., is the largest independent energy producer in Cuba with installed electrical generating capacity of 506 MW, representing approximately 10% of the national electrical generating capacity in Cuba. The Energas facilities are comprised of two combined cycle plants that produce low-cost electricity from one of the lowest carbon emitting sources of power in Cuba. Additionally, its Technologies Group creates innovative, proprietary solutions for natural resource-based industries around the world to improve environmental performance and increase economic value. Sherritt's common shares are listed on the Toronto Stock Exchange under the symbol "S".

FORWARD-LOOKING STATEMENTS

This press release contains certain forward-looking statements. Forward-looking statements can generally be identified by the use of statements that include such words as “believe”, “expect”, “anticipate”, “intend”, “plan”, “forecast”, “likely”, “may”, “will”, “could”, “should”, “suspect”, “outlook”, “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; commercializing Technologies projects and growing shareholder value; statements set out in the “Outlook” section of this press release; certain expectations regarding production volumes and increases, inventory levels, operating costs and 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; the anticipated repayment of all outstanding receivables through dividends, including in the form of finished cobalt or cash, the timing and amount of cobalt dividend distributions; sales of finished cobalt and associated receipts; the impact of the U.S. sanctions on Cuba; anticipated economic conditions in Cuba; 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; production results; realized prices for production; earnings and revenues; global demand for electric vehicles and the anticipated corresponding demand for cobalt and nickel; the commercialization of certain proprietary technologies and services; 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; environmental risks and liabilities; compliance with applicable environmental laws and regulations; risks related to the U.S. government policy toward Cuba; and certain corporate objectives, goals and plans for 2023. 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 press release not to place undue reliance on any forward-looking statement as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements. These risks, uncertainties and other factors include, but are not limited to, security market fluctuations and price volatility; level of liquidity and the related ability of the Moa Joint Venture to pay dividends; access to capital; access to financing; the risk to Sherritt’s entitlements to future distributions (including pursuant to the Cobalt Swap) from the Moa Joint Venture, the impact of infectious diseases (including the COVID-19 pandemic), the impact of global conflicts; changes in the global price for nickel, cobalt, oil, gas, fertilizers or certain other commodities; 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; 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; 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; risks related to environmental liabilities including liability for reclamation costs, tailings facility failures and toxic gas releases; 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; risk of future non-compliance with debt restrictions and covenants; 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; potential interruptions in transportation; uncertainty of gas supply for electrical generation; reliance on key personnel and skilled workers; growth opportunity risks; the possibility of equipment and other failures; 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; risks associated with the operation of large projects generally; risks related to the accuracy of capital and operating cost estimates; foreign exchange and pricing risks; credit risks; shortage of equipment and supplies; competition in product markets; future market access; interest rate changes; risks in obtaining insurance; uncertainties in labour relations; 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 2023; 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 and nine months ended September 30, 2023 and the Annual Information Form of the Corporation dated March 31, 2023 for the period ending December 31, 2022, 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 press release and in the Corporation's other documents filed with the Canadian securities authorities should be read for a description of certain factors that could cause the actual results of the Corporation to differ materially from those in the oral forward-looking statements. The forward-looking information and statements contained in this press release are made as of the date hereof and the Corporation undertakes no obligation to update publicly or revise any oral or written forward-looking information or statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. The forward-looking information and statements contained herein are expressly qualified in their entirety by this cautionary statement.

For further investor information contact:
Tom Halton
Director, Investor Relations and Corporate Affairs
Telephone: (416) 935-2451
Toll-free: 1 (800) 704-6698
E-mail: investor@sherritt.com

Sherritt International Corporation
Bay Adelaide Centre, East Tower
22 Adelaide St. West, Suite 4220
Toronto, ON M5H 4E3
www.sherritt.com

APPENDIX – NON-GAAP AND OTHER FINANCIAL MEASURES

Management uses the measures below 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 evaluate the results of its underlying business. These measures are intended to provide additional information, not to replace IFRS measures, and do not have a standard definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. As these measures do not have a standardized meaning, they may not be comparable to similar measures provided by other companies.

The non-GAAP and other financial measures are reconciled to the most directly comparable IFRS measure as presented in the condensed consolidated financial statements for the three and nine months ended September 30, 2023.

Combined revenue

The Corporation uses combined revenue as a measure to help management assess the Corporation's financial performance across its operations. Combined revenue includes the Corporation's consolidated revenue and revenue of the Moa JV within the Metals reportable segment on a 50% basis, which is accounted for using the equity method for accounting 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:

	For the three months ended			For the nine months ended		
	2023	2022		**2023**	2022	
$ millions	**September 30**	September 30	Change	**September 30**	September 30	Change
Revenue by reportable segment						
Metals[1]	**$ 115.7**	$ 176.0	(34%)	**$ 477.8**	$ 571.6	(16%)
Power	**11.9**	9.0	32%	**33.1**	26.6	24%
Technologies	**0.3**	0.2	50%	**1.0**	1.3	(23%)
Oil and Gas	**4.4**	4.7	(6%)	**10.6**	13.7	(23%)
Corporate	**0.1**	0.2	(50%)	**0.5**	0.6	(17%)
Combined revenue	**$ 132.4**	$ 190.1	(30%)	**$ 523.0**	$ 613.8	(15%)
Adjustment for Moa Joint Venture	**(96.0)**	(159.9)		**(334.5)**	(483.6)	
Financial statement revenue	**$ 36.4**	$ 30.2	21%	**$ 188.5**	$ 130.2	45%

(1) Revenue of Metals for the three months ended September 30, 2023 is composed of revenue recognized by the Moa JV of $96.0 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 $7.2 million and Metals Marketing of $12.5 million, both of which are included in consolidated revenue (for the three months ended September 30, 2022 - $159.9 million, $14.0 million and $2.1 million, respectively). Revenue of Metals for the nine months ended September 30, 2023 is composed of revenue recognized by the Moa JV of $334.5 million (50% basis), coupled with revenue recognized by Fort Site of $57.2 million and Metals Marketing of $86.1 million (for the nine months ended September 30, 2022 - $483.6 million, $81.6 million and $6.4 million, respectively).

Adjusted EBITDA

The Corporation defines Adjusted EBITDA as earnings (loss) from operations and joint venture, which excludes net finance 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.

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 earnings from operations and joint venture per the financial statements to Adjusted EBITDA:

$ millions, for the three months ended September 30	Metals(1)	Power	Technologies	Oil and Gas	Corporate	Adjustment for Moa Joint Venture	Total **2023**
(Loss) earnings from operations and joint venture per financial statements	**$ (14.9)**	**$ 5.6**	**$ (3.7)**	**$ (7.0)**	**$ (4.2)**	**$ 0.4**	**$ (23.8)**
Add:							
Depletion, depreciation and amortization	**2.2**	**0.6**	**-**	**0.1**	**0.3**	**-**	**3.2**
Adjustments for share of earnings of Moa Joint Venture:							
Depletion, depreciation and amortization	**10.4**	**-**	**-**	**-**	**-**	**-**	**10.4**
Impairment of property, plant and equipment	**1.5**	**-**	**-**	**-**	**-**	**-**	**1.5**
Net finance income	**-**	**-**	**-**	**-**	**-**	**(2.8)**	**(2.8)**
Income tax expense	**-**	**-**	**-**	**-**	**-**	**2.4**	**2.4**
Adjusted EBITDA	**$ (0.8)**	**$ 6.2**	**$ (3.7)**	**$ (6.9)**	**$ (3.9)**	**$ -**	**$ (9.1)**

$ millions, for the three months ended September 30	Metals(1)	Power	Technologies	Oil and Gas	Corporate	Adjustment for Moa Joint Venture	Total 2022
Earnings (loss) from operations and joint venture per financial statements	$ 22.5	$ 1.4	$ (3.5)	$ 1.5	$ (1.1)	$ 0.5	$ 21.3
Add:							
Depletion, depreciation and amortization	2.1	4.1	-	0.1	0.1	-	6.4
Adjustments for share of earnings of Moa Joint Venture:							
Depletion, depreciation and amortization	10.2	-	-	-	-	-	10.2
Net finance expense	-	-	-	-	-	1.8	1.8
Income tax recovery	-	-	-	-	-	(2.3)	(2.3)
Adjusted EBITDA	$ 34.8	$ 5.5	$ (3.5)	$ 1.6	$ (1.0)	$ -	$ 37.4

$ millions, for the nine months ended September 30							**2023**
	Metals(1)	Power	Techno-logies	Oil and Gas	Corporate	Adjustment for Moa Joint Venture	Total
Earnings (loss) from operations and joint venture per financial statements	**$ 19.9**	**$ 14.8**	**$ (11.9)**	**$ (6.9)**	**$ (14.6)**	**$ (1.3)**	**$ -**
Add:							
Depletion, depreciation and amortization	**7.8**	**1.8**	**0.1**	**0.2**	**0.7**	**-**	**10.6**
Adjustments for share of earnings of Moa Joint Venture:							
Depletion, depreciation and amortization	**33.1**	**-**	**-**	**-**	**-**	**-**	**33.1**
Impairment of property, plant and equipment	**1.5**	**-**	**-**	**-**	**-**	**-**	**1.5**
Net finance income	**-**	**-**	**-**	**-**	**-**	**(2.4)**	**(2.4)**
Income tax expense	**-**	**-**	**-**	**-**	**-**	**3.7**	**3.7**
Adjusted EBITDA	**$ 62.3**	**$ 16.6**	**$ (11.8)**	**$ (6.7)**	**$ (13.9)**	**$ -**	**$ 46.5**

$ millions, for the nine months ended September 30							2022
	Metals(1)	Power	Techno-logies	Oil and Gas	Corporate	Adjustment for Moa Joint Venture	Total
Earnings (loss) from operations and joint venture per financial statements	$ 167.4	$ 4.2	$ (10.4)	$ 0.8	$ (15.8)	$ (27.4)	$ 118.8
Add (deduct):							
Depletion, depreciation and amortization	7.5	12.0	0.1	0.8	0.8	-	21.2
Gain on disposal of property, plant and equipment	-	-	-	(1.3)	-	-	(1.3)
Adjustments for share of earnings of Moa Joint Venture:							
Depletion, depreciation and amortization	31.8	-	-	-	-	-	31.8
Net finance expense	-	-	-	-	-	6.7	6.7
Income tax expense	-	-	-	-	-	20.7	20.7
Adjusted EBITDA	$ 206.7	$ 16.2	$ (10.3)	$ 0.3	$ (15.0)	$ -	$ 197.9

(1) Adjusted EBITDA of Metals for the three months ended September 30, 2023 is composed of Adjusted EBITDA at Moa JV of $6.4 million (50% basis), Adjusted EBITDA at Fort Site of $(7.7) million and Adjusted EBITDA at Metals Marketing of $0.5 million (for the three months ended September 30, 2022 - $31.5 million, $3.8 million and $(0.5) million, respectively).

(2) Adjusted EBITDA of Metals for the nine months ended September 30, 2023 is composed of Adjusted EBITDA at Moa JV of $72.2 million (50% basis), Adjusted EBITDA at Fort Site of $0.3 million and Adjusted EBITDA at Metals Marketing of $(10.2) million (for the nine months ended September 30, 2022 - $176.4 million, $32.0 million and $(1.7) million, respectively).

Average-realized price

Average-realized price is generally calculated by dividing revenue by sales volume for the given product in a given division. The average-realized price for power excludes by-product 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 September 30							**2023**
	Metals						
	Nickel	Cobalt	Fertilizer	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Revenue per financial statements	**$ 78.6**	**$ 20.4**	**$ 8.3**	**$ 11.9**	**$ 13.2**	**$ (96.0)**	**$ 36.4**
Adjustments to revenue:							
By-product revenue	**-**	**-**	**-**	**(1.2)**			
Revenue for purposes of average-realized price calculation	**78.6**	**20.4**	**8.3**	**10.7**			
Sales volume for the period	**6.3**	**1.2**	**21.4**	**190**			
Volume units	Millions of pounds	Millions of pounds	Thousands of tonnes	Gigawatt hours			
Average-realized price[2][3][4]	**$ 12.54**	**$ 17.64**	**$ 389.43**	**$ 56.30**			

$ millions, except average-realized price and sales volume, for the three months ended September 30							2022
	Metals						
	Nickel	Cobalt	Fertilizer	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Revenue per financial statements	$ 128.0	$ 21.5	$ 15.0	$ 9.0	$ 16.6	$ (159.9)	$ 30.2
Adjustments to revenue:							
By-product revenue	-	-	-	(1.1)			
Revenue for purposes of average-realized price calculation	128.0	21.5	15.0	7.9			
Sales volume for the period	9.9	0.8	27.4	139			
Volume units	Millions of pounds	Millions of pounds	Thousands of tonnes	Gigawatt hours			
Average-realized price[2][3][4]	$ 12.94	$ 28.21	$ 531.10	$ 57.02			

$ millions, except average-realized price and sales volume, for the nine months ended September 30							**2023**
	Metals						
	Nickel	Cobalt	Fertilizer	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Revenue per financial statements	**$ 295.5**	**$ 89.6**	**$ 70.2**	**$ 33.1**	**$ 34.6**	**$ (334.5)**	**$ 188.5**
Adjustments to revenue:							
By-product revenue	**-**	**-**	**-**	**(3.3)**			
Revenue for purposes of average-realized price calculation	**295.5**	**89.6**	**70.2**	**29.8**			
Sales volume for the period	**20.7**	**5.2**	**114.7**	**520**			
Volume units	Millions of pounds	Millions of pounds	Thousands of tonnes	Gigawatt hours			
Average-realized price[2][3][4]	**$ 14.29**	**$ 17.51**	**$ 612.73**	**$ 57.23**			

$ millions, except average-realized price and sales volume, for the nine months ended September 30							2022
	Metals						
	Nickel	Cobalt	Fertilizer	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Revenue per financial statements	$ 369.0	$ 82.2	$ 84.2	$ 26.6	$ 51.8	$ (483.6)	$ 130.2
Adjustments to revenue:							
By-product revenue	-	-	-	(3.9)			
Revenue for purposes of average-realized price calculation	369.0	82.2	84.2	22.7			
Sales volume for the period	25.1	2.2	108.8	409			
Volume units	Millions of pounds	Millions of pounds	Thousands of tonnes	Gigawatt hours			
Average-realized price[2][3][4]	$ 14.69	$ 37.59	$ 823.91	$ 55.67			

(1) Other revenue includes revenue from the Oil and Gas, Technologies and Corporate 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/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, expressed in U.S. dollars.

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 September 30					**2023**
	Metals	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Cost of sales per financial statements	**$ 128.1**	**$ 5.7**	**$ 15.1**	**$ (98.9)**	**$ 50.0**
Less:					
Depletion, depreciation and amortization in cost of sales	**(12.5)**	**(0.6)**			
	115.6	**5.1**			
Adjustments to cost of sales:					
Cobalt by-product, fertilizer and other revenue	**(37.1)**	**-**			
Cobalt gain	**(0.3)**	**-**			
Impact of opening/closing inventory and other[2]	**(18.2)**	**-**			
Cost of sales for purposes of unit cost calculation	**60.0**	**5.1**			
Sales volume for the period	**6.3**	**190**			
Volume units	Millions of pounds	Gigawatt hours			
Unit operating cost[3][4]	**$ 9.56**	**$ 27.06**			
Unit operating cost (US$ per pound) (NDCC)[5]	**$ 7.24**				

$ millions, except unit cost and sales volume, for the three months ended September 30					2022
	Metals	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Cost of sales per financial statements	$ 151.0	$ 6.8	$ 6.4	$ (137.2)	$ 27.0
Less:					
Depletion, depreciation and amortization in cost of sales	(12.3)	(4.1)			
	138.7	2.7			
Adjustments to cost of sales:					
Cobalt by-product, fertilizer and other revenue	(48.0)	-			
Impact of opening/closing inventory and other[2]	(3.6)	-			
Cost of sales for purposes of unit cost calculation	87.1	2.7			
Sales volume for the period	9.9	139			
Volume units	Millions of pounds	Gigawatt hours			
Unit operating cost[3][4]	$ 8.81	$ 20.04			
Unit operating cost (US$ per pound) (NDCC)[5]	$ 6.76				

$ millions, except unit cost and sales volume, for the nine months ended September 30					2023
	Metals	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Cost of sales per financial statements	**$ 454.8**	**$ 15.6**	**$ 29.2**	**$ (294.2)**	**$ 205.4**
Less:					
Depletion, depreciation and amortization in cost of sales	**(40.7)**	**(1.5)**			
	414.1	**14.1**			
Adjustments to cost of sales:					
Cobalt by-product, fertilizer and other revenue	**(182.3)**	**-**			
Cobalt gain	**(2.7)**	**-**			
Impact of opening/closing inventory and other[2]	**(35.3)**	**-**			
Cost of sales for purposes of unit cost calculation	**193.8**	**14.1**			
Sales volume for the period	**20.7**	**520**			
Volume units	Millions of pounds	Gigawatt hours			
Unit operating cost[3][4]	**$ 9.37**	**$ 27.07**			
Unit operating cost (US$ per pound) (NDCC)[5]	**$ 6.97**				

$ millions, except unit cost and sales volume, for the nine months ended September 30					2022
	Metals	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Cost of sales per financial statements	$ 398.3	$ 19.3	$ 23.3	$ (334.9)	$ 106.0
Less:					
Depletion, depreciation and amortization in cost of sales	(39.3)	(12.0)			
	359.0	7.3			
Adjustments to cost of sales:					
Cobalt by-product, fertilizer and other revenue	(202.6)	-			
Impact of opening/closing inventory and other[2]	(15.2)	-			
Cost of sales for purposes of unit cost calculation	141.2	7.3			
Sales volume for the period	25.1	409			
Volume units	Millions of pounds	Gigawatt hours			
Unit operating cost[3][4]	$ 5.62	$ 18.60			
Unit operating cost (US$ per pound) (NDCC)[5]	$ 4.39				

(1) Other is composed of the cost of sales of the Oil and Gas and Technologies reportable segments.
(2) Other is primarily composed of royalties and other contributions, sales discounts 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 operational performance. These adjusting items include, but are not limited to, inventory 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. 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 operational performance or future operational performance. 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 core operations by adjusting for items or transactions that are not reflective of its core operating activities.

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:

		2023		2022
For the three months ended September 30	**$ millions**	**$/share**	$ millions	$/share
Net loss from continuing operations	**$ (24.8)**	**$ (0.06)**	$ (26.9)	$ (0.07)
Adjusting items:				
Sherritt - Unrealized foreign exchange gain - continuing operations	**(0.9)**	**-**	(4.6)	(0.01)
Metals - Moa JV - Impairment of property, plant and equipment	**1.5**	**-**	-	-
Metals - Moa JV - Inventory write-down/obsolescence	**1.6**	**-**	0.1	-
Metals - Fort Site - Inventory write-down/obsolescence	**7.3**	**0.02**	-	-
Metals - Metals Marketing - Cobalt gain	**0.3**	**-**	-	-
Oil and Gas and Power - Trade accounts receivable, net ACL revaluation	**-**	**-**	(1.1)	-
Power - Energas conditional sales agreement ACL revaluation[1]	**-**	**-**	48.5	0.12
Power - Revaluation of Energas payable	**0.5**	**-**	-	-
Power - Revaluation of GNC receivable	**(5.0)**	**(0.01)**	-	-
Total adjustments, before tax	**$ 5.3**	**$ 0.01**	$ 42.9	$ 0.11
Tax adjustments	**0.2**	**-**	(2.1)	(0.01)
Adjusted net (loss) earnings from continuing operations	**$ (19.3)**	**$ (0.05)**	$ 13.9	$ 0.03

For the nine months ended September 30	2023 $ millions	2023 $/share	2022 $ millions	2022 $/share
Net (loss) earnings from continuing operations	$ **(10.9)**	$ **(0.03)**	$ 71.0	$ 0.18
Adjusting items:				
Sherritt - Unrealized foreign exchange loss (gain) - continuing operations	**0.2**	**-**	(9.5)	(0.02)
Corporate - Gain on repurchase of notes	**(3.5)**	**(0.01)**	(13.8)	(0.03)
Corporate - Transaction finance charges on repurchase of notes	**-**	**-**	1.2	-
Corporate - Unrealized losses on commodity put options	**-**	**-**	(0.9)	-
Corporate - Realized losses on commodity put options	**-**	**-**	0.9	-
Metals - Moa JV - Impairment of property, plant and equipment	**1.5**	**-**	-	-
Metals - Moa JV - Inventory write-down/obsolescence	**3.0**	**0.01**	0.5	-
Metals - Fort Site - Inventory write-down/obsolescence	**8.1**	**0.02**	-	-
Metals - Metals Marketing - Inventory write-down/obsolescence	**1.1**	**-**	-	-
Metals - Metals Marketing - Cobalt gain	**2.7**	**0.01**	-	-
Oil and Gas - Gain on disposal of PP&E	**-**	**-**	(1.3)	-
Oil and Gas and Power - Trade accounts receivable, net ACL revaluation	**-**	**-**	0.4	-
Power - Energas conditional sales agreement ACL revaluation(1)	**-**	**-**	49.0	0.12
Power - Revaluation of Energas payable	**8.9**	**0.02**	-	-
Power - Revaluation of GNC receivable	**(18.2)**	**(0.04)**	-	-
Total adjustments, before tax	$ **3.8**	$ **0.01**	$ 26.5	$ 0.07
Tax adjustments	**0.4**	**-**	(2.5)	(0.01)
Adjusted net (loss) earnings from continuing operations	$ **(6.7)**	$ **(0.02)**	$ 95.0	$ 0.24

(1) In the comparative period, Power recognized a non-cash loss of $48.5 million and $49.0 million, respectively, during the three and nine months ended September 30, 2022 on the revaluation of the ACL on the Energas CSA as a result of the Cobalt Swap signed by the Corporation subsequent to the comparative period end and, in part, due to the suspension of interest over the five-year period of the agreement.

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 Moa Joint Venture and Fort Site 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 September 30						**2023**
	Metals	Power	Other(1)	Combined total	Adjustment for Moa Joint Venture	Total derived from financial statements
Property, plant and equipment expenditures(2)	$ **13.7**	$ **0.6**	$ **0.2**	$ **14.5**	$ **(7.6)**	$ **6.9**
Intangible asset expenditures(2)	**-**	**-**	**0.1**	**0.1**	**-**	**0.1**
	13.7	**0.6**	**0.3**	**14.6**	$ **(7.6)**	$ **7.0**
Adjustments:						
Accrual adjustment	**2.0**	**-**	**-**	**2.0**		
Spending on capital	$ **15.7**	$ **0.6**	$ **0.3**	$ **16.6**		

$ millions, for the three months ended September 30									2022
		Metals		Power		Other[1]	Combined total	Adjustment for Moa Joint Venture	Total derived from financial statements
Property, plant and equipment expenditures[2]	$	17.4	$	3.0	$	0.1	$ 20.5	$ (10.1)	$ 10.4
Intangible asset expenditures[2]		-		-		-	-	-	-
		17.4		3.0		0.1	20.5	$ (10.1)	$ 10.4
Adjustments:									
Accrual adjustment		0.7		-		-	0.7		
Spending on capital	$	18.1	$	3.0	$	0.1	$ 21.2		

$ millions, for the nine months ended September 30									**2023**
		Metals		Power		Other[1]	Combined total	Adjustment for Moa Joint Venture	Total derived from financial statements
Property, plant and equipment expenditures[2]	**$**	**39.4**	**$**	**1.9**	**$**	**0.2**	**$ 41.5**	**$ (26.9)**	**$ 14.6**
Intangible asset expenditures[2]		**-**		**-**		**1.2**	**1.2**	**-**	**1.2**
		39.4		**1.9**		**1.4**	**42.7**	**$ (26.9)**	**$ 15.8**
Adjustments:									
Accrual adjustment		**2.0**		**-**		**(0.7)**	**1.3**		
Spending on capital	**$**	**41.4**	**$**	**1.9**	**$**	**0.7**	**$ 44.0**		

$ millions, for the nine months ended September 30									2022
		Metals		Power		Other[1]	Combined total	Adjustment for Moa Joint Venture	Total derived from financial statements
Property, plant and equipment expenditures[2]	$	40.3	$	3.5	$	0.1	$ 43.9	$ (25.9)	$ 18.0
Intangible asset expenditures[2]		-		-		0.6	0.6	-	0.6
		40.3		3.5		0.7	44.5	$ (25.9)	$ 18.6
Adjustments:									
Accrual adjustment		7.1		-		-	7.1		
Spending on capital	$	47.4	$	3.5	$	0.7	$ 51.6		

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

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

Combined free cash flow

The Corporation defines free cash flow for each segment as cash provided (used) by continuing operations for operating activities, less cash expenditures on property, plant and equipment and intangible assets, including exploration and evaluation assets. The Metals segment's free cash flow includes the Fort Site and Metals Marketing's free cash flow, plus the Corporation's 50% share of the Moa JV's free cash flow, which is accounted for using the equity method for accounting purposes. The Corporate segment's cash used by continuing operations for operating activities is adjusted to exclude distributions received from Moa JV.

Combined free cash flow is the aggregate of each segment's free cash flow or the Corporation's consolidated cash provided (used) by continuing operations for operating activities, less consolidated cash expenditures on property, plant and equipment and intangible assets, including exploration and evaluation assets, less distributions received from Moa JV, plus cash provided (used) by continuing operations for operating activities for the Corporation's 50% share of the Moa JV, less cash expenditures on property, plant and equipment and intangible assets for the Corporation's 50% share of the Moa JV. Distributions from the Moa JV excluded from Corporate cash used by continuing operations for operating activities are included in the Adjustment for Moa Joint Venture to arrive at total cash provided (used) by continuing operations for operating activities per the financial statements.

Free cash flow is used by management, and management believes this information is used by investors, to analyze cash flows generated from operations and assess its operations' ability to provide cash or its use of cash, after funding cash capital requirements, to service current and future working capital needs and service debt.

The tables below reconcile cash provided (used) by continuing operations for operating activities per the financial statements to combined free cash flow:

$ millions, for the three months ended September 30								**2023**
	Metals[1][2]	Power	Technol-ogies	Oil and Gas	Corporate	**Combined total**	Adjustment for Moa Joint Venture	**Total derived from financial statements**
Cash provided (used) by continuing operations for operating activities	**$ 10.7**	**$ 2.8**	**$ (3.9)**	**$ 2.6**	**$ (9.3)**	**$ 2.9**	**$ 1.5**	**$ 4.4**
Less:								
Property, plant and equipment expenditures	**(13.7)**	**(0.6)**	**-**	**(0.2)**	**-**	**(14.5)**	**7.6**	**(6.9)**
Intangible expenditures	**-**	**-**	**-**	**(0.1)**	**-**	**(0.1)**	**-**	**(0.1)**
Free cash flow	**$ (3.0)**	**$ 2.2**	**$ (3.9)**	**$ 2.3**	**$ (9.3)**	**$ (11.7)**	**$ 9.1**	**$ (2.6)**

$ millions, for the three months ended September 30								2022
	Metals[1][2]	Power	Technol-ogies	Oil and Gas	Corporate	**Combined total**	Adjustment for Moa Joint Venture	**Total derived from financial statements**
Cash provided (used) by continuing operations for operating activities	$ 29.3	$ 9.1	$ (3.6)	$ 3.4	$ (17.6)	$ 20.6	$ (1.8)	$ 18.8
Less:								
Property, plant and equipment expenditures	(17.4)	(3.0)	-	(0.1)	-	(20.5)	10.1	(10.4)
Intangible expenditures	-	-	-	-	-	-	-	-
Free cash flow	$ 11.9	$ 6.1	$ (3.6)	$ 3.3	$ (17.6)	$ 0.1	$ 8.3	$ 8.4

$ millions, for the nine months ended September 30									**2023**
	Metals[3][4]	Power	Technol-ogies	Oil and Gas	Corporate	**Combined total**	Adjustment for Moa Joint Venture	**Total derived from financial statements**
Cash provided (used) by continuing operations for operating activities	**$ 112.5**	**$ 9.5**	**$ (13.0)**	**$ 3.8**	**$ (46.9)**	**$ 65.9**	**$ (19.6)**	**$ 46.3**
Less:								
Property, plant and equipment expenditures	**(39.4)**	**(1.9)**	**-**	**(0.2)**	**-**	**(41.5)**	**26.9**	**(14.6)**
Intangible expenditures	**-**	**-**	**-**	**(1.2)**	**-**	**(1.2)**	**-**	**(1.2)**
Free cash flow	**$ 73.1**	**$ 7.6**	**$ (13.0)**	**$ 2.4**	**$ (46.9)**	**$ 23.2**	**$ 7.3**	**$ 30.5**

$ millions, for the nine months ended September 30								2022
	Metals[3][4]	Power	Technol-ogies	Oil and Gas	Corporate	**Combined total**	Adjustment for Moa Joint Venture	**Total derived from financial statements**
Cash provided (used) by continuing operations for operating activities	$ 90.0	$ 23.9	$ (10.6)	$ (2.2)	$ (34.7)	$ 66.4	$ (16.4)	$ 50.0
Less:								
Property, plant and equipment expenditures	(40.3)	(3.5)	-	(0.1)	-	(43.9)	25.9	(18.0)
Intangible expenditures	-	-	-	(0.6)	-	(0.6)	-	(0.6)
Free cash flow	$ 49.7	$ 20.4	$ (10.6)	$ (2.9)	$ (34.7)	$ 21.9	$ 9.5	$ 31.4

(1) Cash (used) provided by continuing operations for operating activities for the Moa JV, Fort Site and Metals Marketing was $(1.8) million, $(12.2) million and $24.7 million, respectively, for the three months ended September 30, 2023 (September 30, 2022 - $2.0 million, $23.5 million and $3.8 million, respectively).

(2) Property, plant and equipment expenditures and intangible expenditures for the Moa JV, Fort Site and Metals Marketing was $7.5 million, $6.2 million and nil, respectively, for the three months ended September 30, 2023 (September 30, 2022 - $10.1 million, $7.3 million and nil, respectively).

(3) Cash provided (used) by continuing operations for operating activities for the Moa JV, Fort Site and Metals Marketing was $51.6 million, $(17.4) million and $78.3 million, respectively, for the nine months ended September 30, 2023 (September 30, 2022 - $60.0 million, $31.4 million and $(1.4) million, respectively).

(4) Property, plant and equipment expenditures and intangible expenditures for the Moa JV, Fort Site and Metals Marketing was $26.8 million, $12.6 million and nil, respectively, for the nine months ended September 30, 2023 (September 30, 2022 - $25.9 million, $14.4 million and nil, respectively).

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2023

This Management's Discussion and Analysis (MD&A) is intended to help the reader understand Sherritt International Corporation's operations, financial performance and the present and future business environment. This MD&A, which has been prepared as of November 1, 2023, should be read in conjunction with Sherritt's condensed consolidated financial statements for the three and nine months ended September 30, 2023 and Sherritt's audited consolidated financial statements and the MD&A for the year ended December 31, 2022. Additional information related to the Corporation, including the Corporation's Annual Information Form, is available on SEDAR at www.sedarplus.ca or on the Corporation's website at www.sherritt.com.

References to "Sherritt" or the "Corporation" refer to Sherritt International Corporation and its share of subsidiaries and joint arrangements, unless the context indicates otherwise. All amounts are in Canadian dollars, unless otherwise indicated. References to "US$" are to United States (U.S.) dollars.

Securities regulators allow companies to disclose forward-looking information to help investors understand a company's future prospects. This MD&A contains statements about Sherritt's future financial condition, results of operations and business. See the end of this report for more information on forward-looking statements.

The business we manage

Sherritt is a world leader in using hydrometallurgical processes to mine and refine nickel and cobalt – metals deemed critical for the energy transition. Sherritt's Moa Joint Venture has a current estimated mine life of 26 years and has embarked on an expansion program focused on increasing annual mixed sulphide precipitate production by 20% or 6,500 tonnes of contained nickel and cobalt (100% basis). The Corporation's Power division, through its ownership in Energas S.A., is the largest independent energy producer in Cuba with installed electrical generating capacity of 506 MW, representing approximately 10% of the national electrical generating capacity in Cuba. The Energas facilities are comprised of two combined cycle plants that produce low-cost electricity from one of the lowest carbon emitting sources of power in Cuba. Additionally, its Technologies Group creates innovative, proprietary solutions for natural resource-based industries around the world to improve environmental performance and increase economic value. Sherritt's common shares are listed on the Toronto Stock Exchange under the symbol "S".

Sherritt manages its metals, power, technologies and oil and gas operations through different legal structures including 100%-owned subsidiaries, joint arrangements and production-sharing contracts. With the exception of the Moa Joint Venture, which Sherritt operates jointly with its partner, Sherritt is the operator of these assets. The relationship for accounting purposes that Sherritt has with these operations and the economic interest recognized in the Corporation's financial statements are as follows:

	Relationship for accounting purposes	Interest	Basis of accounting
Moa Joint Venture (Moa JV)	Joint venture	50%	Equity method
Metals Marketing	Subsidiaries	100%	Consolidation
Power	Joint operation	33⅓%	Share of assets, liabilities revenues and expenses
Oil and Gas	Subsidiary	100%	Consolidation

For financial statement purposes, the Fort Site, Technologies and Corporate operations (defined below) are a part of Sherritt International Corporation, the parent company, and are not separate legal entities. The Moa JV is accounted for using the equity method of accounting which recognizes the Corporation's share of earnings (loss) of Moa Joint Venture and its net assets as the Corporation's investment in Moa Joint Venture. The Financial results and Review of operations sections in this MD&A present amounts by reportable segment, based on the Corporation's economic interest.

The Corporation's reportable segments are as follows:

Metals: Includes the Corporation's:

Moa JV: 50% interest in the Moa JV;

Fort Site: 100% interest in the utility and fertilizer operations in Fort Saskatchewan;

Metals Marketing: 100% interests in wholly-owned subsidiaries established to market and sell Moa JV's nickel and cobalt production and the Corporation's cobalt inventory received under the Cobalt Swap agreement.

Power: Includes the Corporation's 33⅓% interest in Energas S.A. (Energas).

Technologies: Includes the Corporation's 100% interest in its Technologies business.

Oil and Gas: Includes the Corporation's 100% interest in its Oil and Gas business.

Corporate: Head office activities.

Operating and financial results presented in this MD&A for reportable segments can be reconciled to note 5 of the condensed consolidated financial statements for the three and nine months ended September 30, 2023.

NON-GAAP AND OTHER FINANCIAL MEASURES

Management uses the following non-GAAP and other financial measures in this MD&A and other documents: combined revenue, adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA), average-realized price, unit operating cost/net direct cash cost (NDCC), adjusted net earnings/loss from continuing operations, adjusted earnings/loss from continuing operations per share, combined spending on capital and combined free cash flow.

Management uses these 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 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 do not have a standard definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. As these measures do not have a standardized meaning, they may not be comparable to similar measures provided by other companies. Further information on the composition and usefulness of each non-GAAP and other financial measure, including reconciliation to their most directly comparable IFRS measures, is included in the Non-GAAP and other financial measures section starting on page 49.

Strategic priorities

The table below lists Sherritt's Strategic Priorities for 2023 and summarizes how the Corporation has performed against those priorities.

Strategic Priorities	Selected Actions	Status
ESTABLISH SHERRITT AS A LEADING GREEN METALS PRODUCER	Execute on plans to expand Moa JV mixed sulphide precipitate intermediate production by 20% or 6,500 tonnes of contained metals annually.	Sherritt and its Moa JV advanced the two-phase expansion program. The program remains on time and budget for completion in 2024 with processing plant commissioning and ramp-up in 2025.
	Complete and file NI 43-101 Report.	Filed Technical Report for the Moa JV in Q1 which indicates that current reserves estimates are sufficient to extend the life of mine 14 years to 2048 with an after-tax NPV (8%) of US$1.5 billion (100% basis) in the alternative case based on recent analyst nickel, cobalt and input commodity price forecasts.
	Rank in lowest quartile of HPAL nickel producers for NDCC.	YTD September 2023 NDCC[1] of US$6.97/lb ranked Sherritt in the third cost quartile for HPAL nickel producers and all nickel producers. Improved metals and fertilizer production and cobalt and fertilizer by-product credits will positively impact NDCC.
LEVERAGE TECHNOLOGIES FOR TRANSFORMATIONAL GROWTH	Support Moa JV expansion, operational improvements, ECOG[2] implementation and life of mine extension, and marketing initiatives.	Continued to support the implementation of revised mine plan based on ECOG methodology, improve mining practices and capabilities test work and provide support for on-going process plant improvements and debottlenecking work at Moa and the Fort Site locations.
	Advance Technologies solutions toward commercialization with external partnerships and funding.	Continued to advance its mixed hydroxide precipitate (MHP) test program, supported by a funding commitment from Natural Resources Canada (NRCan), to evaluate MHP as an additional feed for producing high purity nickel and cobalt metals at the Fort Saskatchewan refinery. In conjunction with a major mining company, continued to advance flowsheet enhancements on next-generation laterite (NGL) processing technology and commenced new batch testing on specific laterite opportunities to test NGL's applicability.
ACHIEVE BALANCE SHEET STRENGTH	Effectively leverage collections on the Cobalt Swap agreement.	Received the total maximum cobalt amount of 2,082 tonnes of cobalt with an in-kind value of US$65.5 million ($88.1 million) and a cash top-up payment of US$48.5 million ($64 million) for a total of US$114 million ($152.1 million) under the Cobalt Swap agreement to complete GNC's first year obligations. To date, Sherritt has sold 98%, $79.2 million, of the total cobalt received and expects to sell the balance and receive all cash on sales prior to the end of 2023.
	Maximize available liquidity to support growth strategy.	Amended the syndicated revolving-term credit facility to extend its maturity to April 30, 2025 and added provisions to allow for an increase in the credit limit.
BE RECOGNIZED AS A SUSTAINABLE ORGANIZATION	Deliver on actions identified in the Sustainability Report.	Released 2022 Sustainability Reports. Monitoring progress towards targets and key activities.
	Achieve year-over-year ESG improvements including reduction of carbon intensity.	Advancing baseline climate-change data collection and risk and opportunity assessments.
MAXIMIZE VALUE FROM CUBAN ENERGY BUSINESSES	Access additional gas supply to increase electrical power generation.	Power began receiving gas from two new wells in Q2 2023 and Energas is using the additional gas for increased power production.

(2) Non-GAAP and other financial measures. For additional information, see the Non-GAAP and other financial measures section.

(3) ECOG = Economic cut off grade.

Highlights

SELECTED 2023 DEVELOPMENTS

- Sold approximately 97% of the total 2,082 tonnes of cobalt received under the Cobalt Swap agreement; remaining cobalt expected to be sold and all cash to be received by end of year.
- Available liquidity in Canada was $104.2 million.
- Sherritt's share of finished nickel and cobalt production at the Moa JV in Q3 2023 was 3,841 tonnes and 410 tonnes compared to 4,443 tonnes and 419 tonnes in Q3 2022, respectively, and 10,592 tonnes and 1,108 tonnes compared to 12,022 tonnes and 1,261 tonnes, respectively, for the nine-month period.
- Finished nickel sales volumes for the three months ended September 30, 2023 were lower than the prior year period and finished production volumes in the current quarter primarily due to lower demand for nickel from steel mills after summer shutdowns and delayed sales by customers. Higher MHP and matte intermediate availability also led to lower metal purchasing in Asia.
- Net direct cash cost (NDCC)(1) in Q3 2023 was US$7.24/lb compared to US$6.76/lb in Q3 2022 primarily due to the impact of lower nickel sales volumes, lower fertilizer by-product credits and higher maintenance costs, partly offset by higher cobalt by-product credits. For the current year to date period, NDCC of US$6.97/lb compared to US$4.39/lb in the prior year period, primarily as a result of higher mining, processing and refining (MPR) costs and lower fertilizer and cobalt by-product credits.
- Power began receiving gas from two new wells in Q2 2023 which, coupled with improved equipment availability, resulted in a 37% increase in production in Q3 2023 compared to Q3 2022 and a 27% increase for the year-to-date period.
- Net loss from continuing operations was $24.8 million, or $(0.06) per share in Q3 2023, compared to a net loss from continuing operations of $26.9 million, or $(0.07) per share, in Q3 2022.
- Net loss from continuing operations was $10.9 million, or $(0.03) per share, for the nine months ended September 30, 2023 compared to net earnings from continuing operations of $71.0 million, or $0.18 per share, in the same period in the prior year.
- Adjusted EBITDA(1) for the three and nine months ended September 30, 2023 was $(9.1) million and $46.5 million compared to $37.4 million and $197.9 million, respectively, for the same periods in the prior year primarily as a result of delayed nickel sales, lower fertilizer sales volumes and lower cobalt and fertilizer average-realized prices(1). Q3 2023 Adjusted EBITDA includes an $8.9 million write-down of fertilizer inventory and a $5.8 million increase in environmental rehabilitation obligations (ERO) on legacy Oil and Gas Spanish assets.
- Based on its results to date, Sherritt has provided updates to its 2023 guidance.

WORKING CAPITAL

Cash and cash equivalents as at September 30, 2023 were $120.4 million, compared to $176.0 million as at June 30, 2023. During Q3 2023, Sherritt received $23.7 million in cash from the sale of cobalt to third parties and used $40.0 million to pay down its revolving credit facility, $15.0 million as a short-term advance to the Moa JV under their credit facility, $12.2 million for operating activities at Fort Site including the impact of receipts from fertilizer pre-sales, $6.9 million for property, plant and equipment, and $3.4 million for the interest payment on the 10.75% unsecured PIK option notes (PIK Notes).

As at September 30, 2023, total available liquidity in Canada, which is composed of cash and cash equivalents in Canada and available credit facilities of $81.5 million was $104.2 million compared to $124.8 million at June 30, 2023.

Subsequent to the quarter end, Sherritt received an additional $1.5 million in cash from the sale of cobalt to third parties and paid $9.4 million in interest on its second lien notes. At the interest payment date, the Corporation was not required to make a mandatory redemption of second lien notes as it did not meet the minimum liquidity threshold as defined in the indenture agreement.

Financial results

$ millions, except as otherwise noted	For the three months ended 2023 September 30	2022 September 30	Change	For the nine months ended 2023 September 30	2022 September 30	Change
FINANCIAL HIGHLIGHTS						
Revenue	**$ 36.4**	$ 30.2	21%	**$ 188.5**	$ 130.2	45%
Combined revenue[1]	**132.4**	190.1	(30%)	**523.0**	613.8	(15%)
(Loss) earnings from operations and joint venture	**(23.8)**	21.3	(212%)	**-**	118.8	(100%)
Net (loss) earnings from continuing operations	**(24.8)**	(26.9)	8%	**(10.9)**	71.0	(115%)
Earnings (loss) from discontinued operations, net of tax	**-**	0.6	(100%)	**(0.3)**	(0.5)	40%
Net (loss) earnings for the period	**(24.8)**	(26.3)	6%	**(11.2)**	70.5	(116%)
Adjusted net (loss) earnings from continuing operations[1]	**(19.3)**	13.9	(239%)	**(6.7)**	95.0	(107%)
Adjusted EBITDA[1]	**(9.1)**	37.4	(124%)	**46.5**	197.9	(77%)
Net (loss) earnings from continuing operations ($ per share) (basic and diluted)	**$ (0.06)**	$ (0.07)	14%	**$ (0.03)**	$ 0.18	(117%)
Net earnings ($ per share) (basic and diluted)	**(0.06)**	(0.07)	14%	**(0.03)**	0.18	(117%)
CASH						
Cash and cash equivalents (prior period, December 31, 2022)	**$ 120.4**	$ 123.9	(3%)	**$ 120.4**	$ 123.9	(3%)
Cash provided by continuing operations for operating activities	**4.4**	18.8	(77%)	**46.3**	50.0	(7%)
Combined free cash flow[1]	**(11.7)**	0.1	nm[2]	**23.2**	21.9	6%
OPERATIONAL DATA						
COMBINED SPENDING ON CAPITAL[1]	**16.6**	$ 21.2	(22%)	**$ 44.0**	$ 51.6	(15%)
PRODUCTION VOLUMES						
Finished nickel (50% basis, tonnes)	**3,841**	4,443	(14%)	**10,592**	12,022	(12%)
Finished cobalt (50% basis, tonnes)	**410**	419	(2%)	**1,108**	1,261	(12%)
Fertilizer (tonnes)	**48,400**	62,841	(23%)	**158,615**	187,893	(16%)
Electricity (gigawatt hours) (33⅓% basis)	**190**	139	37%	**520**	409	27%
AVERAGE EXCHANGE RATE (CAD/US$)	**1.341**	1.306	3%	**1.346**	1.283	5%
AVERAGE-REALIZED PRICES (CAD)[1]						
Nickel ($ per pound)	**$ 12.54**	$ 12.94	(3%)	**$ 14.29**	$ 14.69	(3%)
Cobalt ($ per pound)	**17.64**	28.21	(37%)	**17.51**	37.59	(53%)
Fertilizer ($ per tonne)	**389.43**	531.10	(27%)	**612.73**	823.91	(26%)
Electricity ($ per megawatt hour)	**56.30**	57.02	(1%)	**57.23**	55.67	3%
UNIT OPERATING COSTS[1]						
Nickel (NDCC) (US$ per pound)	**$ 7.24**	$ 6.76	7%	**$ 6.97**	$ 4.39	59%
Electricity ($ per megawatt hour)	**27.06**	20.04	35%	**27.07**	18.60	46%

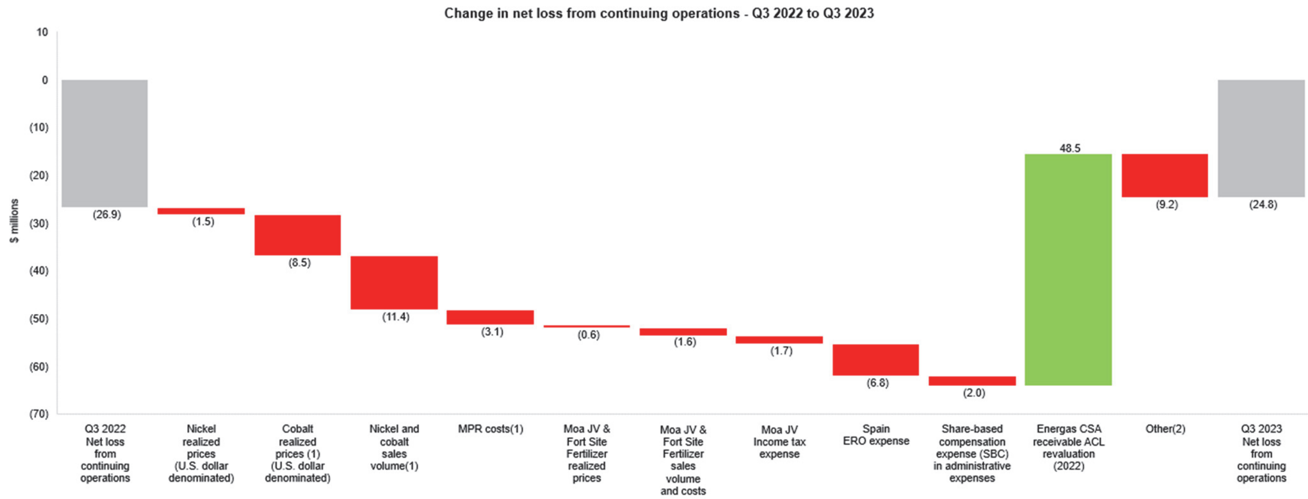
(1) Non-GAAP and other financial measures. For additional information, see the Non-GAAP and other financial measures section.

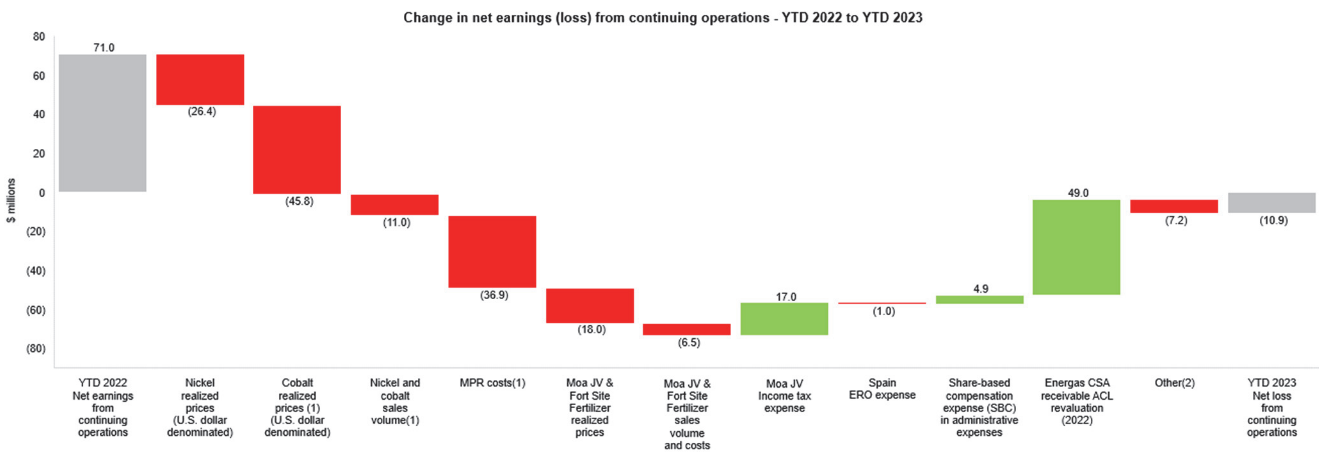
(2) Not meaningful (nm).

Consolidated revenue, which excludes revenue from the Moa Joint Venture as it is accounted for under the equity method, for the three and nine months ended September 30, 2023 of $36.4 million and $188.5 million, respectively, was 21% and 45% higher compared to the prior year periods primarily as a result of the additional sales under the Cobalt Swap agreement. In the prior year, Sherritt's 50% share of cobalt revenue was recognized by the Moa JV and included in share of earnings of a joint venture rather than consolidated revenue. For the three and nine months ended September 30, 2023 cobalt revenue under the Cobalt Swap was $9.9 million and $78.1 million, respectively. Fertilizer revenues of $8.3 million and $70.2 million, respectively were lower compared to the prior year periods, primarily as a result of lower average-realized prices[1] in each period. Revenue in Power for the three and nine months ended September 30, 2023 of $11.9 million and $33.1 million, respectively, was higher compared to the prior year periods primarily as a result of additional gas from new gas wells that went into production in the second quarter of 2023.

Combined revenue, which includes the impact of the Corporation's consolidated financial results and the results of its 50% share of the Moa Joint Venture is a measure management uses to assess the Corporation's financial performance. In addition to the above, combined revenue was primarily impacted by lower nickel revenue as a result of lower sales volumes compared to the prior year periods.

The change in net (loss) earnings from continuing operations is detailed below:





(1) 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.

(2) Other primarily relates to Moa Joint Venture royalties, net costs and revenue on sold cobalt from GNC under the Cobalt Swap agreement, foreign exchange gains/losses, depletion, depreciation, amortization, electricity revenue and costs, oil and gas revenue and costs, inventory write-downs, impairment of property, plant and equipment and administrative expenses excluding share-based compensation expense/recovery.

The loss from continuing operations for the three and nine months ended September 30, 2023 of $24.8 million and $10.9 million, respectively, was impacted by lower nickel, cobalt and fertilizer average-realized prices compared to the prior year periods. Sales volume for nickel was lower for the three and nine months ended September 30, 2023 compared to the prior year periods. The sales volume for fertilizer was lower for the three months ended and higher for the nine-month period ended September 30, 2023, respectively compared to the prior year periods.

Total MPR costs including Sherritt's share of cost of the Cobalt Swap and Moa JV cobalt sold for the three months ended September 30, 2023 were lower than the prior year period primarily as a result of lower nickel sales volume and input commodity prices, partly offset by higher maintenance costs. For the nine months ended September 30, 2023 total MPR including Sherritt's share of cost of the Cobalt Swap and Moa JV cobalt sold was higher than the prior year period as higher maintenance costs and the impact of higher opening inventory costs on nickel and cobalt sold in the period offset the impact of lower nickel sales volume and lower input commodity prices. In both current year periods, costs were negatively impacted by a stronger U.S. dollar relative to the Canadian dollar.

MPR costs on a per pound of nickel sold for the three and nine months ended September 30, 2023, including Sherritt's share of cost of the Cobalt Swap and Moa JV cobalt sold in each of the current year periods, was up 3% and 13% compared to the same periods in the prior year, respectively. The higher MPR costs were primarily attributable to the impact of lower production volumes, higher maintenance costs, and the costs associated with the significantly higher cobalt sales volumes in each of the current year periods. MPR costs in the current year periods were positively impacted by lower input commodity prices in 2023, including a 65% decrease in sulphur prices, a 29% decrease each of diesel and natural gas prices, and a 19% decrease in fuel oil prices for the three-month period ended September 30, 2023. For the nine months ended September 30, 2023, sulphur, natural gas, and fuel oil prices decreased 47%, 43% and 16%, respectively, while diesel prices increased 3%.

The impact of the redirected share of cobalt under the Cobalt Swap was not significant on the Corporation's net loss in the current year periods.

Administrative expenses for Q3 2023 were higher primarily as result of the change in share-based compensation recoveries. The lower recovery in the current year period was primarily a result of a smaller decrease in the Corporation's share price over the period compared to that of the prior year period. For the nine months ended September 30, 2023 administrative expenses were lower primarily due to a decrease in share-based compensation expense. The higher expense in the prior year period was primarily a result of the vesting of a higher number of units prior to cash payment in the first quarter of 2023.

CONSOLIDATED FINANCIAL POSITION

The following table summarizes the significant items as derived from the consolidated statements of financial position:

$ millions, except as noted, as at	**2023 September 30**	2022 December 31	Change
Working capital(1)	**$ 129.1**	$ 61.7	109%
Current ratio(2)	**1.54:1**	1.17:1	32%
Cash and cash equivalents	**$ 120.4**	$ 123.9	(3%)
Total assets	**1,386.0**	1,555.6	(11%)
Loans and borrowings	**316.5**	350.9	(10%)
Total liabilities	**704.7**	860.7	(18%)
Shareholders' equity	**681.3**	694.9	(2%)

(1) Working capital is calculated as the Corporation's current assets less current liabilities.

(2) Current ratio is calculated as the Corporation's current assets divided by its current liabilities.

Significant factors influencing operations

As a commodity-based business, Sherritt's operating results are primarily influenced by the prices of nickel and cobalt and its fertilizers.

NICKEL

Nickel reference prices declined during the quarter, opening at US$9.13/lb, closing the quarter at US$8.40/lb and averaging US$9.23/lb for Q3 2023, an 8% decrease from the prior quarter. Nickel prices have declined approximately 40% since the beginning of 2023. The high interest rate and inflationary environment along with the Chinese government's limited success in bolstering its domestic consumption, despite its stimulus announcements and fiscal measures, had muted demand slightly, while excess supply coming from Indonesia, even with its crackdown on illegal mining and the suspension of some mining quotas, is expected to maintain downward pressure on pricing.

Global nickel consumption is projected to grow by 9% in 2023, reaching 3.3 million tonnes(1). This growth is expected to continue with an almost equal increase in each of 2024 and in 2025, bringing the total to 3.8 million tonnes by 2025. Stainless steel manufacturing remains the dominant consumer of nickel, although the share allocated to battery precursors is on the rise, increasing from 15% in 2023 to an anticipated 19% by 2025.

Refined nickel supply is expected to reach 3.5 million tonnes for 2023, resulting in a surplus of 230 kt mostly as class II material(1). In China, some of the excess class II material is being further converted to class I nickel cathode by producers where plant capability is available. With LME fast track approval of Chinese brands occurring, this could translate into surpluses for class I nickel. Chinese cathode output is forecast at 234 kt in 2023, compared to 172 kt a year ago.

In the short term, the supply surplus of both Class I and Class II, is expected to continue to hold prices down, while factors like the continued demand growth from stainless steel and lithium ion battery consumption and the need to incentivize new projects with improved environmental performance for future supply may provide upside potential.

COBALT

Opening and closing Argus Chemical Grade cobalt price was relatively unchanged at US$15.25/lb and US$15.28/lb, respectively; however, the average price for the quarter of US$16.58/lb was a 9% increase from the prior quarter's US$15.27/lb average. Market sentiment improved during the quarter as a result of increased activity in the consumer electronics industry and China's Strategic Reserve Bureau (SRB) returning to the market with purchases of approximately 5,000 tonnes of cobalt from Chinese refiners in the third quarter and expected additional purchases in excess of 3,000 tonnes. These developments, coupled with logistical delays in shipping cobalt material from South Africa, contributed to a transient price rally in the third quarter.

For 2023, the portables market witnessed a decline in demand, primarily due to concerns from inflation and a weakening global economic landscape. Electric vehicle adoption rates continue to increase, however the near-term impact on cobalt demand has been muted as lithium-iron-phosphate (LFP) has surpassed nickel-manganese-cobalt (NMC) to become the prevailing choice in China. Globally, nickel and cobalt containing batteries are expected to maintain their dominant position in the market, and as western EV supply chains seek to decouple from the Chinese supply chain, western critical mineral suppliers could see price premiums.

Additional supply from Indonesia and capacity expansion announced in Democratic Republic of Congo (DRC) continues to add to the material available. In 2023, the total global cobalt supply is expected to reach 225 kt, reflecting a 17% year-over-year increase(2). Recycling volumes are also on the rise, contributing an estimated 7% of the total cobalt supply in 2023, equivalent to 15 kt of cobalt(2).

The dynamic battery landscape, driven by emerging cobalt-free chemistries, is impacting demand. However, attractive profits are motivating copper and nickel miners to maintain cobalt production. With supply growth potentially outpacing demand growth, the cobalt market could remain oversupplied until 2027 and this would limit the ability for prices to increase significantly in the short-term to medium-term.

FERTILIZER

Fertilizer prices have showed marginal increases from the second quarter due to winter seasonal demand for natural gas. Prices for 2023 are expected to remain reasonably within the range realized for H1.

(1) Wood Mackenzie, Nickel Demand, September 2023

(2) Benchmark Mineral Intelligence, Cobalt Forecast Report, September 2023.

Review of operations

METALS

$ millions (Sherritt's share), except as otherwise noted	For the three months ended **2023 September 30**	2022 September 30	Change	For the nine months ended **2023 September 30**	2022 September 30	Change
FINANCIAL HIGHLIGHTS						
Revenue[1]	**$ 115.7**	$ 176.0	(34%)	**$ 477.8**	$ 571.6	(16%)
Cost of sales[1]	**128.1**	151.0	(15%)	**454.8**	398.3	14%
(Loss) earnings from operations	**(14.9)**	22.5	(166%)	**19.9**	167.4	(88%)
Adjusted EBITDA[2]	**(0.8)**	34.8	(102%)	**62.3**	206.7	(70%)
CASH FLOW						
Cash provided by continuing operations for operating activities	**$ 10.7**	$ 29.3	(63%)	**$ 112.5**	$ 90.0	25%
Free cash flow[2]	**(3.0)**	11.9	(125%)	**73.1**	49.7	47%
PRODUCTION VOLUME (tonnes)						
Mixed Sulphides	**4,037**	4,216	(4%)	**11,570**	12,248	(6%)
Finished Nickel	**3,841**	4,443	(14%)	**10,592**	12,022	(12%)
Finished Cobalt	**410**	419	(2%)	**1,108**	1,261	(12%)
Fertilizer	**48,400**	62,841	(23%)	**158,615**	187,893	(16%)
NICKEL RECOVERY[3] (%)	**88%**	87%	1%	**87%**	88%	(1%)
SALES VOLUME (tonnes)						
Finished Nickel	**2,845**	4,487	(37%)	**9,377**	11,393	(18%)
Finished Cobalt	**526**	347	52%	**2,321**	993	134%
Fertilizer	**21,389**	27,373	(22%)	**114,652**	108,763	5%
AVERAGE REFERENCE PRICE (US$ per pound)						
Nickel[4]	**$ 9.23**	$ 10.01	(8%)	**$ 10.38**	$ 11.66	(11%)
Cobalt[5]	**16.58**	26.26	(37%)	**16.50**	33.35	(51%)
AVERAGE-REALIZED PRICE[2]						
Nickel ($ per pound)	**$ 12.54**	$ 12.94	(3%)	**$ 14.29**	$ 14.69	(3%)
Cobalt ($ per pound)	**17.64**	28.21	(37%)	**17.51**	37.59	(53%)
Fertilizer ($ per tonne)	**389.43**	531.10	(27%)	**612.73**	823.91	(26%)
UNIT OPERATING COST[2] (US$ per pound)						
Nickel - net direct cash cost[2]	**$ 7.24**	$ 6.76	7%	**$ 6.97**	$ 4.39	59%
SPENDING ON CAPITAL[2]						
Sustaining	**$ 12.8**	$ 16.2	(21%)	**$ 32.3**	$ 44.4	(27%)
Growth	**2.9**	1.9	53%	**9.1**	3.0	203%
	$ 15.7	$ 18.1	(13%)	**$ 41.4**	$ 47.4	(13%)

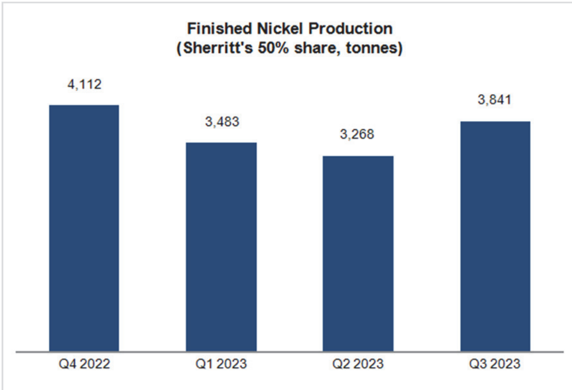
(1) The Financial Highlights, and cash flow amounts for Metals combine the operations of the Moa JV, Fort Site and Metals Marketing. Breakdowns of revenue, Adjusted EBITDA, and the components of free cash flow (cash provided (used) by continuing operations for operating activities and Property, plant and equipment expenditures) for each of these operations are included in the Combined Revenue, Adjusted EBITDA and Free cash flow reconciliations, respectively, in the Non-GAAP and other financial measures section of this MD&A.

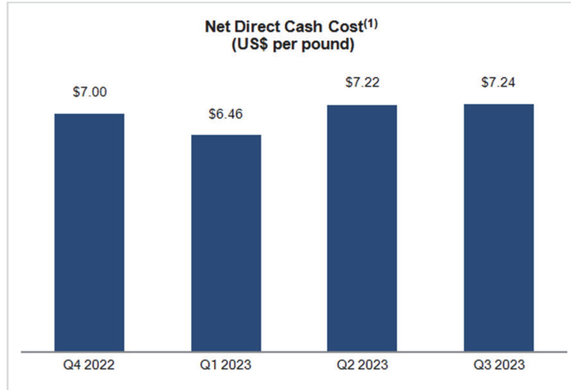
(2) Non-GAAP and other financial measures. For additional information, see the Non-GAAP and other financial measures section.

(3) The nickel recovery rate measures the amount of finished nickel that is produced compared to the original nickel content of the ore that was mined.

(4) The average nickel reference price for the nine months ended September 30, 2022 was impacted by the suspension of nickel trading and disruption events on the LME during the month of March 2022.

(5) Average standard-grade cobalt price published by Argus.





(1) Non-GAAP and other financial measure. For additional information, see the Non-GAAP and other financial measures section.

Metals revenue, cost of sales and NDCC[(1)] are composed of the following:

	For the three months ended			For the nine months ended		
	2023	2022		**2023**	2022	
$ millions, except as otherwise noted	**September 30**	September 30	Change	**September 30**	September 30	Change
REVENUE						
Nickel	**$ 78.6**	$ 128.0	(39%)	**$ 295.5**	$ 369.0	(20%)
Cobalt	**20.4**	21.5	(5%)	**89.6**	82.2	9%
Fertilizers	**8.3**	15.0	(45%)	**70.2**	84.2	(17%)
Other	**8.4**	11.5	(27%)	**22.5**	36.2	(38%)
	$ 115.7	$ 176.0	(34%)	**$ 477.8**	$ 571.6	(16%)
COST OF SALES[(2)]						
Mining, processing and refining (MPR)[(3)]	**$ 69.6**	$ 103.0	(32%)	**$ 198.6**	$ 231.3	(14%)
Third-party feed costs	**4.9**	6.3	(22%)	**14.2**	17.5	(19%)
Finished cobalt cost[(4)]	**8.7**	-	-	**84.3**	-	-
Fertilizers	**8.3**	12.3	(33%)	**55.6**	50.4	10%
Selling costs	**6.2**	4.7	32%	**20.8**	14.2	46%
Other	**17.8**	12.4	44%	**40.4**	45.6	(11%)
	$ 115.5	$ 138.7	(17%)	**$ 413.9**	$ 359.0	15%
NET DIRECT CASH COST[(1)] (US$ per pound of nickel)						
Mining, processing and refining costs[(5)]	**$ 8.14**	$ 7.93	3%	**$ 8.35**	$ 7.37	13%
Third-party feed costs	**0.58**	0.47	23%	**0.51**	0.54	(6%)
Cobalt by-product credits[(5)]	**(1.85)**	(1.66)	(11%)	**(1.82)**	(2.56)	29%
Net fertilizer by-product credit	**0.12**	(0.45)	127%	**(0.54)**	(1.65)	67%
Net impact of redirected cobalt[(6)]	**(0.07)**	-	-	**0.13**	-	-
Other[(7)]	**0.32**	0.47	(32%)	**0.34**	0.69	(51%)
	$ 7.24	$ 6.76	7%	**$ 6.97**	$ 4.39	59%

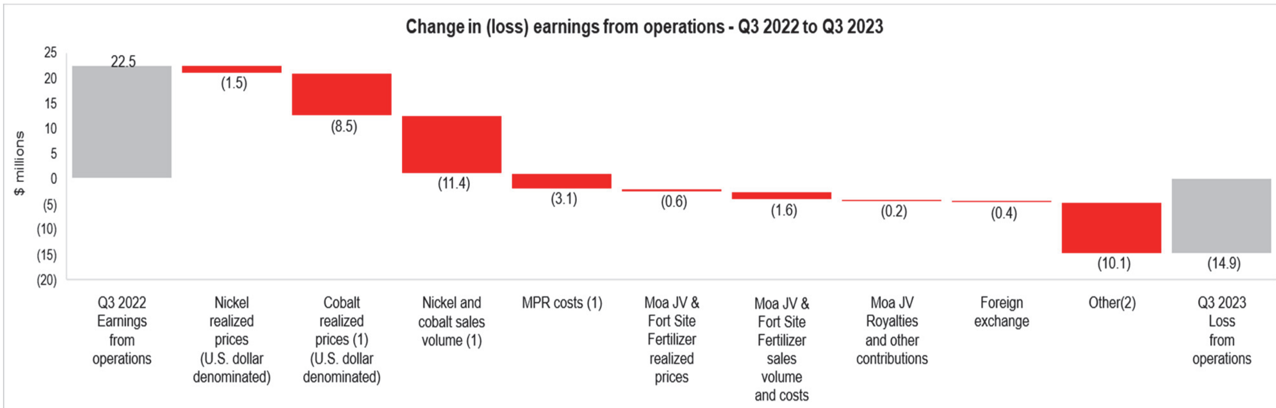
(1) Non-GAAP and other financial measure. For additional information, see the Non-GAAP and other financial measures section.
(2) Excludes depletion, depreciation and amortization.
(3) Effective January 1, 2023, MPR costs exclude the cost of cobalt volumes sold in accordance with the Cobalt Swap.
(4) Finished cobalt cost is based on the settlement value of the cobalt sold. The settlement value is based on an in-kind value of cobalt, calculated at the time of distribution as a cobalt reference price from the month preceding distribution, modified mutually between the Corporation and GNC in consideration of selling costs incurred by the Corporation.
(5) 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.
(6) Net impact of redirected cobalt 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.
(7) Includes the marketing costs, discounts, and other by-product credits.

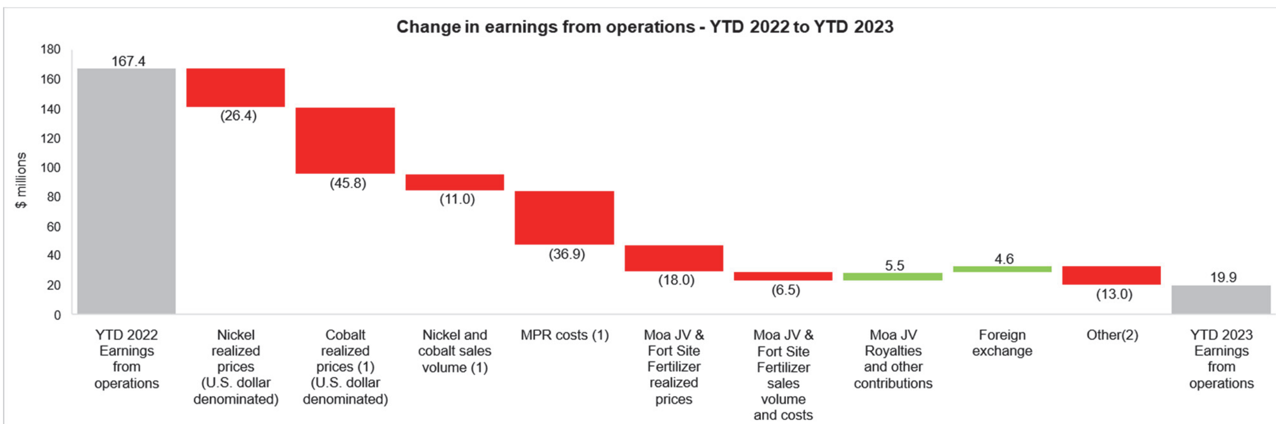
The following table summarizes average prices for key input commodities for the Moa Joint Venture and Fort Site[(1)]:

	For the three months ended			For the nine months ended		
	2023	2022		**2023**	2022	
	September 30	September 30	Change	**September 30**	September 30	Change
Sulphur (US$ per tonne)	**$ 197.82**	$ 571.22	(65%)	**$ 247.15**	$ 466.50	(47%)
Diesel (US$ per litre)	**1.05**	1.48	(29%)	**1.11**	1.08	3%
Fuel oil (US$ per tonne)	**480.38**	593.07	(19%)	**461.08**	546.48	(16%)
Natural gas cost ($ per gigajoule)	**3.04**	4.27	(29%)	**3.01**	5.26	(43%)

(1) The above input commodity prices are the average prices incurred during the periods reflected in cost of sales or inventory.

The following graphs summarize the change in (loss) earnings from operations for Metals:





(1) MPR and cobalt by-product credits include the costs and cobalt revenue, respectively, on cobalt sold from Sherritt's 50% share of cobalt received under the Cobalt Swap.

(2) Other is primarily composed of sulphuric acid revenue and costs, third-party feed costs, inventory write-downs, impairment of property, plant and equipment, selling costs, administrative costs, net costs and revenue on sold cobalt redirected from GNC to Sherritt under the Cobalt Swap agreement, depletion, depreciation and amortization.

Revenue for the three and nine months ended September 30, 2023 was $115.7 million and $477.8 million compared to $176.0 million and $571.6 million, respectively, in the prior year periods.

Finished nickel revenue for the three and nine months ended September 30, 2023 was $78.6 million and $295.5 million compared to $128.0 million and $369.0 million, respectively, in the prior year periods as result of lower sales volumes and lower average-realized prices(1) for nickel in each of the current year periods. While average nickel reference prices were 8% and 11% lower, respectively, the average-realized prices were only 3% lower in both current year periods. Average-realized prices are impacted by the timing of deliveries, the timing of settlement against contract terms and the value of the Canadian dollar against the U.S. dollar. Average-realized prices for the three and nine months ended September 30, 2023 were positively impacted by a stronger U.S. dollar relative to the Canadian dollar compared to the same periods in the prior year.

Finished nickel sales volumes for the three and nine months ended September 30, 2023 were lower than the prior year periods and finished production volumes in the current year periods primarily due to lower demand for nickel from steel mills after summer shutdowns. Higher MHP and matte intermediate availability also led to lower metal purchasing in Asia, with delivery of new China cathodes to the London Metal Exchange (LME) highlighting the lower nickel metal demand in the region. Decreases in nickel prices have delayed some sales to consumers anticipating the bottom of the current nickel price cycle to be realized in the near-term. Sales volumes for the three months ended September 30, 2023 were also lower compared to the same prior year period where Sherritt successfully reduced the inventory build-up from Q2 2022 in part through higher netback sales to other markets and new customers.

Finished cobalt revenue, including cobalt sold by Sherritt under the Cobalt Swap and Sherritt's 50% share of cobalt sold by the Moa JV, for the three and nine months ended September 30, 2023 was $20.4 million and $89.6 million compared to $21.5 million and $82.2 million, respectively, in the prior year periods. While sales volumes of 526 tonnes and 2,321 tonnes in the current year periods were 52% and 134% higher, respectively, revenue was impacted by 37% and 53% lower average-realized prices in the current year periods, respectively. As of September 30, 2023, Sherritt has sold approximately 97% of the cobalt received under the Cobalt Swap and expects to sell the remaining cobalt and receive all remaining cash by end of year.

Cobalt sales volume based on Sherritt's 50% share was 401 tonnes in Q3 2023 compared to 347 tonnes in Q3 2022 and 1,316 tonnes for the nine month period ended September 30, 2023 compared to 993 tonnes for the corresponding prior year period. Higher sales in Q3 2023 reflected a general improvement in demand as consumers took advantage of buying at the perceived bottom of the price cycle and took the opportunity to restock inventories. In addition, Sherritt increased its customer base in the current year.

Fertilizer revenue for the three and nine months ended September 30, 2023 was $8.3 million and $70.2 million compared to $15.0 million and $84.2 million, respectively, in the prior year periods. Sales volumes for the three and nine months ended September 30, 2023 were 22% lower and 5% higher on lower fertilizer production and 27% and 26% lower average-realized prices in each of the current year periods compared to the prior year periods, respectively.

Mixed sulphides production at the Moa JV for the three and nine months ended September 30, 2023 was 4,037 tonnes and 11,570 tonnes, down 4% and 6%, respectively, from the prior year periods primarily due to required maintenance on the ore thickener and lower ore grades in the current year quarter. Logistical delays in the delivery of purchased sulphuric acid required during planned sulphuric acid plant maintenance resulted in ore processing reductions at the end of the third quarter and into the early part of the fourth quarter. Production for the nine months ended September 30, 2023 was also impacted by blending challenges in the first quarter and unplanned maintenance in the hydrogen plant which both occurred and was resolved in the second quarter.

Finished nickel production for the three and nine months ended September 30, 2023 totaled 3,841 tonnes and 10,592 tonnes, 14% and 12% lower, respectively, than the same periods in the prior year primarily as a result of lower mixed sulphides feed availability at the refinery. The first shipment of additional third-party feed initially expected to be received in the third quarter was temporarily delayed as result of Hurricane Lee. Approximately 650 tonnes (100% basis) of the additional feed is expected to be received and processed in the fourth quarter.

Finished cobalt production for the three and nine months ended September 30, 2023 of 410 tonnes and 1,108 tonnes was 2% and 12% lower compared to the prior year periods, respectively, for the same reasons as the lower nickel production.

Fertilizer production for the three and nine months ended September 30, 2023 of 48,400 tonnes and 158,615 tonnes was 23% lower and 16% lower, respectively, compared to prior year periods in line with lower metals production and the impact of reduced ammonia plant availability resulting from unplanned maintenance during the current year periods.

MPR costs per pound of nickel sold for the three and nine months ended September 30, 2023, which includes Sherritt's share of cost of the Cobalt Swap and Moa JV cobalt sold in each of the current year periods, was up 3% and 13% compared to the same periods in the prior year, respectively. The higher MPR costs were primarily attributable to the impact of lower nickel production and sales volumes, higher maintenance costs, and the cost associated with the significantly higher cobalt sales volumes in each of the current year periods. MPR costs in the current year periods were positively impacted by lower input commodity prices, including a 65% decrease in global sulphur prices, a 29% decrease each of diesel and natural gas prices, and a 19% decrease in fuel oil prices for the three-month period ended September 30, 2023. For the nine months ended September 30, 2023, global sulphur, natural gas, and fuel oil prices decreased 47%, 43% and 16%, respectively, while diesel prices increased 3%.

NDCC(1) per pound of nickel sold for the three months ended September 30, 2023 increased to US$7.24/lb from US$6.76/lb in the prior year period primarily due to the impact of lower nickel sales volumes and lower fertilizer by-product credits, partly offset by higher cobalt by-product credits(2). Higher MPR costs and lower fertilizer and cobalt by-product credits for the nine months ended September 30, 2023 resulted in a higher NDCC of US$6.97/lb compared to US$4.39/lb for the prior year period.

Sustaining spending on capital(1) for the three and nine months ended September 30, 2023 was $12.8 million and $32.3 million, respectively, compared to $16.2 million and $44.4 million in the prior year periods, primarily due to timing of planned spending at both the Moa JV and Fort Site.

Growth spending on capital for the three and nine months ended September 30, 2023 was $2.9 million and $9.1 million, compared to $1.9 million and $3.0 million, respectively, most of which was related to spending on the slurry preparation plant as part of the Moa JV expansion program in each period.

(1) Non-GAAP and other financial measures. For additional information see the Non-GAAP and other financial measures section.
(2) Cobalt by-product credits include Sherritt's share of cobalt revenue per pound of nickel sold only.

Moa JV expansion program update

The Moa JV expansion program was specifically designed to minimize the risks of capital overruns and project delays which were anticipated following the COVID-19 pandemic. The low capital intensity of our expansion program, at approximately US$13,200 per additional annual tonne of contained nickel, minimizes risks to our liquidity during volatile market conditions as currently experienced with the slower than anticipated EV supply chain demand.

The Moa JV continued to advance the expansion program at the mine site in Q3 2023. Progress included:

Slurry Preparation Plant (SPP):

- installation of piping was completed and installation of electrical cable tray, electrical cables and instrumentation is progressing on schedule and nearing completion;
- slurry and water return pipelines are complete and pre-commissioning has commenced; and
- the commissioning plan was completed and the pre-commissioning plan has started on project systems that are mechanically complete.

The SPP construction remains on budget and expected to commence operations in early-2024.

Processing Plant:

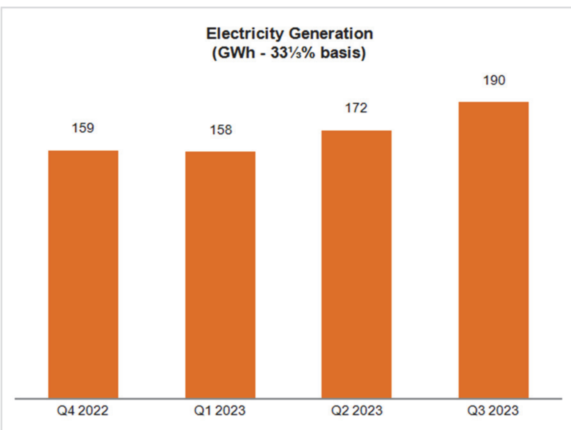
- 95% of procurement packages, including all long lead-items, for the Sixth Leach Train have been awarded, and remain within budget;
- an effort-hour loaded schedule has been finalized for the Sixth Leach Train with construction scheduled to commence in Q2 2024;
- engineering for the Fifth Sulphide Precipitation Train has been completed and ordering of equipment and materials will commence in 2024; and
- the construction permit has been granted by the Cuban authorities for the acid tanks and the contract is being finalized with the vendor for the supply of the materials and erection of the tanks.

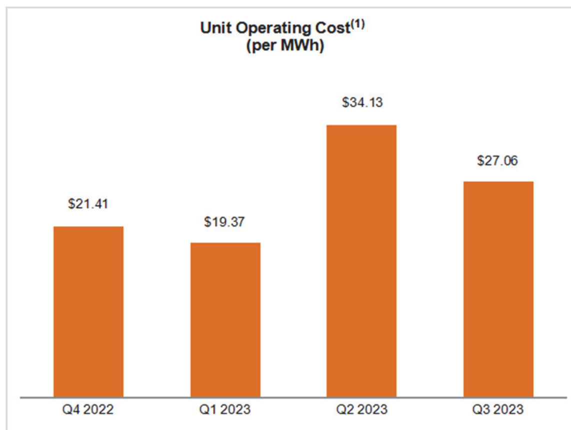
The processing plant expansion remains on budget and on schedule for an expected end of year 2024 completion with commissioning and ramp up in 2025.

POWER

$ millions (Sherritt's share, 33⅓% basis), except as otherwise noted	For the three months ended 2023 September 30	2022 September 30	Change	For the nine months ended 2023 September 30	2022 September 30	Change
FINANCIAL HIGHLIGHTS						
Revenue	**$ 11.9**	$ 9.0	32%	**$ 33.1**	$ 26.6	24%
Cost of sales	**5.7**	6.8	(16%)	**15.6**	19.3	(19%)
Earnings from operations	**5.6**	1.4	300%	**14.8**	4.2	252%
Adjusted EBITDA(1)	**6.2**	5.5	13%	**16.6**	16.2	2%
CASH FLOW						
Cash provided by continuing operations for operating activities	**$ 2.8**	$ 9.1	(69%)	**$ 9.5**	$ 23.9	(60%)
Free cash flow(1)	**2.2**	6.1	(64%)	**7.6**	20.4	(63%)
PRODUCTION AND SALES VOLUME						
Electricity (GWh(2))	**190**	139	37%	**520**	409	27%
AVERAGE-REALIZED PRICE(1)						
Electricity (per MWh(2))	**$ 56.30**	$ 57.02	(1%)	**$ 57.23**	$ 55.67	3%
UNIT OPERATING COST(1)						
Electricity (per MWh)	**27.06**	20.04	35%	**27.07**	18.60	46%
SPENDING ON CAPITAL(1)						
Sustaining	**$ 0.6**	$ 3.0	(80%)	**$ 1.9**	$ 3.5	(46%)
	$ 0.6	$ 3.0	(80%)	**$ 1.9**	$ 3.5	(46%)

(1) Non-GAAP and other financial measures. For additional information see the Non-GAAP and other financial measures section.
(2) Gigawatt hours (GWh), Megawatt hours (MWh).





(1) Non-GAAP and other financial measures. For additional information see the Non-GAAP and other financial measures section.

Power revenue is composed of the following:

$ millions (Sherritt's share, 33⅓% basis)		For the three months ended 2023 September 30		2022 September 30	Change		For the nine months ended 2023 September 30		2022 September 30	Change
Electricity sales	**$**	**10.7**	$	7.9	35%	**$**	**29.8**	$	22.7	31%
By-products and other		**1.2**		1.1	9%		**3.3**		3.9	(15%)
	$	**11.9**	$	9.0	32%	**$**	**33.1**	$	26.6	24%

Revenue for the three and nine months ended September 30, 2023 was $11.9 million and $33.1 million, respectively, which is up 32% and 24% compared to the prior year periods primarily due to higher production.

Electricity production for the three and nine months ended September 30, 2023 was 190 GWh and 520 GWh compared to 139 GWh and 409 GWh, respectively, in the prior year periods. The increase in electricity production in the current year periods is a result of increased equipment availability and additional gas from two gas wells that went into production in the second quarter of 2023. The gas is provided to Energas free of charge by Union Cubapetroleo for use in power generation. Opportunities to further increase gas supply for additional power production in 2024 continue to be investigated.

Unit operating costs(1) for the three and nine months ended September 30, 2023 were $27.06/MWh, and $27.07/MWh, compared to $20.04/MWh, and $18.60/MWh, respectively, for the prior year periods primarily driven by the timing of planned maintenance activities, partly offset by higher sales volumes.

The Power business unit had $0.6 million spending on capital(1) in Q3 2023 primarily driven by maintenance activities. Spending on capital for the nine months ended September 30, 2023 was $1.9 million.

(1) Non-GAAP and other financial measures. For additional information see the Non-GAAP and other financial measures section.

TECHNOLOGIES

$ millions		For the three months ended 2023 September 30		2022 September 30	Change		For the nine months ended 2023 September 30		2022 September 30	Change
FINANCIAL HIGHLIGHTS										
Revenue	**$**	**0.3**	$	0.2	50%	**$**	**1.0**	$	1.3	(23%)
Cost of sales		**(4.0)**		(3.7)	8%		**(12.9)**		(11.7)	10%
Loss from operations	**$**	**(3.7)**	$	(3.5)	6%	**$**	**(11.9)**	$	(10.4)	14%

During the three months ended September 30, 2023, Technologies continued to provide technical support, process optimization and technology development services to the Moa JV and the Fort Site and continued to support the Moa JV's expansion program. These activities included supporting the implementation of revised mine plan based on ECOG methodology, improving mining practices and capabilities testwork and providing support for on-going process plant improvements and debottlenecking work at Moa and the Fort Site locations. Technologies continued to advance development of strategic growth opportunities for Sherritt as well as make progress on commercialization activities around proprietary technologies and innovative industry solutions. As well in the quarter, Technologies:

- continued its MHP test program, supported by a funding commitment from Natural Resources Canada (NRCan), to evaluate MHP as an additional feed for producing high purity nickel and cobalt metals at the Fort Saskatchewan refinery. Initial batch testing of MHP commenced with the expectation that continuous piloting will commence in Q4 2023;
- advanced its flowsheet enhancements on its next-generation laterite (NGL) processing technology and commenced new batch testing on specific laterite opportunities to test NGL's applicability. Additional testing and engineering work is expected to occur in Q4 2023 to support discussions with major mining companies to jointly develop NGL.

For descriptions of ongoing commercialization projects, see the Corporation's Annual Information Form for the year ended December 31, 2022 available on Sherritt's website or at sedarplus.ca.

CORPORATE

$ millions	For the three months ended 2023 September 30	2022 September 30	Change	For the nine months ended 2023 September 30	2022 September 30	Change
EXPENSES						
Administrative expenses	**$ 4.3**	$ 1.3	231%	**$ 15.1**	$ 16.4	(8%)

Corporate's administrative expenses are primarily composed of employee costs, share-based compensation expenses, legal fees and third-party consulting and audit fees.

Administrative expenses at Corporate for the three months ended September 30, 2023 were higher compared to the same period in the prior year primarily as a result of the change in share-based compensation recoveries. The current period recovery of $0.7 million compared to a recovery of $3.1 million in the prior year period as a result of a 14% decrease of $0.06 in the Corporation's share price in the prior year.

Outlook

2023 PRODUCTION VOLUMES, UNIT OPERATING COSTS AND SPENDING ON CAPITAL GUIDANCE

Production volumes, unit operating costs and spending on capital	Guidance for 2023 - Total	Year-to-date actuals - Total	Updated 2023 guidance - Total
Production volumes			
Moa Joint Venture (tonnes, 100% basis)			
Nickel, finished	30,000 – 32,000	21,184	29,000 – 30,000
Cobalt, finished	3,100 – 3,400	2,216	2,900 – 3,100
Electricity (GWh, 33⅓% basis)	650 – 700	520	No change
Unit operating costs(1)			
Metals – NDCC (US$ per pound)	$6.75 – $7.25	$6.97	No change
Electricity (unit operating cost, $ per MWh)	$27.25 – $28.75	$27.07	No change
Spending on capital(1)($ millions)			
Sustaining			
Metals: Moa Joint Venture (50% basis), Fort Site (100% basis)	$70.0	$32.3	$50.0
Power (33⅓% basis)	$4.4	$1.9	No change
Growth			
Metals: Moa Joint Venture (50% basis)	$20.0	$9.1	$15.0
Spending on capital(2)	$94.4	$43.3	$69.4

(1) Non-GAAP and other financial measures. For additional information see the Non-GAAP and other financial measures section.

(2) Excludes spending on capital of the Metals Other, Oil and Gas, Technologies and Corporate segments.

Metals

Supply chain logistics challenges resulted in delays receiving equipment replacement parts, sulphuric acid, and additional third-party feed, which impacted production in Q3 2023. Based on nickel and cobalt production for the nine months ended September 30, 2023, of 21,184 tonnes and of 2,216 tonnes (100% basis), respectively, Sherritt has updated its 2023 production guidance to 29,000 – 30,000 tonnes of nickel and 2,900 – 3,100 tonnes of cobalt. NDCC guidance for 2023 of US$6.75/lb – US$7.25/lb remains unchanged.

For sustaining spending on capital, Sherritt has reduced its 2023 guidance from $70.0 million to $50.0 million based on its spending for the nine months ended September 30, 2023. Sherritt continues to manage its capital spending in a prudent manner and has the ability to decrease spending or defer certain capital items due to market conditions.

For growth spending on capital, Sherritt has reduced its 2023 guidance from $20.0 million to $15.0 million based on its spending for the nine months ended September 30, 2023 of $9.1 million. This reduction in spending is related to the timing of spending for non-critical path items whereby the project timing and overall budget remains unchanged.

Power

2023 guidance ranges for electricity production, unit operating cost and spending on capital remain unchanged.

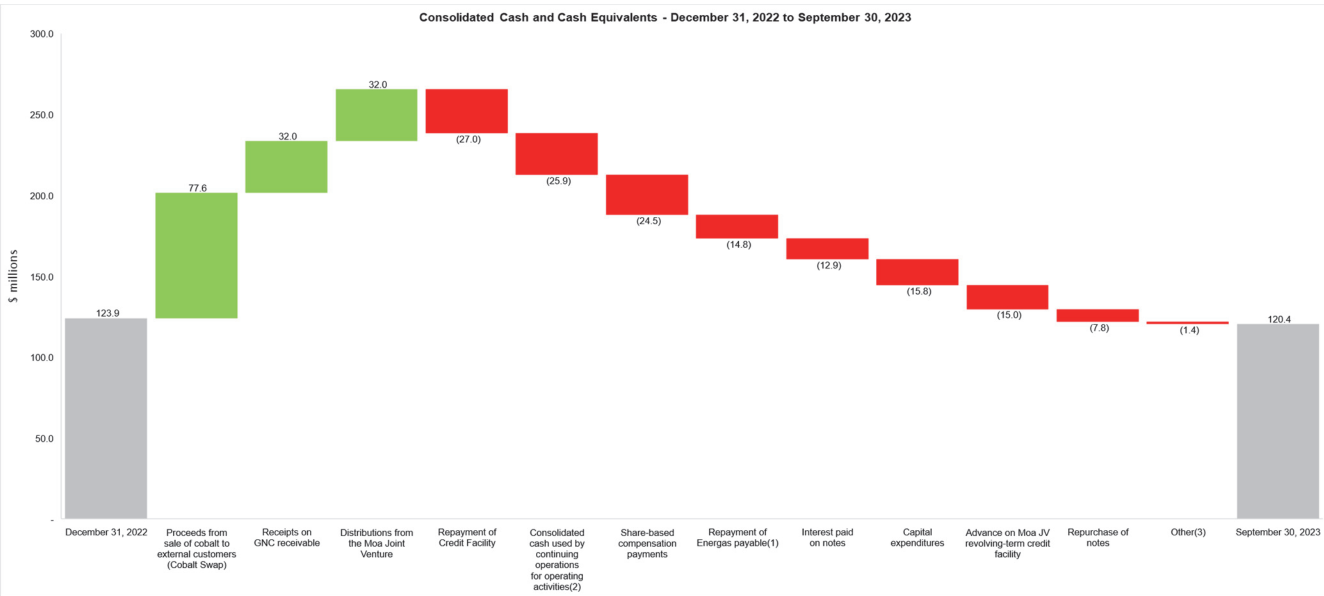
Liquidity

As at September 30, 2023, total available liquidity was $201.9 million, which is composed of cash and cash equivalents of $120.4 million and $81.5 million of available credit facilities and excludes restricted cash of $1.4 million. Refer to the Capital resources section for further details on the 8.50% second lien secured notes due 2026 ("Second Lien Notes"), the PIK Notes and the syndicated revolving-term credit facility ("Credit Facility"), including repurchases of the PIK Notes during the nine months ended September 30, 2023.

The main factors that affect liquidity include realized sales prices, collection of receivables, production levels, cash production costs, working capital requirements, capital expenditure requirements, the timing of distributions from the Moa JV, the timing of cobalt sales and receipts, repayments of non-current loans and borrowings, credit capacity and debt and equity capital market conditions.

The Corporation's liquidity requirements are met through a variety of sources, including cash and cash equivalents, cash generated from operations, existing credit facilities, leases, derivatives and debt and equity capital markets.

Cash and cash equivalents as at September 30, 2023 decreased by $3.5 million from December 31, 2022. The components of this change are shown below:



(1) The repayment of the Energas payable was made in Cuban pesos and did not impact cash in Canada.
(2) Excludes proceeds from Cobalt Swap, distributions from the Moa JV, share-based compensation payments and interest paid on notes presented separately above.
(3) Other is composed of the effect of exchange rate changes on cash and cash equivalents, repayment of other financial liabilities, fees paid on repurchase of notes and cash used by discontinued operations.

The Corporation's cash and cash equivalents are deposited in the following countries:

$ millions, as at September 30, 2023	Cash	Cash equivalents	Total
Canada	$ 22.5	$ 0.2	$ 22.7
Cuba[1]	96.9	-	96.9
Other	0.8	-	0.8
	$ 120.2	$ 0.2	$ 120.4
The Corporation's share of cash and cash equivalents in the Moa JV, not included in the above balances:			$ 13.7

(1) As at September 30, 2023, $92.5 million of the Corporation's cash and cash equivalents was held by Energas (December 31, 2022 - $96.7 million).

The Corporation's share of cash and cash equivalents in the Moa JV decreased since year end partially due to significant cash distributions to the Corporation under the Cobalt Swap in order to meet the annual US$57.0 million (50% basis) total value of cobalt and cash distributions to the Corporation.

SOURCES AND USES OF CASH

The Corporation's cash provided (used) by operating, investing and financing activities is summarized in the following table, as derived from the Corporation's consolidated statements of cash flow.

	For the three months ended			For the nine months ended		
	2023	2022		**2023**	2022	
$ millions	**September 30**	September 30	Change	**September 30**	September 30	Change
Cash provided (used) by operating activities						
Cash provided (used) by operating activities:						
Metals - Fort Site	**$ (12.2)**	$ 23.5	(152%)	**$ (14.0)**	$ 32.0	(144%)
Metals - Metals Marketing[1]	**1.0**	3.8	(74%)	**0.7**	(1.4)	150%
Power	**2.8**	9.1	(69%)	**11.9**	24.5	(51%)
Technologies	**(3.9)**	(3.6)	(8%)	**(11.9)**	(10.6)	(12%)
Oil and Gas	**2.6**	3.4	(24%)	**5.6**	(1.8)	411%
Corporate[2]	**(5.9)**	(17.6)	66%	**(18.3)**	(15.4)	(19%)
Distributions from Moa JV						
Proceeds from Cobalt Swap - Sherritt share	**11.8**	-	-	**38.8**	-	-
Proceeds from Cobalt Swap - GNC redirected share	**11.8**	-	-	**38.8**	-	-
Cash distributions - Cobalt Swap	**-**	-	-	**32.0**	-	-
Cash distributions - normal course	**-**	-	-	**-**	43.4	(100%)
Interest paid on Notes	**(3.4)**	-	-	**(12.8)**	(15.2)	16%
Share-based compensation payments	**-**	-	-	**(24.5)**	(5.7)	(330%)
Other cash provided by operating activities	**(0.2)**	0.2	(200%)	**-**	0.2	(100%)
Cash provided by continuing operations	**4.4**	18.8	(77%)	**46.3**	50.0	(7%)
Cash used by discontinued operations	**(0.3)**	(0.4)	25%	**(0.6)**	(1.3)	54%
Cash provided by operating activities	**$ 4.1**	$ 18.4	(78%)	**$ 45.7**	$ 48.7	(6%)
Cash (used) provided by investing activities	**$ (21.7)**	$ (10.2)	(113%)	**$ 1.9**	$ (16.7)	111%
Cash used by financing activities	**(40.6)**	(1.5)	(2607%)	**(51.2)**	(47.5)	(8%)
Effect of exchange rate changes on cash and cash	**2.6**	6.3	(59%)	**0.1**	7.5	(99%)
(Decrease) increase in cash and cash equivalents	**$ (55.6)**	$ 13.0	(528%)	**$ (3.5)**	$ (8.0)	56%
Cash and cash equivalents:						
Beginning of the period	**$ 176.0**	$ 124.6	41%	**$ 123.9**	$ 145.6	(15%)
End of the period	**$ 120.4**	$ 137.6	(13%)	**$ 120.4**	$ 137.6	(13%)

(1) Excluding proceeds from the Cobalt Swap, presented separately above.
(2) Excluding distributions received from Moa JV and interest paid on second lien secured notes, presented separately above.

The following significant items affected the sources and uses of cash:

Cash provided by operating activities was lower for the three and nine months ended September 30, 2023 compared to the same period in the prior year, primarily as a result of the following:

- Higher cash used by operating activities at Fort Site primarily due to significantly lower average-realized prices for fertilizer coupled with lower fertilizer pre-buys for fall season sales during the three and nine months ended September 30, 2023, respectively, compared to the prior year periods;
- Lower and higher cash provided by operating activities at Metals Marketing primarily due to timing of customer receipts during the three and nine months ended September 30, 2023, respectively, compared to the prior year periods;
- Lower cash provided by operating activities at Power primarily due to higher production costs as a result of higher maintenance, partially offset by higher production in the current year periods;
- Lower cash provided by operating activities at Oil and Gas primarily due to timing of working capital payments for the three months ended September 30, 2023, compared to the prior year period. Higher cash provided by operating activities for the nine months ended September 30, 2022 primarily due to higher receipts on oil and gas service revenue;
- Lower and higher cash used by operating activities at Corporate primarily due to the timing of working capital payments;
- In the current year, distributions from the Moa JV were in the form of cobalt pursuant to the Cobalt Swap, for which the Corporation received $23.7 and $77.6 million, respectively, in cash from the sale of cobalt (Sherritt and GNC's redirected share), for the three and nine months ended September 30, 2023. In addition, $32.0 million of cash was distributed during the nine months ended September 30, 2023 from the Moa JV to the Corporation pursuant to the Cobalt Swap in order for the total value of cobalt and cash distributions to meet the dollar minimum of US$114.0 million.

Included in investing and financing activities for the three and nine months ended September 30, 2023 are expenditures on property, plant and equipment and intangible assets, an advance to the Moa JV and repayments of the Credit Facility. In addition, investing and financing activities for the nine months ended September 30, 2023 includes receipts on the GNC receivable and repayments of the Energas payable under the Cobalt Swap and repurchase of PIK Notes.

RECONCILIATION OF ADJUSTED EBITDA TO CASH AND CASH EQUIVALENTS

The Corporation's Adjusted EBITDA[(1)] reconciles to the change in cash and cash equivalents as follows for the three and nine months ended September 30, 2023:

$ millions	For the three months ended **September 30, 2023**	For the nine months ended **September 30, 2023**
Adjusted EBITDA[(1)]	**$ (9.1)**	**$ 46.5**
Add (deduct):		
Moa JV Adjusted EBITDA[(1)]	**(6.4)**	**(72.2)**
Distributions from the Moa JV		
Proceeds from Cobalt Swap - Sherritt share	**11.8**	**38.8**
Proceeds from Cobalt Swap - GNC redirected share	**11.8**	**38.8**
Cash distributions - Cobalt Swap	**-**	**32.0**
Interest received	**1.0**	**2.2**
Interest paid	**(4.3)**	**(16.7)**
Net change in non-cash working capital	**(20.9)**	**(93.4)**
Finished cobalt cost of sales	**8.7**	**84.3**
Share-based compensation (recovery) expense	**(0.7)**	**0.4**
Share-based compensation payments	**-**	**(24.5)**
Inventory write-down/obsolescence	**7.3**	**9.1**
Other[(2)]	**5.2**	**1.0**
Cash provided by continuing operations for operating activities per financial statements	**4.4**	**46.3**
Add (deduct):		
Cash used by discontinued operations	**(0.3)**	**(0.6)**
Repurchase of notes	**-**	**(7.8)**
Repayment of loans and borrowings	**(40.0)**	**(27.0)**
Increase in advances, loans receivable and other financial assets	**(15.0)**	**(15.0)**
Repayment of other financial liabilities	**(0.6)**	**(16.3)**
Property, plant, equipment and intangible asset expenditures	**(7.0)**	**(15.8)**
Receipts of advances, loans receivable and other financial assets	**0.3**	**32.7**
Effect of exchange rate changes on cash and cash equivalents	**2.6**	**0.1**
Other[(2)]	**-**	**(0.1)**
Change in cash and cash equivalents	**$ (55.6)**	**$ (3.5)**

(1) Non-GAAP and other financial measure. For additional information see the Non-GAAP and other financial measures section.

(2) Other is composed of losses on environmental rehabilitation provisions and fees paid on repurchases of notes.

The Moa JV's Adjusted EBTIDA is based on revenue, cost of sales and other expenses recognized by the Moa JV based on the accrual method. Moa JV's cash and cobalt distributions to the Corporation are determined based on available cash in excess of liquidity requirements including anticipated nickel and cobalt prices, planned spending on capital at the Moa JV including growth capital, working capital needs and other expected liquidity requirements. Available cash is also impacted by changes in working capital primarily related to changes in inventory, and timing of receipts and payments, including receipts on nickel and cobalt sales subsequent to shipment.

Capital resources

CAPITAL RISK MANAGEMENT

The Corporation's objectives when managing capital are to maintain financial liquidity and flexibility in order to preserve its ability to meet financial obligations throughout the various resource cycles with sufficient capital and capacity to manage unforeseen operational and industry developments and to ensure the Corporation has the capital and capacity to allow for business growth opportunities and/or to support the growth of its existing businesses.

Subject to the limitations within the indenture and revolving credit agreements, in order to maintain or adjust its capital structure, the Corporation may purchase shares for cancellation pursuant to normal course issuer bids, issue new shares, repay outstanding debt, issue new debt (unsecured, convertible and/or other types of available debt instruments), issue subscription receipts exchangeable for common shares and/or other securities, issue warrants exercisable to acquire common shares and/or other securities, issue units of securities comprised of more than one of equity securities, debt securities, subscription receipts and/or warrants, refinance existing debt with different characteristics, acquire or dispose of assets or adjust the amount of cash and short-term investment balances.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS(1)

The following table provides a summary of consolidated significant liquidity and capital commitments based on existing commitments and debt obligations (including accrued interest). For amounts payable that are not fixed, including mandatory redemptions discussed below, the amount disclosed is determined by reference to the conditions existing as at September 30, 2023.

Canadian $ millions, as at September 30, 2023	Total	Falling due within 1 year	Falling due between 1-2 years	Falling due between 2-3 years	Falling due between 3-4 years	Falling due between 4-5 years	Falling due in more than 5 years
Trade accounts payable and accrued liabilities	$ 159.7	$ 159.7	$ -	$ -	$ -	$ -	$ -
Income taxes payable	2.4	2.4	-	-	-	-	-
Second Lien Notes (includes principal, interest and premium)	313.7	18.8	18.8	18.8	257.3	-	-
PIK Notes (includes principal and interest)	104.9	6.8	6.8	6.8	6.8	6.8	70.9
Syndicated revolving-term credit facility	20.7	1.7	19.0	-	-	-	-
Other non-current financial liabilities	1.3	-	-	-	0.1	-	1.2
Provisions	198.5	24.7	3.6	0.3	0.3	2.3	167.3
Energas payable	97.3	14.3	22.7	27.0	24.7	8.6	-
Lease liabilities	14.0	2.7	2.4	1.6	1.3	1.3	4.7
Capital commitments	8.6	8.6	-	-	-	-	-
Total	$ 921.1	$ 239.7	$ 73.3	$ 54.5	$ 290.5	$ 19.0	$ 244.1

(1) Excludes the contractual obligations and commitments of the Moa JV, which are disclosed separately in the Supplementary Information section below and non-recourse to the Corporation.

SECOND LIEN NOTES

As at September 30, 2023, the outstanding principal amount of Second Lien Notes is $221.3 million.

The indenture governing the Second Lien Notes (the "Second Lien Notes Indenture") requires mandatory redemptions from excess cash (subject to the minimum liquidity condition noted below and the other terms and conditions set forth in the Second Lien Notes Indenture). The mandatory Excess Cash Flow redemption provision is in effect beginning with the two-quarter period ending June 30, 2021 and mandatory redemptions are based on Excess Cash Flow (a measure calculated based on cash provided by (used in) operating activities excluding Energas, less sustaining property, plant and equipment expenditures excluding Energas, plus all cash distributed by Energas to the Corporation held in Canada, including cash distributions received by the Corporation from GNC pursuant to the Cobalt Swap and its assumption of the Energas CSA), which mandatory redemption shall be required to be made only if the Corporation has minimum liquidity of $75.0 million calculated in accordance with the Second Lien Notes Indenture. Expected mandatory Excess Cash Flow redemptions have been included in the calculation of the effective interest rate of the Second Lien Notes.

During the nine months ended September 30, 2023, the Corporation paid interest of $9.4 million on the Second Lien Notes.

Subsequent to period end, the Corporation paid interest of $9.4 million on the Second Lien Notes and was not required to make any mandatory redemptions, as the minimum liquidity provisions of the indenture agreement was not met.

For the two-quarter period ended June 30, 2023, Excess Cash Flow, as defined and calculated pursuant to the Second Lien Notes Indenture, was $57.1 million. However, the Corporation did not meet the minimum liquidity condition as defined in the Second Lien Notes Indenture, as at the interest payment date in October 2023.

In determining the minimum liquidity amounts in October 2023, the $7.8 million of cash used to repurchase the 10.75% unsecured PIK option notes due 2029 during the nine months ended September 30, 2023 and amounts drawn on the Credit Facility were deducted from the calculation of minimum liquidity before and after any such redemption.

Under the Second Lien Notes Indenture, the Corporation is subject to various restrictions, which limit, among other things, restricted payments, which in addition to restricted payments made pursuant to certain limited ordinary course "baskets", can only be made if certain financial ratios are met and subject to certain customary carve-outs and permissions. As at September 30, 2023, the Corporation met the required financial ratio and has the capacity to make restricted payments up to $110.5 million.

PIK NOTES

As at September 30, 2023, the outstanding principal amount of the PIK Notes is $63.4 million.

During the nine months ended September 30, 2023, the Corporation repurchased $11.2 million of principal of the PIK Notes at a cost of $7.8 million, plus $0.1 million of accrued interest, resulting in a gain on repurchase of notes of $3.5 million.

During the nine months ended September 30, 2023, in accordance with the terms of the PIK Notes Indenture, the Corporation elected not to pay cash interest due in January 2023 of $3.8 million and added the payment-in-kind interest to the principal amount owed to noteholders.

During the nine months ended September 30, 2023, the Corporation paid the July 2023 interest payment on the PIK Notes of $3.4 million in cash. Under the terms of the PIK Notes Indenture, payment of cash interest during the preceding consecutive 12-month period permits the Corporation to provide returns to shareholders through share repurchase and dividends.

CREDIT FACILITY

As at September 30, 2023, the outstanding principal amount of the Credit Facility is $18.0 million.

During the three months ended March 31, 2023, the Credit Facility was amended to extend its maturity for one year from April 30, 2024 to April 30, 2025, with no other changes to the terms, financial covenants or restrictions.

During the three months ended June 30, 2023, the Credit Facility was amended to (i) add an accordion feature, which allows additional lenders to join the credit facility and increase the maximum credit available by up to $25.0 million, subject to certain conditions and (ii) increase the permitted debt outside of the Credit Facility from $25.0 million to $35.0 million, with no other significant changes to the terms, financial covenants or restrictions.

As at September 30, 2023, the Corporation was in compliance with all Credit Facility covenants.

COMMON SHARES

As at November 1, 2023, the Corporation had 397,288,680 common shares outstanding. An additional 6,612,673 common shares are issuable upon exercise of outstanding stock options granted to employees pursuant to the Corporation's stock option plan.

Managing risk

Sherritt manages a number of risks in each of its businesses in order to achieve an acceptable level of risk without appreciably hindering its ability to maximize returns. Management has procedures to identify and manage significant operational and financial risks. A comprehensive list of the Corporation's significant business risks and strategies designed to manage these risks can be found in the Corporation's Annual Information Form.

Basis of presentation and critical accounting judgments

The condensed consolidated financial statements referenced in this MD&A have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (IAS 34), as issued by the International Accounting Standards Board (IASB). Accordingly, certain information and footnote disclosures normally included in the annual financial statements prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the IASB, have been omitted or condensed.

The condensed consolidated financial statements are prepared on a going concern basis, under the historical cost convention, except for certain financial assets and liabilities and cash-settled share-based payments, which have been measured at fair value. The going concern basis assumes that the Corporation will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The condensed consolidated financial statements have been prepared using the same accounting policies and methods of computation as the annual consolidated financial statements of the Corporation as at and for the year ended December 31, 2022, except for amendments to IAS 12 and IAS 8, which were adopted effective January 1, 2023. For further information, see note 4 of the condensed consolidated financial statements for the three and nine months ended September 30, 2023.

The critical accounting estimates and judgments used in the preparation of the condensed consolidated financial statements are consistent with those used in the Corporation's annual consolidated financial statements as at and for the year ended December 31, 2022.

Summary of quarterly results

The following table presents selected amounts derived from the Corporation's condensed consolidated financial statements:

$ millions, except per share amounts, for the three months ended	**2023 Sept 30**	2023 Jun 30	2023 Mar 31	2022 Dec 31	2022 Sept 30	2022 Jun 30	2022 Mar 31	2021 Dec 31
Revenue	**$ 36.4**	$ 93.5	$ 58.6	$ 48.6	$ 30.2	$ 65.9	$ 34.1	$ 36.6
Share of (loss) earnings of Moa Joint Venture, net of tax	**(5.0)**	11.5	29.9	23.5	22.0	47.4	47.9	33.2
Net (loss) earnings from continuing operations	**(24.8)**	0.3	13.6	(7.3)	(26.9)	81.5	16.4	14.4
(Loss) earnings from discontinued operations, net of tax(1)	**-**	-	(0.3)	0.3	0.6	(0.4)	(0.7)	(0.3)
Net (loss) earnings for the period	**$ (24.8)**	$ 0.3	$ 13.3	$ (7.0)	$ (26.3)	$ 81.1	$ 15.7	$ 14.1
Net (loss) earnings per share, basic ($ per share)								
Net (loss) earnings from continuing operations	**$ (0.06)**	$ 0.00	$ 0.03	$ (0.02)	$ (0.07)	$ 0.21	$ 0.04	$ 0.04
Net (loss) earnings	**(0.06)**	0.00	0.03	(0.02)	(0.07)	0.20	0.04	0.04

(1) (Loss) earnings from discontinued operations, net of tax, relates to expenses in respect of provisions retained by the Corporation.

In general, net earnings or losses of the Corporation are primarily affected by production and sales volumes, commodity prices, maintenance and operating costs, and exchange rates. The average Canadian dollar cost to purchase one U.S. dollar for the above quarters ranged from $1.2603 (Q4 2021) to $1.3578 (Q4 2022) and period-end rates ranged between $1.2496 (Q1 2022) to $1.3707 (Q3 2022).

In addition to the impact of commodity prices and sales volumes, the net earnings/losses in the eight quarters were impacted by the following significant items (pre-tax):

- Q3 2023: $7.3 million write-down of inventory, $6.8 million loss on environmental rehabilitation provisions and $0.9 million unrealized foreign exchange gains in continuing operations. The net impact of the Cobalt Swap on the Corporation's net loss was not material;
- Q2 2023: $2.2 million gain on repurchase of notes. The net impact of the Cobalt Swap on the Corporation's net earnings was not material;
- Q1 2023: $1.3 million gain on repurchase of notes, $1.9 million of share-based compensation expense within cost of sales and administrative expenses and $0.9 million of unrealized foreign exchange losses in continuing operations. The net impact of the Cobalt Swap on the Corporation's net earnings was not material;
- Q4 2022: $7.1 million gain on repurchase of notes, $4.0 million gain on modification of Cuban receivables, $2.4 million revaluation gain on the GNC receivable, $4.0 million revaluation loss on the Energas payable, $4.1 million of unrealized foreign exchange losses in continuing operations, $15.0 million loss on environmental rehabilitation provisions and $10.7 million of share-based compensation expense within cost of sales and administrative expenses;
- Q3 2022: $48.5 million revaluation loss on allowances for expected credit losses on Energas conditional sales agreement receivable, $4.6 million of unrealized foreign exchange gains in continuing operations and $2.6 million of share-based compensation recovery within cost of sales and administrative expenses;
- Q2 2022: $13.8 million gain on repurchase of notes, $17.2 million of share-based compensation recovery within cost of sales and administrative expenses and $3.8 million of unrealized foreign exchange gains in continuing operations;
- Q1 2022: $26.6 million of share-based compensation expense within cost of sales and administrative expenses and $1.1 million of unrealized foreign exchange gains in continuing operations; and
- Q4 2021: $1.4 million of unrealized foreign exchange gains in continuing operations and $0.6 million of share-based compensation expense related to the planned retirement of a senior executive.

Off-balance sheet arrangements

As at September 30, 2023, the Corporation had no foreign exchange or commodity options, futures or forward contracts.

Transactions with related parties

The Corporation enters into transactions related to its joint arrangements. For further detail, refer to notes 7 and 19 of the Corporation's condensed consolidated financial statements for the three and nine months ended September 30, 2023.

Transactions between related parties are generally based on standard commercial terms. All amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received on the outstanding amounts. No expense has been recognized in the current or prior periods for bad debts in respect of amounts owed by related parties.

Controls and procedures

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to management, including the CEO and CFO, on a timely basis so that appropriate decisions can be made regarding public disclosure.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Internal control over financial reporting means a process designed by or under the supervision of the CEO and CFO, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The internal controls are not expected to prevent and detect all misstatements due to error or fraud.

As at September 30, 2023, the Corporation's CEO and CFO have certified that the disclosure controls and procedures are effective and that during the three and nine months ended September 30, 2023, the Corporation did not make any material changes in the internal controls over financial reporting that materially affected or are reasonably likely to materially affect the Corporation's internal control over financial reporting.

Supplementary information

SENSITIVITY ANALYSIS

The following table shows the approximate impact on the Corporation's net loss and loss per share from continuing operations for the three months ended September 30, 2023 from a change in selected key variables. The impact is measured by changing one variable at a time and may not necessarily be indicative of sensitivities on future results.

Factor		Increase	Approximate change in quarterly net earnings (loss) (CAD$ millions) Increase/ (decrease)	Approximate change in quarterly basic earnings (loss) per share (EPS) Increase/ (decrease)
Prices				
Nickel - LME price per pound[1]	US$	1.00	$ 6	$ 0.02
Cobalt - Argus price per pound[1]	US$	5.00	5	0.01
Fertilizers - price per tonne[1]	$	50.00	1	-
Exchange rate				
Strengthening of the Canadian dollar relative to the U.S. dollar	$	0.05	(4)	(0.01)
Operating costs[1]				
Natural gas - cost per gigajoule (Moa JV and Fort Site)	$	1.00	(1)	-
Fuel oil - cost per tonne (Moa JV and Fort Site)	US$	50.00	(1)	-
Sulphur - cost per tonne (Moa JV and Fort Site)	US$	25.00	(1)	-

(1) Changes are applied at the operating level with the approximate change in net earnings (loss) and basic EPS representing the Corporation's 50% interest in the Moa JV.

INVESTMENT IN MOA JOINT VENTURE

Explanations for the significant changes in the statements of financial position and statements of comprehensive income line items to their respective comparative periods for the Moa JV are included below.

Statements of financial position

Canadian $ millions, 100% basis, as at	2023 September 30	2022 December 31	Variance	
Assets				
Cash and cash equivalents	**$ 27.4**	$ 43.6	(16.2)	Decrease is primarily due to cash distributions made under the Cobalt Swap and spending on capital, partially offset by cash provided by operating activities.
Income taxes receivable	**2.4**	-	2.4	
Other current assets	**35.0**	90.1	(55.1)	Decrease is primarily due to cash distributions to shareholders in the prior year and declared as dividends during 2023, reducing the receivable from shareholders.
Trade accounts receivable, net	**86.5**	178.0	(91.5)	Decrease is primarily due to lower nickel sales volumes and realized prices coupled with lower cobalt sales volumes.
Inventories	**416.7**	399.1	17.6	Increase is primarily due to higher volumes of finished nickel inventory.
Other non-current assets	**26.6**	16.8	9.8	Increase is primarily due to higher prepayments to shareholders.
Property, plant and equipment	**1,082.9**	1,102.8	(19.9)	Decrease is primarily due to depletion, depreciation and amortization, partially offset by capital additions.
Total assets	**1,677.5**	1,830.4	(152.9)	
Liabilities				
Trade accounts payable and accrued liabilities	**109.5**	87.9	21.6	Increase is primarily due to timing of payments to suppliers.
Income taxes payable	**2.3**	4.1	(1.8)	
Other current financial liabilities	**15.3**	0.2	15.1	Increase is primarily due to a draw on the revolving-term credit facility with the Corporation.
Loans and borrowings	**18.7**	26.0	(7.3)	
Environmental rehabilitation provisions	**70.7**	84.0	(13.3)	Decrease is primarily due to changes in estimates primarily as a result of an increase in discount rates.
Other non-current financial liabilities	**4.0**	4.6	(0.6)	
Deferred income taxes	**22.4**	23.7	(1.3)	
Total liabilities	**242.9**	230.5	12.4	
Net assets of Moa Joint Venture	**$ 1,434.6**	$ 1,599.9	(165.3)	
Proportion of Sherritt's ownership interest	**50%**	50%		
Total	**717.3**	800.0		
Intercompany capitalized interest elimination	**(43.3)**	(44.0)		
Investment in Moa Joint Venture	**$ 674.0**	$ 756.0		

Foreign currency translation differences are included in the financial information of the Moa JV presented in the financial statements and MD&A, as the Corporation's presentation currency is the Canadian dollar, while the Moa JV's functional currency is the U.S. dollar. During the nine months ended September 30, 2023, the U.S. dollar decreased in value relative to the Canadian dollar, resulting in lower assets and liabilities reported in Canadian dollars as compared to December 31, 2022.

Statements of comprehensive income

Canadian $ millions, 100% basis	For the nine months ended 2023 September 30	2022 September 30	Variance	
Revenue	**$ 669.0**	$ 967.2	(298.2)	Decrease is primarily due to a decrease in cobalt revenue primarily due to cobalt distributions pursuant to the Cobalt Swap, which are not recognized by the Moa JV, and lower nickel revenue due to lower nickel sales volumes and realized prices.
Cost of sales	**(588.3)**	(670.0)	81.7	Decrease is primarily due to a decrease in cobalt cost of sales primarily due to cobalt distributions pursuant to the Cobalt Swap, which are not recognized as cost of sales by the Moa JV coupled with lower sulphur input commodity prices and lower royalties, primarily due to lower mixed sulphide revenue. These amounts are partially offset by an increase in maintenance costs as well as an increase in the U.S. dollar relative to the Canadian dollar.
Cobalt gain	**5.5**	-	5.5	Difference between the cost to produce finished cobalt and the in-kind value of cobalt distributed under the Cobalt Swap.
Impairment of property, plant and equipment	**(3.0)**	-	(3.0)	
Administrative expenses	**(7.6)**	(8.0)	0.4	
Earnings from operations	**75.6**	289.2	(213.6)	
Financing income	**2.1**	0.5	1.6	
Financing expense	**(4.4)**	(19.7)	15.3	Decrease is primarily due to the impact of changes in foreign exchange rates on Euro and Canadian dollar denominated receivables.
Net finance expense	**(2.3)**	(19.2)	16.9	
Earnings before income tax	**73.3**	270.0	(196.7)	
Income tax expense	**(7.5)**	(41.4)	33.9	Decrease is primarily due to lower taxable earnings in 2023 as compared to 2022 at one of the operating companies of the Moa JV.
Net earnings and comprehensive income of Moa Joint Venture	**$ 65.8**	$ 228.6	(162.8)	
Proportion of Sherritt's ownership interest	**50%**	50%	-	
Total	**32.9**	114.3	(81.4)	
Intercompany elimination	**3.5**	3.0	0.5	
Share of earnings of Moa Joint Venture, net of tax	**$ 36.4**	$ 117.3	(80.9)	

For the nine months ended September 30, 2023, Moa JV’s revenue was positively impacted and cost of sales and other expenses were negatively impacted by a stronger average U.S. dollar relative to the Canadian dollar compared to the same periods in the prior year.

Moa JV commitments

The Moa JV’s significant undiscounted commitments, which are non-recourse to the Corporation, are presented below on a 50% basis:

- Environmental rehabilitation commitments of $133.4 million, with no significant payments due in the next five years;
- Trade accounts payable and accrued liabilities of $54.8 million;
- Loans and borrowings of $10.5 million; and
- Property, plant and equipment commitments of $39.1 million (50% basis), which includes $6.5 million of commitments for growth capital for the ordering of long-lead materials and equipment, and civil and mechanical construction.

Property, plant and equipment commitments include normal course expenditures and those associated with tailings management facilities.

NON-GAAP AND OTHER FINANCIAL MEASURES

Management uses the measures below 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 evaluate the results of its underlying business. These measures are intended to provide additional information, not to replace IFRS measures, and do not have a standard definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. As these measures do not have a standardized meaning, they may not be comparable to similar measures provided by other companies.

The non-GAAP and other financial measures are reconciled to the most directly comparable IFRS measure in the sections below.

Combined revenue

The Corporation uses combined revenue as a measure to help management assess the Corporation's financial performance across its operations. Combined revenue includes the Corporation's consolidated revenue and revenue of the Moa JV within the Metals reportable segment on a 50% basis, which is accounted for using the equity method for accounting 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:

	For the three months ended			For the nine months ended		
	2023	2022		**2023**	2022	
$ millions	**September 30**	September 30	Change	**September 30**	September 30	Change
Revenue by reportable segment						
Metals(1)	**$ 115.7**	$ 176.0	(34%)	**$ 477.8**	$ 571.6	(16%)
Power	**11.9**	9.0	32%	**33.1**	26.6	24%
Technologies	**0.3**	0.2	50%	**1.0**	1.3	(23%)
Oil and Gas	**4.4**	4.7	(6%)	**10.6**	13.7	(23%)
Corporate	**0.1**	0.2	(50%)	**0.5**	0.6	(17%)
Combined revenue	**$ 132.4**	$ 190.1	(30%)	**$ 523.0**	$ 613.8	(15%)
Adjustment for Moa Joint Venture	**(96.0)**	(159.9)		**(334.5)**	(483.6)	
Financial statement revenue	**$ 36.4**	$ 30.2	21%	**$ 188.5**	$ 130.2	45%

(1) Revenue of Metals for the three months ended September 30, 2023 is composed of revenue recognized by the Moa JV of $96.0 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 $7.2 million and Metals Marketing of $12.5 million, both of which are included in consolidated revenue (for the three months ended September 30, 2022 - $159.9 million, $14.0 million and $2.1 million, respectively). Revenue of Metals for the nine months ended September 30, 2023 is composed of revenue recognized by the Moa JV of $334.5 million (50% basis), coupled with revenue recognized by Fort Site of $57.2 million and Metals Marketing of $86.1 million (for the nine months ended September 30, 2022 - $483.6 million, $81.6 million and $6.4 million, respectively).

Adjusted EBITDA

The Corporation defines Adjusted EBITDA as earnings (loss) from operations and joint venture, which excludes net finance 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.

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 earnings from operations and joint venture per the financial statements to Adjusted EBITDA:

$ millions, for the three months ended September 30	Metals[1]	Power	Techno-logies	Oil and Gas	Corporate	Adjustment for Moa Joint Venture	Total **2023**
(Loss) earnings from operations and joint venture per financial statements	**$ (14.9)**	**$ 5.6**	**$ (3.7)**	**$ (7.0)**	**$ (4.2)**	**$ 0.4**	**$ (23.8)**
Add:							
Depletion, depreciation and amortization	**2.2**	**0.6**	**-**	**0.1**	**0.3**	**-**	**3.2**
Adjustments for share of earnings of Moa Joint Venture:							
Depletion, depreciation and amortization	**10.4**	**-**	**-**	**-**	**-**	**-**	**10.4**
Impairment of property, plant and equipment	**1.5**	**-**	**-**	**-**	**-**	**-**	**1.5**
Net finance income	**-**	**-**	**-**	**-**	**-**	**(2.8)**	**(2.8)**
Income tax expense	**-**	**-**	**-**	**-**	**-**	**2.4**	**2.4**
Adjusted EBITDA	**$ (0.8)**	**$ 6.2**	**$ (3.7)**	**$ (6.9)**	**$ (3.9)**	**$ -**	**$ (9.1)**

$ millions, for the three months ended September 30	Metals[1]	Power	Techno-logies	Oil and Gas	Corporate	Adjustment for Moa Joint Venture	Total 2022
Earnings (loss) from operations and joint venture per financial statements	$ 22.5	$ 1.4	$ (3.5)	$ 1.5	$ (1.1)	$ 0.5	$ 21.3
Add:							
Depletion, depreciation and amortization	2.1	4.1	-	0.1	0.1	-	6.4
Adjustments for share of earnings of Moa Joint Venture:							
Depletion, depreciation and amortization	10.2	-	-	-	-	-	10.2
Net finance expense	-	-	-	-	-	1.8	1.8
Income tax recovery	-	-	-	-	-	(2.3)	(2.3)
Adjusted EBITDA	$ 34.8	$ 5.5	$ (3.5)	$ 1.6	$ (1.0)	$ -	$ 37.4

$ millions, for the nine months ended September 30														**2023**
		Metals[(1)]		Power		Techno-logies		Oil and Gas		Corporate		Adjustment for Moa Joint Venture		Total
Earnings (loss) from operations and joint venture per financial statements	**$**	**19.9**	**$**	**14.8**	**$**	**(11.9)**	**$**	**(6.9)**	**$**	**(14.6)**	**$**	**(1.3)**	**$**	**-**
Add:														
Depletion, depreciation and amortization		**7.8**		**1.8**		**0.1**		**0.2**		**0.7**		**-**		**10.6**
Adjustments for share of earnings of Moa Joint Venture:														
Depletion, depreciation and amortization		**33.1**		**-**		**-**		**-**		**-**		**-**		**33.1**
Impairment of property, plant and equipment		**1.5**		**-**		**-**		**-**		**-**		**-**		**1.5**
Net finance income		**-**		**-**		**-**		**-**		**-**		**(2.4)**		**(2.4)**
Income tax expense		**-**		**-**		**-**		**-**		**-**		**3.7**		**3.7**
Adjusted EBITDA	**$**	**62.3**	**$**	**16.6**	**$**	**(11.8)**	**$**	**(6.7)**	**$**	**(13.9)**	**$**	**-**	**$**	**46.5**

$ millions, for the nine months ended September 30														2022
		Metals[(1)]		Power		Techno-logies		Oil and Gas		Corporate		Adjustment for Moa Joint Venture		Total
Earnings (loss) from operations and joint venture per financial statements	$	167.4	$	4.2	$	(10.4)	$	0.8	$	(15.8)	$	(27.4)	$	118.8
Add (deduct):														
Depletion, depreciation and amortization		7.5		12.0		0.1		0.8		0.8		-		21.2
Gain on disposal of property, plant and equipment		-		-		-		(1.3)		-		-		(1.3)
Adjustments for share of earnings of Moa Joint Venture:														
Depletion, depreciation and amortization		31.8		-		-		-		-		-		31.8
Net finance expense		-		-		-		-		-		6.7		6.7
Income tax expense		-		-		-		-		-		20.7		20.7
Adjusted EBITDA	$	206.7	$	16.2	$	(10.3)	$	0.3	$	(15.0)	$	-	$	197.9

(1) Adjusted EBITDA of Metals for the three months ended September 30, 2023 is composed of Adjusted EBITDA at Moa JV of $6.4 million (50% basis), Adjusted EBITDA at Fort Site of $(7.7) million and Adjusted EBITDA at Metals Marketing of $0.5 million (for the three months ended September 30, 2022 - $31.5 million, $3.8 million and $(0.5) million, respectively).

(2) Adjusted EBITDA of Metals for the nine months ended September 30, 2023 is composed of Adjusted EBITDA at Moa JV of $72.2 million (50% basis), Adjusted EBITDA at Fort Site of $0.3 million and Adjusted EBITDA at Metals Marketing of $(10.2) million (for the nine months ended September 30, 2022 - $176.4 million, $32.0 million and $(1.7) million, respectively).

Average-realized price

Average-realized price is generally calculated by dividing revenue by sales volume for the given product in a given division. The average-realized price for power excludes by-product 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 September 30							**2023**
	Metals						
	Nickel	Cobalt	Fertilizer	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Revenue per financial statements	**$ 78.6**	**$ 20.4**	**$ 8.3**	**$ 11.9**	**$ 13.2**	**$ (96.0)**	**$ 36.4**
Adjustments to revenue:							
By-product revenue	**-**	**-**	**-**	**(1.2)**			
Revenue for purposes of average-realized price calculation	**78.6**	**20.4**	**8.3**	**10.7**			
Sales volume for the period	**6.3**	**1.2**	**21.4**	**190**			
Volume units	Millions of pounds	Millions of pounds	Thousands of tonnes	Gigawatt hours			
Average-realized price[(2)(3)(4)]	**$ 12.54**	**$ 17.64**	**$ 389.43**	**$ 56.30**			

$ millions, except average-realized price and sales volume, for the three months ended September 30							2022
	Metals						
	Nickel	Cobalt	Fertilizer	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Revenue per financial statements	$ 128.0	$ 21.5	$ 15.0	$ 9.0	$ 16.6	$ (159.9)	$ 30.2
Adjustments to revenue:							
By-product revenue	-	-	-	(1.1)			
Revenue for purposes of average-realized price calculation	128.0	21.5	15.0	7.9			
Sales volume for the period	9.9	0.8	27.4	139			
Volume units	Millions of pounds	Millions of pounds	Thousands of tonnes	Gigawatt hours			
Average-realized price[(2)(3)(4)]	$ 12.94	$ 28.21	$ 531.10	$ 57.02			

$ millions, except average-realized price and sales volume, for the nine months ended September 30							**2023**
	Metals						
	Nickel	Cobalt	Fertilizer	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Revenue per financial statements	**$ 295.5**	**$ 89.6**	**$ 70.2**	**$ 33.1**	**$ 34.6**	**$ (334.5)**	**$ 188.5**
Adjustments to revenue:							
By-product revenue	**-**	**-**	**-**	**(3.3)**			
Revenue for purposes of average-realized price calculation	**295.5**	**89.6**	**70.2**	**29.8**			
Sales volume for the period	**20.7**	**5.2**	**114.7**	**520**			
Volume units	Millions of pounds	Millions of pounds	Thousands of tonnes	Gigawatt hours			
Average-realized price[(2)(3)(4)]	**$ 14.29**	**$ 17.51**	**$ 612.73**	**$ 57.23**			

$ millions, except average-realized price and sales volume, for the nine months ended September 30							2022
	Metals						
	Nickel	Cobalt	Fertilizer	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Revenue per financial statements	$ 369.0	$ 82.2	$ 84.2	$ 26.6	$ 51.8	$ (483.6)	$ 130.2
Adjustments to revenue:							
By-product revenue	-	-	-	(3.9)			
Revenue for purposes of average-realized price calculation	369.0	82.2	84.2	22.7			
Sales volume for the period	25.1	2.2	108.8	409			
Volume units	Millions of pounds	Millions of pounds	Thousands of tonnes	Gigawatt hours			
Average-realized price[(2)(3)(4)]	$ 14.69	$ 37.59	$ 823.91	$ 55.67			

(1) Other revenue includes revenue from the Oil and Gas, Technologies and Corporate 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/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, expressed in U.S. dollars.

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 September 30					**2023**
	Metals	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Cost of sales per financial statements	**$ 128.1**	**$ 5.7**	**$ 15.1**	**$ (98.9)**	**$ 50.0**
Less:					
Depletion, depreciation and amortization in cost of sales	**(12.5)**	**(0.6)**			
	115.6	**5.1**			
Adjustments to cost of sales:					
Cobalt by-product, fertilizer and other revenue	**(37.1)**	**-**			
Cobalt gain	**(0.3)**	**-**			
Impact of opening/closing inventory and other[2]	**(18.2)**	**-**			
Cost of sales for purposes of unit cost calculation	**60.0**	**5.1**			
Sales volume for the period	**6.3**	**190**			
Volume units	Millions of pounds	Gigawatt hours			
Unit operating cost[3][4]	**$ 9.56**	**$ 27.06**			
Unit operating cost (US$ per pound) (NDCC)[5]	**$ 7.24**				

$ millions, except unit cost and sales volume, for the three months ended September 30					2022
	Metals	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Cost of sales per financial statements	$ 151.0	$ 6.8	$ 6.4	$ (137.2)	$ 27.0
Less:					
Depletion, depreciation and amortization in cost of sales	(12.3)	(4.1)			
	138.7	2.7			
Adjustments to cost of sales:					
Cobalt by-product, fertilizer and other revenue	(48.0)	-			
Impact of opening/closing inventory and other[2]	(3.6)	-			
Cost of sales for purposes of unit cost calculation	87.1	2.7			
Sales volume for the period	9.9	139			
Volume units	Millions of pounds	Gigawatt hours			
Unit operating cost[3][4]	$ 8.81	$ 20.04			
Unit operating cost (US$ per pound) (NDCC)[5]	$ 6.76				

$ millions, except unit cost and sales volume, for the nine months ended September 30										2023
		Metals		Power		Other[(1)]		Adjustment for Moa Joint Venture		Total
Cost of sales per financial statements	$	**454.8**	$	**15.6**	$	**29.2**	$	**(294.2)**	$	**205.4**
Less:										
Depletion, depreciation and amortization in cost of sales		**(40.7)**		**(1.5)**						
		414.1		**14.1**						
Adjustments to cost of sales:										
Cobalt by-product, fertilizer and other revenue		**(182.3)**		**-**						
Cobalt gain		**(2.7)**		**-**						
Impact of opening/closing inventory and other[(2)]		**(35.3)**		**-**						
Cost of sales for purposes of unit cost calculation		**193.8**		**14.1**						
Sales volume for the period		**20.7**		**520**						
Volume units		Millions of pounds		Gigawatt hours						
Unit operating cost[(3)(4)]	$	**9.37**	$	**27.07**						
Unit operating cost (US$ per pound) (NDCC)[(5)]	$	**6.97**								

$ millions, except unit cost and sales volume, for the nine months ended September 30										2022
		Metals		Power		Other[(1)]		Adjustment for Moa Joint Venture		Total
Cost of sales per financial statements	$	398.3	$	19.3	$	23.3	$	(334.9)	$	106.0
Less:										
Depletion, depreciation and amortization in cost of sales		(39.3)		(12.0)						
		359.0		7.3						
Adjustments to cost of sales:										
Cobalt by-product, fertilizer and other revenue		(202.6)		-						
Impact of opening/closing inventory and other[(2)]		(15.2)		-						
Cost of sales for purposes of unit cost calculation		141.2		7.3						
Sales volume for the period		25.1		409						
Volume units		Millions of pounds		Gigawatt hours						
Unit operating cost[(3)(4)]	$	5.62	$	18.60						
Unit operating cost (US$ per pound) (NDCC)[(5)]	$	4.39								

(1) Other is composed of the cost of sales of the Oil and Gas and Technologies reportable segments.
(2) Other is primarily composed of royalties and other contributions, sales discounts 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 operational performance. These adjusting items include, but are not limited to, inventory 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. 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 operational performance or future operational performance. 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 core operations by adjusting for items or transactions that are not reflective of its core operating activities.

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:

For the three months ended September 30		2023 $ millions	2023 $/share	2022 $ millions	2022 $/share
Net loss from continuing operations	$	**(24.8)** $	**(0.06)** $	(26.9) $	(0.07)
Adjusting items:					
Sherritt - Unrealized foreign exchange gain - continuing operations		**(0.9)**	**-**	(4.6)	(0.01)
Metals - Moa JV - Impairment of property, plant and equipment		**1.5**	**-**	-	-
Metals - Moa JV - Inventory write-down/obsolescence		**1.6**	**-**	0.1	-
Metals - Fort Site - Inventory write-down/obsolescence		**7.3**	**0.02**	-	-
Metals - Metals Marketing - Cobalt gain		**0.3**	**-**	-	-
Oil and Gas and Power - Trade accounts receivable, net ACL revaluation		**-**	**-**	(1.1)	-
Power - Energas conditional sales agreement ACL revaluation[(1)]		**-**	**-**	48.5	0.12
Power - Revaluation of Energas payable		**0.5**	**-**	-	-
Power - Revaluation of GNC receivable		**(5.0)**	**(0.01)**	-	-
Total adjustments, before tax	**$**	**5.3** $	**0.01** $	42.9 $	0.11
Tax adjustments		**0.2**	**-**	(2.1)	(0.01)
Adjusted net (loss) earnings from continuing operations	**$**	**(19.3)** $	**(0.05)** $	13.9 $	0.03

For the nine months ended September 30		2023 $ millions	2023 $/share	2022 $ millions	2022 $/share
Net (loss) earnings from continuing operations	$	**(10.9)** $	**(0.03)** $	71.0 $	0.18
Adjusting items:					
Sherritt - Unrealized foreign exchange loss (gain) - continuing operations		**0.2**	**-**	(9.5)	(0.02)
Corporate - Gain on repurchase of notes		**(3.5)**	**(0.01)**	(13.8)	(0.03)
Corporate - Transaction finance charges on repurchase of notes		**-**	**-**	1.2	-
Corporate - Unrealized losses on commodity put options		**-**	**-**	(0.9)	-
Corporate - Realized losses on commodity put options		**-**	**-**	0.9	-
Metals - Moa JV - Impairment of property, plant and equipment		**1.5**	**-**	-	-
Metals - Moa JV - Inventory write-down/obsolescence		**3.0**	**0.01**	0.5	-
Metals - Fort Site - Inventory write-down/obsolescence		**8.1**	**0.02**	-	-
Metals - Metals Marketing - Inventory write-down/obsolescence		**1.1**	**-**	-	-
Metals - Metals Marketing - Cobalt gain		**2.7**	**0.01**	-	-
Oil and Gas - Gain on disposal of PP&E		**-**	**-**	(1.3)	-
Oil and Gas and Power - Trade accounts receivable, net ACL revaluation		**-**	**-**	0.4	-
Power - Energas conditional sales agreement ACL revaluation[(1)]		**-**	**-**	49.0	0.12
Power - Revaluation of Energas payable		**8.9**	**0.02**	-	-
Power - Revaluation of GNC receivable		**(18.2)**	**(0.04)**	-	-
Total adjustments, before tax	**$**	**3.8** $	**0.01** $	26.5 $	0.07
Tax adjustments		**0.4**	**-**	(2.5)	(0.01)
Adjusted net (loss) earnings from continuing operations	**$**	**(6.7)** $	**(0.02)** $	95.0 $	0.24

(1) In the comparative period, Power recognized a non-cash loss of $48.5 million and $49.0 million, respectively, during the three and nine months ended September 30, 2022 on the revaluation of the ACL on the Energas CSA as a result of the Cobalt Swap signed by the Corporation subsequent to the comparative period end and, in part, due to the suspension of interest over the five-year period of the agreement.

Combined 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 JV 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 JV'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 JV 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 JV'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 September 30						**2023**
	Metals	Power	Other[1]	Combined total	Adjustment for Moa Joint Venture	Total derived from financial statements
Property, plant and equipment expenditures[2]	**$ 13.7**	**$ 0.6**	**$ 0.2**	**$ 14.5**	**$ (7.6)**	**$ 6.9**
Intangible asset expenditures[2]	**-**	**-**	**0.1**	**0.1**	**-**	**0.1**
	13.7	**0.6**	**0.3**	**14.6**	**$ (7.6)**	**$ 7.0**
Adjustments:						
Accrual adjustment	**2.0**	**-**	**-**	**2.0**		
Spending on capital	**$ 15.7**	**$ 0.6**	**$ 0.3**	**$ 16.6**		

$ millions, for the three months ended September 30						2022
	Metals	Power	Other[1]	Combined total	Adjustment for Moa Joint Venture	Total derived from financial statements
Property, plant and equipment expenditures[2]	$ 17.4	$ 3.0	$ 0.1	$ 20.5	$ (10.1)	$ 10.4
Intangible asset expenditures[2]	-	-	-	-	-	-
	17.4	3.0	0.1	20.5	$ (10.1)	$ 10.4
Adjustments:						
Accrual adjustment	0.7	-	-	0.7		
Spending on capital	$ 18.1	$ 3.0	$ 0.1	$ 21.2		

$ millions, for the nine months ended September 30						**2023**
	Metals	Power	Other[1]	Combined total	Adjustment for Moa Joint Venture	Total derived from financial statements
Property, plant and equipment expenditures[2]	**$ 39.4**	**$ 1.9**	**$ 0.2**	**$ 41.5**	**$ (26.9)**	**$ 14.6**
Intangible asset expenditures[2]	**-**	**-**	**1.2**	**1.2**	**-**	**1.2**
	39.4	**1.9**	**1.4**	**42.7**	**$ (26.9)**	**$ 15.8**
Adjustments:						
Accrual adjustment	**2.0**	**-**	**(0.7)**	**1.3**		
Spending on capital	**$ 41.4**	**$ 1.9**	**$ 0.7**	**$ 44.0**		

$ millions, for the nine months ended September 30	Metals	Power	Other[1]	Combined total	Adjustment for Moa Joint Venture	2022 Total derived from financial statements
Property, plant and equipment expenditures[2]	$ 40.3	$ 3.5	$ 0.1	$ 43.9	$ (25.9)	$ 18.0
Intangible asset expenditures[2]	-	-	0.6	0.6	-	0.6
	40.3	3.5	0.7	44.5	$ (25.9)	$ 18.6
Adjustments:						
Accrual adjustment	7.1	-	-	7.1		
Spending on capital	$ 47.4	$ 3.5	$ 0.7	$ 51.6		

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

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

Combined free cash flow

The Corporation defines free cash flow for each segment as cash provided (used) by continuing operations for operating activities, less cash expenditures on property, plant and equipment and intangible assets, including exploration and evaluation assets. The Metals segment's free cash flow includes the Fort Site and Metals Marketing's free cash flow, plus the Corporation's 50% share of the Moa JV's free cash flow, which is accounted for using the equity method for accounting purposes. The Corporate segment's cash used by continuing operations for operating activities is adjusted to exclude distributions received from Moa JV.

Combined free cash flow is the aggregate of each segment's free cash flow or the Corporation's consolidated cash provided (used) by continuing operations for operating activities, less consolidated cash expenditures on property, plant and equipment and intangible assets, including exploration and evaluation assets, less distributions received from Moa JV, plus cash provided (used) by continuing operations for operating activities for the Corporation's 50% share of the Moa JV, less cash expenditures on property, plant and equipment and intangible assets for the Corporation's 50% share of the Moa JV. Distributions from the Moa JV excluded from Corporate cash used by continuing operations for operating activities are included in the Adjustment for Moa Joint Venture to arrive at total cash provided (used) by continuing operations for operating activities per the financial statements.

Free cash flow is used by management, and management believes this information is used by investors, to analyze cash flows generated from operations and assess its operations' ability to provide cash or its use of cash, after funding cash capital requirements, to service current and future working capital needs and service debt.

The tables below reconcile cash provided (used) by continuing operations for operating activities per the financial statements to combined free cash flow:

$ millions, for the three months ended September 30	Metals[1][2]	Power	Technol-ogies	Oil and Gas	Corporate	**Combined total**	Adjustment for Moa Joint Venture	**2023 Total derived from financial statements**
Cash provided (used) by continuing operations for operating activities	**$ 10.7**	**$ 2.8**	**$ (3.9)**	**$ 2.6**	**$ (9.3)**	**$ 2.9**	**$ 1.5**	**$ 4.4**
Less:								
Property, plant and equipment expenditures	**(13.7)**	**(0.6)**	**-**	**(0.2)**	**-**	**(14.5)**	**7.6**	**(6.9)**
Intangible expenditures	**-**	**-**	**-**	**(0.1)**	**-**	**(0.1)**	**-**	**(0.1)**
Free cash flow	**$ (3.0)**	**$ 2.2**	**$ (3.9)**	**$ 2.3**	**$ (9.3)**	**$ (11.7)**	**$ 9.1**	**$ (2.6)**

$ millions, for the three months ended September 30	Metals(1)(2)	Power	Technol-ogies	Oil and Gas	Corporate	**Combined total**	Adjustment for Moa Joint Venture	**Total derived from financial statements**
2022								
Cash provided (used) by continuing operations for operating activities	$ 29.3	$ 9.1	$ (3.6)	$ 3.4	$ (17.6)	$ 20.6	$ (1.8)	$ 18.8
Less:								
Property, plant and equipment expenditures	(17.4)	(3.0)	-	(0.1)	-	(20.5)	10.1	(10.4)
Intangible expenditures	-	-	-	-	-	-	-	-
Free cash flow	$ 11.9	$ 6.1	$ (3.6)	$ 3.3	$ (17.6)	$ 0.1	$ 8.3	$ 8.4

$ millions, for the nine months ended September 30	Metals(3)(4)	Power	Technol-ogies	Oil and Gas	Corporate	**Combined total**	Adjustment for Moa Joint Venture	**Total derived from financial statements**
2023								
Cash provided (used) by continuing operations for operating activities	**$ 112.5**	**$ 9.5**	**$ (13.0)**	**$ 3.8**	**$ (46.9)**	**$ 65.9**	**$ (19.6)**	**$ 46.3**
Less:								
Property, plant and equipment expenditures	**(39.4)**	**(1.9)**	**-**	**(0.2)**	**-**	**(41.5)**	**26.9**	**(14.6)**
Intangible expenditures	**-**	**-**	**-**	**(1.2)**	**-**	**(1.2)**	**-**	**(1.2)**
Free cash flow	**$ 73.1**	**$ 7.6**	**$ (13.0)**	**$ 2.4**	**$ (46.9)**	**$ 23.2**	**$ 7.3**	**$ 30.5**

$ millions, for the nine months ended September 30	Metals(3)(4)	Power	Technol-ogies	Oil and Gas	Corporate	**Combined total**	Adjustment for Moa Joint Venture	**Total derived from financial statements**
2022								
Cash provided (used) by continuing operations for operating activities	$ 90.0	$ 23.9	$ (10.6)	$ (2.2)	$ (34.7)	$ 66.4	$ (16.4)	$ 50.0
Less:								
Property, plant and equipment expenditures	(40.3)	(3.5)	-	(0.1)	-	(43.9)	25.9	(18.0)
Intangible expenditures	-	-	-	(0.6)	-	(0.6)	-	(0.6)
Free cash flow	$ 49.7	$ 20.4	$ (10.6)	$ (2.9)	$ (34.7)	$ 21.9	$ 9.5	$ 31.4

(1) Cash (used) provided by continuing operations for operating activities for the Moa JV, Fort Site and Metals Marketing was $(1.8) million, $(12.2) million and $24.7 million, respectively, for the three months ended September 30, 2023 (September 30, 2022 - $2.0 million, $23.5 million and $3.8 million, respectively).

(2) Property, plant and equipment expenditures and intangible expenditures for the Moa JV, Fort Site and Metals Marketing was $7.5 million, $6.2 million and nil, respectively, for the three months ended September 30, 2023 (September 30, 2022 - $10.1 million, $7.3 million and nil, respectively).

(3) Cash provided (used) by continuing operations for operating activities for the Moa JV, Fort Site and Metals Marketing was $51.6 million, $(17.4) million and $78.3 million, respectively, for the nine months ended September 30, 2023 (September 30, 2022 - $60.0 million, $31.4 million and $(1.4) million, respectively).

(4) Property, plant and equipment expenditures and intangible expenditures for the Moa JV, Fort Site and Metals Marketing was $26.8 million, $12.6 million and nil, respectively, for the nine months ended September 30, 2023 (September 30, 2022 - $25.9 million, $14.4 million and nil, respectively).

FORWARD-LOOKING STATEMENTS

This MD&A 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, extending the Moa life of mine, the Moa Joint Venture expansion program update as it relates to the Slurry Preparation Plant and Processing Plant, commercializing Technologies projects and growing shareholder value; statements set out in the "Outlook" section of this MD&A and certain expectations regarding production volumes and increases, inventory levels, operating costs and capital spending and intensity; sales volumes; revenue, costs and earnings; the availability of additional gas supplies to be used for power generation; Sherritt's strategy, plans, targets and goals in respect of environmental and social governance issues, including climate change and greenhouse gas emissions reduction targets; the anticipated repayment of all outstanding receivables through dividends, including in the form of finished cobalt or cash, the timing and amount of cobalt dividend distributions; sales of finished cobalt and associated receipts; the impact of the U.S. sanctions on Cuba; anticipated economic conditions in Cuba; 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; production results; realized prices for production; earnings and revenues; global demand for electric vehicles and the anticipated corresponding demand for cobalt and nickel; the commercialization of certain proprietary technologies and services; 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; environmental risks and liabilities; compliance with applicable environmental laws and regulations; risks related to the U.S. government policy toward Cuba; and certain corporate objectives, goals and plans for 2023. 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 MD&A 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, security market fluctuations and price volatility; level of liquidity and the related ability of the Moa Joint Venture to pay dividends; access to capital; access to financing; the risk to Sherritt's entitlements to future distributions (including pursuant to the Cobalt Swap) from the Moa Joint Venture, the impact of infectious diseases (including the COVID-19 pandemic), the impact of global conflicts; changes in the global price for nickel, cobalt, oil, gas, fertilizers or certain other commodities; 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; 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; 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; risks related to environmental liabilities including liability for reclamation costs, tailings facility failures and toxic gas releases; 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; risk of future non-compliance with debt restrictions and covenants; 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; potential interruptions in transportation; uncertainty of gas supply for electrical generation; reliance on key personnel and skilled workers; growth opportunity risks; the possibility of equipment and other failures; 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; risks associated with the operation of large projects generally; risks related to the accuracy of capital and operating cost estimates; foreign exchange and pricing risks; credit risks; shortage of equipment and supplies; competition in product markets; future market access; interest rate changes; risks in obtaining insurance; uncertainties in labour relations; 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 2023; 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 Annual Information Form of the Corporation dated March 31, 2023 for the period ending December 31, 2022, 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 MD&A 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 MD&A 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.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three and nine months ended September 30, 2023 and 2022

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Condensed consolidated statements of comprehensive (loss) income

Unaudited, Canadian $ millions, except per share amounts	Note	For the three months ended 2023 September 30	2022 September 30	For the nine months ended 2023 September 30	2022 September 30
Revenue	5	**$ 36.4**	$ 30.2	**$ 188.5**	$ 130.2
Cost of sales	6	**(50.0)**	(27.0)	**(205.4)**	(106.0)
Administrative expenses	6	**(5.2)**	(3.9)	**(19.5)**	(22.7)
Share of (loss) earnings of Moa Joint Venture, net of tax	7	**(5.0)**	22.0	**36.4**	117.3
(Loss) earnings from operations and joint venture		**(23.8)**	21.3	**-**	118.8
Interest income on financial assets measured at amortized cost	8	**0.2**	3.9	**0.4**	11.6
Revaluation of allowances for expected credit losses	8	**-**	(47.4)	**-**	(49.4)
Other financing items	8	**8.6**	(0.4)	**16.9**	13.0
Financing expense	8	**(9.1)**	(5.9)	**(26.3)**	(24.0)
Net finance expense		**(0.3)**	(49.8)	**(9.0)**	(48.8)
(Loss) earnings before income tax		**(24.1)**	(28.5)	**(9.0)**	70.0
Income tax (expense) recovery		**(0.7)**	1.6	**(1.9)**	1.0
Net (loss) earnings from continuing operations		**(24.8)**	(26.9)	**(10.9)**	71.0
Earnings (loss) from discontinued operations, net of tax		**-**	0.6	**(0.3)**	(0.5)
Net (loss) earnings for the period		**$ (24.8)**	$ (26.3)	**$ (11.2)**	$ 70.5
Other comprehensive (loss) income					
Items that may be subsequently reclassified to profit or loss:					
Foreign currency translation differences on foreign operations, net of tax		**14.4**	44.3	**(2.5)**	54.3
Items that will not be subsequently reclassified to profit or loss:					
Actuarial losses on pension plans, net of tax		**(0.6)**	(0.1)	**(0.4)**	(1.7)
Other comprehensive income (loss)		**13.8**	44.2	**(2.9)**	52.6
Total comprehensive (loss) income		**$ (11.0)**	$ 17.9	**$ (14.1)**	$ 123.1
Net (loss) earnings from continuing operations per common share:					
Basic and diluted	9	**$ (0.06)**	$ (0.07)	**$ (0.03)**	$ 0.18
Net (loss) earnings per common share:					
Basic and diluted	9	**$ (0.06)**	$ (0.07)	**$ (0.03)**	$ 0.18

The accompanying notes are an integral part of these condensed consolidated financial statements.

Condensed consolidated statements of financial position

Unaudited, Canadian $ millions, as at	Note	2023 September 30	2022 December 31
ASSETS			
Current assets			
Cash and cash equivalents	10	**$ 120.4**	$ 123.9
Restricted cash		**1.4**	1.4
Advances, loans receivable and other financial assets	11	**56.4**	74.8
Trade accounts receivable, net	10	**131.5**	186.4
Inventories	12	**45.0**	37.7
Prepaid expenses		**13.0**	5.1
		367.7	429.3
Non-current assets			
Investment in Moa Joint Venture	7	**674.0**	756.0
Advances, loans receivable and other financial assets	11	**182.2**	207.1
Property, plant and equipment		**146.2**	148.6
Intangible assets		**15.0**	13.8
Other non-financial assets		**0.5**	0.8
Deferred income taxes		**0.4**	-
		1,018.3	1,126.3
Total assets		**$ 1,386.0**	$ 1,555.6
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Loans and borrowings	13	**$ 17.3**	$ 46.5
Trade accounts payable and accrued liabilities		**159.7**	209.7
Other financial liabilities	13	**21.5**	81.8
Deferred revenue		**13.4**	12.9
Provisions	14	**24.3**	15.7
Income taxes payable		**2.4**	1.0
		238.6	367.6
Non-current liabilities			
Loans and borrowings	13	**299.2**	304.4
Other financial liabilities	13	**77.0**	88.4
Other non-financial liabilities		**13.8**	9.4
Provisions	14	**75.5**	90.5
Deferred income taxes		**0.6**	0.4
		466.1	493.1
Total liabilities		**704.7**	860.7
Shareholders' equity			
Capital stock	17	**2,894.9**	2,894.9
Deficit		**(2,846.2)**	(2,835.0)
Reserves		**233.9**	233.4
Accumulated other comprehensive income		**398.7**	401.6
		681.3	694.9
Total liabilities and shareholders' equity		**$ 1,386.0**	$ 1,555.6

Commitments for expenditures (note 15)

The accompanying notes are an integral part of these condensed consolidated financial statements.

Condensed consolidated statements of cash flow

Unaudited, Canadian $ millions	Note	For the three months ended 2023 September 30	2022 September 30	For the nine months ended 2023 September 30	2022 September 30
Operating activities					
Net (loss) earnings from continuing operations		**$ (24.8)**	$ (26.9)	**$ (10.9)**	$ 71.0
Add (deduct):					
Finished cobalt cost of sales	6	**8.7**	-	**84.3**	-
Depletion, depreciation and amortization	5, 6	**3.2**	6.4	**10.6**	21.2
Share-based compensation (recovery) expense	6	**(0.7)**	(2.6)	**0.4**	6.8
Share of loss (earnings) of Moa Joint Venture, net of tax	7	**5.0**	(22.0)	**(36.4)**	(117.3)
Inventory write-down/obsolescence (reversal)	6	**7.3**	-	**9.1**	(0.1)
Net finance expense	8	**0.3**	49.8	**9.0**	48.8
Income tax expense (recovery)		**0.7**	(1.6)	**1.9**	(1.0)
Net change in non-cash working capital	16	**(20.9)**	16.4	**(93.4)**	(2.0)
Interest received		**1.0**	0.5	**2.2**	2.1
Interest paid		**(4.3)**	(0.6)	**(16.7)**	(16.9)
Income tax paid		**(0.2)**	(0.2)	**(0.6)**	(0.6)
Proceeds from Cobalt Swap	5	**23.7**	-	**77.6**	-
Distributions received from Moa Joint Venture - Cobalt Swap	7, 16	**-**	-	**32.0**	-
Distributions received from Moa Joint Venture - normal course	7	**-**	-	**-**	43.4
Share-based compensation payments		**-**	-	**(24.5)**	(5.7)
Other operating items		**5.4**	(0.4)	**1.7**	0.3
Cash provided by continuing operations		**4.4**	18.8	**46.3**	50.0
Cash used by discontinued operations		**(0.3)**	(0.4)	**(0.6)**	(1.3)
Cash provided by operating activities		**4.1**	18.4	**45.7**	48.7
Investing activities					
Property, plant and equipment expenditures	5	**(6.9)**	(10.4)	**(14.6)**	(18.0)
Intangible asset expenditures	5	**(0.1)**	-	**(1.2)**	(0.6)
Increase in advances, loans receivable and other financial assets	11	**(15.0)**	-	**(15.0)**	-
Receipts of advances, loans receivable and other financial assets		**0.3**	0.2	**32.7**	0.6
Net proceeds from sale of property, plant and equipment		**-**	-	**-**	1.3
Cash (used) provided by continuing operations		**(21.7)**	(10.2)	**1.9**	(16.7)
Cash (used) provided by investing activities		**(21.7)**	(10.2)	**1.9**	(16.7)
Financing activities					
Repurchase of notes	13	**-**	-	**(7.8)**	(44.8)
Repayment of other financial liabilities		**(0.6)**	(0.6)	**(16.3)**	(1.5)
Repayment of loans and borrowings	13	**(40.0)**	-	**(27.0)**	-
Fees paid on repurchase of notes		**-**	(0.9)	**(0.1)**	(1.2)
Cash used by continuing operations		**(40.6)**	(1.5)	**(51.2)**	(47.5)
Cash used by financing activities		**(40.6)**	(1.5)	**(51.2)**	(47.5)
Effect of exchange rate changes on cash and cash equivalents		**2.6**	6.3	**0.1**	7.5
(Decrease) increase in cash and cash equivalents		**(55.6)**	13.0	**(3.5)**	(8.0)
Cash and cash equivalents at beginning of the period		**176.0**	124.6	**123.9**	145.6
Cash and cash equivalents at end of the period	10	**$ 120.4**	$ 137.6	**$ 120.4**	$ 137.6

Condensed consolidated statements of changes in shareholders' equity

Unaudited, Canadian $ millions

	Capital stock	Deficit	Reserves	Accumulated other comprehensive income (loss)	Total
Balance as at December 31, 2021	**$ 2,894.9**	**$ (2,898.5)**	**$ 233.4**	**$ 355.2**	**$ 585.0**
Total comprehensive income:					
Net earnings for the period	-	70.5	-	-	70.5
Foreign currency translation differences on foreign operations, net of tax	-	-	-	54.3	54.3
Actuarial losses on pension plans, net of tax	-	-	-	(1.7)	(1.7)
	-	70.5	-	52.6	123.1
Balance as at September 30, 2022	**$ 2,894.9**	**$ (2,828.0)**	**$ 233.4**	**$ 407.8**	**$ 708.1**
Total comprehensive loss:					
Net loss for the period	-	(7.0)	-	-	(7.0)
Foreign currency translation differences on foreign operations, net of tax	-	-	-	(8.5)	(8.5)
Actuarial gains on pension plans, net of tax	-	-	-	2.3	2.3
	-	(7.0)	-	(6.2)	(13.2)
Balance as at December 31, 2022	**$ 2,894.9**	**$ (2,835.0)**	**$ 233.4**	**$ 401.6**	**$ 694.9**
Total comprehensive loss:					
Net loss for the period	-	(11.2)	-	-	(11.2)
Foreign currency translation differences on foreign operations, net of tax	-	-	-	(2.5)	(2.5)
Actuarial losses on pension plans, net of tax	-	-	-	(0.4)	(0.4)
	-	(11.2)	-	(2.9)	(14.1)
Stock option plan expense	-	-	0.5	-	0.5
Balance as at September 30, 2023	**$ 2,894.9**	**$ (2,846.2)**	**$ 233.9**	**$ 398.7**	**$ 681.3**

The accompanying notes are an integral part of these condensed consolidated financial statements.

Notes to the condensed consolidated financial statements

(All dollar amounts presented in tables are expressed in millions of Canadian dollars except share and per share amounts)

1. NATURE OF OPERATIONS AND CORPORATE INFORMATION

Sherritt International Corporation ("Sherritt" or "the Corporation") is a world leader in using hydrometallurgical processes to mine and refine nickel and cobalt – metals deemed critical for the energy transition. Sherritt's Moa Joint Venture has a current estimated mine life of 26 years and has embarked on an expansion program focused on increasing annual mixed sulphide precipitate production by 20% or 6,500 tonnes of contained nickel and cobalt (100% basis). The Corporation's Power division, through its ownership in Energas S.A., is the largest independent energy producer in Cuba with installed electrical generating capacity of 506 MW, representing approximately 10% of the national electrical generating capacity in Cuba. The Energas facilities are comprised of two combined cycle plants that produce low-cost electricity from one of the lowest carbon emitting sources of power in Cuba. Additionally, its Technologies Group creates innovative, proprietary solutions for natural resource-based industries around the world to improve environmental performance and increase economic value.

The Corporation is domiciled in Ontario, Canada and its registered office is 22 Adelaide Street West, Toronto, Ontario, M5H 4E3. These condensed consolidated financial statements were approved and authorized for issuance by the Board of Directors of Sherritt on November 1, 2023. The Corporation is listed on the Toronto Stock Exchange under the symbol "S".

2. BASIS OF PRESENTATION

The condensed consolidated financial statements of the Corporation are prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (IAS 34), as issued by the International Accounting Standards Board (IASB). Accordingly, certain information and footnote disclosures normally included in the annual financial statements prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the IASB, have been omitted or condensed. These condensed consolidated financial statements include the financial results of the Corporation's interest in its subsidiaries and joint arrangements. All financial information is presented in Canadian dollars rounded to the nearest hundred thousand, except as otherwise noted. References to "US$" are to United States (U.S.) dollars.

The condensed consolidated financial statements are prepared on a going concern basis, under the historical cost convention, except for certain financial assets and liabilities and cash-settled share-based payments, which have been measured at fair value. The going concern basis assumes that the Corporation will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

These condensed consolidated financial statements have been prepared using the same accounting policies and methods of computation as the annual consolidated financial statements of the Corporation as at and for the year ended December 31, 2022, except for amendments to IAS 12 and IAS 8, which were adopted effective January 1, 2023 as described below.

These condensed consolidated financial statements have been prepared using the same critical accounting estimates and judgments as the annual consolidated financial statements of the Corporation as at and for the year ended December 31, 2022.

The condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2022.

4. ACCOUNTING PRONOUNCEMENTS

Adoption of new and amended accounting pronouncements

Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12)

In May 2021, the IASB issued Deferred Tax related to Assets and Liabilities arising from a Single Transaction, which made amendments to IAS 12 Income Taxes ("IAS 12"). The amendment narrowed the scope of the IAS 12 recognition exemption related to the recognition of deferred tax when an entity accounts for transactions, such as leases or decommissioning obligations, by recognizing both an asset and a liability. The exemption no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The amendments apply for annual periods beginning on or after January 1, 2023. Effective January 1, 2023, the Corporation adopted these requirements. The application of this amendment did not have a material impact on the Corporation's condensed consolidated financial statements.

Definition of Accounting Estimates (Amendments to IAS 8)

In February 2021, the IASB issued Definition of Accounting Estimates, which made amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The amendment replaced the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Accounting estimates are developed if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendment clarifies that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. A change in an accounting estimate may affect only the current period's consolidated statements of comprehensive income (loss), or the consolidated statements of comprehensive income (loss) of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

The amendments apply for annual periods beginning on or after January 1, 2023. Effective January 1, 2023, the Corporation adopted these requirements. The application of this amendment did not have a material impact on the Corporation's condensed consolidated financial statements.

Accounting pronouncements issued but not yet effective

The Corporation has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

In October 2022, the IASB finalised issuance of Classification of Liabilities as Current or Non-Current, which made amendments to IAS 1 Presentation of Financial Statements. The amendment clarifies that only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months. Classification is unaffected by the expectations that the Corporation will exercise its right to defer settlement of a liability. Lastly, the amendment clarifies that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted. The Corporation is currently evaluating the impact of this standard on its condensed consolidated financial statements.

5. SEGMENTED INFORMATION

The Corporation revised the presentation of its segmented information commencing with the three months ended March 31, 2023 as a result of a change in the information reviewed by the chief operating decision maker due to the Corporation's agreement with its Cuban partners to recover its total outstanding Cuban receivables over five years (the Cobalt Swap). Refer to note 12 of the Corporation's annual consolidated financial statements for the year ended December 31, 2022 for further details on the Cobalt Swap. The former Moa JV and Fort Site reportable segment and Metals Other reportable segment were combined into one new Metals reportable segment, which includes all of the Corporation's mining, refining and sales of nickel and cobalt. Segmented information for the prior period was restated in the current period for comparative purposes to reflect the new Metals reportable segment.

Canadian $ millions, for the three months ended September 30							2023
	Metals[1]	Power	Technologies	Oil and Gas	Corporate	Adjustments for Moa Joint Venture	Total
Revenue	$ 115.7	$ 11.9	$ 0.3	$ 4.4	$ 0.1	$ (96.0)	$ 36.4
Cost of sales	(128.1)	(5.7)	(4.0)	(11.1)	-	98.9	(50.0)
Cobalt gain	0.3	-	-	-	-	(0.3)	-
Impairment of property, plant and equipment	(1.5)	-	-	-	-	1.5	-
Administrative expenses	(1.3)	(0.6)	-	(0.3)	(4.3)	1.3	(5.2)
Share of loss of Moa Joint Venture, net of tax	-	-	-	-	-	(5.0)	(5.0)
(Loss) earnings from operations and joint venture	(14.9)	5.6	(3.7)	(7.0)	(4.2)	0.4	(23.8)
Interest income on financial assets measured at amortized cost							0.2
Other financing items							8.6
Financing expense							(9.1)
Net finance expense							(0.3)
Loss before income tax							(24.1)
Income tax expense							(0.7)
Net loss from continuing operations							(24.8)
Net loss for the period							$ (24.8)
Supplementary information							
Depletion, depreciation and amortization	$ 12.6	$ 0.6	$ -	$ 0.1	$ 0.3	$ (10.4)	$ 3.2
Property, plant and equipment expenditures	13.7	0.6	-	0.2	-	(7.6)	6.9
Intangible asset expenditures	-	-	-	0.1	-	-	0.1

Canadian $ millions, as at September 30							2023
Non-current assets[2]	$ 627.8	$ 16.9	$ 0.7	$ 8.6	$ 5.3	$ (498.1)	$ 161.2
Total assets	1,082.0	362.0	0.9	19.8	41.1	(119.8)	1,386.0

Notes to the condensed consolidated financial statements

Canadian $ millions, for the three months ended September 30							2022 (Restated)
	Metals[(1)]	Power	Tech-nologies	Oil and Gas	Corporate	Adjustments for Moa Joint Venture	Total
Revenue	$ 176.0	$ 9.0	$ 0.2	$ 4.7	$ 0.2	$ (159.9)	$ 30.2
Cost of sales	(151.0)	(6.8)	(3.7)	(2.7)	-	137.2	(27.0)
Administrative expenses	(2.5)	(0.8)	-	(0.5)	(1.3)	1.2	(3.9)
Share of earnings of Moa Joint Venture, net of tax	-	-	-	-	-	22.0	22.0
Earnings (loss) from operations and joint venture	22.5	1.4	(3.5)	1.5	(1.1)	0.5	21.3
Interest income on financial assets measured at amortized cost							3.9
Revaluation of allowances for expected credit losses							(47.4)
Other financing items							(0.4)
Financing expense							(5.9)
Net finance expense							(49.8)
Loss before income tax							(28.5)
Income tax recovery							1.6
Net loss from continuing operations							(26.9)
Earnings from discontinued operations, net of tax							0.6
Net loss for the period							$ (26.3)
Supplementary information							
Depletion, depreciation and amortization	$ 12.3	$ 4.1	$ -	$ 0.1	$ 0.1	$ (10.2)	$ 6.4
Property, plant and equipment expenditures	17.4	3.0	-	0.1	-	(10.1)	10.4
Intangible asset expenditures	-	-	-	-	-	-	-
Canadian $ millions, as at December 31							2022 (Restated)
Non-current assets[(2)]	$ 639.5	$ 15.4	$ 0.8	$ 8.1	$ 6.0	$ (507.4)	$ 162.4
Total assets	1,199.6	415.3	1.8	25.9	28.0	(115.0)	1,555.6

Canadian $ millions, for the nine months ended September 30							**2023**
	Metals[(1)]	**Power**	**Tech-nologies**	**Oil and Gas**	**Corporate**	**Adjustments for Moa Joint Venture**	**Total**
Revenue	**$ 477.8**	**$ 33.1**	**$ 1.0**	**$ 10.6**	**$ 0.5**	**$ (334.5)**	**$ 188.5**
Cost of sales	**(454.8)**	**(15.6)**	**(12.9)**	**(16.3)**	**-**	**294.2**	**(205.4)**
Cobalt gain	**2.7**	**-**	**-**	**-**	**-**	**(2.7)**	**-**
Impairment of property, plant and equipment	**(1.5)**	**-**	**-**	**-**	**-**	**1.5**	**-**
Administrative expenses	**(4.3)**	**(2.7)**	**-**	**(1.2)**	**(15.1)**	**3.8**	**(19.5)**
Share of earnings of Moa Joint Venture, net of tax	**-**	**-**	**-**	**-**	**-**	**36.4**	**36.4**
Earnings (loss) from operations and joint venture	**19.9**	**14.8**	**(11.9)**	**(6.9)**	**(14.6)**	**(1.3)**	**-**
Interest income on financial assets measured at amortized cost							**0.4**
Other financing items							**16.9**
Financing expense							**(26.3)**
Net finance expense							**(9.0)**
Loss before income tax							**(9.0)**
Income tax expense							**(1.9)**
Net loss from continuing operations							**(10.9)**
Loss from discontinued operations, net of tax							**(0.3)**
Net loss for the period							**$ (11.2)**
Supplementary information							
Depletion, depreciation and amortization	**$ 40.9**	**$ 1.8**	**$ 0.1**	**$ 0.2**	**$ 0.7**	**$ (33.1)**	**$ 10.6**
Property, plant and equipment expenditures	**39.4**	**1.9**	**-**	**0.2**	**-**	**(26.9)**	**14.6**
Intangible asset expenditures	**-**	**-**	**-**	**1.2**	**-**	**-**	**1.2**
Canadian $ millions, as at September 30							**2023**
Non-current assets[(2)]	**$ 627.8**	**$ 16.9**	**$ 0.7**	**$ 8.6**	**$ 5.3**	**$ (498.1)**	**$ 161.2**
Total assets	**1,082.0**	**362.0**	**0.9**	**19.8**	**41.1**	**(119.8)**	**1,386.0**

Canadian $ millions, for the nine months ended September 30							2022 (Restated)
	Metals[(1)]	Power	Tech-nologies	Oil and Gas	Corporate	Adjustments for Moa Joint Venture	Total
Revenue	$ 571.6	$ 26.6	$ 1.3	$ 13.7	$ 0.6	$ (483.6)	$ 130.2
Cost of sales	(398.3)	(19.3)	(11.7)	(11.6)	-	334.9	(106.0)
Administrative expenses	(5.9)	(3.1)	-	(1.3)	(16.4)	4.0	(22.7)
Share of earnings of Moa Joint Venture, net of tax	-	-	-	-	-	117.3	117.3
Earnings (loss) from operations and joint venture	167.4	4.2	(10.4)	0.8	(15.8)	(27.4)	118.8
Interest income on financial assets measured at amortized cost							11.6
Revaluation of allowances for expected credit losses							(49.4)
Other financing items							13.0
Financing expense							(24.0)
Net finance expense							(48.8)
Earnings before income tax							70.0
Income tax recovery							1.0
Net earnings from continuing operations							71.0
Loss from discontinued operations, net of tax							(0.5)
Net earnings for the period							$ 70.5
Supplementary information							
Depletion, depreciation and amortization	$ 39.3	$ 12.0	$ 0.1	$ 0.8	$ 0.8	$ (31.8)	$ 21.2
Property, plant and equipment expenditures	40.3	3.5	-	0.1	-	(25.9)	18.0
Intangible asset expenditures	-	-	-	0.6	-	-	0.6

Canadian $ millions, as at December 31							2022 (Restated)
Non-current assets[(2)]	$ 639.5	$ 15.4	$ 0.8	$ 8.1	$ 6.0	$ (507.4)	$ 162.4
Total assets	1,199.6	415.3	1.8	25.9	28.0	(115.0)	1,555.6

(1) Included in the Metals segment are the operations of the Corporation's 50% interest in the Moa Joint Venture, its 100% interest in the utility and fertilizer operations in Fort Saskatchewan and its 100% interest in subsidiaries which market and sell certain of Moa Joint Venture's nickel and cobalt production.

(2) Non-current assets are composed of property, plant and equipment and intangible assets.

Disaggregation of revenue by product and service type

Revenue in the below table excludes the revenue of the equity-accounted investment in the Moa Joint Venture.

	For the three months ended		For the nine months ended	
Canadian $ millions	**2023 September 30**	2022 September 30	**2023 September 30**	2022 September 30
	Total revenue	Total revenue	**Total revenue**	Total revenue
Cobalt	**$ 9.9**	$ -	**$ 78.1**	$ -
Fertilizer[(1)]	**8.7**	15.0	**61.8**	84.2
Oil and gas service revenue	**4.4**	4.7	**10.6**	13.7
Power generation[(2)]	**10.7**	8.0	**29.8**	22.8
Other	**2.7**	2.5	**8.2**	9.5
	$ 36.4	$ 30.2	**$ 188.5**	$ 130.2

(1) Due to the seasonal nature of the fertilizer operations in Fort Saskatchewan, higher fertilizer revenue is expected in the second and fourth quarters of the year. For the year ended December 31, 2022, 43% of fertilizer revenue was recognized in the second quarter, 29% was recognized in the fourth quarter and the remaining 28% was recognized in the first and third quarters combined.

(2) Included in power generation revenue for the three and nine months ended September 30, 2023 is $7.5 million and $21.5 million, respectively, of revenue from service concession arrangements ($6.7 million and $18.2 million for the three and nine months ended September 30, 2022, respectively).

Cobalt revenue

Cobalt revenue relates to cobalt sold by the Corporation to third parties from the cobalt volumes received through distributions under the Cobalt Swap during the three and nine months ended September 30, 2023. Refer to note 12 of the Corporation's annual consolidated financial statements for the year ended December 31, 2022 for further details on the Cobalt Swap. The Corporation received $23.7 million and $77.6 million of cash from cobalt sales during the three and nine months ended September 30, 2023, respectively, with the balance recorded in trade accounts receivable, net (note 10). $1.5 million of cash was received subsequent to period end.

Cobalt revenue is recognized consistent with the Corporation's revenue recognition policy as disclosed in the annual consolidated financial statements of the Corporation as at and for the year ended December 31, 2022.

6. EXPENSES

Cost of sales includes the following:

	For the three months ended		For the nine months ended	
	2023	2022	**2023**	2022
Canadian $ millions	**September 30**	September 30	**September 30**	September 30
Employee costs	**$ 16.5**	$ 14.7	**$ 52.4**	$ 47.9
Severance	**0.5**	1.5	**1.2**	1.9
Depletion, depreciation and amortization of property, plant and equipment and intangible assets	**2.8**	6.0	**9.5**	19.9
Raw materials and consumables	**13.9**	27.1	**43.3**	76.6
Finished cobalt[(1)]	**8.7**	-	**84.3**	-
Repairs and maintenance	**23.4**	11.0	**59.8**	30.5
Inventory write-down/obsolescence (reversal)	**7.3**	-	**9.1**	(0.1)
Shipping and treatment costs	**0.8**	0.4	**2.8**	1.4
Loss on environmental rehabilitation provisions	**6.8**	-	**2.9**	2.1
Share-based compensation (recovery) expense	**(0.1)**	-	**0.2**	1.7
Changes in inventories and other	**(30.6)**	(33.7)	**(60.1)**	(75.9)
	$ 50.0	$ 27.0	**$ 205.4**	$ 106.0

(1) Finished cobalt relates to the cost of finished cobalt distributed to the Corporation pursuant to the Cobalt Swap and sold to external customers. Refer to note 12 of the Corporation's annual consolidated financial statements for the year ended December 31, 2022 for further details on the Cobalt Swap. The value is based on an in-kind value of cobalt, calculated as a cobalt reference price from the month preceding distribution, modified mutually between the Corporation and General Nickel Company ("GNC") in consideration of selling costs incurred by the Corporation.

Administrative expenses include the following:

	For the three months ended		For the nine months ended	
	2023	2022	**2023**	2022
Canadian $ millions	**September 30**	September 30	**September 30**	September 30
Employee costs	**$ 4.6**	$ 4.8	**$ 14.9**	$ 13.9
Severance	**-**	-	**-**	0.1
Depreciation	**0.4**	0.4	**1.1**	1.3
Share-based compensation (recovery) expense	**(0.6)**	(2.6)	**0.2**	5.1
Consulting services and audit fees	**1.3**	1.1	**3.5**	2.6
Other	**(0.5)**	0.2	**(0.2)**	(0.3)
	$ 5.2	$ 3.9	**$ 19.5**	$ 22.7

7. JOINT ARRANGEMENTS

Investment in Moa Joint Venture

During the three and nine months ended September 30, 2023, the Moa Joint Venture distributed nil and 2,082 tonnes of finished cobalt (100% basis), respectively, to the Corporation with an in-kind value of nil and $88.1 million (US$65.5 million) (100% basis), respectively, pursuant to the Cobalt Swap. The total volume of cobalt distributions during the six months ended June 30, 2023 represented 100% of the annual maximum cobalt volume to be distributed to the Corporation pursuant to the Cobalt Swap. Refer to note 12 of the Corporation's annual consolidated financial statements for the year ended December 31, 2022 for further details on the Cobalt Swap.

During the three and nine months ended September 30, 2023, the Moa Joint Venture paid cash distributions of nil and $64.0 million (US$48.5 million) (100% basis), respectively, of which nil and $32.0 million, respectively, was paid to the Corporation representing its 50% ownership interest and of which nil and $32.0 million, respectively, was redirected by GNC to the Corporation to settle the GNC receivable pursuant to the Cobalt Swap, in order for the total value of cobalt and cash distributions to meet the annual dollar minimum of US$114.0 million (100% basis) pursuant to the Cobalt Swap. During the three and nine months ended September 30, 2022, the Moa Joint Venture paid cash distributions of nil and $86.8 million, respectively, of which nil and $43.4 million, respectively, was paid to the Corporation representing its 50% ownership interest.

All finished cobalt and cash distributions were declared as dividends during the nine months ended September 30, 2023.

The following provides additional information relating to the Corporation's investment in the Moa Joint Venture on a 100% basis:

Statements of financial position

Canadian $ millions, 100% basis, as at	**2023 September 30**	2022 December 31
Assets		
Cash and cash equivalents	**$ 27.4**	$ 43.6
Other current assets	**37.4**	90.1
Trade accounts receivable, net	**86.5**	178.0
Inventories	**416.7**	399.1
Other non-current assets	**26.6**	16.8
Property, plant and equipment	**1,082.9**	1,102.8
Total assets	**1,677.5**	1,830.4
Liabilities		
Trade accounts payable and accrued liabilities	**109.5**	87.9
Income taxes payable	**2.3**	4.1
Other current financial liabilities(1)	**15.3**	0.2
Loans and borrowings(2)	**18.7**	26.0
Environmental rehabilitation provisions	**70.7**	84.0
Other non-current financial liabilities	**4.0**	4.6
Deferred income taxes	**22.4**	23.7
Total liabilities	**242.9**	230.5
Net assets of Moa Joint Venture	**$ 1,434.6**	$ 1,599.9
Proportion of Sherritt's ownership interest	**50%**	50%
Total	**717.3**	800.0
Intercompany capitalized interest elimination	**(43.3)**	(44.0)
Investment in Moa Joint Venture	**$ 674.0**	$ 756.0

(1) Included in other current financial liabilities as at September 30, 2023 is a $15.2 million revolving-term credit facility with the Corporation (December 31, 2022 – nil), of which $15.0 million is the principal balance (December 31, 2022 – nil) to fund working capital.

(2) Included in loans and borrowings is $7.1 million of current financial liabilities (December 31, 2022 - $11.3 million) and $11.6 million of non-current financial liabilities (December 31, 2022 - $14.7 million).

Statements of comprehensive income

	For the three months ended		For the nine months ended	
	2023	2022	**2023**	2022
Canadian $ millions, 100% basis	**September 30**	September 30	**September 30**	September 30
Revenue	**$ 191.9**	$ 319.7	**$ 669.0**	$ 967.2
Cost of sales[(1)]	**(197.7)**	(274.6)	**(588.3)**	(670.0)
Cobalt gain	**-**	-	**5.5**	-
Impairment of property, plant and equipment	**(3.0)**	-	**(3.0)**	-
Administrative expenses	**(2.6)**	(2.5)	**(7.6)**	(8.0)
(Loss) earnings from operations	**(11.4)**	42.6	**75.6**	289.2
Financing income	**0.2**	0.3	**2.1**	0.5
Financing expense	**(3.0)**	(5.5)	**(4.4)**	(19.7)
Net finance expense	**(2.8)**	(5.2)	**(2.3)**	(19.2)
(Loss) earnings before income tax	**(14.2)**	37.4	**73.3**	270.0
Income tax recovery (expense)[(2)]	**1.1**	4.5	**(7.5)**	(41.4)
Net (loss) earnings and comprehensive (loss) income of Moa Joint Venture	**$ (13.1)**	$ 41.9	**$ 65.8**	$ 228.6
Proportion of Sherritt's ownership interest	**50%**	50%	**50%**	50%
Total	**(6.6)**	21.0	**32.9**	114.3
Intercompany elimination	**1.6**	1.0	**3.5**	3.0
Share of (loss) earnings of Moa Joint Venture, net of tax	**$ (5.0)**	$ 22.0	**$ 36.4**	$ 117.3

(1) Included in cost of sales for the three and nine months ended September 30, 2023 is depreciation and amortization of $20.8 million and $66.2 million, respectively ($20.4 million and $63.5 million for the three and nine months ended September 30, 2022, respectively).
(2) Income taxes in Cuba are paid in the following quarter subsequent to period end.

Joint operation

The following provides information relating to the Corporation’s interest in Energas S.A. (Energas) on a 33⅓% basis:

	2023	2022
Canadian $ millions, 33⅓% basis, as at	**September 30**	December 31
Current assets[(1)]	**$ 117.0**	$ 118.0
Non-current assets	**13.1**	11.4
Current liabilities	**5.0**	8.3
Non-current liabilities	**65.0**	68.5
Net assets	**$ 60.1**	$ 52.6

(1) Included in current assets is $92.5 million of cash and cash equivalents (December 31, 2022 - $96.7 million).

	For the three months ended		For the nine months ended	
	2023	2022	**2023**	2022
Canadian $ millions, 33⅓% basis	**September 30**	September 30	**September 30**	September 30
Revenue	**$ 11.9**	$ 9.0	**$ 33.1**	$ 26.6
Expenses	**(4.9)**	(1.6)	**(25.2)**	(14.7)
Net earnings	**$ 7.0**	$ 7.4	**$ 7.9**	$ 11.9

8. NET FINANCE EXPENSE

Canadian $ millions	Note	For the three months ended 2023 September 30	2022 September 30	For the nine months ended 2023 September 30	2022 September 30
Interest income on trade accounts receivable, net		**-**	0.2	**-**	0.5
Interest income on advances and loans receivable		**0.2**	3.7	**0.4**	11.1
Interest income on financial assets measured at amortized cost		**0.2**	3.9	**0.4**	11.6
Revaluation of allowances for expected credit losses:					
Trade accounts receivable, net		**-**	1.1	**-**	(0.4)
Energas conditional sales agreement receivable		**-**	(48.5)	**-**	(49.0)
Revaluation of allowances for expected credit losses		**-**	(47.4)	**-**	(49.4)
Revaluation of GNC receivable	10	**5.0**	-	**18.2**	-
Revaluation of Energas payable	10	**(0.5)**	-	**(8.9)**	-
Unrealized gain on commodity put options		**-**	-	**-**	0.9
Realized loss on commodity put options		**-**	-	**-**	(0.9)
Gain on repurchase of notes	13	**-**	-	**3.5**	13.8
Other interest income and gains (losses) on financial instruments		**4.1**	(0.4)	**4.1**	(0.8)
Other financing items		**8.6**	(0.4)	**16.9**	13.0
Interest expense and accretion on loans and borrowings		**(9.9)**	(9.8)	**(26.0)**	(30.7)
Unrealized foreign exchange (loss) gain		**0.9**	4.6	**(0.2)**	9.5
Realized foreign exchange gain		**-**	(0.3)	**0.5**	(0.3)
Other interest expense and finance charges		**-**	(0.3)	**(0.4)**	(2.3)
Accretion expense on environmental rehabilitation provisions	14	**(0.1)**	(0.1)	**(0.2)**	(0.2)
Financing expense		**(9.1)**	(5.9)	**(26.3)**	(24.0)
Net finance expense		**$ (0.3)**	$ (49.8)	**$ (9.0)**	$ (48.8)

Revaluation of allowances for expected credit losses on Energas conditional sales agreement (CSA) receivable and trade accounts receivable from Union Cuba-Petroleo (CUPET)

Subsequent to the comparative period end, the Corporation signed the Cobalt Swap with its Cuban partners to settle its total outstanding Cuban receivables over five years, including the Energas CSA and trade accounts receivable from CUPET, beginning January 1, 2023, which resulted in revaluations of allowances for expected credit losses in the comparative period. Refer to note 8 of the Corporation's annual consolidated financial statements for the year ended December 31, 2022 for further details on the revaluations.

9. (LOSS) EARNINGS PER SHARE

Canadian $ millions, except share amounts in millions and per share amounts in dollars	For the three months ended 2023 September 30	2022 September 30	For the nine months ended 2023 September 30	2022 September 30
Net (loss) earnings from continuing operations	**$ (24.8)**	$ (26.9)	**$ (10.9)**	$ 71.0
Earnings (loss) from discontinued operations, net of tax	**-**	0.6	**(0.3)**	(0.5)
Net (loss) earnings for the period – basic and diluted	**$ (24.8)**	$ (26.3)	**$ (11.2)**	$ 70.5
Weighted-average number of common shares – basic and diluted[(1)]	**397.3**	397.3	**397.3**	397.3
Net (loss) earnings from continuing operations per common share:				
Basic and diluted	**$ (0.06)**	$ (0.07)	**$ (0.03)**	$ 0.18
Loss from discontinued operations, net of tax, per common share:				
Basic and diluted	**$ 0.00**	$ 0.00	**$ 0.00**	$ 0.00
Net (loss) earnings per common share:				
Basic and diluted	**$ (0.06)**	$ (0.07)	**$ (0.03)**	$ 0.18

(1) The determination of the weighted-average number of common shares - diluted excludes 6.6 million shares related to stock options that were anti-dilutive for the three and nine months ended September 30, 2023 (2.7 million for the three and nine months ended September 30, 2022).

10. FINANCIAL INSTRUMENTS

Cash and cash equivalents

Cash and cash equivalents consist of:

Canadian $ millions, as at	2023 September 30	2022 December 31
Cash equivalents	$ 0.2	$ 0.2
Cash held in banks	120.2	123.7
	$ 120.4	$ 123.9

Cash and cash equivalents of the Corporation and its wholly-owned subsidiaries held in Canada was $22.7 million as at September 30, 2023 (December 31, 2022 - $20.3 million).

The Corporation's cash balances are deposited with major financial institutions rated A (low) or higher by independent rating agencies, except for institutions located in Cuba that are not rated. The total cash held in Cuban bank deposit accounts was $96.9 million as at September 30, 2023 (December 31, 2022 - $101.6 million).

As at September 30, 2023, $92.5 million of the Corporation's cash and cash equivalents was held by Energas in Cuban bank deposit accounts (December 31, 2022 - $96.7 million). These funds are for use locally by the joint operation, including repayment of Energas' payable to GNC (note 13) and for payments under the Energas Payment Agreement (Moa Swap) to facilitate foreign currency payments for the operating and maintenance costs of Energas, as well as to cover future payments owed to Sherritt, including dividends.

Fair value measurement

The following table presents financial instruments with carrying values different from their fair values:

Canadian $ millions, as at	Note	Hierarchy level	2023 September 30 Carrying value	2023 September 30 Fair value	2022 December 31 Carrying value	2022 December 31 Fair value
Liabilities:						
8.50% second lien secured notes due 2026[(1)]	13	1	$ 236.0	$ 190.9	$ 233.6	$ 185.9
10.75% unsecured PIK option notes due 2029[(1)]	13	1	63.2	46.0	70.8	38.9

(1) The fair values of the 8.50% second lien secured notes due 2026 and 10.75% unsecured PIK option notes due 2029 are based on market closing prices.

Trade accounts receivable, net

Canadian $ millions, as at	2023 September 30	2022 December 31
Trade accounts receivable	$ 99.7	$ 155.8
Allowance for expected credit losses	(19.4)	(19.5)
Accounts receivable from Moa Joint Venture	30.9	27.4
Other	20.3	22.7
	$ 131.5	$ 186.4

Aging of trade accounts receivable, net

Canadian $ millions, as at	2023 September 30	2022 December 31
Not past due	$ 124.9	$ 169.9
Past due no more than 30 days	2.1	4.4
Past due for more than 30 days but no more than 60 days	0.3	3.3
Past due for more than 60 days	4.2	8.8
	$ 131.5	$ 186.4

Allowance for expected credit losses

Financial assets measured at amortized cost are presented net of their allowances for expected credit losses within the condensed consolidated statements of financial position.

Canadian $ millions	As at 2022 December 31	Revaluation[1]	Foreign exchange and other non-cash items	As at 2023 September 30
		For the nine months ended September 30, 2023		
Lifetime expected credit losses				
Trade accounts receivable, net	$ (19.5)	$ -	$ 0.1	$ (19.4)

Canadian $ millions	As at 2021 December 31	Revaluation[1]	Derecognition	Foreign exchange and other non-cash items	As at 2022 December 31
		For the year ended December 31, 2022			
Lifetime expected credit losses					
Trade accounts receivable, net	$ (21.8)	$ (0.4)	$ 2.2	$ 0.5	$ (19.5)
Energas conditional sales agreement[2]	(8.0)	(49.0)	57.0	-	-

(1) Revaluation of ACLs are recognized within net finance expense (note 8).

(2) Included in the $49.0 million revaluation loss presented above is a $48.5 million loss on revaluation of the allowance for expected credit losses on the Energas CSA recognized during the year ended December 31, 2022 as a result of the Cobalt Swap signed by the Corporation with its Cuban partners to recover its total outstanding Cuban receivables over five years, as disclosed in note 8.

Fair value hierarchy

The GNC receivable and Energas payable are included in Level 3 of the fair value hierarchy.

The following significant unobservable inputs were used to determine the fair value of the GNC receivable as at September 30, 2023:

- Forecast in-kind cobalt prices from US$14/lb to US$18/lb. A $10 increase in forecast in-kind cobalt prices would increase the fair value by $6.2 million, while a $10 decrease in forecast in-kind cobalt prices would decrease the fair value by $5.4 million. The settlement of the GNC receivable is based on an in-kind value of cobalt, calculated as a cobalt reference price from the month preceding distribution, modified mutually between the Corporation and GNC in consideration of selling costs incurred by the Corporation.
- Discount rate of 13%. A 5 percentage point increase in the discount rate would decrease the fair value by $21.9 million, while a 5 percentage point decrease in the discount rate would increase the fair value by $25.1 million.

The following is a reconciliation of the fair value of the GNC receivable from December 31, 2022 to September 30, 2023 and the comparative period:

Canadian $ millions	Note	For the nine months ended 2023 September 30	For the nine months ended 2022 September 30
Balance, beginning of the period		$ 279.1	$ -
Revaluation of GNC receivable in net finance expense	8	18.2	-
Settlements		(76.0)	-
Balance, end of the period	11	$ 221.3	$ -

The following significant unobservable inputs were used to determine the fair value of the Energas payable as at September 30, 2023:

- Forecast in-kind cobalt prices from US$14/lb to US$18/lb. A $10 increase in forecast in-kind cobalt prices would increase the fair value by $1.9 million, while a $10 decrease in forecast in-kind cobalt prices would decrease the fair value by $1.6 million.
- Discount rate of 11%. A 5 percentage point increase in the discount rate would decrease the fair value by $7.8 million, while a 5 percentage point decrease in the discount rate would increase the fair value by $8.9 million.

The following is a reconciliation of the fair value of the Energas payable from December 31, 2022 to September 30, 2023 and the comparative period:

Canadian $ millions	Note	**For the nine months ended 2023 September 30**	For the nine months ended 2022 September 30
Balance, beginning of the period		**$ 82.6**	$ -
Revaluation of Energas payable in net finance expense	8	**8.9**	-
Settlements		**(14.8)**	-
Balance, end of the period	13	**$ 76.7**	$ -

11. ADVANCES, LOANS RECEIVABLE AND OTHER FINANCIAL ASSETS

Canadian $ millions, as at	Note	**2023 September 30**	2022 December 31
Advances and loans receivable			
GNC receivable(1)	10	**$ 221.3**	$ 279.1
Moa Joint Venture revolving-term credit facility		**15.2**	-
Other financial assets			
Finance lease receivables		**2.1**	2.8
		238.6	281.9
Current portion of advances, loans receivable and other financial assets(2)		**(56.4)**	(74.8)
Non-current portion of advances, loans receivable and other financial assets		**$ 182.2**	$ 207.1

(1) As at September 30, 2023, the non-current portion of the GNC receivable is $181.0 million (December 31, 2022 - $205.2 million).

(2) Included in the current portion of advances, loans receivable and other financial assets as at September 30, 2023 is the current portion of the GNC receivable of $40.3 million (December 31, 2022 - $73.9 million) and the current portion of the Moa Joint Venture revolving-term credit facility of $15.2 million (December 31, 2022 – nil), of which $15.0 million is the principal balance (December 31, 2022 – nil) to fund working capital.

GNC receivable

The principal balance of the GNC receivable as at September 30, 2023 is $292.0 million (December 31, 2022 - $368.0 million), reflecting settlements of $76.0 million during the nine months ended September 30, 2023, of which $44.0 million (US$32.8 million) were non-cash through receipts of finished cobalt and $32.0 million (US$24.2 million) were through receipts of cash.

No interest accrues on the GNC receivable over the five-year period of the Cobalt Swap. In the event that the total outstanding receivables are not fully repaid by December 31, 2027, interest will accrue retroactively at 8.0% from January 1, 2023 on the unpaid principal amount, and the unpaid principal and interest amounts will become due and payable by GNC to the Corporation. Refer to note 12 of the Corporation's annual consolidated financial statements for the year ended December 31, 2022 for further details on the Cobalt Swap.

12. INVENTORIES

Canadian $ millions, as at		2023 **September 30**		2022 December 31
Raw materials	**$**	**-**	$	0.1
Materials in process		**0.6**		0.3
Finished products		**24.5**		14.6
		25.1		15.0
Spare parts and operating materials		**19.9**		22.7
	$	**45.0**	$	37.7

Finished products inventories as at September 30, 2023 includes $2.6 million of finished cobalt received by the Corporation pursuant to the Cobalt Swap and not yet sold to external customers (December 31, 2022 – nil). Refer to note 12 of the Corporation's annual consolidated financial statements for the year ended December 31, 2022 for further details on the Cobalt Swap.

During the three and nine months ended September 30, 2023, the cost of inventories included in cost of sales was $28.5 million and $155.1 million, respectively ($13.4 million and $55.3 million for the three and nine months ended September 30, 2022, respectively).

13. LOANS, BORROWINGS AND OTHER FINANCIAL LIABILITIES

Loans and borrowings

					For the nine months ended September 30, 2023							
					Cash flows				Non-cash changes			
Canadian $ millions	Note		As at 2022 December 31		Repayment of loans and borrowings		Repurchase of notes		Other		As at **2023** **September 30**
8.50% second lien secured notes due 2026	10	$	233.6	**$**	**-**	**$**	**-**	**$**	**2.4**	**$**	**236.0**
10.75% unsecured PIK option notes due 2029	10		70.8		**-**		**(7.8)**		**0.2**		**63.2**
Syndicated revolving-term credit facility			46.5		**(27.0)**		**-**		**(2.2)**		**17.3**
		$	350.9	**$**	**(27.0)**	**$**	**(7.8)**	**$**	**0.4**	**$**	**316.5**
Current portion of loans and borrowings			(46.5)								**(17.3)**
Non-current portion of loans and borrowings		$	304.4							**$**	**299.2**

8.50% second lien secured notes due 2026 ("Second Lien Notes")

As at September 30, 2023, the outstanding principal amount of Second Lien Notes is $221.3 million.

Other non-cash changes consists of interest and accretion of a 7% premium. This premium is due upon the earlier of optional redemption and maturity of the notes and is accreted over the life of the instrument.

The indenture governing the Second Lien Notes (the "Second Lien Notes Indenture") requires mandatory redemptions from excess cash (subject to the minimum liquidity condition noted below and the other terms and conditions set forth in the Second Lien Notes Indenture). The mandatory Excess Cash Flow redemption provision is in effect beginning with the two-quarter period ending June 30, 2021 and mandatory redemptions are based on Excess Cash Flow (a measure calculated based on cash provided by (used in) operating activities excluding Energas, less sustaining property, plant and equipment expenditures excluding Energas, plus all cash distributed by Energas to the Corporation held in Canada, including cash distributions received by the Corporation from GNC pursuant to the Cobalt Swap and its assumption of the Energas CSA), which mandatory redemption shall be required to be made only if the Corporation has minimum liquidity of $75.0 million calculated in accordance with the Second Lien Notes Indenture. Expected mandatory Excess Cash Flow redemptions have been included in the calculation of the effective interest rate of the Second Lien Notes.

During the nine months ended September 30, 2023, the Corporation paid interest of $9.4 million on the Second Lien Notes.

Subsequent to period end, the Corporation paid interest of $9.4 million on the Second Lien Notes and was not required to make any mandatory redemptions as the minimum liquidity provisions of the indenture agreement was not met.

For the two-quarter period ended June 30, 2023, Excess Cash Flow, as defined and calculated pursuant to the Second Lien Notes Indenture, was $57.1 million. However, the Corporation did not meet the minimum liquidity condition as defined in the Second Lien Notes Indenture as at the interest payment date in October 2023.

In determining the minimum liquidity amounts in October 2023, the $7.8 million of cash used to repurchase the 10.75% unsecured PIK option notes due 2029 during the nine months ended September 30, 2023 and amounts drawn on the Credit Facility were deducted from the calculation of minimum liquidity before and after any such redemption.

Under the Second Lien Notes Indenture, the Corporation is subject to various restrictions, which limit, among other things, restricted payments, which in addition to restricted payments made pursuant to certain limited ordinary course "baskets", can only be made if certain financial ratios are met and subject to certain customary carve-outs and permissions. As at September 30, 2023, the Corporation met the required financial ratio and has the capacity to make restricted payments up to $110.5 million.

10.75% unsecured PIK option notes due 2029 ("PIK Notes")

As at September 30, 2023, the outstanding principal amount of the PIK Notes is $63.4 million.

During the nine months ended September 30, 2023, the Corporation repurchased $11.2 million of principal of the PIK Notes at a cost of $7.8 million, plus $0.1 million of accrued interest, resulting in a gain on repurchase of notes of $3.5 million (note 8).

During the nine months ended September 30, 2023, in accordance with the terms of the PIK Notes Indenture, the Corporation elected not to pay cash interest due in January 2023 of $3.8 million and added the payment-in-kind interest to the principal amount owed to noteholders.

During the nine months ended September 30, 2023, the Corporation paid the July 2023 interest payment on the PIK Notes of $3.4 million in cash. Under the terms of the PIK Notes Indenture, payment of cash interest during the preceding consecutive 12-month period permits the Corporation to provide returns to shareholders through share repurchase and dividends.

Other non-cash changes consist of the gain on repurchase of notes, net of capitalized interest and accretion. Accrued and unpaid interest on these notes is capitalized to the principal balance semi-annually in January and July at the election of the Corporation.

Syndicated revolving-term credit facility ("Credit Facility")

As at September 30, 2023, the outstanding principal amount of the Credit Facility is $18.0 million.

During the three months ended March 31, 2023, the Credit Facility was amended to extend its maturity for one year from April 30, 2024 to April 30, 2025, with no other changes to the terms, financial covenants or restrictions.

During the three months ended June 30, 2023, the Credit Facility was amended to (i) add an accordion feature, which allows additional lenders to join the credit facility and increase the maximum credit available by up to $25.0 million, subject to certain conditions and (ii) increase the permitted debt outside of the Credit Facility from $25.0 million to $35.0 million, with no other significant changes to the terms, financial covenants or restrictions.

Other non-cash changes consist of accretion and a gain due to revisions of cash flows.

Other financial liabilities

Canadian $ millions, as at	Note	2023 September 30	2022 December 31
Energas payable[1]	10	**$ 76.7**	$ 82.6
Lease liabilities		**11.6**	12.6
Share-based compensation liability		**9.3**	34.6
Other financial liabilities		**0.9**	40.4
		98.5	170.2
Current portion of other financial liabilities[2]		**(21.5)**	(81.8)
Non-current portion of other financial liabilities		**$ 77.0**	$ 88.4

(1) As at September 30, 2023, the non-current portion of the Energas payable is $63.1 million (December 31, 2022 - $68.2 million).

(2) As at September 30, 2023, the current portion of other financial liabilities includes the current portions of the Energas payable of $13.6 million (December 31, 2022 - $14.4 million), a share-based compensation liability of $6.0 million (December 31, 2022 - $28.2 million) and nil other financial liability (December 31, 2022 - $37.2 million) to the Moa Joint Venture for distributions received that had not yet been declared as dividends, which was extinguished upon declaration as dividends.

Energas payable

During the nine months ended September 30, 2023, $14.8 million (US$11.0 million) (33⅓% basis) of cash was paid by Energas to GNC in Cuban pesos. The outstanding principal balance of the Energas payable as at September 30, 2023 is $97.3 million (33⅓% basis) (December 31, 2022 - $112.1 million).

No interest accrues on Energas' payable to GNC over the five-year period of the Cobalt Swap. In the event that the total outstanding receivables are not fully repaid by December 31, 2027, interest will accrue retroactively at 8.0% from January 1, 2023 on the unpaid principal amount, and the unpaid principal and interest amounts will become due and payable by Energas to GNC.

14. PROVISIONS

Canadian $ millions, as at	2023 September 30	2022 December 31
Environmental rehabilitation provisions	**$ 97.1**	$ 103.6
Other provisions	**2.7**	2.6
	99.8	106.2
Current portion of provisions[1]	**(24.3)**	(15.7)
Non-current portion of provisions	**$ 75.5**	$ 90.5

(1) As at September 30, 2023, the current portion of provisions includes a current environmental rehabilitation provision of $23.2 million related to the Corporation's Spanish Oil and Gas operations (December 31, 2022 – $14.7 million).

Environmental rehabilitation provisions

The following is a reconciliation of the environmental rehabilitation provisions:

Canadian $ millions	Note	For the nine months ended 2023 September 30	For the year ended 2022 December 31
Balance, beginning of the period		**$ 103.6**	$ 103.8
Change in estimates		**(4.1)**	(0.4)
Gain on settlement of environmental rehabilitation provisions		**-**	(0.1)
Utilized during the period		**(1.7)**	(0.5)
Accretion	8	**0.2**	0.3
Effect of movement in exchange rates		**(0.9)**	0.5
Balance, end of the period		**$ 97.1**	$ 103.6

Change in estimates includes the impact of an increase in discount rates, which ranged from 4.00% to 8.41% as at September 30, 2023 (as at December 31, 2022 – discount rates from 3.34% to 7.18%), and were applied to expected future cash flows to determine the carrying value of the environmental rehabilitation provisions, and an increase in the environmental rehabilitation provision related to the Corporation's Spanish Oil and Gas operations of $5.8 million during the nine months ended September 30, 2023 due to an increase in estimated rehabilitation costs.

15. COMMITMENTS FOR EXPENDITURES

Canadian $ millions, as at September 30		2023
Property, plant and equipment commitments	$	8.6
Moa Joint Venture:		
Property, plant and equipment commitments(1)		39.1

(1) The Moa Joint Venture's property, plant and equipment commitments are non-recourse to the Corporation and presented on a 50% basis.

16. SUPPLEMENTAL CASH FLOW INFORMATION

Working capital is defined as the Corporation's current assets less current liabilities and was $129.1 million as at September 30, 2023 ($61.7 million - December 31, 2022).

Net change in non-cash working capital

Net change in non-cash working capital includes the following:

	For the three months ended		For the nine months ended	
	2023	2022	**2023**	2022
Canadian $ millions	**September 30**	September 30	**September 30**	September 30
Trade accounts receivable, net	**$ (19.9)**	$ (15.5)	**$ (22.3)**	$ (35.7)
Inventories	**(17.2)**	(6.7)	**(12.6)**	(11.7)
Prepaid expenses	**(4.0)**	(0.5)	**(7.9)**	(1.9)
Trade accounts payable and accrued liabilities	**8.6**	10.1	**(55.4)**	24.6
Deferred revenue	**11.6**	29.0	**4.8**	22.7
	$ (20.9)	$ 16.4	**$ (93.4)**	$ (2.0)

Non-cash transactions

During the three and nine months ended September 30, 2023, investing activities excluded nil and $44.0 million, respectively, of non-cash settlements of the GNC receivable, which was partially settled through receipts of finished cobalt pursuant to the Cobalt Swap. During the three and nine months ended September 30, 2023, an additional nil and $32.0 million, respectively, of the GNC receivable was settled through receipts of cash, presented within Receipts of advances, loans receivables and other financial assets on the condensed consolidated statements of cash flow. Refer to note 12 of the Corporation's annual consolidated financial statements for the year ended December 31, 2022 for further details on the Cobalt Swap.

17. SHAREHOLDERS' EQUITY

Capital stock

The Corporation's common shares have no par value and the authorized share capital is composed of an unlimited number of common shares. The changes in the Corporation's outstanding common shares were as follows:

		For the nine months ended 2023 September 30		For the year ended 2022 December 31
Canadian $ millions, except share amounts	**Number**	**Capital stock**	Number	Capital stock
Balance, beginning of the period	**397,288,680**	**$ 2,894.9**	397,288,680	$ 2,894.9
Balance, end of the period	**397,288,680**	**$ 2,894.9**	397,288,680	$ 2,894.9

18. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations associated with financial liabilities. Liquidity risk arises from the Corporation's financial obligations and in the management of its assets, liabilities and capital structure. The Corporation manages this risk by regularly evaluating its liquid financial resources to fund current and non-current obligations and to meet its capital commitments in a cost-effective manner.

The main factors that affect liquidity include realized sales prices, collection of receivables, production and sales volumes, cash production costs, distributions from the Moa Joint Venture, working capital requirements, capital expenditure requirements, repayments of non-current loans and borrowing obligations, credit capacity and debt and equity capital market conditions.

The Corporation's liquidity requirements are met through a variety of sources, including cash and cash equivalents, cash generated from operations and distributions from the Moa Joint Venture (including pursuant to the Cobalt Swap), existing credit facilities, leases, derivatives and debt and equity capital markets.

Capital risk management

The Corporation's objectives when managing capital are to maintain financial liquidity and flexibility in order to preserve its ability to meet financial obligations throughout the various resource cycles with sufficient capital and capacity to manage unforeseen operational and industry developments and to ensure the Corporation has the capital and capacity to allow for business growth opportunities and/or to support the growth of its existing businesses.

Subject to the limitations within the Second Lien Notes Indenture and Credit Facility agreements, in order to maintain or adjust its capital structure, the Corporation may purchase shares for cancellation pursuant to normal course issuer bids, issue new shares, repay outstanding debt, issue new debt (unsecured, convertible and/or other types of available debt instruments), refinance existing debt with different characteristics, acquire or dispose of assets or adjust the amount of cash and short-term investment balances.

Financial obligation maturity analysis

The Corporation's significant contractual commitments, obligations, and interest and principal repayments in respect of its financial liabilities, income taxes payable and provisions are presented in the following table. For amounts payable that are not fixed, including mandatory redemptions of the Second Lien Notes (note 13), the amount disclosed is determined by reference to the conditions existing as at September 30, 2023.

Canadian $ millions, as at September 30, 2023	Total	Falling due within 1 year	Falling due between 1-2 years	Falling due between 2-3 years	Falling due between 3-4 years	Falling due between 4-5 years	Falling due in more than 5 years
Trade accounts payable and accrued liabilities	$ 159.7	$ 159.7	$ -	$ -	$ -	$ -	$ -
Income taxes payable	2.4	2.4	-	-	-	-	-
Second Lien Notes (includes principal, interest and premium)	313.7	18.8	18.8	18.8	257.3	-	-
PIK Notes (includes principal and interest)	104.9	6.8	6.8	6.8	6.8	6.8	70.9
Syndicated revolving-term credit facility	20.7	1.7	19.0	-	-	-	-
Other non-current financial liabilities	1.3	-	-	-	0.1	-	1.2
Provisions	198.5	24.7	3.6	0.3	0.3	2.3	167.3
Energas payable	97.3	14.3	22.7	27.0	24.7	8.6	-
Lease liabilities	14.0	2.7	2.4	1.6	1.3	1.3	4.7
Total	$ 912.5	$ 231.1	$ 73.3	$ 54.5	$ 290.5	$ 19.0	$ 244.1

19. RELATED PARTY TRANSACTIONS

The Corporation enters into transactions related to its joint arrangements (note 7). Transactions between related parties are generally based on standard commercial terms. All amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received on the outstanding amounts. No expense has been recognized in the current or prior periods for bad debts in respect of amounts owed by related parties.

Sherritt International Corporation
22 Adelaide Street West, Suite 4220
Toronto, ON M5H 4E3

For further investor information contact:
Telephone: 416.935.2451
Toll-free 1.800.704.6698
www.sherritt.com