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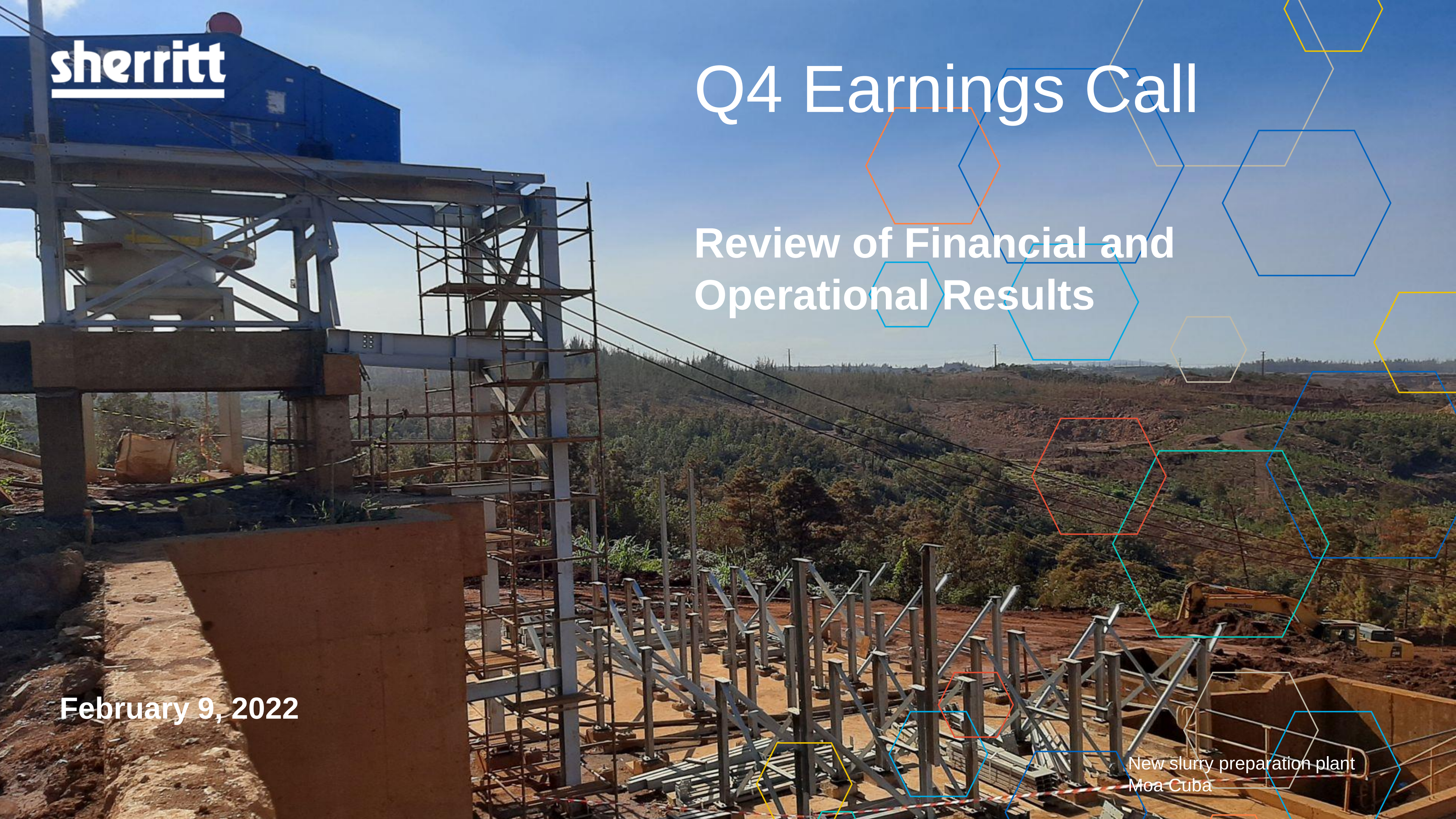
Q4 Earnings Call

Review of Financial and Operational Results

February 9, 2022



New slurry preparation plant
Moa Cuba

Presenters

Leon Binedell

President & CEO

Yasmin Gabriel

CFO

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Forward-Looking Statements

This presentation contains certain forward-looking statements. Forward-looking statements can generally be identified by the use of statements that include such words as “believe”, “expect”, “anticipate”, “intend”, “plan”, “forecast”, “likely”, “may”, “will”, “could”, “should”, “suspect”, “outlook”, “potential”, “projected”, “continue” or other similar words or phrases. Specifically, forward-looking statements in this document include, but are not limited to, statements regarding strategies, plans and estimated production amounts resulting from expansion of mining operations at the Moa Joint Venture, growing and increasing nickel and cobalt production, optimizing mine planning and performance, extending the Moa life of mine and completing the economic cut-off grade development, updating technical reports including the timing of release of a new NI 43-101 report, conversion of mineral resources to reserves, expansion program update as it relates to the Slurry Preparation Plant and Moa Processing, the purchase of secured second lien and junior notes, commercializing Technologies projects and growing shareholder value; statements set out in the “Outlook” section of this presentation and certain expectations regarding production volumes and increases, inventory levels, operating costs and capital spending and intensity; sales volumes; revenue, costs and earnings; supply, demand and pricing outlook in the nickel, cobalt and fertilizer markets; the availability of additional gas supplies to be used for power generation; the impact of COVID-19; Sherritt’s strategy, plans, targets and goals in respect of environmental and social governance issues, including climate change and greenhouse gas emissions reduction targets; anticipated payments and intention to settle outstanding receivables under the Cobalt Swap, including liability amounts at the implementation date, the anticipated end of historical repayment uncertainty, the anticipated repayment of all outstanding receivables through dividends, including in the form of finished cobalt or cash; and the timing, and amount of cobalt dividend distributions; distributions from the Corporation’s Moa Joint Venture in general; future receipts under the Moa Swap agreement; the anticipated second lien secured notes becoming due in 2026; 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 reducing annual interest expenses; 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 presentation not to place undue reliance on any forward-looking statement as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements. These risks, uncertainties and other factors include, but are not limited to, 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 and year ended December 31, 2022 and the Annual Information Form of the Corporation dated March 24, 2022 for the period ending December 31, 2021, which is available on SEDAR at www.sedar.com.

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

NON-GAAP AND OTHER FINANCIAL MEASURES

Management uses the following non-GAAP and other financial measures in this presentation: adjusted EBITDA, unit operating cost/net direct cash cost (NDCC), adjusted net earnings/loss from continuing operations, and spending on capital.

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

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

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Delivered on 2022 Strategic Priorities

Leading Green Metals Producer

- Advanced US$77M expansion program
- NDCC in 1st cost quartile for HPAL nickel producers
- Advanced life of mine (LOM) analysis

Achieve Balance Sheet Strength

- Repurchased ~$150M notes at a discount
- Finalized $368M Cobalt Swap to recover receivables

Leverage Technologies for Growth

- Continued to advance innovative technologies
- Supported Moa expansion and LOM analysis

Maximize Value from Energy Business

- Finalized US$50M Moa Swap
- Extended Energas JV contract to March 2043

Be a Sustainable Organization

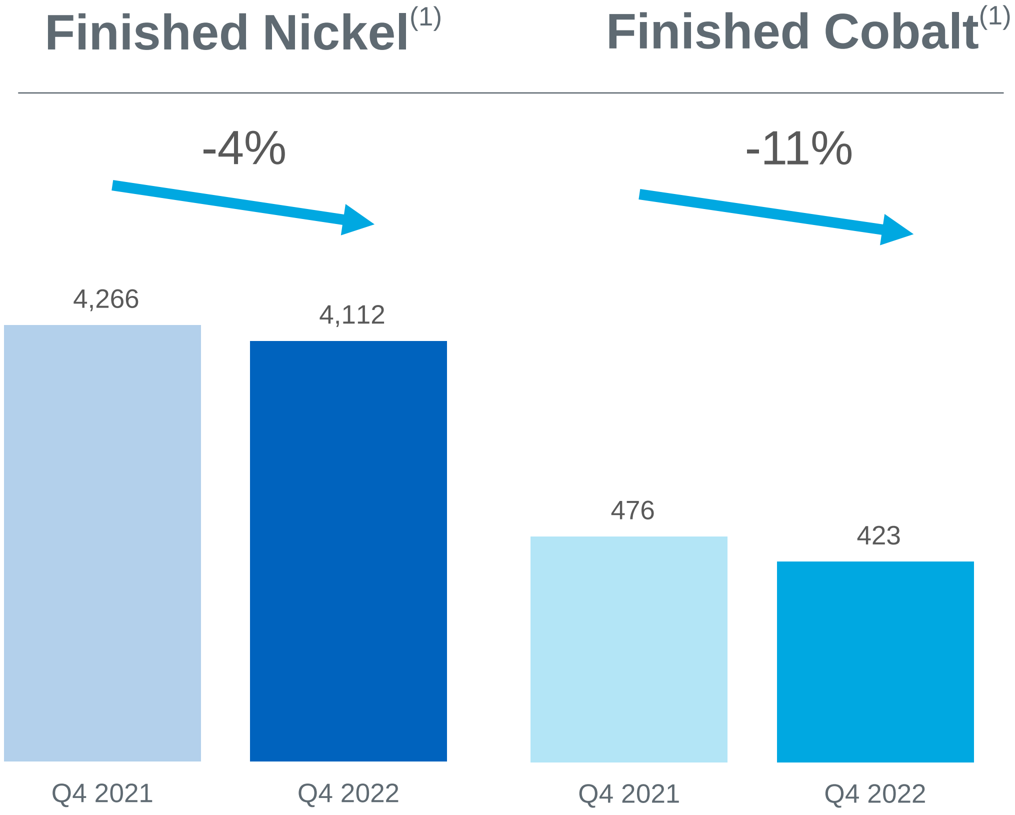
- Achieved YoY ESG improvements
- Developed climate plan to achieve ESG goals

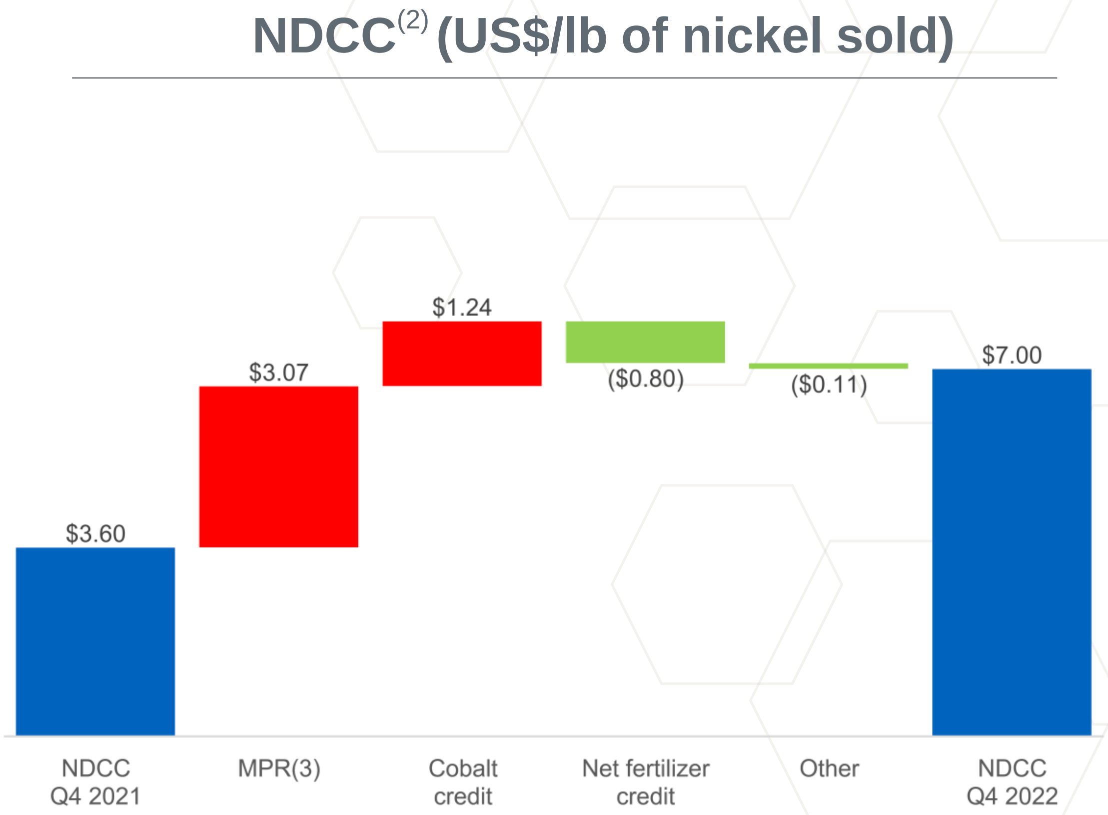
2022 lay the foundation for continued success in the future

Review of operations

Energas power generation facility
Boca de Jaruco, Cuba

Moa JV highlights – Q4



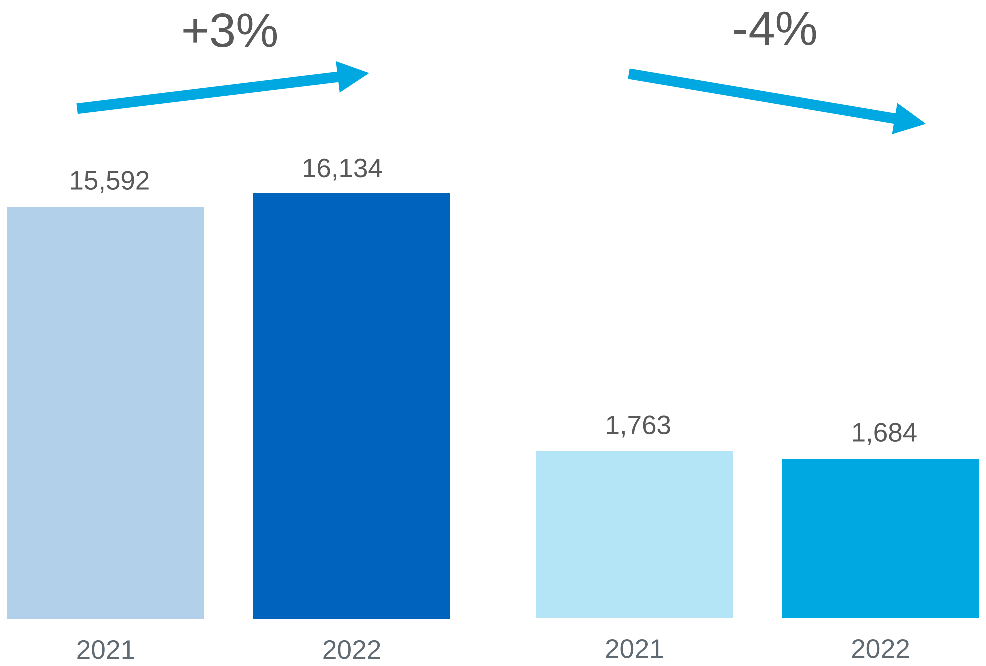


Moa JV maintains focus on operational efficiencies to mitigate external impacts

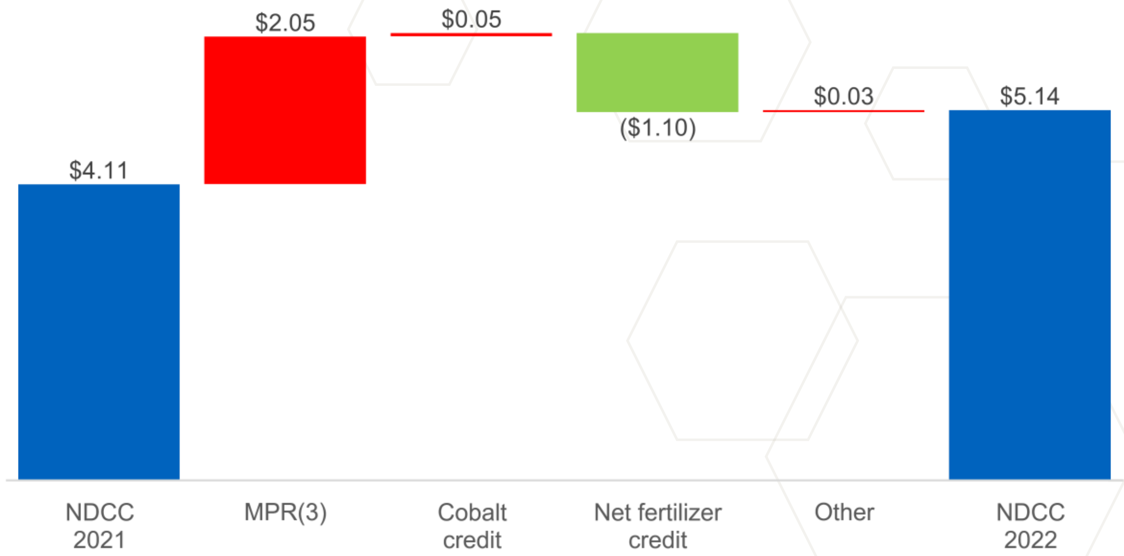
1. Tonnes, Sherritt's share - 50% basis
2. Net direct cash cost. A non-GAAP financial measure. For additional information see the Non-GAAP and other financial measures section in the Appendix to this presentation
3. Mining, processing and refining, includes impact of commodity input price increases – Sulphur +55%, diesel +133%, fuel oil +15%

Moa JV highlights – 2022

Finished Nickel[1] Finished Cobalt[1]



NDCC[2] (US$/lb of nickel sold)



Production in line with 2022 guidance

1. Tonnes, Sherritt's share - 50% basis
2. Net direct cash cost. A non-GAAP financial measure. For additional information see the Non-GAAP and other financial measures section in the Appendix to this presentation
3. Mining, processing and refining costs, includes impact of commodity input price increases – Sulphur +119%, diesel +109%, fuel oil +40%

Moa JV expansion and LOM program

Expansion:

- Low capital intensity investment to increase production by 6,500 tonnes of contained metals annually at only US$13,200 per annual tonne of nickel
- Focus on improving Moa MSP[1] production to fully utilize existing refinery capacity
- Any excess MSP is expected to be sold in the EV battery supply chain
- Full program completion expected by the end of 2024

Life of mine:

- The final NI 43-101 technical report is expected to be released by the end of Q1 2023

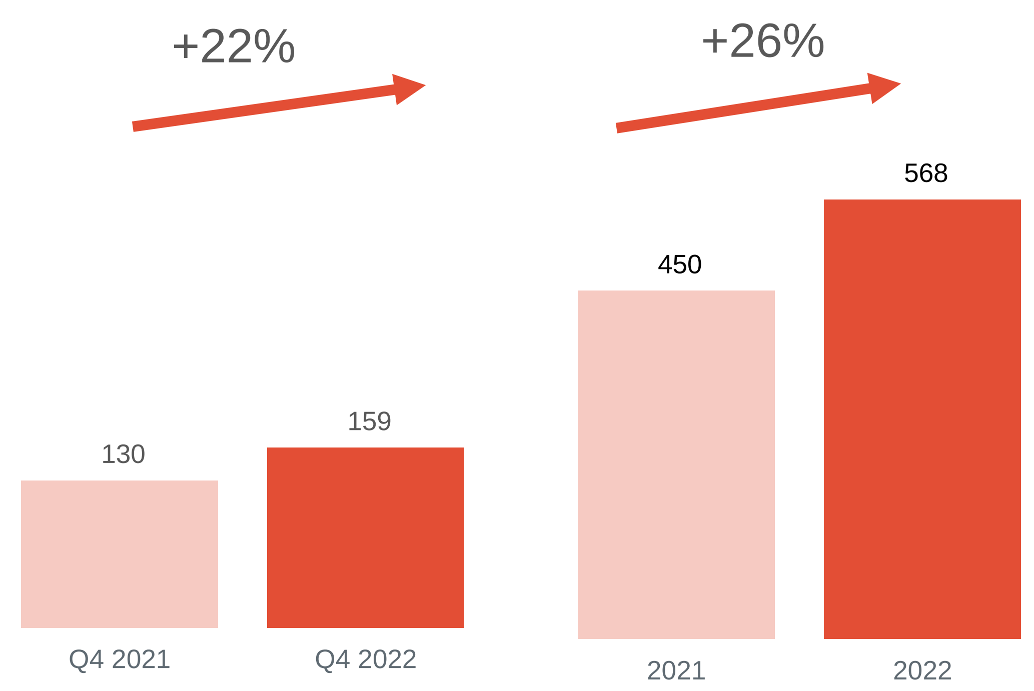

Leach plant sixth train
Moa, Cuba

LOM analyses expected to extend mine life beyond 2040

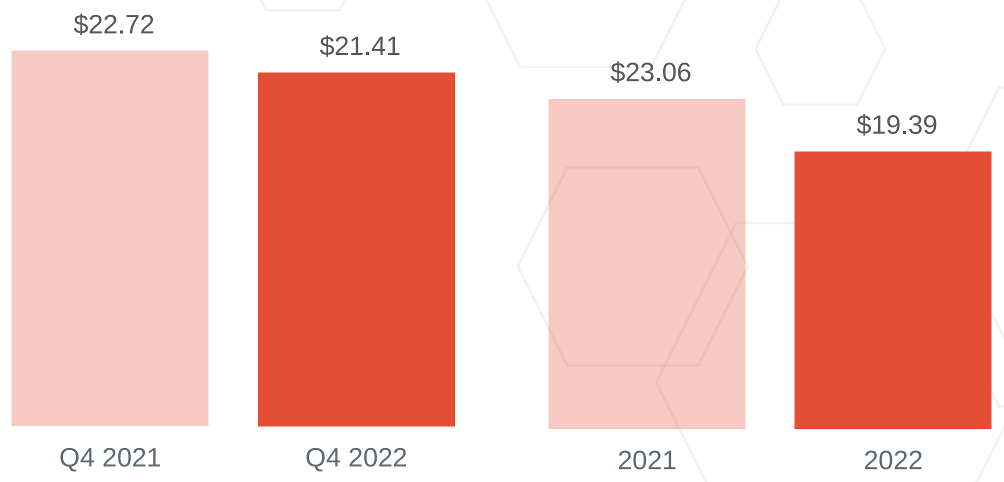
1. MSP = Mixed sulphide precipitate - an intermediate product produced at Moa

Power highlights – Q4 and 2022

Electricity production (33⅓% GWh[1])



Unit operating costs[2] ($/MWh[3])



Extended economically beneficial joint venture contract to March 2043

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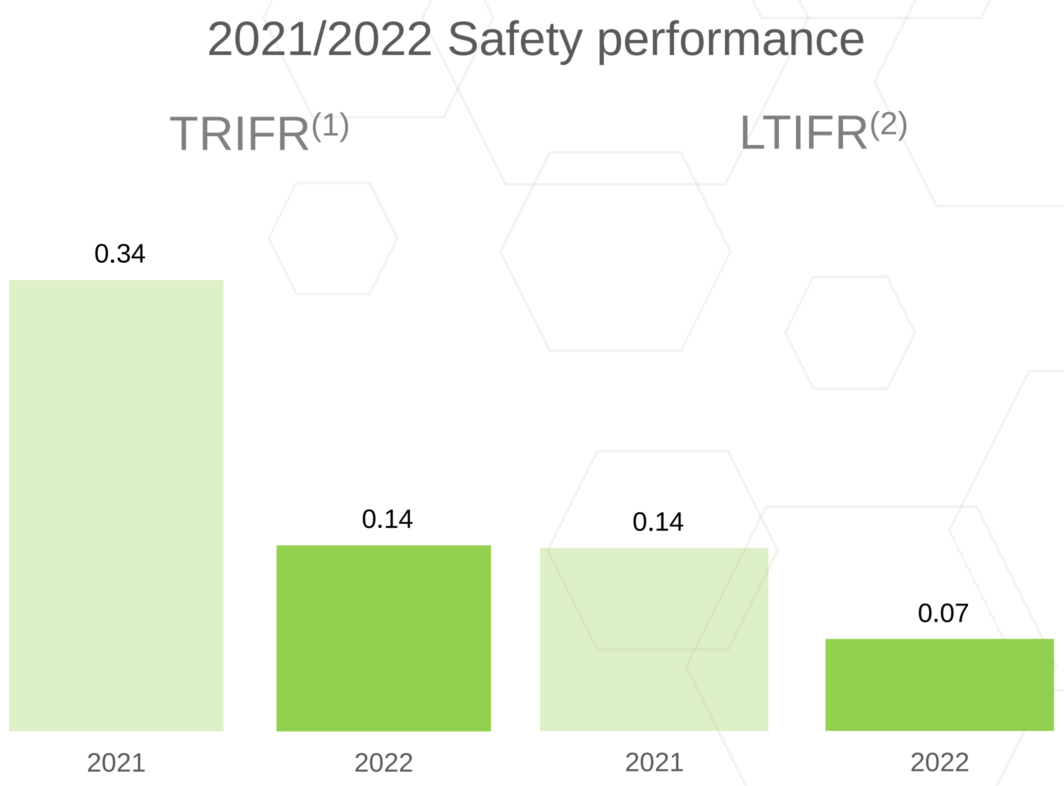
1. GWh = Gigawatt hours
2. A non-GAAP financial measure. For additional information see the Non-GAAP and other financial measures section in the Appendix to this presentation
3. MWh = Megawatt hours

2022 Sustainability highlights

- Further improved peer-leading safety performance
- Experienced no security incidents involving allegations of human rights abuses at any of Sherritt's operations
- Experienced zero work-related fatalities at our operations for the seventh consecutive year
- Received confirmation of conformity with the LME's Track B Responsible Sourcing Requirements
- Initiated GHG emissions baseline study and map to achieve net zero GHG emissions by 2050
- Continued YoY improvements on Bloomberg ESG scorecard, notably on environmental performance indicators



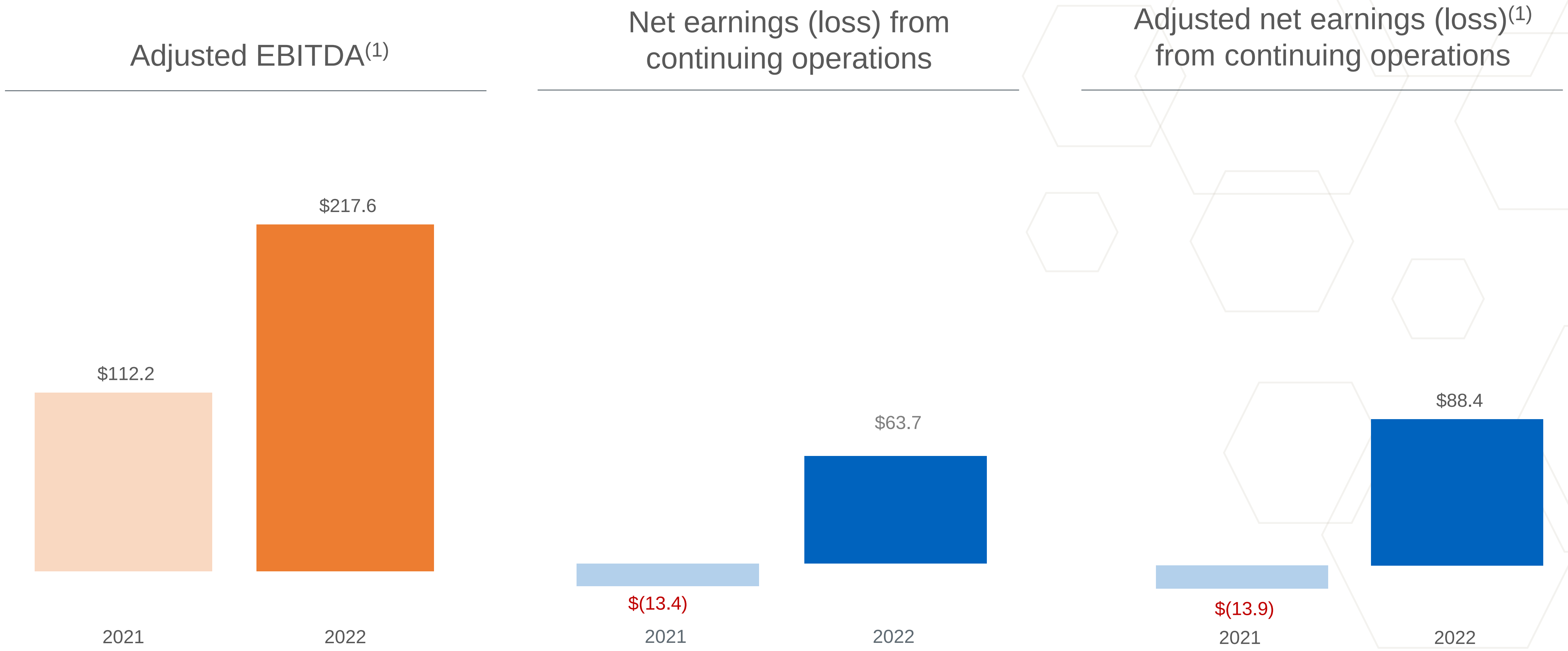
Continue to make progress on long term ESG targets

1. TRIFR – Total Recordable Incident Frequency Rate per 200,000 hours worked over 12 months.
2. LTIFR – Lost Time Incident Frequency Rate per 200,000 hours worked over 12 months.

Financial Highlights

Cobalt production
Fort Saskatchewan, Canada

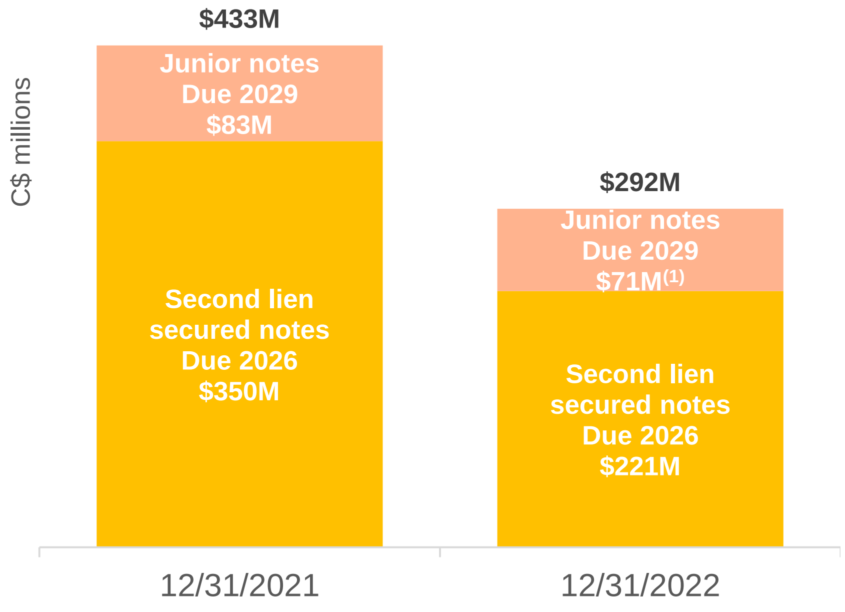
Net earnings from continuing operations/Adjusted EBITDA ($ millions)



Strong earnings driven by high nickel and fertilizer prices and volume

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

Repurchase of notes



- **~$150 million principal repurchased during the year at a 16% discount**
  - Q2 repurchased ~$60 million
  - Q4 repurchased ~$90 million
- **Repurchased 35% of our opening principal balance**
- **Reduces annual interest expense by ~$13 million**

Sherritt continues to focus on deleveraging the balance sheet

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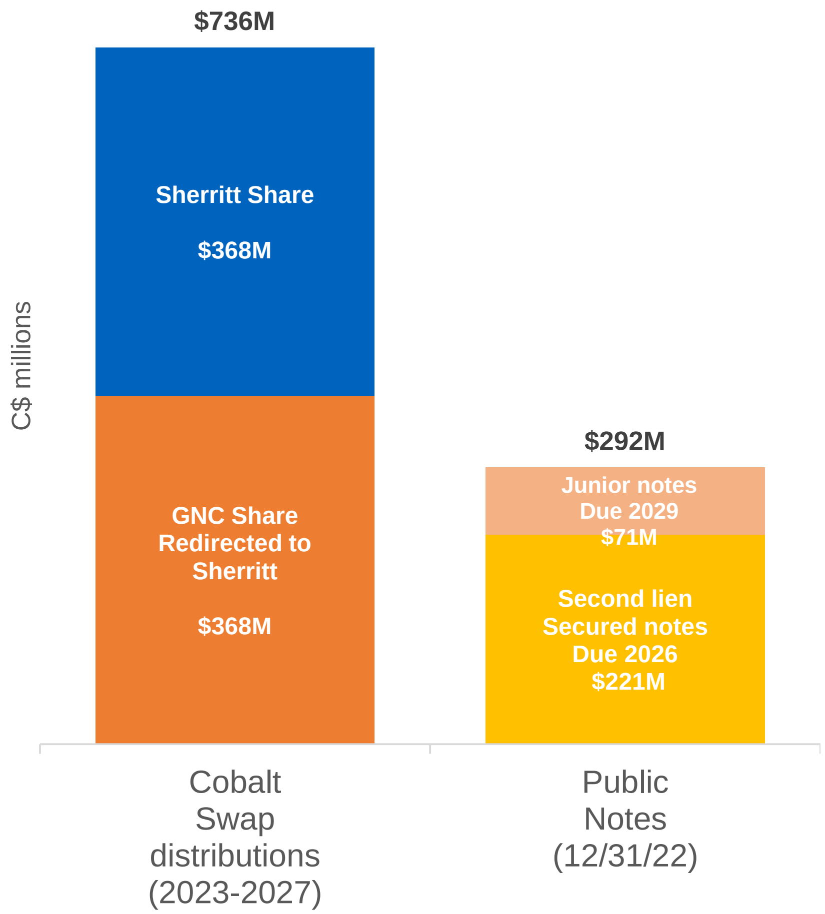
1. Includes $8.1 million of PIK interest added to principal during the year

Settlement of Cuban receivables – Cobalt Swap



- Expected annual cash flow of US$114 million through the sale of cobalt and cash distributions (half to settle receivables)
- Majority of payments expected to be received prior to maturity of the second lien notes
- Opportunity for early settlement if the market value of the cobalt increases
- Downside protection if cobalt prices decrease, made up with cash dividends
- Received first distribution in January 2023 – 760 tonnes – 37% of annual maximum – in-kind value $36M (US$27M)
- Currently selling inventory with all cash coming to Sherritt

Provides significant cash flow to deliver on Sherritt's strategic priorities

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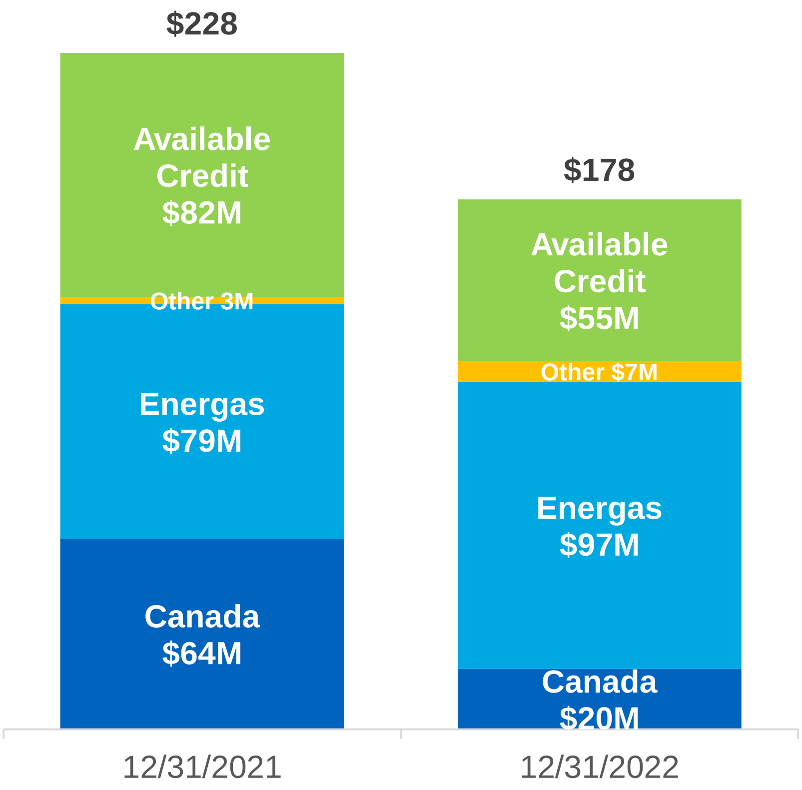
Liquidity in perspective



- **Strong Moa JV distributions of ~$100 million:**
  - Q4 – $57.2 million
- **Purchased ~$150 million of second lien secured and junior notes for $125 million cash**
  - Revolving credit facility of $37 million utilized to support oversubscribed note offers in Q4
- **Fertilizer business contributed $31 million in operating cash flow during the year**

Cobalt Swap distribution in January 2023 expected to add ~$36 million

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Outlook

Moa, Cuba

2023 Guidance updates

Moa JV and Fort Site

Production (100% basis) & Unit Costs	
Finished nickel	30,000 – 32,000 tonnes
Finished cobalt	3,100 – 3,400 tonnes
Net direct cash cost[1]	US$5.00 - $5.50/lb

Spending on capital (Sherritt's share)[1][2]	
Sustaining capital	C$70M
Growth capital	C$20M
Total planned spending:	C$90M

Power

Production (33-⅓% basis) & Unit Costs	
Electricity production	575 – 625 GWh
Unit cost[1]	$28.50 - $30.00/MWh

- 2023 will be a transition year for the Moa JV
  - This transition phase of mine expansion will include accessing new mining areas for implementation of new ECOG/LOM and bringing the new SPP online in 2024
- Key priorities:
  - Ensure the expansion program remains on time and budget
  - Access additional gas supply for power

Transforming operations for long-term success

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1. Non-GAAP financial measures. See the Non-GAAP and other financial measures section in the appendix for reconciliations of full year actual amounts to the most directly comparable IFRS measures.
2. Sustaining capital spend is 50% of expenditures at Moa JV and 100% expenditures for Fort Site fertilizers and utilities, Growth capital is 50% of expenditures at Moa JV .

2023 Strategic Priorities

Leading Green Metals Producer

- Execute on expansion program
- Rank in 1st cost quartile for HPAL nickel producers
- File NI 43-101 in Q1

Achieve Balance Sheet Strength

- Leverage collections on Cobalt Swap
- Maximize liquidity and continue to build balance sheet strength

Leverage Technologies for Growth

- Continue to advance commercialization of innovative technologies
- Support Moa JV and Life of Mine analysis

Maximize Value from Energy Business

- Access additional gas to increase electrical power generation

Be a Sustainable Organization

- Deliver on ESG targets
- Achieve YoY ESG improvements
- Advance carbon capture and renewable energy strategy

Continue to build towards our targeted growth

Q4 Takeaways

- Delivered on our 2022 strategic priorities
- Finalized Cobalt Swap agreement to recover $368 million of total Cuban receivables
- Repurchased cumulative total ~$150M of outstanding notes
- Extended Moa Swap agreement (US$50M annually)
- Extended economically beneficial Energas Joint Venture contract to March 2043
- Approved Moa JV expansion program - remains on time and budget
- Strong Q4 results driven by higher nickel and fertilizer prices and sales volumes


Refinery facilities
Fort Saskatchewan, Canada

We continue to strengthen the balance sheet and pursue growth initiatives

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Q&A Discussion

Sherritt International Corporation
22 Adelaide West, 42nd Floor Toronto, Ontario, Canada M5H 4E3
Lucy Chitilian, Director, Investor Relations
Telephone: (416) 935 -2457 I Toll -Free: 1 (800) 704 -6698
Email: Lucy.Chitilian@sherritt.com I Website: www.sherritt.com

Appendix

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 Joint Venture. 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 individual 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 (loss) from operations and joint venture per the financial statements to Adjusted EBITDA:

$ millions, for the three months ended December 31								2022
	Moa JV and Fort Site[1]	Metals Other	Oil and Gas	Power	Techno-logies	Corporate	Adjustment for Moa Joint Venture	Total
Earnings (loss) from operations and joint venture per financial statements	$ 31.0	$ (0.5)	$ (17.1)	$ 4.5	$ (4.4)	$ (11.6)	$ (2.0)	$ (0.1)
Add (deduct):								
Depletion, depreciation and amortization	2.8	-	-	1.6	-	0.3	-	4.7
Impairment of intangible assets	-	-	1.3	-	-	-	-	1.3
Adjustments for share of earnings of Moa Joint Venture:								
Depletion, depreciation and amortization	11.8	-	-	-	-	-	-	11.8
Net finance expense	-	-	-	-	-	-	(1.6)	(1.6)
Income tax recovery	-	-	-	-	-	-	3.6	3.6
Adjusted EBITDA	$ 45.6	$ (0.5)	$ (15.8)	$ 6.1	$ (4.4)	$ (11.3)	$ -	$ 19.7

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Adjusted EBITDA, cont.

$ millions, for the three months ended December 31								2021
	Moa JV and Fort Site[1]	Metals Other	Oil and Gas	Power	Techno-logies	Corporate	Adjustment for Moa Joint Venture	Total
Earnings (loss) from operations and joint venture per financial statements	$ 36.2	$ (0.4)	$ (0.7)	$ 0.5	$ (3.9)	$ (4.0)	$ (7.2)	$ 20.5
Add (deduct):								
Depletion, depreciation and amortization	2.5	-	1.1	4.0	-	0.4	-	8.0
Adjustments for share of earnings of Moa Joint Venture:								
Depletion, depreciation and amortization	10.7	-	-	-	-	-	-	10.7
Net finance expense	-	-	-	-	-	-	1.5	1.5
Income tax expense	-	-	-	-	-	-	5.7	5.7
Adjusted EBITDA	$ 49.4	$ (0.4)	$ 0.4	$ 4.5	$ (3.9)	$ (3.6)	$ -	$ 46.4

$ millions, for the year ended December 31								**2022**
	Moa JV and Fort Site[2]	Metals Other	Oil and Gas	Power	Techno-logies	Corporate	Adjustment for Moa Joint Venture	Total
Earnings (loss) from operations and joint venture per financial statements	**$ 200.2**	**$ (2.3)**	**$ (16.3)**	**$ 8.7**	**$ (14.8)**	**$ (27.4)**	**$ (29.4)**	**$ 118.7**
Add (deduct):								
Depletion, depreciation and amortization	**10.3**	**0.1**	**0.8**	**13.6**	**0.1**	**1.1**	**-**	**26.0**
Impairment of intangible assets	**-**	**-**	**1.3**	**-**	**-**	**-**	**-**	**1.3**
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	**43.5**	**-**	**-**	**-**	**-**	**-**	**-**	**43.5**
Net finance expense	**-**	**-**	**-**	**-**	**-**	**-**	**5.1**	**5.1**
Income tax expense	**-**	**-**	**-**	**-**	**-**	**-**	**24.3**	**24.3**
Adjusted EBITDA	**$ 254.0**	**$ (2.2)**	**$ (15.5)**	**$ 22.3**	**$ (14.7)**	**$ (26.3)**	**$ -**	**$ 217.6**

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Adjusted EBITDA, cont.

$ millions, for the year ended December 31								2021
	Moa JV and Fort Site(2)	Metals Other	Oil and Gas	Power	Techno-logies	Corporate	Adjustment for Moa Joint Venture	Total
Earnings (loss) from operations and joint venture per financial statements	$ 98.3	$ (2.0)	$ (11.6)	$ (0.6)	$ (12.9)	$ (35.6)	$ (27.1)	$ 8.5
Add (deduct):								
Depletion, depreciation and amortization	10.8	0.2	6.7	15.7	0.1	1.1	-	34.6
Gain on disposal of property, plant and equipment	-	-	(1.2)	-	-	-	-	(1.2)
Adjustments for share of earnings of Moa Joint Venture:								
Depletion, depreciation and amortization	43.2	-	-	-	-	-	-	43.2
Net finance income	-	-	-	-	-	-	0.8	0.8
Income tax expense	-	-	-	-	-	-	26.3	26.3
Adjusted EBITDA	$ 152.3	$ (1.8)	$ (6.1)	$ 15.1	$ (12.8)	$ (34.5)	$ -	$ 112.2

(1) Adjusted EBITDA of Moa Joint Venture and Fort Site for the three months ended December 31, 2022 is composed of Adjusted EBITDA at Moa Joint Venture of $76.9 million (50% basis) and Adjusted EBITDA at Fort Site of $4.3 million (for the three months ended December 31, 2021 - $42.6 million and $(0.9) million, respectively).

Unit operating costs/Net direct cash cost

With the exception of the Moa Joint Venture, 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.

The Moa Joint Venture's 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; third-party finished nickel costs; 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. NDCC excludes cost of sales from the sale of finished nickel purchased from a third-party as it was not internally produced.

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 December 31					**2022**
	Moa JV and Fort Site	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Cost of sales per financial statements	**$ 186.7**	**$ 4.8**	**$ 24.4**	**$ (159.7)**	**$ 56.2**
Less:					
Depletion, depreciation and amortization in cost of sales	**(14.7)**	**(1.5)**			
	172.0	**3.3**			
Adjustments to cost of sales:					
Cobalt by-product, fertilizer and other revenue	**(67.8)**	**-**			
Impact of opening/closing inventory and other[2]	**(10.4)**	**-**			
Cost of sales for purposes of unit cost calculation	**93.8**	**3.3**			
Sales volume for the period	**9.9**	**159**			
Volume units	Millions of pounds	Gigawatt hours			
Unit operating cost[3][4]	**$ 9.48**	**$ 21.41**			
Unit operating cost (US$ per pound) (NDCC)[5]	**$ 7.00**				

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Unit operating costs/Net direct cash cost, cont.

$ millions, except unit cost and sales volume, for the three months ended December 31					2021
	Moa JV and Fort Site	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Cost of sales per financial statements	$ 142.7	$ 7.0	$ 11.2	$ (118.3)	$ 42.6
Less:					
Depletion, depreciation and amortization in cost of sales	(13.2)	(4.0)			
	129.5	3.0			
Adjustments to cost of sales:					
Cobalt by-product, fertilizer and other revenue	(66.5)	-			
Third-party finished nickel cost	(13.7)	-			
Impact of opening/closing inventory and other[2]	(7.7)	-			
Cost of sales for purposes of unit cost calculation	41.6	3.0			
Sales volume for the period	9.2	130			
Volume units	Millions of pounds	Gigawatt hours			
Unit operating cost[3][4]	$ 4.53	$ 22.72			
Unit operating cost (US$ per pound) (NDCC)[5]	$ 3.60				

$ millions, except unit cost and sales volume, for the year ended December 31					2022
	Moa JV and Fort Site	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Cost of sales per financial statements	**$ 576.6**	**$ 24.1**	**$ 56.5**	**$ (494.6)**	**$ 162.6**
Less:					
Depletion, depreciation and amortization in cost of sales	**(53.8)**	**(13.1)**			
	522.8	**11.0**			
Adjustments to cost of sales:					
Cobalt by-product, fertilizer and other revenue	**(264.0)**	**-**			
Impact of opening/closing inventory and other[2]	**(24.9)**	**-**			
Cost of sales for purposes of unit cost calculation	**233.9**	**11.0**			
Sales volume for the period	**35.0**	**568**			
Volume units	Millions of pounds	Gigawatt hours			
Unit operating cost[3][4]	**$ 6.68**	**$ 19.39**			
Unit operating cost (US$ per pound) (NDCC)[5]	**$ 5.14**				

Unit operating costs/Net direct cash cost, cont.

$ millions, except unit cost and sales volume, for the year ended December 31					2021
	Moa JV and Fort Site	Power	Other[(1)]	Adjustment for Moa Joint Venture	Total
Cost of sales per financial statements	$ 451.4	$ 26.1	$ 45.5	$ (382.0)	$ 141.0
Less:					
Depletion, depreciation and amortization in cost of sales	(53.8)	(15.7)			
	397.6	10.4			
Adjustments to cost of sales:					
Cobalt by-product, fertilizer and other revenue	(192.2)	-			
Third-party finished nickel cost	(13.7)				
Impact of opening/closing inventory and other[(2)]	(14.5)	-			
Impairment on assets	-	-			
Cost of sales for purposes of unit cost calculation	177.2	10.4			
Sales volume for the period	34.4	450			
Volume units	Millions of pounds	Gigawatt hours			
Unit operating cost[(3)(4)]	$ 5.15	$ 23.06			
Unit operating cost (US$ per pound) (NDCC)[(5)]	$ 4.11				

(1) Other is composed of the cost of sales of the Metals Other, 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.

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

				2022				2021
For the three months ended December 31		**$ millions**		**$/share**		$ millions		$/share
Net (loss) earnings from continuing operations	**$**	**(7.3)**	**$**	**(0.02)**	$	14.4	$	0.04
Adjusting items:								
Sherritt - Unrealized foreign exchange loss (gain) - continuing operations		**4.1**		**0.01**		(1.4)		-
Corporate - Gain on repurchase of notes		**(7.1)**		**(0.02)**		-		-
Corporate - Transaction finance charges on repurchase of notes		**1.1**		**-**		-		-
Corporate - Severance and other contractual benefits expense		**-**		**-**		0.6		-
Corporate - Unrealized losses on commodity put options		**-**		**-**		(2.2)		(0.01)
Corporate - Realized loss on commodity put options		**-**		**-**		2.3		0.01
Moa Joint Venture - Inventory obsolescence		**1.6**		**0.01**		0.5		-
Fort Site - Inventory obsolescence		**0.6**		**-**		-		-
Oil and Gas - Impairment of intangible assets		**1.3**		**0.01**		-		-
Oil and Gas and Power - Trade accounts receivable, net ACL revaluation		**-**		**-**		0.7		-
Oil and Gas and Power - Gain on modification of Cuban receivables		**(4.0)**		**(0.01)**		-		-
Power - Revaluation of Energas payable		**4.0**		**0.01**		-		-
Power - Revaluation of GNC receivable		**(2.4)**		**(0.01)**		-		-
Other[1]		**-**		**-**		0.1		-
Total adjustments, before tax	**$**	**(0.8)**	**$**	**-**	$	0.6	$	-
Tax adjustments		**0.6**		**-**		(0.2)		-
Adjusted net (loss) earnings from continuing operations	**$**	**(7.5)**	**$**	**(0.02)**	$	14.8	$	0.04

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

For the year ended December 31	2022 $ millions	2022 $/share	2021 $ millions	2021 $/share
Net earnings (loss) from continuing operations	**$ 63.7**	**$ 0.16**	$ (13.4)	$ (0.03)
Adjusting items:				
Sherritt - Unrealized foreign exchange gain - continuing operations	**(5.4)**	**(0.01)**	(4.7)	(0.01)
Corporate - Gain on repurchase of notes	**(20.9)**	**(0.06)**	(2.1)	(0.01)
Corporate - Transaction finance charges on repurchase of notes	**2.3**	**0.01**	-	-
Corporate - Severance and other contractual benefits expense	**-**	**-**	6.1	0.02
Corporate - Unrealized losses on commodity put options	**(0.9)**	**-**	0.8	-
Corporate - Realized losses on commodity put options	**0.9**	**-**	4.8	0.01
Moa Joint Venture - Inventory obsolescence	**2.1**	**0.01**	1.8	0.01
Fort Site - Inventory obsolescence	**0.6**	**-**	1.2	-
Oil and Gas - Gain on disposal of PP&E	**(1.3)**	**-**	(1.2)	-
Oil and Gas - Impairment of intangible assets	**1.3**	**-**	-	-
Oil and Gas - Realized foreign exchange gain due to Cuban currency unification	**-**	**-**	(10.0)	(0.03)
Oil and Gas and Power - Trade accounts receivable, net ACL revaluation	**0.4**	**-**	0.8	-
Oil and Gas and Power - Gain on modification of Cuban receivables	**(4.0)**	**(0.01)**	-	-
Power - Energas conditional sales agreement ACL revaluation(1)	**49.0**	**0.12**	2.7	0.01
Power - Revaluation of Energas payable	**4.0**	**0.01**	-	-
Power - Revaluation of GNC receivable	**(2.4)**	**(0.01)**	-	-
Other(2)	**-**	**-**	(0.3)	-
Total adjustments, before tax	**$ 25.7**	**$ 0.06**	$ (0.1)	$ -
Tax adjustments	**(1.0)**	**-**	(0.4)	-
Adjusted net earnings (loss) from continuing operations	**$ 88.4**	**$ 0.22**	$ (13.9)	$ (0.03)

(1) Primarily related to a non-cash loss on revaluation of the ACL on the Energas CSA receivable as a result of the Cobalt Swap signed by the Corporation during the year, in part, due to the suspension of interest over the five-year period of the agreement.
(2) Other items primarily relate to losses in net finance (expense) income.

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Spending on capital

The Corporation defines spending on capital for each segment as property, plant and equipment and intangible asset expenditures on a cash basis adjusted to the accrual basis in order to account for assets that are available for use by the Corporation and the Moa Joint Venture prior to payment and includes adjustments to accruals. The 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 table below reconciles 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 December 31											**2022**
		Moa JV and Fort Site		Power		Other[1]		Combined total		Adjustment for Moa Joint Venture		Total derived from financial statements
Property, plant and equipment expenditures[2]	$	**24.0**	$	**2.1**	$	**0.1**	$	**26.2**	$	**(15.9)**	$	**10.3**
Intangible asset expenditures[2]		**-**		**-**		**0.8**		**0.8**		**-**		**0.8**
		24.0		**2.1**		**0.9**		**27.0**	$	**(15.9)**	$	**11.1**
Adjustments:												
Accrual adjustment		**2.7**		**(0.5)**		**(0.3)**		**1.9**				
Spending on capital	$	**26.7**	$	**1.6**	$	**0.6**	$	**28.9**				

Spending on capital, cont.

$ millions, for the three months ended December 31		Moa JV and Fort Site		Power		Other[1]		Combined total		Adjustment for Moa Joint Venture		2021 Total derived from financial statements
Property, plant and equipment expenditures[2]	$	8.3	$	0.1	$	0.5	$	8.9	$	(6.2)	$	2.7
Intangible asset expenditures[2]		-		-		0.2		0.2		-		0.2
		8.3		0.1		0.7		9.1	$	(6.2)	$	2.9
Adjustments:												
Accrual adjustment		3.8		-		(0.5)		3.3				
Spending on capital	$	12.1	$	0.1	$	0.2	$	12.4				

$ millions, for the year ended December 31		Moa JV and Fort Site		Power		Other[1]		Combined total		Adjustment for Moa Joint Venture		2022 Total derived from financial statements
Property, plant and equipment expenditures[2]	$	**64.2**	$	**5.1**	$	**0.2**	$	**69.5**	$	**(41.8)**	$	**27.7**
Intangible asset expenditures[2]		**-**		**-**		**0.8**		**0.8**		**-**		**0.8**
		64.2		**5.1**		**1.0**		**70.3**	$	**(41.8)**	$	**28.5**
Adjustments:												
Accrual adjustment		**9.9**		**-**		**0.3**		**10.2**				
Spending on capital	$	**74.1**	$	**5.1**	$	**1.3**	$	**80.5**				

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Spending on capital, cont.

$ millions, for the year ended December 31												2021
		Moa JV and Fort Site		Power		Other[1]		Combined total		Adjustment for Moa Joint Venture		Total derived from financial statements
Property, plant and equipment expenditures[2]	$	34.0	$	0.1	$	0.9	$	35.0	$	(25.1)	$	9.9
Intangible asset expenditures[2]		-		-		0.8		0.8		-		0.8
		34.0		0.1		1.7		35.8	$	(25.1)	$	10.7
Adjustments:												
Accrual adjustment		3.7		-		(0.7)		3.0				
Spending on capital	$	37.7	$	0.1	$	1.0	$	38.8				

(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.

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