For immediate release

Sherritt Ends 2021 With Strong Production Results and a Favourable Outlook for Nickel and Cobalt Markets

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Toronto – February 9, 2022 – Sherritt International Corporation ("Sherritt", the "Corporation", the "Company") (TSX: S), a world leader in the mining and hydrometallurgical refining of nickel and cobalt from lateritic ores, today reported its financial results for the three months and year ended December 31, 2021. All amounts are in Canadian currency unless otherwise noted.

"Our fourth quarter results capped a year of transition for Sherritt as we pivot towards growth and expansion," said Leon Binedell, President and CEO of Sherritt International Corporation. "Against a backdrop of a global pandemic, continued sanctions against Cuba, and rising input costs, our strong performance in the fourth quarter enabled us to meet our 2021 targets for production and unit costs at each of our business units. Just as significantly, we also embarked on a multi-pronged strategy focused on generating incremental cash flow and transformative growth at a low capital intensity."

Mr. Binedell added, "Underpinning the progress we made in 2021 were improved nickel and cobalt market fundamentals being driven by the rapid adoption of electric vehicles. With market conditions expected to be bullish in the near term, Sherritt provides favourable exposure to rising nickel prices as one of the few pure play companies. And as we commercialize projects developed by Sherritt Technologies, increase our combined nickel and cobalt production capacity by up to 20%, and extend the mine life of Moa beyond 2040, we expect to significantly grow shareholder value over the coming years."

SELECTED Q4 2021 DEVELOPMENTS

- Sherritt's share of finished nickel and cobalt production at the Moa Joint Venture (Moa JV) were 4,266 tonnes and 476 tonnes, respectively. The totals, which are consistent with historical performance and reflective of efforts to mitigate the impacts of COVID-19 and the 13-day full-facility shutdown experienced in Q3 2021, enabled Sherritt to meets its production guidance at the Moa JV for FY2021[1].
- Net Direct Cash Cost (NDCC)[2] at the Moa JV was US$3.60/lb, the lowest total since Q4 2018. NDCC in Q4 2021 benefitted from improved cobalt and fertilizer by-product credits offset by significantly higher input costs, including a 146% increase in sulphur prices, 76% increase in natural gas prices and 72% increase in fuel oil prices.
- Sherritt recognized net earnings from continuing operations of $14.4 million, or $0.04 per share, for Q4 2021 compared to a net loss of $49.3 million, or a loss of $0.12 per share, in Q4 2020. Adjusted EBITDA[2] was $46.4 million, the highest total since Q4 2017 and indicative of improved nickel and cobalt market fundamentals and Sherritt's continued efforts to reduce costs.
- In support of the growth strategy announced on November 3, 2021 aimed at growing finished nickel and cobalt production by 15 to 20% of combined totals achieved in FY2021 and extending the life of mine at Moa beyond 2040, the Moa JV completed a feasibility study for a new slurry preparation plant (SPP) and received approval for planned expenditures from its Board of Directors. The SPP, which is estimated to cost US$27 million and be completed in early 2024 will deliver a number of benefits, including reduced ore haulage, lower carbon intensity from mining, and increased annual production of mixed sulphides by approximately 1,700 tonnes commencing in mid-2024.
- Sherritt outlined its strategic priorities for 2022, which are focused on establishing the Corporation as a leading green metals producer, leveraging its Technologies group for transformational growth, achieving balance sheet strength, being recognized as a sustainable organization, and maximizing the value of its Cuban energy businesses.
- Dr. Peter Hancock, a mining industry executive with more than 30 years of experience overseeing nickel mining operations, developing and commercializing process technologies, and ramping up nickel projects, was appointed to Sherritt's Board of Directors.
- Announced the planned retirement of Chief Operating Officer, Steve Wood, effective April 30, 2022.
- Sherritt made a number of promotions to its senior leadership to accelerate its multi-pronged growth strategy naming Dan Rusnell Senior Vice President of Metals, Elvin Saruk Head of Growth Projects in addition to his accountabilities for Oil & Gas and Power, and Greg Honig Head of Marketing and the Technologies Group in addition to his accountabilities as Chief Commercial Officer.

- Sherritt amended its syndicated revolving-term credit facility with its lenders, increasing the maximum amount of credit available to $100 million from $70 million and extending the maturity to April 2024. Under the amended terms, borrowings on the credit facility are available to fund capital as well as for working capital purposes. Spending on capital expenditures cannot exceed $75 million in a fiscal year. Capital expenditure restrictions do not apply to planned spending of Moa Nickel S.A. The increase in credit facility is indicative of Sherritt's strengthened financial position and favourable outlook in light of improved nickel and cobalt markets.
- Received US$6.5 million in Cuban energy payments. Sherritt anticipates continued variability in the timing of collections into 2022, and is working with its Cuban partners to ensure timely receipts.
- Environmental rehabilitation obligations (ERO) held by Sherritt's Spanish Oil and Gas operations were secured by a parent company guarantee of €31.5 million ($46.7 million) until December 31, 2023. Unlike the $47 million letter of credit issued previously to support the ERO and secured by Sherritt's credit facility, the new guarantee has no impact on the Corporation's available liquidity.

(1) Sherritt adjusted its nickel production guidance for 2021 on November 3, 2021 as a result of disruptions caused in the third quarter by the spread of COVID-19, extension of the full-facility shutdown at the refinery in Fort Saskatchewan, Alberta, and unplanned maintenance activities.

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

SUMMARY OF KEY 2021 DEVELOPMENTS

- Sherritt ended 2021 with cash and cash equivalents of $145.6 million ($78.9 million held by Energas in Cuba), down from $167.4 million at the end of last year ($75 million held by Energas in Cuba). The lower cash position and amount held in Canada were driven by lower energy payments from Cuban partners on account of their reduced access to foreign currency and by the deferral of distributions expected from the Moa JV in the fourth quarter as it assessed the impact of delays in product deliveries on account of flooding in B.C. and congestion at the Vancouver Port in November. In January 2022, Sherritt received $8.1 million as its share of Moa JV distributions.
- Sherritt's share of production, unit costs, and spending on capital for each of its business units in 2021 were in line with guidance for the year, indicative of ongoing commitments to operational excellence and efforts to mitigate the spread of COVID-19 through additional health and safety measures designed to protect employees, suppliers, and other stakeholders at its operations in Canada and Cuba.
- Sherritt announced it is embarking on an expansion strategy with its Cuban partners to capitalize on the growing demand for high purity nickel and cobalt being driven by the accelerated adoption of electric vehicles which builds on the 26-year successful track record of the Moa Joint Venture and centres on growing annual finished nickel and cobalt production by 15 to 20% from the 34,710 tonnes produced in 2021 and extending the life of mine at Moa beyond 2040 through the conversion of mineral resources into reserves using an economic cut-off grade.
- Sherritt improved its net earnings from continuing operations by $72.3 million in FY2021 as a result of strengthened nickel, cobalt, and fertilizer prices and efforts to reduce operating and corporate costs. Adjusted EBITDA was $112.2 million, up 188% from last year.
- Implemented a 10% workforce reduction at Sherritt's Corporate office in Toronto that will result in a savings of employee costs of approximately $1.3 million annually.
- Sherritt released its 2020 Sustainability Report that featured a number of upgraded environmental, social, and governance (ESG) targets, including achieving net zero greenhouse emissions by 2050, obtaining 15% of overall energy from renewable sources by 2030, reducing nitrogen oxide emission intensity by 10% by 2024, and increasing the number of women in the workforce to 36% by 2030.
- Named Leon Binedell as President and CEO, Yasmin Gabriel as Chief Financial Officer, Greg Honig as Chief Commercial Officer, and Chad Ross as Chief Human Resources Officer as part of senior leadership changes. The appointments underscore Sherritt's two-pronged growth strategy focused on capitalizing on the accelerating demand for high-purity nickel and cobalt from the electric vehicle industry and commercializing innovative process technology solutions for resources companies looking to improve their environmental performance and increase economic value.

DEVELOPMENTS SUBSEQUENT TO THE YEAR END

- Sherritt received $8.1 million of its share of Moa JV distributions on January 19, 2022. Given prevailing nickel and cobalt prices, planned spending on capital at the Moa JV, and expected liquidity requirements Sherritt anticipates an additional distribution in Q1 2022. Sherritt also expects distributions for FY2022 to be greater than the $35.9 million (excluding re-directions from its Cuban partner, General Nickel Company S.A.) received in FY2021.

Q4 2021 FINANCIAL HIGHLIGHTS

	For the three months ended			For the year ended		
$ millions, except per share amount	**2021 December 31**	2020 December 31	Change	**2021 December 31**	2020 December 31	Change
Revenue	**36.6**	28.2	30%	**$ 110.2**	$ 119.8	(8%)
Combined revenue[1]	**198.6**	135.9	46%	**612.8**	497.0	23%
Earnings (loss) from operations and joint venture	**20.5**	(33.9)	160%	**8.5**	(197.1)	104%
Net earnings (loss) from continuing operations	**14.4**	(49.3)	129%	**(13.4)**	(85.7)	84%
Net earnings (loss) for the period	**14.1**	(49.6)	128%	**(18.4)**	22.2	(183%)
Adjusted EBITDA[1]	**46.4**	10.7	334%	**112.2**	38.9	188%
Net earnings (loss) from continuing operations ($ per share)	**0.04**	(0.12)	133%	**(0.03)**	(0.22)	86%
Cash (used) provided by continuing operations for operating activities	**(13.4)**	12.7	(206%)	**1.3**	48.0	(97%)
Combined free cash flow[1]	**(26.4)**	(11.6)	(128%)	**14.5**	17.9	(19%)
Average exchange rate (CAD/US$)	**1.260**	1.303	(3%)	**1.254**	1.341	(7%)

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

$ millions, as at December 31	**2021**	2020	Change
Cash and cash equivalents	**145.6**	167.4	(13%)
Loans and borrowings	**444.5**	441.4	1%

Cash and cash equivalents at December 31, 2021 were $145.6 million, down from $163.4 million at September 30, 2021. During the quarter, the Moa JV deferred distributions to its partners as it assessed the impact of delays in customer deliveries caused by flooding in B.C. and congestion at the Vancouver port on its expected cash needs. Subsequent to the yearend, Sherritt received $8.1 million as its share of Moa JV distributions.

During the quarter, the Corporation received US$6.5 million in Cuban energy payments, which were offset by the interest payment of $14.8 million on the second lien notes and sustaining capital expenditures of $2.9 million.

During 2021, Sherritt received a total of $52.8 million in direct and re-directed distributions from the Moa JV and its partner, General Nickel Company S.A. (GNC).

Total overdue scheduled receivables at December 31, 2021 were US$156 million, up from US$152.5 million at September 30, 2021. Subsequent to year end, Sherritt received US$2.2 million in Cuban energy payments. Collections on overdue amounts from Sherritt's Cuban energy partners continue to be adversely impacted by Cuba's access to foreign currency as a result of ongoing U.S. sanctions and the global pandemic. While Sherritt anticipates improved economic conditions in Cuba in 2022, it continues to anticipate variability in the timing and the amount of energy payments in the near term, and continues to work with its Cuban partners to ensure timely receipt of energy payments.

Of the $145.6 million of cash and cash equivalents, $64.2 million was held in Canada, down from $82.1 million at September 30, 2021 and $78.9 million was held at Energas, up from $76.7 million at September 30, 2021. The remaining amounts were held in Cuba and other countries.

Adjusted net earnings (loss) from continuing operations[1]

For the three months ended December 31	2021 $ millions	2021 $/share	2020 $ millions	2020 $/share
Net earnings (loss) from continuing operations	**14.4**	**0.04**	(49.3)	(0.12)
Adjusting items:				
Unrealized foreign exchange (gain) loss - continuing operations	**(1.4)**	**-**	4.3	0.01
Other contractual benefits expense	**0.6**	**-**	-	-
Realized and unrealized losses on commodity put options, net	**0.1**	**-**	3.4	0.01
Impairment of Power assets	**-**	**-**	9.4	0.02
Other[2]	**1.3**	**-**	2.3	0.01
Total adjustments, before tax	**0.6**	**-**	19.4	0.05
Tax adjustments	**(0.2)**	**-**	(1.8)	(0.01)
Adjusted net earnings (loss) from continuing operations	**14.8**	**0.04**	(31.7)	(0.08)

For the year ended December 31	2021 $ millions	2021 $/share	2020 $ millions	2020 $/share
Net loss from continuing operations	**(13.4)**	**(0.03)**	(85.7)	(0.22)
Adjusting items:				
Unrealized foreign exchange gain - continuing operations	**(4.7)**	**(0.01)**	(4.4)	(0.01)
Severance and other contractual benefits expense	**6.1**	**0.02**	-	-
Realized and unrealized losses on commodity put options, net	**5.6**	**0.02**	3.4	0.01
Gain on repurchase of notes	**(2.1)**	**(0.01)**	-	-
Gain on debenture exchange	**-**	**-**	(142.3)	(0.36)
Impairment of Oil assets	**-**	**-**	115.6	0.30
Realized foreign exchange gain due to Cuban currency unification	**(10.0)**	**(0.03)**	-	-
Impairment of Power assets	**-**	**-**	9.4	0.03
Other[2]	**5.0**	**0.01**	1.7	-
Total adjustments, before tax	**(0.1)**	**-**	(16.6)	(0.03)
Tax adjustments	**(0.4)**	**-**	(2.4)	(0.01)
Adjusted net loss from continuing operations	**(13.9)**	**(0.03)**	(104.7)	(0.26)

(1) A non-GAAP financial measure. The tables above summarize some of the key components of Adjusted net earnings (loss) from continuing operations and associated per share amount. For a full reconciliation to net earnings (loss) from continuing operations and additional information see the Non-GAAP and other financial measures section of this press release.

(2) Other items primarily relate to inventory obsolescence and (gains) losses in net finance (expense) income.

METALS MARKET

Nickel

Nickel prices hit a seven-year high in Q4 2021, climbing to US$9.59/lb on November 24. The price increase was driven by improving market fundamentals, including strong demand from across multiple industries, consumer stockpiling, reduced inventory levels, and ongoing supply disruptions caused by COVID-19. Rising nickel prices and favourable market conditions were jolted by the rapid spread of the Omicron variant and concerns of its impact on the global economy in early December, causing prices to soften slightly through to the end of the quarter. Nickel prices closed the year at US$9.49/lb, representing a 27% increase for 2021 relative to the closing price of 2020 of US$7.50/lb.

Since the start of 2022, nickel prices have sustained their recent momentum, reaching US$10.89/lb on January 21, the highest price in more than 10 years. It is anticipated that nickel prices will maintain their current robustness through the end of 2022 based on forecasts provided by industry analysts.

Strong nickel demand in Q4 was reflected by the continued decrease in inventory levels since the start of 2021. In Q4, nickel inventory levels on the London Metals Exchange (LME) fell by 35% from 157,062 tonnes at the start of the period to 101,886 tonnes on December 31. Similarly, inventory levels on the Shanghai Futures Exchange fell 35% to 2,406 tonnes, down from 3,728 tonnes at the start of the quarter.

Industry analysts, including Wood Mackenzie and S&P Global, have forecast continued strong demand and market tightness through to the end of the 2022. LME nickel inventories continued to decline in 2022, falling below 100,000 tonnes on January 10, reaching 85,644 tonnes on February 9, the lowest level since November 2019.

Visibility of market fundamentals, including inventory levels, in the mid-term is limited given the economic uncertainty caused by the pandemic and news from Indonesia suggesting that the country, one of the world's largest suppliers of nickel, plans to curtail exports in an effort to support a domestic refining and processing activities.

The long-term outlook for nickel remains bullish on account of the strong demand expected from the stainless steel sector, the largest market for nickel, and the electric vehicle battery market. Some market observers, such as Wood Mackenzie, have forecast a prolonged nickel supply deficit beginning in 2025 due to recent developments in the electric vehicle market and insufficient nickel production coming on stream in the near term.

Over the past year, multiple automakers and governments have announced plans for significant investments to expand electric vehicle production capacity to meet growing demand as well as more aggressive timelines to phase out the sale of internal combustion engines. In 2021, more than 6.5 million plug-in electric vehicles were sold despite the global pandemic. Industry observers estimate that the number of electric vehicles sold in 2022 will grow to 8.6 million units. CRU has forecast that electric vehicles sales will grow to 17.4 million units by 2025.

As a result of its unique properties, high-nickel cathode formulations remain the dominant choice for long-range electric vehicles manufactured by automakers with Class 1 nickel being an essential feedstock in the battery supply chain. Sherritt is particularly well positioned given our Class 1 production capabilities and the fact that Cuba possesses the world's fourth largest nickel reserves.

Cobalt

Cobalt prices rose steadily in Q4 2021, closing on December 31 at US$33.78/lb, up 30% from US$25.88/lb at the start of the quarter according to data collected by Fastmarkets MB.

Higher cobalt prices in Q4 2021 were primarily driven by increased buying from electric vehicle battery manufacturers. Cobalt is a key component of rechargeable batteries providing energy stability. Higher cobalt prices in Q4 2021 were also impacted by increased stockpiling by consumers and ongoing supply logistics disruptions in South Africa, where cobalt produced in the Democratic Republic of Congo, the source of almost two-thirds of the world's supply, is sent before being shipped internationally.

Industry observers, such as CRU, expect cobalt prices to continue to be robust in the near term as limited new sources of supply have been announced to fill expected demand over the next five years.

The outlook for cobalt over the long term remains bullish as demand is expected to grow to approximately 280,000 tonnes by 2025, representing a compound annual growth rate of 13.5% according to CRU.

REVIEW OF OPERATIONS

Moa Joint Venture (50% interest) and Fort Site (100%)

	For the three months ended			For the year ended		
	2021	2020		**2021**	2020	
$ millions (Sherritt's share), except as otherwise noted	**December 31**	December 31	Change	**December 31**	December 31	Change
FINANCIAL HIGHLIGHTS						
Revenue[1]	**$ 183.2**	$ 118.8	54%	**$ 560.6**	$ 425.5	32%
Cost of Sales[1]	**142.7**	111.3	28%	**451.4**	411.7	10%
Earnings from operations	**36.2**	4.4	723%	**98.3**	3.9	nm[2]
Adjusted EBITDA[3]	**49.4**	24.8	99%	**152.3**	68.7	122%
CASH FLOW						
Cash provided by continuing operations for operating activities	**$ 8.9**	$ 13.4	(34%)	**$ 90.5**	$ 53.7	69%
Free cash flow[3]	**0.6**	4.1	(85%)	**56.5**	24.5	131%
Dividend distributions from the Moa Joint Venture[4]	**-**	26.3	(100%)	**35.9**	39.6	(9%)
PRODUCTION VOLUMES (tonnes)						
Mixed Sulphides	**3,881**	4,421	(12%)	**16,498**	17,429	(5%)
Finished Nickel	**4,266**	4,020	6%	**15,592**	15,753	(1%)
Finished Cobalt	**476**	451	6%	**1,763**	1,685	5%
Fertilizer	**65,021**	56,277	16%	**245,059**	235,886	4%
NICKEL RECOVERY[5] (%)	**90%**	86%	4%	**86%**	86%	-
SALES VOLUMES (tonnes)						
Finished Nickel[6]	**4,169**	4,177	-	**15,603**	15,687	(1%)
Finished Cobalt	**474**	443	7%	**1,775**	1,678	6%
Fertilizer	**51,748**	48,542	7%	**168,782**	187,922	(10%)
AVERAGE-REFERENCE PRICE (USD)						
Nickel (US$ per pound)	**$ 8.99**	$ 7.23	24%	**$ 8.39**	$ 6.25	34%
Cobalt (US$ per pound)[7]	**29.89**	15.73	90%	**24.34**	15.58	56%
AVERAGE-REALIZED PRICE (CAD)[3]						
Nickel ($ per pound)	**$ 11.16**	$ 9.13	22%	**$ 10.30**	$ 8.16	26%
Cobalt ($ per pound)	**31.88**	17.55	82%	**25.88**	17.84	45%
Fertilizer ($ per tonne)	**545.08**	298.02	83%	**438.75**	343.45	28%
UNIT OPERATING COST[3] (US$ per pound)						
Nickel - net direct cash cost	**$ 3.60**	$ 4.47	(19%)	**$ 4.11**	$ 4.20	(2%)
SPENDING ON CAPITAL[3]						
Sustaining	**$ 12.1**	$ 9.3	30%	**$ 37.7**	$ 32.2	17%
	$ 12.1	$ 9.3	30%	**$ 37.7**	$ 32.2	17%

(1) Revenue and Cost of sales of Moa Joint Venture and Fort Site is composed of revenue/cost of sales, respectively, recognized by the Moa Joint Venture at Sherritt's 50% share, which is equity-accounted and included in share of earnings (loss) of Moa Joint Venture, net of tax, and revenue/cost of sales recognized by Fort Site, which is included in consolidated revenue. For a breakdown of revenue between Moa Joint Venture and Fort Site see the Combined revenue section in the Non-GAAP and other financial measures section of this press release.

(2) Not meaningful (nm).

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

(4) Excludes redirections of dividends from Sherritt's joint venture partner.

(5) 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.

(6) For the three months and year ended December 31, 2021, excludes 600 tonnes (50% basis) of finished nickel purchased from and sold to a third party as it was not internally produced.

(7) Average standard grade cobalt published price per Fastmarkets MB.

Finished production at the Moa JV in the fourth quarter of 2021 resumed to levels consistent with historical performance following the completion of a 13-day full-facility shutdown and unplanned maintenance activities at the refinery, and efforts to mitigate the spread of COVID-19 in Fort Saskatchewan and in the Holguin province of Cuba through the successful rollout of vaccines and additional health and safety measures to protect employees, suppliers and various stakeholders in the third quarter of 2021. Improved results in Q4 relative to performance in Q3 2021 enabled the Moa JV to meet its targets for finished nickel and cobalt production and achieve unit costs that were below target for the year.

Mixed sulphides production at the Moa JV in Q4 2021 was 3,881 tonnes, down 12% from the 4,421 tonnes produced in Q4 2020. The decline was chiefly due to reduced availability of mining equipment on account of delays in the delivery of spare parts and diesel fuel supply caused by disruptions to global logistics and supply chains.

Mixed sulphides production for FY2021 was 16,498 tonnes, down 5% from 17,429 tonnes produced in FY2020. In addition to impacts on mixed sulphides production cited for Q4 2021, production in FY2021 was also negatively impacted by reduced availability of sulphur due to shipment delays to Moa in Q2 and by unplanned maintenance at the existing slurry preparation plant in Q4.

Sherritt's share of finished nickel production in Q4 2021 totaled 4,266 tonnes, up 6% from the 4,020 tonnes produced in Q4 2020 while finished cobalt production for Q4 2021 was 476 tonnes, up 6% from the 451 tonnes produced in the same period last year. Production in Q4 2021 benefitted from additional health and safety measures implemented to mitigate the spread of COVID-19. Production in Q4 2020 was impacted by unplanned autoclave repairs at the refinery in Fort Saskatchewan.

Finished nickel production for FY2021 was 15,592 tonnes, largely flat from the 15,753 tonnes produced in FY2020. Despite production challenges experienced in Q3 2021 relating to the spread of COVID-19, including the rescheduling and extension of the full-facility shutdown at the refinery in Fort Saskatchewan, FY2021 nickel production totals were in line with guidance for the year. Sherritt has forecast finished nickel production for FY2022 will be between 32,000 and 34,000 tonnes on a 100% basis, a range consistent with the Moa JV's performance over the past 10 years.

Finished cobalt production for FY2021 was 1,763 tonnes, up 6% from 1,685 tonnes produced in FY2020. Finished cobalt production for FY2021, which met guidance for the year, grew largely because of higher cobalt to nickel ratios in mixed sulphides feed throughout the year relative to FY2020. Sherritt has forecast finished cobalt production in FY2022 to be between 3,400 and 3,700 tonnes on a 100% basis, also consistent with the Moa JV's performance over the past 10 years.

Revenue in Q4 2021 increased by 54% to $183.2 million from $118.8 million last year. The revenue increase was largely attributable to higher average-realized nickel, cobalt, and fertilizer prices, which were up 22%, 82% and 83%, respectively, from Q4 2020.

On a full-year basis, revenue in FY2021 increased by 32% to $560.6 million from $425.5 million last year. The revenue increase was principally due to higher average-realized nickel, cobalt, and fertilizer prices, which were up 26%, 45% and 28%, respectively, from FY2020. Average-realized prices are impacted by the timing of deliveries, timing of settlement against contract terms, and fluctuations in the value of the Canadian currency.

Mining, processing and refining (MPR) costs per pound of nickel sold in Q4 2021 were up 20% from last year. Consistent since the start of the pandemic, higher MPR costs in Q4 2021 were driven by the significant rise in input costs. Most notably, input costs were marked by the 146% increase in sulphur prices, 72% increase in fuel oil prices, and 76% increase in natural gas prices in Q4 2021 from the same period last year. Higher MPR costs were partially offset by the effect of Cuba's unification of its currencies in lowering labour and other service expenses as well as by ongoing efforts to reduce costs.

Net direct cash cost (NDCC) per pound of nickel sold decreased by 19% to US$3.60/lb in Q4 2021 from US$4.47/lb for last year. The improvement was principally due to higher cobalt and fertilizer by-product credits generated by higher average-realized prices which more than offset higher MPR costs. NDCC for Q4 2021, which was the lowest since the fourth quarter of 2018, enabled the Moa JV to exceed its unit cost targets for FY2021. On a full-year basis, NDCC was US$4.11/lb in FY2021, down 2% from US$4.20/lb for last year. NDCC for FY2022 is forecast at between US$4.00 and US$4.50 per pound of finished nickel sold.

Sustaining spending on capital in Q4 2021 was $12.1 million, up 12% from $9.3 million in Q4 2020 for the same period last year. The year-over-year increase was due primarily to the timing of planned capital expenditures at the refinery in Fort Saskatchewan.

On a full-year basis, spending on capital in FY2021 was C$37.7 million, a total below planned spending for the year due to operational challenges, including freight and order delivery delays caused by COVID-19. Sherritt's share of spending on capital at the Moa JV and at the Fort Site for FY2022 is forecast at C$75 million, and excludes estimates for the expansion strategy. Spending on capital in 2022 is planned for the replacement of mine and plant equipment, fertilizer handling, tailings management, and includes amounts deferred in 2021 due to the impacts of COVID-19 and disruptions to logistics, supplies and contractor availability. Funding considerations for planned spending on capital in FY2022 include operating cash flows, the recently-amended revolving term credit facility, and vendor financing.

In FY2021, the Moa JV advanced with its commitment to reduce carbon intensity through the use of renewable energy and electric fleet equipment. As at December 31, 2021, the Moa JV received delivery of nine electric light vehicles. Plans for the increased use of renewable energy and electric light vehicles in 2022 and over the longer term, are being developed.

With support from Sherritt Technologies, the Moa JV launched an expansion strategy aimed at growing nickel and cobalt production by 15 to 20% from the combined 34,710 tonnes produced in FY2021 and extending the life of mine at Moa beyond 2040 through the conversion of mineral resources into reserves using an economic cut-off grade.

In Q4 2021, the Moa JV completed a feasibility study and identified cost estimates for completion of a slurry preparation plant (SPP) at Moa. The SPP, which is estimated to cost US$27 million and be completed in early 2024, will deliver a number of benefits, including reduced ore haulage, lower carbon intensity from mining, increased annual nickel and cobalt contained in mixed sulphides production by approximately 1,700 tonnes commencing in mid-2024.

Sherritt and its Cuban partners are finalizing timelines, cost estimates and economics of other components of the growth strategy, including identifying financing alternatives. Sherritt currently estimates the growth strategy will deliver incremental increases to finished nickel and cobalt production by 15 to 20% from totals produced in FY2021 once all projects at Moa, including the SPP, and the refinery in Fort Saskatchewan, are completed in 2024 at an anticipated cost of US$20,000 to US$25,000 per tonne of new nickel capacity. Progress on the growth strategy, including milestone updates, will be disclosed regularly.

Power

$ millions (33 ⅓% basis), except as otherwise noted	For the three months ended **2021** **December 31**	2020 December 31	Change	For the year ended **2021** **December 31**	2020 December 31	Change
FINANCIAL HIGHLIGHTS						
Revenue	**$ 8.1**	$ 8.8	(8%)	**$ 28.3**	$ 37.2	(24%)
Cost of sales	**7.0**	8.9	(21%)	**26.1**	31.3	(17%)
Earnings (loss) from operations	**0.5**	(10.1)	105%	**(0.6)**	(5.6)	89%
Adjusted EBITDA(1)	**4.5**	4.4	2%	**15.1**	24.7	(39%)
CASH FLOW						
Cash provided by continuing operations for operating activities	**$ 0.8**	$ 30.2	(97%)	**$ 18.1**	$ 77.8	(77%)
Free cash flow(1)	**0.7**	30.2	(98%)	**18.0**	77.1	(77%)
PRODUCTION AND SALES						
Electricity (GWh(2))	**130**	144	(10%)	**450**	602	(25%)
AVERAGE-REALIZED PRICE(1)						
Electricity ($/MWh(2))	**$ 54.33**	$ 55.10	(1%)	**$ 54.05**	$ 57.05	(5%)
UNIT OPERATING COSTS(1)						
Electricity ($/MWh)	**22.72**	26.73	(15%)	**23.06**	17.38	33%
NET CAPACITY FACTOR (%)	**40**	45	(11%)	**36**	47	(23%)
SPENDING ON CAPITAL(1)						
Sustaining	**$ 0.1**	$ (0.1)	200%	**$ 0.1**	$ 0.7	(86%)
	$ 0.1	$ (0.1)	200.0%	**$ 0.1**	$ 0.7	-86.0%

(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).

Power production in Q4 2021 was 130 gigawatt hours (GWh) of electricity, down 10% from 144 GWh produced in the comparable period of 2020. The year-over-year decline in production was due to the scheduling of maintenance activities deferred from 2020 on account of limited liquidity availability and reduced availability of spare parts.

Power production in FY2021 was 450 GWh, down 25% from 602 GWh. Although FY2021 production was impacted by the timing of maintenance activities previously deferred and due to lower availability of natural gas supply, the Power business unit met its guidance for the year. The Power business has forecast production guidance for 2022 consistent with results achieved in 2021. Production in 2022 may be impacted by lower natural gas availability provided to Sherritt for power production activities and operational spending, which is dependent on the receipt of funds under Sherritt's energy agreements with its Cuban partners. Sherritt continues to be in discussion with its Cuban partners for the provision of additional natural gas.

Revenue in Q4 2021 totaled $8.1 million, down 8% from $8.8 million for the same quarter last year. Revenue in FY2021 totaled $28.3 million, down 24% from $37.2 million for last year. Revenue declines for the fourth quarter and full year ended December 31 2021 were primarily due to lower power production, partly offset by a strengthened Canadian dollar relative to the U.S. currency.

The average-realized price in Q4 2021 was $54.33/MWh, down 1% from Q4 2020. The decrease was primarily due to the strengthening of the Canadian currency relative to the U.S. dollar.

Unit operating costs in Q4 2021 were $22.72/MWh, down 15% from $26.73/MWh for last year. The year-over-year decrease was primarily attributable to less spending on maintenance and by the effect of Cuba's unification of its currencies in lowering labour and third-party service costs, partly offset by lower volumes.

Unit operating costs in FY2021 were $23.06/MWh were lower than guidance for the year, largely due to the impacts of a strengthening Canadian dollar and the unification of Cuba's currencies already cited. Sherritt has forecast unit costs for the Power business for 2022 to be between C$26.50 and C$28.00. Operating unit costs for 2022 may vary if maintenance activities are impacted by delays due to insufficient liquidity made available by our Cuban partners.

The Power business unit had negligible spending on capital for the fourth quarter and full-year ended December 31, 2021. Spending on capital at the Power business is forecast at C$5 million, which will be primarily earmarked towards maintenance activities previously deferred.

Sherritt continues to be in discussion with its Cuban partners to expedite payment of overdue receivables, increase availability of natural gas needed for power production activities, and extend the power generation agreement with Energas, which is currently slated to expire in March 2023. In Q4 2021, Sherritt received approval from the Energas board for a feasibility study extending the Power agreement, and submitted a formal application for the extension to the Cuban government.

Technologies

Sherritt Technologies continued its efforts in the fourth quarter to transition from being a cost centre to becoming an incubator of industry solutions that can be commercialized externally to improve operational performance and product quality, reduce carbon emissions, and improve profitability or applied internally to support growth initiatives, including de-bottlenecking production, evaluating brownfield expansion opportunities, and increasing mineral reserves. In addition, Technologies continues to think about the future and making the next-generation nickel mining and processing more economically viable and more sustainable and developing project opportunities for the generation of battery-grade nickel and cobalt products from lateritic ores.

In Q4, the primary activities of Sherritt Technologies centred on supporting development of the Moa JV's expansion strategy. Efforts included supporting a change in mine planning whereby an economic cut-off grade will be used to potentially upgrade resources into reserves and significantly expand the life of mine at Moa.

Other activities included efforts to commercialize Sherritt's most advanced, innovative technologies. In particular, Sherritt Technologies continued to make progress on its enhanced proprietary process to fully upgrade heavy oil, refining residues and bitumen. Sherritt's process provides a number of environmental and business benefits, including eliminating the need for bitumen diluent and thereby increasing pipeline capacity, increasing the economic value of the oil transported to downstream markets, as well as reduced energy consumption due to the elimination of energy intensive unit operations, which results in lower carbon emissions.

Sherritt has leveraged its mature and successful metallurgical reactor technology into the upgrading of heavy oil and bitumen as well as the conversion of refinery vacuum residue. The technology, which is called dense slurry hydroprocessing (DSH), makes use of high concentrations of a cost effective, engineered catalyst that is recovered for re-use. In Sherritt's testing with dry bitumen, DSH produces a diluent-free, medium sweet product with a high yield. This product is comprised mainly of middle distillates with low residue and naphtha. Sherritt's DSH flow sheet is simpler and its capital cost is estimated to be ~30% less when compared to other hydroconversion processes used by the oil industry. The simplicity of Sherritt's flow sheet can be attributed to the technology being able to treat the entire bitumen stream in a single vessel, thus eliminating requirements for front-end fractionation and back-end hydro-treatment.

Discussions with external parties regarding the potential use of Sherritt's process have identified multiple, distinct scenarios for the application of this technology. External industry expertise has been engaged to assist in further developing these specific opportunities. Piloting of the new catalyst system, which allows for full upgrading instead of partial upgrading, is scheduled to occur during 2022, and will be designed to test the multiple product and processing scenarios.

Sherritt Technologies is also pursuing the commercialization of its proprietary process for the treatment of copper concentrates with higher arsenic content. Arsenic is a poisonous element requiring significant mitigation and management costs rendering certain copper projects uneconomical. With copper demand expected to grow significantly over the next decade, Sherritt's advanced hydrometallurgical process technology fulfills a pressing industry need, presenting a significant step change in the stabilization of arsenic bearing solid waste, produces net zero carbon emissions, extends the life of aging copper mines, reduces treatment costs and capitalizes on existing infrastructure.

Sherritt's proprietary "Chimera" process was developed in response to current copper concentrate market developments based on the Corporation's deep expertise in hydrometallurgy. In this process, complex copper concentrate is leached for base metal extraction, while simultaneously locking up contaminants such as arsenic, antimony and bismuth in a chemically stable form. As a result, pressure leach process residues are generated that are significantly more environmentally stable than current industrial practice could achieve.

In Q4, Sherritt launched a number of studies in addition to several studies already underway to support the commercialization path of this innovative, new technology. More specifically, discussions have started with external parties on a variety of potential commercialization routes and identification of optimal laterite ore and copper concentrate sources. External industry expertise has been engaged to assist in further developing specific opportunities within the copper complex concentrate market. The process allows for different copper products, as well as nickel and cobalt intermediates, to be considered, depending on specific project drivers and circumstances.

Sherritt Technologies also continued to advance its work on development of a next-generation laterite processing technology. The value levers that drive this initiative include improving the purity of nickel, reducing environmental impacts such as water, greenhouse gas emissions and a reduction in tailings, extending the life of existing assets, increasing the recovery of high-value metals, and reducing operating costs and capital requirements. In Q4, Sherritt concluded an intensive technology review process and has selected a novel processing flowsheet to advance to pilot plant testing in 2022.

2022 STRATEGIC PRIORITIES

The table below lists Sherritt's Strategic Priorities for 2022. Summaries of how the Corporation is performing against these priorities will be provided on a quarterly basis in concert with financial reporting.

Strategic Priorities	2022 Actions
ESTABLISH SHERRITT AS A LEADING GREEN METALS PRODUCER	Accelerate plans to expand Moa JV nickel and cobalt production by 15 to 20% from the combined 34,710 tonnes produced in 2021. Rank in lowest quartile of HPAL nickel producers for NDCC. Expand sales into battery supply chain.
LEVERAGE TECHNOLOGIES FOR TRANSFORMATIONAL GROWTH	Support Moa JV expansion, operational improvements, and life of mine extension. Advance Technologies solutions toward commercialization. Develop innovative processing solutions to address marketplace needs.
ACHIEVE BALANCE SHEET STRENGTH	Maximize collections of overdue Cuban receivables. Maximize available liquidity to support growth strategy. Continue to optimize costs to reflect operating footprint.
BE RECOGNIZED AS A SUSTAINABLE ORGANIZATION	Deliver on actions identified in the Sustainability Report. Achieve year-over-year ESG improvements including reduction of carbon intensity. Deliver on 'Diversity and Inclusion' global framework.
MAXIMIZE VALUE FROM CUBAN ENERGY BUSINESSES	Secure additional gas supply to increase Power production. Extend economically beneficial Energas power generation contract beyond 2023. Maximize value from Oil and Gas business.

OUTLOOK

2022 Production, unit operating costs and spending on capital guidance

Production volumes, unit operating costs and spending on capital	2021 Guidance	Year-to-date actual to December 31, 2021	2022 Guidance
Production volumes			
Moa Joint Venture (tonnes, 100% basis)			
Nickel, finished	31,000 - 32,000(1)	31,184	32,000 - 34,000
Cobalt, finished	3,300 - 3,600	3,526	3,400 - 3,700
Electricity (GWh, 33⅓% basis)	450 - 500	450	450 - 500
Unit operating costs(2)			
Moa Joint Venture - NDCC (US$ per pound)	$4.25 - $4.75	$4.11	$4.00 - $4.50
Electricity - unit operating cost, ($ per MWh)	$30.50 - $32.00	$23.06	$26.50 - $28.00
Spending on capital ($ millions)(2)			
Moa Joint Venture (50% basis), Fort Site (100% basis)(3)	$44.0(1)	$37.7	$75.0
Power (33⅓% basis)	$1.3	$0.1	$5.0
Spending on capital(4)	$45.3(1)	$37.8	$80.0

(1) 2021 guidance was updated September 30, 2021.
(2) Non-GAAP financial measures. See the Non-GAAP and other financial measures section of this press release for reconciliations of the year-to-date actual amounts to the most directly related IFRS measures.
(3) Spending is 50% of expenditures for Moa JV and 100% expenditures for Fort Site fertilizer and utilities.
(4) Excludes spending on capital at Oil and Gas, Technologies, Corporate and Metals Other.

Spending on capital at the Moa Joint Venture and Fort Site are expenditures for sustaining capital only. Expenditures related to expansion activities at the Moa Joint Venture and Fort Site are currently being assessed. Sherritt expects to provide an update on the rollout and spending on capital related to the expansion strategy with the first quarter 2022 results.

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 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.

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 audited consolidated financial statements for the year ended December 31, 2021.

CONFERENCE CALL AND WEBCAST

Sherritt will hold its conference call and webcast February 10, 2021 at 10:00 a.m. Eastern Time to review its Q4 and year ended December 31, 2021 results. Dial-in and webcast details are as follows:

North American callers, please dial:	1 (866) 521-4909
International callers, please dial:	(647) 427-2311
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 consolidated financial statements and MD&A for the year ended December 31, 2021 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.

ABOUT SHERRITT INTERNATIONAL CORPORATION

Sherritt is a world leader in the mining and refining of nickel and cobalt – metals essential for the growing adoption of electric vehicles. 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 has embarked on a multi-pronged growth strategy focused on expanding nickel and cobalt production by up to 20% from its 2021 totals and extending the life of mine at Moa beyond 2040. Sherritt is also the largest independent energy producer in Cuba. Sherritt's common shares are listed on the Toronto Stock Exchange under the symbol "S".

APPENDIX – 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 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 combined free cash flow.

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 below to their most directly comparable IFRS measures as presented in the audited consolidated financial statements for the year ended December 31, 2021.

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 Joint Venture 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 year ended		
$ millions	**2021 December 31**	2020 December 31	Change	**2021 December 31**	2020 December 31	Change
Revenue by reportable segment						
Moa Joint Venture and Fort Site(1)	**$ 183.2**	$ 118.8	54%	**$ 560.6**	$ 425.5	32%
Metals Other	**2.1**	1.8	17%	**6.8**	8.2	(17%)
Oil and Gas	**4.7**	6.2	(24%)	**15.6**	24.9	(37%)
Power	**8.1**	8.8	(8%)	**28.3**	37.2	(24%)
Technologies	**0.2**	0.1	100%	**0.6**	0.5	20%
Corporate	**0.3**	0.2	50%	**0.9**	0.7	29%
Combined revenue	**$ 198.6**	$ 135.9	46%	**$ 612.8**	$ 497.0	23%
Adjustment for Moa Joint Venture	**(162.0)**	(107.7)		**(502.6)**	(377.2)	
Financial statement revenue	**$ 36.6**	$ 28.2	30%	**$ 110.2**	$ 119.8	(8%)

(1) Revenue of Moa Joint Venture and Fort Site for the three months ended December 31, 2021 is composed of revenue recognized by the Moa Joint Venture of $162.0 million (50% basis), which is equity-accounted and included in share of earnings (loss) of Moa Joint Venture, net of tax, and revenue recognized by Fort Site of $21.2 million, which is included in consolidated revenue (for the three months ended December 31, 2020 - $107.7 million and $11.1 million, respectively). Revenue of Moa Joint Venture and Fort Site for the year ended December 31, 2021 is composed of revenue recognized by the Moa Joint Venture of $502.6 million (50% basis), which is equity-accounted and included in share of earnings (loss) of Moa Joint Venture, net of tax, and revenue recognized by Fort Site of $58.0 million, which is included in consolidated revenue (for the year ended December 31, 2020 - $377.2 million and $48.3 million, respectively).

Adjusted EBITDA

The Corporation defines Adjusted EBITDA as earnings (loss) from operations and joint venture, which excludes net finance expense and earnings (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; gains or losses on disposal of property, plant and equipment of the Corporation and the Moa Joint Venture; and gains or losses on disposition of an interest in the investment in Moa Joint Venture of the Corporation. 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								**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	**2.9**	**-**	**1.1**	**4.0**	**-**	**0.4**	**-**	**8.4**
Adjustments for share of earnings of Moa Joint Venture:								
Depletion, depreciation and amortization	**10.3**	**-**	**-**	**-**	**-**	**-**	**-**	**10.3**
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 three months ended December 31								2020
	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	$ 4.4	$ (0.5)	$ (5.9)	$ (10.1)	$ (2.6)	$ (11.9)	$ (7.3)	$ (33.9)
Add (deduct):								
Depletion, depreciation and amortization	8.4	-	2.1	5.1	-	0.3	-	15.9
Impairment of assets	0.2	-	-	-	-		-	0.2
Impairment of Power assets	-	-	-	9.4	-	-	-	9.4
Adjustments for share of earnings of Moa Joint Venture:								
Depletion, depreciation and amortization	11.8	-	-	-	-	-	-	11.8
Net finance expense	-	-	-	-	-	-	0.6	0.6
Income tax expense	-	-	-	-	-	-	6.7	6.7
Adjusted EBITDA	$ 24.8	$ (0.5)	$ (3.8)	$ 4.4	$ (2.6)	$ (11.6)	$ -	$ 10.7

$ millions, for the year ended December 31	Moa JV and Fort Site[2]	Metals Other	Oil and Gas	Power	Techno-logies	Corporate	Adjustment for Moa Joint Venture	Total 2021
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	**11.2**	**0.2**	**6.7**	**15.7**	**0.1**	**1.1**	**-**	**35.0**
Gain on disposal of assets	**-**	**-**	**(1.2)**	**-**	**-**	**-**	**-**	**(1.2)**
Adjustments for share of earnings of Moa Joint Venture:								
Depletion, depreciation and amortization	**42.8**	**-**	**-**	**-**	**-**	**-**	**-**	**42.8**
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**

$ millions, for the year ended December 31	Moa JV and Fort Site[2]	Metals Other	Oil and Gas	Power	Techno-logies	Corporate	Adjustment for Moa Joint Venture	Total 2020
Earnings (loss) from operations and joint venture per financial statements	$ 3.9	$ (2.0)	$ (136.4)	$ (5.6)	$ (10.1)	$ (30.0)	$ (16.9)	$ (197.1)
Add (deduct):								
Depletion, depreciation and amortization	16.5	0.2	7.1	20.9	0.1	1.0	-	45.8
Impairment of assets	0.2	-	115.6	-	-	-	-	115.8
Impairment of Power assets	-	-	-	9.4	-	-	-	9.4
Adjustments for share of earnings of Moa Joint Venture:								
Depletion, depreciation and amortization	48.1	-	-	-	-	-	-	48.1
Net finance expense	-	-	-	-	-	-	5.1	5.1
Income tax expense	-	-	-	-	-	-	11.8	11.8
Adjusted EBITDA	$ 68.7	$ (1.8)	$ (13.7)	$ 24.7	$ (10.0)	$ (29.0)	$ -	$ 38.9

(1) Adjusted EBITDA of Moa Joint Venture and Fort Site for the three months ended December 31, 2021 is composed of Adjusted EBITDA at Moa Joint Venture of $50.7 million (50% basis) and Adjusted EBITDA at Fort Site of $(1.3) million (for the three months ended December 31, 2020 - $30.5 million and $(5.7) million, respectively).

(2) Adjusted EBITDA of Moa Joint Venture and Fort Site for the year ended December 31, 2021 is composed of Adjusted EBITDA at Moa Joint Venture of $156.3 million (50% basis) and Adjusted EBITDA at Fort Site of $(4.0) million (for the year ended December 31, 2020 - $73.7 million and $(5.0) 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 nickel excludes revenue from the sale of finished nickel purchased from a third party as it was not internally produced. The average-realized price for power excludes by-product revenue, as this revenue is not earned directly for power generation. Transactions by a Moa Joint Venture 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 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 December 31							**2021**
	Moa Joint Venture and Fort Site						
	Nickel	Cobalt	Fertilizer	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Revenue per financial statements	**$ 116.7**	**$ 33.4**	**$ 28.3**	**$ 8.1**	**$ 12.1**	**$ (162.0)**	**$ 36.6**
Adjustments to revenue:							
Third-party finished nickel revenue	**(14.1)**	**-**	**-**	**-**			
By-product revenue	**-**	**-**	**-**	**(1.1)**			
Revenue for purposes of average-realized price calculation	**102.6**	**33.4**	**28.3**	**7.0**			
Sales volume for the period	**9.2**	**1.0**	**51.7**	**130**			
Volume units	Millions of pounds	Millions of pounds	Thousands of tonnes	Gigawatt hours			
Average-realized price[(2)(3)(4)]	**$ 11.16**	**$ 31.88**	**$ 545.08**	**$ 54.33**			

$ millions, except average-realized price and sales volume, for the three months ended December 31							2020
	Moa Joint Venture and Fort Site						
	Nickel	Cobalt	Fertilizer	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Revenue per financial statements	$ 84.1	$ 17.2	$ 14.4	$ 8.8	$ 11.4	$ (107.7)	$ 28.2
Adjustments to revenue:							
By-product revenue	-	-	-	(0.8)			
Revenue for purposes of average-realized price calculation	84.1	17.2	14.4	8.0			
Sales volume for the period	9.2	1.0	48.5	144			
Volume units	Millions of pounds	Millions of pounds	Thousands of tonnes	Gigawatt hours			
Average-realized price[(2)(3)(4)]	$ 9.13	$ 17.55	$ 298.02	$ 55.10			

$ millions, except average-realized price and sales volume, for the year ended December 31							**2021**
	Moa Joint Venture and Fort Site						
	Nickel	Cobalt	Fertilizer	Power	Other	Adjustment for Moa Venture	Total
Revenue per financial statements	**$ 368.4**	**$ 101.3**	**$ 74.1**	**$ 28.3**	**$ 40.7**	**$ (502.6)**	**$ 110.2**
Adjustments to revenue:							
Third-party finished nickel revenue	**(14.1)**	**-**	**-**	**-**			
By-product revenue	**-**	**-**	**-**	**(4.0)**			
Revenue for purposes of average-realized price calculation	**354.3**	**101.3**	**74.1**	**24.3**			
Sales volume for the period	**34.4**	**3.9**	**168.8**	**450**			
Volume units	Millions of pounds	Millions of pounds	Thousands of tonnes	Gigawatt hours			
Average-realized price[(1)(2)(3)]	**$ 10.30**	**$ 25.88**	**$ 438.75**	**$ 54.05**			

$ millions, except average-realized price and sales volume, for the year ended December 31							2020
	Moa Joint Venture and Fort Site						
	Nickel	Cobalt	Fertilizer	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Revenue per financial statements	$ 282.1	$ 66.0	$ 64.5	$ 37.2	$ 47.2	$ (377.2)	$ 119.8
Adjustments to revenue:							
By-product revenue	-	-	-	(2.8)			
Revenue for purposes of average-realized price calculation	282.1	66.0	64.5	34.4			
Sales volume for the period	34.6	3.7	187.9	602			
Volume units	Millions of pounds	Millions of pounds	Thousands of tonnes	Gigawatt hours			
Average-realized price[2][3][4]	$ 8.16	$ 17.84	$ 343.45	$ 57.05			

(1) Other revenue is composed of revenue from the Metals Other, 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 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					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 costs	**(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 three months ended December 31					2020
	Moa JV and Fort Site	Power	Other(1)	Adjustment for Moa Joint Venture	Total
Cost of sales per financial statements	$ 111.3	$ 8.9	$ 15.0	$ (86.8)	$ 48.4
Less:					
Depletion, depreciation and amortization in cost of sales	(20.0)	(5.1)			
	91.3	3.8			
Adjustments to cost of sales:					
Cobalt by-product, fertilizer and other revenue	(34.7)	-			
Impact of opening/closing inventory and other(2)	(0.9)	-			
Impairment on assets	(1.3)	-			
Cost of sales for purposes of unit cost calculation	54.4	3.8			
Sales volume for the period	9.2	144			
Volume units	Millions of pounds	Gigawatt hours			
Unit operating cost(3)(4)	$ 5.91	$ 26.73			
Unit operating cost (US$ per pound) (NDCC)(5)	$ 4.47				

$ 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 costs	**(13.7)**	**-**			
Impact of opening/closing inventory and other(2)	**(14.5)**	**-**			
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**				

$ millions, except unit cost and sales volume, for the year ended December 31	Moa JV and Fort Site	Power	Other(1)	Adjustment for Moa Joint Venture	2020 Total
Cost of sales per financial statements	$ 411.7	$ 31.3	$ 60.4	$ (345.5)	$ 157.9
Less:					
Depletion, depreciation and amortization in cost of sales	(64.4)	(20.9)			
	347.3	10.4			
Adjustments to cost of sales:					
Cobalt by-product, fertilizer and other revenue	(143.4)	-			
Impact of opening/closing inventory and other(2)	(6.5)	-			
Impairment on assets	(2.6)	-			
Cost of sales for purposes of unit cost calculation	194.8	10.4			
Sales volume for the period	34.6	602			
Volume units	Millions of pounds	Gigawatt hours			
Unit operating cost(3)(4)	$ 5.63	$ 17.38			
Unit operating cost (US$ per pound) (NDCC)(5)	$ 4.20				

(1) Other is composed of the cost of sales of the Metals Other, Oil and Gas, Technologies and Corporate reportable segments.
(2) Other is primarily comprised of royalties, other contributions and sales discounts.
(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 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 tables 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:

For the three months ended December 31		2021 $ millions	2021 $/share	2020 $ millions	2020 $/share
Net earnings (loss) from continuing operations	$	14.4 $	0.04 $	(49.3) $	(0.12)
Adjusting items:					
Sherritt - Unrealized foreign exchange (gain) loss - continuing operations		(1.4)	-	4.3	0.01
Corporate - Loss on debenture exchange		-	-	1.1	-
Corporate - Other contractual benefits expense		0.6	-	-	-
Corporate - Unrealized (gains) losses on commodity put options		(2.2)	(0.01)	3.4	0.01
Corporate - Realized losses on commodity put options		2.3	0.01	-	-
Moa Joint Venture - Inventory obsolescence		0.5	-	0.6	-
Fort Site - Inventory obsolescence		-	-	0.5	-
Oil and Gas and Power - ACL revaluation		0.7	-	0.7	-
Power - Impairment of property, plant and equipment		-	-	9.4	0.03
Other(1)		0.1	-	(0.6)	-
Total adjustments, before tax	$	0.6 $	- $	19.4 $	0.05
Tax adjustments		(0.2)	-	(1.8)	(0.01)
Adjusted net earnings (loss) from continuing operations	$	14.8 $	0.04 $	(31.7) $	(0.08)

(1) Other items primarily relate to (gains) losses in net finance (expense) income.

For the year ended December 31		2021 $ millions	2021 $/share	2020 $ millions	2020 $/share
Net loss from continuing operations	$	(13.4) $	(0.03) $	(85.7) $	(0.22)
Adjusting items:					
Sherritt - Unrealized foreign exchange gain - continuing operations		(4.7)	(0.01)	(4.4)	(0.01)
Corporate - Gain on debenture exchange		-	-	(142.3)	(0.36)
Corporate - Gain on repurchase of notes		(2.1)	(0.01)	-	-
Corporate - Severance and other contractual benefits expense		6.1	0.02	-	-
Corporate - Unrealized losses on commodity put options		0.8	-	3.4	0.01
Corporate - Realized losses on commodity put options		4.8	0.01	-	-
Corporate - Moa Joint Venture expansion loans receivable ACL revaluation		-	-	(6.4)	(0.02)
Moa Joint Venture - Inventory obsolescence		1.8	0.01	1.3	-
Fort Site - Inventory obsolescence		1.2	-	1.1	-
Oil and Gas - Impairment of Oil assets		-	-	115.6	0.30
Oil and Gas - Gain on disposal of assets		(1.2)	-	-	-
Oil and Gas - Realized foreign exchange gain due to Cuban currency unification		(10.0)	(0.03)	-	-
Oil and Gas - Inventory obsolescence		-	-	1.9	0.01
Oil and Gas and Power - ACL revaluation		0.8	-	3.0	0.01
Power - Impairment of property, plant and equipment		-	-	9.4	0.03
Other(1)		2.4	0.01	0.8	-
Total adjustments, before tax	$	(0.1) $	- $	(16.6) $	(0.03)
Tax adjustments		(0.4)	-	(2.4)	(0.01)
Adjusted net loss from continuing operations	$	(13.9) $	(0.03) $	(104.7) $	(0.26)

(1) Other items primarily relate to (gains) losses in net finance (expense) income.

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 December 31	Moa JV and Fort Site	Power	Other(1)	Combined total	Adjustment for Moa Joint Venture	Total derived from financial statements 2021
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 three months ended December 31	Moa JV and Fort Site	Power	Other(1)	Combined total	Adjustment for Moa Joint Venture	Total derived from financial statements 2020
Property, plant and equipment expenditures(2)	$ 9.3	$ -	$ 0.7	$ 10.0	$ (6.9)	$ 3.1
Intangible asset expenditures(2)	-	-	0.3	0.3	-	0.3
	9.3	-	1.0	10.3	$ (6.9)	$ 3.4
Adjustments:						
Accrual adjustment	-	(0.1)	(0.4)	(0.5)		
Spending on capital	$ 9.3	$ (0.1)	$ 0.6	$ 9.8		

$ millions, for the year ended December 31	Moa JV and Fort Site	Power	Other(1)	Combined total	Adjustment for Moa Joint Venture	Total derived from financial statements 2021
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**		

$ millions, for the year ended December 31	Moa JV and Fort Site	Power	Other(1)	Combined total	Adjustment for Moa Joint Venture	2020 Total derived from financial statements
Property, plant and equipment expenditures(2)	$ 29.2	$ 0.7	$ 4.3	$ 34.2	$ (23.2)	$ 11.0
Intangible asset expenditures(2)	-	-	1.1	1.1	-	1.1
	29.2	0.7	5.4	35.3	$ (23.2)	$ 12.1
Adjustments:						
Accrual adjustment	3.0	-	(3.8)	(0.8)		
Spending on capital	$ 32.2	$ 0.7	$ 1.6	$ 34.5		

(1) Includes property, plant and equipment and intangible asset expenditures of the Metals Other, Oil and Gas, Technologies 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

Combined free cash flow includes 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, plus cash provided (used) by continuing operations for operating activities at the Moa Joint Venture, less cash expenditures on property, plant and equipment and intangible assets at the Moa Joint Venture. Corporate's cash used by continuing operations for operating activities is adjusted to exclude distributions received from Moa Joint Venture and these distributions are added to 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 December 31									**2021**
	Moa JV and Fort Site[1]	Metals Other	Oil and Gas	Power	Technol-ogies	Corporate	**Combined total**	Adjustment for Moa Joint Venture	**Total derived from financial statements**
Cash provided (used) by continuing operations for operating activities[2]	**$ 8.9**	**$ (3.2)**	**$ 2.3**	**$ 0.8**	**$ (3.6)**	**$ (22.5)**	**$ (17.3)**	**$ 3.9**	**$ (13.4)**
Less:									
Property, plant and equipment expenditures	**(8.3)**	**-**	**-**	**(0.1)**	**-**	**(0.5)**	**(8.9)**	**6.2**	**(2.7)**
Intangible expenditures	**-**	**-**	**(0.2)**	**-**	**-**	**-**	**(0.2)**	**-**	**(0.2)**
Free cash flow	**$ 0.6**	**$ (3.2)**	**$ 2.1**	**$ 0.7**	**$ (3.6)**	**$ (23.0)**	**$ (26.4)**	**$ 10.1**	**$ (16.3)**

$ millions, for the three months ended December 31									2020
	Moa JV and Fort Site[1]	Metals Other	Oil and Gas	Power	Technol-ogies	Corporate	**Combined total**	Adjustment for Moa Joint Venture	**Total derived from financial statements**
Cash provided (used) by continuing operations for operating activities[2]	$ 13.4	$ (8.0)	$ (5.3)	$ 30.2	$ (1.7)	$ (29.9)	$ (1.3)	$ 14.0	$ 12.7
Less:									
Property, plant and equipment expenditures	(9.3)	-	(0.8)	-	-	0.1	(10.0)	6.9	(3.1)
Intangible expenditures	-	-	(0.3)	-	-	-	(0.3)	-	(0.3)
Free cash flow	$ 4.1	$ (8.0)	$ (6.4)	$ 30.2	$ (1.7)	$ (29.8)	$ (11.6)	$ 20.9	$ 9.3

$ millions, for the year ended December 31									**2021**
	Moa JV and Fort Site[3]	Metals Other	Oil and Gas	Power	Technol-ogies	Corporate	**Combined total**	Adjustment for Moa Joint Venture	**Total derived from financial statements**
Cash provided (used) by continuing operations for operating activities[4]	**$ 90.5**	**$ 5.0**	**$ 4.2**	**$ 18.1**	**$ (12.4)**	**$ (55.1)**	**$ 50.3**	**$ (49.0)**	**$ 1.3**
Less:									
Property, plant and equipment expenditures	**(34.0)**	**-**	**(0.2)**	**(0.1)**	**-**	**(0.7)**	**(35.0)**	**25.1**	**(9.9)**
Intangible expenditures	**-**	**-**	**(0.8)**	**-**	**-**	**-**	**(0.8)**	**-**	**(0.8)**
Free cash flow	**$ 56.5**	**$ 5.0**	**$ 3.2**	**$ 18.0**	**$ (12.4)**	**$ (55.8)**	**$ 14.5**	**$ (23.9)**	**$ (9.4)**

$ millions, for the year ended December 31									2020
	Moa JV and Fort Site[3]	Metals Other	Oil and Gas	Power	Technol-ogies	Corporate	**Combined total**	Adjustment for Moa Joint Venture	**Total derived from financial statements**
Cash provided (used) by continuing operations for operating activities[4]	$ 53.7	$ (1.0)	$ (26.5)	$ 77.8	$ (8.9)	$ (41.9)	$ 53.2	$ (5.2)	$ 48.0
Less:									
Property, plant and equipment expenditures	(29.2)	-	(4.2)	(0.7)	(0.1)	-	(34.2)	23.2	(11.0)
Intangible expenditures	-	-	(1.1)	-	-	-	(1.1)	-	(1.1)
Free cash flow	$ 24.5	$ (1.0)	$ (31.8)	$ 77.1	$ (9.0)	$ (41.9)	$ 17.9	$ 18.0	$ 35.9

(1) Property, plant and equipment expenditures and intangible expenditures for the Moa Joint Venture and Fort Site was $6.2 million and $2.1 million, respectively, for the three months ended December 31, 2021 (December 31, 2020 - $6.9 million and $2.4 million, respectively).

(2) Cash provided (used) by continuing operations for operating activities for the Moa Joint Venture and Fort Site was $(3.8) million and $12.7 million, respectively, for the three months ended December 31, 2021 (December 31, 2020 - $12.4 million and $1.0 million, respectively).

(3) Property, plant and equipment expenditures and intangible expenditures for the Moa Joint Venture and Fort Site was $25.1 million and $8.9 million, respectively, for the year ended December 31, 2021 (December 31, 2020 - $23.2 million and $6.0 million, respectively).

(4) Cash provided (used) by continuing operations for operating activities for the Moa Joint Venture and Fort Site was $85.0 million and $5.5 million, respectively, for the year ended December 31, 2021 (December 31, 2020 - $44.8 million and $8.9 million, respectively).

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 JV, growing and increasing nickel and cobalt production, extending the Moa life of mine, conversion of mineral resources to reserves; commercializing Technologies projects, growing shareholder value, updating technical reports and optimizing mine planning and performance; statements set out in the “Outlook” section of this press release and certain expectations regarding production volumes, operating costs and spending on capital; supply, demand and pricing outlook in the nickel, cobalt and electric vehicle markets; 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 of outstanding receivables, including re-directed distributions from the Corporation’s Moa Joint Venture partner; the impact of U.S. sanctions on Cuba; anticipated economic conditions in Cuba; the anticipated renewal of a joint venture agreement; 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; the commercialization of certain proprietary technologies and services; advancements in environmental and greenhouse gas reduction technology; environmental rehabilitation provisions; availability of regulatory and creditor approvals and waivers; compliance with applicable environmental laws and regulations; debt repayments; redemptions and interest deferrals; collection of accounts receivable; and certain corporate objectives, goals and plans. 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 those 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, the impact of the COVID-19 pandemic, changes in the global price for nickel, cobalt, oil and gas, fertilizers or certain other commodities; security market fluctuations and price volatility; level of liquidity; access to capital; access to financing; the risk to Sherritt’s entitlements to future distributions from the Moa Joint Venture; uncertainty about the pace of technological advancements required in relation to achieving ESG targets; risk of future non-compliance with debt restrictions and covenants and mandatory repayments; Sherritt’s ability to replace depleted mineral reserves; risks associated with the Corporation’s joint venture partners; variability in production at Sherritt’s operations in Cuba; risks 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; potential interruptions in transportation; uncertainty of gas supply for electrical generation; the Corporation’s reliance on key personnel and skilled workers; growth opportunity risks; the possibility of equipment and other failures; risks associated with mining, processing and refining activities; uncertainty of resources and reserve estimates; the potential for shortages of equipment and supplies, including diesel; supplies quality issues; risks related to environmental liabilities including liability for reclamation costs, tailings facility failures and toxic gas releases; risks related to the Corporation’s corporate structure; political, economic and other risks of foreign operations; risks associated with Sherritt’s operation of large projects generally; risks related to the accuracy of capital and operating cost estimates; foreign exchange and pricing risks; 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 and maintaining the Corporation’s social license to grow and operate; credit risks; competition in product markets; future market access; interest rate changes; risks in obtaining insurance; uncertainties in labour relations; 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; legal contingencies; risks related to the Corporation’s accounting policies; identification and management of growth opportunities; uncertainty in the ability of the Corporation to obtain government permits; risks to information technologies systems and cybersecurity; 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 2022; and the Corporation’s 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 and Fort Site and Technologies segments, are 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 us 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, commissioning, 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. Additional risks, uncertainties and other factors include, but are not limited to, the ability of the Corporation to achieve its financial goals; the ability of the Corporation to continue to realize its assets and discharge its liabilities and commitments; the

Corporation's future liquidity position, and access to capital, to fund ongoing operations and obligations (including debt obligations); the ability of the Corporation to stabilize its business and financial condition; the ability of the Corporation to implement and successfully achieve its business priorities; and the ability of the Corporation to comply with its contractual obligations, including without limitation, its obligations under debt arrangements. Readers are cautioned that the foregoing list of factors is not exhaustive and should be considered in conjunction with the risk factors described in this press release and in the Corporation's other documents filed with the Canadian securities authorities, including without limitation the "Managing Risk" section of the Management's Discussion and Analysis for the three months and year ended December 31, 2021 and the Annual Information Form of the Corporation dated March 17, 2021 for the period ending December 31, 2020, 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 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.

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