For immediate release

Higher nickel and cobalt prices drive Sherritt's strong first quarter results

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Toronto – May 11, 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 ended March 31, 2022. All amounts are in Canadian currency unless otherwise noted.

"The combination of high realized prices for each of the commodities we produce, strong production at the Moa JV, and the recovery of the Power business in the first quarter generated some of Sherritt's best financial metrics since 2014," said Leon Binedell, President and CEO of Sherritt International Corporation. "Most notably, we grew Adjusted EBITDA by 94% to $58.5 million, lowered NDCC at the Moa JV by 11% to US$3.42 per pound, and received $24.2 million in distributions from the Moa JV."

Mr. Binedell added, "We expect to sustain this momentum through the second quarter and beyond given prevailing nickel, cobalt and fertilizer prices. Anticipated cash flow from operations and distributions from the Moa JV in 2022 underpin the balanced approach we are taking to fund growth opportunities while exploring ways to de-leverage our balance sheet. This direction provides us with a clear path to building shareholder value. Already, we have made considerable progress towards our goals based on the amount of work on our expansion and debottlenecking projects completed in the first quarter at Moa and the Fort Site."

SELECTED Q1 2022 DEVELOPMENTS

- Advanced with project scoping, development of timelines and capital cost requirements for Sherritt's growth strategy aimed at increasing finished nickel and cobalt production by 15 to 20% over production in 2021, which should result in an increase in annual nickel production of approximately 4,700 to 6,200 tonnes (100% basis) once all projects are completed in 2024. Progress in Q1 2022 included continued construction of the slurry preparation plant, near completion of a feasibility study for a leach plant sixth train at Moa, and the start of basic engineering on de-bottlenecking projects at the Fort Site and the basic engineering on upgrading of the acid plant at Moa.
- Net earnings from continuing operations were $16.4 million, or $0.04 per share, compared to a net loss of $1.9 million, or $nil per share, in Q1 2021.
- Adjusted EBITDA(1) was $58.5 million, Sherritt's highest since Q3 2014. The improved Adjusted EBITDA was driven by higher nickel, cobalt, and fertilizer market prices, improved operating performance, and ongoing efforts to reduce costs, partly offset by $26.6 million of share-based compensation expense due to the impact of Sherritt's 103% rise in the value of its shares.
- Sherritt's share of finished nickel and cobalt production at the Moa Joint Venture (Moa JV) were 3,875 tonnes and 446 tonnes, respectively. Despite a 5% increase in mixed sulphides production at Moa compared to the same period last year, finished production was impacted by delays and disruptions in railway transportation services from Halifax to the refinery in Fort Saskatchewan, Alberta.
- Benefitting from increased by-product credits from higher cobalt and fertilizer prices, net direct cash cost (NDCC)(1) at the Moa JV was US$3.42/lb, the lowest since Q4 2018. In spite of significantly higher input costs, including a 181% increase in sulphur prices, 47% increase in natural gas prices and 35% increase in fuel oil prices, Sherritt's Q1 2022 NDCC ranked it in the lowest cost quartile of all nickel producers according to annualized information tracked by Wood Mackenzie.
- Received $24.2 million of its share of Moa JV distributions in Q1, including $8.1 million deferred from Q4 2021. Given prevailing nickel and cobalt prices, planned spending on capital, including growth capital, working capital needs, and other expected liquidity requirements, Sherritt anticipates 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, and higher distributions in the second half of 2022 compared to the first half of the year.
- The Power business produced 137 GWh of electricity, up 44% from the same period last year, and generated $8.2 million in free cash flow(1), up 193%. The improved performance was driven by the completion of maintenance activities in 2021.

- Consistent with its commitment to environmental, social and governance (ESG) matters and to ongoing Board renewal named Maryse Bélanger as Deputy Chair and appointed Chih-Ting Lo, a decarbonization expert with extensive mining experience, as a Director.

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

DEVELOPMENTS SUBSEQUENT TO QUARTER END

- An assessment of the expansion capital costs indicated that costs are estimated to be at the upper end of the US$20,000 to US$25,000 per tonne range of new nickel capacity disclosed previously. In light of a number of uncertainties relating to geopolitical developments, supply chain disruptions, the spread of COVID-19, and inflationary price pressures on construction materials, equipment, and labour costs, Sherritt will further evaluate its growth capital spend estimates once greater certainty on global supply chains and consequential pricing is available and additional engineering and design work is completed. In tandem with this review, Sherritt and its Cuban partner will continue to advance construction of the US$27 million (100% basis) slurry preparation plant, proceed with US$6 million (100% basis) of engineering work and plant capacity testing needed to finalize the cost of the expansion project, and develop a new life of mine plan for Moa. Sherritt expects to provide an update on the rollout and spending on capital related to the expansion strategy with each of its quarterly results with full project approval expected in the second half of 2022.
- On May 2, Sherritt paid interest of $14.9 million on the 8.50% second lien secured notes and did not make any mandatory redemptions as conditions pursuant to the provisions of the indenture agreement were not met.

Q1 2022 FINANCIAL HIGHLIGHTS

$ millions, except as otherwise noted, for the three months ended March 31		**2022**		2021	Change
Revenue	**$**	**34.1**	$	21.9	56%
Combined revenue[(1)]		**202.2**		141.7	43%
Earnings from operations and joint venture		**23.5**		6.1	285%
Net earnings (loss) from continuing operations		**16.4**		(1.9)	963%
Net earnings (loss)		**15.7**		(5.6)	380%
Adjusted EBITDA[(1)]		**58.5**		30.2	94%
Net earnings (loss) from continuing operations ($ per share) (basic and diluted)		**0.04**		0.00	-
Cash provided (used) by continuing operations for operating activities		**5.6**		(3.0)	287%
Combined free cash flow[(1)]		**(1.7)**		19.0	(109%)
Average exchange rate (CAD/US$)		**1.266**		1.266	N/A

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

$ millions, as at		**2022 March 31**		2021 December 31	Change
Cash and cash equivalents	**$**	**145.5**	$	145.6	-
Loans and borrowings		**449.9**		444.5	1%

Cash and cash equivalents at March 31, 2022 were $145.5 million, unchanged from December 31, 2021.

During the quarter, Sherritt received $24.2 million in distributions from the Moa JV, including $8.1 million that was deferred from Q4 2021. Distributions from the Moa JV are determined based on available cash in excess of liquidity requirements, including anticipated nickel and cobalt prices, planned capital spend, working capital needs, and other expected liquidity requirements.

Sherritt also received US$4.2 million ($5.3 million) in Cuban energy payments in Q1 2022. Total cash receipts were offset by $18.6 million of cash used by continuing operations for operating activities, which included $5.7 million of share-based compensation payments, and by capital expenditures totaling $4.9 million.

Total overdue scheduled receivables at March 31, 2022 were US$153.5 million, down from US$156 million as at December 31, 2021. Collections on overdue amounts from Sherritt's Cuban energy partners continue to be adversely impacted by Cuba's reduced access to foreign currency as a result of ongoing U.S. sanctions and the global pandemic's impact on tourism. While Sherritt anticipates economic conditions in Cuba to improve in the remainder of 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 $145.5 million of cash and cash equivalents, $50.4 million was held in Canada, down from $64.2 million as at December 31, 2021, and $81 million was held at Energas, up from $78.9 million as at December 31, 2021. The remaining amounts were held in Cuba and other countries.

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

		2022		2021	
For the three months ended March 31		**$ millions**	**$/share**	$ millions	$/share
Net earnings (loss) from continuing operations	**$**	**16.4**	**$ 0.04**	$ (1.9)	$ (0.01)
Adjusting items:					
Sherritt - Unrealized foreign exchange gain - continuing operations		**(1.1)**	**-**	(2.6)	(0.01)
Corporate - Gain on repurchase of notes		**-**	**-**	(1.3)	-
Corporate - Unrealized (gain) loss on commodity put options		**(0.9)**	**-**	0.6	-
Corporate - Realized loss on commodity put options		**0.9**	**-**	-	-
Oil and Gas - Gain on disposal of property, plant and equipment		**(1.3)**	**-**	-	-
Oil and Gas and Power - ACL revaluation		**0.3**	**-**	1.6	-
Other[1]		**0.5**	**-**	1.8	0.01
Total adjustments, before tax	**$**	**(1.6)**	**$ -**	$ 0.1	$ -
Tax adjustments		**(0.1)**	**-**	(0.5)	-
Adjusted net earnings (loss) from continuing operations	**$**	**14.7**	**$ 0.04**	$ (2.3)	$ (0.01)

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

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

METALS MARKET

Nickel

Nickel prices experienced extreme volatility in the first quarter of 2022, culminating in the unprecedented one-day price spike by more than 250% to almost US$46/lb on March 8 that resulted in the suspension of trading on the London Metal Exchange (LME), cancellation of all trades that day, and the deferral of all settled contracts. The price climb and trading suspension were triggered by concerns over the disruption of nickel supply in the wake of Russia's invasion of Ukraine and speculation of a short squeeze against a major market participant.

When trading resumed on March 16, the LME imposed new trading limits but was unable to curb trading volatility. Through March 25, trading was suspended regularly as price limits were breached. By March 31, trading had stabilized, and nickel prices closed at US$15.15/lb, up 60% from the start of the quarter.

Since the start of Q2 2022, trading on the LME has been consistent and prices have averaged at US$14.70/lb through May 10. It is anticipated that nickel prices will maintain their robustness through the end of 2022 based on forecasts provided by industry analysts. The favourable price outlook is due to expected demand from European consumers seeking non-Russian nickel supply because of its invasion of Ukraine.

Strong prices in Q1 were driven by strong consumer demand as reflected by the continued decrease in inventory levels. In Q1, nickel inventory levels on the LME fell by 29% from 101,886 tonnes at the start of the period to 72,570 tonnes on March 31. Although inventory levels on the Shanghai Futures Exchange rose to 6,097 tonnes from 2,406 tonnes at the start of the quarter, the closing amounts suggest a tight market.

Industry analysts, including Wood Mackenzie and S&P Global, have forecast continued strong demand and market tightness through to the end of 2022. LME nickel inventories have continued to decline in Q2, reaching 73,122 tonnes on May 10.

Near-term visibility of market fundamentals, including inventory levels, beyond 2022 is limited given the uncertainty caused by a number of recent geopolitical and macroeconomic developments relating to Russia's invasion of Ukraine and ongoing effects of supply chain disruptions caused by COVID-19.

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 rapidly growing electric vehicle battery market. Some market observers, such as Wood Mackenzie, have forecast a prolonged nickel supply deficit beginning in 2026 due to strong demand from 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, driving significant demand for finished nickel and cobalt.

As a result of its unique properties, high-nickel cathode formulations remain the dominant choice for long-range and high performance electric vehicles manufactured by automakers with high purity, Class 1 nickel being an essential feedstock in the battery supply chain. Sherritt is particularly well positioned given its Class 1 production capabilities and the fact that Cuba possesses the world's fourth largest nickel reserves. The adoption of lithium iron phosphate (LFP) cathode battery chemistry, which is less expensive than nickel-manganese-cobalt (NMC) cathode chemistry, but with lower energy density and less vehicle range, may soften nickel demand from this segment of the market.

Cobalt

Sustaining an upward trend started in Q2 2021, cobalt prices continued their steady rise in Q1 2022, closing on March 31 at US$39.35/lb, up 16% from US$33.78/lb at the start of the quarter, according to data collected by Fastmarkets MB.

Higher cobalt prices in Q1 2022 were driven mostly by increased buying from electric vehicle battery manufacturers and increased stockpiling by consumers as a result of concerns over supply disruptions caused by Russia's invasion of Ukraine. Russia was the world's fifth largest cobalt producer in 2021. In addition, logistics concerns relating the transportation of cobalt hydroxide from the Democratic Republic of Congo (DRC), the world's largest supply market, continued to cause market disruptions.

The visibility for cobalt prices in the near term is limited due to recent geopolitical and economic developments, including Russia's invasion of Ukraine, the impact of economic sanctions against Russia on the world's economy, and the impact of logistics disruptions in South Africa on the delivery of cobalt from the DRC.

Over the long term, the outlook for cobalt is particularly encouraging given the accelerated adoption of electric vehicles expected in the coming years. Cobalt is a key component of rechargeable batteries providing energy stability. Similar to developments in the nickel market, the adoption of LFP cathode battery chemistry, a less expensive but inferior alternative to NMC cathode chemistry, may soften cobalt demand.

CRU forecasts that demand for cobalt will grow by 12.7% annually and reach 317,000 tonnes by 2026 with the EV sector accounting for 50% of all cobalt demand.

REVIEW OF OPERATIONS

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

$ millions, except as otherwise noted, for the three months ended March 31		2022		2021	Change
FINANCIAL HIGHLIGHTS					
Revenue(1)	**$**	**185.6**	$	126.3	47%
Cost of sales(1)		**116.0**		96.4	20%
Earnings from operations		**67.7**		27.8	144%
Adjusted EBITDA(2)		**81.2**		41.7	95%
CASH FLOW					
Cash provided by continuing operations for operating activities	**$**	**24.2**	$	23.5	3%
Free cash flow(2)		**13.5**		18.9	(29%)
PRODUCTION VOLUMES (tonnes)					
Mixed Sulphides		**4,126**		3,931	5%
Finished Nickel		**3,875**		4,188	(7%)
Finished Cobalt		**446**		477	(6%)
Fertilizer		**63,088**		63,792	(1%)
NICKEL RECOVERY(3) (%)		**89%**		82%	9%
SALES VOLUMES (tonnes)					
Finished Nickel		**3,758**		4,177	(10%)
Finished Cobalt		**398**		477	(17%)
Fertilizer		**31,439**		27,111	16%
AVERAGE-REFERENCE PRICES (US$ per pound)					
Nickel(4)	**$**	**11.97**	$	7.97	50%
Cobalt(5)		**35.90**		21.71	65%
AVERAGE REALIZED PRICE (CAD)(2)					
Nickel ($ per pound)	**$**	**14.85**	$	9.97	49%
Cobalt ($ per pound)		**41.66**		21.91	90%
Fertilizer ($ per tonne)		**654.55**		312.33	110%
UNIT OPERATING COSTS(2) (US$ per pound)					
Nickel - net direct cash cost	**$**	**3.42**	$	3.83	(11%)
SPENDING ON CAPITAL(2)					
Sustaining	**$**	**15.7**	$	4.6	241%
Expansion		**0.3**		-	-
		16.0		4.6	248%

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

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

(4) The average nickel reference price for the three months ended March 31, 2022 was impacted by the suspension of nickel trading and disruption events on the LME during the month of March 2022. The calculation of the average nickel reference price for the three months ended March 31, 2022 is based on LME guidance for disruption events, which uses the next available price after a disruption event.

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

Mixed sulphides production at the Moa JV in Q1 2022 was 4,126 tonnes, up 5% from the 3,931 tonnes produced in Q1 2021. The variance was largely due to the impact of heavy rainfall on mining operations in Q1 2021 that resulted in lower ore quality when compared to Q1 2022.

Sherritt's share of finished nickel production in Q1 2022 totaled 3,875 tonnes, down 7% from the 4,188 tonnes produced in Q1 2021 while finished cobalt production for Q1 2022 was 446 tonnes, down 6% from the 477 tonnes produced in the same period last year. Finished metals production in Q1 2022 was impacted by delays in receiving mixed sulphides from Moa to the refinery due to railway transportation disruptions from Halifax to the refinery in Fort Saskatchewan, Alberta.

Second quarter production will be impacted by the planned annual maintenance shutdown of the refinery in Fort Saskatchewan. This year's shutdown is smaller in scale when compared to the prior year, which was a full-facility shutdown completed once every six years. The 2022 shutdown is expected to last up to seven days, consistent in duration to prior years.

Revenue in Q1 2022 increased by 47% to $185.6 million from $126.3 million last year. The revenue increase was largely attributable to higher average-realized nickel, cobalt, and fertilizer prices(1), which were up 49%, 90%, and 110%, respectively, from Q1 2021. Fertilizer sales volumes grew by 16% to 31,439 tonnes due to consumer stockpiling in advance of 2022 planting season.

Mining, processing and refining (MPR) costs per pound of nickel sold in Q1 2022 were up 29% from Q1 2021. Consistent since the start of the global pandemic in the first quarter of 2020, higher MPR costs in Q1 2022 were driven by the significant rise in input costs, further compounded by Russia's invasion of Ukraine. Most notably, input costs were marked by a 181% increase in sulphur prices, 47% increase in natural gas prices and 35% increase in fuel oil prices when compared the same period last year. Increased input costs were partly offset by lower purchased sulphuric acid consumption. Purchased sulphuric acid consumption was required in the prior year to offset lower sulphuric acid production at Moa ahead of the planned sulphuric acid plant shutdown in the second quarter of 2021.

Net direct cash cost (NDCC)(1) per pound of nickel sold decreased by 11% to US$3.42/lb in Q1 2022 from US$3.83/lb for Q1 2021. The improvement was principally due to higher cobalt and fertilizer by-product credits generated by higher average-realized prices and the 16% increase in fertilizer sales volumes. NDCC for Q1 2022, which was the lowest since the fourth quarter of 2018, ranked Sherritt in the lowest cost quartile of all nickel producers according to annualized information tracked by Wood Mackenzie.

Sustaining spending on capital in Q1 2022 was $15.7 million, up 241% from $4.6 million in Q1 2021. The year-over-year increase was due primarily to higher planned spending, including the receipt of mining equipment at Moa.

With support from Sherritt Technologies, the Moa JV advanced with its expansion strategy aimed at growing annual nickel and cobalt production by 15 to 20% from the combined 34,710 tonnes produced in FY2021, which should result in an increase in annual nickel production by approximately 4,700 to 6,200 tonnes (100% basis), once all projects are completed in 2024, and extending the life of mine at Moa beyond 2040.

Progress in Q1 2022 included:

- Continued to advance construction of the slurry preparation plant at Moa, which included substantial completion of a raw ore rheological study and pipeline design, and commencement of civil works.

  The project cost and schedule remain on track at an estimated cost of US$27 million (100% basis) with expected completion in early 2024. In 2022, US$9 million (100% basis) in growth capital spend, of which US$5.2 million (100% basis) has been committed, is expected for ordering of long lead materials and equipment, and civil and mechanical construction. The project is expected to deliver a number of benefits, including reduced ore haulage, lower carbon intensity from mining, and increased annual production of nickel and cobalt contained in mixed sulphides of approximately 1,700 tonnes commencing in mid-2024.

- Near completion of a feasibility study for a leach plant sixth train at Moa.

- The start of engineering related to de-bottlenecking projects at the Fort Site and basic engineering for upgrading the acid plant at Moa.

- Approval of US$6 million (100% basis) for basic engineering and plant capacity testing needed for the remaining expansion projects prior to full project approval in the second half of the year. As part of this work, Sherritt will review additional ESG considerations into the expansion plans as engineering advances.

- The engagement of external consultants to develop a new life of mine (LOM) plan based on economic cut-off grade methodology and conduct a Quality Assurance/Quality Control review at Moa. A site visit was successfully completed in February 2022 and detail work has commenced. The new LOM plan is expected to be completed and submitted to the Oficina Nacional de Recursos Minerales, Cuba's Natural Resources Ministry, for approval in the second half of the year.

- Plans to release an updated NI 43-101 Technical Report before the end of year.

An assessment of the expansion capital costs completed subsequent to quarter end indicated that costs are at the upper end of the US$20,000 to US$25,000 per tonne range of new nickel capacity disclosed previously. In light of a number of uncertainties relating to geopolitical developments, supply chain disruptions, the spread of COVID-19, and inflationary price pressures on construction materials, equipment, and labour costs, Sherritt will further evaluate its growth capital spend estimates once greater certainty on global supply chains and consequential pricing is available and additional engineering and design work is completed to facilitate more accurate cost estimates.

In tandem, the Moa JV will continue to advance construction of the slurry preparation plant, and approved US$6 million (100% basis) to fund the engineering work needed to reduce the risk around the cost of the expansion project, review additional ESG considerations, and complete a new mine plan for Moa.

Spending on growth capital is expected to be self-funded by the Moa JV primarily using operating cash flows with the option to utilize Sherritt's revolving credit facility for up to C$30 million at the refinery in Fort Saskatchewan. Growth capital spending of US$30 million (100% basis) is expected in 2022 for the slurry preparation plant, ordering of long lead items, and engineering work related to finalizing costs of the remaining expansion projects.

Sherritt expects to provide an update on the rollout and spending on capital related to the expansion strategy with its second quarter results.

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

Power

$ millions (33⅓% basis), except as otherwise noted, for the three months ended March 31		**2022**		2021	Change
FINANCIAL HIGHLIGHTS					
Revenue	**$**	**9.0**	$	5.9	53%
Cost of sales		**6.0**		6.4	(6%)
Earnings (loss) from operations		**0.5**		(1.1)	145%
Adjusted EBITDA[1]		**4.4**		2.8	57%
CASH FLOW					
Cash provided by continuing operations for operating activities	**$**	**8.7**	$	2.8	211%
Free cash flow[1]		**8.2**		2.8	193%
PRODUCTION AND SALES					
Electricity (GWh[2])		**137**		95	44%
AVERAGE-REALIZED PRICE[1]					
Electricity (per MWh[2])	**$**	**54.73**	$	54.81	-
UNIT OPERATING COSTS[1]					
Electricity (per MWh)	**$**	**15.70**	$	25.89	(39%)
SPENDING ON CAPITAL[1]					
Sustaining	**$**	**0.5**	$	-	-

(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 Q1 2022 was 137 gigawatt hours (GWh) of electricity, up 44% from 95 GWh produced in the comparable period of 2021. Production in Q1 2021 was lower due to lower capacity on account of deferred maintenance since completed. Revenue in Q1 2022 totaled $9.0 million, up 53% from $5.9 million for the same quarter last year. Higher revenue was due to increased power production.

Unit operating costs[1] in Q1 2022 were $15.70/MWh, down 39% from $25.89/MWh for Q1 2021. The year-over-year improvement was driven by higher power production and sales volumes combined with lower spending on maintenance activities.

The Power business unit had negligible spending on capital for the first quarter of 2022. Spending on capital at the Power business in FY2022 is forecast at $5 million, which will be primarily earmarked towards maintenance activities.

Sherritt continues to be in discussion with its Cuban partners to expedite payment of overdue receivables and increase availability of natural gas needed to increase power production. Discussions also continued to extend the power generation agreement with Energas, which is currently slated to expire in March 2023, and a requisite feasibility study was submitted to the Cuban government in Q1 2022. Sherritt anticipates a final decision on extending the power generation agreement from Cuba's Executive Council before the end of the year.

Subsequent to quarter end, Sherritt received US$8 million ($10.3 million) of funding to facilitate foreign current payments for the Energas operations.

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

Technologies

Sherritt Technologies' primary activities in Q1 2022 centred on supporting development of the Moa Joint Venture's expansion strategy, including efforts to support a change in mine planning whereby an economic cut-off grade will be used to upgrade resources into reserves and significantly expand the life of mine at Moa beyond 2040.

Sherritt Technologies also continued to advance its commercialization strategies and technology development on its most advanced and innovative technologies in Q1 2022, including:

- Dense slurry hydroprocessing - enhanced proprietary process to fully upgrade heavy oil, refining residues and bitumen. A detailed product valuation of fully upgraded bitumen and an assessment of the utilization of this technology within downstream refineries was completed. Sherritt Technologies also commenced an update to the front-end engineering technical study for a revised commercial scale facility in order to satisfy any technical assessment requirements of potential partners.
- Chimera - proprietary process for the treatment of copper concentrates with higher arsenic content. Technologies completed work with external industry experts to further assess the applicability of this process and develop specific opportunities within the complex copper concentrate market.
- Next-generation laterite processing - proprietary nickel laterite processing solution to make processing of lateritic ores more economically viable and sustainable while enabling the supply of nickel and cobalt products from lateritic ores to the battery sector. Unit operation pilot testing on the novel processing flowsheet commenced at an external facility and additional piloting at Sherritt Technologies is planned for the second quarter of 2022.

Other activities included the continued support towards other Sherritt strategic initiatives and the evaluation of M&A and investment opportunities.

2022 REVIEW OF STRATEGIC PRIORITIES

The table below lists Sherritt's Strategic Priorities for 2022, and summarizes how the Corporation has performed against those priorities.

2022 Strategic Priorities	Selected Actions	Status
ESTABLISH SHERRITT AS A LEADING GREEN METALS PRODUCER	Accelerate plans to expand Moa JV nickel and cobalt production by up to 20% from the combined 34,710 tonnes produced in 2021.	Completed a capital spend assessment of growth projects that confirms anticipated costs are in the upper range of US$20,000 to US$25,000 per tonne of new nickel capacity. Advancing with construction of the US$27 million slurry preparation plant, US$6 million of engineering work to finalize the cost of the expansion project, and development of a new life of mine plan at Moa.
	Rank in lowest quartile of HPAL nickel producers for NDCC.	Q1 2022's NDCC of US$3.42/lb ranked Sherritt in the lowest cost quartile of all nickel producers.
LEVERAGE TECHNOLOGIES FOR TRANSFORMATIONAL GROWTH	Support Moa JV expansion, operational improvements, and life of mine extension.	Continued to support the planning for the growth strategy aimed at increasing production and extending the life of mine at Moa.
	Advance Technologies solutions toward commercialization.	Progressed with the development of proprietary process solutions that will be commercialized. Sherritt's most advanced and innovative technologies include an enhanced proprietary process to fully upgrade heavy oil, refining residues and bitumen, a proprietary process for the treatment of copper concentrates with higher arsenic content, and development of a next-generation laterite processing technology.
ACHIEVE BALANCE SHEET STRENGTH	Maximize collections of overdue Cuban receivables.	Continued discussions with Cuban partners to accelerate collections of overdue amounts owed.
	Maximize available liquidity to support growth strategy.	Generated strong operating cash flows to support expansion capital at the Moa JV. Continued to review and assess potential opportunities to reduce debt and related interest savings.
	Continue to optimize costs to reflect operating footprint.	Implemented measures relating to director compensation and employee costs that will result in annual savings of $3 million.
BE RECOGNIZED AS A SUSTAINABLE ORGANIZATION	Deliver on actions identified in the Sustainability Report.	Maintained a strong focus on achieving ESG targets outlined in 2020 Sustainability Report. The 2021 Sustainability Report is expected to be released by the end of Q3 2022 using new reporting software that will enable improved alignment with ESG disclosure guidance as part of the Corporation's goal of improved ESG disclosures.
		Donated $25,000 to the Trans Canada Trail. Sherritt is a corporate partner of the Trans Canada Trail. The longest trail network in the world, the Trans Canada Trail connects Canadians and visitors to nature and runs near the Fort Site.
	Achieve year-over-year ESG improvements including reduction of carbon intensity.	Initiated plans for site climate risk and opportunity assessments at Sherritt's operations.
		Approved a five-year plan to replace 20% of the vehicle fleet with EVs at the Fort Site. EVs and electric equipment have been approved for purchase in 2022 at Moa and the Fort Site.
	Deliver on 'Diversity and Inclusion' global framework	Began year three of the five-year D&I Framework with the launch of a company-wide mentorship program successfully piloted in 2021.
		Improved gender balance in the operations senior management team.
	Extend economically beneficial Energas power generation contract beyond 2023.	Submitted a feasibility study and application for extension of the power generation agreement. A final decision from Cuba's Executive Council is anticipated before end of year.

OUTLOOK

2022 production volumes, unit operating costs and spending on capital guidance

Production volumes, unit operating costs and spending on capital	Guidance for 2022 - Total	Year-to-date actuals - Total	Updated 2022 guidance - Total
Production volumes			
Moa Joint Venture (tonnes, 100% basis)			
Nickel, finished	32,000 - 34,000	7,750	No change
Cobalt, finished	3,400 - 3,700	892	No change
Electricity (GWh, 33⅓% basis)	450 - 500	137	No change
Unit operating costs(1)			
Moa Joint Venture - NDCC (US$ per pound)	$4.00 - $4.50	$3.42	No change
Electricity (unit operating cost, $ per MWh)	$26.50 - $28.00	$15.70	No change
Spending on capital(1)($ millions)			
Sustaining			
Moa Joint Venture (50% basis), Fort Site (100% basis)(2)	$75.0	$15.7	No change
Power (33⅓% basis)	$5.0	$0.5	No change
Growth			
Moa Joint Venture (50% basis), Fort Site (100% basis)(2)	-	$0.3	$19.0
Spending on capital(3)	$80.0	$16.5	$99.0

(1) Non-GAAP financial measures. For additional information see the Non-GAAP and other financial measures section of this press release.
(2) Spending is 50% of expenditures for the Moa Joint Venture and 100% expenditures for Fort Site fertilizer and utilities.
(3) Excludes spending on capital of the Metals Other, Oil and Gas, Technologies and Corporate segments.

Estimated growth capital spending in 2022 for the Moa Joint Venture and Fort Site are primarily related to expansion spending for the slurry preparation plant, ordering of long lead items and engineering work related to finalizing costs of the remaining expansion projects. Additional expenditures related to expansion activities are currently being assessed. Sherritt expects to provide updates on the rollout and spending on capital related to the expansion strategy with each of its quarterly results.

CONFERENCE CALL AND WEBCAST

Sherritt will hold its conference call and webcast May 12, 2022 at 10:00 a.m. Eastern Time to review its Q1 2022 results. Dial-in and webcast details are as follows:

North American callers, please dial:	1 (833) 968-2281 **Passcode: 5890652**
International callers, please dial:	(236) 714-2984 **Passcode: 5890652**
Live webcast:	www.sherritt.com

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

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

FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Sherritt's condensed consolidated financial statements and MD&A for the three months ended March 31, 2022 are available at www.sherritt.com and should be read in conjunction with this news release. Financial and operating data can also viewed in the investor relations section of Sherritt's website on SEDAR at www.sedar.com.

NON-GAAP AND OTHER FINANCIAL MEASURES

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

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

The non-GAAP and other financial measures are reconciled to their most directly comparable IFRS measures in the Appendix below. This press release should be read in conjunction with Sherritt's condensed consolidated financial statements for the three months ended March 31, 2022.

ABOUT SHERRITT INTERNATIONAL CORPORATION

Headquartered in Toronto, Sherritt is a world leader in using hydrometallurgical processes to mine and refine nickel and cobalt – metals essential for an electric future. Its Technologies Group creates innovative, proprietary solutions for natural resource-based industries around the world to improve environmental performance and increase economic value. Sherritt has embarked on a multi-pronged growth strategy focused on expanding nickel and cobalt production by up to 20% from 2021 and extending the life of mine at Moa beyond 2040. The Corporation is also the largest independent energy producer in Cuba. Sherritt's common shares are listed on the Toronto Stock Exchange under the symbol "S".

FORWARD-LOOKING STATEMENTS

This press release contains certain forward-looking statements. Forward-looking statements can generally be identified by the use of statements that include such words as “believe”, “expect”, “anticipate”, “intend”, “plan”, “forecast”, “likely”, “may”, “will”, “could”, “should”, “suspect”, “outlook”, “potential”, “projected”, “continue” or other similar words or phrases. Specifically, forward-looking statements in this document include, but are not limited to, statements regarding strategies, plans and estimated production amounts resulting from expansion of mining operations at the Moa Joint Venture, growing and increasing nickel and cobalt production, 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 capital spending; sales volumes; revenue, costs and earnings; 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 the U.S. sanctions on Cuba; anticipated economic conditions in Cuba; the anticipated renewal of a joint venture agreement; sufficiency of working capital and capital project funding; drill plans and results on exploration wells; 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; development and exploration wells and enhanced oil recovery in Cuba; environmental risks and liabilities; compliance with applicable environmental laws and regulations; debt repayments; redemptions and interest deferrals; collection of accounts receivable; availability of regulatory and creditor approvals and waivers; risks related to the U.S. government policy toward Cuba; and certain corporate objectives, goals and plans for 2022. By their nature, forward-looking statements require the Corporation to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions, forecasts, conclusions or projections will not prove to be accurate, that the assumptions may not be correct and that actual results may differ materially from such predictions, forecasts, conclusions or projections.

The Corporation cautions readers of this press release not to place undue reliance on any forward-looking statement as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements. These risks, uncertainties and other factors include, but are not limited to, 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; 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; identification and management of growth opportunities risk of future non-compliance with debt restrictions and covenants; 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 associated with mining, processing and refining activities; 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; 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; maintaining the Corporation’s social license to grow and operate; risks relating to community relations; 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; 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; 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 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, commissioning, procurement, construction, ramp-up to commercial scale production and completion; and securing regulatory and government approvals. There can be no assurance that any opportunity will be successful, commercially viable, completed on time or on budget, or will generate any meaningful revenues, savings or earnings, as the case may be, for the Corporation. In addition, the Corporation will incur costs in pursuing any particular opportunity, which may be significant. Readers are cautioned that the foregoing list of factors is not exhaustive and should be considered in conjunction with the risk factors described in the Corporation's other documents filed with the Canadian securities authorities, including without limitation the "Managing Risk" section of the Management's Discussion and Analysis for the three months ended March 31, 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 press release and in the Corporation's other documents filed with the Canadian securities authorities should be read for a description of certain factors that could cause the actual results of the Corporation to differ materially from those in the oral forward-looking statements. The forward-looking information and statements contained in this press release are made as of the date hereof and the Corporation undertakes no obligation to update publicly or revise any oral or written forward-looking information or statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. The forward-looking information and statements contained herein are expressly qualified in their entirety by this cautionary statement.

For further investor information contact:
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APPENDIX – NON-GAAP AND OTHER FINANCIAL MEASURES

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

The non-GAAP and other financial measures are reconciled to the most directly comparable IFRS measure as presented in the condensed consolidated financial statements for the three months ended March 31, 2022.

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:

$ millions, for the three months ended March 31	**2022**	2021	Change
Revenue by reportable segment			
Moa Joint Venture and Fort Site[1]	**$ 185.6**	$ 126.3	47%
Metals Other	**2.0**	1.6	25%
Oil and Gas	**5.0**	7.5	(33%)
Power	**9.0**	5.9	53%
Technologies	**0.3**	0.1	200%
Corporate	**0.3**	0.3	-
Combined revenue	**$ 202.2**	$ 141.7	43%
Adjustment for Moa Joint Venture	**(168.1)**	(119.8)	
Revenue per financial statements	**$ 34.1**	$ 21.9	56%

(1) Revenue of Moa Joint Venture and Fort Site for the three months ended March 31, 2022 is composed of revenue recognized by the Moa Joint Venture of $168.1 million (50% basis), which is equity-accounted and included in share of earnings of Moa Joint Venture, net of tax, and revenue recognized by Fort Site of $17.5 million, which is included in consolidated revenue (for the three months ended March 31, 2021 - $119.8 million and $6.5 million, respectively).

Adjusted EBITDA

The Corporation defines Adjusted EBITDA as earnings (loss) from operations and joint venture, which excludes net finance expense and loss from discontinued operations, net of tax, as reported in the financial statements for the period, adjusted for: depletion, depreciation and amortization; impairment losses on non-current non-financial assets and investments; and gains or losses on disposal of property, plant and equipment of the Corporation and the Moa 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 March 31	Moa JV and Fort Site[(1)]	Metals Other	Oil and Gas	Power	Techno-logies	Corporate	Adjustment for Moa Joint Venture	Total 2022
Earnings (loss) from operations and joint venture per financial statements	**$ 67.7**	**$ (0.6)**	**$ 1.6**	**$ 0.5**	**$ (4.0)**	**$ (23.6)**	**$ (18.1)**	**$ 23.5**
Add (deduct):								
Depletion, depreciation and amortization	**2.6**	**-**	**0.5**	**3.9**	**-**	**0.3**	**-**	**7.3**
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	**10.9**	**-**	**-**	**-**	**-**	**-**	**-**	**10.9**
Net finance expense	**-**	**-**	**-**	**-**	**-**	**-**	**2.2**	**2.2**
Income tax expense	**-**	**-**	**-**	**-**	**-**	**-**	**15.9**	**15.9**
Adjusted EBITDA	**$ 81.2**	**$ (0.6)**	**$ 0.8**	**$ 4.4**	**$ (4.0)**	**$ (23.3)**	**$ -**	**$ 58.5**

$ millions, for the three months ended March 31	Moa JV and Fort Site[(1)]	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	$ 27.8	$ (0.6)	$ (3.9)	$ (1.1)	$ (3.3)	$ (9.5)	$ (3.3)	$ 6.1
Add (deduct):								
Depletion, depreciation and amortization	2.6	0.1	2.6	3.9	-	0.3	-	9.5
Adjustments for share of earnings of Moa Joint Venture:								
Depletion, depreciation and amortization	11.3	-	-	-	-	-	-	11.3
Net finance income	-	-	-	-	-	-	(2.4)	(2.4)
Income tax expense	-	-	-	-	-	-	5.7	5.7
Adjusted EBITDA	$ 41.7	$ (0.5)	$ (1.3)	$ 2.8	$ (3.3)	$ (9.2)	$ -	$ 30.2

(1) Adjusted EBITDA of Moa Joint Venture and Fort Site for the three months ended March 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 March 31, 2021 - $42.6 million and $(0.9) million, respectively).

Average-realized price

Average-realized price is generally calculated by dividing revenue by sales volume for the given product in a given division. The average-realized price for power excludes by-product revenue, as this revenue is not earned directly for power generation. Transactions by a Moa 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 fertilizer is the weighted-average realized price of ammonia and various ammonium sulphate products.

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

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

$ millions, except average-realized price and sales volume, for the three months ended March 31							**2022**
	Moa Joint Venture and Fort Site						
	Nickel	Cobalt	Fertilizer	Power	Other(1)	Adjustment for Moa Joint Venture	Total
Revenue per financial statements	**$ 123.0**	**$ 36.6**	**$ 20.6**	**$ 9.0**	**$ 13.0**	**$ (168.1)**	**$ 34.1**
Adjustments to revenue:							
By-product revenue	**-**	**-**	**-**	**(1.5)**			
Revenue for purposes of average-realized price calculation	**123.0**	**36.6**	**20.6**	**7.5**			
Sales volume for the period	**8.3**	**0.9**	**31.4**	**137**			
Volume units	Millions of pounds	Millions of pounds	Thousands of tonnes	Gigawatt hours			
Average-realized price(2)(3)(4)	**$ 14.85**	**$ 41.66**	**$ 654.55**	**$ 54.73**			

$ millions, except average-realized price and sales volume, for the three months ended March 31							2021
	Moa Joint Venture and Fort Site						
	Nickel	Cobalt	Fertilizer	Power	Other(1)	Adjustment for Moa Joint Venture	Total
Revenue per financial statements	$ 91.8	$ 23.0	$ 8.5	$ 5.9	$ 12.5	$ (119.8)	$ 21.9
Adjustments to revenue:							
By-product revenue	-	-	-	(0.7)			
Revenue for purposes of average-realized price calculation	91.8	23.0	8.5	5.2			
Sales volume for the period	9.2	1.1	27.1	95			
Volume units	Millions of pounds	Millions of pounds	Thousands of tonnes	Gigawatt hours			
Average-realized price(2)(3)(4)	$ 9.97	$ 21.91	$ 312.33	$ 54.81			

(1) Other revenue includes 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; and other costs primarily related to the impact of opening and closing inventory values, by the number of finished nickel pounds sold in the period, expressed in U.S. dollars.

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

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

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

$ millions, except unit cost and sales volume, for the three months ended March 31					**2022**
	Moa JV and Fort Site	Power	Other(1)	Adjustment for Moa Joint Venture	Total
Cost of sales per financial statements	**$ 116.0**	**$ 6.0**	**$ 9.3**	**$ (100.8)**	**$ 30.5**
Less:					
Depletion, depreciation and amortization in cost of sales	**(13.5)**	**(3.9)**			
	102.5	**2.1**			
Adjustments to cost of sales:					
Cobalt by-product, fertilizer and other revenue	**(62.6)**	**-**			
Impact of opening/closing inventory and other(2)	**(4.1)**	**-**			
Cost of sales for purposes of unit cost calculation	**35.8**	**2.1**			
Sales volume for the period	**8.3**	**137**			
Volume units	Millions of pounds	Gigawatt hours			
Unit operating cost(3)(4)	**$ 4.32**	**$ 15.70**			
Unit operating cost (US$ per pound) (NDCC)(5)	**$ 3.42**				

$ millions, except unit cost and sales volume, for the three months ended March 31					2021
	Moa JV and Fort Site	Power	Other(1)	Adjustment for Moa Joint Venture	Total
Cost of sales per financial statements	$ 96.4	$ 6.4	$ 14.8	$ (87.2)	$ 30.4
Less:					
Depletion, depreciation and amortization in cost of sales	(13.9)	(3.9)			
	82.5	2.5			
Adjustments to cost of sales:					
Cobalt by-product, fertilizer and other revenue	(34.5)	-			
Impact of opening/closing inventory and other(2)	(3.4)	-			
Cost of sales for purposes of unit cost calculation	44.6	2.5			
Sales volume for the period	9.2	95			
Volume units	Millions of pounds	Gigawatt hours			
Unit operating cost(3)(4)	$ 4.84	$ 25.89			
Unit operating cost (US$ per pound) (NDCC)(5)	$ 3.83				

(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.

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 March 31	**$ millions**	**$/share**	$ millions	$/share
Net earnings (loss) from continuing operations	**$ 16.4**	**$ 0.04**	$ (1.9)	$ (0.01)
Adjusting items:				
Sherritt - Unrealized foreign exchange gain - continuing operations	**(1.1)**	**-**	(2.6)	(0.01)
Corporate - Gain on repurchase of notes	**-**	**-**	(1.3)	-
Corporate - Unrealized (gain) loss on commodity put options	**(0.9)**	**-**	0.6	-
Corporate - Realized loss on commodity put options	**0.9**	**-**	-	-
Oil and Gas - Gain on disposal of property, plant and equipment	**(1.3)**	**-**	-	-
Oil and Gas and Power - ACL revaluation	**0.3**	**-**	1.6	-
Other(1)	**0.5**	**-**	1.8	0.01
Total adjustments, before tax	**$ (1.6)**	**$ -**	$ 0.1	$ -
Tax adjustments	**(0.1)**	**-**	(0.5)	-
Adjusted net earnings (loss) from continuing operations	**$ 14.7**	**$ 0.04**	$ (2.3)	$ (0.01)

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

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 March 31	Moa JV and Fort Site	Power	Other[1]	Combined total	Adjustment for Moa Joint Venture	Total derived from financial statements
						2022
Property, plant and equipment expenditures[2]	**$ 10.7**	**$ 0.5**	**$ -**	**$ 11.2**	**$ (7.1)**	**$ 4.1**
Intangible asset expenditures[2]	**-**	**-**	**0.8**	**0.8**	**-**	**0.8**
	10.7	**0.5**	**0.8**	**12.0**	**$ (7.1)**	**$ 4.9**
Adjustments:						
Accrual adjustment	**5.3**	**-**	**-**	**5.3**		
Spending on capital	**$ 16.0**	**$ 0.5**	**$ 0.8**	**$ 17.3**		

$ millions, for the three months ended March 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]	$ 4.6	$ -	$ 0.3	$ 4.9	$ (3.8)	$ 1.1
Intangible asset expenditures[2]	-	-	0.2	0.2	-	0.2
	4.6	-	0.5	5.1	$ (3.8)	$ 1.3
Adjustments:						
Accrual adjustment	-	-	-	-		
Spending on capital	$ 4.6	$ -	$ 0.5	$ 5.1		

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

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

Combined free cash flow

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

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

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

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

$ millions, for the three months ended March 31									**2022**
	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)	**$ 24.2**	**$ (4.3)**	**$ (1.7)**	**$ 8.7**	**$ (3.5)**	**$ (13.1)**	**$ 10.3**	**$ (4.7)**	**$ 5.6**
Less:									
Property, plant and equipment expenditures	**(10.7)**	**-**	**-**	**(0.5)**	**-**	**-**	**(11.2)**	**7.1**	**(4.1)**
Intangible expenditures	**-**	**-**	**(0.8)**	**-**	**-**	**-**	**(0.8)**	**-**	**(0.8)**
Free cash flow	**$ 13.5**	**$ (4.3)**	**$ (2.5)**	**$ 8.2**	**$ (3.5)**	**$ (13.1)**	**$ (1.7)**	**$ 2.4**	**$ 0.7**

$ millions, for the three months ended March 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)	$ 23.5	$ 15.6	$ (4.7)	$ 2.8	$ (3.2)	$ (9.9)	$ 24.1	$ (27.1)	$ (3.0)
Less:									
Property, plant and equipment expenditures	(4.6)	-	(0.2)	-	-	(0.1)	(4.9)	3.8	(1.1)
Intangible expenditures	-	-	(0.2)	-	-	-	(0.2)	-	(0.2)
Free cash flow	$ 18.9	$ 15.6	$ (5.1)	$ 2.8	$ (3.2)	$ (10.0)	$ 19.0	$ (23.3)	$ (4.3)

(1) Property, plant and equipment expenditures for the Moa Joint Venture and Fort Site was $7.1 million and $3.6 million, respectively, for the three months ended March 31, 2022 (for the three months ended March 31, 2021 - $3.8 million and $0.8 million, respectively).

(2) Cash provided (used) by continuing operations for operating activities for the Moa Joint Venture and Fort Site was $28.9 million and $(4.7) million, respectively, for the three months ended March 31, 2022 (for the three months ended March 31, 2021 - $33.4 million and $(9.9) million, respectively).