For immediate release

Sherritt Reports Third Quarter 2023 Results

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

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

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

SELECTED Q3 2023 DEVELOPMENTS

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

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

Q3 2023 FINANCIAL HIGHLIGHTS

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

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

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

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

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

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

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

REVIEW OF OPERATIONS

Metals

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Moa JV expansion program update

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

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

Slurry Preparation Plant (SPP):

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

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

Processing Plant:

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

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

Power

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

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

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

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

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

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

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

Technologies

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

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

OUTLOOK

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

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

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

Metals

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

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

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

Power

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

CONFERENCE CALL AND WEBCAST

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

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

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

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

FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

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

NON-GAAP AND OTHER FINANCIAL MEASURES

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

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

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

ABOUT SHERRITT INTERNATIONAL CORPORATION

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

FORWARD-LOOKING STATEMENTS

This press release contains certain forward-looking statements. Forward-looking statements can generally be identified by the use of statements that include such words as “believe”, “expect”, “anticipate”, “intend”, “plan”, “forecast”, “likely”, “may”, “will”, “could”, “should”, “suspect”, “outlook”, “potential”, “projected”, “continue” or other similar words or phrases. Specifically, forward-looking statements in this document include, but are not limited to, statements regarding strategies, plans and estimated production amounts resulting from expansion of mining operations at the Moa Joint Venture; growing and increasing nickel and cobalt production; the Moa Joint Venture expansion program update as it relates to the Slurry Preparation Plant and the Processing Plant; commercializing Technologies projects and growing shareholder value; statements set out in the “Outlook” section of this press release; certain expectations regarding production volumes and increases, inventory levels, operating costs and capital spending and intensity; sales volumes; revenue, costs and earnings; the availability of additional gas supplies to be used for power generation; the effect of maintenance challenges at the Moa mine; the anticipated repayment of all outstanding receivables through dividends, including in the form of finished cobalt or cash, the timing and amount of cobalt dividend distributions; sales of finished cobalt and associated receipts; the impact of the U.S. sanctions on Cuba; anticipated economic conditions in Cuba; sufficiency of working capital management and capital project funding; strengthening the Corporation’s capital structure and amounts of certain other commitments.

Forward-looking statements are not based on historical facts, but rather on current expectations, assumptions and projections about future events, including commodity and product prices and demand; the level of liquidity and access to funding; share price volatility; production results; realized prices for production; earnings and revenues; global demand for electric vehicles and the anticipated corresponding demand for cobalt and nickel; the commercialization of certain proprietary technologies and services; advancements in environmental and greenhouse gas (GHG) reduction technology; GHG emissions reduction goals and the anticipated timing of achieving such goals, if at all; statistics and metrics relating to Environmental, Social and Governance (ESG) matters which are based on assumptions or developing standards; environmental rehabilitation provisions; environmental risks and liabilities; compliance with applicable environmental laws and regulations; risks related to the U.S. government policy toward Cuba; and certain corporate objectives, goals and plans for 2023. By their nature, forward-looking statements require the Corporation to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions, forecasts, conclusions or projections will not prove to be accurate, that the assumptions may not be correct and that actual results may differ materially from such predictions, forecasts, conclusions or projections.

The Corporation cautions readers of this press release not to place undue reliance on any forward-looking statement as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements. These risks, uncertainties and other factors include, but are not limited to, security market fluctuations and price volatility; level of liquidity and the related ability of the Moa Joint Venture to pay dividends; access to capital; access to financing; the risk to Sherritt’s entitlements to future distributions (including pursuant to the Cobalt Swap) from the Moa Joint Venture, the impact of infectious diseases (including the COVID-19 pandemic), the impact of global conflicts; changes in the global price for nickel, cobalt, oil, gas, fertilizers or certain other commodities; risks related to Sherritt’s operations in Cuba; risks related to the U.S. government policy toward Cuba, including the U.S. embargo on Cuba and the Helms-Burton legislation; political, economic and other risks of foreign operations; uncertainty in the ability of the Corporation to enforce legal rights in foreign jurisdictions; uncertainty regarding the interpretation and/or application of the applicable laws in foreign jurisdictions; compliance with applicable environment, health and safety legislation and other associated matters; risks associated with governmental regulations regarding climate change and greenhouse gas emissions; risks relating to community relations; maintaining social license to grow and operate; risks related to environmental liabilities including liability for reclamation costs, tailings facility failures and toxic gas releases; uncertainty about the pace of technological advancements required in relation to achieving ESG targets; risks to information technologies systems and cybersecurity; identification and management of growth opportunities; the ability to replace depleted mineral reserves; risk of future non-compliance with debt restrictions and covenants; risks associated with the Corporation’s joint venture partners; variability in production at Sherritt’s operations in Cuba; risks associated with mining, processing and refining activities; potential interruptions in transportation; uncertainty of gas supply for electrical generation; reliance on key personnel and skilled workers; growth opportunity risks; the possibility of equipment and other failures; uncertainty of resources and reserve estimates; the potential for shortages of equipment and supplies, including diesel; supplies quality issues; risks related to the Corporation’s corporate structure; risks associated with the operation of large projects generally; risks related to the accuracy of capital and operating cost estimates; foreign exchange and pricing risks; credit risks; shortage of equipment and supplies; competition in product markets; future market access; interest rate changes; risks in obtaining insurance; uncertainties in labour relations; legal contingencies; risks related to the Corporation’s accounting policies; uncertainty in the ability of the Corporation to obtain government permits; failure to comply with, or changes to, applicable government regulations; bribery and corruption risks, including failure to comply with the Corruption of Foreign Public Officials Act or applicable local anti-corruption law; the ability to accomplish corporate objectives, goals and plans for 2023; and the ability to meet other factors listed from time to time in the Corporation’s continuous disclosure documents.

The Corporation, together with its Moa Joint Venture is pursuing a range of growth and expansion opportunities, including without limitation, process technology solutions, development projects, commercial implementation opportunities, life of mine extension opportunities and the conversion of mineral resources to reserves. In addition to the risks noted above, factors that could, alone or in combination, prevent the Corporation from successfully achieving these opportunities may include, without limitation: identifying suitable commercialization and other partners; successfully advancing discussions and successfully concluding applicable agreements with external parties and/or partners; successfully attracting required financing; successfully developing and proving technology required for the potential opportunity; successfully overcoming technical and technological challenges; successful environmental assessment and stakeholder engagement; successfully obtaining intellectual property protection; successfully completing test work and engineering studies, prefeasibility and feasibility studies, piloting, scaling from small scale to large scale production, , procurement, construction, commissioning, ramp-up to commercial scale production and completion; and securing regulatory and government approvals. There can be no assurance that any opportunity will be successful, commercially viable, completed on time or on budget, or will generate any meaningful revenues, savings or earnings, as the case may be, for the Corporation. In addition, the Corporation will incur costs in pursuing any particular opportunity, which may be significant. Readers are cautioned that the foregoing list of factors is not exhaustive and should be considered in conjunction with the risk factors described in the Corporation’s other documents filed with the Canadian securities authorities, including without limitation the "Managing Risk" section of the Management's Discussion and Analysis for the three and nine months ended September 30, 2023 and the Annual Information Form of the Corporation dated March 31, 2023 for the period ending December 31, 2022, which is available on SEDAR at www.sedarplus.ca.

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

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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 and nine months ended September 30, 2023.

Combined revenue

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

Management uses this measure to reflect the Corporation's economic interest in its operations prior to the application of equity accounting to help allocate financial resources and provide investors with information that it believes is useful in understanding the scope of Sherritt's business, based on its economic interest, irrespective of the accounting treatment.

The table below reconciles combined revenue to revenue per the financial statements:

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

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

Adjusted EBITDA

The Corporation defines Adjusted EBITDA as earnings (loss) from operations and joint venture, which excludes net finance expense and loss from discontinued operations, net of tax, as reported in the financial statements for the period, adjusted for: depletion, depreciation and amortization; impairment losses on non-current non-financial assets and investments; and gains or losses on disposal of property, plant and equipment of the Corporation and the Moa JV. The exclusion of impairment losses eliminates the non-cash impact of the losses.

Management uses Adjusted EBITDA internally to evaluate the cash generation potential of Sherritt's operating divisions on a combined and segment basis as an indicator of ability to fund working capital needs, meet covenant obligations, service debt and fund capital expenditures, as well as provide a level of comparability to similar entities. Management believes that Adjusted EBITDA provides useful information to investors in evaluating the Corporation's operating results in the same manner as management and the Board of Directors.

The tables below reconcile earnings from operations and joint venture per the financial statements to Adjusted EBITDA:

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

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

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

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

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

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

Average-realized price

Average-realized price is generally calculated by dividing revenue by sales volume for the given product in a given division. The average-realized price for power excludes by-product revenue, as this revenue is not earned directly for power generation. Transactions by a Moa JV marketing company, included in other revenue, are excluded.

Management uses this measure, and believes investors use this measure, to compare the relationship between the revenue per unit and direct costs on a per unit basis in each reporting period for nickel, cobalt, fertilizer and power and provide comparability with other similar external operations.

Average-realized price for fertilizer is the weighted-average realized price of ammonia and various ammonium sulphate products.

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

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

$ millions, except average-realized price and sales volume, for the three months ended September 30							**2023**
	Metals						
	Nickel	Cobalt	Fertilizer	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Revenue per financial statements	**$ 78.6**	**$ 20.4**	**$ 8.3**	**$ 11.9**	**$ 13.2**	**$ (96.0)**	**$ 36.4**
Adjustments to revenue:							
By-product revenue	**-**	**-**	**-**	**(1.2)**			
Revenue for purposes of average-realized price calculation	**78.6**	**20.4**	**8.3**	**10.7**			
Sales volume for the period	**6.3**	**1.2**	**21.4**	**190**			
Volume units	Millions of pounds	Millions of pounds	Thousands of tonnes	Gigawatt hours			
Average-realized price[2][3][4]	**$ 12.54**	**$ 17.64**	**$ 389.43**	**$ 56.30**			

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

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

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

(1) Other revenue includes revenue from the Oil and Gas, Technologies and Corporate reportable segments.

(2) Average-realized price may not calculate exactly based on amounts presented due to foreign exchange and rounding.

(3) Power, average-realized price per MWh.

(4) Fertilizer, average-realized price per tonne.

Unit operating cost/NDCC

With the exception of Metals, which uses NDCC, unit operating cost is generally calculated by dividing cost of sales as reported in the financial statements, less depreciation, depletion and amortization in cost of sales, the impact of impairment losses, gains and losses on disposal of property, plant, and equipment and exploration and evaluation assets and certain other non-production related costs, by the number of units sold.

Metals' NDCC is calculated by dividing cost of sales, as reported in the financial statements, adjusted for the following: depreciation, depletion, amortization and impairment losses in cost of sales; cobalt by-product, fertilizer and other revenue; cobalt gain/loss; and other costs primarily related to the impact of opening and closing inventory values, by the number of finished nickel pounds sold in the period, expressed in U.S. dollars.

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

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

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

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

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

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

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

(1) Other is composed of the cost of sales of the Oil and Gas and Technologies reportable segments.
(2) Other is primarily composed of royalties and other contributions, sales discounts and other non-cash items.
(3) Unit operating cost/NDCC may not calculate exactly based on amounts presented due to foreign exchange and rounding.
(4) Power, unit operating cost price per MWh.
(5) Unit operating costs in US$ are converted at the average exchange rate for the period.

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

The Corporation defines adjusted net earnings/loss from continuing operations as net earnings/loss from continuing operations less items not reflective of operational performance. These adjusting items include, but are not limited to, inventory obsolescence, impairment of assets, gains and losses on the acquisition or disposal of assets, unrealized foreign exchange gains and losses, gains and losses on financial assets and liabilities and other one-time adjustments. While some adjustments are recurring (such as unrealized foreign exchange (gain) loss and revaluations of allowances for expected credit losses (ACL)), management believes that they do not reflect the Corporation's operational performance or future operational performance. Adjusted net earnings/loss from continuing operations per share is defined consistent with the definition above and divided by the Corporation's weighted-average number of common shares outstanding.

Management uses these measures internally and believes that they provide investors with performance measures with which to assess the Corporation's core operations by adjusting for items or transactions that are not reflective of its core operating activities.

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

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

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

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

Spending on capital

The Corporation defines spending on capital for each segment as property, plant and equipment and intangible asset expenditures on a cash basis adjusted to the accrual basis in order to account for assets that are available for use by the Corporation and the Moa Joint Venture prior to payment and includes adjustments to accruals. The Moa Joint Venture and Fort Site segment's spending on capital includes the Fort Site's expenditures, plus the Corporation's 50% share of the Moa Joint Venture's expenditures, which is accounted for using the equity method for accounting purposes.

Combined spending on capital is the aggregate of each segment's spending on capital or the Corporation's consolidated property, plant and equipment and intangible asset expenditures and the property, plant and equipment and intangible asset expenditures of the Moa Joint Venture on a 50% basis, all adjusted to the accrual basis.

Combined spending on capital is used by management, and management believes this information is used by investors, to analyze the Corporation and the Moa Joint Venture's investments in non-current assets that are held for use in the production of nickel, cobalt, fertilizers, oil and gas and power generation.

The tables below reconcile property, plant and equipment and intangible asset expenditures per the financial statements to combined spending on capital, expressed in Canadian dollars:

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

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

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

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

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

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

Combined free cash flow

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

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

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

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

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

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

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

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

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

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

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

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