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Sherritt Reports Fourth Quarter and Full Year 2023 Results; 2024 Guidance for Metals Outlines Improved Production and Lower Costs

TORONTO – February 7, 2024 – 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 months and year ended December 31, 2023 and provided its 2024 guidance. All amounts are in Canadian currency unless otherwise noted.

Leon Binedell, President and CEO of Sherritt commented, "Last year was a challenging year for the Moa JV. The nickel price fell faster and further than forecast, particularly in the second half of the year. Nickel pricing suffered from a significant over supplied market due to the conversion of Class II nickel into intermediates suitable for the electric vehicle market and even into Class I LME deliverable metal putting further downward pressure on pricing."

Mr. Binedell continued, "For our part, at the start of the year, we acknowledged that 2023 would be a transitional year at the mine; however, we had not anticipated encountering the more immediate operational issues we found ourselves facing at the mine and consequently at the refinery. Working together with our partner we successfully resolved each of these operational hurdles and we are continuing to work together to materially improve the operational performance at both facilities. In addition, in our fertilizer business, we suffered a significant outage in our ammonia plant. Despite our established multi-year capital refurbishment program, this required the advancement of significant operational spend which would otherwise be covered under our planned capital program and also led to reduced fertilizer sales. In support of our initiatives to improve operational oversight, we have changed Sherritt's operational leadership to a Chief Operating Officer with considerable experience and recent successes, including working closely with our partner in Cuba to deliver phase one of our expansion program on time and below budget.

Despite the challenges faced in 2023, we accomplished a number of objectives which further build the foundation for our future success. We delivered our technical report for the Moa JV, doubling mine life and extending it beyond 2040. We achieved growth in our power business with energy production in the fourth quarter reaching our highest quarterly production level since 2016. We successfully completed the first year of the Cobalt Swap agreement and we continued advancing the Moa JV expansion on budget and on schedule."

Commenting on managing the lower nickel price environment that is forecasted for 2024 Mr. Binedell added, "The nickel market turned quickly during the third quarter of 2023. Our established process of forecasting long-term cash flows prepared us early to implement an effective cost mitigation and cash conservation program which we expect to begin realizing the benefits from in 2024. With the support from our partner, we have optimized operating plans for 2024 and beyond and combined with the spending reductions during the third quarter and headcount reductions early this year, we are better aligned with the current nickel price environment."

In finishing his remarks, Mr. Binedell closed by saying, "Looking ahead, we will continue to proactively pursue opportunities to improve profitability and liquidity while delivering operational improvements, translating to higher production of nickel and cobalt at lower net direct cash costs. With our stronger operational outlook, we remain well positioned to take advantage of the expected long-term demand growth for the critical minerals we produce."

FOURTH QUARTER AND FULL YEAR 2023 RESULTS AND SELECTED DEVELOPMENTS

- Sherritt's share(1) of finished nickel and cobalt production in Q4 2023 at the Moa Joint Venture ("Moa JV") was 3,744 tonnes and 330 tonnes, respectively. During the quarter, Moa mixed sulphides production was impacted by heavy rainfall which required processing lower grade and quality stockpiled material. Full year 2023 finished nickel and cobalt production on a 100% basis was 28,672 tonnes and 2,876 tonnes, respectively, slightly below their annual guidance(2) ranges.
- Net direct cash cost ("NDCC")(3) was US$7.87/lb in Q4 2023. Full year 2023 NDCC(3) of US$7.22/lb was within guidance(2).
- Electricity production in Q4 2023 was 225 GWh. Full year 2023 production of 745 GWh exceeded guidance(2) due to additional gas from the two gas wells that went into production during Q2 2023 and improved equipment availability.

- Electricity unit operating cost(3) in Q4 2023 was $29.16/MWh. Full year 2023 unit operating costs(3) of $27.70/MWh was within guidance(2).
- Net loss from continuing operations of $53.4 million, or $(0.13) per share in Q4 2023 and $64.3 million, or $(0.16) per share for the full year 2023, was primarily impacted by delayed nickel sales, lower fertilizer sales volumes, lower average-realized prices(3), higher maintenance costs, inventory write-downs and an increase in rehabilitation and closure costs related to legacy Oil and Gas assets.
- Adjusted net loss from continuing operations(3), was $27.9 million or $(0.07) per share in Q4 2023 and $28.1 million or $(0.07) per share for the full year 2023.
- Adjusted EBITDA(3) in Q4 2023 was $(7.0) million and $46.2 million for full year 2023 and included $2.3 million and $14.6 million in inventory write-downs in Q4 and the full year 2023, respectively.
- Available liquidity in Canada as at December 31, 2023 was $63.0 million.
- Completed the first year of the Cobalt Swap(4) which included receipt of 2,082 tonnes of cobalt from the Moa JV which was sold by Sherritt realizing cash receipts of $80.3 million, a cash dividend of $64.0 million, and a corresponding reduction in the GNC receivable of $76.0 million.
- Slurry Preparation Plant ("SPP") construction was completed; commissioning and capacity testing is ongoing, and in January 2024, the SPP began processing ore at design capacity. The overall timing and budget of phase two to reach target levels of production remains unchanged and is on schedule for an expected end of year 2024 completion with commissioning and ramp up in 2025.

(1) References to "Sherritt's Share" is consistent with the Corporation's definition of reportable segments for financial statement purposes. Sherritt's Share of "Metals" includes the Corporation's 50% interest in the Moa JV, its 100% interest in the utility and fertilizer operations in Fort Saskatchewan ("Fort Site") and its 100% interests in subsidiaries established to buy, market and sell certain of the Moa JV's nickel and cobalt production and the Corporation's cobalt inventory received under the Cobalt Swap agreement ("Metals Marketing"). Sherritt's Share of Power includes the Corporation's 33⅓% interest in Energas S.A. ("Energas"). References to Technologies and Oil and Gas includes the Corporation's 100% interest in these businesses. References to Fort Site directly is to the Corporation's interest in its 100% interest in the utility and fertilizer operations.

(2) "Guidance" refers to 2023 guidance as most recently disclosed in the Corporation's Management Discussion and Analysis for the three and nine months ended September 30, 2023; for additional information see the Outlook section.

(3) Non-GAAP financial measures. In Q4 2023, Sherritt revised its definitions of combined revenue, adjusted net (loss) earnings from continuing operations and adjusted EBITDA to exclude the financial results of its Oil and Gas segment as the segment is not currently exploring for or producing oil and gas and its financial results relate to ancillary drilling services provided to a customer and CUPET and environmental rehabilitation costs for legacy assets, which are not reflective of the Corporation's core operating activities or revenue generation potential. Prior period comparative amounts have been adjusted accordingly. For additional information see the Non-GAAP and other financial measures section of this press release.

(4) For additional information on the Cobalt Swap, see Note 12 – Advances, loans receivable and other financial assets of the consolidated financial statements for the year ended December 31, 2023.

2024 ANNUAL GUIDANCE

Nickel and cobalt production are both expected to increase in 2024 compared to 2023 due to increased feed of mixed sulphides from the Moa mine site to the refinery as a result of access to additional ore sources to improve the blend of feed as well as increased quality and feed rates following the ramp-up of the SPP, and reduced downtime from maintenance. NDCC(1) is expected to be lower in 2024 compared to 2023 due to lower expected maintenance activity, cost optimization, and higher expected production and sales, including increased fertilizer by-product sales.

Electricity production is expected to be higher in 2024 compared to 2023 primarily due to the full year receipt of additional gas from the two wells that went into production in Q2 2023. Unit operating cost(1) for electricity in 2024 reflects higher planned maintenance activities related to gas turbines, partly offset by the impact of higher electricity production and sales.

Production and costs:

- finished nickel production of 30,000 to 32,000 tonnes (100% basis);
- finished cobalt production of 3,100 to 3,400 tonnes (100% basis);
- NDCC(1) of US$5.50 to US$6.00 per pound of nickel sold;
- electricity production of 775 to 825 GWh (33⅓% basis); and
- electricity unit operating cost(1) of $32.50 to $34.00 per MWh.

Spending on capital[1]:

- sustaining: Metals (Moa JV 50% basis, Fort Site 100% basis) of $40.0 million;
- sustaining: Power (33⅓% basis) of $5.5 million; and
- growth: Metals (Moa JV 50% basis) of $15.0 million.

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

DEVELOPMENTS SUBSEQUENT TO THE QUARTER

Subsequent to the quarter end:

- As announced January 15, 2024, Sherritt implemented an organization-wide restructuring and cost-cutting program following a robust internal review conducted during the second half of 2023 to improve operational performance and respond to current market conditions. The changes include:
  - consolidated executive oversight over operations into a single role and appointed Elvin Saruk as Chief Operating Officer;
  - streamlined the Metals division to deliver value in the near-term while ensuring safe and effective operations;
  - restructured Technologies to a reduced scale in line with a narrower focus to deliver essential support and enhancements to internal operations and business development opportunities to expand midstream processing capacity of critical minerals for the electric vehicle supply chain; and
  - reduced the Corporation's Canadian operations headcount by approximately 10%, with annualized employee cost savings of $13.0 million expected to be realized.
- The Moa JV signed a sales agreement for nickel deliveries in 2024 with a $20 million prepayment expected to be received in early February, improving available liquidity.
- As a result of lower realized commodity prices and lower nickel sales volumes over the second half of 2023, coupled with an expected lower pricing environment in the near term, Sherritt continued its prudent approach to managing its liquidity and elected not to pay cash interest due in January 2024 of $3.4 million and added the payment-in-kind interest to the principal amount owed to noteholders on its 10.75% unsecured PIK option notes ("PIK notes").

Q4 2023 FINANCIAL HIGHLIGHTS

	For the three months ended			For the year ended		
$ millions, except per share amount	**2023 December 31**	2022 December 31	Change	**2023 December 31**	2022 December 31	Change
Revenue	**$ 34.8**	$ 48.6	(28%)	**$ 223.3**	$ 178.8	25%
Combined revenue[1]	**140.5**	234.6	(40%)	**652.9**	834.7	(22%)
(Loss) earnings from operations and joint venture	**(43.4)**	(0.1)	nm[2]	**(43.4)**	118.7	(137%)
Net (loss) earnings from continuing operations	**(53.4)**	(7.3)	(632%)	**(64.3)**	63.7	(201%)
Net (loss) earnings for the period	**(53.4)**	(7.0)	(663%)	**(64.6)**	63.5	(202%)
Adjusted EBITDA[1]	**(7.0)**	35.5	(120%)	**46.2**	233.1	(80%)
Adjusted net (loss) earnings from continuing operations	**(27.9)**	8.4	(432%)	**(28.1)**	112.7	(125%)
Net (loss) earnings from continuing operations ($ per share)	**(0.13)**	(0.02)	(550%)	**(0.16)**	0.16	(200%)
Adjusted net (loss) earnings from continuing operations ($ per share)	**(0.07)**	0.02	(450%)	**(0.07)**	0.28	(125%)
Cash (used) provided by continuing operations for operating activities	**(18.1)**	40.3	(145%)	**28.2**	90.3	(69%)
Combined free cash flow[1]	**(39.1)**	43.2	(191%)	**(15.9)**	65.1	(124%)
Average exchange rate (CAD/US$)	**1.362**	1.358	-	**1.350**	1.301	4%

(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 December 31**	2022 December 31	Change
Cash and cash equivalents			
Canada	**$ 21.5**	$ 20.3	6%
Cuba(1)	**96.3**	101.7	(5%)
Other	**1.3**	1.9	(32%)
	119.1	123.9	(4%)
Loans and borrowings	**355.6**	350.9	1%
The Corporation's share of cash and cash equivalents in the Moa Joint Venture, not included in the above balances:	**$ 5.9**	$ 21.8	(73%)

(1) As at December 31, 2023, $93.9 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 December 31, 2023 were $119.1 million, down from $120.4 million as at September 30, 2023. During Q4 2023, Sherritt drew an additional $40.0 million on its revolving credit facility of which $15.0 million was advanced to the Moa JV for short-term working capital purposes and received $4.0 million proceeds from operating activities from Fort Site including the impact of receipts from fertilizer pre-sales and timing of working capital payments. These amounts were offset primarily by payments of $5.5 million for property, plant and equipment, $9.4 million for interest on the 8.5% second lien secured notes ("Second Lien Notes"), and $4.2 million on rehabilitation and closure costs related to legacy Oil and Gas Spain assets.

On a full year basis, cash and cash equivalents as at December 31, 2023 were down slightly from $123.9 million as at December 31, 2022. During 2023, Sherritt received $80.3 million from the sale of cobalt to third parties and $64.0 million as a top-up cash dividend under the Cobalt Swap. In addition, Sherritt drew a net $13.0 million on its revolving credit facility, repaying $17.0 million related to repurchasing notes in the prior year and advancing $30.0 million to the Moa JV for short-term working capital purposes. Significant cash payments during the year included $24.9 million for share-based compensation; $18.8 million for interest on the Second Lien Notes, $20.1 million for property, plant and equipment, $7.8 million for the repurchase of PIK notes at a discount, and $5.9 million on rehabilitation and closure costs related to legacy Oil and Gas Spain assets. In addition, Energas paid $14.8 million (33⅓ basis) to GNC in the year, in Cuban pesos, in accordance with the Cobalt Swap.

As at December 31, 2023, total available liquidity in Canada, which is composed of cash and cash equivalents in Canada and available credit facilities of $41.5 million was $63.0 million compared to $104.2 million as at September 30, 2023 and $74.8 million as at December 31, 2022.

Subsequent to quarter end, the Moa JV signed a sales agreement for nickel deliveries in 2024 with a $20 million prepayment expected to be received in early February, improving available liquidity.

Advances to the Moa JV are interest bearing, at the Corporation's borrowing rates, and are expected to be repaid during the first half of 2024. Sherritt does not expect to advance further amounts to the Moa JV in 2024. Upon repayment of the amounts outstanding by the Moa JV, and subject to the Moa JV's available liquidity to support operations and expected liquidity requirements, the joint venture will be eligible to commence payment of cobalt dividends pursuant to the Cobalt Swap. At current spot nickel prices, and given the prioritization of the joint venture to repay its outstanding advances, the Corporation expects that under the Cobalt Swap the cobalt dividends anticipated to commence in the second half the year will not meet the annual maximum amount in 2024. As previously disclosed and as defined by the agreement, any short fall in the annual minimum payment amount will be added to the following year.

At the Second Lien Note interest payment date in October 2023, the Corporation was not required to make a mandatory redemption of Second Lien Notes for the two-quarter period ended June 30, 2023 as it did not meet the minimum liquidity threshold as defined in the indenture agreement. For the two-quarter period ended December 31, 2023, the Corporation did not have Excess Cash Flow as defined in the Second Lien Notes indenture agreement and, therefore, will not be required to make a mandatory redemption with its April 2024 interest payment.

REVIEW OF OPERATIONS

Metals

$ millions (Sherritt's share), except as otherwise noted	For the three months ended 2023 December 31	2022 December 31	Change	For the year ended 2023 December 31	2022 December 31	Change
FINANCIAL HIGHLIGHTS						
Revenue[1]	**$ 125.9**	$ 223.5	(44%)	**$ 603.7**	$ 795.1	(24%)
Cost of sales[1]	**146.6**	189.5	(23%)	**601.4**	587.8	2%
(Loss) earnings from operations	**(22.0)**	30.5	(172%)	**(2.1)**	197.9	(101%)
Adjusted EBITDA[2]	**(8.7)**	45.1	(119%)	**53.6**	251.8	(79%)
CASH FLOW						
Cash provided by continuing operations for operating activities[1]	**$ 3.4**	$ 81.6	(96%)	**$ 115.9**	$ 171.6	(32%)
Free cash flow[2]	**(14.2)**	57.7	(125%)	**58.9**	107.4	(45%)
PRODUCTION VOLUMES (tonnes)						
Mixed Sulphides	**3,514**	4,000	(12%)	**15,084**	16,248	(7%)
Finished Nickel	**3,744**	4,112	(9%)	**14,336**	16,134	(11%)
Finished Cobalt	**330**	423	(22%)	**1,438**	1,684	(15%)
Fertilizer	**61,092**	62,254	(2%)	**219,707**	250,147	(12%)
NICKEL RECOVERY[3] (%)	**89%**	85%	5%	**88%**	87%	1%
SALES VOLUMES (tonnes)						
Finished Nickel	**3,511**	4,486	(22%)	**12,888**	15,879	(19%)
Finished Cobalt	**399**	386	3%	**2,720**	1,379	97%
Fertilizer	**55,509**	61,664	(10%)	**170,161**	170,427	-
AVERAGE-REFERENCE PRICE[4] (US$)						
Nickel (US$ per pound)	**$ 7.82**	$ 11.47	(32%)	**$ 9.74**	$ 11.61	(16%)
Cobalt (US$ per pound)	**15.69**	23.00	(32%)	**16.30**	30.75	(47%)
AVERAGE-REALIZED PRICE[2] (CAD)						
Nickel ($ per pound)	**$ 10.87**	$ 15.55	(30%)	**$ 13.36**	$ 14.93	(11%)
Cobalt ($ per pound)	**17.23**	25.72	(33%)	**17.47**	34.26	(49%)
Fertilizer ($ per tonne)	**414.80**	647.03	(36%)	**548.16**	759.91	(28%)
UNIT OPERATING COST[2] (US$)						
Nickel - net direct cash cost (US$ per pound)	**$ 7.87**	$ 7.00	12%	**$ 7.22**	$ 5.14	40%
SPENDING ON CAPITAL[2] (CAD)						
Sustaining	**$ 19.0**	$ 22.3	(15%)	**$ 51.3**	$ 66.7	(23%)
Growth	**2.3**	4.4	(48%)	**11.4**	7.4	54%
	$ 21.3	$ 26.7	(20%)	**$ 62.7**	$ 74.1	(15%)

(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) Reference sources: Nickel – London Metal Exchange. Cobalt - Average standard-grade cobalt price published per Argus.

Challenging market conditions accelerated in the fourth quarter 2023 through lower demand and reference prices for nickel. Despite management actions taken to reduce costs and protect margins, unplanned maintenance challenges and lower production due to lower ore grades and poor quality ore sources available negated these efforts, negatively impacting operating cost and margins that ultimately contributed to an adjusted EBITDA[(1)] of $(8.7) million which also included the impacts of $2.3 million in inventory write-downs. During 2023, in addition to the unplanned maintenance to the ammonia plant in the third and fourth quarters, the Fort Site experienced higher than normal maintenance costs, in part due to the planned biannual acid plant shutdown, which identified a larger than anticipated remedial scope of work. This maintenance work has since been completed and production has returned to levels in line with historical performance.

In further response to expected lower pricing commodity market conditions, subsequent to the year end the Corporation streamlined its Metals business unit to improve operating margins in the near-term while ensuring safe and effective operations by reducing senior management costs, operating headcount and non-essential expenditures. Additional operational improvements are expected to further enhance the performance of Metals going forward. Phase one of the Moa expansion is complete and following its ramp-up, is expected to reduce ore haulage distances, lower carbon intensity from mining and increase annual mixed sulphide precipitate (“MSP”) production of contained nickel and cobalt. As outlined in its 2024 guidance for NDCC[(1)] of US$5.50 – US$6.00 per pound of nickel sold, the Corporation expects through the implemented changes, a meaningful improvement to be realized in costs and operating margins going forward.

Finished nickel revenue for the three months and year ended December 31, 2023 was $84.1 million and $379.6 million down from $153.8 million and $522.8 million, respectively, in the prior year periods primarily as result of lower average-realized prices[(1)] and lower sales volumes for nickel in each of the current year periods. Average-realized nickel prices[(1)] were 30% and 11% lower, respectively, in the current year periods.

Finished nickel sales volumes for the three months and year ended December 31, 2023 were 3,511 tonnes and 12,888 tonnes down from 4,486 tonnes and 15,879 tonnes, respectively, in the prior year periods. During Q4 2023, finished nickel sales volumes were in line with finished nickel production volumes with sales volumes improving from Q3 2023. Finished nickel sales volumes during the full year 2023 were lower than finished nickel production volumes due to lower demand for nickel from steel mills after mid-year shutdowns, lower finished metal purchasing in Asia as mixed hydroxide precipitate (“MHP”) and matte intermediate availability increased and customers delayed purchases to reduce inventories and their holding and financing costs and sought better prices in a falling price environment. All of this resulted in higher than anticipated inventory build-up at the end of 2023. This inventory is expected to be reduced over the course of 2024.

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 and year ended December 31, 2023 was $15.2 million and $104.8 million compared to $22.0 million and $104.2 million, respectively, in the prior year periods. While sales volumes of 399 tonnes and 2,720 tonnes in the current year periods were 3% and 97% higher, respectively, revenue was impacted by 33% and 49% lower average-realized prices[(1)] in the current year periods, respectively.

Cobalt sales volumes based on Sherritt’s 50% share were 375 tonnes in Q4 2023 compared to 386 tonnes in Q4 2022 and 1,692 tonnes for the year ended December 31, 2023 compared to 1,379 tonnes for the prior year. Lower sales in Q4 2023 reflected the impact of lower production. For the full year period, a general improvement in demand in the second and third quarters reflected increased purchases as consumers took the opportunity to restock inventories as prices stabilized at relative lows in the recent price cycle. During this period, Sherritt was able to increase its customer base and reduce its inventory to more typical levels.

Fertilizer revenue for the three months and year ended December 31, 2023 was $23.1 million and $93.3 million compared to $39.9 million and $129.5 million, respectively, in the prior year periods. Sales volumes for the three months ended December 31, 2023 were 10% lower than the prior year period due to the unplanned maintenance earlier in the year which resulted in lower ammonia production and lower fertilizer availability during the fall shipping season. Sales volumes for the full year ended December 31, 2023 were relatively unchanged compared to the prior year. Average-realized prices[(1)] in the current year periods were 36% and 28% lower compared to the prior year periods, respectively.

Mixed sulphides production at the Moa JV for the three months and year ended December 31, 2023 was 3,514 tonnes and 15,084 tonnes, down 12% and 7%, respectively, from the prior year periods. In Q4 2023, mixed sulphides production was impacted by heavy rainfall which required processing lower grade and quality stockpiled materials. 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. As well, for the full year 2023, production was impacted by maintenance on the ore thickener and hydrogen plant, lower ore grades and ore blending challenges in the first half of the year, all of which have since been resolved.

Finished nickel production for the three months and year ended December 31, 2023 was 3,744 tonnes and 14,336 tonnes, down from 4,112 tonnes and 16,134 tonnes, respectively, in the prior year periods primarily as a result of lower mixed sulphides feed availability at the refinery. This feed shortfall was partly offset by the higher third-party feed processed in the fourth quarter.

Finished cobalt production for the three months and year ended December 31, 2023 was 330 tonnes and 1,438 tonnes down from 423 tonnes and 1,684 tonnes, respectively, in the prior year periods as a result of lower mixed sulphides feed availability at the refinery.

Full year 2023 finished nickel and finished cobalt production were slightly below their respective guidance(2) ranges for the year.

Fertilizer production for the three months and year ended December 31, 2023 of 61,092 tonnes and 219,707 tonnes was 2% lower and 12% lower, respectively, compared to prior year periods in line with lower metals production and the impact of reduced ammonia plant availability resulting from unplanned maintenance during the current year. Ammonia production returned to normal in Q4.

Mining, processing and refining ("MPR") costs per pound of nickel sold ("MPR/lb"), which includes Sherritt's share of cost of Cobalt Swap and Moa JV cobalt sold, for the three months ended December 31, 2023 was down 16% compared to Q4 2022 as a result of lower input commodity prices, including a 56% decrease in global sulphur prices, a 45% decrease natural gas prices, a 13% decrease in diesel prices, and a 7% decrease in fuel oil prices and the increased ratio of third-party feed to Moa mine feed, partly offset by higher maintenance costs and lower nickel production and sales volumes in the current year period. For the year ended December 31, 2023, MPR/lb was 4% higher than in the prior year as a result of lower nickel production and sales volumes in the current year, higher maintenance costs, and the cost associated with the higher cobalt sales volume, partly offset by lower input commodity prices. For the year ended December 31, 2023, global sulphur, natural gas, diesel and fuel oil prices decreased 49%, 46% and 3% and 14% respectively.

NDCC(1) per pound of nickel sold for the three months ended December 31, 2023 increased to US$7.87/lb from US$7.00/lb in the prior year as lower MPR/lb were offset by higher third-party feed costs and lower fertilizer and cobalt by-product credits(3). Higher MPR/lb for the year ended December 31, 2023, as discussed above, coupled with lower fertilizer and cobalt by-product credits resulted in a higher NDCC(1) of US$7.22/lb compared to US$5.14/lb for the prior year. Lower net fertilizer by-product credits in both current year periods reflected lower production and sales, lower realized prices, as well as higher maintenance costs. In both current year periods, NDCC(1) reflected the impact of lower nickel sales volumes. Annual NDCC per pound of nickel sold was within the guidance(2) range for the year.

Sustaining spending on capital(1) for the three months and year ended December 31, 2023 was $19.0 million and $51.3 million, compared to $22.3 million and $66.7 million, respectively, in the prior year periods primarily due to timing of planned spending at both the Moa JV and Fort Site. Sherritt took a prudent approach and reduced its sustaining spending on capital(1) guidance(2) in Q3 2023 to conserve liquidity in response to the current market conditions. Annual sustaining spending(1) on capital was in line with guidance(2) for the year.

Growth spending on capital(1) for the three months and year ended December 31, 2023 was $2.3 million and $11.4 million, compared to $4.4 million and $7.4 million, respectively, in the prior year periods, most of which was related to spending on the SPP and Sixth Leach Train as part of the Moa JV expansion program in each of the current year periods. Annual growth spending on capital was below guidance(2) for the year and related to the timing of spending for non-critical path items. The project timing and overall budget remains unchanged.

In Q1 2023, the Moa JV released its National Instrument 43-101 Technical Report which indicates that the current reserves estimates, without the current expansion impact, are sufficient to extend the life of mine 14 years to 2048.

(1) Non-GAAP financial measures. For additional information see the Non-GAAP and other financial measures section of this press release.
(2) "Guidance" refers to 2023 guidance as most recently disclosed in the Corporation's Management Discussion and Analysis for the three and nine months ended September 30, 2023; for additional information see the Outlook section.
(3) 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. This low cost and low capital intensity two-phase expansion program remains on budget and on schedule. Phase one of the expansion, the SPP, is expected to reduce ore haulage distances, lower carbon intensity from mining and increase annual MSP production of contained nickel and cobalt through increased throughput over the mine's long life. With completion of phase two of the expansion, the Processing Plant, annual MSP production is targeted to increase by 6,500 tonnes of contained nickel and cobalt (100% basis) and is expected to fill the refinery to nameplate capacity to maximize profitability from the joint venture's own mine feed, displacing lower margin third party feeds and increasing overall finished nickel and cobalt production.

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

SPP:

- Construction of the SPP was completed under budget; commissioning and capacity testing is ongoing, and in January 2024 the SPP began processing ore at design capacity.

Processing Plant:

- Civil construction and structural erection is ongoing on those areas not completed in the prior expansion.
- Some of the long-lead items will be delivered in Q1 2024 for the Sixth Leah Train which will allow mechanical construction to commence in Q2 2024; and
- engineering for the Fifth Sulphide Precipitation Train has been completed and ordering of equipment and materials will commence in 2024.
- In response to the current lower nickel price environment, the joint venture optimized the timing of certain capital spending items shifting some phase two spending to beyond 2024. This deferral is not expected to impact the timing of the ramp up of MSP production from the expansion.

The overall timing and budget to reach target production remains unchanged and is 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 December 31	2022 December 31	Change	For the year ended 2023 December 31	2022 December 31	Change
FINANCIAL HIGHLIGHTS						
Revenue	**$ 14.0**	$ 10.5	33%	**$ 47.1**	$ 37.1	27%
Cost of sales	**7.1**	4.9	45%	**22.7**	24.2	(6%)
Earnings from operations	**5.9**	4.5	31%	**20.7**	8.7	138%
Adjusted EBITDA(1)	**6.6**	6.1	8%	**23.2**	22.3	4%
CASH FLOW						
Cash provided by continuing operations for operating activities	**$ 7.4**	$ 13.5	(45%)	**$ 16.9**	$ 37.4	(55%)
Free cash flow(1)	**6.1**	12.0	(49%)	**13.7**	32.3	(58%)
PRODUCTION AND SALES						
Electricity (GWh(2))	**225**	159	42%	**745**	568	31%
AVERAGE-REALIZED PRICE(1)						
Electricity ($/MWh(2))	**$ 57.96**	$ 58.54	(1%)	**$ 57.45**	$ 56.47	2%
UNIT OPERATING COSTS(1)						
Electricity ($/MWh)	**29.16**	21.41	36%	**27.70**	19.39	43%
SPENDING ON CAPITAL(1)						
Sustaining	**$ 1.3**	$ 1.6	(19%)	**$ 3.2**	$ 5.1	(37%)

(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 and year ended December 31, 2023 was $14.0 million and $47.1 million, respectively, increasing 33% and 27% compared to the prior year periods primarily due to higher production from increased available gas.

Electricity production for the three months and year ended December 31, 2023 was 225 GWh and 745 GWh compared to 159 GWh and 568 GWh, respectively, in the prior year periods. Production increased sequentially throughout the year with electricity production during the fourth quarter reaching the highest level of quarterly production since 2016 resulting in overall annual production exceeding guidance(2) for the year. The increase in electricity production in the current year periods is a result of additional gas from two gas wells that went into production in the second quarter of 2023 and increased equipment availability following planned maintenance to facilitate increased utilisation of the facilities. The gas is provided to Energas free of charge by Union Cubapetroleo ("CUPET") for use in power generation. Opportunities to further increase gas supply for additional power production in 2024 continue to be pursued.

Unit operating costs(1) for the three months and year ended December 31, 2023 were $29.16/MWh, and $27.70/MWh, compared to $21.41/MWh, and $19.39/MWh, respectively, for the prior year periods an increase primarily driven by the timing of planned maintenance activities, partly offset by higher sales volumes. Unit operating costs(1) for 2023 were within guidance(2).

Sustaining spending on capital(1) for the three months and year ended December 31, 2023 was $1.3 million and $3.2 million, respectively, primarily driven by maintenance activities. Spending on capital(1) for 2023 was below guidance(2).

During 2023, Sherritt received $1.4 million of dividends from Energas in Canada and expects dividends to increase in 2024.

(1) Non-GAAP financial measures. For additional information see the Non-GAAP and other financial measures section of this press release.
(2) "Guidance" refers to 2023 guidance as most recently disclosed in the Corporation's Management Discussion and Analysis for the three and nine months ended September 30, 2023; for additional information see the Outlook section.

Technologies

During the three months ended December 31, 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 to progress near-term partnerships and development opportunities to expand midstream processing capacity of critical minerals for the electric vehicle supply chain;
- completed the continuous pilot test of the on-going MHP test program, which is supported by a funding commitment from Natural Resources Canada (NRCan), as part of Sherritt's strategic objective for expanding midstream processing capacity;
- advanced its venture analysis, flowsheet enhancements, and batch test work related to its next-generation laterite ("NGL") processing technology to support discussions with external parties; and
- continued to progress on commercialization activities around proprietary technologies and innovative industry solutions.

Subsequent to the quarter-end, Technologies was restructured to reduce headcount, including management, and decrease costs in line with a narrower focus to deliver essential support and enhancements to internal operations and business development. Business development will primarily focus on near-term partnerships and development opportunities to expand midstream processing capacity of critical minerals for the electric vehicle supply chain which Sherritt has been working to advance given its differentiated and specialized technical expertise in hydrometallurgical processing.

OUTLOOK

2023 and 2024 production volumes, unit operating costs(1) and spending on capital(1) guidance

Production volumes, unit operating costs(3) and spending on capital(3)	2023 Guidance	Year-to-date actual to December 31, 2023	**2024 Guidance**
Production volumes			
Moa Joint Venture (tonnes, 100% basis)			
Nickel, finished(1)	29,000 - 30,000	28,672	**30,000 - 32,000**
Cobalt, finished(1)	2,900 - 3,100	2,876	**3,100 - 3,400**
Electricity (GWh, 33⅓% basis)(2)	650 - 700	745	**775 - 825**
Unit operating costs(3)			
Metals - NDCC (US$ per pound)	$6.75 - $7.25	$7.22	**$5.50 - $6.00**
Electricity - unit operating cost ($ per MWh)	$27.25 - $28.75	$27.70	**$32.50 - $34.00**
Spending on capital(3)($ millions)			
Sustaining			
Moa Joint Venture (50% basis), Fort Site (100% basis)(1)	$50.0	$51.3	**$40.0**
Power (33⅓% basis)	$4.4	$3.2	**$5.5**
Growth			
Moa Joint Venture (50% basis)(1)	$15.0	$11.4	**$15.0**
Spending on capital(4)	$69.4	$65.9	**$60.5**

(1) 2023 guidance updated November 1, 2023.
(2) 2023 guidance was updated July 26, 2023.
(3) Non-GAAP financial measures. For additional information, see the Non-GAAP and other financial measures section.
(4) Excludes spending on capital of the Metals Marketing, Technologies, Oil and Gas and Corporate segments.

Metals

Nickel and cobalt production are both expected to increase in 2024 compared to 2023 due to increased feed of mixed sulphides from the Moa mine site to the refinery as a result of access to additional ore sources to improve the blend of feed as well as increased quality and feed rates following the ramp-up of the SPP, and reduced downtime from maintenance.

NDCC(1) is expected to be lower in 2024 compared to 2023 due to lower expected maintenance activity, cost optimization, and higher expected production and sales, including increased fertilizer by-product sales. NDCC(1) includes by-product credits and input commodities that are subject to considerable change given the volatility of cobalt, fertilizers, sulphur, diesel and fuel prices. NDCC(1) guidance for 2024 is based on a forecast cobalt reference price of US$15.50 per pound and forecast sulphur price of US$170.00 per tonne including freight and handling.

Sustaining spending on capital(1) of $40.0 million is primarily for tailings management, infrastructure, and the replacement of equipment at the Moa JV. A portion of these costs are expected to be financed by the Moa JV or Sherritt in the case of Fort Site costs.

Growth spending on capital(1) of $15.0 million is primarily for the continued construction of phase two of the expansion program at the Moa JV.

Power

Electricity production is expected to be higher in 2024 compared to 2023 primarily due to the full year receipt of additional gas from the two wells that went into production in Q2 2023. Sherritt continues to look for opportunities with its Cuban partner to increase the amount of gas available for electricity production.

Unit operating cost(2) for electricity in 2024 reflects higher planned maintenance activities related to gas turbines, partly offset by the impact of higher electricity production and sales.

Sustaining spending on capital(1) of $5.5 million at Power is primarily for maintenance and equipment purchases.

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

CONFERENCE CALL AND WEBCAST

Sherritt will hold its conference call and webcast February 8, 2024 at 10:00 a.m. Eastern Time to review its fourth quarter and full year 2023 results. Dial-in and webcast details are as follows:

North American callers, please dial:	1 (800) 717-1738 Passcode: 78950
International callers, please dial:	1 (289) 514-5100 Passcode: 78950
Live webcast:	www.sherritt.com

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

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

FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Sherritt's consolidated financial statements and MD&A for the year ended December 31, 2023 are available at www.sherritt.com and should be read in conjunction with this news release. Financial and operating data can also be viewed in the investor relations section of Sherritt's website or 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 net earnings/loss from continuing operations per share, spending on capital, combined cash provided (used) by continuing operations for operating activities 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 months and year ended December 31, 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 25 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. 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; statements set out in the “Outlook” section of this press release; certain expectations regarding production volumes and increases, inventory levels, operating costs, 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, refinery and fertilizer operations; the timing of repayments of the revolving line of credit by the Moa JV, the amount and timing of dividend distributions from the Moa JV, including in the form of finished cobalt or cash under the Cobalt swap, sales of finished cobalt and associated receipts related to cobalt received pursuant to the Cobalt Swap; timing and development of strategic growth and commercial opportunities and partnerships in Technologies projects; growing shareholder value; expected annualized employee cost savings on the corporate restructuring announced in January 2024; 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 2024. 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 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 global conflicts; changes in the global price for nickel, cobalt, 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; risk of future non-compliance with debt restrictions and covenant; risks related to environmental liabilities including liability for reclamation costs, tailings facility failures and toxic gas releases; 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; 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; 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 associated with the operation of large projects generally; risks related to the accuracy of capital and operating cost estimates; the possibility of equipment and other failures; potential interruptions in transportation; uncertainty of gas supply for electrical generation; reliance on key personnel and skilled workers; growth opportunity risks; 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; 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 2024; 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 months and year ended December 31, 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 consolidated financial statements for the three months and year ended December 31, 2023.

Combined revenue

The Corporation uses combined revenue as a measure to help management assess the Corporation's financial performance across its core operations. Combined revenue includes the Corporation's consolidated revenue, less Oil and Gas revenue, and includes the revenue of the Moa JV within the Metals reportable segment on a 50% basis. Revenue of the Moa JV is included in share of earnings of Moa Joint Venture, net of tax, as a result of the equity method of accounting and excluded from the Corporation's consolidated revenue.

Revenue at Oil and Gas is excluded from Combined revenue as the segment is not currently exploring for or producing oil and gas and its financial results relate to ancillary drilling services provided to a customer and CUPET and environmental rehabilitation costs for legacy assets, which are not reflective of the Corporation's core operating activities or revenue generation potential. The exclusion of revenue at Oil and Gas from Combined revenue represents a change in the composition of Combined revenue during the year ended December 31, 2023 to better reflect the Corporation's core operating activities and revenue generation potential and the prior year measure has been restated for comparative purposes.

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

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

	For the three months ended			For the year ended		
	2023	2022		**2023**	2022	
$ millions	**December 31**	December 31	Change	**December 31**	December 31	Change
Revenue by reportable segment						
Metals[1]	**$ 125.9**	$ 223.5	(44%)	**$ 603.7**	$ 795.1	(24%)
Power	**14.0**	10.5	33%	**47.1**	37.1	27%
Technologies	**0.3**	0.5	(40%)	**1.3**	1.8	(28%)
Corporate	**0.3**	0.1	200%	**0.8**	0.7	14%
Combined revenue	**$ 140.5**	$ 234.6	(40%)	**$ 652.9**	$ 834.7	(22%)
Adjustment for Moa Joint Venture	**(107.7)**	(188.5)		**(442.2)**	(672.1)	
Adjustment for Oil and Gas	**2.0**	2.5		**12.6**	16.2	
Financial statement revenue	**$ 34.8**	$ 48.6	(28%)	**$ 223.3**	$ 178.8	25%

(1) Revenue of Metals for the three months ended December 31, 2023 is composed of revenue recognized by the Moa JV of $107.7 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 $15.3 million and Metals Marketing of $2.9 million, both of which are included in consolidated revenue (for the three months ended December 31, 2022 - $188.5 million, $34.2 million and $0.8 million, respectively). Revenue of Metals for the year ended December 31, 2023 is composed of revenue recognized by the Moa JV of $442.2 million (50% basis), coupled with revenue recognized by Fort Site of $77.9 million and Metals Marketing of $83.6 million (for the year ended December 31, 2022 - $672.1 million, $120.1 million and $2.9 million, respectively).

Adjusted EBITDA

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

Earnings/loss from operations at Oil and Gas (net of depletion, depreciation and amortization, if applicable) is deducted from/added back to Adjusted EBITDA as the segment is not currently exploring for or producing oil and gas and its financial results relate to ancillary drilling services provided to a customer and CUPET and environmental rehabilitation costs for legacy assets, which are not reflective of the Corporation's core operating activities or cash generation potential. The adjustment for earnings/loss from operations at Oil and Gas (net of depletion, depreciation and amortization, if applicable) represents a change in the composition of Adjusted EBITDA during the year ended December 31, 2023 to better reflect the Corporation's core operating activities and cash generation potential and the prior year measure has been restated for comparative purposes.

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

$ millions, for the three months ended December 31							**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	**$ (22.0)**	**$ 5.9**	**$ (3.5)**	**$ (23.3)**	**$ (1.6)**	**$ 1.1**	**$ (43.4)**
Add:							
Depletion, depreciation and amortization	**2.8**	**0.7**	**-**	**-**	**0.2**	**-**	**3.7**
Oil and Gas loss from operations	**-**	**-**	**-**	**23.3**	**-**	**-**	**23.3**
Adjustments for share of earnings of Moa Joint Venture:							
Depletion, depreciation and amortization	**10.5**	**-**	**-**	**-**	**-**	**-**	**10.5**
Net finance expense	**-**	**-**	**-**	**-**	**-**	**1.9**	**1.9**
Income tax recoveries	**-**	**-**	**-**	**-**	**-**	**(3.0)**	**(3.0)**
Adjusted EBITDA	**$ (8.7)**	**$ 6.6**	**$ (3.5)**	**$ -**	**$ (1.4)**	**$ -**	**$ (7.0)**

$ millions, for the three months ended December 31							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	$ 30.5	$ 4.5	$ (4.4)	$ (17.1)	$ (11.6)	$ (2.0)	$ (0.1)
Add:							
Depletion, depreciation and amortization	2.8	1.6	-	-	0.3	-	4.7
Oil and Gas loss from operations	-	-	-	17.1	-	-	17.1
Adjustments for share of earnings of Moa Joint Venture:							
Depletion, depreciation and amortization	11.8	-	-	-	-	-	11.8
Net finance income	-	-	-	-	-	(1.6)	(1.6)
Income tax expense	-	-	-	-	-	3.6	3.6
Adjusted EBITDA	$ 45.1	$ 6.1	$ (4.4)	$ -	$ (11.3)	$ -	$ 35.5

$ millions, for the year ended December 31	Metals(2)	Power	Techno-logies	Oil and Gas	Corporate	Adjustment for Moa Joint Venture	Total
							2023
(Loss) earnings from operations and joint venture per financial statements	**$ (2.1)**	**$ 20.7**	**$ (15.4)**	**$ (30.2)**	**$ (16.2)**	**$ (0.2)**	**$ (43.4)**
Add:							
Depletion, depreciation and amortization	**10.6**	**2.5**	**0.1**	**0.2**	**0.9**	**-**	**14.3**
Oil and Gas loss from operations, net of depletion, depreciation and amortization	**-**	**-**	**-**	**30.0**	**-**	**-**	**30.0**
Adjustments for share of earnings of Moa Joint Venture:							
Depletion, depreciation and amortization	**43.6**	**-**	**-**	**-**	**-**	**-**	**43.6**
Impairment of property, plant and equipment	**1.5**	**-**	**-**	**-**	**-**	**-**	**1.5**
Net finance income	**-**	**-**	**-**	**-**	**-**	**(0.5)**	**(0.5)**
Income tax expense	**-**	**-**	**-**	**-**	**-**	**0.7**	**0.7**
Adjusted EBITDA	**$ 53.6**	**$ 23.2**	**$ (15.3)**	**$ -**	**$ (15.3)**	**$ -**	**$ 46.2**

$ millions, for the year ended December 31	Metals(2)	Power	Techno-logies	Oil and Gas	Corporate	Adjustment for Moa Joint Venture	Total
							2022
Earnings (loss) from operations and joint venture per financial statements	$ 197.9	$ 8.7	$ (14.8)	$ (16.3)	$ (27.4)	$ (29.4)	$ 118.7
Add (deduct):							
Depletion, depreciation and amortization	10.4	13.6	0.1	0.8	1.1	-	26.0
Oil and Gas loss from operations, net of depletion, depreciation and amortization	-	-	-	15.5	-	-	15.5
Adjustments for share of earnings of Moa Joint Venture:							
Depletion, depreciation and amortization	43.5	-	-	-	-	-	43.5
Net finance expense	-	-	-	-	-	5.1	5.1
Income tax expense	-	-	-	-	-	24.3	24.3
Adjusted EBITDA	$ 251.8	$ 22.3	$ (14.7)	$ -	$ (26.3)	$ -	$ 233.1

(1) Adjusted EBITDA of Metals for the three months ended December 31, 2023 is composed of Adjusted EBITDA at Moa JV of $(5.0) million (50% basis), Adjusted EBITDA at Fort Site of $(2.9) million and Adjusted EBITDA at Metals Marketing of $(0.8) million (for the three months ended December 31, 2022 - $37.3 million, $8.3 million and $(0.5) million, respectively).

(2) Adjusted EBITDA of Metals for the year ended December 31, 2023 is composed of Adjusted EBITDA at Moa JV of $67.2 million (50% basis), Adjusted EBITDA at Fort Site of $(2.6) million and Adjusted EBITDA at Metals Marketing of $(11.0) million (for the year ended December 31, 2022 - $213.7 million, $40.3 million and $(2.2) million, respectively).

Average-realized price

Average-realized price is generally calculated by dividing revenue by sales volume for the given product in a given segment. 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 December 31	Metals						**2023**
	Nickel	Cobalt	Fertilizer	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Revenue per financial statements	**$ 84.1**	**$ 15.2**	**$ 23.1**	**$ 14.0**	**$ 4.1**	**$ (107.7)**	**$ 32.8**
Adjustments to revenue:							
By-product revenue	**-**	**-**	**-**	**(1.0)**			
Revenue for purposes of average-realized price calculation	**84.1**	**15.2**	**23.1**	**13.0**			
Sales volume for the period	**7.7**	**0.9**	**55.5**	**225**			
Volume units	Millions of pounds	Millions of pounds	Thousands of tonnes	Gigawatt hours			
Average-realized price[2][3][4]	**$ 10.87**	**$ 17.23**	**$ 414.80**	**$ 57.96**			

$ millions, except average-realized price and sales volume, for the three months ended December 31	Metals						2022
	Nickel	Cobalt	Fertilizer	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Revenue per financial statements	$ 153.8	$ 22.0	$ 40.4	$ 10.5	$ 7.9	$ (188.5)	$ 46.1
Adjustments to revenue:							
By-product revenue	-	-	-	(1.2)			
Revenue for purposes of average-realized price calculation	153.8	22.0	40.4	9.3			
Sales volume for the period	9.9	0.9	61.7	159			
Volume units	Millions of pounds	Millions of pounds	Thousands of tonnes	Gigawatt hours			
Average-realized price[2][3][4]	$ 15.55	$ 25.72	$ 647.03	$ 58.54			

$ millions, except average-realized price and sales volume, for the year ended December 31							**2023**
	Metals						
	Nickel	Cobalt	Fertilizer	Power	Other(1)	Adjustment for Moa Joint Venture	Total
Revenue per financial statements	**$ 379.6**	**$ 104.8**	**$ 93.3**	**$ 47.1**	**$ 28.1**	**$ (442.2)**	**$ 210.7**
Adjustments to revenue:							
By-product revenue	**-**	**-**	**-**	**(4.3)**			
Revenue for purposes of average-realized price calculation	**379.6**	**104.8**	**93.3**	**42.8**			
Sales volume for the period	**28.4**	**6.0**	**170.2**	**745**			
Volume units	Millions of pounds	Millions of pounds	Thousands of tonnes	Gigawatt hours			
Average-realized price(2)(3)(4)	**$ 13.36**	**$ 17.47**	**$ 548.16**	**$ 57.45**			

$ millions, except average-realized price and sales volume, for the year ended December 31							2022
	Metals						
	Nickel	Cobalt	Fertilizer	Power	Other(1)	Adjustment for Moa Joint Venture	Total
Revenue per financial statements	$ 522.8	$ 104.2	$ 129.5	$ 37.1	$ 41.1	$ (672.1)	$ 162.6
Adjustments to revenue:							
By-product revenue	-	-	-	(5.0)			
Revenue for purposes of average-realized price calculation	522.8	104.2	129.5	32.1			
Sales volume for the period	35.0	3.0	170.4	568			
Volume units	Millions of pounds	Millions of pounds	Thousands of tonnes	Gigawatt hours			
Average-realized price(2)(3)(4)	$ 14.93	$ 34.26	$ 759.91	$ 56.47			

(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.

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

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

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

$ millions, except unit cost and sales volume, for the three months ended December 31						**2023**
	Metals	Power	Other(1)	Adjustment for Moa Joint Venture		Total
Cost of sales per financial statements	**$ 146.6**	**$ 7.1**	**$ 28.6**	**$ (122.2)**		**$ 60.1**
Less:						
Depletion, depreciation and amortization in cost of sales	**(13.3)**	**(0.5)**				
	133.3	**6.6**				
Adjustments to cost of sales:						
Cobalt by-product, fertilizer and other revenue	**(41.8)**	**-**				
Cobalt gain	**-**	**-**				
Impact of opening/closing inventory and other(2)	**(7.8)**	**-**				
Cost of sales for purposes of unit cost calculation	**83.7**	**6.6**				
Sales volume for the period	**7.7**	**225**				
Volume units	Millions of pounds	Gigawatt hours				
Unit operating cost(3)(4)	**$ 10.81**	**$ 29.16**				
Unit operating cost (US$ per pound) (NDCC)(5)	**$ 7.87**					

$ millions, except unit cost and sales volume, for the three months ended December 31					2022
	Metals	Power	Other(1)	Adjustment for Moa Joint Venture	Total
Cost of sales per financial statements	$ 189.5	$ 4.9	$ 22.0	$ (159.7)	$ 56.7
Less:					
Depletion, depreciation and amortization in cost of sales	(14.6)	(1.5)			
	174.9	3.4			
Adjustments to cost of sales:					
Cobalt by-product, fertilizer and other revenue	(69.7)	-			
Impact of opening/closing inventory and other(2)	(11.4)	-			
Cost of sales for purposes of unit cost calculation	93.8	3.4			
Sales volume for the period	9.9	159			
Volume units	Millions of pounds	Gigawatt hours			
Unit operating cost(3)(4)	$ 9.48	$ 21.41			
Unit operating cost (US$ per pound) (NDCC)(5)	$ 7.00				

$ millions, except unit cost and sales volume, for the year ended December 31					2023
	Metals	Power	Other(1)	Adjustment for Moa Joint Venture	Total
Cost of sales per financial statements	**$ 601.4**	**$ 22.7**	**$ 57.8**	**$ (416.4)**	**$ 265.5**
Less:					
Depletion, depreciation and amortization in cost of sales	**(54.2)**	**(2.0)**			
	547.2	**20.7**			
Adjustments to cost of sales:					
Cobalt by-product, fertilizer and other revenue	**(224.1)**	**-**			
Cobalt gain	**(2.7)**	**-**			
Impact of opening/closing inventory and other(2)	**(43.5)**	**-**			
Cost of sales for purposes of unit cost calculation	**276.9**	**20.7**			
Sales volume for the period	**28.4**	**745**			
Volume units	Millions of pounds	Gigawatt hours			
Unit operating cost(3)(4)	**$ 9.75**	**$ 27.70**			
Unit operating cost (US$ per pound) (NDCC)(5)	**$ 7.22**				

$ millions, except unit cost and sales volume, for the year ended December 31					2022
	Metals	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Cost of sales per financial statements	$ 587.8	$ 24.2	$ 45.3	$ (494.6)	$ 162.7
Less:					
Depletion, depreciation and amortization in cost of sales	(53.9)	(13.2)			
	533.9	11.0			
Adjustments to cost of sales:					
Cobalt by-product, fertilizer and other revenue	(272.3)	-			
Impact of opening/closing inventory and other[2]	(27.7)	-			
Cost of sales for purposes of unit cost calculation	233.9	11.0			
Sales volume for the period	35.0	568			
Volume units	Millions of pounds	Gigawatt hours			
Unit operating cost[3][4]	$ 6.68	$ 19.39			
Unit operating cost (US$ per pound) (NDCC)[5]	$ 5.14				

(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 the Corporation's current or future operational performance. These adjusting items include, but are not limited to, inventory write-downs/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 that have not occurred in the past two years and are not expected to recur in the next two years. 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 current or future operational performance.

Net earnings/loss from continuing operations at Oil and Gas is deducted from/added back to adjusted earnings/loss from continuing operations as the segment is not currently exploring for or producing oil and gas and its financial results relate to ancillary drilling services provided to a customer and CUPET and environmental rehabilitation costs for legacy assets, which are not reflective of the Corporation's core operating activities or future operational performance. The adjustment for net earnings/loss from continuing operations at Oil and Gas represents a change in the composition of adjusted net earnings/loss from continuing operations during the year ended December 31, 2023 to better reflect the Corporation's core operating activities and future operational performance and the prior year measure has been restated for comparative purposes.

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 current or future operational performance by adjusting for items or transactions that are not reflective of its current or future operational performance.

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 December 31	**$ millions**	**$/share**	$ millions	$/share
Net loss from continuing operations	**$ (53.4)**	**$ (0.13)**	$ (7.3)	$ (0.02)
Adjusting items:				
Sherritt - Unrealized foreign exchange loss - continuing operations	**0.9**	**-**	4.1	0.01
Corporate - Gain on repurchase of notes	**-**	**-**	(7.1)	(0.02)
Corporate - Transaction finance charges on repurchase of notes	**-**	**-**	1.1	-
Metals - Moa JV - Inventory write-down/obsolescence	**1.6**	**-**	1.6	-
Metals - Fort Site - Inventory write-down/obsolescence	**0.7**	**-**	0.6	-
Power - Gain on modification of Cuban receivables	**-**	**-**	(2.0)	(0.01)
Power - Loss (gain) on revaluation of GNC receivable	**3.5**	**0.01**	(2.4)	(0.01)
Power - (Gain) loss on revaluation of Energas payable	**(1.3)**	**-**	4.0	0.01
Oil and Gas - Net loss from continuing operations	**20.1**	**0.05**	15.0	0.04
Total adjustments, before tax	**$ 25.5**	**$ 0.06**	$ 14.9	$ 0.02
Tax adjustments	**-**	**-**	0.8	-
Adjusted net (loss) earnings from continuing operations	**$ (27.9)**	**$ (0.07)**	$ 8.4	$ 0.02

For the year ended December 31		2023 $ millions		2023 $/share		2022 $ millions		2022 $/share
Net (loss) earnings from continuing operations	$	**(64.3)**	$	**(0.16)**	$	63.7	$	0.16
Adjusting items:								
Sherritt - Unrealized foreign exchange loss (gain) - continuing operations		**1.1**		**-**		(5.4)		(0.01)
Corporate - Gain on repurchase of notes		**(3.5)**		**(0.01)**		(20.9)		(0.05)
Corporate - Transaction finance charges on repurchase of notes		**-**		**-**		2.3		0.01
Metals - Moa JV - Impairment of property, plant and equipment		**1.5**		**-**		-		-
Metals - Moa JV - Inventory write-down/obsolescence		**4.6**		**0.01**		2.1		0.01
Metals - Fort Site - Inventory write-down/obsolescence		**8.9**		**0.03**		0.6		-
Metals - Metals Marketing - Inventory write-down/obsolescence		**1.1**		**-**		-		-
Metals - Metals Marketing - Cobalt gain		**2.7**		**0.01**		-		-
Power - Trade accounts receivable, net ACL revaluation		**-**		**-**		1.4		-
Power - Gain on modification of Cuban receivables		**-**		**-**		(2.0)		(0.01)
Power - Energas conditional sales agreement ACL revaluation[1]		**-**		**-**		49.0		0.12
Power - Gain on revaluation of GNC receivable		**(14.7)**		**(0.04)**		(2.4)		(0.01)
Power - Loss on revaluation of Energas payable		**7.6**		**0.02**		4.0		0.01
Oil and Gas - Net loss from continuing operations		**26.6**		**0.07**		19.5		0.05
Total adjustments, before tax	$	**35.9**	$	**0.09**	$	48.2	$	0.12
Tax adjustments		**0.3**		**-**		0.8		-
Adjusted net (loss) earnings from continuing operations	$	**(28.1)**	$	**(0.07)**	$	112.7	$	0.28

(1) In the comparative period, Power recognized a non-cash loss of $49.0 million for the year ended December 31, 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 Metals segment's spending on capital includes the Fort Site's expenditures, plus the Corporation's 50% share of the Moa Joint Venture's expenditures, which is accounted for using the equity method for accounting purposes.

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

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

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

$ millions, for the three months ended December 31												2023
		Metals		Power		Other[1]		Combined total		Adjustment for Moa Joint Venture		Total derived from financial statements
Property, plant and equipment expenditures[2]	$	**17.6**	$	**1.3**	$	**-**	$	**18.9**	$	**(13.4)**	$	**5.5**
Intangible asset expenditures[2]		**-**		**-**		**-**		**-**		**-**		**-**
		17.6		**1.3**		**-**		**18.9**	$	**(13.4)**	$	**5.5**
Adjustments:												
Accrual adjustment		**3.7**		**-**		**(0.1)**		**3.6**				
Spending on capital	$	**21.3**	$	**1.3**	$	**(0.1)**	$	**22.5**				

$ millions, for the three months ended December 31	Metals	Power	Other[1]	Combined total	Adjustment for Moa Joint Venture	2022 Total derived from financial statements
Property, plant and equipment expenditures[2]	$ 24.0	$ 2.1	$ 0.1	$ 26.2	$ (15.9)	$ 10.3
Intangible asset expenditures[2]	-	-	0.8	0.8	-	0.8
	24.0	2.1	0.9	27.0	$ (15.9)	$ 11.1
Adjustments:						
Accrual adjustment	2.7	(0.5)	(0.3)	1.9		
Spending on capital	$ 26.7	$ 1.6	$ 0.6	$ 28.9		

$ millions, for the year ended December 31	Metals	Power	Other[1]	Combined total	Adjustment for Moa Joint Venture	**2023** Total derived from financial statements
Property, plant and equipment expenditures[2]	**$ 57.0**	**$ 3.2**	**$ 0.2**	**$ 60.4**	**$ (40.3)**	**$ 20.1**
Intangible asset expenditures[2]	**-**	**-**	**1.2**	**1.2**	**-**	**1.2**
	57.0	**3.2**	**1.4**	**61.6**	**$ (40.3)**	**$ 21.3**
Adjustments:						
Accrual adjustment	**5.7**	**-**	**(0.8)**	**4.9**		
Spending on capital	**$ 62.7**	**$ 3.2**	**$ 0.6**	**$ 66.5**		

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

(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 cash provided (used) by continuing operations for operating activities and combined free cash flow

The Corporation defines cash provided (used) by continuing operations for operating activities by segment as cash provided (used) by continuing operations for operating activities for each segment calculated in accordance with IFRS and adjusted to remove the impact of cash provided (used) by wholly-owned subsidiaries. Combined cash provided (used) by continuing operations for operating activities is the aggregate of each segment's cash provided (used) by continuing operations for operating activities including the Corporation's 50% share of the Moa JV's cash provided (used) by continuing operations for operating activities, which is accounted for using the equity method of accounting and excluded from consolidated cash provided (used) by continuing operations for operating activities.

The Corporation defines free cash flow for each segment as cash provided (used) by continuing operations for operating activities by segment, less cash expenditures on property, plant and equipment and intangible assets, including exploration and evaluation assets. 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.

The Corporate segment's cash used by continuing operations for operating activities is adjusted to exclude distributions received from 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.

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.

Combined cash provided (used) by continuing operations for operating activities and combined free cash flow are 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, and in the case of combined free cash flow, after funding cash capital requirements, to service current and future working capital needs and service debt.

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

$ millions, for the three months ended December 31								2023
	Metals(1)(2)	Power	Technol-ogies	Oil and Gas	Corporate	**Combined total**	Adjustment for Moa Joint Venture	**Total derived from financial statements**
Cash provided (used) by continuing operations for operating activities	**$ 3.4**	**$ 7.4**	**$ (3.5)**	**$ (14.9)**	**$ (12.6)**	**$ (20.2)**	**$ 2.1**	**$ (18.1)**
Less:								
Property, plant and equipment expenditures	**(17.6)**	**(1.3)**	**-**	**-**	**-**	**(18.9)**	**13.4**	**(5.5)**
Intangible expenditures	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Free cash flow	**$ (14.2)**	**$ 6.1**	**$ (3.5)**	**$ (14.9)**	**$ (12.6)**	**$ (39.1)**	**$ 15.5**	**$ (23.6)**

$ millions, for the three months ended December 31								2022
	Metals(1)(2)	Power	Technol-ogies	Oil and Gas	Corporate	**Combined total**	Adjustment for Moa Joint Venture	**Total derived from financial statements**
Cash provided (used) by continuing operations for operating activities	$ 81.6	$ 13.5	$ (4.5)	$ (1.7)	$ (19.9)	$ 69.0	$ (28.7)	$ 40.3
Less:								
Property, plant and equipment expenditures	(23.9)	(1.5)	-	-	(0.2)	(25.6)	15.9	(9.7)
Intangible expenditures	-	-	-	(0.2)	-	(0.2)	-	(0.2)
Free cash flow	$ 57.7	$ 12.0	$ (4.5)	$ (1.9)	$ (20.1)	$ 43.2	$ (12.8)	$ 30.4

$ millions, for the year ended December 31								**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	**$ 115.9**	**$ 16.9**	**$ (16.5)**	**$ (11.1)**	**$ (59.5)**	**$ 45.7**	**$ (17.5)**	**$ 28.2**
Less:								
Property, plant and equipment expenditures	**(57.0)**	**(3.2)**	**-**	**(0.2)**	**-**	**(60.4)**	**40.3**	**(20.1)**
Intangible expenditures	**-**	**-**	**-**	**(1.2)**	**-**	**(1.2)**	**-**	**(1.2)**
Free cash flow	**$ 58.9**	**$ 13.7**	**$ (16.5)**	**$ (12.5)**	**$ (59.5)**	**$ (15.9)**	**$ 22.8**	**$ 6.9**

$ millions, for the year ended December 31								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	$ 171.6	$ 37.4	$ (15.1)	$ (3.9)	$ (54.6)	$ 135.4	$ (45.1)	$ 90.3
Less:								
Property, plant and equipment expenditures	(64.2)	(5.1)	-	(0.1)	(0.1)	(69.5)	41.8	(27.7)
Intangible expenditures	-	-	-	(0.8)	-	(0.8)	-	(0.8)
Free cash flow	$ 107.4	$ 32.3	$ (15.1)	$ (4.8)	$ (54.7)	$ 65.1	$ (3.3)	$ 61.8

(1) Cash (used) provided by continuing operations for operating activities for the Moa JV, Fort Site and Metals Marketing was $(2.2) million, $4.0 million and $1.6 million, respectively, for the three months ended December 31, 2023 (December 31, 2022 - $85.8 million, $(0.1) million and $(4.1) million, respectively).

(2) Property, plant and equipment expenditures and intangible expenditures for the Moa JV, Fort Site and Metals Marketing was $13.5 million, $4.1 million and nil, respectively, for the three months ended December 31, 2023 (December 31, 2022 - $15.9 million, $8.0 million and nil, respectively).

(3) Cash provided (used) by continuing operations for operating activities for the Moa JV, Fort Site and Metals Marketing was $49.4 million, $(13.4) million and $79.9 million, respectively, for the year ended December 31, 2023 (December 31, 2022 - $145.8 million, $31.3 million and $(5.5) million, respectively).

(4) Property, plant and equipment expenditures and intangible expenditures for the Moa JV, Fort Site and Metals Marketing was $40.3 million, $16.7 million and nil, respectively, for the year ended December 31, 2023 (December 31, 2022 - $41.8 million, $22.4 million and nil, respectively).