Sherritt International Corporation

# Q4 2024 Conference Call

Review of Financial and Operational Results

February 6, 2025

SHERRITT.COM • TSX: S

# Presenters

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# Forward-Looking Statements

This presentation contains certain forward-looking statements. Forward-looking statements can generally be identified by the use of statements that include such words as “believe”, “expect”, “anticipate”, “intend”, “plan”, “forecast”, “likely”, “may”, “will”, “could”, “should”, “suspect”, “outlook”, “potential”, “projected”, “continue” or other similar words or phrases. Specifically, forward-looking statements in this document include, but are not limited to, statements regarding strategies, plans and estimated production amounts resulting from expansion of mining operations at the Moa JV; growing and increasing nickel and cobalt production; the Moa JV expansion program update as it relates to the Processing Plant; statements set out in the “Outlook” section of this presentation; certain expectations regarding production volumes and increases, inventory levels, operating costs, capital spending and intensity, including amount and timing of spending on tailings management; sales volumes; revenue, costs and earnings; the availability of additional gas supplies to be used for power generation; the amount and timing of dividend distributions from the Moa JV, including in the form of finished cobalt or cash under the Cobalt Swap; the amount and timing of dividend distributions from Energas; growing shareholder value; expected annualized employee and other Corporate office-related cost savings; 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; nickel, cobalt and fertilizer production results and realized prices; current and future demand products produced by Sherritt; global demand for electric vehicles and the anticipated corresponding demand for cobalt and nickel; revenues and net operating results; environmental risks and liabilities; compliance with applicable environmental laws and regulations; 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; risks related to the U.S. government policy toward Cuba; current and future economic conditions in Cuba; the level of liquidity and access to funding; Sherritt share price volatility; and certain corporate objectives, goals and plans for 2025. By their nature, forward-looking statements require the Corporation to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions, forecasts, conclusions or projections will not prove to be accurate, that the assumptions may not be correct and that actual results may differ materially from such predictions, forecasts, conclusions or projections.

The Corporation cautions readers of this presentation not to place undue reliance on any forward-looking statement as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements. These risks, uncertainties and other factors include, but are not limited to, commodity risks related to the production and sale of nickel cobalt and fertilizers; security market fluctuations and price volatility; level of liquidity of Sherritt, including access to capital and financing; the ability of the Moa JV to pay dividends; the risk to Sherritt’s entitlements to future distributions (including pursuant to the Cobalt Swap) from the Moa JV; 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, including the impact of geopolitical events on global prices for nickel, cobalt, fertilizers, or certain other commodities; 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 covenants; 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; ; 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 failure; potential interruptions in transportation; 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; 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; 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 2025; 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 JV, 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 (“MD&A) or the three months and year ended December 31, 2024 and the Annual Information Form of the Corporation dated March 21, 2024 for the period ending December 31, 2023, 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 presentation and in the Corporation’s other documents filed with the Canadian securities authorities should be read for a description of certain factors that could cause the actual results of the Corporation to differ materially from those in the oral forward-looking statements. The forward-looking information and statements contained in this presentation are made as of the date hereof and the Corporation undertakes no obligation to update publicly or revise any oral or written forward-looking information or statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. The forward-looking information and statements contained herein are expressly qualified in their entirety by this cautionary statement.

## NON-GAAP AND OTHER FINANCIAL MEASURES

Management uses the following non-GAAP and other financial measures in this presentation 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, combined 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 IFRS® Accounting Standards measures, and do not have a standard definition under IFRS Accounting Standards and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS Accounting Standards. As these measures do not have a standardized meaning, they may not be comparable to similar measures provided by other companies. Further information on the composition and usefulness of each non-GAAP and other financial measure, including reconciliation to their most directly comparable IFRS Accounting Standards measures, is included in the Non-GAAP and other financial measures in the appendix to this presentation.

# Highlights
## Full Year 2024

- Full year nickel sales increased 22%. Fourth quarter nickel sales was the highest quarterly level in 2 years
- Strong cobalt and fertilizer production
- NDCC[(1)] decreased 18% on 15% lower MPR/lb[(2)] and higher nickel sales
- Phase two of expansion is advancing for 2025 ramp up

- Electricity production achieved 6-year high despite national power outage and frequency control at Varadero in Q4
- New gas well completed, providing additional gas since October

- Available liquidity in Canada of $62.4M supported by strong Fort Site operating cash flow, Cobalt Swap distribution and Power dividends

Fort Saskatchewan, Alberta

**Metals production, Power production and NDCC[(1)] all met 2024 guidance**

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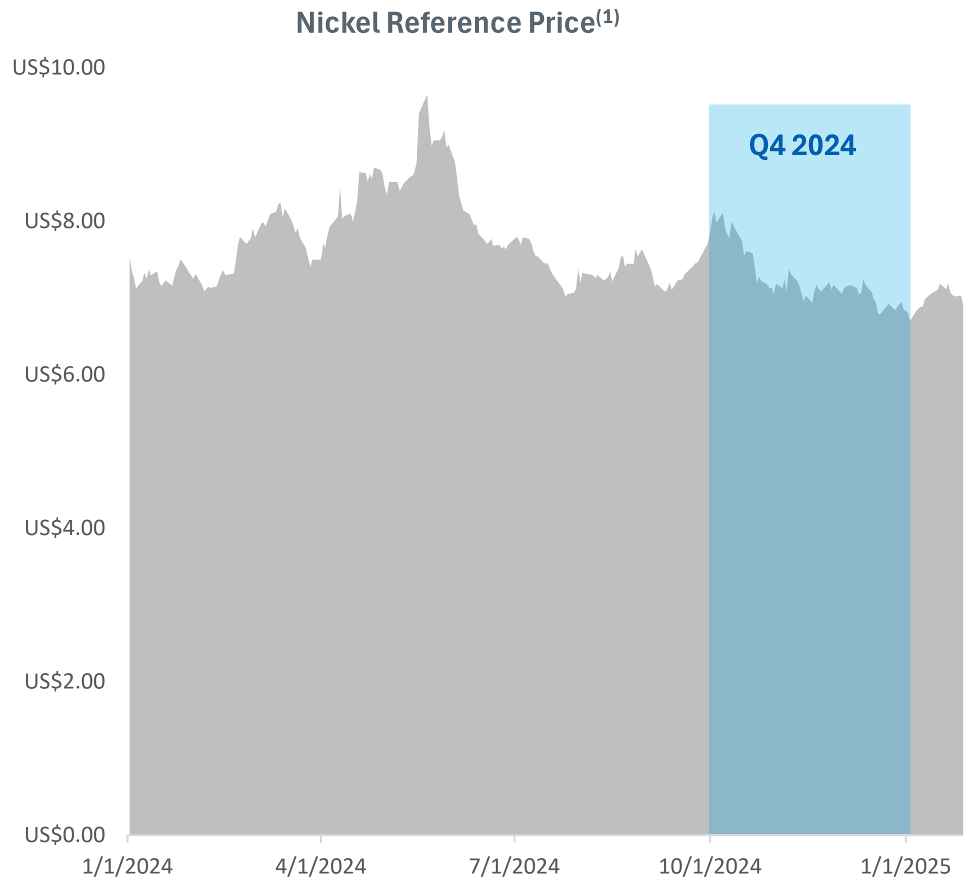
1. Net Direct Cash Cost ("NDCC") , a non-GAAP financial measure. For additional information see the Non-GAAP and other financial measures section in the Appendix.
2. Mining processing and refining ("MPR") costs per pound of nickel sold ("MPR/lb").

# Nickel Price
# Fourth Quarter 2024 Developments




**In 2024, average nickel reference price decreased 22% YoY**
**Prices reached the low of the year in late December**

### Fourth Quarter 2024 Key Market Developments

- October 15, 2024: Indonesia cuts permit allowance for key foreign-owned nickel mine protecting smaller local miners from nickel price decline
- November 5, 2024: U.S. election outcome strengthens U.S. dollar
- November 29, 2024: Indonesia announces it will review miners' compliance with environmental rules and regulations potentially impacting output
- December 19, 2024: Reports of Indonesia considering cuts to nickel mining quotas
- December 19, 2024: U.S. Federal Reserve signals slower pace of rate cuts in 2025 leading to strengthening U.S. dollar

### Outlook

- January 17, 2025: Canada discusses critical minerals pricing floors with G7
- Global oversupply of nickel and cobalt continues to drive challenging markets and price forecasts over the near to medium term. Geopolitical interventions can become a factor and result in volatility

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1. Source: London Metal Exchange ("LME")

Boca de Jaruco, Cuba

# Review of Operations

# Metals
# Fourth Quarter Highlights

**Mixed sulphides**

→ Higher production benefitting from the new Slurry Preparation Plant. Navigated external challenges in Cuba with power outages, adverse weather, earthquake

**Nickel and cobalt**

→ Higher production on higher mixed sulphides feed availability at the refinery

→ Higher nickel sales on focused effort to expand market opportunities

**Fertilizer**

→ Higher production, consistent with higher nickel production

| | Q4 2024 | Q4 2023 | 2024 | 2023 |
|---|---|---|---|---|
| **Production Volume (tonnes)**(1) | | | | |
| Mixed Sulphides | **3,552** | 3,514 | **15,847** | 15,084 |
| Nickel | **3,853** | 3,744 | **15,166** | 14,336 |
| Cobalt | **465** | 330 | **1,603** | 1,438 |
| Fertilizer(3) | **67,648** | 61,092 | **250,272** | 219,707 |
| **Sales Volume (tonnes)**(2) | | | | |
| Nickel | **4,326** | 3,511 | **15,678** | 12,888 |
| Cobalt | **465** | 399 | **1,638** | 2,720 |
| Fertilizer | **63,299** | 55,509 | **179,135** | 170,161 |
| **Costs (US$/lb)** | | | | |
| NDCC(4) | **5.44** | 7.87 | **5.94** | 7.22 |

**Nickel production, cobalt production and NDCC(4) all within 2024 guidance ranges**

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1. Sherritt's share of production: mixed sulphides - 50% basis; finished nickel, finished cobalt and fertilizers – 50% basis for Moa JV production and 100% for Fort Site production.
2. Sherritt's share of sales: finished nickel - 50% basis; finished cobalt - 50% basis for Moa JV sales and 100% for Cobalt Swap sales; fertilizer – 50% basis for Moa JV sales and 100% for Fort Site sales.
3. Production volumes of fertilizer exceed sales volumes due to the partial internal consumption of fertilizer at the Moa JV and Fort Site, as well as timing of sales due to seasonality.
4. Non-GAAP financial measures. For additional information see the Non-GAAP and other financial measures section in the Appendix.

# Metals
# Fourth Quarter Net Direct Cash Costs (NDCC)[1]

### Mining, processing and refining[2]

- 14% lower MPR/lb costs due to:
  - Lower input commodity prices, maintenance costs and the impact of higher nickel production and sales volumes
  - Operating efficiencies on better ore feed

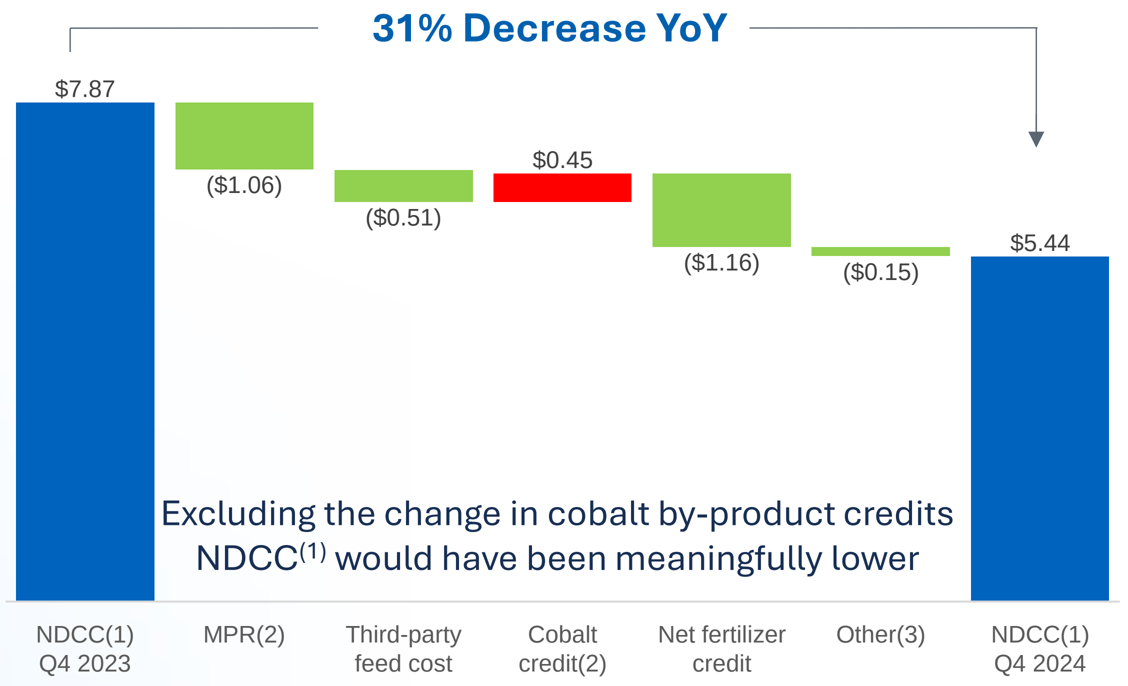
### Cobalt by-product credit[2]

- Lower average-realized price[1] decreasing 29% partly offset by 17% higher sales volume

### Net fertilizer by-product credit

- Higher average-realized price[1] increasing 21% and sales volumes increasing 14%

**Fourth Quarter 2024 Results Year-Over-Year Change NDCC[1] (US$/lb of Nickel Sold)**




## Q4 NDCC[1] improved 31% year-over-year

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1. Non-GAAP financial measures. For additional information see the Non-GAAP and other financial measures section in the Appendix.
2. MPR and cobalt by-product credits include the cost and cobalt revenue, respectively, on cobalt sold from Sherritt's 50% share of cobalt received under the Cobalt Swap.
3. Other includes the impact of redirected cobalt which includes the finished cobalt cost less cobalt by-product credits per pound of nickel sold on the cobalt sold from GNC's redirected cobalt received by Sherritt under the Cobalt Swap, marketing costs, discounts, and other by-product credits.

# Moa JV
# Expansion Update

**Phase two: Processing Plant**

- Piping installation and internal brick lining of vessels continuing
- Pre-commissioning activities started
- Expenditures deferred to Q1 2025 – ramp up to commence thereafter
- Minor debottlenecking to occur concurrent with ramp up
- Following ramp up, expansion will fill refinery to nameplate capacity from the JV's own mine feed, displacing lower margin third-party feeds, lowering costs and maximizing profitability

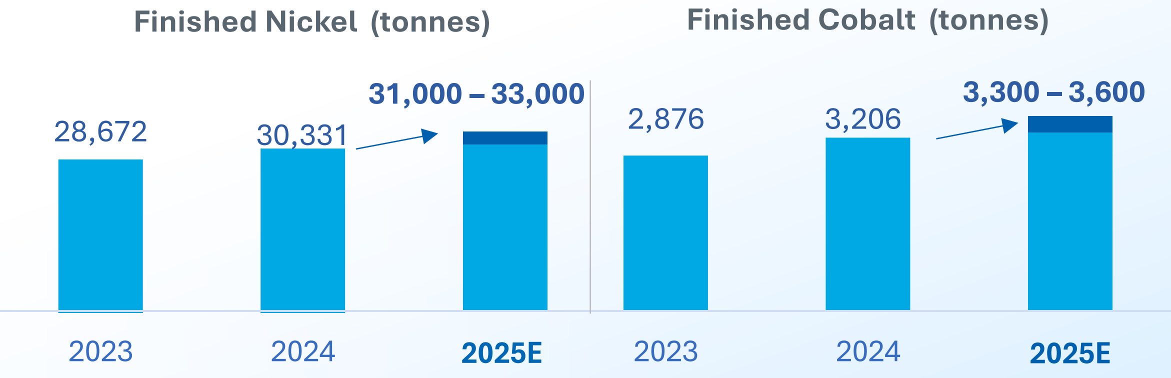

Leach reactor feed slurry pumps, Moa, Cuba

**Ramp up commencing in 2025**

# Metals
# 2025 Guidance

- Higher nickel and cobalt production on better mixed sulphides availability following ramp up of phase two expansion
  - Production to be weighted to the latter part of the year
- NDCC(1) expected to be between US$5.75/lb and US$6.25/lb
  - Benefit from expected higher production and sales volumes and cost optimization initiatives
  - Offset by forecast negative impact from future commodity prices, and planned maintenance including bi-annual ammonia plant turnaround at Fort Site and acid plant at Moa
- Sustaining spending on capital(1) $35.0M(2) and, in addition, $40.0M(3) for new tailings facility
- Moa JV secured US$60.0M (100% basis) equivalent loan in Cuban pesos primarily to support capital spending on tailings management
- Growth spending on capital(1) $5.0M(3) from deferred 2024 spending

**Production (100% basis)**




**NDCC(1)**


**Ramp up of phase two expansion to drive higher production in 2025 and 2026**

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1. Non-GAAP financial measure. For additional information see the Non-GAAP and other financial measures section in the Appendix. For details on significant guidance estimate determinants, see Guidance section in the Appendix
2. Moa JV 50% basis and Fort Site 100% basis
3. Moa JV 50% basis

# Power
# Fourth Quarter Results

**Electricity production**

- Lower electricity production due to nationwide power outage in Cuba and subsequent frequency control at Varadero facility
- New gas well brought online in Q4 to provide additional production

**Unit operating cost**[1]

- Unit cost driven by timing of planned maintenance and reduced production at Varadero

**Varadero**

- In frequency control at request of Cuban utility to help stabilize Cuba's power grid
- Energas was fully compensated for lost production in 2024 and expects to be fully compensated in 2025

| | **Q4 2024** | Q4 2023 | **2024** | 2023 |
|---|---|---|---|---|
| **Operating Results**[2] | | | | |
| Electricity Production (GWh[3]) | **171** | 255 | **816** | 745 |
| Unit Operating Costs[1] ($/MWh[3]) | **$30.64** | $29.16 | **$34.29** | $27.70 |

**Significantly higher electricity production was within the 2024 guidance range**

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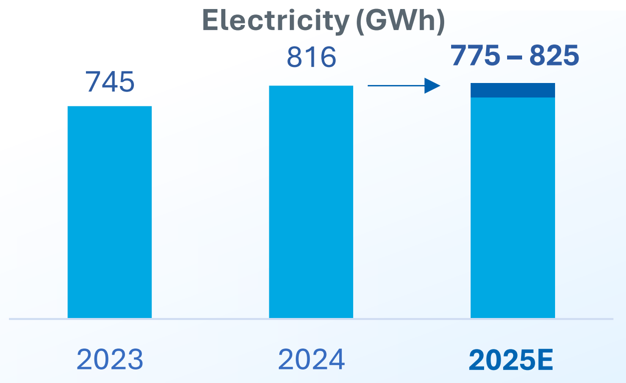
1. Non-GAAP financial measure. For additional information see the Non-GAAP and other financial measures section in the Appendix.
2. Sherritt's share for electricity production and sales volume is on a 33⅓% basis.
3. GWh = Gigawatt hours, MWh = Megawatt hours.

# Power
# 2025 Guidance

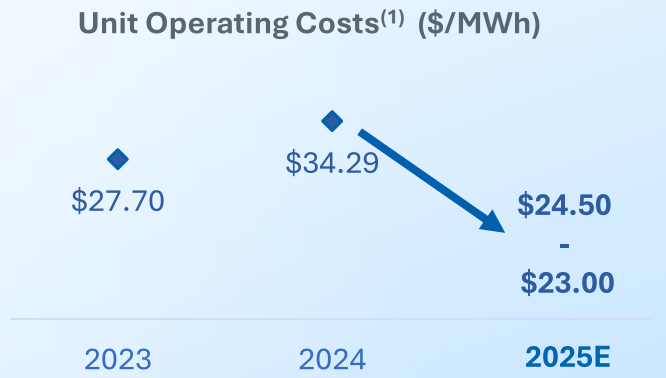
## Electricity Production

- Non-Varadero production will be higher as a result of better gas and equipment availability
- Unit operating cost[1] to decrease as major maintenance work completed in 2024
- Varadero to operate in frequency control in 2025 with 150 GWh expected reduction in electricity volume
  - **Energas expects to be fully compensated for this reduction.** Expect no impact to Power's Adjusted EBITDA[1] earnings from operations or dividends from Energas to Sherritt in Canada
- Spending on capital[1] to decrease to $2.0M

### Production (33⅓% basis)




### Unit Operating Costs[1]




## Significant decrease expected in unit operating costs[1]

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1. Non-GAAP financial measure. For additional information see the Non-GAAP and other financial measures section in the Appendix. For details on significant guidance estimate determinants, see Guidance section in the Appendix

# Financial Highlights

Fort Saskatchewan, Alberta

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# Financial Performance
## Fourth Quarter Results

**Fourth quarter financial performance key drivers:**

| | Sales Volumes | Average-Realized Prices[1] |
|---|---|---|
| **Nickel** | ↑ 23% | ↓ 8% |
| **Cobalt** | ↑ 17% | ↓ 29% |
| **Fertilizers** | ↑ 14% | ↑ 21% |
| **Mining, processing and refining costs per pound** | | |
| **MPR/lb** | | ↓ 14% |

| | **Q4 2024** | Q4 2023 | **2024** | 2023 |
|---|---|---|---|---|
| **Financial Results** ($ millions) | | | | |
| Revenue[2] | **45.7** | 34.8 | **158.8** | 223.3 |
| Combined revenue[1][3] | **160.3** | 140.5 | **577.6** | 652.9 |
| Net loss from continuing operations | **(22.5)** | (53.4) | **(73.1)** | (64.3) |
| Adjusted net loss from continuing operations[1][3] | **(10.2)** | (27.9) | **(56.3)** | (28.1) |
| Adjusted EBITDA[1][3] | **15.4** | (7.0) | **32.4** | 46.2 |

**Operating results driving improving financial performance, despite lower metal prices**

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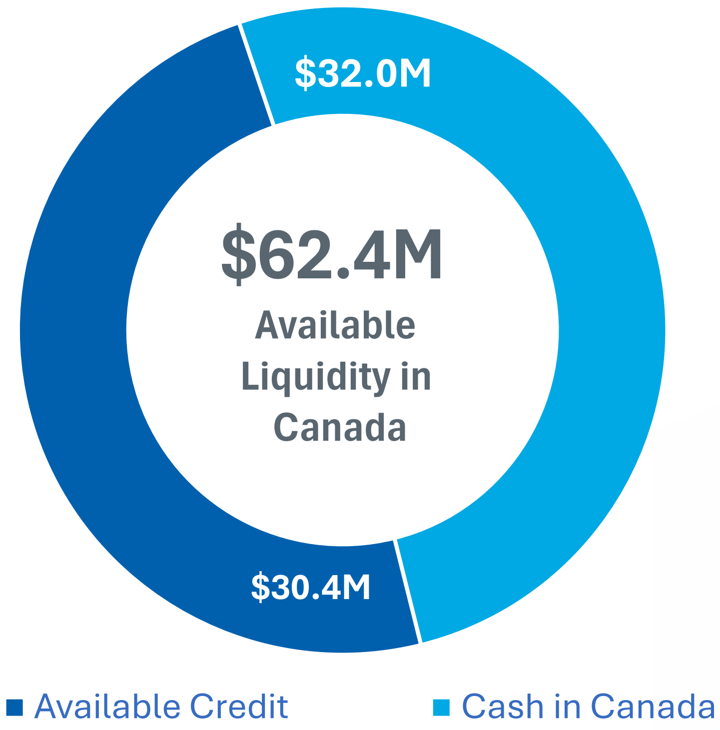
1. Non-GAAP financial measures. For additional information see the Non-GAAP and other financial measures section in the Appendix.
2. Revenue excludes revenue from the Moa JV within the Metals reportable segment on a 50% basis, which is accounted for using the equity method for accounting purposes. Sherritt's share of Moa JV revenue is included in Combined revenue.
3. Combined revenue, adjusted net (loss) earnings from continuing operations and adjusted EBITDA exclude Oil and Gas as it is a non-core operating segment. Prior period amounts have been adjusted accordingly.

# Available Liquidity in Canada
## Fourth Quarter Update




**Fourth quarter changes include**

- → Cash received from Cobalt Swap $23.7M (in addition to $6.1M in cobalt)
- → Dividend from Energas $7.0M ($13.0M for 2024)
- → Settlement of in-the-money nickel put options $4.7M
- → Interest on Second Lien Notes $(9.4)M
- → Contractually obligated rehabilitation and closure costs related to legacy Oil and Gas assets in Spain $(3.6)M
- → Timing of working capital receipts and payments

**Outlook**

- → Expect distributions under the Cobalt Swap agreement in H2 2025 in line with timing of increased production
- → Expect further significant increase to dividends in Canada from Energas of $25M to $30M in 2025(1)
- → Expect to realize savings from cost optimizations implemented in 2024

**Received $30M(2) Cobalt Swap distribution and $7M dividend from Energas in Q4**

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1. Based on 2025 guidance estimates for production volumes, unit operating costs and spending on capital disclosed in the Outlook section of the MD&A. For further details on material assumptions, see Guidance section in the Appendix.
2. Including $23.7 million in cash and 223 tonnes of finished cobalt valued at $6.1 million (including both Sherritt's share and the General Nickel Company S.A. redirected share).

# Summary

Fort Saskatchewan, Alberta

# Sustainability
# 2024 Highlights

- Completed comprehensive safety strategy sessions with each of its operations, hired additional health and safety personnel, and refocused attention on felt leadership, supervisor competencies, and contractor safety
- Maintained and verified conformity with LME’s Track B Responsible Sourcing Requirements
- Completed GHG Emissions baseline assessment at the Moa JV mine site and Fort Site – identified potential decarbonation opportunities
- Completed climate risk and opportunity assessment at Energas

**Strong ESG credentials are essential for achieving new market opportunities with customers, partnerships and other key stakeholders**

# Fourth Quarter 2024
## Strengthening Our Position for Long-Term Upside

- Successfully delivered strong 2024 operating performance against challenging external backdrop and continued adverse market conditions for nickel and cobalt
- Announced 2025 guidance with further strength in operating performance for the year ahead
- Received distributions under Cobalt Swap in Q4 as guided and expect to receive distributions in H2 2025
- Significantly increased Power division dividends in Canada which is expected to double in 2025 on the back of investments in new gas wells and maintenance to maximize production
- Moa JV expansion set for 2025 ramp up
- Continued advancing strategic growth initiatives through MHP[(2)] Project and completing a refinery study for alternate nickel and cobalt feed sources


Nickel briquettes, Fort Saskatchewan, Alberta

**Achieved strong 2024 operating results; poised for continued growth in 2025**

1. Non-GAAP financial measure. For additional information see the Non-GAAP and other financial measures section in the Appendix.
2. Mixed hydroxide precipitate ("MHP").

# Q&A Discussion

# SHERRITT INTERNATIONAL CORPORATION

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# APPENDIX

# Guidance, Forward-looking estimates and Non-GAAP and other financial measures

# Guidance
## 2025 Guidance

| | 2024 Actual | **2025 Guidance** |
|---|---|---|
| **Production Volumes** | | |
| Metals: Moa Joint Venture (100% basis) | | |
| Finished Nickel (t) | 30,331 | **31,000 – 33,000** |
| Finished Cobalt (t) | 3,206 | **3,300 – 3,600** |
| Electricity (GWh, 33 ⅓% basis) | 816 | **775 – 825** |
| **Unit Operating Costs[1]** | | |
| Metals – NDCC[1] (US$/lb) | $5.94 | **$5.75 – $6.25** |
| Electricity Unit Operating Cost[1] ($/MWh) | $34.29 | **$23.00 – $24.50** |
| **Spending on Capital[1] ($ millions)** | | |
| Sustaining | | |
| Metals: Sustaining – Moa JV (50% basis), Fort Site (100% basis) | $15.2 | **$35.0** |
| Metals: Tailings Facility – Moa JV - (50% basis) | $13.1 | **$40.0** |
| Power (33 ⅓% basis) | $2.9 | **$2.0** |
| Growth | | |
| Metals: Moa JV (50% basis) | $11.4 | **$5.0** |
| Spending on Capital[2] | $42.6 | **$82.0** |

**Strong operating results expected with further distributions and dividends in 2025**

1. Non-GAAP financial measures. For additional information see the Non-GAAP and other financial measures section in this Appendix.
2. Excludes negligible spending on capital of the Metals Marketing, Oil and Gas and Corporate and Other segments.

# Guidance (continued)

### Metals

Nickel and cobalt production are both expected to increase in 2025 compared to 2024 primarily due to the enhanced availability of mixed sulphides from the Moa mine site to the refinery, following the completion, ramp up and debottlenecking of the phase two expansion. To maximize refinery operation efficiencies before and during the ramp-up period, third-party feed will be procured and processed as necessary, subject to market conditions. With the completion of the ramp up and as a result of the external challenges during the fourth quarter of 2024 which has resulted in lower beginning MSP inventory at the refinery, production is expected to be weighted towards the latter part of the year. Increased MSP production is expected to be delivered to the refinery in the second half of the year, especially in the fourth quarter of 2025, and finished nickel and cobalt production is expected to increase further in 2026.

NDCC[1] for 2025 is expected to be relatively consistent with 2024 and is expected to benefit from higher expected production and sales volumes and from previously implemented and continued cost optimization initiatives. Offsetting these benefits is the forecast negative impact from future commodity prices including lower cobalt prices, which are expected to result in year-over-year lower cobalt by-product credits, and higher sulphur prices, which are expected to result in higher input costs. In addition, guidance for 2025 includes the impact of the bi-annual Fort Site ammonia plant turnaround, and higher purchases of sulphuric acid required during planned acid plant maintenance at Moa.

By-product credits and input commodities included in NDCC[1] are subject to considerable change given the volatility of cobalt, fertilizer, sulphur, diesel and fuel prices. NDCC[1] guidance for 2025 is based on a forecast cobalt reference price of US$11.70 per pound and forecast sulphur price of US$215.00 per tonne including freight and handling.

Sustaining spending on capital[1], excluding spending on the new tailings facility, is expected to be $35.0 million (Moa JV 50% basis, Fort Site 100% basis).

Sustaining spending on capital[1] of $40.0 million (50% basis) is related to advancing Moa JV's tailings management project as outlined in its 2023 National Instrument 43-101 Technical Report. The new tailings facility will provide a tailings solution for the Moa mine over the entirety of its current mine life of approximately 25 years. The Corporation expects the new tailings facility to be commissioned in 2026. Spending on capital[1] in 2024 was $13.1 million for initial engineering and infrastructure work and the remaining expected capital cost which includes early works spending that was deferred from 2024 is estimated to be approximately $40.0 million (50% basis) in each of 2025 and 2026. The tailings management project is a capital efficient and robust tailings solution driven to meet expected production needs, international standards, and Moa JV's strategic environmental priorities. Subsequent to year end, the Moa JV secured a US$60.0 million (100% basis) equivalent loan in Cuban pesos from a Cuban financial institution with a 5-year maturity that will primarily be utilized to support capital spend on tailings management.

Growth spending on capital[1] is primarily related to deferred spending from 2024 which is to be used for the completion of construction of phase two of the expansion program at the Moa JV which remains on budget and is expected to be completed in the first half of 2025.

### Power

Electricity production is expected to be higher in 2025 compared to 2024 despite the lower production at the Varadero facility due to the requirement to operate in frequency control as noted above. Production at Power's other facilities are expected to be higher as a result of the full year receipt of additional gas from the gas well that went into production in Q4 2024, better equipment availability and improved utilization rates with the completion of the maintenance in 2024.

The 2025 production guidance reflects a reduction of approximately 150 GWh associated with frequency control at the Varadero facility. Enegas will be fully compensated for this reduction under the same terms and conditions outlined in its contract and the Corporation expects there will be no negative impact to Power's Adjusted EBITDA[1], earnings from operations or dividends from Energas to Sherritt in Canada as a result.

Unit operating cost[1] for electricity in 2025 reflects lower planned maintenance activities related to gas turbines and the impact of higher electricity production and sales.

Spending on capital[1] for sustaining activities is primarily for maintenance and equipment purchases.



1. Non-GAAP financial measures. For additional information see the Non-GAAP and other financial measures section in this Appendix .

# Forward-looking estimates

## Cobalt Swap distributions

The Moa JV's cash and cobalt distributions to the Corporation are determined based on available cash in excess of liquidity requirements. Determinants of liquidity include anticipated nickel and cobalt prices and sales volumes, planned spending on capital at the Moa JV including growth capital, working capital needs, expected financing and other expected liquidity requirements. Available cash is also impacted by changes in working capital primarily related to changes in inventory, and timing of receipts and payments, including receipts on nickel and cobalt sales subsequent to shipment. Sherritt's corporate structure in the *Risks related to Sherritt's operations in Cuba* in the Managing risk section of the Corporation's MD&A for further information on risks related to distributions from the Moa JV.

## Energas dividends

Based on 2025 guidance estimates for production volumes, unit operating costs(1) and spending on capital(1) disclosed in the Outlook section of this appendix and the MD&A, Sherritt expect total dividends in Canada from Energas of between $25.0 and $30.0 million in 2025. Refer to the risks related to Sherritt's corporate structure in the *Risks related to Sherritt's operations in Cuba* in the Managing risk section of the Corporation's MD&A for further information on risks related to dividends in Canada from Energas.

1. Non-GAAP financial measures. For additional information see the Non-GAAP and other financial measures section in this Appendix .

# Non-GAAP and other financial measures

# 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 revenue relate to ancillary drilling services, provided to a customer and agencies of the Government of Cuba, which is not reflective of the Corporation's core operating activities or revenue generation potential. The exclusion of revenue at Oil and Gas from Combined revenue represented a change in the composition of Combined revenue during the three months 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:

| $ millions | For the three months ended 2024 December 31 | 2023 December 31 (Restated) | Change | For the year ended 2024 December 31 | 2023 December 31 (Restated) | Change |
|---|---|---|---|---|---|---|
| **Revenue by reportable segment** | | | | | | |
| Metals[1] | $ **148.3** | $ 125.9 | 18% | $ **526.6** | $ 603.7 | (13%) |
| Power | **11.1** | 14.0 | (21%) | **47.8** | 47.1 | 1% |
| Corporate and Other | **0.9** | 0.6 | 50% | **3.2** | 2.1 | 52% |
| Combined revenue | $ **160.3** | $ 140.5 | 14% | $ **577.6** | $ 652.9 | (12%) |
| Adjustment for Moa Joint Venture | **(115.6)** | (107.7) | | **(434.5)** | (442.2) | |
| Adjustment for Oil and Gas | **1.0** | 2.0 | | **15.7** | 12.6 | |
| Financial statement revenue | $ **45.7** | $ 34.8 | 31% | $ **158.8** | $ 223.3 | (29%) |

(1) Revenue of Metals for the three months ended December 31, 2024 is composed of revenue recognized by the Moa JV of $115.6 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 $30.1 million and Metals Marketing of $2.6 million, both of which are included in consolidated revenue (for the three months ended December 31, 2023 - $107.7 million, $15.3 million and $2.9 million, respectively). Revenue of Metals for the year ended December 31, 2024 is composed of revenue recognized by the Moa JV of $434.5 million (50% basis), coupled with revenue recognized by Fort Site of $85.6 million and Metals Marketing of $6.5 million (for the year ended December 31, 2023 - $442.2 million, $77.9 million and $83.6 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 and impairment, 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 agencies of the Government of Cuba, 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 and impairment, if applicable) represented a change in the composition of Adjusted EBITDA during the three months 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 | | | | | | 2024 |
|---|---|---|---|---|---|---|
| | Metals[1] | Power | Oil and Gas | Corporate and Other | Adjustment for Moa Joint Venture | Total |
| (Loss) earnings from operations and joint venture per financial statements | $ (1.0) | $ 4.8 | $ (18.8) | $ (4.8) | $ 2.9 | $ (16.9) |
| Add (deduct): | | | | | | |
| Depletion, depreciation and amortization | 2.8 | 0.7 | 0.1 | 0.1 | - | 3.7 |
| Impairment of intangible assets | - | - | 8.4 | - | - | 8.4 |
| Oil and Gas earnings from operations, net of depletion, depreciation and amortization and impairment of intangible assets | - | - | 10.3 | - | - | 10.3 |
| Adjustments for share of earnings of Moa Joint Venture: | | | | | | |
| Depletion, depreciation and amortization | 12.8 | - | - | - | - | 12.8 |
| Impairment of property, plant and equipment | - | - | - | - | - | - |
| Net finance expense | - | - | - | - | 0.7 | 0.7 |
| Income tax recovery | - | - | - | - | (3.6) | (3.6) |
| Adjusted EBITDA | $ 14.6 | $ 5.5 | $ - | $ (4.7) | $ - | $ 15.4 |

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# Adjusted EBITDA (continued)

| $ millions, for the three months ended December 31 | | | | | | 2023 (Restated) |
|---|---|---|---|---|---|---|
| | Metals[1] | Power | Oil and Gas | Corporate and Other | Adjustment for Moa Joint Venture | Total |
| (Loss) earnings from operations and joint venture per financial statements | $ (22.0) | $ 5.9 | $ (23.3) | $ (5.1) | $ 1.1 | $ (43.4) |
| Add (deduct): | | | | | | |
| Depletion, depreciation and amortization | 2.8 | 0.7 | - | 0.2 | - | 3.7 |
| Oil and Gas earnings from operations, net of depletion, depreciation and amortization | - | - | 23.3 | - | - | 23.3 |
| Adjustments for share of earnings of Moa Joint Venture: | | | | | | |
| Depletion, depreciation and amortization | 10.5 | - | - | - | - | 10.5 |
| Net finance income | - | - | - | - | 1.9 | 1.9 |
| Income tax recovery | - | - | - | - | (3.0) | (3.0) |
| Adjusted EBITDA | $ (8.7) | $ 6.6 | $ - | $ (4.9) | $ - | $ (7.0) |

| $ millions, for the year ended December 31 | | | | | | **2024** |
|---|---|---|---|---|---|---|
| | Metals[2] | Power | Oil and Gas | Corporate and Other | Adjustment for Moa Joint Venture | Total |
| (Loss) earnings from operations and joint venture per financial statements | **$ (18.5)** | **$ 13.5** | **$ (18.3)** | **$ (24.4)** | **$ 4.2** | **$ (43.5)** |
| Add: | | | | | | |
| Depletion, depreciation and amortization | **10.5** | **2.5** | **0.2** | **0.8** | **-** | **14.0** |
| Impairment of intangible assets | **-** | **-** | **8.4** | **-** | **-** | **8.4** |
| Oil and Gas loss from operations, net of depletion, depreciation and amortization and impairment of intangible assets | **-** | **-** | **9.7** | **-** | **-** | **9.7** |
| Adjustments for share of earnings of Moa Joint Venture: | | | | | | |
| Depletion, depreciation and amortization | **47.5** | **-** | **-** | **-** | **-** | **47.5** |
| Impairment of property, plant and equipment | **0.5** | **-** | **-** | **-** | **-** | **0.5** |
| Net finance income | **-** | **-** | **-** | **-** | **1.0** | **1.0** |
| Income tax recovery | **-** | **-** | **-** | **-** | **(5.2)** | **(5.2)** |
| Adjusted EBITDA | **$ 40.0** | **$ 16.0** | **$ -** | **$ (23.6)** | **$ -** | **$ 32.4** |

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# Adjusted EBITDA (continued)

| $ millions, for the year ended December 31 | | | | | | 2023 (Restated) |
|---|---|---|---|---|---|---|
| | Metals[2] | Power | Oil and Gas | Corporate and Other | Adjustment for Moa Joint Venture | Total |
| (Loss) earnings from operations and joint venture per financial statements | $ (2.1) | $ 20.7 | $ (30.2) | $ (31.6) | $ (0.2) | $ (43.4) |
| Add (deduct): | | | | | | |
| Depletion, depreciation and amortization | 10.6 | 2.5 | 0.2 | 1.0 | - | 14.3 |
| Oil and Gas earnings 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 | $ - | $ (30.6) | $ - | $ 46.2 |

(1) Adjusted EBITDA of Metals for the three months ended December 31, 2024 is composed of Adjusted EBITDA at Moa JV of $6.7 million (50% basis), Adjusted EBITDA at Fort Site of $8.9 million and Adjusted EBITDA at Metals Marketing of $(1.0) million (for the three months ended December 31, 2023 - $(5.0) million, $(2.9) million and $(0.8) million, respectively).

(2) Adjusted EBITDA of Metals for the year ended December 31, 2024 is composed of Adjusted EBITDA at Moa JV of $25.2 million (50% basis), Adjusted EBITDA at Fort Site of $17.8 million and Adjusted EBITDA at Metals Marketing of $(3.0) million (for the year ended December 31, 2023 - $67.2 million, $(2.6) million and $(11.0) million, respectively).

# Average-realized price

Average-realized price is generally calculated by dividing revenue by sales volume for the given product in a given segment. The average-realized price for power excludes frequency control, by-product and other revenue, as this revenue is not earned directly for power generation. Refer to the Power Review of operations section for further details on frequency control revenue, which Energas receives in compensation for lost sales of electricity as a result of frequency control. Transactions by a Moa JV marketing company, included in other revenue, are excluded.

During the year ended December 31, 2024, the Corporation purchased put options on 3,876 tonnes of nickel at an exercise price of US$8.16/lb at a cost of $2.2 million for a six-month period from June 1, 2024 to November 30, 2024 to protect against downward changes in nickel prices. $5.9 million of net proceeds was received during the year ended December 31, 2024 upon settlement of the nickel put options, which is not reflected in the average-realized price of nickel below.

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 | | | | | | | 2024 |
|---|---|---|---|---|---|---|---|
| | Metals | | | | | | |
| | Nickel | Cobalt | Fertilizer | Power | Other(1) | Adjustment for Moa Joint Venture | Total |
| Revenue per financial statements | $ 95.3 | $ 12.6 | $ 31.8 | $ 11.1 | $ 10.5 | $ (115.6) | $ 45.7 |
| Adjustments to revenue: | | | | | | | |
| Frequency control, by-product and other revenue | - | - | - | (1.9) | | | |
| Revenue for purposes of average-realized price calculation | 95.3 | 12.6 | 31.8 | 9.2 | | | |
| Sales volume for the period | 9.6 | 1.0 | 63.3 | 171 | | | |
| Volume units | Millions of pounds | Millions of pounds | Thousands of tonnes | Gigawatt hours | | | |
| Average-realized price(2)(3)(4) | $ 9.98 | $ 12.30 | $ 502.93 | $ 53.19 | | | |

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# Average-realized price (continued)

| $ millions, except average-realized price and sales volume, for the three months ended December 31 | | | | | | | 2023 |
|---|---|---|---|---|---|---|---|
| | Metals | | | | | | |
| | 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 and other 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 year ended December 31 | | | | | | | **2024** |
|---|---|---|---|---|---|---|---|
| | Metals | | | | | | |
| | Nickel | Cobalt | Fertilizer | Power | Other(1) | Adjustment for Moa Joint Venture | Total |
| Revenue per financial statements | **$ 355.9** | **$ 48.0** | **$ 90.1** | **$ 47.8** | **$ 51.5** | **$ (434.5)** | **$ 158.8** |
| Adjustments to revenue: | | | | | | | |
| Frequency control, by-product and other revenue | **-** | **-** | **-** | **(5.3)** | | | |
| Revenue for purposes of average-realized price calculation | **355.9** | **48.0** | **90.1** | **42.5** | | | |
| Sales volume for the period | **34.6** | **3.6** | **179.1** | **816** | | | |
| Volume units | Millions of pounds | Millions of pounds | Thousands of tonnes | Gigawatt hours | | | |
| Average-realized price(2)(3)(4) | **$ 10.30** | **$ 13.30** | **$ 503.19** | **$ 52.01** | | | |

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# Average-realized price (continued)

| $ 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 and other 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 | | | |

(1) Other revenue includes other revenue from the Metals reportable segment, revenue from the Oil and Gas reportable segment, a non-core reportable segment, and revenue from the Corporate and Other reportable segment.

(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.

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# Unit operating cost/Net direct cash 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.

Power's unit operating costs for the three months and year ended December 31, 2024 was unfavourably impacted by lower sales volumes as a result of frequency control, for which Energas is being compensated. Refer to the Power Review of operations section for further details on frequency control.

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 | | | | | | | | | | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Metals | | Power | | Other[1] | | Adjustment for Moa Joint Venture | | Total |
| Cost of sales per financial statements | $ | 146.6 | $ | 5.9 | $ | 11.8 | $ | (120.5) | $ | 43.8 |
| Less: | | | | | | | | | | |
| Depletion, depreciation and amortization in cost of sales | | (15.6) | | (0.6) | | | | | | |
| | | 131.0 | | 5.3 | | | | | | |
| Adjustments to cost of sales: | | | | | | | | | | |
| Cobalt by-product, fertilizer and other revenue | | (53.0) | | - | | | | | | |
| Cobalt loss | | 0.1 | | - | | | | | | |
| Impact of opening/closing inventory and other[2] | | (4.3) | | - | | | | | | |
| Cost of sales for purposes of unit cost calculation | | 73.8 | | 5.3 | | | | | | |
| Sales volume for the period | | 9.6 | | 171 | | | | | | |
| Volume units | | Millions of pounds | | Gigawatt hours | | | | | | |
| Unit operating cost[3][4] | $ | 7.66 | $ | 30.64 | | | | | | |
| Unit operating cost (US$ per pound) (NDCC)[5] | $ | 5.44 | | | | | | | | |

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# Unit operating cost/Net direct cash cost (continued)

| $ 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) | | - | | | | | | |
| 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 year ended December 31 | | | | | | | | | | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Metals | | Power | | Other[1] | | Adjustment for Moa Joint Venture | | Total |
| Cost of sales per financial statements | $ | **532.3** | $ | **30.1** | $ | **27.5** | $ | **(451.4)** | $ | **138.5** |
| Less: | | | | | | | | | | |
| Depletion, depreciation and amortization in cost of sales | | **(58.0)** | | **(2.1)** | | | | | | |
| | | **474.3** | | **28.0** | | | | | | |
| Adjustments to cost of sales: | | | | | | | | | | |
| Cobalt by-product, fertilizer and other revenue | | **(170.7)** | | **-** | | | | | | |
| Cobalt loss | | **0.1** | | **-** | | | | | | |
| Impact of opening/closing inventory and other[2] | | **(22.1)** | | **-** | | | | | | |
| Cost of sales for purposes of unit cost calculation | | **281.6** | | **28.0** | | | | | | |
| Sales volume for the period | | **34.6** | | **816** | | | | | | |
| Volume units | | Millions of pounds | | Gigawatt hours | | | | | | |
| Unit operating cost[3][4] | **$** | **8.15** | **$** | **34.29** | | | | | | |
| Unit operating cost (US$ per pound) (NDCC)[5] | **$** | **5.94** | | | | | | | | |

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# Unit operating cost/Net direct cash cost (continued)

| $ 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 | | | | | | | | |

(1) Other is composed of the cost of sales of the Oil and Gas, a non-core reportable segment, and cost of sales of the Corporate and Other reportable segment.
(2) Other is primarily composed of royalties and other contributions, sales discounts, effect of average exchange rate changes 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 agencies of the Government of Cuba, 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 represented a change in the composition of adjusted net earnings/loss from continuing operations during the three months 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 tables below reconcile net loss from continuing operations and net loss from continuing operations per share, both per the financial statements, to adjusted net loss from continuing operations and adjusted net loss from continuing operations per share, respectively:

# Adjusted net earnings/loss from continuing operations and adjusted net earnings/loss from continuing operations per share (continued)

| For the three months ended December 31 | | 2024 $ millions | | 2024 $/share | | 2023 $ millions | | 2023 $/share |
|---|---|---|---|---|---|---|---|---|
| Net loss from continuing operations | $ | **(22.5)** | $ | **(0.06)** | $ | (53.4) | $ | (0.13) |
| Adjusting items: | | | | | | | | |
| Sherritt - Unrealized foreign exchange loss - continuing operations | | **1.4** | | **-** | | 0.9 | | - |
| Corporate and Other - Realized gain on nickel put options | | **(2.5)** | | **(0.01)** | | - | | - |
| Corporate and Other - Unrealized loss on nickel put options | | **0.8** | | **-** | | - | | - |
| Metals - Moa JV - Inventory write-down/obsolescence | | **0.4** | | **-** | | 1.6 | | - |
| Metals - Fort Site - Unrealized gain on natural gas swaps | | **(0.8)** | | **-** | | - | | - |
| Metals - Fort Site - Inventory write-down | | **-** | | **-** | | 0.7 | | - |
| Metals - Metals Marketing - Cobalt loss | | **(0.1)** | | **-** | | - | | - |
| Power - (Gain) loss on revaluation of GNC receivable | | **(3.3)** | | **(0.01)** | | 3.5 | | 0.01 |
| Power - Gain on revaluation of Energas payable | | **(0.2)** | | **-** | | (1.3) | | - |
| Oil and Gas - Impairment of intangible assets | | **8.4** | | **0.02** | | - | | - |
| Oil and Gas - Net loss from continuing operations, net of unrealized foreign exchange gain/loss and impairment of intangible assets | | **10.4** | | **0.03** | | 20.1 | | 0.05 |
| **Total adjustments, before tax** | $ | **14.5** | $ | **0.03** | $ | 25.5 | $ | 0.06 |
| Tax adjustments | | **(2.2)** | | **-** | | - | | - |
| **Adjusted net loss from continuing operations** | $ | **(10.2)** | $ | **(0.03)** | $ | (27.9) | $ | - |

# Adjusted net earnings/loss from continuing operations and adjusted net earnings/loss from continuing operations per share (continued)

| For the year ended December 31 | | 2024 $ millions | | 2024 $/share | | 2023 $ millions | | 2023 $/share |
|---|---|---|---|---|---|---|---|---|
| Net loss from continuing operations | $ | **(73.1)** | $ | **(0.18)** | $ | (64.3) | $ | (0.16) |
| Adjusted items: | | | | | | | | |
| Sherritt - Unrealized foreign exchange loss - continuing operations | | **1.7** | | **-** | | 1.1 | | - |
| Sherritt's share - Severance related to restructuring and workforce reductions | | **3.5** | | **0.01** | | - | | - |
| Corporate and Other - Realized gain on nickel put options | | **(5.9)** | | **(0.02)** | | - | | - |
| Corporate and Other - Gain on repurchase of notes | | **(1.8)** | | **-** | | (3.5) | | (0.01) |
| Metals - Moa JV - Inventory write-down/obsolescence | | **2.9** | | **0.01** | | 4.6 | | 0.01 |
| Metals - Fort Site - Inventory write-down | | **0.9** | | **-** | | 8.9 | | 0.03 |
| Metals - Fort Site - Unrealized gain on natural gas swaps | | **(0.8)** | | **-** | | - | | - |
| Metals - Metals Marketing - Inventory write-down | | **-** | | **-** | | 1.1 | | - |
| Metals - Metals Marketing - Cobalt (loss) gain | | **(0.1)** | | **-** | | 2.7 | | 0.01 |
| Power - Gain on revaluation of GNC receivable | | **(0.4)** | | **-** | | (14.7) | | (0.04) |
| Power - (Gain) loss on revaluation of Energas payable | | **(0.2)** | | **-** | | 7.6 | | 0.02 |
| Oil and Gas - Impairment of intangible assets | | **8.4** | | **0.02** | | - | | - |
| Oil and Gas - Net loss from continuing operations, net of unrealized foreign exchange gain/loss and impairment of intangible assets | | **9.7** | | **0.02** | | 26.6 | | 0.07 |
| **Total adjustments, before tax** | $ | **18.4** | $ | **0.04** | $ | 34.4 | $ | 0.09 |
| Tax adjustments | | **(1.6)** | | **-** | | 0.3 | | - |
| **Adjusted net loss from continuing operations** | $ | **(56.3)** | $ | **(0.14)** | $ | (29.6) | $ | (0.07) |

# 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 | | | | | | 2024 |
|---|---|---|---|---|---|---|
| | Metals | Power | Other[1] | Combined total | Adjustment for Moa Joint Venture | Total derived from financial statements |
| Property, plant and equipment expenditures[2] | $ 6.2 | $ 0.5 | $ - | $ 6.7 | $ (4.5) | $ 2.2 |
| Intangible asset expenditures[2] | - | - | - | - | - | - |
| | 6.2 | 0.5 | - | 6.7 | $ (4.5) | $ 2.2 |
| Adjustments: | | | | | | |
| Accrual adjustment | 5.1 | (0.2) | 0.1 | 5.0 | | |
| Spending on capital | $ 11.3 | $ 0.3 | $ 0.1 | $ 11.7 | | |

# Spending on capital (continued)

| $ 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 year ended December 31 | | | | | | **2024** |
|---|---|---|---|---|---|---|
| | Metals | Power | Other[1] | Combined total | Adjustment for Moa Joint Venture | Total derived from financial statements |
| Property, plant and equipment expenditures[2] | **$ 34.0** | **$ 2.9** | **$ -** | **$ 36.9** | **$ (30.3)** | **$ 6.6** |
| Intangible asset expenditures[2] | **-** | **-** | **0.2** | **0.2** | **-** | **0.2** |
| | **34.0** | **2.9** | **0.2** | **37.1** | **$ (30.3)** | **$ 6.8** |
| Adjustments: | | | | | | |
| Accrual adjustment | **5.7** | **-** | **(0.1)** | **5.6** | | |
| Spending on capital | **$ 39.7** | **$ 2.9** | **$ 0.1** | **$ 42.7** | | |

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# Spending on capital (continued)

| $ 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 | | |

(1) Includes property, plant and equipment and intangible asset expenditures of the Oil and Gas reportable segment, which is non-core, and the Corporate and Other reportable segment
(2) Total property, plant and equipment expenditures and total intangible asset expenditures as presented in the Corporation's consolidated statements of cash flow.