Sherritt Reports Fourth Quarter and Full Year 2024 Results; Strong Operational Performance at Metals and Power; Provides Guidance for 2025

05.02.2025 | Business Wire

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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, 2024 and provided its 2025 guidance. All amounts are in Canadian dollars unless otherwise noted.

"Sherritt demonstrated exceptional performance in 2024, with Metals production, Power production and net direct cash costs all falling within their guidance ranges despite significant external challenges," said Leon Binedell, President and CEO of Sherritt. "Our teams skillfully managed through port and rail disruptions in Canada, while successfully navigating natural disasters and power infrastructure challenges in Cuba. We implemented strategic adjustments, including optimizing our maintenance schedule and strategically building feed inventory at our refinery to ensure operational continuity. Our comprehensive risk management protocols proved highly effective, preventing any health, safety, or environmental incidents during Cuba's natural disasters."

Mr. Binedell continued, "We achieved strong results despite challenging nickel market conditions, with nickel sales volumes increasing 22% year-over-year. Our financial position in Canada remains solid, bolstered by the resumption of the Cobalt Swap which yielded a $30 million distribution. In our Power division, the maintenance work completed in 2024 to bring online an additional turbine and the improvements in equipment availability are leading to higher levels of electricity production. This in turn is translating into higher dividends in Canada which totaled $13 million last year and which we see significantly increasing with $25 million to $30 million expected this year. Additionally, our comprehensive organizational restructuring and cost reduction initiatives are projected to deliver approximately $17 million in annualized savings.

Looking ahead to 2025, we are focused on driving operational excellence and maximizing value from our Moa JV expansion. We continue to advance key strategic initiatives including our mixed hydroxide precipitate project targeting the North American EV market. Sherritt remains well positioned to navigate current market conditions and maintain competitiveness despite Chinese-driven supply pressures."

FOURTH QUARTER AND FULL YEAR 2024 RESULTS AND SELECTED DEVELOPMENTS(1)

- Finished nickel and cobalt production at the Moa Joint Venture ("Moa JV") in Q4 2024 was 3,853 tonnes and 465 tonnes, respectively, (Sherritt's share(1)). For the full year 2024 finished nickel and cobalt production was 30,331 tonnes and 3,206 tonnes, respectively, (100% basis) both within their respective annual guidance ranges.
- Finished nickel sales totaled 4,326 tonnes in Q4 2024 and 15,678 tonnes for the full year both exceeding production. Sales in Q4 2024 were the highest in two years. Year-over-year finished nickel sales increased by 22% reflecting Sherritt's focused effort to expand market opportunities. Finished cobalt sales were 465 tonnes in Q4 2024 and 1,638 tonnes for the full year.
- Net direct cash cost ("NDCC")(2) was US$5.44/lb in Q4 2024. Full year 2024 NDCC(2) of US$5.94/lb was within its guidance range and was a pronounced improvement over 2023 being 18% lower year-over-year despite a 41% reduction in cobalt by-product credits due to lower average-realized prices(2). This improvement was driven by notably lower mining, processing, and refining costs per pound of nickel sold ("MPR/lb").

- Electricity production was 171 GWh in Q4 2024 and 816 GWh for the full year, respectively. In Q4 2024, Sherritt's Power division played a meaningful role in restoring the Cuban national grid following nationwide power outages. Despite the power outages, electricity production in 2024 reached a six-year high as a result of Sherritt's multiyear efforts to optimize its Power division by bringing new gas wells into production, improving equipment availability and increasing utilization rates.
- Electricity unit operating cost(2) was $30.64/MWh in Q4 2024. Full year was $34.29/MWh, slightly above the upper end of the annual guidance range of $34.00/MWh, due to the power outages and frequency control measures in Cuba, as well as the weaker Canadian dollar on U.S. dollar-denominated costs for the full year 2024.
- Organizational restructuring and cost reduction initiatives in 2024 are expected to yield annualized savings of approximately $17.0 million.
- Net loss from continuing operations was $22.5 million, or $(0.06) per share in Q4 2024 and $73.1 million, or $(0.18) per share for the full year.
- Adjusted net loss from continuing operations(2) was $10.2 million or $(0.03) per share in Q4 2024 and $56.3 million or $(0.14) per share for the full year, and primarily excludes $8.4 million non-cash impairment of intangible assets in Oil and Gas recognized in Q4 and $6.9 million and $8.2 million non-cash loss on rehabilitation provisions, respectively, as a result of updates to valuation assumptions for rehabilitation and closure costs on legacy Oil and Gas assets in Spain.
- Adjusted EBITDA(2) was $15.4 million in Q4 2024 and $32.4 million for the full year.
- Cobalt Swap distributions totaled $29.8 million in Q4 2024, 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. ("GNC") redirected share).
- Power division dividends in Canada were $7.0 million in Q4 2024, totaling $13.0 million for the year.
- Available liquidity in Canada as of December 31, 2024 was $62.4 million.
- Construction on phase two of the Moa JV expansion project progressed with piping installation and internal brick lining of vessels during the quarter, along with some pre-commissioning activities. With lower nickel and cobalt prices, Sherritt continues to exercise capital preservation measures and has scheduled certain expenditures for Q1 2025 when construction is expected to be completed and following which, the ramp-up is expected to commence.

(1) References to operating and financial metrics in this press release, unless otherwise indicated, are to "Sherritt's share" which 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 33?% interest in Energas S.A. ("Energas"). References to Corporate and Other and Oil and Gas includes the Corporation's 100% interest in these businesses. Corporate and Other refers to the Corporate head office and growth and market development support. References to Fort Site directly is to the Corporation's 100% interest in the utility and fertilizer operations.

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

(3) 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, 2024.

2025 ANNUAL GUIDANCE

Metals:

- Finished nickel and cobalt production are expected to be between 31,000 to 33,000 tonnes (100% basis) and 3,300 to 3,600 tonnes (100% basis), respectively. This increase is attributed to 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. Production is expected to be weighted towards the latter part of the year. 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.
- NDCC(1) is expected to be between US$5.75 to US$6.25 per pound of nickel sold based on a forecast negative impact from future commodity prices which are expected to result in year-over-year lower cobalt by-product credits and higher input costs as well as planned Fort Site ammonia and Moa JV acid plant maintenance offsetting the benefits of higher expected production and sales and cost optimization initiatives implemented in 2024.
- 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 be engineered and built to international standards and will provide a tailings solution for the Moa mine over the entirety of its current mine life of approximately 25 years. The estimated spending in 2025 includes early works spending that was deferred from 2024. 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 spending on tailings management.
- Growth spending on capital[1] is expected to be $5.0 million (Moa JV 50% basis) due to planned deferral of spending from 2024 which is to be used for the completion of phase two of the Moa JV expansion as noted above.

Power:

- Electricity production is expected to be between 800 to 850 GWh (33?% basis) on higher gas and equipment availability and improved utilization rates despite lower production from Varadero due to planned grid frequency control.
- Electricity unit operating cost[1] is expected to be between $23.00 to $24.50 per MWh on lower maintenance and higher electricity production.
- Spending on capital[1] is expected to be $2.0 million (33?% basis) reflecting lower maintenance spending.

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

Q4 2024 FINANCIAL HIGHLIGHTS

	For the three months ended			For the year end	
$ millions, except per share amount	2024 December 31	2023 December 31	Change	2024 December 31	2023 Dec
Revenue	$ 45.7	$ 34.8	31 %	$ 158.8	$ 2
Combined revenue[1]	160.3	140.5	14 %	577.6	6
Loss from operations and joint venture	(16.9)	(43.4)	61 %	(43.5)	(4
Net loss from continuing operations	(22.5)	(53.4)	58 %	(73.1)	(6
Net loss for the period	(22.9)	(53.4)	57 %	(72.8)	(6
Adjusted EBITDA[1]	15.4	(7.0)	320 %	32.4	4
Adjusted loss from continuing operations[1]	(10.2)	(27.9)	63 %	(56.3)	(2
Net loss from continuing operations ($ per share)	(0.06)	(0.13)	54 %	(0.18)	(0
Adjusted loss from continuing operations ($ per share)[1]	(0.03)	(0.07)	57 %	(0.14)	(0
Cash used by continuing operations for operating activities	(21.5)	(18.1)	(19 %)	(25.9)	2
Combined free cash flow[1]	(20.2)	(39.1)	48 %	(19.2)	(1
Average exchange rate (CAD/US$)	1.398	1.362	3 %	1.370	1

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

$ millions, as at	2024 December 3
Cash and cash equivalents	

Canada	$	32.0
Cuba[1]		113.1
Other		0.6
		145.7
Loans and borrowings		372.5
The Corporation's share of cash and cash equivalents in the Moa Joint Venture, not included in the above balances:	$	5.7

(1) As at December 31, 2024, $111.4 million of the Corporation's cash and cash equivalents was held by Energas (December 31, 2023 - $93.9 million).

Cash and cash equivalents were $145.7 million as at December 31, 2024 compared to $148.6 million as at September 30, 2024.

As at December 31, 2024, total available liquidity in Canada, which is composed of cash and cash equivalents in Canada of $32.0 million and available credit facilities of $30.4 million was $62.4 million compared to $71.4 million as at September 30, 2024. During the quarter, Sherritt received $23.7 million of Cobalt Swap cash distributions, $7.0 million of dividends from Energas and $4.7 million on the settlement of in-the-money nickel put options. These receipts were offset by cash used for operating activities primarily reflecting timing of working capital receipts and payments, $9.4 million for interest on the Corporation's 8.5% secured second lien notes ("Second Lien Notes"), and $3.6 million on contractually obligated rehabilitation and closure costs related to legacy Oil and Gas assets in Spain.

On a full year basis, total available liquidity in Canada was in line with the $63.0 million as at December 31, 2023. During 2024, Sherritt received $23.7 million of cash Cobalt Swap distributions and $13.0 million of dividends from Energas, $36.2 million of proceeds from operating activities at Fort Site on higher operating earnings and timing of working capital receipts and payments, $30.0 million as full repayment of short-term working capital advances made to the Moa JV in 2023 and $5.9 million net proceeds from nickel put options. These receipts were offset by cash used for operating activities primarily on timing of working capital receipts and to support planned maintenance activities at Power, $18.8 million for interest on the Second Lien Notes, $6.6 million for property, plant and equipment and $27.2 million on contractually obligated rehabilitation and closure costs related to legacy Oil and Gas assets in Spain.

At current spot nickel prices, the Corporation expects that cobalt dividends and cash distributions under the Cobalt Swap agreement will commence in the second half of the year and will not meet the annual minimum amount in 2025. 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, capital committed toward the new tailings facility net of financing, 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.

With the completion of maintenance work in 2024 to bring online an additional turbine and to improve equipment availability to process gas from the recently completed wells and based on 2025 guidance estimates for production volumes, unit operating costs[1] and spending on capital[1] disclosed in the Outlook section, total dividends in Canada from Energas in 2025 are expected to be between $25.0 million and $30.0 million.

As at December 31, 2024, the Corporation was in compliance with all its debt covenants.

At the Second Lien Notes interest payment date in October 2024, the Corporation was not required to make a mandatory redemption of Second Lien Notes as it did not have Excess Cash Flow as defined in the Second Lien Notes indenture agreement for the two-quarter period ended June 30, 2024. For the two-quarter period ended December 31, 2024, Excess Cash Flow was $5.5 million. Subject to the minimum liquidity threshold of $75.0 million pursuant to the Second Lien Notes Indenture at the interest payment date in April 2025, the Corporation will be required to redeem, at par, total Second Lien Notes equal to 50% of Excess Cash Flow, or $2.8 million.

Subsequent to the quarter end, consistent with its prudent approach to managing liquidity, Sherritt elected not to pay cash interest due in January 2025 of $3.6 million and added the payment-in-kind interest to the principal amount owed to noteholders in its 10.75% unsecured PIK option notes ("PIK notes").

REVIEW OF OPERATIONS

Metals

	For the three months ended			For the yea
$ millions (Sherritt's share), except as otherwise noted	2024 December 31	2023 December 31	Change	2024 December
FINANCIAL HIGHLIGHTS[1]				
Revenue	$ 148.3	$ 125.9	18 %	$ 526.6
Cost of sales	146.6	146.6	-	532.3
Loss from operations	(1.0)	(22.0)	95 %	(18.5
Adjusted EBITDA[2]	14.6	(8.7)	268 %	40.0
CASH FLOW[1]				
Cash provided by continuing operations for operating activities[2]	$ 5.9	$ 3.4	74 %	$ 93.1
Free cash flow[2]	(0.3)	(14.2)	98 %	59.1
PRODUCTION VOLUMES (tonnes)				
Mixed Sulphides	3,552	3,514	1 %	15,847
Finished Nickel	3,853	3,744	3 %	15,166
Finished Cobalt	465	330	41 %	1,603
Fertilizer	67,648	61,092	11 %	250,272
NICKEL RECOVERY[3] (%)	84 %	89 %	(6 %)	86
SALES VOLUMES (tonnes)				
Finished Nickel	4,326	3,511	23 %	15,678
Finished Cobalt	465	399	17 %	1,638
Fertilizer	63,299	55,509	14 %	179,135
AVERAGE-REFERENCE PRICE[4] (US$ per pound)				
Nickel	$ 7.27	$ 7.82	(7 %)	$ 7.63
Cobalt	11.59	15.69	(26 %)	12.77
AVERAGE-REALIZED PRICE[2] (CAD)				

Nickel ($ per pound)	$ 9.98	$ 10.87	(8 %)	$ 10.30
Cobalt ($ per pound)	12.30	17.23	(29 %)	13.30
Fertilizer ($ per tonne)	502.93	414.80	21 %	503.19
UNIT OPERATING COST(2) (US$)				
Nickel - net direct cash cost (US$ per pound)	$ 5.44	$ 7.87	(31 %)	$ 5.94
SPENDING ON CAPITAL(2)(CAD)				
Sustaining	$ 6.0	$ 19.0	(68 %)	$ 28.3
Growth	5.3	2.3	130 %	11.4
	$ 11.3	$ 21.3	(47 %)	$ 39.7

(1) The amounts included in the Financial Highlights, and cash flow sections for Metals above include the combined results 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 ("LME"). Cobalt - Average chemical-grade cobalt price published per Argus.

Revenue

Metals revenue for the three months and year ended December 31, 2024 was $148.3 million and $526.6 million compared to $125.9 million and $603.7 million, respectively, in the same periods in 2023.

Nickel revenue for the three months and year ended December 31, 2024 was $95.3 million and $355.9 million compared to $84.1 million and $379.6 million, respectively, in the same periods in 2023. In Q4 2024, the 23% increase in nickel sales volume offset the 8% lower average-realized price(1). For the year ended December 31, 2024, the 22% increase in nickel sales volume was more than offset by the 23% decrease in average-realized price(1) in 2024. Sales volumes were higher in line with higher production in each quarter in 2024, except in Q3 where demand is typically softer and as a result of the Canadian rail lock-out that temporarily disrupted logistics. In Q4 2024, sales volume was above production due to strong spot sales and the realization of sales deferred as a result of the Canadian rail lock-out in the third quarter.

Cobalt revenue for the three months and year ended December 31, 2024 was $12.6 million and $48.0 million compared to $15.2 million and $104.8 million, respectively, in the same periods in 2023. Lower revenue in the current year periods was primarily due to the timing of receipts and sales of cobalt by Sherritt under the Cobalt Swap agreement and lower average-realized prices(1). The average-realized prices(1) for cobalt were 29% and 24% lower in the current year periods, respectively, compared to the same periods in 2023. For more information regarding the timing of Cobalt Swap receipts, sales and distributions in 2024, refer to the Cobalt Swap section below.

Sherritt will continue to leverage its marketing strategy in developing new avenues for sales which, concurrent with implementing strategic costs reductions, is expected to effectively weather the unabated oversupply strategy from China, Indonesia and the Democratic Republic of the Congo. Sherritt is actively pursuing spot sales opportunities, new customer development and market opportunities to counter dependance on supply from these countries.

Fertilizer revenue for the three months and year ended December 31, 2024 was $31.8 million and $90.1 million compared to $23.1 million and $93.3 million, respectively, in the same periods in 2023. Fertilizer sales volumes were 14% and 5% higher while average-realized prices[(1)] were 21% higher and 8% lower for the three months and year ended December 31, 2024, respectively, compared to the same periods in 2023. Higher fertilizer sales volumes in 2024 reflect better available production for sale compared to 2023 consistent with higher nickel production and better equipment availability.

Cobalt Swap

In Q4 2024, Sherritt focused efforts to maximize distributions under the Cobalt Swap agreement. In Q3 2024, Sherritt had indicated the Cobalt Swap distribution in Q4 could be up to a maximum of $50.0 million (including both Sherritt's share and GNC's redirected share) assuming midpoint guidance for annual nickel production and first half 2024 average nickel and cobalt reference prices of US$8.00/lb and US$13.50/lb continued in the second half of the year. Despite average nickel and cobalt reference prices in the second half of 2024 being US$7.32/lb and US$11.92/lb, respectively, well below their first half averages, Sherritt's focused efforts to prudently manage and maximize its cash flows in the Moa JV led to significant distributions of $23.7 million in cash and 223 tonnes of finished cobalt with an in-kind value of $6.1 million (including both Sherritt's share and GNC's redirected share) for a total of $29.8 million.

In Q4 2024, Sherritt sold 50 tonnes of the 223 tonnes of finished cobalt that it received under the Cobalt Swap agreement recognizing revenue of $1.5 million. In 2023, Sherritt had received 100% of the annual maximum amount of cobalt (2,082 tonnes) by the end of the second quarter and had sold virtually all of that cobalt by the end of the year, including 49 tonnes in Q4 2023. Sales of cobalt from the Cobalt Swap in full year 2024 were 73 tonnes, or $2.4 million, compared to 2,059 tonnes, or $80.1 million, in 2023.

At current spot nickel prices, the Corporation expects that cobalt dividends and cash distributions under the Cobalt Swap agreement will commence in the second half of the year and will not meet the annual minimum amount in 2025. 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, capital committed toward the new tailings facility net of financing, 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.

While the timing of receipts and sales of cobalt under the Cobalt Swap results in variances in cobalt sales volume, revenue and cost of sales for Sherritt, they do not have a material impact on earnings from operations, average-realized prices[(1)], cobalt by-product credits, or NDCC[(1)]. This is because the variance in revenue and costs of Sherritt's share of cobalt under the Cobalt Swap is offset by Sherritt's share of revenue and costs of the Moa JV and the cost of cobalt sold on volumes of cobalt redirected from GNC is determined based on the in-kind value of cobalt calculated as the cobalt reference price from the month preceding distribution less a mutually agreed selling cost adjustment.

Production

Mixed sulphides production at the Moa JV for the three months and year ended December 31, 2024 was 3,552 tonnes and 15,847 tonnes, 1% and 5% higher, respectively, compared to the same periods in 2023. Lower maintenance and improved feed to the processing plant following the completion of the new Slurry Preparation Plant ("SPP") in the first quarter of 2024 contributed to higher production throughout the year. During Q4 2024 a number of external factors in Cuba occurred including an earthquake, hurricanes and nationwide power outages that individually did not materially impact mixed sulphide precipitate ("MSP") production but in aggregate and when combined with heavy rains which required the processing of lower grade stockpiles, resulted in MSP production being lower than it would have been otherwise.

Finished nickel production for the three months and year ended December 31, 2024 was 3,853 tonnes and 15,166 tonnes, 3% and 6% higher, respectively, compared to the same periods in 2023 primarily as a result of higher mixed sulphides feed availability at the refinery partly offset by lower third-party feed purchases in 2024.

Finished cobalt production for the three months and year ended December 31, 2024 was 465 tonnes and 1,603 tonnes, 41% and 11% higher, respectively, compared to the same periods in 2023 for the same reasons as finished nickel. Third-party feed processed in Q4 2024 had higher cobalt content compared to feed processed in Q4 2023.

Finished nickel and cobalt production for full year 2024, on a 100% basis, was within the annual guidance ranges.

Fertilizer production for the three months and year ended December 31, 2024 was 67,648 tonnes and 250,272 tonnes, 11% and 14% higher, respectively, compared to the same periods in 2023 in line with higher metals production and the implementation of operational improvements during 2024.

NDCC[1]

NDCC[1] per pound of nickel sold for the three months and year ended December 31, 2024 was US$5.44/lb and US$5.94/lb, respectively, compared to US$7.87/lb and US$7.22/lb in the same periods in 2023. In each of the current year periods, NDCC[1] significantly improved as a result of lower MPR/lb and third-party feed costs and higher net fertilizer by-product credits, partly offset by lower cobalt by-product credits. NDCC[1] was also positively impacted by higher nickel sales volume in each of the current year periods compared to the same periods in the prior year. NDCC[1] for 2024 was within the annual guidance range.

Overall, finished nickel and cobalt production significantly benefitted from the Corporation's multiyear production optimization and expansion programs that have resulted in improved mining production and refining process flows which provided operational stability and improved operational efficiencies and have been instrumental in driving NDCC[1] down in this volatile commodities market.

MPR/lb was 14% and 15% lower in Q4 and full year 2024, respectively, compared to the same periods in 2023. In Q4 2024, the average price for natural gas and diesel were 44% and 22% lower, respectively, while sulphur was 3% higher, compared those in Q4 2023. For the full year 2024, average prices for sulphur, natural gas and diesel were 22%, 45% and 13% lower, respectively, compared to those in 2023. Full year MPR was also positively impacted by lower maintenance costs, operational improvements and lower purchases of sulphuric acid.

Third-party feed costs were 45% and 35% lower in Q4 and full year 2024 compared to in the same periods in 2023 on lower feed availability.

Net fertilizer by-product credits were significantly higher in Q4 2024 compared to Q4 2023 as a result of higher sales volumes and average-realized prices[1] as well as lower maintenance costs. For the full year 2024, net fertilizer by-product credits were higher, however, lower fertilizer maintenance costs were partly offset by lower average-realized prices[1] in full year 2024 compared to 2023.

Cobalt by-product credits[2] were 34% and 41% lower in Q4 and full year 2024, respectively, primarily as a result of lower average-realized prices[1].

Spending on capital[1]

During the fourth quarter, in response to market conditions, Sherritt took a prudent approach and reduced its spending on capital[1] to conserve liquidity. As a result, total spending on capital for sustaining and growth activities for the year were both lower than 2024 guidance.

Sustaining spending on capital for the three months and year ended December 31, 2024 was $6.0 million and $28.3 million compared to $19.0 million and $51.3 million in the same periods in 2023, respectively.

Growth spending on capital for the three months and year ended December 31, 2024 was $5.3 million and $11.4 million compared to $2.3 million and $11.4 million in the same periods in 2023, respectively. Spending on capital in 2024 was primarily related to the second phase of the Moa JV expansion program.

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

(2) Cobalt by-product credits include Sherritt's share of cobalt revenue per pound of nickel sold only.

Expansion program and strategic developments

Moa JV expansion program and tailings update

Sherritt's low cost and low capital intensity Moa JV expansion program continues to advance. Phase one, the SPP, was completed in early 2024 reducing ore haulage distances, lowering carbon intensity from mining and increasing throughput over the life of mine.

Construction on phase two progressed with piping installation and internal brick lining of vessels along with some pre-commissioning activities. With lower nickel and cobalt prices, Sherritt continues to exercise capital preservation measures and has scheduled certain expenditures for Q1 2025 when construction is expected to be completed and following which, the ramp-up is expected to commence.

Concurrent with the phase two completion and ramp up, the Moa JV is undertaking a series of measures to remove minor processing bottlenecks to support the expected 20% increase in annual MSP production. The additional MSP 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.

In line with its life of mine plan and in consideration of growing international focus on tailings risks, the Moa JV is advancing a tailings management project as outlined in its 2023 National Instrument 43-101 Technical Report. The new tailings facility will be engineered and built to international standards and 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 expected remaining capital cost 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.

Strategic developments

Sherritt, through its mixed hydroxide precipitate processing project ("MHP Project"), is advancing a flowsheet to convert nickel intermediates via midstream processing to produce high-purity nickel and cobalt sulphates, two fundamental feedstock materials for the electric vehicle supply chain.

During the quarter, Sherritt continued to advance and derisk the MHP Project. The refinery flow sheet was validated through the completion of process development batch testing and continuous solvent extraction ("SX") pilot work programs which yielded high-purity nickel and cobalt products, meeting battery grade specifications. Initial engineering and capital cost estimates were completed, and site assessment activities identified four potential refinery locations in Canada. Sherritt continued to engage with federal and provincial governments, potential customers and funding partners, including offtake partners for refinery products and by-products. These engagement activities will continue in 2025 with a focus on securing external partners and funding support.

Additionally, Sherritt continues to selectively advance metallurgy research and flowsheet development programs on potential future sources of nickel and cobalt, in cooperation with third parties and via external technical services, towards ensuring sufficient future critical mineral processing capacity and supply in North America.

Power

For the three months ended

For the

$ millions (33 ?% basis), except as otherwise noted	2024 December 31	2023 December 31	Change	2024 Decemb
FINANCIAL HIGHLIGHTS				
Revenue	$ 11.1	$ 14.0	(21 %)	$ 47.8
Cost of sales	5.9	7.1	(17 %)	30.1
Earnings from operations	4.8	5.9	(19 %)	13.5
Adjusted EBITDA[1]	5.5	6.6	(17 %)	16.0
CASH FLOW				
Cash (used) provided by continuing operations for operating activities[1]	$ (1.1)	$ 7.4	(115 %)	$ (9.8
Free cash flow[1]	(1.6)	6.1	(126 %)	(12.7
PRODUCTION AND SALES				
Electricity (GWh[2])	171	225	(24 %)	816
AVERAGE-REALIZED PRICE[1]				
Electricity ($/MWh[2])	$ 53.19	$ 57.96	(8 %)	$ 52.0
UNIT OPERATING COSTS[1]				
Electricity ($/MWh)	30.64	29.16	5 %	34.2
SPENDING ON CAPITAL[1]				
Sustaining	$ 0.3	$ 1.3	(77 %)	$ 2.9

(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").

During Q4 2024, as a result of the nationwide power outages in Cuba and challenges facing the national power grid, the government agency Unión Eléctrica ("UNE") required Energas to operate the Varadero facility in frequency control to help support the stability of the power grid, which reduced the power generation volume by approximately 25 GWh (Sherritt's share). Energas was fully compensated for this reduction under the same terms and conditions outlined in its contract. Energas expects that the Varadero facility will operate in frequency control throughout 2025 with an estimated reduction in electricity volume of approximately 150 GWh. Energas expects to continue to be fully compensated for this reduction and therefore Sherritt expects there will be no impact to Power's Adjusted EBITDA[1], earnings from operations or dividends from Energas to Sherritt in Canada. Energas' other facilities are expected to continue operating as usual.

Revenue

Revenue for the three months and year ended December 31, 2024 was $11.1 million and $47.8 million down 21% and up 1%, respectively, compared to the same periods in the prior year primarily due the impact of the nationwide power outages in Cuba in Q4 2024 partly offset by higher production related to additional gas and equipment availability and $1.1 million of Varadero frequency control revenue in compensation for lost electricity generation.

Production

Production volume for the three months and year ended December 31, 2024 was 171 GWh and 816 GWh, respectively. Production in Q4 2024 was 24% lower than in Q4 2023 due to the national electricity grid outage that occurred in October 2024 and the absence of production in November and December at the Varadero facility operating in frequency control. Full year 2024, production was 10% higher than in 2023 on better equipment availability and additional gas from new wells brought online in Q2 2023 and Q4 2024. Production for the full year 2024 was within the annual guidance range.

Unit operating cost(1)

Unit operating costs(1) for the three months and year ended December 31, 2024 were $30.64/MWh, and $34.29/MWh, compared to $29.16/MWh, and $27.70/MWh, respectively, for the same periods in 2023. Operating costs were higher in full year 2024 compared 2023 reflecting higher planned maintenance work at Puerto Escondido on three gas turbines in Q2 and Q3 completed in part to bring online an additional turbine to process gas being received from the new well that Power brought into production during the year. This maintenance work and related spend was successfully funded by Energas through the Moa Swap and was incorporated into Sherritt's 2024 Power division guidance range. The impact of a weaker Canadian dollar on U.S. dollar-denominated costs and lower electricity volumes as a result of the nationwide power outages in Cuba and subsequent implementation of frequency control at Varadero in the fourth quarter of 2024 contributed to unit operating costs(1) for the full year 2024 being slightly above the upper end of the annual guidance range of $34.00/MWh.

During Q3 2024, a new gas well was drilled and was put into production in early October. This new well was the third well to go into production since the second quarter of 2023, contributing to the improved utilization rates in the Power division and is expected to provide significantly higher levels of electricity production and increased levels of dividends in Canada going forward.

Spending on capital(1)

Spending on capital(1) for the three months and year ended December 31, 2024 was $0.3 million and $2.9 million, respectively primarily driven by planned maintenance activities completed in the year. Sustaining spending on capital(1) for the full year 2024 was lower than annual guidance as a result of the deferral of some of non-essential spending.

Dividends from Energas

Sherritt received $7.0 million of dividends in Canada from Energas in Q4 2024, bringing the total dividends in Canada to $13.0 million for the year, which was higher than previously estimated due to timing of dividend approvals at Energas, the impact of a weaker Canadian dollar and the deferral on non-essential capital expenditures.

With the completion of maintenance work in 2024 to bring online an additional turbine and to improve equipment availability to process gas from the recently completed wells and based on 2025 guidance estimates for production volumes, unit operating costs(1) and spending on capital(1) disclosed in the Outlook section total dividends in Canada from Energas in 2025 are expected to be between $25.0 million and $30.0 million in 2025.

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

OUTLOOK

2024 and 2025 production volumes, unit operating costs(1) and spending on capital(1) guidance

Production volumes, unit operating costs(1) and spending on capital(1)	2024 Guidance	Year-to-date actual to December 31, 2024	2025 Guidance

Production volumes			
Moa Joint Venture (tonnes, 100% basis)			
Nickel, finished	30,000 - 32,000	30,331	31,000 - 33,0
Cobalt, finished	3,100 - 3,400	3,206	3,300 - 3,60
Electricity (GWh, 33?% basis)	775 - 825	816	800 - 850
Unit operating costs[1]			
Metals - NDCC (US$ per pound)	$5.50 - $6.00	$5.94	$5.75 - $6.2
Electricity - unit operating cost ($ per MWh)	$32.50 - $34.00	$34.29	$23.00 - $24
Spending on capital[1]($ millions)			
Sustaining			
Moa Joint Venture (50% basis), Fort Site (100% basis)	$15.0	$15.2	$35.0
Moa Joint Venture - Tailings facility (50% basis)	$25.0	$13.1	$40.0
Power (33?% basis)	$5.5	$2.9	$2.0
Growth			
Moa Joint Venture (50% basis)	$15.0	$11.4	$5.0
Spending on capital[2]	$60.5	$42.6	$82.0

(1) Non-GAAP financial measures. For additional information, see the Non-GAAP and other financial measures section.

(2) Excludes negligible spending on capital of the Metals Marketing, Oil and Gas and Corporate and Other segments.

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 expects to continue to 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 and other financial measures. For additional information, see the Non-GAAP and other financial measures section.

CONFERENCE CALL AND WEBCAST

Sherritt will hold its conference call and webcast February 6, 2025 at 10:00 a.m. Eastern Time to review its fourth quarter and full year 2024 results. Dial-in and webcast details are as follows:

North American callers, please dial:	1 (800) 717-1738 Passcode: 62973
International callers, please dial:	1 (289) 514-5100 Passcode: 62973
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 ("MD&A")

Sherritt's consolidated financial statements and MD&A for the year ended December 31, 2024 are available at www.sherritt.com or on SEDAR+ at www.sedarplus.ca. 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.

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 IFRS® Accounting 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.

ABOUT SHERRITT

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 JV has an estimated mine life of approximately 25 years and is advancing an expansion program focused on increasing annual MSP production by 20% of contained nickel and cobalt. The Corporation's Power division, through its ownership in Energas, 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 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 press release; 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 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, 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 for 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 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.

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 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.

The non-GAAP and other financial measures are reconciled in the sections below to the most directly comparable IFRS Accounting Standards as presented in the consolidated financial statements for the year ended December 31, 2024.

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

$ 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

$ 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

	Metals				
	Nickel	Cobalt	Fertilizer	Power	Other(1
Revenue per financial statements	$ 95.3	$ 12.6	$ 31.8	$ 11.1	$ 10.5
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	

$ millions, except average-realized price and sales volume, for the three months ended December 31

	Metals				
	Nickel	Cobalt	Fertilizer	Power	Other(1
Revenue per financial statements	$ 84.1	$ 15.2	$ 23.1	$ 14.0	$ 4.1
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

	Metals				
	Nickel	Cobalt	Fertilizer	Power	Other(1
Revenue per financial statements	$ 355.9	$ 48.0	$ 90.1	$ 47.8	$ 51.5
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	

$ millions, except average-realized price and sales volume, for the year ended December 31

Metals

	Nickel	Cobalt	Fertilizer	Power	Other(1
Revenue per financial statements	$ 379.6	$ 104.8	$ 93.3	$ 47.1	$ 28.1
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.

Unit operating cost/Net direct cash cost

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				

$ 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				

$ 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:

	2024		2023	
For the three months ended December 31	$ millions	$/share	$ millions	$/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)	$ (0.07)

		2024		2023
For the year ended December 31	$ millions	$/share	$ millions	$/share
Net loss from continuing operations	$ (73.1)	$ (0.18)	$ (64.3)	$ (0.16)
Adjusting 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 - Impairment of property, plant and equipment	0.5	-	1.5	-
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

$

35.9

$

0.09

Tax adjustments	(1.6)	-	0.3	-
Adjusted net loss from continuing operations	$ (56.3)	$ (0.14)	$ (28.1)	$ (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		

$ 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		

$ millions, for the year 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)	$ 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.

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 Accounting Standards 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 and Other 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 and Other 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

	Metals[1][2]	Power	Oil and Gas	Corporate and Other	Combi total
Cash provided (used) by continuing operations for operating activities	$ 5.9	$ (1.1)	$ (3.2)	$ (15.1)	$ (13.5
Less:					
Property, plant and equipment expenditures	(6.2)	(0.5)	-	-	(6.7)
Intangible expenditures	-	-	-	-	-
Free cash flow	$ (0.3)	$ (1.6)	$ (3.2)	$ (15.1)	$ (20.2

$ millions, for the three months ended December 31

	Metals[1][2]	Power	Oil and Gas	Corporate and Other	Combi total
Cash provided (used) by continuing operations for operating activities	$ 3.4	$ 7.4	$ (14.9)	$ (16.1)	$ (20.2
Less:					
Property, plant and equipment expenditures	(17.6)	(1.3)	-	-	(18.9

Intangible expenditures	-	-	-	-	-
Free cash flow	$ (14.2)	$ 6.1	$ (14.9)	$ (16.1)	$ (39.1

$ millions, for the year ended December 31

	Metals(3)(4)	Power	Oil and Gas	Corporate and Other	Combi total
Cash provided (used) by continuing operations for operating activities	$ 93.1	$ (9.8)	$ (23.9)	$ (41.5)	$ 17.9
Less:					
Property, plant and equipment expenditures	(34.0)	(2.9)	-	-	(36.9
Intangible expenditures	-	-	(0.2)	-	(0.2)
Free cash flow	$ 59.1	$ (12.7)	$ (24.1)	$ (41.5)	$ (19.2

$ millions, for the year ended December 31

	Metals(3)(4)	Power	Oil and Gas	Corporate and Other	Combi total
Cash provided (used) by continuing operations for operating activities	$ 115.9	$ 16.9	$ (11.1)	$ (76.0)	$ 45.7
Less:					
Property, plant and equipment expenditures	(57.0)	(3.2)	(0.2)	-	(60.4
Intangible expenditures	-	-	(1.2)	-	(1.2)
Free cash flow	$ 58.9	$ 13.7	$ (12.5)	$ (76.0)	$ (15.9

(1) Cash provided by continuing operations for operating activities for the Moa JV, Fort Site and Metals Marketing was $19.9 million, $(12.1) million and $(1.9) million, respectively, for the three months ended December 31, 2024 (December 31, 2023 - $(2.2) million, $4.0 million and $1.6 million, respectively).

(2) Property, plant and equipment expenditures and intangible expenditures for the Moa JV, Fort Site and Metals Marketing was $4.3 million, $1.9 million and nil, respectively, for the three months ended December 31, 2024 (December 31, 2023 - $13.5 million, $4.1 million and nil, respectively).

(3) Cash provided by continuing operations for operating activities for the Moa JV, Fort Site and Metals Marketing was $55.7 million, $35.8 million and $1.6 million, respectively, for the year ended December 31, 2024 (December 31, 2023 - $49.4 million, $(13.4) million and $79.9 million, respectively).

(4) Property, plant and equipment expenditures and intangible expenditures for the Moa JV, Fort Site and Metals Marketing was $30.2 million, $3.8 million and nil, respectively, for the year ended December 31, 2024 (December 31, 2023 - $40.3 million, $16.7 million and nil, respectively).

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