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Q4 Earnings Call

Review of Financial and Operational Results

February 10, 2022

Participants

Leon Binedell *President & CEO*	
Steve Wood *Executive Vice President & COO*	
Yasmin Gabriel *CFO*	

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Forward-Looking Statements

This presentation contains certain forward-looking statements. Forward-looking statements can generally be identified by the use of statements that include such words as “believe”, “expect”, “anticipate”, “intend”, “plan”, “forecast”, “likely”, “may”, “will”, “could”, “should”, “suspect”, “outlook”, “potential”, “projected”, “continue” or other similar words or phrases. Specifically, forward-looking statements in this document include, but are not limited to, statements regarding strategies, plans and estimated production amounts resulting from expansion of mining operations at the Moa Joint Venture, growing and increasing nickel and cobalt production, extending the Moa life of mine, conversion of mineral resources to reserves, commercializing Technologies projects, growing shareholder value, updating technical reports and optimizing mine planning and performance; statements set out in the “Outlook” section of this presentation and certain expectations regarding production volumes, operating costs and capital spending; supply, demand and pricing outlook in the nickel, cobalt and electric vehicle markets; the impact of COVID-19; Sherritt’s strategy, plans, targets and goals in respect of environmental and social governance issues, including climate change and greenhouse gas emissions reduction targets; anticipated payments of outstanding receivables, including re-directed distributions from the Corporation’s Moa Joint Venture partner; the impact of U.S. sanctions on Cuba; anticipated economic conditions in Cuba; the anticipated renewal of a joint venture agreement; and amounts of certain other commitments.

Forward-looking statements are not based on historical facts, but rather on current expectations, assumptions and projections about future events, including commodity and product prices and demand; the level of liquidity and access to funding; share price volatility; production results; realized prices for production; earnings and revenues; global demand for electric vehicles and the anticipated corresponding demand for cobalt and nickel; the commercialization of certain proprietary technologies and services; advancements in environmental and greenhouse gas (GHG) reduction technology; GHG emissions reduction goals and the anticipated timing of achieving such goals, if at all; statistics and metrics relating to Environmental, Social and Governance (ESG) matters which are based on assumptions or developing standards; environmental rehabilitation provisions; environmental risks and liabilities; development and exploration wells and enhanced oil recovery in Cuba; availability of regulatory and creditor approvals and waivers; compliance with applicable environmental laws and regulations; debt repayments; redemptions and interest deferrals; collection of accounts receivable; and certain corporate objectives, goals and plans. 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 those assumptions may not be correct and that actual results may differ materially from such predictions, forecasts, conclusions or projections. The Corporation cautions readers of this presentation not to place undue reliance on any forward-looking statement as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements. These risks, uncertainties and other factors include, but are not limited to, the impact of infectious diseases (including the COVID-19 pandemic), changes in the global price for nickel, cobalt, fertilizer, oil, gas, or certain other commodities; security market fluctuations and price volatility; level of liquidity; access to capital; access to financing; the risk to Sherritt’s entitlements to future distributions from the Moa Joint Venture; uncertainty about the pace of technological advancements required in relation to achieving ESG targets; identification and management of growth opportunities risk of future non-compliance with debt restrictions and covenants; Sherritt’s ability to replace depleted mineral reserves; risks associated with the Corporation’s joint venture partners; variability in production at Sherritt’s operations in Cuba; risks related to Sherritt’s operations in Cuba; risks related to the U.S. government policy toward Cuba, including the U.S. embargo on Cuba and the Helms-Burton legislation; potential interruptions in transportation; uncertainty of gas supply for electrical generation; the Corporation’s reliance on key personnel and skilled workers; growth opportunity risks; the possibility of equipment and other failures; risks associated with mining, processing and refining activities; uncertainty of resources and reserve estimates; the potential for shortages of equipment and supplies, including diesel; supplies quality issues; risks related to environmental liabilities including liability for reclamation costs, tailings facility failures and toxic gas releases; risks related to the Corporation’s corporate structure; political, economic and other risks of foreign operations; risks associated with Sherritt’s operation of large projects generally; risks related to the accuracy of capital and operating cost estimates; foreign exchange and pricing risks; compliance with applicable environment, health and safety legislation and other associated matters; risks associated with governmental regulations regarding climate change and greenhouse gas emissions; risks relating to community relations and maintaining the Corporation’s social license to grow and operate; credit risks; competition in product markets; future market access; interest rate changes; risks in obtaining insurance; uncertainties in labour relations; uncertainty in the ability of the Corporation to enforce legal rights in foreign jurisdictions; uncertainty regarding the interpretation and/or application of the applicable laws in foreign jurisdictions; legal contingencies; risks related to the Corporation’s accounting policies; identification and management of growth opportunities; uncertainty in the ability of the Corporation to obtain government permits; risks to information technologies systems and cybersecurity; failure to comply with, or changes to, applicable government regulations; bribery and corruption risks, including failure to comply with the Corruption of Foreign Public Officials Act or applicable local anti-corruption law; the ability to accomplish corporate objectives, goals and plans for 2022; and the Corporation’s ability to meet other factors listed from time to time in the Corporation’s continuous disclosure documents.

The Corporation, together with its Moa Joint Venture and Fort Site and Technologies segments, are pursuing a range of growth and expansion opportunities, including without limitation, process technology solutions, development projects, commercial implementation opportunities, life of mine extension opportunities and the conversion of mineral resources to reserves. In addition to the risks noted above, factors that could, alone or in combination, prevent the Corporation from successfully achieving these opportunities may include, without limitation: identifying suitable commercialization and other partners; successfully advancing discussions and successfully concluding applicable agreements with external parties and/or partners; successfully attracting required financing; successfully developing and proving technology required for the potential opportunity; successfully overcoming technical and technological challenges; successful environmental assessment and stakeholder engagement; successfully obtaining intellectual property protection; successfully completing test work and engineering studies, prefeasibility and feasibility studies, piloting, scaling from small scale to large scale production, commissioning, procurement, construction, 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. Additional risks, uncertainties and other factors include, but are not limited to, the ability of the Corporation to achieve its financial goals; the ability of the Corporation to continue to realize its assets and discharge its liabilities and commitments; the Corporation’s future liquidity position, and access to capital, to fund ongoing operations and obligations (including debt obligations); the ability of the Corporation to stabilize its business and financial condition; the ability of the Corporation to implement and successfully achieve its business priorities; and the ability of the Corporation to comply with its contractual obligations, including without limitation, its obligations under debt arrangements. Readers are cautioned that the foregoing list of factors is not exhaustive and should be considered in conjunction with the risk factors described in this presentation and 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, 2021 and the Annual Information Form of the Corporation dated March 17, 2021 for the period ending December 31, 2020, which is available on SEDAR at www.sedar.com.

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

NON-GAAP AND OTHER FINANCIAL MEASURES

Management uses the following non-GAAP and other financial measures in this presentation: Adjusted EBITDA, unit operating cost/net direct cash cost (NDCC), and spending on capital.

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

The non-GAAP and other financial measures are used in this presentation reconciled to their most directly comparable IFRS measures in the non-GAAP and other financial measures in the appendix to this presentation.

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Q4 Highlights

1. Strong nickel and cobalt production
2. Lowest NDCC* in three years
3. Highest Adjusted EBITDA* in four years
4. Met 2021 guidance for production and unit costs
5. Progress on expansion strategy
6. Made key appointments to Board and senior leadership team

Sherritt ended 2021 pivoting towards growth and expansion

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

Review of operating results

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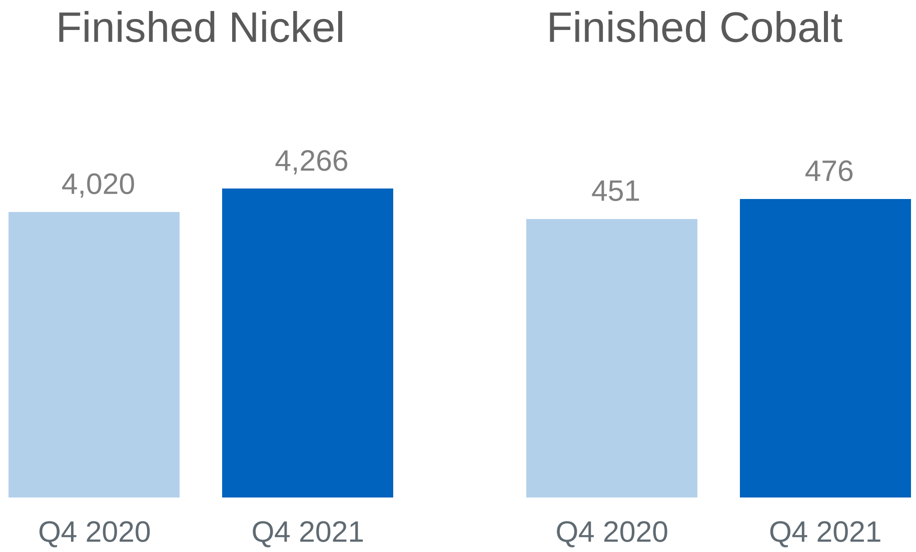
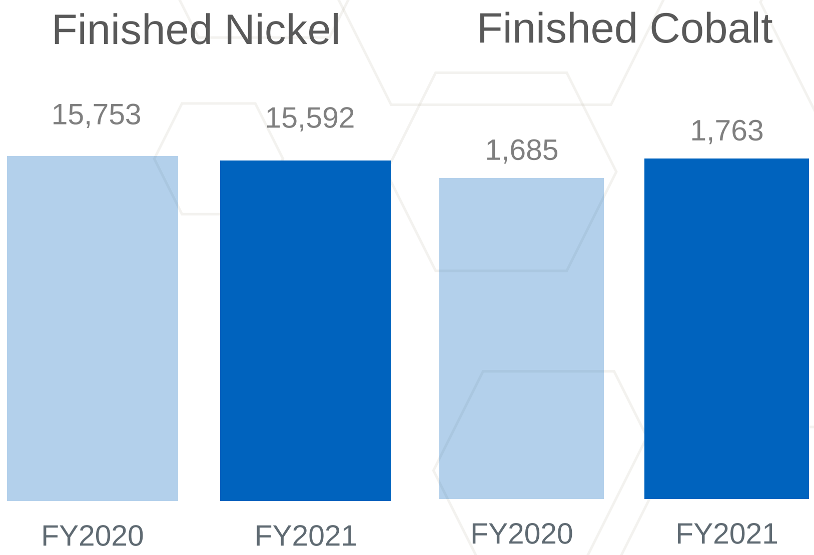
Moa JV highlights – Production

Q4 Production[1] (tonnes)



- Strong production in Q4 2021 reflect commitments to Operational Excellence and employee health and safety
- Q4's results enabled updated 2021 guidance to be met

Full Year Production[1] (tonnes)

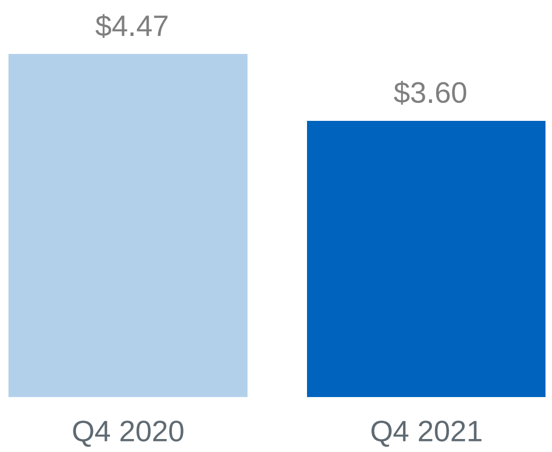


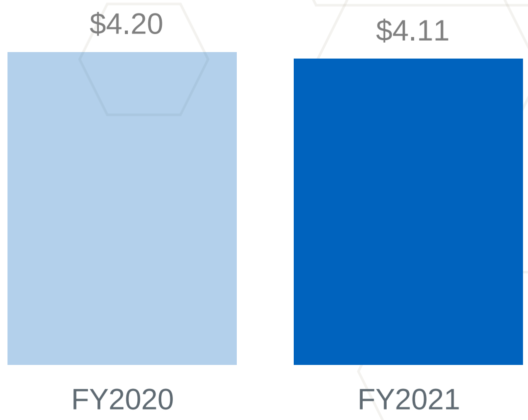
- Met production guidance for FY2021
- FY2021 impacted by COVID, extended full-facility shutdown, and unplanned maintenance in Q3
- FY2021 cobalt production benefited from a high cobalt-to-nickel ratio

1. Sherritt's share - 50% basis

Moa JV highlights – Costs

Net Direct Cash Cost[1] (US$/lb)





- Lowest NDCC since Q4 2018
- NDCC benefitted from rise in cobalt prices
- NDCC impacted by higher input costs:
  - +146% higher sulphur prices
  - +72% fuel oil prices
  - +76% higher natural gas prices

- Beat NDCC guidance for FY2021
- Benefitted from higher by-product credits and efforts to reduce operating costs
- Lower labour and 3rd-party service costs in FY2021 were driven by Cuba's currency unification

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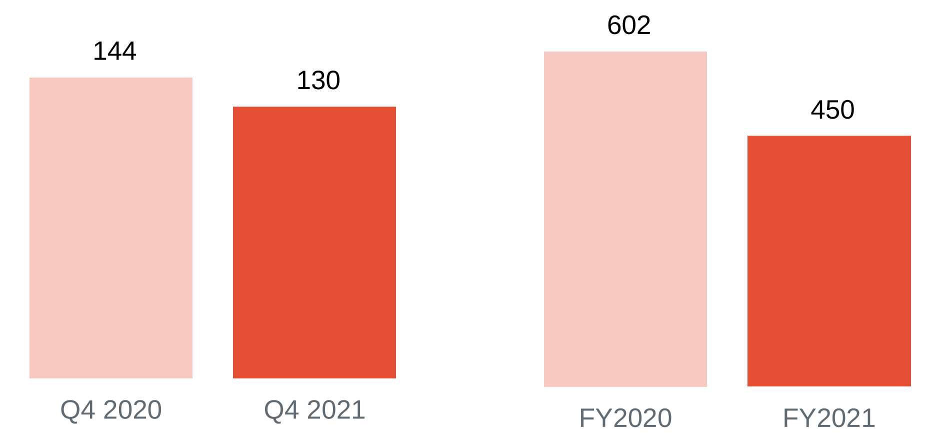
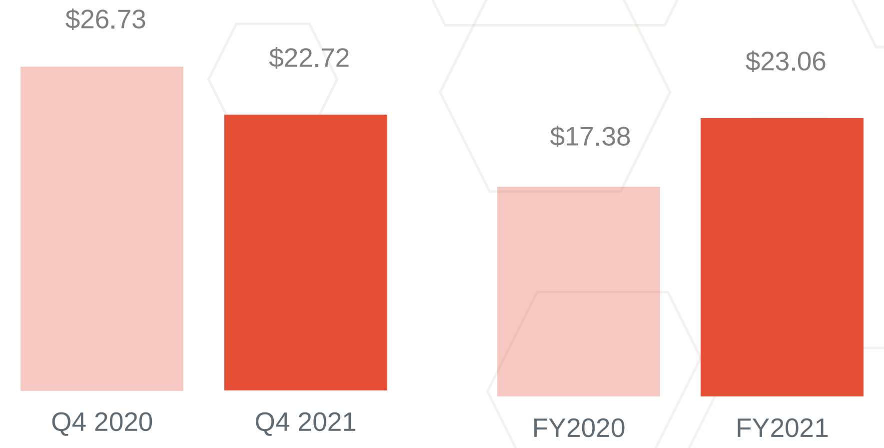
1. A non-GAAP financial measure. For additional information see the Non-GAAP and other financial measures section in the Appendix to this presentation

Power highlights

Electricity production (33⅓% GWh[1])



Unit operating costs[2] ($/MWh[3])



- Met production guidance for 2021
- Production impacted by scheduling of maintenance
- Ongoing discussions with Cuban partners to:
  - Expedite payment of overdue receivables
  - Increase access to natural gas
  - Extend Power agreement beyond Q1 2023

- Q4 2021 costs declined due lower maintenance
- FY2021 unit costs driven by lower volume and higher maintenance costs
- Lower labour costs in FY2021 driven by Cuba's currency unification

1. GWh = Gigawatt hours
2. A non-GAAP financial measure. For additional information see the Non-GAAP and other financial measures section in the Appendix to this presentation
3. MWh = Megawatt hours

Commitment to ESG

Heath and Safety

- Achieve level A in TSM Safety & Health Protocol in all operations by 2024

Climate and Environment

- Achieve net zero GHG emissions by 2050
- Obtain overall 15% of energy from renewable sources by 2030
- Reduce nitrogen oxides (No_x) emissions intensity by 10% by 2024

Diversity and Inclusion

- Increase women in the workforce to 36% by 2030

Responsible Sourcing

- Be fully compliant with all material responsible sourcing frameworks (OECD, LME and RMI) by 2024

Reducing carbon intensity is a key ESG priority in the coming years

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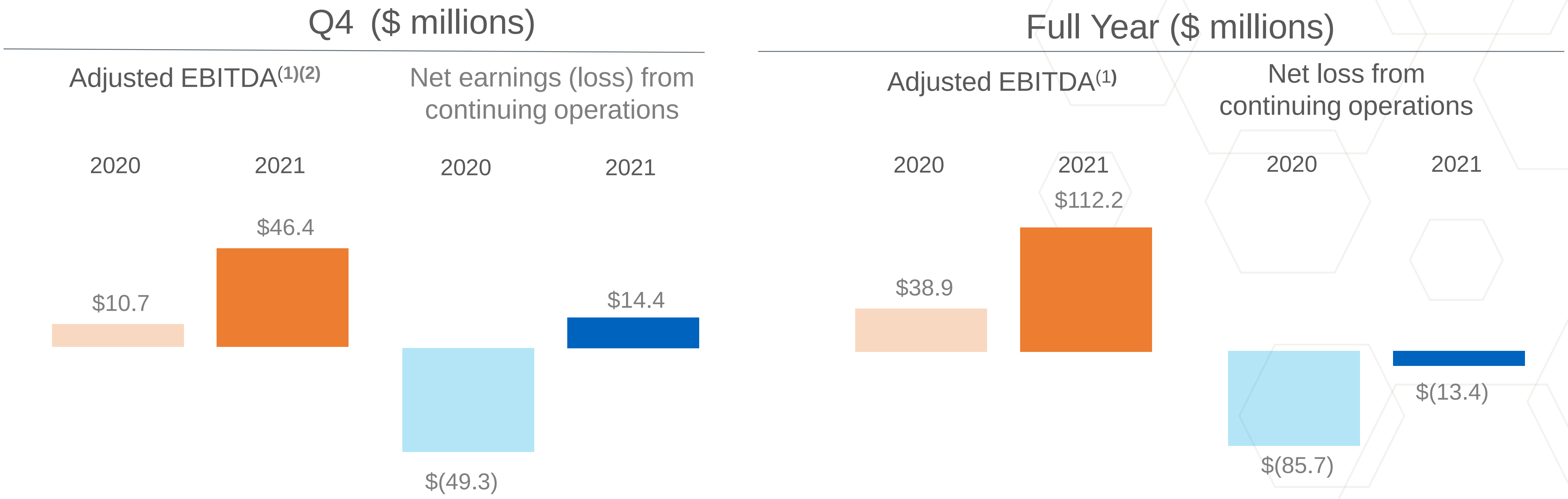
Financial Highlights

Improved Adjusted EBITDA and net earnings

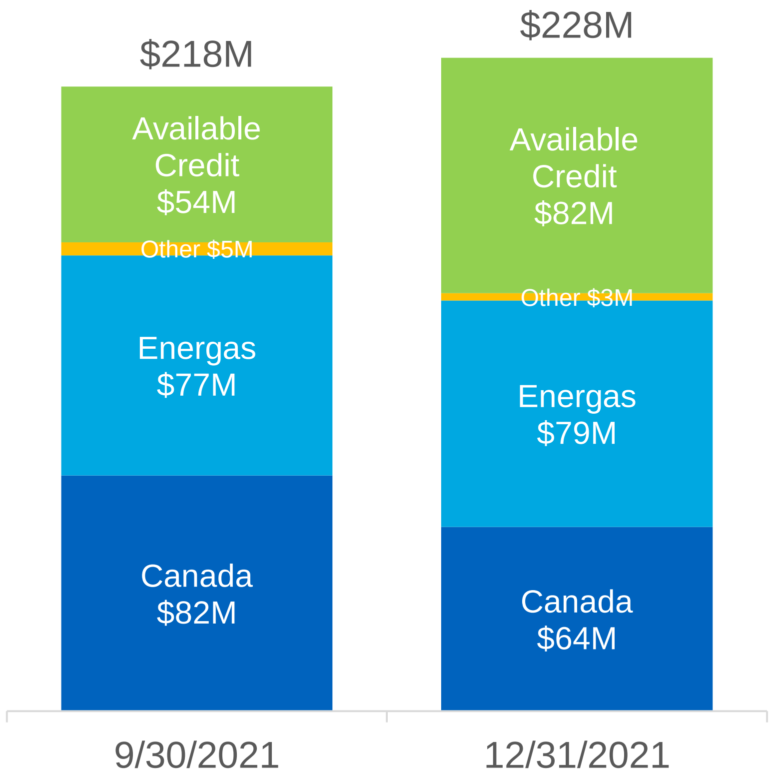


- Turnaround driven by higher nickel, cobalt and fertilizer prices, and measures to reduce costs

Q4 2021 had the highest Adjusted EBITDA since Q4 2017

1. A non-GAAP financial measure. For additional information see the Non-GAAP and other financial measures section in the Appendix to this presentation.
2. See the Appendix for a waterfall summary of significant changes for Q4 Adjusted EBITDA compared to Q3 2021.

Liquidity in perspective



Increase driven by:

- $30M increase in credit facility
- $7.7M of Cuban energy payments
- $12.1M of fertilizer prepayments

Offset by:

- $8.1M of Moa JV distributions deferred to Jan. 2022
- $14.8M cash interest payment on 2L notes
- $2.9M of sustaining capital expenditures

Received $8.1 million in distributions from Moa JV in January 2022

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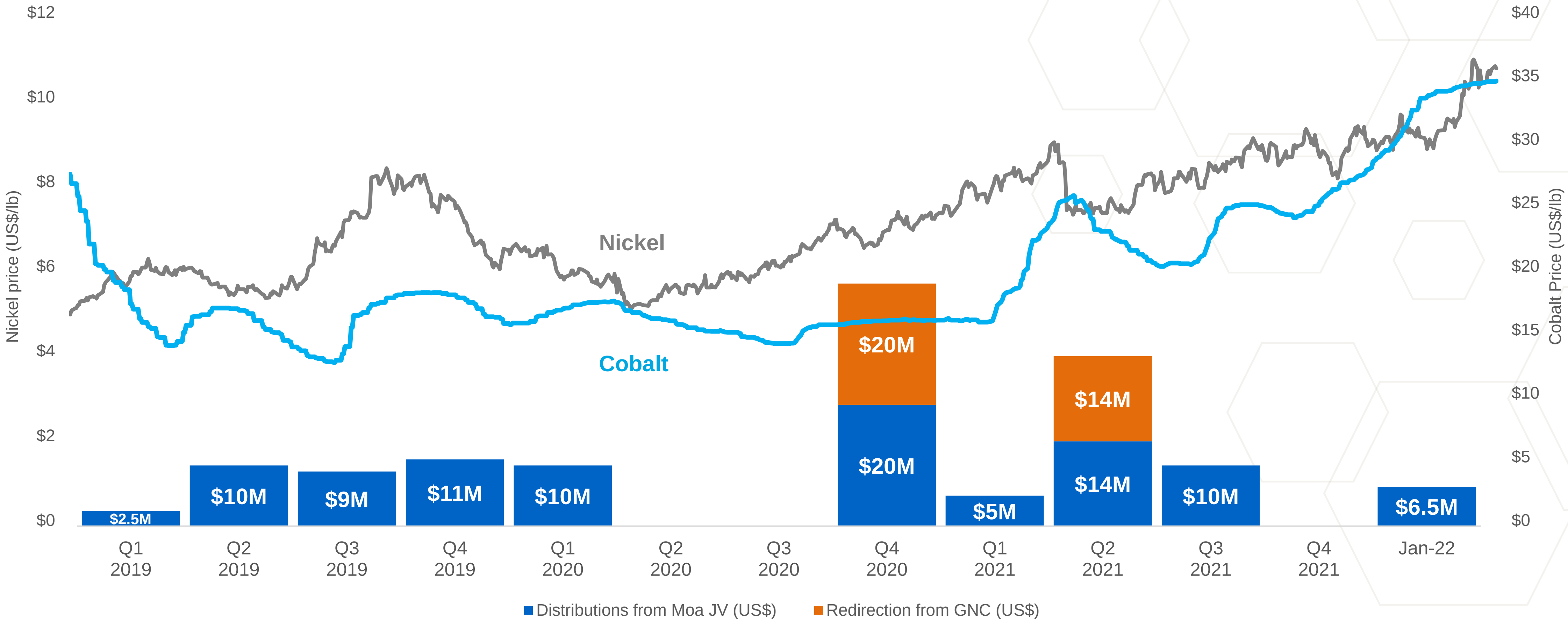
Near term outlook for Moa JV distributions is favourable



Prevailing nickel and cobalt prices are key indicators for distributions

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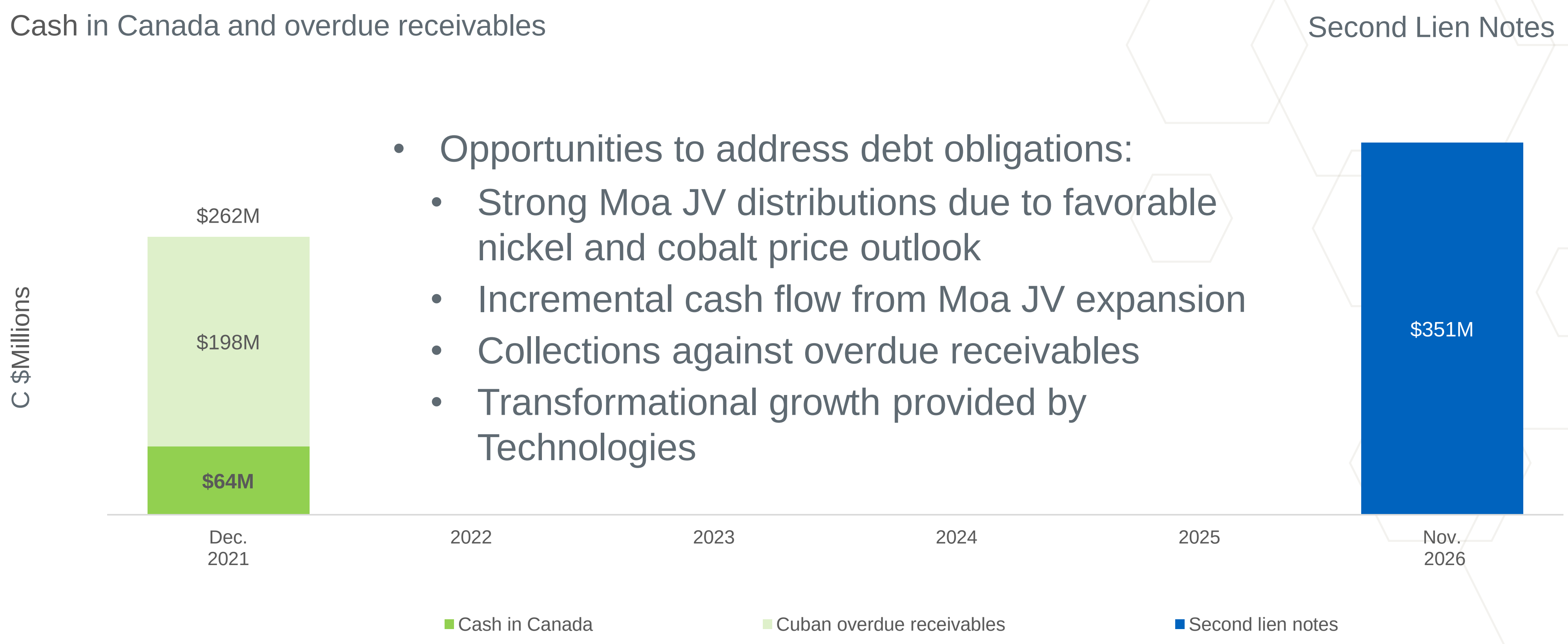
5-year runway before 2L notes are due



- Opportunities to address debt obligations:
  - Strong Moa JV distributions due to favorable nickel and cobalt price outlook
  - Incremental cash flow from Moa JV expansion
  - Collections against overdue receivables
  - Transformational growth provided by Technologies

Achieving balance sheet strength is a strategic priority

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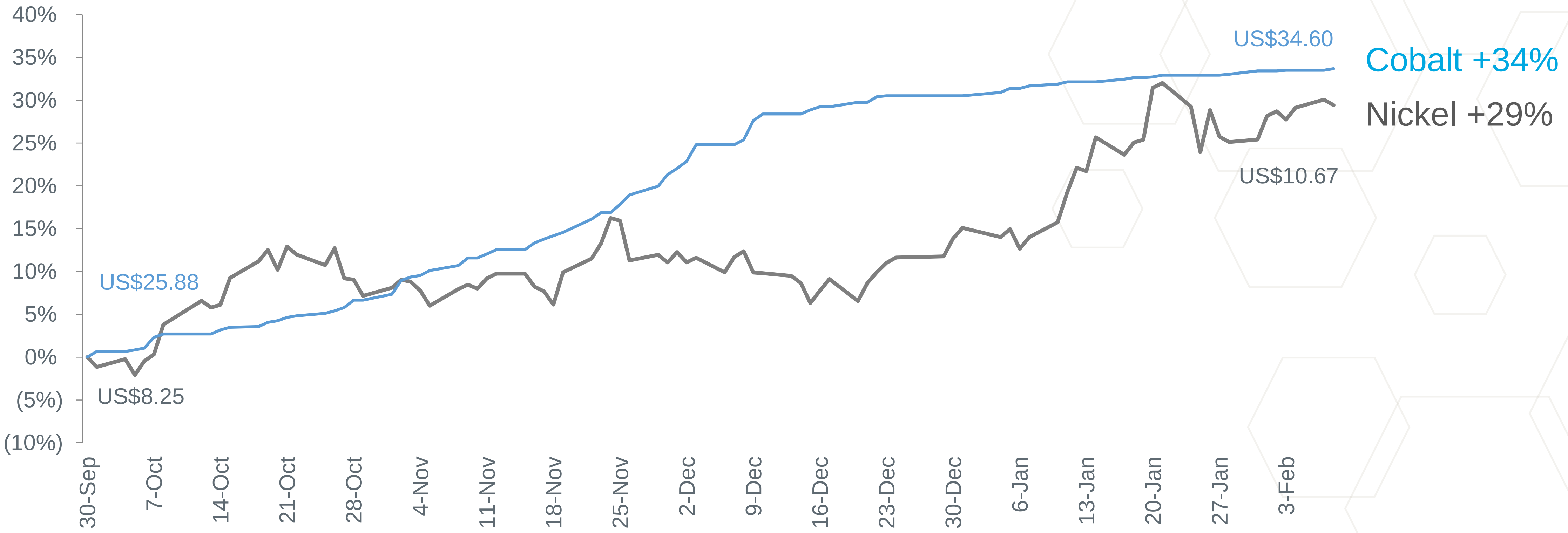
Outlook

Nickel and cobalt prices since start of Q4



Strong prices anticipated through end of year

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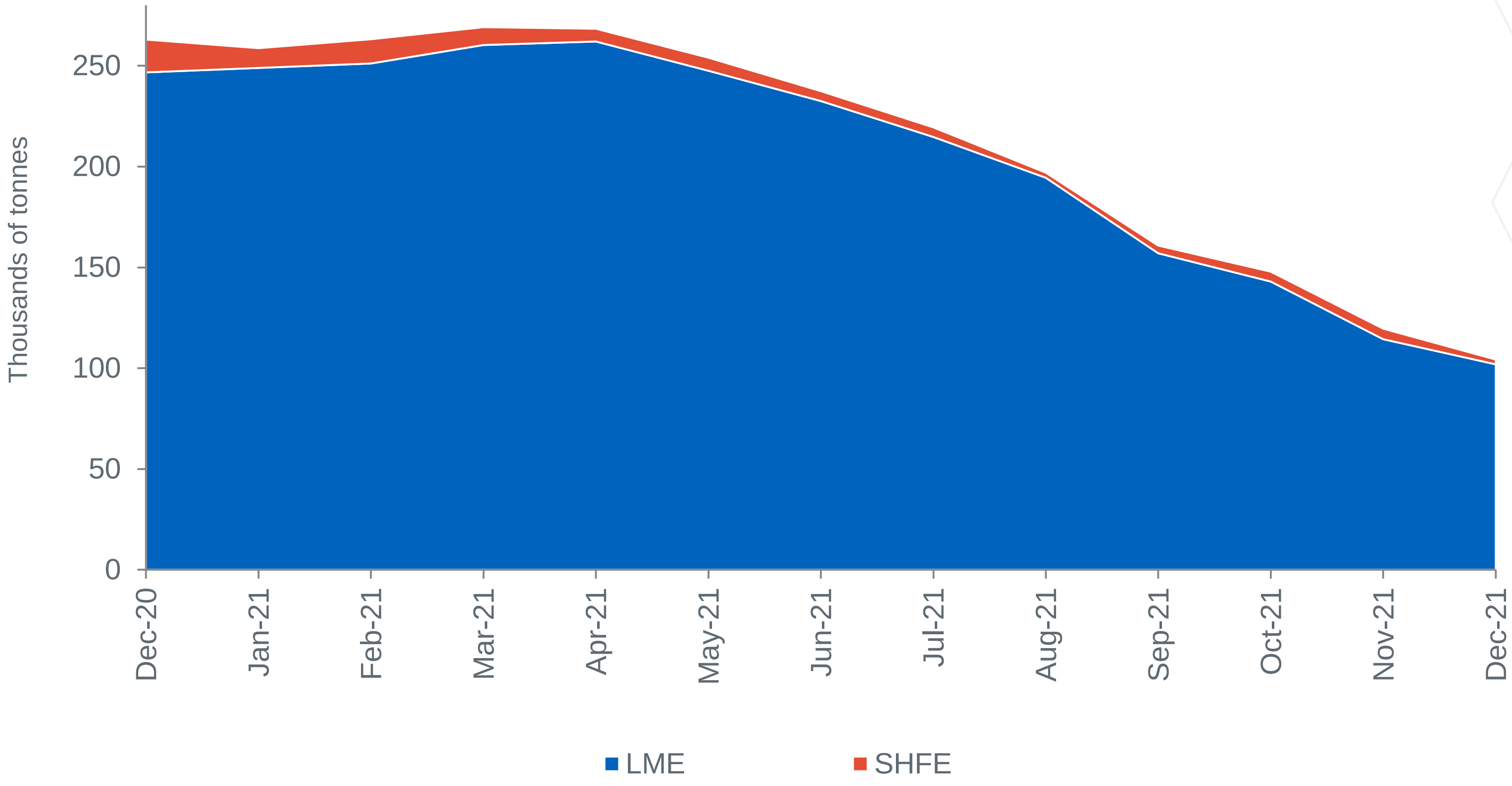
Source: CIQ, Fastmarkets MB

Nickel inventories continue to decline



60%

Decline in inventory over 12 months

Growing nickel demand and consumer stockpiling are driving lower inventories

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Source: LME. SHFE

Advancing with an accelerated expansion strategy

Moa - Slurry Prep Plant

- Complete new SPP
  - Grow mixed sulphides production
  - Reduced ore haulage distances
  - Reduced carbon intensity
  - Underpins expansion

Moa – Processing and Reserves

- Extend mine life beyond 2040
  - Complete prior suspended expansion, install and upgrade equipment
  - Convert resources to reserves
  - Update 43-101 Technical Report

Fort Site Refinery

- Debottlenecking at Fort Site
  - Upgrade or expand equipment
  - Increase total refined metal output capacity to ~41ktpa

Expansion strategy delivers significant benefits at a low capital intensity

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Progress on expansion strategy in Q4

- SPP budget and timelines approved by Moa JV Board
- US$27M cost estimate
- Completion expected early 2024
- Benefits starting in mid-2024:
  - 1,700 tones of increased mixed sulphides production
  - Reduced haulage costs
  - Reduced carbon intensity
- Total budget expected to fall within US$20 to $25K per tonne of increased nickel capacity

Slurry prep plant underpins brownfield expansion projects

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2022 Guidance

Moa JV	
Finished nickel	32,000 – 34,000 tonnes
Finished cobalt	3,400 – 3,700 tonnes
Net direct cash cost:	US$4.00 - $4.50/lb[1][2]
Spending on capital:	C$75M[1][3]

Power	
Electricity production	450 – 500 GWh
Unit operating costs:	$26.50 - $28.00 /MWh[1]
Spending on capital:	C$5M[1]

- Production guidance is consistent with recent performance and reflective of commitment to employee health and safety and operational excellence
- Spending on capital at the Moa JV is earmarked for equipment replacement, fertilizer handling, tailings management, and deferrals from previous years
- Spending on growth capital at the Moa JV will be provided once estimates are finalized

Outlook excludes growth expansion

1. Non-GAAP financial measures. See Non-GAAP and other financial measures of this presentation for year to date amounts and reconciliation to most directly comparable IFRS measure
2. Includes freight and handling
3. Capital spend is 50% of expenditures at Moa JV and 100% expenditures for Fort Site fertilizers and utilities and excludes growth capital spend.

Summary

- Ended FY2021 with strong production
- Progress on growth strategy underway
- Outlook for nickel and cobalt is favourable
- Strong Moa JV distributions expected in FY2022
- On track to extend Power agreement beyond Q1 2023
- Guidance for 2022 builds on recent momentum

Sherritt is well positioned to capitalize on growing EV battery demand

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Q&A Discussion

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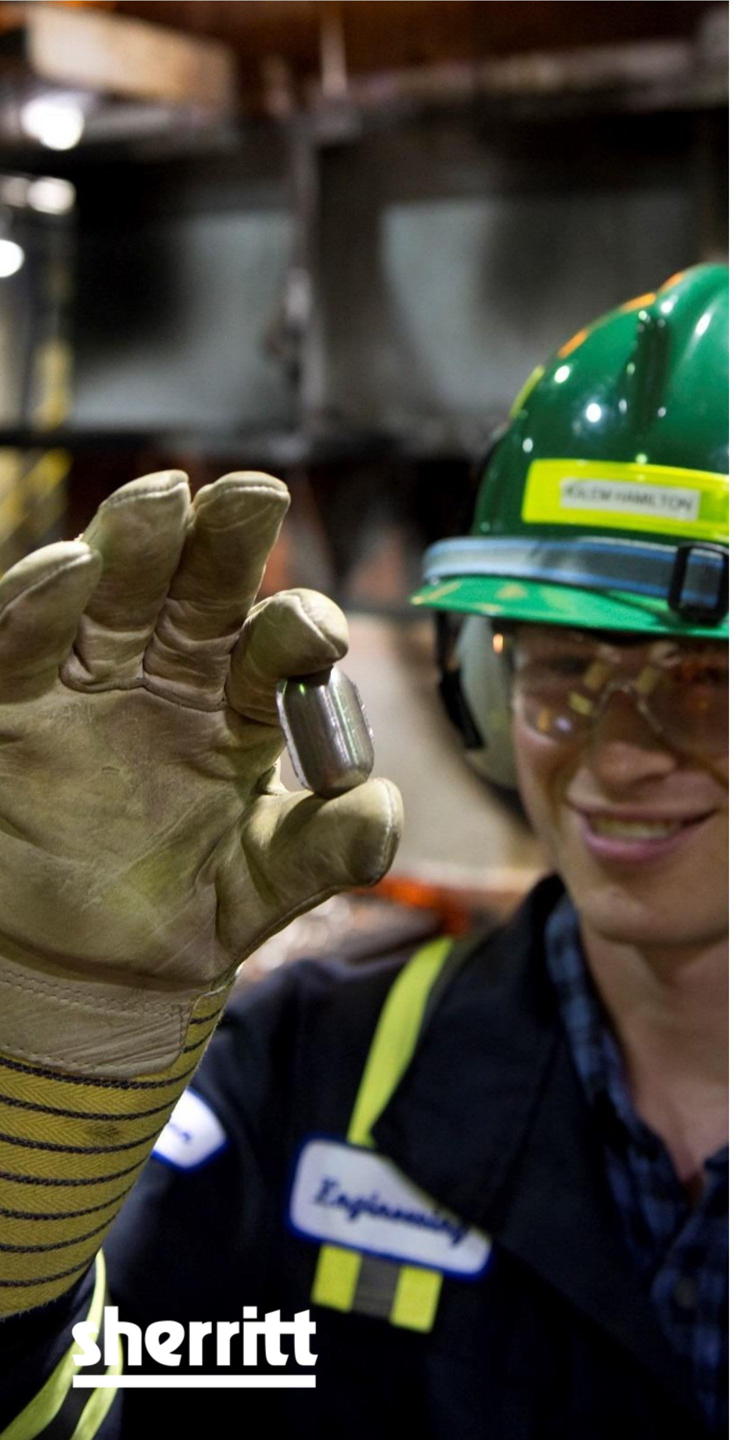
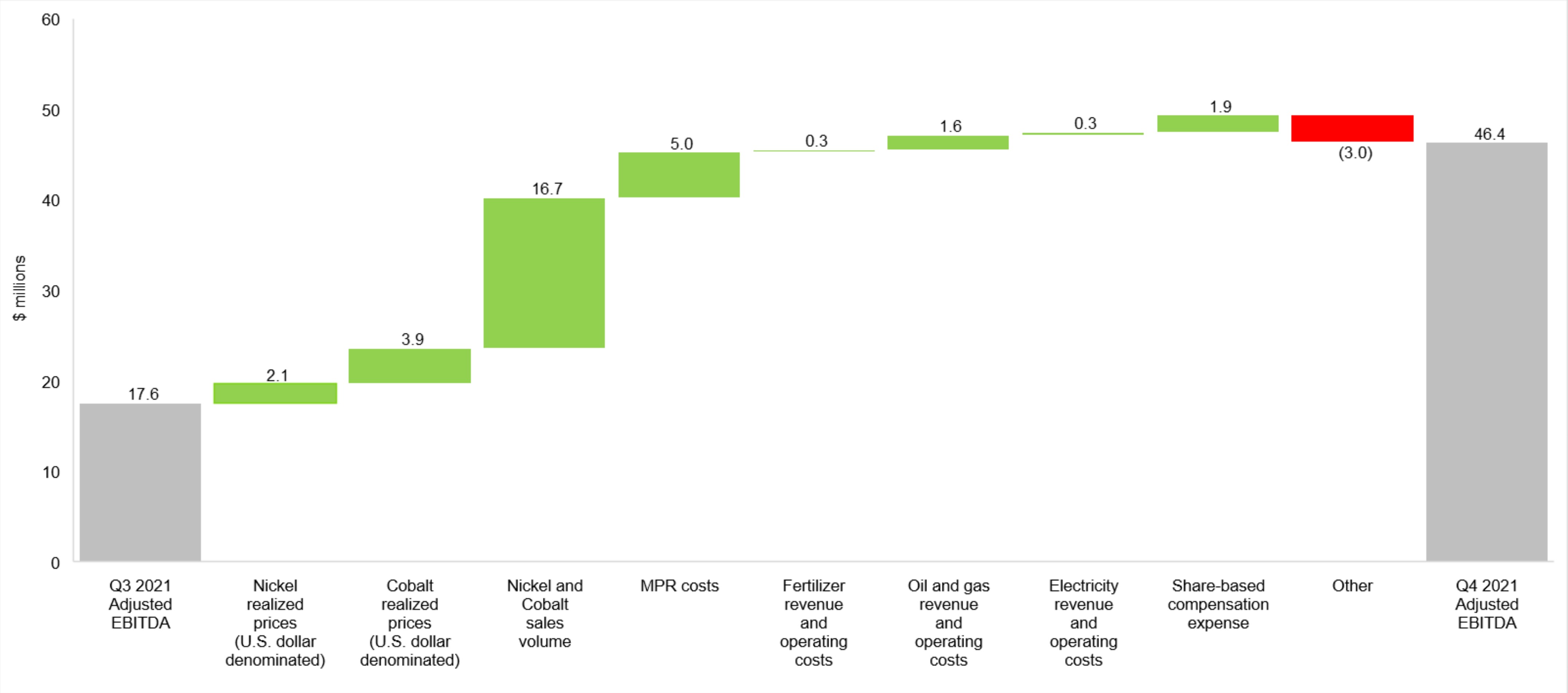


Appendix

Non-GAAP and other financial measures

Highest Adjusted EBITDA(1) since Q4 2017



Improved performance driven by higher sales volumes and realized prices

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1. A non-GAAP financial measure. For additional information see the Non-GAAP and other financial measures section in the Appendix to this presentation

Adjusted EBITDA

The Corporation defines Adjusted EBITDA as earnings (loss) from operations and joint venture, which excludes net finance expense and earnings (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; gains or losses on disposal of property, plant and equipment of the Corporation and the Moa Joint Venture; and gains or losses on disposition of an interest in the investment in Moa Joint Venture of the Corporation. The exclusion of impairment losses eliminates the non-cash impact of the losses. Management uses Adjusted EBITDA internally to evaluate the cash generation potential of Sherritt's operating divisions on a combined and individual basis as an indicator of ability to fund working capital needs, meet covenant obligations, service debt and fund capital expenditures, as well as provide a level of comparability to similar entities. Management believes that Adjusted EBITDA provides useful information to investors in evaluating the Corporation's operating results in the same manner as management and the Board of Directors.

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

$ millions, for the three months ended December 31								**2021**
	Moa JV and Fort Site[1]	Metals Other	Oil and Gas	Power	Techno-logies	Corporate	Adjustment for Moa Joint Venture	Total
Earnings (loss) from operations and joint venture per financial statements	$ **36.2**	$ **(0.4)**	$ **(0.7)**	$ **0.5**	$ **(3.9)**	$ **(4.0)**	$ **(7.2)**	$ **20.5**
Add (deduct):								
Depletion, depreciation and amortization	**2.9**	**-**	**1.1**	**4.0**	**-**	**0.4**	**-**	**8.4**
Adjustments for share of earnings of Moa Joint Venture:								
Depletion, depreciation and amortization	**10.3**	**-**	**-**	**-**	**-**	**-**	**-**	**10.3**
Net finance expense	**-**	**-**	**-**	**-**	**-**	**-**	**1.5**	**1.5**
Income tax expense	**-**	**-**	**-**	**-**	**-**	**-**	**5.7**	**5.7**
Adjusted EBITDA	$ **49.4**	$ **(0.4)**	$ **0.4**	$ **4.5**	$ **(3.9)**	$ **(3.6)**	$ **-**	$ **46.4**

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Adjusted EBITDA, cont.

$ millions, for the three months ended December 31								2020
	Moa JV and Fort Site[1]	Metals Other	Oil and Gas	Power	Techno-logies	Corporate	Adjustment for Moa Joint Venture	Total
Earnings (loss) from operations and joint venture per financial statements	$ 4.4	$ (0.5)	$ (5.9)	$ (10.1)	$ (2.6)	$ (11.9)	$ (7.3)	$ (33.9)
Add (deduct):								
Depletion, depreciation and amortization	8.4	-	2.1	5.1	-	0.3	-	15.9
Impairment of assets	0.2	-	-	-	-		-	0.2
Impairment of Power assets	-	-	-	9.4	-	-	-	9.4
Adjustments for share of earnings of Moa Joint Venture:								
Depletion, depreciation and amortization	11.8	-	-	-	-	-	-	11.8
Net finance expense	-	-	-	-	-	-	0.6	0.6
Income tax expense	-	-	-	-	-	-	6.7	6.7
Adjusted EBITDA	$ 24.8	$ (0.5)	$ (3.8)	$ 4.4	$ (2.6)	$ (11.6)	$ -	$ 10.7

$ millions, for the year ended December 31								**2021**
	Moa JV and Fort Site[2]	Metals Other	Oil and Gas	Power	Techno-logies	Corporate	Adjustment for Moa Joint Venture	Total
Earnings (loss) from operations and joint venture per financial statements	**$ 98.3**	**$ (2.0)**	**$ (11.6)**	**$ (0.6)**	**$ (12.9)**	**$ (35.6)**	**$ (27.1)**	**$ 8.5**
Add (deduct):								
Depletion, depreciation and amortization	**11.2**	**0.2**	**6.7**	**15.7**	**0.1**	**1.1**	**-**	**35.0**
Gain on disposal of assets	**-**	**-**	**(1.2)**	**-**	**-**	**-**	**-**	**(1.2)**
Adjustments for share of earnings of Moa Joint Venture:								
Depletion, depreciation and amortization	**42.8**	**-**	**-**	**-**	**-**	**-**	**-**	**42.8**
Net finance income	**-**	**-**	**-**	**-**	**-**	**-**	**0.8**	**0.8**
Income tax expense	**-**	**-**	**-**	**-**	**-**	**-**	**26.3**	**26.3**
Adjusted EBITDA	**$ 152.3**	**$ (1.8)**	**$ (6.1)**	**$ 15.1**	**$ (12.8)**	**$ (34.5)**	**$ -**	**$ 112.2**

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Adjusted EBITDA, cont.

$ millions, for the year ended December 31								2020
	Moa JV and Fort Site(2)	Metals Other	Oil and Gas	Power	Techno-logies	Corporate	Adjustment for Moa Joint Venture	Total
Earnings (loss) from operations and joint venture per financial statements	$ 3.9	$ (2.0)	$ (136.4)	$ (5.6)	$ (10.1)	$ (30.0)	$ (16.9)	$ (197.1)
Add (deduct):								
Depletion, depreciation and amortization	16.5	0.2	7.1	20.9	0.1	1.0	-	45.8
Impairment of assets	0.2	-	115.6	-	-	-	-	115.8
Impairment of Power assets	-	-	-	9.4	-	-	-	9.4
Adjustments for share of earnings of Moa Joint Venture:								
Depletion, depreciation and amortization	48.1	-	-	-	-	-	-	48.1
Net finance expense	-	-	-	-	-	-	5.1	5.1
Income tax expense	-	-	-	-	-	-	11.8	11.8
Adjusted EBITDA	$ 68.7	$ (1.8)	$ (13.7)	$ 24.7	$ (10.0)	$ (29.0)	$ -	$ 38.9

(1) Adjusted EBITDA of Moa Joint Venture and Fort Site for the three months ended December 31, 2021 is composed of Adjusted EBITDA at Moa Joint Venture of $50.7 million (50% basis) and Adjusted EBITDA at Fort Site of $(1.3) million (for the three months ended December 31, 2020 - $30.5 million and $(5.7) million, respectively).

(2) Adjusted EBITDA of Moa Joint Venture and Fort Site for the year ended December 31, 2021 is composed of Adjusted EBITDA at Moa Joint Venture of $156.3 million (50% basis) and Adjusted EBITDA at Fort Site of $(4.0) million (for the year ended December 31, 2020 - $73.7 million and $(5.0) million, respectively).

Unit operating costs/Net direct cash cost

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

The Moa Joint Venture's NDCC is calculated by dividing cost of sales, as reported in the financial statements, adjusted for the following: depreciation, depletion, amortization and impairment losses in cost of sales; cobalt by-product, fertilizer and other revenue; third-party finished nickel costs; and other costs primarily related to the impact of opening and closing inventory values, by the number of finished nickel pounds sold in the period, expressed in U.S. dollars. NDCC excludes cost of sales from the sale of finished nickel purchased from a third-party as it was not internally produced.

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										2021
		Moa JV and Fort Site		Power		Other[1]		Adjustment for Moa Joint Venture		Total
Cost of sales per financial statements	$	142.7	$	7.0	$	11.2	$	(118.3)	$	42.6
Less:										
Depletion, depreciation and amortization in cost of sales		(13.2)		(4.0)						
		129.5		3.0						
Adjustments to cost of sales:										
Cobalt by-product, fertilizer and other revenue		(66.5)		-						
Third-party finished nickel costs		(13.7)		-						
Impact of opening/closing inventory and other[2]		(7.7)		-						
Cost of sales for purposes of unit cost calculation		41.6		3.0						
Sales volume for the period		9.2		130						
Volume units		Millions of pounds		Gigawatt hours						
Unit operating cost[3][4]	$	4.53	$	22.72						
Unit operating cost (US$ per pound) (NDCC)[5]	$	3.60								

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Unit operating costs/Net direct cash cost, cont.

$ millions, except unit cost and sales volume, for the three months ended December 31					2020
	Moa JV and Fort Site	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Cost of sales per financial statements	$ 111.3	$ 8.9	$ 15.0	$ (86.8)	$ 48.4
Less:					
Depletion, depreciation and amortization in cost of sales	(20.0)	(5.1)			
	91.3	3.8			
Adjustments to cost of sales:					
Cobalt by-product, fertilizer and other revenue	(34.7)	-			
Impact of opening/closing inventory and other[2]	(0.9)	-			
Impairment on assets	(1.3)	-			
Cost of sales for purposes of unit cost calculation	54.4	3.8			
Sales volume for the period	9.2	144			
Volume units	Millions of pounds	Gigawatt hours			
Unit operating cost[3][4]	$ 5.91	$ 26.73			
Unit operating cost (US$ per pound) (NDCC)[5]	$ 4.47				

$ millions, except unit cost and sales volume, for the year ended December 31					2021
	Moa JV and Fort Site	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Cost of sales per financial statements	**$ 451.4**	**$ 26.1**	**$ 45.5**	**$ (382.0)**	**$ 141.0**
Less:					
Depletion, depreciation and amortization in cost of sales	**(53.8)**	**(15.7)**			
	397.6	**10.4**			
Adjustments to cost of sales:					
Cobalt by-product, fertilizer and other revenue	**(192.2)**	**-**			
Third-party finished nickel costs	**(13.7)**	**-**			
Impact of opening/closing inventory and other[2]	**(14.5)**	**-**			
Cost of sales for purposes of unit cost calculation	**177.2**	**10.4**			
Sales volume for the period	**34.4**	**450**			
Volume units	Millions of pounds	Gigawatt hours			
Unit operating cost[3][4]	**$ 5.15**	**$ 23.06**			
Unit operating cost (US$ per pound) (NDCC)[5]	**$ 4.11**				

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Unit operating costs/Net direct cash cost, cont.

$ millions, except unit cost and sales volume, for the year ended December 31	Moa JV and Fort Site	Power	Other[1]	Adjustment for Moa Joint Venture	2020 Total
Cost of sales per financial statements	$ 411.7	$ 31.3	$ 60.4	$ (345.5)	$ 157.9
Less:					
Depletion, depreciation and amortization in cost of sales	(64.4)	(20.9)			
	347.3	10.4			
Adjustments to cost of sales:					
Cobalt by-product, fertilizer and other revenue	(143.4)	-			
Impact of opening/closing inventory and other[2]	(6.5)	-			
Impairment on assets	(2.6)	-			
Cost of sales for purposes of unit cost calculation	194.8	10.4			
Sales volume for the period	34.6	602			
Volume units	Millions of pounds	Gigawatt hours			
Unit operating cost[3][4]	$ 5.63	$ 17.38			
Unit operating cost (US$ per pound) (NDCC)[5]	$ 4.20				

(1) Other is composed of the cost of sales of the Metals Other, Oil and Gas, Technologies and Corporate reportable segments.
(2) Other is primarily comprised of royalties, other contributions and sales discounts.
(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.

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Spending on capital

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

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

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

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

$ millions, for the year ended December 31	Moa JV and Fort Site	Power	Other(1)	Combined total	Adjustment for Moa Joint Venture	Total derived from financial statements 2021
Property, plant and equipment expenditures(2)	$ 34.0	$ 0.1	$ 0.9	$ 35.0	$ (25.1)	$ 9.9
Intangible asset expenditures(2)	-	-	0.8	0.8	-	0.8
	34.0	0.1	1.7	35.8	$ (25.1)	$ 10.7
Adjustments:						
Accrual adjustment	3.7	-	(0.7)	3.0		
Spending on capital	$ 37.7	$ 0.1	$ 1.0	$ 38.8		

(1) Includes property, plant and equipment and intangible asset expenditures of the Metals Other, Oil and Gas, Technologies and Corporate segments.
(2) Total property, plant and equipment expenditures and total intangible asset expenditures as presented in the Corporation's consolidated statements of cash flow.

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