

Morning Report: Insiders buy as nickel gives Sherritt International a charge

February 16, 2022

Canada's morning overview of insider filings with a special focus on companies that may interest active and momentum-oriented investors.

Canadian Company Insider Filing Tally* - Yesterday



Yesterday, 34 companies had insider buy filings and 13 companies had insider sell filings.

INK Market-Wide Sentiment Indicator*



INK Market-Wide Sentiment Indicator: **234.9%**

INK Sentiment Reading: **Undervalued**

INK Venture Sentiment Reading: **Undervalued**

*Filing Tally represents Toronto Stock Exchange and Venture companies with public-market transaction SEDI filings of directly-owned equity securities. Indicators represent companies with buy-only transactions divided by companies with sell-only transactions of direct ownership equity securities in the public-market by officers and directors (exclusive of officers and directors of subsidiaries or insiders) filed over the last 60 days. The chart line shows insider sentiment trends by connecting the historic indicator daily readings going back one year. See our market report for commentary on indicator readings.

[Report Tutorial Video : http://www.inkresearch.com/pdf_tutorial/morning.html](http://www.inkresearch.com/pdf_tutorial/morning.html)

English 国语 粵語

Overview: Sentiment and Stocks

It has been a turbulent ride for the shareholders of cobalt and nickel producer Sherritt International (S) over the last five years as the stock ran into multiple headwinds. Although nickel prices were recovering from their 2016 lows, up until mid-2020 the recovery path was volatile. Meanwhile, Sherritt's 2007 decision to invest in the Ambatovy Joint Venture (JV) Madagascar nickel project ended up draining resources for over a decade and is now considered a discontinued operation. Finally, US sanctions on Cuba where the firm's JV Moa mining operation is situated have made it hard to collect receivables. Those forces have weighed on the share price, off 56% over the past half decade.

However, in terms of the future, our signals are upbeat thanks to relatively attractive valuations, improving price momentum, and insider buying. The stock's price-to-book ratio of 0.4 is at the low end of the scale which takes on a bit more significance if base metals continue to rise as Sherritt's production capacity would become more valuable. On that front, the company has a plan to expand Moa JV nickel and cobalt production by 15 to 20% from the combined 34,710 tonnes produced in 2021. Rising battery metals commodities prices may also provide the firm with a better chance to recover outstanding accounts receivable. In terms of capital structure, the firm will have no debt due until 2026, giving it some breathing room to ride out the current Fed tightening cycle. That said, the company only generated \$1.3 million in cash flow from continuing operations in 2021 and ended the year with \$441 million in long-term debt. In that sense, Sherritt offers a leveraged bet on management successfully implementing its business plan and stronger nickel and cobalt prices.

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Today's Chart

Sherritt International Corporation (S)



Chart reflects public-market and option-exercise transactions of common shares (unit trusts) by company officers and directors. USD transactions are converted to Canadian dollars by us using the Bank of Canada noon rate on the transaction date.

Over the past 180 days, four insiders at Sherritt International (S) have bought 265,000 shares at an average price of \$0.43. The most recent purchase took place on February 14th when CEO Leon Binedell (GUY) bought 40,000 shares at \$0.57. He now holds 220,000 shares which is less than 1% of all shares outstanding. He became CEO of Sherritt on June 1, 2021.

The stock holds a sunny INK Edge outlook on the equally weighted V.I.P. criteria of valuations, insider commitment, and price momentum which places it in the top 10% of all stocks ranked. INK outlook categories are designed to identify groups of stocks that have the potential to out or underperform the market. However, any individual stock could surprise on the up or downside. As such, outlook categories are not meant to be stock-specific recommendations. For background on our INK Edge outlook, please visit our FAQ #3 at inkresearch.com.

Watch today's INK daily preview video here:
<https://www.inkresearch.com/ultramoney/SF22>

Top-10 Tables: Yesterday's Activities

Tables represent public market transactions of directly held equity securities plus purchases and sales of these securities from the exercise of options by company officers and directors filed on or after February 15, 2022. Transactions filed on Saturday and Sunday are aggregated into Friday's number. INK may adjust certain filings for common filing errors on a reasonable efforts basis.

M - Public market transaction

O - Exercise of options

Top 10 Net "CO2" Buying	
(By dollar amount, 000's)	
M O TFI International (TFII)	\$4,035.8
O Colliers International Gr (CIGI)	\$1,433.0
O Bonterra Energy (BNE)	\$125.6
M Golden Dawn Minerals (GOM)	\$55.0
M Sherritt International (S)	\$22.8
M Starcore International Mi (SAM)	\$9.1
M Elixer (ELXR)	\$8.0

Top 10 Net "CO2" Selling	
(By dollar amount, 000's)	
M Equitable Group (EQB)	\$-318.3
M WildBrain (WILD)	\$-34.6

"CO2" may included Board chairs, CEOs, Presidents, CFOs, Treasurers, and Controllers of companies. See data description above.

Top 10 Net Insider Buying	
(By dollar amount, 000's)	
O Colliers International Gr (CIGI)	\$4,950.6
M O TFI International (TFII)	\$4,035.8
O Atalaya Mining (AYM)	\$1,770.6
M IGM Financial (IGM)	\$685.9
M Leucrotta Exploration (LXE)	\$85.5
M Urbana (URB)	\$70.0
M O Bonterra Energy (BNE)	\$58.2
M Golden Dawn Minerals (GOM)	\$55.0
M Sun Life Financial (SLF)	\$49.9
M Royal Fox Gold (FOXG)	\$47.1

Top 10 Net Insider Selling	
(By dollar amount, 000's)	
M Endeavour Mining (EDV)	\$-14,493.3
M Aritzia (ATZ)	\$-3,112.4
M O Saputo (SAP)	\$-568.3
M O Parex Resources (PXT)	\$-560.9
M Equitable Group (EQB)	\$-318.3
M O First Majestic Silver (FR)	\$-157.3
M O Finning International (FTT)	\$-143.6
M WildBrain (WILD)	\$-140.8
M Shopify (SHOP)	\$-131.2
M good natured Products (GDNP)	\$-77.5

Top 10 Net Insider Buying	
(By volume, 000's)	
M Royal Fox Gold (FOXG)	856.0
O Atalaya Mining (AYM)	550.0
M Golden Dawn Minerals (GOM)	366.5
M Rover Metals (ROVR)	100.0
M Leucrotta Exploration (LXE)	100.0
M Affinor Growers (AFI)	100.0
M Universal PropTech (UPI)	83.0
O Colliers International Gr (CIGI)	80.0
M O Bonterra Energy (BNE)	74.3
M O TFI International (TFII)	50.0

Top 10 Net Insider Selling	
(By volume, 000's)	
M Endeavour Mining (EDV)	-475.0
M good natured Products (GDNP)	-111.8
M WildBrain (WILD)	-46.7
M O Parex Resources (PXT)	-15.0
M Fission Uranium (FCU)	-10.0
M Equitable Group (EQB)	-4.1
M Shopify (SHOP)	-0.1

Top-10 Tables: Yesterday's Activities (cont'd)

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- M** - Public market transaction
- I** - Information that has been adjusted or estimated by INK
- - CEO Buy
- - CEO Sell
- ▲ - CFO Buy
- △ - CFO Sell
- ◆ - Officer Buy
- ◇ - Officer Sell
- - Exercise of options
- ▲ - Amended filing
- - Director Buy
- - Director Sell

Yesterday's Top 10 Individual Buy Filings					
(By volume)					
Company Name	Insider Name	Security	Unit/Share	Price	
Royal Fox Gold (FOXG)	◆ Marcotte, Simon	M Common Shares	657,000	0.06	
Atalaya Mining (AYM)	◆ Delgado Palomo, Enrique	O Common Shares	400,000	2.05	
Golden Dawn Minerals (GOM)	● Anderson, Christopher Ros	M Common Shares	356,500	0.15	
Atalaya Mining (AYM)	◆ Delgado Palomo, Enrique	O Common Shares	150,000	1.48	
Royal Fox Gold (FOXG)	◆ Marcotte, Simon	M Common Shares	143,000	0.06	
Rover Metals (ROVR)	◆ Culter, Richard Judson	M Common Shares	100,000	0.05	
Affinor Growers (AFI)	■ Brusatore, Nicholas Gordo	M Common Shares	100,000	0.04	
Saputo (SAP)	◆ Brockman, Terry	O Common Shares	93,936	21.48	
Universal PropTech (UPI)	◆ Hazelton, Chris	M Common Shares	83,000	0.12	
Royal Fox Gold (FOXG)	◆ Marcotte, Simon	M Common Shares	53,000	0.06	

Yesterday's Top 10 Individual Sell Filings					
(By volume)					
Company Name	Insider Name	Security	Unit/Share	Price	
Endeavour Mining (EDV)	◇ Bouisset, Patrick	M Common Shares	-450,000	30.54	
good natured Products (GDNP)	◇ Harvey, James Noel	M Common Shares	-94,000	0.54	
Saputo (SAP)	◇ Brockman, Terry	M Common Shares	-93,936	30.21	
Endeavour Mining (EDV)	◇ Bernasconi, Pascal	M Common Shares	-25,000	30.01	▲
POET Technologies (PTK)	◇ Barnes, Kevin	M Common Shares	-25,000	0.87	
First Majestic Silver (FR)	◇ Figueroa, Jose Luis	M Common Shares	-25,000	14.50	
Wildpack Beverage (CANS)	◇ Barnard, Mitchell	M Common Shares	-20,000	0.54	
good natured Products (GDNP)	◇ Harvey, James Noel	M Common Shares	-17,800	0.56	
Bonterra Energy (BNE)	□ Campbell, John	M Common Shares	-16,800	8.81	
Aritzia (ATZ)	◇ Morgan, Philippa (Pippa)	M Subordinate Voting Shares	-15,000	57.83	

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