

sherritt

Q3

2025 THIRD QUARTER REPORT

Sherritt International Corporation
For the three and nine months ended September 30, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2025

This Management's Discussion and Analysis ("MD&A") is intended to help the reader understand Sherritt International Corporation's operations, financial performance and the present and future business environment. This MD&A, which has been prepared as of November 5, 2025, should be read in conjunction with Sherritt's condensed consolidated financial statements for the three and nine months ended September 30, 2025, Sherritt's audited consolidated financial statements and the MD&A for the year ended December 31, 2024. Additional information related to the Corporation, including the Corporation's Annual Information Form, is available on SEDAR+ at www.sedarplus.ca or on the Corporation's website at www.sherritt.com.

References to "Sherritt" or the "Corporation" refer to Sherritt International Corporation and its share of subsidiaries and joint arrangements, unless the context indicates otherwise. All amounts are in Canadian dollars, unless otherwise indicated. References to "US\$" are to United States ("U.S") dollars.

Securities regulators allow companies to disclose forward-looking information to help investors understand a company's future prospects. This MD&A contains statements about Sherritt's future financial condition, results of operations and business. See the end of this report for more information on forward-looking statements.

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The business we manage

Sherritt is a world leader in using hydrometallurgical processes to mine and refine nickel and cobalt – metals deemed critical for the energy transition. Leveraging its technical expertise and decades of experience in critical minerals processing, Sherritt is committed to expanding domestic refining capacity and reducing reliance on foreign sources. The Corporation operates a strategically important refinery in Alberta, Canada, recognized as the only significant cobalt refinery and one of just three nickel refineries in North America. Sherritt's Moa JV has an estimated mine life of approximately 25 years and has recently completed an expansion that is set to increase its annual mixed sulphate precipitate 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".

Sherritt manages its metals, power, and oil and gas operations through different legal structures including 100%-owned subsidiaries, joint arrangements and production-sharing contracts. With the exception of the Moa Joint Venture, which Sherritt operates jointly with its partner, Sherritt is the operator of these assets. The relationship for accounting purposes that Sherritt has with these operations and the economic interest recognized in the Corporation's financial statements are as follows:

	Relationship for accounting purposes	Interest	Basis of accounting
Metals - Moa Joint Venture ("Moa JV")	Joint venture	50%	Equity method
Metals - Metals Marketing	Subsidiaries	100%	Consolidation
Power	Joint operation	33⅓%	Share of assets, liabilities, revenues and expenses
Oil and Gas	Subsidiaries	100%	Consolidation

The Fort Site operations and the Corporate and Other reportable segment are both a part of Sherritt International Corporation, the parent company, and are not separate legal entities.

The Moa JV is accounted for using the equity method of accounting which recognizes the Corporation's share of earnings (loss) of Moa Joint Venture, net of tax, and its net assets as the Corporation's investment in Moa Joint Venture. The Financial results and Review of operations sections in this MD&A present amounts by reportable segment, based on the Corporation's economic interest.

The Corporation's reportable segments are as follows:

Metals: Includes the Corporation's:

- Moa JV: 50% interest in the Moa JV;
- Fort Site: 100% interest in the utility and fertilizer operations in Fort Saskatchewan;
- Metals Marketing: 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 inventories received under the Cobalt Swap agreement.

Power: Includes the Corporation's 33⅓% interest in Energas S.A. ("Energas").

Oil and Gas: Includes the Corporation's 100% interest in its Oil and Gas business.

Corporate and Other: Head office, joint venture management, business development, cash and debt management, government relations, external technical services to third parties and growth and market development activities.

Operating and financial results presented in this MD&A for reportable segments can be reconciled to note 6 of the condensed consolidated financial statements for the three and nine months ended September 30, 2025.

NON-GAAP AND OTHER FINANCIAL MEASURES

Management uses the following non-GAAP and other financial measures in this MD&A and other documents: combined revenue, adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA"), average-realized price, unit operating cost/net direct cash cost ("NDCC"), adjusted net earnings/loss from continuing operations, adjusted net earnings/loss from continuing operations per share, combined spending on capital, combined cash provided (used) by continuing operations for operating activities and combined free cash flow.

Management uses these measures to monitor the financial performance of the Corporation and its operating divisions and believes these measures enable investors and analysts to compare the Corporation's financial performance with its competitors and/or evaluate the results of its underlying business. These measures are intended to provide additional information, not to replace IFRS® Accounting Standards measures, and do not have a standard definition under IFRS Accounting Standards and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS Accounting Standards. As these measures do not have a standardized meaning, they may not be comparable to similar measures provided by other companies. Further information on the composition and usefulness of each non-GAAP and other financial measure, including reconciliation to their most directly comparable IFRS Accounting Standards measures, is included in the Non-GAAP and other financial measures section starting on page 35.

Highlights

2025 RESULTS AND SELECTED DEVELOPMENTS⁽¹⁾

- **Significant organizational cost reductions** were implemented in Q3 2025, which included a further workforce reduction with a focus on non-operating roles across Canadian operations. The cost reduction initiatives are anticipated to deliver approximately \$20.0 million in annual savings (100% basis) and are in addition to the \$17.0 million in annual savings (100% basis) achieved through the 2024 initiatives.
- **Finished nickel and cobalt production** at the Moa Joint Venture ("Moa JV") in Q3 2025 was 2,426 tonnes and 228 tonnes, respectively, (Sherritt's share⁽¹⁾) reflecting the planned annual plant shutdown occurring at the refinery during the quarter. For the nine months ended September 30, 2025, finished nickel and cobalt production was 8,804 tonnes and 940 tonnes, respectively.
- **Finished nickel and cobalt sales** in Q3 2025 were 2,740 tonnes and 262 tonnes, respectively. For the nine months ended September 30, 2025, finished nickel and cobalt sales were 9,435 tonnes and 1,098 tonnes, respectively.
- **Net direct cash cost** ("NDCC")⁽²⁾ was US\$6.67/lb in Q3 2025 with lower nickel production and sales and higher input commodity prices contributing to higher costs partially offset by ongoing cost optimization initiatives. For the nine months ended September 30, 2025, NDCC was US\$5.95/lb.
- **Electricity production** was 243 GWh in Q3 2025 and 589 GWh for the nine months ended September 30, 2025. Electricity production in Q3 2025 benefited from a new gas well that was brought online in Q4 2024, additional gas provided from existing wells and a replacement gas well that was brought online in Q3 2025 to offset the loss of gas production from the legacy CUPET well. Electricity production in Q3 2025 also reflects the Varadero facility returning to normal operations during July and August without frequency control. For the nine months ended September 30, 2025, electricity production was lower primarily as a result of the Varadero facility operating in frequency control partly offset by the net increased gas supply outlined above.
- **Electricity unit operating cost**⁽²⁾ was \$12.23/MWh in Q3 2025 and \$23.27/MWh for the nine months ended September 30, 2025, primarily reflecting timing of planned maintenance in the current year periods.
- **Net loss from continuing operations** was \$19.5 million or \$(0.04) per share in Q3 2025 and \$49.7 million, or \$(0.11) per share for the nine months ended September 30, 2025.
- **Adjusted net loss from continuing operations**⁽²⁾ was \$15.5 million or \$(0.03) per share in Q3 2025 and \$63.3 million or \$(0.14) per share for the nine months ended September 30, 2025. In Q3 2025, adjusted net loss from continuing operations primarily excludes \$3.6 million of severance expense (Sherritt's share) related to the workforce reduction and other revaluation gains and losses in the quarter. For the nine months ended September 30, 2025, adjusted net loss from continuing operations primarily excludes a \$32.4 million gain on the debt and equity transactions ("Debt and Equity Transactions") completed in Q2 2025 partially offset by a \$13.3 million non-cash loss on rehabilitation provisions primarily as a result of updates to contractually obligated environmental rehabilitation costs on legacy Oil and Gas assets in Spain and other non-cash gains and losses.
- **Adjusted EBITDA**⁽²⁾ was \$1.6 million in Q3 2025 and \$8.6 million for the nine months ended September 30, 2025.

- **Update to 2025 guidance:**
 - During Q3 2025, significant challenges in the general operating environment in Cuba continued to result in lower than expected production of mixed sulphides, impacting feed availability at the refinery. As well, Sherritt did not acquire additional third-party feed given the high payabilities in the intermediate market. In late October, subsequent to the quarter end, Hurricane Melissa brought heavy rainfall and power outages to the Moa region resulting in the processing facilities at Moa operating at a reduced rate. All environmental protection and safety activities at sites in Cuba continued uninterrupted, and there were no environmental incidents or injuries reported among personnel or significant damage to mining infrastructure. The processing facilities at Moa are currently operating at a reduced capacity and expected to ramp up to full capacity in the next week. The impact on finished metals production is expected to be partially mitigated by mixed sulphides inventory built up at the refinery during the planned annual plant shutdown. Although Sherritt continues to anticipate production of mixed sulphides will benefit from the ramp up of the sixth leach train at Moa and the implementation of the recovery plan for Moa operations, the mixed sulphides inventory available at the refinery during the fourth quarter will be lower than originally anticipated. As a result, Sherritt is revising its full year 2025 production guidance range for finished nickel from 27,000 to 29,000 tonnes to 25,000 to 26,000 tonnes and finished cobalt from 3,000 to 3,200 tonnes to 2,700 to 2,800 tonnes.
 - NDCC⁽²⁾ guidance of US\$5.75/lb to US\$6.25/lb, remains unchanged, benefiting from the ongoing cost optimization initiatives and higher cobalt by-product credits, offsetting the lower nickel production and sales and higher sulphur prices.
 - At Power, guidance for production volumes, unit operating costs⁽²⁾ and spending on capital⁽²⁾ remain unchanged.
 - Total spending on capital⁽²⁾ for 2025 is now expected to be \$69.0 million slightly below the previously provided guidance of \$72.0 million with spending related to the tailings facility slightly lower and growth spending slightly higher.
- **Available liquidity in Canada** as at September 30, 2025 was \$45.2 million.
- **Power dividends in Canada** were \$8.3 million in Q3 2025, totaling \$18.2 million for the nine months ended September 30, 2025.
- **Completed strategic transactions in the first half of 2025 to support the Corporation's ongoing liquidity position, including:**
 - Closing strategic transactions to consolidate the Corporation's debt which significantly extended the maturity to November 2031, strengthening the Corporation's capital structure by reducing debt obligations by \$68.0 million⁽⁴⁾ and decreasing annual interest expense by approximately \$3.0 million.
 - Extending the Corporation's syndicated revolving-term credit facility maturity by one year from April 30, 2026 to April 30, 2027. There were no other significant changes to the terms, financial covenants or restrictions.
- **Phase two of the Moa JV expansion in ramp up.** During the quarter, the sixth leach train was tested and successfully demonstrated the operability of the train and following the quarter end in October, commissioning was completed.

(1) References to operational and financial metrics in this MD&A, 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 ("Metals Marketing") established to buy, market and sell certain of Moa JV's nickel and cobalt production and the Corporation's cobalt inventory received under the Cobalt Swap agreement. Sherritt's share of Power includes the Corporation's 33.3% 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. Fort Site refers to the Corporation's 100% interest in the utility and fertilizer operations.

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

(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.

(4) Principal amount of Second Lien Notes and PIK Notes at the transaction date and the premium required to be paid on maturity of the Second Lien Notes in November 2026, net of the principal amount of Amended Senior Secured Notes issued. See the Capital Resources section of the MD&A for details.

DEVELOPMENTS SUBSEQUENT TO THE QUARTER

Subsequent to the quarter end, Sherritt paid \$12.3 million in interest on its Amended Senior Secured Notes.

Financial results

\$ millions, except as otherwise noted	For the three months ended			For the nine months ended		
	2025		2024	2025		2024
	September 30	September 30	Change	September 30	September 30	Change
FINANCIAL HIGHLIGHTS						
Revenue	\$ 39.7	\$ 32.9	21%	\$ 121.8	\$ 113.1	8%
Combined revenue ⁽¹⁾	108.4	126.4	(14%)	369.7	417.3	(11%)
Loss from operations and joint venture	(12.6)	(2.3)	(448%)	(63.8)	(26.6)	(140%)
Net (loss) earnings from continuing operations	(19.5)	1.8	nm ⁽²⁾	(49.7)	(50.6)	2%
(Loss) earnings from discontinued operations, net of tax	-	0.3	(100%)	(0.2)	0.7	(129%)
Net (loss) earnings for the period	(19.5)	2.1	nm ⁽²⁾	(49.9)	(49.9)	-
Adjusted net loss from continuing operations ⁽¹⁾	(15.5)	(11.5)	(35%)	(63.3)	(46.1)	(37%)
Adjusted EBITDA ⁽¹⁾	1.6	10.5	(85%)	8.6	17.0	(49%)
Net (loss) earnings from continuing operations (\$ per share) (basic and diluted)	\$ (0.04)	\$ 0.00	-	\$ (0.11)	\$ (0.13)	15%
Net (loss) earnings for the period (\$ per share) (basic and diluted)	(0.04)	0.01	(500%)	(0.11)	(0.13)	15%
Adjusted net loss from continuing operations ⁽¹⁾ (\$ per share)	(0.03)	(0.03)	-	(0.14)	(0.12)	(17%)
CASH						
Cash and cash equivalents (prior period, December 31, 2024)	\$ 120.2	\$ 145.7	(18%)	\$ 120.2	\$ 145.7	(18%)
Cash provided (used) by continuing operations for operating activities	2.5	20.4	(88%)	9.1	(4.4)	307%
Combined free cash flow ⁽¹⁾	(24.0)	10.2	(335%)	(27.8)	(1.0)	nm ⁽²⁾
Distributions received from Moa Joint Venture						
Proceeds from Cobalt Swap - Sherritt share	-	-	-	3.1	0.6	464%
Proceeds from Cobalt Swap - GNC ⁽³⁾ redirected share	-	-	-	3.1	0.6	464%
OPERATIONAL DATA						
COMBINED SPENDING ON CAPITAL⁽¹⁾	\$ 14.6	\$ 9.6	52%	\$ 45.8	\$ 31.0	48%
PRODUCTION VOLUMES						
Mixed sulphides (50% basis, tonnes) ("MSP") ⁽⁴⁾	3,720	4,148	(10%)	10,115	12,295	(18%)
Finished nickel (50% basis, tonnes)	2,426	4,333	(44%)	8,804	11,313	(22%)
Finished cobalt (50% basis, tonnes)	228	454	(50%)	940	1,138	(17%)
Fertilizer (tonnes)	49,253	65,205	(24%)	170,280	182,624	(7%)
Electricity (33 1/3% basis, gigawatt hours)	243	230	6%	589	645	(9%)
SALES VOLUMES						
Finished nickel (50% basis, tonnes)	2,740	3,538	(23%)	9,435	11,352	(17%)
Finished cobalt (50% basis, tonnes)	262	421	(38%)	1,098	1,173	(6%)
Fertilizer (tonnes)	27,948	31,245	(11%)	105,682	115,836	(9%)
Electricity (33 1/3% basis, gigawatt hours)	243	230	6%	589	645	(9%)
AVERAGE EXCHANGE RATE (CAD/US\$)	\$ 1.377	\$ 1.366	1%	\$ 1.399	\$ 1.362	3%
AVERAGE-REALIZED PRICES (CAD)⁽¹⁾						
Nickel (\$ per pound)	\$ 9.42	\$ 10.11	(7%)	\$ 9.67	\$ 10.41	(7%)
Cobalt (\$ per pound)	18.52	12.42	49%	16.23	13.70	18%
Fertilizer (\$ per tonne)	517.25	434.58	19%	571.57	503.33	14%
Electricity (\$ per megawatt hour)	52.33	51.85	1%	53.04	51.70	3%
UNIT OPERATING COSTS⁽¹⁾						
Nickel (NDCC) (US\$ per pound)	\$ 6.67	\$ 5.16	29%	\$ 5.95	\$ 6.10	(2%)
Electricity (\$ per megawatt hour)	12.23	44.95	(73%)	23.27	35.26	(34%)

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

(2) Not meaningful ("nm").

(3) General Nickel Company S.A. ("GNC").

(4) Mixed sulphides = mixed sulphides precipitate (MSP).

Consolidated revenue, which excludes revenue from the Moa JV as it is accounted for under the equity method, in the three and nine months ended September 30, 2025 was \$39.7 million and \$121.8 million compared to \$32.9 million and \$113.1 million in prior year periods, respectively. Fertilizer revenue at Fort Site was \$9.6 million and \$43.5 million in the three and nine months ended September 30, 2025 compared to \$8.6 million and \$38.8 million, respectively, in the same periods in 2024. Fertilizer average-realized prices⁽¹⁾ were higher in each of the current year periods while fertilizer sales volumes were lower in each of the current year periods compared to the prior year periods. In addition, Fort Site realized higher sulphuric acid revenue primarily due to higher market pricing. There was no cobalt sold under the Cobalt Swap⁽²⁾ in either Q3 2025 or Q3 2024. In the nine months ended September 30, 2025 Sherritt sold 173 tonnes (100% basis) of finished cobalt that it received in Q4 2024 under the Cobalt Swap agreement recognizing revenue of \$4.7 million compared to sales of 23 tonnes (100% basis) and revenue of \$0.9 million in the same period in 2024. Power revenue was relatively unchanged in each of the current year periods compared to the prior year periods. Oil and Gas service revenue was \$5.2 million and \$9.1 million in the three and nine months ended September 30, 2025 compared to \$3.3 million and \$14.6 million in the prior year periods, respectively, as a result of timing of drilling services in each period.

Combined revenue⁽¹⁾ which includes the Corporation's consolidated revenue and its 50% share of revenue of the Moa JV, in the three and nine months ended September 30, 2025 was \$108.4 million and \$369.7 million compared to \$126.4 million and \$417.3 million in the same periods in the prior year, respectively. In addition to the impact of consolidated revenue as discussed above, Combined revenue⁽¹⁾ was lower in each of the current year periods due to 28% and 23% lower nickel revenue in the three and nine months ended September 30, 2025, respectively, compared to the prior year periods, primarily as a result of lower nickel sales volumes and average-realized prices⁽¹⁾. Moa JV cobalt revenue was slightly lower in the Q3 2025 and relatively unchanged for the nine months ended September 30, 2025 as higher average-realized prices⁽¹⁾ offset lower Moa JV cobalt sales volume in the current year periods.

In the three and nine months ended September 30, 2025, average-realized prices⁽¹⁾ for nickel were 7% lower in each of the current year periods while average-realized prices⁽¹⁾ for cobalt were 49% and 18% higher. The average-realized prices⁽¹⁾ for fertilizers were 19% and 14% higher in the current year periods, compared to the prior year periods, respectively. On a combined basis, sales volumes of nickel were 23% and 17% lower in the current year periods, while sales volumes of cobalt were 38% and 6% lower, respectively, and sales volume of fertilizers were 11% and 9% lower, respectively, compared to the prior year periods.

While the timing of receipts and sales of cobalt under the Cobalt Swap results in variances in cobalt sales volumes, revenue and cost of sales for Sherritt, it does not have a material impact on earnings from operations, average-realized prices⁽¹⁾, cobalt by-product credit, or NDCC⁽¹⁾. For more information regarding the Cobalt Swap, refer to the Cobalt Swap sales section in the Metals Review of operations section.

Sherritt recognized losses from continuing operations of \$19.5 million in Q3 2025 and \$49.7 million for the nine months ended September 30, 2025, compared to earnings from continuing operations of \$1.8 million and a loss from continuing operations of \$50.6 million in the same periods in the prior year, respectively. During the three and nine months ended September 30, 2025, the increased loss from continuing operations was primarily a result of the higher losses in the Moa JV driven by lower revenue as a result of lower metals production and sales and average-realized price⁽¹⁾ of nickel. NDCC⁽¹⁾ was 29% higher in Q3 2024 and 2% lower in the nine months ended September 30, 2025, respectively, compared to the prior year periods. As a significant driver, MPR/lb was slightly higher in each of the current year periods driven by higher sulphur input commodity costs partially offset by benefits from ongoing cost optimization initiatives. Refer to the Metals Review of operations section for details.

In the current year periods, Sherritt recognized a lower non-cash revaluation gain on the net receivable pursuant to the Cobalt Swap on updates to the valuation assumptions in Q3 2025 and a higher gain in the nine months ended September 30, 2025, respectively, compared to the prior year periods. In addition, in Q3 2025, Sherritt recognized \$3.6 million in severance costs related to restructuring and workforce reductions. During the nine months ended September 30, 2025, Sherritt recognized a gain on the Debt and Equity Transactions of \$32.4 million. Power earnings from operations were higher in Q3 2025 in both current year periods compared to the prior year periods primarily as a result of timing of planned maintenance. In the Oil and Gas segment, operating earnings were relatively unchanged in the corresponding quarters, and the higher loss from operations for the nine months ended September 30, 2025 includes a \$13.3 million non-cash loss on provisions for rehabilitation and closure costs at Sherritt's legacy Oil and Gas assets in Spain and lower drilling service earnings compared to the prior year period.

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

(2) 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.

Management's discussion and analysis

CONSOLIDATED FINANCIAL POSITION

The following table summarizes the significant items as derived from the condensed consolidated statements of financial position:

\$ millions, except as noted, as at	2025 September 30	2024 December 31	Change
Working capital ⁽¹⁾	\$ 24.5	\$ 91.8	(73%)
Current ratio ⁽²⁾	1.10:1	1.31:1	(16%)
Cash and cash equivalents	\$ 120.2	\$ 145.7	(18%)
Total assets	1,218.7	1,382.8	(12%)
Loans and borrowings	316.2	372.5	(15%)
Total liabilities	683.1	785.4	(13%)
Shareholders' equity	535.6	597.4	(10%)

(1) Working capital is calculated as the Corporation's current assets less current liabilities.

(2) Current ratio is calculated as the Corporation's current assets divided by its current liabilities.

Cash and cash equivalents were \$120.2 million as at September 30, 2025 compared to \$121.6 million as at June 30, 2025.

As at September 30, 2025, total available liquidity in Canada was \$45.2 million, composed of cash and cash equivalents in Canada of \$14.9 million and available credit facilities of \$30.3 million which was unchanged from June 30, 2025. During the quarter, cash inflows included \$8.3 million of dividends in Canada from Energas for a total of \$18.2 million during the nine month period ended September 30, 2025 and cash provided by operating activities primarily reflecting timing of working capital receipts and payments, including fertilizer sales receipts and \$17.7 million of fertilizer pre-buys at Fort Site. Offsetting these inflows were \$3.0 million of transaction costs related to the Debt and Equity Transactions and \$2.7 million of expenditures on property, plant and equipment.

At current spot prices and based on revised 2025 guidance for Metals production volumes and spending on capital⁽¹⁾ disclosed in the Outlook section of this MD&A, the Corporation no longer expects cobalt or cash distributions to be received under the Cobalt Swap agreement in the fourth quarter of 2025. As previously disclosed and as defined by the Cobalt Swap agreement, the expected shortfall in the annual minimum payment in 2025 will be added to the annual minimum payment in 2026.

The Corporation expects to provide an update regarding anticipated distributions under the Cobalt Swap agreement when it publishes its 2026 guidance in early 2026.

The Moa JV's cash and cobalt distributions to the Corporation are determined based on available cash in excess of liquidity requirements. Determinants of the Moa JV's liquidity include but are not limited to, anticipated nickel and cobalt prices and sales volumes, spending on capital at the Moa JV, financing, working capital, and other 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.

Consistent with the Corporation's expectations in the second quarter and based on 2025 guidance for Power, which anticipates electricity production at the lower end of the guidance range, Sherritt expects total dividends in Canada from Energas in 2025 to be at the lower end of its previously disclosed range of \$25.0 million to \$30.0 million.

Refer to the risks related to Sherritt's corporate structure in the Corporation's 2024 Annual Information Form for further information on risks related to distributions from the Moa JV and dividends in Canada from Energas.

As at September 30, 2025, the Corporation was in compliance with all its debt covenants.

Debt and Equity Transactions

In April 2025, the Corporation completed a transaction pursuant to a plan of arrangement (the "CBCA Plan") under the Canada Business Corporations Act (the "CBCA") that exchanged the Corporation's existing notes obligations, comprised of the 8.50% second lien secured notes due 2026 ("Second Lien Notes"), the 10.75% unsecured PIK option notes due 2029 ("PIK Notes"), for amended 9.25% senior second lien secured notes due November 30, 2031 (the "Amended Senior Secured Notes") and certain early consent consideration. The Corporation also completed a subsequent exchange transaction (the "Subsequent Exchange Transaction") with certain holders of Second Lien Notes (the "Subsequent Exchange Noteholders") involving the exchange of \$17.1 million of the Amended Senior Secured Notes for 99 million common shares of the Corporation issued from treasury and commitments for subsequent scheduled repurchases of Amended Senior Secured Notes totaling \$45.0 million of such notes from 2025 to 2028. These transactions collectively comprise the Corporation's Debt and Equity Transactions and significantly improved the Corporation's capital structure and extended maturity on its debt to late 2031. Refer to the Capital resources section of this MD&A for further information on the Debt and Equity Transactions.

Significant factors influencing operations

As a commodity-based business, Sherritt's operating results are primarily influenced by the prices of nickel and cobalt and its fertilizers.

NICKEL

In Q3 2025, the price of nickel on the London Metal Exchange ("LME") closed at US\$6.84/lb, compared to the Q2 2025 closing price of US\$6.81/lb. The average nickel price of US\$6.81/lb during the quarter was consistent with Q2 2025 which averaged US\$6.88/lb, and the nickel prices was primarily rangebound between US\$6.70/lb and US\$7.00/lb.

The global nickel market expected surplus in 2025 has risen to over 250kt⁽¹⁾, driven primarily by continued supply growth in Indonesia and China, a weaker global economic outlook and ongoing geopolitical tensions resulting in weaker stainless steel demand, and lower growth in demand for other downstream nickel uses due to tariff uncertainty. The Indonesian government's efforts to establish and maintain nickel market balance through intervention remains a positive development within the current uncertain macroeconomic environment, with the government's on-going crackdown on illegal mining and stricter enforcement of annual ore mining quotas potentially curtailing the pace of supply growth and increasing the cost of Indonesian supply.

Expected 2025 global stainless steel production growth has reduced to 2.4%⁽¹⁾ year-over-year with reductions in China and Indonesia growth rates, reflecting a weaker macroeconomic outlook. As a result, nickel demand growth from stainless is expected to be 2% in 2025, with growth rates to return to historical norms by 2026, maintaining stainless as the dominant source of nickel demand growth out to 2030.

Global nickel consumption in battery precursor cathode active materials ("pCAM") is expected to rise by 8% in 2025⁽²⁾, before strengthening to 15% in 2026, justified by new capacity coming on stream in China. China remains the main driver of growth in this segment but uncertainty remains over the degree to which the lithium-ion-phosphate ("LFP") batteries, which contain no nickel or cobalt, will undermine nickel uptake in the future. Long-term demand is expected to be supported by rising electric vehicle ("EV") adoption in Europe and eventually in the United States.

Nickel demand is expected to outpace supply over the long term, resulting in a forecast market deficit beyond 2030, with price support anticipated in the lead-up to that year. This outlook depends on several factors, including the pace and extent of Indonesian supply expansion or government intervention measures, global EV adoption rates and battery technology developments, global economic conditions, and the strength of climate policy commitments. Evolving global trade dynamics driven by new agreements and tariffs could also shape supply chains and impact on the overall market balance into regional (non-geographic "tariff regions") supply chains.

COBALT

In Q3 2025, Argus Chemical Grade cobalt price closed at US\$18.90/lb, an increase of 8% from Q2 2025 closing price of US\$17.50/lb. The average cobalt price of US\$17.17/lb during the quarter was consistent with Q2 2025 which averaged US\$17.50/lb.

Refined cobalt prices have surged since February, driven by the Democratic Republic of the Congo ("DRC")'s unexpected export ban, that transitioned to an export quota system in mid-October with 2026 and 2027 annual quotas capped at 96,000 tonnes, approximately half of 2024 export levels. The DRC will likely make quota adjustments as it seeks to balance supply in light of demand and protect export value amid changing market conditions. With indications of strict enforcement, this has the potential to lead to cobalt market deficits in 2026 and 2027, with quota adjustments thereafter leading to a tightly balanced market.

Battery demand is expanding across consumer electronics, with rising capacities driven by AI-related power needs. China's EV market remains strong, supported by greater EV affordability, policy incentives, and resilient consumer demand. Chinese pCAM production increased notably in Q3 2025 and may rise further as new capacity comes on stream later this year and into 2026. Not surprisingly, China remains the main driver of growth in this segment but uncertainty remains over the degree to which the rise of LFP batteries will undermine cobalt uptake in the future. Sales of EVs in Q3 2025 are significantly higher year-over-year in Europe and the U.S.; however, tariffs, rising costs, and the phase-out of tax credits could weigh on overall EV demand and consequently cobalt demand.

FERTILIZER

Q3 2025 overall fertilizer prices eased following the spring application season. Demand earlier in the third quarter was affected by farmer's delayed purchasing decisions due to affordability concerns. Seasonal application prices for ammonia and ammonium sulphate heading into the fall application season were supported by slow producer pricing adjustments and extended ammonia plant turnarounds. Rising sulphur input costs on tighter sulphur feedstock availability continued to support ammonium sulphate prices. Geopolitical risks, particularly disruption risks to nitrogen supply and distribution assets affected by the Ukraine-Russia conflict, continue to affect pricing sentiment.

- (1) CRU nickel market outlook, September 2025
- (2) Wood Mackenzie global nickel short-term outlook, September 2025

Review of operations

METALS

\$ millions (Sherritt's share), except as otherwise noted	For the three months ended			For the nine months ended		
	2025		2024	2025		2024
	September 30	September 30	Change	September 30	September 30	Change
FINANCIAL HIGHLIGHTS⁽¹⁾						
Revenue	\$ 94.1	\$ 112.6	(16%)	\$ 332.5	\$ 378.3	(12%)
Cost of sales	106.8	110.1	(3%)	356.0	385.7	(8%)
(Loss) earnings from operations	(14.4)	0.8	nm ⁽³⁾	(30.4)	(17.5)	(74%)
Adjusted EBITDA ⁽²⁾	(1.5)	14.9	(110%)	11.8	25.4	(54%)
CASH FLOW⁽¹⁾						
Cash provided by continuing operations for operating activities ⁽²⁾	\$ (9.2)	\$ 34.8	(126%)	\$ 32.7	\$ 87.2	(63%)
Free cash flow ⁽²⁾	(17.9)	24.2	(174%)	(0.1)	59.4	(100%)
PRODUCTION VOLUME (tonnes)						
Mixed sulphides	3,720	4,148	(10%)	10,115	12,295	(18%)
Finished nickel	2,426	4,333	(44%)	8,804	11,313	(22%)
Finished cobalt	228	454	(50%)	940	1,138	(17%)
Fertilizer	49,253	65,205	(24%)	170,280	182,624	(7%)
NICKEL RECOVERY⁽⁴⁾ (%)						
	82%	85%	(4%)	83%	87%	(5%)
SALES VOLUME (tonnes)						
Finished nickel	2,740	3,538	(23%)	9,435	11,352	(17%)
Finished cobalt	262	421	(38%)	1,098	1,173	(6%)
Fertilizer	27,948	31,245	(11%)	105,682	115,836	(9%)
AVERAGE REFERENCE PRICE⁽⁵⁾ (US\$ per pound)						
Nickel	\$ 6.81	\$ 7.37	(8%)	\$ 6.92	\$ 7.74	(11%)
Cobalt	17.17	12.25	40%	15.86	13.16	21%
AVERAGE-REALIZED PRICE⁽²⁾						
Nickel (\$ per pound)	\$ 9.42	\$ 10.11	(7%)	\$ 9.67	\$ 10.41	(7%)
Cobalt (\$ per pound)	18.52	12.42	49%	16.23	13.70	18%
Fertilizer (\$ per tonne)	517.25	434.58	19%	571.57	503.33	14%
UNIT OPERATING COST⁽²⁾ (US\$ per pound)						
Nickel - net direct cash cost ⁽²⁾	\$ 6.67	\$ 5.16	29%	\$ 5.95	\$ 6.10	(2%)
SPENDING ON CAPITAL⁽²⁾						
Sustaining						
Moa JV (50% basis), Fort Site (100% basis)	\$ 4.9	\$ 2.8	75%	\$ 21.3	\$ 13.8	54%
Moa JV - Tailings facility (50% basis)	7.2	4.7	53%	17.0	8.5	100%
Growth - Moa JV (50% basis)	2.3	3.7	(38%)	6.3	6.1	3%
	\$ 14.4	\$ 11.2	29%	\$ 44.6	\$ 28.4	57%

(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 MD&A.

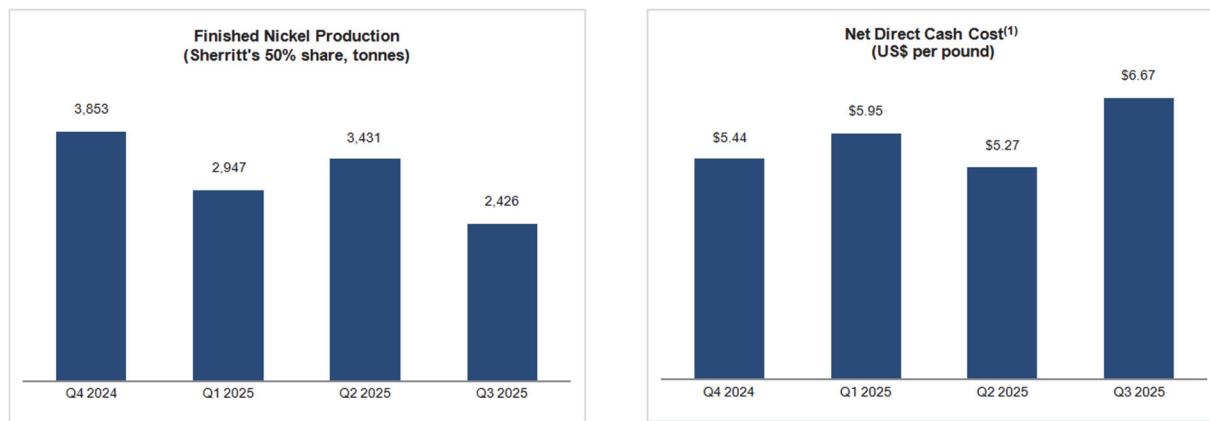
(2) Non-GAAP and other financial measures. For additional information, see the Non-GAAP and other financial measures section.

(3) Not meaningful ("nm").

(4) The nickel recovery rate measures the amount of finished nickel that is produced compared to the nickel content of the ore that was mined.

(5) Reference source: Nickel - LME. Cobalt - Average chemical-grade cobalt price published by Argus.

Management's discussion and analysis



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

Metals revenue, cost of sales and NDCC⁽¹⁾ are composed of the following:

\$ millions, except as otherwise noted	For the three months ended			For the nine months ended		
	2025		2024	2025		2024
	September 30	September 30	Change	September 30	September 30	Change
REVENUE						
Nickel	\$ 56.9	\$ 78.8	(28%)	\$ 201.2	\$ 260.6	(23%)
Cobalt - Moa JV	10.7	11.5	(7%)	34.6	34.5	-
Cobalt - Cobalt Swap	-	-	-	4.7	0.9	422%
Fertilizers	14.5	13.6	7%	60.4	58.3	4%
Other	12.0	8.7	38%	31.6	24.0	32%
	\$ 94.1	\$ 112.6	(16%)	\$ 332.5	\$ 378.3	(12%)
COST OF SALES⁽²⁾						
Mining, processing and refining (MPR) ⁽³⁾	\$ 56.4	\$ 70.9	(20%)	\$ 202.5	\$ 238.8	(15%)
Third-party feed costs	7.7	3.5	120%	16.0	12.6	27%
Finished cobalt cost ⁽⁴⁾	-	-	-	4.7	0.8	488%
Fertilizers	10.8	7.8	38%	40.3	41.7	(3%)
Selling costs	4.1	5.3	(23%)	14.0	17.0	(18%)
Royalties/territorial contributions and other non-cash costs ⁽⁵⁾	7.0	4.8	46%	16.2	18.7	(13%)
Other by-product costs and other	7.9	3.7	114%	20.1	13.7	47%
	\$ 93.9	\$ 96.0	(2%)	\$ 313.8	\$ 343.3	(9%)
NET DIRECT CASH COST⁽¹⁾ (US\$ per pound of nickel)						
Mining, processing and refining costs ⁽⁶⁾	\$ 6.79	\$ 6.58	3%	\$ 7.04	\$ 7.03	-
Third-party feed costs	0.91	0.32	184%	0.55	0.37	49%
Cobalt by-product credits ⁽⁷⁾	(1.29)	(1.09)	(18%)	(1.27)	(1.02)	(25%)
Net fertilizer by-product credits	(0.44)	(0.54)	19%	(0.69)	(0.49)	(41%)
Selling costs	0.49	0.50	(2%)	0.48	0.50	(4%)
Changes in inventories and other adjustments ⁽⁸⁾	0.68	(0.14)	586%	0.23	0.01	nm ⁽⁹⁾
Net other by-products credits and other	(0.47)	(0.47)	-	(0.39)	(0.30)	(30%)
	\$ 6.67	\$ 5.16	29%	\$ 5.95	\$ 6.10	(2%)
AVERAGE EXCHANGE RATE (CAD/US\$)						
	\$ 1.377	\$ 1.366		\$ 1.399	\$ 1.362	

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

(2) Excludes non-cash depletion, depreciation and amortization and impairment of property, plant and equipment.

(3) MPR costs in cost of sales exclude the cost of cobalt volumes sold in accordance with the Cobalt Swap which is included in finished cobalt cost.

(4) Finished cobalt cost in cost of sales is based on the settlement value of the cobalt sold. The settlement value is based on an in-kind value of cobalt, calculated at the time of distribution as a cobalt reference price from the month preceding distribution, modified mutually between the Corporation and GNC in consideration of selling costs incurred by the Corporation.

(5) Royalties and territorial contributions are included in cost of sales but are excluded from NDCC as these costs are not direct mine cash costs. Other non-cash costs consist of inventory write-downs and other costs that are included in cost of sales but are excluded from NDCC as the costs are non-cash.

(6) MPR costs for the purposes of NDCC includes Sherritt's share of the Moa JV's costs of nickel and cobalt sold during the period plus Sherritt's 50% share of cobalt received and sold under the Cobalt Swap during the period per pound of nickel sold.

(7) Cobalt by-product credit includes Sherritt's share of cobalt revenue sold by the Moa JV during the period per pound of nickel sold plus Sherritt's 50% share of cobalt received and sold under the Cobalt Swap during the period per pound of nickel sold.

(8) Changes in inventories and other adjustments are excluded from cost of sales but included in NDCC.

(9) Not meaningful ("nm").

The following table summarizes average reference prices for key input commodities for Metals⁽¹⁾:

	For the three months ended			For the nine months ended		
	2025		2024	2025		2024
	September 30	September 30	Change	September 30	September 30	Change
Sulphur (US\$ per tonne)	\$ 301.13	\$ 172.18	75%	\$ 256.66	\$ 177.80	44%
Diesel (US\$ per litre)	0.87	0.94	(7%)	0.91	1.00	(9%)
Fuel oil (US\$ per tonne)	399.85	480.23	(17%)	430.94	479.32	(10%)
Natural gas cost (\$ per gigajoule) ⁽²⁾	0.91	1.08	(16%)	1.82	1.58	15%

(1) The above input commodity prices are the average reference prices during the periods.

(2) The Corporation entered into natural gas swaps from January to December 2025 fixing the price paid at \$1.91 per gigajoule on a notional amount of 7.6 million gigajoules, which reduces the Corporation's exposure to natural gas prices.

Revenue

Metals revenue in the three and nine months ended September 30, 2025 was \$94.1 million and \$332.5 million compared to \$112.6 million and \$378.3 million, respectively, in the same periods in 2024.

Nickel revenue in the three and nine months ended September 30, 2025 was \$56.9 million and \$201.2 million, respectively, compared to \$78.8 million and \$260.6 million, in the same periods in 2024. Nickel revenue in the current year periods was lower due to lower sales volumes and average-realized prices⁽¹⁾ of nickel. In the current year periods, sales volumes of 2,740 tonnes and 9,435 tonnes, respectively, compared to 3,538 tonnes and 11,352 tonnes in the prior year periods. Sales volumes were lower in both the current year periods primarily due to lower finished production volumes outlined below. The average-realized price⁽¹⁾ of nickel in the current year periods was \$9.42/lb and \$9.67/lb, respectively – both 7% lower compared to the prior year periods.

Cobalt revenue in the three and nine months ended September 30, 2025 was \$10.7 million and \$39.3 million compared to \$11.5 million and \$35.4 million, respectively, in the same periods in 2024. For the three months ended September 30, 2025, cobalt revenue was lower due to lower sales volumes partially offset by the higher average-realized price⁽¹⁾ of cobalt. For the nine months ended September 30, 2025, cobalt revenue was higher due to the higher average-realized price⁽¹⁾ of cobalt partially offset by lower sales volumes. In the current year periods, the average-realized price⁽¹⁾ of cobalt was \$18.52/lb and \$16.23/lb, representing increases of 49% and 18%, respectively, compared to the prior year periods, primarily as a result of the cobalt export ban in the DRC which commenced in February 2025. Sales volumes of 262 tonnes and 1,098 tonnes compared to 421 tonnes and 1,173 tonnes in the prior year periods. The sales volume in the nine months ended September 30, 2025, includes the sale by Sherritt of 173 tonnes of cobalt received at the end of 2024 under the Cobalt Swap agreement compared to 23 tonnes in same period in 2024. For more information regarding the timing of Cobalt Swap, refer to the Cobalt Swap sales section below.

Fertilizer revenue in the three and nine months ended September 30, 2025 was \$14.5 million and \$60.4 million compared to \$13.6 million and \$58.3 million, respectively, in the same periods in 2024. Fertilizer revenue in the current year periods was higher due to higher average-realized prices⁽¹⁾ of fertilizers which more than offset lower sales volumes. In the current year periods, the average-realized price⁽¹⁾ of fertilizers was \$517.25/lb and \$571.57/lb, representing increases of 19% and 14%, respectively, compared to the prior year periods. Sales volumes of 27,948 tonnes and 105,682 tonnes compared to 31,245 tonnes and 115,836 tonnes, respectively, in the prior year periods. Lower fertilizer sales volumes in each of the current year periods are consistent with lower metals production.

Cobalt Swap

There were no sales of cobalt from the Cobalt Swap in either Q3 2025 or Q3 2024. In the nine months ended September 30, 2025 Sherritt sold 173 tonnes (100% basis) of finished cobalt that it received in Q4 2024 under the Cobalt Swap agreement recognizing revenue of \$4.7 million compared to sales of 23 tonnes (100% basis) and revenue of \$0.9 million in the same period in 2024.

Variances in cobalt sales volumes, revenue and cost of sales are, in part, dependent upon the timing of receipts of cobalt and their subsequent sale by Sherritt under the Cobalt Swap agreement compared to sales of cobalt produced and sold directly by the Moa JV. Sales volumes, revenue and costs of sales of cobalt received by Sherritt under the Cobalt Swap agreement are recognized by Sherritt on a 100% basis versus a 50% basis for cobalt produced and sold directly by the Moa JV.

Management's discussion and analysis

While the timing of the sales under the Cobalt Swap or by Moa JV directly results in variances in sales volumes, revenue and cost of sales, it does not have a material impact on earnings from operations, average-realized prices⁽¹⁾, cobalt by-product credits⁽²⁾, 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.

At current spot prices and based on revised 2025 guidance for Metals production volumes and spending on capital⁽¹⁾ disclosed in the Outlook section of this MD&A, the Corporation no longer expects cobalt or cash distributions to be received under the Cobalt Swap agreement in the fourth quarter of 2025. As previously disclosed and as defined by the Cobalt Swap agreement, the expected shortfall in the annual minimum payment in 2025 will be added to the annual minimum payment in 2026.

The Corporation expects to provide an update regarding anticipated distributions under the Cobalt Swap agreement when it publishes its 2026 guidance in early 2026.

Refer to the risks related to Sherritt's corporate structure in the Corporation's 2024 Annual Information Form for further information on risks related to distributions from the Moa JV.

Production

Mixed sulphides production at the Moa JV in the three and nine months ended September 30, 2025 was 3,720 tonnes and 10,115 tonnes, compared to 4,148 tonnes and 12,295 tonnes, respectively, in the same periods in 2024. Lower production in Q3 2025 was mainly the result of the ongoing challenging economic conditions and operating environment in Cuba including a nationwide power outage in September 2025 and unplanned maintenance of the processing facilities in Moa.

Sherritt and its Cuban partner continue to pursue a long-term recovery plan that was announced in July 2025 to address and mitigate ongoing operational challenges which are a result of the current economic conditions in Cuba. Immediate priorities included increasing expatriate technical support for the slurry preparation plants and adding additional expatriate personnel with mining operations, maintenance and optimization expertise to improve equipment availability and reduce maintenance downtime. The joint venture is currently expediting these solutions to drive higher mixed sulphides production.

Sherritt's share of finished nickel production in the three and nine months ended September 30, 2025 was 2,426 tonnes and 8,804 tonnes compared to 4,333 tonnes and 11,313 tonnes, respectively, in the same periods in 2024. In Q3 2025, production was lower due to the planned annual refinery maintenance shutdown. The annual shutdown occurred during the second quarter in 2024. In both current year periods, lower mixed sulphides feed availability from the mine site, a disruption in hydrogen supply from a third party and unplanned maintenance to processing equipment at the refinery also resulted in lower finished production. During the quarter, Sherritt processed previously contracted available third-party feed but did not acquire additional third-party feeds given the high payabilities in the intermediate market.

Cobalt production in the three and nine months ended September 30, 2025 was 228 tonnes and 940 tonnes, compared to 454 tonnes and 1,138 tonnes, respectively, in the same periods in 2024. Cobalt production was lower in the current year periods consistent with nickel production and variations in the nickel-to-cobalt ratio in available feed processed, particularly in Q3 2025 compared to Q3 2024.

Fertilizer production for the three and nine months ended September 30, 2025 was 49,253 tonnes and 170,280 tonnes, compared to 65,205 tonnes and 182,624 tonnes, respectively, in the prior year periods in 2024. Fertilizer production was lower in the current year periods primarily due to lower metals production.

NDCC⁽¹⁾

NDCC⁽¹⁾ per pound of nickel sold for the three and nine months ended September 30, 2025 was US\$6.67/lb and US\$5.95/lb, respectively, compared to US\$5.16/lb and US\$6.10/lb in the same periods in 2024. In each of the current year periods, lower nickel sales volume impacted NDCC⁽¹⁾.

MPR/lb in the current year periods, was slightly higher driven by higher input commodity prices. In Q3 2025, sulphur prices were 75% higher while fuel oil natural gas, and diesel prices were 17%, 16% and 7% lower, respectively. In the nine months ended September 30, 2025, sulphur and natural gas prices were 44% and 15% higher while fuel oil and diesel prices were 10% and 9% lower, respectively. MRP/lb in Q3 2025 also includes the impact of annual maintenance shutdown which was completed during the quarter compared to 2024 when the annual maintenance shutdown occurred during the second quarter. Partially offsetting these impacts were benefits from ongoing cost optimization initiatives. Cobalt by-product credits were higher in both current year periods primarily as a result of 49% and 18% higher average-realized cobalt price⁽¹⁾, respectively which offset lower cobalt sales volumes. Fertilizer net by-product credits were lower in Q3 2025 driven by the impact of lower fertilizer sales volume and higher planned maintenance costs, partly offset by higher fertilizer prices. For the nine months ended September 30, 2025, the higher fertilizer revenue and lower production costs resulted in higher fertilizer net by-product credits.

Spending on capital⁽¹⁾

Sustaining spending on capital in the three and nine months ended September 30, 2025 was \$4.9 million and \$21.3 million compared to \$2.8 million and \$13.8 million in the same periods in 2024, respectively, primarily related to receipt of additional mining equipment.

Sustaining spending on capital in the three and nine months ended September 30, 2025 related to the tailings facility was \$7.2 million and \$17.0 million compared to \$4.7 million and \$8.5 million in the same periods in 2024, respectively, and in line with the planned ramp up in project activity.

Growth spending on capital in the three and nine months ended September 30, 2025 was \$2.3 million and \$6.3 million compared to \$3.7 million and \$6.1 million in the same periods in 2024, respectively. The final spending on growth capital is planned to be incurred during ramp up of the Moa JV expansion.

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

(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

During the quarter, commissioning of phase two of the Moa JV expansion was completed and the ramp up commenced. The sixth leach train was tested and successfully demonstrated the operability of the train and following the quarter end in October, commissioning was completed. The operating conditions will continue to be evaluated and optimized as capacity of the sixth leach train is increased as overall plant operating conditions allow. MSP from the ramp up of phase two of the expansion is expected to begin to be processed at the refinery in the fourth quarter of this year.

With the completion of phase two commissioning, current expansion plans are now complete. The benefit from the Moa expansion is expected to improve utilization of the refinery and ultimately replace lower margin third-party feed. The pace of the expected increase in MSP production is being hampered in the near-term by the general challenging operating conditions in Cuba as outlined in the Metals operating overview.

Strategic developments

Sherritt, through its mixed hydroxide precipitate processing project ("MHP Project"), has advanced a cost-competitive flowsheet to convert nickel intermediates via midstream processing to produce high-purity nickel and cobalt sulphates, two fundamental feedstock materials for the battery and electric vehicle supply chains. The MHP Project has been approved for funding up to \$2.4 million through Emissions Reduction Alberta ("ERA")'s Advanced Materials Challenge to support integrated piloting and demonstration of the innovative refining flowsheet.

During the quarter, Sherritt continued to engage with potential partners and customers on the optimal timeline for advancement to align with development of the downstream electric vehicle supply chain in North America. Sherritt also received an extension from the ERA, with regards to its funding support, allowing an additional six months (March 2026) for entering into a contribution agreement.

Management's discussion and analysis

POWER

\$ millions (Sherritt's share, 33% basis), except as otherwise noted	For the three months ended			For the nine months ended		
	2025		2024	2025		2024
	September 30	September 30	Change	September 30	September 30	Change
FINANCIAL HIGHLIGHTS						
Revenue	\$ 13.9	\$ 12.9	8%	\$ 35.9	\$ 36.7	(2%)
Cost of sales	3.4	10.9	(69%)	15.3	24.2	(37%)
Earnings from operations	8.6	0.4	nm ⁽³⁾	15.6	8.7	79%
Adjusted EBITDA ⁽¹⁾	9.1	1.1	727%	17.5	10.5	67%
CASH FLOW						
Cash used by continuing operations for operating activities ⁽¹⁾	\$ 4.2	\$ (8.6)	149%	\$ 21.1	\$ (6.7)	415%
Free cash flow ⁽¹⁾	4.0	(8.9)	145%	20.0	(11.1)	280%
PRODUCTION AND SALES VOLUME						
Electricity (GWh ⁽²⁾)	243	230	6%	589	645	(9%)
AVERAGE-REALIZED PRICE⁽¹⁾						
Electricity (per MWh ⁽²⁾)	\$ 52.33	\$ 51.85	1%	\$ 53.04	\$ 51.70	3%
UNIT OPERATING COST⁽¹⁾						
Electricity (per MWh)	\$ 12.23	\$ 44.95	(73%)	\$ 23.27	\$ 35.26	(34%)
SPENDING ON CAPITAL⁽¹⁾						
Sustaining	\$ 0.2	\$ (1.5)	113%	\$ 1.1	\$ 2.6	(58%)

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

(2) Gigawatt hours (GWh), Megawatt hours (MWh).

(3) Not meaningful ("nm").



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

Power revenue is composed of the following:

\$ millions (Sherritt's share, 33% basis)	For the three months ended			For the nine months ended		
	2025		2024	2025		2024
	September 30	September 30	Change	September 30	September 30	Change
Electricity sales	\$ 12.7	\$ 11.9	7%	\$ 31.2	\$ 33.3	(6%)
Varadero frequency control revenue	0.3	-	-	2.4	-	-
By-products and other	0.9	1.0	(10%)	2.3	3.4	(32%)
	\$ 13.9	\$ 12.9	8%	\$ 35.9	\$ 36.7	(2%)

Frequency control at Varadero

As a result of the nationwide power outages in Cuba and challenges facing the national power grid beginning in 2024, 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. The Varadero facility returned to normal operations in July and August to support summer power grid needs but reverted to operating in frequency control in September. Energas expects that the Varadero facility will continue to operate in frequency control throughout the balance of 2025 and that it will be fully compensated for this reduction. As a result, 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 and nine months ended September 30, 2025 was \$13.9 million and \$35.9 million compared to \$12.9 million and \$36.7 million in same periods in the prior year, respectively. Revenue for Q3 2025 was higher, while revenue for the nine months ended September 30, 2025 was lower compared to the same periods in the prior year primarily due to differences in electricity production during the respective periods as discussed below.

Production

Production volume for the three and nine months ended September 30, 2025 was 243 GWh and 589 GWh compared to 230 GWh and 645 GWh in the prior year periods. Electricity production in Q3 2025 benefited from a new gas well that was brought online in Q4 2024, additional gas provided from existing wells and a replacement gas well that was brought online in Q3 2025 to offset the loss of gas production from the legacy CUPET well. Electricity production in Q3 2025 also reflects the Varadero facility returning to normal operations during July and August without frequency control.

For the nine months ended September 30, 2025, electricity production was lower primarily as a result of the Varadero facility operating in frequency control partly offset by the net increased gas supply outlined above.

The nationwide power outage that occurred in Cuba in September 2025 did not have a material impact on electricity production and Energas was again instrumental in contributing to efforts to quickly restore power to the national grid.

Unit operating cost⁽¹⁾

Unit operating cost⁽¹⁾ for the three and nine months ended September 30, 2025 was \$12.23/MWh, and \$23.27/MWh, compared to \$44.95/MWh, and \$35.26/MWh, respectively, primarily as a result of lower maintenance. In the current year, maintenance costs included only one major turbine inspection which was completed in the first quarter. In the prior year, higher planned maintenance work in Q2 2024 and Q3 2024 included major inspections on three gas turbines and included bringing online another turbine to process gas being received from the new well that was brought into production in Q4 2024.

There are no additional major inspections planned during the balance of the year.

Spending on capital⁽¹⁾

Spending on capital⁽¹⁾ was \$0.2 million and \$1.1 million in the three and nine months ended September 30, 2025, respectively.

Dividends from Energas

Sherritt received \$8.3 million of dividends in Canada from Energas in Q3 2025 for a total of \$18.2 million in the nine months ended September 30, 2025 marking the commencement of expected material dividends flowing from this business to Sherritt. Consistent with the Corporation’s expectations in the second quarter and based on 2025 guidance for Power, which anticipates electricity production at the lower end of the guidance range, Sherritt expects total dividends in Canada from Energas in 2025 to be at the lower end of its previously disclosed range of \$25.0 million to \$30.0 million. Refer to the risks related to Sherritt’s corporate structure in the Corporation’s 2024 Annual Information Form for further information on risks related to dividends in Canada from Energas.

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

CORPORATE AND OTHER

\$ millions	For the three months ended			For the nine months ended		
	2025		2024	2025		2024
	September 30	September 30	Change	September 30	September 30	Change
EXPENSES						
Administrative expenses	\$ 6.2	\$ 6.1	2%	\$ 21.2	\$ 20.4	4%

Corporate and Other's administrative expenses are primarily composed of employee costs, severance expenses, share-based compensation expenses (recoveries), legal fees, third-party consulting services and audit fees incurred to support head office activities, corporate action, joint venture management, as well as costs for external technical services, business and market development, and growth activities including early-stage test work and engineering expenses.

Administrative expenses at Corporate and Other for the three months ended September 30, 2025 were \$0.1 million higher compared to the prior year primarily as a result of a \$0.5 million increase in consulting services fees and a \$1.2 million increase in share-based compensation expense, partially offset by a \$1.7 million decrease in employee costs due to the Corporation's 10% workforce reduction in the current period. Share-based compensation expense of \$0.3 million during the three months ended September 30, 2025 was higher compared to a recovery of \$0.9 million in the prior year period primarily as a result of a \$0.01 decrease in the Corporation's share price in the current year period compared to an \$0.08 decrease in the Corporation's share price in the prior year period.

Administrative expenses at Corporate and Other for the nine months ended September 30, 2025 were \$0.8 million higher compared to the prior year primarily as a result of a \$4.5 million increase in consulting services fees, partially offset by a \$2.1 million decrease in employee costs and \$1.0 million decrease in severance expense. Severance expense was higher in the prior year due to the Corporation's restructuring and workforce reduction completed in the first and second quarters of 2024, as compared to the Corporation's 10% workforce reduction completed in the third quarter of 2025.

In April 2025, the Corporation's Senior Vice President, General Counsel and Corporate Secretary departed the organization to pursue other interests and the Corporation does not anticipate immediately filling the role. Including the departure of the Senior Vice President, Metals, in the prior year, the executive management team has been reduced from seven members at the start of 2024 to five members currently, aligning with ongoing efforts to optimize costs and improve efficiency and reflecting a challenging operating and market environment.

In June 2025, Sir Richard Lapthorne retired from the Corporation's Board of Directors for personal reasons. Richard Moat was appointed to the Board prior to the Corporation's annual special meeting of shareholders in June (the "Meeting") following the retirement of Steven Goldman who did not seek reelection at the Meeting. All six director nominees standing for election were elected as directors at the Meeting. To fill the vacancy on the Board resulting from Sir Richard Lapthorne's retirement and consistent with the Corporation's ongoing commitment to good governance and Board renewal, following the Meeting, the Board appointed John Ewing as a director of the Corporation, Leon Binedell was appointed Executive Chairman and Shelley Brown, an independent director of Sherritt since August 2024, was named Lead Independent Director.

Outlook

2025 production volumes, unit operating costs and spending on capital guidance

Production volumes, unit operating costs and spending on capital	Guidance for 2025 - Total	Year-to-date actuals - Total	Updated 2025 guidance - Total
Production volumes			
Metals - Moa JV (100% basis, tonnes)			
Finished nickel	27,000 – 29,000 ⁽¹⁾	17,608	25,000 – 26,000
Finished cobalt	3,000 – 3,200 ⁽¹⁾	1,880	2,700 – 2,800
Power - Electricity (33½% basis, GWh)	800 – 850	589	No change
Unit operating costs⁽²⁾			
Metals – NDCC ⁽²⁾ (US\$ per pound)	\$5.75 – \$6.25	\$5.95	No change
Electricity – unit operating cost ⁽²⁾ (\$ per MWh)	\$23.00 – \$24.50	\$23.27	No change
Spending on capital⁽²⁾⁽³⁾ (\$ millions)			
Sustaining			
Metals - Moa JV (50% basis), Fort Site (100% basis)	\$30.0 ⁽¹⁾	\$21.3	No change
Metals - Moa JV – Tailings facility (50% basis)	\$35.0 ⁽¹⁾	\$17.0	\$30.0
Power (33½% basis)	\$2.0	\$1.1	No change
Growth			
Metals - Moa JV (50% basis)	\$5.0	\$6.3	\$7.0
Spending on capital ⁽²⁾	\$72.0 ⁽¹⁾	\$45.7	\$69.0

(1) 2025 guidance updated July 29, 2025.

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

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

Metals Updates:

During Q3 2025, significant challenges in the general operating environment in Cuba continued to result in lower than expected production of mixed sulphides, impacting feed availability at the refinery. As well, Sherritt did not acquire additional third-party feed given the high payabilities in the intermediate market. In late October, subsequent to the quarter end, Hurricane Melissa brought heavy rainfall and power outages to the Moa region resulting in the processing facilities at Moa operating at a reduced rate. All environmental protection and safety activities at sites in Cuba continued uninterrupted, and there were no environmental incidents or injuries reported among personnel or significant damage to mining infrastructure. The processing facilities at Moa are currently operating at a reduced capacity and expected to ramp up to full capacity in the next week. The impact on finished metals production is expected to be partially mitigated by mixed sulphides inventory built up at the refinery during the planned annual plant shutdown. Although Sherritt continues to anticipate production of mixed sulphides will benefit from the ramp up of the sixth leach train at Moa and the implementation of the recovery plan for Moa operations, the mixed sulphides inventory available at the refinery during the fourth quarter will be lower than originally anticipated. As a result, Sherritt is revising its full year 2025 production guidance range for finished nickel from 27,000 to 29,000 tonnes to 25,000 to 26,000 tonnes and finished cobalt from 3,000 to 3,200 tonnes to 2,700 to 2,800 tonnes.

Total spending on capital⁽¹⁾ for 2025 is expected to be slightly below the previously provided guidance. Guidance for sustaining spending on capital⁽¹⁾, excluding spending related to the tailings facility, remains unchanged and includes spending on equipment at the mine site that is expected to result in improvements in operational efficiency and support increased production in the near term. Spending related to the tailings facility is expected to be \$30.0 million, slightly below the previous guidance of \$35.0 million (Moa JV 50% basis) primarily due to timing of expenditures with certain spending initially planned for the fourth quarter of 2025, now anticipated in early 2026. The tailings facility remains on track with commissioning expected in the second half of 2026. Growth spending on capital⁽¹⁾ is expected to be \$7.0 million, slightly above the previous guidance of \$5.0 million (Moa JV 50% basis) due to delays in procurement of additional parts and supplies that affected the timeline for commissioning which is now complete.

Based on NDCC⁽¹⁾ for the nine months ended September 30, 2025 and estimated production and sales volumes and costs to the end of the year, NDCC range of US\$5.75/lb to US\$6.25/lb, remains unchanged, benefiting from the ongoing cost optimization initiatives and higher cobalt by-product credits, offsetting the lower nickel production and sales and higher sulphur prices.

Power Updates:

2025 guidance for production volumes, unit operating costs⁽¹⁾ and spending on capital⁽¹⁾ remain unchanged.

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

Liquidity

As at September 30, 2025, total available liquidity in Canada was \$45.2 million, which is composed of cash and cash equivalents in Canada in major currencies of \$14.9 million and \$30.3 million of available credit facilities and excludes restricted cash of \$0.3 million.

Liquidity risk is the risk that the Corporation will not be able to meet its obligations associated with financial liabilities. Liquidity risk arises from the Corporation's financial obligations and in the management of its assets, liabilities and capital structure. The Corporation manages this risk by regularly evaluating its liquidity and using cash provided by operating activities and liquid assets to ensure its ability to fund current and non-current financial obligations and capital commitments for the foreseeable future in a cost-effective manner.

The main factors that affect liquidity in Canada include realized sales prices, timing of collection of receivables, production volumes, cash production costs, working capital requirements, capital and environmental rehabilitation expenditure requirements, the timing of distributions from the Moa JV (including pursuant to the Cobalt Swap), advances from/to the Moa JV, the timing of cobalt sales and receipts pursuant to the Cobalt Swap, the timing of dividends from Energas in Canada, repayments of non-current loans and borrowings, credit capacity and debt and equity capital market conditions. Significant adverse changes to one, or a combination of these factors, without offsetting changes to others, would have a negative impact on the Corporation's liquidity position and may affect its ability to satisfy current and non-current obligations as they become due and/or comply with covenant requirements pursuant to its arrangements with its creditors and lenders.

The Corporation's liquidity requirements are met through a variety of sources, including cash and cash equivalents, cash generated from operations, the existing syndicated revolving-term credit facility ("Credit Facility"), leases and debt and equity capital markets. During the nine months ended September 30, 2025, the Corporation's Credit Facility was extended by one year from April 30, 2026 to April 30, 2027. There were no other significant changes to the terms, financial covenants or restrictions. Refer to the Capital resources section for further details on the Amended Senior Secured Notes, Second Lien Notes, PIK Notes and the Credit Facility.

Moa JV's cash and cobalt distributions to the Corporation are determined based on available cash in excess of its liquidity requirements. Determinants of the Moa JV's 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. As at September 30, 2025, the Moa JV had drawn \$62.6 million (US\$45.0 million) on a US\$60.0 million (100% basis) Cuban credit facility with a 5-year maturity to support spending on tailings management and working capital.

At current spot prices and based on revised 2025 guidance for Metals production volumes and spending on capital⁽¹⁾ disclosed in the Outlook section of this MD&A, the Corporation no longer expects cobalt or cash distributions to be received under the Cobalt Swap agreement in the fourth quarter of 2025. As previously disclosed and as defined by the Cobalt Swap agreement, the expected shortfall in the annual minimum payment in 2025 will be added to the annual minimum payment in 2026. Refer to the risks related to Sherritt's corporate structure in the Corporation's 2024 Annual Information Form for further information on risks related to distributions from the Moa JV.

During the three and nine months ended September 30, 2025, the Corporation received \$8.3 million and \$18.2 million of dividends from Energas in Canada, respectively. Based on 2025 guidance for Power production volumes, which are expected to be at the lower end of the guidance range, unit operating costs⁽¹⁾ and spending on capital⁽¹⁾ disclosed in the Outlook section of this MD&A, total dividends in Canada from Energas in 2025 are expected to be at the lower end of its previously disclosed range of \$25.0 million to \$30.0 million. Refer to the risks related to Sherritt's corporate structure in the Corporation's 2024 Annual Information Form for further information on risks related to dividends in Canada from Energas.

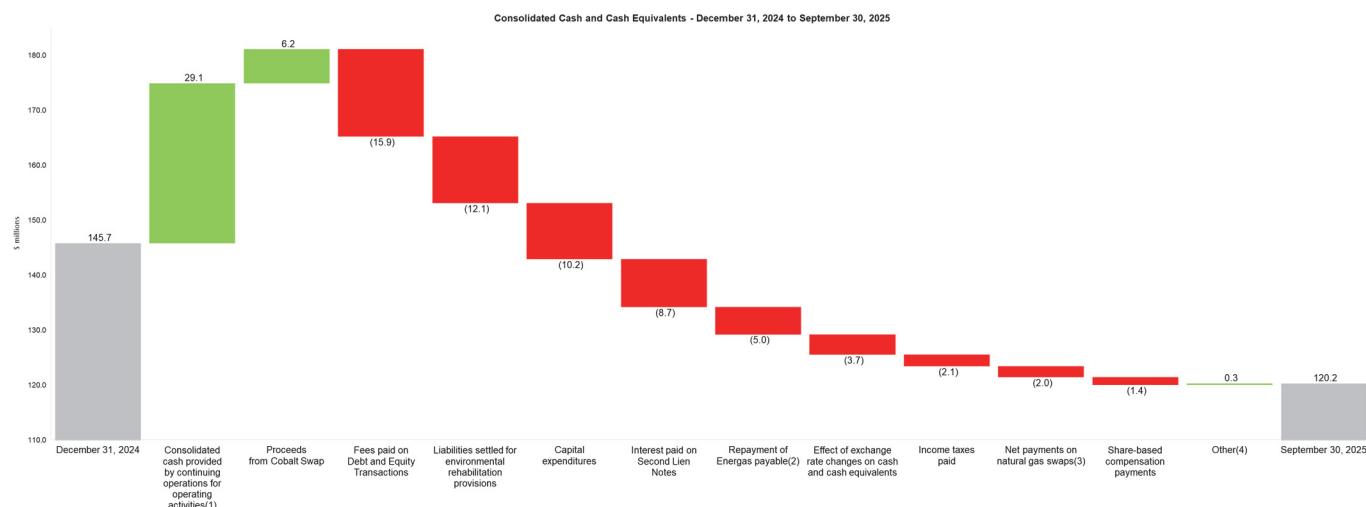
In April 2025, the Second Lien Notes and PIK Notes were extinguished and Amended Senior Secured Notes were recognized with a principal amount of \$266.1 million and maturity of November 30, 2031. Following the recognition of the Amended Senior Secured Notes, \$17.1 million of Amended Senior Secured Notes were extinguished for 99 million common shares of the Corporation issued from treasury. Collectively, these transactions comprise the Corporation's Debt and Equity Transactions and significantly improved the Corporation's capital structure and materially extended the debt maturity. In aggregate, the Debt and Equity Transactions reduced the Corporation's outstanding debt by a principal amount of \$42.6 million, eliminated the \$25.0 million premium payable at maturity of the Second Lien Notes, extended the maturities of the Corporations' notes obligations to November 2031 and reduced annual interest expense by approximately \$3.0 million. Refer to the Capital Resources section of this MD&A for further information on the Debt and Equity Transactions.

During the three months ended September 30, 2025, the Corporation implemented cost reduction measures including a workforce reduction representing 10% of employees across the Canadian operations with a focus on non-operating roles. The cost reduction initiatives are anticipated to improve the Corporation's liquidity by delivering approximately \$20.0 million (100% basis) in annualized savings and are in addition to the \$17.0 million (100% basis) in annualized savings achieved through the 2024 cost reduction measures.

Cash in Cuba is denominated in Cuban pesos ("CUP") and not exchangeable into other currencies unless sufficient foreign currency reserves exist in Cuba and is primarily held by Energas for use locally by the joint operation. To facilitate the conversion of CUP to Canadian dollars, the Corporation has in place the Moa Swap and the Cobalt Swap. The Moa Swap facilitates the payment of the equivalent of approximately US\$50.0 million in Canadian currency annually from the Moa JV to Energas, which Energas uses to facilitate foreign currency payments in support of the business and to pay dividends to the Corporation in Canada. Energas, in turn, pays an equivalent amount to the Moa JV in CUP. In addition, the Corporation has in place the Cobalt Swap under which the Corporation receives finished cobalt and cash in Canadian dollars from the Moa JV as repayment of the GNC receivable. Energas, in turn, pays an equivalent amount to GNC in CUP under the Energas payable. The Moa JV is not directly exposed to significant risk related to the CUP, as it receives major foreign currencies from the sale of nickel and cobalt to customers outside of Cuba.

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

Cash and cash equivalents as at September 30, 2025 decreased by \$25.5 million from December 31, 2024. The components of this change are shown below:



- (1) Excludes proceeds from Cobalt Swap, liabilities settled for environmental rehabilitation provisions, income taxes paid, net payments on natural gas swaps, interest paid on Second Lien Notes and share-based compensation payments, presented separately above.
- (2) The Energas payable is paid in CUP in Cuba and does not impact the Corporation's liquidity in Canada.
- (3) The Corporation entered into natural gas swaps at no cost from January to December 2025 to fix the variable cost of natural gas incurred by the Metals segment at \$1.91/gigajoule on a notional amount of 7.6 million gigajoules. Payments on the natural gas swaps and realized losses recognized within net finance expense are offset by lower variable natural gas costs incurred by the Metals segment.
- (4) Other is composed of a decrease in restricted cash, receipts of advances, loans receivable and other financial assets, repayment of other financial liabilities, cash used by discontinued operations and other finance charges.

Management's discussion and analysis

The Corporation's cash and cash equivalents are deposited in the following countries:

\$ millions, as at September 30, 2025	Cash	Cash equivalents	Total
Canada	\$ 14.7	\$ 0.2	\$ 14.9
Cuba ⁽¹⁾	103.8	-	103.8
Other	1.5	-	1.5
	\$ 120.0	\$ 0.2	\$ 120.2

The Corporation's 50% share of cash and cash equivalents in the Moa JV, not included in the above balances: \$ 5.0

(1) As at September 30, 2025, \$102.6 million of the Corporation's cash and cash equivalents was held by Energas in Cuba (December 31, 2024 - \$111.4 million).

SOURCES AND USES OF CASH

The Corporation's cash provided/used by operating, investing and financing activities is summarized in the following table, as derived from the Corporation's condensed consolidated statements of cash flow.

\$ millions	For the three months ended			For the nine months ended		
	2025		2024	2025		2024
	September 30	September 30	Change	September 30	September 30	Change
Cash provided (used) by operating activities						
Cash provided (used) by operating activities ⁽¹⁾						
Metals - Fort Site ⁽²⁾	\$ 12.9	\$ 35.9	(64%)	\$ 30.3	\$ 48.2	(37%)
Metals - Metals Marketing ⁽³⁾	(2.2)	(1.8)	(22%)	1.2	2.3	(48%)
Power	4.2	(8.6)	149%	21.1	(6.7)	415%
Oil and Gas ⁽⁴⁾	(2.8)	3.5	(180%)	(2.0)	3.0	(167%)
Corporate and Other ⁽⁵⁾	(7.2)	(6.3)	(14%)	(23.6)	(17.9)	(32%)
Distributions from Moa JV:						
Proceeds from Cobalt Swap - Sherritt share	-	-	-	3.1	0.6	417%
Proceeds from Cobalt Swap - GNC redirected share	-	-	-	3.1	0.6	417%
Interest paid on Second Lien Notes	-	-	-	(8.7)	(9.4)	(7%)
Share-based compensation payments	(0.1)	(0.3)	(67%)	(1.4)	(2.7)	(48%)
Liabilities settled for environmental rehabilitation provisions	-	(5.4)	(100%)	(12.1)	(23.6)	(49%)
Net payments on natural gas swaps	(2.4)	-	-	(2.0)	-	-
Net proceeds from nickel put options	-	3.4	100%	-	1.2	100%
Other cash provided by operating activities	0.1	-	-	0.1	-	-
Cash provided (used) by continuing operations	2.5	20.4	(88%)	9.1	(4.4)	307%
Cash used by discontinued operations	(0.1)	(0.1)	-	(0.2)	(0.2)	-
Cash provided (used) by operating activities	\$ 2.4	\$ 20.3	(88%)	\$ 8.9	\$ (4.6)	293%
Cash (used) provided by investing activities						
Cash (used) provided by financing activities	\$ (2.5)	\$ (0.9)	(178%)	\$ (8.3)	\$ 24.2	(134%)
Effect of exchange rate changes on cash and cash equivalents						
(Decrease) increase in cash and cash equivalents	\$ (1.4)	\$ 16.3	(109%)	\$ (25.5)	\$ 29.5	(186%)
Cash and cash equivalents:						
Beginning of the period	\$ 121.6	\$ 132.3	(8%)	\$ 145.7	\$ 119.1	22%
End of the period	\$ 120.2	\$ 148.6	(19%)	\$ 120.2	\$ 148.6	(19%)

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

(2) Excluding share-based compensation payments and net payments on natural gas swaps, presented separately above.

(3) Excluding proceeds from the Cobalt Swap, presented separately above.

(4) Excluding liabilities settled for environmental rehabilitation provisions related to legacy Oil and Gas assets in Spain and share-based compensation payments, presented separately above.

(5) Excluding interest paid on Second Lien Notes and share-based compensation payments, presented separately above.

The following significant items affected the sources and uses of cash:

Cash provided by operating activities was lower for the three months ended September 30, 2025 and cash provided by operating activities was higher for the nine months ended September 30, 2025 compared to the same periods in the prior year, primarily as a result of the following:

- Lower cash provided by operating activities for the three months ended September 30, 2025 at Fort Site primarily due to lower operating earnings and lower fertilizer pre-buys for fall season sales and timing of working capital receipts and payments. Lower cash provided by operating activities for the nine months ended September 30, 2025 at Fort Site primarily due to lower fertilizer pre-buys and timing of working capital payments and receipts, partially offset by higher operating earnings;
- Higher cash used by operating activities for the three months ended September 30, 2025 and lower cash provided by operating activities for the nine months ended September 30, 2025 at Metals Marketing primarily due to timing of customer receipts;
- Higher cash provided by operating activities for the three and nine months ended September 30, 2025 at Power primarily due to lower maintenance costs and timing of working capital payments. Sherritt received dividends of \$8.3 million and \$18.2 million in Canada from Energas during the three and nine months ended September 30, 2025, respectively, which exceeded the \$0.9 million and \$6.0 million of dividends received for the same periods in the prior year, respectively, following the completion of maintenance work in 2024 to bring online an additional turbine and to improve equipment availability to process additional gas from completed wells. Energas dividends are not reflected in the above table due to eliminations required for joint operations for accounting purposes;
- Higher cash used by operating activities for the three and nine months ended September 30, 2025 at Oil and Gas primarily due to timing of working capital payments and receipts;
- Higher cash used by operating activities for the nine months ended September 30, 2025 at Corporate and Other primarily due to higher severance costs and higher consulting services fees, partially offset by lower employee costs following the Corporation's restructuring and workforce reduction in 2024;
- Higher proceeds from the Cobalt Swap from the sale of cobalt to customers for the nine months ended September 30, 2025, as finished cobalt was distributed at the end of the fourth quarter in the prior year and sold during the current period, with no comparable cobalt distributions and minimal sales in the comparative period; and
- Lower cash used for settlement of contractually obligated liabilities for environmental rehabilitation provisions for legacy Oil and Gas assets in Spain.

Investing and financing activities for the three months ended September 30, 2025 primarily consist of expenditures on property, plant and equipment and receipts of advances, loans receivable and other financial assets and fees paid on the Debt and Equity Transactions. Investing and financing activities for the nine months ended September 30, 2025 primarily consist of expenditures on property, plant and equipment, a decrease in restricted cash, repayment of the Energas payable pursuant to the Cobalt Swap and fees paid on the Debt and Equity Transactions. Refer to the Capital Resources section of this MD&A for further information on the Debt and Equity Transactions.

Management's discussion and analysis

RECONCILIATION OF ADJUSTED EBITDA TO CHANGE IN CASH AND CASH EQUIVALENTS

The Corporation's Adjusted EBITDA⁽¹⁾ reconciles to the change in cash and cash equivalents as follows:

\$ millions	For the three months ended September 30, 2025	For the nine months ended September 30, 2025
Adjusted EBITDA ⁽¹⁾	\$ 1.6	\$ 8.6
Add (deduct) non-cash items:		
Moa JV Adjusted EBITDA ⁽¹⁾	4.1	1.8
Oil and Gas earnings (loss) from operations, net of depletion, depreciation and amortization	0.5	(18.5)
Finished cobalt cost of sales	-	4.7
Share-based compensation expense	0.5	1.5
Inventory write-down/obsolescence	0.2	0.2
Loss on environmental rehabilitation provisions	-	13.3
Net change in non-cash working capital	(0.4)	21.9
Interest received	0.2	1.0
Interest paid	(1.4)	(13.1)
Income taxes paid	-	(2.1)
Net payments on natural gas swaps	(2.4)	(2.0)
Distributions from Moa JV:		
Proceeds from Cobalt Swap - Sherritt share	-	3.1
Proceeds from Cobalt Swap - GNC redirected share	-	3.1
Liabilities settled for environmental rehabilitation provisions	-	(12.1)
Share-based compensation payments	(0.1)	(1.4)
Other ⁽²⁾	(0.3)	(0.9)
Cash provided by continuing operations for operating activities per financial statements	2.5	9.1
Add (deduct):		
Cash used by discontinued operations	(0.1)	(0.2)
Property, plant, equipment and intangible asset expenditures	(2.7)	(10.2)
Decrease in restricted cash	-	1.1
Fees paid on Debt and Equity Transactions	(3.0)	(15.9)
Repayment of other financial liabilities	(0.5)	(6.5)
Receipts of advances, loans receivable and other financial assets	0.2	0.8
Effect of exchange rate changes on cash and cash equivalents	2.2	(3.7)
Change in cash and cash equivalents	\$ (1.4)	\$ (25.5)

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

(2) Other is primarily composed of realized foreign exchange losses from operating activities and other finance charges.

The Moa JV's Adjusted EBTIDA is based on revenue, cost of sales and other expenses recognized by the Moa JV based on the accrual method, while the Moa JV's cash and cobalt distributions to the Corporation are determined based on available cash in excess of liquidity requirements, as described above.

Capital resources

CAPITAL RISK MANAGEMENT

The Corporation's objectives when managing capital are to maintain financial liquidity and flexibility in order to preserve its ability to meet financial obligations throughout the various resource cycles with sufficient capital and capacity to manage unforeseen operational and industry developments and to ensure the Corporation has the capital and capacity to allow for business growth opportunities and/or to support the growth of its existing businesses.

Subject to the limitations within the indenture governing the Amended Senior Secured Notes (the "Amended Senior Secured Notes Indenture") and Credit Facility agreement, in order to maintain or adjust its capital structure, the Corporation may, among other things, purchase shares for cancellation pursuant to normal course issuer bids, issue new shares, repay outstanding debt, issue new debt (unsecured, convertible and/or other types of available debt instruments), issue subscription receipts exchangeable for common shares and/or other securities, issue warrants exercisable to acquire common shares and/or other securities, issue units of securities comprised of more than one of equity securities, debt securities, subscription receipts and/or warrants, refinance existing debt with different characteristics, acquire or dispose of assets or adjust the amount of cash and short-term investment balances.

During the nine months ended September 30, 2025, the Corporation issued 99.0 million shares from treasury in order to extinguish \$17.1 million of notes obligations. Refer to Debt and Equity Transactions section below for further information on the transactions.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS⁽¹⁾

The Corporation's significant contractual commitments, obligations, and interest and principal repayments in respect of its financial liabilities, income taxes payable, provisions and commitments for property, plant and equipment are presented in the following table on an undiscounted basis. For Scheduled Repurchases of the Amended Senior Secured Notes in 2025, which are not fixed, the amount disclosed is determined by reference to the conditions existing as at September 30, 2025.

Canadian \$ millions, as at September 30, 2025	Total	Falling due within 1 year	Falling due between 1-2 years	Falling due between 2-3 years	Falling due between 3-4 years	Falling due between 4-5 years	Falling due in more than 5 years
Trade accounts payable and accrued liabilities	\$ 137.5	\$ 137.5	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes payable	1.5	1.5	-	-	-	-	-
Amended Senior Secured Notes (includes principal, interest and Scheduled Repurchases)	384.0	36.7	39.9	35.8	18.9	18.9	233.8
Credit Facility	76.2	4.8	71.4	-	-	-	-
Other non-current financial liabilities	1.3	-	0.1	0.3	0.3	0.3	0.3
Provisions	193.9	3.3	11.0	10.9	10.9	28.0	129.8
Energas payable ⁽²⁾	92.4	2.0	3.9	86.5	-	-	-
Lease liabilities	9.4	1.8	1.4	1.4	1.3	1.2	2.3
Property, plant and equipment commitments	3.7	3.7	-	-	-	-	-
Total	\$ 899.9	\$ 191.3	\$ 127.7	\$ 134.9	\$ 31.4	\$ 48.4	\$ 366.2

(1) Excludes the contractual obligations and commitments of the Moa JV, which are disclosed separately in the Supplementary Information section below and are non-recourse to the Corporation.

(2) Repayment of the Energas payable is from Energas to GNC in Cuban pesos in Cuba and does not impact cash in Canada.

DEBT AND EQUITY TRANSACTIONS

In March 2025, the Corporation announced a transaction to be implemented pursuant to a plan of arrangement (the "CBCA Plan") under the Canada Business Corporations Act (the "CBCA") that proposed exchanging the Corporation's existing notes obligations, comprised of the 8.50% second lien secured notes due 2026 ("Second Lien Notes") and 10.75% unsecured PIK option notes due 2029 ("PIK Notes"), for amended 9.25% senior second lien secured notes due November 30, 2031 (the "Amended Senior Secured Notes") and certain early consent consideration. The Corporation also announced a subsequent exchange transaction (the "Subsequent Exchange Transaction") with certain holders of Second Lien Notes (the "Subsequent Exchange Noteholders") involving the exchange of a portion of the Amended Senior Secured Notes for up to 99 million common shares of the Corporation to be issued from treasury and commitments for subsequent scheduled repurchases of Amended Senior Secured Notes totaling \$45.0 million of such notes from 2025 to 2028. These transactions collectively comprise the Corporation's Debt and Equity Transactions.

In April 2025, the CBCA Plan received approval by noteholders and by the Ontario Superior Court of Justice and the Debt and Equity Transactions were completed.

As a result, during the nine months ended September 30, 2025, all of the outstanding Second Lien Notes in the principal amount of \$221.3 million (amortized cost of \$240.0 million including the premium payable at maturity) and all of the outstanding PIK Notes in the principal amount of \$70.3 million (amortized cost of \$69.4 million) were exchanged and extinguished and the Corporation recognized Amended Senior Secured Notes at their initial fair value and principal amount of \$266.1 million. In addition, accrued interest on the Second Lien Notes of \$8.7 million was paid, accrued interest on the PIK Notes of \$1.8 million was extinguished and no mandatory redemptions were required to be made as the Second Lien Notes were extinguished prior to the mandatory redemption date on April 30, 2025.

Holders of the PIK Notes that had voted in favour of the CBCA Plan by the early consent deadline received additional Amended Senior Secured Notes in a principal amount equal to 5% of the outstanding principal amount of PIK Notes, which is included in the \$266.1 million above. In addition, holders of Second Lien Notes that had voted in favour of the CBCA Plan by the early consent deadline received early cash consent consideration of \$6.5 million.

Management's discussion and analysis

Following the implementation of the CBCA Plan, pursuant to the Subsequent Exchange Transaction, \$17.1 million of Amended Senior Secured Notes held by the Subsequent Exchange Noteholders were exchanged and extinguished for 99 million common shares of the Corporation issued from treasury with a fair value of \$13.9 million.

In aggregate, the Debt and Equity Transactions reduced the Corporation's outstanding debt by a principal amount of \$42.6 million, eliminated the \$25.0 million premium payable at maturity of the Second Lien Notes and resulted in the extension of the maturities of the Corporation's notes obligations to November 2031 and will reduce annual interest expense by approximately \$3.0 million.

During the nine months ended September 30, 2025, transaction costs of \$15.9 million were incurred and are netted within the \$32.4 million Gain on Debt and Equity Transactions within net finance expense. Transaction costs are composed of early cash consent consideration of \$6.5 million and legal, financial and other advisory costs of \$9.4 million. Of the \$15.9 million of transaction costs incurred, \$3.0 million and \$15.9 million were paid in the three and nine months ended September 30, 2025, respectively, and are presented within fees paid on Debt and Equity Transactions in the condensed consolidated statements of cash flows. As at September 30, 2025, nil transaction costs were payable.

AMENDED SENIOR SECURED NOTES

During the nine months ended September 30, 2025, the Corporation completed the Debt and Equity Transactions, resulting in the issuance of Amended Senior Secured Notes with a principal amount of \$266.1 million, interest rate of 9.25% per annum and maturity of November 30, 2031. Interest is payable semi-annually in cash in April and October beginning in October 2025. Subsequent to the issuance of the Amended Senior Secured Notes, pursuant to the Subsequent Exchange Transaction, \$17.1 million of Amended Senior Secured Notes held by the Subsequent Exchange Noteholders were exchanged and extinguished for 99 million common shares.

As at September 30, 2025, the outstanding principal amount of the Amended Senior Secured Notes is \$249.0 million (December 31, 2024 - nil). Subsequent to period end, the Corporation paid interest of \$12.3 million on the Amended Senior Secured Notes.

Upon implementation of the Subsequent Exchange Transaction, the Corporation entered into put agreements with each of the Subsequent Exchange Noteholders pursuant to which the Subsequent Exchange Noteholders have the right to require the Corporation to repurchase certain Amended Senior Secured Notes (the "Put Agreements"). Under the Put Agreements, Subsequent Exchange Noteholders have the right to require repurchases with a purchase price equal to (i) 105% of the principal amount of the Amended Senior Secured Notes purchased and (ii) all accrued and unpaid interest on such principal amounts on the following dates (the "Scheduled Repurchase Dates"):

- (a) On December 15, 2025, provided that the Corporation's liquidity exceeds \$50.0 million (the "Minimum Liquidity") after giving effect to such purchase, \$5.0 million in aggregate principal amount of the Amended Senior Secured Notes (the "2025 Payment");
- (b) On December 15, 2026, \$10.0 million in aggregate principal amount of the Amended Senior Secured Notes, provided that if the 2025 Payment was not made as a result of the Corporation not having liquidity in excess of Minimum Liquidity, \$12.5 million in aggregate principal amount of the Amended Senior Secured Notes;
- (c) On December 15, 2027, \$15.0 million in aggregate principal amount of the Amended Senior Secured Notes, provided that if the 2025 Payment was not made as a result of the Corporation not having liquidity in excess of Minimum Liquidity, \$17.5 million in aggregate principal amount of the Amended Senior Secured Notes; and
- (d) On December 15, 2028, \$15.0 million in aggregate principal amount of the Amended Senior Secured Notes (the "Scheduled Repurchases").

The Corporation has a call right at any time up to 120 days prior to any Scheduled Repurchase Date to repurchase the Amended Senior Secured Notes from such Subsequent Exchange Noteholders at par value, in a principal amount not to exceed the principal amount that would be subject to the Scheduled Repurchase amounts described above.

Under the Put Agreements, the Corporation agreed that it will take steps to purchase or retire an additional amount of outstanding Amended Senior Secured Notes on the same dates as the Scheduled Repurchases (such additional purchases being, collectively, the "Additional Repurchases"). The Additional Repurchases will be at a price and structure as approved by the Corporation's Board of Directors, provided that the Corporation's liquidity would exceed the Minimum Liquidity after giving effect to the Scheduled Repurchases and any Additional Repurchases.

Minimum Liquidity is defined in the Put Agreements as cash and cash equivalents in Canada plus available credit facilities. The Minimum Liquidity amount as at September 30, 2025 is \$45.2 million.

Under the indenture governing the Amended Senior Secured Notes (the "Amended Senior Secured Notes Indenture"), the Corporation is subject to various restrictions, which limit, among other things, the incurrence of indebtedness, liens, asset sales and payment of distributions and other restricted payments, unless certain financial ratios are met and subject to certain customary carve-outs and permissions, often referred to as "baskets". If the ratio of earnings before interest, taxes, depreciation and amortization ("EBITDA")-to-interest expense, both as defined in the agreement, is above 2.5:1, unsecured debt can be incurred without the use of a basket and restricted payments can be made to the extent the Corporation has sufficient room in an applicable basket, including the "builder basket" as calculated under the Amended Senior Secured Notes Indenture. As at September 30, 2025, the Corporation met the required financial ratio and has the capacity to make restricted payments up to \$112.0 million.

As at September 30, 2025, the Corporation was in compliance with all Amended Senior Secured Notes covenants.

SECOND LIEN NOTES

During the nine months ended September 30, 2025, the Corporation completed the Debt and Equity Transactions. Upon completion of the Debt and Equity Transactions, the Corporation paid accrued interest of \$8.7 million on the Second Lien Notes, the Second Lien Notes and premium at maturity were extinguished and Amended Senior Secured Notes were recognized.

No mandatory redemptions were required to be made during the nine months ended September 30, 2025 as the Second Lien Notes were extinguished prior to the mandatory redemption date on April 30, 2025.

As at September 30, 2025, the outstanding principal amount of Second Lien Notes is nil (December 31, 2024 - \$221.3 million).

PIK NOTES

As a result of the Debt and Equity Transactions, the PIK Notes and accrued interest of \$1.8 million from January 31, 2025 were extinguished and Amended Senior Secured Notes were recognized.

As at September 30, 2025, the outstanding principal amount of the PIK Notes is nil (December 31, 2024 - \$66.7 million).

During the nine months ended September 30, 2025, in accordance with the terms of the indenture governing the PIK Notes, the Corporation elected not to pay cash interest of \$3.6 million and added the payment-in-kind interest to the principal amount owed to noteholders (during the nine months ended September 30, 2024 - \$6.9 million).

During the nine months ended September 30, 2024, the Corporation repurchased \$3.7 million of principal of the PIK Notes at a cost of \$1.9 million, plus \$0.1 million of accrued interest, resulting in a gain on repurchase of notes of \$1.8 million.

CREDIT FACILITY

During the nine months ended September 30, 2025, the Credit Facility was amended to extend its maturity for one year from April 30, 2026 to April 30, 2027. The maximum available credit of \$100.0 million and interest rate of Canadian Overnight Repo Rate Average ("CORRA") plus 4.00% remain unchanged. There were no other significant changes to the terms, financial covenants or restrictions. Borrowings on the Credit Facility are available to fund working capital and capital expenditures.

As at September 30, 2025, the outstanding principal amount of the Credit Facility is \$69.0 million (December 31, 2024 - \$69.0 million) and the Corporation was in compliance with all Credit Facility covenants. During the nine months ended September 30, 2025, the Corporation received a waiver from the Credit Facility syndicate on potential events of default as a result of the Debt and Equity Transactions.

COMMON SHARES

As at November 5, 2025, the Corporation had 496,288,680 common shares outstanding following the issuance of 99 million additional common shares from treasury during the nine months ended September 30, 2025 as a result of the Debt and Equity Transactions described above.

An additional 7,764,256 common shares are issuable upon exercise of outstanding stock options granted to employees pursuant to the Corporation's stock option plan.

Managing risk

Sherritt manages a number of risks in each of its businesses in order to achieve an acceptable level of risk without appreciably hindering its ability to maximize returns. Management has procedures to identify and manage significant operational and financial risks.

A comprehensive list of the Corporation's significant business risks and strategies designed to manage these risks can be found in the Corporation's 2024 Annual Information Form for the year ended December 31, 2024, dated March 24, 2025. Refer to the below updates to risks related to Sherritt's operations in Cuba and risks related to U.S. government policy towards Cuba.

RISKS RELATED TO SHERRITT'S OPERATIONS IN CUBA

The Corporation directly or indirectly holds significant interests in mining, metals processing and the generation of electricity in Cuba. The operations of the Cuban businesses and the ability of the Cuban Government to fulfil payment obligations to the Corporation, as well as the provision of goods and services to the Cuban businesses may be affected by economic and other pressures on Cuba. Additionally, the continued general economic decline in Cuba could have an impact on the Corporation and the Cuban businesses. Risks include, but are not limited to, fluctuations in official or convertible currency exchange rates, access to foreign currency, repatriation of foreign currency, and high rates of inflation. In addition, Cuba has experienced increased hardships as a result of the impact of COVID-19 and continued U.S. sanctions, impacting the country's tourism and other industries, hampering the country's foreign currency liquidity and resulting in prolonged border closures, fuel, food and medicine shortages, electricity outages, skilled worker retention and shortages, and sporadic civil demonstrations. The first President Trump administration increased its sanctions against Cuba and its trading partners and these measures had an adverse impact on Cuba and its economy, as well as its ability to conduct international trade. In addition, with resulting additional adverse impacts, on January 12, 2021, that administration designated Cuba as a State Sponsor of Terrorism. While the now former U.S. administration of President Biden announced on January 14, 2025 that it would remove Cuba from the State Sponsor of Terrorism list, this decision was revoked by President Trump a few days later, on January 20, 2025, the first day of his second administration. On June 30, 2025, the Trump administration released a National Security Presidential Memorandum ("NSPM") reaffirming its hardline stance towards Cuba, outlining a strengthened sanctions framework aimed at curbing Cuba's access to international financing and restricting entities engaging in trade or investment in Cuban state-run industries. These measures that require further implementation from the U.S. administration signal a continuation of the administration's policy to isolate Cuba economically and politically and may escalate the risks related to Sherritt's operations in Cuba. Changes in regulations and political attitudes are beyond the control of Sherritt and may adversely affect its business. Operations may be affected in varying degrees by such factors as Cuban Government regulations with respect to currency conversion, repatriation of foreign currency, production, project approval and execution, price controls, import and export controls, income taxes or reinvestment credits, expropriation of property, environmental legislation, land use, water use and mine and plant safety. Cuba may also be adversely impacted by risks associated with the imposition by other countries globally of additional economic restrictions or sanctions, or the indirect impact on Cuba of sanctions imposed on other countries (such as Russia and Belarus, for example) that could have a material adverse effect on Cuba or on Sherritt's ability to operate in Cuba.

Sherritt is entitled to the benefit of certain assurances received from the Government of Cuba and certain agencies of the Government of Cuba that protect it in many circumstances from adverse changes in law, although such changes remain beyond the control of the Corporation and the effect of any such changes cannot be accurately predicted.

For further information on the risks related to Sherritt's operations in Cuba, refer to the Corporation's 2024 Annual Information Form.

RISKS RELATED TO U.S. GOVERNMENT POLICY TOWARDS CUBA

The United States has maintained a comprehensive embargo against Cuba since the early 1960s, and the enactment in 1996 of the *Cuban Liberty and Democratic Solidarity (Libertad) Act* (commonly known as the "Helms-Burton Act") extended the reach of the U.S. embargo.

The U.S. Embargo

In its current form, apart from the Helms-Burton Act, the embargo applies to most transactions or dealings directly or indirectly involving Cuba, its government, Cuban entities, goods derived from Cuban-origin, and Cuban nationals, and it bars all persons subject to the jurisdiction of the United States from participating or facilitating in such transactions or dealings unless authorized under general or specific licenses issued by the U.S. Department of the Treasury ("U.S. Treasury"). Persons "subject to the jurisdiction of the United States" include U.S. citizens and U.S. lawful permanent residents, regardless of where they reside or by whom they are employed; legal entities organized under U.S. laws; and entities wherever located that are owned or controlled by any of the foregoing; as well as individuals and entities located in the United States. The embargo also targets transactions or dealings directly or indirectly involving entities deemed to be owned or controlled by Cuba, including entities owned or controlled by the Cuban government, by entities organized under the laws of Cuba, or by Cuban nationals. Additionally, the embargo applies to persons and entities designated by the U.S. Treasury as specially designated nationals ("SDNs") pursuant to the U.S. embargo against Cuba. The three entities constituting the Moa Joint Venture in which Sherritt holds an indirect 50% interest have been designated as SDNs by the U.S. Treasury. Sherritt, however, is not an SDN. The U.S. embargo generally prohibits persons subject to the jurisdiction of the United States from engaging in transactions or dealings involving the Cuban-related businesses of the Corporation and may in certain circumstances restrict the ability of persons subject to the jurisdiction of the U.S. from engaging in transactions with Sherritt more generally. Furthermore, goods, technology and software ("items") that are subject to U.S. jurisdictions, including U.S.-origin items, non-U.S. items that include more than 10% U.S.-origin content by value, and certain non-U.S. direct products of specified U.S. technology or software, cannot under U.S. law be exported, re-exported, or otherwise supplied to Cuba or used in the Corporation's operations in Cuba. Additionally, the U.S. embargo generally prohibits imports into the United States of Cuban-origin goods, goods located in or transported from or through Cuba, or foreign goods made or derived, in whole or in part, from goods derived from Cuban-origin, including Cuban nickel and cobalt. In 1992, Canada issued an order pursuant to the *Foreign Extraterritorial Measures Act* (Canada) to block the application of the U.S. embargo under Canadian law to Canadian subsidiaries of U.S. entities. However, the U.S. embargo limits Sherritt's access to U.S. capital, financing sources, customers, and suppliers. Persons subject to the jurisdiction of the United States are advised to consult their independent advisors before acquiring common shares of Sherritt.

For further information on the risks related to The Helms-Burton Act, refer to the Corporation's 2024 Annual Information Form.

Basis of presentation, material accounting policies, critical accounting estimates and judgments

The condensed consolidated financial statements referenced in this MD&A have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and footnote disclosures normally included in the annual financial statements prepared in accordance with IFRS Accounting Standards, as issued by the IASB, have been omitted or condensed.

The condensed consolidated financial statements are prepared on a going concern basis, under the historical cost convention, except for certain financial assets and liabilities and cash-settled share-based payments, which have been measured at fair value. The going concern basis assumes that the Corporation will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The condensed consolidated financial statements have been prepared using the same accounting policies and methods of computation as disclosed in note 2 of the annual consolidated financial statements of the Corporation as at and for the year ended December 31, 2024, except for the adoption of the Amendments to IAS 21, which were adopted effective January 1, 2025 and the new accounting policies for financial instruments. For further information on the adoption of the Amendments to IAS 21, see note 4 of the condensed consolidated financial statements for the three months ended September 30, 2025 and for further information on the new accounting policies for financial instruments, see note 3 of the condensed consolidated financial statements for the three months ended September 30, 2025.

The critical accounting estimates and judgments used in the preparation of the condensed consolidated financial statements are consistent with those disclosed in note 3 of the Corporation's annual consolidated financial statements as at and for the year ended December 31, 2024.

Summary of quarterly results

The following table presents selected amounts derived from the Corporation's condensed consolidated financial statements:

\$ millions, except per share amounts, for the three months ended	2025 Sep 30	2025 Jun 30	2025 Mar 31	2024 Dec 31	2024 Sept 30	2024 Jun 30	2024 Mar 31	2023 Dec 31
Revenue	\$ 39.7	\$ 43.7	\$ 38.4	\$ 45.7	\$ 32.9	\$ 51.4	\$ 28.8	\$ 34.8
Share of loss of Moa Joint Venture, net of tax	(15.7)	(18.7)	(11.4)	(3.4)	(1.8)	(1.2)	(12.3)	(14.5)
Net (loss) earnings from continuing operations	(19.5)	10.4	(40.6)	(22.5)	1.8	(11.5)	(40.9)	(53.4)
Net (loss) earnings for the period	(19.5)	10.2	(40.6)	(22.9)	2.1	(11.5)	(40.5)	(53.4)
Net (loss) earnings per share, basic (\$ per share)								
Net (loss) earnings from continuing operations	\$ (0.04)	\$ 0.02	\$ (0.10)	\$ (0.06)	\$ 0.00	\$ (0.03)	\$ (0.10)	\$ (0.13)
Net (loss) earnings	(0.04)	0.02	(0.10)	(0.06)	0.01	(0.03)	(0.10)	(0.13)

In general, net earnings/losses of the Corporation are primarily affected by production and sales volumes, commodity prices, maintenance and operating costs, net finance income/expense and exchange rates. The average Canadian dollar cost to purchase one U.S. dollar for the above quarters ranged from \$1.3483 (Q2 2024) to \$1.4352 (Q1 2025) and period-end rates ranged between \$1.3226 (Q4 2023) to \$1.4389 (Q4 2024).

In addition to the impact of commodity prices and sales volumes, the net earnings/losses in the last eight quarters were impacted by the following significant items (pre-tax):

- Q3 2025: \$3.6 million of severance expense related to the Corporation's 10% workforce reduction (Sherritt's share) and \$2.4 million loss on natural gas swaps. The Corporation's net loss includes a net non-cash gain on revaluation of the GNC receivable and Energas payable of \$5.0 million pursuant to the Cobalt Swap;
- Q2 2025: \$32.4 million gain on Debt and Equity Transactions, net of transaction costs, which included \$4.9 million of transaction costs on the Debt and Equity Transactions recognized in Q1 2025 that were reclassified to the gain on Debt and Equity Transactions in Q2 2025 and a \$2.4 million non-cash gain on environmental rehabilitation provisions on legacy Oil and Gas assets in Spain, partially offset by a \$5.3 million non-cash unrealized loss on natural gas swaps and higher consulting services fees. In addition, the Corporation's net earnings include a net non-cash gain on revaluation of the GNC receivable and Energas payable of \$3.5 million pursuant to the Cobalt Swap;
- Q1 2025: \$15.7 million non-cash loss on environmental rehabilitation provisions on legacy Oil and Gas assets in Spain and \$4.9 million of transaction costs as a result of the Corporation's Debt and Equity Transactions. In addition, the Corporation's net loss includes a non-cash unrealized gain of \$3.5 million on natural gas swaps and a net non-cash gain on revaluation of the GNC receivable and Energas payable of \$1.9 million;
- Q4 2024: \$8.4 million non-cash loss on impairment of intangible assets in the Oil and Gas reportable segment and a \$6.9 million non-cash loss on legacy environmental rehabilitation provisions partially offset by a \$2.5 million realized gain on nickel put options. In addition, the Corporation's net loss includes a net non-cash gain on revaluation of the GNC receivable and Energas payable of \$3.5 million pursuant to the Cobalt Swap;
- Q3 2024: \$1.1 million gain on repurchase of notes and a \$1.8 million non-cash gain on environmental rehabilitation provisions. In addition, the Corporation's net earnings includes a net non-cash gain on revaluation of the GNC receivable and Energas payable of \$11.5 million pursuant to the Cobalt Swap;
- Q2 2024: \$3.4 million unrealized gain on nickel put options and \$1.6 million (50% basis) inventory write-down/obsolescence at the Moa JV. In addition, the Corporation's net loss includes a net non-cash loss on revaluation of the GNC receivable and Energas payable of \$5.3 million pursuant to the Cobalt Swap;
- Q1 2024: \$3.6 million non-cash loss on environmental rehabilitation provisions and \$3.5 million of severance expense related to the restructuring (Sherritt's share). In addition, the Corporation's net loss includes a net non-cash loss on revaluation of the GNC receivable and Energas payable of \$9.1 million pursuant to the Cobalt Swap; and
- Q4 2023: \$20.0 million loss on environmental rehabilitation provisions. The net impact of the Cobalt Swap on the Corporation's net loss was not material.

Off-balance sheet arrangements

As at September 30, 2025, the Corporation had no off-balance sheet arrangements.

Transactions with related parties

The Corporation enters into transactions related to its joint arrangements. For further detail, refer to notes 8 and 18 of the Corporation's condensed consolidated financial statements for the three and nine months ended September 30, 2025.

Transactions between related parties are generally based on standard commercial terms. All amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received on the outstanding amounts. No expense has been recognized in the current or prior periods for bad debts in respect of amounts owed by related parties.

Controls and procedures

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to management, including the CEO and CFO, on a timely basis so that appropriate decisions can be made regarding public disclosure.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Internal control over financial reporting means a process designed by or under the supervision of the CEO and CFO, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards.

The internal controls are not expected to prevent and detect all misstatements due to error or fraud.

As at September 30, 2025, the Corporation's CEO and CFO have certified that the disclosure controls and procedures are effective and that during the three months ended September 30, 2025, the Corporation did not make any material changes in the internal controls over financial reporting that materially affected or are reasonably likely to materially affect the Corporation's internal control over financial reporting.

Supplementary information

SENSITIVITY ANALYSIS

The following table shows the approximate impact on the Corporation's net earnings (loss) and earnings (loss) per share from continuing operations for the three months ended September 30, 2025 from a change in selected key variables. The impact is measured by changing one variable at a time and may not necessarily be indicative of sensitivities on future results.

Factor	Approximate change in quarterly net earnings (CAD\$ millions)		Approximate change in quarterly basic earnings per share (EPS)	
	Increase	Increase/ (decrease)	Increase	Increase/ (decrease)
Prices				
Nickel - LME price per pound ⁽¹⁾	US\$ 1.00	\$ 6	\$ 0.01	
Cobalt - Argus price per pound ⁽¹⁾	US\$ 5.00	3	0.01	
Fertilizers - price per tonne ⁽¹⁾	\$ 50.00	1	-	
Operating costs⁽¹⁾				
Natural gas - cost per gigajoule (Moa JV and Fort Site) ⁽²⁾	\$ 1.00	(1)	-	
Fuel oil - cost per tonne (Moa JV and Fort Site)	US\$ 50.00	(1)	-	
Sulphur - cost per tonne (Moa JV and Fort Site)	US\$ 25.00	(1)	-	

(1) Changes are applied at the operating level with the approximate change in net earnings/loss and basic EPS representing the Corporation's 50% interest in the Moa JV.

(2) The Corporation entered into natural gas swaps from January to December 2025 fixing the price paid at \$1.91 per gigajoule on a notional amount of 7.6 million gigajoules, which reduces the Corporation's exposure to natural gas prices and is not reflected in the sensitivity above.

INVESTMENT IN MOA JOINT VENTURE

Explanations for the significant changes in the statements of financial position and statements of comprehensive loss line items to the respective comparative period for the Moa JV are included below. The statements of financial position and comprehensive loss are presented on a 100% basis and included in the Corporation's investment in Moa Joint Venture and share of loss of Moa Joint Venture, net of tax on a 50% basis due to the equity method of accounting.

Statements of financial position

Canadian \$ millions, 100% basis, as at	2025 September 30	2024 December 31	Variance
Assets			
Cash and cash equivalents	\$ 9.9	\$ 11.3	(1.4)
			Decrease is primarily due to cash used by operating activities, including the timing of working capital payments, and spending on capital, partially offset by \$62.6 million (US\$45.0 million) of drawings on a Cuban credit facility to support spending on capital for tailings management and working capital.
Income taxes receivable	6.7	7.0	(0.3)
			Decrease is primarily due to the extinguishment of a receivable for cash and cobalt distributions from the Corporation pursuant to the Cobalt Swap upon declaration as dividends during the quarter, partially offset by an increase in prepaid expenses.
Other current assets	17.0	40.9	(23.9)
			Decrease is primarily due to lower nickel and cobalt sales volumes.
Trade accounts receivable, net	38.4	90.3	(51.9)
			Increase is primarily due to higher work-in-progress nickel and cobalt inventories at the refinery due to significantly lower production during the quarter, in part due to the planned annual refinery shutdown, partially offset by nickel sales volume exceeding production during the year.
Inventories	409.4	382.3	27.1
			Decrease is primarily due to depletion, depreciation and amortization, coupled with a decrease in the U.S. dollar relative to the Canadian dollar.
Other non-current assets	12.0	17.9	(5.9)
Property, plant and equipment	1,108.2	1,136.6	(28.4)
Deferred income taxes	10.0	10.3	(0.3)
Total assets	1,611.6	1,696.6	(85.0)
Liabilities			
Trade accounts payable and accrued liabilities	118.0	111.9	6.1
Income taxes payable	1.6	1.0	0.6
Other current financial liabilities	0.3	0.2	0.1
Deferred revenue	14.5	21.0	(6.5)
			Increase is primarily due to \$62.6 million (US\$45.0 million) of drawings on a Cuban credit facility to support spending on capital for tailings management and working capital, as well as financing received for mining equipment.
Loans and borrowings	115.7	40.5	75.2
Environmental rehabilitation provisions	93.3	86.9	6.4
Other non-current financial liabilities	2.2	2.9	(0.7)
Deferred income taxes	9.3	11.2	(1.9)
Total liabilities	354.9	275.6	79.3
Net assets of Moa Joint Venture	\$ 1,256.7	\$ 1,421.0	(164.3)
Proportion of Sherritt's ownership interest	50%	50%	
Total	628.4	710.5	
Intercompany capitalized interest elimination	(43.0)	(45.1)	
Investment in Moa Joint Venture	\$ 585.3	\$ 665.4	

Foreign currency translation differences are included in the financial information of the Moa JV presented in the financial statements and MD&A, as the Corporation's presentation currency is the Canadian dollar, while the functional currency of certain of the operating companies within the Moa JV is the U.S. dollar. As at September 30, 2025, the period-end U.S. dollar decreased in value relative to the Canadian dollar, resulting in lower assets and liabilities reported in Canadian dollars as compared to December 31, 2024.

Management's discussion and analysis

Statements of comprehensive loss

Canadian \$ millions, 100% basis	For the nine months ended			Variance
	2025		2024	
	September 30	September 30		
Revenue	\$ 514.0	\$ 637.7	(123.7)	Decrease is primarily due to a decrease in nickel and cobalt revenue as a result of lower nickel and cobalt sales volumes and lower average-realized nickel price.
Cost of sales	(578.0)	(661.9)	83.9	Decrease is primarily due to a decrease in NDCC and nickel sales volume.
Impairment of property, plant and equipment	-	(1.0)	1.0	
Administrative expenses	(8.6)	(8.2)	(0.4)	
Loss from operations	(72.6)	(33.4)	(39.2)	
Financing income	0.4	0.6	(0.2)	
Financing expense	(21.8)	(11.2)	(10.6)	Increase is primarily due to a foreign exchange loss recognized due to the strengthening of the average U.S. dollar compared to the Canadian dollar during the year.
Net finance expense	(21.4)	(10.6)	(10.8)	
Loss before income tax	(94.0)	(44.0)	(50.0)	
Income tax (expense) recovery	(4.6)	3.3	(7.9)	
Net loss and comprehensive loss of Moa Joint Venture	\$ (98.6)	\$ (40.7)	(57.9)	
Proportion of Sherritt's ownership interest	50%	50%	-	
Total	(49.3)	(20.4)	(28.9)	
Intercompany elimination	3.5	5.1	(1.6)	
Share of loss of Moa Joint Venture, net of tax	\$ (45.8)	\$ (15.3)	(30.5)	

For the three and nine months ended September 30, 2025, Moa JV's revenue was positively impacted and cost of sales and other expenses were negatively impacted by a stronger average U.S. dollar relative to the Canadian dollar compared to the same periods in the prior year.

Moa JV commitments

The Moa JV's significant undiscounted commitments, which are non-recourse to the Corporation, are presented below on a 50% basis:

- Environmental rehabilitation commitments of \$151.7 million, with no significant payments due in the next five years;
- Trade accounts payable and accrued liabilities of \$59.0 million;
- Loans and borrowings of \$58.0 million; and
- Property, plant and equipment commitments of \$10.8 million, which includes \$6.5 million of property, plant and equipment commitments in 2025 for tailings management and \$4.3 million of commitments for sustaining and growth spending on capital.

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 to the most directly comparable IFRS Accounting Standards measure in the sections below.

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.

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			For the nine months ended		
	2025		2024	2025		2024
	September 30	September 30	Change	September 30	September 30	Change
Revenue by reportable segment						
Metals ⁽¹⁾	\$ 94.1	\$ 112.6	(16%)	\$ 332.5	\$ 378.3	(12%)
Power	13.9	12.9	8%	35.9	36.7	(2%)
Corporate and Other	0.4	0.9	(56%)	1.3	2.3	(43%)
Combined revenue	\$ 108.4	\$ 126.4	(14%)	\$ 369.7	\$ 417.3	(11%)
Adjustment for Moa Joint Venture	(73.9)	(96.9)		(257.0)	(318.9)	
Adjustment for Oil and Gas	5.2	3.4	53%	9.1	14.7	(38%)
Financial statement revenue	\$ 39.7	\$ 32.9	21%	\$ 121.8	\$ 113.1	8%

(1) Revenue of Metals for the three months ended September 30, 2025 is composed of revenue recognized by the Moa JV of \$73.9 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 \$19.3 million and Metals Marketing of \$0.9 million, both of which are included in consolidated revenue (for the three months ended September 30, 2024 - \$96.9 million, \$14.7 million and \$1.0 million, respectively). Revenue of Metals for the nine months ended September 30, 2025 is composed of revenue recognized by the Moa JV of \$257.0 million (50% basis), coupled with revenue recognized by Fort Site of \$68.0 million and Metals Marketing of \$7.5 million (for the nine months ended September 30, 2024 - \$318.9 million, \$55.5 million and \$3.9 million, respectively).

Management's discussion and analysis

Adjusted EBITDA

The Corporation defines Adjusted EBITDA as earnings/loss 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.

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 from operations and joint venture per the financial statements to Adjusted EBITDA:

\$ millions, for the three months ended September 30							2025
	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	\$ (14.4)	\$ 8.6	\$ 0.5	\$ (6.2)	\$ (1.1)	\$ (12.6)	
Add (deduct):							
Depletion, depreciation and amortization	2.4	0.5	0.1	0.2	-	3.2	
Oil and Gas earnings from operations, net of depletion, depreciation and amortization	-	-	(0.6)	-	-	(0.6)	
Adjustments for share of earnings of Moa Joint Venture:							
Depletion, depreciation and amortization	10.5	-	-	-	-	10.5	
Net finance expense	-	-	-	-	0.7	0.7	
Income tax expense	-	-	-	-	0.4	0.4	
Adjusted EBITDA	\$ (1.5)	\$ 9.1	\$ -	\$ (6.0)	\$ -	\$ 1.6	

\$ millions, for the three months ended September 30							2024
	Metals ⁽¹⁾	Power	Oil and Gas	Corporate and Other	Adjustment for Moa Joint Venture	Total	
Earnings (loss) from operations and joint venture per financial statements	\$ 0.8	\$ 0.4	\$ 1.1	\$ (5.7)	\$ 1.1	\$ (2.3)	
Add (deduct):							
Depletion, depreciation and amortization	2.4	0.7	-	0.2	-	3.3	
Oil and Gas earnings from operations, net of depletion, depreciation and amortization	-	-	(1.1)	-	-	(1.1)	
Adjustments for share of earnings of Moa Joint Venture:							
Depletion, depreciation and amortization	11.7	-	-	-	-	11.7	
Net finance expense	-	-	-	-	1.4	1.4	
Income tax expense	-	-	-	-	(2.5)	(2.5)	
Adjusted EBITDA	\$ 14.9	\$ 1.1	\$ -	\$ (5.5)	\$ -	\$ 10.5	

\$ millions, for the nine months ended September 30

2025

	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	\$ (30.4)	\$ 15.6	\$ (18.5)	\$ (21.3)	\$ (9.2)	\$ (63.8)
Add (deduct):						
Depletion, depreciation and amortization	7.4	1.9	0.1	0.6	-	10.0
Oil and Gas loss from operations, net of depletion, depreciation and amortization	-	-	18.4	-	-	18.4
Adjustments for share of earnings of Moa Joint Venture:						
Depletion, depreciation and amortization	34.8	-	-	-	-	34.8
Net finance expense	-	-	-	-	6.9	6.9
Income tax expense	-	-	-	-	2.3	2.3
Adjusted EBITDA	\$ 11.8	\$ 17.5	\$ -	\$ (20.7)	\$ -	\$ 8.6

\$ millions, for the nine months ended September 30

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	\$ (17.5)	\$ 8.7	\$ 0.5	\$ (19.6)	\$ 1.3	\$ (26.6)
Add (deduct):						
Depletion, depreciation and amortization	7.7	1.8	0.1	0.7	-	10.3
Oil and Gas loss from operations, net of depletion, depreciation and amortization	-	-	(0.6)	-	-	(0.6)
Adjustments for share of earnings of Moa Joint Venture:						
Depletion, depreciation and amortization	34.7	-	-	-	-	34.7
Impairment of property, plant and equipment	0.5	-	-	-	-	0.5
Net finance income	-	-	-	-	0.3	0.3
Income tax expense	-	-	-	-	(1.6)	(1.6)
Adjusted EBITDA	\$ 25.4	\$ 10.5	\$ -	\$ (18.9)	\$ -	\$ 17.0

(1) Adjusted EBITDA of Metals for the three months ended September 30, 2025 is composed of Adjusted EBITDA at Moa JV of \$(4.1) million (50% basis), Adjusted EBITDA at Fort Site of \$3.4 million and Adjusted EBITDA at Metals Marketing of \$(0.8) million (for the three months ended September 30, 2024 - \$8.7 million, \$6.6 million and \$(0.4) million, respectively).

(2) Adjusted EBITDA of Metals for the nine months ended September 30, 2025 is composed of Adjusted EBITDA at Moa JV of \$(1.8) million (50% basis), Adjusted EBITDA at Fort Site of \$16.7 million and Adjusted EBITDA at Metals Marketing of \$(3.1) million (for the nine months ended September 30, 2024 - \$18.5 million, \$8.9 million and \$(2.0) 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.

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.

Management's discussion and analysis

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 September 30 2025

	Metals						Adjustment for Moa Joint Venture	
	Nickel	Cobalt	Fertilizer	Power	Other ⁽¹⁾		Total	
Revenue per financial statements	\$ 56.9	\$ 10.7	\$ 14.5	\$ 13.9	\$ 17.6	\$ (73.9)	\$ 39.7	
Adjustments to revenue:								
Frequency control, by-product and other revenue	-	-	-		(1.2)			
Revenue for purposes of average-realized price calculation	56.9	10.7	14.5	13.9	17.6	(73.9)	39.7	
Sales volume for the period	6.0	0.6	27.9	243				
Volume units	Millions of pounds	Millions of pounds	Thousands of tonnes	Gigawatt hours				
Average-realized price ⁽²⁾⁽³⁾⁽⁴⁾	\$ 9.42	\$ 18.52	\$ 517.25	\$ 52.33				

\$ millions, except average-realized price and sales volume, for the three months ended September 30 2024

	Metals						Adjustment for Moa Joint Venture	
	Nickel	Cobalt	Fertilizer	Power	Other ⁽¹⁾		Total	
Revenue per financial statements	\$ 78.8	\$ 11.5	\$ 13.6	\$ 12.9	\$ 13.0	\$ (96.9)	\$ 32.9	
Adjustments to revenue:								
By-product and other revenue	-	-	-		(1.0)			
Revenue for purposes of average-realized price calculation	78.8	11.5	13.6	12.9	13.0	(96.9)	32.9	
Sales volume for the period	7.8	0.9	31.2	230				
Volume units	Millions of pounds	Millions of pounds	Thousands of tonnes	Gigawatt hours				
Average-realized price ⁽²⁾⁽³⁾⁽⁴⁾	\$ 10.11	\$ 12.42	\$ 434.58	\$ 51.85				

\$ millions, except average-realized price and sales volume, for the nine months ended September 30 2025

	Metals						Adjustment for Moa Joint Venture	
	Nickel	Cobalt	Fertilizer	Power	Other ⁽¹⁾		Total	
Revenue per financial statements	\$ 201.2	\$ 39.3	\$ 60.4	\$ 35.9	\$ 42.0	\$ (257.0)	\$ 121.8	
Adjustments to revenue:								
Frequency control, by-product and other revenue	-	-	-		(4.7)			
Revenue for purposes of average-realized price calculation	201.2	39.3	60.4	35.9	42.0	(257.0)	121.8	
Sales volume for the period	20.8	2.4	105.7	589				
Volume units	Millions of pounds	Millions of pounds	Thousands of tonnes	Gigawatt hours				
Average-realized price ⁽²⁾⁽³⁾⁽⁴⁾	\$ 9.67	\$ 16.23	\$ 571.57	\$ 53.04				

\$ millions, except average-realized price and sales volume, for the nine months ended September 30

2024

	Metals					Adjustment for Moa Joint Venture			
	Nickel	Cobalt	Fertilizer	Power	Other ⁽¹⁾		Total		
Revenue per financial statements	\$ 260.6	\$ 35.4	\$ 58.3	\$ 36.7	\$ 41.0	\$ (318.9)	\$ 113.1		
Adjustments to revenue:									
By-product and other revenue	-	-	-		(3.4)				
Revenue for purposes of average-realized price calculation	260.6	35.4	58.3	33.3					
Sales volume for the period	25.0	2.6	115.8	645					
Volume units	Millions of pounds	Millions of pounds	Thousands of tonnes	Gigawatt hours					
Average-realized price ⁽²⁾⁽³⁾⁽⁴⁾	\$ 10.41	\$ 13.70	\$ 503.33	\$ 51.70					

(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/NDCC

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

Metals' NDCC is calculated by dividing cost of sales, as reported in the financial statements, adjusted for the following: depreciation, depletion, amortization and impairment losses in cost of sales; cobalt by-product, fertilizer by-product and other revenue; cobalt gain/loss pursuant to the Cobalt Swap; realized gain/loss on natural gas swaps; royalties/territorial contributions; and other costs primarily related to the impact of opening and closing inventory values, by the number of finished nickel pounds sold in the period.

Unit operating costs for nickel and electricity are key measures that management and investors uses to monitor cost performance. NDCC of nickel is a widely-used performance measure for nickel producers which represents the direct cash cost associated with the mining, processing, refining and sale of finished nickel, net of by-product credits. 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.

Management's discussion and analysis

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 September 30						2025
	Metals	Power	Other ⁽¹⁾	Adjustment for Moa	Joint Venture	Total
Cost of sales per financial statements	\$ 106.8	\$ 3.4	\$ 5.0	\$ (87.1)	\$ 28.1	
Less:						
Depletion, depreciation and amortization in cost of sales	(12.9)	(0.3)				
	93.9	3.1				
Adjustments to cost of sales:						
Cobalt by-product revenue - Moa JV and Cobalt Swap	(10.7)			-		
Fertilizer by-product revenue	(14.5)			-		
Other revenue	(12.0)			-		
Realized loss on natural gas swaps	2.4			-		
Royalties/territorial contributions and other non-cash costs ⁽²⁾	(7.0)			-		
Changes in inventories and other adjustments ⁽³⁾	3.3			-		
Cost of sales for purposes of unit cost calculation	55.4	3.1				
Sales volume for the period	6.0	243				
Volume units			Millions of pounds	Gigawatt hours		
Unit operating cost ⁽⁴⁾⁽⁵⁾	\$ 9.17	\$ 12.23				
Unit operating cost (US\$ per pound) (NDCC) ⁽⁶⁾	\$ 6.67					

\$ millions, except unit cost and sales volume, for the three months ended September 30						2024
	Metals	Power	Other ⁽¹⁾	Adjustment for Moa	Joint Venture	Total
Cost of sales per financial statements	\$ 110.1	\$ 10.9	\$ 2.8	\$ (98.4)	\$ 25.4	
Less:						
Depletion, depreciation and amortization in cost of sales	(14.1)	(0.6)				
	96.0	10.3				
Adjustments to cost of sales:						
Cobalt by-product revenue - Moa JV and Cobalt Swap	(11.5)			-		
Fertilizer by-product revenue	(13.6)			-		
Other revenue	(8.7)			-		
Royalties/territorial contributions and other non-cash costs ⁽²⁾	(4.8)			-		
Changes in inventories and other adjustments ⁽³⁾	(1.5)			-		
Cost of sales for purposes of unit cost calculation	55.9	10.3				
Sales volume for the period	7.8	230				
Volume units			Millions of pounds	Gigawatt hours		
Unit operating cost ⁽⁴⁾⁽⁵⁾	\$ 7.17	\$ 44.95				
Unit operating cost (US\$ per pound) (NDCC) ⁽⁶⁾	\$ 5.16					

\$ millions, except unit cost and sales volume, for the nine months ended September 30

2025

	Metals	Power	Other ⁽¹⁾	Adjustment for Moa Joint Venture	Total
Cost of sales per financial statements	\$ 356.0	\$ 15.3	\$ 28.9	\$ (289.0)	\$ 111.2
Less:					
Depletion, depreciation and amortization in cost of sales	(42.2)	(1.5)			
	313.8	13.8			
Adjustments to cost of sales:					
Cobalt by-product revenue - Moa JV and Cobalt Swap	(39.3)	-			
Fertilizer by-product revenue	(60.4)	-			
Other revenue	(31.6)	-			
Cobalt loss	0.3	-			
Realized loss on natural gas swaps	2.0	-			
Royalties/territorial contributions and other non-cash costs ⁽²⁾	(16.2)	-			
Changes in inventories and other adjustments ⁽³⁾	4.5	-			
Cost of sales for purposes of unit cost calculation	173.1	13.8			
Sales volume for the period	20.8	589			
Volume units	Millions of pounds	Gigawatt hours			
Unit operating cost ⁽⁴⁾⁽⁵⁾	\$ 8.32	\$ 23.27			
Unit operating cost (US\$ per pound) (NDCC) ⁽⁶⁾	\$ 5.95				

\$ millions, except unit cost and sales volume, for the nine months ended September 30

2024

	Metals	Power	Other ⁽¹⁾	Adjustment for Moa Joint Venture	Total
Cost of sales per financial statements	\$ 385.7	\$ 24.2	\$ 15.7	\$ (330.9)	\$ 94.7
Less:					
Depletion, depreciation and amortization in cost of sales	(42.4)	(1.5)			
	343.3	22.7			
Adjustments to cost of sales:					
Cobalt by-product revenue - Moa JV and Cobalt Swap	(35.4)	-			
Fertilizer by-product revenue	(58.3)	-			
Other revenue	(24.0)	-			
Royalties/territorial contributions and other non-cash costs ⁽²⁾	(18.7)	-			
Changes in inventories and other adjustments ⁽³⁾	0.9	-			
Cost of sales for purposes of unit cost calculation	207.8	22.7			
Sales volume for the period	25.0	645			
Volume units	Millions of pounds	Gigawatt hours			
Unit operating cost ⁽⁴⁾⁽⁵⁾	\$ 8.30	\$ 35.26			
Unit operating cost (US\$ per pound) (NDCC) ⁽⁶⁾	\$ 6.10				

(1) Other cost of sales is composed of the cost of sales of Oil and Gas, a non-core reportable segment, and cost of sales of the Corporate and Other reportable segment.

(2) Royalties and territorial contributions are included in cost of sales but are excluded from NDCC as these costs are not direct mine cash costs. Other non-cash costs consist of inventory write-downs and other costs that are included in cost of sales but are excluded from NDCC as the costs are non-cash.

(3) Changes in inventories and other adjustments is primarily composed of changes in inventories, the effect of average exchange rate changes and other items. These amounts are excluded from cost of sales but included in NDCC.

(4) Unit operating cost/NDCC may not calculate exactly based on amounts presented due to foreign exchange and rounding.

(5) Power, unit operating cost price per MWh.

(6) Unit operating costs in US\$ are converted at the average exchange rate for the period.

Management's discussion and analysis

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.

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 earnings/loss from continuing operations and net earnings/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:

			2025		2024
	\$ millions	\$/share	\$ millions	\$/share	
For the three months ended September 30					
Net (loss) earnings from continuing operations	\$ (19.5)	\$ (0.04)	1.8	\$ -	-
Adjusting items:					
Sherritt - Unrealized foreign exchange loss - continuing operations	0.9	-	0.3	-	-
Sherritt's share - Severance related to workforce reduction	3.6	0.01	-	-	-
Corporate and Other - Gain on repurchase of PIK Notes	-	-	(1.1)	-	-
Corporate and Other - Unrealized loss on nickel put options	-	-	2.6	0.01	0.01
Corporate and Other - Realized gain on nickel put options	-	-	(3.4)	(0.01)	(0.01)
Metals - Moa JV - Inventory write-down/obsolescence	2.2	-	-	-	-
Metals - Fort Site - Unrealized gain on natural gas swaps	(0.6)	-	-	-	-
Metals - Fort Site - Realized loss on natural gas swaps	2.4	0.01	-	-	-
Metals - Fort Site - Inventory write-down/obsolescence	0.2	-	-	-	-
Power - Gain on revaluation of GNC receivable	(5.1)	(0.01)	(15.5)	(0.04)	(0.04)
Power - Loss on revaluation of Energas payable	0.1	-	4.0	0.01	0.01
Oil and Gas - Net earnings from continuing operations, net of unrealized foreign exchange gain/loss	(0.6)	-	(1.1)	-	-
Total adjustments, before tax	\$ 3.1	\$ 0.01	\$ (14.2)	\$ (0.03)	
Tax adjustments	0.9	-	0.9	-	-
Adjusted net loss from continuing operations	\$ (15.5)	\$ (0.03)	\$ (11.5)	\$ (0.03)	

			2025		2024
		\$ millions	\$/share	\$ millions	\$/share
For the nine months ended September 30					
Net loss from continuing operations	\$	(49.7)	\$ (0.11)	\$ (50.6)	\$ (0.13)
Adjusting items:					
Sherritt - Unrealized foreign exchange loss - continuing operations		-	-	0.3	-
Sherritt's share - Severance related to restructuring and workforce reduction		3.6	0.01	3.5	0.01
Corporate and Other - Gain on Debt and Equity Transactions		(32.4)	(0.07)	-	-
Corporate and Other - Unrealized gain on nickel put options		-	-	(0.8)	-
Corporate and Other - Realized gain on nickel put options		-	-	(3.4)	(0.01)
Corporate and Other - Gain on repurchase of PIK Notes		-	-	(1.8)	-
Metals - Moa JV - Impairment of property, plant and equipment		-	-	0.5	-
Metals - Moa JV - Inventory write-down/obsolescence		2.7	0.01	2.5	-
Metals - Moa JV - Cobalt loss		0.3	-	-	-
Metals - Fort Site - Inventory write-down		0.2	-	0.9	-
Metals - Fort Site - Unrealized loss on natural gas swaps		1.2	-	-	-
Metals - Fort Site - Realized loss on natural gas swaps		2.0	-	-	-
Power - (Gain) loss on revaluation of GNC receivable		(13.3)	(0.03)	2.9	0.01
Power - Loss on revaluation of Energas payable		2.9	0.01	-	-
Oil and Gas - Net loss (earnings) from continuing operations, net of unrealized foreign exchange gain/loss		18.8	0.04	(0.7)	-
Total adjustments, before tax	\$	(14.0)	\$ (0.03)	\$ 3.9	\$ 0.01
Tax adjustments		0.4	-	0.6	-
Adjusted net loss from continuing operations	\$	(63.3)	\$ (0.14)	\$ (46.1)	\$ (0.12)

Combined 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 JV 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 JV'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 JV 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 JV's investments in non-current assets that are held for use in the production of nickel, cobalt, fertilizers 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 September 30					2025	Total
	Metals	Power	Other ⁽¹⁾	Combined total	Adjustment for Moa Joint Venture	derived from financial statements
Property, plant and equipment expenditures ⁽²⁾	\$ 8.7	\$ 0.2	\$ -	\$ 8.9	\$ (6.2)	\$ 2.7
Intangible asset expenditures ⁽²⁾	-	-	-	-	-	-
	8.7	0.2	-	8.9	\$ (6.2)	\$ 2.7
Adjustments:						
Accrual adjustment	5.7	-	-	5.7		
Spending on capital	\$ 14.4	\$ 0.2	\$ -	\$ 14.6		

Management's discussion and analysis

\$ millions, for the three months ended September 30

	Metals	Power	Other ⁽¹⁾	Combined total	Adjustment for Moa Joint Venture	Total derived from financial statements
Property, plant and equipment expenditures ⁽²⁾	\$ 10.6	\$ 0.3	\$ -	\$ 10.9	\$ (9.8)	\$ 1.1
Intangible asset expenditures ⁽²⁾	-	-	-	-	-	-
	10.6	0.3	-	10.9	\$ (9.8)	\$ 1.1
Adjustments:						
Accrual adjustment	0.6	(1.8)	(0.1)	(1.3)		
Spending on capital	\$ 11.2	\$ (1.5)	\$ (0.1)	\$ 9.6		

\$ millions, for the nine months ended September 30

	Metals	Power	Other ⁽¹⁾	Combined total	Adjustment for Moa Joint Venture	Total derived from financial statements
Property, plant and equipment expenditures ⁽²⁾	\$ 32.8	\$ 1.1	\$ 0.1	\$ 34.0	\$ (23.8)	\$ 10.2
Intangible asset expenditures ⁽²⁾	-	-	-	-	-	-
	32.8	1.1	0.1	34.0	\$ (23.8)	\$ 10.2
Adjustments:						
Accrual adjustment	11.8	-	-	11.8		
Spending on capital	\$ 44.6	\$ 1.1	\$ 0.1	\$ 45.8		

\$ millions, for the nine months ended September 30

	Metals	Power	Other ⁽¹⁾	Combined total	Adjustment for Moa Joint Venture	Total derived from financial statements
Property, plant and equipment expenditures ⁽²⁾	\$ 27.8	\$ 4.4	\$ -	\$ 32.2	\$ (25.8)	\$ 6.4
Intangible asset expenditures ⁽²⁾	-	-	0.2	0.2	-	0.2
	27.8	4.4	0.2	32.4	\$ (25.8)	\$ 6.6
Adjustments:						
Accrual adjustment	0.6	(1.8)	(0.2)	(1.4)		
Spending on capital	\$ 28.4	\$ 2.6	\$ -	\$ 31.0		

(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 condensed 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 used by continuing operations for operating activities to cash provided by continuing operations per the financial statements to combined free cash flow:

\$ millions, for the three months ended September 30							2025
	Metals ⁽¹⁾⁽²⁾	Power	Oil and Gas	Corporate and Other	Combined total	Adjustment for Moa Joint Venture	Total derived from financial statements
Cash (used) provided by continuing operations for operating activities	\$ (9.2)	\$ 4.2	\$ (2.8)	\$ (7.3)	\$ (15.1)	\$ 17.6	\$ 2.5
Less:							
Property, plant and equipment expenditures	(8.7)	(0.2)	-	-	(8.9)	6.2	(2.7)
Free cash flow	\$ (17.9)	\$ 4.0	\$ (2.8)	\$ (7.3)	\$ (24.0)	\$ 23.8	\$ (0.2)

\$ millions, for the three months ended September 30							2024
	Metals ⁽¹⁾⁽²⁾	Power	Oil and Gas	Corporate and Other	Combined total	Adjustment for Moa Joint Venture	Total derived from financial statements
Cash provided (used) by continuing operations for operating activities	\$ 34.8	\$ (8.6)	\$ (1.9)	\$ (3.2)	\$ 21.1	\$ (0.7)	\$ 20.4
Less:							
Property, plant and equipment expenditures	(10.6)	(0.3)	-	-	(10.9)	9.8	(1.1)
Free cash flow	\$ 24.2	\$ (8.9)	\$ (1.9)	\$ (3.2)	\$ 10.2	\$ 9.1	\$ 19.3

\$ millions, for the nine months ended September 30							2025
	Metals ⁽³⁾⁽⁴⁾	Power	Oil and Gas	Corporate and Other	Combined total	Adjustment for Moa Joint Venture	Total derived from financial statements
Cash provided (used) by continuing operations for operating activities	\$ 32.7	\$ 21.1	\$ (14.2)	\$ (33.4)	\$ 6.2	\$ 2.9	\$ 9.1
Less:							
Property, plant and equipment expenditures	(32.8)	(1.1)	(0.1)	-	(34.0)	23.8	(10.2)
Free cash flow	\$ (0.1)	\$ 20.0	\$ (14.3)	\$ (33.4)	\$ (27.8)	\$ 26.7	\$ (1.1)

Management's discussion and analysis

\$ millions, for the nine months ended September 30

2024

	Metals ⁽³⁾⁽⁴⁾	Power	Oil and Gas	Corporate and Other	Combined total	Adjustment for Moa Joint Venture	Total derived from financial statements
Cash provided (used) by continuing operations for operating activities	\$ 87.2	\$ (6.7)	\$ (20.7)	\$ (28.4)	\$ 31.4	\$ (35.8)	\$ (4.4)
Less:							
Property, plant and equipment expenditures	(27.8)	(4.4)	-	-	(32.2)	25.8	(6.4)
Intangible expenditures	-	-	(0.2)	-	(0.2)	-	(0.2)
Free cash flow	\$ 59.4	\$ (11.1)	\$ (20.9)	\$ (28.4)	\$ (1.0)	\$ (10.0)	\$ (11.0)

- (1) Cash provided by continuing operations for operating activities for the Moa JV, Fort Site and Metals Marketing was \$(17.6) million, \$10.5 million and \$(2.1) million, respectively, for the three months ended September 30, 2025 (September 30, 2024 - \$0.7 million, \$35.9 million and \$(1.8) million, respectively).
- (2) Property, plant and equipment expenditures and intangible expenditures for the Moa JV, Fort Site and Metals Marketing was \$6.2 million, \$2.5 million and nil, respectively, for the three months ended September 30, 2025 (September 30, 2024 - \$9.9 million, \$0.7 million and nil, respectively).
- (3) Cash provided by continuing operations for operating activities for the Moa JV, Fort Site and Metals Marketing was \$(2.9) million, \$28.1 million and \$7.5 million, respectively, for the nine months ended September 30, 2025 (September 30, 2024 - \$35.8 million, \$47.9 million and \$3.5 million, respectively).
- (4) Property, plant and equipment expenditures and intangible expenditures for the Moa JV, Fort Site and Metals Marketing was \$23.8 million, \$9.0 million and nil, respectively, for the nine months ended September 30, 2025 (September 30, 2024 - \$25.9 million, \$1.9 million and nil, respectively).

FORWARD-LOOKING STATEMENTS

This MD&A 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, including increasing MSP production; the Moa Joint Venture expansion program update as it relates to the Processing Plant; statements set out in the "Outlook" section of this MD&A; 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; significant liquidity improvement following completion of debt and equity transactions reducing outstanding debt and extending maturities; the availability of additional gas supplies and timing for addressing the current supply interruption of gas 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 savings from cost reduction measures and workforce reduction; sufficiency of working capital management and capital project funding; strengthening the Corporation's capital structure and amounts of certain other commitments.

Forward-looking statements are not based on historical facts, but rather on current expectations, assumptions and projections about future events, including commodity and product prices and demand; the level of liquidity and access to funding; share price volatility; production results; realized prices for production; earnings and revenues; global demand for EVs and the anticipated corresponding demand for cobalt and nickel; the commercialization of certain proprietary technologies and services; advancements in environmental and GHG reduction technology; GHG emissions reduction goals and the anticipated timing of achieving such goals, if at all; statistics and metrics relating to ESG matters which are based on assumptions or developing standards; environmental rehabilitation provisions; environmental risks and liabilities; compliance with applicable environmental laws and regulations; risks related to the U.S. government policy toward Cuba; and certain corporate objectives, goals and plans for 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 MD&A not to place undue reliance on any forward-looking statement as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements. These risks, uncertainties and other factors include, but are not limited to, security market fluctuations and price volatility; level of liquidity and the related ability of the Moa Joint Venture to pay dividends; access to capital; access to financing; the risk to Sherritt's entitlements to future distributions (including pursuant to the Cobalt Swap) from the Moa Joint Venture, the impact of global conflicts; changes in the global price for nickel, cobalt, fertilizers or certain other commodities; risks related to Sherritt's operations in Cuba; risks related to the U.S. government policy toward Cuba, including the U.S. embargo on Cuba and the Helms-Burton legislation; political, economic and other risks of foreign operations; uncertainty in the ability of the Corporation to enforce legal rights in foreign jurisdictions; uncertainty regarding the interpretation and/or application of the applicable laws in foreign jurisdictions; risk of future non-compliance with debt restrictions and 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; uncertainty of gas supply for electrical generation; reliance on key personnel and skilled workers; growth opportunity risks; uncertainty of resources and reserve estimates; the potential for shortages of equipment and supplies, including diesel; supplies quality issues; risks related to the Corporation's corporate structure; foreign exchange and pricing risks; credit risks; shortage of equipment and supplies; competition in product markets; future market access; interest rate changes; risks in obtaining insurance; uncertainties in labour relations; legal contingencies; risks related to the Corporation's accounting policies; uncertainty in the ability of the Corporation to obtain government permits; failure to comply with, or changes to, applicable government regulations; bribery and corruption risks, including failure to comply with the Corruption of Foreign Public Officials Act or applicable local anti-corruption law; the ability to accomplish corporate objectives, goals and plans for 2025; and the ability to meet other factors listed from time to time in the Corporation's continuous disclosure documents.

Management's discussion and analysis

The Corporation, together with its Moa Joint Venture is pursuing a range of growth and expansion opportunities, including without limitation, process technology solutions, development projects, commercial implementation opportunities, life of mine extension opportunities and the conversion of mineral resources to reserves. In addition to the risks noted above, factors that could, alone or in combination, prevent the Corporation from successfully achieving these opportunities may include, without limitation: identifying suitable commercialization and other partners; successfully advancing discussions and successfully concluding applicable agreements with external parties and/or partners; successfully attracting required financing; successfully developing and proving technology required for the potential opportunity; successfully overcoming technical and technological challenges; successful environmental assessment and stakeholder engagement; successfully obtaining intellectual property protection; successfully completing test work and engineering studies, prefeasibility and feasibility studies, piloting, scaling from small scale to large scale production, procurement, construction, commissioning, ramp-up to commercial scale production and completion; and securing regulatory and government approvals. There can be no assurance that any opportunity will be successful, commercially viable, completed on time or on budget, or will generate any meaningful revenues, savings or earnings, as the case may be, for the Corporation. In addition, the Corporation will incur costs in pursuing any particular opportunity, which may be significant. Readers are cautioned that the foregoing list of factors is not exhaustive and should be considered in conjunction with the risk factors described in the Corporation's other documents filed with the Canadian securities authorities, including without limitation the Annual Information Form of the Corporation dated March 24, 2025 for the period ending December 31, 2024, 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 MD&A 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 MD&A 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.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2025 and 2024 and as at September 30, 2025 and December 31, 2024

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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Condensed consolidated statements of comprehensive loss

Unaudited, Canadian \$ millions, except per share amounts	Note	For the three months ended		For the nine months ended	
		2025 September 30	2024 September 30	2025 September 30	2024 September 30
Revenue	6	\$ 39.7	\$ 32.9	\$ 121.8	\$ 113.1
Cost of sales	7	(28.1)	(25.4)	(111.2)	(94.7)
Administrative expenses	7	(8.5)	(8.0)	(28.6)	(29.7)
Share of loss of Moa Joint Venture, net of tax	8	(15.7)	(1.8)	(45.8)	(15.3)
Loss from operations and joint venture		(12.6)	(2.3)	(63.8)	(26.6)
Gain on Debt and Equity Transactions	5, 9	-	-	32.4	-
Interest income on financial assets measured at amortized cost	9	0.1	0.2	0.5	1.3
Other financing items	9	3.3	14.7	9.0	5.7
Financing expense	9	(8.9)	(10.2)	(25.8)	(29.7)
Net finance (expense) income		(5.5)	4.7	16.1	(22.7)
(Loss) earnings before income tax		(18.1)	2.4	(47.7)	(49.3)
Income tax expense		(1.4)	(0.6)	(2.0)	(1.3)
Net (loss) earnings from continuing operations		(19.5)	1.8	(49.7)	(50.6)
Earnings (loss) from discontinued operations, net of tax		-	0.3	(0.2)	0.7
Net (loss) earnings for the period		\$ (19.5)	\$ 2.1	\$ (49.9)	\$ (49.9)

Other comprehensive income (loss)

Items that may be subsequently reclassified to profit or loss:

Foreign currency translation differences on foreign operations, net of tax	10.7	(9.9)	(26.0)	12.8
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Items that will not be subsequently reclassified to profit or loss:

Actuarial losses on pension plans, net of tax	0.1	0.3	-	0.1
Other comprehensive income (loss)	10.8	(9.6)	(26.0)	12.9
Total comprehensive loss	\$ (8.7)	\$ (7.5)	\$ (75.9)	\$ (37.0)

Net loss from continuing operations per common share:

Basic and diluted	10	\$ (0.04)	\$ -	\$ (0.11)	\$ (0.13)
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Net (loss) earnings per common share:

Basic and diluted	10	\$ (0.04)	\$ 0.01	\$ (0.11)	\$ (0.13)
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The accompanying notes are an integral part of these condensed consolidated financial statements.

Condensed consolidated statements of financial position

Unaudited, Canadian \$ millions, as at	Note	2025 September 30	2024 December 31
ASSETS			
Current assets			
Cash and cash equivalents	11	\$ 120.2	\$ 145.7
Restricted cash		0.3	1.4
Advances, loans receivable and other financial assets	12	6.3	33.6
Trade accounts receivable, net	11	72.3	151.4
Inventories		49.4	43.3
Prepaid expenses		13.9	9.4
		262.4	384.8
Non-current assets			
Investment in Moa Joint Venture	8	585.3	665.4
Advances, loans receivable and other financial assets	12	210.8	171.6
Property, plant and equipment		151.7	152.1
Intangible assets		6.6	7.1
Other non-financial assets		0.8	0.7
Deferred income taxes		1.1	1.1
		956.3	998.0
Total assets		\$ 1,218.7	\$ 1,382.8
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Loans and borrowings	13	\$ 67.3	\$ 67.2
Trade accounts payable and accrued liabilities		137.5	172.5
Other financial liabilities	13	5.3	34.9
Deferred revenue		23.0	11.9
Provisions		3.3	4.8
Income taxes payable		1.5	1.7
		237.9	293.0
Non-current liabilities			
Loans and borrowings	5, 13	248.9	305.3
Other financial liabilities	13	80.4	72.3
Other non-financial liabilities		6.1	9.2
Provisions		108.9	104.7
Deferred income taxes		0.9	0.9
		445.2	492.4
Total liabilities		683.1	785.4
Shareholders' equity			
Capital stock	5, 16	2,908.8	2,894.9
Deficit		(3,022.3)	(2,972.4)
Reserves		235.1	234.9
Accumulated other comprehensive income		414.0	440.0
		535.6	597.4
Total liabilities and shareholders' equity		\$ 1,218.7	\$ 1,382.8
Commitments for expenditures (note 14)			

The accompanying notes are an integral part of these condensed consolidated financial statements.

Condensed consolidated statements of cash flow

Unaudited, Canadian \$ millions	Note	For the three months ended		For the nine months ended	
		2025 September 30	2024 September 30	2025 September 30	2024 September 30
Operating activities					
Net (loss) earnings from continuing operations		\$ (19.5)	\$ 1.8	\$ (49.7)	\$ (50.6)
Add (deduct) non-cash items:					
Finished cobalt cost of sales	7	-	-	4.7	0.8
Depletion, depreciation and amortization	6, 7	3.2	3.3	10.0	10.3
Share-based compensation expense (recovery)	7	0.5	(1.2)	1.5	0.2
Share of loss of Moa Joint Venture, net of tax	8	15.7	1.8	45.8	15.3
Inventory write-down/obsolescence	7	0.2	-	0.2	0.9
Net finance expense (income)	9	5.5	(4.7)	(16.1)	22.7
Income tax expense		1.4	0.6	2.0	1.3
(Gain) loss on environmental rehabilitation provisions	7	-	(1.8)	13.3	1.3
Net change in non-cash working capital	15	(0.4)	24.6	21.9	31.4
Interest received		0.2	0.8	1.0	3.9
Interest paid		(1.4)	(1.7)	(13.1)	(14.4)
Income taxes paid		-	(0.8)	(2.1)	(3.2)
Proceeds from Cobalt Swap	6	-	-	6.2	1.1
Share-based compensation payments		(0.1)	(0.3)	(1.4)	(2.7)
Liabilities settled for environmental rehabilitation provisions		-	(5.4)	(12.1)	(23.6)
Net payments on natural gas swaps	11	(2.4)	-	(2.0)	-
Net proceeds from nickel put options		-	3.4	-	1.2
Other operating items		(0.4)	-	(1.0)	(0.3)
Cash provided (used) by continuing operations		2.5	20.4	9.1	(4.4)
Cash used by discontinued operations		(0.1)	(0.1)	(0.2)	(0.2)
Cash provided (used) by operating activities		2.4	20.3	8.9	(4.6)
Investing activities					
Property, plant and equipment expenditures	6	(2.7)	(1.1)	(10.2)	(6.4)
Intangible asset expenditures	6	-	-	-	(0.2)
Receipts of advances, loans receivable and other financial assets		0.2	0.2	0.8	30.8
Decrease in restricted cash		-	-	1.1	-
Cash (used) provided by continuing operations		(2.5)	(0.9)	(8.3)	24.2
Cash (used) provided by investing activities		(2.5)	(0.9)	(8.3)	24.2
Financing activities					
Fees paid on Debt and Equity Transactions	5	(3.0)	-	(15.9)	-
Repurchase of notes	13	-	(1.1)	-	(1.9)
Repayment of other financial liabilities		(0.5)	(0.5)	(6.5)	(1.4)
Increase in loans and borrowings	13	-	-	-	11.0
Cash (used) provided by continuing operations		(3.5)	(1.6)	(22.4)	7.7
Cash (used) provided by financing activities		(3.5)	(1.6)	(22.4)	7.7
Effect of exchange rate changes on cash and cash equivalents		2.2	(1.5)	(3.7)	2.2
(Decrease) increase in cash and cash equivalents		(1.4)	16.3	(25.5)	29.5
Cash and cash equivalents at beginning of the period		121.6	132.3	145.7	119.1
Cash and cash equivalents at end of the period		\$ 120.2	\$ 148.6	\$ 120.2	\$ 148.6

The accompanying notes are an integral part of these condensed consolidated financial statements.

Condensed consolidated statements of changes in shareholders' equity

Unaudited, Canadian \$ millions

	Note	Capital stock	Deficit	Reserves	Accumulated other comprehensive income	Total
Balance as at December 31, 2023		\$ 2,894.9	\$ (2,899.6)	\$ 234.1	\$ 384.2	\$ 613.6
Total comprehensive loss:						
Net loss for the period		-	(49.9)	-	-	(49.9)
Foreign currency translation differences on foreign operations, net of tax		-	-	-	12.8	12.8
Actuarial gains on pension plans, net of tax		-	-	-	0.1	0.1
		-	(49.9)	-	12.9	(37.0)
Stock option plan expense		-	-	0.6	-	0.6
Balance as at September 30, 2024		\$ 2,894.9	\$ (2,949.5)	\$ 234.7	\$ 397.1	\$ 577.2
Total comprehensive income:						
Net loss for the period		-	(22.9)	-	-	(22.9)
Foreign currency translation differences on foreign operations, net of tax		-	-	-	43.2	43.2
Actuarial losses on pension plans, net of tax		-	-	-	(0.3)	(0.3)
		-	(22.9)	-	42.9	20.0
Stock option plan expense		-	-	0.2	-	0.2
Balance as at December 31, 2024		\$ 2,894.9	\$ (2,972.4)	\$ 234.9	\$ 440.0	\$ 597.4
Total comprehensive loss:						
Net loss for the period		-	(49.9)	-	-	(49.9)
Foreign currency translation differences on foreign operations, net of tax		-	-	-	(26.0)	(26.0)
		-	(49.9)	-	(26.0)	(75.9)
Stock option plan expense		-	-	0.2	-	0.2
Issuance of common shares	5, 16	13.9	-	-	-	13.9
Balance as at September 30, 2025		\$ 2,908.8	\$ (3,022.3)	\$ 235.1	\$ 414.0	\$ 535.6

The accompanying notes are an integral part of these condensed consolidated financial statements.

Notes to the condensed consolidated financial statements

(All dollar amounts presented in tables are expressed in millions of Canadian dollars except share and per share amounts)

1. NATURE OF OPERATIONS AND CORPORATE INFORMATION

Sherritt International Corporation ("Sherritt" or "the Corporation") is a world leader in using hydrometallurgical processes to mine and refine nickel and cobalt – metals deemed critical for the energy transition. Leveraging its technical expertise and decades of experience in critical minerals processing, Sherritt is committed to expanding domestic refining capacity and reducing reliance on foreign sources. The Corporation operates a strategically important refinery in Alberta, Canada, recognized as the only significant cobalt refinery and one of just three nickel refineries in North America. Sherritt's Moa Joint Venture has an estimated mine life of approximately 25 years and has recently completed an expansion that is set to increase its annual mixed sulphate precipitate production by 20% of contained nickel and cobalt. The Corporation's Power division, through its ownership in Energas S.A. ("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.

The Corporation is domiciled in Ontario, Canada and its registered office is 22 Adelaide Street West, Toronto, Ontario, M5H 4E3. These condensed consolidated financial statements were approved and authorized for issuance by the Board of Directors of Sherritt on November 5, 2025. The Corporation is listed on the Toronto Stock Exchange under the symbol "S".

2. BASIS OF PRESENTATION

The condensed consolidated financial statements of the Corporation are prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and footnote disclosures normally included in the annual financial statements prepared in accordance with IFRS® Accounting Standards, as issued by the IASB, have been omitted or condensed. These condensed consolidated financial statements include the financial results of the Corporation's interest in its subsidiaries and joint arrangements. All financial information is presented in Canadian dollars rounded to the nearest hundred thousand, except as otherwise noted. References to "US\$" are to United States dollars and to "€" are to euro.

The condensed consolidated financial statements are prepared on a going concern basis, under the historical cost convention, except for certain financial assets and liabilities and cash-settled share-based payments, which have been measured at fair value. The going concern basis assumes that the Corporation will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES, CRITICAL ACCOUNTING ESTIMATES AND CRITICAL ACCOUNTING JUDGMENTS

These condensed consolidated financial statements have been prepared using the same accounting policies, methods of computation, critical accounting estimates and critical accounting judgments as the annual consolidated financial statements of the Corporation for the year ended December 31, 2024, except for the adoption of the Amendments to IAS 21 noted in note 4 below and the new accounting policies for financial instruments noted below.

The condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2024.

Material accounting policies for financial instruments

Modifications of financial instruments

An exchange of a financial instrument with substantially different terms is accounted for as an extinguishment of the original financial instrument and the recognition of a new financial instrument. The terms are substantially different if, based on quantitative factors, the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial instrument and/or based on qualitative factors, the terms are substantially different. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the instrument and are amortized over the remaining term of the modified instrument.

When the Corporation modifies a financial instrument and that modification results in derecognition, the Corporation derecognizes the original financial instrument and recognizes a new financial instrument. The difference between the carrying amount of the financial instrument extinguished and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized as a gain or loss in net earnings/loss within net finance expense.

When the Corporation modifies a financial instrument and that modification does not result in derecognition, the Corporation revises the gross carrying value of the financial instrument, discounted using the original effective interest rate, and recognizes a modification gain or loss in net earnings/loss within net finance expense.

Extinguishment of financial liabilities with equity instruments

The Corporation measures equity instruments issued to creditors to extinguish financial liabilities at the fair value of the equity instruments issued. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished, and the consideration paid being the fair value of the equity instruments issued, is recognized as a gain/loss on extinguishment of financial liabilities in net earnings/loss within net finance expense. The value of the equity instruments issued is allocated between the extinguished portion of the financial liability and the modified portion of the financial liability to determine the value of the equity instruments included in the gain/loss on extinguishment of financial liabilities and to determine the portion included in the substantial modification test.

4. ACCOUNTING PRONOUNCEMENTS

Adoption of new and amended accounting pronouncements

Lack of Exchangeability (Amendments to IAS 21)

In August 2023, the IASB finalised issuance of Lack of Exchangeability, which made amendments to IAS 21, "The Effects of Changes in Foreign Exchange Rates". The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determine the exchange rate to use and the disclosures to provide.

The amendments are effective for annual periods beginning on or after January 1, 2025. Effective January 1, 2025, the Corporation adopted these amendments. The application of these amendments did not have a material impact on the Corporation's condensed consolidated financial statements. Refer to notes 11 and 17 for further details on the lack of exchangeability of the Cuban peso. Additional disclosures related to the lack of exchangeability of the Cuban peso will be provided in the Corporation's annual consolidated financial statements.

International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12)

In June 2024, the Government of Canada enacted the Global Minimum Tax Act ("GMTA") that was developed within the framework of the Organization for Economic Co-operation and Development ("OECD")'s Pillar Two Model rules. The GMTA includes the introduction of a 15% global minimum tax that applies to large multinational enterprise groups with global consolidated revenues over €750 million. However, this legislation does not currently apply to the Corporation as its consolidated revenue is lower than €750 million.

Notes to the condensed consolidated financial statements

On November 28, 2024, the Government of The Bahamas enacted the Domestic Minimum Top-Up Tax Act, 2024 ("the Act"), which seeks to impose a Domestic Minimum Top-Up Tax ("DMTT") and would result in an effective tax rate of 15% on the profits of multinational entities ("MNE") operating in The Bahamas with revenues of at least €750 million in two of the last four years. The Act became effective January 1, 2024 and applies to fiscal years of an MNE group that begin after December 31, 2023 where any Constituent Entities in the Bahamas would be subject to the Income Inclusion Rule ("IIR") or the Undertaxed Profits Rules ("UTPR") in another jurisdiction. For all other MNE groups, the Constituent Entity would be subject to a DMTT for fiscal years beginning January 1, 2025. The Corporation did not meet the revenue threshold of at least €750 million in any two years of the four years prior to January 1, 2024 and therefore is not in scope of the DMTT for the period ended September 30, 2025.

On May 15, 2024, the Government of Barbados enacted the Corporation Top-up Tax Act, 2024 for fiscal years commencing on or after January 1, 2024, and every subsequent fiscal year, which will result in a DMTT of 15% being levied on Qualifying Multinational Enterprises with annual revenue surpassing €750 million. Based on the currently applicable revenue thresholds, the Corporation was not in scope of the rules for the period ended September 30, 2025.

Accounting pronouncements issued but not yet effective

The Corporation has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Presentation and Disclosure in Financial Statements ("IFRS 18")

In April 2024, the IASB finalised issuance of Presentation and Disclosure in Financial Statements, which will replace IAS 1, "Presentation of Financial Statements". The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses and provide disclosures on management-defined performance measures in the notes to the financial statements.

The standard is effective for annual periods beginning on or after January 1, 2027. The Corporation is currently evaluating the impact of this standard on its condensed consolidated financial statements.

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

In May 2024, amendments to the Classification and Measurement of Financial Instruments were issued related to the classification and measurement requirements in IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures".

The amendments specify:

- (i) when a financial liability settled using an electronic payment system can be deemed to be discharged before the settlement date;
- (ii) how to assess the contractual cash flow characteristics of financial assets with contingent features when the nature of the contingent event does not relate directly to changes in basic lending risks and costs; and
- (iii) new or amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

The amendments are effective for annual periods beginning on or after January 1, 2026. The application of this amendment is not expected to have a material impact on the Corporation's condensed consolidated financial statements.

5. DEBT AND EQUITY TRANSACTIONS

In March 2025, the Corporation announced a transaction to be implemented pursuant to a plan of arrangement (the "CBCA Plan") under the Canada Business Corporations Act (the "CBCA") that proposed exchanging the Corporation's existing notes obligations, comprised of the 8.50% second lien secured notes due 2026 ("Second Lien Notes") and 10.75% unsecured PIK option notes due 2029 ("PIK Notes"), for amended 9.25% senior second lien secured notes due November 30, 2031 (the "Amended Senior Secured Notes") and certain early consent consideration. The Corporation also announced a subsequent exchange transaction (the "Subsequent Exchange Transaction") with certain holders of Second Lien Notes (the "Subsequent Exchange Noteholders") involving the exchange of a portion of the Amended Senior Secured Notes for up to 99 million common shares of the Corporation to be issued from treasury and commitments for subsequent scheduled repurchases of Amended Senior Secured Notes totaling \$45.0 million of such notes from 2025 to 2028. These transactions were determined to be linked transactions for accounting purposes and collectively comprise the Corporation's Debt and Equity Transactions.

In April 2025, the CBCA Plan received approval by noteholders and by the Ontario Superior Court of Justice and the Debt and Equity Transactions were completed.

As a result of the modification of the Second Lien Notes and PIK Notes and Subsequent Exchange Transaction being linked transactions for accounting purposes, a portion of the equity instruments issued was included in the Second Lien Notes substantial modification test. The Corporation concluded that the Second Lien Notes and PIK Notes were substantially modified, resulting in their extinguishment.

During the nine months ended September 30, 2025, all of the outstanding Second Lien Notes in the principal amount of \$221.3 million (amortized cost of \$240.0 million including the premium payable at maturity) and all of the outstanding PIK Notes in the principal amount of \$70.3 million (amortized cost of \$69.4 million) were exchanged and extinguished and the Corporation recognized Amended Senior Secured Notes at their initial fair value and principal amount of \$266.1 million. The Amended Senior Secured Notes are subsequently measured at amortized cost. In addition, accrued interest on the Second Lien Notes of \$8.7 million was paid, accrued interest on the PIK Notes of \$1.8 million was extinguished and no mandatory redemptions were required to be made as the Second Lien Notes were extinguished prior to the mandatory redemption date on April 30, 2025.

Holders of the PIK Notes that had voted in favour of the CBCA Plan by the early consent deadline received additional Amended Senior Secured Notes in a principal amount equal to 5% of the outstanding principal amount of PIK Notes, which is included in the \$266.1 million above. In addition, holders of Second Lien Notes that had voted in favour of the CBCA Plan by the early consent deadline received early cash consent consideration of \$6.5 million.

Following the implementation of the CBCA Plan, pursuant to the Subsequent Exchange Transaction, \$17.1 million of Amended Senior Secured Notes held by the Subsequent Exchange Noteholders were exchanged and extinguished for 99 million common shares of the Corporation issued from treasury with a fair value of \$13.9 million (note 16).

In aggregate, the Debt and Equity Transactions reduced the Corporation's outstanding debt by a principal amount of \$42.6 million, eliminated the \$25.0 million premium payable at maturity of the Second Lien Notes and resulted in the extension of the maturities of the Corporation's notes obligations to November 2031.

During the nine months ended September 30, 2025, transaction costs of \$15.9 million were incurred and are netted within the \$32.4 million Gain on Debt and Equity Transactions within net finance expense. Transaction costs are composed of early cash consent consideration of \$6.5 million and legal, financial and other advisory costs of \$9.4 million. Of the \$15.9 million of transaction costs incurred, \$3.0 million and \$15.9 million were paid in the three and nine months ended September 30, 2025, respectively, and are presented within fees paid on Debt and Equity Transactions in the condensed consolidated statements of cash flows. As at September 30, 2025, nil transaction costs were payable. Refer to note 9 for a reconciliation of the Gain on Debt and Equity Transactions recognized during the nine months ended September 30, 2025.

Notes to the condensed consolidated financial statements

6. SEGMENTED INFORMATION

Canadian \$ millions, for the three months ended September 30

							2025
	Metals ⁽¹⁾	Power	Oil and Gas	Corporate and Other	Adjustments for Moa JV ⁽¹⁾	Total	
Revenue	\$ 94.1	\$ 13.9	\$ 5.2	\$ 0.4	\$ (73.9)	\$ 39.7	
Cost of sales	(106.8)	(3.4)	(4.6)	(0.4)	87.1	(28.1)	
Administrative expenses	(1.7)	(1.9)	(0.1)	(6.2)	1.4	(8.5)	
Share of loss of Moa Joint Venture, net of tax	-	-	-	-	(15.7)	(15.7)	
(Loss) earnings from operations and joint venture	(14.4)	8.6	0.5	(6.2)	(1.1)	(12.6)	
Interest income on financial assets measured at amortized cost						0.1	
Other financing items						3.3	
Financing expense						(8.9)	
Net finance expense						(5.5)	
Loss before income tax						(18.1)	
Income tax expense						(1.4)	
Net loss from continuing operations						(19.5)	
Net loss for the period						\$ (19.5)	

Supplementary information

Depletion, depreciation and amortization	\$ 12.9	\$ 0.5	\$ 0.1	\$ 0.2	\$ (10.5)	\$ 3.2
Property, plant and equipment expenditures	8.7	0.2	-	-	(6.2)	2.7

Canadian \$ millions, as at September 30

Non-current assets ⁽²⁾	\$ 647.0	\$ 17.5	\$ 0.4	\$ 4.5	\$ (511.1)	\$ 158.3
Total assets	990.8	376.3	9.8	19.1	(177.3)	1,218.7

Canadian \$ millions, for the three months ended September 30

							2024
	Metals ⁽¹⁾	Power	Oil and Gas	Corporate and Other	Adjustments for Moa JV ⁽¹⁾	Total	
Revenue	\$ 112.6	\$ 12.9	\$ 3.4	\$ 0.9	\$ (96.9)	\$ 32.9	
Cost of sales	(110.1)	(10.9)	(2.3)	(0.5)	98.4	(25.4)	
Administrative expenses	(1.7)	(1.6)	-	(6.1)	1.4	(8.0)	
Share of loss of Moa Joint Venture, net of tax	-	-	-	-	(1.8)	(1.8)	
Earnings (loss) from operations and joint venture	0.8	0.4	1.1	(5.7)	1.1	(2.3)	
Interest income on financial assets measured at amortized cost						0.2	
Other financing items						14.7	
Financing expense						(10.2)	
Net finance income						4.7	
Earnings before income tax						2.4	
Income tax expense						(0.6)	
Net earnings from continuing operations						1.8	
Earnings from discontinued operations, net of tax						0.3	
Net earnings for the period						\$ 2.1	

Supplementary information

Depletion, depreciation and amortization	\$ 14.1	\$ 0.7	\$ -	\$ 0.2	\$ (11.7)	\$ 3.3
Property, plant and equipment expenditures	10.6	0.3	-	-	(9.8)	1.1

Canadian \$ millions, as at December 31

Non-current assets ⁽²⁾	\$ 658.0	\$ 18.8	\$ 0.5	\$ 5.1	\$ (523.2)	\$ 159.2
Total assets	1,097.0	375.8	10.2	37.4	(137.6)	1,382.8

Canadian \$ millions, for the nine months ended September 30

							2025
	Metals ⁽¹⁾	Power	Oil and Gas	Corporate and Other	Adjustments for Moa JV ⁽¹⁾	Total	
Revenue	\$ 332.5	\$ 35.9	\$ 9.1	\$ 1.3	\$ (257.0)	\$ 121.8	
Cost of sales	(356.0)	(15.3)	(27.5)	(1.4)	289.0	(111.2)	
Cobalt loss	(0.3)	-	-	-	0.3	-	
Administrative expenses	(6.6)	(5.0)	(0.1)	(21.2)	4.3	(28.6)	
Share of loss of Moa Joint Venture, net of tax	-	-	-	-	(45.8)	(45.8)	
(Loss) earnings from operations and joint venture	(30.4)	15.6	(18.5)	(21.3)	(9.2)	(63.8)	
Gain on Debt and Equity Transactions						32.4	
Interest income on financial assets measured at amortized cost						0.5	
Other financing items						9.0	
Financing expense						(25.8)	
Net finance income						16.1	
Loss before income tax						(47.7)	
Income tax expense						(2.0)	
Net loss from continuing operations						(49.7)	
Loss from discontinued operations, net of tax						(0.2)	
Net loss for the period						\$ (49.9)	

Supplementary information

Depletion, depreciation and amortization	\$ 42.2	\$ 1.9	\$ 0.1	\$ 0.6	\$ (34.8)	\$ 10.0
Property, plant and equipment expenditures	32.8	1.1	0.1	-	(23.8)	10.2

Canadian \$ millions, as at September 30

							2025
	Non-current assets ⁽²⁾	\$ 647.0	\$ 17.5	\$ 0.4	\$ 4.5	\$ (511.1)	\$ 158.3
Total assets	990.8	376.3	9.8	19.1	-	(177.3)	1,218.7

Canadian \$ millions, for the nine months ended September 30

	Metals ⁽¹⁾	Power	Oil and Gas	Corporate and Other	Adjustments for Moa JV ⁽¹⁾	Total
Revenue	\$ 378.3	\$ 36.7	\$ 14.7	\$ 2.3	\$ (318.9)	\$ 113.1
Cost of sales	(385.7)	(24.2)	(14.2)	(1.5)	330.9	(94.7)
Impairment of property, plant and equipment	(0.5)	-	-	-	0.5	-
Administrative expenses	(9.6)	(3.8)	-	(20.4)	4.1	(29.7)
Share of loss of Moa Joint Venture, net of tax	-	-	-	-	(15.3)	(15.3)
(Loss) earnings from operations and joint venture	(17.5)	8.7	0.5	(19.6)	1.3	(26.6)
Interest income on financial assets measured at amortized cost						1.3
Other financing items						5.7
Financing expense						(29.7)
Net finance expense						(22.7)
Loss before income tax						(49.3)
Income tax expense						(1.3)
Net loss from continuing operations						(50.6)
Earnings from discontinued operations, net of tax						0.7
Net loss for the period						\$ (49.9)

Supplementary information

Depletion, depreciation and amortization	\$ 42.4	\$ 1.8	\$ 0.1	\$ 0.7	\$ (34.7)	\$ 10.3
Property, plant and equipment expenditures	27.8	4.4	-	-	(25.8)	6.4
Intangible asset expenditures	-	-	0.2	-	-	0.2

Canadian \$ millions, as at December 31

	Non-current assets ⁽²⁾	\$ 658.0	\$ 18.8	\$ 0.5	\$ 5.1	\$ (523.2)	\$ 159.2
Total assets	1,097.0	375.8	10.2	37.4	-	(137.6)	1,382.8

(1) Included in the Metals reportable segment is the financial performance and certain items of financial position and cash flows on a line-by-line item basis of the Corporation's 50% interest in the Moa JV, its 100% interest in the utility and fertilizer operations in Fort Saskatchewan and its 100% interest in subsidiaries which buy, market and sell certain of the Moa JV's nickel and cobalt production and the Corporation's cobalt inventories received under the Cobalt Swap. The Adjustments for Moa JV reflect the adjustments required in order to reconcile to the Corporation's condensed consolidated statements of comprehensive loss, condensed consolidated statements of financial position and condensed consolidated statements of cash flow, wherein the financial performance, financial position and cash flows of the Moa JV are included in one line item in the share of loss of Moa Joint Venture, net of tax, investment in Moa Joint Venture and distributions received from Moa Joint Venture, respectively, due to the equity method of accounting.

Notes to the condensed consolidated financial statements

(2) Non-current assets are composed of property, plant and equipment and intangible assets and exclude the non-current assets of the Moa JV, an equity-accounted investment, which are included in the investment in Moa Joint Venture.

Disaggregation of revenue by product and service type

Revenue in the below table excludes revenue recognized by the Moa JV, which is excluded from consolidated revenue and included within the Corporation's share of loss of Moa Joint Venture, net of tax, at the Corporation's 50% interest due to the equity method of accounting. Refer to the Moa JV's statements of comprehensive loss in note 8 for revenue recognized by the Moa JV on a 100% basis.

Canadian \$ millions	For the three months ended		For the nine months ended	
	2025	2024	2025	2024
	September 30	September 30	September 30	September 30
	Total	Total	Total	Total
	revenue	revenue	revenue	revenue
Cobalt	\$ -	\$ -	\$ 4.7	\$ 0.9
Fertilizer ⁽¹⁾	\$ 9.6	\$ 8.6	\$ 43.5	\$ 38.8
Power generation ⁽²⁾	\$ 12.7	\$ 11.9	\$ 31.2	\$ 33.3
Sulphuric acid	\$ 9.3	\$ 5.8	\$ 23.3	\$ 15.8
Oil and gas service revenue	\$ 5.2	\$ 3.3	\$ 9.1	\$ 14.6
Other	\$ 2.9	\$ 3.3	\$ 10.0	\$ 9.7
	\$ 39.7	\$ 32.9	\$ 121.8	\$ 113.1

(1) Due to the seasonal nature of the fertilizer operations in Fort Saskatchewan, higher fertilizer revenue is expected in the second and fourth quarters of the year. For the year ended December 31, 2024, 40% of fertilizer revenue was recognized in the second quarter, 38% was recognized in the fourth quarter and the remaining 22% was recognized in the first and third quarters combined.

(2) Included in power generation revenue for the three and nine months ended September 30, 2025 is \$9.9 million and \$27.0 million, respectively, of revenue from service concession arrangements (\$8.8 million and \$25.1 million for the three and nine months ended September 30, 2024, respectively).

Cobalt revenue

Cobalt revenue relates to cobalt sold by the Corporation to customers from the cobalt volumes received through distributions from the Moa JV pursuant to the Cobalt Swap. \$4.7 million of revenue was recognized during the nine months ended September 30, 2025 following the sale of all of the finished cobalt inventories of \$5.0 million as at December 31, 2024. The Corporation received nil and \$6.2 million of cash during the three and nine months ended September 30, 2025, respectively, from cobalt sales pursuant to the Cobalt Swap (nil and \$1.1 million during the three and nine months ended September 30, 2024, respectively). Refer to note 12 of the Corporation's annual consolidated financial statements for the year ended December 31, 2024 for further details on the Cobalt Swap.

Changes in reportable segments

In the comparative period, the Corporation revised the presentation of its segmented information commencing with the three months ended March 31, 2024 as a result of a change in the information reviewed by the chief operating decision maker ("CODM"). Following the Corporation's restructuring during the comparative period, the former Corporate reportable segment and Technologies reportable segment were combined into a single Corporate and Other reportable segment reviewed by the CODM, which includes the Corporation's management of its joint operations and subsidiaries and general corporate activities related to public companies, including business and market development, and growth and external technical services activities, as well as management of cash, publicly-traded debt and government relations.

7. EXPENSES

Cost of sales includes the following:

Canadian \$ millions	For the three months ended		For the nine months ended	
	2025	2024	2025	2024
	September 30	September 30	September 30	September 30
Employee costs	\$ 13.4	\$ 12.7	\$ 42.1	\$ 41.2
Severance	1.8	0.5	2.0	1.3
Depletion, depreciation and amortization of property, plant and equipment and intangible assets	2.8	2.9	9.1	9.3
Raw materials and consumables	11.1	6.6	38.1	25.8
Finished cobalt ⁽¹⁾	-	-	4.7	0.8
Repairs and maintenance	10.4	15.5	31.9	43.7
Shipping and treatment costs	0.6	0.8	2.6	2.6
Inventory write-down/obsolescence	0.2	-	0.2	0.9
(Gain) loss on environmental rehabilitation provisions	-	(1.8)	13.3	1.3
Share-based compensation expense (recovery)	0.2	(0.2)	0.3	(0.1)
Changes in inventories and other	(12.4)	(11.6)	(33.1)	(32.1)
	\$ 28.1	\$ 25.4	\$ 111.2	\$ 94.7

(1) Finished cobalt relates to the cost of finished cobalt distributed to the Corporation pursuant to the Cobalt Swap and sold to customers. The value is based on an in-kind value of cobalt, calculated as a cobalt reference price from the month preceding distribution, modified mutually between the Corporation and General Nickel Company ("GNC") in consideration of selling costs incurred by the Corporation. Refer to note 12 of the Corporation's annual consolidated financial statements for the year ended December 31, 2024 for further details on the Cobalt Swap.

Loss on environmental rehabilitation provisions

During the nine months ended September 30, 2025, the Corporation recognized a \$13.3 million loss on environmental rehabilitation provisions primarily due to a change in estimate for the Corporation's legacy Spanish Oil and Gas operations recognized during the nine months ended September 30, 2025. The change in estimate primarily relates to an increase in estimated rehabilitation costs for decommissioning work in 2025.

Administrative expenses include the following:

Canadian \$ millions	For the three months ended		For the nine months ended	
	2025	2024	2025	2024
	September 30	September 30	September 30	September 30
Employee costs	\$ 4.7	\$ 6.9	\$ 16.0	\$ 21.8
Severance	0.9	0.4	1.0	2.2
Depreciation	0.4	0.4	0.9	1.0
Share-based compensation expense (recovery)	0.3	(1.0)	1.2	0.3
Consulting services and audit fees	2.2	0.7	8.7	2.7
Other	-	0.6	0.8	1.7
	\$ 8.5	\$ 8.0	\$ 28.6	\$ 29.7

Severance

During the three and nine months ended September 30, 2025, severance expense recognized within cost of sales and administrative expenses primarily relates to the Corporation's 10% workforce reduction across its Canadian operations completed during the three months ended September 30, 2025. During the nine months ended September 30, 2024, severance expense recognized within cost of sales and administrative expenses primarily relates to the Corporation's restructuring completed during the three months ended March 31, 2024 and its workforce reduction completed during the three months ended June 30, 2024.

Notes to the condensed consolidated financial statements

8. JOINT ARRANGEMENTS

Investment in Moa Joint Venture

During the three and nine months ended September 30, 2025 and September 30, 2024, the Moa Joint Venture distributed nil tonnes of finished cobalt and nil cash distributions to the Corporation pursuant to the Cobalt Swap.

The following provides additional information relating to the Corporation's investment in the Moa Joint Venture on a 100% basis.

Statements of financial position

	2025 September 30	2024 December 31
Canadian \$ millions, 100% basis, as at		
Assets		
Cash and cash equivalents	\$ 9.9	\$ 11.3
Income taxes receivable	6.7	7.0
Other current assets ⁽¹⁾	17.0	40.9
Trade accounts receivable, net	38.4	90.3
Inventories	409.4	382.3
Other non-current assets	12.0	17.9
Property, plant and equipment	1,108.2	1,136.6
Deferred income taxes	10.0	10.3
Total assets	1,611.6	1,696.6
Liabilities		
Trade accounts payable and accrued liabilities	118.0	111.9
Income taxes payable	1.6	1.0
Other current financial liabilities	0.3	0.2
Deferred revenue	14.5	21.0
Loans and borrowings ⁽²⁾	115.7	40.5
Environmental rehabilitation provisions	93.3	86.9
Other non-current financial liabilities	2.2	2.9
Deferred income taxes	9.3	11.2
Total liabilities	354.9	275.6
Net assets of Moa Joint Venture	\$ 1,256.7	\$ 1,421.0
Proportion of Sherritt's ownership interest	50%	50%
Total	628.4	710.5
Intercompany capitalized interest elimination	(43.0)	(45.1)
Investment in Moa Joint Venture	\$ 585.3	\$ 665.4

(1) Included in other current assets as at September 30, 2025 is nil from the Corporation for distributions received that had not yet been declared as dividends (December 31, 2024 - \$29.9 million, which was extinguished upon declaration as dividends during the nine months ended September 30, 2025).

(2) Included in loans and borrowings as at September 30, 2025 is \$37.2 million of current financial liabilities (December 31, 2024 - \$27.7 million) and \$78.5 million of non-current financial liabilities (December 31, 2024 - \$12.8 million). As at September 30, 2025, the Moa Joint Venture had drawn \$62.6 million (US\$45.0 million) (December 31, 2024 - nil) on a US\$60.0 million equivalent credit facility denominated in Cuban pesos from a Cuban financial institution to support spending on capital related to tailings management and working capital, which is included in non-current financial liabilities.

Statements of comprehensive loss

Canadian \$ millions, 100% basis	For the three months ended		For the nine months ended	
	2025	2024	2025	2024
	September 30	September 30	September 30	September 30
Revenue	\$ 147.8	\$ 193.6	\$ 514.0	\$ 637.7
Cost of sales ⁽¹⁾	(174.1)	(196.8)	(578.0)	(661.9)
Impairment of property, plant and equipment	-	-	-	(1.0)
Administrative expenses	(2.8)	(2.8)	(8.6)	(8.2)
Loss from operations	(29.1)	(6.0)	(72.6)	(33.4)
Financing income	0.2	0.2	0.4	0.6
Financing expense	(4.1)	(5.6)	(21.8)	(11.2)
Net finance expense	(3.9)	(5.4)	(21.4)	(10.6)
Loss before income tax	(33.0)	(11.4)	(94.0)	(44.0)
Income tax (expense) recovery ⁽²⁾	(0.8)	5.1	(4.6)	3.3
Net loss and comprehensive loss of Moa Joint Venture	\$ (33.8)	\$ (6.3)	\$ (98.6)	\$ (40.7)
Proportion of Sherritt's ownership interest	50%	50%	50%	50%
Total	(16.9)	(3.2)	(49.3)	(20.4)
Intercompany elimination	1.2	1.4	3.5	5.1
Share of loss of Moa Joint Venture, net of tax	\$ (15.7)	\$ (1.8)	\$ (45.8)	\$ (15.3)

(1) Included in cost of sales for the three and nine months ended September 30, 2025 is depreciation and amortization of \$20.9 million and \$69.6 million, respectively (\$23.5 million and \$69.4 million for the three and nine months ended September 30, 2024, respectively).

(2) Income taxes in Cuba are paid in the following quarter subsequent to period end.

Joint operation

During the three and nine months ended September 30, 2025, Energas declared and paid dividends of \$8.3 million and \$18.2 million, respectively, to the Corporation in Canada (\$0.9 million and \$6.0 million for the three and nine months ended September 30, 2024, respectively).

The following provides information relating to the Corporation's interest in Energas on a 33⅓% basis:

Canadian \$ millions, 33⅓% basis, as at	2025		2024	
	September 30	December 31	September 30	December 31
Current assets ⁽¹⁾	\$ 131.0	\$ 139.2		
Non-current assets	14.6	15.6		
Current liabilities	0.9	15.5		
Non-current liabilities	73.4	61.5		
Net assets	\$ 71.3	\$ 77.8		

(1) Included in current assets is \$102.6 million of cash and cash equivalents denominated in Cuban pesos and held in Cuban bank deposit accounts (December 31, 2024 - \$111.4 million).

Canadian \$ millions, 33⅓% basis	For the three months ended		For the nine months ended	
	2025	2024	2025	2024
	September 30	September 30	September 30	September 30
Revenue	\$ 13.9	\$ 12.9	\$ 35.9	\$ 36.7
Expenses	(3.5)	(16.3)	(21.7)	(25.3)
Net earnings (loss)	\$ 10.4	\$ (3.4)	\$ 14.2	\$ 11.4

Notes to the condensed consolidated financial statements

9. NET FINANCE (EXPENSE) INCOME

Canadian \$ millions	Note	For the three months ended		For the nine months ended	
		2025 September 30	2024 September 30	2025 September 30	2024 September 30
Extinguishment of Second Lien Notes and premium at amortized cost for Amended Senior Secured Notes	5, 13	-	-	240.0	-
Extinguishment of PIK Notes at amortized cost for Amended Senior Secured Notes	5, 13	-	-	69.4	-
Extinguishment of accrued interest on PIK Notes	5, 13	-	-	1.8	-
Issuance of Amended Senior Secured Notes at fair value	5, 13	-	-	(266.1)	-
Extinguishment of Amended Senior Secured Notes at exchange price for common shares from treasury	5, 13	-	-	17.1	-
Issuance of common shares from treasury at fair value	5, 16	-	-	(13.9)	-
Transaction costs:					
Early cash consent consideration	5	-	-	(6.5)	-
Legal, financial and other advisory costs	5	-	-	(9.4)	-
Gain on Debt and Equity Transactions		-	-	32.4	-
Interest income on financial assets measured at amortized cost		0.1	0.2	0.5	1.3
Gain (loss) on revaluation of GNC receivable	11	5.1	15.5	13.3	(2.9)
Loss on revaluation of Energas payable	11	(0.1)	(4.0)	(2.9)	-
Unrealized gain (loss) on natural gas swaps	11	0.6	-	(1.2)	-
Realized loss on natural gas swaps	11	(2.4)	-	(2.0)	-
Unrealized (loss) gain on nickel put options		-	(2.6)	-	0.8
Realized gain on nickel put options		-	3.4	-	3.4
Gain on repurchase of notes	13	-	1.1	-	1.8
Other interest income and gains on financial instruments		0.1	1.3	1.8	2.6
Other financing items		3.3	14.7	9.0	5.7
Interest expense and accretion on loans and borrowings		(7.6)	(9.3)	(24.3)	(28.1)
Unrealized foreign exchange loss		(0.9)	(0.3)	-	(0.3)
Realized foreign exchange loss		(0.1)	(0.3)	(0.6)	(0.6)
Other interest expense and finance charges		(0.2)	(0.2)	(0.7)	(0.5)
Accretion expense on environmental rehabilitation provisions		(0.1)	(0.1)	(0.2)	(0.2)
Financing expense		(8.9)	(10.2)	(25.8)	(29.7)
Net finance (expense) income		\$ (5.5)	\$ 4.7	\$ 16.1	\$ (22.7)

10. (LOSS) EARNINGS PER SHARE

Canadian \$ millions, except share amounts in millions and per share amounts in dollars	For the three months ended		For the nine months ended	
	2025 September 30	2024 September 30	2025 September 30	2024 September 30
Net (loss) earnings from continuing operations	\$ (19.5)	\$ 1.8	\$ (49.7)	\$ (50.6)
Earnings (loss) from discontinued operations, net of tax	-	0.3	(0.2)	0.7
Net (loss) earnings for the period – basic and diluted	\$ (19.5)	\$ 2.1	\$ (49.9)	\$ (49.9)
Weighted-average number of common shares – basic and diluted⁽¹⁾	496.3	397.3	456.4	397.3
Net (loss) earnings from continuing operations per common share:				
Basic and diluted	\$ (0.04)	\$ 0.00	\$ (0.11)	\$ (0.13)
Earnings (loss) from discontinued operations, net of tax, per common share:				
Basic and diluted	\$ -	\$ -	\$ -	\$ -
Net (loss) earnings per common share:				
Basic and diluted	\$ (0.04)	\$ 0.01	\$ (0.11)	\$ (0.13)

(1) The determination of the weighted-average number of common shares - diluted excludes 7.8 million shares related to stock options that were anti-dilutive for the three and nine months ended September 30, 2025 (9.9 million for the three and nine months ended September 30, 2024).

11. FINANCIAL INSTRUMENTS

Cash and cash equivalents

Cash and cash equivalents of the Corporation held in Canada was \$14.9 million as at September 30, 2025 (December 31, 2024 - \$32.1 million) and is held in major currencies.

The Corporation's cash balances are deposited with major financial institutions rated investment grade by independent rating agencies, except for cash deposited with financial institutions located in Cuba that are not rated. Of the Corporation's cash and cash equivalents of \$120.2 million, total cash held in Cuban bank deposit accounts was \$103.8 million as at September 30, 2025 (December 31, 2024 - \$113.0 million).

Total cash denominated in Cuban pesos was \$103.8 million as at September 30, 2025 (December 31, 2024 - \$113.0 million), which is not exchangeable into other currencies unless sufficient foreign currency reserves exist in Cuba. Refer to note 17 for further details on the lack of exchangeability of the Cuban peso.

As at September 30, 2025, \$102.6 million of the Corporation's cash and cash equivalents was held by Energas in Cuban bank deposit accounts (December 31, 2024 - \$111.4 million). These funds are for use locally by the joint operation, including repayment of Energas' payable to GNC (note 13) in Cuban pesos ("CUP") pursuant to the Cobalt Swap and for payments pursuant to the Energas Payment Agreement ("Moa Swap"). Refer to note 17 for further details on the Cobalt Swap and Moa Swap.

Trade accounts receivable, net

Canadian \$ millions, as at	2025 September 30	2024 December 31
Trade accounts receivable	\$ 62.7	\$ 112.5
Allowance for expected credit losses	(20.1)	(20.3)
Accounts receivable from Moa Joint Venture	8.4	37.6
Other	21.3	21.6
	\$ 72.3	\$ 151.4

Aging of trade accounts receivable, net

Canadian \$ millions, as at	2025 September 30	2024 December 31
Not past due	\$ 66.8	\$ 132.6
Past due no more than 30 days	0.5	12.2
Past due for more than 30 days but no more than 60 days	0.6	1.3
Past due for more than 60 days	4.4	5.3
	\$ 72.3	\$ 151.4

Natural gas swap receivable/payable

During the year ended December 31, 2024, the Corporation entered into natural gas swaps at no cost from January to December 2025 to fix the variable cost of natural gas incurred by the Metals segment at \$1.91/gigajoule on a notional amount of 7.6 million gigajoules. During the three and nine months ended September 30, 2025, the Corporation made net payments of \$2.4 million and \$2.0 million on natural gas swaps, respectively. Any payments on the natural gas swaps and realized losses recognized within net finance expense (note 9) are offset by lower variable natural gas costs incurred by the Metals segment.

Notes to the condensed consolidated financial statements

Fair value measurement

The following table presents financial instruments with carrying values different from their fair values:

Canadian \$ millions, as at	Note	2025			2024	
		Hierarchy level	Carrying value	Fair value	Carrying value	Fair value
Liabilities:						
Second Lien Notes ⁽¹⁾⁽²⁾	13	1	\$ -	\$ -	\$ 238.8	\$ 111.8
PIK Notes ⁽¹⁾⁽²⁾	13	1	-	-	66.5	25.0
Amended Senior Secured Notes ⁽¹⁾⁽²⁾	13	1	248.9	131.3	-	-

(1) The fair values of the Second Lien Notes, PIK Notes and Amended Senior Secured Notes are based on market closing prices.
(2) During the nine months ended September 30, 2025, the Second Lien Notes and PIK Notes were extinguished and Amended Senior Secured Notes were recognized as a result of the Debt and Equity Transactions. Refer to note 5 for further information on the Debt and Equity Transactions.

The following table presents financial instruments measured at fair value through profit or loss on a recurring basis:

Canadian \$ millions, as at	Note	Hierarchy level	2025		2024		
			September 30	December 31	December 31		
Fair value through profit or loss							
Assets:							
GNC receivable	12	3	\$ 216.6	\$ 203.3			
Natural gas swap receivable	12	2	-	0.8			
Liabilities:							
Energas payable	13	3	73.1	75.2			
Natural gas swap payable	13	2	0.4	-			

Fair value hierarchy

The GNC receivable and Energas payable are included in Level 3 of the fair value hierarchy.

The following significant unobservable inputs were used to determine the fair value of the GNC receivable as at September 30, 2025:

- Forecast in-kind nominal cobalt prices from US\$13/lb to US\$14/lb (December 31, 2024 - US\$9/lb to US\$12/lb). A US\$10/lb increase in forecast in-kind nominal cobalt prices would increase the fair value by \$0.3 million (December 31, 2024 - \$9.1 million), while a US\$10/lb decrease in forecast in-kind nominal cobalt prices would decrease the fair value by \$0.4 million (December 31, 2024 - \$9.2 million). When the GNC receivable is settled with cobalt, settlement is based on an in-kind value of cobalt, calculated as a cobalt reference price from the month preceding distribution, modified mutually between the Corporation and GNC in consideration of selling costs incurred by the Corporation.
- Nominal discount rate of 11% (December 31, 2024 - 12%). A 5 percentage point increase in the discount rate would decrease the fair value by \$22.1 million (December 31, 2024 - \$23.4 million), while a 5 percentage point decrease in the discount rate would increase the fair value by \$24.6 million (December 31, 2024 - \$26.8 million).

The following is a reconciliation of the fair value of the GNC receivable from December 31, 2023 to September 30, 2024 and from December 31, 2024 to September 30, 2025:

Canadian \$ millions, for the nine months ended	Note	2025		2024
		September 30	September 30	September 30
Balance, beginning of the period		\$ 203.3	\$ 217.8	
Gain (loss) on revaluation of GNC receivable in net finance expense	9	13.3	(2.9)	
Balance, end of the period	12	\$ 216.6	\$ 214.9	

The following is a reconciliation of the fair value of the Energas payable from December 31, 2023 to September 30, 2024 and from December 31, 2024 to September 30, 2025:

Canadian \$ millions, for the nine months ended	Note	2025 September 30	2024 September 30
Balance, beginning of the period		\$ 75.2	\$ 75.4
Loss on revaluation of Energas payable in net finance expense	9	2.9	-
Settlements		(5.0)	-
Balance, end of the period	13	\$ 73.1	\$ 75.4

12. ADVANCES, LOANS RECEIVABLE AND OTHER FINANCIAL ASSETS

Canadian \$ millions, as at	Note	2025 September 30	2024 December 31
Advances and loans receivable			
GNC receivable ⁽¹⁾	11	\$ 216.6	\$ 203.3
Other		0.2	-
Other financial assets			
Natural gas swap receivable	11	-	0.8
Finance lease receivables		0.3	1.1
Current portion of advances, loans receivable and other financial assets⁽²⁾		217.1	205.2
Non-current portion of advances, loans receivable and other financial assets		\$ 210.8	\$ 171.6

(1) As at September 30, 2025, the non-current portion of the GNC receivable is \$210.8 million (December 31, 2024 - \$170.8 million).

(2) Included in the current portion of advances, loans receivable and other financial assets as at September 30, 2025 is the current portion of the GNC receivable of \$5.8 million (December 31, 2024 - \$32.5 million) and the current portion of the natural gas swap receivable of nil (December 31, 2024 - \$0.8 million).

GNC receivable

The principal balance of the GNC receivable as at September 30, 2025 is \$277.1 million (December 31, 2024 - \$277.1 million), reflecting nil settlements during the nine months ended September 30, 2025.

No interest accrues on the GNC receivable over the five-year period of the Cobalt Swap. In the event that the total outstanding receivable is not fully repaid by December 31, 2027, interest will accrue retroactively at 8.0% from January 1, 2023 on the unpaid principal amount as at December 31, 2027, and the unpaid principal and interest amounts will become due and payable by GNC to the Corporation. Refer to note 12 of the Corporation's annual consolidated financial statements for the year ended December 31, 2024 for further details on the Cobalt Swap.

Moa Joint Venture revolving-term credit facility

During the nine months ended September 30, 2025, the Moa Joint Venture revolving-term credit facility was amended to extend its maturity for one year from April 30, 2026 to April 30, 2027. The maximum available credit of \$75.0 million and interest rate of Canadian Overnight Repo Rate Average ("CORRA") plus 4.00% remain unchanged. There were no other significant changes to the terms or restrictions.

The Moa Joint Venture revolving-term credit facility is provided by the Corporation to the two non-Cuban operating companies of the Moa Joint Venture to fund working capital and capital expenditures. The maximum credit available is \$75.0 million. Borrowings on the facility are available to fund working capital and capital expenditures of \$45.0 million and \$30.0 million, respectively.

As at September 30, 2025, nil principal amount was drawn by the Moa Joint Venture (December 31, 2024 - nil).

Notes to the condensed consolidated financial statements

13. LOANS, BORROWINGS AND OTHER FINANCIAL LIABILITIES

Loans and borrowings

Canadian \$ millions	For the nine months ended September 30, 2025				
	Non-cash changes				
	Note	As at December 31 2024	Other	Recognition/ (Extinguishment)	As at September 30 2025
Second Lien Notes	5, 9, 11	\$ 238.8	\$ 1.2	\$ (240.0)	\$ -
PIK Notes	5, 9, 11	66.5	2.9	(69.4)	-
Amended Senior Secured Notes	5, 9, 11	-	(0.1)	249.0	248.9
Credit Facility		67.2	0.1	-	67.3
		\$ 372.5	\$ 4.1	\$ (60.4)	\$ 316.2
Current portion of loans and borrowings		(67.2)			(67.3)
Non-current portion of loans and borrowings		\$ 305.3			\$ 248.9

Second Lien Notes

During the nine months ended September 30, 2025, the Corporation completed the Debt and Equity Transactions (note 5). Upon completion of the Debt and Equity Transactions, the Corporation paid accrued interest of \$8.7 million on the Second Lien Notes, the Second Lien Notes and 7% premium at maturity were extinguished and Amended Senior Secured Notes were recognized. Refer to note 5 for further information on the Debt and Equity Transactions.

No mandatory redemptions were required to be made during the nine months ended September 30, 2025 as the Second Lien Notes were extinguished prior to the mandatory redemption date on April 30, 2025.

As at September 30, 2025, the outstanding principal amount of Second Lien Notes is nil (December 31, 2024 - \$221.3 million).

Other non-cash changes consist of interest and accretion of a 7% premium. This premium was due upon the earlier of optional redemption and maturity of the notes and was accreted over the life of the instrument.

PIK Notes

As a result of the Debt and Equity Transactions, the PIK Notes and accrued interest of \$1.8 million from January 31, 2025 were extinguished and Amended Senior Secured Notes were recognized. Refer to note 5 for further information on the Debt and Equity Transactions.

As at September 30, 2025, the outstanding principal amount of the PIK Notes is nil (December 31, 2024 - \$66.7 million).

Other non-cash changes consist of a gain due to revision of cash flows, net of interest and accretion. Accrued and unpaid interest on these notes was capitalized to the principal balance semi-annually in January and July at the election of the Corporation.

During the nine months ended September 30, 2025, in accordance with the terms of the indenture governing the PIK Notes, the Corporation elected not to pay cash interest of \$3.6 million and added the payment-in-kind interest to the principal amount owed to noteholders (during the nine months ended September 30, 2024 - \$6.9 million).

During the nine months ended September 30, 2024, the Corporation repurchased \$3.7 million of principal of the PIK Notes at a cost of \$1.9 million, plus \$0.1 million of accrued interest, resulting in a gain on repurchase of notes of \$1.8 million (note 9).

Amended Senior Secured Notes

During the nine months ended September 30, 2025, the Corporation completed the Debt and Equity Transactions, resulting in the issuance of Amended Senior Secured Notes with a principal amount of \$266.1 million, interest rate of 9.25% per annum and maturity of November 30, 2031. Interest is payable semi-annually in cash in April and October beginning in October 2025. Subsequent to the issuance of the Amended Senior Secured Notes, pursuant to the Subsequent Exchange Transaction, \$17.1 million of Amended Senior Secured Notes held by the Subsequent Exchange Noteholders were exchanged and extinguished for 99 million common shares. Refer to note 5 for further information on the Debt and Equity Transactions.

As at September 30, 2025, the outstanding principal amount of the Amended Senior Secured Notes is \$249.0 million (December 31, 2024 - nil). Subsequent to period end, the Corporation paid interest of \$12.3 million on the Amended Senior Secured Notes.

Upon implementation of the Subsequent Exchange Transaction, the Corporation entered into put agreements with each of the Subsequent Exchange Noteholders pursuant to which the Subsequent Exchange Noteholders have the right to require the Corporation to repurchase certain Amended Senior Secured Notes (the "Put Agreements"). Under the Put Agreements, Subsequent Exchange Noteholders have the right to require repurchases with a purchase price equal to (i) 105% of the principal amount of the Amended Senior Secured Notes purchased and (ii) all accrued and unpaid interest on such principal amounts on the following dates (the "Scheduled Repurchase Dates"):

- (a) On December 15, 2025, provided that the Corporation's liquidity exceeds \$50.0 million (the "Minimum Liquidity") after giving effect to such purchase, \$5.0 million in aggregate principal amount of the Amended Senior Secured Notes (the "2025 Payment");
- (b) On December 15, 2026, \$10.0 million in aggregate principal amount of the Amended Senior Secured Notes, provided that if the 2025 Payment was not made as a result of the Corporation not having liquidity in excess of Minimum Liquidity, \$12.5 million in aggregate principal amount of the Amended Senior Secured Notes;
- (c) On December 15, 2027, \$15.0 million in aggregate principal amount of the Amended Senior Secured Notes, provided that if the 2025 Payment was not made as a result of the Corporation not having liquidity in excess of Minimum Liquidity, \$17.5 million in aggregate principal amount of the Amended Senior Secured Notes; and
- (d) On December 15, 2028, \$15.0 million in aggregate principal amount of the Amended Senior Secured Notes (the "Scheduled Repurchases").

The Corporation has a call right at any time up to 120 days prior to any Scheduled Repurchase Date to repurchase the Amended Senior Secured Notes from such Subsequent Exchange Noteholders at par value, in a principal amount not to exceed the principal amount that would be subject to the Scheduled Repurchase amounts described above. For accounting purposes, the put and call rights were determined to be closely related to the host debt and did not require bifurcation.

Under the Put Agreements, the Corporation agreed that it will take steps to purchase or retire an additional amount of outstanding Amended Senior Secured Notes on the same dates as the Scheduled Repurchases (such additional purchases being, collectively, the "Additional Repurchases"). The Additional Repurchases will be at a price and structure as approved by the Corporation's Board of Directors, provided that the Corporation's liquidity would exceed the Minimum Liquidity after giving effect to the Scheduled Repurchases and any Additional Repurchases.

Minimum Liquidity is defined in the Put Agreements as cash and cash equivalents in Canada plus available credit facilities. The Minimum Liquidity amount as at September 30, 2025 is \$45.2 million.

Under the indenture governing the Amended Senior Secured Notes (the "Amended Senior Secured Notes Indenture"), the Corporation is subject to various restrictions, which limit, among other things, the incurrence of indebtedness, liens, asset sales and payment of distributions and other restricted payments, unless certain financial ratios are met and subject to certain customary carve-outs and permissions, often referred to as "baskets". If the ratio of earnings before interest, taxes, depreciation and amortization ("EBITDA")-to-interest expense, both as defined in the agreement, is above 2.5:1, unsecured debt can be incurred without the use of a basket and restricted payments can be made to the extent the Corporation has sufficient room in an applicable basket, including the "builder basket" as calculated under the Amended Senior Secured Notes Indenture. As at September 30, 2025, the Corporation met the required financial ratio and has the capacity to make restricted payments up to \$112.0 million.

Other non-cash changes consist of interest and accretion.

Notes to the condensed consolidated financial statements

Credit Facility

During the nine months ended September 30, 2025, the syndicated revolving-term credit facility ("Credit Facility") was amended to extend its maturity for one year from April 30, 2026 to April 30, 2027. The maximum available credit of \$100.0 million and interest rate of CORRA plus 4.00% remain unchanged. There were no other significant changes to the terms, financial covenants or restrictions. Borrowings on the Credit Facility are available to fund working capital and capital expenditures.

As at September 30, 2025, the outstanding principal amount of the Credit Facility is \$69.0 million (December 31, 2024 - \$69.0 million).

Other non-cash changes consist of a gain due to revisions of cash flows, net of accretion.

Other financial liabilities

Canadian \$ millions, as at	Note	2025 September 30	2024 December 31
Energas payable ⁽¹⁾	11	\$ 73.1	\$ 75.2
Lease liabilities		8.2	9.8
Share-based compensation liability		3.0	3.2
Natural gas swap payable	11	0.4	-
Other financial liabilities		1.0	19.0
		85.7	107.2
Current portion of other financial liabilities ⁽²⁾		(5.3)	(34.9)
Non-current portion of other financial liabilities		\$ 80.4	\$ 72.3

(1) As at September 30, 2025, the non-current portion of the Energas payable is \$71.2 million (December 31, 2024 - \$59.3 million).

(2) As at September 30, 2025, the current portion of other financial liabilities includes the current portions of the Energas payable of \$1.9 million (December 31, 2024 - \$15.9 million), a share-based compensation liability of \$1.6 million (December 31, 2024 - \$2.0 million), a natural gas swap payable of \$0.4 million (December 31, 2024 - nil) and an other financial liability of nil (December 31, 2024 - \$14.9 million to the Moa JV for distributions received that had not yet been declared as dividends as at December 31, 2024 and was extinguished upon declaration during the nine months ended September 30, 2025).

Energas payable

During the nine months ended September 30, 2025, \$5.0 million (33⅓% basis) of cash was paid by Energas to GNC in CUP (during the nine months ended September 30, 2024 - nil). The outstanding principal balance of the Energas payable as at September 30, 2025 is \$92.3 million (December 31, 2024 - \$97.3 million) (33⅓% basis).

No interest accrues on Energas' payable to GNC over the five-year period of the Cobalt Swap. In the event that the Energas payable is not fully repaid to GNC by December 31, 2027, interest will accrue retroactively at 8.0% from January 1, 2023 on the unpaid principal amount as at December 31, 2027, and the unpaid principal and interest amounts will become due and payable by Energas to GNC.

14. COMMITMENTS FOR EXPENDITURES

Canadian \$ millions, as at September 30	2025
Property, plant and equipment commitments	\$ 3.7
Moa Joint Venture ⁽¹⁾ :	
Property, plant and equipment commitments - Sustaining and growth	4.3
Property, plant and equipment commitments - Tailings facility ⁽²⁾	6.5

(1) The Moa Joint Venture's property, plant and equipment commitments are non-recourse to the Corporation and presented on a 50% basis.

(2) The Moa Joint Venture's property, plant and equipment commitments for the tailings facility are in part funded by a US\$60.0 million (100% basis) equivalent credit facility in CUP from a Cuban financial institution, of which \$62.6 million (US\$45.0 million) was drawn as at September 30, 2025 (note 8).

15. SUPPLEMENTAL CASH FLOW INFORMATION

Working capital is defined as the Corporation's current assets less current liabilities and was \$24.5 million as at September 30, 2025 (December 31, 2024 - \$91.8 million).

Net change in non-cash working capital

Net change in non-cash working capital includes the following:

Canadian \$ millions	For the three months ended		For the nine months ended	
	2025 September 30	2024 September 30	2025 September 30	2024 September 30
Trade accounts receivable, net ⁽¹⁾	\$ 21.4	\$ (6.2)	\$ 72.8	\$ 23.7
Inventories ⁽²⁾	(6.5)	(1.8)	(11.5)	(1.8)
Prepaid expenses	(4.3)	(3.7)	(4.4)	(5.3)
Trade accounts payable and accrued liabilities	(27.1)	7.6	(43.1)	(4.9)
Deferred revenue	16.1	28.7	8.1	19.7
	\$ (0.4)	\$ 24.6	\$ 21.9	\$ 31.4

(1) Trade accounts receivable, net includes adjustments of nil and \$(6.2) million for the three and nine months ended September 30, 2025, respectively, for Proceeds from Cobalt Swap presented separately in the condensed consolidated statements of cash flow (nil and \$(1.1) million for the three and nine months ended September 30, 2024, respectively).

(2) Inventories include adjustments of nil and \$(4.7) million for the three and nine months ended September 30, 2025, respectively, for non-cash finished cobalt cost of sales pursuant to the Cobalt Swap, which is presented separately in the condensed consolidated statements of cash flow (nil and \$(0.8) million for the three and nine months ended September 30, 2024, respectively).

Non-cash financing activities

As a result of the Debt and Equity Transactions (note 5), during the nine months ended September 30, 2025, all of the outstanding Second Lien Notes in the principal amount of \$221.3 million and all of the outstanding PIK Notes in the principal amount of \$70.3 million were exchanged and extinguished for Amended Senior Secured Notes with a principal amount of \$266.1 million. Subsequently, \$17.1 million of Amended Senior Secured Notes were exchanged and extinguished for 99 million common shares of the Corporation issued from treasury with a fair value of \$13.9 million (note 16).

16. SHAREHOLDERS' EQUITY

Capital stock

The Corporation's common shares have no par value and the authorized share capital is composed of an unlimited number of common shares. During the nine months ended September 30, 2025, the Corporation issued 99 million shares from treasury at a fair value of \$13.9 million, representing the Corporation's share price on the date of issuance, as a result of the Debt and Equity Transactions.

Canadian \$ millions, except share amounts	Note	For the nine months ended		For the year ended	
		2025 September 30	Capital stock	2024 December 31	Capital stock
Balance, beginning of the period		397,288,680	\$ 2,894.9	397,288,680	\$ 2,894.9
Issuance of common shares	5	99,000,000	13.9	-	-
Balance, end of the period		496,288,680	\$ 2,908.8	397,288,680	\$ 2,894.9

17. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

Lack of exchangeability of the Cuban peso

Upon adoption of the Amendments to IAS 21, the Corporation determined that the Cuban peso is not exchangeable into other currencies unless sufficient foreign currency reserves exist in Cuba. The Corporation continues to use the 24 CUP:1 USD observable exchange rate without adjustment published by the Central Bank of Cuba as this is the exchange rate to which the Corporation is subject. The Corporation's primary risk is related to its cash and cash equivalents of \$103.8 million as at September 30, 2025 denominated in CUP, which is primarily held by Energas in the Power segment (December 31, 2024 - \$113.1 million).

To facilitate the conversion of CUP to Canadian dollars, the Corporation has in place the Moa Swap (note 11) and the Cobalt Swap. The Moa Swap facilitates the payment of the equivalent of approximately US\$50.0 million in Canadian currency annually from the Moa JV to Energas, which Energas uses to facilitate foreign currency payments in support of the business and to pay dividends to the Corporation in Canada. Energas, in turn, pays an equivalent amount to the Moa JV in CUP. In addition, the Corporation has in place the Cobalt Swap under which the Corporation receives finished cobalt and cash in Canadian dollars from the Moa JV as repayment of the GNC receivable. Energas, in turn, pays an equivalent amount to GNC in CUP under the Energas payable. The Moa JV is not directly exposed to significant risk related to the CUP, as it receives major foreign currencies from the sale of nickel and cobalt to customers outside of Cuba. Refer to note 12 of the Corporation's annual consolidated financial statements for the year ended December 31, 2024 for further details on the Cobalt Swap.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations associated with financial liabilities. Liquidity risk arises from the Corporation's financial obligations and in the management of its assets, liabilities and capital structure. The Corporation manages this risk by regularly evaluating its liquidity and using cash provided by operating activities and liquid assets to ensure its ability to fund current and non-current financial obligations and capital commitments for the foreseeable future in a cost-effective manner.

The main factors that affect liquidity in Canada include realized sales prices, timing of collection of receivables, production volumes, cash production costs, working capital requirements, capital and environmental rehabilitation expenditure requirements, the timing of distributions from the Moa JV (including pursuant to the Cobalt Swap), advances from/to the Moa JV, the timing of cobalt sales and receipts pursuant to the Cobalt Swap, the timing of dividends from Energas in Canada, repayments of non-current loans and borrowings, credit capacity and debt and equity capital market conditions. Significant adverse changes to one, or a combination of these factors, without offsetting changes to others, would have a negative impact on the Corporation's liquidity position and may affect its ability to satisfy current and non-current obligations as they become due and/or comply with covenant requirements pursuant to its arrangements with its creditors and lenders.

The Corporation's liquidity requirements are met through a variety of sources, including cash and cash equivalents, cash generated from operations, the Credit Facility, leases and debt and equity capital markets. During the nine months ended September 30, 2025, the Corporation's Credit Facility was extended by one year from April 30, 2026 to April 30, 2027. There were no other significant changes to the terms, financial covenants or restrictions. Refer to note 13 for further details on the Amended Senior Secured Notes, Second Lien Notes, PIK Notes and the Credit Facility.

Based on management's assessment of its financial position and liquidity profile as at September 30, 2025, the Corporation will be able to satisfy its current and non-current obligations as they come due.

The agreements establishing certain jointly controlled entities require the unanimous consent of shareholders to pay dividends. It is not expected that this restriction will have a material impact on the ability of the Corporation to meet its obligations.

Financial obligation maturity analysis

The Corporation's significant contractual commitments, obligations, interest and principal repayments in respect of its financial liabilities, income taxes payable and provisions are presented in the following table on an undiscounted basis. For Scheduled Repurchases of the Amended Senior Secured Notes (note 13) in 2025, which are not fixed, the amount disclosed is determined by reference to the conditions existing as at September 30, 2025.

Canadian \$ millions, as at September 30, 2025	Total	Falling	Falling	Falling	Falling	Falling	Falling
		due within 1 year	due between 1-2 years	due between 2-3 years	due between 3-4 years	due between 4-5 years	due in more than 5 years
Trade accounts payable and accrued liabilities	\$ 137.5	\$ 137.5	\$ -	\$ -	\$ -	\$ -	\$ -
Income taxes payable	1.5	1.5	-	-	-	-	-
Amended Senior Secured Notes (includes principal, interest and Scheduled Repurchases)	384.0	36.7	39.9	35.8	18.9	18.9	233.8
Credit Facility	76.2	4.8	71.4	-	-	-	-
Other non-current financial liabilities	1.3	-	0.1	0.3	0.3	0.3	0.3
Provisions	193.9	3.3	11.0	10.9	10.9	28.0	129.8
Energas payable ⁽¹⁾	92.4	2.0	3.9	86.5	-	-	-
Lease liabilities	9.4	1.8	1.4	1.4	1.3	1.2	2.3
Total	\$ 896.2	\$ 187.6	\$ 127.7	\$ 134.9	\$ 31.4	\$ 48.4	\$ 366.2

(1) The Energas payable is paid in CUP in Cuba and does not impact the Corporation's liquidity in Canada.

18. RELATED PARTY TRANSACTIONS

The Corporation enters into related party transactions with its joint arrangements (note 8). Transactions between related parties are generally based on standard commercial terms. All amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received on the outstanding amounts. No expense has been recognized in the current or prior periods for bad debts in respect of amounts owed by related parties.

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