

# 2025 Annual Information Form

For the year ended December 31, 2025

Sherritt International Corporation

March 23, 2026

**sherritt**



# 2025 ANNUAL INFORMATION FORM

This Annual Information Form contains important information that will help you make an informed decision about investing in Sherritt International Corporation. It describes Sherritt International Corporation, its businesses and activities as well as risks and other factors that affect its business.

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### In this document:

- *AIF* means this 2025 Annual Information Form
- *Corporation* and *Sherritt* mean Sherritt International Corporation together with its subsidiaries, and its proportionate interest in joint ventures
- *management* means Sherritt senior management unless indicated otherwise
- information is as of December 31, 2025, unless indicated otherwise

Please see Schedule 'A' for a glossary of other terms and abbreviations used in this document.

### Currency and exchange rates

All financial information is presented in Canadian dollars, except as otherwise noted. References to "US\$" are to United States (U.S.) dollars.

As reported by the Bank of Canada:

- US\$0.7296/Cdn.\$1.00 as of December 31, 2025
- US\$1.3717/Cdn.\$1.00 as of March 23, 2026

### Scientific and technical information

Proven and Probable Mineral Reserves and Measured, Indicated and Inferred Mineral Resources have been estimated in accordance with the *Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines* published in November 2019 by the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") and with the *CIM Definition Standard* published in May 2014 and incorporated in National Instrument 43-101—*Standards of Disclosure for Mineral Projects* ("NI 43-101") by Canadian securities regulatory authorities.

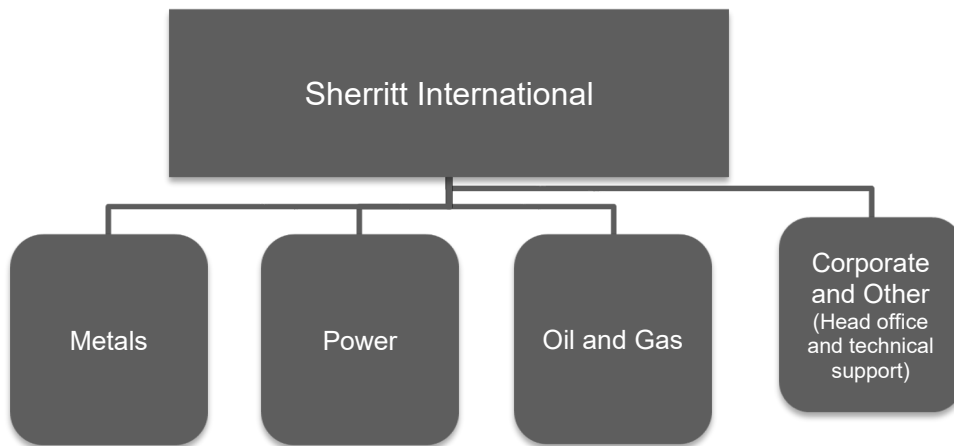
### Forward-looking information

Please see page 58 to read about forward-looking statements in this AIF. Readers are cautioned 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.

## OVERVIEW OF THE BUSINESS

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 Joint Venture produces cost competitive critical minerals while maintaining high sustainability standards and has an estimated mine life of approximately 25 years.

The Corporation’s Power division, through its ownership in Energas, is the largest independent energy producer in Cuba, processing domestically sourced raw natural gas to generate electricity for sale to the Cuban national electrical grid. Sherritt’s common shares are listed on the Toronto Stock Exchange under the symbol “S”.



### Metals

#### Moa Joint Venture

Sherritt is an industry leader in the mining, hydrometallurgical processing, and refining of nickel and cobalt from lateritic ore bodies. Sherritt has a 50/50 partnership with General Nickel Company S.A. (“GNC”) of Cuba (the “Moa Joint Venture” or the “Moa JV”).

The Moa JV is a vertically integrated joint venture that mines, processes, and refines nickel and cobalt for sale worldwide (except in the United States). The joint venture has an open pit lateritic ore mine and processing facility in Moa, Cuba where ore is processed into mixed sulphide precipitate (“MSP”) containing nickel and cobalt. The MSP is transported to its refining facilities in Fort Saskatchewan, Alberta, Canada. The resulting nickel and cobalt products are sold to various markets, primarily in Europe and Asia. The Moa JV filed an updated National Instrument 43-101 Technical Report (“NI 43-101” or “2023 Moa JV Technical Report”) on March 31, 2023.

The refinery facilities in Fort Saskatchewan have an annual combined production capacity of approximately 38,200 tonnes (100% basis) of nickel and cobalt.

#### Fort Site

Sherritt has a wholly-owned fertilizer business in Fort Saskatchewan (“Fort Site”) that provides inputs (ammonia, sulphuric acid and utilities) for the Moa Joint Venture’s metals refinery, produces agriculture fertilizer for sale in Western Canada and provides fertilizer storage and administrative facilities.

#### Metals Marketing

The Corporation’s Metals Marketing division includes its 100% interest in subsidiaries 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 (“Cobalt Swap”) (see below for details).

## Power

Sherritt's power generating assets are located in Cuba at Varadero, Boca de Jaruco and Puerto Escondido. These assets are held by Sherritt through its one-third interest in Energas S.A. ("Energas"), which is a Cuban joint venture established to process raw natural gas and generate electricity for sale to the Cuban national electrical grid. Cuban government agencies Unión Eléctrica ("UNE") and Unión Cubapetróleo ("CUPET") hold the remaining two-thirds interest in Energas. In 2022, Cuba's Executive Committee of the Council of Ministers approved the twenty-year extension of the Energas Joint Venture contract with the Cuban government to March 2043.

Raw natural gas is supplied free of charge to Energas by CUPET. The processing of raw natural gas produces clean natural gas, used to generate electricity, as well as by-products such as condensate and liquefied petroleum gas. All of Energas' electrical generation is purchased by UNE under long-term fixed-price contracts while the by-products are purchased by other agencies of the Cuban government.

The Energas facilities are comprised of two combined cycle plants at Varadero and Boca de Jaruco that produce low-cost electricity from one of the lowest carbon emitting sources of power in Cuba using steam generated from the waste heat captured from the gas turbines. Energas' installed electrical generating capacity is 506 MW, representing approximately 10% of the national electrical generating capacity in Cuba.

## Oil and Gas

Oil and Gas is not currently producing or exploring for oil and gas in Cuba but maintains an interest in two production-sharing contracts ("PSCs"), each in the exploration phase; however, substantive expenditures on further exploration in these blocks are neither budgeted nor planned in the short term. Its financial results relate to ancillary drilling services, provided to a customer and agencies of the Cuban government, and environmental rehabilitation costs for legacy assets in Spain, which are non-core operating activities of the Corporation. The wells drilled for agencies of the Cuban government provide gas to Energas for power generation.

## Corporate and Other

The Corporate and Other segment represents the Corporate head office and other activities not allocated to the operating segments. It provides enterprise oversight of the Corporation's joint operations and subsidiaries and supports public-company activities including business development, treasury and liquidity management, management of publicly-traded debt, government relations, external technical services to third parties and growth and market development activities including early-stage test work and engineering expenses.

## Foreign operations and communication

Subject to public health guidelines and any applicable travel restrictions, it is Sherritt's practice for members of the Reserves, Operations, Capital and Sustainability Committee to travel to Sherritt's foreign operations and meet with local management in Cuba once a year, and for certain of its management to regularly visit its foreign operations.

The primary language in Cuba is Spanish. Sherritt maintains open communication with its operations in Cuba because a number of key local management are proficient in English. This, along with the use of translators, removes language barriers between Sherritt and the local management in Cuba. None of the executive officers of Sherritt are fluent in Spanish. The material documents relating to Sherritt's operations are prepared in Spanish and then translated into English, and vice versa, to facilitate the review by both Spanish and English-speaking employees, directors and executive officers of Sherritt and the joint venture partners. Meetings attended by directors and executive officers of the Moa Joint Venture companies are conducted in both English and Spanish with simultaneous interpretation.

## THREE-YEAR HISTORY

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### 2025 Production results and unit operating costs<sup>(1)</sup>

Metal's finished nickel production was 25,240 tonnes (100% basis) and finished cobalt production was 2,728 tonnes (100% basis) both within guidance ranges which were revised lower during the year. Metals revenue<sup>(1)(2)</sup> was \$481.6 million compared to \$526.6 million in 2024 primarily due to lower nickel and cobalt sales volumes driven by lower mixed sulphides production and a lower average realized price<sup>(1)</sup> of nickel partly offset by higher average realized prices of cobalt and fertilizers. Net direct cash cost ("NDCC")<sup>(1)</sup> of US\$5.96/lb, was within the original guidance range and in-line with 2024 with higher mining, processing and refining costs offset by higher cobalt by-product credits.

Power production was 799 GWh compared to 816 GWh in 2024 and was largely in line with the low end of the 2025 guidance range. The lower electricity production compared to the prior year was primarily due to operating in frequency control partially offset by increased natural gas being supplied to Energas' facilities. As a result of the nationwide power outages in Cuba and challenges facing the national power grid, the government agency UNE required Energas to operate certain facilities in frequency control to help stabilize the power grid. Energas was fully compensated for operating in frequency control.

Unit operating cost<sup>(1)</sup> was \$23.33/MWh improving from \$34.29/MWh in the prior year and was at the lower end of the 2025 guidance range. The lower unit operating cost<sup>(1)</sup> was primarily as a result of lower maintenance costs.

### Moa Joint Venture expansion program

The Moa JV expansion program was completed and a series of measures to remove processing bottlenecks was initiated to support the expected increase in MSP production.

### Cost reduction initiatives

Amid persistent multi-year lows in nickel prices, Sherritt implemented further significant cost reduction measures. These significant measures included a 10% workforce reduction, across the Canadian operations with a focus on non-operating roles. The cost reduction initiatives are anticipated to deliver approximately \$20.0 million in annualized savings (100% basis) and are in addition to the \$17.0 million in annualized savings (100% basis) achieved through the 2024 initiatives.

### Cobalt Swap distributions

Due to lower production of nickel and cobalt and the lower average realized price<sup>(1)</sup> of nickel and liquidity requirements of the Moa JV, Sherritt did not receive any distributions under the Cobalt Swap agreement. 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 principal balance of the GNC receivable as at December 31, 2025 was \$277.1 million.

### Energas Payment Agreement ("Moa Swap")

Sherritt, in its capacity as international purchasing agent for Energas, received \$69.7 million (US\$49.9 million) under the Energas Payment Agreement. The total of \$69.7 million (US\$49.9 million) was primarily used to facilitate foreign currency payments for the Energas operations and capital procurement and \$26.0 million (US\$18.6 million) was used to pay dividends to Sherritt in Canada.

### Power Dividends in Canada from Energas

In its Power division, Sherritt received dividends in Canada from Energas of \$26.0 million increasing from the \$13.0 million in dividends received in 2024 and \$1.4 million received in 2023.

### Debt and Equity Transactions

The Corporation completed the Debt and Equity Transactions 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") 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.

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The Corporation also completed a subsequent exchange transaction (the “Subsequent Exchange Transaction”) with certain holders of Second Lien Notes 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 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. See the Capital Structure section for additional details.

### **Syndicated Revolving-Term Credit Facility (“Credit Facility”)**

In 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 Adjusted Term CORRA plus 4.0% remain unchanged. There were no other significant changes to the terms, financial covenants or restrictions. As at December 31, 2025, Sherritt was in compliance with all covenants of the Credit Facility.

### **Corporate governance**

Following the retirement of Sir Richard Laphorne, the Corporation’s Chair in June 2025, a thorough search process was conducted and in November 2025 Brian Imrie was appointed as independent director and Chair of the Board, bringing extensive leadership, capital markets and mining-sector experience.

Consistent with the Corporation’s ongoing commitment to Board renewal, during the year the Board welcomed Richard Moat, John Ewing and Brett Richards as independent directors while Steven Goldman did not seek re-election at the Corporation’s 2025 shareholder meeting, and in December, Shelley Brown stepped down from the Board.

In December 2025, Dr. Peter Hancock, a seasoned mining industry executive with more than 35 years of experience that includes overseeing nickel mining operations, was appointed Interim Chief Executive Officer following Leon Binedell stepping down from his position and as a director of the Corporation. Dr. Hancock has served as an independent director since November 2021. The Board has launched a comprehensive search for a permanent Chief Executive Officer, which will include consultation with shareholders and other stakeholders.

### **Other events**

In 2025, Sherritt released its 2024 Sustainability Report, Climate Report, Tailings Management Report and Sustainability Scorecard outlining the Corporation’s performance on ESG matters. Sherritt continues to progress towards targets and key activities.

Health and safety remains Sherritt’s highest priority. Sherritt continues to make enhancements to safety practices and policies through regular safety strategy sessions at each operation and the implementation of a multi-year roadmap for continued safety enhancements, strengthening its safety culture and promoting safe workplace behaviours at all operations. During 2025, Sherritt had zero work-related fatalities across all its sites and saw its Total Recordable Injury Frequency Rate significantly improving from 1.26 in 2024 to 0.57 in 2025.

Sherritt continues its work to identify climate-related risks and opportunities and to develop effective mitigation and management strategies aimed at reducing risk and capitalizing on emerging opportunities.

Sherritt continues to demonstrate its commitment to ethical and responsible production, supply and sourcing practices aligning with internationally-recognized industry frameworks, including maintaining Level A in all of The Mining Association of Canada’s Towards Sustainable Mining (“TSM”) protocols at Sherritt’s operations in Fort Saskatchewan, conforming with the London Metal Exchange’s Track B responsible sourcing requirements and aligning its mineral supply chain against Organization for Economic Co-operation and Development (“OECD”) standards. In 2025, independent verification confirmed achievement of TSM Level A protocol and Sherritt completed a comprehensive risk assessment of its mineral supply chain against OECD standards and identified no significant risks.

In 2024, Sherritt became a Participant of the Copper Mark as it aims to obtain The Nickel Mark award for the refinery facilities in Fort Saskatchewan. In 2025, Sherritt completed the self-assessment and site-level independent assessment and expects the Copper Mark Assurance Process to be completed in 2026.

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## Recent developments

### Geopolitical and operational update

In early 2026, Venezuela ceased oil exports to Cuba as a result of recent geopolitical turmoil in the country. Venezuela has historically been a major supplier of oil to Cuba, and this supply disruption is exacerbating Cuba's existing economic challenges. In addition, on January 29, 2026, the U.S. government issued an Executive Order declaring a national emergency with respect to the government of Cuba and authorized the imposition of tariffs on countries that supply oil to Cuba.

On February 17, 2026, Sherritt announced that it reduced operations at its joint venture in Moa, Cuba due to fuel supply constraints affecting the country, with the refinery in Fort Saskatchewan, Alberta, continuing to produce finished nickel and cobalt at reduced rates for sale with the available inventory of feed. Without a change to the fuel shortages in Cuba, feed to the refinery is expected to last until approximately mid-Q2. The Corporation is actively engaging with relevant counterparts and evaluating all options for sourcing input commodities and is evaluating available options to maintain operations, maximize utilization of resources including expanding fertilizer and acid production and prolonging production at Moa and Fort Saskatchewan while implementing measures to preserve and maximize liquidity.

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## 2024 Moa Joint Venture expansion program

Phase one of the Moa JV expansion program, the Slurry Preparation Plant ("SPP"), began processing ore at design capacity at the end of January 2024. Phase two, the processing plant ("Processing Plant") expansion, advanced with some pre-commissioning activities commencing during the fourth quarter of 2024. With lower nickel and cobalt prices, Sherritt continues to exercise capital preservation measures and has scheduled certain expenditures for Q1 2025 when construction is expected to be completed.

### Cobalt Swap distributions and Power dividends

In 2024, due to lower prices of nickel and cobalt, Sherritt focused efforts to maximize distributions under the Cobalt Swap and during the fourth quarter received \$29.8 million, including \$23.7 million in cash and 223 tonnes of finished cobalt valued at \$6.1 million (including both Sherritt's share and the GNC redirected share). With these receipts, the GNC receivable was reduced by \$14.9 million. The principal balance of the GNC receivable as at December 31, 2024 was \$277.1 million.

In its Power division, Sherritt received dividends in Canada of \$13.0 million during the year.

### Energas Payment Agreement ("Moa Swap")

In 2024, Sherritt, in its capacity as international purchasing agent for Energas, received \$68.4 million (US\$49.9 million) under the Energas Payment Agreement. The total of \$68.4 million (US\$49.9 million) was primarily used to facilitate foreign currency payments for the Energas operations and capital procurement and \$13.0 million (US\$9.3 million) was used to pay dividends to Sherritt in Canada, as noted above.

### Energas optimization

In 2024, maintenance work was completed on three gas turbines in part to bring online an additional turbine to process gas being received from a third new gas well that was brought into production during the year. In 2024, electricity production at Sherritt's Power division increased 10% year-over-year. Dividends in Canada from Energas have increased from \$1.4 million in 2023 to \$13.0 million in 2024.

### Cost reduction initiatives

Sherritt implemented an organization-wide restructuring and cost-cutting program to improve operational performance and respond to multi-year negative market conditions. The Corporation's Canadian operations headcount was reduced by approximately 10% during the first quarter of 2024 and subsequently during the second quarter of 2024, a further 10% reduction was completed at Sherritt's Corporate office. The Corporation has estimated approximately \$17.0 million in annual savings from employee and other cost reductions made.

### Corporate structure and governance

To align with Sherritt's organization-wide restructuring, the Corporation implemented changes to its executive management team, consolidating and streamlining its operation leadership.

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Sherritt has made several updates to its corporate structure and governance practices to enhance operational efficiency and transparency.

In accordance with Sherritt's Board succession planning, the Corporation welcomed three new directors in 2024 including: Louise Blais, a former senior Canadian diplomat; Shelley Brown, a former senior audit partner with Deloitte; and Steven H. Goldman, a business and legal expert.

### **Production results, unit operating costs<sup>(1)</sup> and spending on capital<sup>(1)</sup>**

Metal's finished nickel production for the full year 2024 was 30,331 tonnes (100% basis) and finished cobalt production was 3,206 tonnes (100% basis), both within their respective guidance ranges established for the year. Metals revenue<sup>(1)(2)</sup> in 2024 was \$526.6 million compared to \$603.7 million in 2023 due primarily to lower average realized prices<sup>(1)</sup> for nickel, cobalt and fertilizer, partly offset by higher sales volumes of nickel and fertilizer. NDCC<sup>(1)</sup> in 2024 of US\$5.94/lb, was within guidance and significantly improved compared to 2023 being 18% lower year-over-year as a result of lower mining processing and refining costs per pound, lower third-party feed costs, higher net fertilizer by-product credits and higher nickel sales volumes, partly offset by materially lower cobalt by-product credits.

Power production in 2024 of 816 GWh was within guidance and 10% higher than in 2023. The increase in production was driven by additional gas from new wells and improved equipment availability, despite the impact of nationwide power outages in Cuba.

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

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

### **Nickel put options**

In 2024, the Corporation purchased put options on 3,876 tonnes of nickel, or 646 tonnes per month, at an exercise price of US\$8.16/lb for a six-month period from June 1, 2024, to November 30, 2024. The economic hedging strategy provided Sherritt with full exposure to upward changes in nickel prices, while protecting against downward changes in nickel prices by providing a minimum price of US\$8.16/lb on approximately 25% of the 2024 nickel production from the Moa JV during the six-month period. During the year ended December 31, 2024, \$5.9 million of cash was received upon settlement of nickel put options, net of purchase cost.

### **Syndicated Revolving Term Credit Facility ("Credit Facility")**

In 2024, the Credit Facility was amended to (i) extend its maturity for one year from April 30, 2025 to April 30, 2026 and (ii) change the EBITDA-to-Interest Expense covenant, as defined in the agreement, to not less than 1:1 and 1.5:1 for the quarters ended June 30, 2024 and September 30, 2024, respectively, and not less than 2:1 thereafter. The amendment included terms to transition the interest rate of bankers' acceptance plus 4.00% to Adjusted Term CORRA plus 4.00%. There were no other significant changes to the terms, financial covenants or restrictions. As at December 31, 2024, Sherritt was in compliance with all covenants of the Syndicated Facility.

### **Purchase of PIK Notes**

During 2024, the Corporation repurchased \$3.7 million of principal of the PIK Notes at a cost of \$1.9 million, resulting in a gain on repurchase of notes of \$1.8 million.

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### **Other events**

In 2024, Sherritt released its 2023 Sustainability Report, Climate Report, Tailings Management Report and Sustainability Scorecard outlining the Corporation's performance on ESG matters. Sherritt continues to progress towards targets and key activities.

With Sherritt's focused efforts on health and safety, the Corporation began implementing a Fatality Prevention Action Plan at the Moa JV mine site, completed comprehensive safety strategy sessions with each of its operations, hired additional health and safety personnel, and refocused its attention on felt leadership, supervisor competencies, and contractor safety. In 2024, the Corporation had zero work-related fatalities across all Sherritt sites.

Sherritt completed baseline energy and greenhouse gas emission assessments at the Moa JV mine site and Fort Site, confirming the operations fall within the carbon intensity range of comparable high pressure acid leach ("HPAL") operations globally. At both sites, Sherritt identified several potential decarbonization opportunities that would reduce the GHG emissions per quantity of product output, reduce operating costs, enhance compliance with customer requirements. Sherritt also completed a climate risk and opportunity assessment for Energas operations.

In 2024, Sherritt independently verified continued conformity with London Metal Exchange ("LME") Track B Responsible Sourcing Requirements and completed a Responsible Business Alliance, Responsible Minerals Initiative and OECD-aligned risk assessment of Sherritt's mineral supply chain which did not identify any significant risks.

In 2024, Sherritt achieved self-assessed Level A in all TSM protocols at the Fort Site.

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### **2023 Moa Joint Venture expansion program**

The Moa Joint Venture expansion program was specifically designed to minimize the risks of capital overruns and project delays which were anticipated following the COVID-19 pandemic. This low cost and low capital intensity two-phase expansion program remains on budget and on schedule. Phase one of the expansion, the SPP, is expected to reduce ore haulage distances, lower carbon intensity from mining and increase annual MSP production of contained nickel and cobalt through increased throughput over the mine's long life. The Moa Joint Venture continues to advance the expansion program at the Moa mine site.

During the fourth quarter of 2023, construction of the SPP was completed under budget; commissioning and capacity testing was ongoing and in January 2024 the SPP began processing ore at design capacity.

The Moa Joint Venture received approval of the feasibility study from the Cuban authorities in the first quarter of 2023.

Engineering for the Fifth Sulphide Precipitation Train has been completed. Phase two of the Processing Plant expansion was progressing on schedule for an expected year-end 2024 completion.

In response to the current lower nickel price environment, the Moa Joint Venture optimized the timing of certain capital spending items, shifting some phase two spending to beyond 2024. That deferral was not expected to impact the timing of the ramp up of the MSP production from the expansion as the overall timing and budget to reach target production remained unchanged and was on schedule for an expected end of year 2024 completion with commission and ramp up commencing in 2025.

### **Cobalt Swap**

In 2023, Sherritt and its Cuban partners successfully completed the first year of the Cobalt Swap which included receipt of 2,082 tonnes of cobalt from the Moa Joint Venture, which was sold by Sherritt realizing cash receipts of \$80.3 million, as well as receipt of a cash dividend of \$64.0 million (100% basis), and corresponding reduction in the GNC receivable of \$76.0 million (US\$57.0 million). The principal balance of the GNC receivable as at December 31, 2023 was \$292.0 million.

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### **Moa Swap**

In 2023, US\$54.2 million was received under the Moa Swap, with US\$43.6 million used to fund Energas operations and US\$1.0 million to pay dividends owed to Sherritt. The remainder was used primarily to cover payments Sherritt made on behalf of the gas wells drilled for CUPET in 2023.

### **Energas optimization**

In 2023, two new gas wells went into production with CUPET having provided gas free of charge to Energas for power production. As a result in 2023, electricity production at Sherritt's Power division increased 31% year-over-year.

### **Production results, unit operating costs<sup>(1)</sup> and spending on capital<sup>(1)</sup>**

Metals' finished nickel production in 2023 was 28,672 tonnes (100% basis) and finished cobalt production was 2,876 tonnes (100% basis), both slightly below their respective revised guidance, primarily as a result of lower mixed sulphides feed availability at the refinery. Metals revenue<sup>(1)(2)</sup> in 2023 was \$603.7 million compared to \$795.1 million in 2022 due primarily to lower sales volumes for nickel and lower average realized prices<sup>(1)</sup> for nickel, cobalt and fertilizer.

For the full year 2023, operating and financial results were impacted by a number of challenges in the Metals business. Production of mixed sulphides was impacted by unplanned maintenance on the ore thickener and hydrogen plant, lower ore grades and ore blending challenges in the first half of the year. At Sherritt's fertilizer business, unplanned maintenance at the ammonia plant impacted operating margins and sales volumes. NDCC<sup>(1)</sup> in 2023 was higher than in 2022 primarily attributable to lower net fertilizer by-product credits that reflected lower production and sales, lower realized prices, as well as higher maintenance costs in addition to the impact of lower nickel sales volumes.

Power production in 2023 was 745 GWh. Production increased sequentially throughout the year with electricity production during the fourth quarter having reached the highest level of quarterly production since 2016, which resulted in overall annual production exceeding revised guidance for the year due to additional gas from the two gas wells that went into production during the second quarter of 2023 and improved equipment availability.

Unit operating costs<sup>(1)</sup> and spending on capital<sup>(1)</sup> for each of Sherritt's business units in 2023 were materially in line with revised guidance for the year.

### **Purchase of PIK Notes**

Following note repurchases in 2022 described below in the 2022 summary, in 2023, Sherritt repurchased \$11.2 million of principal of PIK Notes at a 30% discount, that resulted in a gain on repurchase of \$3.5 million.

### **Syndicated Facility**

In 2023, the Syndicated Facility was amended to (i) add an accordion feature, which allows additional lenders to join the Syndicated Facility and increase the maximum credit available by up to \$25.0 million, subject to certain conditions, (ii) increase the permitted debt outside of the Syndicated Facility from \$25.0 million to \$35.0 million and (iii) extend its maturity for one year from April 30, 2024 to April 30, 2025, with no other significant changes to the terms, financial covenants or restrictions. As at December 31, 2023, Sherritt was in compliance with all covenants of the Syndicated Facility.

### **Other events**

In the first quarter of 2023, the Corporation filed a NI 43-101 Technical Report dated March 31, 2023 that indicated a significant increase in estimated tonnage for Proven and Probable Reserves for the Moa Joint Venture due to the adoption of an economic cut-off grade ("ECOG") rather than a fixed cut-off, extending the life of mine 14 years to 2048, including a 110% increase in Proven and Probable reserves for nickel. Please see "Mineral Reserve and Mineral Resource Estimates – Moa Joint Venture: Mineral reserves and mineral resources" for additional information.

On February 15, 2023, Sherritt appointed Anna Ladd-Kruger, a seasoned mining executive to its Board of Directors.

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In 2023, the Corporation released its 2022 Sustainability Report, Climate Report, Tailings Management Report and Sustainability Scorecard outlining the Corporation's performance on ESG matters. Sherritt continues to progress towards targets and key activities.

In 2023, Sherritt received confirmation for the LME that Sherritt is in conformance with LME's Track B Responsible Sourcing Requirements. Sherritt received independent verification that its minerals are not associated with conflict, or risks such as human rights abuses, forced labour, or corruption.

In the fourth quarter of 2023, Sherritt achieved ISO 45001 and ISO 14001 certification and continued to improve its Towards Sustainable Mining score at the Fort Site.

In 2023, Technologies completed a continuous pilot test and advanced the MHP test program, which is supported by a funding commitment from Natural Resources Canada ("NRCan"), as part of Sherritt's strategic objective for expanding midstream processing capacity.

In 2023, the Corporation signed a new parent company guarantee in the amount of €35.8 million that is valid until December 31, 2027 as security for environmental rehabilitation obligations ("ERO") held by the Corporation's former Spanish Oil and Gas operations. The parent company guarantee has no impact on the Corporation's available liquidity.

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Notes:

- (1) Non-GAAP and other financial measures. For additional information, see the "Non-GAAP and other financial measures" section.
- (2) Revenue of Metals for the year ended December 31, 2025 is composed of revenue recognized by the Moa JV of \$370.8 million (50% basis), coupled with revenue recognized by Fort Site of \$102.4 million and Metals Marketing of \$8.4 million (for the year ended December 31, 2024 - \$434.5 million, \$85.6 million and \$6.5 million, respectively; for the year ended December 31, 2023 - \$442.2 million, \$77.9 million and \$83.6 million, respectively).

# CORPORATE STRUCTURE

## NAME AND INCORPORATION

Sherritt International Corporation, formerly Sherritt International Corp., was incorporated on October 4, 1995 by articles of incorporation under the Business Corporations Act (New Brunswick). The articles of incorporation were amended in 1995 and in 2004 to provide for the Corporation's current name and capital structure. The articles provide for an authorized capital consisting of an unlimited number of shares.

On June 14, 2007, Sherritt and Dynatec were amalgamated under the Business Corporations Act (New Brunswick), with the amalgamated corporation named Sherritt International Corporation.

On August 1, 2007, Sherritt continued under the Business Corporations Act (Ontario) by filing articles of continuance.

On December 1, 2010, Sherritt amalgamated with two of its wholly owned subsidiaries, with the amalgamated corporation named Sherritt International Corporation.

On June 3, 2016, Sherritt continued under the Canada Business Corporations Act by filing articles of continuance.

On August 31, 2020, Sherritt amalgamated under the Canada Business Corporations Act with one of its wholly-owned subsidiaries and filed articles of arrangement.

On April 17, 2025, Sherritt completed a plan of arrangement under the Canada Business Corporations Act with one of its wholly-owned subsidiaries and filed articles of arrangement.

Sherritt International Corporation's registered head office is at Bay Adelaide Centre, East Tower, 22 Adelaide St. West, Suite 4220, Toronto, ON M5H 4E3.

<b>Name</b>	<b>Jurisdiction</b>	<b>% of voting securities held (directly or indirectly)</b>
Energas S.A.	Cuba	33 1/3
International Cobalt Company Inc.	Bahamas	50
Moa Nickel S.A.	Cuba	50
Sherritt International Oil and Gas Limited	Alberta	100
SICOG Oil and Gas Limited	Barbados	100
The Cobalt Refinery Company Inc.	Alberta	50

# DESCRIPTION OF THE BUSINESS

## 1. METALS OPERATIONS

For the year ended December 31, 2025, Metals incurred a loss from operations of \$48.4 million on revenue of \$481.6 million compared to a loss from operations of \$18.5 million on revenue of \$526.6 million for the year ended December 31, 2024.

For the year ended December 31, 2024, total spending on capital<sup>(1)</sup> was \$58.9 million. Sustaining spending on capital related to the replacement of equipment, tailings management and infrastructure at the Moa Joint Venture, while growth spending on capital primarily related to completion of the Moa JV expansion program.

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

### MARKET OVERVIEW

#### Nickel

Nickel possesses properties that make it an essential component in the production of stainless steel, which represents approximately 65% of primary nickel consumption. Additionally, nickel is recognized as a critical mineral facilitating the energy transition aimed at reducing carbon emissions, with battery applications accounting for approximately 15% of total nickel demand. As an energy transition metal, nickel is important for clean energy technologies, including catalysts in fuel cells, alloys in geothermal and batteries for electrical vehicles (“EV”) and energy storage, hydrogen, hydro, wind and concentrating solar power. Most significantly, nickel has emerged as a key metal in the cathode active material for lithium-ion batteries, since nickel ensures higher cell voltage and a continuous voltage profile, contributing to higher energy density and good storage capability. Nickel is also used in the production of industrial materials, including non-ferrous steels, alloy steels, plated goods, catalysts and chemicals.

World nickel supply is broadly classified into primary and secondary nickel. Primary nickel is further subdivided into refined nickel (Class I) having a minimum nickel content of 99.8%, and charge nickel (Class II) having a nickel content of less than 99.8%. The main physical forms of Class I nickel are electrolytic nickel (cathode and rounds), pellets, briquettes, granules and powder. Class II nickel includes ferronickel, nickel pig iron (“NPI”), nickel oxide sinter, mixed hydroxide precipitate, MSP, matte and utility nickel. Secondary nickel is the nickel contained in scrap metal, principally stainless steel scrap. World nickel supply has also been strongly impacted by the expansive growth of NPI, in particular, the rapid capacity expansion in Indonesia. NPI is the lowest purity of what is considered refined nickel (as low as 1.5% nickel content) and is primarily used in China and Indonesia to make stainless steel.

Most major refined nickel producers supply nickel at grades ranging from 98.4% to 99.9% purity. The Moa Joint Venture’s sintered nickel briquettes, produced at a minimum of 99.8% purity, are well suited for stainless steel, alloy steel production and battery chemical applications, and are expected to continue to be sold to such industries. The Moa Joint Venture’s “steel grade” (unsintered) nickel briquettes having a typical purity of 99.5% nickel are well suited for stainless steel production and foundry use and its “dissolving grade” nickel powder having a typical purity of 99.8% nickel is suitable for battery chemical applications.

Nickel demand is expected to outpace supply over the long-term. 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.

The average LME nickel price in 2025 was US\$6.88/lb, 10% lower than the US\$7.63/lb for 2023. In December 2025, Indonesia announced plans to restrict nickel ore mining quotas for 2026. This was confirmed in January 2026, with officials announcing a reduction of more than 30% in nickel ore quotas from 2025. These announcements led to prices exceeding US\$7.00/lb in late December and further increasing to an average of US\$7.93/lb in 2026 by the end of February.

## Cobalt

Cobalt is used in the production of high temperature, wear-resistant super alloys, catalysts, paint dryers, cemented carbides, magnetic alloys, pigments, batteries for electrical vehicles and chemicals. The cobalt market is smaller and more specialized than the nickel market.

The relative importance of the different uses of cobalt has changed over the years, with demand for older, more established uses, such as pigments and carbides showing only modest growth. Many of these traditional uses are strongly reliant on industrial growth for demand increases, and therefore demand is correlated with global economic growth. Although the demand from the superalloy sector continues to consume significant cobalt metal, growth in the chemical sector has been the driving force behind recent demand for cobalt, and this is forecasted to continue for the foreseeable future. The chemical sector's growth in cobalt demand will be driven via consumption in lithium-ion batteries in EVs to enable the electrification of transport, and in energy storage systems for renewable energy generation.

The Moa Joint Venture produces finished cobalt (briquettes and powder) at 99.9% purity, which exceeds the current LME cobalt specification. The Moa Joint Venture is among the leading suppliers of metallic cobalt to the world.

The world's cobalt comes primarily from the "copper belt" located in the Democratic Republic of the Congo ("DRC") where cobalt is produced as a by-product of copper mining. Refined cobalt prices increased in February 2025, driven by the DRC's unexpected export ban, that transitioned to an export quota system in mid-October 2025 with annual quotas for 2026 and 2027 capped at 96,600 tonnes, approximately half of 2024 export levels. The DRC retains the right to 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.

The Argus 99.8% Standard Grade cobalt price in 2025 averaged US\$17.69/lb, 39% higher than the average price for 2024 at US\$12.77/lb.

## MOA JOINT VENTURE

The Moa Joint Venture is a vertically-integrated nickel and cobalt mining, processing, refining and marketing joint venture between subsidiaries of Sherritt and GNC. The operations of the Moa Joint Venture are carried on through three companies:

- Moa Nickel S.A. ("Moa Nickel") – owns and operates the Moa, Cuba mining and processing facility
- The Cobalt Refinery Company Inc. ("COREFCO") – owns and operates the Fort Saskatchewan, Alberta metals refinery
- International Cobalt Company Inc. ("ICCI") – located in Nassau, Bahamas, acquires mixed sulphides from Moa Nickel and other third party feeds, contracts with COREFCO for the refining of such purchased materials and then markets finished nickel and cobalt.

Sherritt and GNC each hold 50% of the issued and outstanding shares of each of these companies, the financial results of which are equity accounted for in Sherritt's consolidated financial statements.

Moa Nickel mines lateritic ore by open pit methods and processes it at its facilities at Moa into mixed sulphides containing nickel and cobalt. The mixed sulphides are purchased, free on board, from Moa Nickel by ICCI pursuant to the terms and conditions of an agreement ("Mixed Sulphides Supply Agreement"), which expires June 30, 2027, between Moa Nickel and ICCI. Under the terms of the Mixed Sulphides Supply Agreement, as amended, Moa Nickel and ICCI can negotiate an extension of the agreement. In the event negotiations are unsuccessful the agreement terminates on December 31, 2027.

The mixed sulphides from Moa Nickel are transported by ocean freight to Canada and then by rail to Fort Saskatchewan. COREFCO refines this material together with other nickel and cobalt feed materials purchased by ICCI pursuant to the terms and conditions of a tolling agreement between ICCI and COREFCO, which expires June 30, 2027, with ICCI retaining ownership of the product throughout the refining process. Under the terms of the 2016 Tolling Agreement, as amended, ICCI and COREFCO can negotiate an extension of the agreement. In the event negotiations are unsuccessful, the agreement terminates on December 31, 2027.

Once the mixed sulphides and other feed materials are refined by COREFCO, the resulting nickel and cobalt products are sold by ICCI, directly or indirectly, to various markets, primarily in Europe and Asia. ICCI does not sell nickel and cobalt into the United States due to an embargo against Cuba. For further information, please see "Risk factors—Risks related to U.S. government policy towards Cuba".

In 2025, approximately 92% of the nickel input and 98% of the cobalt input for COREFCO's refinery were derived from mixed sulphides from Moa Nickel. Under the terms of the Mixed Sulphides Supply Agreement, the price paid by ICCI to Moa Nickel is discounted from, in the case of nickel, the official LME cash price and, in the case of cobalt, the price received from ICCI customers. ICCI also purchases other nickel and cobalt feed materials from third parties for refining at COREFCO's refinery and subsequently sells the finished products in international markets.

Sherritt provides essential technical support, process optimization and technology development services to the Moa Joint Venture to support near-term operational improvements, growth initiatives, and long-term sustainability of operations.

## **Governance**

The principal terms governing the relationship between Sherritt and GNC with respect to the Moa Joint Venture are set out in a shareholders' agreement dated December 1, 1994 among GNC, Sherritt, Moa Nickel, COREFCO and ICCI (the "Moa JV Corporations") (as such document has been amended and supplemented from time to time, the "Shareholders Agreement").

Pursuant to the Shareholders Agreement, Sherritt and GNC (collectively, the "Shareholders") are entitled to 50% ownership of each of the Moa JV Corporations. The business of each of the Moa JV Corporations is to be carried on in accordance with international commercial practice to the mutual economic advantage of the Shareholders. The net profits of each Moa JV Corporation may be paid as dividends to the Shareholders based on the decisions of the boards of directors of the Moa JV Corporations, taking into account the current and future needs of the Corporation for capital expenditures, working capital and other funds on a basis consistent with the applicable business plans. The boards of directors of each Moa JV Corporation are comprised of six directors, three representatives nominated by GNC and three representatives nominated by Sherritt. Certain matters concerning the combined enterprise require the unanimous consent of the board of directors of the relevant Moa JV Corporation by resolution or who are present at the relevant meeting, including any amendment to the constating documents of the Moa JV Corporation; any issuance or redemption of capital stock; a declaration of a dividend or other distribution; any capital expenditure or borrowing beyond specified thresholds; and approval of the material elements of the annual business plan. Accordingly, any such distributions are not in the Corporation's sole discretion. Cash and cobalt distributions from the Moa Joint Venture are determined by the Moa Joint Venture based on available cash in excess of the Moa Joint Venture's expected liquidity requirements, taking into account anticipated nickel and cobalt prices and sales volumes, planned spending on capital at the Moa Joint Venture including growth capital, expected financing, working capital needs 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.

The Shareholders Agreement prohibits the transfer of shares of any Moa JV Corporation, subject to limited specific exceptions. It also provides that each party will afford Moa Nickel reasonable opportunity to participate in existing and future development of nickel and cobalt reserves, in the case of GNC, and in nickel and cobalt extraction and refining projects, in the case of Sherritt. The Shareholders Agreement provides for certain rights for GNC in the event of an "Acquisition of Control" of Sherritt in specific circumstances such that an Acquisition of Control of Sherritt to which GNC objects could result in the liquidation of Sherritt's interest in the Moa Joint Venture. The Shareholders Agreement defines the Acquisition of Control of Sherritt as the acquisition of shares of Sherritt by a single investor or group of investors which are associated or otherwise acting in concert such that the investor or group ("Controller") (i) exercises or may reasonably be expected to have, and to exercise, the power to determine who will become directors of Sherritt; or (ii) is the beneficial owner of more than 35% of the voting shares of Sherritt, and GNC, acting reasonably, believes that the investment decisions of the Controller with respect to the shares of the JV Corporations owned by Sherritt will be made on a basis that is influenced by bias or prejudice against the Republic of Cuba.

## **Status under Cuban law**

Under the terms of its constitution, the Cuban state is the unconditional owner of all land and natural resources lying within Cuban territory, and in accordance with section 15 thereof, it is authorized to sell land in Cuba when it is in the interest of the development of the country. The property and assets of the Moa Joint Venture were conveyed through a deed of sale, which was approved by the Executive Committee of the Council of Ministers. The deed of sale was later registered in the registry of property of Cuba, and Moa Nickel was registered in the commercial registry and the registry of the Chamber of Commerce of the Republic of Cuba. The Moa Joint Venture also received mining concessions by means of decree or resolution granting exploration and mining rights.

The resolution of the Executive Committee of the Council of Ministers forming the Moa Joint Venture provides specific protection and guarantees over and above any future laws that the Government of Cuba may introduce, and includes the

current Foreign Investment Law of Cuba (“Law 118”). Law 118 authorizes the government of Cuba to enter into international economic associations (including joint ventures) with foreign investors for the exploitation of natural resources and the development of industrial projects in Cuba. Law 118 provides a variety of guarantees for foreign investors including: (1) a guarantee that their assets cannot be expropriated, except in the public interest and in such case that indemnification must be provided in freely convertible currency equal to the commercial value of the property taken, (2) the right to have such “commercial value” determined by an expert if the parties to the international economic association cannot agree on such a price, and (3) a guarantee of the free transference abroad in freely convertible currency of net profits or dividends received from the investment as well as funds received by way of indemnification from the Cuban State.

The Cuban government also required the Moa Joint Venture to obtain an environmental permit setting operating standards in connection, amongst others, with its water and air discharges and a permit to operate bank accounts for each currency in which the joint venture does business in Cuba.

## METALS MARKETING

ICCI owns and sells the nickel and cobalt toll refined by COREFCO. The principal markets for nickel and cobalt products are Europe and Asia. Products are transported by truck, rail and ship.

The following table sets out the Corporation’s 50% share of sales volumes from the Moa Joint Venture and Sherritt’s 100% share of cobalt received under the Cobalt Swap, as well as its average-realized prices<sup>(1)</sup> for the periods indicated:

### Sales volumes and average realized prices

Sales (tonnes)	Year ended December 31, 2025	Year ended December 31, 2024
Nickel	13,145	15,678
Cobalt <sup>(2)</sup>	1,535	1,638
<b>Average-realized prices<sup>(1)</sup> (Canadian dollars per pound)</b>		
Nickel	\$9.63	\$10.30
Cobalt	\$18.80	\$13.30

Notes:

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

(2) Sales of cobalt under the Cobalt Swap agreement include 173 tonnes in 2025 and 73 tonnes in 2024.

## FORT SITE

The Fort Site is comprised of Sherritt’s 100% owned fertilizer and utilities operation located in Fort Saskatchewan which provide inputs for the metals refinery and produces agricultural fertilizer for sale in Western Canada.

The Fort Site produces ammonia, sulphuric acid and utilities for use in the refinery’s hydrometallurgical process and for sale to third parties. The refining of nickel and cobalt produces as a by-product crystalline ammonium sulphate, a fertilizer.

Additionally, Sherritt produces a premium grade, granular ammonium sulphate fertilizer for the agricultural market. The Fort Site also serves as a back-up hydrogen supply for COREFCO’s refinery.

Revenue from the Fort Site is derived from the sale of ammonia and ammonium sulphate fertilizers principally into the Western Canadian market. Fertilizer revenue also includes third-party sulphuric acid sales and the sale of carbon dioxide, a by-product of ammonia production. Demand for fertilizer products is seasonal, consisting of a spring season and a fall season. Sales volumes are typically higher during the spring. The seasonality of the fertilizer business is reflected in Sherritt’s cash and cash equivalent position throughout the course of the year, which fluctuates based on the timing of fertilizer pre-sales receipts and product deliveries.

The average-realized price for fertilizers products was \$565.02 per tonne in 2025, a 12% increase from \$503.19 in 2024.

Including ammonia, granular ammonium sulphate and 50% of the crystalline ammonium sulphate from COREFCO’s refinery, Sherritt’s Canadian operations sold 166,817 tonnes of fertilizer products in 2025, 7% lower than the 179,135 tonnes sold in 2024. Nitrogen fertilizer prices in Western Canada are strongly influenced by global ammonia prices which is directly related to natural gas prices and market conditions in Western Canada and the U.S. Pacific Northwest. These products are transported in bulk by surface means.

## MINERAL RESERVE AND MINERAL RESOURCE ESTIMATES

### Moa Joint Venture

Moa Nickel received its original mining concessions in the province of Holguin near the town of Moa pursuant to a decree of the Executive Committee of the Council of Ministers of the Republic of Cuba dated November 30, 1994 (“1994 Decree”). The mining concessions initially included a land area of 4,964 ha. As a result of the original concessions, as well as concessions granted subsequent to the 1994 Decree, the current area of the resource concessions at Moa as at December 31, 2025 are as follows:

	Concession type	Area (ha)	Expiry
Camarioca Norte	Exploitation	2,007	2030
Camarioca Sur	Exploitation	2,367	2030
Cantarrana	Exploitation	871	2043
La Delta <sup>(1)</sup>	Exploitation	1,300	2043
Moa Occidental <sup>(2)</sup>		962	
<i>Zona A and Zona Septentrional</i> <sup>(3)</sup>	Exploitation	943	—
<i>Scrap Yard</i> <sup>(3)</sup>	Exploitation	2	—
<i>Extension to Zona A, Sector II</i>	Exploitation	8	2032
<i>Extension to Block O-30</i>	Exploitation	9	2032
Moa Oriental <sup>(3)</sup>	Exploitation	1,464	—
Yagrumaje Oeste	Exploitation	569	2038
Playa la Vaca-Zona Septentrional III	Exploitation	556	
<i>Zona Septentrional III</i>	Exploitation	225	2045
<i>Playa la Vaca</i> <sup>(4)</sup>	Exploitation	331	2045
Santa Teresita	Exploitation	314	2045
<b>Industrial raw materials</b>			
Calcium Carbonate <sup>(3)</sup>	Exploitation	805	—
<b>Total</b>		<b>11,422</b>	

Notes:

- (1) In the South Sector of La Delta, the agreement limits the exploration until 25 years after the initial approval for environmental reasons.
- (2) Moa Occidental subtotaled for clarity of expiry dates.
- (3) The rights expire when the resources inside the concession are depleted.
- (4) The return of 197.41 hectares in the Playa La Vaca and Northern Zona Septentrional III exploitation concession, corresponding to the footprint of the new Moa Oeste tailings dam, was approved by Agreement 10104/2025.

Moa Nickel pays the Cuban state a 5% royalty and the municipality of Moa a 1% territorial contribution of the net sales value (free on board Moa port, Cuba) of the nickel and cobalt contained in mixed sulphides delivered to the refinery in Fort Saskatchewan (on a 100% basis) as determined by a number of factors including recovery rates and prevailing reference prices. In addition, Moa Nickel pays an annual canon of US\$2.00, US\$5.00 or US\$10.00 for each hectare of each concession depending on whether the area is a prospecting, exploration or exploitation area.

More information with respect to the Moa Joint Venture is contained in “*Schedule B—Technical Information*” attached hereto.

## Mineral reserves and mineral resources

The Mineral Reserves and Resources data below are derived from the Technical Report for the Mineral Resource and Mineral Reserve Estimate on the Moa Project, Province of Holguin, Cuba dated March 31, 2023 (“NI 43-101” or “2023 Moa JV Technical Report”) and were updated using the 2025 year-end topography. Resource models have been reviewed by Béatrice Foret, M.Sc., MAusIMM, a “qualified person” (as such term is defined in NI 43-101) who is independent of the Corporation.

The following table provides a summary of the proven and probable mineral reserves (“Proven and Probable Mineral Reserves”) for the consolidated Moa Joint Venture (100% basis) as of December 31, 2025.<sup>(1)</sup>

Mineral Reserve categories <sup>(2)</sup>	Tonnage (millions of tonnes)	Ni (%)	Co (%)	Contained metal	
				Ni (000 t)	Co (000 t)
Proven	76.8	1.03	0.13	787.3	96.5
Probable	30.2	0.98	0.12	296.6	34.8
<b>Total Proven and Probable Reserves</b>	<b>107.0<sup>(3)</sup></b>	<b>1.01</b>	<b>0.12</b>	<b>1083.8</b>	<b>131.3</b>

Notes:

- (1) Proven and Probable Mineral Reserve estimate, as at December 31, 2024, was 112.0 million tonnes.
- (2) Variable cut-off grade applied. All assumptions, parameters, and methods used to estimate the mineral resources and reserves are disclosed in the 2023 Moa JV Technical Report.
- (3) Depletion date used for reporting these Mineral Reserves is December 31, 2025.

Historically, Sherritt has reported Moa Nickel’s Mineral Reserves using fixed cut-offs that conforms to the approach used by Cuba’s Oficina Nacional de Recursos Minerales (ONRM), which defines the limonite zone as the layer of ore where nickel concentration exceeds 1% and iron concentration exceeds 35%. Following the issuance of the 2023 Moa JV Technical Report, Sherritt began reporting both reserves and resources using an economic cut-off grade (“ECOG”). The economic cut-off takes into account the revenue generated by both nickel and cobalt, as well as the operating costs. The methodology considers operating cost impacts incurred as a result of deleterious elements, principally magnesium and aluminum.

Reserves depletion calculations are presently conducted using the NI 43-101 ECOG-based Mineral Reserves. While the mine is transitioning from historical fixed cut-offs to ECOG, temporary discrepancies between yearly reported mine production and yearly topographical depletion may result. Alignment between actual production and topographical depletion of Mineral Reserves is anticipated once the ECOG methodology, alongside blending and stockpiling strategies, is fully integrated into the operation. Mineral Reserves are tied to a Life-of-Mine (LOM) schedule which relies on a blending strategy involving ore types of diverse multi-elemental qualities.

A team made up of members from both Sherritt and Moa Nickel worked closely with the ONRM in recent years to align mineral resource estimates using the new methodology. A program is underway to implement the economic cut-off grade methodology in mine planning. The program has included metallurgical test work, engineering study and updates to the mine planning process and is now focused on mining practices in the field. The 2023 Moa JV Technical Report defines the economic calculations and feed blending criteria which have been developed to guide ore selection to optimize ore processing. These calculations have been further optimized following a continuous test work program which was executed in Q1 2024. Detailed mine plans are being reviewed and updated to implement the new methodology in practice.

The following table provides a summary of the Mineral Resources that are inclusive of Mineral Reserves for the consolidated Moa Joint Venture (100% basis) as of December 31, 2025.

**Moa Joint Venture Mineral Resources inclusive of Mineral Reserves**

<b>Mineral Resources categories<sup>(1)</sup></b>	<b>Tonnage</b> (millions of tonnes)	<b>Ni</b> (%)	<b>Co</b> (%)	<b>Ni</b> (000 t)	<b>Co</b> (000 t)
Measured	90.7	1.05	0.13	951.4	115.3
Indicated	52.8	1.05	0.11	555.6	56.2
<b>Total Measured and Indicated Mineral Resources</b>	<b>143.5<sup>(2)</sup></b>	<b>1.05</b>	<b>0.12</b>	<b>1507.0</b>	<b>171.5</b>
<b>Inferred</b>	32.6	0.98	0.12	318.2	37.4

Notes:

Totals may not sum exactly due to each component number being rounded to its nearest decimal.

(1) All assumptions, parameters, and methods used to estimate the mineral resources and reserves are disclosed in the 2023 Moa JV Technical Report.

(2) Depletion date used for reporting these Mineral Resources is December 31, 2025.

Measured and indicated mineral resources (“Measured and Indicated Mineral Resources”) account for environmental encumbrances by excluding them from the resource base.

Due to the uncertainty which may be attached to the inferred mineral resources (“Inferred Mineral Resources”) it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration. Confidence in the estimate is insufficient to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability.

For further detail regarding the extent to which the estimates of Mineral Resources and Reserves may be materially affected, please see “Risk factors—Uncertainty of resources and reserve estimates”.

## 2. POWER

During 2025, the Corporation's Power division had earnings from operations of \$22.2 million on revenue of \$49.2 million compared to earnings from operations of \$13.5 million in 2024 on revenue of \$47.8 million. Total spending on capital<sup>(1)</sup> during 2025 in respect of power operations was \$1.6 million and was primarily related to maintenance activities.

The Corporation holds a one-third interest in Energas, a Cuban joint venture established to operate facilities for the processing of raw natural gas and the generation of electricity for sale and delivery to the Cuban national electrical grid system. The remaining two thirds interest in Energas is held equally by two Cuban agencies, CUPET and UNE.

The Corporation has financed, constructed and commissioned each of the four integrated gas treatment and three power generation facilities as well as all expansions to the facilities which are located near the Varadero, Boca de Jaruco, and Puerto Escondido oil fields located in Cuba. As at December 31, 2025, these facilities had a total capacity of 506 MW.

In 2023, two new gas wells went into production with gas provided to Energas free of charge by CUPET for use in power generation. In 2023, electricity production at Sherritt's Power division increased 31% year-over-year. In 2024, maintenance work was completed on three gas turbines in part to bring online an additional turbine to process gas being received from a third new gas well that was brought into production during the year. In 2024, electricity production at Sherritt's Power division increased a further 10% year-over-year. In 2025 a replacement gas well was brought online in the third quarter to offset the loss of gas production from a legacy CUPET well. Electricity production in 2025 was impacted by participation in frequency control and was 2% lower than in 2024. Dividends in Canada from Energas have increased from \$13 million in 2024 to \$26.0 million in 2025. In 2026, dividends in Canada from Energas are expected to be between \$20 million to \$25 million<sup>(1)</sup>.

The Energas joint venture is authorized as an international economic association pursuant to foreign investment laws in Cuba to engage in the generation of electricity for sale to the Cuban electrical grid. Resolutions confirming the authorization and validity of the establishment of Energas and its capacity to construct and operate electrical power generation plants and to sell electricity to Cuban agencies have been issued by the Executive Committee of the Council of Ministers. Energas is registered with the Chamber of Commerce of Cuba and has obtained a customs registration number that allows it to import supplies and materials into the country during the construction phase or expansion of any project and has also registered with the Office of National Tax Administration. The Cuban government also requires that Energas obtain environmental licenses relating to the commissioning and operation of the plant sites operated by Energas and a permit to operate bank accounts for each currency in which Energas does business in Cuba.

### Association agreement

The establishment and operation of Energas is governed by an association agreement entered into among Sherritt, CUPET and UNE, the joint venture partners of Energas ("Association Agreement"). The terms of the Association Agreement specify the obligations of each of the joint venture partners. The Corporation provides financing for the capital costs associated with the procurement, construction and commissioning of each power generation project that is approved by the shareholders of Energas and authorized by the Executive Committee of the Council of Ministers. CUPET, as part of their obligations under the Association Agreement, supplies gas as feedstock for the facilities at no cost to Energas, and UNE purchases the electricity produced by Energas under long-term fixed-price contracts.

Under the terms of the Association Agreement, all management decisions concerning Energas require the unanimous agreement of the joint venture partners. Day-to-day operations of Energas are the responsibility of the General Manager of Energas, who is appointed by Sherritt, until such time as it has recovered all its financing costs, and thereafter by mutual agreement of the joint venture partners.

(1) Based on Power's 2026 guidance estimates for production volumes (825-875 GWh, 33 $\frac{1}{3}$ % basis), unit operating costs (\$27.25-\$28.75/MWh) and spending on capital (\$3.0 million, 33 $\frac{1}{3}$ % basis). Unit operating costs and spending on capital are non-GAAP financial measures. For additional information, see the "Non-GAAP and other financial measures" section.

On December 15, 2016, the Executive Committee of the Council of Ministers of the Republic of Cuba issued a Resolution extending the operating term of the Energas Varadero power generation facilities, and the related land rights until March 30, 2023. On October 12, 2022, Cuba's Executive Council approved the twenty-year extension of Energas' Joint Venture to March 2043.

The following table provides information in respect of each phase of development of the power generation facilities operated by Energas:

Phase	Location	Start date	End of term	Capacity (MW)	Economic unit	Description
1	Varadero	1998	2043	65	Base	2 gas turbines, gas processing facility
2	Varadero	1998	2043	33	Base	1 gas turbine, gas processing facility
3	Varadero	2003	2043	75	Base	Combined cycle facility with supplementary firing
4	Boca de Jaruco	1999	2043	33	Base	1 gas turbine, gas processing facility
6	Puerto Escondido	2006	2043	20	Expansion	1 gas turbine, gas processing facility
6	Boca de Jaruco	2006	2043	65	Expansion	2 gas turbines, pipeline
7	Boca de Jaruco	2007	2043	65	Expansion	2 gas turbines
8	Boca de Jaruco	2014	2043	150	Expansion	Combined cycle facility with supplementary firing
<b>Total capacity</b>				<b>506</b>		

Pursuant to the terms of the Association Agreement, the operations of Energas have been divided into two economic units. The first economic unit ("Base") comprises phases 1 through 4 noted above and the second economic unit ("Expansion") comprises Phases 6 through 8 noted above.

The profits from each of the Base and Expansion economic units are paid out in the following order of priority: first, to the Corporation in repayment of financing costs for the construction of the facilities; second, to the government of Cuba for land rights granted in connection with the power plant sites; and finally, subject to mutual agreement, to the Energas shareholders in the form of dividends. In the event there is a shortage in the supply of natural gas that results in the curtailment of operations at the Expansion facilities, the joint venture partners of Energas have agreed to contribute their respective dividends from the Base facilities, to the extent required, to ensure that the Corporation recovers its financing costs pertaining to the Expansion facilities.

During 2005, Energas completed the repayment of financing in respect of the construction of the Base facilities. Subsequently, payment was made to the government of Cuba for the land rights to these facilities. As a result, the profits from the Base facilities are distributed to the joint venture partners of Energas in the form of dividends. Regular dividend payments commenced during 2006 and profits from the Base facilities are subject to a Cuban profit tax. The Corporation believes that, to the extent its share of dividends from Energas are reinvested in construction of the Expansion facilities, the Corporation is entitled to receive reinvestment credits. Such credits are payable in cash directly to the Corporation funded by income taxes paid by Energas to the extent of the Corporation's one-third interest. The Cuban tax authority has indicated they will make payments to Sherritt in accordance with the Cuban tax authority's interpretation of the amount entitled, however during 2025, no payments were received. The value of the reinvestment tax credits as at December 31, 2025 was \$11.7 million.

Energas and UNE have entered into an agreement providing for the purchase by UNE of all of the electric power generated by Energas from the Base facilities up to a maximum of 1,680 gigawatt hours per year. The purchase obligation commenced in October 1998, when the first phase of the Varadero facility commenced commercial production, and will continue as long as the Association Agreement is in effect. The electricity tariff was US\$0.045/kWh prior to completion of the repayment of financing and payment of land rights in 2005. The tariff is now US\$0.038/kWh. A second agreement provides for the purchase by UNE of all of the electricity generated from the Expansion facilities up to a maximum of 1,180 gigawatt hours per year.

Under this second agreement, the electricity tariff was set at US\$0.045/kWh during the period prior to repayment of financing for the Expansion facilities and payment of land rights. Beginning in January 2024, the tariff was reduced to US\$0.038/kWh.

In addition to the agreements with UNE, Energas has entered into agreements with other agencies of the government of Cuba, on the basis of international reference prices, for the purchase and sale of sulphur, LPG and natural gas condensates which are recovered from the processing of raw gas.

## Locations

Energas does not own the surface land rights for its power facilities in Cuba, but has entered into leases with the Government of Cuba for the duration of the term of the joint venture.

### Varadero

The Varadero facility is located approximately 140 kilometres east of Havana, Cuba. The facility consists of two integrated raw gas processing plants, three gas turbines and associated electric generators, a heat exchange system for generating high-pressure steam, and a steam turbine and associated electric generator. In addition, the Varadero site includes an electrical substation and transformers to facilitate connection of the facility to the Cuban national grid system and an integrated maintenance facility. The aggregate net power capacity of this facility is approximately 173 MW. Sherritt's share of 2025 electricity sales was 111,693 MWh. In 2024, Sherritt's share of electricity sales was 184,490 MWh.

The two integrated gas plants at the Varadero site have a combined rated capacity of approximately 50 MMcfpd of raw gas inlet, which would yield approximately 43 MMcfpd of sweet gas, 60 Tpd of sulphur, 438 bopd of LPG, and 226 bopd of condensate.

During 2025, Sherritt's Power division continued to play a meaningful role in stabilizing the Cuban national grid. As a result of the nationwide power outages and challenges facing the national power grid, UNE required Energas to operate certain facilities in frequency control to help support the stability of the power grid, which reduced the power generation volumes by approximately 67 GWh (Sherritt's share). Energas was fully compensated for this reduction under the same terms and conditions outlined in the contract.

Energas expects that the Varadero facility will operate in frequency control in 2026 with an estimated reduction in electricity volume of approximately 160 GWh. Energas expects to continue to be fully compensated for this reduction and therefore Sherritt expects there will be no impact to Power's Adjusted EBITDA<sup>(1)</sup>, earnings from operations or dividends from Energas to Sherritt in Canada. Energas' other facilities are expected to continue operating as usual.

### Boca de Jaruco and Puerto Escondido

The Boca de Jaruco facilities, located approximately 50 kilometres east of Havana, Cuba, consist of a raw gas processing plant and five gas turbines and associated electric generators, a heat exchange system for generating high pressure steam and a steam turbine and associated electric generator. The aggregate net power capacity of this facility is approximately 313 MW. The gas plant has a rated capacity of approximately 12 MMcfpd of raw gas inlet, which would yield approximately 10 MMcfpd of processed natural gas and 58 bopd of condensate. The Boca de Jaruco site also includes an electrical substation and transformers to facilitate connection to the Cuban national grid system and an integrated administrative and maintenance facility.

The Puerto Escondido facilities, located approximately 75 kilometres east of Havana, Cuba consist of two integrated raw gas processing plants and a gas turbine and associated electrical generator with a net power capacity of 20 MW. The gas plant has a rated capacity of 70 MMcfpd of raw gas inlet, yielding approximately 61.5 MMcfpd of processed natural gas, 400 bopd of condensate and 475 bopd of LPG. The Puerto Escondido site also includes an electrical substation and transformers to facilitate connection to the Cuban national grid system.

In 2025, Sherritt's share of electricity sales at the Boca de Jaruco and Puerto Escondido sites was 687,012 MWh. In 2024, Sherritt's share of electricity sales was 631,936 MWh. The increase in sales was due to additional gas provided from a well that went into production in the fourth quarter of 2024 and a replacement gas well that was brought online in Q3 2025 to offset the loss of gas production from a legacy CUPET well.

Under the terms of the Association Agreement, Energas has assumed responsibility for the processing of all the gas produced in the regional vicinity of the Yumuri, Puerto Escondido and Seboruco oil fields, including the portion of gas used by CUPET for the supply of domestic fuel to Havana for which CUPET pays a tariff to Energas.

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

## **Cuban payment arrangements**

In 2019, Sherritt's Cuban partners ratified a new overdue receivables agreement, the Moa Swap, under which Sherritt will receive Cuban energy payments from Energas. The Moa Swap recognized and acknowledged 100% of the amounts owed at this time to Sherritt.

In the fourth quarter of 2022, Sherritt and its Cuban partners finalized a five-year extension of the Moa Swap, whereby Sherritt expects to continue to receive approximately US\$4.2 million per month to facilitate foreign currency payments for the Energas operations and dividend repatriations to Sherritt in Canada.

In October 2022, Sherritt signed the Cobalt Swap with its Cuban partners to settle its total outstanding Cuban receivables over five years, beginning January 1, 2023. Under the Cobalt Swap, the Moa Joint Venture prioritizes payment of dividends in the form of finished cobalt to each partner, up to an annual maximum volume of cobalt, with any additional dividends in a given year distributed in cash. All of the Cuban partner's share of these cobalt dividends, and any additional cash dividends, are redirected to Sherritt as payment to settle the receivables until an annual dollar limit, including the collection of any prior year shortfalls, has been reached. On January 1, 2023, the outstanding receivable amounts owing to Sherritt from Energas and CUPET – \$368.0 million – was assumed by GNC, who in turn entered into payment agreements of an equivalent amount, denominated in Cuban pesos with Energas and CUPET. This amount included the Energas CSA receivable of \$336.3 million and trade accounts receivable from CUPET of \$31.7 million (collectively, Energas/CUPET liabilities). As a result of the exchange, Sherritt no longer has the responsibility for collection on the amounts solely from Energas and CUPET. Energas and CUPET remain liable for payment of the Energas/CUPET liabilities, as applicable, only to the extent not satisfied by GNC. On distribution of any redirected amounts from GNC in cobalt or cash to Sherritt, GNC receives an equivalent payment from Energas or CUPET denominated in Cuban pesos.

## **Gas Supply from CUPET**

Under the terms of the Association Agreement, CUPET is obligated to supply, at no cost to Energas, gas that is owned by CUPET and is produced in association with crude oil from oil fields in the regional vicinity of the Varadero, Boca de Jaruco, Yumuri and Puerto Escondido plant sites ("Oilfields") up to maximum plant capacity. CUPET's obligation to supply such gas is subject to its pre-existing obligation to supply clean, processed gas from the Puerto Escondido, Yumuri and Canasí fields for domestic fuel to Havana. Energas does not own the gas reserves in the Oilfields, nor does it control the rate or manner in which such gas reserves are produced. Sherritt continues to work with its Cuban partners to access additional gas for the Boca facility. Two gas wells were drilled in Puerto Escondido during the first half of 2023. One gas well in Canasi was drilled during the second half of 2024 and another was brought online in Q3 2025. Continuing shortages in gas supply occurred throughout 2025 at the Varadero plant site (see "Risk factors—Uncertainty of gas supply to Energas").

### 3. OIL AND GAS

Cuban oil production ceased on March 20, 2021 with the expiry of the Puerto Escondido/Yumuri Production Sharing Contract. In addition, the Casablanca field in Spain and associated fields reached end of life and ceased production on June 15, 2021. As of this date, Sherritt does not have any oil nor gas production. As at December 31, 2025, the Corporation had no wells (producing or non-producing) in Cuba. In Spain, as at that same date, the Corporation had no producing wells, while it had 18 non-producing gross wells and 3.1 non-producing net-wells of light and medium oil. There were no exploratory or development wells drilled in the financial year ending December 31, 2025.

On March 17, 2021, the Corporation entered into an agreement with a third party to provide equipment and services to drill two exploration wells in Cuba. In March 2023, that contract was amended to include the drilling of a third well, plus the abandonment of one of the wells drilled under the original agreement. In November 2023, an additional amendment was executed to provide services to drill a fourth well. In 2025 two further contract amendments were executed. One for services to complete a workover during the first quarter and another to provide drilling services for two more wells, of which only one was completed during 2025.

In 2025, the Corporation's Oil and Gas operations generated revenue of \$15.2 million compared with \$15.7 million during 2024. In 2025, Oil and Gas had a loss from operations of \$22.1 million, compared to a loss from operations of \$18.3 million in 2024. The losses primarily related to losses on an environmental rehabilitation provision related to the Corporation's legacy Spanish Oil and Gas operations and an impairment of \$8.4 million taken on intangible assets in 2024.

#### OPERATIONS IN CUBA

Within Cuba, the Corporation holds exploration PSCs with CUPET, the Cuban state oil company. As Operator under the terms of the PSCs, SICOG Oil and Gas Limited ("SICOG") enters into long-term leasehold arrangements with the Cuban state for the use of all land required for petroleum operations for the duration of the term of the PSCs. The Corporation indirectly holds 100% working-interests in two exploration PSCs in Cuba, as described in the following table, covering a total of approximately 168,600 net ha:

Block	Location	Current Status
Block 10	Fold and thrust region – north coast of Cuba	Exploration Phase
Block 6A	Fold and thrust region – north coast of Cuba	Exploration Phase

#### Properties with no attributed reserves

In 2014, the Corporation was awarded two new PSCs, with effective dates of January 9, 2015, covering Blocks 8A and 10 in Cuba. Sherritt has fulfilled all of the exploration sub-period commitments for Block 10 and retains its contractual rights to explore Block 10, but does not intend to make further investment at this time without first securing an earn-in partner. As of 2023, Sherritt relinquished its rights to Block 8A.

On November 1, 2017, the Corporation was awarded the Block 6A PSC on the north coast of Cuba, west of Havana. The PSC for Block 6A expires in November 2045 and Sherritt retains its contractual rights to explore Block 6A. Sherritt has fulfilled its commitment in the first exploration sub period, but similar to Block 10, does not intend to make further investment at this time without first securing an earn-in partner.

#### Cuban payment arrangements

During 2023, SICOG received the overdue balance as at December 31, 2022 of US\$23.2 million for Cuban oil sales by way of the Cobalt Swap. There are no amounts owing to the Corporation for oil receivables at December 31, 2025. Please see "Three Year History - 2022 Cobalt Swap Agreement" for additional information.

## OTHER INTERNATIONAL OPERATIONS

### Spain

The Corporation holds a 14.5% working-interest in the Casablanca oil field and a 15.6% working-interest in the Rodaballo oil field, a 29% working-interest in the Boquerón oil field, and an 18.4% working-interest in the Barracuda oil field, all located in the Gulf of Valencia, offshore Spain. These fields ceased production on June 15, 2021. Work commenced in 2023 on the plug and abandonment of the wells and will continue for several years until the Casablanca platform, associated wells and production facilities are fully rehabilitated in Spain.

There was an increase in the environmental rehabilitation provision related to the Corporation's legacy Spanish Oil and Gas operations of \$14.8 million during the year ended December 31, 2025 due to changes in assumptions relating to foreign exchange, inflation and discount rates. The total environmental rehabilitation provision related to the Corporation's legacy Spanish Oil and Gas operations as at December 31, 2025 was \$67.5 million on a discounted basis.

On October 29, 2021, the EROs held by the Corporation's Spanish Oil and Gas operations were secured by a parent company guarantee of €31.5 million until December 31, 2023. In 2023, a new parent company guarantee was signed with a four-year term valid until December 31, 2027 and a guaranteed amount of €35.8 million. The parent company guarantee has no impact on the Corporation's available liquidity.

## 4. ENVIRONMENT, HEALTH AND SAFETY AND SUSTAINABILITY

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) CONSIDERATIONS

Sherritt integrates industry best practices into its ESG policies, procedures, and management systems to address material sustainability risks and opportunities. Strong governance is central to this approach.

Sherritt’s Board of Directors (“Board”) has overall responsibility for oversight of the company’s ESG initiatives. The Reserves, Operations and Capital and Sustainability (“ROCS”) Committee is the primary committee charged with setting and monitoring the implementation of ESG strategies and policies, and performance. The Audit Committee, Human Resources Committee, and Nominating and Corporate Governance Committee also support ESG oversight within their respective mandates.

In 2025, management accountability for oversight of Sherritt’s Sustainability Framework rested with the Chief Commercial Officer, who departed subsequent to period end. As such, management accountability of the Sustainability Framework has shifted to the Chief Operating Officer. The Sustainability department develops standards, oversees performance and disclosure, and works across divisions and joint ventures to ensure alignment with corporate sustainability objectives and continuous improvement in ESG practices. Operational accountability, including sustainability, remains with each operation’s leadership, reporting to the Chief Operating Officer.

Information on Sherritt’s ESG performance is available in the 2024 Sustainability Reporting Disclosures (“Disclosures”), with the 2025 Disclosures expected to be published in the third quarter of 2026.

### SUSTAINABILITY FRAMEWORK

Sherritt’s Sustainability Framework (the “Framework”) guides the management of material sustainability issues, risks, and opportunities across its operations. The Framework is built around four core commitments: provide a safe and rewarding workplace, operate ethically, demonstrate environmental responsibility, and engage stakeholders and benefit communities.

Alongside strong environmental stewardship and governance structures Sherritt recognizes the inherent value that comes from having a diverse group of employees at all levels of the organization and that historically there has been an underrepresentation of this in the mining industry. These commitments are supported by management systems and standards that apply to all divisions and inform strategy, performance measurement, and reporting.

The Framework is based on a double-materiality approach, focusing on issues that may materially affect Sherritt’s business performance as well as areas where the Corporation’s activities have significant environmental or social impacts. Material topics are reviewed annually to ensure continued relevance.

Sherritt updates its sustainability policies and standards to align with evolving industry expectations and international frameworks, including the Mining Association of Canada’s (“MAC”) Towards Sustainable Mining (“TSM”) program, ISO management system standards, the Voluntary Principles on Security and Human Rights (“VPSHR”), the International Sustainability Standards Board, and the Responsible Minerals Initiative/Copper Mark Risk Readiness Assessment Criteria Guide. Sherritt’s approach to sustainability is also informed by the United Nations Sustainable Development Goals, and OECD guidelines.

### Sustainability goals and targets

Sherritt has established sustainability goals related to health and safety, management system conformance, environmental performance, community benefits, diversity and inclusion, and responsible production. Divisions maintain multi-year plans to support progress, which is disclosed annually in Sherritt’s Sustainability Report.

### Memberships

Sherritt aligns its sustainability practices with recognized industry standards and frameworks. The Corporation is a member of MAC and implements the MAC TSM protocols, along with ISO 9001, ISO 45001 and ISO 14001 management system standards which inform relevant policies and operating procedures. Sherritt also is a member of the Nickel Institute and Cobalt Institute, supporting alignment with sector-specific best practices. In addition, Sherritt is currently pursuing the Nickel Mark award for its Fort Site refinery which is part of the Copper Mark assurance framework to support responsible production practices. As of January 2026, Sherritt is no longer a Corporate Pillar Member of the Voluntary Principles Initiative, however corporate- and site-level policies, procedures and training materials still align with the VPSHR.

## Sustainability reporting

The Corporation prepares several ESG-related public disclosures on an annual basis. In recent years this has included a Climate Report, a Tailings Management Report, and Global Reporting Initiative (“GRI”) and Sustainability Accounting Standards Board (“SASB”) aligned Sustainability Report and Sustainability Scorecard, which detail discrete data disclosures against a broad set of sustainability reporting standards. Sherritt prepares an annual OECD Step 5 Due Diligence Report describing the due diligence efforts related to responsible supply chains alongside a report to the Canadian Minister of Public Safety on measures taken to eliminate any forms of Forced or Child Labour in the Corporation’s supply chain. Additionally, on an annual basis the Corporation discloses performance against MAC’s TSM protocols which are available publicly on the organization’s website. Sherritt’s 2024 sustainability disclosures were published in August 2025 and are available on the Corporation’s website. Sherritt’s 2025 sustainability disclosures are expected to be published in the third quarter of 2026.

## Environment

In addition to meeting the commitments articulated in Sherritt’s Sustainability Framework, the Corporation’s operations are also subject to various jurisdiction-specific Environment, Health and Safety (“EH&S”) laws and regulations. These laws and regulations set forth operating requirements and conditions in areas including but not limited to, occupational health and safety, operation and closure criteria, air emissions, water use and treatment and tailings management and monitoring. The Corporation recognizes that the consequences of a breach of EH&S laws can be serious and could result in the temporary suspension of operations, the imposition of fines, other penalties (including administrative penalties and regulatory prosecution), and government orders that could potentially have a material adverse effect on operations. The Corporation is in material compliance with all applicable environmental laws and obligations relating to its current and past operations.

Moa Nickel’s mining operations are subject to three sets of Cuban legislation with respect to environmental requirements: Decree Law 194 monitored by the ONRM, Environmental Law 81 monitored by the Centro de Inspección y Control Ambiental (“CICA”), and the Operating Standard, which was granted by Resolution 192/2018 from the Ministerio Ciencia, Tecnología y Medio Ambiente. The Operating Standard regulates the conditions and environmental requirements for the performance of the activities of Moa Nickel S.A. and was last renewed in September 2018. The Operating Standard is also monitored by CICA. All permits and licences are current and valid, their conditions and requirements are being met, and all financial obligations are satisfied. Representatives of ONRM and CICA conduct regular inspections to monitor compliance with regulatory requirements.

At the Corporation’s Oil, Gas and Power operations, the Cuban regulator conducts ground water and air quality surveys several times per year to monitor compliance with standards under Cuban law.

The Corporation holds an operating approval under the Alberta Environmental Protection and Enhancement Act for the refinery in Fort Saskatchewan, which is valid until January 31, 2031, subject to renewals. Environmental management activities in the Fort Saskatchewan area are coordinated with other local companies through the refinery’s active involvement with the Northeast Capital Industrial Association (“NCIA”). The NCIA endorses principles that promote sustainable industrial growth and high quality of life and works with provincial authorities. Anticipated and actual changes to federal and provincial legislation regarding emissions, which will require that certain air emissions from the refinery be reduced, will require capital expenditures on the part of the Corporation.

The Corporation includes provisions in its financial statements for environmental rehabilitation obligations (“ERO”) based on estimates of future site restoration costs, estimated remaining lives of properties, environmental laws and regulations, and estimated lives of reserves. The current estimate of the Corporation’s share of the total anticipated undiscounted future cost of abandonment and reclamation costs to be incurred over the life of the Corporation’s various assets and investments is estimated at approximately \$192.3 million (excluding operating expenses). See Note 16 to the Corporation’s audited consolidated financial statements as at December 31, 2025. The Moa JV also has \$143.7 million (50% basis) of undiscounted ERO, which are non-recourse to the Corporation. The Corporation’s reclamation of sites under its ownership is continuous and ongoing. The Corporation has received certain indemnifications from its predecessor, Viridian Inc. (“Viridian”), which was acquired by Agrium Inc. in 1996, with respect to any claims for environmental damage relating to the operations at the Fort Site prior to 1994 and with respect to any claims in relation to the Corporation’s fertilizer business prior to 1996. The Corporation has assumed Viridian’s obligations to GNC in respect of environmental indemnities but has also received indemnification from Viridian to the same extent with respect to matters occurring prior to the commencement of operations of the Moa JV in 1994.

The Corporation and Moa Nickel have been indemnified by GNC with respect to a number of environmental matters. More particularly, damage arising from claims concerning identified or latent conditions relating to the operation of Moa Nickel facilities prior to the formation of the Moa Joint Venture, including health-related claims and required remediation of environmental damage done prior to the formation of the Moa Joint Venture are subject to indemnification by GNC.

Moa Nickel is obliged to maintain a financial reserve for the purpose of reforestation of the areas that Moa Nickel has mined. Moa Nickel is not responsible for the reforestation of areas mined prior to November 30, 1994.

The Power division's Varadero, Boca de Jaruco and Puerto Escondido plant sites are subject to regulation under Cuban environmental laws. The area in the vicinity of these sites has been used for the development and production of petroleum and natural gas and other industrial activity for many years. Baseline environmental surveys conducted prior to commencement of operations have confirmed the presence of pre-existing ground water contamination at each of the Varadero, Boca de Jaruco and Puerto Escondido plant sites. The Corporation believes that Energas has no liability under Cuban law for any pre-existing contamination at these sites.

The Oil and Gas division has an undiscounted ERO of \$73.6 million as at December 31, 2025 related to legacy Spanish Oil and Gas operations, which are secured by a parent company guarantee. In 2023, Sherritt signed a new parent company guarantee that is valid until December 31, 2027 and a guaranteed amount of €35.8 million as security for the ERO.

In 2007, Sherritt acquired Dynatec and its assets, including three closed former mine sites in Canada. The reclamation obligations for the properties are being administered by Sherritt with the technical assistance of an environmental consulting firm. Sherritt is in material compliance with all closure plans and other regulatory obligations related to the legacy sites. As at December 31, 2025 the undiscounted ERO on the company's balance sheet for the three sites is nominal.

## **Tailings**

Sherritt's goal is that its joint venture operates and maintains its tailings management facilities in accordance with global standard practices for safety.

The joint venture Moa Nickel site is the Corporation's only site with active Tailings Management Facilities ("TMFs"). Tailings at Moa Nickel are currently deposited in on-land ponds with surface water reclaimed for the process. There are several TMFs at the Moa Nickel site and geotechnical engineers are employed to provide oversight of design, construction, and operation of the tailings facilities. Independent engineering firms are utilized in the design and monitoring of tailings facilities. The design and operation of existing facilities meets or exceeds all applicable regulatory requirements.

The integrity and operating procedures of the TMFs at the Moa Nickel site are reviewed regularly, both internally and by third-parties. The Independent Tailings Review Board ("ITRB") and Engineer of Record ("EOR"), are responsible for auditing TMF safety and stability and the effectiveness of management systems. Recommendations from these reviews are then analyzed by site management and action plans are developed to address them.

Upstream and centre-line designs have been used throughout the mine life. Stability is monitored as per operations, maintenance, and surveillance manual.

As part of the LOM optimization planning, Moa Nickel has set out a proposed sequence for the development, operation, and closure of its TMFs, including with respect to the Acid Leach Tailings Facility, the North Extension, Area 22 and the new tailings facility currently under construction, which will provide a tailings solution for the Moa mine over the entirety of its current mine life of approximately 25 years. This tailings management project is a capital efficient and robust tailings solution driven to meet expected production needs, international standards, and Moa Joint Venture's strategic environmental priorities. The Corporation expects the new tailings facility to be commissioned in 2027. Spending on capital related to the new tailings facility in 2025 was \$24.3 million for the construction of the embankments and materials and supplies required for the tailings pipelines. The remaining expected capital cost is expected to be \$25.0 to \$30.0 million (50% basis) related to the Moa JV's tailings management project which incorporates savings and deferred spending to 2027 through design optimization, improved material sourcing, and strategic procurement, while maintaining the expected date for commencing operations in the first half of 2027. As at December 31, 2025, the Moa Joint Venture had drawn \$82.2 million (US\$60.0 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. See Sherritt's 2024 Tailings Management Report for more information. The 2025 Tailings Management Report, which is expected to be made available in Q3 2026, will have further updates.

One of the former Dynatec properties near Invermere, British Columbia has a legacy TMF. With assistance from external consultant a monitoring and reporting plan for the TMF is being developed to demonstrate continued stability and low-risk characterization which would allow for the release of select permit obligations by the Ministry of Mining and Critical Minerals.

As a member of MAC, Sherritt is committed to implementing and achieving the standards contained in the TSM Tailings Management Protocol at its joint venture TMFs. Sherritt recognizes MAC's guidance documents on tailings management as a benchmark of good management practice. TSM provides an established system for credible performance measurement and reporting, including rigorous standards to help ensure that tailings facilities are being responsibly managed. The requirements presented in the GISTM have been mapped to the current TSM Level A requirements for tailings management, water stewardship and community relationships already established in TSM. Sherritt has disclosed detailed information regarding the TMFs operated by Moa Nickel in its 2024 Sustainability Report and 2024 Tailings Management Report.

### **Climate change and greenhouse gas emissions**

Sherritt's climate and greenhouse gas ("GHG") management approach is informed by four guiding principles:

- 1. Mitigate:** Reduce operational GHG emissions and improve resource efficiency
- 2. Adapt:** Strengthen ability of operations and host communities to adapt to a changing climate
- 3. Innovate:** Develop solutions that reduce GHG emissions and improve environmental performance
- 4. Enable:** Provide responsibly sourced productions in support of the transition to a low-carbon economy.

For more information on our approach to climate change related risks and opportunities, and a summary of our recent performance, please see our 2024 Climate Report. Updates to this information are expected to be made available in Q3 2026 in the Corporation's forthcoming sustainability disclosures.

#### **Federal**

Under the Paris Agreement, the Canadian federal government has proposed to reduce its emissions by 40-45% below 2005 levels by 2030. In 2016, the Government of Canada, eight provinces (including Alberta) and three territories signed the Pan-Canadian Framework on Clean Growth and Climate Change ("Climate Change Framework"). The key feature of the Climate Change Framework is a federal benchmark for carbon pollution pricing including a federal fuel charge which began to apply in Alberta on January 1, 2020.

The carbon tax was set at \$80 per tonne of CO<sub>2</sub>-equivalent ("CO<sub>2</sub>e") for the 2024 compliance year and rose to \$95 per tonne for 2025. As dictated by the Climate Change Framework, the carbon tax will continue to increase by \$15 per tonne per year until the tax reaches \$170 per tonne in 2030.

#### **Alberta**

The Technology Innovation and Emissions Reduction Regulation ("TIER") became effective January 1, 2020. This regulation sets benchmarks based on 2013-15 performance of either the mix of Alberta facilities producing the same product, or the facility emissions intensity for unique producers. TIER includes both direct emissions and indirect ones related to the import of electricity, process heat, or hydrogen using Alberta specific standard intensities. For 2025 the carbon price was set at \$95/tonne. In May 2025 the Government of Alberta announced its intention to indefinitely freeze the price at \$95/tonne. It is anticipated that for the next several years, the refinery and the Fort Site will continue to comply with TIER by purchasing credits and will consider emerging GHG emission efficiency options as they are developed. In 2023, the GHG emissions by the refinery and the Fort Site were 348 thousand tonnes CO<sub>2</sub>e in total or 53 thousand tonnes CO<sub>2</sub>e greater than the legislated limit. Accordingly, the refinery and the Fort Site purchased 53 thousand tonnes of credits. Although the 2025 GHG emissions by the refinery and the Fort Site will not be available until the second quarter of 2026, the refinery and the Fort Site purchased 45 thousand tonnes of credits for delivery and payment in May 2026, at a much lower cost than the regulatory price.

#### **Other jurisdictions**

The Power division previously registered the Energas Varadero Conversion from Open Cycle to Combined Cycle Project under the United Nations Clean Development Mechanism, generating certified emission reduction credits. Due to sustained low market prices for CERs, verification activities were suspended and the project was not renewed in 2022. The potential re-registration of the Energas Varadero project or registration of the 150 MW Boca de Jaruco Combined Cycle Project may be reconsidered in the future.

With greater clarity on emissions regulations, the Corporation can better plan for impacts to operations. The regulation of GHGs is a topic of global importance and will be in discussion nationally and internationally for the foreseeable future. It

remains that the Corporation's Canadian operations involve large facilities, so the setting of any current or future emissions regulations (and their associated implementation targets for corporations) may have a material adverse effect on the Corporation's business, results of operations and financial performance, though the full extent to which this may occur remains unknown. In addition to directly emitting GHGs, the Corporation's operations require large quantities of power. Current or future taxes on the regulation of power producers or the production of oil and gas or other fuel products may also add to the Corporation's operating costs. However, conversely, the increased regulation of GHG emissions may also increase the demand for the Corporation's products, including nickel and cobalt, which are deemed critical minerals for the global energy transition.

To monitor the potential risks and opportunities to the business associated with climate change, the Corporation has conducted a number of corresponding assessments and continually engages with politicians and regulators at both the federal and provincial levels to closely monitor the regulatory activities of these governments. The Corporation's facilities have implemented programs for the collection of emissions data as part of an overall environmental monitoring system. Any eventual costs related to emissions targets may be partially offset by credits earned through internal measures and research and development projects.

## **HEALTH & SAFETY**

Sherritt is committed to safe production and ensuring the health and safety of everyone at our operations. This commitment is embodied in several key mechanisms to prevent fatalities, minimize risks, ensure that leaders are coaching in work areas regularly, address psychological safety and mental health, involve personnel at every level of the operations to improve safety behaviours, and identify continual improvement opportunities.

While Sherritt does not have operational control at all of its joint venture operations, management strives to influence partners to implement international best practices. The Corporation has established enterprise-wide standards based on MAC's TSM Safety and Health Protocol, ISO 45001 and industry best practice related to fatality prevention. These standards are regularly updated as part of our commitment to continuous improvement, operational excellence and a stronger safety culture. All sites are expected to conform with these minimum management system requirements. In 2023, the COREFCO refinery achieved a milestone by obtaining ISO 45001:2018 health and safety management system certification. The Corporation tracks a series of leading indicators designed to increase safe behaviours, improve competency, ensure safe working conditions and strengthen safety culture. These indicators include leadership interactions, proactive health and safety communications, workplace inspections, and training. The Corporation also has a significant potential incident standard in place, which requires tracking and specific management actions for any workplace incident that, under different circumstances, could have resulted in a fatality.

Governance and assurance on our health and safety programs is conducted through regular executive reviews, peer comparisons, internal audits, and independent assessments. Health and safety is also a key component of Sherritt's enterprise risk management ("ERM") framework.

With great regret, Sherritt reported two fatalities at the Moa Nickel operation in 2023. Throughout 2024, in response to these incidents, rigorous root cause analyses and a Fatality Prevention gap analysis were undertaken. The operations have also completed updates to their Fatality Prevention standards, Life Safety Rules, permitting programs, procedures, and training programs. Finally, Sherritt also initiated a series of Safety strategy sessions with each of its operations to create a multi-year roadmap for improvement. Areas of focus include building an interdependent safety culture, visible and felt leadership, workforce competencies, effective risk management, contractor safety, learning and development, and external assurance.

More information will be provided in Sherritt's forthcoming 2025 Sustainability Report.

## **RESPONSIBLE SOURCING**

Sherritt is committed to producing and supplying minerals in a manner consistent with recognized sustainability and human rights standards. This commitment applies across the Corporation's joint ventures, subsidiaries, suppliers, and customers. Sherritt's Responsible Production and Supply Policy, Human Rights Policy, and Mineral Supplier Code of Conduct outline expectations for suppliers and establish the due diligence processes used to identify and mitigate environmental and social risks. These commitments are supported by management systems designed to manage risks and meet or exceed performance requirements.

Sherritt's due diligence framework is aligned with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, the industry-accepted standard for responsible mineral supply chains. The Corporation implements these practices through its Joint Due Diligence Procedure, ensuring consistent risk assessment, red-flag review, and supplier verification across applicable entities.

In 2025, Sherritt progressed its responsible sourcing program by advancing toward LME Track A alignment through participation in the Copper Mark assurance framework. As part of this process, Sherritt completed its initial third-party Copper Mark audit, which assessed site-level environmental, social, human rights, and supply chain management practices against Copper Mark criteria. Corrective action plans identified through the audit are being implemented to support full conformance.

During the year, Sherritt also completed a red flag assessment and maintained ISO 9001, ISO 45001 and ISO 14001 certification at the COREFCO refinery, and published its annual OECD Step Five Due Diligence Report. A copy of the report is available on the Corporation's website. Additionally, Sherritt is actively engaged with the standards of MAC, the RMI/Copper Mark, the LME, the Nickel Institute and the Cobalt Institute to ensure alignment with recognized responsible sourcing initiatives, standards and frameworks. Sherritt advocates for the adoption of these guidelines by its partners, subsidiaries and joint venture organizations.

Additional information on Sherritt's responsible production and supply practices, due diligence systems, and alignment with international standards will be available in the Corporation's 2025 OECD Step 5 Due Diligence Report which is expected to be made available in Q2 2026.

## 5. EMPLOYEES

At December 31, 2025, the Corporation, including its subsidiaries and joint ventures, employed 3,418 individuals as set forth in the following table:

Moa Joint Venture and Fort Site <sup>(1)</sup>	2,860
Oil and Gas <sup>(2)</sup>	121
Power <sup>(3)</sup>	344
Corporate and Other <sup>(4)</sup>	39
Havana office <sup>(5)</sup>	15
<b>Total</b>	<b>3,379</b>

Notes:

- (1) Includes Sherritt and GNC employees seconded to the Moa Joint Venture (100% basis)
- (2) Includes employees of the entities through which the Corporation carries on its Oil and Gas business.
- (3) Includes employees of Energas.
- (4) Includes employees related to external technical services to third parties, and growth and market development activities.
- (5) Includes employees in the Havana office supporting Cuban operations.

The table above does not include contractors or service providers.

Sherritt's operations require employees and contractors with a high degree of specialized technical, management and professional skills, such as engineers, trades people and plant and equipment operators. In some geographic areas, the Corporation competes with other local industries for these skilled workers. For example, in its Cuba operations, the Corporation is dependent on the government for the provision of skilled workers. In July 2025, the Corporation implemented cost reduction initiatives, including a workforce reduction primarily focused on non-operating roles across its Canadian operations. These measures were undertaken to further streamline the organization and enhance overall cost efficiency, following the workforce reductions completed in 2024.

## 6. RISK FACTORS

Before making any investment decision, investors should carefully consider all the information contained in this Annual Information Form. An investment in securities of the Corporation is subject to certain risks, including risks related to the business of the Corporation, risks related to mining operations, power and other operations and risks related to the Corporation's securities described below and in this Annual Information Form. These risks may not be the only risks faced by the Corporation. Additional risks and uncertainties not presently known by the Corporation or which are presently considered immaterial may also adversely impact the Corporation's business, results of operations, financial performance and liquidity.

Many of these risks have been, and may continue to be, heightened by recent geopolitical, regulatory and supply-chain developments (including those affecting operations in Cuba and access to capital), as further described below.

### OPERATIONS AT THE MOA JOINT VENTURE

On February 17, 2026, the Corporation disclosed that operations at the Moa Joint Venture mine in Cuba had been reduced due to country-wide fuel supply constraints and expected to pause operations if fuel supplies could not be restored. If operations at the Moa Joint Venture mine are paused, the Corporation expects to pause operations at the Moa Joint Venture refinery in Alberta, as well, once feed inventory is depleted (currently expected to occur sometime in the second quarter of 2026, if additional feed has not been secured by then).

Sustained disruption to the Corporation's operations would be expected to reduce feed inventory and finished products available for sale and may also reduce, delay or halt distributions under the Cobalt Swap which, in turn, could have a material adverse effect on Sherritt's business, results of operations and financial performance, including its ability to continue to fund operations and meet its financial obligations as they become due. The timing and extent of any resumption of normal operations will depend on a number of factors outside the Corporation's control, including the availability and cost of securing adequate fuel and feed and on broader supply-chain and policy conditions affecting Cuba. Please see also the risk factors entitled "Liquidity and Access to Capital", "Risks Related to Sherritt's Operations in Cuba" and "Risks Related to U.S. Government Policy Towards Cuba".

### LIQUIDITY AND ACCESS TO CAPITAL

Sherritt's ability to fund its capital and operating expenses and to meet its financial obligations depends on being able to generate sufficient cash flow from its operations and its ability to obtain additional financing and/or refinance its existing credit facilities and Amended Senior Secured Notes on terms that are acceptable to the Corporation. As noted in the risk factor entitled "Commodity Risk" below, Sherritt's earnings and financial condition are highly dependent upon the market prices for nickel, cobalt and other commodities, which are highly volatile in nature. Depending upon commodity prices in particular, Sherritt may find itself unable to access sufficient capital to fund its operations in the manner required for the long-term viability of the business and/or remain in compliance with its debt covenants. There can be no assurance that Sherritt will have sufficient funds to repay its outstanding Amended Senior Secured Notes at maturity, nor can there be any assurance that Sherritt will be able to refinance its Notes or raise funds in the equity capital markets on terms and conditions that would be acceptable. Failure to provide adequate funds to its operations, execute growth strategies, replace depleted reserves or meet or refinance its financial obligations could have a material adverse effect on Sherritt's business, results of operations and financial performance.

Sherritt's current financing includes, among other things, the Credit Facility. The total available draw under the Credit Facility is based on eligible receivables and inventory. If prices for nickel and cobalt decline or if production reduces, this could result in a material reduction in the amount of funding available under the Credit Facility. Certain debt covenants under the Credit Facility are based on ratios involving the Corporation's EBITDA and/or interest expense and other covenants require the maintenance of minimum cash balances. The Corporation's ability to satisfy these covenants could also be negatively affected by decreases in commodity prices or if production reduces. If operations at the Moa Joint Venture are paused due to fuel supply constraints and, as a result, operations at the Moa Joint Venture's refinery in Alberta become paused once feed inventory is depleted, this would reduce eligible receivables and inventory and, in turn, reduce the amount available to be drawn under the Credit Facility and may adversely affect covenant compliance and access to liquidity. As a result, there can be no assurance that this Credit Facility can be extended or renewed at any time or otherwise replaced with a different credit facility on similar terms, or that required consent or waivers under the Credit Facility will be provided without concessions on the part of the Corporation or at all.

Agencies of the Government of Cuba have significant payment obligations to the Corporation in connection with the Corporation's operations in Cuba. Although the risk associated with payment of these obligations may be mitigated by the Cobalt Swap, this exposure to the Government of Cuba and its potential inability to timely or fully pay such amounts could have a material adverse effect on the Corporation's financial condition and results of operations. Please see the risk factor entitled "Risks Related to Sherritt's Operations in Cuba" for additional information. Please see the risk factor entitled "Restrictions in Debt Instruments and Debt Covenants and Mandatory Repayments" for more information on Sherritt's loans and borrowings and on the effect of non-compliance with certain debt covenants. In addition, cash and cobalt distributions to the Corporation from the Cobalt Swap are determined based on available cash in excess of the Moa Joint Venture's liquidity requirements. Determinants of the Moa Joint Venture's liquidity include anticipated nickel and cobalt prices, production 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 in advance of and subsequent to shipment. As distributions from the Cobalt Swap are determined based on available cash in excess of the Moa Joint Venture's liquidity requirements, fuel supply constraints at the Moa Joint Venture and the sustained disruption of operations at the Moa Joint Venture mine may affect the timing and amount of such distributions.

As a result, there can be no assurance that Sherritt will have sufficient liquidity to fund operations and meet its financial obligations as they become due, including its ability to repay the outstanding Amended Senior Notes at maturity. Absent improved operating conditions, additional financing (on terms and conditions acceptable to the Corporation) or relief from stakeholders, the Corporation may be unable to maintain compliance with its debt covenants or otherwise satisfy its financial obligations.

## **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 and skilled worker retention and shortages. The first term of the current U.S. 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 the current U.S. administration a few days later, on January 20, 2025, the first day of the current administration's second term. On June 30, 2025, the U.S. 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. The NSPM signaled a continuation of the U.S. government's hardline economic and geopolitical policy related to Cuba and may increase the risks related to Sherritt's operations in Cuba. In addition, in early 2026, Venezuela ceased oil exports to Cuba as a result of recent geopolitical turmoil in the country. Venezuela has historically been a major supplier of oil to Cuba, and this supply disruption may exacerbate Cuba's existing economic challenges. On January 29, 2026, the U.S. government issued an Executive Order declaring a national emergency with respect to the government of Cuba and authorized the imposition of tariffs on countries that supply oil to Cuba, which could further restrict Cuba's ability to access international fuel supplies. While the Moa JV mine typically has the ability to source fuel oil from international suppliers to continue its operations, there can be no assurance that it will be successful in maintaining the continuity of operations. Changes in regulations and political attitudes related to Cuba are beyond the control of Sherritt and may adversely affect its business. In addition, operations may be affected by the Cuban government's domestic 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. During December 2025, Cuba announced a series of regulations that modify the access to foreign currency within Cuba. Sherritt has not experienced any material changes or additional risks to its operations as a result of this change and will continue to monitor developments and assess potential impacts of the transition as it evolves. 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.

Operations in Cuba may also be affected by the fact that, as a Caribbean nation, Cuba regularly experiences hurricanes and tropical storms of varying intensities, often accompanied by power outages, which may also arise as a result of fuel shortages. The risk of damage is dependent upon such factors as intensity, footprint, wind direction and the amount of precipitation associated with the storm and tidal surges. While the Corporation, its joint venture partners and agencies of the Government of Cuba maintain comprehensive disaster plans and the Corporation's Cuban facilities have been constructed to the extent reasonably possible to minimize damage, there can be no guarantee against severe property damage and disruptions to operations.

There is increased demand from downstream customers that electronics, automotive and other manufacturers demonstrate that their product supply chains are ethical and responsible. Such responsible sourcing requirements are affecting the metals sector broadly. Requests for assurance of a responsible supply chain from the refinery to the mine site are increasingly being received by downstream customers of the Corporation. The Corporation believes that its supply of minerals is ethical and responsible and in order to demonstrate this the Corporation is engaged in activities to implement policies and due diligence systems to independently verify that its mineral supply chain conforms to internationally accepted best practices. While the Corporation is committed to demonstrating a responsible supply of minerals, the Corporation has no control over the purchasing decisions of its customers or the factors on which they are based and there is no guarantee that the Corporation's efforts will mitigate this potential risk. Please also see the risk factor entitled "Risks Related to U.S. Government Policy Towards Cuba".

The Cuban Government has allowed, for more than two decades, foreign entities to repatriate profits out of Cuba. However, there can be no assurance that allowing foreign investment and profit repatriation will continue or that a change in economic conditions will not result in a change in the policies of the Cuban Government or the imposition of more stringent foreign investment or foreign exchange restrictions. Such changes are beyond the control of Sherritt and the effect of any such changes cannot be accurately predicted.

All sales of electricity made by Energas in Cuba are made to an agency of the Government of Cuba. The access of the Government of Cuba to foreign exchange is severely limited. As a consequence, from time to time, the Cuban agencies have had difficulty in discharging their foreign currency obligations. During such times, Sherritt has worked with these agencies in order to ensure that Sherritt's operations continue to generate positive cash flow to the extent possible. However, there is a risk, beyond the control of Sherritt, that receivables and contractual performance due from Cuban entities will not be paid or performed in a timely manner, or at all. In 2022, Sherritt finalized the Cobalt Swap with its Cuban Partners to recover \$368 million of total outstanding receivables. In 2023, the Moa Joint Venture distributed 100% of the annual maximum cobalt volume pursuant to the Cobalt Swap and paid cash distributions in order for the total value of cobalt and cash distributions to meet the annual dollar minimum of US\$114.0 million (100% basis) pursuant to the Cobalt Swap.

In 2025, the Moa Joint Venture distributed nil cash and in-kind cobalt to the Corporation pursuant to the Cobalt Swap, which was significantly lower than in 2024 primarily due to lower production and nickel prices. While the Cobalt Swap agreement contains default and retroactive interest provisions in the event that the total outstanding principal amount is not repaid by December 31, 2027, there can be no assurance that it will be repaid by maturity, as cobalt and cash distributions are at the discretion of the Board of Directors of the Moa Joint Venture and subject to its available liquidity and finished cobalt production to make such distributions to the Corporation.

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.

## **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, Cuban-origin goods, foreign goods derived from Cuban-origin, and Cuban nationals, and it bars all persons subject to the jurisdiction of the United States from participating in or facilitating such transactions or dealings unless authorized under general or specific licenses issued by the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”). 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 OFAC as specially designated nationals (“SDNs”) pursuant to the U.S. embargo against Cuba, as well as entities owned 50% or more, directly or indirectly, by one or more SDNs. The three entities constituting the Moa Joint Venture in which Sherritt holds an indirect 50% interest have been designated as SDNs by OFAC. 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. jurisdiction, 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, and foreign goods made or derived, in whole or in part, from Cuban-origin goods, 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.

### **The Helms-Burton Act**

Separately from the general provisions of the embargo summarized above, the Helms-Burton Act creates civil liability and authorizes sanctions on U.S. or non-U.S. individuals or entities that “traffic” in Cuban property that was confiscated by the Cuban Government from U.S. nationals or from persons who have become U.S. nationals. The term “traffic” is broadly defined and includes various forms of use of, or benefit from, confiscated Cuban property as well as “profiting from” or “participating in” the trafficking.

Title III of the Helms-Burton Act creates a private cause of action and authorizes U.S. nationals with claims to confiscated property in Cuba to file suit in U.S. courts against persons that may be “trafficking” in that property. Since the enactment of the Helms-Burton Act, Title III was suspended for successive six-month periods until the U.S. ceased that practice and allowed Title III to come into effect on May 2, 2019. Since that time, a number of lawsuits have been filed pursuant to Title III in the United States against companies in the U.S., Canada and elsewhere. On January 14, 2025, former President Biden issued a six-month suspension of Title III prior to leaving office, however, the current U.S. administration then revoked the suspension before it took effect, allowing Title III to remain in force. The Corporation has received letters in the past from U.S. nationals claiming ownership of certain Cuban properties or rights in which the Corporation has an indirect interest, including in relation to claims certified by the U.S. Foreign Claims Settlement Commission. However, Sherritt has not been subjected to any lawsuits in this regard. In the event that any such lawsuits were to be filed, Sherritt does not believe that its operations would be materially affected because Sherritt’s current minimal contacts with the United States would likely deprive any U.S. court of personal jurisdiction over Sherritt. Furthermore, even if personal jurisdiction were exercised, any successful U.S. claimant would currently have to seek enforcement of the U.S. court judgment outside the U.S. in order to reach material Sherritt assets. Management believes it unlikely that a court in Canada or in any country in which Sherritt has material assets would enforce a Helms-Burton Act judgment against it.

The Foreign Extraterritorial Measures Act (Canada) was amended as of January 1, 1997 to provide that any judgment given under the Helms-Burton Act will not be recognized or enforceable in any manner in Canada and certain other countries implemented “blocking statutes” at that time. The amendments to the Canadian statute permit the Attorney General of Canada to declare, by order, that a Canadian corporation may sue for and recover in Canada any loss or damage it may have suffered by reason of the enforcement of a Helms-Burton Act judgment abroad. In such a proceeding, the Canadian court could order the seizure and sale of any property in which the defendant (i.e., a claimant under the Helms-Burton Act) has a direct or indirect beneficial interest, or the property of any person who controls or is a member of a group of persons that controls, in law or in fact, the defendant. The property seized and sold could include shares of any company incorporated under the laws of Canada or a province.

The Government of Canada also responded to the Helms-Burton Act through diplomatic channels. Other countries, such as the members of the European Union and the Organization of American States, have expressed their strong opposition to the Helms-Burton Act as well.

Nevertheless, the threat of potential litigation creates a distraction from constructive business operations and may discourage some potential investors, lenders, suppliers and customers from doing business with Sherritt and there can be no assurance that any litigation against Sherritt pursuant to the Helms-Burton Act would not ultimately be successful or have a material adverse effect on Sherritt’s business, results of operations or financial performance.

In addition to authorizing private lawsuits through Title III, Title IV of the Helms-Burton Act authorizes the U.S. Secretary of State and the U.S. Attorney General to deny visas and exclude from the United States those aliens who engage in certain “trafficking” activities, as well as those aliens who are corporate officers, principals, or controlling shareholders of “traffickers” or who are spouses, minor children, or agents of such excludable persons. The U.S. Department of State has deemed Sherritt’s indirect 50% interest in Moa Nickel S.A. to be a form of “trafficking” under the Helms-Burton Act. In their capacities as officers of the Corporation, certain individuals have been excluded from entry into the U.S. under this provision. Management does not believe the exclusion from entry into the U.S. of such individuals will have any material adverse effect on the conduct of the Corporation’s business.

The U.S. Department of State has issued guidelines for the implementation of the immigration provision, which state that it is “not sufficient in itself for a determination” of exclusion that a person “has merely had business dealings with a person” deemed to be “trafficking”.

The U.S. embargo has been, and may be, amended from time to time, including the Helms-Burton Act, and therefore the U.S. sanctions applicable to transactions or dealings with Cuba may become more or less stringent. The stringency and longevity of the U.S. laws relating to Cuba are likely to continue to be functions of political developments in the United States and Cuba, over which Sherritt has no control. During its first term in office, President Trump’s administration increased its sanctions against Cuba and its trading partners and these measures have had an adverse impact on Cuba and its economy, as well as its ability to conduct international trade. The pace and extent of any future changes are uncertain and beyond Sherritt’s control. There can be no assurance that the U.S. embargo and the Helms-Burton Act will not have a material adverse effect on the Corporation’s business, results of operations or financial performance.

## **MARKET CONDITIONS**

### **Commodity risk**

Sherritt’s principal businesses involve the sale of several commodities. Revenues, earnings and cash flows from the sale of nickel, cobalt, and fertilizers are sensitive to changes in market prices, over which the Corporation has no control. The Corporation’s earnings and financial condition depend largely upon the market prices for nickel, cobalt, fertilizers and other commodities, which are volatile. Significant reductions in commodity prices or sustained low commodity prices could have a material adverse effect on the Corporation’s business, results of operations and financial performance. The prices for commodities produced by the Corporation can be affected by numerous factors beyond the Corporation’s control, including expectations for inflation, speculative activities, relative exchange rates to the U.S. dollar, production activities of other mining companies, global and regional supply and demand, supply and market prices for substitute commodities, international trade dynamics and disputes, tariffs, political and economic conditions, global conflicts and hostilities, and production costs in major producing regions. Commodity prices may also be significantly influenced by government policy decisions in key producing jurisdictions, including Indonesia and the Democratic Republic of the Congo, such as changes to mining and environmental laws, export restrictions, taxation and royalty regimes, state participation requirements, permitting processes and other

regulatory or policy interventions that may affect production levels, costs, global supply dynamics or market access. The prices for these commodities have fluctuated widely in recent years. Forecasts of commodity prices can prove to be inaccurate, as factors such as supply and demand fundamentals (including the potential growth in the electric vehicle market), speculative market participation by financial entities, and structural and economic changes may not behave as predicted.

Sherritt's current businesses are dependent upon commodity inputs such as sulphur, fuel oil, natural gas, diesel, sulphuric acid, electricity and materials that are subject to prevailing commodity prices and availability. Prices for Sherritt's two most significant commodity inputs, sulphur and fuel oil, are impacted by a number of factors. For sulphur, these factors include global supply and demand for sulphur, oil, gas and refining activity, and agricultural fertilizer demand. Fuel oil, as a residual product of crude oil, is driven by the price of crude oil which in turn is driven by global supply and demand, interventions by the Organization of the Petroleum Exporting Countries ("OPEC") and geopolitical events (including sanctions and trade restrictions). Costs and earnings from the use of these products are sensitive to changes in market prices, over which Sherritt has no control. Please also see the risk factor entitled "Risks Related to U.S. Government Policy Towards Cuba".

### **Securities market fluctuations and price volatility**

The securities markets in Canada and elsewhere can experience significant price and volume volatility which can affect the prices of Sherritt's securities. The prices of Sherritt's securities have been, and may continue to be, affected by this market volatility, as well as varying in response to a number of other events and factors. These factors may include, but are not limited to: the price of products and commodities; realized prices for production, global demand for EVs and the anticipated corresponding demand for cobalt and nickel; political and macro-economic factors, including global conflicts and hostilities; tariffs; Sherritt's operating performance; the proximity of the maturity dates of the Corporation's Notes and perceptions as to the Corporation's ability to repay or refinance this indebtedness, the public's reaction to the Corporation's press releases, other public announcements and the Corporation's filings with the various securities regulatory authorities; and changes in earnings estimates or recommendations by research analysts who cover Sherritt securities or the securities of other companies in the resource sector.

Securities of the Corporation listed on these markets or traded over the counter can experience wide fluctuations which are not necessarily related to the operating performance, underlying asset values or prospects of the Corporation. Such securities can be affected by a number of factors outside the Corporation's control and which affect the price and value of securities more generally; these factors may include, but are not limited to: changes in interest rates, tax policy, international trade dynamics and disputes, political and macro-economic factors, including global conflicts and hostilities, as well as economic growth rates. As such, the Corporation's securities have been, and could continue to be, subject to significant volatility in trading volumes and market prices. There can be no assurance that the market price of the Corporation's securities will accurately reflect the value of the Corporation's underlying assets and future business prospects at any time (including the value of its interests in commodities and their current forecasted market prices).

### **Restrictions in debt instruments, debt covenants and mandatory repayments**

Sherritt is a party to certain agreements governing the Credit Facility, as well as the amended and restated trust indenture made between the Corporation and TSX Trust Company of Canada, as trustee and collateral agent (the "Amended Second Lien Notes Indenture") governing the outstanding Amended Senior Secured Notes. These agreements contain covenants which restrict Sherritt's activities including without limitation, making of investments, the incurrence of indebtedness, liens, asset sales, payment of distributions and other restricted payments which could have the effect of restricting Sherritt's ability to react to changes in Sherritt's business or to local and global economic conditions. In addition, Sherritt's ability to comply with these covenants and other terms of its indebtedness may be affected by changes in the Corporation's business, local or global economic conditions or other events beyond the Corporation's control. Failure by Sherritt to comply with any of the covenants contained in the Amended Second Lien Notes Indenture, the Credit Facility or any future debt instruments or credit agreements, could materially adversely affect the Corporation's business, results of operations and financial performance.

### **POLITICAL, ECONOMIC AND OTHER RISKS OF FOREIGN OPERATIONS**

In addition to Cuba, Sherritt has operations and corporate entities located in other jurisdictions. There can be no assurance that assets of companies operating in industries which are deemed of national or strategic importance in the countries in which the Corporation operates or has assets, including energy, mineral and petroleum exploration, development and production, will not be subject to nationalization, requisition or confiscation, whether pursuant to law or otherwise, by an authority or body. Changes in policy that alter laws regulating the mining or energy sectors could have a material adverse effect on the Corporation.

Sherritt is also subject to other political, economic and social risks relating to foreign operations which include, but are not limited to, forced modification or cancellation of existing contracts or permits, currency fluctuations and devaluations, unfavourable tax enforcement, changing political conditions, political unrest, civil strife, uncertainty regarding the interpretation and/or application of applicable laws in foreign jurisdictions, reliance on foreign advisors and consultants, and changes in governmental regulations or policies with respect to, among other things, currency, production, price controls, profit repatriation, export controls, labour, taxation, trade (including sanctions and trade restrictions), and environmental, health and safety matters or the personnel administering those regulations or policies. Any of these risks could have a material adverse effect on the Corporation's business, results of operations and financial performance.

## **ENVIRONMENT, HEALTH AND SAFETY**

### **Environmental risks and liabilities**

The Corporation is subject to risks related to environmental liability, including liability for reclamation costs and related liabilities, tailings facility failures and toxic gas releases. Mining, like many other extractive natural resource industries, is subject to potential risks and liabilities associated with the effects on the environment resulting from mineral development and production. Environmental regulation and increasing environmental awareness is broadening the scope of environmental stewardship responsibilities. The Corporation may be held responsible for the costs of addressing contamination at, or arising from, current or former activities. The costs associated with such responsibilities and liabilities may be substantial. The payment of such liabilities would reduce funds otherwise available and could have a material adverse effect on the Corporation. Additionally, the Corporation recognizes that material non-compliances would likely impact its social license to operate, the costs of which are indefinable, but may be significant in scope. An example of such liabilities are the environmental rehabilitation obligations associated with the Corporation's legacy Oil and Gas assets in Spain.

As part of the normal course of business, environmental and regulatory authorities may conduct periodic or annual inspections of the Corporation's tailings facility, and as a result of these inspections, the Corporation may be required to modify its tailings management approach, complete additional monitoring work or take remedial actions. Liabilities resulting from non-compliance, damage, regulatory orders or demands, or similar, could adversely and materially affect the Corporation's operations and financial performance.

The Corporation has an obligation under applicable mining, oil and gas and environmental legislation to reclaim certain lands that it disturbs during mining, oil and gas production or other industrial activities. The Corporation is required to provide financial security to certain government authorities or third parties for some of its future reclamation costs. Currently, the Corporation provides this reclamation security by way of bank guarantees, corporate guarantees and irrevocable letters of credit issued under its Credit Facility. The Corporation may be unable to obtain adequate financial security or may be required to replace its existing security with more expensive forms of security, including cash deposits, which would reduce cash available for operations. In addition, any increase in costs associated with reclamation and mine closure or termination of oil and gas field operations resulting from changes in the applicable legislation (including any additional bonding requirements) could have a material adverse effect on the Corporation's business, results of operations and financial performance.

In order to adequately prepare for operational changes or closure of its operating sites, Sherritt has estimated environmental rehabilitation provisions that management believes will meet current regulatory requirements. These future provisions are estimated by management using closure plans and other similar plans which outline the requirements that are expected to be carried out to meet the provisions. The provisions are dependent on legislative and regulatory requirements which could change. Given that the estimate of provisions is based on future expectations, a number of assumptions and judgments are made by management in the determination of these provisions which may prove to be incorrect. As a result, estimates may change from time to time and actual payments to settle the provisions may differ from those estimated and such differences may be material.

In 2002, Dynatec acquired Highwood Resources and in 2007 Sherritt International acquired Dynatec and its assets. This purchase included liabilities and reclamation obligations for three closed mine assets that are being administered by Sherritt International Corporation. Reclamation, monitoring, reporting, and contact with regulators is ongoing for each of the sites.

## **RISKS IN RELATION TO INFORMATION TECHNOLOGIES SYSTEMS AND CYBERSECURITY**

The global mining industry has experienced an increase in cybersecurity threats, and the Corporation is not immune to the potential negative impacts of such incidents or other disruptions to its information technology (“IT”) systems. The Corporation’s operations, including all mining activities, are highly dependent on its IT systems. These systems encompass networks, equipment, hardware, software, telecommunications, and other IT components, along with those managed by vendors and third-party service providers. The reliance on these systems makes the Corporation vulnerable to any disruptions or breaches that may occur.

To date, the Corporation has not suffered any material losses attributable to cybersecurity incidents or disruptions to IT systems. However, there is no guarantee that such losses will not occur in the future. The Corporation has implemented an IT systems security risk management framework as part of its mitigation efforts. Nevertheless, the evolving nature of cybersecurity threats means that these risks cannot be completely eliminated. The ongoing development and enhancement of controls, processes, and practices aimed at safeguarding IT systems against cybersecurity threats remain a priority for the Corporation.

As cybersecurity threats continue to advance and change, the Corporation may need to allocate additional resources to modify or improve its protective measures. This could also involve investigating and addressing any vulnerabilities that are discovered. The occurrence of a cybersecurity incident or IT system disruption could result in significant consequences, including production downtimes, operational delays, destruction or corruption of data, security breaches, financial losses due to remedial actions, theft or compromise of confidential or protected information, fines, lawsuits, and damage to the Corporation’s reputation. Any of these outcomes could adversely affect the Corporation’s financial condition and overall operations.

In addition to cybersecurity threats, the Corporation faces significant risks associated with disruptive technologies such as Artificial Intelligence (AI), robotics, automation, and data analytics. Failure to invest in and adapt to advancements in AI and data analytics may leave the Corporation at a strategic disadvantage compared to industry peers who are leveraging these technologies to optimize operations, reduce costs, and enhance decision-making.

Neglecting to invest in AI could mean missing out on improvements in predictive maintenance, operational efficiency, and resource allocation, potentially resulting in increased downtime, higher operational costs, and less competitive performance. Similarly, failing to embrace data analytics may prevent the Corporation from effectively analyzing vast amounts of operational data, leading to less informed business decisions, slower responses to market changes, and an inability to identify emerging risks or opportunities. Such shortcomings could erode the Corporation’s competitiveness, and ultimately have an adverse impact on its operations.

## **CLIMATE CHANGE/GREENHOUSE GAS EMISSIONS**

The Corporation’s operations are subject to various laws regarding greenhouse gas emissions and climate change in the jurisdictions in which it operates. In Alberta, where the Moa Joint Venture’s refinery is located, the TIER regulations, which replaced Alberta’s Carbon Competitiveness Incentive Regulation on January 1, 2020, apply to facilities that emit 100,000 tonnes CO<sub>2</sub>e or more per year. The levy increased to \$95/tCO<sub>2</sub>e in 2025. These and similar requirements could significantly increase the cost of the operations either through required investment in pollution-reduction equipment or carbon price payments. Alberta has also adopted a carbon levy which applies to the sale, importing, flaring etc. of fuels and committed to phasing out coal-fired electricity by 2030, which could increase the Corporation’s operating costs directly, through the purchase of electricity and indirectly should similar changes impact the Corporation’s suppliers and customers in Alberta and elsewhere. In addition, uncertainty around when and how regulations may change or be adopted is not an ideal operating environment.

Over the last few years the frequency and impact of extreme weather events, such as hurricanes and severe storms in Cuba pose increasing operating risks to the Corporation’s facilities. The risk of damage is dependent upon such factors as intensity, footprint, wind direction and the amount of precipitation associated with the storm and tidal surges. While the Corporation maintains comprehensive disaster plans and its facilities have been constructed to the extent reasonably possible to minimize damage, there can be no guarantee against severe property damage and disruptions to operations.

In line with emerging disclosure regulations, the Corporation is in the process of identifying climate change risks and opportunities as well as developing resilience and adaptation plans. For more information, please refer to the latest Climate

Report. Liabilities and risks resulting from physical and transitional climate change risks or opportunities could change and adversely and materially affect the Corporation's financial performance.

The Corporation's ability to lower GHG emissions is subject to numerous risks and uncertainties and may expose the Corporation to certain additional and/or heightened financial and operational risks. A reduction in GHG emissions relies on, among other things, the Corporation's ability to implement technologies and improve energy efficiency at all of its facilities, future development and growth opportunities, development and deployment of new technologies, investment in low-carbon power and transition to low-carbon fuels. In the event that the Corporation is unable to implement these strategies and technologies as planned without negatively impacting expected operations or business plans, or in the event that such strategies or technologies do not perform as expected, we may be unable to meet our GHG targets or goals on current timelines, or at all. In addition, achieving the Corporation's emission reduction targets and goals could require significant capital expenditures and resources, with the potential that the costs required to achieve these targets and goals materially differ from the Corporation's original estimates and expectations.

Please refer to the section "Climate Change and Greenhouse Gas Emissions" for more information on this topic. More information on the Corporation climate change risks is available in the latest Climate Report available at [sherritt.com](http://sherritt.com).

## **COMMUNITY RELATIONS AND SOCIAL LICENSE TO GROW AND OPERATE**

The Corporation's relationship with the communities in which it operates is critical to ensure the future success of its existing operations and any potential further development of its projects. There is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Certain organizations and individuals are vocal critics of resource industries and their practices. Adverse publicity generated by such organizations or individuals related to extractive industries generally, or to the Corporation's operations specifically, could have an adverse effect on the Corporation's reputation or financial condition and may impact its relationship with the communities in which it operates. While the Corporation is committed to sustainable practices and has implemented certain initiatives with respect thereto, there is no guarantee that the Corporation's efforts will mitigate this potential risk.

## **OPERATING RISKS**

Variability in production at Sherritt's operations in Cuba is most likely to arise from the following categories of potential risk: (i) Parts and Equipment – the inherent risk that parts and equipment may fail or fail to perform in accordance with design due to mechanical or engineering issues (given the location and associated logistics, replacement components may not be immediately available); (ii) Operational Risk – production is directly affected by the performance of core operators and maintenance teams; (iii) Weather and Natural Disasters – risks related to increased frequency of severe weather events, including hurricanes in Cuba, and other natural disasters, including pandemics, that can impede operations before, during and after such events; and (iv) Supply of Critical Commodities – production may be impacted by the availability of critical commodities to operate the facility.

## **PROJECT OPERATIONS**

Generally, Sherritt's business includes the operation of large mining, metals refining projects and electrical generation projects. Unforeseen conditions or developments could arise during the course of these projects that could affect the current and projected level of production, sustaining capital requirements or operating cost estimates relating to the projects. Such conditions or developments may include, without limitation, shortages of equipment, materials or labour; delays in delivery of equipment or materials; customs issues; labour disruptions; poor labour productivity; community protests; difficulties in obtaining necessary services; delays in obtaining regulatory permits; local government issues; political events; regulatory changes; investigations involving various authorities; adverse weather conditions; unanticipated increases in equipment, material and labour costs; unfavourable currency fluctuations; access to financing; natural or man-made disasters or accidents; and unforeseen engineering, technical and technological design, geotechnical, environmental, infrastructure or geological problems. Any such event could affect production, timely execution and cost estimates.

These risks and uncertainties could have a material adverse effect on the Corporation's business, results of operations and financial performance.

### **Capital and operating cost estimates**

Capital and operating cost estimates made in respect of the Corporation's operations and projects may not prove accurate. Capital and operating costs are estimated based on the interpretation of geological data, feasibility studies, anticipated climatic

conditions and other factors. Any of the following, among the other events and uncertainties described herein, could affect the ultimate accuracy of such estimates: unanticipated changes in grade and tonnage to be mined and processed; incorrect data on which engineering assumptions are made; unanticipated transportation costs; the accuracy of major equipment and construction cost estimates; expenditures in connection with a failure to meet such scheduled dates; unsatisfactory construction quality resulting in failure to meet such scheduled dates; labour negotiations; unanticipated costs related to sustaining production; changes in government regulation (including regulations regarding prices, cost of consumables, royalties, duties, taxes, permitting and restrictions on production quotas or exportation of the Corporation's products); and unanticipated changes in commodity input costs and quantities.

As part of the Life of Mine ("LOM") optimization planning, Moa Nickel has set out a proposed sequence for the development, operation, and closure of its Tailings Management Facilities ("TMFs"), including with respect to the Acid Leach Tailings Facility, the North Extension, Area 22 and the new tailings facility currently under construction, which will provide a tailings solution for the Moa mine over the entirety of its current mine life of approximately 25 years. There can be no assurance that the construction of tailings facilities can be completed within original budget or on a timely basis. Delays to construction can occur as a result of many factors, many of which are outside management's control. Any material delay could require the consideration of alternative or interim solutions and could increase cost, or in the worst case, result in a disruption to operations, all of which could have a material adverse effect on the Corporation's business, financial condition and results of operations.

### **EQUIPMENT FAILURE AND OTHER UNEXPECTED FAILURES**

Interruptions in Sherritt's production capabilities would be expected to increase its production costs and reduce its profitability. The Corporation may experience material shutdowns or periods of reduced production because of equipment failures and this risk may be increased by the age of certain of the Corporation's facilities or facilities of third parties in which the Corporation's products are processed. In addition to equipment failures, the Corporation's facilities are also subject to the risk of loss due to unanticipated events such as fires, explosions or adverse weather conditions. The foregoing risks may be heightened in circumstances in which capital expenditure is constrained. Shutdowns or reductions in operations could have a material adverse effect on the Corporation's business, results of operations and financial performance. Remediation of an interruption in production capability could require the Corporation to make large expenditures. Further, longer-term business disruptions could result in a loss of customers. All of these factors could have a material adverse effect on the Corporation's business, results of operations and financial performance.

### **SOURCING AND SUPPLY**

Sherritt's operations depend on an uninterrupted flow of materials, supplies, equipment, services and finished products. Due to the geographic location of many of Sherritt's properties and operations, this flow is highly dependent on third parties for the provision of rail, port, marine, shipping and other transportation services. Sherritt negotiates prices for the provision of these services in circumstances where it may not have viable alternatives to using specific providers, or have access to regulated rate setting mechanisms. Contractual disputes, demurrage charges, classification of commodity inputs and finished products, rail, marine and port capacity and infrastructure issues, availability of vessels and rail cars, weather problems, labour disruptions or other factors could have a material adverse effect on Sherritt's ability to transport materials according to schedules and contractual commitments and could have a material adverse effect on the Corporation's business, results of operations and financial performance.

The global demand for some of the equipment and related goods used in Sherritt's operations vary and may exceed supply. Geopolitical events, including sanctions, tariffs, trade restrictions and global conflicts and hostilities (such as Russia's invasion of Ukraine in February 2022 and the ongoing geopolitical instability in the Middle East, including periods of active hostilities and ceasefire arrangements related to the conflict between Israel and Hamas) have contributed to disruption and volatility that have had material adverse impact on the global supply chains, trade routes and transportation services. Furthermore, due to increased U.S. sanctions on Cuba, the Corporation's ability to obtain certain equipment and supplies, including fuel, in that country may be limited. If equipment or other supplies cannot be procured on a timely or competitive basis, Sherritt's growth activities, production, development or operations could be negatively affected.

In particular, the Corporation's metals process plants rely on access to rail, port and marine shipping for certain raw material inputs and for the export of products and fertilizers. These services are owned and operated by third parties, and in the case of rail and port access and in certain other circumstances, the Corporation may rely on a single supplier with no commercially

reasonable alternative. Please also see the risk factors entitled “Risks Related to Sherritt’s Operations in Cuba” and “Risks Related to U.S. Government Policy Towards Cuba”.

## **IDENTIFICATION AND MANAGEMENT OF GROWTH OPPORTUNITIES**

In order to manage its current operations and any future growth effectively, Sherritt must examine opportunities to replace and expand its reserves through the exploration of its existing properties and through acquisitions of interests in new properties or of interests in companies which own such properties. The Corporation’s growth strategy depends on pursuing a range of expansion opportunities, including without limitation, process technology solutions, the commercialization of certain proprietary technologies and services, development projects, commercial implementation opportunities, life of mine extension opportunities and the conversion of mineral resources to reserves. In addition to the risks noted above, factors that could, alone or in combination, prevent the Corporation from successfully achieving these opportunities may include, without limitation: identifying suitable commercialization and other partners; successfully advancing discussions and successfully concluding applicable agreements with external parties and/or partners; successfully attracting required financing; successfully developing and proving technology required for the potential opportunity; successfully overcoming technical and technological challenges; successful environmental assessment and stakeholder engagement; successfully obtaining intellectual property protection; successfully completing test work and engineering studies, prefeasibility and feasibility studies, piloting, scaling from small scale to large scale production, commissioning, procurement, construction, commissioning, ramp-up to commercial scale production and completion; and securing regulatory and government approvals. There can be no assurance that any opportunity will be successful, commercially viable, or will generate any meaningful revenues, savings or earnings, as the case may be for the Corporation. The Corporation will incur costs in pursuing any particular opportunity, which may be significant.

The development of Sherritt’s business may also be in part dependent on management’s ability to identify, acquire and develop suitable acquisition opportunities in both new and existing markets. In certain circumstances, acceptable acquisition opportunities might not be available. Sherritt may also not be able to identify suitable partners with whom it could pursue such opportunities. Acquisitions involve a number of risks, which may include, without limitation: (i) the possibility that the Corporation, as a successor owner, may be legally and financially responsible for liabilities of prior owners; (ii) the possibility that the Corporation may pay more than the acquired company or assets are worth; (iii) the additional expenses associated with completing an acquisition and amortizing any acquired intangible assets; (iv) the difficulty of integrating the operations and personnel of an acquired business; (v) the challenge of implementing uniform standards, controls, procedures and policies throughout an acquired business; (vi) the inability to integrate, train, retain and motivate key personnel of an acquired business; and (vii) the potential disruption of the Corporation’s ongoing business and the distraction of management from its day-to-day operations.

Additionally, the future viability of the Corporation will also depend on its ability to implement and improve its operational, financial and management information systems and to hire, train, motivate, manage and retain its employees. If and when any such growth occurs, there can be no assurance that the Corporation will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support the Corporation’s operations or that the Corporation will be able to achieve the increased levels of revenue commensurate with increased levels of operating expenses associated with this growth, and failure to do so could have a material adverse effect on the Corporation’s business, financial condition and results of operations.

## **DEPLETION OF RESERVES**

Subject to any future expansion or other development, production from existing operations at the Corporation’s mines and wells will typically decline over the life of the mine or well. As a result, Sherritt’s ability to maintain or increase its current production of nickel, cobalt and oil and gas and generate revenues therefrom will depend significantly upon the Corporation’s ability to discover or acquire and to successfully bring new mines and wells into production and to expand mineral and oil and gas reserves at existing or new operations. Exploration and development of mineral and oil and gas properties involves significant financial risk. Very few exploratory properties are developed into operating mines or wells. Whether a deposit will be commercially viable depends on a number of factors, including: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; commodity prices, which are highly cyclical; political and social stability; and government regulation, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of natural resources and supplies and environmental protection. Even if the Corporation identifies and acquires an economically viable deposit, several years may elapse from the initial stages of development. Significant expenses could be incurred to locate and establish

reserves, to develop the required extractive processes and to construct mining facilities, drill wells and construct oil and gas processing facilities.

The PSC for the PE-Yumuri Block reverted to the Government of Cuba on March 19, 2021. The majority of future oil and gas production will depend on new reserves in Blocks 10 and 6A and/or the ability to obtain and develop additional PSCs. Sherritt cannot provide assurance that its exploration or development efforts will result in any new commercial operations or yield new mineral or oil and gas reserves to replace or increase current reserves.

## **MINING, PROCESSING AND REFINING RISKS**

The business of mining, processing and refining involves many risks and hazards, including environmental hazards, industrial accidents, labour-force disruptions, supply problems and delays, unusual or unexpected geological or operating conditions, geology-related failures, change in the regulatory and geopolitical environment, weather conditions, floods, earthquakes and water conditions.

Such occurrences could result in damage to, or destruction of, mineral properties or production facilities, the failure of tailings management facilities and damage to infrastructure, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability. As a result, Sherritt may incur significant liabilities and costs that could have a material adverse effect upon its business, results of operations and financial performance. In addition, failure to maintain high levels of safety, health and security could adversely affect the Corporation's operations, financial performance, reputation and social license to operate.

Other risks and uncertainties which could impact the performance of mining projects include factors such as the ore characteristics; adverse impacts from construction or commissioning activities on ongoing operations; and difficulties with commissioning, changing geological conditions and integrating the operations of newly constructed mines and processing facilities.

The Corporation's business is also inherently subject to the risk of disruptive technological change in nickel and cobalt processing or otherwise and to market shifts to substitute products.

## **RELIANCE ON PARTNERS**

The Corporation holds its interest in certain projects and operations through joint ventures or partnerships. A failure by a partner to comply with its obligations under applicable partnership or similar joint venture arrangements, to continue to fund such projects or operations, a breakdown in relations with its partners or the decision of a partner to adopt a competing strategy could have a material adverse effect on the Corporation's business, results of operations and financial performance.

## **UNCERTAINTY OF GAS SUPPLY TO ENERGAS**

Energas does not own the gas reserves contained in the Oilfields located in the vicinity of the Energas plant sites, nor does it control the rate or manner in which such gas reserves are produced. CUPET reserves the right to produce crude oil from such fields at such rates as the Government of Cuba deems appropriate in the national interest, which may affect the future supply of gas to Energas. Although the Corporation believes that generation of electricity will remain a key priority of the Government of Cuba and that the Oilfields will be operated in a manner which optimizes gas production, gas reserves are being depleted and there can be no certainty that sufficient quantities of gas will be available to operate the Energas facilities at maximum or economic capacity for the duration of the term of the Energas joint venture. Adequate future supplies of gas may depend, in part, upon the successful development of new oil fields in the vicinity of the Energas plant sites as the existing fields are being depleted or access to other viable fuel resources and the continuation of production practices designed to optimize the recovery of oil and gas reserves. No independent reserve report has been prepared with respect to gas reserves in Cuba, due to a lack of available technical information from CUPET.

## **RELIANCE ON KEY PERSONNEL AND SKILLED WORKERS**

Sherritt's operations require employees and contractors with a high degree of specialized technical, management and professional skills, such as engineers, trades people and plant and equipment operators. In some geographic areas, the Corporation competes with other local industries for these skilled workers. For example, in its Cuba operations, the Corporation is dependent on the government for the provision of skilled workers. This challenge is further intensified by high expectations, from the Cuban government and local communities, for Sherritt to provide local employment.

If Sherritt is unable to find an adequate supply of skilled workers, a decrease in productivity or an increase in costs may result which could have a material adverse effect on the Corporation's business, results of operations and financial performance. The success of Sherritt's operations and activities is dependent to a significant extent on the efforts and abilities of its senior management team, as well as outside contractors, experts and its partners. The loss of one or more members of senior management, key employees, contractors or partners, if not effectively replaced in a timely manner, could have a material adverse effect on the Corporation's business, results of operations and financial performance.

## **UNCERTAINTY OF RESOURCES AND RESERVE ESTIMATES**

Sherritt possesses rights to mine mineral reserves of nickel and cobalt. See "Mineral Reserve and Mineral Reserve Estimates" for December 31, 2025 mineral resources and reserves data derived from the 2023 Moa JV Technical Report dated March 31, 2023, updated using the 2025 year-end topography. Risks, uncertainties and other factors regarding updated mineral resources and reserves include, but are not limited to: the ability to obtain required Cuban approvals for the ECOG methodology implementation, the degree of confidence that can be attained in relation to the resource models for certain areas, the frequency of waste dump and stockpile surveying and lower resource categorization with respect to saprolites. In addition, those associated with reserves include but are not limited to: the ability to assure sufficient and continuous tailings capacity and the ability to successfully implement on site the revised mine plan and blending strategy associated with the increased reserves.

- In addition, stated reserves numbers are estimates that depend on statistical inferences drawn from drilling, which may prove to be unreliable. Future production could differ from reserve estimates for the following reasons:
- mineralization or formations could be different from those predicted by drilling, sampling and similar examinations;
- declines in the market price of nickel, cobalt, oil and gas or increases in operating costs and processing costs may render the production of some or all of Sherritt's reserves uneconomic;
- the grade or quality of reserves may vary significantly from time to time and there is no assurance that any particular level of nickel, cobalt, oil or gas may be recovered from the reserves;
- legislative changes and other political changes in jurisdictions in which Sherritt operates may result in changes to Sherritt's ability to exploit reserves; and
- operational risks that include poor control of mining dilution and loss during excavation activities, delays in obtaining the tools necessary to implement the ECOG methodology in practice, new mining practices not being followed, or a delay in following new mining practices such as blending, stockpiling and reclaiming according to the mining schedule and a lack of implementation or delays in the implementation of the month-end survey of the waste dumps and stockpiles, which may include a risk for resource estimation and reserve calculation, including the implementation of stockpiles and blending strategy.

Any of these or other factors may require Sherritt to reduce its reserve estimates, reduce its production rates, or increase its costs. Past drilling results are not necessarily indicative of future drill results. Should the market price of any of the above commodities fall, or unit operating costs prove to be higher than expected, Sherritt could be required to materially write down its investment in its resource properties or delay or discontinue production or the development of projects.

## **RISKS RELATED TO SHERRITT'S CORPORATE STRUCTURE**

Sherritt's interest in the Moa Joint Venture is a 50/50 partnership with GNC, which is wholly-owned by the Government of Cuba. The operations of the Moa Joint Venture are carried on through three companies, each of which has a board of directors comprised of six members – three nominated by Sherritt, and three nominated by GNC. The shareholders agreement governing the relationship between Sherritt and GNC with respect to the Moa Joint Venture provides, among other things, that the unanimous consent of the board of directors of a Moa Joint Venture company is required for any declaration of a dividend or other distribution. Accordingly, distributions from the Moa Joint Venture are not within Sherritt's sole discretion. See "Moa Joint Venture and Fort Site".

The Corporation holds its interest in certain operating companies, joint ventures or partnerships in Canada, Cuba, and Spain through one or more wholly-owned intermediary holding companies located in jurisdictions outside Canada, including the Bahamas, British Virgin Islands, Barbados, Spain and the Netherlands. Certain payments, including payment of dividends or other distributions by these subsidiaries to the Corporation is subject to statutory regimes applicable to those entities. There can be no assurance that the applicable Canadian government, or some or all of the holding company jurisdictions will not adopt laws and/or regulations more restrictive than those currently in effect which could have a material adverse effect on the Corporation's financial performance. Furthermore, the Corporation's offshore subsidiaries may face heightened scrutiny from

tax authorities from time to time. While these jurisdictions have experienced political stability for some time, the Corporation continues to regularly monitor changes to applicable laws and regulations.

## **FOREIGN EXCHANGE AND PRICING RISKS**

Many of Sherritt's businesses operate in currencies other than the Canadian dollar and their products may be sold at prices other than prevailing spot prices at the time of sale. Sherritt is also sensitive to foreign exchange exposures when commitments are made to deliver products quoted in foreign currencies or when the contract currency is different from the product-pricing currency. The Moa Joint Venture derives the majority of its revenue from nickel and cobalt sales that are typically based on U.S. dollar reference prices over a defined period of time and collected in major currencies other than U.S. dollars in accordance with sales terms that may vary by customer and sales contract. Similarly, Power derives substantially all of its revenue from sales denominated in Cuban pesos. Additionally, input commodities and other operating costs for the Moa Joint Venture and the Corporation's other operations are denominated in U.S. dollars. Accordingly, fluctuations in Canadian dollar exchange rates and price movements between the date of sale and final settlement may have a material adverse effect on the Corporation's business, results of operations and financial performance.

## **CREDIT RISK**

Sherritt's sales of nickel, cobalt, fertilizers and electricity expose the Corporation to the risk of non-payment by customers. Sherritt manages this risk by monitoring the creditworthiness of its customers, covering some exposure through documentary credit and seeking prepayment or other forms of payment security from customers with an unacceptable level of credit risk. There are also certain credit risks that arise due to the fact that all sales of electricity in Cuba are made to agencies of the Cuban government (see "Risks Related to Sherritt's Operations in Cuba"). Although Sherritt seeks to manage its credit risk exposure, there can be no assurance that the Corporation will be successful in eliminating the potential material adverse impacts of such risks.

## **COMPETITION IN PRODUCT MARKETS**

The business of mining, processing and refining is intensely competitive and even if any new commercial quantities of mineral resources are developed, a profitable market may not exist for the sale of these commodities. Sherritt competes with companies that may have greater assets and financial resources, and may be able to sustain larger losses than Sherritt to develop or continue business. The Corporation's competitive position is determined by its costs in comparison to those of other producers in the world. If Sherritt's costs increase relative to its competitors, its earnings may be adversely affected and its ability to conduct operations or to yield new mineral or oil and gas reserves to replace or expand current reserves may be impaired.

## **FUTURE MARKET ACCESS**

Sherritt's access to markets in which it operates may be subject to ongoing interruptions and trade barriers due to policies and tariffs of individual countries and the actions of interest groups to restrict the import of certain commodities.

## **INTEREST RATE CHANGES**

The Corporation's exposure to changes in interest rates results from investing and borrowing activities undertaken to manage its liquidity and capital requirements. The Corporation has incurred indebtedness that bears interest at fixed and floating rates. There can be no assurance that the Corporation will not be adversely affected by interest rate changes.

## **INSURABLE RISK**

Sherritt employs risk management practices to reduce and mitigate operational risks and other hazard risks and exposures, although it is impossible to completely protect its operations from all such risks. The Corporation places types and an amount of insurance that it considers consistent with industry practice to the extent coverage is available and cost effective. Such coverage includes third party liability insurance and property and business interruption insurance. Such insurance, however, contains exclusions and limitations on coverage. Accordingly, the Corporation's insurance policies may not provide coverage for all losses related to the Corporation's business. The occurrence of losses, liabilities or damage not covered by insurance policies could have a material adverse effect on the Corporation's business, results of operations and financial performance.

Sherritt cannot be certain that insurance will be available to the Corporation, that appropriate insurance will be available on terms and conditions acceptable to the Corporation. The difficulty in obtaining certain levels of insurance has increased over time as a result of severe tailings losses around the world, reduced market capacity due to the limited participation of insurers in certain industries and also to Cuba-based risks. To the extent that the occurrence of "natural catastrophes" world-wide has

increased, coverage for weather-related events such as hurricanes and cyclones may become more difficult to obtain on terms and conditions satisfactory to the Corporation. In the event that the Corporation is deemed liable for a failure of its tailings facility, the Corporation's losses might not be covered by insurance policies. In some cases, coverage is not available or considered too expensive relative to the perceived risk. The Corporation may also become liable for damages arising from unforeseen events which it cannot insure or chooses to self-insure. Costs incurred to repair uninsured damage or to pay associated liabilities may have a material adverse effect on the Corporation's business, results of operation and financial performance.

## **LABOUR RELATIONS**

Some of the Corporation's employees are unionized. Strikes, lockouts or other work stoppages could have a material adverse effect on the Corporation's business, results of operations and financial performance. In addition, any work stoppage or labour disruption at key customers or service providers could impede the Corporation's ability to supply products, to receive critical equipment and supplies for its operations or to collect payment from customers encountering labour disruptions. Work stoppages or other labour disruptions could increase the Corporation's costs or impede its ability to operate one or more of its operations.

## **LEGAL RIGHTS**

In the event of a dispute arising in respect of Sherritt's foreign operations, Sherritt may be subject to the exclusive jurisdiction of foreign courts or arbitration tribunals or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada or international arbitration. If Sherritt is unsuccessful in enforcing its rights under the agreements to which it is a party, it could have a material adverse effect on Sherritt's business, results of operations and financial performance.

## **LEGAL CONTINGENCIES**

Sherritt may become party to legal claims arising in the ordinary course of business, including as a result of activities of joint ventures in which it has an interest. There can be no assurance that unforeseen circumstances resulting in legal claims will not result in significant costs.

## **ACCOUNTING**

The Corporation's audited consolidated financial statements for the year ended December 31, 2025, filed on SEDAR+, were prepared using accounting policies and methods in accordance with IFRS<sup>®</sup> Accounting Standards as issued by the International Accounting Standards Board. Significant accounting policies under IFRS Accounting Standards are described in more detail in the notes to the audited consolidated financial statements.

Sherritt has internal controls over financial reporting. These controls are designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. These controls cannot provide absolute assurance with respect to the reliability of financial reporting and financial statement preparation.

## **GOVERNMENT PERMITS**

Government approvals and permits are currently required in connection with a number of the Corporation's activities and further approvals and permits may be required. The duration and success of the Corporation's efforts to obtain permits are contingent upon many variables outside of the Corporation's control. Obtaining government permits may increase costs and cause delays depending on the nature of the activity to be permitted and the interpretation of applicable requirements implemented by the permitting authority. There can be no assurance that all necessary permits will be obtained and, if obtained, that the costs involved will not exceed the Corporation's estimates or that the Corporation will be able to maintain such permits. To the extent such approvals are not obtained or maintained, the Corporation may be prohibited from proceeding with planned drilling, exploration, development or operation of properties which could have a material adverse effect on the Corporation's business, results of operations and financial performance.

## **GOVERNMENT REGULATION**

The Corporation's activities are subject to various laws governing exploration, development, production, environment, taxes, labour standards and occupational health, mine safety, toxic substances and other matters. Mining and related activities are also subject to various laws and regulations relating to the protection of the environment. Although the Corporation believes that its activities are currently carried out in all material respects in accordance with applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be

applied in a manner that could limit or curtail production or development of the Corporation's properties or otherwise have a material adverse effect on the Corporation's business, results of operations and financial performance.

## **ANTI-CORRUPTION AND BRIBERY**

Sherritt is subject to Canada's *Corruption of Foreign Public Officials Act* ("CFPOA"), as well as various local anti-corruption laws. The CFPOA prohibits Canadian (and Canadian-controlled) corporations and their intermediaries from making or offering to make an improper payment of any kind to any kind of foreign public official, or any other person for the benefit of foreign public official, where the ultimate purpose is to obtain or retain a business advantage.

Sherritt's Anti-Corruption Policy prohibits the violation of the CFPOA and other applicable anti-corruption laws. Some of the Corporation's operations are located in jurisdictions where governmental and commercial corruption presents a significant risk. The Corporation uses a risk-based approach to mitigate risks associated with corruption which includes training for employees and the logging of government payments and interactions. Despite the safeguards the Corporation has put in place, there can be no assurance that violations of the CFPOA or other applicable anti-corruption law by the Corporation, its employees or agents will not occur. Such violations of the CFPOA could result in substantial civil and criminal penalties and could have a material adverse effect on the business, operations or financial results of the Corporation.

## **CONTROLS RELATING TO CORPORATE STRUCTURE RISK**

The Corporation has adopted several measures to ensure control of its wholly-owned subsidiaries and oversight of its non-controlled joint ventures. These measures are overseen by the Board and implemented by the Corporation's senior management. Some of these measures are listed below.

### **Corporation's control and oversight of subsidiaries and joint ventures**

The Corporation's corporate structure has been designed to ensure that the Corporation controls or has a measure of direct oversight over the operations of its subsidiaries and material joint ventures. Sherritt's subsidiaries which are engaged in its Oil and Gas business in Cuba and elsewhere are wholly-owned by the Corporation and the Corporation directly controls the appointment of all the directors of these subsidiaries. In the case of the Corporation's joint ventures in Cuba, the Corporation directly controls the appointment of a number of directors which reflects its proportional ownership interest of its subsidiaries. The directors of the Corporation's subsidiaries or joint ventures who are appointed by the Corporation are ultimately accountable to the Corporation (as the shareholder appointing him or her), and therefore are accountable to the Board and senior management.

### **Appointment of local management**

The Corporation's foreign subsidiaries which are engaged in its Oil and Gas and Power businesses are typically managed by a senior officer or employee of the Corporation who holds the most senior title or second most senior title in the local organization.

In addition, in the case of its material joint ventures, Sherritt has personnel seconded from the Corporation to the local organization and resident in the local jurisdiction, which provides a degree of oversight and control in the day-to-day operations which would not be present in a passive investment.

### **Strategic direction**

The Board is responsible for the overall stewardship of the Corporation and, as such, supervises the management of the business and affairs of the Corporation. More specifically, the Board is responsible for reviewing the strategic business plans and corporate objectives, and approving acquisitions, dispositions, investments, capital expenditures and other transactions and matters that are thought to be material to the Corporation including those of its material subsidiaries and joint ventures.

### **Internal controls over financial reporting**

For significant operations in the foreign jurisdictions over which the Corporation has operational control ("foreign operations"), internal controls over financial reporting are designed to operate in accordance with Canadian business, accounting and internal control standards and practices. These foreign operations are subject to the same internal reporting processes, policies and timelines as the Corporation's domestic operations, specifically:

- Foreign operations, specifically in Cuba, are under the senior leadership of persons or expatriates familiar with Canadian business, accounting and internal control standards and practices;
- The Corporation has established and oversees entity-wide policies and procedures which are generally applicable to all domestic and foreign operations;

- Each of the Corporation's foreign operations has its own audit committee or a committee that acts in a similar capacity which includes representation from the Corporation's management or from Canadian-based senior management;
- Foreign operations undertake periodic reviews of operations in accordance with the Corporation's compliance program. This program is directly overseen by corporate management who report to the Corporation's Audit Committee;
- Each of the Corporation's foreign operations has an established National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109") internal control over financial reporting evaluation program (overseen by corporate management in Canada) designed to address risks and identify controls specific to the local business, cultural and accounting environment;
- As part of its quarterly reporting process, the Corporation's foreign operations' management are required to provide corporate management with certifications based on Form 52-109F2, quarterly, and Form 52-109F1, annually. These certifications confirm that internal controls over financial reporting for the foreign operations are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements of the foreign operations in accordance with the Corporation's generally accepted accounting principles. In addition, the foreign operations' management are required to report to corporate management any material weaknesses in internal control over financial reporting design and/or operating effectiveness;
- Internal control over financial reporting design and operating effectiveness at the foreign operations is evaluated annually by applying the Committee of Sponsoring Organizations of the Treadway Commission ("COSO2013") framework consistent with the Corporation's domestic operations;
- The Corporation's management reviews the foreign operations' reporting documents, certifications, disclosure controls and procedures checklists and internal control over financial reporting design/results of effectiveness testing memos and provides reports, as necessary, to the Board;
- Reporting documents containing material information of the foreign operations are reviewed quarterly by the Corporation's senior management and the Audit Committee;
- Management undertakes independent, periodic reviews of the foreign operations' NI 52-109 compliance and reports to the Audit Committee;
- Periodic internal control reviews of the foreign operations are initiated by the Board using the Corporation's independent internal audit department (separate from the Corporation's NI 52-109 internal control over financial reporting compliance program) in accordance with identified priorities as per the annual internal audit plan; and
- The Corporation has established, among other policies governing operating activities, a code of conduct, reportable concerns and foreign anti-corruption policies which are applicable to the foreign operations.

The Corporation has also taken steps to ensure that it is collecting the information required to comply with the *Extractive Sectors Transparency Measures Act* ("ESTMA") which came into force on June 1, 2015 and applies to the parts of the Corporation's business engaged in extractive activities.

### **Fund transfers to the Corporation**

Cash management is overseen by the Corporation's Canadian-based treasury department and in accordance with the Corporation's Treasury Policies that are reviewed biannually, including the Short-term Investment Policy and Delegation of Authority Policy. In addition to the internal control procedures identified above, the Corporation has implemented the following controls specific to the flow of funds between Canada and its foreign operations:

- the Corporation's treasury department reviews and oversees the cash management policies specific to the foreign operations; and
- quarterly, operating effectiveness of cash management controls for the Corporation and its foreign operations are evaluated and, as necessary, results are reported to the Board.

The Corporation's Anti-Corruption Policy contains specific references to prohibited uses of funds in foreign countries. Funds are transferred by the foreign subsidiaries to the Corporation pursuant to a variety of methods. In the case of wholly-owned subsidiaries, the Corporation has majority control of the boards of directors and therefore through the actions of the shareholders or boards of directors, is able to determine if and when funds are distributed. Funds are typically distributed, when available and appropriate, to the shareholders by way of dividends. Other distributions are made to repay principal and interest in accordance with various agreements between the Corporation and the subsidiaries or joint ventures. In addition, the foreign subsidiaries may transfer funds to the Corporation for chargeback of costs undertaken on behalf of the foreign subsidiaries via intercompany invoices by the Corporation and repayment of loans related to project funding. The method of

transfer varies and is dependent on the funding arrangement established between the Corporation and the applicable foreign subsidiary.

#### **Removal of directors of subsidiaries**

The removal of directors of subsidiaries is done in accordance with the laws of the jurisdiction in which the particular subsidiary is incorporated.

The agreements governing the operations of the Corporation's joint ventures set out the rights of the shareholders relating to the appointment and removal of directors of the applicable boards which are generally based on the Corporation's proportional ownership interest in each joint venture company.

#### **Records management of the Corporation and its subsidiaries**

The original minute books and corporate seals, where applicable, of the material foreign subsidiaries and joint ventures are kept at the offices of their representative agent in the local jurisdiction and/or the Corporation's head office in Toronto.

The corporate records of the material foreign subsidiaries and joint venture are maintained at their registered offices or operating sites. In certain circumstances, e.g., transaction record books, copies are also maintained at the Corporation's head office in Toronto.

#### **Difficulty in enforcement of judgements**

Sherritt has active operations located in Cuba and legacy operations located in Spain, as well as corporate entities located in various other jurisdictions. In addition, certain of Sherritt's directors and are located outside of Canada. Further, certain of Sherritt's assets are, and the assets of Sherritt's directors and officers may be, located outside of Canada. It may not be possible for shareholders to effect service of process against Sherritt's directors and officers who are not resident in Canada. In the event a judgment is obtained in Canada against one or more of the directors or officers of Sherritt for violations of Canadian securities laws or otherwise, it may not be possible to enforce such judgment against those directors and officers not resident in Canada.

## DIVIDENDS

Dividends are payable on the shares of the Corporation if and when declared by the Board.

Dividends are, and future dividends will be, designated as “eligible dividends” within the meaning given to that term in subsection 89(1) of the Income Tax Act (Canada).

As part of a comprehensive initiative to manage liquidity, the Board suspended the \$0.01 per share quarterly dividend, effective September 2015. The Corporation has not declared any dividends since that time. The terms of the Amended Second Lien Notes Indenture limit the payment of dividends or other transfers to equity holders unless certain conditions are met.

## CAPITAL STRUCTURE

The Corporation’s authorized share capital consists of an unlimited number of shares. Each share is entitled to one vote with respect to matters brought before shareholders for approval. In the event of dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, holders of the shares will be entitled to receive the remaining property and assets of the Corporation after any secured obligations, such as the Credit Facility and the Amended Senior Secured Notes, have been settled.

The Corporation has one series of notes outstanding:

- The 9.25% Amended Senior Second Lien Secured Notes (\$248.9 million as of December 31, 2025 in aggregate principal outstanding) issued April 17, 2025 issued pursuant to the Amended Second Lien Notes Indenture.

The Amended Second Lien Notes Indenture contains covenants limiting the ability of the Corporation’s and certain of its material subsidiaries to incur indebtedness, create certain security interests and sell assets, make certain restricted payments and investments, as well as restricting the ability of the Corporation and certain of its material subsidiaries to amalgamate or merge with a third party or transfer all or substantially all of its assets. The Amended Second Lien Notes Indenture also contains covenants requiring an offer to purchase upon a change in control.

The Amended Second Lien Notes Indenture contains optional redemption provisions (requiring payment of a premium) and provides for customary events of default, which include non-payment of principal or interest, failure to comply with covenants, the bankruptcy or insolvency of the Corporation or a material subsidiary, unsatisfied final judgments against the Corporation or a material subsidiary in excess of \$20.0 million, and failure by the Corporation or a material subsidiary to pay or otherwise comply with the terms of other indebtedness which singly or in the aggregate is in excess of \$25.0 million, which default results in an acceleration of such indebtedness.

As part of the Debt and Equity Transaction, the Corporation entered into put agreements with each of the Subsequent Exchange Noteholders of Amended Senior Secured Notes 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, the 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 exceeded \$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”). On December 15, 2025, the 2025 Payment of \$5.0 million was not made as the Corporation’s liquidity did not exceed the Minimum Liquidity amount. As a result, and in accordance with the terms of the Put Agreements, \$2.5 million in aggregate principal amount will be added to each of the 2026 and 2027 Scheduled Repurchases;
- (b) On December 15, 2026, \$12.5 million in aggregate principal amount of the Amended Senior Secured Notes, given that the 2025 Payment was not made as a result of the Corporation not having liquidity in excess of Minimum Liquidity;
- (c) On December 15, 2027, \$17.5 million in aggregate principal amount of the Amended Senior Secured Notes, given that the 2025 Payment was not made as a result of the Corporation not having liquidity in excess of Minimum Liquidity; 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 during the same period 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.

Liquidity is defined in the Put Agreements as cash and cash equivalents in Canada plus available credit facilities.

## Ratings

DBRS Limited (“DBRS”) had previously, as of January 31, 2023, confirmed Sherritt’s Issuer Rating as B and the Second Lien Notes rating as B (low) with the related Recovery Rating of RR5, both with stable trends. On November 20, 2023, DBRS discontinued and withdrew its credit ratings on Sherritt, and all instruments issued by Sherritt, for business purposes. “Business purposes” refers to DBRS’s operational business purposes, not the business purposes of Sherritt.

In taking this action, DBRS stated that the discontinuation-withdrawal of its credit ratings on Sherritt is not related to credit reasons, nor does it reflect a change in DBRS’s current opinion about Sherritt’s creditworthiness or the quality of its management and that the decision was entirely due to DBRS’s internal considerations. Other ratings agencies have declined to provide a rating for Sherritt due to compliance concerns related to the Corporation’s investments in Cuba.

## MARKET FOR SECURITIES

Sherritt’s shares are listed and posted for trading on the TSX under the symbol “S”.

The following table sets out the 2025 monthly price ranges and volume data for the Sherritt bonds.

2025	9.25% Notes <sup>(1)</sup>		8.50% Notes <sup>(1)</sup>		10.75% PIK Option Notes <sup>(1)</sup>	
	High(\$)	Low(\$)	High(\$)	Low(\$)	High(\$)	Low(\$)
January			54.5	40.5	35.0	21.0
February			47.0	41.5	40.0	19.5
March			42.0	30.0	25.0	15.0
April	50.0	39.9	20.0	20.0	10.0	10.0
May	49.0	39.0				
June	52.9	40.0				
July	53.5	47.6				
August	58.8	43.0				
September	59.4	52.0				
October	60.2	48.0				
November	55.0	47.0				
December	52.0	40.0				

Notes:

(1) The highs and the lows for the Notes are derived from the Investment Industry Regulatory Organization of Canada (IIROC) trade tracking system.

## DIRECTORS AND OFFICERS

The following table sets forth the names, place of residence and principal occupation of the directors of the Corporation and the period of service as a director of the Corporation.

Name and place of residence	Principal occupation	Director since
1. Dr. Peter Hancock <sup>(1)</sup> (Ontario, Canada)	Interim President and Chief Executive Officer of the Corporation; Director	November 2021
2. Louise Blais <sup>(3 Chair)</sup> (Québec, Canada)	Corporate Director	March 2024
3. Brian Imrie <sup>(2)(3)</sup> (Ontario, Canada)	Chair; Corporate Director	November 2025
4. Chih-Ting Lo <sup>(1 Chair)(2)(3)</sup> (British Columbia, Canada)	Corporate Director	March 2022
5. Richard Moat <sup>(2 Chair)</sup> (London, England)	Corporate Director	April 2025
6. Brett Richards <sup>(1)(3)</sup> (Nassau, The Bahamas)	Corporate Director	December 2025

Notes:

(1) Member of the Reserves, Operations, Capital and Sustainability Committee.

(2) Member of the Audit Committee.

(3) Member of the Governance and Human Resources Committee.

Directors hold office until the next annual meeting of the shareholders of the Corporation.

The following sets out the principal occupations of the directors for the past five years and provides additional information about the directors:

**Dr. Peter Hancock** has served as a director of Sherritt since November 2021 and as interim President and Chief Executive Officer since December 2025. Dr. Hancock is a mining industry executive with more than 35 years of experience with Glencore plc overseeing nickel mining operations, developing and commercializing process technologies, and ramping up nickel projects. As vice president of Glencore's Nickel assets in Western Australia, Dr. Hancock oversaw the Murrin Murrin Nickel-Cobalt mining operations. In his time as president of Koniambo Nickel SAS in New Caledonia from 2011 to 2016, Dr. Hancock led the completion, commissioning, and ramp-up of a US\$7 billion greenfield Nickel Mine project. He previously led the Brunswick Smelter and also led Technology and Business Development for Noranda Zinc. Earlier in his career, he contributed to significant advancements in his field as a program leader and research engineer at the Noranda Technology Center. More recently, he was appointed as a director of Sibanye Stillwater Ltd. in 2024, serves as an advisor to IMX S.A., and has also served as strategic advisor to Nemaska Lithium Inc. Dr. Hancock holds a Ph.D in Metallurgical Engineering from McGill University and both a Master of Applied Science and a Bachelor of Engineering from Technical University of Nova Scotia.

**Louise Blais** serves as a director of Sherritt, having held this role since March 2024, and has served as Chair of the Governance and Human Resources Committee since October 2024. Ms. Blais was Canada's Ambassador and Deputy Permanent Representative to the United Nations in New York from 2017 to 2021. During this time, she served as Vice President to UNICEF's Executive Board. As a senior diplomat, she has worked closely with Canadian companies in foreign markets, specializing in trade policy, investment attraction and export promotion. Currently, she is an Associate at the Atlanta-based Pendleton Group and Senior Advisor to the Business Council of Canada. Having begun her career at Interpol, Ms. Blais joined the Department of Foreign Affairs in 1996. As a senior diplomat, she served abroad in Washington, Tokyo and as Minister-Counsellor in Paris. She was Consul General in Atlanta, representing Canada in six U.S. states (North Carolina, South Carolina, Tennessee, Georgia, Alabama and Mississippi), before being named Ambassador to the UN in 2017.

In 2023, she was appointed to the national Board of Invest in Canada. She is on the Advisory councils of ADC Technologies and Applied General Intelligence and she chairs the Board of OBVIA, an AI academic consortium based out of Laval University. She also serves as Strategic Advisor to the QG100, a network of top Québec companies with international operations. She regularly leads business delegations to international summits such as the Trilateral Free Trade Commission (Canada, USA and Mexico) and the Canada-Mexico High Level Economic Dialogue. Ms. Blais holds a Bachelor of Arts from

McGill University, is a John Robson Lecturer at Emory University, an Expert-in-Residence at Laval University and a Non-resident lecturer at the Sam Nunn School of International Affairs at Georgia Tech.

**Brian Imrie** has served as Chair of the Board of Directors since November 2025 bringing extensive leadership, capital markets and mining-sector experience to Sherritt. He is currently Chairman at PPX Mining Corp., where he has led the company through a period of growth that included capital raising and the assembly of a strong board and experienced operational team. He is also serving as a director and Chair of the Audit Committee of Frontier Nuclear and Minerals Inc. (formerly Snow Lake Resources Ltd.), a Canadian nuclear fuel cycle and critical minerals company listed on NASDAQ, among other board and advisory roles. Mr. Imrie previously served as Senior Managing Director and Head of Investment Banking at Jennings Capital/Mackie Research Capital, Global Head of Mining M&A at KPMG, and Co Head of Mergers & Acquisitions at National Bank Financial, following senior roles at Credit Suisse First Boston and Morgan Stanley. Mr. Imrie holds an MBA from Harvard Business School, a B.A. in Economics and International Relations from the University of Toronto, and an ICD.D designation from the Institute of Corporate Directors.

**Chih-Ting Lo** serves as a director of Sherritt and has held this role since March 2022, and has served as Chair of the Reserves, Operations, Capital and Sustainability Committee since December 2025. She is the founder and President of EELO Solutions, a management consulting firm specializing in the development of strategic plans focusing on maximizing environmental, social, and governance impacts while aligning with long-term business and operational objectives for industrial sectors. Over the past 20 years, she has advised mining companies, public utilities, and governments globally to innovate and to improve their carbon footprint and sustainability practices. She is currently Board Vice Chair at the Metro Vancouver Zero Emissions Innovation Centre, a federally seeded impact investment fund to catalyze, accelerate and scale climate action innovation. She also serves on the board of directors and board of advisors of several climate tech companies in minerals and mining space. Ms. Lo holds a Professional Engineer designation from Engineers and Geoscientists BC, a Masters of Science, Chemical Engineering degree from Queen's University, and a Bachelor of Applied Science, Chemical Engineering from the University of British Columbia. Ms. Lo also holds the Canadian Institute of Corporate Directors designation (ICD.D).

**Richard Moat** serves as a director of Sherritt, having held this role since April 2025, and has served as Chair of the Audit Committee since December 2025. Mr. Moat has a strong track record successfully leading business transformations. He was the Chairman of the Board for Vantiva S.A., formerly Technicolor S.A from 2022 to 2024 and served as CEO of the latter company from 2019 to 2022. Prior to that, he was the CEO of Eir Limited ("Eir"), where he successfully led a turnaround that generated shareholder value in excess of €1 billion. Joining Eir as CFO in 2012, he took the helm as CEO in 2014 through 2018 and was a director from 2018 until 2021. Mr. Moat is a Fellow of the Association of Chartered Certified Accountants. He holds a Diploma in Corporate Finance and Accounting from London Business School and has a master's degree in Law from St Catharine's College, Cambridge.

**Brett Richards** has served as a director of Sherritt since December 2025. Mr. Richards is an experienced mining executive with more than 37 years in the industry, most recently as chief executive officer of Pasofino Gold Ltd. He has held senior leadership roles at Pasofino Gold, Gold X2 Mining Inc. (formerly Goldshore Resources Inc.), Banro Corporation, Midnight Sun Mining Corp., African Thunder Platinum, previously served as transition CEO of Roxgold and was the CEO of Avocet Mining plc. He was part of the five person startup team at Katanga Mining that was sold to Glencore for US\$2B, and has held senior executive positions with Kinross Gold and Co-Steel Inc. Mr. Richards currently serves on the boards of Zodiac Gold, Nickel 28 Capital Corp and Midnight Sun Mining Corp.

The following table sets forth as at March 23, 2026 the names, province of residence and office of the executive officers of the Corporation.

<b>Name and province of residence</b>	<b>Office with the Corporation<sup>(4)</sup></b>
1. Dr. Peter Hancock <sup>(1)</sup> (Ontario, Canada)	Interim President and Chief Executive Officer
2. Yasmin Gabriel (Ontario, Canada)	Chief Financial Officer
4. Chad Ross <sup>(2)</sup> (Ontario, Canada)	Chief Human Resources Officer and Corporate Secretary
5. Elvin Saruk <sup>(3)</sup> (Alberta, Canada)	Chief Operating Officer and Head of Cuban Operations

Notes:

- (1) In December 2025, Leon Binedell stepped down from his role at Sherritt as President and Chief Executive Officer. Dr. Peter Hancock was appointed Interim President and Chief Executive Officer.
- (2) In April 2025, Ward Sellers, Senior Vice President, General Counsel and Corporate Secretary, departed from Sherritt. Chad Ross was appointed Corporate Secretary.
- (3) In July 2025, Elvin Saruk was appointed Head of Cuban Operations.
- (4) In January 2026, Greg Honig departed from Sherritt as Chief Commercial Officer.

The following sets out as at March 23, 2026, the principal occupations<sup>(4)</sup> of the executive officers (other than Dr. Peter Hancock, in respect of whom information is provided above) for the past five years:

**Yasmin Gabriel** has served as Chief Financial Officer since August 2021. Ms. Gabriel is an accomplished finance leader with 16 years of experience at Sherritt in Financial Planning & Analysis, Financial Reporting, Financial Systems, Tax, Treasury, Internal Audit, Investor Relations, Enterprise Risk Management and Capital Allocation with a proven track record of innovation, fostering continuous learning and improvement and building and leading high-performance teams to deliver exceptional results. Ms. Gabriel began her career at Ernst & Young specializing in public company reporting.

**Chad Ross** has served as Chief Human Resources Officer since August 2021, and as Corporate Secretary since September 2025. Prior to this appointment, Mr. Ross served as Director, HR Analytics & Operations at Sherritt. Mr. Ross is a strategic HR Practitioner, with an extensive financial background and a passion for leveraging diverse thought to achieve successful outcomes. Since joining Sherritt in 2011, Mr. Ross has demonstrated the ability to lead high-performance teams and continuous improvement initiatives along with the ability to diagnose organizational opportunities, identify appropriate resources and engage stakeholders to deliver effective solutions. Mr. Ross holds a Bachelor of Commerce from Carleton University and is a Chartered Professional Accountant.

**Elvin Saruk** has served as Chief Operating Officer since January, 2024, and as Head of Cuban Operations since July 24, 2025. Mr. Saruk has more than 30 years of experience with Sherritt including at the senior executive level managing large-scale operations, overseeing complex HPAL mining and processing projects and strengthening partner relations while overseeing operations in Cuba. Prior to this appointment, Mr. Saruk was Senior Vice President, Oil & Gas and Power and Head of Growth Projects, most recently responsible for leading the Moa JV's expansion program and growing production at Sherritt's Power division during 2023. Mr. Saruk holds a Chemical Engineering Degree from the University of Alberta.

The number and percentage of voting securities of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised by all directors and executive officers of the Corporation as a group, as at December 31, 2025, was as follows:

<b>Security</b>	<b>Number of voting securities</b>	<b>Approximate percentage of outstanding voting securities<sup>(1)</sup></b>
Common shares	2,378,153	0.55%

(1) Sherritt had 496,288,680 shares issued and outstanding as of March 23, 2026.

## TRANSFER AGENT AND REGISTRAR

The Corporation's transfer agent and registrar for its shares is Computershare Investor Services Inc. ("Computershare") and for the Notes is TSX Trust Company ("TSX Trust"). The location at which transfer of the Corporation's securities may be affected by Computershare and TSX Trust are as follows:

<b>Security</b>	<b>Transfer Locations</b>
Shares	Toronto, Montreal, Calgary and Vancouver
9.25% Amended Senior Secured Notes Due 2031	Toronto, Montreal, Calgary and Vancouver

## MATERIAL CONTRACTS

Set out below are descriptions of Sherritt's material contracts, as at December 31, 2025 as filed on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com).

The Cobalt Swap dated October 13, 2022 among Sherritt, certain Sherritt subsidiaries and Sherritt's Cuban partners to settle its outstanding Cuban receivables by December 31, 2027.

The Consent and Support Agreement dated March 3, 2025 among Sherritt and certain holders of its 8.50% Senior Second Lien Secured Notes due 2026 and 10.75% Unsecured PIK Option Notes due 2029 in connection with the CBCA Plan.

The Exchange Agreements dated March 3, 2025 between Sherritt and certain noteholders in connection with the exchange of a portion of the Amended Senior Secured Notes for common shares of the Corporation.

The Amended and Restated Trust Indenture dated April 17, 2025 among Sherritt, certain Sherritt subsidiaries (as guarantors) and TSX Trust Company (Canada) as trustee and collateral agent for the 9.25% Amended Senior Secured Notes due November 30, 2031.

The Put/Call Rights Agreements dated April 17, 2025 between Sherritt and certain holders of its 9.25% Amended Senior Secured Notes due November 30, 2031.

The Investor Rights Agreement dated April 22, 2025 between Sherritt and Kyma Capital Opportunities Master Fund Limited in connection with Kyma's equity ownership in the Corporation.

The Collaboration Agreement dated December 15, 2025 between Sherritt and Pala Assets Holdings Limited in connection with board composition, governance arrangements, standstill and voting covenants, and related matters.

## INTEREST OF EXPERTS

### Auditors

Deloitte LLP are the Corporation's auditors and have issued an opinion with respect to Sherritt's consolidated financial statements as at and for the year ended December 31, 2025.

Deloitte LLP is independent of the Corporation within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

### Qualified Persons

The technical information regarding the Moa Joint Venture included in this AIF has been approved by Bryce Reid, P.Eng., and by Béatrice Foret, M.Sc., MAusIMM. Both Bryce Reid and Béatrice Foret are a "qualified person" as such term is defined in NI 43-101. Bryce Reid is an employee, and Béatrice Foret is independent, of the Corporation.

The Corporation has been advised that each of the foregoing experts holds less than 1% of the securities of any class issued by the Corporation.

## ADDITIONAL INFORMATION

Additional information relating to Sherritt may be found on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com).

### ADDITIONAL DOCUMENTS

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans, is contained in the Corporation's information circular dated April 29, 2025, for the 2025 annual meeting of shareholders that involved the election of directors.

Additional financial information is provided in the Corporation's financial statements and management's discussion and analysis for the 2025 financial year, filed on SEDAR+ and available at [www.sedarplus.com](http://www.sedarplus.com).

### AUDIT COMMITTEE

The Audit Committee may from time to time request that an audit service proposal be sent to certain select audit firms, including the incumbent, and make a recommendation to the Board to propose the appointment by shareholders of a certain auditor. In early 2006, the Audit Committee received proposals. Following a review of the proposals, the Board accepted the recommendation of the Audit Committee to propose the appointment by shareholders of Deloitte, as auditor, which was approved by shareholders at the annual meeting held on May 25, 2006. The Corporation annually proposes, at shareholder meetings, the appointment of its auditor by shareholders.

The mandate of the Audit Committee, along with the mandates of the Board and all other committees of the Board, are reviewed annually. The current mandate of the Audit Committee is attached as Schedule C.

#### Composition of the Audit Committee

The members of the Audit Committee are: Richard Moat (Chair), Brian Imrie and Chih-Ting Lo. Each member is independent and financially literate as those terms are defined in National Instrument 52-110—*Audit Committees*.

#### Education and experience

Brian Imrie has served as a member of the Audit Committee since November 2025. He has extensive leadership experience in capital markets and the mining sector and currently serves as Executive Chair of PPX Mining Corp. and as a director of Snow Lake Resources Ltd. Mr. Imrie previously held senior investment banking and advisory roles including Senior Managing Director and Head of Investment Banking at Jennings Capital/Mackie Research Capital, Global Head of Mining M&A at KPMG and Co-Head of Mergers & Acquisitions at National Bank Financial. He holds an MBA from Harvard Business School, a B.A. in Economics and International Relations from the University of Toronto and the Canadian Institute of Corporate Directors designation (ICD.D).

Richard Moat has served as Chair of the Audit Committee since April 2025. He previously served as Chief Executive Officer of Technicolor S.A. (now Vantiva S.A.) from 2019 to 2022 and as Chairman of the Board from 2022 to 2024. Prior to that, he served as Chief Executive Officer of Eir Limited, having previously joined the company as Chief Financial Officer. Mr. Moat also served as Chair of the Audit Committee of International Personal Finance plc, a company listed on the London Stock Exchange, from 2019 to 2021. Mr. Moat is a Fellow of the Association of Chartered Certified Accountants and holds a Diploma in Corporate Finance and Accounting from London Business School and a master's degree in Law from St Catharine's College, Cambridge.

Chih-Ting Lo has served as a member of the Audit Committee since June 2025. She is the founder and President of EELO Solutions, a management consulting firm specializing in the development of strategic plans focusing on maximizing environmental, social, and governance impacts while aligning with long-term business and operational objectives for industrial sectors. Ms. Lo holds a Professional Engineer designation from Engineers and Geoscientists BC, a Master of Science in Chemical Engineering from Queen's University and a Bachelor of Applied Science in Chemical Engineering from the University of British Columbia. She also holds the Canadian Institute of Corporate Directors designation (ICD.D).

#### Pre-approval policies and procedures

In accordance with its mandate, the Audit Committee pre-approves the nature and fees of all non-audit services provided by the external auditor.

## Audit fees

The following table sets out total fees paid to the Corporation's external auditor, Deloitte relating to audit fees, audit-related fees and tax-related fees for 2025 and 2024:

	2025	2024
Audit fees <sup>(1)</sup>	\$2,208,000	\$2,208,000
Audit-related fees <sup>(2)</sup>	\$235,000	\$221,000
Tax-related fees <sup>(3)</sup>	\$114,000	\$141,000
<b>Total fees</b>	<b>\$2,557,000</b>	<b>\$2,570,000</b>

### Notes:

- (1) Audit fees consist of fees for the audit and review of the Corporation's annual and quarterly consolidated financial statements, respectively, and services that are normally provided in connection with statutory and regulatory filings or engagements.
- (2) Audit-related fees consist of fees for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's consolidated financial statements and are not reported as audit fees. During 2025 and 2024, the services provided in this category included translation services, securities filings and accounting advisory.
- (3) Tax-related fees consist of fees for assistance and advice in relation to tax compliance and advisory services.

## FORWARD-LOOKING STATEMENTS

This Annual Information Form 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, the results of the operational transition plan in increasing MSP, nickel and cobalt production; certain expectations regarding production volumes and increases, inventory levels, operating costs, capital spending and intensity, including amount and timing of spending on the tailings management facility, the availability of additional gas supplies; sales volumes; revenue, costs and earnings; 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; nickel, cobalt and fertilizer production results; realized prices for production; earnings and revenues; risks related to the U.S. government policy toward Cuba; current and future economic conditions in Cuba; the level of liquidity and access to funding; global demand for electric vehicles and the anticipated corresponding demand for cobalt and nickel; revenues and net operating results; environmental risks and liabilities; compliance with applicable environmental laws and regulations; advancements in environmental and greenhouse gas ("GHG") reduction technology; GHG emissions reduction goals and the anticipated timing of achieving such goals, if at all; statistics and metrics relating to Environmental, Social and Governance ("ESG") matters which are based on assumptions or developing standards; environmental rehabilitation provisions; environmental risks and liabilities; compliance with applicable environmental laws and regulations; Sherritt share price volatility; and certain corporate objectives, goals and plans for 2026. 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 Annual Information Form 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, operations at the Moa JV, risks related to Sherritt's operations in Cuba; risks related to the U.S. government policy toward Cuba, including the U.S. embargo on Cuba and the Helms-Burton legislation; level of liquidity of Sherritt, including access to capital and financing; commodity risks related to the production and sale of nickel cobalt and fertilizers; the impact of global conflicts; changes in the global price for nickel, cobalt, fertilizers or certain other commodities; security market fluctuations and price volatility; the ability of the Moa Joint Venture to pay dividends;

the risk to Sherritt's entitlements to future distributions (including pursuant to the Cobalt Swap) from the Moa Joint Venture; risk of future non-compliance with debt restrictions and covenants; 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; 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; 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 2026; and the ability to meet other factors listed from time to time in the Corporation's continuous disclosure documents.

The Corporation, together with its Moa 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.

Additional risks, uncertainties and other factors include, but are not limited to, the ability of the Corporation to achieve its financial goals; the ability of the Corporation to continue to realize its assets and discharge its liabilities and commitments; the Corporation's future liquidity position, and access to capital, to fund ongoing operations and obligations (including debt obligations); the ability of the Corporation to stabilize its business and financial condition; the ability of the Corporation to implement and successfully achieve its business priorities; and the ability of the Corporation to comply with its contractual obligations, including without limitation, its obligations under debt arrangements. Readers are cautioned that the foregoing list of factors is not exhaustive and should be considered in conjunction with the risk factors described in this Annual Information Form and in the Corporation's other documents filed with the Canadian securities authorities.

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 Annual Information Form 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 Annual Information Form are made as of the date hereof and the Corporation undertakes no obligation to update publicly or revise any oral or written forward-looking information or statements, whether as a result of new

information, future events or otherwise, except as required by applicable securities laws. The forward-looking information and statements contained herein are expressly qualified in their entirety by this cautionary statement.

## **NON-GAAP AND OTHER FINANCIAL MEASURES**

This annual information form includes references to the following non-GAAP and other financial measures: average-realized price, unit operating cost/net direct cash cost (NDCC) and spending on capital.

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.

These measures are incorporated by reference to Sherritt's Management Discussion and Analysis (MD&A) for the three months and year ended December 31, 2025, dated February 10, 2026, which are included in Sherritt's 2025 Financial Report available on the Sherritt's website at [www.sherritt.com](http://www.sherritt.com) and on [SEDAR+](https://www.sedarplus.com) under the Corporation's profile at [www.sedarplus.com](http://www.sedarplus.com).

The measures referenced in this annual information form and their reconciliation to the most directly comparable IFRS Accounting Standards measures are included in the Non-GAAP and other financial measures section of the MD&A on the following pages:

- average-realized price: page 55
- unit operating cost/net direct cash cost (NDCC): page 57
- spending on capital: page 61

### **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. Transactions by a Moa Joint Venture marketing company, included in other revenue, are excluded.

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.

### **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 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 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.

**Spending on capital**

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

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

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

# SCHEDULE A

## GLOSSARY OF TERMS

The following are brief explanations of certain terms and abbreviations used in this document:

“**abandonment and reclamation costs**” means all costs associated with the process of restoring a reporting issuer’s property that has been disturbed by oil and gas activities to a standard imposed by applicable government or regulatory authorities.

“**block**” or “**Block**” means a geographic area that is subject to a production-sharing contract or other form of oil and gas permit.

“**bopd**” means barrels of oil per day.

“**Co**” means cobalt.

“**CO<sub>2</sub>**” means carbon dioxide.

“**condensate**” means a mixture of pentanes and heavier hydrocarbons recovered as a liquid from field separators, scrubbers or other gathering facilities or at the inlet of a processing plant before gas is processed.

“**crude oil**” or “**oil**” means a mixture consisting mainly of pentanes and heavier hydrocarbons that exists in the liquid phase in reservoirs and remains liquid at atmospheric pressure and temperature. Crude oil may contain small amounts of sulphur and other non-hydrocarbon compounds but does not include liquids obtained from the processing of natural gas.

“**Fe**” means iron.

“**field**” means a defined geographic area consisting of one or more oil pools.

“**forecast prices and costs**” means future prices and costs that are: (a) generally accepted as being reasonable outlook of the future;

if, and only to the extent that, there are fixed or presently determinable future prices or costs to which the reporting issuer is legally bound by contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices and costs that are referenced.

“**free on board**” means that the seller pays for transportation of the goods to the port of shipment, plus loading costs. The buyer pays the cost of marine freight transport, insurance, unloading, and transportation from the arrival port to the final destination.

“**gas**” or “**natural gas**” means a naturally occurring mixture of hydrocarbon gases and other gases.

“**GHG**” means greenhouse gas and, more specifically, can be any of the commonly used gasses that are known to have the potential to add to global warming. These are carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF<sub>6</sub>). Some of these have subcategories. Each GHG has a global warming potential in relation to CO<sub>2</sub>.

“**grade**” refers to the concentration of an element of interest (Ni, Co, etc.) in a potentially mineable ore deposit. Usually expressed as a percentage, in grams per tonne or in parts per million (ppm).

“**ha**” means hectares, a metric unit of land measure equal to 10,000 square metres or 2.47 acres.

“**high pressure acid leach**” is a process by which lateritic ore is treated with sulphuric acid at high temperatures and pressures to convert valuable metals into soluble salts to allow further purification and recovery.

“**kW**” means a kilowatt; equivalent to 1,000 watts of electric power.

“**kWh**” means kilowatt hour; equivalent to the supply of one kilowatt of electric power for a continuous one hour period. “**lb**” means a pound;

“**laterite**” means a soil layer that is rich in iron oxide and derived from a wide variety of rocks weathering under strongly oxidizing and leaching conditions.

“**LOM**” means Life-of-Mine: the term "Life-of-Mine" refers to the entire duration over which a mine is expected to be operational, from the beginning of production to the end of mining activities. A **LOM plan** is a comprehensive strategic document developed by mining companies to outline the operational and economic aspects of a mining project throughout its entire lifespan. This plan typically covers various stages, including exploration, development, production, and closure. It includes detailed schedules for activities such as extraction, processing, waste management and environmental monitoring. Additionally, a LOM plan incorporates financial projections, resource and reserve estimates, and risk assessments to guide decision-making and ensure the long-term sustainability and profitability of the mining project.

“**LPG**” means liquefied petroleum gases consisting predominantly of propane, butanes and ethane.

“**Mcf**” means thousand cubic feet.

“**Measured Resource**” is that part of a Mineral Resource for which quantity, grade or quality, shape, and physical characteristics are so well established that it can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters to support production, planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings, and drill holes that are spaced closely enough to confirm both geological and grade continuity.

“**Metallurgy**” is a branch of science and technology concerned with the properties of metals and their production and purification.

“**Mineral Resource**” means a concentration or occurrence of solid material of economic interest in or on the earth’s crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction.

“**Mineral Reserve**” means the economically mineable part of a measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre- feasibility or feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.

“**mixed sulphides**” refers to an intermediate product produced from lateritic ore at Moa Nickel, primarily composed of nickel and cobalt sulphides and minor impurities.

“**MMcf**” means million cubic feet.

“**MMcfpd**” means millions of cubic feet per day.

“**MT**” means millions of tonnes. “**MW**” means a megawatt; equivalent to one thousand kilowatts.

“**MWh**” means a megawatt hour; equivalent to one thousand kilowatt hours.

“**Ni**” means nickel.

“**overburden**” means materials that overlie a mineral deposit.

“**pool**” means a subsurface oil accumulation.

“**production sharing contract**” or “**PSC**” means a form of contract between a contractor and an agency of the government of the Republic of Cuba under which the contractor acquires the right to explore for and develop hydrocarbon deposits within a specified geographic area.

“**Probable Reserve**” means, in a context other than oil and gas, the economically mineable part of an indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve.

“**Proven Reserve**” means, in a context other than oil and gas, the economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors.

“**reservoir**” means a porous and permeable subsurface rock formation that contains a separate accumulation of petroleum that is confined by impermeable rock or water barriers and is characterized by a single pressure system.

“**saprolite**” – means a soft, decomposed rock that is rich in clay; a secondary ore-bearing layer in nickel laterite deposits that lies beneath limonite and that has high magnesium, making it undesirable as feed to a PAL process.

“**sintering**” refers to the coalescence of powdered metal in briquettes into a solid mass, without liquefaction, by applying heat below the melting point.

“**sulphur**” for the purposes of the Oil and Gas business, means elemental sulphur recovered by the conversion of hydrogen sulphide and other sulphur compounds extracted from crude oil or natural gas.

“**Tpd**” means tonnes per day.

“**working-interest**” means the interest held by the Corporation in an oil or gas property, which interest normally bears its proportionate share of the costs of exploration, development and operation as well as any royalties or other production burdens, including the allocation of crude oil to government authorities under a production-sharing contract.

# SCHEDULE B

## TECHNICAL INFORMATION

### MOA JOINT VENTURE

#### Properties

Resource information set out below is derived from the 2023 Moa JV Technical Report for the Mineral Resource and Mineral Reserve Estimate on the Moa Project, Province of Holguin, Cuba dated March 31, 2023. The technical information in this AIF regarding Moa Joint Venture has been reviewed by Bryce Reid, P.Eng., and by Béatrice Foret, M.Sc., MAusIMM. Both Bryce Reid and Béatrice Foret are each a “qualified person” under NI 43-101. Bryce Reid is an employee, and Béatrice Foret is independent of the Corporation.

#### Moa Project

##### Property description, location and access

The Moa property consists of ten separate mineral concessions which cover approximately 9,600 ha. The seven central concessions are located approximately four kilometres to the south and southeast of the city of Moa in the province of Holguin in northeastern Cuba. The three Eastern satellite properties lie 10 to 15 kilometres southeast of the Moa Nickel Processing Plant (see “Mineral Reserves and Mineral Resources Estimates–Moa Joint Venture” for more information). The main open pit lateritic ore mines lie south of the city. The Moa Nickel plant site, which processes the mined ore into mixed sulphides using high-pressure acid leaching, lies on the southern edge of the residential area of the city of Moa.

The operating mining areas are connected to the plant site through a well-developed network of secondary paved roads and dirt roads. The three Eastern satellite concessions can be accessed by a network of secondary dirt roads that provide access from the paved coastal highway, although accessibility can be difficult in the wet season. The Processing Plant and the technical and administrative offices can be accessed from Moa city streets. The City of Moa is connected to the provincial capital of Holguin by both paved highway and a small commercial airport with limited schedules to other Cuban cities. The closest large international airports are at Holguin and Santiago de Cuba.

In Cuba, mineral rights are the property of the state. Mineral exploration and mining rights are granted under decrees or resolutions administered by the Oficina Nacional de Recursos Minerales (ONRM), the Cuban government agency that oversees and regulates mining activity. In the case of the rights granted to Moa Nickel, the key features of the decrees and resolutions are:

- Moa Nickel has the right to mine the limonite, along with normal mining dilution at the top and bottom of the limonite horizon;
- Moa Nickel has received official approval to mine and utilize in the existing process, saprolite with more than 1% nickel and 25% to 35% iron in most concessions. Moa Nickel has also received approval to utilize saprolite underlying the remaining deposits;
- Detailed mine plans are under review and will be updated to implement an economic cut-off grade methodology. Based on initial discussions with the ONRM, it is expected that the Moa JV will have access to material down to 25% iron and 0.7% Ni; however, material will only be processed if it is calculated to have economic value;
- When the property rights revert to the ONRM, the mining rights to the saprolite may be granted to another company; and
- Moa Nickel has been granted a mining concession containing calcium carbonate, which is used in the process as a neutralizing agent.

#### History

Viable nickel and cobalt resources in eastern Cuba were first identified in the 1940s. By the late 1950s, just prior to the Cuban Revolution, open pit mining had begun on the nickel laterites near Moa.

From the early 1960s to the early 1990s, the Cuban government’s state mining company mined the Moa Occidental concession. In 1994, the Corporation and GNC formed Moa Nickel. Moa Nickel was granted mining rights on November 30, 1994. It continued mining operations at the Moa Occidental concession and initiated mining operations at Moa Oriental in 2000.

The Camarioca Concessions were first explored in the early to mid-1970s by Soviet geologists. Evaluation of the Camarioca Concessions was resumed by Empresa Geominera Oriente, the Cuban state contractor for geological and exploration activities, ("Geominera") in 2003. In 2005, Moa Nickel was granted the right to continue the exploration and evaluation of the Camarioca Concessions deposits.

Moa Nickel obtained its rights to the Yagrumaje Oeste and Playa La Vaca-Zona Septentrional III deposits in 2013, with data regarding previous exploration results provided to Moa Nickel by the ONRM. Parts of the Yagrumaje Oeste deposit had been mined prior to Moa Nickel obtaining its rights and the mineralized zone had been drilled on a 33 metre grid. Mining rights for Yagrumaje Oeste were obtained in 2013. Mining rights for Playa La Vaca and Zona Septentrional III were obtained in November 2020.

Cantarrana, La Delta and Santa Teresita were first explored in the 1960s. A second exploration program was conducted by Geominera for Gencor Ltd. in 1996 ("Gencor Campaign") as a due diligence check on the earlier work. Following additional exploration, the Cantarrana and La Delta deposits were approved as concessions for exploitation in 2018, and Santa Teresita was approved as a concession in 2022.

### **Geological setting mineralization and deposit types**

The central Moa concessions are situated on the Moa-Baracoa complex. The Moa-Baracoa complex is composed primarily of a tectonised harzburgite that is highly depleted by 20–30% partial melting. To the east of the central Moa concessions, a number of podiform chromitite bodies lie along a west-northwest trending line. Several intersections of chromitite also exist in the northwest extremity of Camarioca Norte. The region also contains several bodies of gabbros and north-east trending gabbroic dikes.

The nickeliferous laterite deposits in the Moa region occur as a thick surface blanket of residual soils, clays and partially decomposed rock. The thickest and most homogenous laterite deposits are generally associated with rounded ridge crests and spurs representing the least eroded portion of the laterite blanket.

The upper zone of the commercial laterite profile called limonite has been historically defined either by a nickel cut-off of 1% and an iron cut-off of 35% or, in certain deposits, by a 0.9% nickel cut-off and an iron cut-off of 35%. The limonite zone typically varies from three to seven metres in thickness, locally increasing to a thickness of up to 20 metres. The lower contact of the limonite zone is defined by the 35% iron grade cut-off and is highly irregular with frequent 'ribs' and 'pinnacles' of decomposing bedrock material projecting up into the limonite. Saprolite zone mineralization is usually encountered below the limonite zone. The original mining concession granted the right to mine in the limonite zone only. However, the ONRM has granted the Moa Joint Venture the rights to mine the upper portions of the saprolite zone on most mineral concessions. An ECOG methodology has been developed to guide ore selection and mine planning. The updated methodology will guide plans to mine and process limonite material with less than 1% nickel and saprolite material which has a calculated economic value.

The Cantarrana ultramafic body is surrounded by the same gabbro body that sets the eastern limit of the La Delta ultramafic. Isolated in the ultramafic is a small body of gabbro, approximately 2x1 kilometres, which limits the southern extent of the La Delta deposit.

The analysis of mineralization of the Eastern satellites concessions is based on the assays taken from the drilling programs discussed in "Exploration and Drilling" below. The drilling campaign conducted in the 1960s assayed for Fe, Ni and Co. The Gencor Campaign analyzed for Fe, Ni, Co, Mg, Mn, Al, Si and Ca and the moisture content of each sample was also reported. The 2008 campaign (as described below) assayed for Fe, Ni, Co, Mg, Mn, Al, Cr and Si.

### **Exploration and drilling**

The drilling campaigns conducted at the Moa properties have generally been carried out on surveyed square grid patterns, using continuous-spiral and hollow-stem auger drills to extract samples from each metre of penetration in vertical holes.

The majority of the deposits were drilled prior to the formation of the Moa Joint Venture using progressively closer grid spacings from 300 to 33 metres. In addition, test pits were excavated to yield information on mineralogy, moisture content and tonnage factors. Drilling campaigns conducted by the Moa Joint Venture have generally drilled exploration grids of 100 metre and 33-35 metre spacings. For exploitation and production planning the operation uses grids at 16 metre spacing for definition of the overburden thickness, grade control and metallurgical characterization of the ore. In 2005/2006, Moa Nickel conducted field trials of ground penetrating radar ("GPR") technology in the Camarioca Concessions. In 2022, Moa Nickel began using GPR technology to further define the limonite/saprolite boundary in Playa La Vaca.

The exploration database contains 52,640 drill holes for 509,707 m drilled up to end of 31st December 2022. Over 90% of the drill holes used for resource estimation are post-1995 Moa JV drill holes.

## **Sampling, analysis and data verification**

### **Sample preparation**

Drill cuttings are logged manually by field geologists in a notebook at the drill site. Logged notes are then later entered into a computer database in the office. The samples are removed from the auger spirals, placed in plastic bags and tagged with the sample number. The sample numbers are simple sequences without the borehole number. For every twentieth sample, the geologist takes a duplicate assay sample for use as an internal control and another duplicate sample for use as an external control.

When external contractors, like Geominera, have been contracted to perform the drilling and sampling, a Moa Nickel geologist checks the contractor's activities in the field. Additional surveying has also been conducted by Ceproniquel, Centro Internacional de La Habana S.A. and Geocuba Oriente Sur.

Through early September 2007, samples were shipped by truck to Geominera's facilities in Santiago de Cuba. Since September 2007, assay pulp preparation has been carried out at a new facility in Moa and the pulps shipped to Santiago de Cuba for assay at the Elio Trincado Figueredo Laboratory operated by Geominera. An independent consultant retained by the Corporation has examined the sample preparation facilities and the Geominera assay laboratory, reviewed their procedures and believes that they are satisfactory. The Geominera work at the new sample preparation facility in Moa has been directly monitored by a Moa Nickel geologist.

### **Sample analyses**

Analysis of Ni, Co, Al<sub>2</sub>O<sub>3</sub>, Cr<sub>2</sub>O<sub>3</sub>, Fe<sub>2</sub>O<sub>3</sub>, MgO, MnO and SiO<sub>2</sub> are done by sodium carbonate fusion and inductively coupled plasma atomic emission spectroscopy (ICP-AES), an emission spectrophotometric technique that uses the fact that excited electrons emit energy at a given wavelength as they return to their ground state. For the past many years, the annual production reconciliations have confirmed that there is no material systematic bias in resources and reserves calculated from the drill hole data.

Routine assays are done by the Geominera assay laboratory in Santiago de Cuba; external check assays have been done by Sherritt's technologies group and other external laboratories. In the producing areas of the mine, check analyses are also done at the Moa Nickel process control laboratory where routine production sampling of trucks and thickener slurry is done. The process control lab uses pressed pellet XRF analysis calibrated regularly by atomic absorption analysis.

### **Security of samples**

A sample of auger drilling usually consists of seven consecutive chips (auger screw lifts) representing 1m of drilling. The samples are collected directly from the auger after removing the contamination from the walls and placed in a plastic bag, logged, tagged and sealed. The sample bags are transported by truck from the field directly to the processing facility operated by Geominera in Moa. At no point are the bags re-opened until the laboratory begins its preparation work. If bags are broken, have become unsealed or appear to be contaminated with other material, which occurs very rarely, the laboratory does not process the sample and no analytical data is available for that sample interval.

### **Data verification**

Quality assurance and quality control ("QA/QC") of the analytical data and the assay databases is conducted by the Moa exploration team who uses internal duplicates to monitor the precision or repeatability of assays. Additional duplicate samples checked by external laboratories provide data for monitoring the reliability of assay data, by measuring potential relative bias. The Moa database manager monitors on a batch-by-batch basis the results of the internal/external duplicates, and actions are taken when the results diverge from the targets. As part of quality control, the database manager and the resource team perform routine checks on the database, to reduce the errors to a minimum.

Additionally, Geominera assay laboratory performs its own internal quality assurance and quality control program, notably by the insertion of duplicates by a quality control agent, which are blind to the laboratory staff. Standard reference material is used to ensure the correct calibration of the equipment.

To address continuous improvement in the QA/QC program and to meet best practice, the Corporation's personnel are working together with Moa Nickel, with the assistance of external consultants, towards the implementation of several additions to the QA/QC program.

In 2023, standard operating procedures (“SOPs”) for exploration and insertion and monitoring of QA/QC samples have been created. Blanks and standards have been identified and were in the process of being sourced. It is intended to incorporate blanks and standards into the QA/QC process prior to the next NI 43-101 Technical Report. This will reinforce the confidence in the exploration/exploitation database by assessing the repeatability of the sample preparation/assaying process, higher in the chain, by ensuring that no-cross contamination is taking place in the sample preparation process, and by checking for potential bias in the assay laboratory. This important process ensures that the operation adheres to the highest standards of mining practices.

The Moa geology team is currently investigating several options for the implementation of digital loggers. This will allow for immediate collection and transmission of drilling data and can help guide exploration campaigns. This will increase accuracy and precision in recording drilling information by reducing the likelihood of errors. This will improve efficiency and cost-effectiveness of exploration drilling operations by streamlining data collection and analysis processes.

Furthermore, the ability to store photographs in the database through digital loggers will constitute a visual documentation with several advantages: allowing geologists and engineers to visually inspect remotely or in the office, enhancing the understanding of geological formations and helping to identify key features or anomalies, ensuring data integrity and traceability by providing a permanent record of samples, and reducing the risk of data loss or misinterpretation compared to traditional paper-based documentation. This facilitates access to historical data and supports ongoing research or resource estimation activities.

Other potential improvements for the QA/QC program will be reviewed in the coming year, such as the update and homogenization of the drillhole numbering scheme, improvements on marking/labelling of the drillholes after completion, quality control of the collar coordinates by Moa geologists, more attention on chain of custody of samples through the creation of customized forms for sample dispatch and sample preparation facility audits.

The Moa Nickel mine has been operating for 60 years, and there is a general consistency between the drillhole grades produced by the Geominera laboratory and the grades actually mined, as measured by Moa Nickel’s own plant process control data, as well as with the external check assays. The Corporation’s personnel continue to collaborate with Moa Nickel and the Geominera laboratory to promote continuous improvement.

## **Mining and processing, refining, expansion, marketing and sales**

### **Mining operations**

The mining method used by Moa Nickel consists of an excavator/truck operation. Bench mining is executed in open deposits using hydraulic backhoe excavators and articulated mine haulage trucks. The mine operates 365 days per year, weather permitting.

Mining has been carried out within the area covered by the Moa Occidental concession for close to 60 years. Prior to the formation of the Moa Joint Venture, the property was operated by the Cuban state and, prior to the Cuban Revolution, private mining companies. In the past 20 years, improvements in mining operations and at the Processing Plant have allowed the annual production rate to rise. In 2025, a total of 3.39 million tonnes of ore and 1.27 million tonnes of waste material was mined.

As the mine expands into new concessions and is mining lower-grade ore, it is also encountering more complex and heterogeneous material, including dilution from saprolitic material and greater variability in magnesium content. To adapt to these variations in ore characteristics, the operation is transitioning to new mining methods to adapt to variations in ore characteristics. This includes stockpiling by ore type and implementing blending strategies to optimize feed consistency and processing efficiency. These adjustments aim to enhance resource utilization, maintain production levels, and improve overall metallurgical performance.

### **Processing and recovery operations**

Ore is processed through slurry preparation plants where the ore is slurried with water and the resultant slurry is screened to reject partially or wholly unweathered material which has higher magnesium content. The oversize reject material is processed through a reject treatment circuit that achieves a high recovery of the limonite contained in the material. The final dry-rock reject is used for road construction or is deposited into mined-out areas.

There are currently two slurry preparation plants in operation: the new slurry preparation plant, which was commissioned in 2024, and the old slurry preparation plant, which continues to operate for the Western concessions. The destination of the ore to each preparation plant is optimized according to haulage distance to improve efficiency and reduce transportation costs.

The fine fraction of the screened ore is thickened and pumped to a pressure acid leaching circuit consisting of vertical, steam-agitated pachucas (reactors). Sulphuric acid is added to dissolve nickel and cobalt from the ore. The leach discharge slurry is processed through a countercurrent decantation wash circuit to separate the nickel and cobalt-containing solution from the leach residue slurry that is impounded in an acid leach tailings facility ("ALTF") with surface water reclaimed for the process. Excess sulphuric acid in the solution is neutralized with calcium carbonate and the gypsum residue is processed through the wash circuit with the leach tailings. Nickel and cobalt are recovered from the solution by precipitation, at an elevated temperature and pressure, with hydrogen sulphide gas to produce mixed sulphides.

The ALTF is currently in the closure stage. As mining progresses, additional tailings disposal capacity is required to accommodate the tailings generated from the life of mine ore. Additional tailings capacity has been designed and new areas are currently under construction. In line with its Life of Mine plan (LOM) and in consideration of growing international focus on tailings risks, the Moa JV is advancing a tailings management project as outlined in its 2023 National Instrument 43-101 Technical Report. The new tailings facility will be engineered and built to international standards and will provide a tailings solution for the Moa mine over the entirety of its current mine life of approximately 25 years. In connection with the development of the new Moa Oeste tailings facility, the return of approximately 197.40 hectares within the Playa La Vaca and Zona Septentrional III exploitation concession, corresponding to the footprint of the facility, was approved under Agreement 10104/2025. The Corporation expects the new tailings facility in Cell 1 Stage 1 to be commissioned in Q1 2027. Capital spending in 2025 totaled \$34.7 million, covering initial engineering, early infrastructure development, commencement of embankment construction, and procurement of long-lead pipeline materials. The 2026 capital requirement is estimated at approximately \$40.6 million (50% basis) to support construction and procurement activities. The tailings management project represents a capital-efficient and robust solution designed to meet future production needs, align with international best-practice standards, and support the Moa JV's long-term strategic environmental priorities.

In 2025, production of nickel and cobalt contained in mixed sulphides at Moa Nickel was 25,300 tonnes (100% basis), compared to production of 31,694 tonnes (100% basis) in 2024.

### Refining

In the refining process, which occurs in Fort Saskatchewan, nickel and cobalt present in the Moa mixed sulphides and various other feeds are blended and leached in an ammonia and ammonium sulphate solution. Nickel, cobalt and other metals are dissolved and sulphide sulphur is oxidized and combined with ammonia to form ammonium sulphate. Any unleached material is separated from the metal-rich solution, washed, filtered and shipped and recycled back through Moa Nickel's process.

Nickel is recovered in powder form. After washing and drying, powder can be packaged or compacted into briquettes, which can be sintered (passed through a furnace) or left unsintered. The relative proportion of powder, sintered and unsintered material changes and is based upon prevailing market conditions. Cobalt is also recovered in powder form and is compacted and sintered into briquettes or packaged as powder for sale.

The remaining, essentially metal-free, solution is evaporated to crystallize ammonium sulphate, which is dried and sold as fertilizer. The on-site ammonium sulphate plant has an annual capacity of approximately 190,000 tonnes. Other metals present in the feed, such as copper and zinc, are collected in the form of sulphide residues and sold.

In 2025, total production of finished nickel and cobalt was 25,240 tonnes and 2,728 tonnes (100% basis), respectively, compared to 30,331 tonnes and 3,206 tonnes (100% basis), respectively, in 2024.

The refinery maintained its ISO 9001:2015 certification for nickel and cobalt production.

### Expansion

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

Phase two, the 6<sup>th</sup> Leach train was completed in Q3 2025 and increases the leach capacity of the plant.

The 2023 Moa JV Technical Report is based on the processing capacity at Moa Processing Plant as at August 2022 and does not include the incremental production and related economic benefits of the Moa JV Expansion. On the assumption that the Moa JV could simply accelerate the mining sequence in order to meet the expected increased production of the expansion program, the LOM would likely shorten by three to five years, resulting in a LOM of approximately 20 to 22 years. This increased production would still be expected to increase cashflows and the NPV of the Project.

#### **Infrastructure, permitting and compliance activities**

The City of Moa has a population of approximately 72,000 (2021) and is the source, together with several surrounding towns, of most of the skilled and unskilled labour required for both the mining and processing operations.

The water supply for the Processing Plant comes from a water-bore near the plant-site and from the Nuevo Mundo reservoir which feeds into the Moa River. Both the plant site and the mine site are served by the national electric power grid and grid power lines cross the mine site. Moa Nickel has the required surface rights and necessary infrastructure, including bridge access, roads, maintenance shops, power supplies and offices to support its current mining operations.

For information regarding Environment, Health and Safety and Community Investment please see “5. Environment, health and safety and sustainability”.

Resolutions 5859 and 5860, dated December 29, 2006, of the Executive Committee of the Council of Ministers of the Republic of Cuba granted Moa Nickel the right and obligation to evaluate the limonitic nickel mineralization on the La Delta and Cantarrana concessions. These Resolutions detail 28 obligations, most of which relate to: 1) geological education and safety of employees; 2) road construction, protection of environment near rivers, protection of forest cover; and 3) rehabilitation measures after work programs have been completed.

The ONRM approved the exploitation permit for the Santa Teresita concession in the fourth quarter of 2022.

# SCHEDULE C

## MANDATE OF THE AUDIT COMMITTEE

### 1. MANDATE

The mandate of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of Sherritt International Corporation (the "Corporation") is to assist the Corporation in ensuring the integrity and accuracy of the Corporation's financial and ESG reporting and disclosure controls and procedures. The Committee shall fulfill its mandate by providing an open avenue of communication among management, the auditors (external and internal) and the Board.

### 2. DUTIES AND RESPONSIBILITIES

- (a) review and recommend for approval to the Board the Corporation's interim financial statements, MD&A and earnings press releases prior to disclosure and report to the Board thereon;
- (b) review and recommend for approval to the Board the Corporation's annual financial statements, MD&A and earnings press releases and report to the Board thereon;
- (c) ensure the adequacy of procedures for the review of other corporate disclosure that is derived or extracted from the financial statements and periodically assess the adequacy of those procedures;
- (d) ensure that management fulfills its responsibilities to maintain effective disclosure controls and procedures and an effective system of internal control over financial reporting and Environment, Social and Governance (ESG) reporting and consider if and when ESG information ought to receive independent assurance; report any deficiencies to the Board;
- (e) review the Corporation's processes for the selection, preparation and disclosure of sustainability performance data and information to external stakeholders and the public, and the adequacy of the Corporation's transparency on its performance in this area;
- (f) review, monitor and report to the board on the findings of any significant examination or audit by external auditors concerning ESG matters and review the audit scope and approach of any external auditors related to ESG matters;
- (g) ensure management adequately identifies, manages, monitors and discloses the principal financial and business risks that could impact the Corporation's financial results and reporting;
- (h) recommend and propose guidelines for the disclosure of information, such that relevant information is disclosed in a timely manner and is not selective;
- (i) ensure that, taken together, the work of the external and internal auditors provides an appropriate level of audit coverage and is effectively coordinated, to the extent appropriate;
- (j) oversee procedures for the receipt, retention and treatment of complaints received regarding accounting, internal controls or auditing matters, and procedures to allow confidential and anonymous submission of concerns regarding questionable accounting or auditing matters;
- (k) review all material public documents relating to (i) the Corporation's financial performance, financial position or financial analyses and (ii) ESG matters prior to release, including the AIF, Management Information Circular, annual guidance, earnings call presentation, and sustainability reports;
- (l) review the accounting principles and practices to be applied and followed by the Corporation during the fiscal year and any significant changes from those applied and followed during the previous year;
- (m) review all litigation and claims involving the Corporation which could materially affect its financial position and which the auditors or General Counsel may refer to the Committee;
- (n) approve the Corporation's tax policy;
- (o) review, at least annually, the Corporation's tax status, significant tax issues and reviews by tax authorities;
- (p) review, at least annually, Management's IT strategy and assess the adequacy of the Corporation's cyber-security plan;
- (q) review the adequacy of insurance coverage;
- (r) ensure Management undertake an appropriate enterprise risk management process and review management identification and evaluation of risks and risk mitigation procedures (including hedging);
- (s) review other information provided by management relating to the financial affairs of the Corporation;
- (t) review, at least annually, the quality and sufficiency of the Corporation's accounting and financial personnel; and
- (u) perform any other duties or responsibilities expressly delegated to the Committee by the Board from time to time.

With regard to fulfilling their obligations as set out above, Committee members or the Board may request management, from time to time, to present information to the Committee on such matters relating to the financial affairs of the Corporation as deemed appropriate.

### **Relationship with external auditor**

The external auditors report directly to the Committee and are accountable to the Board and the Committee. The Committee shall:

- (a) recommend for approval to the Board the appointment and oversee the work of the external auditors engaged for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services);
- (b) approve the audit plan (including scope, timing and materiality);
- (c) review the qualifications and performance of the external auditors and recommend approval of fees;
- (d) report to the Board regarding the nomination, remuneration and other material terms of the engagement of the external auditors as well as their performance;
- (e) review the results of the external auditors' work. The external auditors' report on the results of their work should include their views on the quality, not just the acceptability, of the implementation of generally accepted accounting principles, with a particular focus on the accounting estimates made by management and management's selection of accounting principles;
- (f) assess working relationships with management and resolve any disagreements between management and the external auditors about financial reporting;
- (g) pre-approve the nature and fees of non-audit services. The Chair has the authority to pre-approve proposals for services to be provided by the Company's auditors up to a value of C\$150,000 per engagement, and to report any such approvals to the Committee as a whole at the next Committee meeting; and
- (h) review and approve the hiring policies regarding partners and employees and former partners and employees of the present and former external auditors.

The Committee should review and discuss written reports by the external auditors detailing all factors that might have an impact on the external auditors' independence, including all services provided and fees charged. The Committee should satisfy itself regarding the independence of the external auditors and report its conclusions and the basis for those conclusions to the Board.

The external auditors are entitled to receive notice of every meeting of the Committee and be heard thereat.

The external auditors are entitled to and are responsible for providing their views directly to the shareholders if they disagree with an approach being taken by the Committee.

### **Relationship with internal auditors**

The Internal Audit function reports to the Chief Financial Officer and is accountable to the Committee. The Committee shall:

- (a) approve the mandate for the internal audit department and annually review its objectives and goals and staffing levels;
- (b) approve the internal audit charter;
- (c) approve the internal audit plan;
- (d) approve the internal audit budget and resource plan;
- (e) receive communications from the Internal Audit function on performance relative to its plan and other matters;
- (f) ensure that the Internal Auditor function has direct and open communication with the Committee with respect to progress on planned audits, significant audit findings, recommendations made and management's response;
- (g) approve the appointment or removal of the Director, Internal Audit; and
- (h) review management's decisions related to the need for an internal audit.

### **3. COMPOSITION AND CHAIR**

The members of the Committee shall, subject to appointments made as a result of resignations or retirements, be appointed annually by the Board on the recommendation of the Nominating and Corporate Governance Committee.

The Committee shall consist of not less than three directors, each of whom shall be "independent" as determined under applicable Canadian securities laws. All members of the Committee are required to be financially literate. The requirements for qualification of Committee members shall be determined and interpreted by the Board from time to time based upon recommendations by the Nominating and Corporate Governance Committee.

The Board shall annually designate a Committee Chair from among the Committee members on the recommendation of the Nominating and Corporate Governance Committee. If, in any year, the Board does not appoint a Chair, the Committee members shall appoint a Chair from their number..

#### **4. MEETINGS**

The Committee shall meet as often as the Committee determines is necessary to fulfill its responsibilities and not less than four times a year.

Notice of every meeting will be given to each member.

A majority of the Committee members will constitute a quorum. No business may be transacted by the Committee except at meetings at which a quorum is present.

Any Board member not currently sitting on the Committee shall have a standing invitation to attend and participate in all Committee meetings.

The Committee may invite such members of management or such outside advisors as it may see fit from time to time to attend its meetings and assist in the discussion and consideration of any matter.

A meeting of the Committee may be convened by the Chair, any two Committee members or the Corporation's external auditor.

An in-camera session will be held at each regularly scheduled Committee meeting with the following groups:

- management;
- external auditors; and
- internal auditors

#### **5. REPORTING**

The Committee will:

- regularly report to the Board on all significant matters it has addressed and with respect to such other matters that are within its responsibilities; and
- oversee the preparation of any disclosure required under applicable Canadian securities laws with respect to matters that are within its responsibilities.

#### **6. RESOURCES AND AUTHORITY OF THE COMMITTEE**

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate and approve the fees and other retention terms of special counsel or other experts or consultants, as it deems appropriate, provided that if the fees and expenses of any such special counsel or other experts or consultants retained by the Committee exceed, or are expected to exceed C\$150,000, the approval of the full Board will be obtained.

The Committee has the authority to communicate directly with the internal and external auditors.

The Committee may engage outside experts to provide education relevant to the mandate of the Committee.

The Committee must pre-approve any experts or consultants retained by the Corporation if such experts or consultants are currently or have previously been retained by the Committee.

#### **7. TENURE**

Each member shall hold office until his or her term as a Committee member expires or is terminated.

#### **8. REMOVAL AND VACANCIES**

Any Committee member may be removed and replaced at any time by the Board and shall cease to be a Committee member upon ceasing to be a director. The Board shall fill vacancies in the Committee by appointment from among the members of the Board. If a vacancy exists on the Committee, the remaining members shall exercise all of the Committee's powers so long as a quorum remains in office.

*Reviewed, July 2024*

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