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Sherritt Reports Second Quarter 2026 Results

TORONTO – August 12, 2026 – Sherritt International Corporation (“Sherritt”, the “Corporation”) (TSX: S) today reported its financial results for the three and six months ended June 30, 2026. All amounts are in Canadian dollars unless otherwise noted.

“The second quarter was marked by significant challenges and disruption,” said Peter Hancock, Interim President and Chief Executive Officer. “Against this backdrop, we remained focused on preserving liquidity, maintaining safety, maximizing fertilizer production, and advancing stakeholder engagement and strategic initiatives necessary to prepare for a restart of our critical minerals mining and refining operations subject to U.S. government approval. We are continuing to work with urgency and discipline to deliver a solution that supports the long-term stability and viability of our business.”

SECOND QUARTER 2026 SELECTED DEVELOPMENTS(1)

Operational update

On May 7, 2026, as a result of the Executive Order issued by the U.S. administration on May 1, 2026 expanding its sanctions against persons and companies conducting business in Cuba (the “Executive Order”), Sherritt suspended its direct participation in both its Moa and Energas joint venture activities in Cuba.

As a result of fuel supply disruptions in Cuba and challenges procuring other input commodities and supplies at the mine site, feed inventory at the refinery in Fort Saskatchewan, Alberta was depleted on June 22, 2026. Mining and processing operations at the mine ceased near the end of the quarter.

During the refinery downtime, the Corporation will complete necessary maintenance activities that do not require significant capital investment. The Corporation continues to produce fertilizers and sulphuric acid for sale.

Operational performance

- **Finished nickel and cobalt production** at the Moa Joint Venture (“Moa JV”) was 1,319 tonnes and 135 tonnes, respectively, (Sherritt’s share(1)).
- **Finished nickel and cobalt sales** were 1,720 tonnes and 167 tonnes, respectively(1).
- **Fertilizer sales** were 52,328 tonnes(1) as Sherritt prioritized initiatives to maximize fertilizer production at Fort Site.
- **Net direct cash cost (“NDCC”)**(2) of US$7.31/lb was primarily impacted by the higher sulphur prices and significantly lower nickel production and sales volumes.
- **Electricity production** was 207 GWh. Production was not affected by fuel supply disruptions to Cuba as Energas processes domestically sourced raw natural gas to generate electricity.
- **Electricity unit operating cost**(2) was $13.36/MWh primarily reflecting lower maintenance costs and higher electricity production and sales.

Financial performance

- **Net loss from continuing operations was** $71.1 million, or $(0.10) per share.
- **Adjusted net loss from continuing operations**(2) was $24.8 million or $(0.04) per share which primarily excludes the $38.6 million loss from operations of Sherritt’s Oil and Gas division, primarily due to a $36.1 million contractually obligated environmental rehabilitation cost update on legacy assets in Spain in Q2 2026. In addition, the current year period excludes a $6.8 million non-cash net loss on revaluation of the GNC(3) receivable and Energas payable pursuant to the Cobalt Swap agreement(4). Adjusted net loss from continuing operations for Q2 2025 primarily excludes a $32.4 million gain on the Debt and Equity Transactions(5).
- **Adjusted EBITDA**(2) was $(2.0) million.
- **Available liquidity in Canada** as at June 30, 2026 was $80.1 million.

Organizational updates

- On April 7, 2026, the Corporation completed a non-brokered private placement of common shares, issuing approximately 207 million shares at $0.21 per share for total gross proceeds of $43.6 million.
- In April 2026, foreign currency payments from the Moa JV to Energas pursuant to the Moa Swap ceased as a result of reduced operations at the Moa JV which reduced the Moa JV's cash available in major foreign currencies. Dividends from Energas to the Corporation in Canada ceased.
- On May 1, 2026, the Executive Order was issued by the U.S. administration expanding its sanctions against persons and companies conducting business in Cuba. Sherritt International Corporation, the legal entity, has not, nor has any of its officers or directors, been sanctioned following issuance of the Executive Order.
- On May 7, 2026 Sherritt announced:
    - It suspended its direct participation in both its Moa and Energas joint venture activities in Cuba, and that it took steps to repatriate Sherritt's expatriate employees on assignment in Cuba and requested that partners repatriate their expatriate personnel on assignment in Canada.
    - Brian Imrie, Richard Moat and Brett Richards resigned from its board of directors (the "Board").
- On May 13, 2026, Sherritt announced:
    - Deloitte LLP resigned as the Corporation's external auditor, effective May 12, 2026. The resignation was not the result of any disagreement between the Corporation and Deloitte on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure. Deloitte's reports on the Corporation's previously issued financial statements did not contain any adverse opinion or a disclaimer of opinion, and was not qualified or modified as to uncertainty, audit scope, or accounting principles. Sherritt commenced a request for proposal process for external audit services to identify a successor auditor.
    - Yasmin Gabriel resigned as Chief Financial Officer.
- On May 14, 2026, Sherritt announced that pursuant to its application in the Ontario Superior Court of Justice, Commercial List, it was granted (i) an order under the *Canada Business Corporations Act* (the "CBCA") permitting the Corporation's Board to continue to act with two directors until no later than September 30, 2026, (ii) an order under the CBCA permitting the Corporation to continue to operate without an external auditor until no later than September 30, 2026, and (iii) an order extending the time for Sherritt to call its annual meeting of shareholders to not later than September 30, 2026.
- On May 15, 2026, Sherritt announced that in light of the May 1, 2026 Executive Order, it intended to invoke its dissolution rights under the Moa Shareholders' Agreement and Energas Association Agreement and seek relief from the Alberta Court of King's Bench to facilitate accelerated dissolution to the extent possible. The intended outcome was to allow Sherritt to most definitively address the Executive Order by eliminating Sherritt's Cuban interests. Further, the separation from Cuba was intended to assist Sherritt in addressing issues that could arise from the Executive Order such as difficulties in obtaining an auditor or banking services.
- On May 19, 2026, following further and ongoing consultation with its advisors, stakeholders and relevant governmental authorities, and in light of additional information available to the Corporation, it would no longer proceed with the dissolution and disclaimer steps relating to its interests in Cuba and would not proceed with its application to the Alberta Court of King's Bench.

- On May 20, 2026, Sherritt announced that it had entered into a non-binding term sheet with Gillon Capital, LLC ("Gillon Capital") with respect to a proposed private placement of a common share purchase warrant (the "Warrant"), exercisable for up to that number of common shares of the Corporation such that, immediately upon exercise in full of the Warrant, Gillon Capital would own 55% of the common shares then issued and outstanding (the "Gillon Private Placement"). The Warrant will be exercisable at a price to be agreed by the parties for a period ending nine months from the closing date, subject to satisfaction of certain conditions precedent, including compliance with the Corporation's existing contractual arrangements and debt agreements. Given the current circumstances of the Corporation, management expects that such exercise price will be at a discount to the closing price of the common shares on May 15, 2026. The Gillon Private Placement remains subject to the execution of definitive documentation and the transaction is expected to be subject to the satisfaction of customary conditions and the receipt of all required regulatory approvals, including approval of the Toronto Stock Exchange. In connection with the Gillon Private Placement, Sherritt engaged constructively with the United States Department of State, which confirmed that the Department of State and Department of Treasury do not object to Gillon Capital's engagement in negotiations with the Corporation and, based on the information provided to date, do not consider such negotiations to be contrary to U.S. law. Any subsequent transaction will be subject to approval of the Department of State and Department of Treasury.

  On June 15, 2026, Sherritt entered into an exclusivity agreement with Gillon Capital providing for a 120-day period of exclusive negotiations with respect to the non-binding term sheet regarding the Gillon Private Placement. The period of exclusivity was entered into to allow the parties to complete their respective due diligence reviews and negotiate a definitive agreement with respect to the Gillon Private Placement.

- On May 22, 2026, Sherritt announced that its principal regulator, the Ontario Securities Commission, issued a failure-to-file cease trade order ("FFCTO") against the Corporation, effective May 21, 2026, as a result of the Corporation's failure to file its first quarter 2026 interim financial statements, management's discussion and analysis and related officer certifications (collectively, the "Q1 Filing").by the filing deadline on May 15, 2026. The Corporation was unable to complete the filings as a result of operational and governance disruptions following the Executive Order. The Q1 Filing was made on June 25, 2026 and the FFCTO was revoked on July 9, 2026 with shares commencing trading on July 10, 2026.

- On June 3, 2026, Sherritt announced it had appointed Fitzroy Richardson as Interim Chief Financial Officer to provide experienced financial leadership as the Corporation works to complete its outstanding quarterly filings, an important step toward seeking a revocation of the FFCTO. Mr. Richardson is a seasoned finance executive with nearly 30 years of experience at Sherritt, where he has held a range of senior finance and treasury roles.

- On June 12, 2026, Sherritt appointed Tabrez Khan as an independent director, bringing deep M&A, financial and strategic advisory experience to the Board. Mr. Khan was nominated to the Board by Kyma Capital Opportunities Master Fund Limited ("Kyma"), pursuant to Kyma's nomination right under the investor rights agreement dated as of April 22, 2025 between the Corporation and Kyma. Concurrent with Mr. Khan's appointment to the Board, he was appointed to the audit committee of the Board (the "Audit Committee"). Following Mr. Khan's appointment, the Audit Committee consists of Dr. Peter Hancock, Ms. Chih-Ting Lo, and Mr. Khan. As Dr. Hancock is the interim Chief Executive Officer of Sherritt, he is not considered independent under National Instrument 52-110 – *Audit Committees* ("NI 52-110"). Sherritt is relying on the temporary exemption provided in Section 3.5 of NI 52-110 for Dr. Hancock's membership on the Audit Committee. Following Mr. Khan's appointment, the Audit Committee is compliant with the requirements of NI 52-110 and the rules of the Toronto Stock Exchange.

- In respect of the Corporation's Credit Facility:

  - As a result of the issuance of the Executive Order, a material adverse change to the Corporation's business occurred which would give the administrative agent (on behalf of the lenders) the ability to call an event of default under the Credit Facility and demand repayment of all indebtedness currently owing thereunder.

  - On May 31, 2026, the borrowing base of the Credit Facility was $76.3 million, which was below the then aggregate borrowings of $79.5 million including outstanding letters of credit. As a result of this deficiency, the lenders issued a notice of excess borrowing and required the Corporation to repay the difference of $3.2 million during the three months ended June 30, 2026.

  - During the three months ended June 30, 2026, the Corporation was not in compliance with the EBITDA-to-Interest Expense covenant, as defined in the Credit Facility agreement.

  - The Corporation does not have the ability to make further draws on the Credit Facility at this time.

- Refer to the Liquidity section of the Corporation's Management's Discussion and Analysis for the three and six months ended June 30, 2026 ("MD&A") for further details.

(1) References to operational and financial metrics in this press release, unless otherwise indicated, are to "Sherritt's share" which is consistent with the Corporation's definition of reportable segments for financial statement purposes. Sherritt's share of "Metals" includes the Corporation's 50% interest in the Moa Joint Venture ("Moa JV"), its 100% interest in the utility and fertilizer operations in Fort Saskatchewan ("Fort Site") and its 100% interests in subsidiaries established to buy, market and sell certain of the Moa JV's nickel and cobalt production and the Corporation's cobalt inventory received under the Cobalt Swap agreement ("Metals Marketing"). Sherritt's share of Power includes the Corporation's 33⅓% interest in Energas S.A. ("Energas"). References to Corporate and Other and Oil and Gas includes the Corporation's 100% interest in these businesses. Corporate and Other refers to the Corporate head office and growth and market development support. Fort Site refers to the Corporation's 100% interest in the utility and fertilizer operations.

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

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

(4) For additional information on the "Cobalt Swap", see Note 13 – Advances, loans receivable and other financial assets of the consolidated financial statements for the year ended December 31, 2025.

(5) For more information on the "Debt and Equity Transactions", see Note 16 – Loans, borrowings and other financial liabilities of the consolidated financial statements for the year ended December 31, 2025.

DEVELOPMENTS SUBSEQUENT TO THE QUARTER

Credit Facility update

- On June 30, 2026, the borrowing base of the Credit Facility was $43.1 million, which was below the amount of the then aggregate borrowings of $76.3 million including outstanding letters of credit. As a result of this deficiency, the lenders issued a notice of excess borrowing and the Corporation repaid 50% of the June 30, 2026 borrowing base deficiency amounting to $16.6 million subsequent to period end in return for the lenders agreeing not to act on the Corporation's default to pay the full amount of the deficiency.
- As of August 12, 2026, the administrative agent under the Credit Facility has not issued a notice of an event of default and no demand for repayment of the loan obligations has been made, other than the notices of excess borrowings noted above.

Q2 2026 FINANCIAL HIGHLIGHTS

$ millions, except per share amount	For the three months ended 2026 June 30	2025 June 30	Change	For the six months ended 2026 June 30	2025 June 30	Change
Revenue	**$ 59.3**	$ 43.7	36%	**$ 93.3**	$ 82.1	14%
Combined revenue[1]	**132.1**	135.6	(3%)	**238.7**	261.3	(9%)
Loss from operations and joint venture	**(52.7)**	(19.4)	(172%)	**(64.8)**	(51.2)	(27%)
Net (loss) earnings from continuing operations	**(71.1)**	10.4	(784%)	**(80.3)**	(30.2)	(166%)
Net (loss) earnings for the period	**(71.1)**	10.2	(797%)	**(80.3)**	(30.4)	(164%)
Adjusted EBITDA[1]	**(2.0)**	2.6	(177%)	**5.6**	7.0	(20%)
Adjusted loss from continuing operations[1]	**(24.8)**	(25.6)	3%	**(36.7)**	(47.8)	23%
Net (loss) earnings from continuing operations ($ per share)	**(0.10)**	0.02	(600%)	**(0.14)**	(0.07)	(100%)
Adjusted loss from continuing operations ($ per share)[1]	**(0.04)**	(0.06)	33%	**(0.06)**	(0.11)	45%
Cash provided by continuing operations for operating activities	**38.9**	5.6	595%	**25.8**	6.6	291%
Combined free cash flow[1]	**35.0**	2.8	nm[2]	**30.3**	(3.8)	897%
Average exchange rate (CAD/US$)	**1.384**	1.384	-	**1.378**	1.409	(2%)

$ millions, as at	2026 June 30	2025 December 31	Change
Cash and cash equivalents			
Canada	**$ 80.1**	$ 13.4	498%
Cuba[3]	**119.8**	109.4	10%
Other	**3.9**	2.1	86%
	203.8	124.9	63%
Loans and borrowings	**323.2**	316.0	2%
The Corporation's share of cash and cash equivalents in the Moa Joint Venture, not included in the above balances:	**$ 5.4**	$ 12.8	(58%)

(1) Non-GAAP financial measures. For additional information see the Non-GAAP and other financial measures section of this press release.
(2) Not Meaningful (“nm”)
(3) As at June 30, 2026, $115.5 million of the Corporation’s cash and cash equivalents was held by Energas (December 31, 2025 - $103.3 million).

Cash and cash equivalents were $203.8 million as at June 30, 2026 compared to $123.6 million at March 31, 2026. As at June 30, 2026, total available liquidity in Canada was $80.1 million, composed of cash and cash equivalents in Canada. The Corporation did not have availability under its Credit Facility at the end of the quarter.

During the quarter, Sherritt received $42.5 million in net proceeds from the common share private placement completed on April 7, 2026.

As well during the three months ended June 30, 2026, the Corporation received $128.7 million of cash receipts for nickel, cobalt and fertilizer sales and other working capital items from the Moa JV in the Corporate and Other segment in response to the Executive Order and the Corporation’s suspension of its direct participation in joint venture activities in Cuba effective May 7, 2026 and is being used to fund working capital. The cash receipts are recognized as accounts payable to the Moa JV and included in trade accounts payable and accrued liabilities and settled through the incurrence of costs by the Corporation on behalf of the Moa JV’s Canadian operations.

See the Liquidity section of the MD&A for additional details on the Credit Facility and cash flows.

REVIEW OF OPERATIONS

Metals

$ millions (Sherritt's share), except as otherwise noted	For the three months ended 2026 June 30	2025 June 30	Change	For the six months ended 2026 June 30	2025 June 30	Change
FINANCIAL HIGHLIGHTS(1)						
Revenue	**$ 117.5**	$ 124.7	(6%)	**$ 211.3**	$ 238.4	(11%)
Cost of sales	**130.8**	130.1	1%	**232.5**	249.2	(7%)
Loss from operations	**(14.9)**	(7.4)	(101%)	**(24.1)**	(16.0)	(51%)
Adjusted EBITDA(2)	**0.3**	7.8	(96%)	**6.0**	13.3	(55%)
CASH FLOW(1)						
Cash (used) provided by continuing operations for operating activities(2)	**$ (26.2)**	$ 20.0	(231%)	**$ (27.9)**	$ 41.9	(167%)
Free cash flow(2)	**(28.0)**	6.4	(538%)	**(35.1)**	17.8	(297%)
PRODUCTION VOLUMES (tonnes)						
Mixed sulphides ("MSP")(4)	**934**	3,238	(71%)	**2,745**	6,395	(57%)
Finished nickel	**1,319**	3,431	(62%)	**3,204**	6,378	(50%)
Finished cobalt	**135**	389	(65%)	**348**	712	(51%)
Fertilizer	**56,344**	65,207	(14%)	**109,348**	121,027	(10%)
NICKEL RECOVERY(5) (%)	**74%**	83%	(11%)	**79%**	84%	(6%)
SALES VOLUMES (tonnes)						
Finished nickel	**1,720**	3,256	(47%)	**3,964**	6,695	(41%)
Finished cobalt	**167**	380	(56%)	**370**	836	(56%)
Fertilizer	**52,328**	44,614	17%	**79,700**	77,734	3%
AVERAGE-REFERENCE PRICE(6) (US$ per pound)						
Nickel	**$ 8.22**	$ 6.88	19%	**$ 8.05**	$ 6.97	15%
Cobalt	**26.50**	17.50	51%	**26.24**	15.24	72%
AVERAGE-REALIZED PRICE(2) (CAD)						
Nickel ($ per pound)	**$ 11.27**	$ 9.57	18%	**$ 10.93**	$ 9.78	12%
Cobalt ($ per pound)	**34.51**	18.19	90%	**33.54**	15.51	116%
Fertilizer ($ per tonne)	**701.78**	674.44	4%	**630.62**	591.10	7%
UNIT OPERATING COST(2) (US$)						
Nickel - net direct cash cost (US$ per pound)	**$ 7.31**	$ 5.27	39%	**$ 7.13**	$ 5.64	26%
SPENDING ON CAPITAL(2)(CAD)						
Sustaining						
Moa JV (50% basis), Fort Site (100% basis)	**$ -**	$ 7.6	(100%)	**$ 0.7**	$ 16.4	(96%)
Moa JV - Tailings facility (50% basis)	**1.8**	5.0	(64%)	**6.5**	9.8	(34%)
Growth - Moa JV (50% basis)	**-**	2.3	(100%)	**-**	4.0	(100%)
	$ 1.8	$ 14.9	(88%)	**$ 7.2**	$ 30.2	(76%)

(1) The amounts included in the Financial Highlights, and Cash Flow sections for Metals above include the combined results of the Moa JV, Fort Site and Metals Marketing. Breakdowns of revenue, Adjusted EBITDA, and the components of free cash flow (cash provided (used) by continuing operations for operating activities and Property, plant and equipment expenditures) for each of these operations are included in the Combined revenue, Adjusted EBITDA and Free cash flow reconciliations, respectively, in the Non-GAAP and other financial measures section of this press release.

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

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

(4) Reference sources: Nickel – London Metal Exchange ("LME"). Cobalt - Average standard-grade cobalt price published by Argus.

(5) Growth spending on capital: 2026 relates to improvement debottlenecking projects, 2025 relates to the Moa JV expansion.

On May 7, 2026, Sherritt announced that it suspended its direct participation in both its Moa and Energas joint venture activities in Cuba in response to the Executive Order issued by the U.S. administration on May 1, 2026.

Revenue

Metals revenue was $117.5 million compared to $124.7 million in the prior year period.

Nickel revenue was $42.8 million compared to $68.6 million in the prior year period primarily due to lower nickel sales volume parlty offset by higher average-realized price(1). Sales volume of 1,720 tonnes compared to 3,256 tonnes in the prior year period primarily as a result of lower finished production outlined below. The average-realized price(1) of nickel of $11.27/lb was 18% higher compared to the prior year period.

Cobalt revenue was $12.8 million compared to $15.2 million in the prior year period primarily due to lower sales volume partly offset by higher average-realized price(1). Sales volume was 167 tonnes compared to 380 tonnes in the prior year period primarily as a result of lower finished production outlined below. The average-realized price(1) of cobalt of $34.51/lb was 90% higher compared to the prior year period.

Fertilizer revenue was $36.8 million compared to $30.0 million in the prior year period primarily due to higher sales volume and average-realized price(1). Sales volume of 52,328 tonnes compared to 44,614 tonnes in the prior year period. The average-realized price(1) of fertilizers of $701.78/tonne was 4% higher compared to the prior year period. The Corporation continues to produce fertilizers and sulphuric acid for sale.

Other revenue includes 450 tonnes (50% basis) of mixed sulphides sales following Sherritt's suspension of its direct participation in its joint venture activities in Cuba.

Production

As a result of fuel supply disruptions in Cuba and challenges procuring other input commodities and supplies at the mine site, only small quantities of mixed sulphides were produced during the quarter. Mixed sulphides production at the Moa JV was 934 tonnes compared to 3,238 tonnes in the prior year period. Mining and processing operations at the mine ceased near the end of the quarter.

At the refinery in Fort Saskatchewan, Alberta, metals production was maintained at reduced rates during the quarter until June 22, 2026 when the mixed sulphides inventory was depleted and metals refining activity stopped. Sherritt's share of finished nickel and cobalt production was 1,319 tonnes and 135 tonnes, compared to 3,431 tonnes and 389 tonnes, respectively, in the prior year period.

Fertilizer production was 56,344 tonnes, compared to 65,207 tonnes in the prior year quarter. Fertilizer production was lower in the current year period primarily due to lower metals production. Sherritt expects to conduct a planned acid plant maintenance shutdown in the third quarter 2026.

NDCC(1)

NDCC(1) per pound of nickel sold was US$7.31/lb compared to US$5.27/lb in the prior year period. Higher NDCC(1), and its components, were, in part, impacted by significantly lower nickel sales volume compared to the prior year period.

Mining, processing and refining costs per pound of nickel sold ("MPR/lb") was higher primarily as a result of higher input commodity prices and the impact of the higher allocation of fixed costs over the significantly lower nickel sales volume. Sulphur, diesel and natural gas prices were 78%, 59% and 27% higher, respectively, while fuel oil prices were 29% lower in the current year period compared to Q2 2025. The joint venture did not purchase additional sulphur during the quarter.

Cobalt by-product credits were higher primarily as a result of the higher average-realized price(1) of cobalt.

Fertilizer net by-product credits were higher primarily as a result of the impact of significantly lower nickel sales volume on marginally higher net contribution from fertilizer sales during the current year quarter compared to Q2 2025.

Spending on capital(1)

Sustaining spending on capital was nil compared to $7.6 million and spending on capital related to the tailings facility was $1.8 million compared to $5.0 million, respectively. Spending on capital was lower in the current year period as Metals deferred non-essential capital spending to manage liquidity and the impact of the Executive Order which limited the joint venture's ability to procure or receive delivery of capital assets.

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

(2) For additional information on the Cobalt Swap, see Note 13 – Advances, loans receivable and other financial assets of the consolidated financial statements for the year ended December 31, 2025.

Power

$ millions (33 ⅓% basis), except as otherwise noted	For the three months ended 2026 June 30	2025 June 30	Change	For the six months ended 2026 June 30	2025 June 30	Change
FINANCIAL HIGHLIGHTS						
Revenue	**$ 14.5**	$ 10.6	37%	**$ 27.1**	$ 22.0	23%
Cost of sales	**3.2**	5.0	(36%)	**7.2**	11.9	(39%)
Earnings from operations	**9.8**	4.3	128%	**17.2**	7.0	146%
Adjusted EBITDA(1)	**10.4**	5.0	108%	**18.4**	8.4	119%
CASH FLOW						
Cash provided by continuing operations for operating activities(1)	**$ 22.8**	$ 16.0	43%	**$ 35.7**	$ 16.9	111%
Free cash flow(1)	**22.7**	15.2	49%	**35.4**	16.0	121%
PRODUCTION AND SALES						
Electricity (GWh(2))	**207**	176	18%	**416**	346	20%
AVERAGE-REALIZED PRICE(1)						
Electricity ($/MWh(2))	**$ 52.58**	$ 52.56	-	**$ 52.35**	$ 53.53	(2%)
UNIT OPERATING COSTS(1)						
Electricity ($/MWh)	**$ 13.36**	$ 24.80	(46%)	**$ 15.09**	$ 31.03	(51%)
SPENDING ON CAPITAL(1)						
Sustaining	**$ 0.1**	$ 0.8	(88%)	**$ 0.3**	$ 0.9	(67%)

(1) Non-GAAP financial measures. For additional information see the Non-GAAP and other financial measures section of this press release.
(2) Gigawatt hours ("GWh"), Megawatt hours ("MWh").

On May 7, 2026, Sherritt announced that it suspended its direct participation in both its Moa and Energas joint venture activities in Cuba in response to the Executive Order issued by the U.S. administration on May 1, 2026.

Revenue

Revenue was $14.5 million compared to $10.6 million in the prior year period. primarily due to increased electricity production as discussed below.

Production

Production volume was 207 GWh compared to 176 GWh in the prior year period primarily as a result of lower maintenance activities in the current year period. Energas processes domestically sourced raw natural gas to generate electricity and has not been affected by fuel supply disruptions in Cuba.

Unit operating cost(1)

Unit operating cost(1) was $13.36/MWh compared to $24.80/MWh in the prior year period primarily as a result of lower maintenance costs. As a result of the discontinuation of the Moa Swap in April, the joint venture prioritized and deferred certain planned maintenance activities to preserve liquidity and access to foreign currencies.

Spending on capital(1)

Spending on capital(1) was $0.1 million.

Dividends from Energas

In April 2026, foreign currency payments from the Moa JV to Energas facilitated by the Moa Swap ceased as a result of reduced operations at the Moa JV which reduced the Moa JV's cash available in major foreign currencies. Dividends from Energas to the Corporation in Canada ceased.

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

FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

Sherritt's condensed consolidated financial statements and MD&A for the three and six months ended June 30, 2026 are available at www.sherritt.com or on SEDAR+ at www.sedarplus.ca. and should be read in conjunction with this news release. Financial and operating data can also be viewed in the investor relations section of Sherritt's website.

NON-GAAP AND OTHER FINANCIAL MEASURES

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

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

The non-GAAP and other financial measures are reconciled to their most directly comparable IFRS measures in the Appendix below.

ABOUT SHERRITT

Sherritt is a world leader in using hydrometallurgical processes to mine and refine nickel and cobalt – metals deemed critical for the energy transition. 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 common shares are listed on the Toronto Stock Exchange under the symbol "S".

FORWARD-LOOKING STATEMENTS

This press release contains certain forward-looking statements. Forward-looking statements can generally be identified by the use of statements that include such words as “believe”, “expect”, “anticipate”, “intend”, “plan”, “forecast”, “likely”, “may”, “will”, “could”, “should”, “suspect”, “outlook”, “potential”, “projected”, “continue” or other similar words or phrases. Specifically, forward-looking statements in this document include, but are not limited to the reduction or cessation of mining operations at Moa; the timing and ability to secure necessary fuel and other input commodities and supplies in Cuba following the issuance of the Executive Order; the anticipated duration of the shut down at the Fort Saskatchewan refinery; the potential impact of fuel and other input commodity supply disruption on production levels; measures to preserve and maximize liquidity, including managing expenditures and exploring potential sources of temporary funding support; the timing of updated 2026 guidance and the resumption of full operations of the mine at Moa and refinery at Fort Saskatchewan; 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; sufficiency of working capital management and capital project funding; strengthening the Corporation’s capital structure; amounts of certain other commitments; the auditor request for proposal process; the appointment of a new external auditor; statements regarding the Gillon Private Placement, including the completion and timing thereof, the terms on which it may be completed and the receipt of all required approvals; the ability of the parties to complete their respective due diligence reviews and negotiate a definitive agreement during the period of exclusivity; the ability of the parties to resolve the legal, regulatory and commercial complexities identified through due diligence; the ongoing engagement with relevant governmental and regulatory authorities and other stakeholders in furtherance of the regulatory approvals and other matters required to complete the Gillon Private Placement.

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, including impacts of the Executive Order; 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 press release not to place undue reliance on any forward-looking statement as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements. These risks, uncertainties and other factors include, but are not limited to, risks related to Sherritt’s operations in Cuba; risks related to the U.S. government policy toward Cuba, including the Executive Order, U.S. embargo on Cuba and the Helms-Burton legislation, including litigation under Title III thereof; 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 the Corporation's other documents filed with the Canadian securities authorities, including without limitation the "Managing Risk" section of the Management's Discussion and Analysis for the three months and year ended December 31, 2025 and the Annual Information Form of the Corporation dated March 23, 2026 for the period ending December 31, 2025, which is available on SEDAR+ at www.sedarplus.ca.

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

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APPENDIX – NON-GAAP AND OTHER FINANCIAL MEASURES

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

The non-GAAP and other financial measures are reconciled in the sections below to the most directly comparable IFRS Accounting Standards in the sections below.

Combined revenue

The Corporation uses combined revenue as a measure to help management assess the Corporation's financial performance across its core operations. Combined revenue includes the Corporation's consolidated revenue, less Oil and Gas revenue, and includes the revenue of the Moa JV within the Metals reportable segment on a 50% basis. Revenue of the Moa JV is included in share of earnings/loss of Moa Joint Venture, net of tax, as a result of the equity method of accounting and excluded from the Corporation's consolidated revenue.

Revenue at Oil and Gas is excluded from Combined revenue as the segment is not currently exploring for or producing oil and gas and its revenue relate to ancillary drilling services, provided to a customer and agencies of the Government of Cuba, which is not reflective of the Corporation's core operating activities or revenue generation potential.

Management uses this measure to reflect the Corporation's economic interest in its operations prior to the application of equity accounting to help allocate financial resources and provide investors with information that it believes is useful in understanding the scope of Sherritt's business, based on its economic interest, irrespective of the accounting treatment.

The table below reconciles combined revenue to revenue per the financial statements:

	For the three months ended			For the six months ended		
	2026	2025		**2026**	2025	
$ millions	**June 30**	June 30	Change	**June 30**	June 30	Change
Revenue by reportable segment						
Metals[1]	**$ 117.5**	$ 124.7	(6%)	**$ 211.3**	$ 238.4	(11%)
Power	**14.5**	10.6	37%	**27.1**	22.0	23%
Corporate and Other	**0.1**	0.3	(67%)	**0.3**	0.9	(67%)
Combined revenue	**$ 132.1**	$ 135.6	(3%)	**$ 238.7**	$ 261.3	(9%)
Adjustment for Moa Joint Venture	**(73.0)**	(93.5)		**(145.9)**	(183.1)	
Adjustment for Oil and Gas	**0.2**	1.6	(88%)	**0.5**	3.9	(87%)
Financial statement revenue	**$ 59.3**	$ 43.7	36%	**$ 93.3**	$ 82.1	14%

(1) Revenue of Metals for the three months ended June 30, 2026 is composed of revenue recognized by the Moa JV of $73.0 million (50% basis), which is equity-accounted and included in share of loss of Moa JV, net of tax, coupled with revenue recognized by Fort Site of $43.8 million and Metals Marketing of $0.7 million, both of which are included in consolidated revenue (for the three months ended June 30, 2025 - $93.5 million, $30.2 million and $1.0 million, respectively). Revenue of Metals for the six months ended June 30, 2026 is composed of revenue recognized by the Moa JV of $145.9 million (50% basis), coupled with revenue recognized by Fort Site of $63.9 million and Metals Marketing of $1.5 million (for the six months ended June 30, 2025 - $183.1 million, $48.7 million and $6.6 million, respectively).

Adjusted EBITDA

The Corporation defines Adjusted EBITDA as earnings/loss from operations and joint venture, which excludes net finance expense, income tax expense and loss from discontinued operations, net of tax, as reported in the financial statements for the period, adjusted for: depletion, depreciation and amortization; impairment losses and reversals on non-current non-financial assets and investments; and gains or losses on disposal of property, plant and equipment of the Corporation and the Moa JV. The exclusion of impairment losses and reversals eliminates the non-cash impact of the losses and reversals.

Earnings/loss from operations at Oil and Gas (net of depletion, depreciation and amortization and impairment, if applicable) is deducted from/added back to Adjusted EBITDA as the segment is not currently exploring for or producing oil and gas and its financial results relate to ancillary drilling services, provided to a customer and agencies of the Government of Cuba, and environmental rehabilitation costs for legacy assets, which are not reflective of the Corporation's core operating activities or cash generation potential.

Management uses Adjusted EBITDA internally to evaluate the cash generation potential of Sherritt's operating divisions on a combined and segment basis as an indicator of ability to fund working capital needs, meet covenant obligations, service debt and fund capital expenditures, as well as provide a level of comparability to similar entities. Management believes that Adjusted EBITDA provides useful information to investors in evaluating the Corporation's operating results in the same manner as management and the Board of Directors.

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

$ millions, for the three months ended June 30						2026
	Metals[(1)]	Power	Oil and Gas	Corporate and Other	Adjustment for Moa Joint Venture	Total
(Loss) earnings from operations and joint venture per financial statements	$ (14.9)	$ 9.8	$ (38.6)	$ (12.8)	$ 3.8	$ (52.7)
Add (deduct):						
Depletion, depreciation and amortization	3.0	0.6	0.1	0.1	-	3.8
Oil and Gas earnings from operations, net of depletion, depreciation and amortization	-	-	38.5	-	-	38.5
Adjustments for share of loss of Moa Joint Venture:						
Depletion, depreciation and amortization	12.2	-	-	-	-	12.2
Net finance income, net of elimination	-	-	-	-	(0.3)	(0.3)
Income tax recovery	-	-	-	-	(3.5)	(3.5)
Adjusted EBITDA	$ 0.3	$ 10.4	$ -	$ (12.7)	$ -	$ (2.0)

$ millions, for the three months ended June 30												2025
		Metals(1)		Power		Oil and Gas		Corporate and Other		Adjustment for Moa Joint Venture		Total
(Loss) earnings from operations and joint venture per financial statements	$	(7.4)	$	4.3	$	(0.2)	$	(10.3)	$	(5.7)	$	(19.3)
Add (deduct):												
Depletion, depreciation and amortization		2.7		0.7		-		0.1		-		3.5
Oil and Gas earnings from operations, net of depletion, depreciation and amortization		-		-		0.2		-		-		0.2
Adjustments for share of loss of Moa Joint Venture:												
Depletion, depreciation and amortization		12.5		-		-		-		-		12.5
Net finance expense, net of elimination		-		-		-		-		4.6		4.6
Income tax expense		-		-		-		-		1.1		1.1
Adjusted EBITDA	$	7.8	$	5.0	$	-	$	(10.2)	$	-	$	2.6

$ millions, for the six months ended June 30												**2026**
		Metals(2)		Power		Oil and Gas		Corporate and Other		Adjustment for Moa Joint Venture		Total
(Loss) earnings from operations and joint venture per financial statements	**$**	**(24.1)**	**$**	**17.2**	**$**	**(45.5)**	**$**	**(19.0)**	**$**	**6.6**	**$**	**(64.8)**
Add (deduct):												
Depletion, depreciation and amortization		**5.3**		**1.2**		**0.1**		**0.2**		**-**		**6.8**
Oil and Gas loss from operations, net of depletion, depreciation and amortization		**-**		**-**		**45.4**		**-**		**-**		**45.4**
Adjustments for share of loss of Moa Joint Venture:												
Depletion, depreciation and amortization		**24.8**		**-**		**-**		**-**		**-**		**24.8**
Net finance income, net of elimination		**-**		**-**		**-**		**-**		**(0.7)**		**(0.7)**
Income tax recovery		**-**		**-**		**-**		**-**		**(5.9)**		**(5.9)**
Adjusted EBITDA	**$**	**6.0**	**$**	**18.4**	**$**	**-**	**$**	**(18.8)**	**$**	**-**	**$**	**5.6**

$ millions, for the six months ended June 30												2025
		Metals(2)		Power		Oil and Gas		Corporate and Other		Adjustment for Moa Joint Venture		Total
(Loss) earnings from operations and joint venture per financial statements	$	(16.0)	$	7.0	$	(18.9)	$	(15.1)	$	(8.1)	$	(51.1)
Add (deduct):												
Depletion, depreciation and amortization		5.0		1.4		-		0.4		-		6.8
Oil and Gas loss from operations, net of depletion, depreciation and amortization		-		-		18.9		-		-		18.9
Adjustments for share of loss of Moa Joint Venture:												
Depletion, depreciation and amortization		24.3		-		-		-		-		24.3
Net finance expense, net of elimination		-		-		-		-		6.2		6.2
Income tax expense		-		-		-		-		1.9		1.9
Adjusted EBITDA	$	13.3	$	8.4	$	-	$	(14.7)	$	-	$	7.0

(1) Adjusted EBITDA of Metals for the three months ended June 30, 2026 is composed of Adjusted EBITDA at Moa JV of $(9.0) million (50% basis), Adjusted EBITDA at Fort Site of $10.0 million and Adjusted EBITDA at Metals Marketing of $(0.7) million (for the three months ended June 30, 2025 - $(0.3) million, $9.3 million and $(1.2) million, respectively).

(2) Adjusted EBITDA of Metals for the six months ended June 30, 2026 is composed of Adjusted EBITDA at Moa JV of $(5.5) million (50% basis), Adjusted EBITDA at Fort Site of $13.1 million and Adjusted EBITDA at Metals Marketing of $(1.6) million (for the six months ended June 30, 2025 - $2.3 million, $13.3 million and $(2.3) million, respectively).

Average-realized price

Average-realized price is generally calculated by dividing revenue by sales volume for the given product in a given segment. The average-realized price for power excludes frequency control, by-product and other revenue, as this revenue is not earned directly for power generation. Refer to the Power Review of operations section for further details on frequency control revenue, which Energas receives in compensation for lost sales of electricity as a result of frequency control.

Management uses this measure, and believes investors use this measure, to compare the relationship between the revenue per unit and direct costs on a per unit basis in each reporting period for nickel, cobalt, fertilizer and power and provide comparability with other similar external operations.

Average-realized price for fertilizer is the weighted-average realized price of ammonia and various ammonium sulphate products.

Average-realized price for nickel and cobalt are expressed in Canadian dollars per pound sold, while fertilizer is expressed in Canadian dollars per tonne sold and electricity is expressed in Canadian dollars per megawatt hour sold.

The tables below reconcile revenue per the financial statements to average-realized price:

$ millions, except average-realized price and sales volume, for the three months ended June 30							**2026**
	Metals						
	Nickel	Cobalt	Fertilizer	Power	Other(1)	Adjustment for Moa Joint Venture	Total
Revenue per financial statements	**$ 42.8**	**$ 12.8**	**$ 36.8**	**$ 14.5**	**$ 25.4**	**$ (73.0)**	**$ 59.3**
Adjustments to revenue:							
Frequency control, by-product and other revenue	**-**	**-**	**-**	**(3.7)**			
Revenue for purposes of average-realized price calculation	**42.8**	**12.8**	**36.8**	**10.8**			
Sales volume for the period	**3.8**	**0.4**	**52.3**	**207**			
Volume units	Millions of pounds	Millions of pounds	Thousands of tonnes	Gigawatt hours			
Average-realized price(2)(3)(4)	**$ 11.27**	**$ 34.51**	**$ 701.78**	**$ 52.58**			

$ millions, except average-realized price and sales volume, for the three months ended June 30							2025
	Metals						
	Nickel	Cobalt	Fertilizer	Power	Other(1)	Adjustment for Moa Joint Venture	Total
Revenue per financial statements	$ 68.6	$ 15.2	$ 30.0	$ 10.6	$ 12.8	$ (93.5)	$ 43.7
Adjustments to revenue:							
Frequency control, by-product and other revenue	-	-	-	(1.4)			
Revenue for purposes of average-realized price calculation	68.6	15.2	30.0	9.2			
Sales volume for the period	7.2	0.8	44.6	176			
Volume units	Millions of pounds	Millions of pounds	Thousands of tonnes	Gigawatt hours			
Average-realized price(2)(3)(4)	$ 9.57	$ 18.19	$ 674.44	$ 52.56			

$ millions, except average-realized price and sales volume, for the six months ended June 30							**2026**
	Metals						
	Nickel	Cobalt	Fertilizer	Power	Other(1)	Adjustment for Moa Joint Venture	Total
Revenue per financial statements	**$ 95.6**	**$ 27.4**	**$ 50.3**	**$ 27.1**	**$ 38.8**	**$ (145.9)**	**$ 93.3**
Adjustments to revenue:							
Frequency control, by-product and other revenue	**-**	**-**	**-**	**(5.3)**			
Revenue for purposes of average-realized price calculation	**95.6**	**27.4**	**50.3**	**21.8**			
Sales volume for the period	**8.7**	**0.8**	**79.7**	**416**			
Volume units	Millions of pounds	Millions of pounds	Thousands of tonnes	Gigawatt hours			
Average-realized price(2)(3)(4)	**$ 10.93**	**$ 33.54**	**$ 630.62**	**$ 52.35**			

$ millions, except average-realized price and sales volume, for the six months ended June 30							2025
	Metals						
	Nickel	Cobalt	Fertilizer	Power	Other(1)	Adjustment for Moa Joint Venture	Total
Revenue per financial statements	$ 144.3	$ 28.6	$ 45.9	$ 22.0	$ 24.4	$ (183.1)	$ 82.1
Adjustments to revenue:							
Frequency control, by-product and other revenue	-	-	-	(3.5)			
Revenue for purposes of average-realized price calculation	144.3	28.6	45.9	18.5			
Sales volume for the period	14.8	2.0	77.7	346			
Volume units	Millions of pounds	Millions of pounds	Thousands of tonnes	Gigawatt hours			
Average-realized price(2)(3)(4)	$ 9.78	$ 15.51	$ 591.10	$ 53.53			

(1) Other revenue includes other revenue from the Metals reportable segment, revenue from the Oil and Gas reportable segment, a non-core reportable segment, and revenue from the Corporate and Other reportable segment.
(2) Average-realized price may not calculate exactly based on amounts presented due to foreign exchange and rounding.
(3) Power, average-realized price per MWh.
(4) Fertilizer, average-realized price per tonne.

Unit operating cost/Net direct cash cost

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

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

The tables below reconcile cost of sales per the financial statements to unit operating cost/NDCC:

$ millions, except unit cost and sales volume, for the three months ended June 30					2026
	Metals	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Cost of sales per financial statements	$ 130.8	$ 3.2	$ 39.1	$ (93.5)	$ 79.6
Less:					
Depletion, depreciation and amortization in cost of sales	(15.2)	(0.6)			
	115.6	2.6			
Adjustments to cost of sales:					
Cobalt by-product revenue - Moa JV and Cobalt Swap	(12.8)	-			
Fertilizer by-product revenue	(36.8)	-			
Other revenue	(25.1)	-			
Royalties/territorial contributions and other non-cash costs[2]	(3.3)	-			
Changes in inventories and other adjustments[3]	0.9	-			
Cost of sales for purposes of unit cost calculation	38.5	2.6			
Sales volume for the period	3.8	207			
Volume units	Millions of pounds	Gigawatt hours			
Unit operating cost[4][5]	$ 10.15	$ 13.36			
Unit operating cost (US$ per pound) (NDCC)[6]	$ 7.31				

$ millions, except unit cost and sales volume, for the three months ended June 30					2025
	Metals	Power	Other(1)	Adjustment for Moa Joint Venture	Total
Cost of sales per financial statements	$ 130.1	$ 5.0	$ 2.4	$ (105.1)	$ 32.4
Less:					
Depletion, depreciation and amortization in cost of sales	(15.2)	(0.6)			
	114.9	4.4			
Adjustments to cost of sales:					
Cobalt by-product revenue - Moa JV and Cobalt Swap	(15.2)	-			
Fertilizer by-product revenue	(30.0)	-			
Other revenue	(10.9)	-			
Realized gain on natural gas swaps	(0.3)	-			
Royalties/territorial contributions and other non-cash costs(2)	(5.1)	-			
Changes in inventories and other adjustments(3)	(0.7)	-			
Cost of sales for purposes of unit cost calculation	52.7	4.4			
Sales volume for the period	7.2	176			
Volume units	Millions of pounds	Gigawatt hours			
Unit operating cost(4)(5)	$ 7.34	$ 24.80			
Unit operating cost (US$ per pound) (NDCC)(6)	$ 5.27				

$ millions, except unit cost and sales volume, for the six months ended June 30					2026
	Metals	Power	Other(1)	Adjustment for Moa Joint Venture	Total
Cost of sales per financial statements	**$ 232.5**	**$ 7.2**	**$ 46.0**	**$ (174.1)**	**$ 111.6**
Less:					
Depletion, depreciation and amortization in cost of sales	**(30.1)**	**(1.0)**			
	202.4	**6.2**			
Adjustments to cost of sales:					
Cobalt by-product revenue - Moa JV and Cobalt Swap	**(27.4)**	**-**			
Fertilizer by-product revenue	**(50.3)**	**-**			
Other revenue	**(38.0)**	**-**			
Realized loss on natural gas swaps	**0.6**	**-**			
Royalties/territorial contributions and other non-cash costs(2)	**(7.3)**	**-**			
Changes in inventories and other adjustments(3)	**5.5**	**-**			
Cost of sales for purposes of unit cost calculation	**85.5**	**6.2**			
Sales volume for the period	**8.7**	**416**			
Volume units	Millions of pounds	Gigawatt hours			
Unit operating cost(4)(5)	**$ 9.78**	**$ 15.09**			
Unit operating cost (US$ per pound) (NDCC)(6)	**$ 7.13**				

$ millions, except unit cost and sales volume, for the six months ended June 30					2025
	Metals	Power	Other[1]	Adjustment for Moa Joint Venture	Total
Cost of sales per financial statements	$ 249.2	$ 11.9	$ 23.9	$ (201.9)	$ 83.1
Less:					
Depletion, depreciation and amortization in cost of sales	(29.3)	(1.2)			
	219.9	10.7			
Adjustments to cost of sales:					
Cobalt by-product revenue - Moa JV and Cobalt Swap	(28.6)	-			
Fertilizer by-product revenue	(45.9)	-			
Other revenue	(19.6)	-			
Cobalt loss	0.3	-			
Realized gain on natural gas swaps	(0.4)	-			
Royalties/territorial contributions and other non-cash costs[2]	(9.2)	-			
Changes in inventories and other adjustments[3]	1.2	-			
Cost of sales for purposes of unit cost calculation	117.7	10.7			
Sales volume for the period	14.8	346			
Volume units	Millions of pounds	Gigawatt hours			
Unit operating cost[4][5]	$ 7.97	$ 31.03			
Unit operating cost (US$ per pound) (NDCC)[6]	$ 5.64				

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

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

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

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

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

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

Adjusted net earnings/loss from continuing operations and adjusted net earnings/loss from continuing operations per share

The Corporation defines adjusted net earnings/loss from continuing operations as net earnings/loss from continuing operations adjusted for items not reflective of the Corporation's current or future operational performance and after the impact of income taxes. These adjusting items include, but are not limited to, inventory write-downs/obsolescence, impairment of assets, gains and losses on the acquisition or disposal of assets, unrealized foreign exchange gains and losses, gains and losses on financial assets and liabilities and other one-time adjustments that have not occurred in the past two years and are not expected to recur in the next two years. While some adjustments are recurring (such as unrealized foreign exchange (gain) loss), management believes that they do not reflect the Corporation's current or future operational performance.

Net earnings/loss from continuing operations at Oil and Gas is deducted from/added back to adjusted earnings/loss from continuing operations as the segment is not currently exploring for or producing oil and gas and its financial results relate to ancillary drilling services, provided to a customer and agencies of the Government of Cuba, and environmental rehabilitation costs for legacy assets, which are not reflective of the Corporation's core operating activities or future operational performance.

Adjusted net earnings/loss from continuing operations per share is defined consistent with the definition above and divided by the Corporation's weighted-average number of common shares outstanding.

Management uses these measures internally and believes that they provide investors with performance measures with which to assess the Corporation's current or future operational performance by adjusting for items or transactions that are not reflective of its current or future operational performance.

The tables below reconcile net earnings/loss from continuing operations and net earnings/loss from continuing operations per share, both per the financial statements, to adjusted net loss from continuing operations and adjusted net loss from continuing operations per share, respectively:

For the three months ended June 30		**2026** $ millions	**2026** $/share	2025 $ millions	2025 $/share
Net (loss) earnings from continuing operations	$	**(71.1)**	$ **(0.10)**	$ 10.4	$ 0.02
Adjusting items:					
Sherritt - Unrealized foreign exchange loss (gain) - continuing operations		**0.5**	**-**	(1.0)	-
Corporate and Other - Gain on Debt and Equity transactions, net of transaction costs		**-**	**-**	(32.4)	(0.07)
Reclassification of transaction costs on Debt and Equity Transactions to Gain on Debt and Equity Transactions, net of transaction costs				(4.9)	(0.01)
Corporate and Other - Realized loss on nickel put options		**1.2**	**-**	-	-
Corporate and Other - Unrealized gain on nickel put options		**(0.1)**	**-**	-	-
Metals - Moa JV - Inventory write-down/obsolescence		**0.3**	**-**	0.3	-
Metals - Fort Site - Unrealized loss on natural gas swaps		**-**	**-**	5.3	0.01
Metals - Fort Site - Realized gain on natural gas swaps		**-**	**-**	(0.3)	-
Power - Loss (gain) on revaluation of GNC receivable		**9.6**	**0.01**	(5.6)	(0.01)
Power - (Gain) loss on revaluation of Energas payable		**(3.1)**	**-**	2.1	-
Oil and Gas - Net loss from continuing operations, net of unrealized foreign exchange gain/loss		**38.7**	**0.05**	0.7	-
Total adjustments, before tax	**$**	**47.1**	$ **0.06**	$ (35.8)	$ (0.08)
Tax adjustments		**(0.8)**	**-**	(0.2)	-
Adjusted net loss from continuing operations	**$**	**(24.8)**	$ **(0.04)**	$ (25.6)	$ (0.06)

For the six months ended June 30		**2026** $ millions	**2026** $/share	2025 $ millions	2025 $/share
Net loss from continuing operations	$	**(80.3)**	$ **(0.14)**	$ (30.2)	$ (0.07)
Adjusting items:					
Sherritt - Unrealized foreign exchange loss (gain) - continuing operations		**1.1**	**-**	(0.9)	-
Corporate and Other - Gain on Debt and Equity Transactions, net of transaction costs		**-**	**-**	(32.4)	(0.07)
Corporate and Other - Realized loss on nickel put options		**1.4**	**-**	-	-
Corporate and Other - Unrealized loss on nickel put options		**0.5**	**-**	-	-
Metals - Moa JV - Inventory write-down/obsolescence		**0.4**	**-**	0.5	-
Metals - Moa JV - Cobalt loss		**-**	**-**	0.3	-
Metals - Fort Site - Unrealized loss on natural gas swaps		**0.6**	**-**	1.8	-
Metals - Fort Site - Realized gain on natural gas swaps		**(0.6)**	**-**	(0.4)	-
Power - Gain on revaluation of GNC receivable		**(9.9)**	**(0.01)**	(8.2)	(0.02)
Power - Loss on revaluation of Energas payable		**4.1**	**0.01**	2.8	0.01
Oil and Gas - Net loss from continuing operations, net of unrealized foreign exchange gain/loss		**45.8**	**0.08**	19.4	0.04
Total adjustments, before tax	**$**	**43.4**	$ **0.08**	$ (17.1)	$ (0.04)
Tax adjustments		**0.2**	**-**	(0.5)	-
Adjusted net loss from continuing operations	**$**	**(36.7)**	$ **(0.06)**	$ (47.8)	$ (0.11)

Spending on capital

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

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

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

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

$ millions, for the three months ended June 30						**2026**
	Metals	Power	Other[1]	Combined total	Adjustment for Moa Joint Venture	Total derived from financial statements
Property, plant and equipment expenditures[2]	**$ 1.8**	**$ 0.1**	**$ -**	**$ 1.9**	**$ (1.8)**	**$ 0.1**
	1.8	**0.1**	**-**	**1.9**	**$ (1.8)**	**$ 0.1**
Adjustments:						
Accrual adjustment	**-**	**-**	**-**	**-**		
Spending on capital	**$ 1.8**	**$ 0.1**	**$ -**	**$ 1.9**		

$ millions, for the three months ended June 30						2025
	Metals	Power	Other[1]	Combined total	Adjustment for Moa Joint Venture	Total derived from financial statements
Property, plant and equipment expenditures[2]	$ 13.6	$ 0.8	$ -	$ 14.4	$ (10.0)	$ 4.4
	13.6	0.8	-	14.4	$ (10.0)	$ 4.4
Adjustments:						
Accrual adjustment	1.3	-	-	1.3		
Spending on capital	$ 14.9	$ 0.8	$ -	$ 15.7		

$ millions, for the six months ended June 30						**2026**
	Metals	Power	Other[1]	Combined total	Adjustment for Moa Joint Venture	Total derived from financial statements
Property, plant and equipment expenditures[2]	**$ 7.2**	**$ 0.3**	**$ -**	**$ 7.5**	**$ (7.2)**	**$ 0.3**
	7.2	**0.3**	**-**	**7.5**	**$ (7.2)**	**$ 0.3**
Adjustments:						
Accrual adjustment	**-**	**-**	**-**	**-**		
Spending on capital	**$ 7.2**	**$ 0.3**	**$ -**	**$ 7.5**		

$ millions, for the six months ended June 30						2025
	Metals	Power	Other(1)	Combined total	Adjustment for Moa Joint Venture	Total derived from financial statements
Property, plant and equipment expenditures(2)	$ 24.1	$ 0.9	$ 0.1	$ 25.1	$ (17.6)	$ 7.5
	24.1	0.9	0.1	25.1	$ (17.6)	$ 7.5
Adjustments:						
Accrual adjustment	6.1	-	-	6.1		
Spending on capital	$ 30.2	$ 0.9	$ 0.1	$ 31.2		

(1) Includes property, plant and equipment expenditures of the Oil and Gas reportable segment, which is non-core, and the Corporate and Other reportable segment.
(2) Total property, plant and equipment expenditures as presented in the Corporation’s consolidated statements of cash flow.

Combined cash provided (used) by continuing operations for operating activities and combined free cash flow

The Corporation defines cash provided/used by continuing operations for operating activities by segment as cash provided/used by continuing operations for operating activities for each segment calculated in accordance with IFRS Accounting Standards and adjusted to remove the impact of cash provided/used by wholly-owned subsidiaries. Combined cash provided/used by continuing operations for operating activities is the aggregate of each segment’s cash provided/used by continuing operations for operating activities including the Corporation’s 50% share of the Moa JV’s cash provided/used by continuing operations for operating activities, which is accounted for using the equity method of accounting and excluded from consolidated cash provided/used by continuing operations for operating activities.

The Corporation defines free cash flow for each segment as cash provided/used by continuing operations for operating activities by segment, less cash expenditures on property, plant and equipment and intangible assets, including exploration and evaluation assets. Combined free cash flow is the aggregate of each segment’s free cash flow or the Corporation’s consolidated cash provided/used by continuing operations for operating activities, less consolidated cash expenditures on property, plant and equipment and intangible assets, including exploration and evaluation assets, less distributions received from Moa JV, plus cash provided/used by continuing operations for operating activities for the Corporation’s 50% share of the Moa JV, less cash expenditures on property, plant and equipment and intangible assets for the Corporation’s 50% share of the Moa JV.

The Corporate and Other segment’s cash used by continuing operations for operating activities is adjusted to exclude distributions received from Moa JV. Distributions from the Moa JV excluded from Corporate and Other are included in the Adjustment for Moa Joint Venture to arrive at total cash provided/used by continuing operations for operating activities per the financial statements.

The Metals segment’s free cash flow includes the Fort Site and Metals Marketing’s free cash flow, plus the Corporation’s 50% share of the Moa JV’s free cash flow, which is accounted for using the equity method for accounting purposes.

Combined cash provided/used by continuing operations for operating activities and combined free cash flow are used by management, and management believes this information is used by investors, to analyze cash flows generated from operations and assess its operations’ ability to provide cash or its use of cash, and in the case of combined free cash flow, after funding cash capital requirements, to service current and future working capital needs and service debt.

The tables below reconcile combined cash provided by continuing operations for operating activities to cash used by continuing operations per the financial statements to combined free cash flow:

$ millions, for the three months ended June 30	Metals(1)(2)	Power	Oil and Gas	Corporate and Other	**Combined total**	Adjustment for Moa Joint Venture	**Total derived from financial statements**
2026							
Cash provided (used) by continuing operations for operating activities	**$ (26.2)**	**$ 22.8**	**$ (1.9)**	**$ 42.2**	**$ 36.9**	**$ 2.0**	**$ 38.9**
Less:							
Property, plant and equipment expenditures	**(1.8)**	**(0.1)**	**-**	**-**	**(1.9)**	**1.8**	**(0.1)**
Free cash flow	**$ (28.0)**	**$ 22.7**	**$ (1.9)**	**$ 42.2**	**$ 35.0**	**$ 3.8**	**$ 38.8**

$ millions, for the three months ended June 30	Metals(1)(2)	Power	Oil and Gas	Corporate and Other	**Combined total**	Adjustment for Moa Joint Venture	**Total derived from financial statements**
2025							
Cash provided (used) by continuing operations for operating activities	$ 20.0	$ 16.0	$ (1.1)	$ (17.7)	$ 17.2	$ (11.6)	$ 5.6
Less:							
Property, plant and equipment expenditures	(13.6)	(0.8)	-	-	(14.4)	10.0	(4.4)
Free cash flow	$ 6.4	$ 15.2	$ (1.1)	$ (17.7)	$ 2.8	$ (1.6)	$ 1.2

$ millions, for the six months ended June 30	Metals(3)(4)	Power	Oil and Gas	Corporate and Other	**Combined total**	Adjustment for Moa Joint Venture	**Total derived from financial statements**
2026							
Cash (used) provided by continuing operations for operating activities	**$ (27.9)**	**$ 35.7**	**$ (3.1)**	**$ 33.1**	**$ 37.8**	**$ (12.0)**	**$ 25.8**
Less:							
Property, plant and equipment expenditures	**(7.2)**	**(0.3)**	**-**	**-**	**(7.5)**	**7.2**	**(0.3)**
Free cash flow	**$ (35.1)**	**$ 35.4**	**$ (3.1)**	**$ 33.1**	**$ 30.3**	**$ (4.8)**	**$ 25.5**

$ millions, for the six months ended June 30	Metals(3)(4)	Power	Oil and Gas	Corporate and Other	**Combined total**	Adjustment for Moa Joint Venture	**Total derived from financial statements**
2025							
Cash provided (used) by continuing operations for operating activities	$ 41.9	$ 16.9	$ (11.4)	$ (26.1)	$ 21.3	$ (14.7)	$ 6.6
Less:							
Property, plant and equipment expenditures	(24.1)	(0.9)	(0.1)	-	(25.1)	17.6	(7.5)
Free cash flow	$ 17.8	$ 16.0	$ (11.5)	$ (26.1)	$ (3.8)	$ 2.9	$ (0.9)

(1) Cash (used) provided by continuing operations for operating activities for the Moa JV, Fort Site and Metals Marketing was $(1.9) million, $(31.9) million and $7.6 million, respectively, for the three months ended June 30, 2026 (June 30, 2025 - $11.6 million, $10.0 million and $(1.6) million, respectively).

(2) Property, plant and equipment expenditures and intangible expenditures for the Moa JV, Fort Site and Metals Marketing was $1.8 million, nil and nil, respectively, for the three months ended June 30, 2026 (June 30, 2025 - $10.0 million, $3.6 million and nil, respectively).

(3) Cash provided (used) by continuing operations for operating activities for the Moa JV, Fort Site and Metals Marketing was $12.0 million, $(48.0) million and $8.1 million, respectively, for the six months ended June 30, 2026 (June 30, 2025 - $14.7 million, $17.6 million and $9.6 million, respectively).

(4) Property, plant and equipment expenditures and intangible expenditures for the Moa JV, Fort Site and Metals Marketing was $7.2 million, nil and nil, respectively, for the six months ended June 30, 2026 (June 30, 2025 - $17.6 million, $6.5 million and nil, respectively).